



Date 08/10/2013

Ho Chi Minh City Quarterly Market Research

Q3/2013

By Savills Vietnam

HOTEL

Supply

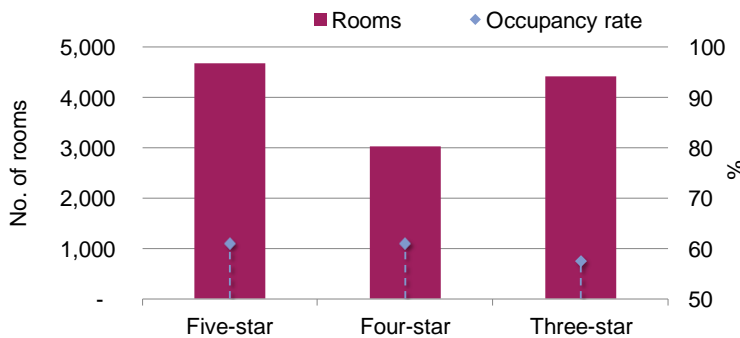
One new 4-star hotel and 95 additional rooms of an existing 3-star hotel in district 1 entered the market.

As of Q3/2013, there were more than 12,100 rooms from 90 hotels, increasing 2% quarter-on-quarter (QoQ) and 5% year-on-year (YoY).

Nguyen Pham Khanh Van (Ms.)
Corporate Marketing & PR Manager
 E: nvan@savills.com.vn

18Fl., Fideco Tower
 81 – 85 Hàm Nghi
 HCMC, Vietnam
 T: +84 8 3823 9205 Ext. 153
 F: + 84 8 3823 4571
savills.com.vn

Hotel performance, Q3/2013

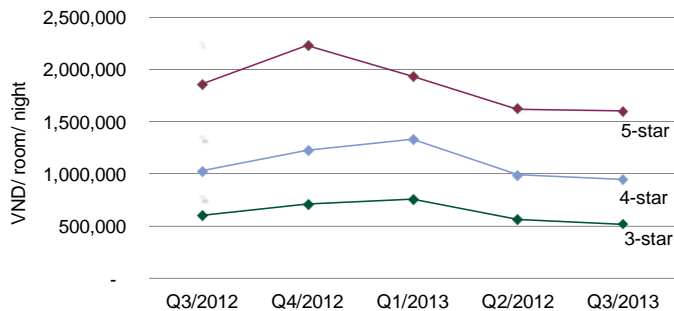


Source: Savills Research & Consultancy

The average occupancy was 60%, down -2 percentage points (ppts) QoQ and -5 ppts YoY due to a decrease in international visitors and the negative effects of an uncertain economy. The average room rate (ARR) at VND1,746.000/ room/ night decreased -1% QoQ and -6% YoY, the lowest ARR over the last four years.

The RevPAR of all three grades decreased. The 3-star segment RevPAR saw the sharpest drop, -8% QoQ, followed by the 4-star at -6% and the 5-star at -2 percent.

RevPAR, Q3/2012 – Q3/2013



Source: Savills Research & Consultancy

Hotels in the CBD performed better than those in the non-CBD. Occupancy in the CBD was 3 ppts higher than in the non-CBD. However, the CBD had softer performance compared with the previous quarter, due to a continuous increase in stock and lower demand with the difficult economic conditions.

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Demand

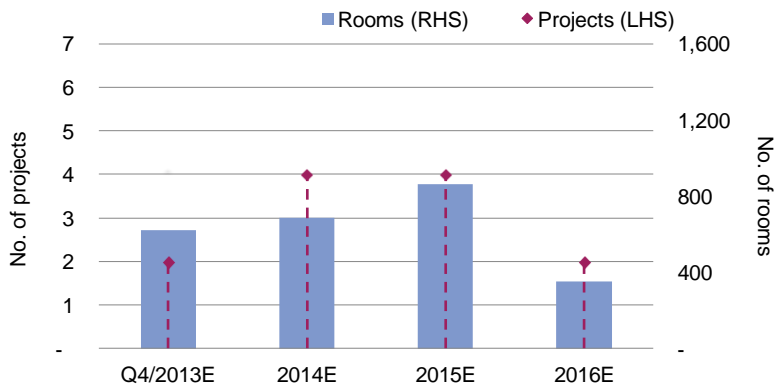
International visitor volume to HCMC achieved low growth. During the first three quarters of 2013, total international visitors to HCMC were more than 2.8 million, up 3% YoY. In Q3/2013, this figure was approximately 892,540, down -1% YoY.

Future Outlook

From Q4/2013 to 2016, more than 5,500 rooms from 12 future projects are expected to enter the market.

In the next two quarters, the market will welcome more than 1,300 new rooms from four hotels. All additions are in 5-star hotels located in district 1.

Estimated outlook, Q4/2013 - 2016



Source: Savills Research & Consultancy

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