



Horwath HTL

Hotel, Tourism and Leisure

Australia

Capital City & Key Markets
Hotel Market Outlook & Insights

September QTR 2021 Edition

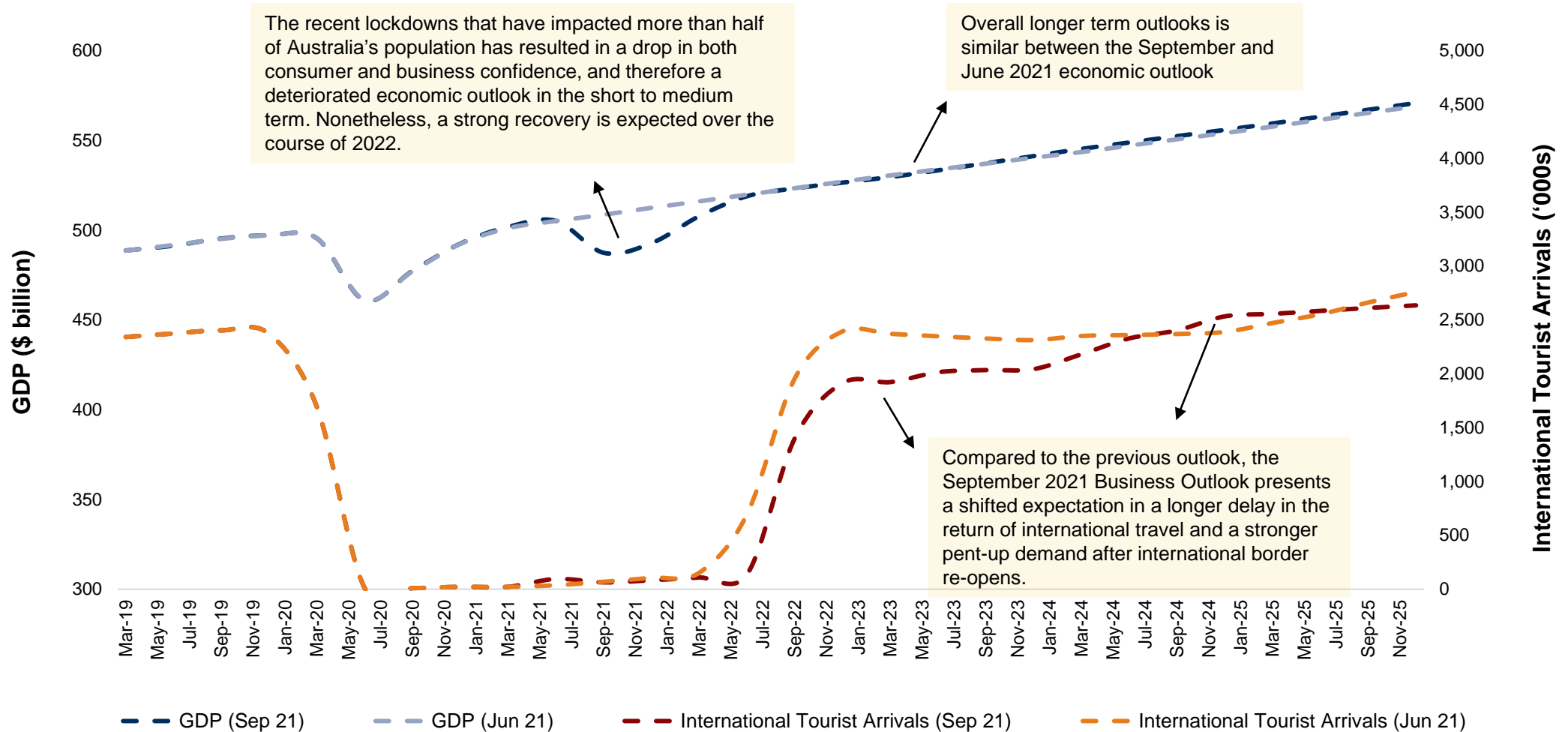
Hotel Market Outlook

Horwath HTL Methodology



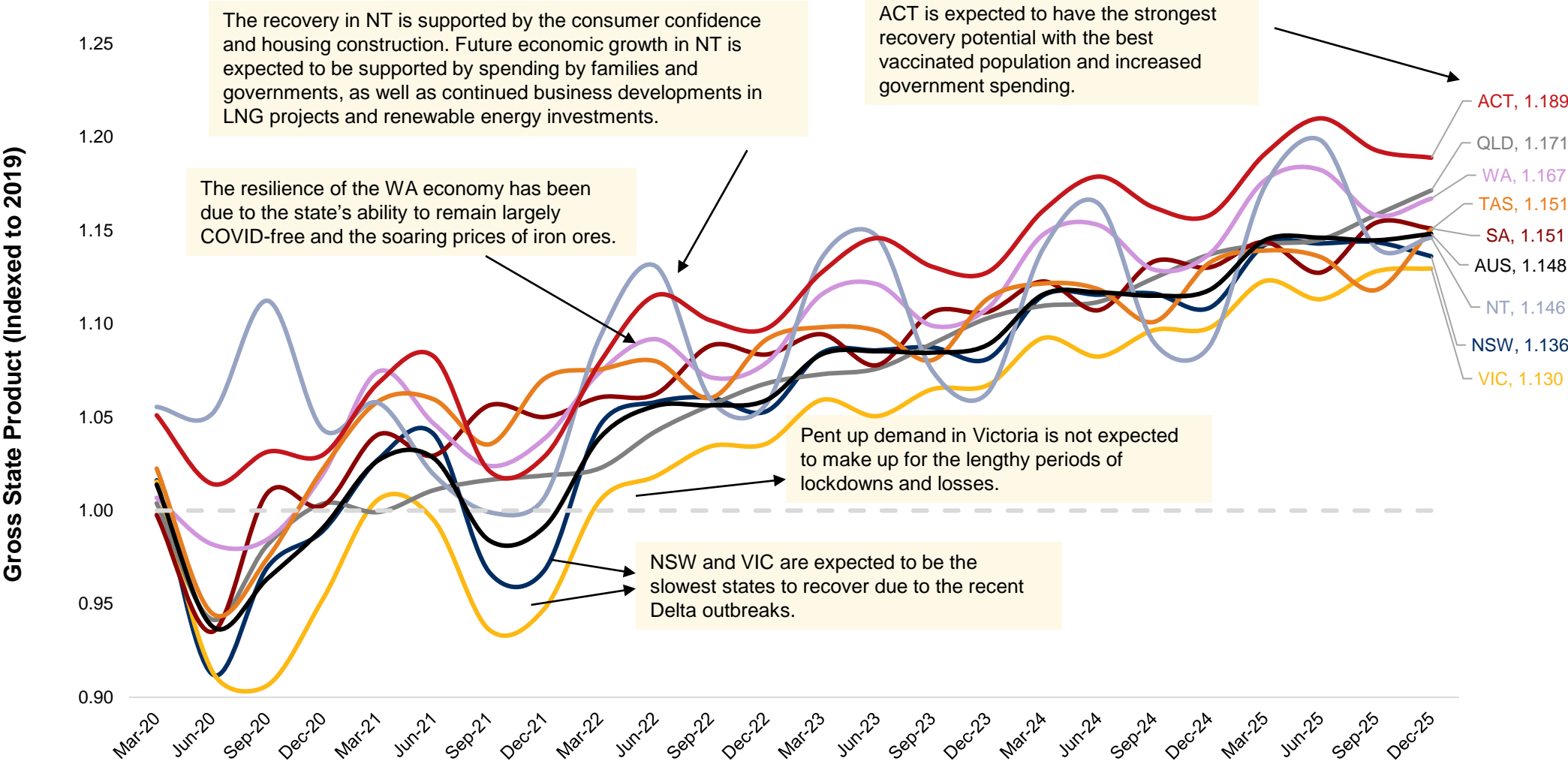
Macroeconomic and Tourism Context

GDP and International Tourist Arrivals, Australia – June 2021 vs March 2021 Editions



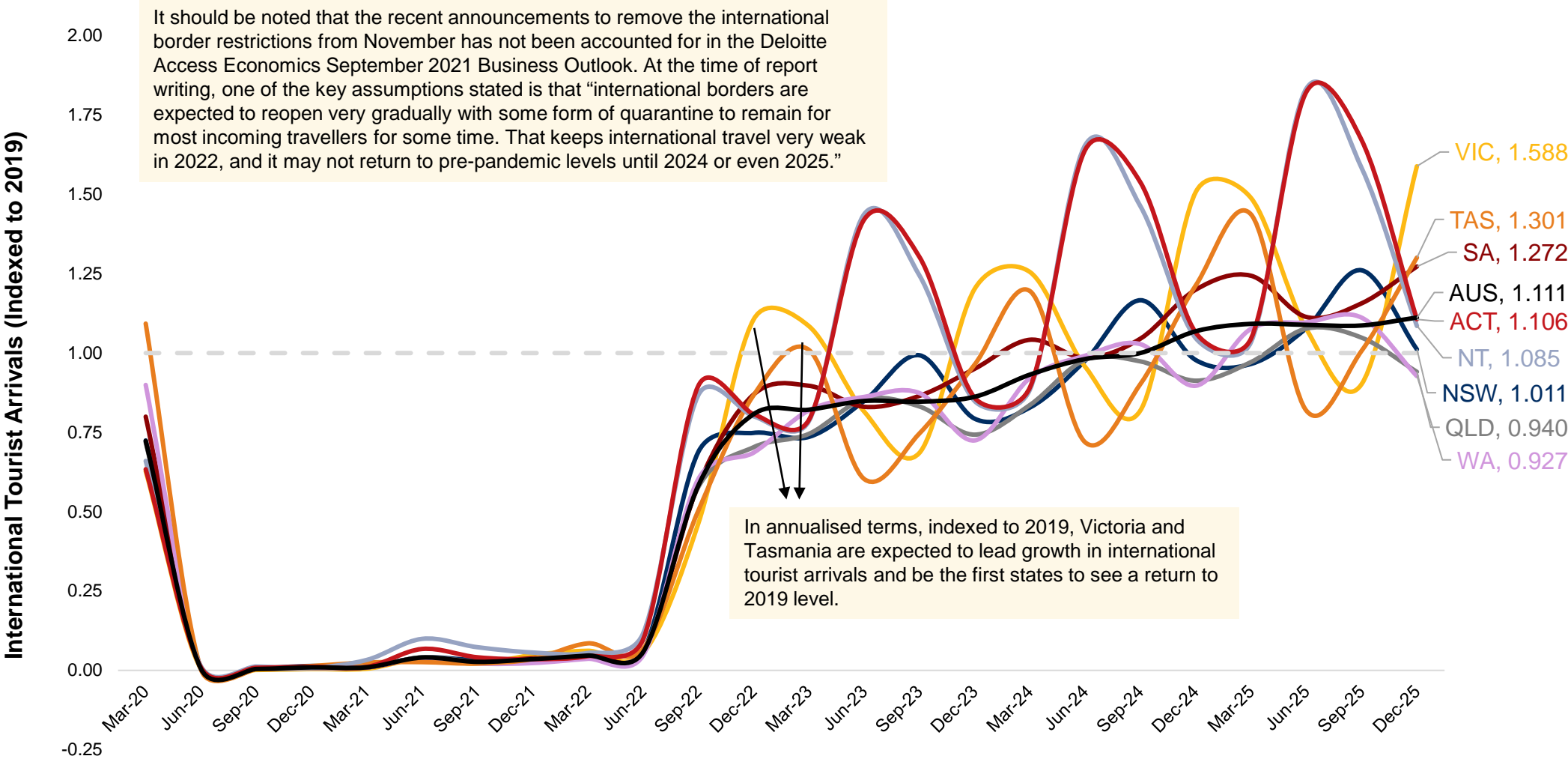
Macroeconomic and Tourism Context

Economic Outlook by State – Gross State Product



Macroeconomic and Tourism Context

Tourism Outlook by State – International Tourist Arrivals



COVID-19 in Australia

CURRENT STATUS OF CONFIRMED CASES

27,078

Total cases

886

Total deaths

24,614

Cases recovered

9

CURRENT CASES
INTENSIVE CARE UNITS (ICU)

ACT	NSW	NT	QLD	SA	TAS	VIC	WA
0	3	0	0	0	0	6	0

55

CURRENT CASES
ADMITTED TO HOSPITALS

ACT	NSW	NT	QLD	SA	TAS	VIC	WA
0	8	0	3	0	0	44	0

7,637,403

TOTAL TESTS
CONDUCTED

0.4% POSITIVE

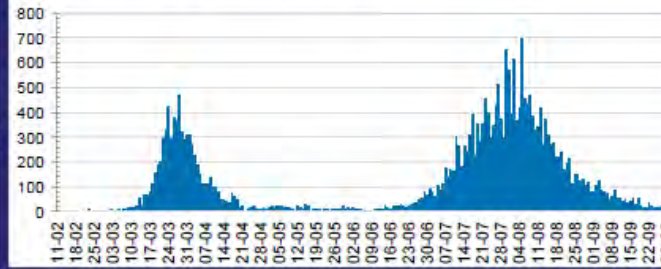
ACT	NSW	NT	QLD
94,291	2,698,701	47,527	1,110,992

POSITIVE	POSITIVE	POSITIVE	POSITIVE
0.1%	0.2%	0.1%	0.1%

SA	TAS	VIC	WA
468,740	103,420	2,694,959	418,773

POSITIVE	POSITIVE	POSITIVE	POSITIVE
0.1%	0.2%	0.7%	0.2%

DAILY NUMBER OF REPORTED CASES

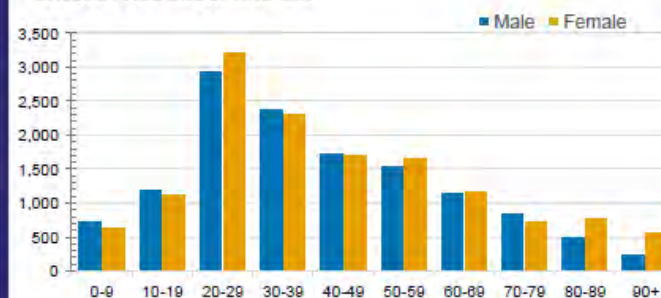


CASES IN AGED CARE SERVICES

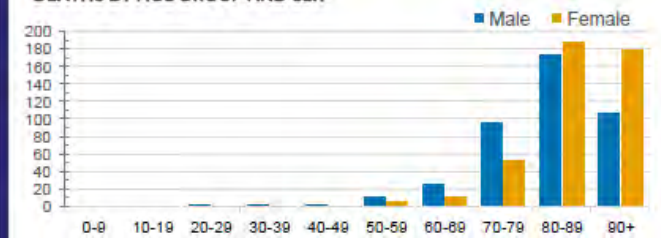
Confirmed Cases	Australia	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Residential Care Recipients	2049 [1305] (665)	0	61 [33] (28)	0	1 (1)	0	1 (1)	1986 [1272] (635)	0
In Home Care Recipients	82 [72] (7)	0	13 [13]	0	8 [8]	1 [1]	5 [3] (2)	54 [47] (4)	1 (1)

Cases in care recipients [recovered] (deaths)

CASES BY AGE GROUP AND SEX

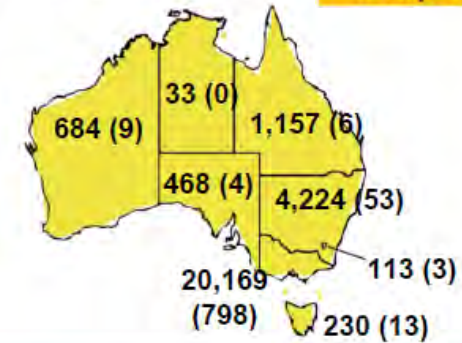


DEATHS BY AGE GROUP AND SEX



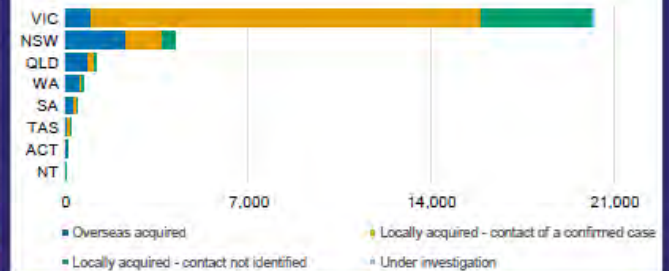
CASES (DEATHS) BY STATE AND TERRITORIES

Data as at:
30 Sept 2021



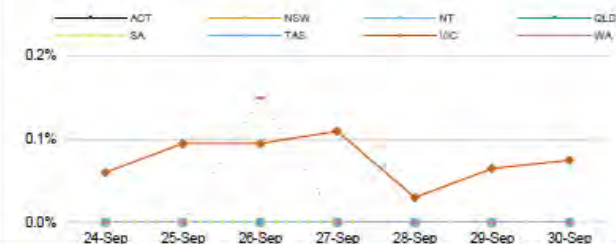
CASES BY SOURCE OF INFECTION

Australia (% of all confirmed cases)



PUBLIC HEALTH RESPONSE MEASURE

Proportion of total cases Under investigation



COVID-19 in Australia

Australia's COVID-19 Vaccine Roadmap

Data as at:
30 Sept 2021

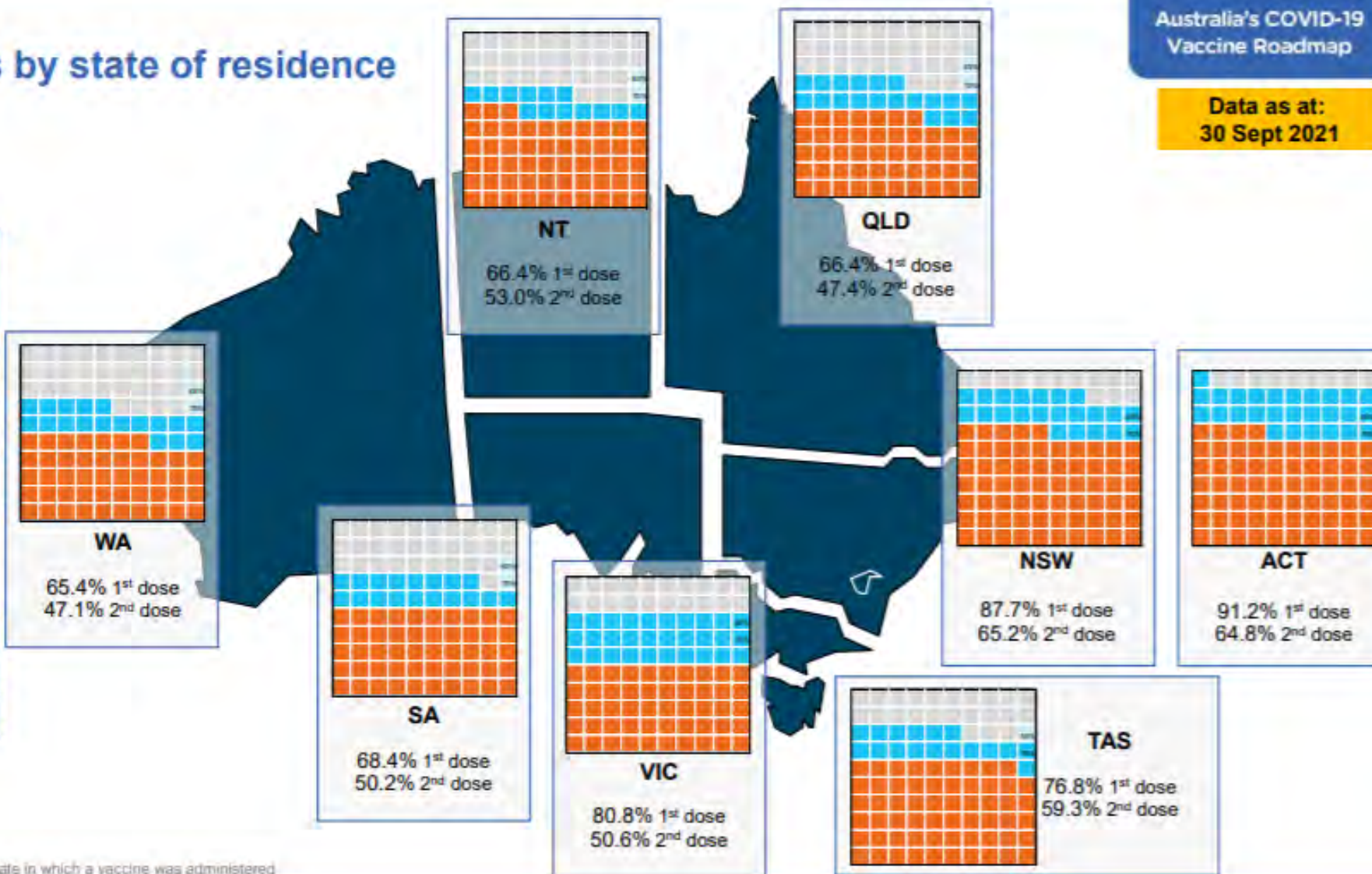
Vaccinations by state of residence

First doses

Age	Today	4 weeks ago	8 weeks ago
16+	78.5%	62.1%	43.8%
50+	89.5%	81.1%	69.0%
70+	94.8%	89.4%	82.3%

Fully vaccinated

Age	Today	4 weeks ago	8 weeks ago
16+	55.1%	37.7%	22.1%
50+	71.9%	56.0%	31.5%
70+	79.1%	66.6%	47.3%



*Residential state may differ from the state in which a vaccine was administered

COVID-19 in Australia



Our estimates and calculations of future hotel market performance are based on a number of assumptions regarding changes to supply and demand, since these are typically vulnerable to exceptional, unforeseeable, events.

