



Horwath HTL

Hotel, Tourism and Leisure

New Zealand Hotel Performance Focus

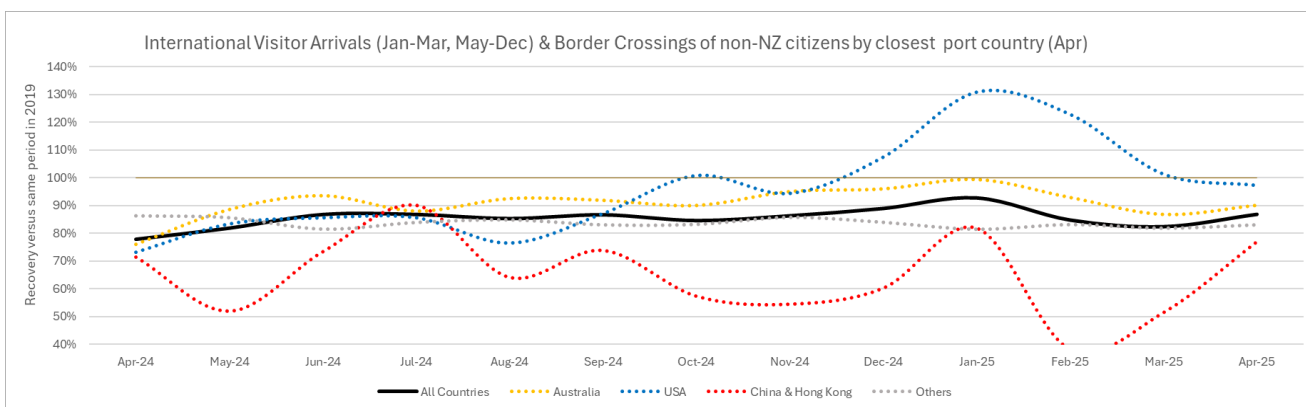
Australians Drive Leisure Demand

April 2025



In April 2025, the New Zealand hotel market recorded a 2.9% increase in Revenue per Available Room (RevPAR) compared to the same period last year. This growth was achieved despite ongoing declines in key urban markets such as Auckland and Wellington. Excluding these major centres, RevPAR growth accelerated to 8.5%, with robust performances observed in Queenstown, Dunedin, Nelson/Marlborough, and Rotorua. These destinations benefited notably from a holiday period that extended the traditional summer season, as the overlap of Easter and Anzac Day with the school holidays boosted demand across regional locations.

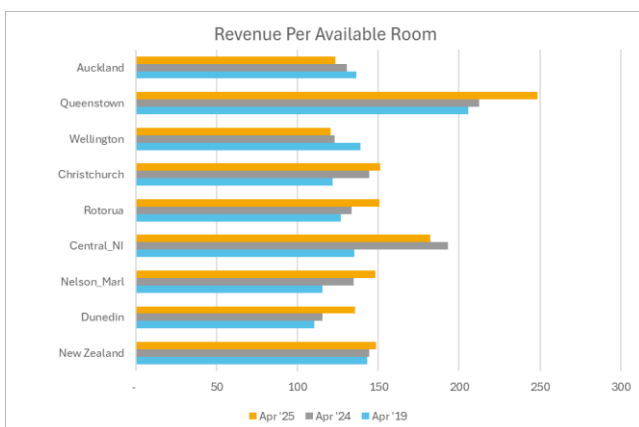
The month also marked the first major holiday period following the launch of the “Everyone Must Go” campaign by Tourism New Zealand, designed to increase visitation from Australia during the off-peak season. This initiative appears to have contributed to an estimated 11% increase in rooms sold to Australians compared to April 2024, according to reports from Hotel Data New Zealand (HDNZ). Overall, the reports indicate that rooms sold to international visitors rose by around 9% year-on-year, while domestic visitation declined by circa 3%.



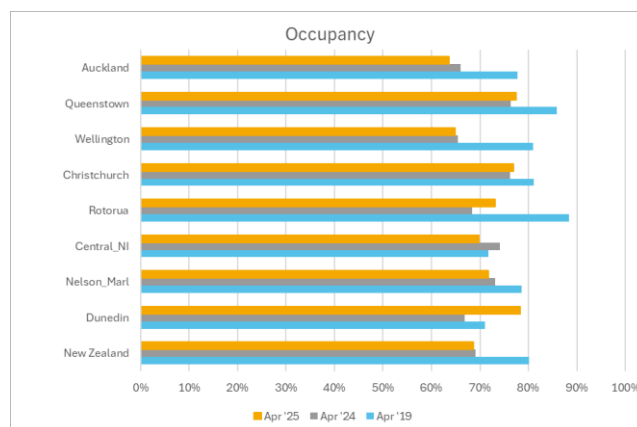
(Source: Stats NZ)

Border crossing data published by Stats NZ underscores this trend, showing that international arrivals of non-New Zealand citizens were 11% higher than in April 2024. Arrivals from Australia increased by 24,996 (19%), followed by the United States and China. Despite these gains, total international arrivals remained 13% below pre-pandemic levels recorded in April 2019. Conversely, outbound travel by New Zealand residents saw a 6.6% increase on the previous year, with Australia, China, and Japan emerging as the most popular destinations. The number of New Zealand residents travelling overseas in April matched the levels seen in April 2019.

