

Australia Hotels, Q2 2020

# Hotels will look to capitalise on domestic travel

▼ Occupancy  
YE Jun-20  
**60.2%**

▼ ADR  
YE Jun-20  
**\$181**

▼ RevPAR  
YE Jun-20  
**\$109**

▼ Intl Arrivals  
YE Mar-20  
**8.1 million**

▼ Intl Visitor Spend  
YE Mar-20  
**-6.7%**

\*Arrows indicate change from previous year.

**Key Points**

- **Annual RevPAR** declined 20.7% to \$109 for the year ending June 2020
- **National occupancy** declined 18.5% to 60.2% for the year ending June 2020
- **ADR** declined 2.7% to \$181 for the year ending June 2020
- **No market** registered positive annual RevPAR growth for the year ending June 2020
- **International visitor arrivals** reached 8.1m for the year ending March 2020, a decrease of 5.7% on 2019
- **Spending** by domestic visitors for the year ending March 2020 was \$78.8bn, up 5.6% on 2019, whilst overnight spend by international visitors was \$28.5bn, down 6.7% on 2019
- **Hotel sales volume** for Q2 2020 was \$40 million

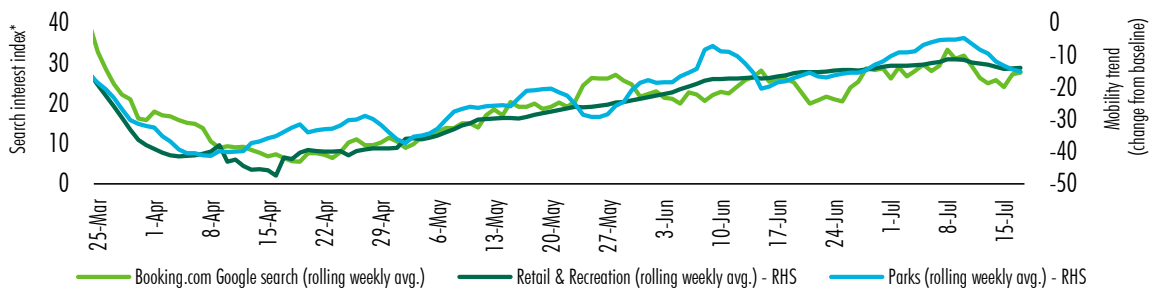
**DOMESTIC TRAVEL TO PICK UP AS CONFIDENCE GRADUALLY RETURNS**

With international borders remaining closed, it is clear that a significant proportion of planned domestic outbound travel expenditure is being diverted locally towards domestic options. This, coupled with ‘revenge’ spending – the notion of frustrated discretionary spending after being stuck in isolation – is assisting in the domestic tourism recovery. In particular, the absence of international travel is proving a boon for regional travel, as locals demand more local, authentic and indulgent offerings.

Increasing travel mobility, as well as an uptick in interest for hotel bookings via Booking.com after the easing of initial restrictions, suggests there is still pent-up demand for travel. Confidence in travel is expected to return gradually over the medium term as domestic conditions start to improve across the country.

However, the current spike in new COVID-19 cases and associated escalation of lockdown restrictions in Victoria represents a setback in the national recovery path.

Chart 1: Travel mobility and hotel-related search trends across Australia (25 March to 15 July)



\*Numbers represent search interest relative to 100, which represents the peak popularity for the term.  
 Note: Retail and Recreation includes restaurants/cafes, shopping centres, theme parks, museums, libraries, movie theatres. Parks include national parks, public beaches, plazas and public gardens  
 Source: Google Mobility and Trend Reports; CBRE Research Q2 2020

# National Overview

\*Rolling annual June-20



Adelaide		
Occupancy	66.8%	▼ -15.2%
ADR	\$154	▶ 0.0%
RevPAR	\$103	▼ -15.1%

Brisbane		
Occupancy	59.2%	▼ -16.1%
ADR	\$153	▼ -1.8%
RevPAR	\$91	▼ -17.6%

Cairns		
Occupancy	59.4%	▼ -23.6%
ADR	\$145	▼ -5.6%
RevPAR	\$86	▼ -27.9%

Canberra		
Occupancy	60.5%	▼ -21.9%
ADR	\$168	▼ -3.1%
RevPAR	\$101	▼ -24.3%

Darwin		
Occupancy	44.9%	▼ -23.4%
ADR	\$139	▼ -6.2%
RevPAR	\$63	▼ -28.2%

Gold Coast		
Occupancy	55.8%	▼ -20.5%
ADR	\$199	▲ 1.4%
RevPAR	\$111	▼ -19.5%

Hobart		
Occupancy	67.8%	▼ -16.2%
ADR	\$183	▲ 0.2%
RevPAR	\$124	▼ -16.1%

Melbourne		
Occupancy	65.7%	▼ -18.9%
ADR	\$180	▼ -3.3%
RevPAR	\$118	▼ -21.5%

Perth		
Occupancy	61.7%	▼ -14.3%
ADR	\$161	▼ -2.4%
RevPAR	\$99	▼ -16.3%

Sydney		
Occupancy	65.4%	▼ -21.7%
ADR	\$212	▼ -4.8%
RevPAR	\$139	▼ -25.4%

Source: STR, CBRE Research Q2 2020

SALES ACTIVITY IN HIATUS

A hiatus in investment activity for Q2 has been driven by some divergence in value expectations between buyer and vendor across active deals, coupled with the preference for existing hotel owners to hold firm until trading conditions improve.

Limited transaction volume is expected to remain the case, with activity likely to pick up in late 2020/early 2021, as investors look to transition from a ‘wait and see’ approach to entering the market seeking opportunistic acquisitions.

