

Intelligent Investment

The Luxury Lodge Market

REPORT

Insights

CBRE HOTELS RESEARCH
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CBRE



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A New Era of Growth in the Luxury Market



01

Australia Tourism State of the Industry



Australia's inbound tourism is picking up pace

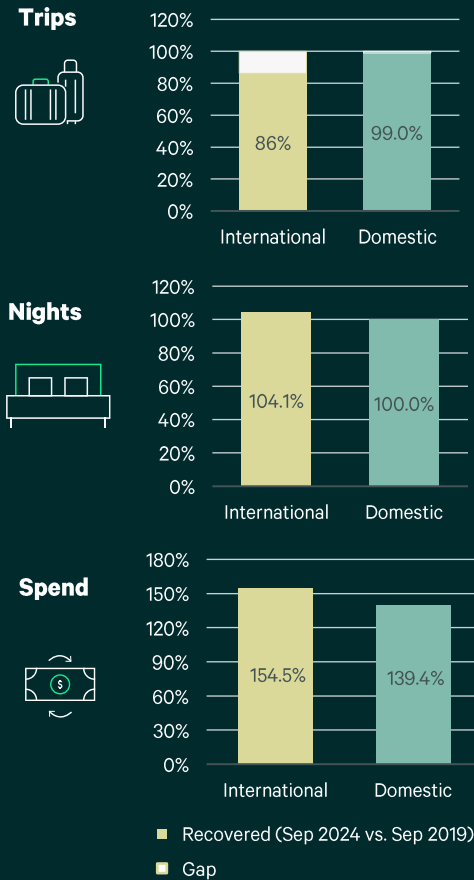
Australia's tourism industry has demonstrated a robust recovery following the pandemic, driven by growth in both domestic and international tourist numbers.

The return of international visitors is nearing pre-pandemic figures, bolstered by the heightened demand for global travel. In the 2023-24FY, Australia welcomed nearly 8 million international visitor arrivals (+36% y-o-y). This increase is mainly fuelled by an increase in travellers and expanded flight capacity.

Meanwhile, domestic tourism has now fully recovered, with Australians making more overnight trips and spending significantly more in 2024 vs. 2019. The ongoing trend of Australians exploring their own country, enhanced transport infrastructure and a growing preference for authentic, culturally rich local experiences are driving domestic tourism spending.

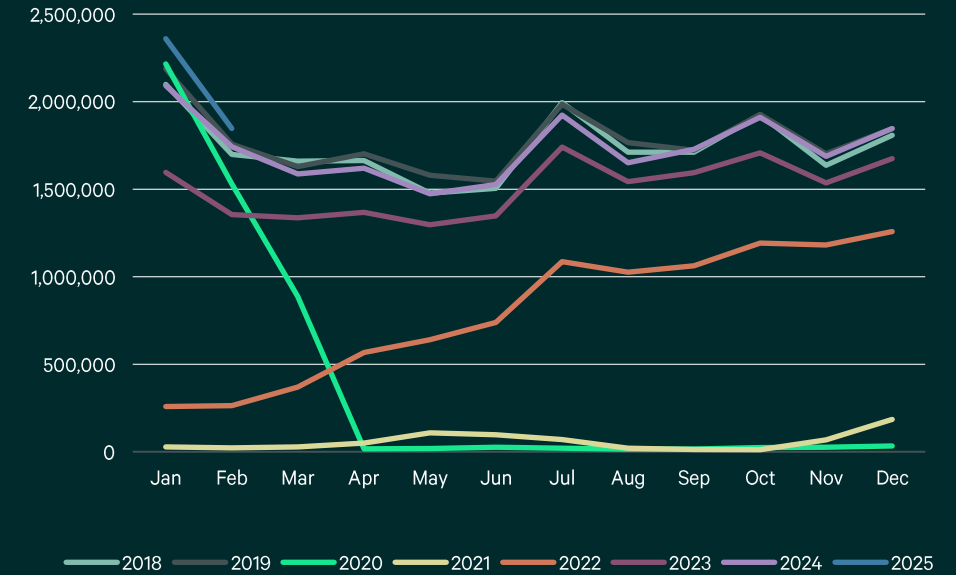
While major cities remain hotspots, regional areas are also increasingly gaining attention and experiencing a surge in visitation, owing to natural beauty and the vibrancy of local communities.

Figure 1: Australian tourism recovery, international and domestic visitors, year ending September 2024 vs. 2019



Source: TRA; CBRE Research

Figure 2: Inbound international airline passengers carried by month, Australia



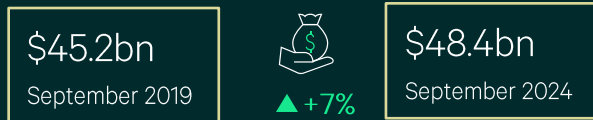
Source: BITRE; CBRE Research

The United States - the top contributor to visitor holiday spending

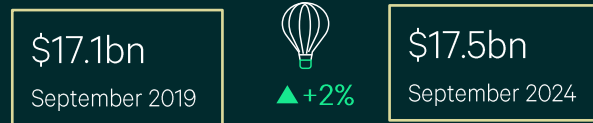
The top three source countries for visitors to Australia in the YE March 2025 were New Zealand, China and the USA. Although China remains a crucial market for Australian tourism, its recovery has been slower than anticipated.

Despite strong arrival numbers from New Zealand and China, the USA leads in overall tourism spend, followed by China and the UK.

