Caravan Industry Association of Australia

INDUSTRY HEARTBEAT

MARCH 2020 QTR

BDO

Welcome to Heartbeat, our quarterly update on tourist accommodation trends.

This Report provides comparative analysis on changes in Occupancy, Average Daily Rate (ADR) and RevPAR across all three tourist accommodation categories of Cabins, Powered Sites and Unpowered Sites. Our analysis compares the current quarter with the same period last year, over time displaying trends to reflect market changes by state and park size. We define park size by the number of available sites and summarise ADR, Occupancy and RevPAR results in the final tables of the Report.

Key Terms

Average Daily Rate (ADR)

This measure identifies the average tariff for a Cabin, Powered Site or Unpowered Site on a daily basis. It is calculated by dividing total revenue received during the quarter for each accommodation category by the number of nights occupied.

Average Occupancy

This measure expresses the occupancy in percentage terms of Cabins, Powered Sites and Unpowered Sites for the quarter. It is calculated by dividing the number of nights occupied by the number of total available nights during the period.

Revenue Per Available Room (RevPAR)

RevPAR is a tool used to measure the overall success of various categories of accommodation within caravan parks. It is calculated by dividing total revenue received for Cabins, Powered Sites and Unpowered Sites during the quarter by the number of nights available in each accommodation category.

Our Approach

Average Daily Rate (ADR)

Working in collaboration with the Caravan Industry Association of Australia, BDO has collected data on behalf of the Industry from participating parks since October 2015 through our CaravanStats.com.au initiative.

With several years of data now available, we are in a position to incorporate year-on-year changes within this Report relating to overall market changes.

Disclaimer

This Report has been prepared exclusively for the Caravan Industry Association of Australia. BDO does not accept responsibility to any person for the contents of the Report.

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Mar-19 v Mar-20

Despite challenges from bushfires across Australia's East and South-East coast during January and the commencement of COVID-19 related travel restrictions in February, caravan park tourist accommodation results remained relatively consistent compared with last year. However, there were some initial signs of the pain that was to be felt more broadly.

National results below for the March 2020 quarter follow a greater tourism industry trend with weaker occupancy and RevPar results recorded across all accommodation types. While rates remained consistent with 2019, the cause of the decline was driven by reduced demand for accommodation due to the inability to travel or difficulty accessing certain areas of the country.

Across all accommodation types and notwithstanding tough economic times, it appears as though the continuing increase in tariffs year-on-year and greater focus on yield management is starting to show in occupancy rates. We expect opportunities will arise for park businesses that are in tune with the pricing strategies of their immediate competitor accommodation businesses.

CABINS

	% Occupancy	($ ADR)	($) RevPAR
Mar-19 QTR	53%	$166	$88
Mar-20 QTR	48%	$166	$79
Change	-5%	$-	-$9

POWERED SITES

	% Occupancy	($ ADR)	($) RevPAR
Mar-19 QTR	45%	$53	$24
Mar-20 QTR	39%	$54	$21
Change	-6%	$1	-$3

UNPOWERED SITES

	% Occupancy	($ ADR)	($) RevPAR
Mar-19 QTR	14%	$44	$6
Mar-20 QTR	11%	$46	$5
Change	-3%	$2	-$1

CABINS

March Quarter - 2017 to 2020

The graphs below show the Year on Year change in RevPAR for Cabins over the past 3 years during the March Quarter.

RevPAR Change

SA

2017 $82 **2020** $82 3 Yr Diff: $0

WA

2017 $63 **2020** $66 3 Yr Diff: $3

NT

2017 $33 **2020** $25 3 Yr Diff: -$8

QLD

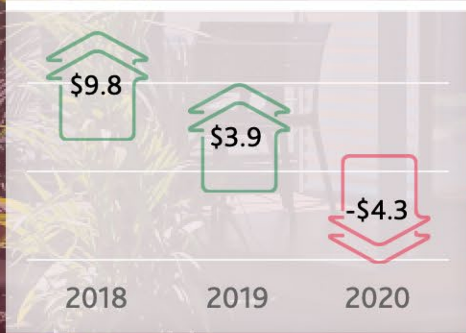
2017 $65 **2020** $77 3 Yr Diff: $12

NSW

2017 $102 **2020** $82 3 Yr Diff: -$20

VIC

2017 $81 **2020** $91 3 Yr Diff: $10



TAS

2017 $97 **2020** $103 3 Yr Diff: $6

Booking Lead Time	**46.0 Days** 46.2 Days Last Year
Average Stay	**2.7 Nights** 2.7 Nights Last Year
Booking Value	**$442 Inc. GST** $425 Inc. GST Last Year

The March 2020 quarter has seen a number of new challenges emerge for tourist parks, mostly impacting occupancy.

Tourist parks in New South Wales and northern Victoria, parts of South Australia and Queensland were greatest hit by the impact of Australia's devastating bushfires in January.

In New South Wales, Cabin RevPAR fell by $18 during the March quarter, down to $82 per room. While the daily rate fell by $3, this was mostly caused by a drop in occupancy of 8.8%, which could be attributed to the impact of bushfires and commencement of COVID-19 related travel restrictions. However, this occupancy drop of 8.8% in New South Wales follows an earlier 8.5% drop in occupancy in 2019, suggesting demand for cabins in NSW during the March quarter has steadily declined over the the past two years.

While ADR held steady in most States, Occupancy fell everywhere except for the Northern Territory during the March quarter.

