

Thailand Hotel Investment & Transaction Market Update

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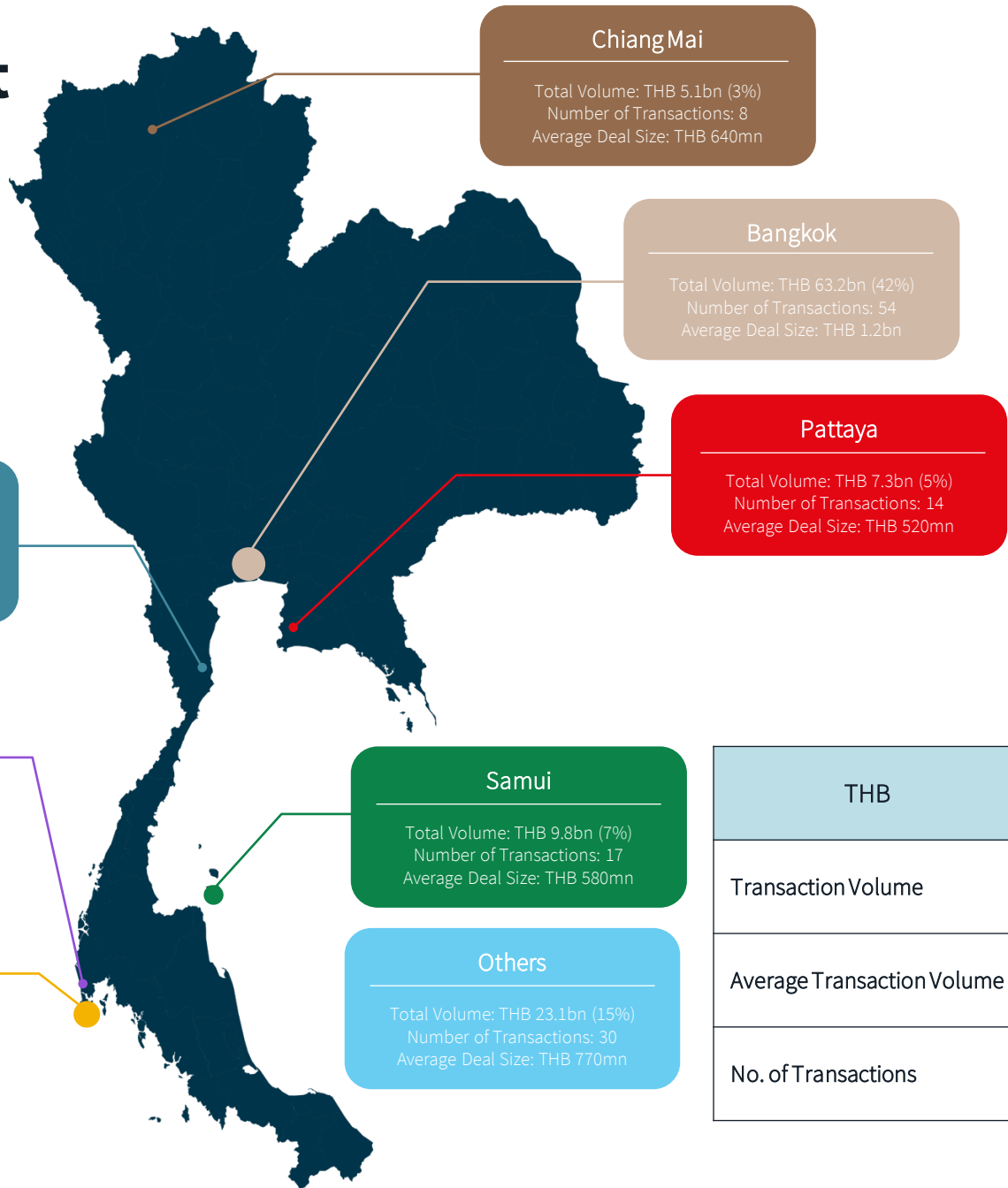
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15 January 2024



