



2nd Sentiment Survey



Impact of Covid-19 on NZ Hotel industry



01 July 2020

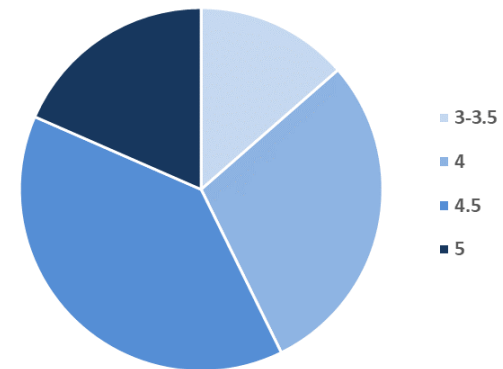
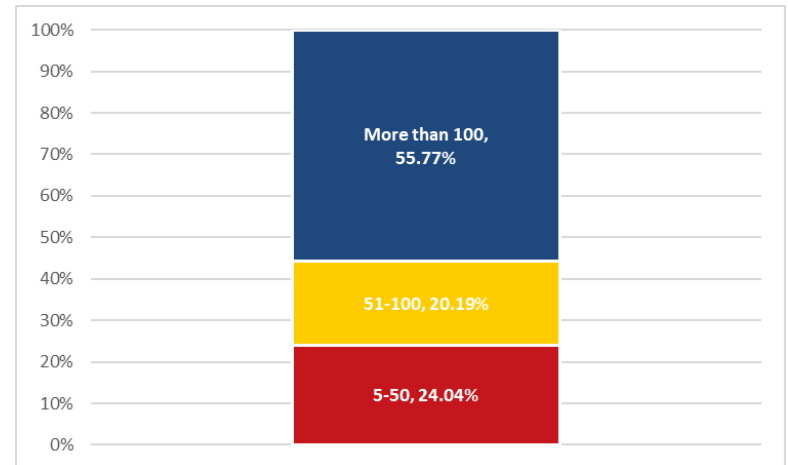
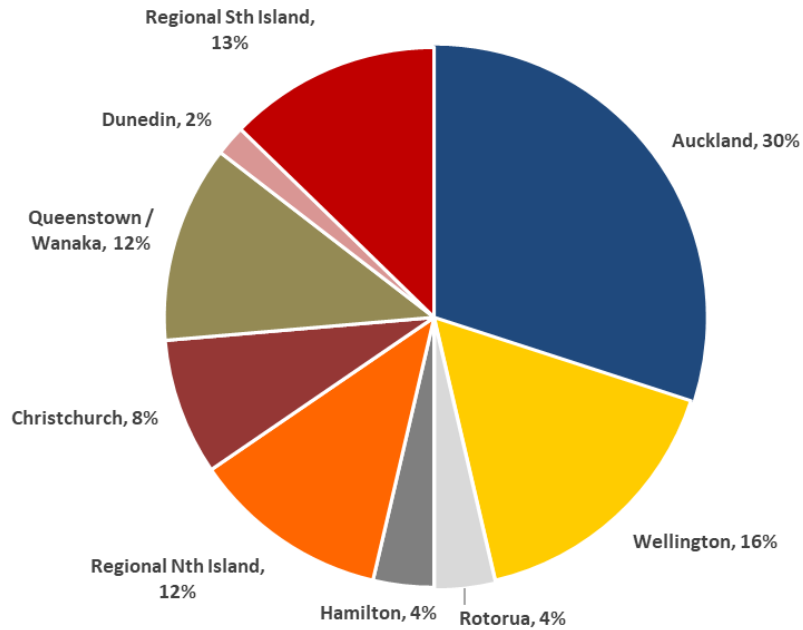
Introduction

Horwath HTL has undertaken a series of Covid-19 impact sentiment surveys across the Asia Pacific region and has partnered with Tourism Industry Aotearoa (TIA) to undertake such a survey for the New Zealand hotel market.

The questionnaire is specially designed to examine how the Covid-19 pandemic is affecting hoteliers' outlook for the New Zealand hotel market in general and their hotel.

This latest survey was carried out between 23 and 29 June 2020 and some results are compared against an earlier survey conducted between 30 April and 5 May this year.

