



Horwath HTL™

Hotel, Tourism and Leisure



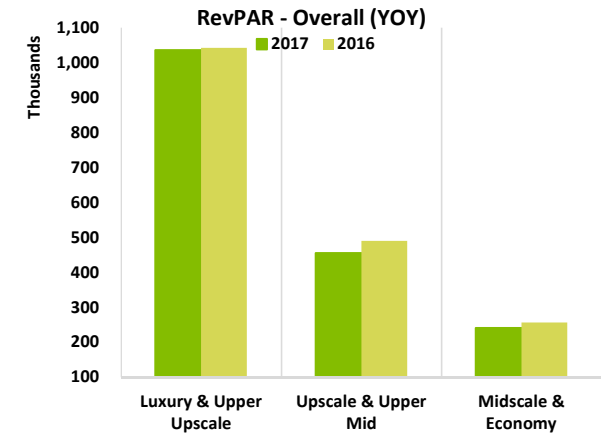
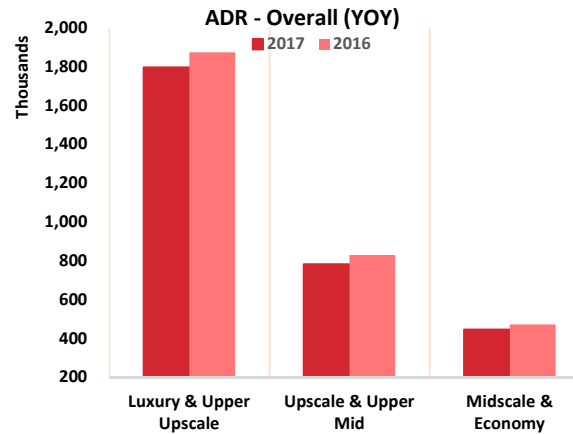
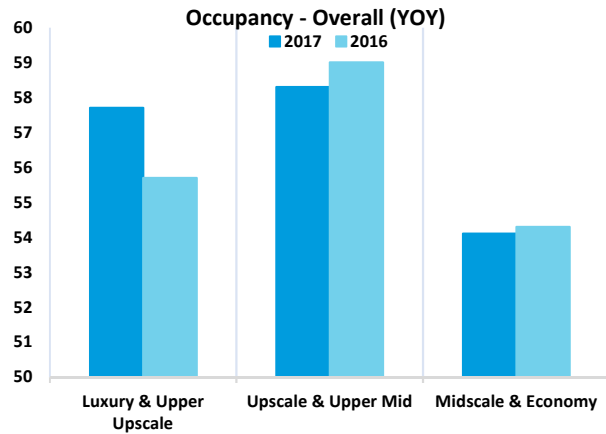
Jakarta Hotel Market Update

