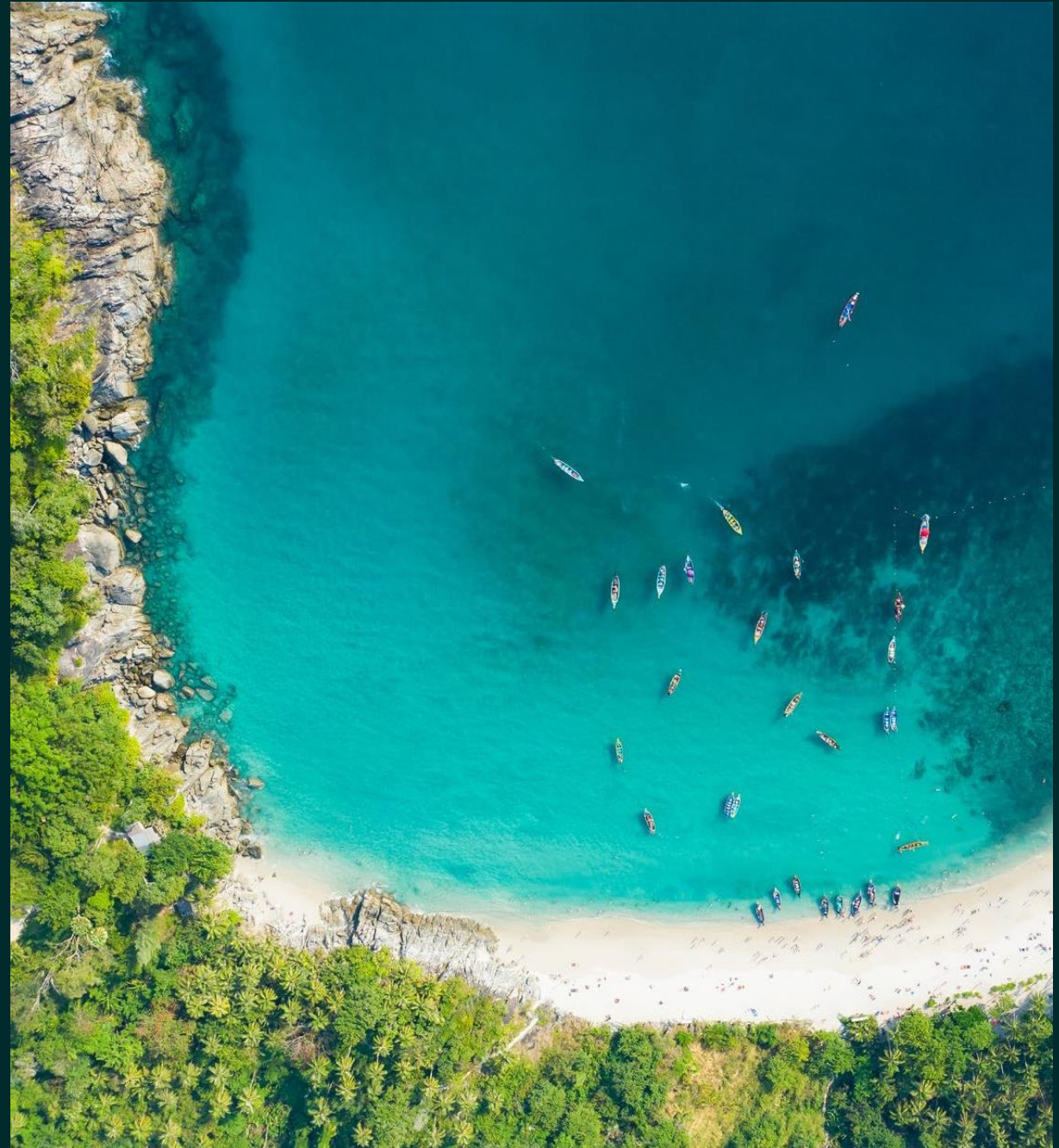


International Webinar, Hotel Investment in Emerging Markets

