

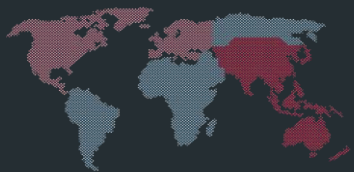


# New Zealand Rental Vehicle Market Insights Report

**February 2019**

**4<sup>th</sup> Edition**

Issued 3<sup>rd</sup> March 2019



# Introduction

Herewith MarginFuel's 4<sup>th</sup> edition of the "New Zealand Rental Vehicle Market Insights Report".

The report summarises the Average Market Rate# (average rate) of the New Zealand Rental Car Market, with a focus on the most popular Vehicle Categories^ from New Zealand's three major airports\*, being Auckland, Christchurch and Queenstown Airports.

The report is split into three sections.

- **Section 1 February 2019 Analysis;** overall the average rate **increased** Year on Year (YoY), with direct channels trending higher
- **Section 2 Year to Date (YTD) Analysis from November 2018 to February 2019;** average rates are **consistent** across all locations. The December peak was followed by the traditional January soft spot, however, average rates increased considerably in February 2019
- **Section 3 Forward Market Analysis from March to June 2019;** average rates are **higher** especially during the Easter holiday period

Please do not hesitate to get in contact to discuss the Report, or your pricing requirements.

Thanks, The MarginFuel Team

**Notes:**  
^ Underlying car type (make & model) data was mapped to commonly used car categories, being SUV, Intermediate, Compact and Economy, using the internationally recognised SIPP code mapping table  
\* All three (3) airport locations include aggregated data for both domestic and international rental kiosks, however, no delineation has been made between Domestic and International rental vehicle customers  
~ Average Rates referenced in the report are NZD

# SECTION 1

## FEBRUARY 2019 ANALYSIS

# SECTION 1 February 2019 Analysis

## Year on Year (YoY<sup>^</sup>) Average Rate Change

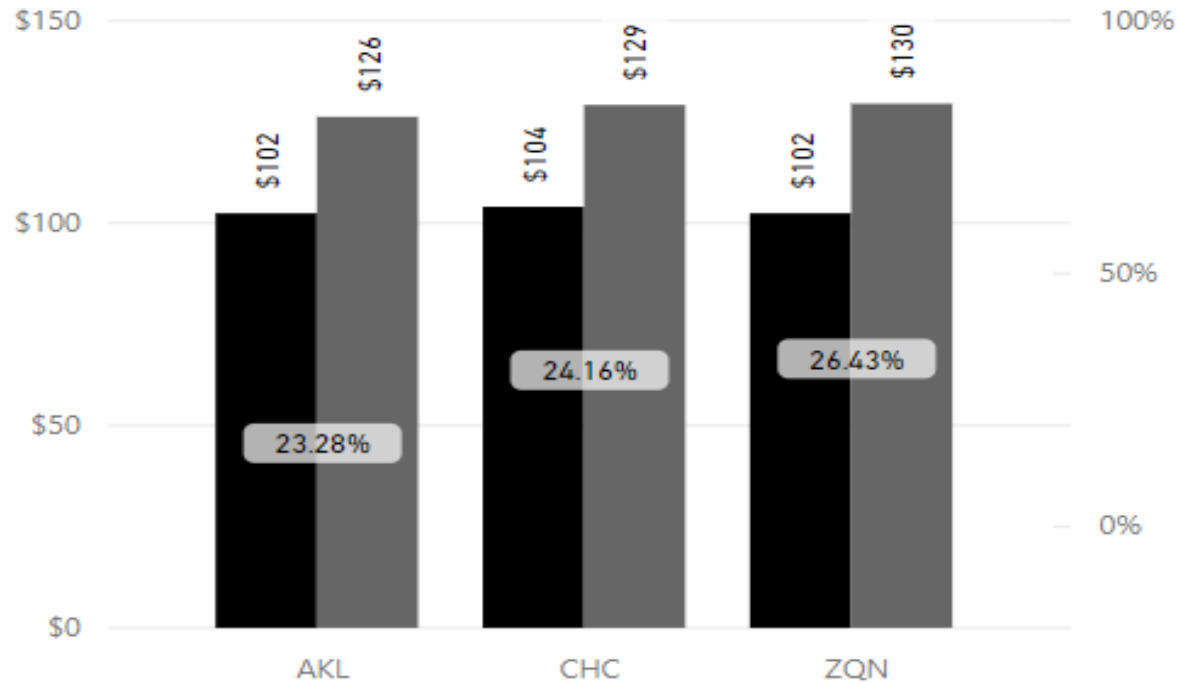


Fig.1

Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, there was an overall YoY average rate increase of **+25%**.
- Auckland Airport (AKL) had the smallest YoY average rate increase of **+23%**.
- Christchurch Airport (CHC) had a YoY average increase of **+24%**.
- Queenstown Airport (ZQN) had the largest YoY average rate increase of **+26%**.