110 respondents - broad and representative range

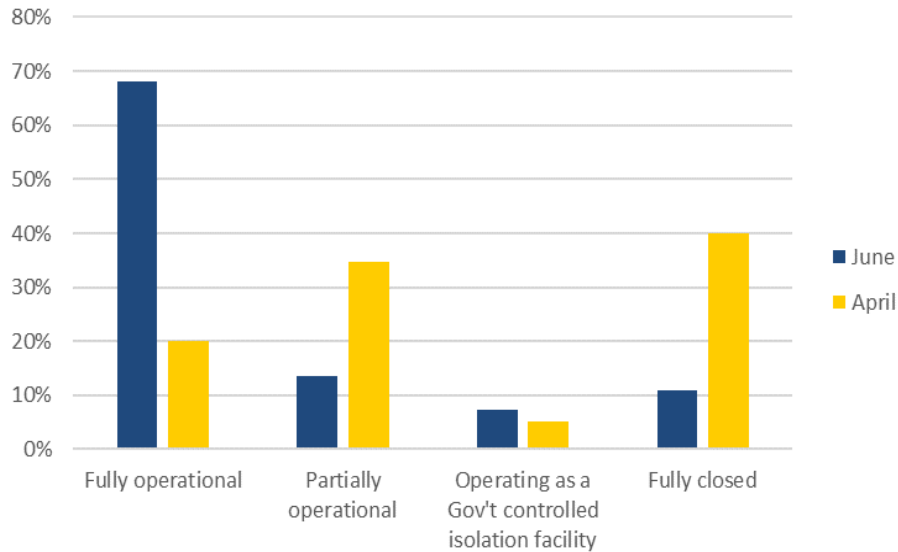


Overview

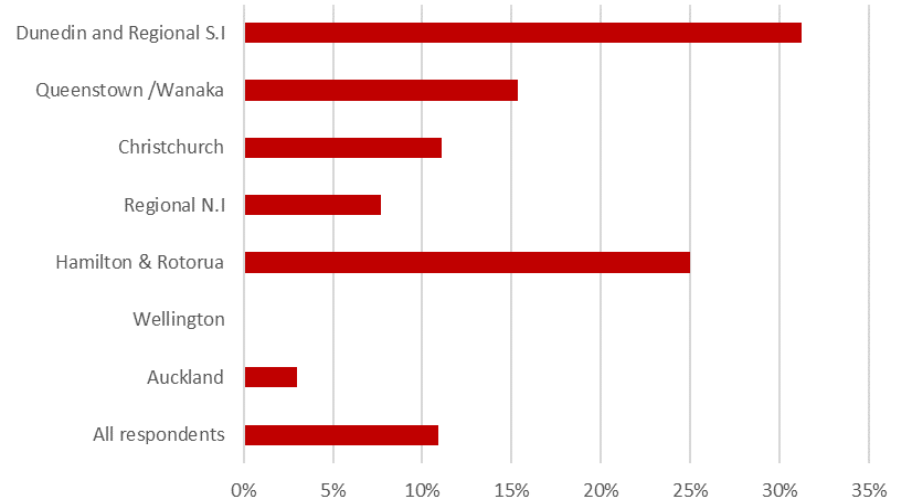


More hotels are open

What is the current status of your hotel's accommodation operation?

