



Horwath HTL

Hotel, Tourism and Leisure

Australia

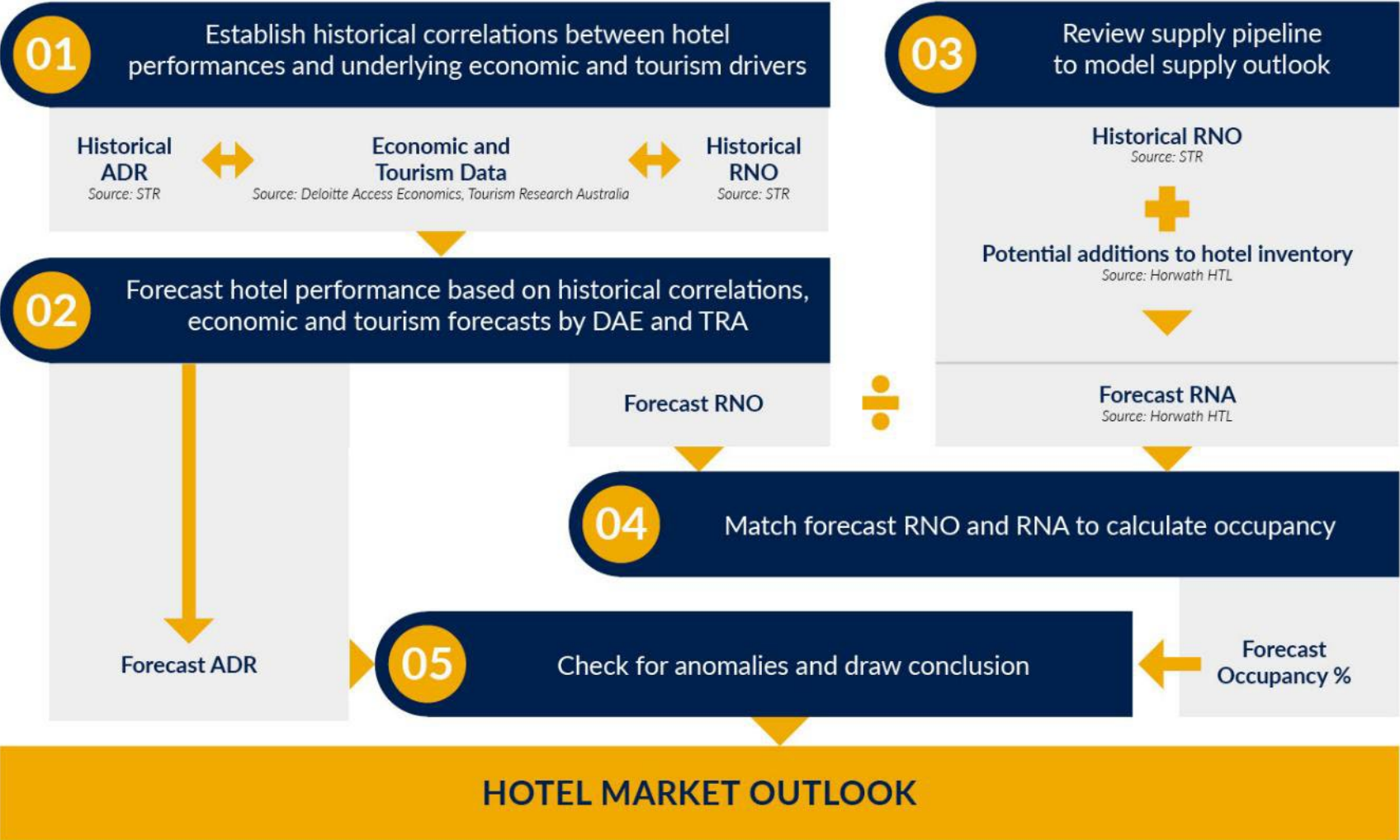
Capital City & Key Markets

Hotel Market Outlook & Insights

September QTR 2023 Edition

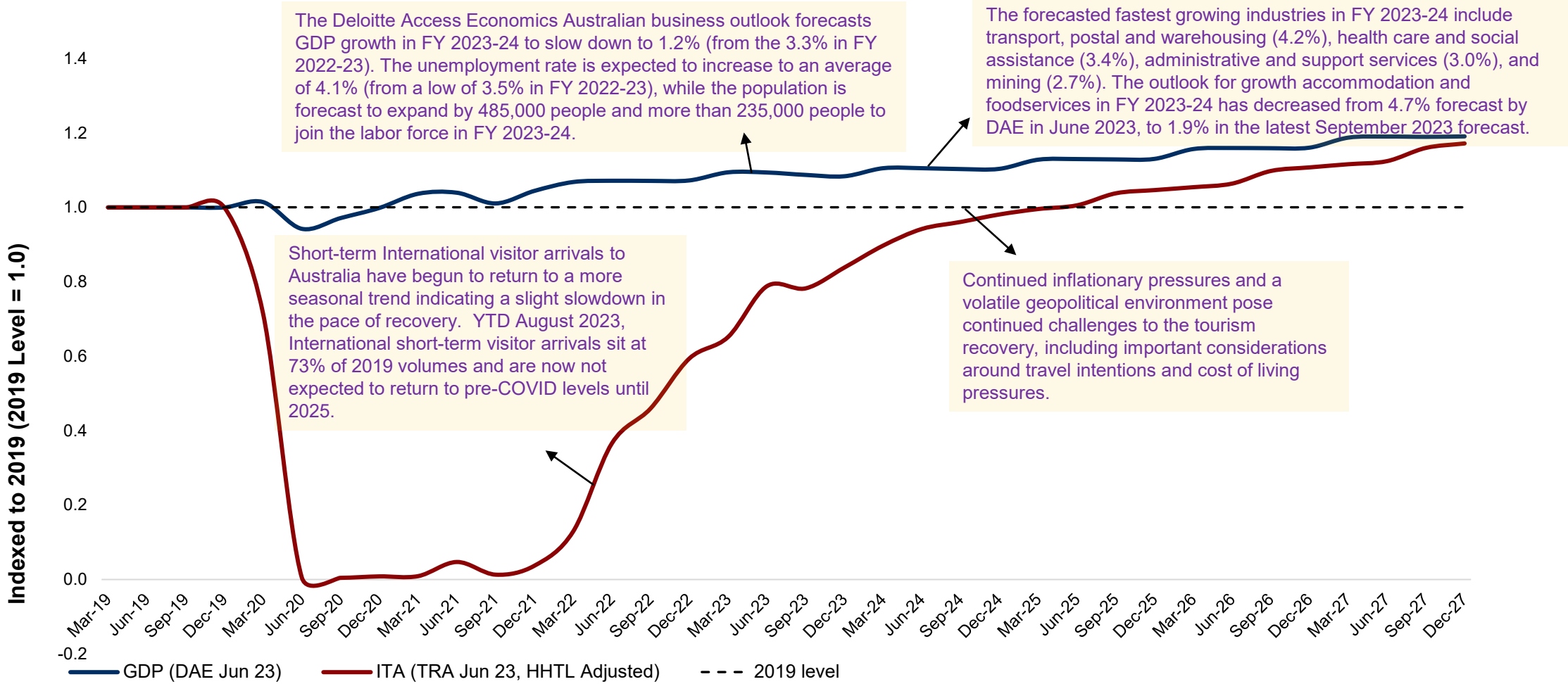
Hotel Market Outlook

Horwath HTL Methodology



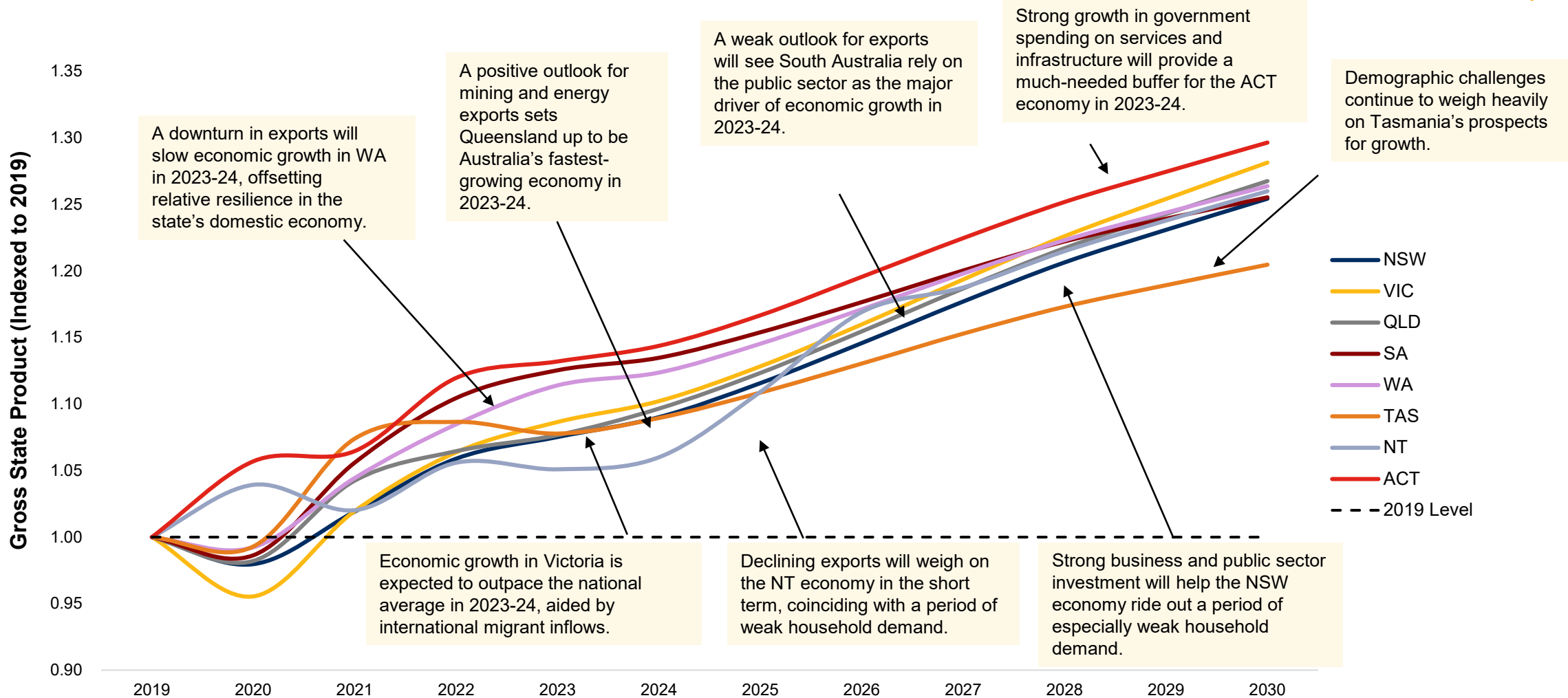
Macroeconomic and Tourism Context

GDP and International Tourist Arrivals, Australia – September 2023



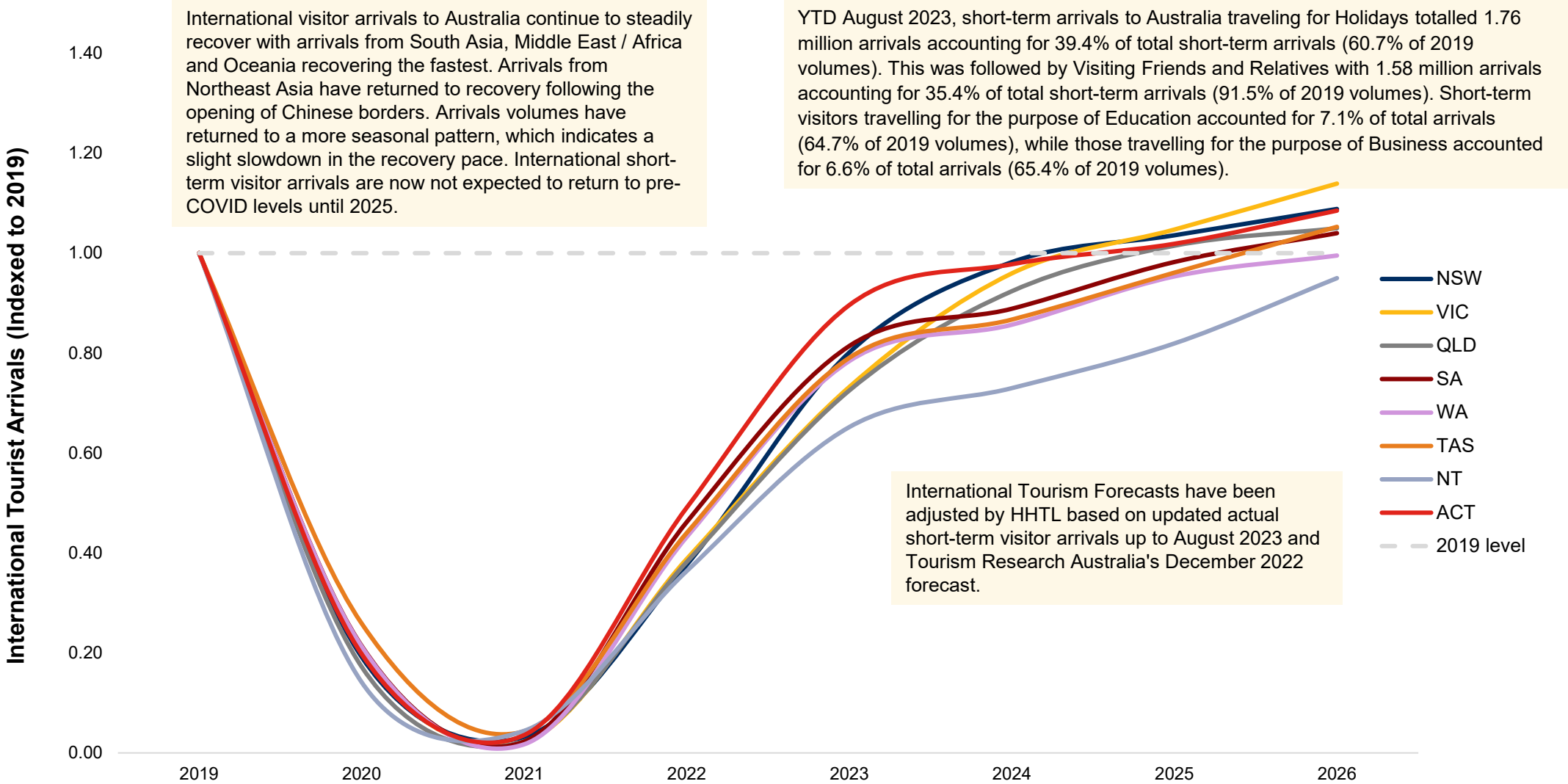
Macroeconomic and Tourism Context

Economic Outlook by State – Gross State Product



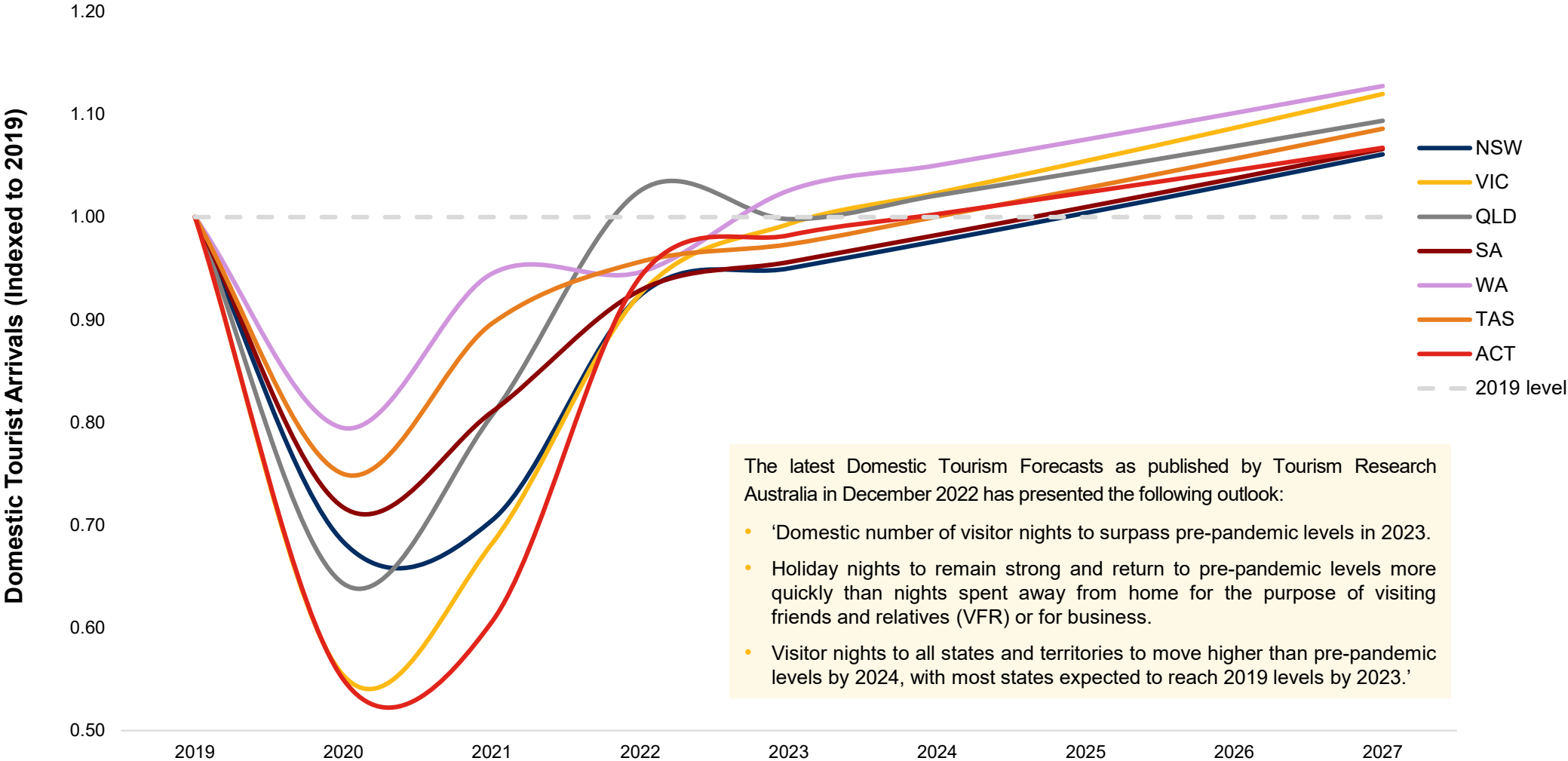
Macroeconomic and Tourism Context

Tourism Outlook by State – International Tourist Arrivals



Macroeconomic and Tourism Context

Tourism Outlook by State – Domestic Visitor Nights



Trends In Australian Hotel Markets