Total Visitor Expenditure

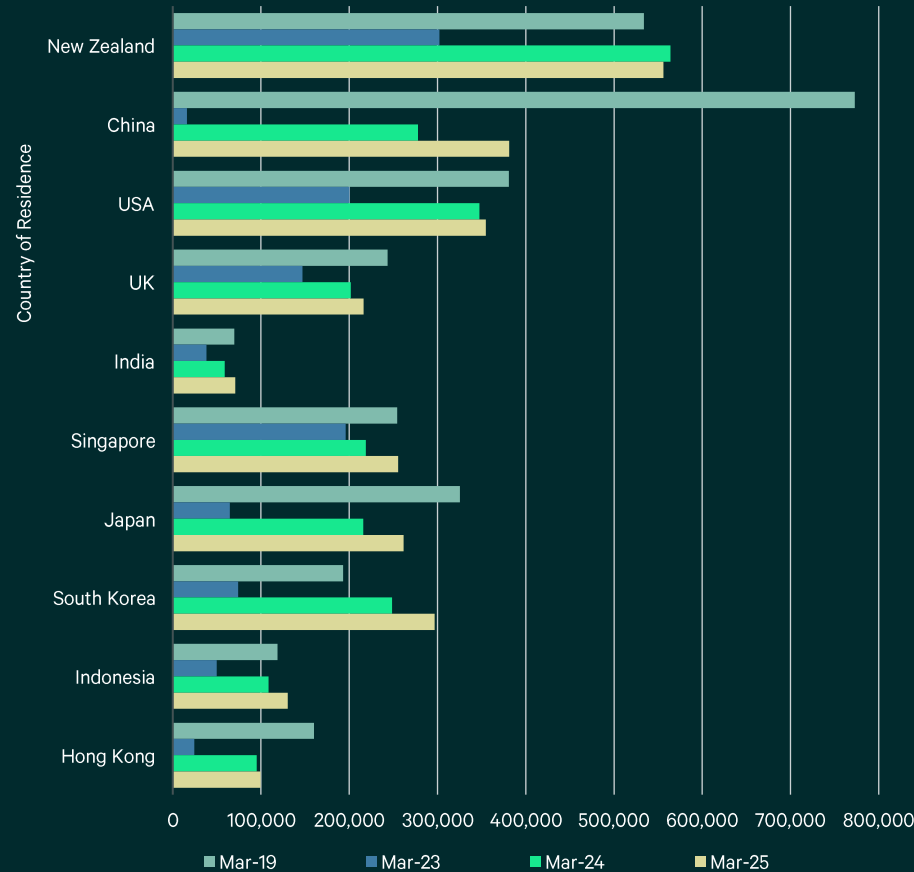


Total Holiday Visitor Expenditure



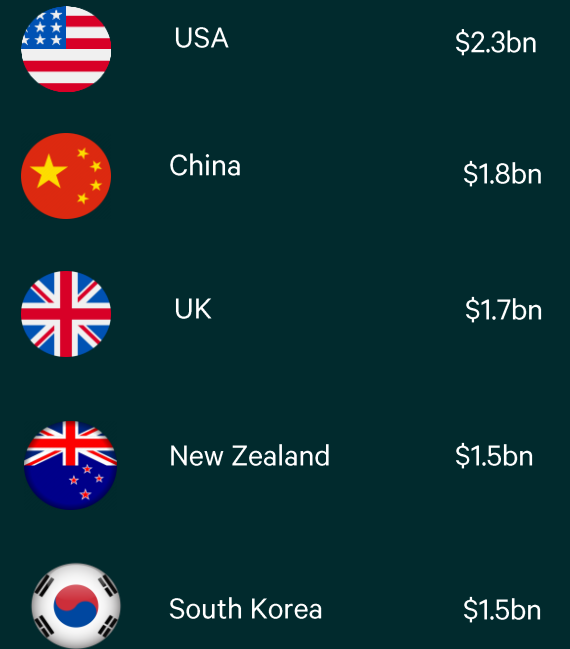
Source: Tourism Australia

Figure 3: Short-term visitor holiday arrivals, Australia - Top 10 visitor markets, year ending March 2025



Source: Tourism Australia; CBRE Research

Figure 4: Top 5 short-term visitor holiday expenditure by source market, Australia, year ending Dec 2024



Source: TRA

A weaker AUD bodes well for the Australian tourism and hotel industry



Increased spending power from international travellers propels solid growth in tourism

The drop in the value of the Australian dollar has made Australia a more appealing destination for foreign tourists, especially those from the USA or Europe. At the same time, a weaker AUD has incentivised Australians to travel domestically.

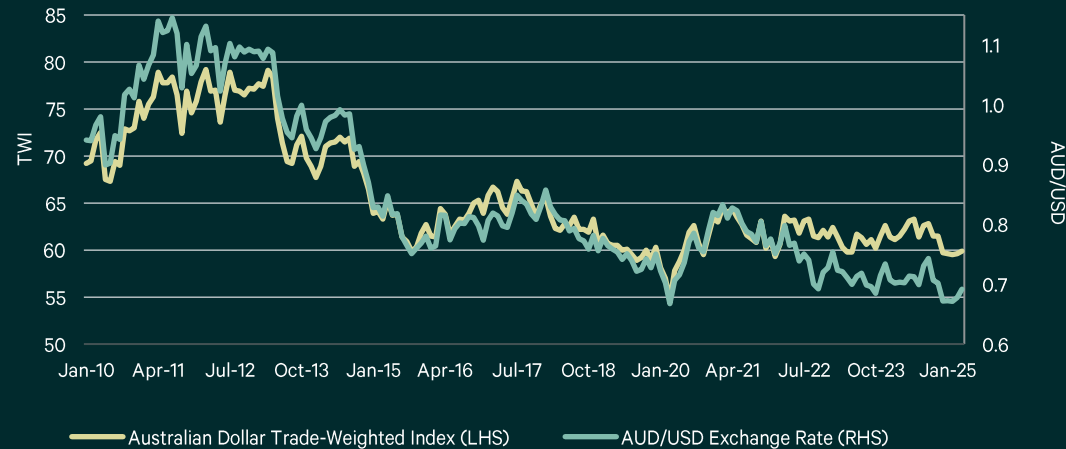
The favourable currency arbitrage is drawing in foreign investors, especially in sectors with long-term growth potential, like the tourism and hospitality industries. This trend has resulted in considerable capital inflows into Australia's hotel sector.



New airline routes enhance connectivity to Australia in response to strong consumer demand

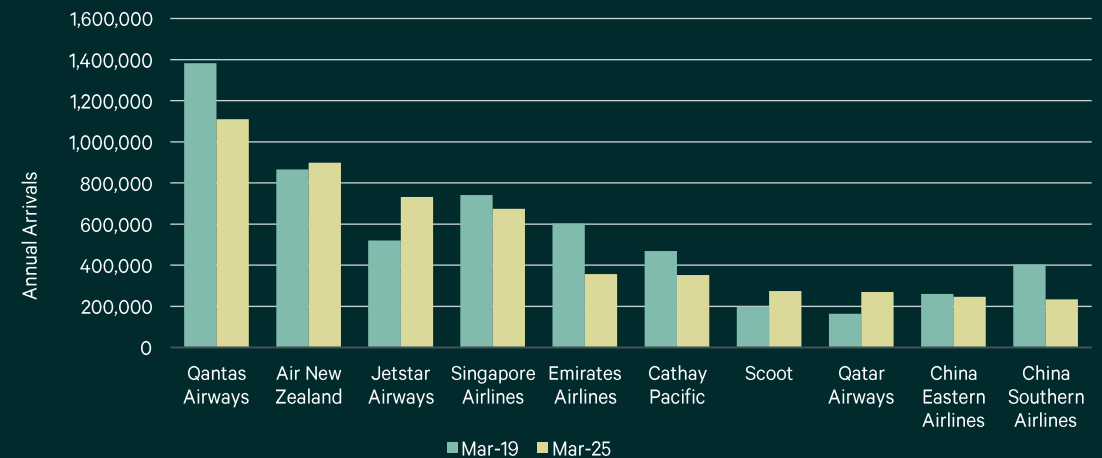
- Starting in December 2025, United Airlines will offer three weekly seasonal flights from Adelaide to San Francisco.
- Qantas is introducing two new international routes from Perth to Auckland and Johannesburg, beginning in December 2025.
- In April 2025, Fiji Airways broadened its offerings between Australia and Fiji, featuring a new direct route from Cairns to Nadi, improving connectivity and boosting tourism.

