

Bali Hotel Market Report





"In our supply projection, there will 130 hotel projects providing 20,546 additional new rooms of star-rated hotels completed between 3Q 2015 and 2019. This represents a substantial 39% increase in the number of hotel rooms in Bali. Hotel occupancy in Bali presently only stands at 59.6% having increased moderately by 4.8% during 3Q 2015. The ADR decreased by 1.5% QoQ to USD120.29 for the whole Bali area. Likewise, in the South Bali area, the ADR was down by less than 1% to USD163.05 while a significant 6.4% drop was experienced by hotels in South Central Bali with a resulting ADR of USD84.79."

Ferry Salanto | Associate Director - Research

Hotel Sector

Economy and Tourism

The plummeting economic conditions, particularly the plunge of rupiah value against the US dollar made Bali more attractive to foreign tourists.

Star Rating Hotel

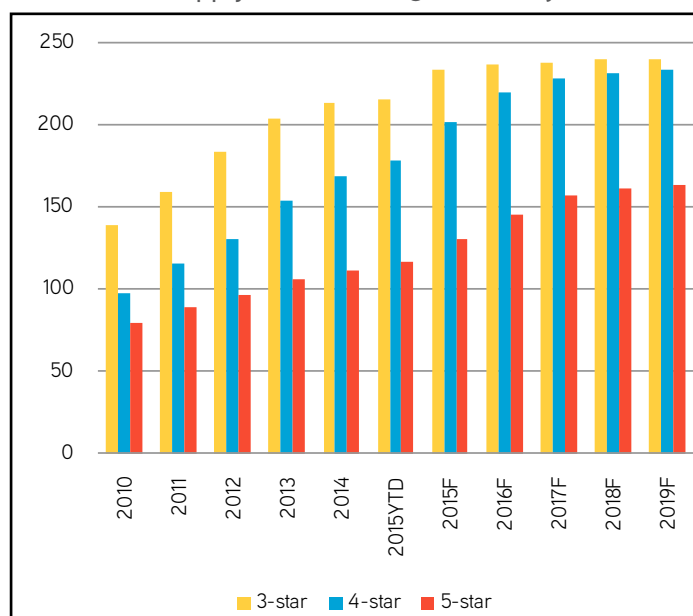
As the main attraction of Indonesian tourism, Bali saw several new hotels ready for operations while some of the old hotels were rebranded to improve their image.

During 3Q 2015, three new 5-star hotels opened to the public. In Ubud, Ritz Carlton opened their second hotel in Bali called Mandapa, a Ritz Carlton Reserve. Providing 60 suites and villa, this hotel has increased the competition among 5-star hotels in Bali. Local hotel operator Padma, also opened another property in Ubud, called Padma Resort Ubud. Padma Ubud provides 149 rooms for the public. Innaya Putri Bali, which was previously called Grand Inna Putri Bali, is adding 460 rooms to the hotel supply in Bali. Based on Colliers' database, there are 16,965 5-star hotel rooms in Bali.

In the 4-star category, the market witnessed an additional 80 rooms at Sadara Boutique Beach Resort Bali, which is located in the Tanjung Benoa area. Other than that, Starwood Group expanded their business with the new Four Points by Sheraton in the Kuta area providing 185 rooms to the public. Another new 4-star hotel called Rumah Luwih, located in the Gianyar area, added 75 rooms to the market. By 2015YTD, there are 20,661 rooms in Bali in the 4-star category hotel supply.

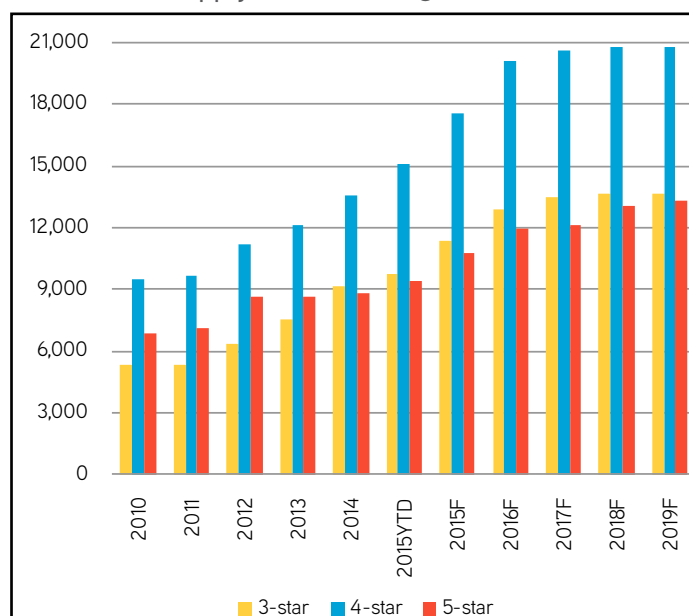
The moratorium on new hotel development in southern Bali issued by the Bali Provincial Government has so far not being fully implemented to tackle the region's over-development. Nevertheless, local government banned one hotel project in Nusa Dua area due to incomplete documentation.

