



Horwath HTL
Hotel, Tourism and Leisure

New Zealand Hotel Performance Focus

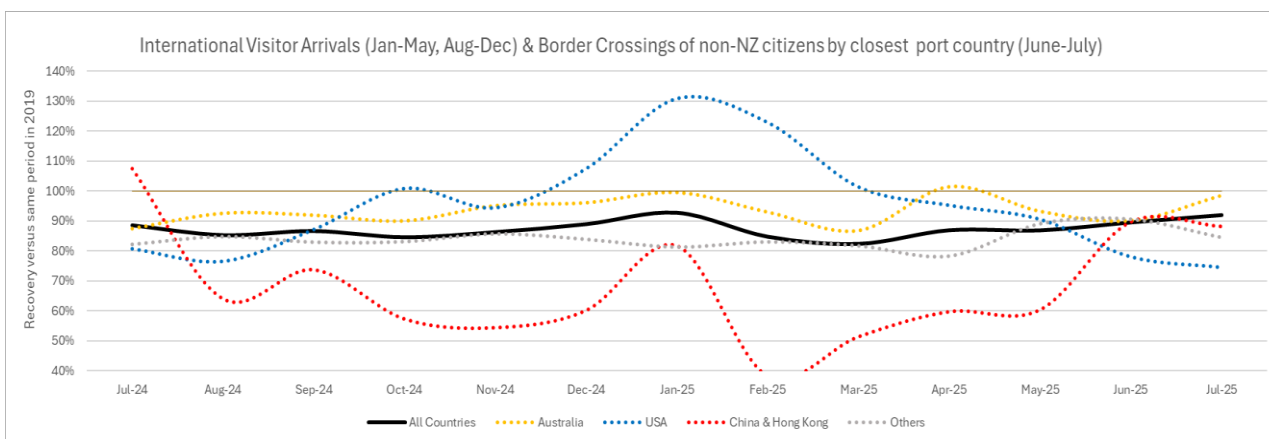
South steals the show as NZ hotels ride a mixed month

July 2025

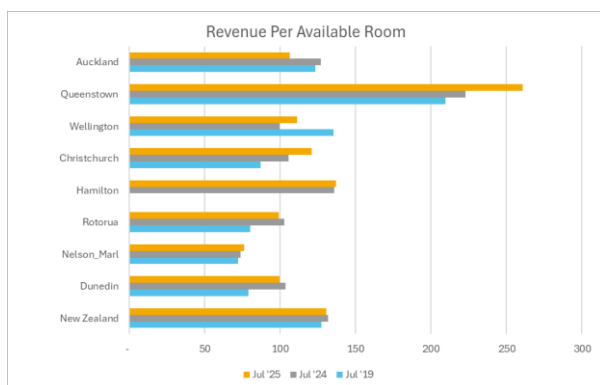


July 2025 brought another mixed performance across New Zealand's hotel sector according to Hotel Data New Zealand (HDNZ). Changing international travel patterns, a still-soft domestic market, and region-specific factors influenced an overall 1.1% decline in Revenue per Available Room (RevPAR). While overall visitor arrivals moved closer to pre-pandemic levels, remaining global uncertainties and local economic headwinds continued to temper the pace of recovery.

International visitor arrivals rose 4% compared to July 2024, reaching 92% of pre-COVID volumes. Australia led the growth, with arrivals climbing 13% to 152,142, lifted by the targeted Tourism New Zealand campaign. Notably, 68% of Australian visitors landed in the South Island, reflecting both the popularity of the ski-season and competitive air capacity. In contrast, arrivals from the People's Republic of China fell 18% to 37,362, a reversal from last year's strong World Choir Games-related demand. The United States market also weakened, with arrivals dropping to a two-and-a-half-year low of 10,473. For the January–July period, preliminary figures show total international arrivals up circa 3.8% year-on-year but still 12.3% below the same period in 2019.

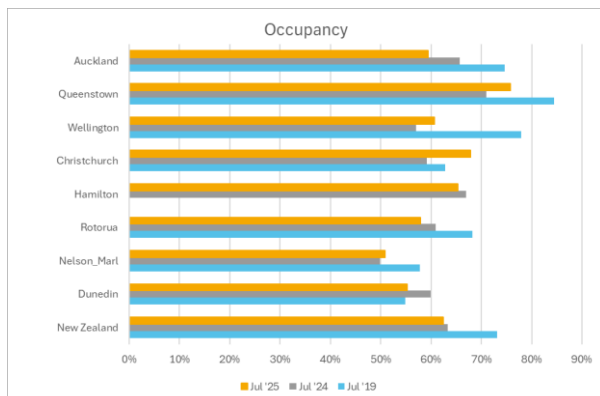


(Source: Stats NZ)



