

RUBIX INSIGHTS

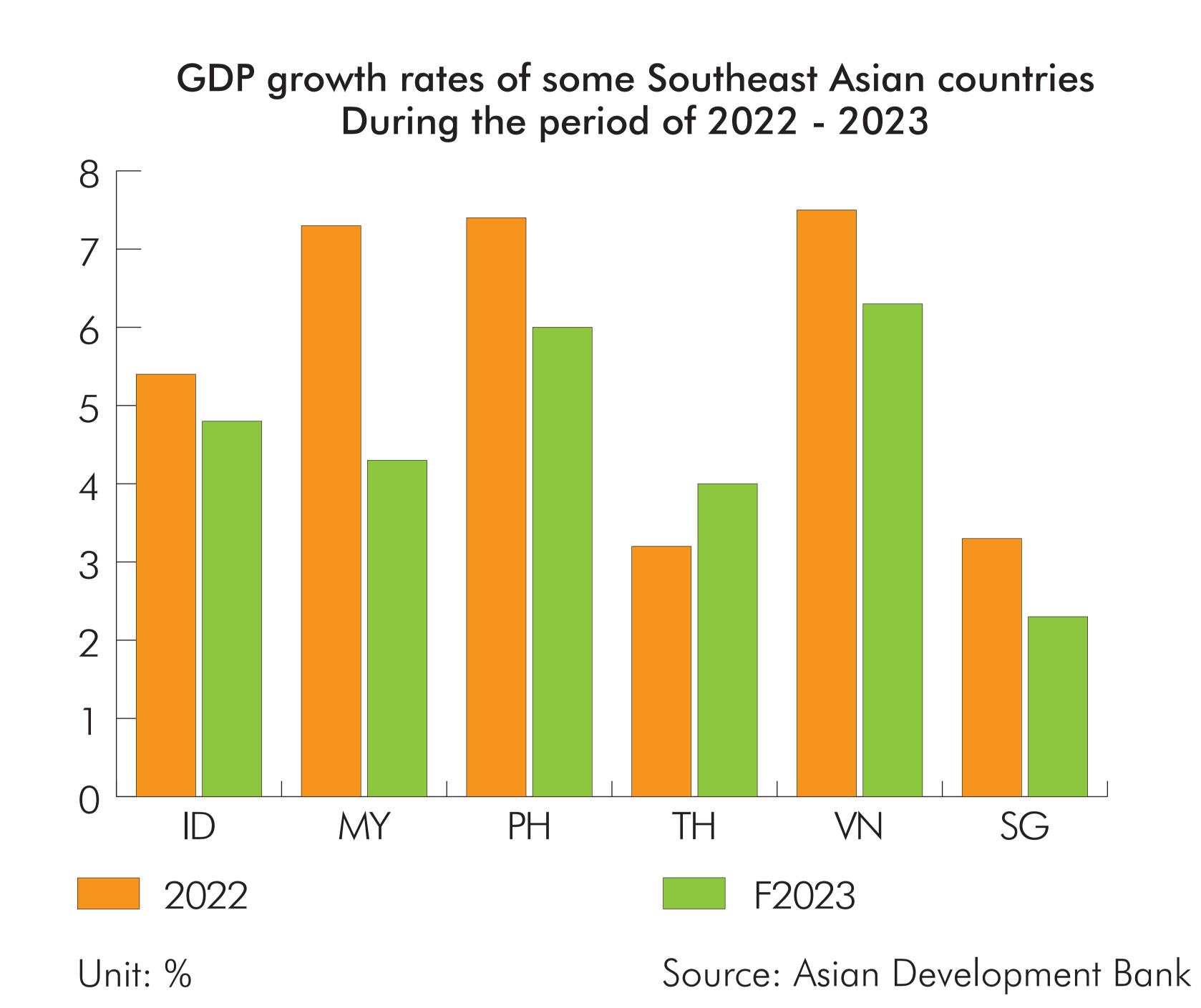
Real Estate

Real estate investment volumes in Asia Pacific are expected to continue to contract by 5% to 10% in 2023 after declining 25% year-on-year in 2022. Optimism driven by the idea of the Covid-19 coming to an end has slowly given way to caution amid concerns about inflation, interest rate and geopolitics. However, Southeast Asia's housing markets including Malaysia, Singapore, Thailand and Vietnam are forecasted to be more resilient in 2023, driven by the easing of restrictive measures coupled with strong labor markets and the steady FDI flow, which provides a buffer against market vagaries caused by the pandemic and the Russia-Ukraine conflict. Therein, Thailand, Indonesia and Malaysia are showing increasing demand, with the latter two witnessing higher listing prices.

