

Outlook Insights: Hotel Property

Thursday 27 February | Sydney

The theme for the 2025 Hotel Property Outlook was not looking back, foregoing pre-pandemic benchmarking and embracing where we are now. Robin Mack from Tourism Australia provided insights on the Nation's key markets and where efforts are being focused to continue to drive demand. An expert panel of Industry leaders delved into a deeper discussion on development pipeline, transaction volumes, investment behaviour, operating structures and those key demand drivers, events, sustainability and aviation.



Sydney reached a record \$1,000 revenue per available room for the first time, ranking among the top-performing hotel markets globally.

Scott Boyes
Trilogy Hotels

Our speakers



I-r: Antony Ritch, TFE Hotels; Robin Mack, Tourism Australia; Ally Gibson, CBRE; Scott Boyes, Trilogy Hotels; Paul Salter, Salter Brothers; Karen Wales, Colliers

Insights

- International visitor numbers are rebounding, with the US, China, UK, and New Zealand leading the market. High-yield travellers, including luxury visitors and working holidaymakers, are a strategic priority.
- Aviation is critical to Australia's tourism industry, seat capacity is back to 100 per cent of 2019 levels, with strong growth in India and China.
- In the last few years 230 new hotels have opened, but construction slowdowns due to labour shortages and financing challenges are limiting new supply.
- High-profile events are an accelerator for hotel demand with Taylor Swift's concerts (\$76M) and the Grand Prix (\$51M) having significant impact.
- Transaction volumes declined to \$1.5B in 2023, with foreign investment interest primarily from Japan. High borrowing costs remain a challenge.
- Western Sydney International Airport will be a key driver of hotel demand, while regional hubs (Newcastle, Wollongong, Blue Mountains) can leverage Sydney's overflow demand.
- Global corporations are setting carbon travel limits, making eco-conscious hotel offerings increasingly critical.

Next steps

- **Expanding Sydney's Infrastructure:** Strategic planning is needed to optimise hotel supply, transport, and events infrastructure to meet rising demand.
- **Sustainability Initiatives:** Industry collaboration to enhance sustainable travel options and meet evolving consumer expectations.
- **Foreign Investment Engagement:** Addressing market challenges to attract long-term capital into Australia's hotel sector.
- **Regional Growth Strategy:** Supporting regional tourism expansion through improved connectivity and unique destination positioning.

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Scan the QR code to view photos from our Hotel Property Outlook event on 27 February 2025.

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