

# 2024 South Korea Hotel Industry Survey of Operations

2023 Calendar Year



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## Foreword by Horwath HTL Asia Pacific

The Horwath HTL is pleased to present the 2024 South Korea Hotel Industry Survey (Calendar Year 2023). This year's study attracted a total of 26 participating hotels, which accounted for 9,173 rooms.








In 2023, South Korea welcomed approximately 11 million international visitor arrivals, registering significant growth from 2022. Despite of the arrivals still falling short of the pre-pandemic level, the hotel performance indicated a full recovery. In 2023, the occupancy reached 69 percent, surpassing 68 percent recorded in 2019. Meanwhile, the ADR improved notably by 9 percent, increasing from KRW 249,154 to KRW 271,977, setting a new all-time high. The resultant Revenue Per Available Room (RevPAR) showed an impressive growth of 23 percent, while the GOP PAR also saw a substantial increase of 18 percent year-over-year.






Lastly, I would like to offer our heartfelt appreciation to all survey participants for your longstanding support of this publication. We are grateful for any feedback or comments you may have to offer that will assist us in continuing to improve the utility of this survey.

**Robert Hecker**  
Managing Director  
Horwath HTL Pacific Asia

# Annual Study Honorary Advisory Board

(in alphabetical order)

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## Market and Survey Introduction

The benchmark data presented in this survey of operations for the hotel industry offers users a baseline reference on the operational performance of hotels in each category by and large. With great emphasis on presenting accurate benchmarks, the following fundamentals on the results presented should be noted.

**Service Charges:** In accordance to local industry practice, all respective departmental revenues, ADR and RevPAR are inclusive of Service Charges.

**Previous Year Comparisons:** The derivation methods of the previous year data (presented in the Summary of Results), has been retroactively adjusted to be consistent with the current year’s practice. On this note, the calendar year 2022 figures shown in this current 2024 study might not be identical to 2023’s study.

**Line Items:** Vertical totals and averages may not add up as each average indicator is based on the hotels that contribute data for each specific line item.

**Requisite Sample Size:** Each average benchmark figure will only be presented if the number of respondents is more than 10 percent of the total respondents in the respective column group. Anything less than 10 percent will be show as Not Available (N/A).

**Class Segment:** Hotels are categorized by the following class segments: Luxury, Upper Upscale and Upscale & Below. The class for a hotel that participated in 2023 Annual Study is based on its rate category in the 2023 Annual Study. The table below summarizes how the rate categories in 2023 Annual Study were referenced to the Class Segment in 2024 Annual Study. Any new participating hotel (meaning the hotel which participated in the 2024 Annual Study but not 2023 Annual Study) has been assigned a class based on its market positioning, amenities offering and achieved 2023 ADR relative to that of the return participating hotels in its geographic proximity.

Rate Category (2023 Annual Study)	Corresponding Class Segment (2024 Annual Study)
Under KRW 150,000	Upscale & Below
KRW 150,000 – KRW 300,000	Upper Upscale
Above KRW 300,000	Luxury

## Explanation of Terms & Bases Used

Item	Description
<b>Rooms Revenue</b>	Revenues obtained from guests' accommodation rented on a part-day, full-day or longer period basis. The figures include service charges that are retained as room revenue or used to offset expenses (namely payroll), excluding hotel accommodation tax and tips given to employees.
<b>Food Revenue</b>	Revenue derived from the sale of food and non-alcoholic beverages in restaurants, in-room dining, mini bar, banquets and/or catering. This includes service charges that are retained as revenue or used to offset expenses (namely payroll), but excludes tax and tips given to employees.
<b>Beverage Revenue</b>	Revenue derived from the sale of alcoholic beverages. This includes service charges that are retained as revenue or used to offset expenses (namely payroll), but excludes tax and tips given to employees.
<b>Other Operated Departments Revenue</b>	Revenues generated from laundry, health centre, swimming pool, valet and other operated department revenues not mentioned.
<b>Miscellaneous Income</b>	Revenues related to a third party or revenues that do not incur any direct operating expenses, including foreign currency transaction gains (losses), income from rental of stores and showcases, commissions, cancellation penalties, cash discounted earned, etc.
<b>Cost of Food Sales</b>	Includes cost of food and non-alcoholic beverages served to guests, together with transportation and delivery charges, at gross invoices price less trade discounts. The cost of employees' meals is charged to the appropriate department and does not constitute a part of the cost of food sold.
<b>Cost of Beverage Sales</b>	Represents the cost of alcoholic beverages served to guests or used in the preparation of mixed drinks, at gross invoice price less trade discounts, plus import duties, transportation and delivery charges. The cost of employees' beverages is charged to the appropriate department and does not constitute a part of the cost of beverage sold.
<b>Cost of Other Operated Departments Sales</b>	Represents the cost from laundry, health centre, swimming pool, valet and other operated department revenues not mentioned.
<b>Payroll &amp; Related Expenses</b>	Comprises of expenses associated with salaries, wages and bonuses and payroll-related expenses for employees. Also included are the employee benefits such as social insurances, medical allowance, vacation and holiday pay, goods and services to employees free of charge or at markedly reduced price, employee' meals.
<b>Rooms Other Expenses</b>	Represents non-payroll expenses for the room department, including the expenses of cable/satellite, television, cleaning supplies, commissions, complementary services and gifts, guest supplies, linen, printing and stationery, royalty fees, equipment rentals, corporate office reimbursable, etc.
<b>Food and Beverage Other Expenses</b>	Represents non-payroll expenses for food and beverage department, including china and glassware, cleaning supplies, decorations, guest supplies, laundry, linen, music and entertainment, menus and beverage lists, silver and uniforms.



