Hotel Performance Strengthens Following Strong Summer Demand

▲ 69.7%
Occupancy Rate

▲ $237
ADR

▲ $165
RevPAR

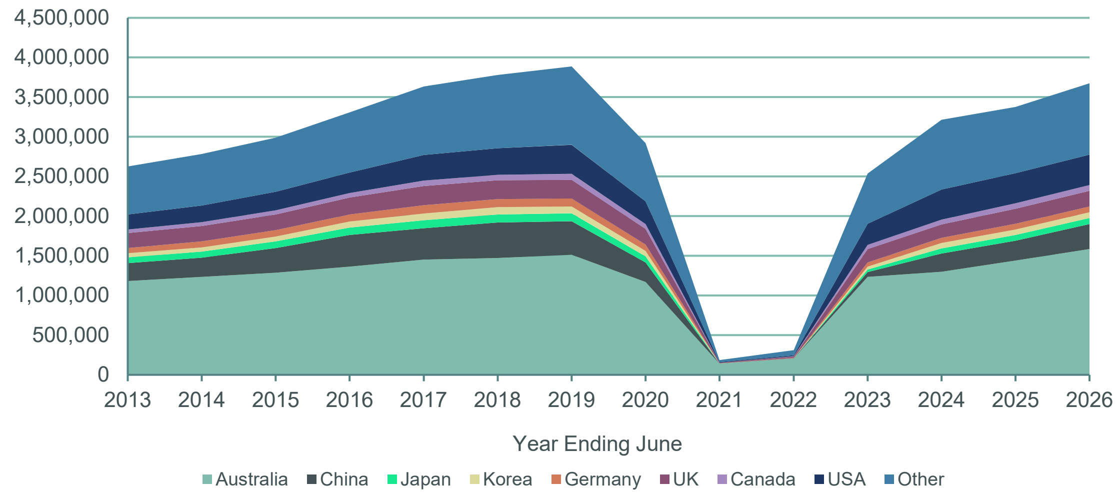
▲ 3.67m
International Visitors

Note: Arrows indicate change from previous year.

Key Points

- International arrivals in the year to June 2026 reach 3.67m, up 9% from the June 2025 year, and 94% of CY 2019 levels.
- Australia, the largest source market, accounted for 1.59 million arrivals (43% of total), up 10% year-on-year and 3% above CY 2019.
- Chinese arrivals growth leads all countries, increasing 27% year-on-year to 315k in the year to June 2026, although still 23% below CY 2019 levels.
- New Zealand hotel occupancy reached 69.7% (+5.3%), while ADR increased to $237 (+4.9%) and RevPAR rose to $165 (+10.5%).
- A strong summer trading period and limited new supply supported performance through H1 2026 despite softer winter trading conditions coinciding with geopolitical uncertainty and higher oil prices.
- Queenstown continues to lead all major New Zealand hotel markets in RevPAR while North Island markets fall behind.

FIGURE 1: International Visitor Arrivals



Source: StatsNZ

Auckland

Occupancy rates have continued to strengthen through the first half of 2026 due to strong demand growth, particularly over the summer period. In the six months to June 2026, room nights occupied increased by 10.8% compared with the same period in 2025, while room nights available has only experienced a 1.6% increase, causing occupancy to increase to 71.2% in the year to date. The opening of the New Zealand International Convention Centre in February 2026 and ongoing recovery of international tourism were key drivers of the increase in demand.

Three new hotels are currently under construction and scheduled to open in the short term:
- DoubleTree by Hilton Auckland Albert Street – 231 rooms (Q1 2027)
- Moxy Auckland – 144 rooms (Q2 2027)
- Drifter Auckland – 106 rooms (Q2 2027)

ADRs trended upward through the first half of 2026, supported by a strong summer trading period and increased international guest demand. As a result, ADR increased by 4% in the six months to June 2026 compared with the corresponding period in 2025.

