

Innovative Investment

# 2026 Hotels Australia

REPORT

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Overview  
and Outlook

CBRE RESEARCH  
MARCH 2026

CBRE



# Turning Point to Trajectory

8.9M

Trips by international tourists to Australia

6.7%

RevPAR growth

5,140+

New room supply (2026-2028)

\$2.7B

Hotel Sales

## 2025 marked a turning point for the Australian hotel market

Operating performance and capital markets moved back into alignment, with transaction volumes reaching a record ~\$2.7 billion, supported by a series of transactions exceeding \$100 million.

### Demand momentum strengthened

International recovery progressed, domestic travel held firm and corporate and MICE demand accelerated.

### Performance gains in all major markets

RevPAR growth was a standout, with at least 8% annual growth recorded across most major markets, led by Sydney and Brisbane, with Perth remained a consistent outperformer. Despite ongoing supply pressures Melbourne recorded 7% growth.

### International spend reached record highs

Expanded air capacity and longer stays lifted inbound expenditure to record levels.

### Events amplified performance

A diverse calendar of sporting, cultural and business events delivered measurable occupancy and rate uplift across key markets.

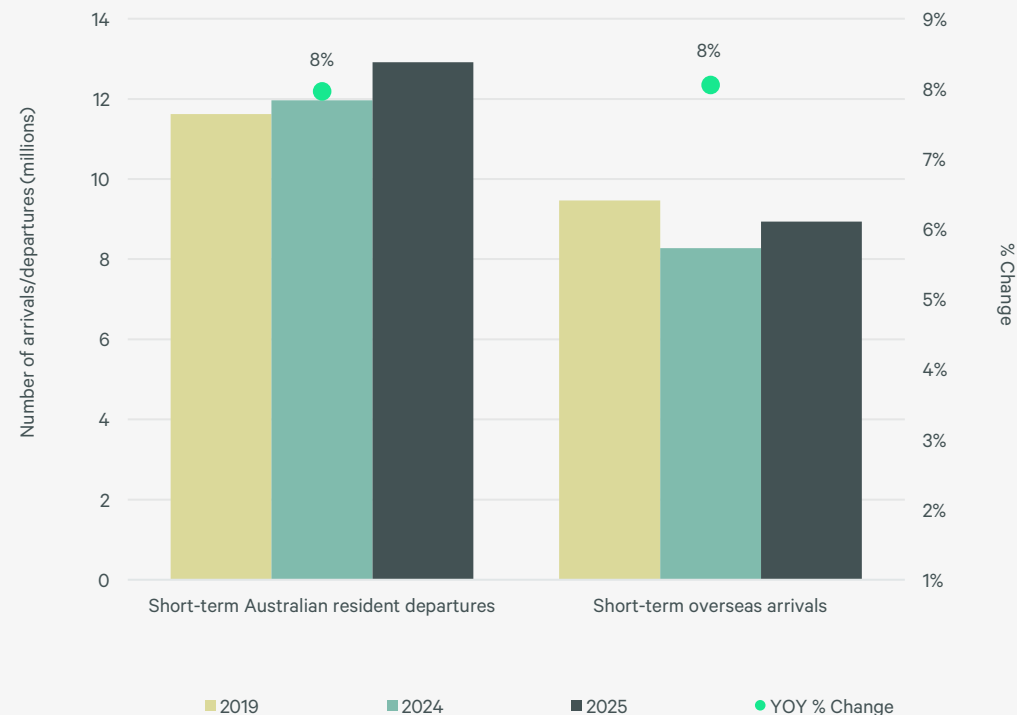
### Supply constraints are structural

Elevated construction costs, labour shortages and financing conditions are limiting new supply beyond the current delivery pipeline, supporting performance gains and asset values.

### The outlook: Fundamentals remain positive

Constrained supply and strengthening operating performance position the sector for sustained income growth and renewed capital deployment in 2026.

FIGURE 1: Short-term overseas arrivals vs. Australian departures



Source: ABS and CBRE Research

# Domestic Travel – *Trips hold, spending eases*

2%

Domestic overnight trips

-5%

Domestic overnight travel spend

## Overview

Domestic travel activity has continued to stabilise following the exceptionally strong travel rebound seen in 2024. In the Sept quarter 2025, domestic overnight trips increased by 2% YoY, while visitor nights were broadly flat, indicating travel volumes have largely normalised at elevated levels.

Domestic visitor expenditure declined by 5% YoY, reflecting moderation from peak spending levels recorded during the post-pandemic travel surge rather than a material slowdown in demand. Spending patterns appear to be normalising as price pressures ease and travel behaviour returns to more typical lengths of stay. Holiday travel continues to account for the majority of spend, reinforcing the importance of leisure-led demand.

Corporate and MICE travel is also showing signs of improvement, supporting mid-week demand in major city markets. At a market level, performance has been mixed. NSW, Vic and Qld continue to capture the bulk of domestic trips and spend, while WA and the NT recorded stronger growth, reflecting infrastructure investment, events and improved connectivity.

## Outlook

### Volumes to remain stable

Tourism Research Australia (TRA) forecast modest growth in domestic trips, with visitor nights remaining flat as shorter stays persist.

### Spend growth moderates

Domestic visitor spend is forecast to moderate to 3.8% growth to 2030 as households remain value-conscious.

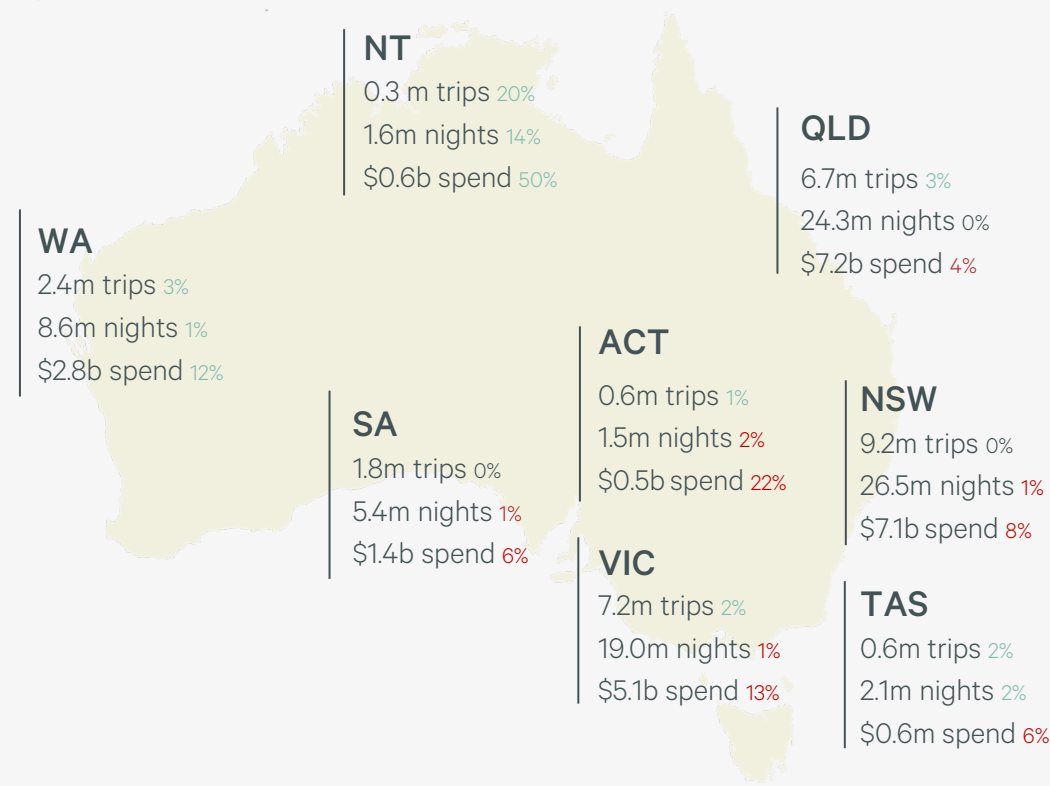
### Corporate and MICE to strengthen

Increased return-to-office activity and events are expected to support demand, particularly in capital cities and major gateway markets.

### Infrastructure and events remain key

Ongoing investment in transport infrastructure and major event precincts may support greater mobility and visitation across domestic markets.

FIGURE 2: Overnight Trips, Nights and Spend by State and Territory, Sept Qtr 2025 Vs Sept Qtr 2024



Source: TRA and CBRE Research \* TRA DoTs references historic backcast data

# International Visitation – *Inbound recovery broadens*

7% arrivals growth  
92% Recovery rate to 2019

## Overview

International visitation to Australia is transitioning from a rebound phase to a more sustained growth trajectory. Arrivals are now just 5.6% below pre-pandemic levels at 8.9 million visitors, with recovery broad-based, across traditional and emerging source markets.

NZ and the USA have fully recovered to pre-pandemic volumes, with the USA recording the strongest growth of major markets, up 18%. Arrivals from the UK grew 5% over the year, to 91% of 2019 levels. China remains the second largest source market, up a significant 17% over the year and lifting its recovery to 72% of 2019 levels. Travel from Taiwan and Hong Kong grew at 18% and 15% respectively to sit at 80% and 99% of 2019 levels.

Several emerging markets - India, South Korea, Indonesia, the Philippines, Ireland, and Vietnam, have surpassed pre-pandemic volumes.

Australia's major gateway markets capture most international arrivals. Education and employment travel were up 14% and 11% respectively. Conference and holiday travel both rose 10%. Holiday and VFR remain the dominant purposes.

## Outlook

### Full recovery expected in 2026

TRA forecast 10.9 million international arrivals by 2030, representing a measured growth trajectory of 4.3%.

### China and emerging markets drive growth

Chinese arrivals are forecast to fully recover by 2027.

### Aviation capacity continues to grow

International air services to Australia are expected to increase, however additional capacity into competing destinations may temper the pace of growth.

### Balanced risks and upside

Global economic uncertainty and strong outbound travel present near-term headwinds. Improved connectivity and diversified source market mix provide upside potential.

FIGURE 3: Recovery rate by source market

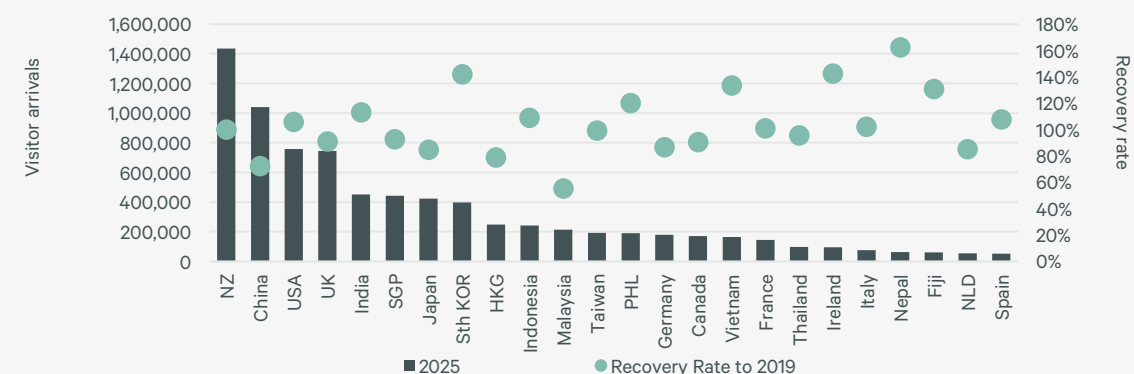
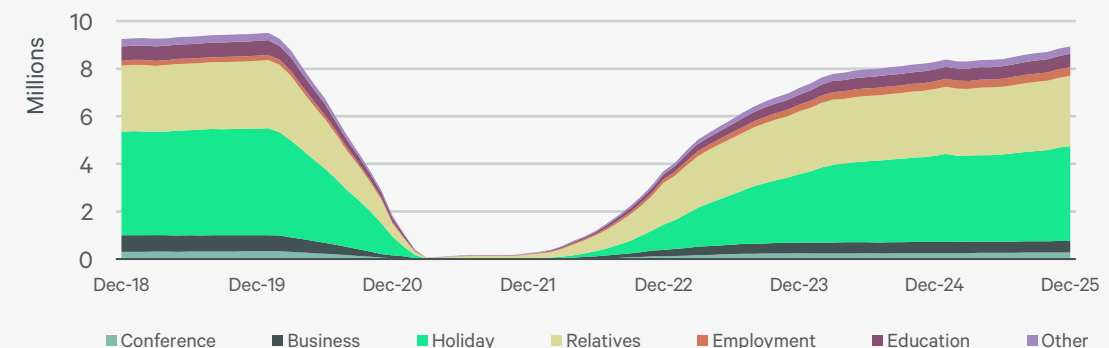


FIGURE 4: Short-term visitors. Rolling 12 mnths



Source: ABS, TRA and CBRE Research

# International Spend – Value growth outpaces arrivals

15% International Expenditure growth  
 123% Recovery rate to 2019

## Overview

International visitor expenditure reached record levels in the YE Sept 2025, materially exceeding pre-pandemic benchmarks. Total trip spend was \$53.2 billion, including \$37.1 billion spent directly within Australia. Expenditure growth has continued to outpace growth in international arrivals, reflecting an uplift in average spend per visitor.

China recorded the highest level of international spend at \$12.3 billion, followed by the United Kingdom (\$4.8 billion) and the United States at (\$4.6 billion). Together, these three markets accounted for 41% of total international visitor spend, demonstrating the importance of core, high value source markets.

Beyond these markets, India, Japan and South Korea continue to grow, contributing to a more diversified expenditure base supported by rising household wealth and expanding middle classes.

## Outlook

### Expenditure growth peaks in 2025

TRA forecast international expenditure in Australia to reach \$37.7 billion in 2025.

### Growth moderates to 2030

Expenditure is forecast to rise to \$46 billion by 2030 (~4% annual growth rate), reflecting moderating inflation, tapering growth in arrivals and normalisation in trip spend.

### Total tourism consumption expands

TRA forecasts total tourism consumption in Australia to reach \$233 billion in 2030, 58% above pre-pandemic levels, however this is expected to be driven largely by domestic overnight spend.

### Demand quality underpins outcomes

Higher average spend and more diversified source markets support structurally stronger expenditure outcomes.

### Positive implications for hotels

Rising visitor spend supports pricing power and hotel revenue growth across major markets.

FIGURE 5: International Arrivals Vs Visitor Expenditure

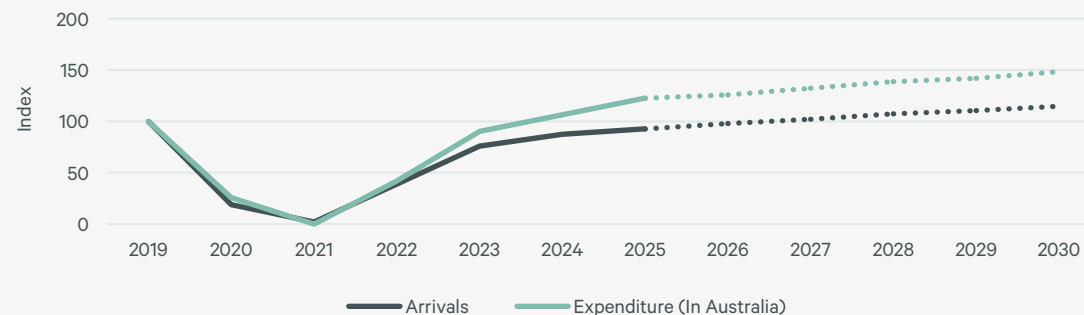
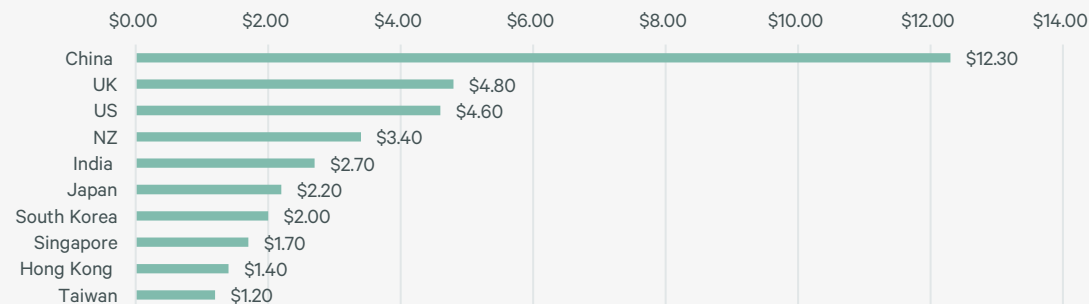


FIGURE 6: International visitor expenditure by source market



Source: ABS, TRA (YE Sept 2025), Tourism Australia and CBRE Research

# China – Spend recovered, arrivals catching up

15% International Expenditure growth to 2019  
123% Recovery rate to 2019

## Overview

Inbound travel from China is accelerating following a delayed reopening. December arrivals from China and Hong Kong were 15% higher than the same month a year earlier, reflecting the unwinding of prolonged outbound travel restrictions.

China remains the missing piece in Australia’s inbound recovery as Australia’s second largest source market with 1.04 million visitors in the YE 2025, which is 72% of 2019 levels.

China is Australia’s highest-value source market, generating \$12.3 billion in international visitor expenditure in 2025, more than 2.5 times the UK, reinforcing its outsized contribution to tourism revenue. Expenditure is heavily weighted towards education (36%) followed by food, drink and Accommodation (32%).

Currency movements have supported outbound travel affordability and spend per trip. Structural ties provide further upside with China now Australia’s third-largest migrant community and ~6% of Australians identifying as having Chinese heritage, supporting sustained demand across VFR, education, business and repeat visitation.

## Outlook

### China to lead inbound growth

TRA forecast China as the fastest growing major source market to 2030 (7.3% annual growth), followed by Hong Kong (6.2%). Full arrival recovery expected in 2027.

### China to remain a top market

Visitor volumes expected to reach ~1.45 million in 2030, maintaining China’s position as Australia’s second largest inbound market.

### Policy and platform partnerships to support demand

The Tourism Australia and [Trip.com](#) partnerships, Approved Destination Status (ADS) enhancements and improved policy stability to support growth.

### Aviation and relations improve capacity

Improved flight availability, pricing and stabilising diplomatic and trade relations are expected to support continued travel.

FIGURE 7: Chinese Visitor Arrivals Vs Expenditure Indexed to 2019

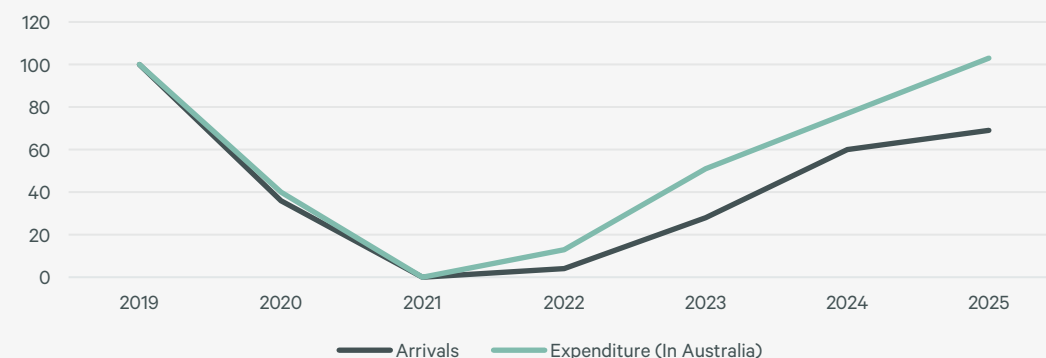
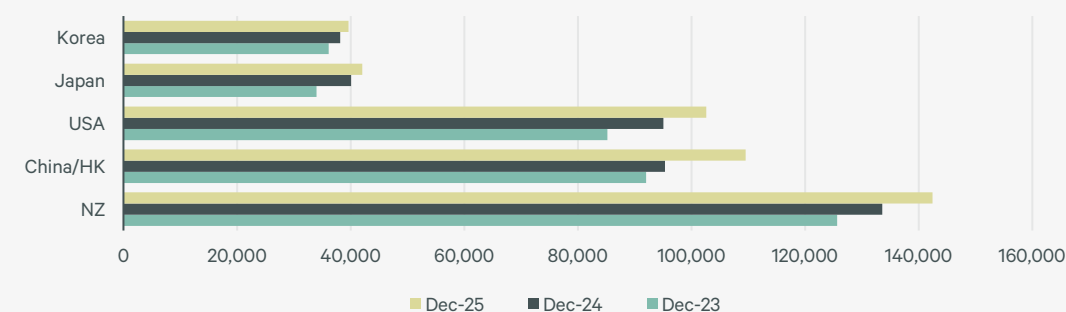


FIGURE 8: Monthly Arrival Rates December 2023- December 2025



Source: ABS, TRA (YE Sept 2025) and CBRE Research

# Outbound Travel – *Growth moderates, volumes stay elevated*

8%

Outbound travel growth

111%

Recovery rate to 2019

## Overview

Overseas travel by Australians has surpassed pre-pandemic levels, with 12.5 million residents travelling abroad in 2025. Growth has moderated to ~ 8%, down from 16% the year prior, signalling a transition from pent up demand to a more normalised growth phase.

Destination preferences continue to shift, driven by value and accessibility. Indonesia remains the top outbound destination due to its proximity, affordability, and premium resort offering. Japan stands out with 19% annual growth, reaching 182% of 2019 levels - the strongest recovery among major markets, supported by a weaker yen and strong cultural appeal.

Travel to China has fully recovered, up 19% over the year and moving from 7<sup>th</sup> to 5<sup>th</sup> position among Australia's top outbound destinations in 2025. Volumes sit 14% above pre-pandemic levels. The USA and UK remain traditional favourites.

Sri Lanka recorded the strongest annual growth, up 26% and 36% above 2019 levels. Vietnam, South Korea and India continue to accelerate reaching 164%, 163%, and 141% of pre-pandemic volumes, respectively.

## Outlook

### Outbound growth to peak in 2025

TRA forecasts point to moderation in 2026 as rebound effects unwind.

### Volumes to remain structurally higher

Outbound travel is expected to stay elevated through to 2030, reflecting a sustained preference for international travel.

### Reduced pressure on inbound and domestic markets

Moderating outbound growth may ease competition and support travel and spend locally.

### Proximity-led growth to persist

Affordable, experience driven regional destinations are expected to gain share.

### Airline competition to intensify

Expanded connectivity and capacity support greater airfare competitiveness.

FIGURE 9: Recovery rate by outbound travel destination

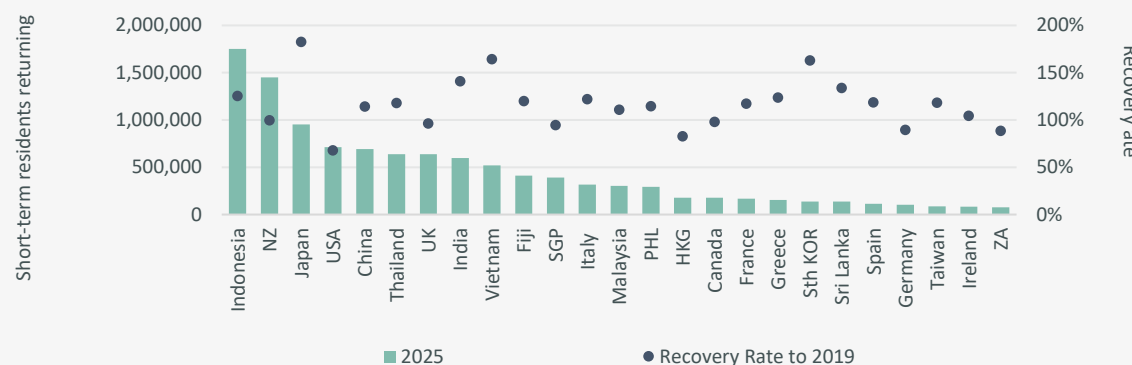
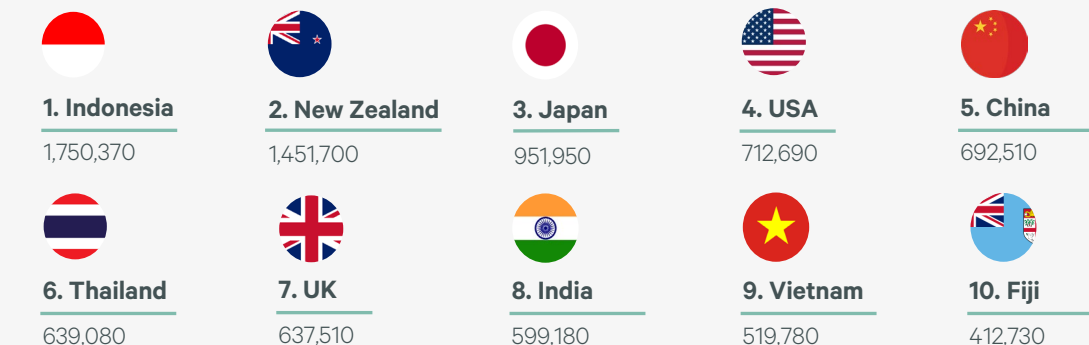


FIGURE 10: Top 10 outbound travel destinations 2025



Source: ABS and CBRE Research

# New Flight Routes – *When planes land, performance lifts*

CBRE continues to track international flight routes into Australia, with no signs of slowing route announcements. Our 2025 Runway to Room Nights analysis estimates recently announced services could generate 1.9 million hotel room nights nationally, supporting a 3-4% uplift in occupancy across major hotel markets by the end of 2026.

