Northern Territory Monthly Accommodation Report August 2023

When compared to August 2022, the national occupancy rate in August 2023 for the hotel sector increased by +4.9 percentage points (pp) to 71%. There were mixed results in occupancy rates across the states and territories. Five states experienced an increase, with New South Wales up +10pp to 74%, Victoria up +6.8pp to 64%, Western Australia up +3.9% to 72%, Queensland up +2.6pp to 74% and South Australia up +0.7% to 67%. Decreases were experienced for all other states and territories, with the Australian Capital Territory having the smallest decrease (down -4.2pp to 65%), followed by Tasmania (down -6.6% to 56%) and the Northern Territory (down -8.1pp to 72%). The occupancy rate for the NT at 72% was higher than the national average of 71% for August 2023.

	OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND ROOM NIGHTS	SUPPLY ROOM NIGHTS	PROPERTIES
HOTEL STYLE ACCOMMODATION	72% -7.7pp	$275 -3.5%	$198 -13%	212,000 -7.3%	293,000 +2.7%	107 +0.9%

	LISTING OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND LISTING NIGHTS	SUPPLY LISTING NIGHTS	AVAILABLE LISTED PROPERTIES
SHORT TERM LETTING ACCOMMODATION	70% -12pp	$232 -17%	$162 -29%	20,000 +14%	29,000 +34%	1,246 +37%

Percentage changes reflect data from August 2023 compared to August 2022

Accommodation indicators for the NT for the month of August 2023 were mixed for both the hotel sector and the short term letting sector. The hotel room occupancy rate in the NT for August 2023 decreased (down -7.7pp to 72%), while the listing occupancy rate in the short term letting market was also down -12pp to 70%. The demand for room nights across the NT decreased for the hotel market, down -7.3% to 212,000 room nights. For the short term letting sector, demand rose +14% to 20,000 listing nights. The hotel sector's room night supply in August 2023 increased compared to August 2022, up +2.7% to 293,000 room nights across 107 properties. Similarly, the short term letting market witnessed an increase in supply, which shifted up +34% to 29,000 listing nights. The number of available listed properties for short term letting was up +37% to 1,246 over the same period.

The average daily room rate for short term letting decreased by -17% (or -$48.40) to $232 and revenue per available room (RevPAR) also dropped by -29% (or -$67.30) to $162 in August 2023 compared to the same month in 2022. Similarly, the hotel sector's average daily room rate was down -3.5% (or -$9.80) to $275 and the RevPAR was down -13% (or -$29.10) to $198.

