



GREATER KUALA LUMPUR HOTEL SECTOR Q1 2022

TOURISM OUTLOOK & PROSPECTS

KEY HIGHLIGHTS

Positives

- Pacific Asia Travel Association (PATA) projected international visitor arrivals across Asia Pacific to increase in 2022, gaining in strength to 2024
- South Asia is expected to have the highest recovery rate within the Asia Pacific region
- Reopening of businesses & international borders amidst high vaccination rate contributed to increase in hotel occupancy rates across multiple destinations
- Local airlines aim to increase frequency to key domestic & international markets
- Malaysia Aviation Group set to achieve 70% of pre-Covid capacity by the end of 2022
- SOPs for international visitors will be relaxed beginning May 1, 2022, allowing vaccinated visitors to enter the country without the need for Covid-19 tests or insurance coverage
- MOTAC targets the entry of about two million international tourists this year, generating an income of RM8.6 billion
- Tax relief for domestic travel expenses of up to RM1,000 is extended until December 31, 2022
- Tourism Malaysia has signed a Memorandum of Collaboration (MOC) with Emirates. Under the agreement, Emirates will develop initiatives to boost tourism to Malaysia, promoting it across its global network of over 130 destinations

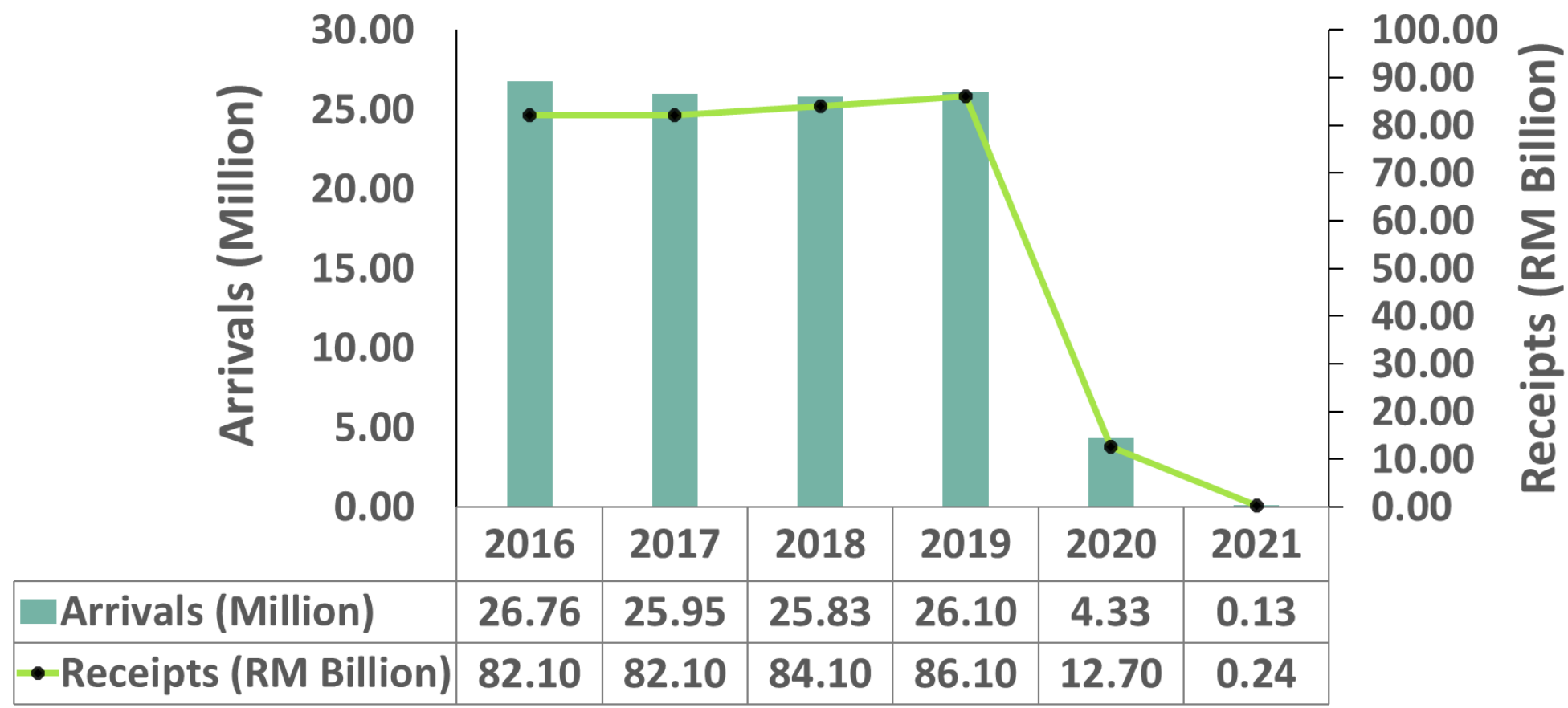
Challenges

- Competitive environment with tour operators and hoteliers vying to secure tourists as international travels yet to reach significant levels
- Hotels are grappling with shortage of manpower especially in popular tourism destinations such as Penang with significant increase in hotel room bookings
- With the impending implementation of the new minimum wage policy, tourism and hospitality players will need to strategise and implement effective cost-cutting measures by streamlining operations with a leaner workforce and lower cost base
- Outbound travel restrictions imposed by China as part of its 'zero-Covid' policy will cause a slower recovery, given China is one of Malaysia's key tourism markets.
- Russia-Ukraine war will influence global tourism to some extent due to increased inflation in certain regions, mainly in Europe

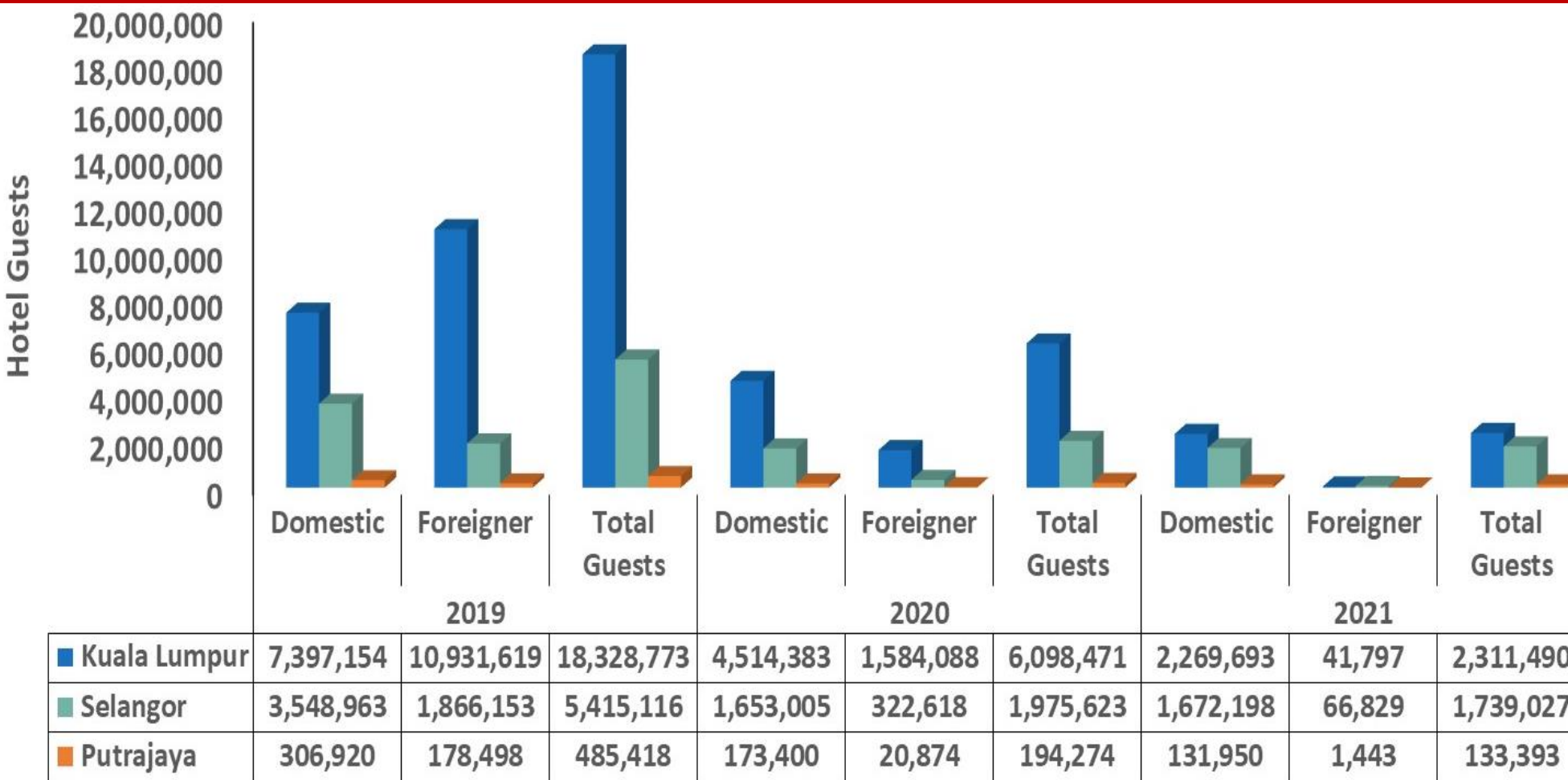
Overall Outlook

- Domestic tourism will continue to be primary driving force of the tourism and hospitality industries while international arrivals pick up pace

INTERNATIONAL TOURIST ARRIVALS & RECEIPTS TREND (2016 - 2021)



HOTEL GUESTS BY STATE (2019 - 2021)



Source: Tourism Malaysia

MALAYSIA: GROWTH POTENTIAL OF TOURISM & HOSPITALITY INDUSTRIES



Improving Performance

Improving occupancy rates and ARR, driven by pent-up demand for travel, both for leisure and business.



