



2019 ASIA PACIFIC Serviced Apartment Survey of Operations

2018 Calendar Year

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FOREWORD BY HORWATH HTL – ASIA PACIFIC

Dear Industry Partners,



I am pleased to present the Horwath HTL Serviced Apartments Survey of Operations for Asia-Pacific. This year's publication represents the eighth edition of this report.

This year's survey collected the performance of 120 properties across the region for 2018, an addition of 17 properties and 3,634 rooms. With the hope of producing a more comprehensive and representative publication, we continue to eagerly anticipate further participation from more industry partners.

I would like to take this opportunity to thank all the 120 participating serviced apartments' owners and managers in this year's study. Without their continued participation, we would not be able to produce this report with the depth and accuracy of information that we do.

We look forward to receiving your thoughts, suggestions and feedback about the industry survey, which will assist us in improving this valuable tool. Please also visit our website at www.horwathhtl.asia for other such useful benchmarking studies, research insights published, and services offered for other regional and international markets.

Yours sincerely,

A handwritten signature in black ink that reads "Robert Hecker". The signature is written in a cursive, flowing style.

Robert Hecker
Managing Director
Horwath HTL – Pacific Asia

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MARKET AND SURVEY INTRODUCTION

SURVEY ACCURACY NOTES

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 the Uniform System of Accounts for the Lodging Industry and IRAS's treatment of Service Charges as taxable income, all respective departmental revenues, Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR) are inclusive of Service Charges.

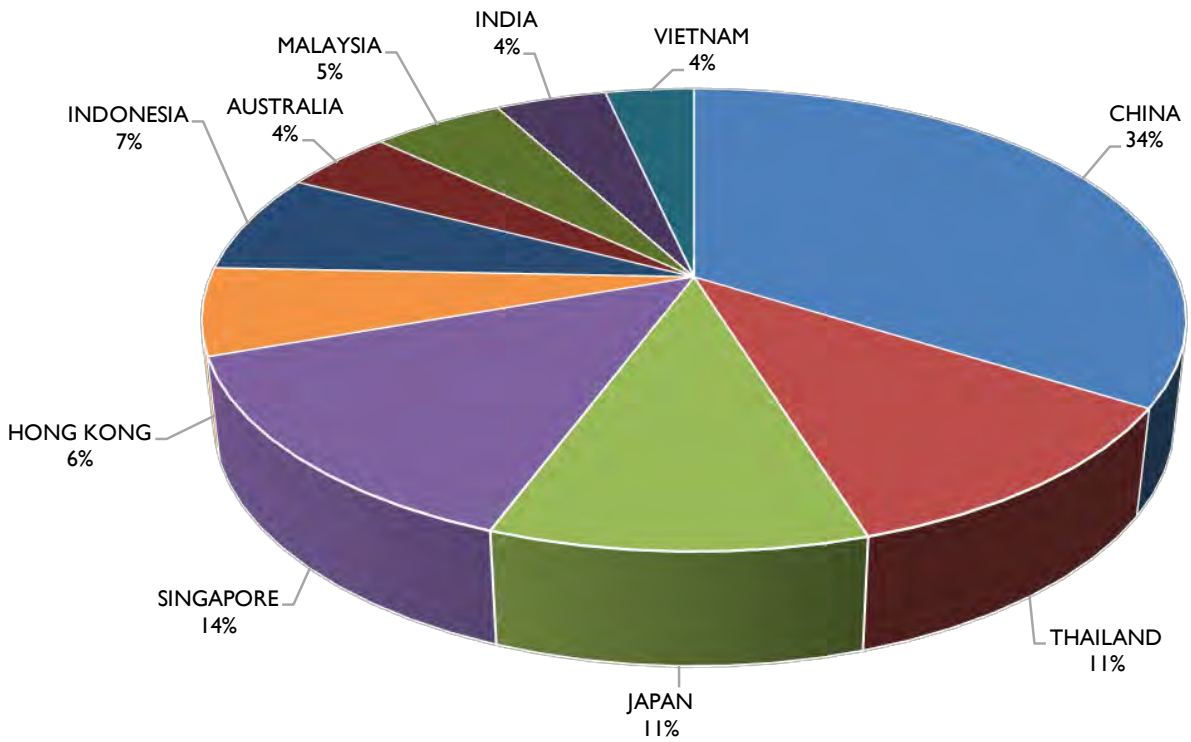
Previous Year Comparisons: The derivation methods of the previous year data (presented in the Summary of Results), has been retroactively adjusted to be consistent with the current year practice. On this note, the 2017 performance figures shown in this current 2019 study (calendar year 2018) might not be identical to the previous year'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 shown as Not Available (N/A).

