

Australia Hotels, Q1 2020

Markets with stronger local demand will fare better

▼ Occupancy
YE Mar-20
70.9%

▼ ADR
YE Mar-20
\$184

▼ RevPAR
YE Mar-20
\$131

▲ Intl Arrivals
YE Dec-19
8.7 million

▲ Intl Visitor Spend
YE Dec-19
4.0%

*Arrows indicate change from previous year.

Key Points

- **Annual RevPAR** declined 5.7% to \$131 for the year ending March 2020
- **National occupancy** declined 4.4% to 70.9% for the year ending March 2020
- **ADR** declined 1.4% to \$184 for the year ending March 2020
- **Brisbane** was the only market to register positive annual RevPAR growth for the year ending March 2020
- **International visitor arrivals** reached 8.7m for the year ending December 2019, an increase of 0.2% on 2018
- **Spending** by domestic visitors for the year ending December 2019 was \$80.7bn, up 12.4% on 2018, whilst overnight spend by international visitors was \$31.4bn, up 4.0% on 2018
- **Hotel sales volume** for Q1 2020 was ~\$100 million

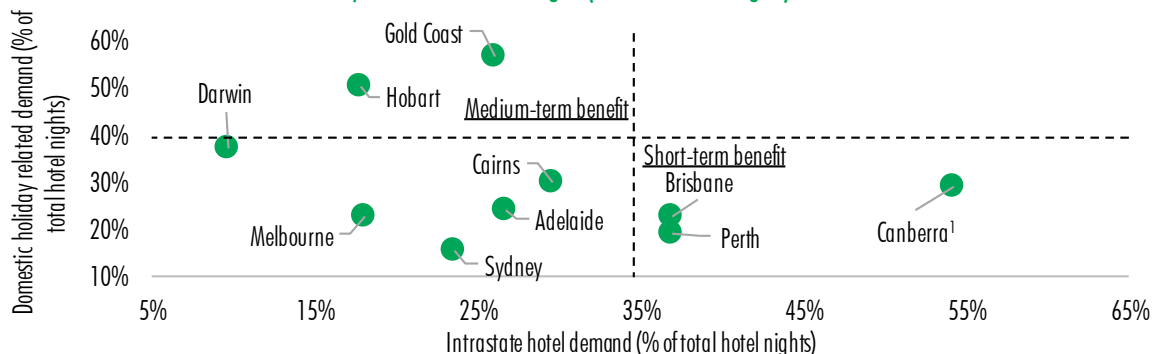
LOCAL DEMAND IMPORTANT FOR RECOVERY

The enforcement of travel restrictions and self-isolation measures to manage the impacts of COVID-19 has effectively stopped all international and domestic travel in Australia. Hotels are now operating at substantially lower occupancies, with some having to close temporarily as demand sources run dry.

Australia's hotel markets will look to focus on attracting local sources of demand in the short-term, as national borders are expected to remain closed for the remainder of 2020. Hotel markets with a higher proportion of intrastate demand will be better placed to attract guests in the short term, as state governments are unlikely to reopen state borders immediately.

Established hotel markets such as the Gold Coast and Hobart are expected to benefit in the medium term from the induced local holiday demand that is expected to occur due to restrictions on international travel; but only after state borders are reopened and confidence in travel recovers.

Chart 1: Market reliance on domestic holiday and intrastate hotel nights (% of total hotel nights)



Note: Hotel nights include nights spent in hotels, motels and serviced apartments; 1. Intrastate demand for Canberra refers to NSW demand
Source: TRA December 2019; CBRE Research Q1 2020

National Overview

*Rolling annual March-20



Adelaide		
Occupancy	78.0%	▼ -1.3%
ADR	\$154	▼ -0.1%
RevPAR	\$120	▼ -1.4%

Brisbane		
Occupancy	70.0%	▼ -0.9%
ADR	\$157	▲ 1.7%
RevPAR	\$110	▲ 0.8%

Cairns		
Occupancy	73.0%	▼ -6.9%
ADR	\$147	▼ -3.9%
RevPAR	\$107	▼ -10.5%

Canberra		
Occupancy	72.6%	▼ -7.5%
ADR	\$170	▼ -2.6%
RevPAR	\$124	▼ -10.0%

Darwin		
Occupancy	54.5%	▼ -10.4%
ADR	\$147	▼ -0.9%
RevPAR	\$80	▼ -11.1%

Gold Coast		
Occupancy	67.1%	▼ -5.8%
ADR	\$199	▼ -2.1%
RevPAR	\$133	▼ -7.8%

Hobart		
Occupancy	79.6%	▼ -0.5%
ADR	\$182	▲ 0.2%
RevPAR	\$145	▼ -0.3%

Melbourne		
Occupancy	76.2%	▼ -6.8%
ADR	\$184	▼ -1.4%
RevPAR	\$140	▼ -8.2%

Perth		
Occupancy	70.7%	▼ -1.9%
ADR	\$164	▼ -0.7%
RevPAR	\$116	▼ -2.6%

Sydney		
Occupancy	78.3%	▼ -6.6%
ADR	\$216	▼ -3.6%
RevPAR	\$169	▼ -10.0%

Source: STR, CBRE Research Q1 2020

SALES ACTIVITY QUIET IN Q1

Sales activity has been limited for Q1, noting the economic uncertainty and practical challenges of purchasing assets within the current climate. Investors are adopting a ‘wait and see’ approach, with downward pressure on values likely to occur over the medium term. Transactions are expected to pick up in the latter months of 2020, as investors enter the market seeking appropriate acquisitions

The Quest Macquarie Park sale represents the largest transaction this quarter, with a Singaporean investor purchasing the Sydney asset from Viking Group for \$46 million.

