



HOSPITALITY CONSULTING

Koh Chang

Hotel Market Update

April 2020

Opposite travel patterns of domestic and international visitors result in balanced year-round hotel demand

Island-wide tourism receipts total THB13.9 billion in 2019

“Koh Chang is island hideaway in the Gulf of Thailand, within drivable proximity to Bangkok. The destination is highly leveraged with domestic tourists, mainly from Bangkok and nearby provinces. Thai visitors usually travel during the low season from April to September. During the peak period from December to February, most hotels run over 90% occupancy, with high demand coming from long-haul European visitors, with up to a two-week average length of stay.

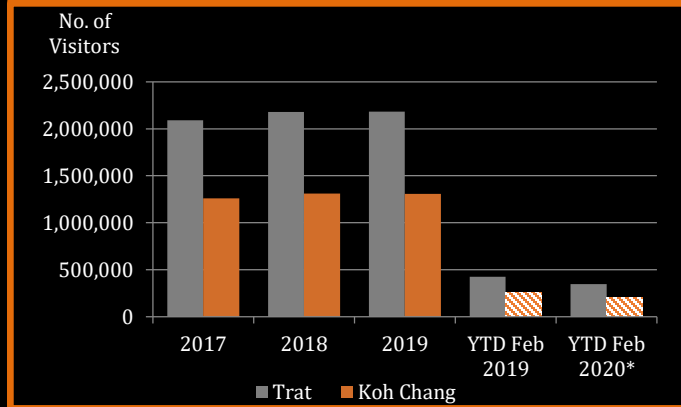
In 2019, Koh Chang welcomed 1.3-million visitors in total. The Thai Baht appreciation last year affected hotel guests' behavior and purchasing power, hence many hotels had to adjust room rates, resulting in a decline in RevPAR of 3%.

The COVID – 19 crisis in Q1 2020 has negatively affected hotel occupancy in terms of early check-outs, cancellations, and a flat trend in new bookings. As of February 2020, it is estimated that the number of visitors to Koh Chang dropped by 18% year-to-date.

Trends

- Tourism arrival growth in Koh Chang has been positive over the past few years, with a 5-year CAGR growth of 5.3%.
- Diversity in source markets is increasing, with the current primary mix being domestic travelers (69%), Europe (22%), and Asia (6%).
- Wholesale FITs from Europe is a major source of business. Other overseas demand comes from OTAs and Mainland Chinese tour series.

Visitor Arrivals - Trat vs. Koh Chang



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

Looking forward post COVID-19, domestic demand is expected to see early recovery. Due to increasing hotel supply in the upscale and upper-upscale market segments in recent years, competition amongst four-star hotels is anticipated to mute average room rate growth in the short term.”

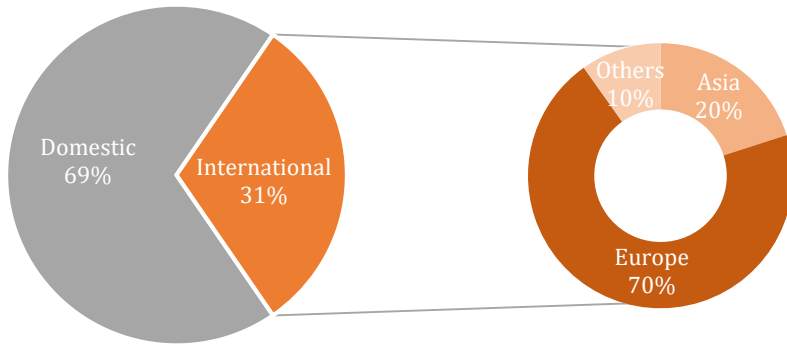
Bill Barnett, Managing Director, C9 Hotelworks

Forward Outlook

- For hotel supply, registered properties will grow to 281 establishments with new 8,159 keys by the end of 2022.
- As part of the EEC, the development plan for Sattahip Commercial Port includes a new ferry service from Sattahip to Koh Chang via Pattaya.
- By 2022, there will be two hotel developments entering the market, namely Splash Hotel (40 keys) and Marriott Koh Chang Hotel (240 keys).