Q3 2017

JAKARTA HOTEL MARKET UPDATE

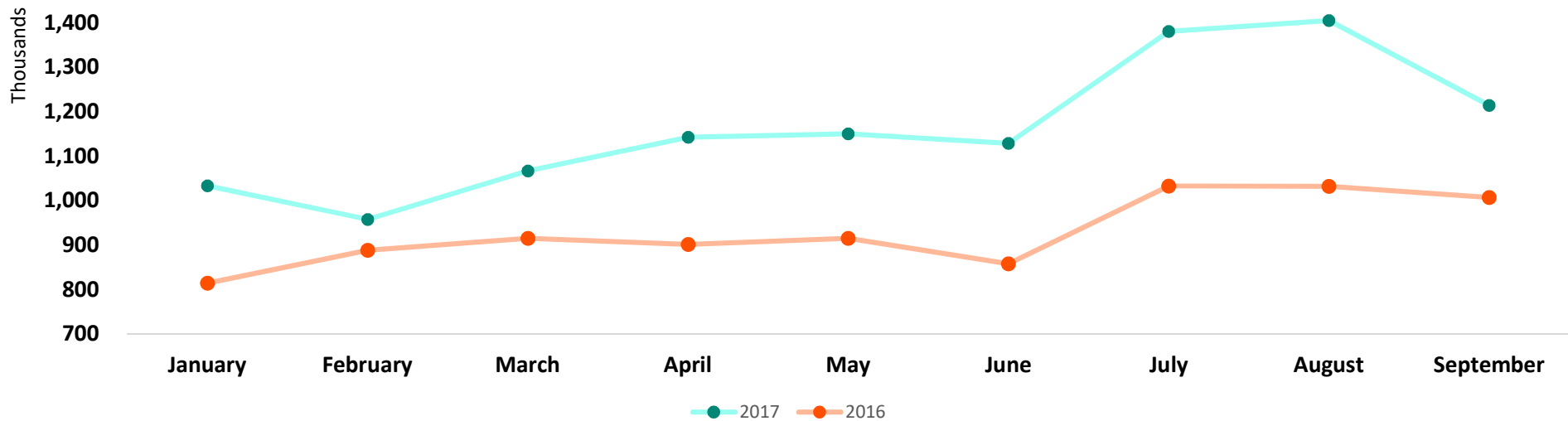
Q3 2017

Performance Snapshot, Jakarta YOY Q3 2017



Source: STR

Foreign arrivals to Indonesia



Source: BPS – National Statistics Bureau

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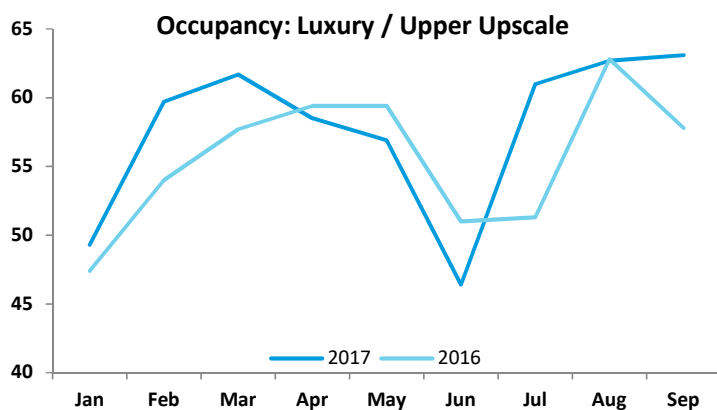
Jakarta Q3 Overview

Horwath recorded two new hotel openings in Q3 2017 for Jakarta which adding 222 room keys to the existing market. We have Verse Luxe Wahid Hasyim opening their doors in August 2017 with 120 rooms and Neo+ Kebayoran on the following September 2017 with 102 rooms.

In Q3, all classes have shown great occupancy pick up compared to Q2, Luxury / Upper Upscale up 3.60% MOM. The Upscale / Upper Midscale class struggled to match last year's figures, however, Midscale / Economy hotels have recorded the opposite, with Q3 figures closely aligned YOY. With limited growth in corporate demand, Luxury / Upper Upscale hotels are eating into the RND of the Upscale / Upper Midscale category. In addition, several VIP meetings, events and official government visits generated a healthy VIP demand for the luxury / upper upscale segment.

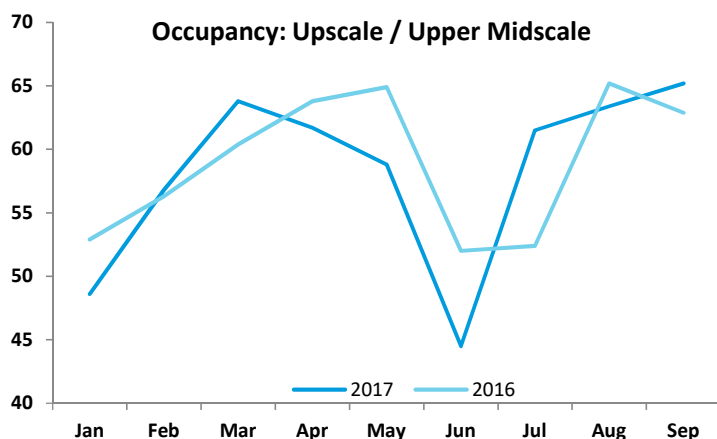
Occupancy performance across Jakarta in Q3 was up a small 0.5% YOY. As for ADR and RevPAR performance the numbers are down 3.8% and 3.3% respectively compared to last year.

Occupancy



Source: STR

Luxury / Upper Upscale hotels rose quickly in July following Lebaran and remained above 60% in August and September (a particularly strong month in comparison to September 2016).