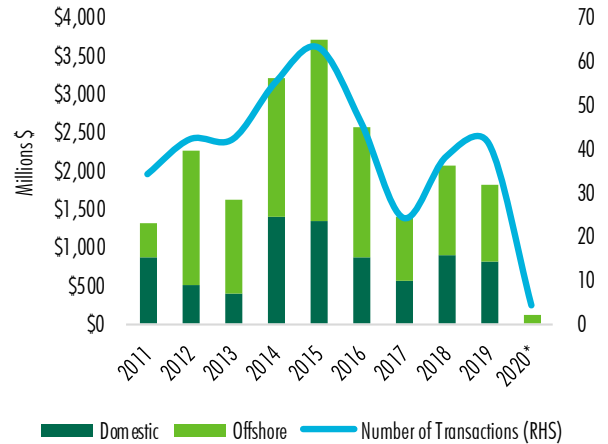
PIPELINE DELAYS EXPECTED INTO 2021

Hotels not already under construction are now considered unlikely to proceed in the current environment. This will materially reduce the size of the new supply pipeline over the medium term.

Despite some easing restrictions on construction activity likely to occur moving forward, the majority of hotels earmarked for completion in 2020 are expected to be delayed into 2021. This reflects the difficulty of opening a hotel in such a materially impacted period.

Softer trading conditions, coupled with the higher lending risk linked to the hotel sector, are expected to place increasing feasibility pressure on new projects.

Chart 3: Hotel Sales above \$5 million



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

Table 1: Notable Transactions Q1 2020

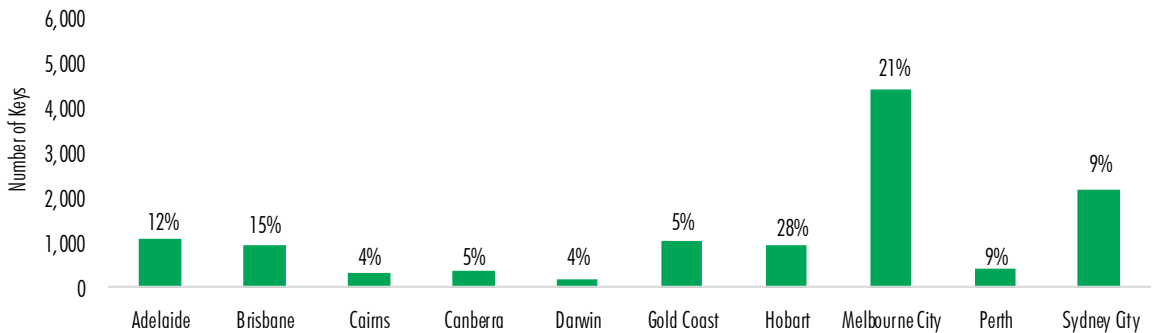
HOTEL	LOCATION	SALE DATE	PRICE (m)	KEYS
Quest Macquarie Park	Sydney	Jan-20	\$46	111
Devonport Waterfront Hotel	Devonport (TAS)	Mar-20	\$40	187

Source: RCA, CBRE Research

As such, projects at the DA approved stage and early development stages are now likely to experience significant delays or even cancellation. A reduction in the supply pipeline could however relieve longer-term pressure on existing hotels.

Some cities such as Hobart, however, are still expected to deliver rooms in 2020 as some states maintain normal levels of construction activity during this period.

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 Q1 2020

Adelaide

Occupancy
YE Mar-20
78.0%

ADR
YE Mar-20
\$154

RevPAR
YE Mar-20
\$120

PERFORMANCE DOWN FOR Q1

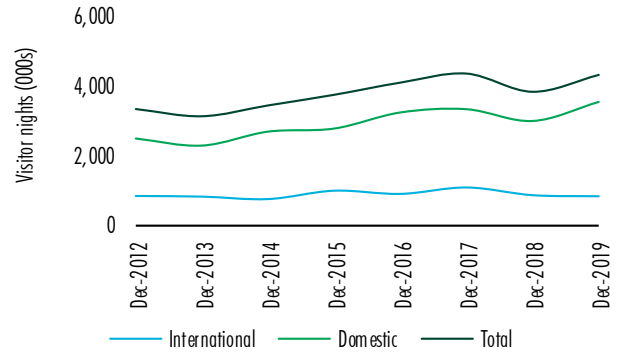
A 1.3% decline in occupancy and 0.1% decline in ADR resulted in a 1.4% decline in RevPAR for the year ending March.

Despite lower hotel demand expected in the short term arising from COVID-19, Adelaide benefits from a strong domestic market and is thus better placed to begin its path to recovery.

STRONG DOMESTIC MARKET

- 13.2% increase in nights spent in hotels to just above 4.3 million annually
- Of the hotel nights occupied by travellers, 47% were for business trips, 33% for holidaying and 12% VFR
- Domestic guests accounted for 81% of total hotel nights
- US, New Zealand and China are the dominant overseas sources accounting for 36% of international hotel nights
- SA, Vic and NSW are the dominant domestic sources accounting for 79% 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 Q1 2020

Table 2: 2020 Supply Pipeline

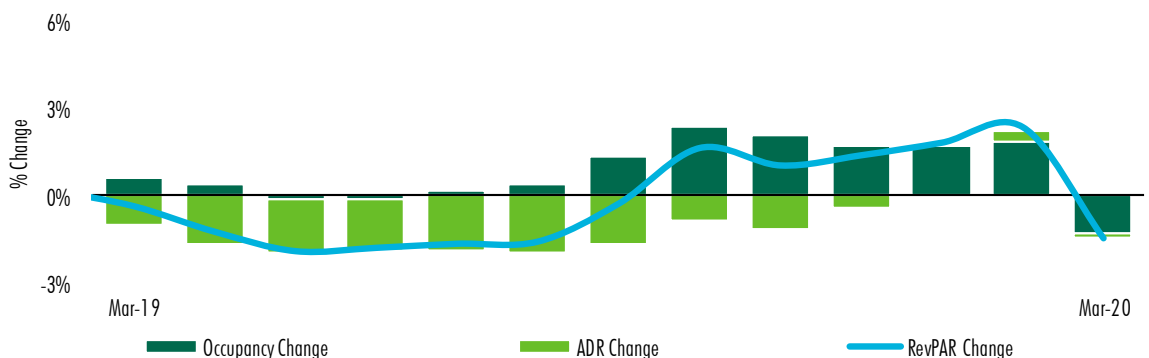
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Crowne Plaza	New Build	4 Star	326	Under Construction	October 2020
M Suites Adelaide	New Build	5 Star	91	Under Construction	September 2020
Adelaide Casino - SKYCITY	New Build	6 Star	123	Under Construction	November 2020
Hotel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

