



HOTELS & HOSPITALITY GROUP

Queensland Shines as Australia's **Top Hotel Market**

November 2022

The Sunshine State continues to shine with **Queensland** scoring the **top three RevPAR markets** in the country.

Classic holiday destinations like Whitsundays, Gold Coast and Sunshine Coast are leading Australia’s trading recovery, fuelled by strong domestic leisure demand.



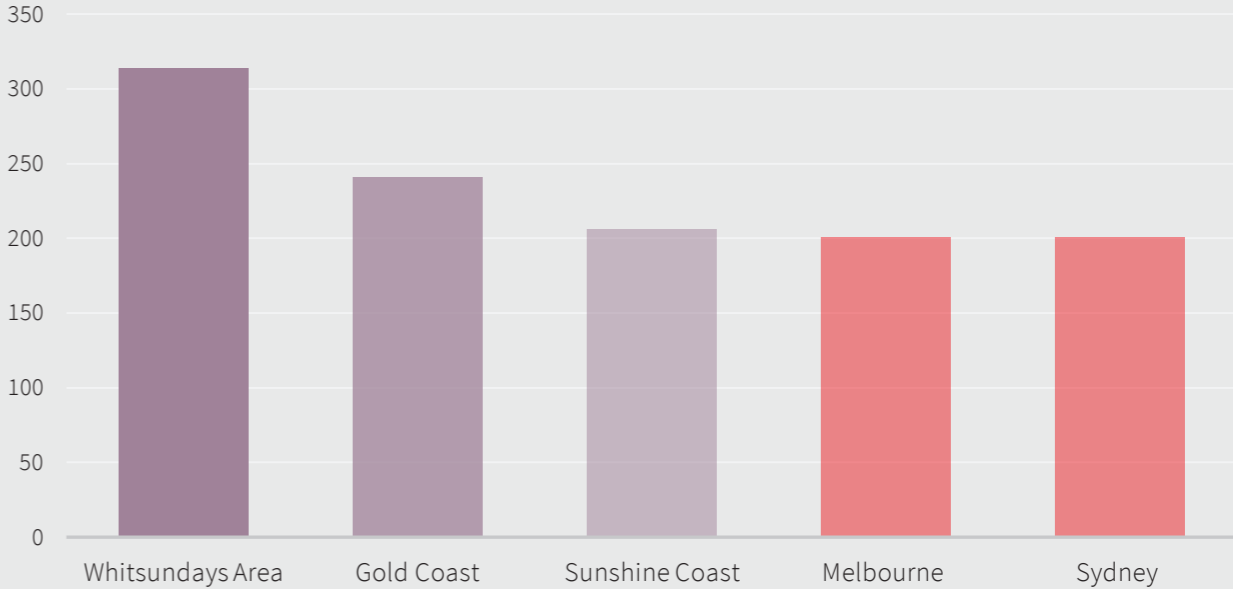
According to Smith Travel Research (STR), the latest statistics show the top hotel markets in the country for 2022 on a RevPAR basis, with Queensland taking the top three spots ahead of major capital cities:



- 1 WHITSUNDAYS**
- 2 GOLD COAST** ★★★★★
- 3 SUNSHINE COAST**
- 4 MELBOURNE** ★★★★★
- 5 SYDNEY** ★★★★★

Top Performing Hotel Markets (RevPAR)

YTD September 2022



Source: STR, 2022

RevPAR levels remain one of the most positive stories across the country.