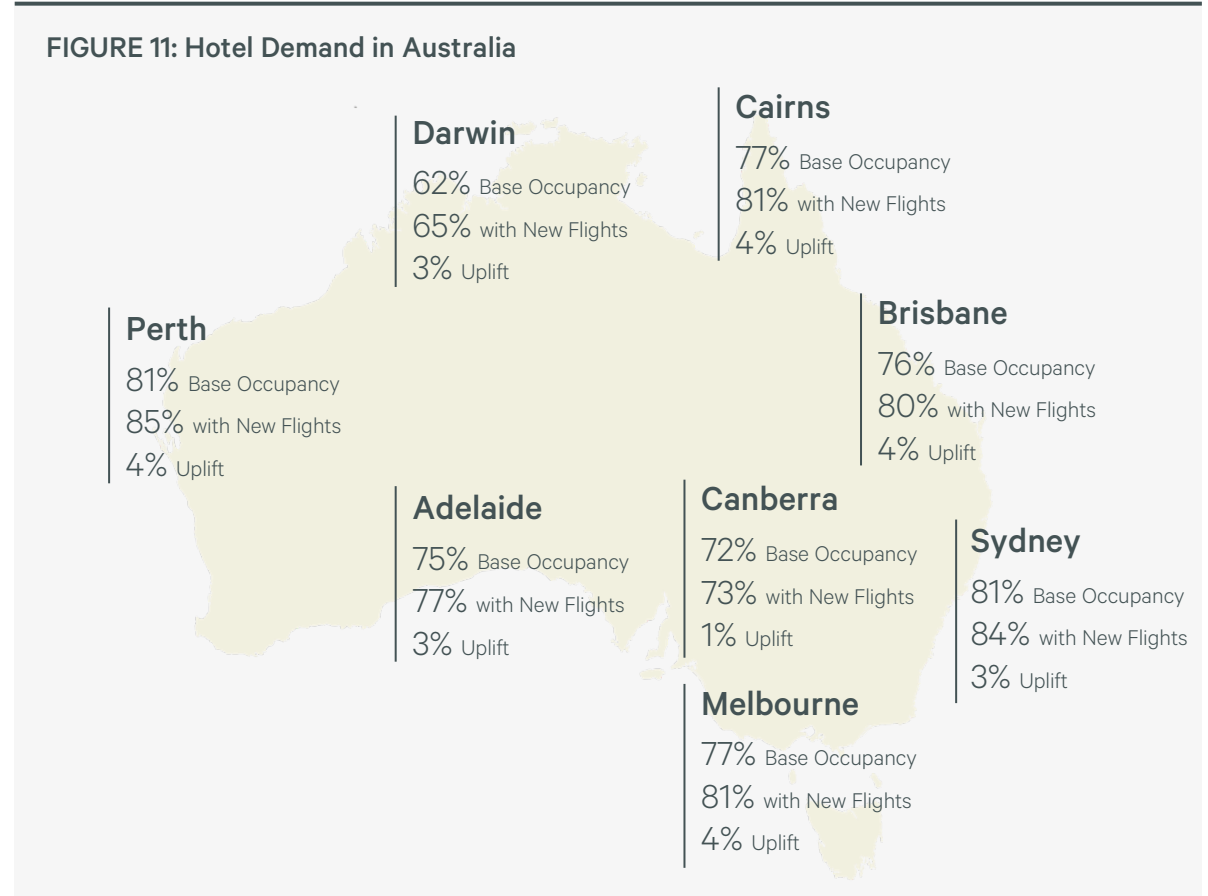
In gateway and supply constrained cities international arrivals are translating directly into higher occupancy. As routes mature and services expand, aviation-led demand is increasingly translating directly into hotel demand, in supply-constrained gateway markets.

Structural growth continues, including the launch of low-cost carrier Koala Airlines (late 2026), the commencement of Riyadh Air services and Qantas' trans-Tasman expansion and delivery of new Airbus aircraft.

The opening of Western Sydney International Airport in late 2026 will provide 24-hour operations, relieve capacity constraints at Kingsford Smith, accommodate larger aircraft and enable new airline entry into Australia's primary gateway market.

## Recent route announcements:

SYD		<b>Finnair</b> → Helsinki <b>China Southern</b> → Guangzhou <b>Qantas</b> → Samoa <b>Turkish Airlines</b> → Istanbul*
MEL		<b>Finnair</b> → Helsinki <b>Maldivian Airlines</b> – Maldives <b>Jetstar</b> – Bali and Sri Lanka* <b>Shenzhen Airlines</b> → Shenzhen <b>Hong Kong Airlines</b> → Hong Kong
BNE		<b>China Southern</b> → Guangzhou, <i>Capacity doubled</i> <b>Qantas</b> → Wellington <b>Jetstar</b> → Philippines and Rarotonga* <b>AirNZ</b> → Queenstown*
PER		<b>China Southern</b> → Guangzhou <i>~85,000 additional seats annually</i>
ADL		<b>China Eastern</b> → Shanghai <b>Indonesia AirAsia</b> → Denpasar
GC		<b>Qantas</b> → Auckland
CAN		<b>Virgin</b> → Bali



Source: CBRE Research

# The Power of Events

CBRE recently analysed 10 major sporting and cultural events across Sydney, Melbourne and Brisbane on hotel performance during 2025.

The results show that on average each event delivered:



17%  
uplift in occupancy

42%  
increase in ADR compared  
to typical trading periods

25,000 avg.  
additional room nights  
generated by these events

\$22m extra revenue  
demonstrating the economic value of a  
well-planned event calendar

# Performance – *Broad based growth*

## Overview

Australia’s hotel markets delivered strong performance in 2025, with YoY growth recorded across all key performance metrics. Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR) now exceed pre-pandemic levels nationally, with occupancy nearing a full recovery.

Occupancy outcomes continue to reflect the balance between demand growth and new supply entering the market. Growth in room nights occupied indicates underlying demand has strengthened more materially, with all major Australian markets now exceeding pre-pandemic demand levels.

Most major markets recorded gains across all key performance indicators, led by Sydney and Perth. Brisbane delivered particularly strong rate gains, reflecting tightening supply conditions and improving demand depth.

RevPAR growth was a standout, with at least 8% annual growth recorded across Sydney, Brisbane, Perth, Adelaide, Cairns and Hobart. Brisbane, Perth, the Gold Coast, Cairns and Darwin remain the only markets to have outperformed pre-pandemic rates across all three metrics. Despite ongoing supply pressures, Melbourne recorded 7% RevPAR growth.

## Outlook

### ADR growth to moderate

Rate increases are expected to slow across most markets. Sydney, Brisbane and Perth to outperform.

### Growth trajectory to normalise

Higher rate profiles become more difficult to grow amid easing inflation and subdued economic growth.

### RevPAR supported by occupancy

Constrained supply is expected to support further occupancy gains and revenue growth.

### Market resilience despite challenges

Despite localised supply pressures in the short term, Australia’s medium-term outlook remains supported by diversified demand growth and a contracting development pipeline.

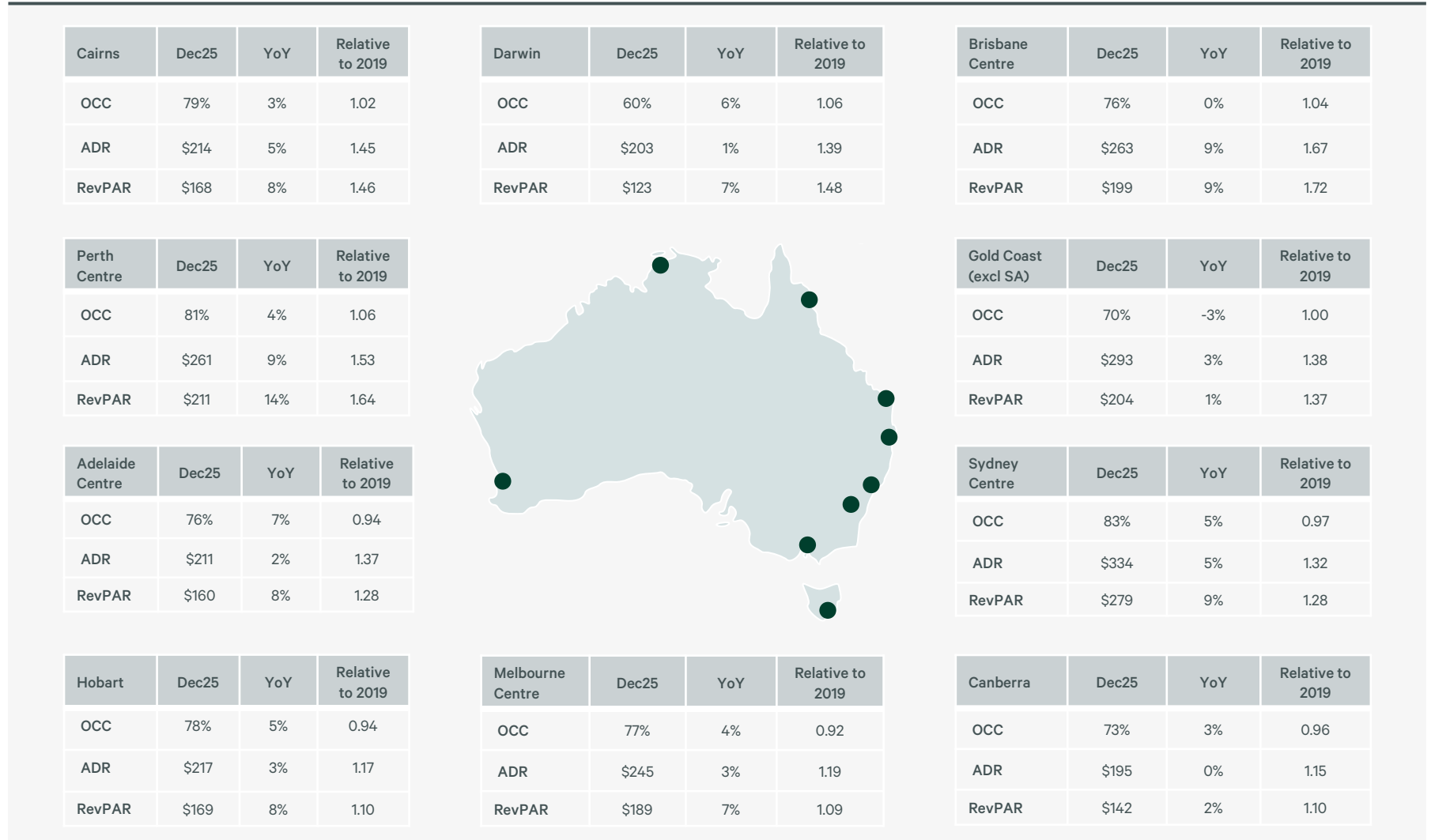
FIGURE 12: Key performance metrics

Australia	Dec25	YoY	Index relative to 2019
▲ Occupancy (OCC)	73%	2.9%	0.98
— Average Daily Rate (ADR)	\$248	3.6%	1.33
▲ Revenue Per Available Room (RevPAR)	\$182	6.7%	1.31
▲ Room Nights Occupied MAT	91 M	3.8%	1.13



Source: CoStar and CBRE Research

**FIGURE 13: Key performance metrics by major market**



Source: STR, CBRE Research

# Corporate Travel Recovery – *Mid-week demand gains*

## Overview

Mid-week trading conditions have strengthened across major markets indicating corporate and MICE-related travel demand is approaching leisure-based levels. In 2025 Tuesday to Thursday occupancy averaged above 80% in Sydney and Perth, with Brisbane close to 80%.

Brisbane and Perth have recorded the strongest mid-week occupancy improvement since 2022. Sydney continues to lead in absolute mid-week occupancy, while recovery in Sydney and Melbourne has been tempered by the absorption of recent new supply. Adelaide has tracked a steady recovery trajectory.

## Outlook

### Mid-week recovery to complete in 2026

Normalised corporate travel and business events are expected to lift mid-week occupancy across all major markets.

### Constrained supply will support recovery in Sydney and Melbourne

Moderating new supply allows improving demand to translate more directly into occupancy gains.

### Brisbane and Perth to outperform

Limited new supply, infrastructure investment and resource exposure support strong mid-week trading conditions. Sydney to remain the leader in absolute terms.

### Mid-week demand supports KPI growth

Improved demand drives pricing power in traditional softer periods, underpinning ADR and RevPAR growth.

FIGURE 14: Mid-week Occupancy Rates (Tue-Thu)

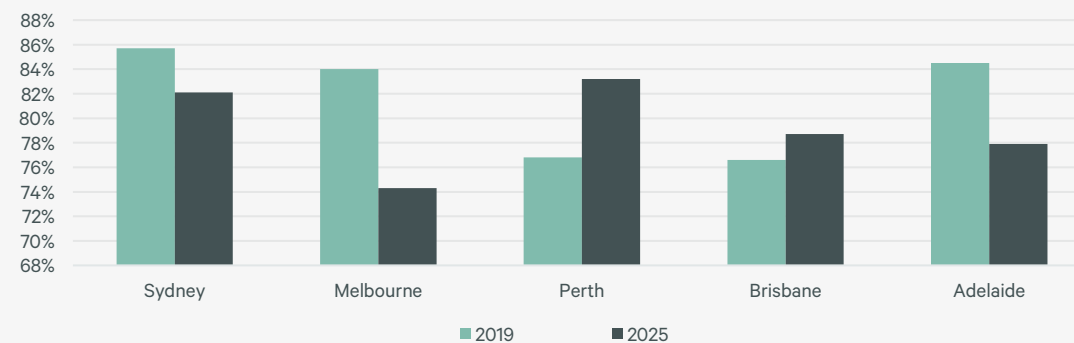
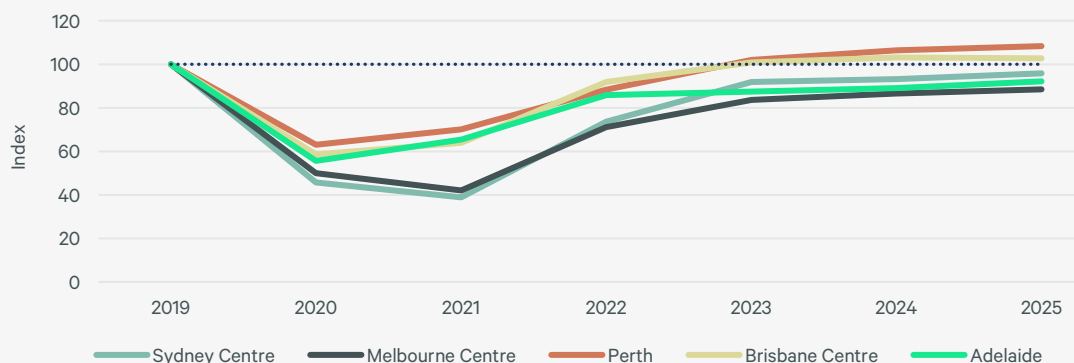


FIGURE 15: Mid-week Occupancy Recovery (2019=100)



CoStar and CBRE Research

# Supply – *Current pipeline to peak in 2027*

## Overview

Australia’s hotel supply pipeline continues to moderate, with 2,034 rooms delivered in 2025 and so far in 2026. This is 6% fewer rooms compared to 2024 and almost half the number delivered in 2023. There are currently 10% fewer rooms under construction than a year ago with approximately 5,143 hotel rooms currently under construction in city centre and metro locations nationally. Around 1,900 rooms are expected to be delivered in 2026, before the annual number increases by 27% to 2,415 rooms in 2027. Beyond this, the forward pipeline is thin, with only three projects totalling 828 rooms currently scheduled for completion in 2028.

Relative to historical delivery volumes and forecast demand growth, new supply is tracking below medium-term requirements.

The pipeline remains skewed towards premium product, with luxury and upper-upscale stock accounting for 55% of rooms under construction, where stronger rates can offset elevated development costs. The pipeline is led by Adelaide (25%), representing a comparatively large share by market size followed by Sydney (24%). Melbourne’s pipeline has contracted by 55% to represent 15% of total stock. Perth (14%) and Canberra (9%) follow.

## Outlook

### Feasibility pressures to constrain new starts

Persistent cost pressures and labour constraints continue to weigh on new project viability.

### Adelaide’s pipeline warrants monitoring

Delivery scale relative to market size elevates timing and demand risk.

### Brisbane remains supply constrained

High build costs and competing infrastructure projects will continue to moderate new supply despite improving demand.

### Premium supply dominance continues

Upper Upscale and Luxury projects accounted for 68% of new rooms in 2024, 66% in 2025 and 55% in 2026.

-46%

Fewer hotel rooms delivered in 2025 compared to 2023.

-10%

Fewer hotels under construction in 2025 compared to 2026

FIGURE 16: Supply forecast by type

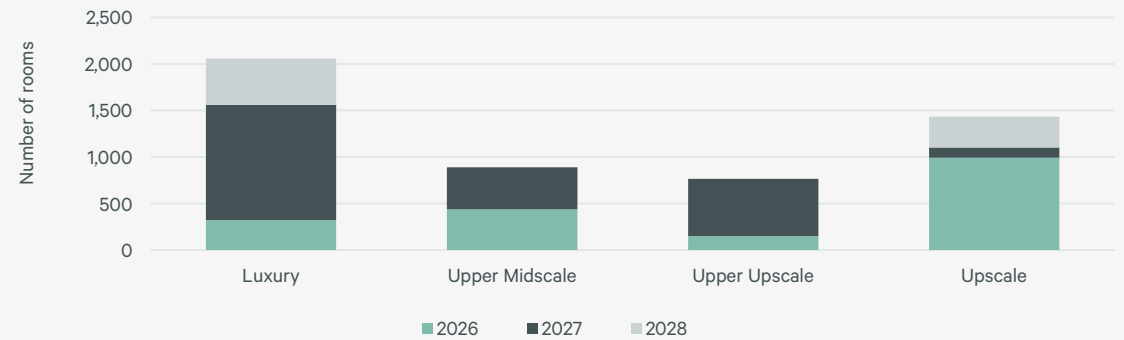
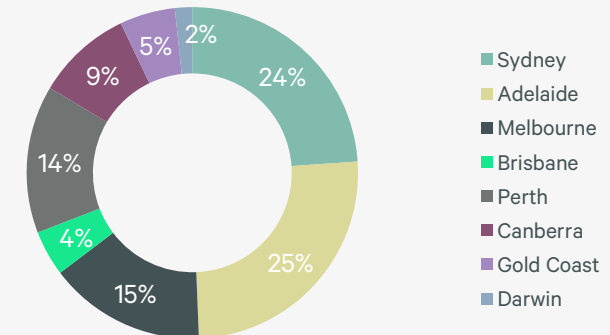


FIGURE 17: New Rooms Under Construction by Market



Source: CBRE Research Figures only include CBD and inner-city supply for Sydney, Melbourne and Brisbane

# Sustained Undersupply – *Meets recovering demand*

41%

Supply forecasts below historic delivery

35%

Forecast supply below forecast demand

## Overview

Australia’s hotel sector is entering the next phase of the cycle with a structurally thin development pipeline that is unable to respond quickly to recovering demand. CBRE analysis shows forecast hotel supply is expected to be 41% below historic delivery levels for the remainder of the decade, and approximately 35% below forecast demand growth.

This sustained undersupply reflects structural delivery headwinds, including cost escalation, high land values, competition for alternative land uses, tighter financing conditions and an increased regulatory burden. As demand recovers, the market is doing so with limited capacity to deliver new stock.

Hotels are uniquely positioned to benefit from this dynamic. Unlike other property sectors, hotel room rates reprice daily and revenue responds immediately to changes in demand. As supply tightens, hotels convert increased demand into cash flow more quickly than other asset classes, supporting income growth ahead of any meaningful supply response.

## Outlook

### Demand recovery into constrained supply

Domestic travel has normalised, international visitation is expected to fully recover in 2026 and visitor expenditure is at record highs.

### Corporate, MICE and events strengthening

Mid-week demand is supported by improving corporate travel, a growing events calendar and infrastructure investment.

### Replacement costs reinforce existing assets

Elevated build costs reset replacement benchmarks enhancing existing asset value and limiting near-term supply.

### Supply constraints support performance

Improved trading conditions and daily revenue repricing positions hotels to benefit earlier than other asset classes, underpinning feasibility recovery over the medium term.

FIGURE 18: Historical Room Supply by Major Market

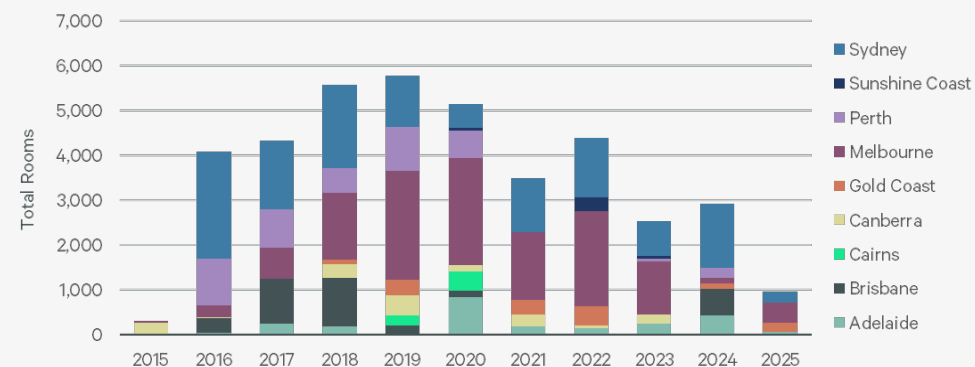
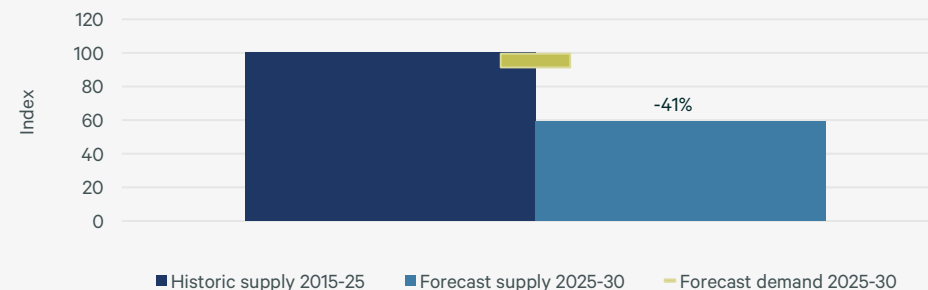


FIGURE 19: Supply Undershoot



Source: CBRE Research Figures only include CBD and inner-city supply for Sydney, Melbourne and Brisbane

# Replacement Cost Reset – *Buy over build economics prevail*

47%

Room Cost Escalation in Brisbane

## Overview

Hotel replacement costs have reset higher since 2019, driven by persistent labour shortages, construction costs and more realistic contractor pricing following elevated insolvencies. Rawlinsons data shows room cost escalation of ~25–45% between 2019 and 2025 across all major markets, with the sharpest increases in Brisbane (up to 47% across 4–5-star hotels) and 20–30% growth across Sydney and Melbourne, varying by grade.

This escalation has materially widened the gap between replacement costs and transaction pricing. Hotels are currently transacting 20–40% below replacement cost, favouring acquisition over development and accelerating investor focus on refurbishment and repositioning of existing assets, particularly where income can be reset more quickly than development feasibility.

## Outlook

### Replacement costs remain elevated

Higher build benchmarks are now structural.

### Buy over build

Existing, income-producing assets benefit first.

### Refurbishment over development

Capital shifts toward upgrades and value-add.

### Feasibility via income growth

Recovery driven by occupancy and rate gains, not cost relief.

### Brisbane cost pressure to intensify

Olympic infrastructure delivery is expected to absorb skilled labour and push construction pricing higher.

