



C9 HOTELWORKS

Phuket

Hotel Market Update

March 2023

Robust numbers in Q4 last year sets stage for tourism recovery by end of 2023

Island flight arrivals FY2022 ramped up 210% y-o-y

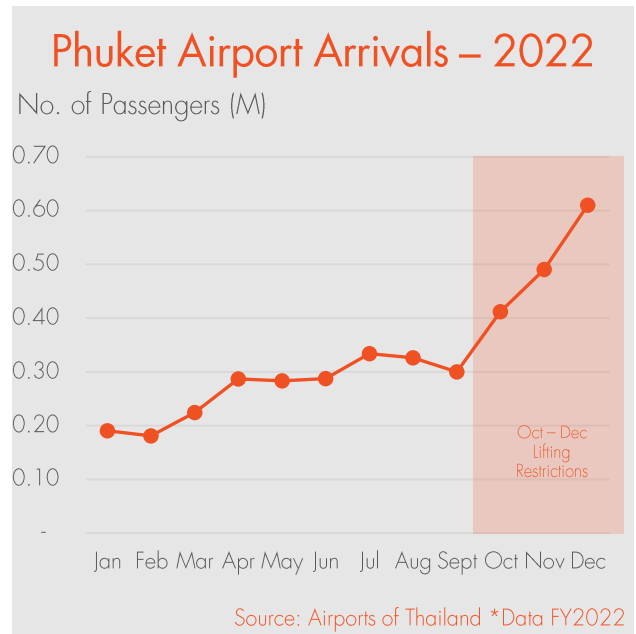
“Phuket has experienced a profound tourism surge since COVID entry restrictions were lifted on October 1, 2022.

Passenger arrivals elevated to 3.9 million in 2022, up from 1 million in 2021 and 2.5 million in 2020. Although 2022 figures were lower-than-expected due to the Russia-Ukraine conflict and closed borders in China.

C9’s analysis of passenger arrival trends over the past ten years points to a return to cyclical upward growth, which is widely demonstrated in ongoing room night demand in 2023.

Rising international flight arrivals consistently grew as island-wide hotel occupancy averaged 48% in FY2022. This compared to 8% in FY2021 when there was a sole reliance on the domestic sector. Last year the market-wide average rate pushed up by 80% y-o-y, to THB3,942.

Conversion and rebranding activity highlights an active trend by hotel owners with many opting to transition from hotel management agreements to franchise models.



Looking forward, we expect that leisure demand from the FIT and Group segments will continue to be strong. As the resort island moves out of its seasonal winter peak, all eyes are on are China. The industry recovery outlook can best be summed up as ‘it’s not a matter of will it happen, but how long will it take to regain critical mass.’”

Bill Barnett, Managing Director, C9 Hotelworks

Trends

- India, Singapore, and Malaysia pushed to the Top 5 Source Markets in the past summer, while a seasonal spike from Europe and Russia kicked-in during the winter.
- China Southern Airlines, China Eastern Airlines, and Air China have resumed their operations in Phuket from Beijing, Shanghai, and Guangzhou.
- Luxury and upper upscale hotels led all tiers’ market performance reflecting a top down-market recovery.

