Open for business

Turning the country's economic ship around has been a slow process, but the outlook for the hotels, tourism and leisure sector is bright as investment fundamentals improve.

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HOTELS, TOURISM AND LEISURE

Welcome to Bayleys' *Hotels, Tourism & Leisure* showcasing a select line-up of assets and opportunities across New Zealand, Fiji and the Cook Islands.

The market has been in flux for several years now, with vendors and buyers grappling with timing and values. While there have been some encouraging transactions despite this uncertainty, I believe we have now turned a corner and there's more balance and confidence in the market.

Performance data for hotels shows a lift in sentiment and, while occupancy is not yet back to pre-pandemic levels, the dial is moving in the right direction and some markets are high achievers.

A strong ski season, rising international visitor numbers, improved inbound flight schedules, the return of corporate business, and continued strong demand in key markets like Christchurch and Queenstown have contributed to better results across the sector.

We know New Zealand needs to attract more events and world-class acts to draw crowds and supercharge the hotels, tourism and leisure (HTL) sector. SailGP returns in January, while the One New Zealand Stadium opens in Christchurch in April 2026 and both will provide some stimulus.

The recent government announcement of a $70m package rolled out over two years to boost tourism will allow us to compete on the international stage for the biggest artists and events, and hospitality and accommodation providers are buoyed by this.

The much-anticipated New Zealand International Convention Centre officially opens early next year and is forecast to bring an estimated 33,000 conference visitors to the city, contributing $90 million of new economic spending annually. This will be a significant off-peak tourism driver with the spend rippling around the country as visitors explore further afield.

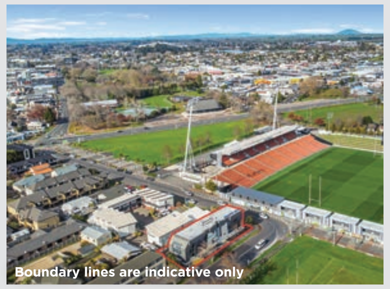
Auckland is also eagerly awaiting the opening of the City Rail Link, with the major infrastructural project already unlocking opportunity in the city, particularly in the Midtown precinct where there's been some significant hotel investment.

Meanwhile, the government is putting action behind its growth mantra announcing big changes to its investor visa policy settings to attract more overseas investment here. We discuss how this could impact the HTL sector in our portfolio's editorial insights, along with exploring some of the strategic moves by hotel developers and operators around the country.

New Zealand is very much open for business, with the welcome mat laid out for the world to see.

We'd love to connect with you to explore opportunities for investment or divestment – so please check in with us for an up-to-date take on HTL market dynamics.

SALES SNAPSHOT



Hamilton Motel, Tristram Street, Hamilton: Freehold sale of 17 accommodation units plus a 1bdrm manager's accommodation, on 832sqm freehold site. Two levels of accommodation including a lift plus basement carparking and laundry facilities. Located opposite the FMCG stadium and a short walk to the city centre, sold for $3,100.00. *(Steve Pett, Bayleys Hamilton)*

Sunrise Motel, Ulster Street, Hamilton: Freehold sale of a refurbished 12-unit motel with a 2bdrm manager's accommodation on a 2,039sqm site. Located on the 'motel mile' in Hamilton with a short walk to the city centre, sold for $3,300.00. *(Steve Pett, Bayleys Hamilton)*

Abbey Motor Lodge, Lorne Street, Hamilton: Freehold sale of a 10-unit motel with a 3bdrm manager's accommodation on a 2,088sqm site. A short walk to the Waikato Hospital and Hamilton Lake, sold for $2,200.00. *(Steve Pett, Bayleys Hamilton)*

Sacred Waters, Taupō: 5-star management rights, absolute lakefront complex consists of 21 apartments and 2bdrm, 154sqm manager's apartment. Geothermally heated year-round, sold for $2,150,000. *(Wayne Keene, Bayleys Auckland; Lucy Baxter, Bayleys Taupō)*

The Sails Motel Nelson, The Wood, Nelson: 15-room motel split over two floors, all with tiled ensuite bathrooms, luxury amenities, and a great indoor-outdoor flow. This sale came with a three-bedroom and two-bathroom manager's accommodation. The site is located very close to supermarkets, restaurants, and shops, just a short walk from Nelson City. Sold for $1,400,000. *(Gill Ireland, Bayleys Nelson)*

Chelsea Park Motor Lodge, Rutherford Street, Nelson: 10-luxury-room motel with en-suite facilities, situated on the main arterial road entering Nelson City, and spread across two levels. The manager's accommodation is a three-bedroom, two-bathroom with a separate entrance. Vendors have installed EV chargers. All units come with secure off-street parking. Sold off-market for $785,000. *(Gill Ireland, Bayleys Nelson)*