

PROMISED LAND

The Japanese winter sports industry has struggled of late, but plans to turn the resort of Niseko into a world-class destination offer renewed optimism

Kenji Hall



Colin Hackworth carves his way through Niseko's plentiful powder

Back in 2003, one of Colin Hackworth's friends told him about a resort in Japan that had a reputation for incredible powder snow. Hackworth, who was running two of Australia's biggest ski resorts at the time, figured it wouldn't hurt to check it out. That February, he and some friends took a flight to the northernmost island of Hokkaido, to ski for 10 days on Mt Niseko-Annupuri.

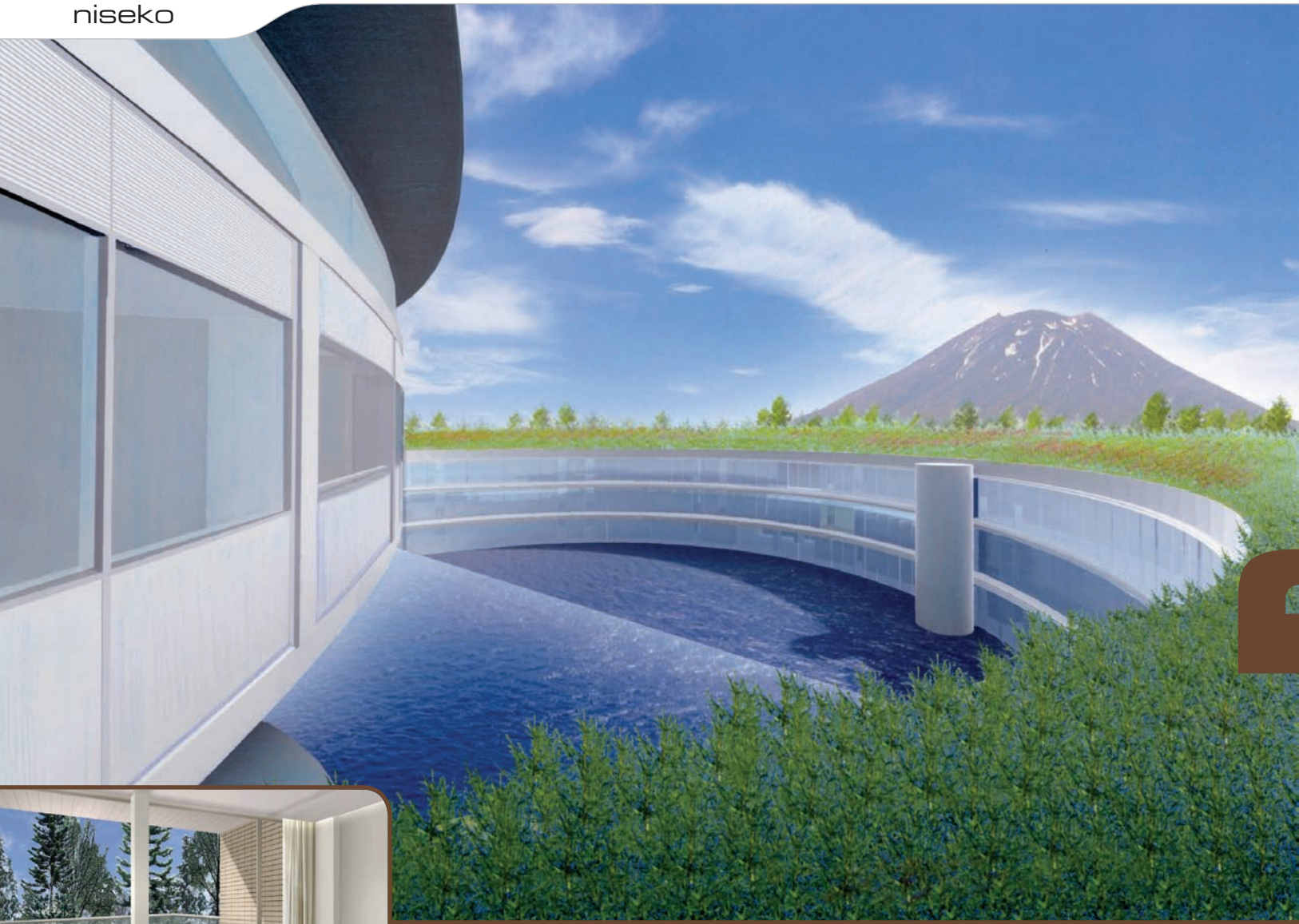
Hackworth, a former ski instructor, was amazed by what he found in Niseko: powder skiing rivalling the best resorts in the world. "I was like a kid in a candy store," says Hackworth, who bought Hanazono resort in 2004 and sold it three years later to Nihon Harmony Resorts, owned by Hong Kong mogul Richard Li's Pacific Century group. "I taught skiing in Europe for many years. I did a season in Aspen, Colorado, in the early to mid-

1990s. You don't get snow anywhere in the world like you do in Niseko."

