







Northern Territory Monthly Accommodation Report

September 2022

The year on year results for September 2022 for the Northern Territory (NT) reflect the opening of international borders and easing of travel restrictions within Australia. NT border controls lifted from 20 December 2021 and international borders to Australia opened from 21 February 2022.

When compared to figures in September 2021, the national occupancy in September 2022 for the hotel sector increased by +34 percentage points (pp) to 72%. There were positive results in occupancy rates across all states and territories. The Australian Capital Territory had the largest increase (up +70pp to 78%), followed by New South Wales (up +49pp to 72%), Victoria (up +37pp to 64%), South Australia (up +25pp to 72%), Queensland (up +24% to 75%), the Northern Territory (up +22pp to 78%), Tasmania (up +21pp to 76%) and Western Australia (up +13pp to 75%). The NT occupancy rate at 78% was higher than the national average at 72% for September 2022.

	OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND ROOM NIGHTS	SUPPLY ROOM NIGHTS	AVAILABLE LISTED PROPERTIES
						
HOTEL STYLE ACCOMMODATION	78% +22pp	\$267 +43%	\$207 +101%	210,000 +45%	270,000 +2.8%	103 +2.0%
	LISTING OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND LISTING NIGHTS	SUPPLY LISTING NIGHTS	AVAILABLE LISTED PROPERTIES
SHORT TERM LETTING ACCOMMODATION	78% +13pp	\$229 +13%	\$179 +35%	16,000 +76%	21,000 +47%	930 +46%

Accommodation indicators were positive for both the hotel sector and short term letting. The NT hotel room occupancy rates for September 2022 were higher compared to September 2021 (+22pp to 78%), with listing occupancy rates in the short term letting market up +13pp to 78%. Demand for rooms across the NT increased for the hotel market, up +45% to 210,000 room nights. For the short term letting sector, demand rose +77% to 33,000 listing nights. It should be noted that September 2021 results were affected by lockdowns and resultant consumer cancellations, which have impacted comparative figures. Average room rates and revenue per available room (RevPAR) were higher for both hotels and short term letting.

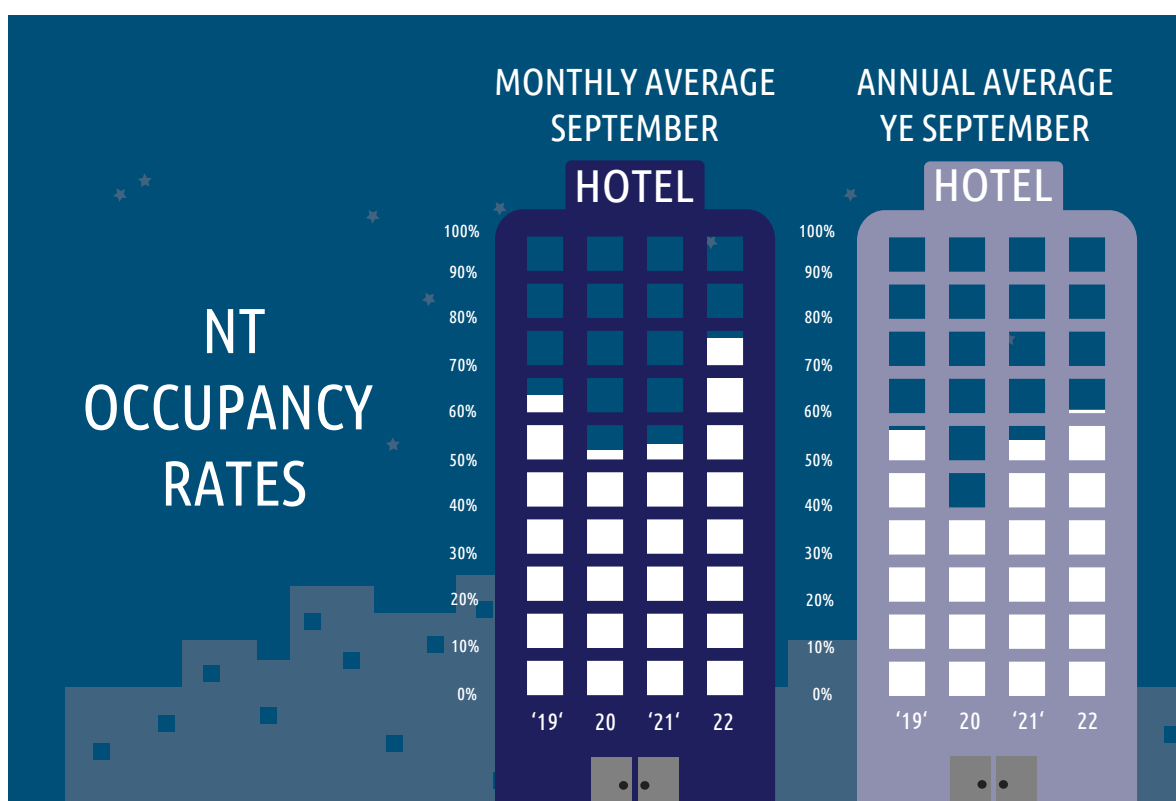
According to Forbes (cited in Property Report 2022)¹ international travellers were eagerly awaiting Australia's reopening, making Australia one of the best places to visit again with the easing of COVID-19 restrictions. Further, with expected recovery of international students and visitors, Business Insider (cited in Property Report 2022)¹ noted short term rentals will be in high demand, benefitting short term and hotel accommodation as occupancy rises from the recent lows. The demand in short term accommodation is further projected to surge in capital cities as student arrivals coincide with the February to March 2023 intake of Australian institutions.