Figure 5 : AUD/USD exchange rate and the trade weighted index



Source: RBA; WM/Reuters; CBRE Research

Figure 6: Total annual aviation arrivals by carrier, Australia



Source: BITRE; CBRE Research

02

Luxury Lodge Trends



Australia is the leading destination for High-Net-Worth Individuals (HNWIs)

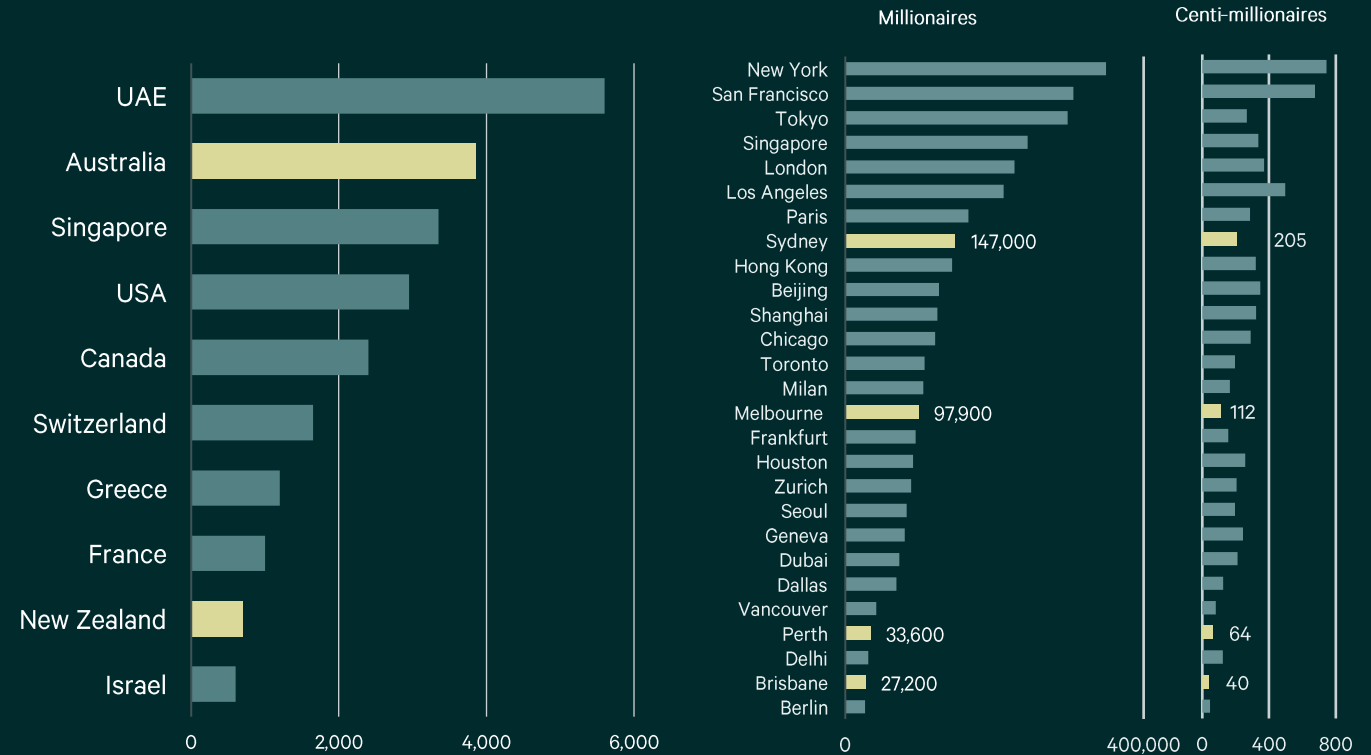
In 2024, robust demand from affluent domestic travellers and international visitors boosted the luxury tourism and hospitality sector. This high-end market segment proved to be less vulnerable to the economic headwinds and uncertainties, largely owing to sustained interest from HNWIs who were less impacted by rising financing costs.

The expansion of the luxury tourism and hospitality sector has been greatly supported by **a pronounced rise in the global population of HNWIs** (with assets of \$1 million-\$30 million). Furthermore, years of pent-up demand have enabled the luxury tourism sector to rapidly bounce back to pre-COVID-19 levels.

Moreover, this expansion has been further fuelled by a broadening demographic of aspirational travellers - \$100,000 - \$1 million net worth. Many of these individuals are younger (Millennials and Gen Z) and exhibit a growing willingness to allocate considerable portions of their financial resources toward premium travel experiences.

The strongest demand for luxury travel comes from individuals in the 40 to 50-year-old age range, who have a deep appreciation for relaxation, adventure and cultural enrichment.

Figure 7: High Net Worth migrants inflows & global millionaires 2023-24



Source: Henley & Partners; CBRE Research; CBRE Research

A few tailwinds influencing luxury lodges

Population growth, job creation and rising incomes are reshaping demand for consumer-facing real estate, with an expected \$960 billion boost in spending over the next decade.

Demand for luxury lodges is further sparked by a **broader cultural shift toward valuing experiences** over material possessions, as more and more individuals are willing to pay a premium for a truly memorable experience.