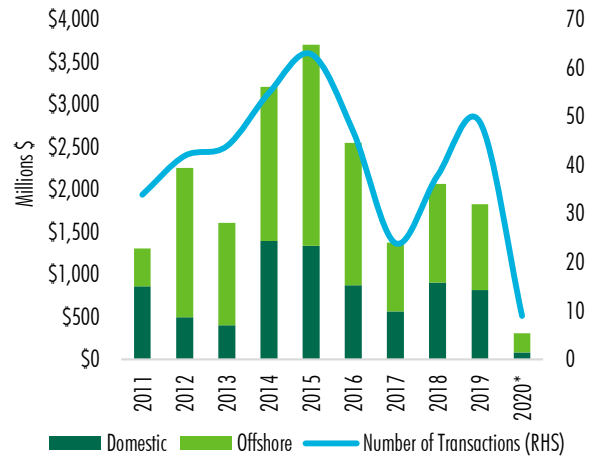
The Sebel Moonee Ponds sale represents the only transaction this quarter, with a local-based investor purchasing the Melbourne asset from Caydon Property Group for \$40 million.

2020 SUPPLY PUSHED INTO 2021

A material reduction in the new supply pipeline is likely as hotels not already under construction are now considered unlikely to proceed in the current environment. This is likely to relieve longer-term pressure off existing hotels.

Ongoing construction activity across most states has helped progress a number of new hotel developments towards completion. However, the majority of hotels earmarked for completion in 2020 are still expected to be delayed into 2021. This reflects the difficulty of opening a hotel in such a significantly impacted period.

Chart 3: Hotel Sales above \$5 million



\*does not represent a complete year  
Source: RCA, CBRE Research

Table 1: Notable Transactions Q2 2020

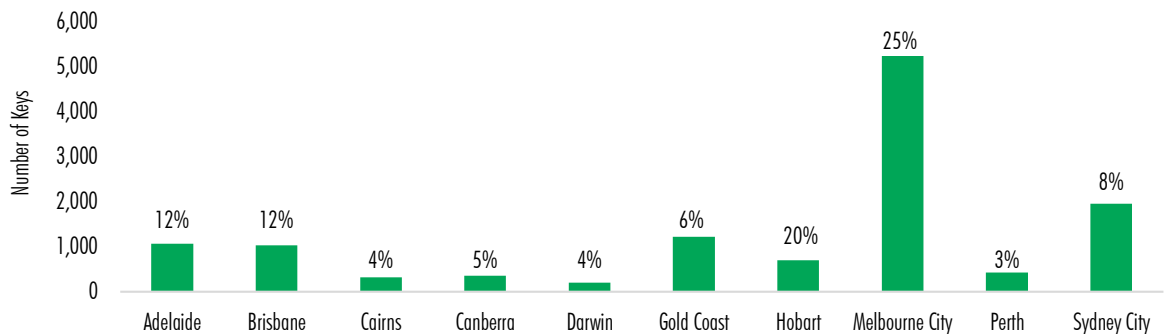
HOTEL	LOCATION	SALE DATE	PRICE (m)	KEYS
Sebel Moonee Ponds	Melbourne	Jun-20	\$40	97

Source: RCA, CBRE Research

The extended delay of new hotel openings within Brisbane’s Queens Wharf development into 2024/25 highlights the cautious approach taken by hotel owners in this uncertain trading environment.

Some cities such as Adelaide and Hobart, however, are still expected to deliver rooms with limited delays as construction activity levels are maintained during this period across these cities.

Chart 2: National Supply Pipeline Under Construction – opening before December 2024



Note: Labels represent the no. of rooms under construction (only) as a percentage of existing room supply  
Source: CBRE Research Q2 2020

# Adelaide

Occupancy  
YE Jun-20  
**66.8%**

ADR  
YE Jun-20  
**\$154**

RevPAR  
YE Jun-20  
**\$103**

## PERFORMANCE DOWN FOR Q2

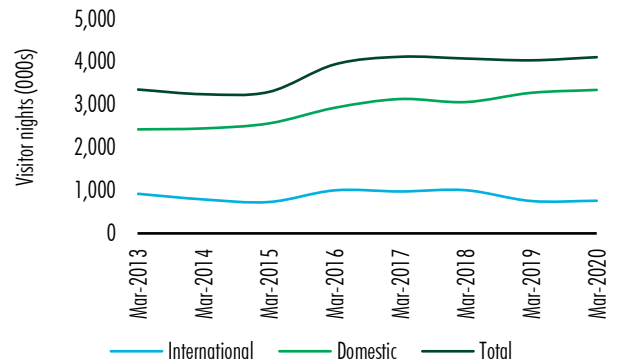
Despite ADR holding steady, a 15.2% decline in occupancy resulted in a 15.1% RevPAR decline for the year ending June.

Limited interstate travel, coupled with no international travel, resulted in materially lower performance in Q2. The possible easing of state border restrictions over the next quarter should however improve hotel demand.

## INCREASE IN HOTEL NIGHTS IN Q1

- 1.8% increase in nights spent in hotels to just above 4.3 million annually
- Of the hotel nights occupied by travellers, 48% were for business trips, 34% for holidaying and 10% VFR
- Domestic guests accounted for 81% of total hotel nights
- US, China and UK are the dominant overseas sources accounting for 34% of international hotel nights
- SA, Vic and NSW are the dominant domestic sources accounting for 76% of domestic hotel nights
- Average length of hotel stay was 2.6 nights

Chart 5: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 2: 2020 Supply Pipeline

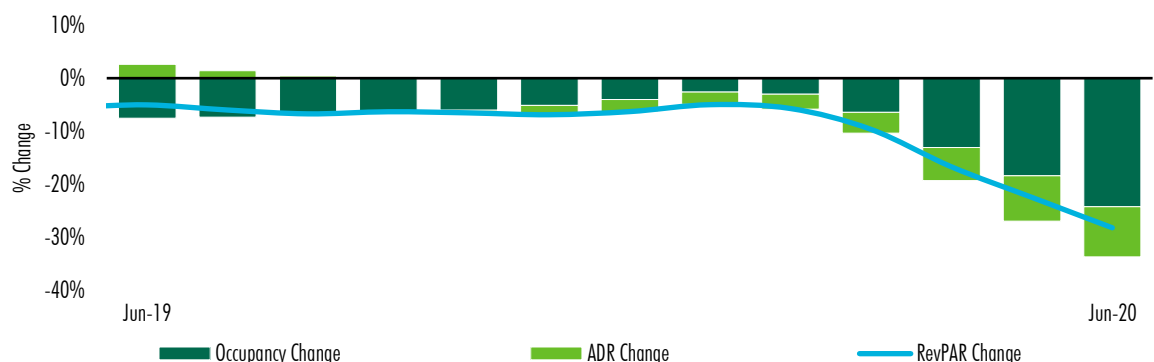
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Crowne Plaza	New Build	4 Star	326	Under Construction	September 2020
M Suites Adelaide	New Build	5 Star	91	Under Construction	September 2020
Adelaide Casino - SKYCITY	New Build	6 Star	123	Under Construction	November 2020
Hotel Indigo Adelaide	New Build	4 Star	137	Under Construction	December 2020