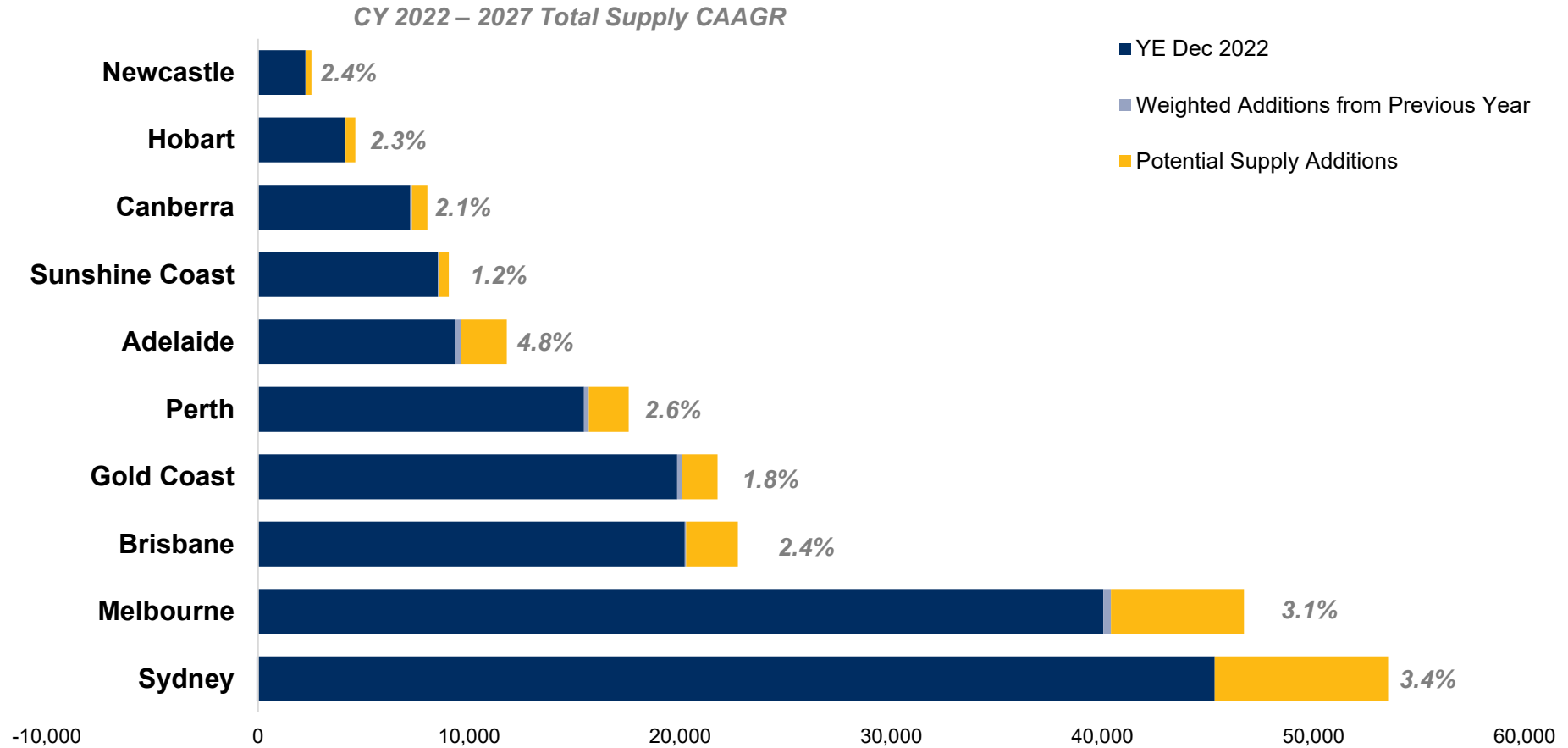
RevPAR Performance Snapshot – YTD September 2023



RevPAR YTD September 2023	
	VS YTD September 2022
Adelaide	12.4% ▲
Brisbane	20.6% ▲
Canberra	-2.3% ▼
Gold Coast	2.4% ▲
Hobart	1.3% ▲
Melbourne	24.3% ▲
Newcastle	13.7% ▲
Perth	28.4% ▲
Sunshine Coast	-3.9% ▼
Sydney	38% ▲

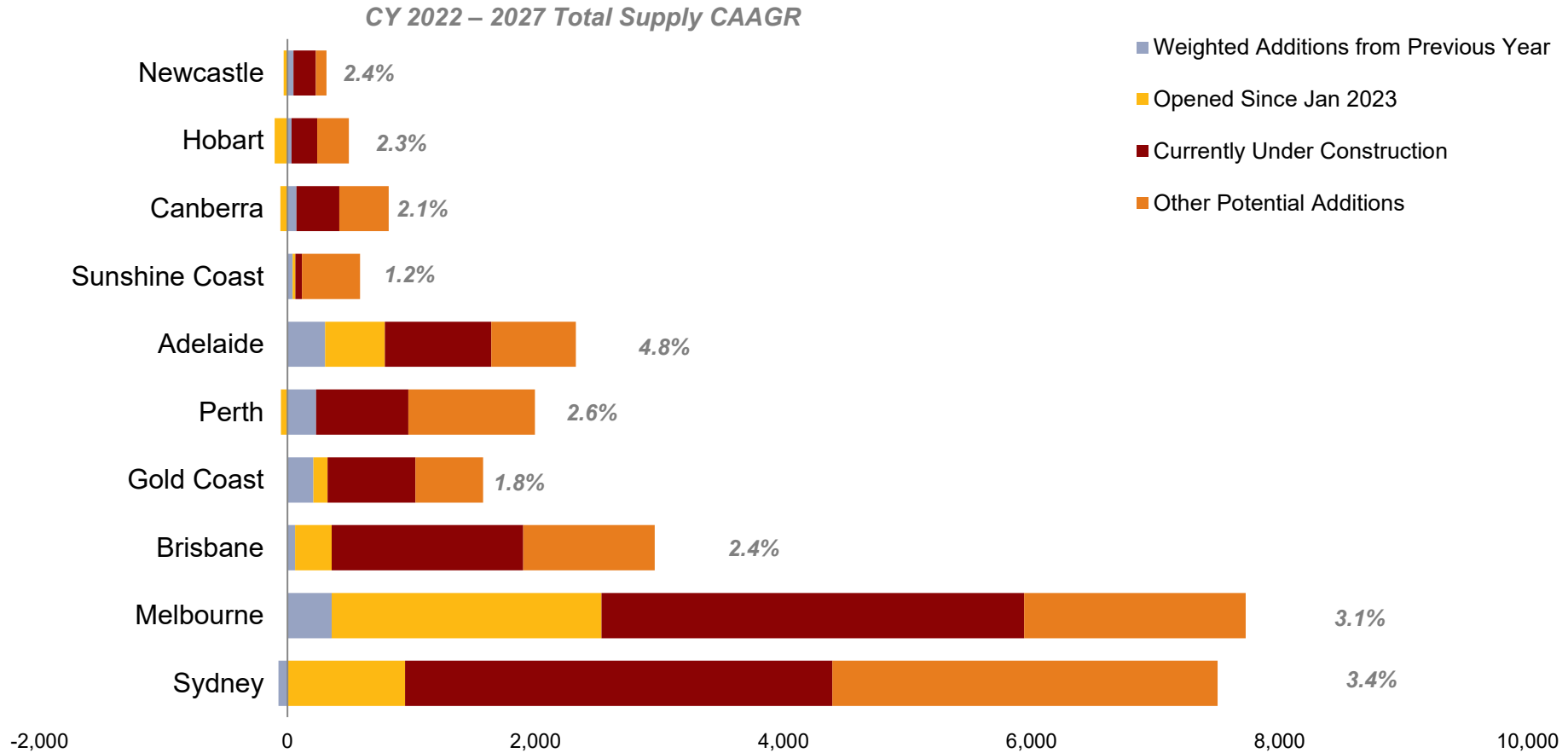
Australian Hotel Market Supply Pipeline

Existing Hotel and Hotel Supply Pipeline (by Number of Rooms)



Australian Hotel Market Supply Pipeline

Hotel Supply Pipeline by Stages of Development (by Number of Rooms)



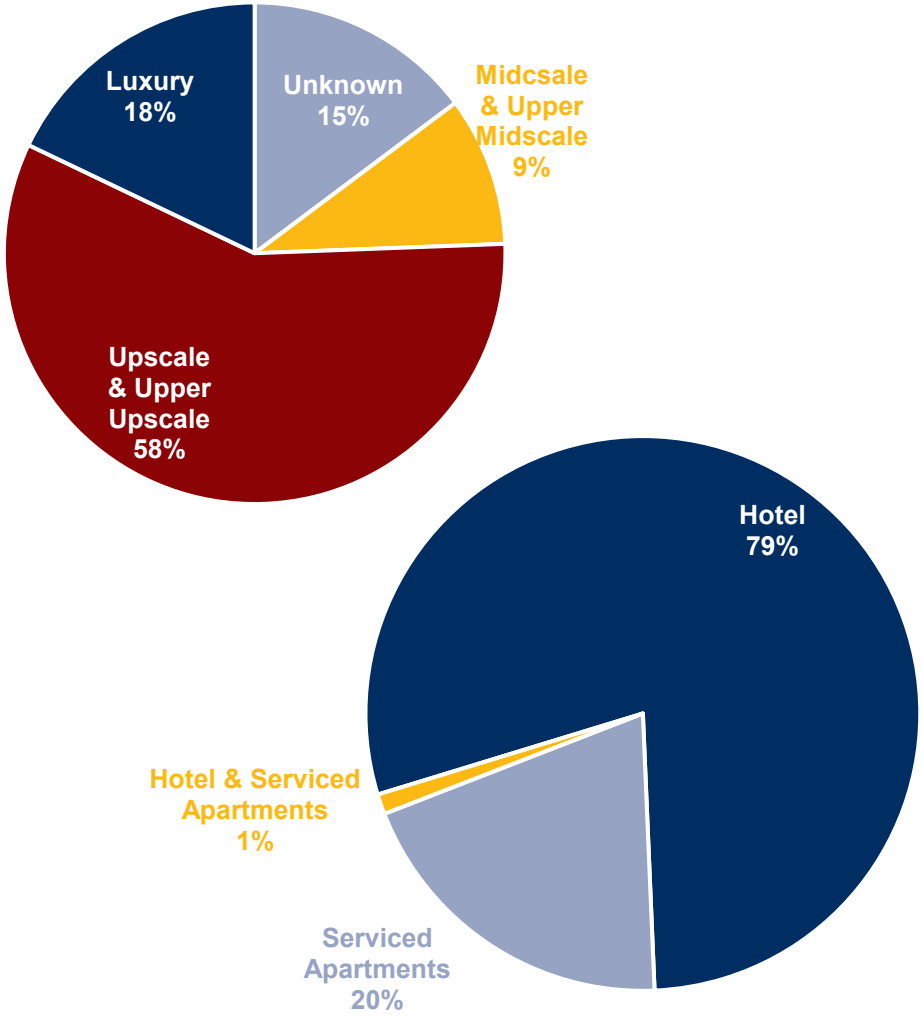
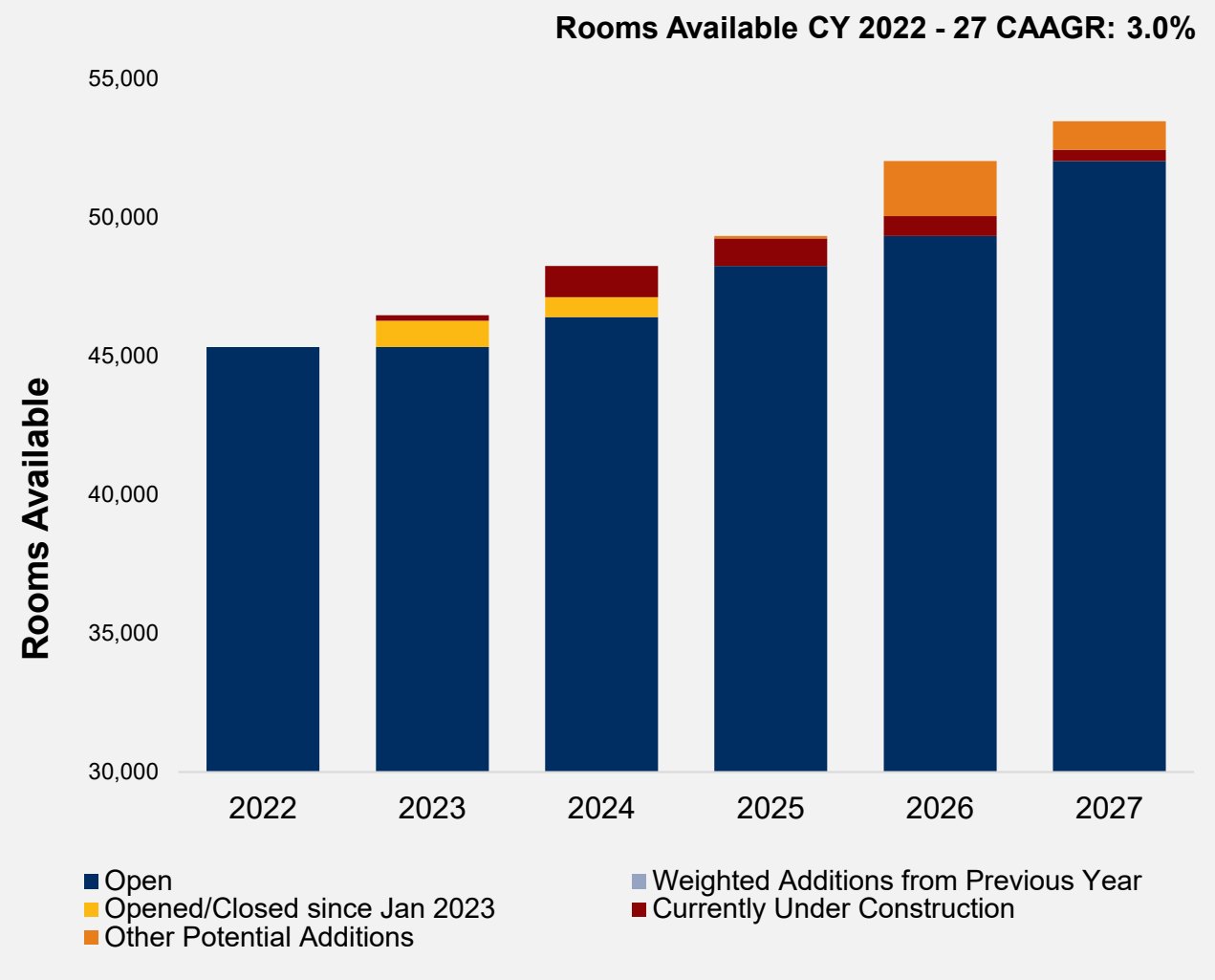


Sydney

Sydney Tourism Region Hotel Market Outlook

Sydney Tourism Region Hotel Market Outlook

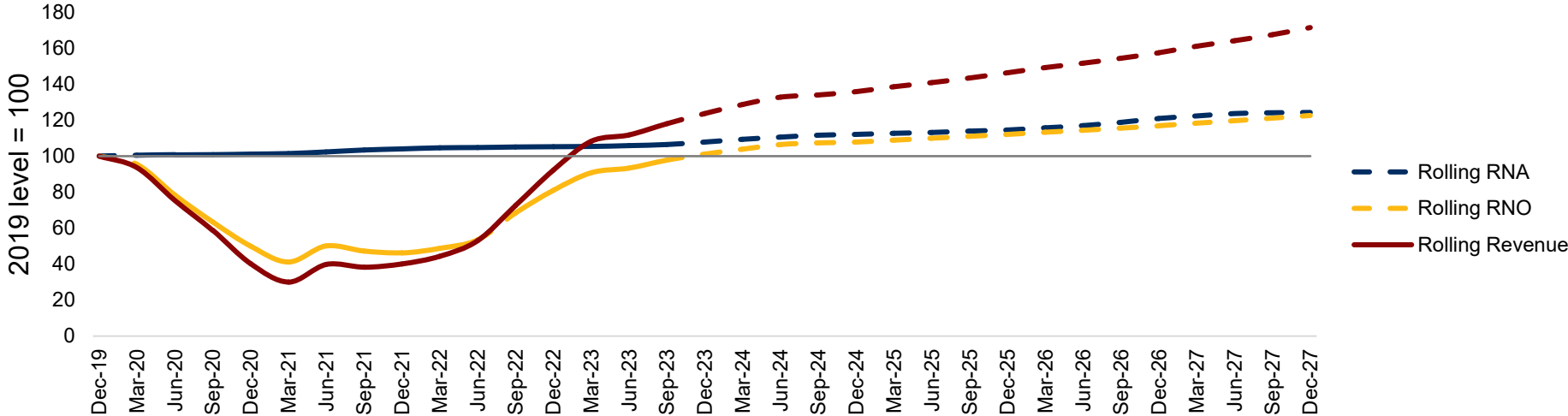
Forecast Additions to Supply – CY 2023 to 2027