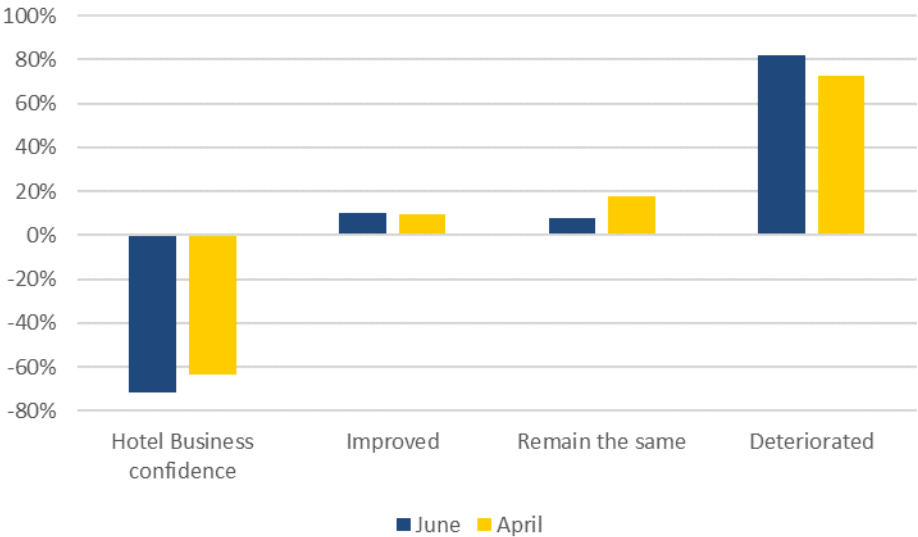


Closed Hotels



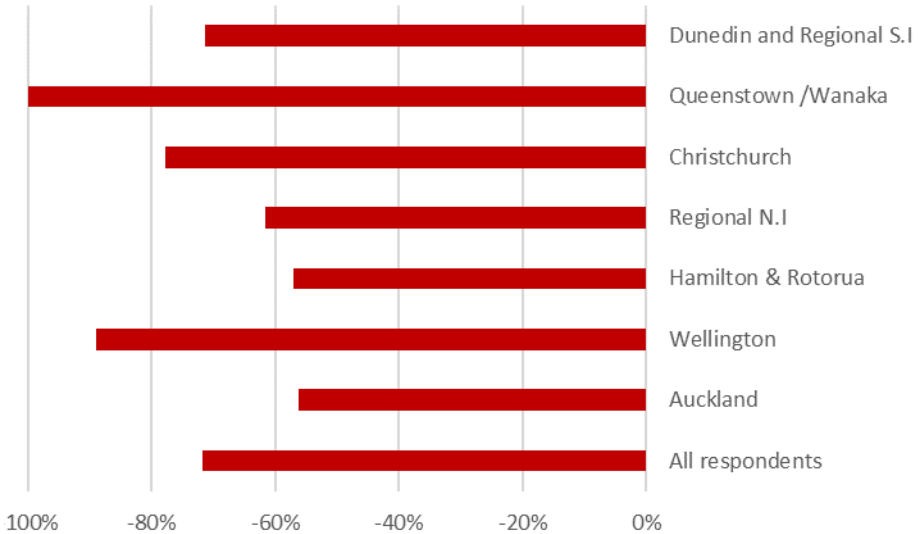
2-year business confidence dropped from -64% to -72%

Compared to 2019, do you believe that trading conditions for your hotel in 24 months will have improved, remained the same or deteriorated?



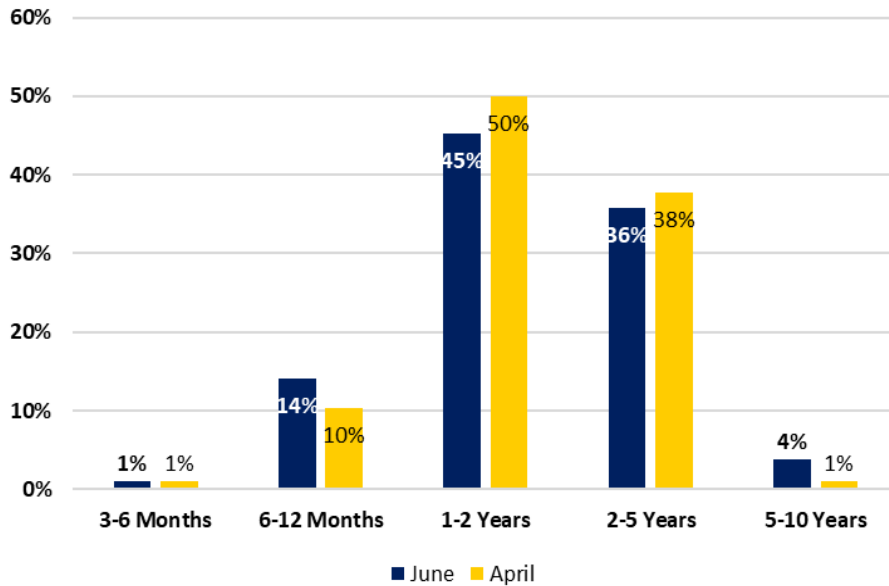
Business confidence by Region

(% improved less % deteriorated)

