

Briefing Hotel sector

Q2 2015

Supply

In Q2/2015, Ha Noi had 63 hotels; 14 five-star, 13 four-star and 36 three-star, supplying approximately 8,855 rooms down -1% quarter on quarter (QoQ) but up 4% year on year (YoY).

The four-star Prestige Hotel has been closed for renovation since April 2015.

Five-star hotels supplied 4,600 rooms with a market share of 52%; followed by three-star with 27% and four-star with 21 percent.

Performance

The hotel segment entered low season in Q2/2015; market performance was softer QoQ but stronger YoY.

The average occupancy rate decreased QoQ by -5 percentage points (ppts), but increased 1 ppts YoY.

The average room rate (ARR) increased 5% YoY but decreased -6% QoQ due to the negative QoQ change in all grades.

The average RevPAR decreased -13% QoQ and increased 6% YoY.

Demand

According to the Ha Noi Department of Culture, Sports and Tourism, there were 10.3 million visitors to Ha Noi in the first half of 2015 (1H/2015).

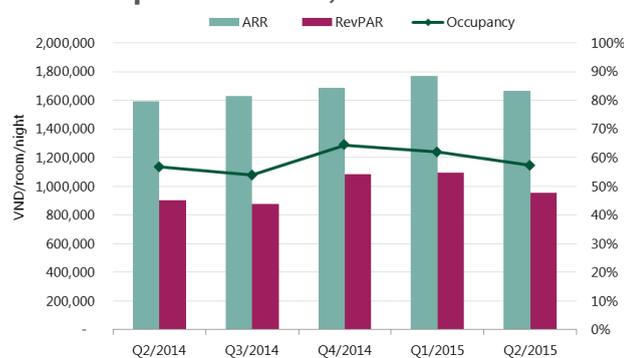
The international visitor number to Vietnam decreased YoY whereas the number to Ha Noi increased YoY.

Outlook

From Q3/2015 onwards, 31 future hotel projects will enter the market; 14 will supply 4,850 rooms. The number of rooms in the 17 remaining projects has not yet been identified.

In the last two quarters of 2015, a 359-room hotel is expected to enter the market under the management of InterContinental Hotel Group (IHG).

FIGURE 1
Market performance, Q2/2015



Source: Savills Research & Consultancy

FIGURE 2
Future supply, Q3/2015 onwards



Source: Savills Research & Consultancy

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