

Vietnam Hotel Market Update

July 2014



HCMC HOTELS

Supply and Demand

Recent Openings

Hotel	Category	Rooms
Capri by Frasers	Upscale	126
Pullman Saigon Centre	Upper Upscale	306
Total Rooms Opening in 2013		432

Source: JLL

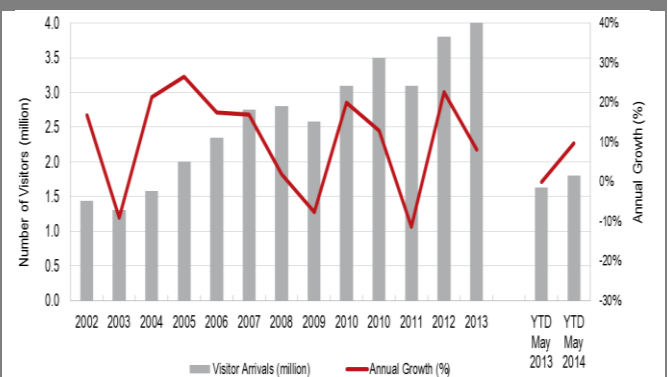
- **New supply continues to grow**

- Existing supply in HCMC includes a number of luxury and upscale hotels, with recent addition of 432 keys in 2013.
- Future supply includes 2,927 keys from eight hotels expected to enter the market in the near future.

- **Demand increases slightly**

- In 2013, HCMC saw a record 4.1 million international visitor arrivals, an increase of 8.0% over 2012. As at
- YTD May 2014, international arrivals grew 9.7% y-o-y to 1.8 million

International Visitor Arrivals to HCMC



Source: Vietnam National Administration of Tourism (VNAT), TTR Weekly, Saigon Times, JLL

Trading Performance

2012 VS 2013

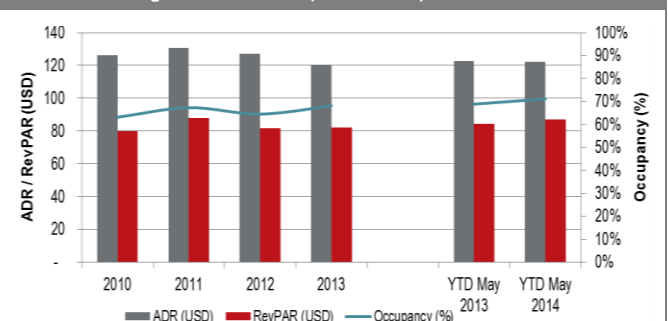
YTD May 2014 VS YTD May 2013

↑ Occupancy 3.6pp	↑ Occupancy 2.3pp
↓ ADR -5.0%	↓ ADR -0.3%
↑ RevPar 0.4%	↑ RevPar 3.0%

- **Trading performance subdued**

- ADR declined from USD 127 to USD 121 in 2013, representing a decline of 5% compared to 2012.

HCMC Trading Performance (2010-2013)



Source: STR Global

- However, RevPAR remained fairly stable in 2013, driven by a 3.6% increase in occupancy.
- YTD May 2014 statistics show an improvement in RevPAR performance of 3% compared to the same period last year.

Select Future Supply

Hotel	Keys
Saigon Times Square	351
Le Meridien Saigon	350
The Reverie	285
Ibis Grand Palace	338
Majestic Hotel extension	353
Ritz-Carlton Hotel	250
Total	1,927

Source: JLL

Outlook

- With a continued growth in the number of international arrivals, we expect lodging demand levels to strengthen further over the next two quarters.
- With fresh supply slated to enter the market, we anticipate ADR to decline in the near term.

HANOI HOTELS

Supply and Demand

Recent Openings

Hotel	Category	Rooms
Hilton Garden Inn Hanoi	Midscale	86
Pullman Hanoi (formerly Hotel Horizon)	Upper Upscale	250
JW Marriott Hotel Hanoi	Upper Upscale	445
Total Rooms Opening in 2013		781

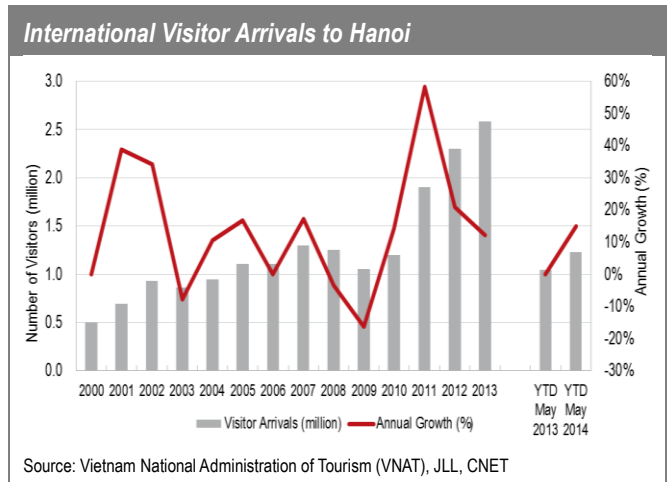
Source: JLL

● **Limited future supply**

- Existing supply in Hanoi comprises of 44,278 keys, with more than half of the establishments being unrated.
- Future supply includes 1,223 keys from four hotels expected to enter the market from 2014 onwards.

● **Strong growth in international visitation**

- During 2013, the top source markets for Hanoi were China (PRC), Japan, Australia and South Korea.
- Hanoi recorded y-o-y increase of 15% in international visitor arrivals to 1.2 million during YTD May 2014.



HANOI HOTELS

Trading Performance

2012 VS 2013

YTD May 2014 VS YTD May 2013

↑ Occupancy 2.4pp	↑ Occupancy 0.8pp
↓ ADR -2.3%	↑ ADR 0.1%
↑ RevPar 1.3%	↑ RevPar 1.2%

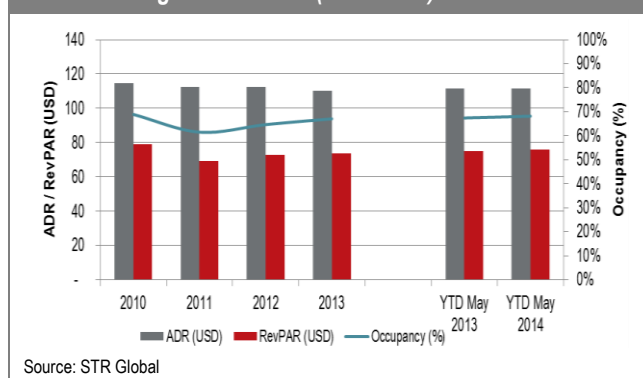
- Marginal progress in performance**

- ADR declined from USD 146 in 2009 to USD 110 in 2013, with a marginal increase to USD 112 during YTD May 2014.
- During 2013, RevPAR showed an increase of 1.3% driven by a 3.6% increase in occupancy.
- YTD May 2014 figures show a slight improvement in RevPAR performance of 1.2% compared to the same period last year.

Outlook

- We expect a marginal growth in the overall market performance by the end of 2014, primarily driven by a growth in occupancy, while ADR remains stable.

Hanoi Trading Performance (2010-2013)



Select Future Supply

Hotel	Keys
Lotte Centre	320
Mercure Hado Hanoi	226
The InterContinental	377
Novotel Ciputra Hanoi	300
Total	1,223



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