

BALI | HOTEL

Hotel Sector

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The Bali hotel market has always been sluggish at the beginning of each year. Both AOR and ADR declined QoQ. However, we still see a rising number of guests, particularly in MICE, such as to Nusa Dua.

Forecast at a glance



Supply

In 2017, Bali is anticipating another 1,144 additional 4-star hotel rooms and 312 5-star hotel rooms.



Performance

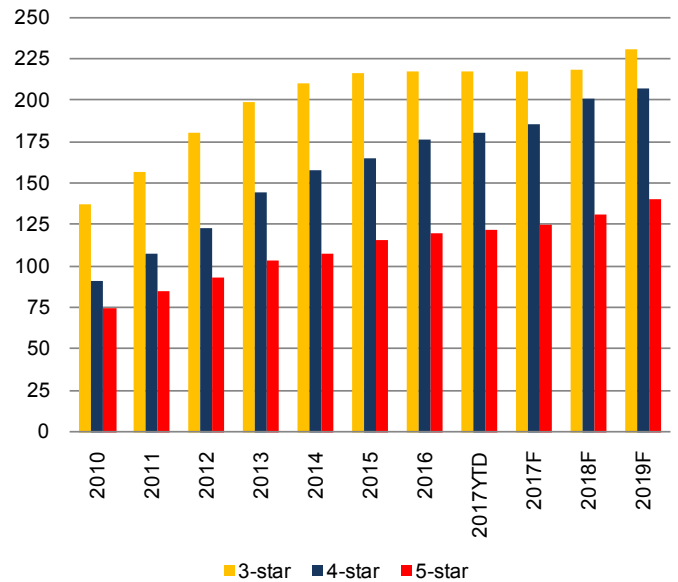
Upcoming events in Bali will help at least maintain the performance of hotels.

Hotel Supply

In Q1 2017, six new hotels began operation in Bali, comprising four 4-star hotels and two 5-star hotels. The additional hotel rooms, however, did not entirely come from the new hotels. The existing Rimba Jimbaran is expanding to offer 121 new additional rooms, bringing the total number of hotel rooms to 403.

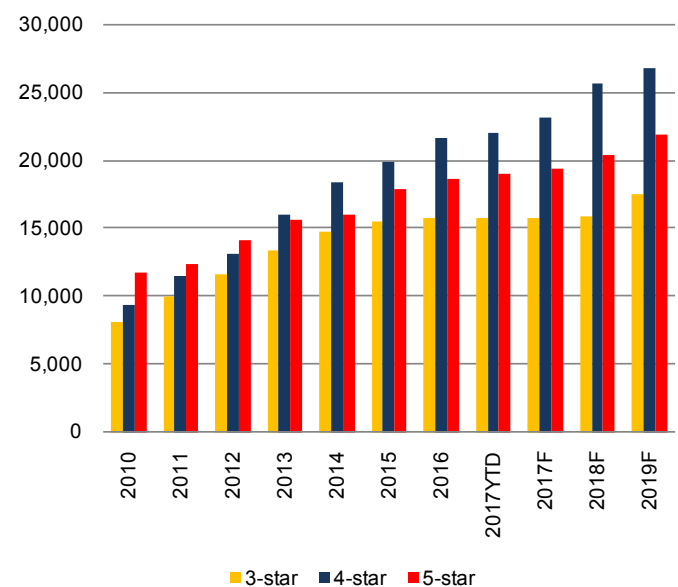
There are now 22,034 4-star hotel rooms in Bali, offered in 180 hotel projects. Meanwhile, the total supply of 5-star hotel rooms changed to 19,038 rooms in 122 hotels.

Cumulative Supply of Star-rated Hotel Projects in Bali



Source: Colliers International Indonesia - Research

Cumulative Supply of Star-rated Hotel Rooms in Bali



Source: Colliers International Indonesia - Research

Newly Operating Hotel in Bali During 2016

HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	# ROOM	OPENING TIME
Radisson BLU Bali Uluwatu	4-star	Upper Upscale Class	Jl Pemutih, Uluwatu	Uluwatu	240	Q1
Alaya Jembawan	4-star	Undefined	Jl Jembawan, Ubud	Ubud	37	Q1
Paramapada Hotel Jimbaran	4-star	Undefined	Jl Yoga Perkanthi, Jimbaran	Jimbaran	125	Q1
Aston Canggu Beach Resort	4-star	Midscale Class	Jl Pantai Batu Bolong	Canggu	93	Q1
Total 4-star hotel rooms					495	
Mövenpick Resort & Spa Jimbaran Bay	5-star	Undefined	Jl. Wanagiri No.1, Jimbaran	Jimbaran	297	Q1
Rimba Jimbaran (extension)	5-star	Undefined	Jl Karang Mas Sejahtera, Jimbaran	Jimbaran	121	Q1
Hoshinoya Bali	5-star	Undefined	Br. Pengembangan, Ubud	Ubud	30	Q1
Total 5-star hotel rooms					448	
Total rooms					943	

