



asset management  
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# Samui

## Hotel Market Update

Mid-Year Edition July 2010

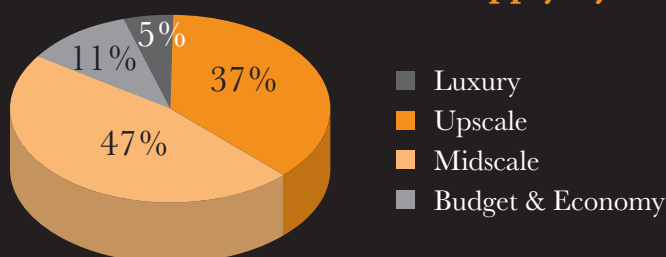
# Samui hotels up US\$25.5 million in H1 2010

## Rates and occupancies rise with a marked increase in arrivals

“The first half of 2010 suggests that a sustainable recovery for Samui tourism has begun despite the Bangkok political events in the final months of the period.

A recovery in overseas visitors hit new highs as international flights rose 21% from 2008. Tourist arrivals recorded an 8% increase from the same period of 2008. Wholesale gains made from 2009 were due in part to weak demand posted in the early part of last year.

The upswing translated to an improvement in hotel wide



Source: C9 Hotelworks Market Research

performance as the market saw an approximate US\$25.5 million increase in room revenue compared to H1 2009.

Key metric RevPAR soared 24% over the same period last year driven by a moderate occupancy increment of 5% and a substantial, rate-driven recovery of 13%.

Prospects for H2 2010 remain dynamic with the potential for topspin.”

Bill Barnett, Managing Director C9 Hotelworks

## 2010 Mid Year

- Same period visitor arrivals in 2010 vs. 2009 rose by 19%.
- Hotel wide performance against a year ago saw surges in occupancy, rates and RevPAR of 5%, 13% and 24% respectively.
- Existing accommodation supply shrank by 11% to 14,261 rooms due to closure of a number of small properties.
- Luxury resort Baan Taling Ngam sold to Thai group.

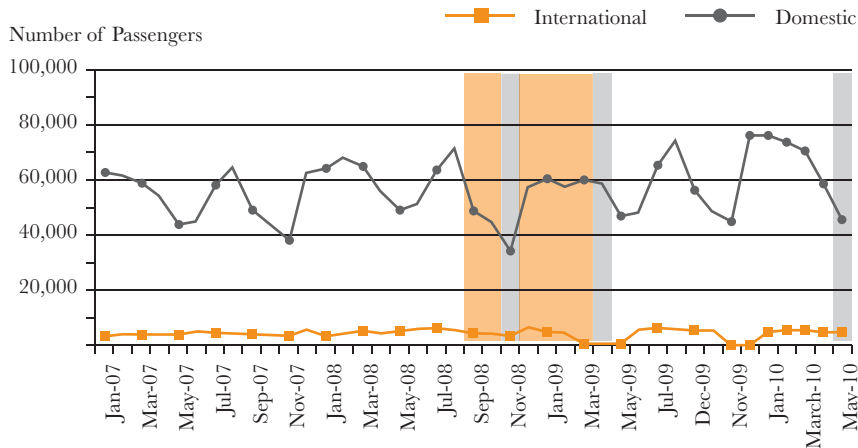
## Forward Outlook

- Luxury tier set to grow by 109% in second half of the year, adding 205 rooms to supply.
- Regional Asian markets top growth segments signals potential change in tourism profile.
- Strong Thai baht coupled with weak UK pound and euro constrains rebound for key long haul visitors.
- Concern of oversupply in upscale and midscale hotel supply fundamentals.

# TOURISM

## Airline Indicators

### Visitor Arrivals at Samui Airport



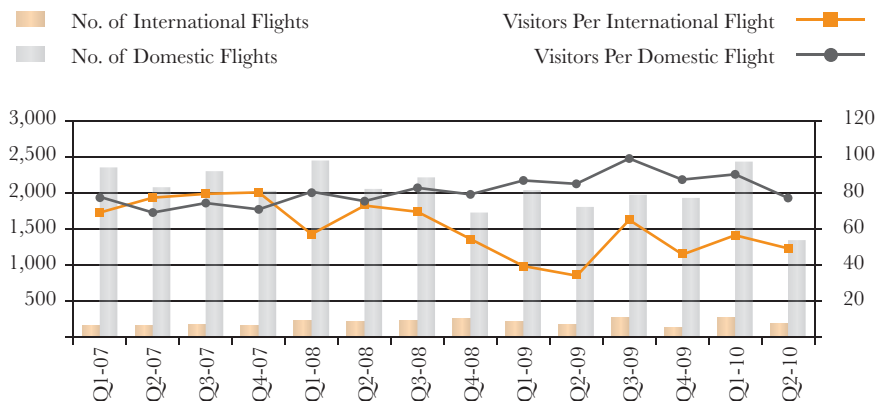
Source: Department of Civil Aviation and C9 Hotelworks Market Research

