




# Hotel Investment Highlights




## *Asia Pacific*

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Second Half 2019

# Top 10 Single Asset Transactions




|   |                                     |   |   |                          |                       |
|---|-------------------------------------|---|---|--------------------------|-----------------------|
| 1 | Hilton Tokyo Odaiba<br>Tokyo, Japan |   |   |                          |                       |
|   |                                     |   | LOCAL CURRENCY  | USD                      |                       |
|   |                                     |  Sale Price      | JPY <b>62.4 billion</b>   | \$ <b>563.5 million</b>  |                       |
|   |                                     |  <b>453</b> Keys |  Price per key | JPY <b>137.7 million</b> | \$ <b>1.2 million</b> |




|   |   |   |   |                         |                   |
|---|---|---|---|-------------------------|-------------------|
| 2 | Beijing Jade Palace Hotel<br>China, Beijing |   |   |                         |                   |
|   |   |   | LOCAL CURRENCY  | USD                     |                   |
|   |   |  Sale Price      | CNY <b>2.7 billion</b>  | \$ <b>402.5 million</b> |                   |
|   |   |  <b>411</b> Keys |  Price per key | CNY <b>6.5 million</b>  | \$ <b>979,000</b> |





|   |   |   |   |                         |                       |
|---|---|---|---|-------------------------|-----------------------|
| 3 |  Andaz Singapore <sup>1</sup><br>Singapore |   |   |                         |                       |
|   |   |   | LOCAL CURRENCY  | USD                     |                       |
|   |   |  Sale Price      | SGD <b>475.0 million</b>  | \$ <b>344.0 million</b> |                       |
|   |   |  <b>342</b> Keys |  Price per key | SGD <b>1.4 million</b>  | \$ <b>1.0 million</b> |





|   |                                   |   |   |                         |                       |
|---|-----------------------------------|---|---|-------------------------|-----------------------|
| 4 | Ascott Raffles Place<br>Singapore |   |   |                         |                       |
|   |                                   |   | LOCAL CURRENCY  | USD                     |                       |
|   |                                   |  Sale Price      | SGD <b>353.3 million</b>  | \$ <b>261.4 million</b> |                       |
|   |                                   |  <b>146</b> Keys |  Price per key | SGD <b>2.4 million</b>  | \$ <b>1.8 million</b> |




|   |  |   |   |                         |                   |
|---|--|---|---|-------------------------|-------------------|
| 5 | Radegast Hotel Beijing Bohao<br>China, Beijing |   |   |                         |                   |
|   |  |   | LOCAL CURRENCY  | USD                     |                   |
|   |  |  Sale Price      | CNY <b>1.6 billion</b>  | \$ <b>242.6 million</b> |                   |
|   |  |  <b>313</b> Keys |  Price per key | CNY <b>5.2 million</b>  | \$ <b>775,000</b> |

|   |  |   |   |              |              |
|---|--|---|---|--------------|--------------|
| 6 | The Grand Ho Tram Strip Resort<br>Ho Tram, Vietnam |   |   |              |              |
|   |  |   | LOCAL CURRENCY  | USD          |              |
|   |  |  Sale Price      | Confidential  | Confidential |              |
|   |  |  <b>541</b> Keys |  Price per key | Confidential | Confidential |

|   |   |   |   |                         |                   |
|---|---|---|---|-------------------------|-------------------|
| 7 | OneHome Art Hotel Shanghai<br>Shanghai, China |   |   |                         |                   |
|   |   |   | LOCAL CURRENCY  | USD                     |                   |
|   |   |  Sale Price      | CNY <b>1.4 billion</b>  | \$ <b>210.0 million</b> |                   |
|   |   |  <b>319</b> Keys |  Price per key | CNY <b>4.4 million</b>  | \$ <b>658,000</b> |

|   |   |   |   |                         |                   |
|---|---|---|---|-------------------------|-------------------|
| 8 |  Oakwood Premier OUE Singapore <sup>2</sup><br>Singapore |   |   |                         |                   |
|   |   |   | LOCAL CURRENCY  | USD                     |                   |
|   |   |  Sale Price      | SGD <b>289.0 million</b>  | \$ <b>209.0 million</b> |                   |
|   |   |  <b>268</b> Keys |  Price per key | SGD <b>1.1 million</b>  | \$ <b>800,000</b> |

