

# NEW ZEALAND HOTEL DEVELOPMENT PIPELINE

(AS AT END OF Q2 2017)

## Note from the National Director

Investors with a keen interest in the New Zealand hotel sector will no doubt be aware that our country has been and remains in the midst of a tourism boom which began in 2013. With many regions experiencing constrained capacity over peak periods, and occupancy and room rates in our key centres now at record highs, it is not surprising that the hotel sector has entered into an unprecedented development phase.

According to our New Zealand hotel database<sup>(1)</sup>, there are 2,900 new hotel rooms (22 projects) across the five key markets of Auckland, Rotorua, Wellington, Christchurch and Queenstown currently under construction with a further 8,400 rooms (across more than 55 projects) on the drawing boards.

With Auckland now ranking amongst the best-performing markets in the Asia Pacific region, development interest in this region is strongest with the city accounting for nearly half of all new hotel rooms under construction throughout the country. In addition, the completion of the NZICC in 2019 and the America's Cup and APEC summit in 2021 are fueling further interest.

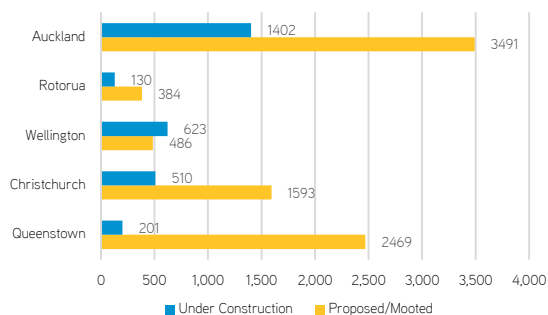
Outside of the City of Sails, development activity is most pronounced in Wellington and Christchurch with the two centres accounting for over 1,000 rooms under construction. Surprisingly, Queenstown, New Zealand's leading tourism market and the region which arguably needs new hotel inventory the most, only has three small hotels under construction totaling just 201 rooms.

Nevertheless, the growing development pipeline across most key centres will likely see substantial increases in their respective hotel inventory over the medium to long term.

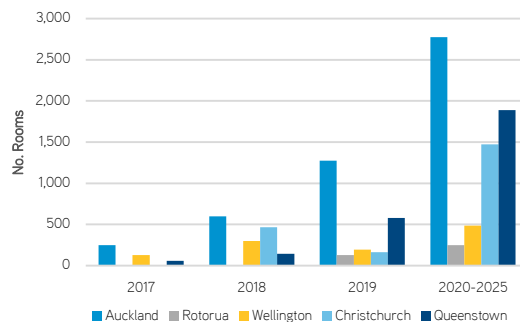
### Dean Humphries

National Director, Hotels New Zealand & South Pacific

Current Development Pipeline<sup>(2)</sup> (No. Rooms)



Timing of New Supply<sup>(2)</sup>



Source: Colliers International Hotels

(1) Database tracking hotels and serviced apartments of predominantly 50 rooms or more.

(2) Assuming all proposed projects are completed.

(3) Existing hotels currently closed and undergoing refurbishment/repairs.

## Major Projects<sup>(4)</sup>

### Under Construction

Project	Market	No. Rooms
M-Social <sup>(3)</sup>	Auckland	187
The Sebel Auckland Manukau	Auckland	152
SO Sofitel	Auckland	c. 130
Four Points by Sheraton Auckland	Auckland	c. 250
SkyCity Convention Centre Hotel	Auckland	c. 300
Park Hyatt	Auckland	190
Pullman Rotorua	Rotorua	c. 130
Sofitel Wellington <sup>(3)</sup>	Wellington	129
Amora Wellington <sup>(3)</sup>	Wellington	192
Rydges Wellington Airport	Wellington	134
DoubleTree by Hilton	Wellington	108
Novotel Christchurch Airport	Christchurch	200
Distinction Christchurch	Christchurch	178

### Proposed/Mooted<sup>(5)</sup>

Project	Market	No. Rooms
Pullman Auckland Airport	Auckland	c. 250
Civic Quarter Hotel	Auckland	c. 150
Novotel Auckland City	Auckland	c. 310
Holiday Inn Express & EVEN	Auckland	c. 490
Ritz-Carlton Auckland	Auckland	c. 265
Langham Auckland - extension	Auckland	c. 200
One Market Square	Auckland	c. 165
Holiday Inn Express	Christchurch	c. 120
Peterborough Street Hotel	Christchurch	c. 200
Cathedral Square Hotel	Christchurch	c. 200
Cambridge Terrace Hotel	Christchurch	c. 150
Holiday Inn Express	Queenstown	227
Ramada Frankton Road	Queenstown	c. 120
Peppers Resort	Queenstown	c. 260
Kawarau Falls Station Hotel	Queenstown	c. 260

(4) Publicly announced developments/projects with 100 rooms or greater.

(5) We are also aware of a number of projects with significant room counts however we are unable to disclose the identity of these projects as at the current point in time due to confidentiality restrictions.