

Launceston accommodation study

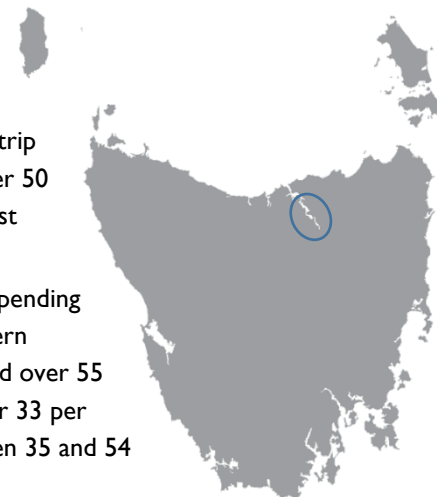
The 2017 *Accommodation Supply analysis for the Launceston & Northern Region* assesses the status of tourism demand and identifies the extent of accommodation supply required to meet future demand. The study also sought to gain insight into key visitor segments, particularly the high yield category.

The study was undertaken by BDA Marketing Planning on behalf of the Office of the Coordinator-General as part of its strategy for increasing investment in tourism infrastructure.

Snapshot

- Tourism demand has grown strongly over the past four years, with the biggest gain from the interstate market and strong international demand.
- In the year to June 2016 average annual occupancy was 64 per cent in the Greater Northern Region and 69 per cent in Launceston. However, the larger, higher rated hotels are indicating significantly higher occupancy rates than this.
- Occupancy in the region is still showing seasonality with average occupancy as high as 86 per cent in the summer months and over 75 per cent in Launceston for six months of the year.
- With analysts advising that 75 per cent occupancy is good for a vibrant sector, these results indicate that accommodation businesses in Launceston are already at that level from November to April each year with significant future visitor growth expected.
- Achieving the T21 target will see an additional 386 rooms required in Northern Tasmania and at least 271 of those in Launceston by 2020. If visitor numbers continue to grow at the rate they have been the requirements could be as high as or higher than 592 in Northern Tasmania and 387 specifically in Launceston.
- There are currently 108 rooms under construction in Launceston with a further 250 rooms under consideration, however this additional supply will not meet the requirements at 2020, let alone beyond, especially for the stronger demand scenarios.
- There is strong recent growth in demand for 4-5 star hotels. Demand for more standard hotels has been well up in the last three years, but is starting to steady.

- The number of visitors to the state who spend over \$2 000 per trip has grown by over 50 per cent in the last three years.
- Half of the high spending visitors to northern Tasmania are aged over 55 years and another 33 per cent aged between 35 and 54 years.
- Around two-thirds of high spending visitors are working and their household income is above average.
- Demand for rental accommodation is rising strongly and the sharing economy is estimated to be used by about 7 per cent of domestic visitors to Launceston, in line with the Australian average.



Government action

The Tasmanian Government's Visitor Economy Strategy is a partnership between government and industry that aims to grow annual visitor numbers to Tasmania to 1.5 million by 2020, and so generate visitor expenditure of around \$2.5 billion a year, greater capital investment and more jobs.

The Office of the Coordinator-General has been established by the Government to promote and attract investment into Tasmania, to facilitate major projects and to reduce red tape.

The Office is the principle agency for investment attraction and is your first point of contact within the Tasmanian Government for businesses wanting to establish, relocate, diversify or expand in Tasmania.

As part of the Office's tourism infrastructure strategy, the Government, is providing low interest loans through the [Tourist Accommodation Refurbishment Loans Scheme](#) to commercial tourism operators to revitalise and raise the standard of their accommodation offering.

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