

EXMOUTH TOURIST ACCOMMODATION GROWTH OUTLOOK

2025-2035



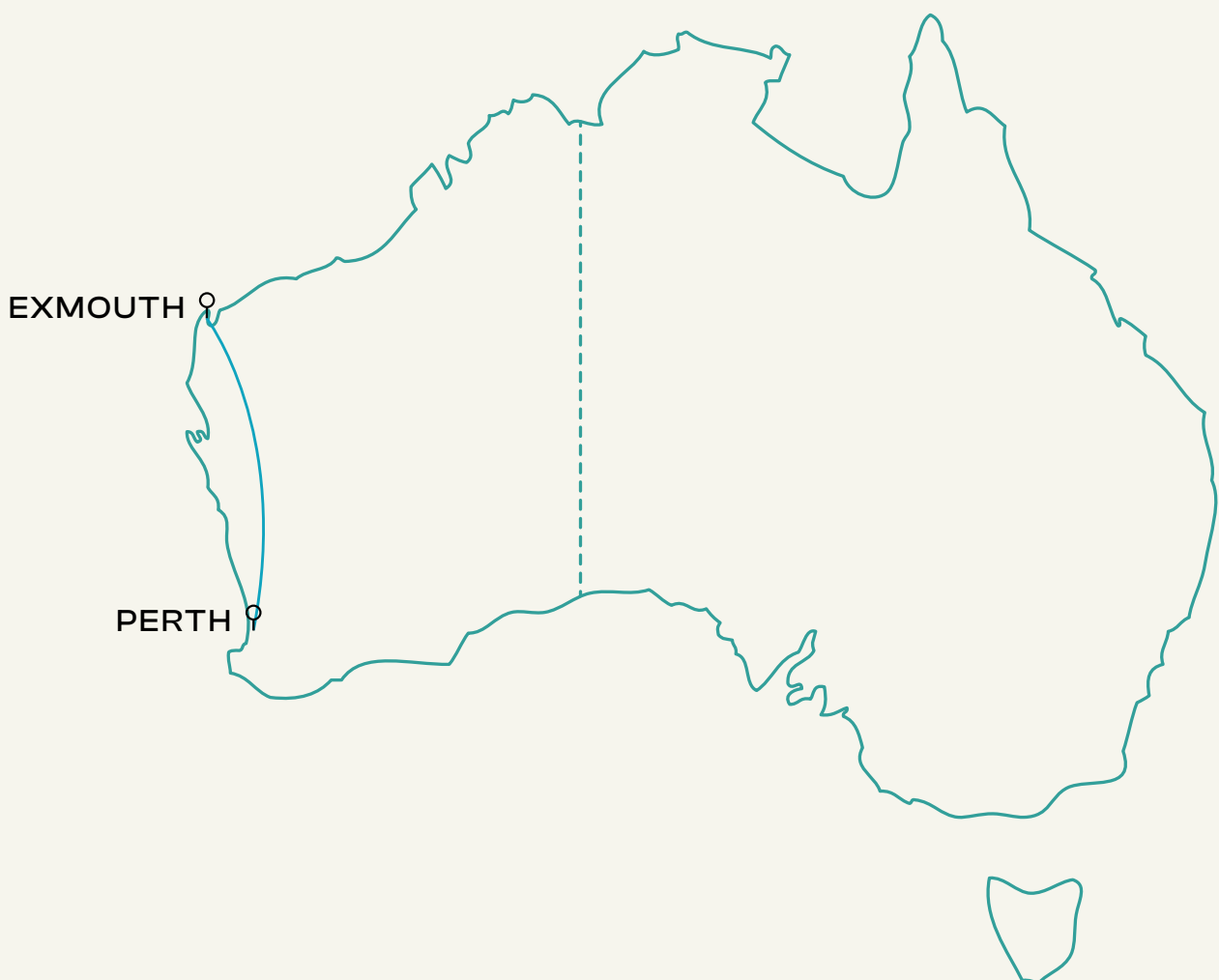
Tourism
WESTERN AUSTRALIA

WESTERN
AUSTRALIA
WALKING ON A DREAM

📍 CAPE RANGE NATIONAL PARK, EXMOUTH

ON THE DOORSTEP OF THE UNESCO WORLD HERITAGE-LISTED
NYINGGULU (NINGALOO) COAST, EXMOUTH IS AN INCREASINGLY
POPULAR DESTINATION FOR VISITORS SEEKING UNIQUE
NATURE-BASED TOURISM EXPERIENCES.

