

Northern Territory Monthly Accommodation Report

October 2023

When compared to October 2022, the Northern Territory (NT) occupancy rate in October 2023 for the hotel sector decreased by -8.1 percentage points (pp) to 57%. The NT occupancy rate was lower than the national average of 73% for October 2023, which held relatively steady compared to the same period last year. The occupancy rates across the states and territories were varied over the same period. Four states experienced an increase, with Western Australia up +6.0pp to 80%, New South Wales up +2.9% to 74%, Victoria up +1.2pp to 70%, and South Australia slightly higher +0.7pp to 75%. Decreases were experienced for all other states and territories, with Tasmania down -1.2pp to 73%, Queensland down -2.0pp to 72%, followed by the Northern Territory (down -8.1pp to 57%) and the Australian Capital Territory (down -8.6pp to 70%).

	OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND ROOM NIGHTS	SUPPLY ROOM NIGHTS	PROPERTIES
HOTEL STYLE ACCOMMODATION	 57% -8.1pp	 \$203 -9.0%	 \$116 -20%	 168,000 -10%	 293,000 +2.6%	 107 +0.9%
SHORT TERM LETTING ACCOMMODATION	 53% -3.1pp	 \$175 -13%	 \$92 -18%	 13,000 +17%	 25,000 +24%	 1,186 +28%

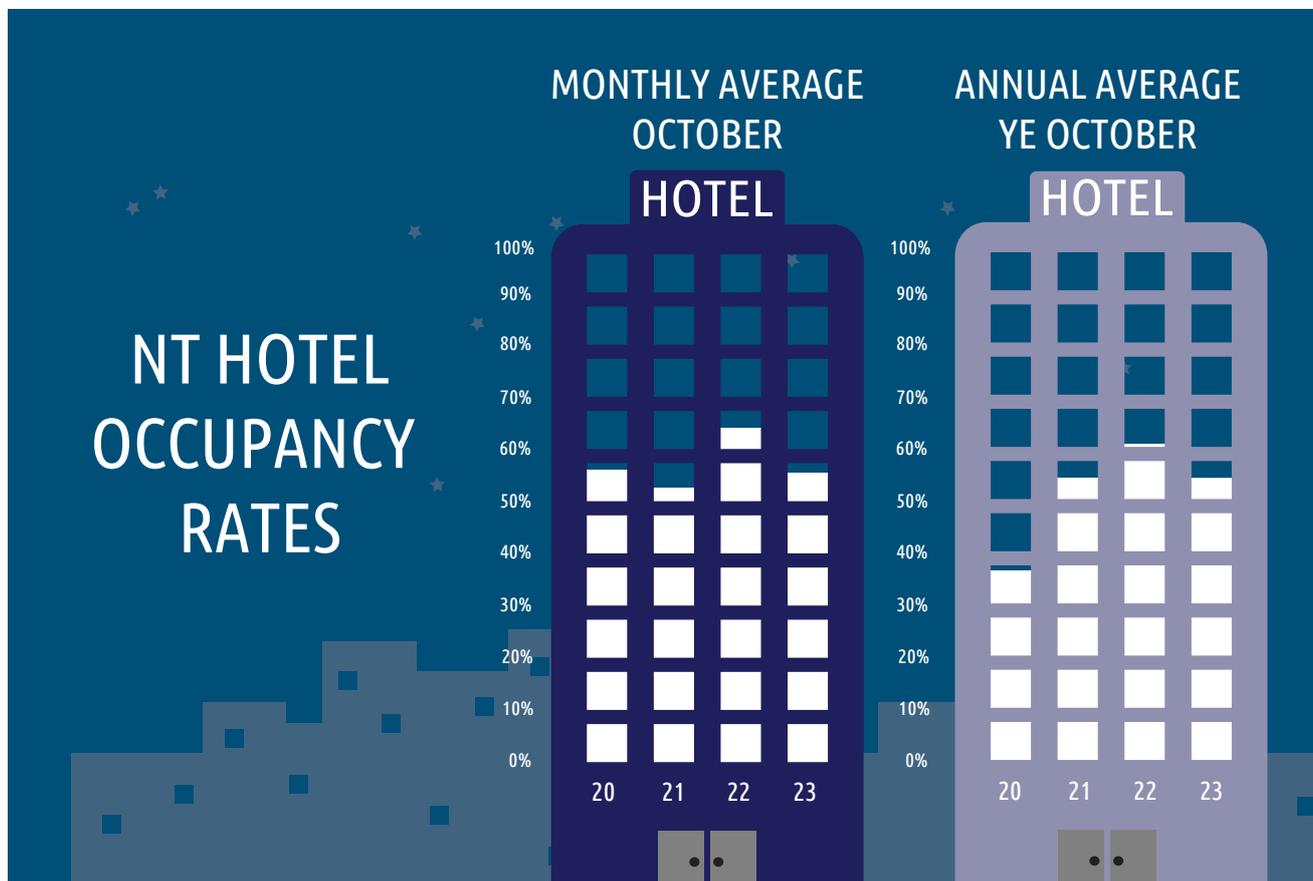
Percentage changes reflect data from October 2023 compared to October 2022

