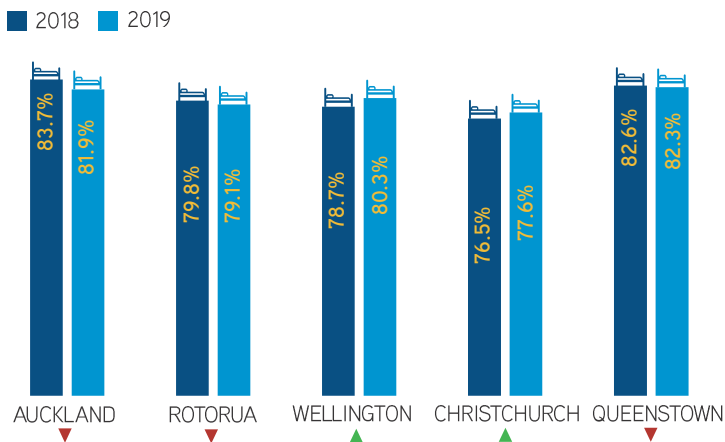
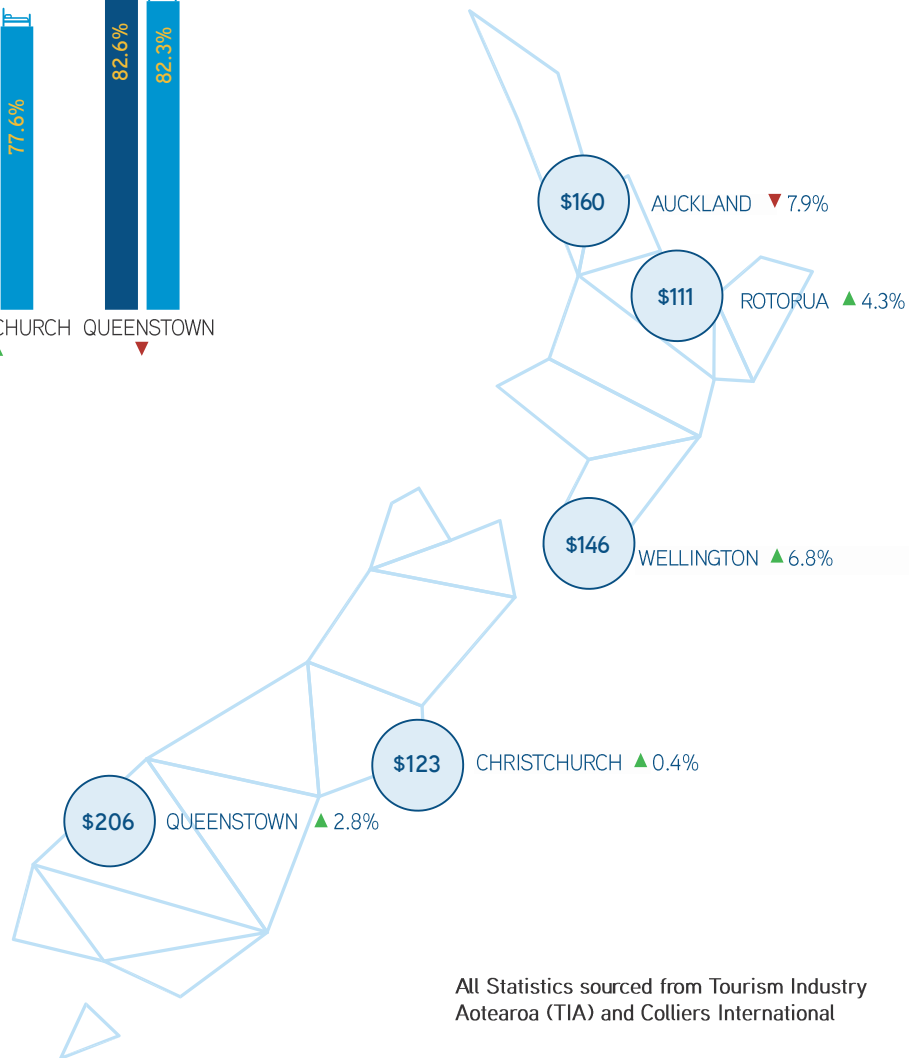