Source: CBRE Research Q1 2020

SUPPLY TO HIT THE MARKET IN 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 likely place downward pressure on medium-term occupancy levels.

Chart 4: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

Brisbane

Occupancy
YE Mar-20
70.0%

ADR
YE Mar-20
\$157

RevPAR
YE Mar-20
\$110

REVPAR SLOWING

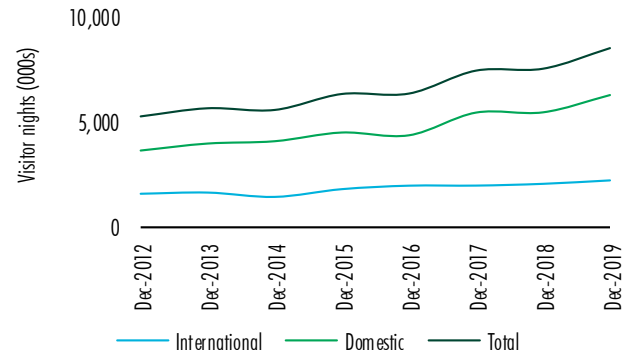
Occupancy declined 0.9%, but an ADR increase of 1.7% resulted in a RevPAR increase of 0.8%. Brisbane was the only market to record positive RevPAR performance for the year ending March.

Despite evident near-term challenges, a \$16bn pipeline of infrastructure projects in the Brisbane CBD is expected to benefit longer-term hotel performance in the post COVID-19 environment.

STRONG DOMESTIC MARKET

- 13.0% increase in nights spent in hotels to reach 8.6 million annually
- Of the hotel nights occupied by travellers, 44% were for business trips, 37% for holidaying and 10% VFR
- Domestic guests accounted for 74% of total hotel nights
- China, New Zealand and the US are the dominant overseas sources accounting for 41% of international hotel nights
- Qld, NSW and Vic are the dominant domestic sources accounting for 87% of domestic hotel nights
- Average length of hotel stay was 2.4 nights

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



Source: TRA, CBRE Research Q4 2019

Table 3: Supply Pipeline

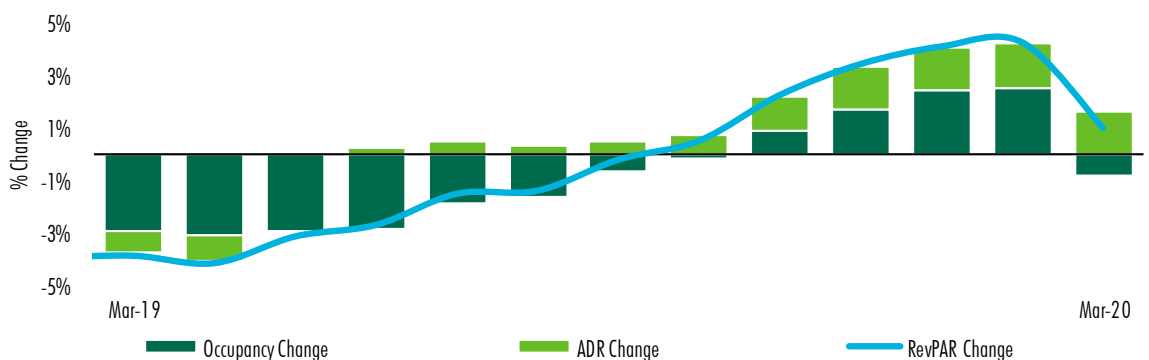
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Hotel Indigo	New Build	5 Star	146	Under Construction	February 2021
Queens Wharf (Ritz Carlton, Dorsett, Rosewood, The Star)	New Build	5/6 Star	987	Under Construction	January 2023

Source: CBRE Research Q1 2020

LIMITED SUPPLY PIPELINE

The opening of Hotel Indigo has been delayed by six months, having been earmarked to open in July 2020. A limited development pipeline should help reduce pressure on existing hoteliers over the longer term before new stock is introduced at the beginning of 2023.

Chart 6: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

Cairns

Occupancy
YE Mar-20
73.0%

ADR
YE Mar-20
\$147

RevPAR
YE Mar-20
\$107

PERFORMANCE SOFTENING

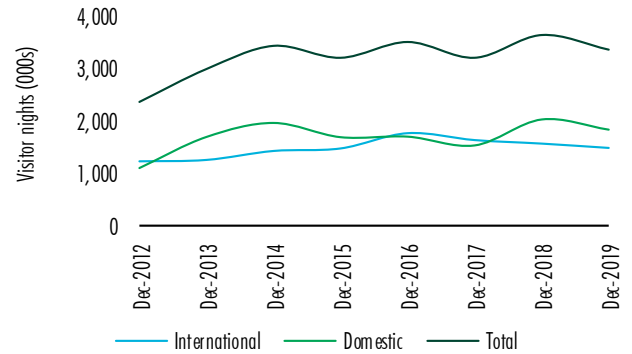
Occupancy levels declined 6.9% and with a fall in ADR of 3.9%, RevPAR levels consequently fell 10.5% over the year to March. Cairns continues to struggle on the back of lower domestic and international demand.

