

SE Features
HD **Chinese** giant in **hotel** play - EXCLUSIVE -
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CHINA'S state-owned Greenland Holdings **Group** is poised to become a big player in Australia's \$98 billion tourism sector with the launch of an opulent five-star **hotel** in Sydney adjoining a \$600 million **residential** tower fronting busy Pitt Street.

The move is a significant shift for **Chinese** players in Australia, who initially tended to **buy** luxury hotels and resorts run by leading Western brands, such as the **Park** Hyatt in Melbourne and the Sheraton in Port Douglas.

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They now plan to own and operate hotels and resorts directly, appealing to mainland **Chinese** tourists, with hopes of eventually winning over locals.

Greenland's planned 171-room **hotel**, at the old Sydney Water headquarters at 339 Pitt Street, will be called the Greenland Primus **Hotel** and is expected to open in July next year. It will sit next to Greenland's 66-storey luxury **apartment** tower, the tallest in Sydney.

The **company** is not shy in revealing its tourist credentials.

"Greenland certainly has an influence on **Chinese** tourism, more than anybody else, so it stands to service tourists from **China** to Sydney and Australia," Greenland Australia managing director Sherwood Luo said.

Greenland hopes to capitalise on its global **hotel** business, which includes more than 60 hotels in 35 **Chinese** cities. Its two brands are Primus for boutique hotels and The Qube for business hotels.

It last year launched a 177-room Qube **hotel** in Frankfurt with its Spanish partner, Melia Hotels International.

It also has hotels in New York and Los Angeles.

Greenland's Mr Luo is counting on the brand's established reputation in **China** to capture the growing numbers of **Chinese** tourists to Australia. He said Greenland would look to open more hotels in Australia. "It could take some time to establish a brand name in Australia. But by providing the good service and facilities, the **hotel** will promote itself," Mr Luo said.

"We will have the appropriate promoting through the tourism section, through different channels, and we believe this brand will be promoted in the next two years and our reputation will begin to grow."

Greenland is planning a mixed-use development next to Flemington racecourse in Melbourne, but this will not include a **hotel**. The Australian revealed last month that Greenland was bidding for the multi-billion-dollar Queen's Wharf urban regeneration precinct in the Brisbane CBD; the Queensland government requires the winning party to develop a six-star **hotel**. Mr Luo declined to comment on the bid.

Greenland also has hotels in **China** run by large operators, such as Marriott and InterContinental, but it had no plans to hire an outside hotelier in Australia, Mr Luo said. Australian-based architects Woods Bagot designed the **hotel**, which will retain many of the heritage aspects of the **site**.

Dransfield Hotels & Resorts managing director Dean Dransfield said it was common for a foreign **hotel** brand to operate its first Australian **hotel** itself rather than through a known operator. Adding a **hotel** to a mixed-use development was the best way for an offshore operator to be successful in Australia, he said.

“It’s a common approach for offshore parties seeking to establish a brand and also to retain some control as an operator,” Mr Dransfield said. “For anyone looking to get a foothold in Australian **hotel** operations, there is a need to acquire the first few hotels while you build some infrastructure and gain some market knowledge before you might look to manage other people’s hotels.”

Apart from Greenland, another large **Chinese**-backed **group**, White Horse Australia, is presently overhauling Lindeman **Island** Resort off the coast of Queensland.

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