The current COVID-19 pandemic has effectively disrupted economies and dramatically impacted on the travel and tourism industry in many countries around the globe. In Australia, the situation at the time of this report, includes:

- The Federal Government has effectively closed Australia's borders to international travel (subject to extremely limited exceptions), with only returning Australian residents allowed into the country. The Australian Government is finalising plans to remove the current overseas travel restrictions as Australia approaches 80% vaccination rate.
- During 2020, essential businesses across the country were closed and stay-at-home orders have been in place across all states, at one time or another, with restrictions in place that varied from state to state. Initial easing of restrictions began in November and further easing continued in early 2021, but during 2021 restrictions continue to be applied across Australia in response to outbreaks of infections in populations in various states.
- Intermittent outbreaks in various states and the spread of more infectious COVID variants have prevented a total return to domestic travel, with intermittent international travel occurring with New Zealand. As of October 2021, Australia is in the process to establish a travel bubble with Singapore.
- In July 2021, the Australian government announced a four-stage National Plan to transition Australia out of the COVID pandemic with different phases that will be triggered as national vaccination rates reaches the 70% and 80% of the population. As of October 2021, NSW and ACT are the first states to have reached the 80% threshold with the other states expected to follow before the end of 2022.

- Overall, current government measures appear to have successfully limited the spread of the virus. It would appear that Australia has avoided the devastating toll on lives and wellness as seen in some countries around the world.

Given the above, the Australian hotel industry has been in crisis throughout 2020 and into 2021, with many hotels under partial operation with significant reductions in available rooms, and some closed completely. While most hotels have since re-opened, it is still uncertain when conditions will sufficiently improve for all hotels to re-open or return to full operation.

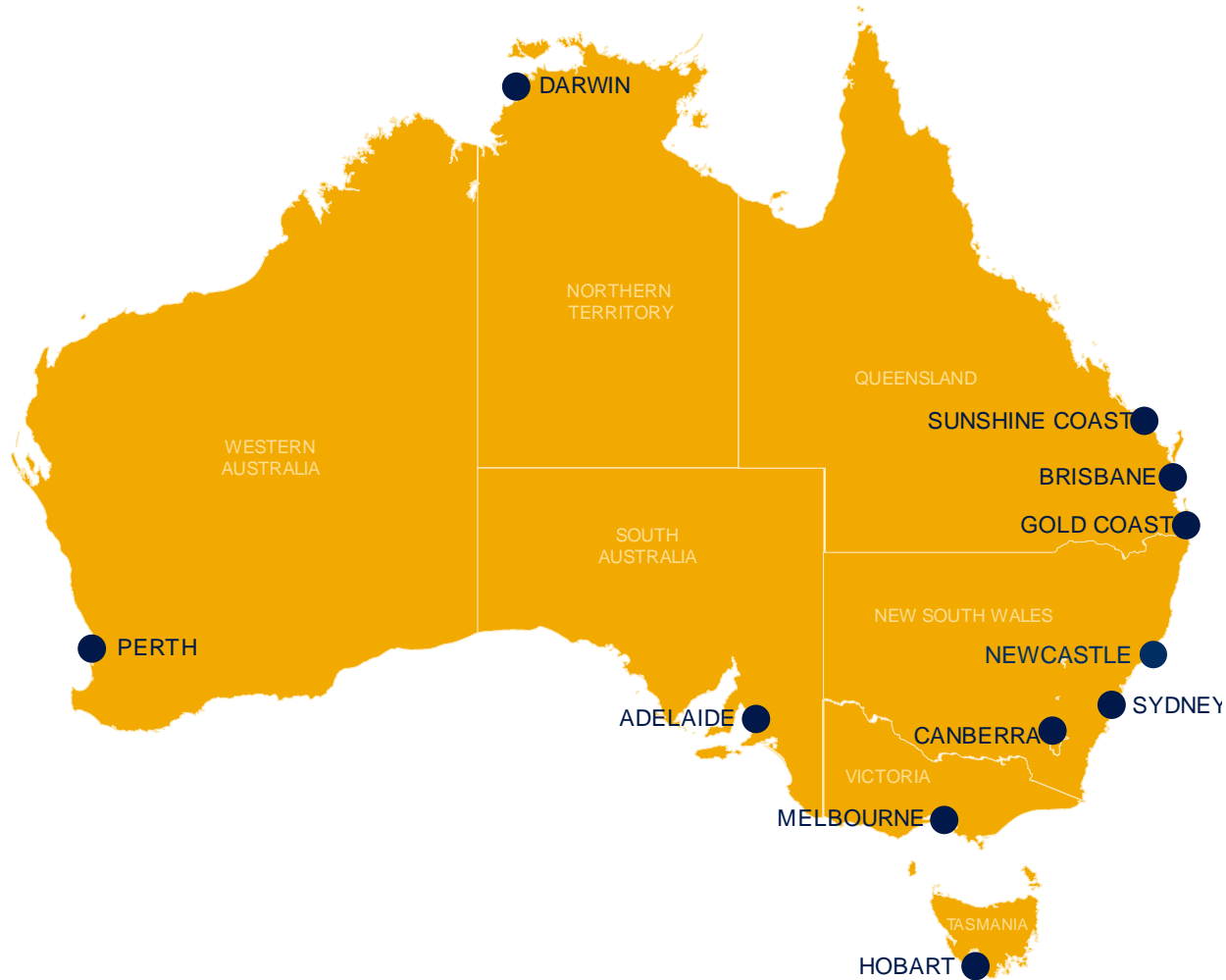
It should be noted that the hotel quarantine program that operates in capital city markets has formed an important portion of the demand base during the COVID-19 period to-date, and its ongoing influence on hotel market performance levels will continue in 2021. However, the scale and duration of the program in each market makes short-term forecasting challenging.

On a macro level, the latest Deloitte Access Economics Business Outlook as at September 2021 is based on the assumptions that:

- '(1)vaccination rates are hitting 80% double dosed in NSW, with Queensland, SA and WA to eventually reach that milestone in December'
- '(2) the transition from "relying mostly on lockdowns" to "mostly relying on vaccinations, masks and QR codes"' remains uncertain, but ultimately effective
- '(3) cases spike but hospitalisation and deaths remain very low by developed world standards'
- '(4) international borders re-open very gradually, with some form of quarantine to remain for most incoming travellers for some time. That keeps international travel very weak in 2022, and it may not return to pre-pandemic levels until 2024 or even 2025.'

Trends In Australian Hotel Markets

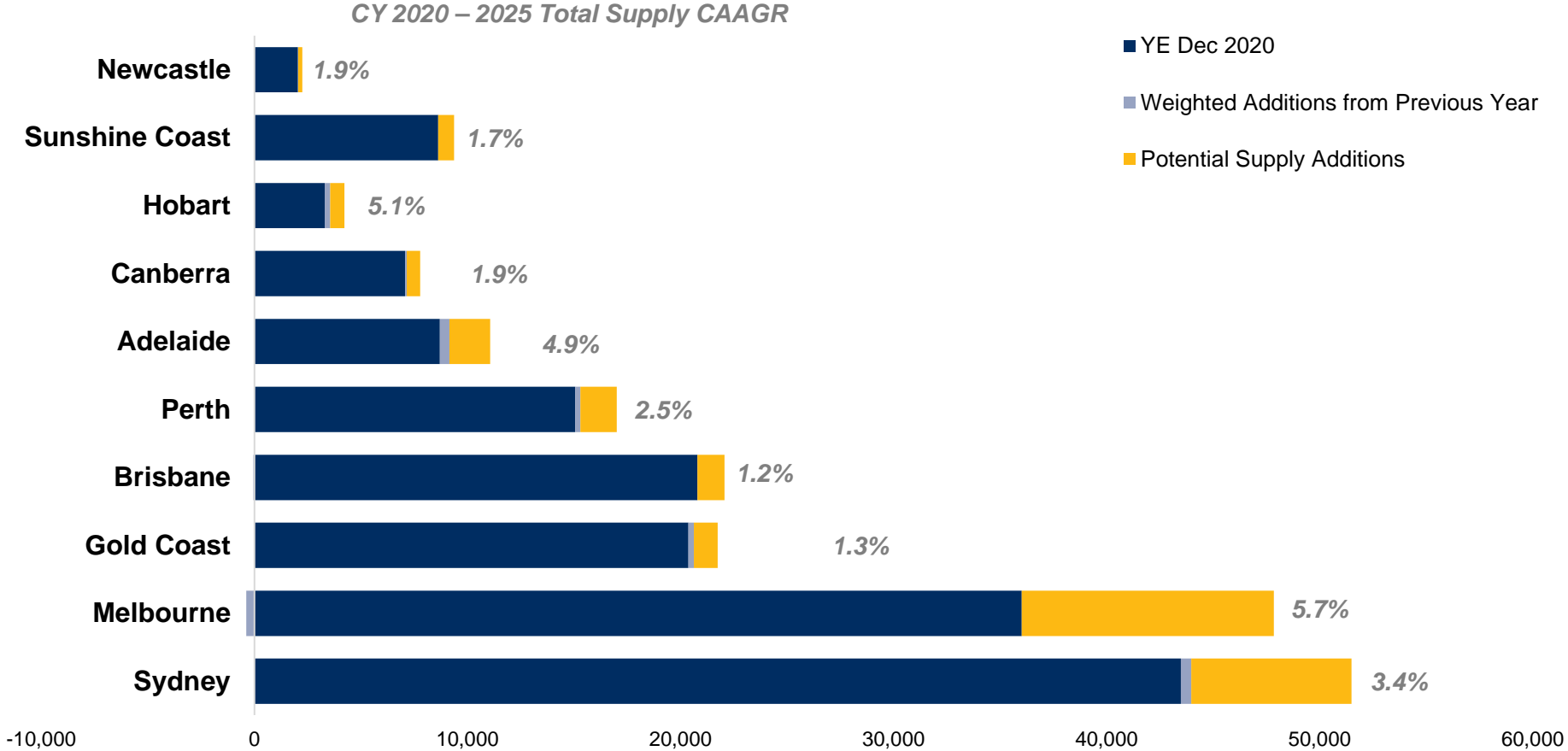
RevPAR Performance Snapshot – YTD September 2021



	YTD Sep 2021 vs YTD Sep 2020	% of 2019 level
Brisbane	39.6% ▲	73.8%
Canberra	21.3% ▲	60.0%
Darwin	157.9% ▲	116.5%
Gold Coast	46.7% ▲	84.3%
Hobart	52.8% ▲	79.5%
Melbourne	-19.5% ▼	38.4%
Newcastle	29.3% ▲	78.7%
Perth	30.6% ▲	81.8%
Sunshine Coast	56.1% ▲	107.1%
Sydney	-7.6% ▼	40.6%

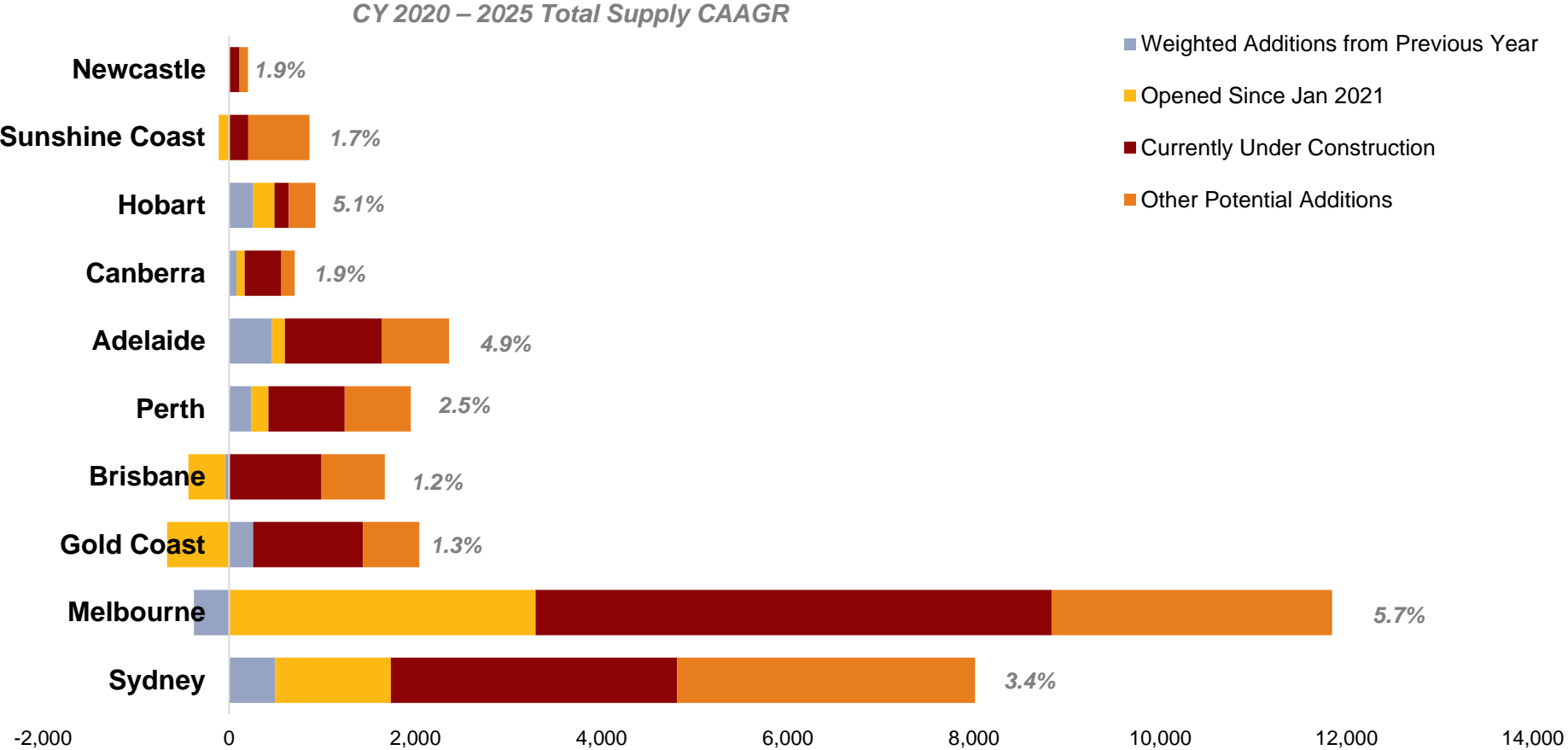
Australian Hotel Market Supply Pipeline

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)



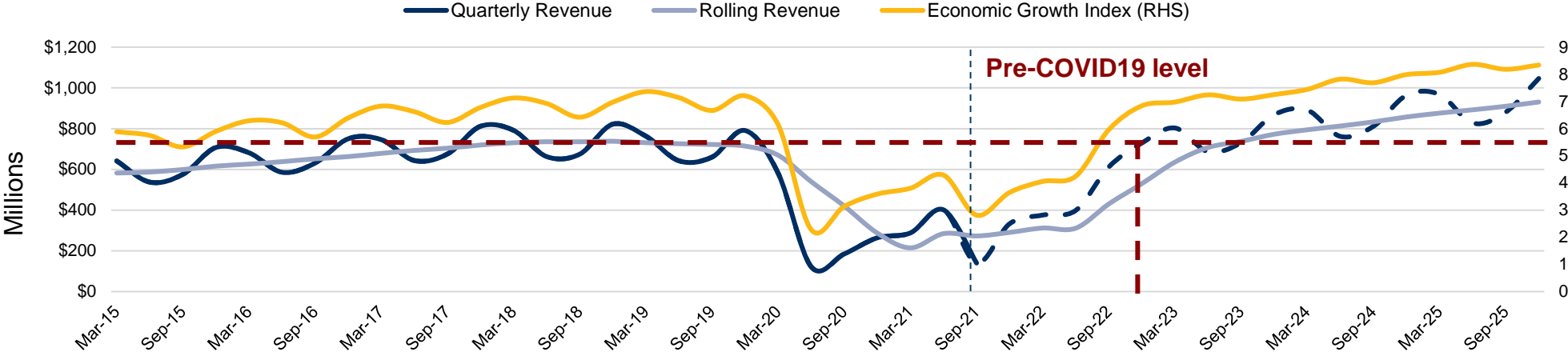
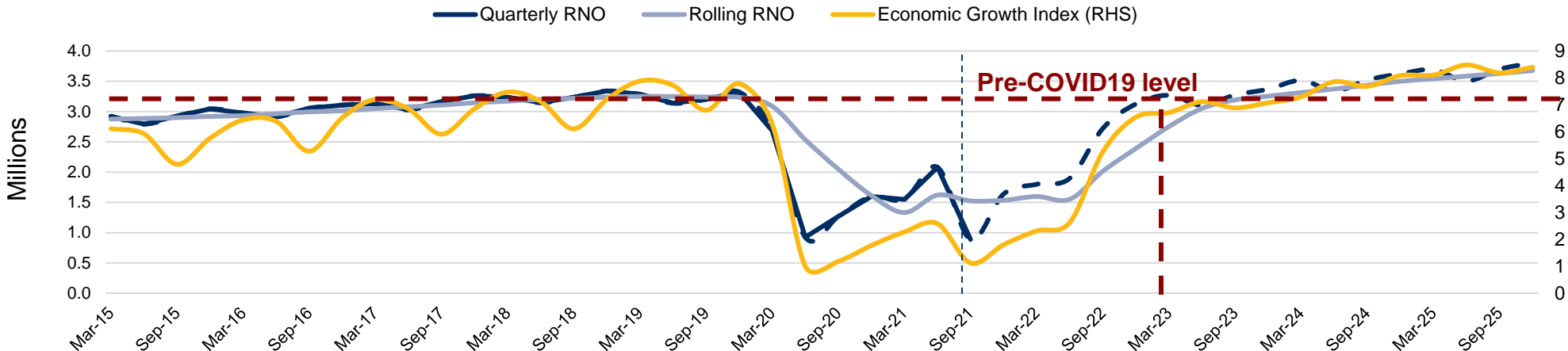