1. Property Report, Feb 28, 2022 <https://www.asiapropertyawards.com/en/demand-for-australias-short-term-rental-market-rise-as-borders-reopen/>

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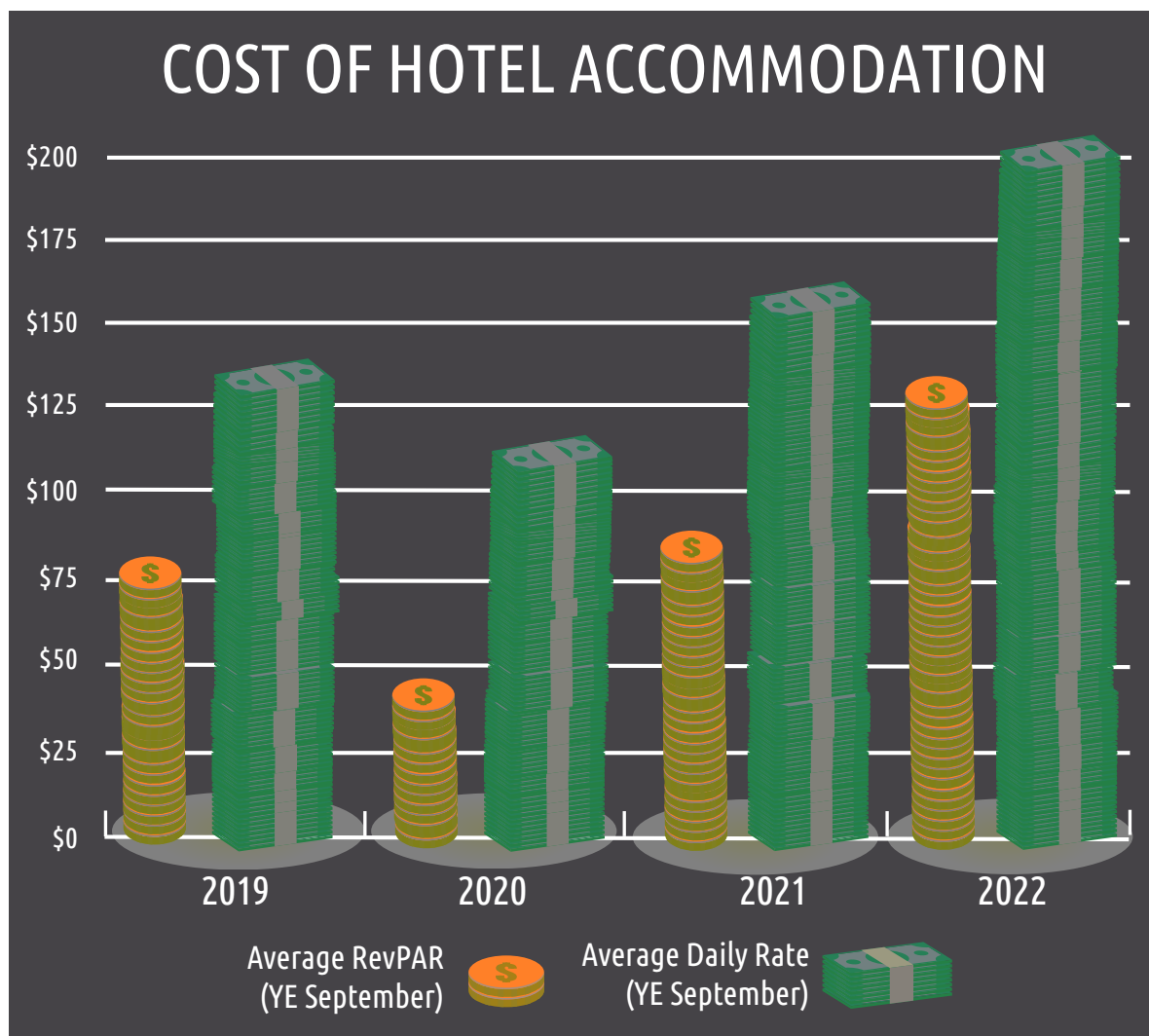
The average daily room rate for the hotel sector was high at \$267 (up +43% or \$79.50) and revenue per available room (RevPAR) was also high at \$207 (up +101% or \$103.80). These rates were similarly high for short term letting at \$229 and \$179 respectively. The hotel room stock in September 2022 is higher than in September 2021 (up 249 rooms), due to the addition of Capitanos, MOM Darwin YHA, Darwin FreeSpirit Resort, Darwin Resort, Hudson Parap, Discovery Parks Katherine and Mercure Alice Springs Resort to the data collection. Properties listed in short term letting across the NT rose +46% over the same period.



