



HOSPITALITY CONSULTING

# Samui

## Hotel Market Update

Mid-Year Edition October 2016

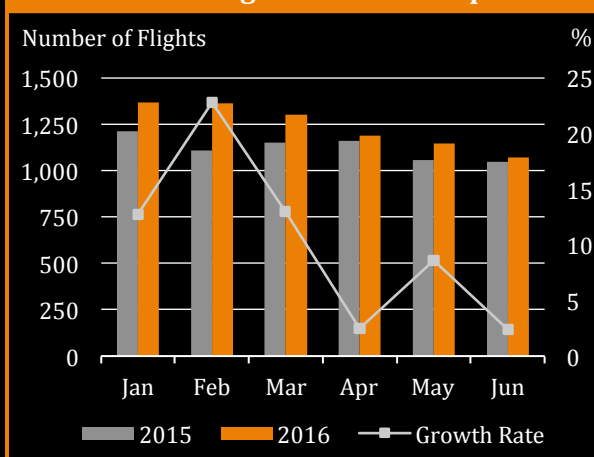
# Hospitality sector gains positive momentum as airport arrivals accelerate with expanded airlift

## Domestic flights remain major vehicle for incoming tourists

“Samui is seeing a steady recovery in the tourism industry for the past year, especially in regards to occupancy, which rose at a much faster pace than average daily rate (ADR). This is coherent with the growth in total arrivals, which saw an uptick of 24% from January through June this year as opposed to the same period last year.

The wave of new passengers has been driven by additional flights from Singapore, Malaysia and within Thailand, with a combined y-o-y increase of 10% in YTD figures as of June. Despite the focus on Asia as a key feeder for airlift, the overall market mix of hotel guests are still slanted towards Western Europeans, representing 36% of total hotel stays last year. The higher spending profile of the source market has allowed hotels to leverage on premium room rates when compared to other beach-centric destinations in Thailand. With that in mind, room rates are expected to remain buoyant.

**Inbound Flights to Samui Airport**



Source: Samui Airport Property Fund and C9 Hotelworks Market Research

That said, with Bangkok Airway’s plan to extend its coverage within Mainland China to accommodate demand in tour series, we forecast a growing supply share of lower-tier hotels, which are already becoming more visible in the pipeline projects.”

**Bill Barnett, Managing Director, C9 Hotelworks**

## Trends

- Packaged tours and individual travelers stand at 39% and 61% respectively, with 92% of packaged tours and 79% of FIT’s coming from overseas.
- Mainland Chinese arrivals from international flights continue to grow y-o-y for H1 2016 by 26%, followed by Australians at 21%.
- Registered guests at accommodation establishments increased by 8% last year for a total of 2,168,677 individuals, with Thai’s accounting for 16% and foreigners 84%.

## Forward Outlook

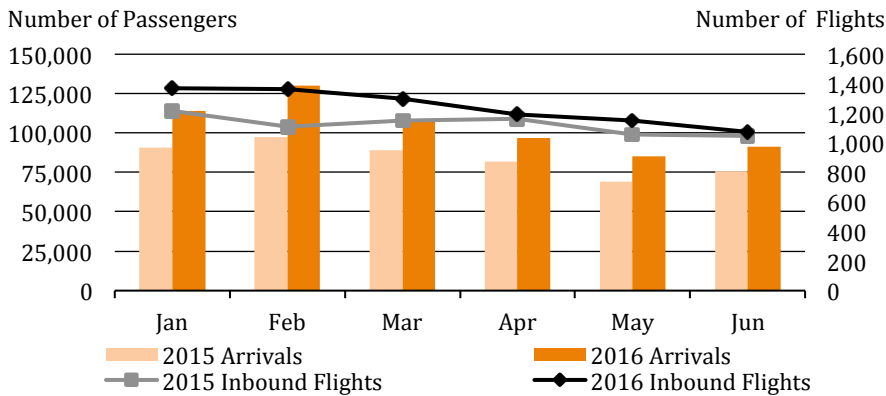
- Samui International Airport’s expansion is pending EIA approval to increase flight capacity of 50 flights per day to approximately 75 flights per day, with 1<sup>st</sup> phase expected in early 2017.
- Phuket is the second major feeder of domestic arrivals to Samui after Bangkok, and will increase schedule to 6 flights per day in Q4 of this year.
- Bangkok Airways is pending approval for additional airlifts to China by end of 2016, adding daily scheduled flights from Guangzhou and charter flights from Chongqing.

