

The New Zealand Herald

High demand drives up NZ hotel prices

By [Grant Bradley](#)

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High demand is driving up hotel prices in New Zealand but for Kiwis travelling overseas, Asia is offering the best bargains and Australian hotels are now more affordable.

The latest [Hotels.com](#) price survey shows a 5 per cent rise in NZ dollar hotel prices in this country last year, increasing from an average \$139 per night in 2013 to \$146 in 2014.

The index is based on actual prices paid per hotel room (rather than advertised rates) for more than 169,000 properties worldwide.

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Regional director for the Hotels.com brand, Katherine Cole said some centres in New Zealand were close to capacity at some times of the year meaning hoteliers could charge more.

"It's definitely a story of demand mostly due to the high inbound arrivals to New Zealand," she said.

Hotel occupancy is at its highest level in a decade in this country and she said the Cricket World Cup would help this through 2015.

"New Zealand hoteliers will be profiting from increased hotel room prices on the back of the Cricket World Cup and increased inbound traffic, in particular from China."

Queenstown, enjoying a surge of international and domestic flights and a tourist boom, topped the charts of New Zealand cities with the highest hotel price rise last year, rising by a substantial 16 per cent.

Prices were up an average of \$26 more per room per night there than a year ago, at \$186 per night. At Dunedin hotels – which get some spillover from Queenstown – prices rose 11 per cent, from \$131 to \$145, and in Auckland by 6 six per cent from \$137 to \$144. Hotel prices in Christchurch remained stable with no change year-on-year (\$155).

High occupancy helps encourage developers and hotel chains to build new properties.

Prices for Kiwi travellers to Australia fell, mainly due to the rise in the value of the New Zealand currency.

Sydney hotel prices fell 4 per cent and Melbourne 2 per cent.



Queenstown, enjoying a surge of international and domestic flights and a tourist boom, topped the charts of New Zealand cities with the highest hotel price rise last year. Photo / NZME.

Cole said prices in Darwin and Perth fell more as more hotels opened and the mining boom cooled.

However, in the Pacific prices for hotel rooms rose 9 per cent in Fiji and almost 20 per cent in Samoa. Prices fell in Vanuatu by 5 per cent.

In Bali prices fell 24 per cent as more capacity came on stream while Bangkok hotel prices fell 14 per cent as Thailand's tourist industry suffered in the wake of political unrest.

Prices in Vietnam were also down 10 per cent.

Top five most affordable destinations for New Zealand travellers in 2014:

Average price paid in 2014 (NZ\$), % change on 2013

- **Ho Chi Minh, Vietnam** \$82, -14%
- **Bangkok, Thailand** \$91, -14%
- **Apia, Samoa** \$119, -16%
- **Kuala Lumpur, Malaysia** \$120, -6%
- **Bali, Indonesia** \$134, -24%

Top five international destinations where New Zealand travellers paid the most for hotels in 2014:

Average price paid in 2014 (NZ\$), % change on 2013

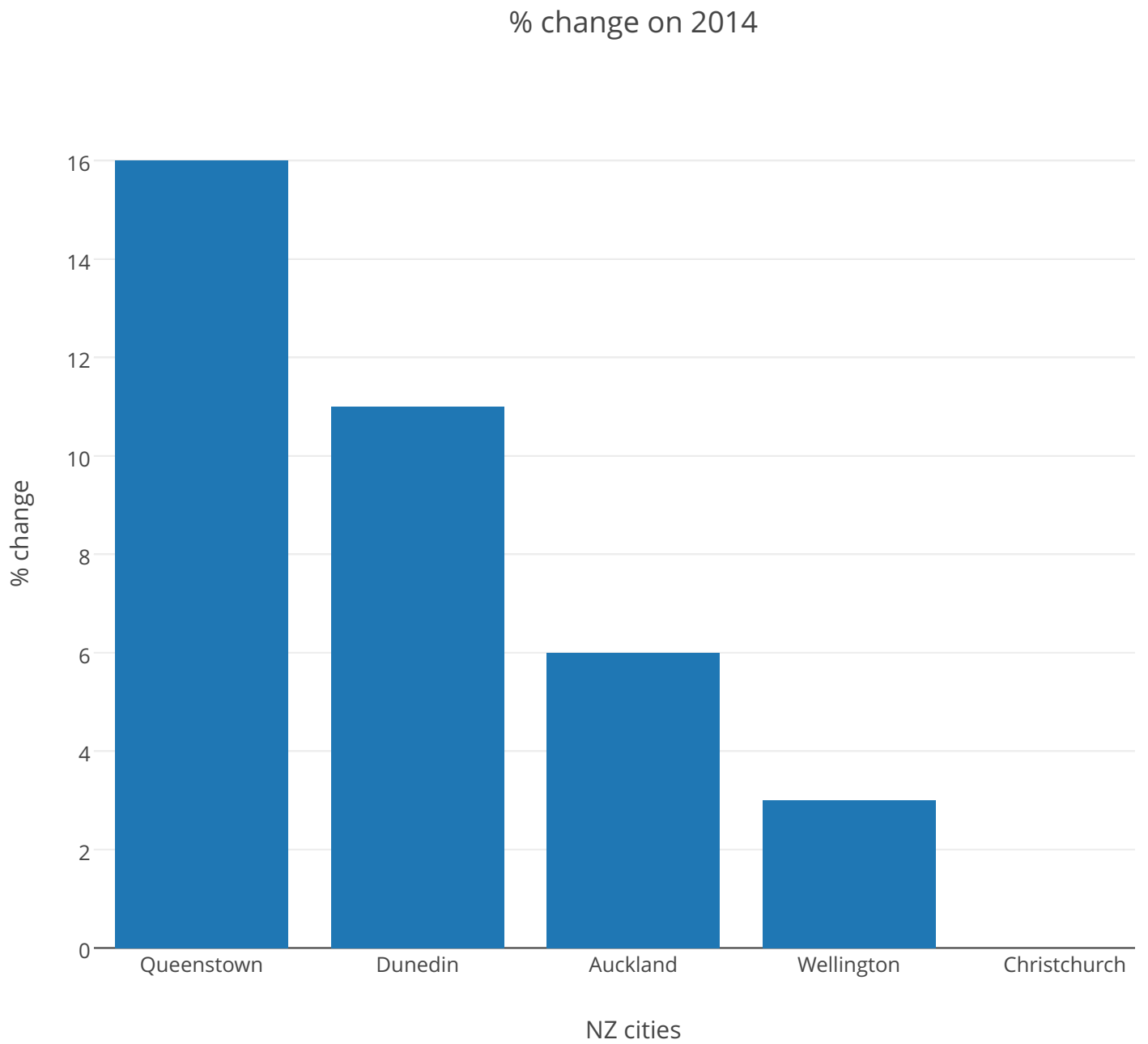
- **New York** \$338, 1%
- **Honolulu** \$293, 3%
- **London** \$270, 5%
- **San Francisco** \$268, 6%
- **Rarotonga** \$266, 11%

The United States got more expensive last year for Kiwis as the American tourist industry surged and in spite of the New Zealand dollar which reached a high of 88c against the US dollar around the middle of last year.

In Chicago tourist arrival records broke records last year and hotel prices rose 43 per cent to \$266, Los Angeles prices were up 20 per cent to \$237 and San Francisco prices were up 6 per cent to \$268. The most expensive place for New Zealand travellers was New York where hotel prices averaged \$338.

