

# New Zealand Hotel Performance Focus

Events and Aussies lift hotel performance

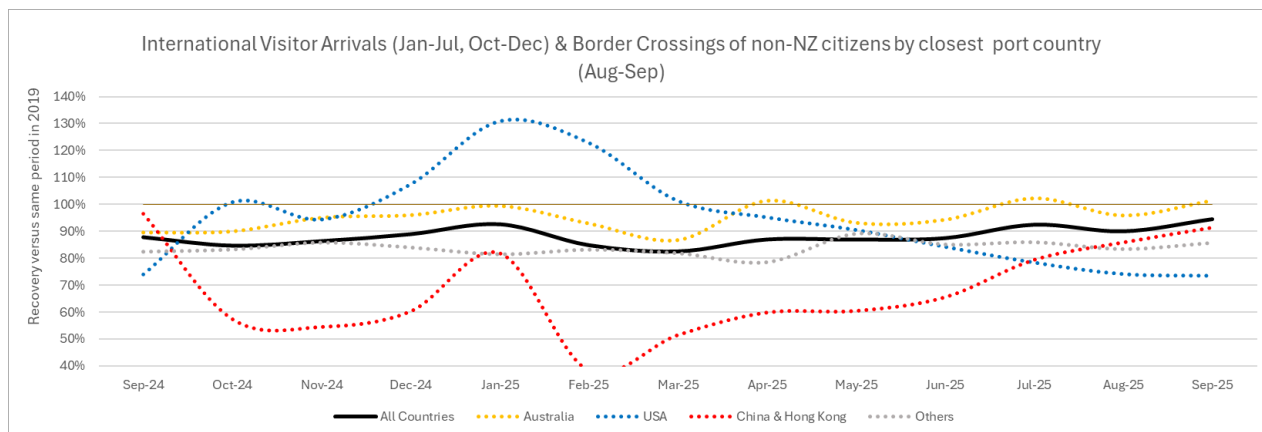
**September 2025**



The New Zealand hotel market recorded a strong performance in September, with nationwide revenue per available room (RevPAR) rising 10.7% compared to the same month in the previous year, as reported by Hotel Data New Zealand. This represents the highest monthly growth rate recorded since December 2023.

However, the increase effectively returns performance to September 2023 levels, following a 10% decline during September of the previous year.

The growth was primarily attributed to demand generated by events, along with increased visitor arrivals from across the Tasman. These factors resulted in higher occupancy rates in major cities and selected regional locations.

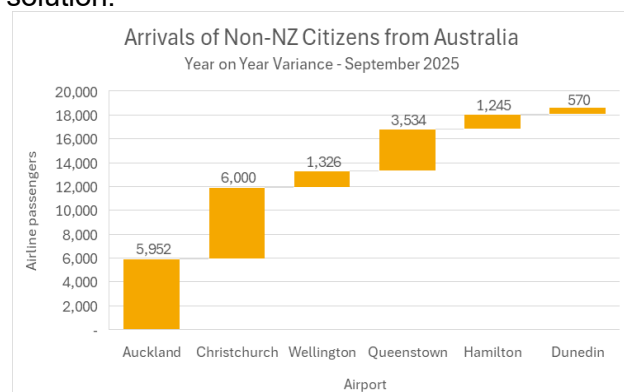


(Source: Stats NZ)

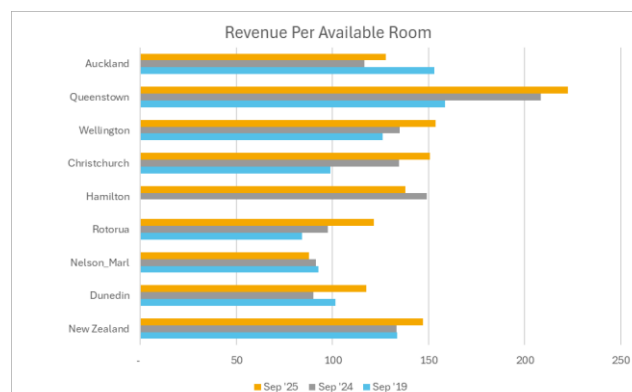
**International visitor arrivals**, as measured by border crossings of non-New Zealand citizens, increased by 8% compared to the same period in the previous year. Australia led this growth with a 13% increase and represented 59% of total arrivals. In contrast, arrivals from the USA decreased by 1% and arrivals from the PRC declined by 5% during the same period. Total arrivals in September remained 5% below September 2019 levels. Only Australia has returned to pre-Covid arrival numbers. Auckland, Christchurch and Queenstown were the main beneficiaries from the growth in trans-Tasman arrivals.