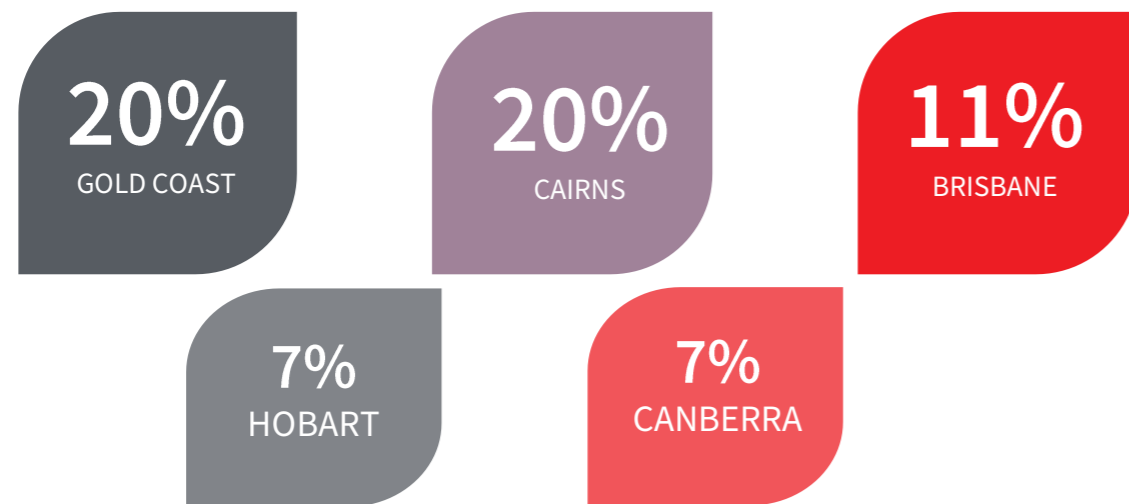
A result of improving occupancy and continued ADR growth shows all markets performing better than 2019 levels (pre-COVID) with the exception of Sydney and Melbourne. RevPAR in Australia’s two largest markets by room count, Sydney and Melbourne, is expected to take longer to recover, given the requirement on corporate/MICE and international demand.

While Queensland has been “open for business” for some time now relative to other Australian markets, the Sunshine State’s key leisure destinations continue to outperform the wider market, further highlighting the pent-up demand for domestic leisure tourism in Queensland despite Australian’s now having the ability to travel internationally.

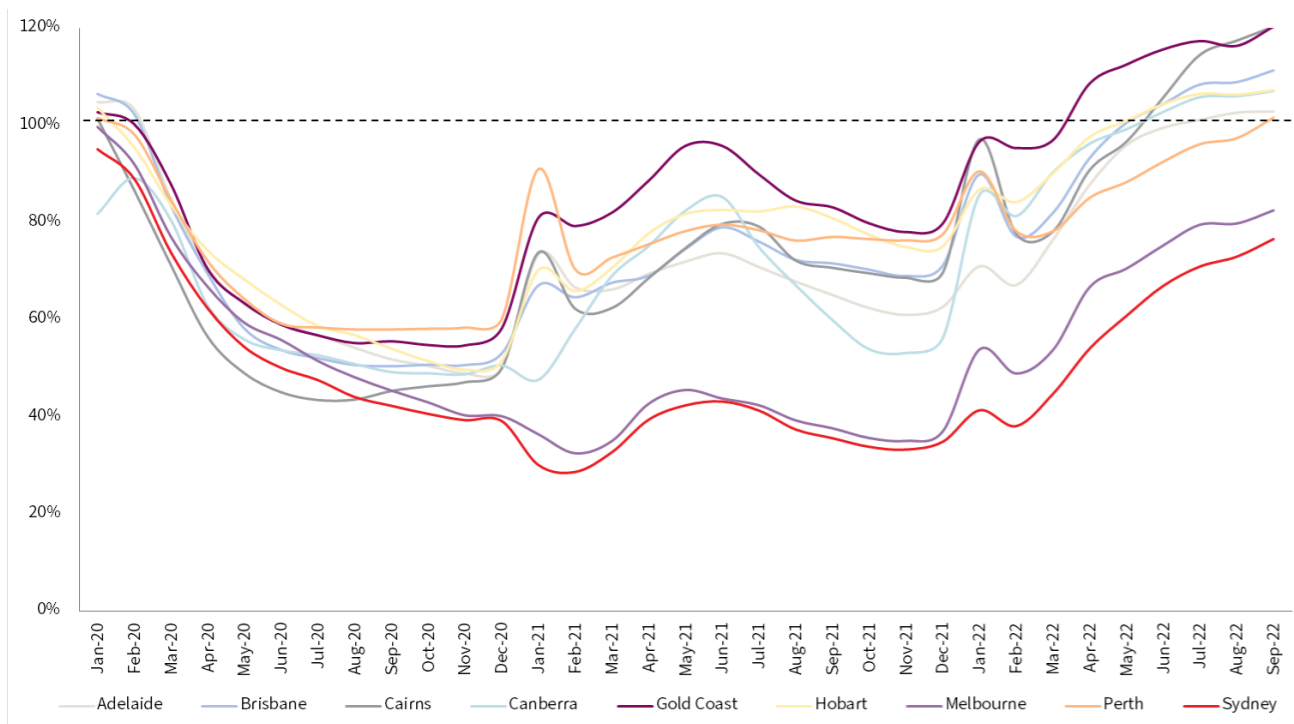
Queensland: The biggest uplift on pre-COVID-19 RevPAR performance

When comparing 2022YTD to 2019 YTD RevPAR levels, six of the top 10 highest performing markets were in Queensland. The top three greatest increases on pre-COVID-19 levels for 2022 has been Gold Coast, Cairns and Brisbane markets.