TOURISM

Domestic vs. International Tourism Demand



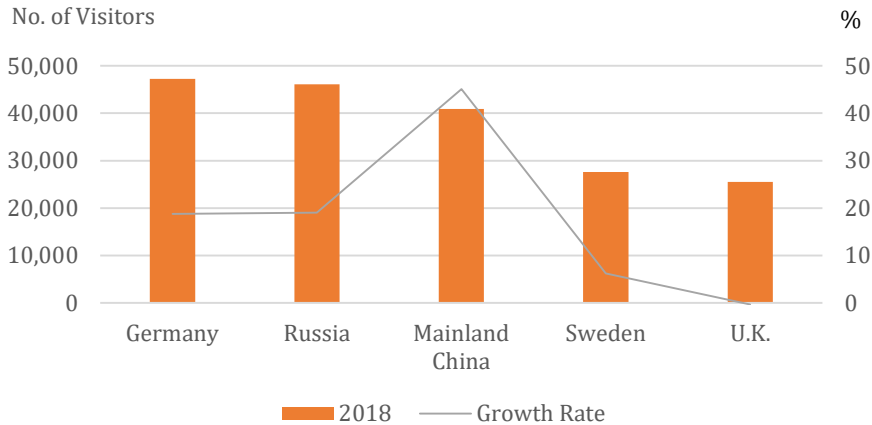
Tourism Receipts



Total **13,426** million
 Domestic THB **6,748** million
 International THB **6,677** million

Source: Thailand Ministry of Tourism and Sports and C9 Hotelworks Market Research. Data as of FY2018

Top 5 International Source Markets

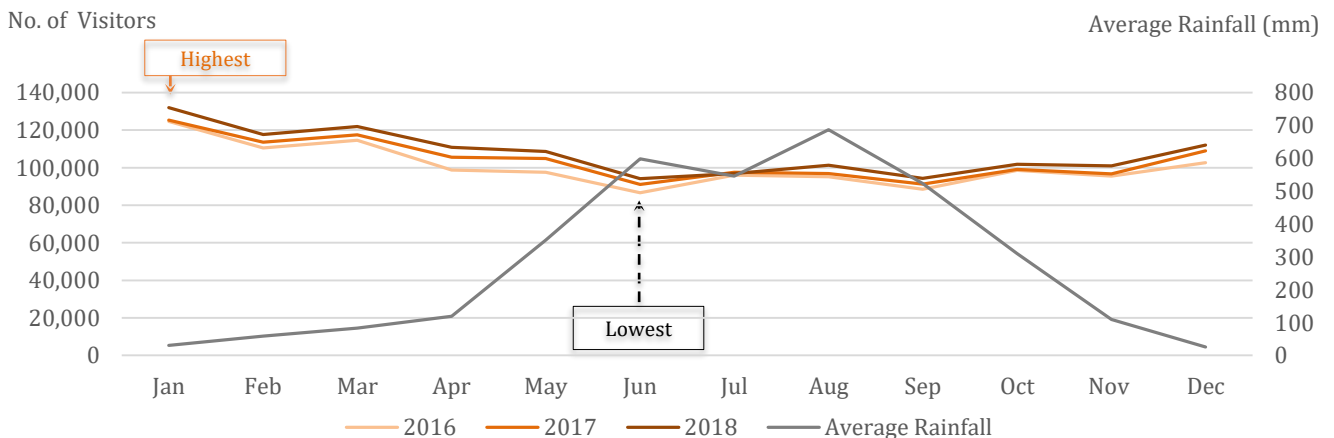


Top Emerging Markets



Source: Thailand Ministry of Tourism and Sports and C9 Hotelworks Market Research. Data as of FY2018

