

JAKARTA | HOTEL

Hotel Sector

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The hotel market performed relatively poorly throughout 2016, based on the occupancy and room rate indicators. As business condition has yet to recover due to the fairly low hotel room enquiries, the Presidential Instruction to implement efficiency in state spending and continued influx of new hotel projects have rubbed salt into the wound.

Forecast at a glance



Supply

In 2017, we anticipated hotel room stock to reach almost 5,000. Supply profile for 2017 will be mainly characterised by 4-star hotels, which will provide 2,609 rooms, followed by 5-star hotels with 1,603 rooms and 3-star hotels with 787 rooms.



Performance

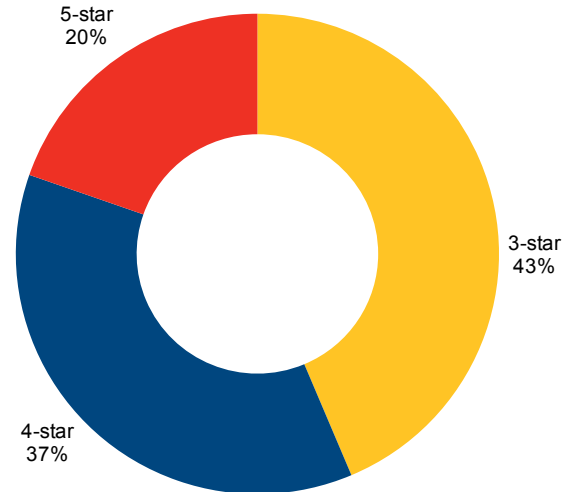
With inadequate economic growth, the hotel market would continue to be challenging for hotel operators, particularly in anticipation of new hotel projects operating in 2017. Such condition will force an increasing competition amongst hoteliers.

Hotel Supply

Starred Hotel

In Q4 2016, there were only two new 3-star hotels that officially began operation in Jakarta – Ashley Hotel at Jl. Wahid Hasyim, Central Jakarta with 186 new rooms and Yello Hotel in Harmoni, Central Jakarta under Tauzia Hotel Management with 372 rooms. Closing the year 2016, the hotel market in Jakarta saw 2,046 additional rooms. Most of these new hotels that opened in 2016 are within business districts, such as the CBD and other commercial areas in South and Central Jakarta, in line with the business target market they are aiming at. Furthermore, proximity to entertainment spots and shopping malls benefits the hotel.

Composition of Hotels in Jakarta Based on Number of Hotels



Source: Colliers International Indonesia - Research

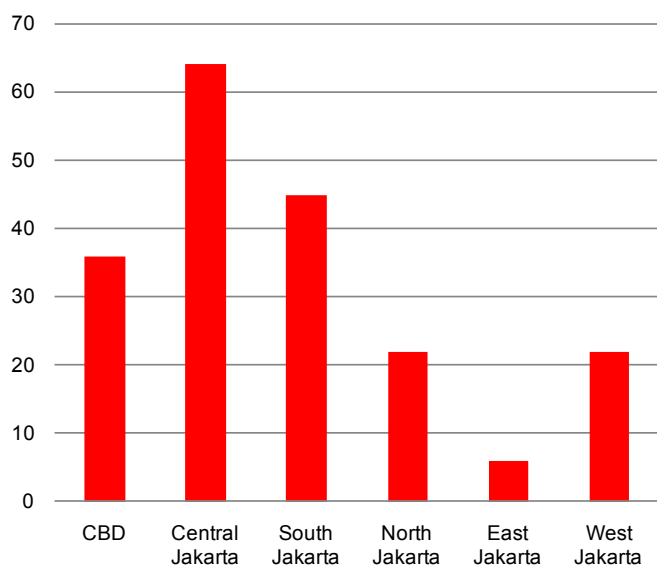
In Jakarta, there are more 3-star hotel projects but more 4-star hotel rooms overall. Three-star hotels offer affordable prices and cater to a wider market coverage outside the CBD area. Also, 3-star hotels provide sufficient facilities.

