



asset management  
& hospitality consulting

# Samui

## Hotel Market Update

March 2014

# Surat Thani airport emerging as second 'Plan B' island gateway

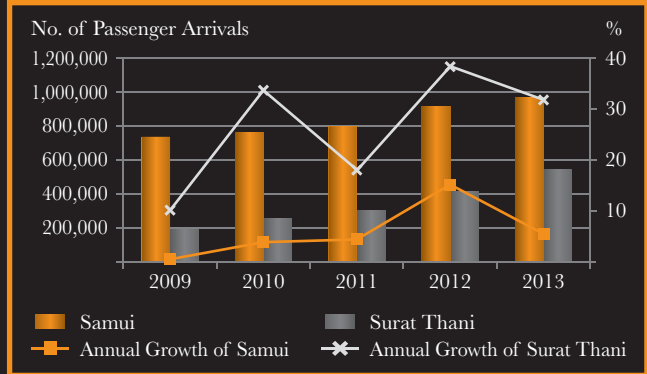
## Triple digit growth of Chinese and Russian travelers

“In 2013, Samui saw a record high 1.7 million travelers visit the island. Foreign visitors account for 88% of the total market, with nearly half coming from Western Europe.

A key stimulator of demand has been the rising prominence of Surat Thani airport as a second gateway to Samui. Passenger arrivals substantially grew at 38% and 32% in 2012 and 2013. Low-cost airlines and non-scheduled flights (charters) are lead indicators pushing up airlift. While Samui’s airport capacity hit 86% in 2013, the second mainland gateway has the ability to drive numbers up.

Hotels across the island enjoyed an upswing in performance during the year. Room night demand and average daily rates increased at 5% and 7% over 2012. The key metric of RevPAR

### Samui vs. Surat Thani Airlift



Source: Department of Civil Aviation and C9 Hotelworks Market Research

registered double digit growth of 14% spurred by higher room rates.

The island landscape is seeing a growing impact from the mass tourism sector, mainly from China and Russia. In 2013, these markets shot up by 127% and 171% compared to 2012. It remains to be seen if the shift will be sustained or is a cyclical trading pattern.”

Bill Barnett, Managing Director, C9 Hotelworks

## 2013 Trends

- Total passenger arrivals through Samui Airport continued to increase year-on-year, registering a 6% compound annual growth rate between 2007 through 2013.
- Surat Thani airport was increasingly a factor, driven by AirAsia's and China Eastern Airlines' direct flights from Malaysia and Mainland China. Non scheduled airline flights delivered nearly 60,000 passengers during the year.
- Hotel-wide performance achieved 73% occupancy, with an average room rate and RevPAR of US\$156 and US\$112, respectively.

## 2014 Outlook

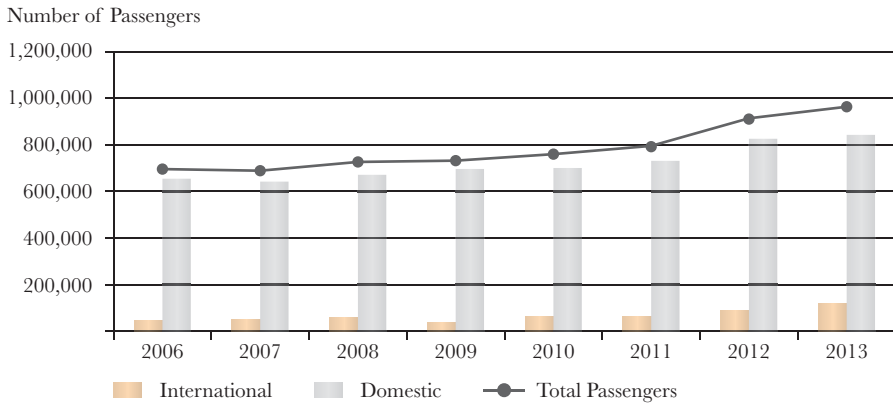
- Luxury and upscale tier hotels will continue to perform well given steady growth in the affluent visitor profile. Midscale and lower tier properties face challenges from growing mass tourism demand.
- The sustained trend of high load factors on international flights demonstrate pent up demand for direct flights to the island.
- It is expected that a limited number of new hotel projects will come into the planning and development stage during the year.

# TOURISM

## Airline Indicators

- Total passenger arrivals through Samui Airport registered 5% growth in 2013 vs. 2012. The international sector was highlighted by a 37% year-on-year surge while the domestic leg rose marginally by 2%.
- International inbound passengers sharply rose between 2008 and 2013, recording a compound annual growth rate of 16%. Over half of these arrivals came from Hong Kong.