# TOURISM

## Airline Indicators

- Samui International Airport hosted 624,914 total passenger arrivals from both scheduled and non-scheduled flights during the first six months of this year, with passengers from domestic flights representing close to 90% of the incoming traffic.

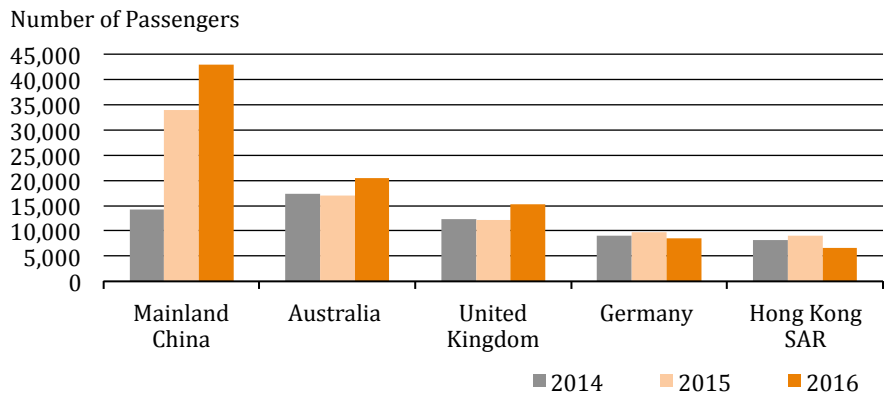
### Samui Airport Arrivals



Source: Samui International Airport and C9 Hotelworks Market Research

*February registered highest growth in both arrivals and inbound flights, with positive y-o-y rise of 34% and 23%*

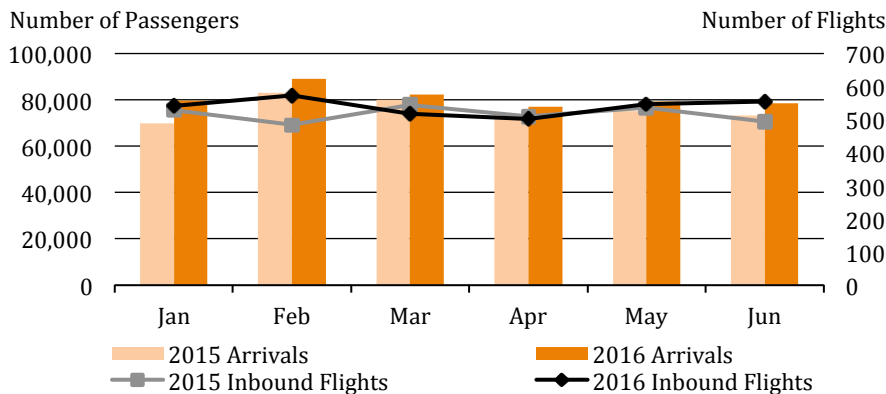
### International Flight Arrival Trend at Samui Airport



Source: Thailand Department of Tourism and C9 Hotelworks Market Research

*Samui Airport recorded an 18% increase in foreign passenger arrivals for January - June of this year*

### Surat Thani Airport Arrivals

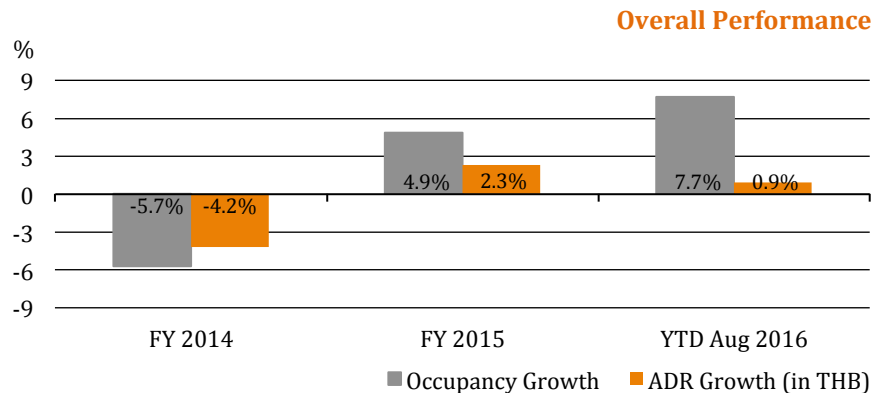


Source: Thailand Department of Civil Aviation and C9 Hotelworks Market Research

*Passengers on international and domestic flights are up by 18% and 6% respectively for YTD June, with total arrivals growing by 7%*

