

# GREATER KUALA LUMPUR HOSPITALITY SECTOR





# MARKET OVERVIEW

## KEY HIGHLIGHTS

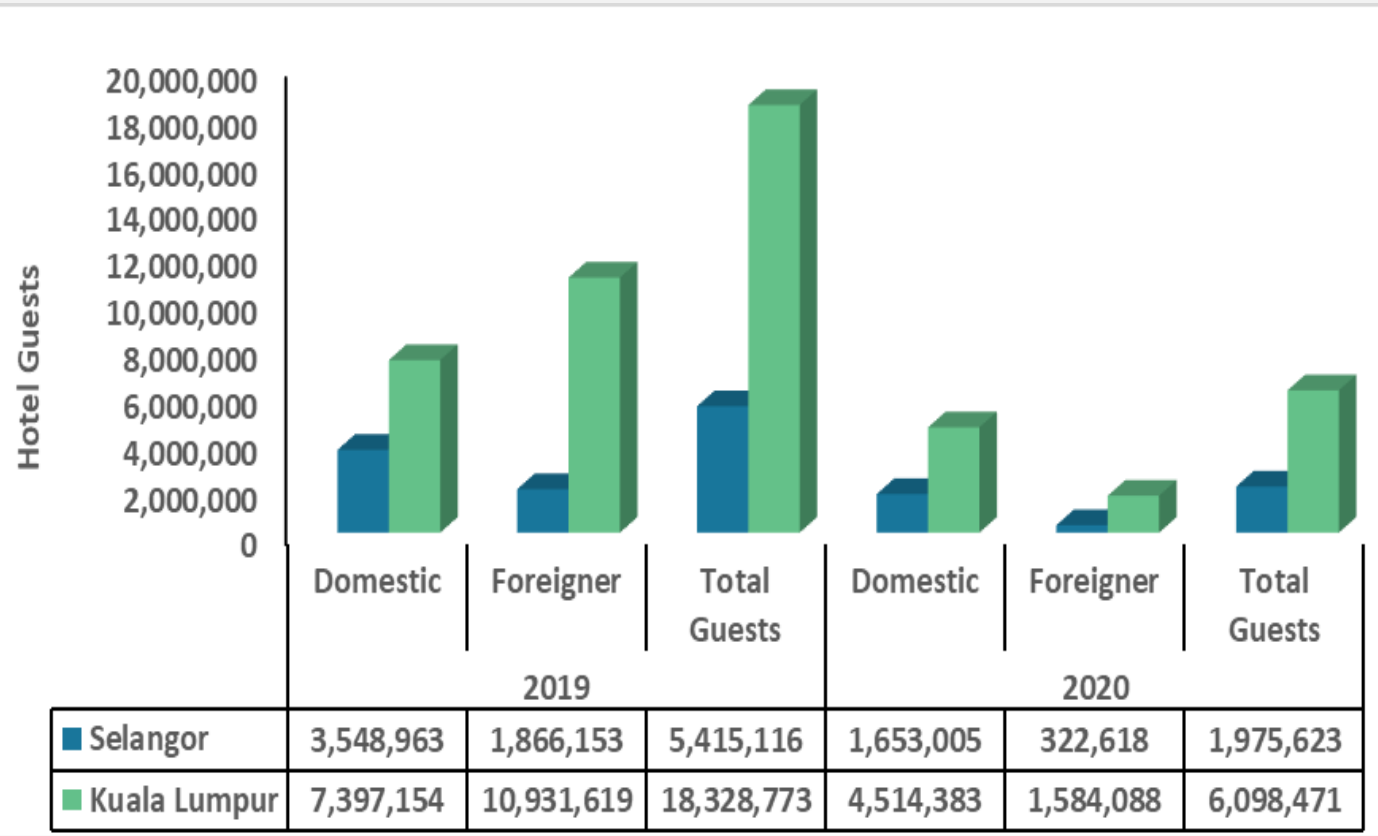
- The worst hit sector by the Covid-19 pandemic
- Cancellation of Visit Malaysia 2020
- PENJANA Tourism Financing (PTF)
- Langkawi Island selected as the pilot project for tourism bubble program on 16 September 2021
- Domestic travel demand picks up with the lifting of interstate travel ban on October 11, 2021
- Malaysia and Singapore reopened land borders on 29 November 2021
- Malaysia is gearing up to reopen its borders to international visitors from January 1, 2022
- Surge in hotel rooms booking for the year-end holiday season, despite fears of new Covid variants