# SECTION 1 February 2019 Analysis

## Channel, Duration and Vehicle Category

In February 2019, for all locations, average rates were consistently high across all sales channels (Fig.2), duration (Fig.3) and vehicle category (Fig.4).

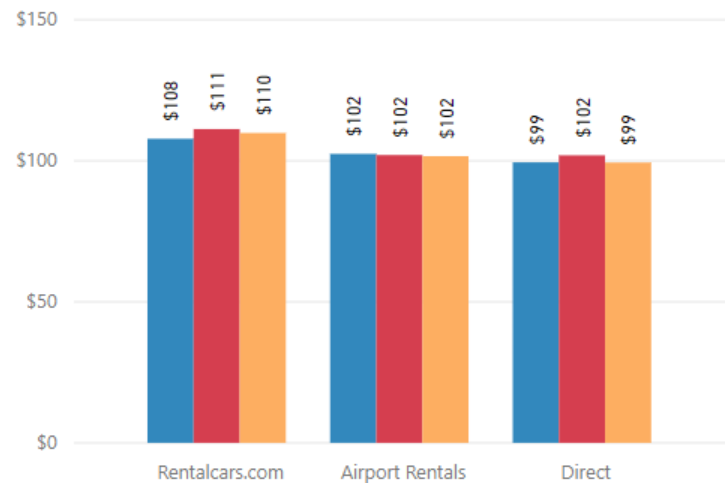


Fig.2

Location ● AKL ● CHC ● ZQN

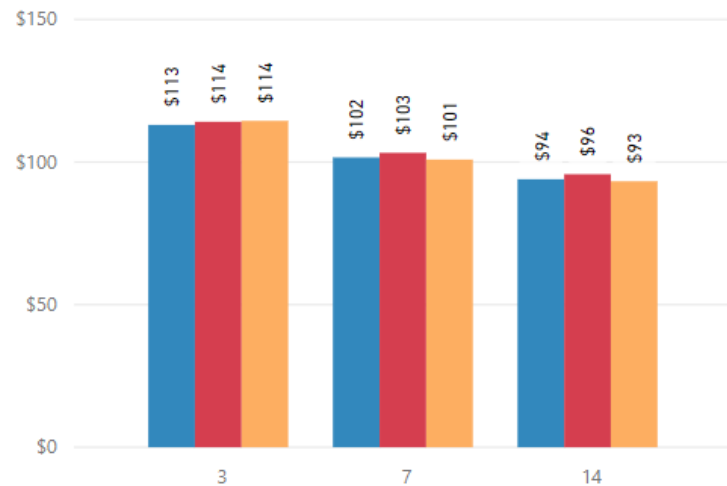


Fig.3

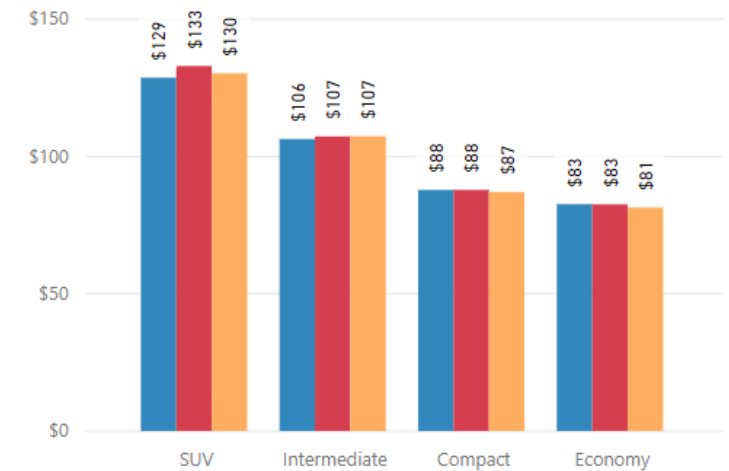


Fig.4

# SECTION 1 February 2019 Analysis

## Auckland Airport YoY^ Summary

Auckland Airport had the smallest YoY average rate increase of **+23%**.

The rentalcars.com sales channel showed an average rate increase of **+5%**, while Airport Rentals and the direct channels showed increases of **+27%** and **+35%** respectively (Fig. 5).

The average rate for a 3-day duration increased **+36%**, while the average rate for longer 7 & 14 day durations were also up by **+15%** (Fig. 6).

All vehicle categories showed average rate increases of between **+20%** and **+27%** (Fig. 7).