Despite COVID-19 related headwinds seen in the latter stages of the March-20 quarter, Tasmania continued to improve its RevPAR yield from cabins, up to $103. This was driven by a step increase in ADR which continues the upward price trend seen over the last 3 years in Tasmania. While ADR and RevPAR increased, Tasmania's average cabin occupancy rate continued to decline which follows the overall national trend.

Results were fairly consistent across all park sizes while the fall in ADR seen in South Australia was mostly driven by larger parks (> 55 cabin sites) where the daily rate fell by $21 during the March quarter. In contrast, smaller parks in SA all recorded slight increases in the average nightly rate for cabins.

CABINS

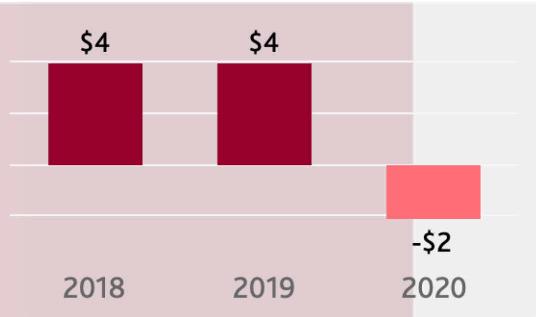
March Quarter - 2017 to 2020

The graphs below show the Year on Year change in Average Daily Rate ($ ADR) and Average Occupancy for Cabins over the past 3 years during the March Quarter.