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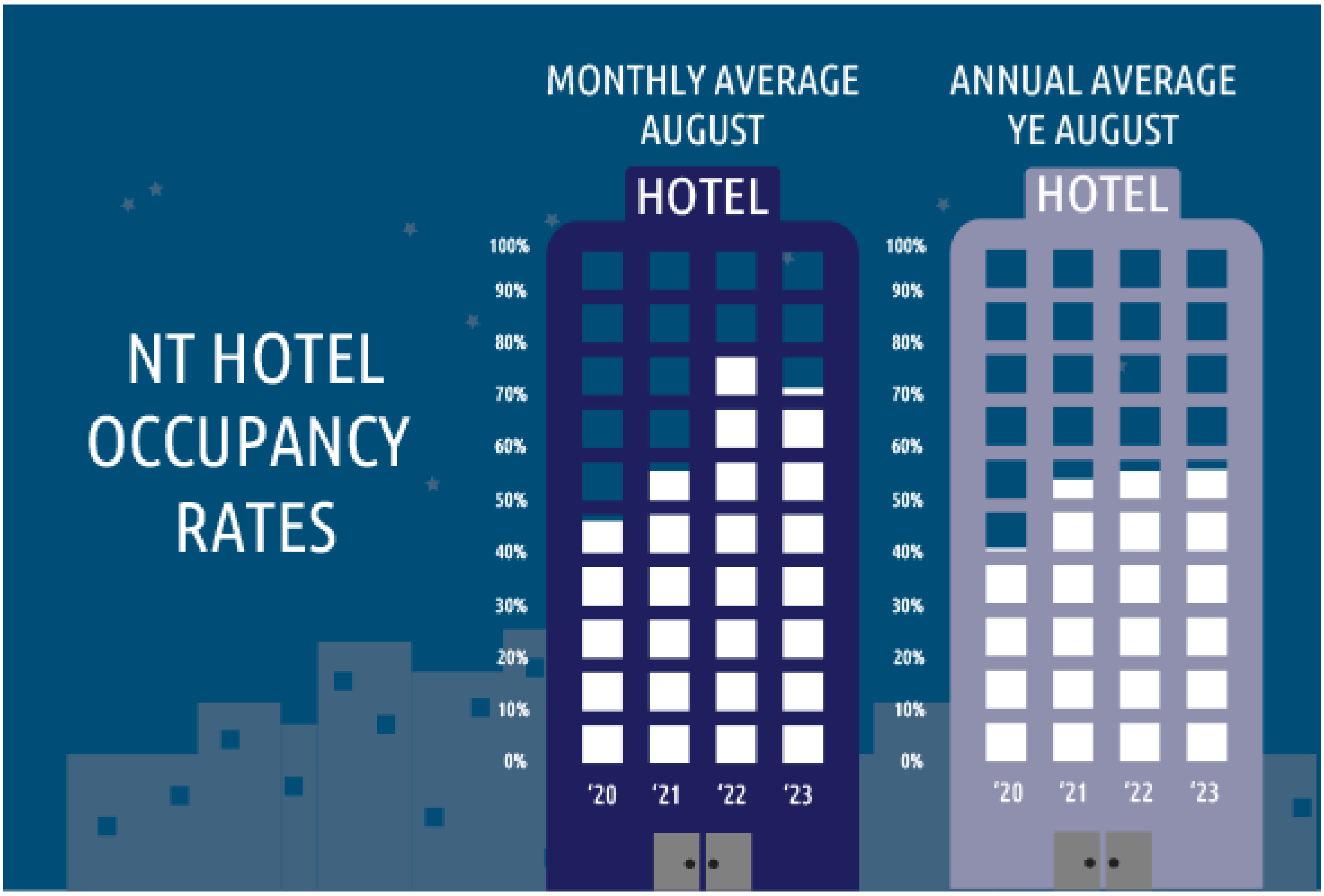

The year ending (YE) August 2023 result for occupancy rate went up slightly for hotels by +0.5pp to 58%, compared to the same period in 2022. The listing occupancy rate for the short term letting sector was lower at 56% (down -5.3pp) over the same period. Demand for the hotel sector increased (up +3.0% to 1.97 million room nights), with supply also experiencing an increase (up 4.1% to 3.38 million room nights). Demand for short term letting over the same period was also up +27% to 13,000 listing nights while supply increased +41% to 21,000 listing nights.

The short term letting market in the Northern Territory continues to expand with a 128% growth in available listed properties since August 2020, demonstrating the increasing popularity of this style of accommodation letting among property owners and consumers. The number of properties has grown from 546 in August 2020 to 1,246 in August 2023.