Source: Colliers International Indonesia - Research

New Pipeline							
HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
Swiss-Belresort Jimbaran	4-star	Undefined	Jimbaran	Jimbaran	273	Under Construction	2017
Springhill Villas & Resort at Jimbaran Hijau	4-star	Undefined	Jimbaran	Jimbaran	250	Under Construction	2017
The Himana - Mercure Bali Jimbaran	4-star	Upper Midscale Class	Jimbaran	Jimbaran	209	Under Construction	2017
Majestic Water Village	4-star	Undefined	Jimbaran	Jimbaran	64	Under Construction	2017
Swiss-Belresort Pecatu	4-star	Undefined	Pecatu	Pecatu	198	Under Construction	2017
The Element Ubud	4-star	Upscale Class	Ubud	Ubud	150	Under Construction	Q3 2017
Jivanara Ubud by Preference Hotel	4-star	Undefined	Ubud	Ubud	42	Under Planning	Q1 2018
DusitD2 Sunset Road	4-star	Undefined	Jl Raya Kuta - Imam Bonjol	Kuta	252	Under Construction	2018
Swiss-Belresort Arjuna (condotel)	4-star	Undefined	Legian	Legian	165	Under Construction	2018
Grand Summit Pecatu	4-star	Undefined	Pecatu	Jimbaran	388	Under Construction	2018
Hotel X2 Bali Breakers - Adaya Balangan	4-star	Undefined	Pantai Balangan	Jimbaran	112	Under Construction	2018
Indigo Hotel Seminyak	4-star	Upscale Class	Double Six	Seminyak	289	Under Construction	2018
Sol House Hotel Kuta	4-star	Midscale Class	Jl Bakung Sari, Kuta	Kuta	132	Under Construction	2018
Eastin Hotel Residence	4-star	Upscale Class	Jl Munduk Catu	Seminyak	102	Under Construction	2018
Aloft Seminyak	4-star	Upscale Class	Jl Batu Belig 228, Kerobokan	Seminyak	80	Under Construction	2018
Novotel Hotel Ubud Payangan	4-star	Upscale Class	Banjar Semaon, Payangan	Ubud	165	Under Planning	2018

