



# How is the recovery tracking for Gold Coast...

## 80Twenty Conference

14<sup>th</sup> June 2022

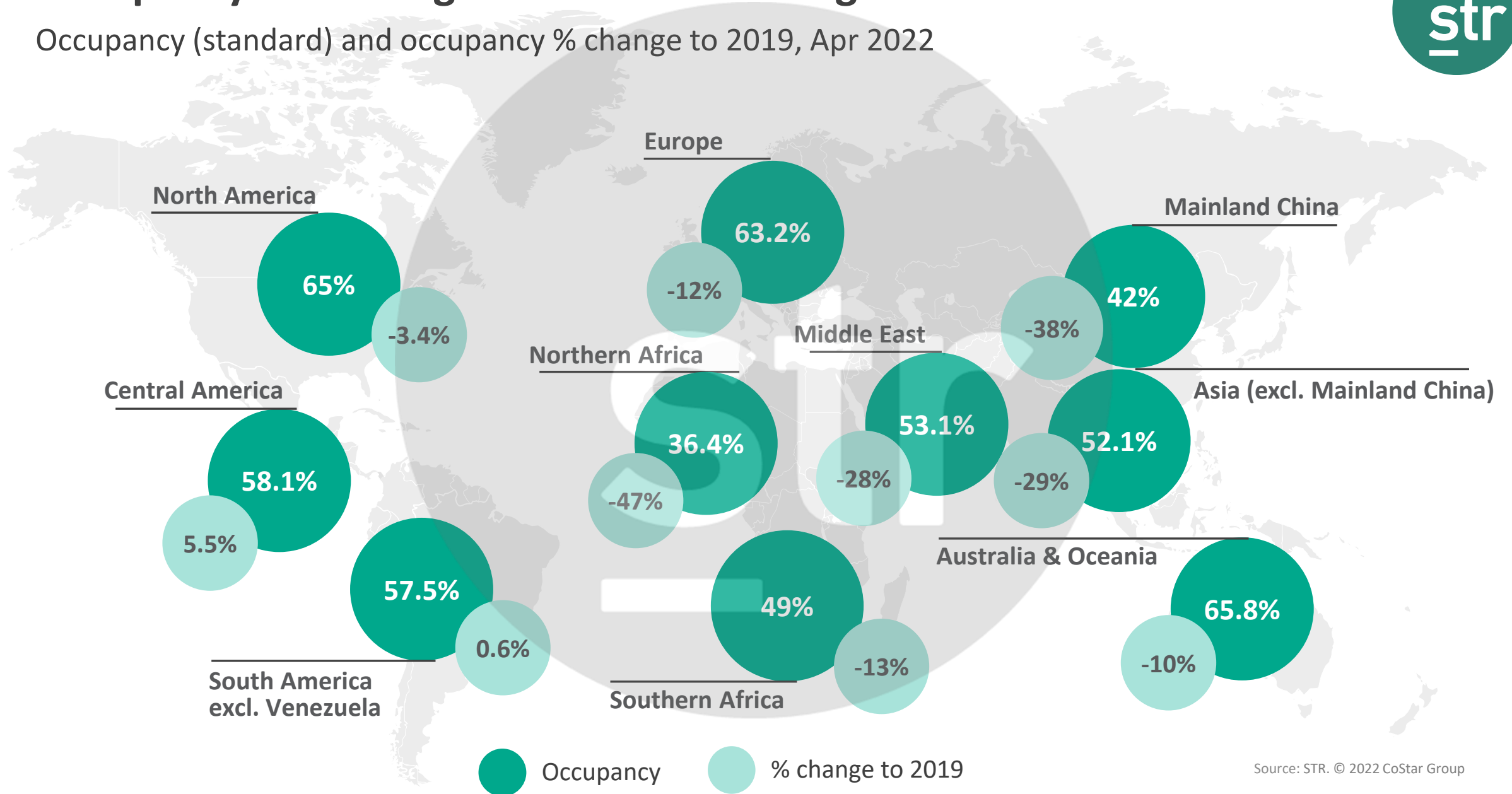
**Paul Hammond**

**Business Development Manager, Pacific - STR**

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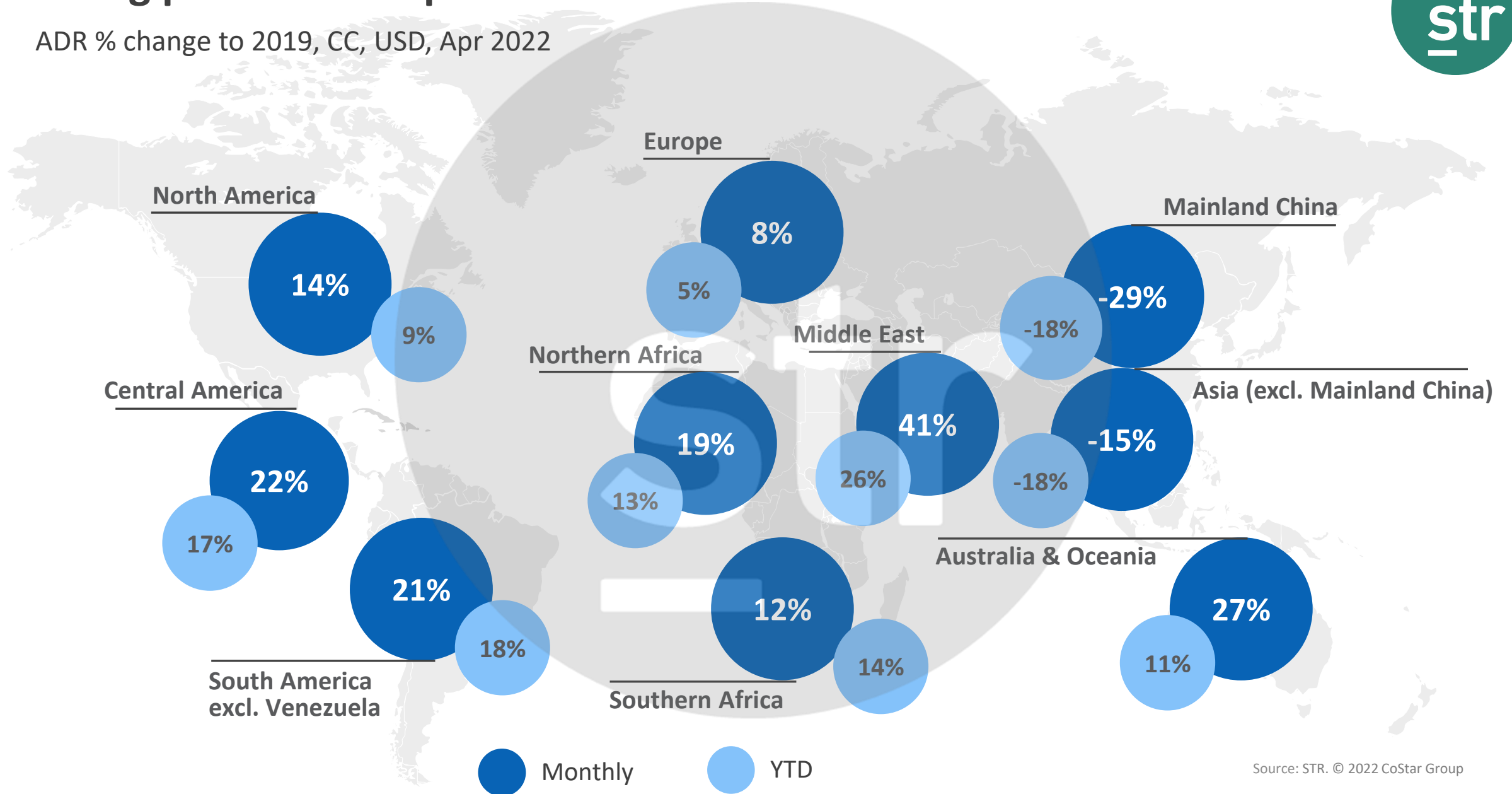
# Occupancy increasing across most of the globe

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



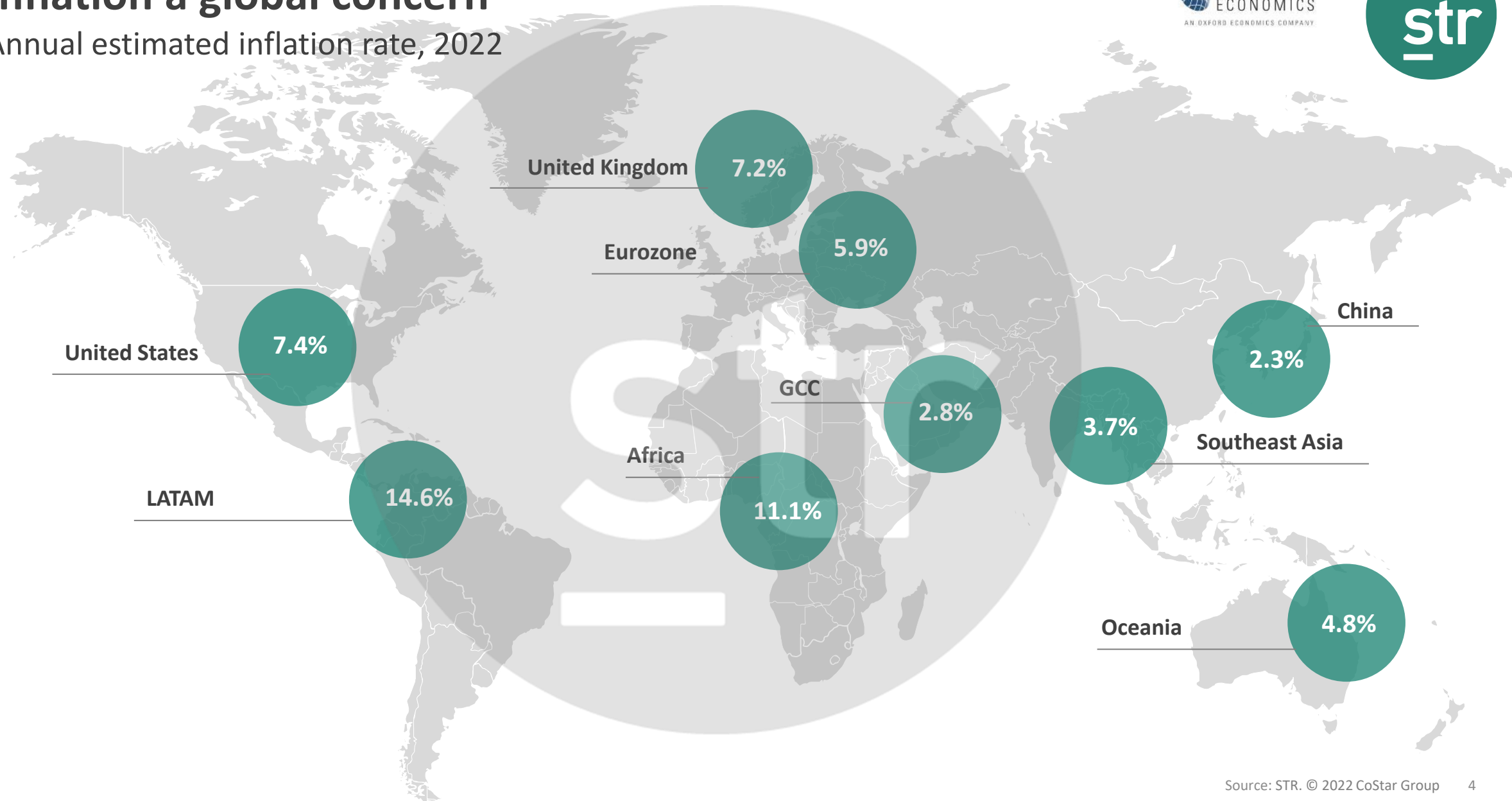
# Rising prices drive up ADR 'round the world

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



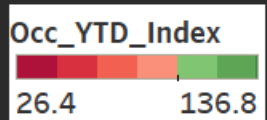
# Inflation a global concern

Annual estimated inflation rate, 2022



# Occupancy evolves again across Asia Pacific

APAC, occupancy indexed to 2019, YTD Apr 2022

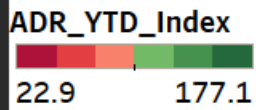


Source: STR. © 2022 CoStar Group



# Much greener across Asia Pacific for ADR

APAC, ADR indexed to 2019, YTD Apr 2022



Source: STR. © 2022 CoStar Group

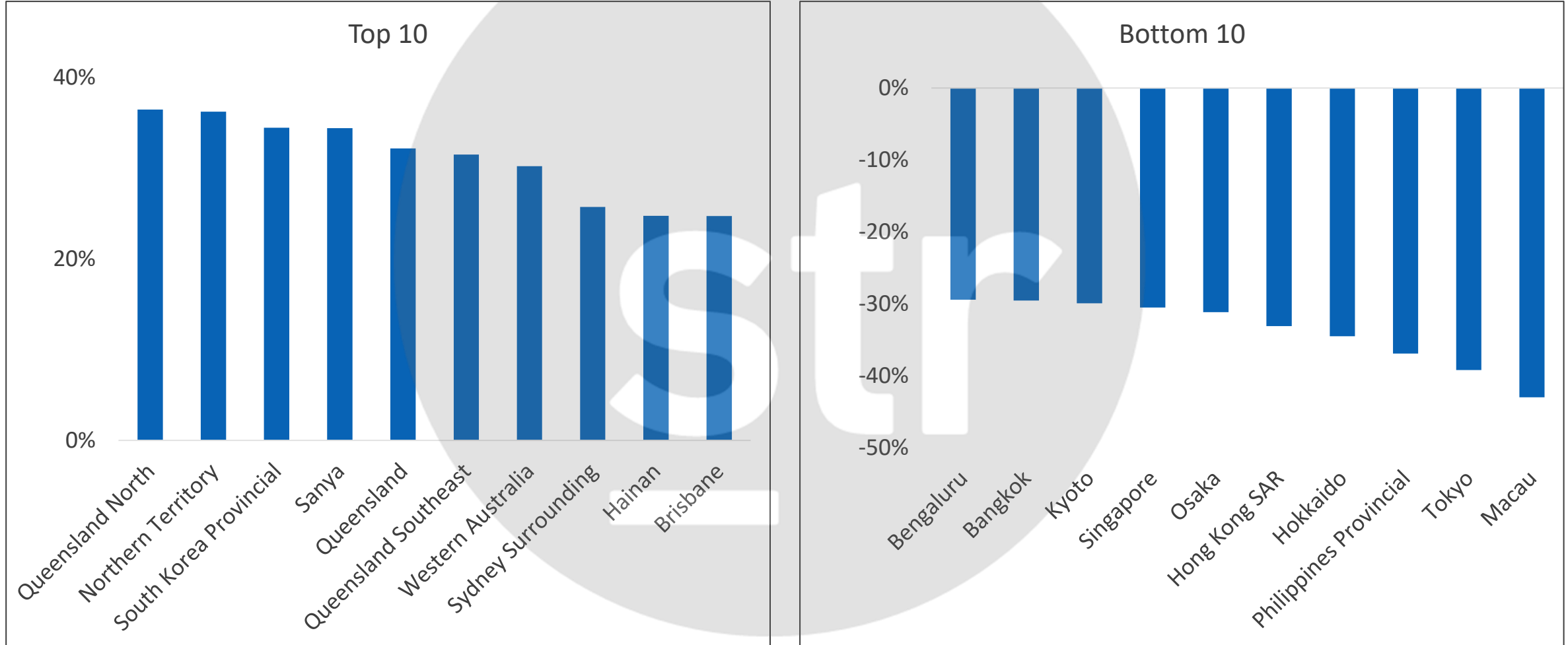
# Occupancy remains varied across the region as demand returns

