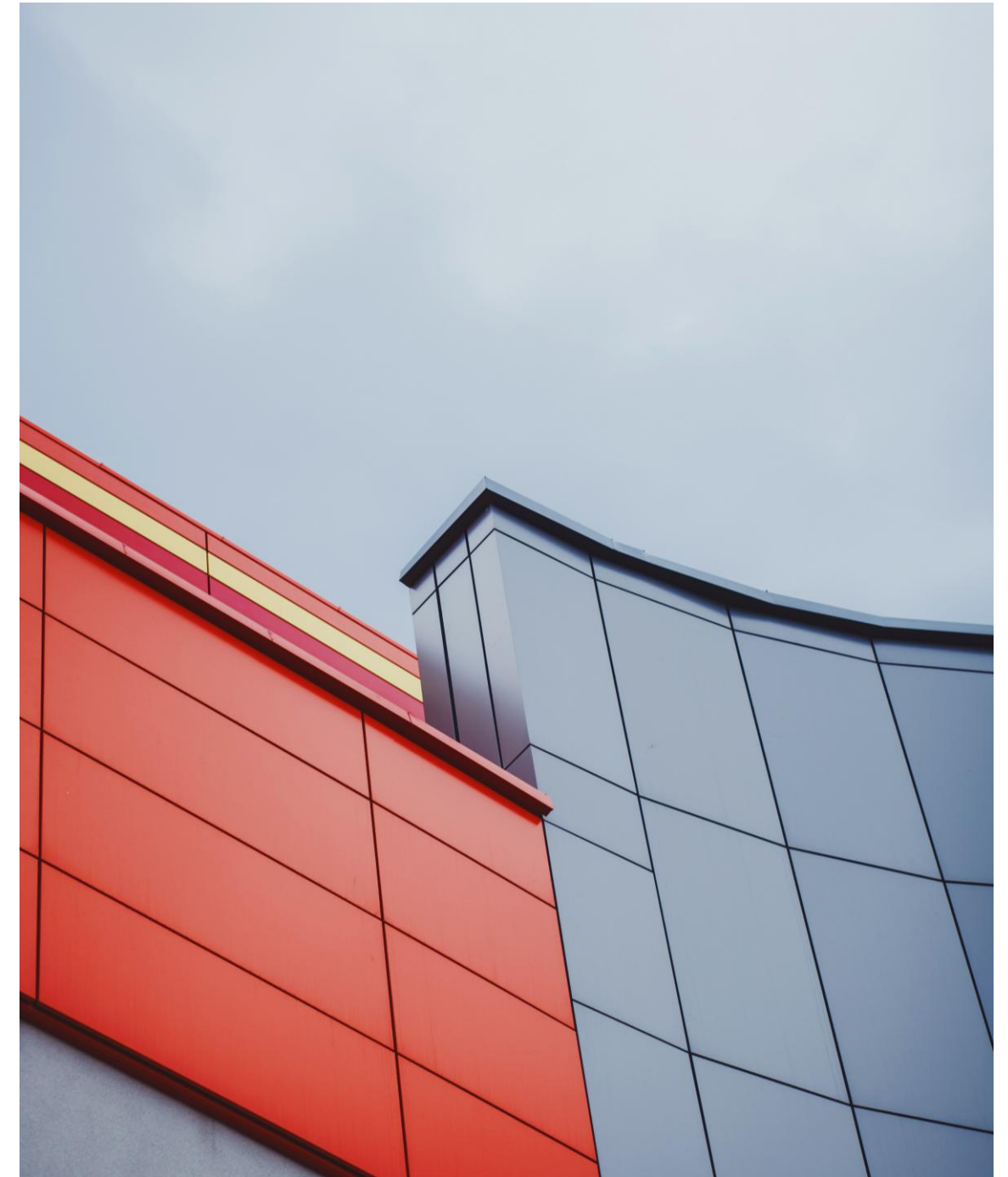


Luxury hotel

Market Research

Thailand eagerly anticipates the return of Chinese tourists, aiming to match or even surpass the record numbers seen before the COVID-19 pandemic



Highlight

- Tourism recovery has impacted the tourism and travel industry positively. The implementation of the reopen-to-tourism policy in 2022 has started a steady recovery of the growth of the luxury hotel market in Thailand.
- The travel and tourism industry is an important sector that generates income for most countries. The number of foreign tourists visiting Thailand increased by 20% YOY. Malaysia will be the top foreign tourist to Thailand in 2023, followed by China, Singapore, South Korea, India, and Russia.
- The number of international passengers and domestic passengers is increasing from 44,844,976 to 78,679,532 passengers in 2023 affecting the total number of passenger arrivals in Thailand.
- The revenue of luxury hotels in Thailand saw an uplift in 2023, totaling 29.16 trillion compared to 2019. The growth can be attributed mostly to the domestic tourism sector, which displayed robust tourism in Thailand.
- Thailand has emerged as a burgeoning destination for medical tourism, also MICE.



