

Briefing Hotel sector

Q4/2014

→ Supply

In Q4/2014, there were more than 550 rooms from six new hotels, plus a hotel reopened. There were approximately 13,200 rooms from 99 three to five-star hotels, up 4% quarter-on-quarter (QoQ) and 5% year-on-year (YoY).

Performance

HCMC's three to five-star hotels achieved an average occupancy of 68%, up 11 pts QoQ but down -4pts YoY. All three grades incurred YoY decrease in occupancy. Occupancy of the three and four-star segments dropped by -5 pts each, while the five-star segment was down by -3 pts YoY.

The ARR was VND 1.8 million/room/night(US\$87/ room/night), up 7% QoQ but down -2% YoY. This is the lowest ARR in the fourth quarter for the last five years.

The RevPAR in the CBD was 59% higher than the non-CBD. In YoY comparison, RevPAR in the CBD was down by -4% while the non-CBD had a sharper drop of -16%.

Demand

The decreasing number of international visitors had a negative impact on the performance of the three to five-star hotels in HCMC. In Q4/2014, the total number of foreign tourists in HCMC was approximately 1.3 million, down -1% YoY.

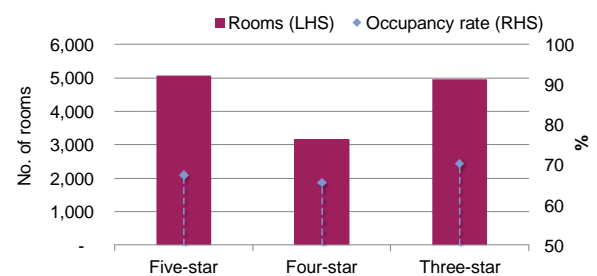
Asian tourists dominated the international arrivals to Viet Nam. In 2014, there were more than 5.3 million tourists from Asia, accounting for 72% of the international visitors.

Outlook

As of Q4/2014, there will be 23 future projects in HCMC supplying over 5,500 rooms to HCMC's market. Seven projects are currently under construction or being completed.

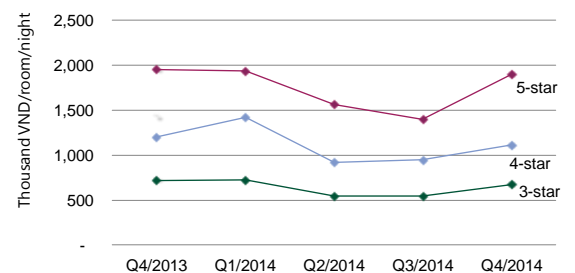
Nine projects supplying 1,700 rooms are expected to come online in the next three years. The first half of 2015, 580 rooms from two expected 5-star hotels in district 1 are expected to enter the market. ■

FIGURE 1
Hotel performance, Q4/2014



Source: Savills Research & Consultancy

FIGURE 2
RevPAR, Q4/2013 – Q4/2014



Source: Savills Research & Consultancy

Savills Research team

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