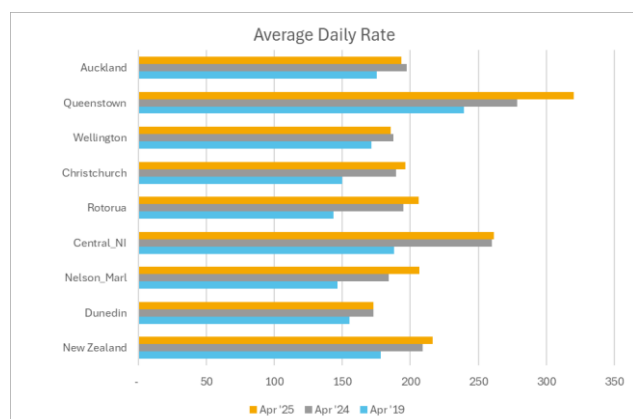
Queenstown again topped the performance rankings with RevPAR climbing 17% year-on-year. The 4.5–5 star segment recorded a significant 22% year-on-year increase in Average Daily Rate (ADR) with rates averaging \$405 for these premium properties, driving the overall 15% rise ADR for the market. Occupancy in this segment reached close to 78%.



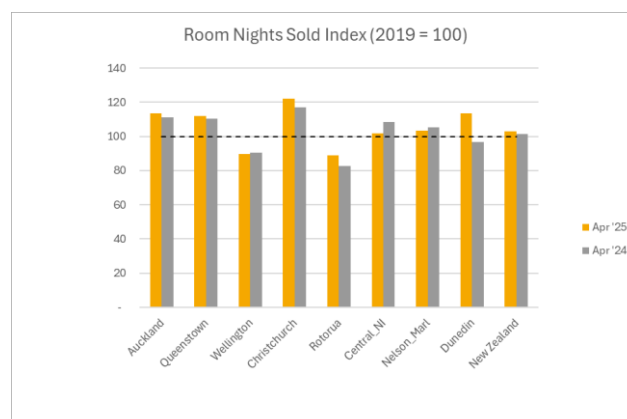
(Source: HDNZ)



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(Source: Horwath HTL & HDNZ)

A 23% decline in domestic room nights sold was offset by a 20% surge in sales to international guests, notably those arriving from Australia and the United States, reflecting a marked shift to a higher-yielding visitor mix. The month also benefitted from higher yielding group business and the presence of film crews. The transition towards premium accommodation and greater international demand underpinned Queenstown's strong result for April.

Auckland's hotel market delivered mixed results. Room nights sold increased by 2% year-on-year but occupancy levels declined to 63.7% following a 6% supply increase over the past 12 months. Overall RevPAR declined by 5% year-on-year, though the 5-star segment stood out with a 5% RevPAR increase, supported by a rise in occupancy to just over 70%. This contrasted with double-digit RevPAR declines among 4- and 4.5-star properties. International guests grew by 11%, buoying demand for high-end hotels. The domestic market contracted by 4%, particularly affecting the corporate and events segments. The market's segmental differences highlight shifting guest preferences, with premium hotels benefiting most from increased international interest.

The Central North Island experienced a notable downturn in hotel performance during April 2025, influenced by softer domestic demand and adverse weather conditions throughout the school holidays, which particularly impacted visitation from Auckland. The annual ITM Supercars Championships in Taupō failed to provide the anticipated uplift, while a reduction in both domestic and international travellers, particularly from Australia, further dampened results across the region.

Rotorua saw increased occupancy and ADR, driven by strong domestic demand and more Australian visitors, despite a slight drop in Chinese tourists. Reduced motel use for social housing has boosted tourism, possibly attracting visitors that would otherwise travel elsewhere in the Central North Island.

Nelson and Marlborough were buoyed by a reported increase in international visitors, including from Australia, largely offsetting declines in domestic guests and allowing hoteliers to raise ADR by 10% compared to the previous year.

Dunedin hotels enjoyed elevated occupancies from hosting major international ice hockey championships, attracting teams and spectators from Australia and the United States and driving overall positive monthly performance.

Wellington's hotel sector continued to face headwinds due to ongoing public sector downsizing and broad economic challenges, resulting in continued underperformance relative to other markets.

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About Hotel Council Aotearoa (HCA)

Hotel Council Aotearoa (HCA) is New Zealand's dedicated industry body for hotels and hoteliers. HCA currently represents 255 New Zealand hotels; comprising almost 27,350 guest rooms or 9.98 million available room-nights per annum. Alongside airlines, airports and transport infrastructure, hotels are key tourism infrastructure without which New Zealand would be unable to attract high value international travellers. www.hotelcouncilaotearoa.com

About Horwath HTL

At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with 52 offices in 38 countries, who have successfully carried out over 30,000 assignments for private and public clients. We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

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