Difference between YTD 2019 and YTD 2022 Performance:



RevPAR relative to 2019



Source: STR, 2022



Pent up Demand

Whilst occupancy continues to improve across Australia owing to pent-up demand and willingness to travel, international visitation has not yet fully recovered.

Over the past three years, Australian's have been exploring more of their country than ever before. While domestic tourism has fuelled the demand in leisure markets around the country, the return of international travel on the market has not yet been fully realised. JLL expects that Queensland's key markets will continue its strong performance as both domestic and international return to the State.



Unique destinations

Queensland has unique leisure offerings among its many different markets. Best known for its sparkling coastline and idyllic islands dotting the wondrous Great Barrier Reef, Queensland also features rugged outback landscapes and ancient rainforests which are home to some of the world's most unusual animals.

Queensland's key leisure markets, each with strong air and drive accessibility, offer a unique destination offering which, as a result of continued infrastructure investment, will continue strengthening its overall offering.

Queensland is experiencing an exciting growth period within the Hotel Accommodation and Tourism sector.



Significant Infrastructure Investment

The 'Golden Decade' continues to shape the future of Brisbane and wider South-East Queensland, "SEQ", as a New World City. The recent announcement by Brisbane Airport Corporation for a third runway at Brisbane airport (to be a hybrid of both domestic and international) comes as the expectation that Brisbane will double its air traffic by 2040.

The newly expanded Gold Coast's domestic and international terminal opened this month, doubling the terminal footprint to accommodate for current and future passenger capacity. This strategic expansion will be instrumental in allowing greater international accessibility to SEQ as well as support the growing region in the lead up to the 2032 Olympic Games.

Continued infrastructure investment, coupled with record population growth in SEQ, Queensland continues to reinforce its position as one of Australia's most popular and liveable destinations.