Luxury Hotel Market

The travel and tourism industry is an important source of revenue for Thailand. The majority has been recorded in Malaysia at 4,626,422 tourists, followed by China at 3,521,095 tourists, Singapore at 1,660,042 tourists, South Korea at 1,628,542 tourists, and Russia at 1,482,611 tourists. As the number of travelers in 2023 grows, so does the need for vacations, entertainment, and other sorts of leisure.

Almost half of all international visitor arrivals are for leisure. Leisure travel is largely determined by one's standard of living. As people's living standards improve, they are more likely to travel for pleasure, leading to an increase in the luxury hotel sector.

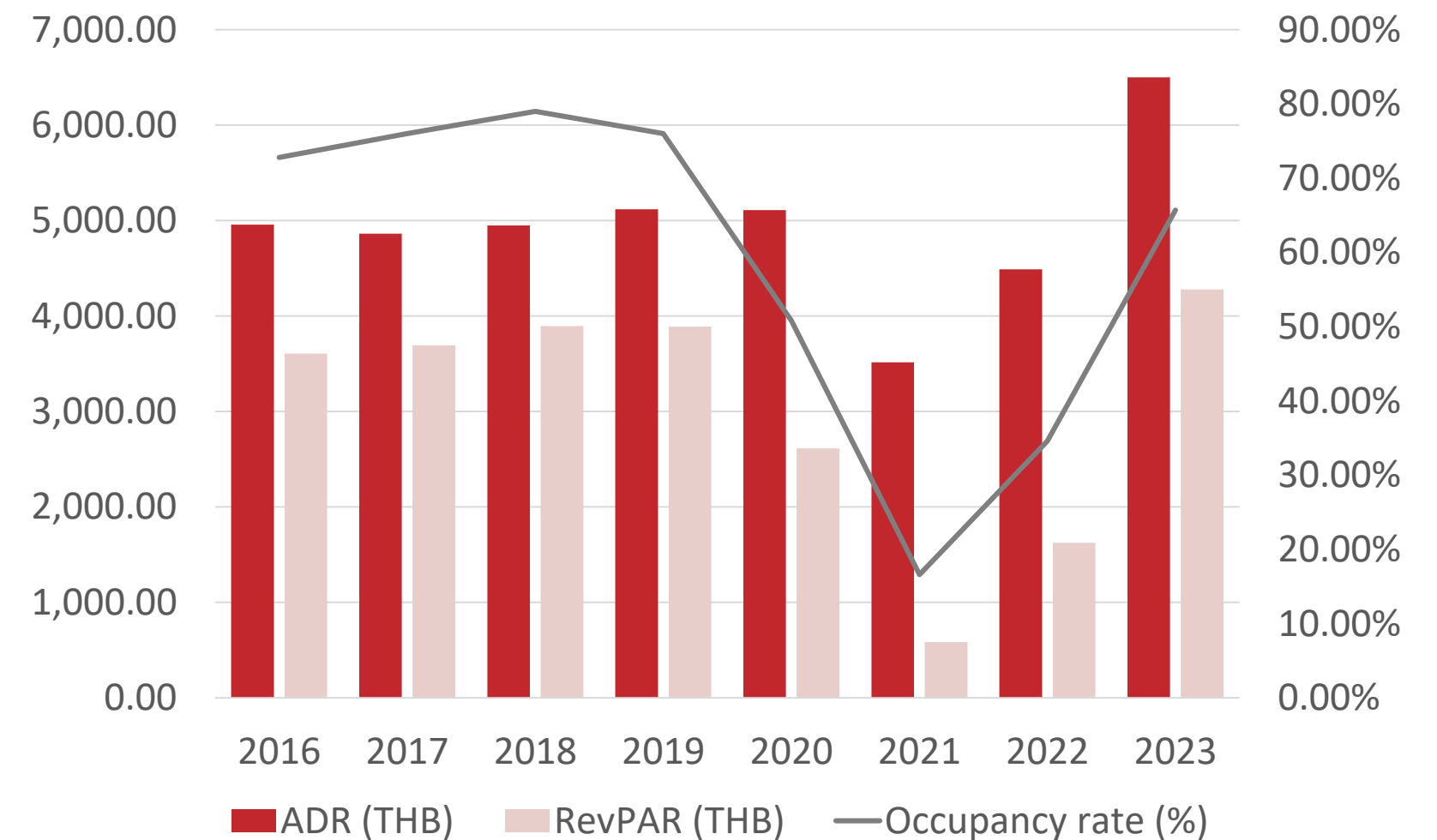
Luxury hotels offer a comfortable stay in addition to a variety of other services based on customer preferences and comfort such as swimming pools (warm and freshwater), barbecues, spas, gyms, bars, and other tailor-made services. Including a private garden or beach area, as well as personal sun beds. Otherwise, the luxury hotel sector has traditionally prioritized location as a key success factor. A hotel in an important location is expected to perform well in terms of services and amenities.

