

Massive new investment in hotel development highlights sustained strength of Australian tourism

15 March 2017: The Australian hotel industry is responding to continued record international visitor growth with a record level of hotel investment – over \$8 billion – that is set to transform Australia’s accommodation and tourism sectors.

Figures released today by Tourism Accommodation Australia (TAA) identify **228 hotel projects (34,702 rooms) under construction**, approved for development or in advanced planning stages in the six State capitals and Darwin.

TAA’s hotel ‘pipeline’ report follows today’s release of the latest **International Visitor Survey (IVS) results** which revealed 11% growth in visitor arrivals for the 2016 year, taking the total number to 7,624,665. Korea and Japan led the increases with 24% annual growth, followed by China (17%) and USA (16%). Total international visitor spend grew 7% to reach \$39.1 billion, injecting an additional \$2.5 billion into the Australian economy in 2016.

Australia’s hotel development ‘pipeline’ (2017 – 2022)

	Rooms completed 2016-17	Rooms under Construction	Rooms Approved	Rooms Planned	Pipeline Projects - Hotels	Total Pipeline (Rooms under Construction, Approved, Planning)
Sydney	2407	2495	3126	3184	46	8805
Melbourne	388	2227	5150	3878	85	11255
Darwin	273	91	200	1137	11	1428
Perth	891	1934	1008	4225	50	7167
Hobart	0	300	311	796	8	1407
Adelaide	0	245	856	880	10	1981
Brisbane	85	1051	974	634	18	2659
Total	4044	8343	11625	14734	228	34702

Table: Reported hotel development projects in Australia 2017 – 2022 (Source: Tourism Accommodation Australia)

Recent hotels announced for development include:

- **Marriott International’s Luxury Collection Hobart:** a 128 room hotel at Parliament Square, which is part of a \$150 million urban regeneration project funded by the Melbourne-based Trawalla Group and Sydney-based private developer, Citta Property Group. It is due for completion in 2018;
- **IHG’s Holiday Inn Sydney Central:** the 305 room hotel will be developed by China’s Linzhu group in the Central Park precinct at the southern end of the CBD. The hotel is scheduled to open in 2020;

These announcements follow a strong flow of openings in 2016, capped off by the opening of Australia’s most expensive hotel development, **Crown Towers Perth**, in December. The luxurious hotel was built at a cost of \$650 million and features 500 premium guest rooms and villas along with Perth’s most comprehensive range of high-quality entertainment, leisure and dining facilities.

In addition, a massive rejuvenation of Australia’s existing hotel stock is underway, highlighted by the recent announcement that Mulpha would invest \$200 million in a complete upgrade of the flagship **InterContinental Hotel Sydney**.

CEO of Tourism Accommodation Australia, Carol Giuseppi, said record levels of investment – both local and overseas – would revolutionise Australia’s hotel industry over the next five years.

“This is the most extensive and all-encompassing hotel rejuvenation phase in Australia’s tourism history,” said Ms Giuseppi.

“It is both responding to the massive growth in tourism demand and anticipating long-term growth in the visitor economy.

“The investment boom is covering all aspects of the industry – from international chains to boutique properties, city centre to suburban, business to resort. Cities such as Perth, Brisbane and Adelaide have been transformed by a substantial number of new hotel openings in the past few years, and Sydney is set to follow suit with \$2.3 billion worth of hotel projects already approved and a further \$1.9 billion of projects proposed and in advanced stages of planning.

“Investor confidence is being supported by Federal and State governments’ commitment to major tourism and urban infrastructure projects including new convention centres, airport facilities and tourism precincts.

“The investment pipeline will fuel Australia’s economy and employment for many years to come. Already the industry supports over 184,000 full time equivalent jobs directly and through flow-on impacts, and the 200 hotels in the pipeline have the capacity to deliver a further 30,000 full-time equivalent jobs.

“However, future investment could be jeopardised by the growth of unregulated accommodation which has no barriers to entry, little transparency and few controls. It is time for Australian authorities to follow the lead of overseas cities and crack down on the proliferation of commercial short-term operators.”

About Tourism Accommodation Australia

Tourism Accommodation Australia (TAA) represents the interests of Australia’s accommodation chains and individual members in the hotel, serviced apartment, integrated resort, motel and vacation ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.
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