Figures

# Q3 2026
# Major Australian Hotel Markets Performance

MARKET DATA

CBRE RESEARCH

# In Focus: Hotel Transactions

## Transaction activity moderates as the gap between yields and interest rates narrows.

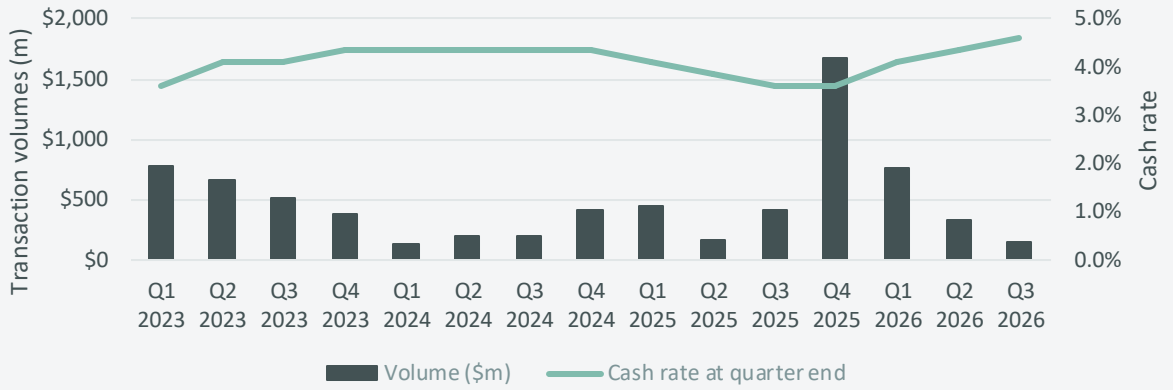
Australian hotel transactions reached $1.24 billion in YTD September 2026, up 22% year-on-year, although momentum slowed. Q3 volumes fell to $142 million, 65% below Q3 2025 and the lowest since Q1 2024. Many Q1 deals were agreed before the latest tightening cycle.

Domestic investment more than doubled to $742 million, lifting its share from 35% to 60%. Offshore purchases fell 25% to $501 million, with just $20 million recorded in Q3. Market feedback suggests some overseas investors are ideally seeking yields that at least cover their cost of debt. The 3.5 and 4-star segments represented 70% of hotels sold and 80% of volume, partly reflecting three Sydney transactions accounting for almost half the national total.

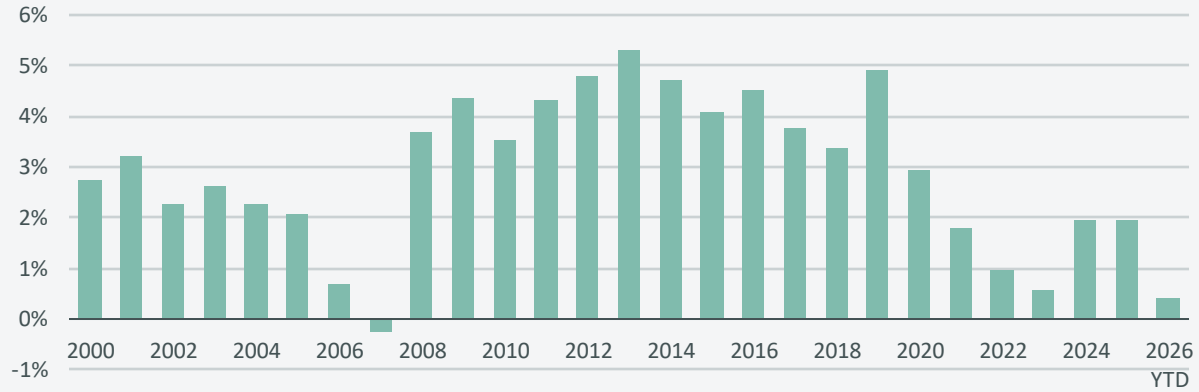
Higher debt costs are sharpening the focus on acquisition yields and income growth. The weighted average yield of 5.25% sits 0.4 percentage points above November's cash rate, the narrowest spread since 2007, compared with approximately 4 percentage points over 2009-2019. Yields have proved relatively inelastic to higher interest rates, with investors relying on income growth, low anticipated future supply and taking a longer-term view that the rate cycle will peak and ease.

Improving demand and trading conditions are supporting income growth, while rising construction costs constrain new supply and increase replacement costs, providing further support for existing hotel values. Q4 has historically accounted for 30% of annual transaction volume. Year-end activity will provide a clearer indication of how buyer and vendor pricing expectations are adjusting to higher borrowing costs.

### Quarterly Hotel Transaction Volumes and Cash Rate




### Yield Margin Over the Cash Rate




Source: RBA, CBRE

*Transactions >$10 million by contract date. Unless stated otherwise, year-on-year transaction comparisons are with YTD September 2025. Quarterly Hotel Transaction Volumes and Cash Rate chart reflects quarterly transaction volumes for each quarter and the cash rate at quarter end. Yield Margin Over the Cash Rate chart reflects year-end cash rate and year-end weighted yield, except 2026, which shows the latest cash rate (November) and the yield to September.