WITH UNTAPPED MARKET POTENTIAL, EXMOUTH PRESENTS
A PRIME OPPORTUNITY FOR NEW INVESTMENT
INTO RESORT AND HOTEL ACCOMMODATION OFFERINGS.



EXECUTIVE SUMMARY

In 2024, Tourism Western Australia engaged ACIL Allen to undertake an assessment of the current supply of tourist accommodation in Exmouth and forecast the demand and market for new accommodation investment over the next two decades. The high-level findings are provided in this document, with the full report available on the Tourism WA Corporate Website.

Exmouth, Western Australia is a jewel in the State's tourism landscape. Strategically located at the gateway to the UNESCO World Heritage-listed Ningaloo Reef, Exmouth boasts a pristine natural environment and offers unique, bucket-list tourism experiences that are attracting increasing global attention.

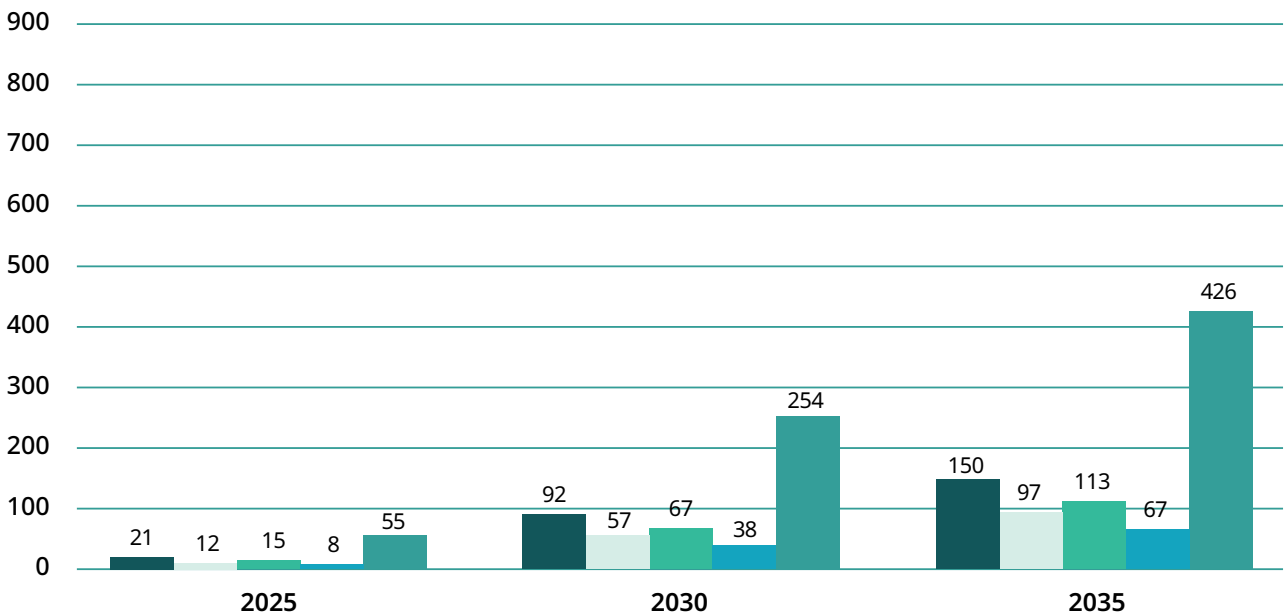
With its idyllic location and substantial government support through infrastructure development and promotion, Exmouth is primed for tourism growth.

This presents an opportunity for investors to develop luxury tourist accommodation in a destination already attractive to high-yielding visitors.

