

# ASIA PACIFIC HOTELS MONITOR

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Whitebridge Hospitality is a specialist advisor to investors, developers and operators in the hospitality industry around the globe. We provide investment, operational and planning advice, and guidance in respect of the entire hospitality spectrum, including: hotels, mixed-use resorts, leisure facilities, casinos, visitor attractions and sporting venues. Our uniquely qualified team can provide services throughout an asset's life cycle.



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According to the latest World Tourism Barometer by UN Tourism, international tourist arrivals were at 96% of pre-C19 levels in the first seven months of 2024, with strongest growth in MEA (both ahead of 2019 results). Europe and the Americas were within touching distance, and APAC was at 82% of pre-C19 (despite their delayed re-opening) and growing fast on a rising tide of growing incomes and greater lift (IATA reported 53% growth in May 2024 y-o-y across APAC airlines).

All markets reviewed in this Monitor witnessed ADR growth and only two dropped in occupancy (Maldives, -5.3% and Singapore, -1.5%). Such strong KPIs meant all markets but one (Singapore, -1%) saw growth in GOPPAR. Delhi NCR topped the table in terms of occupancy (80.6%) and Tokyo won the title of highest ADR growth (+24.2%). APAC is well into recovery mode.

Development cost trends have varied greatly around the region, from rising tender prices in Australia and Malaysia to stabilising levels in Singapore. Around the region, public sector pipelines are healthier than private sector equivalents.

Underpinned by performance recoveries around the region, there have been a good number of deals in the last 12 months, comprising a strong mix of portfolios, single assets and corporate deals.

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Our final page feature is a snapshot on India, both of its domestic hotel sector and of its enormous potential as an outbound market as the country's wealth rapidly expands and diversifies.

### **Philip Camble**

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## Performance Trends

Oct 2023 - Sep 2024

City	2023				2022				Growth			
	ADR	Occ	RevPAR	GOPPAR	ADR	Occ	RevPAR	GOPPAR	ADR	Occ	RevPAR	GOPPAR
	LC	%	LC	LC	LC	%	LC	LC	%	%	%	%
Bangkok	5,150	75.8	3,905	2,243	4,897	70.3	3,479	1,907	5.2	7.9	12.2	17.6
Beijing	1,024	69.2	710	354	1,017	57.3	582	273	0.7	20.8	21.9	29.5
Delhi - NCR	9,339	80.6	7,523	6,240	8,750	75.7	6,623	5,446	6.7	6.4	13.6	14.6
Ho Chi Minh & Hanoi	3,355,012	72.7	2,438,097	1,782,128	3,167,945	65.5	2,073,757	1,518,620	5.9	11.0	17.6	17.4
Hong Kong SAR	2,033	77.5	1,576	868	1,953	64.0	1,268	646	4.1	21.2	24.2	34.3
Incheon & Seoul	275,936	74.8	206,421	121,414	251,408	70.1	176,247	99,888	9.8	6.7	17.1	21.6
Jakarta	1,379,404	70.9	977,431	655,390	1,340,773	65.5	878,160	566,857	2.9	8.2	11.3	15.6
Kuala Lumpur	476	75.7	361	184	428	68.3	301	135	11.3	10.9	19.9	36.1
Maldives	794	63.5	504	289	839	59.2	497	280	-5.3	7.3	1.4	3.3
Mumbai	12,917	77.1	9,957	9,061	12,103	75.3	9,108	8,049	6.7	2.4	9.3	12.6
Phuket	5,645	77.0	4,347	2,658	4,974	73.7	3,664	2,097	13.5	4.6	18.7	26.7
Shanghai	1,002	70.3	705	373	954	63.2	604	307	4.9	11.2	16.6	21.5
Singapore	358	76.7	283	164	363	73.0	277	165	-1.5	5.1	2.1	-0.8
Sydney	279	78.1	218	106	273	73.9	202	104	2.0	5.7	7.8	1.6
Taipei	6,972	70.7	4,930	3,316	6,549	64.0	4,193	2,855	6.5	10.4	17.6	16.2
Tokyo	66,454	75.1	49,911	32,490	53,523	74.4	39,841	25,199	24.2	0.9	25.3	28.9

