

*Hotel Destinations
Thailand*



Welcome to the latest edition of our Hotel Destinations Thailand, a snapshot of Thailand's six key tourism destinations.

As you browse through this edition, you will find a selection of notable hotel trends, recent transactions, upcoming new projects and a summary of key market statistics for Bangkok, Phuket, Koh Samui, Pattaya, Chiang Mai and Krabi.

We hope you enjoy our latest update.

Scott Hetherington
Chief Executive Officer, Asia
JLL Hotels & Hospitality Group

Thailand's Key Destinations

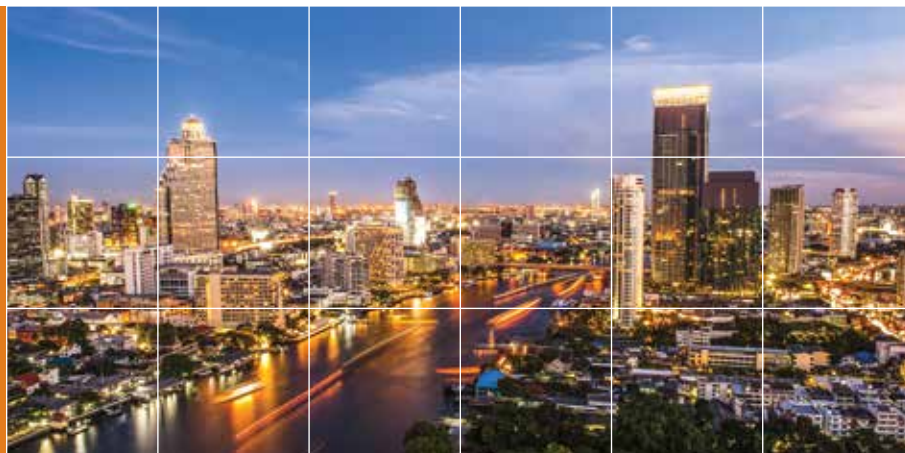


INTERNATIONAL VISITOR ARRIVALS



Bangkok

Bangkok faced its fair share of challenges in 2015 but few industry experts doubt the long term prospects of the Thai capital's hotel and hospitality sector. Bangkok offers a mix between the old world charm of royal palaces and temples to modern shopping, excellent dining and a vibrant night life. Its location also serves as a starting point for international visitors to enjoy a capital city break before embarking on the rest of the country's paradise coastlines.



HIGHLIGHTS



Tourism

Bangkok received 15.5 million international visitors in 2014, representing a decline of 11.3% y-o-y, as a result of political unrest in the city. The current political environment remains stable and increased consumer confidence has led to a 30.3% increase in tourist arrivals YTD October 2015, to around 16 million.



Demand

Mainland China remains the largest source market to Bangkok, followed by Japan, Korea and India. As of YTD October 2015, the fastest growing markets to Thailand were Mainland China (120.4%) and Malaysia (49%). Russia has dropped out of the top ten source markets to Bangkok.



Supply

In 2015, over 1,300 rooms entered the hotel market. Hotel room supply is expected to substantially grow in the near future with over 4,000 rooms proposed over the next 12 months. The majority of new supply is concentrated in the midscale segment. Notable new openings include the Park Hyatt Central Embassy and the Avani Riverside.



Outlook

The bombing of the Erawan shrine in Bangkok had a short term negative impact on international visitation with tourism numbers remaining resilient by year end. The Thai government has recently authorised multiple-entry visas for key foreign tourism markets as a way to boost visitation.

NOTABLE HOTEL DEALS

President Palace Hotel
Grand Swiss Hotel Sukhumvit 11

UPCOMING HOTELS

Avani Bangkok Riverside
Novotel Sukhumvit 20
Park Hyatt Central Embassy
Mercure Bangkok Makkasan

NEW HOTELS



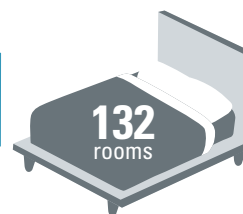
Mövenpick Bangkok
Sukhumvit 15



Amara Bangkok



Hotel Indigo Bangkok



Citrus Sukhumvit 11

QUICK FACTS

15.7 million International Visitor Arrivals
(YTD Oct 2015)

1,314 rooms Number of New Rooms
2015

69.3% Occupancy

THB 5,804 Average Daily
Rate (ADR)

THB 4,025 Revenue per Available
Room (RevPAR)

Note: Bangkok Hotels refers to Luxury stock only.
Source: STR Global (YTD Nov 2015), Department of Tourism Thailand, JLL.
ADR - Average daily rate, RevPAR - Revenue per available room.