Hospitality

Asia Pacific is presenting tremendous growth opportunities for both global and regional hotel brands. Hotel operators have announced notable expansions or upcoming openings in this region which will boom once the Chinese tourists return. Particularly in Southeast Asia, the hospitality industry is seeing a turnaround after governments began easing Covid-19 restrictions. Operators of luxury hotels and theme parks have begun opening new facilities and making investments as travel and leisure demands bounce back. In this context, Thailand, Cambodia, Malaysia, and Indonesia have launched residency visa plans with stays from 10 to 20 years to attract foreign investors, which will strongly promote the hospitality industry.

Index



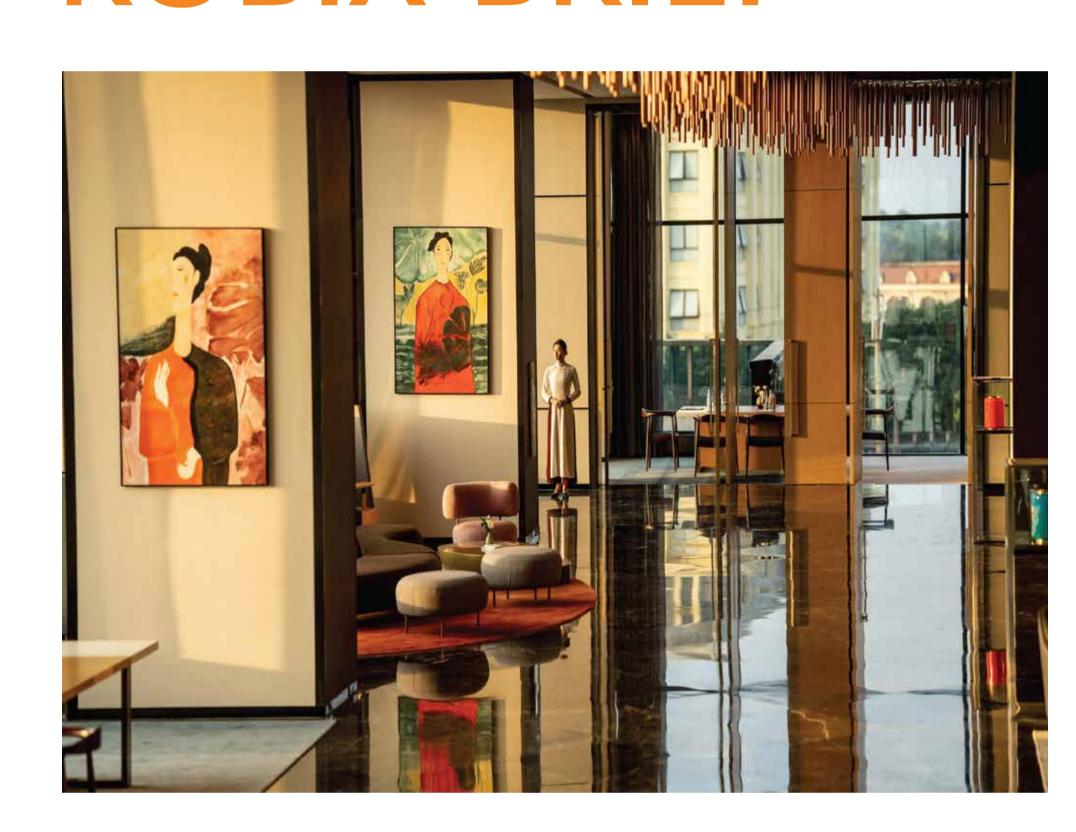
Economy

Asian Development Bank (ADB) lowered its economic growth forecasts for developing Asia and the Pacific amid a worsened global outlook, with the grow rates of 4.2% in 2022 and 4.6% in 2023. Monetary policy tightening by central banks globally and in the region, the Russia - Ukraine conflict, and recurring lockdowns in China are slowing down this region's recovery from the Covid-19 pandemic. However, these countries will still do better than others globally in terms of both growth and inflation. Therein, ADB's growth forecast for Southeast Asia in 2022 was raised to 5.5% from 5.1%, amid robust consumption and tourism recovery in Malaysia, the Philippines, Thailand, and Viet Nam. Projections for 2023, however, were lowered to 4.7% from 5% due to weakening global demand.

Policy

Vietnam's real estate market entered 2022 with big hopes of a strong recovery, however, global economic fluctuations and various domestic factors in 2H2022 slowed down the market. In the residential sector, developers have had difficulty in restructuring debts due to tightening bank loans to real estate and strict supervision closely in the issuance of corporate bonds, rising interest rates are weakening housing demand, and the legal approval process waits to be cleared up with the revised Law on Land. Meanwhile, the holiday home sector is unlikely to accelerate in 2023 with medium-to-low liquidity and none of short-term price surges due to concerns about macroeconomic issues, legal backlogs, and the unsettled business environment.

RUBIX BRIEF



International hotel operators accelerating expansion in Vietnam

In the North, Vinh Phuc Province welcomed the 170-key Crowne Plaza Vinh Yen City Centre as its first premium international hotel. In addition, Hanoi is expected to add the 122-unit ParkRoyal Serviced Suites Hanoi in early 2023, the 202-unit Soho @ Heritage West Lake in 2024, and the 187-key Waldorf Astoria Hanoi in 2025. In the Central, the 244-key Wink Hotel Danang Centre and the 127-key Anam Mui Ne opened their doors. Meanwhile, the 234-key Hilton Garden Inn Da Nang and the 72-key Mandarin Oriental, Bai Nom are set to welcome guests respectively in 2023 and 2026. In the South, the 265-key Okura Resort & Spa Phu Quoc as part of the Sun Premier Village Primavera complex, the 197-key La Festa Phu Quoc, Curio Collection by Hilton, and the 126-villa LuxNam Phu Quoc are scheduled to open during 2023 - 2025.



