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Gold Coast Accommodation Capital Expenditure Survey 2020

Summary Report

CITY OF
GOLD COAST.





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01. Gold Coast Tourism Overview

For the full year to December 2019, the Gold Coast received a record 14.2 million total visitors with 13.1 million domestic visitors and 1.1 million international visitors. A total of \$5.9 billion was spent, with \$4.6 billion spent by domestic visitors and \$1.3 billion spent by international visitors. The Gold Coast received 26.3 million visitor nights and 1 in 6 jobs were either directly or indirectly resulting from tourism.

The global hotel and tourism sectors have been one of the most impacted by social distancing measures, forced shutdowns and international and state border closures introduced by governments across the world in response to COVID-19. The impacts have been widespread and indiscriminate across borders, cities and visitor segments.

The impact of COVID-19 on the Gold Coast tourism economy during 2020 has been immediate and overwhelming. Starting with the complete shutdown in Chinese visitation, through to the lockdown period and closure of state borders, the quarterly impact of the pandemic on visitor figures is very clear. Data for the financial year encapsulates Australia's ban on non-essential travel (23 March 2020), closure of Queensland's borders and interstate travel ban (3 April 2020), permitted daytrips from 2 May 2020 and intrastate overnight travel from 1 June 2020.

For the 12 months to September 2020, the Gold Coast experienced a decrease of 32% of total visitors (international, domestic overnight, daytrip) to the Gold Coast, whilst visitor nights were down 49%. During the same period, visitor expenditure dropped 37% (from \$5.64 billion to \$3.57 billion).



02. Gold Coast Tourism Accommodation Overview

The Gold Coast's traditional accommodation sector remains a key driver for the tourism industry, which includes approximately 450 providers and over 21,000 rooms. The traditional accommodation sector (not including the sharing economy) is worth close to \$475 million and 1.3% of Gross Regional Product (GRP).

The Gold Coast experienced a major boost to infrastructure and public transport in the lead up to the Commonwealth Games in 2018 with an estimated \$2.5 billion invested. Expansion of the Gold Coast Airport is still underway with and is anticipated to be completed in 2021. Gold Coast Airport forecasts estimate the Airport will process double the existing 6.6 million passengers by 2037.

The Gold Coast accommodation market performed strongly in the lead up to the 2018 Commonwealth Games and reached its pinnacle in April 2018. 2019 saw a correction against the peak, and reverted to historical occupancy levels, as Revenue per Available Room (RevPAR) declined 5.8% to \$137, occupancy declined 3.3% to 69% and Average Daily Rate (ADR) declined by 2.6% to \$197.

While no new supply was added to the market in 2019, approximately 1,700 rooms were due to or have entered the market in 2020/21, including Rydges Gold Coast Airport, Meriton Suites, Quest Robina and the proposed expansion of The Star Gold Coast casino to include the Dorsett Gold Coast & Star Residences, The Jewel's Langham Hotel and Residences, and Imperial Square and Regal Residences in Southport. On the back of this supply pipeline and strong investment, it was unlikely that this growth would have continued, despite the significant impact of COVID-19.

3.3%

Decline in occupancy rate (2019)

2.6%

Decline in Average Daily Rate (ADR, 2019)

5.8%

Decline in Revenue Per Available Room (RevPar, 2019)

The Gold Coast is Australia's premier leisure market, with almost a quarter of visitor nights in hotels sourced from China. The impact of COVID-19 was immediate, international visitation to the Gold Coast effectively ceased as of March 2020. As a result, international visitor numbers for the 12 months to September were down 55% to 476,200 visitors (a loss of 576,700 visitors).

With limited opportunities to source replacement business through other market segments such as corporate and events, domestic drive tourism, or alternative international markets, when compared to Sydney and Melbourne, the Gold Coast will rely on increased intrastate and interstate domestic visitation until international borders reopen in earnest.

03. Gold Coast Accommodation Market Outlook

2019 saw an easing in trading results across many different accommodation markets. While each of Australia's major accommodation markets has its own specific challenges some consistent elements impacting trade across the country have been:

- Increasing room supply;
- The Royal Commission impact on travel in the finance sector; and
- Slowing of inbound arrival numbers.

While 2019's domestic impacts are now behind us, 2020 has been characterised by even greater challenges, commencing with a summer of bushfires, and culminating in domestic and global travel restrictions due to COVID-19.

Unfortunately, these global demand shocks will coincide with the peak of the supply cycle in Australia, most pronounced in Melbourne and Perth. Against a backdrop of weakening demand, new market entrants are applying additional downward pressure to existing stock as they seek to gain market share.

Colliers anticipates more owners of established properties to use the slump in occupancy to commence renovation cycles. The consideration that these investors will need to consider is whether new supply effects them directly or indirectly and therefore what degree of renovation they should undertake in response. A defensive refurbishment seeks to stop the decline and enables the property to hold its current position, while an offensive refurbishment aims to bring the hotel to a new standard that enables it to grow profitability into the future.

Understanding the likely cashflows resulting from each style of renovation and overlaying this across the differential capital costs is therefore key to helping frame the best solution for the property.

While the outlook for the industry is challenged moving into 2021, approved COVID-19 vaccines are now in production providing some renewed optimism for demand recovery over the short term. An uneven foundation may also, in turn, be the saving grace for the decade to come as more marginal accommodation projects are shelved and the national tourism focus turns to COVID-19 recovery efforts.



JW Marriott Gold Coast Resort & Spa, refurbished in 2020

04. About this Report

The Office of Innovation & Economy within the Economy, Planning and Environment Directorate of the City of Gold Coast commissioned National Media Group to undertake a survey of accommodation providers to better understand the investment intent of operators across the tourist accommodation sector on the Gold Coast.

Colliers was commissioned to review the survey findings, provide further insights on the hotel and accommodation market, and provide recommendations to inform the City of Gold Coast's Tourism Implementation Plan.

