

JAKARTA | HOTEL

Hotel Sector

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The hotel market in Jakarta has yet to show signs of recovery. All performance indicators suggest that the hotel trend going forward should be in line with the trends in the previous years, only that the figures were relatively low since 2014. The hotel market in Jakarta, as it is still very much associated with business activities, is still struggling in the competitive market.

Forecast at a glance



Supply

From now up to 2017, Jakarta is expecting 2,692 new rooms, comprising 534 3-star hotel rooms, 1,508 4-star hotel rooms and 450 5-star hotel rooms.



Performance

Over the next two years, the number of new hotel rooms will be fairly limited and supply amount will be more manageable. Together with the expected better economy, such condition is expected to facilitate hotel recovery going forward.

Hotel Supply

Star-rated Hotel

In Q2 2017, Jakarta saw no new hotel room supply, thus the number of rooms remained the same at 11,250 rooms for 3-star hotels, 15,217 for 4-star hotels and 12,843 for 5-star hotels.

Whilst hotel supply remained unchanged, Ayana replaced Intercontinental this quarter as the new operator of Ayana Midplaza Jakarta.

Newly Operating Star-rated Hotels in Jakarta						
HOTEL NAME	STAR-RATED	STR CHAIN SCALE RATE	LOCATION	REGION	# ROOM	OPENING TIME
Yello Hotel Manggarai	3-star	Undefined	Jl Minangkabau Timur No 9	South Jakarta	102	Q1
Total 3-star hotel rooms					102	
Harris Hayam Wuruk	4-star	Upscale Class	Hayam Wuruk	Central Jakarta	240	Q1
Total 4-star hotel rooms					240	
Total rooms					342	

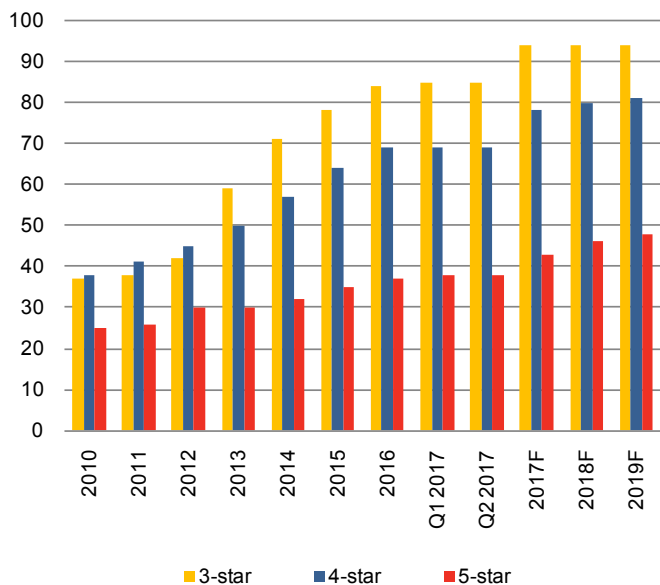
Source: Colliers International Indonesia - Research

Rebranded Hotels in Jakarta During 2017

HOTEL NAME	PREVIOUS NAME	STAR-RATED	YEAR OF OPERATION	LOCATION	REGION	NUMBER OF ROOMS
Ayana Midplaza Jakarta	Intercontinental Jakarta Midplaza	5-star	1998	JI Jend. Sudirman Kav. 10-11	CBD	366

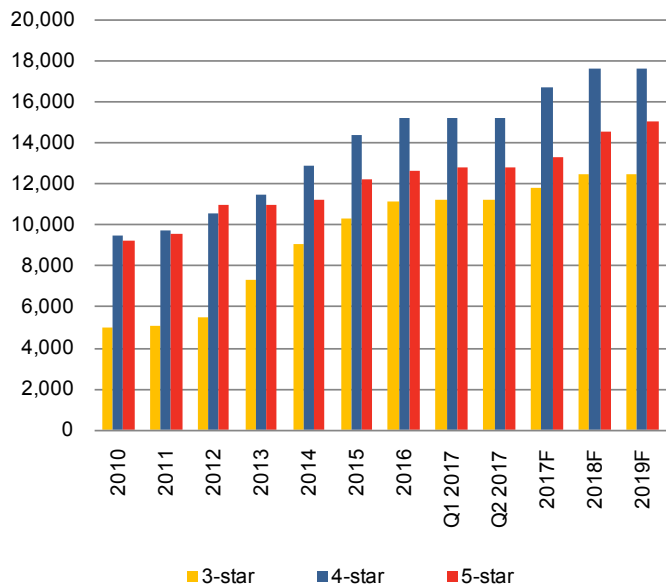
Source: Colliers International Indonesia - Research