A pause on international travel as well as a likely medium-term reduction in airline capacity is expected to result in a material decline in international visitation moving forward.

DECREASE IN HOTEL NIGHTS

- 7.6% decrease in nights spent in hotels to 3.4 million annually
- Of the hotel nights occupied by travellers, 72% were for holidaying, 18% for business trips and 9% VFR
- International guests accounted for 45% of total hotel nights
- China, Japan and the US are the dominant overseas sources accounting for 60% of international hotel nights
- Qld, NSW and Vic are the dominant domestic sources accounting for 91% 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 Q1 2020

Table 4: Supply Pipeline

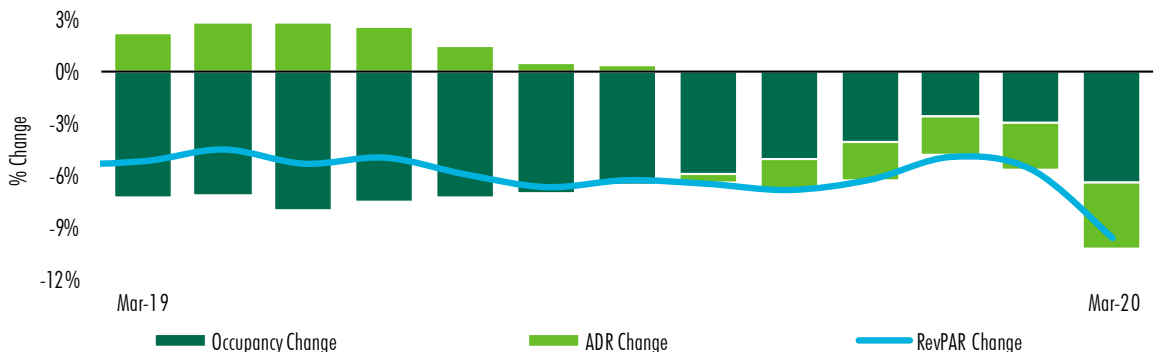
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Bailey	New Build	5 Star	217	Recently Opened	November 2019
Flynn	New Build	5 Star	311	Recently Completed	October 2020

Source: CBRE Research Q1 2020

OPENINGS DELAYED

The opening of Flynn will be delayed by six months, and is due to open in October 2020. Cairns is well placed to benefit from the introduction of new luxury product in the longer term, once visitation levels begin to recover.

Chart 8: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

Canberra

Occupancy
YE Mar-20
72.6%

ADR
YE Mar-20
\$170

RevPAR
YE Mar-20
\$124

PERFORMANCE DECLINING

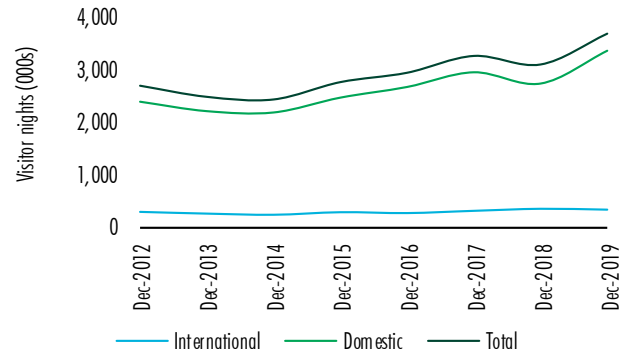
The Canberra market saw both occupancy and ADR decreases in Q1 2020, resulting in a RevPAR decline of 10.0% over the year to March. Lower hotel demand has been driven by the severe impact of the bushfires and COVID-19.

Despite softer trading conditions expected in Q2, the Canberra hotel market traditionally benefits from strong government and domestic demand bases, which are likely to assist longer-term recovery.

STRONG DOMESTIC MARKET

- 19.2% increase in nights spent in hotels to 3.7 million annually
- Of the hotel nights occupied by travellers, 47% were for business trips, 32% for holidaying and 13% VFR
- Domestic guests accounted for 91% of total hotel nights
- China, the US and Indonesia are the dominant overseas sources accounting for 34% of international hotel nights
- NSW, Vic and Qld are the dominant domestic sources accounting for 92% of domestic hotel nights
- Average length of hotel stay was 2.1 nights

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



Source: TRA, CBRE Research Q1 2020

Table 5: Supply Pipeline

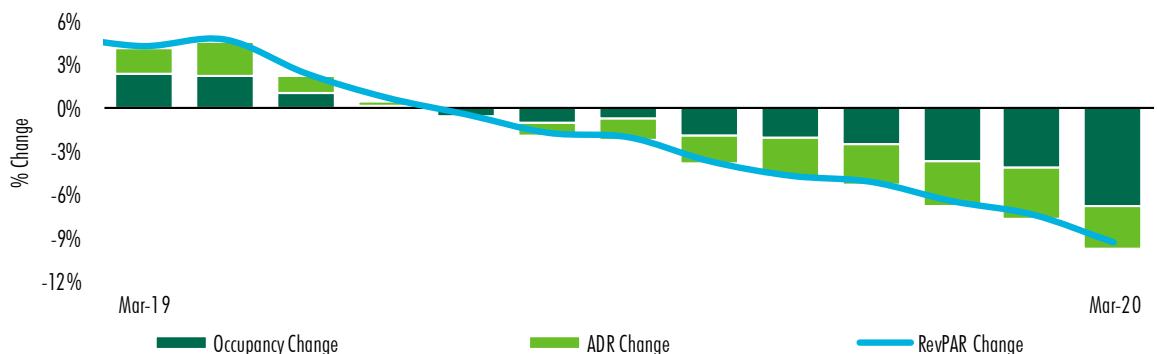
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Mercure Belconnen	New Build	4 Star	90	Recently Opened	February 2020
Adina Grand Canberra	New Build	5 Star	132	Under Construction	January 2021
Constitution Place	New Build	4 Star	132	Under Construction	September 2021

Source: CBRE Research Q1 2020

NEW STOCK DEFERRED TO 2021

The current crisis has not had a material impact on Canberra's supply pipeline, with the majority of projects already due to open after 2020. The opening of Adina Grand will however be pushed into 2021, which is well located to attract the future corporate market.

