



Flight Centre keen to check into own hotels

EXCLUSIVE

By **LISA ALLEN**
SENIOR WRITER

12:00AM SEPTEMBER 27, 2018

3 COMMENTS



Kent Davidson in Sydney yesterday. Picture: John Feder

Flight Centre keen to check into own hotels

EXCLUSIVE

By **LISA ALLEN**, SENIOR WRITER

12:00AM SEPTEMBER 27, 2018 •  3 COMMENTS

Travel giant Flight Centre is expanding into hotel management, hotel leasing and ownership to help satisfy the 11 million hotel room nights it buys locally and internationally each year.

“We are putting some (hotel) product into the market where we can control the consumer’s experience,” says Flight Centre global hotel network general manager Kent Davidson.

The Gold Coast-based Mr Davidson said Flight Centre was already managing hotels and resorts in Southeast Asia and was looking to lease hotels on 10-year-plus terms in Sydney and Melbourne, adding that hotel ownership would also be considered by Flight Centre down the track.

The former high-ranking Peppers and Mantra executive said the first step was to manage - hotels, with Flight Centre recently buying small Bangkok-based hotel management company BHMA, which has 20 hotels under management in Thailand, Vietnam and the Indonesian island of Bali. The acquisition, concluded in August last year, has given the BHMA control over several brands including the 4-4.5-star Away Resorts & Villas.

Mr Davidson said the next step up from hotel management would be hotel leasing. He said he had looked at leasing hotels in Sydney for example because the city experienced heavy demand for rooms at certain times.

“We will lease anywhere where we have heavy demand,” he said.

“We are very interested in leasing hotels in certain locations like Bali, Fiji and the Maldives.”

Flight Centre had looked at opportunities in Sydney, where Mr Davidson said there was heavy enough demand for hotel rooms and constraints on amount of product available.

“The idea is if we can undertake a lease in this destination we can underpin that lease and mitigate the risk associated with the lease by having our own Flight Centre sales and distribution businesses selling into it,” he said.

Mr Davidson said Flight Centre's hotel business, like the rest of the travel agent's business operations, must stand on its own two feet: "We need owners to want us to manage their assets for them and we need that value proposition first and then we can put our travel business in behind it.

"Buying down the track is an aspiration, but obviously Flight Centre is a capital-light business. It has owned buildings in the past and divested. It's something we would like to do and it's a matter of providing an appropriate vehicle for that."

LISA ALLEN, SENIOR WRITER

Lisa Allen is a senior writer with The Australian on the business desk and editor Mansion Australia which is published in The Weekend Australian. She is an award-winning journalist who has covered NSW state pol... [Read more](#)