|   |  |   |   |              |              |
|---|--|---|---|--------------|--------------|
| 9 |  Conrad Maldives Rangali Island Ari Atoll<br>Maldives |   |   |              |              |
|   |  |   | LOCAL CURRENCY  | USD          |              |
|   |  |  Sale Price      | Confidential  | Confidential |              |
|   |  |  <b>151</b> Keys |  Price per key | Confidential | Confidential |

|    |                                  |   |   |                         |                   |
|----|----------------------------------|---|---|-------------------------|-------------------|
| 10 | Bay Hotel Singapore<br>Singapore |   |   |                         |                   |
|    |                                  |   | LOCAL CURRENCY  | USD                     |                   |
|    |                                  |  Sale Price      | SGD <b>235.0 million</b>  | \$ <b>169.2 million</b> |                   |
|    |                                  |  <b>319</b> Keys |  Price per key | SGD <b>737,000</b>      | \$ <b>530,000</b> |



## Asia Pacific

transaction volume forecast to surpass

*US\$11 billion* in 2019,

a *25%-30%* increase y-o-y

*Total*  
Investment Volume

|              | YEAR-TO-DATE SEPTEMBER 2019 | YEAR-TO-DATE SEPTEMBER 2018 |
|--------------|-----------------------------|-----------------------------|
| Asia Pacific | <b>USD 7.8 billion</b>      | USD 6.4 billion             |
| Asia         | <b>USD 7.3 billion</b>      | USD 5.7 billion             |
| Australasia  | <b>USD 0.5 billion</b>      | USD 0.7 billion             |

*Average*  
Price per Key<sup>3</sup>

|              | YEAR-TO-DATE SEPTEMBER 2019 | YEAR-TO-DATE SEPTEMBER 2018 |
|--------------|-----------------------------|-----------------------------|
| Asia Pacific | <b>USD 361,700</b>          | USD 272,200                 |
| Asia         | <b>USD 375,400</b>          | USD 292,000                 |
| Australasia  | <b>USD 235,200</b>          | USD 170,700                 |



YEAR-TO-DATE SEPTEMBER 2019

**14** countries

YEAR-TO-DATE SEPTEMBER 2018

**12** countries



**135** hotel transactions

**115** hotel transactions



more than  
**21,500** keys

more than  
**23,000** keys





*'Tis the season*  
for hotel investments  
in blossoming Asia Pacific

It took Japanese star rugby winger Kenki Fukuoka just a few seconds to accomplish what thousands in the Shizuoka Stadium thought impossible.

He surged past the try-line, leaving three Irish players in his wake. It marked a turning point in a famous Rugby World Cup victory for the unfancied Cherry Blossoms against one of the tournament favourites.

Like the national rugby team, the booming Japanese hospitality industry is also in full bloom, with the 2019 World Cup a resounding victory for the sector as it packed in an estimated 600,000 tourists.

Hotel investors have similar reason to cheer, with hotel transactions in Japan set to increase by approximately

60 per cent year-on-year for 2019 to around US\$4.0 billion – likely the top-performing country in Asia Pacific and the highest on record for Japan, exceeding the country's previous 2007 peak.

