



JONES LANG  
LASALLE HOTELS®

## *Viability of New Hotels*

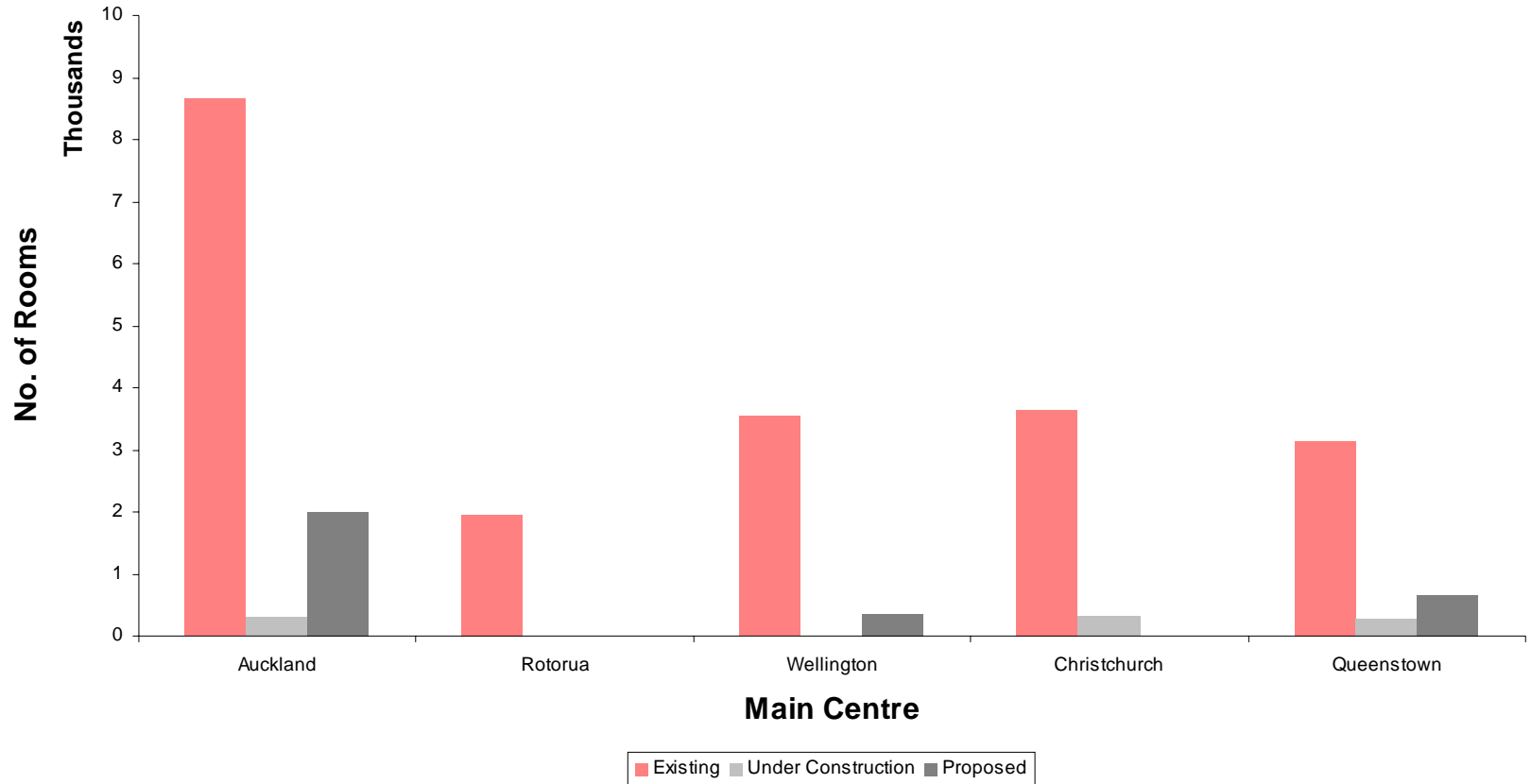
# How to Achieve Success & Avoid Disaster

Presented by Dean Humphries  
Jones Lang LaSalle Hotels New Zealand  
May 2009



# Current Status - May 2009

## New Zealand Hotel Supply Pipeline



# Beyond 2009

## New Zealand Hotel Supply Trends

- Current construction cycle will end Q1 2010
- Financing restrictions and softer demand will substantially restrict development
- Development pipeline will stall
- Financial Feasibility of hotel projects likely to be under pressure for many years
- Possible restructuring of many existing strata titled hotels
- Hotel operators forced to rethink strategy

# Beyond 2009

## Bright Spots & Opportunities

- “Supply Shrinkage” will create future opportunities
- Private & Public sectors partnerships
- Strategic Infrastructural Development
- Conversions
- Refined strata titled development
- Owner Occupier development in tightly controlled markets
- **The tide will turn again!**



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