Chart 10: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

Darwin

Occupancy
YE Mar-20
54.5%

ADR
YE Mar-20
\$147

RevPAR
YE Mar-20
\$80

OCCUPANCY STILL LOW

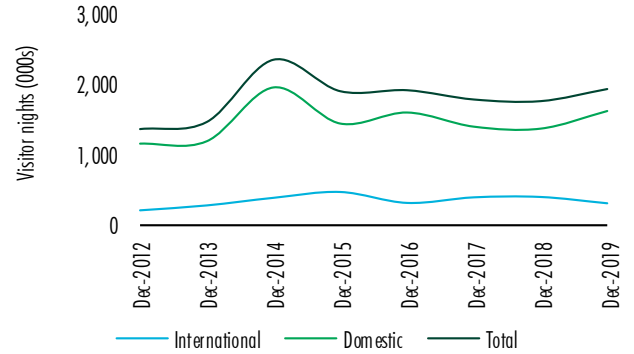
Over the year to March, occupancy declined 10.4%, and with a slight decrease in ADR of 0.9%, RevPAR fell 11.1%.

Darwin continues to experience weak economic conditions with declining flight passenger volumes due mainly to less mining activity.

DECLINE IN NIGHTS SPENT IN HOTELS

- Nights spent in hotel accommodation increased by 9.6% to 1.9 million
- Of the hotel nights occupied by travellers, 45% were for holidaying, 38% for business trips and 6% VFR
- International guests accounted for 16% of total hotel nights
- United States, Indonesia and the UK are the dominant overseas sources accounting for 36% of international hotel nights
- Vic, Qld and NSW are the dominant domestic sources accounting for 63% of domestic hotel nights
- Average length of hotel stay was 3.8 nights

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



Source: TRA, CBRE Research Q1 2020

Table 6: Supply Pipeline

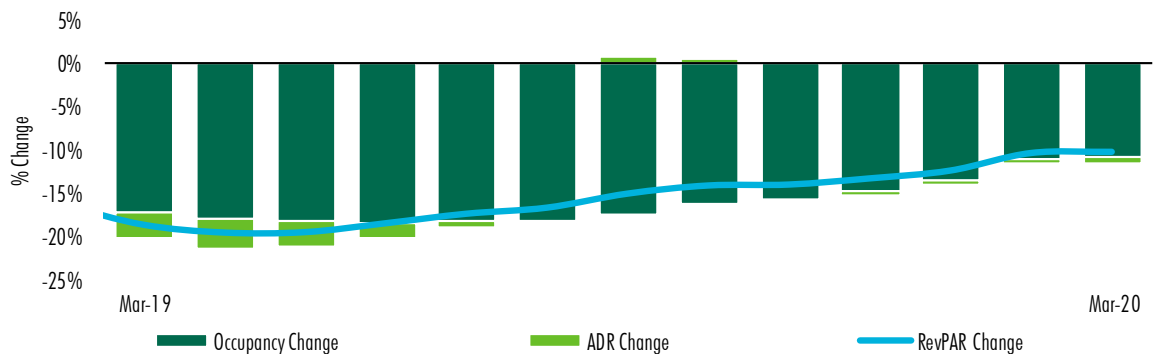
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Westin Darwin	New Build	5 Star	240	Under Construction	June 2023

Source: CBRE Research Q1 2020

LIMITED HOTEL DEVELOPMENT

Already difficult hotel trading conditions in Darwin has translated to limited hotel development, with the Westin Darwin representing the only project in the pipeline. Future trading market uncertainty is expected to result in subdued hotel development activity moving forward.

Chart 12: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

Gold Coast

Occupancy
YE Mar-20
67.1%

ADR
YE Mar-20
\$199

RevPAR
YE Mar-20
\$133

REVPAR DECLINING

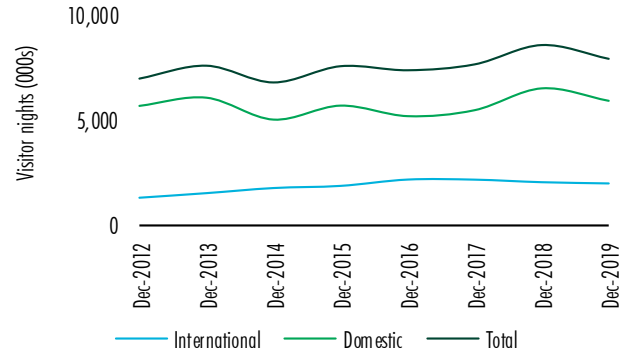
RevPAR declined 7.8%, as occupancy and ADR fell 5.8% and 2.1% respectively over the year to March. The Gold Coast continues to see subdued hotel demand on the back of lower domestic visitation.

Performance is expected to drop in Q2, with short-term RevPAR recovery to be linked with strong Queensland-based demand.