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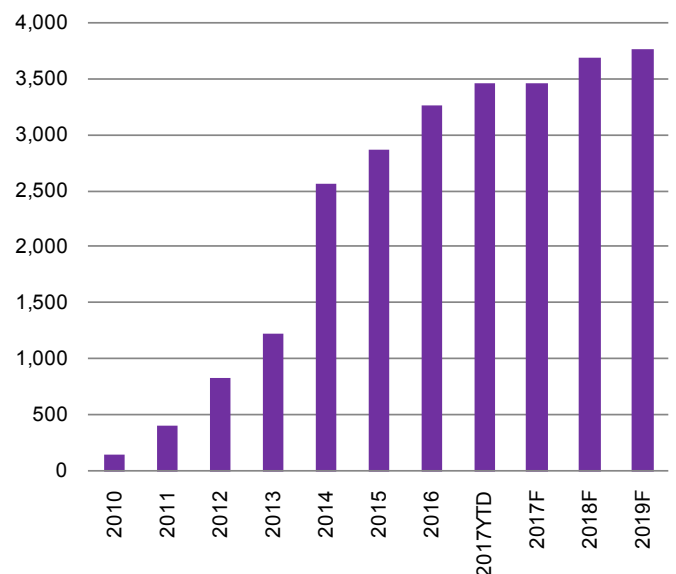
HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
Grand Orange Pandawa Beach	4-star	Undefined	Pandawa Beach	Jimbaran	129	Under Construction	2018
The Stones Hotel	4-star	Undefined	Desa Payangan	Ubud	60	Under Construction	2019
Total 4-star hotel rooms					3,060		
The Westin Ubud Resort & Spa	5-star	Upper Upscale Class	Lodtunduh, Singakerta	Ubud	110	Under construction	Q2 2017
Jumeirah	5-star	Luxury Class	Jimbaran	Jimbaran	106	Under construction	2017
Waldorf Astoria Bali Uluwatu	5-star	Luxury Class	Bukit Pandawa	Jimbaran	96	Under construction	2017
New World Grand Bali Resort	5-star	Undefined	Pecatu Indah Resort	Pecatu	328	Under construction	2018
Andaz Hotel Bali by Hyatt	5-star	Luxury Class	Danau Tamblingan, Sanur	Sanur	145	Under construction	Q1 2018
Samana Condotel	5-star	Undefined	Jl Telaga Waja No. 05, Benoa	Tanjung Benoa	250	Under construction	Q3 2018
Mandarin Oriental Bali	5-star	Luxury Class	Bukit Pandawa	Jimbaran	121	Under construction	2018
Goco Retreat Ubud	5-star	Undefined	Gianyar	Ubud	83	Under Planning	2018
Renaissance Bali Resort & Spa Nusa Dua	5-star	Luxury Class	Jl Siligita	Nusa Dua	200	Under construction	2018
Swissotel Bali	5-star	Upper Upscale Class	Jl Pantai Pandawa Kutuh	Jimbaran	170	Under construction	2018
The Sarasvati, a Luxury Collection Resort, Bali	5-star	Luxury Class	Seminyak Beach	Seminyak	64	Under construction	Q3 2019
Satoria Dreamland Resort Bali Hotel	5-star	Undefined	Pantai Dreamland	Badung	200	Under Planning	2019
One Ungasan Condominium Resort	5-star	Undefined	Jl Raya Ungasan	Jimbaran	160	Under Planning	2019
Total 5-star hotel rooms					2,033		
Total hotel rooms					5,093		

Source: Colliers International Indonesia - Research, STR

Budget Hotel

There has been no new budget hotel in Bali since Q4 2016, and thus the total budget hotel rooms hovered at 3,258. This year, the market will potentially receive two new budget hotel developments that are now under construction and will provide 210 additional rooms.

Cumulative Supply of Budget Hotel (Economy Class) in Bali



Source: Colliers International Indonesia - Research

Budget Hotel Development Pipelines						
HOTEL NAME	STR CHAIN SCALE RATE	LOCATION	REGION	NO. OF ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
Zest Kuta Square	Economy Class	Kuta	Kuta	80	Under construction	2017
@HOM Jimbaran	Undefined	By Pass Ngurah Rai	Jimbaran	121	Under construction	2017
POP! Hotel Benoa	Economy Class	Benoa	Benoa	151	Under construction	Q1 2018
Total budget hotel rooms				352		

Source: Colliers International Indonesia - Research

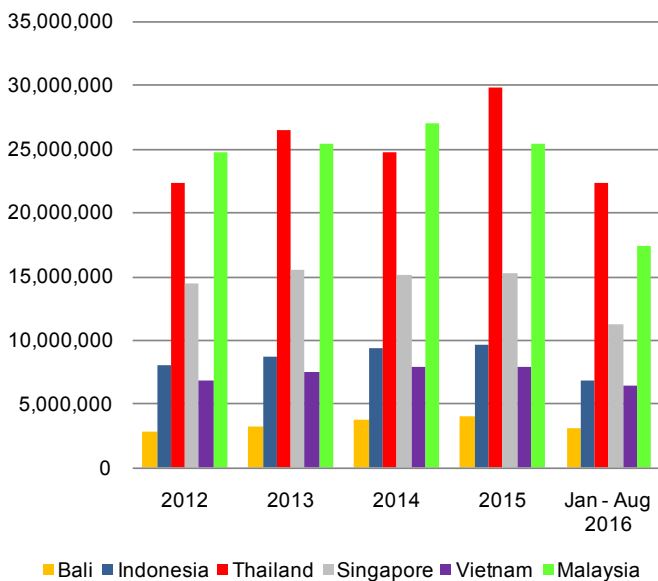
Hotel Demand

The government has targeted six million visitors for the entire 2017, which is 26.4% higher than last year's target. With this goal, Bali needs to explore other tourism destinations/activities that could attract more tourists to the island paradise.