Cumulative Supply of Star-rated Hotel Projects in Jakarta



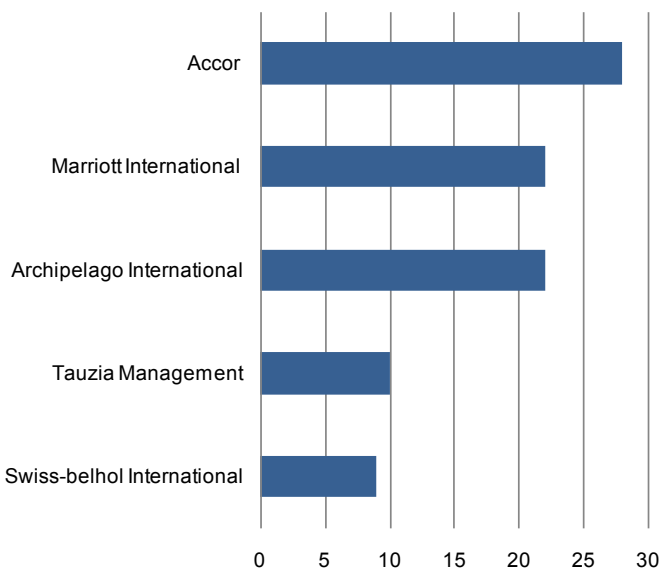
Source: Colliers International Indonesia - Research

Cumulative Supply of Star-rated Hotel Rooms in Jakarta



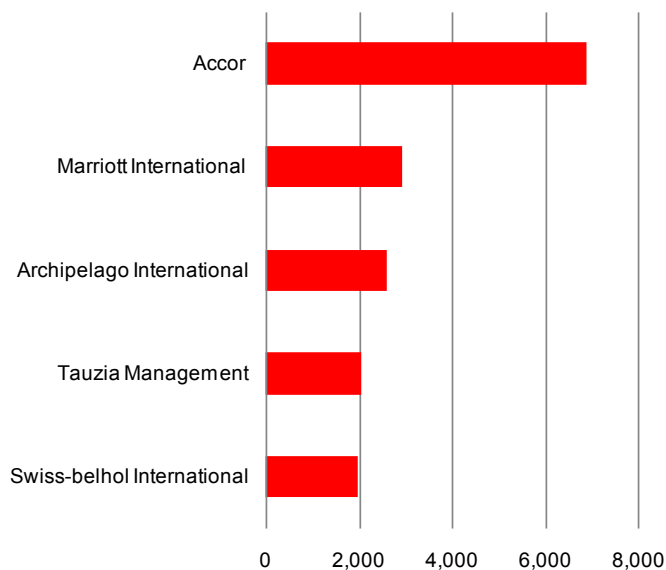
Source: Colliers International Indonesia - Research

