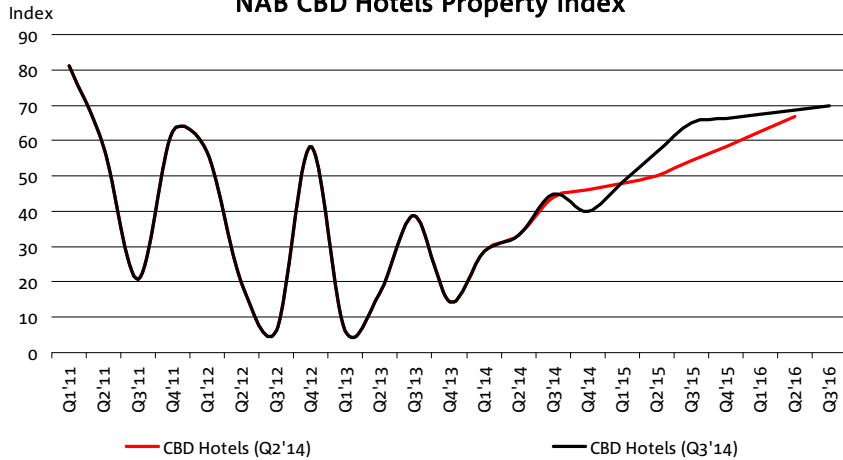


NAB Commercial Property Survey: CBD Hotel Market Q3 2014

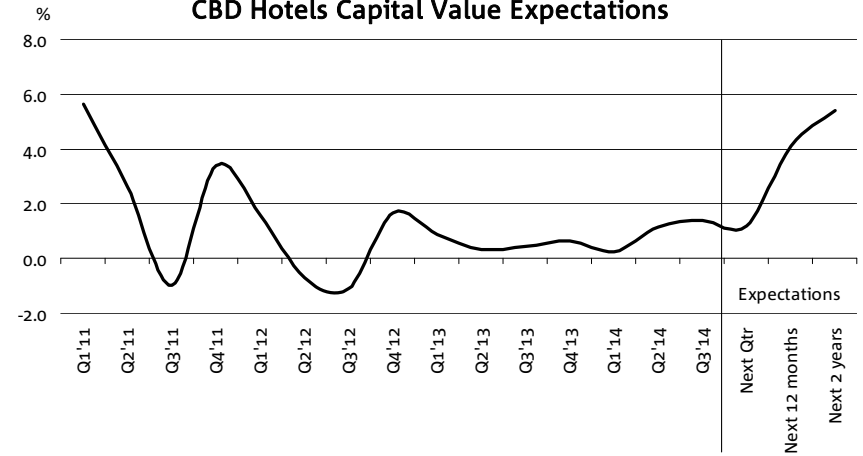
Sentiment in CBD hotel market rises sharply in Q3, with outlook for next 1-2 years also stronger.

NAB CBD Hotels Property Index



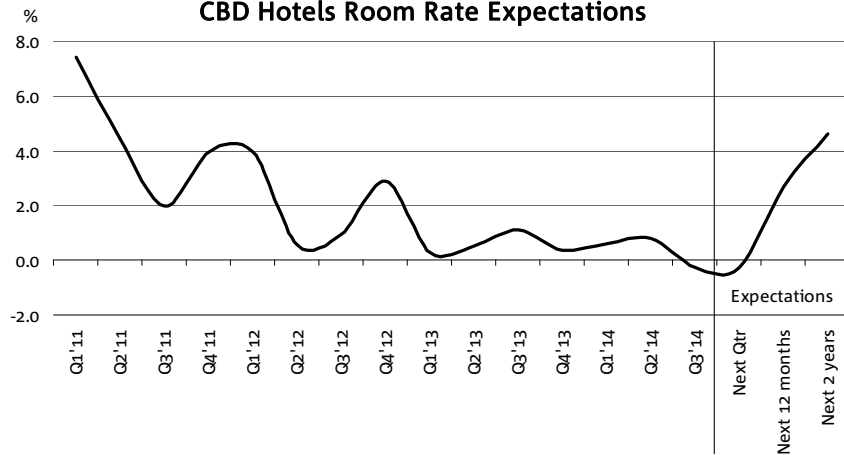
Capital value growth for CBD hotels accelerated slightly in Q3, but expectations in next 1-2 years significantly stronger than in Q2.

CBD Hotels Capital Value Expectations



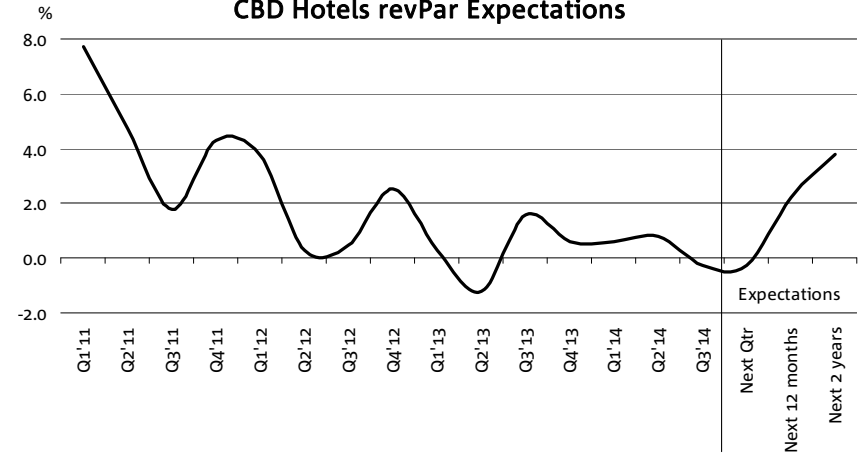
Room rate growth fell -0.3% in Q3, but very strong growth expected over next 1-2 years.