FIGURE 20: Hotel Room Build Costs Per Room 2019 vs 2025

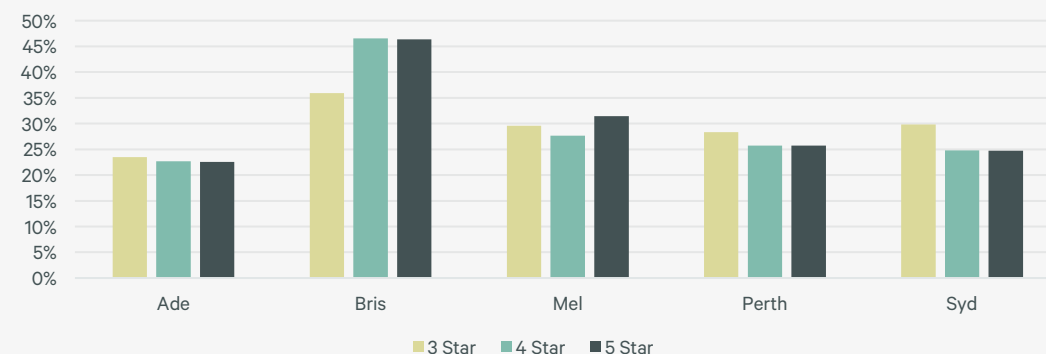
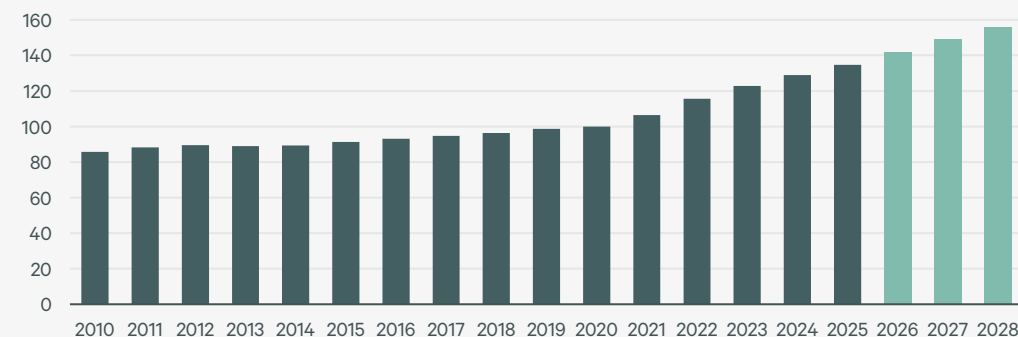


FIGURE 21: Construction Cost Outlook (2000=100)



Source: CBRE Research, Rawlinsons and ABS

**Waldorf Astoria, Sydney 2027** Luxury

220  
rooms



**City Tattersalls Club, Sydney 2027** Upscale

110  
rooms



**Moxy, Sydney 2027** Upper Midscale

314  
rooms



**Hannah Street Hotel, Melbourne 2026** Luxury

188  
rooms



**Shangri La, Melbourne 2028** Luxury

496  
rooms



**Queens Wharf 3, Brisbane TBD** Luxury

150  
rooms



**Crystalbrook, Adelaide 2027** Luxury

200  
rooms



**Little National, Adelaide 2026** Upscale

192  
rooms



**Andaz Hotel, Broadbeach Gold Coast 2026** Luxury

202  
rooms



**Crystalbrook, Canberra 2027** Luxury

238  
rooms



**Dorsett Hotel, Perth 2026** Upscale

263  
rooms



**EQ West, Perth 2027** Luxury

358  
rooms



# Infrastructure – *As a demand engine*

## Overview

Australia is in a prolonged cycle of elevated infrastructure investment, with national and state spending estimated at around \$100 billion per annum, more than double levels recorded a decade ago. For the hotel sector, this investment is directly supporting business travel, contractor accommodation, and improved connectivity to key employment and visitor precincts.

Transport-led infrastructure is the most material driver for hotels. Major airport, road and rail projects are improving access to CBDs, airports and growth corridors, supporting both short-stay corporate and longer-stay project-related demand.

## Outlook

### Infrastructure to support structurally higher demand

Major transport and precinct developments are embedding a higher baseline of corporate, project and event-related travel.

### Gateway and project-led markets to benefit most

Western Sydney Airport, Sydney Metro, Melbourne Metro and Brisbane Cross River Rail will increase mobility in gateway cities.

### Event and defence investment to drive room nights

Olympics-related infrastructure in Brisbane and AUKUS defence investment in Adelaide and Perth are expected to support sustained accommodation demand.

### Accessibility to support hotel performance

Reduced travel times and improved connectivity broaden hotel catchments, supporting occupancy and room rate growth.

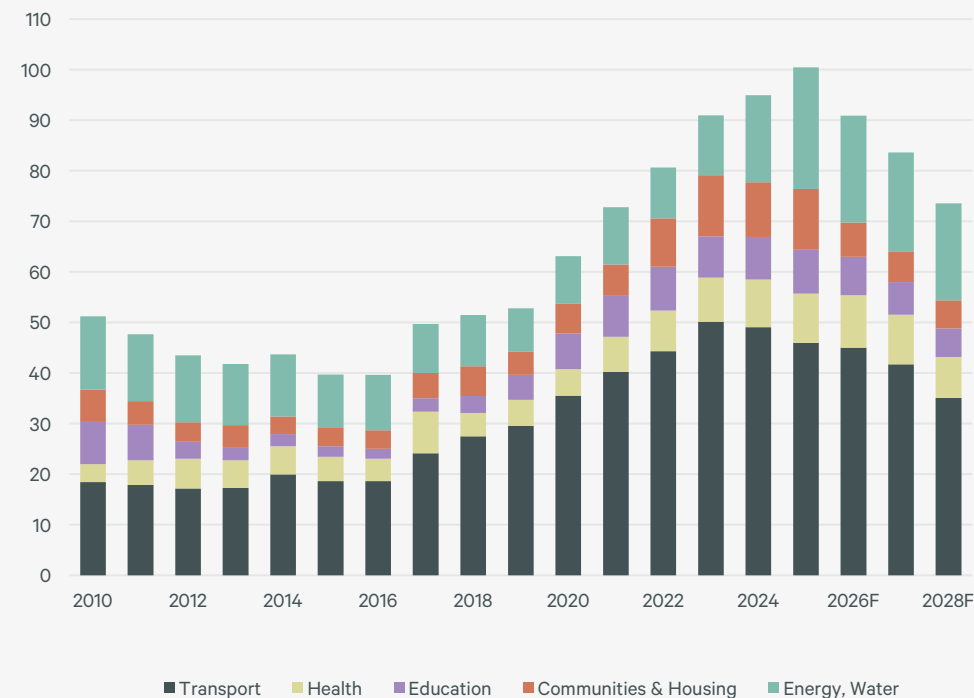
\$100bn

Infrastructure spend

2 x

Spend in 2006

FIGURE 22: Australian Infrastructure Spend \$bn



Source: CBRE Research | Figures only include CBD and inner-city supply for Sydney, Melbourne and Brisbane

Sydney Metro, City & West

\$46  
bn



Cross River Rail, Brisbane

\$17  
bn



Melbourne Metro

\$15.5  
bn



Western Sydney Airport

\$5.3  
bn



Metronet, Perth

\$12.4  
bn



Brisbane 2032 Olympic & Paralympic Games

\$7.1  
bn



# Investment – *at record high*

## Overview

Following subdued transaction volumes and lower average deal sizes in 2024, investment activity rebounded materially in 2025, with a significant increase in both transaction volumes and deal scale. The year was characterised by a series of transactions above \$100 million, including assets such as Hilton Adelaide, Park Hyatt Melbourne and Ayres Rock resort.

Transactions totalled \$2.7 billion (excluding transactions under \$10 million and hotels sold for change of use or redevelopment) across 34 deals for the year to mark a record high. The average hotel transaction price more than doubled to \$79 million. Initial yield tightened over the year to 5.6%.

Offshore investors, particularly from Asia, and the United States played a significantly larger role in 2025, marking a shift from the predominantly domestic buyer pool seen in 2024.

## Outlook

### Stronger investment momentum expected

Improving asset performance, constrained new supply and Australia’s relative safety and transparency are expected to support investor appetite, particularly for high-quality incoming producing gateway assets.

### Offshore capital to remain active

Australia’s stability and yield profile continue to attract Asian and global investors.

### Buy over build dynamic persists

Elevated replacement costs and limited new supply favour acquisition over development.

### Core assets tightly held

Gateway market assets remain scarce, supporting pricing resilience and competition.

180%

Increase in transaction volumes

129%

Increase in average deal size

FIGURE 23: Hotel sales volumes and number of hotels sold

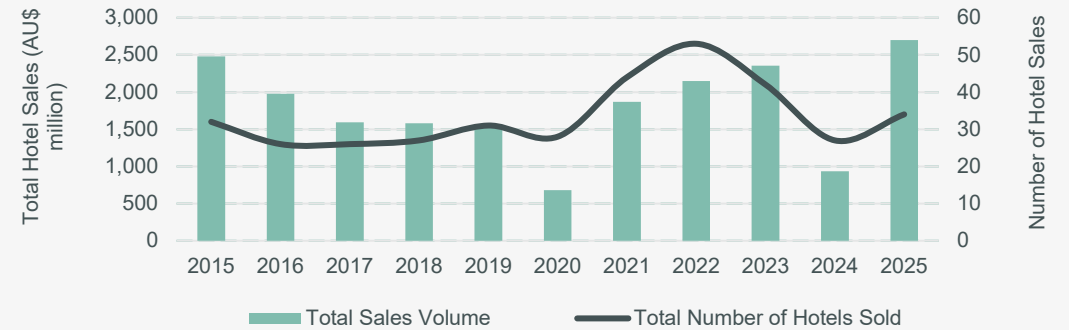
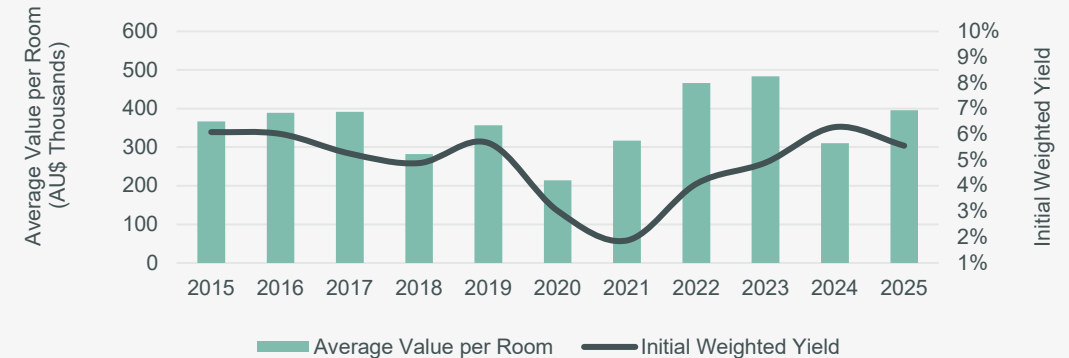


FIGURE 24: Average value per room and initial weighted yield



Source: CBRE Research

# Performance vs Capital – *Gap closed*

\$182  
RevPAR

\$2.7B  
Transaction Volumes

## Overview

Hotel operating performance has recovered to cycle highs, with sustained RevPAR growth across major markets translating into renewed capital deployment. Transaction volumes reached approximately \$2.7 billion over the year, the strongest result on record, as pricing expectations reset and investor conviction strengthened.

## Outlook

### Capital markets momentum

Transaction volumes are expected to remain elevated as earnings growth supports confidence.

### Financing conditions stabilising

Credit margins are expected to stabilise and lender appetite remains positive, with 50% of lenders seeking to grow their books in the short term.

### Non-bank interest rate hedging

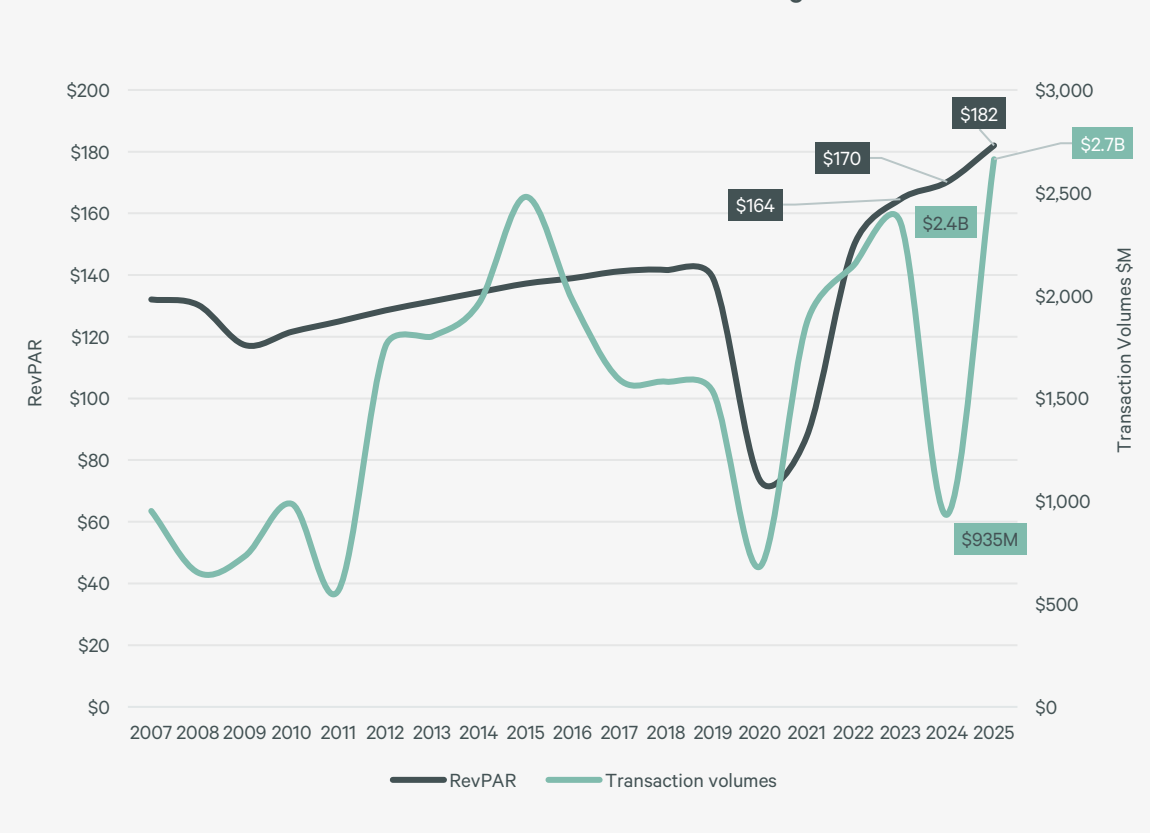
Majority of non-banks require interest rate hedging of 0% to 25% of loan value.

### Buy-over-build reinforced

Elevated construction costs remain the key lending challenge for 2026.

*\*Outlook informed by CBRE's H2 2025 Australian Investor and Lender Sentiment Survey*

FIGURE 25: Australia Transaction Volumes & RevPAR Arbitrage



Source: CBRE Research

# Offshore Capital – *Returns with conviction*

## Overview

Offshore investors accounted for 78% of total activity in 2025, up from 27% in 2024.

Capital inflows were led by investors from Asia including Singapore, Thailand, China and Taiwan. Major portfolio activity such as Blackstone’s acquisition of Hamilton Island and the acquisition of Ayers Rock Resort saw US based capital account for 40% of transaction activity over the year. Increased offshore participation reflects strengthening asset-level performance and renewed conviction in Australia’s hotel sector.

## Outlook

### Offshore capital expected to remain active

Improving performance and constrained new supply are expected to continue attracting international capital.

### Income growth translating into capital flows

Investors are placing greater emphasis on income growth driven by occupancy recovery.

### Australia remains an attractive destination

Transparency, stability and its relative safe-haven status are expected to support a steady increase in transaction volumes through 2026.

### Tax settings support

Hotels operated as active trading businesses under HMAs are generally exempt from the 3–4% absentee owner surcharge, improving offshore investor returns.

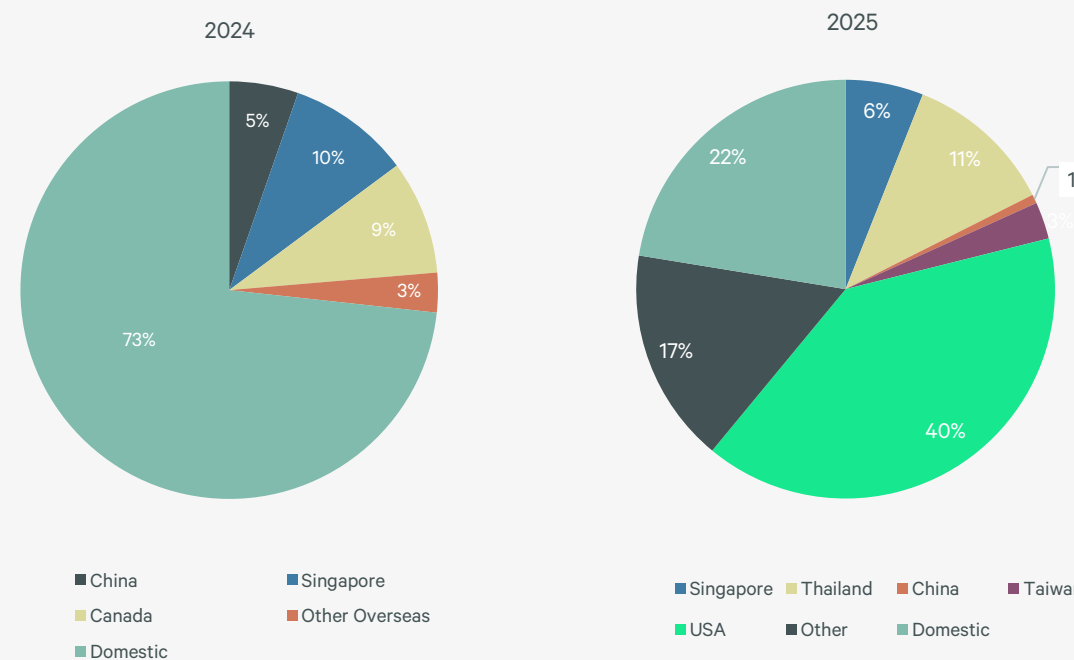
27%

Offshore contribution in 2024

78%

Offshore contribution in 2025

FIGURE 26: 2024 and 2025 Hotel Transaction Volumes by Capital Flows



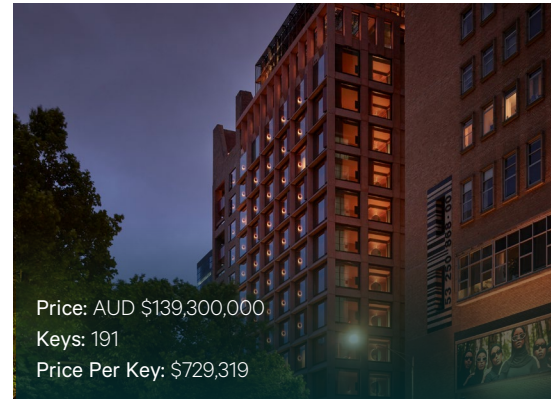
Source: CBRE Research

# Notable Transactions

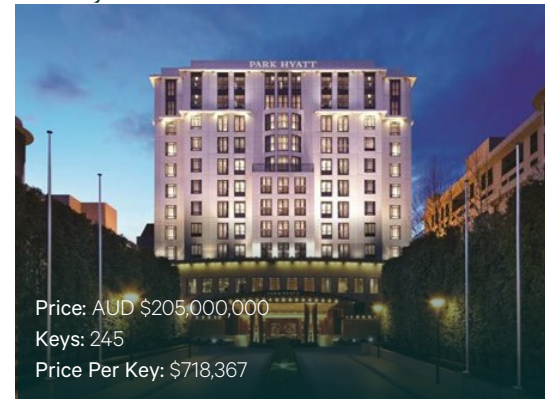
**Intercontinental Double Bay**



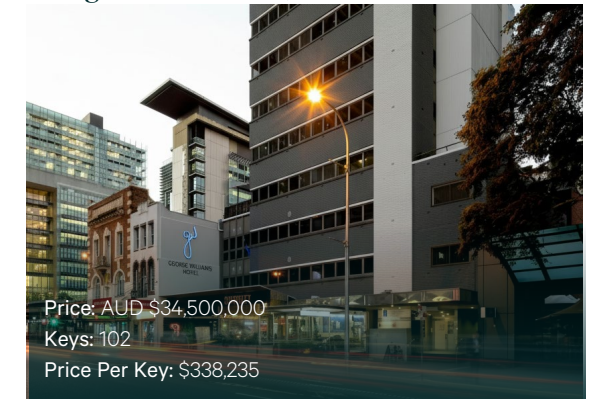
**Melbourne Place Hotel, Melbourne**



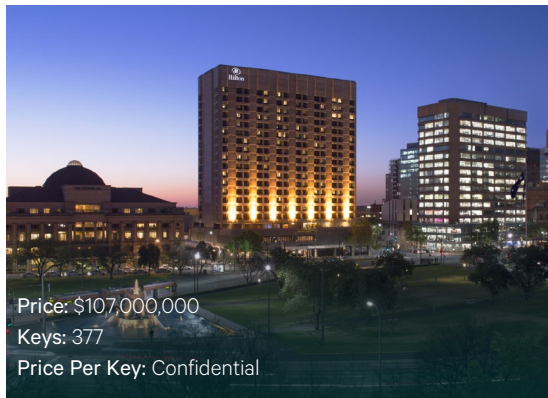
**Park Hyatt, Melbourne**



**George Williams Hotel, Brisbane**



**Hilton, Adelaide**



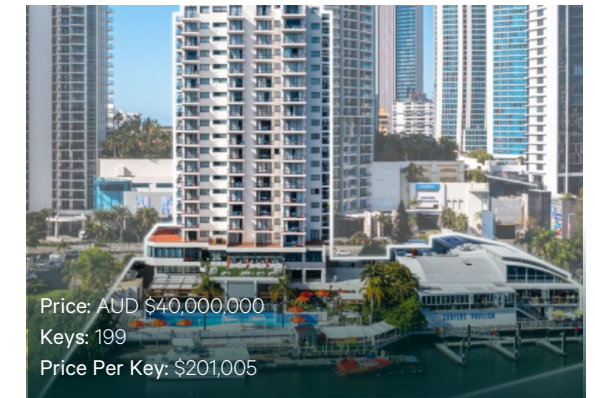
**Potts Point Apartments, Sydney**



**Hamilton Island**



**Vibe, Gold Coast**



# SYDNEY

“Sydney is Australia’s premier gateway market with the highest Occ, ADR and RevPAR in the country.”



**Michael Simpson**  
Managing Director

# Sydney Centre

## Performance leadership

Sydney has extended its national lead with the highest Occupancy, ADR and RevPAR in the country. Occupancy nearing full recovery.

## Tourism recovery continues to accelerate

Sydney's hotel market is benefiting from strong demand growth driven by its gateway status, diverse events calendar and major project investment.

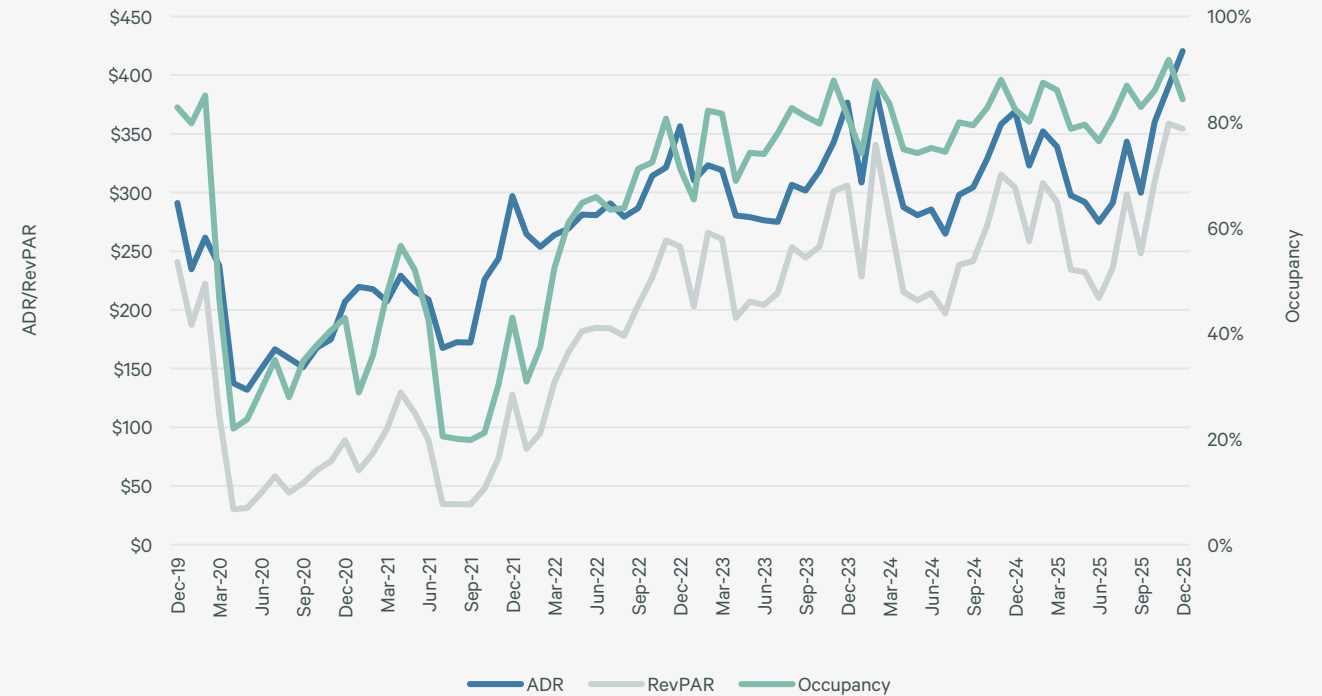
## Premium supply expansion

New luxury and upscale hotel delivery expected to peak in 2027. As supply growth slows, Sydney will benefit from improved occupancy and sustainable rate growth.

▲ 83% Occ  
 ▲ \$334 ADR  
 ▲ \$279 RevPAR

Note: Trend change from previous year

FIGURE 27: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Sydney Centre recorded some of the strongest trading conditions of any major Australian hotel market in 2025, with gains achieved across all key performance indicators. RevPAR increased 9% to a record \$279, extending Sydney’s lead over other major markets. Occupancy averaged 83%, the highest nationally, while ADR reached a national high of \$334, up 5%.