Sydney

Sydney Tourism Region Hotel Market Outlook

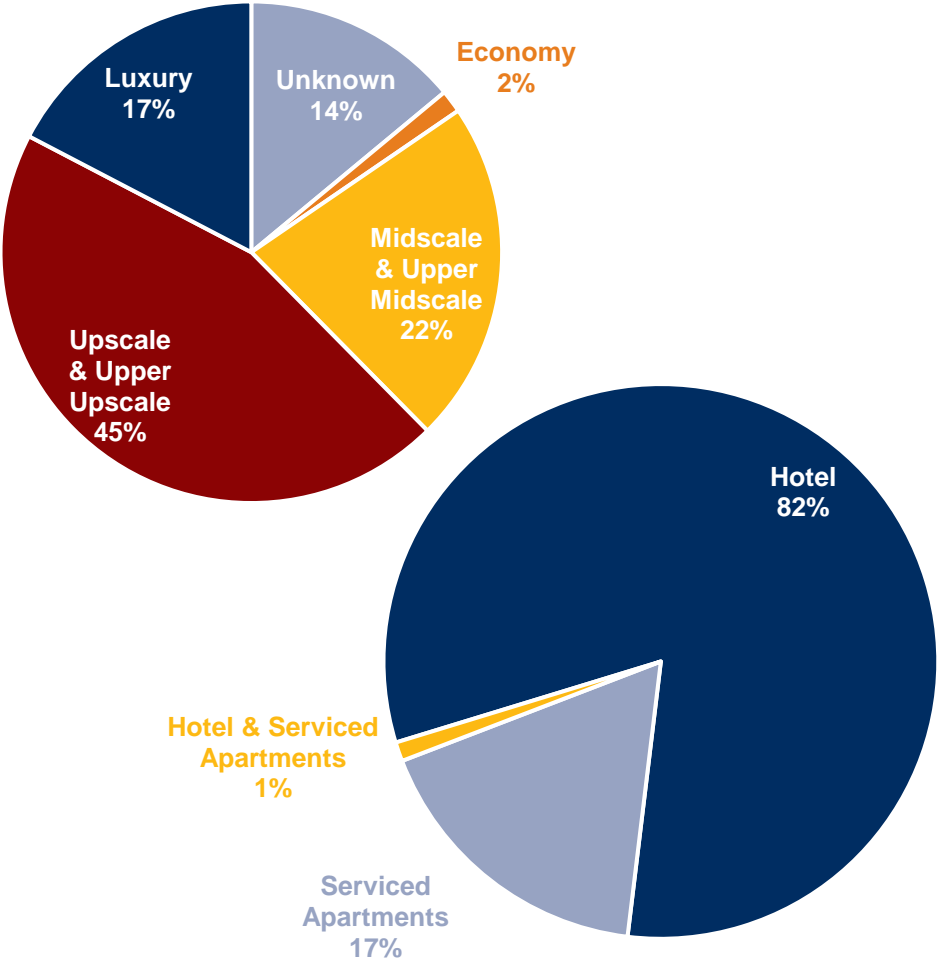
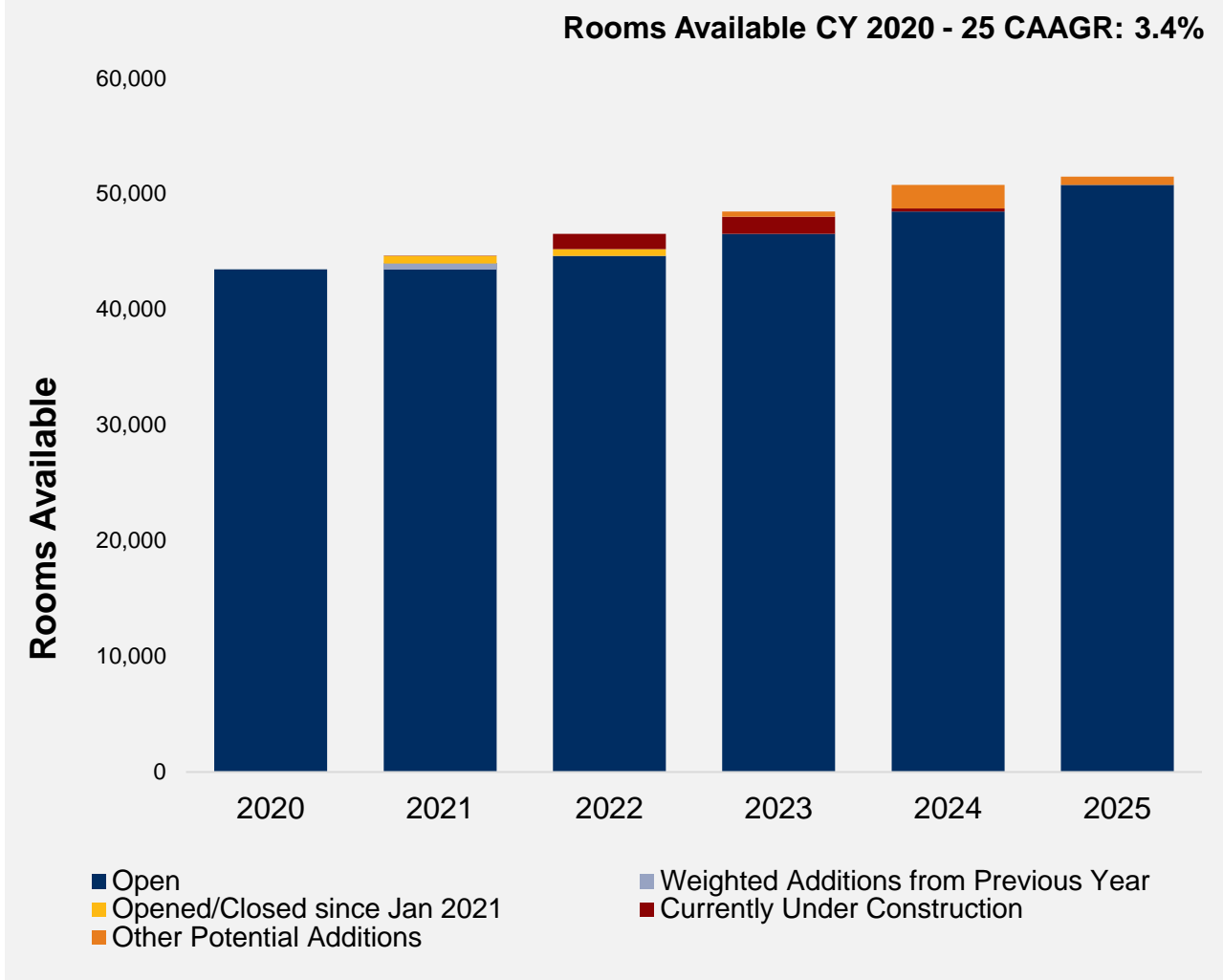
Sydney Tourism Region Hotel Market Outlook

Forecasts of Demand and Revenue Growth



Sydney Tourism Region Hotel Market Outlook

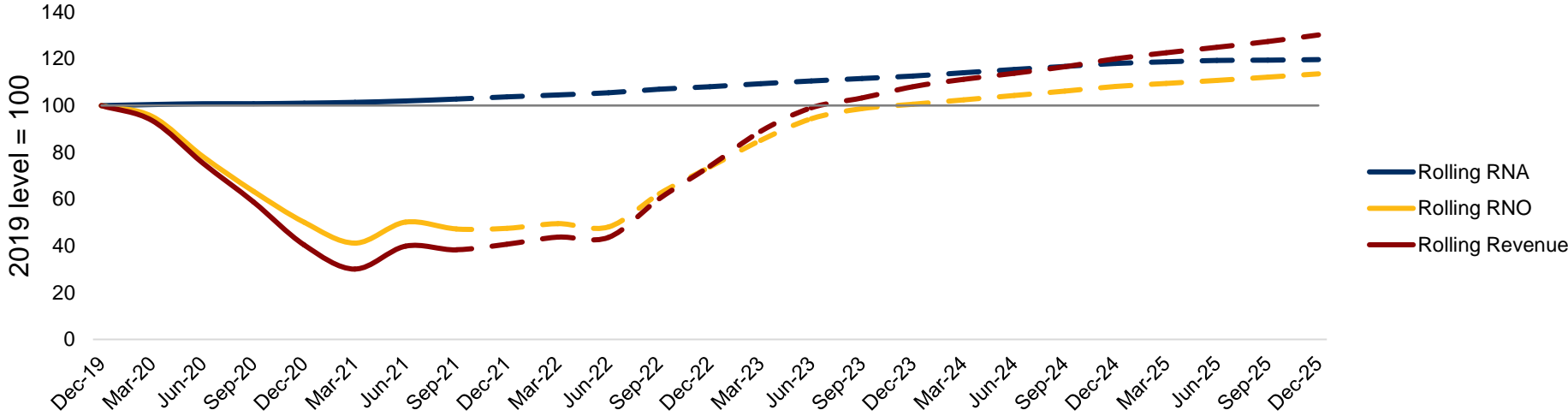
Forecast Additions to Supply – CY 2021 to 2025



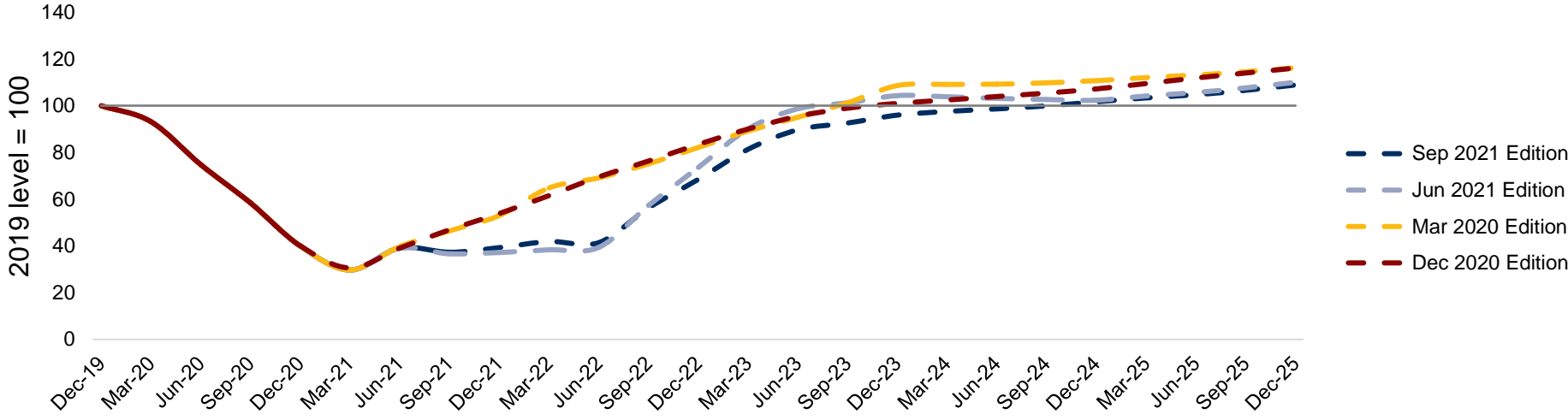
Sydney Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



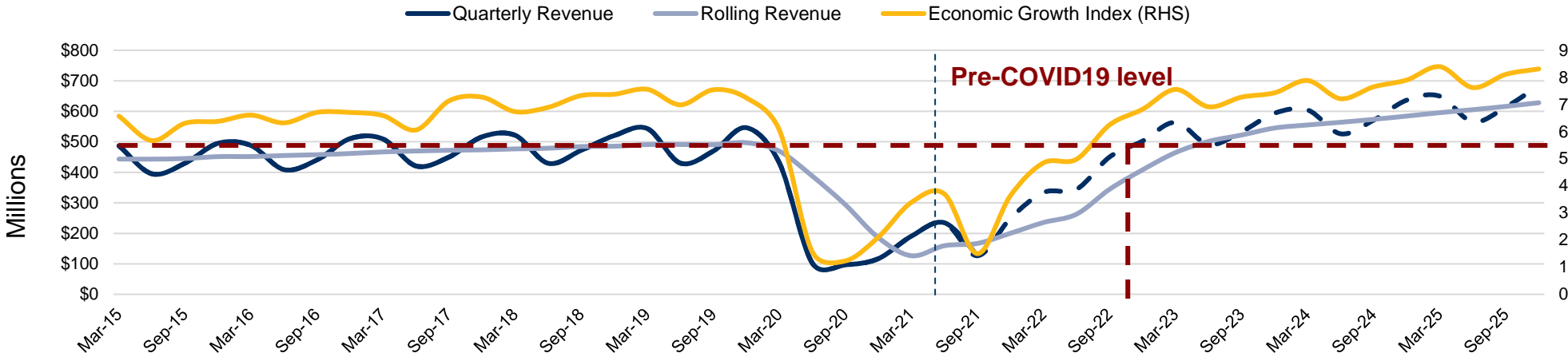
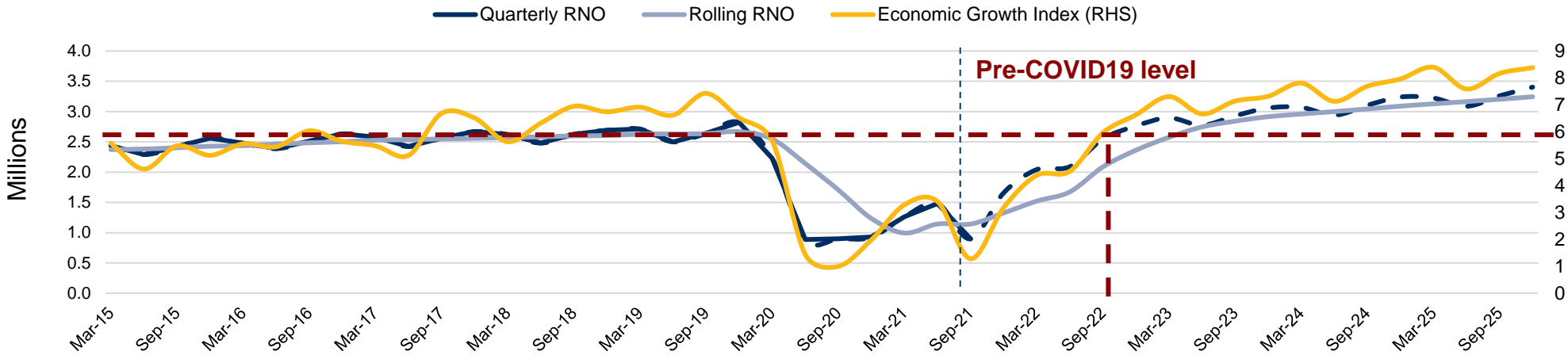


Melbourne

Melbourne Tourism Region Hotel Market Outlook

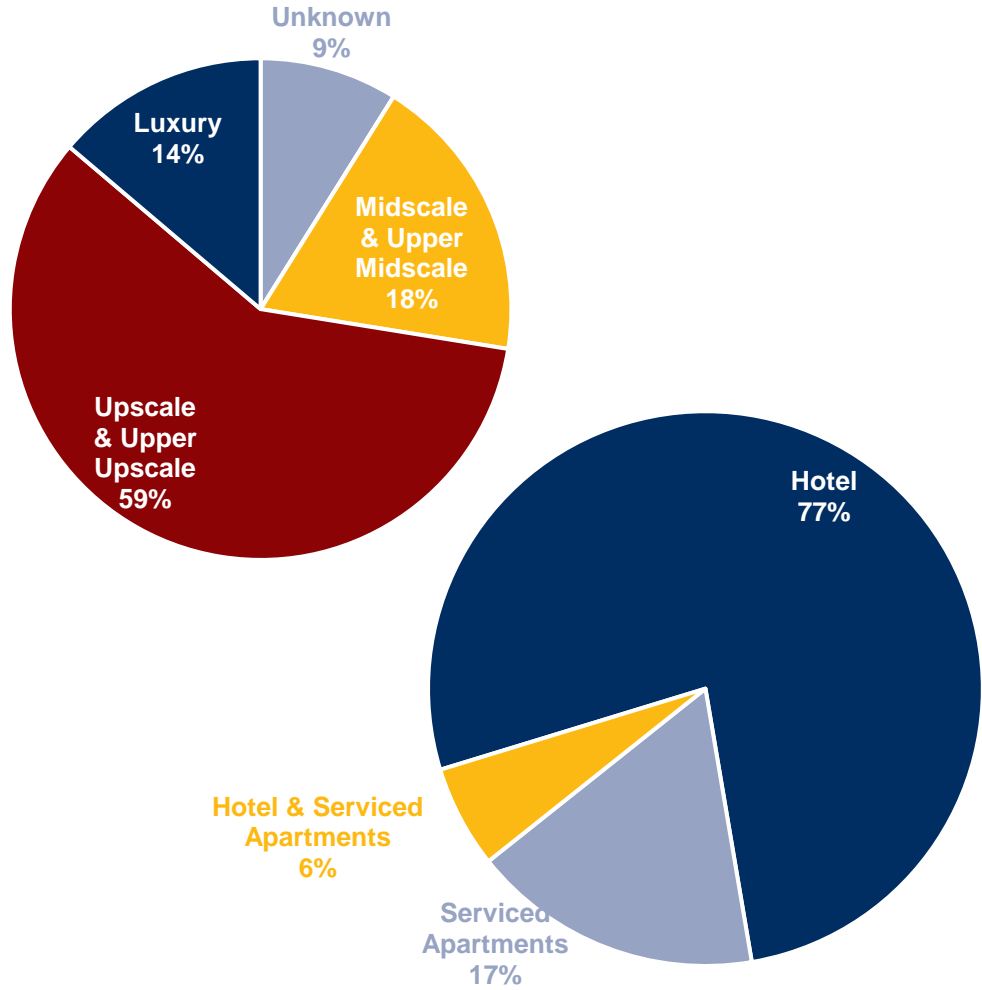
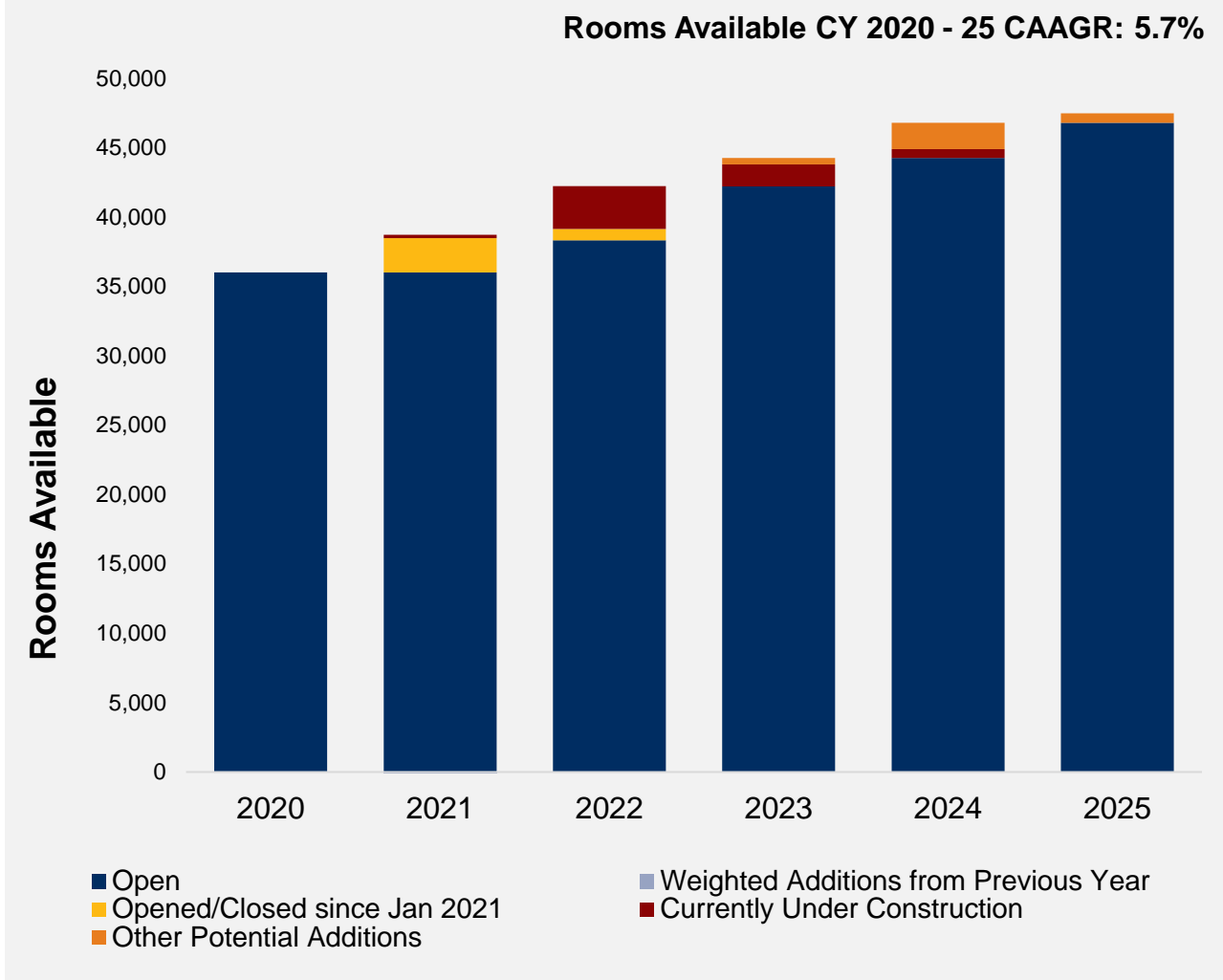
Melbourne Tourism Region Hotel Market Outlook

