



How is the recovery tracking for Brisbane...

80Twenty Conference

16th June 2022

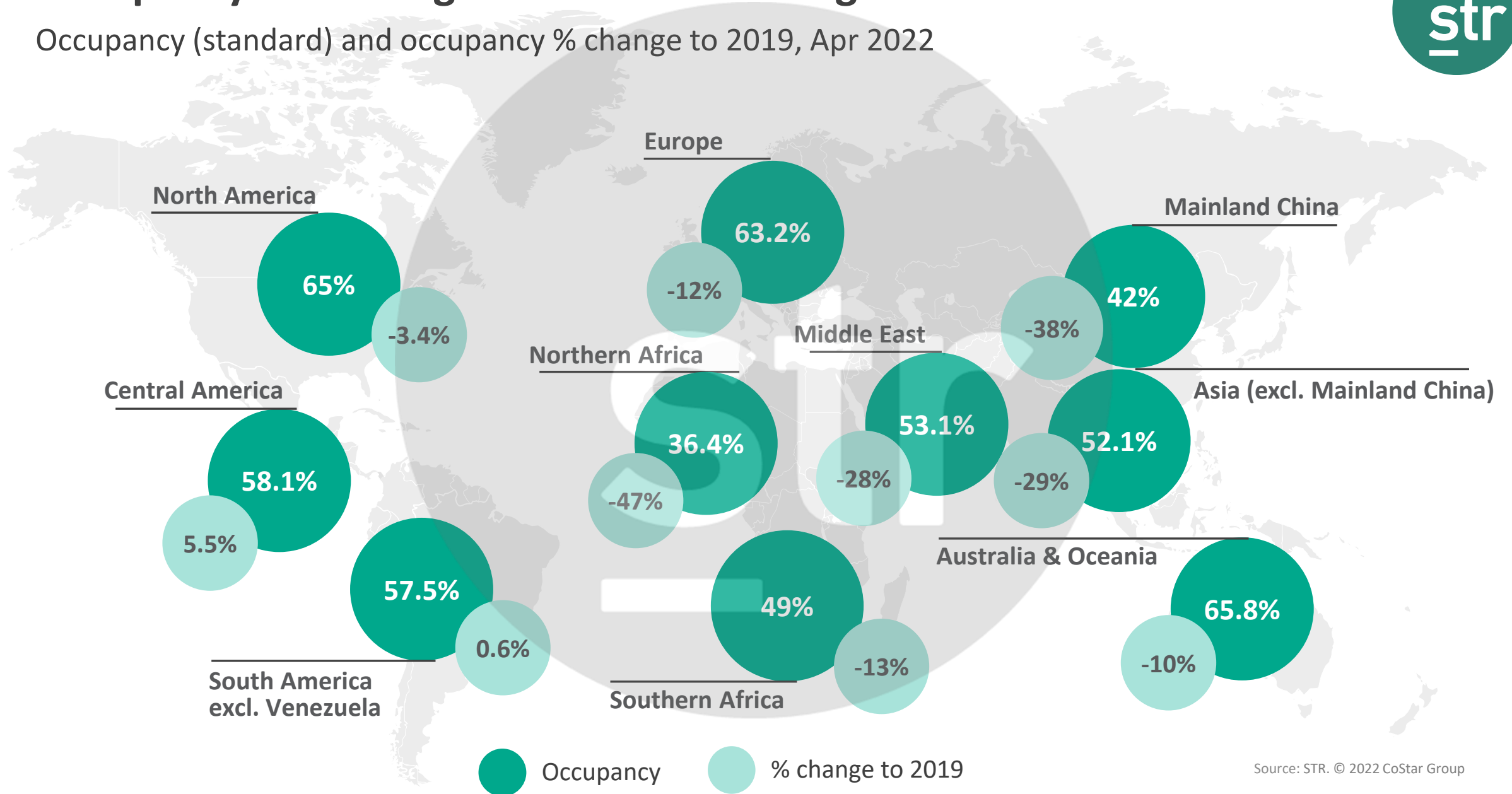
Paul Hammond

Business Development Manager, Pacific - STR

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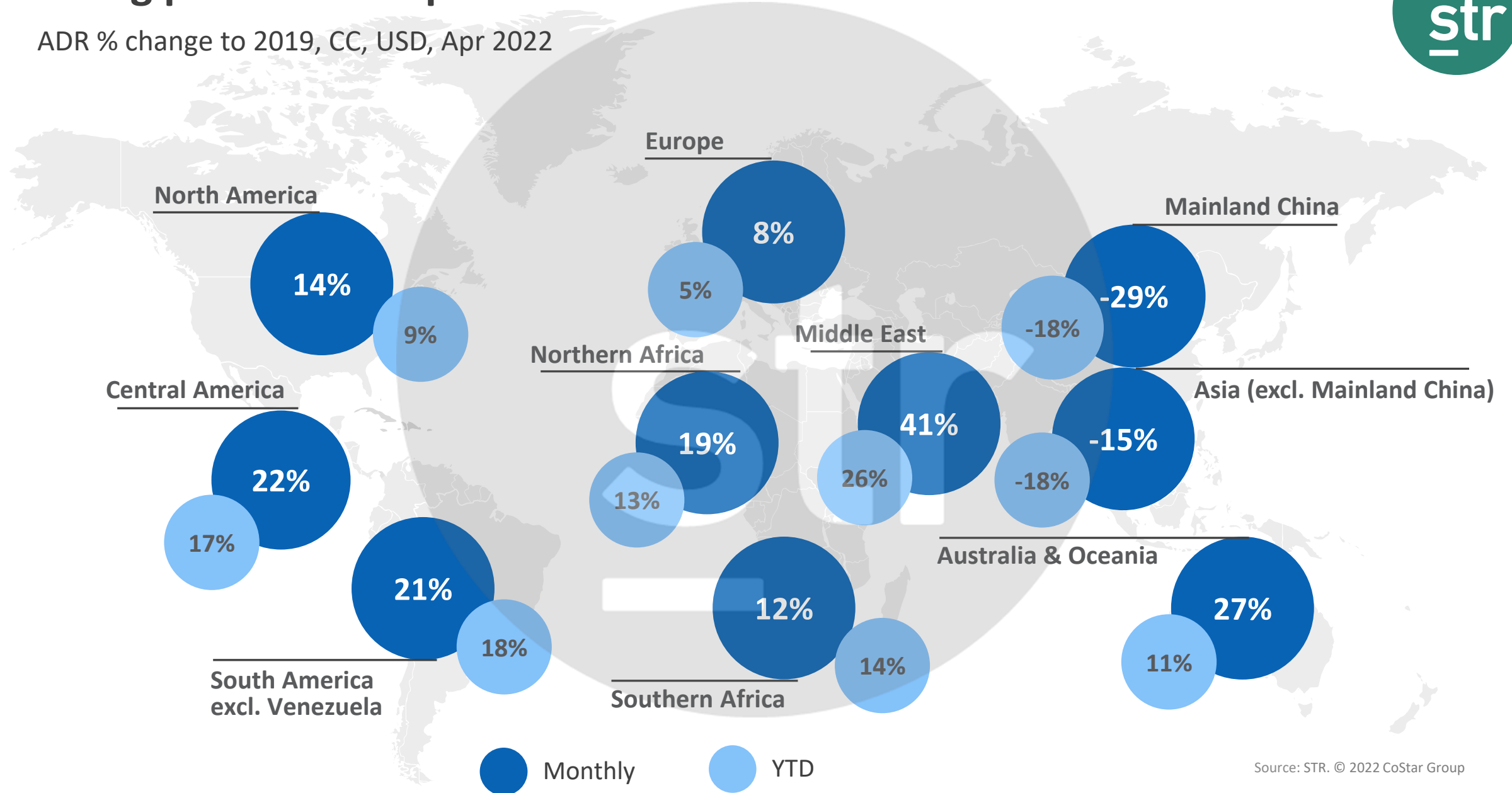
Occupancy increasing across most of the globe

Occupancy (standard) and occupancy % change to 2019, Apr 2022



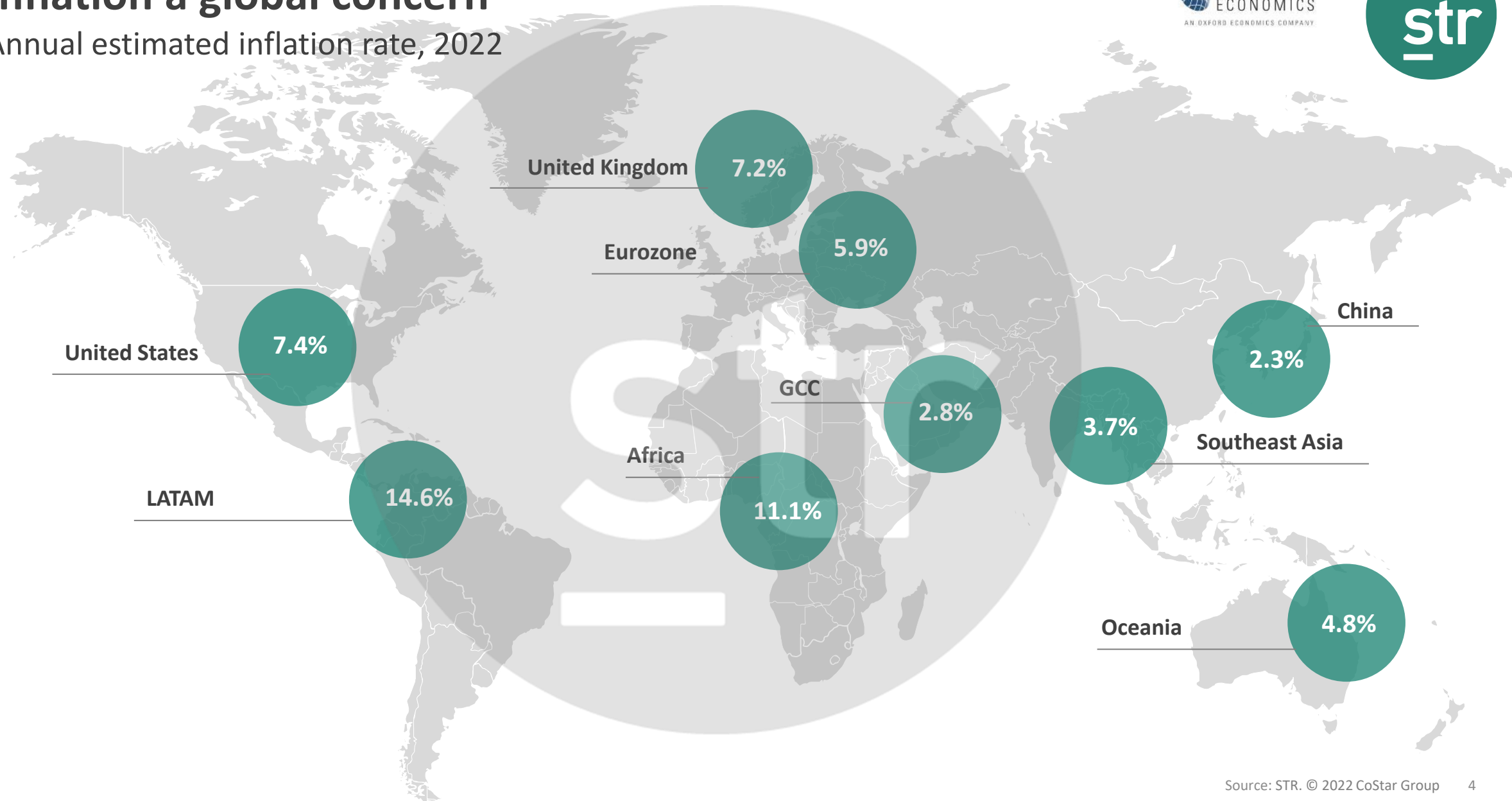
Rising prices drive up ADR 'round the world

ADR % change to 2019, CC, USD, Apr 2022



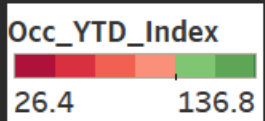
Inflation a global concern

Annual estimated inflation rate, 2022



Occupancy evolves again across Asia Pacific

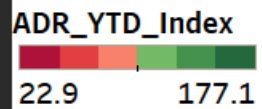
APAC, occupancy indexed to 2019, YTD Apr 2022



