# New Zealand Hotel Performance Focus

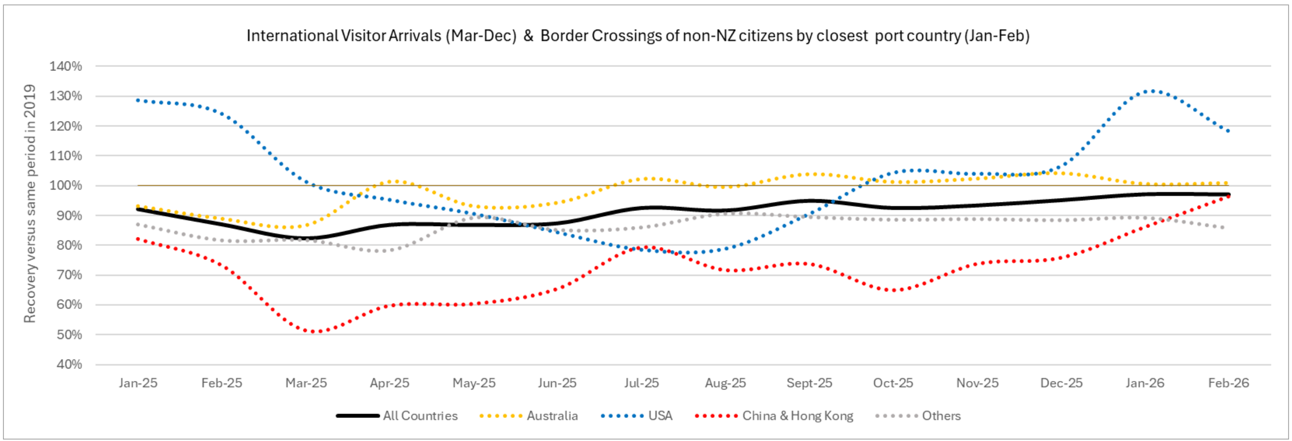
International demand and events drive a strong market rebound

**February 2026**

HOTEL COUNCIL AOTEAROA

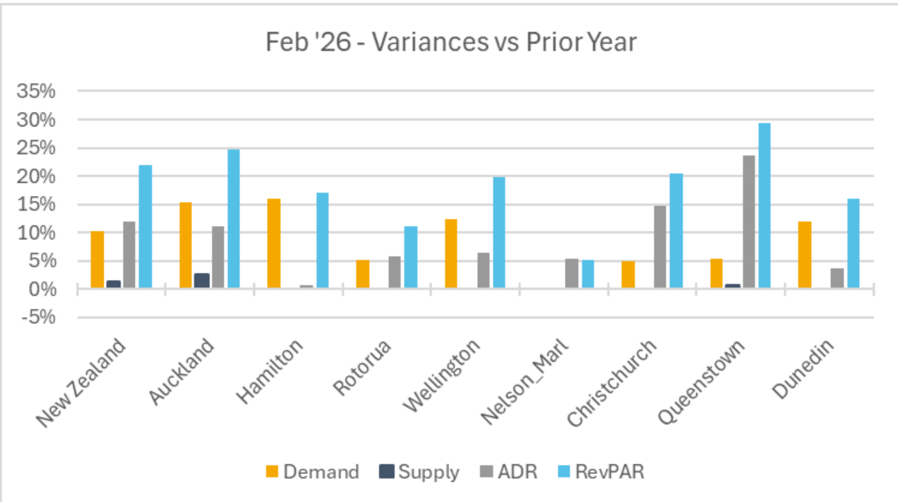
February was a standout month for the New Zealand hotel market, supported by strong international arrivals, a full events calendar, and favourable timing around public holidays. National hotel occupancy and revenue results moved back toward pre-Covid highs, and RevPAR recorded its strongest monthly growth since August 2023.

According to Stats NZ, international visitor arrivals, measured by border crossings of non-New Zealand citizens, increased by 11% compared with February 2025. Growth was led by a 32% rise in arrivals from China and Hong Kong, lifting that market to 97% of its pre-Covid level.
Australian arrivals were also robust, up 13% year on year, while arrivals from the United States declined by 5%. Chinese New Year falling on 17 February 2026, compared with 29 January in 2025, was a major driver of demand from China. Even when January and February are combined, arrivals from China were still up 18%, indicating underlying strength beyond calendar effects.