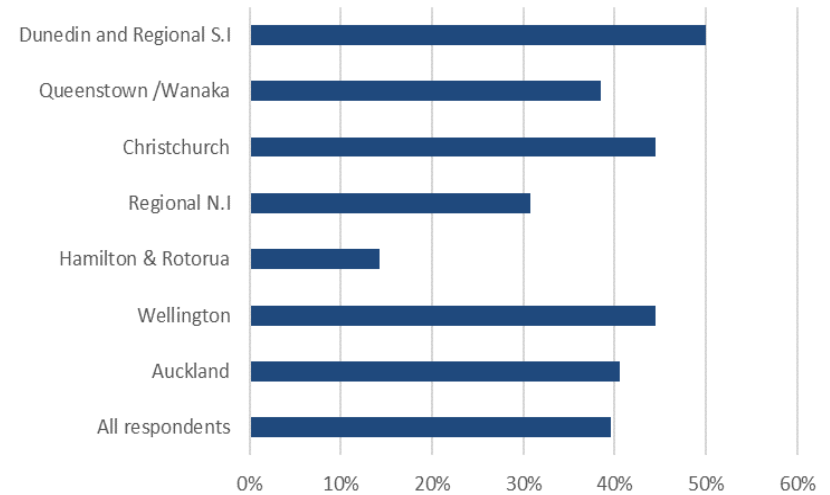


But, 60% of respondents believe Covid-19 will impact their hotel's performance for no more than 2 years

For how long do you believe Covid-19 will continue to influence your hotel's operating performance?