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# Key Performance Metrics by Major Market

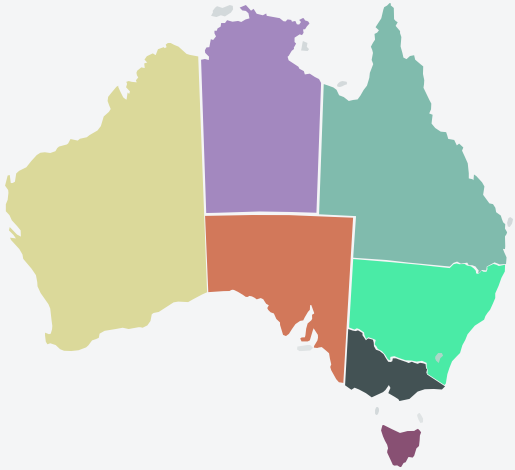
Source: STR

| Cairns | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 79.2% | 1% | 1.02 |
| ADR | $218 | 4% | 1.43 |
| RevPAR | $173 | 6% | 1.46 |

| Darwin | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 58.2% | -2% | 0.98 |
| ADR | $207 | 1% | 1.40 |
| RevPAR | $121 | -2% | 1.37 |

| Brisbane Centre | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 76.6% | 1% | 1.06 |
| ADR | $259 | 0% | 1.64 |
| RevPAR | $199 | 1% | 1.74 |

| Perth Centre | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 81.6% | 1% | 1.09 |
| ADR | $270 | 8% | 1.58 |
| RevPAR | $220 | 10% | 1.72 |



| Gold Coast | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 69.9% | 0% | 0.99 |
| ADR | $294 | 5% | 1.49 |
| RevPAR | $205 | 5% | 1.48 |

| Adelaide Centre | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 75.8% | 2% | 0.94 |
| ADR | $219 | 7% | 1.43 |
| RevPAR | $166 | 10% | 1.35 |

| Sydney Centre | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 84.1% | 1% | 0.98 |
| ADR | $346 | 7% | 1.36 |
| RevPAR | $291 | 8% | 1.33 |

| Hobart | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 78.6% | 1% | 0.95 |
| ADR | $223 | 5% | 1.21 |
| RevPAR | $176 | 7% | 1.15 |

| Melbourne Centre | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 77.1% | 1% | 0.92 |
| ADR | $249 | 4% | 1.21 |
| RevPAR | $192 | 5% | 1.11 |

| Canberra | MAT Sep26 | MAT YoY | Relative to 2019 |
|---|---|---|---|
| OCC | 71.9% | 0% | 0.92 |
| ADR | $193 | 0% | 1.12 |
| RevPAR | $139 | 0% | 1.04 |

Note: Sep-26 figures reflect the 12 months to September 2026 (MAT). MAT YoY reflects the change vs the prior 12-month period. Relative to 2019 indexed against the 12 months to September 2019.