Phuket

Phuket is Thailand's largest island and one of the most popular tourist destinations in Southeast Asia. Located in the Andaman Sea, the island's long history has shaped the Phuket of the present with its diverse ethnic groups, culture and architectural influence. These attributes have made Phuket a complete tourist destination that offers a lot more beyond its natural heritage of sea, sand, forest and world-renowned diving sites. Sino-Portuguese architecture casts its spell delighting visitors, whilst Phuket's style of hospitality has never failed to impress tourists from all walks of life.



HIGHLIGHTS



Tourism

International visitor arrivals to Phuket reached 3.1 million as of YTD November 2015, recording an improvement of 8.6% over the same period in 2014. Phuket has benefited from increased arrivals as the country enjoyed a more stable political environment in 2015.



Demand

During 2014 (latest available data), Mainland China, Russia and Australia were Phuket's top three source markets, according to the Department of Tourism. Among Phuket's top ten source markets in 2014, Mainland China, Russia and Korea were the fastest growing markets registering a y-o-y growth of 12.1%, 4.3% and 3.5% respectively. Anecdotally, JLL are aware of a noticeable decline in tourism numbers from Russia.



Supply

During 2015, JLL estimates that 933 rooms entered the market. The total number of rooms in Phuket stands at 58,324 as of October 2015. The west coast (including Patong, Kalim and Naithon) remains the most popular location for new developments capturing 44.1% of future supply between 2016 and 2018.



Outlook

The Tourism Authority of Thailand aims to further grow arrivals to Phuket by targeting first time visitors from established European markets as well as emerging Eastern European countries. We expect visitor arrivals to continue to increase, facilitated by the expansion of the Phuket International Airport which is expected to be completed in 2016.

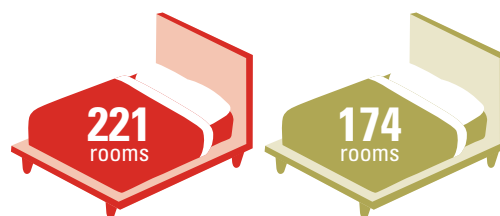
NOTABLE HOTEL DEALS

There were no notable hotel transactions in 2015

UPCOMING HOTELS

JW Marriott Phuket Resort & Spa
Chalong Bay
Hyatt Place Phuket
Andakira Crest Tri Trang Resort & Spa Pool Villas
Park Hyatt Phuket

NEW HOTELS



Cassia Phuket

Dream Phuket Hotel

QUICK FACTS

3.1 million

International Visitor Arrivals
(YTD Nov 2015)

933 rooms

Number of New Rooms
2015

71.4%

Occupancy

**THB
3,741**

Average Daily
Rate (ADR)

**THB
2,672**

Revenue per Available
Room (RevPAR)

Note: Phuket Hotels refers to Marketwide Hotels.

Source: STR Global (YTD Nov 2015), Airports of Thailand, Department of Tourism Thailand, JLL

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

Koh Samui

Koh Samui is the second largest island in Thailand, located a short 70-minute flight from Bangkok. The island is the most pristine of islands amongst its archipelago in the Gulf of Thailand with highly acclaimed white sandy beaches, lush tropical gardens and turquoise waters. Populated with a number of renowned resorts and branded villas, Koh Samui is considered one of Asia's most popular resort and villa destinations.



HIGHLIGHTS



Tourism

Political stability within the country has led to a 6.4% increase in visitor arrivals to Koh Samui as of YTD October 2015, compared to the same period last year, reaching approximately 857,000 visitor arrivals. In response to the higher demand, Bangkok Airways has announced an increase in frequency of flights to Koh Samui starting in December 2015.



Demand

Koh Samui's top source markets in 2014 (latest available data) were visitors from Germany, Eastern Europe, and Australia with 13.1%, 9.6% and 9.5%, respectively. The fastest growing source market was Mainland China with a growth rate of 32.8%, reaching almost 90,000 visitors in 2014.