Preliminary figures indicate that arrivals for the third quarter overall increased approximately 7% when compared to the same period in the previous year. When measured against the third quarter of 2019, overall arrivals were circa 8% lower.

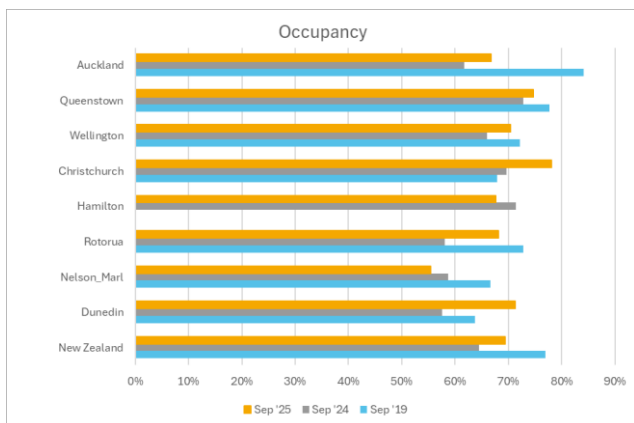
International capacity into Auckland is reported to be operating at approximately 92% of 2019 levels. Capacity increases will occur shortly as the summer season begins. A 12-month visa waiver trial for Chinese passport holders who have visas for Australia will become effective in November and is expected to further stimulate increased Chinese visitor arrivals. This initiative signals potential for expanding cooperation with Australia towards a one visa, two countries solution.



(Source: Stats NZ)



(Source: HDNZ)



(Source: HDNZ)

**Auckland** hotels reported RevPAR growth of 9.5% year on year, their first substantial increase in seven months, driven primarily by two All Blacks rugby tests at Eden Park. According to STR, occupancy reached nearly 87% on the night of the Springboks match, more than 20 percentage points higher than comparable Saturdays without special events, while average rates climbed to \$253, representing a 35% increase from the same day a week earlier. According to one hotel general manager, the test against Australia later in the month generated a slightly lower but still positive peak.

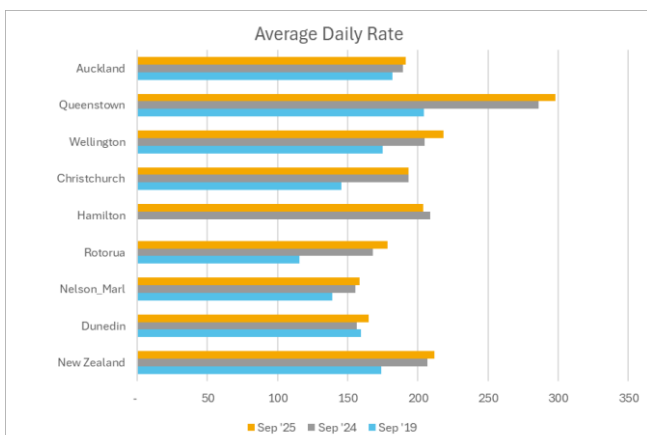
School holidays during the month had a slightly negative impact on business travel and meetings and conferences demand, as typically occurs during such periods.

Despite ongoing market challenges, 5-star hotels reported occupancy of 72%, five points above the market average and continuing a trend that has seen this segment average four percentage points higher than the market and six points higher than 4.5-star hotels throughout the year.

