

BALI | HOTEL

Hotel Sector

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Until the end of 2016, occupancy in H2 2016 stood slightly above the average occupancies in 2014 and 2016. In contrast, the ADR figure for 2016 that had identical pattern with the last two years' performance has been below the 2014 and 2015 figures.

Forecast at a glance



Supply

Based on our projection, the Bali hotel market is expecting 8,134 additional rooms by 2017. The room supply will be dominated by 4-star hotels with a total of 4,604 rooms, followed by 5-star hotels with 2,959 rooms and 3-star hotels with 571 rooms.



Performance

The number of tourists coming to Bali is projected to increase. At the same time, however, the supply of new hotels will grow significantly. Therefore, we anticipate occupancy to hover relatively at the same level, which will also impact the distressed room rates. If the anticipated supply in 2017 arrives and if there is no external action and supporting policy from the authority, the hotel market in Bali will continue to experience a tough time.

Hotel Supply

Starred Hotel

As rivalry amongst hotels in Bali intensifies, rebranding one's product is an effective strategy to survive in this challenging market. In 2016, a total of eight hotels were re-branded, including two 3-star hotels, four 4-star hotels and one 5-star hotel, accounting for 1,425 rooms. Two hotels being rebranded are old hotels that have been operating for more than 20 years, whilst the majority are those that have been in operation for less than 10 years.

Apart from the rebranded hotels, a total of 18 new hotels opened in 2016, comprising of 2,665 rooms. These new hotel rooms were mainly composed of 4-star hotel rooms, with a total of 1,279 rooms.

Rebranded Hotels in Bali During 2016

Hotel Name	Previously Known as
Grand Livio	Ibis Styles Bali Kuta Dewi Sri
Dafam Savvoya Seminyak Hotel	Savvoya Seminyak Hotel
Ramada Sunset Road	Best Western Premier Sunset Road
The Tanjung Benoa Resort	Ramada Tanjung Benoa
The Camakila	Ramada Camakila
Four Points by Sheraton Bali - Seminyak	Vasanti Hotel
Permata Kuta Hotel	Aston Tuban Inn
Hilton Bali Resort	Grand Nikko Bali

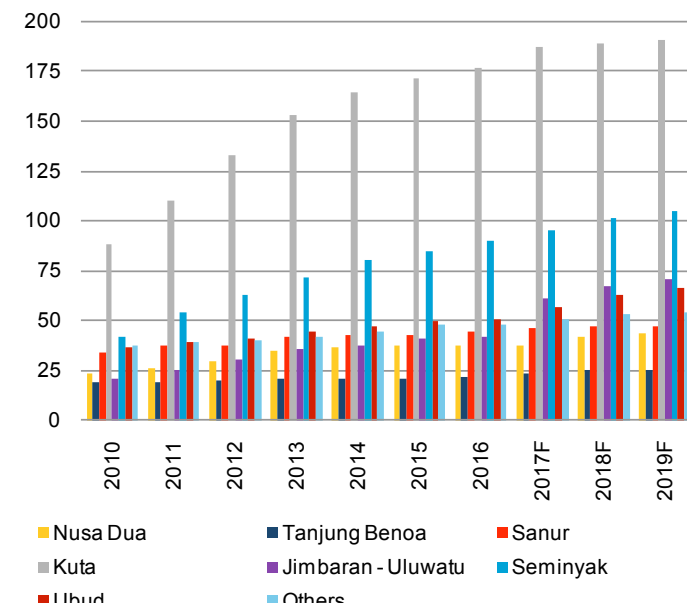
Source: Colliers International Indonesia - Research