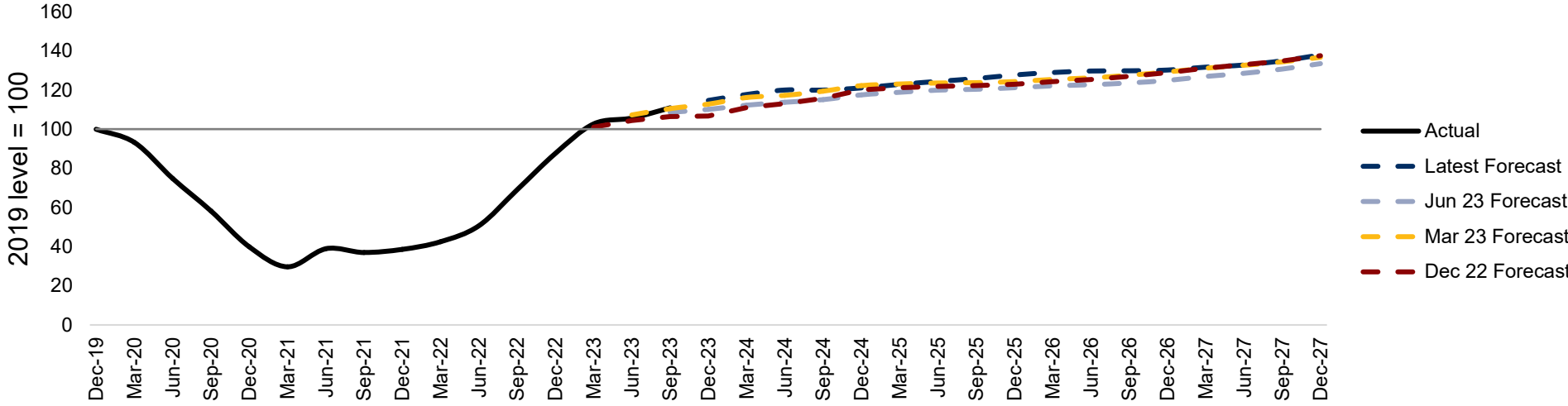
Sydney Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



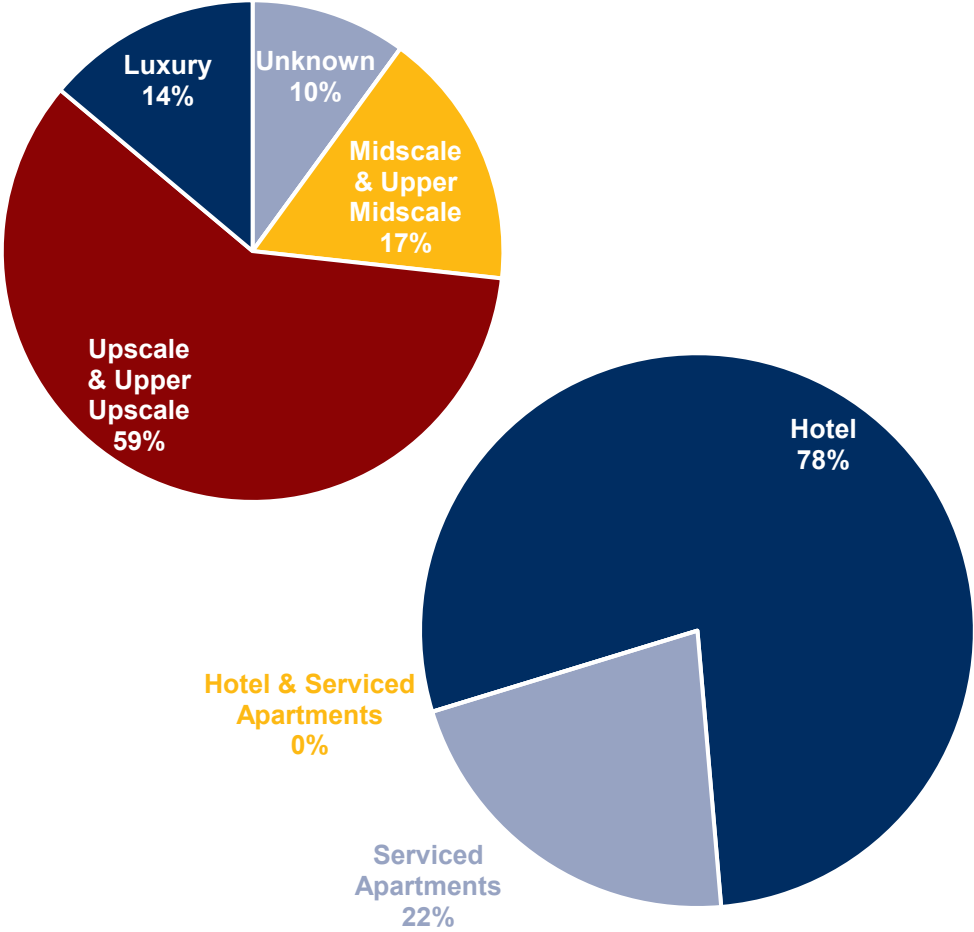
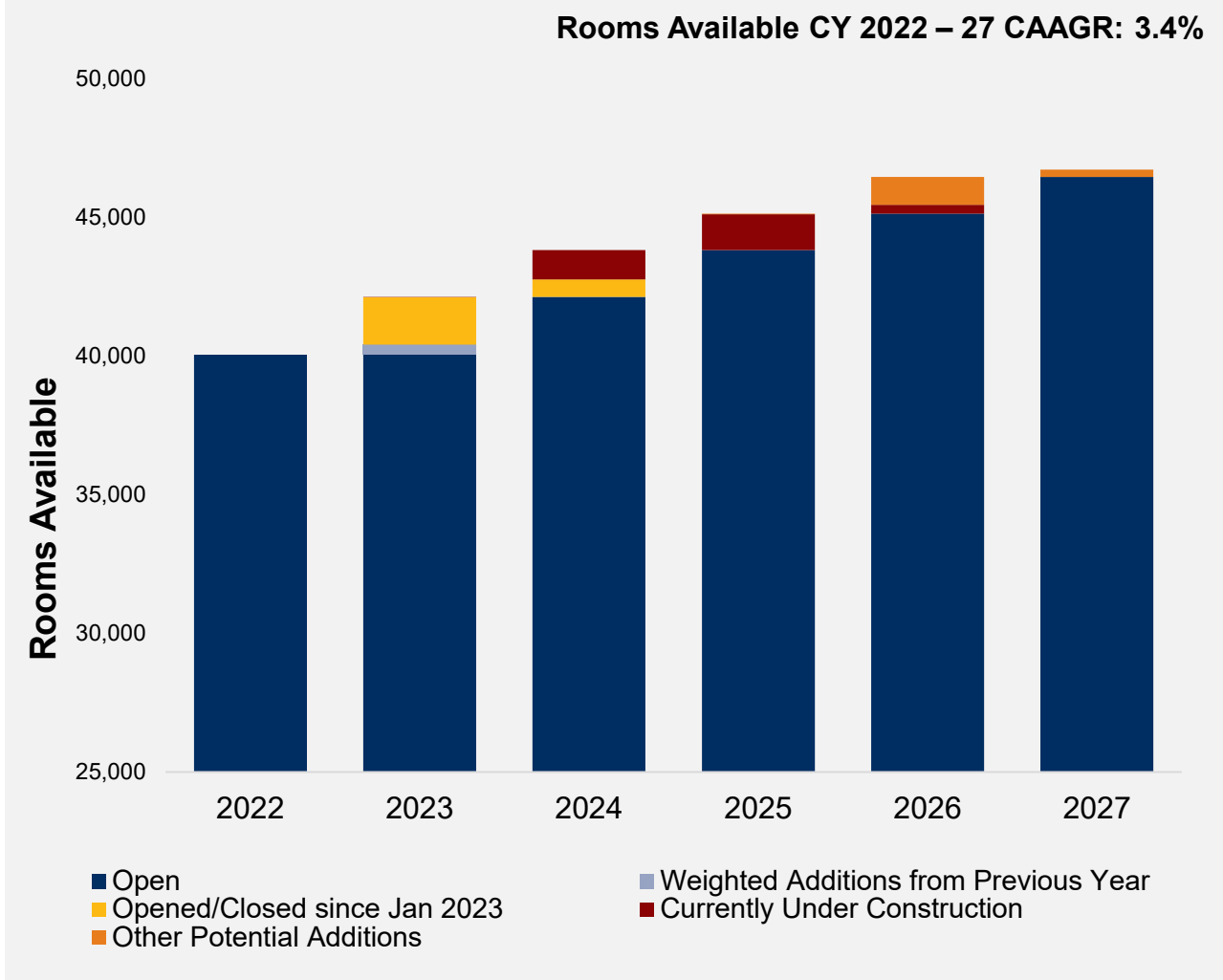


Melbourne

Melbourne Tourism Region Hotel Market Outlook

Melbourne Tourism Region Hotel Market Outlook

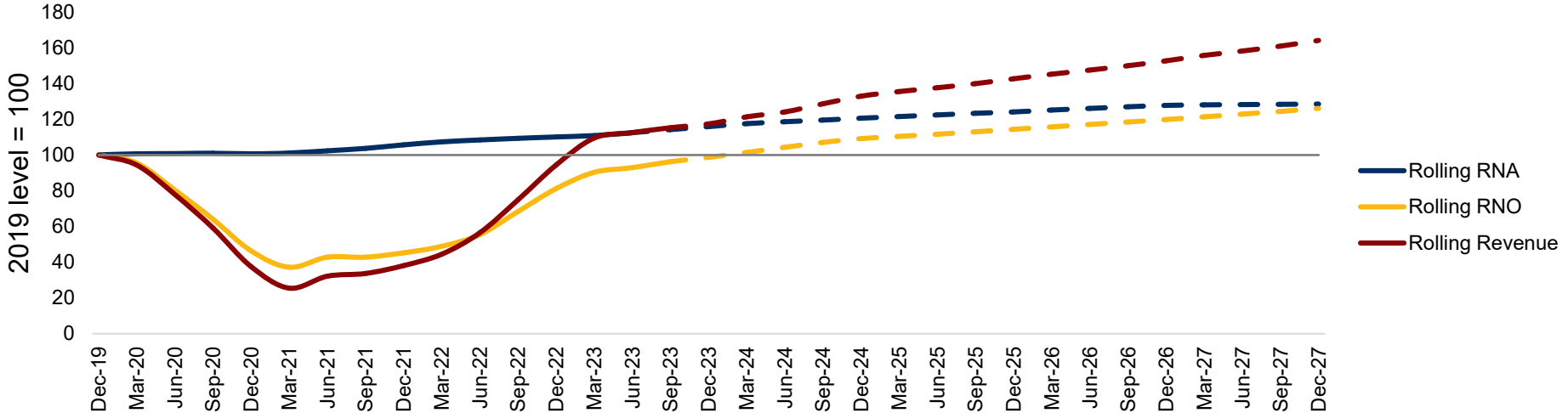
Forecast Additions to Supply – CY 2023 to 2027



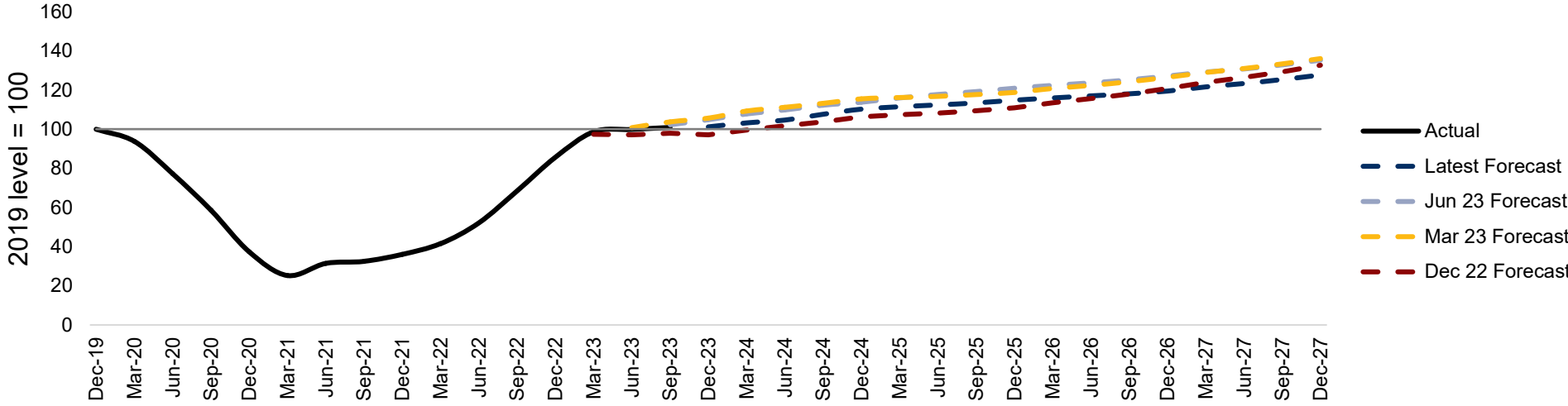
Melbourne Tourism Region Hotel Market Outlook

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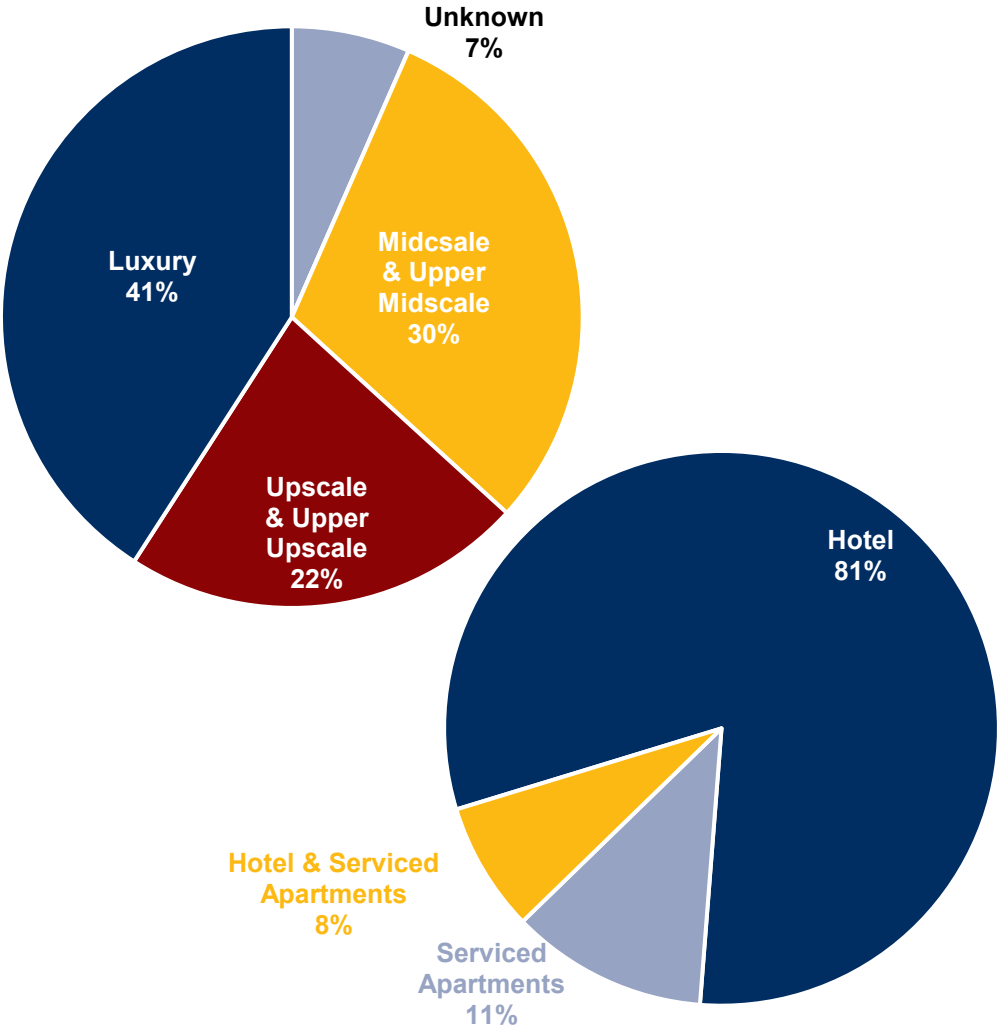
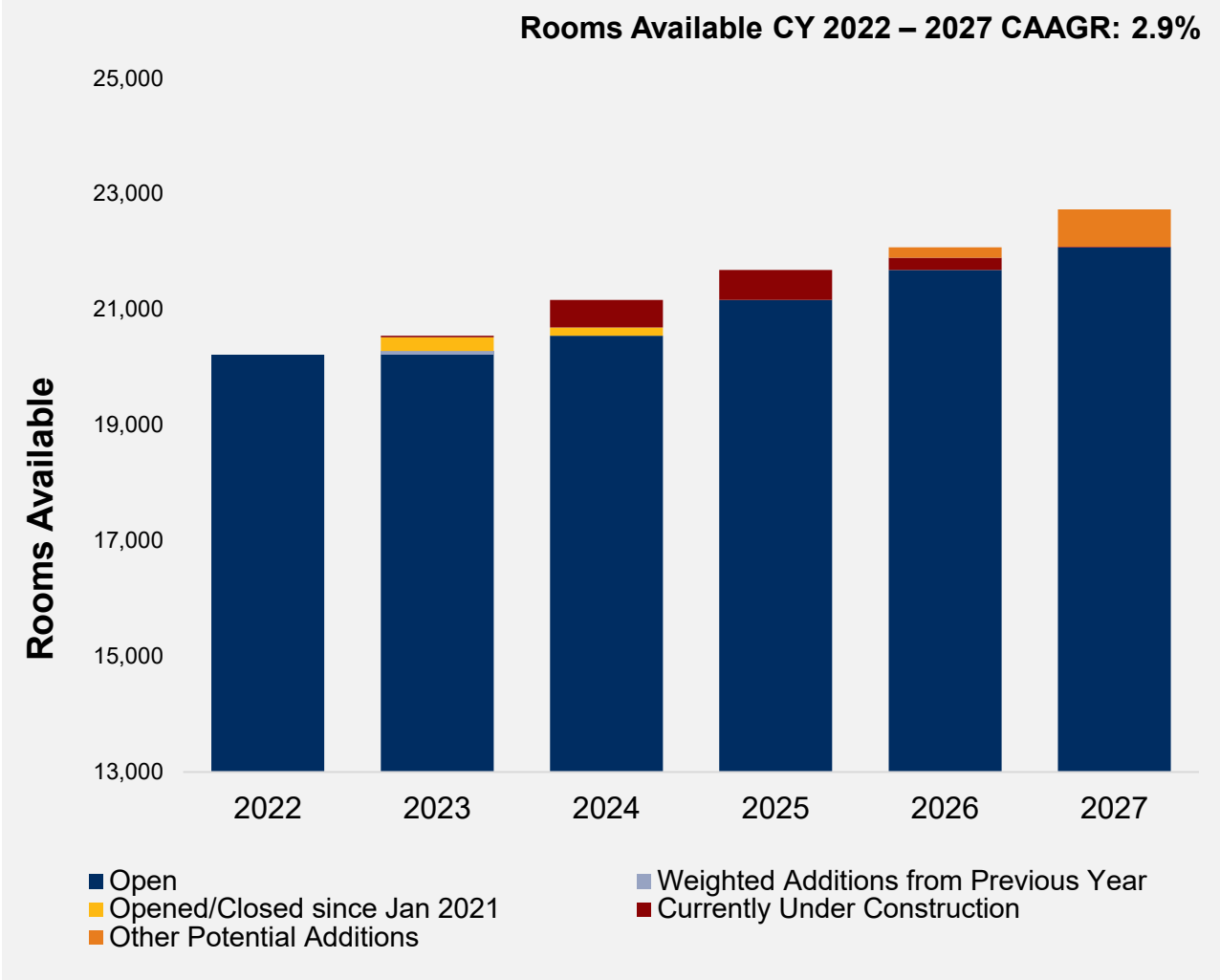
A nighttime photograph of a modern urban landscape in Brisbane. The scene is dominated by several tall, illuminated skyscrapers with glass facades that reflect the city lights. In the foreground, a wide, curved concrete walkway with a series of small, warm-toned lights along its edge leads the eye towards the buildings. Below the walkway, a set of wide, light-colored stone steps descends towards the bottom right. The overall atmosphere is one of a vibrant, contemporary city at night.