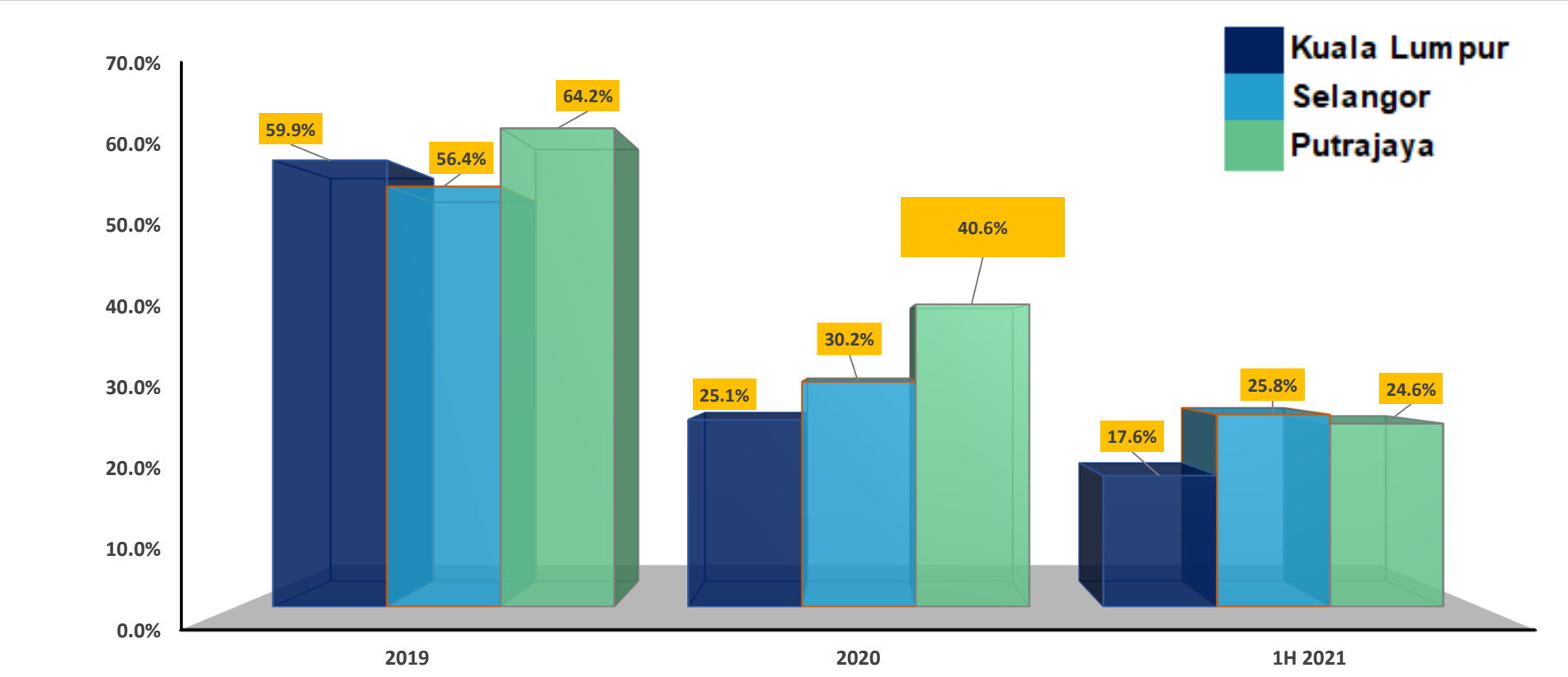
## INTERNATIONAL TOURIST ARRIVALS & RECEIPTS TREND (2016 - H1 2021)