Newly Operating Hotel in Jakarta During 2016

HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	# ROOM	OPENING TIME
Harper MT Haryono - Jakarta	3-star	Undefined	MT Haryono	East Jakarta	131	Q2
Liberty Hotel	3-star	Undefined	Sungai Gerong	CBD	60	Q2
Maven Fatmawati	3-star	Undefined	RS Fatmawati	South Jakarta	84	Q3
Ashley Hotel	3-star	Undefined	Wahid Hasyim	CBD	186	Q4
Yello Harmoni	3-star	Undefined	Harmoni	Central Jakarta	372	Q4
Total 3-star hotel rooms					833	
A One Hotel Jakarta	4-star	Undefined	Wahid Hasyim	Central Jakarta	154	Q1
Swiss-Belhotel Pondok Indah	4-star	Upscale Class	Pondok Indah	South Jakarta	159	Q1
Mercure Cikini	4-star	Upscale Class	Cikini	Central Jakarta	207	Q2
Grand Whiz Poin Square	4-star	Undefined	Lebak Bulus	South Jakarta	132	Q3
Four Points by Sheraton Jakarta	4-star	Upscale Class	MH Thamrin	CBD	164	Q3
Total 4-star hotel rooms					816	
Four Seasons	5-star	Luxury	Gatot Subroto	CBD	125	Q3
The Westin Jakarta	5-star	Luxury	H.R. Rasuna Said	CBD	272	Q3
Total 5-star hotel rooms					397	
Total rooms					2,046	

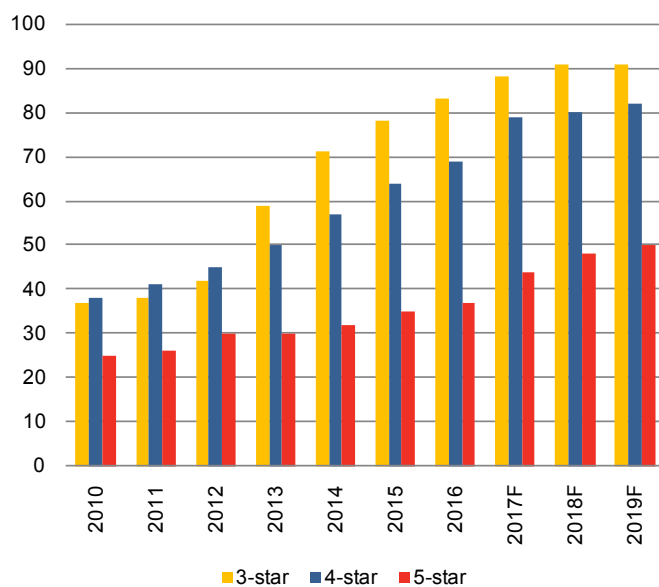
Source: Colliers International Indonesia - Research

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



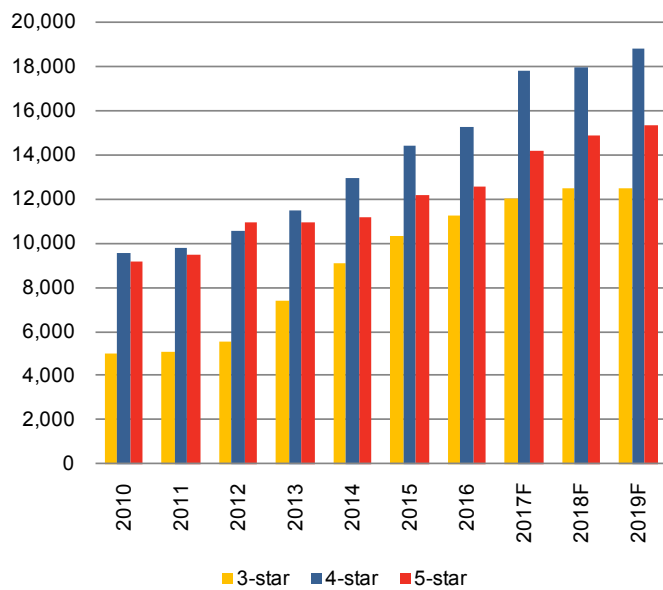
Source: Colliers International Indonesia - Research