Newly Operating Hotel in Bali During 2016

HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	# ROOM	OPENING TIME
Ibis Styles Pettienget	3-star	Midscale Class	Jl Pettienget	Pettienget	134	Q1
Kila Infinity 8 Jimbaran	3-star	Undefined	Jl. I Gusti Ngurah Rai - By Pass Jimbaran Bali	Kuta	180	Q2
Ibis Legian Street	3-star	Midscale Class	Jl Raya Legian	Kuta	106	Q2
Siesta Legian	3-star	Undefined	Jl Bunut Sari no. 8, Legian	Legian	119	Q2
Fame Hotel	3-star	Undefined	Jl Sunset Road, Kuta	Kuta	90	Q4
Total 3-star hotel rooms					629	
Preference Hotel Seminyak/Tijili Seminyak	4-star	Undefined	Jl Drupadi	Seminyak	120	Q1
Hilton Garden Inn Bali Ngurah Rai Airport	4-star	Upscale Class	Ngurah Rai International Airport	Kuta	292	Q2
Novotel Ngurah Rai	4-star	Upscale Class	Ngurah Rai International Airport	Kuta	214	Q2
Golden Tulip Jineng Tamansari	4-star	Upper Midscale Class	Jl Sunset Road	Kuta	190	Q2
The Nest	4-star	Undefined	Jl Pratama Tanjung Benoa	Tanjung Benoa	115	Q2
Preference Hotel Sanur - Maison Aurelia	4-star	Undefined	Jl Danau Tamblingan	Sanur	54	Q3
THE HAVEN Bali Berawa	4-star	Undefined	Jl Pantai Berawa	Seminyak	60	Q4
Sthala Ubud a Tribute Portfolio Hotel	4-star	Upper Upscale Class	Jl A.A Gede Rai, Mawang Kelod, Loddunduh Ubud, Bali	Ubud	145	Q4
Royal Tulip Saranam Resort & Spa	4-star	Undefined	Jl Raya Baturiti, Br Pacung Desa Baturiti, Tabanan	Bedugul	89	Q4
Total 4-star hotel rooms					1,279	
The Katamama Potato Head Boutique Hotel	5-star	Undefined	Jl. Pettienget	Kuta	58	Q1
Artotel Bali Sanur	3-star	Undefined	Jl Kusuma Sari	Sanur	89	Q2
Anvaya Hotel by Santika	5-star	Undefined	Jl Kartika Plaza, Tuban, Kuta	Kuta	495	Q4
Jambuluwuk Oceano Seminyak	5-star	Undefined	Jl. Pettienget No.108, Kerobokan Kelod	Seminyak	115	Q4
Total 5-star hotel rooms					757	
Total rooms					2,715	

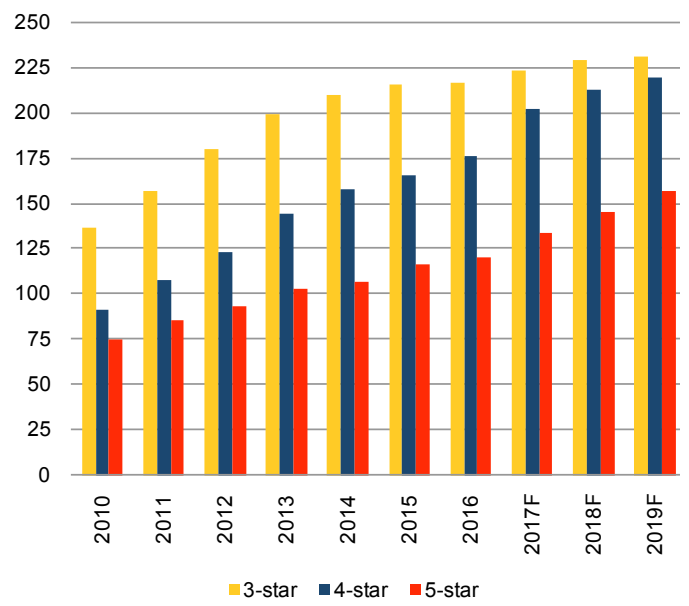
Source: Colliers International Indonesia - Research

Distribution of the Hotels Location in Bali (by Number of Project)



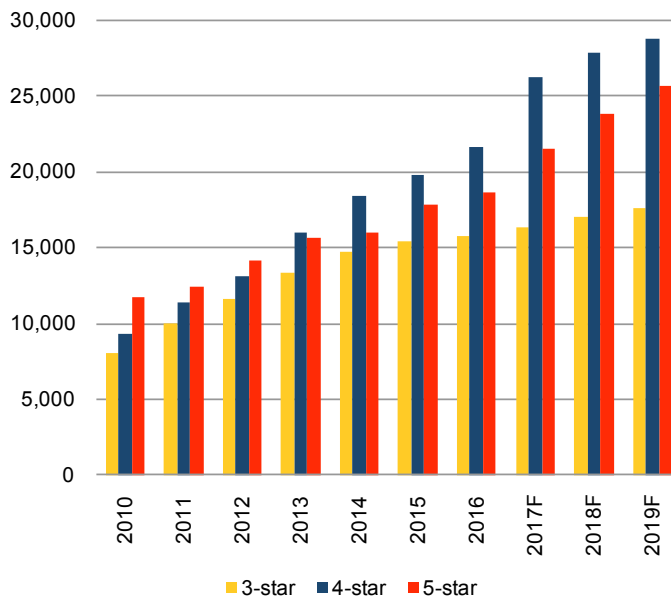
Source: Colliers International Indonesia - Research

