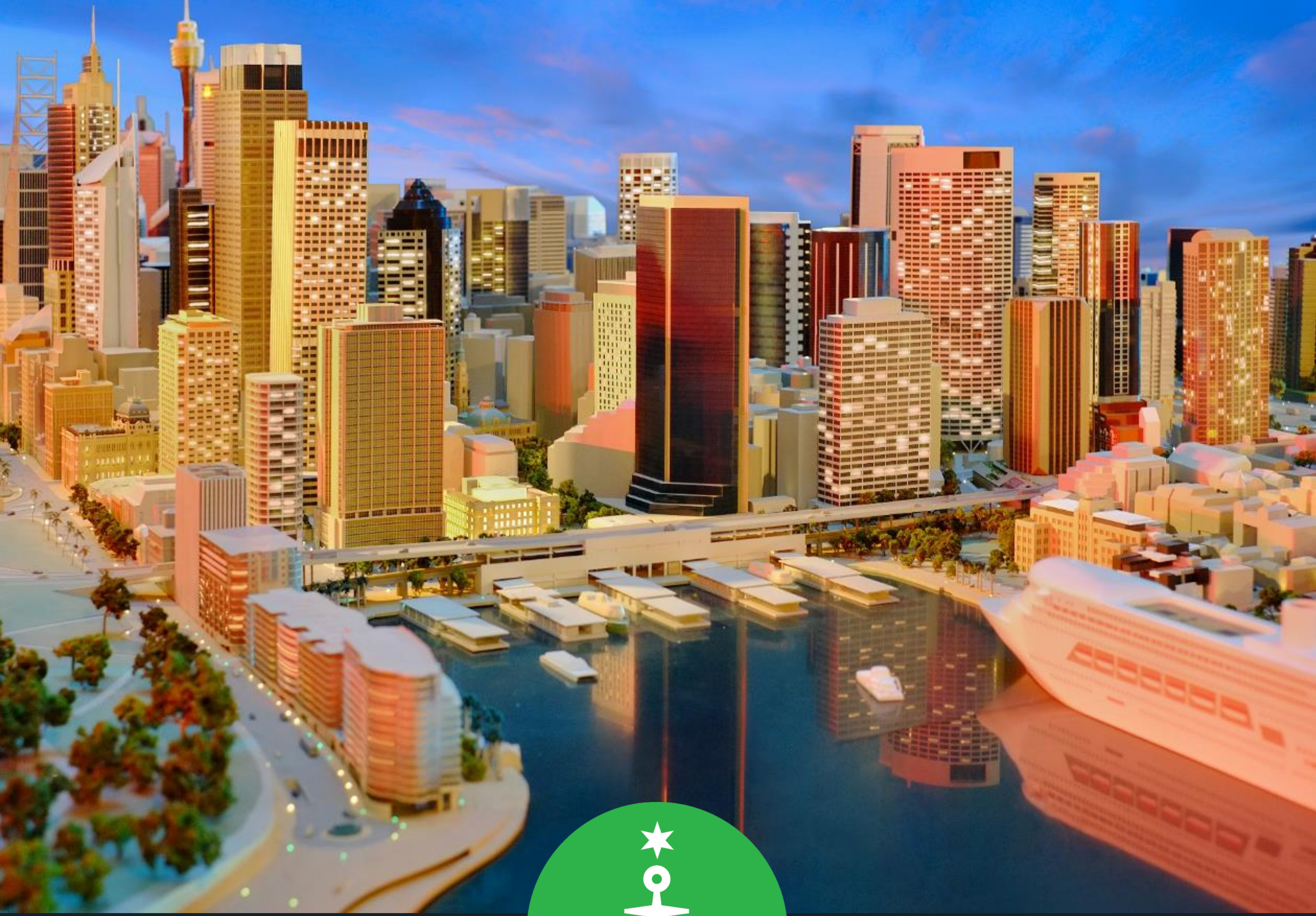

Visitor Accommodation Monitor

June 2020

CITY OF SYDNEY

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Introduction

Covid-19 continues to have a very significant impact on our city, particularly within the tourism sector.

Expected completion dates for visitor accommodation developments are particularly difficult to forecast for pipeline developments for at least the next five years. There is not yet enough information to predict with any certainty how Covid-19 will impact development timelines going into the future and as such the forecast completions within this report are based on regular development cycles.

