



C9 HOTELWORKS

# Phuket

## Hotel Market Update

Mid-Year Edition August 2021

# Room night demand shifts upwards with the Phuket Sandbox model

## Nearly two-thirds of island's new hotel projects delayed

"International visitors are an important foundation in driving tourism growth in Phuket. According to the Airports of Thailand, international passenger arrivals increased for ten consecutive years to reach a record of 5.3 million in 2019 before decreasing by 80% to 1.1 million in 2020 due to travel restrictions under the COVID-19 pandemic. While this year total passenger arrivals between January to July dropped to 0.4 million from 1.9 million passengers in 2020.

In FY2020, the marketwide ADR was propped up by the government's 'We Travel Together' program. However, the Bangkok travel restrictions have effectively negated the domestic market and made the island reliant on Sandbox travelers. This has pushed marketwide demand into double digits, though rates have dropped.

Phuket became the first province in Thailand to welcome back international visitors without quarantine requirements. Based on the Tourism Authority of Thailand (TAT), the reopening of Phuket quadrupled its room night demand in July, with further gains registered in August.



Due to the ongoing pandemic, 67% of pipeline project projects have been delayed, mostly to 2023-24. The West Coast remains the most popular development area, led by Kamala, Patong, and Layan. Despite the ongoing COVID-19 impact on hotel owners, only two significant transactions of hotels occurred this year, though more are expected over the new 12-18 months."

Bill Barnett, Managing Director, C9 Hotelworks

### Trends

- Total airport passenger arrivals hit a high of 9.12 million in 2018, then for 2019 slightly decreased to 9.06 million (-1%), and dropped to 2.5 million in 2020 (-71%).
- Under the Phuket Sandbox program in July, the number of International passenger arrivals was 14,055 with 190,843 booked hotel room nights.
- Island's hotel pipeline has 20% of projects on schedule, with 67% delayed and 13% have been cancelled.

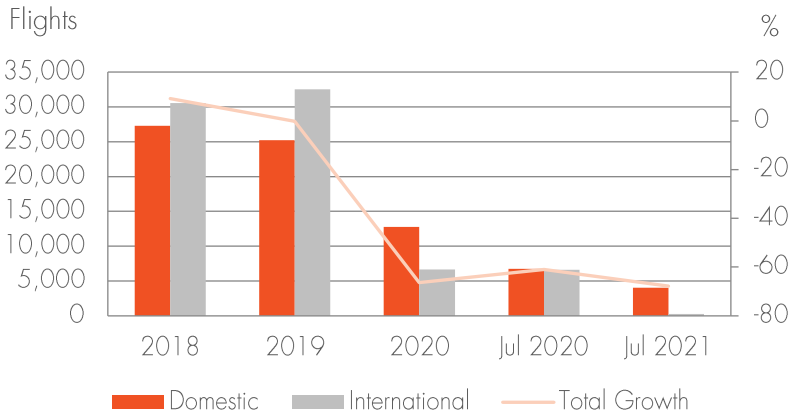
### Forward Outlook

- Phuket Airport's expansion remains in progress and will be completed by 2025. The upgrade will lift up the stated passenger capacity from 12.5 to 18.5 million.
- Of the 5,838 keys in the hotel pipeline, 78% are positioned in the upper-midscale, upscale, and upper-upscale segments.
- By the end of 2021, total registered hotel supply for the island is forecasted at 92,459 hotel keys in 1,785 establishments.

# TOURISM MARKET REVIEW

## Tourism Indicators

### Flight Arrivals - Phuket International Airport - 2018 through Jul 2021



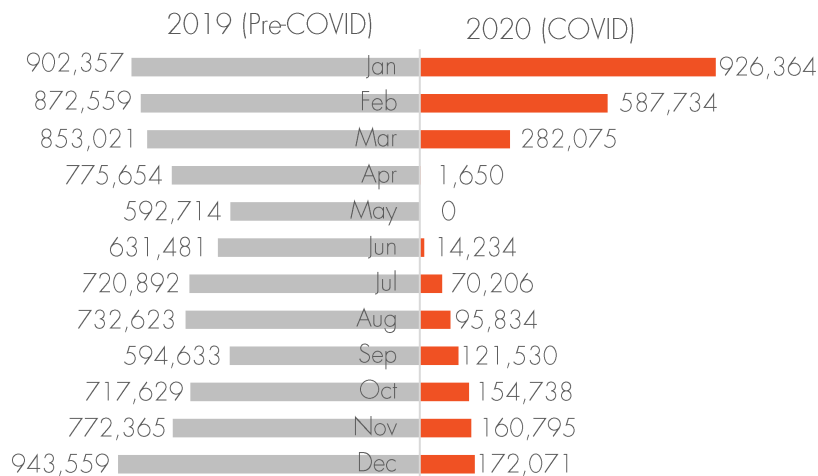
#### Flight Arrivals (Jan – Jul)

