







Northern Territory Monthly Accommodation Report

August 2022

The year on year results for August 2022 for the Northern Territory (NT) reflect the opening of international borders and easing of travel restrictions within Australia. NT border controls lifted from 20 December 2021 and international borders to Australia open from 21 February 2022.

When compared to figures in August 2021, the national occupancy in August 2022 for the hotel sector increased by +35 percentage points (pp) to 66%. There were positive results in occupancy rates across all states and territories. The Australian Capital Territory had the largest increase (up +56pp to 69%), followed by New South Wales (up +43pp to 64%), Victoria (up +35pp to 58%), Queensland (up +35% to 72%), South Australia (up +25pp to 67%), the Northern Territory (up +23pp to 81%), Tasmania (up +19pp to 64%) and Western Australia (up +16pp to 69%). The NT occupancy rate at 81% was higher than the national average at 66% for August 2022.

	OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND ROOM NIGHTS	SUPPLY ROOM NIGHTS	AVAILABLE LISTED PROPERTIES
						
HOTEL STYLE ACCOMMODATION	81% +23pp	\$286 +31%	\$232 +82%	226,000 +44%	279,000 +3.7%	103 +3.0%
SHORT TERM LETTING ACCOMMODATION	86% +15pp	\$281 +27%	\$242 +55%	37,000 +76%	44,000 +46%	919 +40%

Accommodation indicators were positive for both the hotel sector and short term letting. The NT hotel occupancy rates for August 2022 were higher compared to August 2021 (+23pp to 81%), with occupancy rates in the short term letting market up +15pp to 86%. Demand for rooms across the NT increased for the hotel market up +44% to 226,000 nights; while demand for short term letting rooms rose +76% to 37,000. It should be noted that August 2021 results were affected by lockdowns and resultant consumer cancellations, which have impacted comparative figures. Average room rates were only slightly higher for hotels than short term letting, however revenue per available room (RevPAR) was higher for short term letting than hotels.

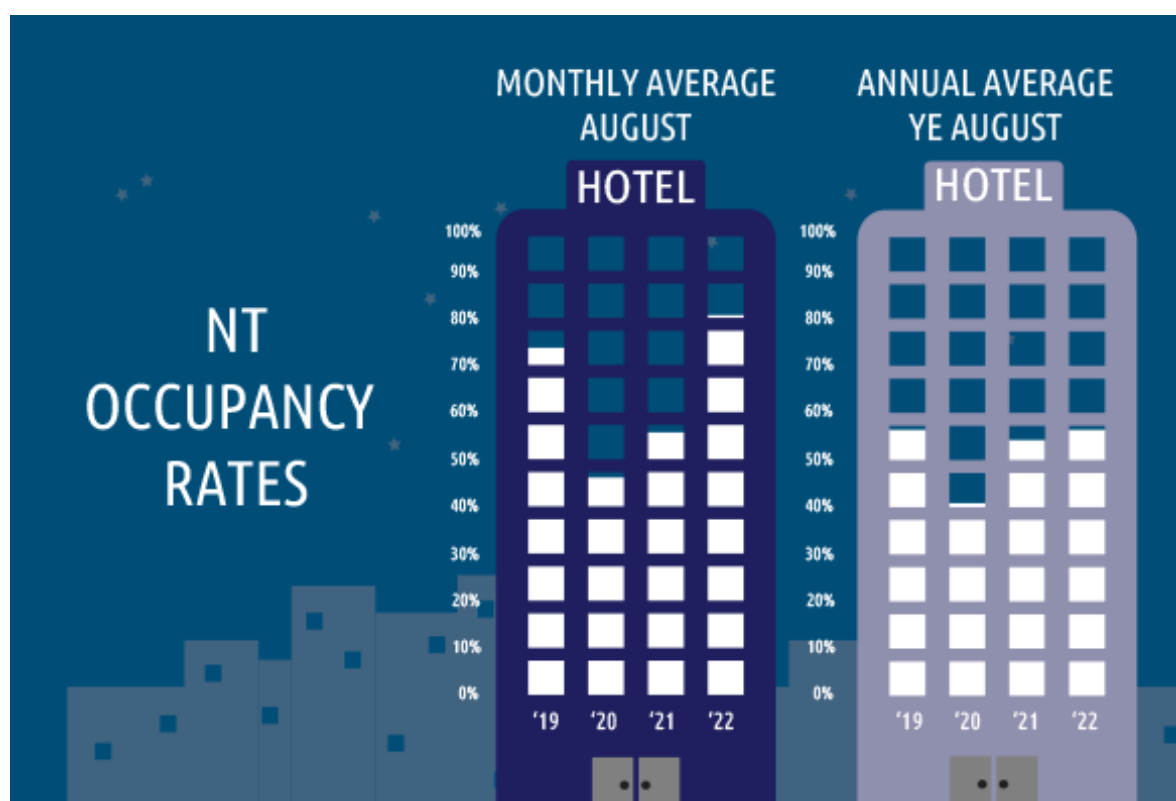
According to FORBES¹ international travellers were eagerly awaiting Australia's reopening, making Australia one of the best places to visit again. Further, with expected recovery of international students and visitors, Business Insider¹ notes short term rentals will be in high demand, benefitting short term and hotel accommodation as occupancy rises from the recent lows. The demand in short term accommodation is further projected to surge in capital cities as student arrivals coincide with the February to March intake of Australian institutions.