Cumulative Supply of Star-rated Hotel Projects in Jakarta



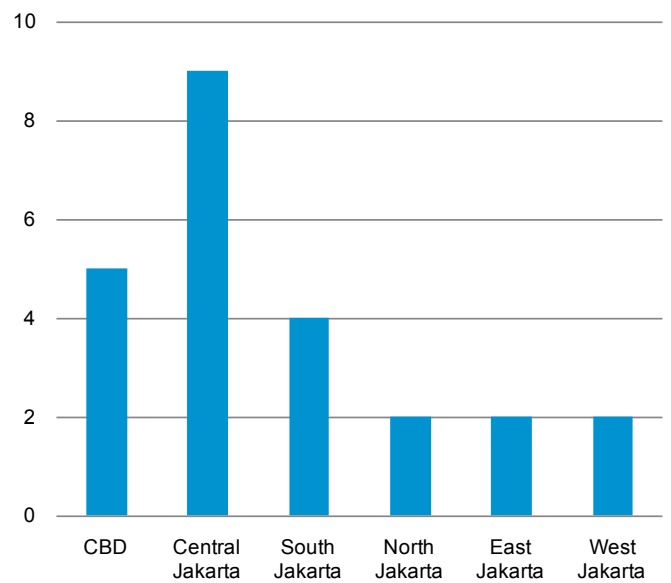
Source: Colliers International Indonesia - Research

Cumulative Supply of Star-rated Hotel Rooms in Jakarta



Source: Colliers International Indonesia - Research

Distribution of the Future Hotels in Jakarta (by Number of Projects)



Source: Colliers International Indonesia - Research

New Pipeline							PROJECTED COMPLETION TIME
HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	
Harper TB Simatupang	3-star	Undefined	TB Simatupang	South Jakarta	180	Under construction	2017
Des Indes Boutique Hotel	3-star	Undefined	HOS Cokroaminoto	Central Jakarta	97	Under construction	Q2 2017
Ibis Styles Tanah Abang	3-star	Midscale Class	Tanah Abang	Central Jakarta	225	Under construction	2017
Holiday Inn Express Simatupang	3-star	Upper Midscale Class	TB Simatupang	South Jakarta	110	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 construction	2018
Total 3-star hotel rooms					942		
Aston Titanium Cijantung	4-star	Upscale Class	Cijantung	East Jakarta	225	Under construction	2017
Harris Hayam Wuruk	4-star	Upscale Class	Hayam Wuruk	Central Jakarta	240	Under construction	Q1 2017
Novotel Cikini	4-star	Upscale Class	Cikini	Central Jakarta	286	Under construction	Q2 2017
Mercure PIK	4-star	Upscale Class	Pantai Indah Kapuk	North Jakarta	200	Under construction	Q2 2017
aloft Kebon Jeruk	4-star	Upscale Class	Kebon Jeruk	West Jakarta	140	Under construction	Q3 2017
aloft Wahid Hasyim	4-star	Upscale Class	Wahid Hasyim	Central Jakarta	170	Under construction	Q4 2017
Swiss-Belhotel Kirana Avenue - Kelapa Gading	4-star	Upscale Class	Kelapa Gading	North Jakarta	316	Opening preperation	2017

