
Economic Development Committee

Komiti OOhanga Whakatupu

OPEN MINUTES

Minutes of a meeting of the Economic Development Committee held Council Chamber, Municipal Building, Garden Place, Hamilton and Audio Visual Link on Tuesday 23 November 2021 at 9.32am.

PRESENT

Chairperson Cr R Hamilton

Heamana

Deputy Chairperson Cr E Wilson

Heamana Tuarua

Members

Mayor P Southgate

Deputy Mayor G Taylor

Cr M Gallagher (exclusively via Audio Visual Link)

Cr R Pascoe

Cr M van Oosten

Cr M Donovan

Maangai O Te Ua (exclusively via Audio Vial Link)

Maangai T P Thompson-Evans (exclusively via Audio Vial Link)

In Attendance

Blair Bowcott – General Manager Growth

Sean Murray – General Manager Venues, Tourism and Major Events

Mike Bennett – Key Account Manager

Tracey Musty – Financial Controller

James Clarke – Director of the Mayor's Office

Greg Carstens – Growth, Funding and Analytics Unit Manager

Nicolas Wells – Strategic Property Manager

Tiki Mossop – Programme Manager

Amy Trigg – Senior Policy Analyst

William Durning, Rosie Spragg and Sue Lorenz – Te Waka

Governance Staff

Amy Viggers – Governance Team Leader

Narelle Waite and Claire Guthrie – Governance Advisors

The meeting was opened with whakataukii from Cr Hamilton

1. Apologies - *Tono aroha*

Resolved: (Cr Hamilton/Cr Wilson)

That the apologies for partial attendance from Mayor Southgate are accepted.

2. Confirmation of Agenda - *Whakatau raarangi take*

Resolved: (Cr Wilson/Cr Bunting)

That the agenda is confirmed.

3. Declarations of Interest - *Tauaakii whaipaaanga*

Cr Donovan declared an interest in item 7 (Te Waka 6-monthly Update). He noted he was not conflicted and would participate in discussion and vote on the matter.

4. Public Forum - *AAtea koorero*

No members of the public wished to speak.

5. Confirmation of the Economic Development Committee Open Minutes of 11 August 2021

Resolved: (Cr Wilson/Cr Hamilton)

That the Economic Development Committee confirm the Open Minutes of the Economic Development Committee Meeting held on 11 August 2021 as a true and correct record.

Item 7 (Te Waka 6-monthly Update) was taken after Item 5 (Confirmation of the Economic Development Committee Open Minutes of 11 August 2021) to accommodate speaker availability.

7. Te Waka 6-monthly Update

The Key Account Manager introduced William Durning, Rosie Spragg, Sue Lorenz (Te Waka). They introduced their roles at Te Waka and took the 6-monthly update report as read. They responded to questions from Members concerning business partnerships, funding challenges for Te Waka, measurable outcomes and success indicators, and updates to the Te Waka board.

Resolved: (Mayor Southgate/Cr Hamilton)

That the Economic Development Committee receives the report.

6. Chair's Report

The Chair introduced his report noting Council's shift from planning and positioning to production and delivery. He responded to questions from Members concerning Te Huia financial statements.

Resolved: (Cr Wilson/Cr Pascoe)

That the Economic Development Committee:

- a) receives the report; and
- b) requests staff and Cr Wilson undertake to report back to all Elected Members within 14 days with the financial summary of Te Huia operation activities up to the date when services were suspended due to alert level changes;
- c) notes that there is potential economic benefits from the increased Te Huia service that now includes the Strand.

8. Waikato Innovation Growth Limited - Letter of Expectation 2022/23

The Financial Controller introduced the report noting the letter of expectation to Waikato Innovation Growth Limited (WIGL), requested work programme, and the incoming WIGL Chief Executive.

Resolved: (Cr Hamilton/Deputy Mayor Taylor)

That the Economic Development Committee:

- a) receives the report;
- b) approves the Letter of Expectation 2022/23; and

- c) delegates authority to the Chair of the Economic Development Committee to sign the Letter of Expectation 2022/23.

Cr Wilson left the meeting (10.35am) during discussion of the above item. He was not present when the matter was voted on.

9. Civic Financial Services Limited - Half Year Report 30 June 2021

The Financial Controller introduced the report, noting the changes to the board chair. She responded to questions from Members concerning shareholdings, performance of the fund as comparable to other superannuation funds, and ethical investing.

Resolved: (Cr Pascoe/Cr Hamilton)

That the Economic Development Committee receives the report.

Cr Wilson joined the meeting (10.37am) during discussion of the above item. He was present when the matter was voted on.

10. International Relations Update

The Director of the Mayor's Office and the Senior Policy Analyst spoke to the report noting progress of relationships with sister cities, effect of Covid-19, and additional resourcing. They responded to questions from Members concerning progressing relationships with the existing sister cities, and assuring equal-benefit relationships.

Resolved: (Cr Wilson/Mayor Southgate)

That the Economic Development Committee receives the report.

11. Municipal Endowment Fund - Quarterly Report - Q1 2021/22 FY

The Strategic Property Manager took the report as read.

Resolved: (Cr Hamilton/Cr Wilson)

That the Economic Development Committee receives the report.

12. Municipal Endowment Fund - Investment Strategy

The Strategic Property Manager and Financial Controller spoke to the report noting the proposal to re-invest funds in a higher-yielding portfolio. Staff responded to questions from Members concerning portfolio diversity and risk mitigation, Covid-19 financial risks, advice on funding adjustments, liquidity and cash in reserve, and policy on ethical investing.

Resolved: (Cr Hamilton/Cr Wilson)

That the Economic Development Committee:

- a) receives the report;
- b) notes that the Municipal Endowment Fund Financial Reserves will be invested in accordance with the Council's Investment and Liability Management Policy to generate a return greater than is currently the case;
- c) notes that the investment returns (positive or negative) will be credited to the Municipal Endowment Fund; and

- d) notes the higher risk profile that accompanies the desire for a higher return, in accordance with the Municipal Endowment Fund Investment Strategy.

The meeting was adjourned from 11.34am-11.53am.

13. H3 Group - Quarter 1 Activity Report 1 July - 30 September 2021

The General Manager Venues, Tourism and Major Events spoke to the report, noting first quarter trading prior to lockdown, lockdowns effect on revenue, preparation in place for response to the new Covid restriction framework, and progress of a socio-economic benefit measurements project. He responded to questions from Members concerning measuring socio-economic wellbeings, resourcing for the new Covid restriction framework, and responsibility of vaccination pass monitoring.

Resolved: (Cr Hamilton/Cr Donovan)

That the Economic Development Committee receives the report.

14. General Manager's Report (*Recommendation to the Council*)

The General Manager Growth introduced the report noting updates on economic development activities, sponsorship of Kudos science awards, Covid rent-relief funding, and strategic property activities update including the sale of land at Heaphy Terrace and Brooklyn Road. Staff responded to questions from Members concerning the economic outlook for Hamilton, employment market, inflation and OCR rate predictors, effect of Covid restriction framework, and review of Arts Post land use.

Resolved: (Cr van Oosten/Cr Hamilton)

That the Economic Development Committee:

- a) receives the report;
- b) recommends that the Council approves \$100,000 of additional funding for rent relief for eligible Council tenants in the Covid-19 Level 3 and 2 lockdowns from 1 November to 31 December 2021, in accordance with the criteria approved by Council on 5 October 2020;
- c) approves the continuation of the sponsorship of the Kudos Scientist Awards, funded through existing Economic Development budgets.

Mayor Southgate retired from the meeting (12.19pm) during discussion of the above item. She was not present when the matter was voted on.

15. Resolution to Exclude the Public

Resolved: (Maangai Te Ua/Cr Hamilton)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Economic Development Committee Public Excluded Minutes of 11 August 2021) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)
C2. 191-197 River Road - Sonning Carpark Update		
C3. Hamilton Hotel Reports		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
Item C3.	to enable Council to carry out negotiations to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)

The meeting went into a Public Excluded session at 12.33pm.

The meeting was declared closed at 1.39pm.

Minute Note 21/12/2021:

On 21/12/2021 the following resolutions were determined to be released to the public via these minutes and the quarterly update.

Hamilton Hotel Reports

Resolved:

That the Economic Development Committee:

- a) receives the report;*
- b) notes that the Committee will be kept apprised of hotel development interests under consideration;*
- c) notes that Attachment 1 of the staff report (**Appendix 1**) will be released to the public via the open minutes of this meeting; and*
- c) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

Appendix 1: Hamilton Hotel Market Situation Report

Hamilton Hotel Market Situation Report



Prepared for
Hamilton City Council

12 October 2021



A member of Crowe Global



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1 INTRODUCTION

Hamilton City Council has commissioned Horwath HTL Limited ("Horwath") to prepare this Hamilton hotel market report.

1.1 SCOPE OF WORK

We have undertaken the following scope of work:

- summarised the hotel and motel market for Hamilton, including historical demand, supply and occupancy performance up to 2019 (ie: pre-COVID)
- identified commercial accommodation demand drivers for the leisure and other market segments in Hamilton (historical and expected future)
- estimated the current and potential future demand for and supply of commercial accommodation in Hamilton.

1.2 EXCLUSIONS OF SCOPE

Our work has excluded:

- detailed market enquiries other than those identified in this report
- detailed verification of information or representations provided by third parties
- hotel site options assessment or analysis
- a market demand study for any particular assumed hotel
- future quantified demand projections other than to the extent indicated above
- a feasibility study or other report.

1.3 DISCLAIMERS

This report is based on certain assumptions, estimates and other information available to us (the sources of which are stated in our report) and our knowledge of the tourism industry in New Zealand and Hamilton. We did not carry out an audit or verification of the information supplied to us during the engagement, except to the extent stated in this report.

Some assumptions and forward-looking statements inevitably will not materialise, and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast period covered in our analysis will vary from those described in our report (including forward looking statements and projections) and the variations may be material.

Our report is intended for the private use of Hamilton City Council, and not for inclusion in a private offering, prospectus or public offering for equity and / or debt raising purposes or other reasons. Neither the report nor its contents, nor any reference to our firm, may be included or quoted in any offer document,



prospectus, valuation or other document without our prior written consent and input.

We reserve the right to (i) review any document for consistency with our report, where there is a reference to our report, or inclusion of any part, and (ii) suggest amendments to your document. This may result in additional engagement by our firm, and therefore additional fees.

Horwath HTL Ltd owes a duty of care to Hamilton City Council as our client and cannot be held responsible for any loss suffered by a third party as a result of that party relying on our report. The potential liability of Horwath HTL Ltd under this engagement, or in any way associated with the services rendered, will be limited to the extent of our fees paid to Horwath HTL Ltd in relation to this engagement.



2 SUMMARY OF KEY FINDINGS AND CONCLUSIONS

In the perception of most modern-day frequent travellers, Hamilton's existing commercial accommodation market is dominated by motels and smaller hotels at the lower end of the 3-4 star categories. The quantity and general quality of existing supply falls short of current and future market requirements.

Prior to the Covid-19 pandemic, the average annual occupancy rate of the city's hotels and motels was 72% with significant variation between properties. Properties with more up to date facilities, offering high quality services and facilities, reported annual occupancies in the range of 80%-95%.

Representatives of major Travel Management Companies (TMC's) who book accommodation for central government departments, major businesses and other organisations, reported a lack of suitable accommodation in the city and having frequent difficulties securing rooms at their preferred properties.

Conference and event organisers have repeatedly selected alternative cities to host their event due to a lack of suitable accommodation in Hamilton.

Supply and demand of Airbnb¹ has increased considerably over time to cover some of the accommodation shortfalls, reducing the stock of residential accommodation.

Since 2020, accommodation supply in the city has reduced dramatically with 42% of major hotel supply being used for government MIQ facilities and a reported 55% of motel supply taken off the market for use by the Ministry of Social Development's (MSD) social housing requirements.

In the meantime (and until the start of lockdowns in August 2021), the strong recovery of economic activity and domestic tourism has more or less restored demand for commercial accommodation in Hamilton.

This has resulted in a significant increase in occupancy rates with hotels and motels (excluding MIQ) reaching an average occupancy of 82% in July 2021. This compares to 68% occupancy during the same month in 2019.

Considerable compression has been reported during weekdays and on Saturday nights with people either abandoning plans to stay overnight or seeking alternative accommodation options in the wider Waikato Region and even Tauranga.

The Novotel Tainui is the clear market leader. A sample of publicly advertised room rates during the period April-September 2021, show the rates offered for a standard room by the Novotel Tainui were on average 61% higher than rates

¹ When comparing Airbnb demand and supply, we compare only "entire places" and not shared accommodation.



offered by its closest rate competitor. Similarly, the Novotel's rates were on average 74% higher than the average offered by the remaining Hamilton hotels.

Reported demand for Airbnb during the 1st half of 2021 has increased by 15% compared to the same period in 2019 with a 27% rise in average daily rates to \$177.

We expect that much of the motels currently used for social housing will continue to do so for the next few years or may be permanently re-purposed to another use either for or as a result of this activity.

Hamilton is the 4th largest city in New Zealand and the economic hub of the Waikato region. Over the past 10 years, the city's economy and population have grown more strongly than the national average.

Yet, with regard to the quantity of available commercial accommodation in relation to its population and economic output, even prior to the Covid-19 pandemic, the city lagged behind most comparable city's in New Zealand, particularly in terms of hotel supply.

The economic outlook for the Waikato Region and Hamilton seems positive for the foreseeable future (10+ years), supported by further population growth, business investment, major infrastructure spending and improvements of public amenities.

Transport infrastructure improvements (including road and rail) are making Hamilton and the Waikato region quicker and easier to access from Auckland for visitors and trade. Improved access also makes regional multi-day conferences in Hamilton more attractive / competitive as an alternative to Auckland.

Provided there is sufficient suitable accommodation available, there appears to be much potential for an increase in the number of business, entertainment, sporting and other events at Claudelands, FMG Stadium, Seddon Park and Mystery Creek Events Centre that will attract hotel and motel demand.

A calendar of established annual events and activities are likely to continue to assist in attracting visitors to Hamilton for leisure purposes.

Internationally renowned visitor attractions in the Waikato region such as Hobbiton Movie Set and Waitomo Caves, with very limited nearby commercial accommodation available, provide Hamilton with more opportunity to 'capture' visitor accommodation demand.

To meet future commercial accommodation requirements, we expect that Hamilton requires a mixture of circa 160 additional hotel rooms and serviced apartment units by 2023, rising to circa 850 in the year 2033. This requirement is over and above the rooms in hotels that are currently used as MIQ facility and are expected to return to the market over the next 12-18 months.

Our calculations include projections of future domestic and international visitor night demand for New Zealand, the Waikato and Hamilton City, assumptions about visitor stay patterns, the future of existing motel supply and sustainable market occupancy rates.