1. Property Report, Feb 28, 2022 <https://www.asiapropertyawards.com/en/demand-for-australias-short-term-rental-market-rise-as-borders-reopen/>

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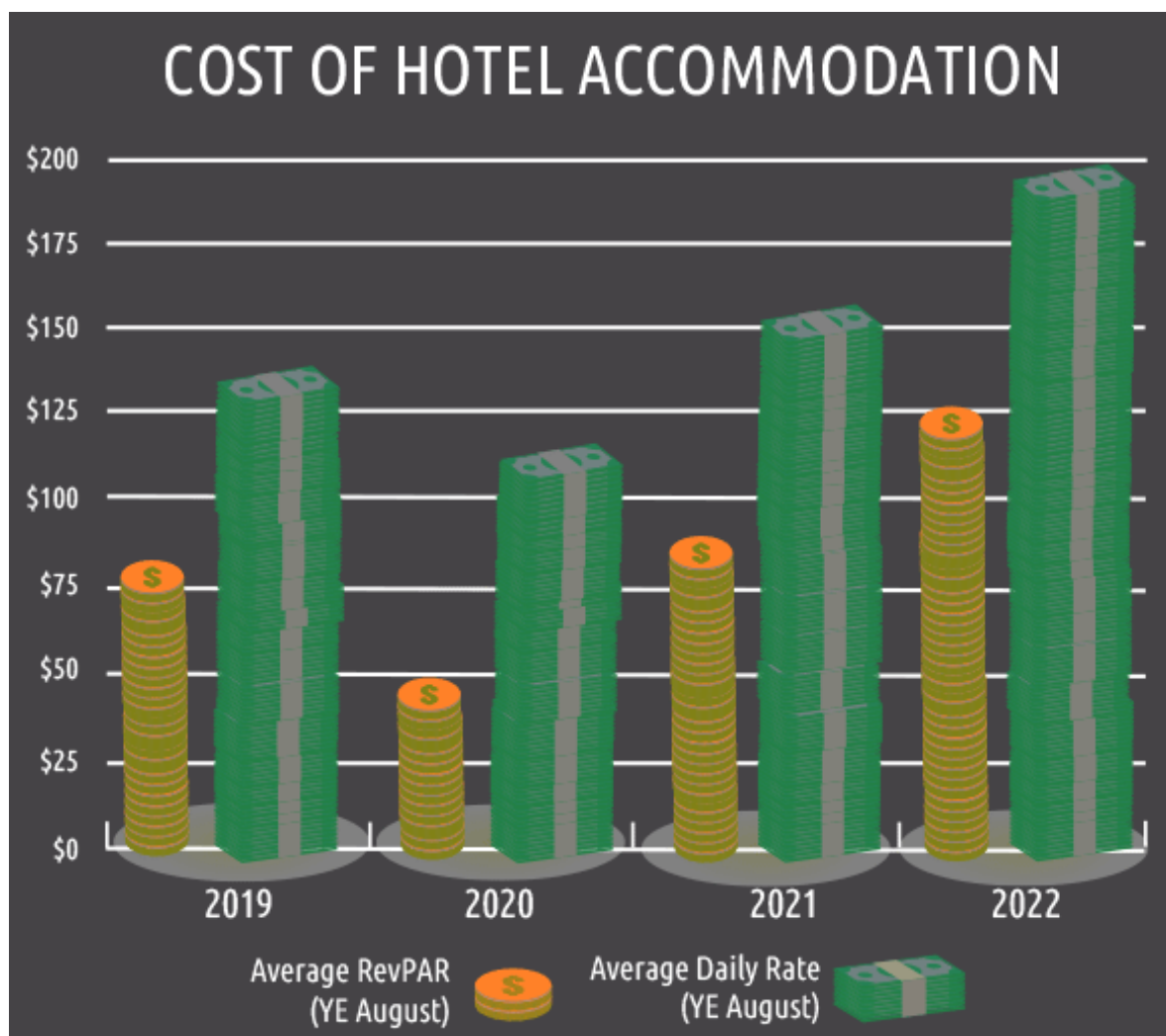
The average daily room rate for the hotel sector was high at \$286 (up +31% or \$67.90) and revenue per available room (RevPAR) was also high at \$232 (up +82% or \$104.70). These rates were similarly high for short term letting at \$281 and \$242 respectively. The hotel room stock in August 2022 is higher than in August 2021 (up 325 rooms), due to the addition of Capitanos, MOM Darwin YHA, Darwin FreeSpirit Resort, Darwin Resort, Hudson Parap, Discovery Parks Katherine and Mercure Alice Springs Resort to the data collection. Properties listed in short term letting across the NT rose +40% over the same period.