continued

HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	ROOMS	PROJECT STATUS	PROJECTED COMPLETION TIME
<i>continuation</i>							
Holiday Inn Hotel & Resorts Jakarta Gajah Mada	4-star	Upper Midscale Class	Gajah Mada	Central Jakarta	447	Opening preperation	2017
Grand Clarion Jakarta	4-star	Undefined	Otto Iskandar Dinata	East Jakarta	272	Under construction	2017
Oyama Centre	4-star	Undefined	Yos Sudarso	North Jakarta	160	Under construction	2018
aloft Jakarta Simatupang	4-star	Upscale Class	TB Simatupang	South Jakarta	180	Under construction	Q4 2019
Total 4-star hotel rooms					2,636		
Pullman PIK	5-star	Upper Upscale Class	Pantai Indah Kapuk	Non CBD	220	Under construction	Q2 2017
Alila - SCBD lot 11	5-star	Luxury Class	SCBD	CBD	250	Under construction	2017
InterContinental Jakarta Pondok Indah Hotel & Residences	5-star	Luxury Class	Pondok Indah	South Jakarta	300	Under construction	2017
The Langham District 8@Lot 28 SCBD	5-star	Luxury Class	SCBD	CBD	200	Under construction	2017
JW Marriott @St Moritz	5-star	Luxury Class	Puri Indah	West Jakarta	208	Under construction	2017
Park Hyatt Hotel	5-star	Luxury Class	Kebon Sirih	Central Jakarta	150	Under construction	2017
Regent	5-star	Luxury Class	Gatot Subroto	CBD	160	Under construction	2018
St Regis	5-star	Luxury Class	HR Rasuna Said	CBD	280	Under construction	Q1 2019
Waldorf Astoria	5-star	Luxury Class	Thamrin	CBD	181	Under construction	2019
Total 5-star hotel rooms					1,949		
Total star hotel rooms					5,527		

Source: Colliers International Indonesia - Research, STR

Budget Hotel

In Q4 2016, three new budget hotels began operation, with a total of 317 rooms. Cordela Hotel in Kramat Raya, Central Jakarta opened the first project in Jakarta and provides 70 rooms. Accor Hotels operated their fourth hotel project in Jakarta under Ibis Budget brand. Located in Tanah Abang, Central Jakarta, Ibis Budget Tanah Abang provides 145 rooms.

Amaris, which is part of Santika Hotel & Resorts Management, opened another hotel in Jakarta. Amaris Pluit, located in Pluit,

North Jakarta, is the 16th Amaris Hotel in the capital. This hotel provides 102 rooms. Amaris is the most active budget hotel brand in Jakarta, with 16 hotel projects scattered around the city. In 2016, Amaris opened two new hotels in Jakarta, including Amaris Satrio and Amaris Pluit.

The total supply of budget hotel in Jakarta by the end of 2016 was 5,817 rooms from 49 projects. Meanwhile, the number of new supplies in 2016 was recorded at 802 rooms from seven projects.

Newly Operating Budget Hotel in Jakarta During 2016

HOTEL NAME	STARRED RATING	STR CHAIN SCALE RATE	LOCATION	REGION	# ROOM	OPENING TIME
Amaris Satrio	Budget	Economy Class	Satrio	CBD	54	Q1
MaxOne Kramat	Budget	Undefined	Kramat	Central Jakarta	120	Q2
POP! Hotel Pasar Baru	Budget	Economy Class	Pasar Baru	Central Jakarta	112	Q3
Luminor	Budget	Undefined	Pecenongan	Central Jakarta	199	Q3
Amaris Pluit	Budget	Economy Class	Pluit	North Jakarta	102	Q4
Cordela Hotel Senen	Budget	Undefined	Kramat Raya	Central Jakarta	70	Q4
Ibis Budget Tanah Abang	Budget	Economy Class	Tanah Abang	Central Jakarta	145	Q4
Total budget hotel rooms					802	

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
Whiz - Cipete	Undefined	Cipete	South Jakarta	180	Under construction	2017
NEO Kebayoran	Midscale Class	Kebayoran Lama	South Jakarta	102	Under construction	2017
Amaris Slipi	Economy	Letjen S Parman	West Jakarta	146	Under construction	Q2 2017
MaxOne Hayam Wuruk	Undefined	Hayam Wuruk	Central Jakarta	120	Under construction	2017
Total budget hotel rooms				797		

