

Hotel

2024

An overview review of Hotel market in 2024 by Knight Frank Thailand

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- Thailand's hotel sector maintained strong momentum in 2024, with Bangkok and Phuket both achieving 79% occupancy rates. Average Daily Rates (ADR) hit record highs, reaching THB 4,241 in Bangkok (+7.4% YoY) and THB 5,481 in Phuket (+10% YoY), driven by surging international arrivals, especially from China, Russia, and India. Government visa exemptions and expanded air connectivity further boosted demand. Bangkok saw steady growth in upscale and midscale hotels, while Phuket's market evolved into a premium lifestyle destination. Looking ahead, ADR growth is expected to stabilize, but occupancy rates should remain strong at around 80%, supported by continued tourism recovery and investor confidence.



Bangkok Hotel

BANGKOK HOTEL MARKET



Number of hotel rooms
by the end of 2024

84,789



New supply of
rooms in 2024

3,226



Average daily rate (ADR)
in 2024

THB 4,241
(+7.4% YoY)



Hotel occupancy
rate in 2024

79%
(+2.8 p.p. YoY)

OVERVIEW

In 2024, Bangkok's tourism industry maintained its strong recovery, a trend that began in late 2022. International arrivals surged by 27% year-on-year (YoY) to 31.6 million, though still 11% below pre-pandemic levels. In contrast, domestic travel saw minimal growth, rising just 3% YoY to 14.8 million, remaining 17% below pre-pandemic figures. The influx of foreign visitors drove a 2.8 percentage point (p.p.) increase in hotel occupancy rates, while average room rates climbed 7.4% YoY to reach record

highs. Asia remained the dominant source market, accounting for 73% of international arrivals. China led with a sharp 91% YoY increase, bringing in 6.73 million visitors (19% of total arrivals), followed by Malaysia (14%), India (6.0%), and South Korea (5.3%). Europe, the second-largest source region, contributed 21% of arrivals, with Russia leading at 4.9%, followed by the UK (2.7%), Germany (2.5%), and France (2.0%). The sustained strength of these markets bolstered Bangkok's hospitality sector, supporting higher

occupancy and record-breaking room rates.

To stimulate tourism, the government extended visa exemptions from July 2024, allowing citizens of 93 countries to stay for up to 60 days. Additionally, the newly introduced Destination Thailand Visa (DTV) offers remote workers and digital nomads a five-year multiple-entry visa, permitting cumulative stays of up to 180 days per entry.

SUPPLY AND DEMAND

Bangkok's hotel industry demonstrated a robust performance in 2024, with occupancy rates climbing to 79%, representing a 2.8 percentage point increase from the previous year. Growth was consistent throughout most of the year, with February and December achieving peak occupancy rates of 84%, surpassing 2023's figures of 74% and 82%, respectively. Even during September, typically the weakest month, occupancy improved from 73% in 2023 to 75% in 2024. This consistent upward trend highlights the resilience of the hospitality sector, driven by a surge in international arrivals and sustained travel demand.

The Average Daily Rate (ADR) also saw significant growth, rising from THB 3,948 in 2023 to a record-high THB 4,241 in 2024. This increase

helped fuel revenue per available room (RevPAR) growth across the city's hotels. While January showed a slight decline, February surged to THB 4,567, aligning with the peak-season demand. Mid-year months, which are typically slower, still recorded moderate gains, while December posted the strongest growth with a 17% year-on-year increase, supported by high-season tourism and increased traveller spending.

On the supply side, Bangkok added 15 new hotels in 2024, contributing 3,226 additional keys and bringing the total room count to 84,789. The new supply reflects a diverse range of offerings, from economy hotels like Holiday Inn Express Bangkok Central Pier to luxury developments such as Dusit Central Park, The Ritz-Carlton, and Grande

Centre Point Lumpini. The majority of new openings were concentrated in the upper-midscale and upscale segments, led by brands like Moxy, Mercure, Hilton Garden Inn, and The StandardX. Key areas for growth include Silom - Sathorn, which remains a prime location for hotel development, solidifying its position as both a business and leisure hub. Lumpini - Siam is also experiencing notable growth, while the Riverside area is increasingly attractive for upscale developments, with properties such as Hilton Garden Inn and Glow Bangkok Riverside enhancing the appeal of waterfront accommodations.