## Key National Indicators

Arrows indicate YoY movement

**74%** Occupancy

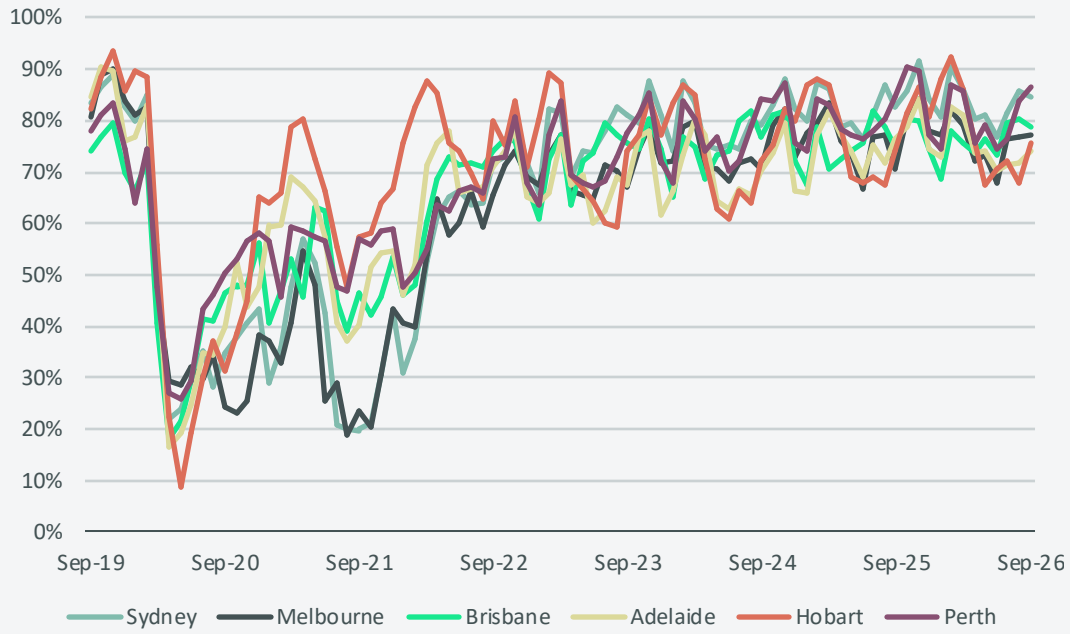
**$253** ADR

**$187** RevPAR



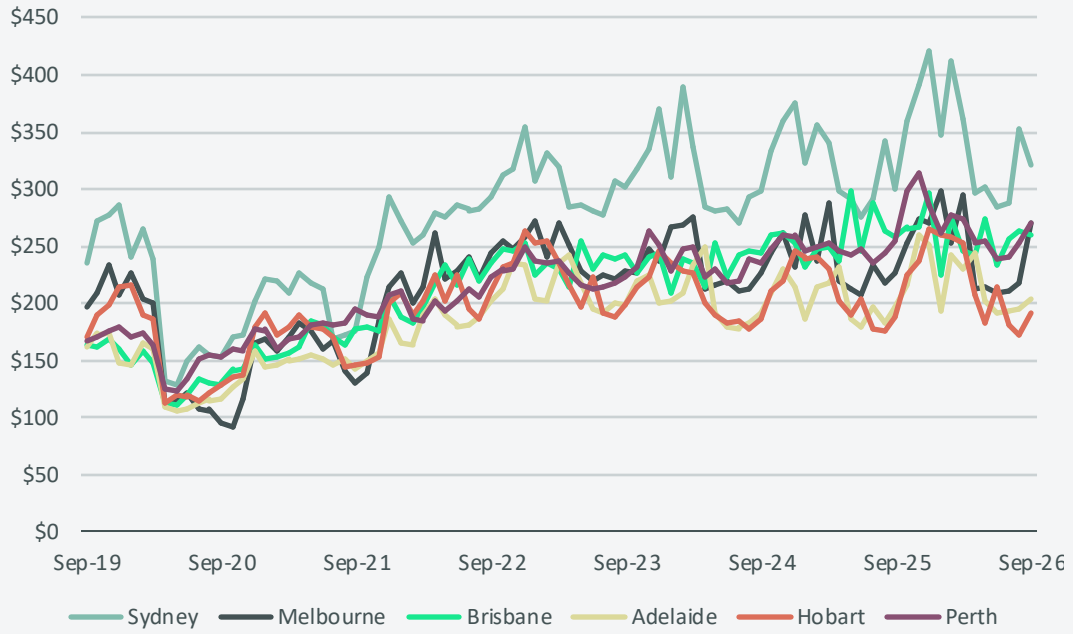
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## Occupancy - Australian Cities




Occupancy edged higher across most markets in the YE September 2026, with Sydney and Perth leading.

## ADR - Australian Cities

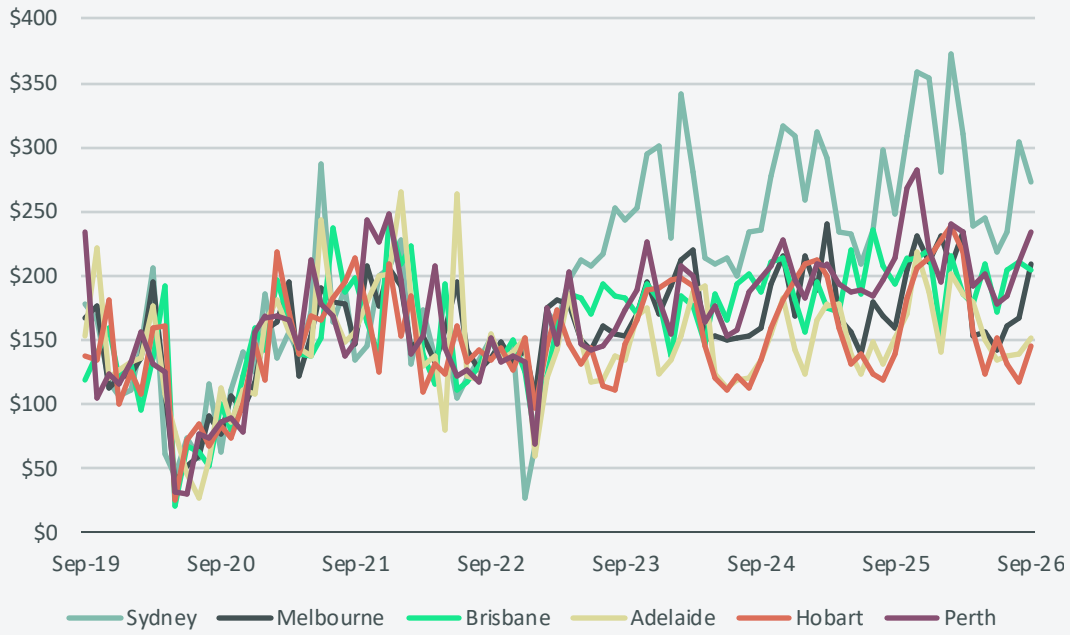



Rate growth was the main driver of performance over the year, led by Perth, Sydney and Adelaide, with Sydney maintaining the highest ADR. Melbourne's rates rose sharply in September 2026, lifted by the AFL Grand Final and first-ever NFL game, reinforcing the incremental value of events.

Source: CoStar, CBRE Research
*Charts show monthly data and reflect city centre areas for all markets except Hobart.

