

MALAYSIAN HOTEL MARKET

4Q 2022 UPDATE

Economic Update

Malaysia's economy expanded at its fastest pace in over a year in the third quarter, outrunning the growth rate in many of its Southeast Asian peers. The economy grew by a higher-than-expected 14.2% YoY (consensus 12.5%) in 3Q from 8.9% YoY in 2Q partly due to base effects from last year.

Growth in exports of goods and services rose substantially to 23.9% y-o-y from 10.4% in Q2, with goods export growth rising sharply to 19.5% from 7.4%.

Services sector growth picked up further to 16.7% y-o-y in Q3 from 12% in Q2, driven by accommodation, motor vehicles and transportation and reflecting full-border reopening and base effects from mobility restrictions during the Delta wave last year.

The current account surplus also picked up sharply to MYR14.1bn in Q3 from MYR4.4bn in Q2, well above Consensus' expectation of MYR9.6bn, driven by a wider goods trade surplus reflecting strong electronics products exports.

Political News

On the political front, the general election on 19 November delivered a hung parliament for the first time in Malaysia's history, with none of the three major coalitions winning total seats close to the simple majority of 112 (out of the 222). With no clear majority, a royal decree delivered the appointment of former deputy prime minister Anwar Ibrahim from PH as the 10th prime minister. The announcement was positively received by the market with the benchmark KLCI index up nearly 4% and Malaysian Ringgit strengthening by more than 1%.

International Travel Perspective

Malaysia Airports Holdings Bhd (MAHB) recorded 8.34 million passengers across its network of airports in October 2022, which was 71.1% of the 11.68 million passengers recorded in October 2019 and double the 4.1 million passengers recorded in October 2021.

China's recent announcement to ease its Covid-19 measures provides optimism for Asia Pacific as Chinese travelers accounted for 22% of total arrivals into Southeast Asia in 2019.

Hotel News

Malaysia is set to be the first country to operate all 3 Onyx brands - Ozo, Shama and Amari, outside of Thailand. The country's pipeline includes the 198-key Ozo Medini Iskandar (Q4 2022), the 232-room Shama Medini Iskandar (Q1 2023) and Shama Suasana Johor Bahru (Q1 2023). This will bring the total number of properties in Malaysia to 7 by the end of 2023. Recent Malaysian additions include Amari Spice Penang and Amari Kuala Lumpur.

Tradewinds Corp are building 3 new hotels - Waldorf Astoria KL, Hilton Burau Bay Resort Langkawi and Langkawi Intercontinental Penang Resort which are targeted to complete by 2024. Based on the United Nations' World Tourism Organization, the tourism market is expected to rebound by late 2024 or year 2025, when China resumes its international travel.

Pan Pacific Hotels Group, a member of Singapore-listed UOL Group Limited, opened the Pan Pacific Serviced Suites Kuala Lumpur. The 25-storey high-rise brings 210 elegant suites to the prime address of Bukit Bintang, joining the Group's global expansion that will double its' serviced suites portfolio by 2023, spanning 10 properties in 8 cities including Bangkok, Hanoi, Jakarta, Kuala Lumpur and Singapore.

Swiss-Belhotel International is to rebrand a five-star hotel situated towards the southern end of Peninsular Malaysia – the LaCrista Hotel in Melaka. This luxury flagship hotel will have 225 furnished rooms, with glass-domed ceilings and Roman pillars, to cater to both leisure and business travelers. Swiss-Belhotel International has robust expansion plans for Malaysia, aiming to reach 10 hotels comprising 2,000 rooms by 2025.

Changes in ARR & Occupancy for KL 5-Star Hotels

Period	ARR	Occupancy	GoPPAR
Q4 2022	570.12	68.41%	202.31
Q3 2022	561.10	57.46%	140.32
Changes	+1.61%	+19.06%	+44.18%
Q4 2022	570.12	68.41%	202.31
Q4 2021	388.50	80.25%	112.20
Changes	+46.75%	-14.75%	+80.31%

Source: HotStats

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Hotels Available for Sale via Knight Frank



DoubleTree by Hilton, Melaka
Tenure: Leasehold
No. of Rooms: 273 keys



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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