

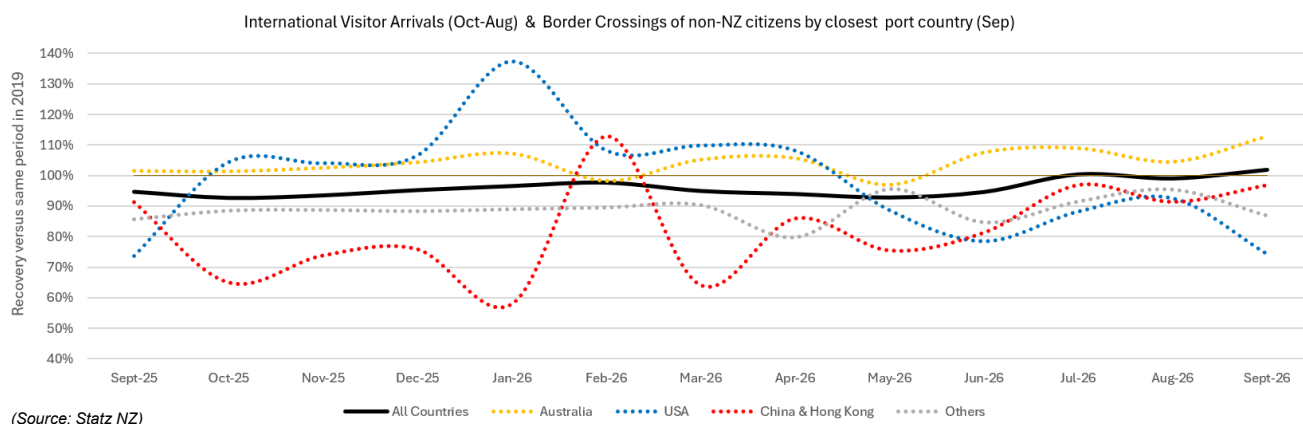
New Zealand Hotel Performance Focus

International Visitors Lift Hotels as Domestic Demand Softens

September 2026



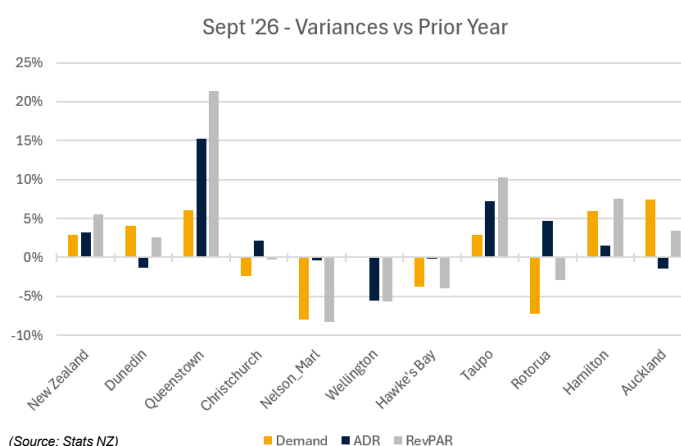
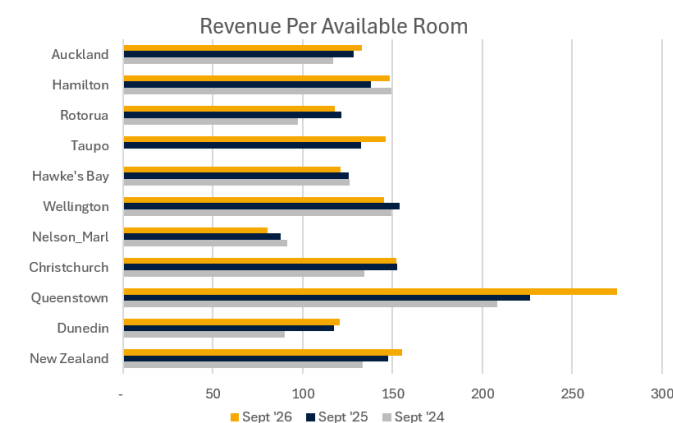
According to the latest HDNZ data, New Zealand's hotel market continued to grow in September, although the gains were increasingly concentrated in internationally exposed markets. Occupancy, room rates and RevPAR all improved at a national level, but the month also showed a clearer divide between markets benefiting from inbound demand and those more reliant on domestic travel.