Investment Hotspots

Total Hotel Transaction Volume
2010 – 2023



Thailand FY 2023 Volume
-64.3%



vs. -16% YoY for Asia Pacific

THB	Average 2011-2020	2021	2022	2023	Forecast 2024
Transaction Volume	11.7bn	12.2bn	11.8bn	4.2bn	9.0bn
Average Transaction Volume	959mn	761mn	911mn	705mn	N/A
No. of Transactions	12	16	13	6	N/A

*Numbers are approximates
Average Deal Size are based per transactions

2023 & 2024 Transactions



ibis Portfolio – Krabi, Hua Hin and Phuket (40% stake)

Green Palace Hotel Chiang Mai

Beehive Boutique Hotel Phuket



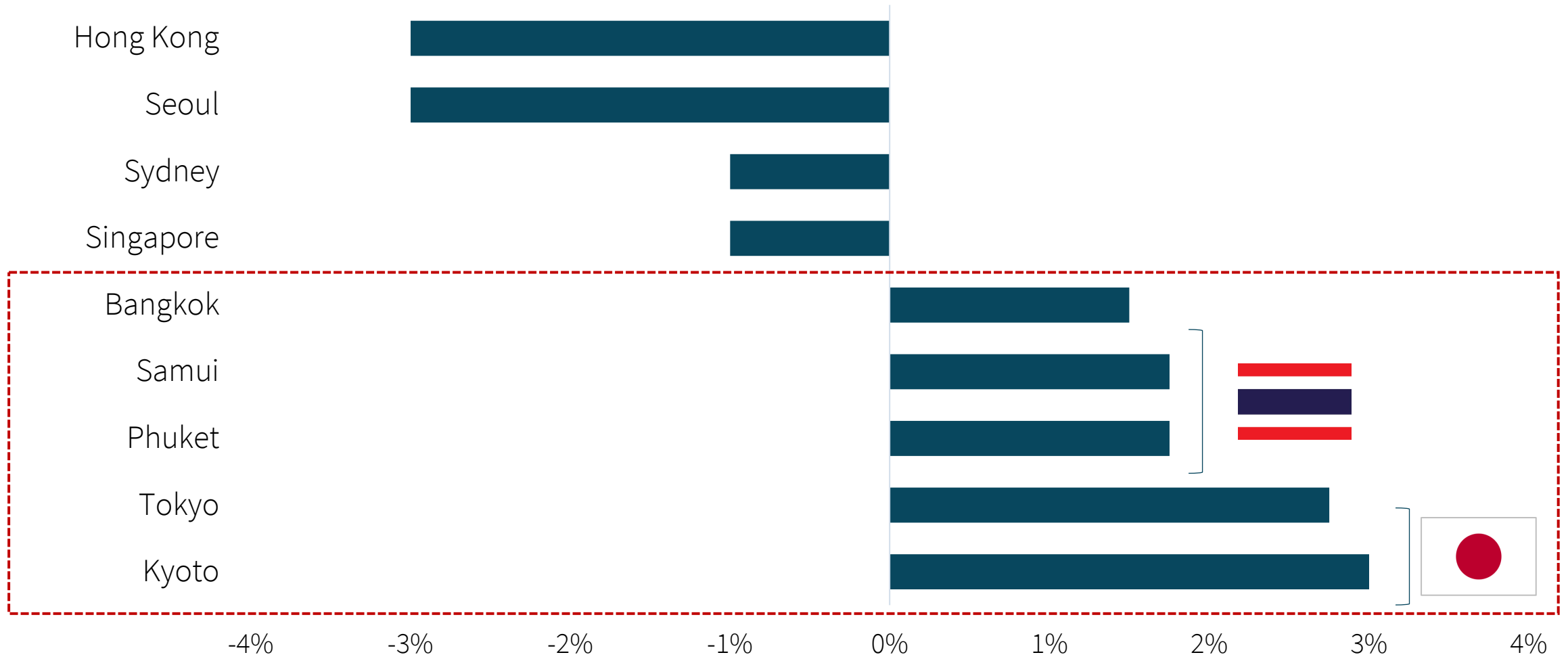
Centara Grand Beach Resort & Villas Hua Hin

