

**MEDIA RELEASE**

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**Unprecedented hotel boom drives ‘profound’ transformation of Australia’s accommodation sector – new report highlights impact of construction boom**

	Under Construction	Approved	Planning/Proposed	Total	Hotels
Sydney	1020	5064	5519	11603	77
Canberra	749	922	421	2092	15
Brisbane	976	600	1142	2718	19
Perth	1755	4290	1707	7752	47
Adelaide	498	1254	542	2294	14
Darwin	0	349	823	1172	9
Hobart	701	457	1151	2309	16
Melbourne	3099	7109	4986	15194	75
<b>Total</b>	<b>8798</b>	<b>20045</b>	<b>16291</b>	<b>45134</b>	<b>272</b>

Rooms under development in Australian capital cities 2018-25

The Australian hotel industry is undergoing an era-changing transformation as a new wave of design-driven ‘lifestyle hotels’ enter the market, according to a newly released hotel innovation report from Tourism Accommodation Australia (TAA).

The extensive report reveals the new brands, designs and technologies that are changing the face of the hotel industry across the country.

The revolution began three years ago and has already seen over 40 new hotels enter the market. The construction boom followed a drought that began in 2000 and lasted till 2015, despite annual increases in tourism arrivals averaging nearly 10%.

The wave of new hotel development is gaining momentum, with a further 272 hotels and 45,134 rooms in the development pipeline. Melbourne leads the growth push with 10,208 rooms approved or under construction, while Sydney has 6,084 in the pipeline. Perth also has a significant amount of hotel rooms currently under construction, with 1,755 rooms to be added over the next two years.

The Innovation Revolution Transforming Australia’s Hotel Industry report identifies the hotel boom is being driven by both international and domestic hotel groups launching new boutique brands and innovative ‘lifestyle’ hotel concepts for the first time.

This is reflected in Hilton’s introduction of Curio, Marriott’s debut of their Autograph and Aloft brands, Accor’s extensive roll-out of MGallery, and IHG’s Indigo, Voco and Moxy projects.

Locally, Event has concentrated on expanding its quirky QT brand, Mantra has introduced labels such as FV by Peppers and taken over the Art Series group, Spicers entered city markets in Sydney and Brisbane, and Ovolo and Veriu have expanded their boutique hotels aggressively.

In Sydney, the addition of over 1000 rooms through the launch of new international hotels such as the Sofitel Sydney Darling Harbour, Curio and Four Points by Sheraton has been complemented by the opening of a range of eclectic boutique hotels including Little Albion, The Collectionist, Spicers Potts Point and the Paramount, which was named recently as Australian Gourmet Traveller's 'Hotel of the Year'.

"What is unprecedented about this development boom is the diversity of hotel product being constructed," said Carol Giuseppi, CEO of TAA.

"After the hotel development boom that preceded the 2000 Olympics, there was a major hiatus in new development, exacerbated by the GFC in 2008. By the middle of the current decade, the industry was desperately in need of both new supply and new approaches to hotel design to meet the new demands of travellers – particularly millennials.

"The global hotel groups have responded strongly to the rapid increase in demand by unveiling many of their designer, lifestyle brands, while local brands such as QT, the Art Series and Veriu have taken advantage of changing demographic trends in travel to build their profile.

"Our report identifies the extent of the transformation. Cities such as Brisbane and Perth will experience a doubling in their international-standard hotel stock which will enable them to cater for a vast increase in tourism, conferences and events and deliver a major economic boost to compensate for the softening of the resources sector.

"The implications of the hotel innovation revolution will be profound. It will enable cities and regions to attract more flights, events and business. It is encouraging States and Territories to approve large-scale infrastructure projects such as airports, convention centres, cruise terminals and attractions.

"Already the tourism accommodation sector delivers \$8 billion to the Australian economy and employs over 187,000 people directly and indirectly. The decade from 2015-2025 will be seen as one of the most transformational in the industry's history, with the wave of new hotels confirming Australia as one of the world's most innovative tourism destinations."

The full report is available [here](#).

**Media Contact: Jason Bartlett, 0433 95 46 57**