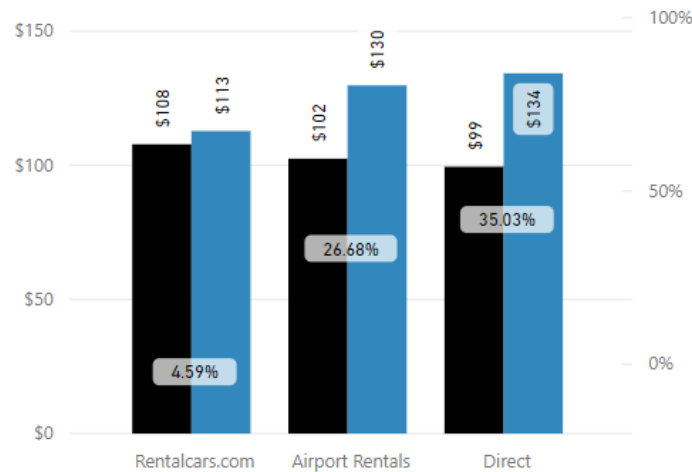


Fig.5

Year ● 2018 ● 2019 % Change

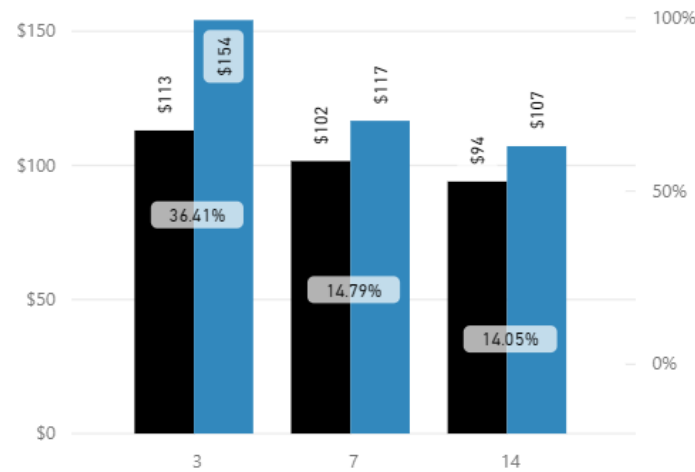


Fig.6

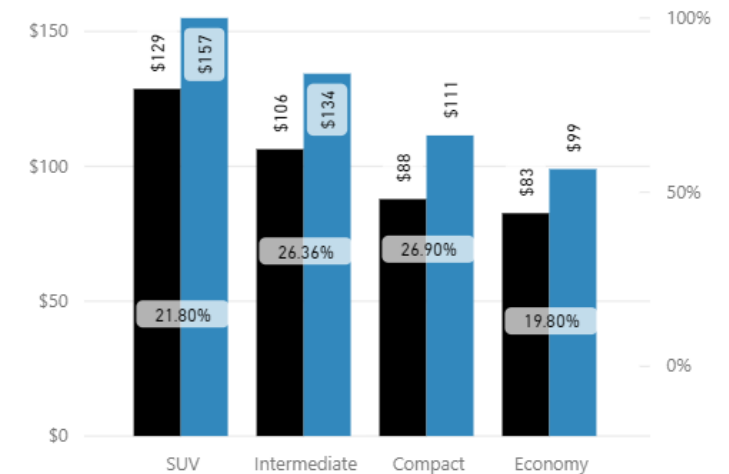


Fig.7

# SECTION 1 February 2019 Analysis

## Christchurch Airport YoY^ Summary

Christchurch Airport had a YoY average rate increase of **+24%**.

The rentalcars.com sales channel showed an average rate increase of **+7%**, while Airport Rentals and the direct sales channels showed increases of between **+31%** and **+32%** respectively (Fig. 8).

The average rate for a 3-day duration increased **+41%**, while the average rate for longer 7 & 14 day durations increased by up to **+14%** (Fig. 9).

All vehicle categories showed average rate increases of between **+17%** and **+31%** (Fig. 10).