20-year Leasehold Miramar Hotel Bangkok

ibis Styles Bangkok Khaosan Viengtai (now Tinidee Trendy Hotel)

30-year Leasehold Karnmanee Palace Hotel Bangkok

Hotel Yield Spread Over Borrowing Cost



Source: JLL estimates
Data as of November 2023

Hospitality Market in Review & Outlook

85% vacant possession,
15% encumbered



Balanced mix
between value-add
& core

61%
freehold
39%
leasehold



No conversion deals since COVID due to
slow down in residential market



Developers dominated the market

Residential developers
continue to expand their
recurring income portfolio

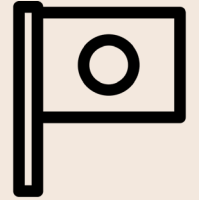


Interest rate has peaked -
expected to gradually ease
towards the end of the year



Companies rolling over &
defaulting on their bond

Moderate regional interest
with the exception of BOI-
promoted assets



Japanese
are back
buying:
100% and JV



Healthy
demand for
trophy assets

Hotel Supply



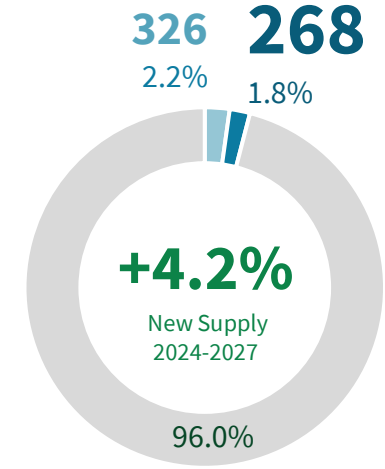
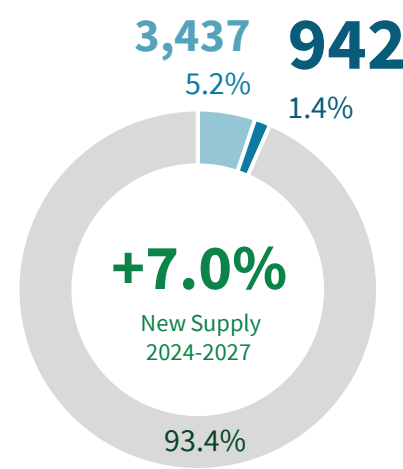
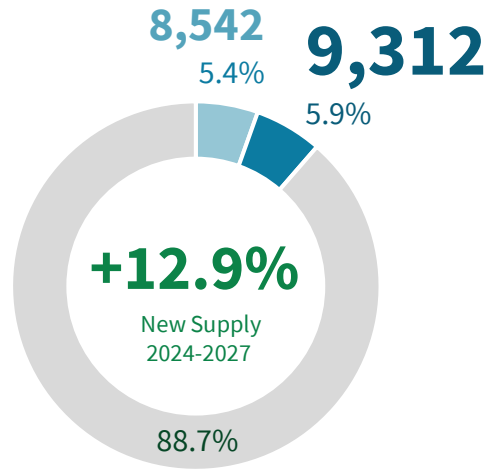
Bangkok

Phuket

Samui

Expected Supply in 2027

- New Supply 2025-2027
- New Supply in 2024
- Existing in 2023



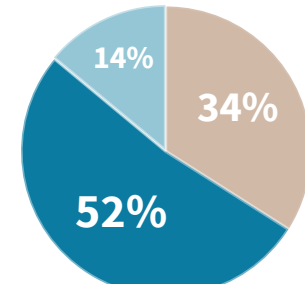
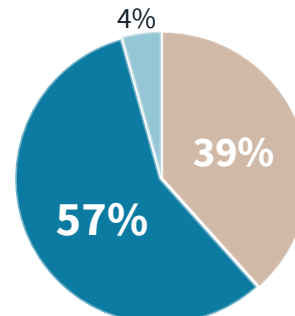
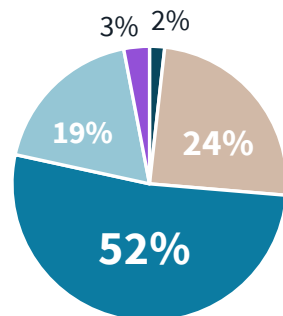
138,863

