

Briefing Hotel sector

Q3/2015

→ Supply

In Q3/2015, more than 480 rooms from six new projects were added. The 3 and 5-star segment welcomed 240 rooms each. Two existing hotels with more than 200 rooms were upgraded to 4-star.

As of Q3/2015, HCMC had 112 hotels supplying approximately 14,400 rooms, up 4% quarter on quarter (QoQ) and 14% year-on-year (YoY).

Performance

The three to 5-star market had soft performance with an average occupancy of 62%, down -2 ppts QoQ but up 5ppts YoY.

In YoY comparison, all three grades had better performance. Occupancies across all grades rose up to 7ppts YoY due to an increase in tourists.

The ARR continued to trend downward, decreasing -4% QoQ and -7% YoY to VND1.6 million/room/night (US\$75/room/night) due to the low tourism season and strong competition.

Demand

International tourists to Vietnam in Q3/2015 were up 6% YoY to approximately 1.9 million after four consecutive quarters of negative growth.

Domestic tourists increased by 53% YoY in the first nine months of 2015 (9M/2015).

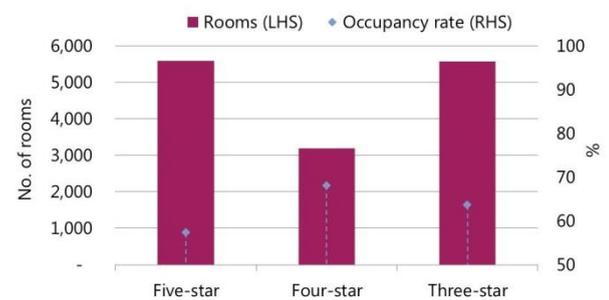
International tourists to HCMC increased in 9M/2015 by 5% YoY to approximately 3.2 million visitors.

Outlook

As of Q3/2015, there were 24 three to 5-star future hotel projects, supplying approximately 5,800 rooms.

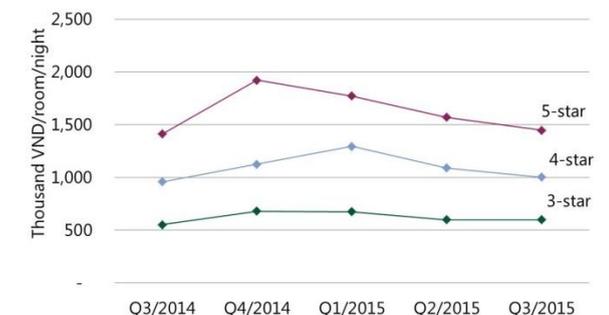
More than 300 rooms from three projects will be added to year end. They include an expected 4-star project and additional supply from two existing 5-star hotels in HCMC. ■

FIGURE 1
Hotel performance, Q3/2015



Source: Savills Research & Consultancy

FIGURE 2
RevPAR, Q3/2014 – Q3/2015



Source: Savills Research & Consultancy

Savills Research team

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