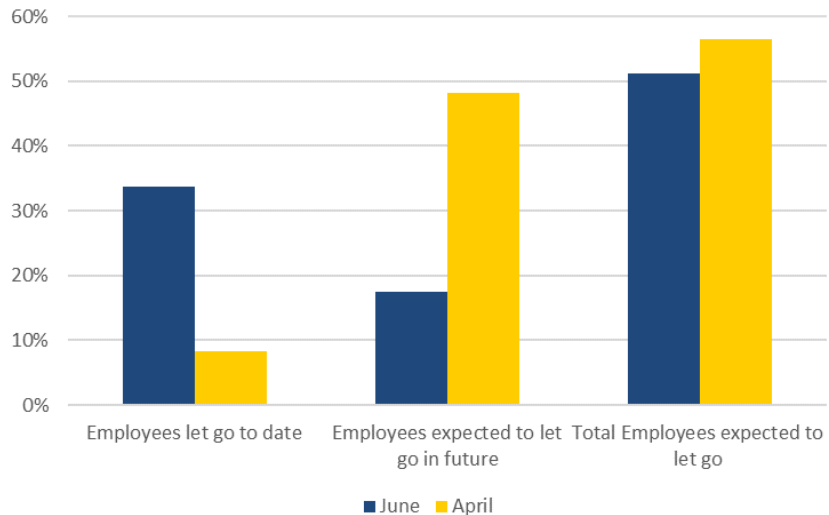


Expect Covid-19 to influence performance for more than 2 years

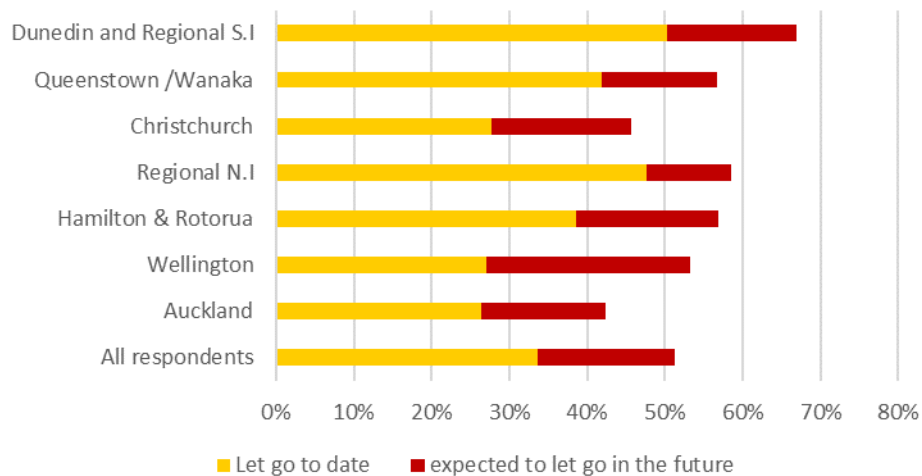


Workforce reductions are expected to continue

Employment loss to date and expected



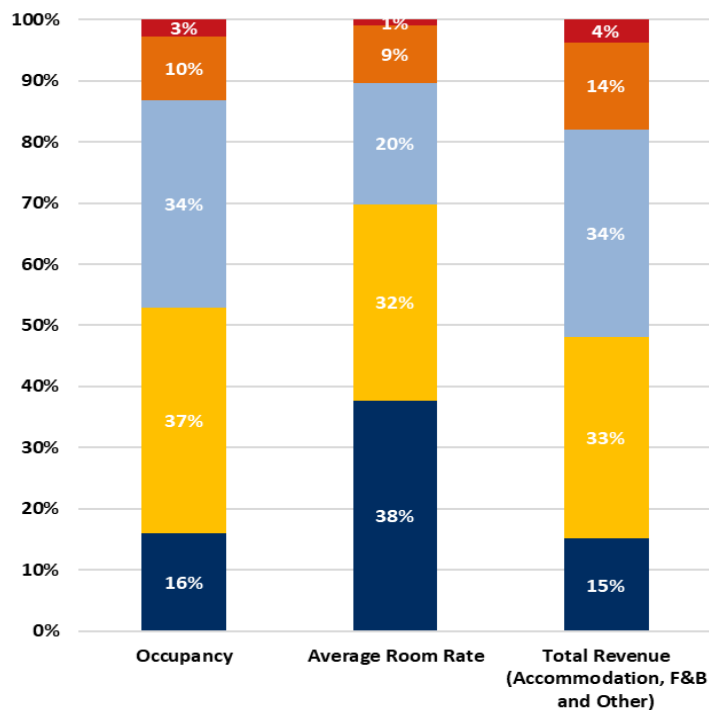
Total expected employment loss by region



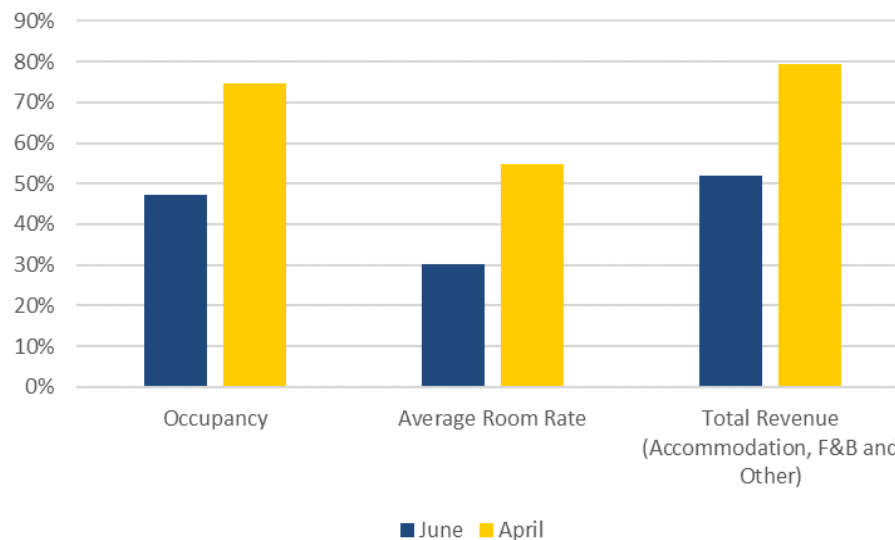
*Results are based on head-count and include Full-Time, Part-Time, and Casual Employees

Expected 2020 Impact of Covid-19 is still bad, but not as bad as expected in April

By approximately how much percent do you expect your performance to decline in the 2020 Calendar Year compared to the 2019 Calendar Year?