## HOTEL GUESTS BY STATE (2019 – 2020)



## AVERAGE OCCUPANCY RATES (AOR) OF HOTELS BY STATE



## MALAYSIA HOTEL OCCUPANCY RATE (2021 YEAR-END HOLIDAY SEASON)

POPULAR  
DESTINATIONS

70%

OTHER  
LOCATIONS

40% -  
50%

*\*As targeted by Malaysian Association of Hotels*



# HOSPITALITY – EXISTING & FUTURE SUPPLY

## EXISTING SUPPLY (AS OF 3Q 2021)

### KUALA LUMPUR

224 HOTELS

40,897 ROOMS

### SELANGOR

201 HOTELS

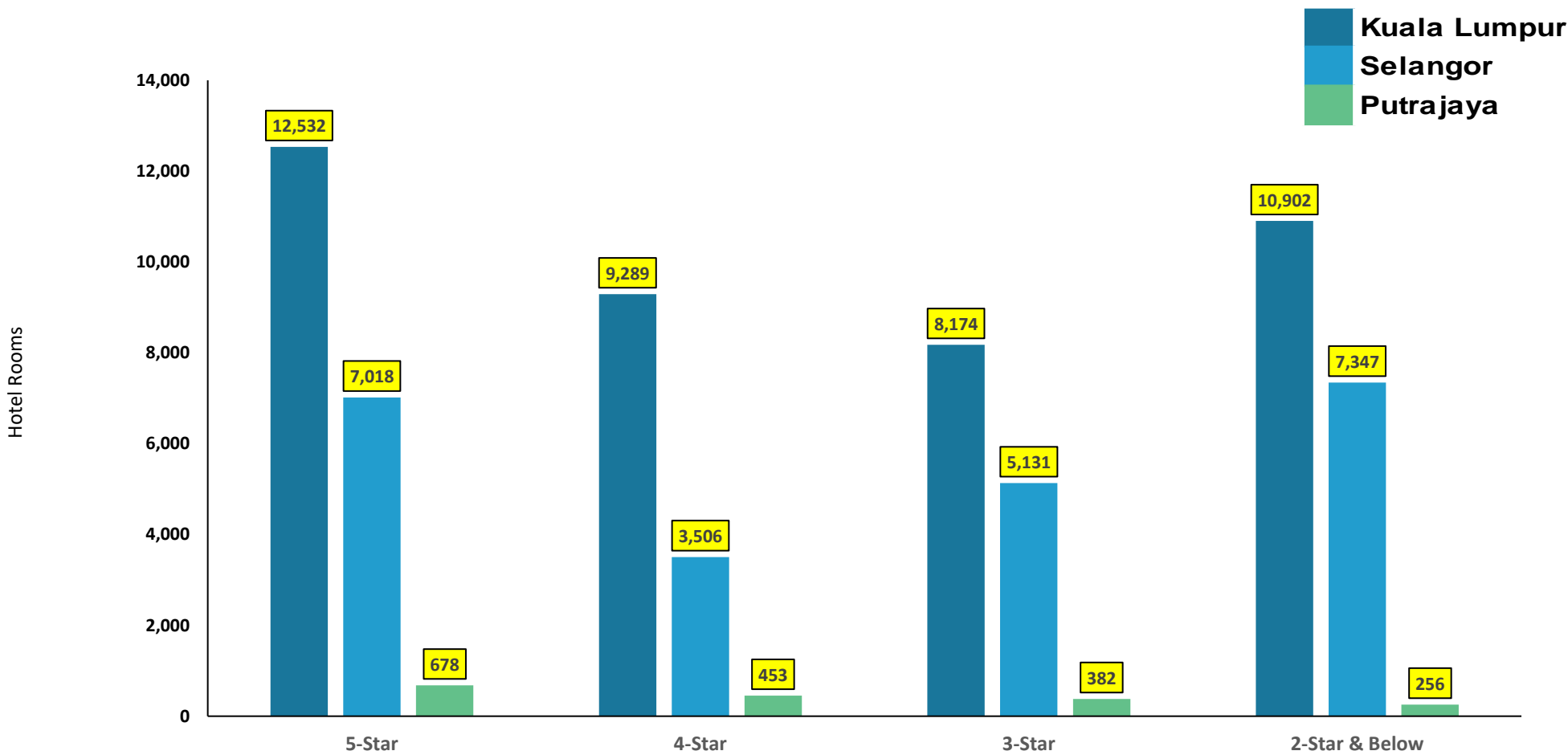
23,002 ROOMS

### PUTRAJAYA

7 HOTELS

1,769 ROOMS

## EXISTING SUPPLY OF HOTEL ROOMS BY STAR (AS OF 3Q 2021)



## HOTEL CLOSURES

| Hotel  | Star rating        | Closure Status |
|--|--------------------|----------------|
| 486-room Hotel Istana Kuala Lumpur                       | 5-star             | Permanently    |
| 180-room G Tower Hotel Kuala Lumpur                      | 5-star             | Permanently    |
| 309-room Holiday Villa Hotel & Conference Centre, Subang | 5-star             | Permanently    |
| 418-room Royale Chulan Bukit Bintang, Kuala Lumpur       | 4-star             | Permanently    |
| 319-room Silka Cheras Hotel                              | 3-star             | Permanently    |
| 179-room Silka Maytower Kuala Lumpur                     | 3-star             | Permanently    |
| 151-room Swiss-Inn Chinatown Kuala Lumpur                | 3-star             | Temporarily    |
| 200-suites E&O Residences Kuala Lumpur                   | Serviced Apartment | Permanently    |