Occupancy levels for 4 and 5-star accommodation on the Gold Coast, prior to COVID-19 and over the past five years, has been at around 71% and 76% respectively. This is below the average occupancy rates of the core markets of Sydney and Melbourne which have sat at around 80%. The Gold Coast's ADR on the other hand, has remained consistently strong at closing the 2020 financial year (FY) at \$199, comparable to that achieved in Sydney and Melbourne. This represented ADR growth of 1.4% over the 2020FY. This was coupled with a 20.5% fall in occupancy and 19.5% decline in RevPAR over the year to June. This highlights the Gold Coast's role as Australia's core leisure market with seasonal demand variability impacting occupancy rates whilst maintaining significant ADR.

With COVID-19 bringing unprecedented uncertainty to the accommodation industry, cash flows across all hotels and hospitality businesses have been under extreme pressure as revenue has been significantly reduced or eliminated entirely.

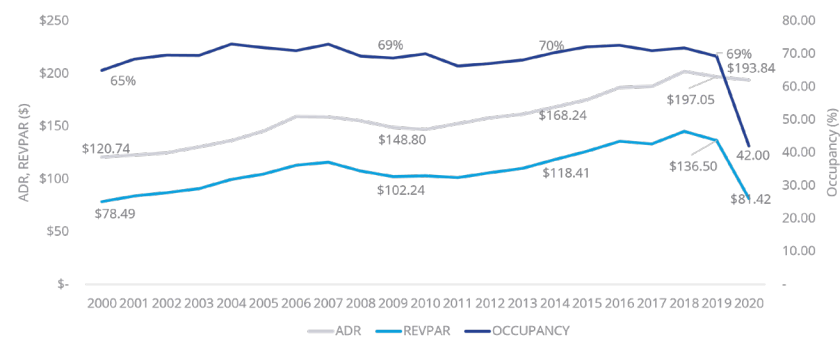
Businesses have attempted to modify their operations to cope with the restriction measures or closed entirely, which has resulted in significant cost cutting and reduced staffing levels. In most cases, accommodation providers

financial position has resulted in investment plans being put on hold, however, lower occupancy rates present an opportunity to undertake refurbishments at a time that would not significantly impact revenue or occupancy under usual trading conditions.

With this in mind, the City of Gold Coast is interested in understanding and identifying the importance and timing of potential refurbishments accommodation providers may be considering during COVID-19, including potential investment in technology solutions.

The insights and recommendations from this report will inform the City's new Tourism Implementation Plan to enhance the economic benefits to the region facilitated through supply upgrades and expanding other capabilities to be more encompassing within the sector.

**20 Year Occupancy, ADR and RevPAR Performance
(year ending December)**



Source: STR

05. Methodology

The National Media Group survey represents accommodation provider expectations regarding planned capital expenditure in refurbishment and renovations of existing accommodation over the medium term (between 0-5 years). The results are presented in the following sections of this report.

The survey participants were identified by the City and National Media Group, culminating in 445 accommodation providers being contacted and validated.

The survey was curated in consultation with the City of Gold Coast and then distributed via email by the National Media Group to a closed-user group of 567 contacts, representing 445 properties on the 27th August 2020.

COVID-19 was declared a global pandemic on the 11 March 2020. 7 months later when accommodation properties would most likely have a better understanding of their operational and financial position, the City commissioned this survey to be conducted (September 2020). The importance for the Office of Innovation & Economy was to identify capital expenditure priorities in a time of crisis.

233 qualified participant responses were received with 26% of those submitted, partially completing the survey. For clarity, each of the survey participant responses to an individual question have been included in the findings of this survey, regardless of whether the survey was incomplete.

233 qualified participant responses were received.



Komune Resort & Beach Club Coolangatta, refurbished in 2020

Ten survey questions were asked to validate the participant and establish investment intent of each respondent, including:

Question One

Are you responsible for managing or operating one or more accommodation properties on the Gold Coast?

Question Two

Which category best describes your accommodation business?

Question Three

How important are each of the following areas to staying competitive in the Australian Accommodation Industry?

- Renovation/Refurbishment
- Technology
- Marketing
- Sustainability
- Staff Training/Development
- F&B Products

Question Four

Approximately what is your allocated budget for the following investment expenditure for Renovation / Refurbishment and Technology? (Answer each separately)

- Under \$25,000
- \$25,000 - \$100,000
- \$100,000 - \$250,000
- \$250,000 - \$500,000
- \$500,000 - \$1 million
- Over \$5 million

Question Five

Are you planning a Renovation / Refurbishment at your property?

Question Six

In which of the following Renovation / Refurbishment categories is there likely to be investment? (Select all that apply and indicate timescale)

- Less than 2 years
- 2 to 4 years
- More than 4 years
- No plans to renovate
- Don't know

Question Seven

Which of the following technology solutions are you likely to see investment in? (Select all that apply and indicate timescale)

- Digital marketing, website and payment solutions
- Revenue management system / Analytics software
- Reputation management system / CRM system
- Guest check in technology
- Guest interaction technology

Question Eight

What are the biggest challenges to implementing hotel technologies? (Select up to 3 responses)

- Required staff training
- Technology complexity
- Upfront and/or ongoing costs
- Lack of technology integration
- Security and privacy
- Lack of vendor support
- Other

Question Nine

Where are you currently sourcing products and supplies from?

Question Ten

Are you open to sourcing products and supplies locally?

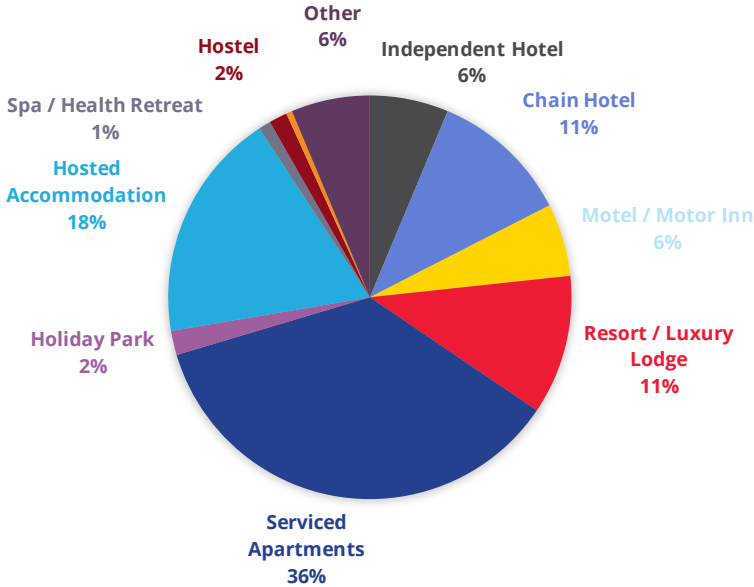
06. About the Respondents

Respondents to National Media’s Gold Coast Accommodation Capital Expenditure Survey represented key decision makers including Owners, Owner Representatives, General Managers and Senior Management.