International hotel brands, including Marriott, Accor, Hilton, and IHG, continue to dominate the market, although local brands such as Dusit

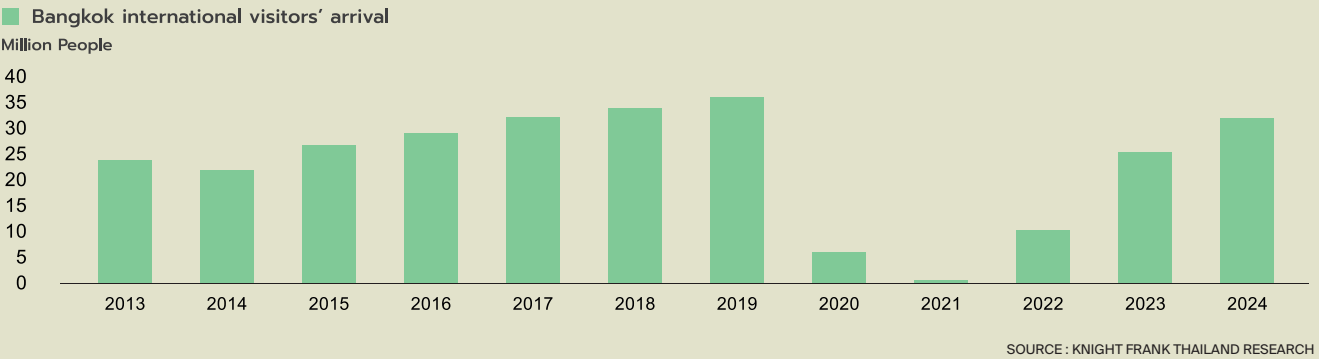
and Grande Centre Point remain competitive. Large-scale developments highlight the strong investor confidence in Bangkok's hospitality sector, with significant openings like Moxy Ratchaprasong (532 keys) and Grande Centre Point Lumpini (512 keys) reflecting a trend toward high-capacity hotels in prime locations. Smaller boutique hotels, such as

The StandardX (62 keys) and Lumen Udomsuk (102 keys), are targeting lifestyle-oriented travellers and niche markets.

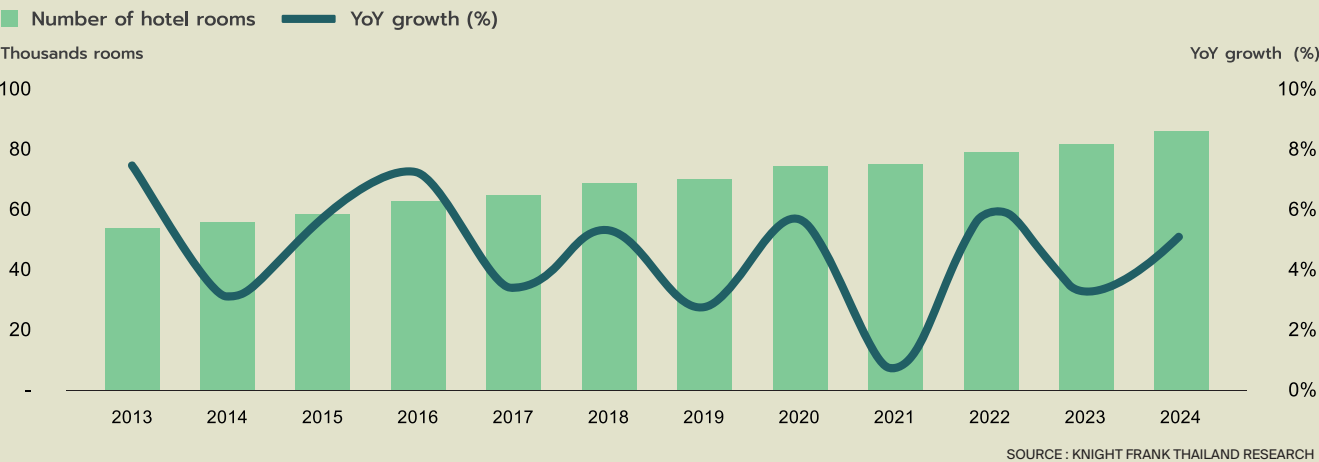
There is also growing interest from regional and Japanese operators. This is reflected in the entry of Sotetsu Grand Fresa Bangkok (126 keys), signalling increased Japanese

