

Briefing Hotel sector

Q2 2015

Supply

The total stock of three to five-star hotels was 7,050 rooms from 64 projects, up 10% quarter-on-quarter (QoQ) and 32% year-on-year (YoY).

The increase was a result of the official ranking of eight hotels: two 4-star hotels providing 270 rooms and six 3-star hotels with 370 rooms.

Three-star hotels were the largest supplier with 3,050 rooms, accounting for 43% of total stock, followed by 5-star (34%) and 4-star (23 percent).

Performance

The ARR increased 8% YoY to VND 1.78 million/room/night, whilst RevPAR grew by 13% YoY. ARR and RevPAR increased across all grades QoQ and YoY.

Overall occupancy increased 4 pts YoY to 74 percent. The three-star grade achieved the highest occupancy, followed by five and four-star.

Demand

In 1H/2015, there were 2.23 million arrivals to Da Nang, up 25% YoY. Approximately 600,000 were international visitors, increasing 33% YoY. Domestic visitors accounted for 1.63 million, up 22% YoY.

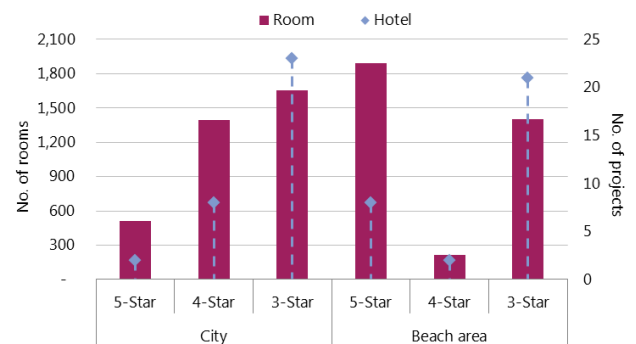
Currently, there are 23 direct international flights to Da Nang. In 1H/2015; the number of visitors to Da Nang arriving by air was 268,275, double the amount of 1H/2014.

Outlook

From 2H/2015, 38 future projects will provide approximately 8,570 rooms, equivalent to 120% of current stock,

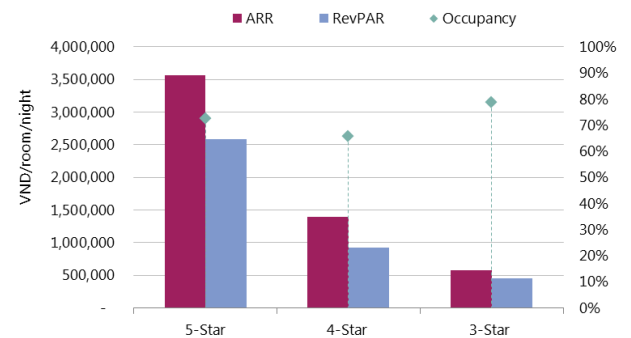
Up to 2017, Da Nang's hotel market will receive 2,400 rooms from eight hotels. Six projects are located in the beach area. ■

FIGURE 1
Current stock, Q2/2015



Source: Savills Research & Consultancy

FIGURE 2
Market performance, Q2/2015



Source: Savills Research & Consultancy

Savills Research team

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