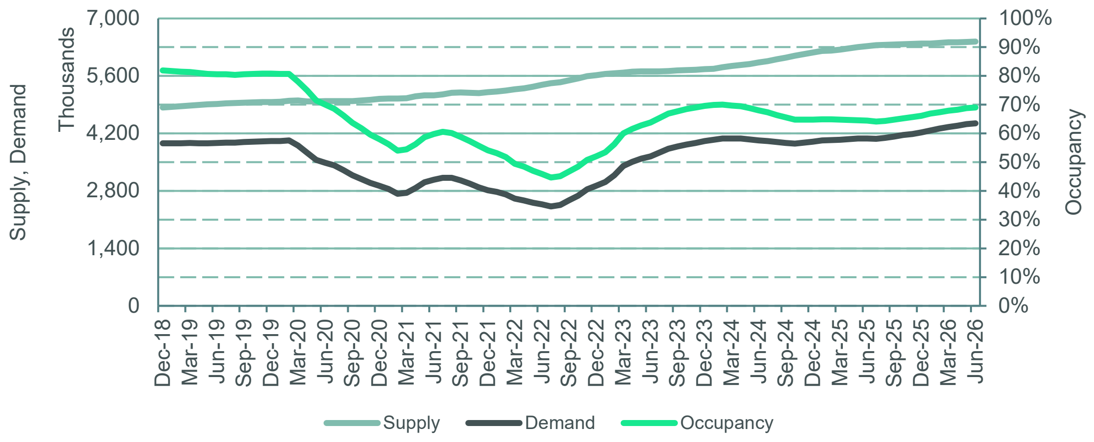
Newmarket Central sold for $9.6m at a price per room of $560k in May 2026. Newmarket Central comprises the former Newmarket Police Station which has been refurbished and converted to a 17 room boutique hotel.

FIGURE 2: Auckland Hotel KPI's

	RNA	% Chg	RNO	% Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg
YE-Dec 19	4,964,977		4,013,312		80.8%		199		161	
YE-Jun 25	6,325,901	27.4%	4,078,153	1.6%	64.5%	-20.2%	216	8.7%	139	-13.3%
YE-Jun 26	6,437,195	1.8%	4,445,375	9.0%	69.1%	7.1%	219	1.1%	151	8.3%

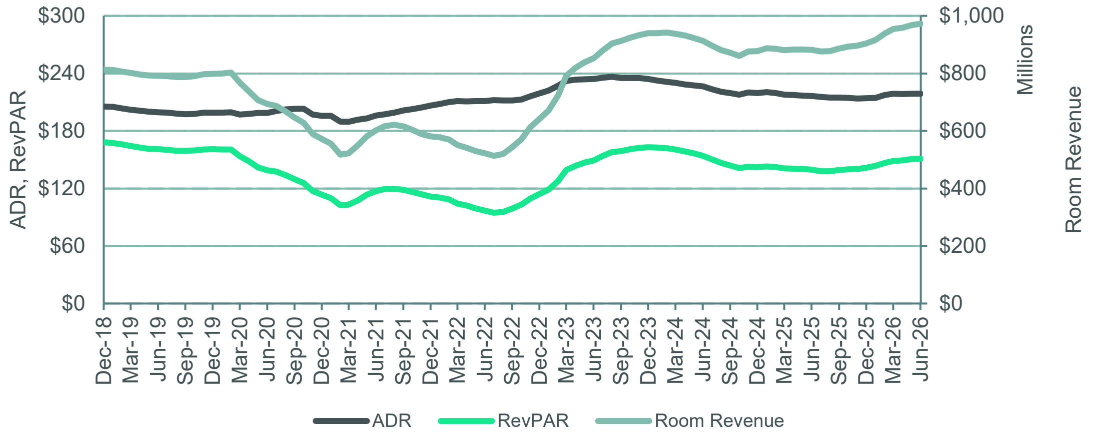
Source: CoStar

FIGURE 3: Auckland Hotel Supply & Demand



Source: CoStar

FIGURE 4: Auckland Hotel Room Revenue



Source: CoStar

Rotorua

Room demand increased modestly during the first half of 2026, while supply remained relatively stable, resulting in occupancy rising to 72%, up one percentage point on the corresponding period in 2025.

