

New Zealand Hotel Performance Focus

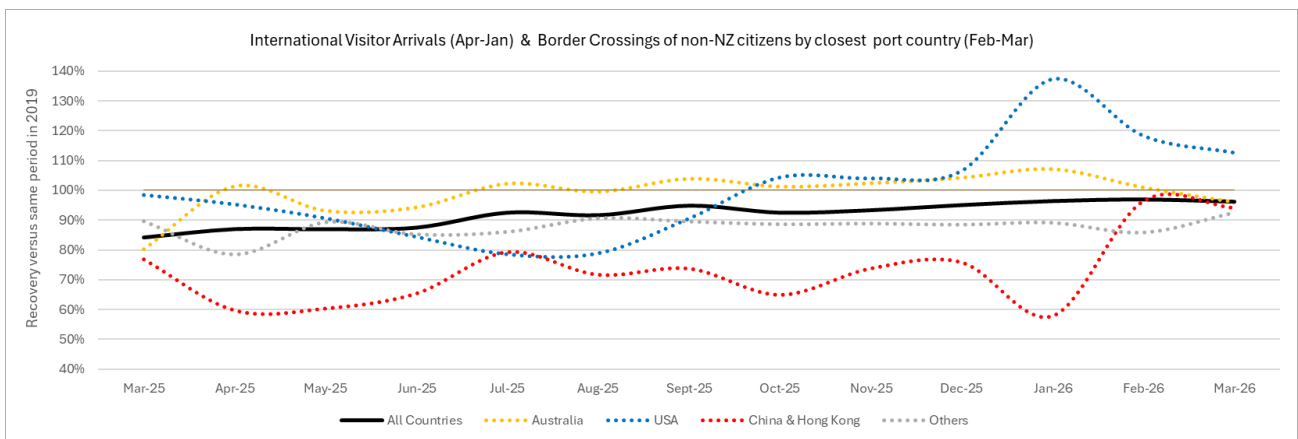
Ahead of the Storm Clouds: NZ hotel performance surges just as geopolitical turmoil hits the world

March and Quarter 1 - 2026



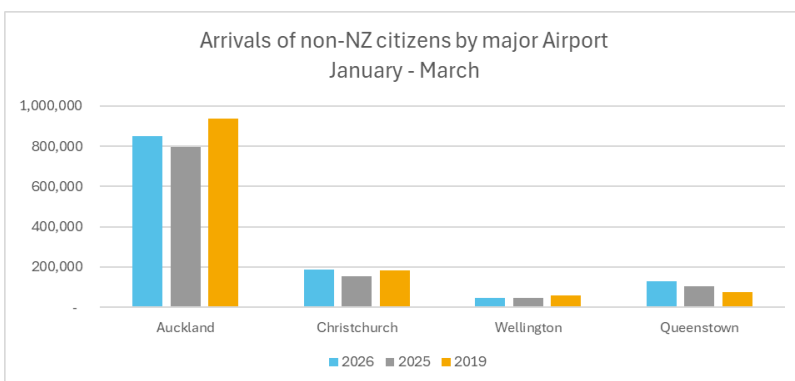
New Zealand's hotel sector finished the first quarter with strong momentum, carrying forward the exceptional performance recorded across January and February 2026, according to Hotel Data New Zealand (HDNZ), with no material signs of demand weakness following world events that started on 28 February and a 14.9% year-on-year increase in national RevPAR.

International Visitor Arrivals, measured by border crossings of non-New Zealand citizens, continued their strong recovery trajectory in March 2026, growing 15% year-on-year and reaching 96% of March 2019 pre-COVID volumes. The two strongest source markets were the People's Republic of China (PRC), from which arrivals grew 22% year-on-year and reached 94% of 2019 arrival levels, and Australia, up 20% year-on-year. Arrivals from the USA also posted healthy growth of 14%, while arrivals from other markets remained approximately 8% below 2019 levels. Despite geopolitical tensions in the Middle East that escalated in late February, overall arrivals were not materially disrupted. The primary observable impact was a decline of approximately 87% in arrivals from the UAE and Qatar, which was offset by increased arrivals from Singapore and Malaysia.