SA

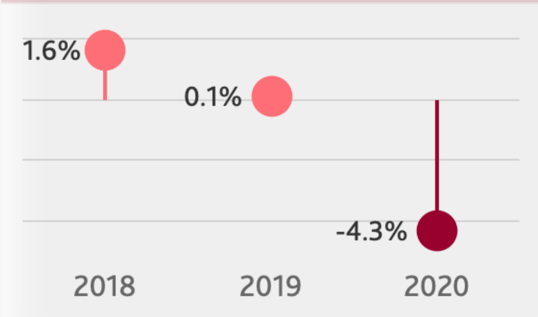
($) ADR Change

2017 $132 **2020** $138 $6



Occupancy Change

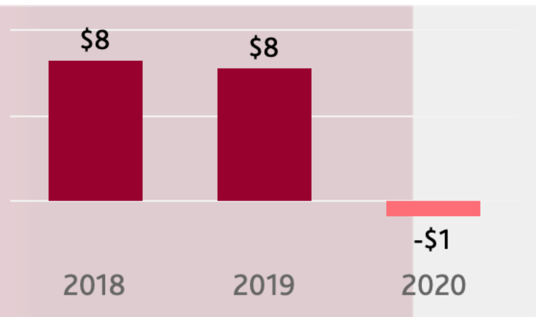
2017 62% **2020** 59% -3%



WA

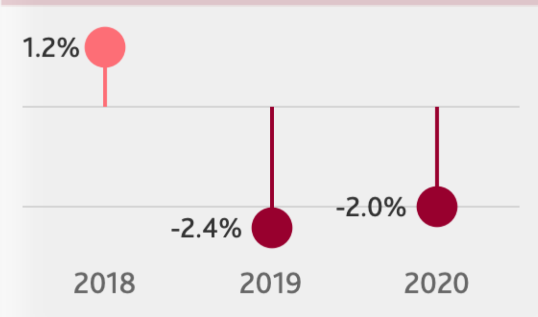
($) ADR Change

2017 $135 **2020** $150 $15



Occupancy Change

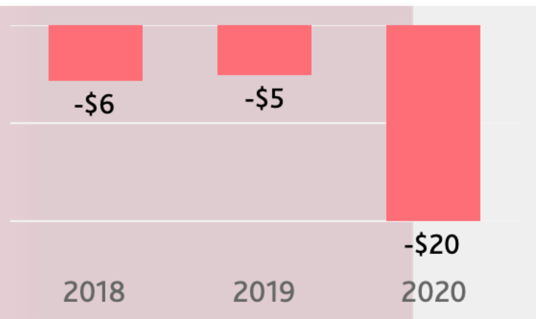
2017 47% **2020** 44% -3%



NT

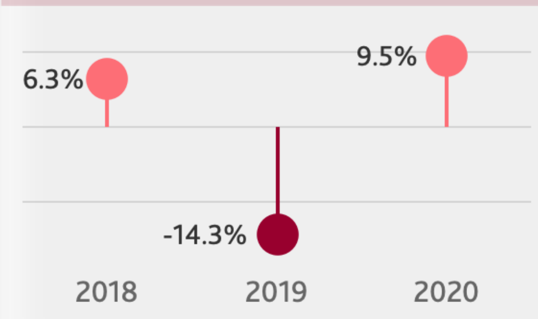
($) ADR Change

2017 $112 **2020** $81 -$31



Occupancy Change

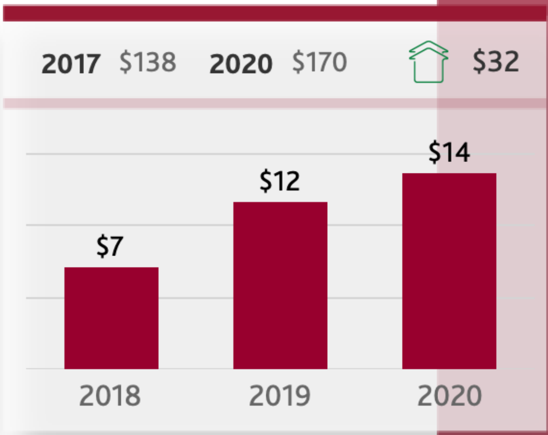
2017 30% **2020** 31% 1%

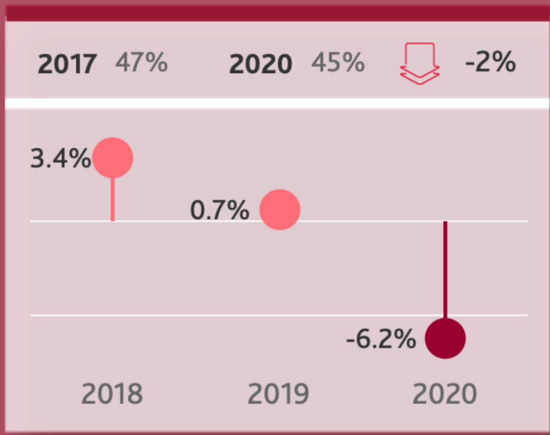


($) ADR Change

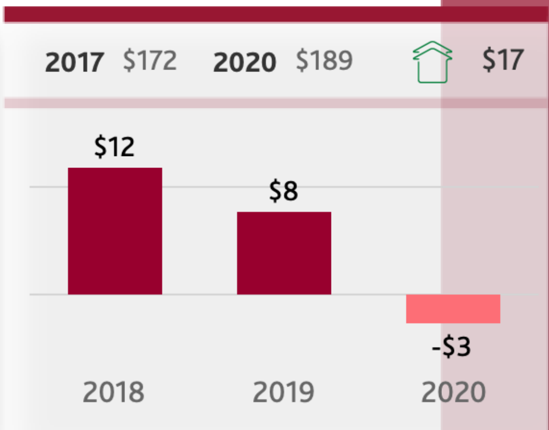
Occupancy Change

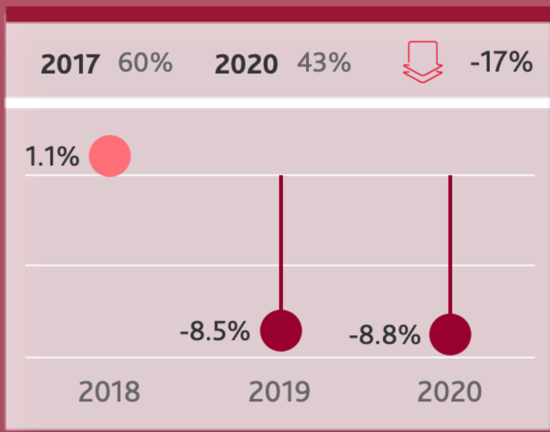
QLD



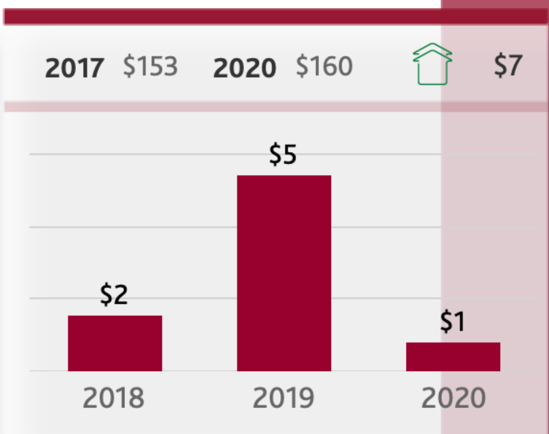


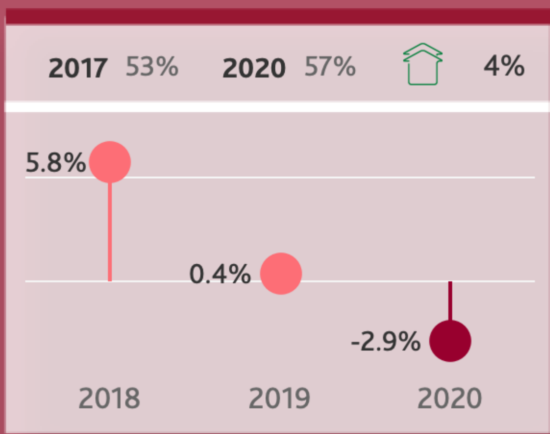
NSW



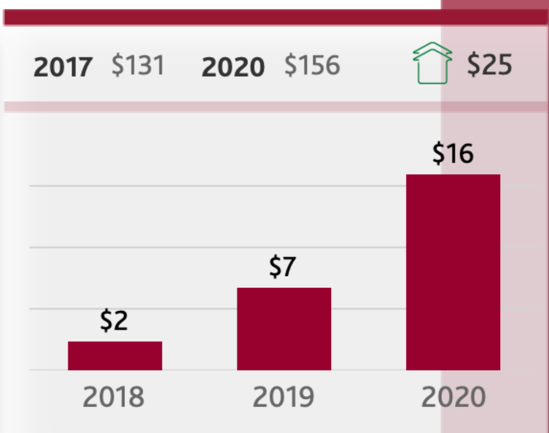


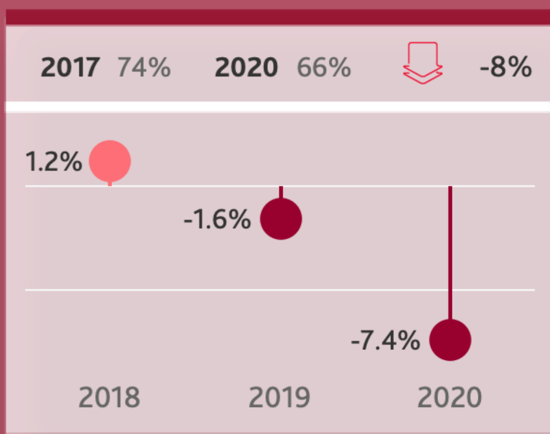
VIC





TAS





POWERED SITES

March Quarter - 2017 to 2020

The graphs below show the Year on Year change in RevPAR for Powered Sites over the past 3 years during the March Quarter.