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

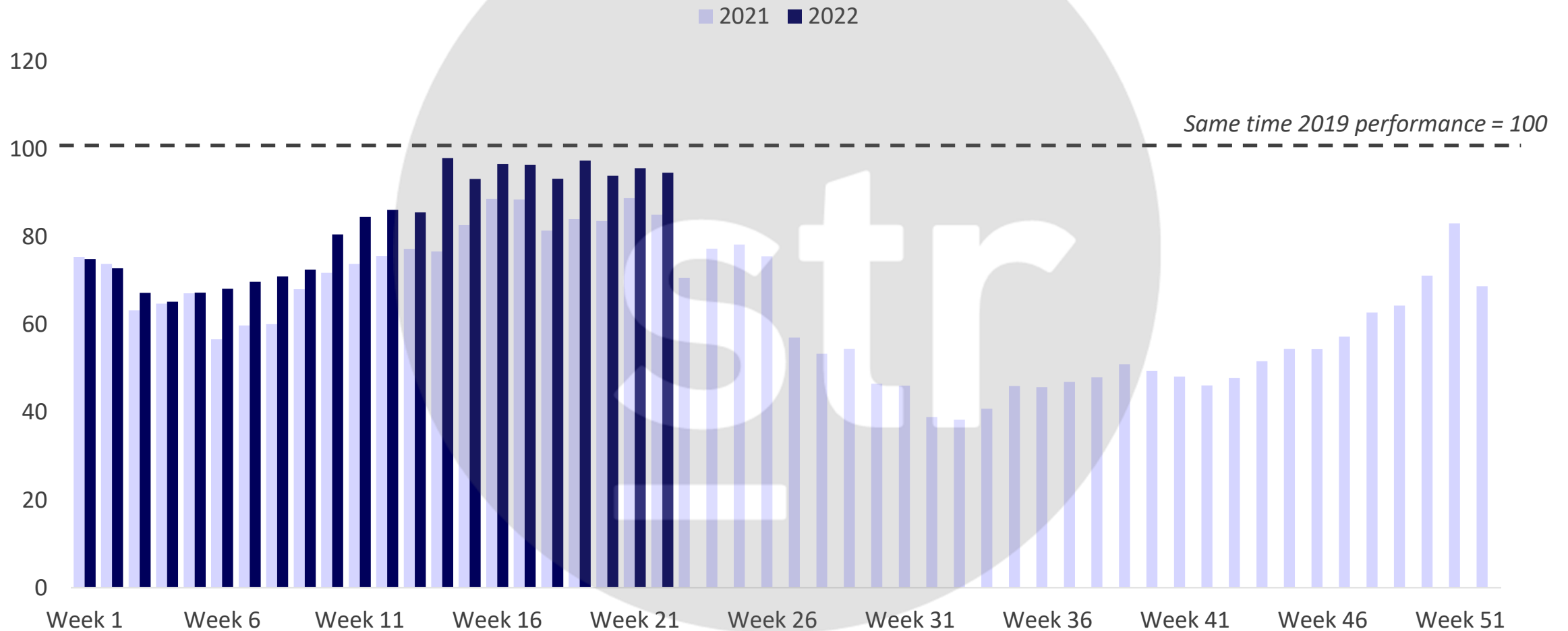




# For Australia, performance surpasses 2021 and closer to 2019



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

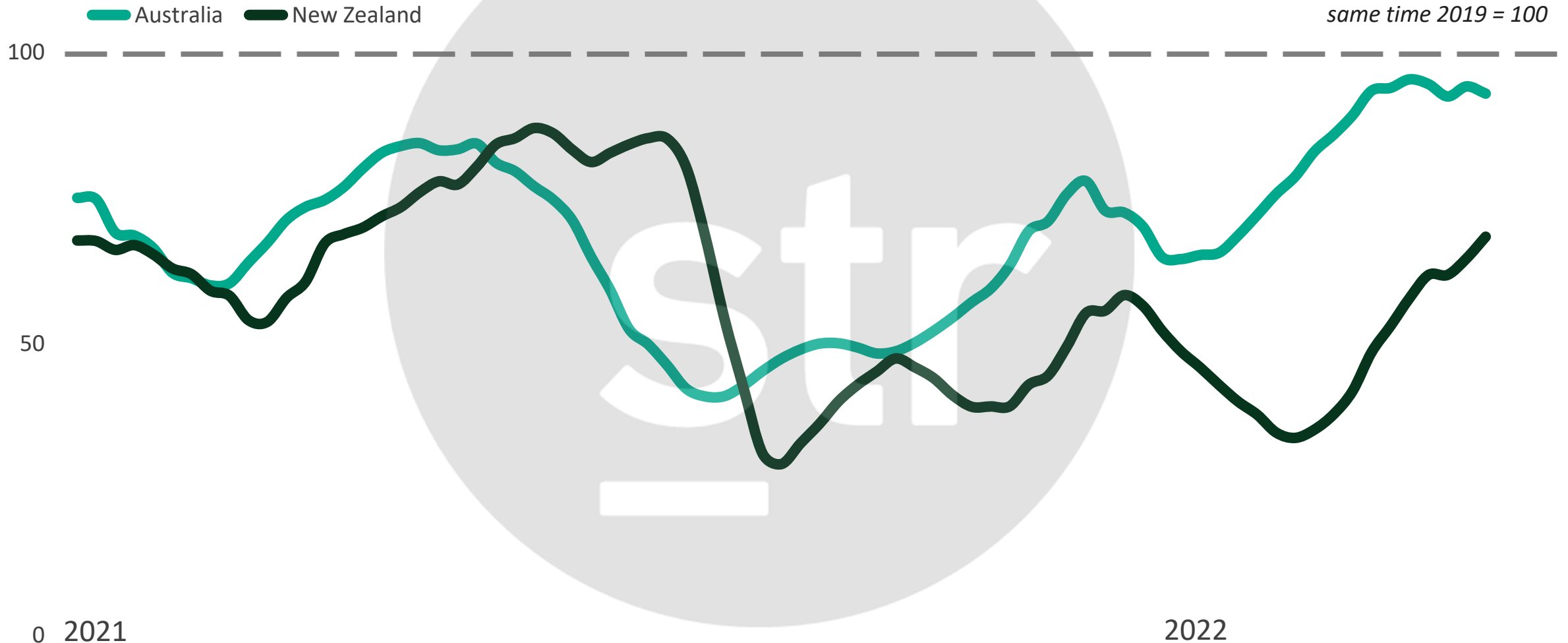


# Australia on the way to recovery, New Zealand trying to catch up



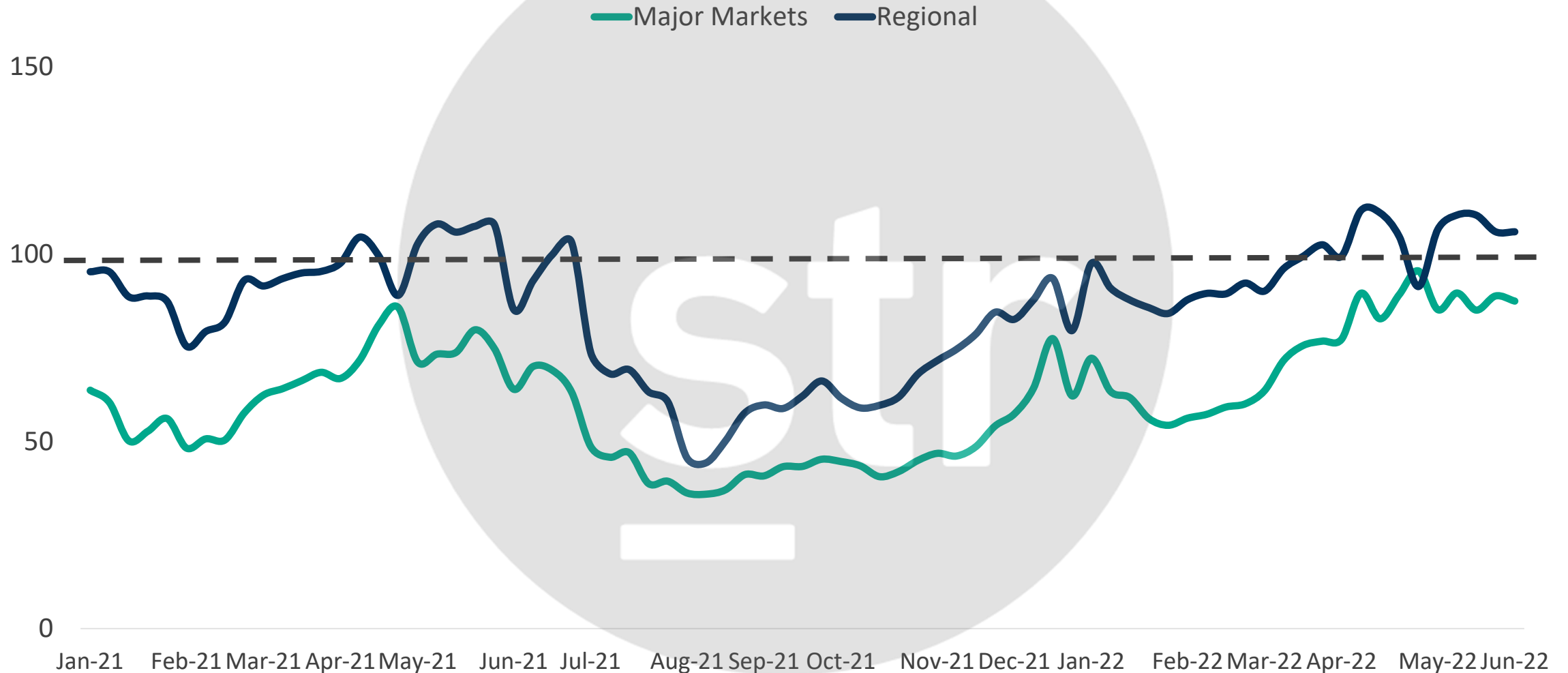
Next couple of quarters will be telling to speed of recovery

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



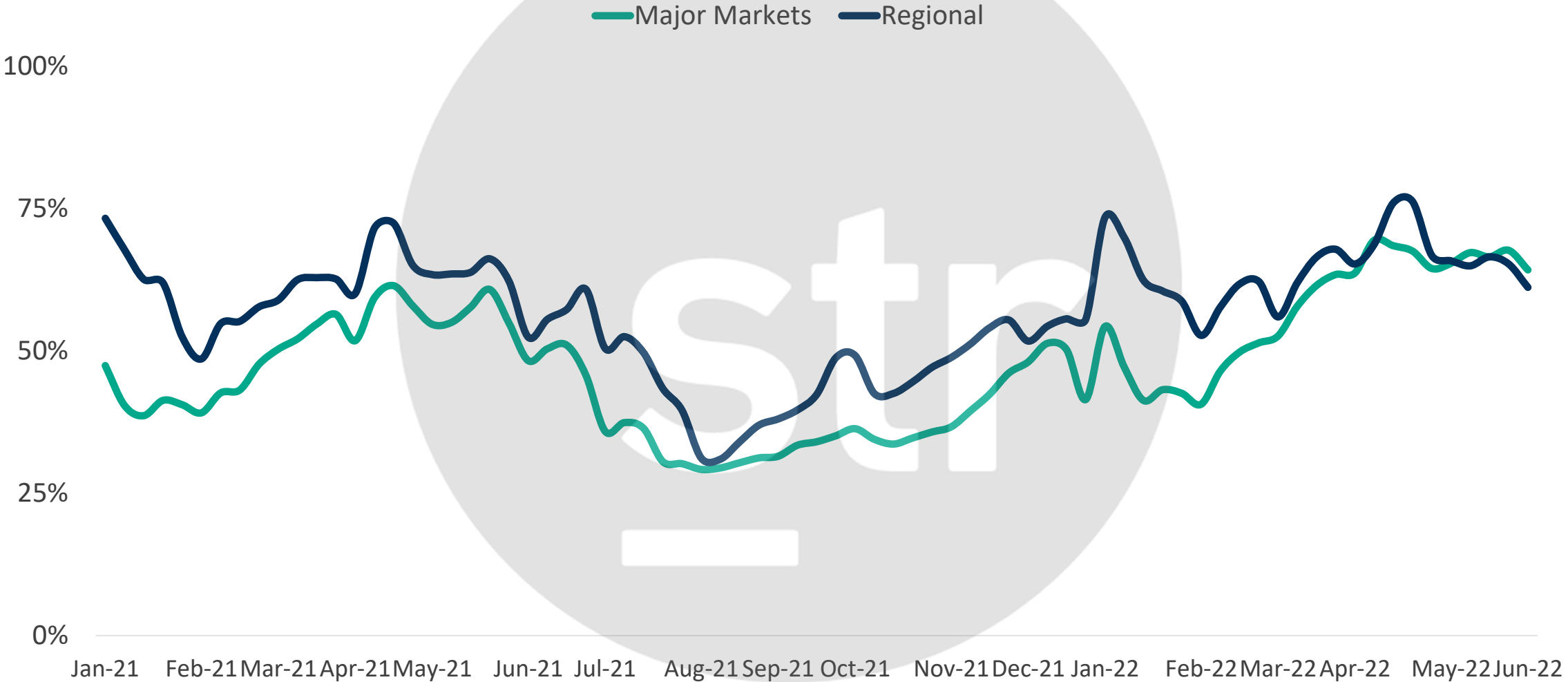
# Regional occupancy remains strong while capitals continue their return