## INCOMING SUPPLY (AS OF 3Q 2021)

### KUALA LUMPUR

33 HOTELS

8,396 ROOMS

### SELANGOR

6 HOTELS

2,143 ROOMS

## PLANNED SUPPLY (AS OF 3Q 2021)

### KUALA LUMPUR

22 HOTELS

4,417 ROOMS

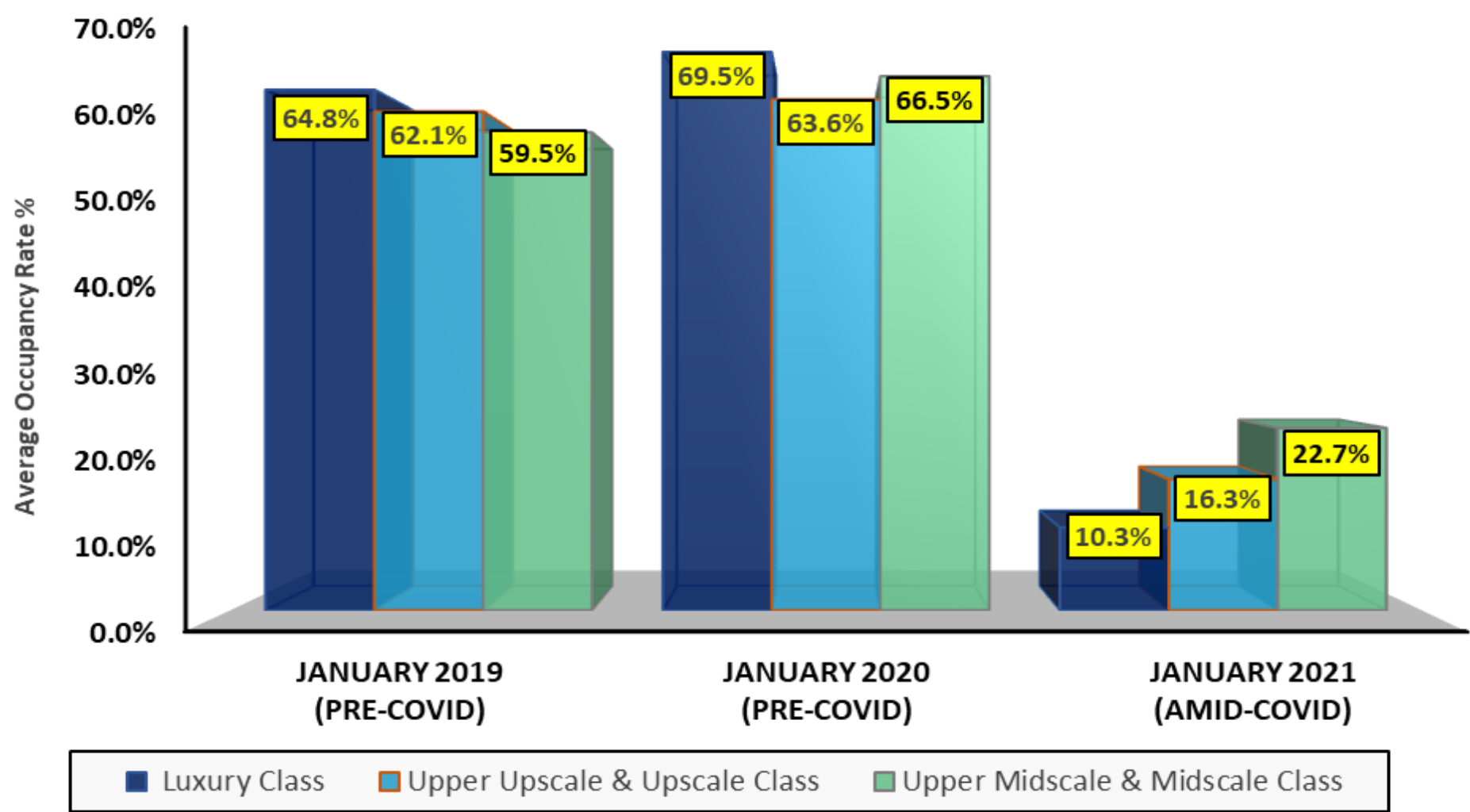
### SELANGOR

3 HOTELS

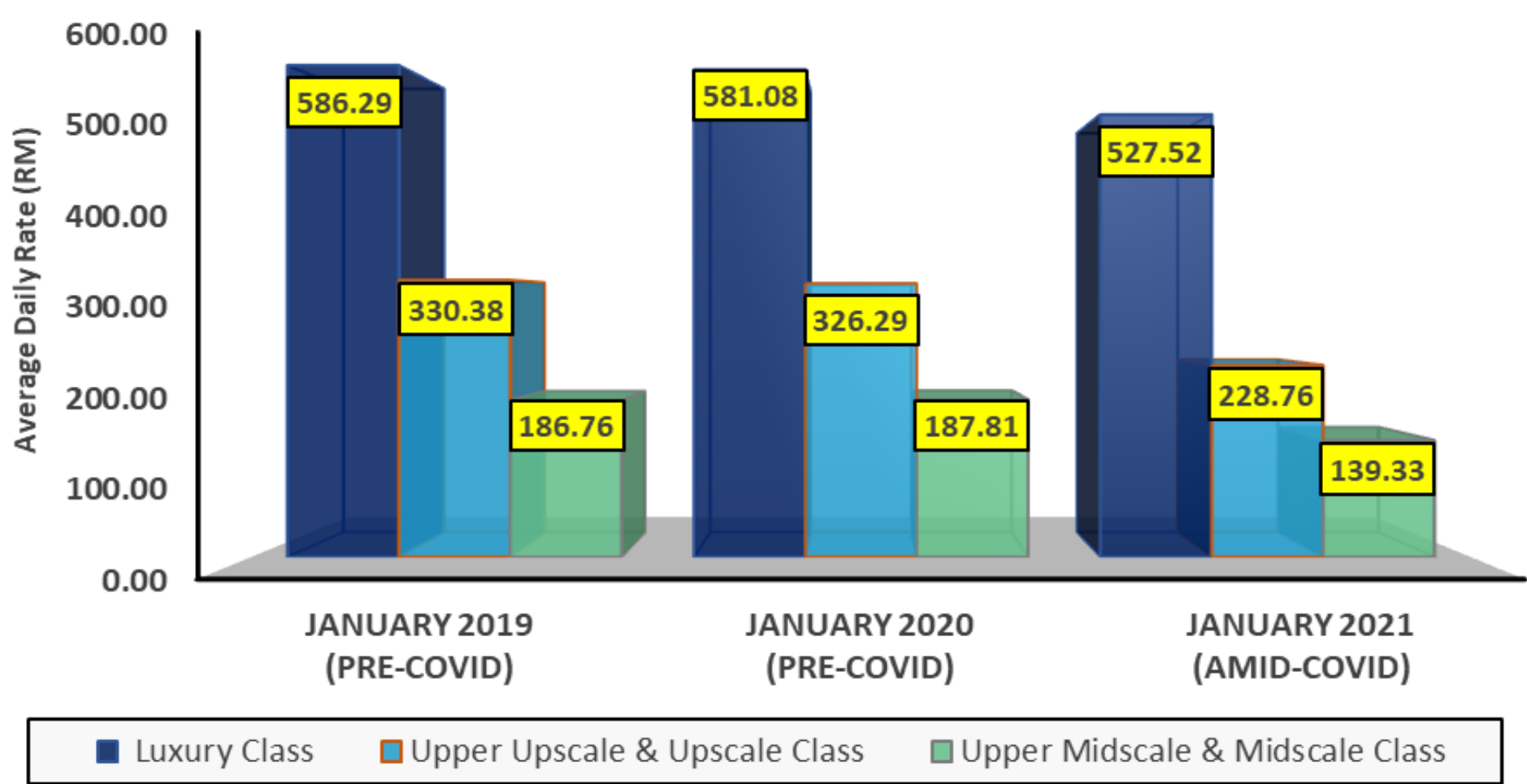
564 ROOMS

# KLANG VALLEY HOTEL PERFORMANCE BY SEGMENTS

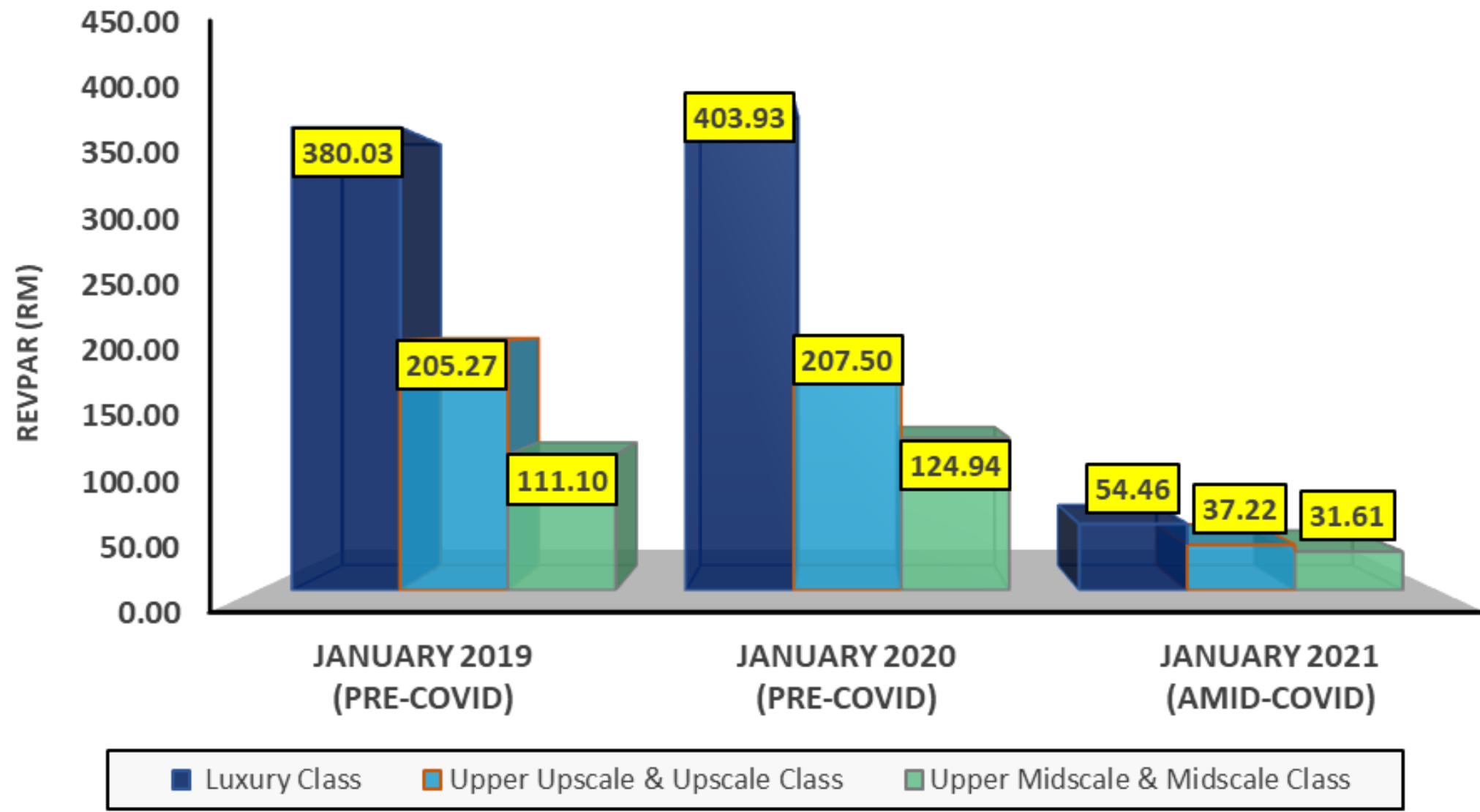
AOR BY SEGMENTS  
(PRE-COVID & AMID-COVID COMPARISON)



ADR BY SEGMENTS  
(PRE-COVID & AMID-COVID COMPARISON)



REVPAR BY SEGMENTS  
(PRE-COVID & AMID-COVID COMPARISON)



- The performance of Klang Valley hotels was analysed through a hotel survey that entailed different hotel segments namely Luxury Class, Upper Upscale & Upscale Class and Upper Midscale & Midscale Class
- The hotel segments classification is based on Hotel Chain Scale categorisation where hotel brands are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate Chain Scale category



## HARDEST HIT SECTOR

A slew of hotel closures witnessed across the nation, either permanently or temporarily due to the lack of inbound tourism in line with travel restrictions during MCO period



## REFURBISHMENT & RENOVATION

Larger hotels with strong balance sheet undertakes rebranding, redevelopment, renovation and refurbishment works



## TRANSACTION OF HOSPITALITY ASSETS

Owners seek to dispose low quality assets to improve balance sheet while other industry players utilised this opportunity to find good deals in the market



## REPURPOSE

Budget hotels & small-scaled boutique hotels reinventing themselves to stay afloat by offering long-term stays or co-living options, refurbishing or even converting into co-working spaces