RevPAR Change

SA

2017 $19 **2020** $20 3 Yr Diff: $1

2018	2019	2020
$1.9	$0.5	-$0.8

WA

2017 $17 **2020** $18 3 Yr Diff: $1

2018	2019	2020
-$0.1	-$1.2	$2.1

NT

2017 $2 **2020** $1 3 Yr Diff: -$1

2018	2019	2020
$0.5	-$0.6	-$0.9

QLD

2017 $19 **2020** $18 3 Yr Diff: -$1

2018	2019	2020
-$0.3	$0.4	-$0.8

NSW

2017 $26 **2020** $24 3 Yr Diff: -$2

2018	2019	2020
$2.8	$0.1	-$4.9

VIC

2017 $24 **2020** $23 3 Yr Diff: -$1

2018	2019	2020
$2.3	$0.0	-$3.0

TAS

2017 $31 **2020** $35 3 Yr Diff: $4

2018	2019	2020
$2.3	$1.3	$1.3

Booking Lead Time

44.5 Days
39.3 Days Last Year

Average Stay

3.5 Nights
3.5 Nights Last Year

Booking Value

$186 Inc. GST
$173 Inc. GST Last Year

Revenue from available Powered Sites during the March Quarter has largely remained unchanged since 2017.

States including South Australia, New South Wales, Victoria and to a lesser extent Tasmania all experienced strong increases in RevPAR from Powered Sites during the March quarter in 2018. This was driven by both increases in rate and occupancy. However during 2019 these results largely stagnated due to softening demand, shown in occupancy.

Overall turbulence experienced during the March 2020 quarter has seen these modest gains over the past few years reversed to yield generally the same, but slightly weaker results for Powered Sites compared with those seen in the March quarter of 2017.

Daily Rates for Powered Sites continued to improve across all states excluding NT during the March quarter.

Notwithstanding generally weaker occupancy results, Average Daily Rate has continued to increase by around $1 to $2 every year for Powered Sites in most states. While NSW continues to have the nation's highest ADR at $60 during the March quarter, overall revenue received from available Powered Sites remains relatively consistent across Australia's major states and ranges between $18 in WA to $35 in TAS.

Tasmania has maintained its high RevPAR result over the past 3 years, with consistent year-on-year increases. This is largely driven by the State's high portion of registered motorhomes and corresponding high demand (77% occupancy) for powered sites. However, occupancy has weakened during the March quarter in TAS over the past 2 years, suggesting these compounding increases may soften during future periods.

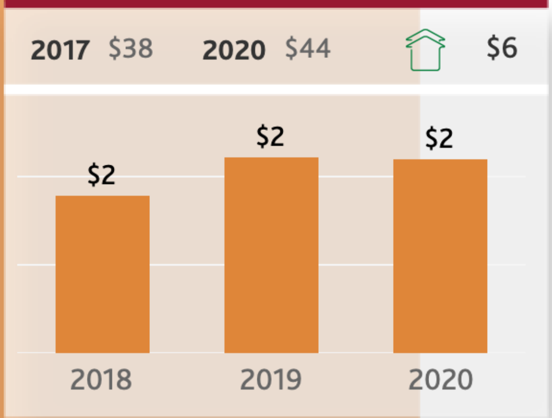
POWERED SITES

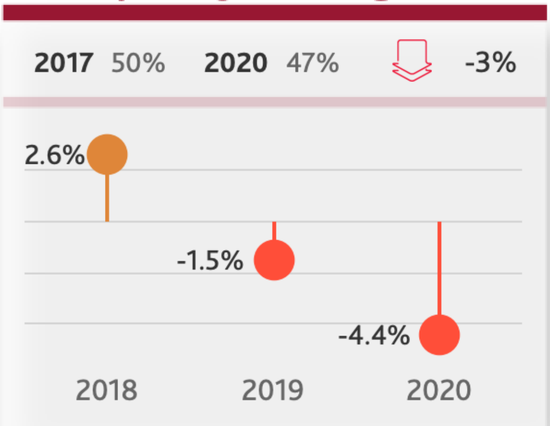
March Quarter - 2017 to 2020

The graphs below show the Year on Year change in Average Daily Rate ($ ADR) and Average Occupancy for Powered Sites over the past 3 years during the March Quarter.