Cumulative Supply of Star Rating Hotel Projects in Bali



Source: Colliers International Indonesia - Research

Cumulative Supply of Star Rating Hotel Rooms in Bali



Source: Colliers International Indonesia - Research

Hotel Developments in Pipeline						
HOTEL NAME	STARRED RATE	STR-GLOBAL EQUIVALENT RATE	LOCATION	REGION	NO. OF ROOMS	PROJECTED COMPLETION TIME
Ibis Style Bali Seminyak	3-star	Midscale Class	Seminyak	Seminyak	134	2015
Marc Hotel	3-star	N/A	Nusa Dua	Nusa Dua	158	2015
Horison Hotel Kuta	3-star	N/A	Kuta	Kuta	150	2015
Prasanthi Hotel Kuta	3-star	N/A	Kuta	Kuta	112	2015
Paradiso Aerotel Kuta	3-star	N/A	Kuta	Kuta	120	2015
D'Golfer Jimbaran	3-star	N/A	Jimbaran	Jimbaran	62	2015
Dreams Hotel Seminyak	3-star		Seminyak	Seminyak	70	2015
Jambuluwuk Hotel	3-star	N/A	Seminyak	Seminyak	115	2015
Quest Lagoon Hotel	3-star	Upper Midscale Class	Seminyak	Seminyak	336	2015
Royal Ghandari Hotel	3-star	N/A	Seminyak	Seminyak	100	2015
Tegal Alang	3-star	N/A	Ubud	Ubud	60	2015
Grand Serela Hotel	3-star	N/A	Ubud	Ubud	100	2015
Artotel Bali Sanur	3-star	N/A	Danau Tamblingan	Sanur	400	2016
Potato Head Boutique Hotel	3-star	N/A	Seminyak	Seminyak	60	2016
Yello Hotel 99 Eco Beach Hotel	3-star	N/A	Seminyak	Seminyak	128	4Q 2016
Santika Seminyak	3-star	Upper Upscale Class	Seminyak	Seminyak	173	2016
Canggu Beach Hotel	3-star	N/A	Canggu	Seminyak	101	2017
Bedugul Hotel	3-star	N/A	Bedugul	Bedugul	60	2017
YELLO Hotel Kuta Beach	3-star	N/A	Kuta	Kuta	120	4Q 2018
Blue Ocean Hotel	3-star	N/A	Seminyak	Seminyak	200	2018
Novotel Bali Ngurah Rai Airport	4-star	Upscale Class	Ngurah Rai International Airport	Kuta	214	4Q 2015
Tijili Resort Seminyak	4-star	N/A	Seminyak	Seminyak	121	4Q 2015
Preference Hotel Seminyak	4-star	N/A	Seminyak	Seminyak	120	4Q 2015
Ramada Hotel Batu Belig	4-star	Midscale Class	Batu Belig	Seminyak	198	2015
Indigo Hotel Seminyak	4-star	Upscale Class	Canggu	Seminyak	280	2015