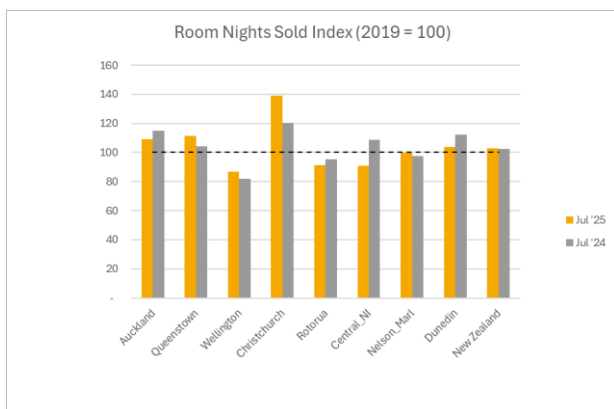
(Source: HDNZ)

Domestic demand remained subdued in July, with consumer and business sentiment constrained by a 5.2% unemployment rate and inflation holding at 2.7%. Anticipation of an interest rate cut in August suggested that monetary policy easing may soon provide stimulus, but for now, local travel patterns were relatively restrained. Adding to the challenge, geopolitical tensions and new US tariffs are expected to slow global travel growth, with Infometrics, a leading NZ economic consultancy, forecasting a full recovery of international arrivals in 2028, one year later than previously expected.

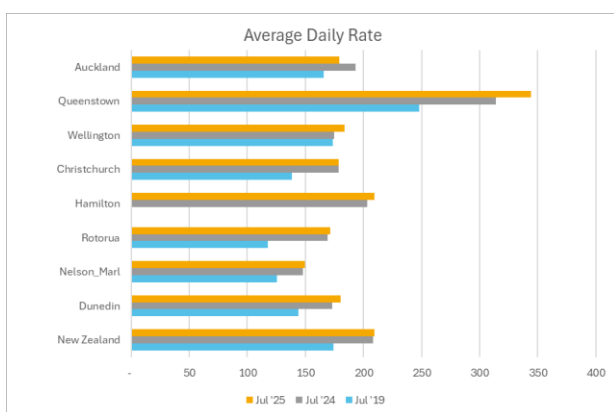


(Source: HDNZ)

In Auckland, the market faced a sharp contrast to last July's event-driven boost. Total room night supply rose 5% compared to July 2024, but demand fell by an equivalent 5%, equating to around 9,000 fewer room nights sold. The absence of the World Choir Games and an All Blacks Test match, both of which drove strong demand last year, was keenly felt, particularly in the Chinese inbound segment. Within the supply mix, 5-star room inventory expanded significantly, up 528 rooms or 17.6%, while 4.5-star capacity grew 3.5%. Demand for luxury and 5-star accommodation rose by 11%, but the 4.5-star tier recorded a 9% drop, again highlighting a polarisation in market performance.



(Source: HDNZ & Horwath HTL)



(Source: HDNZ)

Wellington recorded an improved month, supported by a series of well-attended, high-appeal events. A double-header rugby weekend featuring the All Blacks and Black Ferns saw occupancy spike to 91.9% on match day, according to STR, a market data provider. The visit from the popular UK football club Wrexham AFC to play the Wellington Phoenix added a welcome highlight to the events calendar. During the month, the Tākina Convention Centre hosted three multi-day conferences with a combined attendance of approximately 1,300 delegates, alongside two major dinners that attracted roughly 800 guests. Conference business and group tours supported overall demand growth, with hotels also noting a 13% increase in rooms occupied by Australians, in line with higher arrivals through Wellington International Airport.

HDNZ began tracking data from five Hamilton hotels in 2024, representing approximately 57% of the city's hotel supply. In July, Hamilton emerged as one of the stronger-performing markets, ranking third in occupancy and second in average daily rate (ADR) among New Zealand's nine main hotel markets.

The relaunch of international air services at Hamilton Airport in June, with Jetstar flights from Sydney and the Gold Coast, has added a fresh dynamic to the city. Stats NZ reported 4,524 passenger arrivals from Australia during July. With 72% of arrivals reported to be New Zealand citizens, the impact on hotel demand may still be limited, with potential upside during the summer months.

In the South Island, Queenstown's winter season reached new heights. Benefiting from good snow conditions and strong Australian visitation, occupancy reached a five-year July peak of 76%. Hotels achieved around 9% ADR growth across all segments, with 4.5–5-star properties reporting an average daily rate of \$420.41, the highest winter figure ever recorded in the resort town. Queenstown's RevPAR now sits at double the national average.

Christchurch closed the month on a high note, posting its strongest July occupancy in a decade at 68%. The city's 4.5–5-star properties were standout performers, achieving a record July occupancy of 74%. Demand growth was particularly strong in the conference and free independent traveller segments, with both domestic and Australian guests contributing to gains. However, ADR growth was constrained by a 3.4% drop among 3–4-star hotels, offsetting the modest 1% increase reported by the upper-tier segments.

Overall, July 2025 again highlighted the importance of both event-driven demand and seasonal conditions in lifting market performance. While places like Queenstown, Wellington, and Christchurch held up well and saw rates go up, Auckland continues to deal with a quieter events schedule and intense competition. The coming months will be closely monitored for evidence of stimulus-driven improvements in domestic travel and any resurgence in key offshore markets, particularly China and the United States, as several hotel markets urgently require higher occupancy levels.

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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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