Top 5 Hotel Operator Based on Number of Projects



Source: Colliers International Indonesia - Research

Top 5 Hotel Operator Based on Number of Rooms



Source: Colliers International Indonesia - Research

New Pipeline							
HOTEL NAME	STAR-RATED	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
Harper TB Simatupang	3-star	Undefined	TB Simatupang	South Jakarta	180	Under construction	Q3 2017
Des Indes Boutique Hotel by Preference Tauzia	3-star	Undefined	HOS Cokroaminoto	Central Jakarta	97	Under construction	Q3 2017
Ibis Styles TB Simatupang	3-star	Upper Midscale	TB Simatupang	South Jakarta	110	Under construction	2017
Dalton Jakarta Hotel	3-star	Undefined	Otto Iskandar Dinata	East Jakarta	147	Under construction	2017
Hotel Pasar Senen	3-star	Undefined	Pasar Senen	Central Jakarta	200	Under construction	2018
Whiz Prime Hayam Wuruk	3-star	Undefined	Hayam Wuruk	Central Jakarta	130	Under Planning	2018
Hotel by Graha Gatsu Lestari	3-star	Undefined	Jl Gatot Subroto	South Jakarta	100	Under construction	2018
Total 3-star hotel rooms					964		
Aston Titanium Cijantung	4-star	Upscale	Cijantung	East Jakarta	225	Under construction	2017
Mercure PIK Avenue	4-star	Upscale	Pantai Indah Kapuk	North Jakarta	220	Under construction	2017
aloft Kebon Jeruk	4-star	Upscale	Kebon Jeruk	West Jakarta	140	Under construction	Q3 2017
aloft Wahid Hasyim	4-star	Upscale	Wahid Hasyim	Central Jakarta	160	Under construction	Q4 2017
Swiss-Belhotel Kirana Avenue - Kelapa Gading	4-star	Upscale	Kelapa Gading	North Jakarta	316	Opening preparation	2017
Holiday Inn Hotel & Resorts Jakarta Gajah Mada	4-star	Upper Midscale	Gajah Mada	Central Jakarta	447	Opening preparation	2017
Novotel Cikini	4-star	Upscale	Cikini	Central Jakarta	286	Under construction	2018
Hilton Doubletree Hotel	4-star	Upper Upscale	Jl Raya Adicpta Kavling 8	West Jakarta	200	Under planning	2018
aloft Jakarta Simatupang	4-star	Upscale	TB Simatupang	South Jakarta	180	Under construction	Q4 2019
Total 4-star hotel rooms					2,174		
Pullman PIK Avenue	5-star	Upper Upscale	Pantai Indah Kapuk	Non CBD	200	Under construction	2017
Alila - SCBD lot 11	5-star	Luxury	SCBD	CBD	250	Under construction	2017
Park Hyatt Hotel	5-star	Luxury	Kebon Sirih	Central Jakarta	150	Under construction	Q1 2018
InterContinental Jakarta Pondok Indah Hotel & Residences	5-star	Luxury	Pondok Indah	South Jakarta	300	Under construction	2018
Regent	5-star	Luxury	Gatot Subroto	CBD	160	Under construction	2018
St Regis	5-star	Luxury	HR Rasuna Said	CBD	280	Under construction	Q1 2019
The Langham District 8@Lot 28 SCBD	5-star	Luxury	SCBD	CBD	200	Under construction	2019
Waldorf Astoria	5-star	Luxury	Thamrin	CBD	181	Under construction	2019
Total 5-star hotel rooms					1,721		
Total rooms					4,859		

Source: Colliers International Indonesia - Research, STR

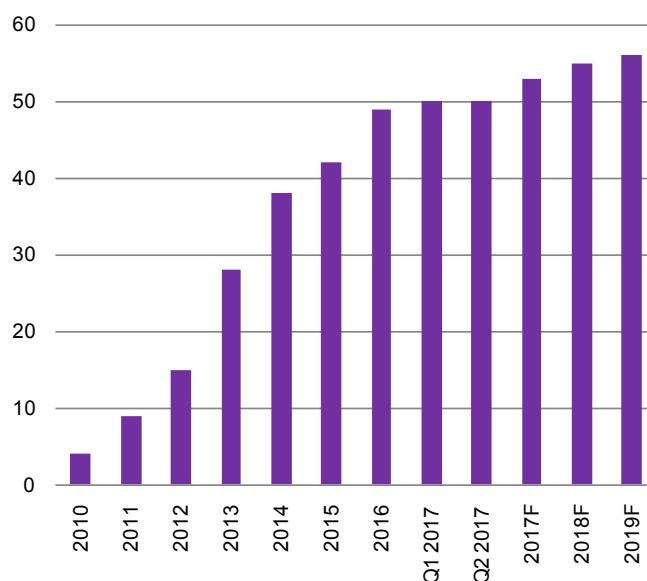
In terms of number of room and project, Accor Hotels Group commands the hotel market in Jakarta. From the total 26 hotel brands under Accor all over the world, they operate with 10 hotel brands here that manage 28 hotel projects (star-rated and non-star-rated hotels) with a total of 6,859 rooms under their management.

