



HOSPITALITY CONSULTING

# Phuket

## Hotel Market Update

January 2020

### Robust arrivals in 2nd half and India growth rebalance Phuket tourism market

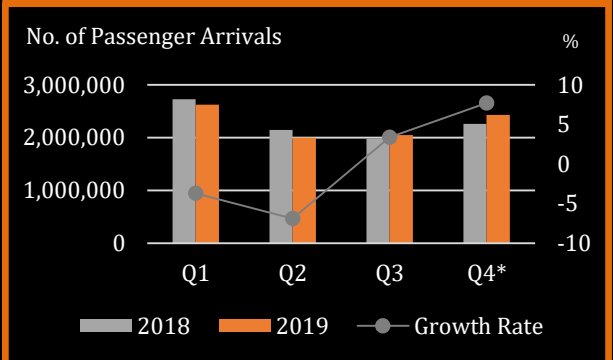
Launch of direct flights to Bengaluru, Delhi, and Mumbai spurred Indian arrivals with y-o-y growth of 298%

“In 2019, year-on-year passenger arrivals declined in Q1 (-4%) and Q2 (-7%) due to international economic volatility, China-US trade tensions, and a strong Thai baht. Long-haul travelers from Australia and European countries (led by Scandinavia, Germany, and Italy) shrank. Moreover, Chinese arrivals moved into troubled territory with a negative year-on-year growth rate of -9%.

However, passenger arrivals notably regained momentum in Q3 (3%) and Q4 (8%). The demand came from regional Asian feeders (led by India, Malaysia, and Singapore). Overall for the year passenger arrivals in 2019 are forecasted to be similar to 2018, but punctuated by a H2 rising trend.

Looking at key hotel performance trends, the second half growth spurt in demand drove full-year market-wide occupancy to 72%. Rate pressure remains intense and a challenge to RevPAR; with Thai currency appreciation set to continue in 2020.

Passenger Arrivals at Phuket Airport - 2019



Source: Airports of Thailand and C9 Hotelworks Market Research  
\*December projected

A key airlift factor is direct flights and diverse destinations. Comparing Mainland China with 21 destinations from 22 airlines and Russia with 34 destinations from 8 airlines, the number of Indian arrivals from 3 cities and 2 airlines is anticipated to see continued market penetration and upside.”

Bill Barnett, Managing Director, C9 Hotelworks

### Trends

- In 2019, the total number of passenger arrivals at the Phuket International Airport is forecasted to be 9,109,487, with the December y-o-y monthly 2019 figure forecasted to be up by 8%.
- Top 5 locations for Phuket hotel pipeline developments are Patong, Bangtao, Kamala, Nai Harn, and Kathu.
- Newly opened Porto De Phuket, together with the Central Floresta and upcoming Andamanda are all helping to position Phuket as a lifestyle, entertainment and shopping destination.

### Forward Outlook

- The Phuket Light Rail System’s construction is expected to commence in Q12022 with an increased budget of THB39 billion, while the Patong-Kathu Tunnel is waiting for EIA approval.
- Phuket Sky Way, a planned tourism-oriented cable car attraction is currently under environment impact evaluation.
- In 2020, 5,009 new keys from 21 properties will enter the island hotel supply, which is a 6% increase. The majority of future pipeline developments are in upscale and midscale tiers.

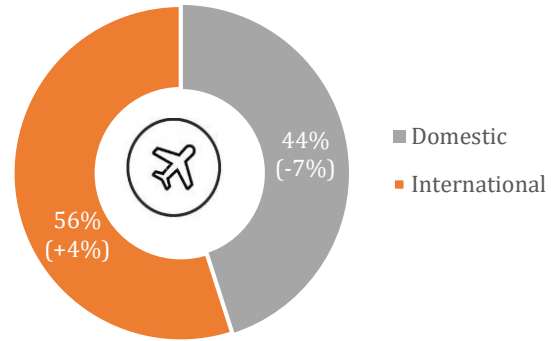
# TOURISM

## Phuket Airport Passenger Arrivals

2018		2019
896,405	Jan	902,357
924,723	Feb	872,559
907,797	Mar	853,021
819,183	Apr	775,654
645,440	May	592,714
683,098	Jun	631,481
727,208	Jul	720,892
712,079	Aug	732,623
541,963	Sep	594,633
660,975	Oct	717,629
725,139	Nov	772,365
873,666	Dec*	943,559