Forecasts of Demand and Revenue Growth



Melbourne Tourism Region Hotel Market Outlook

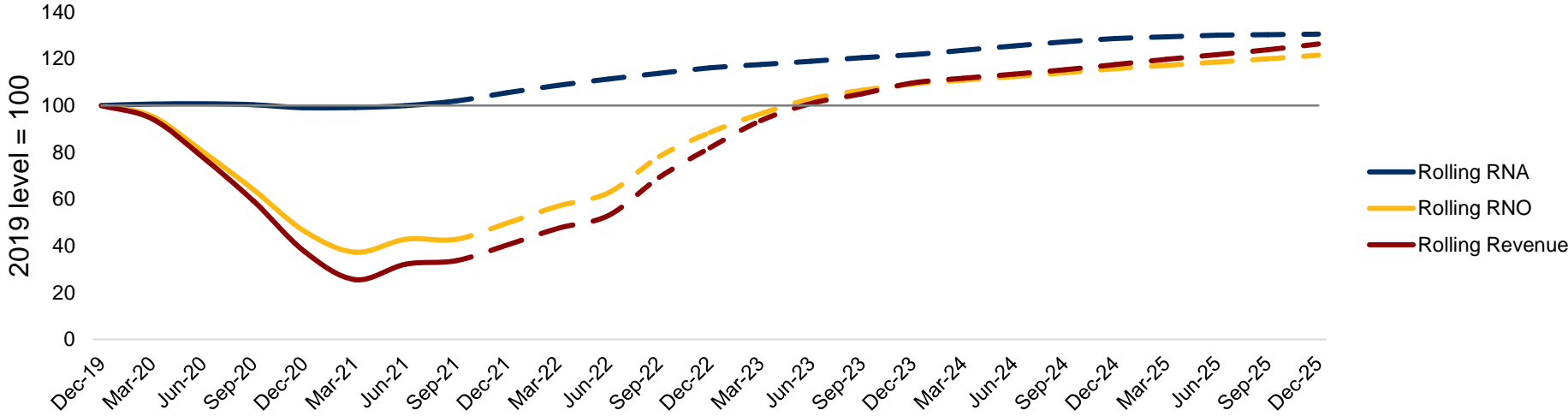
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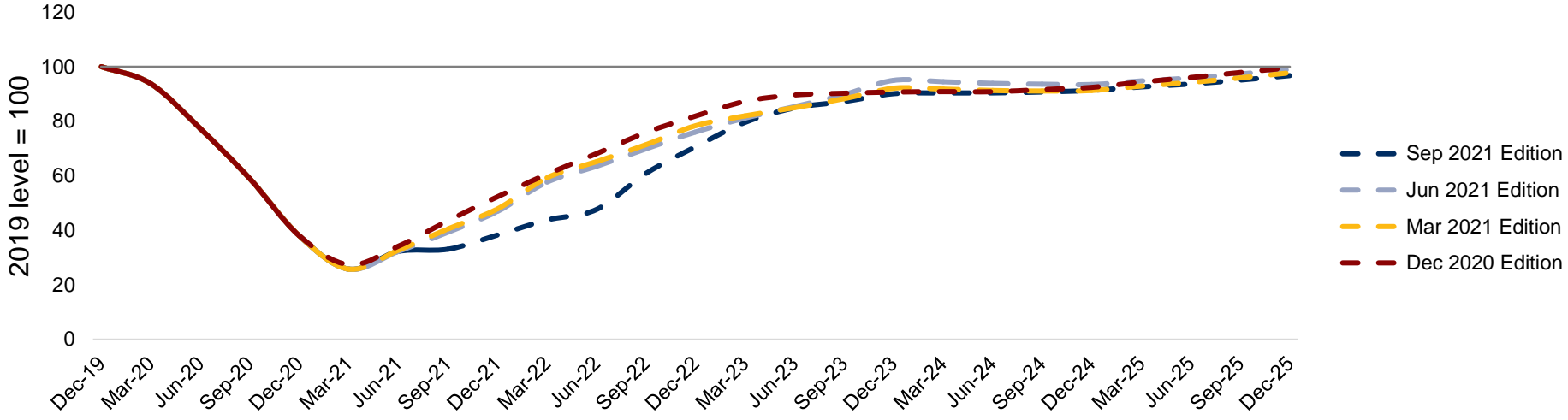
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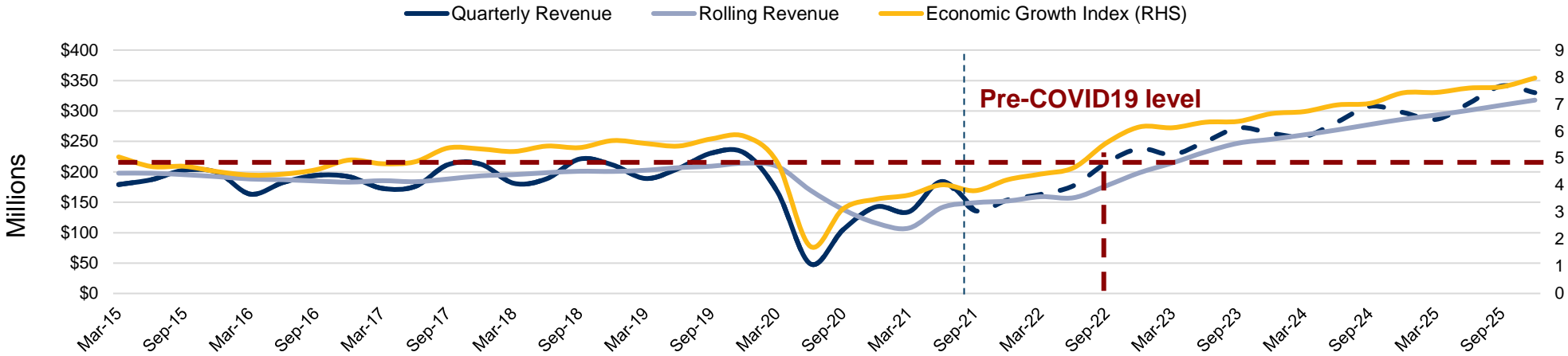
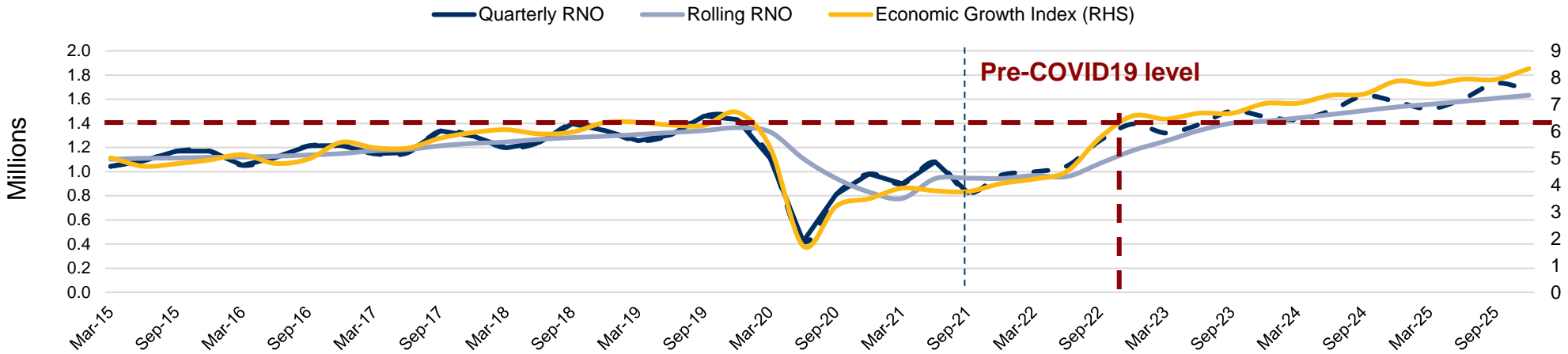
A nighttime photograph of a modern urban building complex in Brisbane. The image features several tall, curved skyscrapers with illuminated windows, creating a vibrant blue and white glow against the dark sky. In the foreground, a wide, curved concrete walkway with a glass railing and a set of wide stone stairs lead up towards the buildings. The scene is lit with warm yellow lights from the walkway and stairs, contrasting with the cool blue lights of the buildings.

Brisbane

Brisbane Tourism Region Hotel Market Outlook

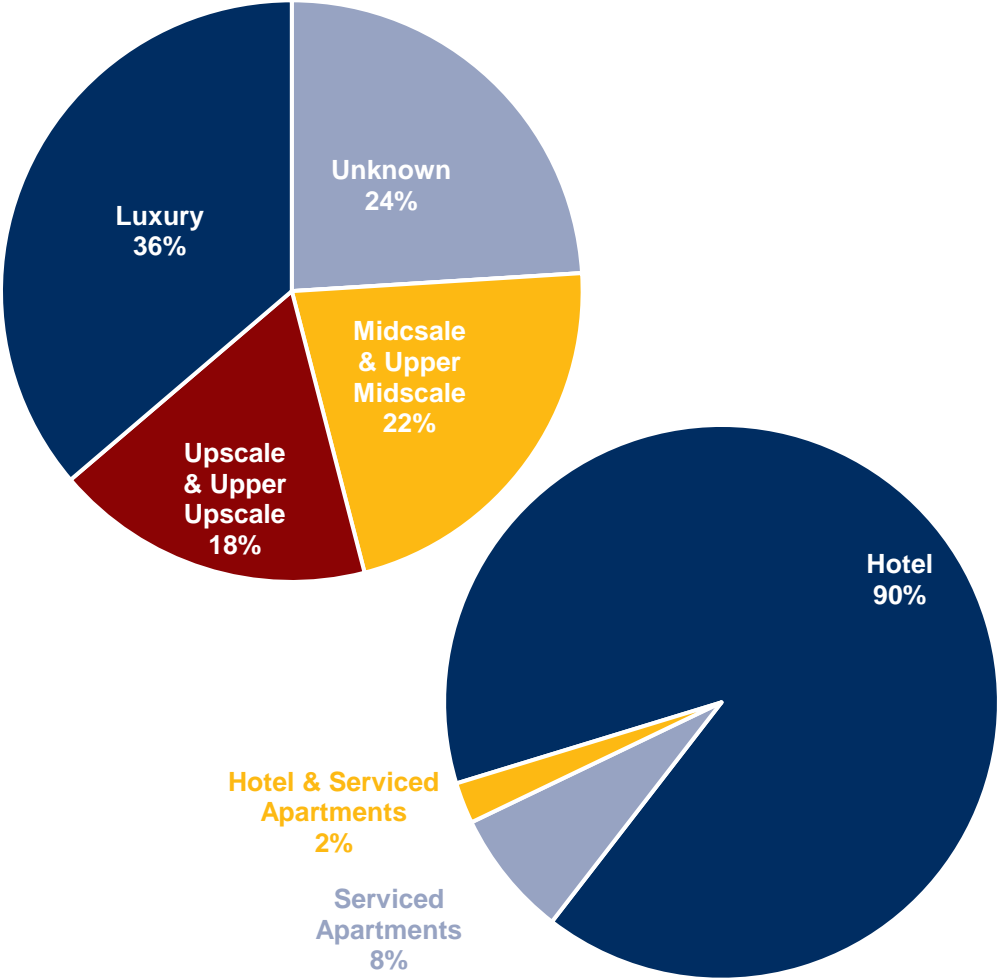
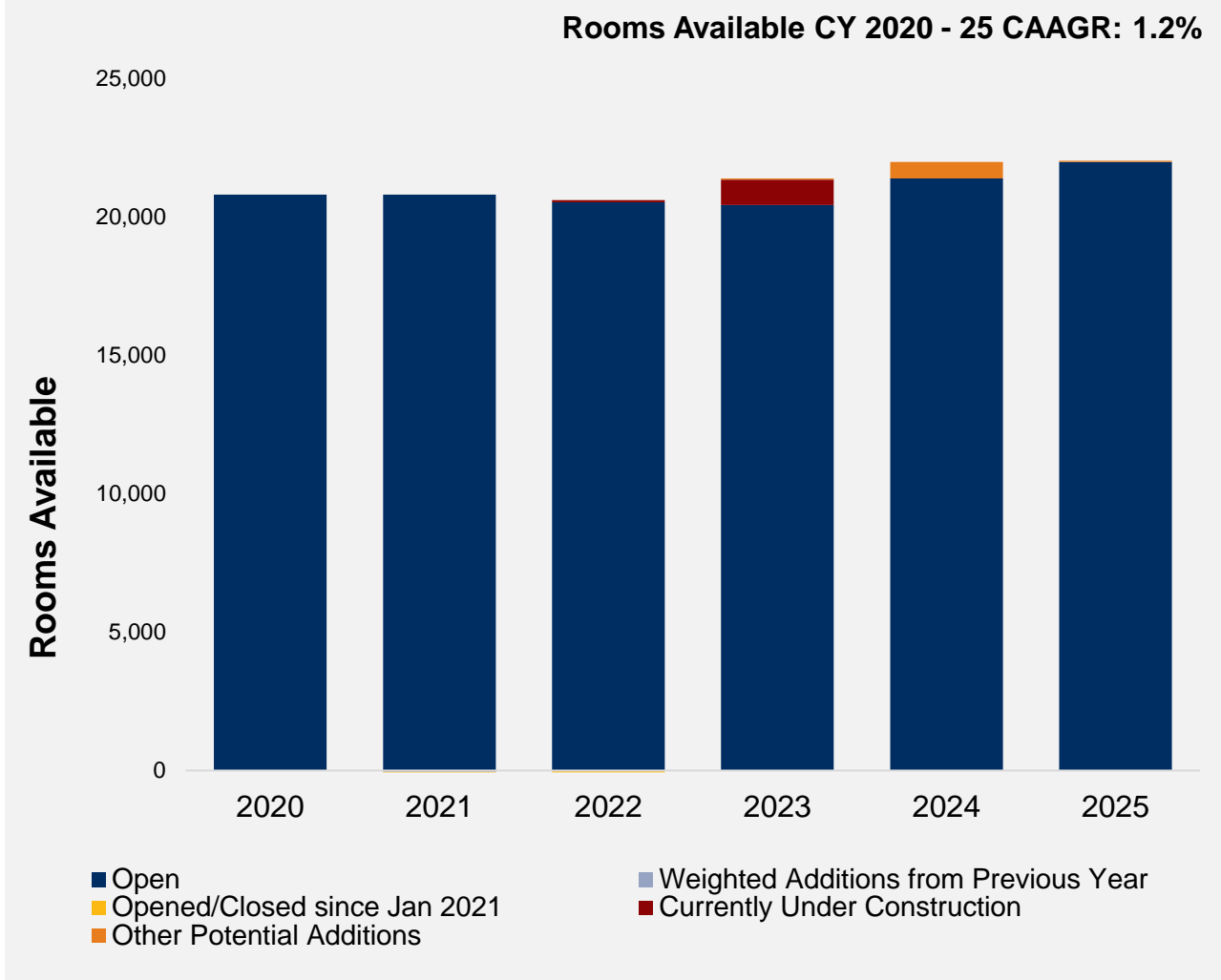
Brisbane Tourism Region Hotel Market Outlook

Forecasts of Demand and Revenue Growth



Brisbane Tourism Region Hotel Market Outlook

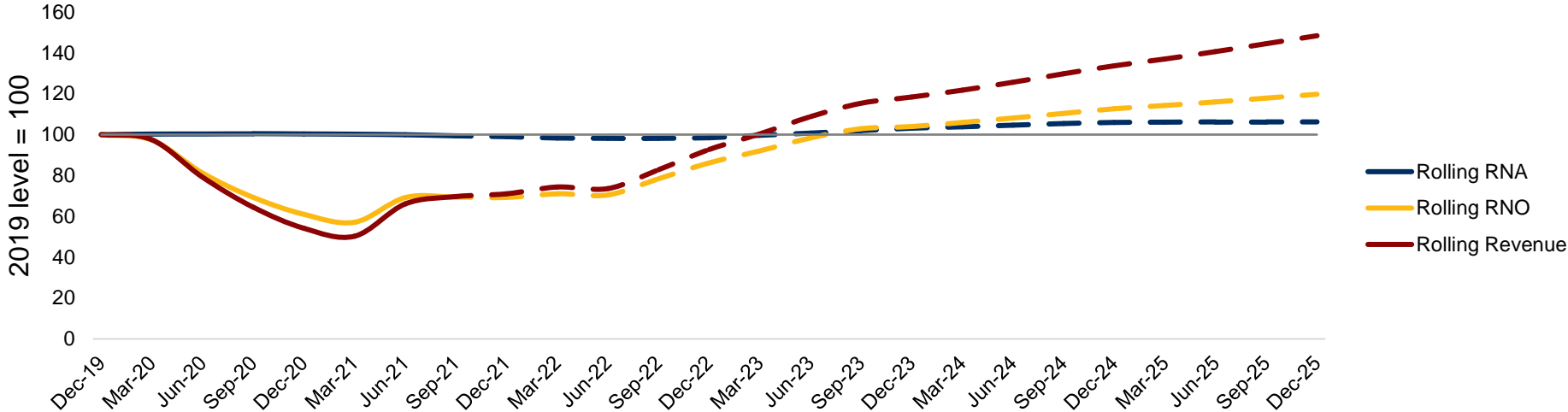
Forecast Additions to Supply – CY 2021 to 2025



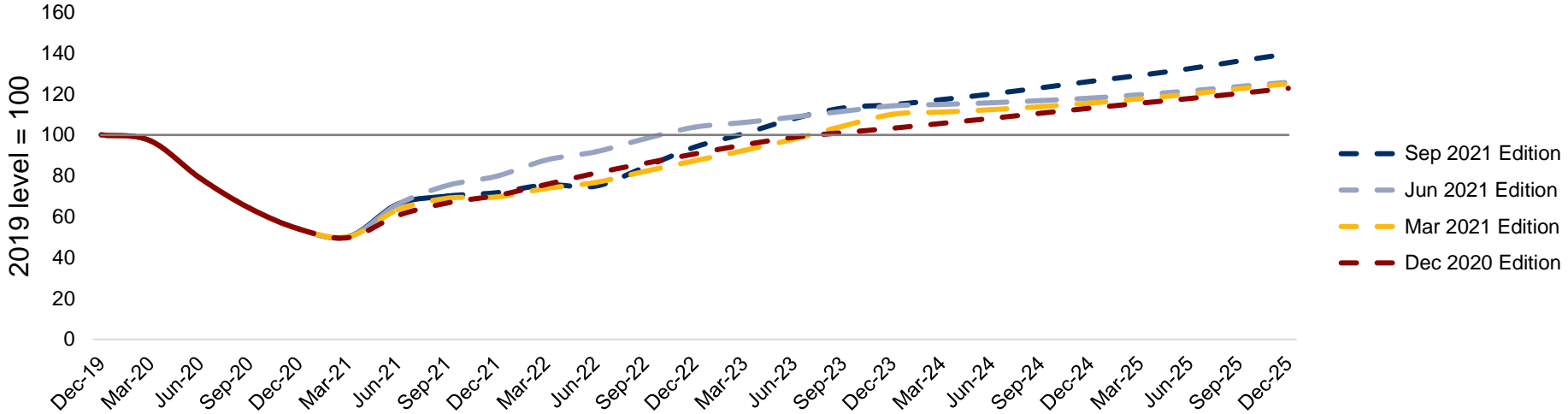
Brisbane Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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Indexed Rolling 12-Month RevPAR Outlook



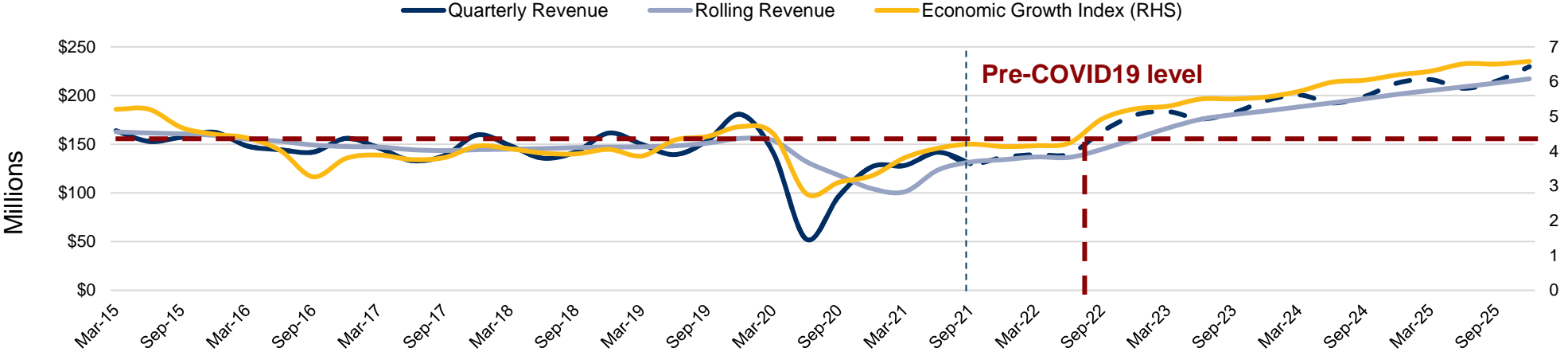
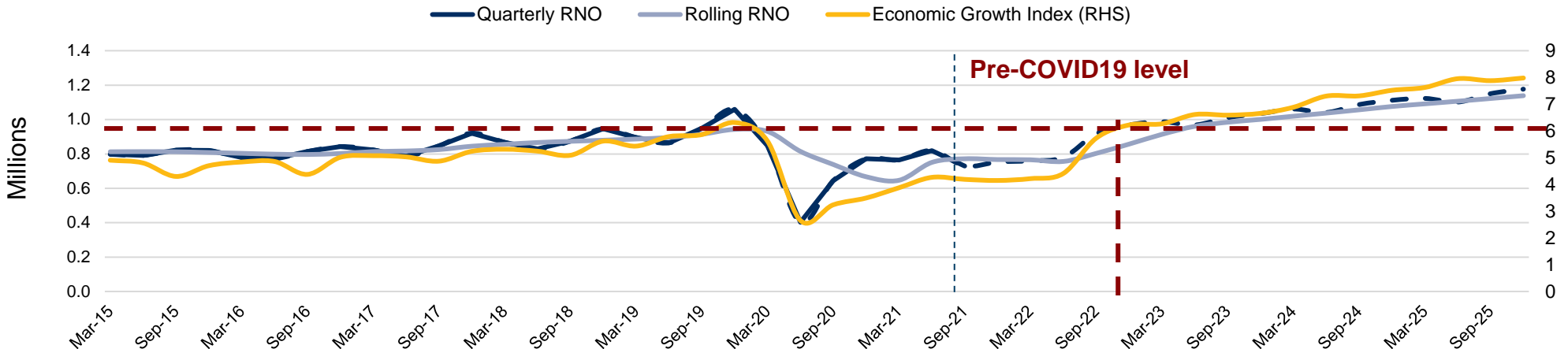