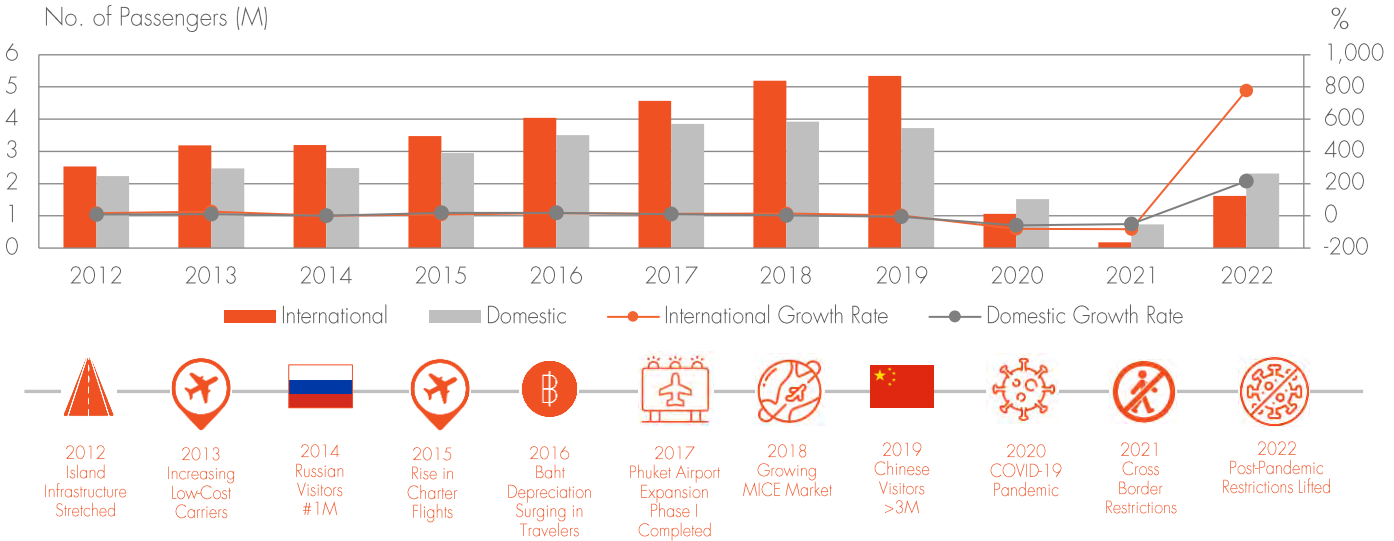
Forward Outlook

- Phuket International Airport Expansion Phase II is under progress and will be completed by 2027. It’s target capacity is 18 million passengers per year and 25 flights per hour.
- Phuket’s incoming hotel pipeline has been severely impacted by the lack of financing from Thai lenders, resulting in many projects remain on hold.
- Hotel staff shortages have continued to plague the industry throughout the pandemic recovery period and is expected to continue.

