

## Hotel Sector

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**Occupancy climbed in Q2 2017 to above 65%, underpinned by a considerable amount of supply, increased number of inbound tourists through the airport and a number of MICE activities.**

### Forecast at a glance



#### Supply

Up to the end of 2019, hotel supply in Bali will be dominated by 4-star and 5-star hotels. Up to 2017, Bali is still expecting another 918 new rooms, composed of 609 4-star hotels rooms and 309 5-star hotel rooms.

## Hotel Supply

### Star-rated Hotel

Four 4-star hotels started their operation in Q2 2017 providing 699 rooms. Meanwhile, Harris Resort Kuta Beach (4-star) ends operation and will be redeveloped under the new brand, Yello Hotel, which is still under Tauzia Hotel Management.

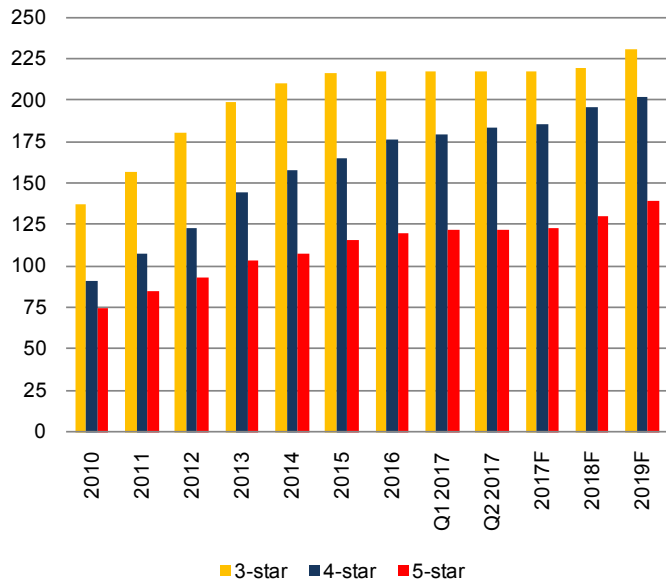
The total supply of hotels in Bali is now 57,065 rooms, consisting of 15,730 3-star hotel rooms, 22,297 4-star hotel rooms and 19,038 5-star hotel rooms. Total operating hotel projects in Bali is currently 521, comprising 217 3-star hotels, 182 4-star hotels and 122 5-star hotels.

### Newly Operating Hotel in Bali During 2017

HOTEL NAME	STAR-RATED	STR CHAIN SCALE RATE	LOCATION	REGION	# ROOM	OPENING TIME
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	Undefined	Jl Pantai Batu Bolong	Canggu	93	Q1
Swiss-belresort Pecatu	4-star	Upper Midscale	Jl Pecatu Indah Raya Blok G2	Uluwatu	199	Q2
Indigo Hotel Seminyak	4-star	Upscale	Jl Camplung Tanduk	Seminyak	289	Q2
Sol House Bali Legian	4-star	Midscale	Jl. Sriwijaya No. 16	Legian	136	Q2
Best Western Premier Agung Resort Ubud	4-star	Upscale	Jl. Sriwedari No. 99, Ubud	Ubud	75	Q2
Total 4-star hotel rooms					954	
Mövenpick Resort & Spa Jimbaran Bay	5-star	Upscale	Jl. Wanagiri No.1, Jimbaran	Jimbaran	297	Q1
Rimba Jimbaran (extention)	5-star	Undefined	Jl Karang Mas Sejahtera, Jimbaran	Jimbaran	121	Q1
Hoshinoya Bali	5-star	Undefined	Br. Pengembungan, Desa Pejeng Kangin, Ubud	Ubud	30	Q1
Total 5-star hotel rooms					448	
Total rooms					1,402	