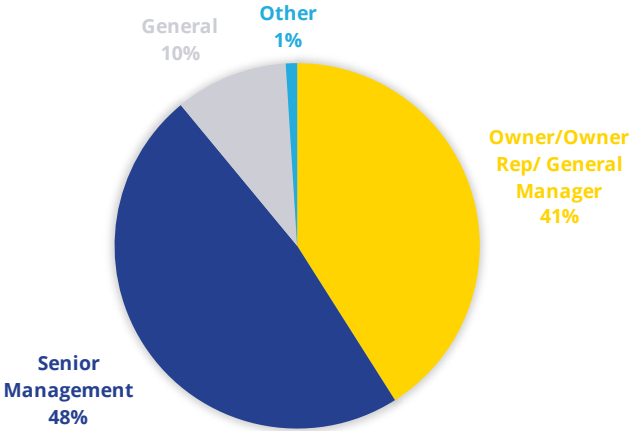
A broad range of accommodation providers were surveyed with Serviced Apartments and Hosted Accommodation representing over half of the respondents, and Chain Hotels and Resort/Luxury Lodge representing almost a quarter.

The majority of respondents were located in Gold Coast’s core tourism precinct of Surfers Paradise, Broadbeach and Main Beach, followed by the Northern Beaches (Mermaid Beach to Burleigh Heads) and Southern Beaches (Palm Beach to Coolangatta).

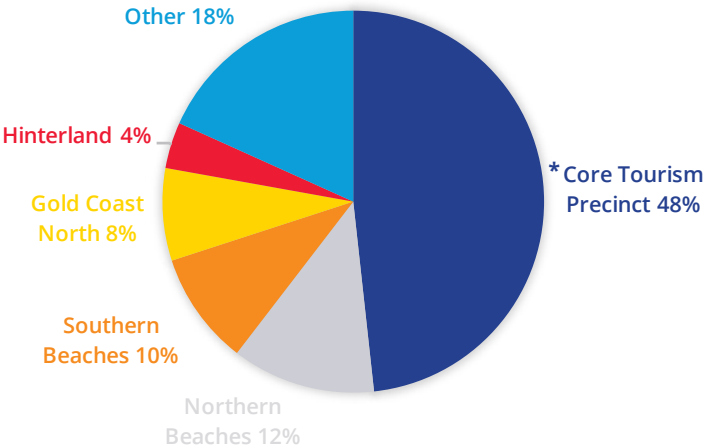
Accommodation Type



Respondent Roles



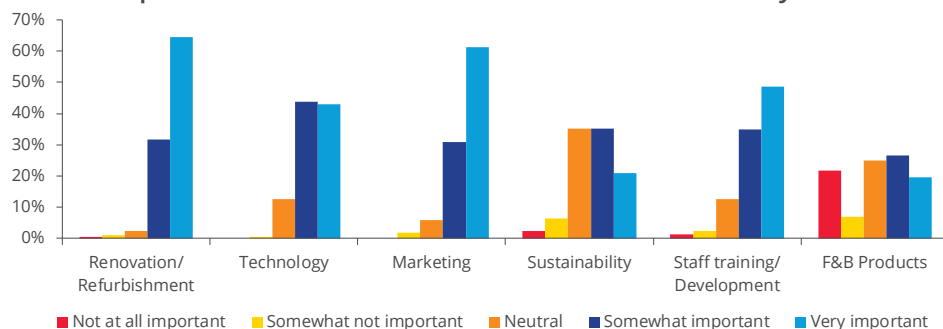
Respondent Locations



* Core tourism precincts include: Surfers Paradise, Broadbeach and Main Beach, followed by the Northern Beaches (Mermaid Beach to Burleigh Heads) and Southern Beaches (Palm Beach to Coolangatta).

07. Staying Competitive

How important are each of the following areas to staying competitive in the Australian Accommodation Industry?



Property renovation and refurbishment identified as the most important factor for accommodation providers to remain competitive, with 96% of respondents identifying it as important or somewhat important. Almost all property types ranked this most highly, with the exception of Motel/Motor Inn. All respondents from 4 and 5 star properties see property renovation and refurbishment as somewhat or very important.

Marketing was regarded the second most important factor to remaining competitive with 92% of respondents identifying it as somewhat or very important.

With marketing being a key component to driving reservations, this is understandably high on the agenda, for example having an easy to use, attractive website, remarketing and social media strategies in place.

96% of respondents identify Renovation / Refurbishment as somewhat or very important.

However, accommodation providers need to be aware that their business mix is likely to change over the short to medium term. While it is expected leisure travel will be the first to start booking again, varying levels of impact and regulations across geographies, hotels' traditional 'feeder' markets might change, resulting in a need to shift marketing focus to different regions.

Technology investment was also ranked highly by respondents, with 86% responding positively to technology investment as a key factor to remaining competitive. The respondents identified implementation and maintenance costs as being the primary challenge to technological investment.

Staff Training/Development was identified by 83% of respondents as somewhat or very important in maintaining or enhancing competitiveness. 56% of respondents identified Sustainability initiatives as somewhat or very important. To date the Gold Coast accommodation sector has not tackled sustainability in any meaningful way, with a depth of ageing room stock which is costly to upgrade. While the impacts of COVID-19 are prevalent, Sustainability initiatives are likely to be less of a priority than under normal operating conditions, until cashflow and revenues stabilise and mooted government regulations are introduced.