Strong Domestic Demand

Domestic Tourism has been identified as pathway to revive the tourism & hospitality industries with introduction of tax exemption to promote travel



One of the Top World Travel Destination

Malaysia is popular with foreign tourists for a myriad of purposes, as evidenced by numerous international awards



Strong Interest from Industry Players

Investors and operators have strong conviction on long-term potential of the tourism sector in Malaysia as evidenced by opening of hotels amid pandemic as well as expansion plans of existing and new hotel chains including luxury brands



Hub for Niche Tourism

Malaysia aims to solidify position as international hub for niche tourism by strengthening medical tourism and growing other niche markets such as the halal tourism, ecotourism and wellness industry



Rise of New Generations

Millennials and Generation Z are making travel an integral part of their lives, more than previous generations



Favourable Environment & Policies

Various initiatives announced under Budget 2022 and stimulus packages as well as low interest rate are anticipated to revitalize tourism & hospitality industries while encouraging innovation and investments

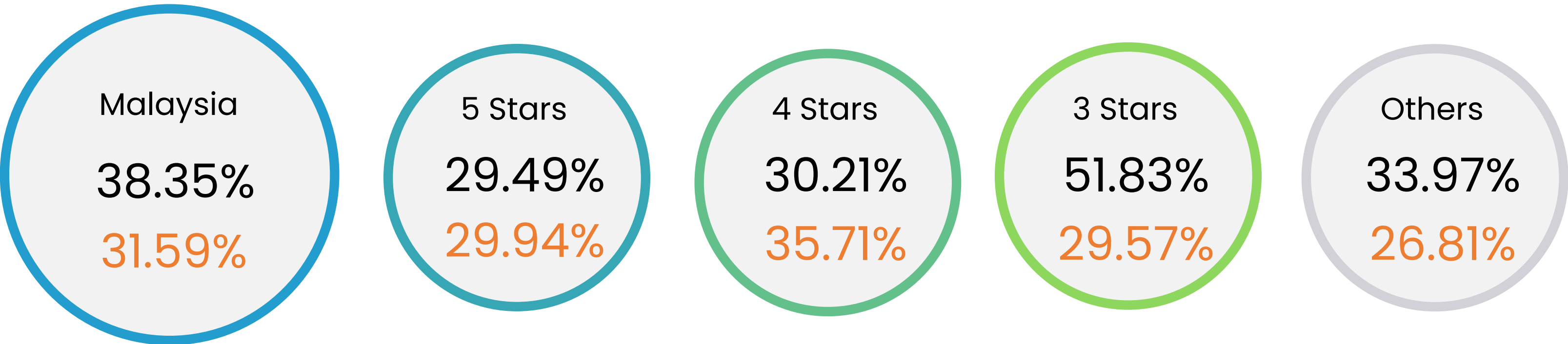


Major Infrastructure Projects

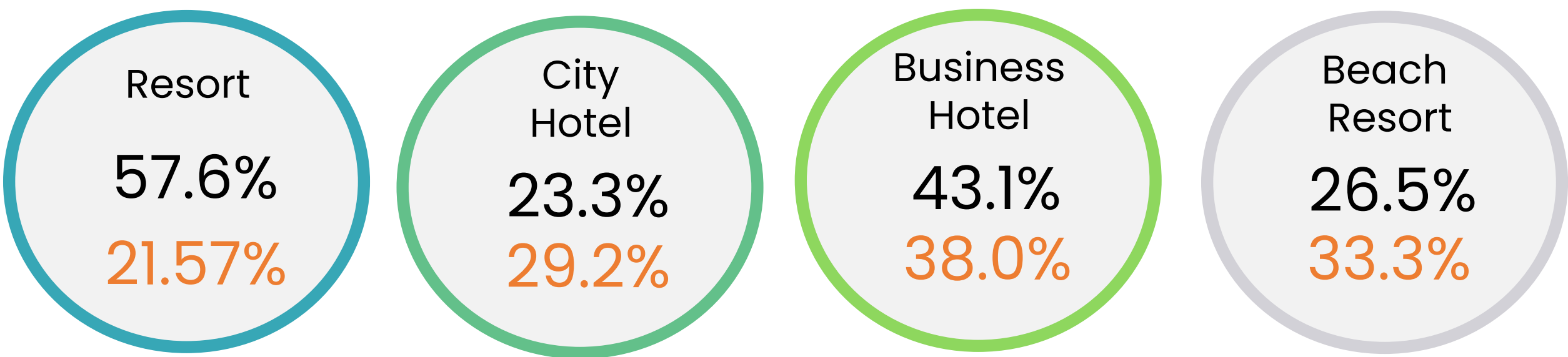
Progress of major infrastructure projects such as MRT Line 2, RTS Link and IMBRT as well as announcement of MRT Line 3 will greatly improve connectivity and act as catalyst for travel industry

MALAYSIA: OVERVIEW OF HOTEL INDUSTRY PERFORMANCE

Average Occupancy Rate by Star Rating (2021 vs 2020)

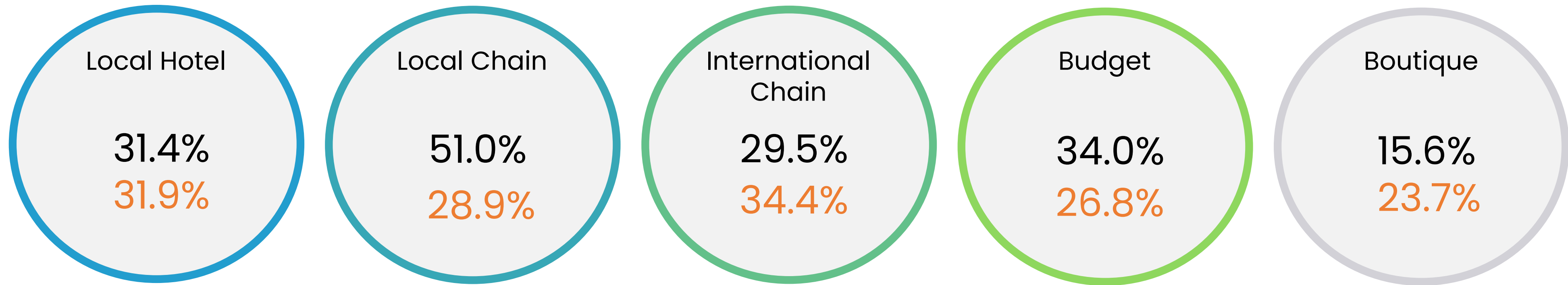


Average Occupancy Rate by Type of Accommodation (2021 vs 2020)

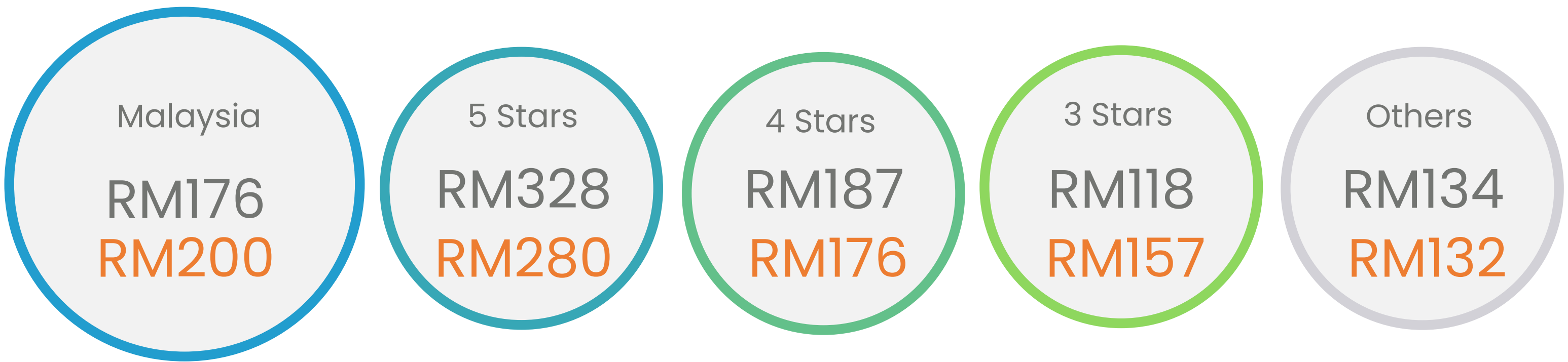


MAH expects average occupancy to range between 50% and 60% by the third quarter of 2022

