

19th January 2021

Economic Benefit Snapshot

PROJECT

PROPOSED HOTEL RESORT AND APARTMENT-VILLA DEVELOPMENT

ADDRESS: 25 Gilruth Avenue, Little Mindil, The Gardens, Darwin 0800

CLIENT: KTT Investments

ITEM	DATE	DESCRIPTION
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A. PROPOSED DEVELOPMENT

1. NUMBER OF HOTEL ROOMS: 131
 2. NUMBER OF HOTEL VILLAS: 19
 3. NUMBER OF 2 & 3 BEDROOM APARTMENTS: 46
 4. NUMBER OF 3 BEDROOM LUXURY VILLAS: 7
 5. HOSPITALITY SPACE: 1,734M²
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B. ASSUMPTIONS

1. CONSTRUCTION COST ESTIMATE: **\$ 200,000,000 INCLUDING GST**
 2. CONSTRUCTION TIMEFRAME: **3 YEARS**
 3. CONSTRUCTION SET TO COMMENCE: FIRST HALF OF 2022
 4. THE NUMBER OF DIRECT JOBS FOR THE HOTEL IS BASED ON **~0.5 JOBS PER ROOM**
 5. THE NUMBER OF FULL TIME EQUIVALENT (FTE) JOBS CREATED DURING CONSTRUCTION PER ANNUM IS BASED ON **1 JOB PER \$ 200,000 OF CONSTRUCTION COST**
 6. BY THE TIME THE HOTEL IS OPERATIONAL THE GLOBAL IMPACT OF COVID-19 IS ASSUMED TO BE NEGLIGIBLE.
 7. 76% OCCUPANCY IN YEAR 3 OF OPERATION. 1.8 GUESTS PER ROOM ASSUMED.
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C. CONSTRUCTION PHASE BENEFITS

1. FTE JOBS CREATED ON AVERAGE DURING CONSTRUCTION PER ANNUM: **350**
 - AVERAGE DIRECT FTE JOBS PER YEAR DURING CONSTRUCTION ON SITE: **100**
 - AVERAGE INDIRECT FTE JOBS PER YEAR DURING CONSTRUCTION: **250**
 2. GROSS VALUE-ADDED (GVA) TO THE TERRITORY ECONOMY: **\$102M PER ANNUM** ON AVERAGE OVER THE CONSTRUCTION PERIOD
 - AVERAGE ANNUAL DIRECT GVA TO THE TERRITORY ECONOMY: **\$29M**
 - AVERAGE ANNUAL INDIRECT GVA TO THE TERRITORY ECONOMY: **\$73M**
 - *NOTE: Indirect benefits refer to supply chain effects but not consumption effects*
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D. ONGOING EMPLOYMENT & ECONOMIC BENEFITS OF HOTEL

1. TOTAL DIRECT & INDIRECT HOTEL JOBS ON AN ONGOING BASIS AT CAPACITY ON-SITE: **120**
 - TOTAL DIRECT HOTEL JOBS ON AN ONGOING BASIS AT CAPACITY ON-SITE: **90**
 - TOTAL INDIRECT HOTEL JOBS ON AN ONGOING BASIS AT CAPACITY ON-SITE: **30**
 2. GROSS VALUE-ADDED TO THE TERRITORY ECONOMY:
 - ANNUAL DIRECT GVA TO THE TERRITORY ECONOMY: **\$24.4M**
 - ANNUAL INDIRECT GVA TO THE TERRITORY ECONOMY: **\$17.1M**
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E. OTHER BENEFITS OF DEVELOPMENT

1. BY YEAR 3 OF OPERATION IT IS ESTIMATED THAT THE HOTEL WILL BE AT **76% OCCUPANCY**.
2. BY YEAR 3 OF OPERATION IT IS ESTIMATED THAT THE HOTEL WILL ACCOMMODATE **65,300 VISITOR NIGHTS** (TOTAL VISITOR NIGHTS IN YEAR 3 OF OPERATION)
NOTE: Visitor nights is a measure of the number of nights stayed in the hotel by individual guests over the course of the year. 1.8 guests per room assumed.
3. TOTAL SPENDING IN THE LOCAL REGION BY HOTEL GUESTS WHILE VISITING IN YEAR 3 OF OPERATION:
\$ 8.5M
NOTE: This is spending on other goods and services in the area outside of the hotel eg. offsite food & drink, fuel, visitor attractions, groceries etc. It excludes spending on accommodation.
4. BEYOND THE QUANTIFICATION OF ECONOMIC CONTRIBUTIONS ALREADY IDENTIFIED, THE PROPOSED INVESTMENT ALSO PRESENTS BROADER BENEFITS TO THE LOCAL REGION INCLUDING, BUT NOT LIMITED TO:
 - PROVIDING CAPACITY TO ACCOMMODATE ADDITIONAL VISITORS THAT WOULD GENERATE EXPENDITURE TO LOCAL BUSINESSES IN THE AREA.
 - ASSISTING IN FURTHER ACTIVATING THE LOCAL TOURISM REGION WHICH WOULD INCREASE THE ECONOMIC AND SOCIAL BENEFITS FOR BOTH INDIVIDUALS AND BUSINESSES THAT RESIDE WITHIN THE REGION.
 - PROVISION OF FACILITIES OF HIGH STANDARD FOR USE BY THE LOCAL RESIDENT AND EMPLOYMENT BASE.
 - INCREASED TAXATION REVENUE TO BOTH LOCAL AND TERRITORY GOVERNMENT.

F. ABBREVIATIONS

FTE	FULL-TIME EQUIVALENT (FULL-TIME, PART-TIME & CASUAL)
GVA	GROSS VALUE-ADDED. GVA IS A MEASURE OF THE VALUE OF GOODS AND SERVICES PRODUCED IN AN AREA, INDUSTRY OR SECTOR OF AN ECONOMY DURING A CERTAIN PERIOD OF TIME.