The City of Sydney ("the City") recognises the availability of visitor accommodation is important to the success of the local and national economies. Around 12 million domestic and international overnight visitors stay in our city annually for a range of purposes including leisure, education or carrying out business[1]. The City of Sydney's Community Strategic Plan sets the framework for the future of the city. There are a number of targets the City has set to reach the vision of where the community wants the city to be in 2030.

SS2030 Strategic Direction 1 – 'A globally competitive and innovative city' is a core component of the vision where the City will strive to strengthen globally competitive clusters and networks, develop innovative capacity and enhance business competitiveness. Tourism and accommodation is recognised as one of the key sectors which will continue to play a major role in the city's economy as it primes itself as being a premier destination on both the local and international scale. Objective 1.4 states 'Sydney's tourism infrastructure, assets and brand contribute to its role as a global visitor destination'. This objective recognises the delivery of key tourism infrastructure such as projects designed to improve the city's public spaces making them attractive and accessible to visitors and enhancing our profile as a global visitor destination. In association with the NSW Government, the City creates the framework for how the city develops so we have the space and infrastructure we need for our residents, workers, businesses and visitors. Recognising this core role, the City has a significant level of influence in the timely and targeted delivery of tourism infrastructure and accommodation as demonstrated through the statutory planning framework.

In most cases, the City is the consent authority for development applications for visitor accommodation which includes hotels, serviced apartments, backpackers accommodation and hosted accommodation (such as bed and breakfast establishments). The City can also influence the supply of visitor accommodation through advocacy to encourage a diverse sector. In 2014, the City adopted its Tourism Action Plan which presents actions to support the visitor economy. One of the key actions set out in the plan is: '*Continue monitoring supply and demand and engaging with industry'.*

The Visitor Accommodation Monitor addresses this action by providing a comprehensive overview of pipeline activity as at 30 June year end as well as a snapshot of total visitor accommodation stock by establishment type including hotels, serviced apartments and backpackers in the city and geographic variation by small area. It is noted that this report does not cover AirBnB stock.

[1] Tourism Research Australia, International Visitor Survey (IVS) and National Visitor Survey (NVS) 2020

There are ten City of Sydney villages that have been grouped into four distinct areas for the purpose of analysis and discussion in this report:

- **CBD villages:** CBD and Harbour, Chinatown and CBD South
- **Eastern villages:** Macleay Street and Woolloomooloo, Oxford Street, Crown and Baptist Streets
- **Southern villages:** Green Square and City South, Redfern Street, King Street
- **Western Villages:** Glebe Point Road, Harris Street

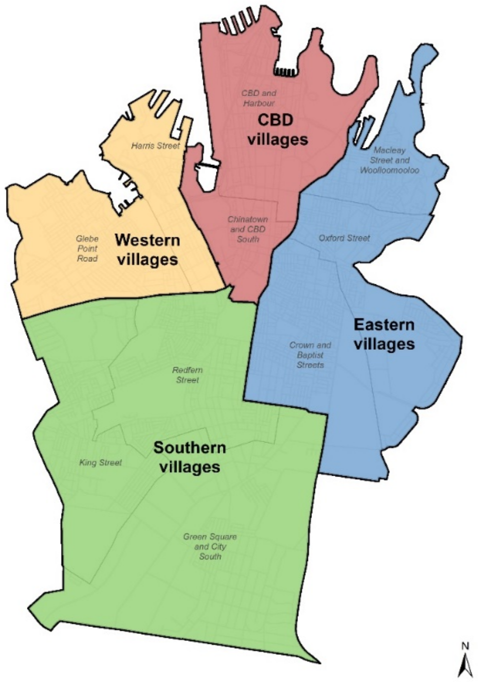

Figure 1. Map of the City of Sydney local area showing grouping of villages

Methodology

All developments that contribute to the city's visitor accommodation stock are captured in this report. "Visitor accommodation" includes hotel rooms, serviced apartment rooms and backpacker beds. The classification "hotel rooms" includes rooms in standard hotels, bed and breakfasts, pubs and motels. The report includes new visitor accommodation establishments and any additional rooms, conversions, alterations and renovations that impact the stock of visitor accommodation in the City.

Stages of the Development Cycle

Developments are grouped by the following categories:

- **Completed** – developments that have completed construction
- **Commenced** – developments that are currently under construction but have yet to be completed at the report date.
- **Approved** – developments that have been approved by relevant authorities but have yet to commence at the report date.
- **Lodged** – developments that have been submitted for approval but have not yet been approved by the consent authority at the report date.