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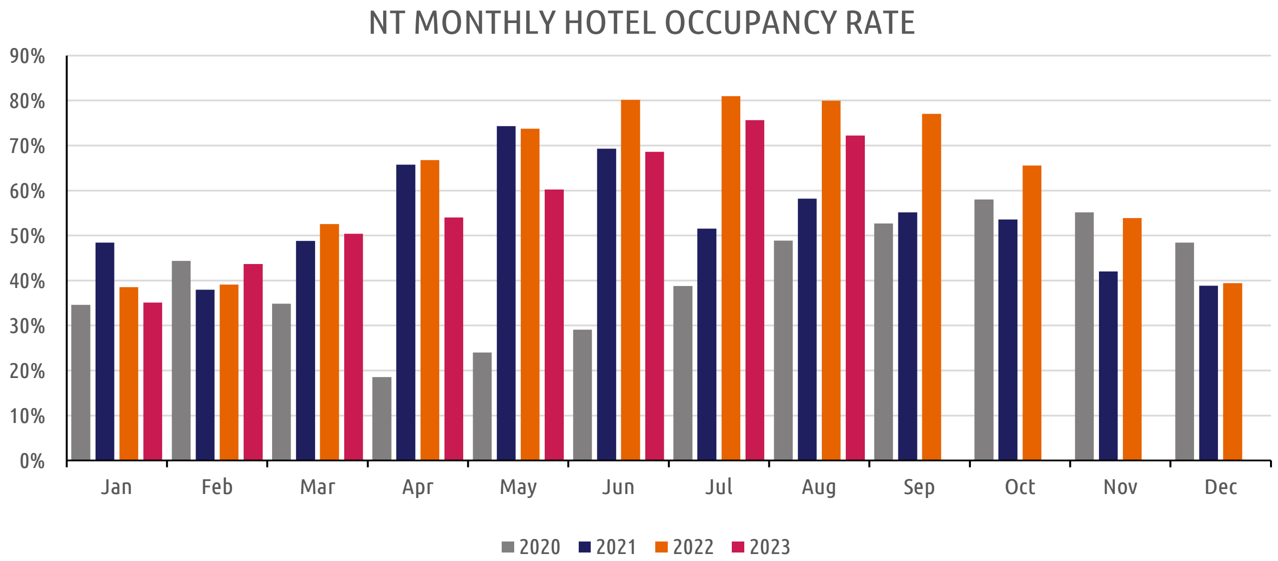
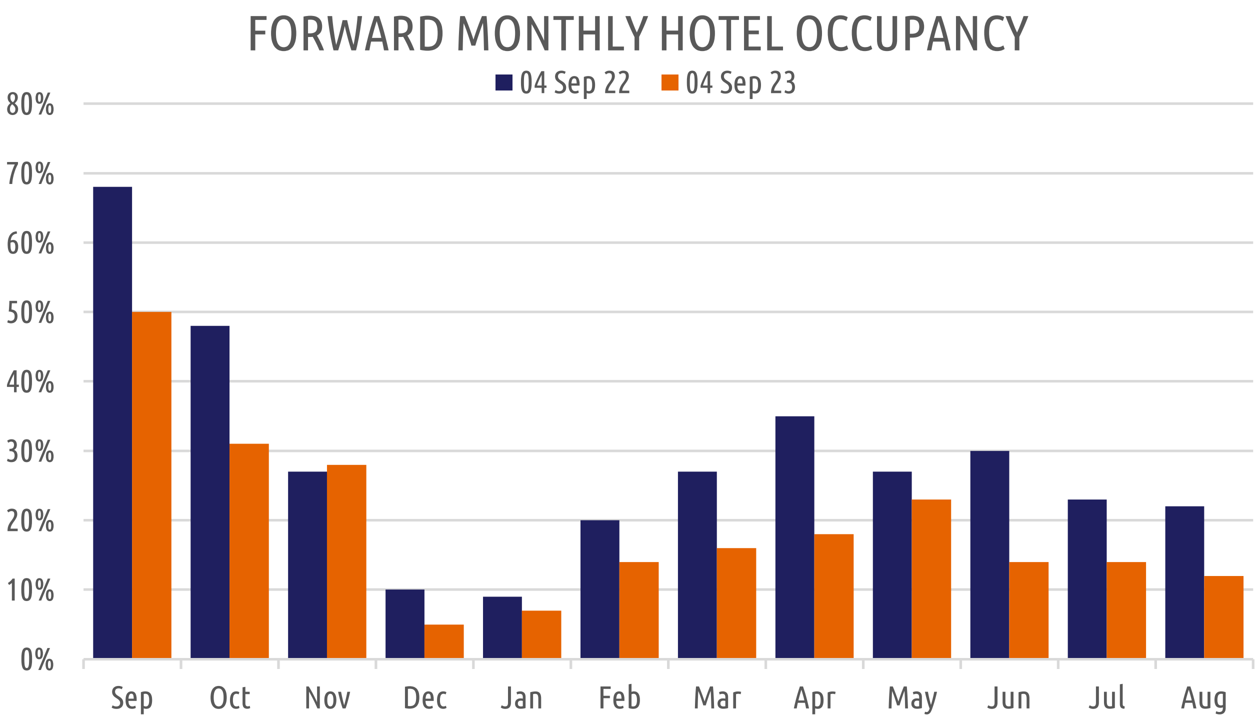
For the YE August 2023, the hotel average daily rate increased by +13% to $223 when compared to the YE August 2022. RevPAR was also higher, up +7.6% to $135 over the same period. Conversely, there were decreases in the average daily rate and RevPAR for the short term letting market, down -7.8% to $203 and down -17% to $117 for the YE August 2023 respectively.