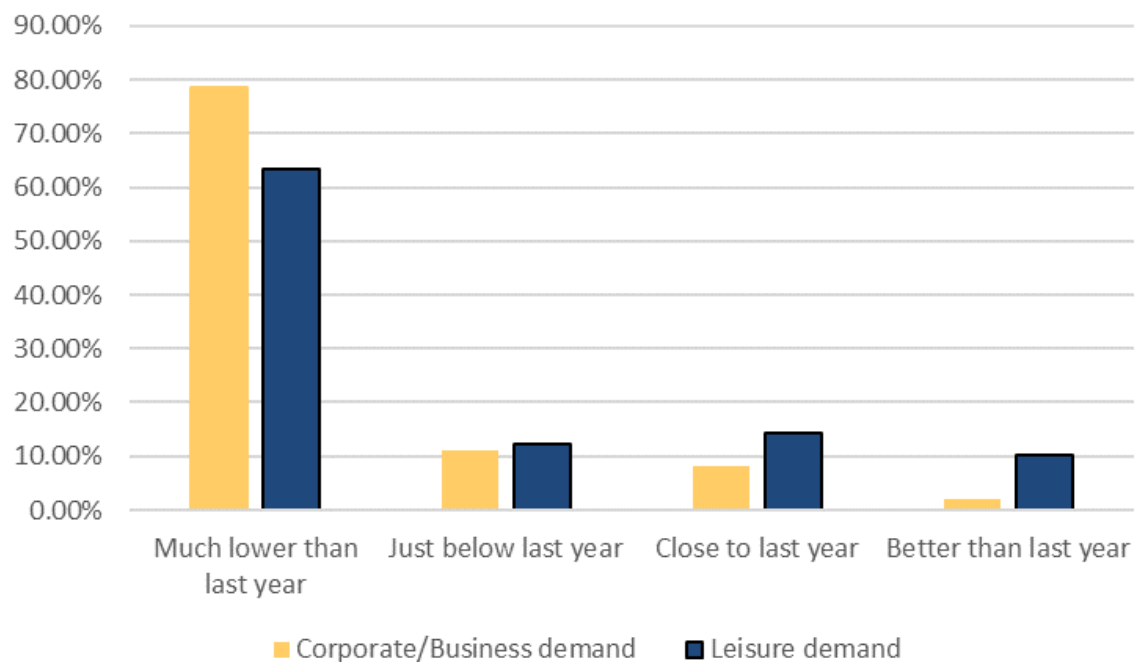


Expected decline of more than 50%



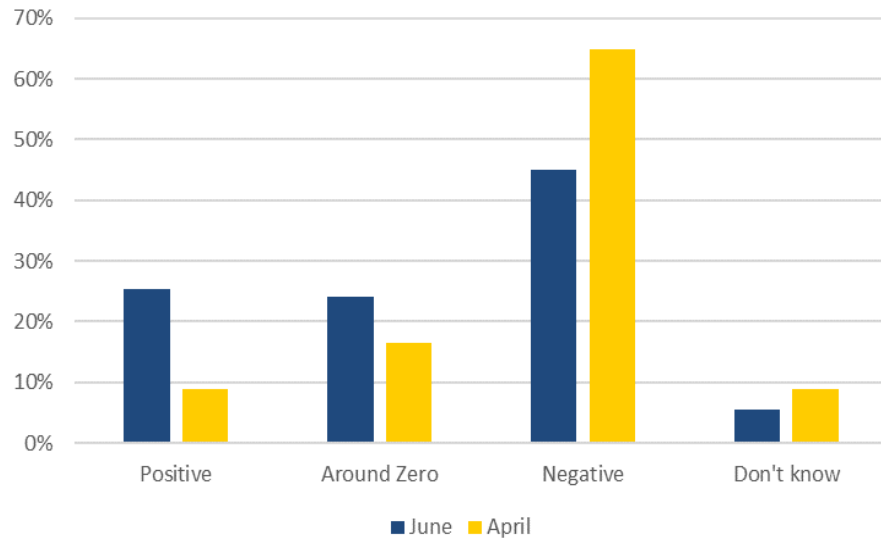
At most hotels, forward bookings from domestic travelers are much lower than last year

How are forward bookings for domestic business looking for the next three months compared to the same period last year?

