

New Zealand Hotel Performance Focus

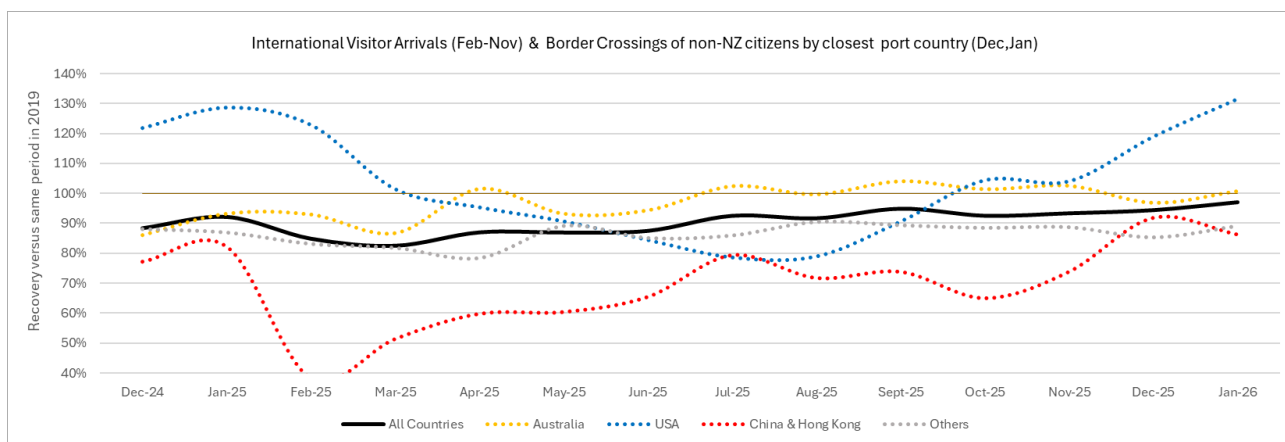
Events, Air Links and Premium Inventory Drive Double-Digit
RevPAR Growth

December 2025 – January 2026



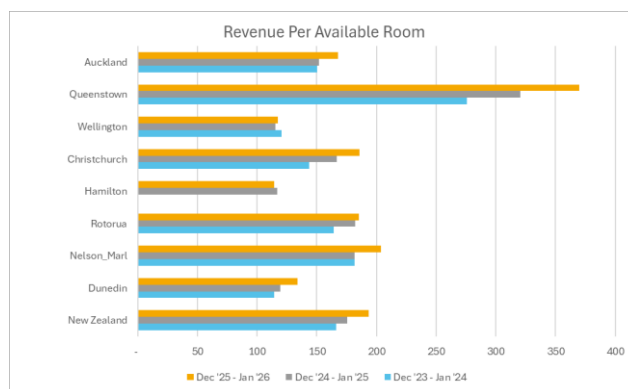
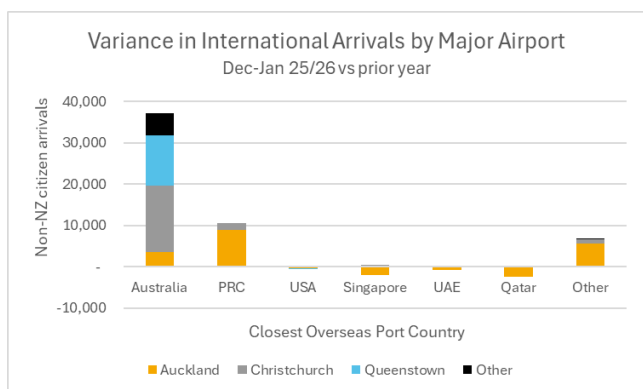
The New Zealand hotel sector delivered a strong summer performance over December 2025 and January 2026, with both demand and pricing improving across most major markets. According to Hotel Data New Zealand (HDNZ), overall RevPAR for New Zealand hotels increased by 10.2% over the two-month period, with January recording a 10.7% year-on-year gain, the strongest monthly RevPAR growth seen in the past two years. This uplift was supported by a solid rebound in international arrivals, new strength in domestic travel and a particularly strong contribution from Queenstown, Auckland and Christchurch.

International visitor arrivals, measured as border crossings by non-New Zealand citizens, rose by 6% over December and January compared to the same period a year earlier. The largest gains came from Australia, up 10%, and the People's Republic of China, up 11%, while arrivals from the USA and other long-haul markets showed little change year on year. Despite this growth, total non-resident arrivals over the two months remained about 4% below 2019 levels, indicating that the recovery, while well advanced, has not yet fully closed the gap to pre-pandemic volumes.