Source: STR. © 2022 CoStar Group

Much greener across Asia Pacific for ADR

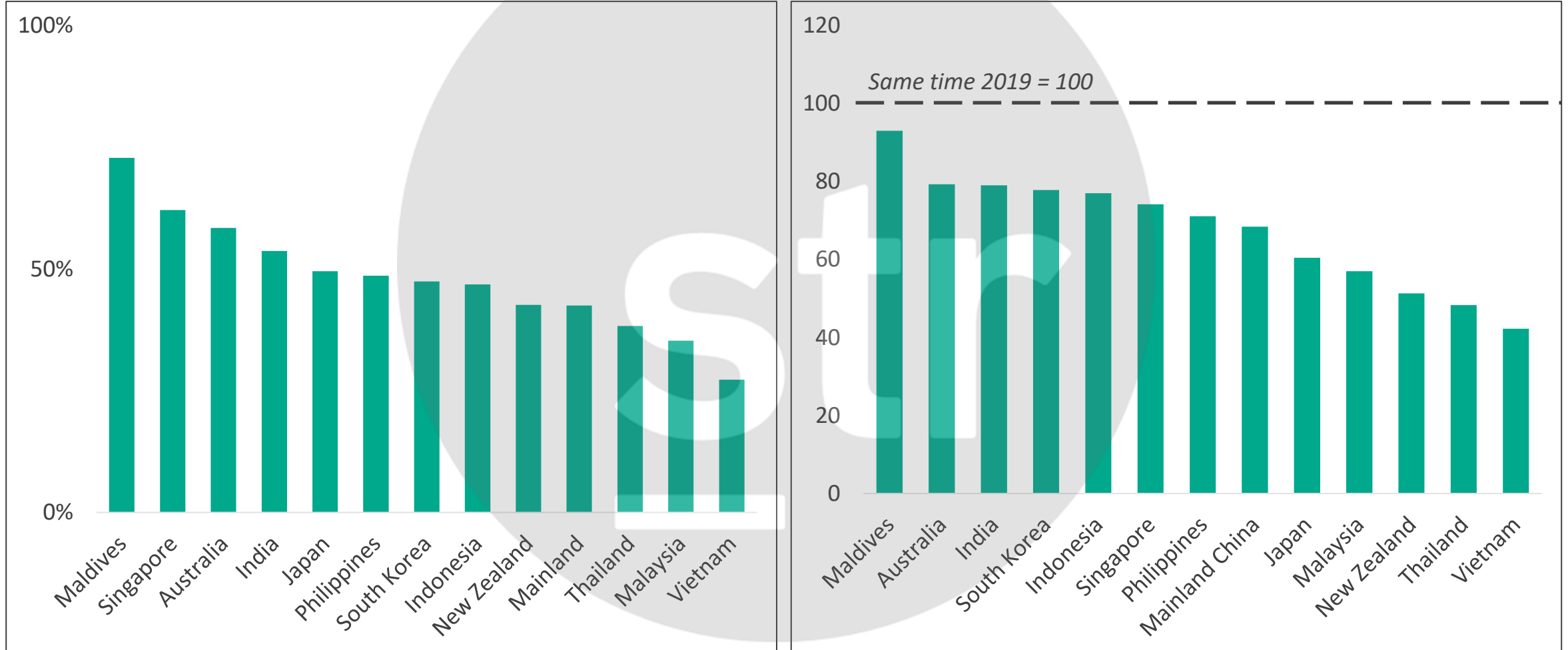
APAC, ADR indexed to 2019, YTD Apr 2022



Source: STR. © 2022 CoStar Group

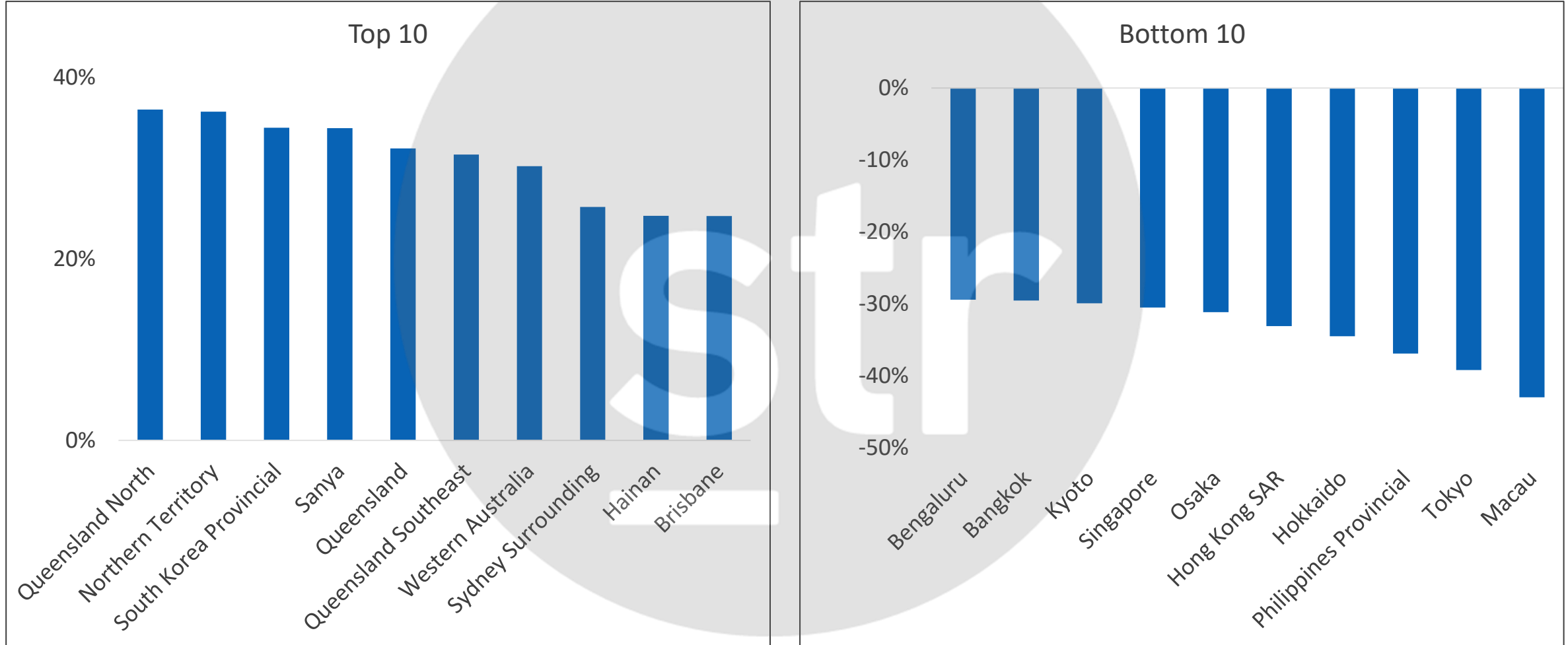
Occupancy remains varied across the region as demand returns

Selected APAC countries, occupancy & occupancy indexed to 2019, YTD Apr 2022



Leisure locations dominate the Top and gateway cities lag

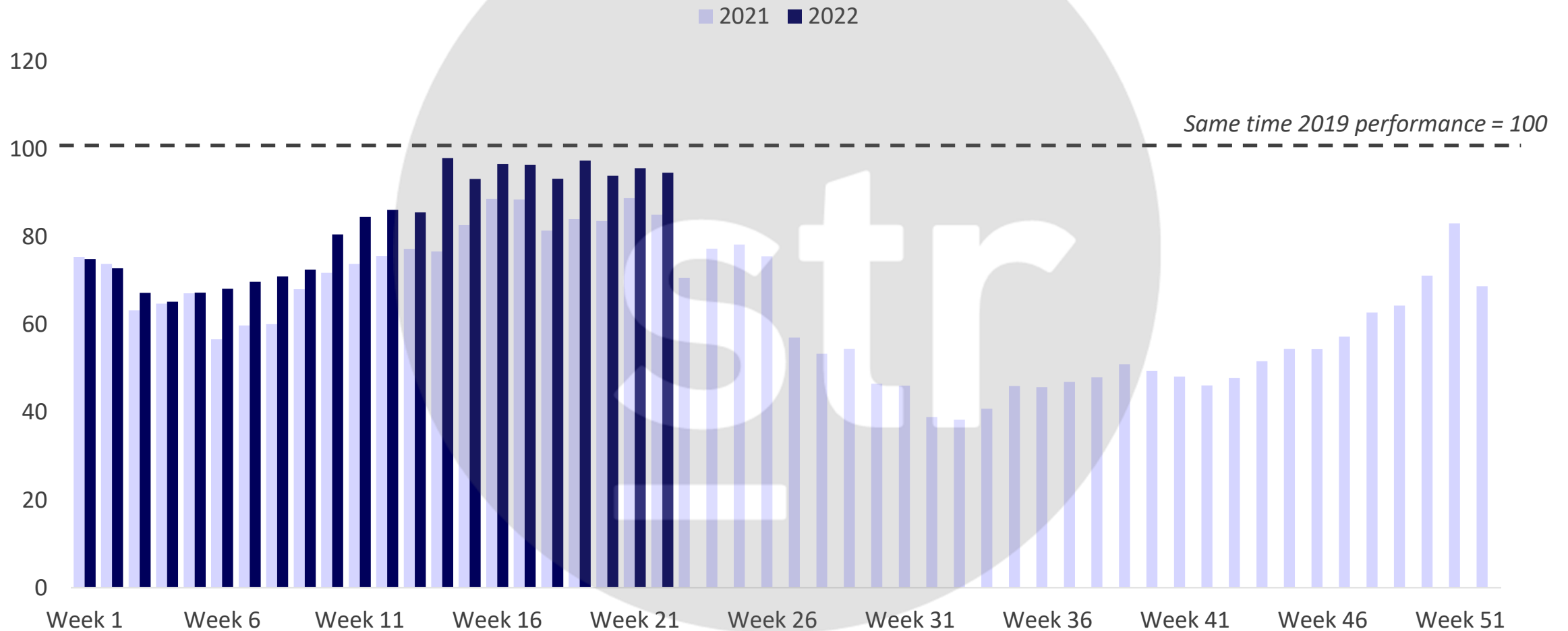
APAC markets, ADR percentage to 2019, YTD Apr 2022