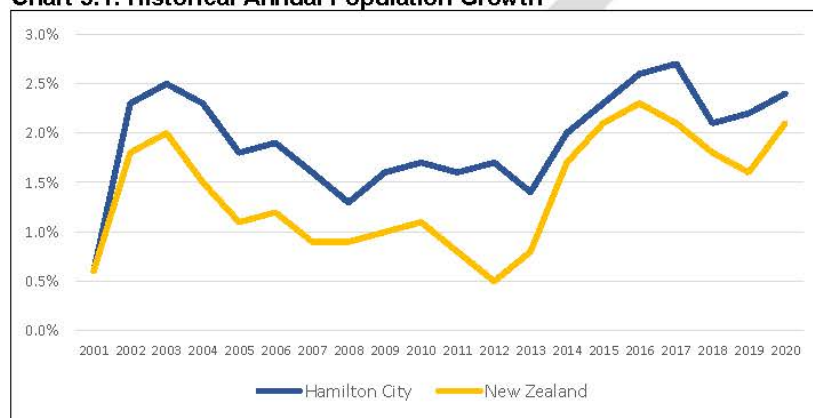
3 HAMILTON OVERVIEW

Hamilton is located at the heart of the Waikato region and is the fourth largest city in New Zealand after Auckland, Wellington and Christchurch. It is the main population centre at the heart of the geographically extensive Waikato Region.

3.1 HAMILTON AND WAIKATO POPULATION GROWTH OUTLOOK

Population growth in Hamilton City has been above the national average for all of the past 20 years and is expected to continue to grow at above the national average.

Chart 3.1: Historical Annual Population Growth



(Source: Stats NZ)

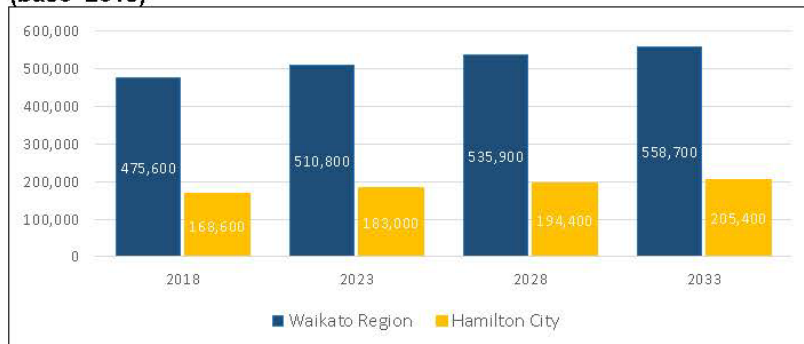
The stronger than average growth has been the result of higher migration, opposed to natural growth and reflect the increasing attractiveness of the city as a good place to live and work.

According to the latest census published by Statistics New Zealand (Stats NZ), Hamilton's City's population in 2020 (176,500) comprised 36% of the Waikato region's total population (496,700).

Chart 3.2 shows the projected population of Waikato Region and Hamilton City for the period to 2033 with a compound annual growth rate (CAGR) of 1.1% and 1.3% respectively.



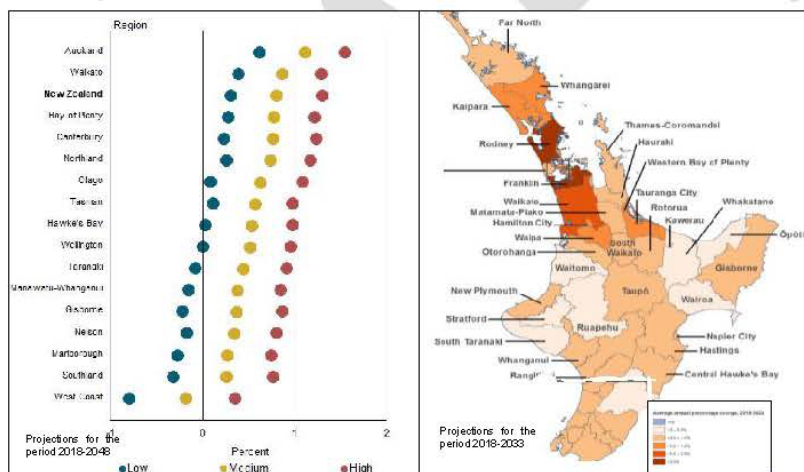
Chart 3.2: Projected population of Waikato Region and Hamilton City (base=2018)



(Source: Stats NZ, 31 March 2021)

The charts below show that the population projections Hamilton City and the Waikato Region are expected to be amongst the strongest growing parts of New Zealand, just behind Auckland as illustrated in the charts below.

Chart 3.3: Projected average annual population change by region and territorial authority



(Source: Stats NZ)

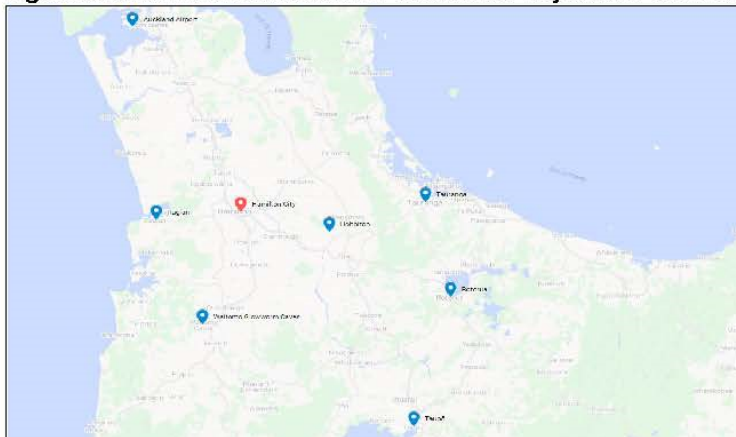
3.2 LOCATION AND ACCESSIBILITY

As illustrated in Figure 3.1, Hamilton is located 125km south of the Auckland CBD on State Highway 1. It is also 228 km north of Taupo on State Highway 1, the main arterial route through the North Island.

Due to its central location on the North Island, Hamilton's is closer to a larger part of the New Zealand's population than Auckland. Together with the Waikato region, it has developed into a major production centre and distribution hub.



Figure 3.1: Hamilton's Location in Relation to Key Visitor Centres



(Source: Google Maps)

The Waikato Expressway provides motorway access between Auckland and Hamilton. Approximate off-peak travel times between Hamilton and nearby destinations are summarised in Table 3.1.

Table 3.1: Driving times to Hamilton CBD

Location	Approximate Driving time (Hours:Minutes)
Auckland CBD	1:30
Auckland Airport	1:15
Cambridge	:25
Tauranga	1:20
Rotorua	1:30
Taupo	2:00
Hobbiton Movie Set	1:00
Waitomo Caves	1:00

(Source: Google Maps) (Noon travel times)

Appendix A shows the location of the main industrial and business zones in Hamilton.

Hamilton Airport is serviced by Air New Zealand and Origin Air, with regular direct flights to and from Wellington, Christchurch, Palmerston North, Nelson and Hawke's Bay.

The airport has experienced a 31% increase in passenger movements during the four years to June 2019 with a further growth of 8% reported for the year until the start of the pandemic in March 2020.

An announcement by Air New Zealand in March 2021 saw flight schedules in and out of Hamilton airport exceeding pre-Covid levels, indicating a strong rebound in business activity.



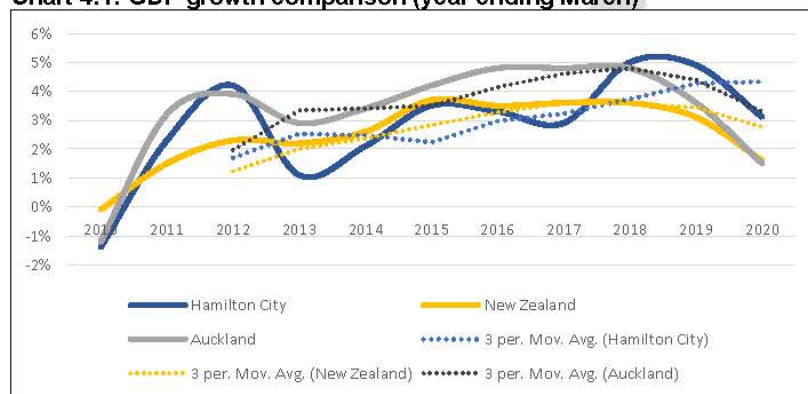
4 ECONOMIC PERFORMANCE

4.1 GDP GROWTH

Chart 4.1 shows a strong increase in the growth of Hamilton's Gross Domestic Product (GDP) over the three years prior to the Covid-19 pandemic, outperforming the average for Auckland and New Zealand.

Economic growth in Hamilton City averaged 3.2%pa over the last 10 years compared with an average of 2.8%pa in the national economy.

Chart 4.1: GDP growth comparison (year ending March)



(Source: Infometrics)

The strong recent economic performance reflects the increasing attractiveness of the city as a place to live, work and invest. Some of the contributing factors include:

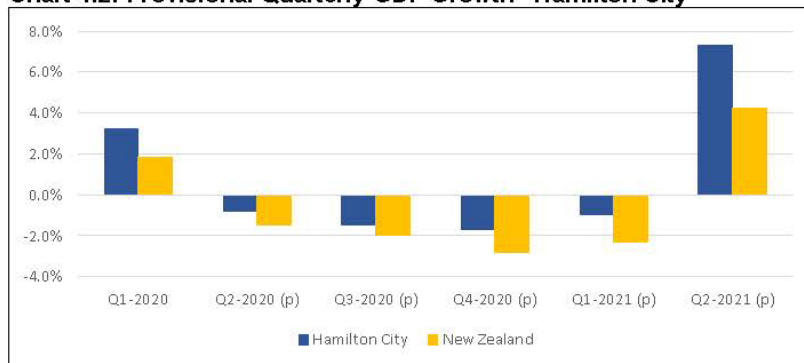
- additional investment and development from agricultural, logistics distribution and servicing companies
- a strong growth in the number of businesses
- the spill-over from Auckland's strong population growth and consequent pressure on housing affordability in Auckland
- completion of the Hamilton section of the Waikato Expressway, which has made Hamilton more easily accessible from Auckland and is contributing to improving Hamilton's attractiveness as a place to live, work and invest in new businesses
- improved facilities and community infrastructure in Hamilton
- an increase in well skilled and educated younger people moving into the area.

With less reliance on international tourists and significant share of "essential" businesses, Hamilton's economy has been relatively resilient to the negative impacts from Covid-19 compared to many other cities in New Zealand.



The chart below shows the resilience of the Hamilton economy compared to the national average as during the Covid-19 pandemic, lock downs and other restrictions.

Chart 4.2: Provisional Quarterly GDP Growth - Hamilton City



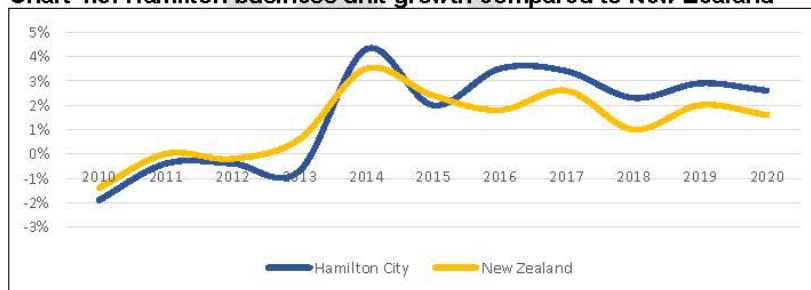
(Source: Infometrics)

4.2 BUSINESS GROWTH AND INDUSTRY DIVERSIFICATION

Chart 4.3 shows a comparison of business unit growth between Hamilton and the New Zealand average over the 10 year period to 2020.

Business unit growth in Hamilton has outperformed the average growth in New Zealand during most of the past five years after overcoming the impact of the GFC (2010–2013).

Chart 4.3: Hamilton business unit growth compared to New Zealand



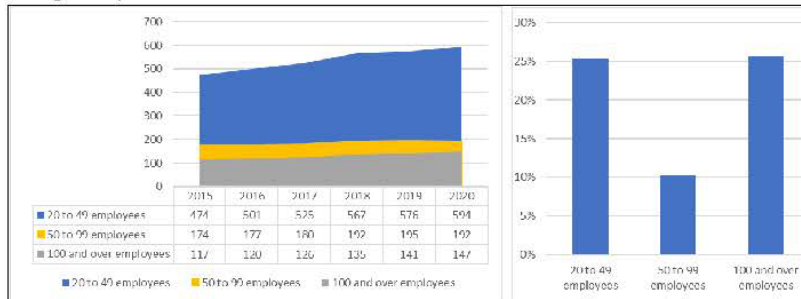
(Source: Infometrics)

The increase has been particularly strong amongst medium and larger size businesses as illustrated in

Chart 4.4, reflecting both business growth and newly established business units.



Chart 4.4: Hamilton growth of large and medium size businesses 2015-2020 (year ending March)



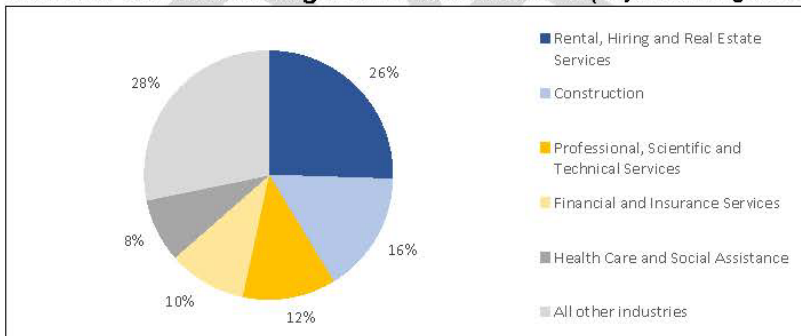
(Source: Infometrics)

Much of the business growth has occurred in knowledge intensive sectors that require higher skilled employees such as professionals, managers, technicians and trades workers.

According to the General manager of the Hamilton Central Business Association, 53 new businesses have opened in the city's CBD during between September 2020 and August 2021 amidst the Covid-19 pandemic.

Chart 4.5 shows the key industry sectors that have contributed to business unit growth during the 10 years to March 2019.