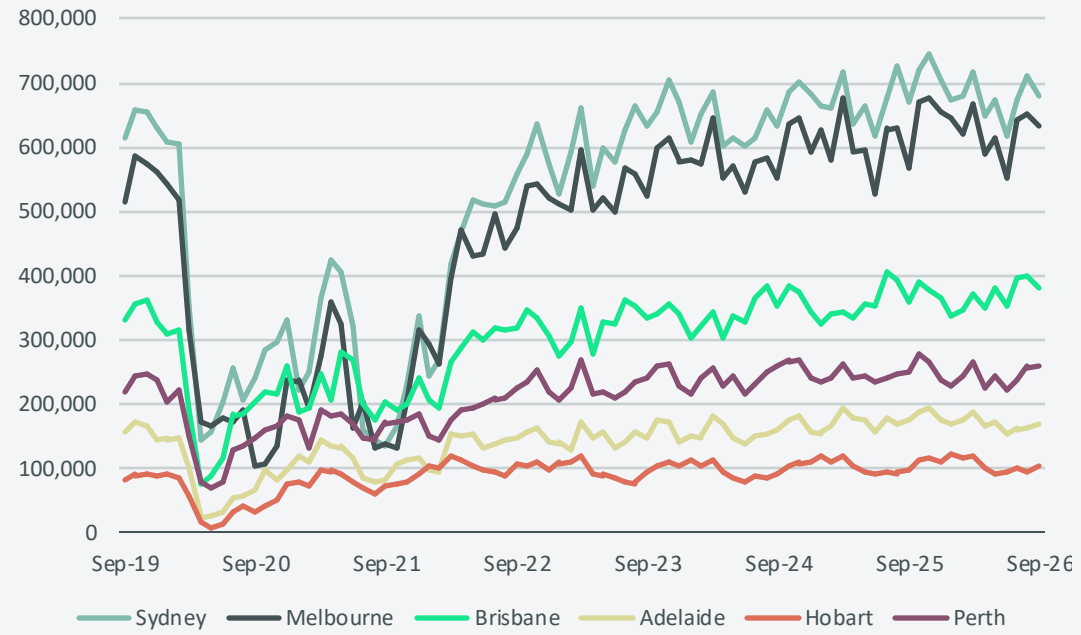

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## RevPAR - Australian Cities




RevPAR growth was strongest over the year in Perth and Adelaide, followed by Sydney and Hobart. All markets remain above 2019 levels.

## Room Nights Sold - Australian Cities




Room nights occupied remain at or near record highs, increasing across all markets except Perth, where they were flat.

Source: CoStar, CBRE Research
*Charts show monthly data and reflect city centre areas for all markets except Hobart.


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# Sydney

## Sydney Leads on Occupancy, Rate and RevPAR

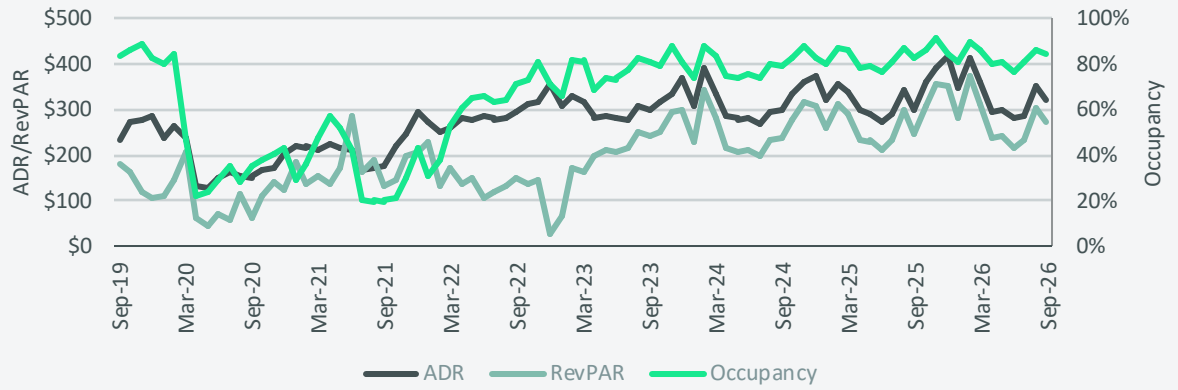
Sydney Centre led Australia's major hotel markets across all three key performance indicators in the YE September 2026, with occupancy of 84.1% and record ADR and RevPAR of $346 and $291 respectively. RevPAR rose 8% YoY, supported by gains in both occupancy and room rates, and is now 33% above 2019 levels. The market recorded 8.2 million occupied room nights, with demand growth outpacing a broadly stable supply base.

No new hotels opened in Sydney Centre so far this year. In wider Sydney, Atura Oran Park opened in October. The 265-room QT Parramatta and the 51-apartment Sebel Parramatta are expected to open in December 2026 and early 2027, respectively. Sydney still has Australia's largest hotel development pipeline, but elevated construction costs are expected to constrain future delivery.

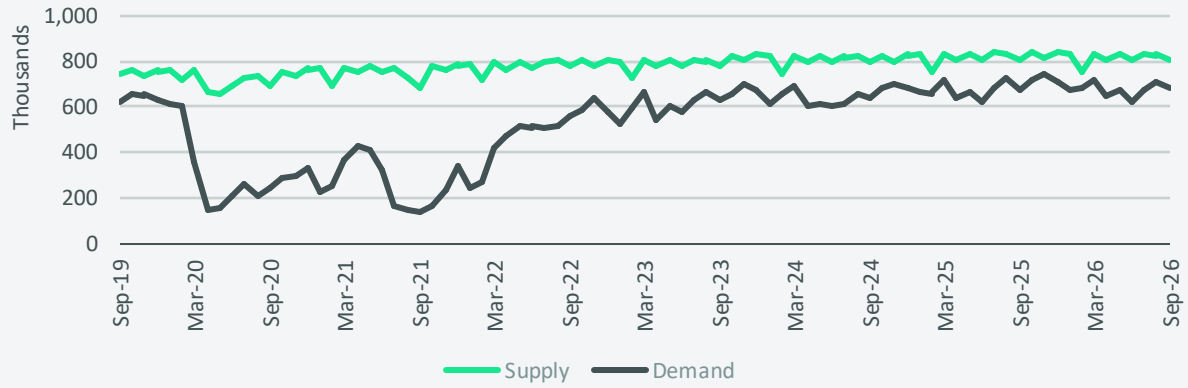
Investment activity included the Q3 settlement of the $390 million Novotel and ibis Sydney Darling Harbour transactions.