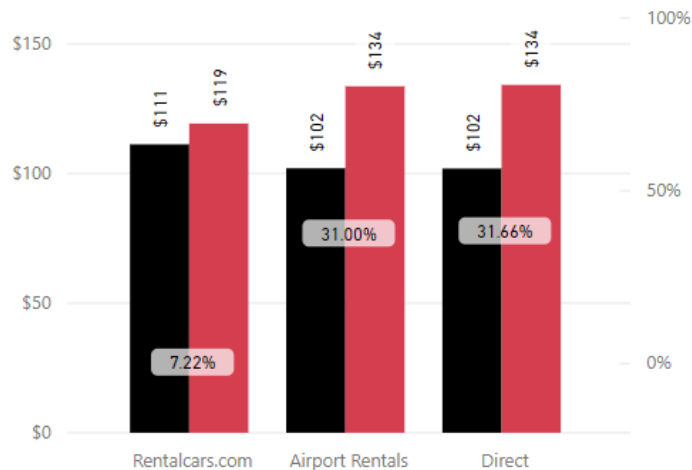


Fig.8

Year ● 2018 ● 2019 % Change

^ YoY is February 2018 versus February 2019

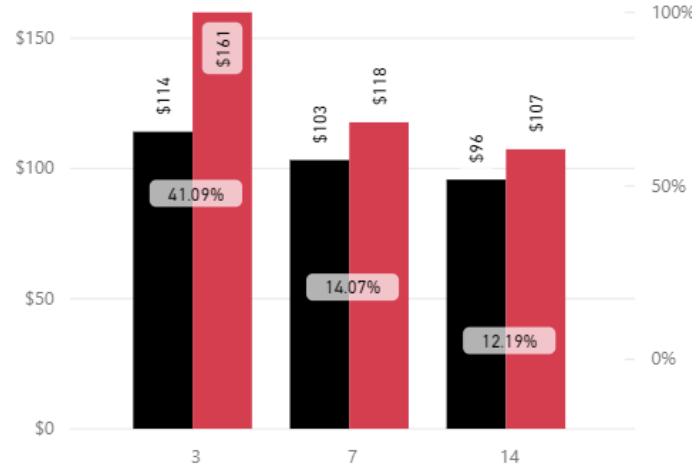


Fig.9

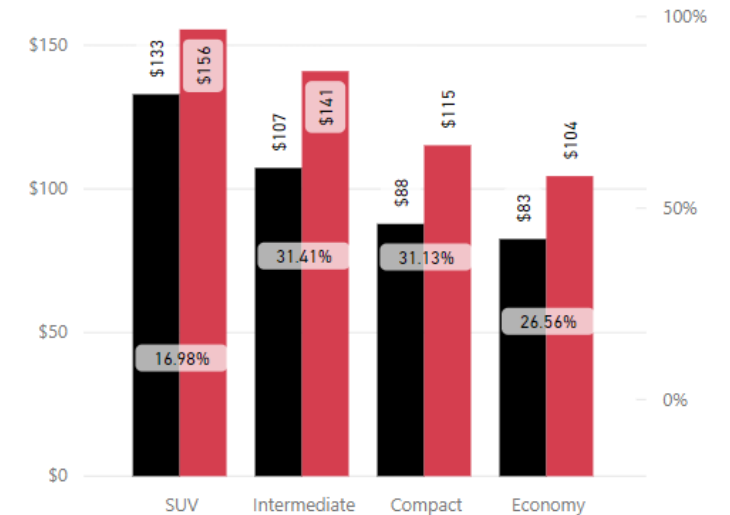


Fig.10

# SECTION 1 February 2019 Analysis

## Queenstown Airport YoY^ Summary

Queenstown Airport had the largest YoY average rate increase of **+26%**.

The rentalcars.com sales channel showed an average rate increase of **+10%**, while Airport Rentals and the direct sales channels showed increases of between **+32%** and **+34%** respectively (Fig. 11).

The average rate for a 3-day duration increased **+42%**, while the average rate for longer 7 & 14 day durations increased by up to **+17%** (Fig. 12).

All vehicle categories showed average rate increases of between **+19%** and **+33%** (Fig. 13).