International visitor arrivals, measured by border crossings of non-New Zealand citizens reported by Stats NZ, increased by 8% compared with September last year and were 2% above September 2019 levels. The low New Zealand dollar and increased air capacity strongly support inbound demand.

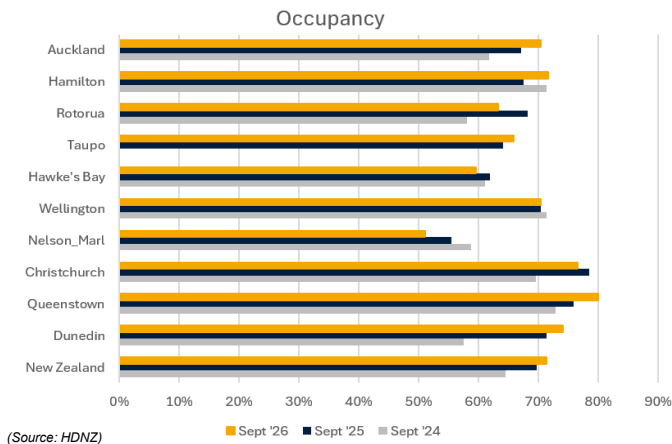
Australia remained the main source of growth, with visitor arrivals up 11% year on year. Arrivals from China and Hong Kong increased by 6% and reached 95% of pre-Covid levels, while arrivals from the United States and other combined source markets were broadly flat.

Arrival patterns again favoured the South Island. Auckland accounted for 37% of the growth in international air arrivals, Christchurch for 24%, and Queenstown for 44%, while Wellington saw a slight reduction. Stats NZ also reported a 5% decline in international departures by New Zealand citizens, which may reflect the weaker New Zealand dollar and domestic cost of living pressures.



New Zealand hotels reported RevPAR growth of 5.5% in September, supported by a 3% increase in demand, a 3.2% rise in ADR, and a 1.6-percentage-point lift in occupancy to 71.3%. International room nights were the main driver of growth, rising by an estimated 18%, while domestic room nights declined by 5%. Hotels also continued to report strong growth in visitors from China and Australia.

The split between international and domestic demand was evident across the country. Five of the 10 key markets recorded a year-on-year decline in RevPAR, mostly in destinations that typically rely more heavily on domestic visitors at this time of year. Secondary Schools Winter Tournament Week, held from 31 August to 4 September, also provided a short, concentrated boost in accommodation demand across several centres, including Auckland, Rotorua, Nelson, Christchurch and Dunedin.



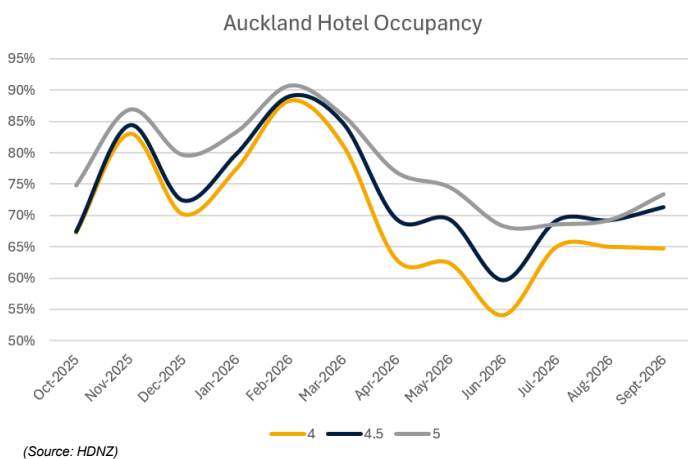
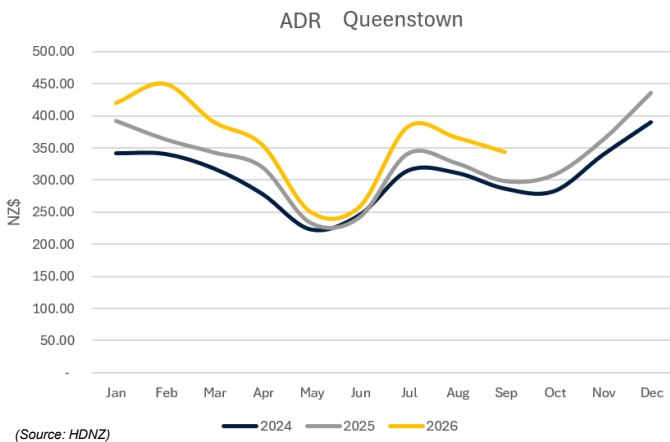
Queenstown delivered the strongest performance of the major markets, with RevPAR rising 21.4% year on year. Occupancy increased 4.0 percentage points to 80.0%, while ADR rose 15.2% to \$344. The result was supported by an 18% increase in international room nights, which more than offset a 10% decline in domestic room nights. A busy mix of leisure events, sporting activity and conferences also helped sustain demand through the month.