Chart 4.5: Contributors to growth in business units (10 years ending March 2019)

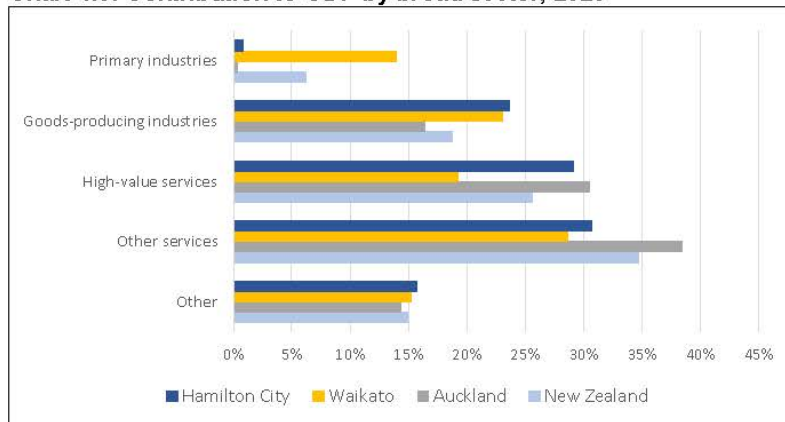


(Source: Infometrics)

Hamilton city services a very broad range of industry sectors. It has the advantage of being the hub of the Waikato region which is dominated by primary industry sectors as well as being a major urban centre attracting goods producing industries and companies providing high value services as illustrated in the chart below. As a result, the overall economy and therefore the demand for commercial accommodation is less sensitive to potential ups and downs of any particular sector.



Chart 4.6: Contribution to GDP by broad sector, 2020



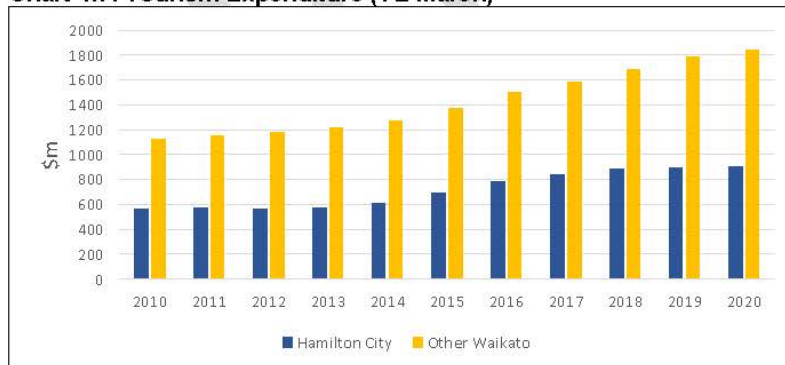
(Source: Infometrics)

A list of major employers in the Hamilton area can be found in Appendix D.

4.3 TOURISM EXPENDITURE IN HAMILTON

Spending by domestic and international tourists during the period 2010-2020 in Hamilton City has grown at a CAGR of 4.8%, while that in the Waikato Region outside Hamilton has grown at a CAGR of 5%. This compares to a national growth of 4.9% during the same period. Chart 4.7 shows this growth in absolute terms.

Chart 4.7: Tourism Expenditure (YE March)



(Source: Infometrics / Stats NZ)

The growth reflects both the strong increase in business activity and popularity amongst domestic and international leisure travellers.

The growth of internationally oriented businesses combined with an increasing appeal of the region with international travellers have had a significant impact on international tourism expenditure in the city, which has grown at a CAGR of 10% during the five years pre-Covid-19 as illustrated in the chart below.



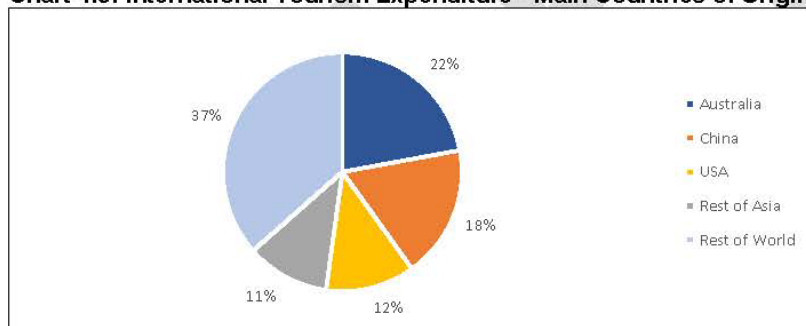
Chart 4.8: Hamilton City - International Tourism Expenditure



(Source: Infometrics / Stats NZ)

International Tourism expenditure made up 23% of total tourism expenditure in Hamilton for the year ending March 2020. Australia, China and the USA were the largest international source markets, contributing 52% of total international tourism spend in the year to March 2020.

Chart 4.9: International Tourism Expenditure - Main Countries of Origin

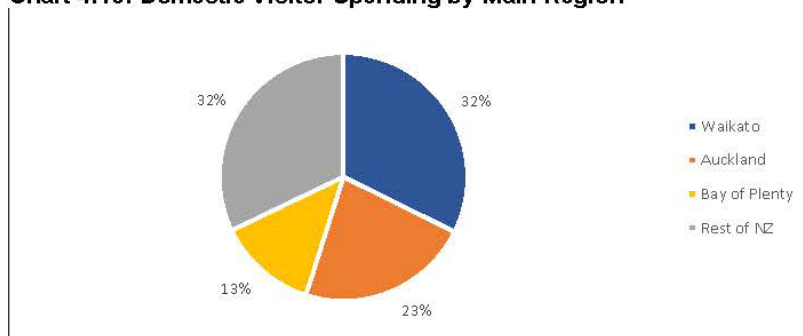


(Source: Infometrics / Stats NZ)

Domestic visitor spending is dominated by visitors who reside within driving range of the city as shown below. This reflects the role that Hamilton plays as a regional hub and as a semi-satellite centre for Auckland. For current and future accommodation providers it highlights the need to provide ample car parking for guests.



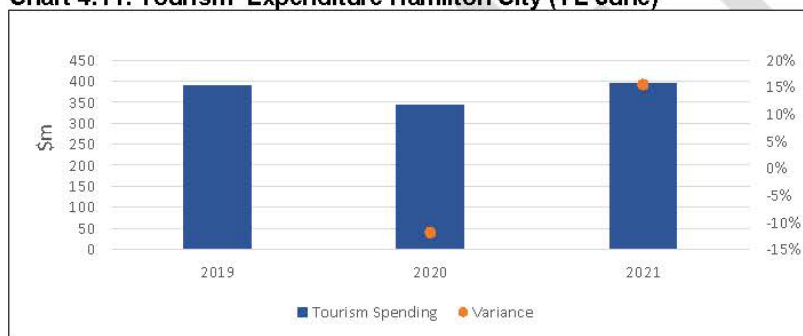
Chart 4.10: Domestic Visitor Spending by Main Region



(Source: Infometrics / Stats NZ)

Tourism expenditure in Hamilton City quickly bounced back after the initial decline caused by the Covid-19 pandemic in 2020, with spending reaching pre-covid levels during the 12-month ending June 2021.

Chart 4.11: Tourism Expenditure Hamilton City (YE June)



(Source: Infometrics / Stats NZ)

This data indicates that:

- the Hamilton visitor economy was not significantly detrimentally impacted by COVID-19 during 2020
- the local visitor economy was less exposed to the dramatic downturn in international visitor arrivals and spending in 2020 experienced in many other regions, including Auckland
- short-term negative impacts in domestic visitor expenditure during the 2020 lockdown periods were largely off-set by increased domestic visitor expenditure in the non-lockdown periods, including from domestic leisure 'short breaks'
- business and corporate visitor expenditure underpins total tourism expenditure in Hamilton.



5 KEY DEMAND DRIVERS FOR COMMERCIAL ACCOMMODATION

5.1 BUSINESS EVENTS VENUES AND ACTIVITY

Hamilton has two nationally significant Business Events venues – Claudelands and Mystery Creek (located just outside the Hamilton City boundary) – as well as several other venues capable of hosting meetings, conferences, incentive events, public and trade shows and exhibitions, entertainment and other events.

5.1.1 Claudelands

Claudelands is a multi-function events facility, the main venue of which is shown in Figure 5.1. Together with FMG Stadium Waikato (rugby), Seddon Park (cricket) and a number of smaller venues, the facilities are managed by H3, a highly professional and commercially focussed business unit of Council.

Developed in 2011 by the Hamilton City Council, Claudelands includes a four-star conference centre, an entertainment arena with a capacity for 6,000 patrons, extensive meeting facilities and a combined 11,000m² of indoor (7,000m²) and outdoor (4,000m²) exhibition space.

Figure 5.1: Claudelands Events Centre



(Source: Hamilton City Council)

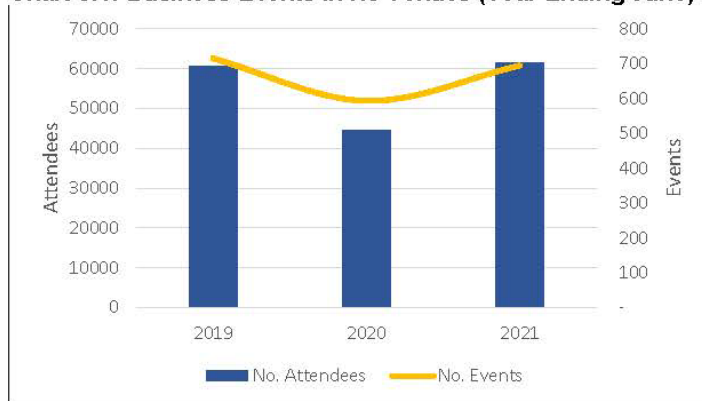
Combined with FMG Stadium Waikato (rugby), Seddon Park (cricket) and a number of smaller venues, the facilities are managed by a commercially focussed business unit of Council, branded as H3.

The facilities are well-suited for large conferences and other business events, as well as large consumer shows, music and theatre performances and major sporting events.

Prior to the Covid-19 Pandemic in the year ending June 2019, the H3 facilities hosted over 715 business events with a total attendance of more than 60,727. As illustrated in the chart below, following the Covid-19 lockdowns in the second quarter of 2020, business event volumes have largely recovered in the year to June 2021.



Chart 5.1: Business Events in H3 Venues (Year Ending June)



(Source: H3)

Claudlands operates well below its potential capacity, much of which is attributed to a lack of commercial accommodation in the city as described in section 6.3.2 of this report.

Please refer to Appendix G for Claudlands' event space details and Appendix E for an overview of the number and type of events and attendance numbers at Claudlands and other H3 Venues.

5.1.2 Mystery Creek Events Centre

Sitting on 114 ha of land and capable of hosting events with up to 45,000 attendees, the Mystery Creek Events Centre is New Zealand's largest event venue.

Figure 5.2: Mystery Creek Events Centre



(Source: www.mysterycreek.co.nz)

Mystery Creek hosts several large-scale annual events, including the Transport and Heavy Equipment Expo and the National Agricultural Fieldays. The latter is a four-day event which attracts circa 130,000 visitors each year from across New Zealand and overseas in addition to circa 10,000 exhibitor staff.



These events generate more accommodation demand than can be satisfied in Hamilton and surrounding areas during the event as well as considerable demand during the lead up and conclusion of the events.

Throughout the year, the venue typically holds around 100 other events ranging from 100 to 10,000 pax, including multi-day conferences.

Like Claudelands, Mystery Creek is operating below capacity and is losing opportunities due to a shortage of suitable hotel accommodation in Hamilton.

Appendix G includes details about the size and capacity of Mystery Creek's event spaces.

5.2 SPORTS, LEISURE AND ENTERTAINMENT EVENTS

5.2.1 Domestic Event Leisure Demand

Key demand drivers for domestic leisure visitors include:

- FMG Stadium Waikato which can seat 25,800 attendees and hosts high profile sporting fixtures such as the All Blacks, National Rugby League (NRL), Super Rugby, and National Provincial Rugby
- Seddon Park is recognised as one of the cricket world's best "boutique" grounds; it is the home of cricket in Hamilton and has the capacity to host 10,000 event attendees
- Clarence St Theatre is in the centre of Hamilton and can transform from an outstanding proscenium arch theatre (capacity of 550) to a theatre restaurant style to a standing concert venue (capacity of 900)
- Claudelands also hosts a wide range of entertainment and theatre events (as well as Business Events), that attract visitors from around the Waikato region some of whom stay overnight in commercial and private accommodation in Hamilton
- a significant schedule of rowing & cycling events hosted in Cambridge and at Lake Karapiro which generate room-night demand in Hamilton
- the new \$74 million Waikato Regional Theatre located on Victoria Street in the heart of the CBD, will seat 1,300 patrons and attract visitors from throughout the Waikato region. With demolition of existing buildings about to commence, construction of the theatre is expected to be completed in Q1-2024.

5.2.2 Visitor Activity and Attraction Demand

Popular local attractions and activities provide good reasons for local visits from neighbouring regions to visit and stay in Hamilton, including:

- Hamilton Gardens (recently expanded with the new Fantasy Collection gardens, and with ongoing expansion plans also in planning)



Figure 5.3: Hamilton Gardens



(Source: Google Images)

- Hamilton Zoo (with improvements in facilities in recent years)

Figure 5.4: Hamilton Zoo



(Source: Google Images)

- Waikato Museum Te Whare Taonga o Waikato

Figure 5.5: Waikato Museum



(Source: Google Images)

- The annual week-long 'Balloons Over Waikato' event at Hamilton Lake

Figure 5.6: Hot Air-Balloon





(Source: Google Images)

- Hobbiton Movie Set

Figure 5.7: Hobbiton Village



(Source: Google Images)

- Waitomo Glowworm Caves

Figure 5.8: Glowworm Caves Tour



(Source: Google Images)

- Avantidrome sports and leisure facility (Cambridge)

Figure 5.9: Avantidrome



(Source: Google Images)

- Huka Falls (Taupo)

Figure 5.10: Huka Falls



(Source: Google Images)

5.2.3 Education Institution Visitor Demand

Major tertiary education institutions based in Hamilton (The University of Waikato and Waikato Institute of Technology (Wintec)) have approximately 24,000 Equivalent Full Time and Part Time tertiary students and 2,400 staff between them. These institutions generate commercial accommodation demand in the FIT segment, from visiting friends and relatives, as well demand from visiting academics and speakers.

The new head office for the recently established national 'mega polytechnic' Te Pūkenga – New Zealand Institute of Skills and Technology (NZIST) – is based in Hamilton. The new entity is responsible for all 16 of the country's institutes of technology and polytechnics, including Wintec. Visitors to the head office will generate incremental commercial accommodation demand in Hamilton.



6 COMMERCIAL ACCOMMODATION MARKET OVERVIEW

6.1 HAMILTON HOTELS, MOTELS AND SERVICED APARTMENTS (PRE-COVID 19)

Prior to the Covid-19 pandemic, Hamilton's hotel and motel supply as reported by the Commercial Accommodation Monitor (CAM) consisted of 39 motels and serviced apartments² with a total of 931 rooms and 8 hotel a total of 690 rooms.

Room capacity in Hamilton has been stable over the five years prior to the Covid-19 pandemic as illustrated in the chart below.

Chart 6.1: Hamilton City annual hotel and motel capacity



(Source: Accommodation Data Monitor/Stats NZ)

In 2020 an addition of 40 rooms to the Novotel has increased the total room count to 730 as shown in the table below.