92% of respondents identified Marketing as somewhat or very important.

Food & Beverage offerings were identified as the least important factor for remaining competitive with less than half of the respondents identifying it as somewhat or very important. Indeed, not all accommodation providers offer food and beverage services, and while they can assist in attracting customers, they are not a primary contributor to revenue for most accommodation types, or highly ranked amongst customer accommodation needs.

Insights by Accommodation Type

Serviced Apartments	Marketing (67%) being most important for serviced apartments, followed by Renovation / Refurbishment (64%).
Hosted Accommodation	Renovation / Refurbishment (66%) being most important for Hosted Accommodation, followed by Marketing (57%).
Chain Hotels	Renovation / Refurbishment (78%) and Staff Training / Development (78%) being most important for Chain Hotels. The importance of staff training might have become more significant during COVID-19 when staff are having to work across functional areas and be knowledgeable of COVID safe procedures. Marketing fared relatively low in comparison to the other property types, this might be because of chain hotels relying more on brand affiliation.
Resorts/Luxury Lodge	Renovation / Refurbishment (65%) was most important for Resort/Luxury, followed by Marketing (61%). Interestingly, Food & Beverage (35%) was not important at all.
Independent Hotel	Renovation / Refurbishment (75%) and Staff Training / Development (77%) being most important for Independent Hotels.
Motel/Motor Inn	Respondents didn't see any of the areas as 'very important' with a majority identifying a neutral position. However, unlike the other property types, they ranked higher in Sustainability.
Holiday Park	Of the 4 respondents, Renovation / Refurbishment, Staff training / Development and Marketing were all very important.
Hostel	Of the 3 respondents Staff, training / Development and Marketing were identified as most important.



Paradise Resort Gold Coast, refurbished in 2020.



Hilton Surfers Paradise, refurbished in 2020.

08. Capital Expenditure

A majority (72%) of respondents reported they had pushed back capital expenditure plans, with 8.5% reporting CAPEX had been brought forward. The feedback generally suggests that non-essential projects have been postponed due to revenue and cashflow reductions.

In some cases respondents stated that projects had been delayed, however they were still going ahead with others that were now priority due to altered operating conditions and the ability to take advantage of the downtime. There was also evidence in several cases where property owners had reverted from holiday lets to long-term rentals, either on a temporary or more permanent basis. In these cases, the trade off is for certainty to occupancy and cashflow over revenue.

The 8.5% who have brought forward capital expenditure plans primarily represent Serviced Apartments, Resort/Luxury and Independent properties.

52% of respondents intend to Renovate or Refurbish their asset and allocate up to \$100,000.

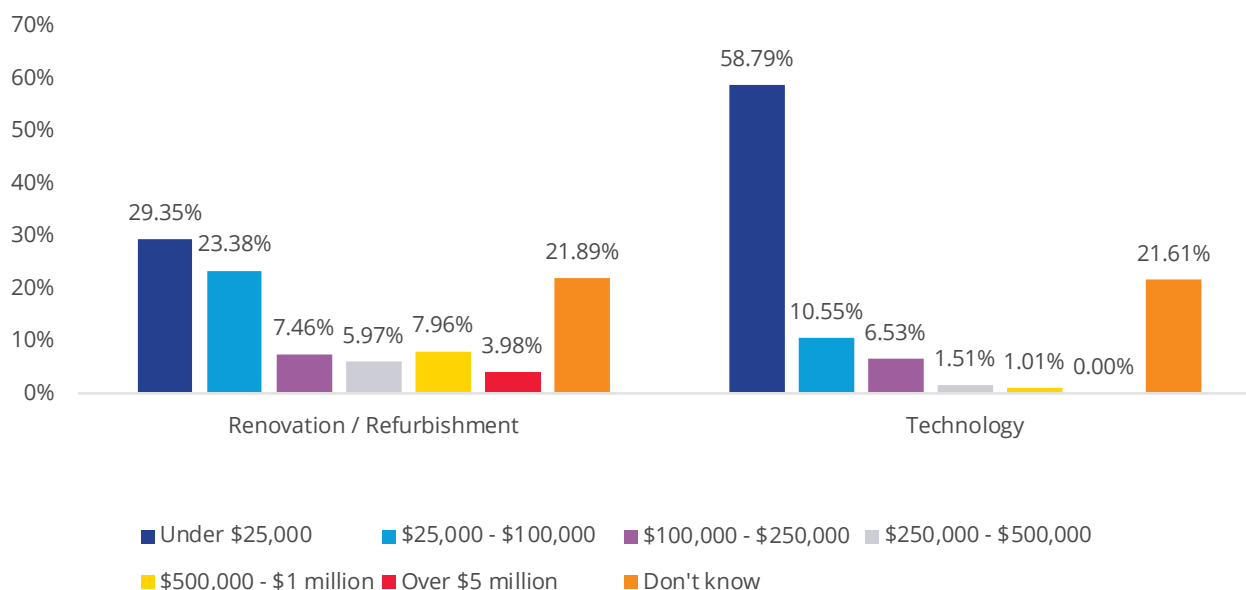
20% of 4 and 5 star accommodation providers identified an allocated budget of over \$250,000 for Renovation/Refurbishment expenditure.

However it is clear that some major chain hotels are undertaking significant projects, such as Hilton Surfers Paradise, Paradise Resort, Hotel Komune Coolangatta, and Surfers Paradise Marriott Resort rebranding to JW Marriott Gold Coast and undergoing its AUD\$35 million conversion.

Just over half of respondents (52%) intend to Renovate or Refurbish their asset and allocate up to \$100,000. Given the limited budget allocated to these activities, it is likely these works are related to essential maintenance and upkeep. Only 4% of respondents identified they intend to invest over \$5 million in refurbishment activities.

20% of 4 and 5 star accommodation providers identified an allocated budget of over \$250,000 for Renovation/Refurbishment expenditure.