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

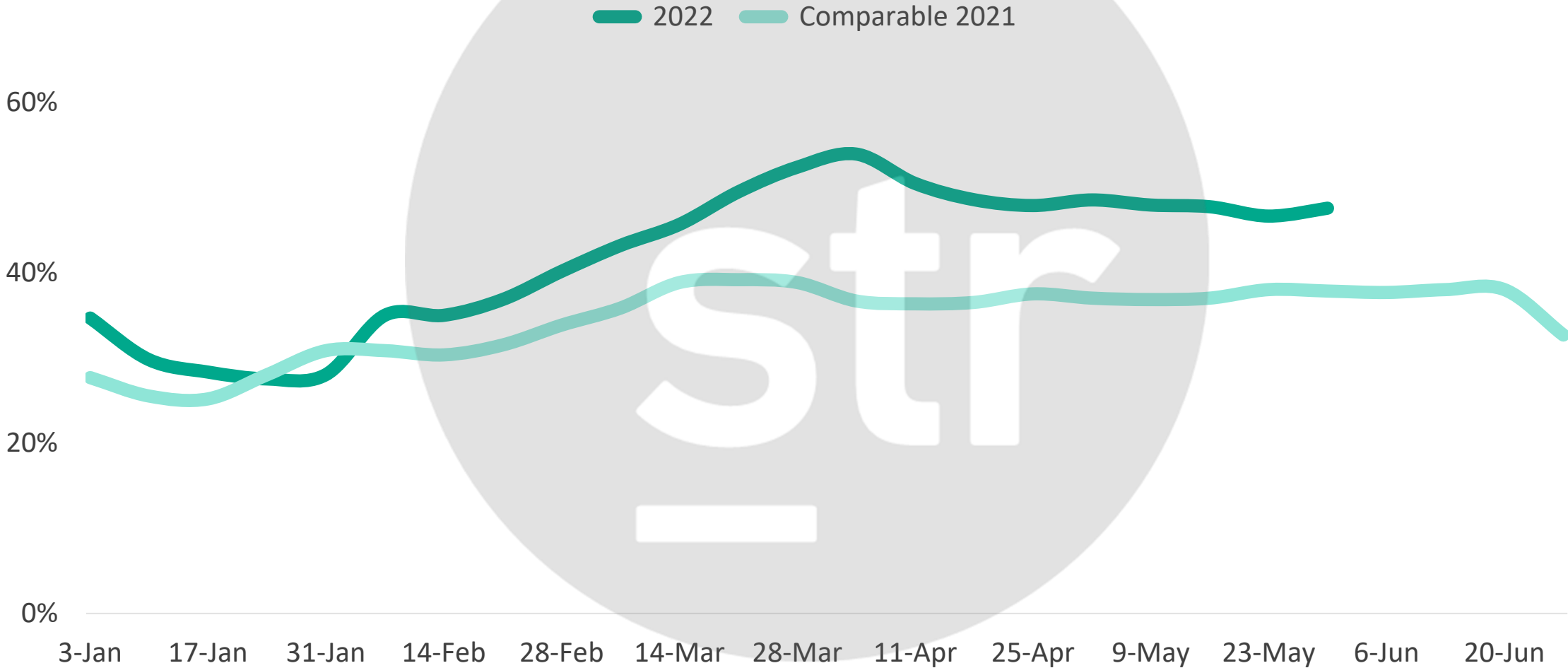
Australia, Occupancy % change to 2019, weeks ending 1 Jan – 4 Jun 2022





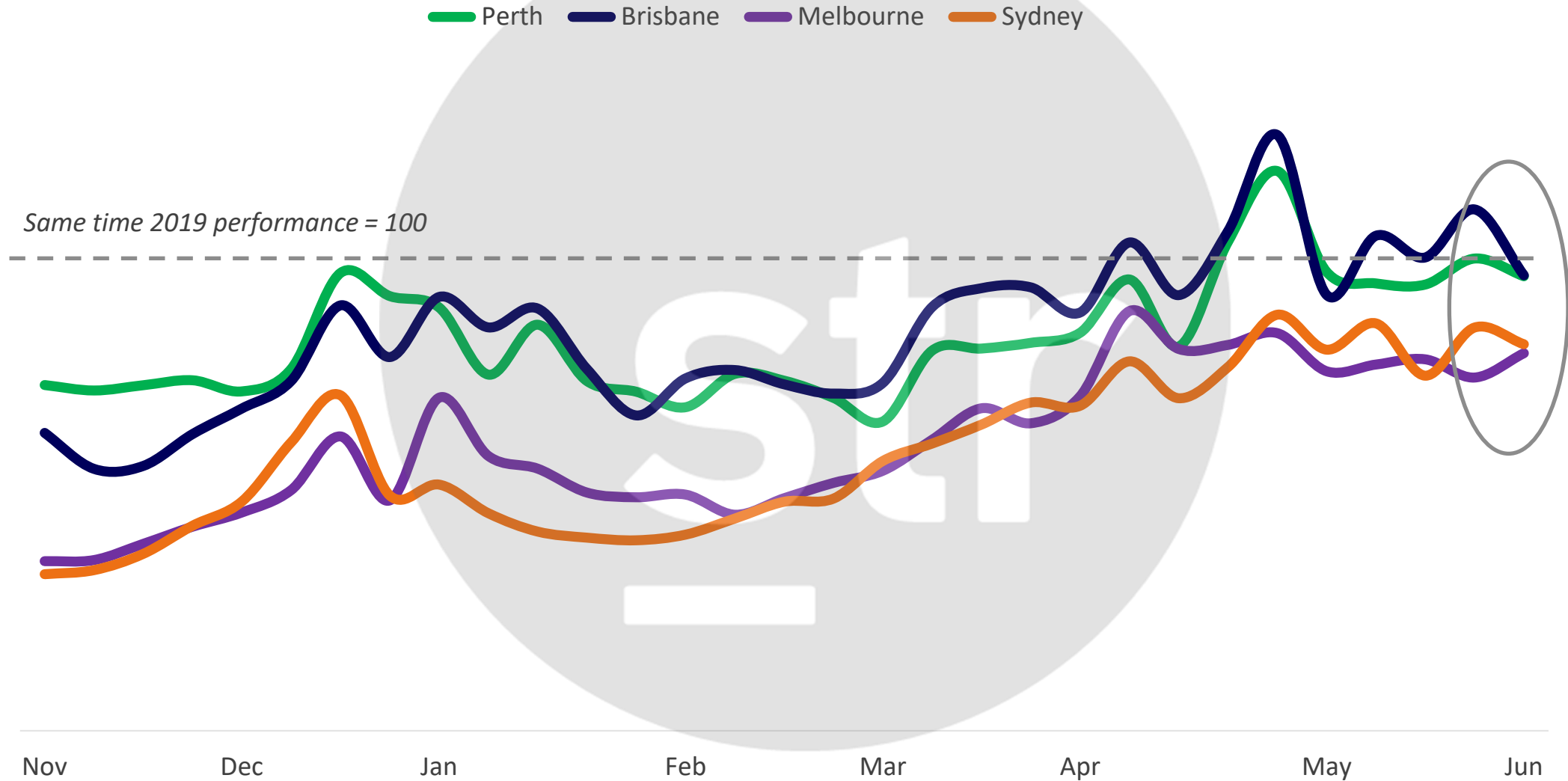
# Capital markets | Future occupancy booked nudges +50% for next 28 days

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



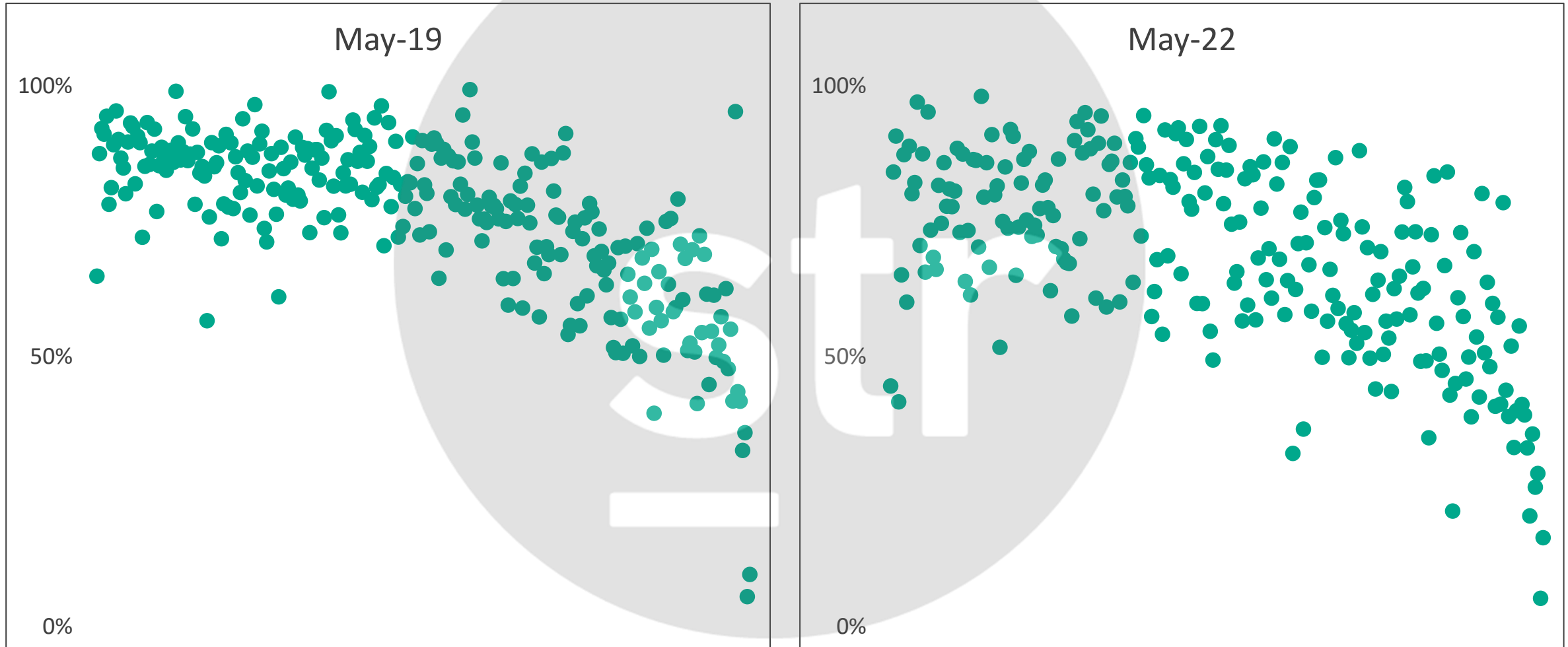
## Big 4 | SYD & MEL improve but still behind BNE & PER