There are 11 hotel projects comprising 2,173 rooms under Accor management and seven 4-star hotels consisting of 1,770 rooms. Meanwhile, the 5-star segment is still dominated by Marriott International with eight hotels and 1,869 rooms. However, despite leading in number of projects, Accor has more 5-star hotel rooms than Marriott International with 2,285 rooms.

Budget Hotel

Like the star-rated hotels, there were no additional budget rooms in Q2 2017, thus the total number of budget hotels in Jakarta remains at 5,907 rooms from 50 hotel projects. Going ahead, Jakarta is now expecting another 322 rooms from three new budget hotels by the end of 2017.

Cumulative Supply of Budget Hotel Projects in Jakarta



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
NEO Kebayoran	Midscale Class	Kebayoran Lama	South Jakarta	102	Under construction	2017
MaxOne Hayam Wuruk	Undefined	JI Hayam Wuruk	Central Jakarta	120	Under construction	2017
NEO Kalideres	Midscale Class	JI Peta Barat No. 1	West Jakarta	100	Under construction	2017
Total rooms				322		

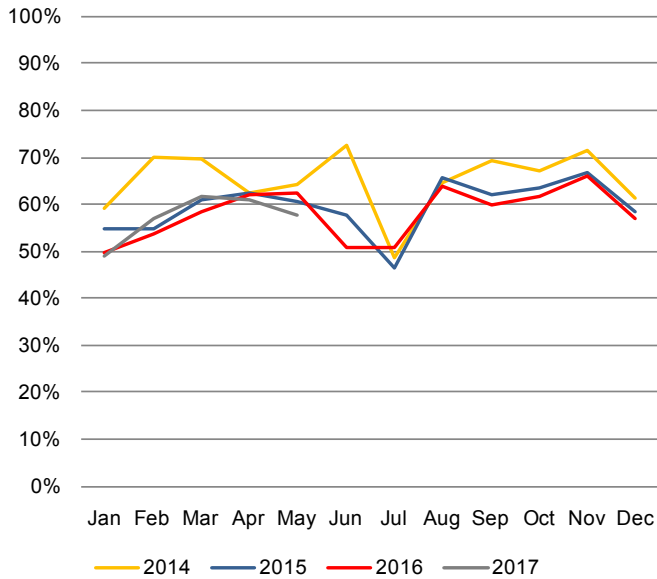
Source: Colliers International Indonesia - Research, STR

Hotel Demand

Eid al-Fitr took place at the end of Q2, and as a fasting month, it ushered in a long holiday in Indonesia. As a result, business activities slowed down. As hotels in Jakarta are business-driven, the number of hotel enquiries and MICE activities decreased in number. Furthermore, the country's economy has yet to fully recover and thus creating an impact to the level of hotel uses, particularly because the government still restrains excessive use of hotels for meeting purposes.

