Photo credit: ChristchurchNZ

Arrivals and confidence rise

An increasingly confident hotel investment market is emerging fuelled by strong deal volumes, surging international visitor arrivals and strengthening room-night growth in key gateway cities.

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Bayleys' Hotels, Tourism and Leisure (HTL) team has entered 2026 with real momentum, delivering a very strong first quarter marked by a significant uplift in both settled deal numbers and total transaction value compared with the same period last year. Auckland is currently leading transactional activity, with capable buyers who remained cautious last year now moving decisively.

On top of this, a large volume of conditional transactions is currently progressing through the pipeline, underscoring the depth of active enquiry and the confidence returning to the market.

International visitor growth continues to strengthen, with arrival volumes in June up five percent year-on-year and recovering to 94 percent of June 2019 levels. Australia and China led this growth, supported by the government's 12-month visa-waiver trial for Chinese travellers arriving from Australia.

Room nights climbed approximately 22 percent year-on-year, buoyed by record Australian visitation and a strong winter tourism season. South Island airports reinforced this upswing, collectively welcoming 1.05 million overseas arrivals in the June 2026 year, up from 881,300 the year prior.

Christchurch's resurgence is also gathering pace, with Te Kaha stadium driving renewed activity and visitor growth. Queenstown and Christchurch captured a large share of international arrival growth in Q2, supported by a 43-percent rise in tour group business and a 56-percent lift in Chinese holiday arrivals.

It is also encouraging to be talking positively about Auckland again. The New Zealand International Convention Centre is already making a measurable impact, with more than 120 events confirmed for 2026, and circa-350,000 visitations in the pipeline for FY27. Auckland hotels recorded the strongest room-night growth of the major markets in Q2, up 13.4 percent year-on-year, while the City Rail Link is set to deliver new efficiencies and support the city's next phase. Demand for small to medium-sized hotel assets in the $5–$15 million bracket remains firm.

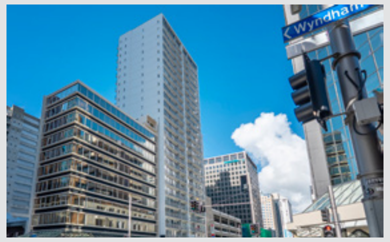
New Zealand's hotel sector posted encouraging June and Q2 results, with confidence clearly building in the country's key gateways. Queenstown, Christchurch and Auckland led national RevPAR growth, buoyed those strengthening international arrivals, rising tour group activity and improved global connectivity through Australian transit hubs.

While regions such as Wellington, Rotorua, Dunedin, Hamilton and Nelson/Marlborough saw softer winter demand, there's identified opportunity ahead as international recovery deepens and event-led visitation expands, setting the stage for broader market improvement through the latter part of 2026.

This *Hotels, Tourism & Leisure* portfolio features 23 opportunities for sale across New Zealand and the Pacific, along with industry commentary on current market conditions and the growth emerging in regional centres as new hotel developments come online.

It's a market on the move and the Bayleys HTL team is here to take you along for the ride.

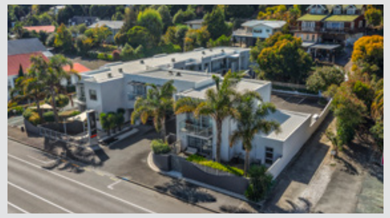
SALES SNAPSHOT



Barclay Suites, Albert Street, Auckland CBD: : 17 one- and two-bedroom apartments plus two commercial units in a 112-apartment complex close to new City Rail Link. Purchased by an international hotel group that will reposition the property. Sold for $7,850,000. *(Eddie Rizarri & Wayne Keene, Bayleys Auckland)*

Beechtree Motel, Rifle Range Road, Taupō: Central location on 3,888sqm site with 39 rooms over two buildings (two titles) providing future divestment choices. Sold the freehold going concern for $9,000,000 to experienced New Zealand residents after a solid advertising campaign. *(Wayne Keene, Bayleys Auckland)*

Emerald Hotel, Gladstone Road, Gisborne: 4,662sqm waterfront site, 50 keys plus restaurant bar and conference facility plus several commercial tenants. Sold to Trust Tairawhiti which will be developing the precinct. Price remains confidential. *(Paul Dixon, Bayleys Auckland; Mike Florance, Bayleys Gisborne)*



Beaches Nelson, Tahunanui Drive, Nelson: Freehold investment with long-term lease to established operator. Features 16 quality rooms on high-profile 1,664sqm site. Sold for $3,600,000 showing 5.7% yield. *(Gill Ireland, Seb Hickman, Bayleys Nelson)*

The Marlborough Riverside Hotel, Nelson Street, Blenheim: High-profile 6,400sqm site, 44 rooms including new 14-key wing plus restaurant/bar and conference facility. Sold the freehold investment for $7,205,000 at a 6.66% yield. *(Wayne Keene, Bayleys Auckland; Mike Ryan Bayleys Marlborough*

Central Park Apartments, Monaco Drive, Cromwell: Premium management rights business within Highlands Innovation and Technology Park, 48 well-appointed apartments in the letting pool plus large executive owners' apartment and associated real estate. Sold for $2,800,000. *(Allister Simpson, Bayleys Queenstown)*

Ristorante Pizzeria Paradiso, Milford Crescent, Te Anau: Standout business in central location, sold the freehold going concern for $2,100,000. *(Allister Simpson, Bayleys Queenstown)*