Categories by Number of Rooms: In previous years, we used number of rooms as a category along with average daily rates and locations. However, as of 2014, we chose not to segment hotels by size to avoid misleading data. If we rely solely on number of rooms, data from hotels in different segments, such as budget and luxury, could be combined and create false averages. We feel that analyzing hotels based on rate category and location provides stronger and more accurate data.

PROPORTION OF RESPONDENTS BY COUNTRY

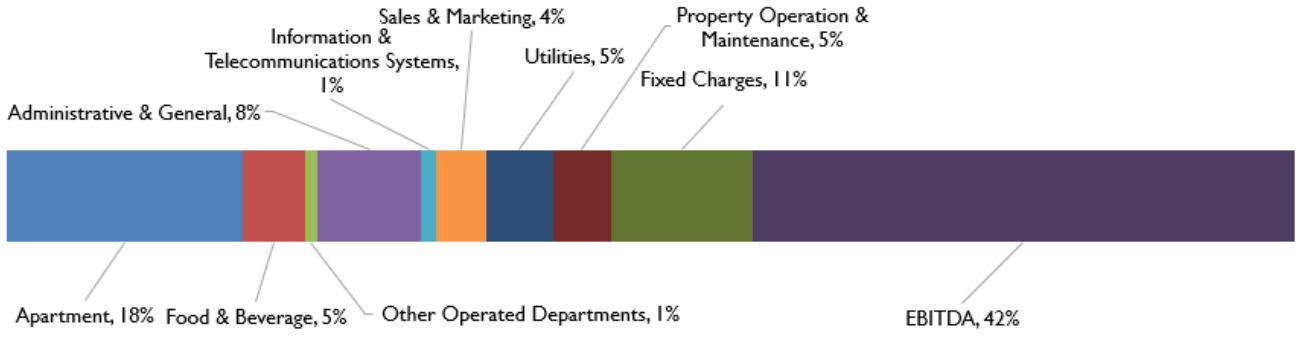


REVENUE AND EXPENSE DISTRIBUTION **2018 CALENDAR YEAR AGGREGATE**

REVENUE DISTRIBUTION



EXPENSE DISTRIBUTION



SUMMARY OF RESULTS

KEY FINDINGS

In the 2019 Study, there are 120 participating serviced apartments, an addition of 17 properties and a 22 percent increase in daily available rooms from last year's Study. Moreover, we have included Vietnam and South Korea as individual locations this year.

- In 2018, the participating serviced apartments experienced a one percentage point drop in occupancy.
- The properties saw a 2 percent increase in ADR, from USD 122 in 2017 to USD 124 in 2018.
- As a result, RevPAR increased by 1 percent to USD 96.
- Total Revenue per Available Room increased by 2 percent while Total Expenses Per Available Room increased by 3 percent, which resulted in a 0.3 percent decline in GOP (as a percentage of revenues).

TABLE I.1 2018 vs. 2017

SUMMARY OF RESULTS	2018	2017	% Change
Number of Respondents	120	103	17%
Number of Available Rooms Per Day	20,208	16,574	22%
Number of Rooms Occupied Per Day	15,144	12,761	19%
Occupancy	77%	78%	-1%
Average Number of Guests Per Room	1.7	1.9	-9%
Average Daily Room Rate (USD)	124	122	2%
RevPAR (USD)	96	95	1%
Total Revenue Per Available Room (USD)	41,231	40,255	2%
Total Expenses Per Available Room (USD)	19,395	18,786	3%
GOP per Available Room (USD)	21,837	21,469	2%
GOP as a Percentage of Revenues	53.0%	53.3%	-1%
Fixed Cost Per Available Room (USD)	4,888	4,955	-1%
EBITDA Per Available Room (USD)	16,948	16,514	3%

Note:

Vertical totals may not add up as averages are based on respondents that contribute for each specific line items.

GOP: Gross Operating Profit

EBITDA: Earnings Before Interests, Taxes, Depreciation and Amortization