Horwath HTL

Australia

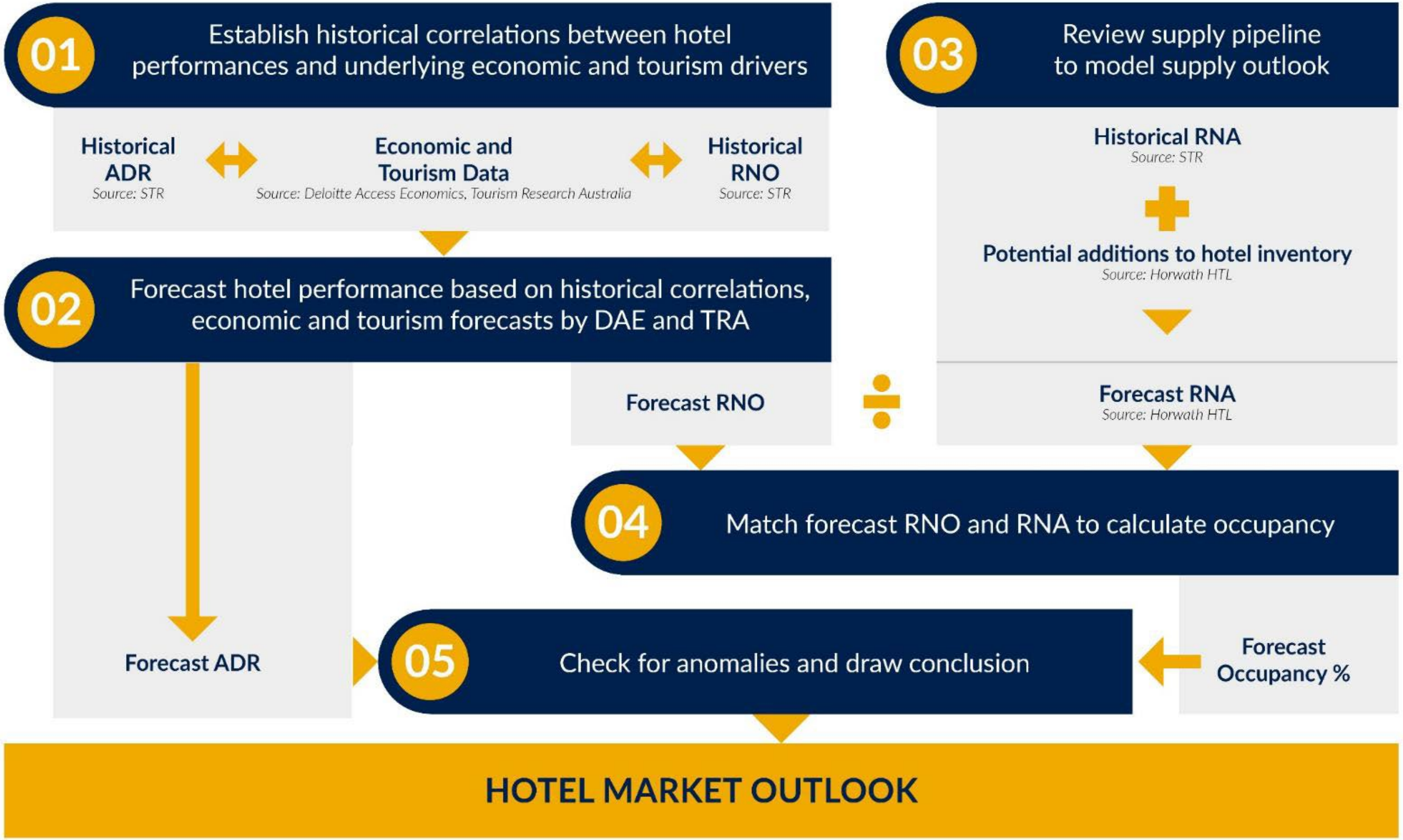
Capital City & Key Markets Hotel Market Outlook & Insights

JUNE QUARTER 2026 EDITION

Hotel Market Outlook

Horwath HTL

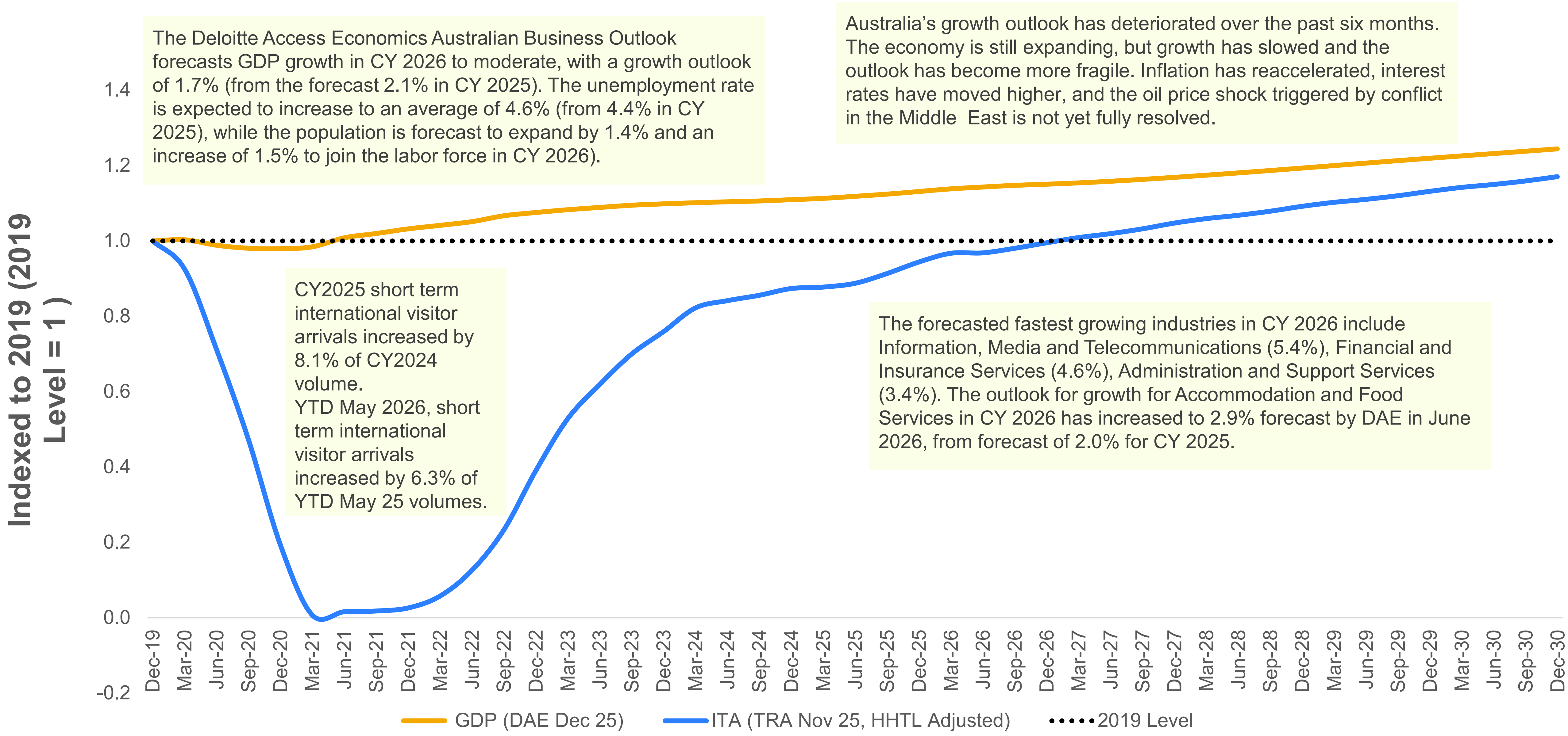
Horwath HTL Methodology



Macroeconomic and Tourism Context

Horwath HTL

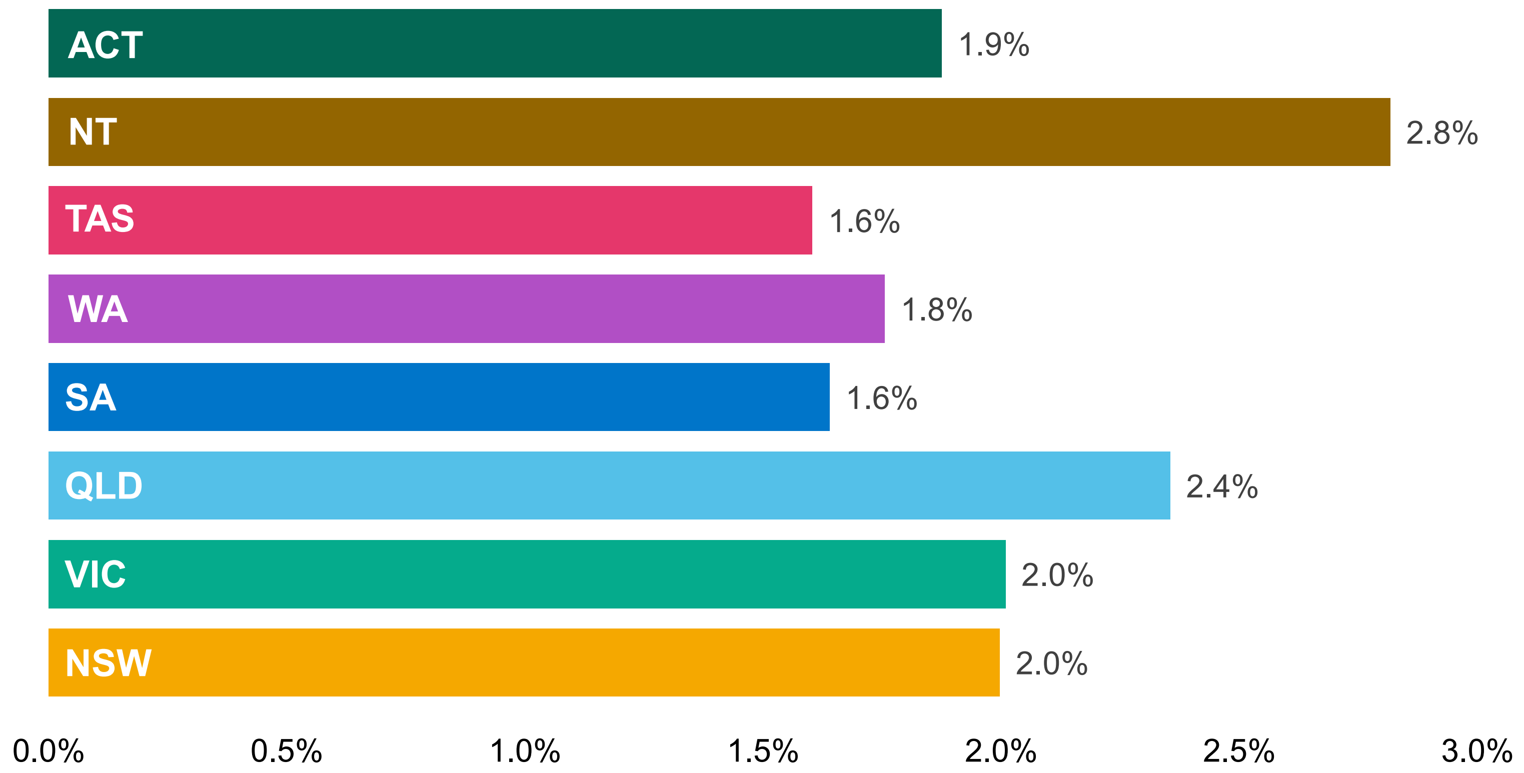
Rolling 12-Month GDP and International Tourism Arrivals, Australia – June 2026



Source : Deloitte Access Economic Business Outlook June 26 Edition, TRA, Horwath HTL

Macroeconomic and Tourism Context

Economic Outlook by State – Real Gross State Product CAAGR 2025-2032



Australian Capital Territory
The economic outlook for the ACT is closely tied to the success of large-scale project investment.

Northern Territory
Barossa LNG is driving the Territory's headline growth, while local economic activity is more subdued.

Tasmania
Cost-of-living pressures and a pullback in government spending will likely constrain the pace of economic growth in Tasmania in 2026-27.

Western Australia
The Western Australian economy is expected to see more modest growth in 2026-27 as household spending and dwelling investment slow.

South Australia
Public investment continues to support economic activity in South Australia, though with slower growth forecast for 2026-27.

Queensland
Robust public spending and ongoing private investment is expected to help Queensland navigate uncertain economic conditions throughout 2026-27.

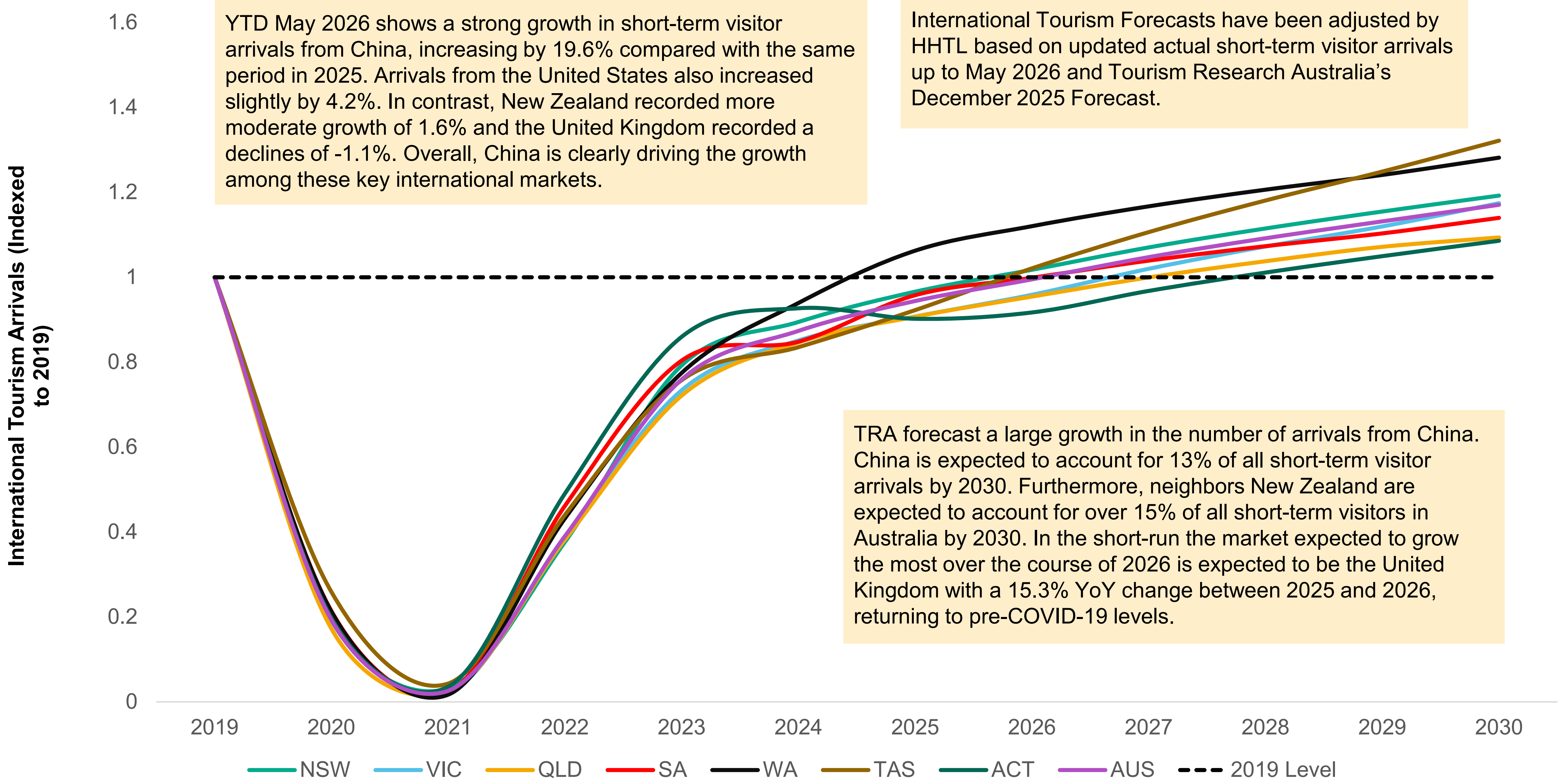
Victoria
Victoria faces a softer outlook as household spending and dwelling investment weaken.

New South Wales
Large-scale investment in infrastructure and technology is expected to support economic growth in NSW amidst broader economic uncertainty.

Source : Deloitte Access Economic Business Outlook June 26 Edition, TRA, Horwath HTL

Macroeconomic and Tourism Context

Tourism Outlook by State – International Short-Term Visitor Arrivals



YTD May 2026 shows a strong growth in short-term visitor arrivals from China, increasing by 19.6% compared with the same period in 2025. Arrivals from the United States also increased slightly by 4.2%. In contrast, New Zealand recorded more moderate growth of 1.6% and the United Kingdom recorded a declines of -1.1%. Overall, China is clearly driving the growth among these key international markets.

International Tourism Forecasts have been adjusted by HHTL based on updated actual short-term visitor arrivals up to May 2026 and Tourism Research Australia's December 2025 Forecast.

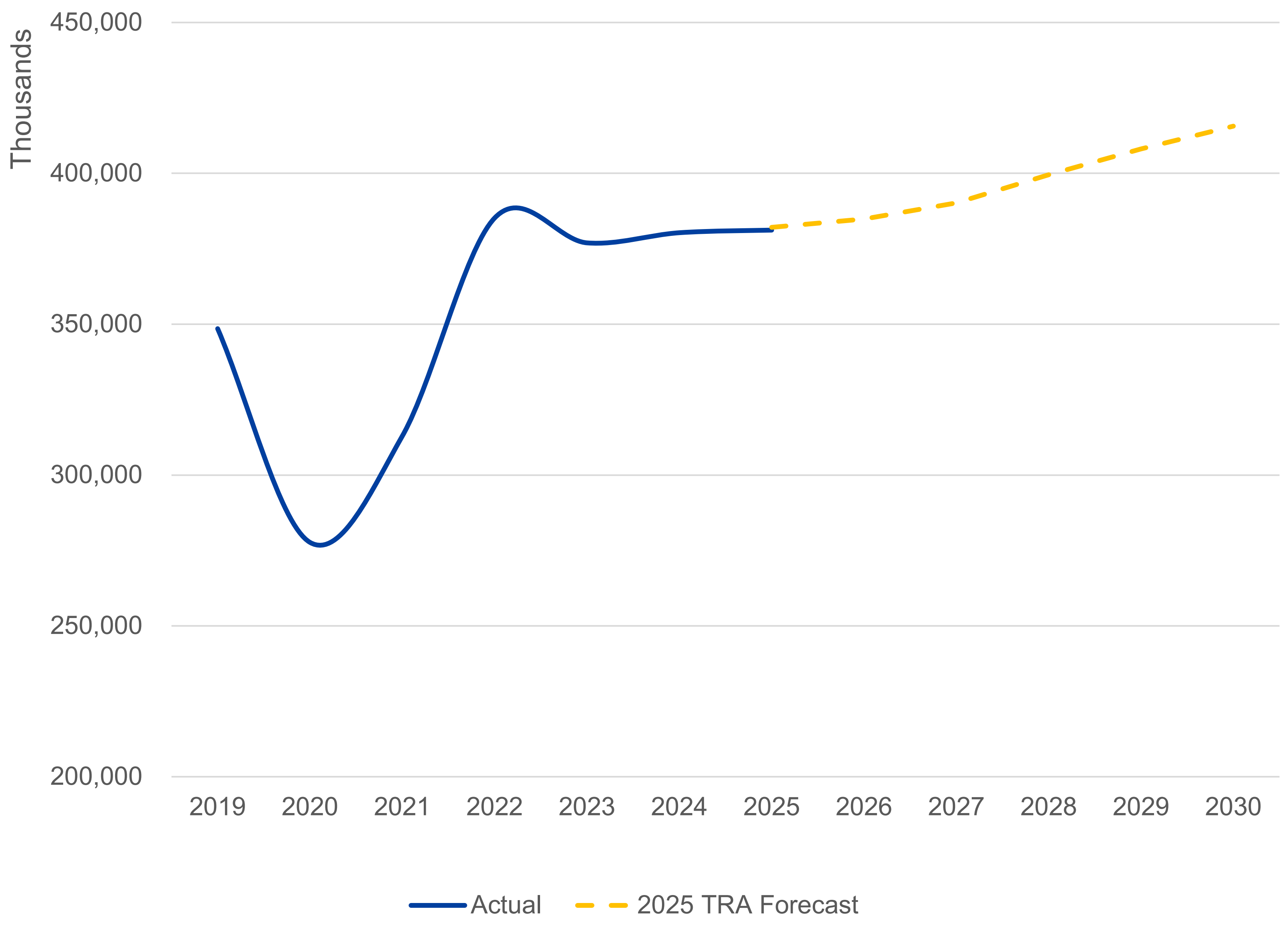
TRA forecast a large growth in the number of arrivals from China. China is expected to account for 13% of all short-term visitor arrivals by 2030. Furthermore, neighbors New Zealand are expected to account for over 15% of all short-term visitors in Australia by 2030. In the short-run the market expected to grow the most over the course of 2026 is expected to be the United Kingdom with a 15.3% YoY change between 2025 and 2026, returning to pre-COVID-19 levels.