Perth

Perth Tourism Region Hotel Market Outlook

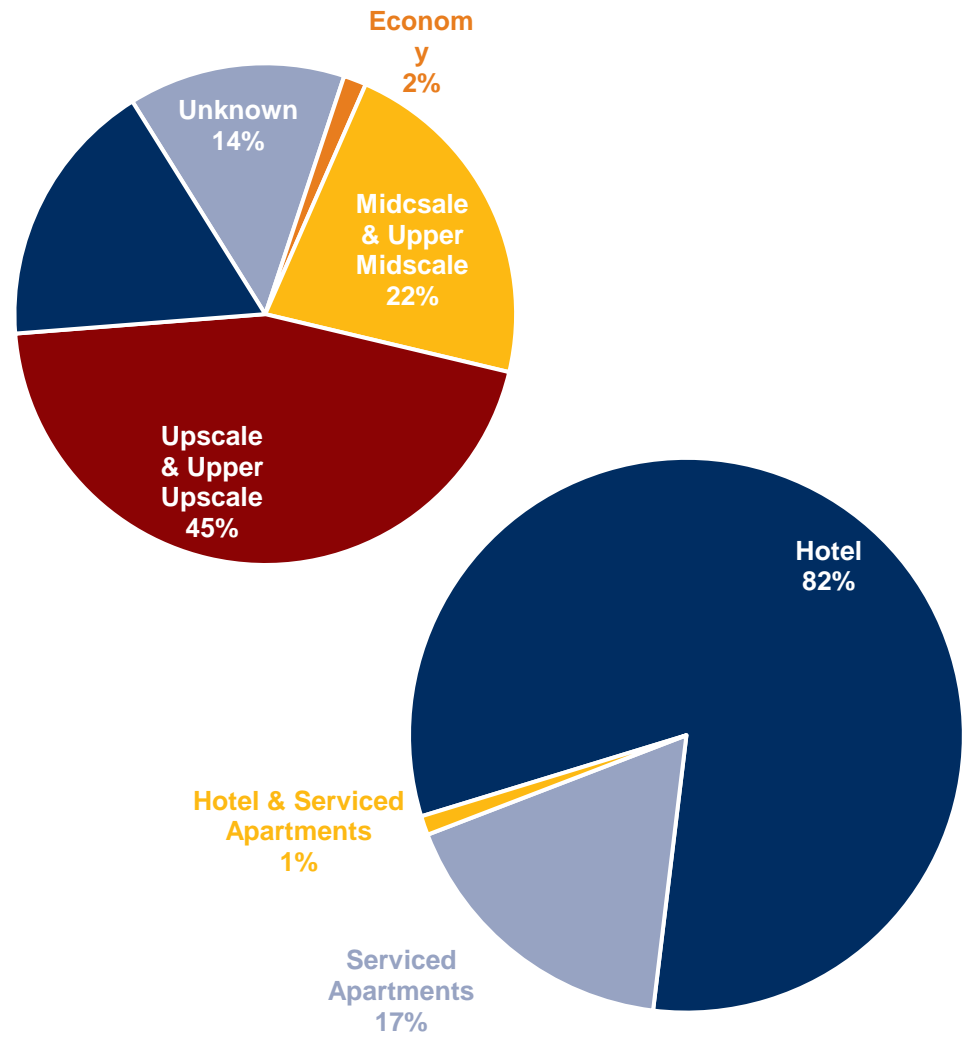
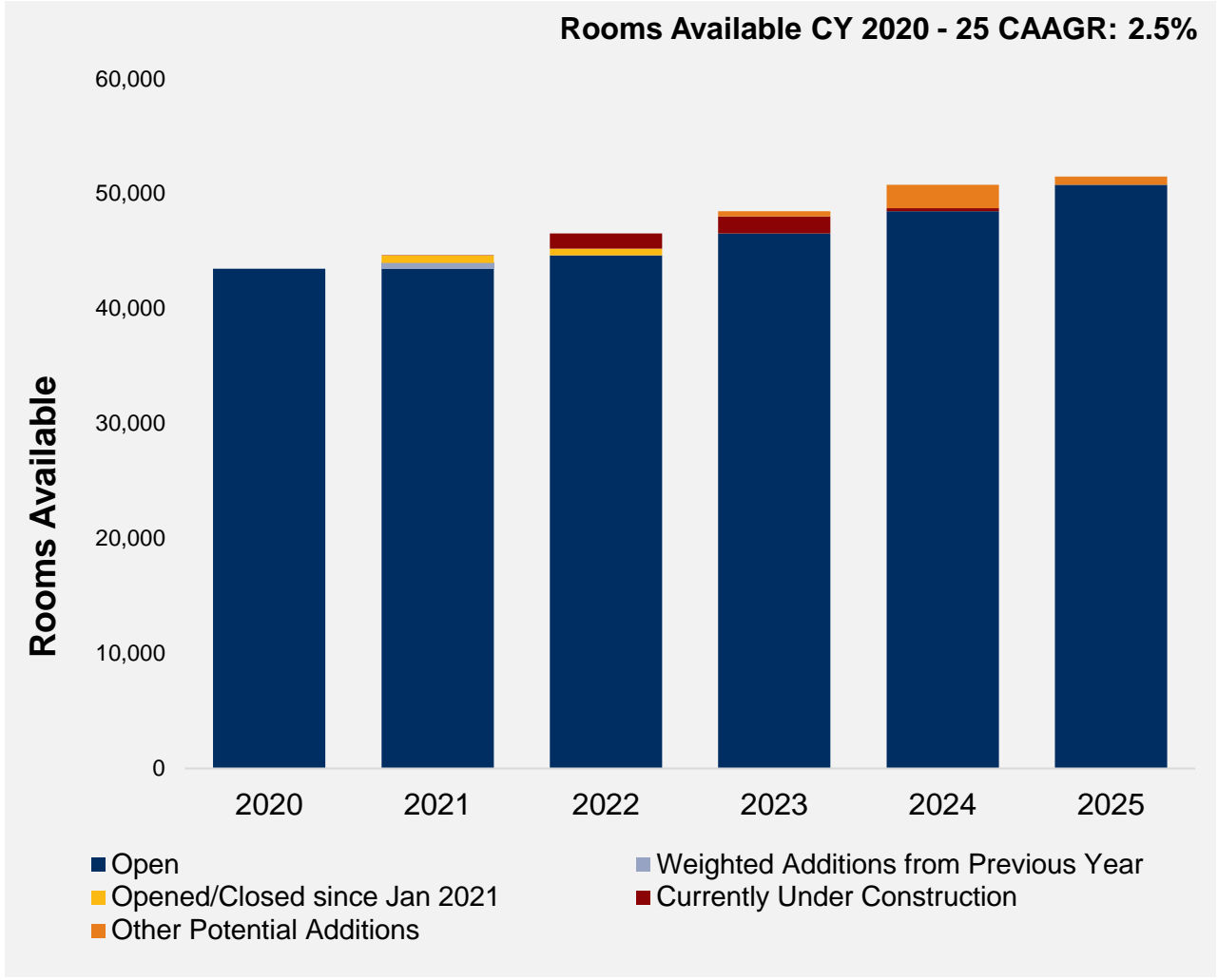
Perth Tourism Region Hotel Market Outlook

Forecasts of Demand and Revenue Growth



Perth Tourism Region Hotel Market Outlook

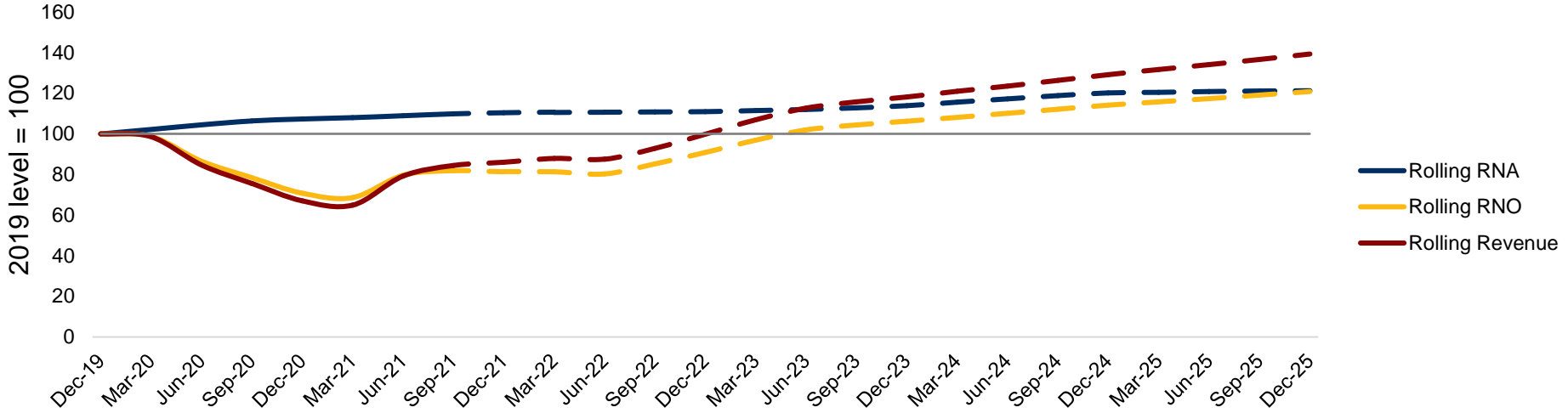
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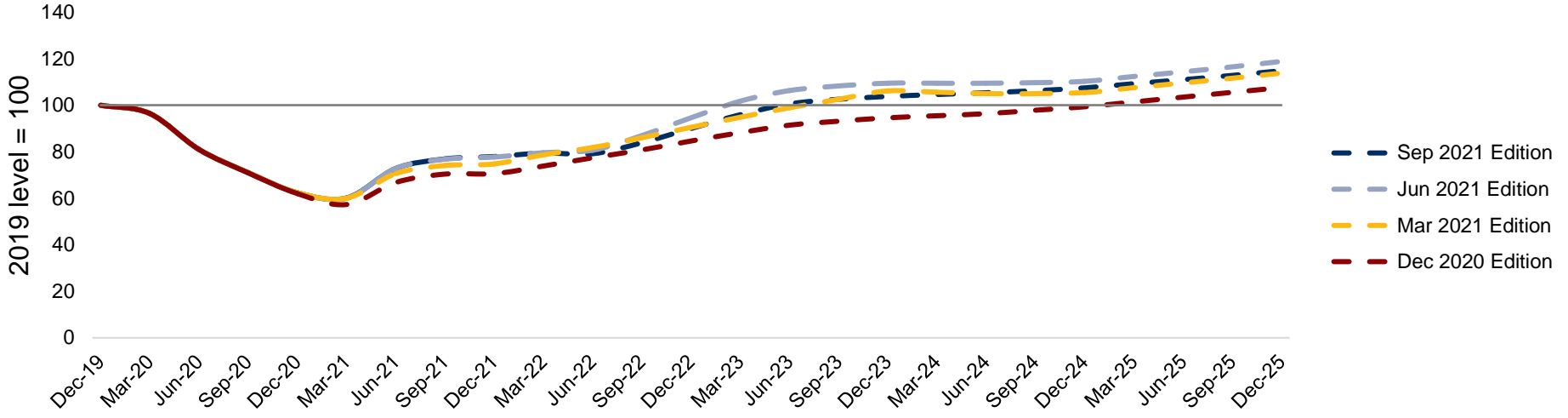
Perth Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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Indexed Rolling 12-Month RevPAR Outlook



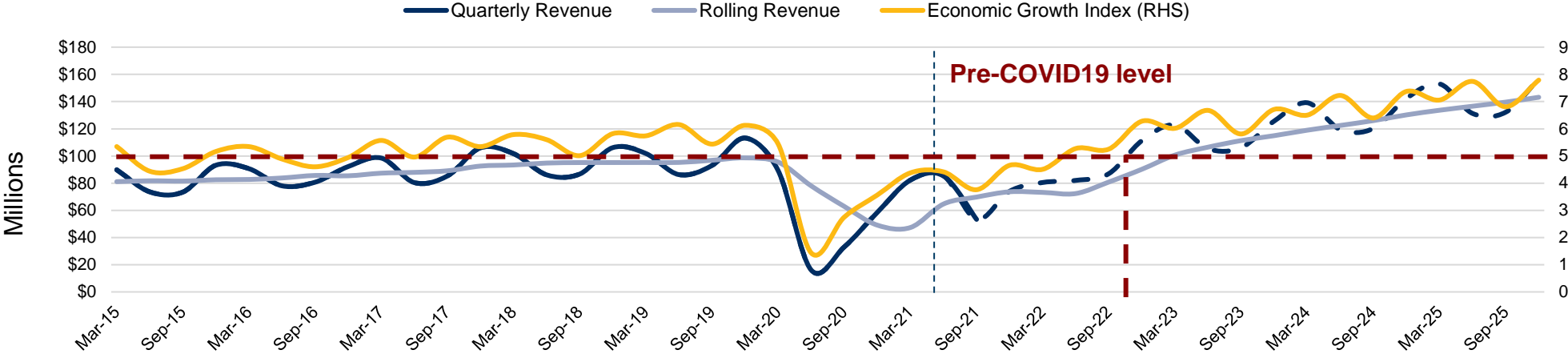
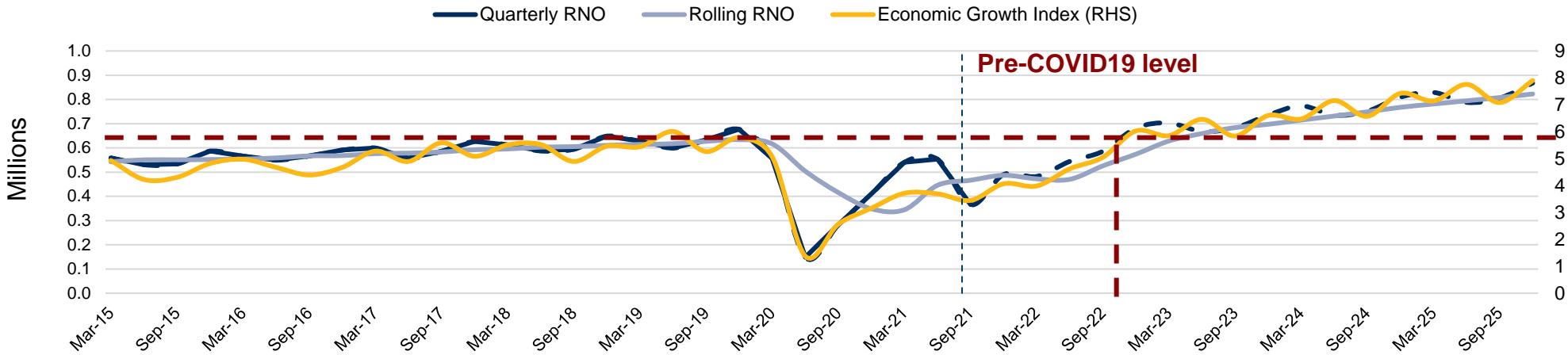


Adelaide

Adelaide Tourism Region Hotel Market Outlook

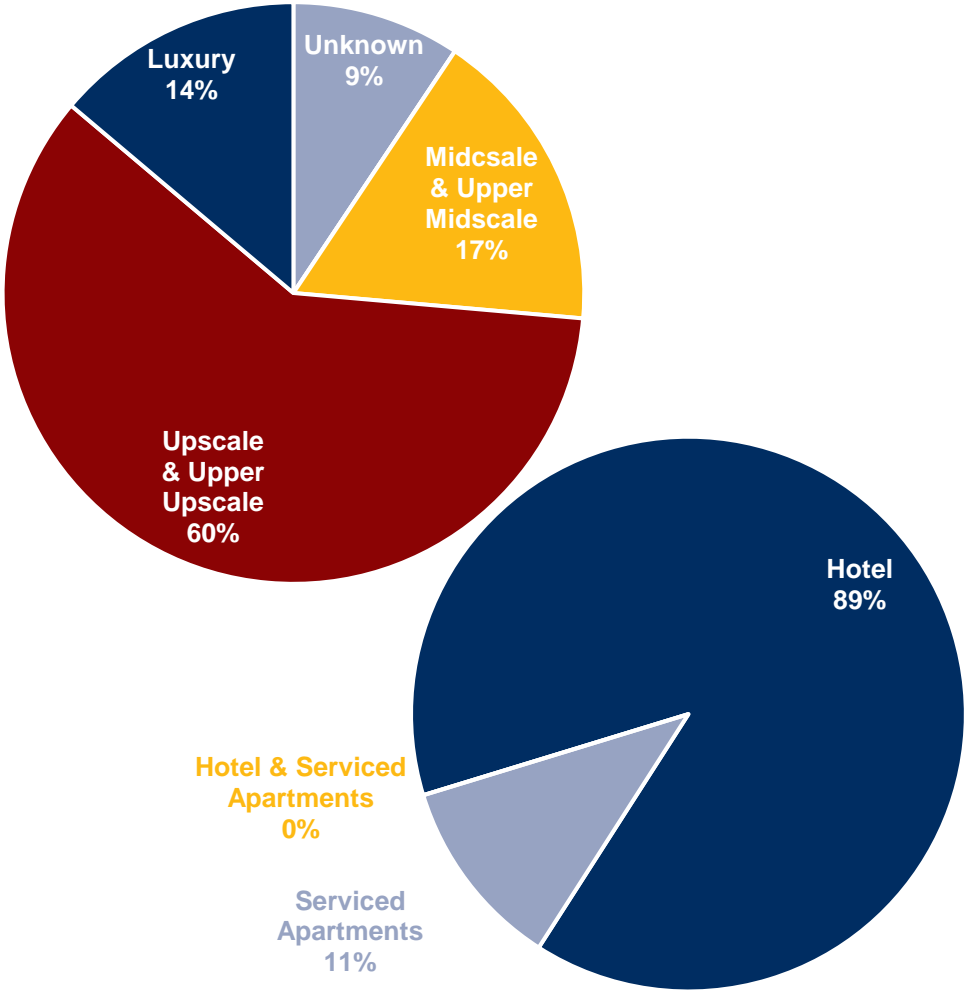
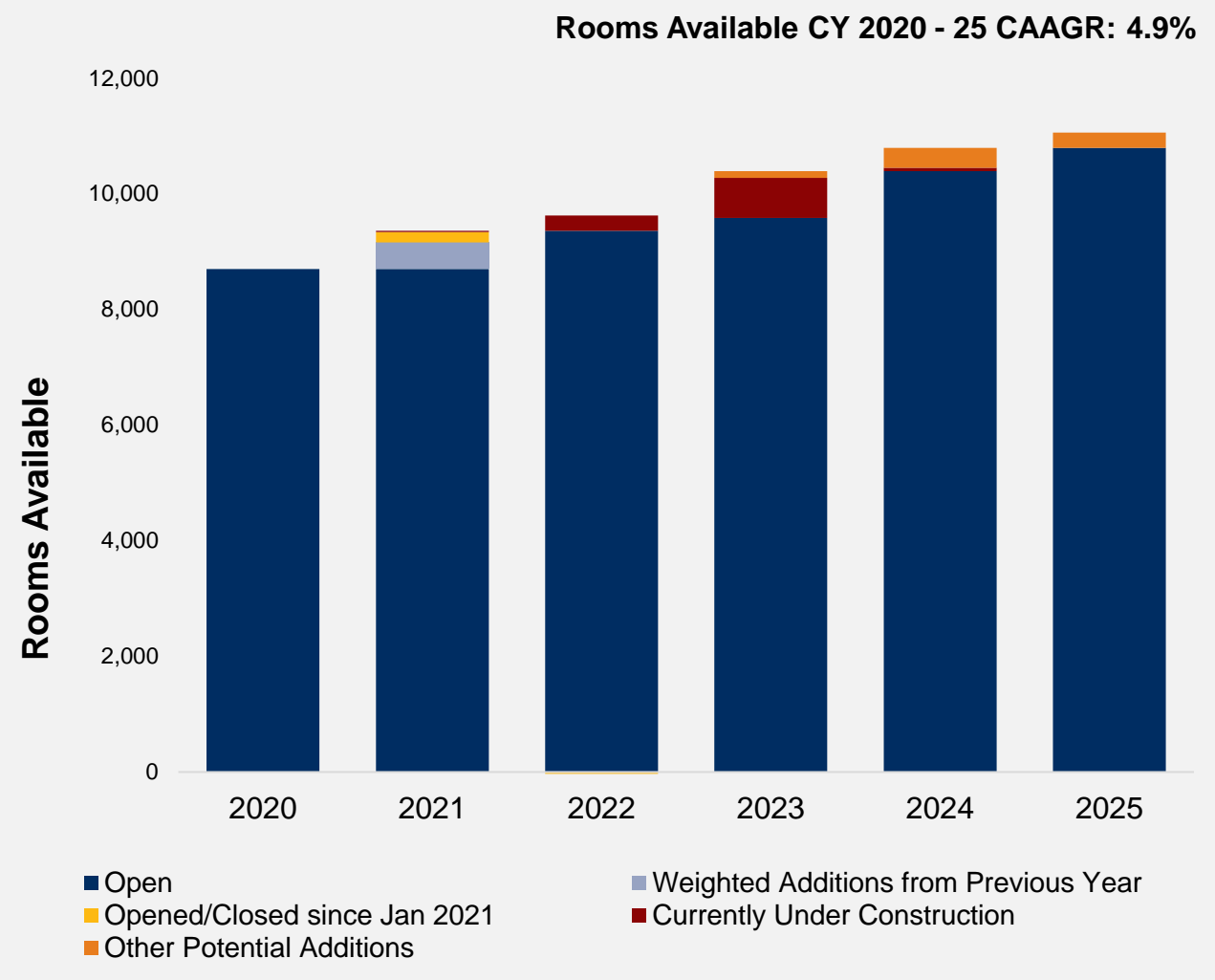
Adelaide Tourism Region Hotel Market Outlook