Source: Colliers International Indonesia - Research

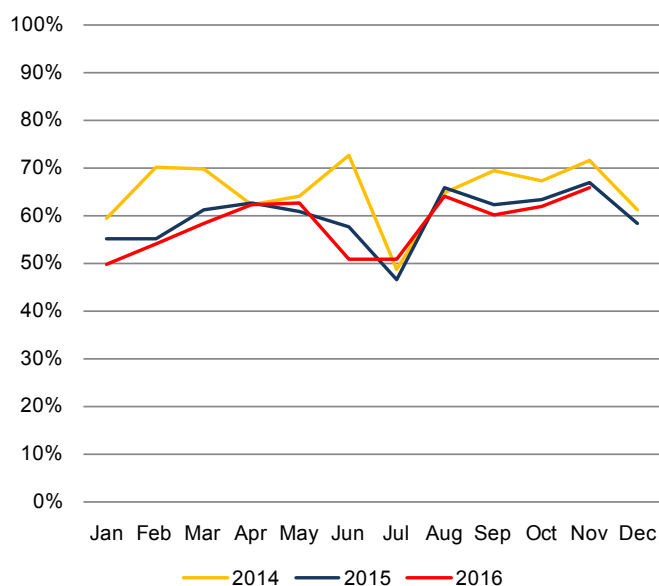
Performance

In general, all hotel performance indicators weakened by the end of the year. This was mainly due to the closure of the business financial year from both corporate and government institutions, which led to the declining business activity. MICE activities also slowed down approaching the year end.

Average Occupancy Rate

Occupancy in 2014 and 2015 posted a similar trend. As on the date of writing, the occupancy data for December 2016 was not ready. However, based on the trend from the last two years, we can predict that occupancy would have dropped by the end of 2016. Concern over occupancy performance in 2016 was mainly due to the relatively low month-to-month performance compared to the previous two years. The hotel market has yet to recover, most likely due to the continuing influx of new hotel projects throughout 2016 and the sluggish demand from private corporations and government institutions. The latter is mainly because of the budget tightening policy, as stipulated in Presidential Instruction Number 4, Year 2016 issued this May.

Monthly Average Occupancy Rate in Jakarta

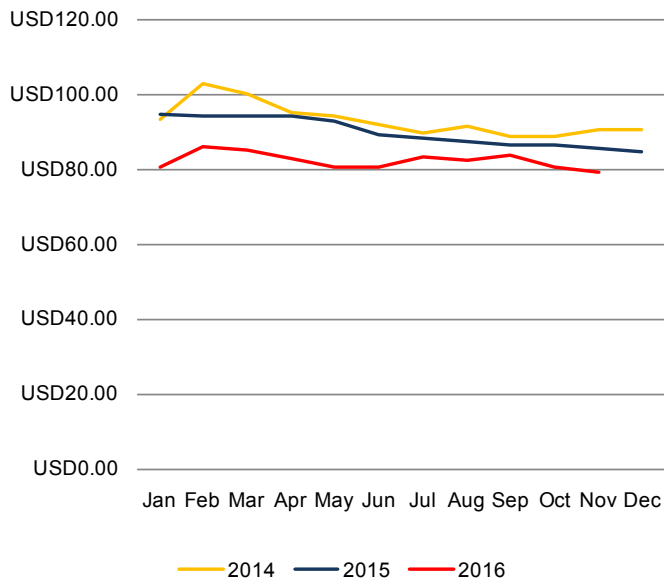


Source: STR Global

Average Daily Rate

The chart below shows the relatively underperformed ADR compared to its last two years' performance. The continuing influx of new hotel projects in 2016 amidst an unstable market heightened the competition amongst hoteliers, which led to the decline in hotel room rates.

Monthly Average Daily Rate in Jakarta



Source: STR Global

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