



Regional revival

Hotel investment in the regions is accelerating, reshaping accommodation offerings and lifting confidence across New Zealand's secondary centres.

Regional New Zealand's hotel landscape is evolving, driven by a new wave of development and investment that's reshaping how visitors experience the country's secondary centres. Contemporary new-build hotels, mixed-use accommodation projects and the adaptive reuse of legacy buildings are bringing fresh design thinking and private capital into regional markets. Bayleys Hotels, Tourism and Leisure national director, Wayne Keene says this activity aligns with a broader uplift in tourism flows, business travel, events infrastructure and city-centre revitalisation nationwide. "There's been a noticeable rise in enquiry for existing and proposed commercial accommodation assets this year.



"Hotel investment is increasingly flowing into regional New Zealand as developers, investors and management entities back the fundamentals of the regions. "The properties featured in this portfolio represent just the tip of the opportunity emerging for private capital across regional markets nationwide."

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WAYNE KEENE
BAYLEYS NATIONAL DIRECTOR HTL

MARLBOROUGH BOOST
A new six-storey, 123-room riverside hotel is set to invigorate Blenheim's accommodation and events scene, with Alfred Taylor Development appointing Capstone Hotel Management as operator of the landmark new-build asset, The Alfred Hotel. Clare Davies, chief operating officer and director of Capstone Hotel Management, which merged with the Marsden Group on 1 April 2026 to form New Zealand's largest locally owned independent hotel management platform, says the hotel is an exciting development. "The Alfred Hotel is a significant addition to Blenheim's accommodation and events scene, and has been designed to deliver a premium accommodation offering that



Artist's impression of The Alfred Hotel - standard room

complements Marlborough's reputation as one of New Zealand's leading food, wine and lifestyle destinations." A defining feature of the development is its integration with the surrounding hospitality precinct. Guests will have direct access to the Marlborough Events Centre, Oak & Ivy Restaurant and the Wine + Food Experience Marlborough, creating a connected hub for conferences, business travel and leisure visitation. Capstone's involvement reflects its confidence in both the project and the Marlborough region's long-term tourism outlook, says Davies.

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CLARE DAVIES
CHIEF OPERATING OFFICER AND DIRECTOR
CAPSTONE HOTEL MANAGEMENT

"Projects of this scale and quality do not come along often, particularly in regional New Zealand. The Alfred represents a substantial investment in Marlborough and aligns with Capstone's longstanding belief that many regional centres can support high-quality accommodation when it is thoughtfully designed and matched to market demand." Davies says Marlborough's strong brand, diversified visitor economy

and constrained supply of premium accommodation make the region particularly compelling.

“Marlborough benefits from multiple demand drivers from its internationally recognised wine industry to a substantial events and conference market. The region has a strong brand and a growing reputation for premium experiences, all of which give us confidence in the long-term outlook for quality accommodation offerings.”

Early trade response has been highly encouraging, with Davies noting strong interest from meetings, incentives, conferences and exhibitions partners, along with corporate travellers and tourism operators, who view The Alfred Hotel as a catalyst for future regional growth.

“There’s a clear recognition that while Marlborough has long benefitted from strong visitor demand and an expanding events sector, investment in large-scale, high-quality accommodation has remained limited.

“We see The Alfred as an important piece of infrastructure that will contribute positively to Marlborough and the Top of the South’s tourism and business economy for many years to come.”

SAFARI VENTURES

New Zealand-owned and operated Safari Group, which already has eight hotels operating nationwide and more in the pipeline, is among those expanding its regional footprint. Safari Hotels chief operating and financial officer, Benjamin Trotter says new projects in Palmerston North and Nelson reflect a broader strategy of assessing opportunities across diverse regions where the fundamentals stack up.

“We’re actively targeting markets where visitor demand, economic activity and infrastructure investment can sustain long-term accommodation projects. We also look at whether residential, office or retail uses could



Artist's impression of TRYP by Wyndham, Palmerston North

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CHIEF OPERATING AND FINANCIAL
OFFICER, SAFARI HOTELS

complement the accommodation component.

“The right combination depends on the location, but a hotel can form part of a wider development that serves both visitors and the local community. Our approach is to assess each market on its merits and pursue projects that make sense over the long term.”

