



HOSPITALITY CONSULTING

# Samui

## 2015 Hotel Market Update

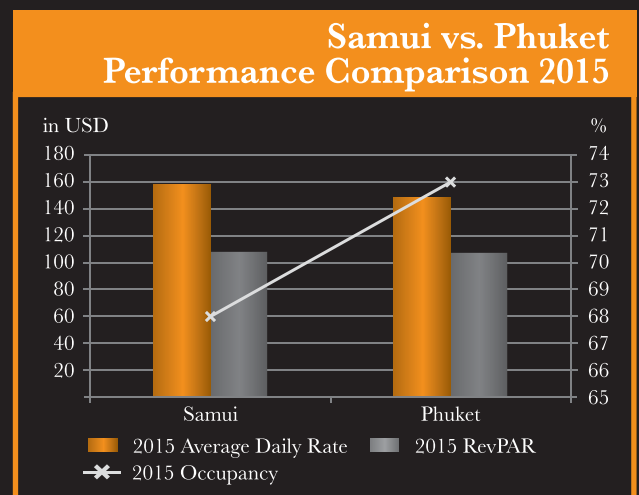
February 2016

# Strong fundamentals allow island hotels to focus on upward rate push

## Pipeline activity includes upgrading and expansion

“Against the backdrop of Thailand’s tourism industry struggling over the conundrum of quantity versus quality, Samui continued to see growth pushed forward by a ‘less is more’ factor in 2015. Taking a nuts and bolts approach to hotel performance, the two lead characteristics which have resulted in a surge in room rates are favorable supply and demand conditions coupled with a built-in inhibitor to the mass market i.e. no low-cost airline incursion.

Taking a step backwards to compare the markets of the country’s two major island resort destinations of Phuket and Samui which both demonstrated upward momentum last year, it’s a yin and yang situation with one using occupancy and the other average rate in order to arrive at comparable market-wide RevPAR.



Source: C9 Hotelworks Market Research

Our forecast is for similar trading levels to be sustained in 2016, while top tier performers have the luxury of refining market mixes and looking at revenue management instead of chasing the tail of a volume reliant model.”

Bill Barnett, Managing Director, C9 Hotelworks

## 2015 Trends

- Samui and Surat Thani airports posted healthy growth in passenger arrivals of 7% and 39%, bringing total arrivals to 1,024,373 and 927,513, respectively.
- Compared to 2014, there was a 62% rise in non-scheduled flights arriving at Samui Airport, however, a 10% drop for Surat Thani Airport in 2015.
- Branded hotels achieved materially better performance in 2015 compared to non-branded hotels with a 24% year-on-year increment in ADR, 28% for RevPAR and 3% for occupancy.

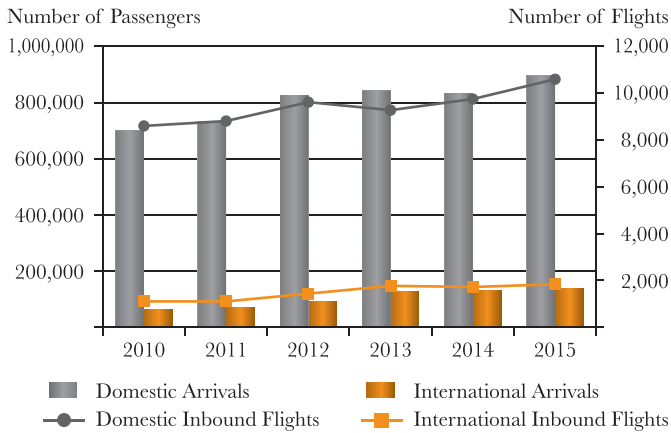
## Forward Outlook

- Bangkok Airways has recently signed codeshare agreements with 19 international airlines which is a contributing factor in boosting foreign passenger arrivals.
- A proposed USD29.2 million airport expansion project is currently under study with public hearings being held.
- A major portion of the pipeline hotels will commence operations in 2017, adding a total of 617 new keys which amounts to 45% of the total projected incoming supply.

# AIRPORT INDICATORS

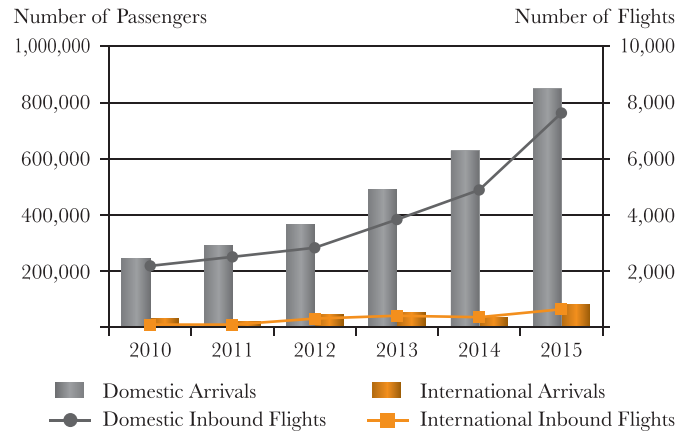
- Samui Airport received 129,662 international and 894,711 domestic passenger arrivals in 2015, representing year-on-year increases of 4% and 7% each.
- Surat Thani Airport experienced a 36% growth of inbound domestic passengers from 626,329 in 2014 to 852,075 in 2015, and an 89% surge in international arrivals from 39,831 to 75,438 respectively.