Demand by scale continues to favour luxury and upper-upscale product, aligning with the composition of new supply entering the market and reflecting the segments most capable of supporting current feasibility and replacement cost thresholds.

## Outlook

- Occupancy is expected to fully recover by the end of 2026, supported by corporate, MICE and inbound demand.
- From 2028, occupancy could reach 87%, the highest in the country and reflecting a mature, capacity constrained market with limited new supply.
- Sydney Centre is expected to be one of two leading markets for ADR growth at ~4% annual growth in the near term. The pace of growth is likely to moderate as higher rate profiles become more difficult to extend.
- RevPAR is projected to record steady mid single-digit growth over the medium term, underpinned by rate growth and limited new supply.

FIGURE 28: Sydney Centre Demand by Scale

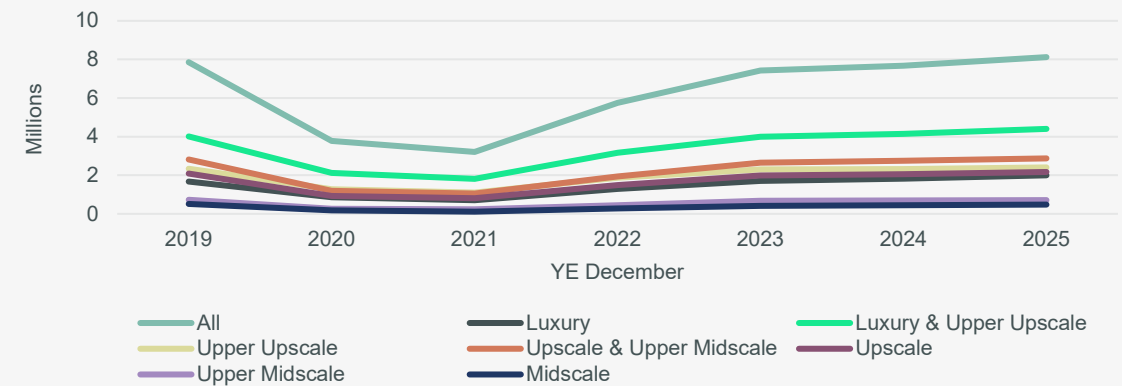
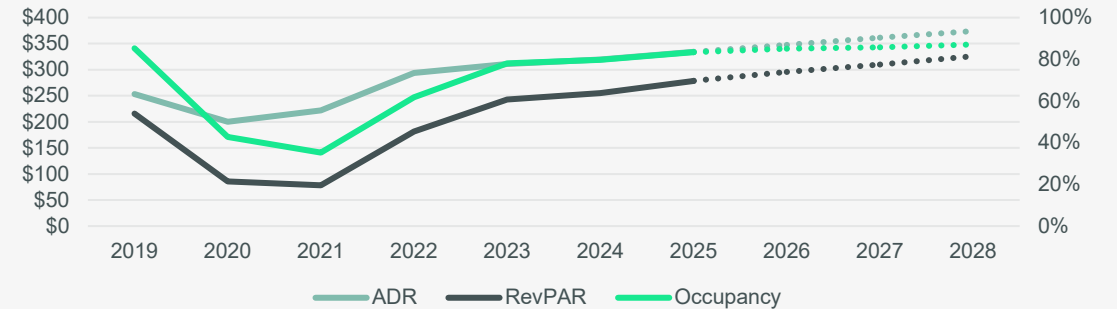


FIGURE 29: Sydney Centre Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Domestic visitation to Sydney has surpassed pre-pandemic levels, supported by NSW Government vibrancy reforms and a strong events calendar. In the year to Sept 2025, domestic visitor trips to Sydney staying in hotel or similar accommodation totalled 4.3 million, generating 9.9 million visitor nights, with an average length of stay of 2.3 nights. NSW and Victoria remain the key domestic source markets.

International arrivals remain marginally below pre-pandemic levels; however, longer stays have lifted nights in hotel accommodation to 10 million visitor nights. This is above 2019 levels (YTD Sept 2025). China has re-emerged as the largest source market followed by the USA, NZ and UK. BITRE data shows arrivals through Sydney Airport increased 3% in 2024/25, now 6% below pre-pandemic levels, with international arrivals up 6% and just 1% below 2019 volumes.

## Outlook

- International visitation is expected to fully recover through 2026, supported by expanding airlift, new routes and the opening of Western Sydney Airport.
- Government-backed vibrancy reforms and a growing 24-hour economy are expected to sustain a strong events calendar and support demand.
- Infrastructure investment, including Sydney Metro and the Circular Quay precinct renewal, will improve accessibility and connectivity.
- Sydney’s position as Australia’s primary corporate gateway is expected to benefit from increased momentum in corporate and MICE related travel.

FIGURE 30: Financial Year Airport Passenger Movements

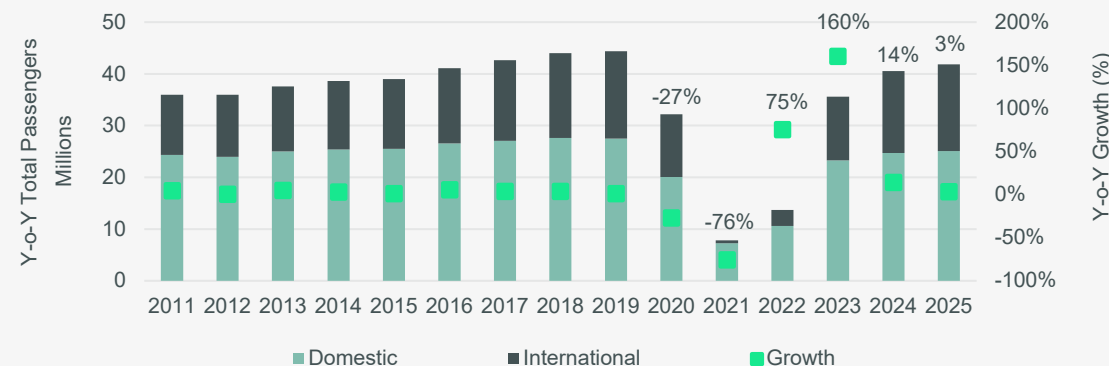
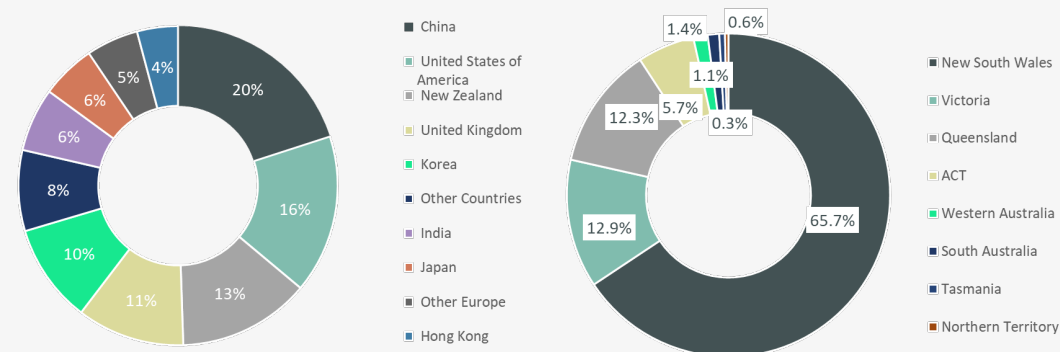


FIGURE 31: International and Domestic Major Source Markets by Visitors



Source: BITRE, TRA and CBRE Research

# Supply

## Overview

Sydney Centre recorded four new hotel openings in 2025, more than double the number of rooms delivered in 2024. Recent additions included The luxury Eve Hotel, delivering 102 luxury rooms, 25hours Hotel and Caption by Hyatt, adding 107 and 170 upper-upscale rooms, respectively and lyf Bondi Junction with 197 upper-midscale rooms.

## Outlook

- Sydney Centre has the second largest hotel development pipeline of all major Australian markets, with 1,230 rooms scheduled for delivery over the next three years.
- The pipeline reflects a diverse mix of luxury, upper-upscale and upper-midscale product, supporting depth across demand segments.
- New stock represents 4.6% of Sydney Centre’s hotel room inventory.
- CBRE expects 2027 to mark the peak of hotel delivery. Beyond this period, a tightly held and competitive alternative use CBD environment and current build pricing are expected to moderate new hotel delivery.

FIGURE 32: Sydney Hotel Supply

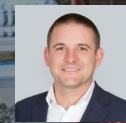
Recently Opened				
Property	Address	Suburb	Scale	Date
Caption by Hyatt	13 Parker Street	CBD	Upper Upscale	2025
25hours Hotel The Olympia	1 - 11 Oxford Street	CBD	Upper Upscale	2025
lyf Bondi Junction	5-11 Hollywood Ave, Bondi Junction	Bondi Junction	Upper Midscale	2025
The Eve Hotel	2-38 Baptist Street	Redfern	Luxury	2025
The Clarence Hotel	193 Clarence Street	CBD	Upper Upscale	2024
Veriu Macquarie Park	388 - 392 Lane Cove Road	Macquarie Park	Upper Upscale	2024
Quest Woolooware Bay	455 Captain Cook Drive	Woolooware	Upper Midscale	2023
W Hotel	31 Wheat Road	CBD	Luxury	2023
Citadines North Sydney	88 Walker Street	North Sydney	Upscale	2023
Hotel Morris	412 Pitt Street	CBD	Economy	2023
Capella Sydney	23-33 Bridge Street	CBD	Luxury	2023
The Clancy 8Hotels	202-210 Elizabeth Street	Surry Hills	Upscale	2022
Under Construction				
Waldorf Astoria	1 Alfred Street	CBD	Luxury	2027
Moxy Sydney	371-375 Pitt Street	CBD	Upper Midscale	2027
NH Collection Hotel	55- 59 Wentworth Avenue	Surry Hills	Upper Upscale	2027
City Tattersalls Club	194-204 Pitt Street	CBD	Upscale	2027
Florian Hotel	499 Kent Street, Sydney	CBD	Upscale	2028
AC by Marriott	133 Liverpool Street	CBD	Upscale	2028

Source: CBRE Research Figures only include CBD and inner-city supply



# MELBOURNE

“Melbourne’s recovery is strengthening with supply having peaked and performance rebuilding.”



**Jack Tronson**  
Director VAS

# Melbourne Centre

### Performance stabilising

Occupancy increased 4% to 77%, the highest since 2019, lifting RevPAR 7% to a record \$189. Recent luxury and upper-upscale additions have elevated Melbourne’s baseline rate profile.

### Demand-led recovery

Strong domestic visitation and improving international travel are driving occupancy recovery and supporting rate growth. Melbourne continues to benefit as Australia’s cultural, sporting and events capital.

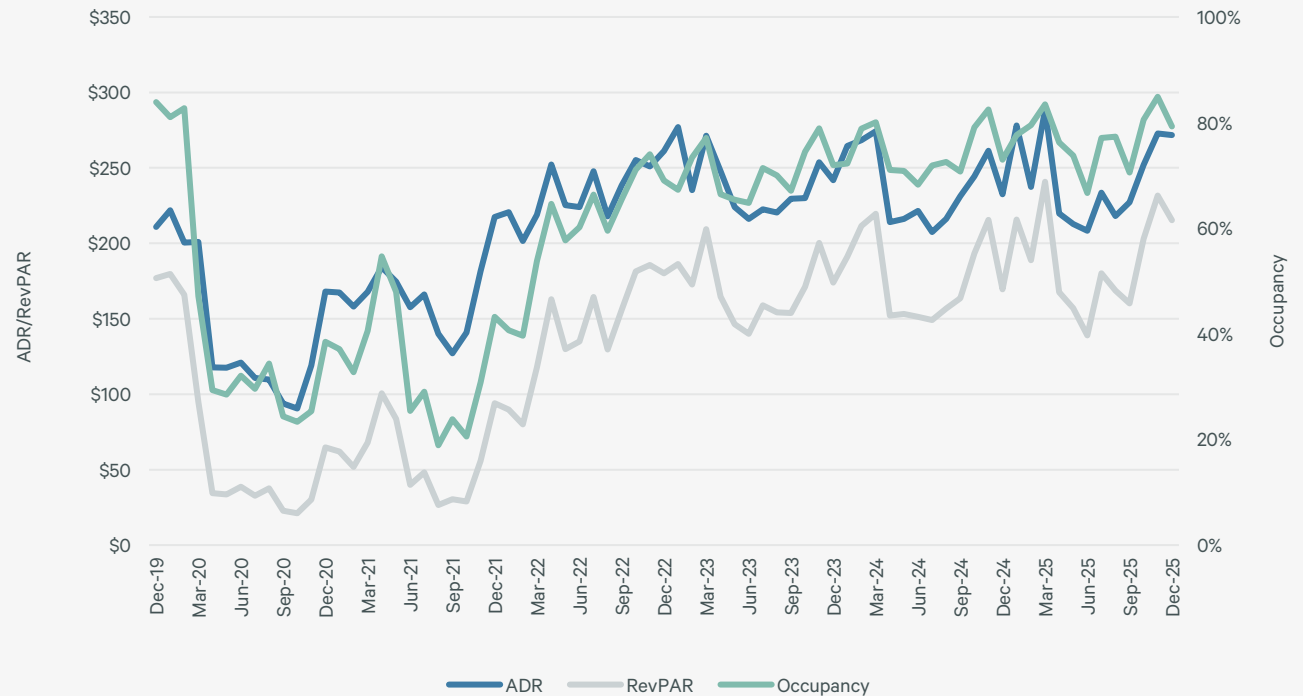
### Supply absorption underway

Following several years of elevated delivery new supply has slowed materially, supporting improved stability.

▲ **77%** Occ  
 ▲ **\$245** ADR  
 ▲ **\$189** RevPAR

Note: Trend change from previous year

FIGURE 33: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Following several years of elevated new supply, Melbourne recorded improved trading conditions in 2025. Demand growth was recorded at 6.3%, indicating the market is continuing to absorb recent supply increases. This resulted in Occupancy increasing by 4% to 77%, the highest level since 2019 and approximately 92% of its pre-pandemic peak. ADR increased 2.7% over the year to \$245, supported by the delivery of premium product and higher baseline room rates. RevPAR rose 7% over the year to a record high \$189.

Performance continues to be driven by leisure and events demand which allows for strong RevPAR at peak times.

Corporate and ground demand continues to improving however the mid-week period is most challenging having regard to the volume of supply in the market.

## Outlook

- Continued recovery in domestic corporate, MICE and international travel is expected to support further occupancy gains.
- As recent supply is absorbed and the development pipeline contracts, occupancy is forecast to trend towards 82% by 2028, approaching a full recovery.
- ADR growth is expected to remain modest and sit at 2.75% per annum by 2028.
- RevPAR is expected to record steady mid-single digit growth over the medium term.
- Performance volatility may persist in the near term, with event-driven demand influencing peaks and troughs in market outcomes

FIGURE 34: Melbourne Centre Demand by Scale

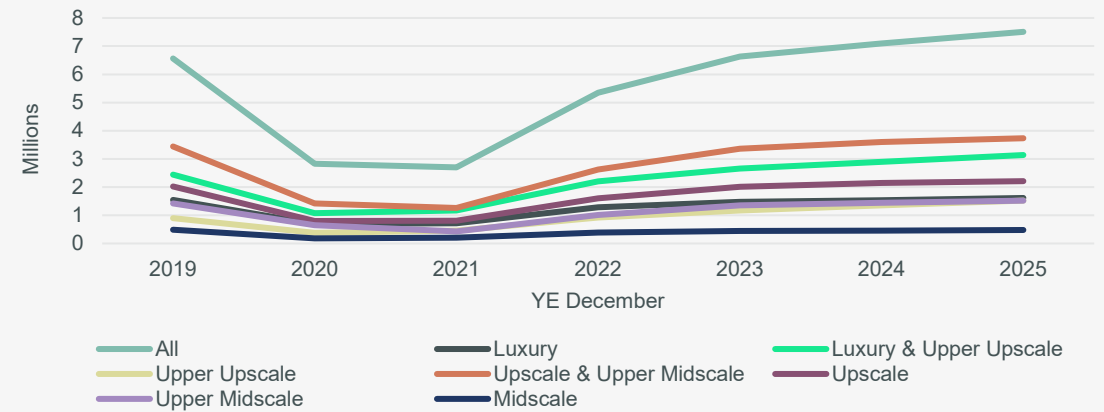
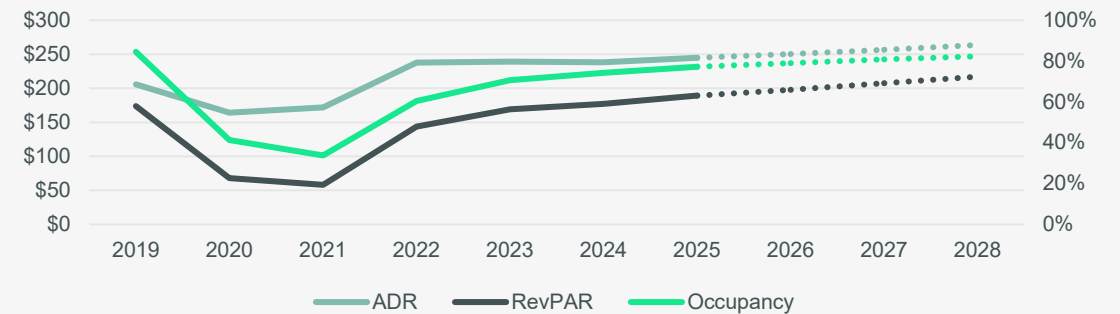


FIGURE 35: Melbourne Centre Forecast



Source: STR, CBRE Research

# Visitation

## Overview

In the year to Sept 2025, domestic visitor trips staying in hotel or similar accommodation to Melbourne totalled 4.2 million, generating 10.5 million visitor nights, the highest nationally. Average length of stay was 2.5 nights. Victoria and NSW remain the key domestic source markets.

International arrivals remain marginally below pre-pandemic levels; however, longer lengths of stay have lifted nights stayed above 2019 levels on a year-to-date basis, reaching 6.7 million visitor nights with an average length of stay of 7 nights. China is the largest source market by visitors contributing to 25% of visitation in the YTD Sept 2025, followed by NZ and India.

Passenger movements through Melbourne airport increased 3% in 2024/25, now just 3% below pre-pandemic levels. International arrivals were up 9% over the year to sit 5% above 2019 levels. Domestic movements remain 6% below pre-pandemic.

## Outlook

- International visitation is expected to fully recover through 2026, supported by expanding air capacity and new international routes from Delta, Hong Kong and Shenzhen Airlines.
- Melbourne’s major event calendar, including the Australian Open and Formula 1 Grand Prix, is expected to sustain strong peak demand.
- Infrastructure investment including the \$11 billion Metro Tunnel Project and the Suburban Rail Loop (SRL) will strengthen accessibility and long-term visitation.
- Targeted tourism strategies including the \$32.5 million Visit Victoria aim to drive high value tourism from markets such as India

FIGURE 36: Financial Year Airport Passenger Movements

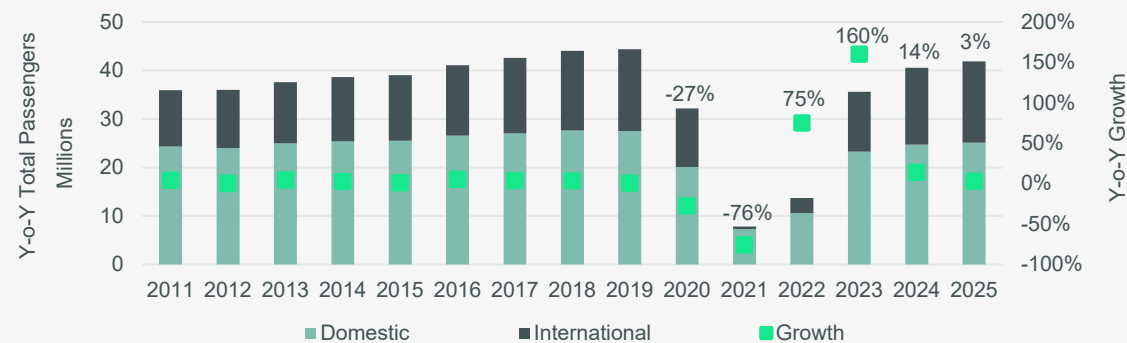
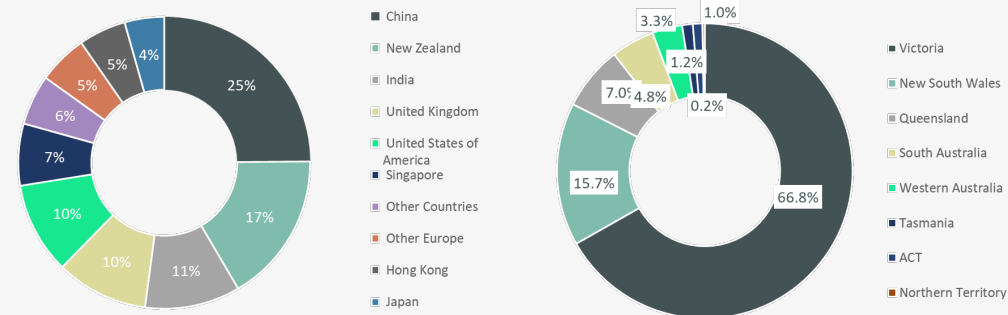


FIGURE 37: International and Domestic Major Source Markets by Visitors



Source: BITRE, TRA and CBRE Research

# Supply

## Overview

2025 marked the peak in recent delivery, with 914 rooms completed across four projects. This included the 90 room lyf Hotel, 277 room Seafarers hotel (luxury), alongside Hyatt House delivering 97 upper upscale rooms, Hotel Indigo and Holiday inn hotels located at the former Walk arcade site. The luxury 188 room Hannah St Hotel opened in early 2026.

## Outlook

- Following the 2025 peak, Melbourne’s under construction development pipeline has contracted materially, reducing from almost 1,800 rooms recorded last year to 788 rooms across three projects scheduled to complete over the next three years.
- New stock represents approximately 3% of Melbourne Centre’s hotel room inventory.
- Development momentum is expected to ease beyond 2026 as feasibility thresholds remain challenging.

FIGURE 38: Melbourne Hotel Supply

Recently Opened				
Property	Address	Suburb	Scale	Date
Hannah Street Hotel (TFE Collection)	90 Queensbridge Street	Southbank	Luxury	2026
lyf Hotel	489 Elizabeth Street	Collingwood	Upper Midscale	2025
Hyatt House	30 Palmerston Crescent	South Melbourne	Upper Upscale	2025
Holiday Inn Walk Arcade		CBD	Upper Midscale	2025
Indigo Hotel Walk Arcade		CBD	Upper Upscale	2025
Seafarers 1 Hotel		Docklands	Luxury	2025
Melbourne Place Hotel	130 Russell Street	CBD	Upper Upscale	2024
Standard X Hotel	293 Fitzroy Street	Fitzroy	Upper Upscale	2024
Lyall Hotel (Re-opening)	16 Murphy Street	South Yarra	Luxury	2024
Lanson Place	502 Albert Street	East Melbourne	Luxury	2024
Meriton Suites	140 King Street	CBD	Upper Upscale	2023
Veriu	25 Johnston Street	Collingwood	Upscale	2023
Dorsett Hotel	615 Little Lonsdale Street	CBD	Upper Midscale	2023
Ritz Carlton	650 Lonsdale Street	CBD	Luxury	2023
Le Meridien Hotel	20 Bourke Street	CBD	Upper Upscale	2023
Quest	79/85 Wellington Street	Collingwood	Upscale	2023
Nesuto Hotel	80 Waterfront Way	Docklands	Upscale	2023
The Motley Hotel	205 Bridge Road	Richmond	Upper Upscale	2023
The Royce Hotel (Re-opening)	379 St Kilda Road	St Kilda	Luxury	2023
Under Construction				
Crowne Plaza Hotel	701 Swanston Street	Carlton	Upscale	2026
Mercure LaTrobe Street	488 Latrobe Street	CBD	Upscale	2026
Shangri-La Hotel	308 Exhibition Street	CBD	Luxury	2028

Source: CBRE Research Figures only include CBD and inner-city supply

# BRISBANE

“Brisbane is emerging as one of Australia’s strongest growth markets, underpinned by infrastructure investment, accelerating demand and constrained supply.”



**Wanye Bunz**  
National Director, Capital Markets

# Brisbane Centre

## National rate growth leader

Brisbane remains one of the strongest performing major markets, with rate growth leading nationally and performance now firmly above pre-pandemic levels across all key indicators.

## Visitation momentum

International visitation continues to improve and airport movements have fully recovered, supported by increased air capacity and a strengthening events calendar. Brisbane is increasingly recognised as one of Australia’s strongest long-term tourism growth markets.

## Supply constraints ahead of the Olympics

Limited near-term development and the deferral of major projects have materially reduced the hotel development pipeline.