Additional favourable factors contributing to this trend include:

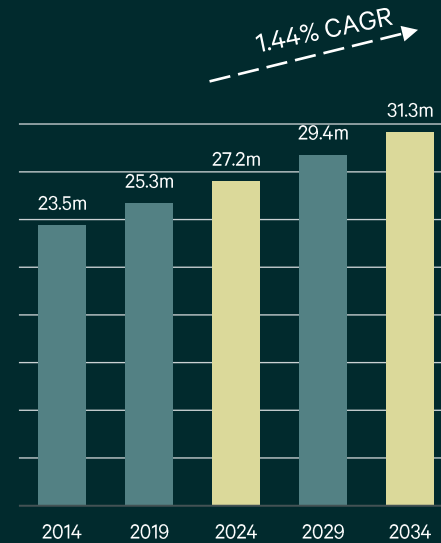
- The political stability in ANZ enhances the safety of travel, making the region more attractive to tourists.
- Social media plays a significant role in showcasing the beauty of new cultural experiences, inspiring a wave of aspirational travel among potential visitors.

Figure 8: Triple boost of population, jobs and income



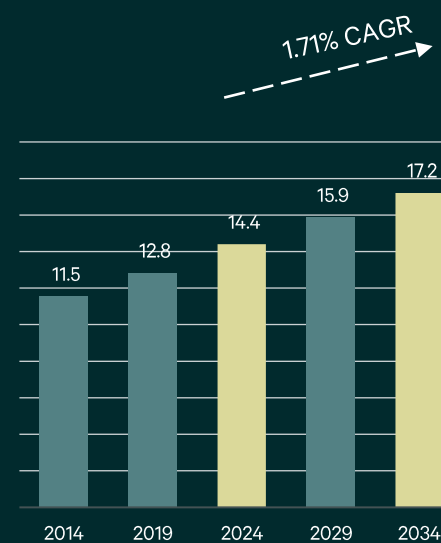
Population growth

Immigration is projected to account for two-thirds of Australia's population increase, reaching 31.3 million by 2034.



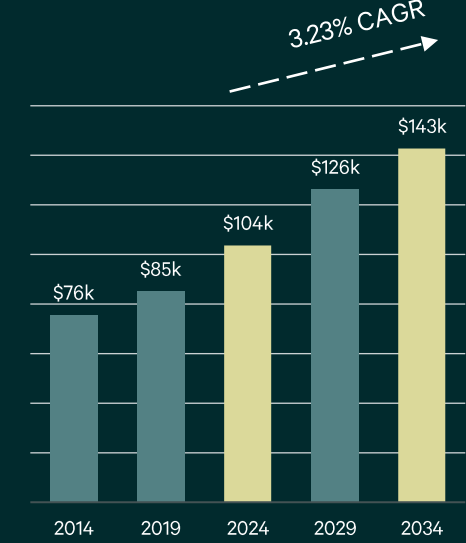
Job creation

Between January 2020 and June 2024, an additional 1.5 million Australians were employed. It is expected that another 2.6 million Australians will find jobs over the next decade.



Rising income & wealth

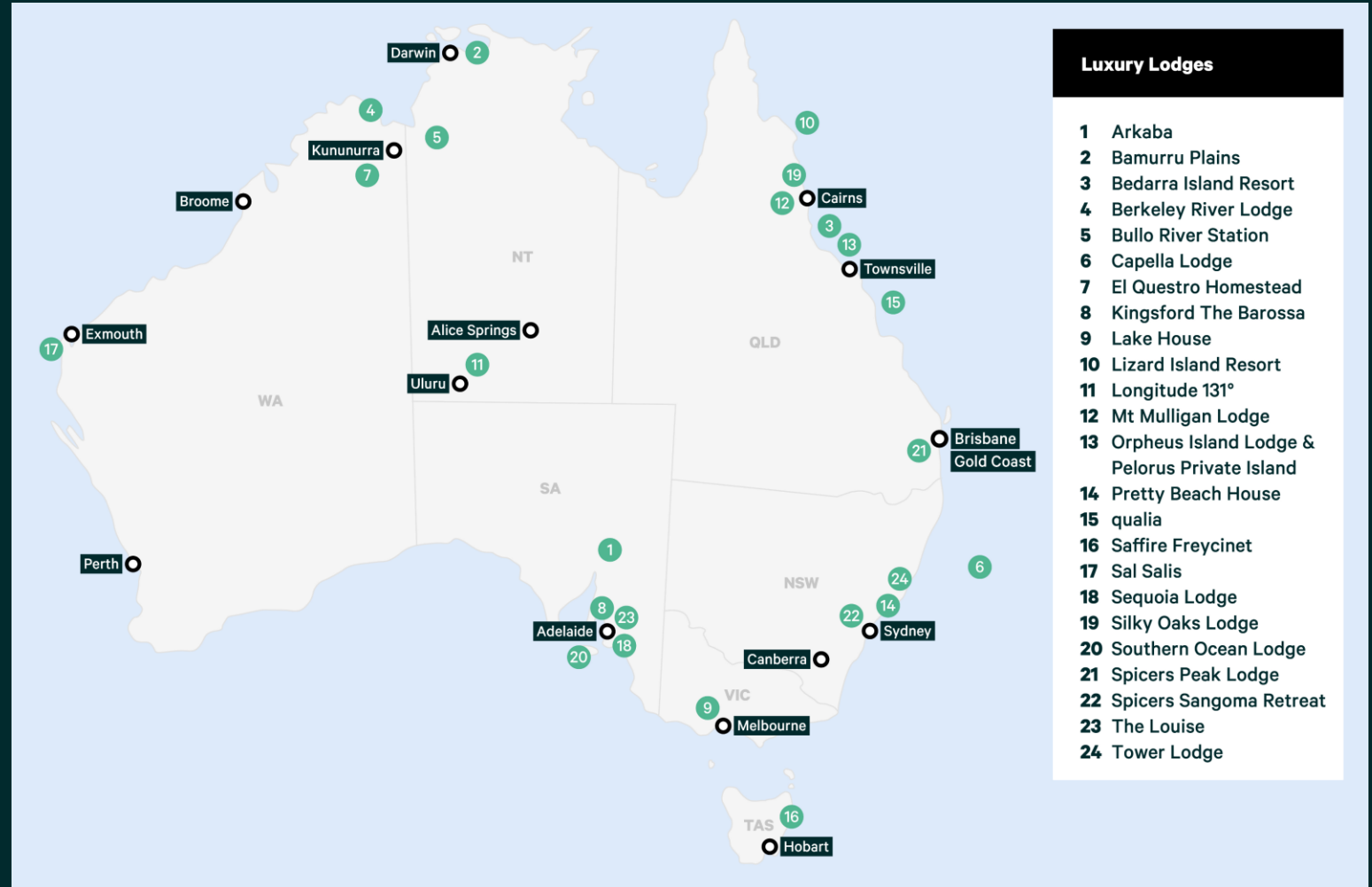
The average annual income is on track to rise from the current \$104,000 to \$143,000 pa by 2034, spurring demand for high-end accommodations and personalised services.



