

Briefing Hotel sector

Q1 2013

Supply

The total stock in Q1/2013 was 53 hotels supplying approximately 7,750 rooms. Three hotels, Golden Silk Boutique, Lan Vien, and Tan Da Spa and Resort, were officially ranked as three-star this quarter.

Performance

The overall revenue per available room (RevPAR) was VND930,000 in Q1/2013, a decrease of 5% quarter-on-quarter (QoQ) but slightly up by 2% year-on-year (YoY).

The average occupancy across all grades was stable YoY at 57%; however, it decreased by 3 percentage points (ppts) QoQ. The average rental rate across all grades achieved VND1.64 million per room per night, a slight increase of 0.2% QoQ and 2.4% YoY.

Demand

According to the Viet Nam National Administration of Tourism, the number of international visitors to Viet Nam in Q1/2013 was approximately 1.8 million, decreasing by 6.2% YoY. The total

number of visitors to Ha Noi in the first two months of 2013 was 4 million, in which there were 415,000 international arrivals.

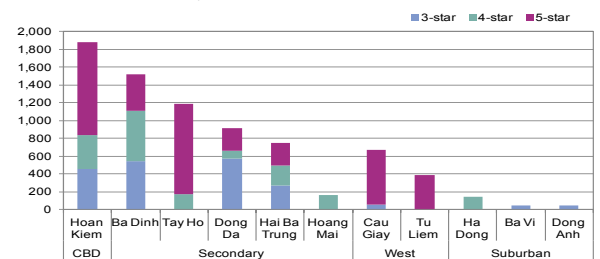
According to the Ha Noi People's Committee, the aim for the total number of visitors to Ha Noi is 16.7 million in 2015 – an increase of 16% compared with 2012 – 23.2 million in 2020 and 31.3 million in 2030. In which, the aim for international visitors to Ha Noi is 2.5 million in 2015 – an increase of 19% compared with 2012 – 3.2 million in 2020 and 4.5 million in 2030.

Outlook

Eight projects supplying approximately 1,400 rooms are expected to enter the market in 2013. Many will be managed by international and regional hotel operators, such as Intercontinental, Marriott Group, Hilton Hotels and Resorts, and Candeo.

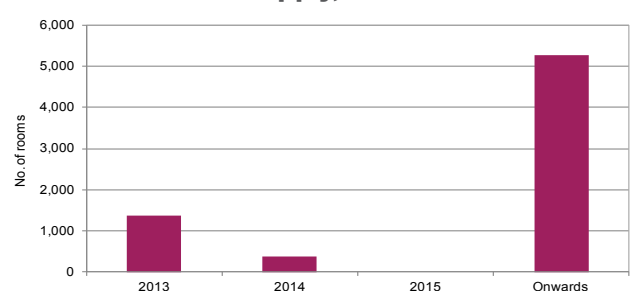
By 2015, the hotel market is expected to receive 1,765 rooms from ten of the 13 future projects, in which five-star hotels are expected to account for 54% of the total future rooms. ■

GRAPH 1
Current stock, Q1/2013



Source: Savills Research & Consultancy

GRAPH 2
Estimated future supply, 2013 onwards



Source: Savills Research & Consultancy

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