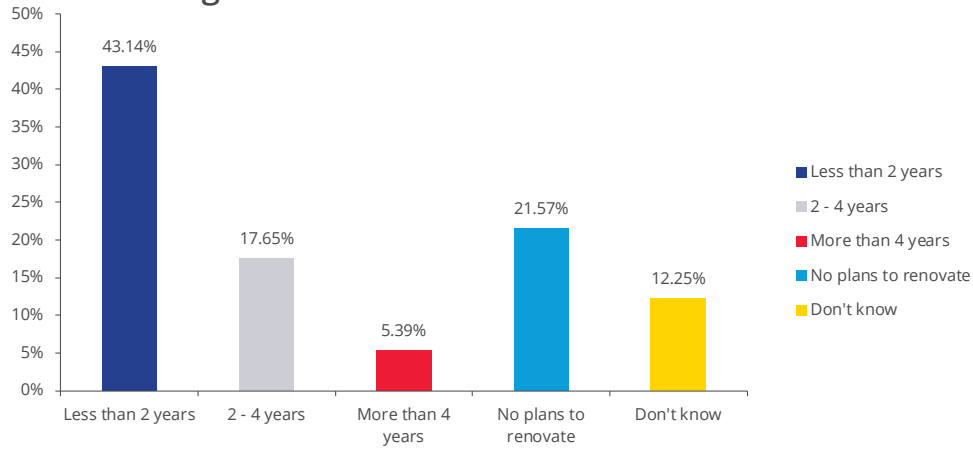
Budget Allocation by Investment Category



Insights by Accommodation Type

Serviced Apartments	<p>Almost a third of respondents reported having a budget of under \$25,000 to invest in renovations and refurbishment, and two thirds reported the same budget for technology investment.</p> <p>Serviced apartments showed a stronger preference to refurbish over technology investment.</p>
Hosted Accommodation	<p>Almost half of the respondents identified a budget of under \$25,000 for Renovation/Refurbishment. 80% reported a budget of under \$25,000 for technology investment.</p>
Chain Hotels	<p>Chain hotels showed the most willingness to invest in Renovation/Refurbishment with over a quarter of respondents indicating a budget of over \$500,000. 4% of respondents (8 accommodation providers) reported significant budgets of over \$5 million.</p> <p>Over a quarter of respondents indicated a budget of over \$100,000 will be allocated to technology investment.</p>
Resorts/Luxury Lodge	<p>Almost a third of respondents indicated they intend to invest between \$100,000 - \$250,000 on renovations and refurbishment, while 13% indicated a budget of over \$5m.</p> <p>Just over half of respondents reported a budget of under \$25,000 for technology investment.</p>
Independent Hotel	<p>A quarter of respondents reported a budget of over \$5 million for Renovation/Refurbishment, and half reported a budget of under \$25,000 technology investment.</p>
Motel/Motor Inn	<p>50% reported a budget of under \$25,000 for Renovation/Refurbishment, and 33% of \$25,000 - \$100,000.</p> <p>81% reported a budget of under \$25,000 for Technology.</p>
Holiday Park	<p>Of the four respondents most reported they were unsure of a budget for renovations and refurbishment or technology investment.</p>
Hostel	<p>Of the three respondents all had a budget of less than \$25,000 for technology investment.</p>

Timing for Planned Refurbishment/ Renovation



66%

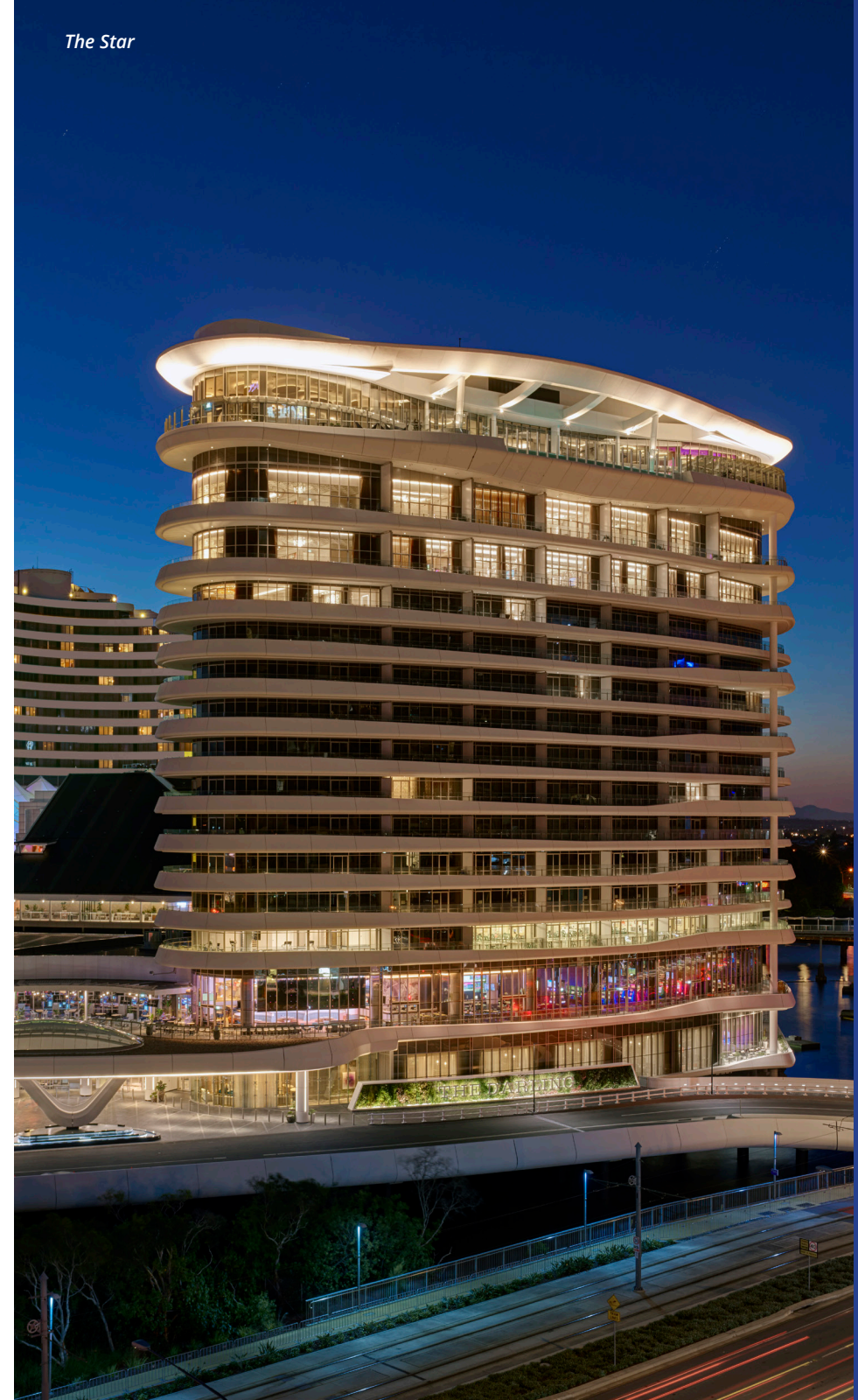
Two thirds of respondents intend to refurbish or renovate their properties. Of those respondents, two thirds intend to do so within the next two years.