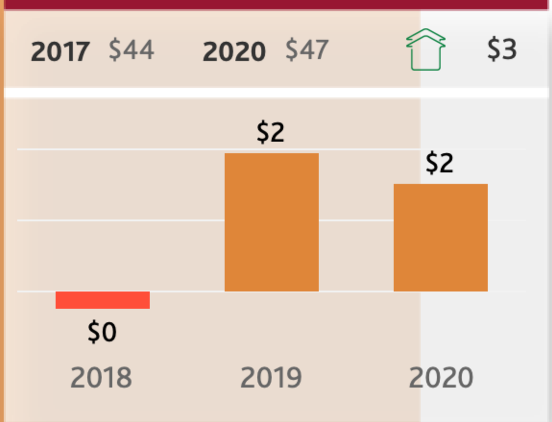
($) ADR Change | Occupancy Change

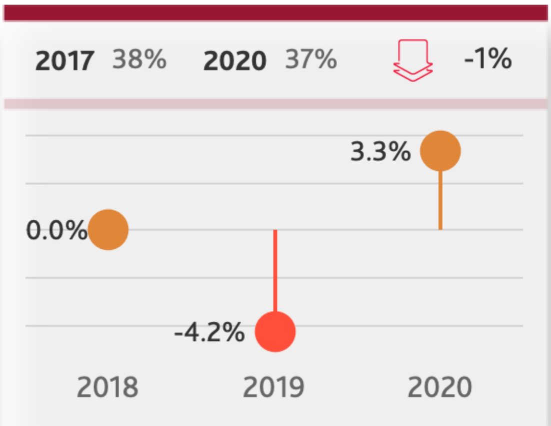
SA



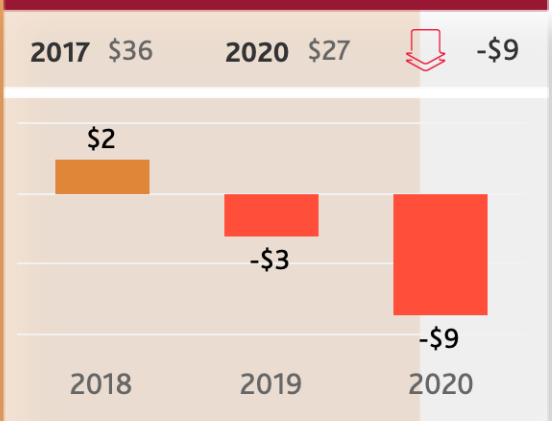


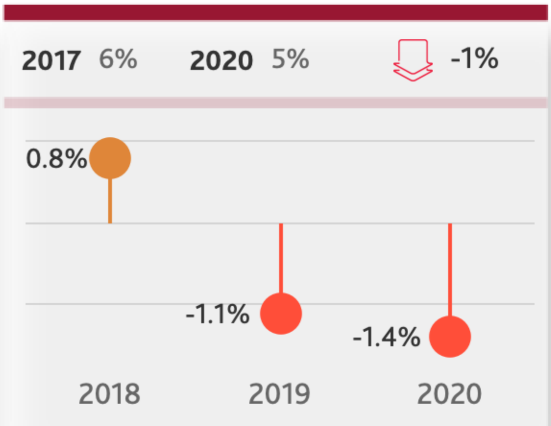
WA





NT



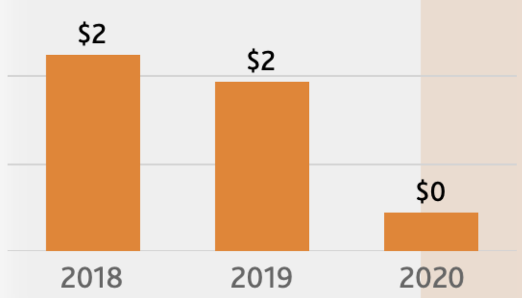


($) ADR Change

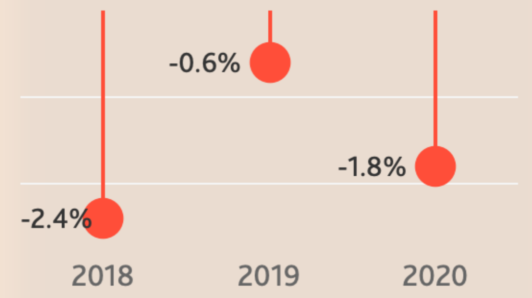
Occupancy Change

QLD

2017 $47 **2020** $52 $5

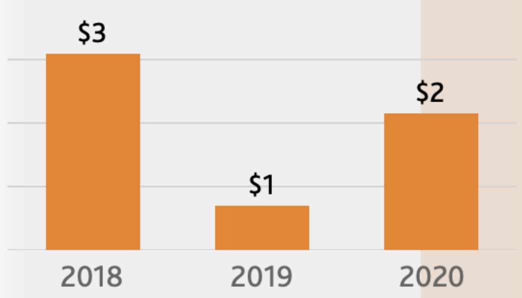


2017 40% **2020** 35% -5%

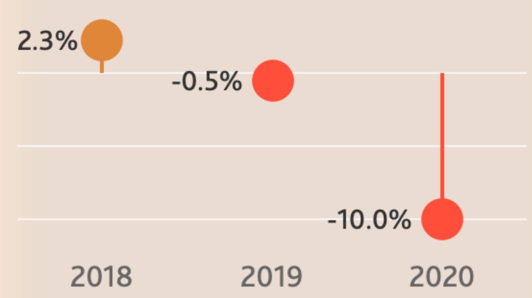


NSW

2017 $54 **2020** $60 $6

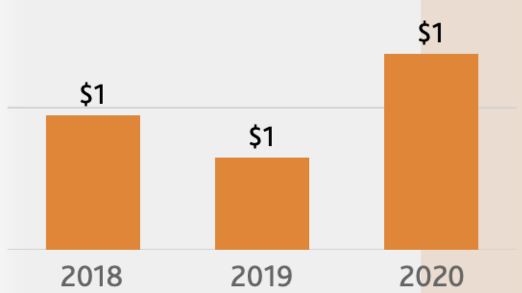


2017 48% **2020** 39% -9%

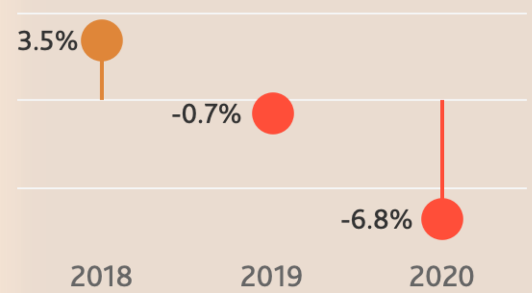


VIC

2017 $50 **2020** $53 $3

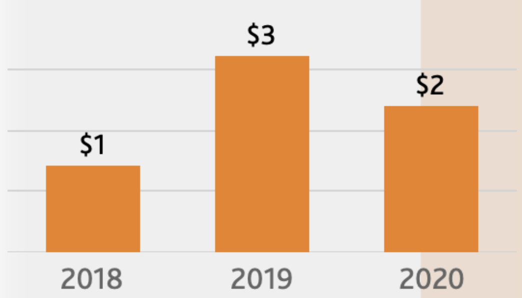


2017 47% **2020** 43% -4%

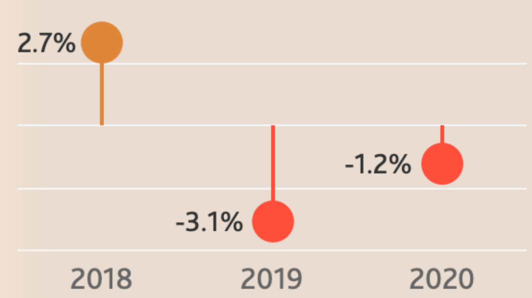


TAS

2017 $39 **2020** $46 $7



2017 78% **2020** 77% -1%



UNPOWERED SITES

March Quarter - 2017 to 2020

The graphs below show the Year on Year change in RevPAR for Unpowered Sites over the past 3 years during the March Quarter.

RevPAR Change

SA

2017	2020	3 Yr Diff:
$5	$4	-$1

WA

2017	2020	3 Yr Diff:
$9	$7	-$2

NT

2017	2020	3 Yr Diff:
$1	$1	$0

QLD

2017	2020	3 Yr Diff:
$5	$4	-$1

NSW

2017	2020	3 Yr Diff:
$5	$4	-$1

VIC

2017	2020	3 Yr Diff:
$8	$6	-$2

TAS

2017	2020	3 Yr Diff:
$21	$23	$2

Booking Lead Time	22.7 Days 18.2 Days Last Year
Average Stay	2.2 Nights 2.2 Nights Last Year
Booking Value	$98 Inc. GST $94 Inc. GST Last Year

While there was a modest increase in the daily rate for unpowered sites, occupancy fell in line with the industry's overall trend during the March 2020 quarter.