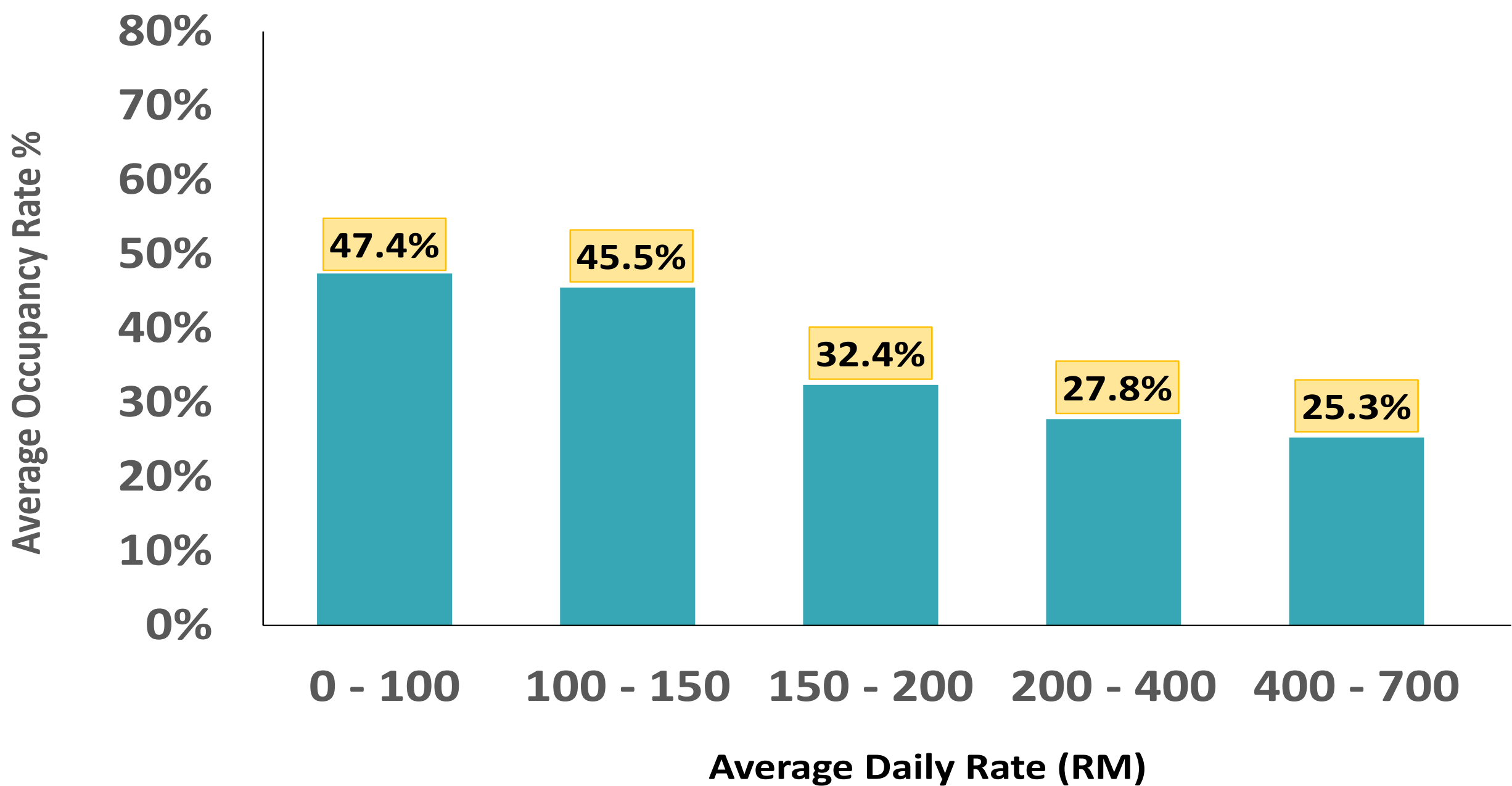
Average Occupancy Rate by Hotel Chain (2021 vs 2020)



Average Daily Rate (ADR) by Star Rating (2021 vs 2020)



Average Occupancy Rate by Pricing Range (ADR) (2021)