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

New Pipeline							
HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
Horison Hotel Kuta	3-star	Undefined	Jl Sunset Road	Kuta	150	Under construction	2017
Grand Serela Hotel	3-star	Undefined	Jl Campuhan, Ubud	Ubud	100	Under construction	2017
Ivory Hotel Padma	3-star	Undefined	Jl Padma	Kuta	50	Under construction	2017
Total 3-star hotel rooms					300		
Swiss-Belresort Jimbaran	4-star	Undefined	Jimbaran	Jimbaran	273	Under Construction	2017
Indigo Hotel Seminyak	4-star	Upscale Class	Jl Campung Tanduk No.10	Seminyak	289	Under Construction	2017
Hotel X2 Bali Breakers - Adaya Balangan	4-star	Undefined	Jl Pantai Balangan	Jimbaran	112	Under Construction	2017
Springhill Villas & Resort at Jimbaran Hijau	4-star	Undefined	Jl Karang Mas Sejahtera	Jimbaran	250	Under Construction	2017
Tamansari Gangga	4-star	Undefined	Jl Raya Tanah Lot	Tanah Lot	64	Under Construction	2017
Swiss-Belresort Ubud	4-star	Undefined	Ubud	Ubud	42	Under Construction	2017
The Himana - Mercure Bali Jimbaran	4-star	Upper Midscale Class	Jl Uluwatu II No 28	Jimbaran	258	Under Construction	2017
Majestic Water Village	4-star	Undefined	Jl Uluwatu	Jimbaran	64	Under Construction	2017
Paramapada Hotel	4-star	Undefined	Jl Raya Uluwatu	Jimbaran	125	Opening Preparation	2017
Swiss-Belresort Arjuna	4-star	Undefined	Jl Raya Arjuna	Legian	163	Under Construction	2017
Swiss-Belresort Pecatu	4-star	Undefined	Pecatu	Pecatu	198	Under Construction	2017
Harris Resort Benoa Bali	4-star	Upscale Class	Jl Pratama No 65	Tanjung Benoa	275	Under Construction	Q1 2017
Veasna Bali-Jimbaran Beachfront suites	4-star	Undefined	Jl Pantai Jimbaran	Jimbaran	200	Under Construction	Q1 2017
The Element Ubud	4-star	Upscale Class	Jl Raya Andong	Ubud	150	Concept	Q3 2017
Hilton Garden Inn - Legian	4-star	Upscale Class	Jl Legian	Kuta	125	Under Construction	2017
Grand Summit Pecatu	4-star	Undefined	Jl Raya Pecatu Indah Resort	Jimbaran	388	Under Construction	2017
Radisson BLU Bali Uluwatu	4-star	Upper Upscale Class	Jl Raya Labuan Sait	Uluwatu	125	Under Construction	2017
Ramada Encore Bali Uluwatu	4-star	Midscale Class	Uluwatu	Jimbaran	200	Under Construction	2017
Swiss-Belresort Kuta, Legian	4-star	Undefined	Kuta	Kuta	278	Under Construction	2017
D'Luxor Condotel	4-star	Undefined	Jl Raya Kuta - Imam Bonjol	Badung	252	Under Construction	2017
Aston Canggu Beach Resort	4-star	Upscale Class	Jl Raya Pantai Batu Bolong, Canggu	Canggu	101	Under Construction	2017
Jivanara Ubud by Preference Hotel	4-star	Undefined	Jl Raya Pejeng	Ubud	42	Under Planning	Q1 2018
Sol Hotel Kuta	4-star	Not Define Yet	Jl Bakung Sari, Kelurahan Kuta, Kecamatan Kuta	Kuta	132	Under Construction	2018
Eastin Hotel Residence	4-star	Undefined	Jl Munduk Catu	Seminyak	120	Under Construction	2018
The Stones Hotel	4-star	Undefined	Desa Payangan	Ubud	60	Under Construction	2019
Total 4-star hotel rooms					4,286		