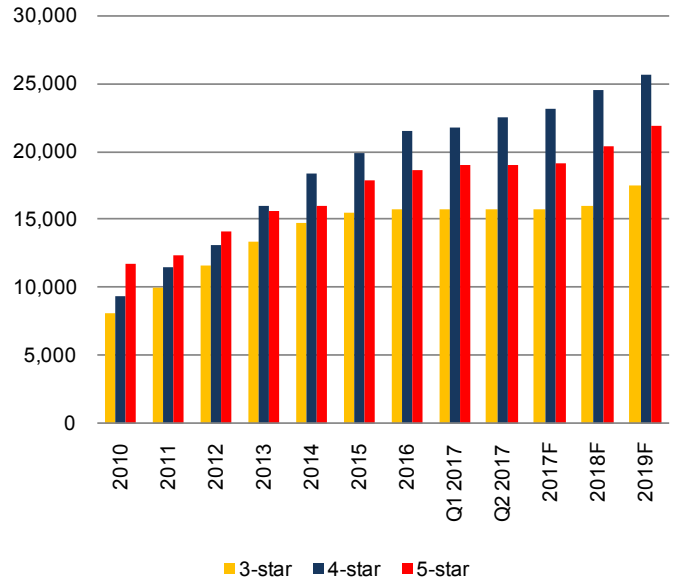
Source: Colliers International Indonesia - Research, STR

### Cumulative Supply of Star-rated Hotel Projects in Bali



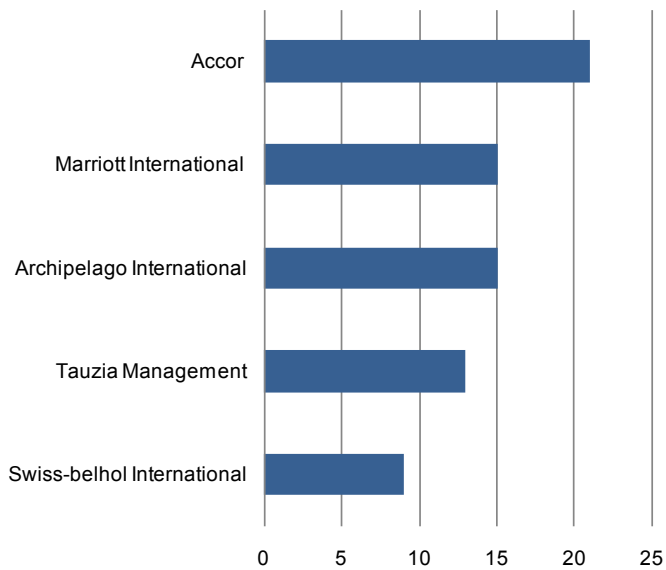
Source: Colliers International Indonesia - Research, STR

### Cumulative Supply of Star-rated Hotel Rooms in Bali



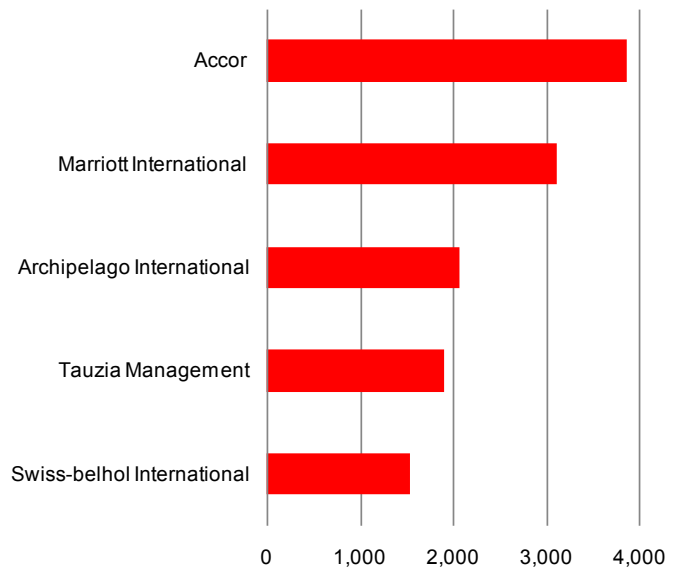
Source: Colliers International Indonesia - Research, STR