Forecasts of Demand and Revenue Growth



Adelaide Tourism Region Hotel Market Outlook

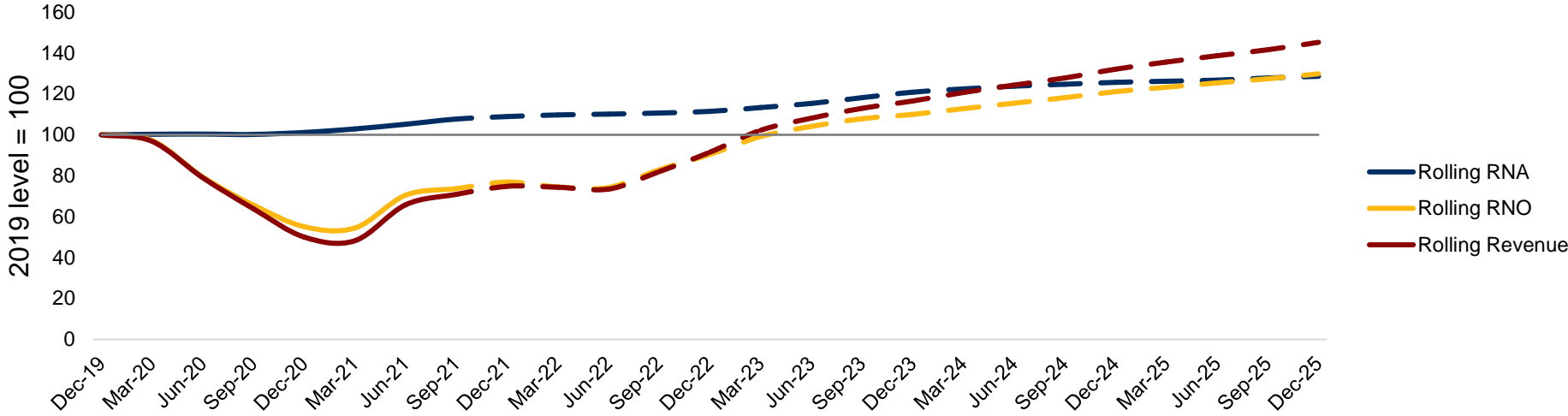
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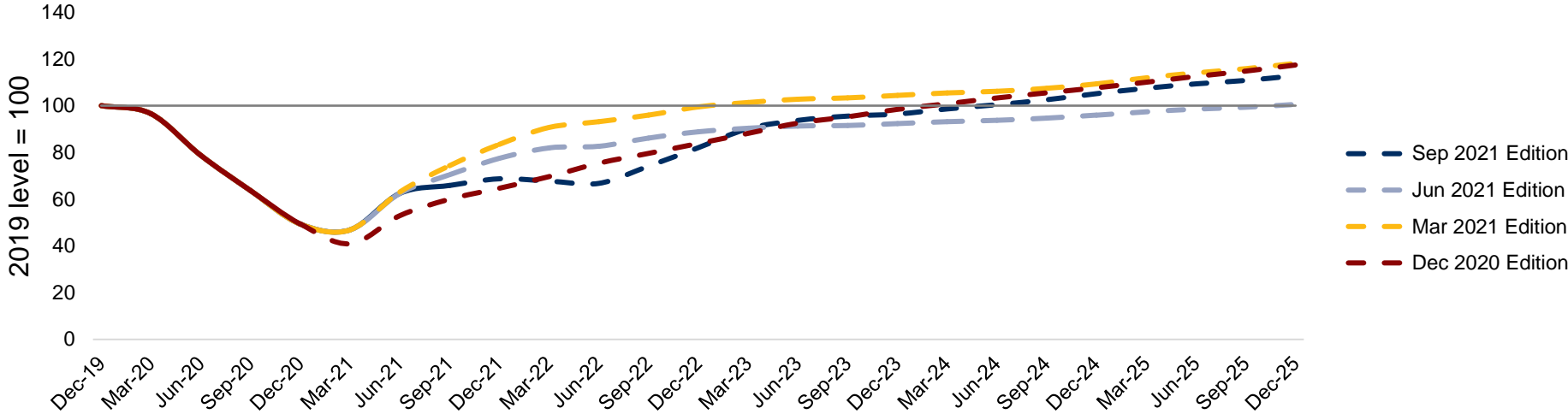
Adelaide Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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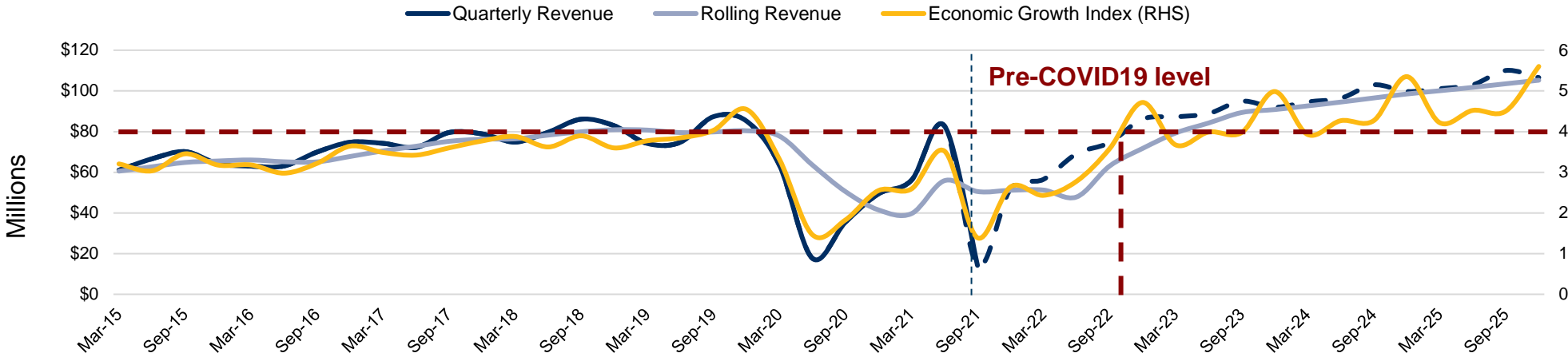
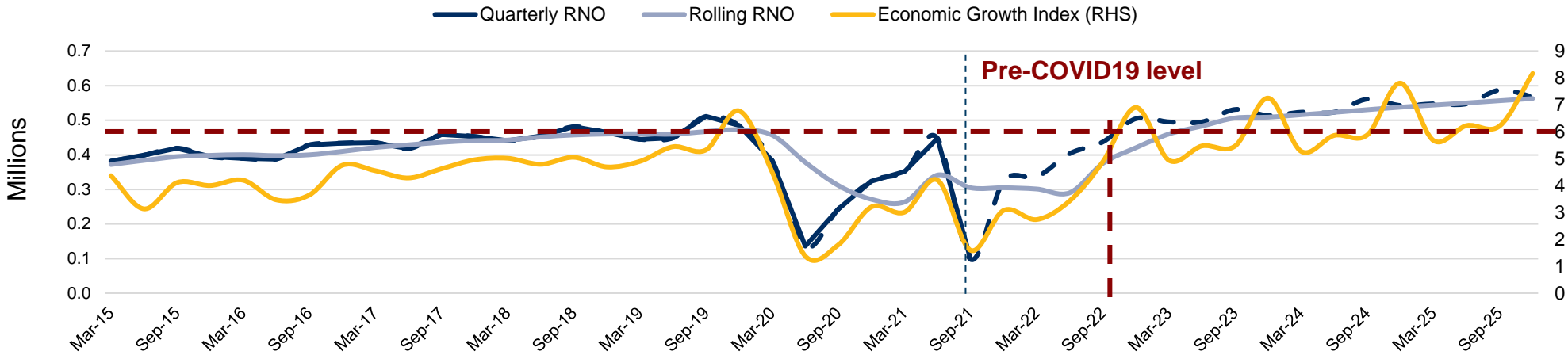


Canberra

Canberra Tourism Region Hotel Market Outlook

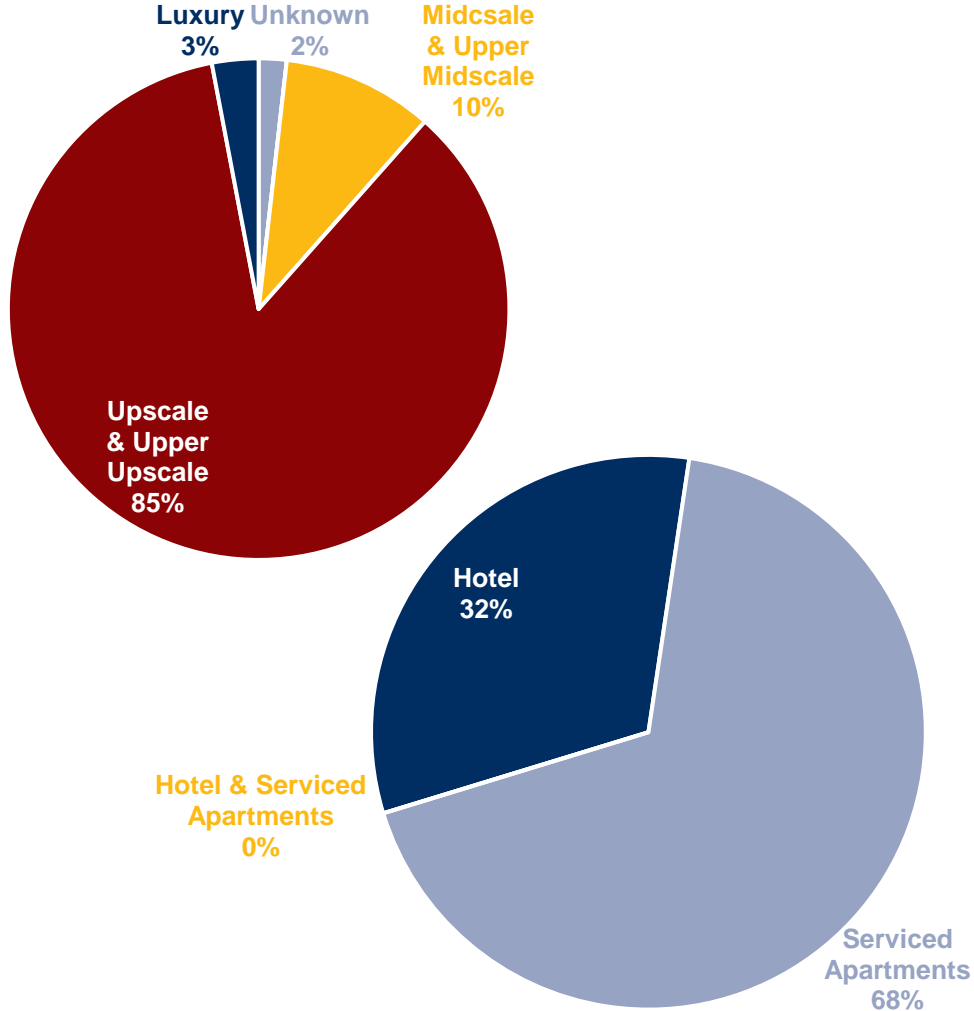
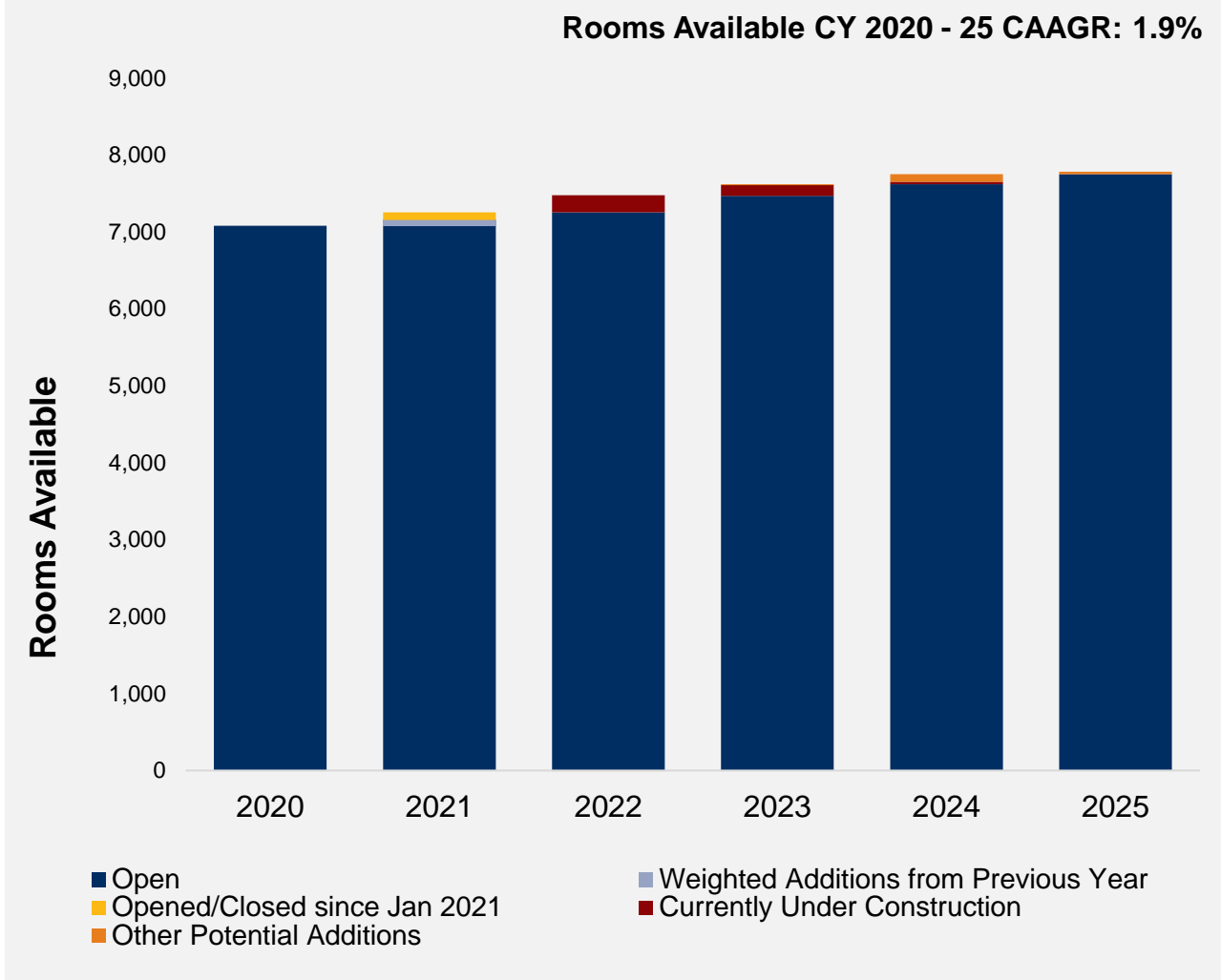
Canberra Tourism Region Hotel Market Outlook

Forecasts of Demand and Revenue Growth



Canberra Tourism Region Hotel Market Outlook

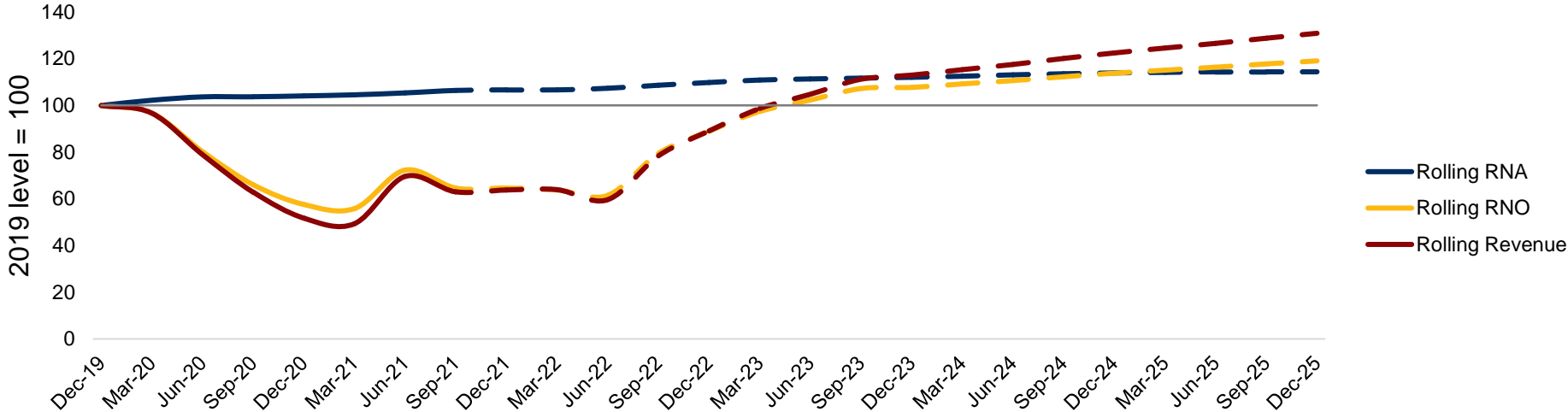
Forecast Additions to Supply – CY 2021 to 2025



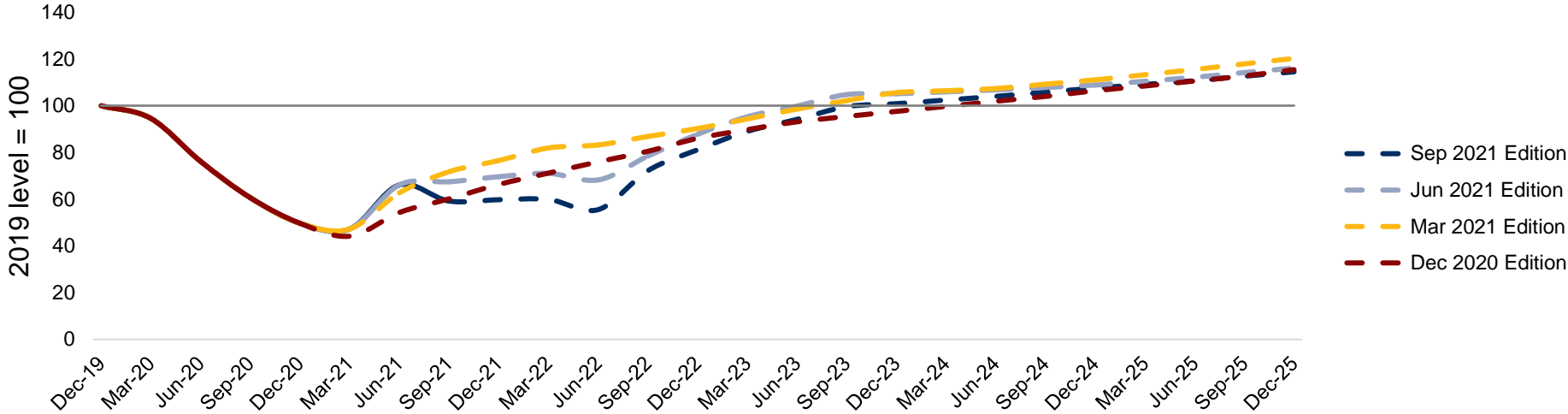
Canberra Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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Indexed Rolling 12-Month RevPAR Outlook