Source : TRA December 25 HHTL Adjusted

Macroeconomic and Tourism Context

Horwath HTL

Tourism Outlook for Australia – Domestic Visitor Nights



Domestic Tourism Demand – Australia

The methodology for collecting domestic tourism data changed as of the March quarter 2025 and as such, we can no longer comment on year-on-year growth trends for most data points or reference data compared to 2019. This limits our current commentary on domestic tourism data.

For the 12 months ending December 2025, domestic nights reached 381.2 million representing marginal growth of 0.2% over 2024. For YTD March 2026, nationwide domestic nights reached 105.4 million, a 0.3% growth from 2025.

Domestic overnight visitor expenditure has recorded strong growth for Q1 2026 compared to Q1 2025 with total expenditure increasing by 9,7% with an average spend per night of $281.7 in Q1 2026 compared to $257.5 for Q1 2025.

Source : Tourism Research Australia Domestic Tourism Forecast 2025

Trends in Australian Hotel Markets

Horwath HTL

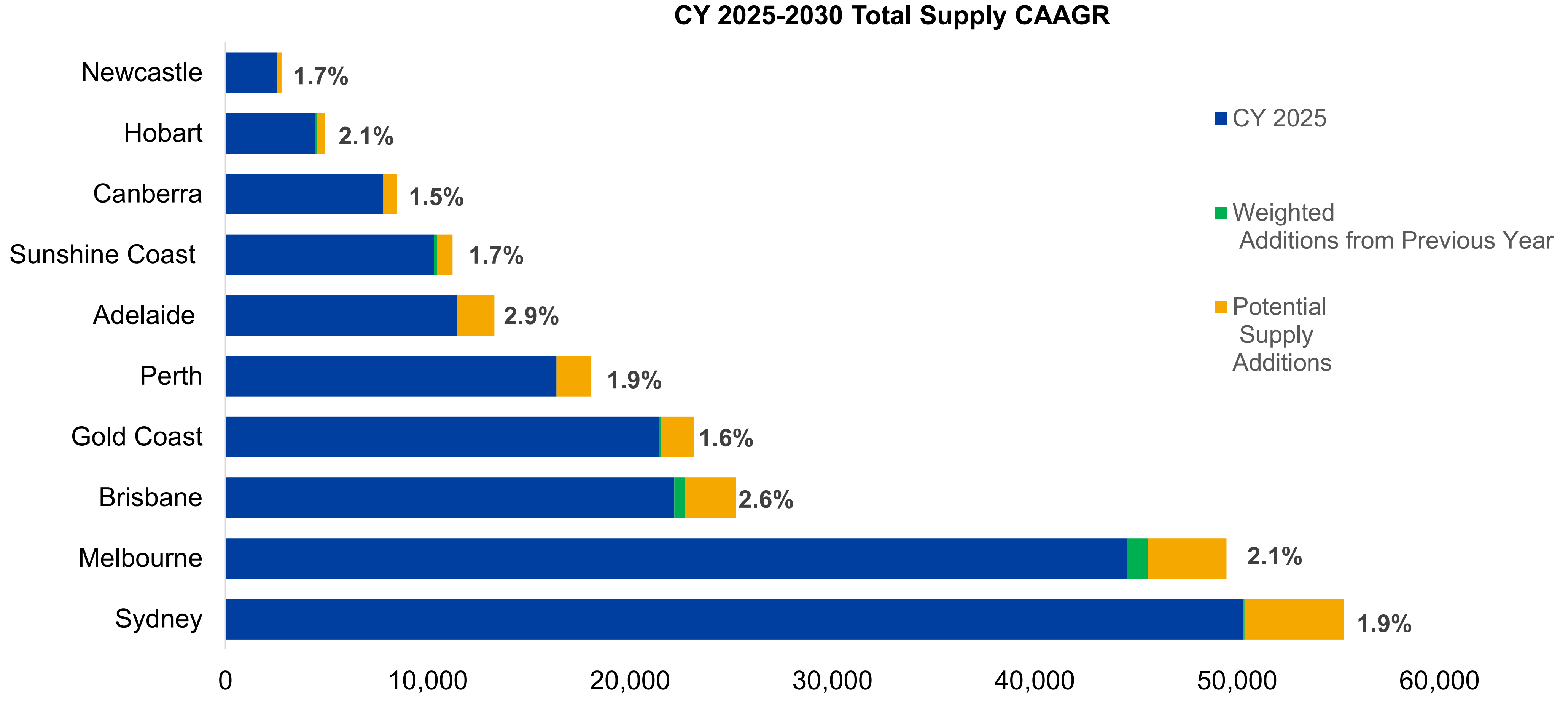
RevPAR Performance Snapshot – YTD June 2026 Vs YTD June 2025

RevPAR YTD June 2026		
	Vs YTD Jun 25	
Adelaide	8.2%	▲
Brisbane	0.5%	▲
Canberra	-0.2%	▼
Darwin	0.8%	▲
Gold Coast	6.4%	▲
Hobart	6.5%	▲
Melbourne	3.1%	▲
Newcastle	0.4%	▲
Perth	5.1%	▲
Sunshine Coast	10.6%	▲
Sydney	7.6%	▲

Source: STR

Macroeconomic and Tourism Context

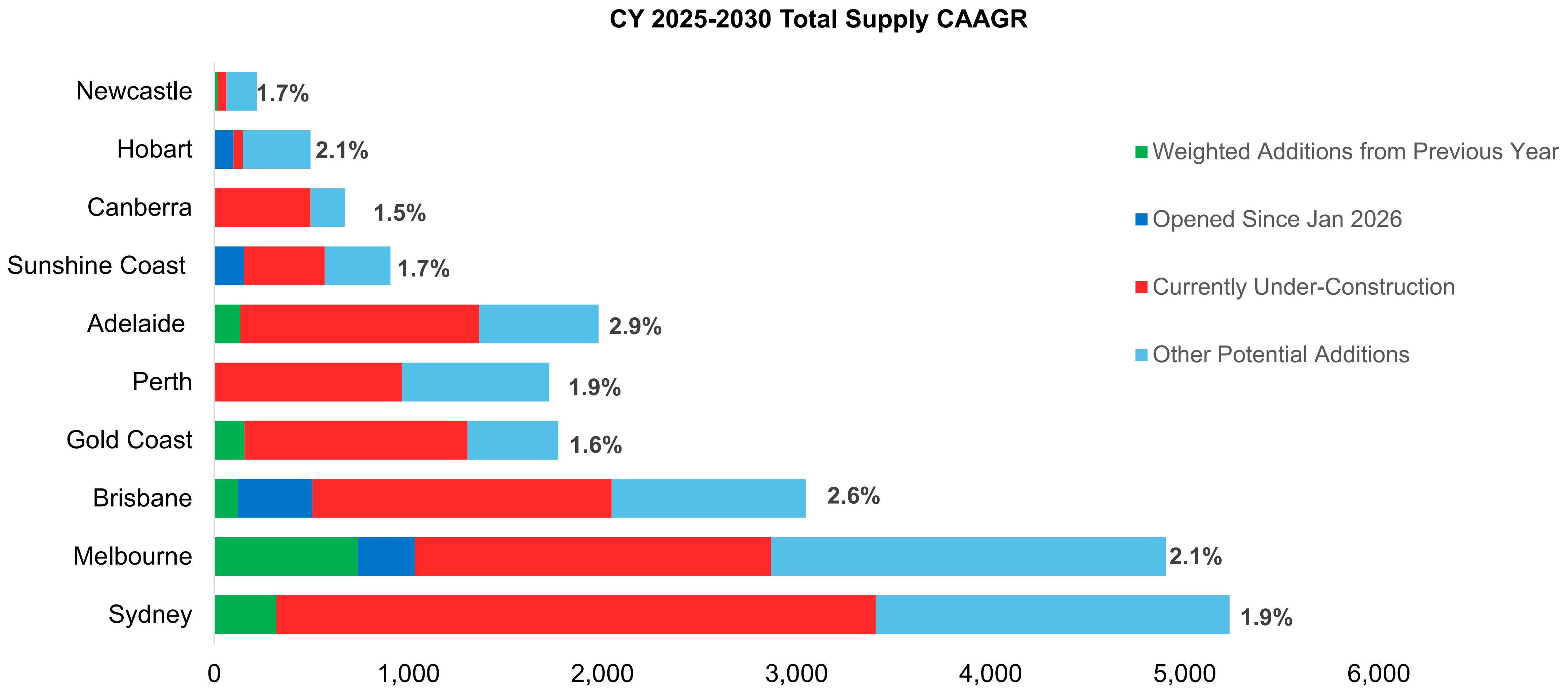
Existing Hotel and Hotel Supply Pipeline (by Number of Rooms)



Sources: Horwath HTL, STR (existing supply)

Australian Hotel Market Supply Pipeline

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



Source: Horwath HTL

Sydney

Sydney Tourism Region Hotel Market Outlook

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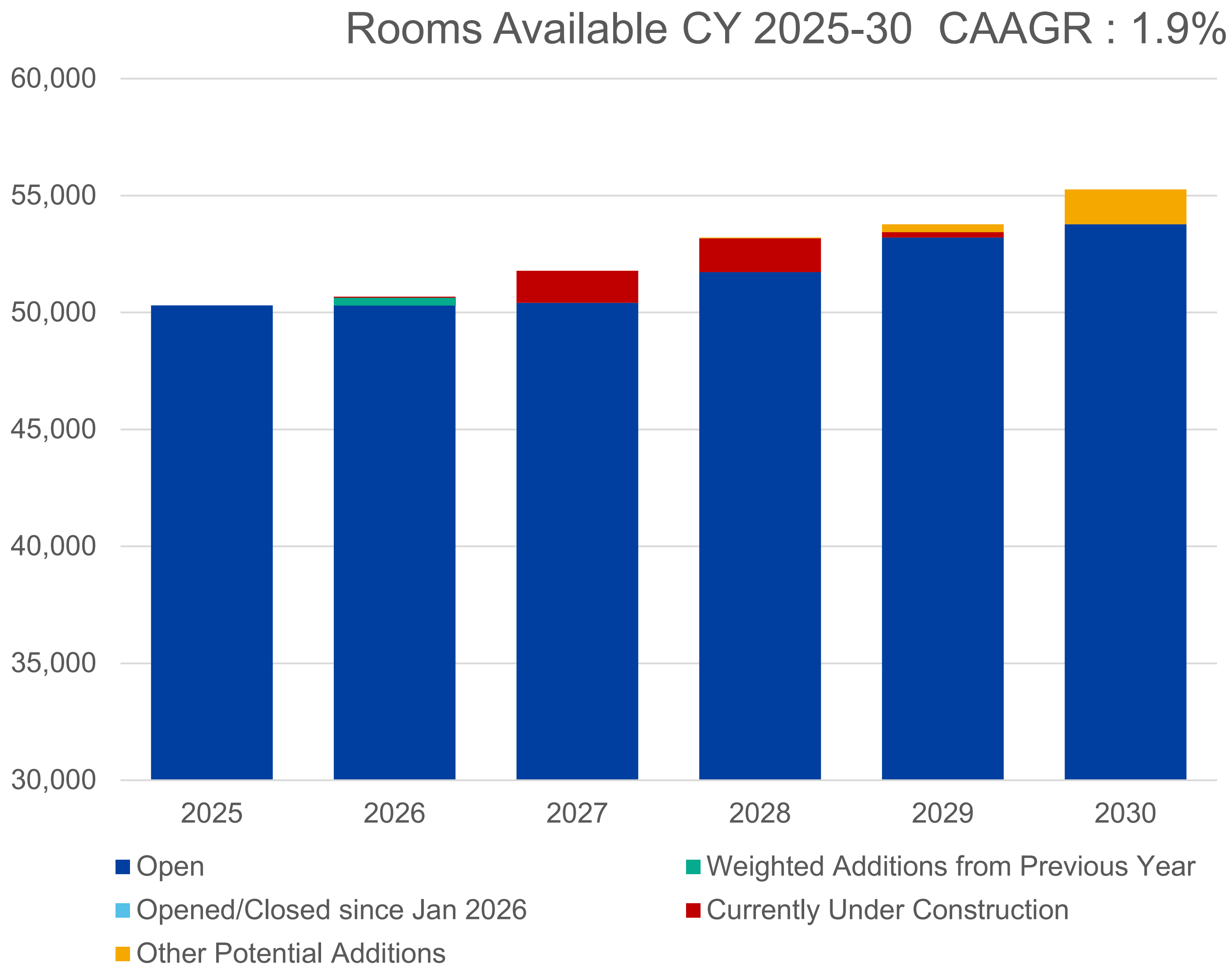
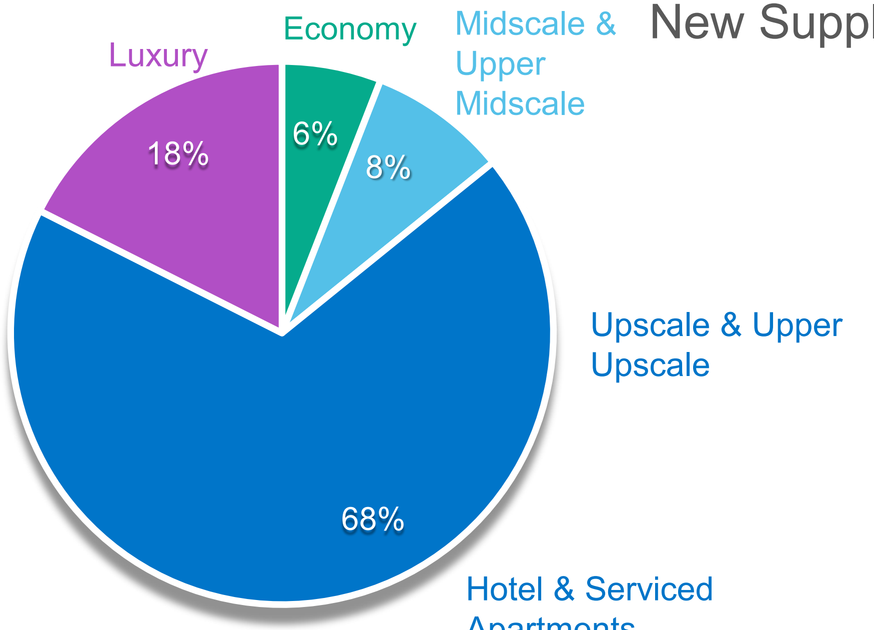
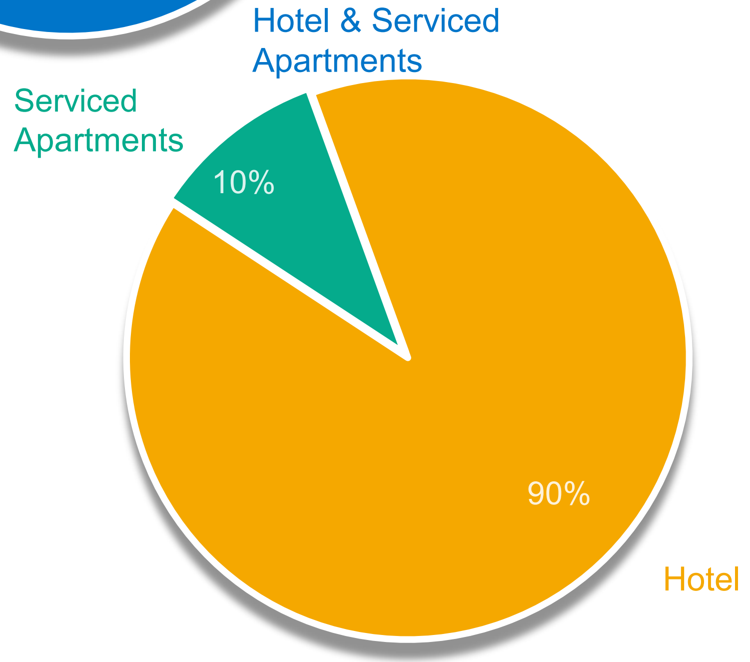
Forecast Additions to Supply – CY 2025 to CY 2030



Distribution of New Supply





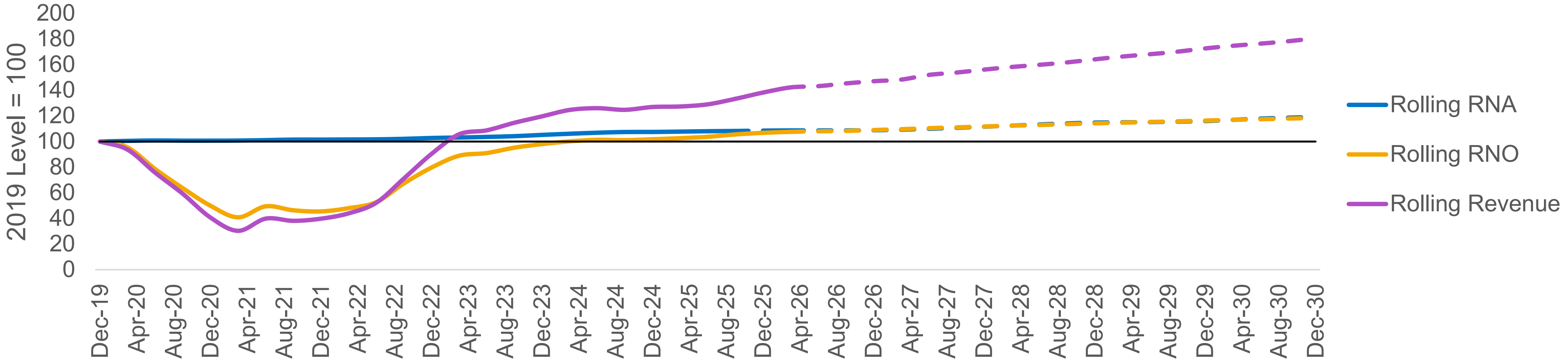
Source: STR (Historical), Horwath HTL (Forecast)