(Source: Stats NZ)

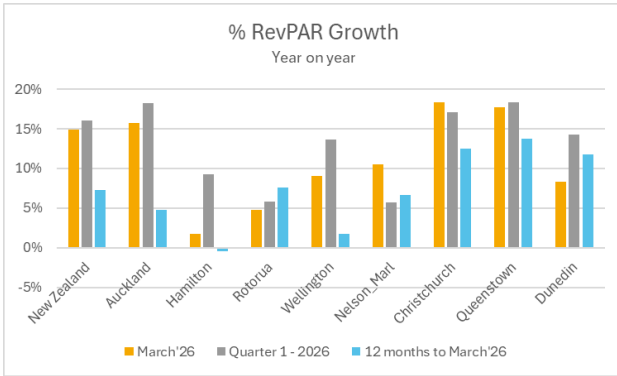
Auckland Airport accounted for 52% of the year-on-year growth in March, an improvement on its share in the preceding two months. Over the full first quarter of 2026, Auckland Airport's share of incremental growth was 45%.



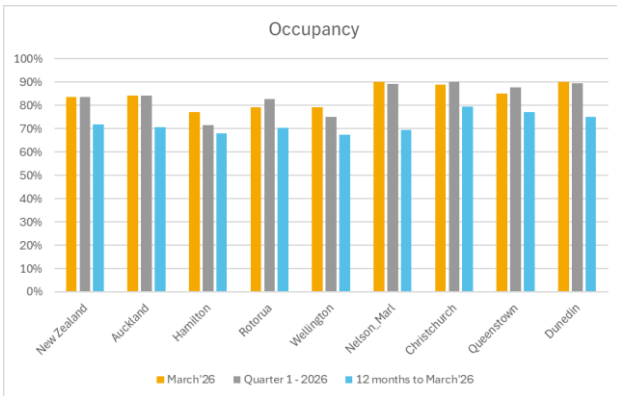
(Source: Stats NZ)

Examining the first quarter of 2026 by gateway, Queenstown Airport and Christchurch Airport each recorded international arrival growth of just over 20% year-on-year, significantly outpacing Wellington Airport at approximately 7%. When benchmarked against Q1 2019 pre-COVID levels, the performance variation is more striking:

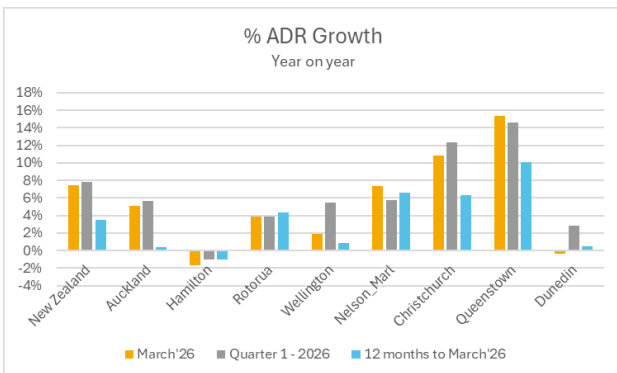
Auckland Airport remains 9% below 2019, Wellington is down 22%, while Christchurch is above 2019 levels and Queenstown is a remarkable 71% above its 2019 volume. This continued gain in South Island airport share reflects both the sustained popularity of the South Island as a destination and the ongoing expansion of direct flight connections, particularly from Australia.



(Source: HDNZ)



(Source: HDNZ)



(Source: HDNZ)

New Zealand: National RevPAR grew 14.9% year-on-year, driven by improvements in both occupancy and Average Daily Rate (ADR). Growth was broad-based across all key markets, ranging from 1.7% in Hamilton to 18.3% in Christchurch. Hotels are estimated to have sold approximately 8% more room nights than in the same period last year. Based on HDNZ reporting, international demand grew approximately 11%, driven by strong increases from China and Australia, while domestic demand rose approximately 7%.

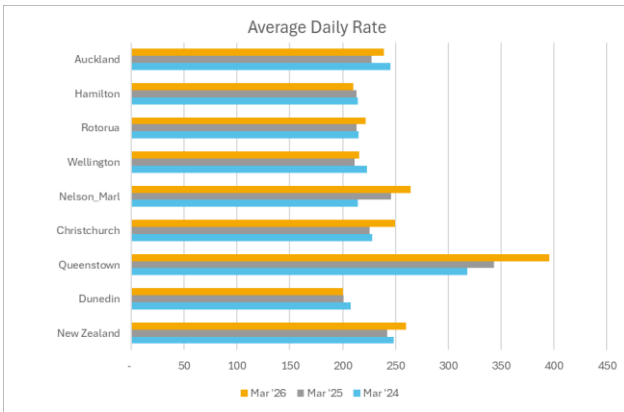
For the first quarter of 2026 as a whole, national RevPAR growth reached 16.1%, distributed broadly across hotel categories, with 3-to-4 star and upper-upscale-to-luxury segments each recording approximately 15–18% growth. National hotel occupancy for Q1 2026 was 84%, up from 78% in Q1 2025 and approaching the 86% achieved in the same quarter of 2019.