## COST CUTTING MEASURES

Hotels are implementing significant cost-cutting measures including streamlining operations with a leaner workforce and lower cost base



## DISCOUNT & PROMOTIONS

Hotels particularly 4-star and 5-star categories are offering significant discounts & attractive promotions such as flexible staycation packages and 'WFH' packages



## NEW NORMS

Precaution and preventive measures being implemented across all hotels which includes reduced physical contact, deep cleaning/sanitization protocols, social distancing operating procedures and signage at public spaces



# KEY TRENDS (CONTINUED)



## CHANGING TRAVELLER PREFERENCES

Travellers' preferences and behaviour have shifted, with a greater preference for short-haul trips and shorter itineraries



## HEALTH & WELLNESS

Hotels to provide onsite wellness centre such as well-equipped fitness centre, pool, spa and sauna as well as redesigning hotel spaces with wider open spaces to cater to travellers' preference



## DIGITALISATION

Hotels implementing automation, digitalization for higher operational efficiency and cost effectiveness



## NICHE TOURISM

Identification of new market segment focusing on certain age group and collaboration with local tour operators for introduction of niche tourism such as marine tourism, ecotourism, wellness-themed trips



## ESG PRACTICES

Greater emphasis in adopting environmental, social and governance (ESG) practices in hotel operations will drive the tourism and hospitality sectors to higher standards and sustainability-focused in the future



# SELECTED RECENT TRANSACTIONS



DEC 2020

**RM177.30 mil (RM424K per key)**

**Royale Chulan Bukit Bintang  
4-Star 418 Rooms**



JAN 2020

**RM30 mil (RM309K per key)**

**City Comfort Hotel  
3-Star 97 Rooms**



AUG 2019

**RM45.59 mil (RM264K per key)**

**Tune Hotel Downtown KL  
3-Star 173 Rooms**



AUG 2019

**RM170 mil (RM574K per key)**

**Swiss Garden Hotel, KL  
3-Star 296 Rooms**



JULY 2019

**RM27.9 mil (RM163K per key)**

**Q Hotel, KL  
4-Star 171 Rooms**



JULY 2019

**RM115 mil (RM865K per key)**

**WOLO, KL  
4-Star 133 Rooms**



# SELECTED RECENT TRANSACTIONS

| Property                           | Date of Transaction | Hotel Rating | Number of Rooms | Transaction Price | Analysis Per Room | Vendor                            | Purchaser                   |
|------------------------------------|---------------------|--------------|-----------------|-------------------|-------------------|-----------------------------------|-----------------------------|
| Royale Chulan Bukit Bintang        | 29-Dec-2020         | 4 Star       | 418             | RM177,300,000     | RM424,163         | Boustead Hotels & Resorts Sdn Bhd | Hotel Royal Ltd             |
| City Comfort Hotel                 | 15-Jan-2020         | 3 Star       | 97              | RM30,000,000      | RM309,278         | MG Capital Sdn Bhd                | Canaaland Resources Sdn Bhd |
| Tune Hotel – Downtown Kuala Lumpur | 8-Aug-2019          | 3-star       | 173             | RM45,590,000      | RM263,526         | OMT Hotels Sdn Bhd                | ECML Hotels Sdn Bhd         |
| Swiss Garden Hotel Bukit Bintang   | 8-Aug-2019          | 3-star       | 296             | RM170,000,000     | RM574,324         | PJD Hotels Sdn Bhd                | Allstar Odyssey Sdn Bhd     |
| Q Hotel                            | 29-July-2019        | 4-star       | 171             | RM27,900,000      | RM163,158         | Hotel Bhajan Sdn Bhd              | Sweet Boundaries Sdn Bhd    |
| Wolo KL                            | 29-July-2019        | 4-star       | 133             | RM115,000,000     | RM864,662         | Wonderful Vantage Sdn Bhd         | HYM Signature Sdn Bhd       |