The full report highlights a growing gap between the supply and demand for hotel and resort style tourism accommodation in Exmouth, with a projected shortfall of at least 426 rooms across all market sectors in the next decade. With current occupancy rates exceeding 90% during peak tourist season (April to October), the existing accommodation market is unable to meet the rising demand for high quality offerings.

For investors, this represents a lucrative opportunity to enter a thriving market and tap into the latent demand in Exmouth.

ROOM DEMAND FORECAST, EXMOUTH, 2025-2035



Source: ACIL Allen

Resorts and hotels
 Campground
 Deluxe caravan park
 Short-stay rental
 Total

WESTERN AUSTRALIAN CONTEXT

One of the largest states in the world and the economic powerhouse of the nation, Western Australia is located within the world's most populous time zone (WST/GMT +8 hours) enabling strong business and trade relationships with international markets. The capital city of Perth has direct flights to 20 international destinations including to 17 of the largest cities in Asia and is the only Australian city with direct flights to Europe.

Australians' strong appetite for travel has positioned Western Australia as a booming domestic tourism destination, a trend that strengthened during the pandemic and continues to thrive post-recovery. By April 2024, both international and domestic

passenger movements through Perth Airport had surpassed pre-pandemic levels, marking a significant rebound.

37.6 MILLION

Visitor nights in 2023

8% ↑

Increase over 2019

AU\$17.7 BILLION

Visitor spend in 2023

AU\$4.2 BILLION ↑

Surge from 2019

EXMOUTH - HISTORY AND ECONOMY

Exmouth is a town of almost 3,500 people on the northwest coast of Western Australia, approximately 1,000 kilometres and a two-hour flight from the capital city Perth. Close to 30% of its workforce is directly employed in tourism related industries across accommodation, food service and retail trade.

The Nyinggulu (Ningaloo) Coast, located on the doorstep of Exmouth is culturally significant to Aboriginal people, who have an ongoing connection to the area spanning between 30,000 to 60,000 years before present day.

Originally established in the 1960s as a base for the U.S. Navy's communication station, Exmouth is known today for its world class eco-tourism and adventure activities. The town offers various marine based experiences such as snorkelling, scuba diving, fishing, and whale shark tours, which attract thousands of visitors from around the world every year.

The climate and environmental characteristics of Exmouth has shaped its seasonality and tourism offerings, with warm winter months coinciding with whale sharks and other marine life migrating along the Coral Coast.

Exmouth's access to the globally recognised UNESCO World Heritage-listed Ningaloo Reef, its unique natural environment, and the

exceptional marine animal encounters that it offers visitors, provide an experience that is only available in a few locations globally.

However, there is a significant undersupply in luxury accommodation in Exmouth, presenting an opportunity to enhance the visitor experience and attract high-yielding markets.

30%

of Exmouth jobs are in the tourism industry

23,700

Cruise ships passengers through Exmouth port in 2024

AU\$99.5 MILLION

Economic Contribution of the Ningaloo region (2018-19)

RECENT TOURISM INVESTMENT INFRASTRUCTURE TIMELINE

DECEMBER 2017

Ningaloo Centre development featuring tourism, research, education and community facilities that includes conference spaces and an aquarium.

AU\$32MILLION

JANUARY 2018

Exmouth Boat Harbour Upgrade.

AU\$23MILLION

DECEMBER 2022

Exmouth Harbour Masterplan (40 years) released which incorporated a range of potential development opportunities, including a boutique hotel, microbrewery and other commercial, retail and tourism spaces.

FUTURE PLANS

MARCH 2023

Total Solar Eclipse Legacy upgrade. Included traffic management and road infrastructure upgraded.

AU\$20MILLION

Telecommunications upgrades.

AU\$5.5MILLION

Exmouth Town Beach upgrade.

AU\$1.2MILLION

2027 (APPROX.)

Gascoyne Gateway Limited – Deep Water Port development to enable fit-for-purpose berthing facilities for cruise operations and improve the visitor and operator experience – currently in capital raising and project approvals stage.

PLANNING/BUSINESS CASE STAGE

Tantabiddi Boat Ramp – development of new boat ramp which will enable a better visitor experience for commercial whale shark and other tour operations.