International visitors accounted for approximately 37% of total room nights in the year to June 2026, remaining below pre-pandemic levels and broadly consistent with recent years. The United States became a less significant source market through the first half of 2026, with its share of guest nights trending downward following strong growth in recent years. Demand from China has improved and represented 5.9% of room nights in the year to June 2026, overtaking United States as the third largest source market (behind New Zealand and Australia), however remains well below 2019 levels.

No new hotel supply is currently committed in Rotorua, which is expected to limit additional pressure on market capacity in the short to medium term.

ADRs continued to increase through the first half of 2026, supported by a strong summer period. Combined with slightly higher occupancy levels, this contributed to growth in room revenue and RevPAR.

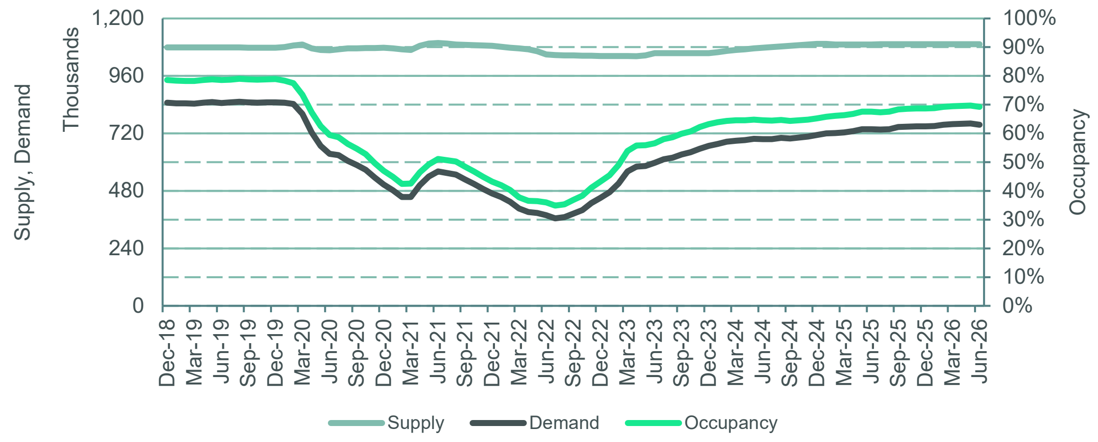
The leasehold interest in Arawa Park Hotel sold in June 2026, this hotel comprises 135 rooms and the new owners intend to refurbish and materially upgrade the hotel.

FIGURE 5: Rotorua Hotel KPI's

	RNA	% Chg	RNO	% Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg
YE-Dec 19	1,077,356		849,826		78.9%		144		114	
YE-Jun 25	1,091,834	1.3%	737,803	-13.2%	67.6%	-14.3%	196	35.6%	132	16.2%
YE-Jun 26	1,092,080	0.0%	755,907	2.5%	69.2%	2.4%	201	3.1%	139	5.6%