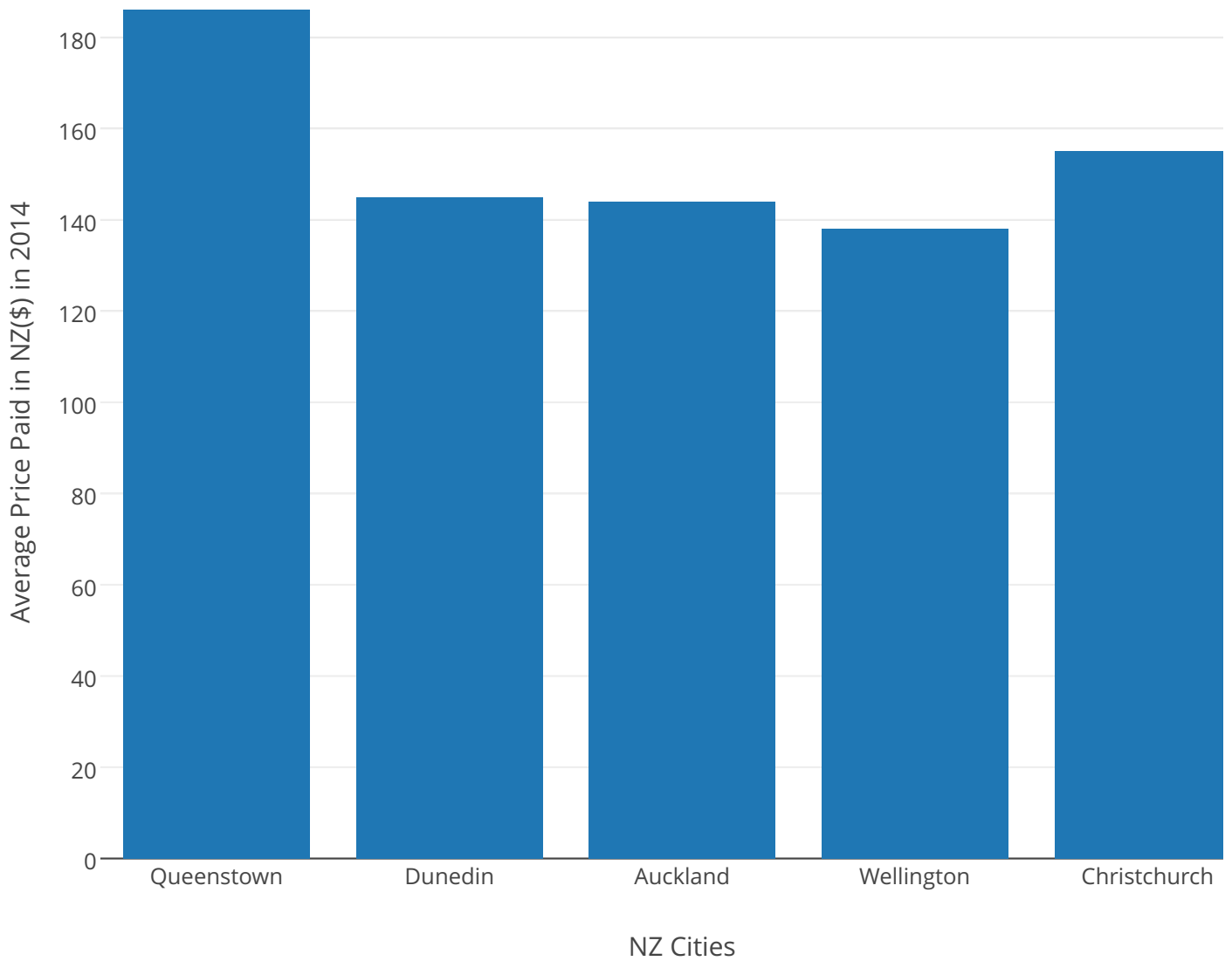
The Hotels.com Hotel Price Index is based on bookings made on Hotels.com sites and tracks the prices paid for rooms for more than 169,000 properties.

Change in New Zealand hotel prices for New Zealand travellers in 2014:



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Hotel Prices in NZ



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