Country	2023	2022	2021	2020	2019
Malaysia	4,626,422	1,948,549	5,511	795,336	5,053,041
China	3,521,095	273,567	13,043	2,468,116	17,695,489
Korea	1,660,042	538,766	12,077	453,901	2,373,345
India	1,628,542	997,913	6,544	379,942	2,045,846
Russia	1,482,611	435,008	30,759	866,180	2,854,294
Vietnam	1,033,688	468,393	1,794	124,060	890,210
Singapore	1,027,424	614,627	5,931	238,651	1,454,921



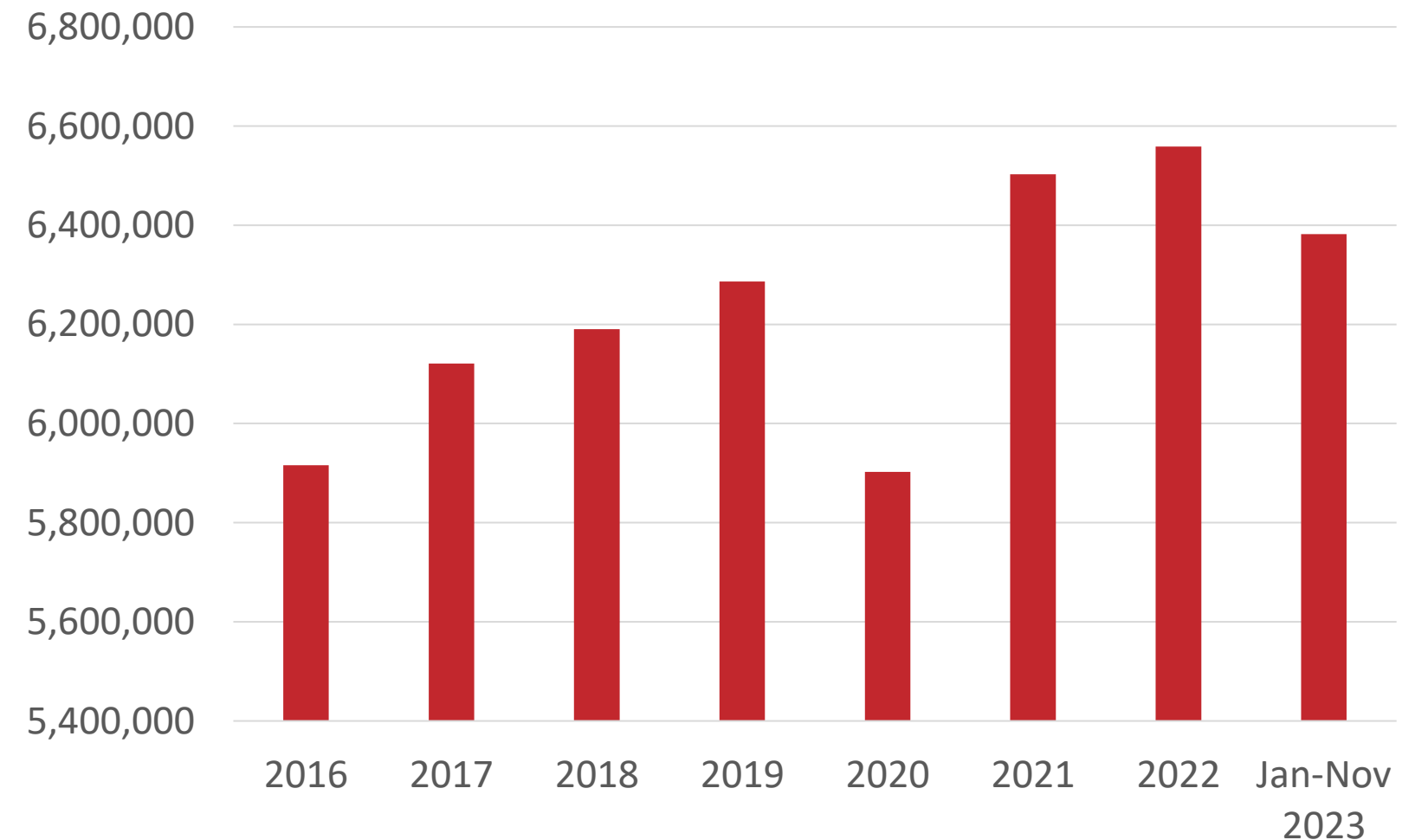
ADR and Occupancy rate of Luxury hotel

As part of the full reopening of tourism in 2023 and also offering longer stays for visitors, the number of foreign tourists visiting Thailand increased by 20%. In 2023, Bangkok luxury hotel had an overall occupancy rate of 65.70% YOY. The average daily rate (ADR) increased by 69.05% YOY from THB 4,489.2 to THB 6,500.9 due to increased demand from tourist arrivals. The occupancy rate and ADR rose, resulting in the Revenue per Available Room (RevPAR) increasing to THB 4,279.2 YOY.



Supply

Aside from the variety and quality of services, location is the most important factor influencing the growth of the hotel industry. This is the reason why most of the supply of luxury hotels in Thailand had a development in the Central Business District zone and Riverside zone such as Silom/Sathon, Central Lumpini/Siam, Ploenchit/Sukhumvit or Ratchathewi/Phetchaburi etc. Those zones provide for easy and rapid access to personal and public transportation. As a result, these hotels should be positioned near major highways, airports, and train stations. The surrounding region of a hotel is equally important. Interesting environments and diverse infrastructure that allow for appealing leisure activities can be important considerations in recruiting business clients.