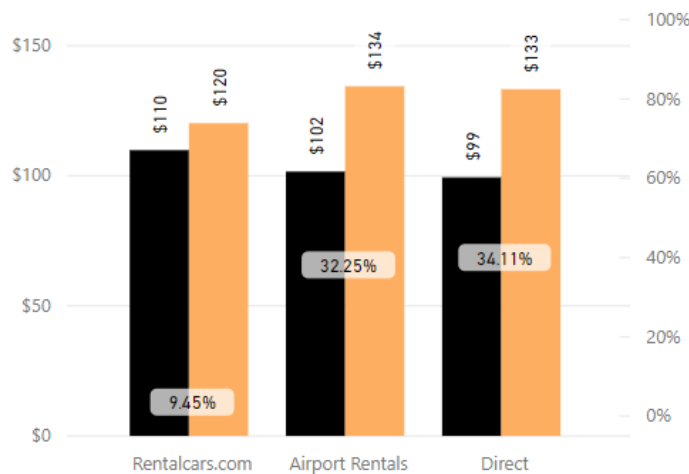


Fig.11

Year ● 2018 ● 2019 % Change

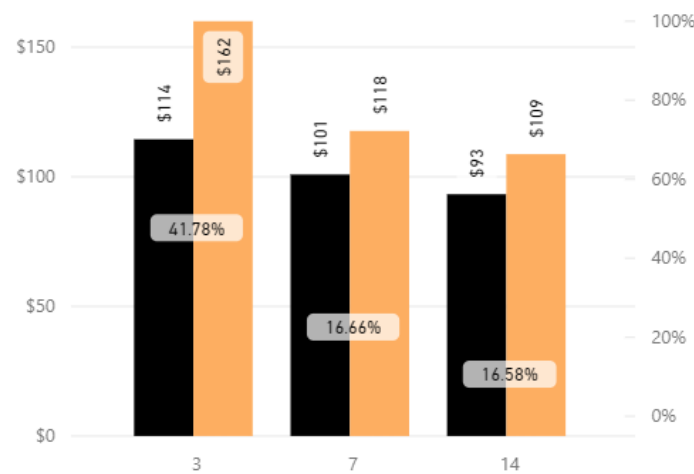


Fig.12

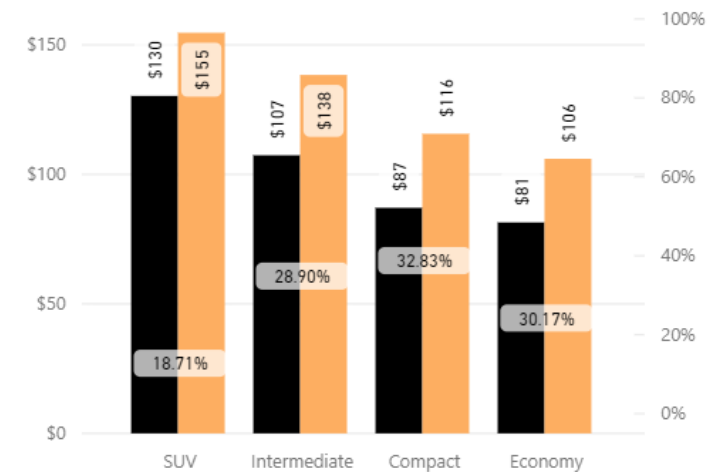
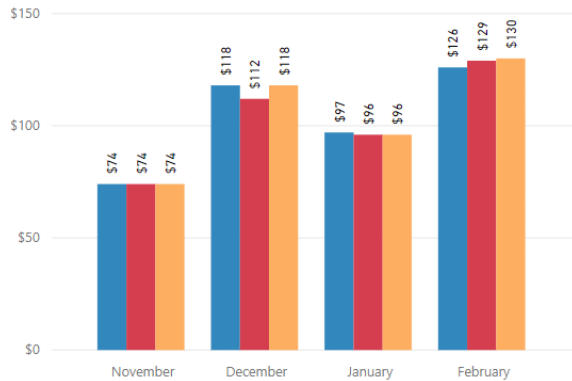


Fig.13



**SECTION 2**  
**YEAR TO DATE (YTD) ANALYSIS**  
**FROM NOVEMBER 2018 TO FEBRUARY 2019**

# SECTION 2 Year to Date (YTD) Analysis November 2018 to February 2019



- From November 2018 the average rate for all three locations increased into the high season (Fig.14).
- Averages rates declined in January 2019 due to the traditional soft spot, thereafter, average rates trended upwards significantly, and in February 2019 were up by over **+23%** YoY across all locations.