COMPETITIVE ADVANTAGES

Drivers for tourism industry growth worldwide have been reshaped in recent years as people refocus how they prioritise spending their disposable income and leisure time, and as shifting macroeconomic trends influence travel behaviours. Key advantages that Exmouth offers that align with these drivers include:

UNESCO WORLD HERITAGE AREA	The Ningaloo Coast supports a high level of biodiversity and is recognised worldwide for its outstanding value to humanity - hosting one of the world's largest fringing reef and supports high quality eco-tourism experiences.
WORLD CLASS ANIMAL ENCOUNTERS	Opportunities to swim with whale sharks, snorkel and dive, and watch turtles hatch are just some of the unique, world-class nature experiences on offer on the Ningaloo Reef.
ADVANTAGEOUS LOCATION AND ACCESSIBILITY	Exmouth is located on the doorstep of 60% of the world's population. Arriving via Perth, visitors are only a short flight away from Exmouth. For visitors wanting to experience more of WA, travel by car or on a cruise are popular options, providing stunning views of the state's unique and varied landscapes. Exmouth is home to a cruise port, which is the subject of a 40-year masterplan to improve its services and amenities.
GLOBAL DEMAND FOR LUXURY AND EXPERIENTIAL TRAVEL	Globally, demand for luxury and experiential tourism is expected to grow at a faster rate than any other segment, as travellers increasingly seek unique and memorable experiences. High-spending visitors are often willing to pay a premium for these opportunities, frequently opting for private tours and exclusive access to enhance their experience.

TOURISM DEMAND AND ACCOMMODATION TRENDS

Analysis of trends and post-COVID recovery data has demonstrated there is existing latent demand in the Exmouth tourism market, and the potential for continued growth.

An average of 127,000 domestic and international overnight visitors travel to Exmouth per annum. Of these visitors, approximately 23,000 visitors (18%) are from international markets. In 2021 and 2022 visitation to Exmouth increased to over 150,000 overnight visitors, dominated by domestic visitation during the pandemic. Long term trends show that Exmouth visitor nights grew at an average annual rate of 3.9% between 2010 and 2023.

Between 2024 and 2045, it is forecast that visitation to Exmouth will grow at 2.3% per annum, which will see it exceed 230,000 overnight visitors by 2045, representing an additional 100,000 overnight visitors and an estimated 517,000 thousand visitor nights.

In the next decade this projected growth represents a shortfall of 426 rooms across all market sectors, even under conservative growth scenarios. Under higher growth forecasts that requires an increase in airline carrying capacity (scenario 1), this demand soars to

1,982 rooms in the resort and hotel category alone, underscoring the substantial and unconstrained potential for accommodation demand in the region.

A proportion of these visitors will be high yielding visitors, with research suggesting that accelerated growth in high yielding visitors can be achieved if additional hotel and luxury accommodation options are available in the market. Should Exmouth's markets shift towards higher-yielding visitors, it is estimated that there will be a shortfall of 2,059 resort and hotel rooms by 2035. The base case, scenario 1 and scenario 2 projections can be found in graph format on Page 8.

Exmouth is in a strong position to maintain this projected growth trajectory as the awareness of Exmouth as a nature-based and eco-tourism destination continues to grow, driven by the strength of the brand and its alignment with marketing activities undertaken by regional, state and national tourism bodies.

However, with peak season occupancy rates sitting at an average of over 90%, Exmouth requires new hotel developments now in order to capitalise on pent up demand in domestic and international visitation.

AU\$200
MILLION

Visitor spend in Exmouth (2023)

134,000

Overnight visitors in Exmouth (2023)