Continued

HOTEL NAME	STARRED RATE	STR-GLOBAL EQUIVALENT RATE	LOCATION	REGION	NO. OF ROOMS	PROJECTED COMPLETION TIME
Sense Hotel Canggu	4-star	N/A	Canggu	Seminyak	115	2015
THE HAVEN Bali Berawa	4-star	N/A	Seminyak	Seminyak	61	2015
Agranusa Signature Villa	4-star	N/A	Nusa Dua	Nusa Dua	25	2015
The Eden Hotel Benoa	4-star	N/A	Benoa	Tanjung Benoa	207	2015
Swiss-Belresort Tanjung Benoa	4-star	Upscale Class	Tanjung Benoa	Tanjung Benoa	266	2015
Harris Hotel Sanur	4-star	Upscale Class	Sanur	Sanur	80	2015
The Nest	4-star	N/A	Tanjung Benoa	Tanjung Benoa	89	2015
Bedrock Hotel	4-star	N/A	Kuta	Kuta	156	2015
Golden Tulip Jineng Tamansari	4-star	Upper Midscale Class	Kuta	Kuta	188	2015
Dharsana Bali	4-star	N/A	Kuta	Kuta	98	2015
Centara Wuku Resort & Spa Bali	4-star	Upscale Class	Jimbaran	Jimbaran	177	2015
Grand Clarion Hotel Jimbaran	4-star	Upscale Class	Jimbaran	Jimbaran	222	2015
Majestic Water Village	4-star	N/A	Jimbaran	Jimbaran	32	2015
Mercure Bali Jimbaran	4-star	Upscale Class	Jimbaran	Jimbaran	258	2015
Veasna Bali-Jimbaran Beachfront suites	4-star	N/A	Jimbaran	Jimbaran	180	2015
Swiss-Belresort Ubud	4-star	Upscale Class	Ubud	Ubud	21	2015
Manuaba Green Village	4-star	N/A	Ubud	Ubud	200	2015
Novotel Bali Ubud	4-star	Upscale Class	Ubud	Ubud	140	2015
Golden Tulip Saranam Resort & Spa	4-star	Upper Midscale Class	Bedugul	Bedugul	91	2015
Prama Sthala Ubud	4-star	N/A	Ubud	Ubud	145	1Q 2016
Preference Hotel Sanur	4-star	N/A	Ubud	Sanur	70	3Q 2016
Golden Tulip River Resort Ubud	4-star	Upper Midscale Class	Ubud	Ubud	100	2016
Puri Manesa	4-star	N/A	Nusa Dua	Nusa Dua	400	2016
Benoa Bay Sand Bali	4-star	N/A	Tanjung Benoa	Tanjung Benoa	774	2016
Golden Tulip Essential Legian	4-star	Upper Midscale Class	Legian	Kuta	150	2016
Kyriad Dewi Sri Bali	4-star	Midscale Class	Kuta	Kuta	70	2016
Best Western Bali Ungasan	4-star	Midscale Class	Ungasan	Jimbaran	120	2016
Adaya Balangan Jimbaran Bali	4-star	N/A	Jimbaran	Jimbaran	101	2016
Grand Orange Pandawa Beach	4-star	N/A	Pandawa Beach	Jimbaran	129	2016
Grand Summit Pecatu	4-star	N/A	Pecatu	Jimbaran	388	2016
Springhill Villas & Resort at Jimbaran Hijau	4-star	Upscale Class	Jimbaran	Jimbaran	209	2016
Swiss-Belresort Jimbaran	4-star	Upscale Class	Jimbaran	Jimbaran	273	2016
Swiss-Belresort Pecatu	4-star	Upscale Class	Pecatu	Jimbaran	199	2016
Amarin Seminyak	4-star	N/A	Seminyak	Seminyak	157	2016
The Edelweiss Ultimo Canggu	4-star	N/A	Canggu	Seminyak	150	2016
Tamansari Gangga	4-star	N/A	Tanah Lot	Gangga, Tanah Lot	150	2016
Harris Resort Benoa Bali	4-star	Upscale Class	Benoa	Tanjung Benoa	275	1Q 2017
Dandelion Seminyak	4-star	N/A	Seminyak	Seminyak	75	2017
Novotel Bali Batu Belig	4-star	Upscale Class	Batu Belig	Seminyak	120	2017
Wana Prasta Resort Bali by Horison	4-star	N/A	Canggu	Seminyak	107	2017
Hardysland Nusa Dua Hill Hotel	4-star	N/A	Nusa Dua Hill	Nusa Dua	100	2017
Golden Tulip Essential Kuta Raya	4-star	Upper Midscale Class	Kuta	Kuta	200	2017
Royal Bali Tulip	4-star	Luxury Class	Kuta	Kuta	136	2017
Premiere Inn Bali Jimbaran	4-star	Midscale Class	Jimbaran	Jimbaran	200	2017
Ramada Encore Bali Uluwatu	4-star	N/A	Uluwatu	Jimbaran	200	2017
Aloft Bali Ubud	4-star	Upscale Class	Ubud	Ubud	148	3Q 2018
Love Fashion Hotel	4-star	N/A	Seminyak	Seminyak	250	Jul-05
Continued						