Source: HotStats

LC = Local Currency

- APAC performance levels were a mixed bag of variances, mainly due to the varying speed and power of recovery post C19. Some markets plateaued, others were still riding the wave of growth and some encountered completely unrelated difficulties.
- GOPPAR growth leader, Kuala Lumpur, jumped an impressive +36%, with a healthy 50/50 split in growth coming from ADR and occupancy, painting a beautiful picture. But despite even this impressive growth, KL still sits at a 60% deficit to Bangkok in terms of net GOPPAR amount. It actually had the lowest GOPPAR amount in 2024 of all markets reviewed.
- Japan had an incredible 2023, with the JPY devalued heavily against the USD, making it a very attractive destination for international visitors. Occupancy grew to 75%, making 2024 a yielding year with most of the 29% GOPPAR growth coming from ADR and not volume.
- India's key cities of Delhi and Mumbai ended up with similar GOPPAR growth at +15% and +13% respectively. Delhi managed to grow both volume and ADR, while Mumbai, which recorded a higher baseline, only

managed to grow volume by +2.4% to Delhi's +6.4%, with both growing ADR by an identical +6.7%. Still a powerful market that is proving attractive for investors.

- China's two powerhouses of Beijing and Shanghai outperformed India in all growth parameters, with Beijing looking better (+29% GOPPAR growth to Shanghai's +22%). These cities were almost identical in terms of key metrics, with Shanghai retaining a small edge.
- In Thailand, Phuket turned heads in 2024. A destination which is meant to be seasonal compared to Bangkok has proven to be anything but. At 77% occupancy, it is ahead of the capital and 14 points of occupancy higher than the Maldives. It also beats Bangkok in ADR and GOPPAR.
- Looking at the numbers, looks like Hong Kong is back, but it isn't quite there yet. It is coming off a low base, especially in occupancy. It is still USD 12 behind Singapore in GOPPAR (pre-C19 HK was always ahead of its rival city state). Hong Kong's numbers look suspiciously like Japan's a year ago and hotels should similarly move to yield in the coming months to grow ADR.

## Hotel Construction Costs

Country	Currency	Budget hotels	Mid market – low	Mid market – high	Luxury
		LC per sqm	LC per sqm	LC per sqm	LC per sqm
Australia	AUD	3,500 - 5,000	3,750 - 6,100	4,200 - 7,400	4,600 - 8,300
China	CNY	10,920 - 12,810	12,810 - 14,700	13,610 - 18,080	15,590 - 20,460
Hong Kong	HKD	29,000 - 32,000	36,050 - 39,700	37,800 - 46,200	41,000 - 50,200
Indonesia	IDR*	15,800 - 17,400	16,500 - 18,200	23,500 - 25,700	26,000 - 27,800
Macau	MOP	22,400 - 26,800	26,800 - 28,700	28,300 - 32,300	33,000 - 50,000
Malaysia	MYR	2,200 - 3,250	2,700 - 3,900	4,000 - 5,400	5,500 - 9,500
New Zealand	NZD	5,800 - 6,500	6,000 - 7,000	6,500 - 7,900	7,200 - 8,400
Philippines	PHP	62,000 - 70,100	67,700 - 86,500	83,200 - 117,200	109,100 - 256,600
Singapore	SGD	4,200 - 4,800	4,400 - 5,350	5,290 - 6,500	6,310 - 7,720
South Korea	KRW*	2,640 - 3,150	3,150 - 4,190	4,190 - 6,170	4,860 - 7,270
Vietnam	VND*	25,750 - 33,190	29,625 - 37,430	37,090 - 43,960	41,220 - 49,450

Source: Rider Levett Bucknall

\* '000s

LC = Local Currency

- In many countries across the region, public sector pipelines are healthier than private real estate sectors
- Skills shortages and material input costs are driving tender prices in Australia
- New Zealand pipelines are looking weak, but strengthening in 2025.
- Japan's construction growth is moderate and driven by large developments in Tokyo and public investment for the 2025 Expo in Osaka
- Singapore has seen decelerating labour cost increases and stabilising material costs
- Malaysia has seen an influx of foreign investment and is seeing tender prices gradually climbing.