^100,000

Forecast of increase in net overnight visitors to Exmouth between 2025 and 2045

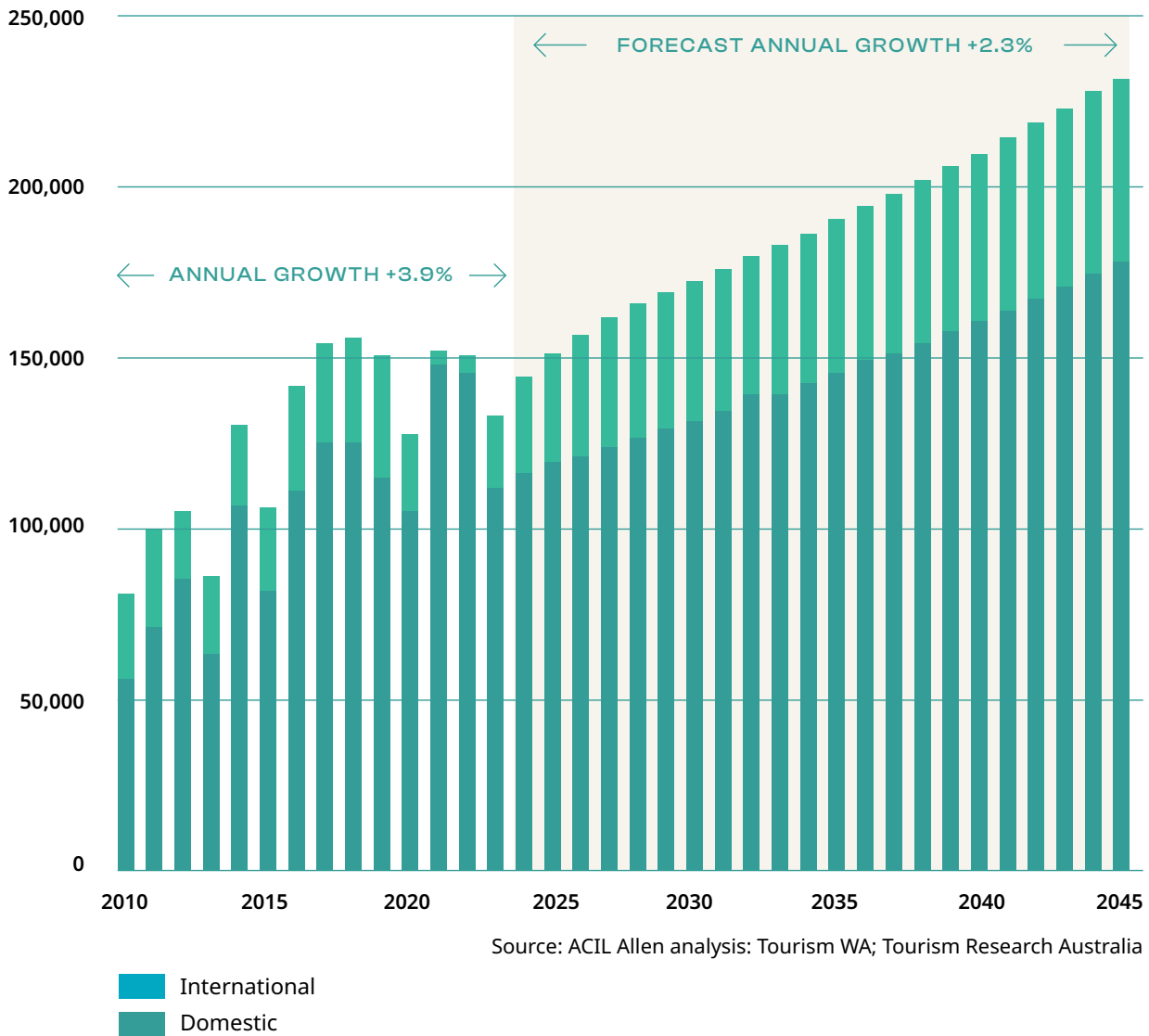
>90%

Average peak season occupancy rate for accommodation (April to October)