Indicators for the NT hotel and the short term letting sector were weak for the month of October 2023 compared to the previous year, on the back of soft demand and greater supply. Supply was higher in both markets, increasing +2.6% for the hotel sector to 293,000 room nights across 107 properties, and up +24% to 25,000 listing nights for short term letting. The number of available listed properties for short term letting was up +28% to 1,186 over the same period. The demand for room nights across the NT decreased for the hotel sector, down -10% to 168,000 room nights. For the short term letting sector, demand rose +17% to 13,000 listing nights.

The hotel room occupancy rate in the NT for October 2023 decreased (down -8.1pp to 57%), while the listing occupancy rate in the short term letting market was down -3.1pp to 53%. The average daily room rate for the hotel sector was down -9.0% (or -\$19.90) to \$203. Meanwhile, the rise in short term letting supply possibly also contributed to a decline in average daily rate compared to the same period last year, down -13% (or -\$25.30) to \$175. Revenue per available room (RevPAR) figures were lower for both, down -18% (or -\$19.60) to \$92 for the short term letting sector and the hotel sector at \$116 was down -20% (or -\$29.50) over the same period.

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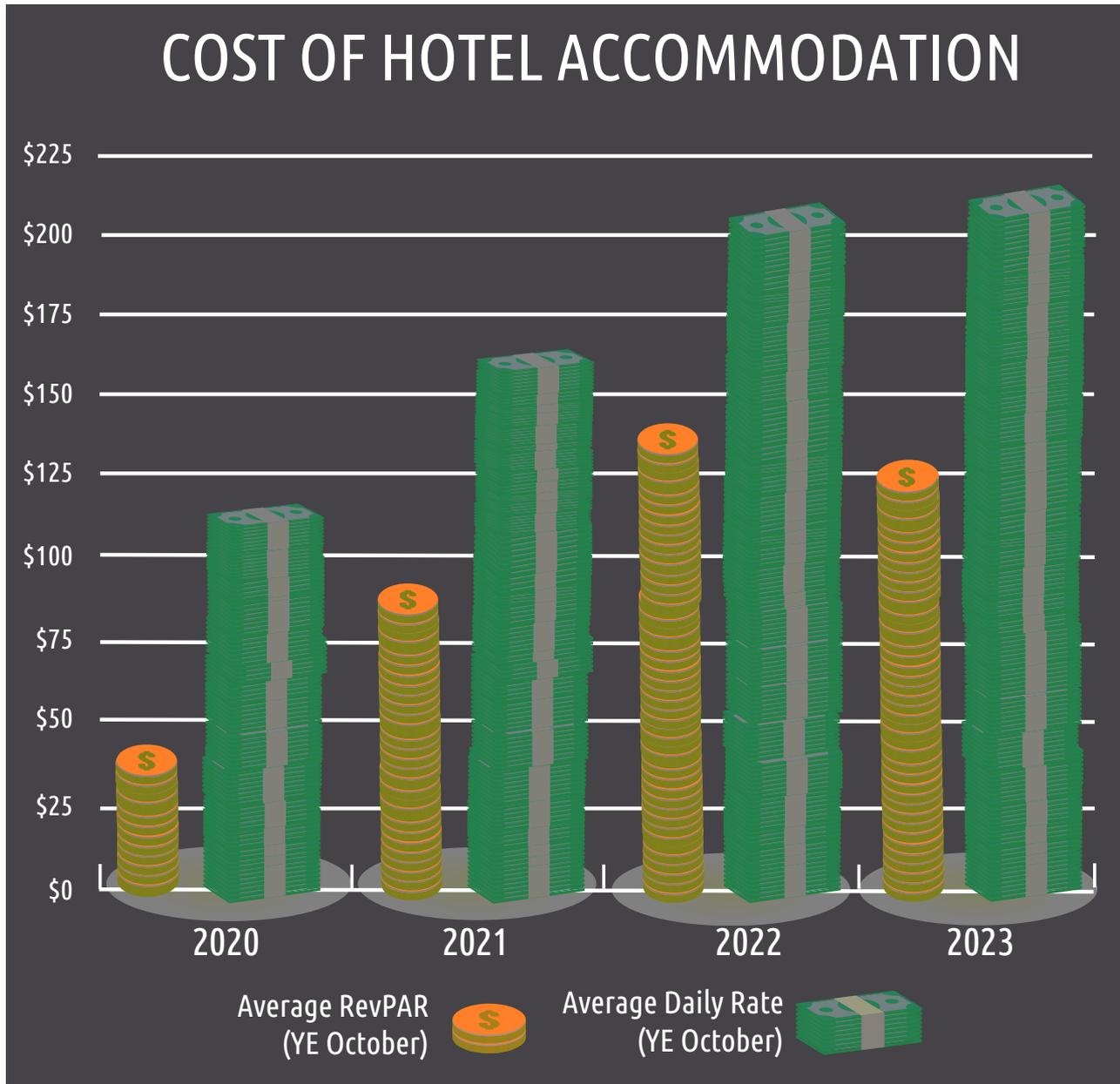
October 2023



The year ending (YE) October 2023 result for occupancy rate went down for hotels by -5.0pp to 56%, compared to the same period in 2022. This was due to an increase in supply, up 3.7% (to 3.40 million room nights), combined with a decrease in demand (down -4.9% to 1.92 million room nights) over the same period. The yearly listing occupancy rate for the short term letting sector was lower at 55% (down -6.8pp). Demand for short term letting over the same period was up +20% to 13,000 listing nights while supply increased +37% to 22,000 listing nights.

The short term letting market in the Northern Territory continues to expand with a 157% growth in available listed properties since October 2020, demonstrating the increasing popularity of this style of accommodation letting among property owners and consumers. The number of properties has grown from 462 in October 2020 to 1,186 in October 2023.