Supply

Hotel openings in Koh Samui have been limited in 2015, with the only notable opening being the 60-key Prana Resort Nandana located in Bo Phut. However, a significant increase in new openings is expected over the next two years, with a pipeline of over 1,000 rooms, concentrated in luxury and upscale segments.



Outlook

The strong growth in Chinese visitors is expected to continue with the increase of direct flights between Mainland China and Koh Samui. Further increase in flight frequencies and new ferry links to Koh Samui is expected to attract more visitors, while the future increase in luxury and upscale hotels will accentuate the island's position as one of Thailand's most prominent tourist destinations.

NOTABLE HOTEL DEALS

Akaryn Samui Resort
& Spa Koh Samui

UPCOMING HOTELS

Holiday Inn Express Samui
Ritz-Carlton Koh Samui
COSI Samui Chaweng
Sofitel So Koh Samui

NEW HOTELS



Prana Resort Nandana



Manathai Koh Samui
(Extension)

QUICK FACTS

857,051

Visitor Arrivals
(YTD Oct 2015)

75 rooms

Number of New Rooms
2015

Visitor arrivals include both international and domestic.
Source: Department of Civil Aviation Thailand, Department of Tourism Thailand, JLL

Pattaya

Pattaya, a former fisherman's village on the Gulf of Thailand, is one of Thailand's primary tourist destinations known for its pulsating nightlife, various beach activities, world-famous cabaret shows and renowned restaurants. A quiet fishing village as recently as the 1960s, it's now lined with resort hotels, high-rise condos and a large seaside mall. The city is easily accessible as it is a mere 90-minute drive from Bangkok's Suvarnabhumi International Airport and 30 minutes from U-Tapao Airport. U-Tapao now services Thai AirAsia's commercial flights.



HIGHLIGHTS



Tourism

According to the Department of Tourism, Pattaya welcomed more than 7.1 million international guests at accommodation establishments in 2014, recording a 21% CAGR between 2009 and 2014. Total guests registered a 4.6% y-o-y growth to 9.6 million visitors during 2014. Pattaya's tourism market has experienced a downturn recently due to Thailand's political instability and the depreciation of Russian Rouble, though performance is expected to pick up in 2016.



Demand

In 2014, Russia was the city's number one top source market, followed by Mainland China and the Middle East, comprising 23.2%, 17.6% and 6.4% of total international guests respectively.

The recent slowdown in growth of Russian visitors has been offset by an increase in Chinese guests, which have recorded a five-year CAGR (2009–2014) of over 25%, to 1.3 million visitors in 2014. This is further supported by newly launched direct flights from Mainland China top cities to U-Tapao Airport, namely Nanning and Nanchang.



Supply

The majority of future supply is concentrated in Na Jomtien (25.6%) followed closely by Jomtien (24.4%) and South Pattaya (20.1%). Hotels in the upscale category account for over 33% of the total future supply. Internationally branded hotels continue to dominate Pattaya's hotel market with renowned hotel brands including Centara, Renaissance, Citadines, Holiday Inn, ibis Styles and Days Inn establishing and expanding their presence in Pattaya within the next few years.



Outlook

Despite the negative impact from the weakening of Russian Rouble, the outlook for Pattaya tourism market remains optimistic with the local Pattaya government expecting 13% growth in arrivals in 2016. The market is expected to rebound on the back of future infrastructure projects including a ferry route linking Pattaya to Cha Am, Petchaburi as well as the transformation of U-Tapao Airport from a military to an international facility. A new passenger terminal will increase the airport capacity from 800,000 to three million a year.

NOTABLE HOTEL DEALS

Villa Panalee

UPCOMING HOTELS

Centra Maris Resort Jomtien
Renaissance Hotel Na Jomtien
Holiday Inn Express Pattaya Central
MGallery Veranda Resort Pattaya

NEW HOTELS



Mövenpick Siam Hotel
Pattaya

Centara Avenue Pattaya

U Pattaya Hotel

QUICK FACTS

7.1 million International Visitor Arrivals
2014

991 rooms Number of New Rooms
2015

Note: International Guests refers to guests at accommodation establishments.
Source: Department of Tourism Thailand, JLL

Chiang Mai

With a population of 1.6 million, Chiang Mai is the education, economic and business hub of northern Thailand. It is known for its spectacular mountain-top scenic views, rich culture, welcoming hospitality and a magnitude of famous cafés, restaurants and bars. Chiang Mai charms visitors with its way of life, unique culture of the hill tribes as well as adventure activities such as trekking and rafting. Located on a plain at an elevation of 316 metres and surrounded by mountains and lush countryside, it has a cosmopolitan air and a significant expat population, factors which have led many from Bangkok to settle permanently in this “Rose of the North”.



