

MIXED-USE ACCOMMODATION



TOTAL

\$51.5b

27,980 rooms

122 projects



CAPITAL CITIES

\$43.9b

22,500 rooms

95 projects



REGIONAL

\$7.6b

5,470 rooms

27 projects

In 2017–18, there were an additional 27,980 rooms added to the pipeline from mixed-use establishments which typically combine a hotel with additional residential, commercial or entertainment spaces. Due to the significant scale of these investments, the total value of these projects were in excess of \$51.5 billion. While the level of investment in mixed-use accommodation is very important to the tourism industry, it is mostly attributed to non-tourism sectors such as commercial and residential, and therefore continues to sit outside of the tourism investment pipeline.

The strong demand for high quality hotel rooms and residences in the capital cities and Gold Coast, saw these areas account for 22,500 of these additional rooms. Areas of key activity included:

- Melbourne – 7,120 rooms across 29 projects
- Sydney – 4,600 rooms across 19 projects
- Gold Coast – 3,500 rooms across 11 projects.

Regional projects did, however, continue to provide strong investment opportunities, with 5,470 rooms added to the pipeline across 27 projects. These projects have potential value in excess of \$7.6 billion. There is an especially high propensity for mixed-used projects in Queensland, with 11 projects adding 3,210 rooms, primarily across the state's northern regions.

Regional demand contributed to a boost in the Queensland pipeline to 8,710 rooms across 29 projects. Strong levels of investment activity, driven by high accommodation occupancy and revenues, resulted in an additional 7,440 rooms and 5,270 rooms in mixed-use establishments across Victoria and New South Wales, respectively.

NUMBER OF ROOMS IN MIXED-USE ACCOMMODATION PROJECTS, BY STATE



MIXED-USE ACCOMMODATION PROJECTS





More than 9,100 rooms are already under construction across key mixed-used developments, including:

- Queens Wharf, Brisbane – 1,000 rooms, valued at \$3.0 billion.
- Jupiter’s Integrated Resort, Gold Coast – 700 rooms, valued at \$500 million
- The Ribbon Darling Harbour, Sydney – 402 rooms, valued at \$700 million.

Mixed-used properties continue to provide an outlet for well-known international hotel brands. Some of the key brands anchored in mixed-use developments include:

- Marriott – Ritz-Carlton, Aloft, W hotels, Westin
- Hilton – DoubleTree, Curio Collection
- Accor – MGallery, Mercure, Novotel
- InterContinental Hotels – Hotel Indigo, Holiday Inn
- Toga Far East – Adina, Vibe.

However, while mixed-use traditionally stems from Asian foreign investment, allowing investors to diversify their funds, there has been significant growth out of Australian developers, especially:

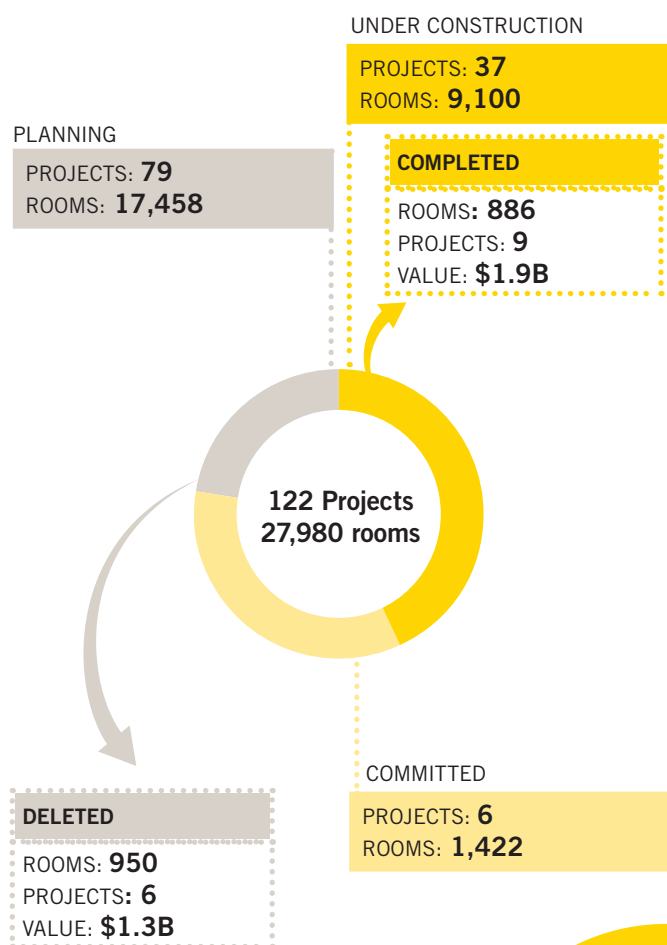
- Meriton Suites
- Skye Suites
- Abode Hotels.

There were nine hotels opened in new mixed-use developments in 2017–18, adding 880 rooms to accommodation supply. Some of the key projects included:

- The Darling at The Star Gold Coast – 57 rooms, \$345 million
- Skye Hotel Suites Parramatta – 72 rooms, \$309 million
- FV by Peppers Brisbane – 87 rooms, \$200 million.

In 2017–18, there were six mixed-use projects that were abandoned or deferred, so left the pipeline. These projects had the potential to add 950 rooms to Australia’s capital cities.

VALUE OF MIXED-USE ACCOMMODATION INVESTMENT, BY PROJECT PHASE



MIXED-USE ACCOMMODATION PROJECTS