*(Source: Stats NZ)*

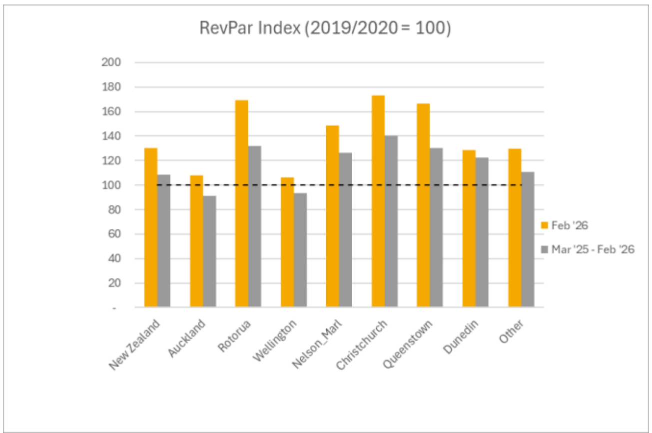
Rising geopolitical tensions between China and Japan in late 2025 and early 2026 likely further stimulated demand by diverting some Chinese outbound travel away from Japan toward alternative long-haul destinations such as New Zealand, consistent with reports of stronger Lunar New Year interest in New Zealand and late-month booking pick-up from China. Stats NZ data shows that Auckland Airport captured a large share of the growth, accounting for 45% of the increase in international arrivals, with Queenstown also performing strongly.




*(Source: HDNZ & Horwath HTL)*

Hotel Data New Zealand (HDNZ) reported that national hotel occupancy reached 89% in February, bringing the market broadly back into line with pre-Covid levels. National RevPAR rose by 22% year on year, making February the strongest month for RevPAR growth since August 2023.

Across the key markets, all regions except Nelson–Marlborough recorded RevPAR growth of more than 10% year on year. Queenstown again led the country, with Auckland and Christchurch also registering particularly strong gains, supported by both international inflows and a heavy program of events.

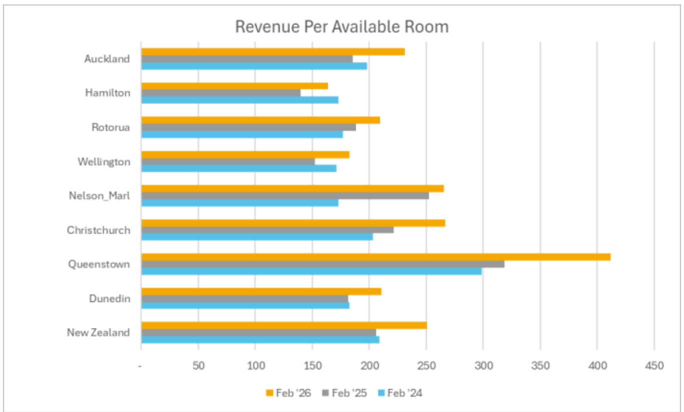



*(Source: HDNZ)*

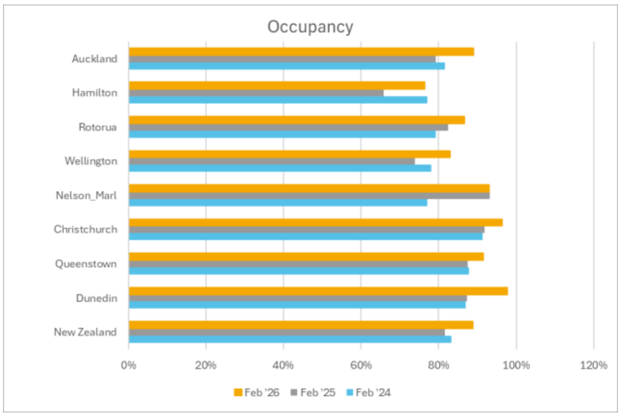
Compared with February 2020, RevPAR was up 30%. This compares to a cumulative increase in CPI of 27% and wage growth of 35% over the past six years. As shown, RevPAR recovery remains mixed across markets. While the peak month of February was positive for the industry, several markets still have some way to go to achieve full annual recovery, particularly Auckland, Wellington, and areas outside the main tourism regions.

**Auckland** hotels reported occupancy at 89%, matching pre-Covid levels, with RevPAR among the fastest-growing in the country and ADR recording a strong double-digit increase year on year. Five star hotels led the market with 91% occupancy, again highlighting strong compression at the top end of the city's inventory.