▲ 76%

Occ

▲ \$261

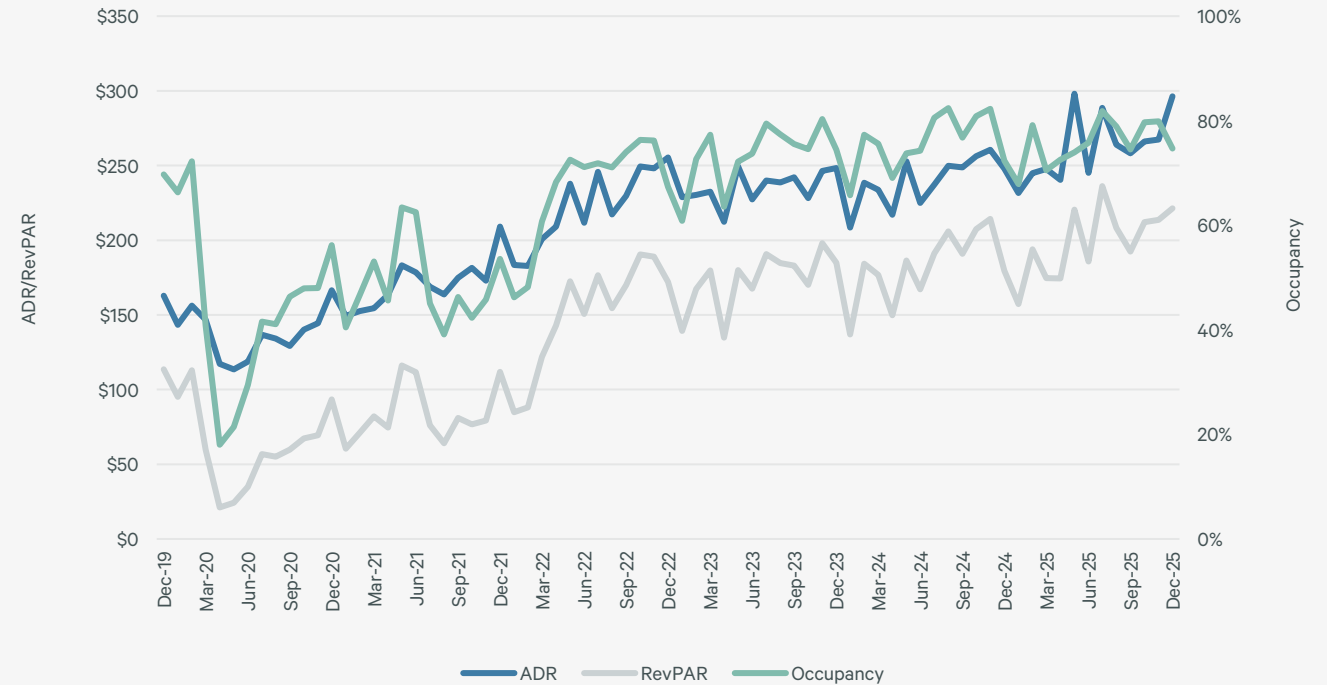
ADR

▲ \$199

RevPAR

Note: Trend change from previous year

FIGURE 39: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Brisbane continues to exhibit some of the strongest demand/supply fundamentals of any major hotel market, with demand accelerating on the back of infrastructure investment and population growth, while elevated construction costs continue to limit new supply. Alongside Perth, Brisbane recorded the strongest ADR growth nationally in 2025, with rates increasing 9% to sit more than 67% above 2019 levels, the highest uplift of any major market.

This rate growth translated into 9% RevPAR growth over the year, now 72% above pre-pandemic levels, again leading the national recovery. Occupancy was stable at 76%, with Brisbane remains one of only five major markets to have surpassed pre-pandemic performance, across all three key performance indicators.

Occupancy remains structurally constrained, characterised by strong weekend demand and more moderate mid-week corporate demand. In response, government and industry are increasingly focused on expanding the city's MICE and conferencing and events capacity, alongside a broader year-round events calendar.

## Outlook

- Occupancy is expected to reach 78% by 2028, supported by constrained supply and improvements in mid-week demand. Levels are expected to exceed 80% in the leadup to the 2032 Olympic Games.
- Brisbane is expected to remain a strong national rate performer at ~3% per annum over the three-year forecast period.
- RevPAR growth is forecast to be driven primarily by rate resilience and modest occupancy gains.
- Demand growth is expected to be driven by events, expanding air capacity and major infrastructure investment including Olympics-related activity.
- The Olympic Games are expected to generate a material uplift in demand and a premium in ADR during 2032, reinforcing Brisbane's medium-term outlook.

FIGURE 40: Brisbane Centre Demand by Scale

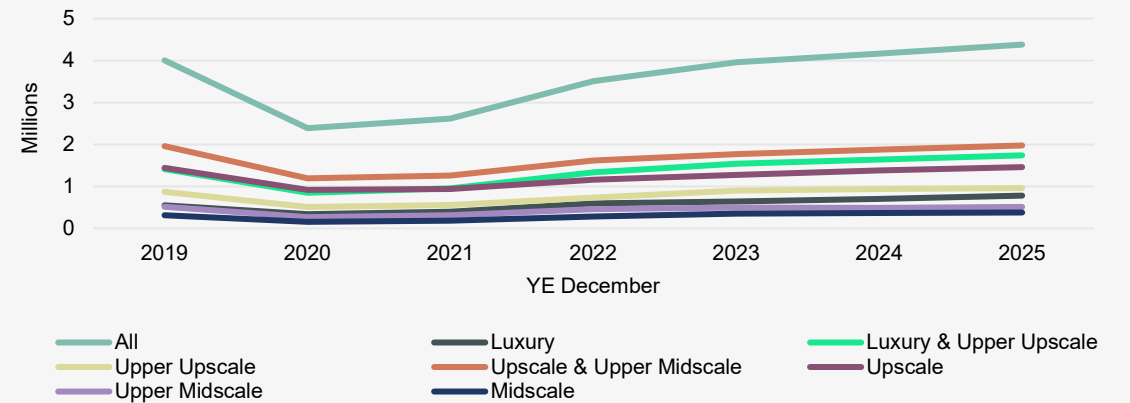
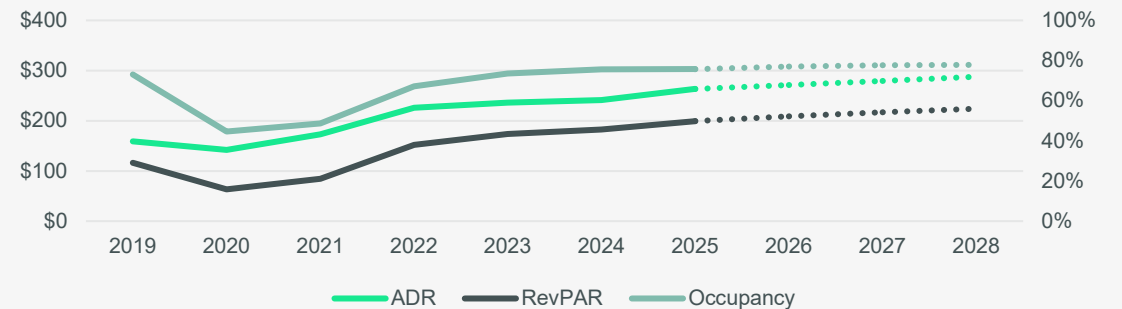


FIGURE 41: Brisbane Centre Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Brisbane continues to strengthen its position as a high-growth tourism market, supported by significant city shaping investment. More than \$6 billion in Olympic-related infrastructure is planned in the lead-up to the 2032 Games, enhancing Brisbane’s global profile and event hosting capability. This sits alongside major CBD precinct upgrades.

In the YTD Sept 2025 domestic visitor trips staying in hotel or similar accommodation totalled 2.4 million, generating 5.7 million visitor nights, with an average length of stay of 2.4 nights. International visitor nights totalled 4.5 million, materially exceeding 2019 levels and reflecting longer stays. NZ and China remain the largest source markets.

Total passenger movements through Brisbane Airport reached ~24 million, increasing 7% over the year and 1% above 2019 levels. International passengers represented approximately 27% of total movements, broadly in line with pre-pandemic proportions.

## Outlook

- Olympic-related investment is expected to progressively lift Brisbane’s global exposure and international visitation profile ahead of 2032.
- International arrivals are anticipated to continue growing through 2025/26, supported by expanded air capacity and improving source market depth.
- A strengthened major events and conferencing pipeline is expected to support higher peak demand and improved mid-week utilisation.
- Olympics-related travel and infrastructure projects are expected to contribute to higher contractor/corporate and group demand over the medium term.

FIGURE 42: Financial Year Airport Passenger Movements

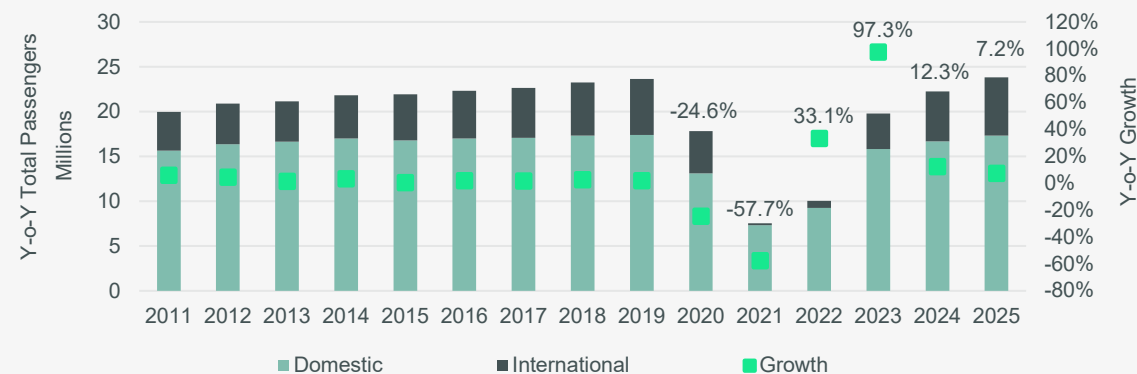
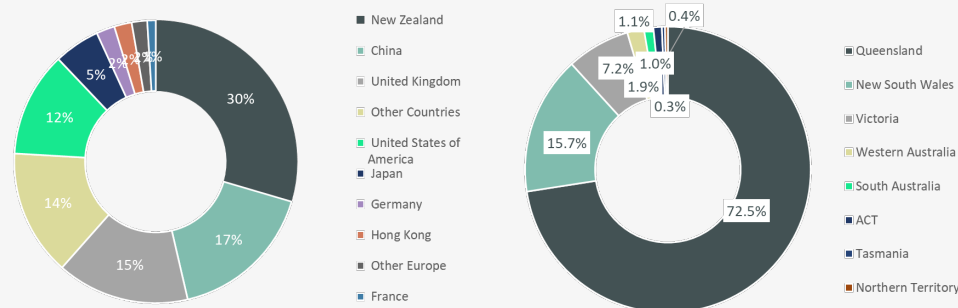


FIGURE 43: International and Domestic Major Source Markets by Visitors



Source: BITRE, TRA and CBRE Research

# Supply

## Overview

No new hotel projects opened in 2025.

The major shift in Brisbane’s development pipeline has been the deferral of two hotels within the Queen’s Wharf precinct. While partially completed, the hotel opening dates and branding/operator remains unknown at this stage.

As a result, the near-term pipeline has reduced to the Quest Spring Hill and Adina Chermside, both scheduled for delivery in 2026.

There are a number of proposed hotel projects currently in the development application/approval stage, however it is unknown which of these projects will be feasible and able to secure both development financing and a builder to proceed to the construction phase.

## Outlook

- The deferral of Queen’s Wharf has materially reduced Brisbane’s active pipeline. Following the completion of Quest Spring Hill and Adina Chermside Apartments, Brisbane will have no projects actively under construction, marking a pause in development activity.
- The limited pipeline has intensified discussion around room capacity ahead of the 2032 Olympic Games, with elevated construction costs and feasibility constraints continuing to temper new development activity.

**FIGURE 44: Brisbane Hotel Supply**

Recently Opened				
Property	Address	Suburb	Scale	Date
The Star Grand	Queen's Wharf	CBD	Upper Upscale	2024
Swiss-Belhotel Kangaroo Point	Kangaroo Point	Kangaroo Point	Upscale	2024
Under Construction				
Adina Apartment Hotel Chermside	Chermside	Chermside	Upper Upscale	2026
Quest Spring Hill	Spring Hill	Spring Hill	Upscale	2026
Queen's Wharf Hotel 2 (prev. Dorsett Hotel)	Queen's Wharf	Queen's Wharf	Upscale	TBD
Queen's Wharf Hotel 3 (prev. Rosewood Hotel)	Queen's Wharf	Queen's Wharf	Luxury	TBD

Source: CBRE Research | Figures only include CBD and inner-city supply



# PERTH

“Perth is one of Australia's strongest performing hotel markets, supported by controlled supply and improving demand depth.”



**Aaron Desange**  
Head of Capital Markets WA

# Perth Centre

## Performance continues to lead nationally

RevPAR is up 14% to \$211 in 2025, driven by 9% ADR growth and occupancy rising to 81%. Perth remains one of the few markets to have exceeded pre-pandemic performance across all key metrics.

## Visitation considered fully recovered

Domestic nights reached 4 million (YTD Sept 2025) and international nights exceeding 2019 levels at 3.4 million. Passenger volumes are now 15% above pre-pandemic levels.

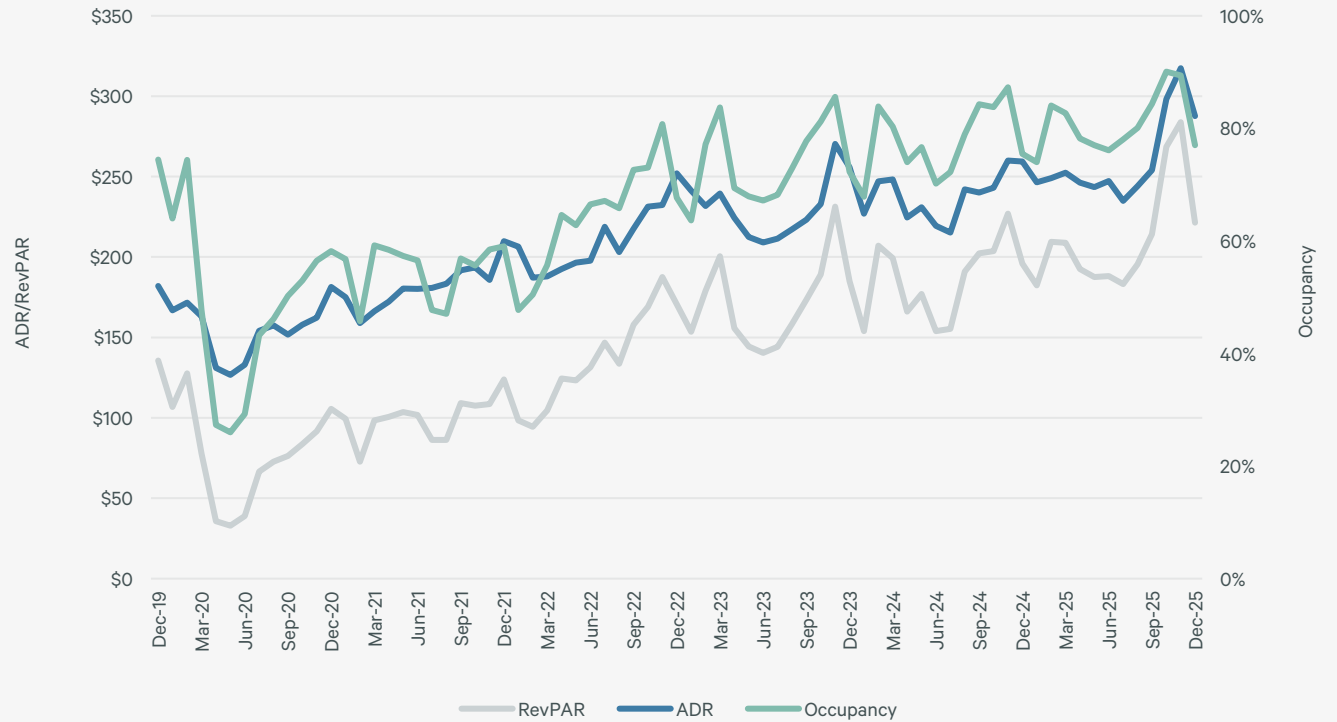
## Supply remains measured

New delivery equating to **6% of inventory** following several years of limited additions. Feasibility constraints expected to temper further pipeline growth, supporting continued performance gains.

▲ 81% Occ  
 ▲ \$263 ADR  
 ▲ \$211 RevPAR

Note: Trend change from previous year

FIGURE 45: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Perth continues to outperform underpinned by a constrained supply pipeline and strong demand fundamentals. Limited new supply has allowed improving demand to translate directly into performance gains.

In 2025, Perth recorded a notable 14% increase in RevPAR, lifting to \$211, the second highest absolute level nationally after Sydney. Growth was driven by a 9% increase in ADR, equal highest nationally alongside Brisbane, while occupancy increased 4% to 81%, second only to Sydney.

Performance continues to be underpinned by resource-sector activity, project-led demand and improving leisure appeal, supported by a favourable supply environment.

## Outlook

- Occupancy is expected to remain at high levels, with the potential to reach ~84% by 2028.
- ADR growth of around 5% over the next two years is forecast to drive continued RevPAR expansion.
- Growth in airport passenger movements, together with the Perth Airport Master Plan and major transport projects, is expected to support ongoing corporate and project-related travel.
- Additional supply is progressing, reflecting recent strong performance. New inventory is expected to be absorbed gradually as demand conditions remain supportive.

FIGURE 46: Perth Centre Demand by Scale

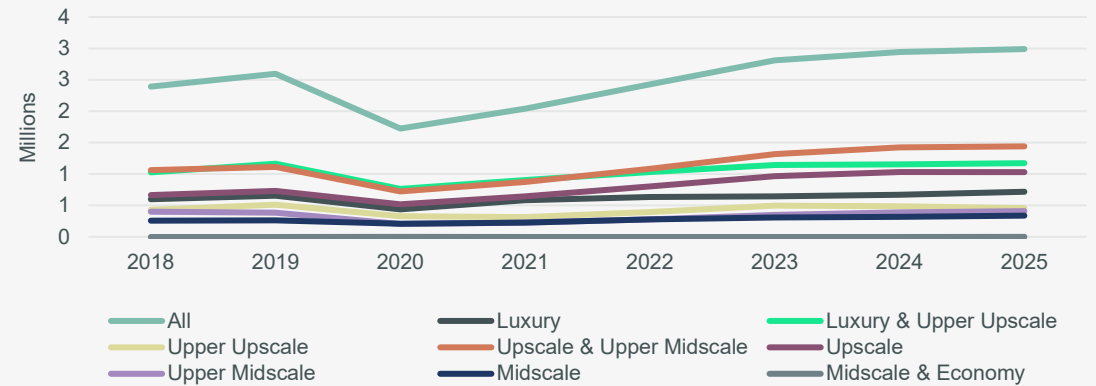
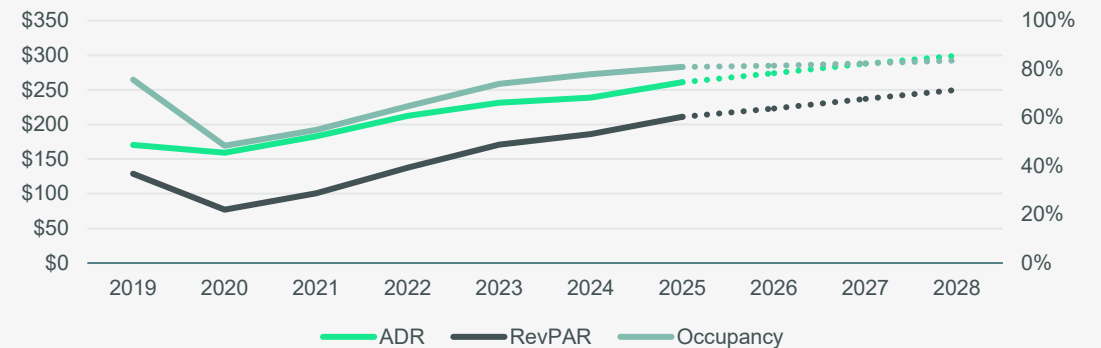


FIGURE 47: Perth Centre Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Visitation to Perth continues to recovery with domestic visitor nights in hotel or similar accommodation reaching 4 million in YTD Sept 2025. Resilient resource-led corporate demand and CBD renewal projects are supporting activity, while city shaping projects including Elizabeth Quay and Perth City Link are enhancing vibrancy.

Connectivity continues to strengthen through expanded international air routes and the Metronet improving access across key precincts.

Domestic visitors staying in hotel or similar accommodation totalled 1.4 million staying 4 million nights in the YTD Sept 2025. International arrivals are expected to fully recover by YE Dec 2025. Longer lengths of stays have lifted nights above 2019 levels on a YTD basis, reaching to 3.4 million visitor nights with an average length of stay of 10.8 nights. Singapore is the largest source market by visitors contributing to 23% of visitation in the YTD Sept 2025, followed by UK and China.

Airport Passenger movements recorded a further 11% increase in the FY 2024/25, now exceeding 2019 levels by 15%. International passenger movements represented approximately 35% of passenger movements.

## Outlook

- The Perth Airport Master Plan 2020 outlines \$2.5 billion in upgrades, including international terminal works, a new parallel runway, and a new terminal that will ultimately enable Qantas to relocate from T3-T4 by 2031.
- Ongoing development at major projects including Elizabeth Quay, the EQ West twin towers, together Perth Riverside development will continue to strengthen mixed-use and entertainment appeal.
- Sustained corporate demand, improved leisure travel and continued international flight routes to drive improved visitation.

FIGURE 48: Financial Year Airport Passenger Movements

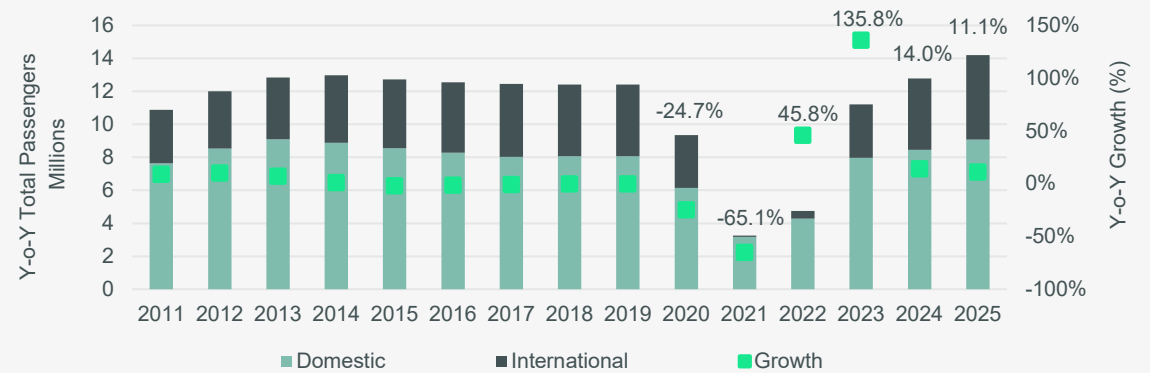
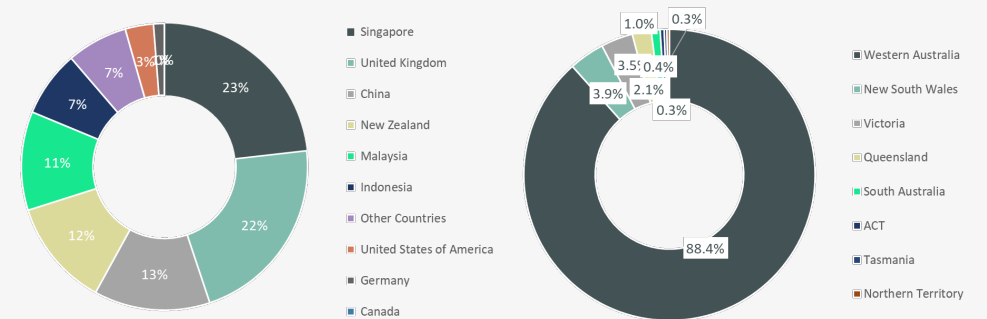


FIGURE 49: International and Domestic Major Source Markets by Visitors



Source: BITRE, TRA and CBRE Research

# Supply

## Overview

Garde Hotel, Fremantle was the only new hotel to open in Perth in 2025, delivering 83 upscale rooms.

Three projects are scheduled for delivery over the next two years. These include the 263 Upscale Dorsett Perth (Perth City Link precinct), the 120 luxury Hyde Perth due to open shortly, and the EQ West Perth Marriott Hotel, forming part of a mixed-use tower, anticipated in 2027.

In addition, 263 rooms have been removed from supply following the 2025 acquisition of Fraser Suites Perth by the WA government, to be converted into social and affordable housing.

## Outlook

- The proposed Pullman Perth Airport is not yet under construction but is expected to progress in line with the broader Perth airport Master Plan.
- Confirmed new supply over the next two years equates to approximately 7% of Perth Centre inventory.
- New delivery reflects strong operating performance; however, feasibility constraints and elevated construction costs are likely to limit further projects consistent with the broader national trend.