Sydney Tourism Region Hotel Market Outlook

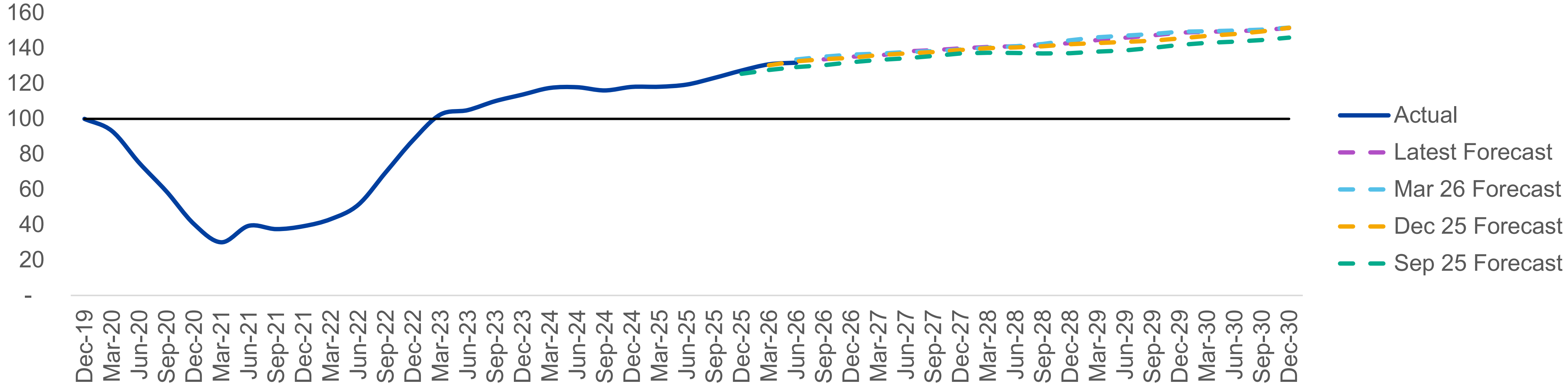
Horwath HTL

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



Source: STR (Historical), Horwath HTL (Forecast)

Horwath HTL

Melbourne

Melbourne Tourism Region Hotel Market Outlook

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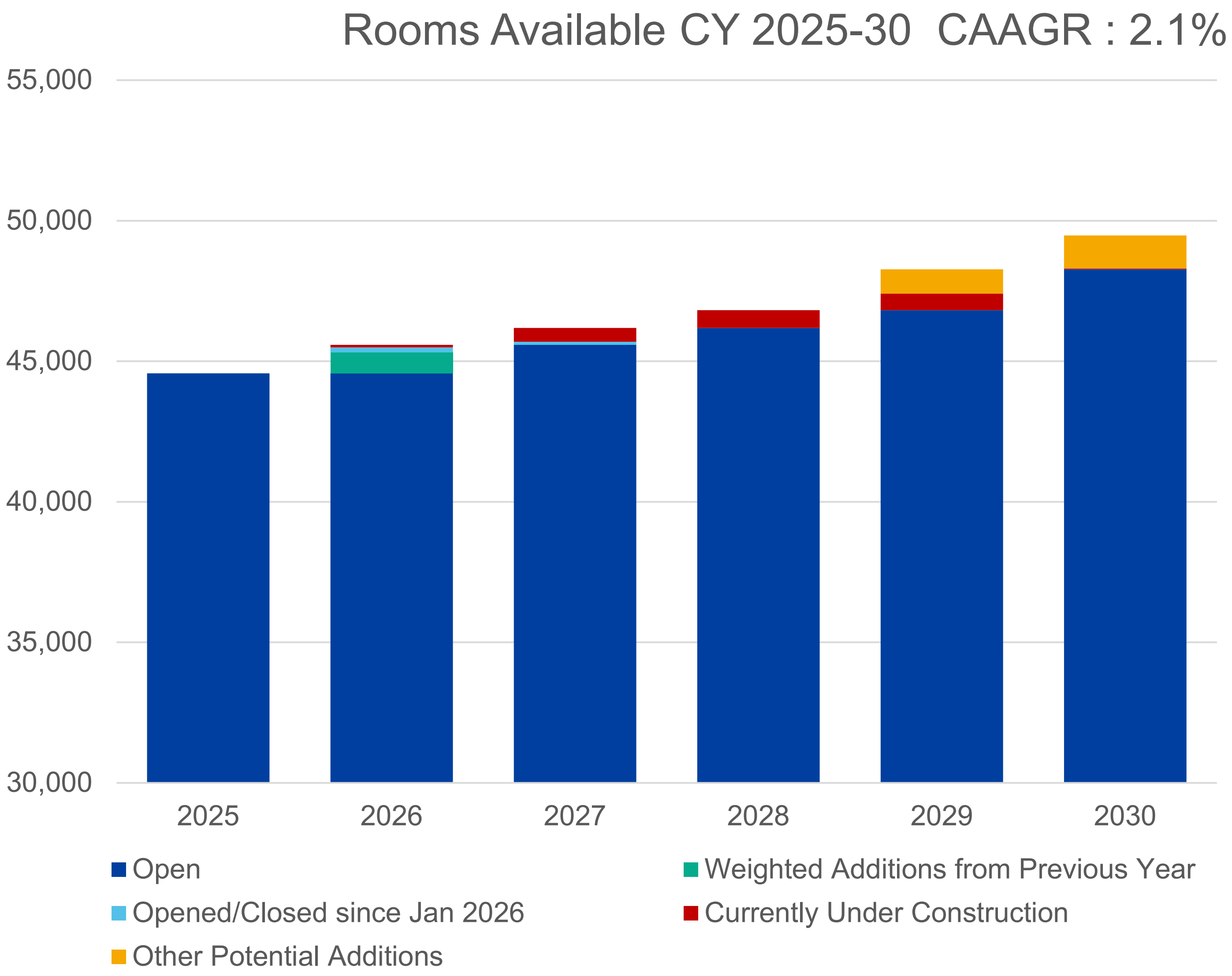
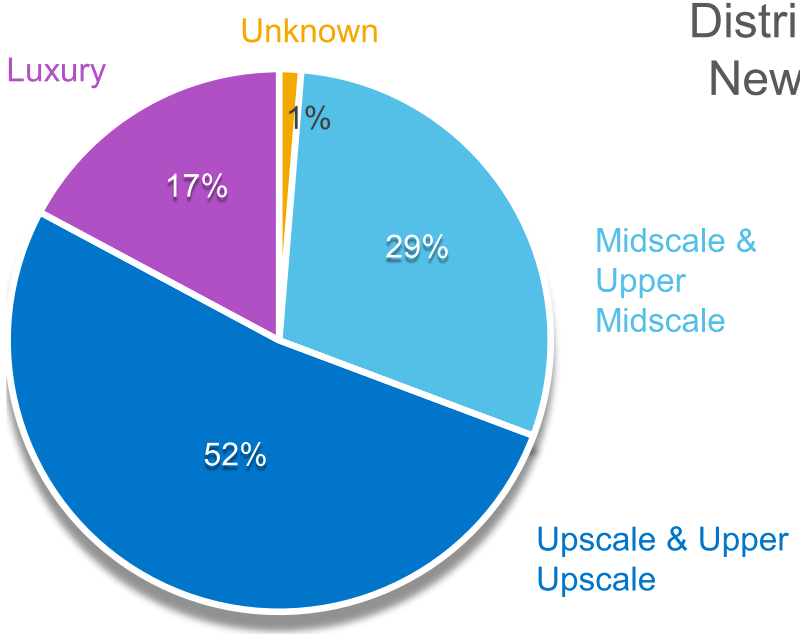
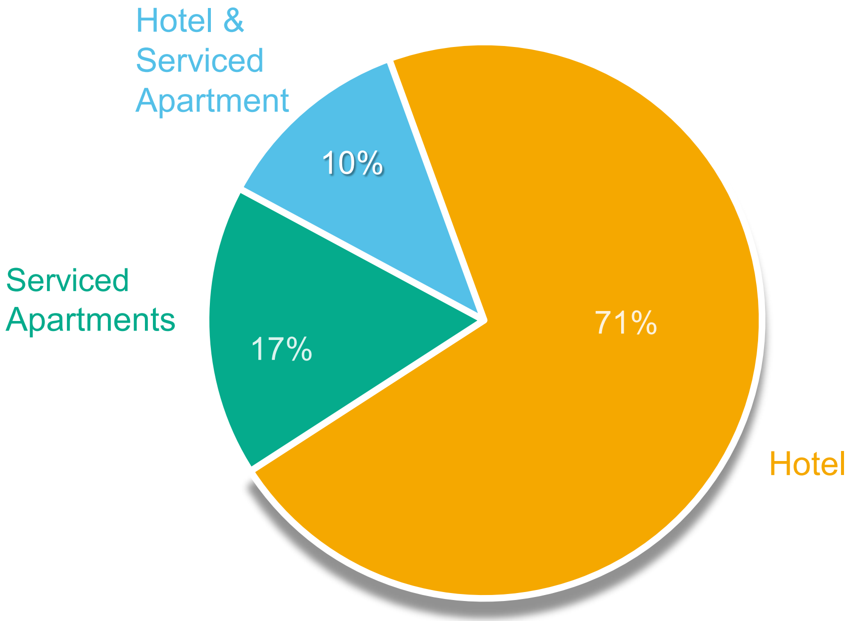
Horwath HTL

Forecast Additions to Supply – CY 2025 to CY 2030



Distribution of New Supply





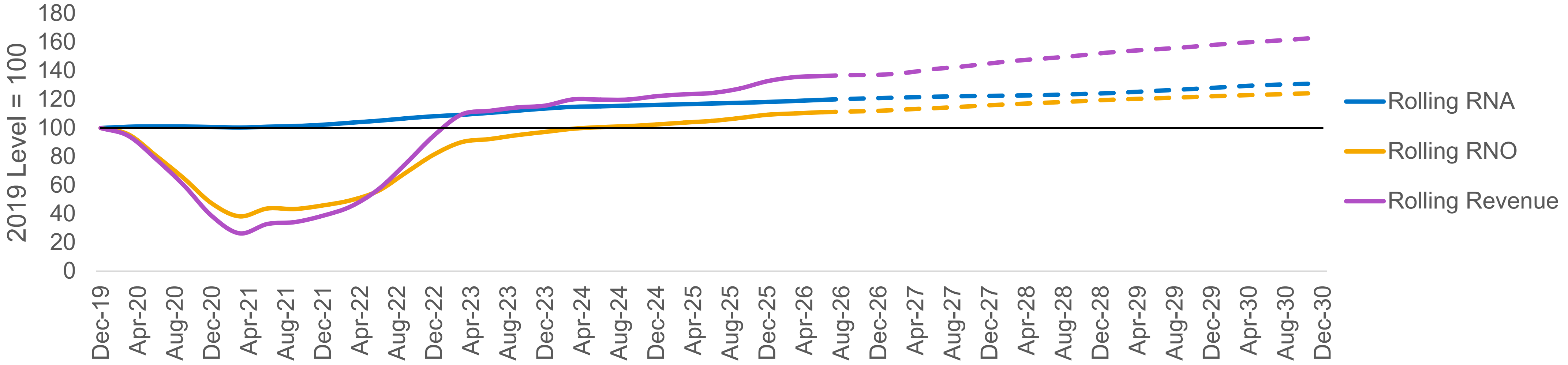
Source: STR (Historical), Horwath HTL (Forecast)

Melbourne Tourism Region Hotel Market Outlook

Horwath HTL

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



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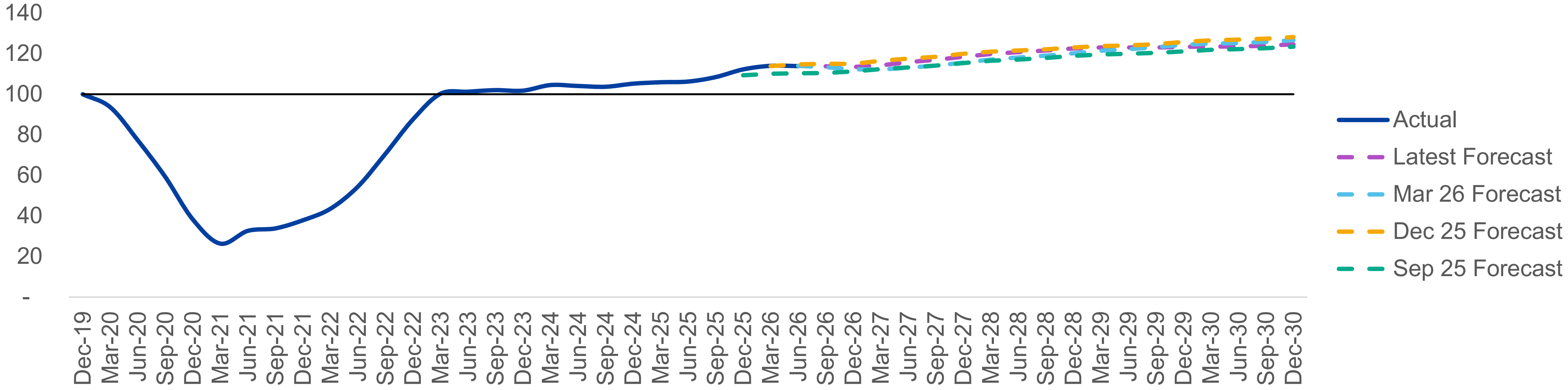

Source: STR (Historical), Horwath HTL (Forecast)

Brisbane

Brisbane Tourism Region Hotel Market Outlook

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Horwath HTL

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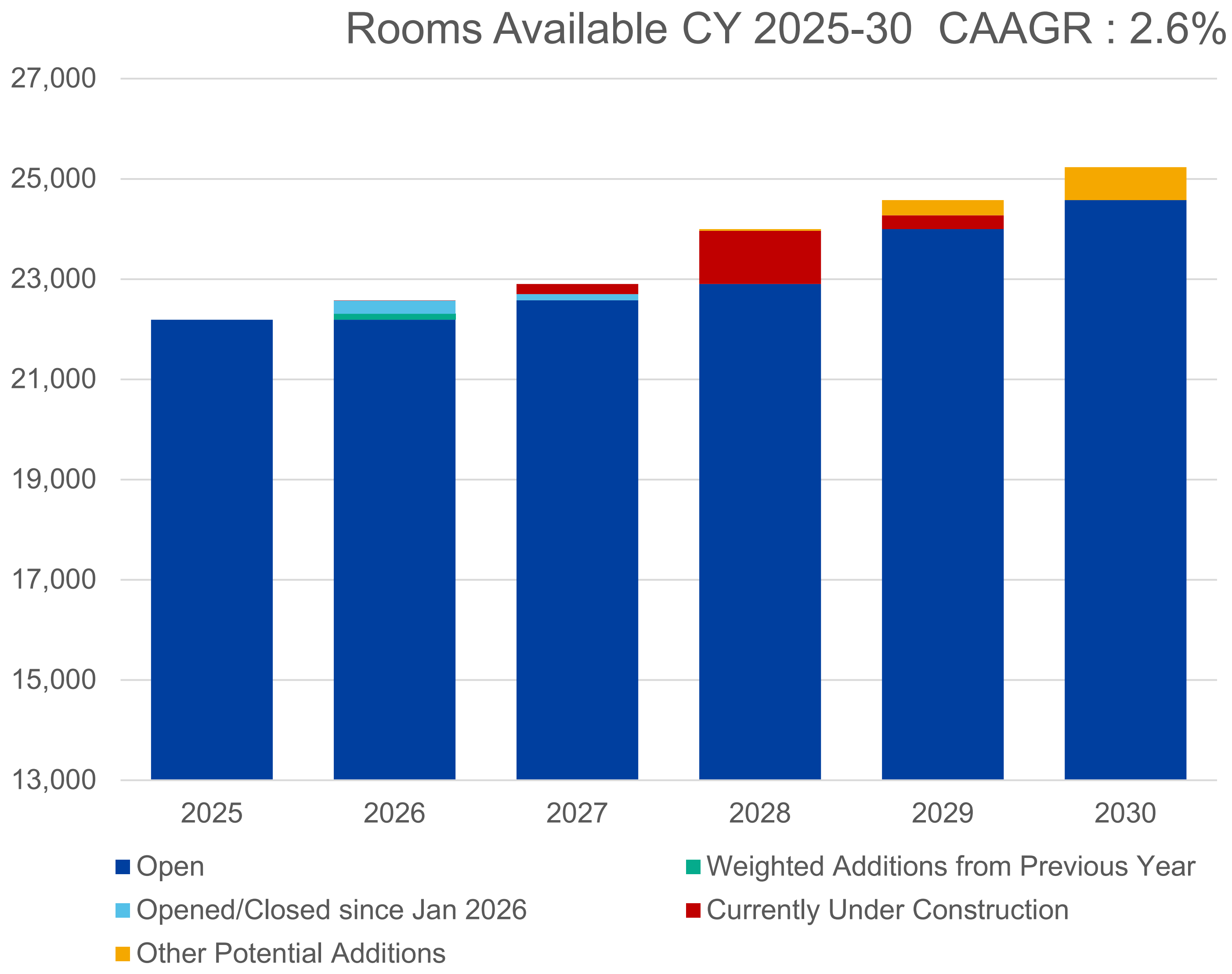
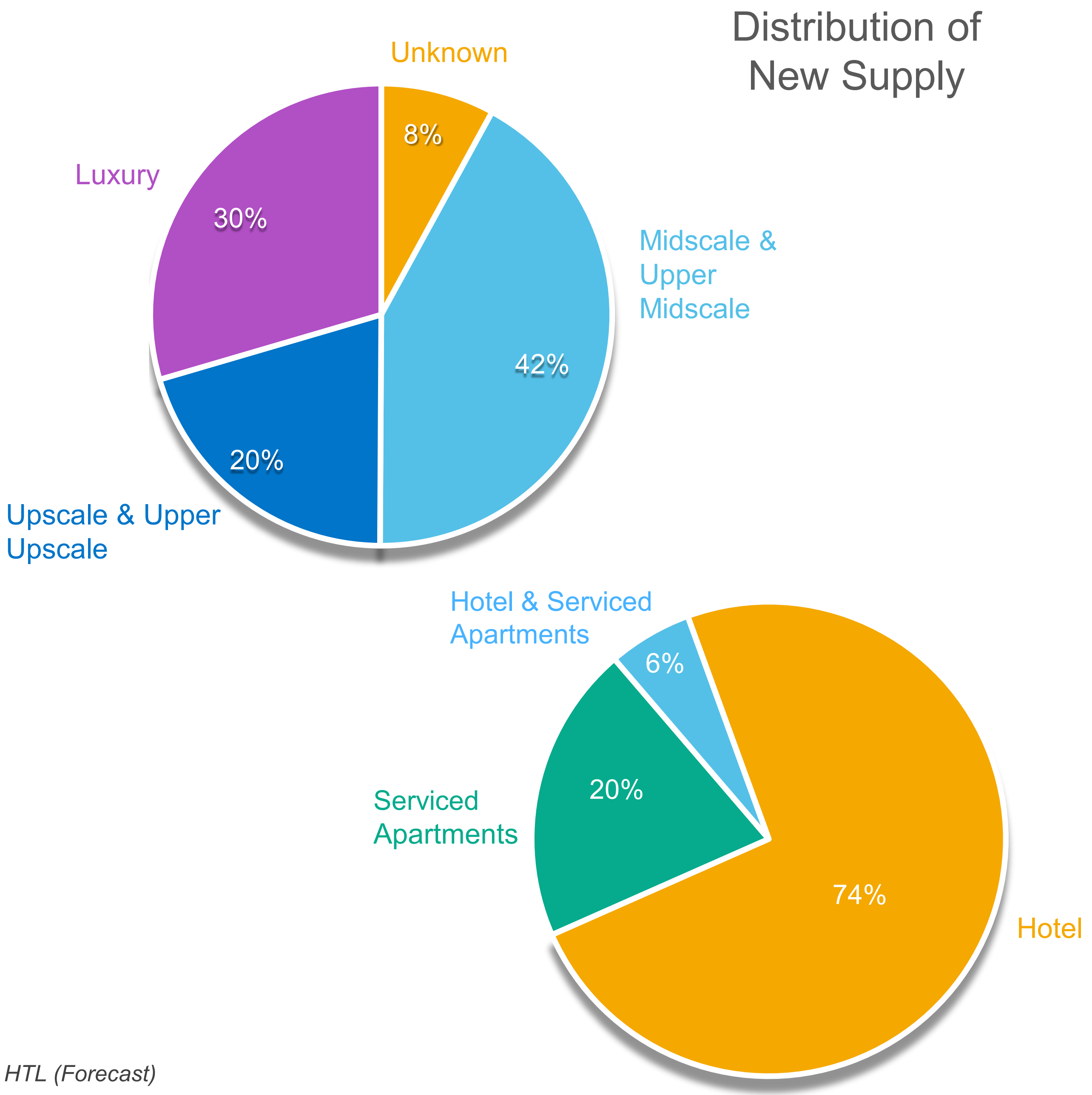