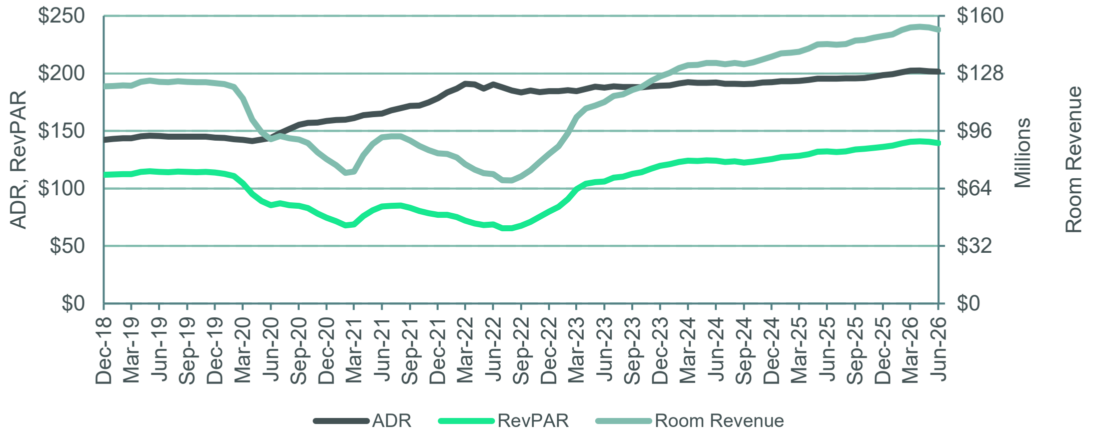
Source: CoStar

FIGURE 6: Rotorua Hotel Supply & Demand



Source: CoStar

FIGURE 7: Rotorua Hotel Room Revenue



Source: CoStar

Wellington

The Wellington hotel market has returned to an upwards trajectory through the first half of 2026, however performance remains below pre-pandemic levels. Room demand remains 3.6% below 2018/2019 levels, reflecting ongoing weakness in Government and associated corporate travel demand. Occupancy improved to 67.8% in the six months to June 2026, driven by a 5.0% increase in room demand compared with the corresponding period in 2025. ADR growth also resumed, increasing by 3.9%, which, combined with higher occupancy, resulted in RevPAR growth of 10.8%.

New supply remains limited, with the 51 room Drifter Wellington currently under construction on Cambridge Terrace and expected to open in Q4 2026. No other new supply is currently committed, suggesting limited future pressure on market capacity.

Domestic demand remains subdued, with domestic passenger volumes through Wellington Airport decreasing from 4.5m in the year ending May 2025 to 4.2m in the year ending May 2026. In contrast, international visitation continues to recover, providing some support to accommodation demand, however total passenger numbers remains 21% below 2019 levels.

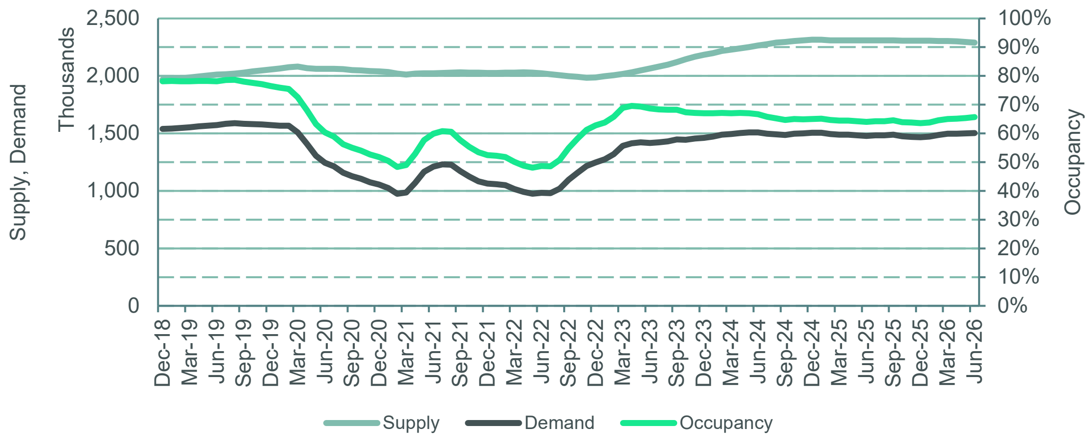
The Rydges Wellington sold in March 2026 at a price per room of $384k with plans to invest further capital expenditure into the asset, reflecting investor confidence in the long-term outlook for the Wellington hotel market.