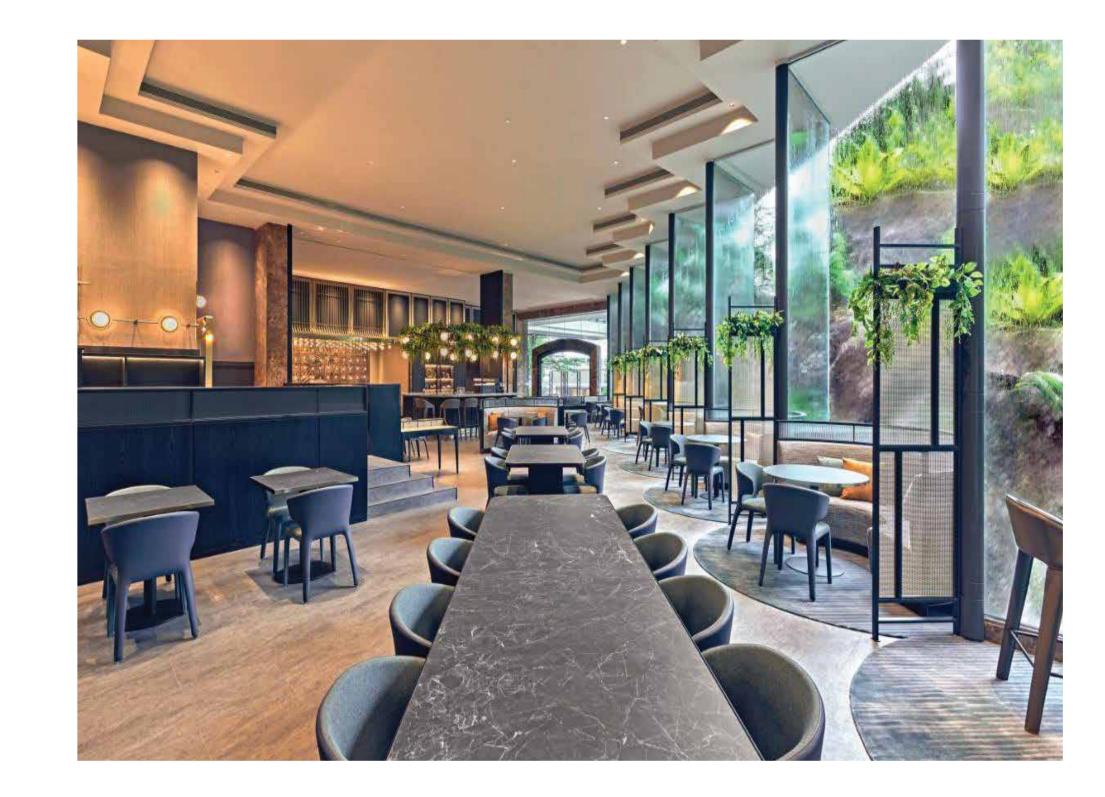
Thailand welcomes many hotel openings

After ibis Chiangmai Nimman Joumeyhub, Accor would inaugurate Tribe Bangkok Sukhumvit 39 and MontAzure Lakeside Phuket - MGallery in 2023. This operator also signed agreements for the 568-key Grand Mercure Bangkok Atrium and the dual-branded Mercure & ibis Bangkok Siam Ratchathewi. In this context, Centara opened the 180-key Centra by Centara Bangkok Phra Nakhon and the 217-key Centara Korat