



Standalone villas shake up traditional hospitality supply as market rises

Increasing demand for multi-bedroom accommodation growing, coupled with preference for spacious and private villas

“In recent years, private villas rented as vacation homes have emerged as a significant segment of tourist accommodation in Samui. Platforms like Airbnb serve this market, offering a range of options from midscale to luxury properties. Independent management companies such as Elite Havens, The Luxe Nomad, and a handful of local groups are significant players in the luxury segment as many consumers require other management and concierge services in addition to only rentals.

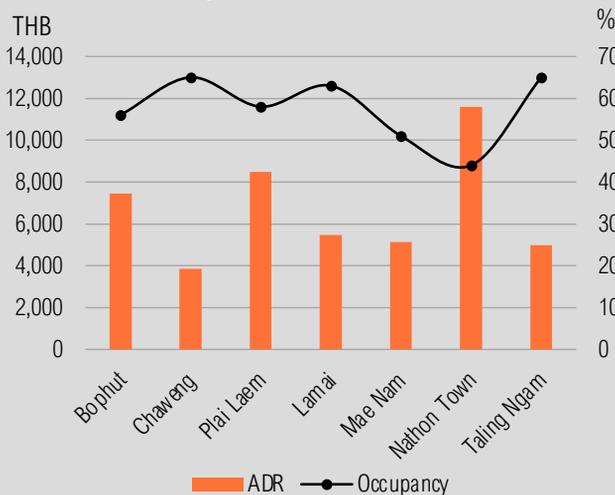
According to our market research, there are approximately 5,800 holiday rentals available in Samui. These properties market-wide have an average daily rate of THB13,700 and maintain an annualized occupancy rate of 55% year-to-date in 2024, resulting in a Revenue Per Available Room (RevPAR) of THB7,535. With favorable returns, we see increased investment in the sector, particularly in upscale build to rent villas.

While the post-COVID growth of villa developments mark growing family demand on the island, many of the properties lack professional management and product standards, whereby the owners focus on visual presentation and low rental rates as a main sales strategy. Concentration of this supply is located on inland hillside areas with lower investment costs, resulting in reduced rates. Rate pressure does not affect beachfront villas as inventory is still limited.

With spreading competition from often unregulated hospitality supply, the market is turning to management companies with a local operating presence. Access to clientele through brand recognition does not only increase overall rental turnover and rates, but also result in better overall cost control from management. Operations are becoming increasingly challenged by the lack of skilled manpower.”

by Bill Barnett, Managing Director, C9 Hotelworks

Performance by Area



Source: AirDNA and C9 Hotelworks Market Research

Market Trends

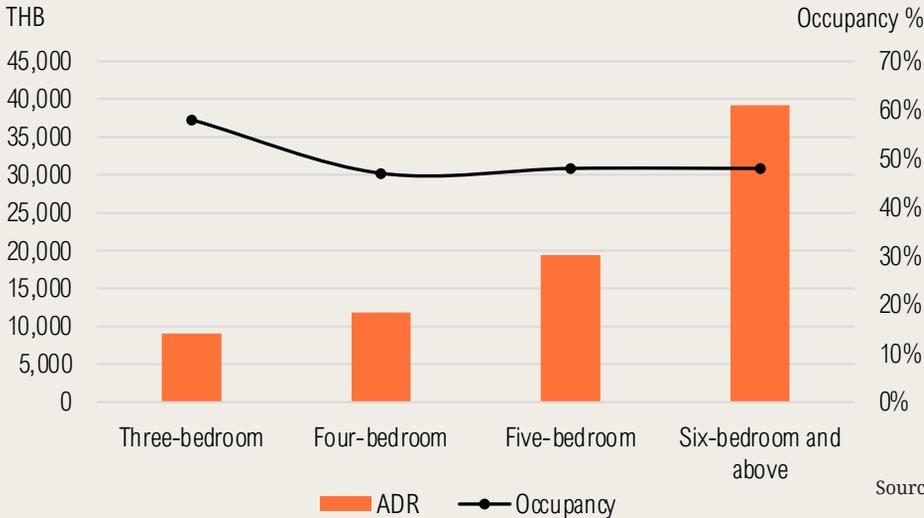
- Nathon beach area has the best RevPAR averaging THB5,101 for three-bedroom villas, followed by Plai Laem at THB4,927. Chaweng tallies in with the lowest market-wide average due to a higher concentration of midscale properties.
- Villas located on hillside inland locations have approximately 30% lower rates compared to beachfront properties, and 15% compared to areas with beach access.
- Over 90 per cent of all listings are standalone villas with the remainder comprised of rooms in condominiums or individual rooms within villas.
- Booking lead time for villas is often within a one-month timeframe, with many reservations coming within a week. This has made efficient management of manpower more difficult, particularly during high season periods.

Villa Market Review

Demand Indicators

Demand is largely Europeans and US expatriates living in Asia Pacific. Last year, there was a significant growth in the Middle Eastern market seen across all segments. This was a positive impact for villa rentals as the new source of business has a long length of stay and high spending power. The luxury market has significantly increased in performance, with most demand falling into the THB60,000 – THB80,000 per night price range and average occupancy between 45% - 55% annually.