KUALA LUMPUR HOTELS – MARKET OVERVIEW

EXISTING SUPPLY Q1 2022

224 HOTELS – 49,897 ROOMS

Hotels by Room Count

21% >300 ROOMS

79% <300 ROOMS

INCOMING SUPPLY Q1 2022

33 HOTELS

8,396 ROOMS

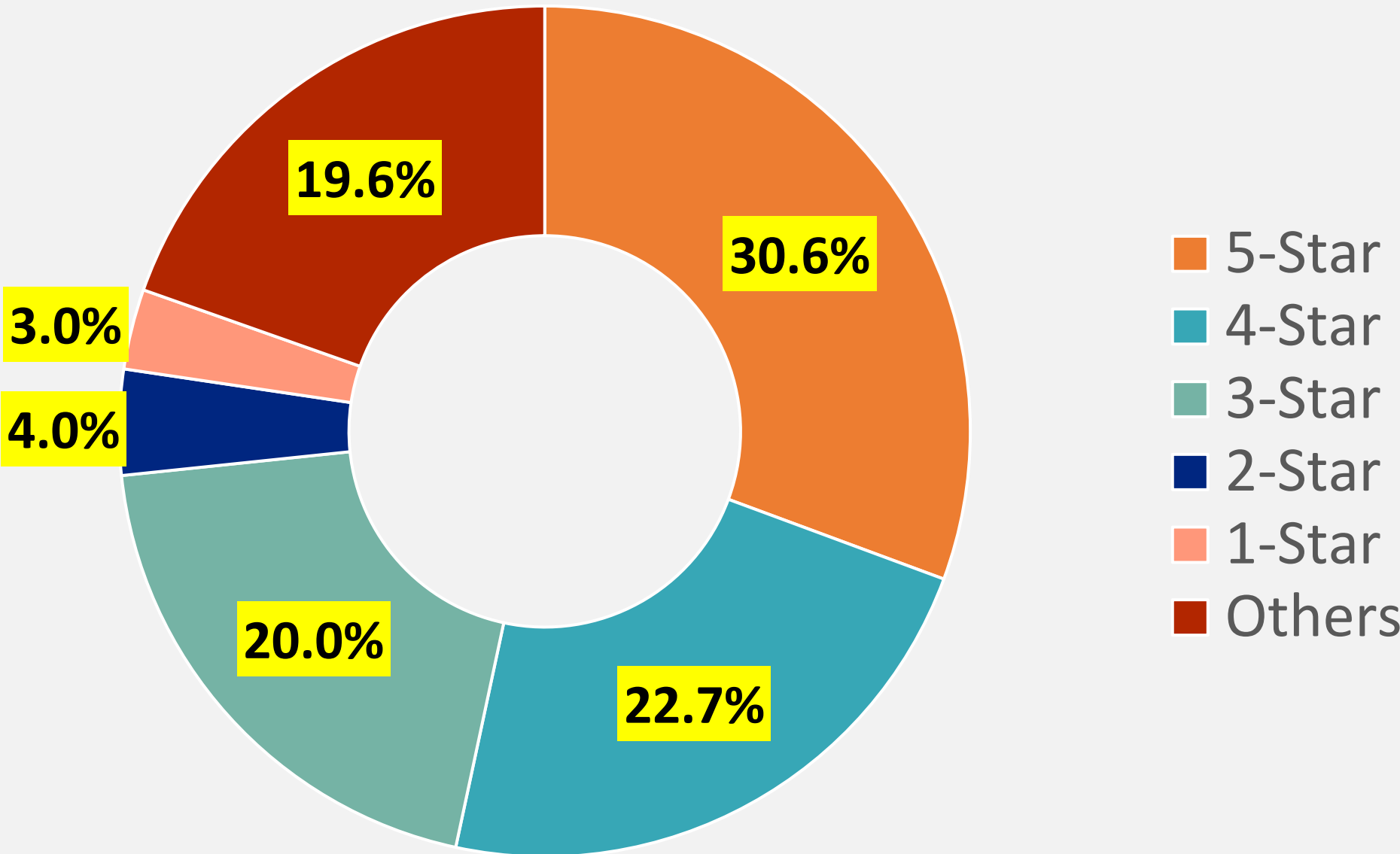
PLANNED SUPPLY Q1 2022

22 HOTELS

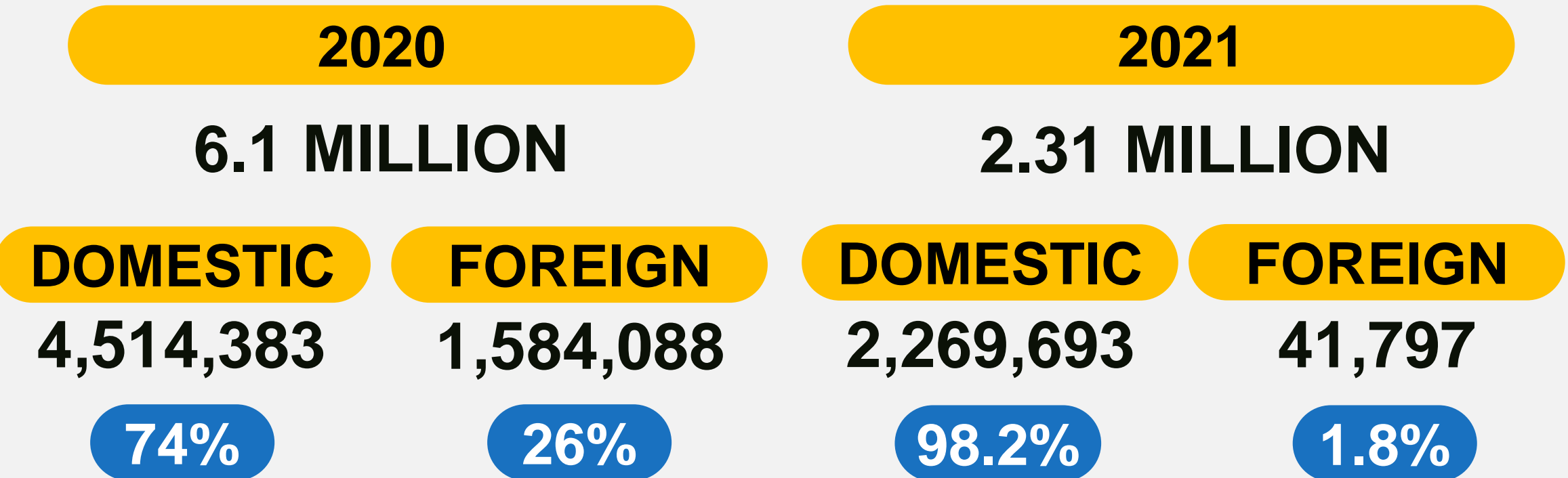
4,417 ROOMS

Source: NAPIC

HOTEL ROOMS BY STAR RATING

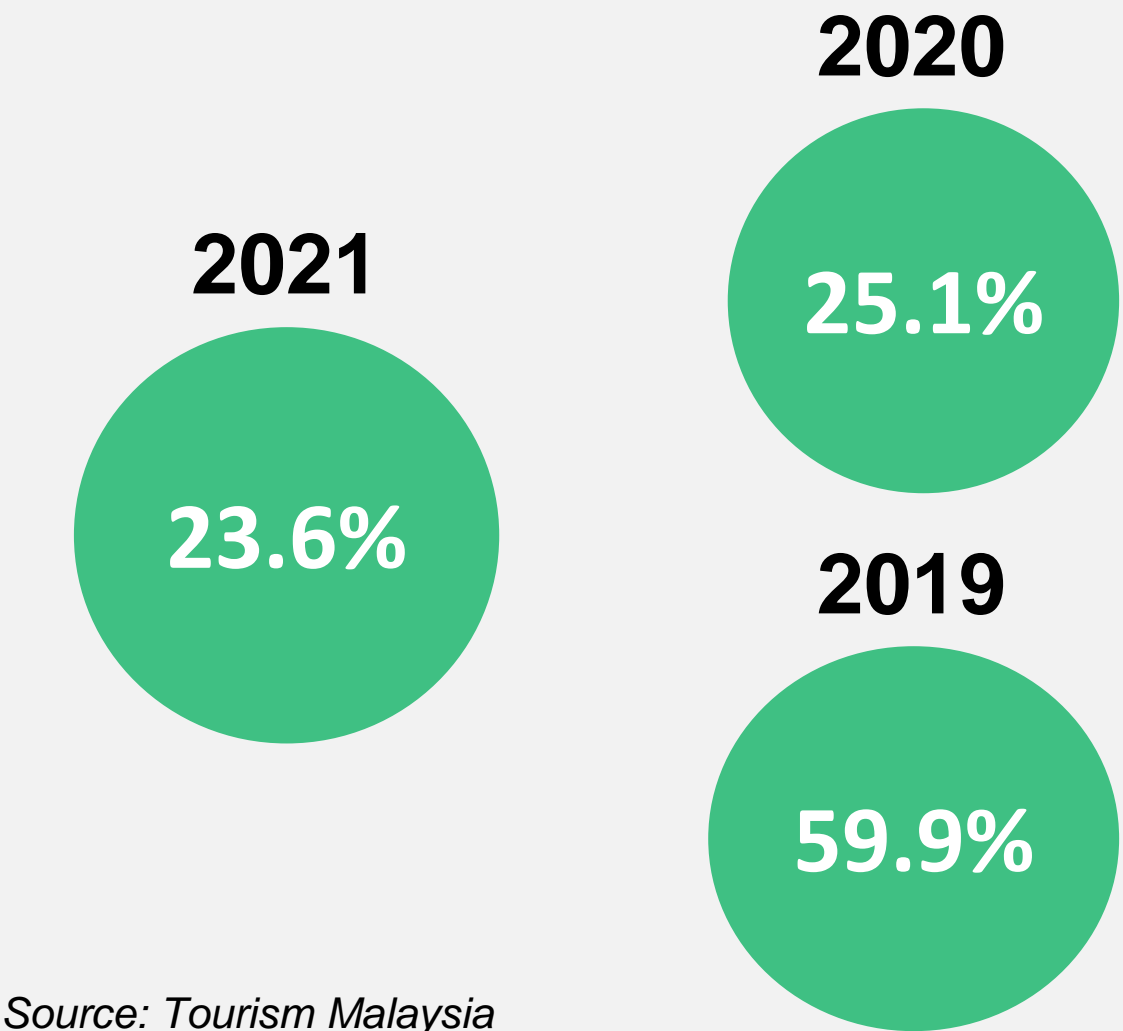


HOTEL GUESTS



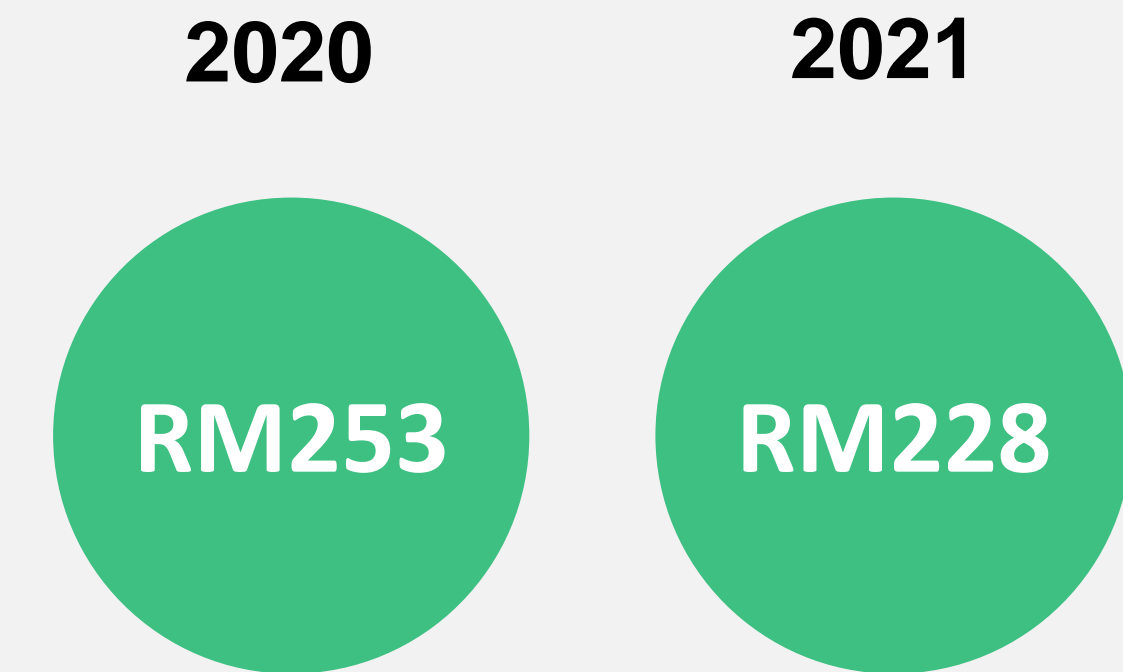
Source: Tourism Malaysia

AVERAGE OCCUPANCY RATES



Source: Tourism Malaysia

AVERAGE DAILY RATE



Source: Malaysia Association of Hotels

SELANGOR HOTELS – MARKET OVERVIEW

EXISTING SUPPLY Q1 2022

201 HOTELS – 23,002 ROOMS

Hotels by Room Count

13.4% >300 ROOMS

86.6% <300 ROOMS

INCOMING SUPPLY Q1 2022

7 HOTELS

2,254 ROOMS

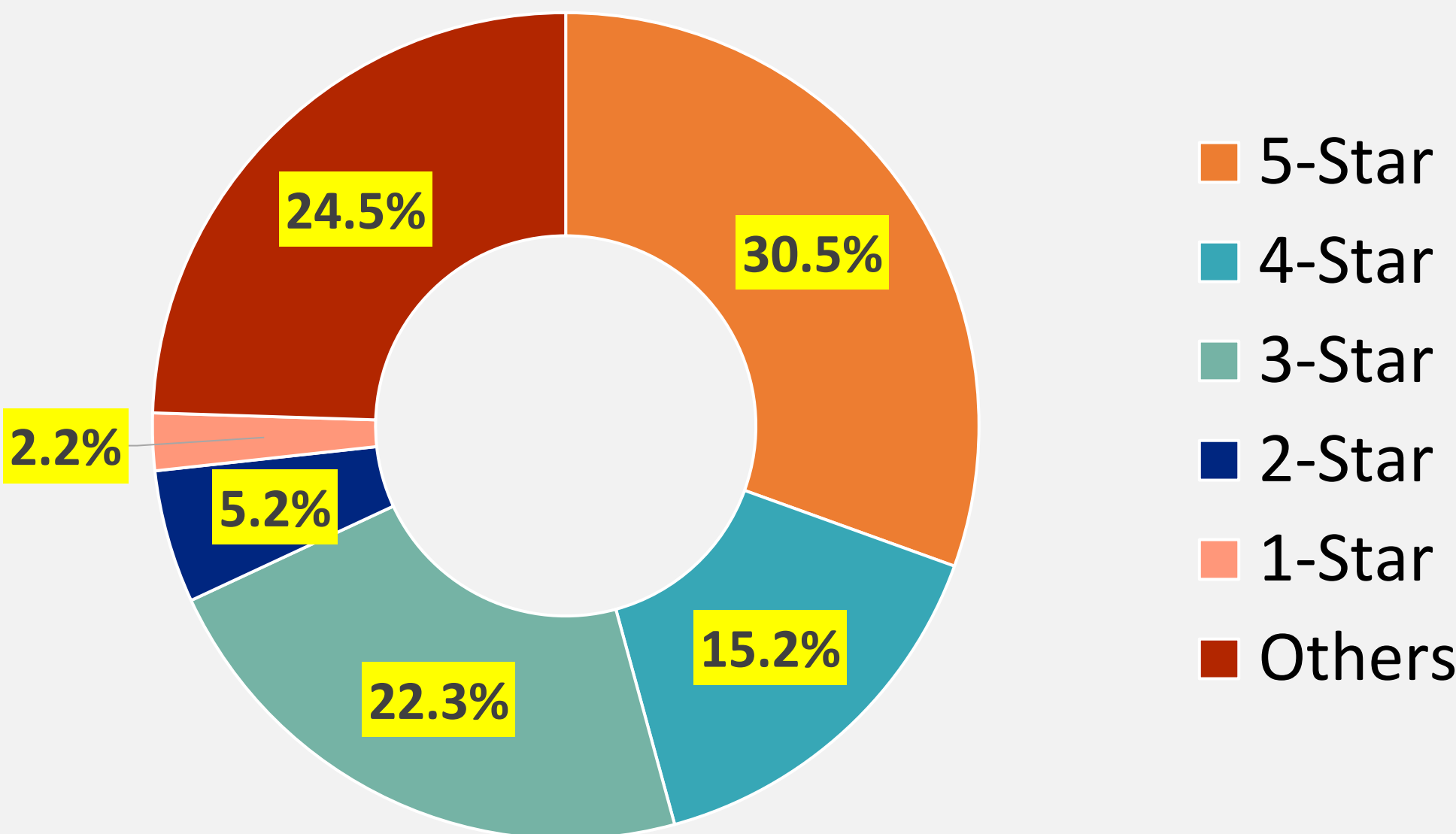
PLANNED SUPPLY Q1 2022

3 HOTELS

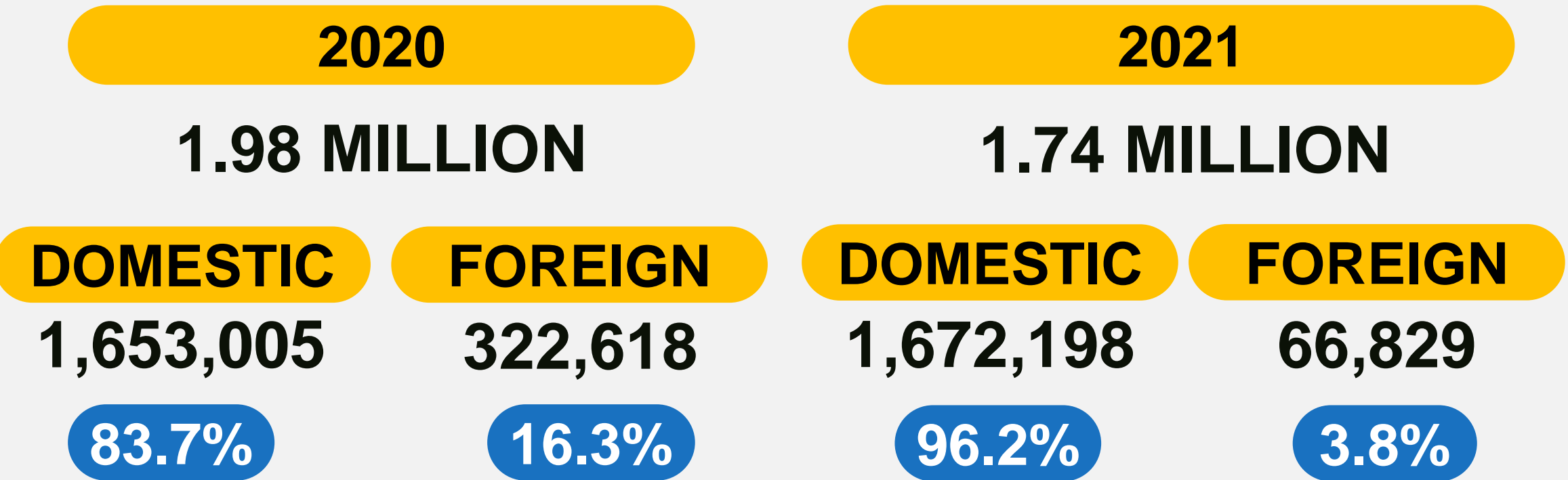
564 ROOMS

Source: NAPIC

HOTEL ROOMS BY STAR RATING

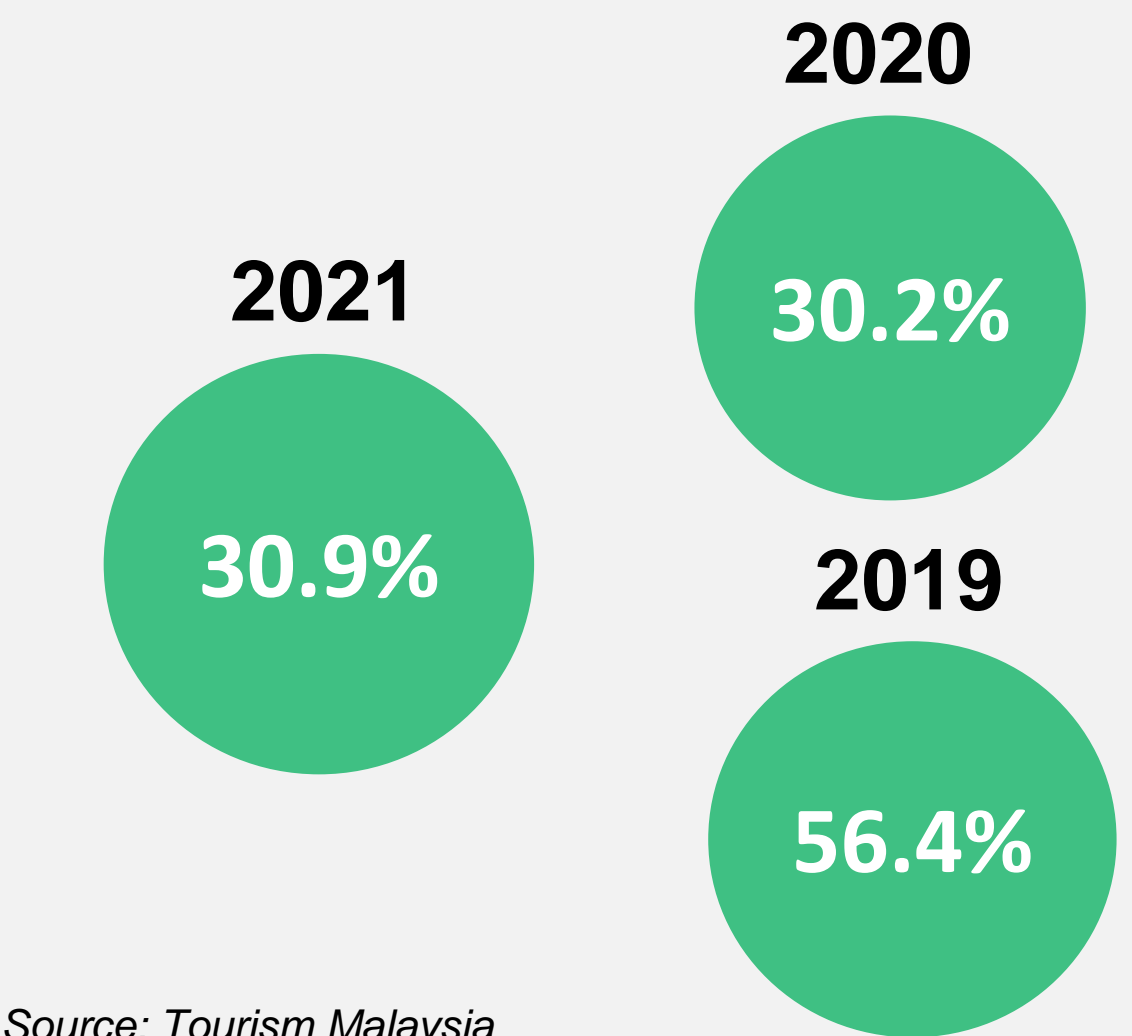


HOTEL GUESTS



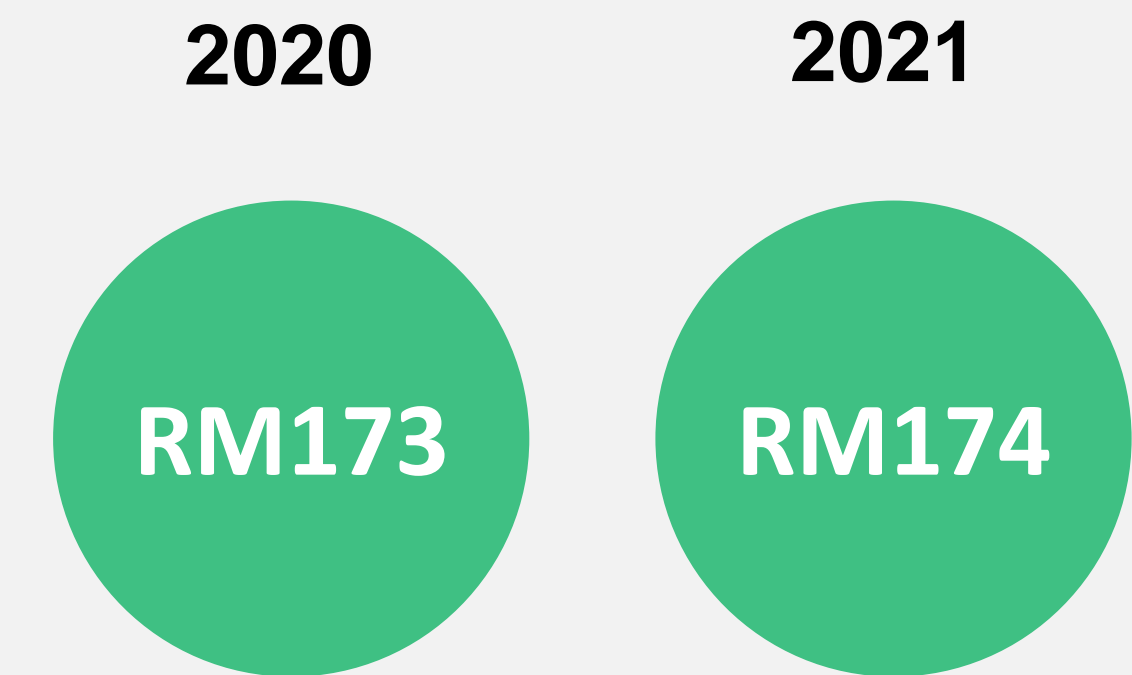
Source: Tourism Malaysia

AVERAGE OCCUPANCY RATES



Source: Tourism Malaysia

AVERAGE DAILY RATE



Source: Malaysia Association of Hotels

PUTRAJAYA HOTELS – MARKET OVERVIEW

EXISTING SUPPLY Q1 2022