Expected Completion Dates

When a development application is lodged it is assigned an estimated completion date. This date is based on the average timelines of similarly sized developments that have been previously completed. The expected completion date is reviewed each time the development moves through a stage in the development cycle and is revised when appropriate.

Disclaimer

While all care is taken to ensure this data is accurate, the Urban Analytics team relies on what has been reported in the Statement of Environmental Effects submitted with a development application. In addition, if the development application is lodged as a concept plan, key details may not be available at the time of lodgement and will be updated at a later date.

Please direct any questions about this data to the Urban Analytics team research@cityofsydney.nsw.gov.au or (02) 9265 9333.

Visitor Accommodation Trends

During the 2019/20 financial year, 4.7 million international and domestic overnight visitors stayed in commercial accommodation located in the City of Sydney LGA; collectively, this represented approximately 23.8 million guest nights[2].

Average annual occupancy rates for central Sydney have decreased during the last financial year from 86.5% to 66.4%.

Table 1: Occupancy rate of visitor accommodation stock in Metropolitan Sydney.

Reporting Period	Occupancy Rate
Jul-Sept 2019	84%
Oct-Dec 2019	86%
Jan-Mar 2020	70%
Apr-Jun 2020	25.5%

Source: STR via Destination NSW https://www.destinationnsw.com.au/tourism/facts-and-figures/accommodation#accommodation

[2] Tourism Research Australia: International Visitor Survey (IVS) and National Visitor Survey (NVS) 2020

In the 10-year period to 2019/20, the number of international and domestic overnight visitors staying annually in commercial accommodation has increased by 3.5% (from 4.53 million in 2010/11 to 4.69 million in 2019/20)[3]. The impact of Covid-19 is particularly evident in these figures, with the number of international visitors comparable to a decade ago in stark contrast to previous 10-year comparisons (over 50% increase between 2009/10 and 2018/19).

Guest nights have also been impacted, with a decrease of around 10 million between 2018/19 and 2019/20, and a decrease of around 3 million from the 2010/11 figure of 26.96 million.

Table 2: Guest nights (millions) in the local area over the last ten years.

Financial Year	Guest Nights (millions)
2010/11	26.96
2011/12	26.58
2012/13	26.93
2013/14	29.16
2014/15	30.69
2015/16	29.39
2016/17	27.85
2017/18	29.29
2018/19	32.03
2019/20	23.84

Source: Tourism Research Australia International and National Visitor Surveys (2020)

Table 3 on the following page shows the total visitor accommodation stock by village area from 2015/16 to 2019/20 and forecast completions for 2020/21 to 2024/25 based on known development applications and their estimated completion dates as of 30 June 2020.

[3] Tourism Research Australia: International Visitor Survey (IVS) and National Visitor Survey (NVS) 2020

Table 3: Visitor accommodation completions (2015/16-2019/20) and expected completions (2020/21-2024/25) by village

As noted in the Introduction of this report, expected completions particularly for visitor accommodation developments are particularly unpredictable over the coming five years. The expected completion dates below are forecast based on regular development cycles as there is currently not yet enough information to predict with any certainty how Covid-19 will impact development timelines going into the future.

Financial Year	CBD and Harbour	Chinatown and CBD South	Crown and Baptist Streets	Glebe Point Road	Green Square and City South	Harris Street	King Street	Macleay Street and Wooll'oo	Oxford Street	Redfern Street	Total
2015/16	358	274	23	28	-	4	-	1	-	91	**779**
2016/17	232	777	-	9	100	13	-	-	-	-	**1,131**
2017/18	163	548	62	53	-	451	39	27	40	235	**1,618**
2018/19	36	60	70	-	16	-14	-	45	-	297	**510**
2019/20	687	-	8	-	142	50	-	-	25	11	**923**
2020/21	760	807	12	-	143	99	-4	11	8	-	**1,836**
2021/22	414	172	-	-	22	-	19	34	183	169	**1,013**
2022/23	672	535	182	86	-	2	-	87	69	158	**1,791**
2023/24	2,097	1,847	256	-	89	80	-	-	119	105	**4,593**
2024/25	633	2,292	-	-	-	-	-	-	-	-	**2,925**
Total	**6,052**	**7,312**	**613**	**176**	**512**	**685**	**54**	**205**	**444**	**1,066**	**17,119**[4]

[4] Includes hotel rooms, serviced apartment units and backpacker beds.