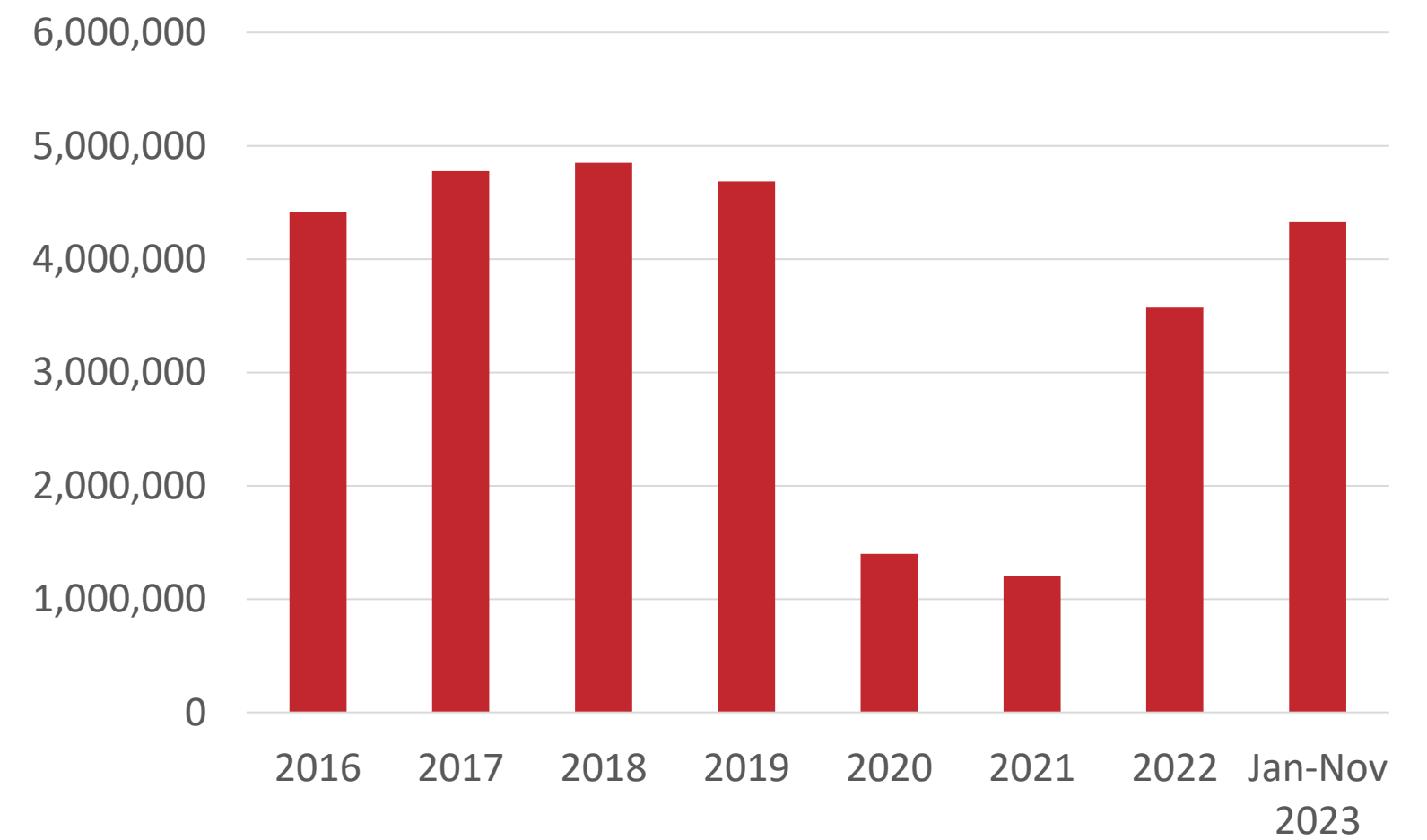


The hotels room available is increasing from 6,479,175.1 Keys to 6,766,425.3 keys YOY. Many projects were completed this year, totaling around 1,024 keys, including Grande Centre Point Surawong, Nysa Hotel, The Alberti, Public House Hotel, Ten Six Hundred, etc. It shows that luxury hotels have grown in popularity as global affluence has expanded and consumers' priorities have shifted towards experiences. The supply of luxury hotels is increasing due to rising demand, the ability to completely change the destination of a luxury hotel, and an increase in global affluence, which propels luxury travel.



Demand

The hotel sector has overcome many of the issues it has faced since the COVID-19 epidemic, but new challenges and possibilities have emerged in 2023. Starting in 2022, markets are still struggling with the highest cost of debt in decades, but the fear of a recession has faded. In 2023, the government will encourage the tourism industry and fully reopen the country. It affects the tourism industry to be better. Also, a tourist arrival of 28,150,016, generating an estimated THB 29.16 trillion in revenue for luxury hotels in 2023, The total number of rooms occupied by luxury hotels in 2023 