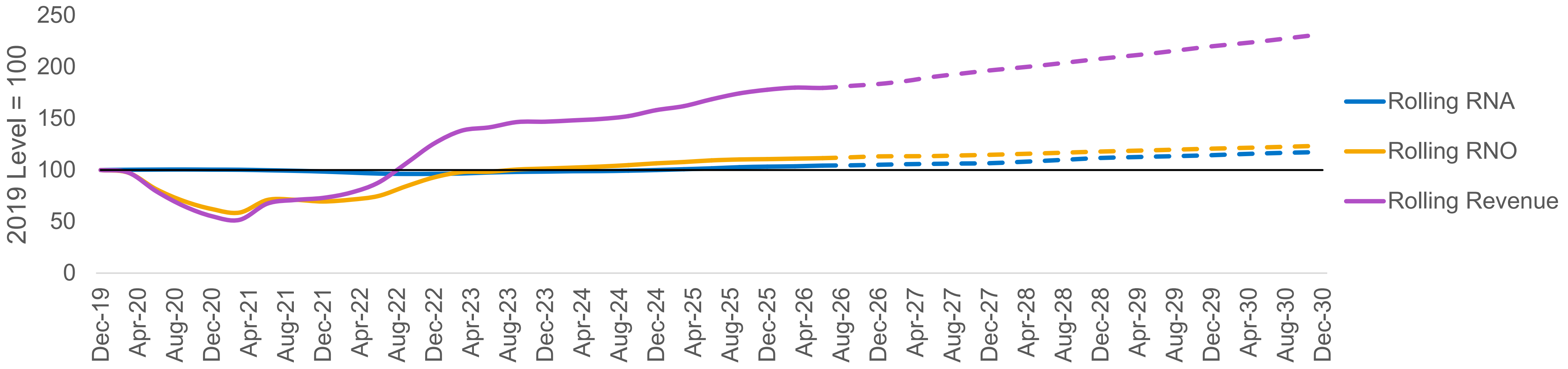
Source: STR (Historical), Horwath HTL (Forecast)

Brisbane Tourism Region Hotel Market Outlook

Horwath HTL

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



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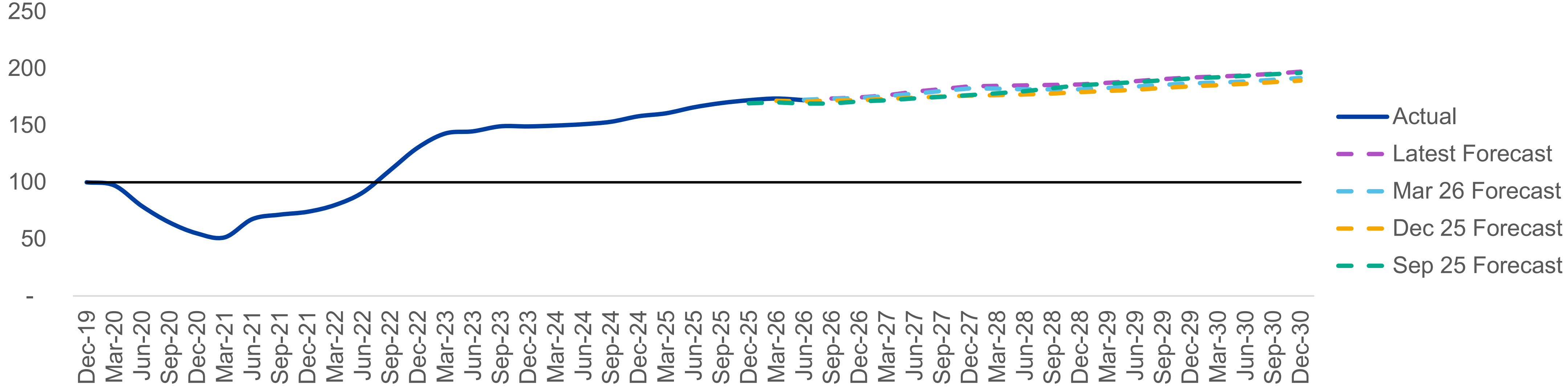

Source: STR (Historical), Horwath HTL (Forecast)

Horwath HTL

Perth

Perth Tourism Region Hotel Market Outlook

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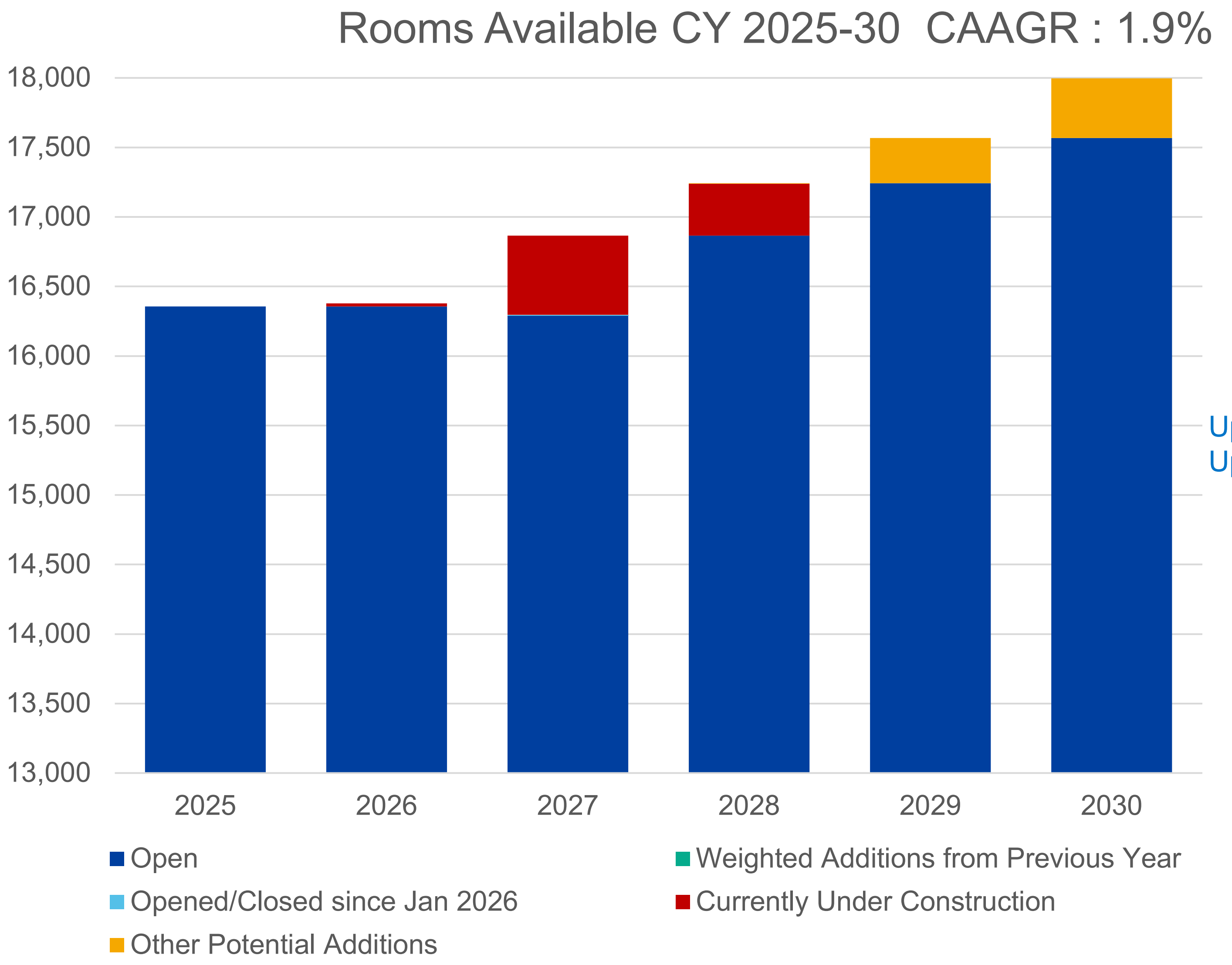
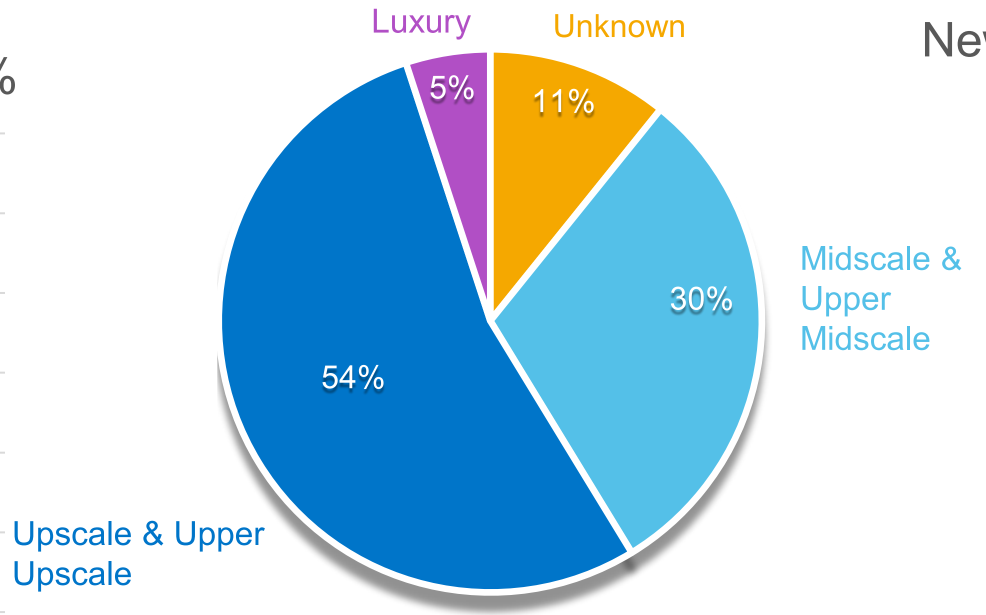
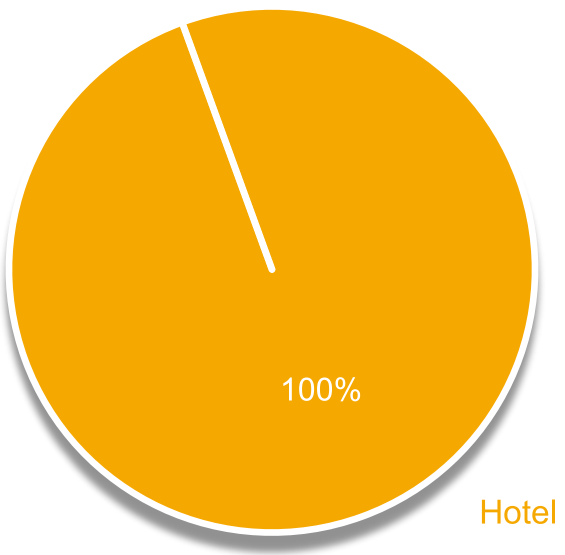
Horwath HTL

Forecast Additions to Supply – CY 2025 to CY 2030



Distribution of New Supply



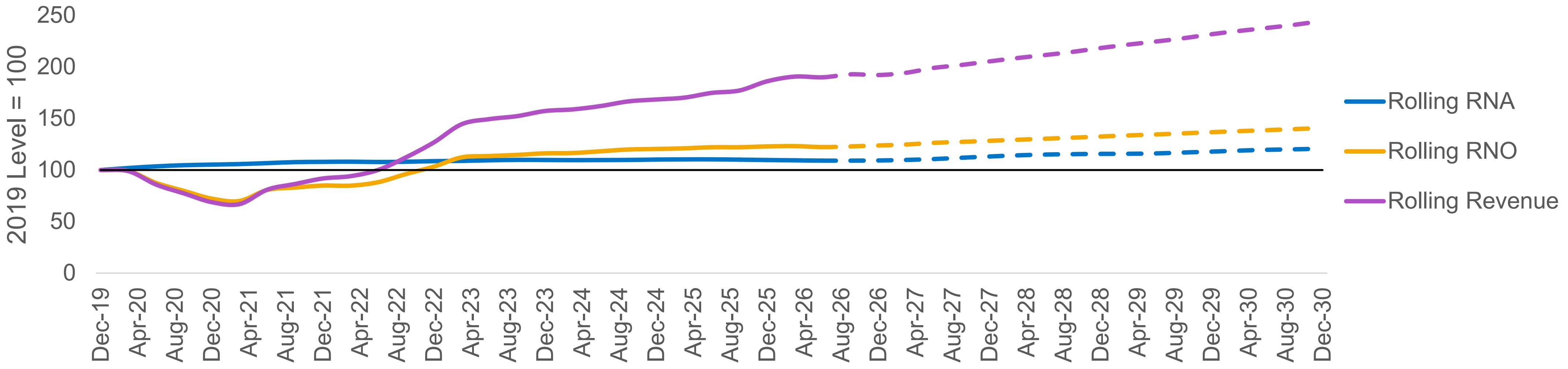


Source: STR (Historical), Horwath HTL (Forecast)

Perth Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



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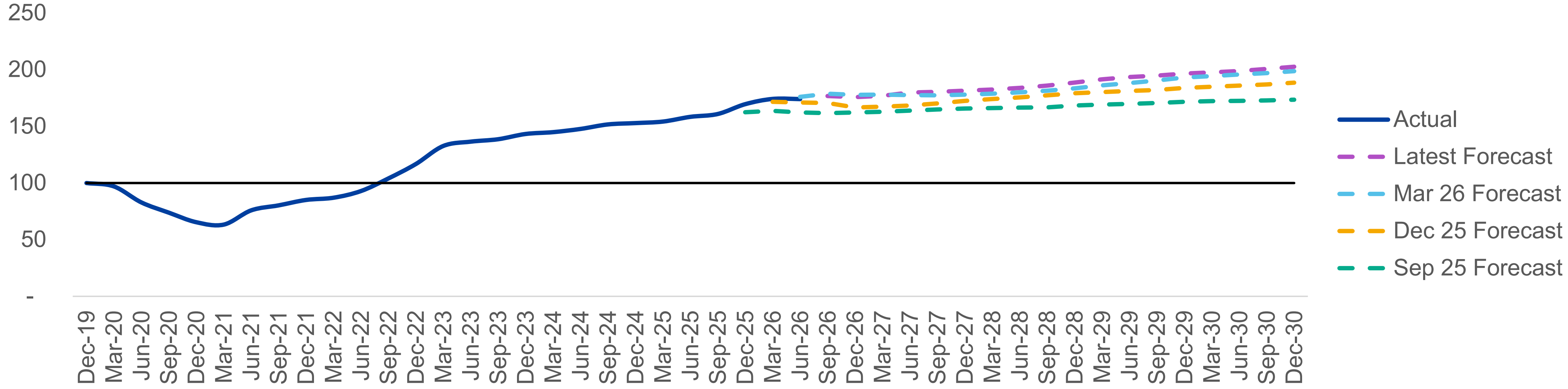