Source: CBRE Research Q2 2020

## SUPPLY TO HIT THE MARKET IN LATE 2020

2020 openings are now being pushed into the latter part of the year, which is expected to deliver around 700 new rooms into the market. A further 400 rooms are also under construction and this will likely place downward pressure on medium-term occupancy levels.

Chart 4: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Brisbane

Occupancy  
YE Jun-20  
**59.2%**

ADR  
YE Jun-20  
**\$153**

RevPAR  
YE Jun-20  
**\$91**

## REVPAR DECLINING

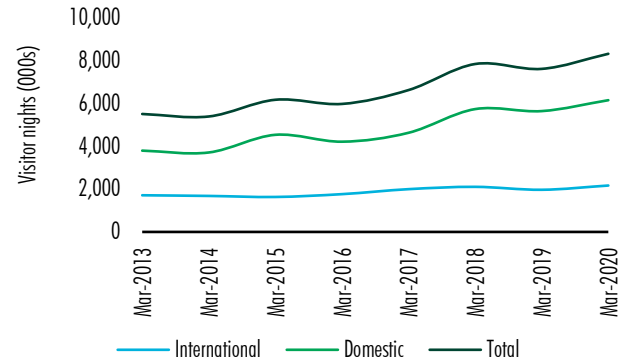
A 16.1% decline in occupancy, coupled with a 1.8% decline in ADR, resulted in a RevPAR fall of 17.6%.

Despite evident near-term challenges, a \$16bn pipeline of infrastructure projects in the Brisbane CBD, as well as the recently completed increased runway capacity at Brisbane Airport, is expected to benefit longer-term hotel performance in the post COVID-19 environment.

## INCREASE IN HOTEL NIGHTS IN Q1

- 9.2% increase in nights spent in hotels to reach 8.3 million annually
- Of the hotel nights occupied by travellers, 42% were for business trips, 37% for holidaying and 11% VFR
- Domestic guests accounted for 74% of total hotel nights
- China, New Zealand and the US are the dominant overseas sources accounting for 39% of international hotel nights
- Qld, NSW and Vic are the dominant domestic sources accounting for 88% of domestic hotel nights
- Average length of hotel stay was 2.5 nights

Chart 7: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 3: Supply Pipeline

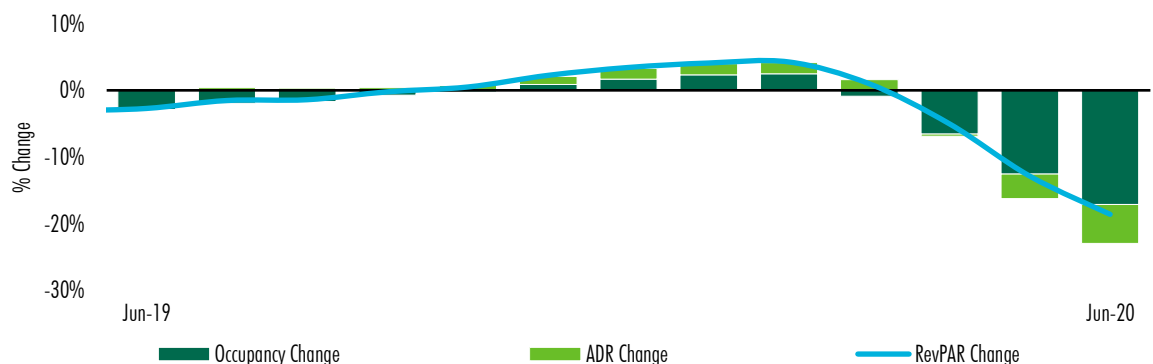
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Hotel Indigo	New Build	5 Star	146	Under Construction	February 2021
Dorsett (Queens Wharf)	New Build	5 Star	387	Under Construction	June 2023
Rosewood & The Star (Queens Wharf)	New Build	5 Star	500	Under Construction	January 2024
Ritz Carlton (Queens Wharf)	New Build	6 Star	100	Under Construction	January 2025

Source: CBRE Research Q2 2020

## LIMITED SUPPLY PIPELINE

Hotel Indigo represents the only hotel opening in 2021. The delayed openings of proposed hotels at Queens Wharf should also help reduce pressure on existing hoteliers over the longer term, with new stock introduced only after June 2023.

Chart 6: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Cairns

Occupancy  
YE Jun-20  
59.4%

ADR  
YE Jun-20  
\$145

RevPAR  
YE Jun-20  
\$86

## OCCUPANCY DECLINING

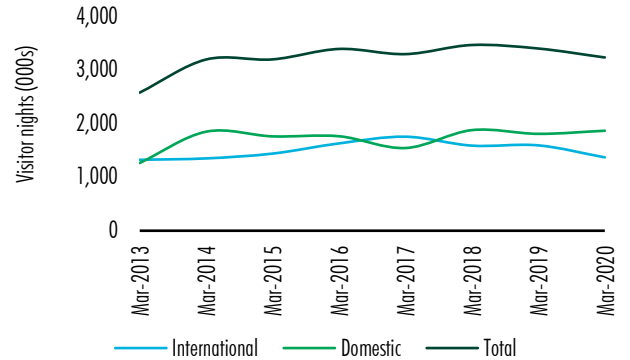
Occupancy levels declined 23.6% and with a fall in ADR of 5.6%, RevPAR levels consequently fell 27.9% over the year to June. Cairns continues to struggle on the back of limited domestic travel and no international demand.