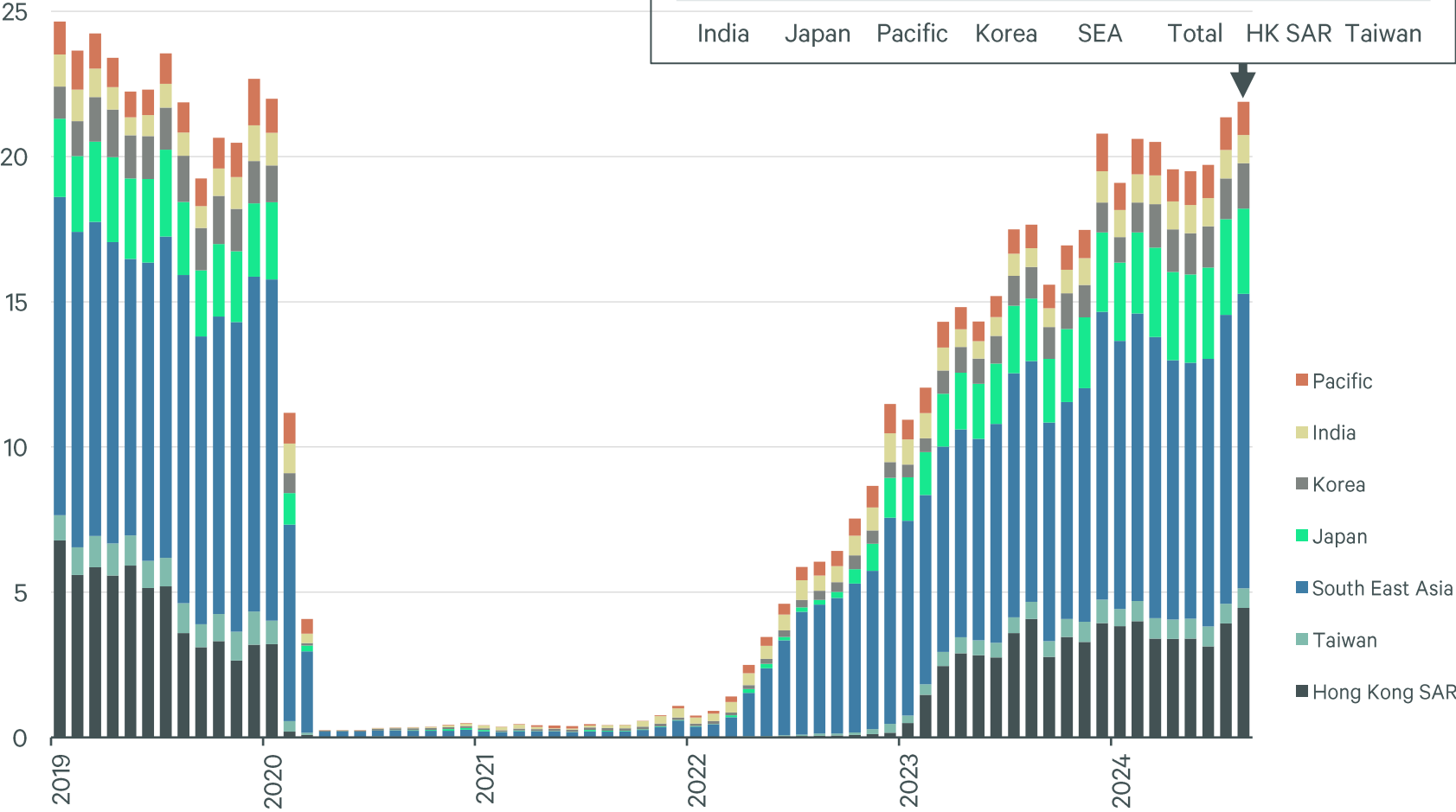
CBRE APAC Hotels & Hospitality Investment Outlook