Year on year increases in the average rate of unpowered site bookings in New South Wales during the March quarter, including during 2020 where the rate increased by $4, has lifted ADR to $50 for NSW unpowered sites. This is the highest in the nation, but trailed only slightly by Victoria with an ADR of $47 for unpowered site. The rate goes as high as $58 for parks with between 36 - 55 sites in NSW.

While the rate of unpowered sites continues to increase, this appears to be at the expense of occupancy in jurisdictions such as SA, QLD, NSW and WA where occupancy has fallen for two years in a row during the March quarter.

Revenue received from available unpowered sites (RevPAR) during the March quarter has decreased slightly compared with 2017's results.

Guests that stayed on unpowered sites during the March-20 quarter generally booked further in advance and spent more on their booking than they did last year. However, there was less demand which caused the overall yield from unpowered sites, measured as RevPar to fall across all jurisdictions during the March quarter.

This result was not limited to just the bushfire affected states with Tasmania, QLD and WA also recording softer performance of unpowered sites during the March quarter compared with last year.

UNPOWERED SITES

March Quarter - 2017 to 2020

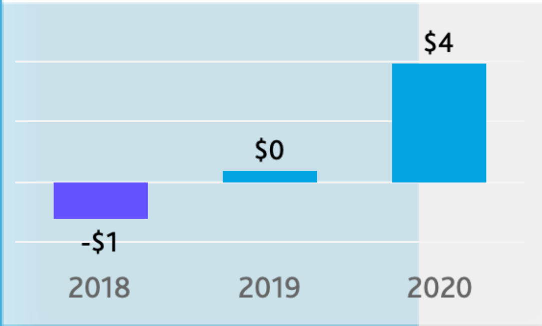
The graphs below show the Year on Year change in Average Daily Rate ($ ADR) and Average Occupancy for Unpowered Sites over the past 3 years during the March Quarter.

