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HOTEL LEADERS GATHER FOR MARKET UPDATE

More than 120 General Managers and other senior staff from the State's leading hotels gathered at the Hilton Sydney recently for the Accommodation Australia NSW Hotel Market and Economic Outlook Update.

AA NSW General Manager Stacey McBride said the overall message from all four guest speakers was positive, despite the ongoing cost of living pressures and global uncertainty.

"The figures presented by Paul Hammond, Sales Manager Pacific at STR showed global demand continues to surpass prior years, though the pace of growth has slowed and normalised," said Ms McBride.

"There was positive demand growth, particularly across gateway cities Sydney and Melbourne, over the last 12 months although the Average Daily Rate (ADR) remained stagnant."

"Regional Australia's occupancy is reflective of normalised demand behaviour, with rates in a whole new class and holding that position, while Sydney saw a boost in occupancy, ADR and RevPAR from Coldplay, with all concert nights above 85% occupancy."

Ms McBride said the Head of Hotels, Transaction Services at Colliers, Karen Wales, explained to gathered guests that investment activity has been quite diverse, with deals spread around the country but said transaction activity had slowed through 2024.

While Stephen Wu, Senior Economist at Commonwealth Bank of Australia, said he expected the Reserve Bank of Australia to cut interest rates early next year and for hoteliers to expect to see the economy impacted by geopolitical changes.

"He also said the highest discretionary spend at present is from those over 65 while younger cohorts are reducing spend."

The final speaker was Market Team Manager at Booking.com, Ketí Naumovski, who said value for money is top of mind for travellers.

"Ketí explained that the UK, USA, NZ and Germany are our top international source markets at the moment and Sydney continues to rate highly among Australian and International tourists, and is ranked number 2 in Australian locations to spend Christmas and New Year's.

"She said Australian travellers display a robust interest in both domestic and international travel, with a notable preference for longer trips compared to the global average," said Ms McBride.

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