HOTEL NAME	STARRED RATE	STR-GLOBAL EQUIVALENT RATE	LOCATION	REGION	NO. OF ROOMS	PROJECTED COMPLETION TIME
Continuation						
Mercure Bali Eco Beach	4-star	Upscale Class	Eco Beach	Seminyak	138	2018
Harris Resort Beach Cove Jimbaran	4-star	Upscale Class	Jimbaran	Jimbaran	300	1Q 2019
Preference Hotel Nusa Penida	4-star	N/A	Nusa Penida	Nusa Penida	70	1Q 2019
Alila Seminyak	5-star	Upper Upscale Class	Petitenget	Seminyak	240	3Q 2015
One Ungasan Hotel & Sky Villa	5-star	N/A	Jimbaran	Jimbaran	130	4Q 2015
The Terrace Bali	5-star	N/A	Jimbaran	Jimbaran	98	4Q 2015
Avani Hotel - Nusa Dua Circle	5-star	N/A	By Pass Ngurah Rai, Nusa Dua	Nusa Dua	456	2015
Leaf View	5-star	N/A	Jimbaran	Jimbaran	245	2015
Renaissance Bali Hotel	5-star	Upper Upscale Class	Jimbaran	Jimbaran	203	2015
Sea Sentosa Eco Beach	5-star	N/A	Eco Beach	Seminyak	165	2015
InterContinental Resort Canggu	5-star	Luxury Class	Canggu	Seminyak	165	2015
Vivalavi	5-star	N/A	Jembrana	Jembrana	50	2015
The Chedi Nusa Penida	5-star	N/A	Nusa Penida	Nusa Penida	100	2015
Hoshinoya Bali	5-star	N/A	Ubud	Ubud	30	2015
Kamani Hotel & Conference Center	5-star	N/A	Ubud	Ubud	108	2015
Kila Infinity 8 Jimbaran	5-star	N/A	By Pass Ngurah Rai, Jimbaran	Jimbaran	180	2015
Hilton Garden Inn Bali Ngurah Rai Airport	5-star	Upper Upscale Class	Ngurah Rai International Airport	Kuta	291	2Q 2016
The Westin Ubud Resort & Spa	5-star	Luxury Class	Lodtunduh, Singakerta	Ubud	110	2Q 2016
Shangri-La Nusa Dua Resort & Spa	5-star	Luxury Class	Bali Tourism Destination Corporation (BTDC)	Nusa Dua	180	3Q 2016
The Sarasvati, a Luxury Collection Resort, Bali	5-star	N/A	Seminyak Beach	Seminyak	64	4Q 2016
Mandarin Oriental Bali	5-star	Luxury Class	Bukit Pandawa	Jimbaran	121	4Q 2016
Panghegar Uluwatu Cliff Resort & Spa	5-star	N/A	Uluwatu Cliff	Jimbaran	267	4Q 2016
Kempinski Nusa Dua Bali	5-star	Luxury Class	Badung	Nusa Dua	200	2016
Raffles Bali	5-star	Luxury Class	Jimbaran	Jimbaran	80	2016
Fairmont Hotel & Resort	5-star	Luxury Class	Bukit Jimbaran, Badung	Jimbaran	170	2016
Jumeirah	5-star	Luxury Class	Jimbaran	Jimbaran	104	2016
Andaz Hotel Bali by Hyatt (re-branded from Bali Hyatt)	5-star	Luxury Class	Danau Tamblingan, Sanur	Sanur	144	2016
Mövenpick Resort & Spa Jimbaran Bay	5-star	N/A	Jimbaran Bay	Jimbaran	340	2016
Meritus Seminyak Bali	5-star	Luxury Class	Petitenget	Seminyak	181	2016
Yoo Hotel Bali	5-star	N/A	Lepang Beach	Lepang	115	2016
De Vasa Hotel Legian Bali	5-star	N/A	Legian	Kuta	254	2017
Jimbaran Quincy Hotel	5-star	N/A	Nusa Dua	Jimbaran	226	4Q 2017
PARKROYAL Pecatu Bali Resort	5-star	Upscale Class	Pecatu Indah Resort	Jimbaran	415	2017
Radisson Bali	5-star	Upscale Class	Ungasan - Uluwatu, Jimbaran	Jimbaran	125	2017
Waldorf Astoria Bali Uluwatu	5-star	Luxury Class	Pecatu Indah Resort	Jimbaran	96	2017
Worldhotel Balangan Bali	5-star	N/A	Balangan Beach	Jimbaran	76	2017
Worldhotel Dreamland Bali	5-star	N/A	Dreamland Beach	Jimbaran	250	2017
The VOIR Suites Hotel & Residences Canggu Bali	5-star	N/A	Canggu	Seminyak	263	2017
Solis Capella Resort Hotel	5-star	Luxury Class	Ubud	Ubud	108	2017
Rosewood Tanah Lot Bali	5-star	Luxury Class	Tanah Lot	Tanah Lot	136	2017
Continued						