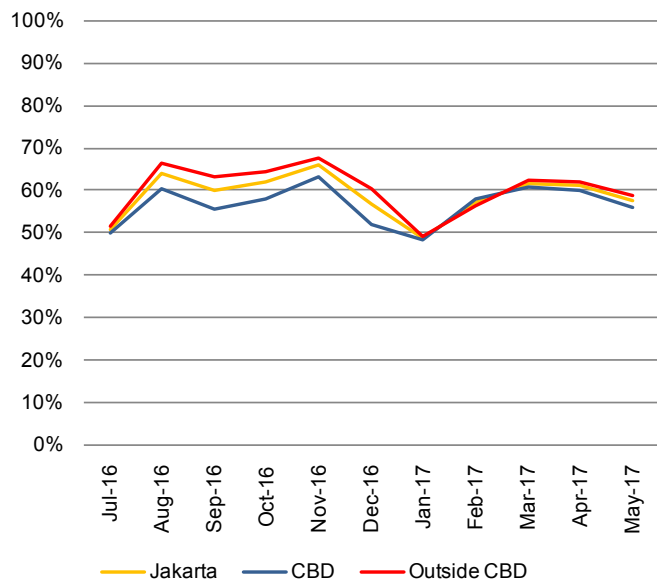
Performance

Monthly Average Occupancy Rate (AOR) Jakarta Hotel Market



Source: STR Global

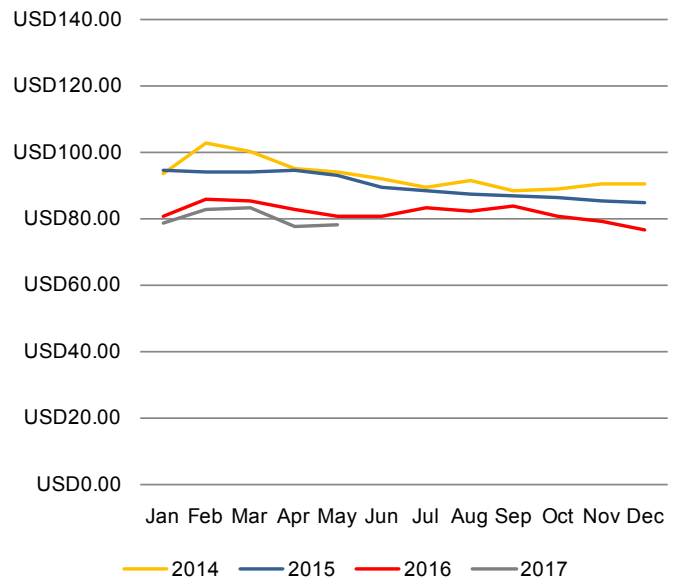
Monthly Average Occupancy Rate (AOR) Based on Area



Source: STR Global

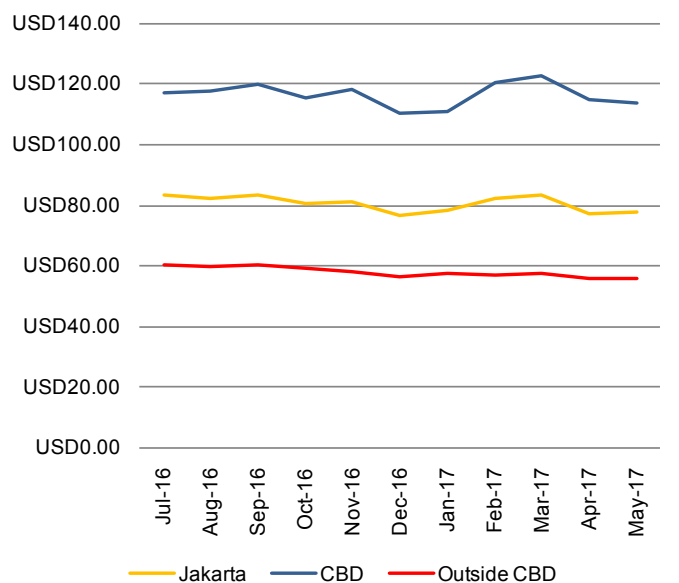
Since 2015, the pattern of hotel occupancy performance in the second quarter has always been identical with a drop at the end of the quarter. This trend might continue to further decline in July, and we expect to see a bounce after that. The AOR for the first semester of 2017 has been recorded at 57%, almost close to the figure in the last two years.

Monthly Average Daily Rate (ADR) Jakarta Hotel Market



Source: STR Global

Monthly Average Daily Rate (ADR) Based on Area



Source: STR Global

Referring to the ADR chart above, the ADR trend this year is predictable thus far. The monthly values are generally the lowest for the last four years. Several hotels opt to offer lower rates in order to reach their target number of rooms sold.

The market sensitiveness over room price has pushed ADR to go low. One of the most common strategies to draw more guests is to give special packages with interesting prices.



Hotel guests in Jakarta are dominantly staying for business purposes. Most of them are short-stay guests, but a few will stay longer, for at least one month. Long-stay guests are mainly expatriates working somewhere near where they are staying. This typical long-stay hotel accommodation will inevitably compete directly with serviced apartments and they mainly offer special rates whilst allowing their guests to access hotel facilities. Another benefit for long-stay guests is pick-up service for certain distances and made upon request.

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