Table 6.1: Hamilton City Hotel Supply

Hotel Property Name	Key Count	Trip Advisor Rating ³
Novotel Hamilton Tainui	217	4.0
Distinction Hamilton Hotel & Conference Centre	147	3.5
ibis Hamilton Tainui	126	4.0
Ramada by Wyndham Hamilton City Centre	69	3.0
Heartland Ambassador Hotel Hamilton	51	4.0
Ventura Inn & Suites Hamilton	50	4.0
VR Hamilton Hotel	38	3.0
Abbots Hamilton Hotel & Conference Centre	32	3.0
Sub-total – Hamilton City	730	3.6
Jet Park Hamilton Airport (Waipa District)	61	4.5
Total – Greater Hamilton	791	3.7

(Source: Horwath HTL, Trip.com, Tripadvisor)

² Serviced Apartments are included in the definition of Motels as part of government reporting and in relation to the content of this report.

³ Calculated Average Tripadvisor ratings are weighted for hotel/motel size



Our market insight and inquiries with hotel operators and booking agents indicate that hotel supply is often highly constrained on weekdays when demand from business travelers is strong. With much of the hotel supply being relatively dated and in need of refurbishment, the Novotel is regarded as the leading hotel that meets the quality standards expected by today's frequent business and leisure travelers.

Based on public advertised room rates, the Novotel achieves a significant room rate premium over the rest of the market. We understand that the constraint on available hotel rooms midweek results in many business travelers who would prefer to stay in hotels have to stay in motels instead.

Table 6.2 summarises the leading Hamilton serviced apartments and motels based on size and TripAdvisor rating.

Table 6.2: Serviced Apartment (SA) and top 10 Hamilton Motel Supply

Motel Property Name	Key Count	Trip Advisor Rating
Quest Hamilton	38	4.0
Atrium on Ulster	28	4.5
BK Premier	28	4.5
Park View Motor Lodge	24	4.5
Anglesea Motel and Conference Centre	24	3.5
Brooklyn Motor Lodge	23	4.0
Astra Motor Lodge	23	5.0
Argent Motor Lodge	19	5.0
Lake Point Motel	19	3.5
Albert Court Motel Lodge	18	5.0
Stadium Motel	17	4.0
Auto Lodge Motel	14	4.5
Total – SA and top 10 motels	275	4.3

(Source: Horwath HTL)

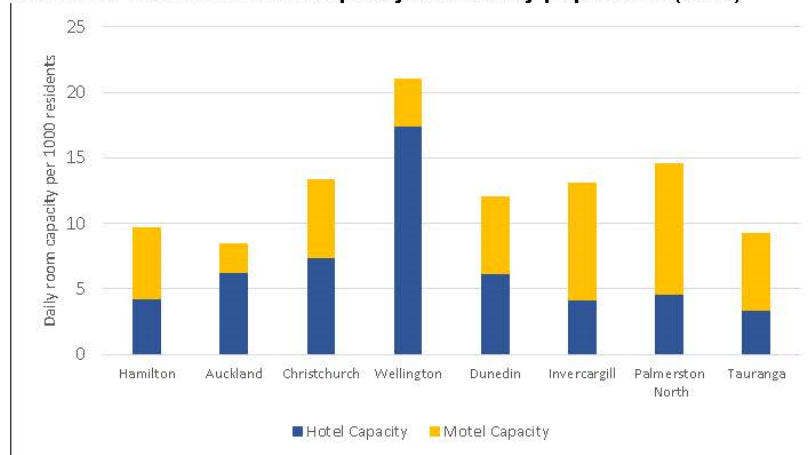
If all Hamilton motels were included in the analysis, the average TripAdvisor score would fall to a score similar to the average hotel score of 3.8.

The 'Quest on Ward' (29 rooms), has been closed for building maintenance issues since April / May 2019. It is expected that this property will be reinstated into the competitive room supply in the medium term (eg: 1–2 years).

As New Zealand's fourth-largest city in terms of population, Hamilton's hotel supply has been relatively low compared to other commercial centres and does not seem to reflect the needs of the city's growing economy. Charts 6.1 and 6.2 show comparisons of Hamilton's accommodation capacity with other centres in relation to their population and the economic output of the city and the region for which the city is the commercial hub.

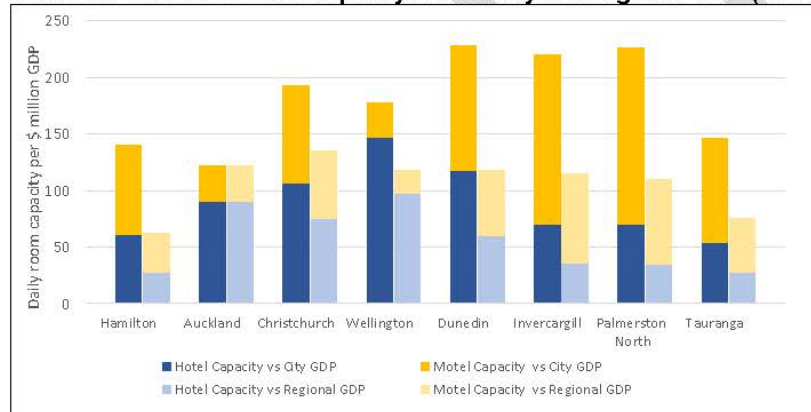


Chart 6.2: Hotel and motel capacity versus city population (2019)



(Source: Stats NZ & Horwath HTL)

Chart 6.3: Hotel and motel capacity versus city and regional GDP (2019)



(Source: Stats NZ & Horwath HTL)

While the city's room supply has remained constant, room night demand has increased consistently during the five years pre Covid-19, resulting in Average Occupancy Rates (AOR) for the market exceeding 70%.

However, occupancies vary significantly based on the quality standards and ratings of hotels and motels. Inquiries with operators, owners and accommodation booking agents indicate that hotels and motels that are preferred due to their quality, branding and location were often booked out and achieved annual occupancy rates in excess of 85-90%.

Chart 6.4 shows the city's hotel and motel occupancies for the period 2015-2019.



Chart 6.4: Historical Hamilton hotel and motel occupancy

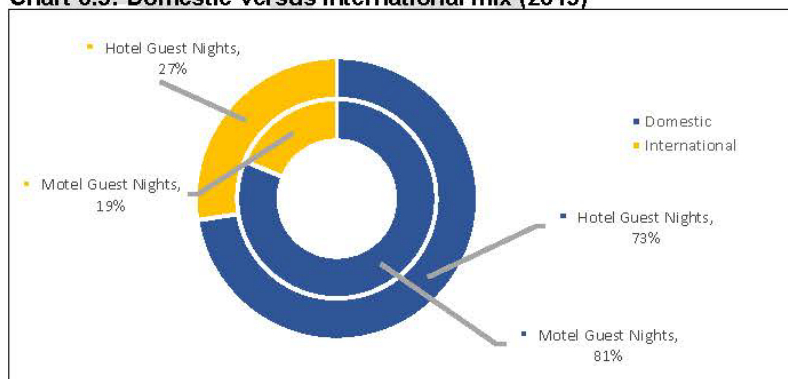


(Source: CAM, Horwath HTL)

The average condition and small size of many hotels have made them less distinct from the typical motel, resulting in many motels successfully competing for guests that would normally prefer to stay in hotels. This is reflected in the similar occupancy rates after accounting for the expected much higher than average hotel occupancies achieved by hotels such as the Novotel.

Despite a strong growth over the past five years, Hamilton still has a relative low dependence on international visitors as shown in the chart below. We estimate ⁴ that circa 27% of hotel visitor nights and 19% of motel visitor nights are derived from international markets. This compared to a national average of 47% of all hotel visitor nights and 34% of all motel visitor nights.

Chart 6.5: Domestic versus International mix (2019)



(Source: TIA, Horwath HTL)

The share of international visitor nights over the five years to March 2019 appears not have grown in line with the city's international tourism spend. This suggests an increasing number of international travellers who do not stay

⁴ Estimates are based on regional data published by Tourism Industry Association (TIA) and Tourism Expenditure data published by MBIE.



overnight in the city and instead pass through or return to cities such as Rotorua and Auckland.

6.2 IMPACT OF SHORT-TERM GOVERNMENT HOTEL AND MOTEL DEMAND IN 2020-21

As a result of the Covid-19 pandemic three hotels in Hamilton (the Ibis, Distinction and Jetpark) are used by the government as MIQ facilities since mid-2020. These hotels represent 42% of available room supply in Hamilton.

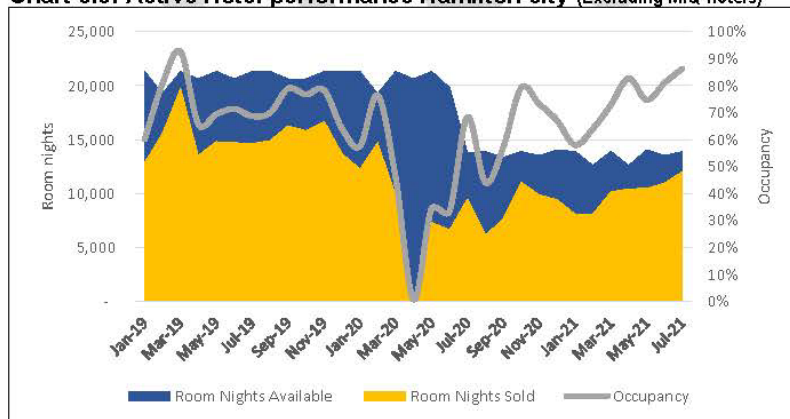
Furthermore, since 2019, many motels are used by the Ministry of Social Development (MSD) for social housing which taken many motels out of the market. According to the Accommodation Data Program (ADP) in July 2021, 19 (45%) of 42 reporting motels are inactive, representing 532 rooms, or 55% of the total room capacity.

In the meantime (and until the start of lockdowns in August 2021), the strong recovery of economic activity and domestic tourism has significantly restored demand for commercial accommodation.

This has resulted in rising occupancy rates and many instances where consumers' preferred accommodation choices have no availability.

The charts below show the impact of the significant supply and demand changes amongst the city's hotels and motels.

Chart 6.6: Active Hotel performance Hamilton city (Excluding MIQ hotels)



(Source: CAM, ADP, Horwath HTL)



Chart 6.7: Active Motel performance Hamilton City



(Source: CAM, ADP, Horwath HTL)

The effective removal of supply has resulted in demand shifting to areas outside of Hamilton, including regional Waikato and in some instances Tauranga which have experienced significant occupancy increases. It has also resulted in some demand transferring to private accommodation such as Airbnb which we have illustrated in the next section.

Our inquiries with several booking agents indicate that even before Covid-19 many had great difficulty securing the quality of accommodation that meet their requirements (especially during weekdays) and that they frequently had to book non-preferred facilities or locations for their travellers. The supply decrease since mid-2020 has significantly exacerbated this problem.

The Ministry of Social Development (MSD) state that demand increased significantly during 2020 as a combined result of an increasing shortage of affordable housing, the need for self-isolation during the COVID lockdown in 2020, and a consequent lengthening of the average stay in emergency and transitional housing.

Information provided by MSD to Hamilton City Council shows that, in the three months to September 2020, Emergency housing grants were provided to 87 suppliers in Hamilton City for a total of 33,390 nights, with the average grant being for \$271 per night. This represents an average of 366 accommodation units occupied by MSD clients per night during the quarter

Although we understand that several motels are accepting only MSD business, the data suggests that the MSD demand is spread more widely in other properties not dedicated solely to MSD business.



The period of time over which MSD demand will continue at this level is uncertain, and it is possible that at least some level of MSD demand will continue for several years.

Many of the motels currently used by MSD have facilities that are dated and will require considerable investment if they were to return to the open market.

We expect that much of this capacity may continue to be used by MSD for the next few years or may be permanently re-purposed to another use either for or as a result of this activity.

6.3 OTHER HOTEL AND MOTEL MARKET CHARACTERISTICS

6.3.1 Consumer insights and market trends

Our inquiries with several hotel and motel operators, showed a general optimism about the market with owners reporting strong occupancy levels which fluctuate widely. An operator of a good quality mid-size hotel reported a full year 2019 occupancy of circa 85% while an operator of a mid-size hotel that required refurbishment reported occupancies of circa 65% for the same period. One motel provider stated that in 2019 his property had an average annual occupancy in excess of 90%. We estimate that the Novotel, being the market leader had annual occupancies in the range of 84%-89% before the completion of an extension with 40 additional rooms in 2020.

Much of the occupancies are driven by strong weekday business and government demand. Major companies such as Fonterra, AML, Rabobank, Gallegher, The University of Waikato are solid contributors to demand, not only in hotels but also in good quality motels. Much of the demand is also derived from travellers visiting the many SME's in the city and wider region. Contributing government departments include health, social development, education, justice, police and corrections.

Meeting and conference delegates attending events at the Claudelands Events Centre frequently choose motels for their overnight accommodation, with motel owners claiming that they offer better service than many of the hotels. One operator of a domestic hotel brand mentioned that "big conferences will fill the town one or two days per week, about every other week". During such periods and during other major events, they can achieve room rates from \$280 to \$400.

Hotels/Motels with sufficient on-site car parking find it easier to attract business travellers than those without.

Demand during weekends and school holidays has grown considerably over the past years, driven by many sporting events in and around the city, concerts, events at Claudelands, weddings and other celebrations, VFR travel during the festive season, visitors exploring the Waikato cycle trails and visitors from the lower North Island stopping over on their way to Auckland. One operator



- the hotel/motel's location is not a priority factor in choosing accommodation, with most travellers prepared to use a car or taxi to travel to and from their place of work.

6.3.2 Lost / Declined Events at Claudelands

The current constraint on the existing supply of hotel accommodation in Hamilton is widely accepted as resulting in the loss of some large potential conference events for Claudelands.

Based on specific enquiries with the event planning team at Claudelands, we are advised that Claudelands misses out on a substantial volume of business due to the limited availability of suitable accommodation in Hamilton City.

Examples of such events lost to Hamilton in recent times include:

- Building Nations Symposium (Infrastructure NZ) – 500 delegates, 3 days
- Harcourts Annual Conference – 900 delegates, 4 days
- Veterinary Association Congress – 3,000 delegates, 5 days
- Intensive Care Conference – 400 delegates, 5 days.

Events such as these usually require a higher than average standard of commercial accommodation (usually 4–4.5 star hotels). The existing supply of 4–4.5 star hotels in Hamilton are not capable of accommodating events with 300 attendees or more.

The Waikato region has earned a reputation for hosting successful business events but has to decline additional business because of the shortage of available accommodation.

Professional Conference Organisers (PCOs) who specialise in association events have mostly effectively 'crossed out' Hamilton City as a potential destination because of the lack of available accommodation in the city.