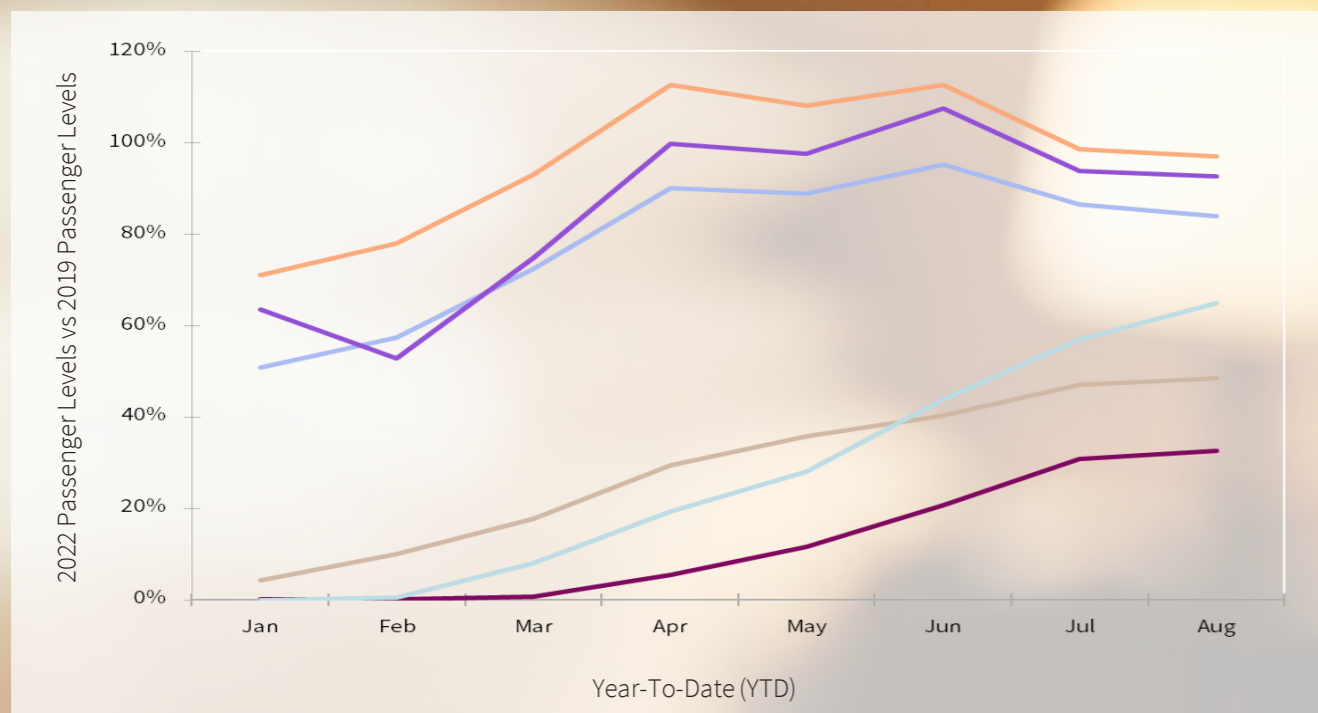


Queensland Airport Passenger Trends

Domestic passenger movement in Queensland rapidly recovered during 2022 with leisure markets such as Gold Coast and Cairns exceeding the corresponding YTD period in 2019 by April. As of July, Brisbane domestic passenger levels YTD have reached 95% of the same period in 2019. As the year draws to a close, and the desire and willingness to travel continues, JLL expects that all major Queensland Airports (Brisbane, Gold Coast and Cairns), will continue to trend toward full recovery of pre-pandemic passenger levels.

While all key international markets have since fully re-opened without restrictions (with the exception of China), the gap between international passenger movements in Queensland between pre-COVID levels and 2022 YTD remains. As such, we remain confident of continued strength in the Queensland hotel market as international visitors return to the Sunshine State.

YTD 2022 Movement vs YTD 2019 Movement



Source: BITRA (Bureau of Infrastructure, Transport, Regional Development, Communication and the Arts)

LEGEND:

- Brisbane Domestic
- Brisbane International
- Cairns Domestic
- Cairns International
- Gold Coast Domestic
- Gold Coast International

Queensland Properties

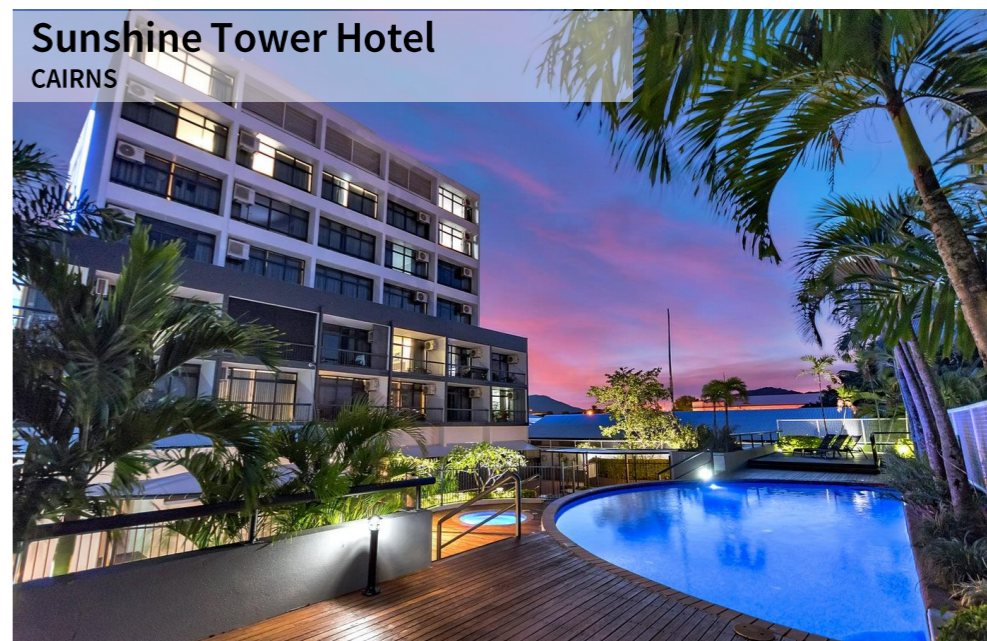
Sold by JLL

Queensland hotel markets are achieving exceptional top line performances in key hotel markets, both city and leisure destinations, leading to strong investor demand in the sunshine state.

Dunk Island
QUEENSLAND



Sunshine Tower Hotel
CAIRNS



Eco Village
MISSION BEACH



Hamilton Motor Inn
BRISBANE



Boutique Hinterland Resort
CLEAR MOUNTAIN





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