For Australia, performance surpasses 2021 and closer to 2019



Australia, weekly demand indexed to 2019, Jan 2021 – Jun 2022

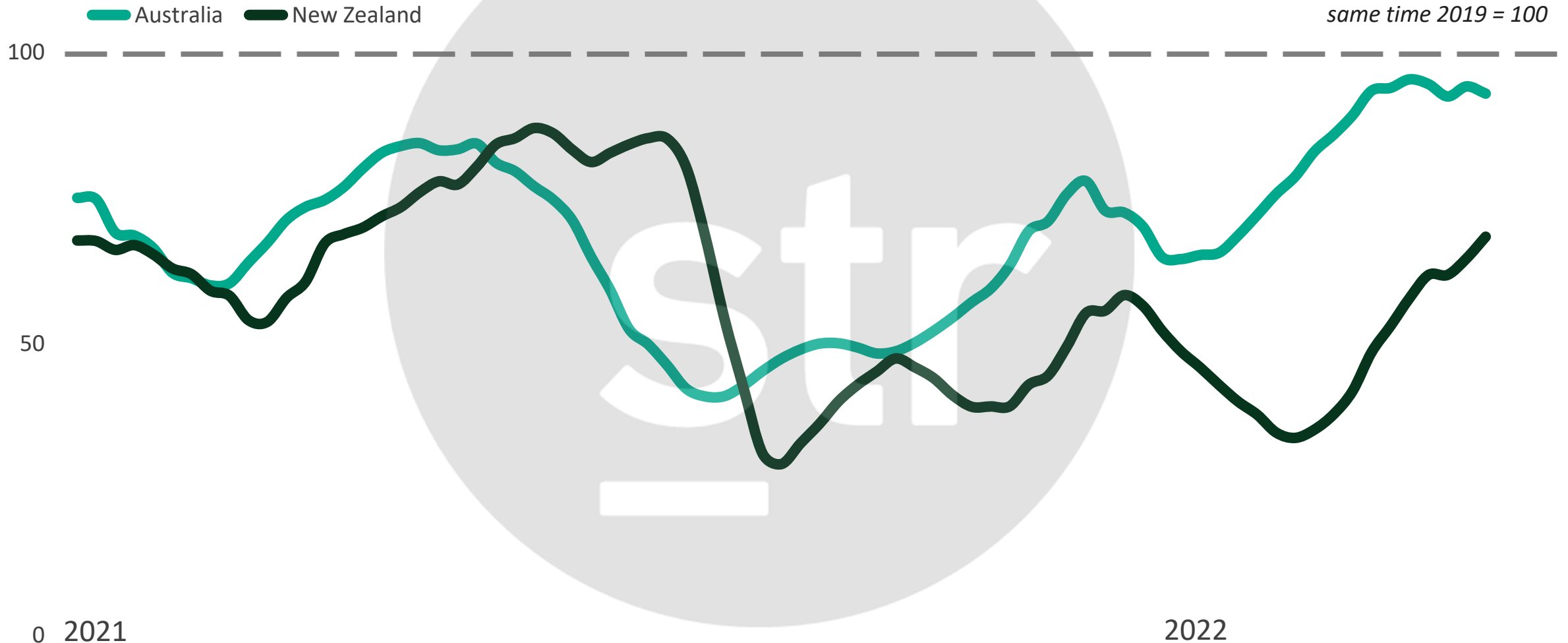


Australia on the way to recovery, New Zealand trying to catch up



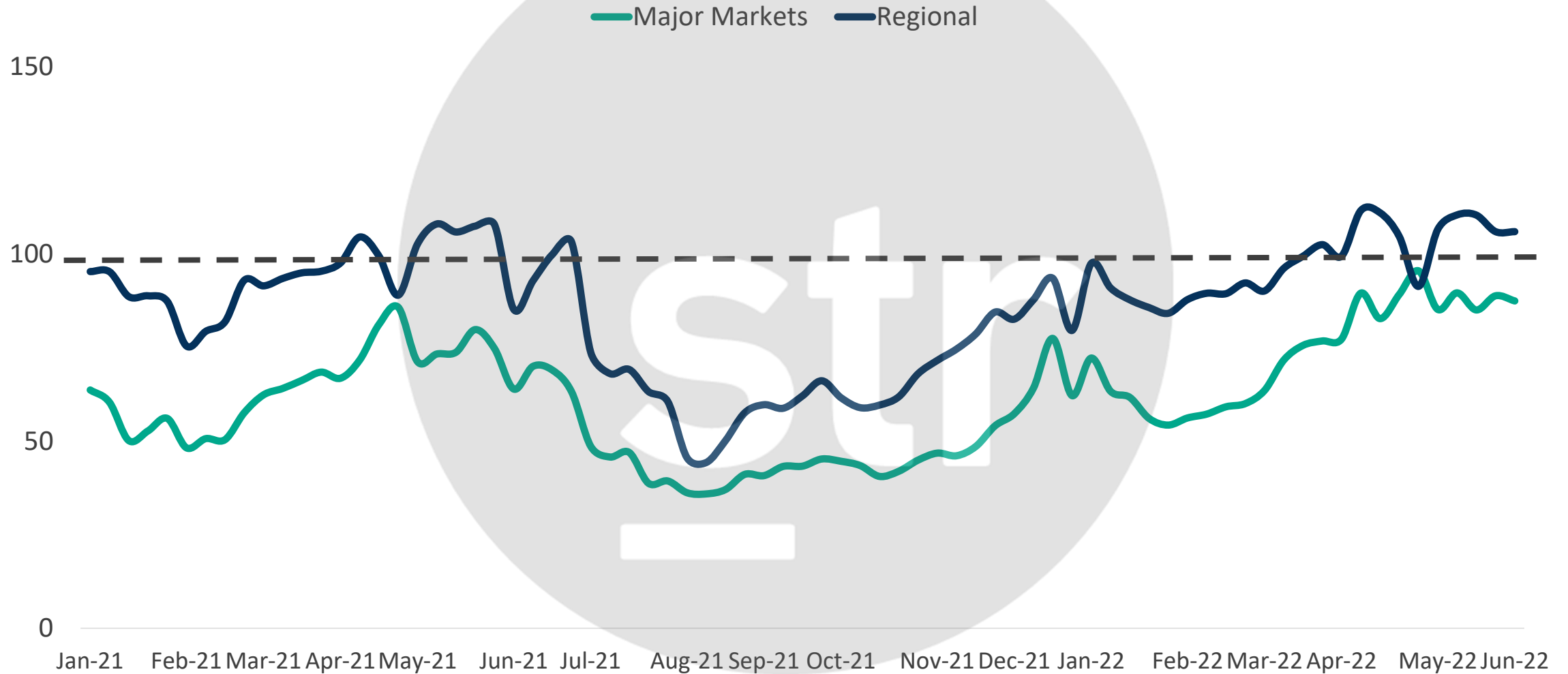
Next couple of quarters will be telling to speed of recovery

Occupancy (%) R28 Jan 2021 to June 2022, indexed to 2019



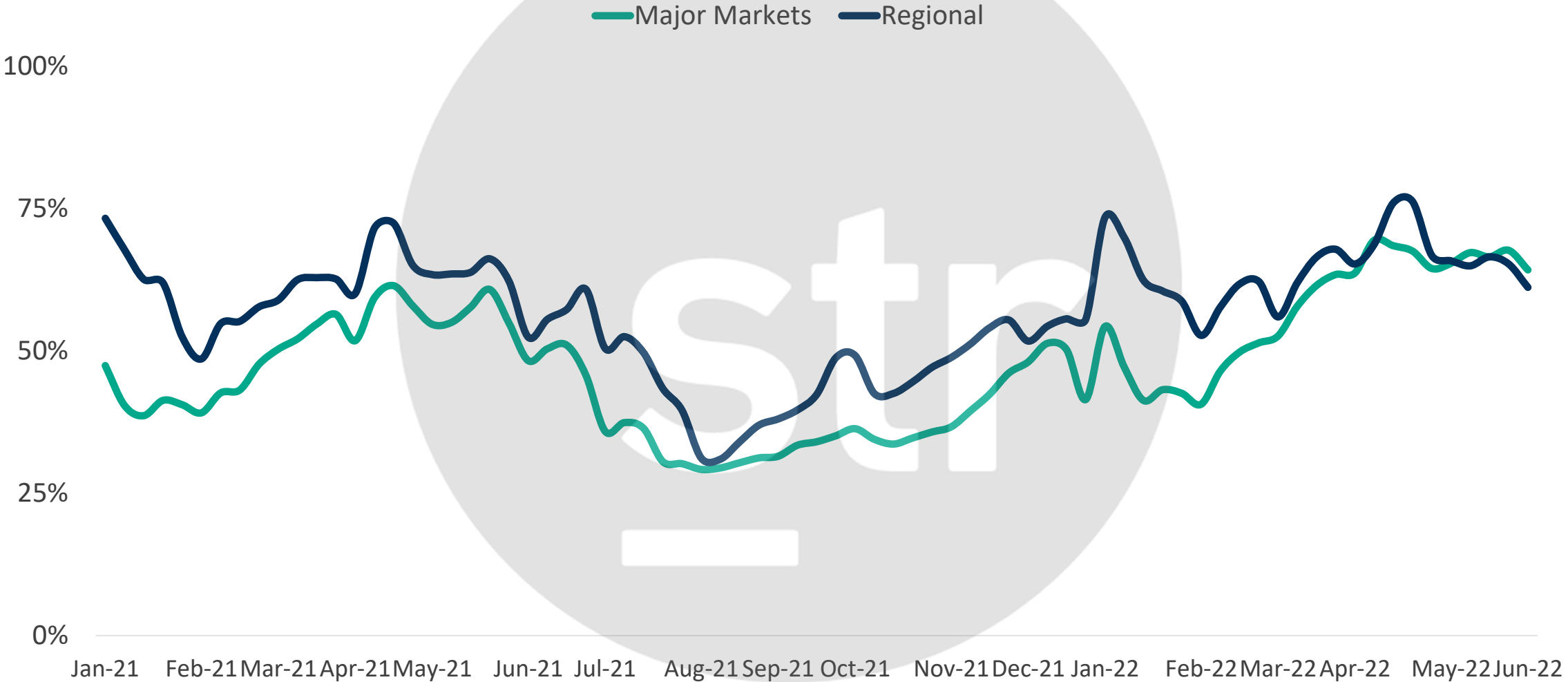
Regional occupancy remains strong while capitals continue their return

Major Markets v Regional, R7 Occupancy, Indexed to 2019, Jan 2021 – Jun 2022



And in absolute terms occupancy is now similar

Major Markets v Regional, R7 Occupancy, Jan 2021 – Jun 2022



But ADR growth pretty spectacular no matter where you go

Australia, weekly ADR (AUD) % change to 2019, 5 Feb – 4 Jun 2022



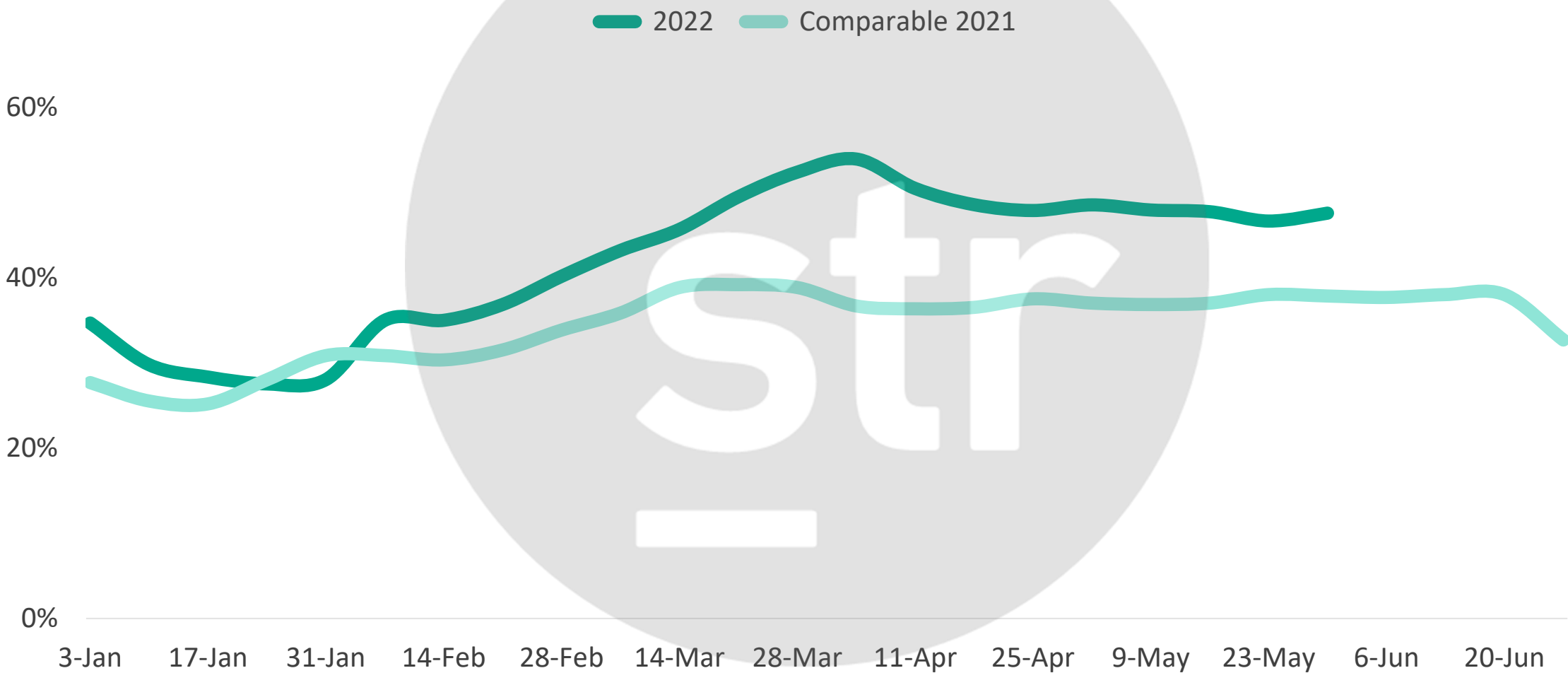
That growth has come from improving weekday occupancy

Australia, Occupancy % change to 2019, weeks ending 1 Jan – 4 Jun 2022



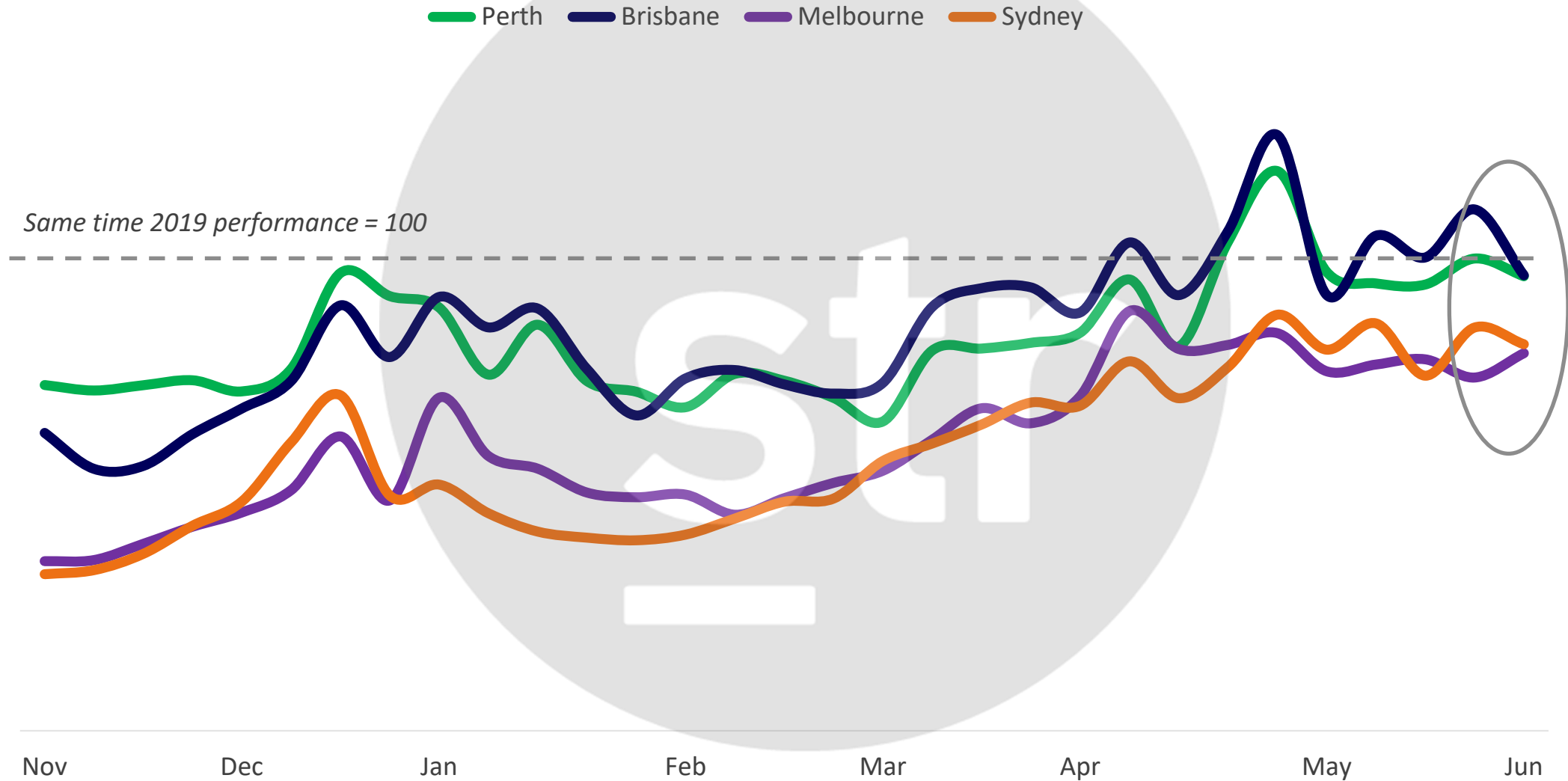
Capital markets | Future occupancy booked nudges +50% for next 28 days

