

NEW ZEALAND HOTEL MARKET SNAPSHOT | APRIL 2022

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Market Commentary and Insights – April 2022

Delayed but Welcomed Recovery On its Way

Since our last market snapshot back in January, we have witnessed a significant amount of positive news regarding the reopening of our borders to international inbound visitors.

As of 13th April, our borders opened to all Australian visitors and on 2nd May to all countries that do not require a visa will be welcomed back. This will be followed by all remaining international visitors circa Q3 2022.

Whilst this is excellent news, the delayed timing of this, (largely to the Omicron variant) means our wider recovery has now been delayed until the second half of the year.

As we know New Zealand has a seasonal leisure market, so the real gains will not be seen until the summer season of Q4 2022/Q1 2023. Early indications are that forward enquiry and bookings are already strong for this period and hoteliers now have time to gear up for what will be a strong rebound in demand over this period.

With the exception of Queenstown who will benefit from a strong winter season, the wider market may therefore need to weather another three to six months of headwinds before any real recovery is seen.

Conversely, we have seen the Australian key markets of Sydney, Melbourne & Brisbane rebound much quicker than first anticipated.

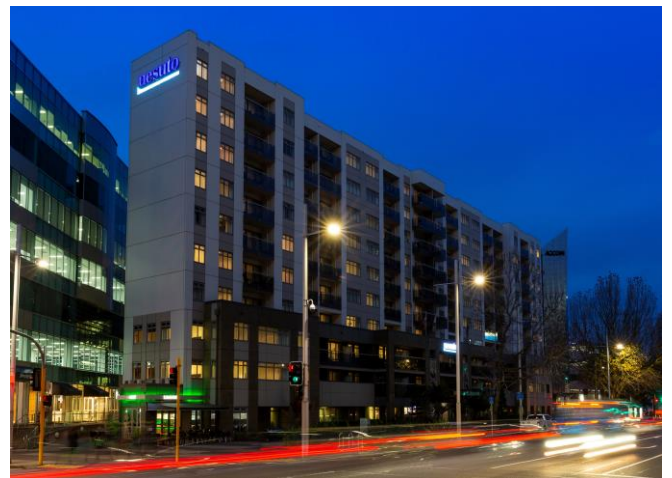
Over the next three months we will also see the majority of hotels contracted for MIQ purposes transition back into the wider market with only four hotels remaining under contract to Government beyond 30 June 2022.

Another trend we are seeing in 2022 is a growing number of hotels being offered for sale now that international borders are open and offshore investors can actively review these opportunities.

We are aware of a number of major hotels that are now being offered to the market with more to follow as some Vendors look to recycle capital or rebalance their portfolios.

Colliers will next take to the market the 4.5 star 244 key Nesuto Stadium Hotel & Apartments located in downtown Auckland. This hybrid hotel offers 100 self-contained apartments together with 144 hotel rooms making it one of the largest offerings in the market over recent years. The hotel has undergone a NZD\$12m expansion and refurbishment and presents in an as new condition.

If you would like any information on the Hotels that the Colliers team are taking to the market, please let us know.

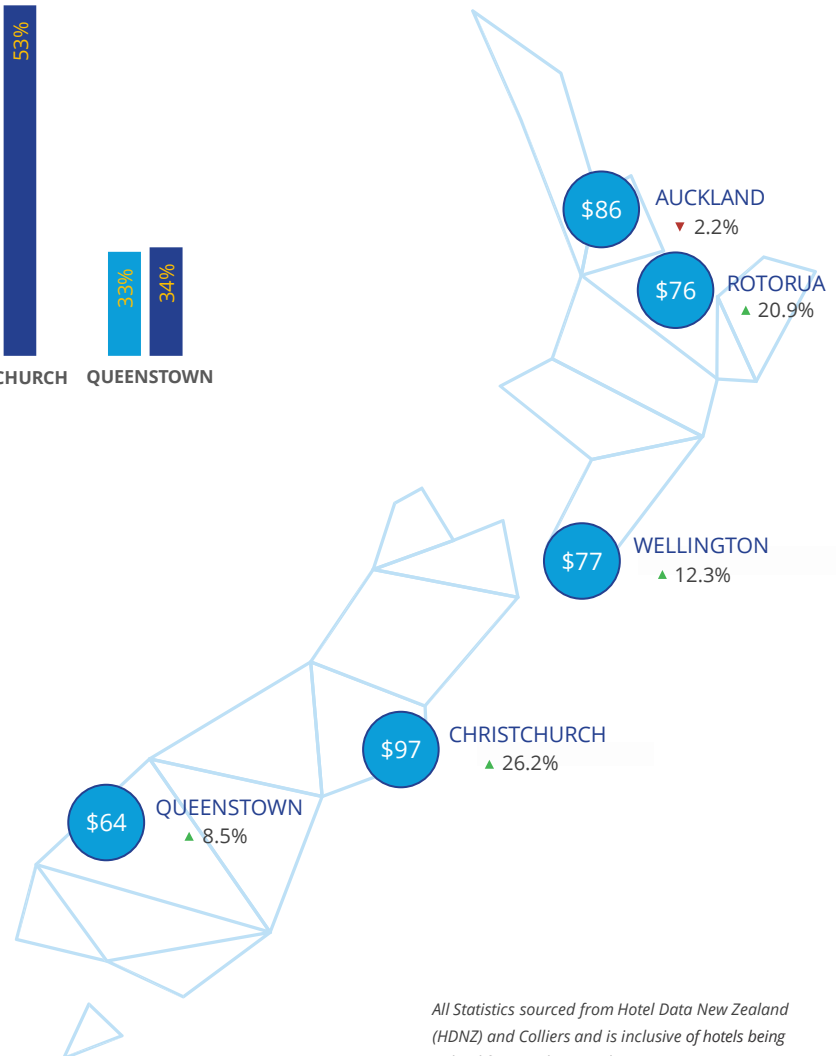


NEW ZEALAND HOTEL MARKET PERFORMANCE SNAPSHOT | Q1 2022

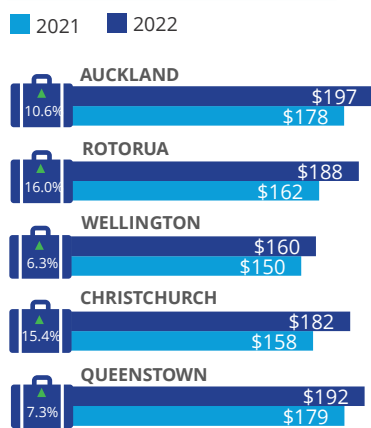
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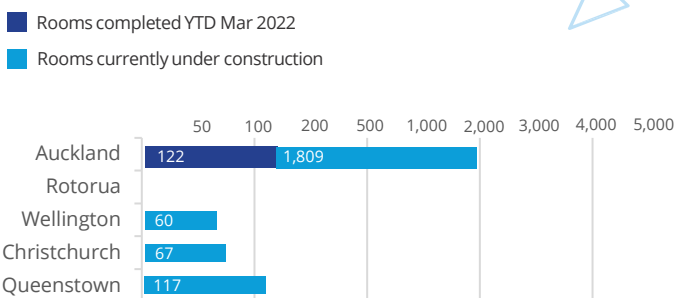
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*Rooms only include 3-5 star hotels above 50 rooms

All Statistics sourced from Hotel Data New Zealand (HDNZ) and Colliers and is inclusive of hotels being utilised for mandatory isolation or quarantine purposes.

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