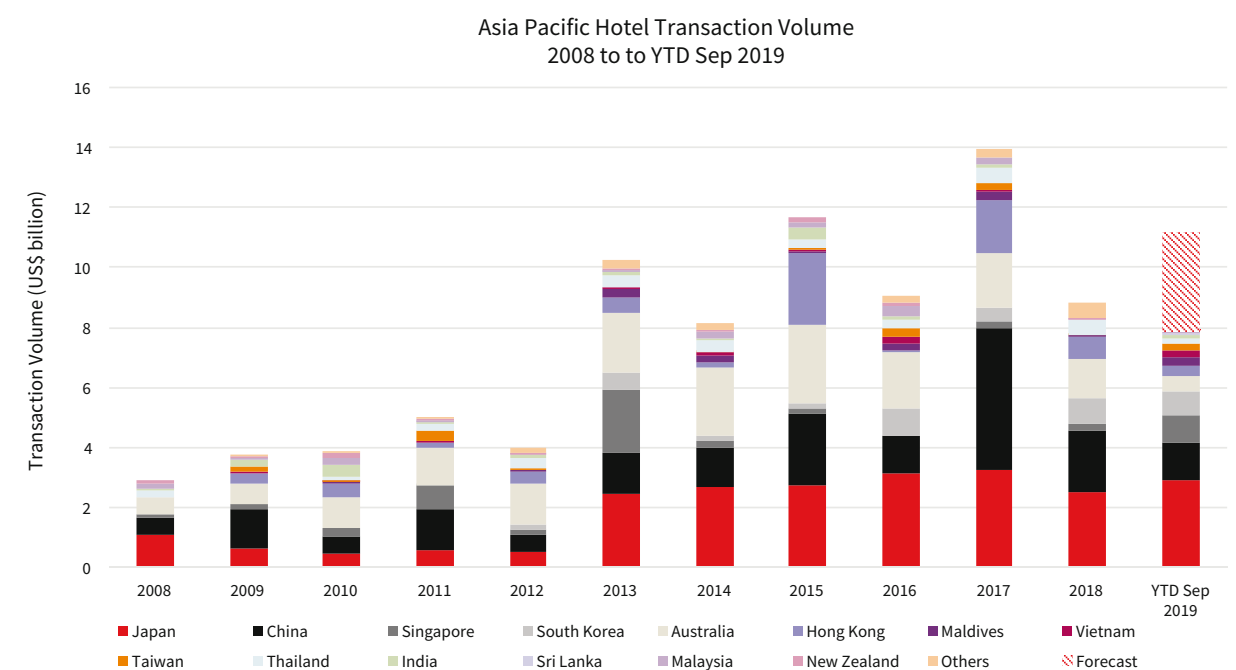
And the run is anticipated to continue. The country will host a series of mega events over the next few years including the 2020 Tokyo Olympic Games and 2025 World Expo, events that will boost the sector and bring in a deluge of visitors. Moreover, Osaka is widely considered the favourite for Japan's first large-scale integrated casino resort complex which alone is predicted to draw over 24.0 million visitors a year. These will, in turn, lead to soaring demand for hospitality assets, with investors looking to capitalise on the wave of demand.

The optimistic outlook is also true for the wider Asia Pacific region. The value of regional transactions is expected to rise by between 25 per cent and 30 per cent to more than US\$11.0 billion for 2019.

The first nine months of the year have already seen US\$7.8 billion worth of transactions in the region,

which means it is likely the US\$11.0 billion mark will be breached for only the third time in the past ten years. To date, only 2017 and 2015 have seen such numbers.

Indeed, a scan of the key markets in the region shows that the demand for hotels will continue unabated.



Source: JLL

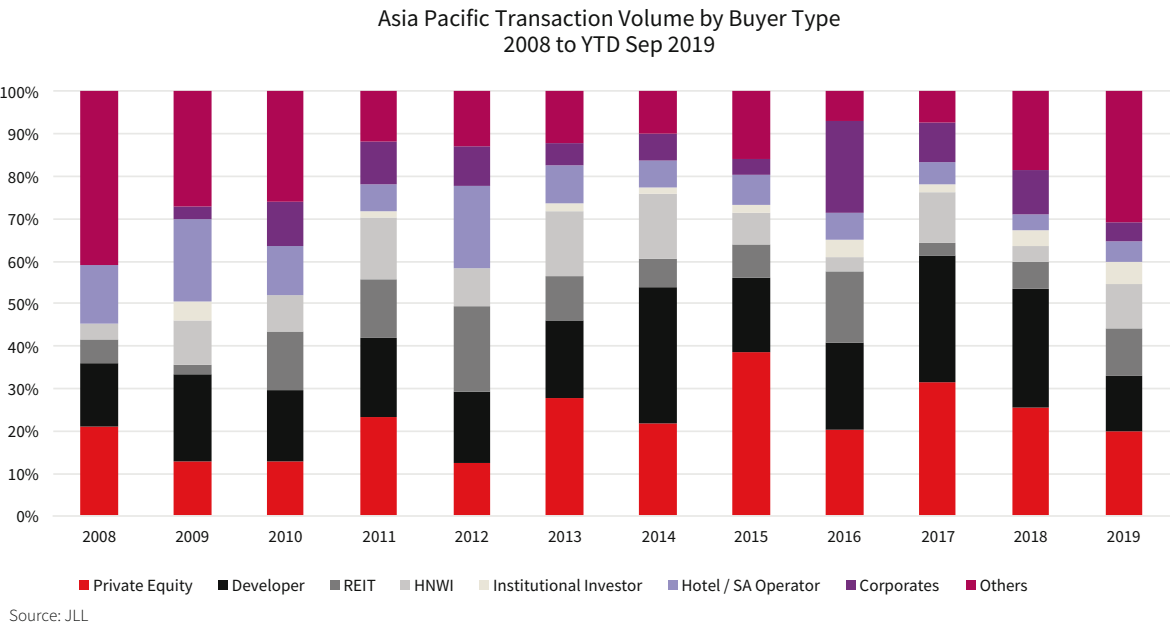


# Foreign Funds *Bearing Fruit*

Despite a more cautious economic climate due to trade tensions and wider political and economic headwinds, hotels still present an attractive yield profile amid booming tourism demand and now falling interest rates and bond yields.

