

MALAYSIAN HOTEL MARKET

3Q 2022 UPDATE

Economic Update

Malaysia's GDP expanded 8.9% year-on-year during the second quarter which was above consensus forecasts of 7.0% supported by strong exports and a surge in consumption which fueled a recovery in services and manufacturing.

Inflation increased to a 16-month high of 4.7% in August, up from 4.4% in July. This was in line with market consensus.

The Malaysian Ringgit weakened during the quarter, reaching a 24 year low of MYR4.5015:US1 on the back of strengthening US\$ and domestic politics. As Malaysia imports about 60% of its food, this is likely to put further pressure on inflation.

The tabling of Budget 2023 is slated for Oct 7, three weeks earlier than the originally scheduled date of Oct 28.

On the political front, former Prime Minister Najib Razak was sentenced to 12 years in prison and a fine of MYR210m in connection with the corruption scandal involving state-owned wealth fund, 1 Malaysia Development Berhad (1MDB). The decision was widely applauded and should help to boost investor confidence.

Hotel News

Hilton has signed an agreement with Tradewinds Corporation Berhad to grow the global hotel chain's flagship Hilton Hotels & Resorts brand in Malaysia, on the island of Langkawi.

Scheduled to open in 2024, this 251-room resort will be complementing The Nautilus Resort, Curio Collection by Hilton, which is slated to open in 2023. The hotel will feature an executive lounge and five dining concepts as well as an events space spanning approximately 800 sq m and a ballroom of approximately 400 sq m.

IHG and STC Property Management Sdn Bhd has entered into a partnership whereby the hotel will be integrated as part of Straits City – an expansive 40-acre sustainable mixed development in Butterworth, Penang.

At a waterfront location, the flagship Crowne Plaza Penang Butterworth Straits City will offer sweeping views of the Straits of Penang. The 343-room hotel will host amenities and facilities catering to travelers of every disposition when it opens in Q1 2024.

IHG's upcoming launches are part of a pipeline of 10 hotels due to open in Malaysia in the next three to five years.

On Merdeka Day, the 385-room M Resort & Hotel had its soft opening. This hotel is designed to be a well-connected luxurious escape which is conveniently nestled in the green belt of Damansara, Kuala Lumpur.

International Travel Perspective

On Sept 5, Taiwan announced the reinstatement of visa-exempt entry for nationals of the United States, Canada, New Zealand, Australia, certain European countries, and its diplomatic allies beginning Sept 12.

However, Malaysia, alongside Singapore, Japan, South Korea, Thailand, Brunei, the Philippines, Russia, Chile, Israel, Dominican Republic and Nicaragua was placed on the "temporarily suspended" list for visa-exempt entry.

The Chinese government, on Sept 19, issued draft regulations that aim to bolster tourism along its border and make it easier for some foreigners to enter China.

Under the new draft policy, foreign tourists will be allowed to visit China's border tourism sites – but only as part of tour groups. China shares a border with 14 countries, including Russia, Mongolia, Vietnam, Laos and Myanmar.

Japan will allow individuals to enter and reinstate visa waivers for travelers for some countries starting on October 11. It will also scrap its cap on daily arrivals, currently set at 50,000, marking a major policy shift after nearly 2.5 years of strict Covid-19 restrictions.

Hong Kong has lifted one of the world's toughest pandemic control regimes by ending mandatory hotel quarantine for overseas arrivals on September 26. Incoming travelers will still be required to go through three days of home medical surveillance, and tourists and can stay in a hotel for this period. Visitors will be able to go outside but will be restricted from entering places such as bars and restaurants.

Locally, Malaysia has set a new target of attracting 9.2 million tourists this year and they are expected to spend RM26.8 billion in the country.

Hotels Available for Sale via Knight Frank



Hilton Garden Inn Kuala Lumpur

Tenure: Freehold
No. of Rooms: 532 keys



Beachfront Hotel, Penang

Tenure: Freehold
No. of Rooms: 361 keys



Boutique Hotel, Georgetown

Tenure: Freehold
No. of Rooms: 140 keys



Boutique Hotel, Bukit Bintang

Tenure: Freehold
No. of Rooms: 33 keys



Confidential 5-star Resort, Pahang

Tenure: Leasehold
No. of Rooms: 305 keys



Confidential, Kuala Lumpur

Tenure: Freehold
No. of Rooms: 210 keys



Confidential 5-star Hotel, Penang

Tenure: Freehold
No. of Rooms: 316 keys



Award Winning Lifestyle Hotel, Melaka

Tenure: Freehold
No. of Rooms: 60 keys



Confidential, Kuala Lumpur

Tenure: Freehold
No. of Rooms: 103 keys



Confidential, Kuala Lumpur

Tenure: Freehold
No. of Rooms: 253 keys

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