Fig.14

Location ● AKL ● CHC ● ZQN

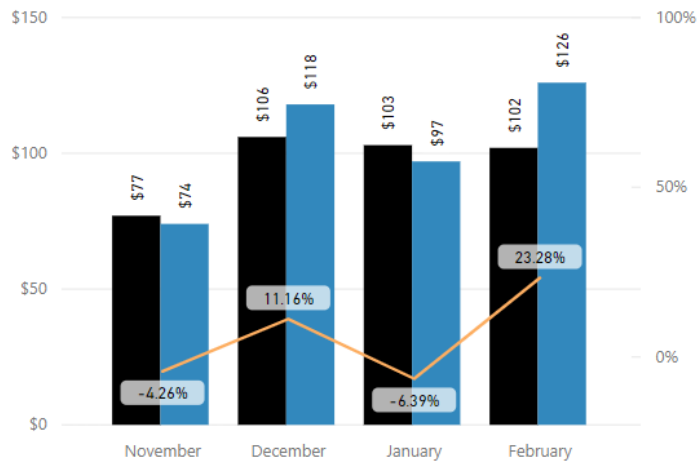


Fig.15

Year ● 2018 ● 2019

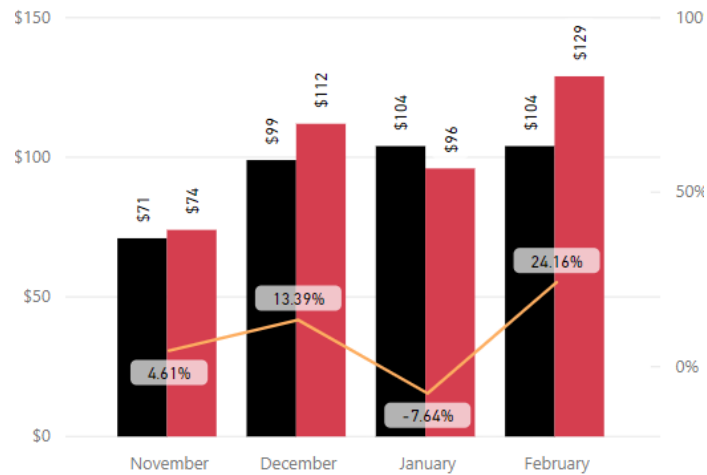


Fig.16

Year ● 2018 ● 2019

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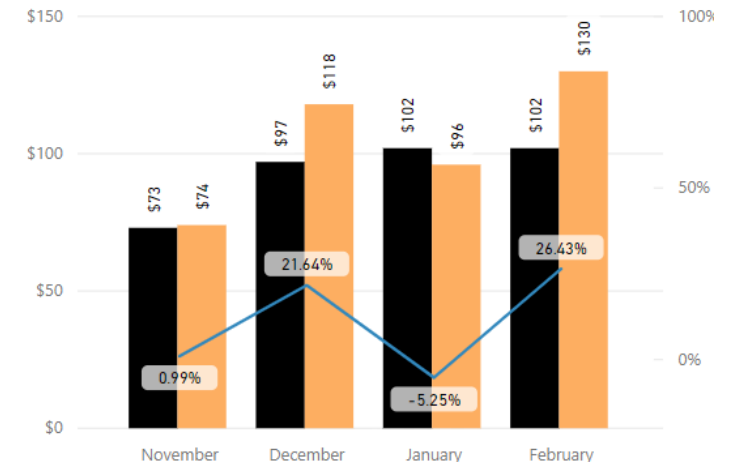


Fig.17

Year ● 2018 ● 2019

# SECTION 3

## FORWARD MARKET ANALYSIS FROM MARCH TO JUNE 2019

# SECTION 3 Forward Market Analysis

## March to June 2019

Overall the average rate looking forward is up YoY, with a trending uplift in April 2019 for Easter holiday period, noticeably stronger in Christchurch and Queenstown. Average rates remain strong in late March 2019, which is interesting as March 2018 included Easter.

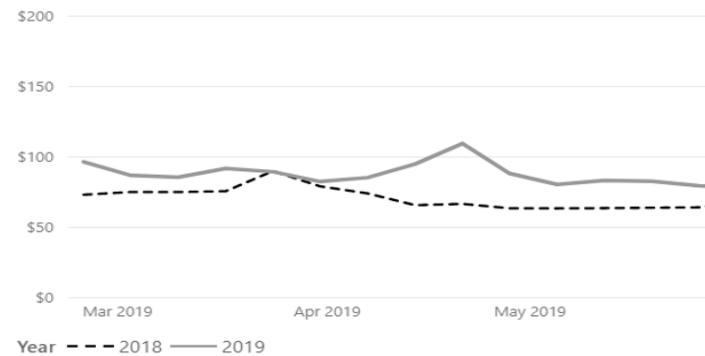


Fig.18

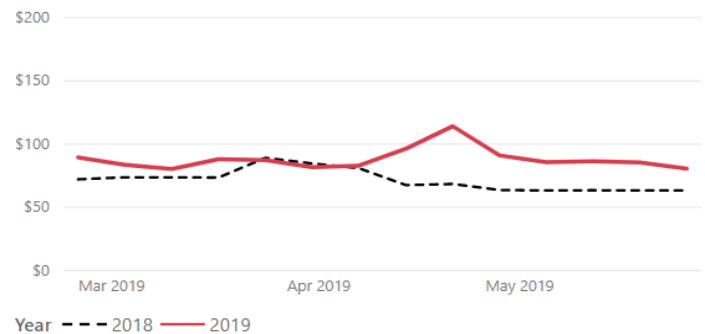


Fig.20

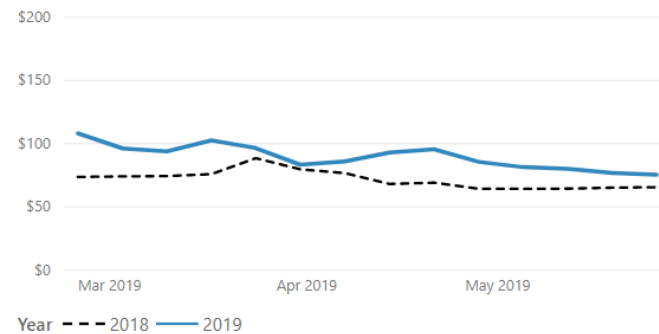


Fig.19

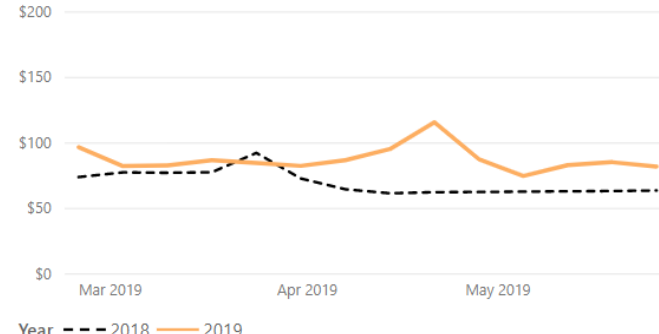


Fig.21

### Market Insider Tip:

*With the high season ticking away, it is now time to focus on the Easter holiday period.*