The year ending (YE) August 2022 results for the hotel sector show a small increase in the average annual occupancy rate, up +3.1pp to 59% compared to YE August 2021. The increase in occupancy was due to an increase in demand outpacing the increase in supply. Hotel demand increased by +13% to 1.91 million room nights for the YE August 2022 compared to YE August 2021, with supply only increasing +6.7% to 3.23 million room nights. Short term letting for YE August 2022 shows a slight increase in the average annual occupancy rate, up +1.6pp to 62% compared to YE August 2021, with demand and supply increasing +44% and +40% respectively.

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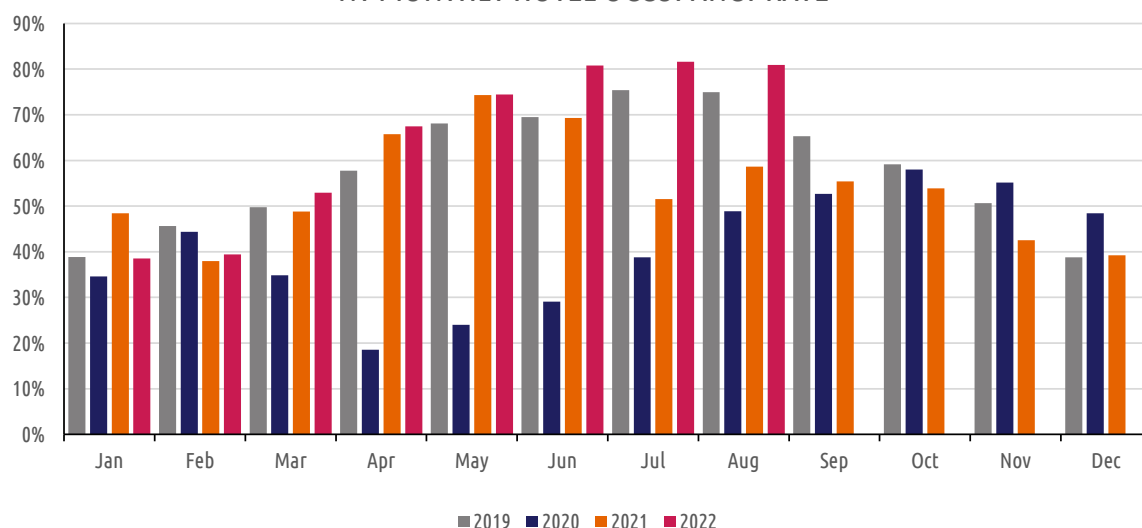


For the YE August 2022 the hotel sector daily rates increased by +28% or +\$43.30 to \$199 compared to YE August 2021. RevPAR was also higher, up +43% or +\$38.10 to \$127 over the same period. In the short term letting market there was an increase in daily rates, up +20% or +\$36.10 to \$220 and RevPAR up +26% or +\$29.00 to \$142 for YE August 2022. These rates were the highest since data collection commenced.

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NT MONTHLY HOTEL OCCUPANCY RATE



Trends show the hotel sector occupancy rate has seen improvements with the opening of international borders and easing of travel restrictions domestically.

The short term letting market in the Northern Territory has grown significantly over the past five years, with a 132% increase in the number of properties listed between August 2017 and August 2022, and a 36% growth since August 2019, demonstrating the increasing popularity of this style of accommodation letting among property owners and consumers.

A report by Insurance insight in 2020, noted the short term letting market in the form of AirBNB platform which was introduced to Australia in August 2012 had approximately 138,000 active AirBNB properties listings, welcoming five million guests within five years of launching.

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METHODOLOGY

The data in this report is sourced from STR and is collected from a sample of 41 hotels with 10 or more rooms in the NT. Data is collected daily and collated to represent the industry. This sample represents 40% of the establishments in the NT and 63% of the formal room supply. STR defines a property (hotel) on the basis of three exclusionary criteria:

- 10 or more rooms;
- open to the public (excludes properties requiring membership, affiliation or club status);
- generates nightly revenue.

The short term letting data is sourced from the AirDNA platform. AirDNA collects data for 919 listed properties on both Airbnb and Vrbo in the Northern Territory. Data from Airbnb and Vrbo is scraped daily and combined with data provided by partnered short term letting properties to provide a diversified data source and ensure an accurate representation of the short term letting market.

The research section collects detailed data on the accommodation metrics including demand, daily rates and RevPAR historical series for Darwin, Alice Springs and the Northern Territory.

This information is available on request. Email: Research.Tourismnt@nt.gov.au

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