*Rebound in volume returning to 2008 level*

- Global Financial Crisis
- Politically Related Events

Bangkok airport closure (Nov-08)  
 ASEAN Summit disruption (Apr-09)  
 Bangkok red shirt protest (May-10)

### Average Load for Inbound Flights to Samui



Source: Department of Civil Aviation and C9 Hotelworks Market Research

*International flights surged by 67% vs. 2009 and by 21% vs. 2008*

## Tourism Indicators

### FAST FACT

There are 362 (14,261 rooms) registered accommodation establishments in Samui.

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

### Top 5 International Source Markets

1. Germany
2. United Kingdom
3. Australia
4. Russia
5. Middle East

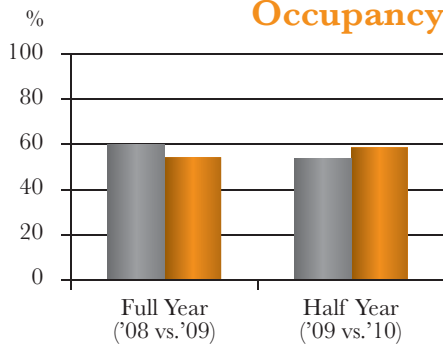
### Top 5 Growth Markets

1. Indonesia
2. India
3. Eastern Europe
4. Middle East
5. Malaysia

## Hotel Performance

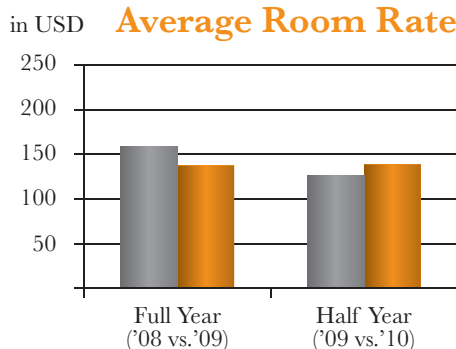
### By Tier

#### Occupancy



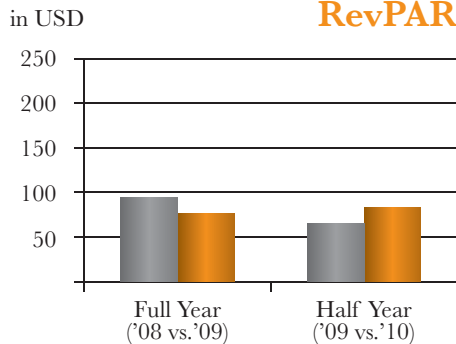
Source: C9 Hotelworks Market Research

#### Average Room Rate



Source: C9 Hotelworks Market Research

#### RevPAR



Source: C9 Hotelworks Market Research

Change	
Luxury	▲ 14%
Upscale	▼ 3%
Midscale	▲ 4%
Budget & Economy	▲ 19%

*Upscale hotel decline signals shift in visitor profile and early warning of possible oversupply*

Change	
Luxury	▲ 34%
Upscale	▲ 16%
Midscale	▲ 5%
Budget & Economy	▲ 4%

*Luxury segment outperformed broad market in rate growth*

Change	
Luxury	▲ 74%
Upscale	▲ 11%
Midscale	▲ 12%
Budget & Economy	▲ 64%

*Rate recovery spurred RevPAR across entire chain scale*

## Hotel Openings

Currently, a total of 14,261 rooms are registered as accommodation establishments in Samui. A total of 1,808 rooms were closed over the past year, decreasing existing supply by 11%. The majority of these are small guesthouses that could not sustain stable trading conditions.

Hotel Name	Location	Rooms	Opening Date
W Retreat Koh Samui	Mae Nam	75	Nov 2010
Infinity Residences & Resort	Bang Po	65	Dec 2010
Conrad Koh Samui Resort & Spa	Thong Krut	65	Q1 2011
All Seasons Samui Chaweng	Chaweng	153	Q1 2011
Vana Belle Samui Resort & Spa (Starwood Luxury Collection)	Chaweng	180	Aug 2011

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. Their core business focus includes:**

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

With key competencies including 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 their clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 25 years of experience in Asia Pacific, the firm is well situated to serve an increasingly demanding marketplace.



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