



HOSPITALITY CONSULTING

# Hua Hin

## Hotel Market Update

May 2020

## Hua Hin Airport's expansion is key to unlocking the destination's international tourism ambitions

### Pent-up domestic tourism demand expected to highlight hotel recovery storyline

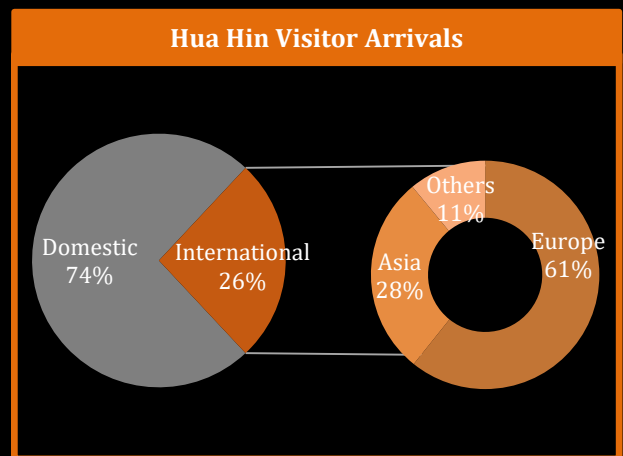
"Hua Hin has continued its journey down a sustainable path of visitor arrivals with a 5-year CAGR of 6%. Post Covid-19 we expect Hua Hin to recover faster than other tourist destinations in the country, due to a locational advantage and close driving distance to Bangkok.

With the domestic sector being the dominant source market accounting for 74% of the demand, the market-wide average room rate has held over the past few years and surpassed the THB4,000 level in FY2019. It is notable that other key resorts markets in Thailand have seen rates retreat, as rates have been marginalized by an appreciating baht and new supply.

Two key infrastructure projects that will attract a broader tourism growth is the development of a high-speed rail system, and a double-track railway (60% completed). Moreover, a budget of THB350 million has been approved for Hua Hin Airport's runway expansion and a new passenger terminal.

### Trends

- In 2019, Hua Hin Airport hosted 44,613 passenger arrivals via AirAsia direct flights from Kuala Lumpur, Malaysia.
- Emerging international markets from Asian countries with y-o-y growth were led by Taiwan (23%), Hong Kong (19%), and Japan (19%).
- Domestic visitors are the main market feeders through direct FITs, OTAs, and MICE segment. Overseas guests are leveraged with European wholesale FITs and Chinese tour groups.



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

With the launch of international direct flights from Kuala Lumpur by AirAsia since May 2018, Hua Hin's Airport expansion project will enable larger aircraft. Hence, we expect to see low-cost airline carriers implement direct routes from regional markets such as Mainland China, India, and ASEAN countries once completed."

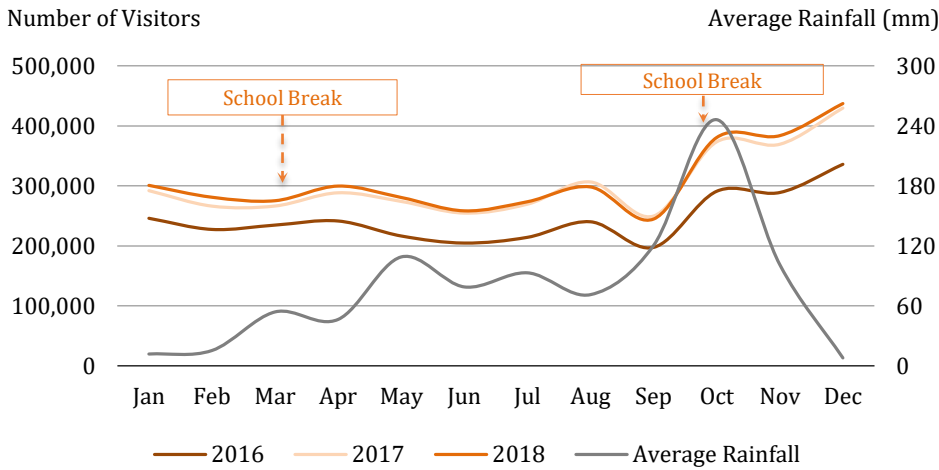
Bill Barnett, Managing Director, C9 Hotelworks

### Forward Outlook

- Two new hotels, the U Hua Hin and Veranda Resort and Spa Hua Hin which were expected to open in Q1/Q2 this year has been postponed.
- There are five new hotels, totaling 1,627 keys in the accommodation pipeline, with most of these in the midscale segment.
- Escalating number of long-stay visitors amplifies demand for villa rentals, with many seasonal travelers who are 'snowbirds' or winter visitors from Europe.