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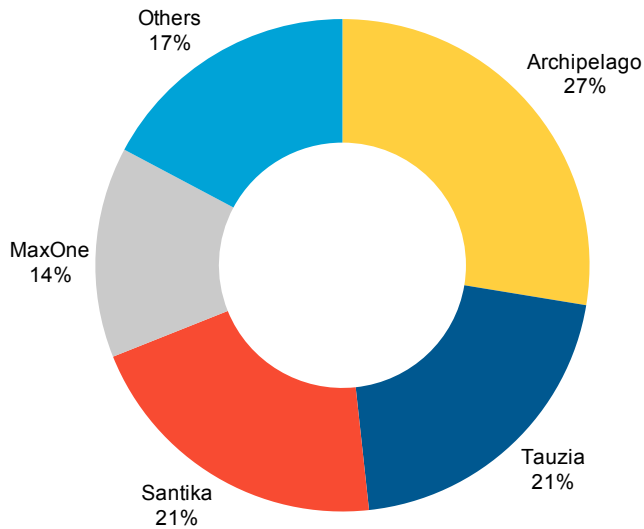
HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
<i>Continuation</i>							
Kempinski Nusa Dua Bali	5-star	Luxury Class	Jl Nusa Dua	Nusa Dua	200	Under construction	2017
The Westin Ubud Resort & Spa	5-star	Upper Upscale Class	Jl Pura Dalem Kangetan / Jl Lod Tunduh	Ubud	110	Under construction	Q2 2017
Andaz Hotel Bali by Hyatt	5-star	Luxury Class	Jl Danau Tamblingan	Sanur	145	Under construction	Q4 2017
Jumeirah	5-star	Luxury Class	Pecatu Indah Resort	Jimbaran	106	Under construction	2017
Samasta Möevenpick Resort & Spa Jimbaran Bay	5-star	Upscale Class	Jl Uluwatu	Jimbaran	295	Under construction	2017
De Vasa Hotel Legian Bali	5-star	Undefined	Jl Legian	Kuta	254	Under construction	2017
PARKROYAL Pecatu Bali Resort	5-star	Upscale Class	Pecatu Indah Resort	Jimbaran	415	Under construction	2017
Radisson Bali	5-star	Upscale Class	Jl Raya Labuan Sait	Jimbaran	125	Under construction	2017
Waldorf Astoria Bali Uluwatu	5-star	Luxury Class	Jl Pantai Pandawa	Jimbaran	96	Under construction	2017
Worldhotel Dreamland Bali	5-star	Undefined	Dreamland Beach	Jimbaran	250	Under construction	2017
Solis Capella Resort Hotel	5-star	Luxury Class	Jl Raya Bhisma	Ubud	108	Permitting	2017
Marriott Saba Bay Resort	5-star	Upper Upscale Class	Jl Raya Saba	Gianyar	200	Under construction	2017
New World Grand Bali Resort	5-star	Undefined	Pecatu Indah Resort	Pecatu	108	Under construction	2017
Alaya Ubud extension	5-star	Undefined	Jl Hanoman	Ubud	34	Under Construction	2017
Shangri-La Nusa Dua Resort & Spa	5-star	Luxury Class	Kawasan Wisata BTDC	Nusa Dua	180	Under construction	Q3 2018
Samana Condotel	5-star	Not Define Yet	Jl Telaga Waja No. 05, Lingkungan Terora, Kelurahan Benoa	Tanjung Benoa	250	Under construction	Q3 2018
Mandarin Oriental Bali	5-star	Luxury Class	Jl Pantai Pandawa	Jimbaran	121	Under construction	2018
Goco Retreat Ubud	5-star	Undefined	Jl Raya Ubud	Ubud	60	Under Planning	2018
Renaissance Bali Resort & Spa Nusa Dua	5-star	Luxury Class	Jl Siligita	Nusa Dua	200	Under construction	2018
The Sarasvati, a Luxury Collection Resort, Bali	5-star	Undefined	Jl. Sari Dewi No. 31, Banjar Basangkasa	Seminyak	64	Under construction	Q3 2019
Satoria Resort Hotel Bali	5-star	Undefined	Jl Raya Pecatu	Badung	200	Under Planning	2019
Swissotel Bali	5-star	Upper Upscale Class	Jl Pantai Pandawa Kutuh	Jimbaran	170	Under Planning	2019
One Ungasan Hotel & Sky Villa	5-star	Undefined	Jl Raya Ungasan, Banjar Wijaya Kusuma Ungasan	Jimbaran	160	Under Planning	2019
Total 5-star hotel rooms					3,851		
Total rooms					8,437		

Source: Colliers International Indonesia - Research, STR

Budget Hotel

There was no new budget hotel in Q4 2016, and the total room number of budget hotels in Bali stood at 3,258.