Northern Territory Monthly Accommodation Report August 2023



The hotel sector occupancy rate in August 2023 was higher than in August 2020 and 2021, however, lower than in August 2022.



Forward occupancy measures are slower than at the same period last year. Anecdotally booking lead times are shortening and bookings are also being impacted by increasing average room rates, rising costs of living pressures and increasing competition for discretionary spend from within and outside of the travel category.

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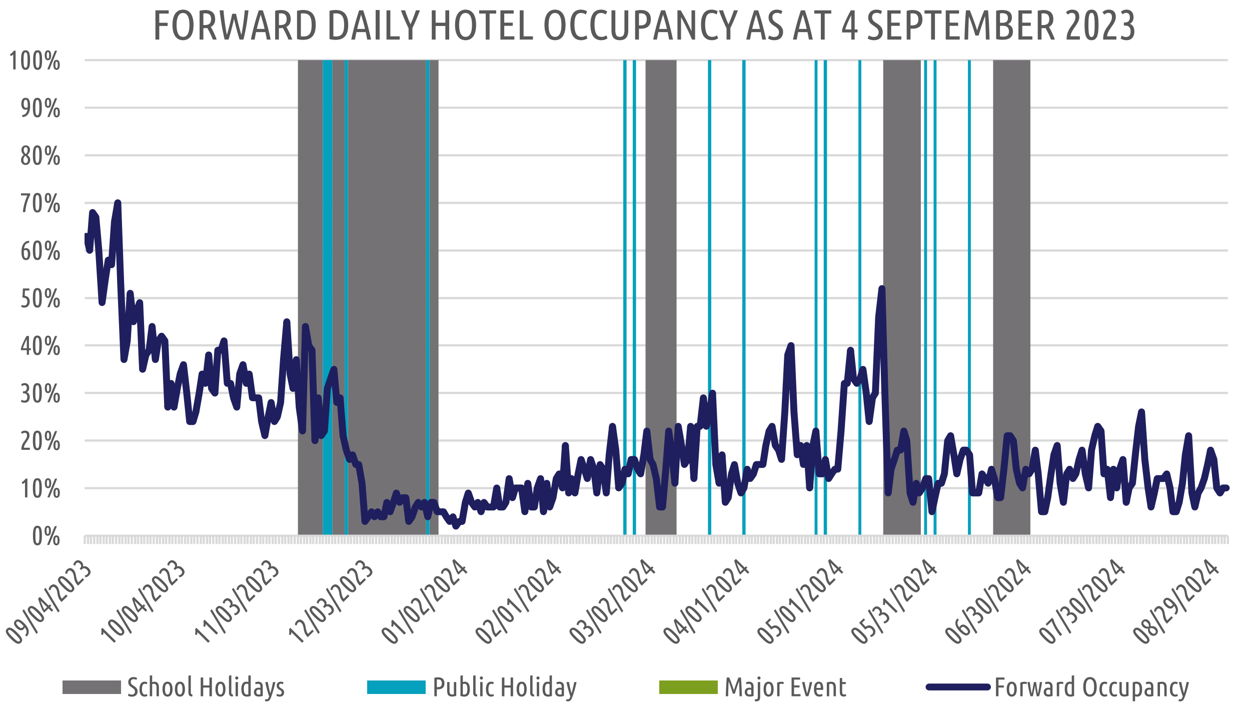

Looking ahead, there is significant capacity available right through the coming year.

METHODOLOGY

The data in this report is sourced from STR and is collected from a sample of 46 hotels with 10 or more rooms in the NT*. Data is collected daily and collated to represent the industry. This sample represents 43% of the establishments in the NT and 66% 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 1,246 listed properties on either 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.

Tourism NT's research team 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

**From February 2023, STR included Darwin Esplanade Central to its inventory, which has less than 10 rooms. This is due to the existing Mantra Esplanade property now running as two properties, including Darwin Esplanade Central under the management of Central Apartment Group.*