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Media release

Hotel room incomes plummeted in 2020

Data from New Zealand's largest and longest running hotel benchmarking programme shows the devastating impact of the pandemic on hotel revenues, with overall room income in 2020 falling by 40%.

The Tourism Industry Aotearoa Hotel Data Survey became Hotel Data New Zealand (HDNZ) in 2020 and covers almost three quarters of all hotel rooms in New Zealand.

TIA Chief Executive Chris Roberts says the HDNZ data includes hotels providing border isolation services, but that has only softened the blow.

"Nationally, average hotel occupancy had sat at around 80% since 2016, until the COVID-19 pandemic hit and our borders were closed.

"Average occupancy in 2020 barely made it to 50%. The average rate for a hotel room also slipped, and these combined factors resulted in a 40% fall in the average revenue per available room (RevPAR), to just \$91.17.

"At those revenue levels, the majority of hotels which remained open in 2020 were operating at a loss."

The substantial fall in income was felt across all regions and all hotel categories.

For example, 3-Star Hotels saw RevPAR fall from \$95 in 2019 to \$50 in 2020; while for 5-Star Hotels RevPAR declined from \$214 in 2019 to \$123 in 2020.

Regionally, the biggest decline was in Queenstown, where average hotel occupancy fell from 82% in 2019 to 42% in 2020, and RevPAR fell from \$207 to \$96.

Auckland was the only region in the country to maintain a RevPAR above \$100, but at \$103 this was down from \$161 in 2019.

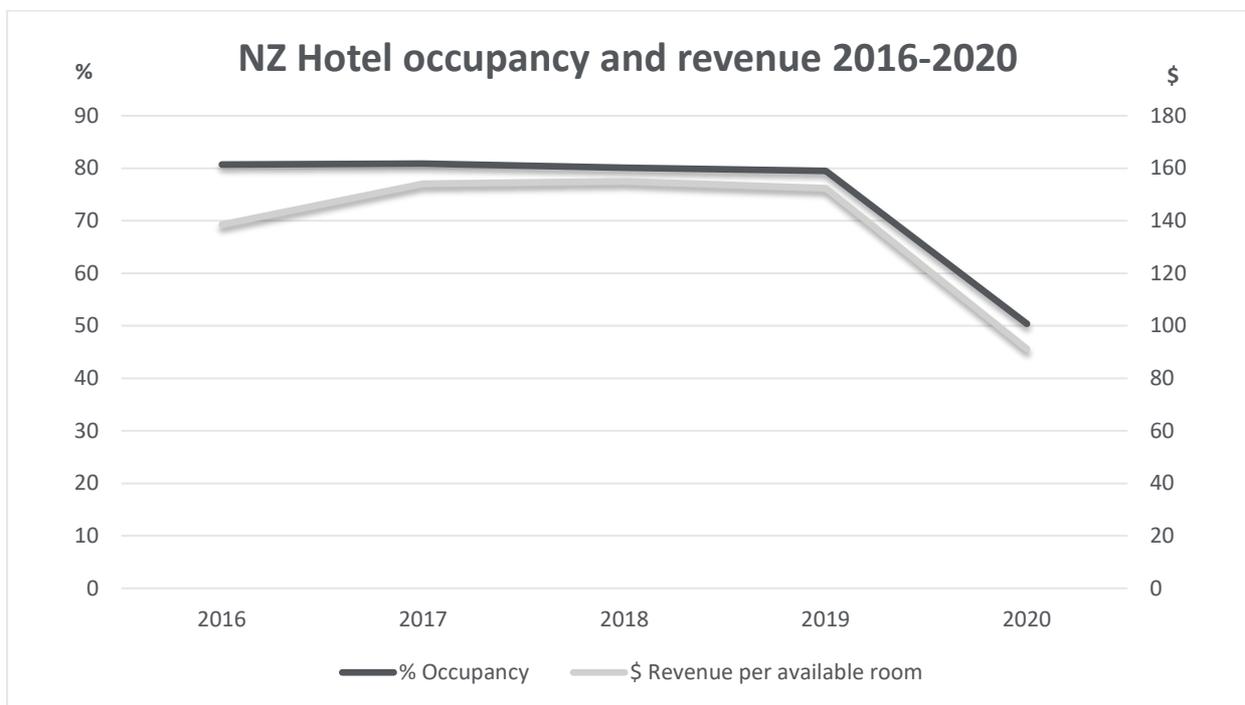
Mr Roberts says hotels are grateful for the support of domestic visitors along with business and government guests. "However, many will be relying on at least a partial opening of the borders to be able to return to profitability."

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Year	National Hotel occupancy	Average daily rate	Revenue per available room
2016	80.69%	\$171.69	\$138.54
2017	80.88%	\$190.47	\$154.06
2018	80.07%	\$193.65	\$155.05
2019	79.47%	\$191.75	\$152.38
2020	50.37%	\$181.01	\$91.17



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KEY FACTS

Prior to the COVID-19 pandemic:

- Tourism in New Zealand was a \$115 million per day industry. Tourism delivered more than \$48 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributed another \$67 million in economic activity every day.
- Tourism was New Zealand's biggest export earner, contributing \$17.5 billion or 20.1% of New Zealand's foreign exchange earnings (year ended March 2020).
- 13.6% of the total number of people employed in New Zealand worked directly or indirectly in tourism. That means 384,186 people were working in the visitor economy.
- The **Tourism 2025 & Beyond** sustainable growth framework/Kaupapa Whakapakari Tāpoi has a vision of growing a sustainable tourism industry that benefits New Zealanders.

Visit www.tia.org.nz for more information

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