Auckland hotels reported RevPAR growth of 16.7% year-on-year in March 2026, effectively restoring RevPAR to just above 2024 levels following a material decline in 2025. The strong demand increase has largely absorbed the approximately 1,300 additional rooms added to the Auckland market since April 2024. The pace of supply growth has, however, constrained rate recovery: ADR is lagging 2024 levels across all hotel categories. Five-star and luxury properties continue to stand out, with their ADR premium at

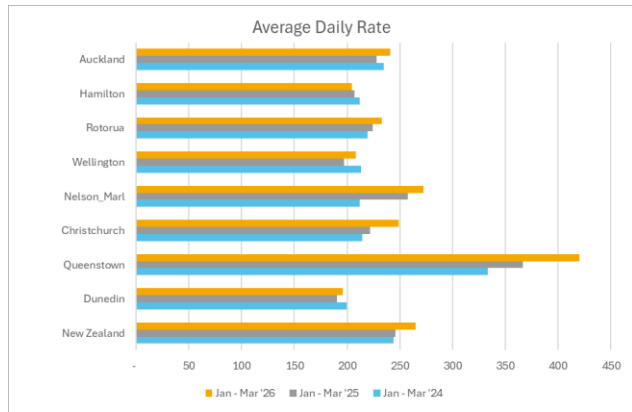
its highest level in over two years, approximately 50% above the 4.5-star segment, and occupancy reaching 87%. For the first quarter of 2026 in total, Auckland RevPAR grew 18.2% year-on-year and 12% above 2024 levels.

Wellington hotels recorded RevPAR growth of 9.0% year-on-year in March 2026, ending the first quarter with cumulative RevPAR growth of 13.6%, driven by both occupancy and rate improvement. Despite this, Wellington remains the only major key market where first-quarter RevPAR is still below Q1 2019 pre-COVID levels, trailing by approximately 2%.

March had a particularly full events calendar, highlighted by the 40th anniversary Aotearoa New Zealand Festival of the Arts, along with the NZ Fringe Festival and Wellington’s Pride Festival.



(Source: HDNZ)



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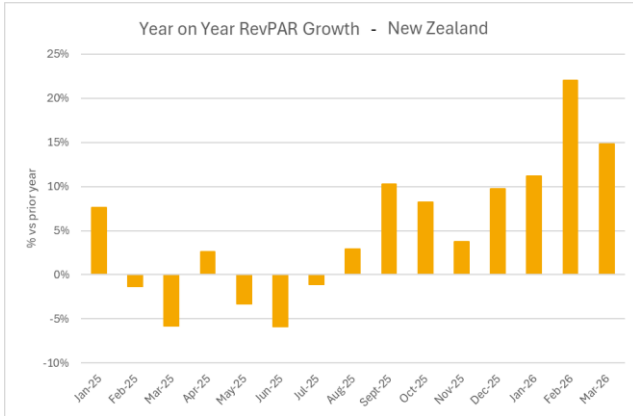
Christchurch recorded the strongest RevPAR growth of any key New Zealand market in March 2026, at 18.3% year-on-year, and closed the first quarter with RevPAR growth of 17.1%. ADR growth of 12.3% in Q1 was the second highest nationally, while occupancy reached 90% for the quarter, the highest of any major market. The primary driver was a 21% year-on-year increase in international arrivals at Christchurch Airport in Q1, the vast majority of which originated in Australia. Major events included the Christchurch Pride Festival, which ran across the entire month and stimulated regional tourism activity. The opening of the new One New Zealand Stadium on 24 April is expected to further strengthen Christchurch's ability to attract major events.

