Hotel Destinations
Asia Pacific
Tourism

Auckland International Airport, the ‘gateway’ for Auckland and New Zealand overseas visitors, has experienced its second year of double-digit growth in international visitors. For YTD June 2017, international visitors were up by 11.7%, an increase on the 10.5% growth in the previous year. The largest increases came from USA (31.2%), Australia (6.3%), United Kingdom (16.9%), Malaysia (61.6%) and Germany (17%). These increases were driven by a 14.4% increase in capacity, with the strongest growth seen on the Middle East, Australia, China, Hong Kong and USA routes.

Supply

Modest levels of hotel room supply have been delivered to the market in recent years (a total of 348 rooms over the past three years, comprising an approximate 5.3% increase over existing stock). However, there is an unprecedented level of new supply with nine projects (comprising a total of 1,398 rooms) currently under construction and forecast to enter the market over the next one to three years, with four of the hotel projects (818 rooms) comprising 5-star product. The nine new hotel projects represent an approximate 21% increase in room supply.

Demand

Total (domestic and international) guest nights in Auckland increased 2.2% for year ended 30 June 2017 compared to the corresponding prior year period. The growth in visitor numbers translating to growth in guest night demand, helped to drive Auckland hotel average occupancy levels to a record high level of 87.0% (for the period year ending July 2017). Auckland’s market occupancy has risen every year since 2010, after reaching a post GFC low of 69.5% in 2009.

Outlook

We anticipate that Auckland’s accommodation market will continue to perform strongly in the short term, and is poised for further rate growth, however as the ‘wave’ of new supply enters the market, we expect current capacity constraints and occupancy to ease. However, beyond the short term some caution is warranted as the market begins to absorbs the significant levels of forecast room supply.

Quick Facts

International Visitor Arrivals (YTD June 2017) Number of New Rooms (2017)
3.6 million 663 rooms

OCC ADR RevPAR
87.0% NZD 200 NZD 174

New notable hotels

There were no hotel openings in H1 2017

Upcoming hotels

SKYCITY Hobson Street Hotel
Four Points by Sheraton
Park Hyatt Auckland
M Social Auckland
Sofitel So Auckland

Notable hotel deals

Holiday Inn Queenstown
Quality Hotel Ambassador
Quest Napier
The Park Hotel Ruapehu

Note: Auckland refers to Marketwide
Source: Tourism Industry Association, Statistics New Zealand, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Bali

Quick Facts
International Visitor Arrivals (YTD July 2017)
3.4 million
Number of New Rooms (2017)
1,397 rooms

Tourism
Bali continues to enjoy healthy growth in international visitor arrivals which increased 23.2% y-o-y as at YTD July 2017 to reach 3.4 million. All of the top ten source markets to Bali registered notable increases in demand except for Australia (-1.1%) and Malaysia (-5.7%). Albeit from lower volumes, significant growth was also registered from Russia (+62.9%), Canada (+28.2%) and the Philippines (+23.8%). At this pace, international visitor arrivals are expected to exceed the 5.5 million target set by the government.

Demand
As at YTD July 2017, Mainland China was the top source market for Bali, accounting for 26.3% of all international visitor arrivals. Mainland Chinese arrivals were up by 57.4% y-o-y. Second to Mainland China is Australia, which accounts for 18.9% of total arrivals, followed by India with 4.6% of the total. Arrivals from India enjoyed a notable increase of 44.0% y-o-y. Other major markets enjoying double digit growth are South Korea (+24.6%), USA (+19.4%), Germany (+18.6%) and the UK (+14.0%).

Supply
Approximately 750 rooms in six hotels have been added to supply in Bali in 2017 to date. Major additions include the 289-room Hotel Indigo Bali Seminyak, the 136-room Sol House Legian and the 75-room Best Western Premier Agung Resort Ubud.

Outlook
Recent improvements in air connectivity and new flight routes, notably from Europe and several Chinese cities, to Ngurah Rai International Airport have helped to support the strong growth in international tourism arrivals. Indonesia is targeting 15 million international tourists in 2017, and Bali is expected to account for around 40% of these as it remains the prime destination for foreign tourists.

New notable hotels
- Hotel Indigo Bali Seminyak
  289 rooms
- Swiss-Belresort Pecatu
  199 rooms
- Sol House Legian
  136 rooms
- Best Western Premier Agung Resorts Ubud
  75 rooms

Upcoming hotels
- Renaissance Bali Uluwatu Resort & Spa
- Element Bali Ubud
- Capella Ubud
- Solis Ubud Resort & Spa
- Fairfield by Marriott Legion

Notable hotel deals
There were no hotel deals in H1 2017
Tourism

International arrivals reached 13.5 million as at YTD July 2017, recording an increase of 4.1% y-o-y. The government’s crackdown on Chinese zero-dollar tours in 4Q2016 has put pressure on Chinese arrivals to Thailand and Bangkok with extended impact during the first half of 2017. A pick up in arrival growth is expected in the second half of 2017 as seen from a 8.4% y-o-y improvement in arrivals from Mainland China for the month of July.

Bangkok has seen almost 1,200 new hotel rooms being added to the market as at YTD July 2017 with another 1,800 rooms expected to open by end-2017. 2Q17 saw two notable openings namely the Park Hyatt Bangkok and 137 Pillars Suites Bangkok. Over 40% of the future room additions are in the upscale segment. Key upcoming projects include the 231-key Lancaster, 154-key The Bangkok EDITION hotel by Ritz Carlton and 273-key Hyatt Regency Bangkok Sukhumvit.

Demand

Mainland China is Bangkok's largest source market followed by Japan, India and South Korea. While growth in arrivals among the major source markets slowed down in 2016, other source markets such as the USA and Middle East registered high y-o-y improvement of 12.7% and 11.1% respectively. Additionally, the Tourism Authority of Thailand (TAT) has kicked off the 'Women’s Journey Thailand' campaign aiming to enhance Thailand as a female friendly destination.

Bangkok is expected to see a continual increase in hotel supply over the next few years with approximately 8,000 rooms to be added by 2019. Hotel performance has been driven by improvements in occupancy since 2015 and the trend is expected to continue in the short to medium term. While the increasing room supply may limit occupancy growth, strong tourist arrivals supported by expansions of Don Mueang and Survarnabhumi International Airports are expected to absorb the upcoming supply.

Quick Facts

<table>
<thead>
<tr>
<th>International Visitor Arrivals (YTD July 2017)</th>
<th>Number of New Rooms (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.5 million</td>
<td>2,983 rooms</td>
</tr>
</tbody>
</table>

Note: Bangkok refers to Luxury
Source: STR Global (YTD Jul 2017), Tourism Authority of Thailand, Ministry of Tourism and Sports Thailand, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Beijing

Quick Facts
International Visitor Arrivals (YTD July 2017) Number of New Rooms (2017)
2.2 million 1,809 rooms

Tourism
Total visitor arrival in Beijing declined 5.8% to 2.2 million as at YTD July 2017. The decline can be mainly attributed to the sharp drop of Korean visitors, which recorded a 41.3% fall due to political tension that currently exists between the two countries. On a positive note, the 144-hour visa exemption policy that is planned to be issued at the end of 2017 should help boost international visitation and alleviate the shortfall of Korean tourists.

Supply
The 450-room Hotel Jen is the only entrant for the first half of 2017. However, another six hotels are expected to add a total of 1,400 rooms to the market by year end. Key openings include two luxury hotels: Bvlgari Hotel Beijing (120 rooms) and Puxuan Hotel (116 rooms). The balance of new supply is mostly concentrated in emerging business clusters or suburban areas of Beijing. However, development pace is slowing due to restrictive construction policy and developers’ remaining overly cautious based on current trading fundamentals.

