**Hotels**

**Supply**

Savills recorded 106 hotel rooms coming onto the market, which included 56 rooms in the three-star Bao Khanh hotel, and 50 rooms in the Grand Plaza, increasing the total stock to 7,350 rooms in 49 hotels. Vista Hanoi Hotel on Nguyen Thuong Hien Street with 80 rooms, and Oriental Pearl Hotel on Phan Chu Trinh Street with 87 rooms, both opened in August 2011, and are in the process of being ranked by the Hanoi Department of Culture, Sport and Tourism.

**Market performance, Q3/2011**

The overall performance for the whole market decreased quarter-on-quarter due to the low season. The overall occupancy rate decreased by 4 percentage points compared with Q2/2011 and 5 percentage points year-on-year. The average room rate dropped to US$83 per room per night, falling 4% quarter-on-quarter and 1% year-on-year.

**Revenue per available room (RevPAR), Q3/2010–Q3/2011**

Two hotels on Doi Can Street and Hang Chuoi Street are expected to provide the market with 238 rooms at the end of 2011. Most of the future large-scale hotels are concentrated in the suburbs to target meetings, incentives, conferences and exhibitions (MICE) visitors, while small-scale hotels are located in the CBD to attract tourists.

**Demand**

According to the statistics of travel service companies in Hanoi, the city welcomed 6,221,000 arrivals in the first nine months of 2011, a year-on-year decrease of 6.2%. Of the total, the number of international visitors reached 898,000 arrivals, up 6.7%, and domestic visitors numbered 5,323,000, down 8% compared with the same period in 2010. This has affected the number of three- and four-star hotels targeting domestic guests with medium budgets.

**Outlook**

Twenty-seven of 41 future projects, from three- to five-star, will supply approximately 6,600 rooms. Most of them are located in the west of Hanoi. Fifty percent of future hotel rooms will be in the Tu Liem district, followed by the Ba Dinh and Dong Da districts.

**Future supply, Q4/2011–2015 and after**

Two hotels on Doi Can Street and Hang Chuoi Street are expected to provide the market with 238 rooms at the end of 2011. Most of the future large-scale hotels are concentrated in the suburbs to target meetings, incentives, conferences and exhibitions (MICE) visitors, while small-scale hotels are located in the CBD to attract tourists.

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