RUBIX INSIGHTS

Real Estate

In Singapore, new-home sales are likely to fall this year to the lowest since the global financial crisis, between 4,500 to 5,500 units, amid a standoff over prices between developers and homebuyers. The private home prices have risen for four consecutive quarters despite property curbs. In Vietnam, apartment prices in Hanoi are almost catching up with those in HCMC, with about 5-10% in price difference compared to 30% before the pandemic. In Greater Bangkok, residential developers should exercise caution regarding new launches over the next 6 months as the market is showing signs of strain with declining sales and increasing unsold inventory.

Hospitality

Major global hotel operators are expanding rapidly across Asia Pacific (APAC), with almost half of the new hotels in the development pipeline here in conjunction with five groups including Marriott, Accor, IHG, Hilton, and Wyndham. In August 2024, Marriott announced the opening of its 600th property and about 400 properties being developed in APAC excluding China region. Meanwhile, Hilton revealed plans to surpass 150 luxury hotels in APAC in the coming years, quadrupling its luxury portfolio across the region compared with the end of 2023. To compete, Accor is ramping up its franchise model across APAC, aiming to capitalize on the burgeoning tourism industry, particularly in China and India, while adapting to changing consumer preferences.

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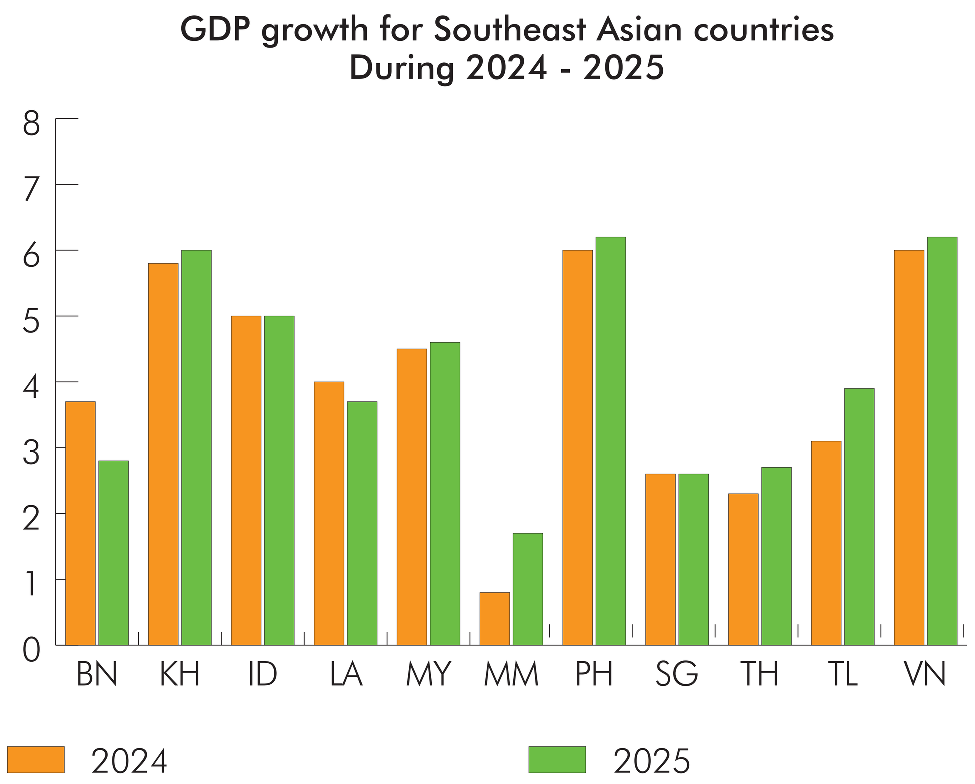


Unit: % Source: Asian Development Bank

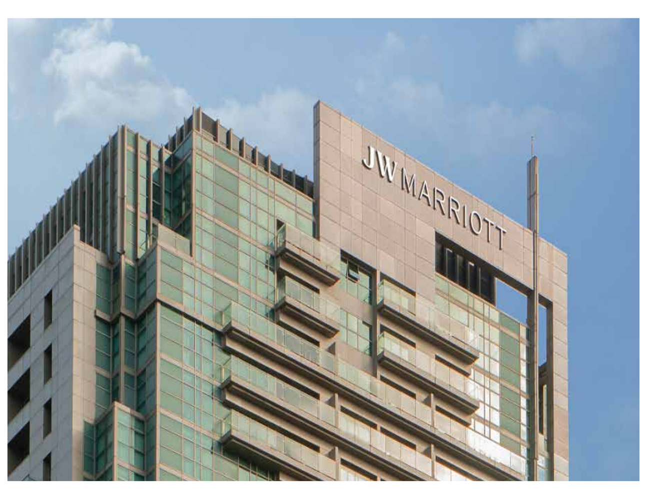
Economy

Southeast Asia is likely to outpace China's economic growth and inflow of FDI over the next ten years as the region benefits from growing demographics and a global supply chain shift, reported by Angsana Council, Bain & Co. and DBS Bank. Accordingly, GDP for the six key regional economies including Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam is expected to increase by an average of 5.1% annually until 2034, outpacing China's projected growth of 3.5% to 4.5%. Meanwhile, S&P Global believes that Southeast Asia's economies are better positioned among emerging markets to attract capital inflows thanks to strong growth fundamentals and will benefit from resilient domestic demand, gradual upcoming monetary easing, recovery of tourism, and improved electronics exports.

Policy

Indonesia will set a moratorium on the construction of hotels, villas and nightclubs in some areas on Bali, where there were 541 operating hotels by 2023, as this island grapples with the over-development of land. Additionally, this country will extend the 11% VAT exemption for home purchases worth up to US$ 131,000 through the end of 2024 to boost demand and help improve the market. In Thailand, the government will move ahead with plans to introduce casinos as a bid to legalize gambling to boost jobs and state revenues and draw more foreign tourists. Thailand is also considering to extend the land leasehold period to 99 years for foreigners, while increasing the quota for foreign ownership of condominiums from 49% to 75% of usable space in a building.