Cairns is challenged by its accessibility to key metropolitan markets, and this is expected to discourage domestic visitation moving forward.

## DECREASE IN HOTEL NIGHTS IN Q1

- 4.9% decrease in nights spent in hotels to 3.2 million annually
- Of the hotel nights occupied by travellers, 74% were for holidaying, 18% for business trips and 6% VFR
- Domestic guests accounted for 58% of total hotel nights
- China, Japan and the US are the dominant overseas sources accounting for 58% of international hotel nights
- Qld, NSW and Vic are the dominant domestic sources accounting for 93% of domestic hotel nights
- Average length of hotel stay was 3.2 nights

Chart 9: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 4: Supply Pipeline

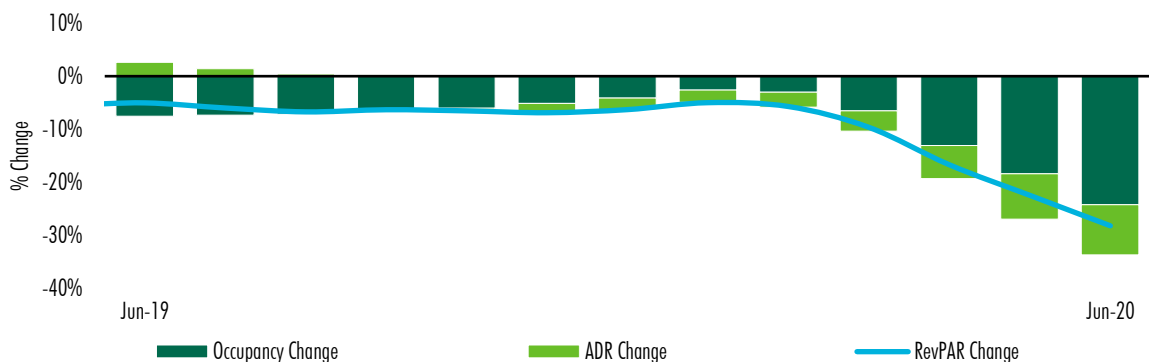
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Bailey	New Build	5 Star	217	Recently Opened	November 2019
Flynn	New Build	5 Star	311	Recently Completed	October 2020

Source: CBRE Research Q2 2020

## NEW LUXURY PRODUCT

Flynn is due to open in October 2020, and represents the only new opening in Cairns. A limited supply pipeline will help reduce pressure off existing operators over the longer term. Despite the current difficulties, Cairns is set to benefit in the longer term from the introduction of new luxury product, once visitation levels begin to recover.

Chart 8: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Canberra

Occupancy  
YE Jun-20  
60.5%

ADR  
YE Jun-20  
\$168

RevPAR  
YE Jun-20  
\$101

## PERFORMANCE DECLINING

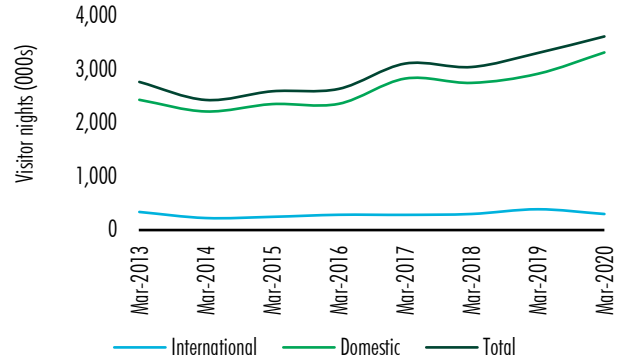
The Canberra market saw occupancy fall 21.9% and ADR decline 3.1%, resulting in a RevPAR decline of 24.3% over the year to June. Limited domestic travel during the lockdown period has translated to lower hotel demand.

Despite weak Q2 performance, the Canberra hotel market traditionally benefits from strong government and domestic demand bases, which are likely to assist medium and longer-term recovery.

## HOTEL NIGHTS GROW IN Q1

- 9.3% increase in nights spent in hotels to 3.6 million annually
- Of the hotel nights occupied by travellers, 52% were for business trips, 29% for holidaying and 13% VFR
- Domestic guests accounted for 92% of total hotel nights
- China, the US and UK are the dominant overseas sources accounting for 43% of international hotel nights
- NSW, Vic and Qld are the dominant domestic sources accounting for 94% of domestic hotel nights
- Average length of hotel stay was 2.2 nights

Chart 11: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 5: Supply Pipeline

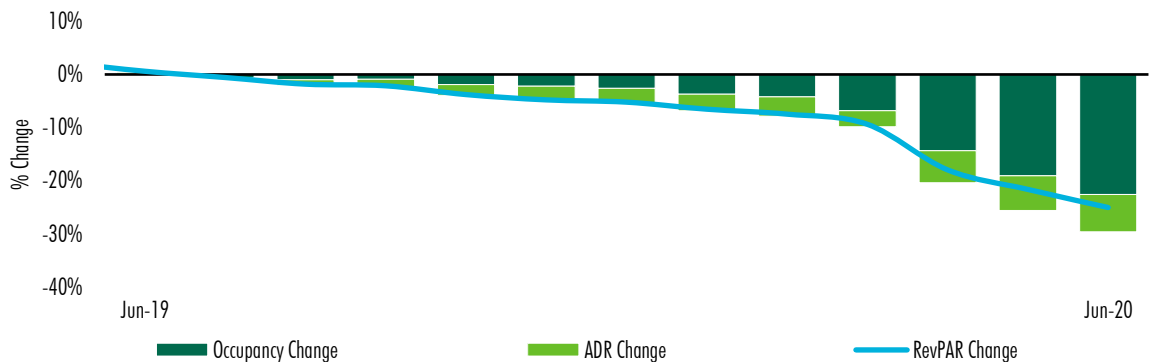
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Mercure Belconnen	New Build	4 Star	90	Recently Opened	February 2020
Adina Grand Canberra	New Build	5 Star	132	Under Construction	January 2021

Source: CBRE Research Q2 2020

## NEW STOCK DEFERRED TO 2021

COVID-19 has not had a material impact on Canberra's supply pipeline, with the majority of projects already due to open after 2020. New stock is set to benefit from Canberra's strong government and domestic markets over the longer term.