Demand
Corporate demand remains the main driver for the Beijing hotel market. An increasing number of companies are relocating their head offices to the cities’ sub-commercial centre such as Lize, Wangjing, Yizhuang, Tongzhou and Changping. Correspondingly corporate demand is expanding to these new emerging areas. Leisure demand is another major demand segment. As the Jing-jin-ji areas are becoming more integrated, an increasing number of short-haul travellers from Hebei and Tianjin are traveling to the ancient capital city during national holidays or over the weekend for short trips.

Outlook
Hotel performance is expected to improve over the next 12 months. The high-positioning and limited rooms of the two new incoming luxury hotels coupled with a relatively restrained supply pipeline is expected to drive ADR marketwide. We are also seeing some hotels in busy trade areas upgrading their rooms to serve rising demand from travelers seeking higher-quality accommodation. This demand will be further supported by an increase in short-haul travel as Beijing continues to grow its outer areas through the construction of a second new airport, and the opening of a Universal Studios.

Note: Beijing refers to Upscale
Source: STR Global (YTD Jul 2017), Beijing Tourism Bureau, JLL
ADR - Average daily rate, RevPAR - Revenue per available room

New notable hotels
Hotel Jen Beijing
450 rooms
Bvlgari Hotel Beijing
119 rooms

Upcoming hotels
The Puxuan Hotel and Spa
Beijing Pan Pacific Hotel
Hualuxe Beijing Xinan
Club Med Hotel

Notable hotel deals
Somerset ZhongGuanCun Beijing
As at YTD March 2017, visitor arrivals to Brisbane City achieved robust growth, increasing 38.3% y-o-y to a total of 1.1 million. International visitor nights accounted for 23.5% (0.5% increase y-o-y) and domestic nights accounted 76.5% (56.3% increase y-o-y). The strong growth in visitor arrivals can be attributed to a number of significant events held in the City, including music concerts from renowned musicians such as Adele and Justin Bieber, as well as the World Science Festival.

So far in 2017, two hotels have opened, being the Sage Hotel James Street (93 guest rooms) and the Holiday Inn Express Brisbane (226 guest rooms). We are aware of seven additional short-term accommodation developments currently under construction in central Brisbane and are due for completion by 2019. If all projects materialise, this will represent an increase of 1,460 rooms or 13.1% on the existing stock.

While visitation remains largely domestic, Mainland China remains the biggest source market to Brisbane, followed by Japan, the United Kingdom and Taiwan. In 2016, Chinese visitor nights in Brisbane City grew 14.7% year-on-year and has grown at an average annual rate of 25.2% over the last 10 years. While ‘leisure’ remains the primary purpose of visit, ‘education’ also increased significantly during the three months to March 2017.

Year to date, the Brisbane accommodation market have been positive, signaling the early signs of a post resources boom recovery. In the medium to long term, investment in major projects such as the Queens Wharf redevelopment, Brisbane Live precinct and the Howard Smith Wharfs, is expected to underpin future tourism demand along with the addition of a second runway at Brisbane airport. However, market growth will likely moderate as new projects continue to enter the market.
Hanoi

Quick Facts

International Visitor Arrivals (YTD July 2017)
2.7 million

Number of New Rooms (2017)
643 rooms

<table>
<thead>
<tr>
<th>OCC</th>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.9%</td>
<td>USD 112</td>
<td>USD 95</td>
</tr>
</tbody>
</table>

Tourism

International visitor arrivals to Hanoi reached 2.7 million as at YTD July 2017, representing a y-o-y growth of 19%. Country and city-wide tourism promotion, new domestic and international flights as well as the extension of the visa waiver program for major European countries will provide impetus for further growth in international visitor arrivals in 2017.

China, South Korea, Japan and the USA continues Vietnam’s top source markets as at YTD July 2017. Hanoi authorities recently cooperated with CNN to broadcast short films featuring city’s scenery and heritage sites to boost international demand. Taiwan, Russia, Malaysia, Australia and the UK are also among the leading source markets to Hanoi. Additionally, the city has consistently launched marketing campaigns with a focus to promote tourism to Western Europe, Northeastern Asia and Northern America markets.

Supply

The first half of 2017 saw the soft opening of the Intercontinental Landmark 72 (170 out of 350 rooms). Approximately 2,500 rooms are anticipated to enter the market beyond-2020 with a concentration in the luxury and midscale segments. We understand that the Novotel Hanoi Thai Ha, as well as the Park Hyatt Hanoi and Four Seasons are expected to open in the next few years.

Outlook

Hanoi is looking to focus on high-quality tourism products and services by encouraging human resource training and local infrastructure improvement. The continual rise in occupancy levels is expected to support Hanoi’s hotel trading performance with arrivals recording upward momentum though upcoming supply might put pressure on hotel trading in the short to medium term.

Demand

New notable hotels

InterContinental Landmark 72
359 rooms

Upcoming hotels

Novotel Hanoi Thai Ha
Park Hyatt Hanoi
Somerset West Central Hanoi

Notable hotel deals

There were no hotel transactions in H1 2017

Note: Hanoi refers to Marketwide
Source: STR Global (YTD Jul 2017), Vietnam National Administration of Tourism, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Ho Chi Minh City

Quick Facts

International Visitor Arrivals (YTD June 2017)
2.8 million

Number of New Rooms (2017)
71 rooms

OCC
74.1%

ADR
USD 110

RevPAR
USD 82

Tourism

Ho Chi Minh City (HCMC) welcomed 2.8 million international visitor arrivals as at YTD June 2017, registering a 14.7% growth y-o-y. International visitor arrivals are forecast to reach between 5.6 million to 6 million by end of 2017, a notable improvement compared to the 5.2 million recorded. The city has organised monthly events including the promotion of its southern cuisine and Vietnamese traditional clothing (Ao Dai), aiming to attract new visitors and encourage repeat travellers.

Demand

During the past few years, the number of tourists from the UK, France, Germany, Italy and Spain registered an increase of 14.0% per year, as a result of the visa exemption program. Vietnam has continued its cooperation with Japan with new flights connecting Hanoi, HCMC and Osaka by Vietnam Airlines starting from September this year. Additionally, HCMC’s Department of Tourism has also raised a proposal to extend the visa exemption period for international arrivals from Sweden, Denmark, Russia, South Korea, the UK, Germany, France, Italy and Spain from 15 days to 30 days to boost the city’s tourist arrivals.

Supply

Over 3,600 rooms remain in the 2017-2020 pipeline with 450 rooms to open by end-2017. Half of future room additions are in the upscale segment. Expected hotel openings in 2018 and 2019 include the 217-key Ascott Waterfront Saigon, 350-key Holiday Inn & Suites Saigon Airport, and 350-key Hilton Saigon. Two luxury projects scheduled to open in 2020 are the Okura Prestige Saigon and Ritz-Carlton Saigon.

Outlook

Ho Chi Minh City is fast becoming an international tourist destination as the government continues to focus efforts on marketing as well as improving tourist attractions and safety. With an ongoing upgrading of museums and approval for a safari and Saigon Cultural and Tourism Village, the People’s Committee is developing a tourism development strategy through to 2030 and beyond to ensure sustainable tourism development.