Auckland also recorded a positive month, with RevPAR up 3.4% as occupancy rose 3.3 percentage points to 70.4%, despite a 1.4% decline in ADR. Hotels reported a 22% increase in international room nights, offsetting a small decline in domestic room nights. NZICC reported hosting 13 major national events generating 19,640 delegate days, plus two international conferences with a further 5,415 delegate days. Hotels reported a strong increase in conference and incentive related business, which represented 8% of total room nights. A sold-out Warriors–Knights NRL semi-final at Eden Park also added further city-wide demand.

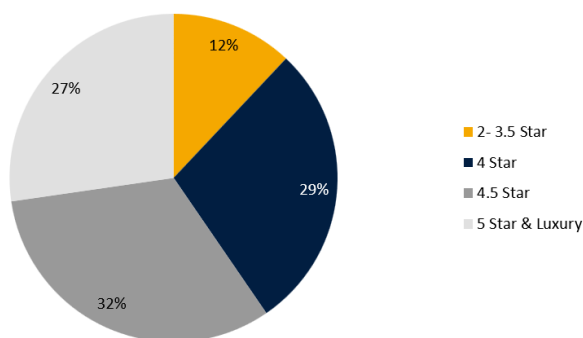
Within Auckland, 4.5-star hotels recorded the strongest occupancy growth, rising from 66% to 71%. Five-star hotels retained the highest occupancy at 73%, while four-star hotels remained lowest at 65%. For the 12 months to September, five-star hotels held a 5% occupancy premium against the market, while four-star hotels traded at a 5% discount and 4.5-star hotels performed in line with the market average.

Hamilton was one of only two markets to report an increase in domestic room nights. Occupancy rose 4.0 percentage points to 71.6%, helping lift RevPAR by 7.6%. With domestic travellers accounting for around 80% of room nights and Australians contributing about 15%, the market also benefited from the Water New Zealand Conference and Expo at Claudelands and the New Zealand Schools rugby national camp.

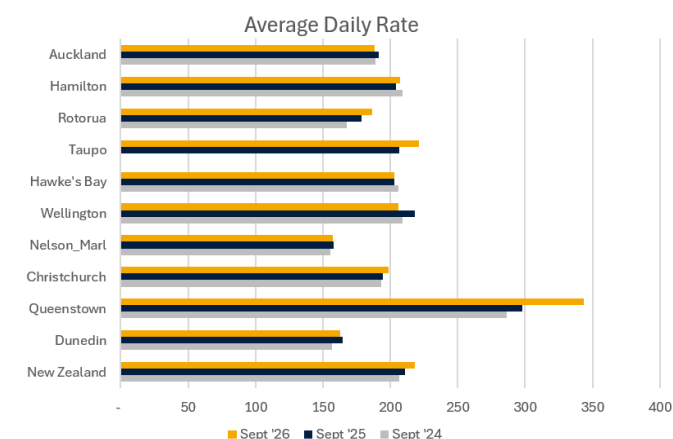
Results were weaker across several other centres. **Christchurch** reported its first monthly decline in both occupancy and RevPAR since May last year, with occupancy down 1.9 percentage points to 76.6% and RevPAR easing 0.3%, despite stronger airport arrivals and no meaningful supply increase. Domestic room nights declined by around 11%, while hotels also reported an estimated 9% fall in business and conference-related room nights. Increased international demand and a strong lift in visitors from China were not enough to offset the softer domestic and meetings segments.