Market-wide rates and occupancy by configuration



Larger villa configurations have better combined performance when considering both occupancy and rental rates, with six- and above bedrooms villas having an average RevPAR of THB18,820. The most popular configuration for the luxury segment is between four- to six-bedrooms.

Source: AirDNA & C9 Hotelworks Market Research

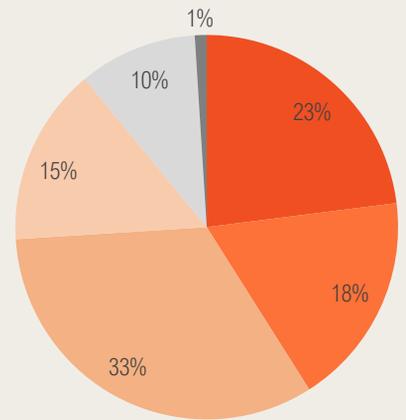
Average Length of Stay (ALOS)



The ALOS increases during high season to 5-6 nights, with guests from Europe and US having longer stays. Owners and operators place minimum stays during high-season due to lack of inventory, particularly for beachfront villas.

Source: AirDNA and C9 Hotelworks Market Research

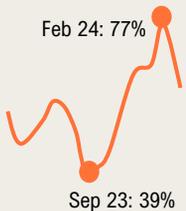
Minimum Length of Stay (MLOS)



1 Night 2 Nights 3 Nights
Under 1 Week Under 1 Month Over 1 Month

Source: C9 Hotelworks Market Research

Seasonality



Peak season for villas demand in Q1 at 77% this year, low season is spread out to the months of May, September, October and November.

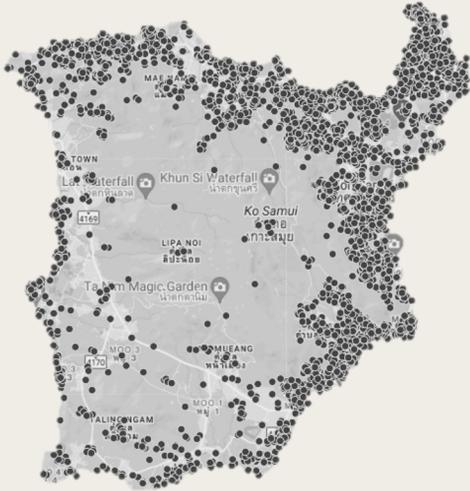
Source: AirDNA and C9 Hotelworks Market Research

- Demand characteristics includes multi-generational families: grandparents, parents and children. Typically, these are often groups of two- to three-families. Therefore, facilities in shared space and living area with consideration of child-friendly features are essential factors of guest experience.
- MICE demand for villas is growing, particularly for small exclusive weddings. However, villas with supporting facilities for this segment remain limited due to space constraints and design attributes.

Villa Market Review

Supply Indicators

Villa Rental Supply Map



Supply of villas is highly concentrated in northern and eastern areas of the island, with the north having higher number of upscale and luxury products compared to the east. With the beachfront of the two areas having high density of development,, we see more standalone villas spreading inland. These are typically developed by foreign owners who rent their properties through management companies or OTAs. Rentals of these properties are highly competitive, and rates are often sensitive to other properties located within the vicinity.

Source: AirDNA and C9 Hotelworks Market Research

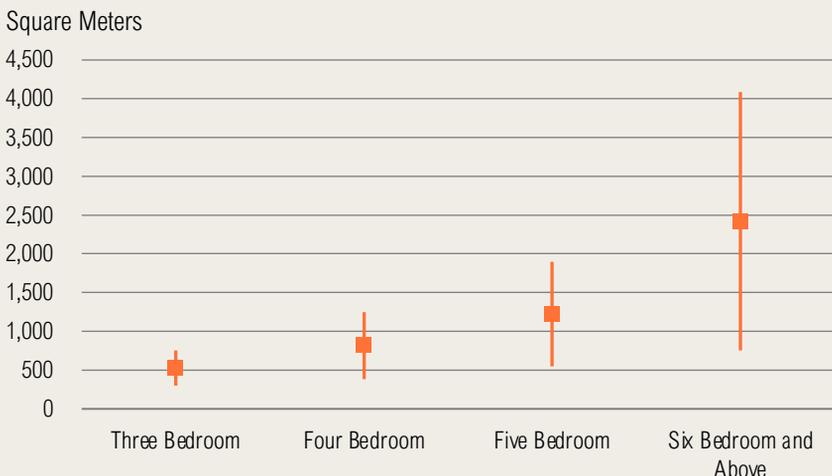
Top Property Management Companies by Inventory Size



Properties that utilize local management are reported to have better overall performance in both occupancy and rate. This is especially true for the luxury segment, whereby villa rental groups often have representatives located internationally and can target niche market effectively compared to the OTA channels.

Source: AirDNA and C9 Hotelworks Market Research

Villa Built-up Size by Configuration



Sizes of villas for five-bedrooms and under has overlapping built-up area as the in-villa facilities are similar with the only difference being the layout division of its bedrooms. However, for six- and above configurations, the villa built-up area scales up significantly due to extensive in-villa facilities such as cinema, games rooms, fitness etc.

Source: C9 Hotelworks Market Research