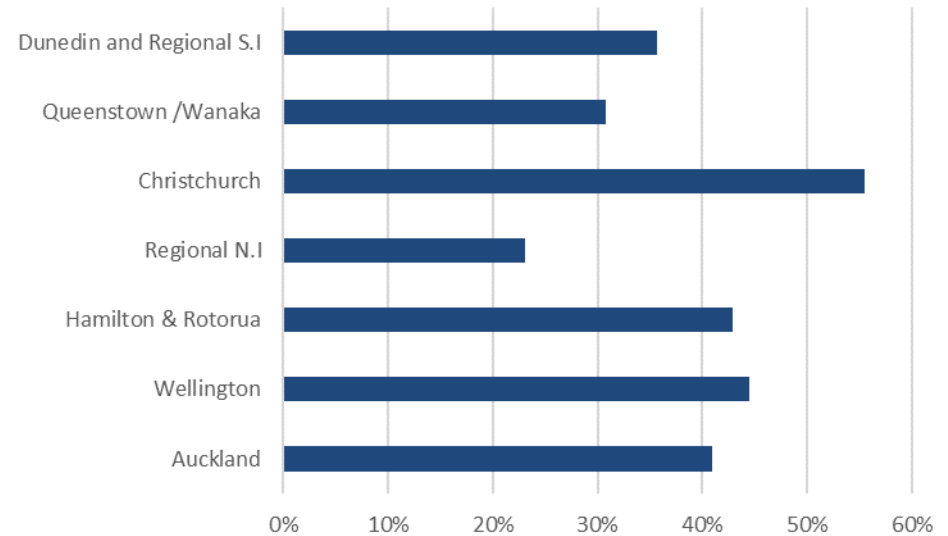


45% of hotels are expecting negative cash flows, down from 65%

What do you expect your hotel's operating cash flow for the calendar year 2020 to be?

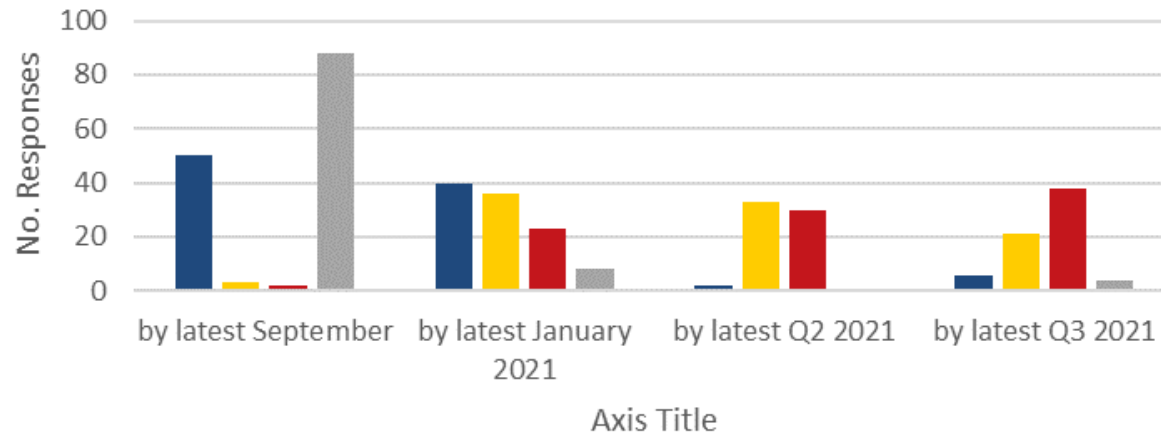


Expecting negative operating cash flow



Stimulation of domestic travel and opening the borders to Australia are the top priority for hoteliers

For your hotel to remain open for the next 12 months, what is the MINIMUM that you require

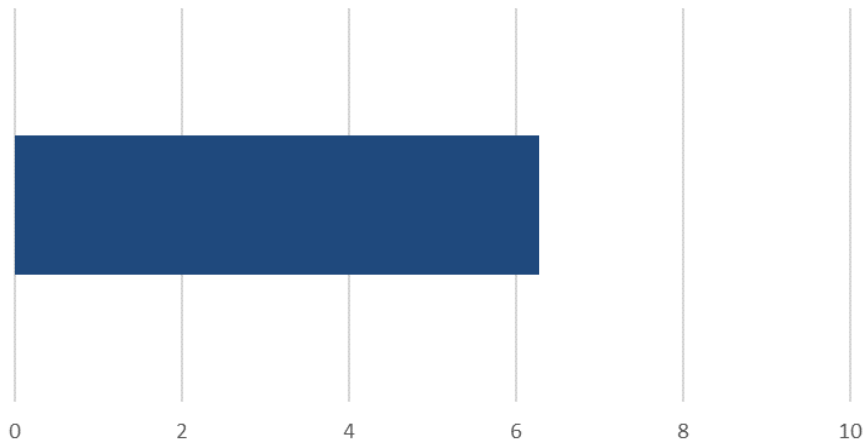


- opening of the borders to Australia
- opening of borders to China and selected Asian countries
- opening of borders to all major international markets
- more stimulation of domestic travel