**FIGURE 50: Perth Hotel Supply**

Recently Opened				
Property	Address	Suburb	Scale	Date
Garde Hotel, Fremantle		Fremantle	Upper Upscale	2025
Courtyard Perth by Marriott	12 Fiona Wood Road	Murdoch	Upscale	2024
Ausotel by Argyle Kings Park	166 Mounts Bay Road	CBD	Economy	2023
Under Construction				
Dorsett Hotel Perth	Perth City Link, Milligan Street	CBD	Upscale	2026
Hyde Hotel Perth (former Seasons of Perth)	37 Pier Street, Perth	CBD	Luxury	2026
EQ West	Lot 3 Elizabeth Quay	CBD	Luxury	2027

Source: CBRE Research | Figures only include CBD and inner-city supply

# ADELAIDE

“Adelaide has delivered strong performance, with diversified demand and major events focus supporting stability as supply peaks.”



**Ally Gibson**  
Head of Hotels Research

# Adelaide Centre

## Occupancy-led performance recovery

Adelaide recorded the strongest occupancy growth nationally in 2025, up 7% to 76% and driving 8% RevPAR growth to \$160 as trading conditions continue to improve.

## Visitation supported by expanding connectivity and major projects

Domestic demand remains steady, while international passenger movements increased 8% over the year, supported by new air routes and significant CBD and mixed-use developments.

## Elevated near-term supply cycle

A further 986 rooms are scheduled for delivery by the end of 2027, which may moderate performance momentum before new development activity slows as incoming stock is absorbed and construction costs remain elevated.

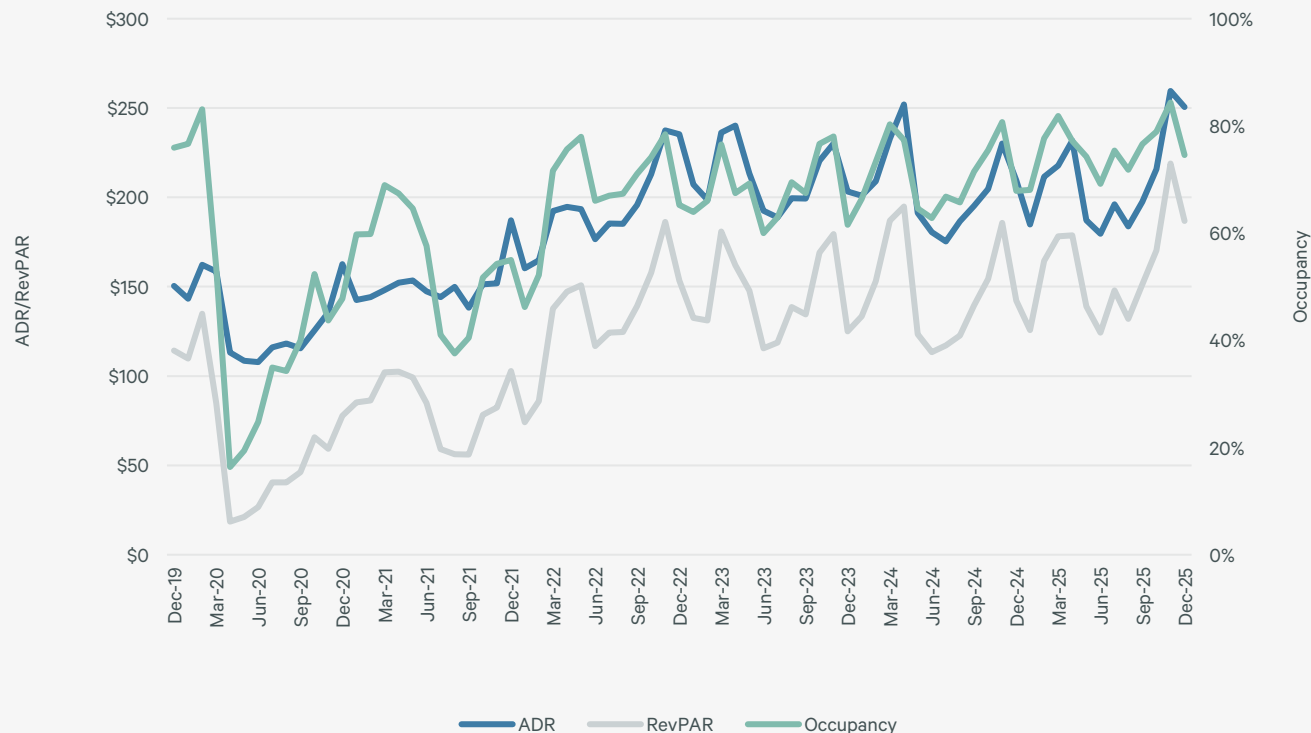
▲ 76%  
Occ

▲ \$211  
ADR

▲ \$160  
RevPAR

Note: Trend change from previous year

FIGURE 51: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Adelaide recorded a strong improvement in trading conditions in 2025, driven primarily by a sharp uplift in occupancy. The market posted the strongest occupancy gain nationally, increasing 7% to 76%, bringing performance to 94% of 2019 levels.

RevPAR increased 8% over the year to \$160, a notable acceleration from the 1% growth recorded in the prior year. Growth was driven by occupancy gains, while ADR growth remained modest at 2%, with rates now 37% above pre-pandemic levels. Performance has been supported by improving tourism conditions, underpinned by continued South Australian Government investment in events, tourism and destination development.

## Outlook

- Occupancy and ADR growth is expected to remain modest but supported by improving visitation and events activity.
- A relatively elevated volume of new supply will enter the market over the next two years, which may moderate performance gains.
- The timing and absorption of new supply will be a key determinant of Adelaide’s medium term performance trajectory.

FIGURE 52: Adelaide Centre Demand by Scale

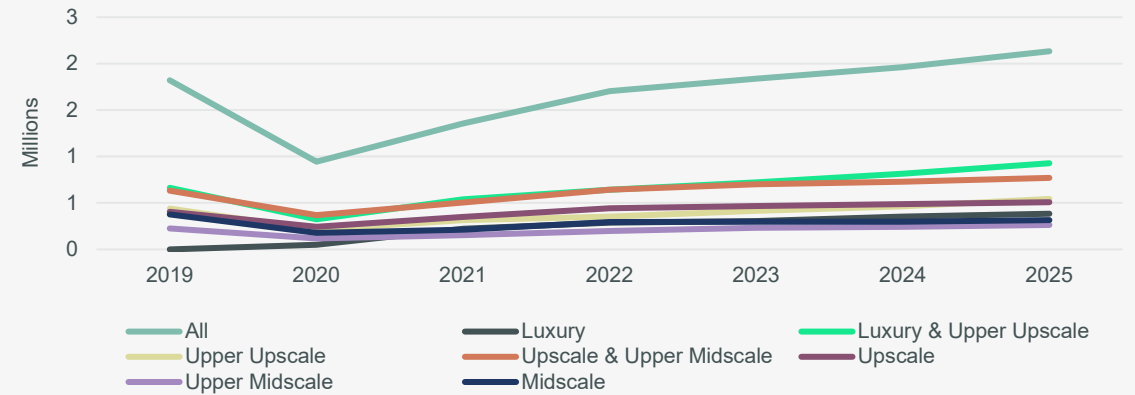
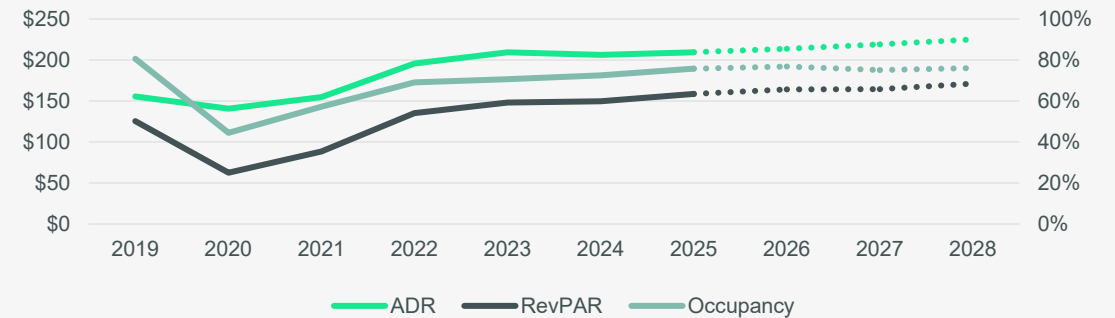


FIGURE 53: Adelaide Centre Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Adelaide’s vibrancy, cultural depth and connectivity continue to strengthen, supported by new international air routes, an established and growing culinary and events scene and significant CBD renewal projects.

The \$400 million Market Square and Central Market Expansion, \$500 million Australian Bragg Centre on North Terrace and the Adelaide Aquatic Centre redevelopment are enhancing the city’s events, health and leisure appeal.

Domestic visitors staying in hotel or similar accommodation totalled 1 million in YTD September 2025, generating 2.6 million nights and an average length of stay of 2.7 nights. International visitation remains below 2024 levels on a part-year basis, with an average length of stay of 6.2 nights. The UK is the largest source market (52% of visitors), followed by China and New Zealand.

Adelaide Airport recorded 8.4 million passenger movements in FY 2024/25, up 2% and 1% above pre-pandemic levels. International passenger movements increased 8% over the year and represented approximately 12% of total movements.

## Outlook

- Continued government investment in events, tourism and CBD renewal is expected to support steady growth in visitation and support market confidence.
- Strengthening international connectivity and expanding air capacity provide a platform for continued inbound recovery.
- Longer term emerging sources of demand include submarine construction and increased defence spending.
- Adelaide’s diversified demand base across events, health, education and leisure is expected to underpin sustainable medium-term visitation growth.

FIGURE 54: Financial Year Airport Passenger Movements

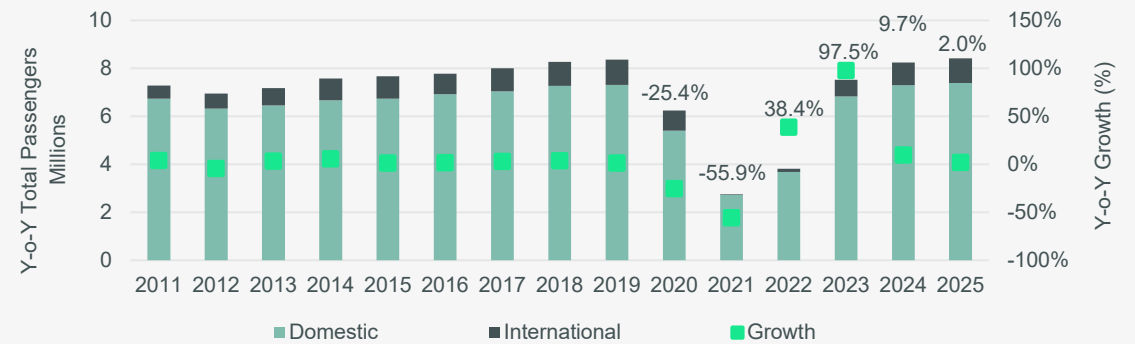
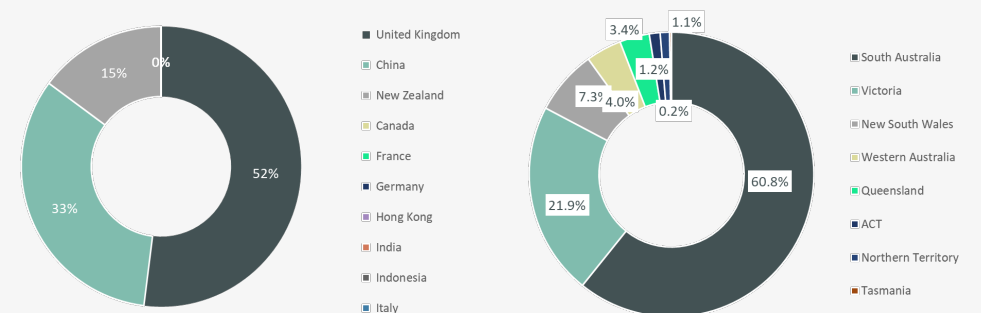


FIGURE 55: International and Domestic Major Source Markets by Visitors



Source: BITRE, TRA and CBRE Research

# Supply

## Overview

The George Hotel Glenelg delivering 65 upper upscale rooms was the only new hotel to open in 2025.

Adelaide has experienced a meaningful uplift in new hotel supply over the past three years, with 752 rooms delivered.

A further 1,309 rooms are under construction or proposed for delivery between 2026 and 2027. Key projects include Little National (192 upscale rooms), Veriu Adelaide (110 rooms) and Treehouse Hotel Adelaide (248 rooms), both delivering upper-midscale stock in 2026. This will be followed by and the Crystalbrook Collection and The Westin introducing luxury stock in 2027 and Arcadia Adelaide delivery an additional 242 rooms.

## Outlook

- Adelaide Centre has the largest hotel development pipeline of any major Australian hotel market.
- The upcoming pipeline represents a material uplift to inventory over a compressed period, which may moderate near-term performance momentum.
- New stock represents a 17% increase in current centre inventory and the largest increase of any major market.
- Following this period of elevated delivery, new starts are likely to moderate once the current delivery cycle is absorbed.

FIGURE 56: Adelaide Hotel Supply

Recently Opened				
Property	Address	Suburb	Scale	Date
The George Hotel, Glenelg	Colley Terrace (cnr Jetty Road)	Glenelg	Upper Upscale	2025
Crowne Plaza Mawson Lakes	1-3 Metro Parade	Mawson Lakes	Upper Midscale	2024
Marriott GPO Adelaide	141-159 King William Street	CBD	Upper Upscale	2024
TRYP by Wyndham Pulteney Street	266 Pulteney Street	CBD	Upper Upscale	2023
Vibe Hotel Adelaide	260 Flinders Street	CBD	Upper Upscale	2023
Under Construction				
Little National Adelaide	100 North Terrace	CBD	Upscale	2026
Veriu Adelaide	80 King William Street	CBD	Upper Midscale	2026
Treehouse Hotel, Adelaide	44/60 Gouger Street	CBD	Upper Midscale	2026
Crystalbrook Adelaide	15 Halifax Street	CBD	Luxury	2027
Westin Adelaide	254 North Terrace	CBD	Luxury	2027
Arcadia Adelaide	299 Pirie Street	CBD	TBA	2007

Source: CBRE Research | Figures only include CBD and inner-city supply

# CANBERRA

“Government demand continues to anchor Canberra’s performance, supporting steady growth within a contained supply pipeline.”



**Troy Craig**  
Regional Director, VAS

# Canberra

## Stable, government-anchored demand

Performance remains underpinned by government and corporate travel, with modest occupancy growth in 2025 supporting positive RevPAR despite subdued rate growth.

## Low volatility, measured growth

A high proportion of government business continues to shield the market from demand swings, while events investment, improved air connectivity and light rail expansion support steady long-term demand fundamentals.

## Premium supply wave ahead

Three new hotel projects are scheduled for delivery in 2027. The premium weighted stock are expected to lift baseline rate positioning, although additional inventory may also temper performance gains as the market absorbs new rooms.

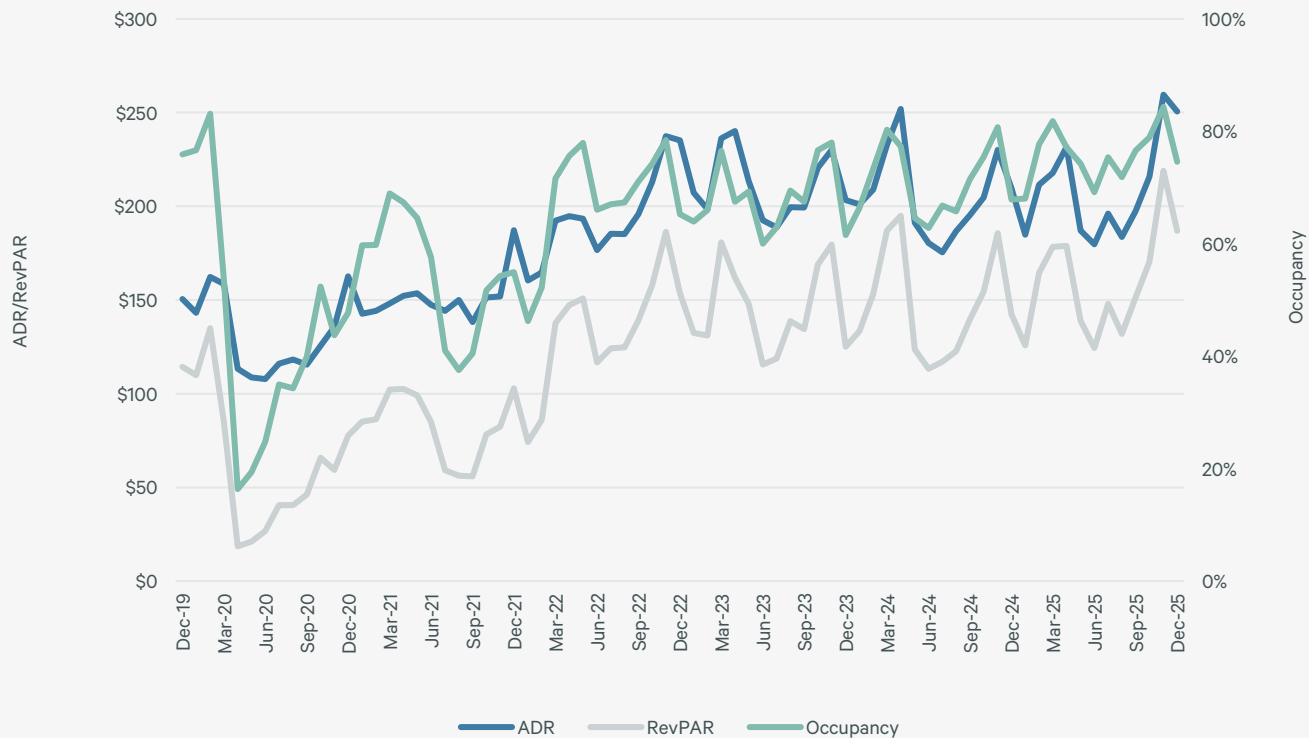
▲ 73%  
Occ

▶ \$195  
ADR

▲ \$142  
RevPAR

Note: Trend change from previous year

FIGURE 57: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Canberra’s hotel market delivered modest but positive performance in 2025. ADR was broadly stable at \$195, while occupancy increased 3% over the year, supporting 2% RevPAR growth to \$142. While rate growth lagged inflation, ADR remains ~ 15% above pre-pandemic levels.

Performance continues to be supported by government and corporate travel. A relatively large volume of supply under construction for a market of Canberra’s size is expected to influence performance conditions over the medium term.

## Outlook

- Occupancy is expected to trend modestly higher, supported by stable government and corporate demand.
- ADR and RevPAR growth are expected to remain modest.
- New premium supply under construction will lift baseline room rates, however temper occupancy gains as the market absorbs additional inventory.

FIGURE 58: Canberra and ACT Demand by Scale

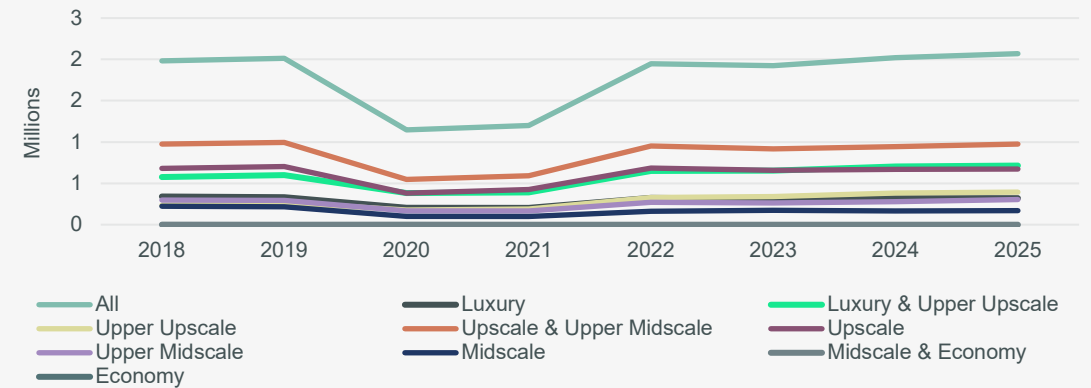
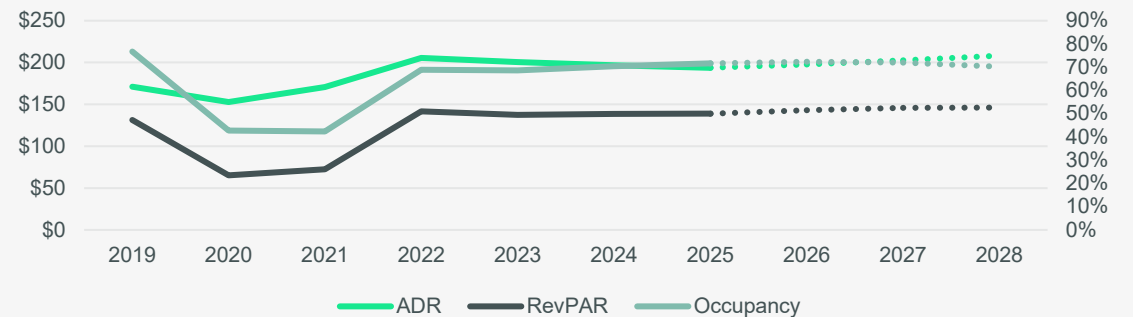


FIGURE 59: Canberra and ACT Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Canberra’s hotel demand is anchored by government activity, with parliamentary sittings and major events underpinning a stable corporate base. The market is less susceptible to demand fluctuations due to the high proportion of government business. However, performance is being shaped by Federal spending cuts and the centralisation of bookings through AOT Group.

In the YTD Sept 2025 domestic visitor trips staying in hotel and similar style accommodation totalled 700,000, generating 1.8 million visitor nights, with an average length of stay of 2.4 nights. Almost 71% of visitors were from NSW. International visitor nights staying in hotel accommodation totalled 200,000 nights. China was the dominant source of visitation.

For the YE June 2025 total passenger movements through Canberra Airport were 2.8 million, down 0.6% and still -12.9% below 2019 levels. In the YE June 2025, international passengers returned for the first time in five years, representing 1% of passenger movements.

## Outlook

- Corporate travel will continue to underpin demand, reflecting Canberra’s government-led economic base.
- Events activity, supported by the Canberra Theatre Centre redevelopment and the night-time economy inquiry, is expected to strengthen visitation and enhance the city’s appeal.
- Expanded air connectivity, including Virgin Australia’s 3 x weekly Canberra to Bali service, together with destination marketing initiatives, is expected to promote inbound activity.
- Infrastructure upgrades, including Light Rail Stage 2A to Commonwealth Park and Stage 2B to Woden, alongside enhancements at the UNSW City Campus, are expected to improve connectivity and support long-term growth.

FIGURE 60: Financial Year Airport Passenger Movements

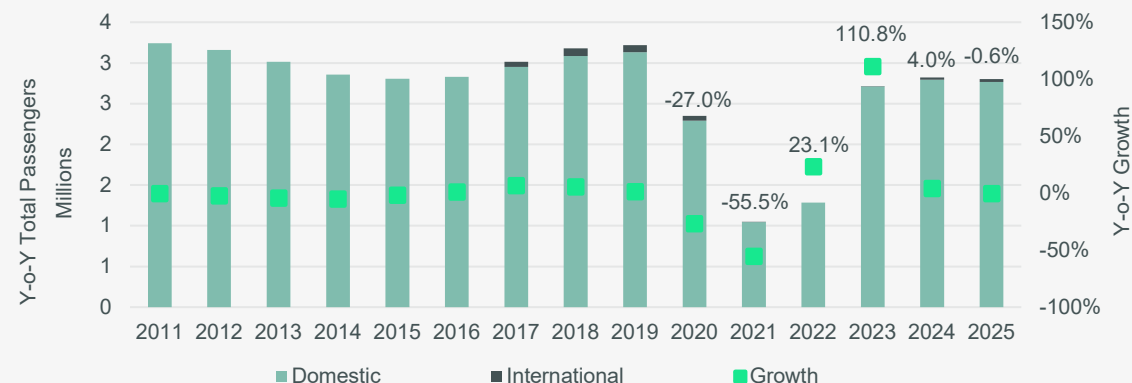
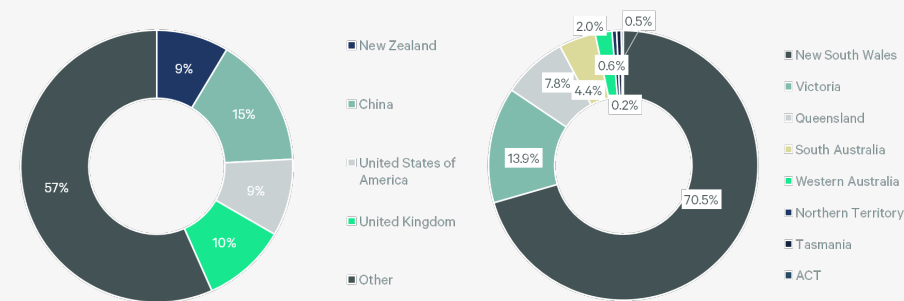


FIGURE 61: International and Domestic Major Source Markets by Visitors



Source: TRA and CBRE Research

# Supply

## Overview

Canberra has seen measured supply additions in recent years, with 466 rooms delivered since 2021. Recent completions include Meriton Suites Canberra (207 rooms, 2023), A by Adina Canberra (130 rooms) and Campbell 5 (129 rooms), strengthening the upscale upper-upscale and offering across the CBD and inner-city precincts.