7 HOTELS – 1,769 ROOMS

Hotels by Room Count

28.6% >300 ROOMS

71.4% <300 ROOMS

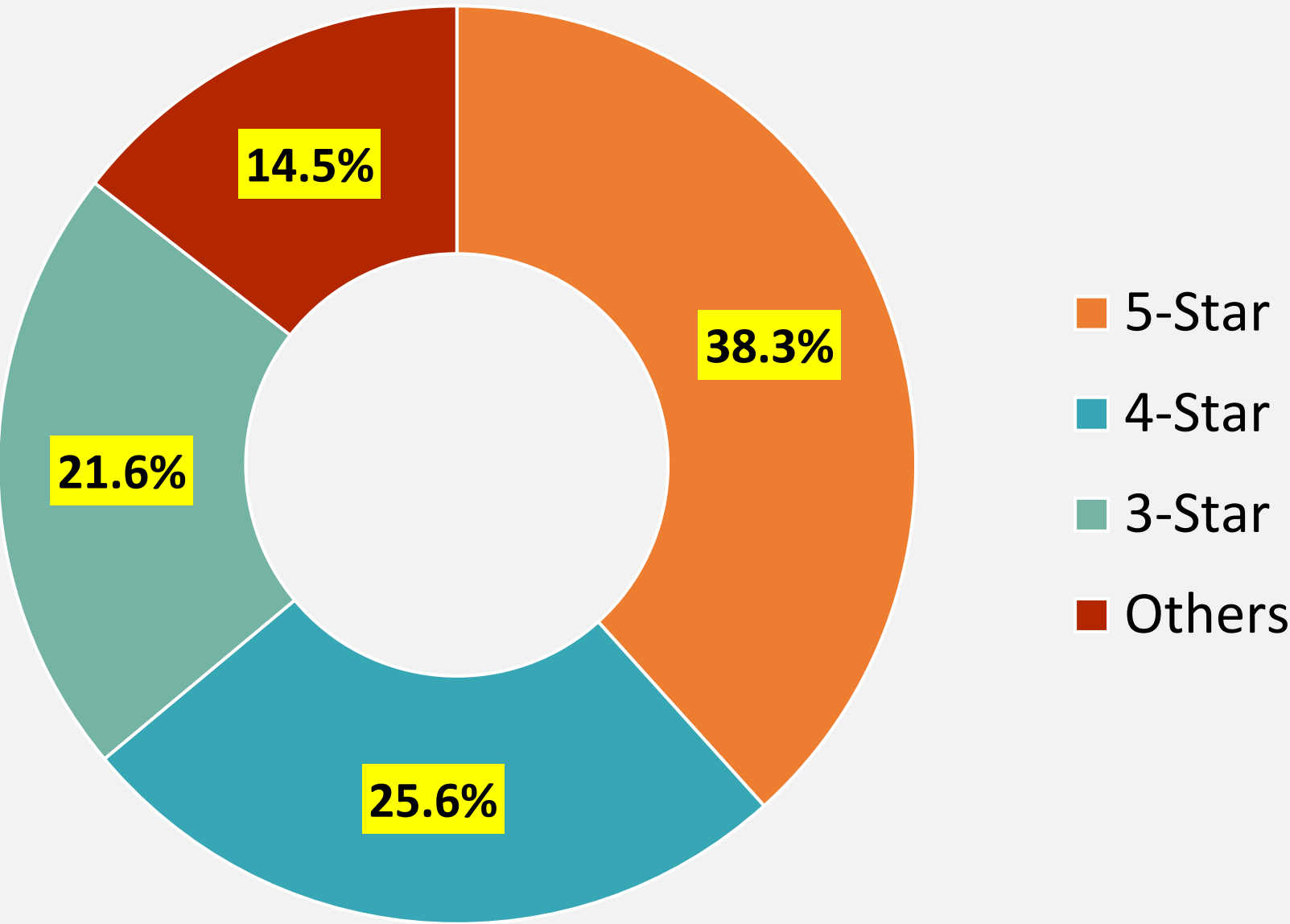
Hotels by Location

71% CITY HOTELS

29% RESORTS &
OTHER HOTELS

Source: NAPIC

HOTEL ROOMS BY STAR RATING

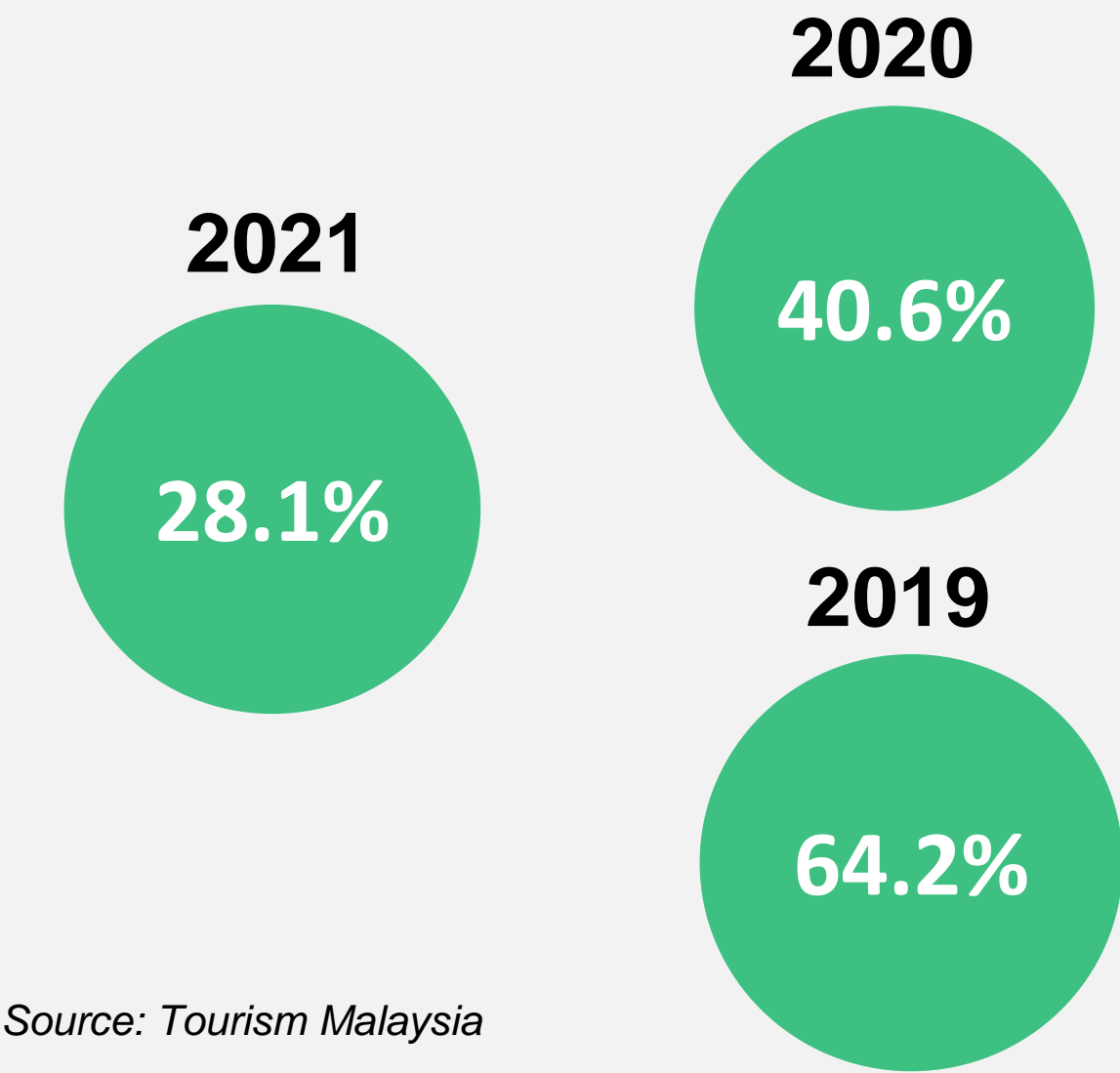


HOTEL GUESTS

2020		2021	
194,274		133,393	
DOMESTIC	FOREIGN	DOMESTIC	FOREIGN
173,400	20,874	131,950	1,443
89.3%	10.7%	98.9%	1.1%

Source: Tourism Malaysia

AVERAGE OCCUPANCY RATES



Source: Tourism Malaysia



KEY TRENDS IN THE TOURISM & HOSPITALITY INDUSTRIES



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



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



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 IN THE TOURISM & HOSPITALITY INDUSTRIES



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



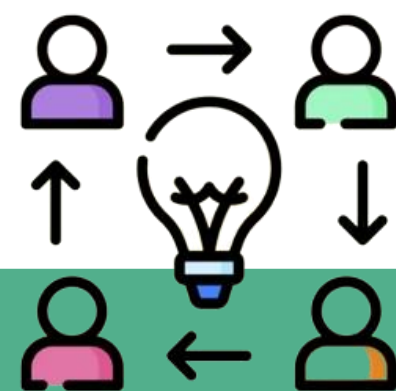
DIGITALISATION

Hotels implementing automation, digitalization for higher operational efficiency and cost effectiveness. Strong emphasis on technology and digital solution wherein seamless connectivity across platforms and devices is growing more important



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



COLLABORATIVE INNOVATION