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Horwath HTL

Adelaide

Adelaide Tourism Region Hotel Market Outlook

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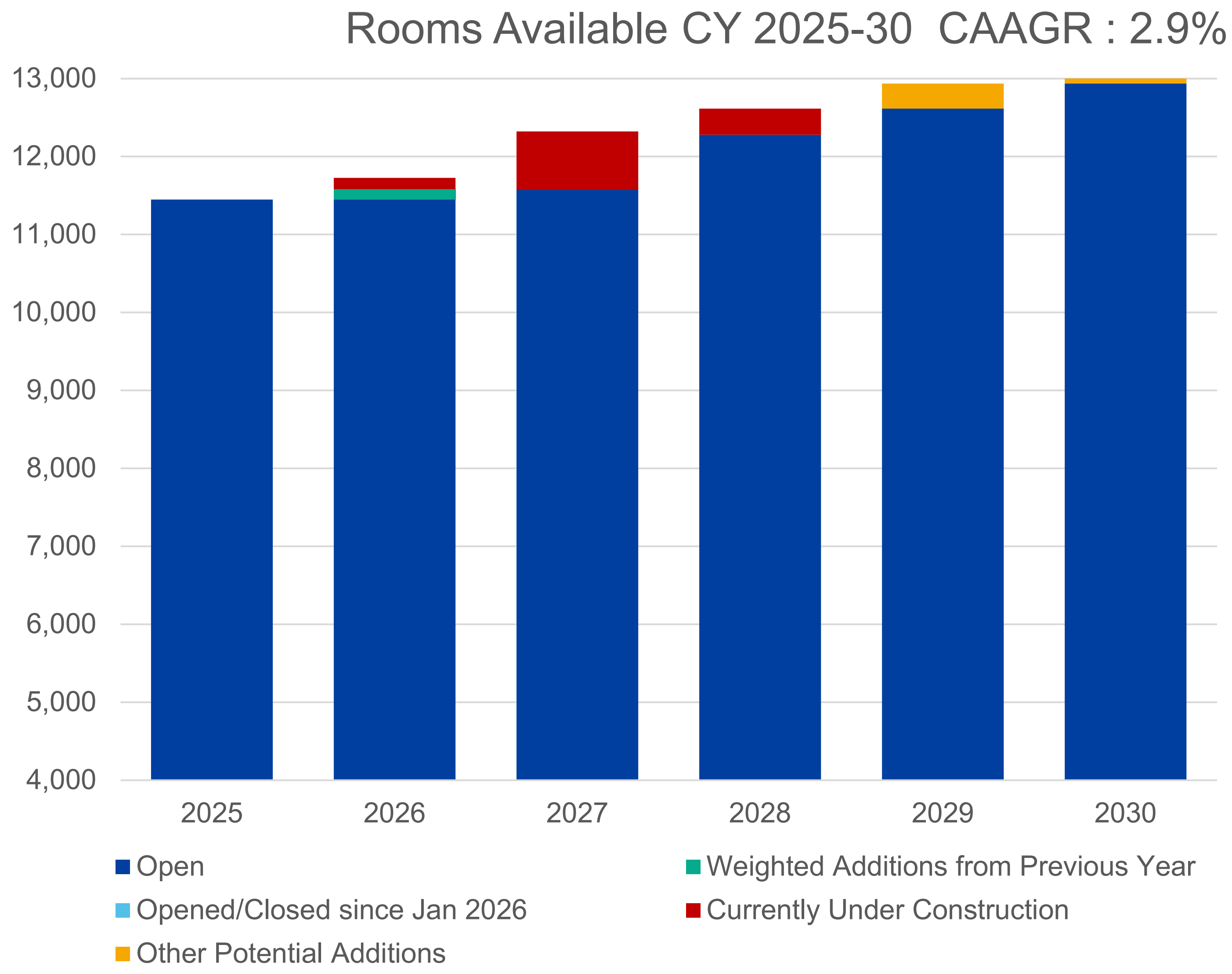
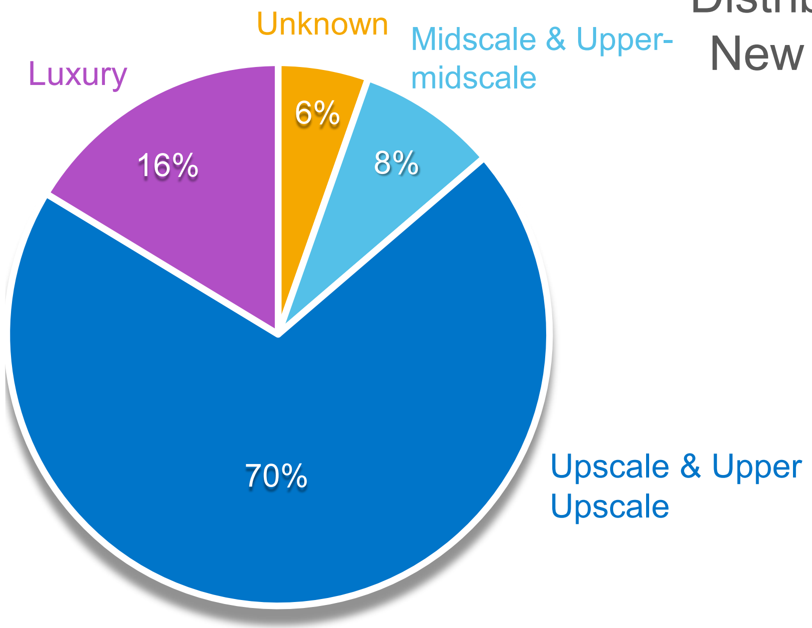
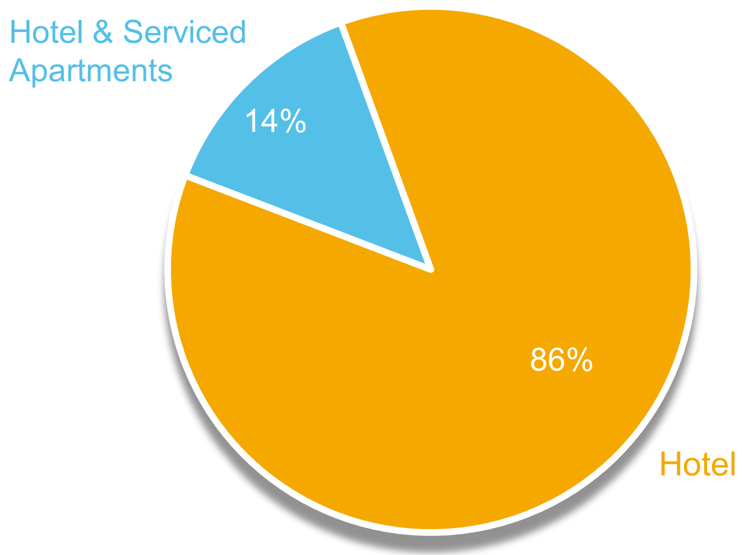


Distribution of New Supply



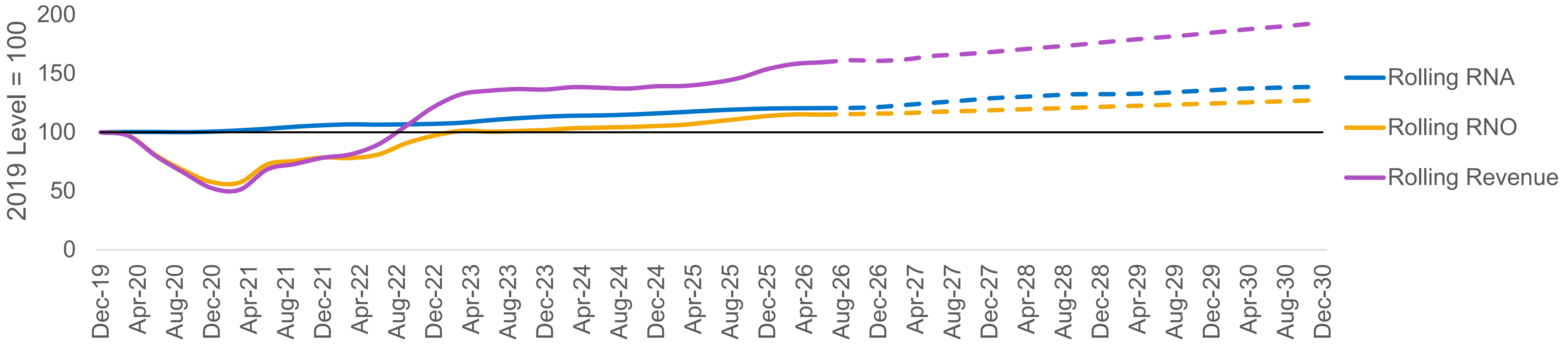


Source: STR (Historical), Horwath HTL (Forecast)

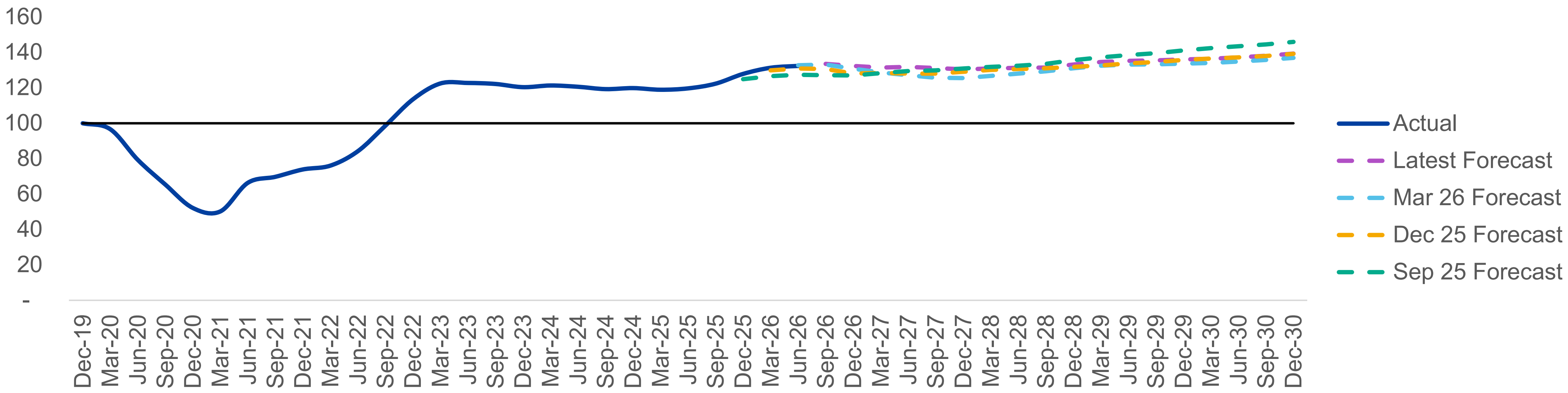
Adelaide Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



Source: STR (Historical), Horwath HTL (Forecast)

Horwath HTL

Canberra

Canberra Tourism Region Hotel Market Outlook

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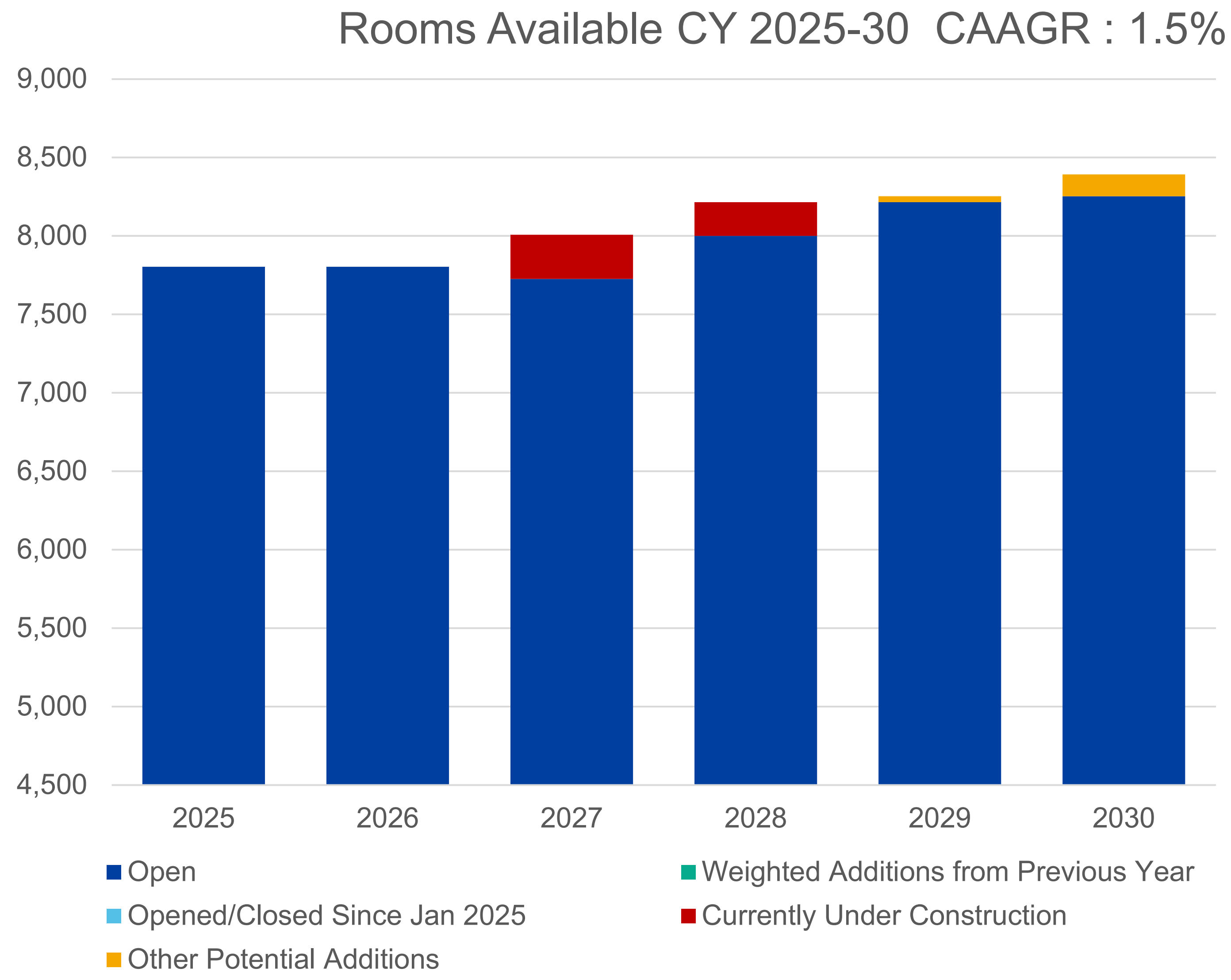
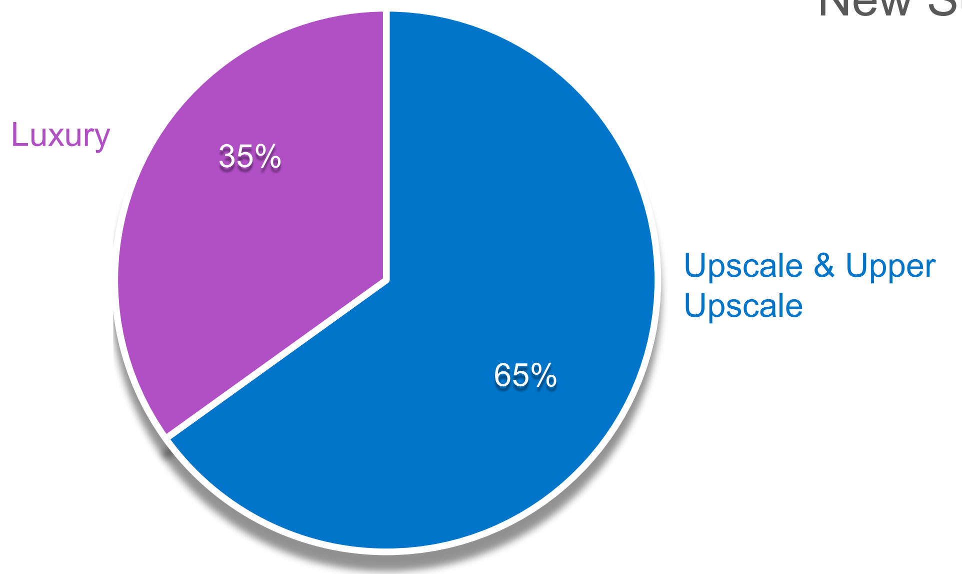
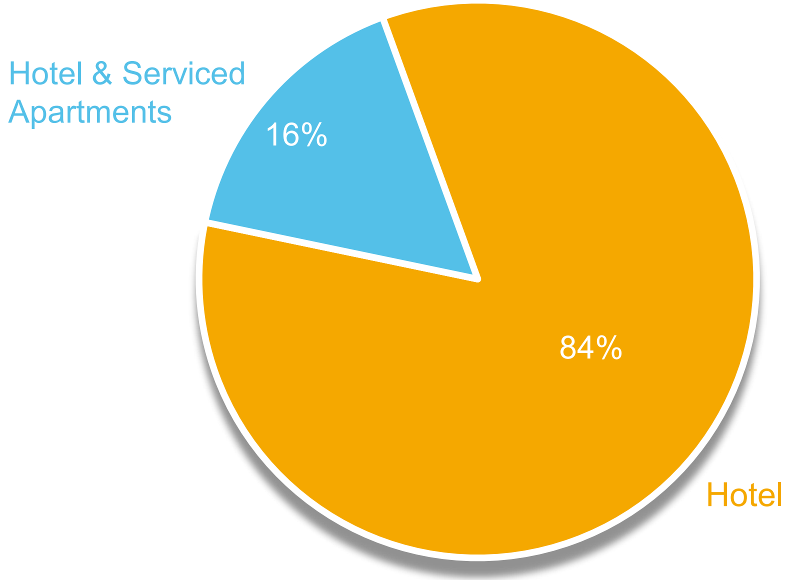
Forecast Additions to Supply – CY 2025 to CY 2030



Distribution of New Supply





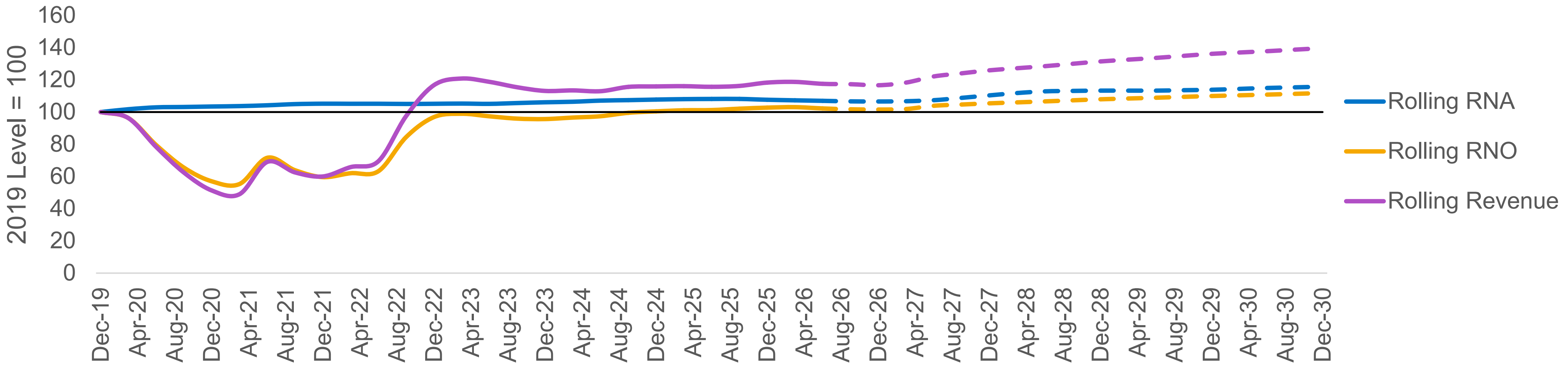
Source: STR (Historical), Horwath HTL (Forecast)

Canberra Tourism Region Hotel Market Outlook

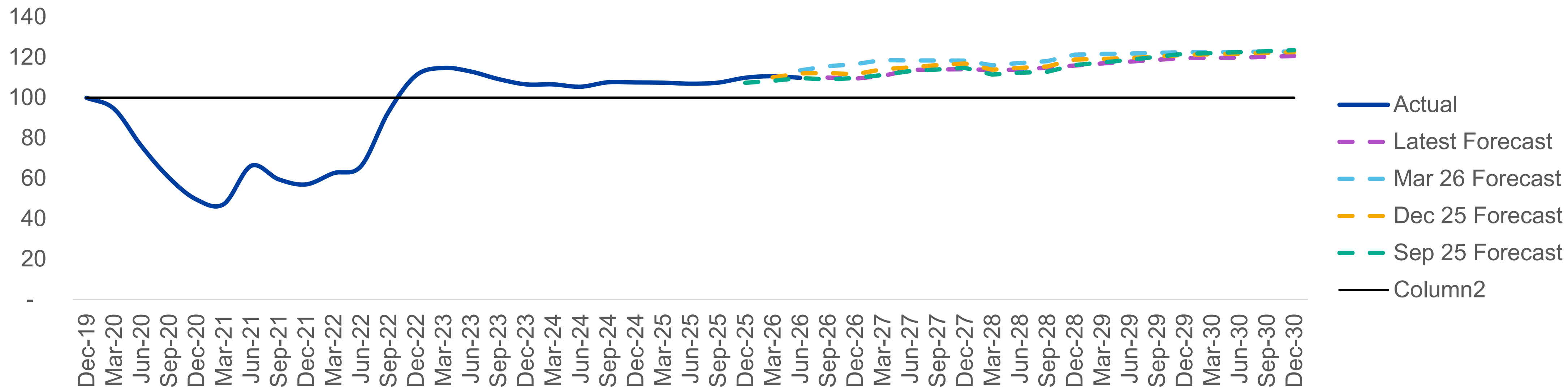
Horwath HTL

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



Source: STR (Historical), Horwath HTL (Forecast)