Chart 10: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Darwin

Occupancy  
YE Jun-20  
**44.9%**

ADR  
YE Jun-20  
**\$139**

RevPAR  
YE Jun-20  
**\$63**

## OCCUPANCY STILL LOW

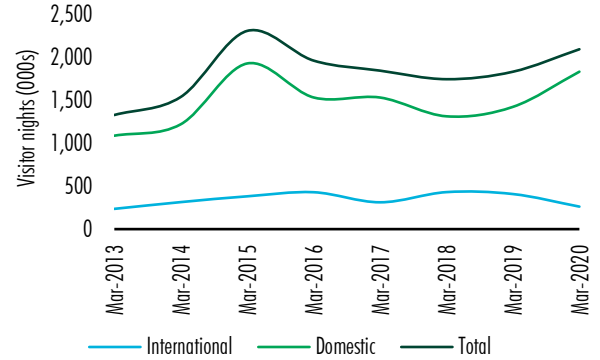
Over the year to June, occupancy declined 23.4%, and with a 6.2% decrease in ADR, RevPAR fell 28.2%.

COVID-19 has compounded the impact of persistently weak economic conditions in Darwin, with a pick-up in activity only likely to occur over a longer period.

## INCREASE IN HOTEL NIGHTS IN Q1

- Nights spent in hotel accommodation increased by 14.1% to 2.1 million
- Of the hotel nights occupied by travellers, 45% were for holidaying, 40% for business trips and 10% VFR
- Domestic guests accounted for 87% of total hotel nights
- United States, New Zealand and the UK are the dominant overseas sources accounting for 34% of international hotel nights
- Vic, SA and NSW are the dominant domestic sources accounting for 66% of domestic hotel nights
- Average length of hotel stay was 4.0 nights

Chart 13: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 6: Supply Pipeline

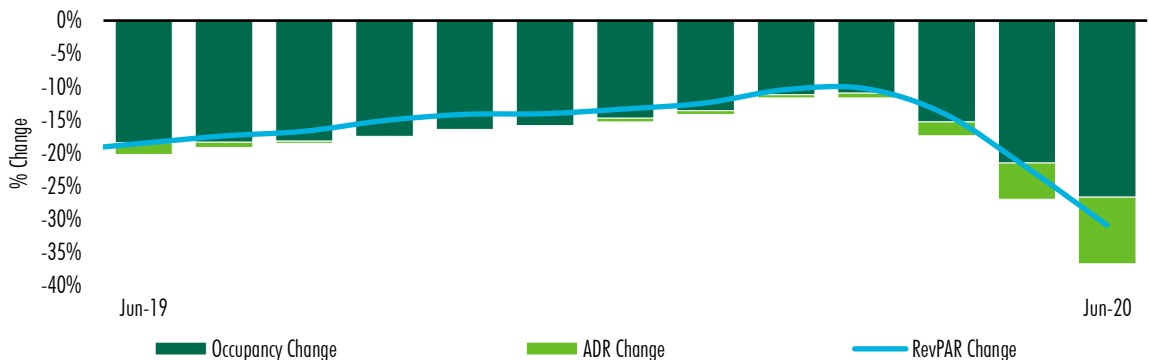
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Westin Darwin	New Build	5 Star	200	Under Construction	January 2024

Source: CBRE Research Q2 2020

## LIMITED HOTEL DEVELOPMENT

Westin Darwin represents the only project in the pipeline, further highlighting Darwin's already difficult trading conditions and limited appetite for new hotel development. Future trading market uncertainty is expected to result in subdued hotel development activity over the medium to longer term.

Chart 12: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020



# Gold Coast

Occupancy  
YE Jun-20  
**55.8%**

ADR  
YE Jun-20  
**\$199**

RevPAR  
YE Jun-20  
**\$111**

## REVPAR DECLINING

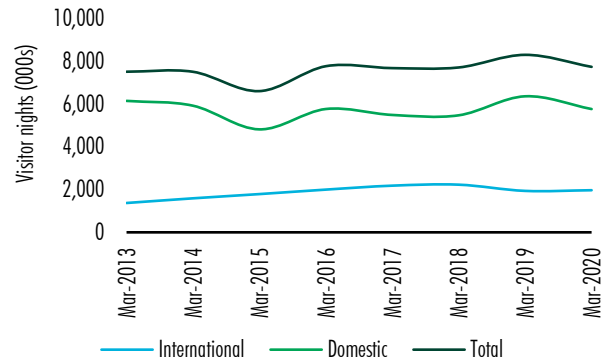
Despite ADR growth of 1.4%, a 20.5% fall in occupancy resulted in a 19.5% decline in RevPAR over the year to June. The Gold Coast continues to see subdued hotel demand on the back of lower visitation.

Despite falling performance in Q2, the Gold Coast is expected to enjoy some short-term demand uplift linked to easing Queensland border restrictions.

## DECREASE IN HOTEL NIGHTS IN Q1

- 6.7% decrease in nights spent in hotels to record 7.7 million annually
- Of the hotel nights occupied by travellers, 78% were for holidaying, 11% for business trips and 9% VFR
- Domestic guests accounted for 74% of total hotel nights
- China, New Zealand and Japan are the dominant overseas sources accounting for 54% of international hotel nights
- NSW, Qld and Vic are the dominant domestic sources accounting for 89% of domestic hotel nights
- Average length of hotel stay was 3.4 nights

Chart 15: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 7: Supply Pipeline