FIGURE 8: Wellington Hotel KPI's

	RNA	% Chg	RNO	% Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg
YE-Dec 19	2,056,932		1,573,687		76.5%		188		144	
YE-Jun 25	2,308,537	12.2%	1,476,996	-6.1%	64.0%	-16.4%	197	4.9%	126	-12.3%
YE-Jun 26	2,291,361	-0.7%	1,504,195	1.8%	65.6%	2.6%	199	0.9%	130	3.6%

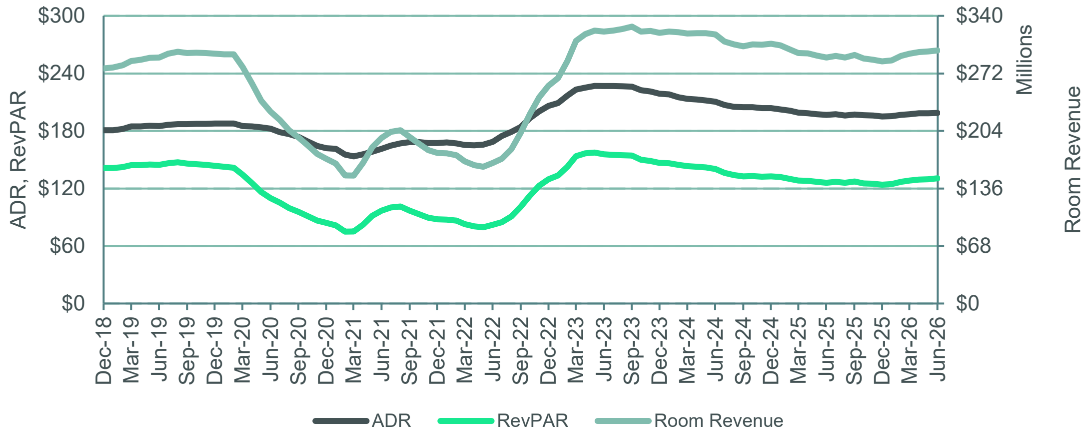
Source: CoStar

FIGURE 9: Wellington Hotel Supply & Demand



Source: CoStar

FIGURE 10: Wellington Hotel Room Revenue



Source: CoStar

Christchurch

The Christchurch hotel market continued to strengthen through the first half of 2026, with occupancy increasing to 78% in the six months to June 2026, the highest of all major New Zealand hotel markets. The improvement was driven by strong growth in room demand following the opening of the One New Zealand Stadium in March 2026 and the Parakiore Recreation and Sport Centre in late 2025 combined with ongoing international visitation growth.

New hotel development remains challenging, with limited projects progressing despite several being planned. The Sheraton Christchurch, a 240-room, 5 star hotel reviving the former Noah's Hotel building, is the only hotel currently under construction and is scheduled to open in 2027.

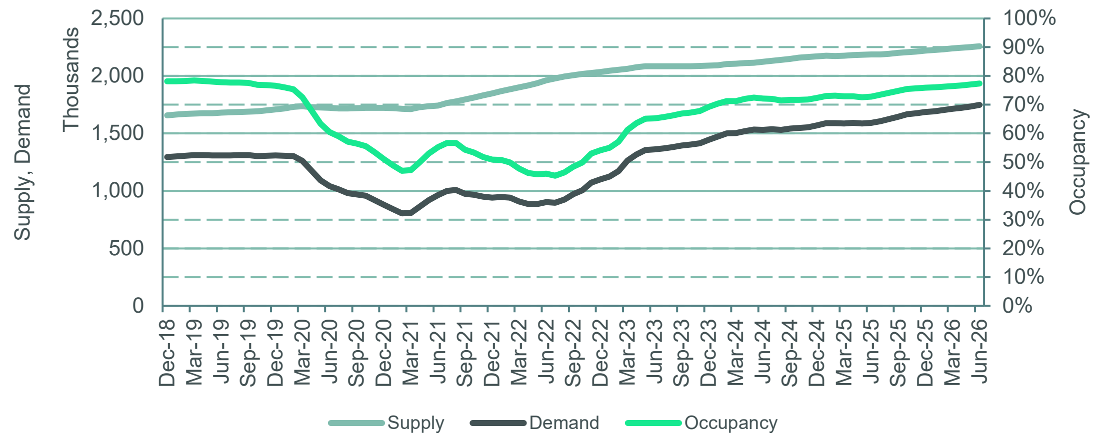
ADR has improved from $206 in the six months ending June 2025 to $224 in 2026, an 8.7% increase, driven by a strong summer period resulting in high occupancies and a greater number of compression nights. Christchurch Airport recorded a 7.1% increase in passenger movements in the year ending June 2026 compared to same period across 2024/2025.

