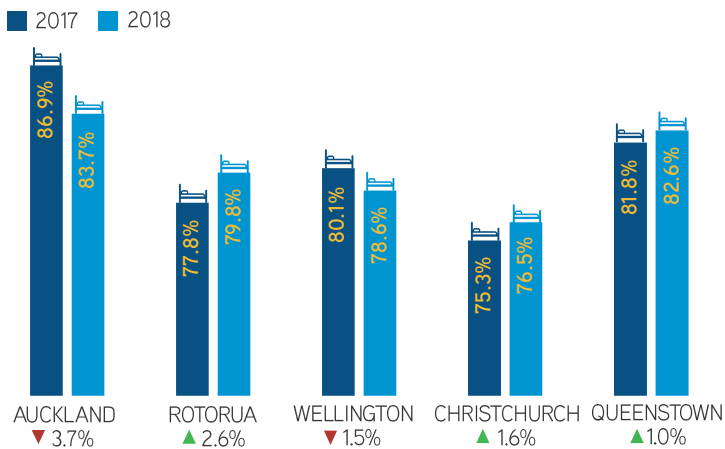
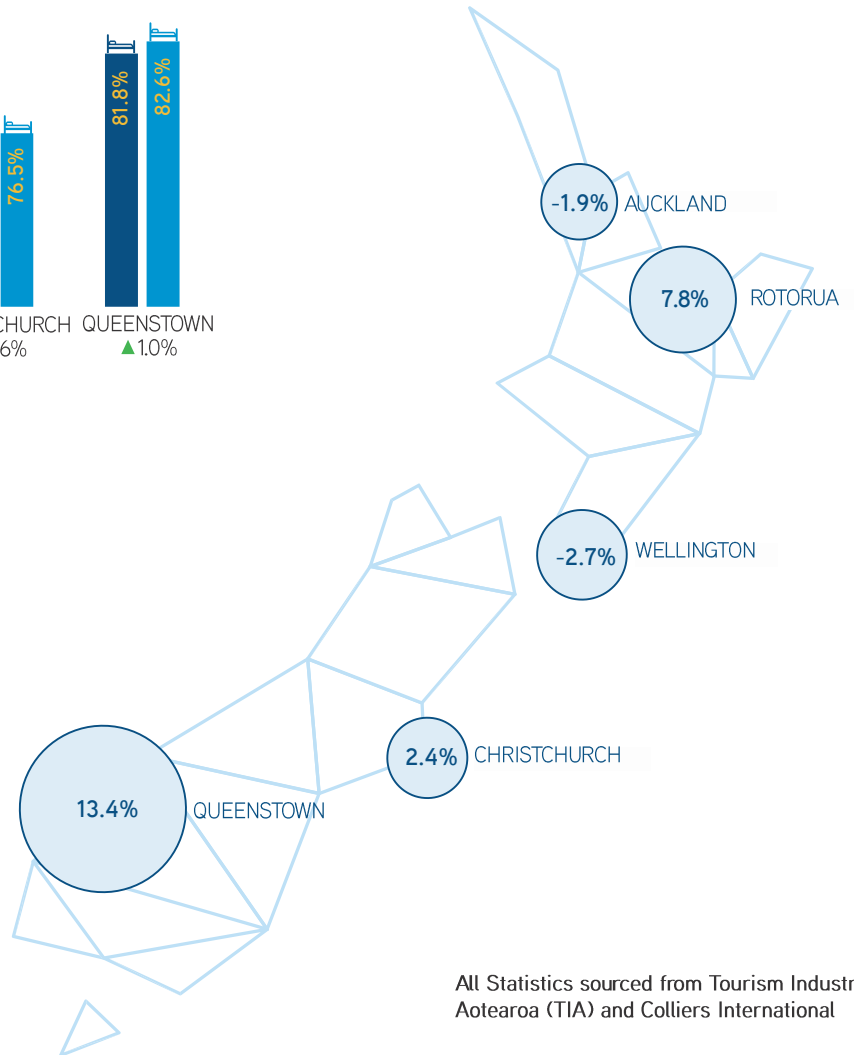