Source: ABS; CBRE Research

03

Sample Map of AU Luxury Lodges



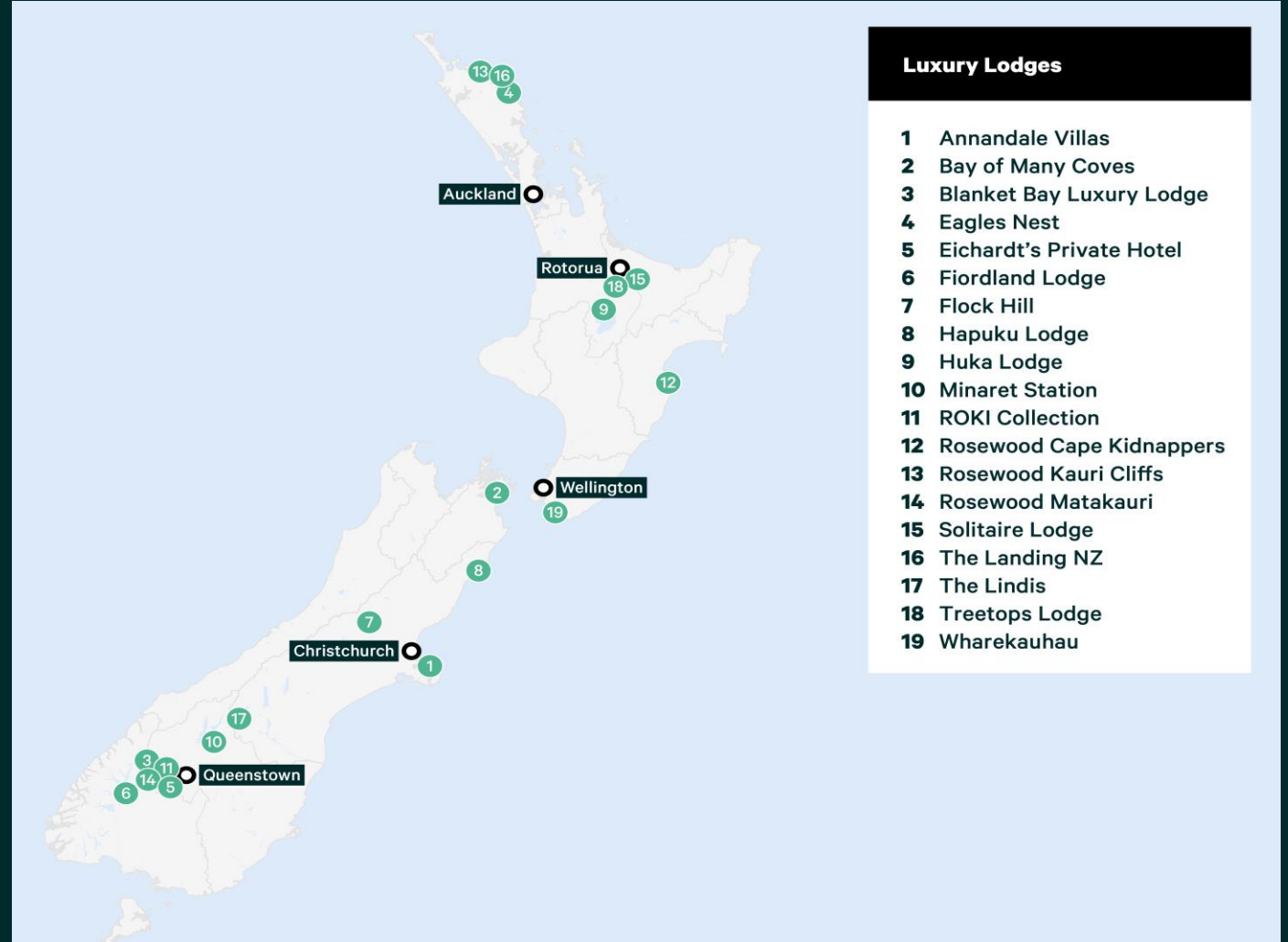
Source: CBRE Research

24

luxury lodges

04

Sample Map of NZ Luxury Lodges



Source: CBRE Research

19

luxury lodges

05

Key Characteristics of a Luxury Lodge



Impeccable service - the cornerstone of luxury lodges

Exceptional service is a hallmark of luxury lodges, setting them apart and ensuring a memorable and personalised experience for guests.

- Anticipatory hospitality (staff at luxury lodges are trained to anticipate guests' needs and preferences)
- Personalisation at every touchpoint (from custom welcome notes to curated experiences based on guest interests)
- Discreet and seamless attention (recognising that many guests seek solitude and privacy, luxury lodges prepare their staff to provide attentive service while maintaining discretion)



Huka Lodge (22 suites)

Long regarded as one of the world's most revered and inspirational luxury accommodations, Huka Lodge is set among 17-acres of established, parklike gardens along the banks of the emerald-blue Waikato River near Lake Taupō on New Zealand's North Island. With humble beginnings more than a century ago as a fisher's camp with white canvas tents pegged along the trout-rich river, Huka Lodge has today secured its place as one of the country's oldest and most celebrated luxury lodges. In 2024 Huka Lodge closed for a carefully considered 'centenary redesign', and reopened its doors in March 2025, ready to welcome a next generation of global luxury traveller.

HUKA LODGE



Wairakei, Taupō



Exclusive holistic experiences - fostering a deep connection with surroundings

Discerning travellers are seeking more than just comfort - they desire dynamic and meaningful vacations. Luxury lodges meet this demand by providing curated experiences that highlight the stunning natural scenery and wildlife of their locations. These lodges often embrace First Nations cultures and showcase the vibrant local culinary scene, engaging guests through storytelling and art. This approach fosters a deeper connection with both the environment and oneself, allowing guests to escape the demands of daily life.

Saffire Freycinet (20 suites)

Saffire Freycinet is an award-winning all-inclusive luxury resort, situated in the heart of Tasmania's stunning Freycinet National Park. A gem of Coles Bay, Saffire offers the ultimate experience of luxury accommodation in Australia. Experience this relaxation in this luxury lodge, set against the stunning backdrop of Wineglass Bay. Curated experiences and self-guided activities cater to every mood, whether visitors are seeking adventure, romance, relaxation or exploration.