Hobart

Hobart Tourism Region Hotel Market Outlook

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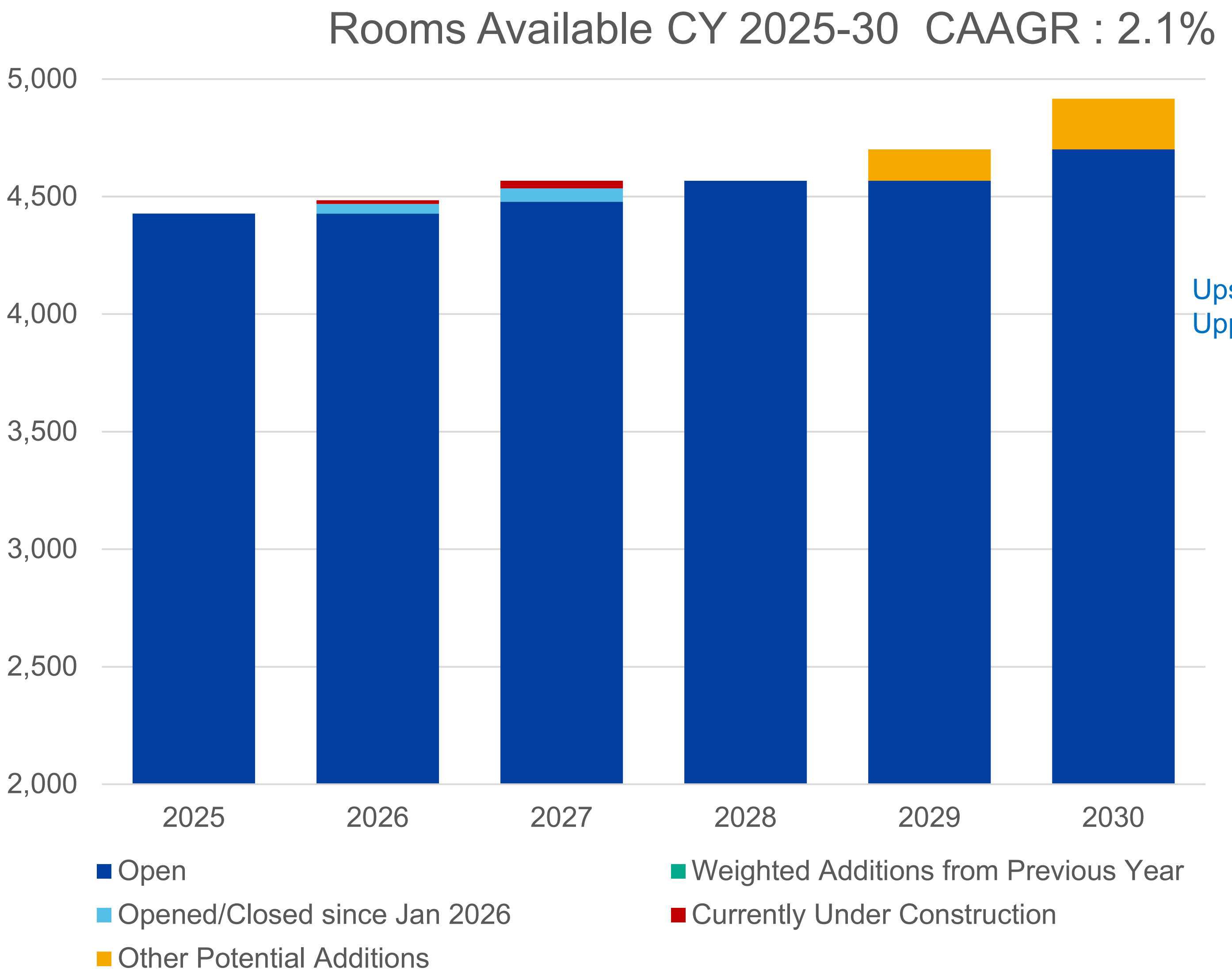
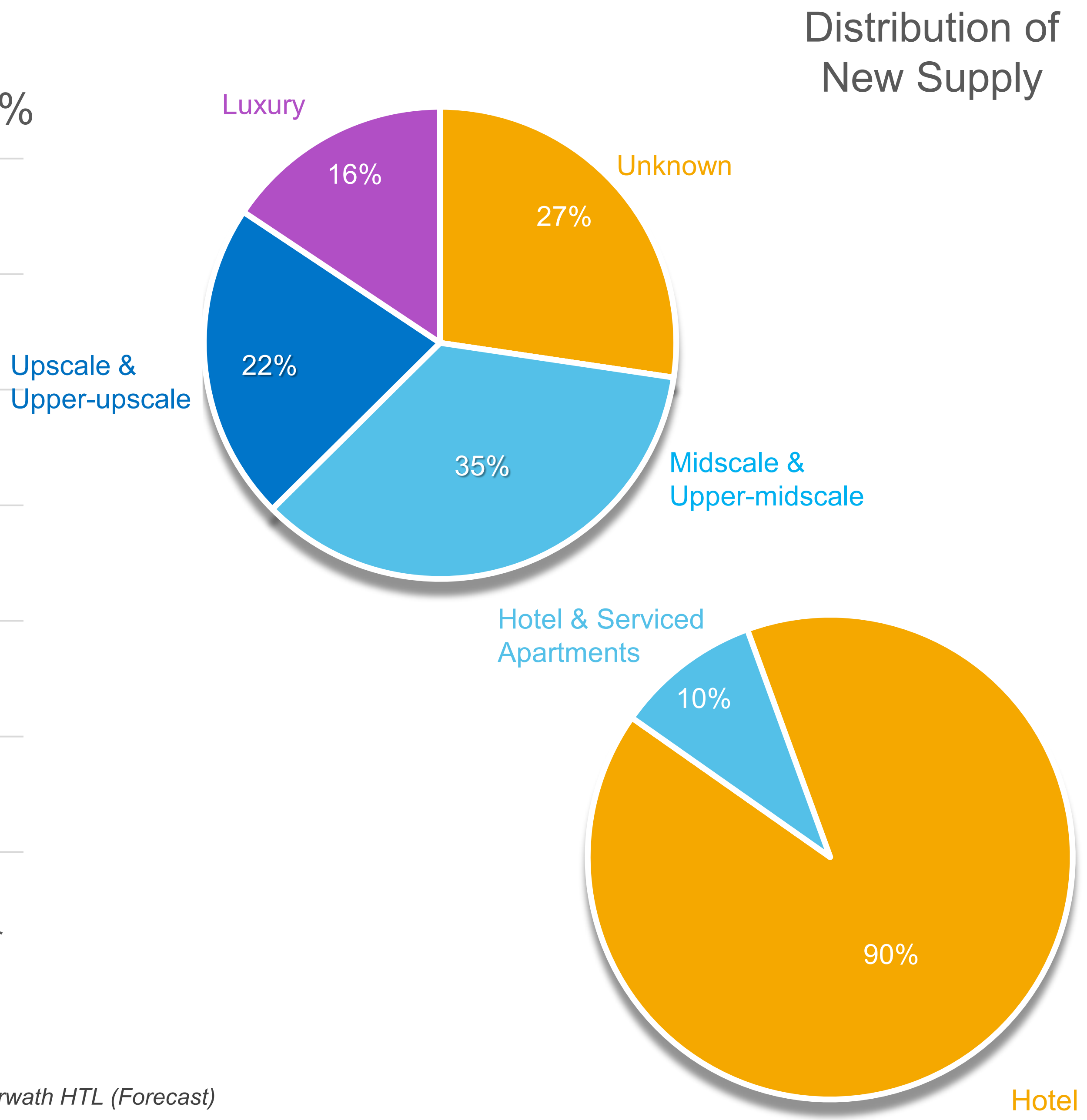
Horwath HTL

Forecast Additions to Supply – CY 2025 to CY 2030



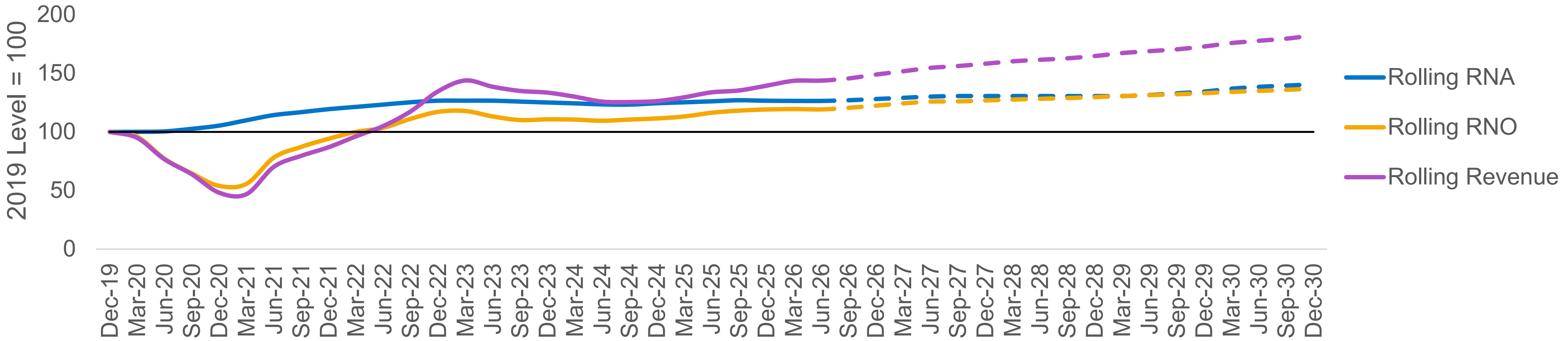


Source: STR (Historical), Horwath HTL (Forecast)

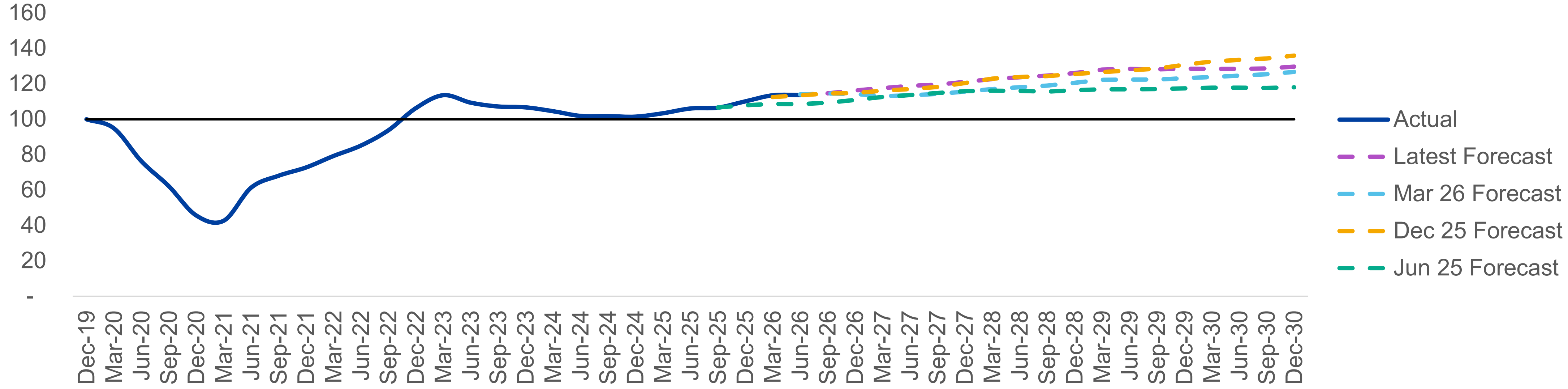
Hobart Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



Source: STR (Historical), Horwath HTL (Forecast)

Gold Coast

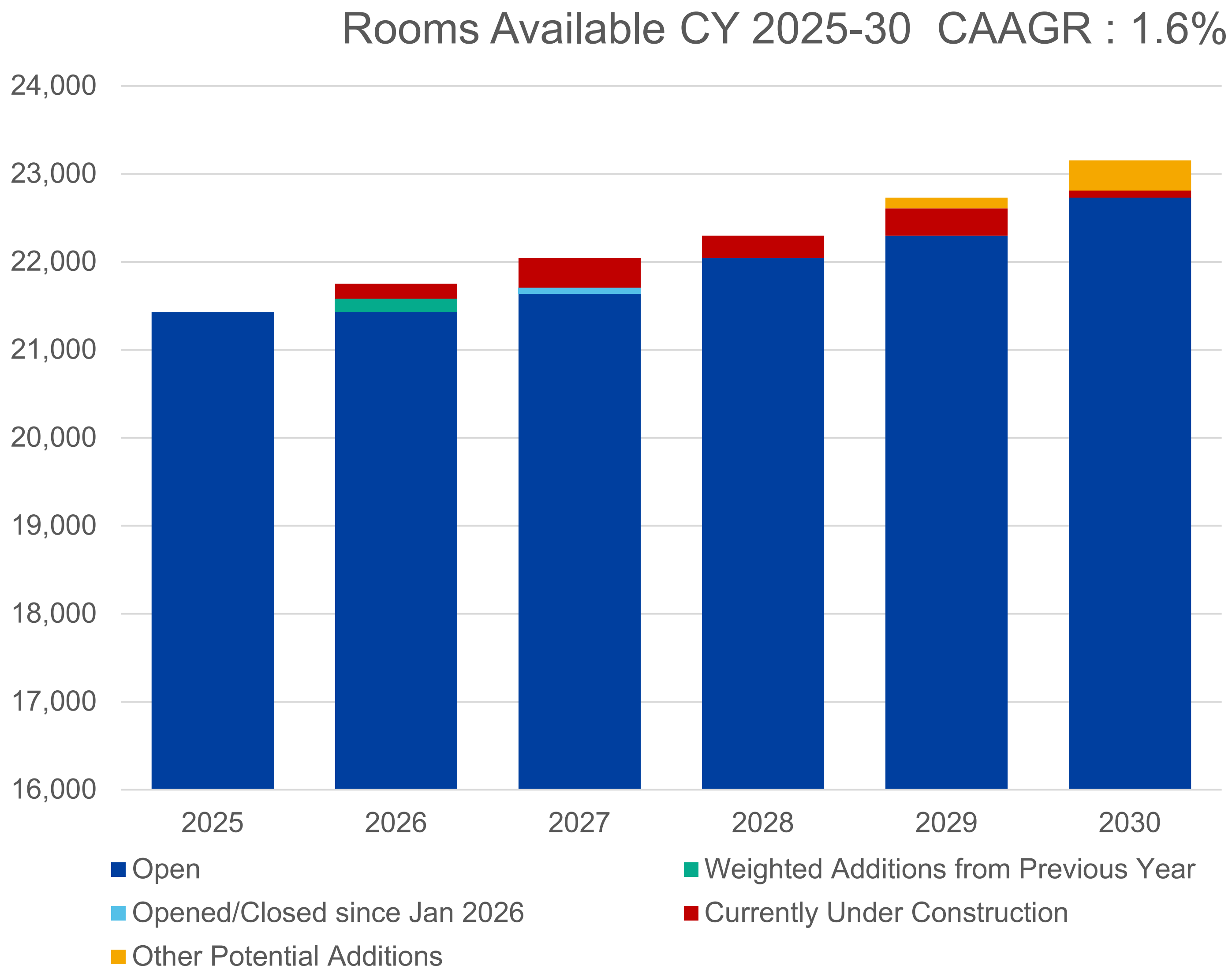
Gold Coast Tourism Region Hotel Market Outlook

Horwath HTL

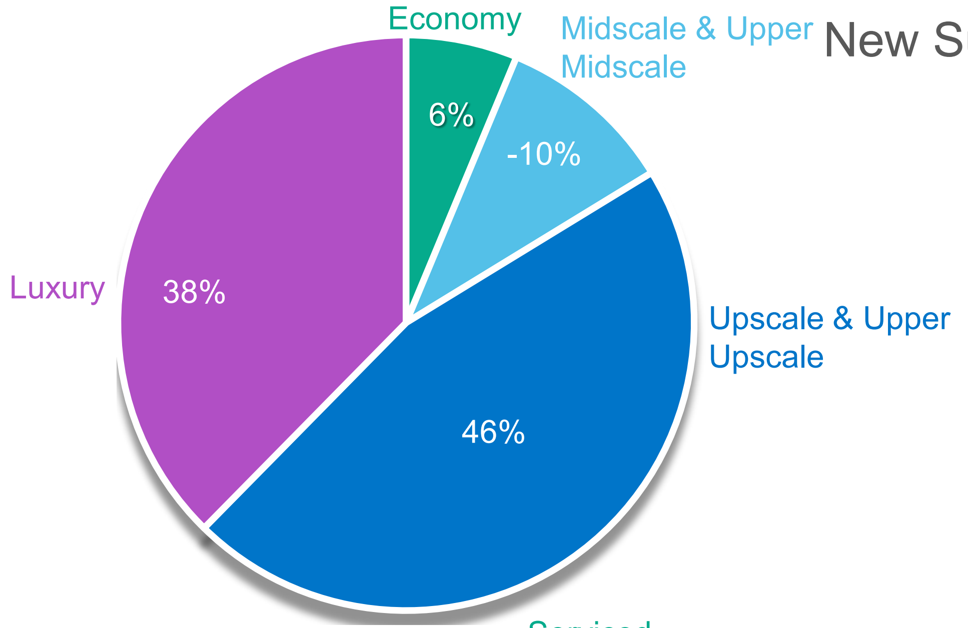
Gold Coast Tourism Region Hotel Market Outlook