Thailand tourism is a good model for Bali or even Indonesia when it comes to accelerating the tourism industry. They are quite successful in developing new tourism destinations and activities to increase the number of visitors and transform their former sex-related tourism image to family-oriented. The number of tourists to Thailand keeps increasing over time. Compared to Indonesia, the number of inbound tourists to Thailand is almost three times bigger.

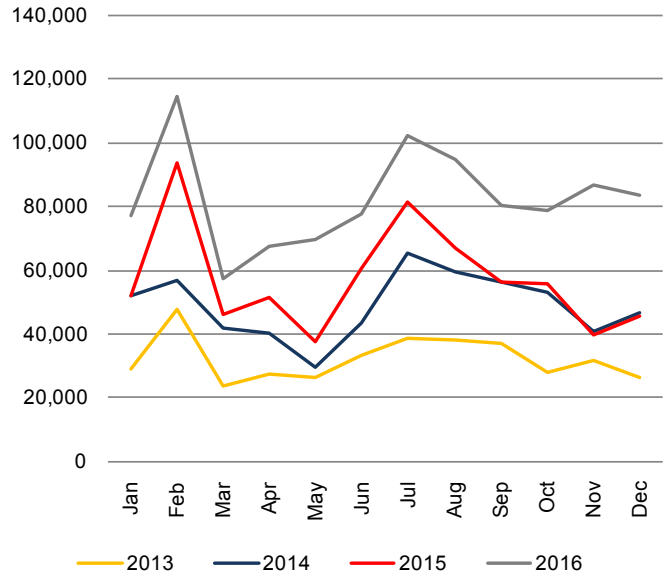
Over the past four years, the number of Chinese tourists has grown. As of January 2017, Chinese tourists dominated the Bali tourism market. The number of visitors from China usually increases in February particularly during the Chinese New Year and July-August during the summer holiday.

Number of Tourists Visiting Major ASEAN Countries



Source: Bali Provincial Tourism Office, Tourism Malaysia, Singapore Tourism Board, Bank of Thailand

Number of Chinese Tourists Visiting Bali



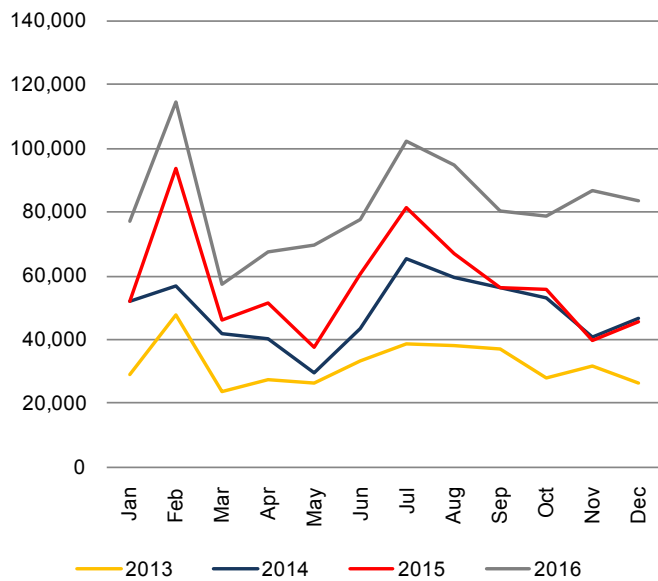
Source: Bali Provincial Tourism Office

Performance

Bali recently went under the spotlight, benefiting from the visit of King Salman and his entourage, with Nusa Dua as the centre of activities. Nonetheless, this visit did not directly impact the overall tourism in Bali, of which the hotel market performance is considered steady.