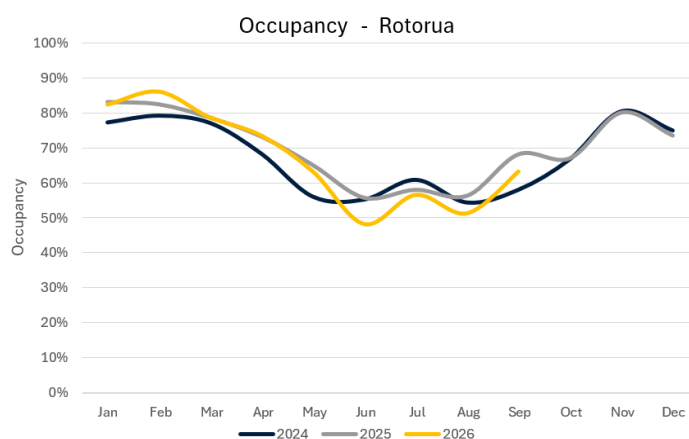
Auckland Hotel Supply



(Source: Horwath HTL)



(Source: HDNZ)



(Source: HDNZ)

Wellington's occupancy was broadly unchanged at 70.4%, but a 5.6% decline in ADR pushed RevPAR down 5.7%. Tākina hosted 10 multi-day conferences and large dinners during the month, and the World of Wearable Art season again brought significant visitor activity to the city. Even so, hotels reported softer business and meetings demand, with more FIT business in its place.

Nelson and Marlborough recorded a sixth consecutive month of year-on-year occupancy decline. Occupancy fell 4.4 percentage points to 51.1%, while RevPAR declined 8.3%. The weakness was linked to slower domestic demand and fewer meetings and conferences, while international visitors, although increasing, still represented only around 23% of demand at this time of year.

Rotorua also remained under pressure, with occupancy falling 7.2 percentage points to 63.2%, marking a fifth consecutive decrease monthly occupancy compared with the same month last year. Hotels reported that conference, events and corporate segments were the main areas of weakness, with domestic guest nights down an estimated 18%. A sharp increase in international demand, including more than double the room nights from China, was not enough to offset the domestic shortfall.

HDNZ collects monthly data from ~62% of all hotel and serviced apartment rooms in New Zealand, including ~77% of all rooms in Auckland, ~85% of all rooms in Queenstown, ~70% of all rooms in Christchurch, and ~75% of all rooms in Wellington.



Horwath HTL New Zealand
PO Box 628
Shortland Street
Auckland 1140
New Zealand

Contact:
Wim Ruepert
+64 21 371 653
wruepert@horwathhtl.com



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 hospitality, 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 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.

Horwath HTL Global Offices

AFRICA

Rwanda
South Africa

ASIA

PACIFIC

Australia
China
India
Indonesia
Japan
Malaysia
New Zealand
Singapore
Thailand

EUROPE

Albania
Andorra
Austria
Croatia
Cyprus
Germany
Greece
Hungary
Ireland
Italy
Netherlands
Norway
Poland
Portugal
Serbia
Spain
Switzerland
Turkey
United Kingdom

LATIN

AMERICA

Argentina
Brazil
Chile
Dominican
Republic
Mexico

MIDDLE

EAST

UAE & Oman

NORTH AMERICA

Atlanta, GA
Denver, CO
Los Angeles, CA
New York, NY
Oregon, OR
Orlando, FL
Scottsdale, AZ
Montréal, Canada
Toronto, Canada

www.horwathhtl.co.nz