## Samui Airport Arrivals



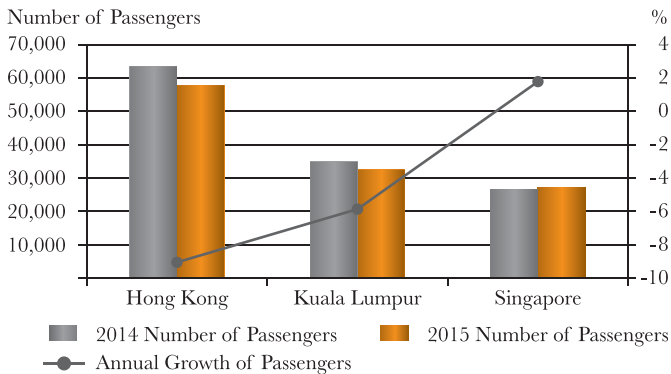
Sources: Department of Civil Aviation and C9 Hotelworks Market Research

## Surat Thani Airport Arrivals



Sources: Department of Civil Aviation and C9 Hotelworks Market Research

## Arrivals by Key Overseas Destinations - Samui Airport

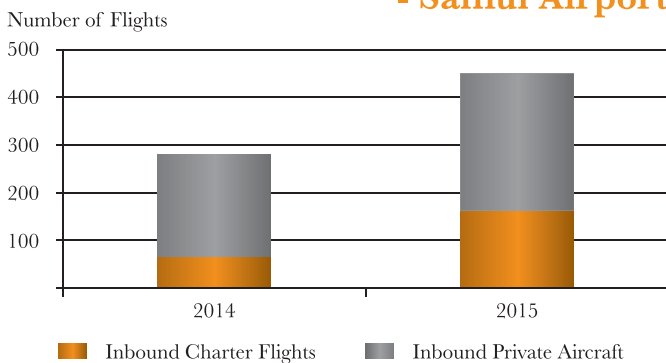


Sources: Department of Civil Aviation and C9 Hotelworks Market Research

*Passenger arrivals from Singapore rose marginally by 2% in 2015 vs. 2014, but declined by 9% for Hong Kong and 6% for Kuala Lumpur*

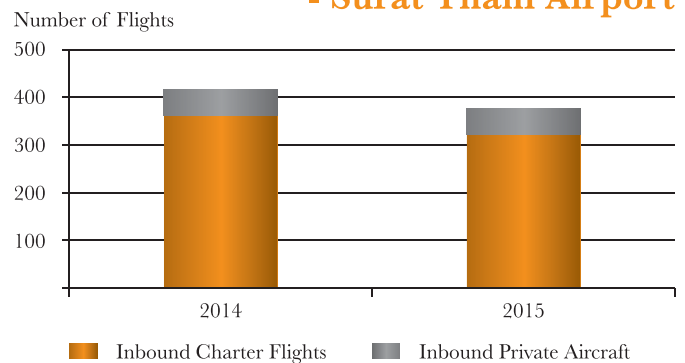
- Charter flights arriving at Samui Airport soared by 143% from 67 in 2014 to 163 in 2015.
- At Surat Thani Airport, despite a decline in non-scheduled flights, passengers arriving on international charter flights increased year-on-year by 35%.

## Non-Scheduled Flights - Samui Airport



Sources: Samui International Airport, Department of Civil Aviation and C9 Hotelworks Market Research

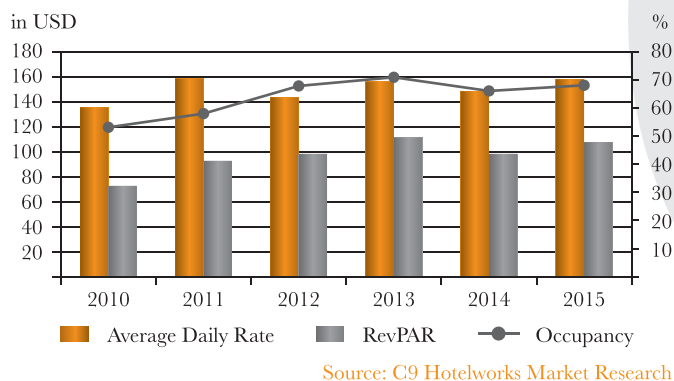
## Non-Scheduled Flights - Surat Thani Airport