investment in the market. At the same time, Thai operators like Cross Hotels (Lumen Bangkok Udomsuk Station) and Baiyoke Group (Queensland Hotel Bangkok) are continuing to expand, adding diversity and fostering stronger competition in the midscale and upper-midscale segments.

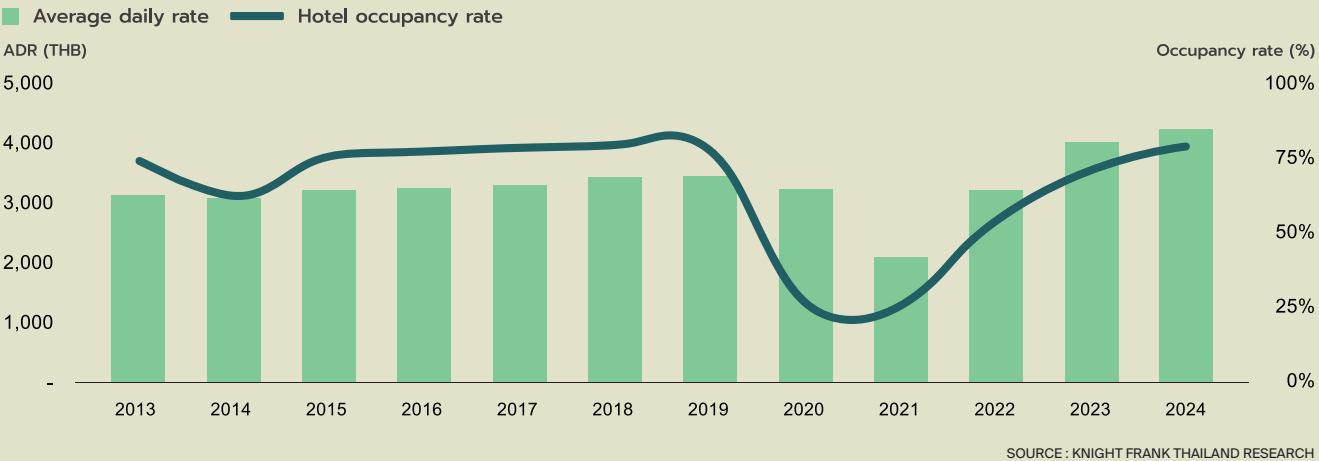
BANGKOK'S INTERNATIONAL VISITOR ARRIVALS



BANGKOK'S HOTEL STOCK



BANGKOK'S HOTEL PERFORMANCE



OUTLOOK

In 2025, Thailand aims to attract between 36 and 40 million international visitors, building on the recovery momentum that began in 2022. Growth will be supported by extended visa exemption policies, a rebound in the aviation sector, and the launch of new international flight routes—all reinforcing Bangkok's status as a global tourism hub.

However, the sector faces headwinds early in the year, including travel advisories and negative media coverage. For instance, Taiwan's high-risk designation could dampen arrivals from China and neighbouring countries. Despite these challenges, robust demand is expected to sustain high hotel occupancy rates. Expanding air connectivity and supportive government policies will help maintain steady tourism growth throughout the year.

Following a strong post-pandemic rebound, Bangkok's hotel market is set for steady expansion. While the rapid growth in the average daily rate (ADR) seen between 2022 and 2023 is beginning to stabilize, rates are projected to increase at a more sustainable pace, in line with global hospitality trends. As international arrivals approach pre-pandemic levels, competition will intensify due to new hotel openings. Bangkok's ADR is forecasted to stabilize between THB 4,250 and 4,450, with the luxury segment expected to see modest gains.