50%

Approximately half of all 4 and 5 star properties are planning a Refurbishment/Renovation in the next 2 years.

33%

A third of respondents didn't know, or have no plans to renovate in the foreseeable future.

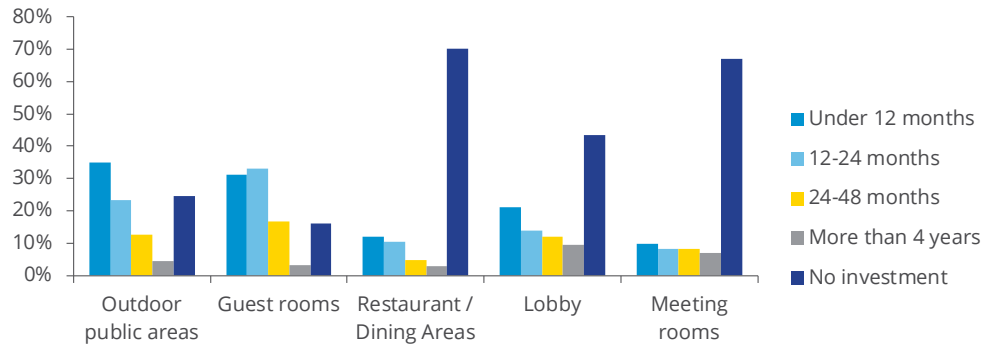


Insights by Accommodation Type

Serviced Apartments	43% are planning a Refurbishment/Renovation in the next 2 years and 24% in the next 4 years.
Hosted Accommodation	39% are planning a Refurbishment/Renovation in the next 2 years and 22% in the next 4 years.
Chain Hotels	39% are planning a Refurbishment/Renovation in the next 2 years and 13% in the next 4 years.
Resorts/Luxury Lodge	56.5% are planning a Refurbishment/Renovation in the next 2 years and 22% in the next 4 years.
Independent Hotel	38% are planning a Refurbishment/Renovation in the next 2 years and 31% in the next 4 years.
Motel/Motor Inn	33% are planning a Refurbishment/Renovation in the next 2 years and 8% in the next 4 years.
Holiday Park	50% are planning a Refurbishment/Renovation in the next 2 years. Total respondents 4.
Hostel	33% are planning a Refurbishment/Renovation in the next 2 years. Total respondents 3.



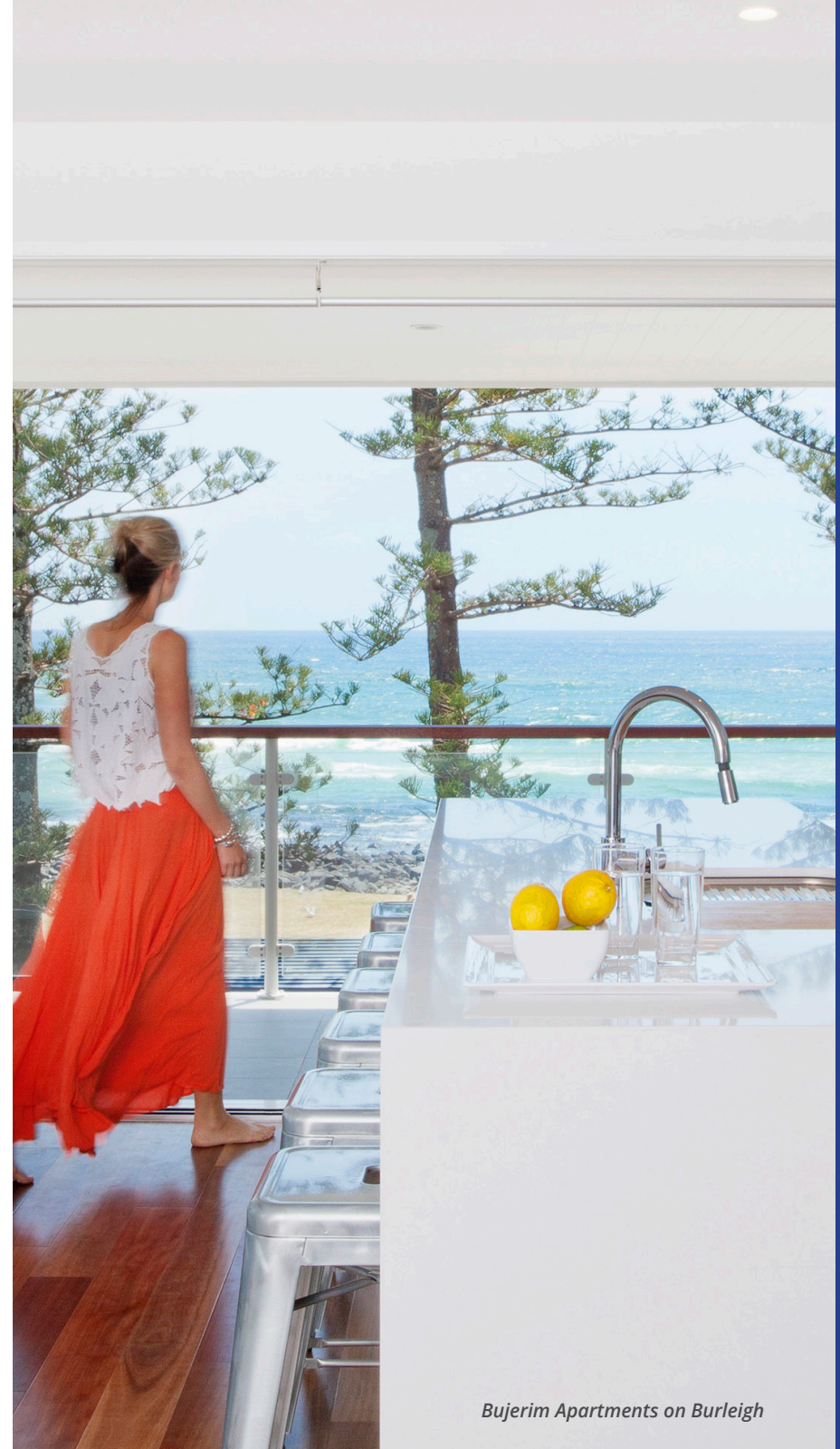
Planned Renovation and Refurbishment Timing by Category