Note: Ho Chi Minh City refers to Marketwide
Source: STR Global (YTD Jul 2017), Vietnam National Administration of Tourism, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Hong Kong

Quick Facts
International Visitor Arrivals (YTD June 2017)
27.8 million

Number of New Rooms (2017)
4,276 rooms

**Tourism**
As at YTD June 2017, total overnight visitor arrivals have grown by 5.0% to 13.1 million compared to the same period last year. This growth arises from the Mainland Chinese Market (up by 5.4% y-o-y) and the Short Haul Markets (up by 7.9% y-o-y.) This is positive news given declining overnight arrivals recorded over much of 2015 and 2016 and the market is now firmly in recovery.

**Demand**
Mainland China is Hong Kong’s largest source market, contributing 73.7% of all total visitor arrivals as at YTD June 2017, which is almost three times all other markets combined. Despite the decline in 2015 and 2016, mainland China visitors have begun to recover starting in late 2016 and continuing as at YTD June 2017. Such growth has been assisted by Chinese visitors’ recovering interest as well as South Korea’s and Taiwan’s heated political tensions with China, which could have prompted Chinese to visit Hong Kong instead.

**Supply**
As at the end of 2016, Hong Kong’s hotel accommodation comprised a total of 263 hotels with 74,868 rooms. Approximately 3,000 hotel rooms have been added into the market as at YTD August 2017, representing 4.3% of growth from 2016. The new supply in the first half of the year is characterized by a few large hotel openings such as the Disney Explorers’ Lodge (750 rooms), Kerry Hotel by Shangri-La (546 rooms), Silka Tsuen Wan (400 rooms), and iClub Ma Tau Wai (340 rooms.)

**Outlook**
Due to the changing profile of Mainland Chinese visitors and relatively sufficient new supply expected, ADR growth is estimated to remain subdued this year. Notwithstanding, we believe the Hong Kong tourism market has started its recovery in late 2016 with improving visitor arrivals statistics. Although the demographics of Mainland Chinese visitors are changing, we are cautiously optimistic that hotel performance will return to its stabilised levels over the medium to long term. Hong Kong has proven itself to be a resilient city on the back of its multi-faceted appeal for leisure, corporate as well as MICE-related demand.

New notable hotels
- Disney Explorers’ Lodge
  750 rooms
- Kerry Hotel by Shangri-La
  546 rooms
- Silka Tsuen Wan
  400 rooms
- iClub Ma Tau Wai
  340 rooms
- Billion Hotel
  336 rooms

Upcoming hotels
- Emperor Hotel Wanchai
- Hotel COZI
- The Murray, a Niccolo Hotel
- Rosewood Hong Kong
- Hotel Vic North Point

Notable hotel deals
- Rosedale on The Park
- Butterfly Hollywood
- Bay Bridge Hotel
- Newton Inn North Point
- Hotel Bonaparte

Note: Hong Kong refers to Upscale
Source: STR Global (YTD Jul 2017), Hong Kong Tourism Board, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Tourism

International visitor arrivals to Jakarta continue to grow and, as at YTD July 2017, reached 1.4 million, an increase of 11.1% y-o-y. The extension of the visa waiver programme continues to benefit Indonesia, with 169 countries now eligible to receive a free 30-day visa upon arrival in the country.

Demand

Jakarta remains a key business gateway into Indonesia and demand has continued to grow. Corporate travellers constitute the majority of tourism demand, as Jakarta continues to be the main hub and corporate headquarters for Indonesian and multinational corporations. Jakarta is also a popular stop over for international visitors travelling to other popular tourist destinations in Indonesia such as Bali, Lombok and Yogyakarta.

Supply

Approximately 432 rooms in three hotels have opened in Jakarta in 2017 to date. The new openings include the 240-room HARRIS Vertu Jakarta, the 102-room Yello Hotel Manggarai and the 90-room Amaris Hotel Mampang. Another hotel with 227 rooms is expected to open before the end of 2017.

Outlook

Incoming hotel supply will add pressure to hotel trading performance in Jakarta, and hotels are likely to reduce rates to maintain occupancy. However, foreign investment in the country is expected to increase amidst significant reforms in the business environment. This should underpin demand for quality accommodation by both corporate and leisure travellers.

Note: Jakarta refers to Upscale

Source: STR Global (YTD Jul 2017), BPS Statistics Indonesia, JLL
ADR - Average daily rate, RevPAR - Revenue per available room

Quick Facts

International Visitor Arrivals (YTD July 2017) Number of New Rooms (2017)
1.4 million 659 rooms

<table>
<thead>
<tr>
<th>OCC</th>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.6%</td>
<td>USD 159</td>
<td>USD 83</td>
</tr>
</tbody>
</table>

New notable hotels

HARRIS Vertu Jakarta
240 rooms

Yello Hotel Manggarai
102 rooms

Amaris Hotel Mampang
90 rooms

Upcoming hotels

Park Hyatt Jakarta
Alila SCBD
Regent Jakarta

Notable hotel deals

There were no hotel transactions in H1 2017
### Kuala Lumpur

#### Quick Facts

<table>
<thead>
<tr>
<th>International Visitor Arrivals (YTD May 2017)</th>
<th>Number of New Rooms (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.8 million*</td>
<td>1,527 rooms</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>MYR 534</td>
<td>MYR 353</td>
</tr>
</tbody>
</table>

#### Supply

- **Sofitel Kuala Lumpur Damansara**: 312 rooms
- **Element Kuala Lumpur**: 252 rooms
- **Mercure Kuala Lumpur Shaw Parade**: 213 rooms
- **Hotel Stripes Kuala Lumpur**: 184 rooms

Approximately 961 rooms in four hotels have been added to supply in Kuala Lumpur as of August 2017. This includes the 312-room Sofitel Kuala Lumpur Damansara, the 252-room Element Kuala Lumpur, the 213-room Mercure Kuala Lumpur Shaw Parade and the 184-room Hotel Stripes Kuala Lumpur. A further 566 rooms in two hotels are expected to open before the end of 2017.

#### Tourism

Total international visitor arrivals to Malaysia have remained relatively stable in 2017, recording a marginal decline of 0.9% y-o-y as at YTD May 2017 to record 10.8 million. The fall has been attributed primarily to the decline in Singapore visitor arrivals who, buoyed by the strength of the Singapore Dollar, have been choosing to travel to other countries instead of Malaysia. Tourism Malaysia is targeting a total of 31.8 million international tourist arrivals in 2017, with tourism receipts of MYR 118 billion.

#### Demand

Although Singapore visitor arrivals have fallen 3.4% as at YTD May 2017, it remains Malaysia’s top international source market, accounting for 48.2% of total arrivals, or 5.2 million. Notable growth, however, has continued in other key source markets from 2016, namely Brunei, Thailand and China, which registered y-o-y increases of 37.7%, 9.8% and 7.8% respectively as at YTD May 2017.

#### Outlook

The threat of oversupply continues to weigh on the Kuala Lumpur market, with close to 6,000 hotel rooms currently in the pipeline between 2018 and 2020. While trading performance has seen some improvement in 2017, the anticipated influx of new supply will place further pressure on hoteliers to remain rate competitive.

#### New notable hotels

- **W Kuala Lumpur**
- **Sheraton Petaling Java**
- **Alila Bangsar**
- **Citizen M Kuala Lumpur**
- **Four Seasons Place Kuala Lumpur**

#### Upcoming hotels

- **Hotel Stripes Kuala Lumpur**

#### Notable hotel deals

There were no hotel Transactions in H1 2017

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Note: Kuala Lumpur refers to Luxury & Upscale

Source: STR Global (YTD Jul 2017), Tourism Malaysia, JLL

ADR - Average daily rate, RevPAR - Revenue per available room

*International visitor arrivals across Malaysia
Tourism

As at YTD June 2017, international visitor arrivals to Macau increased marginally to 15.6 million arrivals y-o-y (from 14.8 million arrivals one year prior). According to the Macau Statistics and Census Service, as at the end of 2016 there were 107 operating hotel establishments with a total of 36,278 rooms. The Macau hotel market outlook is expected to remain cautious due to the uncertainty of the Mainland China market, the incoming hotel pipeline, and increasing competition from other casino and resort markets such as Singapore, Malaysia, and South Korea.