Brisbane

Brisbane Tourism Region Hotel Market Outlook

Brisbane Tourism Region Hotel Market Outlook

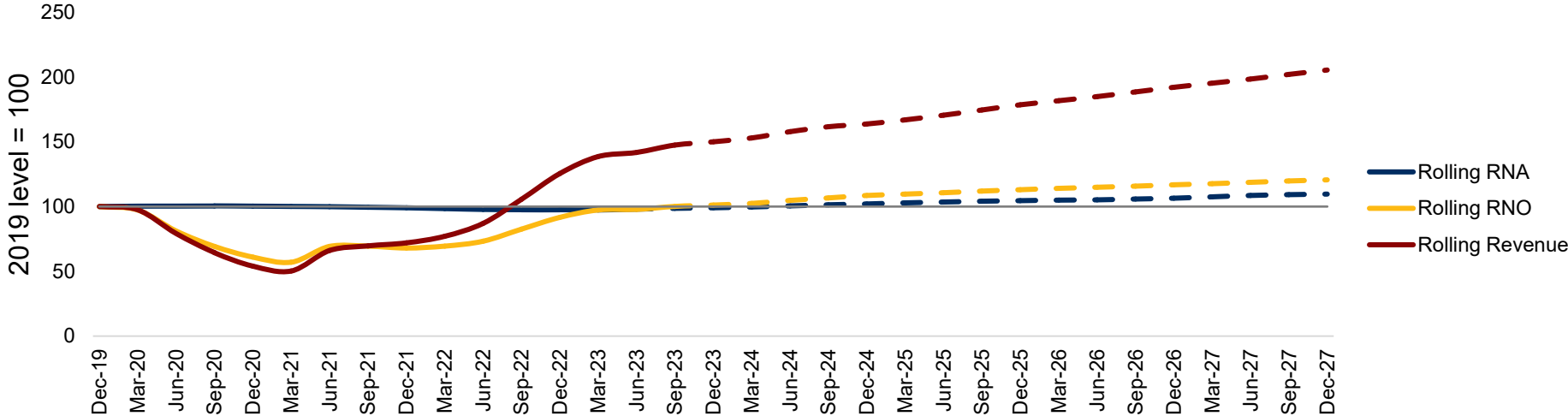
Forecast Additions to Supply – CY 2023 to 2027



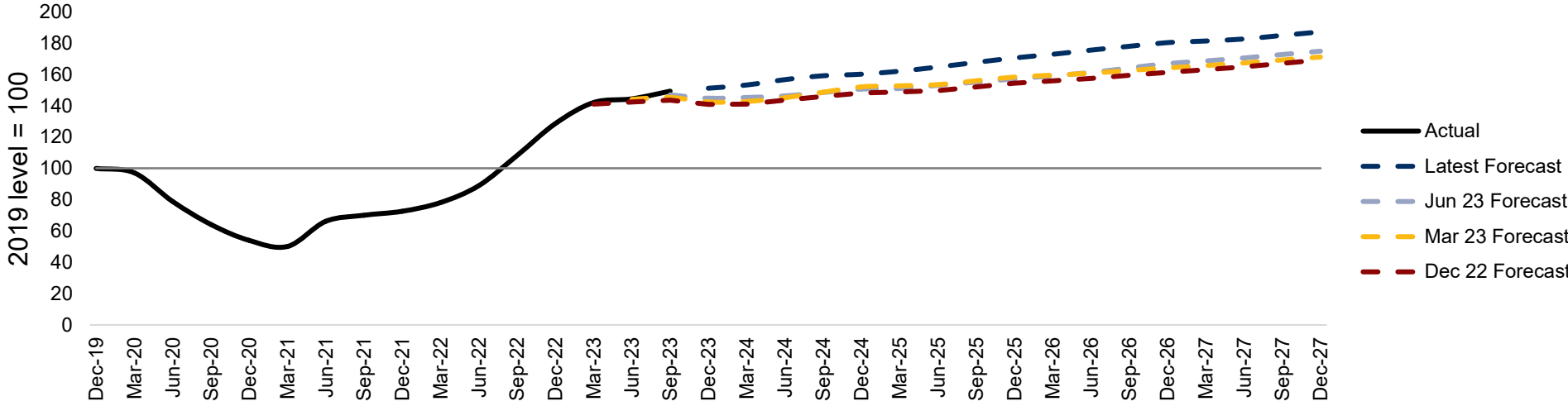
Brisbane Tourism Region Hotel Market Outlook

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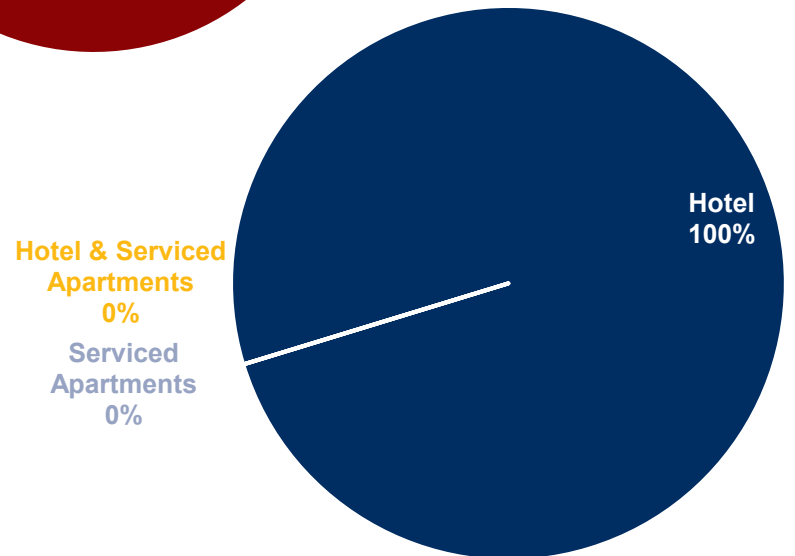
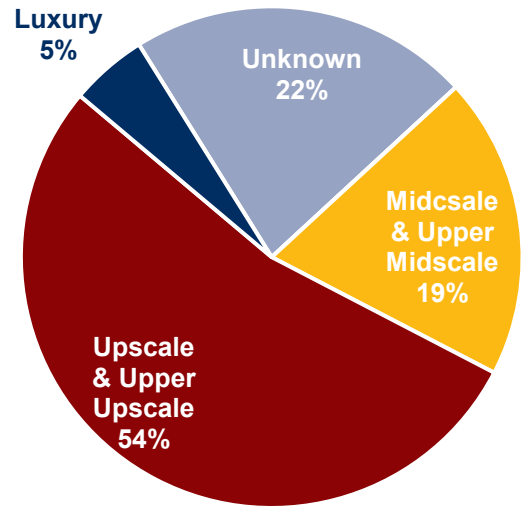
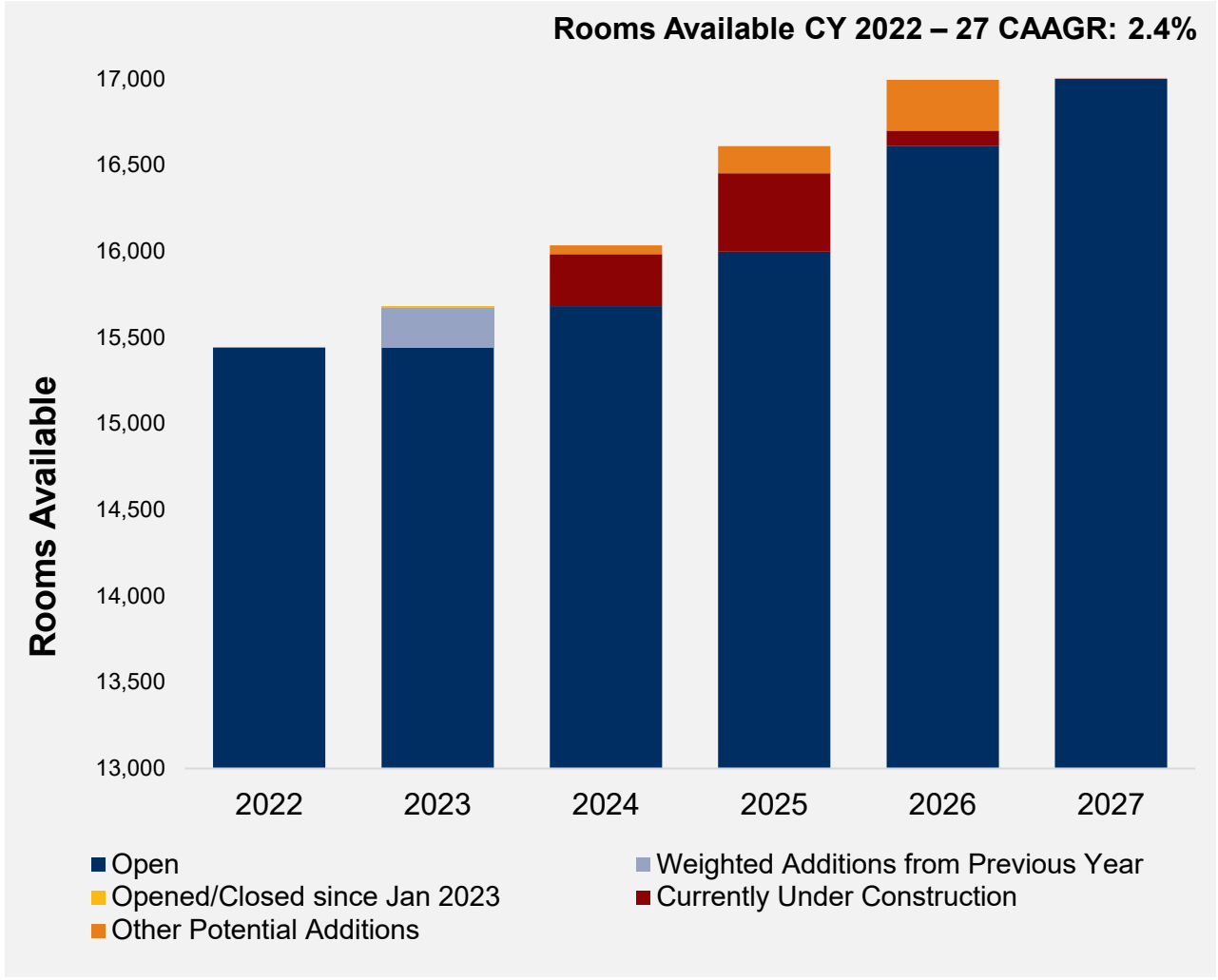


Perth

Perth Tourism Region Hotel Market Outlook

Perth Tourism Region Hotel Market Outlook

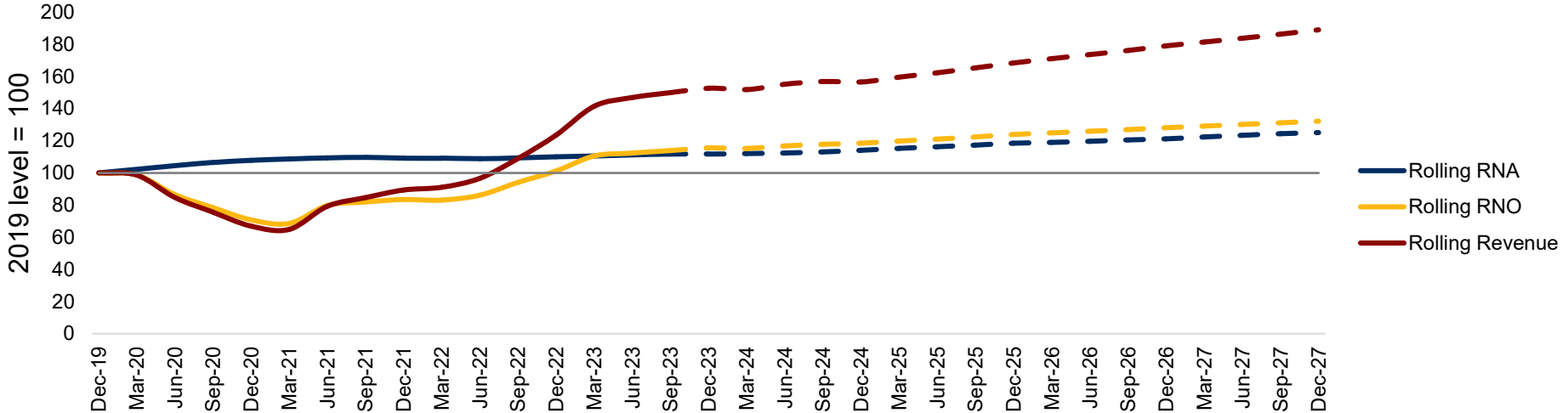
Forecast Additions to Supply – CY 2023 to 2027



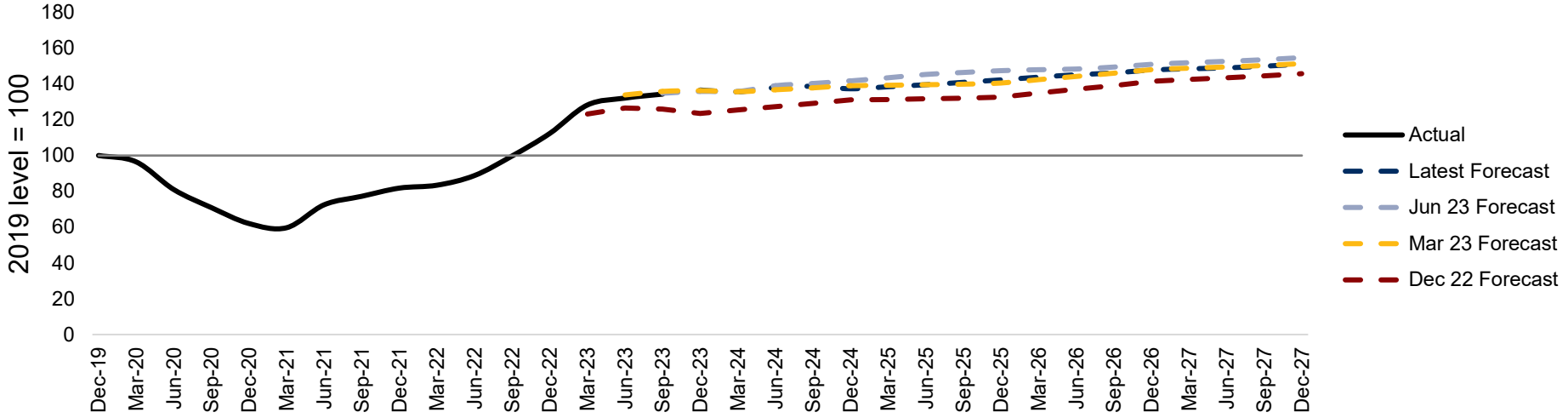
Perth Tourism Region Hotel Market Outlook

