



HOSPITALITY CONSULTING

Thailand

Thai Hotel Management Company Overview

October 2016

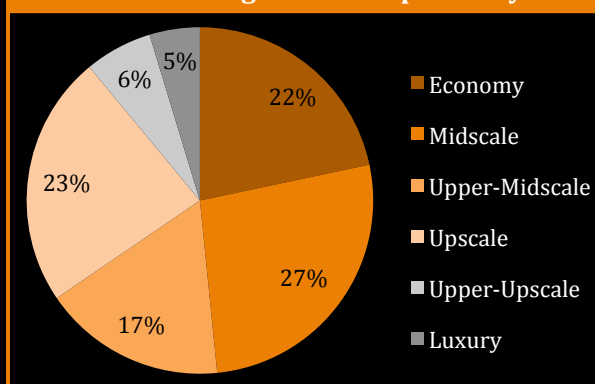
Thai hospitality taking broader stage as domestic market scores on midscale tier growth

Competition pressures HMC's to meet rate and occupancy targets

“For the past decade, Thailand’s surging tourism industry has fueled a rapidly growing number of Thai hotel management companies (HMC’s). A snapshot of this year’s national inventory held by local operators reveals a 66% supply share clustered in the greatest numbers from the economy to upper-midscale tiers. The dominance of this sector can be attributed to Asia’s growing middle class, which has triggered developers to meet a rising demand for hotels.

With that in mind, a burgeoning trend of limited-service hotels is expected to continue with PTT Group’s plan to open three-star hotels at 50 petrol stations across Thailand over the next five years. The developer is presently reviewing management contract offers from the country’s top players, which will further boost the influence of Thai hotel management companies in the domestic market.

Thai Hotel Management Companies by Tier



Source: C9 Hotelworks Market Research

Moving on to the higher range of upscale to luxury properties, major brands are targeting international exposure, with 39 pipeline hotels flagged under Centara, Dusit Thani, Amari, and Anantara to be operated abroad by 2019. That being said, we expect the forward outlook for Thai hospitality in the medium-term to have a stronger presence on the global stage.”

Bill Barnett, Managing Director, C9 Hotelworks

Trends

- Bangkok, Pattaya and Phuket make up 63% of total keys managed by Thai hotel operators, as these three locations have mature markets for branded properties.
- Majority of Thai management companies own and manage their properties, while global chains focus on an asset light strategy.
- Thailand’s hotel management industry has been greatly influenced by political volatility in the past, thus many have expanded overseas in efforts to diversify risk.

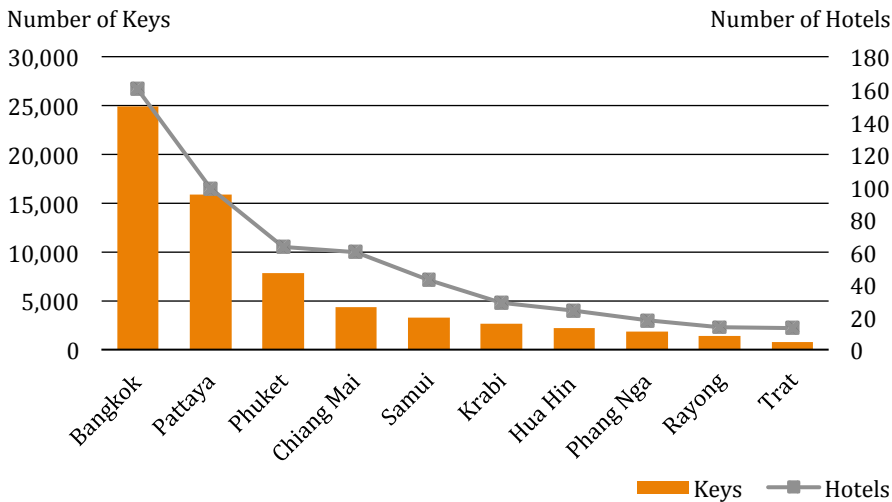
Forward Outlook

- A number of Thai chains are adding additional brands and establishing branded residence products in order to react to shifting market opportunities.
- Hotel brands originating in Thailand mainly focus on the Middle East, SE Asia, and Mainland China for international expansion.
- Expansion of local chains in Thailand are targeted towards emerging destinations such as Rayong, Trat and Si Racha, where less competition is seen from global players

MARKET OVERVIEW

- Thai hotel management companies presently hold 77,654 keys in their combined portfolios, based on groups running a minimum of three properties.
- Presently, there are 643 hotels locally owned and managed by 83 different Thai hotel management companies across 41 Provinces.