New notable hotels
The Macau Roosevelt
368 rooms

The Legend Palace Hotel
223 rooms

Upcoming hotels
Lisboa Palace Hotel
MGM Cotai
Morpheus Macau
W Hotel Macau Studio City
Palazzo Versace Macau

Notable hotel deals
Landmark Hotel Macau
Hotel Lan Kwai Fong Macau

Demand

As at YTD June 2017, Mainland China remains Macau’s top source market, contributing a total of 10.3 million visitors, or 66.4% to the total visitor arrivals, followed by Hong Kong, which accounts for as much as 20.0% of total visitor arrivals. Combined, these two source markets comprise approximately 86.4% of total visitor arrivals as at YTD June 2017. Following a drastic fall in 2015, the Mainland Chinese market gained some momentum in December 2016, growing by 7.8% compared to December 2015, ending the year with a 0.2% marginal improvement.

Supply

While most of the hotel projects were previously on the Macau Peninsula, future hotel supply is primarily located on the Cotai Strip which connects Coloane and Taipa Islands. According to the Land, Public Works and Transport Bureau, as at Q1 2017, a total of 17 hotels with 5,153 rooms were under construction, with a further 33 hotels (7,840 rooms) under planning stage.

Outlook

With the continuous growth of Mainland China’s economy, we are cautiously optimistic that hotel performance will return to stabilised levels over the medium to long term, since Macau has proven itself to be a favourable destination for Mainland Chinese visitors and MICE organisers for its accessibility and established infrastructure. Recently, a noticeable increase in VIP gambling numbers is a welcome sign that the market is in recovery.

Quick Facts

<table>
<thead>
<tr>
<th>International Visitor Arrivals (YTD June 2017)</th>
<th>Number of New Rooms (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.6 million</td>
<td>6,185 rooms</td>
</tr>
</tbody>
</table>

Note: Macau refers to Marketwide
Source: STR Global (YTD Jul 2017), Macau Government Tourism Office, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Maldives

Quick Facts

International Visitor Arrivals (YTD June 2017)
658,000

Number of New Rooms (2017)
1,113 rooms

As at YTD June 2017, international arrivals registered around 658,000 with 6.1% growth over the same period last year. Under the tagline “Maldives - the sunny side of life”, efforts will continue in 2017 to market the Maldives as a destination to a global audience. To support these efforts, in February 2017 the Maldives Marketing and Public Relations Corporation officially launched the “Story of the Maldives” campaign 2017/2018.

Tourism

As at YTD June 2017, international arrivals registered around 658,000 with 6.1% growth over the same period last year. Under the tagline “Maldives - the sunny side of life”, efforts will continue in 2017 to market the Maldives as a destination to a global audience. To support these efforts, in February 2017 the Maldives Marketing and Public Relations Corporation officially launched the “Story of the Maldives” campaign 2017/2018.

Demand

As at YTD June 2017, the market continued to see the revitalisation of the Russian inbound market, increasing by 36.8% y-o-y. Other top source markets which grew strongly included Italy (+25.6%), India (+24.7%) and the USA (+19.4%). Some top source markets saw a drop in arrivals, including Mainland China (-10.3%) and Germany (-0.4%). Despite this, Mainland China remained the top source market to the Maldives accounting for 21.5% of all international visitor arrivals as at YTD June 2017.

Supply

According to the Ministry of Tourism, a total of 126 resorts with 26,933 beds, 16 hotels with 1,713 beds, 382 guest houses with 5,884 beds and 144 safari vessels with 2,694 beds were registered in the Maldives as of December 2016. In 2016 there were 12 major resort openings, increasing supply by 919 rooms, an average of 77 rooms per resort, such as Finolhu, Amari Havodda, Furaveri Island Resort & Spa, Kudafushi Resort & Spa, OZEN by Atmosphere, St Regis Vommuli Resort, Milaidhoo Island, Soneva Jani and the Four Seasons Private Island at Voavah.

Outlook

Despite the challenging macro environment, the Maldives government remains committed to growing and investing in its tourism market. Looking forward, while the operating market is likely to be challenging in the short term, it is anticipated that increased marketing campaigns, paired with ongoing tourism infrastructure improvements and increased airlift from other markets will benefit the medium to long term prospects of the Maldives.

New notable hotels

Cocoon Resort
150 rooms

Grand Park Kodhipparu
120 rooms

St Regis Vommuli Resort
77 rooms

Soneva Jani
25 rooms

Four Seasons Private Island at Voavah
7 rooms

Upcoming hotels

Noku Maldives (former Zithali Resort & Spa)

Mercure Maldives Kooddoo

Gran Melia Maldives

Fushifaru Maldives

Notable hotel deals

Grand Park Kodhipparu

Note: Maldives refers to Marketwide
Source: STR Global (YTD July 2017), Ministry of Tourism, Arts & Culture, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Tourism
Following the record growth in 2016, international visitor arrivals to the Philippines have continued to grow strongly increasing by 12.7% y-o-y to reach 3.4 million, as of YTD June 2017. The positive figures were attributed to improved tourism marketing efforts and a series of international events such as the ASEAN@50 meetings. The surge in arrivals were attributed to strong performance in tourist arrivals from emerging countries, China in particular.

Demand
As at YTD June 2017, South Korea was the largest tourism source market to the Philippines, with total arrivals of 0.8 million, or 23.7% of the total. Strong growth was seen in key source markets, notably China which increased 33.4% y-o-y. This follows the lifting of travel advisories against visits to the Philippines following President Rodrigo Duterte’s state visit to China in October 2016. India and South Korea also registered strong growth of 18.4% and 15.9% y-o-y, respectively.

Supply
Approximately four hotels representing 1,846 rooms have opened in Manila in 2017 to date. The majority of the rooms come from the 993-room Okada Manila which opened in March 2017 in the Manila Bay Area. Other hotels include the 438-room Seda Vertis North, 271-room Valero Grand Suites and the 144-room Hop Inn Hotel Makati Avenue Manila. A further 1,145 rooms in two hotels are expected to open before the end of 2017.

Outlook
The outlook for tourism remains bright for the Philippines, amidst continued marketing efforts and infrastructural developments to support the industry. However, the impact of the recent terror attacks in the country remains to be seen amid concerns around safety and security. Tourists will need reassuring that the attacks in Marawi City and Resorts World Manila are isolated incidents.

Note: Manila refers to Marketwide
Source: STR Global (YTD Jul 2017), Philippines Department of Tourism, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Melbourne

Quick Facts

International Visitor Arrivals (YTD Mar 2017)  
1.7 million

Number of New Rooms (2017)  
273 rooms

Australia

Tourism

In 2016, visitor arrivals totalled 6.6 million in Melbourne City representing 6.7% of all visitor arrivals in Australia. As at YTD March 2017, visitor arrivals to Melbourne City achieved strong growth, increasing 16.0% y-o-y to a total of 1.7 million. International visitor arrivals accounted for 31.0% (5.1% increase y-o-y) and domestic nights 69.0% (17.4% increase y-o-y).