Sydney's strong Q4 events calendar, including the NRL Grand Final and concerts by Foo Fighters, Robbie Williams and Harry Styles, is expected to support visitor demand and lift room rates on peak nights. Together with the summer holiday period, these events should support trading momentum into year-end.

### Sydney Centre Key Performance Metrics




### Sydney Centre Supply and Demand




Source: CoStar, CBRE Research
*Charts present monthly data. Commentary reflects YE results and YOY changes


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# Melbourne

## Demand Outpaces New Supply

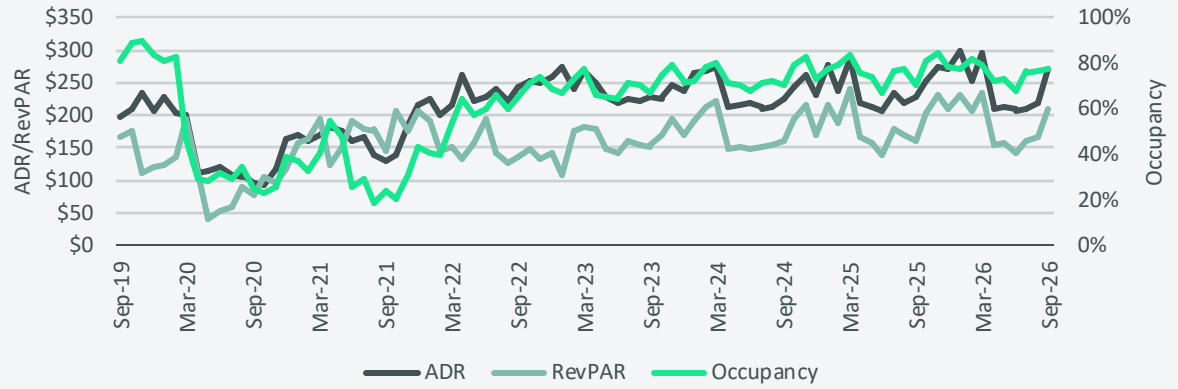
Melbourne Centre RevPAR rose 5% to a record $192 in the YE September 2026, driven by a 4% rise in ADR to a record $249, with occupancy at 77%. September's AFL Grand Final and the first-ever NFL game in Melbourne lifted demand. Melbourne Airport also handled a record 12.3 million international passengers in FY2026.

Demand has absorbed recent supply additions, with room nights occupied up 4.4% to 7.6 million against 3.3% growth in room nights available. The supply pipeline continues to slow, with no new hotels opening in Q3 2026. The upper upscale Lane serviced apartments opened in October, adding 66 rooms to Melbourne's inventory.

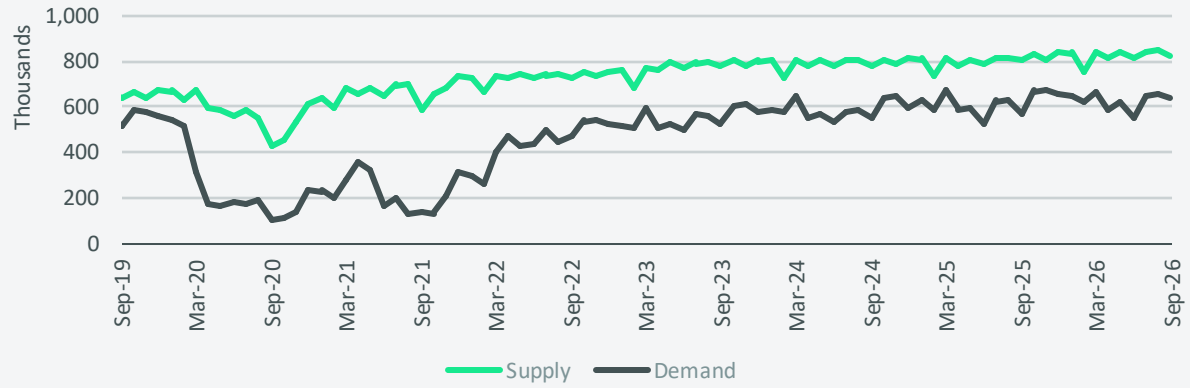
Investment activity in Q3 included the sale of the 43-room Ovolo Laneways for just over $20 million. Earlier in the year, The Cullen and Hotel Indigo Melbourne on Flinders also transacted for $39.75 million and $75 million, respectively.

The Melbourne Cup Carnival, several high-profile concerts and the Boxing Day Test are expected to support hotel demand through Q4, alongside rising inbound travel.