62,164

14,080

Future Supply by Segment

- Budget
- Midscale
- Upscale
- Luxury
- Serviced Apartments



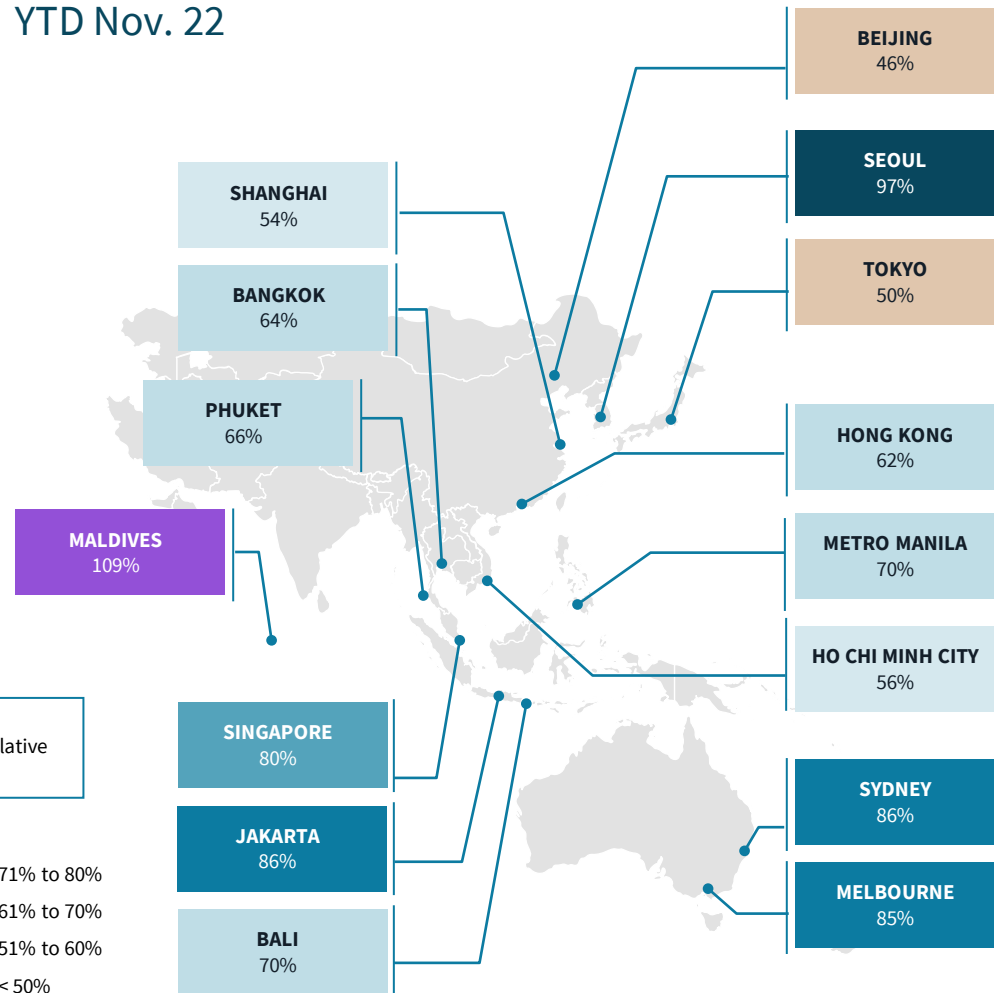
Source: STR, JLL

Hotel Performance in Asia Pacific