High-end hotels have been the primary drivers of ADR growth, with rates now 43% higher than in 2019. Despite this growth, Bangkok's luxury hotel rates still lag behind global cities such as Singapore and London, where rates are two to three times higher, highlighting Bangkok's untapped potential in this segment.

In 2025, revenue per available room (RevPAR) will primarily be driven by occupancy rates, supported by the recovery of international tourism, particularly from China. However, the number of Chinese visitors remains 40% below pre-pandemic levels. Shifts in travel behaviour are also becoming more evident, with Chinese tourists increasingly favouring smaller, independent groups over traditional large tour groups, a trend that could disproportionately impact mid-scale hotels that have historically relied on mass-market tours.

Emerging markets such as India and the Middle East are also playing a more prominent role, although their spending patterns differ, requiring hotel operators to adopt more targeted strategies. Capturing demand from these high-growth markets will be essential for sustaining RevPAR growth across all hotel segments.

Overall occupancy rates are expected to stabilize around 80%, with peak-season months such as February and December likely to exceed 84%.

Mid-year performance will depend on regional travel trends and broader economic conditions. The Riverside area, home to many of Bangkok's high-end hotels, will likely continue to show strong demand, supporting the city's overall market resilience.

Hotel supply is projected to grow steadily, with nearly 4,000 new keys expected to enter the Central Bangkok market in 2025, representing a 4.7% increase in total room capacity. This steady influx of new supply reflects ongoing investor confidence in Bangkok's hospitality sector and its long-term growth potential.

Looking ahead, sustained international demand and rising visitor numbers will continue to drive growth in Bangkok's hotel market. While ADR growth is expected to moderate, the luxury segment will likely maintain its upward trajectory. Over the past two years, the gap between high- and low-season rates has narrowed as hotels have refined their revenue optimization strategies. However, this trend could be temporary, and it remains uncertain whether it will persist in the long term.

With favorable economic conditions, expanding international air connectivity, and supportive government policies, such as visa-free entry, Bangkok's hospitality sector is well-positioned for continued growth and resilience in 2025 and beyond.

Phuket Hotel

PHUKET HOTEL MARKET



Number of hotel rooms
by the end of 2024

45,299



New supply of
rooms in 2024

884



Average daily rate (ADR)
in 2024

THB 5,481
(+10% YoY)



Hotel occupancy
rate in 2024

79%
(+5.9 p.p. YoY)

OVERVIEW

In 2024, Phuket saw 8.6 million foreign arrivals in Phuket, a figure 4.7% below pre-pandemic levels. However, recovery patterns differ across segments. Foreign arrivals surged to 5.3 million, a remarkable 37% year-on-year increase, bringing the numbers in line with pre-pandemic levels. This strong rebound highlights Phuket's enduring appeal as a premier resort destination in Thailand, particularly among international visitors. In contrast, domestic arrivals totalled 3.3 million, with a modest 6% year-on-year growth but still 11% below pre-pandemic levels.

Regarding market feeders, Russian tourists made up the largest group of international travellers with 1.1 million visitors, a 26% YoY growth, followed closely by Chinese with 1.0 million, 76% YoY growth, India with 0.5 million, 58% YoY growth, Australia 0.3 million (-4% YoY), and UK with 0.3 million (37% YoY).

Phuket's tourism market in 2024 continued its trajectory toward full recovery, underpinned by significant growth in Russian, Chinese and Indian arrivals accounting for 45% of Phuket's total international arrivals. The Thai's

government extension of the visa-free travel initiatives from late 2023 has been instrumental in driving recovery. China, historically, Phuket's largest international source market, recorded just under 1.0 million visitors in 2024, still trailing the pre-pandemic peak of 3.0 million.

SUPPLY AND DEMAND

Phuket's hotel market demonstrated a robust recovery in 2024, with occupancy rates climbing to 79%, up from 73% in 2023. The high season (January–April) reached a peak of 84%, while November and December saw particularly strong performance at 81% and 91%, respectively. Even during the traditionally slower months of July–September, occupancy remained resilient, holding steady above 75%.