Much demand this year has so far been buoyed by private equity firms (20.1 per cent) and developers (12.9 per cent), with record levels of unspent capital set to drive investments.

Domestic transactions still form the bulk of deals, comprising approximately 75 per cent of the total transaction volume during the nine-month period. Japanese and Chinese buyers make up the largest demand, representing nearly 60 per cent of the total domestic transactions in the region, or US\$3.5 billion.



Whilst most purchases remain domestic affairs, the presence of higher yields, particularly for emerging destinations, has meant continued interest from foreign buyers, which totalled US\$1.2 billion as at year-to-date September.

In Thailand, cross-border deals made up about 61 per cent of total transaction volume in the country, with Bangkok the most sought-after market. The largest transaction in Thailand in the year-to-date is the 268-room Four Points by Sheraton Bangkok (Sukhumvit Soi 15), which sold for US\$73.9 million to Malaysian-listed group, TA Global.

There also remains an influx of foreign investment into safe-haven market Singapore as well, with cross-border transactions making up 13.5 per cent of the volume within the city-state as at year-to-date September. In September, contracts were exchanged for the sale of the 268-room Oakwood Premier OUE Singapore, which was sold to a Hong Kong joint venture for US\$209.0 million.

Continuing the strong run, just weeks later in October, an agreement was signed for the sale of the 342-room Andaz Singapore to local property developer, Hoi Hup Realty, for US\$344.0 million, marking the highest ever single asset transaction in Singapore's history.

Both deals are expected to close in the fourth quarter.

The 151-room Conrad Maldives Rangali Island resort is a further example of how the Maldives is now attracting capital from outside Asia Pacific, a departure from the usual domination by Asian investors. It was sold to global private equity fund Blackstone and was the 9th largest deal of the year as of September. The deal has ignited interest amongst other private equity funds for the tropical paradise. Meanwhile, another idyllic Maldivian resort, Finolhu Baa Atoll, was sold to German-based Seaside Collection for US\$85.0 million. Investment demand from European owner operators is expected to be another driver for Asia transaction volumes going into 2020.

There is also a shift towards international capital in the South Korean hotel market, which holds plenty of promise. After an active 2018 which saw South Korea as the fourth most active hotel transaction market in Asia Pacific, investment activity in the country continues to be robust. Up until 2015, transactions were almost purely domestic, but today cross-border deals make up about a quarter of deals, with international investors typically preferring management contract hotels over the master-leased properties, which are typically preferred by domestic investors. It is predicted that foreign investors will continue to make up a larger proportion of trading volumes as the market further matures.



**Four Points by Sheraton Bangkok (Sukhumvit Soi 15)**  
*Acquired by Malaysian-listed group, TA Global*



**Conrad Maldives Rangali Island Ari Atoll**  
*Acquired by global private equity fund, Blackstone*



## Singapore singing

Singapore's cityscape is set to change dramatically in the coming years under state plans, boosting the island-nation's identity as a global business gateway and tourist haven.

What used to be a large port in the south will become an extensive waterfront promenade, dubbed the Greater Southern Waterfront. It will be filled with lush greenery and will allow for seamless connectivity from offshore island Sentosa all the way up to the Central Business District. In addition, the two existing integrated resorts, Marina Bays Sands and Resorts World Sentosa, are also due for massive expansions worth an estimated US\$6.5 billion, in a bid for the city to continuously refresh its tourist offering.

At Changi Airport, ranked by Skytrax as the world's best airport for the seventh consecutive year in 2019, a new landmark "retail-tainment" mall, Jewel Changi Airport, received a spectacular reception from international passengers and Singapore residents alike. When Changi Airport Terminal 5 opens in the 2030s, it will significantly

increase the airport's total handling capacity by around 60 per cent to 135.0 million.