2021: 4,298

2020: 13,347

Source: Airports of Thailand

### Airport Passenger Arrivals – 2019 vs. 2020



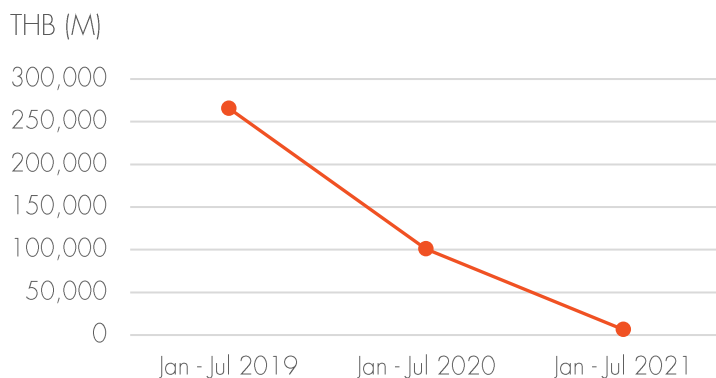
#### Passenger Arrivals

2019 (Pre-COVID): 9,066,366

2020 (COVID): 2,587,231

Source: Airports of Thailand

### Tourism Revenue



#### Tourism Revenue (Jan – Jul)

2021: THB6,592 million

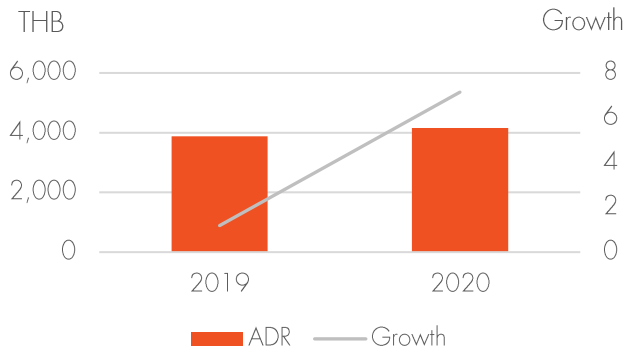
2020: THB100,995 million

Source: Thailand Ministry of Tourism and Sports

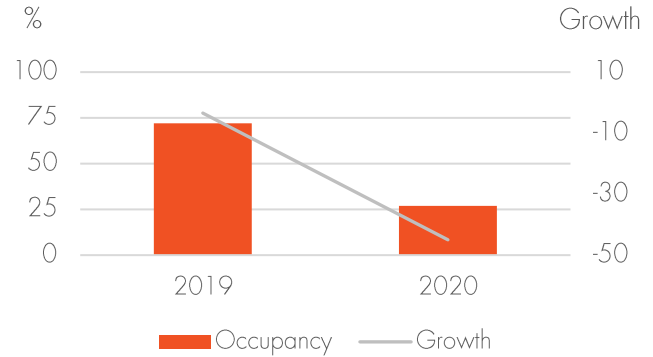
# HOTEL MARKET REVIEW

## Hotel Performance – 2019 vs. 2020

Average Daily Rate

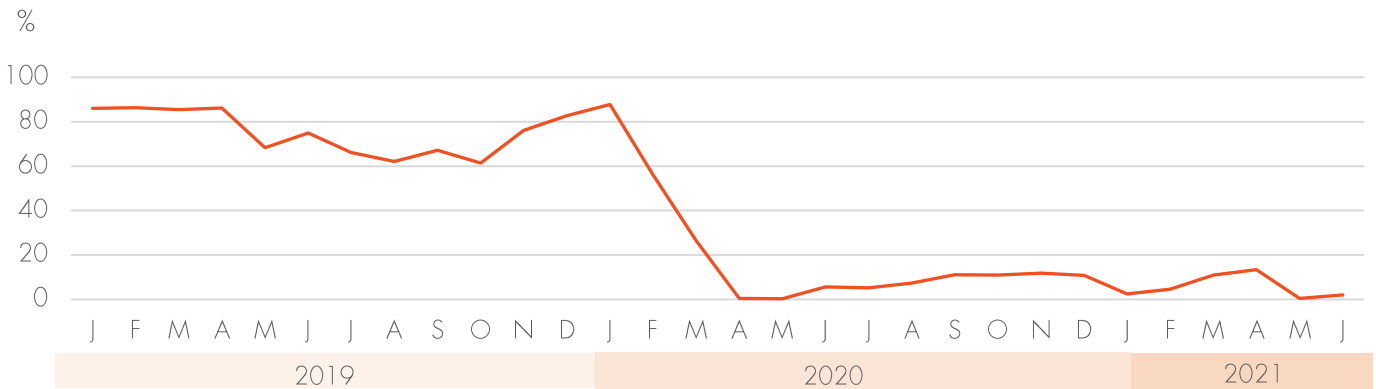


Occupancy



Source: STR and C9 Hotelworks Market Research \*Data as of FY2020

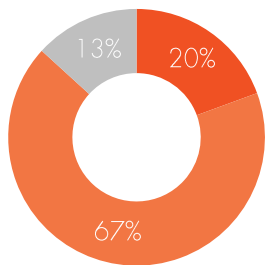
Room Night Demand by Month - Jan 2019 through Jun 2021