Average Room Rates (ARR) surged to a record high of 5,481 THB, reflecting a 10% year-on-year increase. This growth was primarily driven by the luxury

and upscale segments, which continue to command premium pricing. In contrast, midscale and economy hotels experienced more moderate gains, highlighting a growing segmentation between market tiers.

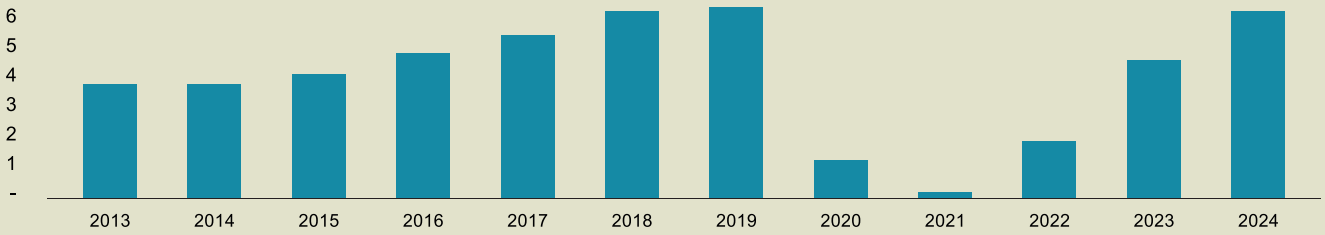
Supply remained limited in 2024, with only three new openings: Radisson Red Phuket Patong Beach (390 keys, upscale), Homa Phuket Chergntalay (423 keys, midscale), and Blue Monkey Hub (71 keys, midscale), adding a total of 884 keys and bringing Phuket's total room count to 45,299.

Looking ahead, the pipeline remains strong, with 18 new hotels set to launch over the next two years, adding more than 4,100 keys. This represents a 9.1% increase in total supply, underscoring sustained investor confidence in Phuket's long-term growth prospects. The influx of new developments, particularly in the luxury and upper-upscale segments, is expected to further elevate the island's hospitality offerings and cater to rising international demand.

PHUKET'S INTERNATIONAL VISITORS ARRIVAL

■ Bangkok international visitors' arrival

Million People



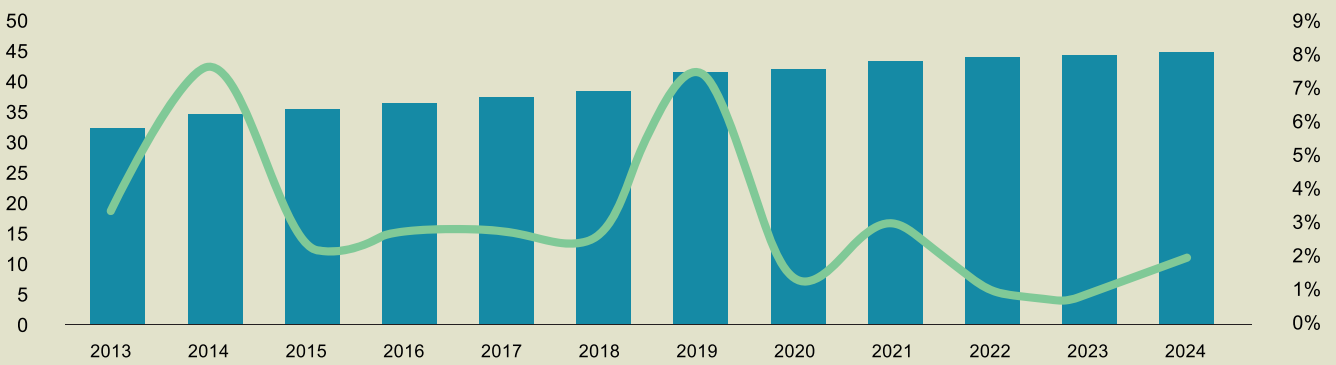
SOURCE : KNIGHT FRANK THAILAND RESEARCH

PHUKET'S HOTEL STOCK

■ Number of hotel rooms

— YoY growth (%)