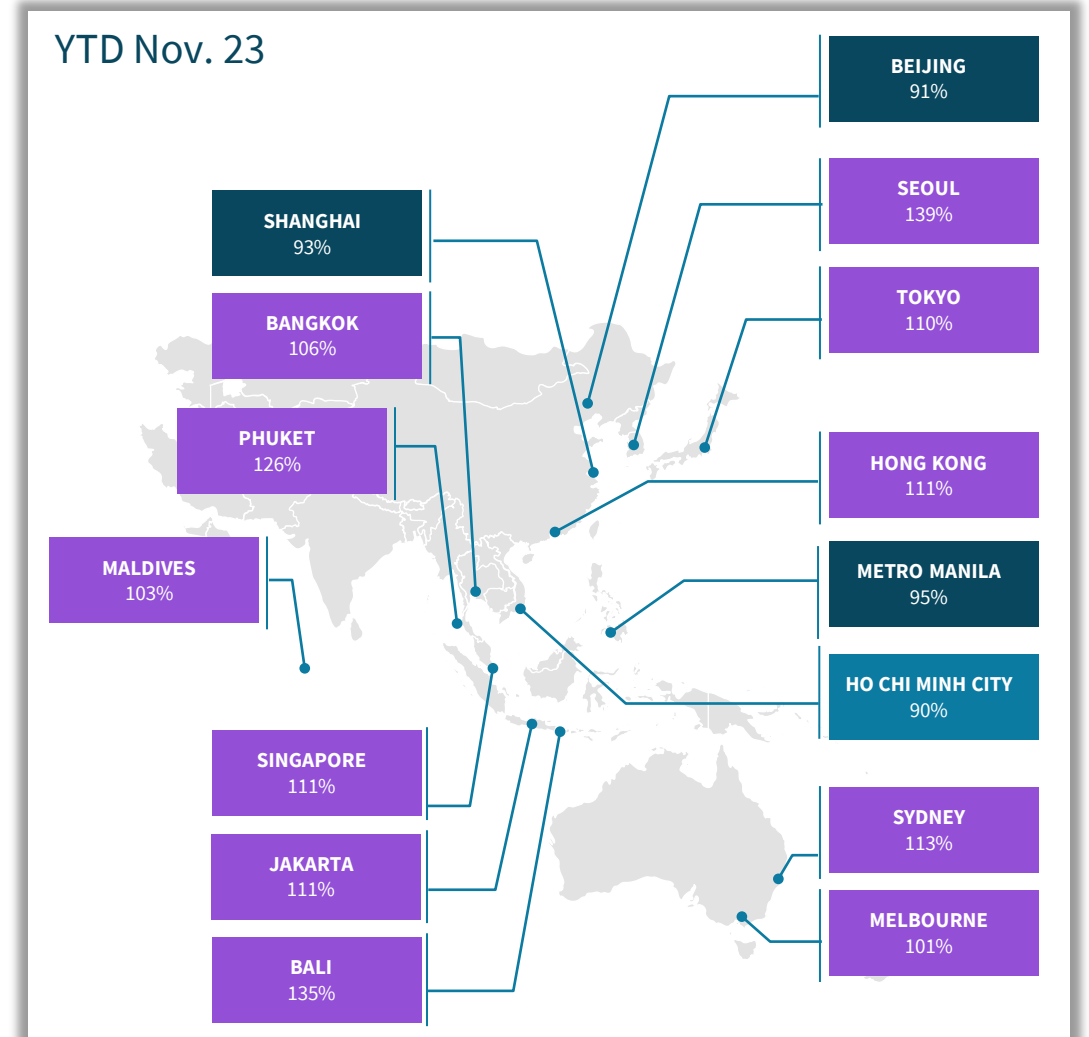


Most destinations in Asia Pacific recovered or exceeded pre-pandemic levels in RevPAR; continued recovery observed with more tourists

