NEW ZEALAND HOTEL MARKET SNAPSHOT | MARCH 2025

Tourism Trends

- International visitor arrivals increased by 12% in 2024 and are sitting at 86% of pre-COVID levels. The latest TECNZ forecasts are for a full recovery to pre-COVID levels by March 2027.
- According to the latest International Visitor Survey (IVS) for the year ending September 2024, international visitors spent $11.7 billion, a 30% increase on the previous year.
- Good support from the Australian and USA markets. Australia is at 90% of pre-COVID levels and the USA at 100%.
- Arrivals from China are finally starting to recover, with a 64% increase over 2023.

NZ Hotel Markets

- The start of 2025 has continued the trend from 2024, with Rotorua, Christchurch, and Queenstown performing well, while Auckland and Wellington face more challenging conditions.
- Auckland continues to be affected by the increase in new hotel supply. The success of events like the Sail GP has underscored the need for a comprehensive major events strategy to support the city's hospitality sector. Additionally, the NZ International Convention Centre, now scheduled to open in February 2026, is expected to generate significant room nights for the city.
- Wellington's occupancy and average daily rates are down due to the central government's targeted reduction in spending. This has resulted in a significant drop in corporate room nights for the year ending March 2025. This is not seen as a long-term shift, and Wellington is expected to recover in line with the NZ economy.

NZ Hotel Markets, cont'd.

- Queenstown remains the standout performer, with international tourism driving RevPAR up by 6.5% to $239 for the year ending March 31, 2025. Queenstown hit a record average daily rate on 31 December 2024 at $673 for the city.

Hotel Investment

- The year has started well with the $180 million purchase of the Auckland Intercontinental hotel by Singapore-based Hotel Properties Limited at over $1.0 million per key, a record price for a NZ hotel. This hotel sale reflects strong confidence in the long-term prospects of the New Zealand market.
- A key variable influencing hotel asset values is the cost of capital. In NZ, we have seen the Official Cash Rate (OCR) decrease from 5.5% to 3.5% over the past 12 months (including the latest April 9 decision). On the back of this we anticipate some positive impact on hotel asset prices as yields start to decrease in 2025.
- Despite some market uncertainty in the short-term due to international trade risks, transaction levels are expected to increase in 2025.