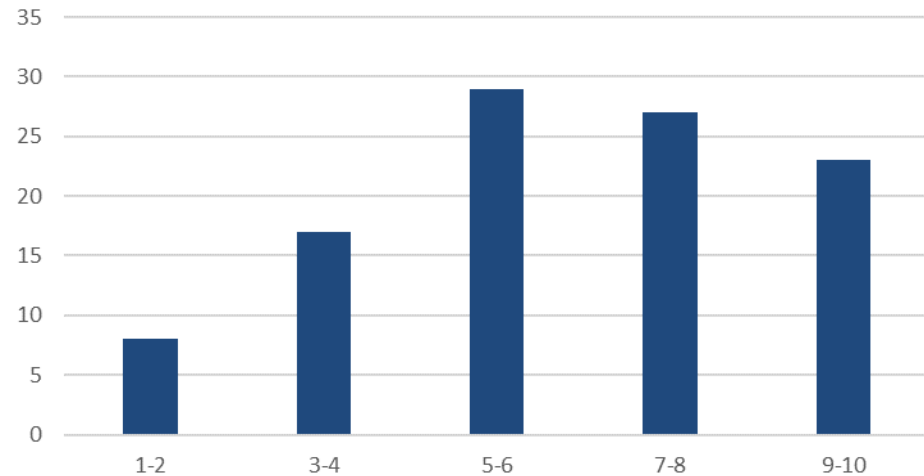
Hoteliers give government a pass but believe it needs to do more

Considering the broader implications for the country's health and economy, how satisfied are you with the government's response to the Covid-19 pandemic in relation to your hotel?

Average satisfaction score

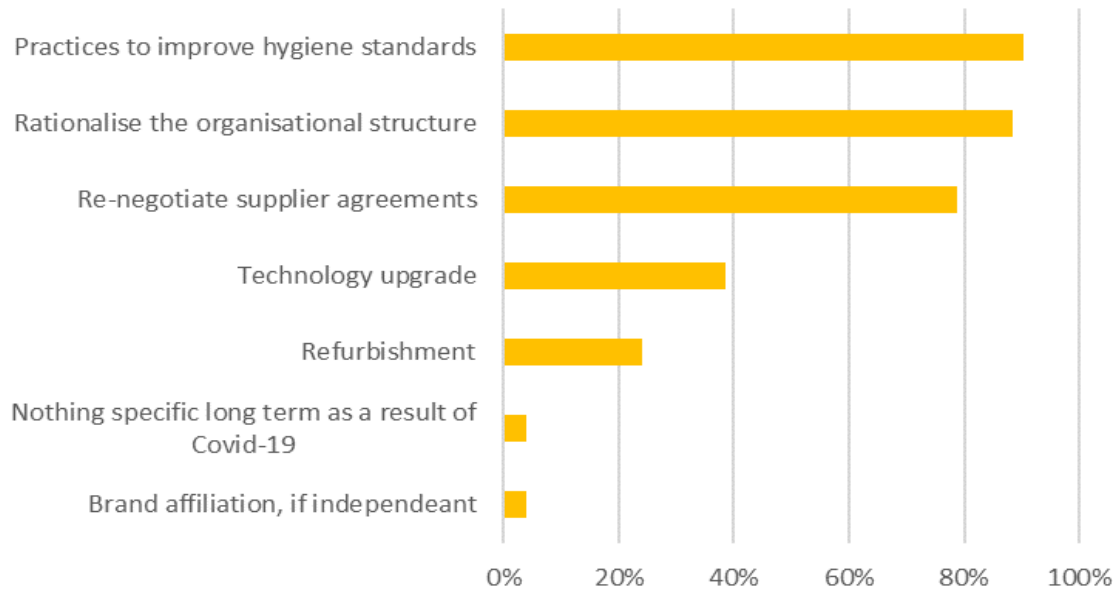


Response Distribution



Improved hygiene standards and cost reductions are expected to stay; will they ?

Which of the following initiatives have you, or are you planning to implement for the LONG TERM as a result of Covid-19?





Tourism Industry Aotearoa (TIA) is the only independent association that represents all sectors of New Zealand's large and diverse tourism industry.

We accomplish what no single member or sector group could achieve by themselves.

Our members range from SMEs to large, publicly listed corporates. Collectively, they represent around 85% of total tourism industry turnover.

Contact:

Sally Attfield - sally.attfield@tia.org.nz

www.tia.org.nz



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Every project we work on is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with 45 offices, who have successfully carried out over 20,000 assignments for private and public clients.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

Contact:

Stephen Hamilton - shamilton@horwathhtl.com

Wim Ruepert - wruepert@horwathhtl.com

www.horwathhtl.co.nz