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



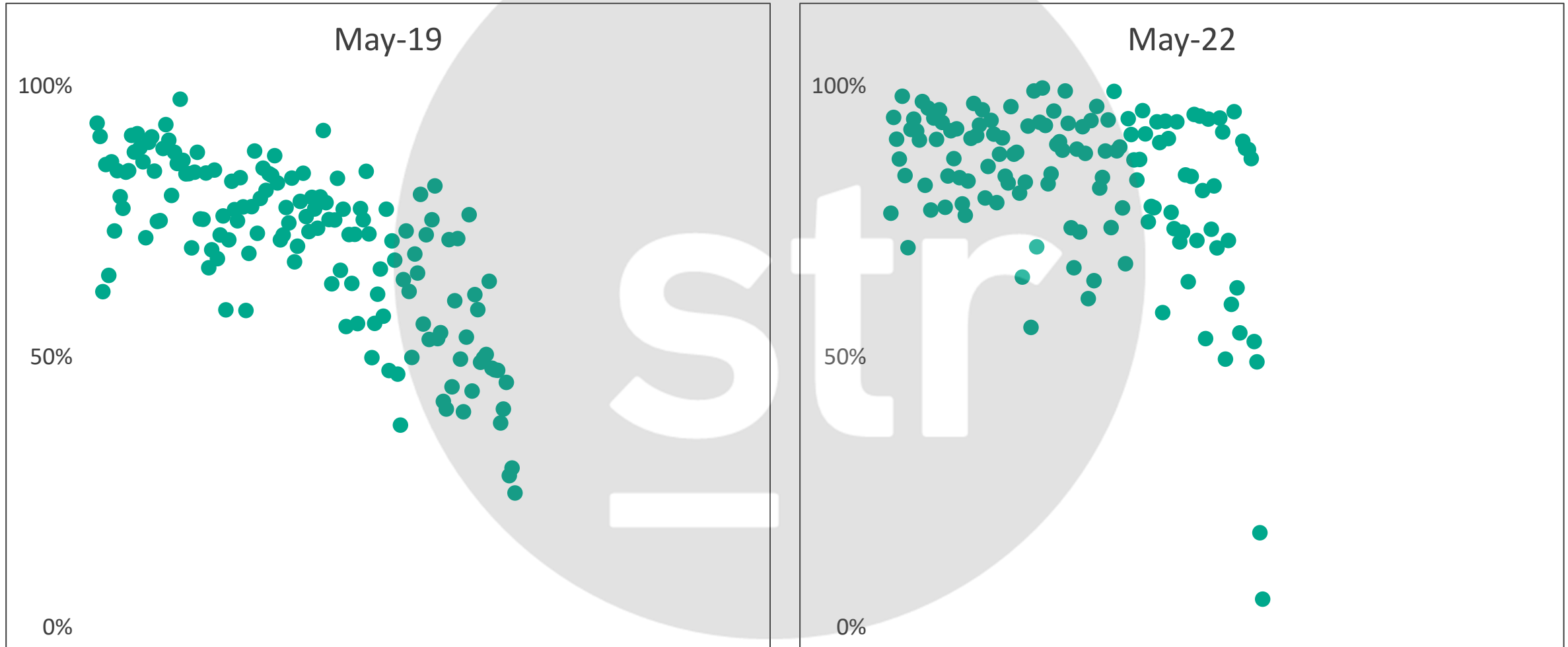
**It is partly explained by that there is still a lot of volatility to individual occupancy**

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



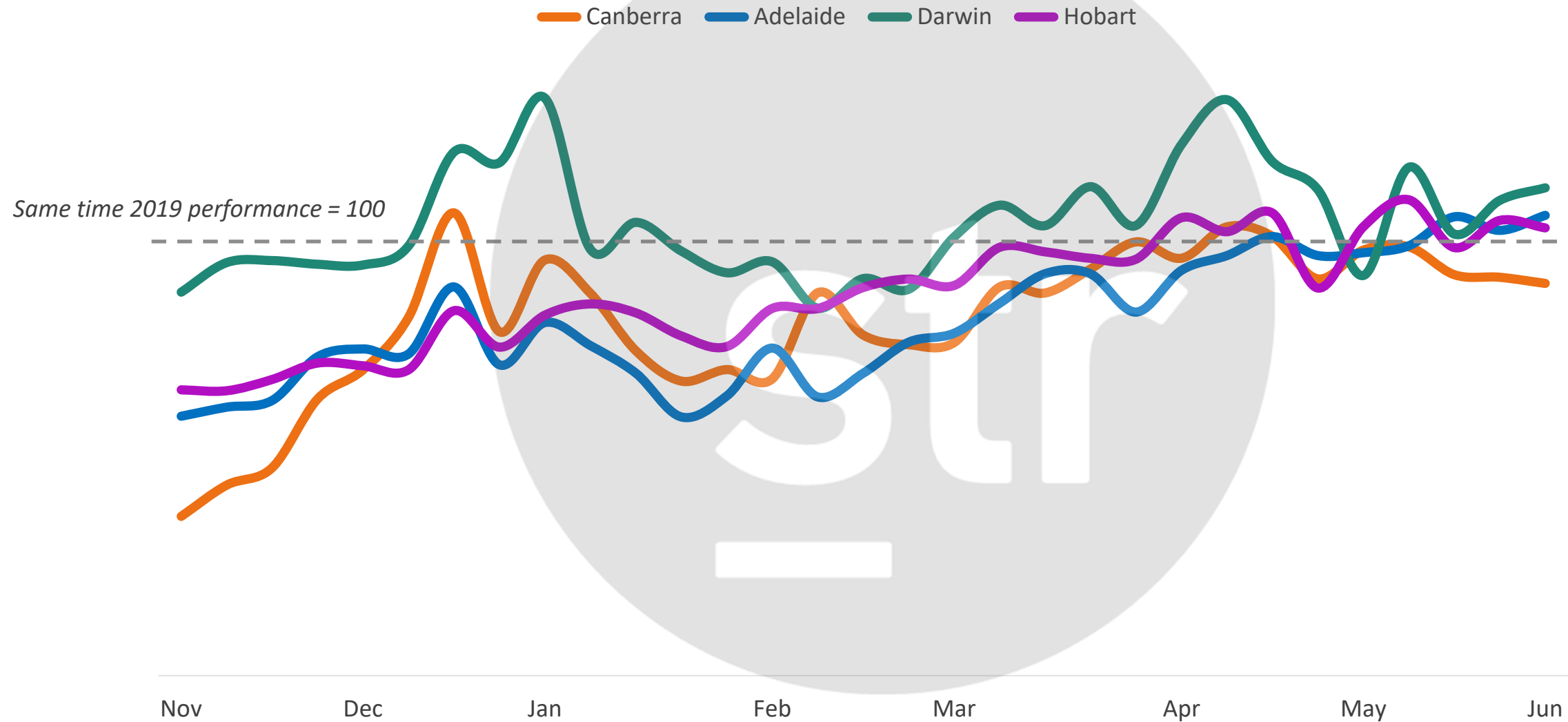
## For a better performing market volatility less present in individual occupancy

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



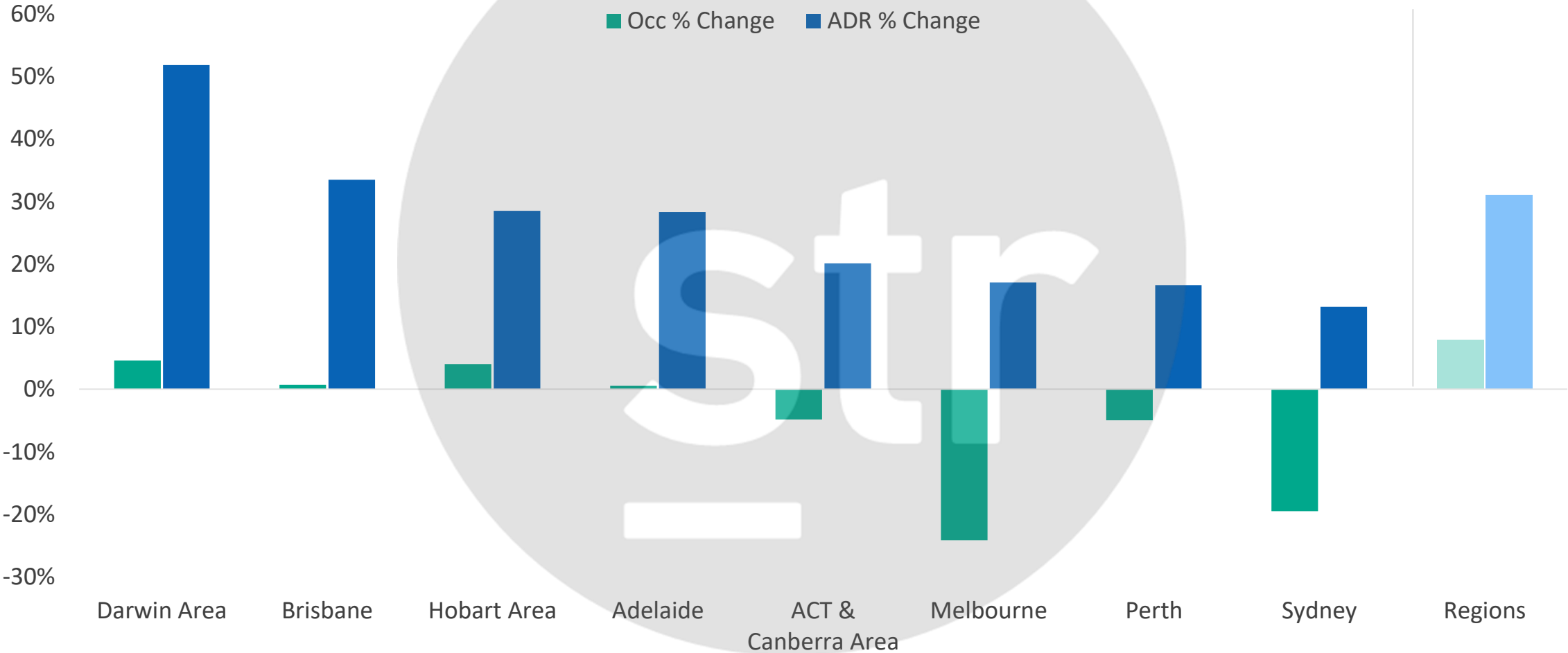
# Recovery beds in for Australia's smaller capitals

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



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

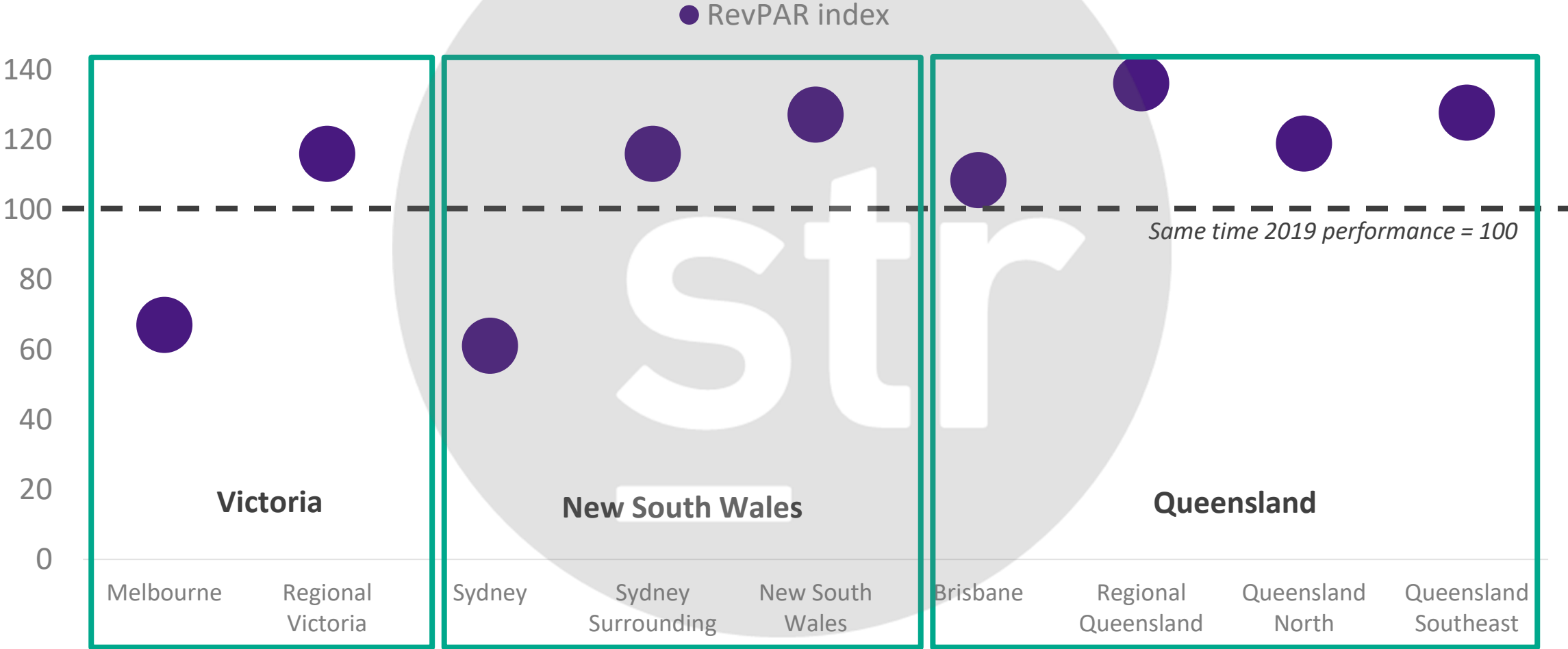
Australian capitals, % change to 2019, May MTD through 29 May