Waubus Harbour Distillery Tour



Freycinet Marine Farm



Beekeeping Experience



Tasmanian Devil Experience



Connection to Country



Signature Boat Experiences



Longevity and wellbeing - luxury's ultimate offering

Wellness tourism in Australia is experiencing a surge, with more visitors increasingly prioritising mental health, rest and holistic wellbeing. Luxury lodges are perfectly positioned to cater to this trend.

According to Big Red Group, bookings in the wellness category saw a remarkable 228% year-on-year increase in 2024. Additionally, wellness real estate is rapidly becoming one of the fastest-growing segments of the \$6.3 trillion global wellness economy, projected to grow at 7.3% annually through 2028, as reported by the Global Wellness Institute.

Capella Lodge (9 suites)

Capella Lodge is the premier retreat on the World Heritage-listed Lord Howe Island. Located at the foot of Mount Gower and Lidgbird, it boasts stunning views of mountains, ocean, subtropical reefs and lush pastures. The Capella Spa offers island-inspired treatments influenced by Aboriginal Dreamtime and Indigenous healing traditions. A highlight is the sacred stone massage, utilising heated basalt stones sourced from the island's windward beaches.



Lord Howe Island, NSW



Immersive gastronomy - a pillar of luxury lodges

Luxury lodges prioritise exceptional culinary experiences, providing upscale dining with personalised service and meticulous attention to detail. The resorts tend to include gourmet restaurants, celebrity chefs, partnerships and a focus on local ingredients and flavours, guaranteeing guests a remarkable culinary adventure.

In the aftermath of the pandemic, travellers are increasingly looking for authenticity, communal experiences and emotional connections - an offering that combines food, entertainment and social interaction. Luxury lodge dining offering blends culinary art with storytelling, design and cultural elements to create a memorable, multi-sensory journey.

Longitude 131° (16 tents)

Longitude 131° is a luxury resort near the UNESCO World Heritage-listed Uluru-Kata Tjuta National Park. Guests dine with stunning views of Uluru, enjoying exquisite cuisine made with native bush ingredients and premium Australian food and wine. The globally celebrated Table 131° offers an iconic outdoor dining experience, where chefs prepare four exquisite courses by torchlight atop a secluded dune under a starlit sky.



Uluru-Kata Tjuta, NT



Embracing sustainability - paramount for responsible growth

Luxury lodges are progressively adopting eco-friendly practices thanks to evolving traveller expectations and environmental imperatives. These properties strive to prioritise environmental conservation and support local communities by implementing energy-efficient infrastructure and sourcing organic, locally-produced ingredients.

Additionally, architectural authenticity and local identity come to the forefront, with lodges using locally sourced materials, partnering with regional artisans and designing spaces that blend seamlessly with the natural surroundings to reduce their ecological impact and enhance guests' connection to the area.

Bedarra Island Resort (12 villas)

Bedarra Island Resort is an all-inclusive luxury lodge on the Great Barrier Reef that emphasises sustainability.

- After a comprehensive analysis, the resort shifted from diesel generators to an off-grid hybrid solar system with battery storage.
- Water is sourced from granite-filtered springs and harvested rainwater.
- To minimise waste, the resort partners with suppliers that use minimal packaging, composts organic waste for its gardens and recycles aluminium and plastic on the mainland.



BEDARRA
GREAT BARRIER REEF

📍 Bedarra Island, QLD





“ That genuine sense of place, accessed with elements of exclusivity of access, to place, experience, people, knowledge, skill, is really what luxury travel is all about ”

Penny Rafferty
Director and Executive Chair
Luxury Lodges of Australia



05

Operational Performance of Luxury Lodges

- Luxury lodges within the hotel asset class consistently demonstrate **significant investment outperformance**, making them the most profitable sub-sector. Despite the COVID-19 downturns, luxury lodges have shown greater resilience as high-end travellers were less likely to cut back on travel, providing a buffer against volatility.
- CBRE's analysis indicated that **the average number of rooms** within the selected set is **21**, highlighting the importance of striking a balance between restricting guest numbers for genuine exclusivity and maintaining enough capacity for streamlined operations.
- With bookings generally occurring 3 -6 months in advance of stays, **luxury lodges are significantly de-risked** and have proven to be more attractive operationally than traditional hotels and resorts, enabling owners to exercise careful cost management, supporting higher profit margins.
- There are some **cost benefits associated with vertical integration** of operations - lodges own their supply chains (farms, vineyards, transport), lowering input costs and improving operational control.
- High EBITDA margins, strong RevPAR and low competition in remote, protected areas create a **compelling return profile**.
- Luxury lodges that consistently deliver world-class service, exceptional food and beverage offerings and authentic, memorable experiences have the **leverage to command higher room rates** without resistance from guests.

7 luxury lodge set
21 rooms average
benchmarked through ANZ

	Pre-COVID 2018	2024	% change
Total Revenue Per Occupied Room (TRevPOR)	\$1,815	\$2,879	▲ 59%
Occupancy	74%	74%	stable
EBITDA Per Room	\$141,286	\$327,476	▲ 132%
Margin	26%	40%	▲ 54%

Source: CBRE Research (AUD)



Spicers Peak Lodge, Maryvale

The landscape of luxury lodge ownership - Australia

Domestic capital prevails in the luxury lodge market

CBRE estimates 67% of the selected luxury lodges in Australia are held by domestic investors, while foreign investment accounts for 33%.

The offshore investment is primarily sourced from the USA (62%) and Singapore (13%). Dynamic tourism sector, stable and transparent market, potential for attractive yields and conducive investment conditions, draw in foreign capital to luxury lodges in Australia.

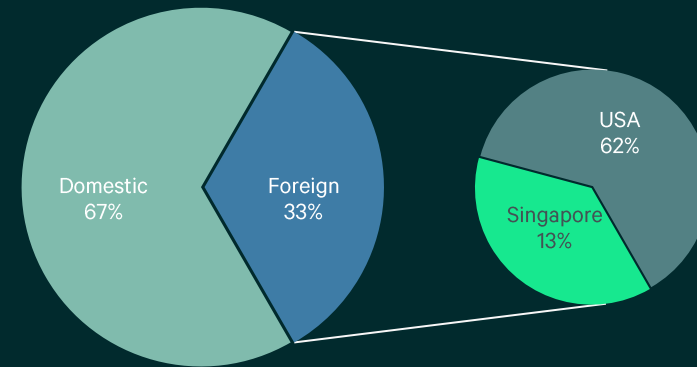
Luxury lodges as a lifestyle investment are shaping the dynamics of the sector

38% of luxury lodges are under the direct ownership and operation of HNWIs, reflecting a preference for hands-on oversight and active engagement in operational management.