Collaborative innovation is gaining traction for the development of new products and services to cater to shifting travellers' preferences particularly with the rise of experiential travel i.e. wellness/fitness operators & AI providers



BRANDS



DEBUT OF NEW BRANDS

Big hotel chains are making a wave of announcements on new brand launches hinting at preparation for a new, reinvigorated era of travel. The new brands primarily meant to cater 'millennial-minded' concept, economy extended-stay & luxury market



Homestay.com

REGULATION OF HOMESTAYS

Growing calls from local governments for the establishments of laws and rules to regulate short-term rental homes or homestays

HOTELS - SELECTED RECENT TRANSACTIONS

Property	Date of Transaction	Number of Rooms	Transaction Price	Analysis Per Room	Vendor	Purchaser
Royale Chulan Bukit Bintang	29-Dec-2020	418	RM174,993,638	RM418,645	Boustead Hotels & Resorts Sdn Bhd	Hotel Royal Ltd
Hotel Summit, Jalan Raja Laut	9-July-2020	250	RM40,500,000	RM162,000	Perangsang Hotel and Properties Sdn Bhd	Aturan Lagenda Sdn Bhd
City Comfort Hotel, Jalan Pudu Lama	15-Jan-2020	97	RM30,000,000	RM309,278	MG Capital Sdn Bhd	Canaanland Resources Sdn Bhd
Tune Hotel – Downtown Kuala Lumpur, Jalan Tuanku Abdul Rahman	8-Aug-2019	173	RM45,590,000	RM263,526	OMT Hotels Sdn Bhd	ECML Hotels Sdn Bhd