Two thirds of respondents intend to refurbish guest rooms in the two years, with 80% expecting to over the next 4 years.

Outdoor public areas were reported as receiving the most attention by accommodation providers over the next 12 months with over a third reporting some level of capital expenditure. Over half of respondents reported they have allocated budget.

Capital expenditure on Restaurant / Dining Areas and Meeting Rooms received the least attention, with just over a quarter of respondents reporting some level of expenditure over the next four years.



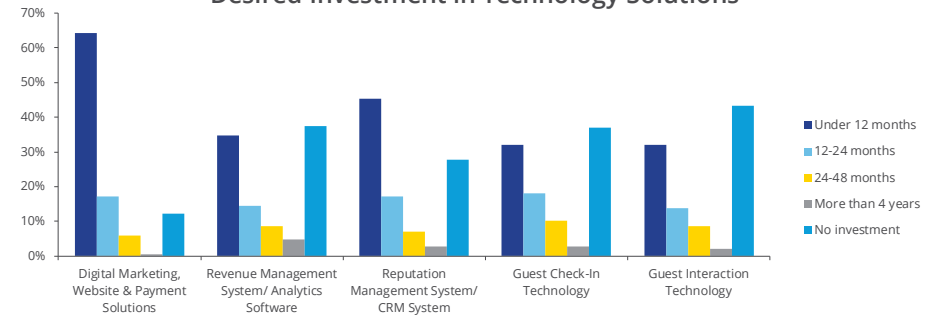
Insights by Accommodation Type

Serviced Apartments	Respondents reported capital expenditure in the following areas over the next 24 months: Guest rooms (71%), Outdoor Public Areas (66%) and Lobby (43%).
Hosted Accommodation	Respondents reported capital expenditure in the following areas over the next 24 months: Guest rooms (68%) and Outdoor Public Areas (44%).
Chain Hotels	Respondents reported capital expenditure in the following areas over the next 24 months: Guest rooms (42%), Outdoor Public Areas (60%) and Restaurant/Dining (47%).
Resorts/Luxury Lodge	Respondents reported capital expenditure in the following areas over the next 24 months: Guest rooms (61%) and Outdoor Public Areas (77%).
Independent Hotel	Respondents reported capital expenditure in the following areas over the next 24 months: Guest rooms (61%), Outdoor Public Areas (41%) and Restaurant/Dining (50%).
Motel/Motor Inn	Respondents reported capital expenditure in the following areas over the next 24 months: Guest rooms (58%) and Outdoor Public Areas (48%).





Desired Investment in Technology Solutions



Top Level Insights (across all properties)

- 81% are likely to see investment in digital Marketing, website enhancements & payment solutions in the next 24 months.
- 62% are likely to see investment in Reputation Management System (Guest Reviews & Ratings), Customer Relationship Management System.
- 50% are likely to see investment in Guest Check-In Technology (Mobile Check-In, Mobile Guest Key, Check-In Kiosk, Smart Room Technology etc.).
- 49% are likely to see investment in Revenue Management System or Analytics Software.
- 45% are likely to see investment in Guest Interaction Technology (Digital Concierge, Chatbot, Guest Messaging System, etc.).
- 43% have no investment plans for Guest Interaction Technology.
- 90% of 4&5* properties are likely to see investment in Digital Marketing in the next 24 months followed by Reputation Management Systems (74%) and Guest Interaction Technology (54%).

81% are likely to see investment in digital Marketing, website enhancements & payment solutions in the next 24 months.

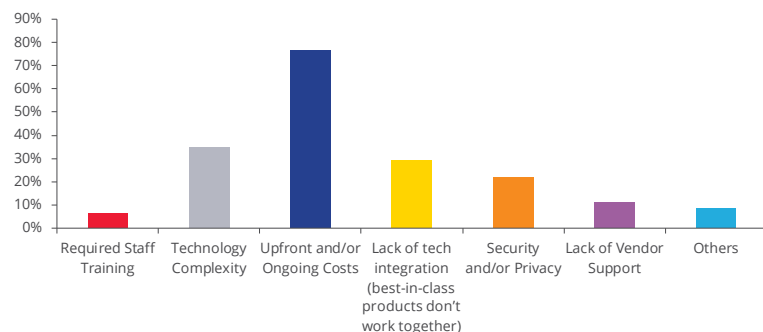
Insights by Accommodation Type

Serviced Apartments	82% of Serviced Apartments properties reported investment in Digital Marketing in the next 24 months followed by Reputation Management Systems (69%) and Revenue Management Systems (52%).
Hosted Accommodation	87% of Hosted Accommodation properties reported investment in Digital Marketing in the next 24 months followed by Reputation Management Systems (61%) and Guest Interaction Technology (41%).
Chain Hotels	68% of Chain Hotels reported investment in Digital Marketing in the next 24 months followed by Guest Check-In Technology (63%) and Guest Interaction Technology (63%).
Resorts/Luxury Lodge	92% of Independent properties reported investment in Digital Marketing in the next 24 months, followed by Revenue Management System (69%) and Reputation Management System (61%).
Independent Hotel	NA
Motel/Motor Inn	66% of Motel/Motor Inn are likely to see investment in Digital Marketing in the next 24 months.
Holiday Park	NA
Hostel	NA



09. Challenges

Top Challenges in Implementing Hotel Technologies?