HOTEL NAME	STARRED RATE	STR-GLOBAL EQUIVALENT RATE	LOCATION	REGION	NO. OF ROOMS	PROJECTED COMPLETION TIME
<i>Continuation</i>						
Marriott Saba Bay Resort	5-star	Luxury Class	Gianyar	Gianyar	200	2017
New World Grand Bali Resort	5-star	N/A	Pecatu Indah Resort	Pecatu	328	2017
Jivanara Ubud by Preference Hotel	5-star	N/A	Ubud	Ubud	42	1Q 2018
Gianyar Quincy Hotel	5-star	N/A	Gianyar	Gianyar	70	3Q 2018
Cordis Nusa Dua Bali	5-star	Luxury Class	Nusa Dua	Nusa Dua	250	4Q 2018
Fashion TV Hotel & Residence Resort	5-star	N/A	Jimbaran	Jimbaran	200	2018
Seven Palm Bali Resort	5-star	N/A	Jimbaran	Jimbaran	120	2018
Bugatti Bali Villas and Resorts	5-star	N/A	Pecatu Indah Resort	Jimbaran	397	2019
Le Pang Resort	5-star	N/A	Lepang Beach	Klungkung	100	1Q 2019

Source: Colliers International Indonesia - Research and STR Global

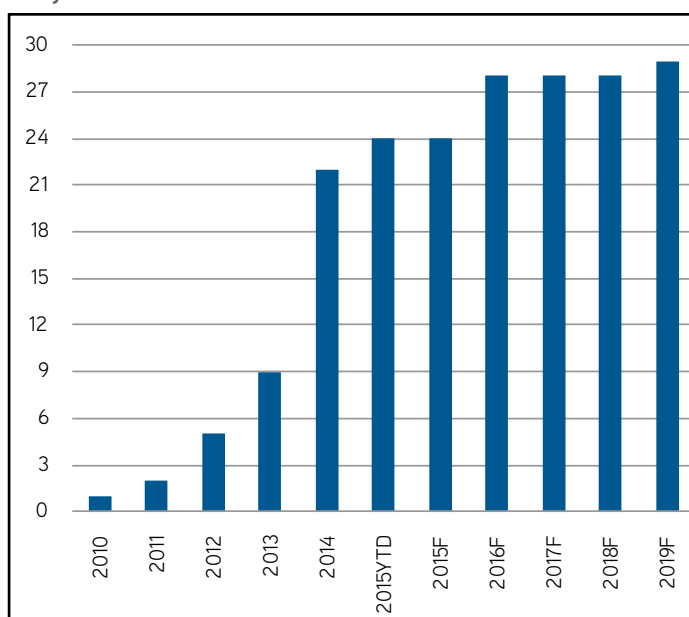
Looking at the list of hotel development in the pipeline, we can see that 4-star hotels are the most popular in the Bali area. Likewise, the number of 5-star hotels in development in Bali in the future is quite substantial. In our supply projection, there will be 126 hotel projects providing 20,546 additional new rooms of star-rated hotels between 3Q 2015 and 2019. The room composition will be 19.92% or 3,075 rooms in the 3-star category; 45.61% (9,350 rooms) at 4-star hotels; and 38.84% or 8,121 rooms rated as 5-star.

Budget Hotel

The amount of budget hotel development in Bali is low compared to the star-rated hotels. We revised the size of the budget hotel supply in Bali to 2,794 rooms at 24 hotel projects.