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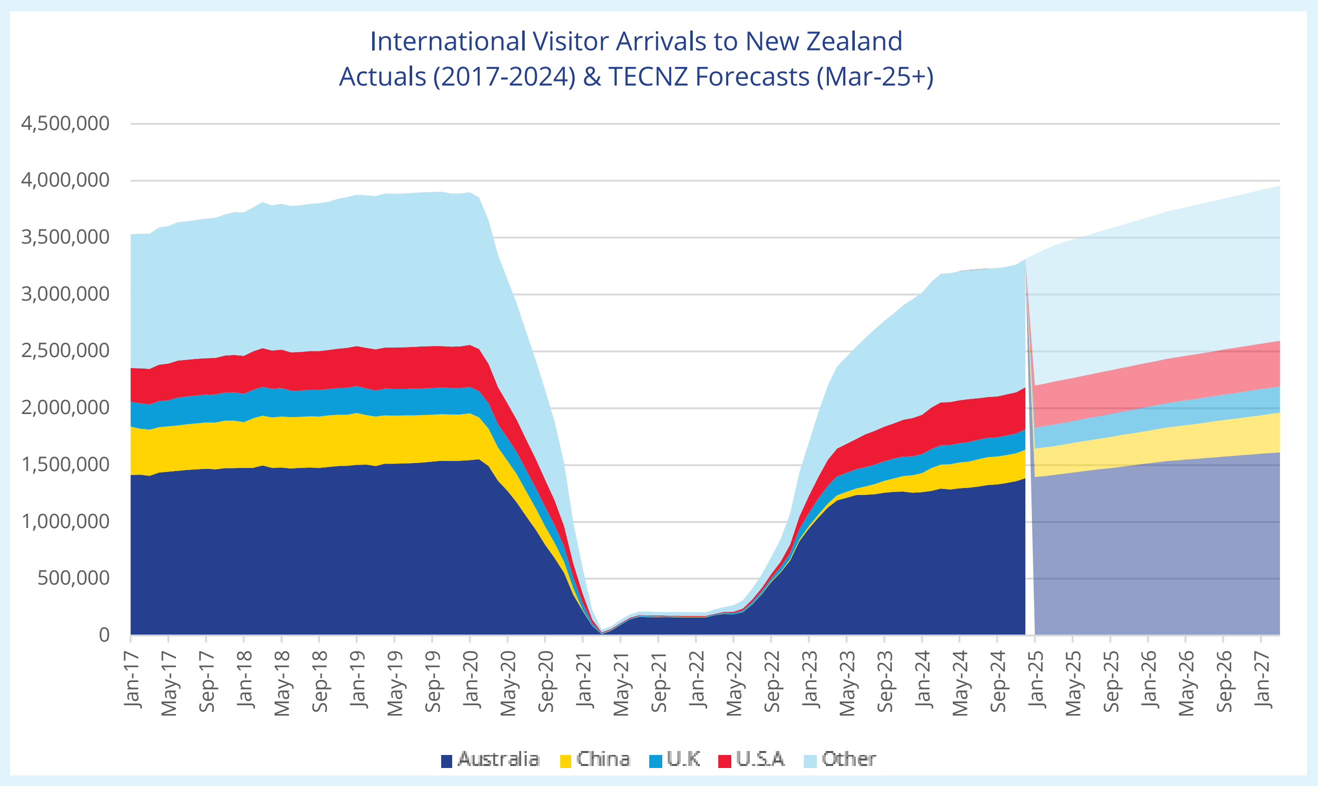
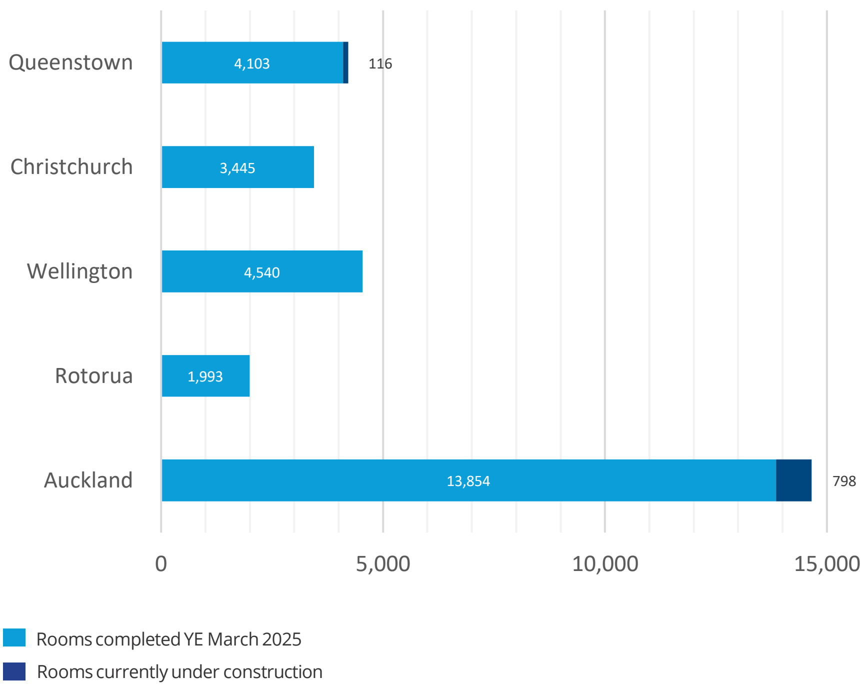