RUBIX BRIEF

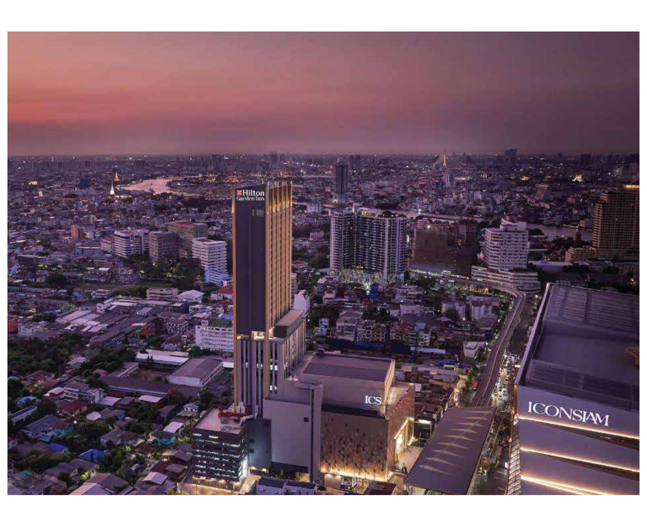


Hotel operators growing footprints in Vietnam

Marriott reflagged InterContinental Hotel Saigon and InterContinental Residences Saigon of the mPlaza complex into JW Marriott Hotel & Suites Saigon. In response, IHG announced the signings of the 232-key Crowne Plaza Quang Binh City Centre situated within the mixed-use Royal Landmark, and the 68-villa voco Quang Binh Resort. Meanwhile, Radisson and Banyan opened the 153-key Radisson RED Danang and the 156-key Angsana Quan Lan. Additionally, Fusion put into operation of Fusion Resort & Villas Da Nang including 85 villas and 157 hotel rooms, and the 175-key HIIVE by fusion Binh Duong New City. In another context, Aon Plc, the owner of Landmark72 Hanoi which encompasses the second-tallest skyscraper in Vietnam, seeks to sell a 100% stake in this asset for more than US$ 748.5 million.

Hotel room supply increasing in Jakarta and Bali

In Jakarta, Accor and Hilton launched the 256-key Mövenpick Hotel Jakarta City Centre and the 184-key DoubleTree by Hilton Jakarta Bintaro Jaya. In 2028, Jakarta is expected to welcome Andaz Jakarta Sudirman as part of the Two Sudirman Jakarta complex, providing 198 hotel rooms and 167 serviced apartments. During 2029 - 2030, there would be 560 keys added into Jakarta's hotel market as Jakarta Marriott Hotel Kota Kasablanka and The Jakarta EDITION are completed. In another context, Bali unveiled the openings of the 381-key Nusa Dua Beach Hotel & Spa - Handwritten Collection and the 110-key Anantara Ubud Bali Resort. In 2027, this island is scheduled to welcome Mandarin Oriental, Bali, encompassing 110 keys and 68 branded villas.



Bangkok's mixed-use projects taking centre stage in Thailand's hospitality market

Hilton has launched the 241-key Hilton Garden Inn Bangkok Riverside, situated atop the mix-used ICS opposite IconSiam. Together with the reopening of Dusit Thani Bangkok in Dusit Central Park, Dusit will inaugurate the 109-key Dusit Suites Kingsquare, Bangkok and the 222-unit Kingsquare Residence in 2026. These properties will be part of Kingsquare Complex, a development also featuring a shopping mall. In another context, Minor opened the 402-key Avani Ratchada Bangkok Hotel and signed a contract to manage the 309-key NH Bangkok Sukhumvit Boulevard. Besides, Langham announced the anticipated 2026 opening of The Langham, Customs House, Bangkok, while Cross inked two deals for the 221-key Cross Vibe Bangkok Srinakarin and the 64-key Lumen Bangkok Srinakarin.

Marriott and Accor racing to expand in Malaysia

Marriott announced two signings of the 262-key Penang Marriott Hotel Queens Waterfront and the 228-unit Marriott Residences Queens Waterfront, Penang as part of the mixed-use Queens Waterfront. These signings marked the expansion of the operator on Penang island, in addition to the operating Penang Marriott Complex which comprises Penang Marriott Hotel, Marriott Executive Apartments Penang and Marriott Residences Penang with 615 keys in total. Its competitor Accor also boosted growth in Malaysia with the opening of the 229-key ibis Styles Sepang KLIA, and two signings of a 325-key Grand Mercure hotel and a 168-key ibis Styles hotel in Kuala Lumpur. In another context, Malaysia will offer a zero per cent tax rate for family offices set up in Forest City as an attempt to revive the US$ 100 billion mega project.

New hotel projects in Singapore, the Philippines and Laos

In Singapore, Accor announced three signings under the brands of Mövenpick, Mövenpick Living and Handwritten Collection with over 1,300 keys in total. Meanwhile, Ascott and Minor unveiled the opening of the 308-unit lyf Bugis Singapore and the signing of the 200-key Avani Singapore. Besides, the island state is witnessing large M&A deals regarding the Capitol Singapore complex, Concorde Hotel and Shopping Centre, Stamford Court, and Citadines Raffles Place. In the Philippines, Radisson plans to add more than 450 keys under three newly-signed Park Inn by Radisson properties while IHG will open the 250-key InterContinental Clark in 2031. In Laos, Hilton has launched the 188-key DoubleTree by Hilton Vientiane, marking its first foray into this emerging market.

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