Potential sites for Darwin luxury hotel investigated

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Work is underway to investigate potential sites for a luxury hotel in Darwin that would help attract more tourists and develop the city’s reputation as a unique business events destination.

Chief Minister Adam Giles said there was significant interest from both local and overseas investors to develop a high end hotel in Darwin and potential sites on both public and private land were being considered.

“A luxury hotel development would provide a massive boost to the Territory’s economy because of its potential to fill a gap in demand for high-end business and leisure accommodation,” he said.

“The Government will open an Expression of Interest (EOI) process next month to help facilitate the development of a luxury hotel and is talking to private landholders about potential sites.

“We are also conducting assessments to identify the suitability of locations on Crown land with a geotechnical assessment starting tomorrow on one of the potential sites – Jervois Park.

“Jervois Park near the Darwin Waterfront development has been identified as one of many potential sites because of its large size, waterfront position and proximity to the Darwin CBD. A geotechnical assessment will reveal if it is suitable as a hotel site.

“The EOI process will help narrow down potential sites and design concepts. Depending upon location, either a high end inner city concept or a high quality tropical style resort may be preferred.”

Mr Giles said visitor numbers to the Darwin region were growing rapidly, and more accommodation across the different star ratings was needed.

“A luxury hotel would help market Darwin as a travel destination through increasing the range of accommodation offerings,” he said.

“It would also provide an opportunity to attract visitors with high spending and investment potential who may seek to invest in the Northern Territory.

“The Territory’s economy is performing well with the lowest unemployment in the country and the highest labour force participation rate. A luxury hotel development would mean more economic activity and more jobs for Territorians.
“It’s all part of the Country Liberals Government’s plan to create jobs and opportunities, drive the development of North Australia and build a $2.2 billion visitor economy by 2020.”

Mr Giles said internationally recognised hotel chains such as the Shangri-La Hotel groups and Accor (Sofitel/Pullman) had shown interest in establishing a brand presence in Darwin, should they find the right commercial arrangement or development partnership.

“A luxury hotel would give us a significant edge in the lucrative business conference market – which currently injects around $89 million into the economy each year,” he said.

The EOI process is likely to comprise a two phase process involving an initial non-binding offer phase, followed by a short-listing process. Short listed bidders would then be invited to submit fully developed and costed final bids.

Assuming a suitable bid is received, it is anticipated that this process will conclude in 2016.

Northern Territory Government representatives will promote the luxury hotel opportunity at upcoming investment forums including the Hotel Investment Conference Asia Pacific in Hong Kong (14 – 16 October 2015) and the Northern Australia Investment Forum in Darwin (8 – 10 November 2015).

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