Northern Territory Monthly Accommodation Report September 2023

When compared to September 2022, the national occupancy rate in September 2023 for the hotel sector increased slightly by +0.6 percentage points (pp) to 72%. There were mixed results in occupancy rates across the states and territories. Four states experienced an increase, with New South Wales up +3.7pp to 75%, Western Australia up +2.7% to 77%, Victoria up +1.0pp to 64%, and Queensland marginally higher +0.1pp to 75%. Decreases were experienced for all other states and territories, with South Australia down -2.5pp to 69%, the Australian Capital Territory down -4.0pp to 74%, followed by Tasmania (down -6.7pp to 69%) and the Northern Territory (down -13pp to 64%). The occupancy rate for the NT at 64% was lower than the national average of 72% for September 2023.

	OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND ROOM NIGHTS	SUPPLY ROOM NIGHTS	PROPERTIES
HOTEL STYLE ACCOMMODATION	64% -13pp	$245 -11%	$158 -25%	182,000 -14%	283,000 +2.7%	107 +0.9%

	LISTING OCCUPANCY RATE	AVERAGE ROOM RATE	REVPAR	DEMAND LISTING NIGHTS	SUPPLY LISTING NIGHTS	AVAILABLE LISTED PROPERTIES
SHORT TERM LETTING ACCOMMODATION	62% -11pp	$188 -18%	$117 -30%	15,000 +2.3%	25,000 +21%	1,149 +24%

Percentage changes reflect data from September 2023 compared to September 2022

Accommodation indicators for the NT for the month of September 2023 were mixed for both the hotel sector and the short term letting sector. The hotel room occupancy rate in the NT for September 2023 decreased (down -13pp to 64%), while the listing occupancy rate in the short term letting market was also down -11pp to 62%. The demand for room nights across the NT decreased for the hotel market, down -14% to 182,000 room nights. For the short term letting sector, demand rose +2.3% to 15,000 listing nights. The hotel sector's room night supply in September 2023 increased compared to September 2022, up +2.7% to 283,000 room nights across 107 properties. Similarly, the short term letting market witnessed an increase in supply, which shifted up +21% to 25,000 listing nights. The number of available listed properties for short term letting was up +24% to 1,149 over the same period.

The average daily room rate for short term letting decreased by -18% (or -$40.00) to $188 and revenue per available room (RevPAR) also dropped by -30% (or -$50.70) to $117 in September 2023 compared to the same month in 2022. Similarly, the hotel sector's average daily room rate was down -11% (or -$29.20) to $245 and the RevPAR was down -25% (or -$53.70) to $158.

