

FIGURES | PHUKET HOTEL | H2 2022

Strong hotel market recovery as overseas travel resumes at greater pace after all arrival restrictions lifted

▲ 34.3 pp y-o-y
Occupancy

▲ 42.5% y-o-y
ADR (THB)

▲ 308.6% y-o-y
REVPAR (THB)

Note: Arrows indicate change from previous quarter.

SEMI-ANNUAL HIGHLIGHTS

- International tourist arrivals to Thailand in H2 2022 increased by 2241.8% Y-o-Y from 387,442 tourists in H2 2021 to 9,073,076 arrivals.
- Phuket KPI's, according to STR showed:
 - Occupancy improved to 51.1%, increasing 34.3 percentage points Y-o-Y from 16.8% in H2 2021.
 - Average Daily Rate (ADR) was recorded at THB 4,233, indicating a 42.5% increase Y-o-Y.
 - RevPAR was recorded at THB 2,280, a 308.6% increase Y-o-Y in accordance with the improvements in both occupancy and ADR.
- There were five new hotel openings adding a total of 769 keys to existing supply.
- The total supply of Phuket hotels increased to 43,856 keys from 256 hotels as of H2 2022.
- By 2025, Phuket's total hotel supply is forecast to increase by 4.0% from 8 under-construction hotel projects with a total of 1,735 keys.

In H2 2022, the easing of all travel restrictions into Thailand and the year-end high season significantly contributed to Phuket's increased demand levels within the hotel and tourism industry. Thailand achieved its target of 10 million international tourist arrivals set for 2022, exceeding it by 12% at 11.2 million arrivals. This strongly benefited Phuket's resilient tourism industry as the island remains a hotspot for international tourists as overseas travel continues to recover.

In H2 2022, the total number of international tourist arrivals in Thailand saw a significant increase of 2,241.8% Y-o-Y from 387,442 tourists in H1 2022 to 9,073,076 arrivals. The growth can be attributed to the year-end high season as many countries have opened their borders, as well as the removal of all travel restrictions pertaining to the pandemic by the Thai government as of October 1.

In terms of contributions by region, East Asian countries remained the largest contributors to Thailand at 56.2% of total international tourist arrivals.

As of H2 2022, there were 2,473,028 international and domestic passenger disembarkations at Phuket International Airport, which increased by 356.7% Y-o-Y from 541,550 in H2 2021.

In terms of operational strategies, hotel owners and operators have continued to raise their rates due to the increased occupancy levels within the second half of 2022. Like the first half of 2022, participation in the public sector’s subsidy schemes (i.e., “We Travel Together”) and keeping operational expenses lean were core-strategies in maximizing demand capture and managing the bottom line for hotel businesses.

According to STR, the performance of Phuket’s hotels saw a significant recovery as demand levels. The overall Phuket hotel occupancy rate in H2 2022 was 51.1%, increasing 34.3 percentage points Y-o-Y from 16.8% in H2 2021. ADR increased by 42.5% Y-o-Y from THB 2,970 in H2 2021 to THB 4233. The rise in occupancy and ADR resulted in an improved RevPAR of THB 2,280, indicating an increase of 308.6% from THB 558 in H2 2021.

In H2 2022, five new hotel openings added 769 keys to the total hotel supply in Phuket.

CBRE expects that there will be 1,735 more keys from 8 under-construction projects, adding the total hotel supply in Phuket to 45,591 keys by 2025.

Outlook

CBRE forecasts that within the upcoming year, the Phuket’s hotel and tourism industry will increase its reliance on international demand as international arrivals greatly improve due to the lifted restriction and increased global airlift. Shorter-haul markets will continue to dominate in terms of key feeder markets for Phuket as arrivals from long-haul markets are likely to remain dampened until long-haul airlift capacity improves, and flight prices stabilize.

China has announced border openings beginning Q1 2023, which will potentially facilitate a faster market recovery, as Chinese tourists have been an essential feeder market for Phuket’s tourism industry and hotel demand prior to the pandemic.

Moreover, Phuket’s hotel market recovery in performance continues to be contingent on the domestic and international demand it can capture. As other comparable destinations within Asia Pacific have gained strong interested and become accessible, the tourism-related sector and Phuket’s hotel industry must seek to be innovative and attractive to remain competitive.

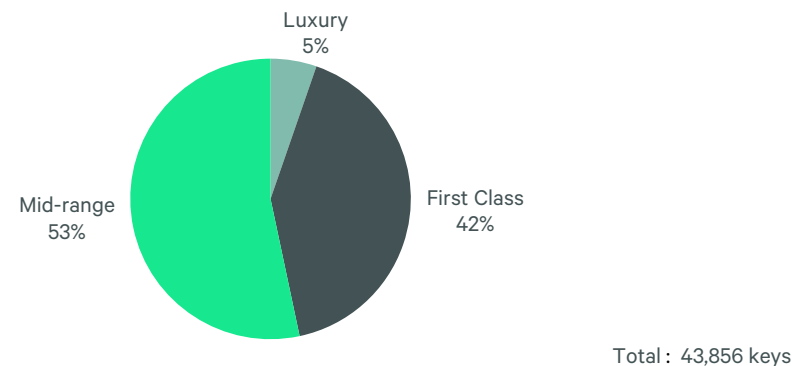
FIGURE 1: Supply Snapshot

	2017	2018	2019	2020	2021	2022
Total Existing/Completed	22,360 keys 130 hotels	23,107 keys 134 hotels	26,012 keys 145 hotels	26,837 keys 149 hotels	42,893 keys 249 hotels	43,856 keys 256 hotels
New Completions/Opening	1,190 keys 9 hotels	749 keys 4 hotels	2,556 keys 12 hotels	825 keys 4 hotels	1,180 keys 9 hotels	769 keys 5 hotels

Note: In H2 2021, CBRE increased the coverage of properties within Phuket adding an additional 59% from the original 26,972 keys in H1 2021.

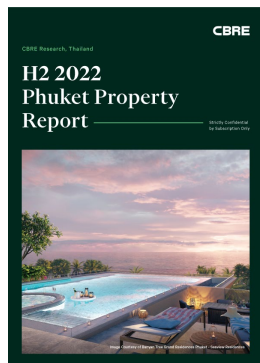
Source: CBRE Research, H2 2022

FIGURE 2: Total Existing Hotel Supply by Grade



Source: CBRE Research, H2 2022

QUARTERLY REPORTS



Phuket Property Report

The Phuket Property Report, the latest half yearly subscription report by CBRE Research in Thailand, is an initiative designed to bring professional analysis and transparency to the growing Phuket property market.

The report provides detailed information and analysis from CBRE’s comprehensive and unrivalled Phuket and overall Thailand database, combined with our own exhaustive market and property surveys.



Bangkok Property Report

The Bangkok Property Report, now in its 25th year, is CBRE Thailand’s flagship quarterly subscription publication, with data from a tried and tested database reinforcing its reputation as Bangkok’s definitive property sector source.

The Bangkok Property Report provides in-depth analysis of the Bangkok real estate market, including property supply and demand, occupancy, take-up, prices, rental trends and other indicators.

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