Hackworth, who is now president of Nihon Harmony Resorts, thinks Niseko will become the Whistler of Asia. He is not alone. These days the Niseko area, a one-time farming community of 4,600 residents located in southwestern Hokkaido, is in the midst of a land grab. The dry, powder snow and spectacular views of Mt Yotei that have lured adventurous skiers and snowboarders for years have recently caught the eye of developers and investors in the Asian region. Over the past six years, investors and developers have spent around €700 million in the area, according to the Kutchan and Niseko-cho governments. Two of the four main ski resorts at Niseko are now run by non-Japanese investors.

Signs of recovery

The global financial crisis that hit in late 2008 slowed the frenzy somewhat. But there are signs of a bounce. In early March, Malaysian developer YTL Hotels paid Citigroup ¥6 billion (€48 million) for Hilton Niseko Village ski resort. In December, Frenchman Nicolas Gontard and Norwegian brothers Bjorn and Chris Fjelddahl opened Kimamaya, a boutique hotel designed by Atelier BNK, and a restaurant serving Japanese fusion cuisine in a barn-shaped glass building. Nearby, Nisade has built The Vale, which has 34 apartments and 15 hotel rooms and direct access to the slopes. This July, Capella Resorts, led by Ritz-Carlton founder, Horst Schulze, will break ground on a complex designed by 'starchitect' Tadao Ando, after a two-year delay. The complex, slated to be completed in 2012, will include 70 guest



Renderings showing the Capella Niseko Hotel complex being built by Capella Resorts, designed by 'starchitect' Tadao Ando, and featuring 70 guest suites and 140 apartments



suites and 140 apartments, townhouses and villas. “We’re seeing a rebound in the local market this year,” says Kensaku Kuno, a director at Tokyo Resort Service, which runs the Grand Hirafu ski resort.

What makes Niseko’s rebirth amazing is that Japan’s ski industry has been in sharp decline since the early 1990s. The market surged in the 1980s, but reversed course once the country’s asset bubble popped. Developers were left with debts from new lifts and hotels. Many middle-class Japanese who had taken up the sport for fun have since hung up their skis for good. Plenty of ski resorts have aging lifts that will soon need to be replaced. Some analysts think the reckoning isn’t over. “Japan’s ski market has already shrunk to a third of its size from its peak, but it could



The Vale, built by Nisade, offers 34 apartments and 15 hotel rooms, with residents and guests enjoying direct access to the slopes

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continue,” says Umihiko Sakakura, secretary-general of the Winter Leisure League, a Tokyo-based non-profit promotion and research group. “The only way for resorts to grow is to attract skiers from overseas.”

Niseko has an even better shot at that after Hokkaido’s New Chitose airport – about a two-hour drive away – built a €65 million international terminal. The new wing, opened on 26 March, will cater to the rising number of tourists from Hong Kong, Australia, Singapore, China and Korea. A proposed extension for the shinkansen bullet train could also shorten travel time between Tokyo and Sapporo, Hokkaido’s biggest city, to just four hours.

Locals were skiing Mt Niseko Annupuri (which means vertical cliff in the Ainu language of Hokkaido’s indigenous people) long before the first rope lift went up about a half century ago. But the place wasn’t

well-known outside of Japan. That changed just over a decade ago when itinerant Australians moved in and put down roots in Hirafu. Until then, the biggest influx in the area had been retired Japanese salarymen from Tokyo and other big cities, who were buying a second home.

Quality snow

Word spread quickly about the area’s fabled snow. It’s not hard to see why. Niseko gets between 10m and 17m of snowfall annually – on a par with the world’s top ski destinations. The heavy snowfall is thanks to the gusts from Siberia that bring moisture from the sea to Mt Yotei, a 1,898m-high peak, and Mt Niseko-Annupuri. Sub-zero temperatures during much of the winter season keep the snow from turning to ice.

Niseko’s four main resorts win high marks from skiers. Niseko Annupuri, Niseko Village, Grand Hirafu and Hanazono have a combined 38 lifts and gondolas and 57 groomed trails, not counting the off-piste runs through trees. A one-day pass for the entire mountain costs ¥5,500 (€44).

Nowadays, condominiums in Hirafu aren’t hard to find. But back in the mid-1990s, when Niseko Real Estate’s Ben Kerr arrived from Australia, there weren’t any – for good reason. Most Japanese drove in for the day from Sapporo or stayed for just a couple of nights at a hotel or minshuku, cheap pensions with tatami-mat floors.

But many overseas visitors wanted to stay for longer than a week. So Kerr worked with developer Hokkaido Tracks on building some of the first Western-style condos in the area. Others followed suit.

In 2008, 190 new condo units were completed in Kutchan (which includes Hirafu village) in 2008, nearly triple the number from the previous year, according to Kutchan government data.

But Niseko’s shortage of posh stores and spas can still make it seem like a backwater. The village’s de facto centre is a Seico convenience store. The nearest supermarkets are in Kutchan, a 10-minute drive away. “What we’re finding now is that many visitors from Asia are looking for the ski experience, but also looking to do some shopping or get a massage,” says Kerr. “It’s safe to say that it will take another three to five years of work on the infrastructure for that to happen.”