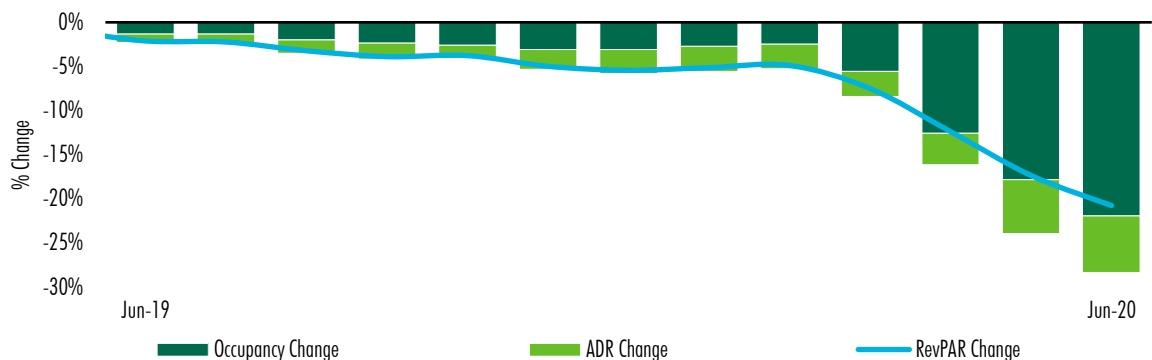
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Rydges Hotel Gold Coast Airport	New Build	4 Star	192	Under Construction	March 2021
Jewel Development	New Build	5 Star	169	Under Construction	June 2021
Meriton Suites Surfers Paradise	New Build	5 Star	332	Under Construction	September 2021
Dorsett Hotel (The Star)	New Build	4.5 Star	528	Under Construction	April 2022

Source: CBRE Research Q2 2020

## DEFERRED SUPPLY PIPELINE

Around 1,200 rooms are under construction with development concentrated around Surfers Paradise and the casino. Projects currently not under construction are now uncertain to proceed, as it is becoming increasingly difficult to deliver in the current environment.

Chart 14: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Hobart

Occupancy  
YE Jun-20  
**67.8%**

ADR  
YE Jun-20  
**\$183**

RevPAR  
YE Jun-20  
**\$124**

## PERFORMANCE SOFTENING

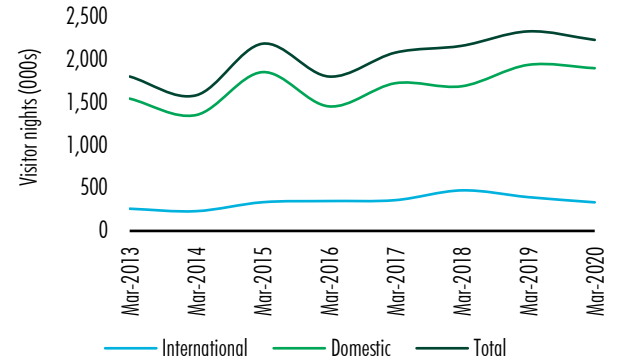
Despite an ADR increase of 0.2%, occupancy fell 16.2%, resulting in a RevPAR decline of 16.1% over the year to June. Tasmania's borders remained closed for Q2, resulting in no interstate demand into the state's capital.

2020 performance has likely bottomed out in Q2, with medium-term recovery expected only if Mainland Australia achieves a safe return to normalcy and state border restrictions are eased.

## DECREASE IN HOTEL NIGHTS IN Q1

- 4.3% decrease in nights spent in hotels to 2.2 million annually
- Of the hotel nights occupied by travellers, 67% were for holidaying, 24% for business trips and 6% VFR
- China, the US and Hong Kong are the dominant overseas sources accounting for 42% of international hotel nights
- Domestic guests accounted for 85% of total hotel nights
- NSW, Vic and QLD are the dominant domestic sources accounting for 76% of domestic hotel nights
- Average length of hotel stay was 2.9 nights

Chart 17: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 8: 2020/21 Supply Pipeline

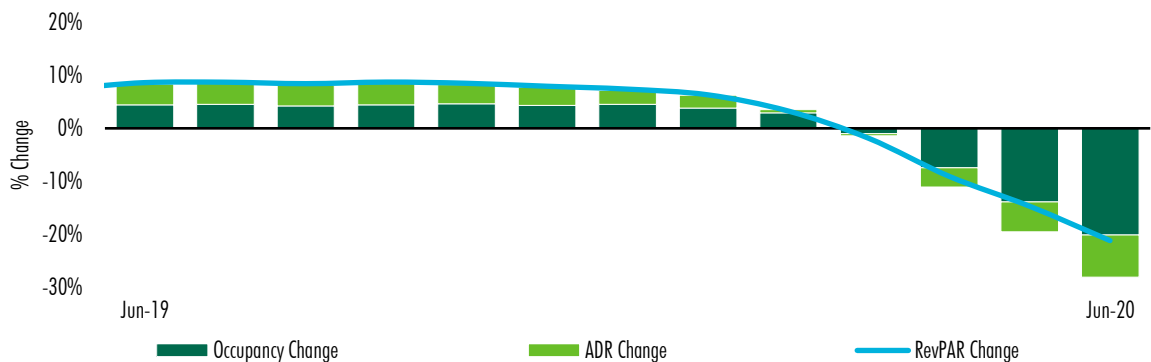
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Crowne Plaza Hobart	New Build	4 Star	235	Recently Opened	July 2020
Movenpick Hotel	New Build	5 Star	221	Under Construction	October 2020
Vibe Hotel Hobart	New Build	4 Star	120	Under Construction	September 2020
The Tasman	New Build	5 Star	152	Under Construction	March 2021

Source: CBRE Research Q2 2020

## STRONG PIPELINE

Crowne Plaza has recently opened, with Hobart still expected to deliver 500 new rooms by March 2021. The entry of new supply, along with weakening demand conditions, will likely place downward pressure on occupancy levels moving forward.

Chart 16: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Melbourne

Occupancy  
YE Jun-20  
65.7%

ADR  
YE Jun-20  
\$180

RevPAR  
YE Jun-20  
\$118

## REVPAR DECLINING

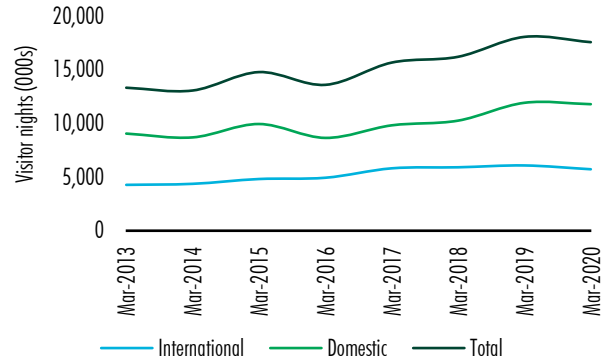
Melbourne saw both occupancy and ADR decreases in Q2 2020, resulting in a RevPAR decline of 21.5% over the year to June. The impacts of the COVID-19 have significantly lowered RevPAR levels.