These costs have been prepared from a survey of Rider Levett Bucknall worldwide offices. Costs are expressed in local currency per square metre of Gross Floor Area except:

- China, Macau and Hong Kong which are expressed per square metre of Construction Floor Area (measured to outside face of external walls); and
- Singapore, Vietnam, Indonesia and Malaysia which are expressed per square metre of Construction Floor Area (measured to outside of external walls and inclusive of covered basement and above ground parking areas).

The costs include FF&E (except New Zealand and Australia), but exclude operator's stock and equipment. Fees, land costs and local taxes (Sales Taxes or similar) are also excluded. Costs are generally based on constructing hotels to international design standards. Data is prepared to highlight key cost trends and differences between markets. Users should verify the suitability of general cost data to their specific circumstances. Exchange rates and inflation can distort generic data, for specific project guidance please contact Rider Levett Bucknall.

## Transaction Tracker

Region	Hotel	Location	No. of Keys	Total Price	Price per Key
Portfolio Transactions				€	€
	2x Uni of Tasmania hotels	Hobart, Australia	172	27,800,000	161,000
	2x Marriott/Accor hotels	Sydney, Australia	390	73,700,000	189,000
	4x Japan hotels	Okinawa/Tokyo, Japan	1,044	352,100,000	337,000
	4x Koko hotels	Osaka/Tokyo, Japan	488	234,300,000	480,000
	3x Japan hotels	Sapporo/Tokyo, Japan	500	104,800,000	210,000
	3x WBF hotels	Osaka, Japan	518	76,800,000	148,000
Single Asset Transactions					
Australia	Mantra Bathurst Hotel	Bathurst	50	8,600,000	172,000
	Pacific Hotel	Brisbane	179	29,900,000	167,000
	The Inchcolm	Brisbane	50	16,700,000	334,000
	Quest Dubbo Hotel	Dubbo	65	13,600,000	209,000
	Rydges Gold Coast Airport	Gold Coast	192	39,700,000	207,000
	Four Points Docklands	Melbourne	273	64,200,000	235,000
	Woolstore 1888 Hotel	Sydney	90	37,000,000	411,000
China	Sheung Wan Hotel	Hong Kong	56	41,600,000	743,000
	Urbanwood Hung Hom Hotel	Hong Kong	255	128,900,000	505,000
	Wanda Reign on the Bund Hotel	Shanghai	193	220,200,000	1,141,000
	Popway Hotel	Tsim Sha Tsui	63	23,200,000	368,000
Japan	La'gent Stay Hakodate Ekimae	Hakodate	261	43,100,000	165,000
	Rando Hotel Prestige	Hiroshima	43	16,200,000	376,000
	Moxy Kyoto Nijo	Kyoto	158	42,900,000	271,000
	Royal Park Canvas Nagoya	Nagoya	153	52,500,000	343,000
	androoms Shin-Osaka	Osaka	120	28,400,000	236,000
	OMO7 Hotel	Osaka	436	186,600,000	428,000
	Hotel JAL City Kannai	Yokohama	170	27,800,000	164,000
Malaysia	Syuen Hotel <sup>1</sup>	Ipoh	290	11,800,000	41,000
	W Kuala Lumpur	Kuala Lumpur	150	58,500,000	390,000
	Courtyard by Marriott Melaka	Melaka	286	36,200,000	126,000
	Courtyard by Marriott Penang	Penang	199	35,600,000	179,000
Singapore	Capri by Fraser Changi City	Changi City	313	128,200,000	410,000
	Citadines Mount Sophia	Wlikie Edge	154	112,700,000	732,000
Other	Courtyard by Marriott Aravali	Aravali, India	158	38,600,000	245,000
	Conrad Seoul	Seoul, S Korea	434	229,500,000	529,000

Source: Whitebridge Hospitality

- Corporate compacts: Aerophyte acquired ASA US Hospitality Trust (Sin); Star Asia Group acquired Minacia (Jap).
- Portfolio purchases: Loadstar Capital acquired 6x hotels (Jap); Swing & Pillows acquired 5x hotels (Mal).
- Big resort business: Fortress acquired Spa Resort Hawaiians (USD100m, Jap); YCH16 acquired Tomana Resorts (USD250m, Jap)
- Active aparthotels: AB Capital acquired 2x Randors (Jap); Tuan Sing acquired Fraser Residence and adjacent buildings (USD100m, Sin);
- Other notables: Jianguo Jinfeng Cement acquired Bulgari Shanghai and other buildings (USD340m, Chi); Lotte REIT acquired L7 Gangnam Hotel and whole mixed-use tower (USD360m, SKo); Goco Hospitality acquired Lamai Samui Resort (Tha).