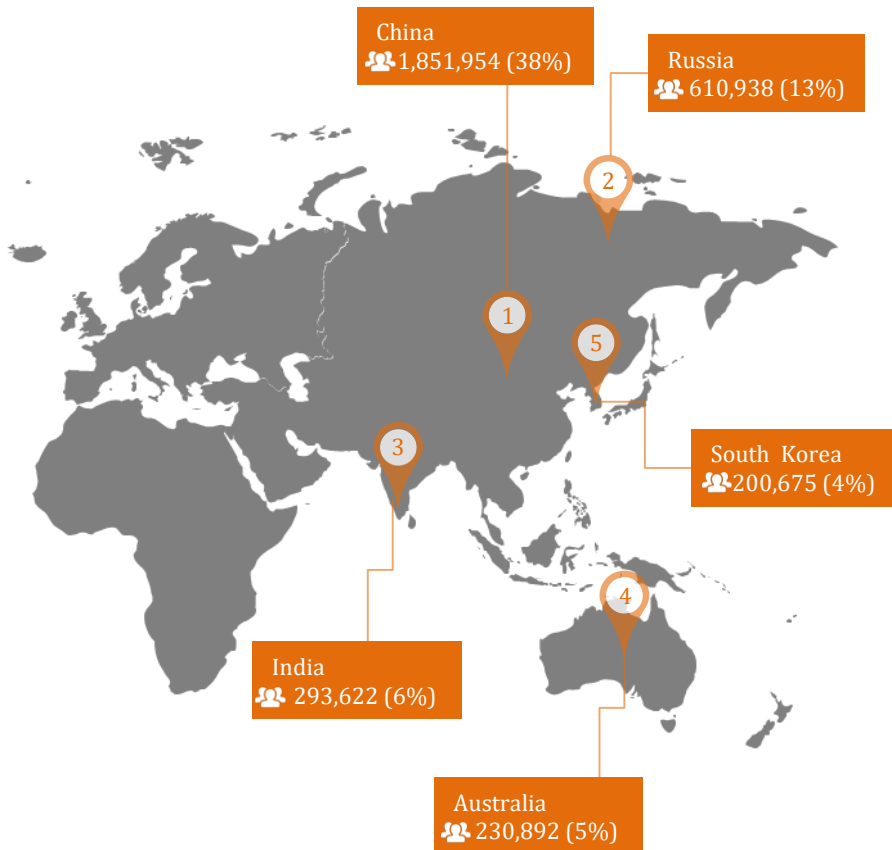
Source: Airports of Thailand and C9 Hotelworks Market Research  
\*December projected

## Flight Arrivals - 2019



Source: Airports of Thailand and C9 Hotelworks Market Research  
\*Data through November 2019

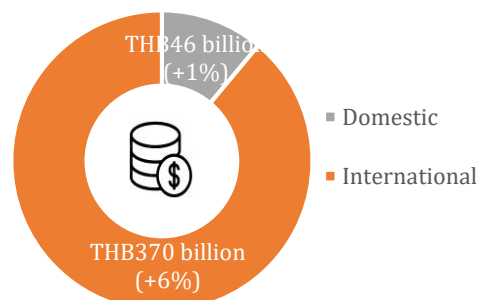
## Top 5 International Source Markets



## Top Emerging Markets



## Tourism Receipts - 2019

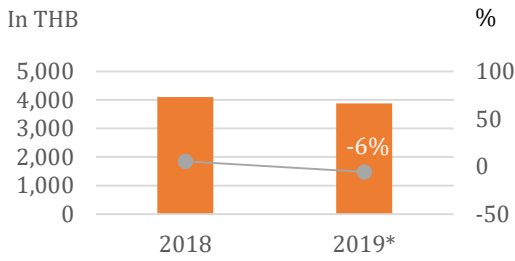


Source: Ministry of Tourism and Sports and C9 Hotelworks Market Research  
\*Data through November 2019

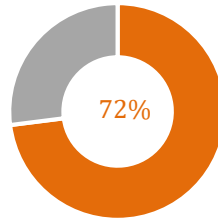
Source: Office of Commercial Affairs Phuket and C9 Hotelworks Market Research  
\*Data through November 2019