77% see the cost of purchasing technology and the need to continually update as their biggest challenge to implementing hotel technologies.

Top Level Insights (across all properties)

34% see the complexity of the technology as one of the main challenges. This correlates to the previous question (Q8) where 43% have no investment plans for Guest Interaction Technology.

This was followed by 29% lack of tech integration, including the incompatibility of brands and products.



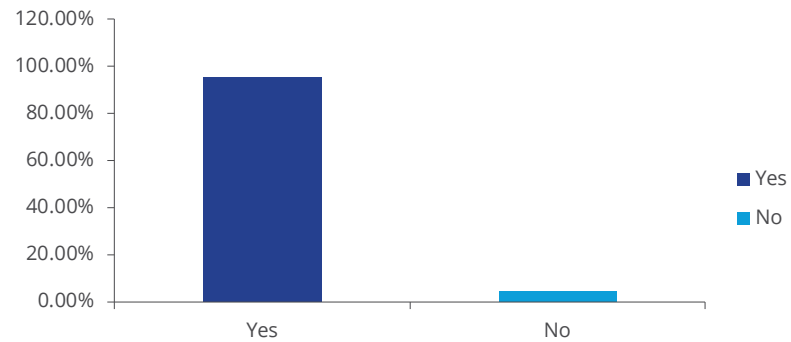
Insights by Accommodation Type

Serviced Apartments	40% Cost of purchase and need to continually update, 19% Complexity of the technology.
Hosted Accommodation	43.5% Cost of purchase and need to continually update, 19% Complexity of the technology.
Chain Hotels	47% Cost of purchase and need to continually update, 27% Lack of tech integration (best-in-class products don't work together).
Resorts/Luxury Lodge	44% Cost of purchase and need to continually update, 17% Complexity of the technology.
Independent Hotel	37% Cost of purchase and need to continually update, 20% Lack of tech integration (best-in-class products don't work together).
Motel/Motor Inn	44% Cost of purchase and need to continually update, 22% Complexity of the technology.
Holiday Park	36% Lack of tech integration (best-in-class products don't work together). 27% Complexity of the technology. Total respondents 4.
Hostel	66% Cost of purchase and need to continually update, 33% Security and/or privacy concerns. Total respondents 3.



10. Sourcing

Are you open to sourcing products and supplies locally?



A majority of respondents currently source products and supplies locally, with 95% reporting they are open to sourcing products and supplies locally.



11. Key Survey Findings

The results of the refurbishment capital expenditure survey have been reported for each survey question and then broken down by accommodation type. The profile of survey respondents is provided at section 7 of this report. In Summary:

- Almost all (96%) respondents consider property renovation and refurbishment as somewhat or very important to stay competitive, with just under half reporting they plan to renovate or refurbish within the next 2 years.
- Over half (52%) of the respondents intend to renovate or refurbish and are likely to invest up to \$100,000. Less than 5% of respondents (8 accommodation providers) intend to invest over \$5 million.
- 81% of respondents are likely to invest in Digital Marketing in the next 2 years.
- 64% of respondents are likely to invest in Guest rooms in the next 2 years.
- Most (86%) respondents regard Technology as somewhat or very important to stay competitive, however over three quarters regard the cost of purchasing technology and the need to continually update as the biggest challenge to implement hotel technologies.
- Over two thirds of respondents plan to allocate up to \$100,000 in technology investment.
- Over 70% of respondents have had investment plans impacted during COVID-19, with over two-thirds of these reporting investment plans have been delayed.

11.1 Recommendations

Colliers has made a range of recommendations based on the findings of the survey results that are intended to inform the Tourism Implementation Plan prepared by the City of the Gold Coast, and provide appropriate support to the accommodation industry through improved knowledge, capacity and capability.

The recommendations focus on short to medium term (0-4 years) actions to support the accommodation industry and provider types the disrupted market conditions, and support continued longevity of the Gold Coast accommodation market.

The recommendations cover topics including:

- Skills and Training
- Marketing
- Asset Management and Investment
- Technology Investment
- Industry Support and Information

Based on the timing of this study, it is intended that this survey is distributed again to monitor progress and assess accommodation providers capital expenditure intent as demand increases. This is likely to coincide with the easing of travel restrictions and allow accommodation providers an appropriate trading period to appropriately evaluate outcomes.



11.2 Barriers to Investment

Due to the financial impacts of COVID-19, smaller independent hotels are more reluctant to spend during this time. Until visitation improves, investment is deemed high risk. Generally business sentiment is low during these unpredictable times. Chain hotels and Resort/Luxury are taking the opportunity to invest in room upgrades which cannot be easily during peak times. Other investments have generally been put on hold.

Technological challenges are evident and generally not a priority during this time. Respondents identified upfront initial costs and the need to constantly upgrade are major barriers to investment, in addition to the integration of existing and new technologies.

It is recommended that the City work with independent accommodation providers and peak bodies to coordinate shared needs and pool resources to gain economic efficiencies.

Contact:

National Media

146-148 Bundall Rd, Bundall QLD 4217
(07) 5510 5100

Colliers

Main +61 7 3229 1233
Fax +61 7 3120 4500
Level 30, 111 Eagle Street
Brisbane, QLD 4000 | Australia

City of Gold Coast

Office of Innovation and Economy
businessgc@goldcoast.qld.gov.au

