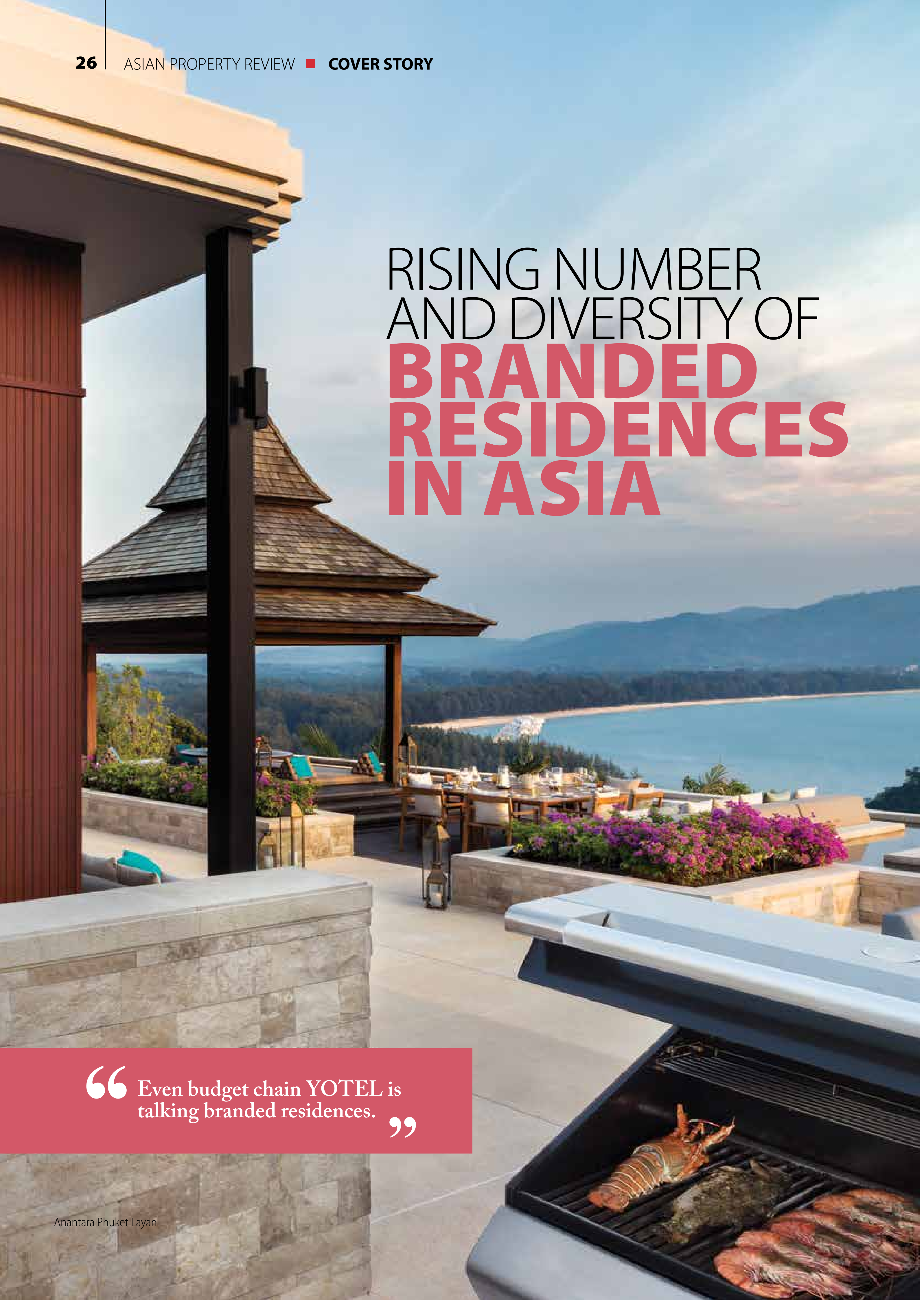


RISING NUMBER AND DIVERSITY OF BRANDED RESIDENCES IN ASIA

> “Even budget chain YOTEL is talking branded residences.”

Anantara Phuket Layan

Asian Property Review talks to leading Asian hotel expert, Bill Barnett, Managing Director at C9 Hotelworks on the branded residences scenario in Asia.

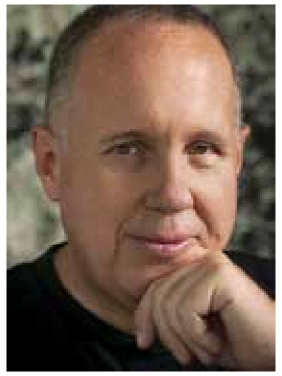
Which emerging Asian countries/cities/areas are sought after by developers of branded residences and the brands themselves?

Large luxury hotel brands like Ritz-Carlton and Four Seasons are seeing a high proportion of their hotel pipeline being generated in mixed use or project with branded residences; they tend to favour gateway cities and key well-known leisure destinations with strong airlift. Japan has been active in top end projects like the Four Seasons Kyoto or Park Hyatt Hanazono near Niseko. Overall, the urban push is strongly, interestingly two key Asian resort brands, Aman and Six Senses, both have city branded residences coming up in New York City.

> “Supply and demand track the overall real estate market and there remains strong sustained growth in the region, with the notable exception of Vietnam which may see an oversupply.”

How important is the investment angle to the Asian HNWI buyers of branded residences? What is the typical target rental return and capital appreciation?

It all depends, it’s entirely a different universe for HNWI buyers. HNWIs often view trophy assets defined by location, brand and quality of development. It may be a second home or investment versus traditional yield-focused buyers.



Bill Barnett

“Currently across Southeast Asia, there is an estimated 94 mainstream hotel residence projects with more than 21,000 units on line, with 78 properties expected to complete between 2018 and 2020, representing an 83% increase over current inventory.” It seems like SEA is experiencing a boom. Do you think there will be an oversupply in the coming years given this exponential growth?

Supply and demand track the overall real estate market and there remains strong sustained growth in the region, but there are some exceptions. Vietnam with between 20,000 to 30,000 condo projects comes to mind as potentially being oversupplied.

What is the outlook for branded residences in Asia in the next 3 years?

More and greater diversity in real estate grade from luxury to entry level. Even budget chain YOTEL is talking branded residences.

How is the situation in China given the increasing number of HNWIs there and their propensity to buy branded goods including residences?

China is likely to still experience growth given the government restriction on exporting capital; domestic investment into property is likely to remain active. ■