

# Briefing Hotel sector

Q1 2015

## Supply

In March 2015, the 5-star Lotte Hotel entered the Hanoi market. The total stock for three to 5-star hotels was 8,960 rooms from 64 projects, up 4% quarter-on-quarter (QoQ) and 10% year-on-year (YoY).

Fifty percent of stock came from the 5-star segment. The secondary area added 318 rooms from the Lotte Hotel and continued to be the largest supplier, accounting for 55% of total stock.

## Performance

The hotel segment had its high season during Q1/2015.

The average occupancy rate decreased by -3 percentage points (ppts) QoQ but increased 3 ppts YoY. Five-star occupancy declined -5 ppts QoQ while 4-star increased 1 ppt QoQ. Three-star occupancy remained unchanged.

The average room rate (ARR) increased 5% QoQ and 4% YoY. All grades recorded a positive ARR change QoQ.

The average RevPAR increased 1% QoQ and 9% YoY.

## Demand

According to the Hanoi Statistics Office, the number of international visitors to Ha Noi during Q1/2015 was 537,000, down 14% YoY. Over 80% were tourists, business visitors accounted for approximately 17 percent.

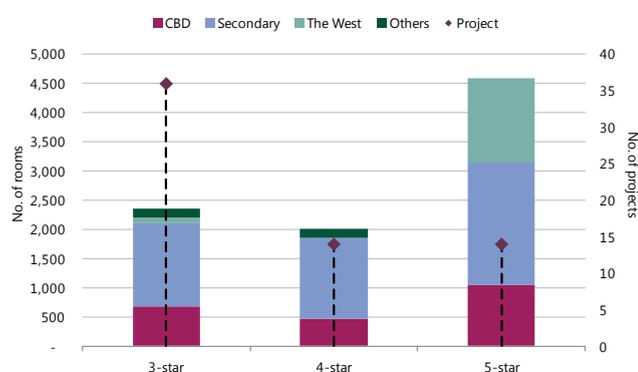
In Q1/2015, the number of occupied rooms increased by 1% QoQ and 13% YoY. Five-star hotels accounted for 55% of the market share, three and four-star hotels contributed the same at 22.5 percent.

## Outlook

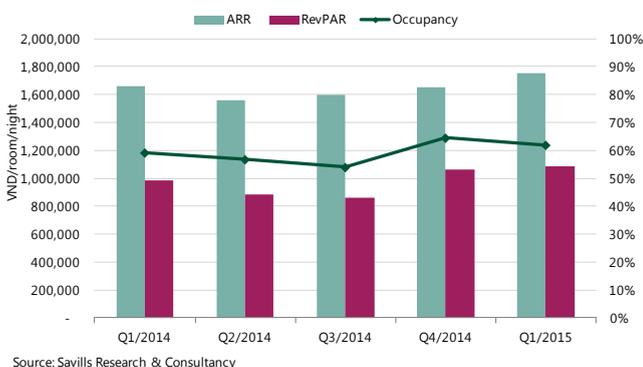
From Q2/2015 onward, 30 hotels will enter the market, with a confirmed supply of approximately 5,000 rooms. 3,600 rooms are expected to be 5-star standard.

In the last three quarters of 2015, 577 rooms will be supplied to the market from three projects. One project is completed and the others are currently being fitted out. ■

**FIGURE 1**  
Current supply, Q1/2015



**FIGURE 2**  
Market performance, Q1/2015



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