### Top 5 Hotel Operator Based on Number of Projects



Source: Colliers International Indonesia - Research, STR

### Top 5 Hotel Operator Based on Number of Rooms



Source: Colliers International Indonesia - Research, STR

Bali is one of the most dense areas with hotel developments in Indonesia, with 521 star-rated hotel projects. Amongst the biggest international hotel operators is Accor, which operates 21 hotels in Bali offering a total of 3,847 rooms, followed by Marriott International with 15 hotels offering 3,110 rooms. Archipelago International is also quite

active, managing 2,067 rooms from 15 hotels. Marriott is quite dominant as a luxury 5-star hotel brand with 11 hotel projects and a total of 2,276 rooms. Meanwhile, in the 3-star and 4-star categories, Accor is managing eight 4-star hotels with 1,582 rooms and seven 3-star hotels with 1,026 rooms.

New Pipeline							
HOTEL NAME	STAR-RATED	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
Fairfield Hotel	3-star	Upper Midscale	Jl Sunset Road	Kuta	223	Under Construcion	2018
Total 3-star hotel rooms					223		
Springhill Villas & Resort at Jimbaran Hijau	4-star	Undefined	Jimbaran	Jimbaran	250	Under Construction	2017
The Himana - Mercure Bali Jimbaran	4-star	Upper Midscale	Jimbaran	Jimbaran	209	Under Construction	2017
The Element Ubud	4-star	Upscale	Ubud	Ubud	150	Under Construction	Q4 2017
Swiss-Belresort Arjuna (condotel)	4-star	Undefined	Legian	Legian	100	Under Construction	2018
Eastin Hotel Residence	4-star	Upscale	Jl Munduk Catu	Seminyak	102	Under Construction	2018
Aloft Seminyak	4-star	Upscale	Jl Batu Belig 228	Seminyak	80	Under Construction	2018
Aloft Ubud	4-star	Upscale	Tanah Parkir Bebek Bengil	Ubud	148	Under Planning	2018
Novotel Hotel Ubud Payangan	4-star	Upscale	Banjar Semaon	Ubud	165	Under Planning	2018
Grand Orange Pandawa Beach	4-star	Undefined	Pandawa Beach	Jimbaran	129	Under Construction	2018
Swiss-Belresort Jimbaran	4-star	Undefined	Jimbaran	Jimbaran	273	Under Construction	2018
Four Points by Sheraton Bali - Ubud	4-star	Upscale	Jl. Resi Markandeya	Ubud	105	Under Planning	Q3 2018
Aloft Bali Kuta	4-star	Upscale	Jl Pantai Kuta	Kuta	189	Under Planning	5-Jul
The Stones Hotel	4-star	Undefined	Desa Payangan	Ubud	60	Under Construction	2019
DusitD2 Sunset Road	4-star	Undefined	Jl Raya Kuta - Imam Bonjol	Kuta	278	Under Construction	2019
Total 4-star hotel rooms					2,238		
Jumeirah	5-star	Luxury	Jimbaran	Jimbaran	106	Under construction	2017
Renaissance Bali Resort & Spa Uluwatu	5-star	Luxury	Jl Pantai Balangan	Uluwatu	203	Under construction	2017
Waldorf Astoria Bali Uluwatu	5-star	Luxury	Bukit Pandawa	Jimbaran	96	Under construction	2018
New World Grand Bali Resort	5-star	Undefined	Pecatu Indah Resort	Pecatu	328	Under construction	2018
Andaz Hotel Bali by Hyatt	5-star	Luxury	Danau Tamblingan	Sanur	145	Under construction	Q1 2018
Samana Condotel	5-star	Undefined	Jl Telaga Waja No. 05	Tanjung Benoa	250	Under construction	Q3 2018
Swissotel Bali	5-star	Upper Upscale Class	Jl Pantai Pandawa Kutuh	Jimbaran	170	Under construction	2018
Hyatt Regency Bali	5-star	Upper Upscale	Jl Danau Tambilingan	Sanur	375	Under construction	2018
The Sarasvati, a Luxury Collection Resort, Bali	5-star	Luxury	Seminyak Beach	Seminyak	64	Under construction	Q3 2019
Solis Capella Resort Hotel	5-star	Luxury	Ubud	Ubud	111	Under construction	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					2,208		
Total rooms					4,446		