DECEMBER 2024



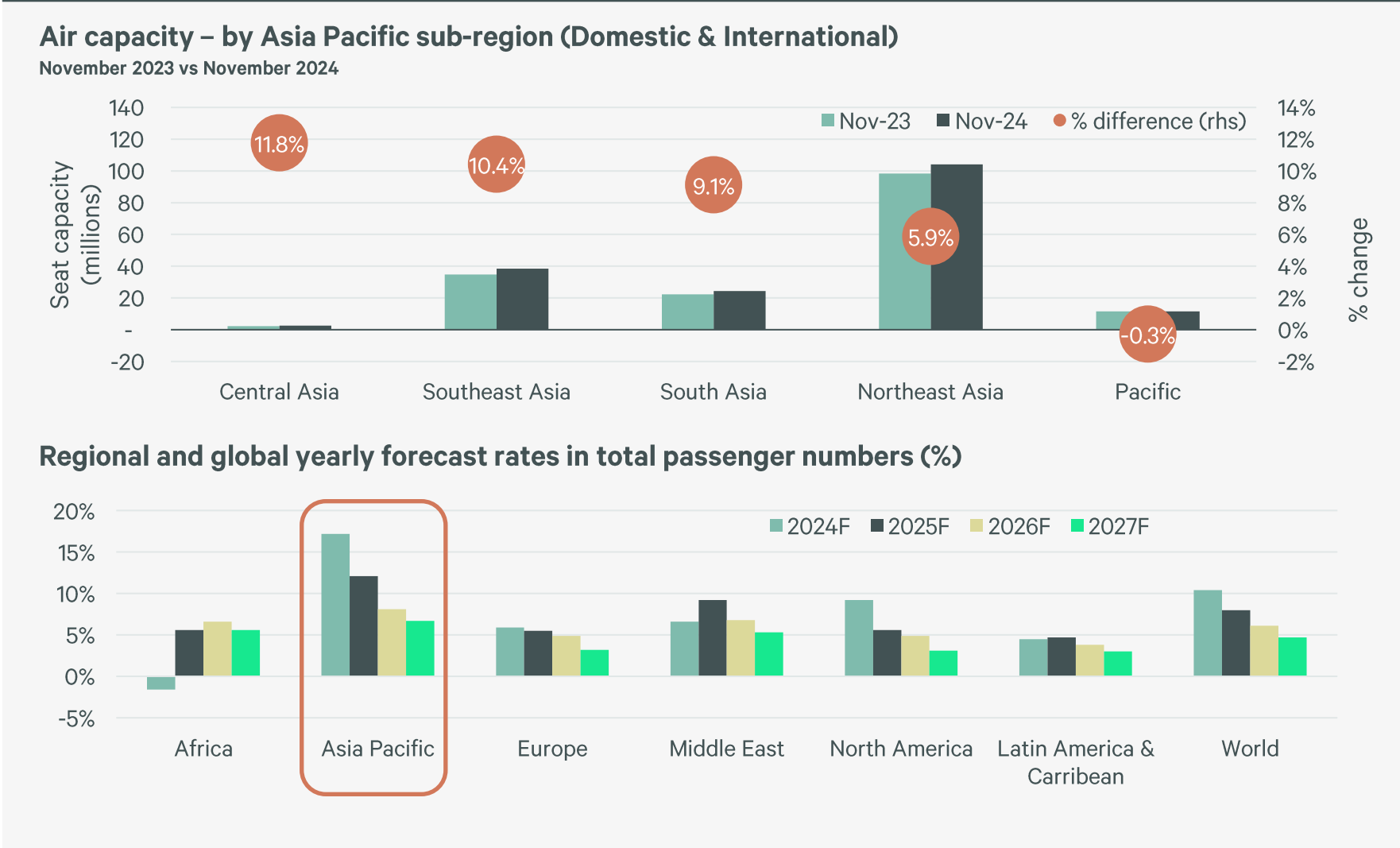
Demand is almost back in APAC...but still some work left

International arrivals in Asia Pacific by region (million)