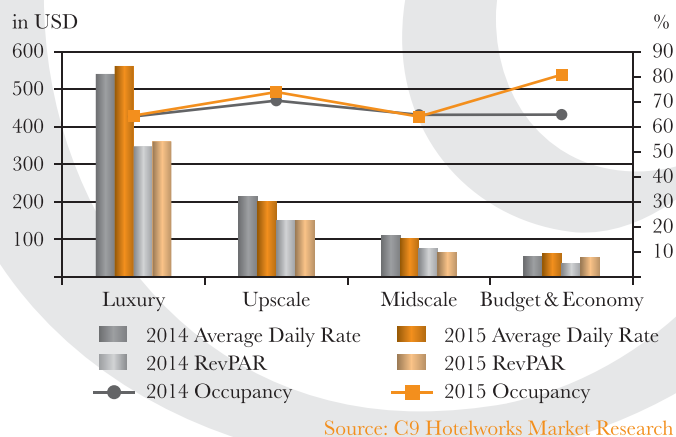
## Hotel Performance

- Overall market performance in 2015 improved due to a 12% surge in average daily rate (ADR) and a marginal occupancy rise by 2%. Higher rates drove up RevPAR by 15% as compared to the previous year.

### Overall Performance

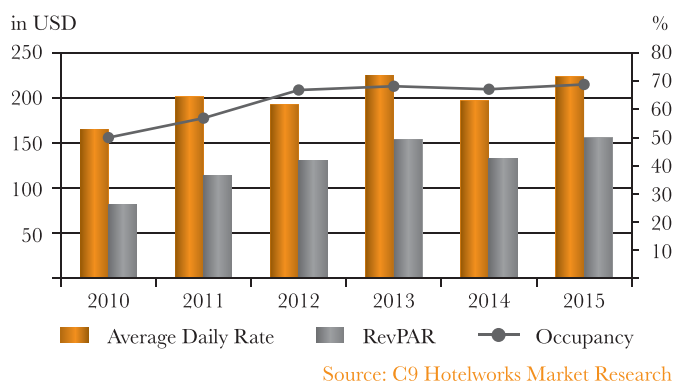


### Performance by Tier

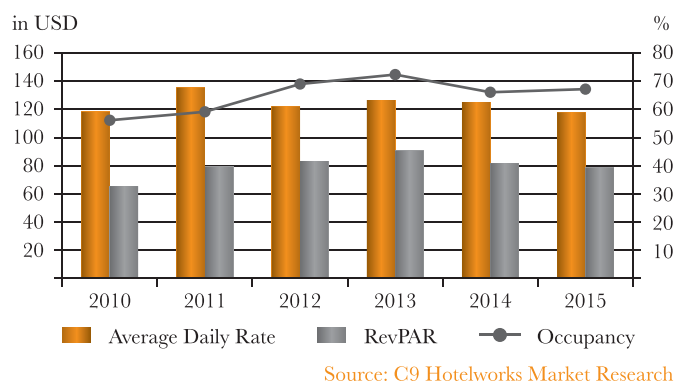


- From 2010 to 2015, branded hotels achieved a 7% Compound Annual Growth Rate (CAGR) on RevPAR, while that for the independent properties was a negative 3%.

### Branded Hotels



### Non-Branded Hotels



## Hotel Supply

- Over the next three years, there are 14 properties comprising 1,385 keys in the pipeline, representing an 8% increase in Samui's registered accommodation that consists of 18,046 hotel inventory. Chaweng is the most popular location where 43% of the new hotel projects will be located.

Hotel Name	Location	Keys	Opening Date
The Beach Samui	Thong Krut	21	Q4 2016
X2 Vibe Samui Nautilus	Plai Laem	40	Q4 2016
The Ritz-Carlton, Samui	Plai Laem	187	2017
Sofitel So Samui	Choeng Mon	120	2018
The Samui	Chaweng	79	Jan 2016
The Library Koh Samui Phase I	Chaweng	11	Aug 2016
The Library Koh Samui*	Chaweng	9	Q2 2017
Sala Chaweng*	Chaweng	140	Q4 2017
COSI Hotel by Centara	Chaweng	151	2017
The Park Island Resort	Chaweng	130	2017
Holiday Inn Express Bophut	Bophut	200	2018
Holiday Inn Resort Bophut	Bophut	150	2018
Coconut Palms Resort	Lamai	22	Feb 2016
Sensimar The Coast Resort	Mae Nam	125	Apr 2016

\*Additional Keys for Existing Hotels

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**
- Ⓞ **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 increasingly demanding marketplace.



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