The year ending (YE) September 2022 results for the hotel sector show a small increase in the average annual occupancy rate, up +4.7pp to 61% compared to YE September 2021. The increase in occupancy was due to an increase in demand outpacing the increase in supply. Hotel demand increased by +15% to 1.97 million room nights for the YE September 2022 compared to YE September 2021, with supply only increasing +6.2% to 3.24 million room nights. Short term letting for YE September 2022 shows a slight increase in the average annual listing occupancy rate, up +2.0pp to 63% compared to YE September 2021, with demand and supply increasing +44% and +41% respectively.

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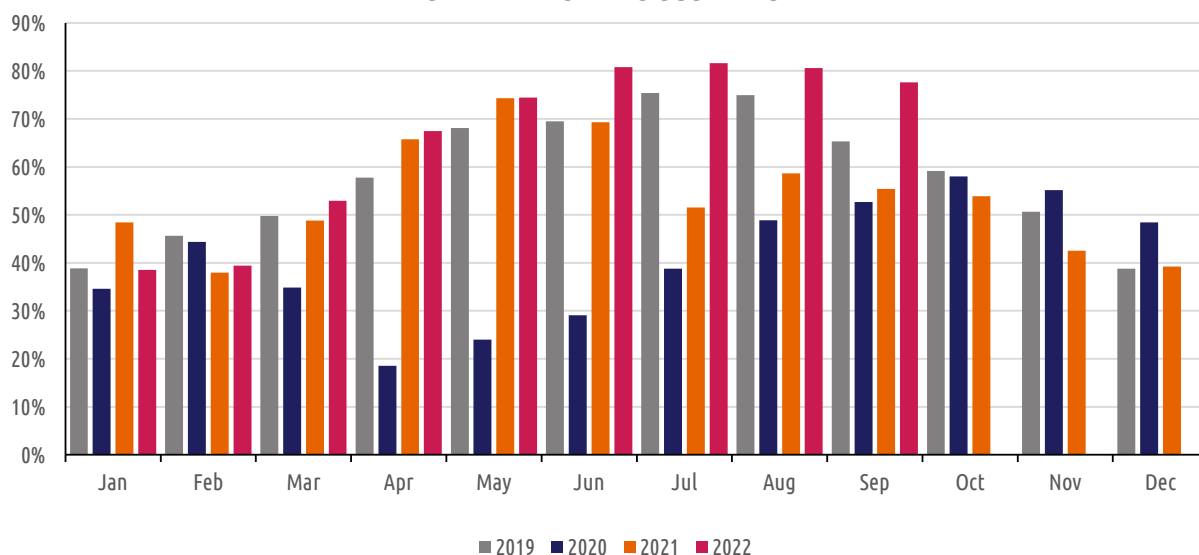
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For the YE September 2022 the hotel sector daily rates increased by +28% or +\$44.40 to \$205 compared to the YE September 2021. RevPAR was also higher, up +47% or +\$43.40 to \$135 over the same period. In the short term letting market there was an increase in daily rates, up +18% or +\$33.60 to \$222 and RevPAR up +25% or +\$28.90 to \$145 for YE September 2022. These rates were the highest since data collection commenced.

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NT MONTHLY HOTEL OCCUPANCY RATE



Trends show the hotel sector occupancy rate has seen improvements with the opening of international borders and easing of travel restrictions domestically.

The short term letting market in the Northern Territory has grown significantly over the past five years, with a 148% increase in the number of properties listed between September 2017 and September 2022, and a 43% growth since September 2019, demonstrating the increasing popularity of this style of accommodation letting among property owners and consumers.

A report by Insurance insight in 2020 noted the short term letting market in the form of the AirBNB platform, which was introduced to Australia in August 2012, had approximately 138,000 active AirBNB property listings, welcoming five million guests within five years of launching.

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METHODOLOGY

The data in this report is sourced from STR and is collected from a sample of 41 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 930 listed properties on both 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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