Queenstown again delivered outstanding performance. March RevPAR grew 17.7% year-on-year, driven by ADR growth of 15.3%. Hotels reported a notable shift towards Asian visitors, with increased representation from China, Japan and other Asian countries, and a slight decline in the shares from Australia and the United States. Significant activations included the opening of a new building at Skyline Queenstown on 16 March, part of a NZD 300 million redevelopment, adding four new food and beverage concepts to the complex. The Motatapu Mountain Bike and Trail Run attracted approximately 4,000 participants across five events. For Q1 2026, Queenstown recorded the highest RevPAR growth of all key markets at 18.3%, with ADR growth of 14.5% and occupancy of 88% for the quarter.

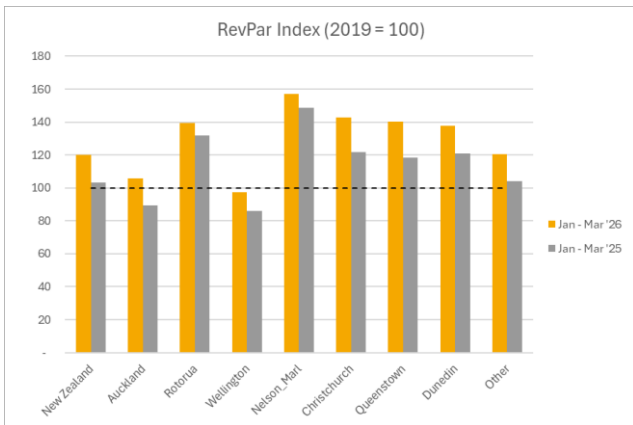
March 2026 was an active month for events in **Rotorua**, which hosted two internationally significant mountain bike events that generated multi-day accommodation demand. Hotel occupancies were broadly flat year-on-year in March, with a modest 1.8 percentage point gain for the quarter. ADR grew 3.9% for the quarter, well below the national average of 7.8%, ranking sixth of eight key markets.

The longer-term rate story has been a strong one. Hotels achieved a compound annual ADR growth rate of 6.8% since 2019 (NZD 157 to NZD 233) aided by the absence of lower-yielding Chinese visitors (who accounted for up to 18% of room nights prior to Covid) as the guest mix shifted toward higher-rated domestic and Australian visitors. The recent recovery of the Chinese market, with its share growing from 5% to 8% of room nights between Q1 2025 and Q1 2026, combined with a decline in the USA visitor share from 13% to 7%, is therefore a trend to watch closely. The below-average ADR growth already observed suggests that a shifting visitor mix may moderate Rotorua's rate trajectory.

Dunedin hotels achieved the highest occupancy of any key market in March 2026, at 90.2%, and maintained occupancy of 89.4% for the full first quarter. However, the strong demand environment did not translate to ADR uplift: March ADR was down -0.4% year-on-year, with Q1 ADR growth recovering modestly to just 2.8%, the lowest of all markets.



(Source: HDNZ)



(Source: HDNZ)

Q1 RevPAR growth of 14.2% ranked fourth nationally and the 12-month RevPAR trend of +11.7% is one of the strongest in the country. The occupancy-led recovery suggests demand is robust but that pricing power remains underdeveloped relative to the market's absorption capacity, a dynamic that presents upside for rate growth as supply tightens.

Hamilton hotels reported an occupancy of 77.2% in March 2026, the lowest of the key markets, though this represented an improvement of 2.5 percentage points year-on-year. RevPAR grew just 1.7% in March, with ADR declining -1.6%, making Hamilton the only market to report a negative March ADR result.

The annual (Hot Air) “Balloons Over Waikato” event was expanded from five days in 2025 to eight days in 2026, adding some more stimulus to Waikato accommodation demand.

The Q1 position is more positive at +9.3% RevPAR growth. The 12-month RevPAR trend of -0.4% is the only negative reading nationally, partly reflecting

a market still recovering from a motel supply increase of 32% over the past two years, as circa 320 motel rooms previously used for social housing have come back online.

Nelson–Marlborough delivered a strong March result, with RevPAR up 10.5% year on year on occupancy of 89.9%, the second-highest March occupancy of any market, and ADR growth of 7.4%.

The region delivered one of its strongest March event calendars in recent years, with three distinct events generating additional regional tourism activity across the month. Demand growth was largely driven by domestic visitors, Australians, and international tour groups. During Q1, the region achieved the second-highest ADR of all key markets, behind Queenstown, while the 12-month ADR trend of +6.6% to consistent, rate-led improvement over the medium term.



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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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