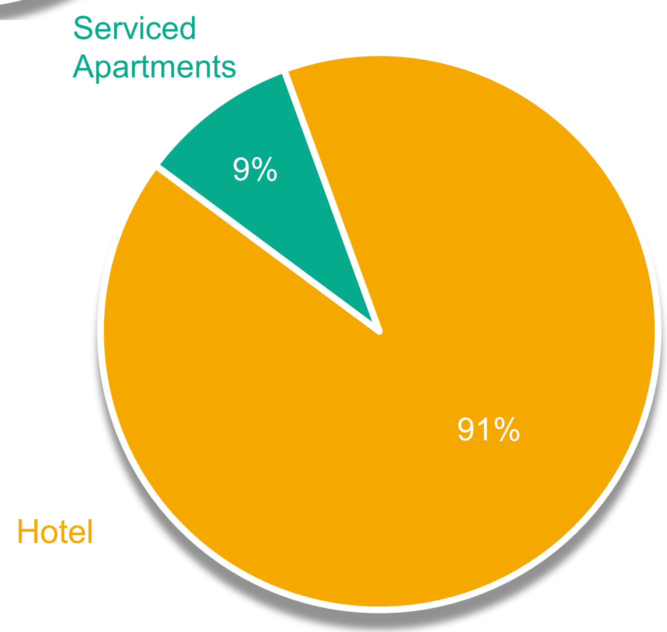
Horwath HTL

Forecast Additions to Supply – CY 2025 to CY 2030



Distribution of New Supply





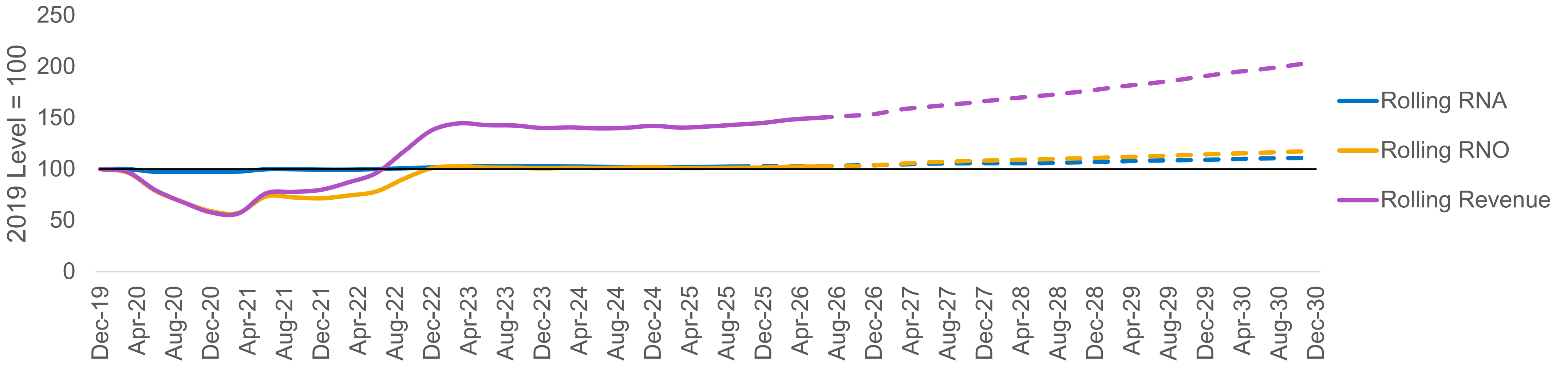
Source: STR (Historical), Horwath HTL (Forecast)

Gold Coast Tourism Region Hotel Market Outlook

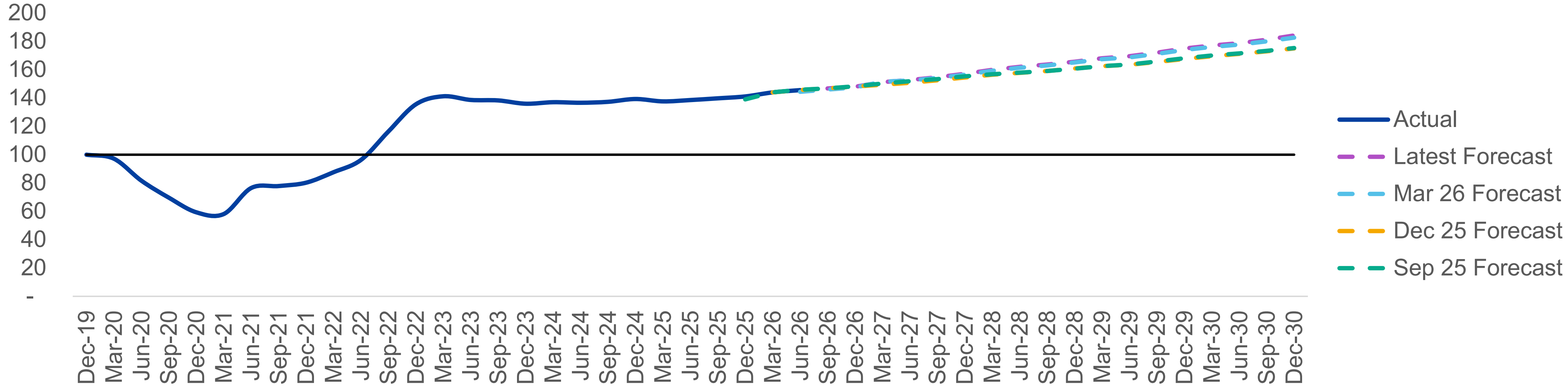
Horwath HTL

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



Source: STR (Historical), Horwath HTL (Forecast)

Sunshine Coast

Sunshine Coast Tourism Region Hotel Market Outlook

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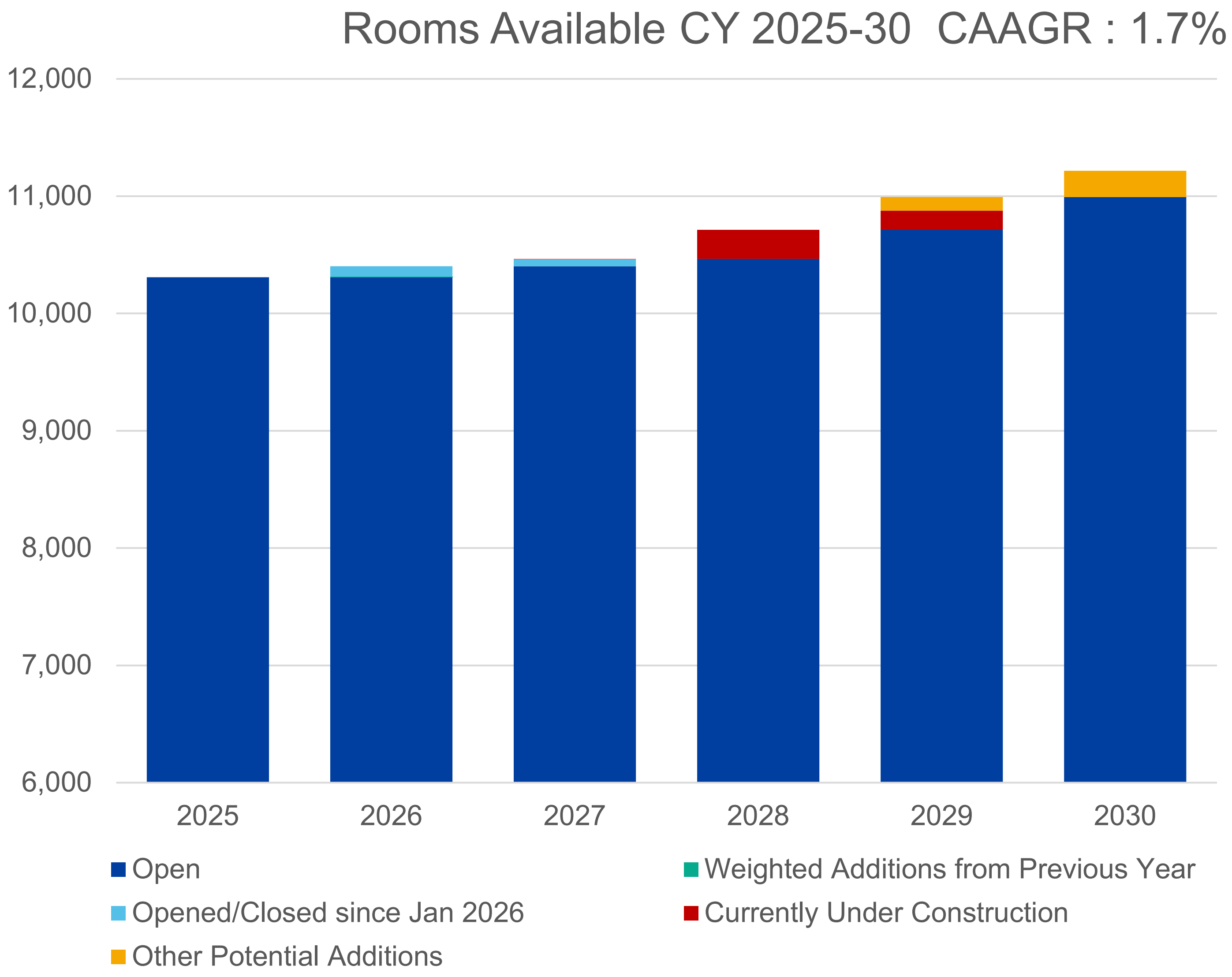
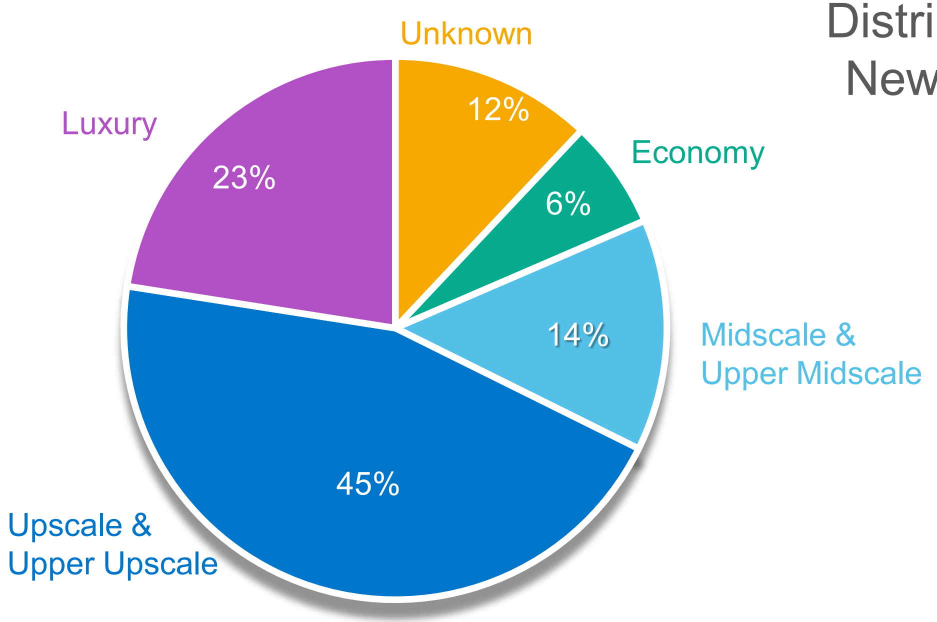
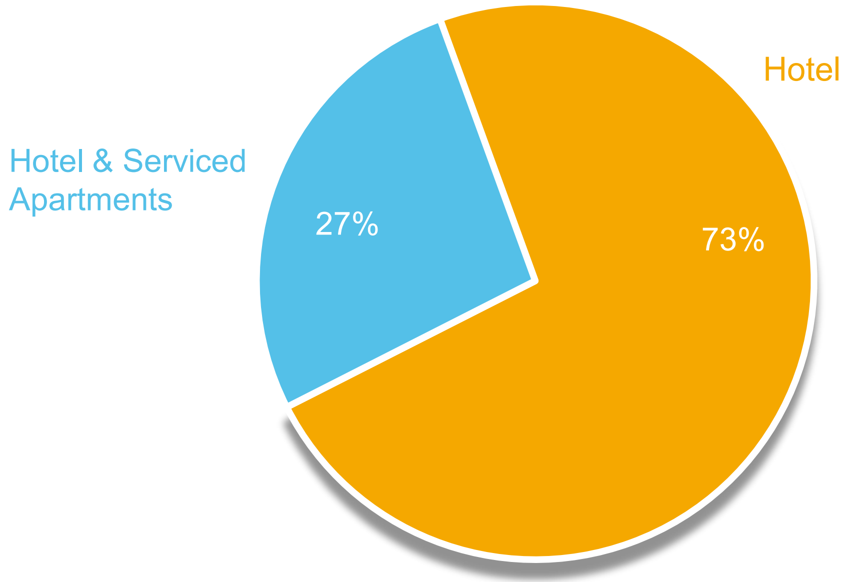
Horwath HTL

Forecast Additions to Supply – CY 2025 to CY 2030



Distribution of New Supply





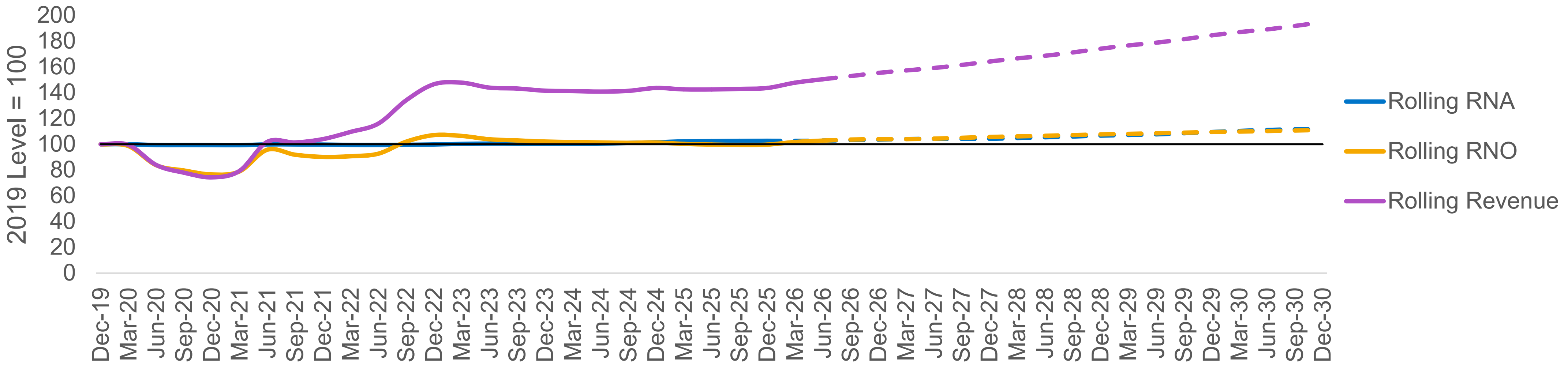
Source: STR (Historical), Horwath HTL (Forecast)

Sunshine Coast Tourism Region Hotel Market Outlook

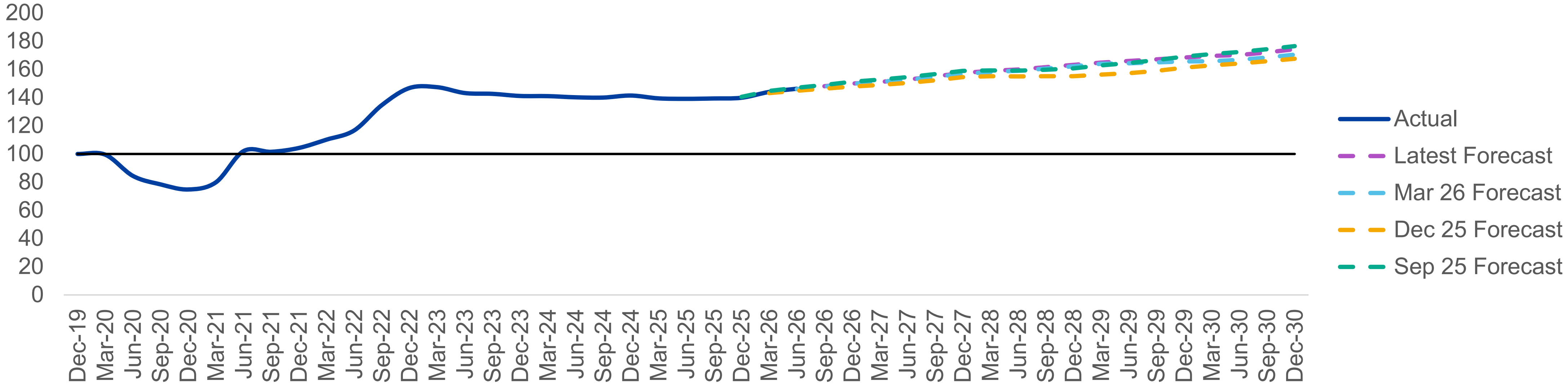
Horwath HTL

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



Source: STR (Historical), Horwath HTL (Forecast)

Newcastle

Newcastle Tourism Region Hotel Market Outlook

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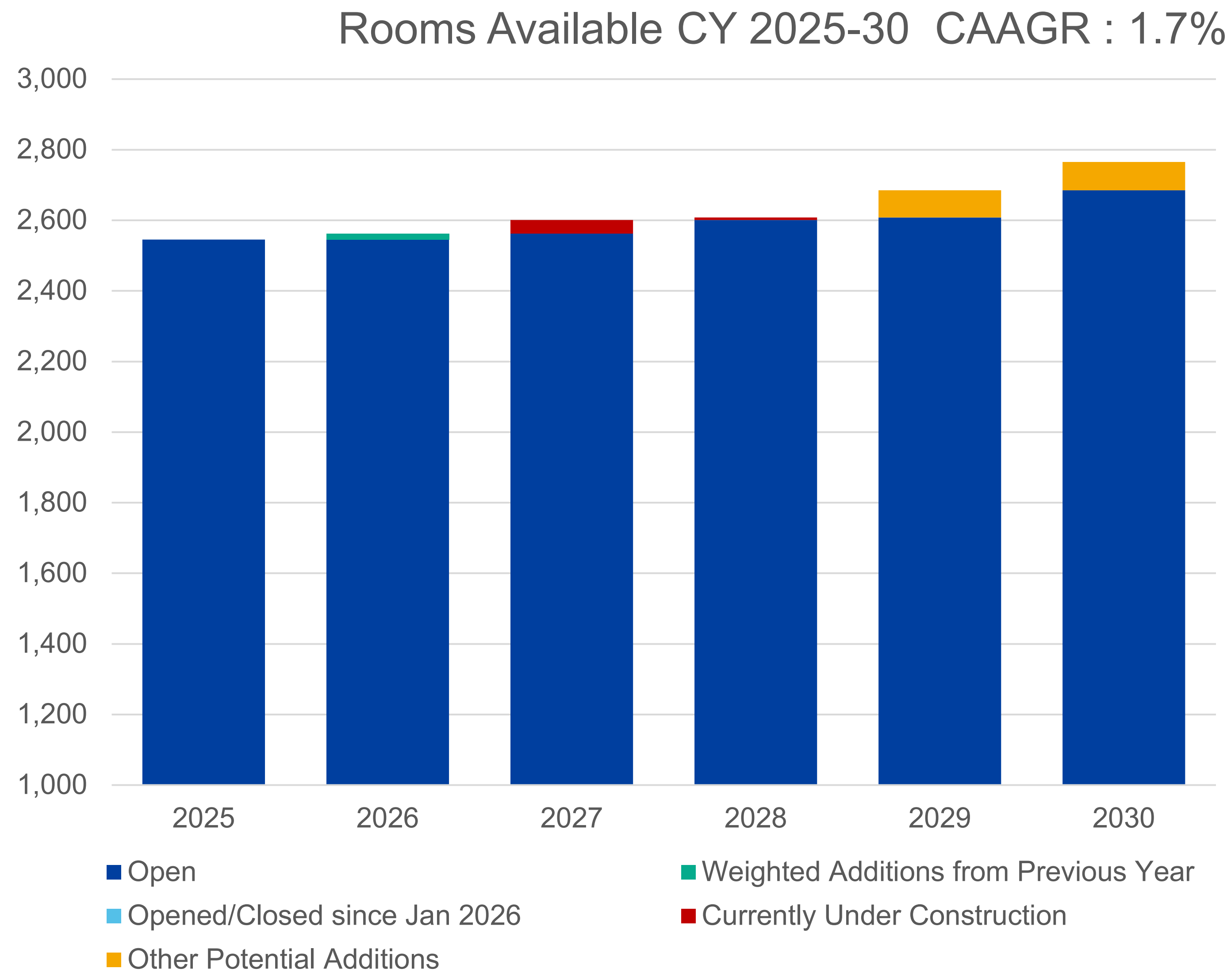
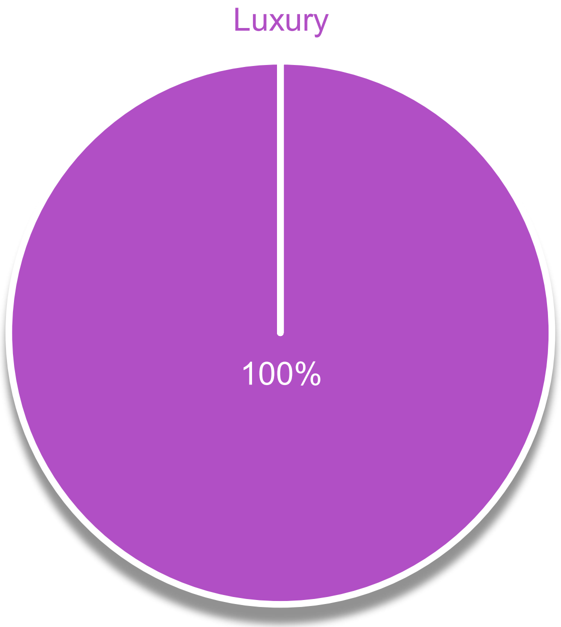
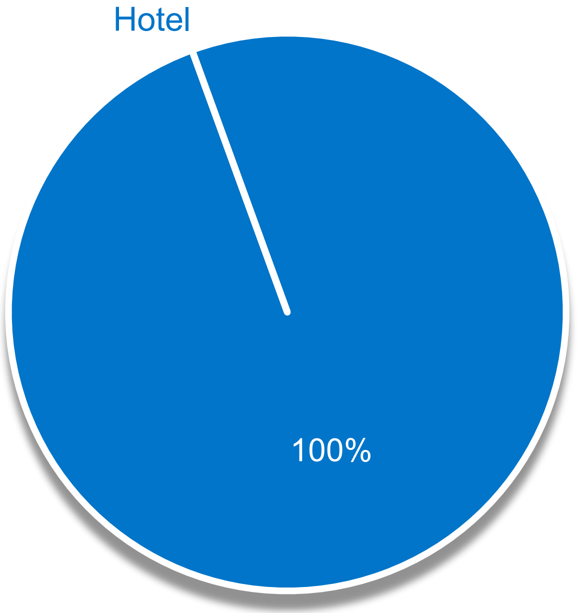
Horwath HTL