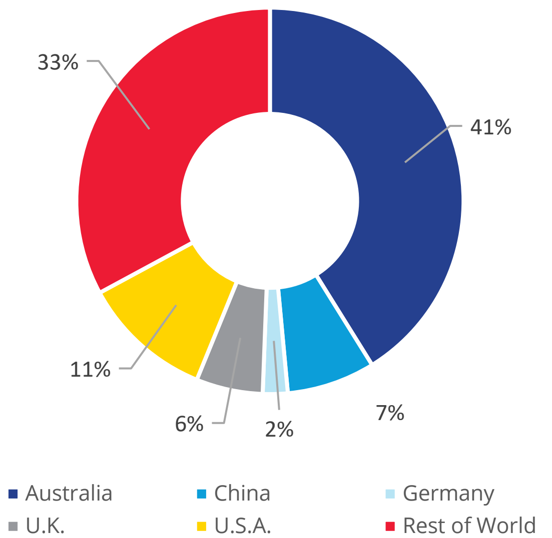
Source: StatsNZ, Tourism Export Council

Supply & Pipeline



Source: Colliers

International Visitor Arrivals Country of Origin (YE March 2025)



Source: Stats NZ

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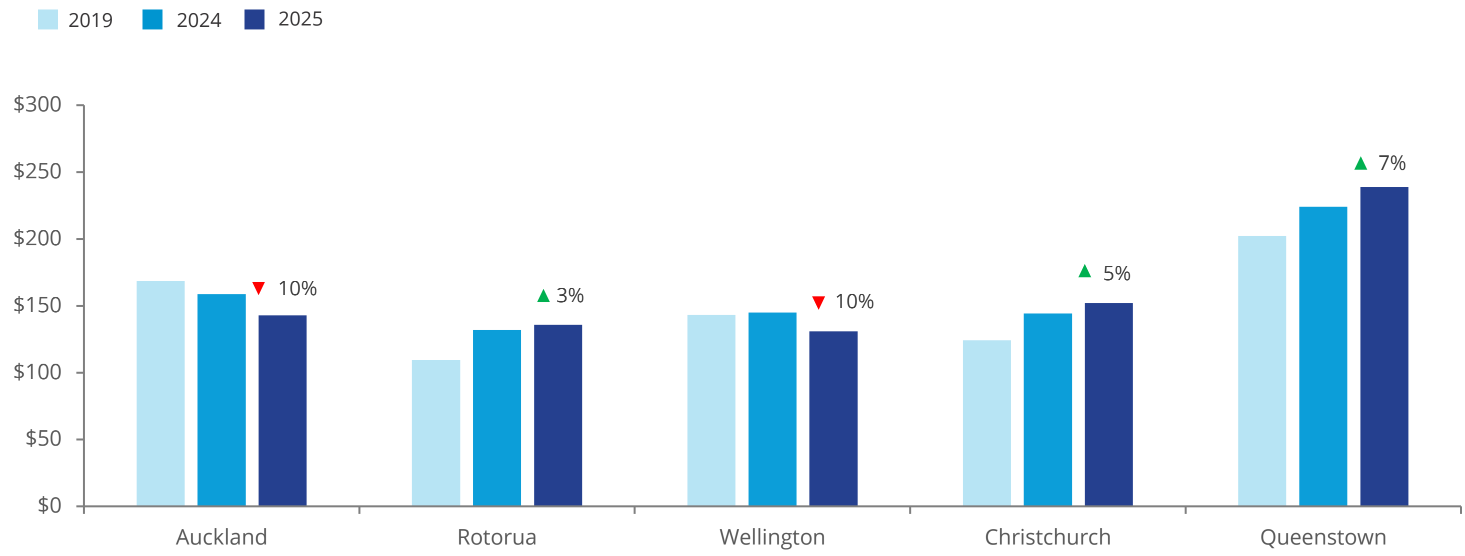
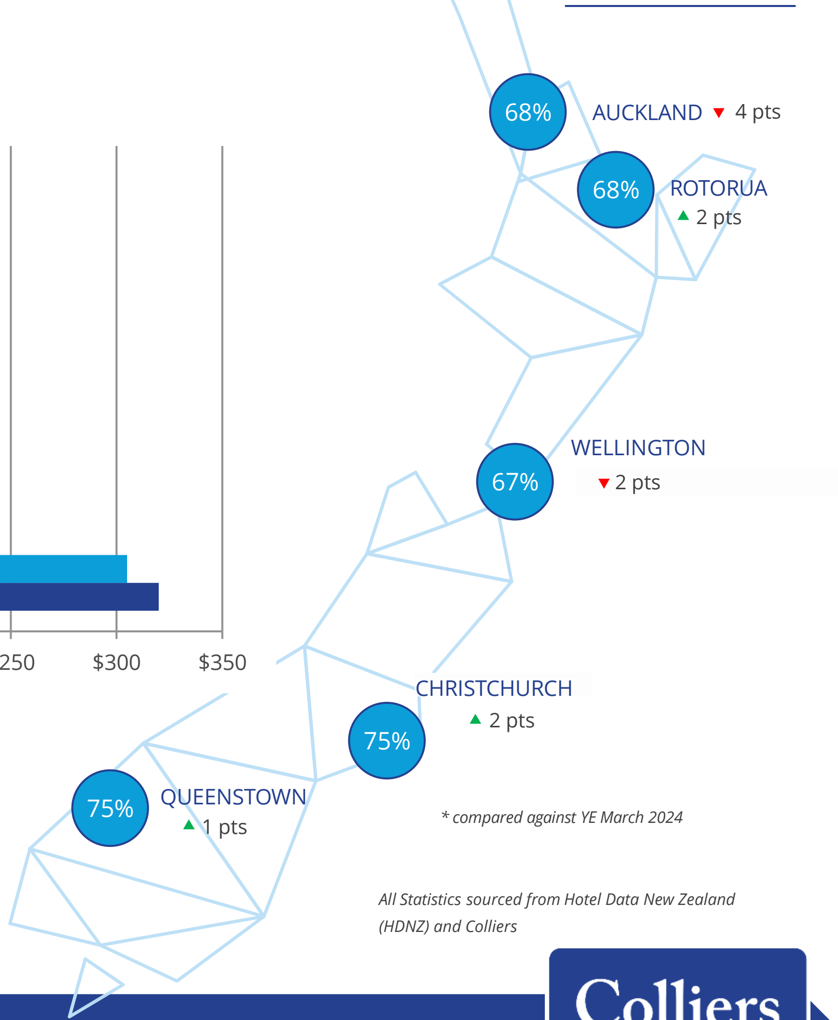
REVPAR
YE MAR 25



Source: Hotel Data New Zealand (HDNZ)