will be approximately 4,325,044 keys, up from 3,570,413 keys in 2022, and the occupancy rate in 2023 will be 65.7%. It shows that the luxury hotel market is starting to come back to being better than last year.



Outlook

The overall outlook for luxury hotels is expected to improve as a result of rising demand, but the supply in the riverside zone is still constrained. This presents an opportunity for developers to build more luxury hotels in the riverside zone to meet the rising demand from tourists in 2024. The construction of the luxury hotel is one of many projects in the CBD zone that will be launched in 2024. For example, the Fairmont Bangkok Sukhumvit, the Radisson Hotel Ploenchit, Aman Nai Lert Bangkok, Crowne Plaza Bangkok Grand Sukhumvit, Hilton Grand Inn Bangkok Riverside, and Grand Center Point Lumpini Rama 4, etc. These projects will adapt to the upcoming trends in luxury MICE and green building standards, LEED, and WELL.

**Remark CBD zone including of Sathon, Silom, Rama 4, Chidlom, Thonglor, Ploenchit, Sukhumvit, Ekamai, Phrom Phong, Asok, Phetchaburi, Rama 9, Ratchayothin, Ari, Saphan Kwai, Phayathai, Ratchathewi, Langsuan, Witthayu and Ha Yaek Lat Phrao area*





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