In addition to single asset transactions which have occurred within the market, the consolidation of Singapore REITs has been a central feature of the market this year. The merger of OUE Commercial REIT and OUE Hospitality Trust completed in September, whilst the announcement of the merging of Ascott REIT and Ascendas Hospitality Trust followed shortly behind. The expanded REITs are likely to benefit from reduced borrowing thus enhancing purchasing power in the markets they are active in.

As a key global gateway city, Singapore remains high on investors' radar, largely supported by its positive trading performance, strong visitor arrivals and new tourism initiatives. The numbers back this – total transaction volume in Singapore, including hotel land sale sites, is expected to surpass US\$1.8 billion in 2019, the highest ever on record.

## China chimes in

Over in China, softening office leasing demand and sluggish retail sales have turned the eyes of investors towards hotels, where trading performance has been resilient. This included the recent announcement by UOL to sell the 480-room Pan Pacific Suzhou for a net cash consideration of approximately US\$57.7 million.

Although China's hotel transaction volume is expected to moderate in 2019, it is likely to pick up next year as

several well-known deals in the pipeline for Shanghai and Beijing spill over to 2020.

In Hong Kong, the market is experiencing a significant pullback in demand as most parties are taking a wait-and-see approach in light of the protests, although this appears to have benefited economies such as Singapore – a Goldman Sachs report estimated that investors have shifted approximately US\$4.0 billion from Hong Kong to the Southeast Asian nation as at August.



## Muted markets on the mend

There are also bright spots in Asia Pacific markets that have been relatively quiet in comparison to recent years.

Standing majestic in the middle of the Great Barrier Reef is the breathtakingly beautiful Dunk Island, which was sold to a London-based group for US\$21.3 million. The transaction is emblematic of an effort by investors to reinvest in some of Australia's most stunning islands. This could lay foundations for a tourism boom in the country's north coast, after recent years of stagnation caused by cyclones and economic woes.

Several other contracts were also recently exchanged in Australia, including the Iririki Island Resort & Casino and

the Great Keppel Island in the Great Barrier Reef which are both expected to close by the year-end.

An influx of transactions may also be bubbling in neighbouring New Zealand, where there is a significant amount of new development underway in major tourism centres such as Queenstown. It may just be a matter of time before trading volumes spike when current developments are completed and long-term owners prioritise investment.

Just like Japan's Cherry Blossoms, hotel investments across Asia Pacific look unlikely to wilt under the floodlights. In fact, a gutsy winning run seems to be in store for the region.