Existing Stock at 30 June 2020

Table 4: Total stock numbers by visitor accommodation type at 30 June 2020

Accommodation Type	Rooms/Beds/Units	% of Total
Hotel Rooms	22,830	69.2%
Serviced Apartment Units	6,138[5]	6.5%
Backpacker Beds	8,004	24.3%
Total	**36,972**	**100.0%**

Just under half (45.5%) of all hotel rooms were located in CBD and Harbour whilst over quarter of hotel rooms were located in Chinatown and CBD South (24.0%). At 30 June 2020, Chinatown and CBD South had the highest number of serviced apartments (33.9%) of all serviced apartment units in the City of Sydney local area. Chinatown and CBD South also had the highest number of backpacker beds (3,097) followed by Macleay Street and Woolloomooloo (2,125), accounting for 38.7% and 26.6% respectively.

Since 30 June 2019, there have been small increases to the stock of hotel rooms (3.7%) and serviced apartments (1.9%) and no change to the number of backpacker beds or pub room accommodation. Each village area offers diverse visitor accommodation options, and the local area as a whole caters from budget to world class five-star hotel establishments. CBD and Harbour and Chinatown and CBD South attracts a significant share of the city's larger 4 and 5-star hotel establishments with room capacities exceeding 200+ rooms.

Table 5: Total visitor accommodation stock by type and year

Accommodation Type	2016	2017	2018	2019	2020
Hotel Rooms	18,997	20,027	20,931	21,311	22,133
Backpacker Beds	7,648	7,714	8,004	8,004	8004
Serviced Apartment Units	5,504	5,517	5,877	6,037	6,138
Pub Rooms[6]	739	715	697	697	697

[5] This figure includes a reduction of 12 serviced apartment rooms as part of D/2016/1158

[6] For the purpose of this table pub rooms and hotel rooms have been separated to compare accommodation types. In Table 4 these two groups have been added to total 22,830 capacity.

The charts in Table 6 show the proportion of total rooms or units which are located in establishments across varying ranges: < 20 rooms; 20 - 49 rooms; 50 - 99 rooms; 100 - 199 rooms and 200 + rooms.

At 30 June 2020, around 65% of hotel rooms in the City of Sydney local area were in very large establishments that have 200+ rooms. Just over 18% of hotel rooms were in establishments with 100-199 rooms, with smaller proportions in hotels with 99 rooms or less. Serviced apartments are slightly more evenly distributed across a range of establishment sizes, with 30.3% in establishments with 200+ units, 42.1% in establishments with 100-199 units and 27.6% in rooms with 99 units or less.

Backpacker beds were mainly in large establishments with 200+ rooms, with the majority of stock located in these larger properties with multiple beds in each room.

Table 6: Proportion of total stock by size of establishment

Accommodation Type	< 20	20-49	50-99	100-199	200+
Hotel Rooms	3.5%	5.1%	7.8%	18.2%	65.5%
Backpacker Beds	0.0%	5.9%	25.1%	23.9%	45.0%
Serviced Apartment Units	1.7%	10.1%	15.8%	42.1%	30.3%

Summary of Development Activity

Completions in 2019/20

Table 7. Net total rooms/units/beds completed in 2019/20

Accommodation Type	Rooms/Units/Beds	Percentage of Total
Hotel Rooms	822	89.1%
Serviced Apartments	101[7]	10.9%
Backpacker Beds	-	0.0%
Total	**923**	**100.0%**

In 2019/20 there were 10 developments completed that had a visitor accommodation component. These developments provided a net total of 923 additional rooms/units. There were no new backpacker beds completed in 2019/20. Four new hotels were completed with a total of 640 rooms, and one new serviced apartment building was completed with a total of 102 rooms. The remaining 93 rooms/units completed in 2019/20 were the result of either a refurbishment, alteration, change of use, conversion or addition. The majority of new visitor accommodation stock completed in 2019/20 were hotel rooms.

As seen in Table 8 the majority of additional visitor accommodation rooms/units were located in the CBD villages (74.4%).

Table 8. Accommodation completed in 2019/20 by village group

Village Group	Rooms/Units/Beds Completed 2019/20
CBD villages	687
Eastern villages	33
Southern villages	153
Western villages	50
Total	**923**

[7] This is a net total, as one completed development included the demolition of 12 serviced apartment units.