Supply

Approximately 427 rooms have been added into the market in 2016, most of which are upscale/luxury properties in the Melbourne CBD and Docklands area. During the first half of 2017, the Four Points by Sheraton Docklands has also opened. We are aware of six short-term accommodation developments currently under construction and due for completion by 2020. If all projects materialise, this will represent an increase of 1,719 rooms or 8.8% on the existing stock.

New notable hotels

Four Points by Sheraton  
273 rooms

Upcoming hotels

Ibis & Novotel Little Lonsdale Street  
Novotel Southbank Melbourne  
Shama Luxe Aurora Melbourne Central  
Quest New Quay Docklands  
W Melbourne

Outlook

The market buoyancy of recent years is anticipated to moderate over the medium term as Melbourne’s development pipeline continues to build. A significant number of large mixed use developments and standalone hotel projects are concentrated around the CBD and Docklands area and are likely to commence operations in the five years to 2022. Over the medium to long term, significant projects of note include the redevelopment of the Melbourne Convention & Exhibition Centre (MCEC) and Docklands precinct as well as the proposed airport runway extension.

Note: Hotel supply within the Melbourne City Region
Source: Tourism Research Australia (2017), STR Global (YTD July 2017), JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Tourism

As at YTD June 2017, a total of 8 million visitor nights were spent in Osaka City. International accommodation guests which accounts for 36.1% of total accommodation guests in Osaka, increased by 6.7% y-o-y to 2.9 million. The number of domestic accommodation guests also increased by 2.6% y-o-y to 5.1 million.

Demand

The growth in international accommodation guests has slowed down in the recent months while visitor arrivals to Japan continue to grow. It is believed that excess demand is being absorbed by alternative accommodation options such as Airbnb. As at YTD July 2017, RevPAR remains stable, recording a slight y-o-y decline of 0.4%.

Supply

The major new supply in 2Q 2017 include the 167-room Conrad Osaka, the 496-room Candeo Hotel Osaka Namba and the 390-room Singulari Hotel and Sky Spa. Although, there have been limited new additions to the supply of full-service hotels, more than 22,000 additional limited-service hotel rooms are anticipated in the foreseeable future.

Outlook

Osaka is expected to benefit from continued growth in visitor arrivals as the city is gaining popularity as a tourism destination. The new international low cost carrier terminal at Kansai International Airport and the expansion of Universal Studios Japan are strong growth drivers for Osaka. On the other hand, new supply is expected to partially offset the benefits of demand growth.
Phuket

Quick Facts
International Visitor Arrivals (YTD July 2017)
2.6 million

Number of New Rooms (2017)
1,418 rooms

Tourism
International arrivals through Phuket airport registered 29.2% y-o-y growth, reaching 2.6 million as at YTD July 2017. Chinese visitors have began showing a pickup since the zero-dollar tours crackdown in 4Q2016 which impacted arrivals in 1H2017. The growth in arrivals has also been supported by the resurgence of Russian visitors due to the steady appreciation of the Ruble.

Demand
Mainland China was the largest source market in 2016, albeit a slowdown in growth. Russian arrivals saw significant y-o-y improvement of 25.1% in 2016 and remained the second largest source market. Australia, the third largest source market, continued to be on a downward trend with arrivals declining by 9.3% y-o-y in 2016.

Supply
Phuket has seen few openings since the beginning of 2017 with 304 rooms being added to the market. Over 1,100 rooms are however slated to open by end-2017. Future openings are concentrated in the upscale segment and Patong area. Notable upcoming openings include The Hermitage Kata, Rosewood Phuket and Mövenpick Resort Mai Khao Phuket which will be a rebrand of D Varee Mai Khao Beach Phuket Resort.

Outlook
With China becoming the island’s biggest source market in recent years, hotel rates have been on pressure. However, the crackdown on zero-dollar tours is expected to lead to an improvement in the long run. Phuket’s infrastructure improvement projects are expected to relieve the traffic congestion on the island and further boost its tourism sector. The much-anticipated Light Rail Transit (LRT), extending across Phuket to the southern tip of Phang Nga, has been set for construction in 2018 with opening year in 2021.

New notable hotels
The SIS Resort
124 rooms
MAI HOUSE Patong Hill
79 rooms

Upcoming hotels
Rosewood Phuket
The Hermitage Kata - Phuket
Mövenpick Resort Mai Khao Phuket (Formerly D Varee Mai Khao Beach Phuket Resort)

Notable hotel deals
There were no hotel transactions in H1 2017

Note: Phuket refers to Marketwide
Source: STR Global (YTD Jul 2017), Department of Tourism Thailand, Ministry of Tourism and Sports Thailand, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Tourism

Following heightened tensions between Mainland China and South Korea, international tourist arrivals registered a 20.9% y-o-y decline as at YTD July 2017 to 7.7 million. This was primarily attributed to the 46.5% contraction in arrivals from Mainland China. Despite this, China still remains the top source market for international visitor arrivals to the country. While Mainland China experienced significant falls, growth was seen from some of the other key tourism source markets to South Korea. As at YTD July 2017, growth was led by Russia and Taiwan, which increased 17.5% and 12.3% y-o-y, respectively. Japan, South Korea’s second largest source market, also increased 2.8% y-o-y to 1.25 million during the same period.

Supply

So far in 2017, two new hotels have opened, namely the 223-room Aloft Seoul Myeongdong and the 235-room Lotte Signiel Hotel Seoul. A further five hotels providing 1,850 rooms are expected to open by the end of the year. Four of these new hotels will operate under the Accor umbrella at Seoul Dragon City in Yongsan and are due to open in October 2017.

Outlook

The significant decrease in visitation from Mainland China as a result of political tensions between the two countries will continue to affect hotel performance. The impact of this will continue to be most keenly felt in the midscale and budget hotel segments. In addition, heightened tensions with North Korea may also deter visitor arrivals. Both disruptions are expected to be short term in nature and the outlook for future growth is strong following the normalization of these events.

Seoul

Quick Facts

International Visitor Arrivals (YTD July 2017)
7.7 million

Number of New Rooms (2017)
2,308 rooms

ADR - Average daily rate, RevPAR - Revenue per available room

New notable hotels

Meridian Seoul (Rebranded from the Ritz Carlton Seoul)
336 rooms

LOTTE Signiel Hotel Seoul
235 rooms

Aloft Hotel Seoul Myeongdong
223 rooms

Upcoming hotels

Park Hotel Yeongdeungpo
Seoul Dragon City
Four Points by Sheraton Seoul Gangnam
Fairmont Ambassador Seoul

Notable hotel deals

Hotel Ellui
Nine Tree Premier
Hotel Myeongdong II

Note: Seoul refers to Midscale & Economy
Source: STR Global (YTD Jul 2017), Seoul Tourism Board, JLL
Seychelles

Quick Facts
International Visitor Arrivals (YTD July 2017) 199,796
Number of New Rooms (2017) Nil

Tourism
The Seychelles welcomed approximately 303,000 visitors in 2016, a 10% increase compared to 276,000 the previous year. Visitor arrivals continued to surge throughout the first seven months of 2017, achieving 21% y-o-y increase as at YTD July, boosted by increased flight connectivity and improved destination marketing.

Demand
Europe remains the dominant source market to the Seychelles with Germany, France, Italy and the United Kingdom together accounting for approximately 38% of all international arrivals as at July 2017. Demand from the UAE market recorded robust growth of 24.2% y-o-y as at YTD July 2017, supported by direct flights to Dubai, Doha and Abu Dhabi in under four hours. The ministry of tourism is also targeting visitor arrivals from Asia, with the recent introduction of one-stop flights to Beijing and chartered flights to Chengdu.