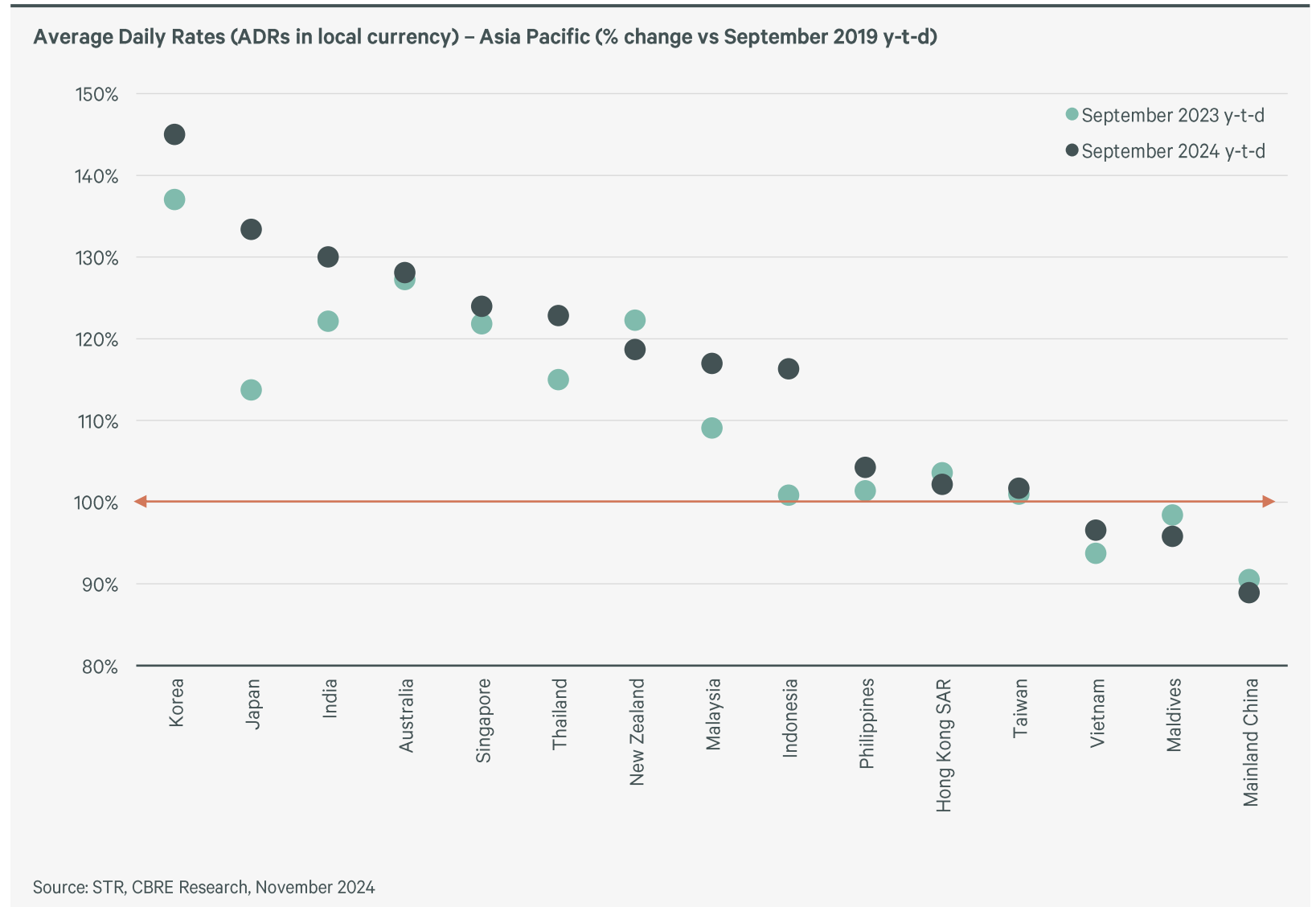
Source: CBRE Research, CEIC, October 2024
 Note: Data for mainland China discontinued since 2018.