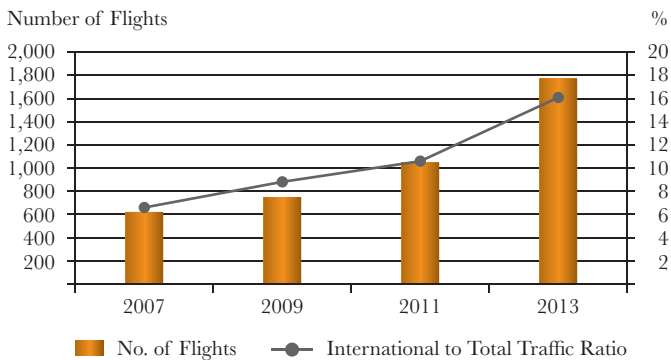
### Samui Airport Visitor Arrivals



Source: Department of Civil Aviation and C9 Hotelworks Market Research

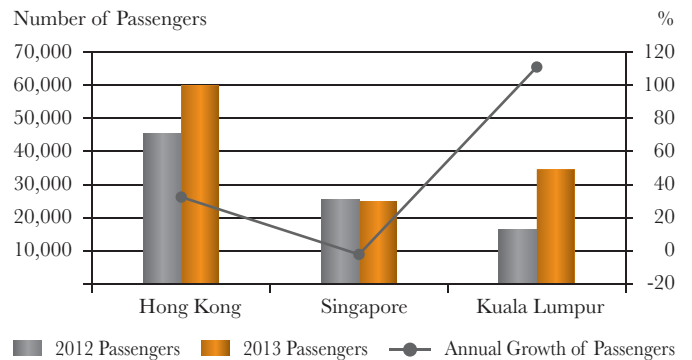
*International flights accounted for 16% of air traffic in 2013 compared to 6% in 2007*

### Number of International Flights



Source: Department of Civil Aviation and C9 Hotelworks Market Research

### Arrivals from Key Overseas Cities

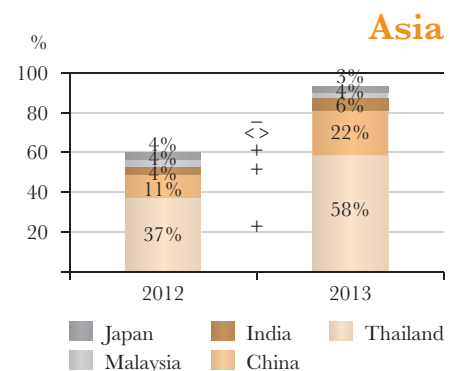
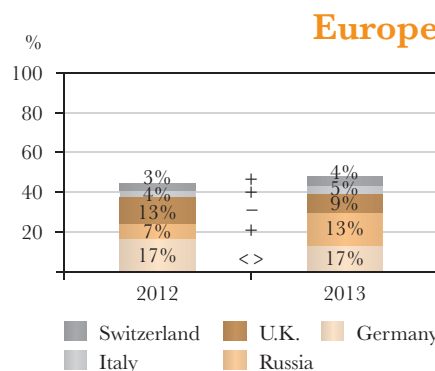
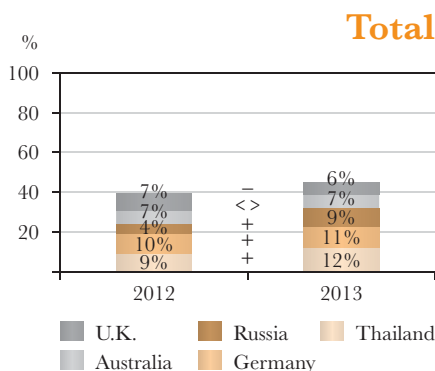


Source: Department of Civil Aviation and C9 Hotelworks Market Research

## Tourism Indicators

- The top three European countries in 2013 were Germany, Russia and the U.K. with a 17%, 13% and 9% market share respectively. European travelers represented 66% of visitors to the island during the year.

### Key Geographic Sources Market Share

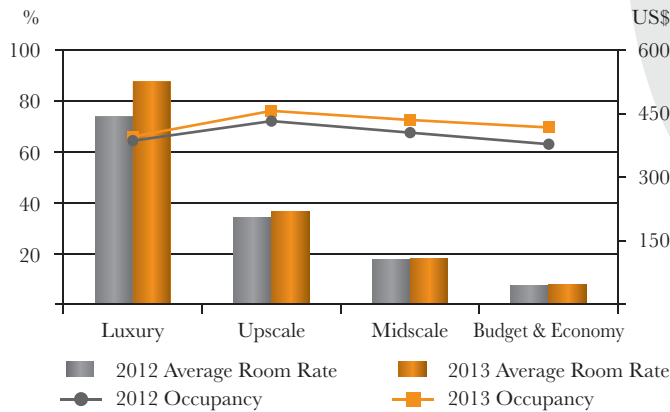


Source: Surat Thani Provincial Office of Tourism and Sports and C9 Hotelworks Market Research