Pipeline at 30 June 2020

At 30 June 2020 there were a total of 11,113 hotel rooms, 936 serviced apartment units and 440 backpacker beds in the development pipeline, a total capacity of 12,489.

Table 9. Accommodation in the pipeline by status and type

Status	Hotel Rooms	Serviced Apartment Units	Backpacker Beds
Lodged	2951	89	-
Approved	6196	561	440
Construction Commenced	1966	286	-
Total	**11,113**	**936**	**440**

Hotel developments make up the largest proportion of visitor accommodation stock in all stages of the development pipeline. As of 30 June 2020 hotel rooms contributing to:

- 97.1% of total stock in the Lodged stage, where a DA has been submitted but not yet approved.
- 86.1% of total stock in the Approved stage, where a DA has been approved by Council but construction has not yet commenced.
- 87.3% of total stock in the Construction Commenced stage, where a development is being constructed but has not yet been completed.

The majority of rooms/units/beds in the pipeline are for *new* visitor accommodation premises (71.0%), with the remaining being the result of either an alteration, fitout, change of use or refurbishment.

CBD Villages

Completions

Table 10. Completions and expected completions by financial year

Financial Year	Hotel Rooms	Serviced Apartments	Backpacker Beds
2015/16	632	-	-
2016/17	873	-	136
2017/18	532	-	179
2018/19	11	85	-
2019/20	585	102	-
2020/21	1,327	197	43
2021/22	586	-	-
2022/23	1,207	-	-
2023/24	3,653	-	291
2014/25	2,418	507	-
Total	**11,824**	**891**	**649**

There were 687 rooms/units completed in the CBD villages in 2019/20, which consisted of an additional 585 hotel rooms and 102 serviced apartment units. There was no addition to backpacker bed stock in this period.

There were five major developments with over 100 rooms/units completed in 2019/20:

- 230-228 Sussex Street, Sydney (201 hotel rooms)
- 58-60 Bathurst Street, Sydney (152 hotel rooms)
- 319 Sussex Street, Sydney (145 hotel rooms)
- 18 O'Riordan Street, Alexandria (142 hotel rooms)
- 230-228 Sussex Street, Sydney (102 serviced apartment units)

As seen in Table 10, hotel rooms are the main type of visitor accommodation being completed in the CBD Villages and this is forecast to continue in coming years.

Pipeline

Table 11. Pipeline by status

Status	Hotel Rooms	Serviced Apartment Units	Backpacker Beds
Lodged	2,394	-	-
Approved	5,309	561	334
Construction Commenced	1,819	143	-
Total	**9,522**	**704**	**334**

At 30 June 2020 there were 10,560 visitor accommodation rooms / units / beds in the pipeline in the CBD Villages. This total represents around 85% of total pipeline stock in the City of Sydney local area.

Lodged

There were a total of 2,394 rooms / units / beds lodged but not yet approved at 30 June 2020. This total consisted of 2,394 hotel rooms. There were three major developments lodged in 2019/20 with over 300 rooms / units / beds:

- 525-529 George Street, Sydney (456 hotel rooms)
- 50-52 Philip Street, Sydney (331 hotel rooms)
- 371 Pitt Street, Sydney (304 hotel rooms)

Approved

There were a total of 6,204 visitor accommodation rooms / beds / units at approval stage at 30 June 2020, including 5,309 hotel rooms, 561 serviced apartment units and 334 backpacker beds. There was one major visitor accommodation development approved in 2019/20:

- 525-529 George Street, Sydney (456 hotel rooms)

Construction Commenced

There were a total of 1,962 visitor accommodation rooms / beds / units that had commenced construction, including 1,819 hotel rooms, 143 serviced apartment units and no backpacker beds. There were no major visitor accommodation developments that started construction in 2019/20.

Eastern Villages

Completions

Table 12. Completions and expected completions by financial year

Financial Year	Hotel Rooms	Serviced Apartments	Backpacker Beds
2015/16	1	23	-
2016/17	-	0	-
2017/18	113	24	-8
2018/19	70	45	-
2019/20	33	-	-
2020/21	25	-	6
2021/22	117	-	100
2022/23	338	-	-
2023/24	375	-	-
2024/25	-	-	-
Total	**1,072**	**92**	**98**

There were 33 hotel rooms completed in the eastern villages in 2019/20, with no serviced apartment units or backpacker beds completed in this period. Over the past 5 years an additional 301 rooms / units / beds have been added to the eastern villages.