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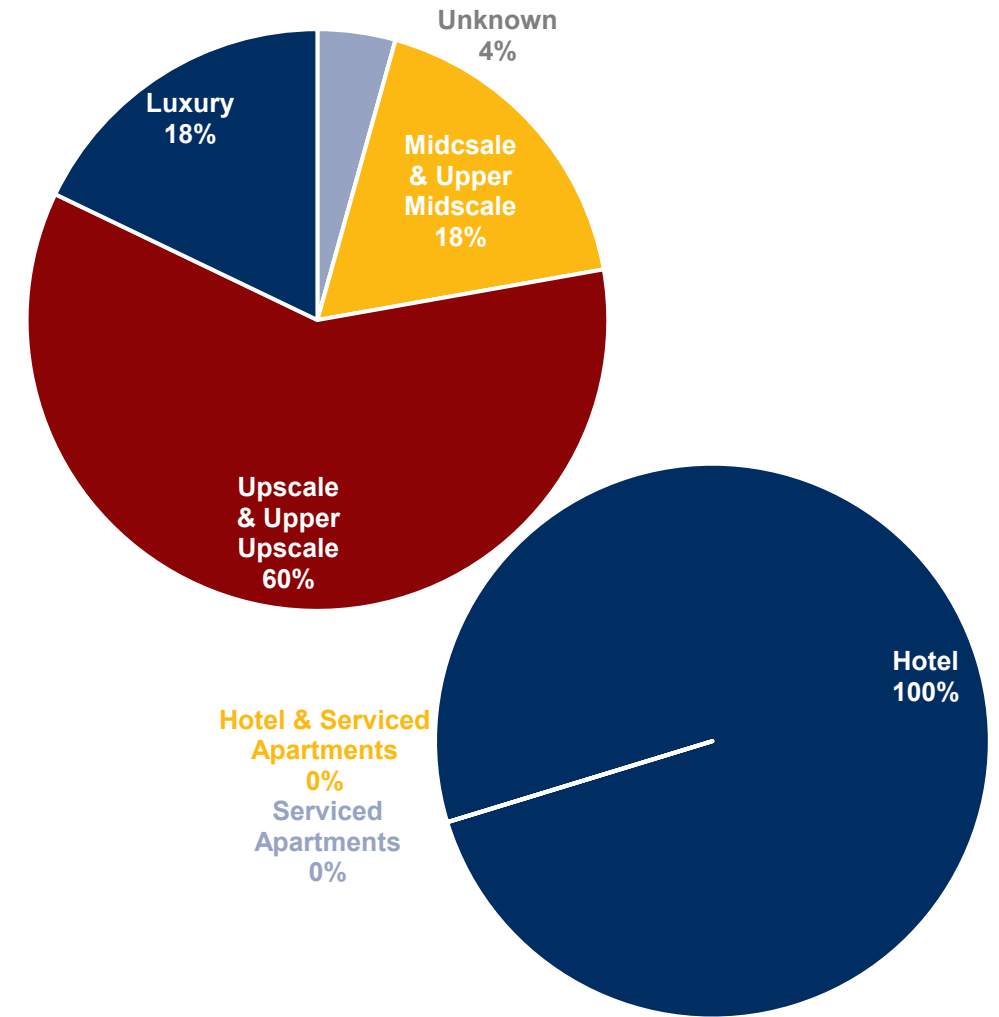
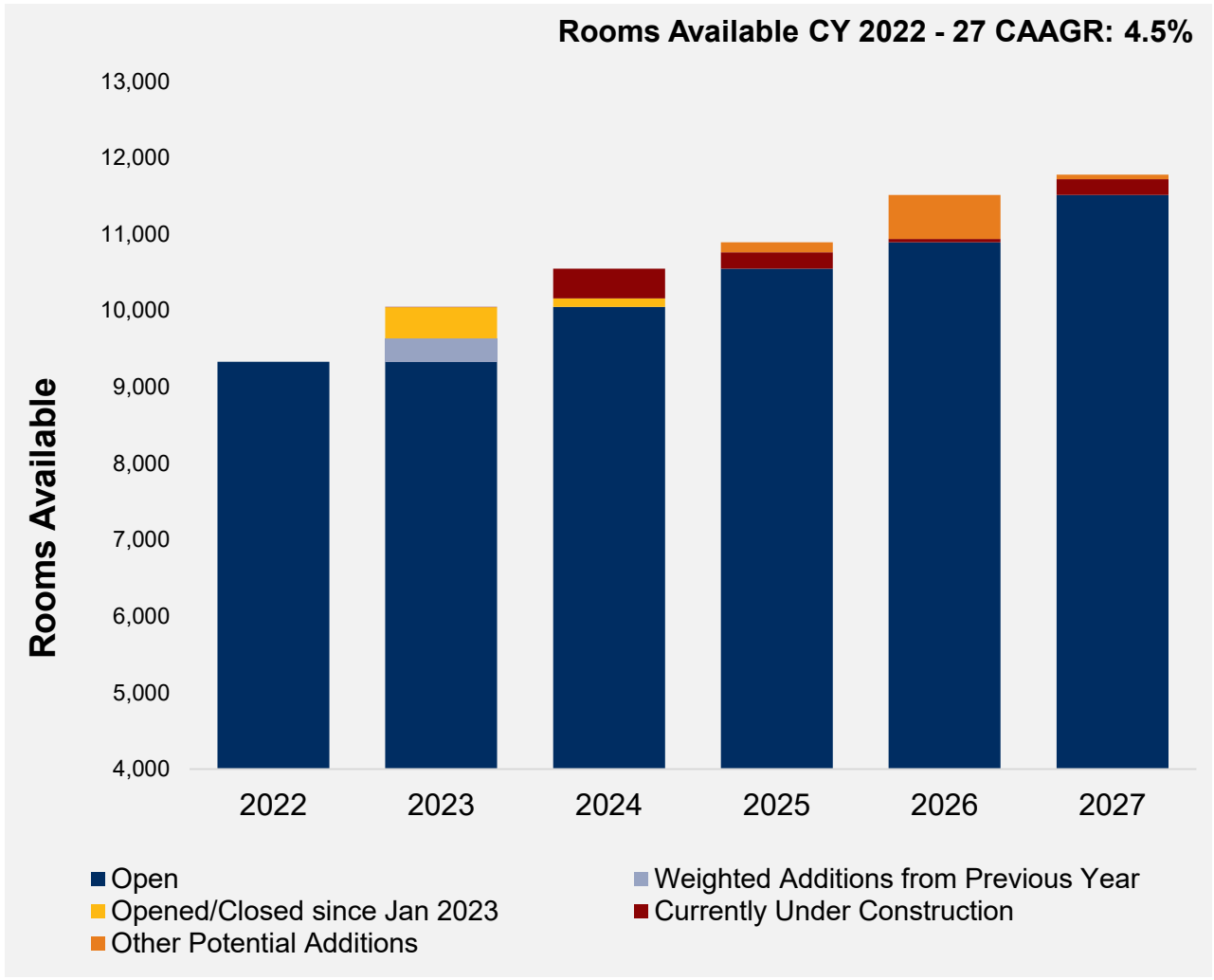


Adelaide

Adelaide Tourism Region Hotel Market Outlook

Adelaide Tourism Region Hotel Market Outlook

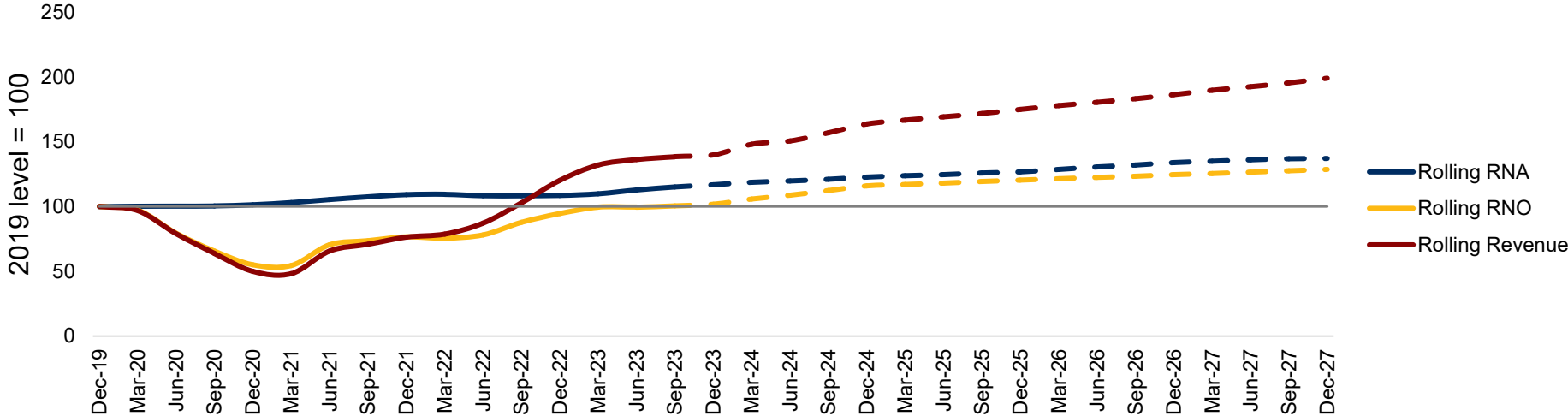
Forecast Additions to Supply – CY 2023 to 2027



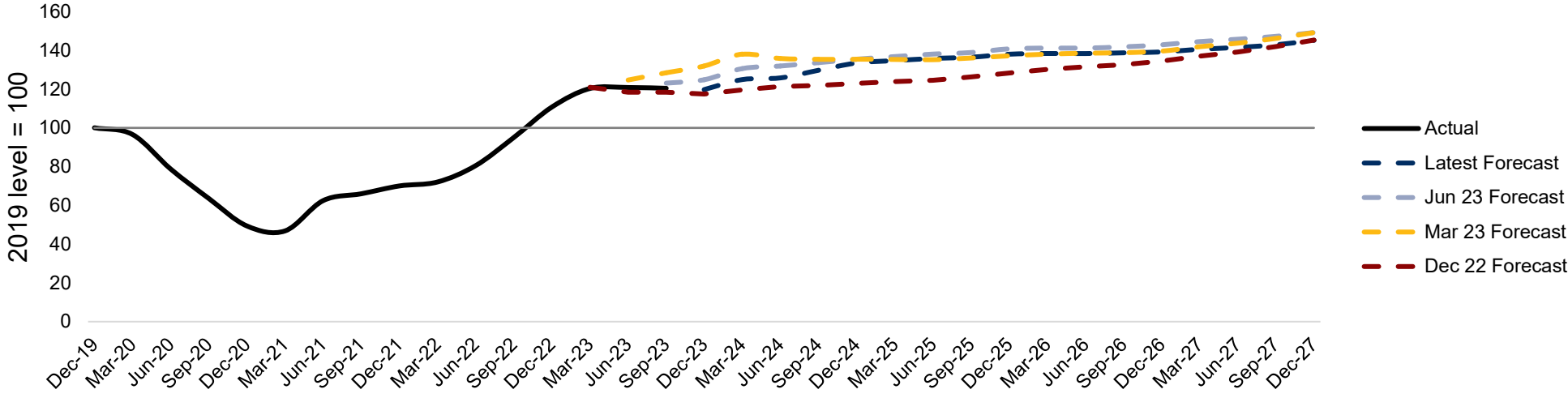
Adelaide Tourism Region Hotel Market Outlook

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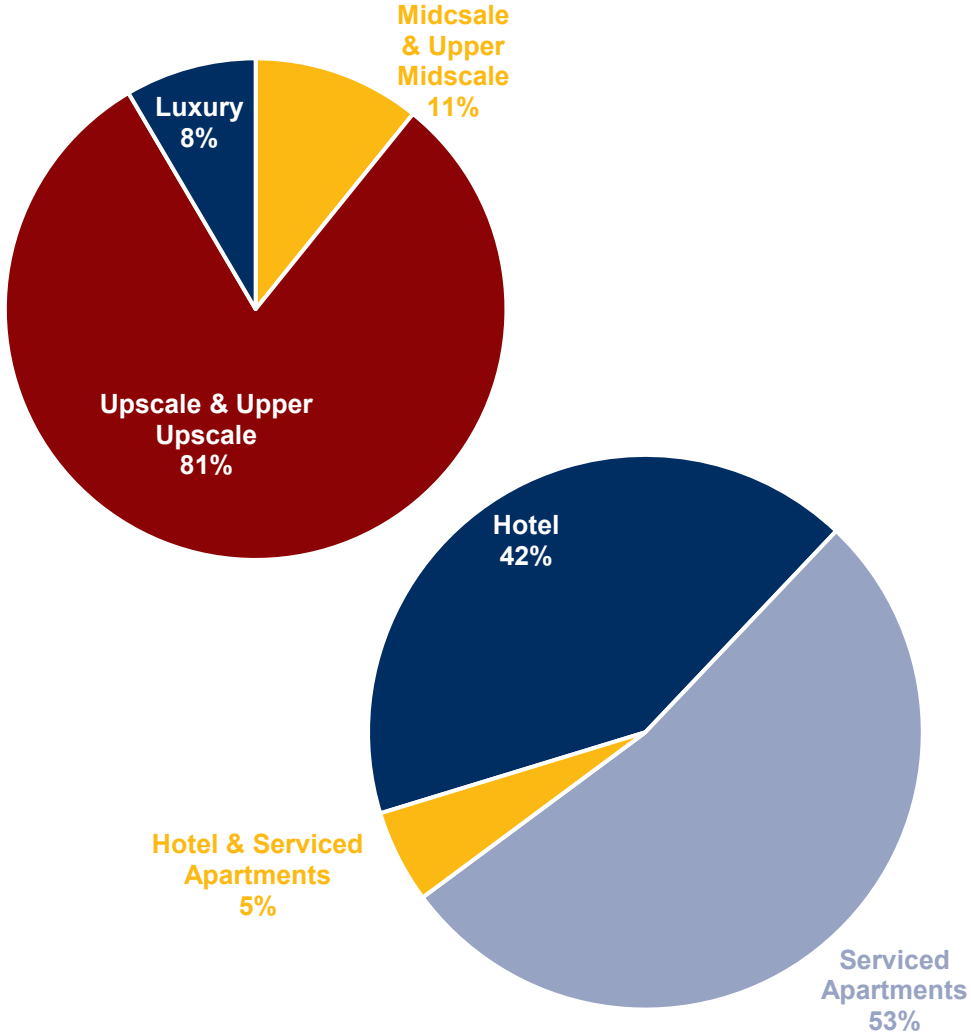
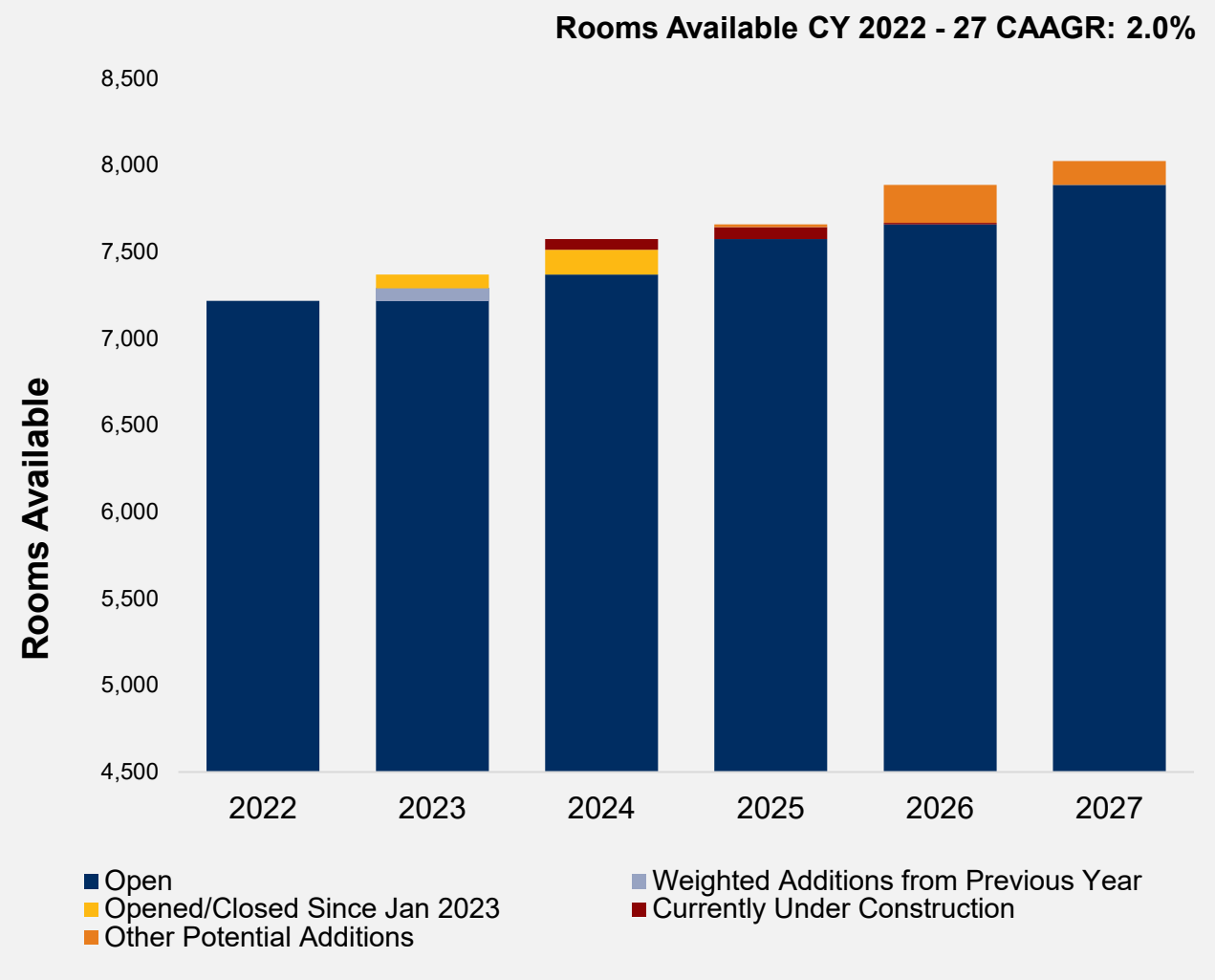