Forecast Additions to Supply – CY 2025 to CY 2030



Distribution of New Supply



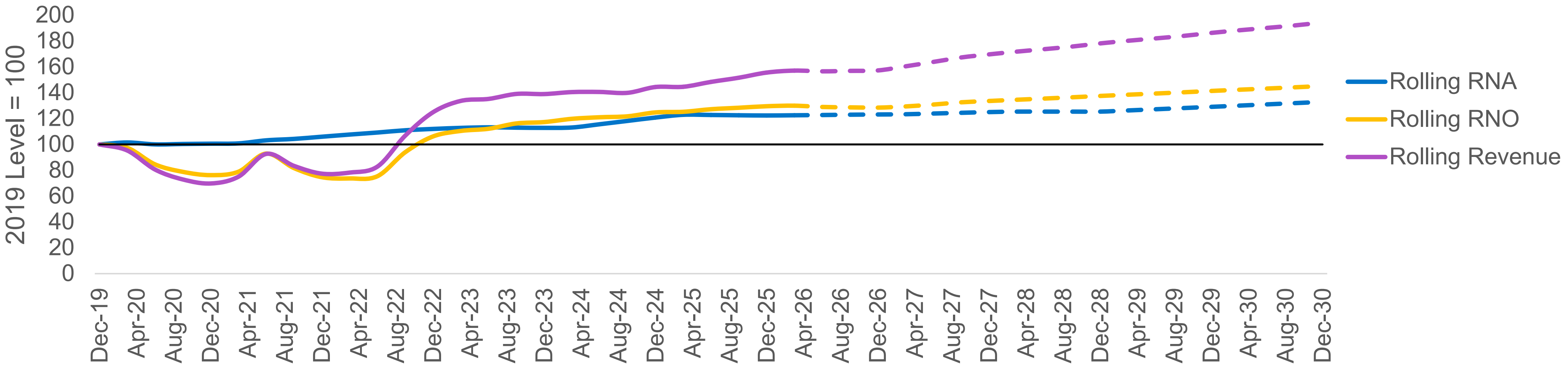


Source: STR (Historical), Horwath HTL (Forecast)

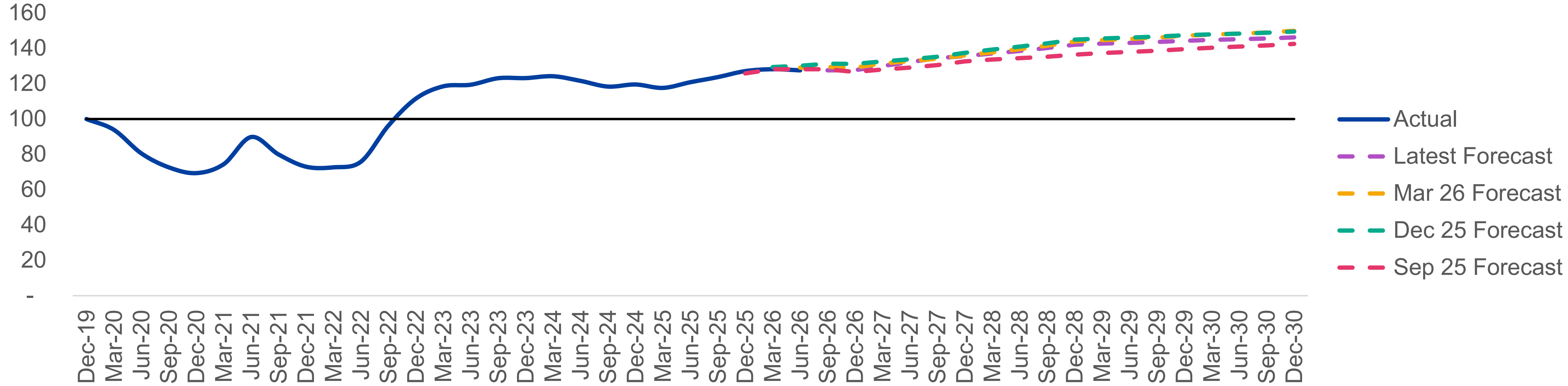
Newcastle Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



Source: STR (Historical), Horwath HTL (Forecast)

Summary Of Hotel Market Outlooks

Horwath HTL

Top Performing Markets Post Covid – Actual 5-Year RevPAR CAAG Rate 2019-2025

Market	RevPAR CAAG	Comments
Brisbane	9.4%	RevPAR well below historical Highs in 2019 so coming off a low base. Occupancy improvement and strong ADR growth
Perth	9.2%	RevPAR well below historical Highs in 2019 so coming off a low base. Good occupancy growth and strong ADR growth.
Sunshine Coast	5.7%	Entirely driven by strong ADR growth
Gold Coast	5.7%	Entirely driven by strong ADR growth
Sydney	4.2%	Occupancy close to pre-Covid, ADR growth has been solid
Adelaide	4.2%	New supply has impacted occupancy. Strong ADR growth has allowed for RevPAR growth.
Newcastle	4.1%	Occupancy higher than pre-Covid levels (despite solid supply growth) and solid ADR growth allowing for good growth in RevPAR over the 6-year period.
Melbourne	2.0%	Supply impact keeping occupancy from recovering faster. ADR growth has been good but has more recently been restrained and impacted by weak occupancy.
Canberra	1.6%	Early recovery market slumped post 2022 domestic demand surge with a slow recovery since. Weak demand has impacted on ADR and has subdued RevPAR growth.
Hobart	1.6%	Early recovery market slumped post domestic demand boom but recorded strong demand growth in 2025. Supply impacted on occupancy and ADR weakness in 2023 and 2024 has subdued RevPAR growth.

Summary Of Hotel Market Outlooks

Horwath HTL

Top Performing Markets – Actual 5-Year RevPAR CAAG Rate 2025-2030

Market	RevPAR CAAG	Comments
Gold Coast	5.5%	A boost to growth in 2026 recovering lost demand from Cyclone Alfred. Seasonal demand forecast to limit year-round occupancy with ADR growth primarily driving RevPAR.
Sunshine Coast	4.5%	A boost to growth in 2026 recovering lost demand from Cyclone Alfred. Seasonal demand forecast to limit year-round occupancy with ADR growth primarily driving RevPAR.
Perth	3.6%	Econometric model seemingly continues to underestimate Perth. An already high occupancy limits upside with demand growth forecast similar to supply.
Sydney	3.5%	Some dampening in longer-term occupancy outlook though continued consistent growth in ADR forecast.
Hobart	3.3%	Occupancy is expected to grow at a slightly faster rate than the supply, ADR growth inline with inflation.
Brisbane	2.8%	Occupancy expected to show some signs of weakness is weighing down on RevPAR growth. ADR growth is forecast slightly above inflation.
Newcastle	2.8%	Occupancy growth to be more moderated but consistent ADR growth around inflationary levels keeping RevPAR growth at slightly above inflation.
Melbourne	2.1%	Occupancy forecast to steadily improve. ADR growth outlook is for below inflationary levels though showing some signs of improvement.
Canberra	1.9%	Occupancy forecast to remain below pre-Covid levels with ADR forecast to return to growth after a period of decline and stabilization.
Adelaide	1.7%	Supply outlook continues to dampen future occupancy forecast. ADR growth forecast to return to healthy levels but still below inflation.

Horwath HTL Hotel Market Outlooks

A wide range of markets are available

New South Wales

Sydney Tourism Region
Sydney Centre (can be broken down by Class)
Sydney Airport
Sydney West
Sydney North
Sydney East & South

Sydney Surrounding
Newcastle
Sydney Drive
Wollongong
Central Coast Regional

Victoria

Melbourne Tourism Region
Melbourne Centre (can be broken down by Class)
Melbourne Northwest
Melbourne East
Melbourne Southeast

Regional Victoria
Goldfields
Bellarine & Geelong Area

Other States & Territories

Perth Tourism Region
Adelaide Tourism Region
Canberra
Hobart
Darwin

Queensland

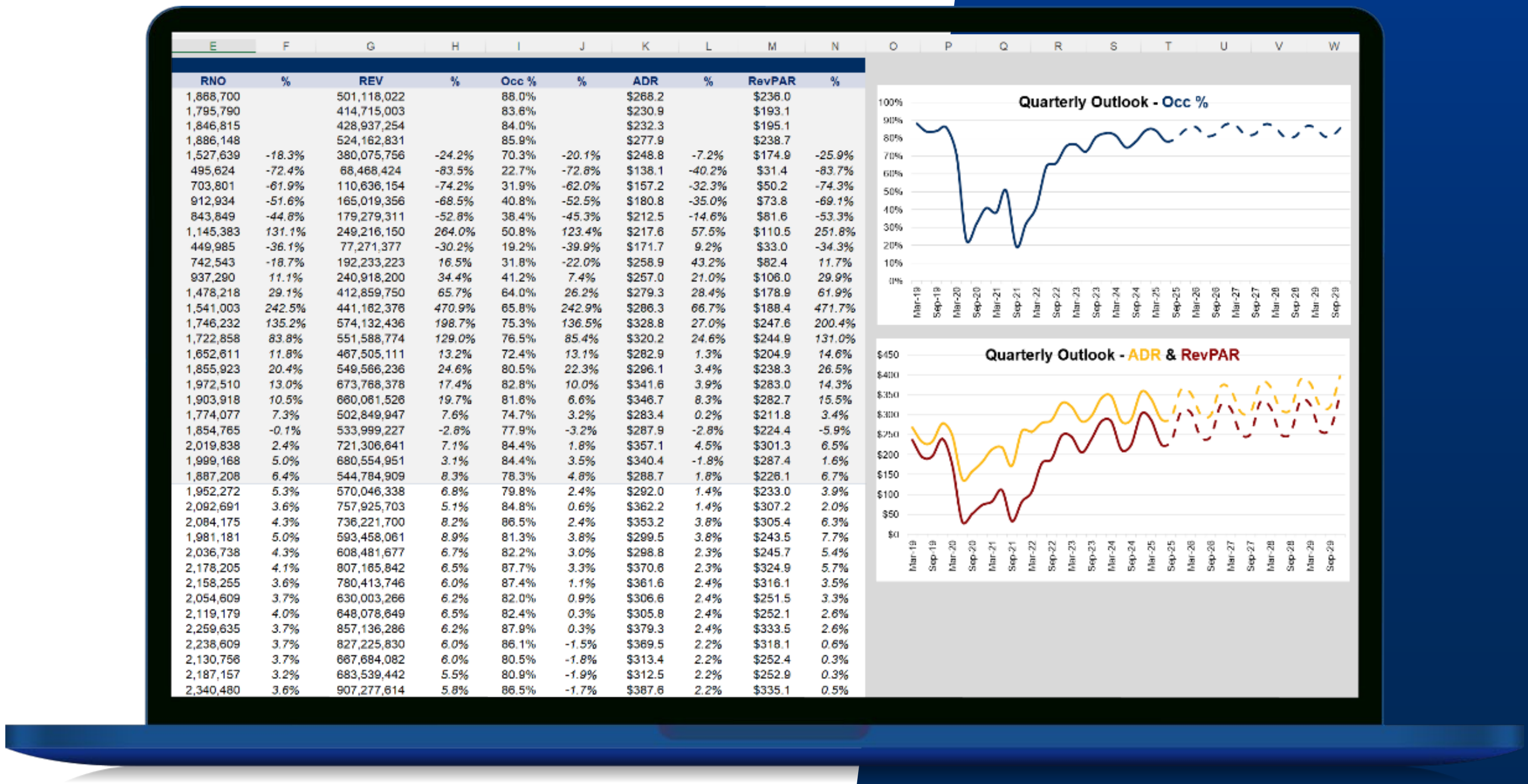
Brisbane Tourism Region
Brisbane Centre (can be broken down by Class)

Southeast Queensland
Gold Coast
Sunshine Coast

Queensland North
Cairns
Tropical North Queensland

Horwath HTL

Ask us about other market areas you are interested in.



Risk and Limitations

Horwath HTL

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 June 2026;
- Historical economic data and forecasts from the DAE Business Outlook June 2026 Edition;
- International Tourism Forecasts have been adjusted by HHTL based on updated actual short term visitor arrivals up to May 2026 and Tourism Research Australia's December 2025 forecast.
- Historical domestic tourism data as up to March 2026;
- Supply pipeline information as collected in the Horwath HTL databases.

The latest Domestic Tourism Forecasts as published by Tourism Research Australia in December 2025:

Regarding domestic visitation, Horwath HTL has adopted the growth forecast as published by TRA in its December 2025 domestic tourism forecast, with adjustments to the outlook for CY 2026 based on actual recent results and used growth relative to the long term average, following such adjustments we have reverted to the ABS growth outlook for CY 2027 and beyond.

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 as reasonable picture of the outlook for hotel market performance, however, any such outlook should not be relied upon.

Risk 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 results in a material change to the business environments 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 te forecast period. That said, it must be recognised that all estimates are based on our best judgement at this time.

Author

Damien Little is a Director with Horwath HTL in Melbourne and has more than 25 years of consulting experience with significant experience in financial modelling.

During this time, he has undertaken hotel-related projects in 20 countries across the Asia Pacific region, being involved in more than 500 projects. Damien has been involved in projects across all industry segments including 5-star city hotels, luxury island resorts, gold 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

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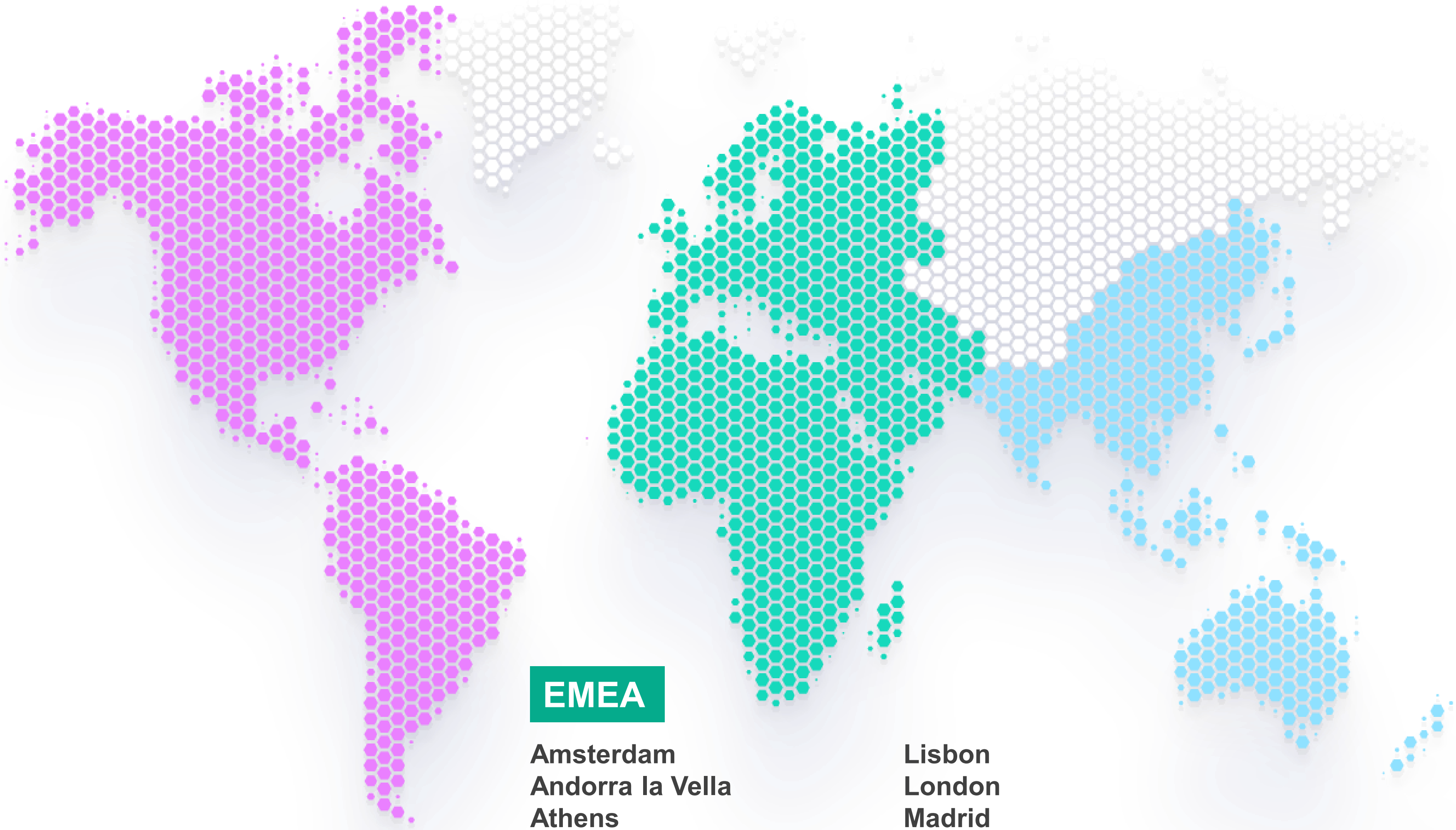

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