The Composition of Budget Hotel Operators in Bali Based on Number of Hotel



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
Zest Legian	Budget	Economy Class	Jl Werkudara	Legian	51	Q2
Favehotel Kartika Plaza	Budget	Economy Class	Jl Kartika	Kuta	108	Q2
Swiss-Belexpress Kuta	Budget	Economy Class	Jl Raya Legian, Gg. Tropozone	Kuta	110	Q3
Total Budget Hotel Rooms					269	

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	Jl Raya Kuta	Kuta	80	Under construction	2017
@HOM Jimbaran	Undefined	Jl By Pass Ngurah Rai	Jimbaran	145	Under construction	2017
POP! Hotel Benoa	Economy Class	Jl Pratama	Benoa	151	Under construction	Q1 2018
Total budget hotel rooms				450		

Source: Colliers International Indonesia - Research

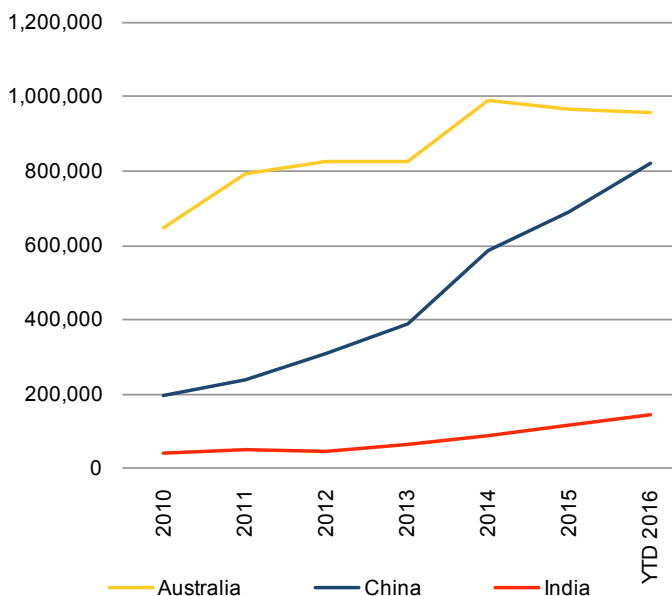
Tourism

With the tagline “Wonderful Indonesia”, the country is now expanding and opening itself up to the world. The government through the Ministry of Tourism has prioritised the development of 10 destinations in order to attract more tourists and expand the tourism industry. The 10 prioritised tourism destinations in 2016 are Lake Toba (North Sumatra), Belitung (Bangka Belitung), Tanjung Lesung (Banten), Pulau Seribu (Jakarta), Borobudur Temple (Central Java), Mount Bromo (East Java), Mandalika Lombok (West Nusa Tenggara), Komodo Island (East Nusa Tenggara), Wakatobi National Park (Southeast Sulawesi) and Morotai (North Maluku).

With these new destinations, the government expects Indonesia’s tourism industry to continue to grow. The government hoped to see 12 million tourist arrivals in 2016, and data from the Ministry of Tourism revealed that 9,403,614 visitors came to Indonesia in October 2016. However, the remaining 2.6 million seemed difficult to achieve in just two months.

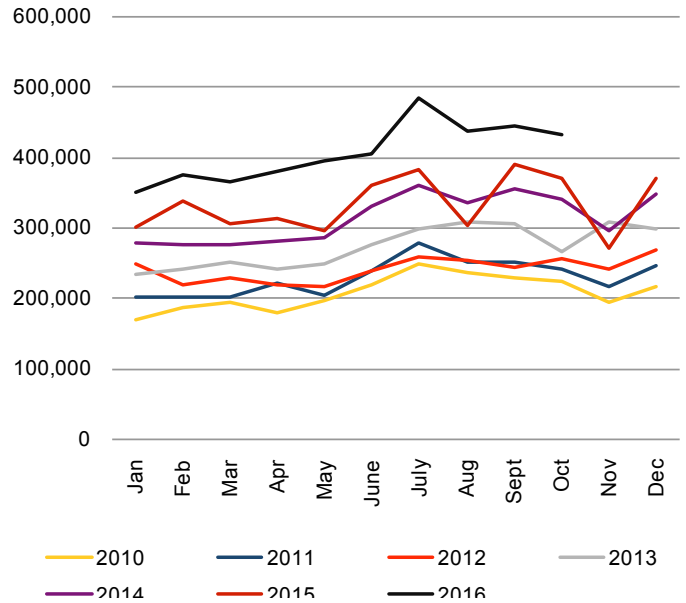
Until October 2016, the Bali tourism office has registered 4,071,905 foreign tourist arrivals at Ngurah Rai International Airport. Meanwhile, the government had targeted 4.4 million visitors to Bali in 2016, which is not far behind the actual number of tourists recorded in October.