Canberra

Canberra Tourism Region Hotel Market Outlook

Canberra Tourism Region Hotel Market Outlook

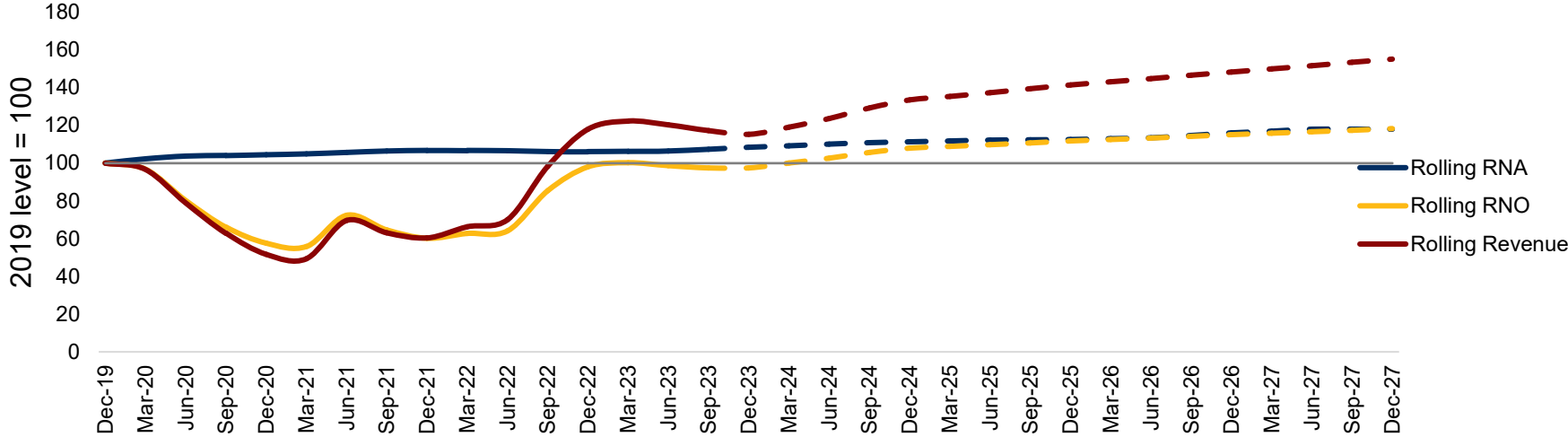
Forecast Additions to Supply – CY 2023 to 2027



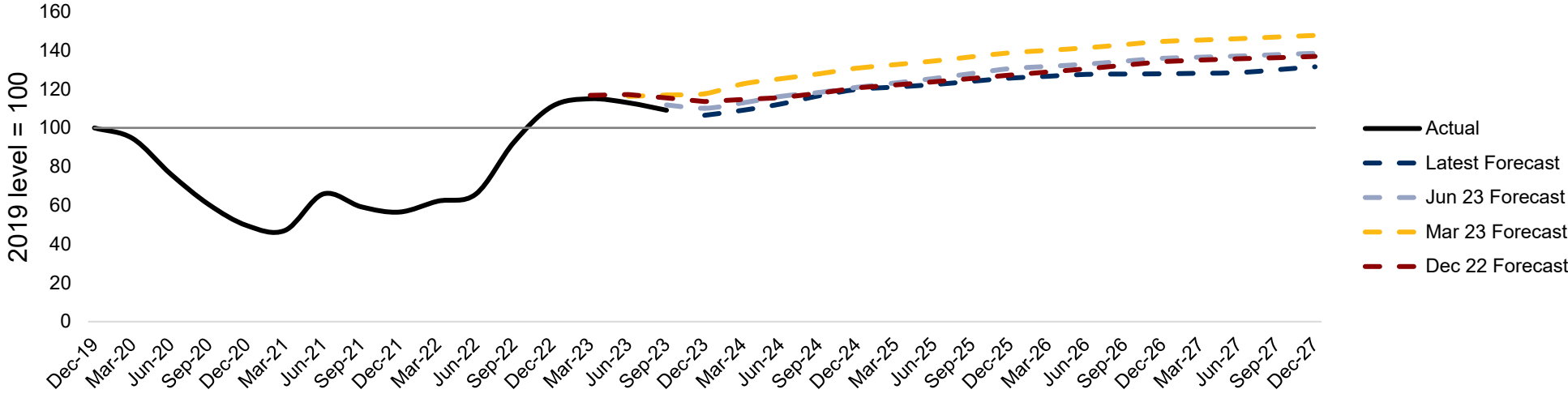
Canberra Tourism Region Hotel Market Outlook

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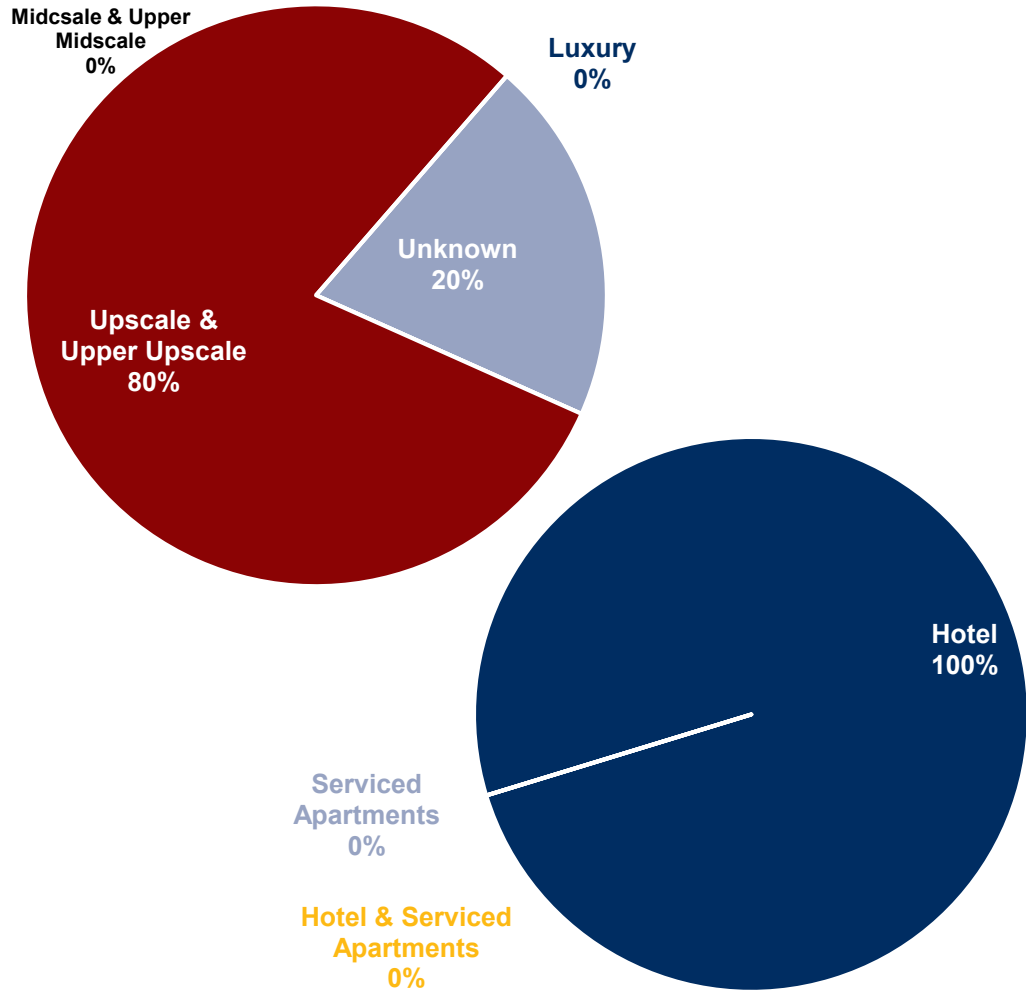
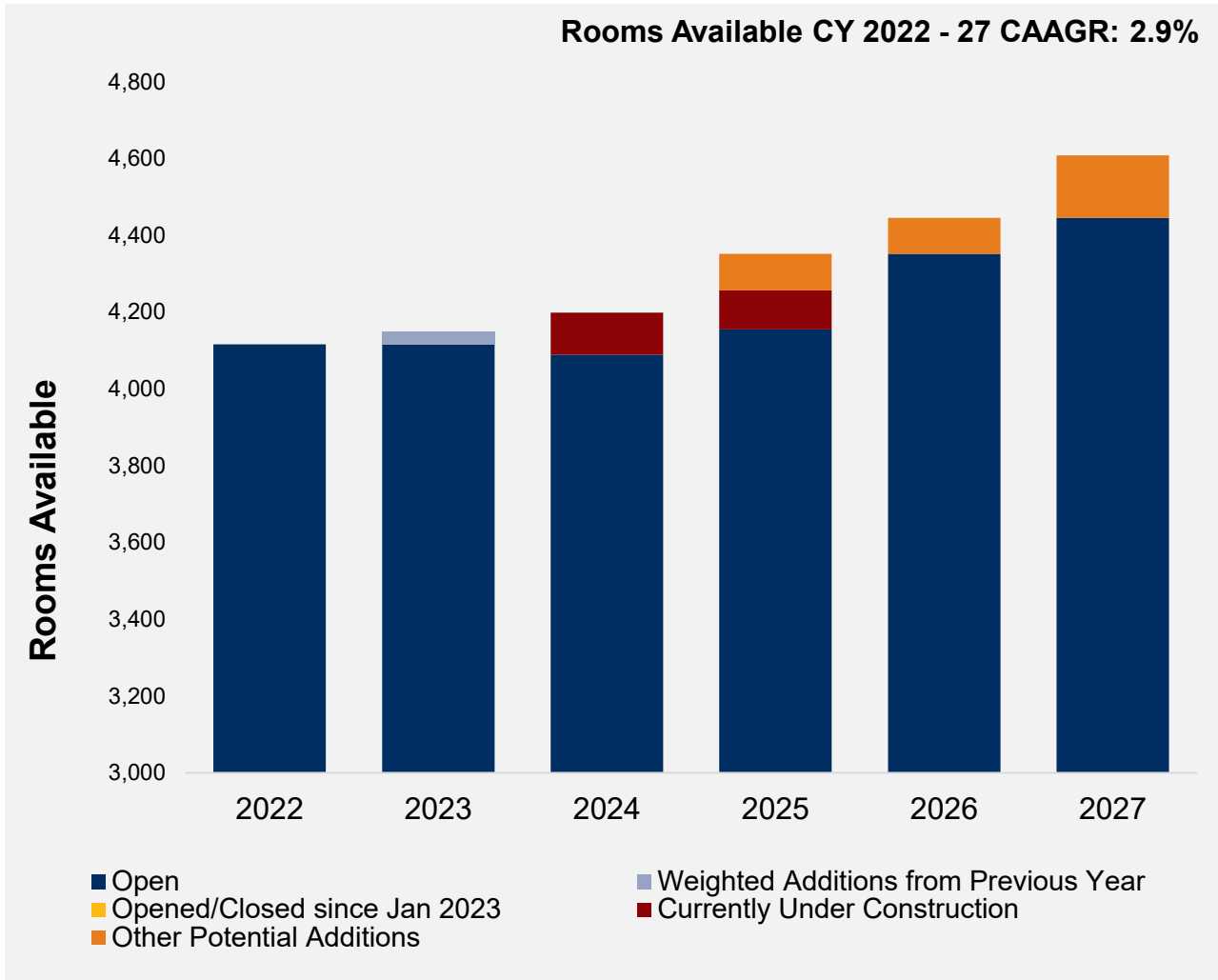
A long bridge illuminated at night over a body of water, with a rocky shore in the foreground. The bridge's lights are reflected in the water, and the sky is a deep blue. The foreground is filled with dark, rounded rocks.

Hobart

Hobart Tourism Region Hotel Market Outlook

Hobart Tourism Region Hotel Market Outlook

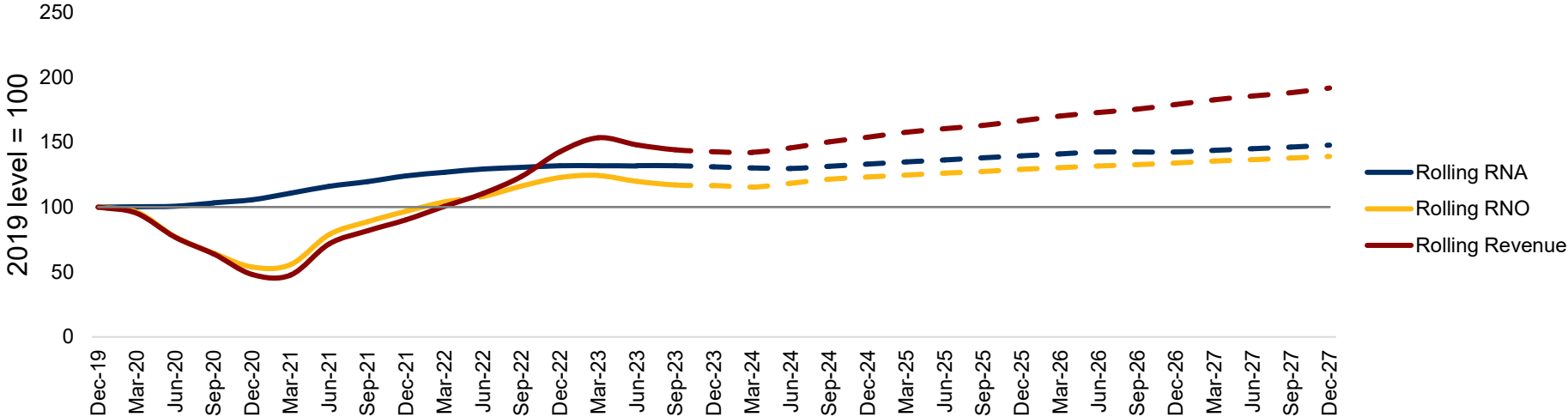
Forecast Additions to Supply – CY 2023 to 2027



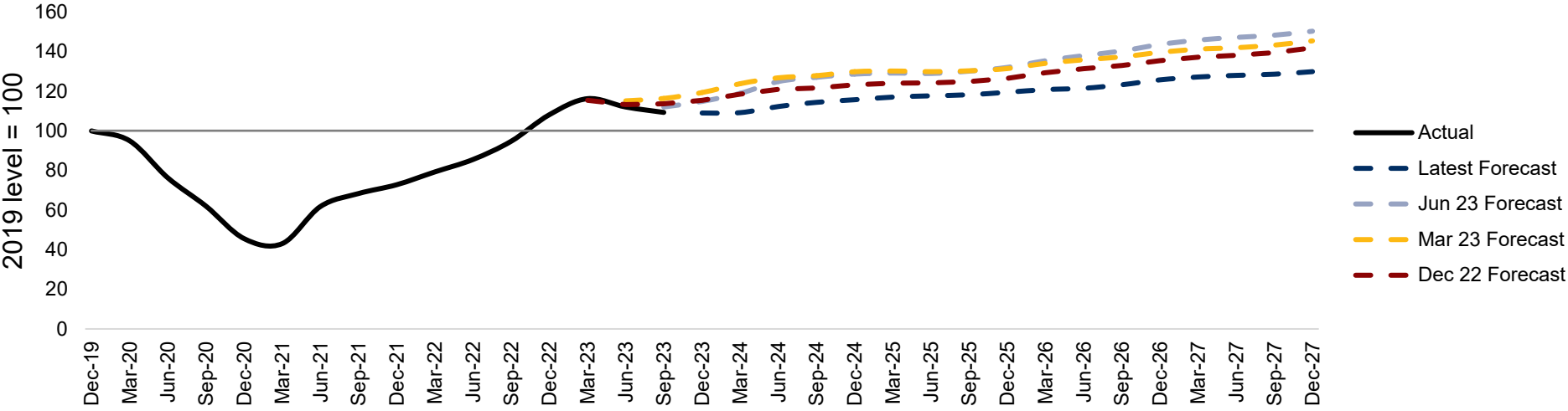
Hobart Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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Indexed Rolling 12-Month RevPAR Outlook