*Easter holidays also include the school holidays and ANZAC Day, thus creating stronger demand than last year, meaning there will be some yielding opportunities.*

*Plan your de-fleeting accordingly and make sure your fleet is at the right place.*

*The traditional North to South and Christchurch to Queenstown routes will leave some scars with too much fleet at unwanted locations.*

*However, make sure you leave those locations with enough fleet to sustain the strong Easter demand.*

# SECTION 3 Forward Market Analysis

## Easter Holiday Period (13<sup>th</sup> to 29<sup>th</sup> April 2019<sup>^</sup>)

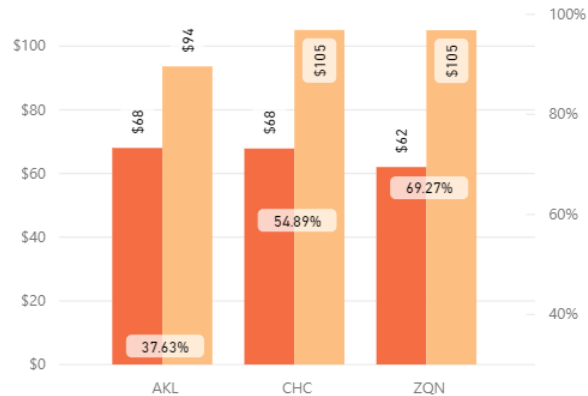


Fig.22

- The Easter holiday period also includes the school holidays and ANZAC Day, effectively forming an ideal holiday window for the customer, and thus demand for rental vehicles is looking strong.
- During this period, for all three locations, across all sales channels, there is currently an overall YoY average rate increase of **+54%** (Fig. 22).
  - Auckland is showing the YoY average rate increase of **+38%**, Christchurch **+55%** and Queenstown **+69%**.
  - As is typical during mid-year domestic holidays, the shorter 3-day duration is showing the largest YoY average rate increase of **+73%**.
  - Average rates for all vehicle categories are up between **+48%** and **+60%**.

### Market Insider Tip:

The effect of three holidays coming together is massive as shown by the current average rates, which this close to these rental dates is a good proxy for demand.

Christchurch and Queenstown airports are showing the biggest YoY increase, make sure once again that your fleet mix is right.

Review your minimum length of hire to make the best of those holidays and flatten the short peak.