HDNZ data shows that domestic guests increased their share of total room nights from 54% to 57%, indicating that demand growth in February was driven primarily by the domestic market. Major events including the Royal Edinburgh Military Tattoo, SailGP, and Pride Festival attracted large domestic audiences, while Chinese New Year was associated with almost double the number of Chinese room nights compared with last year.




*(Source: HDNZ)*




*(Source: HDNZ)*

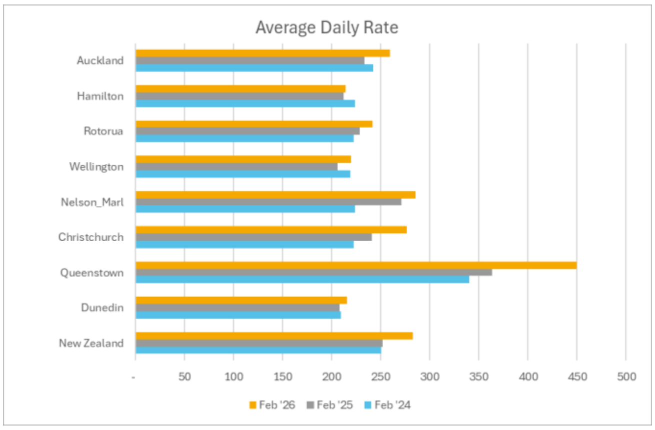
**Hamilton** recorded the strongest growth in room nights sold among the major markets, although this was off a lower occupancy base. The city's occupancy rose sharply to 76%, but this was still the lowest among the key centres. Hotels reported a notable increase in Australian visitors to Hamilton, with Australians accounting for around 20% of guest room nights, likely supported by the introduction of direct flights from the Gold Coast to Hamilton Airport, which began last year and potential overflow from a busy Auckland market**.**

**Rotorua** posted solid performance gains through a combination of higher occupancy and rate. Occupancies reached 87%, moving the market close to its historic high February levels of 89–90% recorded before Covid.

A key driver was the strength of Chinese demand. Hotels reported that visitors from China roughly doubled compared with February 2025.

**Wellington** recorded one of its strongest months since the pandemic, with occupancy reaching 83%, the highest level since the 84% recorded in February 2020, accompanied by a solid increase in ADR**.**

The city benefited from two Nick Cave and the Bad Seeds concerts at TSB Arena early in the month and visitors associated with the New Zealand Festival of the Arts. Tākina reported hosting two conferences and events of more than 200 delegates.




*(Source: HDNZ)*

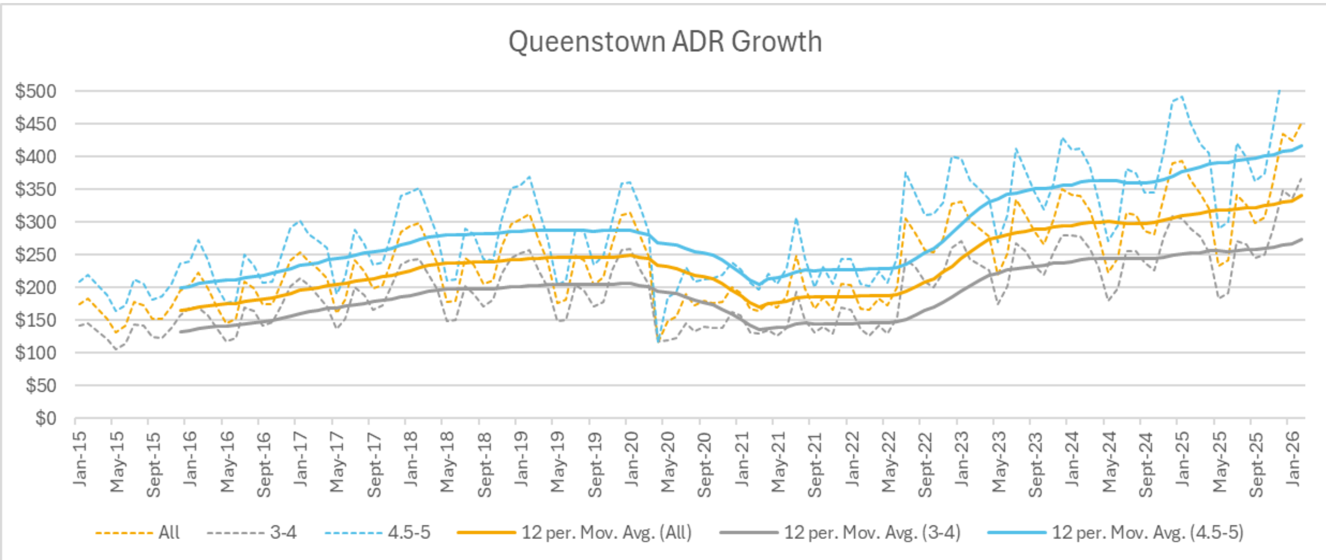
**The Nelson–Marlborough** region delivered a more modest growth profile than most other major markets. Occupancy was broadly stable year on year, with only moderate rate-driven growth in RevPAR. Weekend performance was supported by the Marlborough Wine and Food Festival, which once again stimulated demand during event periods. The region did not benefit meaningfully from the upswing in Chinese guest room nights seen in other destinations and continues to attract relatively few Chinese guests overall.

