



Key to the market

There's unprecedented interest in New Zealand hotels assets, with international buyers eyeing stable returns and inherent growth, given our welcoming investment environment.

Given the geopolitical tension unfolding around the world, and New Zealand's coveted status as a safe haven, elevated traffic to the Bayleys website is one indicator that offshore eyes are focused down under.

Ash Hira, who works across the commercial sector for Bayleys, is fielding high volumes of enquiry from investment entities and hotel brands looking to build scale in the Asia-Pacific region.

"Sentiment and demand-wise, it's very much market by market with Christchurch and Queenstown being targeted by proactive buyers and operators across market segments from budget to high-end luxury.

"Offshore capital is actively circulating and we're talking big dollars. There's also demand in Auckland as the country's gateway, evidenced by Singaporean interests buying the InterContinental for \$180 million, and other major hotels in the city understood to be under contract."

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ASH HIRA
BAYLEYS SENIOR
COMMERCIAL BROKER

Queenstown's aspirational status means hotel brands want representation there from both an investment and operational perspective. An announcement is due soon on the delivery of a 200-plus room hotel near Queenstown's CBD, while other hotels are in the planning phase or going through the consent process.

Christchurch is a magnetic market buoyed by rising visitor numbers, improved flight schedules, the early success of Te Pae Christchurch Convention Centre, and anticipation for One New Zealand Stadium which is scheduled for practical completion in April 2026.

"Christchurch has completely re-rated itself – it's a positive story of resilience, reinvention, and innovation," says Hira. "There's an undersupply of city accommodation, and ongoing strong demand will only escalate once the stadium opens, with Christchurch emerging as a preferred events hub.

"The former Noah's Hotel site on the corner of Oxford Terrace and Worcester Boulevard is undergoing a \$150 million transformation to a 240-room Sheraton scheduled to open mid-2027.

"Meanwhile, expressions of interest have closed on a consented freehold riverfront 200-room hotel at 137 Cambridge Terrace, with Bayleys and

developers Citadel working through a range of submissions from new hotel brands and offshore entities to secure a lessee, or hotel management agreement to progress the project."

Looking ahead, Hira says New Zealand will likely mirror the international trend for branded residences aligned with hotel-anchored mixed-use developments.

"We have parties actively looking at that option and could expect to see the branded residences model take hold in Queenstown, which has a huge lifestyle driver, and in Auckland, for its scale."

STRATEGIC MOVES IN HTL SECTOR

Bayleys national director hotels, tourism and leisure, Wayne Keene says he's heartened by both new hotel development activity across the country, and the level of investor and management enquiry on hotel assets.

"I'm actively working with parties keen to set up an investment tourism fund and looking to acquire assets which demonstrates that the sector has traction, and a solid future."

Keene says it is also encouraging to see the wide variety of accommodation classes emerging, with ownership ranging from private investment to partnerships.

"In Auckland, Stonewood Group is progressing an innovative upscale 325-room Radisson RED hotel, debuting the brand in the Asia-Pacific market. It is part of a mixed-use project at 280 Queen Street in Auckland's Midtown linked by retail through to Lorne Street, and with a rooftop restaurant and bar.

"In Hamilton, a 191-room premium Pullman Hotel is underway, while Templeton Group is finalising plans for a 25-storey hotel in Victoria Street. A study showed Hamilton would need

an additional circa-500 hotel rooms by 2030, so demand is there for these assets."

Demonstrating the strength of the provincial market, New Zealand-owned hotel management and tourism distribution company, Capstone has added to its stable of properties securing the management rights to the boutique, heritage 29-room The Clements in Cambridge, and The Alfred Hotel in Blenheim, a new 123-room riverside property adjacent to the former Clubs of Marlborough building.

Keene says the level of investment being made in the commercial accommodation sector is a bellwether for the hotels, tourism and leisure (HTL) sector, with offshore interest a compelling indicator.

"Tourism is currently New Zealand's second biggest GDP earner having once held top position. While the primary sector is now largely driving the economic recovery post-pandemic, the country's visitor pulling power remains unequivocal.

"Now's the time for investors, developers, and hotel brands to secure a foothold in the HTL space to strategically position themselves for the future."

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WAYNE KEENE
BAYLEYS NATIONAL DIRECTOR
HOTELS, TOURISM AND LEISURE



Artist's impression of the consented freehold riverfront 200-room hotel at 137 Cambridge Terrace, Christchurch