### Melbourne Centre Key Performance Metrics




### Melbourne Centre Supply and Demand




Source: CoStar, CBRE Research
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# Brisbane

## Brisbane Holds its Strong Trading Position

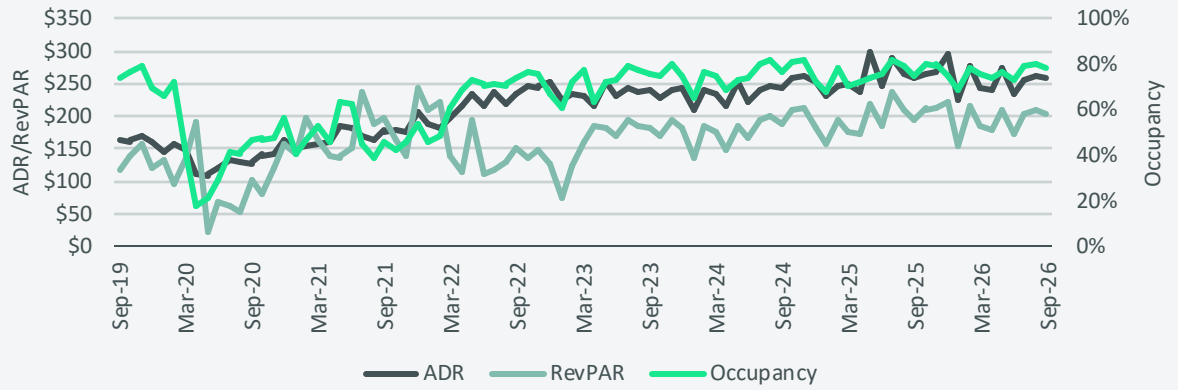
The Brisbane Centre hotel market maintained its trading position in the YE September 2026, with RevPAR rising 1% to $199. ADR held steady at $259, while occupancy edged higher to 76.6%. The market recorded 4.5 million occupied room nights, with demand growth outpacing a modest increase in supply. ADR and RevPAR are 64% and 74% above 2019 levels respectively, the largest increases among the major markets.

Growth has moderated following the strong uplift in 2025, when major events, including the British & Irish Lions Tour, supported trading. Several high-profile concerts feature in Brisbane's Q4 calendar, ahead of the traditionally softer January trading period.

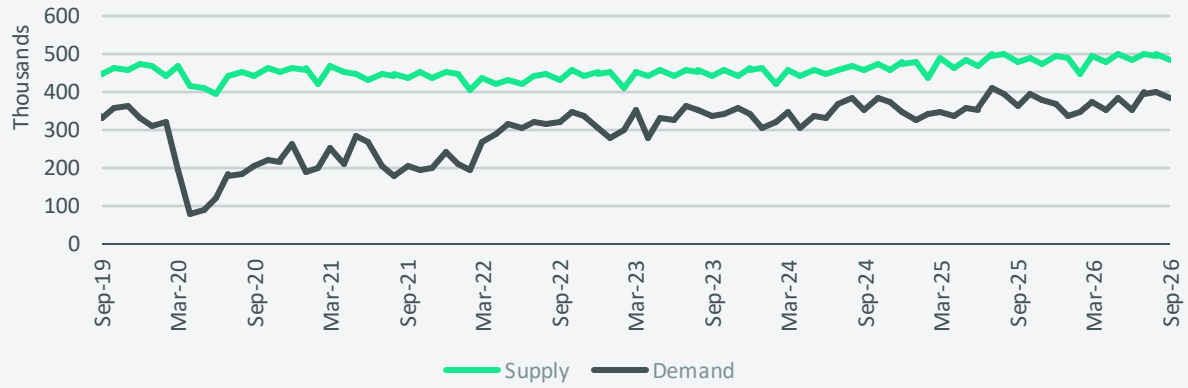
New supply remains limited. Quest Spring Hill is planned to open in late November 2026, adding 81 upscale rooms, while elevated construction costs continue to constrain development feasibility.

Brisbane recorded no hotel transactions above $10 million in Q3. Earlier in the year, investment activity included the sale of the 70-room Madison Tower Mill Hotel for $28.6 million and the Garden City Hotel for $13.7 million.

Brisbane Centre Key Performance Metrics




Brisbane Centre Supply and Demand




Source: CoStar, CBRE Research
*Charts present monthly data. Commentary reflects YE results and YOY changes


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# Perth

## Strong Events Calendar Supports Record Hotel Performance

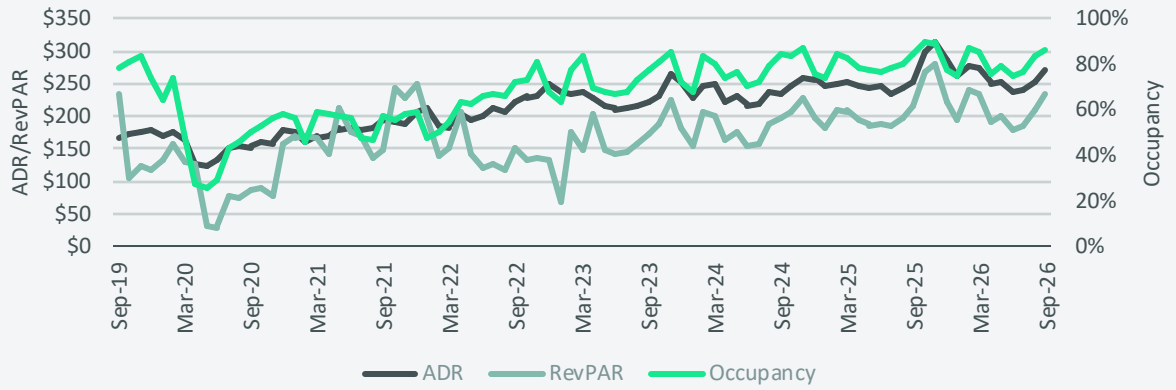
The Perth Centre hotel market continued to strengthen in the YE September 2026, with RevPAR rising 10% to a record $220. Growth was driven by an 8% increase in ADR to $270 with occupancy sitting at 81.6%. Room nights occupied remained broadly stable at 3.0 million against a marginally smaller supply base. All three performance indicators remain above 2019 levels, with RevPAR 72% higher.