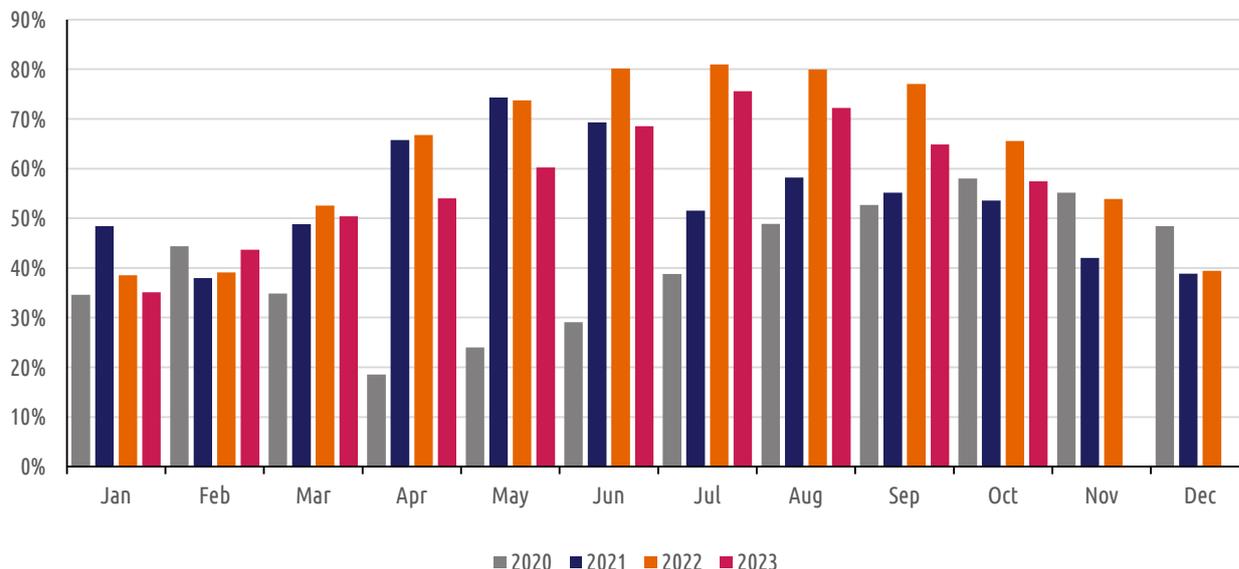
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For the YE October 2023, the hotel average daily rate for increased by +4.6% to \$220 when compared to the YE October 2022. RevPAR was lower, down -7.8% to \$128 over the same period. For the short term letting market there were decreases in the average daily rate and RevPAR, down -11% to \$197 and down -22% to \$111 for the YE October 2023 respectively.

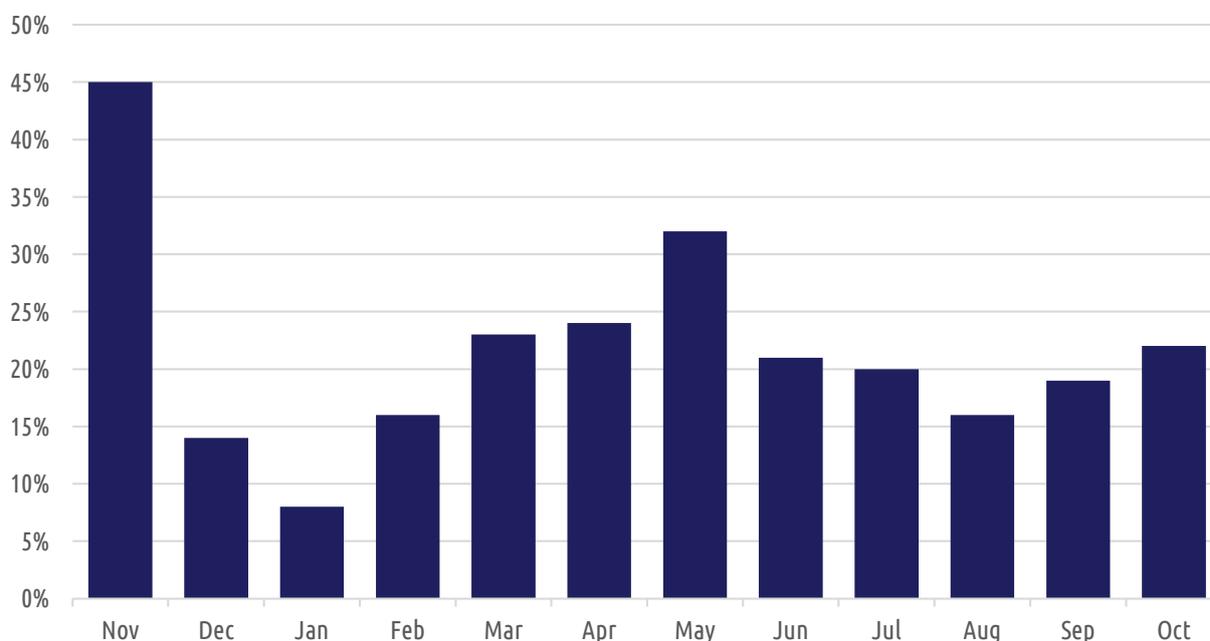
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NT MONTHLY HOTEL OCCUPANCY RATE