As seen in Table 12, visitor accommodation completions in the eastern villages have been historically low, but set to increase from 2021/22 onwards, with around 900 rooms / beds / units forecast to be completed.

Pipeline

Table 13. Pipeline by status

Status	Hotel Rooms	Serviced Apartment Units	Backpacker Beds
Lodged	257	-	-
Approved	590	-	106
Construction Commenced	8	-	-
Total	**855**	**0**	**106**

At 30 June 2020 there were 961 visitor accommodation rooms / units / beds in the pipeline in the eastern villages. This total represents 7.7% of pipeline stock in the City of Sydney local area.

Lodged

There were a total of 257 rooms / units / beds lodged but not yet approved at 30 June 2020.

Approved

There were a total of 696 visitor accommodation rooms / beds / units at approval stage at 30 June 2020, which had not yet commenced construction

Construction Commenced

There were 8 visitor accommodation rooms / units / beds under construction in the eastern villages at 30 June 2020.

Southern Villages

Completions

Table 14. Completions and expected completions by financial year

Financial Year	Hotel Rooms	Serviced Apartments	Backpacker Beds
2015/16	77	14	-
2016/17	100	-	-
2017/18	160	-	114
2018/19	313	-	-
2019/20	142	11	-
2020/21	-4	143	-
2021/22	210	-	-
2022/23	158	-	-
2023/24	105	89	-
2024/25	-	-	-
Total	1261	257	114

There were 153 rooms / units completed in the southern villages in 2019/20, which consisted of an additional 142 hotel rooms and 11 serviced apartment units. There was no addition to backpacker bed stock in this period. Over the past 5 years 931 rooms / units / beds have been added to the southern villages.

Pipeline

Table 15. Pipeline by status

Status	Hotel Rooms	Serviced Accommodation Units	Backpacker Beds
Lodged	220	89	309
Approved	201	-	201
Construction Commenced	48	143	191
Total	**469**	**232**	**701**

At 30 June 2020 there were 701 visitor accommodation rooms / units / beds in the pipeline in the southern villages. This represents 5.6% of pipeline stock in the City of Sydney local area.

Lodged

There were a total of 309 rooms / units lodged but not yet approved at 30 June 2020. This total consisted of 220 hotel rooms and 89 serviced apartment units.

Approved

There were a total of 201 hotel rooms at approval stage at 30 June 2020, there were no backpacker beds or serviced apartment units at the approved stage.

Construction Commenced

There were a total of 191 visitor accommodation rooms / units that had commenced construction at 30 June 2020, including 48 hotel rooms and 89 serviced apartment units.

Western Villages

Completions

Table 16. Completions and expected completions by financial year

Financial Year	Hotel Rooms	Serviced Apartments	Backpacker Beds
2015/16	-	32	-
2016/17	9	13	-
2017/18	451	53	-
2018/19	-14	-	-
2019/20	62	-12	-
2020/21	99	-	-
2021/22	-	-	-
2022/23	88	-	-
2023/24	80	-	-
2024/25	-	-	-
Total	**775**	**86**	0

There was a net increase of 50 visitor accommodation rooms / units in the western villages in 2019/20, which included an additional 62 hotel rooms and reduction of -12 serviced apartment units.

Pipeline

Table 17. Pipeline by status

Status	Hotel Rooms	Serviced Apartment Units	Backpacker Beds
Lodged	80	-	-
Approved	96	-	-
Construction Commenced	91	-	-
Total	**267**	**0**	**0**

At 30 June 2020 there was a net total of 267 visitor accommodation rooms in the pipeline in the southern villages. This represents 2.1% of pipeline stock in the City of Sydney local area.

Lodged

There were a total of 80 hotel rooms lodged but not yet approved at 30 June 2020. There were no backpacker beds or serviced apartment units at lodged stage.

Approved

There were a total of 96 hotel rooms at approval stage at 30 June 2020. There were no backpacker beds or serviced apartment units at approved stage.

Construction Commenced

At 30 June 2020 there was a total of 91 visitor accommodation hotel rooms that had commenced construction in the western villages. There were no backpacker beds or serviced apartment units under construction at the time of reporting.

Disclaimer

Enquiries regarding this document should be made to:

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