Source: Colliers International Indonesia - Research, STR

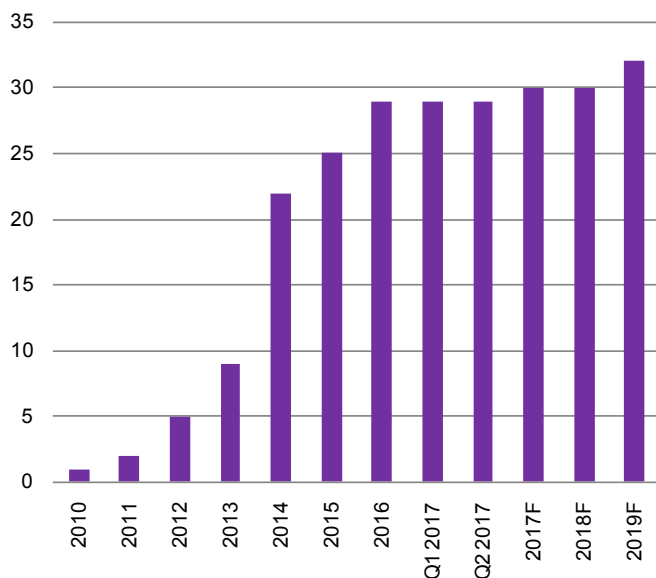
## Budget Hotel

The supply of budget hotels is relatively stagnant. There is no new budget hotel being completed since Q1 2017. Total budget hotel stock remains at 3,258 rooms from 29 hotels.

Budget Hotel Development Pipelines						
HOTEL NAME	STR CHAIN SCALE RATE	LOCATION	REGION	NO. OF ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
@HOM Jimbaran	Undefined	By Pass Ngurah Rai	Jimbaran	121	Under construction	2017
POP! Hotel Benoa	Economy Class	Benoa	Benoa	151	Under construction	2019
Zest Kuta Square	Economy Class	Kuta	Kuta	80	Under construction	2019
Total budget hotel rooms				352		

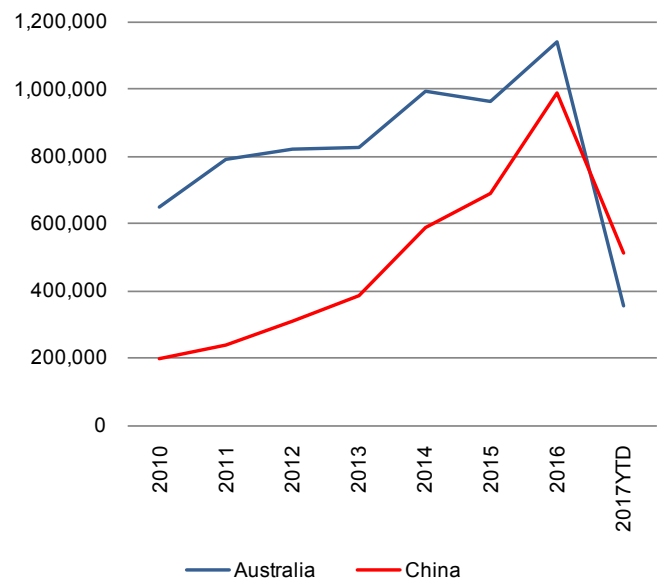
Source: Colliers International Indonesia - Research

### Cumulative Supply of Budget Hotel Projects in Bali



Source: Colliers International Indonesia - Research

### Number of Australian Tourists vs Chinese Tourist Visiting Bali



Source: Colliers International Indonesia - Research

## Hotel Demand

Chinese tourists have been quite dominating the profile of visitors to Bali. Up to the end of May 2017, according to the Bali Provincial Tourism Office, the number of Chinese tourists landing at Ngurah Rai International Airport increased by 59.6% YoY from 386,096 to 511,773.