## Hotel Performance

*Performance continues to push up after 2014 slump in both occupancy and ADR due to political events*

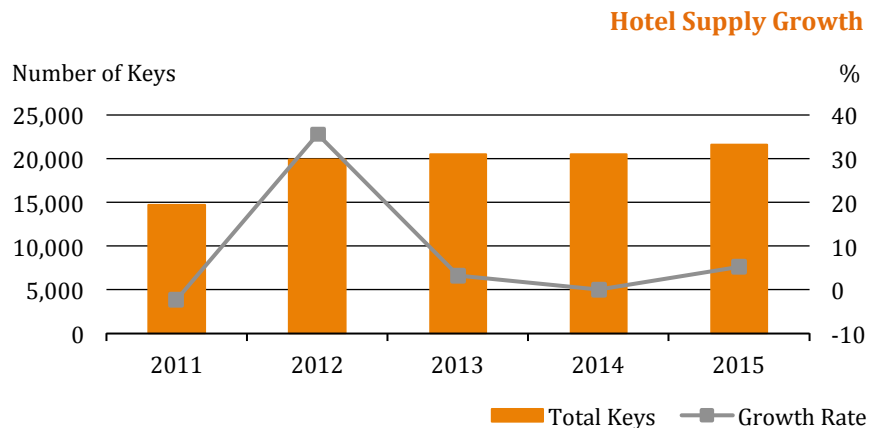


Source: STR

## Hotel Supply

- Samui has 556 licensed accommodation establishments with a total of 21,587 keys. There are 1,329 new keys expected to come on-stream by 2019 from 12 pipeline projects. The highest concentration of growth is in Chaweng.

*Supply grew 5% last year after flatlining in 2014, with 100 new keys to be added by the end of this year*



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

Hotel Name	Location	Keys	Opening Date
Holiday Inn Express Bophut	Bophut	200	TBA
Holiday Inn Resort Bophut	Bophut	150	TBA
The Samui	Chaweng	79	Dec 2016
The Library Koh Samui*	Chaweng	20	Q1 2017
Sala Chaweng	Chaweng	140	Q3 2017
COSI Hotel by Centara	Chaweng	150	Q3 2017
The Park Island Resort	Chaweng	130	TBA
Ibis Style Samui	Chaweng	129	Q1 2017
Sofitel So Samui	Choeng Mon	83	2019
X2 Vibe Samui Nautilus Residence	Plai Laem	40	Q2 2017
The Ritz-Carlton, Koh Samui	Plai Laem	187	Q4 2018
The Beach Samui	Thong Krut	21	Dec 2016

\*Additional keys for existing hotel

Source: C9 Hotelworks Market Research

# Samui 2015 Domestic & International Airlift by Country

## THAILAND

10,725 Flights

**Key Feeders:**

Bangkok: 7,858 flights (2 airports)  
Phuket: 1,715 flights (1 airport)  
Pattaya: 408 flights (1 airport)  
Chiangmai: 382 flights (1 airport)  
Krabi: 362 flights (1 airport)

## HONG KONG SAR

758 Flights

**Key Feeder:**

Hong Kong: 758 flights (1 airport)

## MAINLAND CHINA

181 Flights

**Key Feeders:**

Kunming: 140 flights (1 airport)  
Shenzhen: 15 flights (1 airport)  
Guangzhou: 15 flights (1 airport)  
Others: 11 flights (8 airports)



## SINGAPORE

946 Flights

**Key Feeder:**

Singapore: 946 flights (1 airport)

## MALAYSIA

892 Flights

**Key Feeders:**

Kuala Lumpur: 732 flights (1 airport)  
Penang: 159 flights (1 airport)  
Johor: 1 flight (1 airport)

Source: Samui International Airport and C9 Hotelworks Market Research. Flight Arrivals FY 2015



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