



New Zealand  
Hotel Industry  
Conference  
2010

New Hotels & Serviced Apartments

Are They Viable?

Chairperson: Graham Wilkinson

Panel: Tony Dench, Greg Allen, Tim Downes



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## **Why invest in hotels?**

- **Hope of returns**
- **Trophy/ego**
- **Strategic**
- **Development driven**



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**HOTEL DEVELOPMENTS OVER LAST 10 YEARS – give or take...  
(Including some currently under development)**

**Return driven**

Rydges extension

Novotel Airport

Ibis

Travelodge (conversion)

Te Woanui

Sudima

Jet Inn

Auckland

Auckland

Christchurch

Rotorua

West Coast

Auckland

Auckland



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## **HOTEL DEVELOPMENTS OVER LAST 10 YEARS (cont)....**

### **Trophy driven**

Hilton  
Clearwater Peppers  
And lots of Lodges.....

Auckland  
Christchurch

### **Strategically driven**

Novotel

Christchurch



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**HOTEL DEVELOPMENTS (continued)**

**Development driven**

Quadrant	Auckland	The Beacon Peppers	Queenstown
Hyatt Residences	Auckland	Sofitel	Queenstown
Westin	Auckland	Pounamu	Queenstown
Wardorf Stadium	Auckland	The Rees	Queenstown
Oaks	Auckland	Oaks Shores	Queenstown
Chifley	Auckland	Oaks Club	Queenstown
Wardorf St Martins	Auckland	Mantra Marina	Queenstown
Oaks Fort Street	Auckland	Hilton	Queenstown
Quest Newmarket	Auckland	Managed by Hilton?	Queenstown
Wardorf Wakefield	Auckland	Hilton	Taupo
Wardorf Emily Place	Auckland	Off the Square	Christchurch
Bolton	Wellington	Marque	Christchurch
Museum Apartments	Wellington	Bluewater Peppers	Tekapo
Holiday Inn	Wellington	Te Pania	Napier
Mercure Grand	Wellington	And so on.....	



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## Occupancy Rates 2005 – 2009

### Annual Occupancy Rates (%)

Area/Segment	2005	2006	2007	2008	2009
<b>Total NZHC</b>	<b>72.5</b>	<b>72.2</b>	<b>70.8</b>	<b>69.6</b>	<b>66.6</b>
<b>Auckland</b>	<b>73.7</b>	<b>73.6</b>	<b>73.8</b>	<b>72.8</b>	<b>69.7</b>
<b>Rotorua</b>	<b>66.7</b>	<b>68.2</b>	<b>68.3</b>	<b>66.0</b>	<b>59.6</b>
<b>Wellington</b>	<b>70.7</b>	<b>72.3</b>	<b>67.9</b>	<b>70.5</b>	<b>69.4</b>
<b>Christchurch</b>	<b>74.3</b>	<b>70.9</b>	<b>70.3</b>	<b>68.2</b>	<b>68.3</b>
<b>Queenstown</b>	<b>72.9</b>	<b>74.1</b>	<b>69.8</b>	<b>65.4</b>	<b>63.0</b>



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## Room Rates 2005 – 2009

### Average Room Rates excluding GST (NZ\$)

Area/Segment	2005	2006	2007	2008	2009
Total NZHC	132.1	134.4	136.9	138.1	130.1
Auckland	136.5	139.5	143.1	146.3	133.4
Rotorua	103.6	105.1	109.1	109.1	108.0
Wellington	145.0	146.1	144.1	147.4	142.9
Christchurch	132.3	135.2	133.5	127.4	117.4
Queenstown	123.1	125.9	135.9	137.3	132.7



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## Room Revenue 2005 – 2009

Average RevPar excluding GST (NZ\$)

Area/Segment	2005	2006	2007	2008	2009
<b>Total NZHC</b>	<b>95.7</b>	<b>97.0</b>	<b>97.0</b>	<b>96.2</b>	<b>86.6</b>
<b>Auckland</b>	<b>100.5</b>	<b>102.7</b>	<b>105.6</b>	<b>106.5</b>	<b>93.0</b>
<b>Rotorua</b>	<b>69.1</b>	<b>71.7</b>	<b>74.6</b>	<b>72.0</b>	<b>64.4</b>
<b>Wellington</b>	<b>102.5</b>	<b>105.7</b>	<b>97.9</b>	<b>103.9</b>	<b>99.2</b>
<b>Christchurch</b>	<b>98.3</b>	<b>95.9</b>	<b>93.8</b>	<b>86.8</b>	<b>80.3</b>
<b>Queenstown</b>	<b>89.7</b>	<b>93.3</b>	<b>94.9</b>	<b>89.7</b>	<b>83.6</b>



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**Conclusion?**