Nevertheless, H3 (the Claudelands management team) are investing significant time and resources into targeting the Association market and believes that at least one more quality 4-star hotel would align with event organiser requirements.

6.3.3 Average Length of Stay

Despite the development of the Waikato express way, shortening the travel time between Auckland and Hamilton, the Average Length of Stay (ALOS) in hotels has remained stable, while there has been a strong increase in the ALOS in motels. This is illustrated in Chart 6.8. Furthermore, the ALOS in Hamilton is well above the national average of 1.8 for hotels and 1.9 for motels.



mentioned "there is always something happening on the weekend in Hamilton", referring to activities that attract overnight visitors.

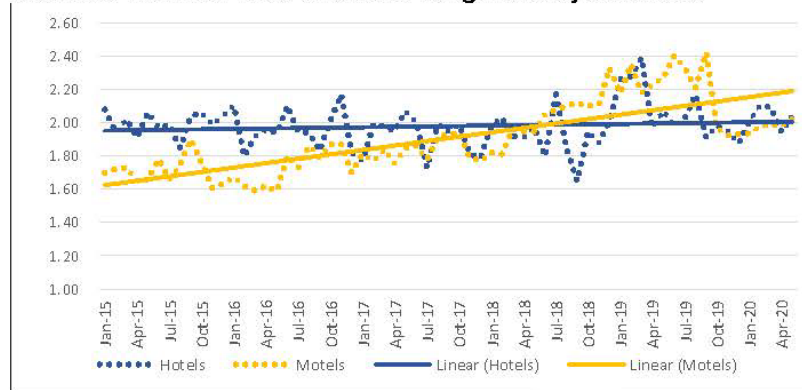
Weekend demand is dominated by families, groups of friends, couples and sporting teams, who often prefer larger size, motel accommodation with or without the options to prepare a simple meal in the room.

We have also made inquiries about the Hamilton accommodation market with several representatives of major travel management companies (TMC's). TMC's handle accommodation bookings for all national government employees, major national and international companies, sporting organisations etc. They typically select preferred hotels/motels, negotiate rates and booking terms, make the bookings on behalf of the traveller and according to the organisation's travel policies. Our inquiries substantiated some key market trends we have seen during the last few years in respect of the government and business market segment such as:

- a demand for accommodation in Hamilton for corporate and government employees from all levels (from executive to contract employees)
- frequent difficulty to book the desired standard of accommodation due to no availability or high room rates; a large number of bookings are made in non-preferred properties, most of which are motels.
- a strong preference for 4-4.5 star properties
- a general preference for national or international branded hotels that provide consistent quality standards, ease of booking and a trusted environment.
- a general preference for larger, branded hotels and hotel companies that they can use across the country and that offer a loyalty program
- little to no bargaining power by TMC's in terms of rates and availability with their preferred hotels
- a frequent preference for self-contained facilities such as serviced apartments with female business travellers
- a room rate expectation of between \$175-\$250 (incl. GST) for a 4-4.5 star hotel, with a maximum rate for government employees of around \$220
- current room rates in Hamilton are at the lower end of the top four cities in New Zealand
- while occasionally bookings are made at Airbnb's, the lack of certainty regarding quality standards, difficulties around the booking process and relationships make this type of accommodation not very suitable for TMC's.
- a strong preference for the Novotel as it best meets their quality standards
- TMC's consider booking at motels a "bit of a lottery", or "hit and mis", referring to the lack of consistency in quality standards



Chart 6.8: Hamilton Hotel and Motel Length of Stay 2015-2019



(Source: Accommodation Survey, Stats NZ, Horwath HTL)

In addition to the general increase in economic and leisure activity, we attribute the following factors to this trend:

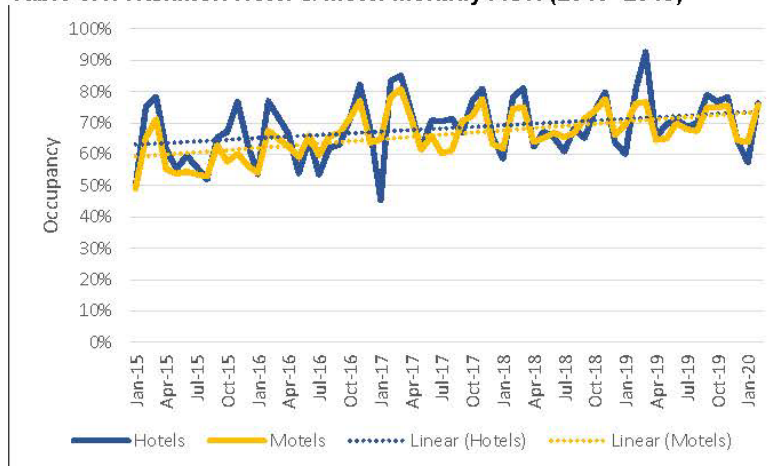
- an increase in the number of multi day business and leisure events in Claudelands Events Centre and other venues in the area
- an increasing number of business travellers who prefer to use Hamilton as a base to cover the wider Waikato region
- a shift in multi-day midweek corporate demand from hotels to motels as hotel room rates have increased and midweek hotel capacity has been constrained.

6.3.4 Seasonality

Table 6.1 summarises changes in Hamilton's hotel and motel Average Occupancy Rates (AOR) on a monthly basis for the five years pre-covid to February 2020. Commercial accommodation demand in Hamilton is less seasonal when compared to many visitor destinations in New Zealand, with the lowest occupancy being experienced in January (rather than winter). This reflects the significant proportion of commercial accommodation demand is derived from the business / corporate segment.



Table 6.1: Hamilton Hotel & Motel Monthly AOR (2016–2019)



(Source: Accommodation Survey, Stats NZ)

6.3.5 Weekday vs Weekend demand

While no market statistics are available about weekday and weekend demand, our inquiries with several hotel and motel owners and operators suggest that over the past years, weekend demand has increased considerably as a result of a growing number of events in and around the city.

Particularly on Saturday nights, hotel and motel occupancies often meet or exceed those on popular weekdays, reaching in excess of 80%-85%. This is reflected in the typical pricing we have observed and discussed in the next section.

Data from 38 pedestrian cameras commissioned by the City Council since 2018 also show a steady increase of pedestrian traffic in the CBD with significant increases particularly on Saturday's.

Similarly, according to the Hamilton Central Business Association, retail spend in the CBD has steadily increased over the past 13 years, peaking in 2018 and showing a strong recovery after the Covid-19 related lock-downs in 2020 and 2021.

6.4 ESTIMATED CURRENT HOTEL AND MOTEL RATES

Information regarding average achieved actual room rates for Hamilton hotels and motels is not publicly available.

Data from TravelClick/Amadeus, a Global Distribution System provider (GDS), report a 19% increase in the average rate for hotel and motel bookings made during the past 12 months in Hamilton, from \$163 to \$194 (incl. GST). GDS systems are predominantly used by TMC's and larger companies to make travel bookings throughout the world. Data shows that 60% of the bookings were



made at a room rate of \$177 or higher, compared to 30% of bookings 12 months earlier.

Domestic branded hotel operators, report lead-in room rates of \$150-\$170 (incl GST) with contracted corporate & government rates for premium room types in the range of \$200-\$220.

Based on our market research, we estimate that the full year 2019 ADR for a typical mid-size 4-star hotel/motels would have been in the range of \$140-\$160 (excl. GST) and the ADR for the leading hotel around \$180-\$190 (excl. GST)

Appendix B shows Hamilton hotel and motel public rates quoted on third-party websites for 12 days during the period April–September 2021.

It is likely that the advertised room rates for both hotels and motels in 2021 are positively impacted as a result of the current level of Government demand for MIQ and emergency housing services in Hamilton.

The Novotel Tainui is the clear market leader. A sample of publicly advertised room rates during the period April-September 2021, show the rates offered for a standard room by the Novotel Tainui were on average 61% higher than rates offered by its closest rate competitor. Similarly, the Novotel's rates were on average 74% higher than the average offered by the remaining Hamilton hotels.

The motels and serviced apartments in Hamilton appear to have minimal optimisation in revenue management and price adjustments, as rates stay consistent throughout the week and few properties appear to adjust their prices based on peak demand periods in Hamilton.

6.5 PRIVATE HAMILTON CITY ACCOMMODATION

In considering the demand and supply for Hamilton City, we have also taken into account the extent of private accommodation that has been made available by private individuals effectively on a commercial basis.

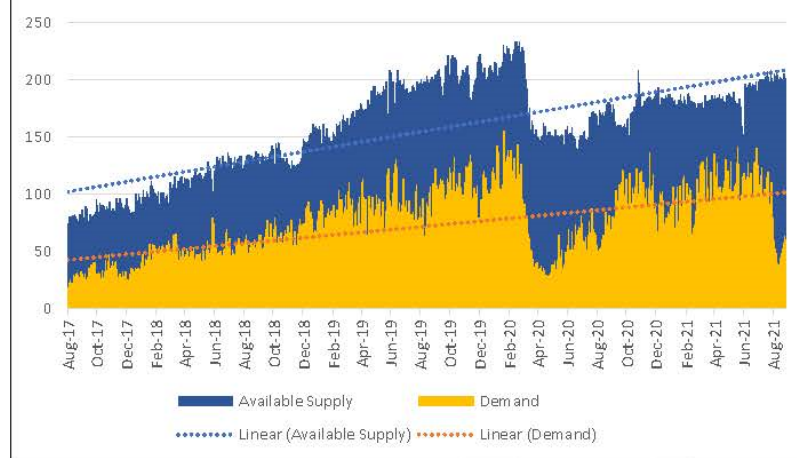
A good example of this, which has gained significant increases in both demand and supply in recent years, is Airbnb. This style of private accommodation competes directly and indirectly with commercial accommodation providers.

Chart 6.9 shows Airbnb available supply and demand as reported by proprietary website alltherooms.com in the 4 years to August 2021.

The data shows that since 2017, amidst strong monthly fluctuations, the available Airbnb inventory in 'entire place' listings (ie: excluding private rooms in larger homes) has approximately doubled.



Chart 6.9: Monthly Hamilton City Airbnb Room Supply and Demand (entire place)

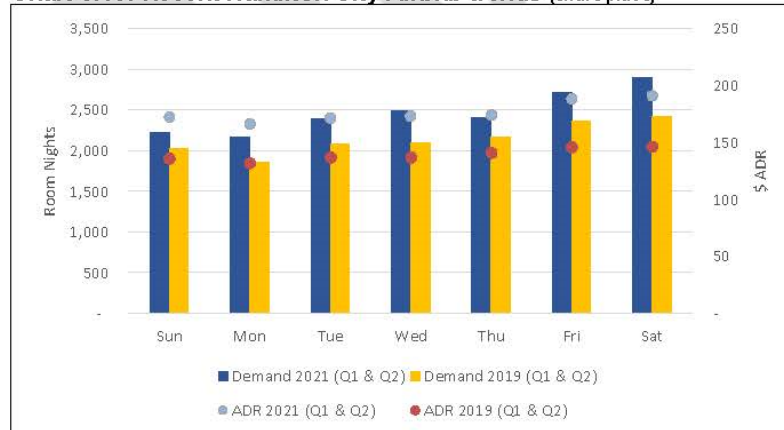


(Source: *alltherooms.com*)

Occupancy rates for Airbnb properties (entire place) averaged 49% in 2019. The Covid-19 pandemic and reduction in commercial accommodation supply has considerably increased demand for Airbnb in the city. During the 1st half of 2021 available supply increased by 7% compared to the same period in 2019, while demand grew by 15% and outstripped demand during the first half of 2019. This is contrary trends in cities such as Auckland and Christchurch where demand for Airbnb during this period declined by 38% and 18% respectively.

Chart 6.10 shows a comparison between the first two Quarter of 2021 and the corresponding quarters of 2019 in terms of demand and ADR by weekday.

Chart 6.10: Recent Hamilton City Airbnb trends (entire place)



(Source: *alltherooms.com*)

Airbnb demand is traditionally strongest on weekends and during school holidays, reflecting the popularity of amongst leisure travellers and families. The multi-room Airbnb properties can accommodate a higher density of guests than



motels. Nevertheless, our inquiries and research indicate that there are an increasing number of business travellers to Hamilton that use Airbnb due to constraints in quality commercial accommodation. This will have contributed to the 15% rise in weekday Airbnb demand in the first half of 2021 amidst strong rises in average daily rates.

Despite the trend of increasing Airbnb demand, the overall supply in Hamilton City remains relatively low, at between 100 and 200 properties.

We consider it very likely that any new and well marketed hotel supply will attract considerable 'existing' demand away from both motels and Airbnb properties.



7 HAMILTON FUTURE OUTLOOK

The New Zealand government's Urban Growth Agenda (UGA) aims to facilitate population growth in New Zealand's leading cities including Hamilton.

Collaboration between Hamilton City Council, Environmental Waikato, Waipa and Waikato District Councils has designed 'Future Proof' as the growth strategy plan specific to Hamilton and Waikato. It outlines key aspects in the "Hamilton–Auckland Corridor Plan & Implementation Programme" in terms of how the UGA's objectives in the Waikato will be achieved.

The UGA has identified the "Hamilton–Auckland corridor" as having significant housing and employment growth potential in the southern Auckland–northern Waikato area to the north and in the greater Hamilton metropolitan area to the south.

Appendix C shows the areas covered within "the corridor" including the following Policies and Plans:

- Transport Corridors
- Priority Development Areas
- Enabling Infrastructure
- Hamilton-Waikato Metropolitan Spatial Plan.

7.1 TRANSPORT CORRIDORS

The roading network provides the main access to Hamilton and the surrounding Waikato region. Other transport infrastructure includes the North Island Main Truck Line and East Coast Main Truck line, and the Te Awa Cycleway.

A balanced approach is planned to facilitate increased access in the Waikato, and to / from Hamilton in particular.

In a recent report (published November 2020), Future Proof outlines key initiatives in future-proofing a balanced approach in accessing Hamilton and its surrounding regions. These include:

- rapid intercity rail service
- start-up passenger rail service
- improved public transport between southern Auckland and Northern Waikato
- introducing peak and more frequent off-peak bus services between towns
- rapid and frequent public transport network.

Implementing these initiatives is expected to further facilitate Hamilton's growth, which should drive additional visitors and commercial accommodation nights.