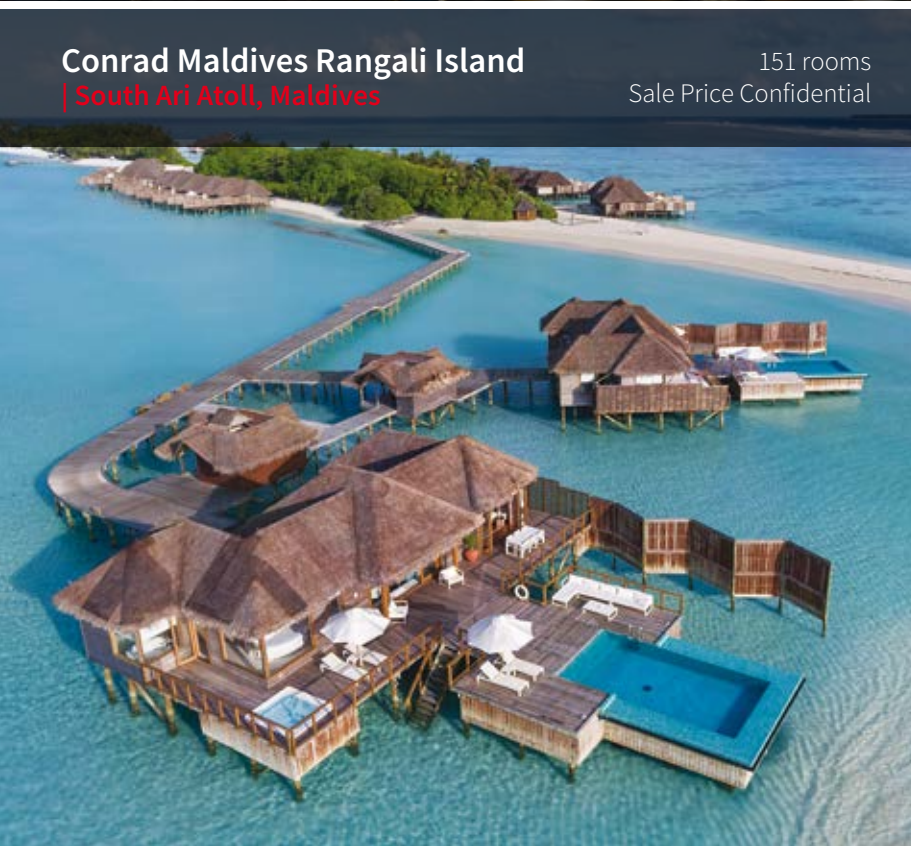


Properties Sold by JLL



**Andaz Singapore**  
| Singapore  
Note: Contracts exchanged in October 2019

342 rooms  
US\$344.0 million  
US\$1.0 million per key



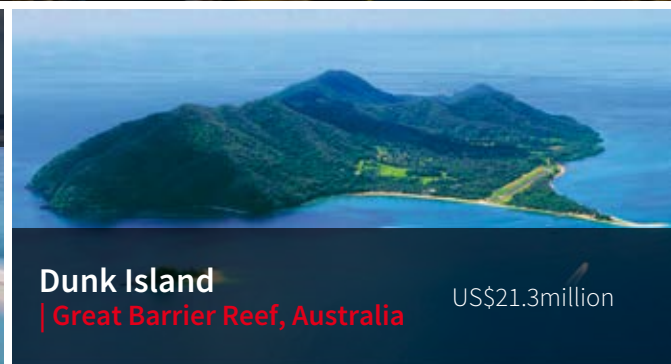
**Conrad Maldives Rangali Island**  
| South Ari Atoll, Maldives

151 rooms  
Sale Price Confidential



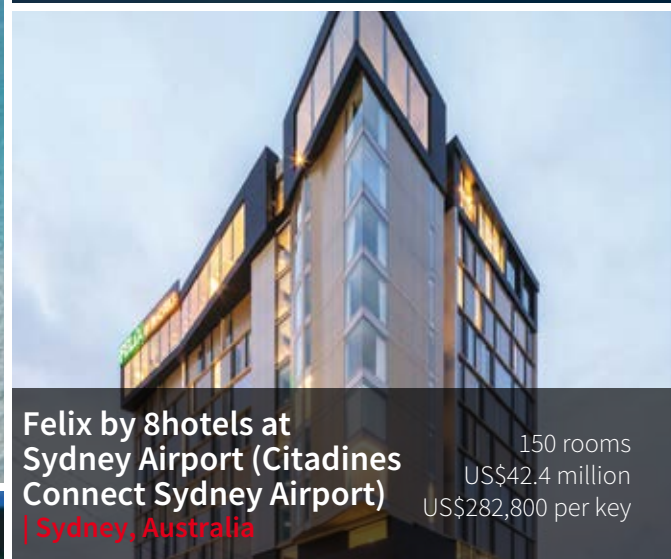
**Iririki Island Resort & Casino**  
| Port Vila, Vanuatu