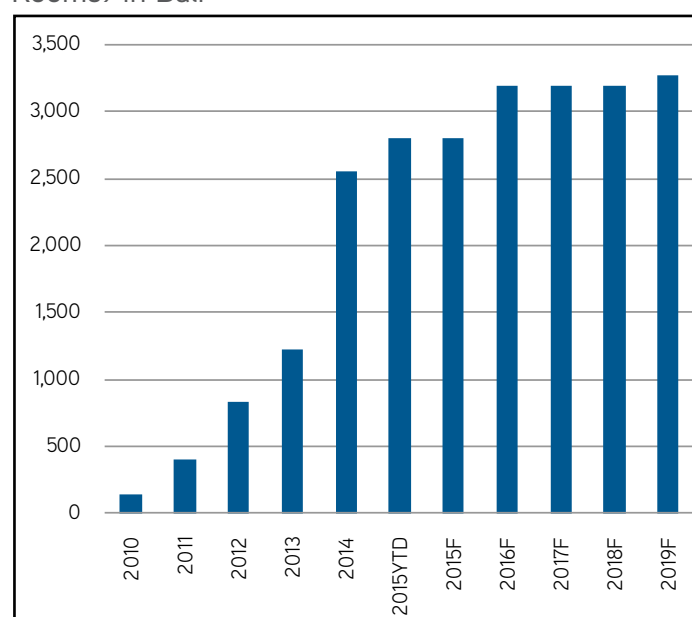
We anticipate three more new budget hotels which are expected to be in operation by the end of 2015. This will add around 476 rooms to the budget hotel supply in Bali by 2019.

Cumulative Supply of Budget Hotels (by Number of Projects) in Bali



Source: Colliers International Indonesia - Research

Cumulative Supply of Budget Hotels (by Number of Rooms) in Bali



Source: Colliers International Indonesia - Research

Future Budget Hotel Development in Pipeline					
NAME OF DEVELOPMENT	STR GLOBAL EQUIVALENT RATE	LOCATION	REGION	NO. OF ROOMS	PROJECTED COMPLETION TIME
Zest Legian	Economy	Padma Utara	Legian	50	2015
POP! Hotel Benoa	Economy	Benoa	Benoa	156	4Q 2016
Favehotel Raya Kuta (Dewi Sri)	Economy	Dewi Sri	Kuta	90	2016
MaxOne Tuban	Economy	Tuban	Tuban	100	2016
POP! Hotel Riverview Kuta	Economy	Kuta Riverview, Badung	Kuta	80	2Q 2019
POP! Hotel Drupadi Seminyak	Economy	Seminyak	Seminyak	120	1Q 2020

Source: Colliers International Indonesia - Research and STR Global

Performance

Demand

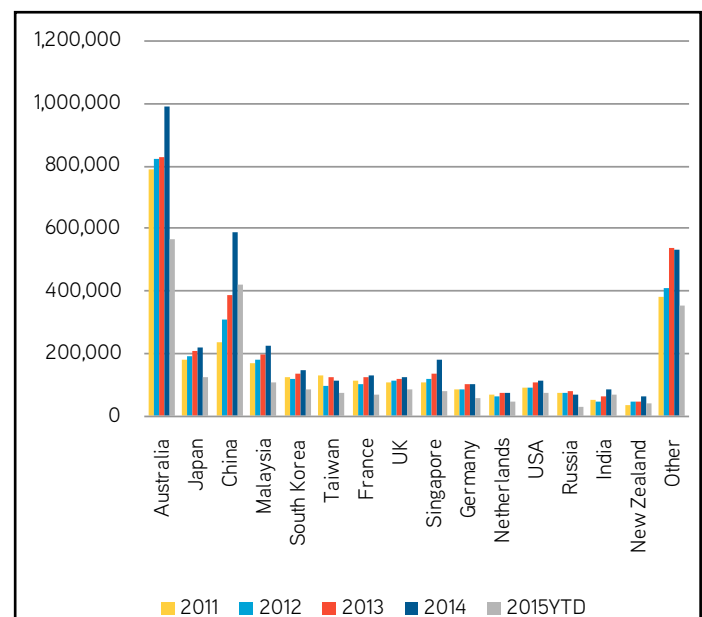
Early in July 2015, the eruption of Mount Raung (East Java) hit the local and surrounding area including Bali. The catastrophe had a significant impact on the Bali tourism industry because the government had to close Ngurah Rai International Airport for any flight to or from Bali for several hours on several days. As a result, at least 74,000 tourists cancelled their trips to Bali.

Bali is becoming a favourite destination for tourists from China with the number of tourists from this country increasing. Based on data from the Bali Provincial Tourism Office, by July 2015, the number of Chinese tourists was 489,233. This increased by 25.56% compared to the same period in 2014. Unlike the growing number of Chinese tourists, the number of Australian tourists seems to grow slowly. By August 2015, the number of Australian tourists was 625,413 representing a 0.1% growth compared to 2014 YoY.