In line with that, several international flights plan to open additional routes to Ngurah Rai International Airport. Qantas and Garuda Indonesia Airlines will have more flights to capture the Australian market better. Furthermore, Qatar Airways and Emirates are also planning to add more flights to Bali in the third quarter this year.

By the end of June, Barack Obama and his family visited Bali for several days. This trip coincided with a major effort by Indonesia's Tourism Ministry to promote travel to the country, especially from the United States. From 2010 up to 2016, the number of tourists from the US steadily increased. However, the growth was limited when compared to the growth of inbound tourism from India and China.

# Performance

Since March, occupancy performance has been in the upward trend and in line with the general hotel trend for the last four years. We foresee that the trend for the full year 2017 is quite predictable particularly because the holiday seasons in Bali have followed the same pattern for several years.

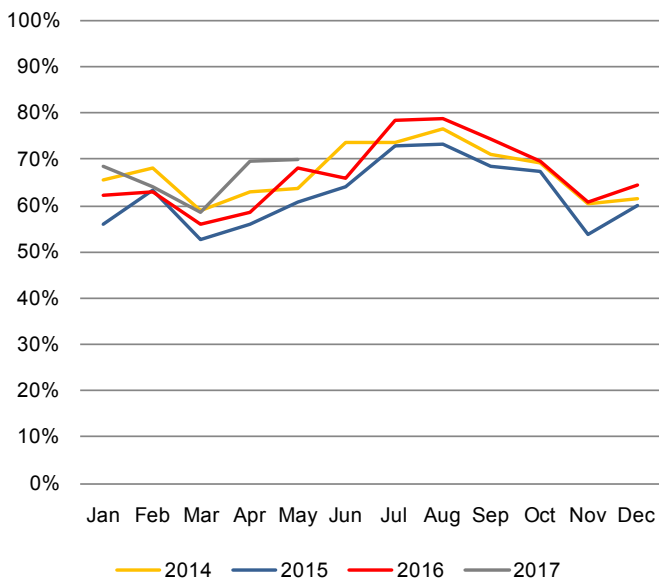
In the next couple of months, Bali will anticipate a peak period until August and is expecting more tourists for the summer holiday.

Unlike in Jakarta, the monthly occupancy performance for April to May 2017 outstripped the figures in the same period of the last three years.

In April and May 2017, there were so many national holidays, most of which landed on the end or early part of the week. This resulted to an impressive performance.

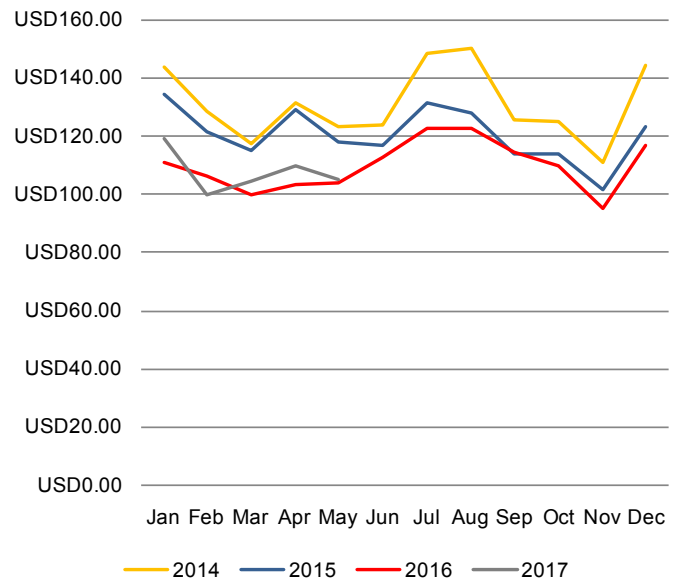
Because the holidays were national in nature, most of the visitors were local tourists. Furthermore, Ramadan took place at the end of May, and some people decided to go on holidays before Ramadan.