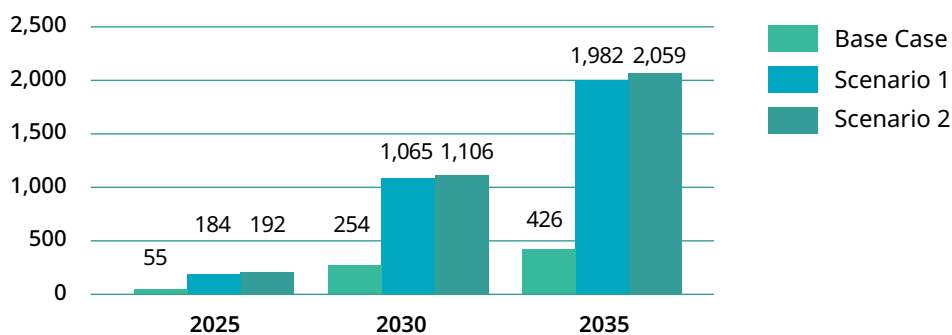
426 ROOMS

Required in the next decade (2025-2035) to capture growth in demand for Exmouth

DOMESTIC AND INTERNATIONAL VISITATION PROJECTIONS TO EXMOUTH, 2010 TO 2045 FORECAST (NUMBER OF OVERNIGHT VISITORS)



ESTIMATED TOTAL SHORTFALL OF RESORT AND HOTEL, 2025-2035 BASE CASE, SCENARIO 1 AND SCENARIO 2 (ROOMS)



Note: *Exmouth resorts and hotel rooms, above 3-star rating.

Source: ACIL Allen

ENABLING THE OPPORTUNITY

While Exmouth's geographic isolation and location on the doorstep of World Heritage-listed Ningaloo Reef is a key attractor for visitors, it also introduces a number of challenges that require the support of government to address.

While the region's servicing infrastructure, including water supply, currently meets the town's needs, it does require upgrading in order to support new tourism development. The town's expansion, including enhancing transport connectivity—whether by road, sea, or air—is crucial to unlocking Exmouth's full tourism potential. Limited aviation capacity, especially for higher-yielding interstate and international markets, has constrained tourism growth over the past decade. Expanding air services into Exmouth will be a key driver for the growth of the visitor economy.

High construction costs continue to challenge the Western Australian building industry. The Western Australian Government is aware of this and is supporting appropriate innovative solutions, including working with proponents to streamline the development process.

Housing market pressures have also impacted the availability of affordable short-term and permanent accommodations for temporary workers and key personnel in Exmouth. Given the seasonality of the region, many tourism industry workers are employed short-term.

In July 2023 the Exmouth Service Worker Accommodation was developed to support greater affordable housing opportunities for workers in Exmouth, however integration of worker accommodations into any tourism development plans will be necessary to support service delivery and workforce housing needs.

ENABLERS

- Essential infrastructure upgrades
- Improved transport connectivity
- Direct aviation connections to interstate markets
- Addressing costs of construction
- Workforce accommodation development



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WHY INVEST IN EXMOUTH

As the northern gateway to the world-renowned Ningaloo Reef, Exmouth attracts visitors each year to experience its natural beauty and unparalleled marine wildlife experiences. Exmouth's semi-arid climate allows tourists to take advantage of the sun, sand and sea all year round.

Visitor numbers are currently constrained by the availability of accommodation, particularly high-end/luxury hotel and resort offerings. Investment in new accommodation developments will help to grow its tourism potential and proportion of high-yielding visitors, with current hotels operating at full capacity during peak season.

With the current shortage of 426 rooms over the next decade, high occupancy rates, long-term tourism growth potential, and a proactive approach to growing Western Australia's tourism industry, there is a compelling opportunity for investment into new hotel and resort accommodation in Exmouth.

INVESTMENT HIGHLIGHTS

LONG TERM GROWTH

Exmouth is primed for long-term visitation growth. Over the next decade this represents a shortfall 426 rooms, even under conservative growth scenarios.

EXISTING MARKET GAP

There is existing unmet demand for high-end accommodation in the region. Caravan parks, campgrounds and holiday homes account for over 60% of bed capacity in Exmouth. By comparison, hotels and motels account for around 6% of total bed capacity, with upscale or luxury options a fraction of this.

SUPPORTIVE GOVERNMENT

Exmouth is considered one of the jewels in Western Australia's tourism crown, and growing tourism in the regions is a priority for the Western Australian Government.



For more information please contact
Tourism Western Australia on invest@westernaustralia.com

Tourism Western Australia

Level 10, 1 William Street, PERTH WA 6000

GPO Box X2261 PERTH WA 6847

T. 08 9262 1700 F. 08 9262 1787

westernaustralia.com


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