Still quoting data from the Bali Provincial Tourism Office, there are several markets experiencing a downturn in number. The most significant is Russia. Since 2011, the number of tourists from Russia has been dwindling by -9.09%. Similarly, the number of British tourists to Bali has also been shrinking over time. In short, every market looked weaker during 2014 - 2015YTD. Despite not having figures for all of 2015, the tourism market is becoming challenging in Bali. The reasons might be complex, possibly because of domestic matters like lowering spending in each of the countries or because tourism in Bali itself is becoming less attractive compared to other regional destinations.

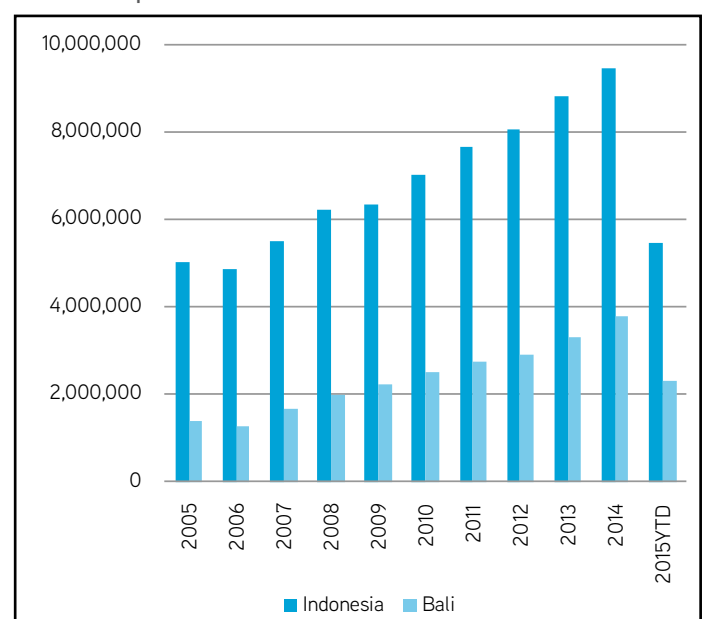
The Bali tourism market has been predominantly propelled by the domestic market for several periods during the good and bad times. The opening of new direct flights to and from other areas helps fuel the amount of domestic tourist spending in Bali.

Number of Visitors by Country of Origin (Top 15 Countries)



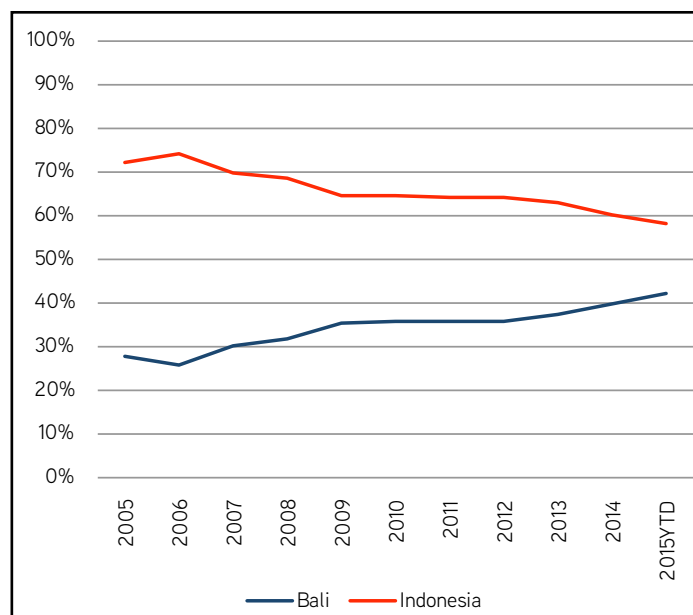
Source: Statistics Bureau Office (BPS), Bali

The Comparison of Visitors to Bali and Indonesia



Source: Ministry of Tourism and Bali Provincial Tourism Office

The Comparison of Foreign Visitors Coming to Bali and Indonesia (excluding Bali)