Selected markets, next 28 days occupancy on the books, Jan 2021 – May 2022



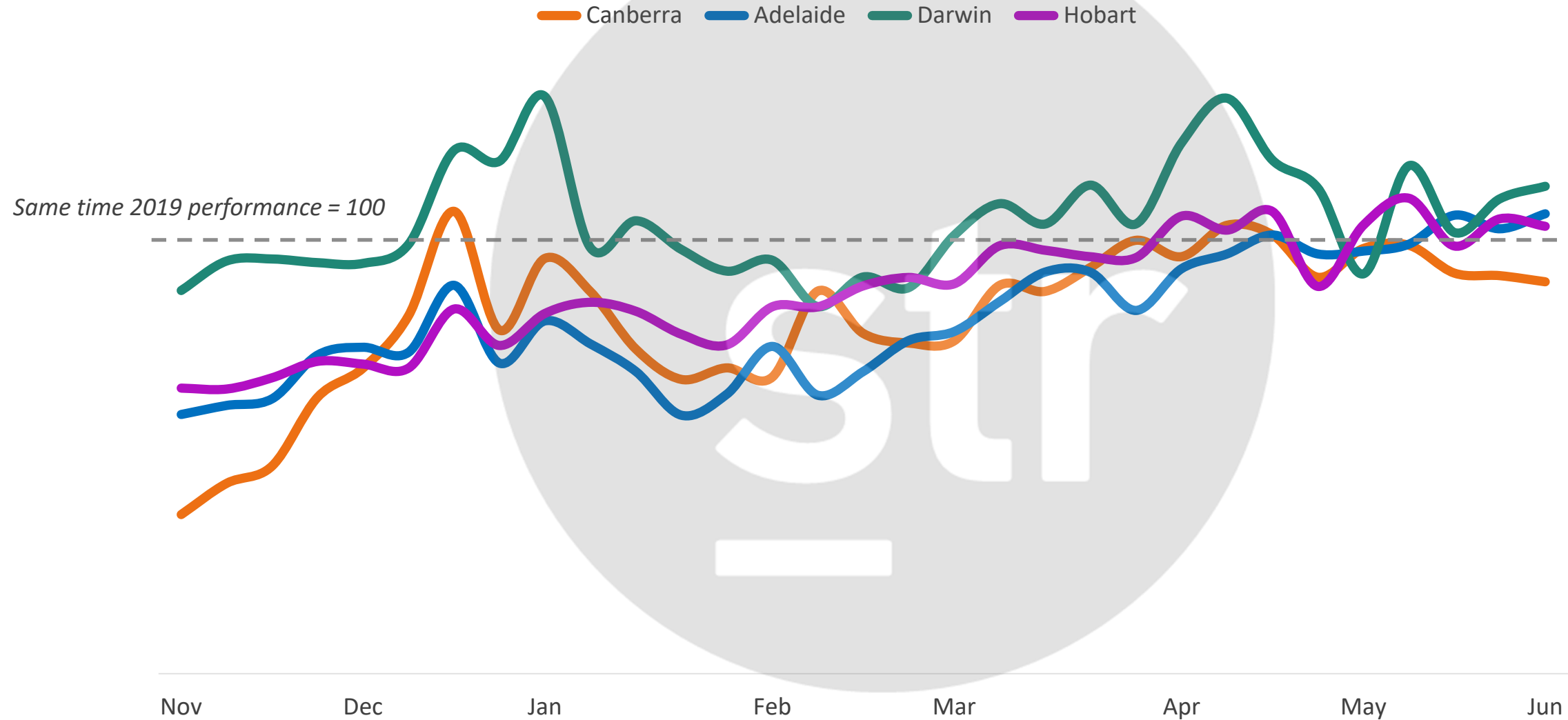
Big 4 | SYD & MEL improve but still behind BNE & PER

Selected Markets, R7 Occupancy, Nov 2021 – Jun 2022 Indexed to 2019



Recovery beds in for Australia's smaller capitals

Selected Markets, R7 Occupancy, Nov 2021 – Jun 2022 Indexed to 2019



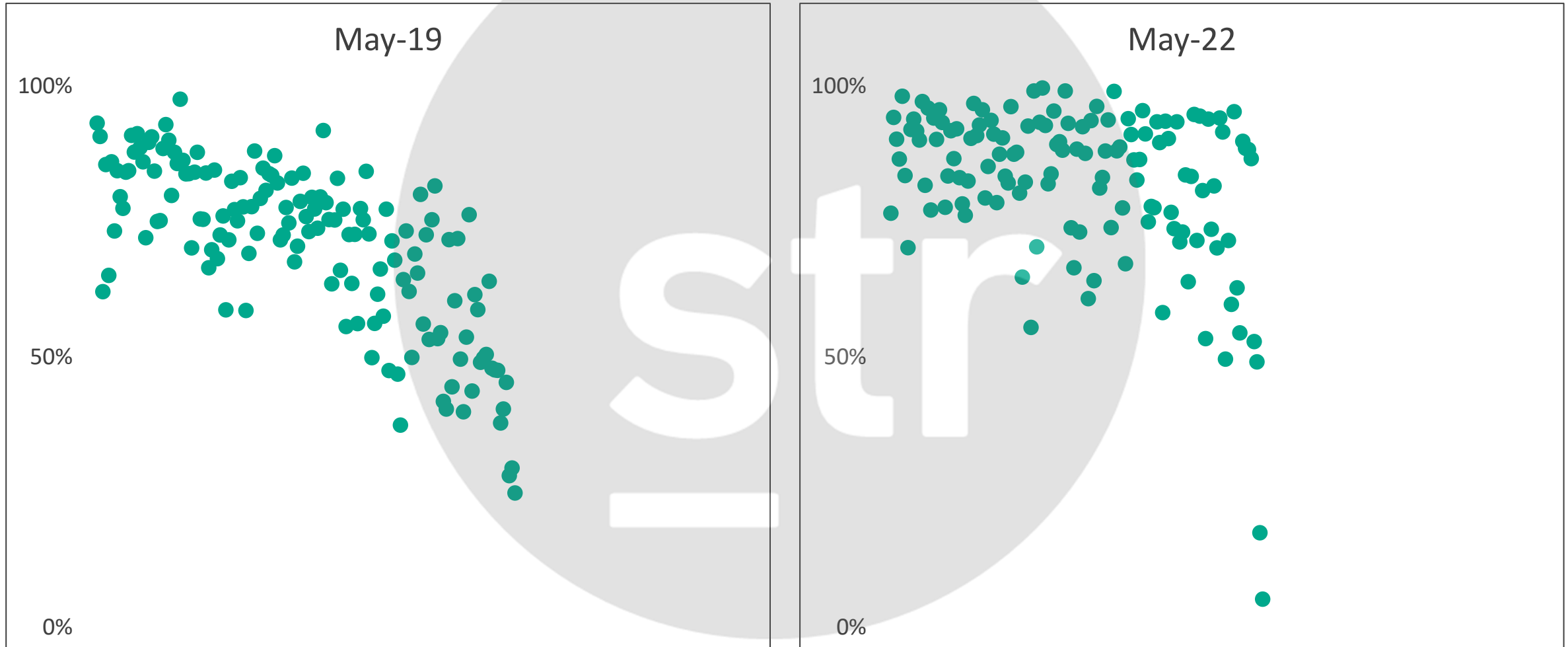
It is partly explained by that there is still a lot of volatility to individual occupancy

Sydney, occupancy of reporting properties, consistent sample, May 2019 vs. May 2022



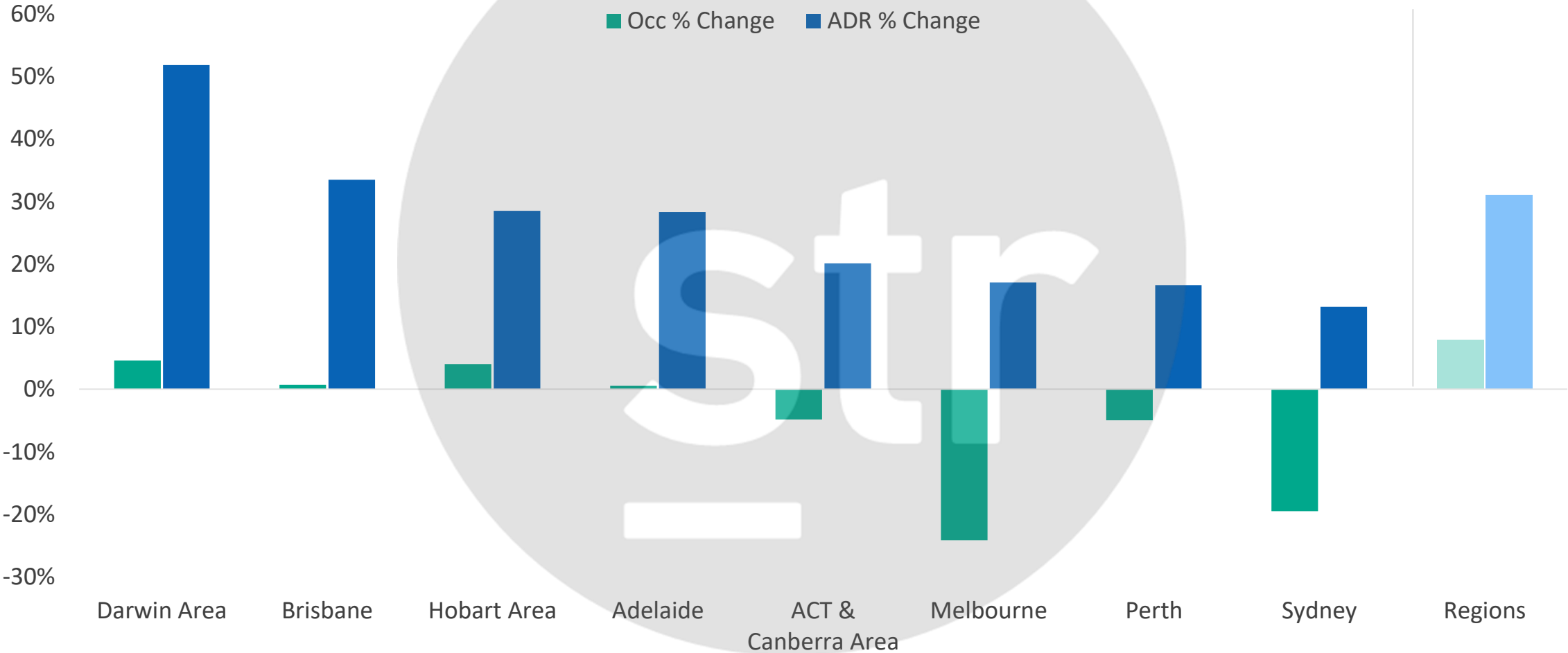
For a better performing market volatility less present in individual occupancy

Brisbane, occupancy of reporting properties, consistent sample, May 2019 vs. April 2022