# NEW COMPLETIONS IN 2020 & 2021



2020

**Kuala Lumpur City**

**ACES Hotel**  
Budget | 68 Rooms



3Q 2020

**Putrajaya**

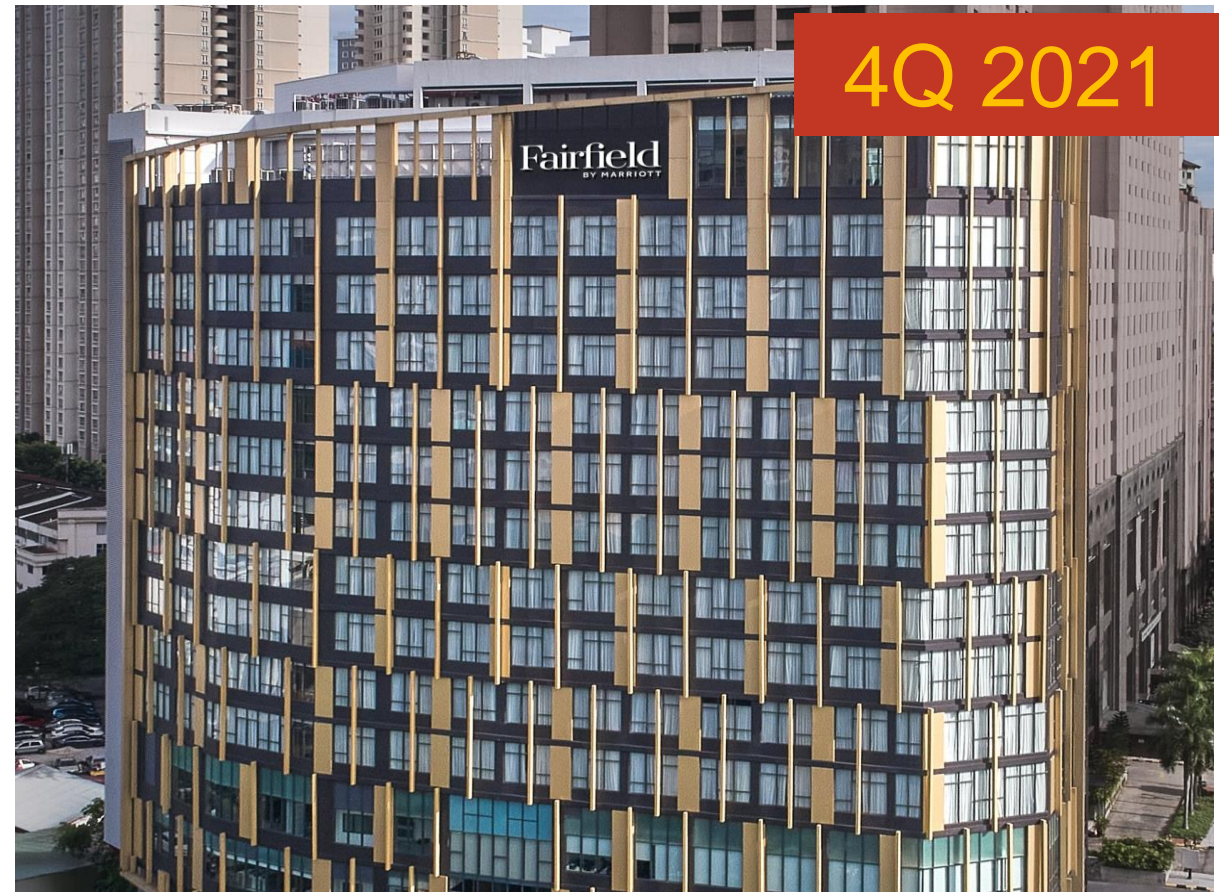
**Park Inn by Radisson Putrajaya**  
4-Star | 220 Rooms



3Q 2021

**Putrajaya**

**DoubleTree by Hilton Putrajaya Lakeside**  
5-Star | 290 Rooms



4Q 2021

**Kuala Lumpur City**

**Fairfield Kuala Lumpur**  
5-Star | 186 Rooms



2021

**Kuala Lumpur City**

**Capri Hotel by Fraser**  
Serviced Apartment | 319 Apts



4Q 2021

**Putrajaya**

**Tribute Portfolio Hotel (formerly Palm Garden Hotel)**  
4-Star | 151 Rooms



# NOTABLE NEW AND UPCOMING COMPLETIONS IN 2022 & 2023



**Kuala Lumpur City**

**Park Hyatt Kuala Lumpur**  
5-Star | 232 Rooms



**Kuala Lumpur Fringe**

**Amari Kuala Lumpur**  
5-Star | 252 Rooms



**Kuala Lumpur City**

**Kempinski Hotel @ 8 Conlay**  
5-Star | 260 Rooms



**Kuala Lumpur City**

**Conrad Kuala Lumpur**  
5-Star | 544 Rooms



**Kuala Lumpur City**

**Canopy by Hilton Hotel**  
4-Star | 478 Rooms



**Shah Alam, Selangor**

**DoubleTree by Hilton @ i-City**  
4-Star | 300 Rooms