A busy events quarter included the Wallabies v Springboks rugby game, the Calcio Italiano football event and a range of cultural and food events.

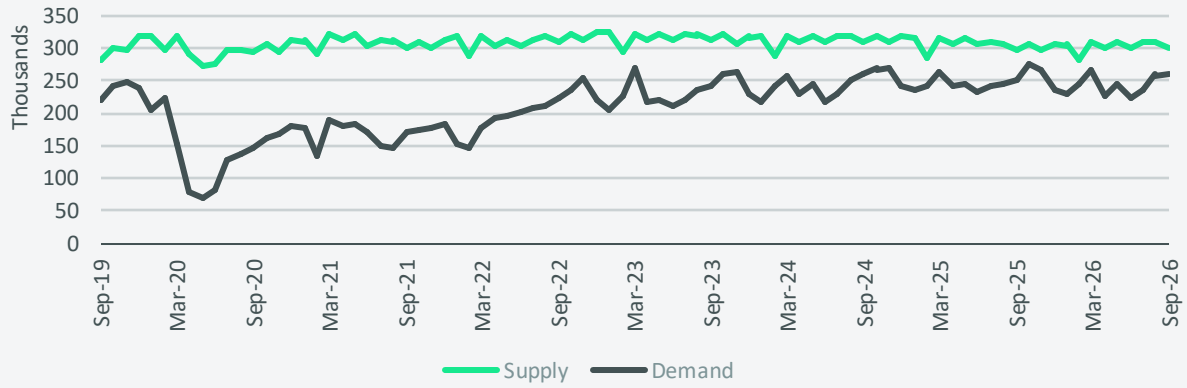
Hyde Hotel Perth opened in April, offering 121 luxury rooms, while Dorsett Perth is expected to open in early 2027. Beyond these additions, elevated construction costs continue to constrain development feasibility.

Perth recorded no hotel transactions above $10 million in Q3. In April, the 98-room Pensione Hotel Perth sold for $28.3 million.

### Perth Centre Key Performance Metrics




### Perth Centre Supply and Demand




Source: CoStar, CBRE Research
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# Adelaide

## Rate Growth Continues Ahead of New Supply

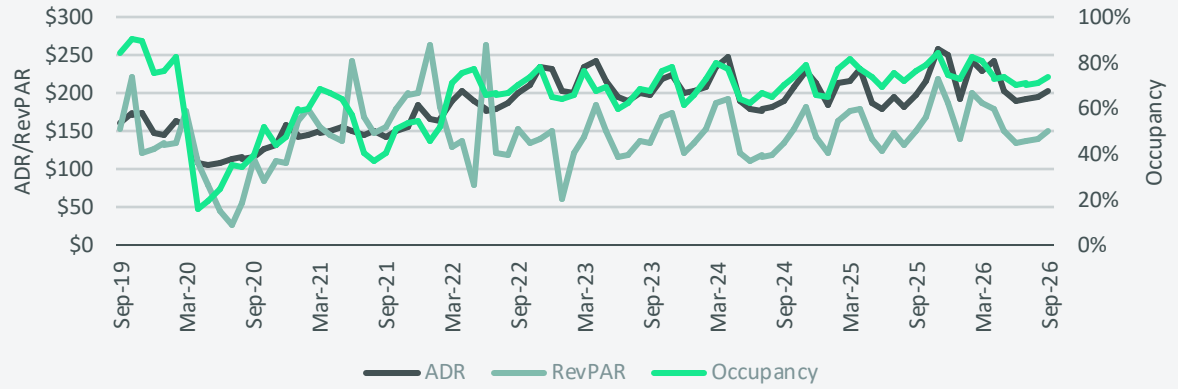
Adelaide Centre's hotel market recorded a 10% increase in RevPAR to $166 in the YE September 2026, driven by a 7% rise in ADR and a modest increase in occupancy to 75.8%. Room nights occupied rose slightly against a smaller supply base. ADR and RevPAR remain 43% and 35% above 2019 levels respectively, while occupancy remains below pre-pandemic levels.

The Q3 events calendar featured Illuminate Adelaide and the Royal Adelaide Show. Continued government support for business and leisure events is expected to lift demand and help absorb new supply.

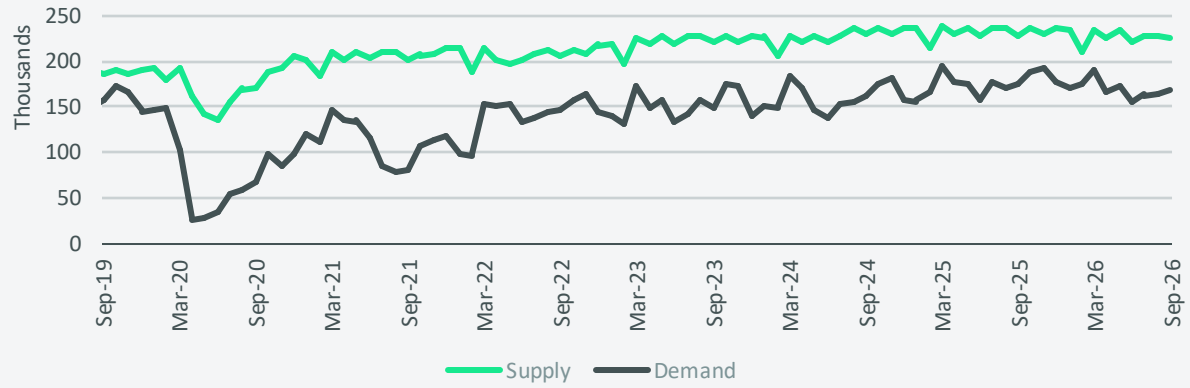
The 237-room Little National Adelaide opened in September. Supply is expected to increase further in 2027, with three projects (Veriu Adelaide, Treehouse and Crystalbrook) expected to deliver approximately 635 rooms.