The rush to build has exposed some problems – for instance, the lack of rules about how tall buildings could be or where proprietors could put signs. In 2008, Kerr asked Tokyo-based architect Riccardo Tossani to help the Niseko Promotion Board, a business group, draw up guidelines.

The work was supposed to focus on rules for signs. Tossani proposed doing more: a €6.5 million makeover for the main drag – Hirafu Zaka – running from the Grand Hirafu resort to the centre of town. The street, says Tossani, “is a disaster”. Currently, signs and overhead power lines obstruct the view of Mt Niseko-Annupuri. There are no sidewalks and few trees or plants. Snowbanks block bus stops. Cars and pedestrians vie for space on the two-lane road.

Tossani’s plan offers a solution. He has proposed burying power and phones lines, putting up bus shelters and street lamps, and installing underground road heating. He also wants to plant birch trees in front

Hirafu transformed

The proposed €6.5 million improvements for the main street in Hirafu (pictured below) show how a little spending can go a long way. In less than a decade, Hirafu has gone from a village of mid-range hotels and budget pensions, to one of upscale boutique hotels and multimillion-dollar homes and condominiums.

Australian architect Riccardo Tossani's Hirafu Zaka master plan would create a template for other public areas in Niseko. That's one thing the area has lacked since developers started investing big sums in the village at the foot of Mt Niseko-Annupuri a few years ago.

The challenge for Tossani's Tokyo-based firm, Riccardo Tossani Architecture, was to design a street that would act as a hub for the village. Because Niseko has no defining architectural style, Tossani had a freer hand in creating a new look. But to win over government officials, the changes had to be affordable. He also had to make sure that they would be attractive to visitors all year round. "Hirafu's architecture is idiosyncratic," he says. "That's something that needs to be celebrated. But we'll bring uniformity to public spaces."

Tossani started the project by looking at world-class ski resorts: Whistler in Canada, Aspen in the US, Zermatt in Switzerland and Chamonix Mont Blanc in France. He also studied Third Street Promenade, a commercial strip in Santa Monica, California that got a face-lift in the 1980s and 90s, and has since become a magnet for tourists. They share some traits: public benches, plazas and unique street lamps. The ski towns have buildings with flat roofs to prevent melting snow from sliding down. Flowers on balconies and trees along the street helped to connect the town to its natural backdrop.

Tossani borrowed many of those ideas. The plans call for burying power and telephone underground, installing road heating, building bus shelters, and putting up street lamps. A stand of birch trees would line the street on both sides. The street would end at a roundabout, where people skiing off the mountain would have their own lane to reach the upper village.

The plan also calls for the road to be repaved so it's a zigzag rather than a straight line to the mountain. "It would emphasise the trees and give the illusion that the street is shorter," says Atsuko Itoda, an interior architect, who is Tossani's business partner. The firm is already talking to business owners on other streets.

Tossani has spent "thousands of hours" creating the plan and talking to locals about it. Most of the work has been pro bono. "It's not over yet," he says. "We anticipate spending thousands more over the next two years." Why do it for free? "It's as close to a blank canvas as you can get. There are very few opportunities to cement a vision that can be agreed on collectively by business interests and where the funding is in place to make it happen in a lifetime," he says. "This is what architects and urban designers live for."



Niseko's largest hotels had roughly 12% more guests than last season

of buildings and add benches to create public gathering spaces. "Aspen took 40 years to go from mining town to a world-class destination," says Tossani. "Niseko is likely to undergo a similar transformation."

Hokkaido officials say it could be another two years before the budget is approved and construction begins. Some business owners, reluctant to pay for renovations, appear to be on the fence. "I think Riccardo's plan is very interesting. A lot of people like the idea, as long as it doesn't cost them anything," says Tomio Okawa, 53, a longtime Niseko resident and member of Niseko Neighborhood Association. "Riccardo would probably have more support if business was booming. It's hard for some to invest when you can't be sure of the payoff."

But Niseko isn't exactly suffering. From November to February, Niseko's largest hotels had roughly 12% more guests than last season, according to a Niseko Promotion Board survey. One of every four visitors came from overseas, and there were 48% more of them than in the previous year.

Many of the new arrivals are rooting for the Hirafu Zaka plan. Hackworth's Hanazono is one place that might benefit from the upgrades. For now, Hanazono is just a ski area with a restaurant, cafe and store. This year it plans to open a mountain biking trail and a cable wakeboarding area for spring, summer and fall. Eventually the resort will sport a base village of shops and more than 100 condos, most of which will let skiers clip in and out at their doorstep. The master plan, developed by Ecosign Mountain Resort Planners, calls for 14,000 beds. "I can't speculate on when they will be built," says Hackworth. "I would think it will take at least 10 years. It's up to market demand. Nobody builds 14,000 beds right away." <<

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