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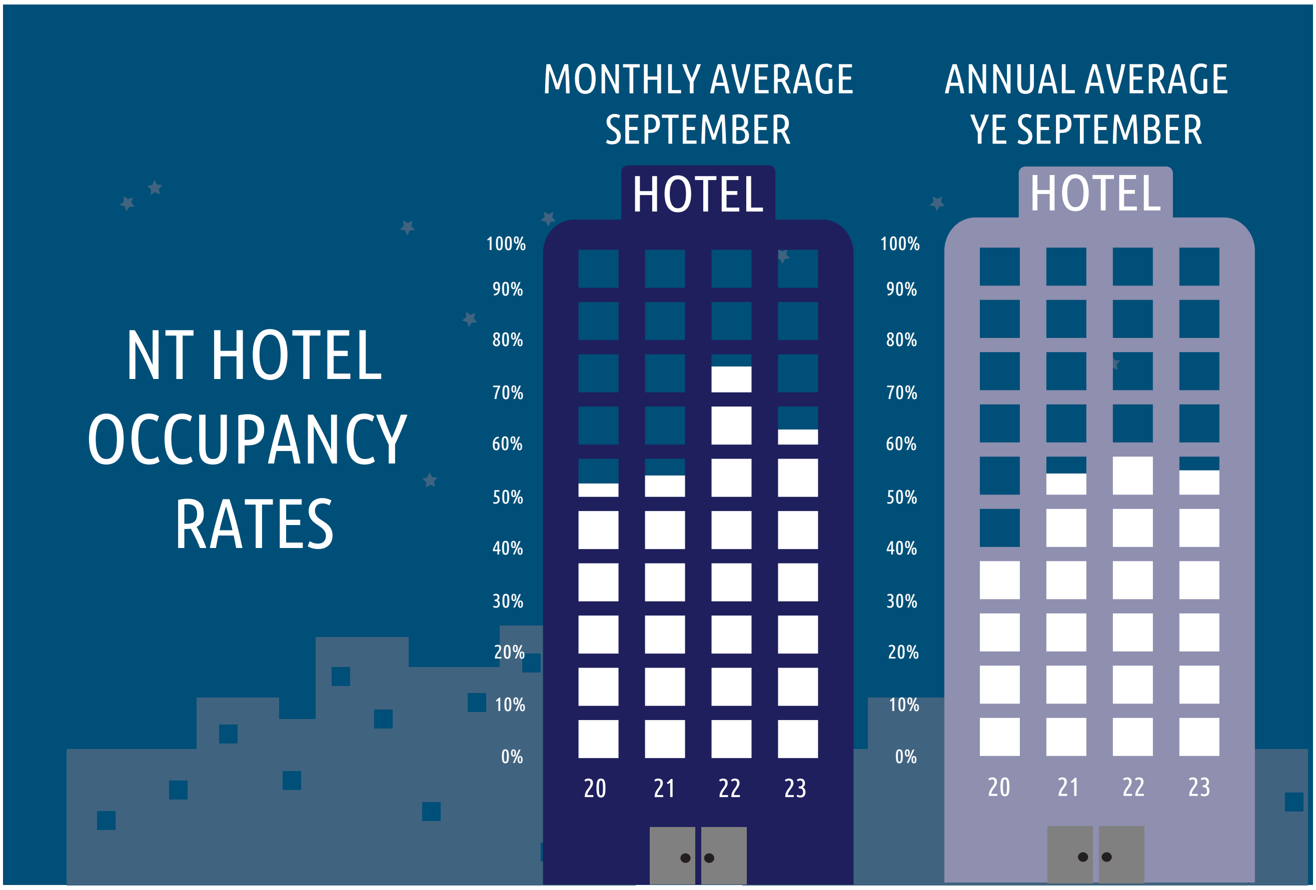

The year ending (YE) September 2023 result for occupancy rate went down for hotels by -3.3pp to 57%, compared to the same period in 2022. The listing occupancy rate for the short term letting sector was lower at 55% (down -6.9pp) over the same period. Demand for the hotel sector decreased (down -1.9% to 1.94 million room nights), with supply experiencing an increase (up 3.9% to 3.39 million room nights). Demand for short term letting over the same period was up +21% to 13,000 listing nights while supply increased +39% to 22,000 listing nights.

The short term letting market in the Northern Territory continues to expand with a 149% growth in available listed properties since September 2020, demonstrating the increasing popularity of this style of accommodation letting among property owners and consumers. The number of properties has grown from 462 in September 2020 to 1,149 in September 2023.

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For the YE September 2023, the hotel average daily rate increased by +7.6% to $221 when compared to the YE September 2022. RevPAR was lower, down -3.0% to $130 over the same period. For the short term letting market there were decreases in the average daily rate and RevPAR, down -10% to $200 and down -21% to $113 for the YE September 2023 respectively.