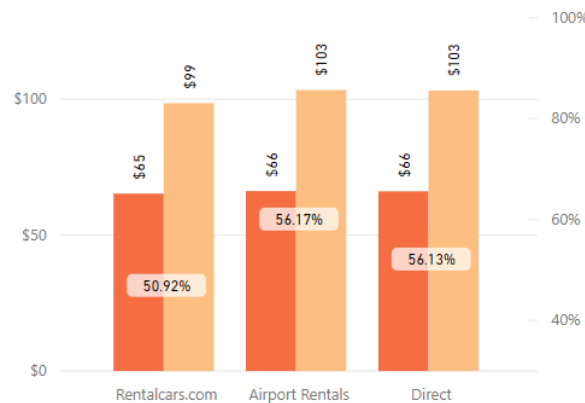


Fig.23

Year ● 2018 ● 2019 — % Change

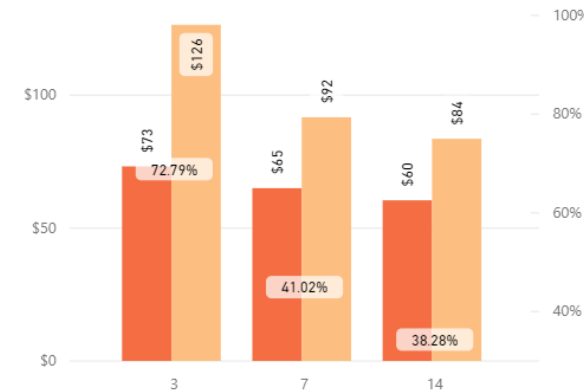


Fig.24

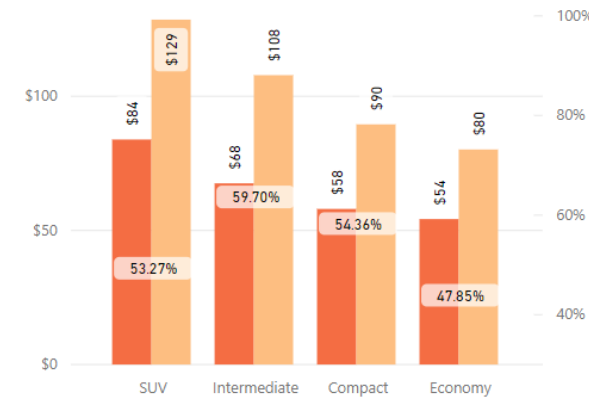


Fig.25

# SECTION 3 Forward Market Analysis

## Winter School Holiday (30<sup>th</sup> June to 23<sup>rd</sup> July 2019)

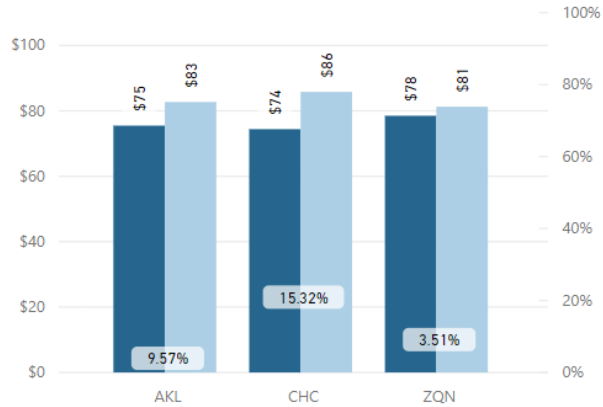


Fig.26

**Market Insider Tip:**

*It looks like a good start to the Winter School Holiday period.*

*Queenstown's average rate increase is lower than the Auckland and Christchurch, that potentially indicates a saturated market, or the fleet mix is not right.*

- For the 2019 Winter School Holidays for all three locations, across all sales channels, there is currently an overall YoY average rate increase of **+9%** (Fig. 26)
  - Direct sales channels are showing the biggest increase of **+18%**
  - Intermediate and Compact categories are showing the largest increase, **+15%** and **+14%** respectively

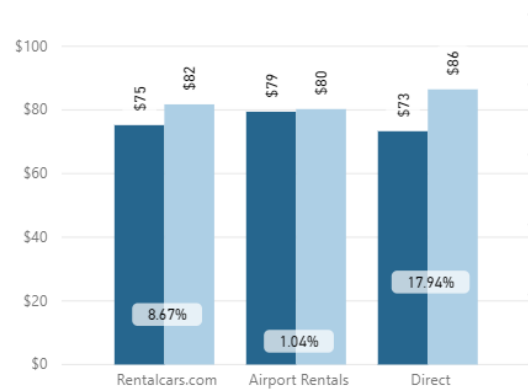


Fig.27

Year ● 2018 ● 2019 % Change

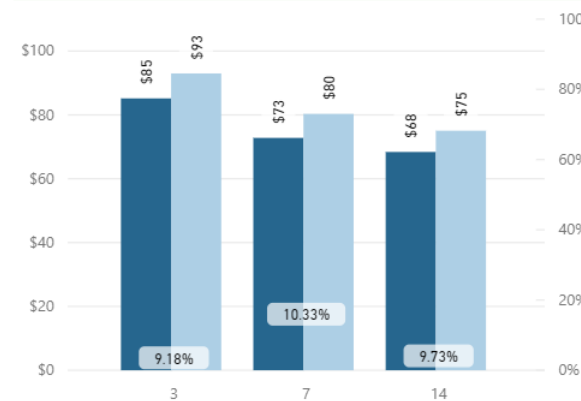


Fig.28

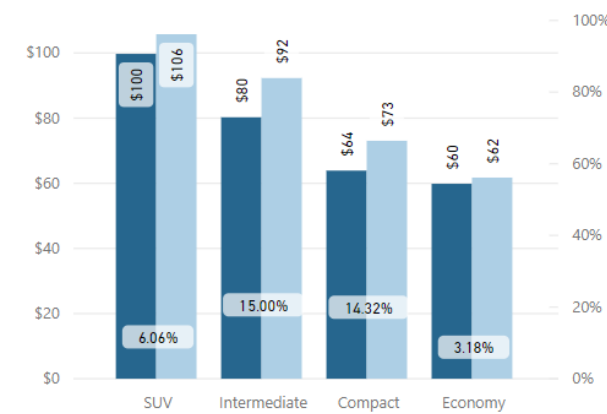


Fig.29

# Methodology & Disclaimer

## Methodology:

- The data was derived from circa. four (4) million datapoints, and this size dataset was deemed large enough to draw reasonable conclusions.
- Inconsistent outlying datapoints were removed.
- The data collected is from 13 individual rental vehicle operators (a mix of independent, franchise, small, medium and large operators).
- The data collected from the 13 rental vehicle operators has been anonymised and aggregated, then displayed to provide a general reflection of the overall market.
- The pickup days included in the data are Tuesdays and Fridays.

## Disclaimer:

This report is intended as a guide only.