Thousands rooms



SOURCE : KNIGHT FRANK THAILAND RESEARCH

PHUKET'S HOTEL PERFORMANCE

■ Average daily rate

— Hotel occupancy rate

ADR (THB)

7,500

6,000

4,500

3,000

1,500

0

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

Occupancy rate (%)

100%

80%

60%

40%

20%

0%

SOURCE : KNIGHT FRANK THAILAND RESEARCH

OUTLOOK

Phuket's tourism sector is on a solid recovery path, with international flights increasing by 33% year-on-year, though still 12% below pre-pandemic levels. This rebound is expected to accelerate in 2025, fuelled by expanded airlift capacity, visa-free entry for key markets such as China, Russia, and India, and the introduction of new international flight routes. These factors are poised to boost foreign arrivals and further reinforce Phuket's position as a leading global destination.

The island's positioning is evolving from a traditional luxury destination into a more diversified premium lifestyle market. Areas such as Bang Tao and Kamala are driving this transformation, with high-end developments reshaping Phuket's appeal for affluent travellers and long-term investors.

Despite the positive outlook, challenges remain. Negative media coverage and travel advisories, such as Taiwan's high-risk designation, are affecting Thailand's image in some Asian markets. This could slow arrivals from China and neighbouring countries in early 2025. Nevertheless, overall demand remains strong, and occupancy rates are expected to be particularly robust during peak seasons.

Following two years of sharp growth, increases in the Average Room Rate (ARR) are projected to moderate as inflation stabilizes. In 2025, revenue per available room (RevPAR) is likely to be driven primarily by rising occupancy rates rather than significant

rate hikes, reflecting a broader global trend toward revenue stabilization after post-pandemic surges.

A pivotal shift for Phuket's hotel market is the removal of the 80-meter height restriction, unlocking opportunities for luxury hotel and residential developments in elevated locations. Over the next two years, more than 4,100 new keys are expected to enter the market across the luxury and upper-upscale segments, demonstrating strong investor confidence in Phuket's long-term growth prospects.

Leading global hotel brands, including JW Marriott, Ritz-Carlton, Wyndham Grand, and Riu Palace, are set to enhance the island's high-end hospitality offerings. Simultaneously, major international hotel chains such as Marriott, Accor, Radisson, and Wyndham are expanding their presence, while local operators like Chatrium and Centara strengthen their foothold in the upscale segment.

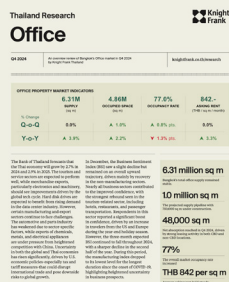
Phuket's hotel landscape is being reshaped by evolving submarket dynamics. Southeast Phuket, particularly Chalong Bay and Makham Bay, is emerging as a luxury enclave with high-end resorts and residential developments targeting affluent travellers. Mai Khao and Bang Tao are attracting large-scale integrated resorts due to their proximity to the airport and pristine beaches. Patong and Rawai are experiencing a surge in lifestyle-driven developments, with trend-conscious brands like Tribe and W Hotels catering to younger, design-focused travellers.

Demand for affordable yet high-quality accommodations is also on the rise, prompting the expansion of midscale brands such as ibis Styles, Tribe, and Courtyard by Marriott. European operators like Riu, Meliá, Mövenpick, and ibis Styles are strengthening their presence, reflecting sustained confidence in Phuket's long-term potential.

Looking ahead, Phuket's hotel market is well-positioned for sustained growth, supported by rising international demand from diversified markets, expansion of premium lifestyle and luxury segments, and government support through visa-free entry policies and improved infrastructure. However, the full recovery of visitor numbers from China remains uncertain, contingent on geopolitical developments and regional economic conditions. If positive trends continue, occupancy rates are expected to stabilize around 80%, with peak seasons potentially exceeding 85%.

In summary, Phuket's hospitality sector is poised for steady expansion in 2025, driven by a dynamic mix of high-end developments, increasing international airlift, and evolving traveller preferences. These factors signal strong long-term potential, with the island's reputation as a premium global destination continuing to grow.

Recent Research



Bangkok Office Market Q4 2024

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