DECREASE IN HOTEL NIGHTS

- 7.6% decrease in nights spent in hotels to record 8.0 million annually
- Of the hotel nights occupied by travellers, 79% were for holidaying, 11% for business trips and 8% VFR
- International guests accounted for 25% of total hotel nights
- China, New Zealand and Japan are the dominant overseas sources accounting for 57% of international hotel nights
- NSW, Qld and Vic are the dominant domestic sources accounting for 90% of domestic hotel nights
- Average length of hotel stay was 3.3 nights

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



Source: TRA, CBRE Research Q1 2020

Table 7: Supply Pipeline

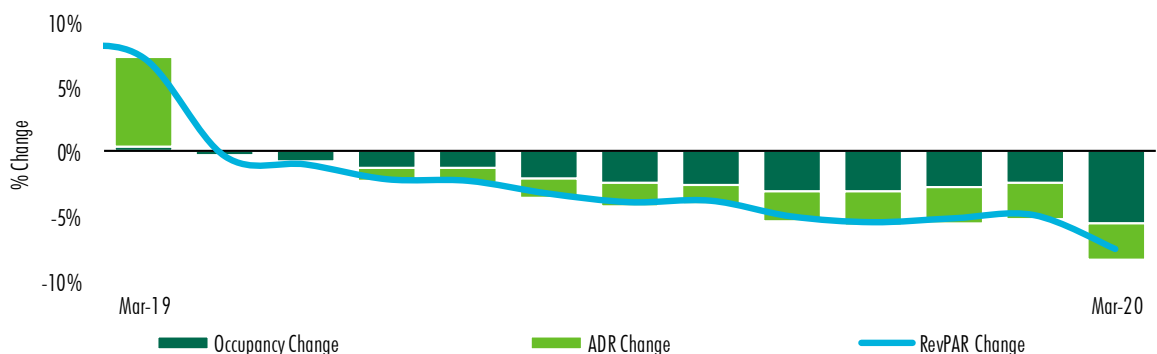
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Jewel Development	New Build	5 Star	169	Under Construction	March 2021
Rydges Hotel Gold Coast Airport	New Build	4 Star	192	Under Construction	July 2021
Meriton Suites Surfers Paradise	New Build	5 Star	332	Under Construction	September 2021
Dorsett Hotel (The Star)	New Build	4.5 Star	316	Under Construction	April 2022

Source: CBRE Research Q1 2020

LARGE SUPPLY PIPELINE

Around 1,000 rooms are under construction with development concentrated around Surfers Paradise and the casino. With new projects become increasingly difficult to deliver in the current environment, projects not under construction are now uncertain to proceed.

Chart 14: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

Hobart

Occupancy
YE Mar-20
79.6%

ADR
YE Mar-20
\$182

RevPAR
YE Mar-20
\$145

STRONG GROWTH SLOWING

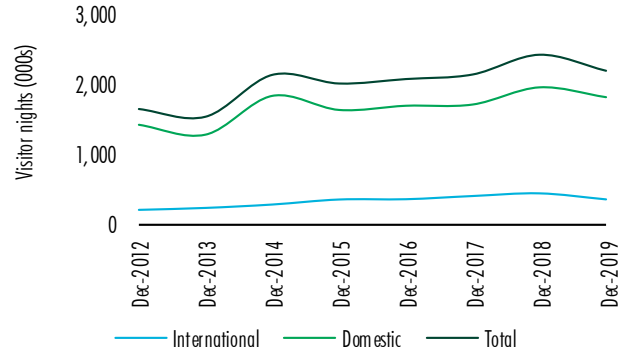
Despite an ADR increase of 0.2%, occupancy fell 0.5%, resulting in a RevPAR decline of 0.3% over the year to March. The impacts of COVID-19 erased gains from the previous months, as Tasmania became the first state to close their borders in March.

Hobart is expected to see low inbound travel from mainland Australia moving forward, with performance expected to bottom out in Q2. A quick and safe return to normalcy will be critical in achieving longer-term recovery.

STRONG DOMESTIC MARKET

- 9.5% decrease in nights spent in hotels to 2.2 million annually
- Of the hotel nights occupied by travellers, 66% were for holidaying, 24% for business trips and 7% VFR
- China, the US and Hong Kong are the dominant overseas sources accounting for 45% of international hotel nights
- Domestic guests accounted for 83% of total hotel nights
- NSW, Vic and Tas are the dominant domestic sources accounting for 73% of domestic hotel nights
- Average length of hotel stay was 2.8 nights

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



Source: TRA, CBRE Research Q1 2020

Table 8: 2020 Supply Pipeline

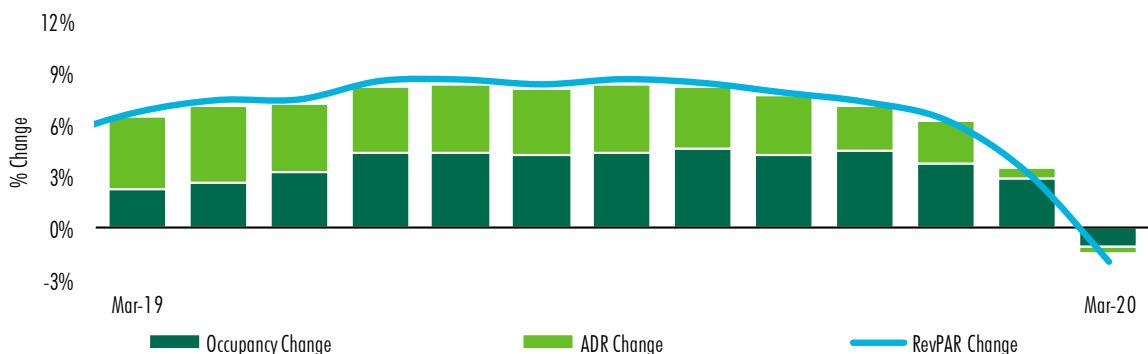
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Movenpick Hotel	New Build	5 Star	221	Under Construction	June 2020
Crowne Plaza Hobart	New Build	4 Star	235	Under Construction	July 2020
Vibe Hotel Hobart	New Build	4 Star	120	Under Construction	July 2020
The Tasman	New Build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

Source: CBRE Research Q1 2020

STRONG PIPELINE IN 2020

Hobart is still expected to deliver around 700 new rooms by 2020, representing around 20% of existing supply. 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 Change