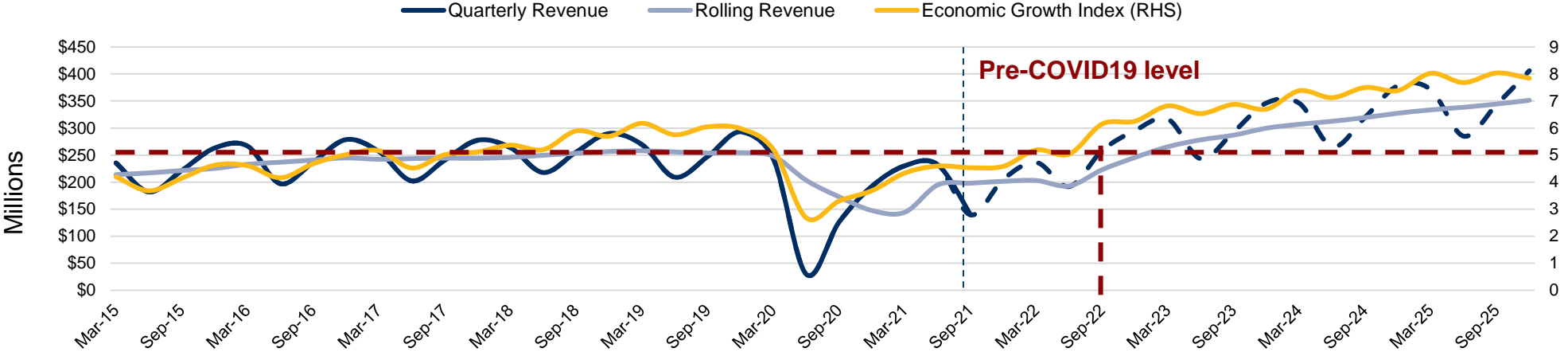
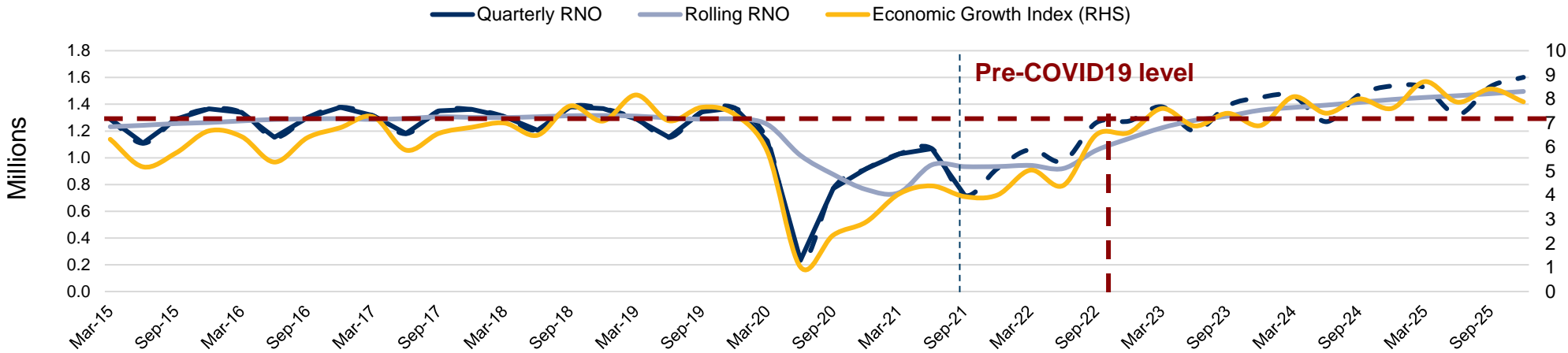


Gold Coast

Gold Coast Tourism Region Hotel Market Outlook

Gold Coast Tourism Region Hotel Market Outlook

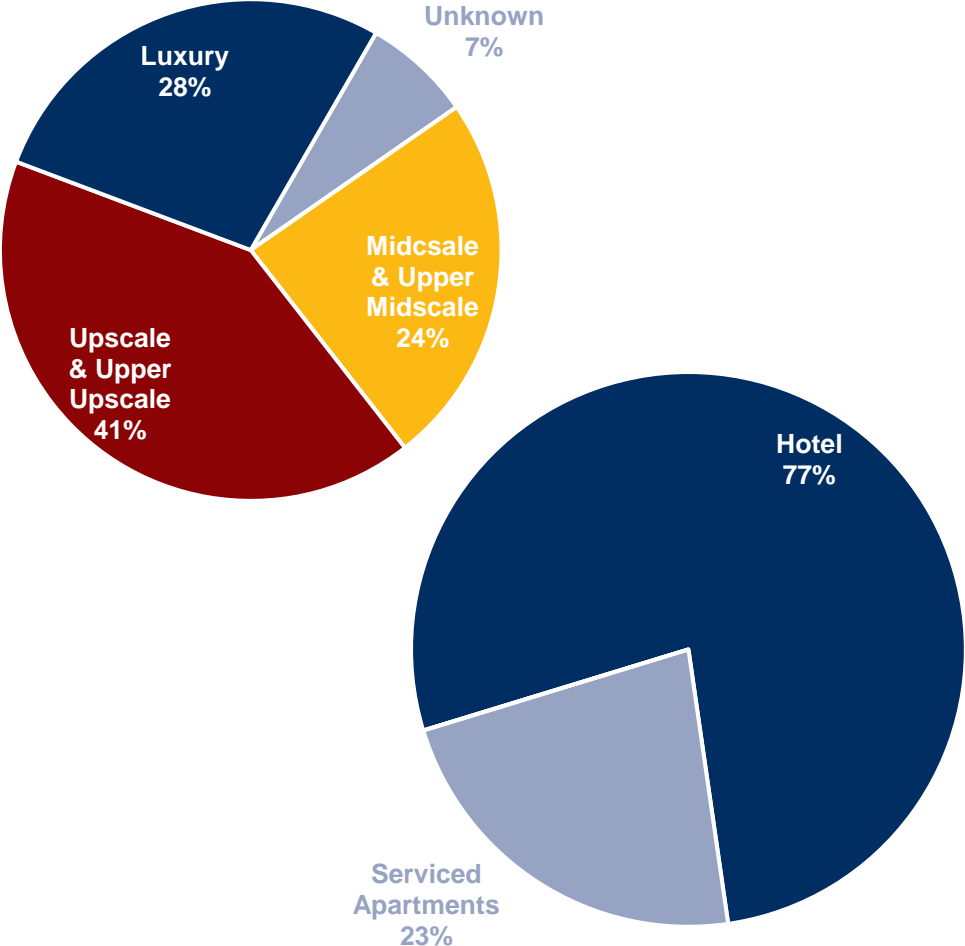
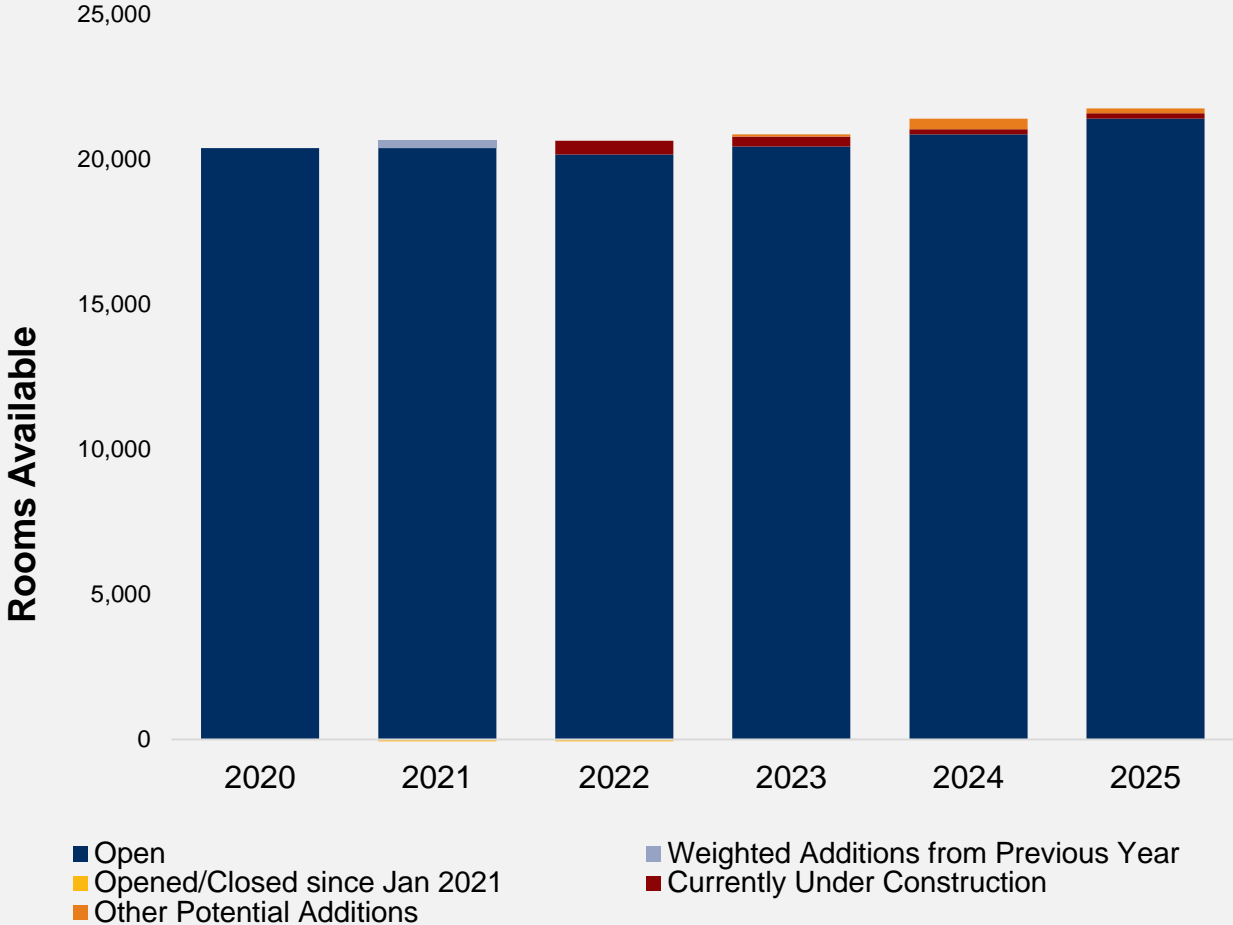
Forecasts of Demand and Revenue Growth



Gold Coast Tourism Region Hotel Market Outlook

Forecast Additions to Supply – CY 2021 to 2025

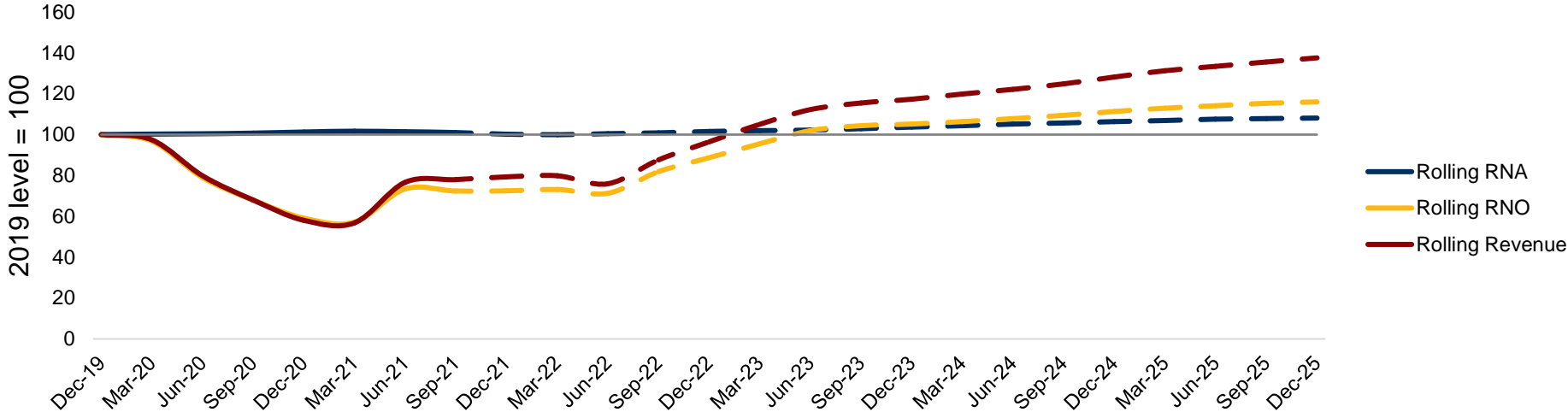
Rooms Available CY 2020 - 25 CAAGR: 1.3%



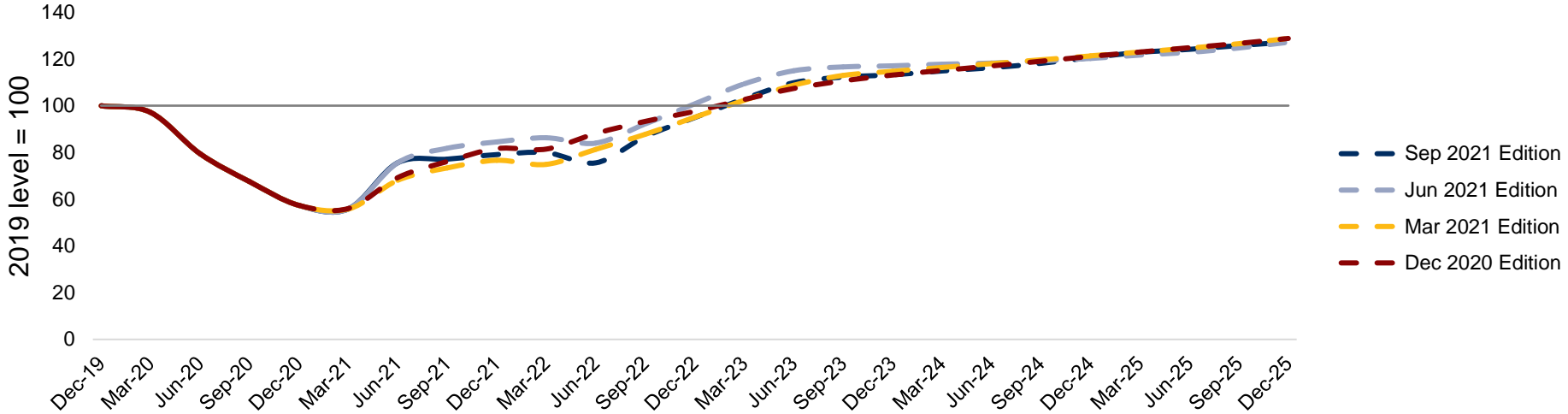
Gold Coast Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

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Indexed Rolling 12-Month RevPAR Outlook



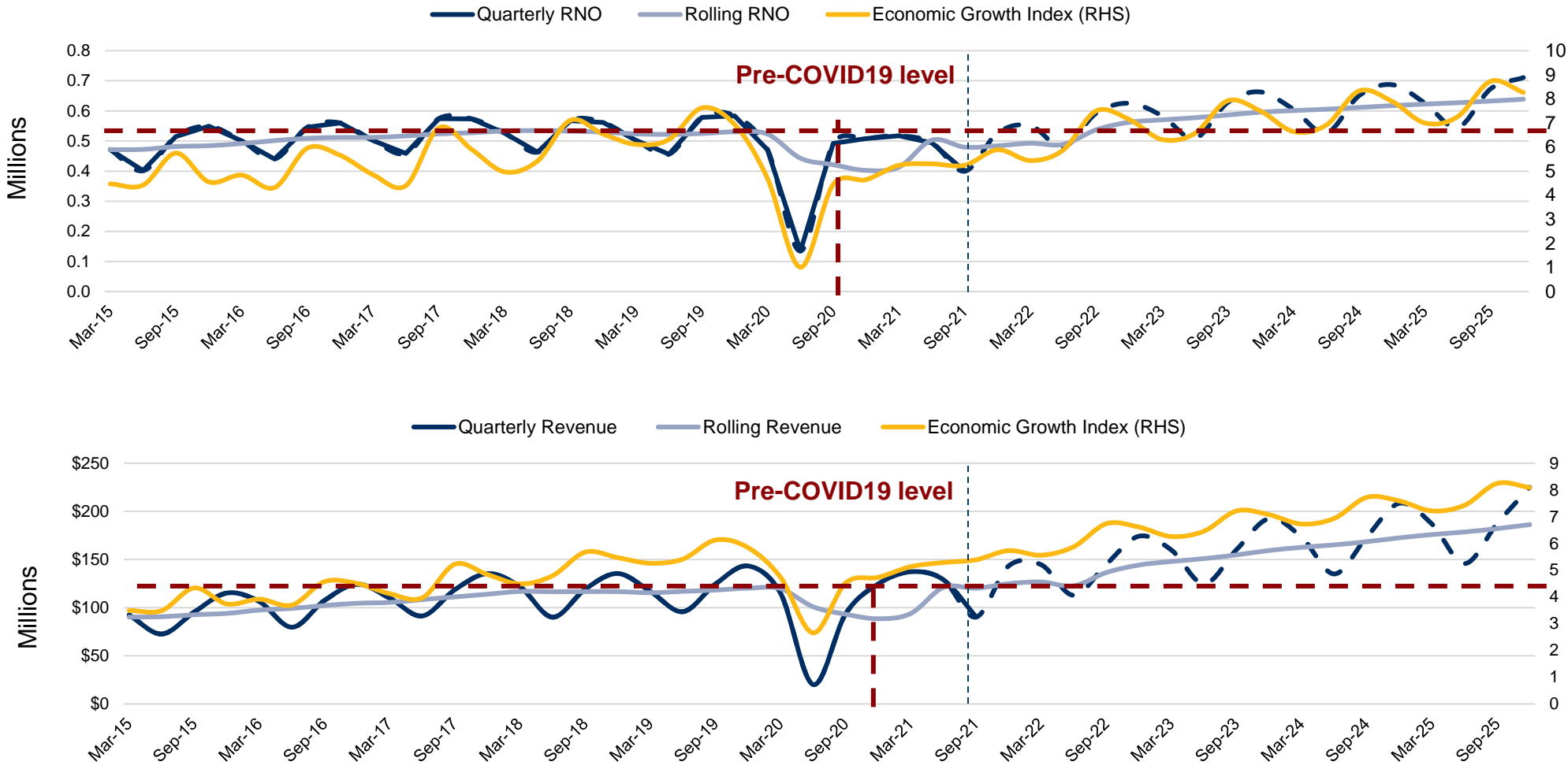


Sunshine Coast

Sunshine Tourism Region Hotel Market Outlook

Sunshine Coast Tourism Region Hotel Market Outlook

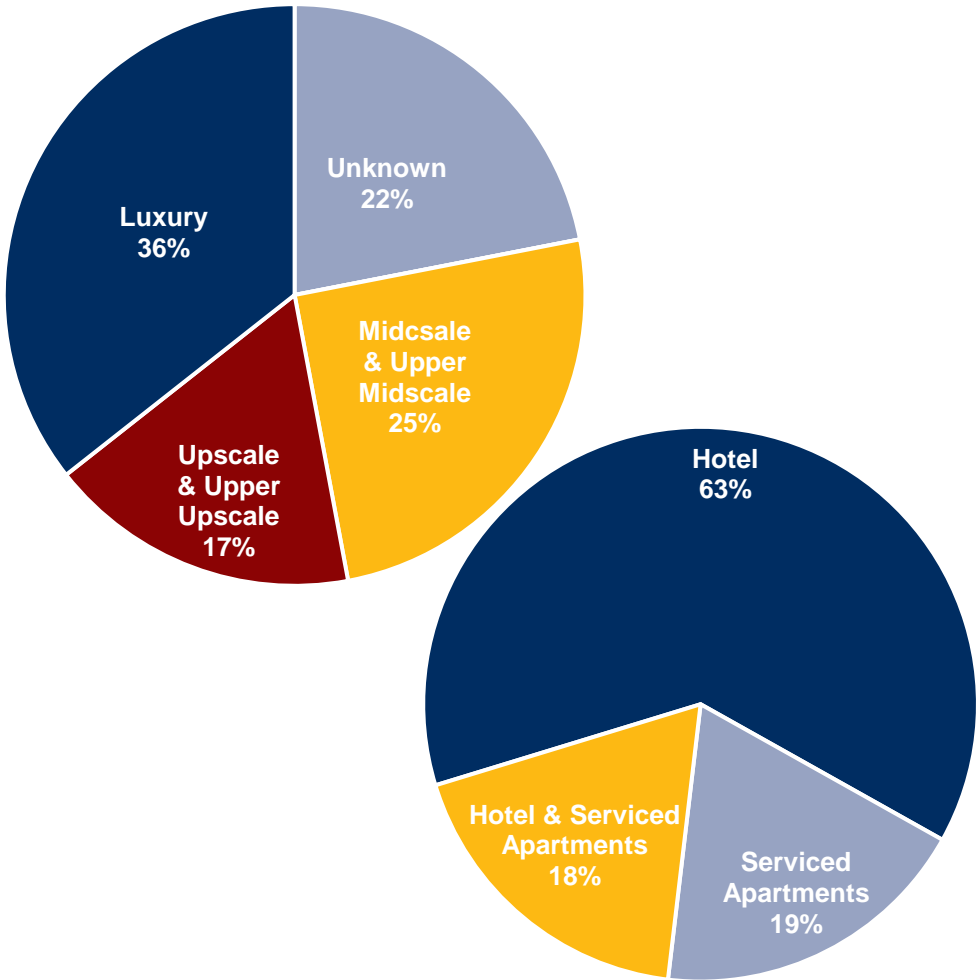
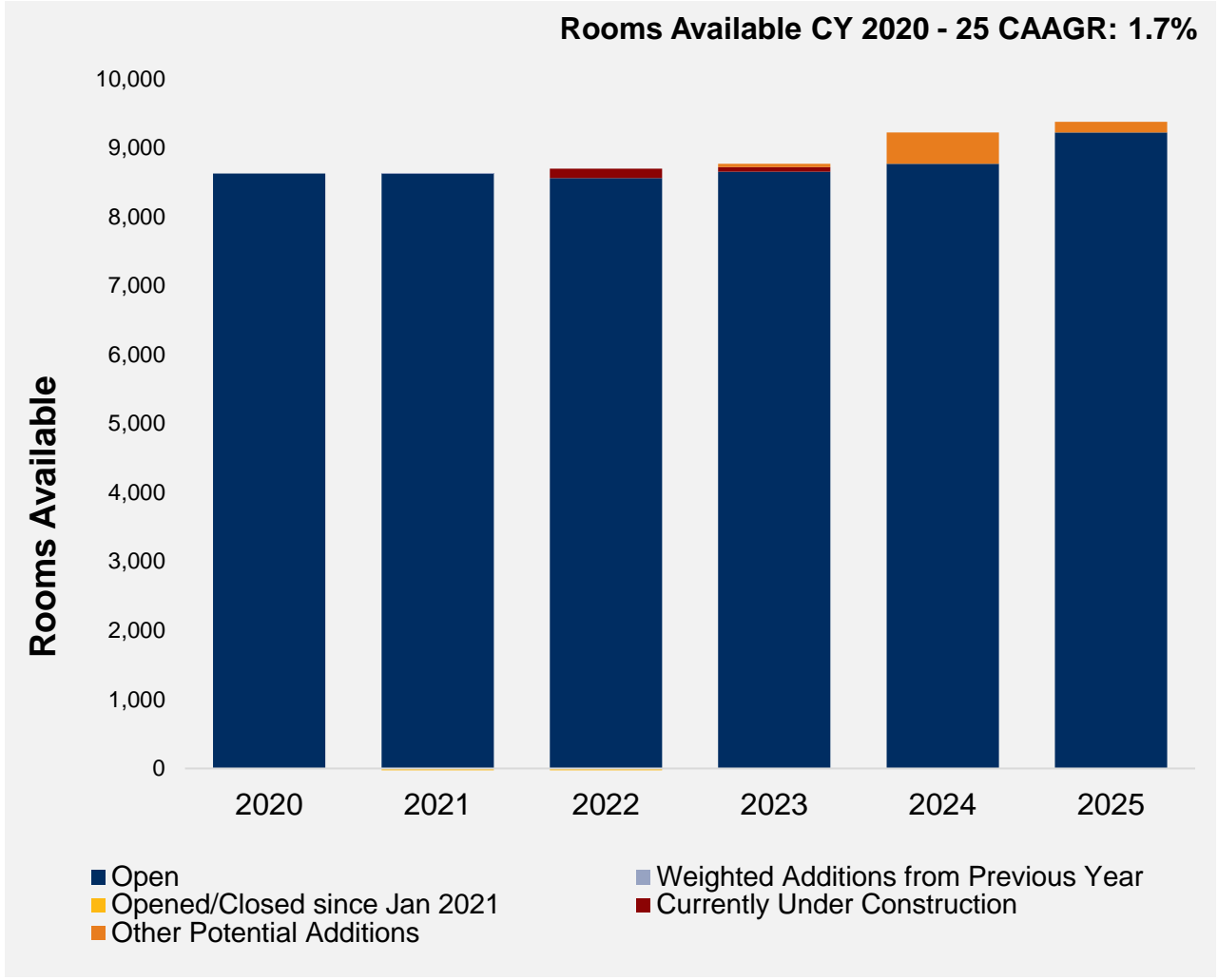
Forecasts of Demand and Revenue Growth