Melbourne's medium-term recovery is expected to be slower following the introduction of 'Stage 4' lockdown measures. Longer-term recovery will, however, be benefitted from a material reduction in the new supply pipeline.

## DECLINE IN HOTEL NIGHTS IN Q1

- 2.4% decrease in nights spent in hotels to 17.6 million annually
- Of the hotel nights occupied by travellers, 43% for holidaying, 40% were for business trips, and 11% VFR
- Domestic guests accounted for 67% of total hotel nights
- China, New Zealand and the USA are the dominant overseas sources accounting for 38% of international nights in hotels
- NSW, Vic and QLD are the dominant domestic sources accounting for 71% of domestic hotel nights
- Average length of hotel stay was 2.8 nights

Chart 19: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 9: 2020 Supply Pipeline

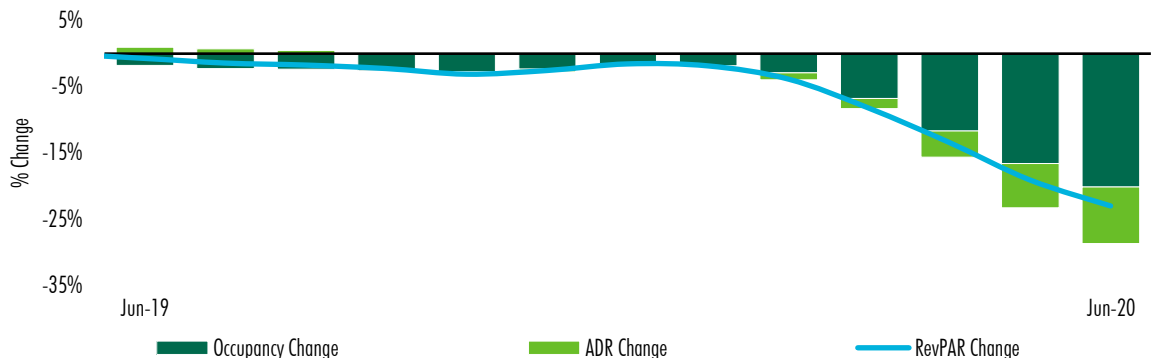
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Quincy Hotel	New Build	4 Star	254	Under Construction	September 2020
Adina Apartment Hotel	New Build	4 Star	92	Under Construction	October 2020
W Hotel Melbourne	New Build	6 Star	294	Under Construction	November 2020
AC Hotels by Marriott	New Build	4.5 Star	193	Under Construction	December 2020
NEXT Hotel	New Build	4 Star	255	Under Construction	December 2020

Source: CBRE Research Q2 2020

## STRONG 2020 PIPELINE

Around 1,100 new rooms are due to open in H2 2020, which represents a 5% increase to existing room supply. Projects at the early stages of development are, however, likely to experience significant delays or cancellation as feasibility pressures increase.

Chart 18: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Perth

Occupancy  
YE Jun-20  
**61.7%**

ADR  
YE Jun-20  
**\$161**

RevPAR  
YE Jun-20  
**\$99**

## OCCUPANCY LOWERING IN Q2

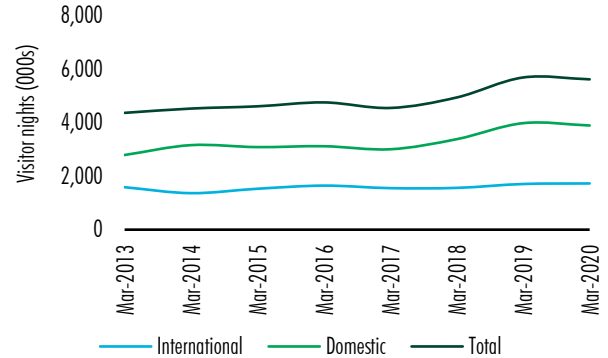
Over the year to June, a 14.3% decrease in occupancy and 2.4% ADR decline resulted in a 16.3% fall in RevPAR. Softening Q2 performance is the result of weakening demand conditions due to COVID-19.

Despite low Q2 performance, Perth benefits from a strong intrastate demand base and is better placed in the longer-term to attract local guests to its hotels.

## DECREASE IN HOTEL NIGHTS IN Q1

- 1.2% decrease in nights spent in hotels to reach 5.6 million annually
- Of the hotel nights occupied by travellers, 46% were for business trips, 39% for holidaying and 9% VFR
- Domestic guests accounted for 69% of total hotel nights
- Singapore, Malaysia and the UK, are the dominant overseas sources accounting for 33% of international hotel nights
- WA, NSW and Vic are the dominant domestic sources accounting for 74% of domestic hotel nights
- Average length of hotel stay was 3.1 nights

Chart 21: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 10: Supply Pipeline

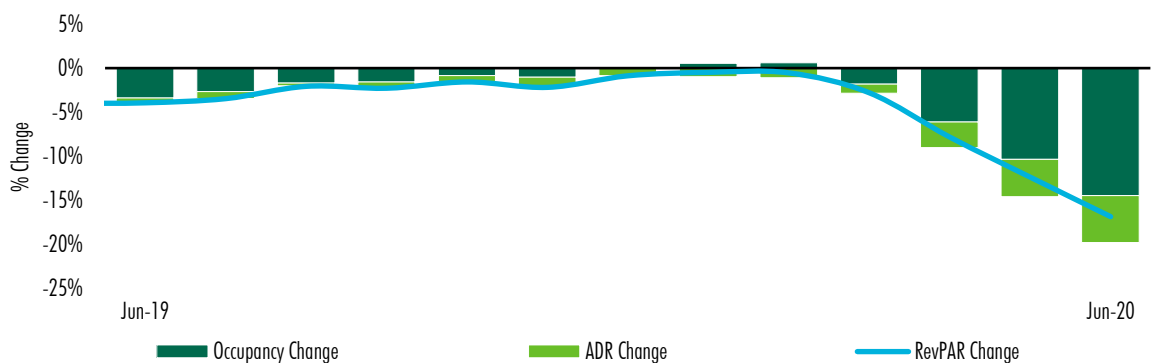
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Ritz Carlton Perth	New Build	6 Star	205	Recently Opened	November 2019
Subiaco Hotel	New Build	4.5 Star	168	Completed	January 2021
Quest Ascot	New Build	4 Star	112	Under Construction	January 2021
DoubleTree by Hilton, Perth Waterfront	New Build	4 Star	229	Under Construction	June 2021