7.2 ECONOMIC GROWTH & DEVELOPMENT

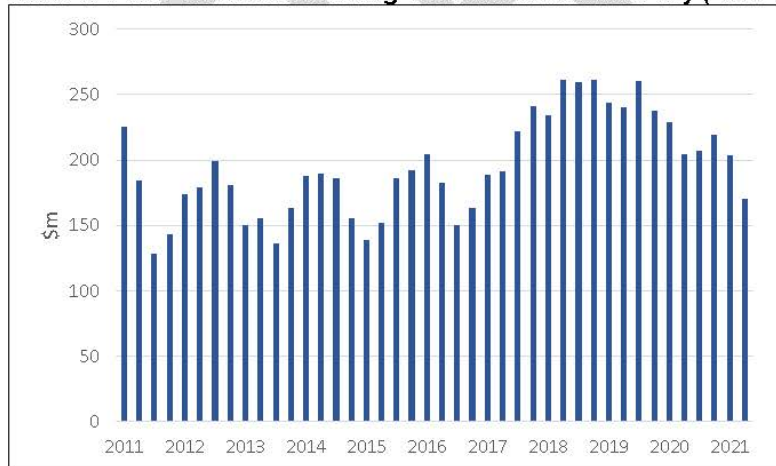
Several major projects which will stimulate further economic growth are either under construction or in planning. These projects will generate increased in commercial activity and visitors to Hamilton and the Waikato. Key projects under construction or planning include:

- 480 hectare mixed used development incorporating, 30 hectares Ruakura Inland Port, 200 hectares logistics and industrial facilities and 1,000 to 2,000 residential houses being developed by Tainui Group Holdings (currently in development)
- rail partnership between Port of Tauranga and the Ruakura Inland Port
- extensive work to create the final link in the Hamilton Ring Road
- extensive investment into commercial infrastructure development adjacent to Hamilton Airport
- large industrial investments at Huntly and Pokeno.

7.3 CONSTRUCTION AND PROPERTY DEVELOPMENT

As indicated in Chart 3.2 by the value of non-residential building consents issued by Hamilton City Council over the past 10 years, commercial and industrial development has been strong in Hamilton, reaching a peak in 2019 before the onset of the COVID-19 pandemic.

Chart 3.2: Non-residential building consents in Hamilton City (2010–2020)



(Source: Infometrics)

Hamilton's CBD is undergoing revitalisation after more than 10 years of little investment and relatively high commercial premises vacancy rates. Several large developments have been completed, are under way and planned that help increase the number of people living and working in the central city.



These include:

- redevelopment of the 14-storey former Telecom New Zealand tower
- development of Union Square on Alexandra Street, consisting of approximately 7,000m² A-Grade office space for 2,500 workers with residential apartments, F&B, retail and car parking. With resource consent obtained, this is planned as a staged development between 2020 and 2024-2026
- redevelopment of the Tristram Precinct (previously the Hamilton Central Shopping Centre); once completed, between 800 to 1000 workers are expected to occupy the building, including more than 400 Waikato Regional Council staff
- the Hamilton Central City Transformation Plan developed by Hamilton City Council in 2015
- new \$71 million development on the corner of Victoria and Ward Streets
- new \$74 million Waikato Regional Theatre on Victoria Street
- \$20 million five storey building on the corner of Anglesea and Hood Streets to house the head office of Rabobank and the Hamilton office of AA Insurance
- \$50 million four-storey complex being developed by Tainui Group Holdings to house the ACC Waikato office
- new national headquarters of Te Pūkenga – New Zealand Institute of Skills and Technology on the Wintec site.
- several residential apartment developments have been completed and are in progress across the CBD

Appendix F includes a map of central city developments that have recently been completed, are in progress or planned.

7.4 PRIORITY DEVELOPMENT AREAS

The “Hamilton–Auckland corridor” includes significant identified development potential. To increase overall urban growth, surrounding areas need to be able to accommodate the future potential residential and employment growth of Hamilton City.

Key initiatives and identified priority development areas include:

- Hamilton-Waikato Metropolitan Spatial Plan
- Metropolitan economic corridor
- Drury development (South Auckland)
- Northern metro corridor (Rotokauri, Te Rapa, Horotiu, Ngāruawahia, Hopuhopu, Taupiri)
- Central metro corridor (Frankton, Hamilton city centre, Hospital, University, Ruakura)



- Southern metro corridor (Peacocke, Airport, Te Awamutu, Cambridge).

To enable the planned levels of growth, basic infrastructure requirements need to be met. This includes funding new water, wastewater, flood control, drainage, and electricity supply. These enablers will be the catalyst for sustainable growth in the region.

The development of these priority areas and the associated infrastructure will result in an increase in skilled workers coming to the region eg: consultants, engineers, builders, and supporting trades. The increase in skilled workers coming to the Waikato will generate further pressure on existing commercial accommodation supply.

7.5 ENABLING INFRASTRUCTURE

Infrastructure development will help support the success of “the corridor” by utilising new and existing housing, social and network infrastructure.

Key enablers:

- Rail, motorway, arterial, active mode and public transport network and services
- Water management solutions
- Employment creation initiatives
- Social, housing and utility infrastructure and services improvements
- Flood protection and drainage infrastructure and services.

These key enablers are the elements that will enable and support the development and growth of new and existing communities in the region.

7.6 HAMILTON-WAIKATO METROPOLITAN SPATIAL PLAN

The Hamilton-Waikato Metropolitan Spatial Plan (MSP) demonstrates the vision and framework for how Hamilton City and the neighbouring communities within Waikato Region will grow and develop over the next 100+ years.

The MSP includes a significant focus on growing Hamilton’s central city area as a civic, administrative, cultural and commercial metro core that is well connected by public transport and safe walking and cycling networks, where people can afford to live and work.

A healthy and thriving city centre will generate migration from smaller towns and cities, driving up demand for all forms of commercial accommodation.



8 OPPORTUNITY FOR NEW COMMERCIAL ACCOMMODATION

Indications are strong for a very positive future for Hamilton and the Waikato Region in terms of development and growth. The perception of Hamilton is rapidly changing to being a vibrant city offering a desirable lifestyle with good connectivity to Auckland. Significant central and local government funding and supporting policies will further increase Hamilton's appeal for further investment by commercial and residential investors.

As a result of this investment, we expect that Hamilton will see a further increase in commercial accommodation demand, provided the accommodation meets the requirements of today's business and leisure travellers.

The relatively few existing hotels and motels in Hamilton City that meet guest expectations are currently achieving strong occupancy rates.

As indicated in previous sections, there is currently reasonably regular compression in the commercial accommodation market, especially mid-week, which is further increased by major events occurring in the city. These events, which occur both during the week and at weekends, can bring significant numbers of visitors to Hamilton. In this environment, room rates achieved by the leading hotels and motels are very strong.

As identified in this report there are a wide range of demand drivers in the business / corporate, government, leisure and Business Events market segments. A regular schedule of entertainment, sports events, visitor attractions and activities help sustain commercial accommodation demand in Hamilton throughout the year.

Ongoing development of new businesses, support of new business infrastructure and other major economic growth initiatives will generate additional Hamilton commercial accommodation demand in coming years.

Tourism expenditure data indicates Hamilton has not been significantly detrimentally impacted in terms of visitor spending as a result of COVID-19.

As discussed in section 6.3.2, there is an increasing number of events that require hotel and other forms of accommodation, and potential events have been lost to Hamilton due to the shortage of suitable accommodation.

Increasing traffic congestion in and around Auckland has made access to many hotels, especially in the Auckland CBD, problematic for some international visitors. With improved road access and shorter travel times from Auckland Airport to Hamilton, this makes Hamilton a more viable and attractive alternative for first and / or last night accommodation of international visitor in New Zealand.



8.1 PROJECTED FUTURE HOTEL AND MOTEL DEMAND

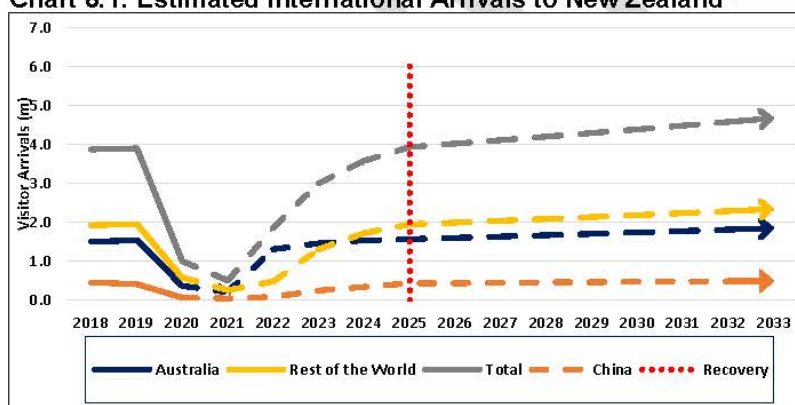
Our projections for future hotel and motel demand take into account projected international arrivals to New Zealand, projected growth of domestic overnight visitors and the share of Hamilton and the Waikato Region of the total visitor nights in New Zealand. They include assumptions about changes over time in market share, the average length of stay and room density.

8.1.1 New Zealand – Visitor Night Projections

We project that the number of international arrivals to New Zealand will recover to pre-pandemic levels by 2025. We believe this is a plausible scenario of the New Zealand tourism industry's recovery from the impacts of the COVID-19 pandemic with a gradual re-opening of the border from 2022. This scenario is aligned with assumptions published by the Tourism Export Council New Zealand (TECNZ) and expectations expressed by organisations such as Tourism Industry Aotearoa, Air New Zealand, etc.

Chart 8.1 shows our long-term projections, including for some of Hamilton's major international markets.

Chart 8.1: Estimated International Arrivals to New Zealand ⁵



(Source: Horwath HTL)

After international arrival numbers have recovered in 2025, we project a modest growth at a CAGR of 2.2% during the period 2025-2033.

Chart 8.2 shows our projected international and domestic visitor nights spent in New Zealand over the 12 years to 2033.

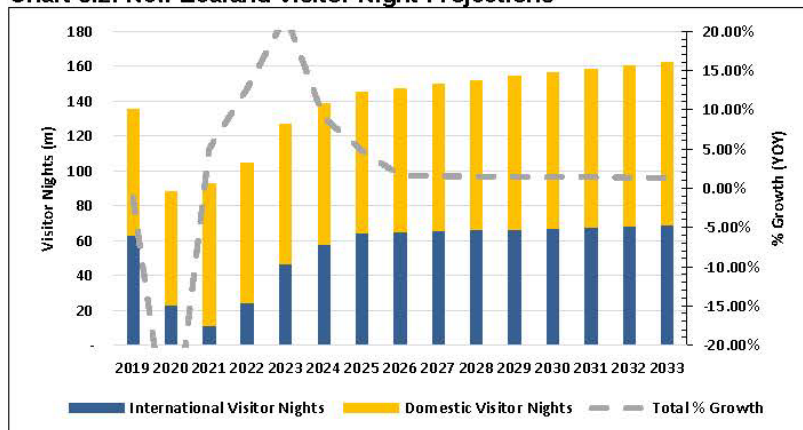
Our international visitor night projections are based on assumed average lengths of stay in New Zealand which are more conservative than previous

⁵ International visitor arrivals in 2020 and 2021 include New Zealander passport holders returning and spending time in New Zealand, as well as international visitor nights spent in the country prior to the border closure in 2020, and Australian visitors in 2021.



assumptions published by MBIE up to 2019 and include a gradual decline in for key markets such as Australia, China and the USA due to changing travel patterns.

Chart 8.2: New Zealand Visitor Night Projections



(Source: Horwath HTL)

Total international and domestic visitor nights combined are projected to grow at a modest CAGR of 1.3% over the 2019 'base' year with domestic visitor nights projected to grow at a CAGR of 1.9%.

8.1.2 Hamilton - Visitor Night Projections

To estimate the requirement for the city's future hotel capacity, we have projected future demand for hotel and motel accommodation (including serviced apartments) on the basis that there are no supply constraints (otherwise described as 'unconstrained demand'). This assumes that everyone who would prefer to stay in Hamilton will be able to book their accommodation of choice on most days during the year at an acceptable rate.

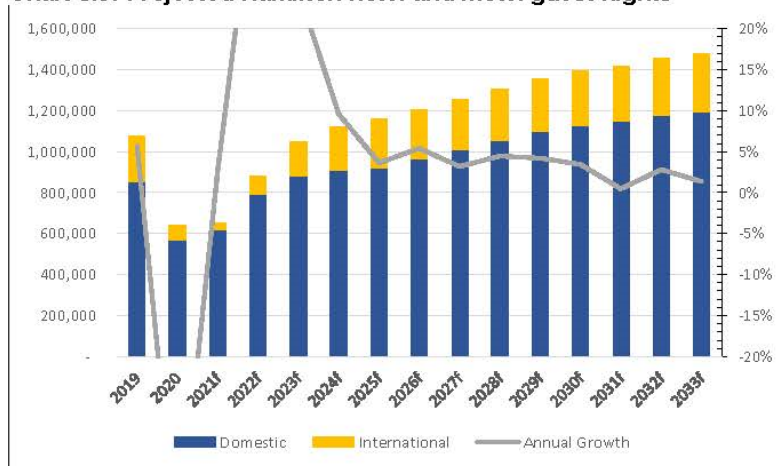
Considering the past and current supply constraints in the market, the pace of recovery seen to date and the city's future outlook, we expect that by 2023 visitor night demand for the city will have returned to pre-covid levels, despite lower international guest nights, driven by strong domestic demand.

With the gradual recovery of international demand and completion of the various developments in and around the city, we project visitor night demand for hotels and motels to grow at a CAGR of 3.8% during the period 2023-2033. This compares to our national visitor night growth projection of 2.5% and reflect our expectation that over time, Hamilton will increase its historical market share of national visitor nights, both for domestic and international visitors.

Chart 8.3 shows our unconstrained demand projections for hotels and motels (including serviced apartments) for the period 2021-2033.



Chart 8.3: Projected Hamilton hotel and motel guest nights



(Source: Horwath HTL)

8.2 FUTURE COMMERCIAL ACCOMMODATION REQUIREMENTS

Chart 8.4 shows our projections for unconstrained hotel and motel room demand. These are based on the projected visitor nights and historical guest room density.

Chart 8.4: Hamilton City - Projected Unconstrained Hotel and Motel Demand



(Source: Horwath HTL)

The growth after most of the Covid-19 recovery in 2023 is projected at a CAGR of 3.9% for the 11 year period to 2033.

We have considered the extent to which motels currently used for emergency housing (as discussed in section 6.2) will be re-positioned and return to available supply for general short-term accommodation. As discussed, as at



July 2021, 19 motels were reportedly inactive due to alternative use, representing 532 rooms, which has left the city with only 45% of its previous motel room capacity. As in Hamilton, motel capacity in the remainder of the Waikato has also been reduced by a reported 32% as a result of emergency housing demands.