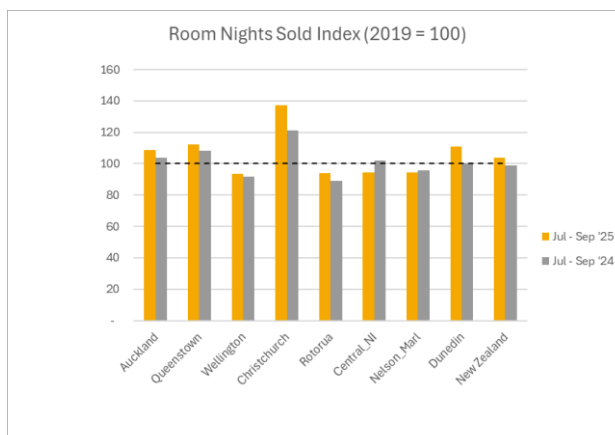
This performance is particularly noteworthy given that the 5-star category has experienced the largest supply increase over the past five years and reports average rates 30%-50% higher than 4.5-star hotels. It indicates continued traveller preference for newer and more upmarket properties. This situation creates pressure on the average daily rate (ADR) of 4.5 star hotels. During off-peak periods, 5 star hotels reduce their pricing to compete for market share, which narrows the rate difference between the two hotel categories. Occupancy levels remaining below 80% continue to limit the ability of hotels to increase their room rates.

**Wellington** hotels experienced a 14% increase in revenue per available room for the month. The city hosted an All Blacks test match against South Africa on September 13, which contributed to occupancy rates reaching 92.3% on the match day, as reported by STR data. The annual World of Wearable Arts Show commenced on September 18 and continued throughout the remainder of the month. This year's event started 8 days earlier than in the previous year, when the positive effects on hotel demand were more concentrated in October.

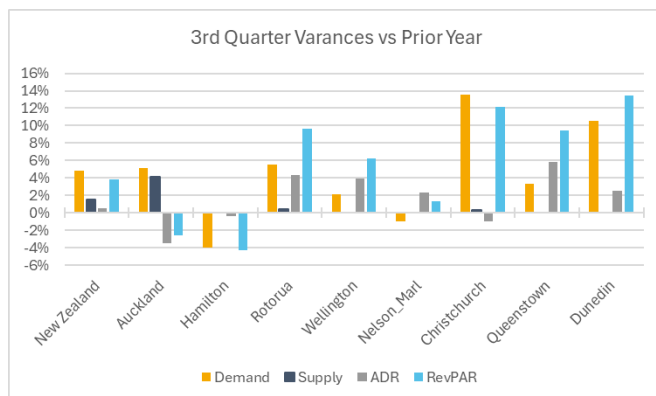
**Rotorua** benefited from a calendar shift, with the majority of school holidays falling in September this year versus October last year. This timing contributed to a 10 percentage point occupancy lift compared to September 2024, reaching 68%, combined with 6.3% growth in ADR. The market continues to re-balance from heavy reliance on lower-yielding Chinese visitors, who made up 16% of room nights sold in 2019, toward the higher-yielding domestic market, reducing the Chinese contribution to just 3% last month.



(Source: HDNZ)



(Source: HDNZ &amp; Horwath HTL)



(Source: HDNZ & Horwath HTL)

Christchurch hotels reported an 8% increase in occupancy compared to the same month last year, representing approximately 12% demand growth. This was supported by continued conferencing activity at Te Pae, a pickup in wholesale business, and a 25% increase in international arrivals from Australia. However, despite this robust demand growth, hotels reported no growth in average daily rates, a pattern that has persisted in recent months

During the third quarter, ADR reported by Christchurch hotels was 0.9% below the same period last year, even as solid demand lifted occupancy levels from 64% to 72%. To some extent, this lack of rate growth reflects the fact that weekend demand remains softer, and demand during weekdays is not quite compressed enough to support meaningful rate increases. However, visitors should prepare for future rate growth, as demand continues to grow, particularly following the opening of the new stadium in 2026, which is expected to create more compressed demand days.

Dunedin reported strong demand growth for the second consecutive month, with year-on-year occupancy jumping from 58% to 71% in September. Demand was supported by two multi-day conferences at the Tohura Otago Museum and Otago Polytechnic, as well as increased business travel related to major projects in and around the city, including the new hospital build. Two Hot Wheels Monster Truck events drove particularly strong accommodation demand during the third weekend of the month.

Queenstown continued its steady performance with consistent growth in both occupancy and ADR during September. The resort destination closed a highly successful third quarter with total RevPAR growth of 9.4% over the third quarter of 2024, driven primarily by 9% growth in arrivals from Australia.

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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](http://www.hotelcouncilaotearoa.com)

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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 50,000 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 hospitality, tourism and leisure consulting.

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