YTD Nov. 22



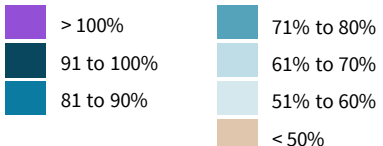
YTD Nov. 23



Legend

MARKET
YTD 2023 RevPAR recovery relative to YTD 2019

RevPAR recovery



Source: STR, JLL

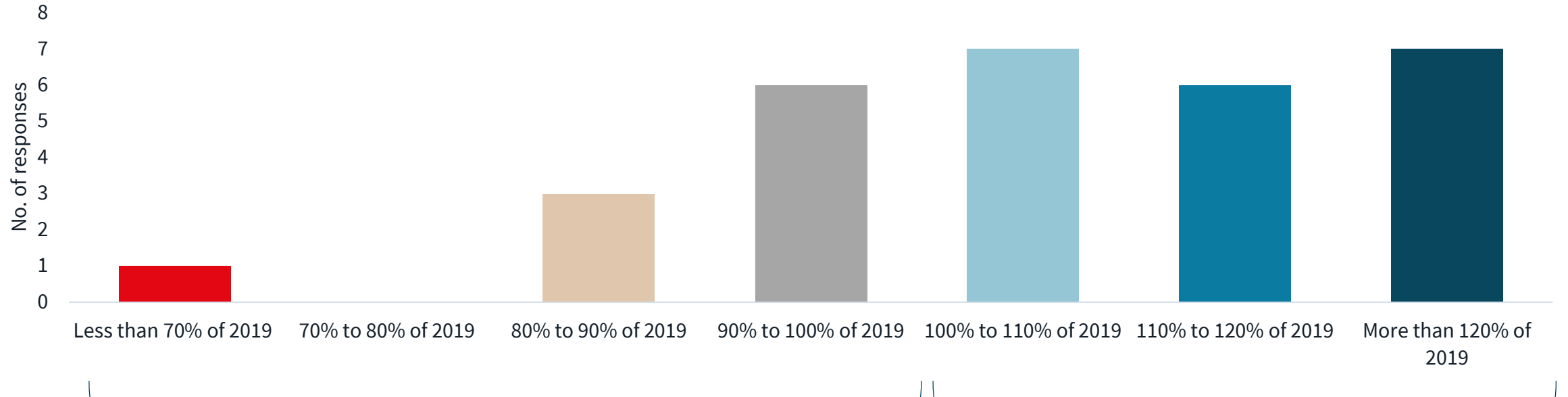
Note: Percentage shows YTD 2023 RevPAR (local currency) recovery relative to YTD 2019 – data as of YTD November 2023, marketwide

Hotel Operator Sentiment Survey 2023



With an anticipated higher Total Revenue, sentiment on GOP is positive for majority of the respondents and should reach or exceed pre-pandemic level in 2024

Q What is your expected GOP for 2024 compared to 2019?