NEW ZEALAND HOTEL MARKET SNAPSHOT | OCTOBER 2018

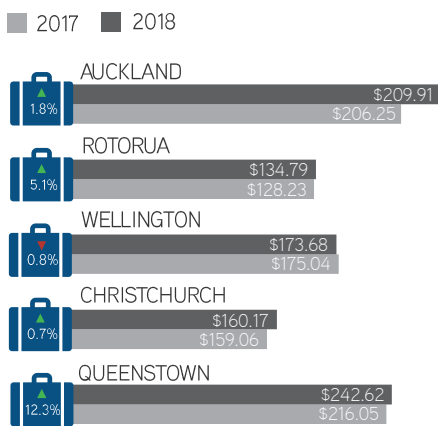
OCCUPANCY | YE SEP 2018



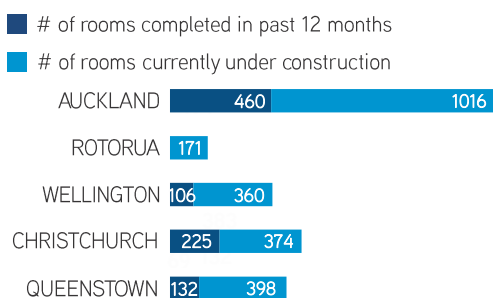
REVPAR GROWTH YE SEP 2018



ADR | YE SEP 2018



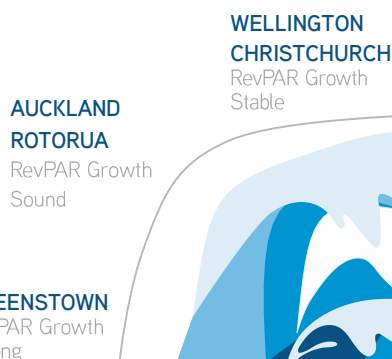
NEW SUPPLY | YTD SEP 2018



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

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PERFORMANCE OUTLOOK



MARKET UPDATE | OCT 2018

The New Zealand tourism sector continues to enjoy record-breaking inbound visitation numbers with a 3.6% increase recorded for the year ended August 2018 to reach 3.8 million.

The star performers in the past 12 months have been Queenstown and Rotorua. Queenstown has achieved an occupancy of 83% at an ADR of \$243 resulting in RevPAR growth of 13.4% over the same period in 2017. Rotorua recorded an occupancy of 80% and an ADR of \$135 which resulted in a 7.8% increase in RevPAR.

The historically strong RevPAR growth in Auckland has taken a breather in 2018, off the back of an exceptionally strong 2017 year underpinned by the Lions Tour and the World Master Games. Growth in the other key centres also appears to have generally plateaued.

Turning to the investment front, we continue to witness strong interest for hotel assets in all key centres, however opportunities remain scarce with the only major hotel having changed hands thus far in 2018 being the 178-unit Waldorf Stadium Apartment Hotel in Auckland. This was the first major CBD hotel to sell in Auckland since the Hilton in 2012.

Heightened investment activity has also spread into

provincial New Zealand where investors are seeing attractive returns and improving fundamentals. To this end, Colliers has recently concluded sales of hotels in Tongariro National Park and Palmerston North in the last quarter.

With international tourism numbers set to top 4 million in 2019, we tend to forget that strong economic growth and high net migration over the last five years is also fuelling strong levels of domestic demand right throughout the country.

On the supply front, we have seen a number of new hotel developments recently announced, particularly in Auckland. However the majority of these projects will not come on line until post 2021, and with the ongoing constraints in the construction sector, we may also see the deferment of some of these projects.

Looking ahead, with sustainable levels of new supply entering the NZ market in the short/medium term and the opening of NZICC (circa 2020) together with high profile events including the America's Cup and APEC in 2021; the New Zealand hotel sector remains well positioned to take advantage of a range of strong demand drivers moving forward.

Dean Humphries - National Director

RECENT TRANSACTIONS*

- Parklane Motor Inn, Auckland
- Best Western President Hotel, Auckland
- Waldorf Stadium Apartment Hotel, Auckland
- Skotel Alpine Resort, Tongariro National Park
- Hotel Coachman, Palmerston North

RECENT OPERATOR SELECTION ANNOUNCEMENTS*

- QT Viaduct Harbour, Auckland
- InterContinental Auckland
- Travelodge, Wynyard Quarter, Auckland
- Four Points by Sheraton, Auckland

*completed by Colliers International

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YOUR HOTEL EXPERTS



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