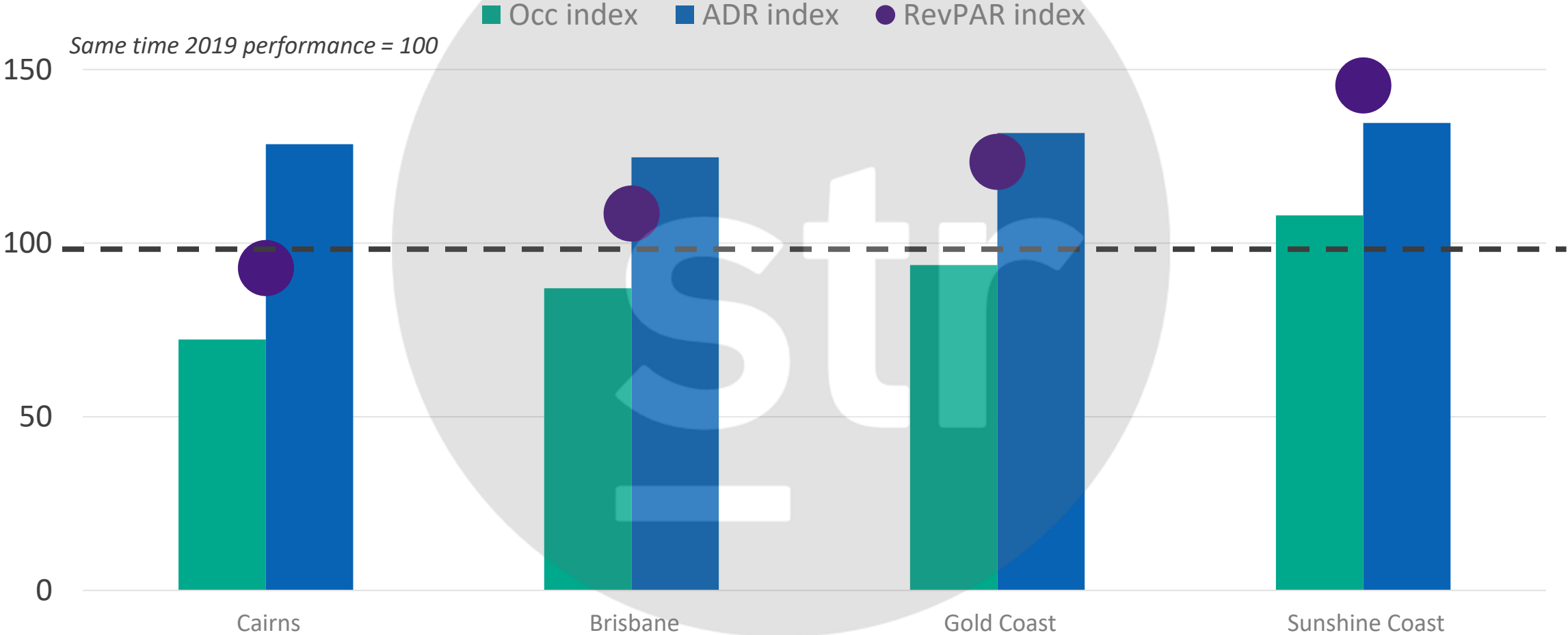
# Through ADR gains – RevPAR continues to rise in regional areas

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



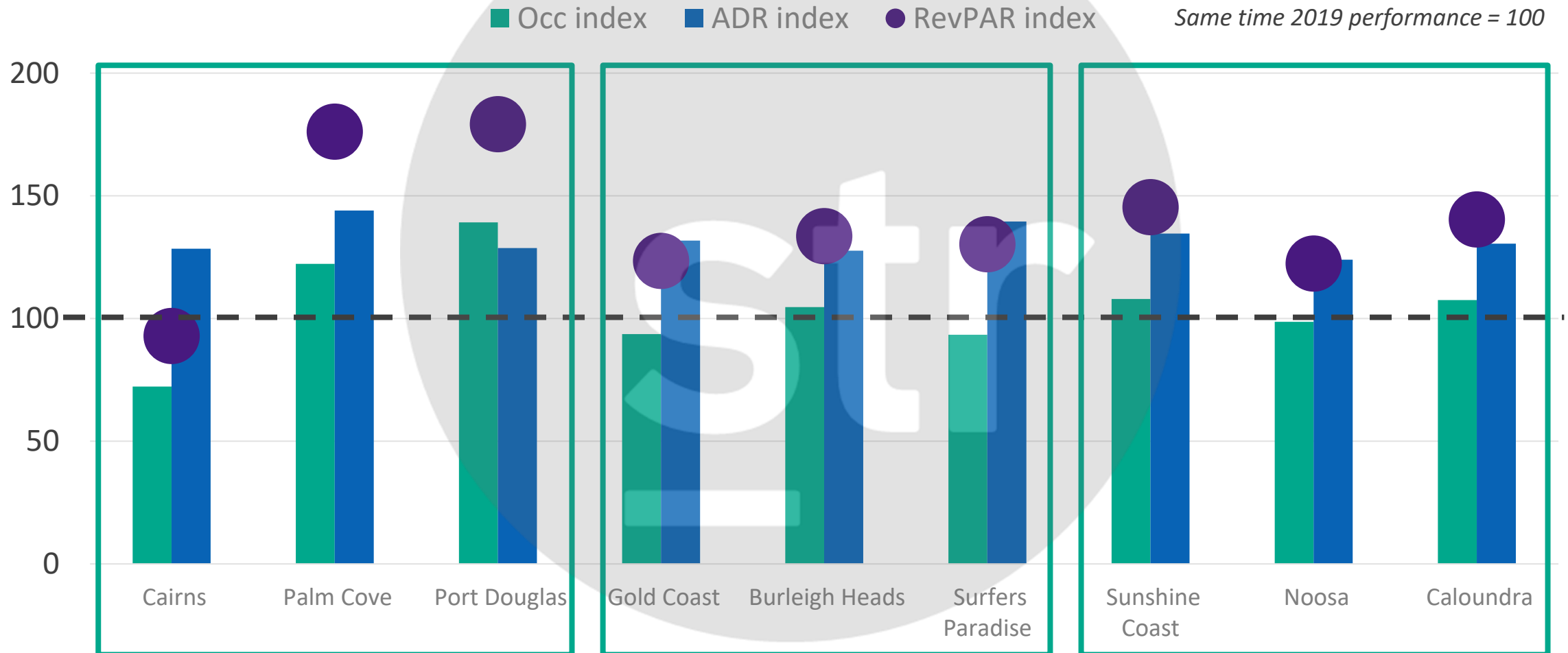
# Year To Date April 2022 has most with RevPAR levels close to or above 2019

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



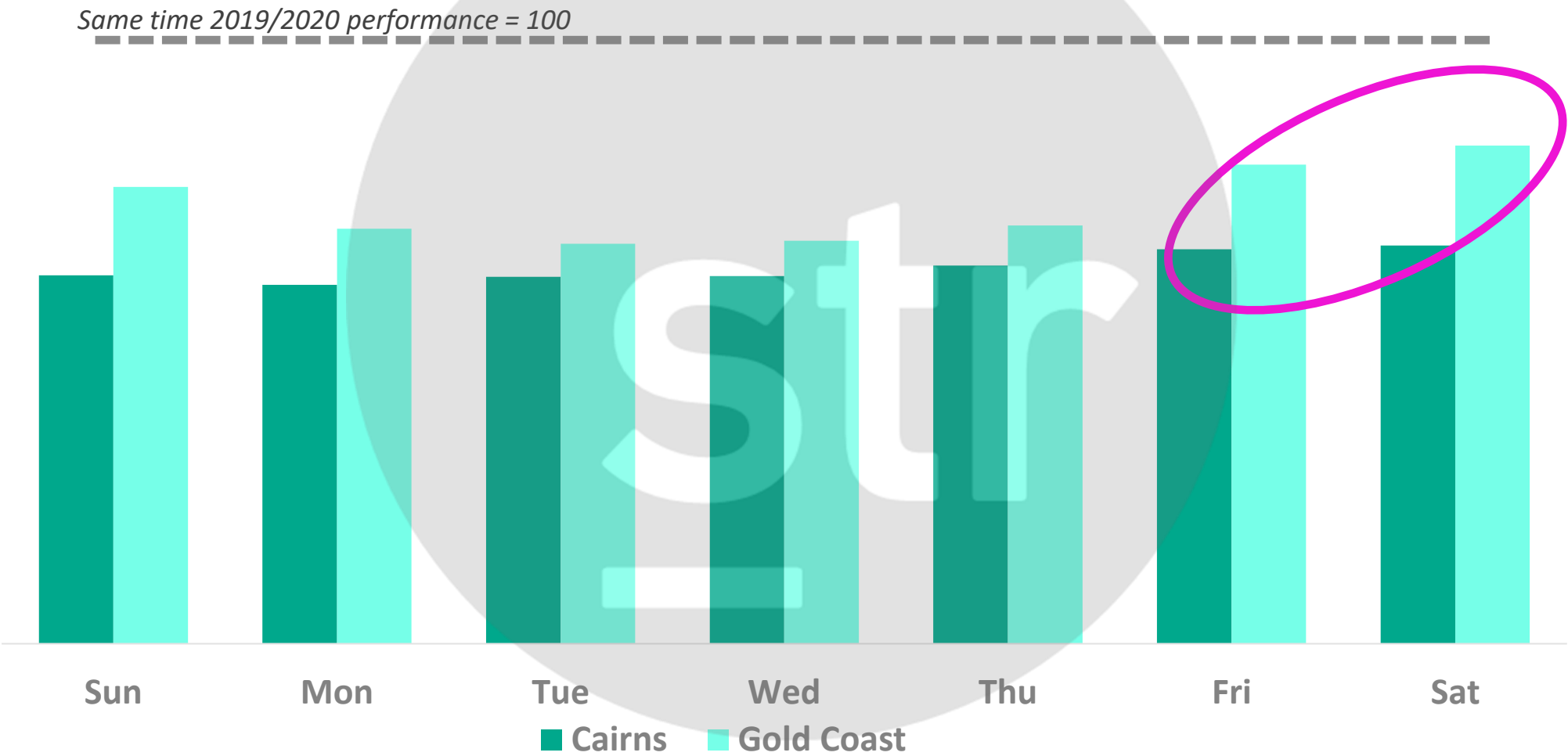
# What a difference it makes with interstate borders reopened...

Cairns, Gold Coast, Sunshine Coast & selected Subregions, YTD Apr 2022 KPI's indexed to 2019



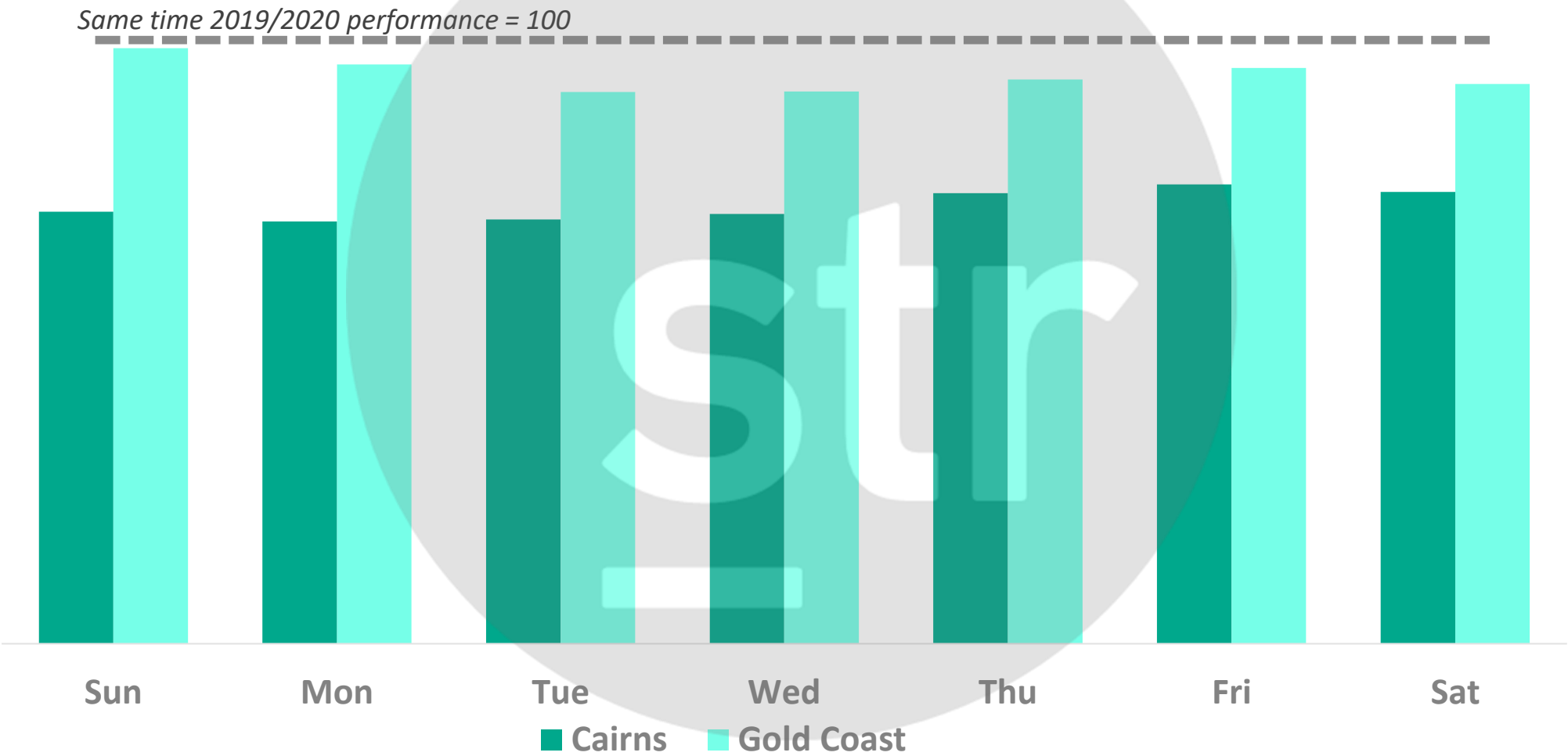
# The drive market factor was very pronounced in 2021

Cairns & Gold Coast, Day of Week Occupancy Feb-Jan 2021/2022 indexed to 2019/2020