137 rooms  
Under Offer



**Dunk Island**  
| Great Barrier Reef, Australia

US\$21.3million



**Felix by 8hotels at Sydney Airport (Citadines Connect Sydney Airport)**  
| Sydney, Australia

150 rooms  
US\$42.4 million  
US\$282,800 per key



**Koh Yao Yai Land (Phuket Long Island)**  
| Greater Phuket, Thailand

90 rai  
Sale Price Confidential



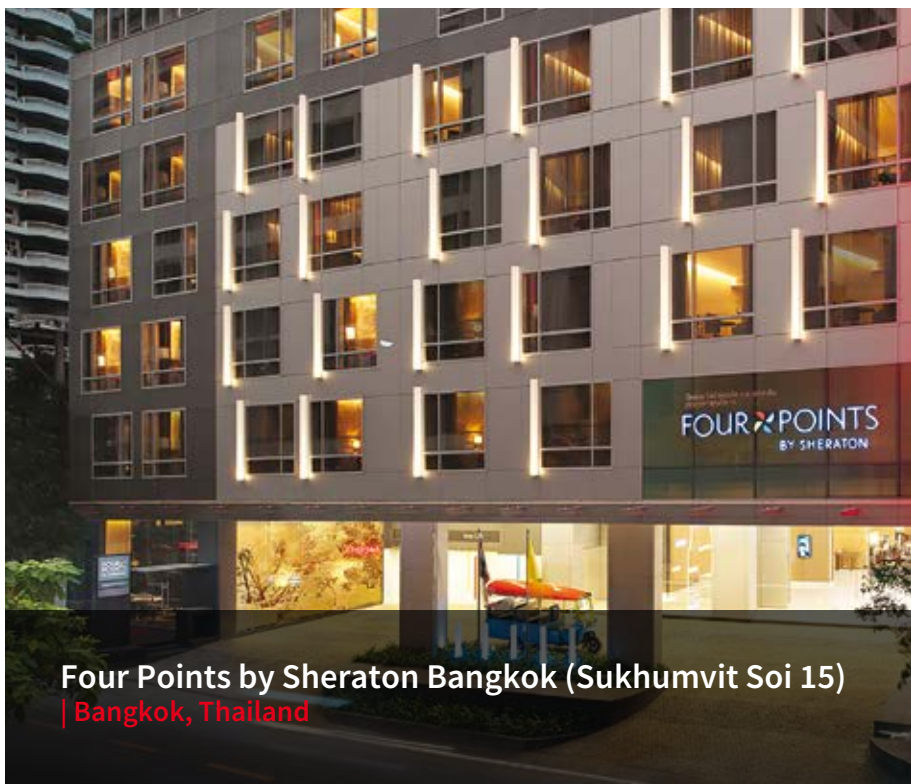
**Oakwood Premier OUE Singapore**  
| Singapore  
Note: Contracts exchanged in September 2019

268 rooms  
US\$209.0 million  
US\$800,000 per key



**Finolhu Maldives**  
| Baa Atoll, Maldives

125 rooms  
US\$85.0 million  
US\$680,000 per key



**Four Points by Sheraton Bangkok (Sukhumvit Soi 15)**  
| Bangkok, Thailand

268 rooms  
US\$73.9 million  
US\$275,500 per key



**Great Keppel Island**  
| Great Barrier Reef, Australia  
Note: Contracts exchanged in October 2019

Sale Price Confidential



**Pan Pacific Suzhou**  
| Suzhou, China  
Note: Contracts exchanged in August 2019

480 rooms  
US\$57.7 million  
US\$120,200 per key



# Properties for *Sale*



**110 & 112 Killiney Road**  
| Singapore

Adam Bury  
adam.bury@ap.jll.com  
+65 8313 4600



**Natai Beach Resort & Spa**  
| Greater Phuket, Thailand

Paul Chakkrit  
chakkrit.chakra@ap.jll.com  
+66 89 815 2272



**Beachfront Upper Upscale Resort**  
| Koh Samui, Thailand

Paul Chakkrit  
chakkrit.chakra@ap.jll.com  
+66 89 815 2272



**18-hectare Oceanfront Land in Rawai with Exclusive Beach on Bon Island**  
| Phuket, Thailand

Paul Chakkrit  
chakkrit.chakra@ap.jll.com  
+66 89 815 2272



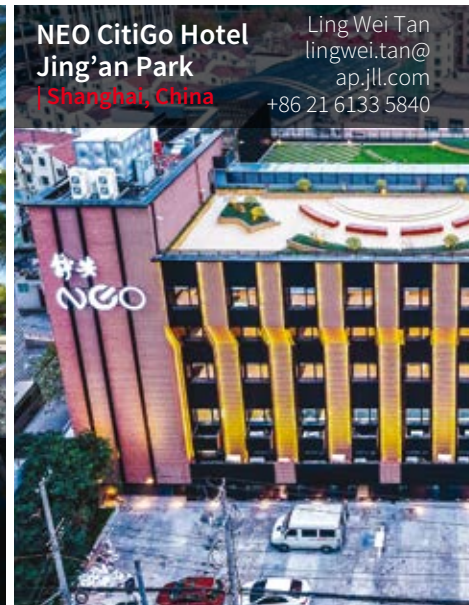
**Upscale Hotel**  
Circa 400 keys  
| Singapore