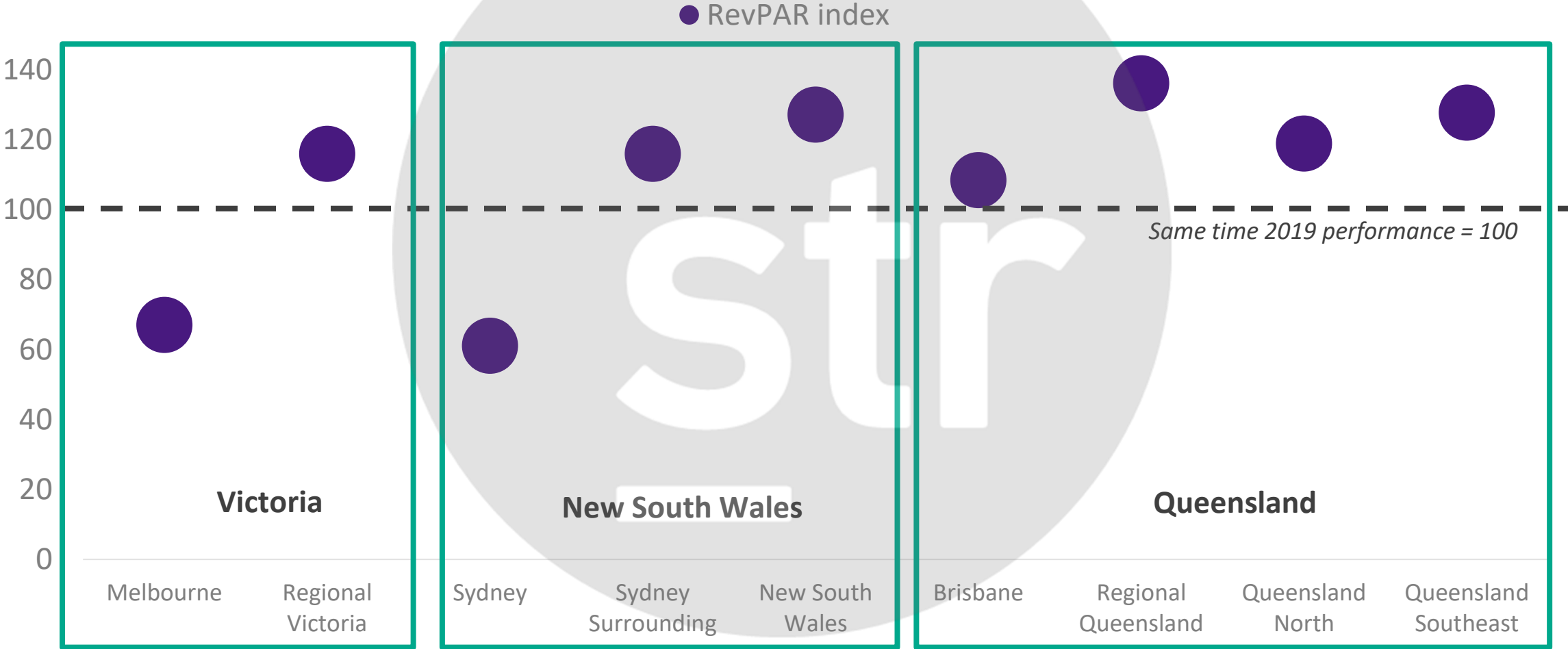
Spot the inflation: Capital market rates rising faster than occ is recovering

Australian capitals, % change to 2019, May MTD through 29 May



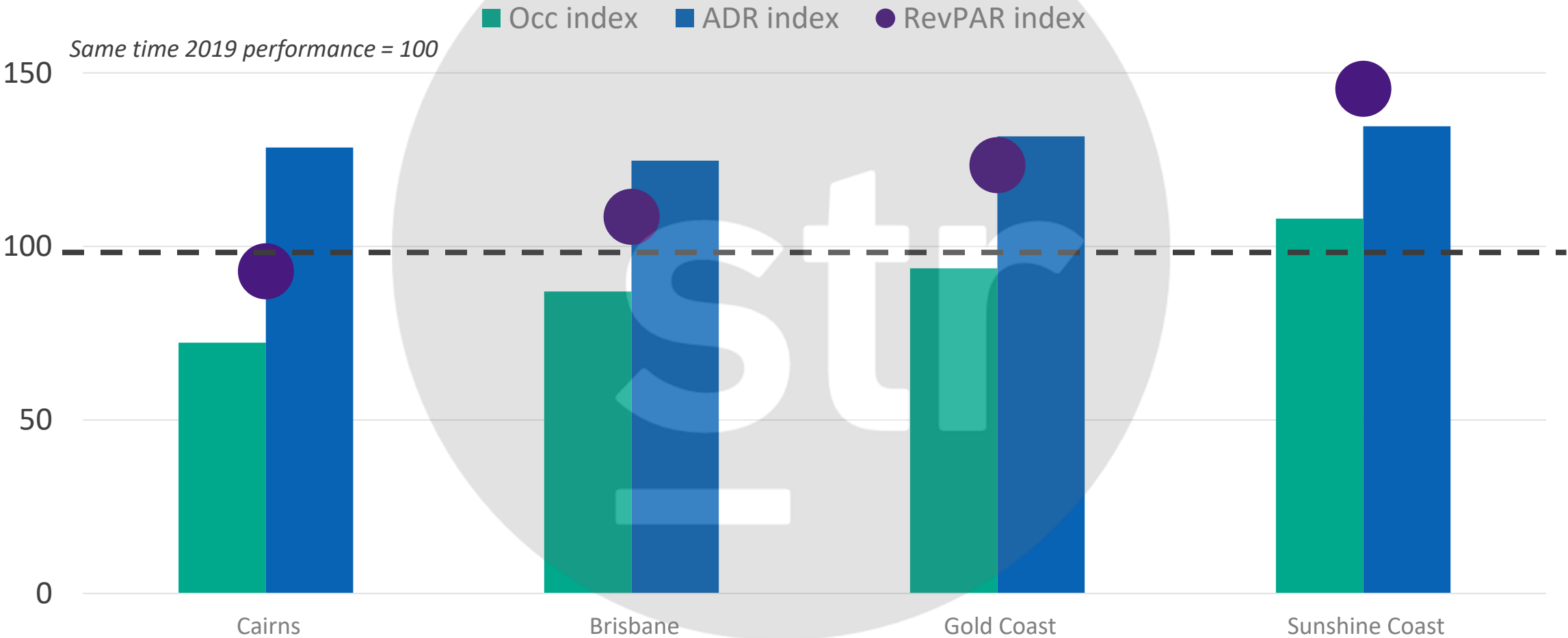
Through ADR gains – RevPAR continues to rise in regional areas

Capital & Regional (sub)markets, YTD April 2022 RevPAR indexed to 2019



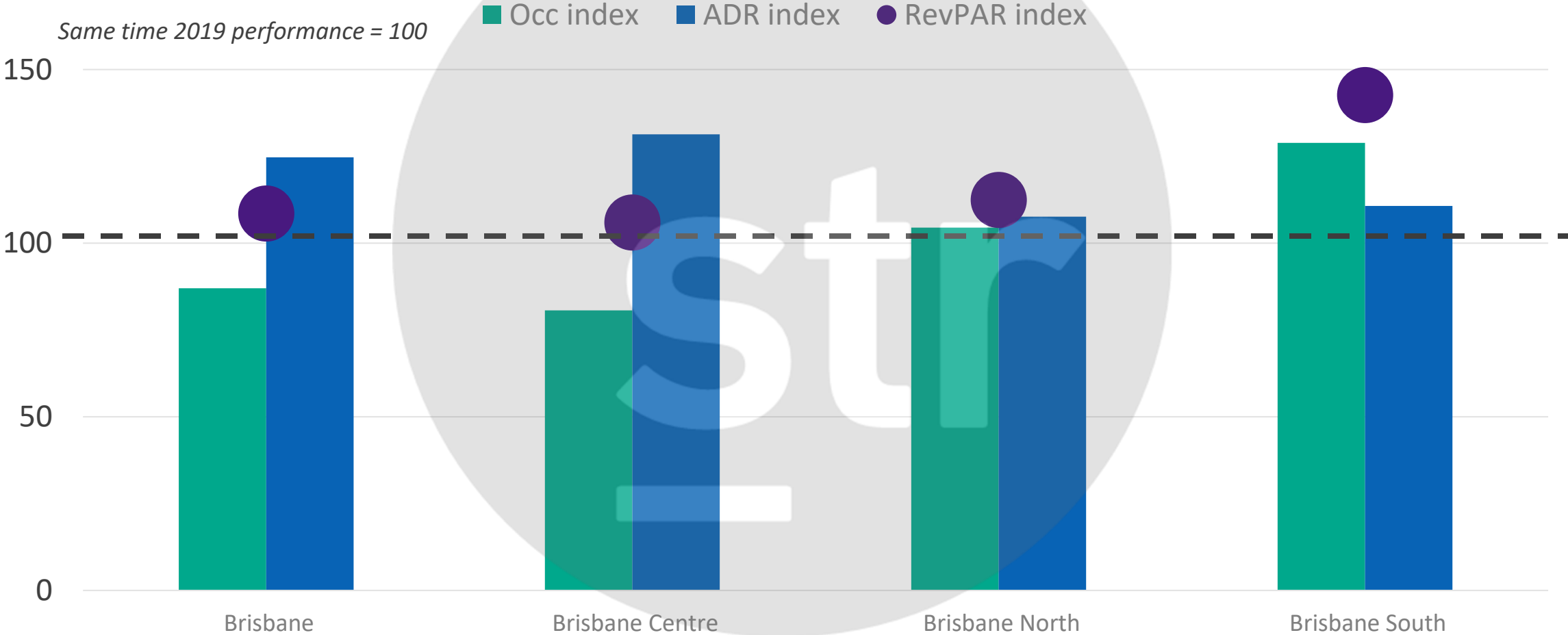
Year To Date April 2022 has most with RevPAR levels close to or above 2019

Cairns, Brisbane, Gold Coast, Sunshine Coast, YTD Apr 2022 KPI's indexed to 2019



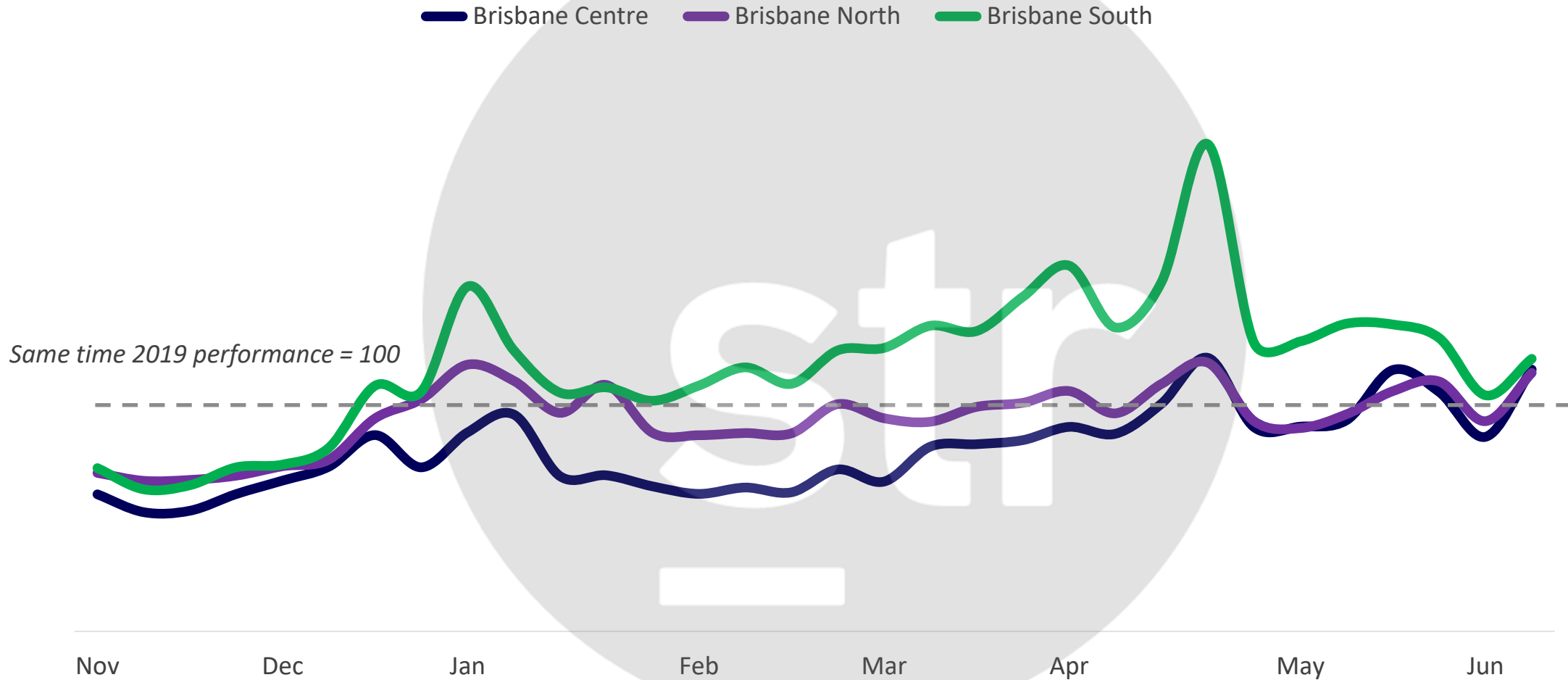
Year To Date April 2022 has most with RevPAR levels close to or above 2019