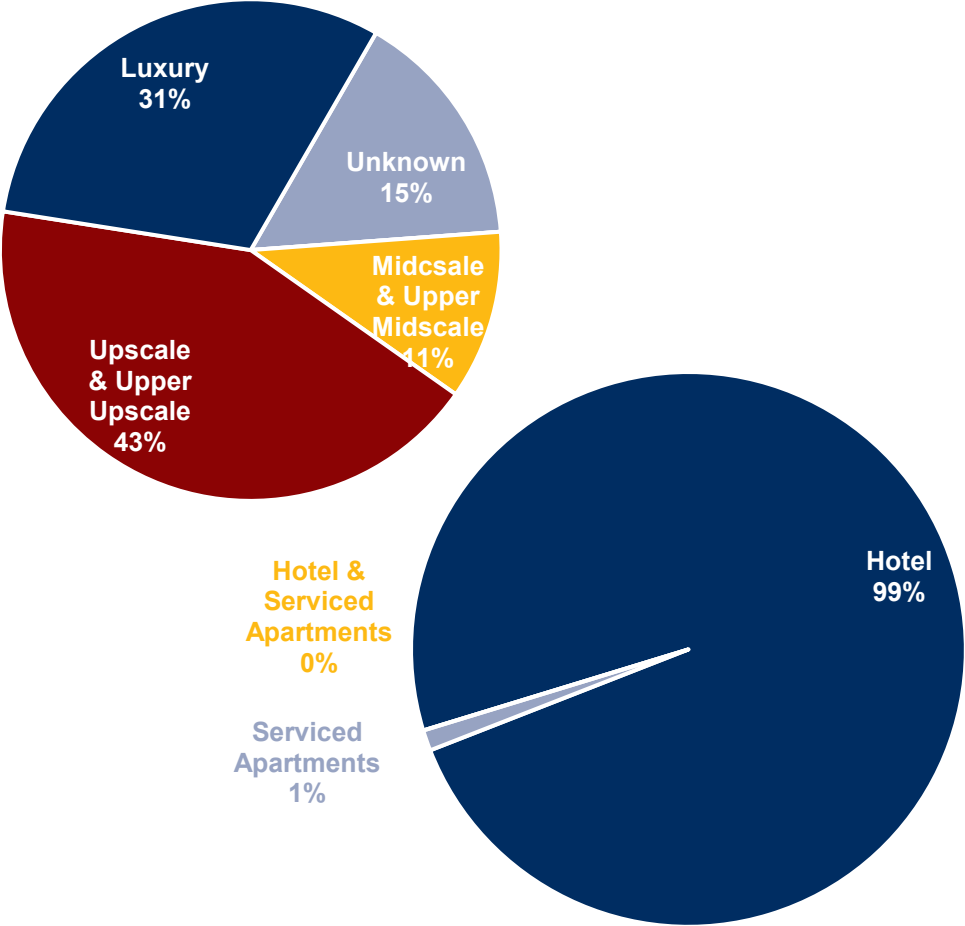
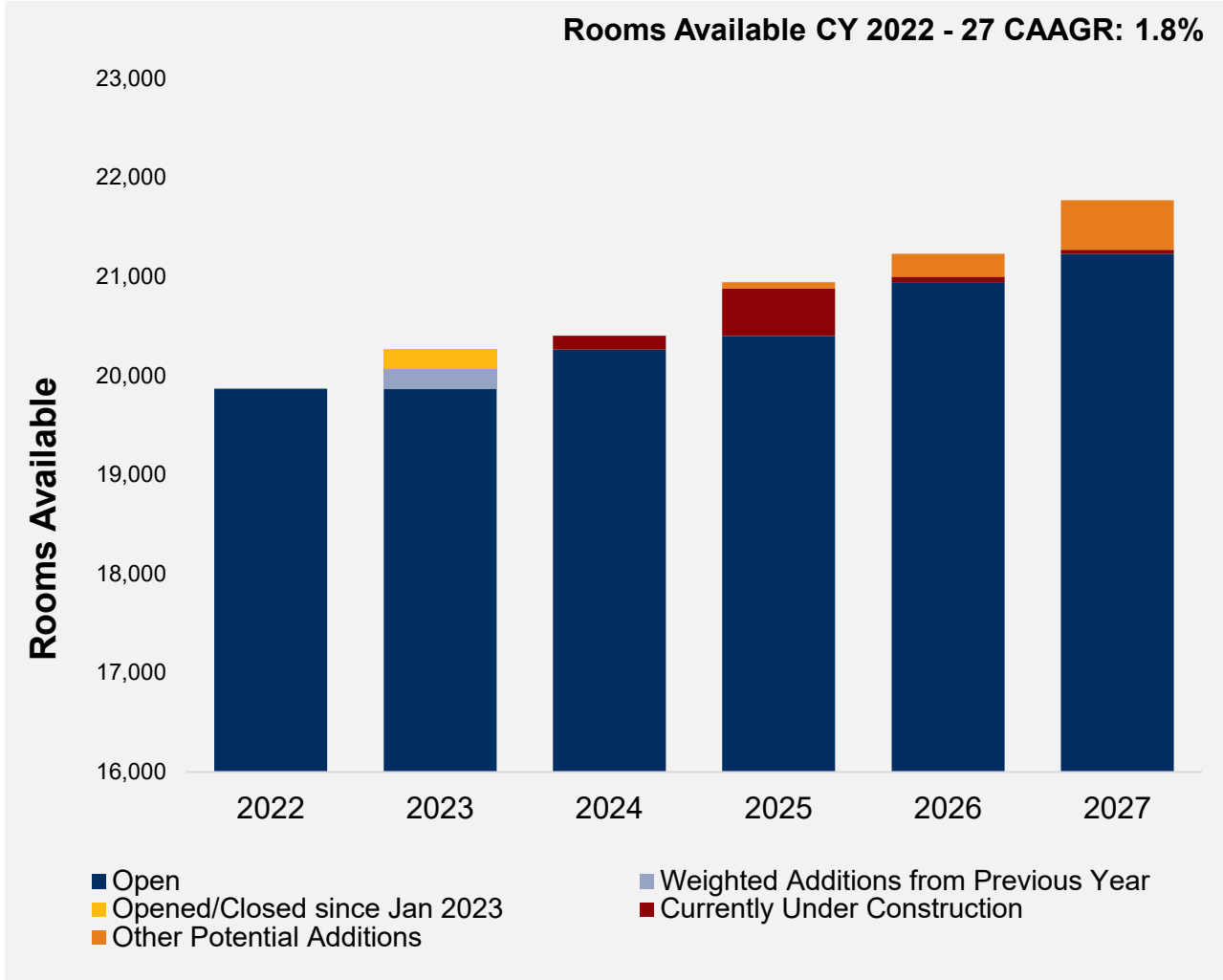
Gold Coast

Gold Coast Tourism Region Hotel Market Outlook

Gold Coast Tourism Region Hotel Market Outlook

Forecast Additions to Supply – CY 2023 to 2027

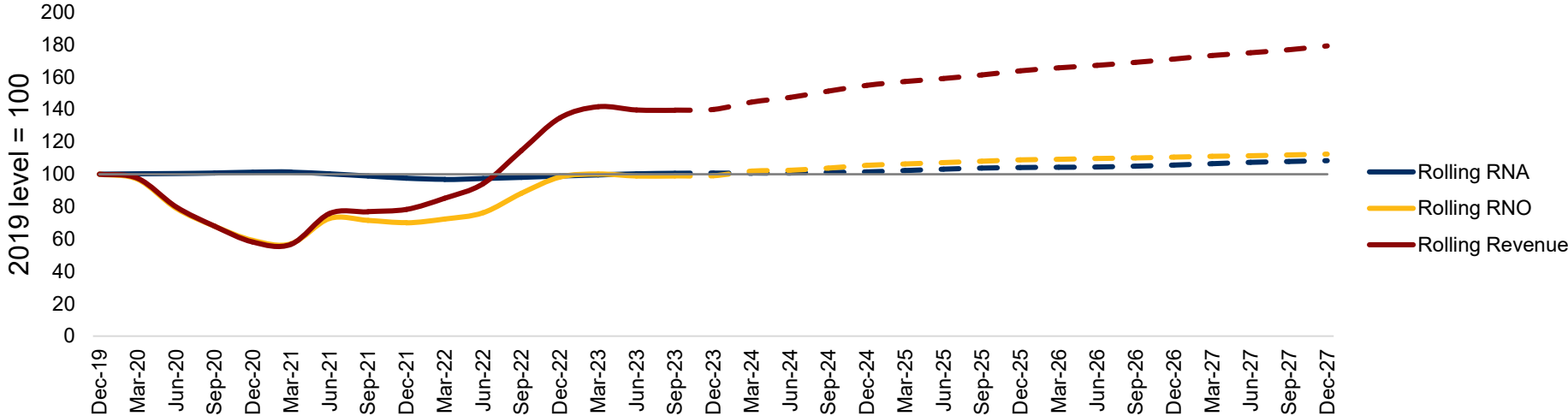
Rooms Available CY 2022 - 27 CAAGR: 1.8%



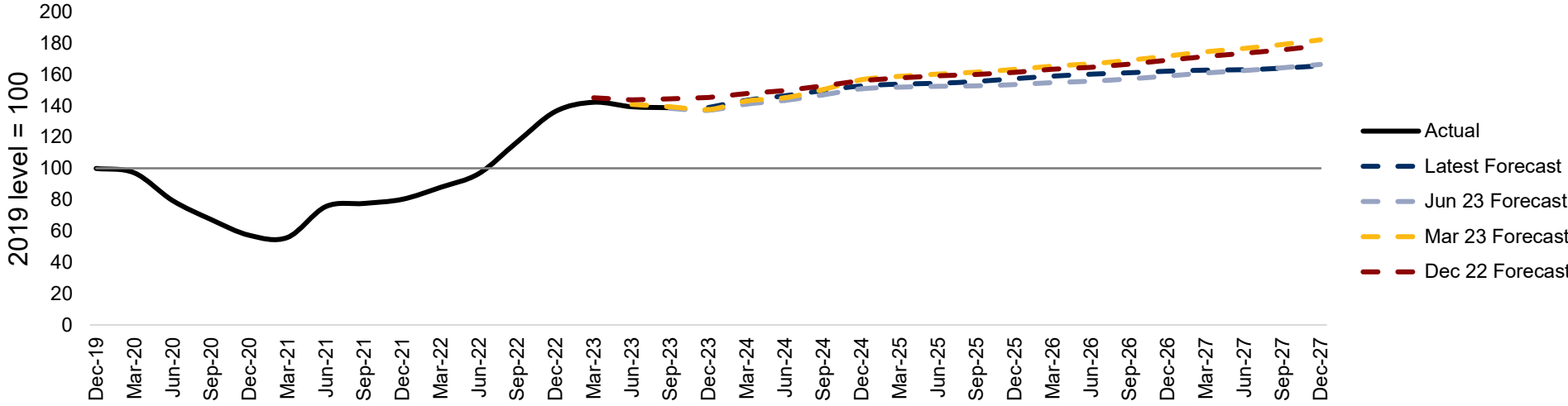
Gold Coast Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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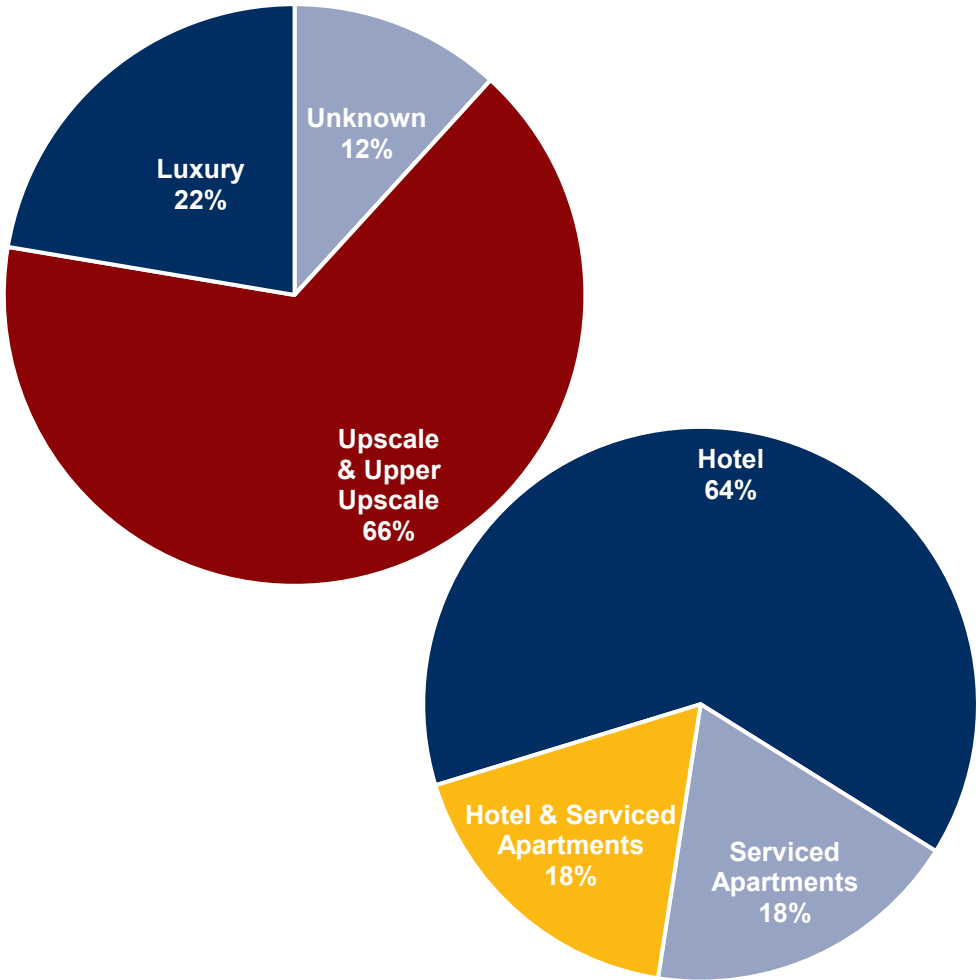
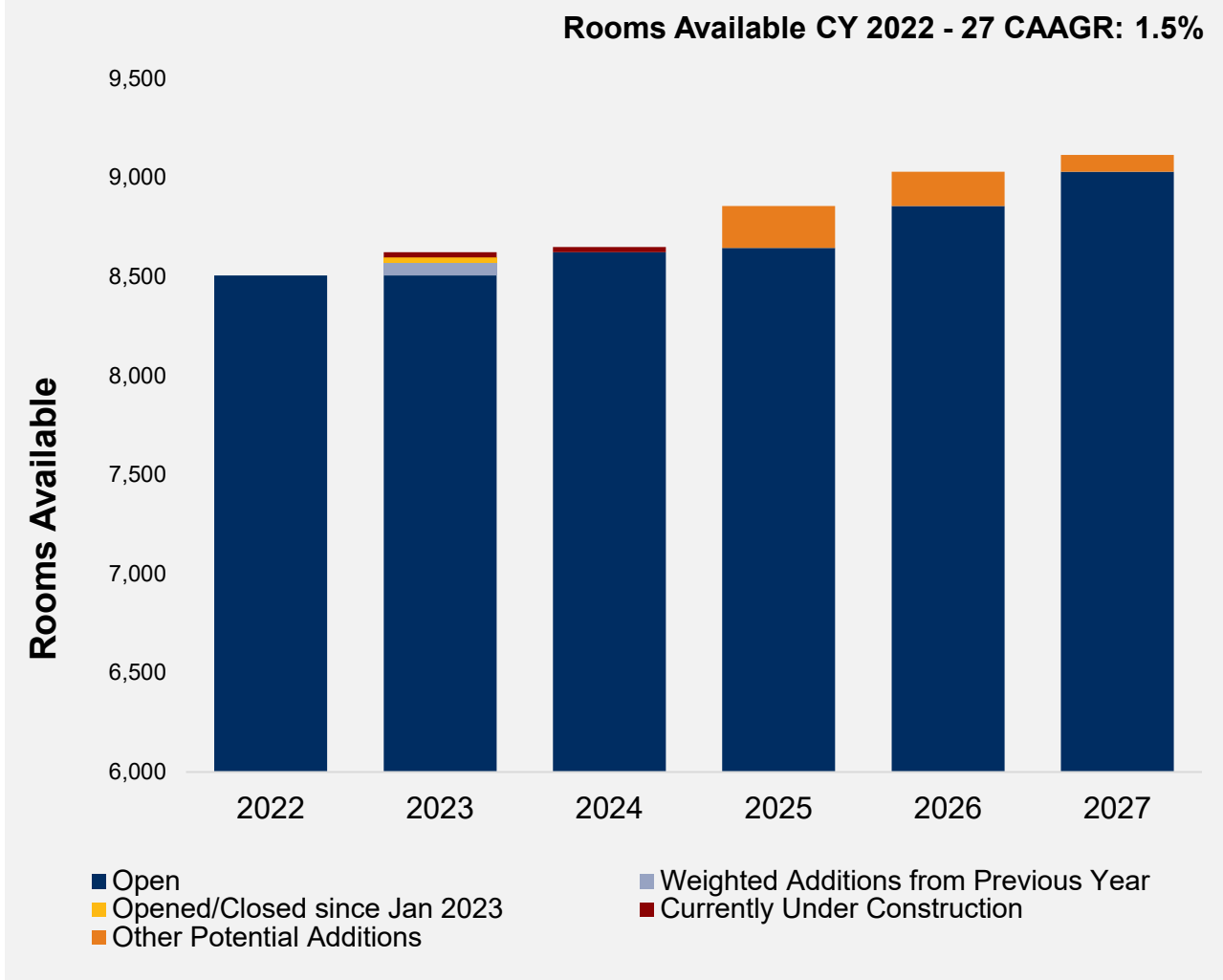


Sunshine Coast

Sunshine Tourism Region Hotel Market Outlook

Sunshine Coast Tourism Region Hotel Market Outlook

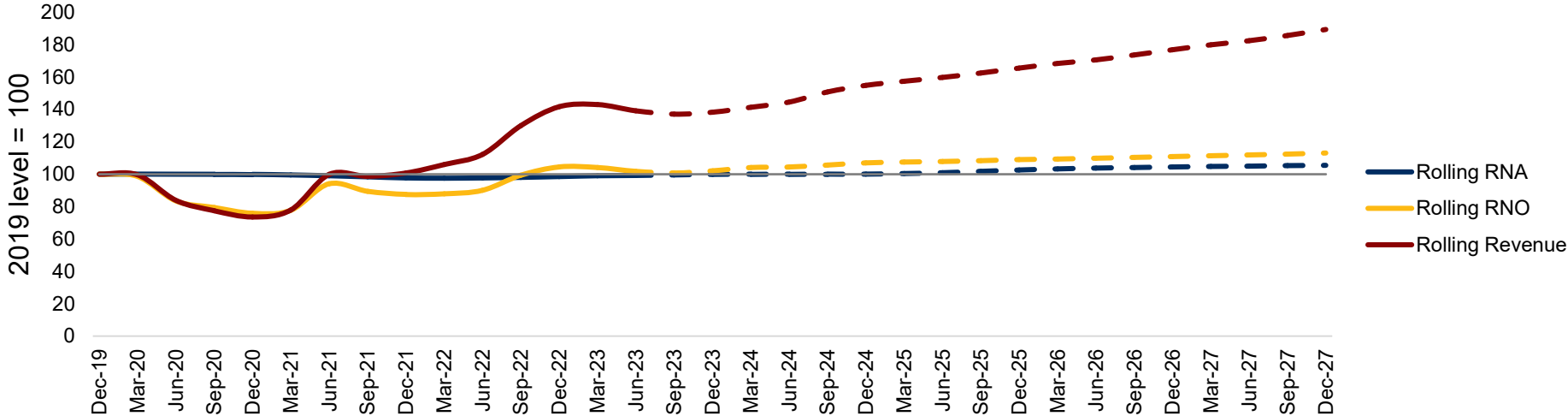
Forecast Additions to Supply – CY 2023 to 2027