Swiss Garden Hotel Bukit Bintang	8-Aug-2019	296	RM170,000,000	RM574,324	PJD Hotels Sdn Bhd	Allstar Odyssey Sdn Bhd
Q Hotel, Jalan Tiong Nam	29-July-2019	171	RM27,900,000	RM163,158	Hotel Bhajan Sdn Bhd	Sweet Boundaries Sdn Bhd
Wolo KL, Intersection of Jalan Sultan Ismail & Jalan Bukit Bintang	29-July-2019	133	RM115,000,000	RM864,662	Wonderful Vantage Sdn Bhd	HYM Signature Sdn Bhd
Marriott Hotel (Empire City), Damansara Perdana	15-March-2019	294	RM125,000,000	RM425,170	Winsome Gateway Sdn Bhd	Arcadia Hospitality Sdn Bhd

HOTELS - SELECTED RECENT TRANSACTIONS

MAR 2019



RM125 mil (RM417K per room)
Marriott Hotel, Damansara Perdana
294 Rooms

JULY 2019



RM27.9 mil (RM163K per room)
Q Hotel, Jalan Tiong Nam
171 Rooms

JULY 2019



RM115 mil (RM865K per room)
WOLO Kuala Lumpur
Jalan Sultan Ismail / Jalan Bukit Bintang
133 Rooms

AUG 2019



RM45.59 mil (RM264K per room)
Tune Hotel Downtown KL
Jalan Tuanku Abdul Rahman
173 Rooms

HOTELS - SELECTED RECENT TRANSACTIONS



AUG 2019

RM170 mil (RM574K per room)

Swiss Garden Hotel, Bukit Bintang
296 Rooms



JAN 2020

RM30 mil (RM309K per key)

City Comfort Hotel, Jalan Pudu Lama
97 Rooms



JULY 2020

RM40.5 mil (RM162K per key)

Hotel Summit, Jalan Raja Laut
250 Rooms



DEC 2020

RM174.99 mil (RM419K per key)