No hotel transactions above $10 million were recorded in Adelaide in the year to date to September 2026.

### Adelaide Centre Key Performance Metrics




### Adelaide Centre Supply and Demand




Source: CoStar, CBRE Research
*Charts present monthly data. Commentary reflects YE results and YOY changes


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# Hobart

## Limited Supply Supports Further Growth

Hobart's RevPAR increased 7% to $176 in the YE September 2026, led by a 5% rise in ADR to $223, with occupancy edging higher to 78.6%. Demand growth outpaced a marginal increase in supply, with 1.3 million room nights occupied. ADR remains 21% above 2019 levels, while occupancy sits below pre-pandemic performance.

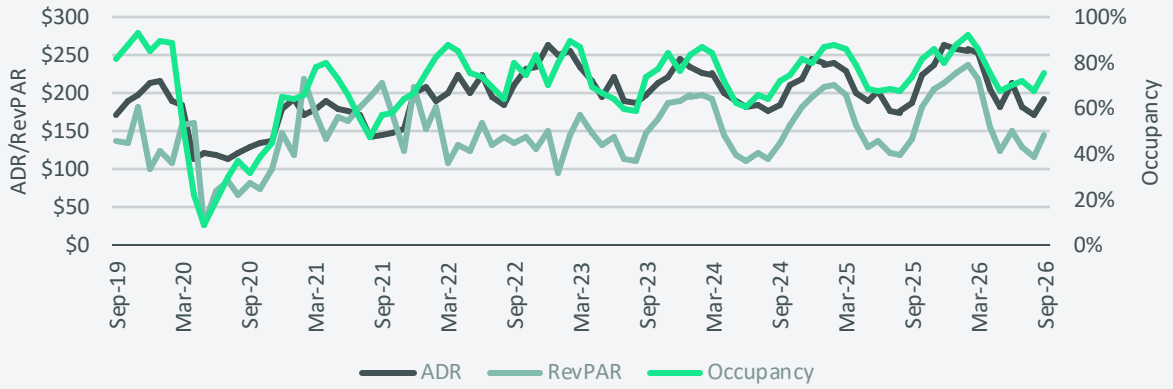
The Q3 events calendar featured Festival of Voices and the Canada vs USA Ice Hockey Classic, complementing Hobart's broader cultural and leisure offering.

Limited new supply continues to support trading, with no hotel projects completed in 2025 and none currently under construction. The constrained pipeline provides scope for further occupancy gains.

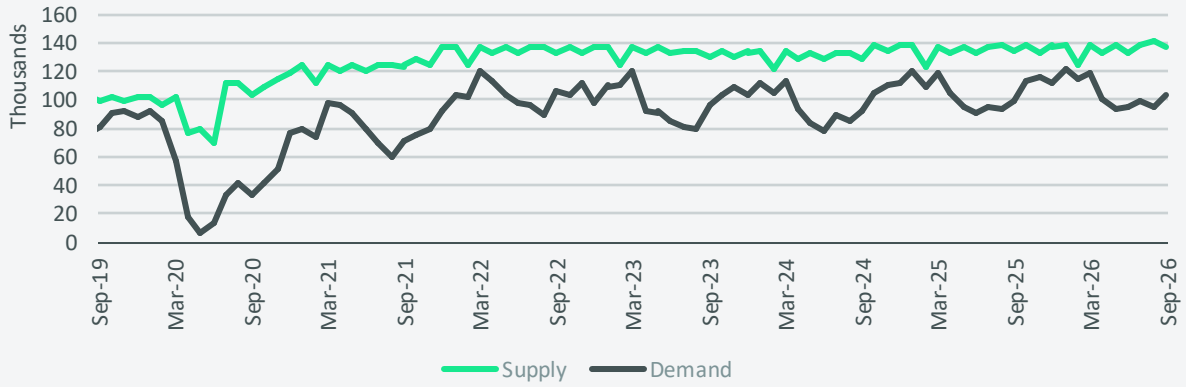
Major infrastructure projects, including the Hobart Airport expansion and the proposed AFL stadium, are expected to support future visitation and economic activity.

No hotel transactions above $10 million were recorded in Hobart in the year to date to September 2026.

### Hobart Key Performance Metrics




### Hobart Supply and Demand




Source: CoStar, CBRE Research
*Charts present monthly data. Commentary reflects YE results and YOY changes


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# Contacts

## Australia


Troy Craig

Regional Director,

Valuation & Advisory – Hotels

+61 439 398 769

troy.craig@cbre.com

Michael Simpson

Managing Director,

Capital Markets – Hotels

+61 431 649 724

michaelj.simpson@cbre.com


## Research


Ally Gibson

Director, Hotels Research

+61 426 264 314

ally.gibson@cbre.com



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