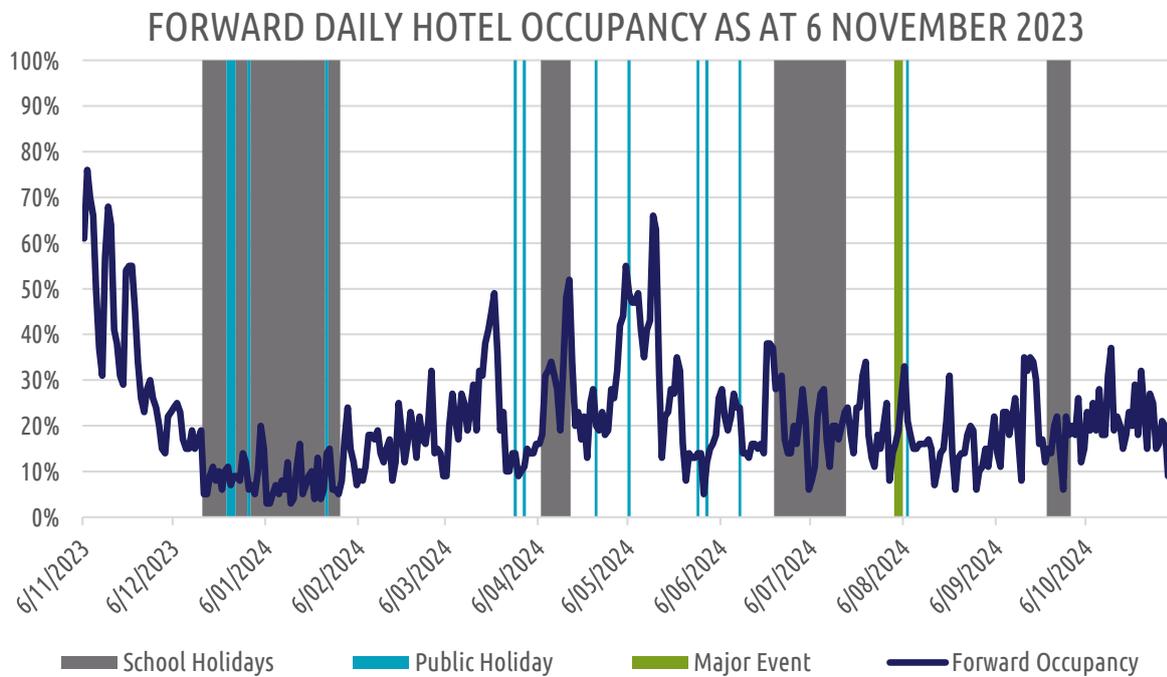
The hotel sector occupancy rate in October 2023 was higher than in October 2021 however lower than in October 2020 and 2022.

FORWARD MONTHLY HOTEL OCCUPANCY AS AT 6 NOVEMBER 2023



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.

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METHODOLOGY

The data in this report is sourced from STR and is collected from a sample of 45 hotels with 10 or more rooms in the NT. Data is collected daily and collated to represent the industry. This sample represents 42% 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 1,186 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

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