

# Briefing Hotel sector

Q2/2015

## → Supply

In Q2/2015, the 3-star segment welcomed 540 rooms from six new and one refurbished hotel. The 5-star segment had 446 additional rooms from an existing hotel and an upgraded hotel. Another 3-star hotel closed 20 rooms for internal use.

As of Q2/2015, HCMC had 106 hotels supplying approximately 13,800 rooms, increasing 6% quarter-on-quarter (QoQ) and 10% year-on-year (YoY).

## Performance

The average occupancy in Q2/2015 was 64%, down 6 pts QoQ due to the low tourism season; YoY the figure increased by 3pts.

The 4-star average occupancy was higher than that of the 3-star and 5-star segment by 4pts to 9pts.

The ARR dropped -5% QoQ and -3% YoY to VND1.6 million/room/night (US\$78/room/night). This was the lowest ARR in the last five years due to a continuous increase in supply and fierce competition in the market.

## Demand

International arrivals to HCMC increased in the first six months of 2015 to approximately 2.2 million visitors. The yearly growth rate was positive at 3% YoY, compared with the negative figure nationwide of -11% YoY.

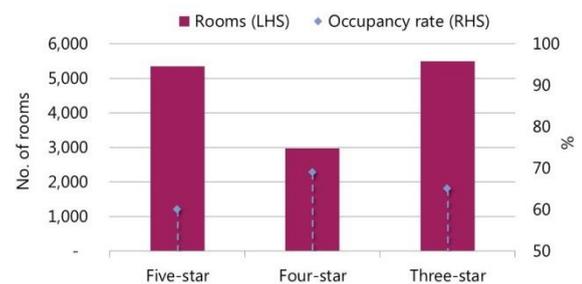
Visitors from the US, Japan, Korea and China were the main arrivals to HCMC.

## Outlook

As of Q2/2015, there were 27 three to 5-star hotel projects recorded in the future list, supplying approximately 5,600 rooms. Thirteen projects are being completed or are under construction.

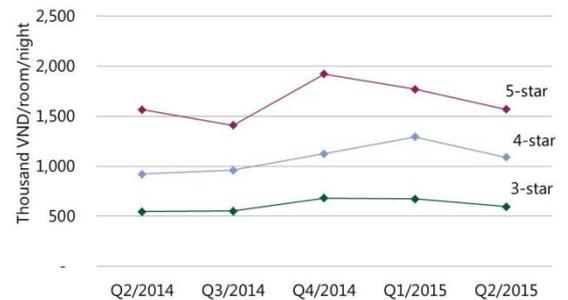
In the second half of 2015, nine hotels with more than 1,100 rooms are expected to come online. They include three 5-star hotels and six 3-star hotels ■

FIGURE 1  
Hotel performance, Q2/2015



Source: Savills Research & Consultancy

FIGURE 2  
RevPAR, Q2/2014 – Q2/2015



Source: Savills Research & Consultancy

## Savills Research team

Please contact us for further information



**Troy Griffiths**  
Deputy Managing Director  
+84 8 3823 9205 ext. 178  
TGriffiths@savills.com.vn



**Nguyen Thi Van Khanh**  
Associate Director,  
Advisory Services.  
+84 8 3823 9205 ext. 180  
NThiVanKhanh@savills.com.vn

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