Air capacity in Asia Pacific continuing to ramp up, with the region to drive global air passenger growth over next few years

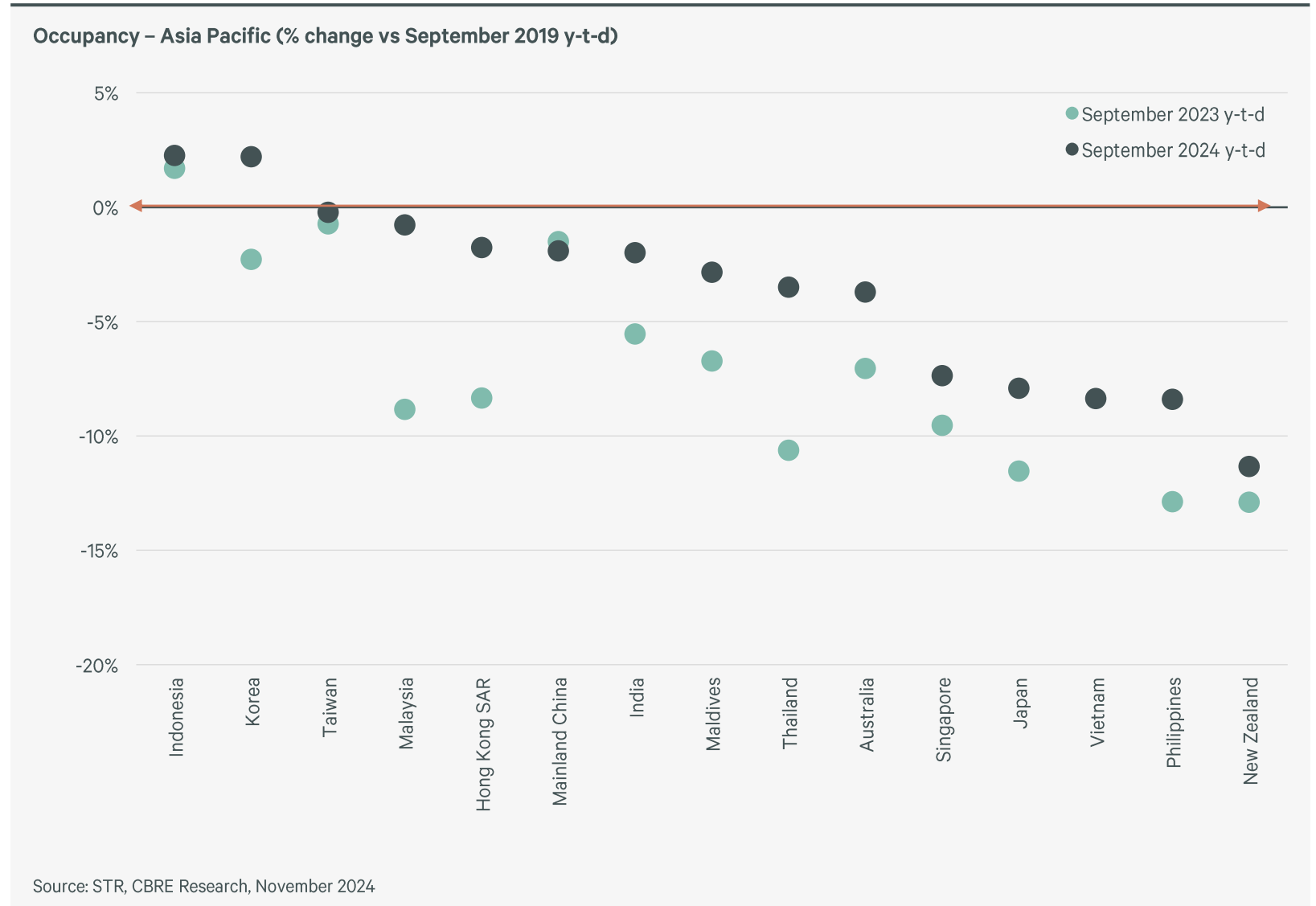