A further 481 rooms are currently under construction, all scheduled for delivery in 2027. This includes the luxury 238 room Crystalbrook Aurora in the CBD, the 120 room Manuka Hotel and the 136 room Lyneham Hotel.

## Outlook

- New supply is concentrated in the premium scale, aligning with Canberra’s corporate and government led demand profile.
- Delivery clustered in 2027 will increase competitive intensity, with performance outcomes dependent on the depth of government, corporate and events demand.
- High quality stock additions is expected to lift baseline room rates across the market.
- Beyond projects currently under construction, broader development activity remains constrained under current feasibility conditions.

FIGURE 62: Canberra Hotel Supply

Recently Opened				
Property	Address	Suburb	Scale	Date
Meriton Suites Canberra	40 Allara Street	Canberra	Upper Upscale	2023
Campbell 5	131 Constitution Av & Anzac Pde	Campbell	Upscale	2021
A by Adina Canberra	1 Constitution Avenue	Canberra	Upper Upscale	2021
Under Construction				
Crystalbrook Aurora	70-86 Bunda Street	Canberra	Luxury	2027
Manuka Hotel	Cnr Canberra Avenue & Furneaux Street	Canberra	Upper Upscale	2027
Lyneham Hotel	39 Owen Crescent, Lyneham	Canberra	Upper Midscale	2027

Source: CBRE Research



# DARWIN

“Darwin’s performance is strengthening supported by defence investment and limited new supply.”



**Michael Simpson**  
Managing Director

# Darwin

## Performance improving off a lower base

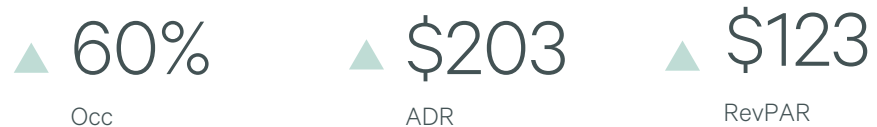
Occupancy and ADR strengthened in 2025, reflecting a gradual recovery in demand.

## Visitation rebuilding

Domestic travel, events and project-related activity to support a steady uplift in room night demand.

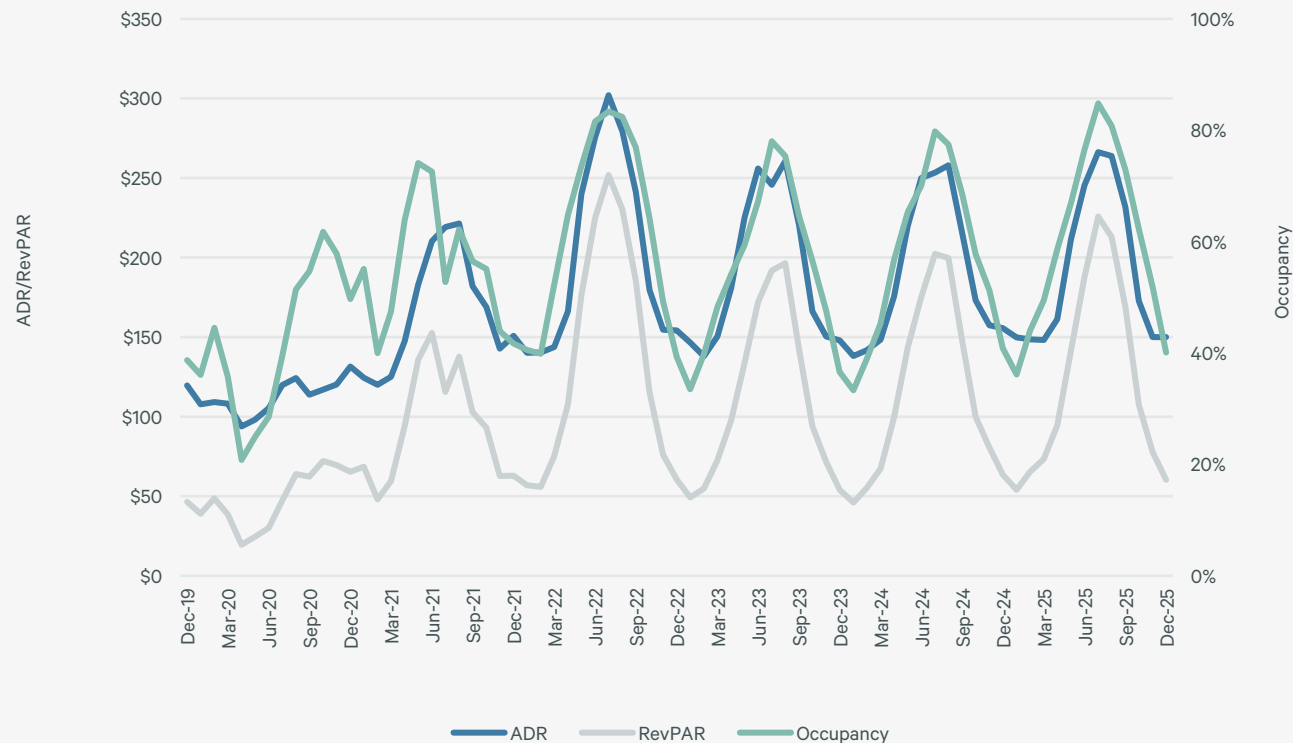
## Limited new supply pipeline

New hotel development remains constrained while the Northern Marine Complex is expected to support project-led accommodation demand.



Note: Trend change from previous year

FIGURE 63: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Darwin recorded improved trading conditions in 2025, supported by a recovery in room nights occupied and an absence of new supply. Occupancy increased 6% to 60%, while ADR rose modestly by 1% to \$203, remaining 39% above pre-pandemic levels. This resulted in 7% RevPAR growth.

Performance was supported by a gradual recovery in tourism activity and major events, including the expanding Exercise Pitch Black program.

## Outlook

- Occupancy is expected to record modest gains reaching 64% by 2028.
- ADR growth is expected to remain measured at 2.3% average annual growth, with upside linked to quality uplift from the Marriott Darwin renovation and new upscale supply.
- RevPAR is forecast to grow by an average annual rate of 4.3% to 2028.

FIGURE 64: Darwin Demand by Scale

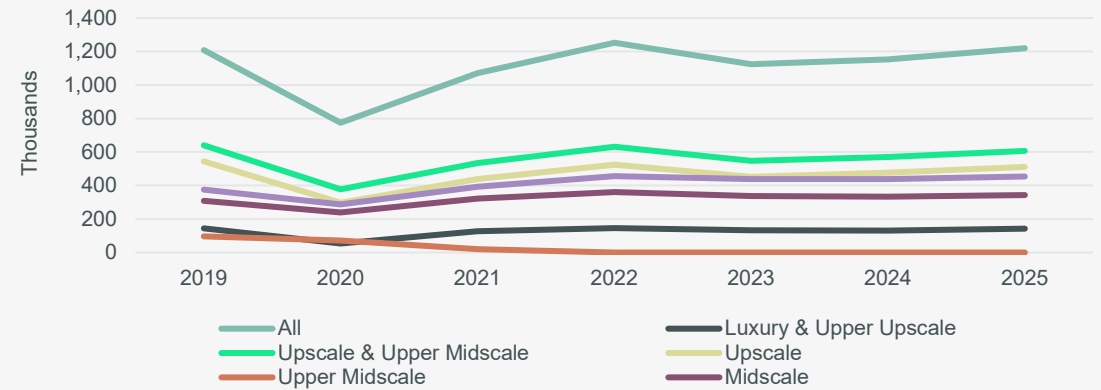
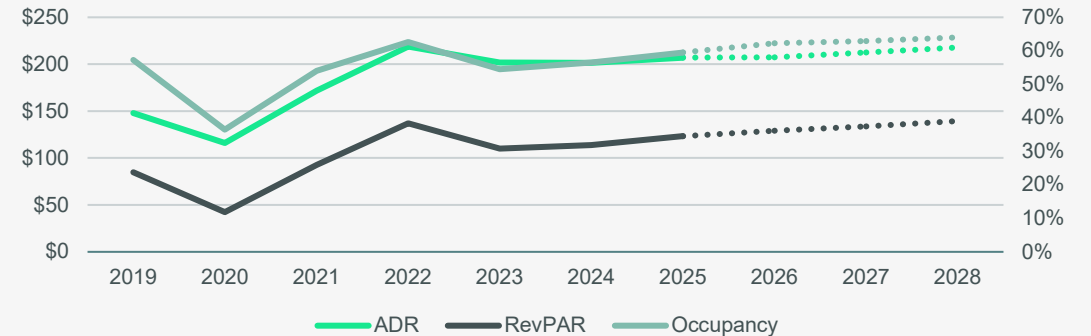


FIGURE 65: Darwin Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Darwin’s visitation is supported by the resources sector, which contributes around 24% of Gross State Product, alongside major energy projects such as INPEX Ichthys LNG and a growing Defence presence. Tourism demand is further underpinned by Darwin’s role as the gateway to Kakadu and Litchfield National Parks, supported by ongoing Tourism NT marketing and infrastructure initiatives.

In the YTD Sept 2025 domestic visitor trips staying in hotel and similar style accommodation generated 700,000 visitor nights, with an average length of stay of 3.3 nights. Almost 40% of visitors were from the NT, followed by WA. International visitor nights staying in hotel accommodation totalled 400,000 nights. New Zealand, followed by the US were the dominant source of visitation.

For the YE June 2025 total passenger movements through Darwin were 1.9 million, up 4.5% and still 6% below 2019 levels. Domestic movements were up 2% over the year, with international passenger movements up a significant 25% to sit in line with 2019 levels.

## Outlook

- Events and new infrastructure projects will play a critical role in determining the pace of tourism growth in Darwin.
- The Northern Territory Government has designated the Northern Marine Complex Territory development at East Arm, as a strategic development precinct within Darwin Harbour. The Darwin Ship lift is currently under construction with the broader marine industry precinct to follow, expected to support project-related accommodation demand.

FIGURE 66: Financial Year Airport Passenger Movements

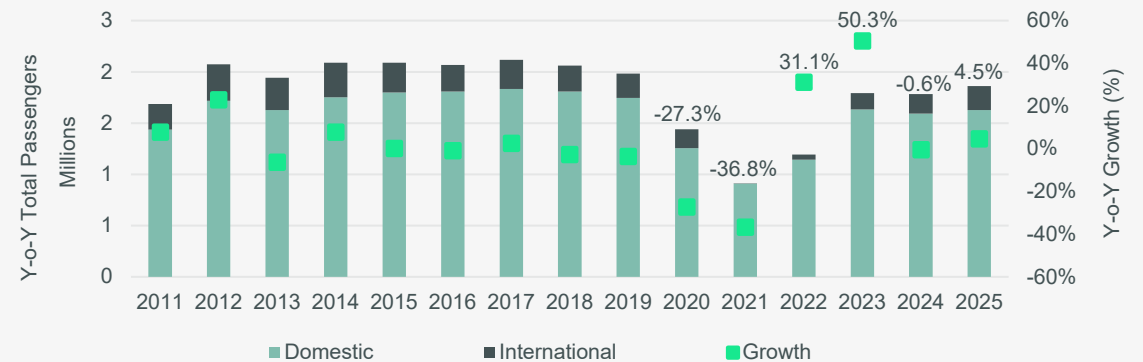
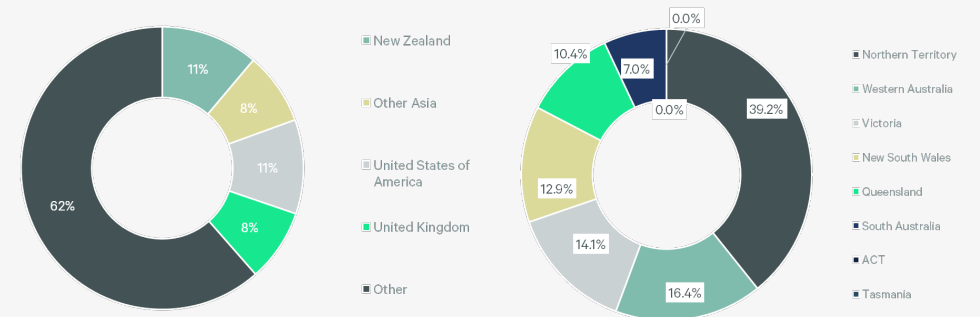


FIGURE 67: International and Domestic Major Source Markets by Visitors



Source: TRA and CBRE Research

# Supply

## Overview

One project is currently under construction in Darwin, with the 87-room upscale Voco scheduled to complete in 2026. A major refurbishment and rebranding of the existing Marriott Darwin is also underway, with relaunch anticipated in 2027. Prior to these projects, the market had recorded no new hotel openings for several years, reflecting an extended period of limited supply growth.

## Outlook

- Three proposed projects include the 23-room Momentus Convention Hotel, the 221 room North One Hotel & Apartments (Little Mindil), and the 48 room Quest Darwin.
- Construction of these projects remain subject to build economics and funding appetite.
- While international recovery remains gradual, government infrastructure investment and tourism initiatives are expected to underpin longer term demand growth.

**FIGURE 68: Darwin Hotel Supply**

Under Construction				
Property	Address	Suburb	Scale	Date
Voco Darwin Suites	87 Mitchell Street, Darwin		Upscale	2026

Source: CBRE Research

# HOBART

“Hobart is approaching full recovery, with limited new supply and infrastructure investment supporting medium-term stability.”



**Troy Craig**  
Regional Director, VAS

# Hobart

## Performance strengthening with supply pause

Trading conditions improved in 2025, with occupancy nearing full recovery and RevPAR now above pre-pandemic levels following a year of no new openings.

## Leisure demand underpinned by events and air growth

Domestic visitation and major events continue to support demand, with airport passenger movements now above 2019 levels.

## Limited near-term development pipeline

No projects are currently under construction, while major infrastructure including the airport expansion and proposed AFL stadium are expected to support longer-term demand.

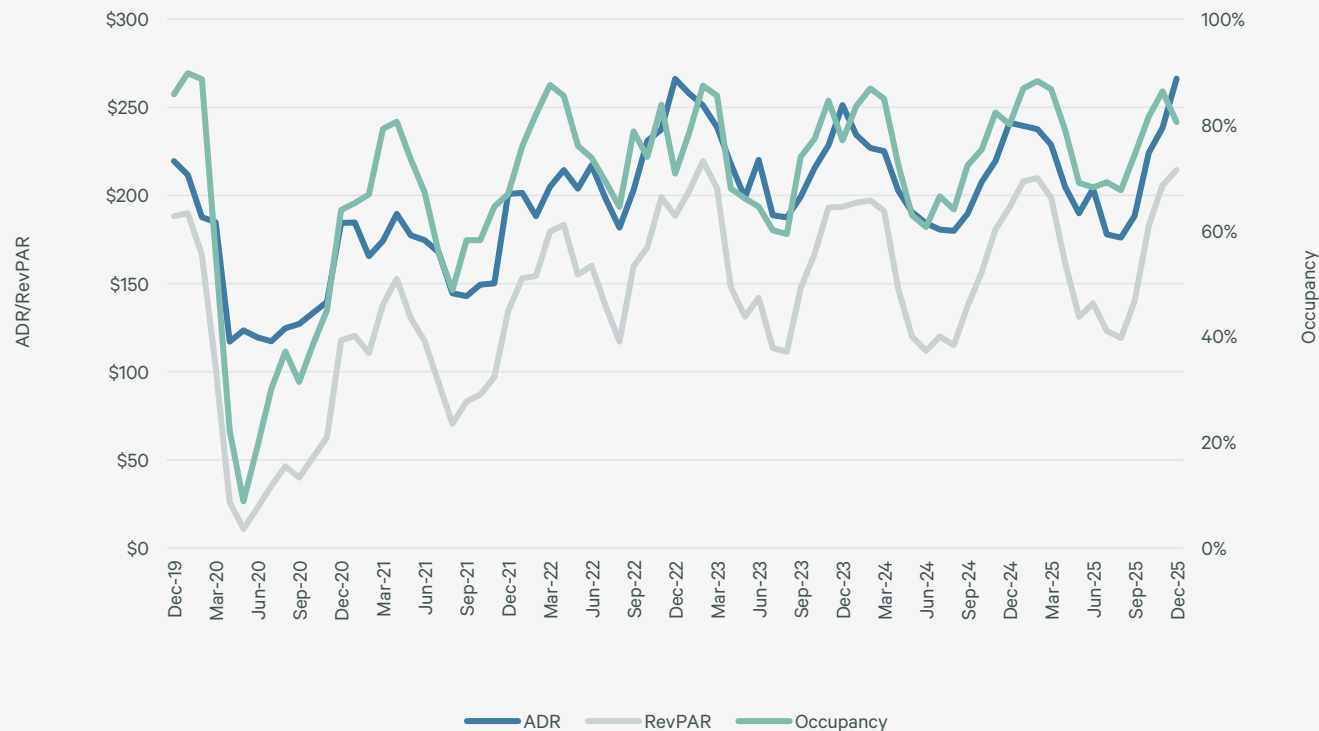
▲ 78%  
Occ

▲ \$217  
ADR

▲ \$169  
RevPAR

Note: Trend change from previous year

FIGURE 69: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Hobart recorded a strong improvement in trading conditions in 2025, supported by record high demand levels and no new hotel openings over the year. Occupancy increased 5% to 78%, approaching full recovery and absorption of recent supply increases.

ADR increased 3% to \$217, following a decline in the prior year, and now sits 17% above 2019 levels, reflecting a stabilisation in pricing. This translated into 8% RevPAR growth to \$169, one of the strongest growth outcomes nationally, with RevPAR now 10% above pre-pandemic performance.

Improving performance reflects a recovery in leisure demand, greater stability in market conditions and the benefit of a constrained supply environment.

## Outlook

- Occupancy is expected to continue trending higher.
- Further moderate ADR growth is expected following recent volatility.
- RevPAR growth is forecast average 4.5% per annum over the three-year forecast period, supported by a combination of occupancy gains and modest rate increases.
- Major infrastructure projects, including the Hobart Airport expansion due to complete in 2027 and the recently government approved 23,000 seat multi purpose stadium at Macquarie Point, are expected to support longer-term demand through improved accessibility and events activity.
- The absence of near-term supply additions is expected to support continued performance recovery.

FIGURE 70: Hobart Demand by Scale

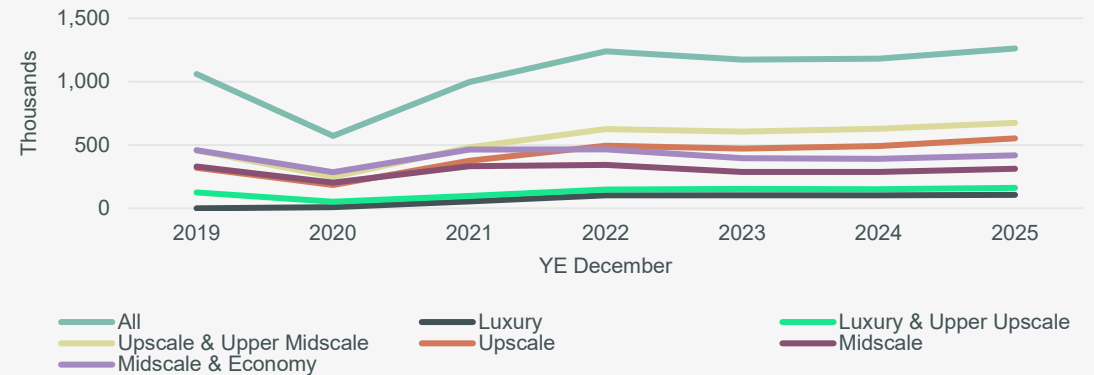
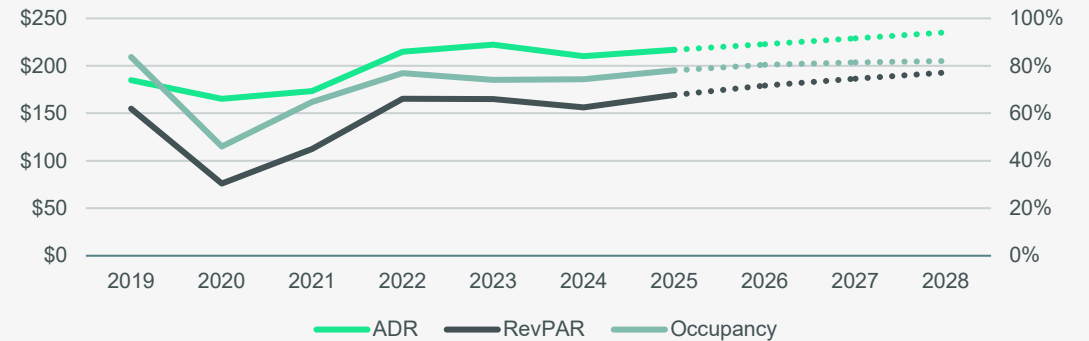


FIGURE 71: Hobart Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Hobart combines heritage, natural beauty and a strong cultural offering as Tasmania’s capital city. Key drawcards include MONA, a nationally recognised food and wine scene, major events such as Dark Mofo, access to Freycinet and Cradle Mountain, and the recently opened 7 Mile Beach golf course, expected to further strengthen leisure visitation.

In the YTD Sept 2025 domestic visitor trips staying in hotel and similar style accommodation generated 1 million visitor nights, with an average length of stay of 2.9 nights. 63% of visitors were from Tasmania, followed by 12% from NSW and Vic. International visitor nights staying in hotel accommodation generated 500,000 nights. NZ was the dominant source market.

For the YE June 2025 total passenger movements through Hobart Airport were 2.8 million, up 5.4% to sit 4% above 2019 levels. International passengers are limited to NZ.

## Outlook

- Hobart’s Airport expansion is set to double its terminal footprint by early 2027 and will enhance air capacity and support visitation growth with a focus on Asia.
- The Tasmania Devil’s entry into the AFL in 2028, along with the completion of a new stadium is expected to drive domestic demand.

FIGURE 72: Financial Year Airport Passenger Movements

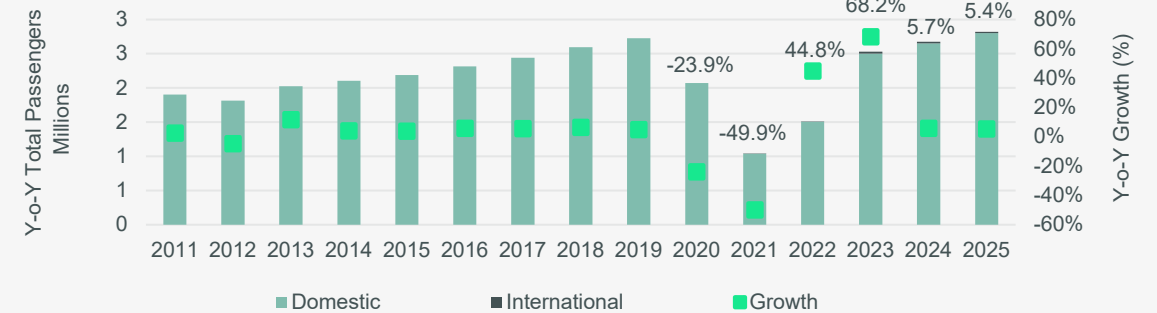
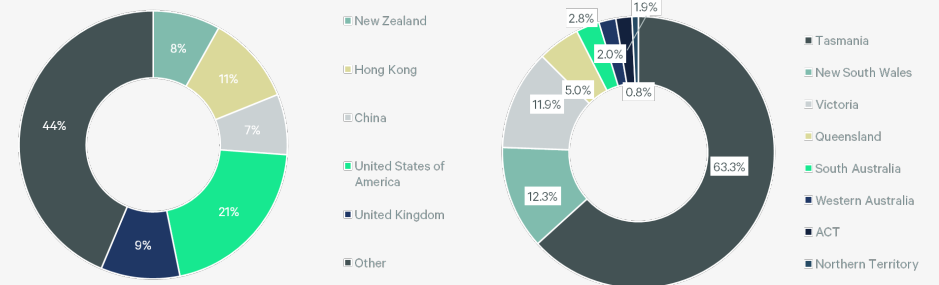


FIGURE 73: International and Domestic Major Source Markets by Visitors



Source: TRA and CBRE Research

# Supply

## Overview

Hobart’s most recent supply addition was the 206-room DoubleTree by Hilton in 2024, following the 2021 openings of The Tasman (152 rooms) and Mövenpick Hotel (221 rooms). Since then, no new projects have commenced, with the market entering a period of moderated supply following this earlier cycle of delivery.

## Outlook

- No projects are currently under construction.
- While several developments have been proposed, including the 168-room Davey Street Hotel (2027), current construction costs and broader investment conditions warrant a prudent approach.
- Accordingly, our pipeline analysis reflects only projects that have commenced construction, suggesting limited near-term supply risk.

FIGURE 74: Hobart Hotel Supply

Recently Opened				
Property	Address	Suburb	Scale	Date
Hilton DoubleTree	179 Macquarie Street	Hobart	Upscale	2024
The Tasman - A Luxury Collection Hotel	12 Murray Street	Hobart	Luxury	2021
Movenpick Hotel	28 Elizabeth Street	Hobart	Upper Midscale	2021
Vibe Hotel Hobart	36 Argyle Street	Hobart	Upper Midscale	2020
Crowne Plaza Hobart	110 Liverpool Street	Hobart	Upscale	2020
Proposed				
Davey Street Hotel	28-30 Davey Street	Hobart	Luxury	2027

Source: CBRE Research

# CAIRNS

“Cairns is benefiting from the return of international, business and conferencing demand with limited new supply supporting elevated occupancy levels.”