Source STR, CBRE Research Q1 2020

Melbourne

Occupancy
YE Mar-20
76.2%

ADR
YE Mar-20
\$184

RevPAR
YE Mar-20
\$140

REVPAR DECLINING

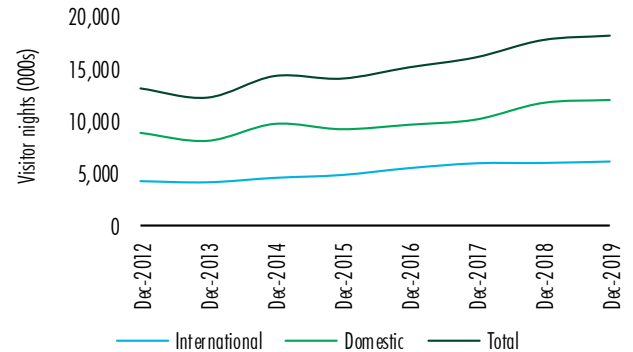
Melbourne saw both occupancy and ADR decreases in Q1 2020, resulting in a RevPAR decline of 8.2% over the year to March. The market is feeling the impacts of new supply and softer trading conditions due to COVID-19.

Hotel performance is expected to weaken further in Q2. The impacts of the crisis have, however, led to a material reduction of the new supply pipeline over the medium term. This is expected to alleviate longer-term occupancy and room rate pressures.

STRONG INTERNATIONAL MARKET

- 2.4% increase in nights spent in hotels to 18.3 million annually
- Of the hotel nights occupied by travellers, 42% for holidaying, 40% were for business trips, and 10% VFR
- International guests accounted for 34% of total hotel nights
- China, New Zealand and the India are the dominant overseas sources accounting for 41% of international nights in hotels
- NSW, Vic and Tas are the dominant domestic sources accounting for 77% of domestic hotel nights
- Average length of hotel stay was 2.7 nights

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



Source: TRA, CBRE Research Q1 2020

Table 9: 2020/21 Supply Pipeline

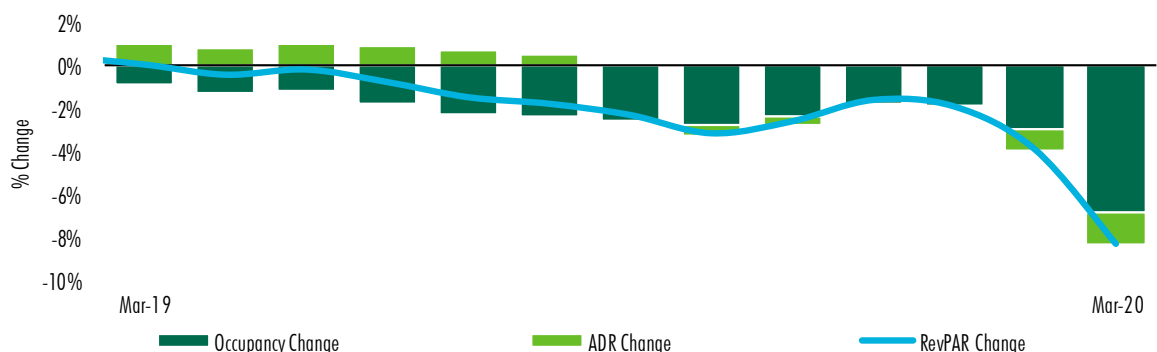
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Holiday Inn Express	New Build	4 Star	345	Recently Opened	March 2020
NEXT Hotel	New Build	4 Star	255	Under Construction	November 2020
Hilton Hotel	New Build	5 Star	244	Under Construction	January 2021
W Hotel Melbourne	New Build	6 Star	294	Under Construction	March 2021
Dorsett Melbourne	New Build	4.5 Star	316	Under Construction	June 2021

Source: CBRE Research Q1 2020

DEFERRED PIPELINE

NEXT Hotel is the only hotel due to open in 2020, with approximately 2,500 rooms due to open by 2021. Projects at the early stages of development are now likely to experience significant delays or cancellation as feasibility pressures increase.

Chart 18: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

Perth

Occupancy
YE Mar-20
70.7%

ADR
YE Mar-20
\$164

RevPAR
YE Mar-20
\$116

RECENT RECOVERY ON HOLD

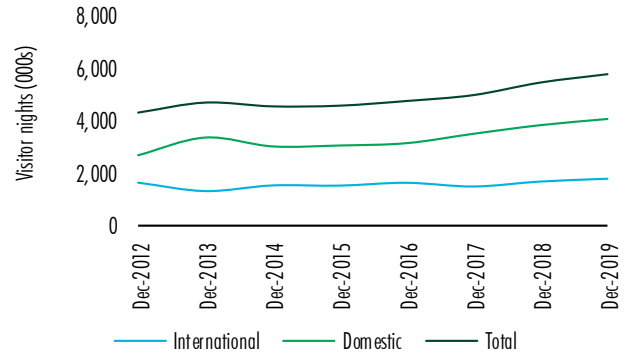
Over the year to March, a 1.9% decrease in occupancy and 0.7% ADR decline resulted in a 2.6% fall in RevPAR. Softening performance has been driven by recent supply additions and subdued demand conditions due to COVID-19.