# TOURISM

## Visitor vs. Seasonality Trend



*Domestic visitors during school holidays in April and October spike demand*

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

## Top 5 International Markets



## Top 5 European Markets

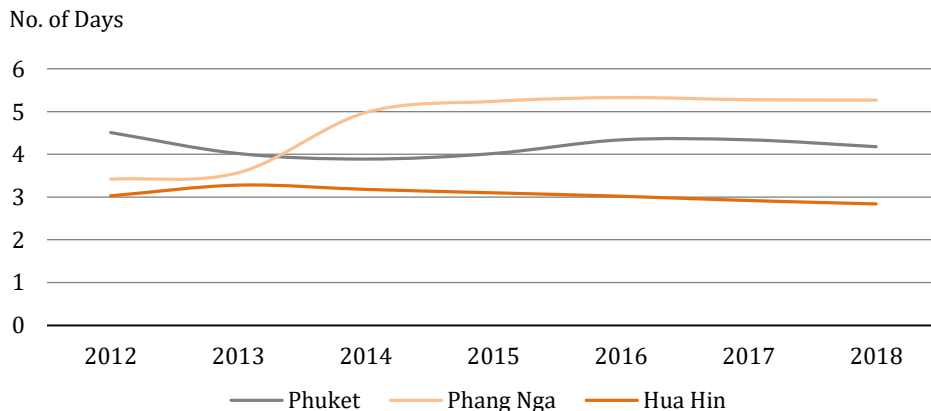


## Top 5 Asian Markets



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

## Visitor Average Length of Stay (ALOS)

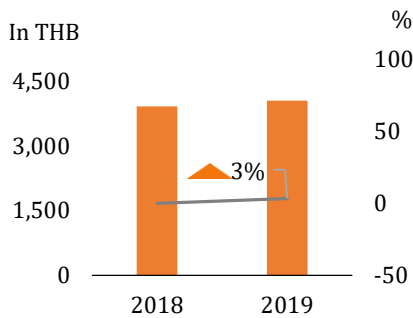


*Hua Hin has a shorter ALOS, but domestic visitors have longer stays on public and school holidays*

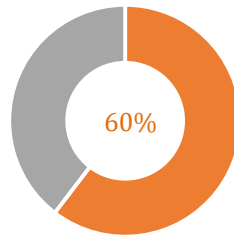
Source: Thailand Ministry of Tourism and Sports and C9 Hotelworks Market Research

# HOTEL OVERVIEW

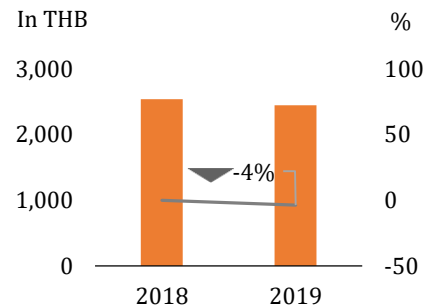
## Average Daily Rate



## Occupancy



## RevPAR



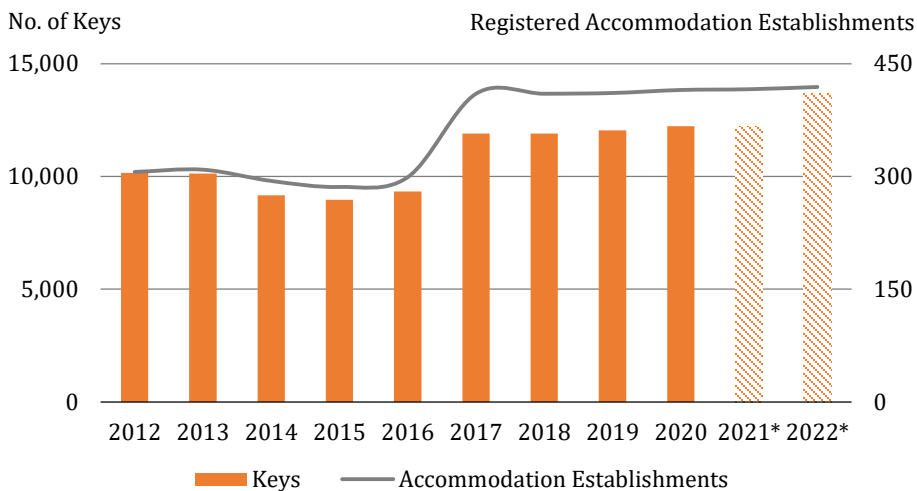
Source: STR. Data as of FY2019

*Market-wide ADR hit THB4,049, with a y-o-y growth of 3%*

*Occupancy reduced in H2 vs. previous year resulting in a 5% y-o-y decline*

*RevPAR dropped y-o-y by 4% due to lower demand*

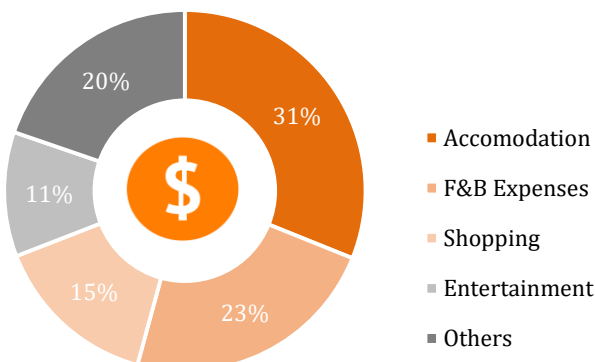
## Hotel Supply Growth & Pipeline



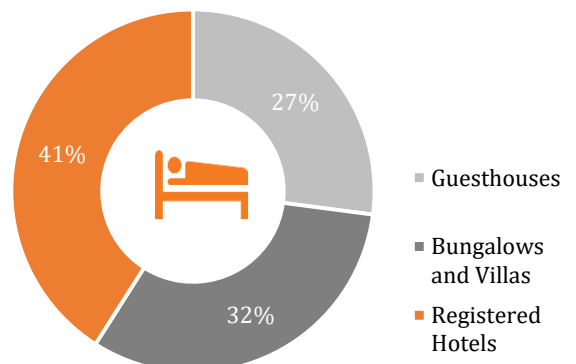
*Registered accommodation in Hua Hin totaled 12,050 keys in 2019*

Source: Thailand Ministry of Tourism and Sports and C9 Hotelworks Market Research. \*2021 - 2022 projected

## Tourism Expenditure



## Accommodation by Type



Source: Ministry of Tourism and Sports and 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.



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