Hotel, while Radisson announced to welcome guests at the 243-key Radisson Resort & Spa Hua Hin and the 100-key Lewit Hotel Pattaya, a member of Radisson Individuals, in February 2023. In addition, Minor marked its NH brand's Asia debut in Phuket while IHG would open the 174-key Dinso Resort Phuket, Vignette Collection and the 240-key InterContinental Chiang Mai Mae Ping in mid-2023.



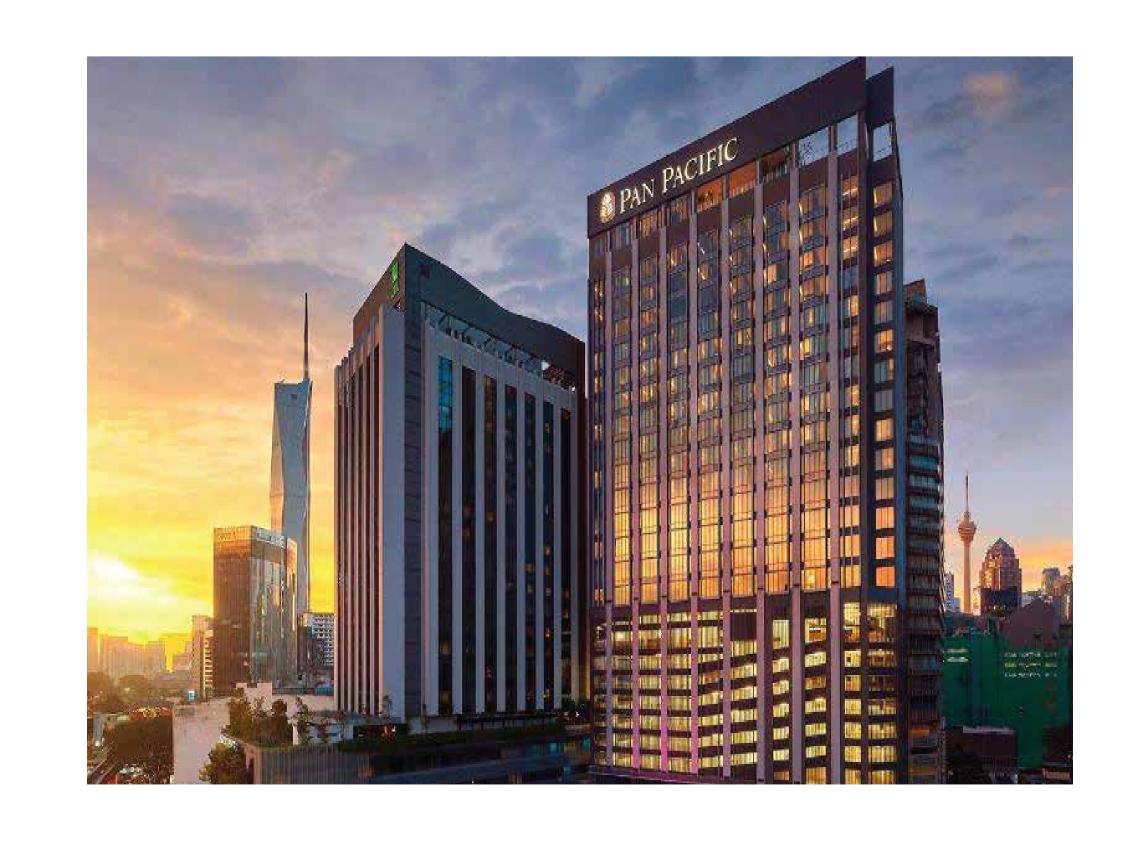
Indonesia's hospitality market coming back