Source: IATA, OAG, CBRE Research November 2024

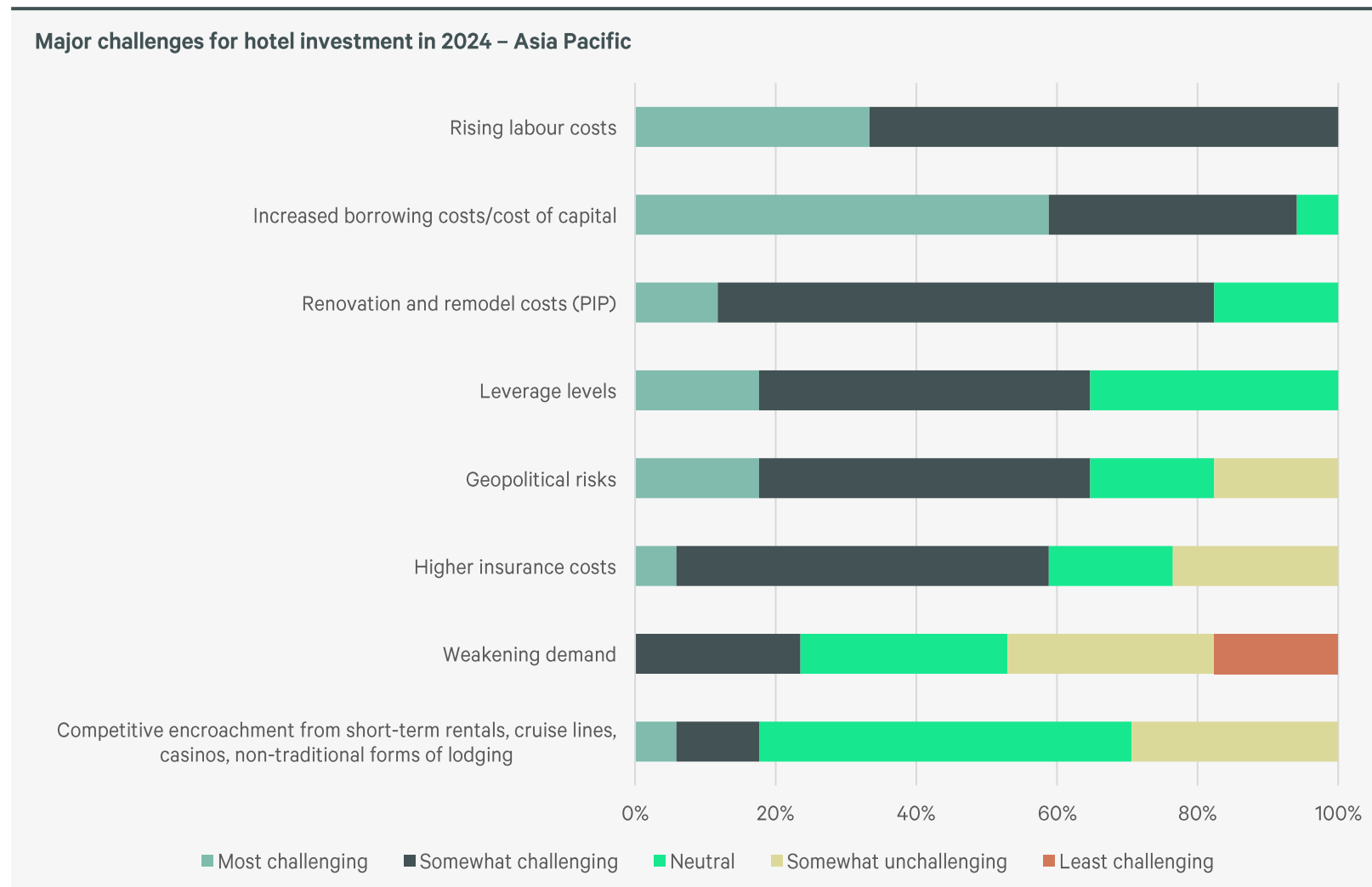
Hotel daily rates up in several APAC markets...but growth has slowed in 2024