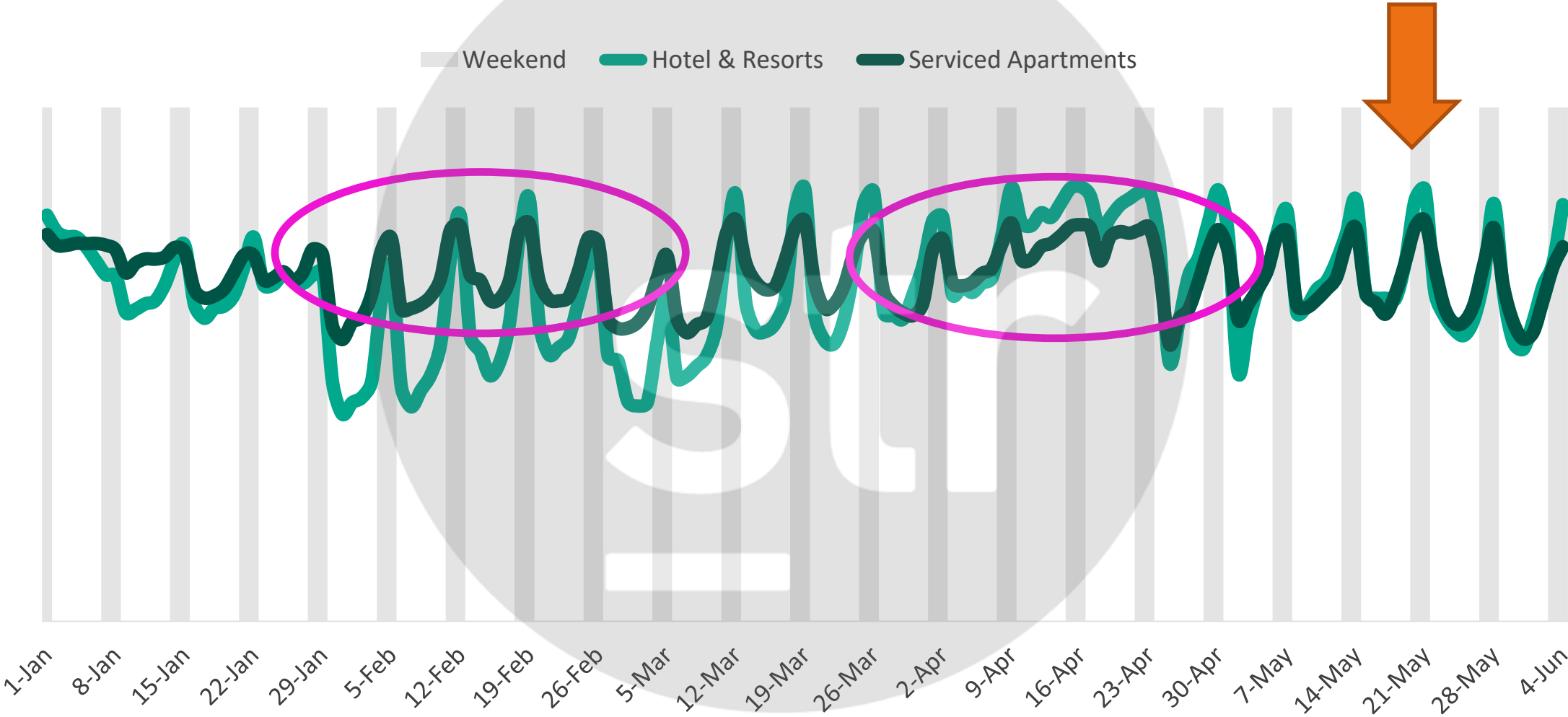
# The drive market factor has now dissipated in 2022

Cairns & Gold Coast, Day of Week Occupancy YTD April 2022 indexed to 2019



# Accommodation type becomes more consistent in performance

Gold Coast, daily occupancy (standard), Jan – Jun 2022



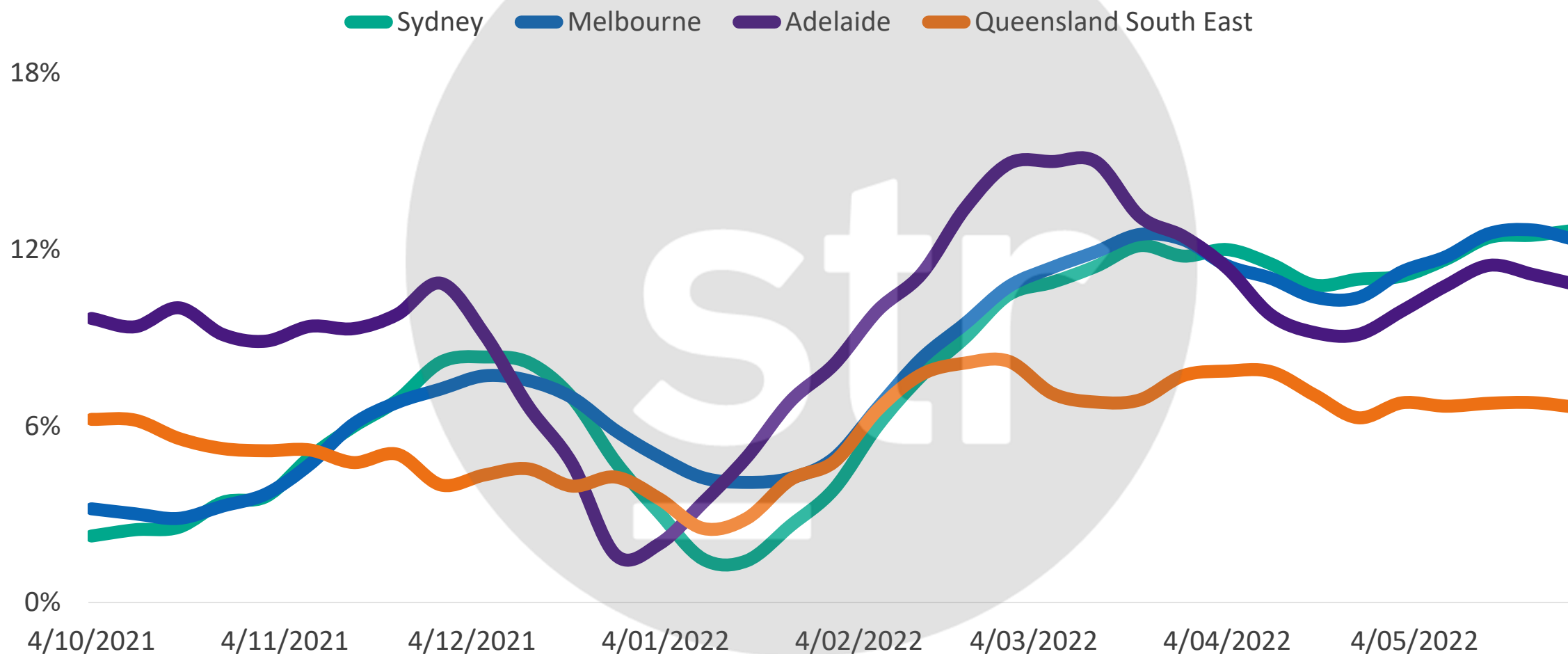


Looking forward, what can we expect?



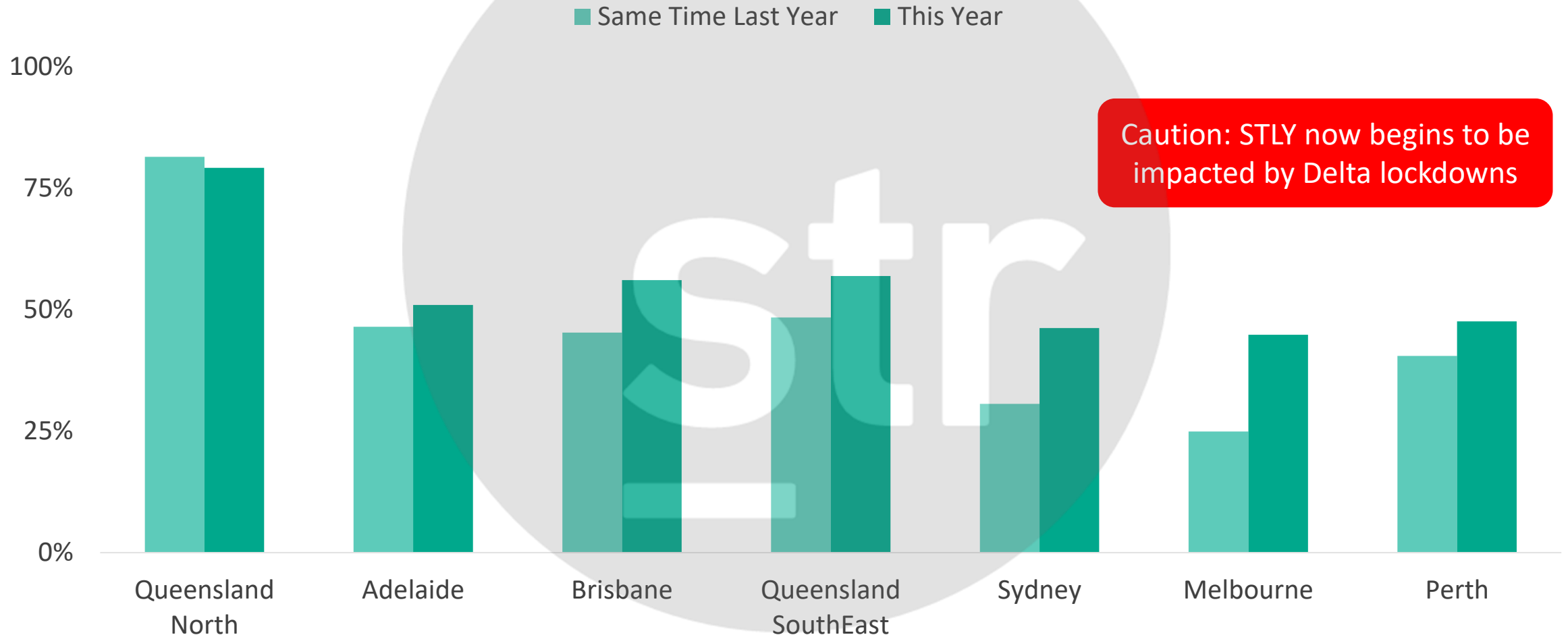
# Weekly pick up continues at a strong pace & from a higher existing base

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



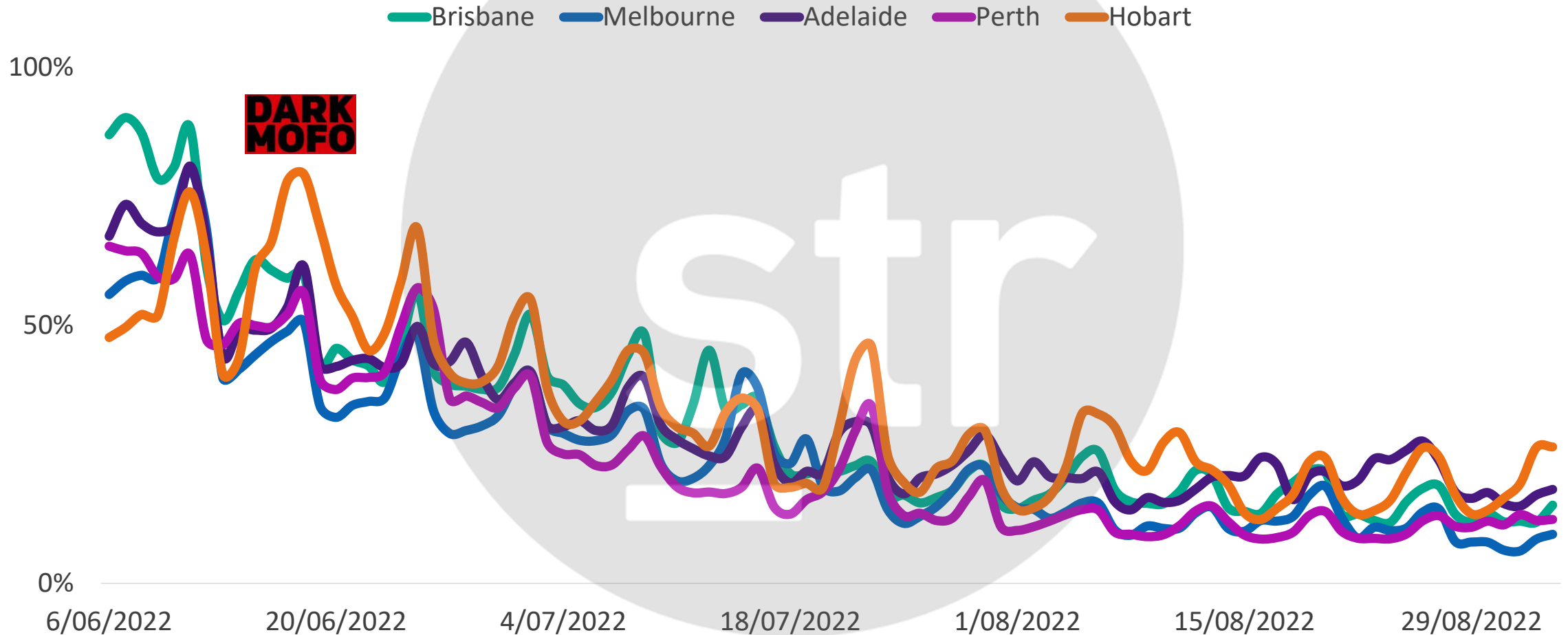
# Why the positivity can continue – healthier future occupancies on the books