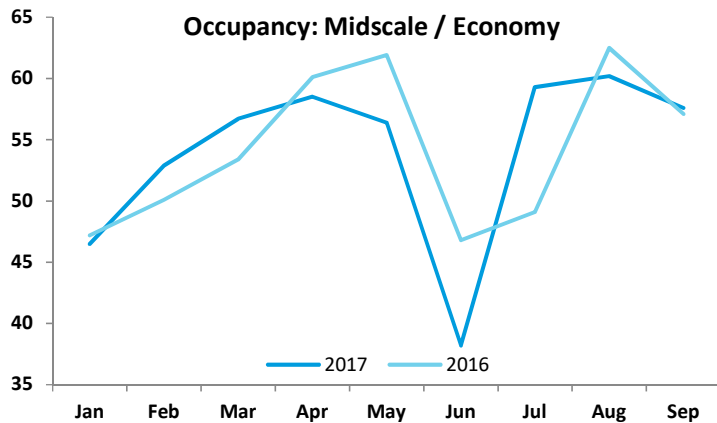


Source: STR

Occupancy improved month on month in Q3, with a peak of 65% in September.

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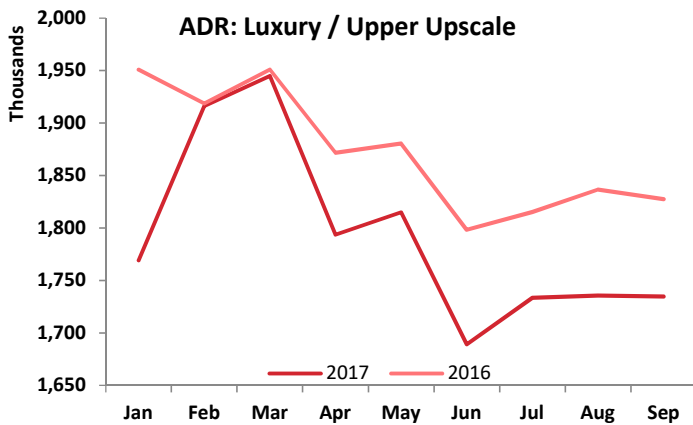
Q3 2017



Occupancy peaked in August at 60.2% for Midscale / Economy class hotels before falling slightly by 2.6% in September.

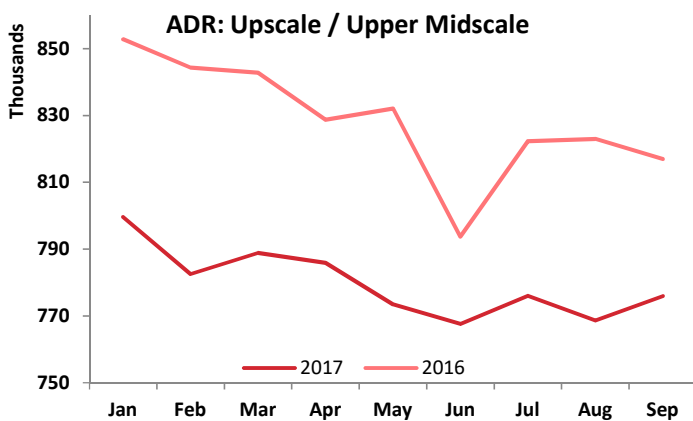
Source: STR

Average Daily Rate – ADR



2017 was a lousy year for ADR for the Luxury / Upper Upscale class hotels, declining by 4.1% YOY. This was despite or perhaps the catalyst for improved occupancy (quantity over quality).

Source: STR

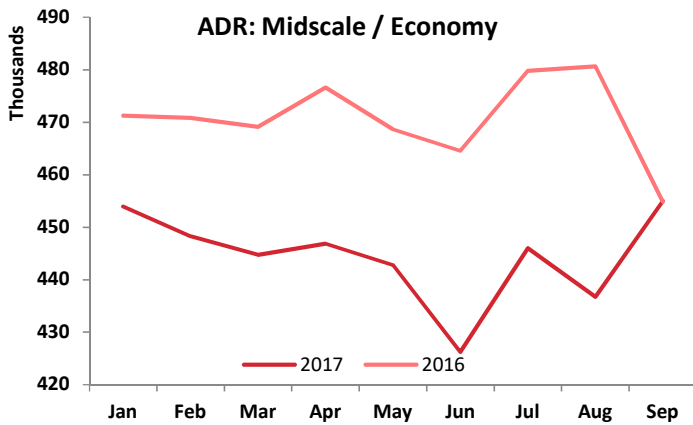


ADR in Q3 2017 for Upscale / Upper Midscale hotels was well below 2016. The small improvement in September paralleled an improvement in occupancy which is encouraging.