Top 10 Thai Destinations by Room Supply - Q3 2016

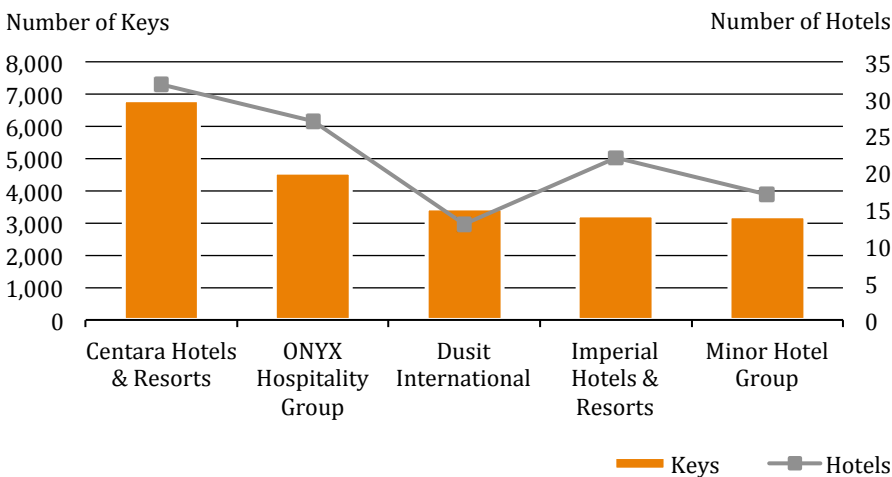


Chiang Mai has recently surpassed Samui, Krabi and Hua Hin to become one of the main hubs for local operators

Source: C9 Hotelworks Market Research

- Within the top Thai destinations, Bangkok has the most balanced distribution of supply share at all tiers, while other leisure-based locations such as Pattaya, Phuket, Samui, Krabi and Phang Nga have high concentrations in one or two tiers depending on the demand characteristics.
- Total hotel keys managed by Thai hotel operators make up 12% of total supply across country-wide registered accommodation establishments.

Top 5 Thai Hotel Management Companies by Room Supply - Q3 2016



Top 5 companies make up 28% of total keys, indicating a highly competitive domestic environment

Source: C9 Hotelworks Market Research

HOTEL MANAGEMENT COMPANIES

Top 50 Thai Hotel Management Companies by Room Supply in Thailand – Q3 2016

No.	Name of Management Companies	Hotels	Keys
1	Centara Hotels & Resorts	32	6,815
2	ONYX Hospitality Group	27	4,578
3	Dusit International	13	3,471
4	Imperial Hotels & Resorts	22	3,244
5	Minor Hotel Group	17	3,218
6	Cape & Kantary Hotels	18	3,131
7	Compass Hospitality	26	2,732
8	Sawasdee & Woraburi Group	20	2,209
9	The Shining Star Group	12	2,051
10	LK Group	18	1,615
11	Absolute Hotel Services	15	1,549
12	Asia Hotel Group	4	1,514
13	Chatrium Hotels & Residences	4	1,465
19	BP Hotels Group	8	1,454
14	B2 Boutique & Budget Hotel	23	1,425
15	A-One Hotel Group	6	1,381
16	Baiyoke Group of Hotels	6	1,369
17	Erawan Hop Inn	17	1,335
18	D Varee Hotels & Resorts	11	1,251
20	Bespoke Hospitality Management Asia	19	1,237
21	Kata Group	5	1,228
22	Sunshine Hotels & Resorts	7	1,215
23	Sukosol Hotels	5	1,090
24	Mai-BS Hospitality Group	19	1,076
25	Centre Point Hospitality	5	1,070
26	Royal Cliff Hotels Group	4	1,020
27	Red Planet Hotels	5	833
28	Avana Hotel Group	3	821
29	Narai Hotel Group	4	800
30	MAI Resorts Group	6	799
31	Serenata Hotels & Resorts Group	14	771
32	Eastiny Group of Hotels & Resorts	7	732
33	Khaosan Palace Hotel Group	7	678
34	SD & V Oriental International Co., Ltd	9	676
35	Bandara Hospitality Group	6	663
36	Siam Motors	3	663
37	Pinnacle Hotels Resorts & Spa	4	655
38	Mida Hotels & Resorts	5	650
39	The Miracle Group	4	628
40	CHA-DA Hotel Group	4	620
41	Sugar Palm Group	7	679
42	Pavilion Hotels & Resorts	5	562
43	Nova Group	4	549
44	Hotel Stylish	9	548
45	Sabai Group Pattaya	3	492
46	Satit Group	3	486
47	AETAS	3	481
48	The Heritage Hotel	5	471
49	Nantra Group	13	468
50	Peach Group Hotels & Resorts	3	432

Source: C9 Hotelworks Market Research

About C9 Hotelworks



Bill Barnett
Managing Director

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- **Hotel and Resort Development**
- **Asset Management / Ownership Representation**
- **Project Feasibility and Analysis**

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.



HOSPITALITY CONSULTING

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