NEW ZEALAND HOTEL MARKET SNAPSHOT | OCTOBER 2019

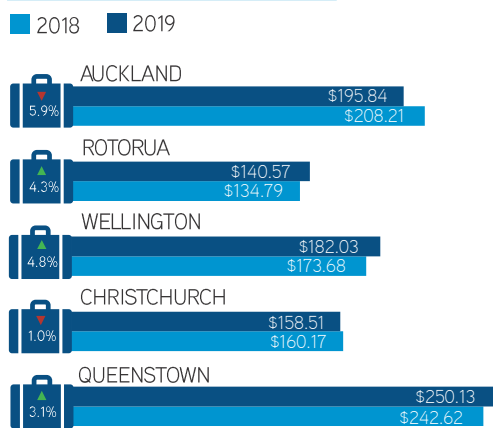
OCCUPANCY | YE SEP 2019



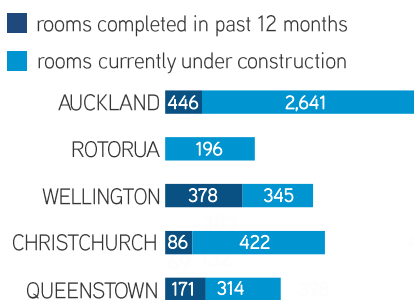
REVPAR | YE SEP 2019



ADR | YE SEP 2019



NEW SUPPLY | YE SEP 2019



*scaled based on existing inventory

All Statistics sourced from Tourism Industry Aotearoa (TIA) and Colliers International

Whilst all care has been taken to provide reasonably accurate information within this report, Colliers International cannot guarantee the validity of all data and information utilised in preparing this research. Accordingly Colliers International New Zealand Ltd, do not make any representation of warranty, expressed or implied, as to the accuracy or completeness of the content contained herein and no legal liability is to be assumed or implied with respect thereto. © All content is Copyright Colliers International New Zealand Ltd 2019 and may not be reproduced without expressed permission.

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



Dean Humphries
National Director
+64 21 408 156
dean.humphries@colliers.com

Chris Bennett
Director Hotel Advisory & Valuation
+64 21 707 103
chris.bennett@colliers.com



MARKET UPDATE

The New Zealand tourism sector continues to grow with international visitors reaching a record 3.9m in the YE July 2019, up 2.8%. This has helped maintain robust volumes of business across the country.

Wellington is currently the market leader for growth in RevPAR, recording a 6.8% annual increase, followed by Rotorua (3.3%) and Queenstown (2.8%). The result is that these three regions are achieving RevPAR at or near record highs. Confirmed new supply levels also remain low in these areas, which will assist in further growth moving forward.

Auckland has seen a decline in RevPAR of 7.9% despite maintaining a healthy occupancy rate of 81.9%. A lack of major events compared to 2017/18 and the postponement of opening of the NZICC have limited compression nights in Auckland, precluding hotels from holding ADR at historic highs. Hoteliers are looking forward to an increasing number of major events throughout 2020/21 to counter increasing new supply entering the market over the short/medium term.

Christchurch RevPAR has remained stable at 0.4%, with the opening of their new convention centre in 2020 likely to assist in helping absorb new supply.

NZ SUPER FUND HOTEL PARTNERSHIP

The NZ Super Fund's \$300 million investment in a hotel venture in July this year, represents the single largest off market hotel transaction in New Zealand's history.

New Zealand's \$42 billion sovereign wealth fund announced it was investing in a portfolio of hotels established by one of the country's largest hotel owners, the Russell Group and Lockwood Property Group.

The venture will create a platform for NZ Super Fund to invest further in New Zealand's tourism sector. The phased investment includes the 255 room Four Points by Sheraton, the 160 unit Adina Auckland Britomart in Auckland, and the 263 room BreakFree on Cashel in Christchurch, as well as an intention to acquire and develop additional sites.

Colliers International is delighted to have played an instrumental role in this strategic off market joint venture with these entities.