

AUSTRALIAN HOTELS MARKET SNAPSHOT



Accelerating success.

Travel restrictions and quarantine measures due to COVID-19 have had a significant impact on all markets over the first quarter, with average occupancy dropping by between 30% and 50% in the month of March 2020. Many owners and operators are predicting this trend will continue into at least quarter three with an anticipated staged recovery as travel restrictions are gradually loosened.

While YTD March 2020 performance figures show drops in RevPAR of between 10% and 25%, critical quarantine measures were only introduced in late February, to mid March, suggesting the extent of the impact has not yet been fully reflected. We anticipate Q2 will likely be the low point in the current cycle with recovery building as quarantine restrictions start to loosen.

Average daily rates have also declined, but not to the same degree, given there is currently no demand upside for reducing rates. When demand starts to recover and hotels compete for business the temptation to drop rate to grow occupancy will be higher.

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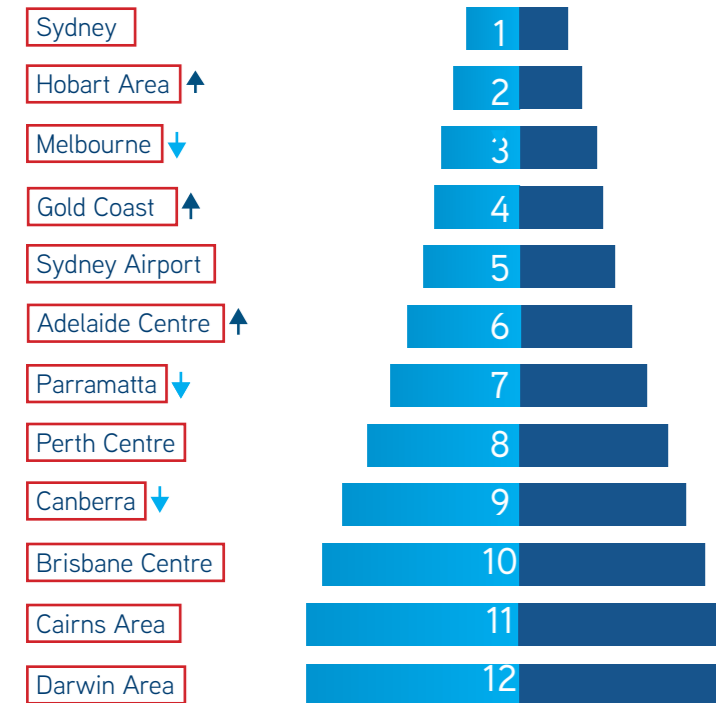


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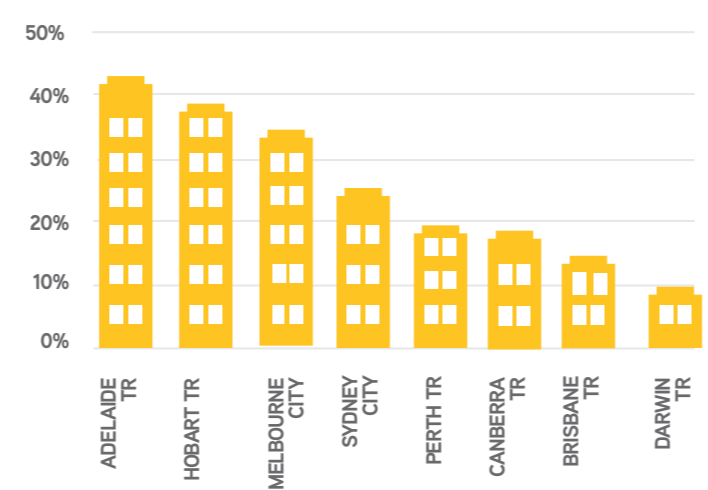
REVPAR RANKING Q1 2020 vs Q1 2019



2019 REVPAR



SUPPLY PIPELINE AS A PERCENTAGE OF EXISTING STOCK AS AT MARCH 2020

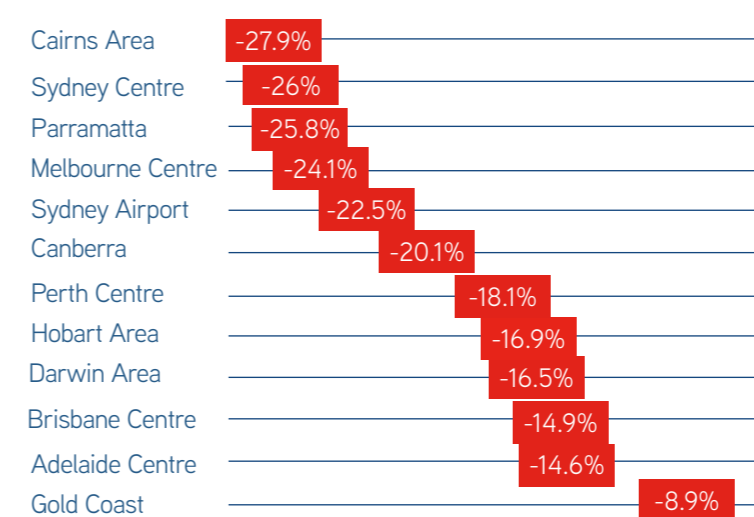


*Includes those proposed projects up until 2023.

*Includes projects under construction (weighted 100%), projects likely proposed (weighted 75%), projects with DA approval (weighted 50%), and projects with DA Submitted (weighted 40%).

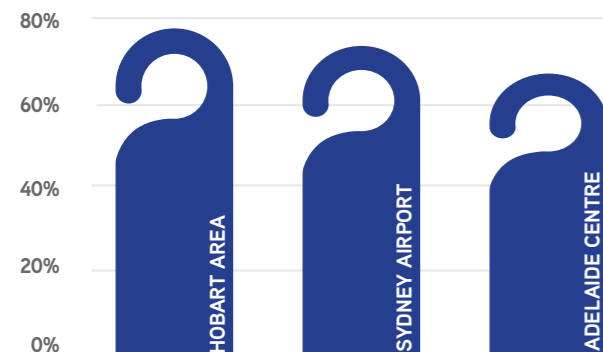
*Excludes speculative and developments on hold.

REVPAR TREND FOR Q1 2020 vs. Q1 2019



*RevPAR - Revenue Per Available Room

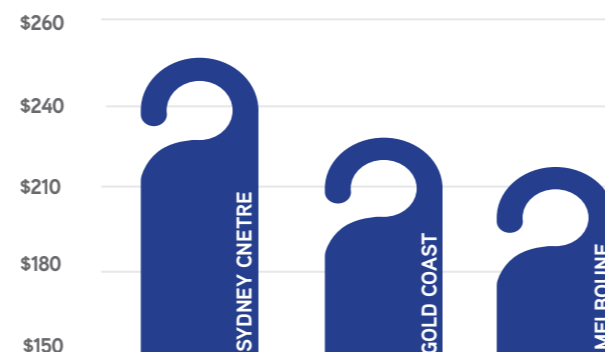
TOP 3 OCCUPANCY



LOWEST 3 OCCUPANCY



TOP 3 AVERAGE DAILY RATE



LOWEST 3 AVERAGE DAILY RATE