(Source: Stats NZ)

Christchurch and Queenstown airports captured most of the increase in inbound passengers, with international arrivals through Christchurch up 16.3% and Queenstown up 13.8% year on year, compared with a more modest 2.2% increase at Auckland Airport. Christchurch accounted for 39% of the total incremental growth in non-resident arrivals and Queenstown 24%, underlining the growing importance of South Island gateways in the peak summer period. This shift in entry points is reflected in hotel performance in those markets, which outpaced the national average.

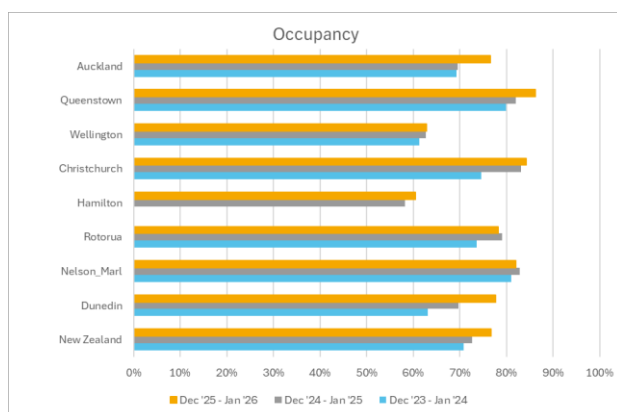


Nationally, the 10.2% RevPAR lift over December–January reflects a combination of higher occupancies and rate growth across multiple markets, with five individual destinations achieving RevPAR growth above 10% over the period, signalling broad-based momentum in demand during the peak summer holiday and events season.

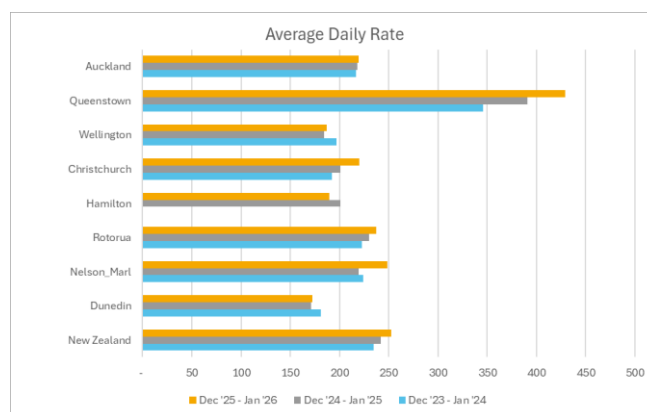
Auckland hotels delivered an 11% increase in RevPAR over December–January compared with the prior year, with growth primarily driven by higher occupancy while average daily rates remained broadly flat. January RevPAR reached NZD 178, the highest level ever recorded for that month and the first time in 28 months that RevPAR exceeded pre-Covid levels.

Auckland's performance was significantly supported by a busy events calendar in January. The Jehovah's Witnesses convention at Eden Park, a three-day event attracting more than 20,000 attendees, including approximately 3,500–5,000 delegates from 20 countries, provided a substantial boost to accommodation demand. In addition, two Ed Sheeran concerts and the ASB Classic tennis tournament helped lifting occupancies and ADR.

Five-star hotels again achieved the highest occupancy levels in the city, averaging around 82% over the period, compared with 76% for four-and-a-half-star hotels and 77% across the total market. Despite relatively flat ADR year on year, these high occupancy levels for upper-upscale and luxury properties underline sustained demand for premium inventory in the city. Five-star hotels kept a strong price premium over four-and-a-half-star properties during the peak season, with average rates about 45% higher. This was an increase from the usual premium of around 30–35% seen during off-peak periods.



(Source: HDNZ)



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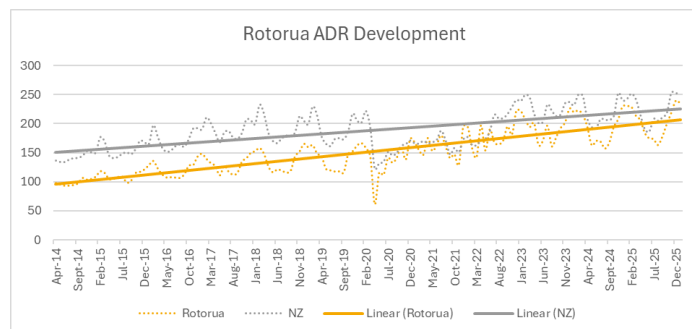
Queenstown remained the standout performer in the New Zealand hotel market, continuing to break RevPAR records over the period. In December, Queenstown hotels achieved their highest ever RevPAR at NZD 371, followed by the second-highest monthly RevPAR on record in January at NZD 369. Combined, RevPAR for December–January grew by 15.4% year on year, underpinned by a 5.2% increase in room nights and a 9.7% rise in ADR.