Supply
In line with the nation’s framework to protect the environment and encourage sustainable development, the government introduced a moratorium on large hotel development in 2015, defined as properties having 25 rooms or more. Recently, the government has decided to extend the moratorium until the end of 2020 which will limit new hotel supply coming into the market over the medium term.

Outlook
Tourism fundamentals to the island nation remains strong, supported by ever increasing flight connectivity and growing destination awareness. Air Seychelles continues to expand direct flights and codeshare agreements, which is helping to drive visitor arrivals from the major source markets in Europe, Middle East and Africa, as well as tapping into new source markets in Asia, including China, India and Sri Lanka. With limited hotel supply in the horizon, due to the moratorium, hotel trading performances are likely to remain strong in the short to medium term.

Note: Seychelles refers to Five-star
Source: STR Global (YTD Jun 2017), Seychelles National Bureau of Statistics, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Tourism

YTD July 2017 data from the Shanghai Tourism Bureau showed 4.2 million in international visitor arrivals which amounts to a 3% increase y-o-y. This improvement can be mainly attributed to strong visitor growth from Japan and the USA, rising 16.1% and 5.3% respectively. Korean visitation continued falling due to the tension existing between both countries.

Note: Shanghai refers to Upscale

Source: STR Global (YTD Jul 2017), Shanghai Tourism Bureau, JLL
ADR - Average daily rate, RevPAR - Revenue per available room

Demand

As a core commercial hub in the Yangtze River Delta, corporate demand continues to be the key driver for Shanghai’s hotel market. In particular, the MICE segment continues to grow from strength to strength. On the other hand, the opening of Shanghai Disney Resort has generated considerable leisure demand especially amongst high spending individual domestic and regional travelers.

Supply

There were ten hotels with 3,318 rooms that commenced trading during the first half of 2017, seven positioned in the upscale category and three, midscale. In May 2017, the St. Regis set its first footprint on the Shanghai market located in the core area of downtown Puxi and a room inventory of 491. There are 7 hotels with around 1,218 rooms slated to open over the balance of 2017. However, a delay is expected for many of these projects due to developers’ variable market strategies.

Outlook

From 2018 onwards, an influx of new hotels is set to enter the Shanghai market. We believe trading performance should still trend upwards supported by a steady stream of travelers across both corporate and leisure demand segments. Additionally, the upcoming opening of Shanghai Polar Ocean Park is expected to further boost the city’s leisure tourism offer, further adding to Disney Resort as a major drawcard in China.

Quick Facts

International Visitor Arrivals (YTD July 2017)
4.2 million

Number of New Rooms (2017)
3,318 rooms

New notable hotels

St. Regis Shanghai Jingan
491 rooms

Cordis Shanghai Hongqiao
396 rooms

W Shanghai The Bund
374 rooms

Hyatt Regency Shanghai
518 rooms

Melia Shanghai Hongqiao
187 rooms

Upcoming hotels

Bvlgari Shanghai
The Sukhothai
Dusit Thani Shanghai Zhabei
The Middle House

Notable hotel deals

There were no hotel transactions in H1 2017
Singapore

Quick Facts

<table>
<thead>
<tr>
<th>International Visitor Arrivals (YTD June 2017)</th>
<th>Number of New Rooms (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.5 million</td>
<td>3,122 rooms</td>
</tr>
</tbody>
</table>

OCC ADR RevPAR

83.7% SGD 252 SGD 211

Tourism

Growth in visitor arrivals continued on a positive trajectory to a high of 8.5 million as of YTD June 2017, a 4.5% increase Y-O-Y. Strong arrival numbers are a result of successful marketing initiatives by the Singapore Tourism Board (STB). This performance confirms that Singapore is well on its way to achieve the STB’s growth forecast in tourist arrivals of 16.4-16.7 million by the end of 2017.

Demand

As of YTD June 2017, Mainland China is Singapore’s largest source market contributing 18.2% to total visitor arrivals with a 5.4% increase y-o-y. In comparison, the traditional top source market of Indonesia contributed to 17.2% in visitor arrivals and recorded an increase of 4% y-o-y. Top growth markets for the nation were India(15.0%), the USA (9.4%) and UK (6.6%) respectively. Growth in India and China can be attributed to the STB’s aggressive marketing campaigns to tourist from tier 2 and tier 3 cities of these countries.

Supply

446 rooms entered the market as of YTD September 2017. As a whole, 2017 is expected to see a total supply influx of 3,122 rooms which will lead to a 5% increase in total number of keys in the market. A majority of the new stock arises from the midscale and upscale market which is in line with falling corporate budgets and the rise of regional leisure tour groups who tend to prefer more affordable accommodations.

Outlook

The market is nearing the end of a protracted rise in new hotel supply. The number of new hotels opening post-2018 is substantially less when compared to the supply wave witnessed over the past two years. On the whole, Singapore’s outlook is positive with trading performance comparing favourably to many regional financial hub markets.

New notable hotels

- Aqueen Hotel Little India
  - 70 rooms
- The Warehouse Hotel
  - 37 rooms
- Villa Samadhi
  - 20 rooms
- Hotel Nuve Heritage
  - 19 rooms

Upcoming hotels

- Courtyard by Marriott Singapore Novena
- The Duxton Club (The Duxton House)
- Yotel Orchard Road
- Sofitel Singapore City Centre
- InterContinental Robertson Quay

Notable hotel deals

There were no hotel transactions in H1 2017

Note: Singapore refers to Upscale Source: STR Global (YTD Jul 2017), Singapore Tourism Board, JLL ADR - Average daily rate, RevPAR - Revenue per available room, OCC-Occupancy
Tourism
As at YTD July 2017, international visitor arrivals to Sri Lanka reached 1.2 million, an increase of 3.6% y-o-y, fuelled by sustained demand from traditional (UK, Germany and France) European markets. Sri Lanka has set a target of 2.5 million international visitor arrivals in 2017 and a medium-term goal of 4.2 million by 2020.

Demand
As at YTD July 2017, India was the top source market to Sri Lanka, accounting for 16.6% of the overall total. Second to India is Mainland China, which accounts for 13.4%. Third is the United Kingdom which comprises 9.8% and enjoyed growth of 8.0% y-o-y. Significant y-o-y growth was also seen in visitors from Russia (+11.8%) and Australia (+8.6%).

Supply
Approximately 774 rooms in six hotels have been added to supply in Sri Lanka in 2017 to date. This includes the 80-room Jetwing Colombo Seven, the 80-room Mandarina Colombo, the 291-room Movenpick City Hotel Colombo, the 172-room Amari Galle, the 25-room Sunhill Hotel in Mount Lavinia and the 198-room Marriott Weligama. A further 770 rooms in two hotels are expected to open before the end of 2017. This includes the landmark 500-room Shangri-La Hotel Colombo at One Galle Face.

Outlook
Hotel development continues apace within Sri Lanka, with around 2,585 rooms expected to open between 2018 and 2020. Major international operators such as Hilton, which recently announced seven new properties in the country, are continuing to expand their presence. This, combined with continued improvements in international connectivity and domestic infrastructure, will help to support increasing tourism within the country.
Sydney

Quick Facts

<table>
<thead>
<tr>
<th>International Visitor Arrivals (YTD March 2017)</th>
<th>Number of New Rooms (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>678,000</td>
<td>816 rooms</td>
</tr>
</tbody>
</table>

Tourism

For the YTD March 2017, 11.4 million visitor nights were recorded in Sydney City. This represents 6.4% of the total visitor nights in Australia with international visitor nights accounting for 75.1% and domestic nights 24.9% of the total visitor nights within Sydney. International visitor nights recorded a 4.9% Y-O-Y increase to 8.5 million visitor nights with domestic visitor nights increasing by 27.3% to 2.8 million visitor nights.