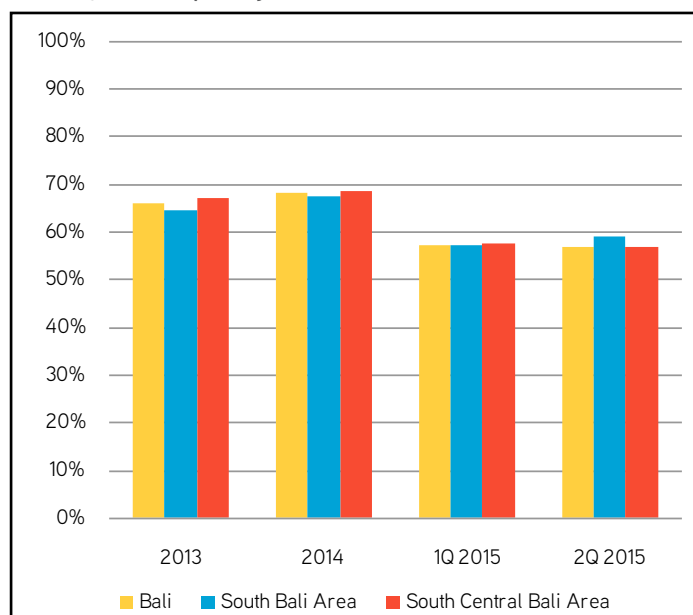


Source: Ministry of Tourism and Bali Provincial Tourism Office

Performance

Occupancy

Average Occupancy Rate



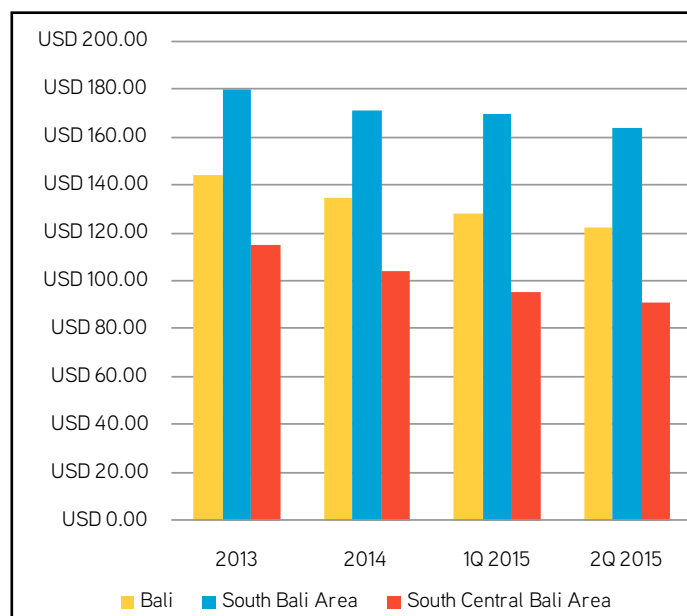
Source: STR Global

Referring to the information from STR Global, the hotel occupancy in Bali during 3Q 2015 moderately increased by 4.8% over the last quarter, to 59.6%. The rapid development (including infrastructure) in the south Bali area has increased the number of hotels in this area, however, based on STR Global data, the YTD performance in south Bali area increased significantly by 6.8% to 61.0%. South Central Bali experienced a 3.8% increase in 3Q 2015 to 59.0%.

The occupancy level in 2015YTD still needs to catch up to the performance in 2014. The year-end holiday is expected to increase the number of tourists coming to Bali. To date, the overall occupancy level in Bali was still around 60%. For 2014, occupancy could reach almost 70%.

Average Daily Rate

Average Daily Rate



Source: STR Global

Since early 2015, the ADR for star-rated hotels has been gradually on the ebb. This trend is evident since 2013 for all categories of hotel. The QoQ figure as of 3Q 2015 decreased by 1.5% to USD120.29 for the whole Bali area. Likewise, in the South Bali area, the ADR was down slightly by less than 1% to USD163.05 while the highest falloff of 6.4% was experienced by most hotels in South Central Bali that brought the ADR for 3Q 2015 down to USD84.79.

The amount of hotel development is increasingly high in Bali and this inevitably creates a competition among hotels. Several hotels already introduced lower rates; however, this is not representative of the general market condition although from our supply projections, competition is anticipated to heighten.

502 offices in 67 countries on 6 continents

United States: **140**

Canada: **31**

Latin America: **24**

Asia: **39**

ANZ: **160**

EMEA: **108**

\$2.3

billion in
annual revenue

158

million square meters
managed

16,300

professionals
and staff

Primary Authors:

Ferry Salanto
Associate Director | Jakarta
62 21 3043 6730
Ferry.Salanto@colliers.com

Colliers International Indonesia

World Trade Centre 10th & 14th Floors
Jalan Jenderal Sudirman Kav. 29 - 31
Jakarta 12920
Indonesia

TEL 62 21 3043 6888



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