Demand in Queenstown was broad-based, with hotels reporting strong growth in visitors from the USA and China, as well as continued strength from Australia. Queenstown Airport reported a 13.8% increase in arrivals of non-New Zealand citizens from Australia, reinforcing the role of direct air access in driving performance. Across all hotel categories, occupancy for the period sat at around 86%, providing a robust platform for rate growth.

Rate performance clearly favoured premium product. Four-and-a-half and five-star hotels achieved an ADR high of NZD 534 in December and maintained an average daily rate some 55% above that of three- and four-star hotels, confirming the strength of the upper-upscale and luxury segment.

New Year's Eve illustrated the market's ability to yield aggressively during high-compression periods. According to STR, Queenstown hotels achieved 91% occupancy on New Year's Eve with an average daily rate of NZD 733, up 24% on the previous year. The sustained outperformance of upscale and luxury product has already prompted asset upgrades and rebranding activity, including the conversion of Rydges hotels to the QT brand and the announced transition of Holiday Inn Express to the Voco brand, both representing moves to more premium positioning.

Rotorua recorded its strongest hotel results to date over the period, with January RevPAR reaching a record high of NZD 195 and December ADR also hitting a record at NZD 239. Despite these revenue records, hotels reported slightly lower occupancy compared with the previous year, even as several tourism operators indicated increased visitation and strong demand. This suggests that while visitor activity in the region remains solid, hotel performance is now being driven more by rate management than by volume growth alone.

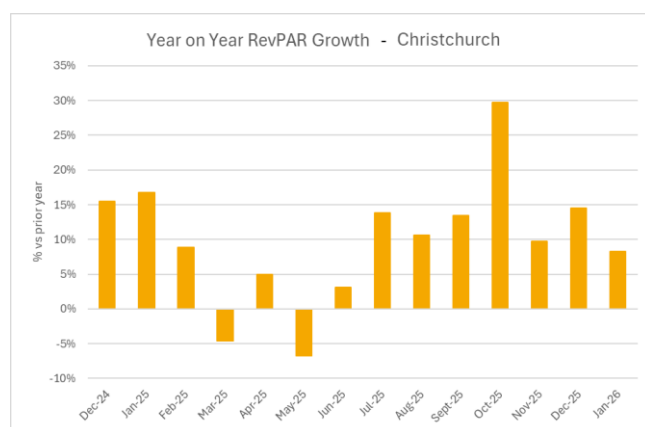


(Source: HDNZ)

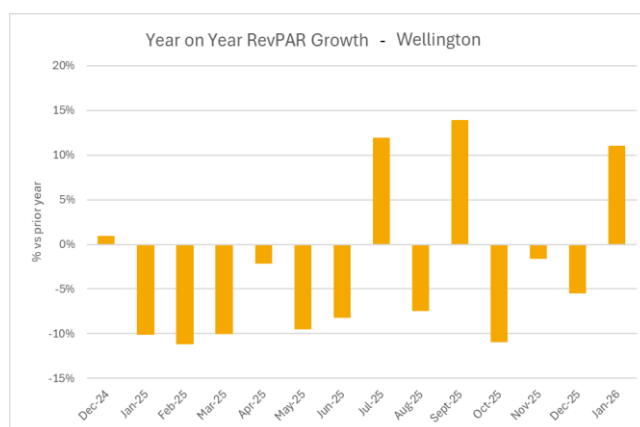
Although the city's ADR remains marginally below the national average, the trajectory clearly reflects the market's enhanced pricing power.

Christchurch hotels posted strong growth over December–January, with RevPAR up 11.3% year on year. This was driven primarily by a 9.7% increase in ADR, supported by slightly stronger occupancy levels reaching about 84% for the period. The combination of higher rates and robust occupancies underscores Christchurch's growing role as a South Island gateway and events destination.

Air connectivity played a key role in this performance. Direct flights from Hong Kong and Guangzhou supported inbound demand from Asia, while arrivals from Australia into Christchurch Airport increased by 21% year on year, reflecting additional capacity from Qantas and Jetstar and new direct services from Adelaide. Christchurch's events calendar also contributed to hotel performance, with two Ed Sheeran concerts in January providing strong spikes in demand on concert nights.



(Source: HDNZ)



(Source: HDNZ)

Wellington's hotel market continued to deliver a mixed performance over the period, improving strongly in January after a weaker December. A major driver of January's improvement was Wellington's Ed Sheeran concert on 21 January. STR data indicates that hotels achieved 88% occupancy that night at an average rate of NZD 285, which is estimated to have lifted monthly RevPAR by around 4%. This demonstrates the importance of marquee events in supporting hotel performance in a market where underlying business and government-related demand can be uneven.

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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

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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.

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