**Christchurch** had another very strong month. Occupancy reached one of its highest levels on record for February, supported by firm underlying demand and event activity.

Contrary last year, Te Pae Christchurch had solid bookings throughout February, including in the first two weeks, while Crankworx at Christchurch Adventure Park and the Electric Avenue music festival at Hagley Park added substantial leisure demand.

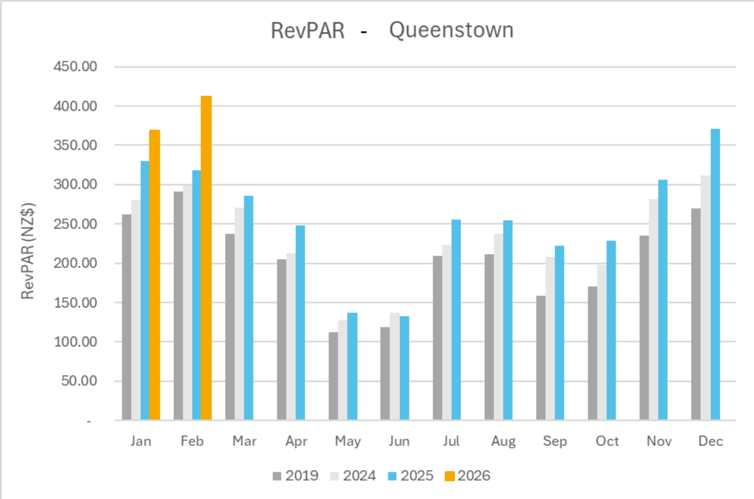
**Queenstown** remained the country's rate leader and one of its highest-occupancy markets. Occupancy was 92%, up from 88% a year earlier, with ADR up 24% to $450, resulting in the highest monthly ADR ever recorded for the destination.

Rates were strong across all segments, with three to four star hotels reporting an average of $365 per night and four-and-a-half to five star hotels reaching around $550. The three to four star ADR in Queenstown was higher than the five star hotel rates achieved in Auckland during the month, underlining the depth of demand in the resort and its ability to command premium pricing even in mid-scale segments. Over the past 10 years, ADR has grown at a Compound Average Growth Rate (CAGR) of 7.3%.




*(Source: HDNZ & TIA)*

High room rates in Queenstown bring both opportunity and risk. On the one hand, they demonstrate robust pricing power and the destination's ability to monetize peak-period demand, creating a platform for operators and owners to reinforce rate integrity and invest in product and service upgrades. On the other hand, when guests are paying rates typically associated with upper-upscale and luxury markets, expectations rise sharply around room quality, design, maintenance, service consistency, and the overall experience; for older or under-invested assets, there is a clear risk that pricing may run ahead of the delivered experience, eroding value perception, weakening guest satisfaction, and ultimately affecting both property-level and destination reputation if not carefully managed.



(Source: HDNZ)

In a recent presentation by TrustYou, an aggregator of online guest reviews, Queenstown hotels ranked well below their peers on value perception when compared with hotels in Auckland, Sydney, Melbourne, and Brisbane.

Lastly, **Dunedin** was a standout performer on occupancy. The five reporting hotels achieved 97.7% occupancy, the highest level recorded for the market in the available series, alongside a meaningful increase in RevPAR on the back of both stronger demand and rate.

Hotel and event reporting highlight several contributors to this result: solid business travel, Chinese New Year-related bookings, and overflow from South Island destinations such as Queenstown, Tekapo, and Christchurch as those markets tightened and became more expensive. Additional drivers included the start of the University of Otago academic year, which brought parents and families into the city, two Super Rugby fixtures featuring the Highlanders, and a Chinese Cultural Festival running from mid-February into March.

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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.

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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