

Briefing Hotel market

March 2015

→ Supply

In 2014, four new hotels entered Nha Trang's hotel market, including two new five-star and two new four-star. There were more than 4,000 rooms from 20, four to five-star hotels, an increase of 24% compared with the previous year.

Four and five-star hotels are mostly located in prime locations along the coastline and offer spectacular sea views. The total four-star supply was 8% greater than the five-star supply.

Performance

In 2014, the market performance was weaker than 2013. With the strong increase in stock, and tightening expenditure of Russian tourists (the main visitors to Nha Trang) the performance of four and five-star hotels was negatively affected. The average occupancy in 2014 was 70%, a reduction of by -6 ppts compared with 2013.

In 2014, the average room rate of the four to five-star segment was VND2.7 million /room/night, decreasing sharply by -14% YoY.

Both grades had YoY decreases in RevPAR. The five-star segment's RevPAR in 2014 was approximately VND3 million/room/night, whilst the four-star's was more than VND1 million/room/night.

Demand

From 2007 to 2014 international visitors to Khanh Hoa increased by 18% pa. In 2014, there were more than 850,000 international arrivals and approximately 2.8 million domestic visitors.

With good tourism infrastructure and facilities, spectacular landscapes, international events and high quality resorts, Nha Trang is a popular destination for MICE visitors.

Outlook

At the end of 2014, there are 18 future projects in the four and five-star hotel segments. Nine hotels are expected to be 4-star and nine are expected to be 5-star hotels.

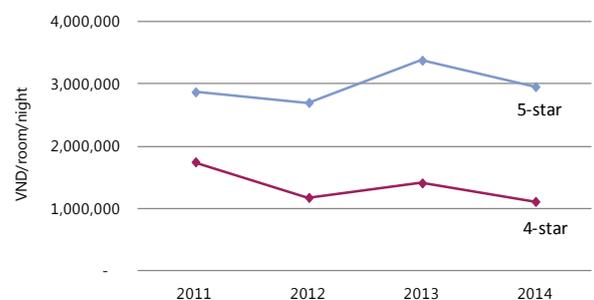
In 2015, there will be approximately 3,200 rooms from six 4 and 5-star projects. ■

FIGURE 1
Hotel performance, 2010 - 2014



Source: Savills Research & Consultancy

FIGURE 2
RevPAR, 2011 - 2014



Source: Savills Research & Consultancy

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