Brisbane, Brisbane CBD, North & South, YTD Apr 2022 KPI's indexed to 2019



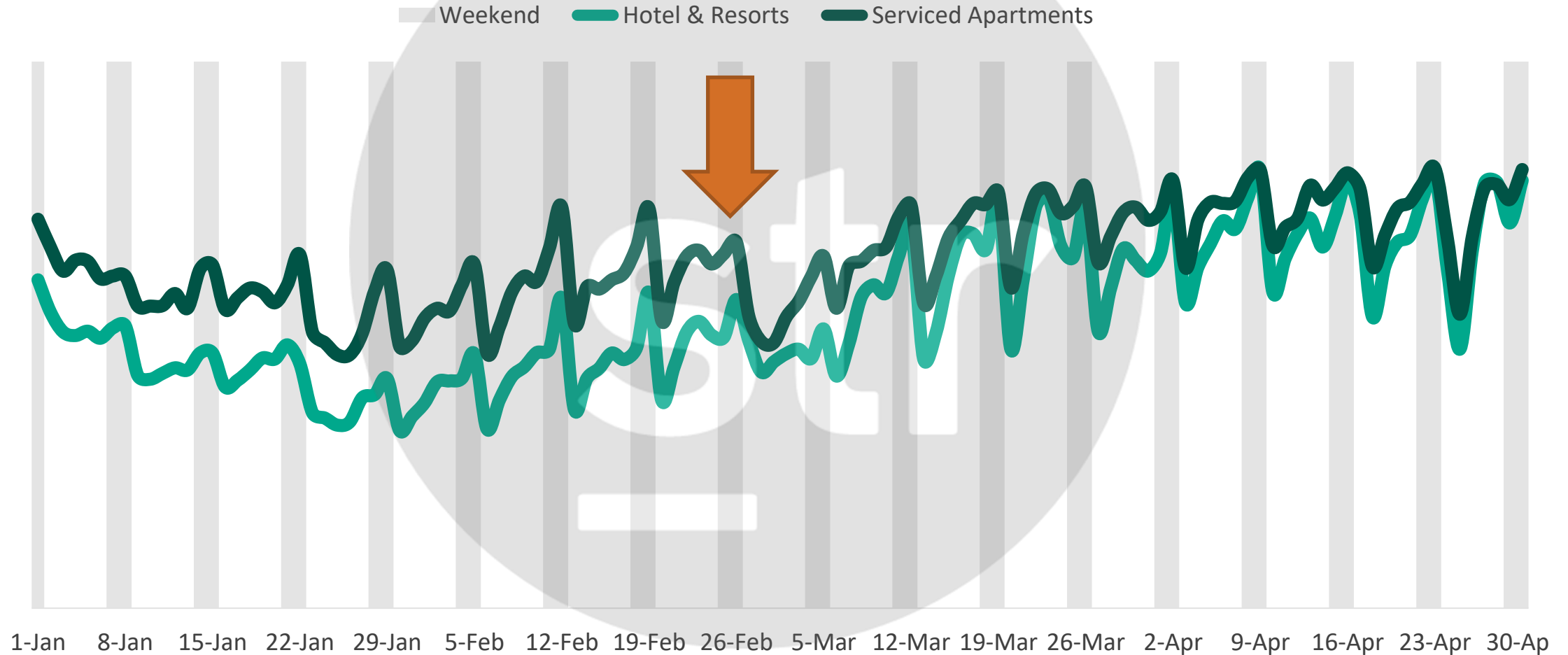
Brisbane South exceeding 2019 Occupancy levels in 2022

Brisbane Submarkets, R7 Occupancy, Nov 2021 – Jun 2022 Indexed to 2019



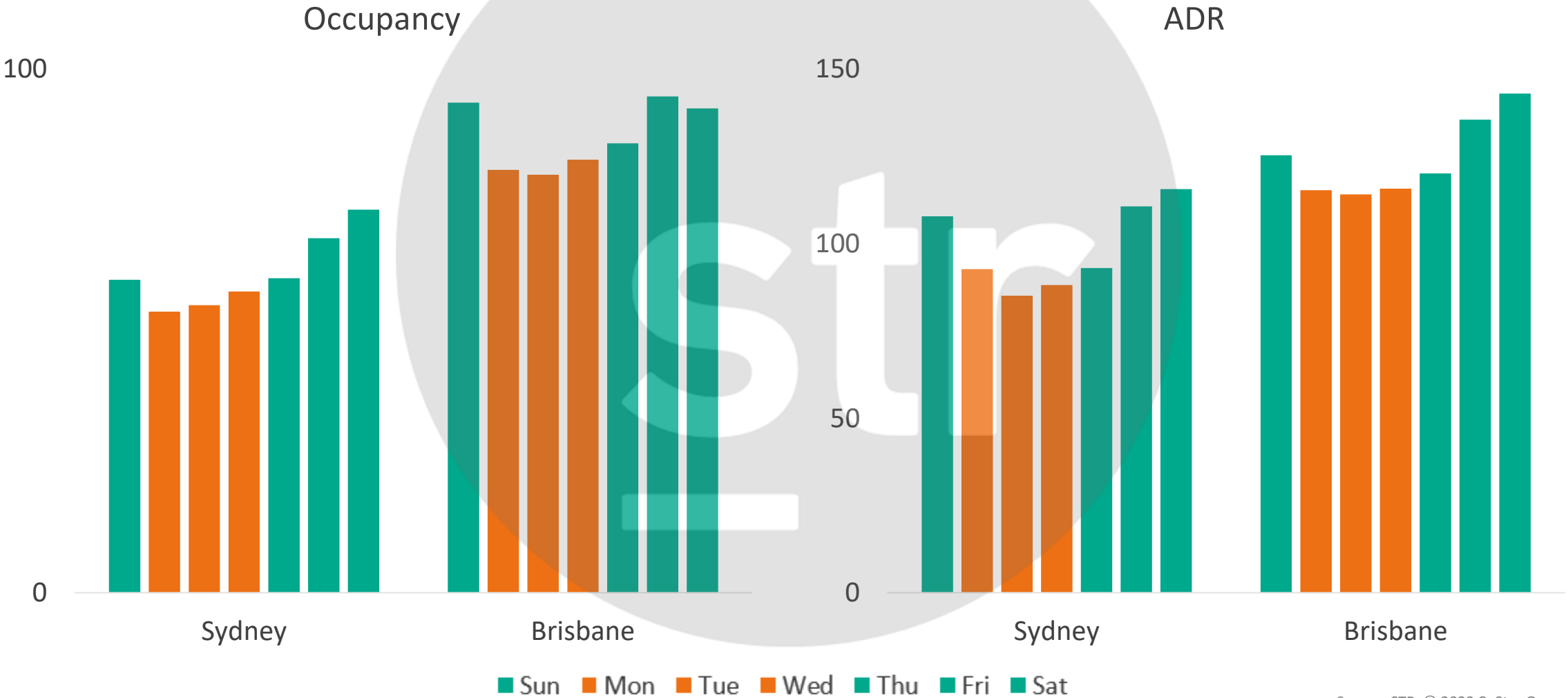
Accommodation type becomes more consistent in performance

Brisbane, daily occupancy (standard), Jan – Apr 2022



Weekdays still have the most potential

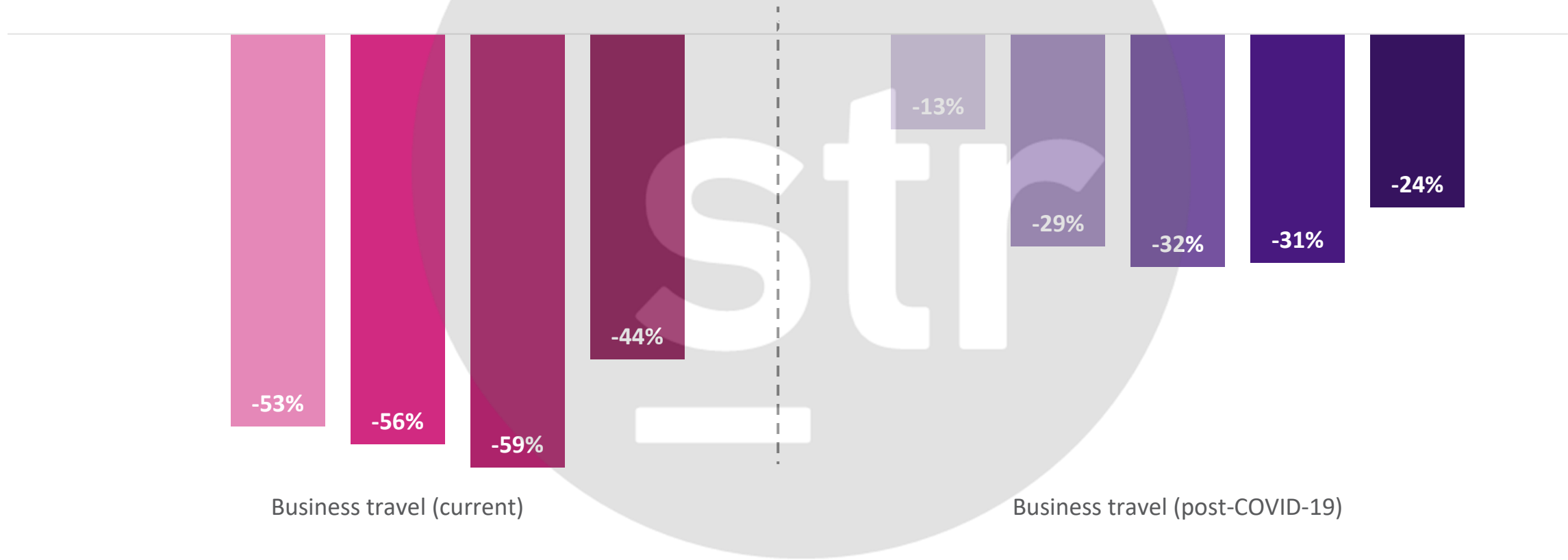
Sydney & Brisbane, Occupancy & ADR Jan – Apr 2022, indexed to 2019 (by day type)



Anticipated business travel is still negative in the current (44% less) and post COVID (24% less) scenarios but trending upwards

Business Travel: Current & Post-COVID-19 (Net Propensity)

■ Feb 2021 ■ Jul 2021 ■ Nov 2021 ■ Feb 2022 ■ May 2022



Q: You mentioned travelling for business prior to the pandemic, thinking about the current COVID-19 situation and how that impacts your views on travel, are you likely to travel more or less for business compared to before the pandemic? | Q: Now thinking further ahead about overnight business travel, when the pandemic is completely over, are you likely to travel more or less for business compared to your pre-pandemic levels? | Base (Business Travelers): Feb 2021 (492), Jul 2021 (667), Nov 2021 (521), Feb 2022 (474), May 2022 preliminary unweighted data (444)

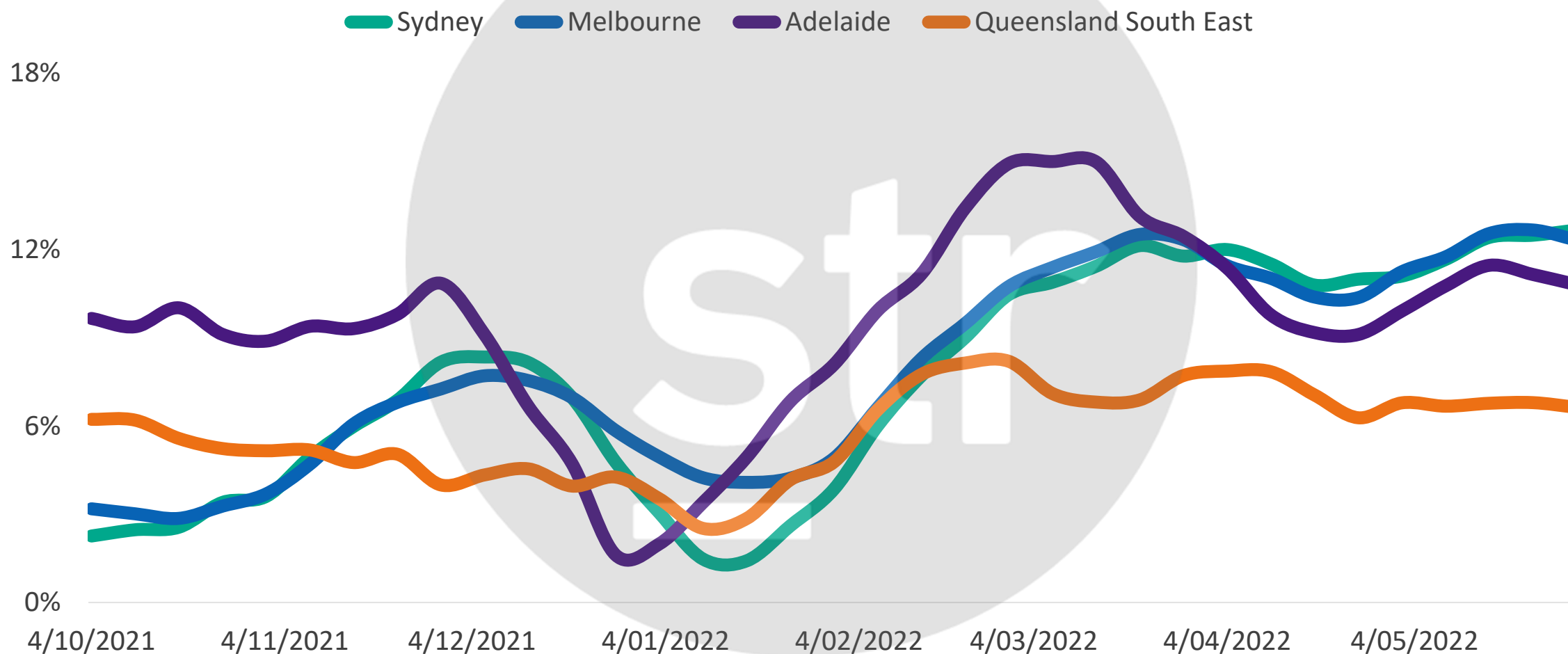
Source: STR. © 2022 CoStar Group

Looking forward, what can we expect?