CBD Hotels Room Rate Expectations



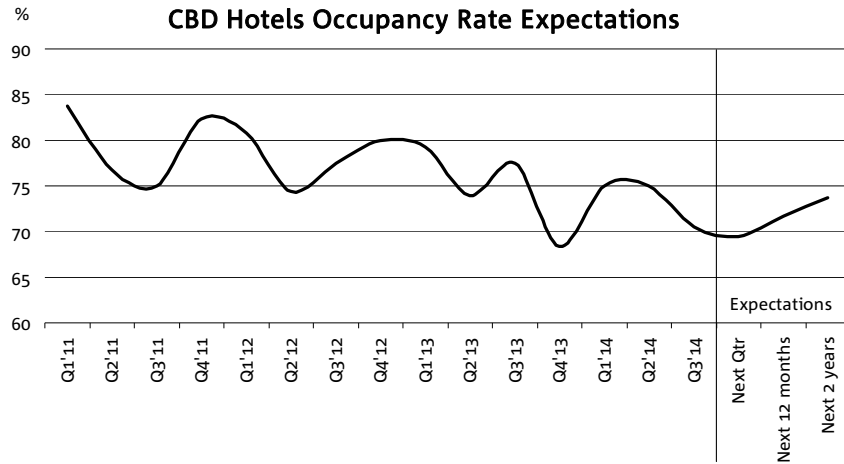
revPar growth contracted slightly in Q3, but outlook for revPar over the next 1-2 years much stronger relative to Q2 survey.

CBD Hotels revPar Expectations

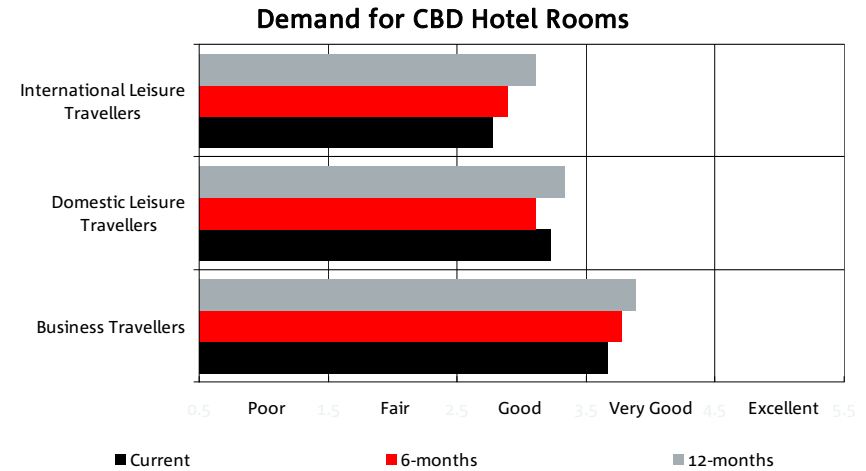


NAB Commercial Property Survey: CBD Hotels Market

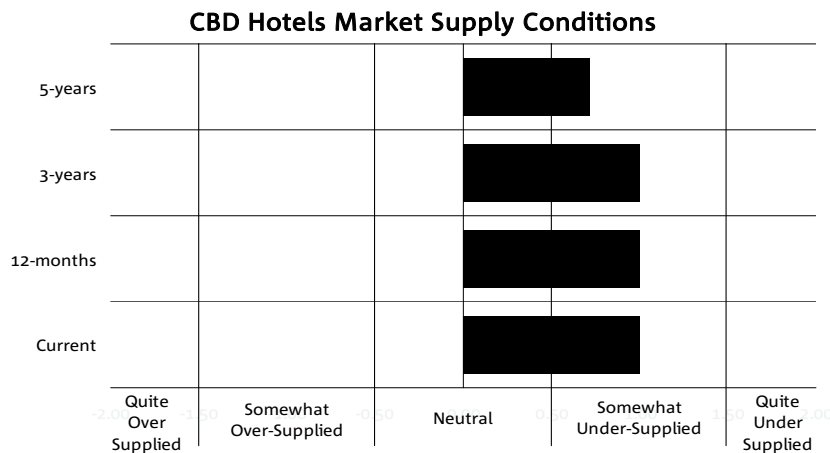
National occupancy rate fell to 70% in Q3. Occupancy rate tipped to rise slightly over next 1-2 years, but below long-term average.



Overall demand for CBD hotel rooms being led by business travellers, with demand from this group expected to remain “very good” over next 12 months. Demand from domestic and international tourists assessed as “good” and improving over the next 12 months.



The CBD hotel market is currently “somewhat” under-supplied, reflecting combination of modest supply additions and high occupancy rates. Market expected to remain “somewhat” under-supplied over next 5 years.



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