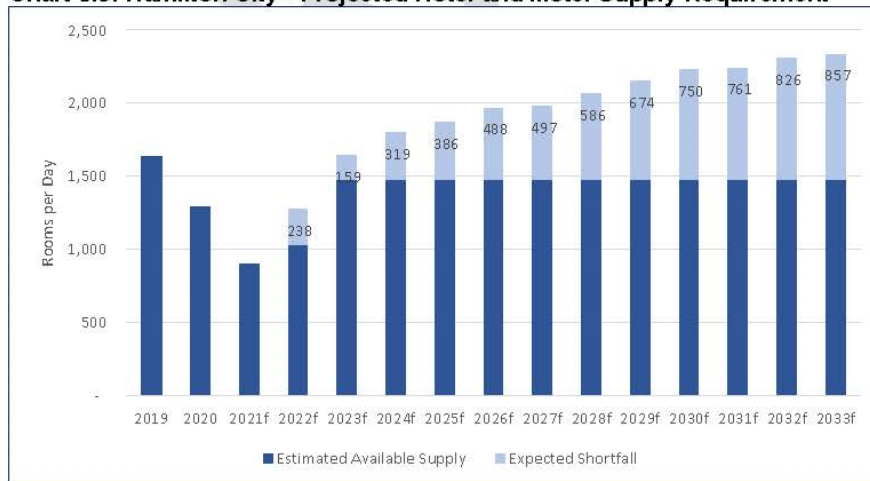
Most of the motels used for emergency housing will need significant investment to meet the quality standards expected by today's travellers. Moreover, based on our inquiries, much of the latent demand is for good quality hotel or serviced apartment accommodation with sufficient capacity to book group blocks for conferences and other events. In our projections we have assumed that from 2023 onwards, 20% of the pre-covid motel supply in Hamilton and 15% of the supply in the remainder of the Waikato will be permanently repurposed or will not be competitive in the market.

With regard to the short-medium term projections we have assumed that the Ibis and Distinction hotels will cease to operate as MIQ facilities and return to normal operation by mid-2022, while the Jetpark Hamilton Airport hotel will resume normal operation from January 2023.

We have also assumed the addition of two 80-room hotel developments in the Waikato region, outside Hamilton, opening in 2026 and 2030 respectively.

Based on the projected demand and with no confirmed supply additions in the city, we calculate that there will be a requirement of 159 additional rooms in 2023, growing to 857 rooms by 2033 in order to maintain an average annual market occupancy of around 75%.

Chart 8.5: Hamilton City - Projected Hotel and Motel Supply Requirement



(Source: Horwath HTL)

Notwithstanding their quality ratings, in the perception of many modern-day frequent travellers, Hamilton's existing commercial accommodation market is



dominated by motels and smaller hotels at the lower end of the 3-4 star categories.

There is a market opportunity for mid-size and larger hotel accommodation at a 4-4.5 star level to meet the demand from today's travellers and organisers of conferences and events. Such a hotel will capture much 'latent' visitor night demand, particularly from those travelling for business and attending meetings and conferences but also from today's leisure travellers who expect the standards of facilities to be the same or better as at their homes. Considering the source markets, we believe there is no significant volume of latent demand for a medium scale or larger 5-star hotel in Hamilton, however an opportunity does exist for small size, high quality boutique accommodation.

To meet current and future demand, financially feasible hotel developments will be influenced by site availability and suitability and could include the following (including a combination of options):

- a 4-4.5-star hotel in the range of 200-250 rooms offering a mix of accommodation types such as studio rooms with or without kitchenettes combined with one and two bedroom apartments to cater for long stay business travellers and the domestic leisure market.
- a 4-4.5 star hotel in the range of 130-160 rooms
- a boutique, high quality (4.5-5-star) property in the range of 40-60 rooms
- 4-4.5 star serviced apartment accommodation, including studios equipped with kitchenettes plus one and two bedroom apartments with a combined key count in the range of 50-80.

A significant proportion of guests will be traveling by car. Having adequate on-site car parking would provide an additional competitive advantage for a new hotel, particularly when considering that car parking for the Novotel and ibis hotels is significantly constrained. Identifying a site of sufficient scale in or near the Hamilton City CBD will be a key achievement in developing a new hotel.

Despite Hamilton City Council being active in facilitating and encouraging developers and investors to consider new hotel development in the CBD for several years, little new hotel room supply is expected in the foreseeable future.

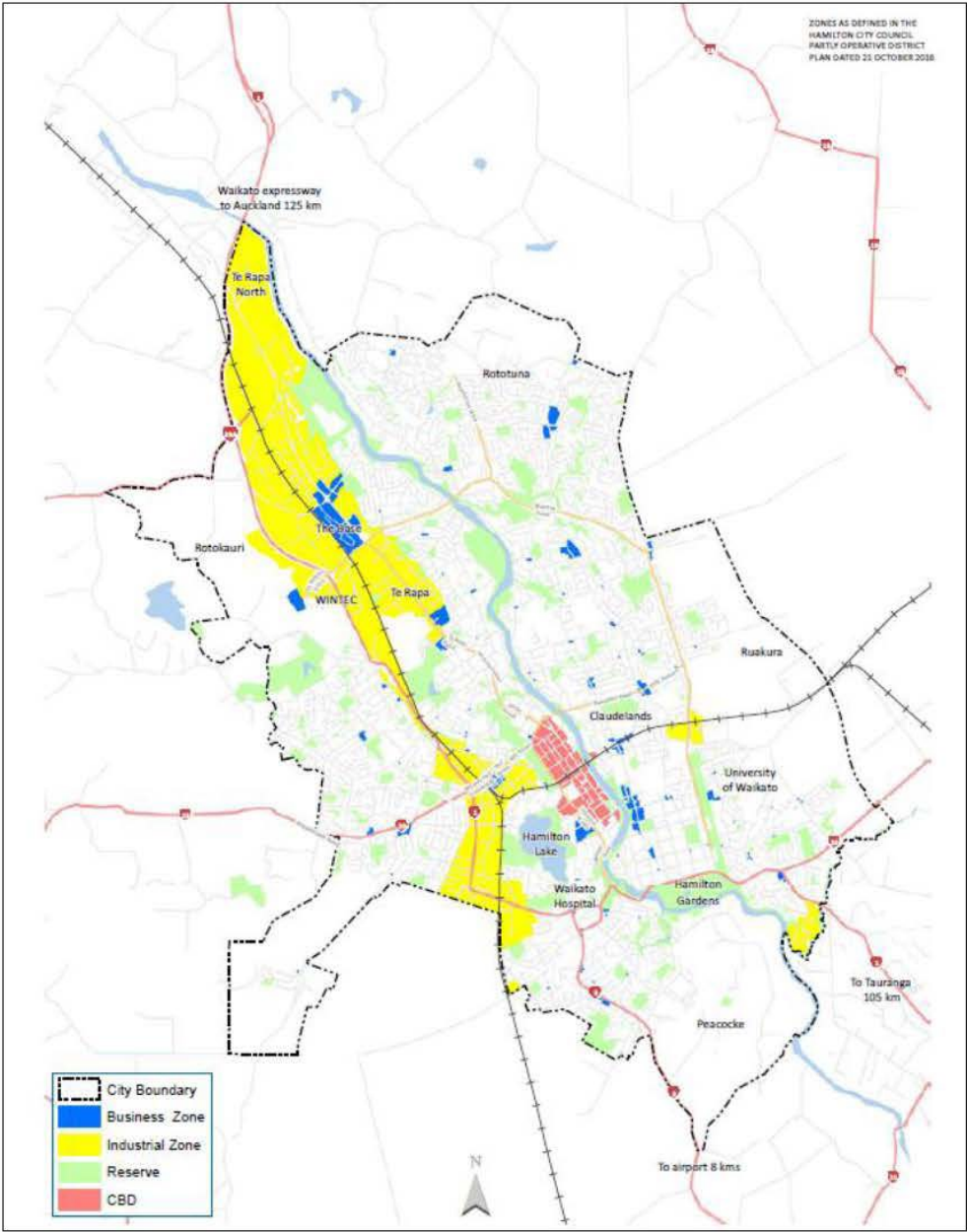
The most significant projects which have been proposed include a 67-room 4 star hotel on Hood Street, a hotel on the ArtsPost site in Victoria Street, and a SkyCity hotel on the casino site adjacent to the Novotel. These projects have at least been postponed due to the impact of the COVID-19 pandemic, or other factors.

Planning consent has been given for the Te Awa Lakes project 15 minutes' drive north from the Hamilton CBD, which will result in the development of a community hub and tourism destination. The Te Awa Lakes vision includes the development of on-site commercial accommodation.



APPENDIX A

Hamilton’s Industrial and Business Zones





APPENDIX B

Hotel Public Advertised Room Rates for 6 Months 2021

Property	Room Count	Room Type	April		May		June		July		August		September	
			Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend
Novotel Tairua Hamilton	217	Superior Room	249	259	209	299	209	219	249	209	279	259	209	219
Ventura Inn & Suites Hamilton	50	Standard Studio	164	164	164	164	164	164	164	164	164	164	164	164
Heartland Ambassador Hotel Hamilton	51	Standard Twin Queen	146	148	148	148	148	148	146	152	148	152	148	148
Ramada by Wyndham Hamilton	69	Economy Room	140	140	140	140	140	140	140	140	140	140	140	140
VR Hamilton	38	Studio Deluxe	129	189	121	191	121	137	121	137	121	137	137	242
Ibis Hamilton*	126	Standard	135	140	135	140	135	140	135	140	135	140	135	140
Abbotts Hamilton	30	Business Double Room	109	119	109	119	109	119	109	119	109	119	109	119
Jet Park Hotel Hamilton Airport	61	n/a	125	120	125	120	125	120	125	120	125	120	125	120
Distinction Hamilton*	147	n/a	125	125	125	125	125	125	125	125	125	125	125	125

(Source: hotel websites) *n/a due to COVID 19 (Quarantine Hotel)

Top 10 Motel* Public Advertised Tariffs for 6 Months 2021

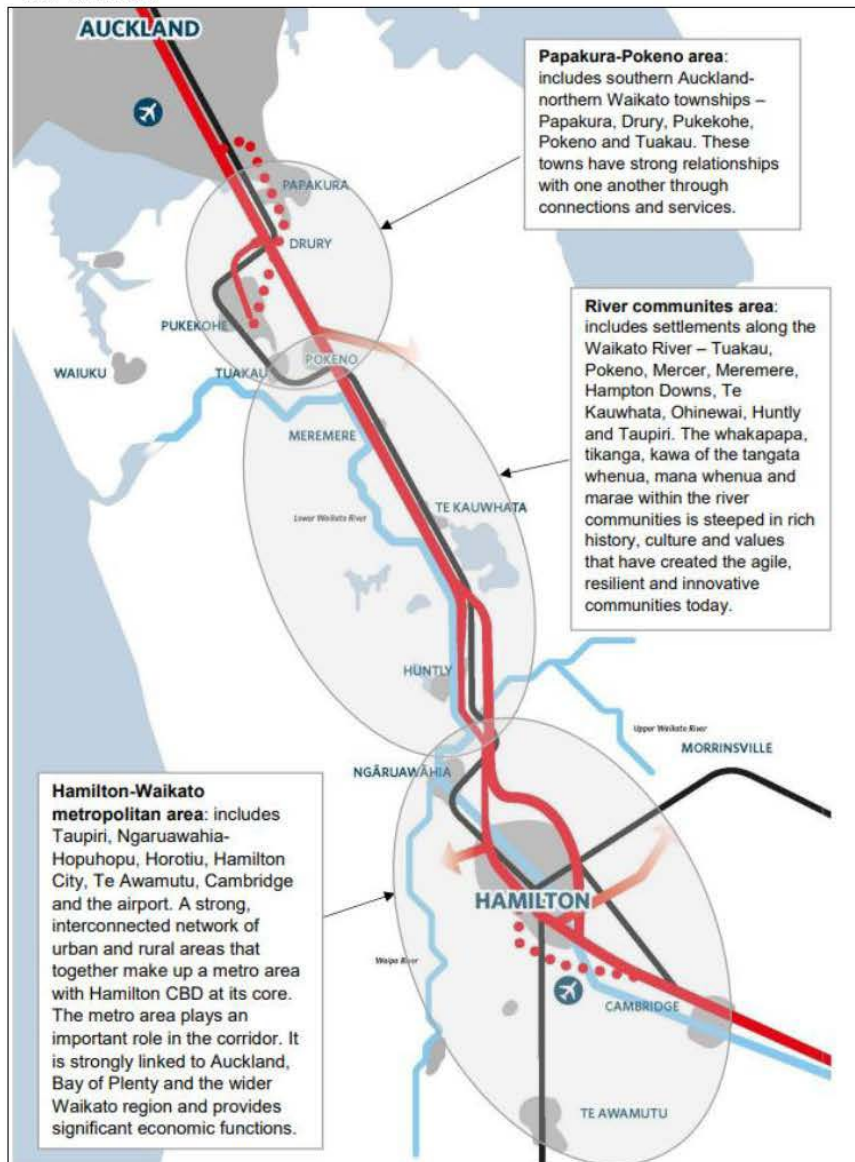
Property	Room Count	Room Type	April		May		June		July		August		September	
			Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend
BK Premier	28	Suite	195	195	200	200	200	200	200	200	200	200	200	200
Argent Motor Lodge	19	Studio King	175	175	165	165	165	165	165	165	165	165	165	165
Brooklyn Motor Lodge	23	Studio	150	150	150	150	150	150	150	150	150	150	150	150
Astra Motor Lodge	16	Access Suite	164	164	164	164	164	164	164	164	164	164	164	164
Lake Point Motel	19	King Studio	150	150	150	150	150	150	150	150	130	130	130	130
Stadium Motel	17	King Studio Queen	140	140	140	140	140	140	155	155	155	155	155	155
Auto Lodge Motel	14	Executive Queen	165	165	160	160	160	160	160	160	160	160	160	160
Albert Court Motel Lodge	18	Studio	139	139	139	139	139	139	139	139	139	139	139	139
Park View Motor Lodge	24	Studio	168	168	168	168	168	168	168	168	168	168	168	168
Anglesea Motel and Conference Centre	48	Studio Spa	150	150	150	150	150	150	150	150	150	150	150	150
Atrium On Ulster	28	Studio	145	145	145	145	145	145	145	145	145	145	145	145
Quest Hamilton	38	Studio	200	200	200	200	200	200	200	200	200	200	200	200

(Source: motel websites) *Top 10 Motels in Hamilton based on rating



APPENDIX C

“The Corridor”



(Source: Hamilton-Auckland Corridor Plan and Implementation Programme)



APPENDIX D

Major Employers in Hamilton area⁶

AFFCO New Zealand

Employs more than 2,800 people and is one of New Zealand's leading meat companies, processing and exporting more than 150,000 tonnes of quality meat products every year. It operates nine processing sites across the North Island of New Zealand, and is represented on six continents through a network of overseas offices and agents.

AgResearch

New Zealand's largest Crown Research Institute – a combination of research centres such as Ruakura, Grasslands, Wallaceville, Lincoln and Invermay where research is carried out to assist pastoral industries, food processing and innovative products.