($) ADR Change

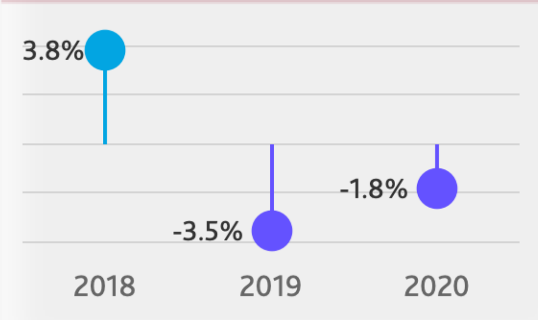
Occupancy Change

SA

ADR: **2017** $32 **2020** $35 $3

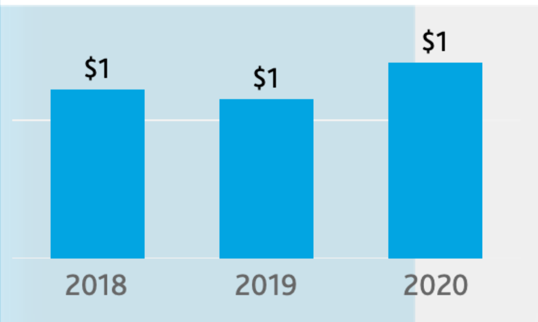


Occupancy: **2017** 14% **2020** 13% -1%

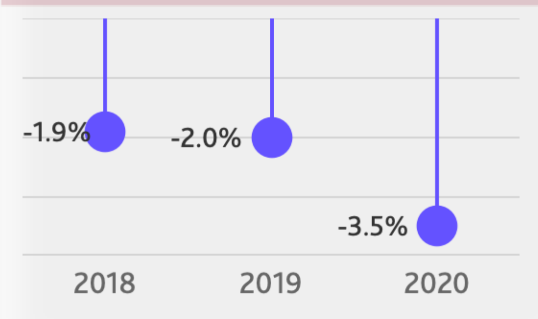


WA

ADR: **2017** $34 **2020** $38 $4

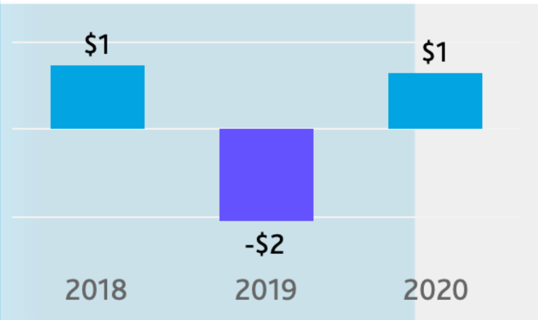


Occupancy: **2017** 26% **2020** 19% -7%

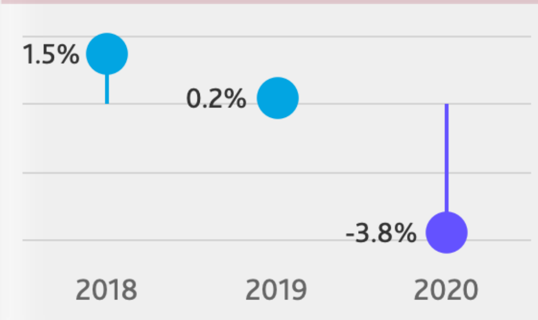


NT

ADR: **2017** $24 **2020** $25 $1



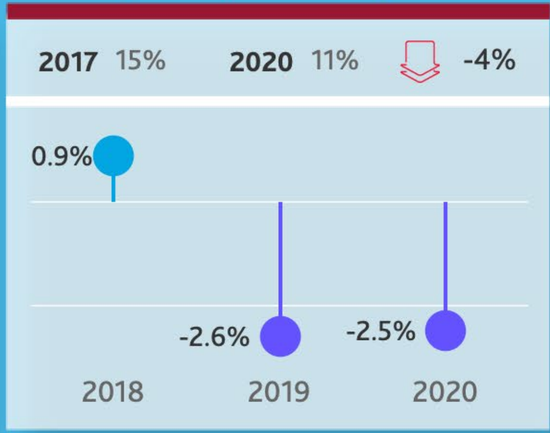
Occupancy: **2017** 5% **2020** 3% -2%



($) ADR Change

Occupancy Change

QLD



NSW

VIC

TAS

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SA Parks

DATA TABLES

Detailed quarterly accommodation performance measures based on Park Size (number of sites), State and Category Type are provided in the following pages.