## Monthly Average Occupancy Rate (AOR) Bali Hotel Market



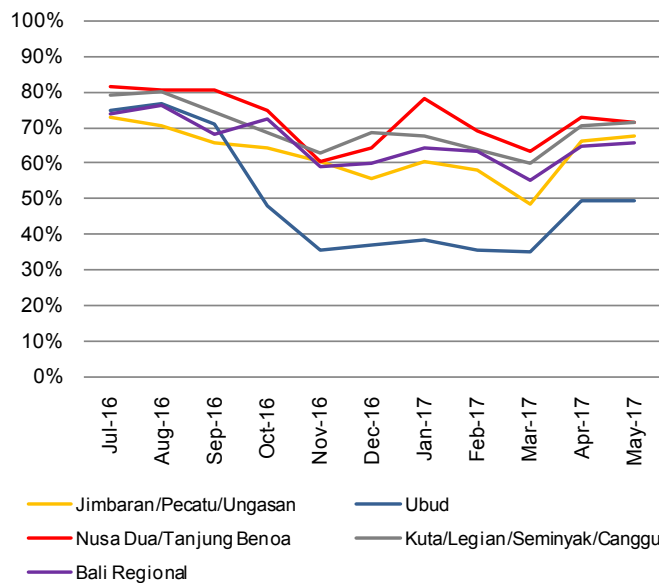
Source: STR Global

## Monthly Average Daily Rate (ADR) Bali Hotel Market



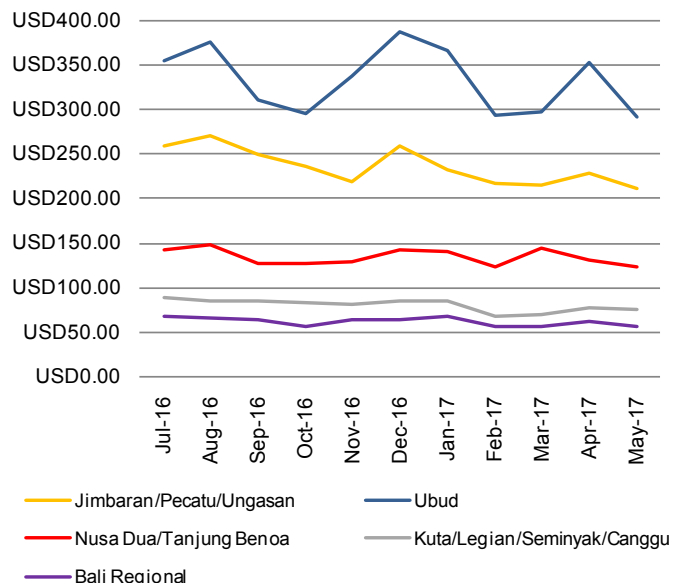
Source: STR Global

## Monthly Average Occupancy Rate (AOR) Bali Hotel Market by Area



Source: STR Global

## Monthly Average Daily Rate (ADR) Bali Hotel Market by Area



Source: STR Global



Just like occupancy, the ADR figures this year emulate last year's figures although it was still below the figures in 2014 and 2015. A considerable amount of new supply influx during the quarter, as well as the increasing number of tourists, might help stabilise market condition. Room supply in Q2 2017 is 13% lower than that in Q2 2016. Correspondingly, the number of tourists, up to April 2017, increased by 23.6% YoY.

Aside from that, we have to recognise government efforts in accelerating tourism and campaigning Indonesia to the world. Thus far, we have seen a number of participations in quite a few hospitality and tourism conferences and progressive advertisements through various media.

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