The Number of Tourist from Australia, China and India Landed in Bali



Source: Bali Tourism Department

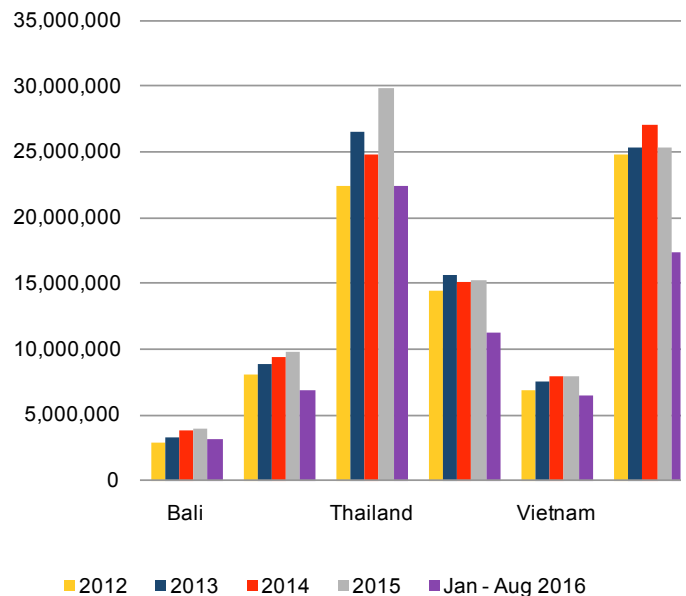
Number of Foreign Tourists Arrival to Bali



Source: Bali Tourism Department

For the last six years, the 2016 month-on-month number of foreign visitors to Bali has surpassed the performance of the previous years. This could translate to a higher occupancy performance for 2016, particularly in the second half of the year.

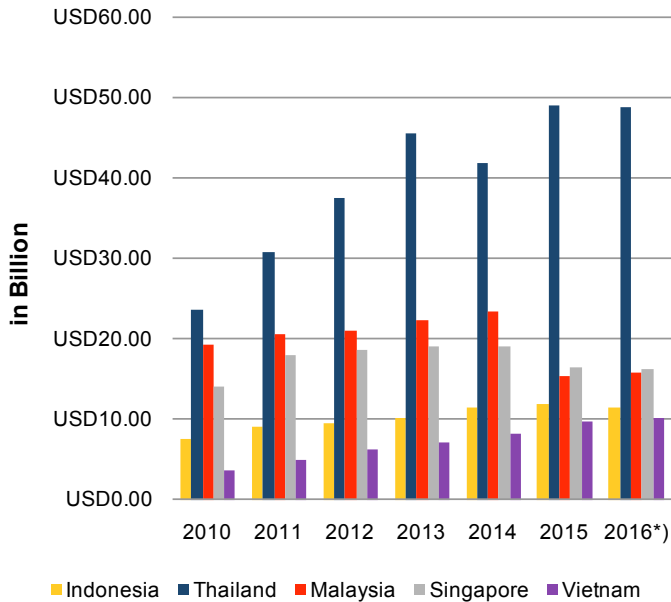
The Number of Foreign Tourist Arrival to Bali, Indonesia, Thailand, Singapore, Vietnam and Malaysia



Source: Bali Tourism Department; Central Bureau of Statistic; Bank of Thailand; Singapore Tourism Board, Ministry of Culture, Sports & Tourism Vietnam

As the biggest country in Southeast Asia, Indonesia only ranks fourth in terms of the number of visiting international tourists. This is a big homework for Indonesia, particularly because the country has more tourist spots than any other countries, yet it fails to exploit and utilise its potential.