Demand

Mainland China is Sydney’s largest source market, contributing 25.5% of all international visitor nights for the year to date March 2017, while also representing growth of 25.5% year on year. The next greatest sources of visitation were the UK (10.7%), the USA (8.4%) and Japan (6.6%). Within the current market, demand is outstripping supply growth (in terms of rooms built) resulting in a strong trading environment.

Supply

During the first half of 2017 we are aware of no new hotel openings within Sydney City. However, there are six accommodation developments currently under construction and due for completion the next two years. If all six projects materialise, this will represent an increase of 1,256 rooms or 7.2% on the existing stock as at 31 July 2017. For the second half of the year we expect 816 rooms to be added to the market.

Outlook

The outlook for Sydney’s accommodation market remains strong. Both occupancy and ADR are at record levels on a moving annual average basis, with ADR growth expected to further improve in line with the consistent supply outlook and a more stable demand environment with growth across a variety of segments including corporate, cruise and inbound. Occupancy is predicted to remain in the high 80% range in the coming years, further strengthening RevPAR.

New notable hotels

There were no new hotel openings in H1 2017

Upcoming hotels

Sofitel Sydney Darling Harbour
Crowne Plaza Sydney
SKYE Hotel Suites Sydney
Meriton Sydney Sussex Street

Notable hotel deals

Four Points by Sheraton Sydney Central Park
Intercontinental Sydney Double Bay

Note: Hotel Supply within the Sydney City Region
Source: STR Global (YTD Jul 2017), Tourism Research Australia, JLL
ADR - Average daily rate, RevPAR - Revenue per available room, OCC - Occupancy
Tourism

Total visitor arrivals to Taiwan reached approximately 5.1 million (YTD June 2017), down 5.7% over the same period in 2016 due to the decline of the Mainland Chinese market. Due to the tensions between the cross strait relations between Taiwan and Mainland China, visitors from Mainland China declined significantly by 40.1% y-o-y.

Demand

Mainland China remains Taiwan’s largest source market, amounting to almost a quarter of total visitor arrivals. To cover the decline in the Mainland Chinese market, Taiwan’s government has been actively promoting to other source markets. In September 2016, visa restrictions to Taiwan were eased for citizens of ASEAN nations, and as a result, the Southeast Asia market has grown by 16.1% in 2016. As at YTD June 2017, the emerging Vietnamese market grew by a staggering 113.4% y-o-y and Thailand market grew by 82.2% y-o-y.

Supply

As at YTD June 2017, a total of 558 hotels with 36,594 rooms were recorded. Taipei hotel supply is characterised by the dominance of independent and locally branded hotels, with international hotel operators moving into the market only in recent years. As at the YTD August 2017, two international hotels were recorded to have opened – Aloft Hotel Taipei Beitou and CitizenM Taipei in Ximending.

Outlook

The Taiwanese government has expanded on other key source markets such as the ASEAN nations, Japan and South Korea, all of which have continued to exhibit positive growth as at YTD June 2017. Nevertheless, we are cautiously optimistic that the government’s diversification efforts and the recent opening of the Taiwan Taoyuan International Airport MRT will help anchor Taipei as a major tourism destination in Asia.

Quick Facts

| International Visitor Arrivals (YTD June 2017) | 5.1 million |
| Number of New Rooms (2017) | 661 rooms |

Taipei

New notable hotels

- Aloft Taipei Beitou
  - 292 rooms
- CitizenM Taipei North Gate
  - 267 rooms
- S Hotel
  - 102 rooms

Upcoming hotels

- Courtyard by Marriott Taipei Downtown
- Renaissance Hotel Taipei
- MITSUI Garden Hotel Taipei
- Hotel Indigo Taipei

Notable hotel deals

There were no hotel transactions in H1 2017

Note: Taipei refers to Luxury & Upper Upscale
Source: STR Global (YTD Jul 2017), Tourism Bureau, Ministry of Transportation and Communications of the Republic of China, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
**Tokyo**

**Quick Facts**

International Accommodation Guest (YTD June 2017)

9.2 million

<table>
<thead>
<tr>
<th>Number of New Rooms (2017)</th>
<th>OCC</th>
<th>ADR</th>
<th>RevPAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>749 rooms</td>
<td>82.3%</td>
<td>JPY 27,045</td>
<td>JPY 22,251</td>
</tr>
</tbody>
</table>

**New notable hotels**

- Remm Roppongi
  - 400 rooms

- Moxy Tokyo Kinshicho Hotel
  - 205 rooms

- TRUNK HOTEL
  - 15 rooms

**Upcoming hotels**

- Hyatt Centric Ginza Tokyo
- Pullman Tokyo Tamachi
- The Strings Hotel Shinjuku
- Four Seasons Tokyo Otemachi
- Edition Tranomon
- Edition Ginza

**Notable hotel deals**

There were no hotel transactions in H1 2017

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**Tourism**

A total of 26.5 million visitor nights were spent in Tokyo as at YTD June 2017, representing 13.1% of all visitor nights across Japan. International accommodation guests, which contribute 34.8% of all accommodation guests in Tokyo increased 15.1% y-o-y to 9.2 million while domestic accommodation demand increased by 2.8% y-o-y to 17.3 million.

**Supply**

The only new supply in 2Q 2017 was the 15-room Trunk Hotel. There are a number of luxury hotel openings in the pipeline in anticipation of the 2020 Tokyo Olympics and the post-Olympics demand. Major new supplies include Hyatt Centric Ginza Tokyo and Pullman Tokyo Tamachi which are scheduled to open in 2018. Two Editions and the Four Seasons Otemachi are scheduled to open in 2020.

**Demand**

In recent months trading performances in Tokyo has improved due to a steady increase in inbound visitors. This is in contrast to 2016 where hotel trading performance in Tokyo showed a slow-down due to higher room rates, diversification of tourists’ destinations and the proliferation of alternative accommodation options such as Airbnb.

**Outlook**

Moving forward, Tokyo hotel trading performances are expected to show further growth but at a slower pace than witnessed over the past two years. Future, RevPAR improvement will likely be driven by ADR increases as occupancy is currently at a relatively high level.

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Note: Tokyo Hotels refers to Upscale
Source: STR Global (YTD July 2017), Japan Tourism Agency, JLL
ADR - Average daily rate, RevPAR - Revenue per available room
Tourism

Myanmar saw 1.2 million international visitor arrivals as at YTD April 2017, accounting for a 33.3% growth y-o-y. In 2016, the Myanmar’s Ministry of Hotels and Tourism has revised the data collection method of the arrival statistics and provided only the number of international arrivals with border gateways but excluding day trip visitors. As a result, 2016 saw only 2.9 million international arrivals, with 3.5 million visitors projected for 2017. As the nation’s commercial centre, Yangon consistently captures a high majority of the international visitors coming to Myanmar.

Demand

Thailand and China continues to be the top source markets to Myanmar, followed by Japan the USA. The top four source markets accounted for approximately half a million visitors in 2016. Chinese visitors is expected to continue as a key driver in Myanmar as the two countries strengthen bilateral tourism ties. The ‘Two countries, one destination’ campaigns between Myanmar and the neighbouring East Asian countries such as Thailand and Cambodia is expected to further boost tourist arrivals to Myanmar.