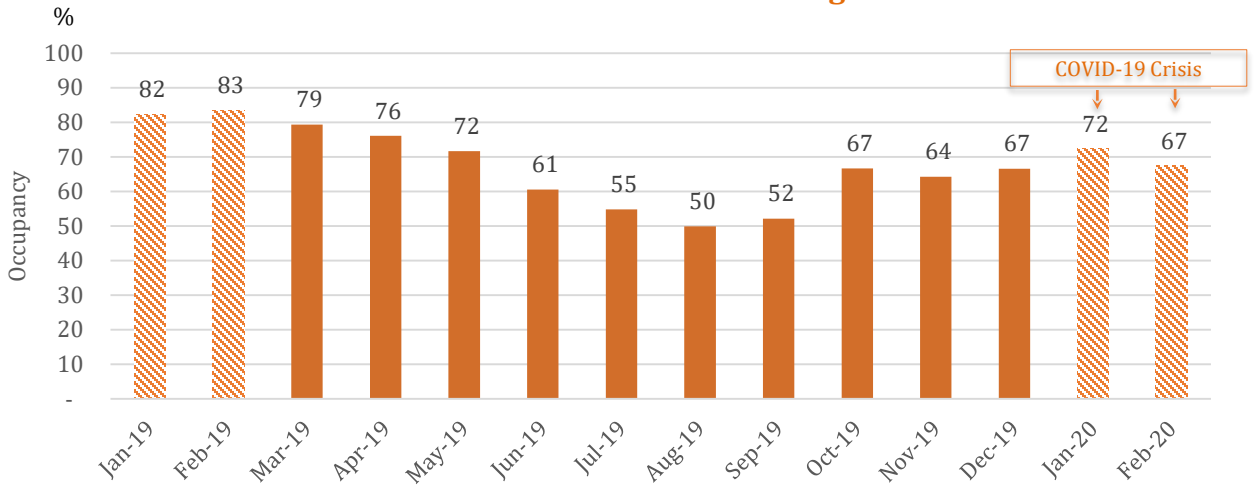
Visitor vs. Seasonality Trend



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

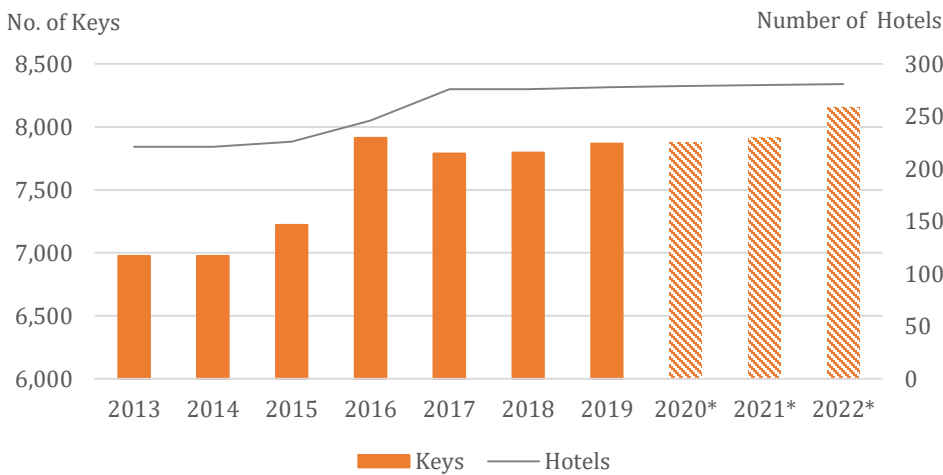
HOTEL MARKET

Hotel Room Night Demand – Trat Province



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

Hotel Supply Growth & Pipeline



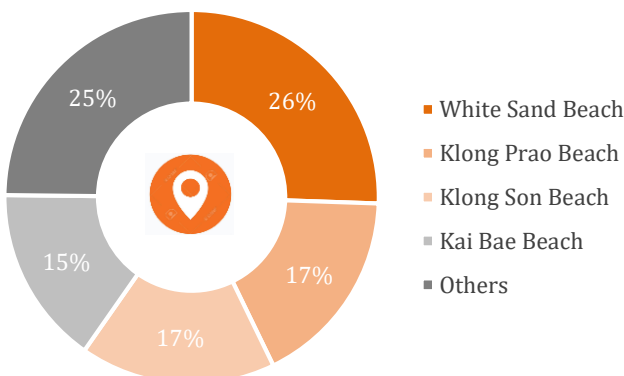
Source: Thailand Ministry of Tourism and Sports and C9 Hotelworks Market Research. *2020 – 2022 projected

Average Length of Stay



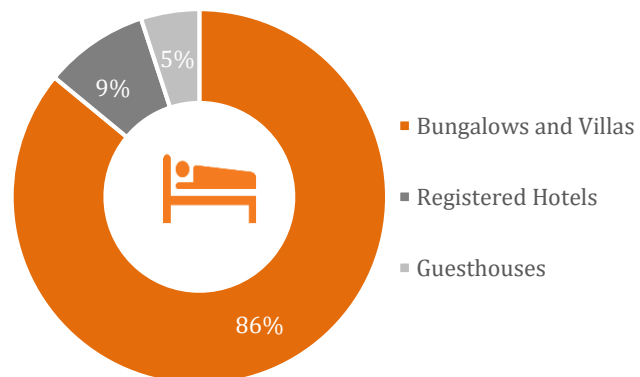
Source: Ministry of Tourism and Sports and C9 Hotelworks Market Research

Hotel Supply by Area



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

Accommodation by Type



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.



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