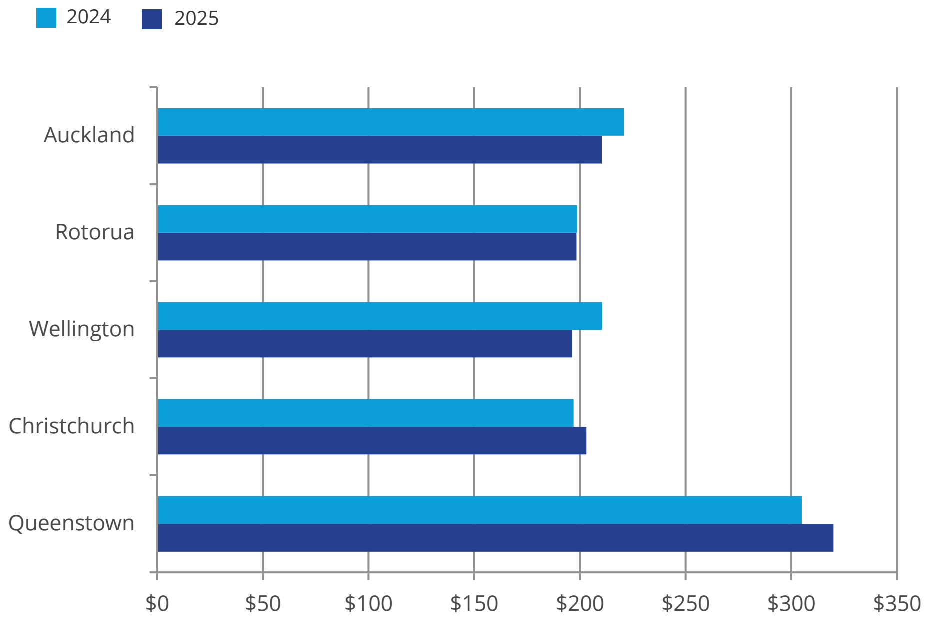
** Percentage change is compared against YE March 2024*

OCCUPANCY
YE MAR 25



** compared against YE March 2024*

ADR
YE MAR 25



Source: Hotel Data New Zealand (HDNZ)