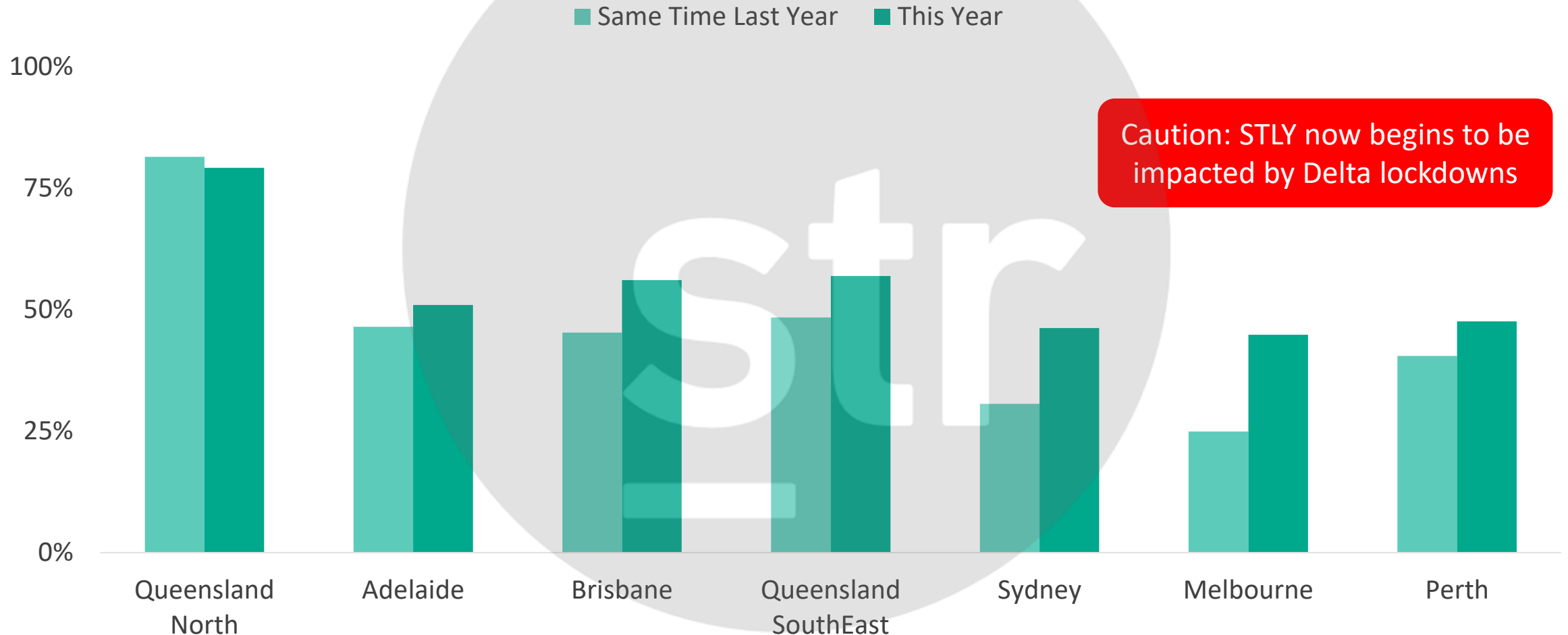
Weekly pick up continues at a strong pace & from a higher existing base

Selected markets, Running 4 week, weekly 14 day pick up, Oct 2021 – May 2022



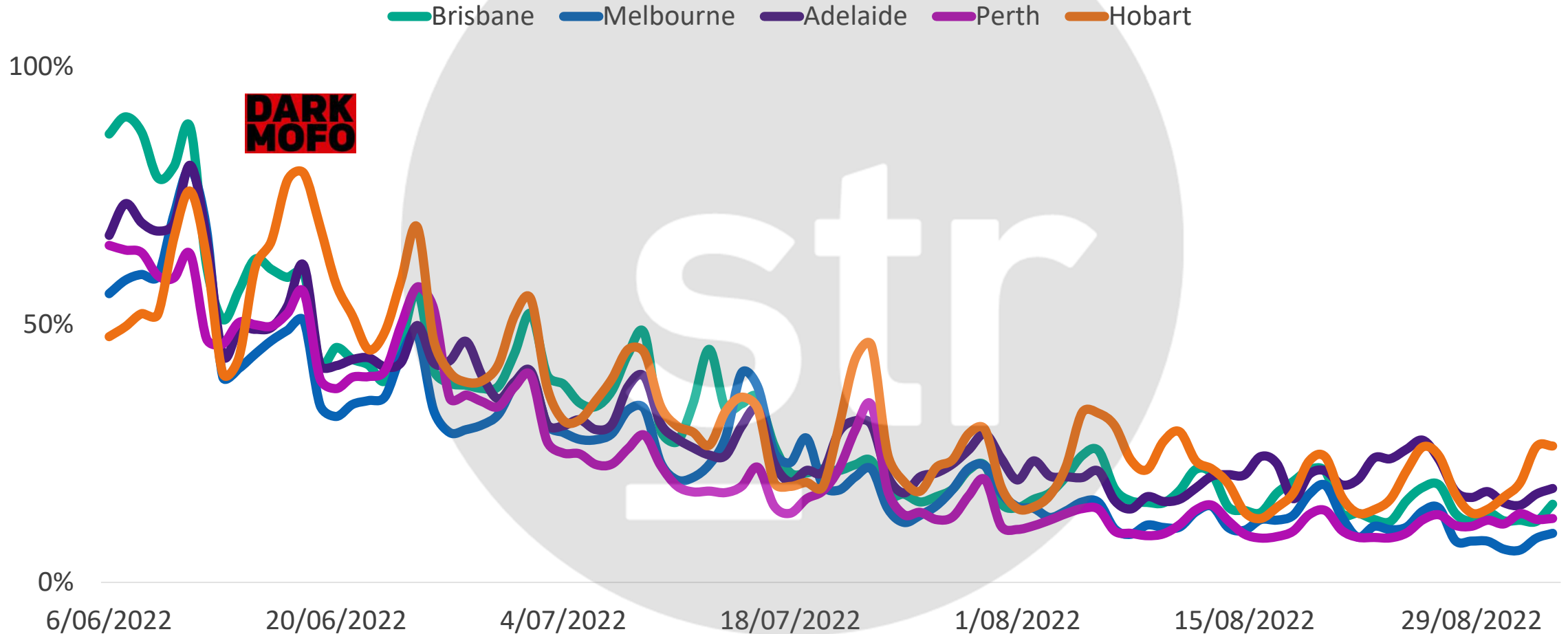
Why the positivity can continue – healthier future occupancies on the books

Australian markets, Occupancy next 28 days as at 6 June 2022 compared to STLY next 28 days



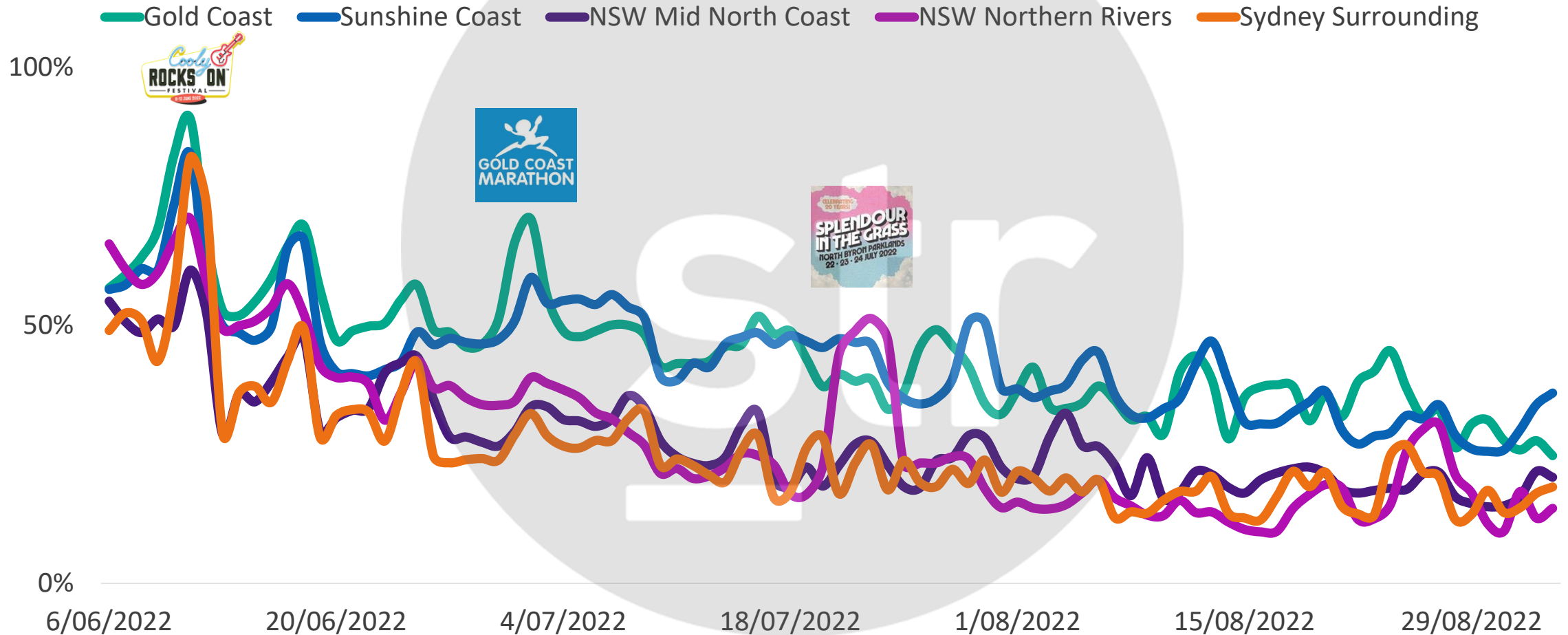
Capitals seeing future occupancy consistently rising and distinct from 2021

