



15 Oct 2018
The Edge, Malaysia

Author: No author available • Section: Corporate • Page: 71 • Printed size: 250.00cm²
Region: KL • Market: Malaysia • Photo: Full Color • ASR: MYR 4,338.00
Item ID: MY0034016741

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Hotels and more hotels

Between July and August, Kuala Lumpur saw the opening of three premium hotels – The Banyan Tree, The Four Seasons Hotel and W Hotel – adding a considerable 440 rooms to the market even though tourist arrival figures have not met ambitious targets for the past few years.

Several more hotel openings are scheduled this year, including Ireka Corp Bhd's 253-suite RuMa Hotel and the 143-room Alila Bangsar, according to data on notable hotel openings provided by ZerIn Properties.

"We have been monitoring the stock of hotels with 100 rooms and above in the Klang Valley and the future supply expected to be completed between 4Q2018 and 2020 is 6,893 rooms," says Jones Lang Wootton executive director Malathi Thevendran. Of these, 5,028 rooms will be in Kuala Lumpur and 1,865 outside Kuala Lumpur. (See Table 4)

"Post 2020, the total number of hotels that have been identified and could come into the market may contribute a total of 37,358 rooms," she says. Of this number, only 8% are under construction.

For the 92% where construction has not commenced, "we hope

developers will reassess and re-evaluate the market conditions and ensure there is demand prior to construction," she stresses, adding that proper market research needs to be done to ensure the right class of hotels are built in the right locations in line with market demand.

Premium brand hotels have not been spared declining occupancy and room rates. According to Malaysian Association of Hotels honorary secretary-general Christina Toh, a leading luxury hotel operator advised its owner to reduce room rates to improve the occupancy rate, which has hovered below 50%.

In the south, The Hard Rock Hotel Desaru Coast (365 rooms) in Johor had a soft opening last month, ahead of the impending launch of The Westin Desaru Coast Resort (274 rooms), and the ultra-luxurious One&Only Desaru Coast (44 suites and 50 private homes) by year-end.

The leisure and hospitality arm of Khazanah Nasional Bhd, Themed Attractions Resorts & Hotels Sdn Bhd, is developing Desaru Coast, and is scheduled to open the 123-key Anantara Desaru Coast Resort & Villas next year.

By 2020, more hotels will dot

Kuala Lumpur's skyline.

They include the 260-room Kempinski Jalan Conlay by KSK Land, and the 207-room So Sofitel Kuala Lumpur Hotel & Residences, developed by Singapore's Oxley Holdings Ltd, in Jalan Ampang.

Beyond 2020, impending branded hotels include the 232-room Park Hyatt Kuala Lumpur by PNB 118, 190-room Jumeirah Hotel by Oxley in Jalan Ampang, and 338-room Crowne Plaza Kuala Lumpur City Centre in Jalan Yap Kwan Seng.

KLCC (Holdings) Sdn Bhd, which already owns the Mandarin Oriental Kuala Lumpur and the Traders Hotel Kuala Lumpur, is slated to add the 300-room Shangri-La at Dayabumi in 2021, and the 690-key Fairmont near KLCC the year after.

Malaysian Association of Hotel Owners executive director Shaharuddin M Saaid says Malaysia should target the high-income tourist segment. "It will better to have more premier and luxurious brands. Needless to say, first, it is very important for Malaysia to have steady arrivals of high-income tourists."

Without the assurance that Malaysia can attract these tourists, "it will be difficult to attract such hotel brands to operate here in the future".

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SUMMARIES

Between July and August, Kuala Lumpur saw the opening of three premium hotels - The Banyan Tree, The Four Seasons Hotel and W Hotel — adding a considerable 440 rooms to the market even though tourist arrival figures have not met ambitious targets for the past few years.