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

Colliers

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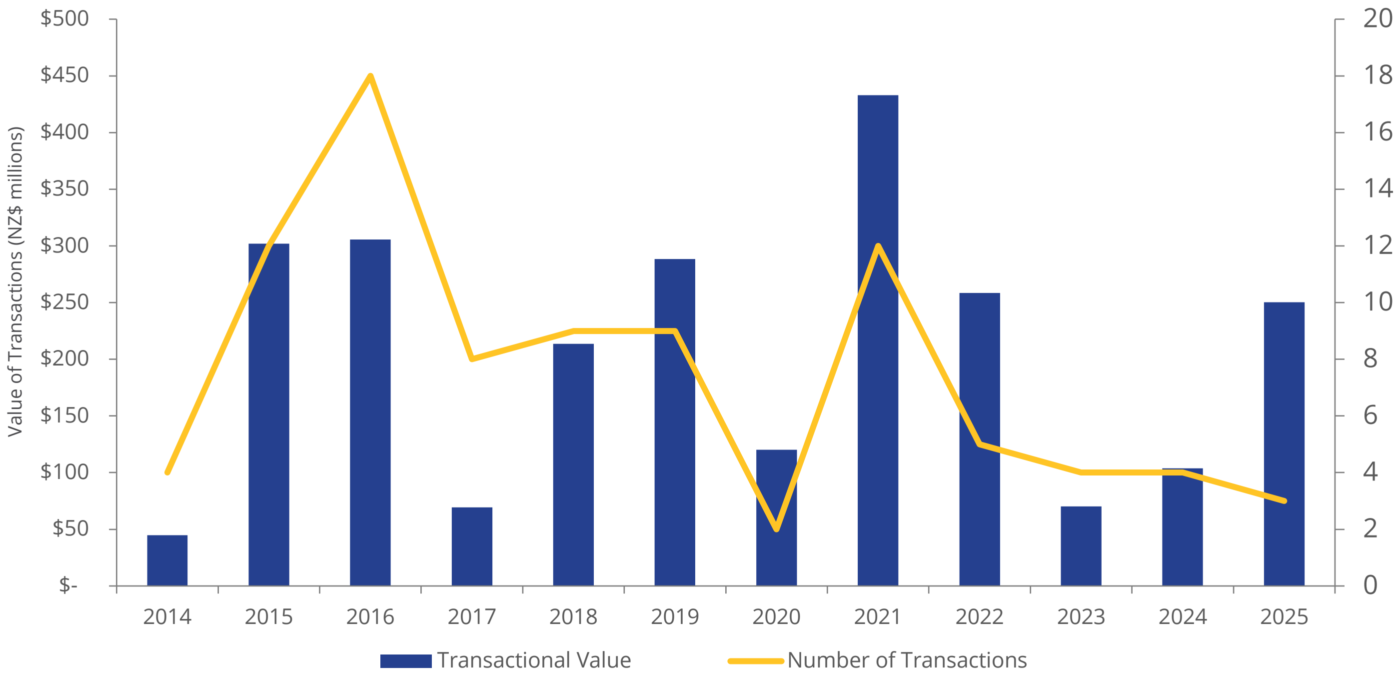
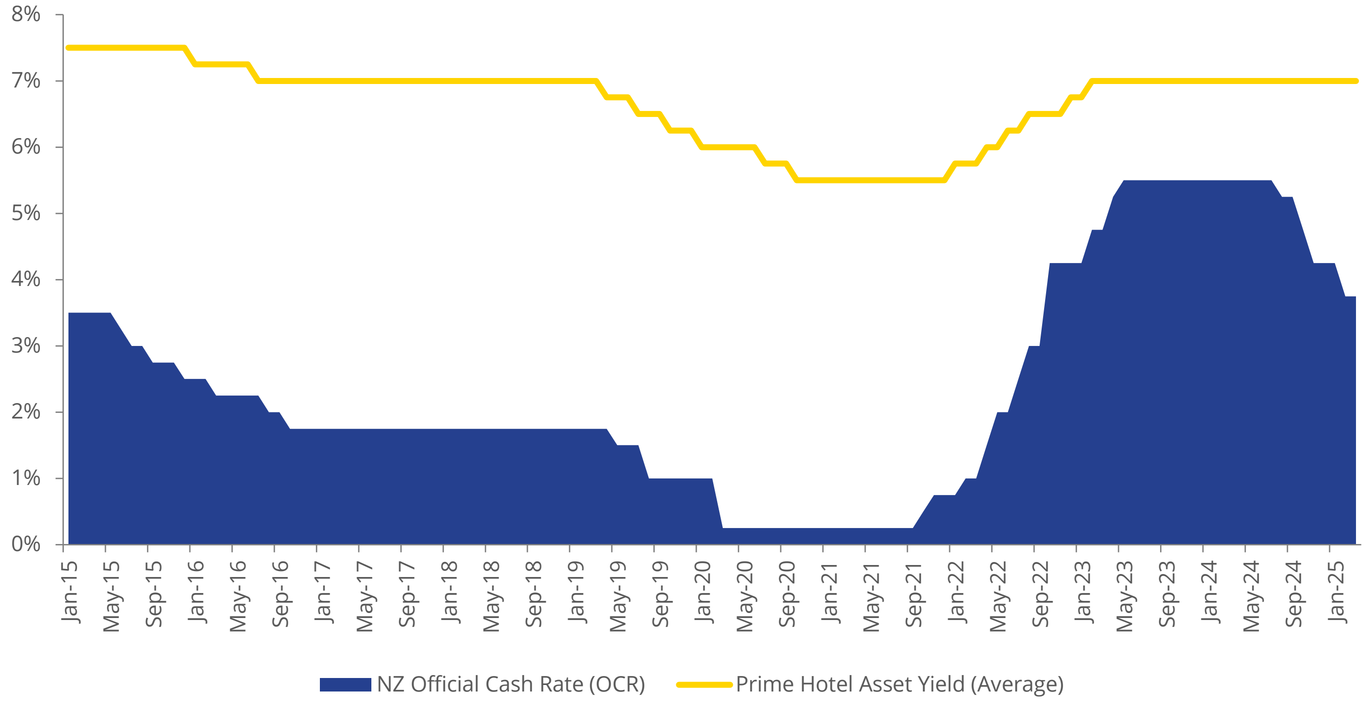
New Zealand Hotel Sales 2014 – 2025 (Sales over NZ$5 million)



Source: Colliers

New Zealand Hotel Investment Yields



Source: RBNZ, Colliers

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