



C9 HOTELWORKS

# Hakuba

## Tourism and Property Market Review

November 2023

## Could Hakuba be Japan's next big alpine leisure market?

### Hotel branded residences expected to be prime property mover

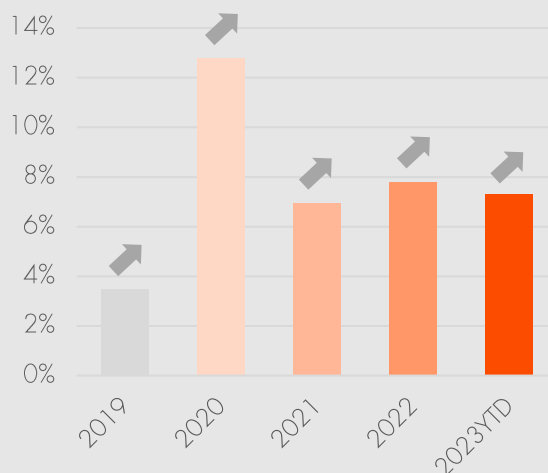
"Hakuba, renowned for being part of the 1998 Nagano Winter Olympics, has evolved from a seasonal Australian-focused skiing destination into a year-round getaway. It is located within a three-hour drive from Tokyo. The valley has witnessed increasing development, attracting emerging markets from Asia, notably Taiwan, Hong Kong, and Singapore. Furthermore, the COVID-19 pandemic rejuvenated the appeal of high-quality ski destinations in the domestic market.

The robust growth extends beyond tourism to the property market, driven by a rising demand for holiday rental homes. Traditionally, Hakuba focused on the development of ski chalets with classic alpine designs, which remain prominent. Nevertheless, the market is now witnessing an influx of condominium projects, exemplified by the successful ROKA Residences development. Offering units ranging from two to five bedrooms with ski-in/ski-out access, this luxury project by Hakuba Mirai experienced strong sales during the pandemic.

A noteworthy development generating excitement in the market is the debut of the Banyan Tree Resort and Branded Residences in Hakuba. This represents the first entry of a hotel and branded residences into the market. Situated in the Wadano and Happo areas of Hakuba, the project encompasses 105 hotel rooms and 32 condominium units available for purchase, all providing convenient ski-in/ski-out access to the Happo-one ski resort.

### Hakuba Land Appreciation

Year-on-Year Growth (%)



Source: C9 Hotelworks Market Research and Ministry of Land, Infrastructure, Transport and Tourism

In line with the Niseko market, ski-in/ski-out access on prime land continues to be the preferred choice. Given the presence of undeveloped, affordable land in Hakuba, we view the market fundamentals favorably."

Bill Barnett, Managing Director, C9 Hotelworks

### Tourism Trends

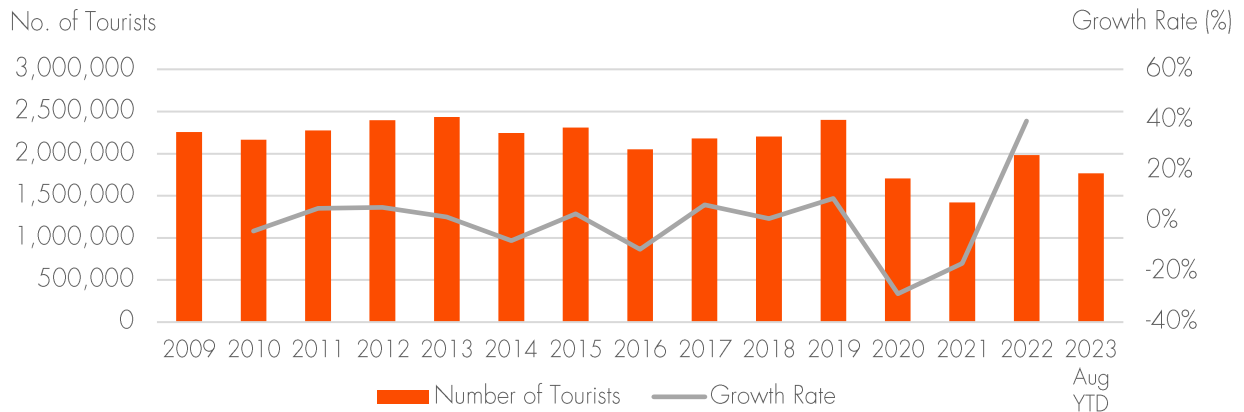
- Hakuba Iwatake Mountain Resort collaborates with local clinics in the village as part of their medical tourism initiative.
- Matsumoto Airport is dedicated to developing new air routes with the aim of attracting more tourists to Nagano Prefecture, particularly Hakuba during the winter season.
- Iwatake Ski Resort has achieved its highest visitor numbers in the past decade.