25% of luxury lodges are run by owner-operators who utilise a private equity capital structure, blending operational control with institutional funding.

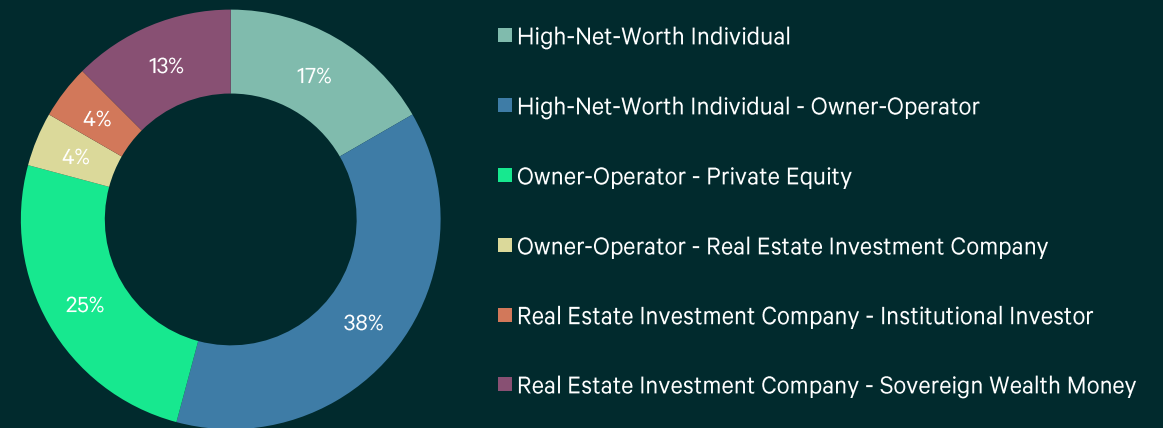
17% of luxury lodges are held by HNWIs primarily to generate returns. These investors tend to seek to leverage market trends and capitalise on the growing demand for luxury travel experiences.

Figure 9: Luxury lodge ownership by source, Australia



Source: CBRE Research

Figure 10: Luxury lodge ownership by investor type, Australia



Source: CBRE Research

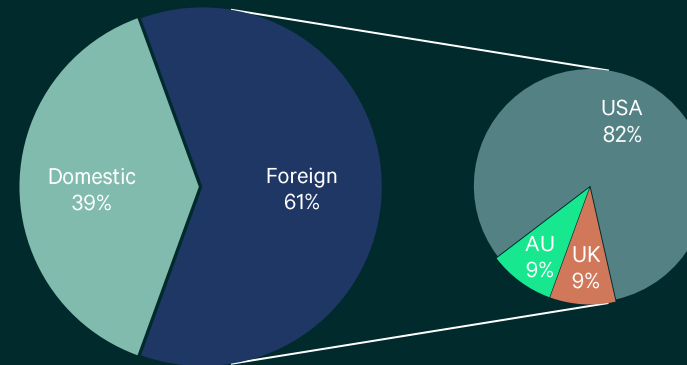
The landscape of luxury lodge ownership – New Zealand

Significant offshore capital powers the luxury lodge market

CBRE estimates that domestic investors own 39% of the selected luxury lodges in New Zealand, whereas foreign investments make up 61%.

There has been a growing pool of capital from international buyers, particularly from the USA (82%). Meanwhile, investments from Australia and the UK each represent 9% of foreign investment.

Figure 11: Luxury lodge ownership by source, New Zealand



Source: CBRE Research

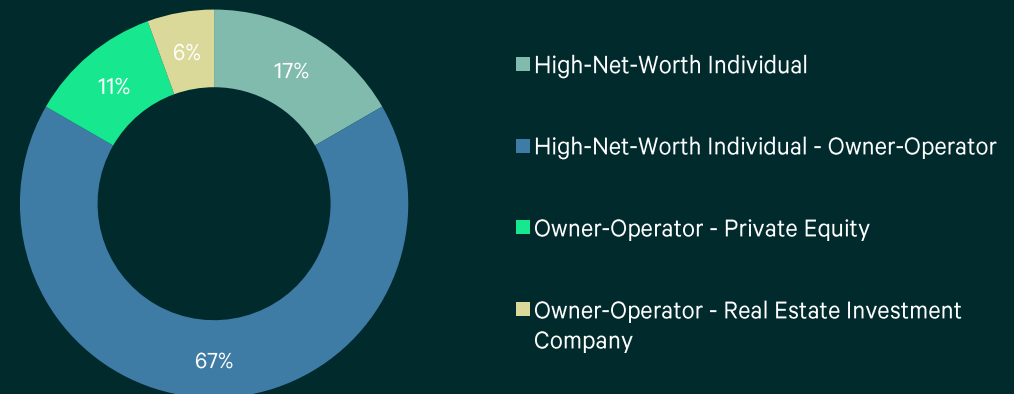
Active HNWI as owner-operators are at the helm of luxury lodge ownership

In New Zealand, 67% of luxury lodges are owned by HNWI-owner-operators who opt for active management and direct involvement in their investments. For them, lodges represent legacy ventures that combine lifestyle, conservation and entrepreneurship.

17% of luxury lodges are owned by HNWI who treat their ownership as passive investments, focusing on financial returns rather than daily operations. These investors often resort to third-party managers.

11% of luxury lodges are held by private equity firms that function as owner-operators, providing the dual benefits of ownership and liquidity to their investors.