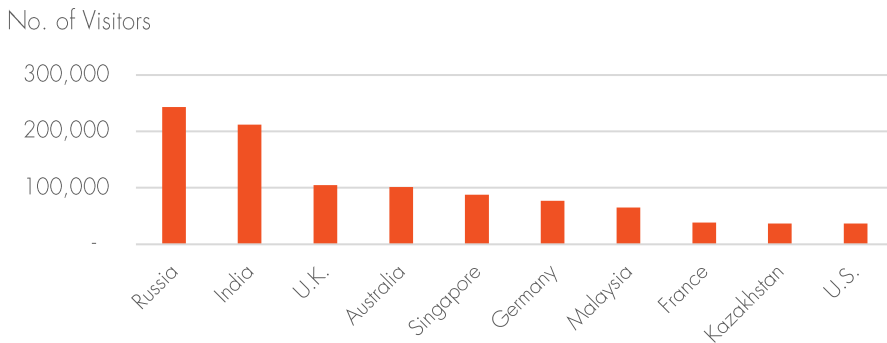
TOURISM MARKET REVIEW

Tourism Indicators

10-Year Phuket International Airport Passenger Arrival Trend



Top 10 International Source Markets – FY2022



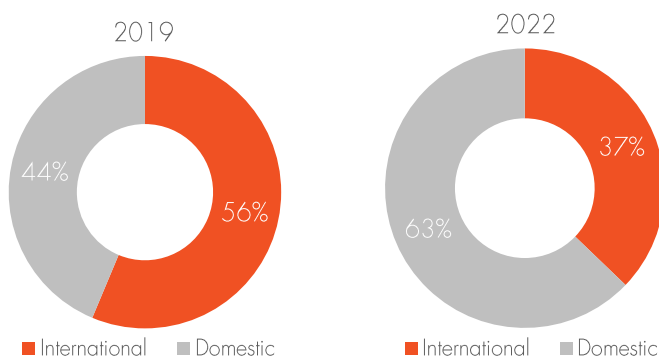
Top Source Markets 2022

Winter: **Russia**

Summer: **India**

Source: Phuket Immigration Office *Data FY2022

International and Domestic Flights – 2019 vs. 2022



International Flights

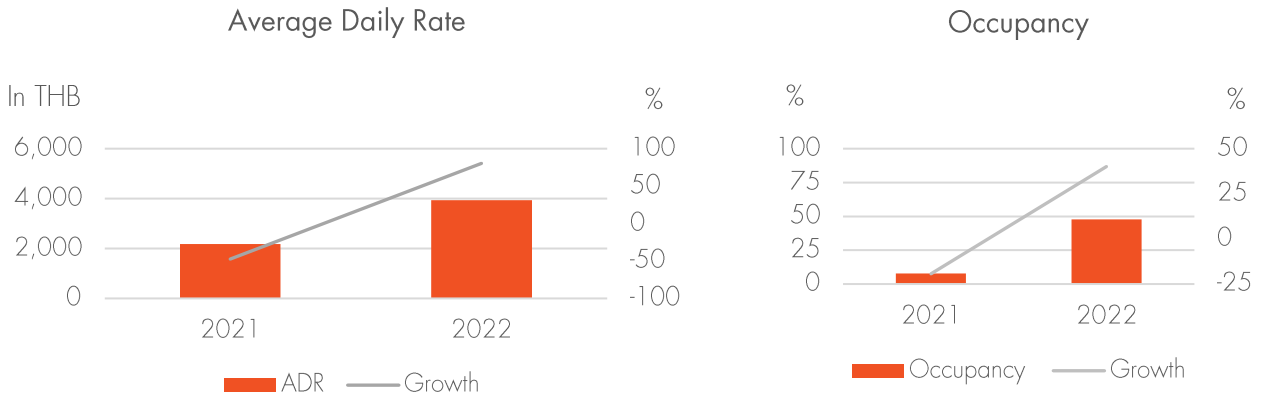
2019: **56%**

2022: **37%**

Source: Thailand Ministry of Tourism and Sports
*Data FY2019 and FY2022

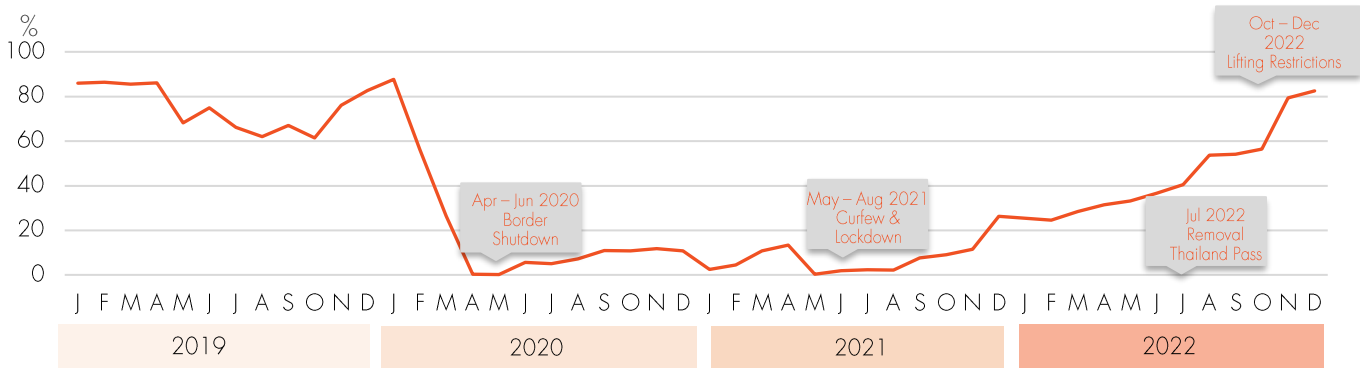
HOTEL MARKET REVIEW

Hotel Performance 2021 vs. 2022



Source: STR and C9 Hotelworks Market Research *Data as of FY2022

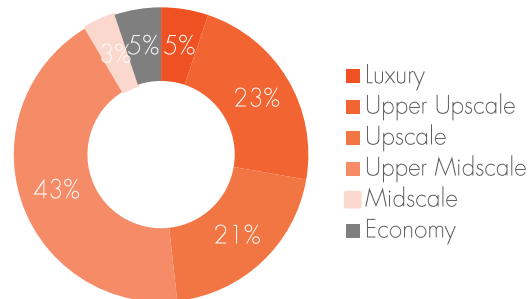
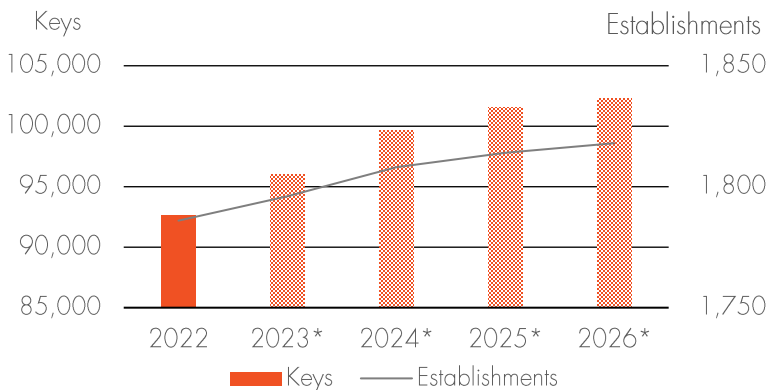
Room Night Demand – Jan 2019 to Dec 2022



Source: C9 Hotelworks Market Research *Data as of FY2019 - FY2022

Phuket Historical & Forecasted Hotel Supply

- The midscale/tier segment remains Phuket key development segment. This is driven by fewer barriers to entry such as lower development costs and less sensitive to prime land availability.