<p><b>Other Operated Departments Other Expenses</b></p>	<p>Represents non-payroll expenses for all other operated departments, including laundry supplies, health centre and swimming pool supplies, etc.</p>
<p><b>Undistributed Expenses</b></p>	<p>This classification is used for (1) administrative and general expenses, (2) sales and marketing expenses, (3) information and telecommunications systems expenses, (4) utilities costs, and (5) property operation and maintenance expenses. Each of these can be considered as an individual entity. The explanations of each category expense are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Administrative and general expenses</b> include cash overages or shortages, commissions on credit cards, collection charges, executive office expenses, general insurance, postal charges, legal expenses, trade association dues, travelling expenses, accounts and consultants' fees.</li> <li>• <b>Sales and marketing expenses</b> include advertising, sales, promotion, merchandising, public relations and research, plus applicable travel and entertainment expenses and supplies.</li> <li>• <b>Information and telecommunications systems</b> expenses include cost of phone calls, internet services, software licenses and maintenance, software as a service fee, hosting storage fees and technical support fees.</li> <li>• <b>Utilities expenses</b> which include the cost of electrical power, fuel, steam and water.</li> <li>• <b>Property operation and maintenance expenses</b> include the cost of repairing buildings, electrical and mechanical equipment and fixtures, floor coverings, furniture, grounds and landscaping plus the cost of electric bulbs, mechanical supplies and removal of waste matter.</li> </ul>
<p><b>Three levels of profit in this study</b></p>	<ul style="list-style-type: none"> <li>• First level is the Departmental Profit/Loss.</li> <li>• Second level is the Gross Operating Profit (sum of department profits less undistributed operating expenses).</li> <li>• Third level is the Earnings before Interest, Taxes, Depreciation and Amortization (Gross Operating Profit less management fees and non-operating income and expenses).</li> </ul>

## Participating Properties

Andaz Seoul Gangnam  
Banyan Tree Club and Spa Seoul  
Conrad Seoul  
Courtyard by Marriott Seoul Botanic Park  
Courtyard by Marriott Seoul Namdaemun  
Courtyard by Marriott Seoul Times Square  
Courtyard By Marriott Suwon  
Courtyard Seoul Pangyo  
Daegu Marriott Hotel  
DoubleTree by Hilton Seoul Pangyo  
Four Points by Sheraton Seoul Gangnam  
Four Points by Sheraton Suwon  
Four Seasons Hotel Seoul  
Grand Hyatt Incheon  
Grand Hyatt Jeju  
Grand Hyatt Seoul  
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**At Horwath HTL – Asia Pacific (HHTL)** is the regional arm of Crowe Global’s Hotel, Tourism and Leisure Consulting Group. Since its establishment in 1987, HHTL has been involved with thousands of projects throughout the region in all phases of the property lifecycle for clients ranging from individually held businesses to the world’s most prominent hotel companies, developers, lenders, investors and industrial corporations. HHTL currently operates out of offices in Singapore, Hong Kong, Beijing, Shanghai, Jakarta, Kuala Lumpur, Sydney, Mumbai, Tokyo, Auckland and Bangkok.

By combining resources from our offices in key cities throughout the Asia Pacific region, we ensure that clients receive a multi-skilled international perspective for their projects and benefit from our wide-reaching industry contacts. We are also supported by the Horwath HTL database, the largest and most complete hotel and tourism related database in the world. HHTL offers a wide range of services at all stages of the property lifecycle. Grouped under three broad areas, our services include the following:

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