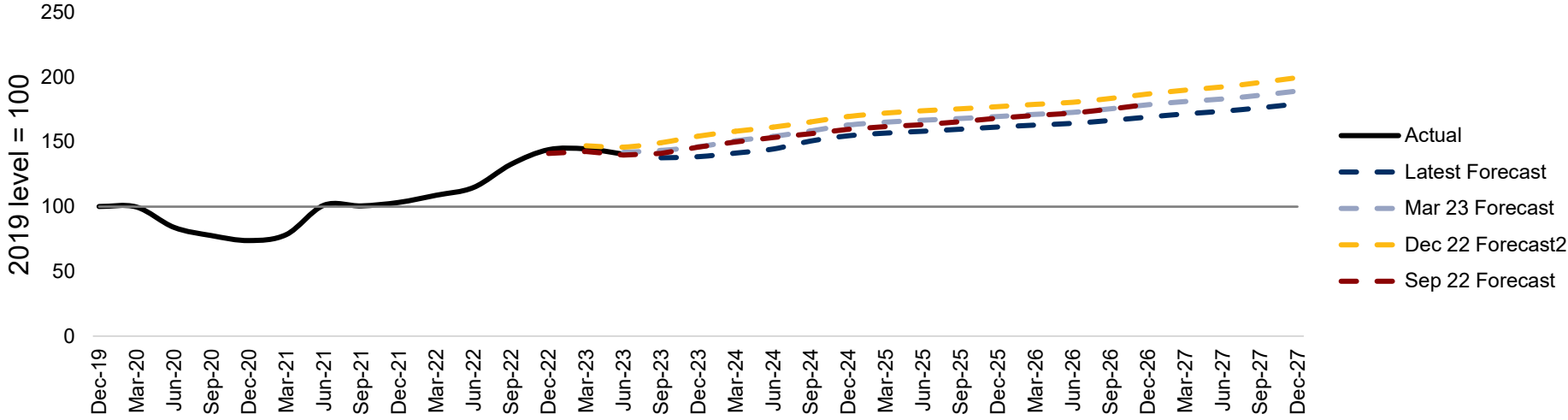
Sunshine Coast Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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Indexed Rolling 12-Month RevPAR Outlook



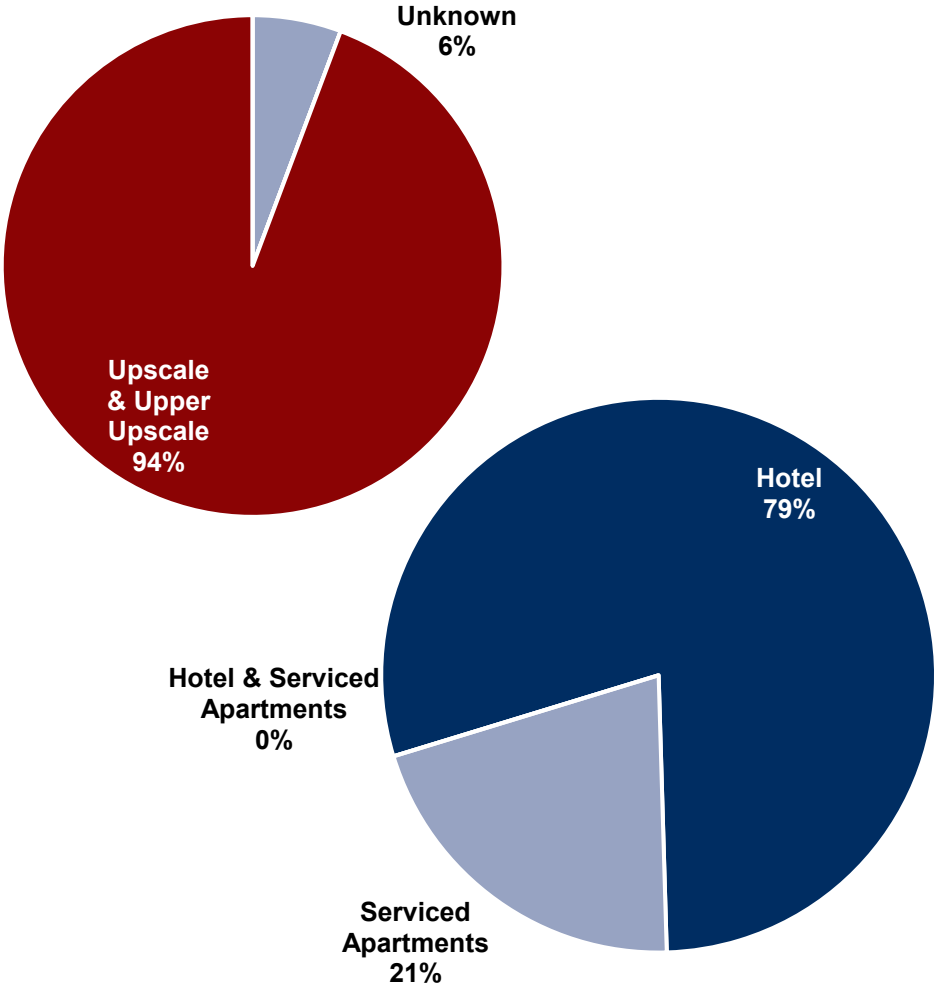
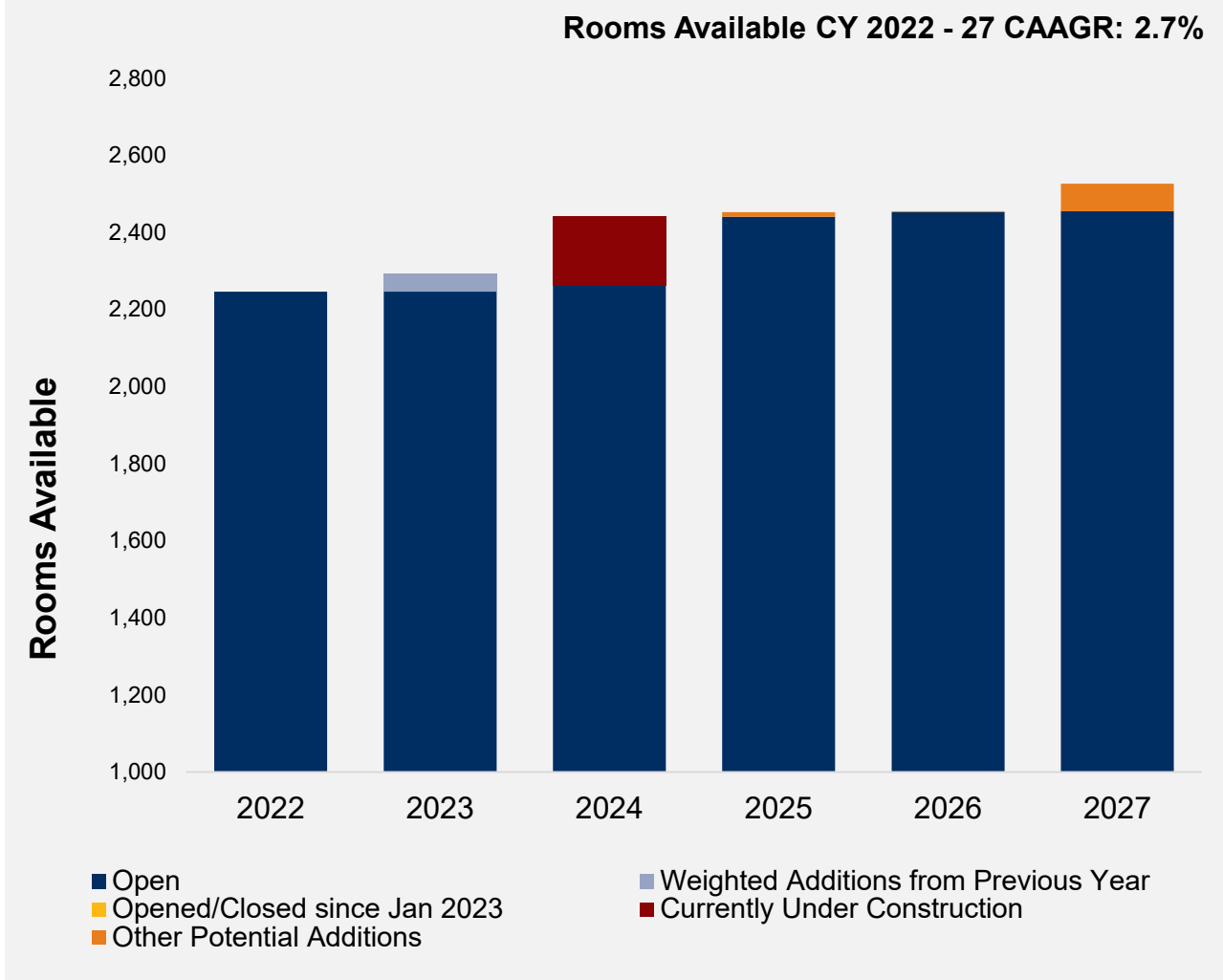


Newcastle

Newcastle Hotel Market Outlook

Newcastle Hotel Market Outlook

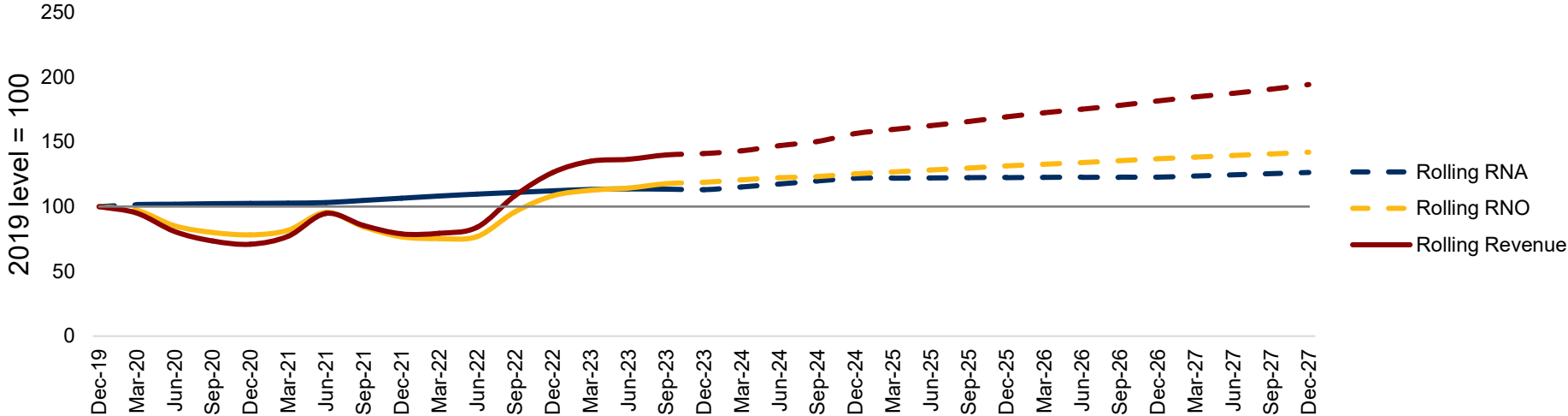
Forecast Additions to Supply – CY 2023 to 2027



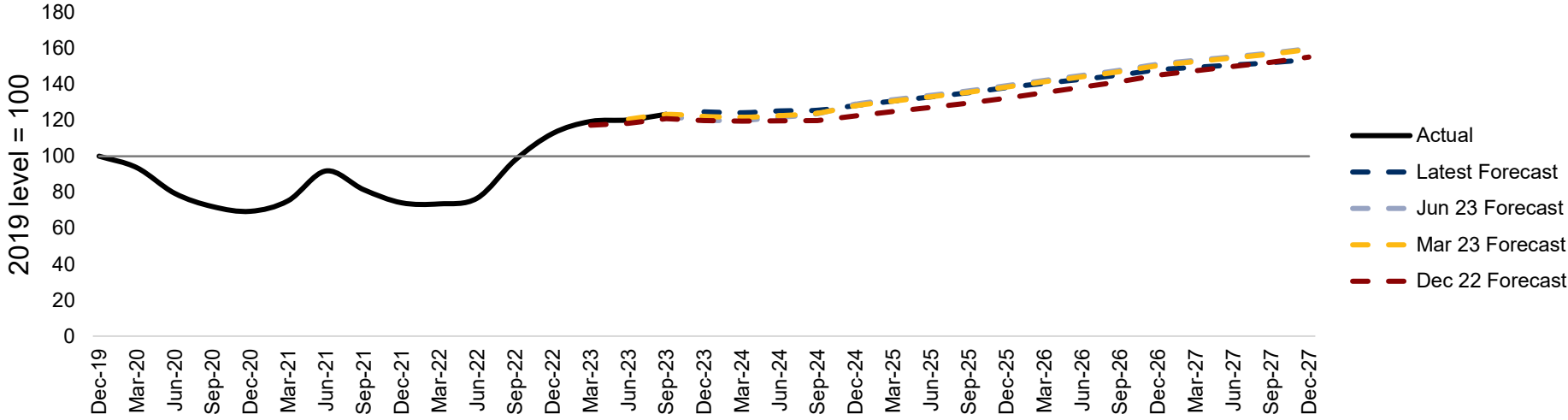
Newcastle Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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Indexed Rolling 12-Month RevPAR Outlook



Risks and Limitations

DATA SOURCES

In order to produce the hotel market outlooks in this report, Horwath HTL has collected and collated historical data and forecasts from the following sources:

- Historical hotel market performance data from STR as at September 2023;
- Historical economic data and forecasts from the DAE Business Outlook September 2023 Edition;
- International Tourism Forecasts have been adjusted by HHTL based on updated actual short term visitor arrivals up to August 2023 and Tourism Research Australia's December 2022 forecast.
- Historical tourism data as up to June 2023;
- The latest Domestic Tourism Forecasts as published by Tourism Research Australia in December 2022;
 - Regarding domestic visitation, Horwath HTL has adopted the recovery timeline as published by TRA in its December 2022 domestic tourism forecast, with adjustments to the outlook for CY 2023 and 2024 based on actual results to June 2023 and used growth relative to the long-term average, following such adjustments we have reverted to the ABS outlook for CY 2025 onwards.
- Supply pipeline information as collected in the Horwath HTL databases.

Adjustments made to our econometric model as described above, together with updated DAE economic projections, result in longer-term impacts for the market. We believe that the current modelling presents a reasonable picture of the outlook for hotel market performance, however, with such uncertain times that the industry is currently faced with, any outlook should be treated with caution.



Risks and Limitations



Our assessments and projections are predicated upon a number of assumptions and expectations. In particular, it should be recognised that hotel performance is particularly vulnerable to exceptional events. Unforeseen events that could severely disrupt hotel performance include, and are not limited to:

- Economic disruptions, such as the Asian or Global Financial Crises;
- Acts of terrorism, such as 9/11 or the Bali bombings;
- Natural events, such as a flood, tsunami or earthquake;
- Health scares, such as SARS, MERS, Avian Flu, Covid-19 Flu;
- Political unrest and instability such as recently occurred in Thailand and Hong Kong;
- Failure of local infrastructure, such as air-traffic disruptions, strikes, inadequate transport systems etc.; or
- Significant and/or concentrated additions to accommodation supply.

Whilst most of the above have played out to varying degrees over the last decade in various countries, including in Australia, these events remain difficult if not impossible to predict and can often not be anticipated.

Furthermore, unforeseen changes to the supply and demand of transient accommodation, including events that result in a material change to the business environment generally, could severely disrupt hotel performance in Australia's key transient accommodation markets, and as a result the future trading environment may be significantly different to that envisaged as at the time of preparation of this report.

Our conclusions as presented in this report are a reflection of the market conditions which we believe may eventuate during the forecast period. That said, it must be recognised that all estimates are based on our best judgement at this time.

Author



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Damien Little is a Director with Horwath HTL in Melbourne and has 22 years of consulting experience with significant experience in financial modelling.

During this time, he has undertaken hotel-related projects in 17 countries across the Asia Pacific region, being involved in more than 400 projects. Damien has been involved in projects across all industry segments including 5-star city hotels, luxury island resorts, golf resort properties, mid-scale regional hotels, budget hotels, backpacker accommodation, restaurants and clubs.

Damien previously worked for Horwath HTL (Asia Pacific practice) for 17 years and spent time in the Singapore, Hong Kong and Beijing offices. Upon his return to Australia, Damien joined Horwath HTL in Australia taking up the role as a Director and expanding the company's presence to Melbourne.

He is also a frequent speaker at industry-related conferences around the region and has published numerous research articles in regional industry publications.

Horwath HTL

At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

We are a global brand with 52 offices in 38 countries, who have successfully carried out over 30,000 assignments for private and public clients.

We are part of Crowe Global, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

Our Expertise:

- Hotel Planning & Development
- Hotel Asset Management
- Health & Wellness
- Transactional Advisory
- Expert Witness & Litigation
- Tourism & Leisure
- Hospitality Crisis Management

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