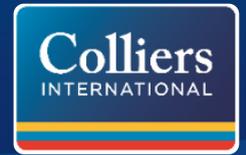


NEW ZEALAND HOTEL MARKET SNAPSHOT | Q3 2020



The Covid-19 pandemic continues to have a significant impact on the global tourism industry. New Zealand is no exception with the hotel sector experiencing a challenging year, which has seen our international borders closed and a nationwide lockdown (late March to mid-May) before domestic travel restrictions were lifted, although Auckland faced a further lockdown in August which again temporarily impacted the market.

Occupancy

Occupancy rates declined significantly in Q2 2020, with all regions recording historic lows. Subsequent to the lifting of a six week nationwide lockdown in early June, occupancy rebounded, underpinned by strong demand from Government contracted hotels utilised for 14 day mandatory isolation together with a notable increase in domestic leisure and corporate activity.

Further improvement was witnessed in July on the back of the winter school holiday period, with all markets except Christchurch recording occupancy levels above 50%. Levels then moderated in August (with the exception of Christchurch) primarily as a result of Auckland's second partial lockdown which restricted all travel in and out of our largest city, before rebounding again in September. With the exception of Wellington, all key markets in the country recorded a significant increase in domestic guest nights in Q3 2020 over the same period in 2019.

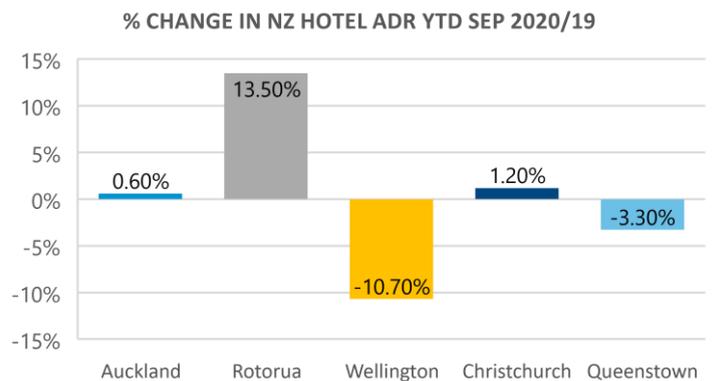
ADR

Hotel room rates have shown surprising resilience during 2020, again primarily due to the presence of government contracted business across circa 32 hotels (7,200 rooms) throughout many of the main regions in the country. Stronger patterns have also been evident during the weekends and school holiday periods. As such, we have yet to witness any significant downward momentum in room rates, with the YTD September 2020 average rate across all key markets on par with that of 2019, with Rotorua being the standout performer.

Outlook - Q4 2020/Q1 2021

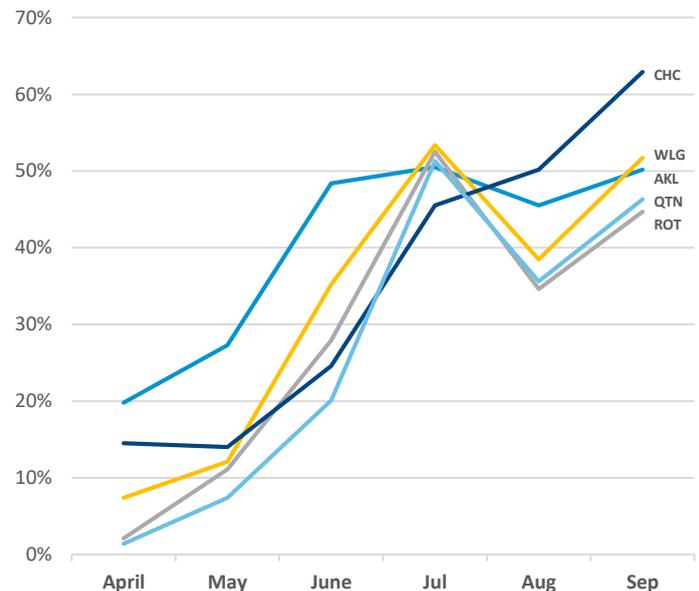
The continuation of a self-imposed border control/isolation regime and strong domestic demand will pave the way for the NZ hotel sector over the next six months. The recent announcement of Australia opening up state borders to New Zealanders suggests a reciprocal trans-Tasman bubble may be forthcoming in the short term.

Nevertheless, any wider opening of New Zealand's borders to international travellers is unlikely to occur until 2021; at which point will quickly become the driving force behind a wider recovery of the hotel sector.



Source: Hotel Data New Zealand (HDNZ) & Colliers International

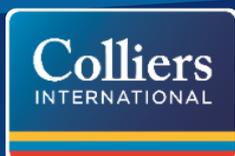
MONTHLY OCCUPANCY Q2 & Q3 2020



*Occupancy levels are inclusive of hotels being utilised for mandatory isolation or quarantine purposes

Source: Hotel Data New Zealand (HDNZ)

Let us accelerate your success. Speak to one of our Hotel experts today:



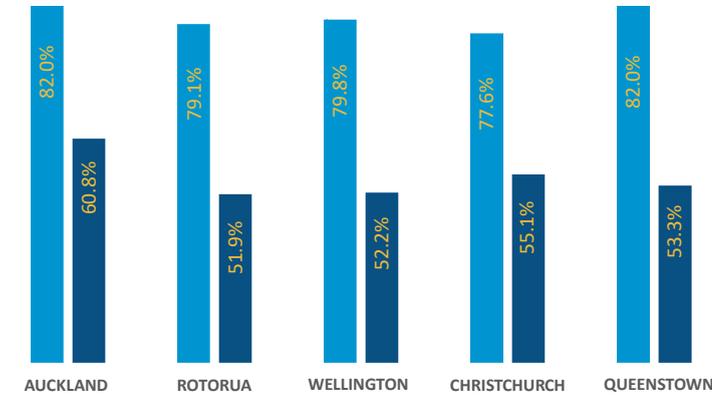
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NEW ZEALAND HOTEL MARKET PERFORMANCE SNAPSHOT | Q3 2020

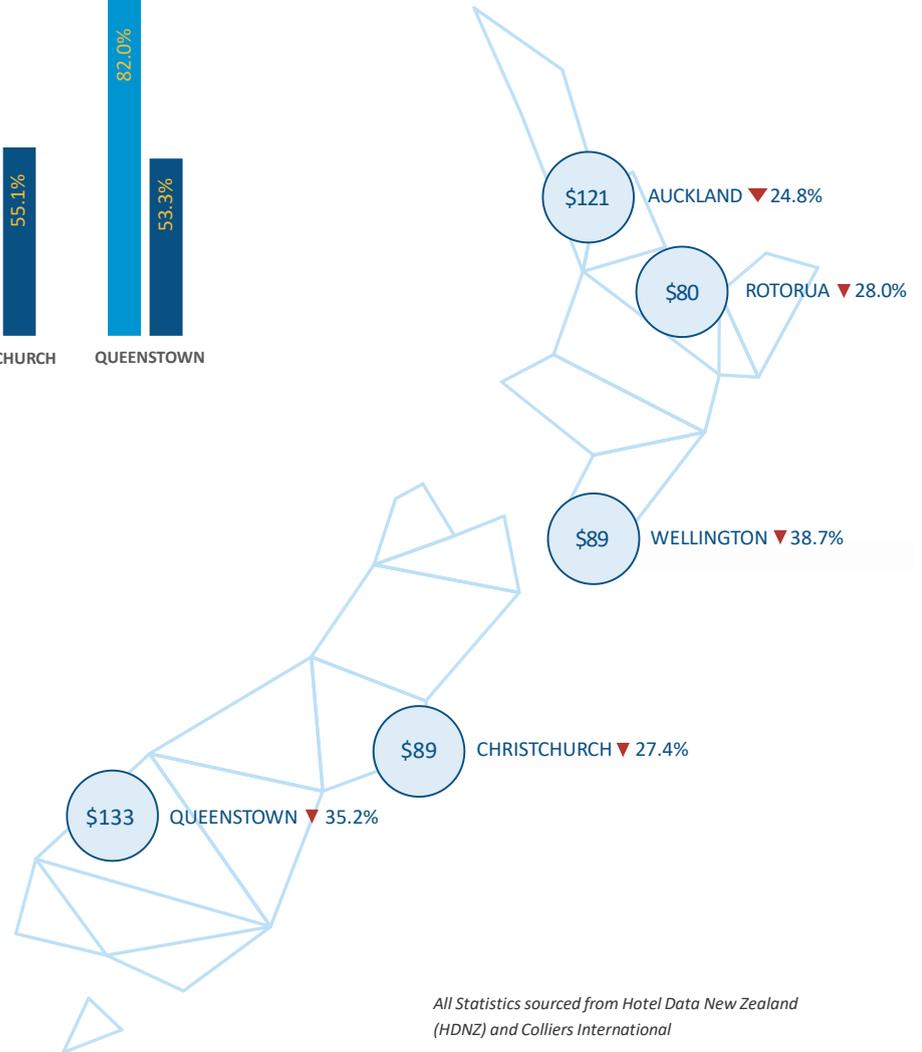
OCCUPANCY | YE SEP 2020

■ 2019 ■ 2020



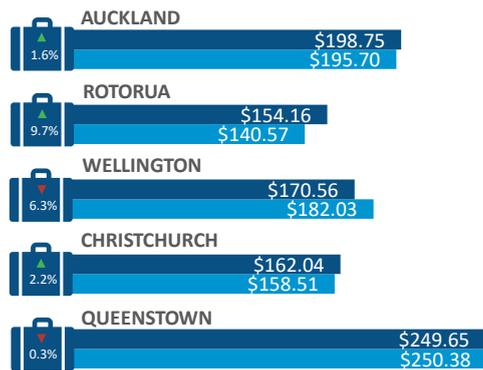
*Occupancy levels are inclusive of hotels being utilised for mandatory isolation or quarantine purposes

REVPAR YE SEP 2020



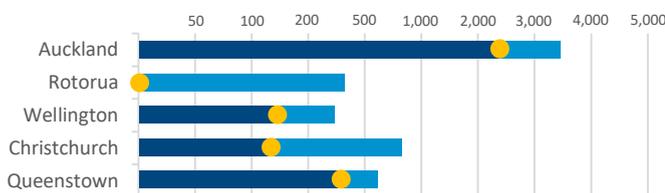
ADR | YE SEP 2020

■ 2019 ■ 2020



SUPPLY | AS AT SEP 2020

■ Rooms currently under construction
■ Rooms proposed
● Rooms to be completed by 2025



All Statistics sourced from Hotel Data New Zealand (HDNZ) and Colliers International

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