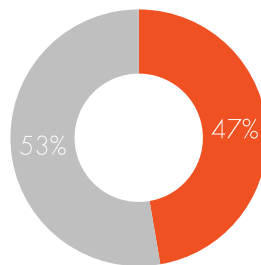
Source: Thailand Ministry of Tourism and Sports \*Phuket Airport closed from April 10th through June 12th

## Hotel Pipeline Insight

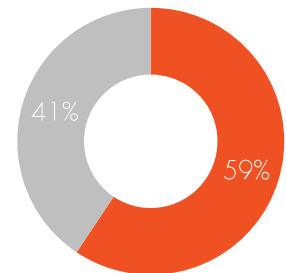
Project Status



By Type



Branded vs. Non-branded



On-time Delayed Cancelled

Hotels Hotel Residences

Branded Non-branded

# Hotel Pipeline

Hotels	Location	Keys	Opening Year
Meliá Phuket Mai Khao	Mai Khao	100	Oct 2021
GLOW Mira Karon Beach	Karon	154	Oct 2021
Courtyard by Marriott Phuket Town*	Phuket Town	248	Q3 2021
Noku Phuket	Chalong Bay	91	Q1 2022
Holiday Inn Phuket Kata Beach	Kata	140	Q4 2022
Holiday Inn Express and Suites Kata Beach	Kata	135	Q4 2022
Angsana Oceanview**	Bangtao	116	2023
MGallery Hotel MontAzure Lakeside Phuket	Kamala	236	2023
Movenpick Phuket Kamala Beach	Kamala	230	2023
Ibis Styles Phuket Kamala Zenkiri	Kamala	300	2023
Holiday Inn Vana Nava Phuket	Kathu	255	2023
Tribe Phuket Patong Avista	Patong	230	2023
Novotel Phuket Naiharn	Nai Harn	650	2023
Meliá Phuket Karon	Karon	224	2023
Radisson Hotel Mai Khao	Mai Khao	222	2023
Tonino Lamborghini Boutique Hotel Phuket	Ao Por	51	2023
The Beach Plaza Phase 1	Kata	730	2024
JW Marriott Phuket Resort & Spa Chalong Bay	Chalong Bay	189	2024
Courtyard by Marriott at Chalong Bay	Chalong Bay	277	2024
W Phuket Nai Harn Beach	Nai Harn	60	2024
Centra Central Phuket	Kathu	170	2024
COSI Central Phuket	Kathu	180	2024
Centra by Centara Maikhao Resort Phuket	Mai Khao	280	2024
Holiday Inn Express Phuket Kata	Kata	300	2025
Sheraton Phuket Grand Bay Resort	Ao Por	270	TBA
<b>Total</b>		<b>5,838</b>	
Hotel Residences with Mandatory Rental Program	Location	Keys	Opening Year
Platinum Bay Phuket	Kamala	432	Q1 2022
Oceana Surin - Hotel Zone	Surin	333	Q3 2022
Patong Bay Hill 2	Patong	199	Q4 2022
Patong Bay Seaview Residence	Patong	454	Q4 2022
Angsana Oceanview Residences**	Bangtao	33	2023
Dhawa Phuket Residences	Bangtao	175	2023
Best Western Premier Himalai Resort	Kamala	427	2023
Ramada Plaza Grand Himalai Resort	Kamala	426	2023
Patong Bay Oceanview Cottages	Patong	300	2023
Patong Bay Residence Phase 3	Patong	114	2023
<b>Total</b>		<b>2,893</b>	
Hotel Residences with Optional Rental Program	Location	Keys	Opening Year
Laya Condominium and Resort - Phase I	Layan	926	Q1 2022
The Marin Phuket	Kamala	260	Q2 2022
Oceana Surin - Residential Zone	Surin	555	Q3 2022
Utopia Thalang	Thalang	129	Q4 2022
Utopia Mai Khao	Mai Khao	92	Q4 2022
Utopia Central	Kathu	405	Q4 2022
Utopia Karon	Karon	238	Q4 2022
Utopia Yamu	Yamu	81	Q4 2022
Beachfront Bliss Naiyang	Nai Yang	96	2023
Utopia Dream	Nai Harn	633	2024
VIP Galaxy Villas Rawai	Rawai	114	2024
The Residences at Sheraton Phuket Grand Bay	Ao Por	101	TBA
<b>Total</b>		<b>3,630</b>	

\*Additional Keys for Existing Hotel

\*\*Additional Keys for Existing Hotel with Residences

Source: C9 Hotelworks Market Research

# About C9 Hotelworks



## BILL BARNETT

### MANAGING DIRECTOR

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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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