Figure 12: Luxury lodge ownership by investor type, New Zealand



Source: CBRE Research

06 ANZ Luxury Lodge Investment Sales Analysis

Year	Name	Market	Sale Price (A\$m)	Price Per Key (A\$/room)	Tenure	Stabilised Cap Rate	No of rooms	Sale Type	Buyer Name	Buyer Origin	Buyer Type	Seller Name	Seller Origin	Seller Type
2009	Matakauri Lodge	Queenstown, NZ	9,800,000	980,000	Freehold	-	10	Single	Robertson Family	USA	HNWI	N/A	N/A	N/A
2012	Eagles Nest	Bay of Islands, NZ	11,600,000	2,320,000	Freehold	-	5	Single	N/A	N/A	N/A	Biskind Family	AUS/USA	HNWI
2019	Silky Oaks Lodge	Far North Queensland, AUS	20,000,000	500,000	Freehold	8.2%	40	Single	KSL Capital Partners	USA	Private Equity	Paul Van Min	Australia	HNWI-OO
2019	Southern Ocean Lodge	Kangaroo Island, AUS	68,000,000	3,238,000	Freehold	8.8%	21	Portfolio	KSL Capital Partners	USA	Private Equity	Baillie Family	Australia	HNWI-OO
2019	Longitude 131	Yulara, AUS	50,850,000	3,178,000	Leasehold	11.4%	16	Portfolio	KSL Capital Partners	USA	Private Equity	Baillie Family	Australia	HNWI-OO
2021	Lizard Island Head Lease	Great Barrier Reef, AUS	42,000,000	1,050,000	Leasehold	7.1%	40	Single	Fiveight	Australia	HNWI	SEA Group	Hong Kong	REIC
2021	The Louise	Barossa Valley, AUS	10,000,000	667,000	Freehold	-	15	Single	KSL Capital Partners	USA	Private Equity	Jim Carreker	USA	HNWI-OO
2021	Huka Lodge	Taupo, NZ	45,200,000	2,055,000	Freehold	-	22	Single	KSL Capital Partners	USA	Private Equity	Private Family	Dutch	HWNI-OO
2022	Pretty Beach House	Central NSW Coast, AUS	12,000,000	3,000,000	Freehold	4.7%	4	Single	Private HNWI	Australia	HNWI	John Singleton	Australia	HNWI
2023	Spicers Peak Lodge	SEQ Hinterland, AUS	25,000,000*	1,563,000	Freehold	6.9%	12	Portfolio	Salter Brothers/GIC	Singapore	Investment Manager/ Sovereign Wealth Fund	Turner Family	Australia	HNWI-OO
2023	Kingsford The Barossa	Barossa Valley, AUS	25,000,000	1,563,000	Freehold	7.3%	16	Single	Salter Brothers/GIC	Singapore	Investment Manager/ Sovereign Wealth Fund	Ahrens	Australia	Private Company
Total			319,450,000	1,558,000			205							

Note: * Apportioned value from the Spicers Portfolio Sale as per RCA
Source: CBRE Research

ANZ Luxury Lodge Investment Sales Analysis

CBRE analysis of historical transactions in the luxury lodge sector has identified a **notable transition from traditional ownership models – once dominated by private HNWIs - to a more diverse array of investment structures.**

Fund managers, sovereign wealth funds, REICs and private equity firms have expanded their presence in the market over the past decade, reflecting growing investor confidence in the luxury lodge sector. The appeal of the sector provides exposure to **alternative real estate** and experiential travel, diversifying traditional hospitality or commercial portfolios.

What's behind the Shift?



High-yield potential with relatively low volatility, strong tourism fundamentals and scarcity of premium assets in pristine locations.



The weakened Australian dollar has made Australian and New Zealand assets more attractive to foreign investors, particularly from the USA.



Rising demand for experiential luxury travel is attracting sophisticated investors.



Luxury lodges align well with ESG mandates, especially those focused on sustainability, conservation initiatives and community impact.



Zoning laws, environmental regulations and the remoteness of certain areas restrict the availability of new developments, sustaining high property values. Existing assets in iconic locations are poised to appreciate owing to extremely limited supply.



Sequoia Lodge, Adelaide Hills



qualia, Hamilton Island, Great Barrier Reef

07

Luxury Lodge Outlook

What's next for luxury lodges?

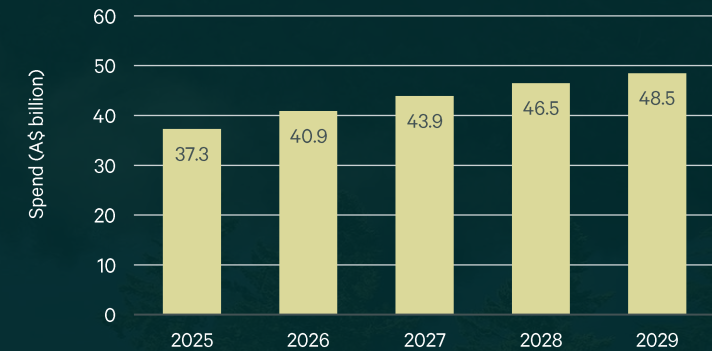
The luxury lodge submarket is experiencing strong momentum and is projected to maintain this upward trajectory. The convergence of steadily rising global wealth, increased disposable income and a growing appetite for unique and personalised experiences creates a fertile environment for sustained growth in the luxury tourism sector.

Luxury hospitality assets are poised to maintain their competitive edge and continue to outperform the broader market thanks to the low value of the Australian dollar, bolstered by the relatively resilient consumer base that seeks high-quality experiences, regardless of economic fluctuations.

As the global travel landscape evolves, **sustainability in hospitality is gradually evolving into regeneration**, which goes beyond eco-friendly practices and merely reducing negative impacts, but actively enhancing ecosystems and communities through reforestation, wildlife corridors and indigenous partnerships.

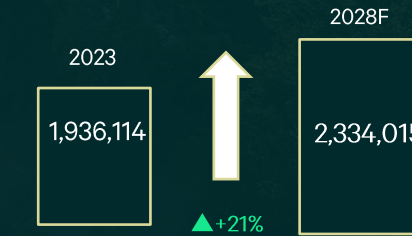
Luxury lodges are transitioning from lifestyle-driven assets to a **recognised alternative investment class**. This brings greater interest from impact funds, ESG investors and real asset portfolios, providing a level of sophistication and capital that can accelerate the development and enhancement of luxury lodge properties.

Figure 13: Forecast international visitor spend in Australia



Source: TRA, CBRE Research

Number of USD millionaires in Australia



Source: UBS

Pipeline

ROKI Collection Queenstown (15 suites)

Due to open in mid-2025, the ROKI Collection Queenstown is placed on the shores of Lake Wakatipu. This luxury lodge strives to focus on peace and immersive luxury, combining sophisticated elegance with local artistry.

Meeting all the key attributes of luxury lodges, the lodge serves as a peaceful retreat (its name taken from the te reo Māori word for 'calm') and offers world-class luxurious amenities, including a fine dining restaurant run by a renowned chef, a Rolls-Royce house car and bespoke wellness experiences.

“

Queenstown offers so many layers of luxury and once-in-a-lifetime experiences that it was the perfect environment to develop a new luxury concept. Wellness is in demand, and we saw an opportunity to invest in designing a completely new wellness concept in the New Zealand luxury accommodation sector

”

Denis Mackenzie
Executive Director
ROKI Collection Queenstown



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