Alstom Grid

Provides products and system to transmit and distribute electricity, ensure the reliability, quality and safety of energy flows, as well as operate efficient networks through information management.

CHH Kinleith

Pulp and paper milling

Digipoll

A fieldwork services provider specializing in computer assisted telephone interviewing, using an exclusive Random Digit Dialling programme development in-house.

Environment Waikato

Manages natural and physical resources in the Waikato region – including pest control and natural hazard management.

Fonterra Canpac International

Branded, nutritional milk products, blending, sachet packaging, consumer packing, metal packaging, printed cans, canning components and cans.

Forlong & Maisey

Agriculture, biotechnology, light innovation, light aviation, transport logistics, science research, education and healthcare dominate most of the Hamilton economy with other sectors such as manufacturing and retail emerging. This provides a diverse employment environment in the city and a growing demand for property.

Gallagher Group

Animal management systems, fencing, farm performance monitoring.

⁶ Source: <https://www.hamiltonpropertyguide.co.nz/>



The Lines Company Limited

Manages the power lines in the King Country of New Zealand. Head office is in Te Kuiti, but they also have physical presence in Otorohanga, Taumarunui, Turangi, Ohakune and Mangakino.

LIC

LIC's mission is to lead the world with genetics and knowledge to create wealth for pastoral dairy farmers. Livestock improvement sets the standards for the world in dairy herd improvement through a unique national database.

NDA Engineering

Fabricator of large stainless steel process vessels and other equipment. Our customers are mainly from process industries with a large proportion of work being carried out for the dairy, wine, brewing, chemical, mining, pulp and paper, pharmaceutical and food and beverage industries.

New Zealand Forest Managers

A privately owned company specializing in forest management organization that provides commercial forest owners with a comprehensive management service covering the full range of operations from forest development, protection and investment through to harvesting and marketing.

On Gas

NZ's second largest LPG supplier. As part of the NGC Group of companies, On Gas distributes and sells LPG, propane, and butane to industrial, commercial, residential and automotive markets.

Perry Group

Operates businesses in the property development, metal protection, quarrying, sand mining, waste solutions, fertilizer, manufacturing, leisure and entertainment industries.

Porter Hire

Their core business activity is to hire a wide range of earthmoving equipment throughout New Zealand. They are the largest rental company in the Southern Hemisphere. Currently over 1200 machines make the extensive line of equipment.

Timpack Industries

Provides one of the most comprehensive lines of products and services in the timber based packaging industry – the convenience and economy of 'single-sourcing' customers' packaging and service needs.

University of Waikato

Waikato District Health Board

Responsible for funding and providing services to achieve good health and independence for the 320,000 people living in the Waikato district of the central North Island of New Zealand.



Waikato Institute of Technology

Waikato Times

Established in 1872, it is the third largest daily newspaper in the North Island, and the most popular and well read newspaper in the region.

Wallace Corporation

Employs some 600 staff seasonally. The company is a significant exporter with over 80% of sales to the USA, Canada, Europa, Australia and Asia. Additionally WCL owns dairy farms surrounding the Waitoa Site and dry stock farms.



APPENDIX E

H3 Venues – Annual Activity

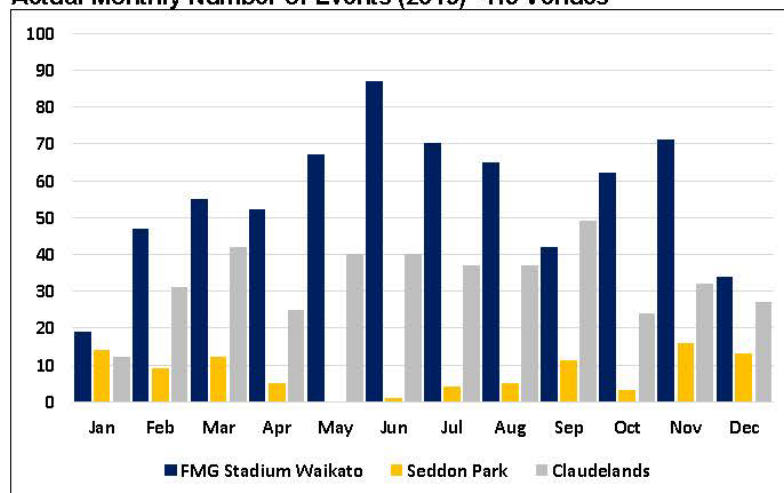
Number of events by size (Jan-Dec 2019)

Type of Event	Event size by number of attendees				Total Events
	2-99	100-499	500-999	1000+	
Conference	0	12	2	0	14
Exhibition	2	9	15	67	93
Function	66	41	8	3	118
Meeting	576	40	4	3	623
Performance	4	9	10	19	42
Sport	212	27	3	28	270
Total	860	138	42	120	1160

(Source: H3)

The charts below show the monthly numbers for events, event days, and total attendance numbers in 2019 for FMG Stadium Waikato, Seddon Park and Claudelands respectively.

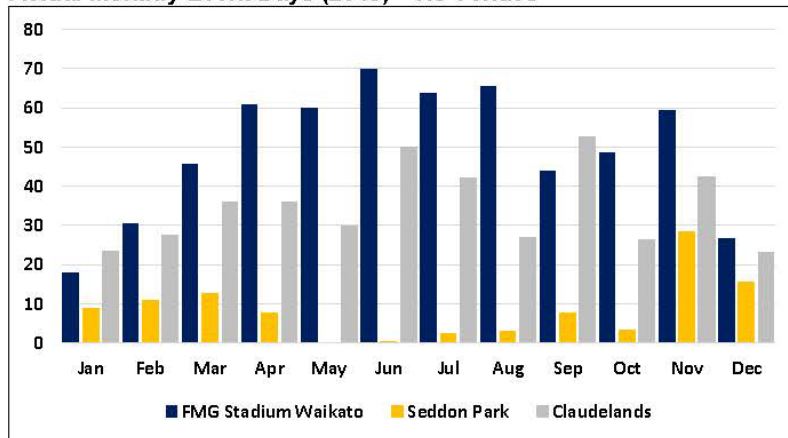
Actual Monthly Number of Events (2019) - H3 Venues



(Source: H3 Venues event analysis)

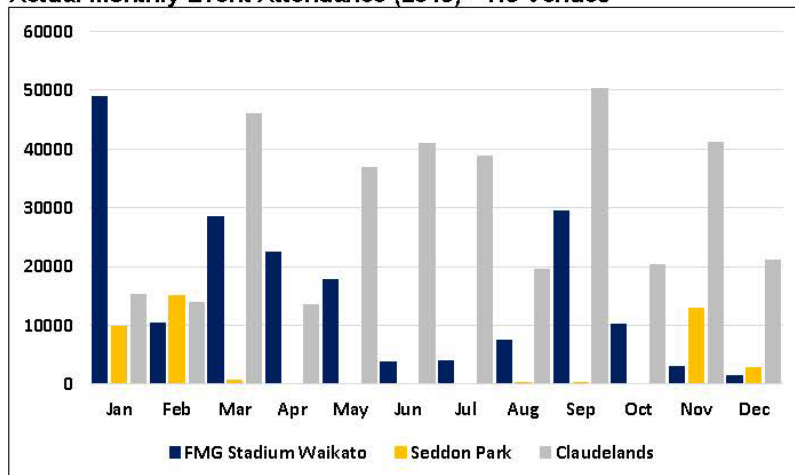


Actual Monthly Event Days (2019) – H3 Venues



(Source: H3 Venues event analysis)

Actual Monthly Event Attendance (2019) – H3 Venues



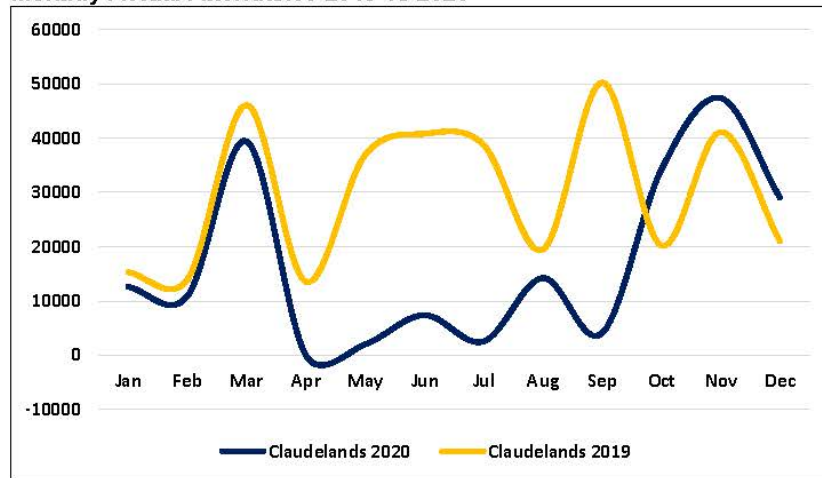
(Source: H3 Venues event analysis)

Across the three venues, it can be seen that there is a significant number of events occurring throughout the year, with the lower months being December / January. The associated visitor demand generated by these events is counter-cyclical to the usual peak leisure visitor season.

The chart below shows the impact of the COVID-19 pandemic on the calendar of events hosted at H3 venues in 2020, including a strong rebound in the last quarter of 2020, partly as a result of events postponed during the lockdown.



Monthly Actual Attendance 2019 vs 2020



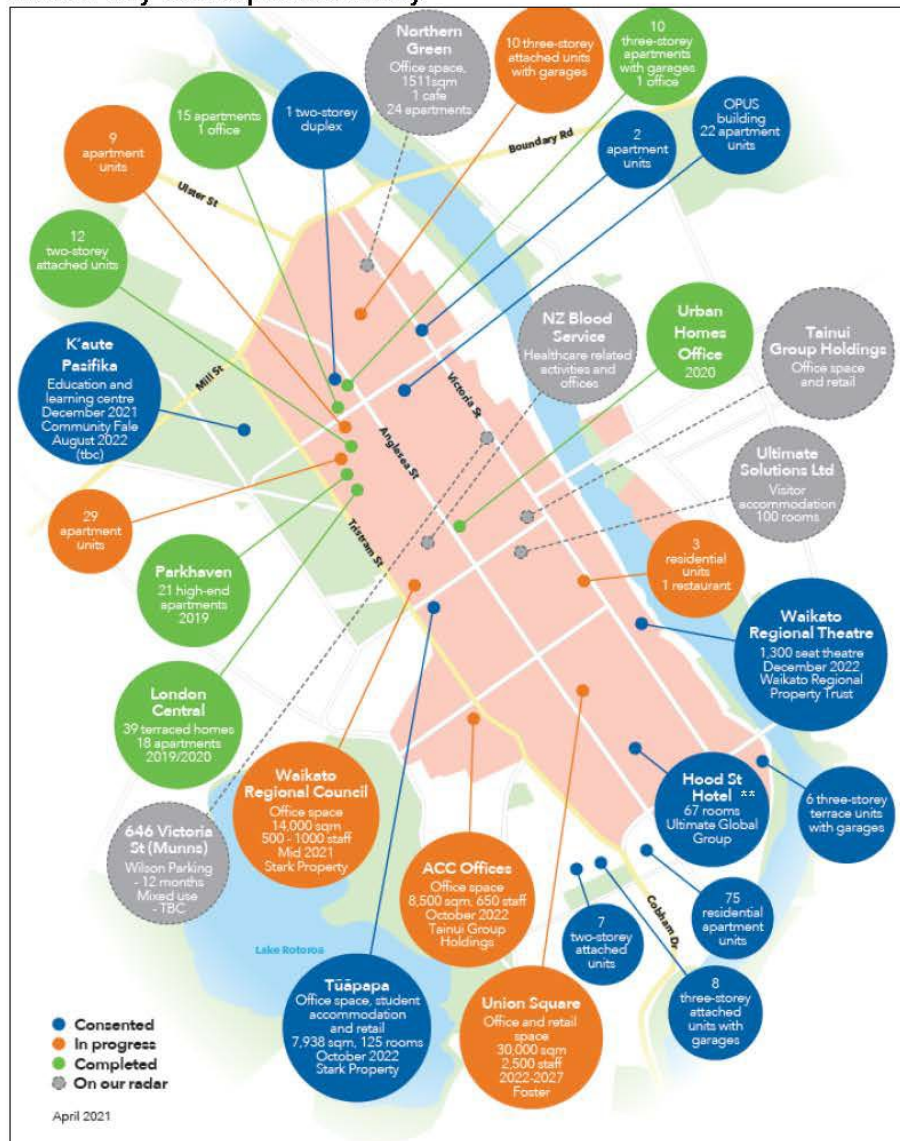
(Source: H3 Venues event analysis)

The event attendances suggest that the H3 venues are likely to generate a reasonable volume of commercial accommodation demand in Hamilton.



APPENDIX F

Central City Development Activity



(Source: Hamilton City Council)

** Based on our inquiries, it is our understanding that the Hood Street Hotel project has been put on hold indefinitely.



APPENDIX G

Claudlands and Mystery Creek Event Spaces

Space	Size m ²	Maximum Capacity
CLAUDELANDS		
Exhibition Plaza	4,125	
Exhibition Halls A&B	4,002	
Exhibition Halls C&D	3,128	
Globox Arena	2,220	6,000 Theatre
Upper Concourse	1,550	1,400 Cocktail
Heaphy Room (Combined)	992	900 Theatre
Heaphy Room (Double)	662	600 Theatre
Heaphy Room (Single)	331	300 Theatre
Heaphy Prefunction	400	
The Barn	800	650 Cocktail
Brooklyn (Combined)	252	230 Cocktail
Brooklyn 1	168	150 Cocktail
Brooklyn 2	83	70 Cocktail
Brooklyn 3	119	50 Theatre
The Grandstand	202	120 Cocktail
Arena Lounge	197	180 Cocktail
Network Lounge	93	50 Theatre
Oakley Room	80	62 Theatre
Globox Suite	63	40 Theatre
Ricoh Boardroom	49	16 Boardroom
MYSTERY CREEK		
The Pavillion	6,042	6,000 Cocktail
Convention Centre	2,052	1,500 Cocktail
Gallagher Building	800	450 Cocktail
The Bledisloe	1,090	600 Cocktail
The Bledisloe	200	200 Cocktail
Convention Centre Suites	100	150 Cocktail

Claudlands - Globox Arena



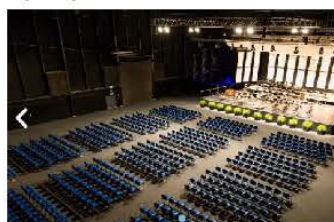
Claudlands - Exhibition Hall



Mystery Creek - Pavilion



Mystery Creek - Convention Centre



Sources:

<https://claudlands.co.nz/spaces/our-spaces/venues>

<https://mysterycreek.co.nz/>