Source: STR

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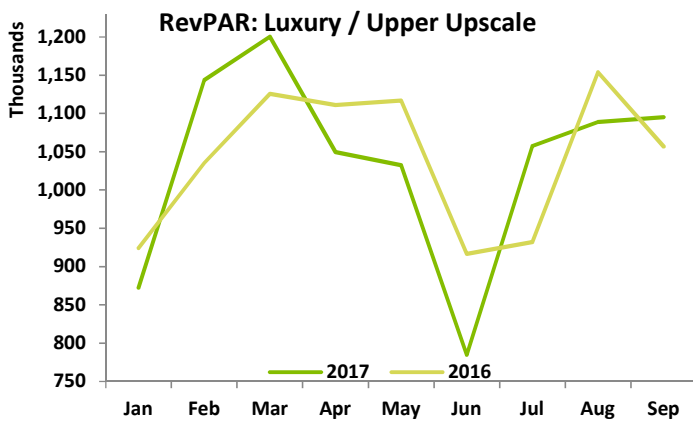
Q3 2017



Source: STR

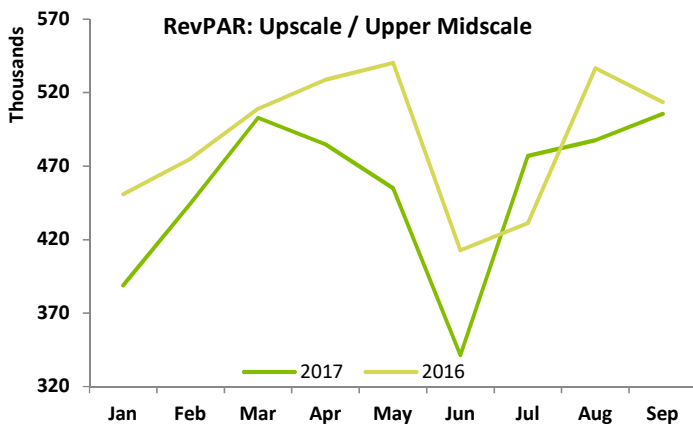
Midscale / Economy class ADR was also weak YOY until September with a bump to IDR 455,000, similar to 2016. Occupancy fell slightly though, indicating a high price sensitivity in the market.

Revenue per Available Room – RevPAR



Source: STR

RevPAR for the Luxury / Upper Upscale class has shown extreme volatility all year. However, Q3 was a pleasant exception recording fairly constant MOM numbers and even small increases. RevPAR closed in September at IDR 1,095,076 which is 3.6% higher YOY.

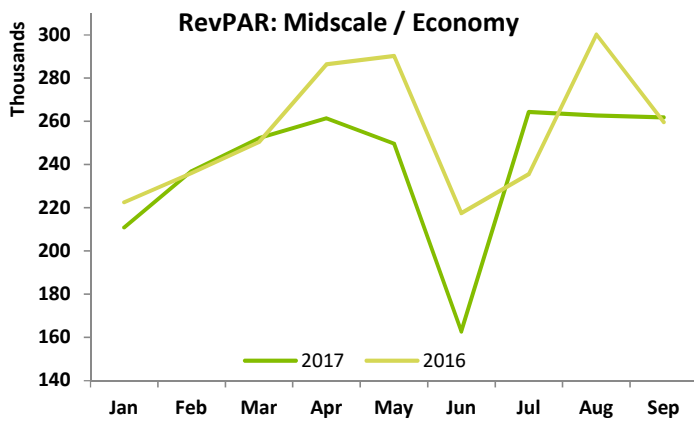


Source: STR

Volatility in this category too throughout 2017, although Q3 was refreshing in its stability and small growth. Q3 closed at an annual peak of IDR 505,565, a very small 1.5% lower YOY.

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Source: STR

There were less dramatic increases and decreases in the Midscale / Economy class (excluding Lebaran). RevPAR in Q3 was almost flat, but unlike the other classes, it fell slightly MOM to September. YOY, RevPAR finished a small 0.90% up.

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