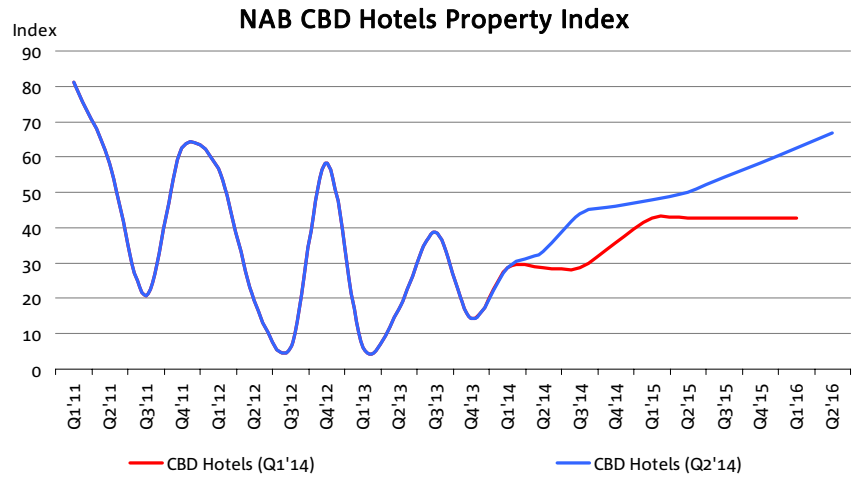
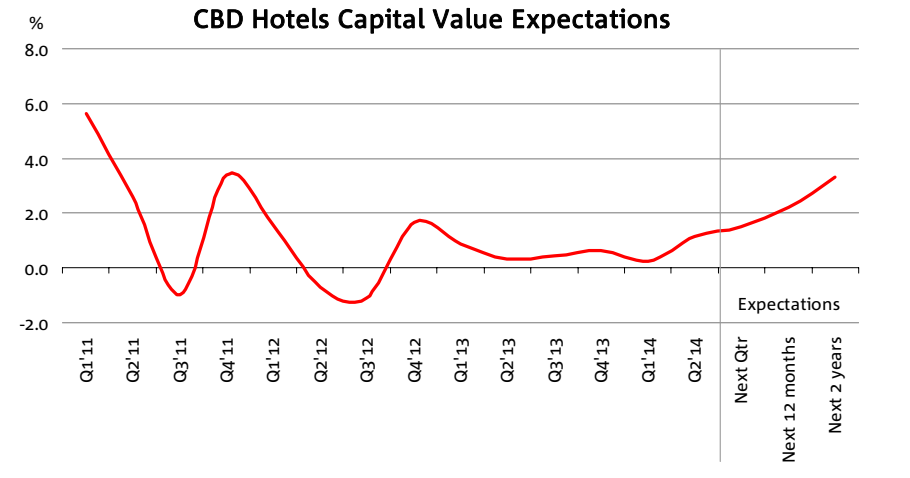


# NAB Commercial Property Survey: CBD Hotel Market Q2 2014

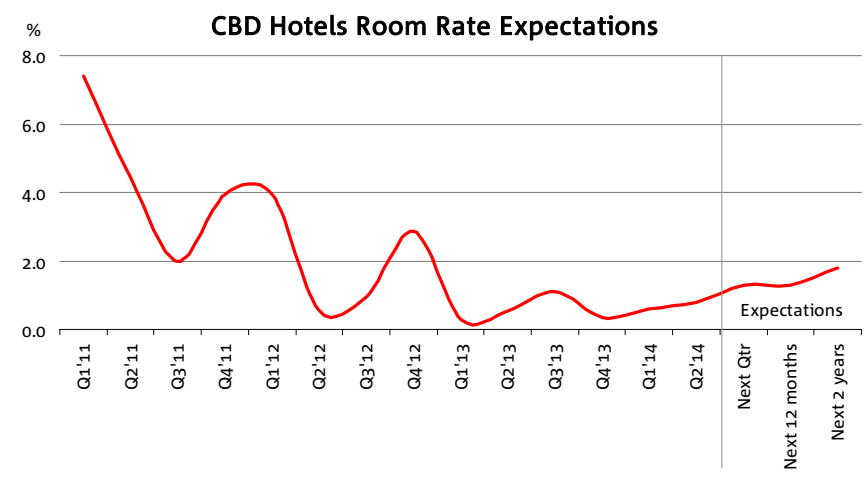
Sentiment in CBD hotel market rises notably in Q2, with outlook for next 1-2 years also much stronger.



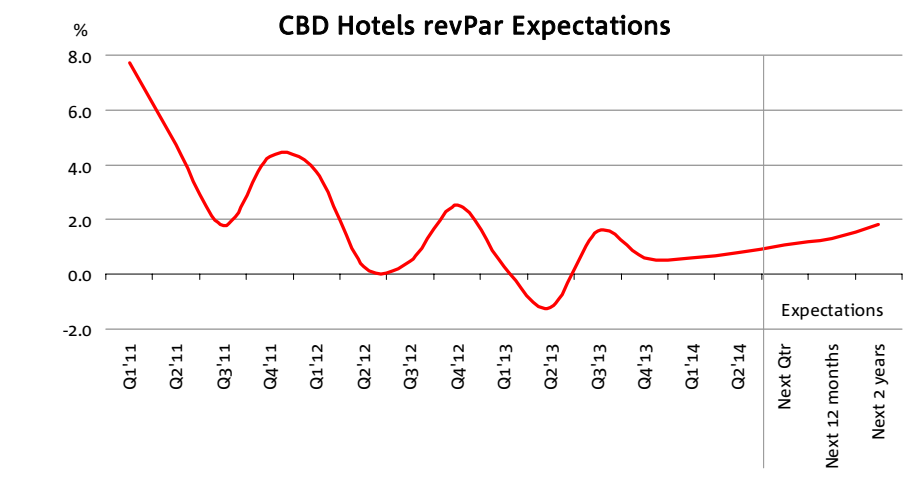
Capital value growth for CBD Hotels rose in Q2 and expectations for future capital growth over the next 1-2 years mildly stronger.