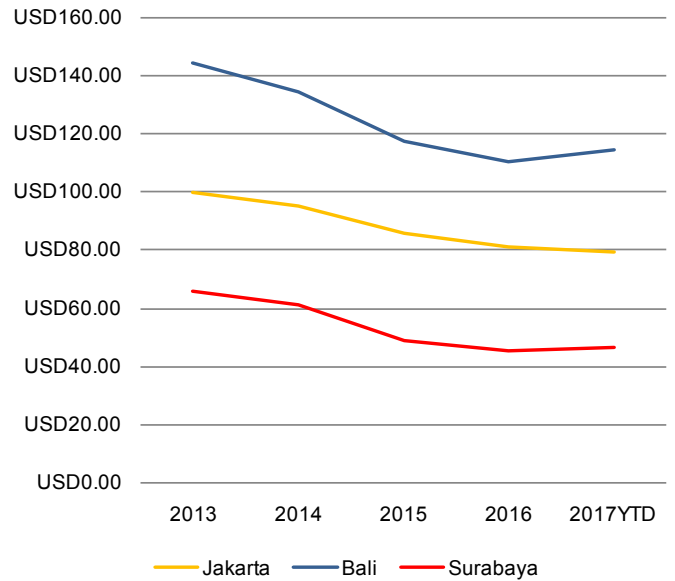
New hotels that started operating in Q4 2016 are still trying to grab the market, whilst those that began operation in Q1 2017 are still struggling to promote themselves to the market.

Average Occupancy Rate



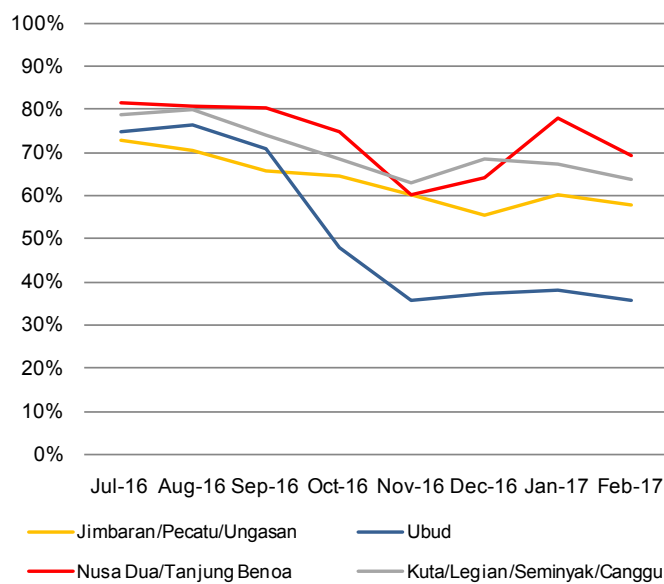
Source: STR Global

Average Daily Rate



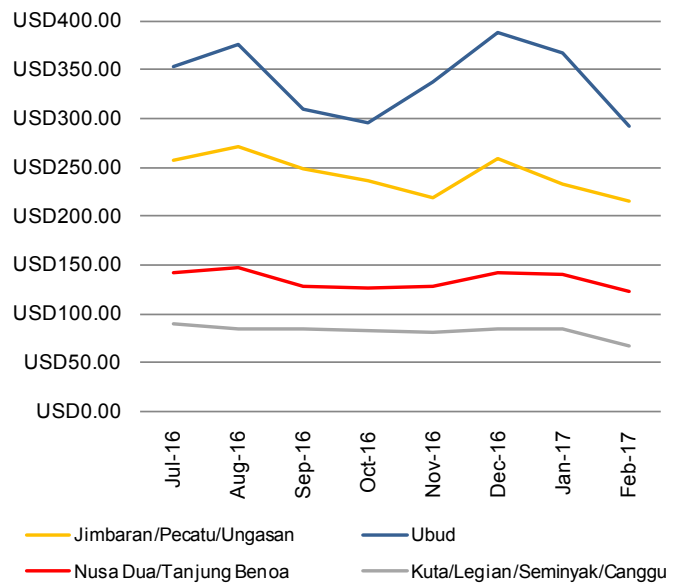
Source: STR Global

Monthly Average Occupancy Rate (by Region)



Source: STR Global

Monthly Average Occupancy Rate (by Region)



Source: STR Global

In Bali, the first quarter is considered a low season, when school had just started and only a few people go on a holiday. This caused the month-on-month performance to decline.

Nonetheless, as a MICE destination, Bali's tourism industry is still fuelled by MICE activities, which helped increase the number of tourists and maintained good occupancy during Q1 2017, particularly in the Nusa Dua area. Occupancy level in Nusa Dua and Tanjung Benoa was recorded as the highest amongst other areas during the period.

The low performance in occupancy (AOR) had led to the declining ADR month-on-month. Despite the increasing number of tourists to Bali, many hoteliers admit that the length of stay by tourists has declined. The many new hotels in the island have attracted people to try and experience other properties. Aside from that, tourists now frequently hop in and hop out of one hotel to another, in order to easily move to the new tourism destinations.

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