### Property Trends

- Debut of Banyan Tree Resort and Branded Residences in Hakuba, marking the first entry of international hotel branded residences into the market.
- According to the government's demographic survey, Hakuba village boasts the third-highest population growth rate in Japan at 3.16%, primarily driven by an increase in the foreign population.

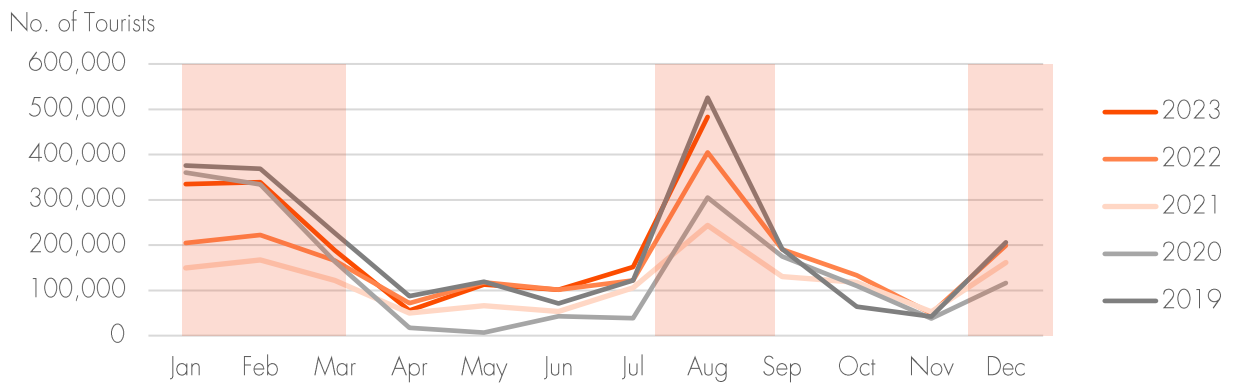
# TOURISM OVERVIEW

## Total Tourists to Hakuba – 2009 to 2023 Aug YTD



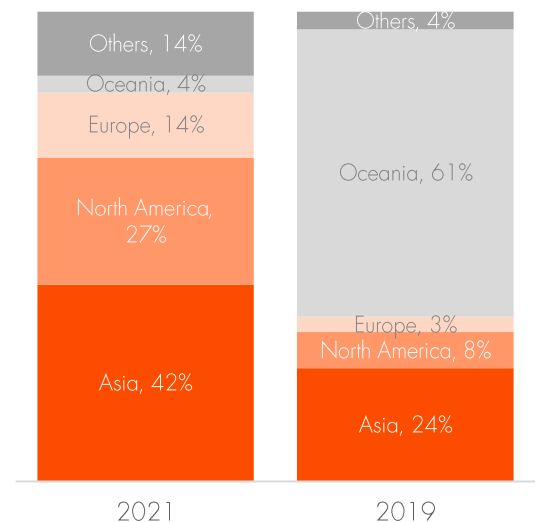
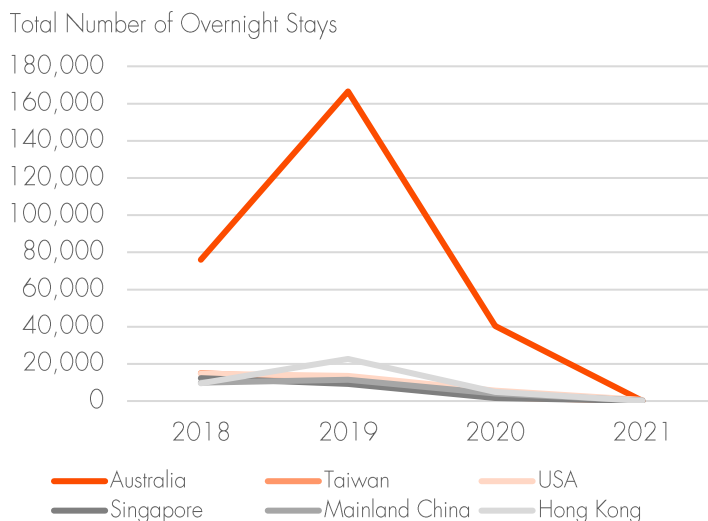
Source: C9 Hotelworks Market Research, Hakuba Valley Office, and Official Statistics of Japan