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

INCREASE IN HOTEL NIGHTS

- 6.0% increase in nights spent in hotels to reach 5.8 million annually
- Of the hotel nights occupied by travellers, 46% were for business trips, 38% for holidaying and 10% VFR
- International guests accounted for 30% of total hotel nights
- Singapore, Malaysia and the UK, are the dominant overseas sources accounting for 35% of international hotel nights
- WA, NSW and Vic are the dominant domestic sources accounting for 83% 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 Q1 2020

Table 10: Supply Pipeline

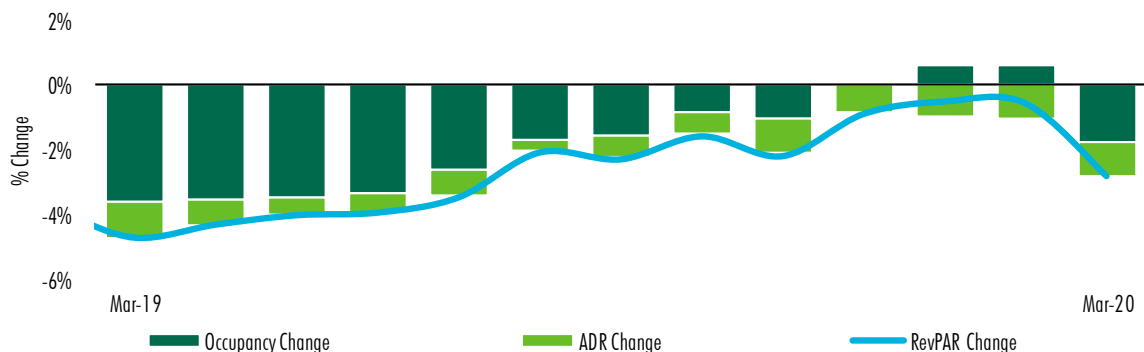
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Ritz Carlton Perth	New Build	6 Star	205	Recently Opened	November 2019
Subiaco Hotel	New Build	4.5 Star	168	Completed	January 2021
Quest Ascot	New Build	4 Star	112	Under Construction	January 2021
DoubleTree by Hilton, Perth Waterfront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

Source: CBRE Research Q1 2020

PIPELINE DELAYED

The opening of the rebranded Park Regis Subiaco will be pushed into 2021, as construction activity remains on pause. 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 Change



Source STR, CBRE Research Q1 2020

Sydney

Occupancy
YE Mar-20
78.3%

ADR
YE Mar-20
\$216

RevPAR
YE Mar-20
\$169

REVPAR DECLINING

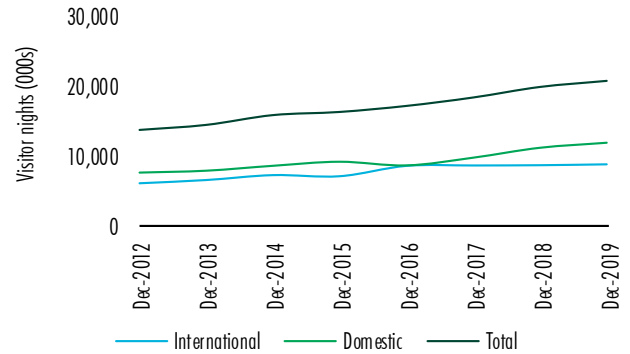
The year to March saw a 3.6% ADR decline coupled with a 6.6% fall in occupancy, resulting in a 10.0% RevPAR decline. Lower performance in the Harbour City is largely due to the cumulative impacts of the bushfires and COVID-19.

With short-term challenges on the horizon, Sydney will be turning to its significant state-wide population base to generate new demand in this impacted period.

STRONG INTERNATIONAL MARKET

- 4.4% increase in nights spent in hotels to 20.8 million annually
- Of the hotel nights occupied travellers, 45% for business trips, 40% were for holidaying, and 9% VFR
- International guests accounted for 42% of total hotel nights
- China, the US and the UK are the dominant overseas sources accounting for 39% of international hotel nights
- NSW, Vic and Qld are the dominant domestic sources accounting for 80% 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 Q1 2020

Table 11: Supply Pipeline

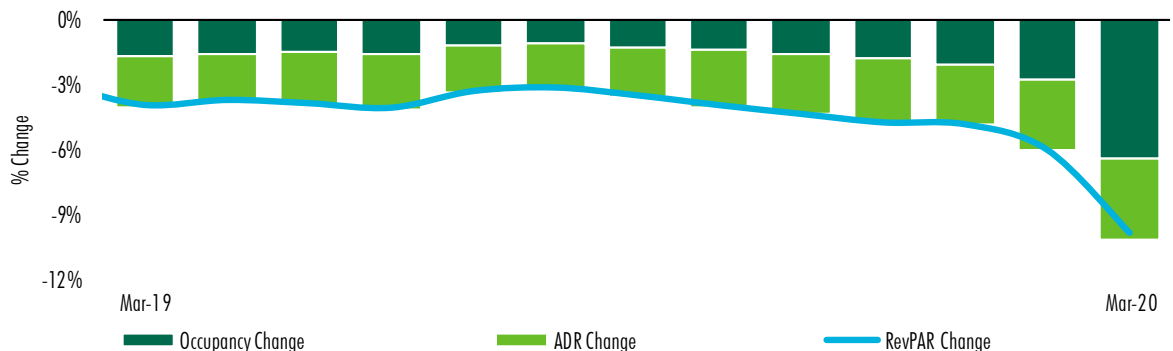
Property	Development Type	Quality	Number of Keys	Current Status	Opening Date
Adina Apartment Hotel Sydney	New Build	4.5 Star	194	Under Construction	January 2021
Crowne Plaza Sydney Harbour	New Build	4 Star	152	Under Construction	January 2021
Crown Sydney Barangaroo	New Build	6 Star	350	Under Construction	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 Q1 2020

REDUCTION IN SUPPLY PIPELINE

Both the Adina Apartment Hotel and Crowne Plaza are set to now open in early 2021, with 2020 openings put on hold due to current market conditions. A number of DA approved and mooted projects already facing feasibility challenges will see further pressure as market conditions soften, which in turn will further reduce the supply pipeline.

Chart 22: Hotel Performance KPIs Rolling Annual Change



Source STR, CBRE Research Q1 2020

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