Safari Group sees the strongest prospects in regions with broad visitor demand, limited new supply and a need for modern, centrally located accommodation capable of supporting corporate travel, conferences and larger groups.

The company’s redevelopment of Palmerston North’s former chief post office into the new TRYP by Wyndham hotel marks one of the most significant adaptive-reuse projects underway in the regional accommodation sector. The 86-room hotel will deliver a modern hotel offering, with additional retail and commercial tenancies within a distinctive Edwardian building.

Trotter says the company saw a clear gap in the market for a new, large hotel in a central location that could cater to business travellers, conferences, sports teams and leisure visitors with the building’s heritage character strengthening the TRYP by Wyndham brand’s connection to place.

“The former post office has the location, history and character to give

the hotel a distinct identity. It is a city landmark that had been vacant for too long, and this project is an opportunity to bring it back into active use.

“Retaining the heritage façade while replacing the structure behind it has been one of the most challenging aspects. The façade had to be carefully propped and supported during demolition, then incorporated into the new structure that will support it over the long-term, requiring careful engineering and construction sequencing.

“Reconstructing the original exterior heritage features has also required considerable attention to detail. It is more complex than starting with a clear site, but preserving that character is an important part of the project’s value.”

Safari Group is targeting a November opening, subject to final works and approvals.

Bayleys Manawatū senior commercial broker, Karl Cameron says TRYP by Wyndham will be “fabulous for the city,” delivering a renowned brand in a first-class location on The Square. He notes the development fills a long-standing void for high-quality accommodation in the city, as Palmerston North leverages major infrastructure upgrades that have strengthened regional connectivity.

Meanwhile, Safari Group is also advancing plans for a major mixed-use development on Nelson’s former Bridge Street bus hub site, with an eight-storey

scheme comprising 54 hotel rooms and 54 residential apartments.

Trotter says design and consenting work is well underway, with the project intended to serve a mix of business and leisure travellers, with a central location that works for visitors staying in Nelson and for those exploring the wider Top of the South region.

He says the current plan is for an Accor-branded hotel, with the urban setting shaping both the format and the build.

“We see an opportunity for a new central city hotel that serves visitors and contributes to the activity of the CBD, with the main challenge being delivering a substantial construction project while the surrounding city continues to operate.

“We are working with our urban designers, architects and planners to progress the design and prepare the resource consent application, and the timing of lodgement is still being confirmed.

“A construction programme will

be established as the design and consenting process advances, so we are not yet providing a firm construction start or opening date.”

SOUTH ISLAND STRENGTH

Distinction Hotels has confirmed a new 4.5-star, 145-room hotel and conference centre for Dunedin, redeveloping Philip Laing House and neighbouring properties at Princes and Rattray Streets, with an expected 2028 opening. With demand often exceeding supply for higher-end accommodation at peak times in Dunedin, the project will bolster the city’s visitor and conference market. It follows Distinction’s Invercargill redevelopment, where the former Menzies building became a 150-room hotel and restaurant.

“Other large projects are underway in Queenstown, and plans are progressing for assets in Christchurch, so the South Island is a market very much on the move,” says Keene.



*Boutique hotel
potential*

Bayleys Manawatū-Whanganui director, John Bartley is marketing the landmark 1970s Brutalist-style building at 133 Wicksteed Street, Whanganui for sale, with vacant possession from late 2027.

Known as Terrace House, and currently used as offices, the Class B heritage building features innovative earthquake-resistant engineering, a distinctive cross-braced façade and a prime location near the main retail strip, Victoria Avenue.

“The property could suit boutique hotel redevelopment, with the necessary consents, and would meet

rising demand for accommodation in the city.

“Whanganui boasts a strong events calendar, including the New Zealand Masters Games with hosting alternating annually with Dunedin, and the city’s Vintage Weekend in January continuing to grow as a major regional drawcard.

“Events like these attract significant out-of-town visitation, further strengthening demand for high-quality accommodation.”

Bartley says the existing floor plates lend themselves to adaptive reuse such as a hotel or serviced apartments, with holding income supporting planning and consent work.

“A well-executed boutique hotel would reinforce Whanganui’s growing tourism and corporate travel sectors.”