**Louise Gleeson**  
Director, VAS

# Cairns

## Overview

### Performance resilience

Cairns continues to record strong trading conditions, with occupancy now above pre-pandemic levels and RevPAR materially exceeding 2019 benchmarks, supported by diversified leisure, MICE and recovering international demand.

### International recovery underway

Improving inbound visitation and expanded air connectivity, including new direct services to Nadi, are strengthening demand depth and supporting longer stays.

### Supply constrained, rates steady

Development feasibility remains challenging, limiting new supply which is supporting near-term performance, although refurbishment and new product will be required to sustain ADR growth over the medium term.

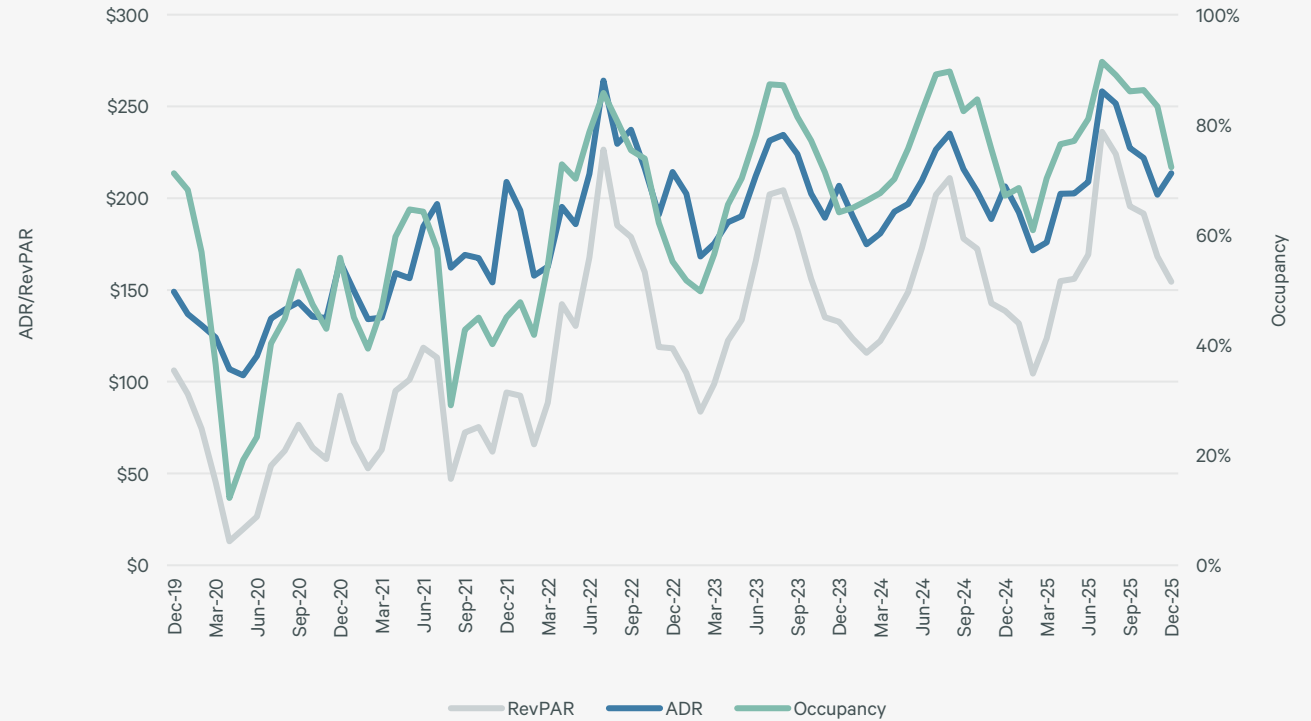
▲ 79%  
Occ

▲ \$214  
ADR

▲ \$168  
RevPAR

Note: Trend change from previous year

FIGURE 75: Key Performance Metrics



Source: STR and CBRE Research

# Performance

## Overview

Cairns continued to record strong trading conditions in 2025, building on the significant occupancy gains achieved in the prior year. Occupancy increased a further 3% to 79%, exceeding pre-pandemic levels.

This improvement translated into 5% ADR growth to \$214, with rates now 45% above 2019 levels, supporting 8% RevPAR growth to \$168. RevPAR now sits 46% above pre-pandemic benchmarks.

Performance has been supported by a broadening demand base, with improving international arrivals, strengthening MICE activity and continued leisure demand. The commencement of new direct flights to Nadi in April 2025 has further supported connectivity and inbound visitation, along with increased capacity on Singapore Airlines and the return of Cathay Pacific’s seasonal flights.

## Outlook

- Occupancy is expected to remain elevated and could reach 82% by 2028, with increasing MICE, adventure and ecotourism activity to support demand diversification and mid-week trading.
- New hotel development remains challenging under current feasibility conditions, which is expected to support performance gains.
- However, there is a growing need for new and refurbished product to lift baseline rates and sustain ADR growth over the medium term. The expectation is for 2.5% to 3.0% over the three-year forecast period.
- RevPAR growth is expected to moderate, averaging ~4% per annum to 2028, driven by stable occupancy and moderate rate increases.

FIGURE 76: Cairns Centre Demand by Scale

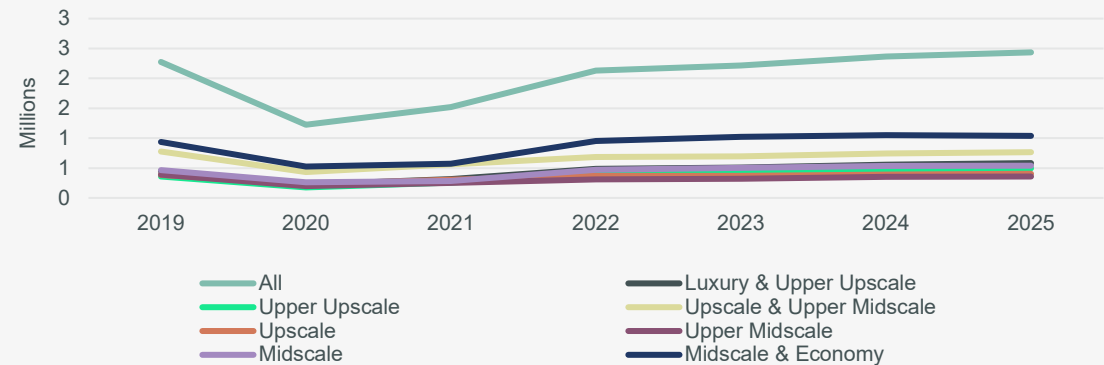
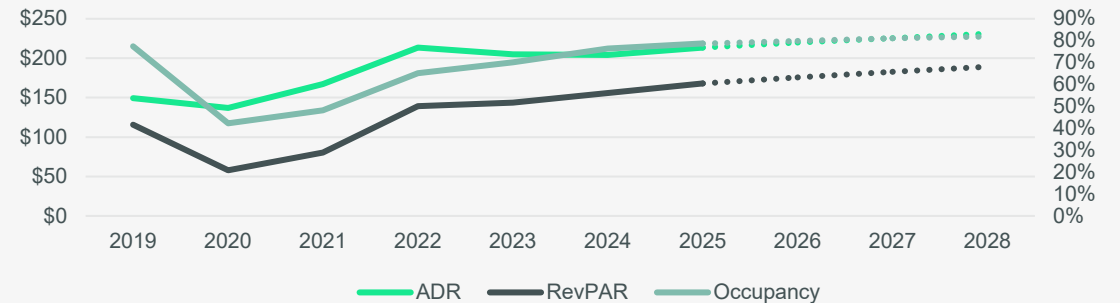


FIGURE 77: Cairns Forecast



Source: STR, CBRE Research

# Visitation

## Overview

Tropical North Queensland continues to benefit from resilient domestic demand, with Cairns' role as the gateway to the Great Barrier Reef and Daintree underpinning extended length of stay.

In YTD Sept 2025, domestic visitation staying in hotel accommodation totalled 1.8 million nights (average stay 3.8 nights), while international arrivals reached approximately 300,000 visitors staying in hotel accommodation, generating 1.5 million nights (average stay five nights). The USA remains the largest source market (30%), followed by Japan (26%) and the UK (24%).

Total passenger movements increased 1.5% in FY2024/25 to 4.7 million. International passenger volumes rose 11% and are broadly in line with 2019 levels, while domestic passengers (86% of total movements) remain marginally below pre-pandemic levels.

## Outlook

- International visitation is expected to continued to grow in 2026, however will be dependant on flight capacities and the introduction of new services into Cairns.
- Continued focus on major events and business attraction initiatives, alongside the proposed SkyHaven airport precinct development, is expected to support MICE and visitation outside of peak periods.

FIGURE 78: Financial Year Airport Passenger Movements

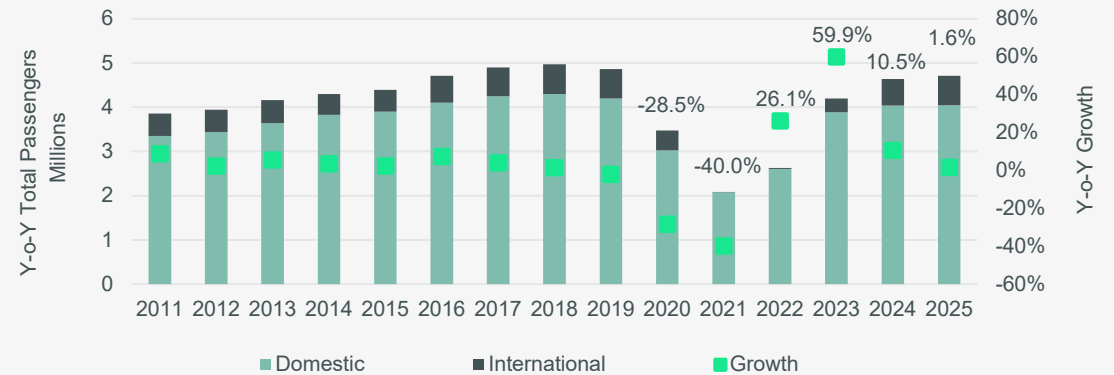
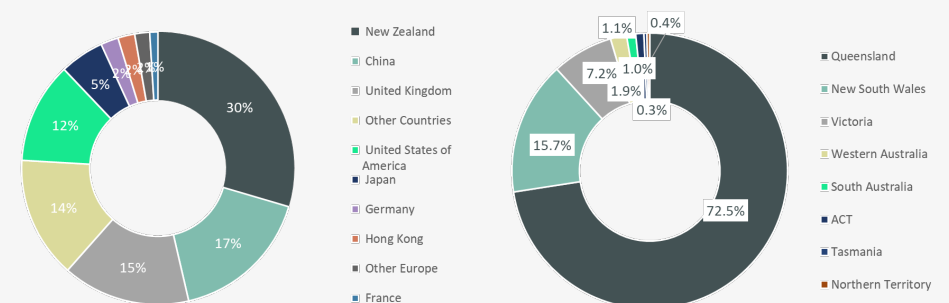


FIGURE 79: International and Domestic Major Source Markets by Visitors



Source: TRA and CBRE Research

# Supply

## Overview

No new hotel projects have been delivered in Cairns since 2020, reflecting the challenging development environment and labour availability.

The primary proposed development is SkyHaven, Cairns airport, a staged short term accommodation project within the airport precinct. Stages 1 and 2 comprise 183 self contained apartments with supporting amenities including café, conference facilities and pools. Stage 3 proposes a 200-bed student accommodation facility. Development approval was granted in 2024. The project is expected to commence construction in 2026.

There are also plans for a major refurbishment of the former Hotel Grand Chancellor Palm Cove, located approximately 30 mins north of Cairns. The property is expected to reopen as a 140 room Hilton Palm Cove Resort and Spa.

## Outlook

- New supply is expected to remain limited to the approved SkyHaven, Cairns Airport project, with feasibility constraints and labour shortages restricting hotel development.
- As the gateway to the Great Barrier Reef, future additions may be boutique and sustainability led.

FIGURE 80: Cairns Hotel Supply

Recently Opened				
Property	Address	Suburb	Scale	Date
The Flynn A Crystalbrook Collection Hotel	85 Esplanade	Cairns	Upper Upscale	2020
Oaks Cairns Hotel	59-63 Esplanade	Cairns	Upscale	2020
Proposed				
SkyHaven Cairns Airport	Airport Drive	Cairns	Upscale	2028

Source: CBRE Research | Figures only include CBD and inner-city supply

# GOLD COAST

“The Gold Coast’s hotel offering is maturing, with new luxury lifestyle product elevating the market and supporting a resilient performance profile.”



**Jacqueline Reiser**  
Senior Director, VAS

# Gold Coast

## Overview

### Premium positioning, stable performance

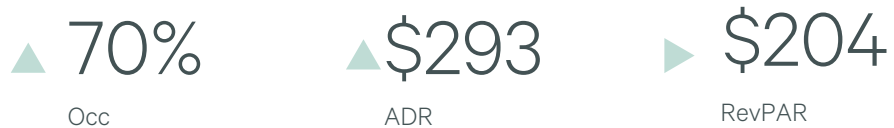
Occupancy remains stable with ADR elevated at one of the highest levels nationally, supported by premium new product.

### Longer international visitation

International visitation has surpassed pre-pandemic volumes, underpinned by extended length of stay. Olympic and airport infrastructure investments are expected to support growth.

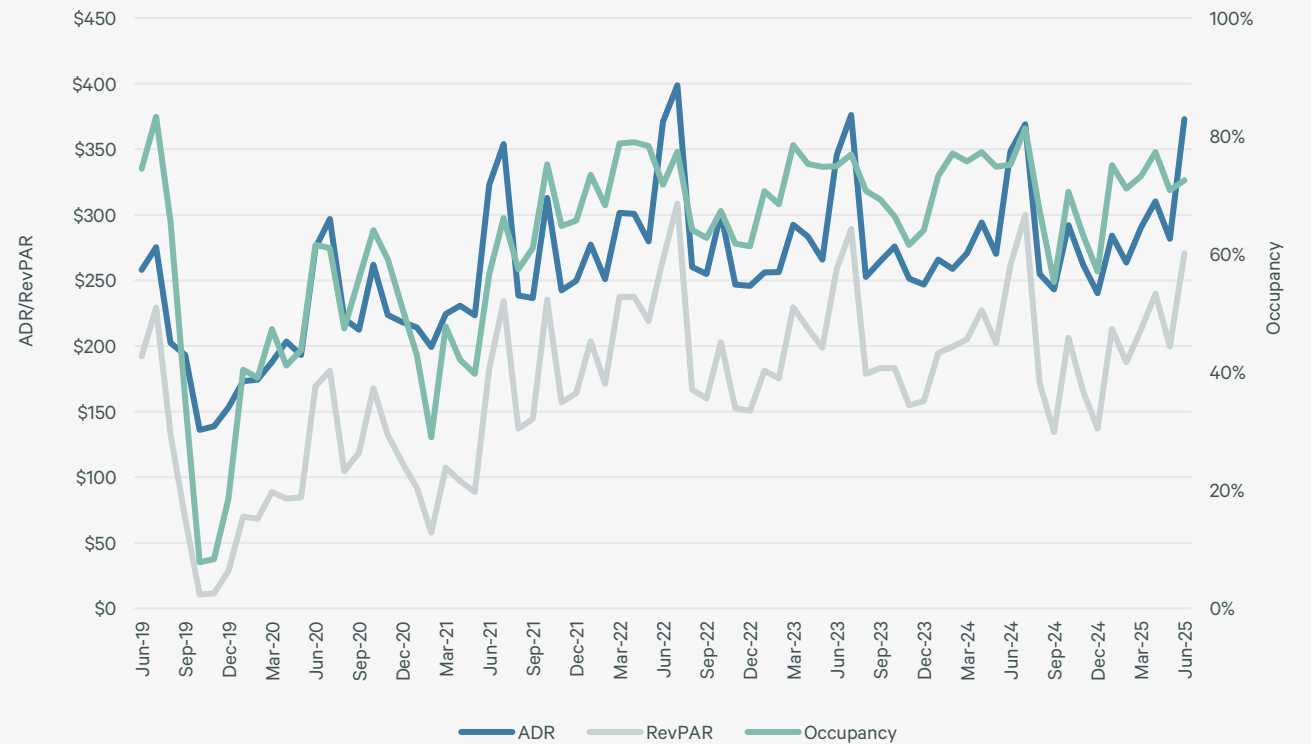
### Luxury supply wave

New development remains concentrated in the luxury segment, enhancing the Gold Coast's appeal as a sophisticated lifestyle destination, with broader feasibility constraints limiting large-scale expansion beyond approved projects.



Note: Trend change from previous year

FIGURE 81: Key Performance Metrics



Source: STR and CBRE Research

\* Excluding Serviced Apartments

# Visitation

## Overview

The Gold Coast continues to record resilient visitation, supported by solid domestic demand and strengthening international stays. In YTD Sept 2025, domestic visitation totalled 1.7 million trips staying 5.4 million nights. International nights reached 2.3 million, surpassing both 2024 and pre-pandemic levels, with average length of stay increasing to 8.3 nights (from 5.7 nights).

New Zealand remains the largest international source market (63%), followed by China (20%) and the United Kingdom (14%).

Total passenger movements through Gold Coast Airport reached 6 million in FY2024/25, down 5% year-on-year and 6% below 2019 levels.

## Outlook

- New luxury brands entering the Gold Coast are expected to enhance its appeal to both domestic and international visitors, supporting more sophisticated lifestyle accommodation and facilities.
- Olympic venue investment, including the proposed Athlete Village at Royal Pines and upgrades to the Gold Coast Hockey Centre, is expected to strengthen event capability ahead of 2032.
- The Gold Coast Airport Master Plan (retail village, wellness hub and conference centre) supports long-term growth, with passenger volumes projected to reach 13 million by 2044.
- Expanded events and conferencing capacity is expected to further diversify and strengthen the tourism profile.

FIGURE 82: Financial Year Airport Passenger Movements

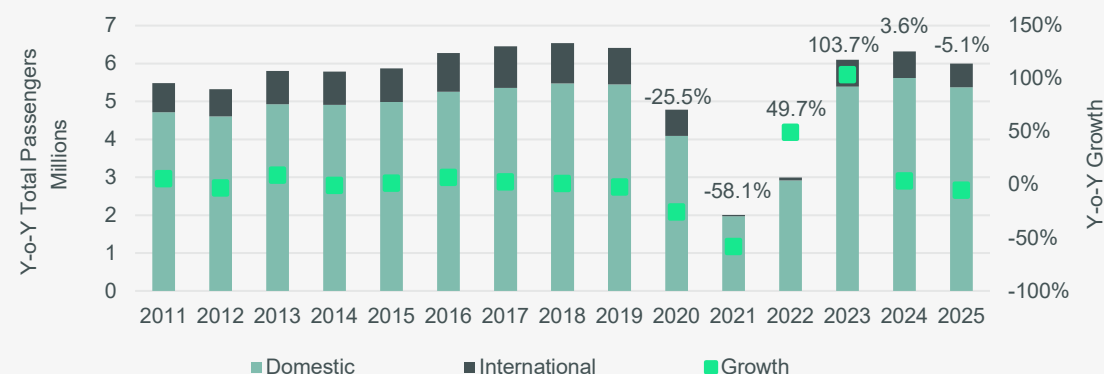
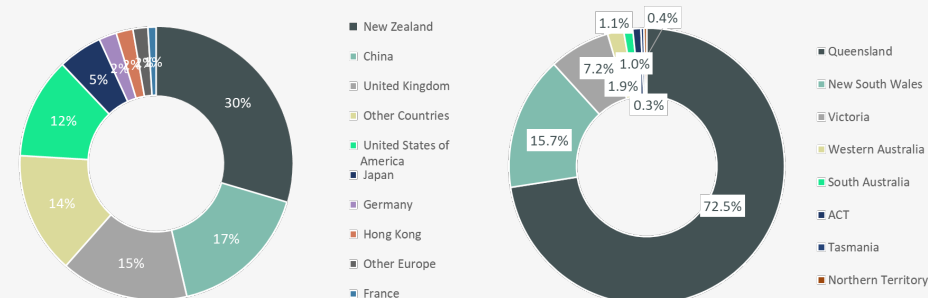


FIGURE 83: International and Domestic Major Source Markets by Visitors



Source: TRA and CBRE Research

# Performance

## Overview

The Gold Coast accommodation market (excluding service apartments) recorded mixed trading conditions in 2025. Occupancy declined 3% to 69%.

ADR increased 3% over the year to \$293, broadly in line with inflation, and now sits 38% above 2019 levels, the second-highest nationally after Sydney. Elevated rates reflect a combination of premium new product, rate resilience in peak periods and the pricing impact of fluctuating supply. As a result, RevPAR remained broadly stable over the year. Demand by scale continues to favour upscale and luxury and upper-upscale product.

## Outlook

- Occupancy is expected to remain relatively flat as the market absorbs further new supply.
- ADR is expected to remain elevated, though growth to moderate to ~3% in 2026 and 2027. This is supported by premium stock and the Gold Coast’s positioning as a high-value leisure destination.
- RevPAR growth is expected to be modest, with performance sensitive to demand mix and supply increases.

FIGURE 84: Gold Coast Demand by Scale

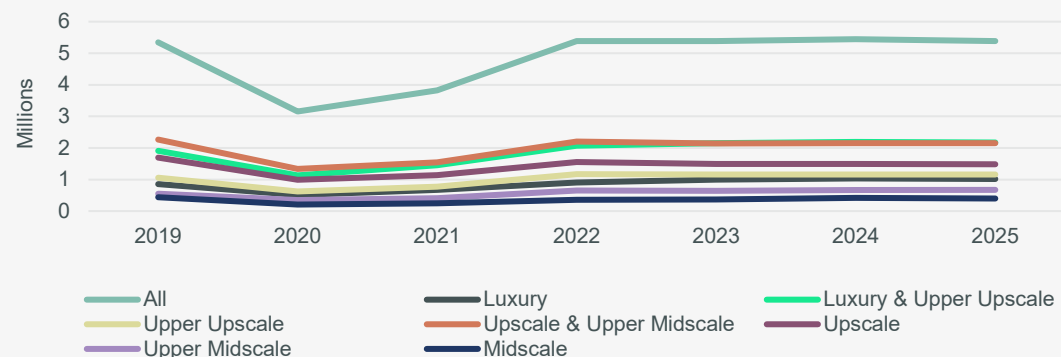
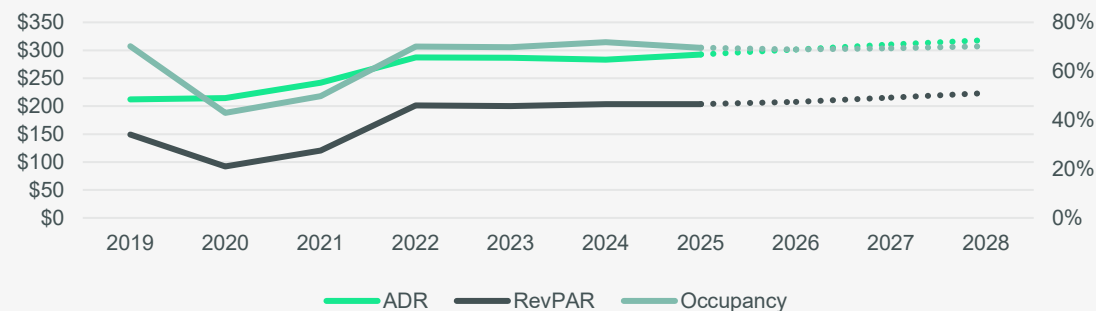


FIGURE 85: Gold Coast Forecast



Source: STR, CBRE Research

\* Excluding Serviced Apartments

# Supply

## Overview

Recent and future supply on the Gold Coast has been concentrated in the luxury segment. The 208 room Mondrian Hotel at Burleigh Heads opened in 2025, following the 254 room Langham Hotel at Jewel (2022).

A further 278 rooms are under construction, including the 202 room Andaz Hotel at the Star Gold Coast precinct in Broadbeach and the 76 room Quest Southport. Both expected to complete in 2026. In addition, the 92 room Kirra Point beachfront luxury hotel has received development approval and is considered likely to proceed, with potential delivery in 2027/28.

## Outlook

- New supply has been delivered through mixed use developments which comprise a residential component, assisting in the project feasibility. This trend is expected to continue.
- Additional high-end product is attracting new demand to the Gold Coast, supporting its positioning as a lifestyle-led, premium leisure destination.

**FIGURE 86: Gold Coast Hotel Supply**

Recently Opened				
Property	Address	Suburb	Scale	Date
Mondrian Hotel		Burleigh Heads	Luxury	2025
Langham Hotel, Jewel	38 Old Burleigh Road	Surfers Paradise	Luxury	2022
Under Construction				
Andaz Hotel		Broadbeach	Luxury	2026
Quest Southport		Southport	Upscale	2026

Source: CBRE Research | Figures only include CBD and inner-city supply

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