

Accommodation indicators for Alice Springs for May 2022 were mixed for the hotel sector as well as short term letting market compared to May 2021. The occupancy rate for short-term letting in May 2022 declined -19 percentage points (pp) to 64% compared to the previous year due to an increase in supply (up +123%), which exceeded the growth in demand (up +88%). Properties listed for short term letting rose 84% in May 2022 compared to May 2021. While occupancy was down -7.6 percentage points (pp) to 73% in the hotel sector, demand was also down -10% to 19,000 room nights, and room supply was slightly lower (-0.8%) in May 2022 compared to May 2021. Room supply was significantly lower than pre-COVID-19 levels, with the Mercure Alice Springs Resort, which continues to be contracted by the NT Government as a temporary quarantine facility until 1 July 2022, thereby reducing the Alice Springs room supply by 139 rooms. Available room capacity is further hampered by workforce shortages in Alice Springs. Notwithstanding, room supply is predicted to increase from July 2022 once the Mercure Alice Springs Resort returns to the market. In addition, over the past year more properties came online in the short-term letting sector, possibly driven by the unmet demand for hotel rooms.

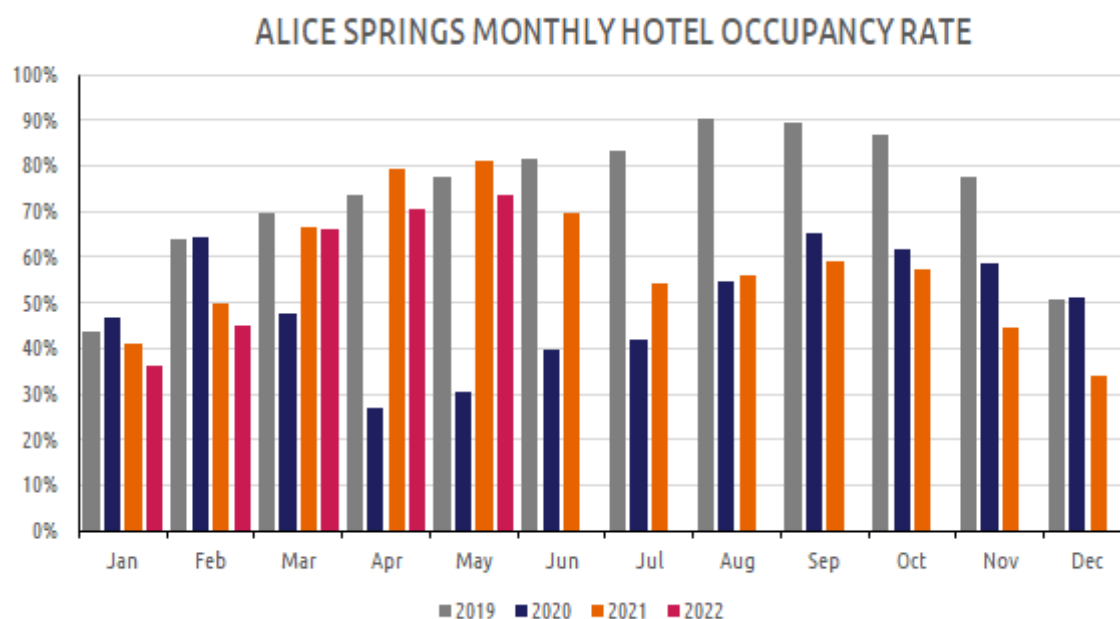
In May 2022 compared to May 2021, room rates and revenue per available room night (RevPAR) were higher for the hotel sector, up 31% (or +\$47.10) to \$199 and up 19% (or +\$23.20) to \$146 respectively compared to short-term letting. Despite room rates increasing 7.0% to \$146, RevPAR declined -17% to \$93 for short term letting providers in May 2022 compared to May 2021.

For the year ending (YE) May 2022, average annual occupancy rate for the hotel sector was down -2.1pp at 56%, below the short-term letting occupancy which was up +4.0pp to 64% compared to same period last year. However, the average daily rate and RevPAR for YE May 2022 were lower for short term letting at \$140 and \$91 respectively compared to the hotel sector at \$163 and \$93. The average room rate for 2022 for the hotel sector, is currently at \$160 per night, with the current trend suggesting the rate is likely to increase above \$200 per night during the peak winter season of travel for the region.

The short-term letting sector in Alice Springs has grown significantly over the past five years, with a 168% increase (from 22 to 59 listed properties) in the number of listed properties between May 2017

and May 2022, and 26% growth (from 47 to 59) from May 2019 to May 2022. The supply of room nights available for short-term letting in Alice Springs during May 2022 was the highest on record. Most of this increase in supply commenced in March 2022 when room nights exceeded 1,500 room nights and continued to grow in April 2022 exceeding 2,000 room nights and has reached 2,300 room nights in May 2022.

Trends shows the hotel sector occupancy rate has seen improvements with the opening of international borders, however occupancy rate in May 2022 was lower compared to May 2021 and 2019, but higher than May 2020.



The research section 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](mailto:Research.Tourismnt@nt.gov.au)

## METHODOLOGY

The data in the hotel accommodation report is sourced from STR and is collected from a sample of five hotels with 10 or more rooms in Alice Springs. Data is collected daily and collated to represent the industry and includes data for leisure, business and other purposes of travel. This sample represents 71% of the establishments in Alice Springs and 82% of the traditional accommodation 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.

Floating hotels (boats) are allowed only if they are permanently moored/stationary and permits guests to depart at any time.

The data in short term letting section is sourced from the AirDNA platform. AirDNA collects data for 59 listed properties on both Airbnb and Vrbo in Alice Springs. 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.



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