ISSUE 246

ZERIN
PROPERT.IES

WEEKLY INSIGHTS

HOSPITALITY INDUSTRY NEWSLETTER

HTTP://WWW.ZERINPROPERTIES.COM

HTTPS://WWW.FACEBOOK.COM/INVESTHOTELS

Retail, hospitality sectors to benefit from tourist arrivals

The return of Chinese tourists to Malaysia is set to benefit the retail and hospitality segments.

Hence, both the retail real estate investment trusts (REITs) and hotel REITs such as Sunway-REIT, KLCCP Stapled Group and Pavilion-REIT are likely to benefit from the influx of tourist arrivals into the country.

Foreigners typically make up about 5% to 30% of total footfall in malls and about 40% to 70% of hotel guests, said UOB Kay Hian (UOBKH) Research.

Having said that, the research house said REITs under its coverage should reach pre-pandemic levels as it forecasts the sector to deliver 5% and 3% earnings growth in 2023 and 2024 respectively.

It prefers the retail segment, particularly prime and niche malls for their proven business resilience. Moreover, the increasing number of international tourist arrivals would benefit the retail segment.

READ MORE

Tourism ministry seeks to increase flights between Malaysia and China

The Tourism, Arts and Culture Ministry is seeking to increase flight routes and frequencies between Malaysia and China, says its minister Datuk Seri Tiong King Sing.

He said he would meet with domestic airlines after the Chinese New Year.

"We hope that flight frequencies will return to pre-pandemic times and therefore boost the economy of both nations, especially in travel for business and tourism," he said.

Tiong also thanked the leadership of China and its people for their support of Malaysia, with the reopening of China's borders.

He said this would inject vitality into the economic development of various fields between both countries. **READ MORE**

MINISTRY OF TOURISM,
ARTS & CULTURE MALAYSIA

MOTAC committed to assist in developing tourism in Malacca

The Ministry of Tourism, Arts and Culture (MOTAC) is committed to continue supporting the development and promotion of Malacca as one of the prime tourist destinations in Malaysia.

Its Minister, Datuk Seri Tiong King Sing (pix) said attention would be given to showcasing Malacca's unique arts, culture and heritage, tourism products and diversity of gastronomy as the main catalyst for the growth of the country's tourism and cultural sectors.

He said this included the RM1 million allocated by the government in 2010 for the construction of the Jonker Walk World Heritage Park, which encompasses the Jonker Walk Main Stage and Jonker Walk Main Gate.

"In 2022, MOTAC added a RM250,000 allocation to upgrade the Jonker Walk World Heritage Park, including repairing the main gate, roof, public toilets as well as replacing the floor tiles and signages.

READ MORE

Recent acquisitions made by CapitaLand India Trust and ARA US Hospitality Trust

Singapore-listed real estate investment trust (S-REIT) acquisitions continue into 2023 with ARA US Hospitality Trust's recent proposed acquisition of a Colorado Hilton-branded hotel in the US for US$29 million. This was after CapitaLand India Trust : CY6U -0.85% (Clint) had announced two more acquisitions and a memorandum of understanding (MOU) in December 2022 to end the year.

ARA US Hospitality Trust announced the proposed acquisition of Home2 Suites by Hilton Colorado Springs South for US$29 million on Jan 4, 2023. The property is a recently built select-service, extended-stay hotel with 119 rooms located at Colorado Springs, a popular tourist attraction at the centre of the Rocky Mountain recreation activities. Revenue per available room (RevPAR) in the Colorado Springs area has exceeded pre-pandemic levels, and the hotel's RevPAR of US$137 outperforms properties in the area.

The acquisition is expected to be yield accretive and the pro forma distribution per stapled security is estimated to increase from 0.355 US cents to 0.784 cents, assuming the transaction was completed on Jan 1, 2021. The acquisition is expected to be completed in the first quarter of 2023. **READ MORE**

Hyatt (H) Expands Footprint in Thailand With Hotel Opening

Hyatt Hotels Corporation's H Andaz brand announced the opening of Andaz Pattaya Jomtien Beach in Thailand. This marks the brand's first property in the region.

Located on the Tawanron beach, the 204-room resort provides guests with access to fitness centers, on-site dining and multi-function indoor-outdoor meeting spaces. It also offers convenient access to leisure attractions, such as Pattaya's green countryside, lakes, wineries, exceptional golf courses and cafes. The property is close to the Suvarnabhumi Airport and Bangkok.

Regarding the opening, David Udell, the group president of the Asia-Pacific, Hyatt, stated, "With the growing demand for immersive, authentic experiences among luxury travelers, we are delighted by the launch of the vibrant Andaz brand in Thailand, one of the world's most appealing destinations." **READ MORE**