33%

of the respondents
vs. 40% in Asia Pacific
vs. 26% in Southeast Asia

67%

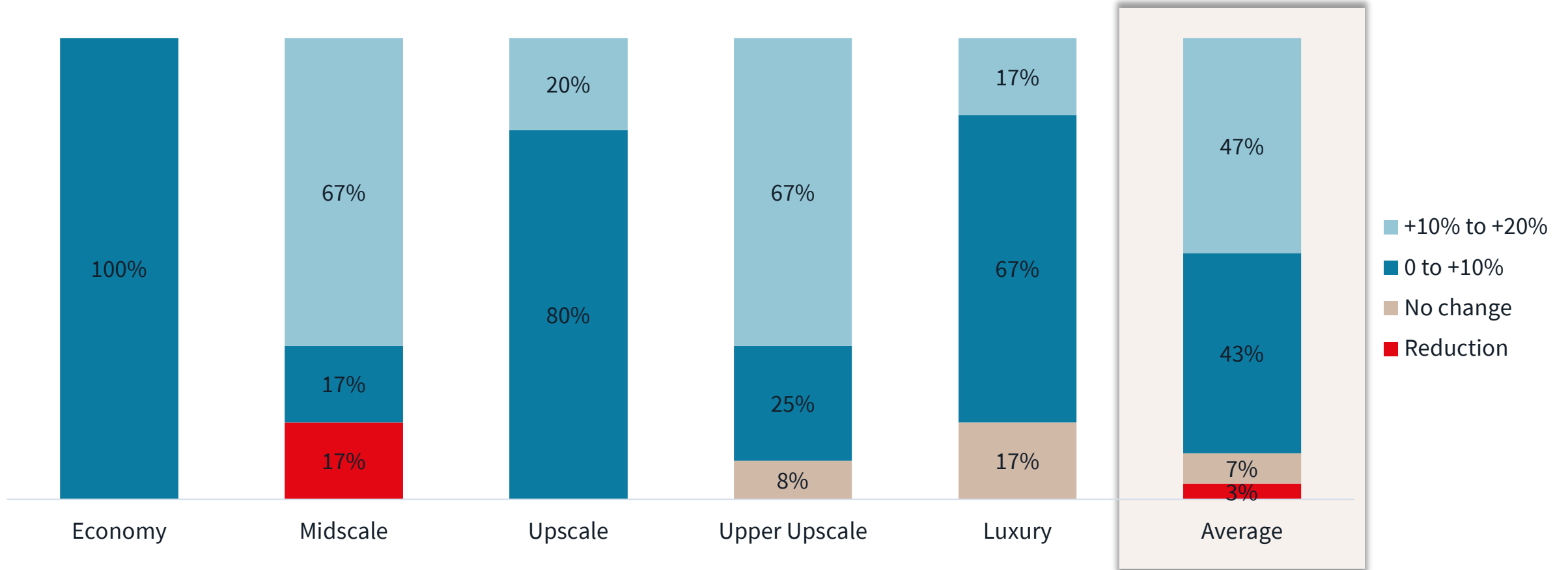
of the respondents
vs. 60% in Asia Pacific
vs. 74% in Southeast Asia

Hotel Operator Sentiment Survey 2023



The highest Y-o-Y growth in labour cost in 2024 is expected in the midscale and upper upscale segments

Q How much would you expect your total labour cost to increase in 2024 when compared to 2023?

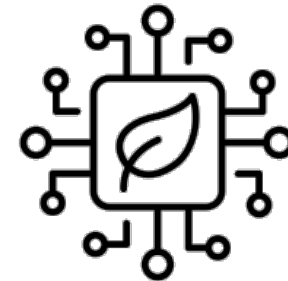
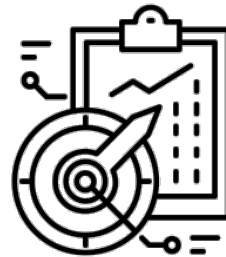


Hotel Operator Sentiment Survey 2023

When it comes to setting or achieving environmental goals in hotels, consistent and validated data and/or reports, and technology are the top challenges encountered in Thailand

Q In your opinion, what are the top 3 challenges in setting or achieving environmental goals in your hotel?

# 1	# 2	# 3
Limited capital or funds to tackle ESG goals	Lack of consistent and validated data and/or reports	Unsure which technology solutions to adopt



Key Takeaways



Airlift recovery will be key factor as number of international inbound flights are below pre-COVID level



Visa exemptions to boost inbound tourism and improve trading performance in 1H 2024

Bangkok, Phuket, and Samui to see a shift in supply to a greater proportion of upscale and luxury rooms by 2027



ADR to remain strong in 2024, with occupancy gradually closing the gap with pre-pandemic levels

GOP to improve in 2024 compared to 2019 and 2023, as efficiencies observed during the pandemic are retained



More focus and capital needed for hotels to meet sustainability goals as investors have ESG KPIs

Continued high costs and workforce shortage especially in mid-management level



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