Supply

With all openings slated for 2H2017, the Yangon hotel market will see the addition of 1,575 keys by end-2017, over 400 keys of which will be serviced apartments. A further of 4,000 rooms are scheduled to open by end-2021, 40% of which will be serviced apartment units. Future openings will be concentrated in the luxury segment. Upcoming projects include the 343-key LOTTE Hotel Yangon, 315-key LOTTE Serviced Apartments Yangon and 348-key Pan Pacific Yangon.

Outlook

Tourism remains high on the agenda with the government targeting to double Chinese arrivals in 2018. The ongoing expansion of the Yangon International Airport as well as the new Hanthawaddy International Airport planned to open in 2022 is expected to lead to a dramatic increase in air traffic. Nevertheless, with a significant increase in new hotel rooms slated to open over the next few years leading to a decline in ADR, hotel trading performance is likely to remain on a downward trend.

Note: Yangon refers to Five-star
Source: Ministry of Hotels & Tourism, JLL Estimates (YTD July 2017)
ADR - Average daily rate, RevPAR - Revenue per available room
Asia Pacific

Key Destinations
## Quick Facts Comparison

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<tbody>
<tr>
<td>AUCKLAND (MARKETWIDE)</td>
<td>3.6 million (YTD June 2017)</td>
<td>663</td>
<td>87.0%</td>
<td>144</td>
<td>125</td>
</tr>
<tr>
<td>BALI (UPSCALE)</td>
<td>3.4 million (YTD July 2017)</td>
<td>1,397</td>
<td>72.7%</td>
<td>150</td>
<td>109</td>
</tr>
<tr>
<td>BANGKOK (LUXURY)</td>
<td>13.5 million (YTD July 2017)</td>
<td>2,983</td>
<td>75.9%</td>
<td>177</td>
<td>135</td>
</tr>
<tr>
<td>BEIJING (UPSCALE)</td>
<td>2.2 million (YTD July 2017)</td>
<td>1,809</td>
<td>72.4%</td>
<td>148</td>
<td>107</td>
</tr>
<tr>
<td>BRISBANE (MARKETWIDE)</td>
<td>255,000 (YTD March 2017)</td>
<td>319</td>
<td>72.9%</td>
<td>119</td>
<td>87</td>
</tr>
<tr>
<td>HANOI (MARKETWIDE)</td>
<td>2.7 million (YTD July 2017)</td>
<td>643</td>
<td>84.9%</td>
<td>112</td>
<td>95</td>
</tr>
<tr>
<td>HO CHI MINH CITY (MARKETWIDE)</td>
<td>2.8 million (YTD June 2017)</td>
<td>71</td>
<td>74.1%</td>
<td>110</td>
<td>82</td>
</tr>
<tr>
<td>HONG KONG (UPSCALE)</td>
<td>27.8 million (YTD June 2017)</td>
<td>4,276</td>
<td>82.9%</td>
<td>216</td>
<td>179</td>
</tr>
<tr>
<td>JAKARTA (UPSCALE)</td>
<td>1.4 million (YTD July 2017)</td>
<td>659</td>
<td>52.6%</td>
<td>159</td>
<td>83</td>
</tr>
<tr>
<td>KUALA LUMPUR (LUXURY &amp; UPScale)</td>
<td>10.8 million* (YTD May 2017)</td>
<td>1,527</td>
<td>66.0%</td>
<td>123</td>
<td>81</td>
</tr>
<tr>
<td>MACAU (MARKETWIDE)</td>
<td>15.6 million (YTD June 2017)</td>
<td>6,185</td>
<td>87.2%</td>
<td>167</td>
<td>146</td>
</tr>
<tr>
<td>MALDIVES (MARKETWIDE)</td>
<td>658,000 (YTD June 2017)</td>
<td>1,113</td>
<td>62.2%</td>
<td>668</td>
<td>416</td>
</tr>
<tr>
<td>MANILA (MARKETWIDE)</td>
<td>3.4 million (YTD June 2017)</td>
<td>2,991</td>
<td>67.5%</td>
<td>103</td>
<td>70</td>
</tr>
</tbody>
</table>

# International Accommodation Guests
**Total International Visitor Arrivals for Malaysia
Source: STR Global (YTD July 2017), Various Sources, JLL
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>MELBOURNE (MARKETWIDE)</td>
<td>1.7 million (YTD March 2017)</td>
<td>273</td>
<td>85.6%</td>
<td>153</td>
<td>131</td>
</tr>
<tr>
<td>OSAKA (MARKETWIDE)</td>
<td>2.9 million # (YTD June 2017)</td>
<td>1,205</td>
<td>83.0%</td>
<td>207</td>
<td>172</td>
</tr>
<tr>
<td>PHUKET (MARKETWIDE)</td>
<td>2.6 million (YTD July 2017)</td>
<td>1,418</td>
<td>78.5%</td>
<td>117</td>
<td>92</td>
</tr>
<tr>
<td>SEOUL (MIDSCALE &amp; ECONOMY)</td>
<td>7.7 million (YTD July 2017)</td>
<td>2,308</td>
<td>72.2%</td>
<td>85</td>
<td>61</td>
</tr>
<tr>
<td>SEYCHELLES (MARKETWIDE)</td>
<td>199,796 (YTD July 2017)</td>
<td>Nil</td>
<td>61.6%**</td>
<td>923**</td>
<td>568**</td>
</tr>
<tr>
<td>SHANGHAI (UPSCALE)</td>
<td>4.2 million (YTD July 2017)</td>
<td>3,318</td>
<td>73.6%</td>
<td>155</td>
<td>114</td>
</tr>
<tr>
<td>SINGAPORE (UPSCALE)</td>
<td>8.5 million (YTD June 2017)</td>
<td>3,122</td>
<td>83.7%</td>
<td>181</td>
<td>152</td>
</tr>
<tr>
<td>SRI LANKA (MARKETWIDE)</td>
<td>1.2 million (YTD July 2017)</td>
<td>1,544</td>
<td>66.4%</td>
<td>111</td>
<td>73</td>
</tr>
<tr>
<td>SYDNEY (MARKETWIDE)</td>
<td>678,000 (YTD March 2017)</td>
<td>816</td>
<td>89.4%</td>
<td>194</td>
<td>173</td>
</tr>
<tr>
<td>TAIPEI (LUXURY &amp; UPSCALE)</td>
<td>5.1 million # (YTD June 2017)</td>
<td>661</td>
<td>68.1%</td>
<td>228</td>
<td>155</td>
</tr>
<tr>
<td>TOKYO (UPSCALE)</td>
<td>9.2 million # (YTD June 2017)</td>
<td>749</td>
<td>82.3%</td>
<td>242</td>
<td>199</td>
</tr>
<tr>
<td>YANGON (UPSCALE)</td>
<td>1.2 Million (YTD April 2017)</td>
<td>1,575</td>
<td>57.0%</td>
<td>145</td>
<td>83</td>
</tr>
</tbody>
</table>

# International Accommodation Guests
** STR Global (YTD June Data)
Source: STR Global (YTD July 2017), Various Sources, JLL
JLL’s Hotels & Hospitality Group has completed more transactions than any other hotels and hospitality real estate advisor over the last five years, totalling more than $68 billion worldwide. Between negotiating the world’s most extraordinary, enticing, and profitable property deals, the group’s 350-strong global team also closed more than 4,400 advisory, valuation and asset management assignments. Investors worldwide turn to JLL to shape their strategies, tailor their portfolios and maximise the value of their assets. We are recognised as the global leader in real estate services across hospitality properties of all shapes and sizes.

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Note: All currencies are USD unless otherwise mentioned. Exchange rate correct as at date of sale.

Cover photo: Felicite Island, Republic of Seychelles