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



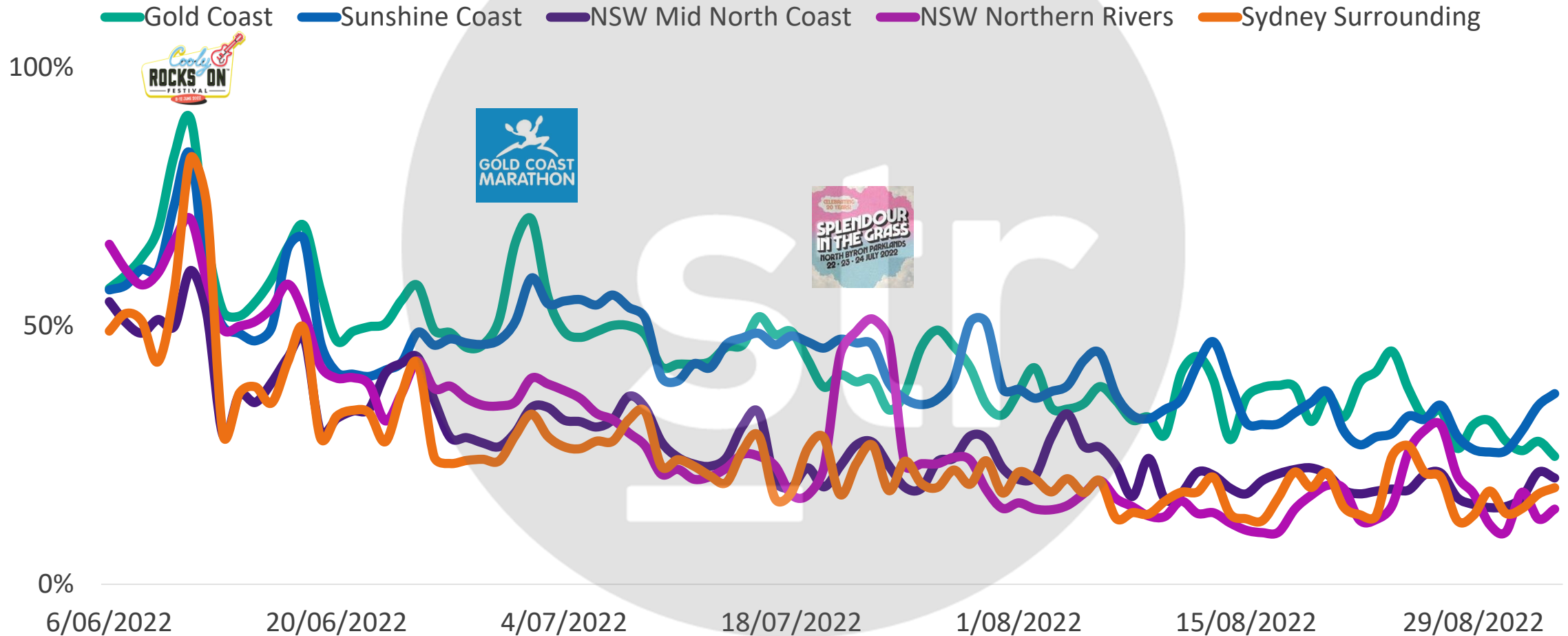
# Capitals seeing future occupancy consistently rising and distinct from 2021

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



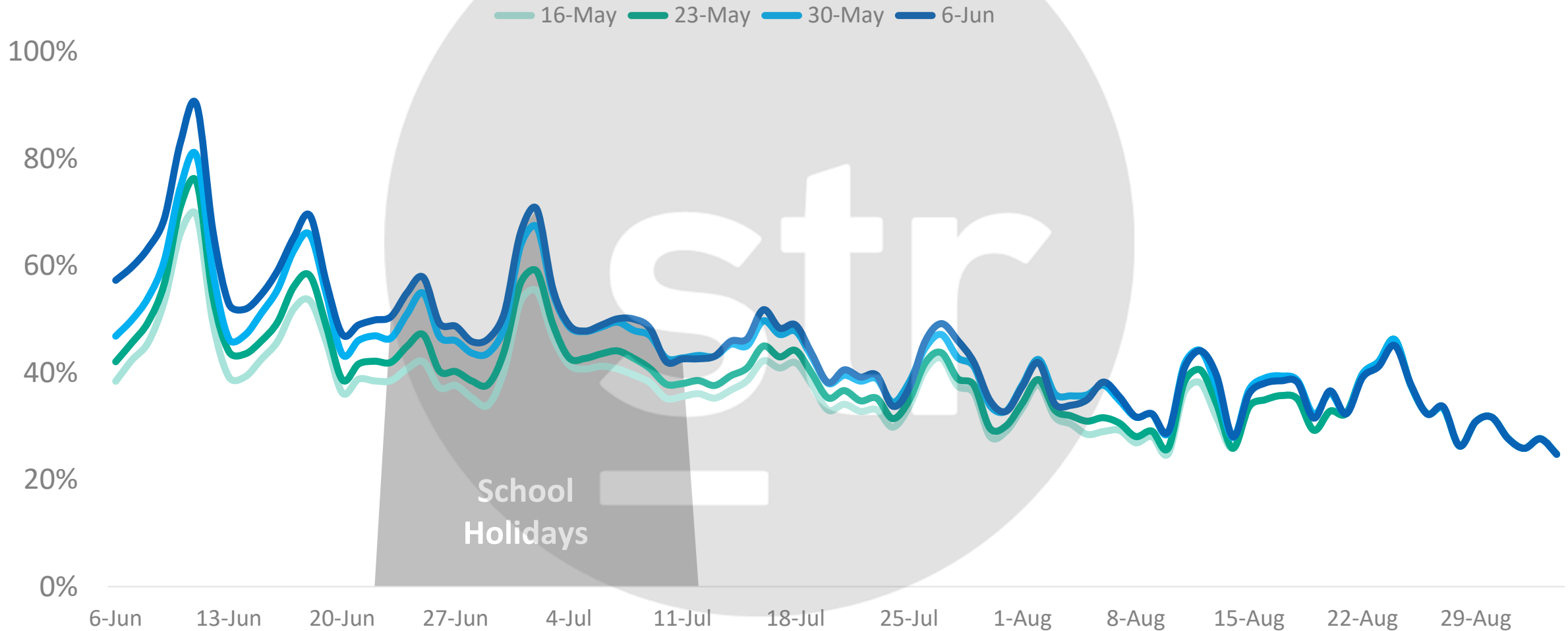
# Regional leisure locations see a positive but different demand outlook

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



# Gold Coast school holiday period starting to take shape

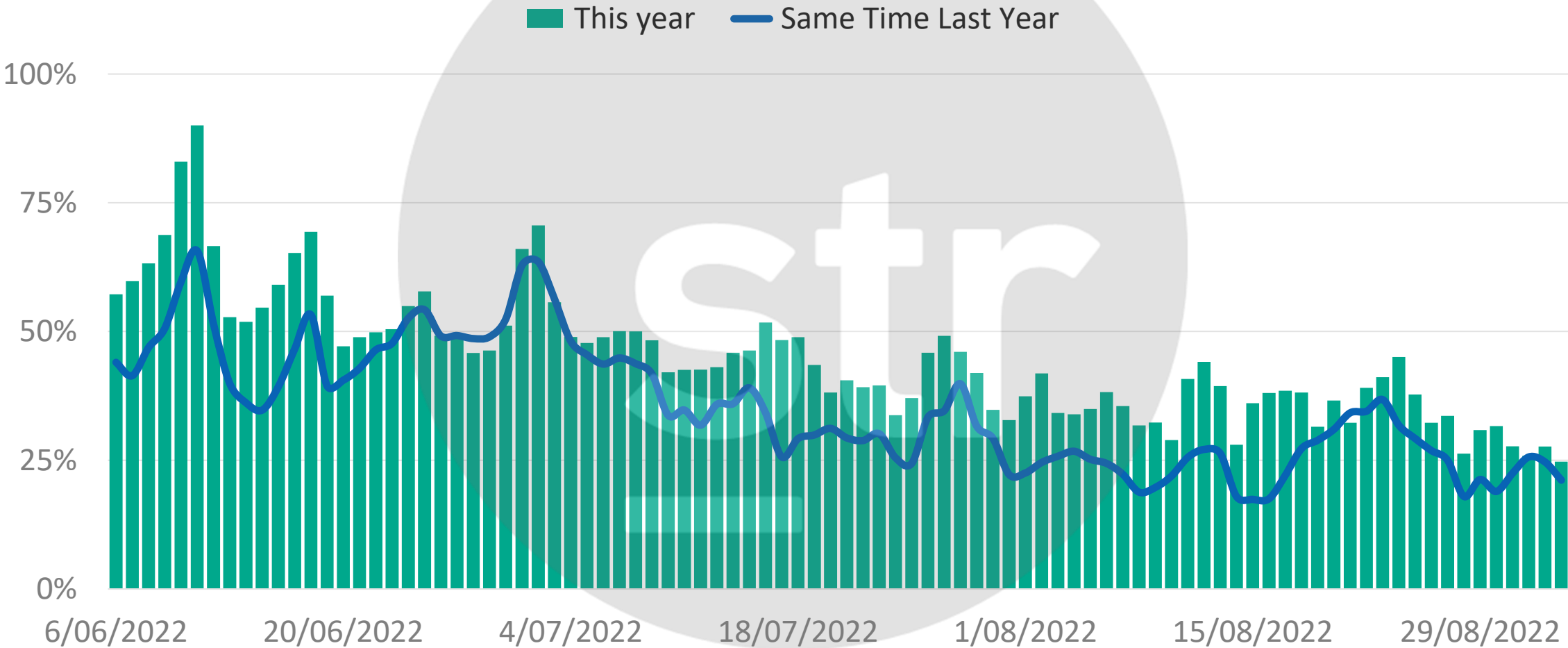
Occupancy on the books for the next 90 days, from 6 June over 4 x time periods





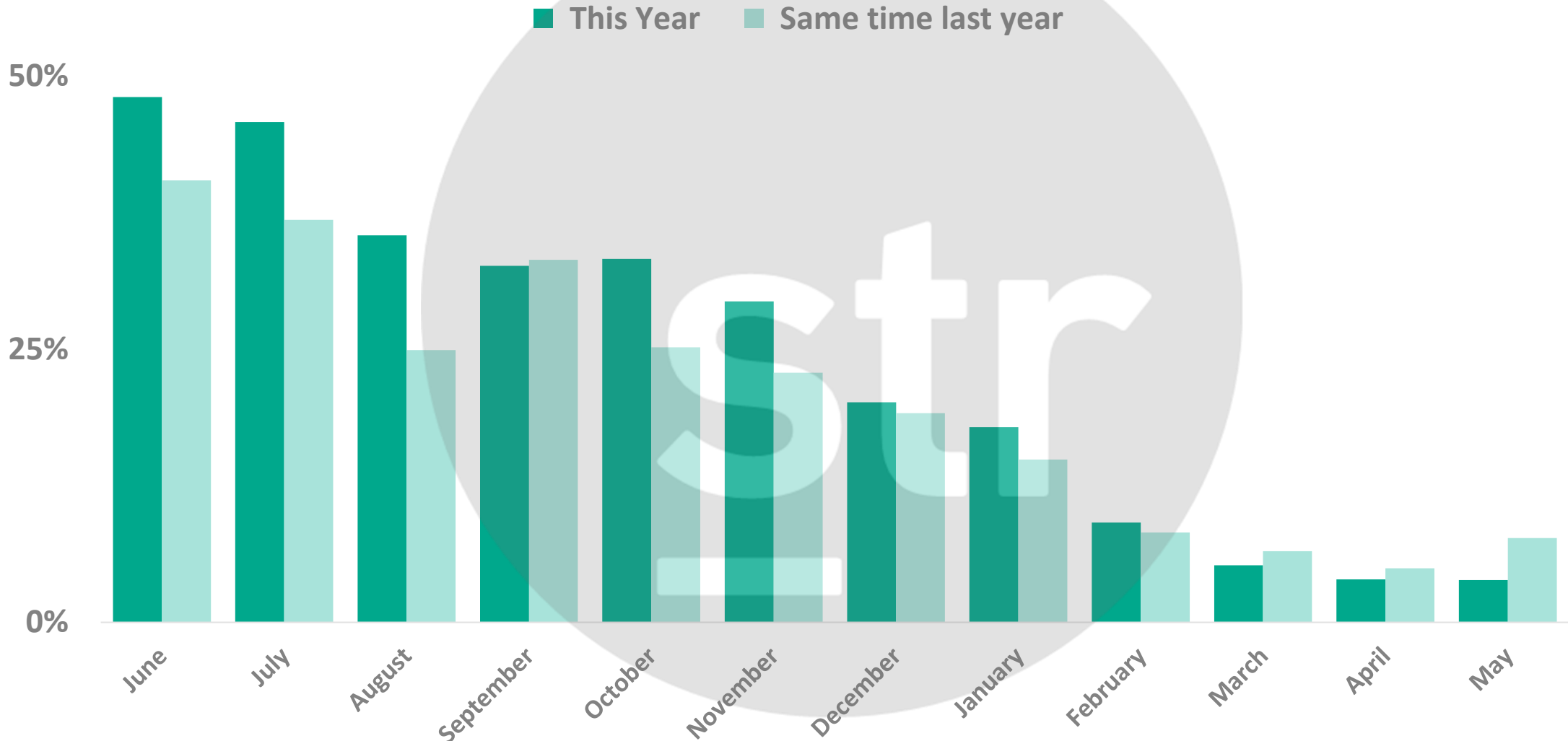
# Gold Coast forward occupancy improving on last year

Gold Coast, Occupancy on the books TY & STLY for the next 90 days as at 6 June 2022