ADR, OCCUPANCY & REVPAR TABLES

			($) ADR			(%) Occupancy			($) RevPAR			
Category	State	Sites in Park	2019	2020	Diff.	2019	2020	Diff.	2019	2020	Diff.	Parks In Sample
Cabins March Quarter	NSW	< 15 Sites	$157	$157	$0	63%	58%	-5%	$99	$91	-$8	44
		16-35 Sites	$181	$179	-$2	57%	48%	-9%	$102	$85	-$17	61
		36-55 Sites	$196	$199	$3	65%	59%	-6%	$128	$117	-$11	14
		> 55 Sites	$225	$215	-$10	38%	28%	-10%	$84	$61	-$23	11
	NT	36-55 Sites	$94	$86	-$8	27%	34%	7%	$25	$29	$4	3
	QLD	< 15 Sites	$154	$158	$4	50%	43%	-7%	$77	$68	-$9	21
		16-35 Sites	$140	$143	$3	54%	44%	-10%	$76	$63	-$13	18
		36-55 Sites	$152	$140	-$12	64%	37%	-27%	$98	$52	-$46	4
		> 55 Sites	$174	$201	$27	45%	49%	4%	$78	$99	$21	6
	SA	< 15 Sites	$118	$125	$7	65%	44%	-21%	$77	$55	-$22	8
		16-35 Sites	$139	$143	$4	67%	59%	-8%	$93	$85	-$8	7
		36-55 Sites	$140	$155	$15	68%	59%	-9%	$95	$91	-$4	8
		> 55 Sites	$147	$126	-$21	58%	64%	6%	$85	$81	-$4	4
	TAS	16-35 Sites	$145	$158	$13	76%	72%	-4%	$111	$114	$3	6
		36-55 Sites		$142			65%			$93		3
	VIC	< 15 Sites	$122	$115	-$7	56%	55%	-1%	$68	$63	-$5	20
		16-35 Sites	$147	$138	-$9	58%	55%	-3%	$85	$76	-$9	26
		36-55 Sites	$174	$188	$14	57%	55%	-2%	$98	$103	$5	9
		> 55 Sites	$192	$200	$8	74%	64%	-10%	$142	$128	-$14	4
	WA	< 15 Sites	$147	$149	$2	58%	49%	-9%	$86	$72	-$14	6
		16-35 Sites	$156	$151	-$5	50%	49%	-1%	$79	$73	-$6	18
		36-55 Sites	$167	$158	-$9	71%	54%	-17%	$119	$86	-$33	3
		> 55 Sites	$143	$148	$5	38%	39%	1%	$55	$58	$3	9

ADR, OCCUPANCY & REVPAR TABLES

Category	State	Sites in Park	($) ADR 2019	($) ADR 2020	($) ADR Diff.	(%) Occupancy 2019	(%) Occupancy 2020	(%) Occupancy Diff.	($) RevPAR 2019	($) RevPAR 2020	($) RevPAR Diff.	Parks In Sample
Powered Sites March Quarter	NSW	< 15 Sites	$41	$38	-$3	36%	40%	4%	$15	$15	$0	8
		16-35 Sites	$47	$45	-$2	42%	36%	-6%	$20	$16	-$4	22
		36-55 Sites	$45	$47	$2	46%	38%	-8%	$21	$17	-$4	19
		> 55 Sites	$59	$62	$3	50%	40%	-10%	$30	$25	-$5	77
	NT	> 55 Sites	$36	$27	-$9	6%	5%	-1%	$2	$1	-$1	4
	QLD	36-55 Sites	$43	$43	$0	32%	24%	-8%	$14	$10	-$4	7
		> 55 Sites	$52	$53	$1	38%	36%	-2%	$20	$19	-$1	40
	SA	36-55 Sites	$49	$43	-$6	71%	62%	-9%	$34	$27	-$7	6
		> 55 Sites	$41	$44	$3	49%	45%	-4%	$20	$20	$0	20
	TAS	16-35 Sites	$42	$46	$4	85%	81%	-4%	$36	$37	$1	4
		36-55 Sites	$44	$46	$2	75%	74%	-1%	$33	$34	$1	5
	VIC	< 15 Sites	$35	$41	$6	53%	47%	-6%	$19	$19	$0	4
		16-35 Sites	$41	$44	$3	48%	42%	-6%	$20	$18	-$2	17
		36-55 Sites	$47	$46	-$1	50%	43%	-7%	$23	$20	-$3	13
		> 55 Sites	$56	$57	$1	50%	43%	-7%	$28	$24	-$4	24
	WA	36-55 Sites	$53	$53	$0	61%	58%	-3%	$32	$30	-$2	7
		> 55 Sites	$45	$47	$2	30%	34%	4%	$14	$16	$2	22

ADR, OCCUPANCY & REVPAR TABLES

			($) ADR			(%) Occupancy			($) RevPAR			
Category	State	Sites in Park	2019	2020	Diff.	2019	2020	Diff.	2019	2020	Diff.	Parks In Sample
Unpowered Sites March Quarter	NSW	< 15 Sites	$49	$52	$3	33%	25%	-8%	$16	$13	-$3	28
		16-35 Sites	$46	$52	$6	30%	21%	-9%	$14	$11	-$3	27
		36-55 Sites	$58	$58	$0	32%	23%	-9%	$19	$13	-$6	5
		> 55 Sites	$43	$47	$4	8%	5%	-3%	$3	$2	-$1	19
	QLD	< 15 Sites	$36	$47	$11	18%	13%	-5%	$7	$6	-$1	12
		16-35 Sites	$49	$41	-$8	25%	25%	0%	$12	$10	-$2	10
		> 55 Sites	$36	$39	$3	10%	7%	-3%	$4	$3	-$1	6
	SA	< 15 Sites	$34	$36	$2	42%	34%	-8%	$14	$12	-$2	4
		16-35 Sites	$32	$35	$3	20%	15%	-5%	$6	$5	-$1	5
		> 55 Sites	$28	$35	$7	9%	10%	1%	$3	$3	$0	4
	TAS	< 15 Sites	$33	$34	$1	57%	53%	-4%	$19	$18	-$1	3
	VIC	< 15 Sites	$55	$55	$0	40%	30%	-10%	$22	$16	-$6	8
		16-35 Sites	$41	$39	-$2	21%	17%	-4%	$9	$6	-$3	7
		> 55 Sites	$48	$48	$0	18%	12%	-6%	$9	$6	-$3	9
	WA	< 15 Sites	$28	$30	$2	23%	20%	-3%	$6	$6	$0	11
		16-35 Sites	$40	$36	-$4	32%	28%	-4%	$13	$10	-$3	6

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