Foreign Tourist Spending



*estimation

Source: World Travel & Tourism Council (WTTC)

Performance

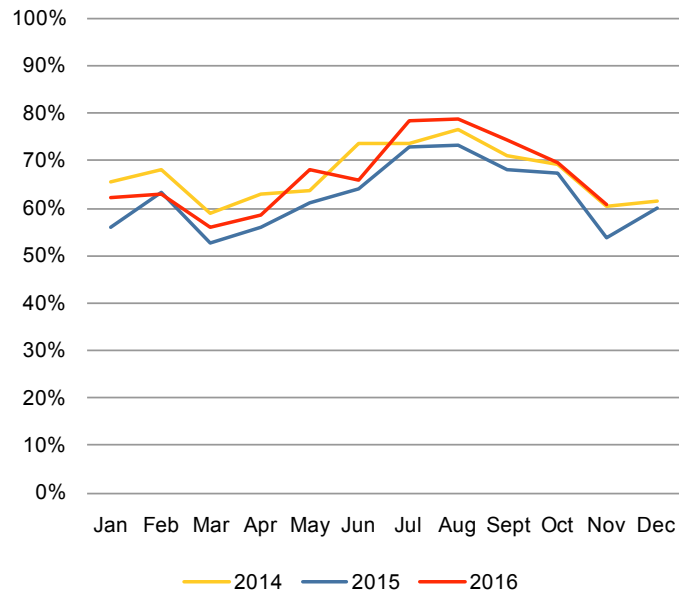
Labelled as Indonesia’s leading tourist destination, Bali does not perform much better than other cities. In general, hotels in Bali have yet to show signs of recovery with all the indicators still within the average number. Much like in other areas, hotel competition is still tight, with new hotel supplies continuing to pour into the market. Despite the slowdown, however, Bali is still attractive to both local and foreign tourists, as a number of visitors keep on coming. The peak season in Bali generally occurs during school holiday, which is in July, and will continue in August when most foreign tourists come. MICE activities generally reach the peak from Q2 until early Q4.

The continuing influx of new hotel developments has already intensified the competition amongst hotels in Bali. Also, the existence of online travel agents that provide similar booking systems for hotels, villas and resorts and that are unregistered as a hostelry has further worsened the condition of accommodation business in Bali.

Average Occupancy Rate

In 2016, occupancy for the last three consecutive years has shown identical trends from month to month. Only in the second semester of 2016 have occupancy levels gone slightly above those in 2014 and 2016. After reaching the peak in July-August, occupancy gradually declined until November. Looking at the pattern of the last two years’ performance, we anticipate occupancy to bounce back in December, along with the year-end holiday.

Monthly Average Occupancy Rate in Bali

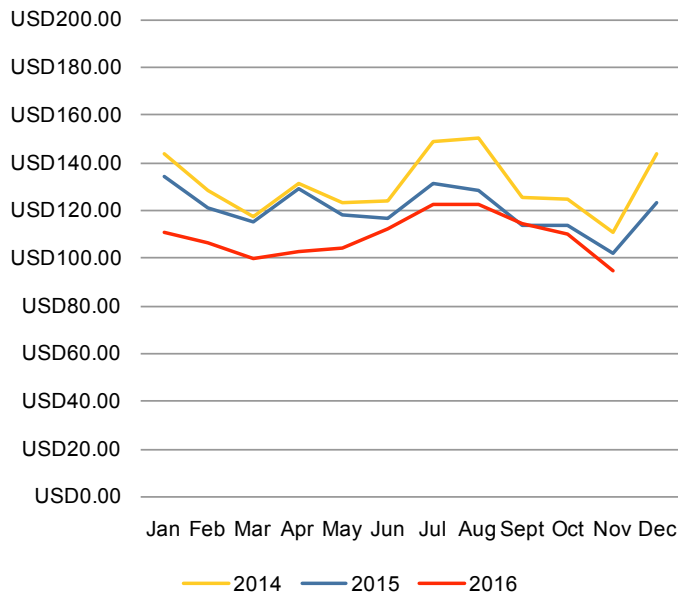


Source: STR Global

Average Daily Rate

Despite being in the same trend, the overall ADR performance for 2016 was below those achieved in 2014 and 2015. As hotel competition heightened, offering promotional prices below the market rates is one of the strategies hotels employ to cope with the sluggish market.

Monthly Average Daily Rate in Bali



Source: STR Global

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