



Australian Government
Australian Trade and Investment Commission



TOURISM
AUSTRALIA

Walk Into Luxury, Cape to Cape Track Kangaroos

MARGARET RIVER: TOURISM INVESTMENT PROSPECTUS

Margaret River is a regional hotspot in Australian tourism, presenting an exciting opportunity for savvy investors.

AIRPORT INFRASTRUCTURE

Margaret River is located three hours from Perth Airport. Perth Airport is one of Australia's closest airports to Asia and is serviced by over 20 international, domestic and regional airlines. It is the fourth major international gateway in Australia. Overall trends in passenger numbers are shown below, however it should be noted that whilst international passenger numbers have increased, domestic passenger numbers have declined since the FY13 high due to the reduction in mining-related travel.

ACCOMMODATION TRENDS

A range of accommodation can be found in Margaret River region with the most significant being holiday homes and hotels. Together these two property types account for more than 80% of nights spent in the region. According to the Australian Accommodation Monitor, there were 46 accommodation establishments in Margaret River at the end of June 2018 with 1,875 rooms and an average property size of 40 rooms. Over the three years to 2018, Margaret River's accommodation market has recorded strong RevPAR growth increasing on average by 7.9% per annum. Higher room rates have been the primary driver of growth with ADR increasing 8.8% per annum, up from \$177 in 2015 to \$228 in 2018.

Margaret River: HMSA Historical Trading Performance 2015 to 2018			
Year	Occ %	ADR	RevPAR
2015	61.5%	\$176.9	\$108.8
2016	60.8% (-1.1%)	\$189.5 (7.1%)	\$115.1 (5.8%)
2017	57.9% (-4.8%)	\$204.3 (7.8%)	\$118.2 (2.7%)
2018	60.0% (3.6%)	\$227.6 (11.4%)	\$136.5 (15.5%)
CAGR	-0.8%	8.8%	7.9%

Source: Australian Bureau of Statistics, Colliers International

INVESTMENT TRENDS

Continued investment into the Margaret River hotel and tourism region is expected against the backdrop of strong visitation, new and improved direct airport access and positive accommodation operator performance. The notoriety of the region as a producer of premium wine will also stand it in good stead as affinity with local producers grows in line with higher consumption, particularly in Asia.



The Margaret River region is located a comfortable 3.5 hours' drive south of Perth and boasts an extensive coastline with 120 kilometres of beaches, bays and rocky points with popular surf spots and opportunities to spot whales. The region boasts natural icons such as the tranquil waters of Geographe Bay, the ancient cave system carved beneath the Leeuwin-Naturaliste Ridge, the breathtaking Karri forest and world-class food and wine experiences. The Margaret River wine region has more than 55 square kilometres under vine and over 138 wineries.

VISITATION TRENDS

Tourism in the Margaret River area has been on an upward trajectory over the past five years with growth in visitation increasing at an average rate of 4.2% per annum and with a high proportion choosing to stay overnight.

Margaret River Tourism Growth 2015 to 2019	
All visitation	4.2%
International visitation	9.8%
Domestic visitation	2.1%
Overnight stays	1.4%

Note: The Margaret River Region (which includes the City of Busselton) differs from Margaret River (as the town or Shire).

BUSSELTON-MARGARET RIVER AIRPORT UPGRADE

Opening in-late 2018
Development cost: \$70 million

The airport expansion will involve upgrades to the existing runway and construction of a new passenger terminal. These developments will allow for direct flights to and from capital cities located on Australia's east coast as well as direct international flights.