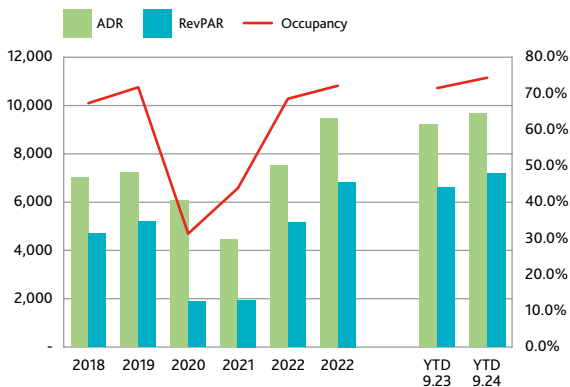
Prices have been rounded where appropriate. We do not warrant the accuracy of this data which was obtained from publicly available sources and reported in industry journals. Conversions to euros were made according to the exchange rate at the time of the announcement.

## INCREDIBLE INDIA

As the biggest boost to tourism in APAC will come from within the region and India's economy is driving ever-growing tourism expenditure (likely to be the third largest spender by 2030, after USA and China), we thought it was time to take a look at this incredible country.

### Domestic Hotel Performance

Graph below summarises the KPIs of the nation's hotel sector over the past few years and compares YTD Sep 2024 to YTD Sep 2023.



Source: HotStats

The data shows a dramatic drop in occupancy in 2020 to 31.3% due to C19 and rapid recovery in 2022 and through 2023 (circa 72%). ADR held relatively steady in 2020, declined materially in 2021 and bounced back strongly in 2023 (over INR 7,500) on a wave of rising occupancy. The YTD data indicates that India's hotel market has not only fully recovered from C19 but is reaching new levels of performance, with both occupancy and ADR well above the highs achieved in the same period in 2023.

Such positive results post-C19 are a clear reflection of a government keen to grow and facilitate tourism across the nation and a country on trend with regard to heritage and spiritual tourism, which in turn is underwriting the second largest pipeline in the region (after only China).

### Outbound Potential

In 2019, some 27m Indians travelled overseas and this is expected to rise to 90m by 2040, according to McKinsey, and airlines are adjusting accordingly (acquiring more machines and launching new flights). Most international travel to India has traditionally been Business or VFR related but around 40% is now pure Leisure. Those aged 25 to 34 years are the keenest to want to travel and 20% of the population (of 1.4bn) will age into this segment soon. The numbers are potentially game changing and the rest of the world needs to get ready for the outflux of curious Indian tourists.

- For the moment many Indians prefer to travel within APAC as visa restrictions are looser intra-regionally and the Middle East is growing in popularity (not far away, relatively easy visa procedures, cheap flights and plenty of shopping). Malaysia and Thailand recently abolished their visa requirements and have seen Indian numbers surge. If the West is to benefit from this vast new market, it too must become more receptive, less bureaucratic, reduce fees, expedite interviews and reward applicants with longer-stay visas.
- Bollywood connections are potent demand stimulators, whereby Dubai, Spain and (surprisingly?) Switzerland saw big increases following film collaborations.
- Drawing Indian tourists in is one thing – to ensure their pleasure, hotels must offer food they will enjoy. It is their top requirement when travelling, from kebabs to dahls, careful research and consideration is required to curate appropriate menus. Bangkok in particular is noted for its success in this culinary regard and may even surpass Dubai as India's favourite overseas destination.
- Lift is key for travellers to overseas destinations and this is improving, with 31 Indian cities offering 322 international destinations around the globe (up from 275 international destinations in 2015).

India has the potential to exceed tourism from China globally and its travellers should be embraced. We hope the above tips will help you make a start and we encourage the world to 'Go For It'.



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