# HOTEL OVERVIEW

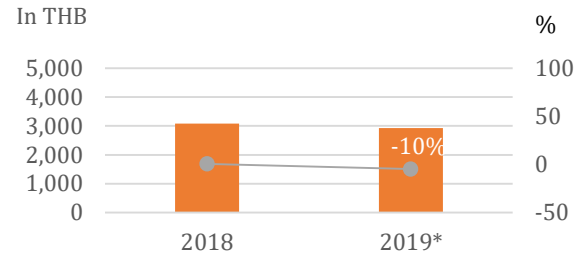
## Average Daily Rate



## Occupancy



## RevPAR



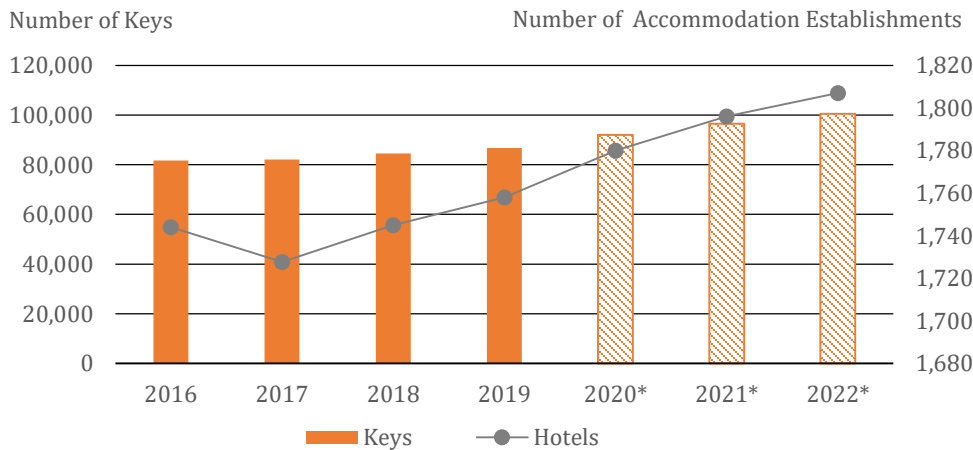
Source: STR and C9 Hotelworks Market Research; \*Data through November 2019

*Strong competition resulted in downward pressure on rates*

*Market-wide occupancy was down by 3% year-on-year*

*RevPAR fell by -10%, driven mainly by room rate decline*

## Hotel Supply



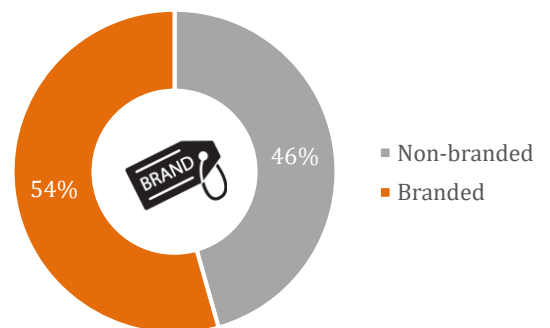
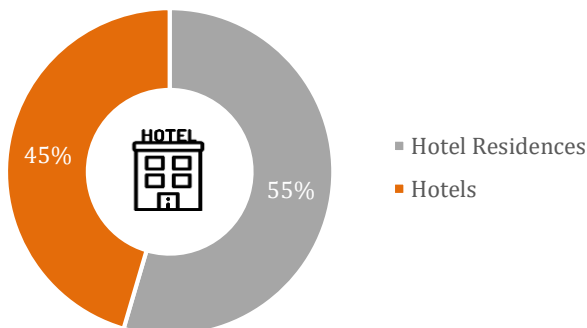
Source: C9 Hotelworks Market Research; \*2020 - 2022 projected