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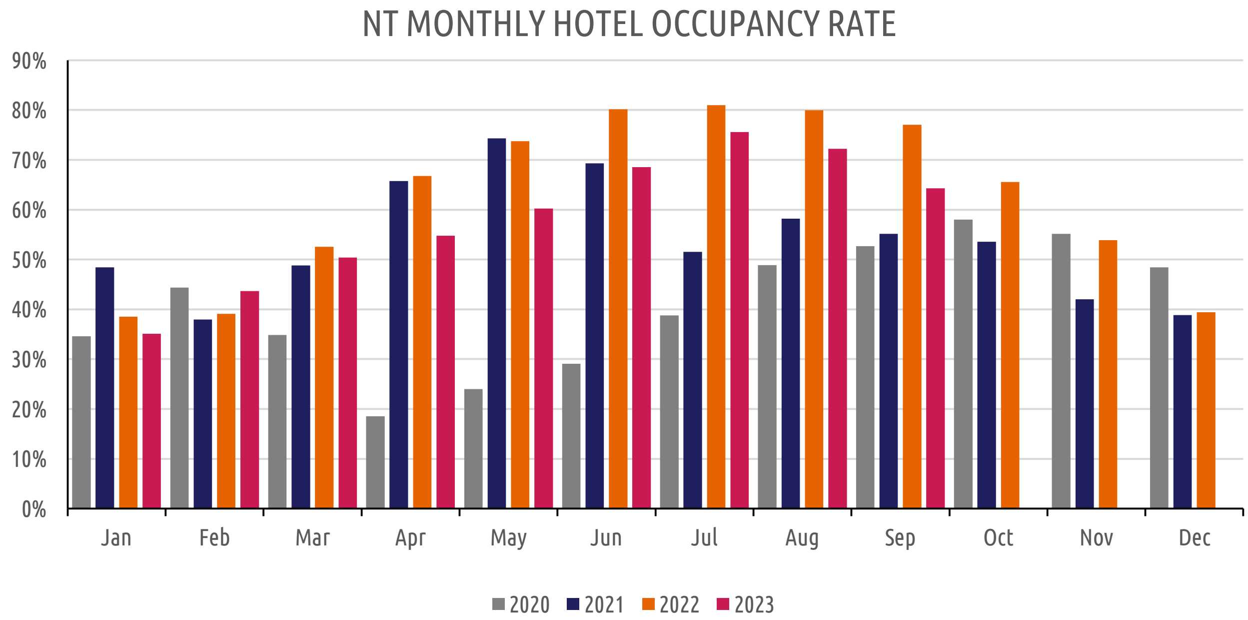
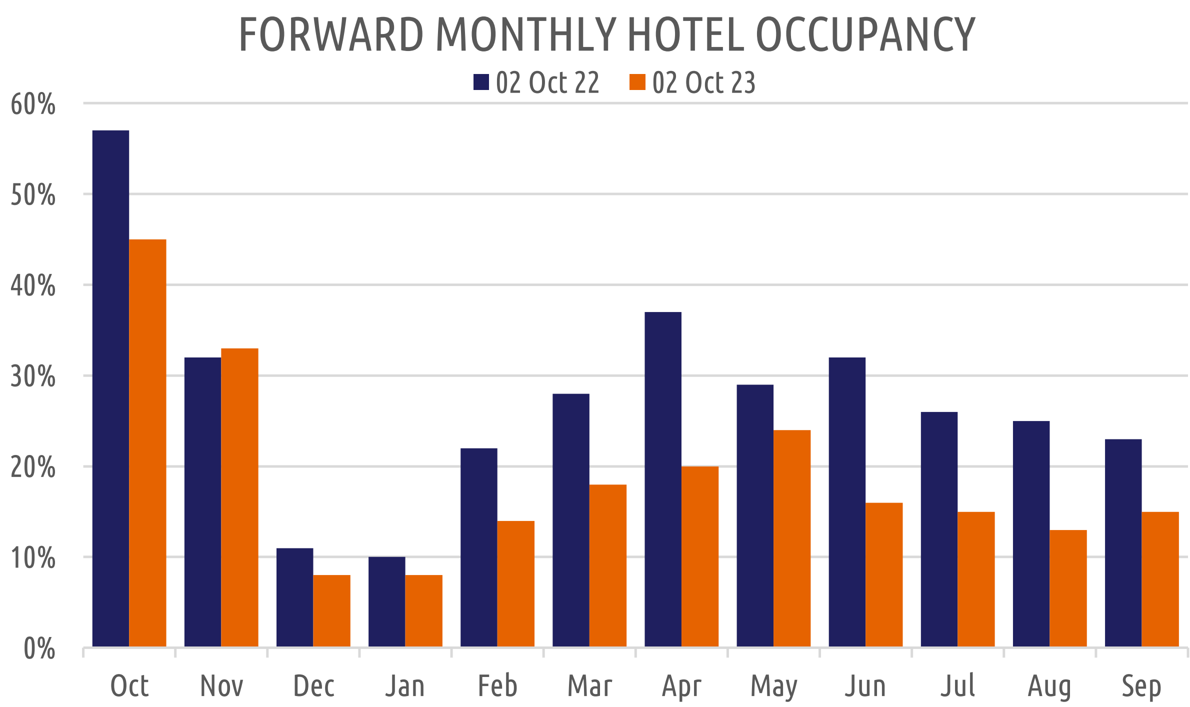
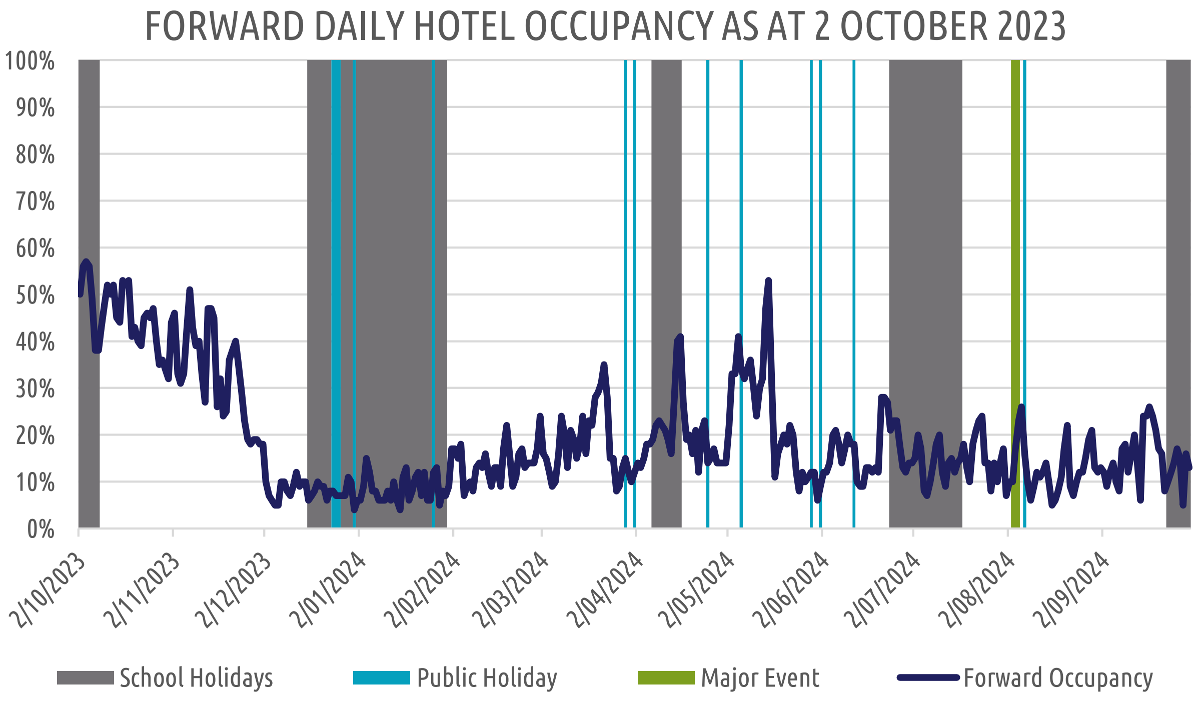


The hotel sector occupancy rate in September 2023 was higher than in September 2020 and 2021, however, lower than in September 2022.



Forward occupancy measures are generally slower than at the same period last year. Anecdotally booking lead times are shortening and bookings are also being impacted by increasing average room rates, rising costs of living pressures and increasing competition for discretionary spend from within and outside of the travel category.



Looking ahead, there is significant capacity available right through the coming year.

METHODOLOGY

The data in this report is sourced from STR and is collected from a sample of 45 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 1,149 listed properties on either 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