FIGURE 11: Christchurch Hotel KPI's

	RNA	% Chg	RNO	% Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg
YE-Dec 19	1,709,084		1,308,711		76.6%		157		120	
YE-Jun 25	2,186,350	27.9%	1,592,431	21.7%	72.8%	-4.9%	203	28.9%	148	22.7%
YE-Jun 26	2,258,369	3.3%	1,748,094	9.8%	77.4%	6.3%	218	7.4%	169	14.1%

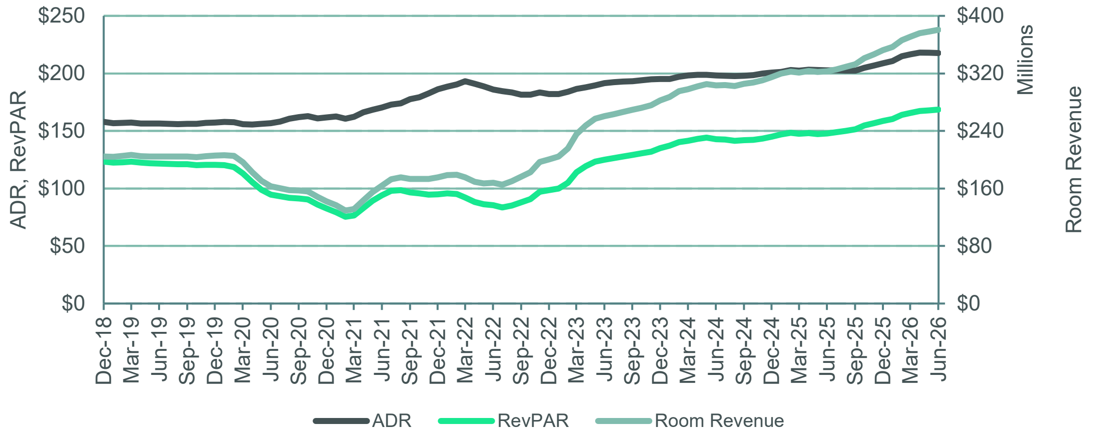
Source: CoStar

FIGURE 12: Christchurch Hotel Supply & Demand



Source: CoStar

FIGURE 13: Christchurch Hotel Room Revenue



Source: CoStar

Queenstown

Queenstown remained New Zealand's strongest hotel market through the first half of 2026, supported by continued growth in international leisure demand and limited new supply. Occupancy increased to 78% in the six months to June 2026, while ADRs continued to strengthen, maintaining Queenstown's position as the country's highest ADR and RevPAR hotel market.

New hotel development remains constrained by high construction costs and labour shortages. While several projects have been proposed, immediate new supply is limited. Three new hotels are currently under construction and scheduled to open in the short to medium term:
- QT Queenstown Extension – 149 rooms remaining (Q3 2027)
- NOCTIS by Kamana – 31 rooms (Q4 2027)
- Radisson Red Queenstown – 213 rooms (2028)

International visitation continues to grow, with Queenstown Airport international passenger volumes increasing by 13% in the 12 months to June 2026. China has continued to regain importance as a source market, contributing to ongoing growth in demand and room rates.