## Average Length of Stay



Source: Ministry of Tourism and Sports and C9 Hotelworks Market Research

## Hotel Development Insight



Source: C9 Hotelworks Market Research

## Phuket Pipeline

Hotels	Location	Keys	Opening Date
Island Escape by Burasari Phase 2	Koh Mapraow	220	Q1 2020
Hilton Garden Inn Phuket Bang Tao	Bangtao	177	Q1 2020
GLOW Karon Beach Phuket	Karon	164	Q1 2020
Bhamookah	Kata	500	Q1 2020
Anantara Vacation Club Mai Khao*	Mai Khao	106	Q1 2020
Splash Beach Resort Villas	Mai Khao	42	Q1 2020
Four Points by Sheraton Patong Beach	Patong	600	Q1 2020
JW Marriott Phuket Resort & Spa Chalong Bay	Chalong Bay	189	Q4 2020
The Beach Plaza Phase 1	Kata	730	Q4 2020
Angsana Ocean view	Bangtao	116	Q4 2020
Oceanfront Kalim	Kalim	200	2020
Anayara Luxx Panwa Resort	Cape Panwa	44	2020
Noku Roxy Phuket	Chalong Bay	91	2020
Hilton Phuket Patong Resort	Patong	300	2020
Courtyard by Marriott Phuket	Chalong Bay	277	Q1 2021
Holiday Inn Vana Nava Phuket	Kathu	255	Q1 2021
Hilton Phuket Maikhao Resort and Spa	Mai Khao	257	Q3 2021
Meliá Phuket Mai Khao	Mai Khao	101	Q3 2021
Meliá Phuket Karon	Karon	224	Q4 2021
Thayapura Hotel Phase 2*	Thalang	138	Q4 2021
Centra Central Phuket	Kathu	170	Q2 2022
COSI Central Phuket	Kathu	180	Q2 2022
Novotel Phuket Naiharn	Nai Harn	650	Q2 2022
Porto De Phuket Hotel by Centara	Bangtao	135	Q4 2022
Mandarin Oriental, Phuket	Laem Singh Bay	105	2022
Radisson Hotel Mai Khao	Mai Khao	222	Q1 2023
Holiday Inn Express Phuket Kata	Kata	300	2023
Centra by Centara Maikhao Resort Phuket	Mai Khao	280	2024
The 137 Pillars Estate Phuket	Kata	66	TBA
Space Hotel	Kathu	105	TBA
<b>Total Hotel Keys</b>		<b>6,944</b>	

Hotel Residences with Mandatory Rental Program	Location	Keys	Opening Date
Wyndham Nai Harn Resort Phuket	Nai Harn	353	2020
Wyndham Chalong Phuket	Chalong Bay	150	Q2 2020
Angsana Oceanview Residences	Bangtao	33	Q4 2020
Dhawa Phuket Residences	Bangtao	175	Q4 2020
Best Western Premier Himalai Resort	Kamala	427	Q4 2020
Patong Bay Cottages Phase 1	Patong	300	Q4 2020
Ramada Plaza Grand Himalai Resort	Kamala	426	Q1 2021
Platinum Bay Phuket	Kamala	432	Q2 2021
Patong Bay Hills 2	Patong	199	Q3 2021
Phuket Water World Resort - Hotel	Bangtao	300	Q1 2022
Oceana Surin - Hotel Zone	Surin	333	Q2 2022
Patong Bay Seaview Residence	Patong	454	Q4 2022
Dusit Laguna Resort Villas Phuket	Bangtao	10	TBA
Patong Bay Cottages Phase 2 & 3	Patong	400	TBA
<b>Total Hotel Residences with Mandatory Rental Program</b>		<b>3,992</b>	

Hotel Residences with Optional Rental Program	Location	Keys	Opening Date
Utopia Mai Khao	Mai Khao	92	2020
The Marin Phuket	Kamala	260	Q1 2021
Utopia Central	Kathu	405	Q2 2021
Laya Condominium and Resort	Layan	926	Q3 2021
MontAzure Lakeside by Mgallery	Kamala	236	Q4 2021
Utopia Karon	Karon	237	Q4 2021
Beachfront Bliss Naiyang	Nai Yang	96	Q4 2021
Ocean Sands	Bangtao	213	Q4 2021
VIP Galaxy	Rawai	92	2021
Phuket Water World Resort - Condo Park	Bangtao	605	Q1 2022
Oceana Surin - Residential Zone	Surin	555	Q2 2022
Angsana Beachfront Residences	Bangtao	54	TBA
Utopia Dream	Nai Harn	570	TBA
<b>Total Hotel Residences with Optional Rental Program</b>		<b>4,341</b>	

\*Additional Keys for Existing Hotel

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 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.



HOSPITALITY CONSULTING

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