Royale Chulan Bukit Bintang
418 Rooms

HOTEL - NEW COMPLETIONS



3Q 2020

Kajang – Jalan Universiti
Park Inn by Radisson Putrajaya
4-Star - 220 Rooms



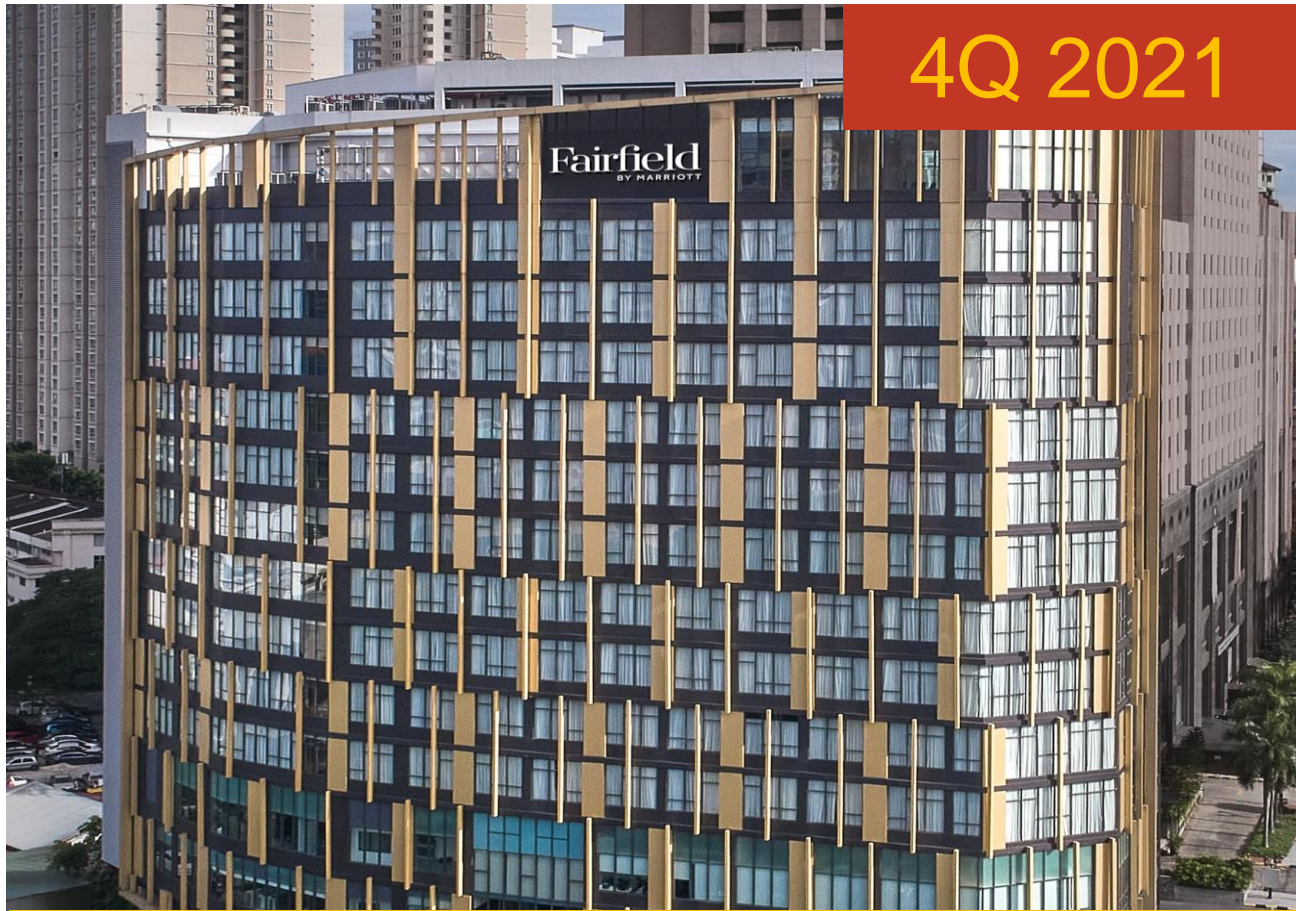
3Q 2021

Putrajaya – Precinct 5
DoubleTree by Hilton Putrajaya Lakeside
5-Star - 290 Rooms



4Q 2021

Putrajaya – IOI Resort City
Palm Garden Hotel, a Tribute Portfolio Hotel
Rebranding - 4-Star - 151 Rooms



4Q 2021

Kuala Lumpur City – Off Jalan Pahang
Fairfield Kuala Lumpur
5-Star - 186 Rooms



2Q 2022

Shah Alam - Jalan Kontraktor U1/14
Mercure Kuala Lumpur Glenmarie
4-Star - 229 Rooms

SERVICED APARTMENTS - NEW COMPLETIONS



4Q 2021

Kuala Lumpur City – Jalan Imbi

Capri Hotel by Fraser
Serviced Apartment - 319 Apts



2Q 2022

KLCC – Jalan Yap Kwan Seng

Ascott Star KLCC Kuala Lumpur
Serviced Apartment - 298 Apts

KUALA LUMPUR HOTELS - UPCOMING COMPLETIONS



Kuala Lumpur City – Jalan Sultan Ismail
Parkroyal Collection Kuala Lumpur
Rebranding | 5-Star | 535 Rooms



Kuala Lumpur City – Jalan Sultan Ismail
Conrad Kuala Lumpur
5-Star | 544 Rooms



Kuala Lumpur City – Jalan Kamunting
Radisson RED@KLCC
4-Star | 166 Rooms



Kuala Lumpur City – Jalan Tun HS Lee
Else Hotel Kuala Lumpur
Boutique | 49 Rooms



Kuala Lumpur Fringe – Jalan Bangsar
Amari Kuala Lumpur
5-Star | 252 Rooms

SELANGOR & PUTRAJAYA HOTELS - UPCOMING COMPLETIONS



Klang, Selangor – Bandar Bestari
KSL Esplanade Hot Spring Hotel
4-Star | 430 Rooms



Shah Alam, Selangor – i-City
DoubleTree by Hilton @ i-City
4-Star | 300 Rooms



Sepang, Selangor – Kota Warisan
Holiday Inn Sepang
3-Star | 250 Rooms



Sepang, Selangor – i-City
Ibis Styles Sepang KLIA
3-Star | 338 Rooms



Putrajaya – Jalan Alamanda
Mercure Living Putrajaya
4-Star | 299 Rooms

KUALA LUMPUR HOTELS - UPCOMING COMPLETIONS



2023

Kuala Lumpur City – Jalan Hang Jebat
Park Hyatt Kuala Lumpur
5-Star | 232 Rooms



2023

Kuala Lumpur City – Jalan Conlay
Kempinski Hotel @ 8 Conlay
5-Star | 260 Rooms



2023

Kuala Lumpur City – Jalan Yap Kwan Seng
Crowne Plaza Kuala Lumpur City Centre
5-Star | 318 Rooms



2023

Kuala Lumpur City – Jalan Ampang
So Sofitel Kuala Lumpur Hotel
5-Star | 226 Rooms



2023

Kuala Lumpur City – Jalan Ampang
Jumeirah Hotel
5-Star | 213 Rooms



2023

Kuala Lumpur City – Jalan P Ramlee
Holiday Indigo On The Park KL
4-Star | 180 Rooms

KUALA LUMPUR HOTELS - UPCOMING COMPLETIONS



2023

Kuala Lumpur Fringe – Jalan Bangsar
Holiday Inn Kuala Lumpur Bangsar
4-Star | 220 Rooms



2024

Kuala Lumpur Fringe – KL Metropolis
Hyatt Regency Kuala Lumpur
5-Star | 450 Rooms



2024

Kuala Lumpur City – Jalan Barat
Kimpton Hotel @ TRX
5-Star | 471 Rooms

2024

EDITION®

Kuala Lumpur City – KLCC
The EDITION @ KLCC
5-Star | 350 Rooms

2025



Putrajaya – Precinct 7
HARRIS Hotel Putrajaya Sentral
4-Star | 200 Rooms

GREATER KL SERVICED APARTMENTS - UPCOMING COMPLETIONS



2022

Kuala Lumpur City – Bukit Bintang

Pan Pacific Serviced Suites KL
Serviced Apartment | 210 Apts



2023

Kuala Lumpur Fringe – Desa Sri Hartamas

Somerset Sri Hartamas KL
Serviced Apartment | 308 Apts



2023

Kuala Lumpur Fringe – KL Metropolis

Somerset KL Metropolis
Serviced Apartment | 262 Apts

2023

citadines
APART' HOTEL

Kuala Lumpur City – Jalan TAR

Citadines Odeon Kuala Lumpur
Serviced Apartment | 240 Apts



2023

Ara Damansara, Petaling Jaya

Citadines Ara Damansara PJ
Serviced Apartment | 193 Apts