Source: CBRE Research Q2 2020

## HOTELS SET TO OPEN IN 2021

2020 hotel openings have been pushed into 2021 as demand conditions remain subdued for the short term. A number of DA approved projects earmarked to start construction are on hold and are unlikely to proceed.

Chart 20: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

# Sydney

Occupancy  
YE Jun-20  
**65.4%**

ADR  
YE Jun-20  
**\$212**

RevPAR  
YE Jun-20  
**\$139**

## LOW PERFORMANCE IN Q2

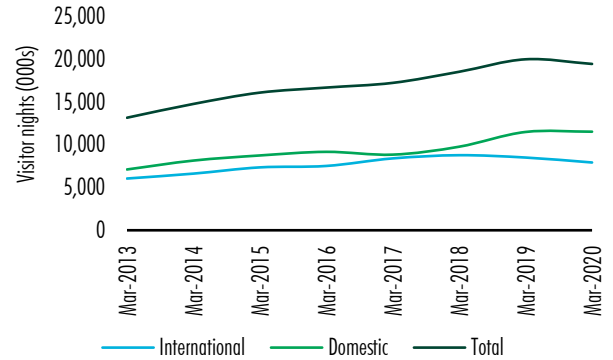
The year to June saw a 4.8% ADR decline coupled with a 21.7% fall in occupancy, resulting in a 25.4% RevPAR decline. Sydney's low performance is largely on the back of no new international travel and limited business travel due to COVID-19 restrictions.

Sydney will be turning to its significant state-wide population base to generate new demand in this impacted period.

## DECREASE IN HOTEL NIGHTS IN Q1

- 2.7% decrease in nights spent in hotels to 19.4 million annually
- Of the hotel nights occupied travellers, 45% for business trips, 40% were for holidaying, and 9% VFR
- Domestic guests accounted for 59% of total hotel nights
- China, the US and the UK are the dominant overseas sources accounting for 37% of international hotel nights
- NSW, Vic and Qld are the dominant domestic sources accounting for 79% of domestic hotel nights
- Average length of hotel stay was 2.7 nights

Chart 23: Visitor Nights in Hotels, Motels & Serviced Apartments (rolling annual)



Source: TRA, CBRE Research Q2 2020

Table 11: Supply Pipeline

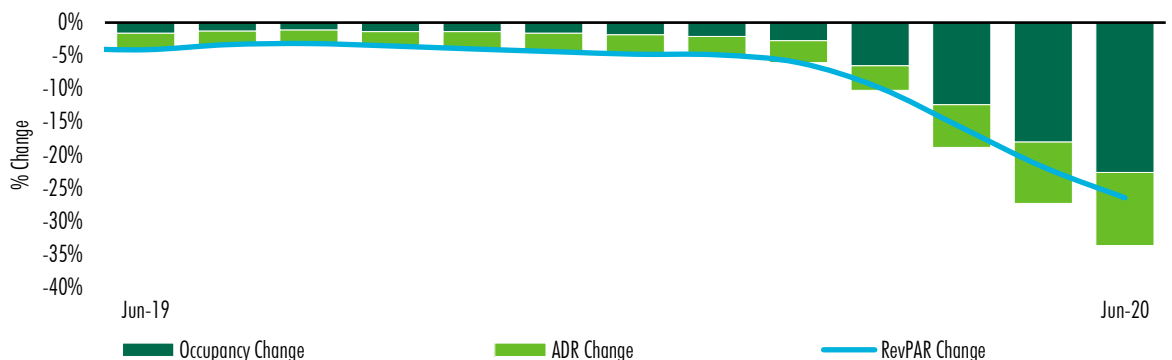
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Adina Apartment Hotel Sydney	New Build	4.5 Star	194	Under Construction	January 2021
Crowne Plaza Sydney Harbour	New Build	4 Star	152	Under Construction	January 2021
Crown Sydney Barangaroo	New Build	6 Star	350	Under Construction	February 2021
W Hotel	New Build	5 Star	586	Under Construction	July 2021
Little National Hotel	New Build	4 Star	230	Under Construction	July 2021

Source: CBRE Research Q2 2020

## REDUCTION IN SUPPLY PIPELINE

A number of 2020 openings are now set to open in early 2021. Sydney is likely to see a further reduction in the supply pipeline with a number of DA approved and mooted projects already facing feasibility challenges will see increasing pressure as market conditions soften.

Chart 22: Hotel Performance KPIs Rolling Annual Monthly Change



Source STR, CBRE Research Q2 2020

**RESEARCH CONTACTS****Bradley Speers***Head of Research, Australia*

m: +61 458 705 252

e: [bradley.speers@cbre.com.au](mailto:bradley.speers@cbre.com.au)**Chinmay Chitale***Research Manager, Head of Hotels Research*

m: +61 430 583 128

e: [chinmay.chitale@cbre.com](mailto:chinmay.chitale@cbre.com)**CBRE OFFICES****Sydney**

Level 21

363 George Street

Sydney, NSW 2000

**Melbourne**

Level 34

8 Exhibition Street

Melbourne, Vic 3000

**Brisbane**

Level 3

1 Eagle Street

Brisbane, Qld 4000

**Perth**

Level 25

250 St George's Terrace

Perth, WA 6000

**Adelaide**

Level 5

151 Pirie Street

Adelaide, SA 5000

**Canberra**

Level 12

14 Moore Street

Canberra City, ACT 2601

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