HIGHLIGHTS



Tourism

Recovering from a year of political turmoil in 2014, Chiang Mai welcomed over 870,000 international visitors as of YTD November 2015, representing a substantial increase of 45.9% y-o-y. Domestic arrivals recorded over 2.6 million in 2014 and almost 2.9 million in the first nine months of 2015. With total visitor arrivals showing a five-year CAGR (2009–2014) of 16.8%, Chiang Mai is said to be one of the fastest-growing tourist destinations in Thailand.



Demand

In 2014, Chiang Mai's top source market was Mainland China, with over 420,000 visitors, accounting for almost 18% of international guests at accommodation establishments and achieved an impressive growth of over 50.3% y-o-y. The other top source markets include Japan (7.8%), France (6.8%), United States (6.6%), United Kingdom (6.2%), Australia (5.9%) and Germany (5.8%).



Supply

Small and medium unbranded, independent and boutique hotels dominate the city's existing hotel supply. Future supply will be concentrated in Nimmanhemin, and primarily positioned in the upscale category. Scheduled hotel openings in 2016 include the 44-key Anantara Vacation Club, 122-key Portofino Chiang Mai Business Park and the 140-key U Nimman.



Outlook

Despite the slowdown in future hotel supply, more branded boutique hotels are expected to enter the market in the next few years. The city's various attractions together with the continued growth of domestic and international flights to Chiang Mai will further strengthen Chiang Mai's position as one of Thailand's premiere destinations. Increased demand will be serviced by an expansion of Chiang Mai International Airport commencing in 2016, increasing capacity from 8 million to 12 million passengers a year.

NOTABLE HOTEL DEALS

Dhara Dhevi Chiang Mai

UPCOMING HOTELS

U Nimman

Portofino Chiang Mai Business Park

Anantara Vacation Club

X2 Chiang Mai Riverside Hotel

NEW HOTELS



Akyra Manor
Chiang Mai

QUICK FACTS

870,995

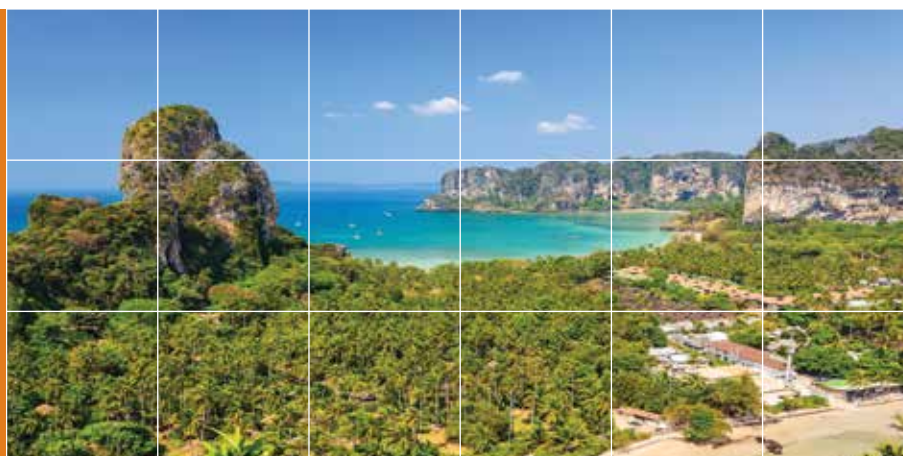
International Visitor Arrivals
(YTD Nov 2015)

136 rooms

Number of New Rooms
2015

Krabi

Krabi is an emerging international tourist resort destination, located in southern Thailand. The mainland destination benefits from its coastline, stretching approximately 160 kilometres. The major tourist destination are the nearby islands of Koh Lanta, Koh Phi Phi and Railay Beach. Krabi Town is the provincial capital located along the banks of a river that leads to the nearby Andaman Sea. Krabi is an important port city for both local fisherman as well as boats ferrying visitors to the nearby attractions.