In Jakarta, the 282-key St. Regis Jakarta welcomed guests in December 2022, while ParkRoyal Serviced Suites Jakarta would open in July 2023 as part of the Thamrin Nine integrated complex that also consists of Pan Pacific Jakarta and ParkRoyal Jakarta. In the meantime, Accor announced the signings of the 253-key Mövenpick Jakarta Pecenongan and the 165-key ibis Styles Serpong BSD. This operator also opened the 257-key Pullman Lombok Mandalika Beach Resort and signed a management contract for a dual-branded property, the 413-key Novotel and Ibis New Yogyakarta International Airport Kulon Progo. In Bali, the 205-key Ayana Segara Bali came into operation, while Accor and Hilton debuted their lifestyle brands of Tribe and LXR with the opening of the 165-key Tribe Bali Kuta Beach and the signing of the 72-villa LXR Hotels & Resorts in Bali.



New luxury and upscale hotels coming to Singapore's Orchard district

The 256-key Vibe Hotel Singapore Orchard welcomed guests in November 2022. Meanwhile, Pan Pacific announced to open its next flagship hotel, the 347-key Pan Pacific Orchard, Singapore in May 2023, delivering a brand-new luxurious experience for discerning travelers in the Orchard district. In fall 2023, the iconic shopping road is slated to become the location of Edition's first hotel in Southeast Asia with the opening of the 190-key Singapore Edition. The 440-key Conrad Singapore Orchard is also scheduled to open at the same time, providing one more luxury property with few steps from the most popular destination for retail and entertainment in Singapore. In another context, Hmlet, Asia's flexible living brand, announced to launch the 106-key Owen House by Hmlet on the city fringe of Singapore in early 2023.



Malaysia, Cambodia and the Philippines witnessing positive signs

In Malaysia, Pan Pacific unveiled the 210-suite Pan Pacific Serviced Suites Kuala Lumpur, contributing to double this operator's serviced suites portfolio by 2023, spanning 10 properties in 8 cities including Bangkok, Hanoi, Jakarta, Kuala Lumpur and Singapore. Meanwhile, Hyatt announced the opening of the 222-key Hyatt Centric Kota Kinabalu, marking the debut of Hyatt's rapidly growing lifestyle brand in Malaysia and Southeast Asia. In this context, Accor signed its first Mercure property in Cambodia, the 200-key Mercure Phnom Penh Beung Keng Kong 1 which is set to open in 2027. In the Philippines, the hospitality market in Metro Manila is forecasted to welcome an annual average completion of 2,650 keys during 2022 - 2024, about 40% of which will carry a foreign brand.



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