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# TA unveils Canadian hotel

TA Enterprise Bhd will officially open its Aava Whistler Hotel in Canada, after a C\$33mil refurbishment, making this its first hotel on Canadian soil. It has two hotels in Australia, which are also undergoing refurbishment this year at a total cost of about A\$4mil.

Its group managing director and chief executive officer Datin Alicia Tiah says the company will be on the lookout for other hotel acquisitions over the next two years with a preference for those in the central business districts (CBDs) in large cities, particularly in Hong Kong and Singapore.

Tiah says she ventured into the hotel business in 1997 by default. In retrospect, there are no regrets, she says.

The Radisson Plaza heritage building needed a bit of work but the effort is well worth it.

The global downturn has resulted in a 10% to 15% drop in room rates and occupancy for its Sydney hotel.

Despite that, the Radisson contributed about 15% to the group's revenue in financial year 2008 and 2009.

TA bought the Sydney hotel for A\$115.5mil. Radisson generated sales of RM73mil in 2007, RM82mil in 2008 and is expected to bring in RM77mil in the current financial year which ended on Jan 31.

"I learnt a lot of things from that first project – the operations and management of a hotel business, the long gestation period and the importance of recognising an opportunity when it comes," Tiah



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says. Although she likes hotels in CBDs, Tiah remains open to opportunities in different categories of the hospitality industry.

"We purchased the Coast Whistler because I know the place. I go there for my skiing holidays and I am familiar with the area and the hotel business there. Most of them have multiple owners who lease the units back to the operator.

"With Coast Whistler, it was different. It was a little boutique hotel with about 190 rooms and there were no multiple owners," she says.

Located at the base of world's



An artist's impression of Aava Whistler's lobby area. The hotel will be soft launched in October and officially opened in November in time for the February winter Olympics. The TA group bought the Canadian 194-room property in December 2008.

renowned Whistler and Blackcomb Mountains in British Columbia, the Coast Whistler is popular with winter sports enthusiasts. Since the purchase, she has renamed it Aava Whistler Hotel. It will be opened in time to tap the winter Olympics in February 2010, using the same strategy as its Radisson Plaza hotel in Sydney.

TA bought the Canadian hotel for C\$33mil at the height of the global downturn in December 2008.

TA will also be operating its sole food and beverage outlet, White Spot, a franchised chain fairly similar to TGIF.

"Upon acquisition, the hotel business needs two to three years to be profitable. But because there is always a demand for rooms during the Olympics – in Sydney in 2000 and in British Columbia in 2010 – we are able to tap into that market the first year charging premium rates. We will do well for

the first year because of these major events and we'll just let the second and third years look after themselves," says Tiah.

In April, the group concluded its Westin Melbourne deal at a cost of A\$160mil.

Tiah says the 262-room five-star luxury hotel is a jewel in terms of location. It is sited at the corner of Collin and Swanston streets. Its occupancy in March was 80% with room rates at about A\$300 a nite.