HIGHLIGHTS



Tourism

According to the Department of Civil Aviation, total passenger arrivals reached 1.4 million in 2014 representing a 32.5% CAGR between 2009 and 2014. At YTD October 2015 there was a y-o-y growth of 40.1% to 1.5 million passenger arrivals to Krabi International Airport. Krabi has recorded an increase in visitor arrivals as tourists are increasingly looking for new destinations.



Demand

Mainland China replaced Sweden as the largest source market to Krabi during 2014, with a 244.6% increase y-o-y to 218,000 visitors. Visitor arrivals from Sweden declined 66.8% y-o-y. Malaysia is now the second largest source market to Krabi, accounting for 9% of international tourist arrivals, followed closely by the United Kingdom (8.2%), and Germany (7.7%) as the destinations top source markets.



Supply

There is a steady pipeline of hotel openings through to 2018 which will contribute more than 750 keys to the market, with 48.9% of all future hotel rooms in the midscale segment, followed by the upscale segment (27.9%). The majority of supply is concentrated in the Ao Nang area.



Outlook

Krabi's tourism outlook remains positive, driven by increased connectivity including recently launched daily flights from Hong Kong to Krabi by Hong Kong Airlines. The improvement in air connectivity coupled with the rise in tourists looking for new destinations are expected to further support the growth in the number of visitor arrivals to Krabi.

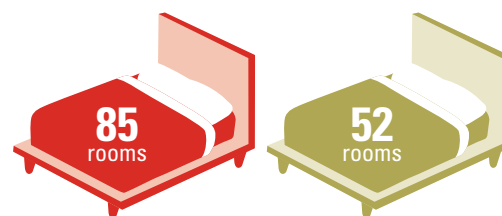
NOTABLE HOTEL DEALS

Holiday Inn Resort Phi Phi Island

UPCOMING HOTELS

Pimalai Resort & Spa
Centra Phu Pano Resort

NEW HOTELS



BlueSotel Krabi

The Phu Beach Hotel

QUICK FACTS

1.5 million

Visitor Arrivals
(YTD Oct 2015)

302 rooms

Number of New Rooms
2015

71%

Occupancy

**THB
2,722**

Average Daily
Rate (ADR)

**THB
1,920**

Revenue per Available
Room (RevPAR)

Note: Krabi Hotels refers to Upscale Hotels.

Visitor arrivals include both international and domestic.

Source: Department of Tourism Thailand, Department of Civil Aviation Thailand, JLL

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

Quick Facts

	INTERNATIONAL VISITOR ARRIVALS	NUMBER OF NEW ROOMS	OCCUPANCY	AVERAGE DAILY RATE (ADR)	REVENUE PER AVAILABLE ROOM (REVPAR)
Bangkok	15.7 million (YTD October 2015)	1,314	69.3% (YTD November 2015)	THB 5,804 (YTD November 2015)	THB 4,025 (YTD November 2015)
Phuket	3.1 million (YTD November 2015)	933	71.4% (YTD November 2015)	THB 3,741 (YTD November 2015)	THB 2,672 (YTD November 2015)
Koh Samui	857,051* (YTD October 2015)	75	-	-	-
Pattaya	7.1 million (2014)	991	-	-	-
Chiang Mai	870,995 (YTD November 2015)	136	-	-	-
Krabi	1.5 million* (YTD October 2015)	302	71% (YTD September 2015)	THB 2,722 (YTD September 2015)	THB 1,920 (YTD September 2015)

* Includes both international and domestic arrivals

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Front cover

Long tail boat head to islands of Krabi

About JLL

JLL's Hotels & Hospitality Group serves as the hospitality industry's global leader in real estate services for luxury, upscale, select service and budget hotels; timeshare and fractional ownership properties; convention centers; mixed-use developments and other hospitality properties. The firm's 300 dedicated hotel and hospitality experts partner with investors and owner/operators around the globe to support and shape investment strategies that deliver maximum value throughout the entire lifecycle of an asset. In the last five years, the team completed more transactions than any other hotels and hospitality real estate advisor in the world totaling nearly US \$36 billion, while also completing approximately 4,000 advisory, valuation and asset management assignments. The group's hotels and hospitality specialists provide independent and expert advice to clients, backed by industry-leading research.

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