Selected markets, Occupancy on the books for the next 90 days as at 6 June 2022



Regional leisure locations see a positive but different demand outlook

Selected markets, Occupancy on the books for the next 90 days as at 6 June 2022

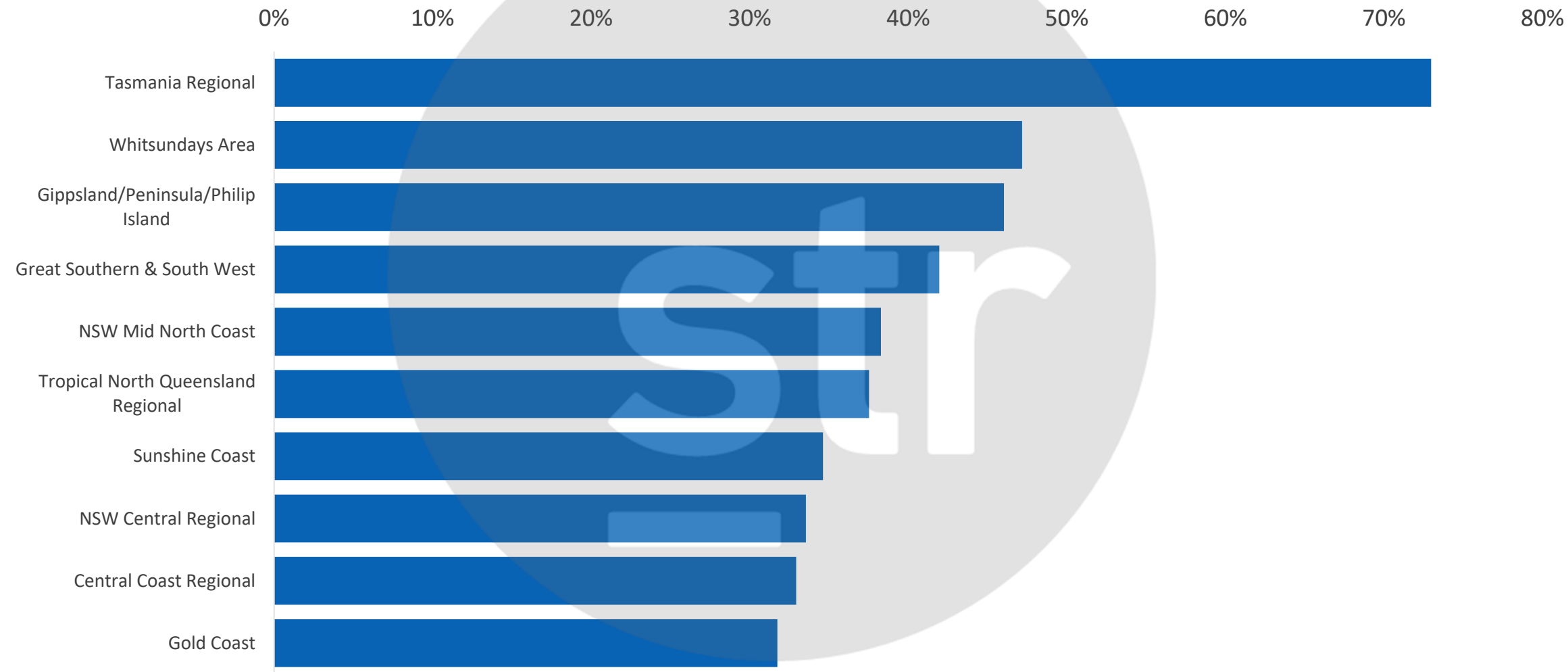




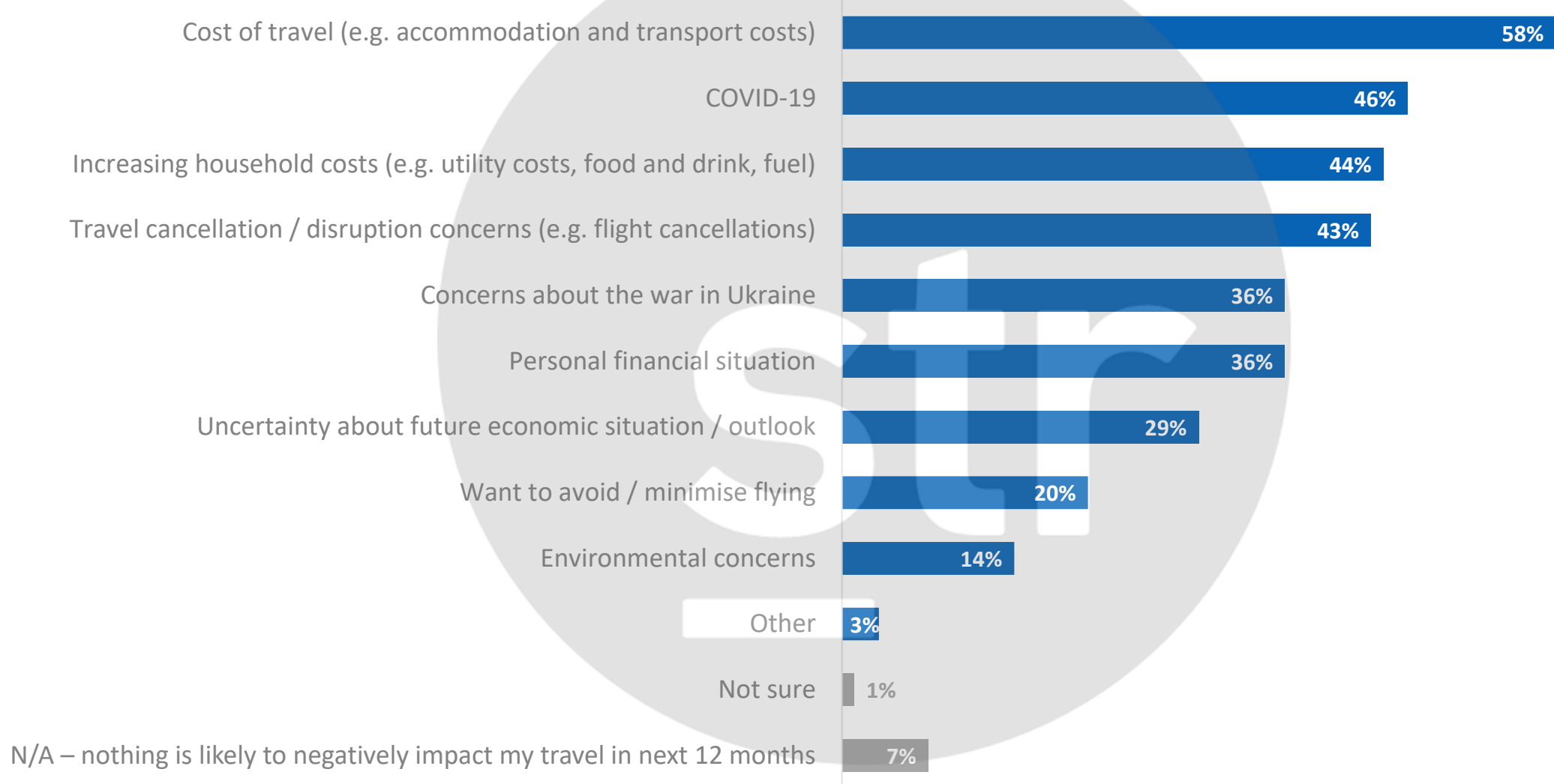
Average Rate in the spotlight

ADR went to another level over Summer with superlative ADR

Selected Australian leisure markets/submarkets, Q1 2022 ADR Percent change from 2019



Increasing costs are now the biggest barrier for future travel....

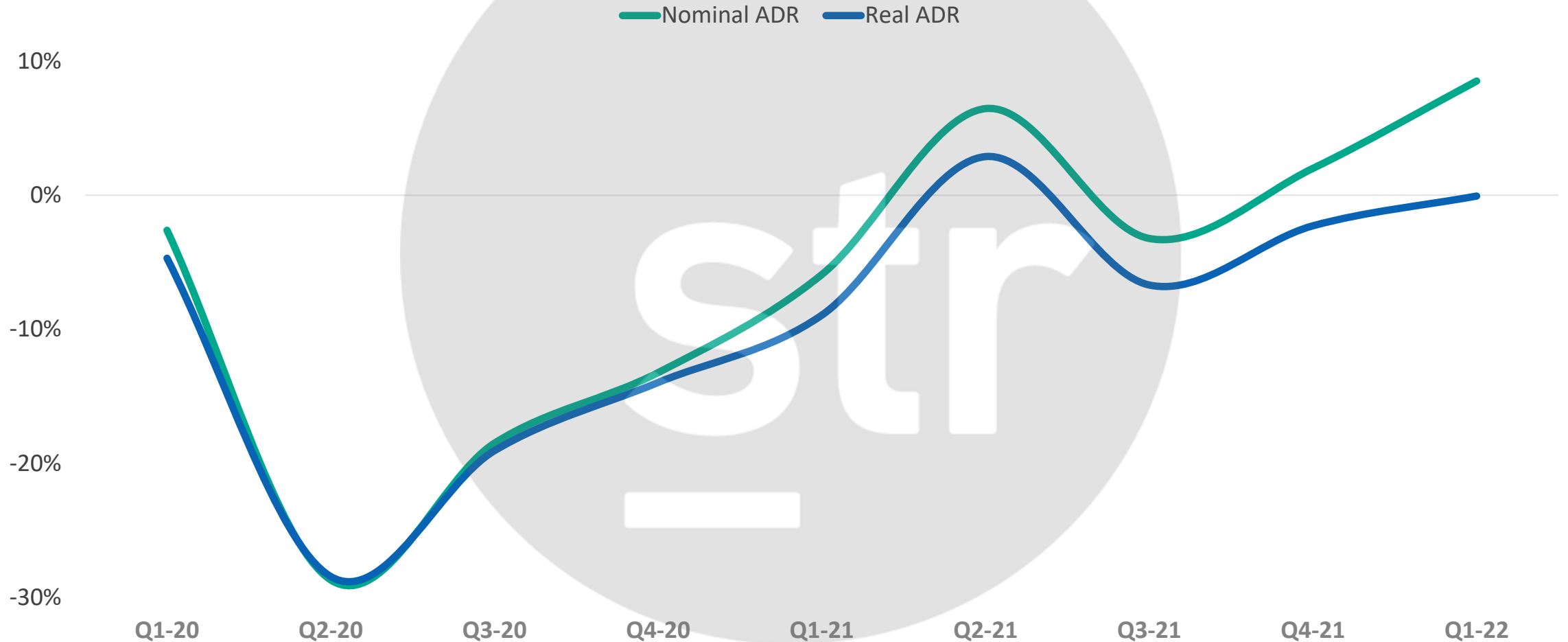


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Why is rate so important? Inflation eats away the % gains

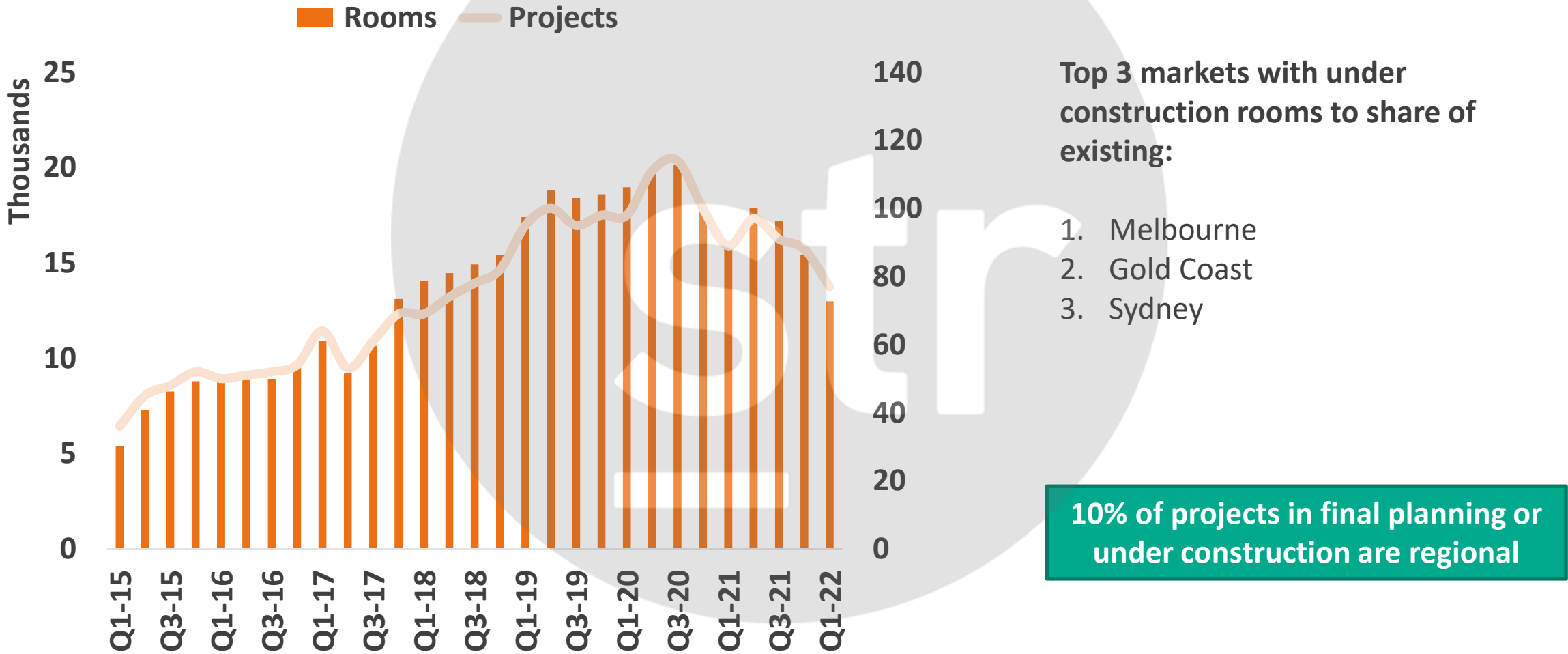


Australia, Nominal & Real ADR percentage change to 2019, by quarter, Q1 2020 – Q1 2022



Supply| Australia now past the construction peak

Australia, Rooms and projects under construction as at April 2022



Brisbane



Rooms to open in
next 2 years ~ 1142



Summary



- 1 Broadly global performance turns a positive corner
- 2 Regional to maintain its dominance but shrinking
- 3 Heterogeneity of performance
- 4 Hump day isn't so humpy just yet
- 5 Real ADR matters to profitability
- 6 Supply peaking in late 2022



Thank you!

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