## Seasonality – 2019 to 2023 Aug YTD



Source: C9 Hotelworks Market Research, Hakuba Valley Office, and Official Statistics of Japan

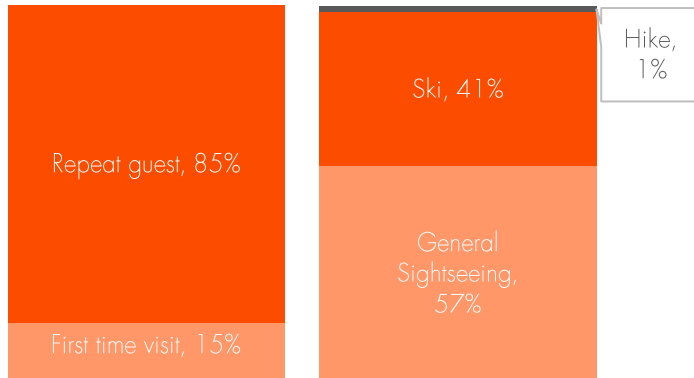
## Key Overseas Geographical Source Markets



Source: C9 Hotelworks Market Research and Hakuba Valley Office

# TOURISM AND HOTEL MARKET REVIEW

## Tourism Insights

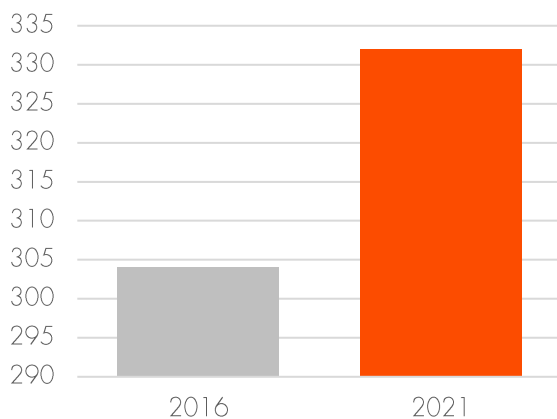


- ✓ Majority of tourists are **repeat** guests.
- ✓ Top three tourism spend fall into **accommodation** (48%), **entertainment** (26%), **food and drinks** (11%).
- ✓ Most tourists came to Hakuba either for **general sightseeing** or **skiing**.

Source: C9 Hotelworks Market Research and Hakuba Valley Tourism Division.  
Left: Tourism Survey (2017 Nov – 2018 May). Right: 2019 Tourists Statistics

## Hotel Supply

No. of Accomodation Establishments

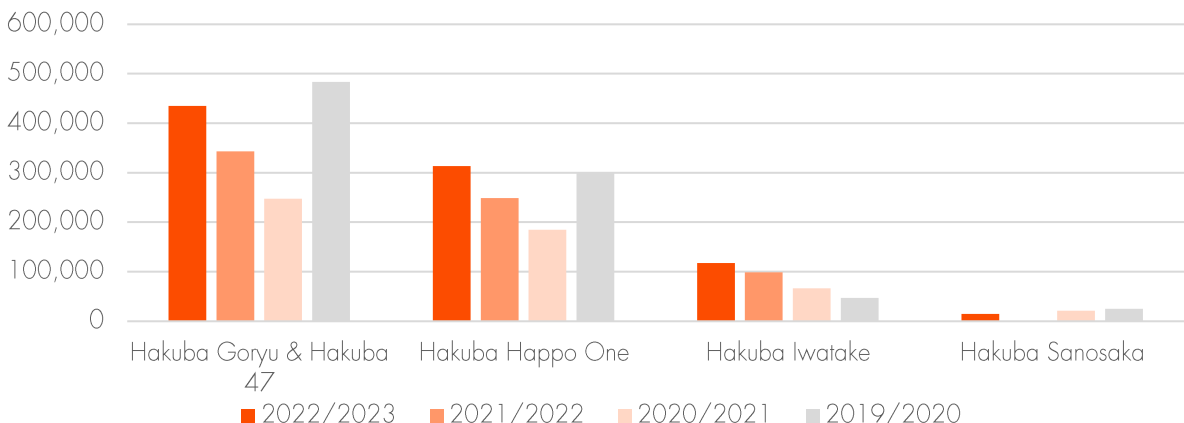


- ✓ The **5year** Compound Annual Growth Rate (**CAGR**) for accommodation establishments stands at **1.78%**.
- ✓ Among these establishments, **pensions** comprise **32%**, while hotels and ryokans collectively hold a similar share.