Source: C9 Hotelworks Market Research *Forecasted

HOTEL PIPELINE

- In 2022, total licensed accommodation in Phuket was 1,786 establishments with 92,604 keys.

Hotels	Location	Keys	Opening
Pullman Arcadia Karon Beach (rebranded)	Karon	662	Apr 2023
Narai Mai Khao Resort	Mai Khao	244	Sept 2023
La Green Resort (Former Layan Green Park)	Layan	403	Sept 2023
HOMA Phuket Chergtalay	Bangtao	423	Dec 2023
Holiday Inn Phuket Kata Beach	Kata	140	2024
Holiday Inn Express and Suites Kata Beach	Kata	135	2024
Holiday Inn Vana Nava Phuket	Kathu	255	2024
MGallery Hotel MontAzure Lakeside Phuket	Kamala	236	2024
Angsana Oceanview**	Bangtao	116	2024
NH Boat Lagoon Phuket Resort (rebranded)	Koh Keaw	271	2024
Radisson Phuket Mai Khao Beach	Mai Khao	222	2024
Courtyard by Marriott Phuket, Patong Beach	Patong	445	2024
Meliá Phuket Karon	Karon	214	2025
Movenpick Phuket Kamala Beach	Kamala	185	2025
Holiday Inn Express Phuket Kata	Kata	300	2025
Veranda Resort Phuket, Autograph Collection	Cape Panwa	154	2026
JW Marriott Phuket Resort & Spa Chalong Bay	Chalong Bay	189	2026
Courtyard by Marriott at Chalong Bay Phuket	Chalong Bay	277	2026
W Phuket Nai Harn Beach	Nai Harn	60	2026
Fairfield by Marriott Phuket City West	Phuket City	300	2032
Courtyard by Marriott Phuket City West	Phuket City	260	2032
Moxy Phuket Naiyang Beach	Naiyang	200	2032
The Mandarin Oriental, Phuket	Leam Singh Bay	105	TBA
Centra Central Phuket	Kathu	170	TBA
COSI Central Phuket	Kathu	180	TBA
Centra by Centara Maikhao Resort Phuket	Mai Khao	280	TBA
The Beach Plaza Phase 1	Kata	730	TBA
Tonino Lamborghini Boutique Hotel Phuket	Ao Por	51	TBA
Hilton Phuket Mai Khao	Mai Khao	258	TBA
Tribe Phuket Patong Avista	Patong	230	TBA
Sheraton Phuket Grand Bay Resort	Ao Por	270	TBA
Total		7,965	
Hotel Residences with Mandatory Rental Program	Location	Keys	Opening
Platinum Bay Phuket	Kamala	432	Dec 2023
Oceana Surin - Hotel Zone	Surin	333	2024
Angsana Oceanview Residences**	Bangtao	33	2024
Patong Bay Hill 2	Patong	199	2025
Patong Bay Seaview Residence	Patong	454	2025
Dhawa Phuket Residences	Bangtao	175	TBA
Himalai Oceanfront Condominiums	Kamala	427	TBA
Grand Himalai Oceanfront Residences	Kamala	426	TBA
Patong Bay Oceanview Cottages	Patong	300	TBA
Patong Bay Residence Phase 3	Patong	114	TBA
Total		2,893	
Hotel Residences with Optional Rental Program	Location	Keys	Opening
Utopia Karon	Karon	238	Jun 2023
Utopia Mai Khao	Mai Khao	92	Aug 2023
The Marin Phuket	Kamala	260	Sept 2023
Wyndham La Vita, the VIP Mercury	Rawai	516	Dec 2023
Beachfront Bliss Naiyang	Nai Yang	96	Dec 2023
Laya Condominium and Resort	Layan	926	2024
Oceana Surin - Residential Zone	Surin	555	2024
Utopia Dream	Nai Harn	595	2025
VIP Galaxy Villas Rawai	Rawai	114	TBA
The Residences at Sheraton Phuket Grand Bay	Ao Por	107	TBA
Total		3,499	
Grand Total		14,357	

** Additional Keys for Existing Hotel with Residences;
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 C9Hotelworks 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 37 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.

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