## Longer term the comparison has hope with most months up on same time last year

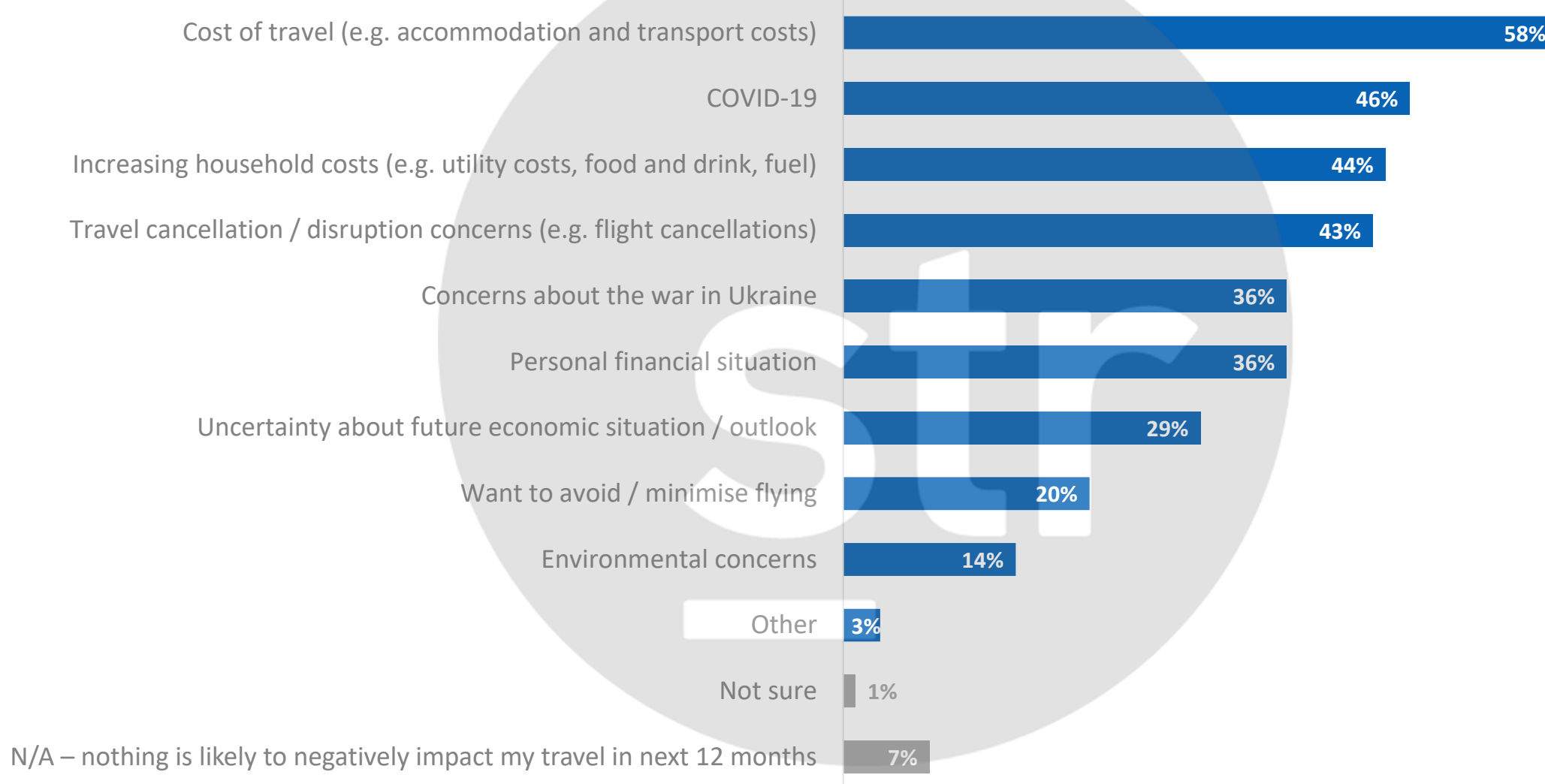
Gold Coast, Occupancy on the books monthly and same time last year as at 6 June 2022





# Average Rate in the spotlight

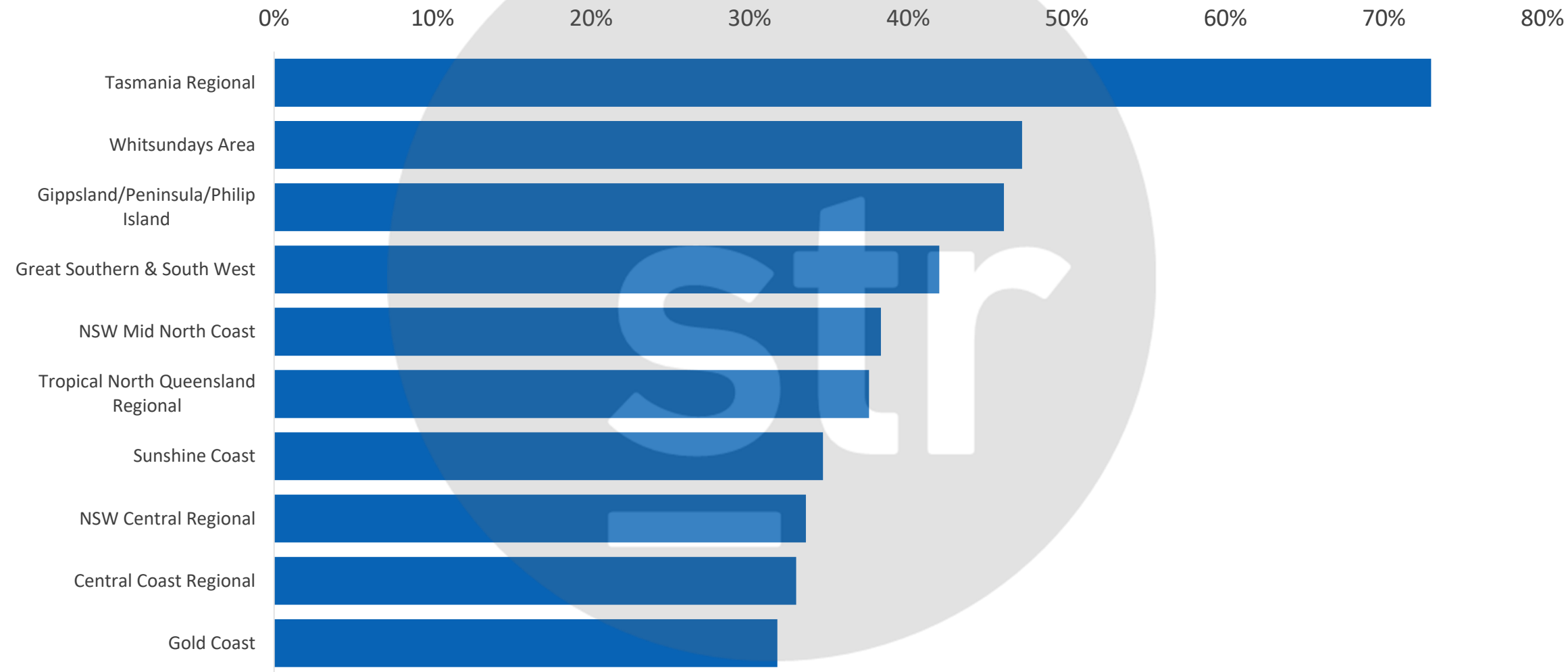
# Increasing costs are now the biggest barrier for future travel....



Source: STR. © 2022 CoStar Group

# ADR went to another level over Summer with superlative ADR

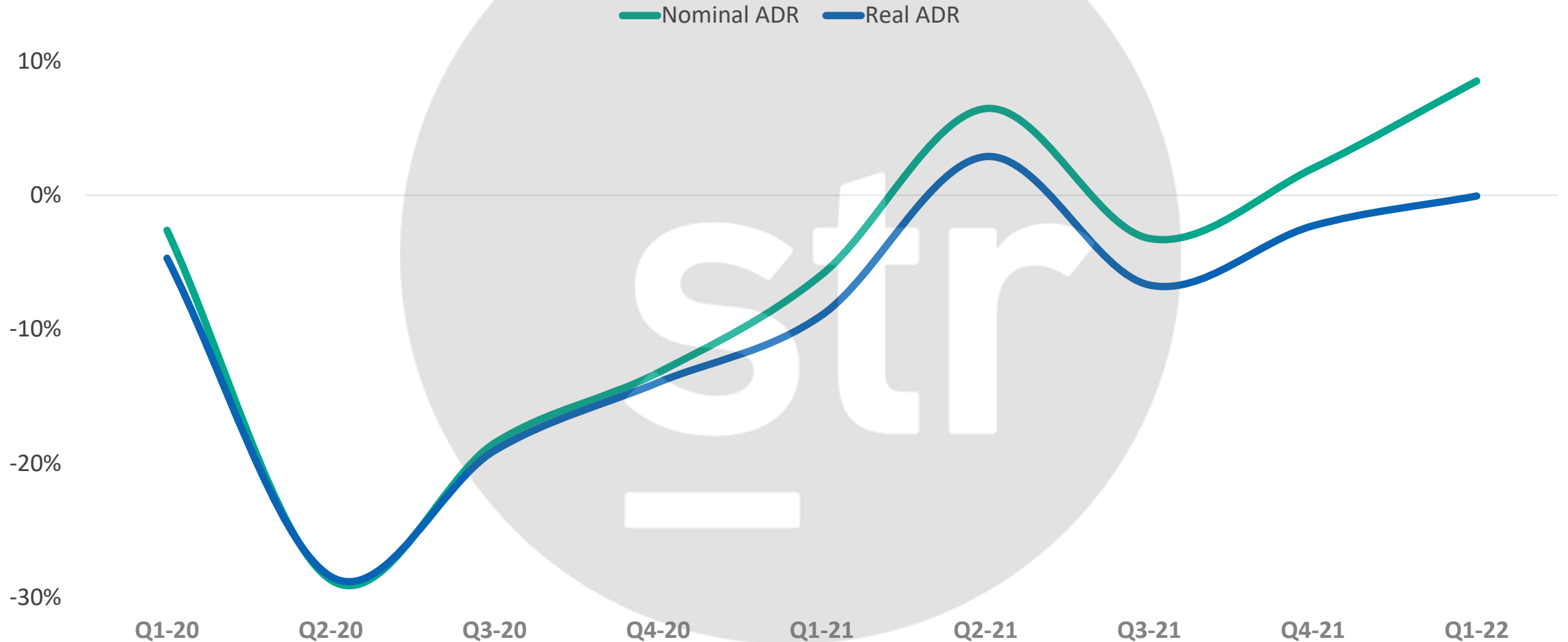
Selected Australian leisure markets/submarkets, Q1 2022 ADR Percent change from 2019



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

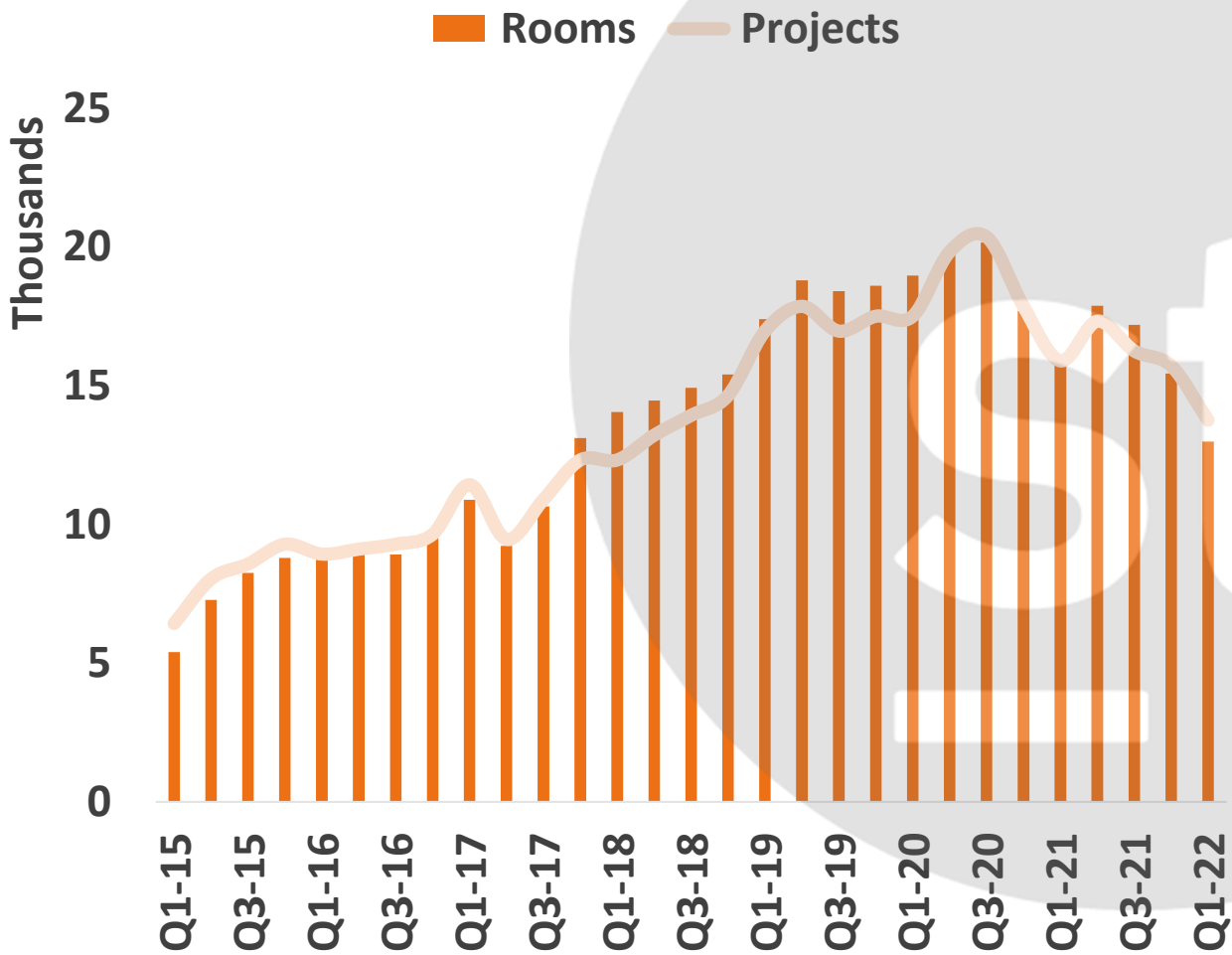


Australia, Nominal & Real ADR percentage change to 2019, by quarter, Q1 2020 – Q1 2022



# Supply| Australia now past the construction peak

Australia, Rooms and projects under construction as at April 2022



Top 3 markets with under construction rooms to share of existing:

- 1. Melbourne
- 2. Gold Coast
- 3. Sydney

10% of projects in final planning or under construction are regional

# Gold Coast



Rooms yet to open  
in 2022 ~ 635





# 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!

**Paul Hammond**



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