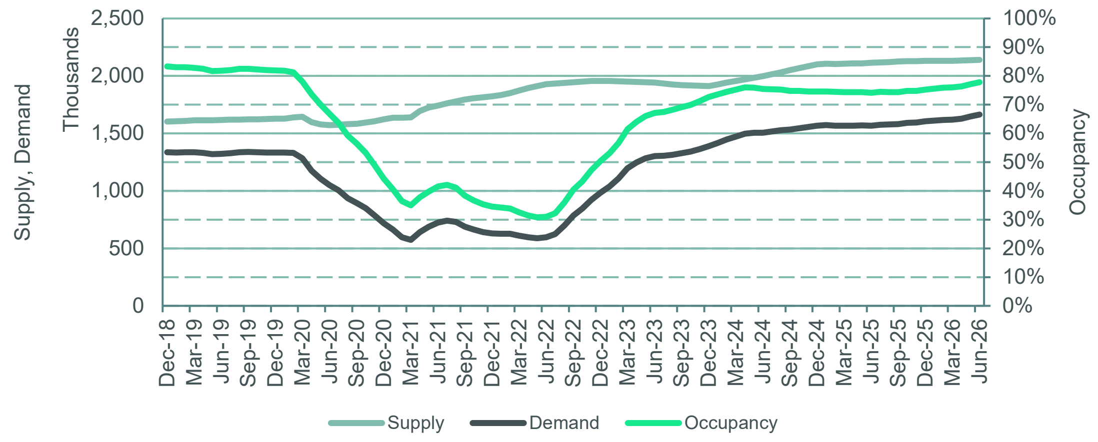
Investor confidence remains strong. The Sofitel Queenstown sold in March 2026 at a price per room of $1.1m with plans to invest further capital expenditure into the asset, reinforcing Queenstown's appeal as New Zealand's premier hotel investment destination.

FIGURE 14: Queenstown Hotel KPI's

	RNA	% Chg	RNO	% Chg	Occupancy	% Chg	ADR	% Chg	RevPAR	% Chg
YE-Dec 19	1,627,260		1,332,876		81.9%		242		198	
YE-Jun 25	2,114,093	29.9%	1,567,288	17.6%	74.1%	-9.5%	300	23.7%	222	12.0%
YE-Jun 26	2,139,846	1.2%	1,664,068	6.2%	77.8%	4.9%	328	9.4%	255	14.7%

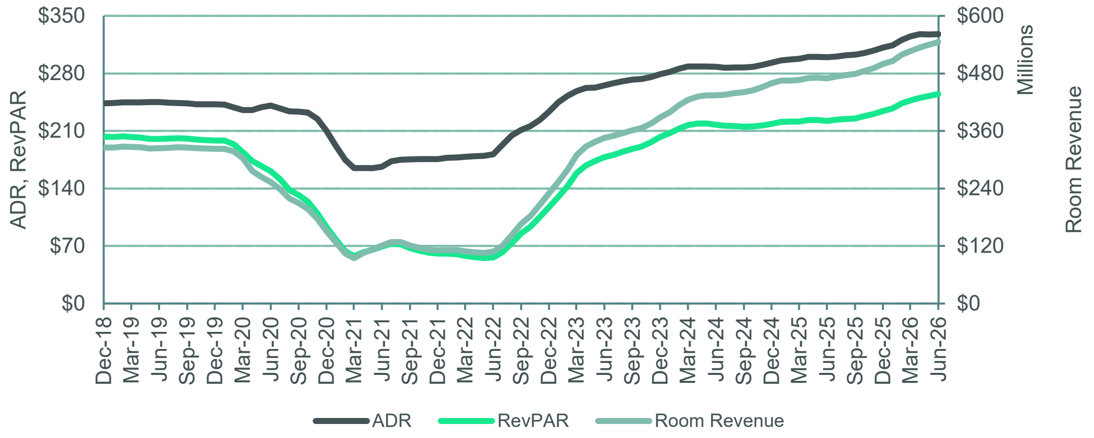
Source: CoStar

FIGURE 15: Queenstown Hotel Supply & Demand



Source: CoStar

FIGURE 16: Queenstown Hotel Room Revenue



Source: CoStar

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