## Hotel Performance

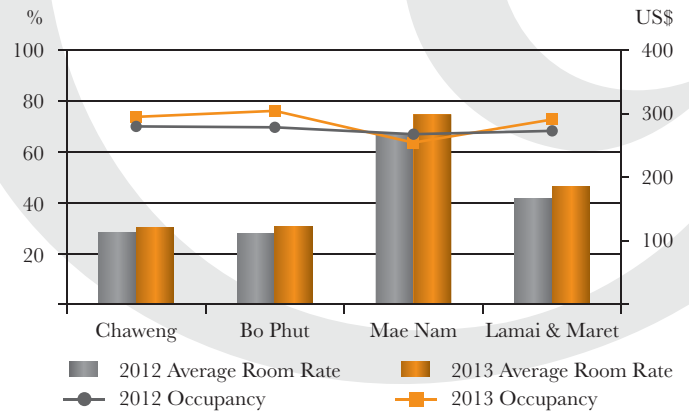
- Island-wide market performance registered 5% growth in occupied room nights in 2013.
- The upscale accommodation segment registered Samui's top occupancy achieving 76%, following by midscale properties with 73%. Budget and economy and luxury hotels hit 70% and 66% respectively.

### Performance by Tier



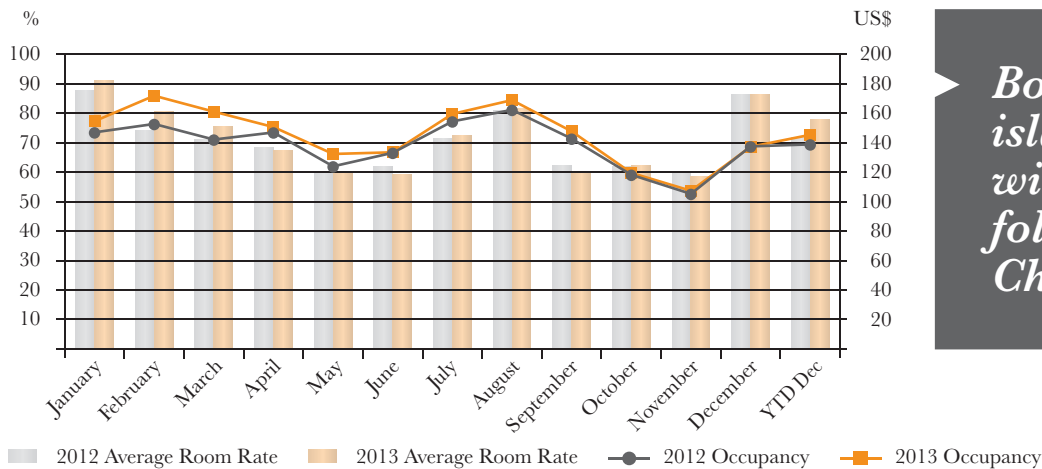
Source: C9 Hotelworks Market Research

### Performance by Key Locations



Source: C9 Hotelworks Market Research

### Monthly Performance 2013 vs. 2012



Source: Thai Hotels Association and C9 Hotelworks Market Research

*Bo Phut led island occupancy with 76%, closely following by Chaweng at 75%*

## Hotel Openings

- In 2013, there were 299 rooms added into Samui's registered accommodation inventory, which now has a total of 17,778 hotel units.
- By the end of this year, 268 keys are anticipated to enter the market, added in the vicinity of Chaweng and Bo Phut.

Hotel Name	Location	Rooms	Opening Date
Ozo Samui	Chaweng	208	Q1 2014
Sala Chaweng (conversion and expansion of Muang Kulaypan Hotel)	Chaweng	60	2016
Prana Resort Nandana	Bo Phut	60	Jul 2014
Sofitel So Samui	Choeng Mon	120	2016
Mövenpick Resort & Spa Mae nam Beach Koh Samui	Mae nam	80	TBA*

\*To Be Announced

Source: C9 Hotelworks Market Research

# About C9 Hotelworks



**Bill Barnett**  
Managing Director

**C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:**

- Ⓞ **Hotel and Resort Development**
- Ⓞ **Asset Management / Ownership Representation**
- Ⓞ **Project Feasibility and Analysis**

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 29 years of experience in Asia Pacific, the firm is well positioned to serve an increasingly demanding marketplace.



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