

APPENDIX A: RESOURCES

Tourism Research Australia has used a range of resources to compile the tourism industry investment pipeline database in this report. There are three main sources - Deloitte Access Economics' Investment Monitor; Jones Lang LaSalle Hotels; and STR Global Asia Pacific's Pipeline Database.

The **Deloitte Access Economics (DAE) Investment Monitor** provides details on the total investment chain from pre-approval through to completion for a number of industries (including accommodation) in five project stages:

- **Possible:** projects which have been announced, but no early decision has been made on whether to proceed
- **Under consideration:** a decision whether to proceed is expected in the near future
- **Committed:** projects where a decision to proceed has been announced but construction has not yet started
- **Under construction:** where work has commenced on the project
- **Completed:** project has been completed.

DAE only lists individual projects worth \$20 million or more (excluding land costs), and reports on projects at a single location and purpose. It also splits information on the accommodation sector by hotels and resorts, but it does not include the number of rooms to be built in specific investments.

The **STR Global Asia Pacific Pipeline Database** provides a monthly summary of the number of hotel and resort pipeline projects, recently opened hotels and the number of existing hotels to give a picture of current and future supply within Australia. Similar to the DAE Investment Monitor, the STR Global database provides details on the investment pipeline chain from pre-approval through to completion in four project stages:

- **Unconfirmed:** potential projects that remain unconfirmed at this time
- **Planning:** confirmed, under contract projects where construction will begin in more than 12 months
- **Final planning:** confirmed, under contract projects where construction will begin within the next 12 months
- **In construction:** vertical construction on the physical building has begun, not including construction on any sub-grade structures (e.g. parking garages, underground supports/footers, other type of sub-grade construction)
- **Recently opened:** project opened within the last 12 months.

STR Global does not supply information on the value of all projects, however, it does include the number of rooms to be built. TRA draws on information from industry and media to source the value of projects to include in the *Monitor*.

ALIGNMENT OF DATA SOURCES

TRA uses each of these three information sources to assess the latest investment and supply of key infrastructure. These sources are used by TRA to construct a tourism investment pipeline database for use in compiling the *Tourism Investment Monitor*.

In doing so, the project stages presented by DAE in its Investment Monitor have been broadly adopted and applied to information sourced from the JLL and STR Global databases in the following way:

- **Under consideration/possible:** includes projects identified as 'possible' (DAE), 'under consideration' (DAE), 'unconfirmed' (STR Global), 'planning' (STR Global), 'final planning' (STR Global).
- **Committed/under construction/recently completed:** includes projects identified as 'committed' (DAE), 'under construction' (DAE), 'in consideration' (STR Global), 'completed' (DAE), 'recently opened' (STR Global).
- **Sold:** includes accommodation property transactions identified in sources including Colliers, CBRE, JLL and Savills.

PROJECT THRESHOLDS

With regard to project thresholds:

- The *Monitor's* primary threshold is for projects valued at \$20 million or more.
- The threshold for hotel and resort sales is above \$5 million.
- The project values and pipeline progression are as at year ending December 2015.

With this in mind, researchers should note the following caveats:

- The *Monitor* is not an exhaustive list of current or potential development projects.
- The *Monitor* does not claim to account for all tourism investments but it does include major investments that will impact on supply. In addition, the *Monitor* includes an analysis of accommodation sector transactions relating to the sale of existing stock.

- The *Monitor* excludes mixed-use developments, unless stated otherwise, due to the difficulties in ascertaining the value of these projects to particular sectors.
- The *Monitor* excludes aircraft fleet options, that is, those orders that are not definite and are highly subject to change.
- Where possible, TRA has checked major projects with the relevant company. Where TRA is unable to obtain the estimated cost from the developer or investor, TRA has estimated project costs.
- The *Monitor* considers both investment in aircraft and the uptake of leases by airlines. It provides the market value of the aircraft, regardless of whether they are purchased or leased.
- Some accommodation projects included in this year's accommodation investment pipeline may be considered to be part of a mixed-use development. TRA categorises projects as either standalone accommodation or mixed-use accommodation projects based on market intelligence and key data sources available at the time. To ensure accommodation investment figures in this year's *Monitor* are comparable with those presented in the *2015 Tourism Investment Monitor*, these accommodation projects remain classified as standalone accommodation projects. TRA will re-assess the methodology for standalone and mixed-use accommodation projects and will adjust the pipeline in next year's *Monitor*.