Sunshine Coast Tourism Region Hotel Market Outlook

Forecast Additions to Supply – CY 2021 to 2025

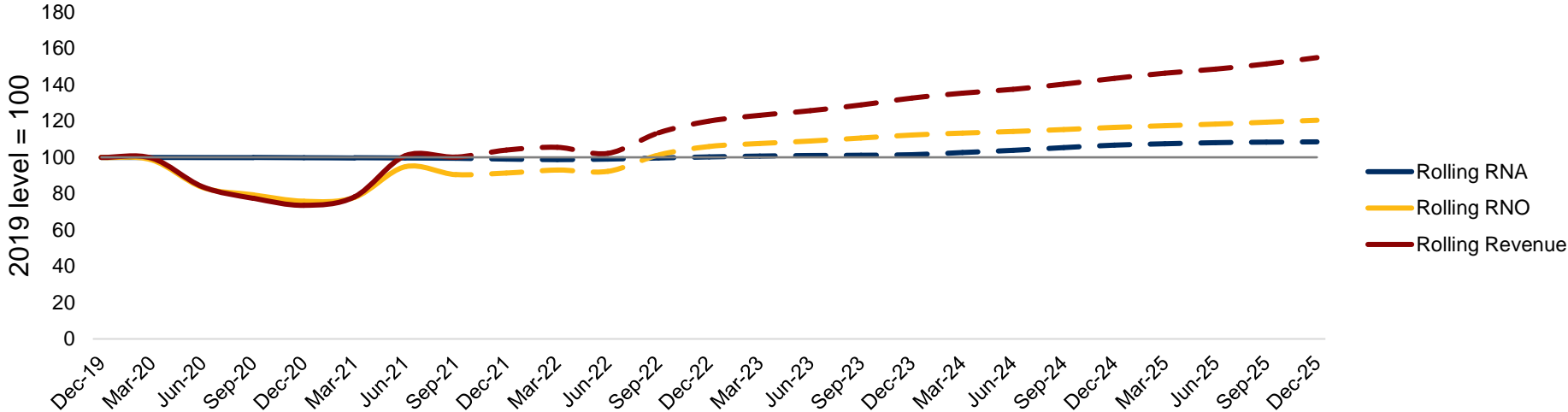
Rooms Available CY 2020 - 25 CAAGR: 1.7%



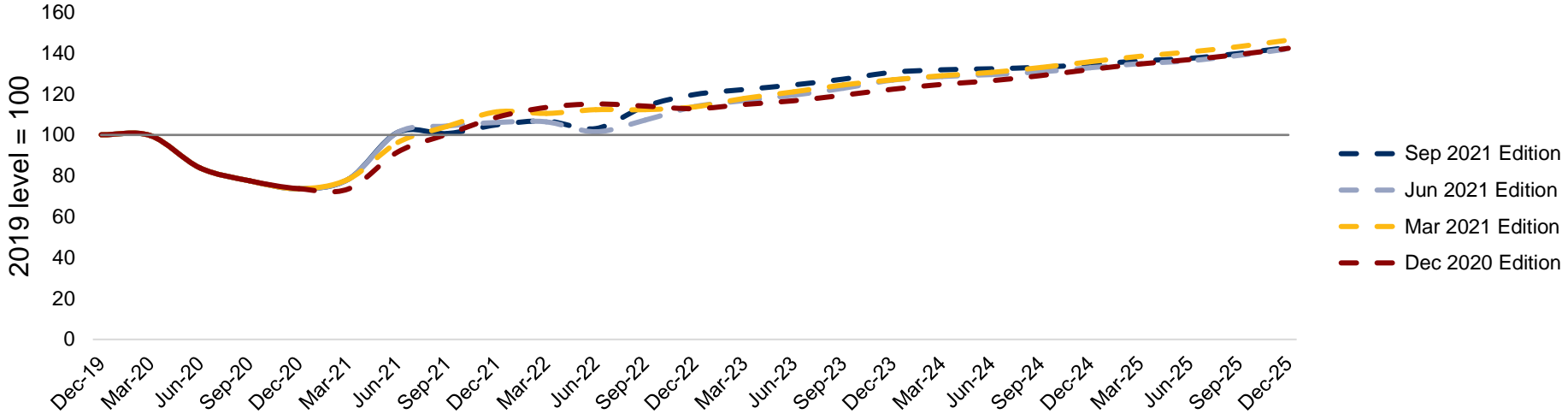
Sunshine Coast Tourism Region Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Indexed Rolling 12-Month RevPAR Outlook



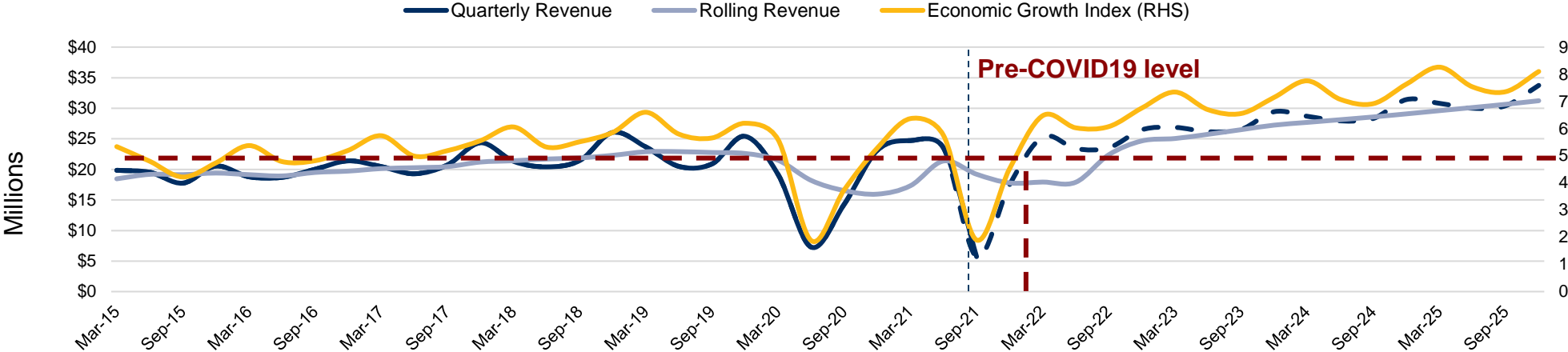
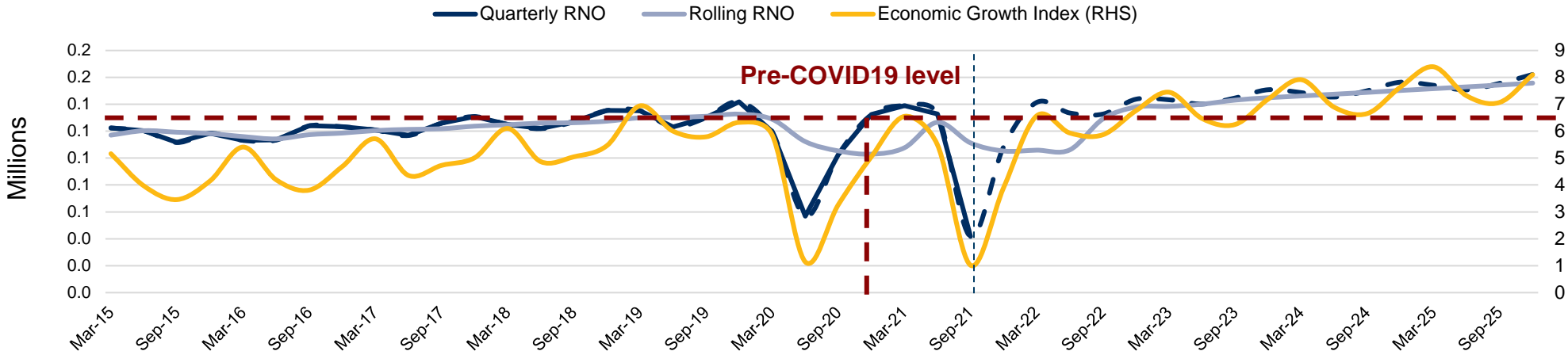


Newcastle

Newcastle Hotel Market Outlook

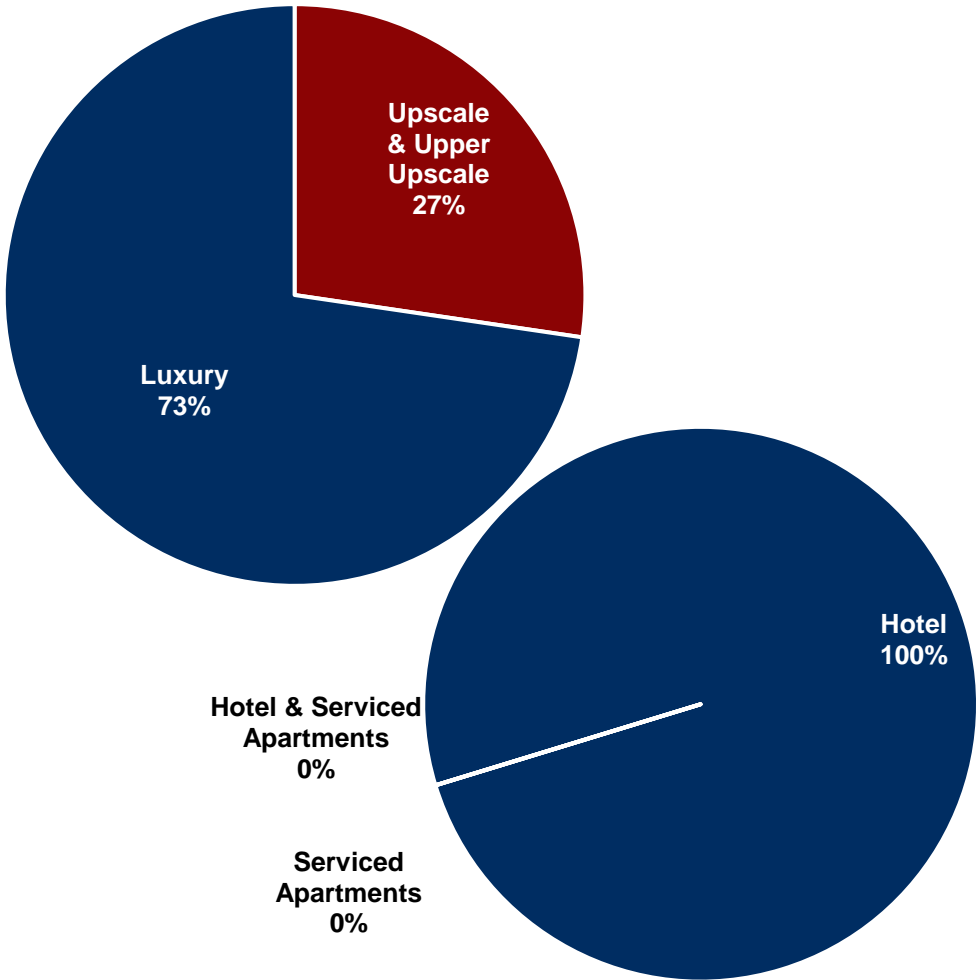
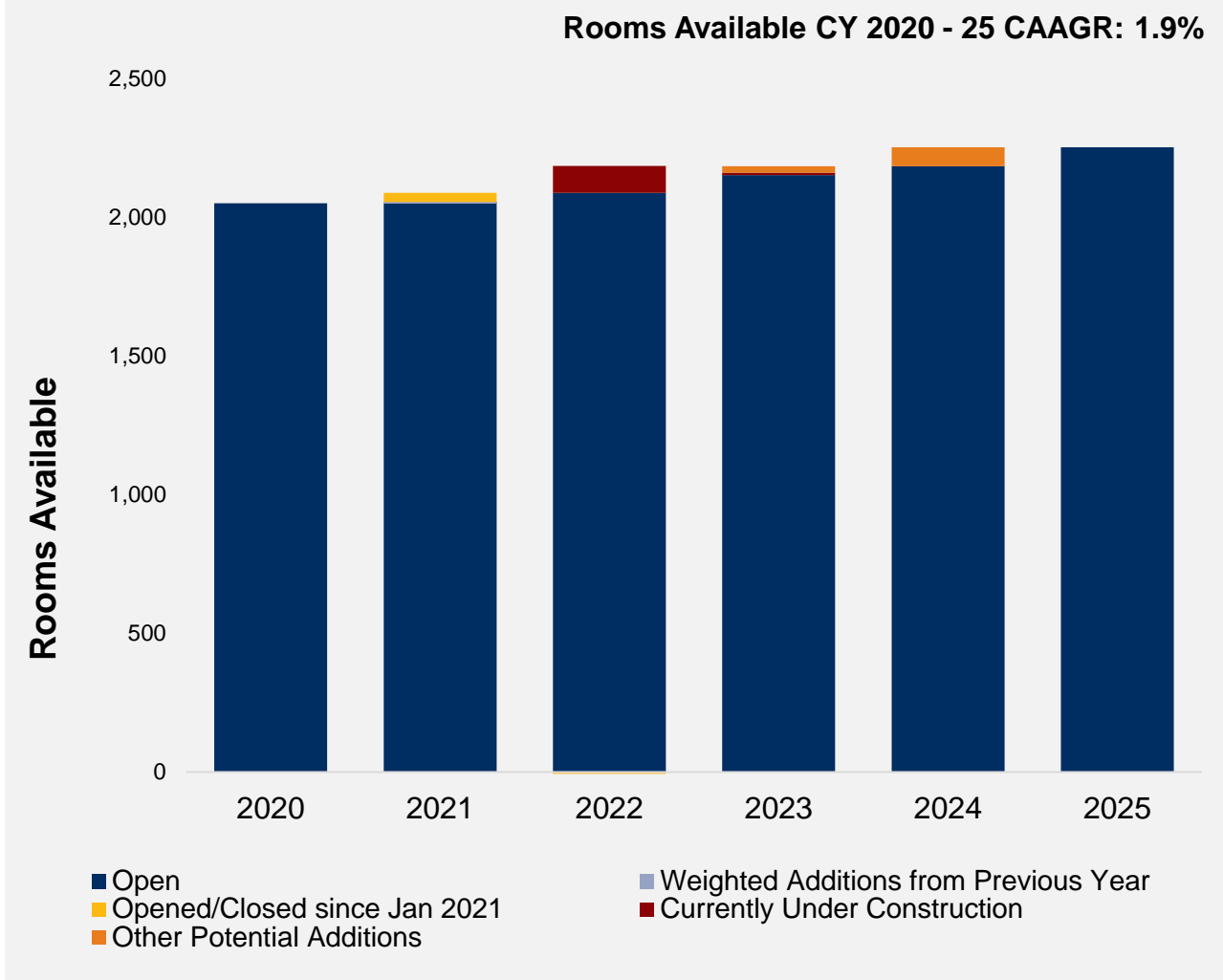
Newcastle Hotel Market Outlook

Forecasts of Demand and Revenue Growth



Newcastle Hotel Market Outlook

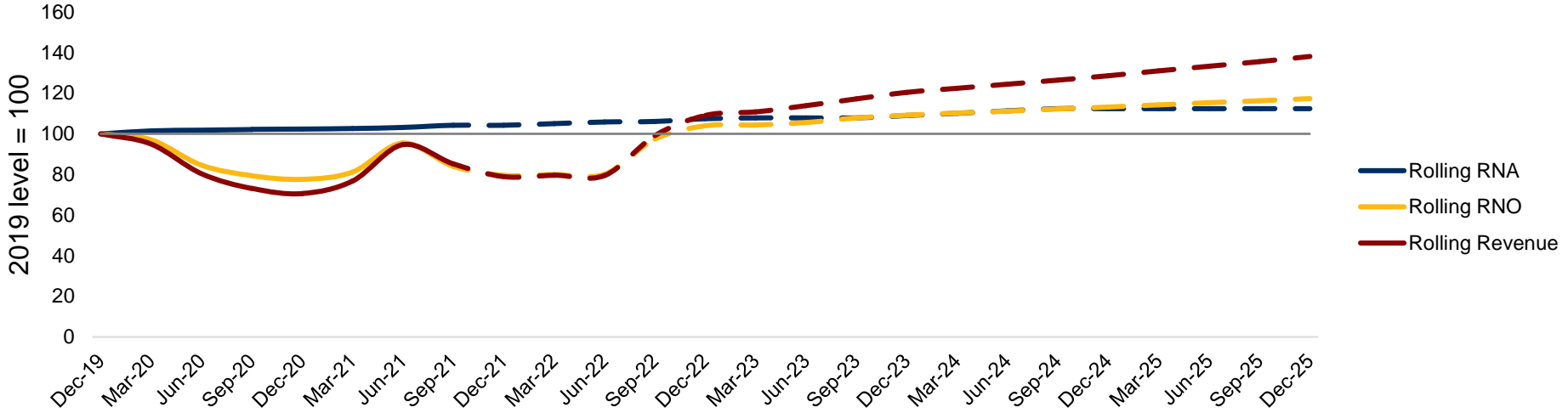
Forecast Additions to Supply – CY 2021 to 2025



Newcastle Hotel Market Outlook

Quarter to Quarter Shifts in Growth Trends

Indexed Rolling 12-Month Hotel Performance Outlook



Australian Key Hotel Markets Outlook Summary



Australian Key Hotel Markets Outlook Summary

When RevPAR is expected to recover to 2019 level...



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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.



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Spring is the Manager in the Sydney office of Horwath HTL, Australia. She is responsible for conducting all econometric modelling used in the preparation of our Hotel Market Outlook reports. She also joins the team in conducting market and financial feasibility studies, operator search and selection processes, as well as other hotels-related strategic consulting projects.

Spring has hospitality industry consulting experience across numerous markets in Australia, New Zealand, China, and Southeast Asia. Before joining Horwath HTL, she worked with a global brand hotel consulting firm out of Singapore and participated in projects across Indonesia, New Zealand, Malaysia and Cambodia. Her operational background encompasses various Rooms Division and Sales and Marketing roles at the Sheraton Grand Sydney Hyde Park and the Shenzhenair International Hotel in China.

Spring graduated with Honours from the École Hôtelière de Lausanne with a Bachelor of Science in International Hospitality Management. She is currently pursuing her Master's study in Property Development at the University of Technology Sydney. Spring has also taught as a casual academic at the Blue Mountains International Hotel Management School.

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