Nihat Ercan  
nihat.ercan@ap.jll.com  
+65 8322 8348



**Radisson Poste Lafayette Resort & Spa**  
| Poste Lafayette, Mauritius

Nihat Ercan  
nihat.ercan@ap.jll.com  
+65 8322 8348



**NEO CitiGo Hotel Jing'an Park**  
| Shanghai, China

Ling Wei Tan  
lingwei.tan@ap.jll.com  
+86 21 6133 5840



**Maduzi Hotel (For Sale or For Lease)**  
| Bangkok, Thailand

Paul Chakkrit  
chakkrit.chakra@ap.jll.com  
+66 89 815 2272



**Amilla Fushi Maldives**  
| Baa Atoll, Maldives

Charlie MacIldowie  
charlie.macildowie@ap.jll.com  
+65 8646 4188



**Elysian Retreat**  
| Great Barrier Reef, Australia

Tom Gibson  
tom.gibson@ap.jll.com  
+61 437 538 888



**Beach Hotel**  
| Byron Bay, Australia

Tom Gibson  
tom.gibson@ap.jll.com  
+61 437 538 888



**Adobe Hotel Portfolio**  
| Canberra, Australia

Mark Durran  
mark.durran@ap.jll.com  
+61 412 248 243



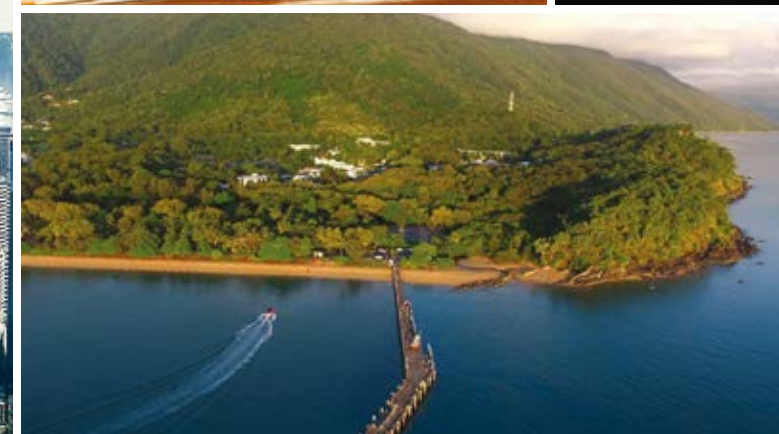
**Midnight Hotel**  
| Canberra, Australia

Mark Durran  
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+61 412 248 243



**Vibe Hotel Darling Harbour Sydney**  
| Sydney, Australia

Andrew Langsford  
andrew.langsford@ap.jll.com  
+61 422 577 415



**The Headland**  
| Palm Cove, Australia

Tom Gibson  
tom.gibson@ap.jll.com  
+61 437 538 888



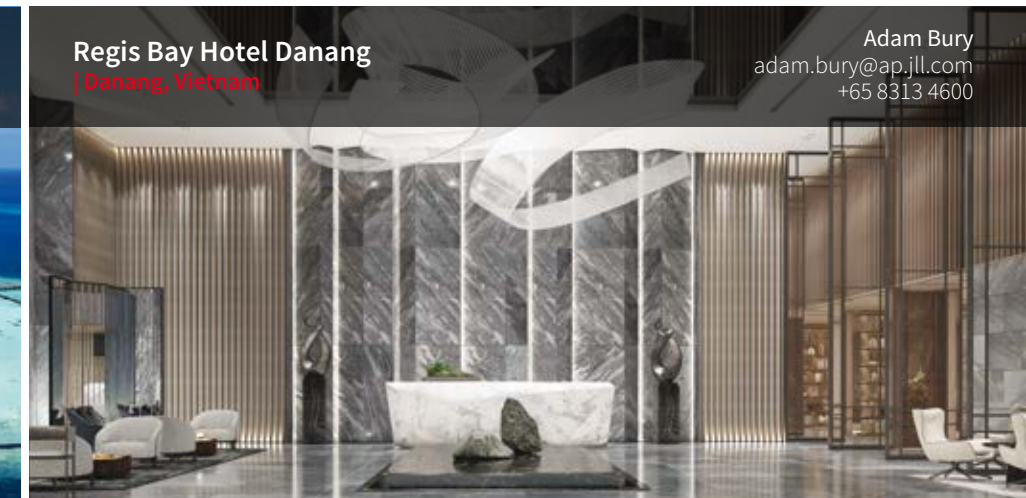
**Vibe Hotel Marysville**  
| Marysville, Australia

Peter Harper  
peter.harper@ap.jll.com  
+61 412 560 246



**Komandoo Maldives**  
| Lhaviyani Atoll, Maldives

Alison Li  
alisonx.li@ap.jll.com  
+65 9188 5719



**Regis Bay Hotel Danang**  
| Danang, Vietnam

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