Room rate growth picked up slightly in Q2 as occupancy rates stayed high, but expectations for future growth revised down.

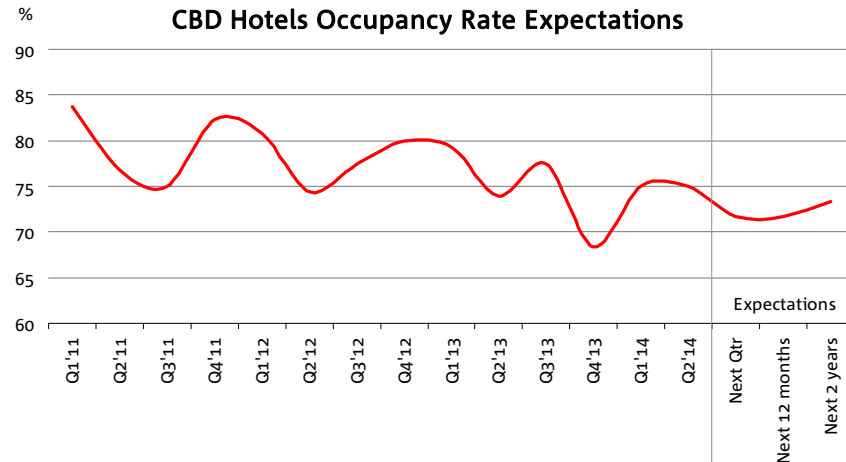


revPar growth improved in Q2, but outlook for revPar over the next 1-2 years weaker relative to Q1 2014 survey.

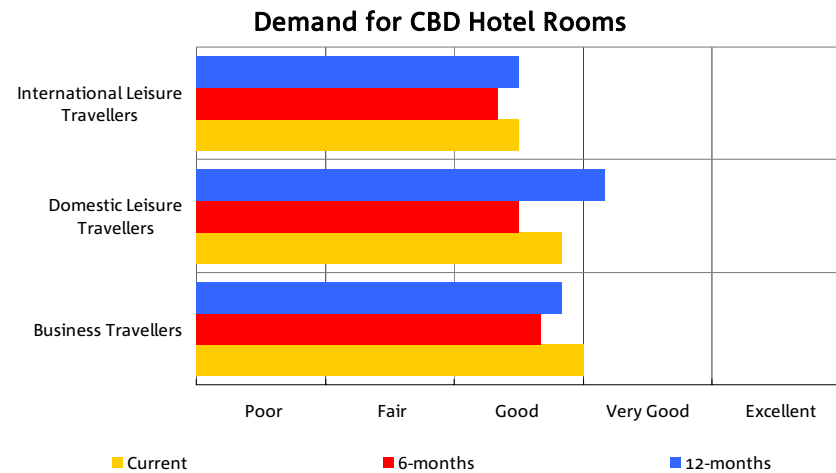


# NAB Commercial Property Survey: CBD Hotels Market

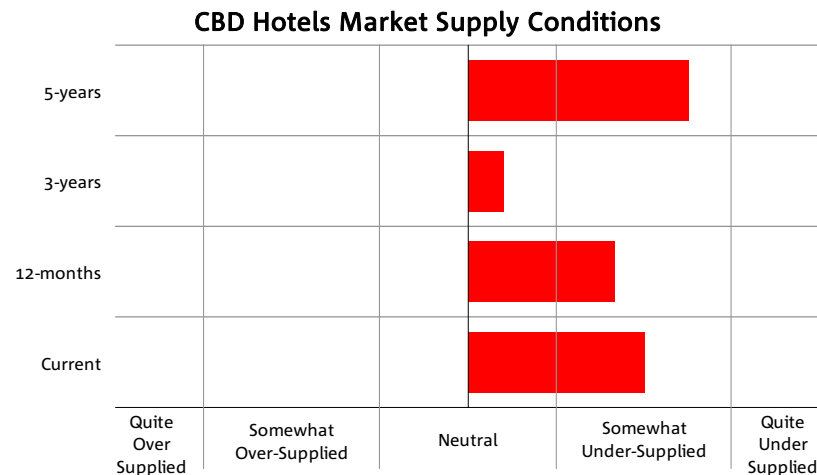
National occupancy rate broadly unchanged in Q2. Occupancy rate tipped to fall slightly over the 1-2 years, relative to current levels.



Overall demand for CBD Hotel rooms softened in Q2, with business travellers the only category to register “very good” levels of demand. However, demand from business travellers is expected to weaken over the next year, with this group replaced by domestic leisure travellers as the main driver of CBD hotel room demand.



The CBD hotel market is currently “somewhat” over-supplied, reflecting a combination of relatively modest supply additions in recent years and high occupancy rates. Respondents estimate that the market will return to “neutral” conditions in 3 years time, with under-supply again a feature of the market in 5 years time.



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