Source: C9 Hotelworks Market Research and Hakuba Valley Office

## Ski Resort Visitors

Number of Visitors (Nov - May)

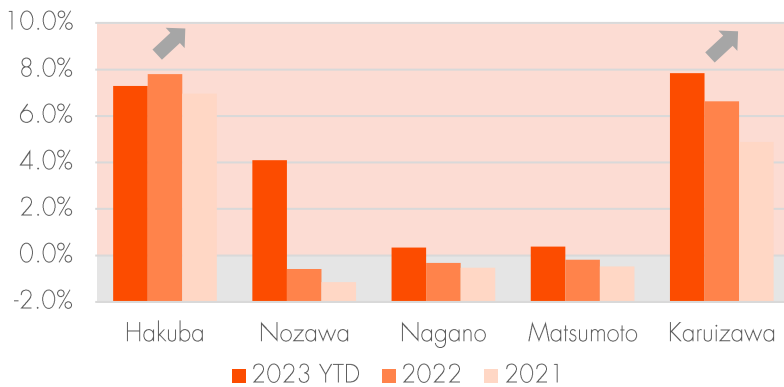


Source: C9 Hotelworks Market Research and Official Statistics of Japan

# PROPERTY INSIGHTS

## Land Price Year-on-Year Trends (2021 to 2023 YTD) – Key destinations in Nagano Prefecture

Year-on-Year Trend (%)



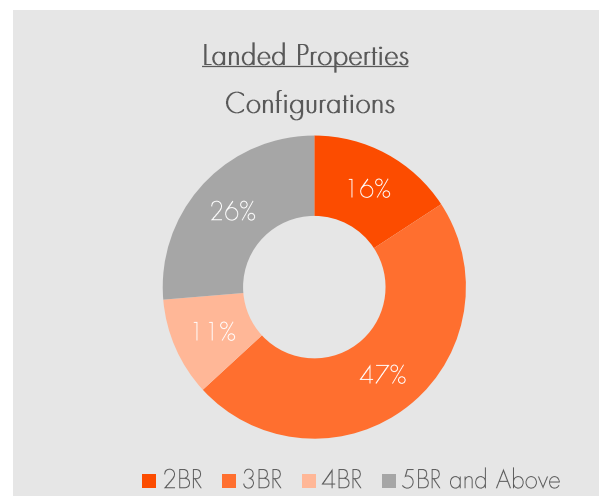
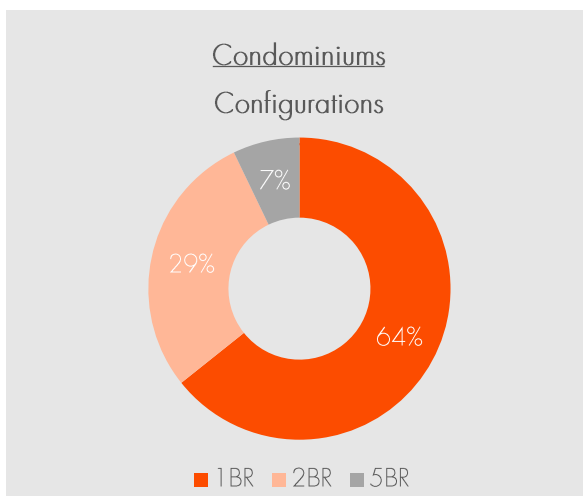
✓ Hakuba and Karuizawa are notable examples in Nagano Prefecture that have witnessed significant increases in land prices. They have emerged as preferred **weekend getaway destinations** for **Tokyo residents**, particularly in the postpandemic era.

Source: C9 Hotelworks Market Research and Ministry of Land, Transport and Tourism

## Property Insights



- ✓ Overseas buyers mainly come from **Australia, Singapore, and Hong Kong**.
- ✓ **Japanese** buyers prefer **chalet** properties.
- ✓ **Expatriates** living in Tokyo prefer to purchase **land** and build houses on their own.
- ✓ **Hakuba International School**, known for its popular summer camps since 2015, now offers fulltime boarding and day programs since August 2022. This is likely to **attract more long-term residents to Hakuba**.



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. Its core business focus includes:

- Hotel and Resort Development
- Mixed-Use Branded Residences Advisory
- Project Feasibility and Analysis
- Hotel Operator Search

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 Hotelworks 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 over 35 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.

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