Occupancy recovery is still lagging as economic headwinds persist

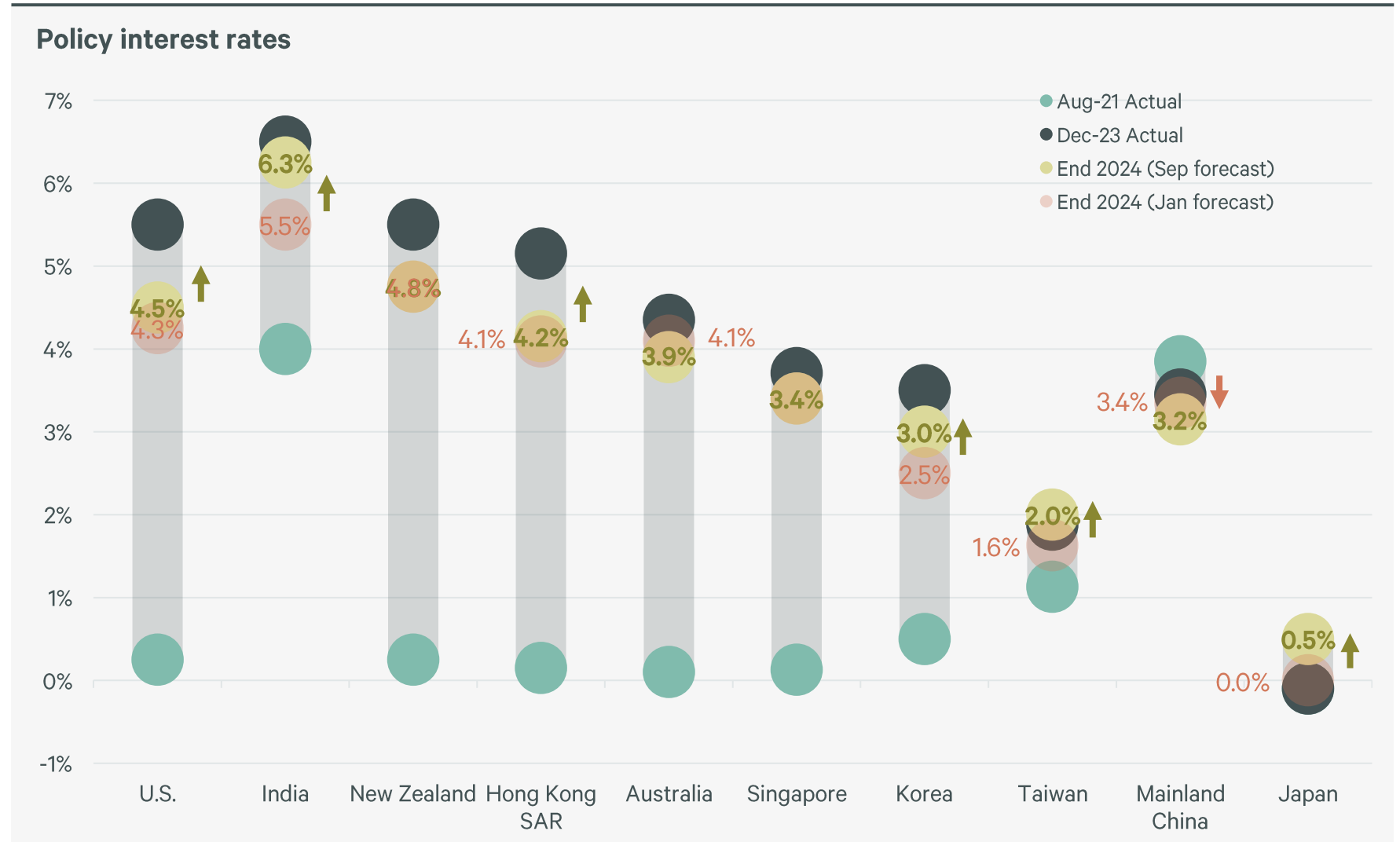


Labour costs increases, debt origination and remodelling costs top list of major challenges



Source: 2024 Global Hotels Investor Intentions Survey, CBRE Research, March 2024

Interest rates in most global markets are set to fall by H2 2024

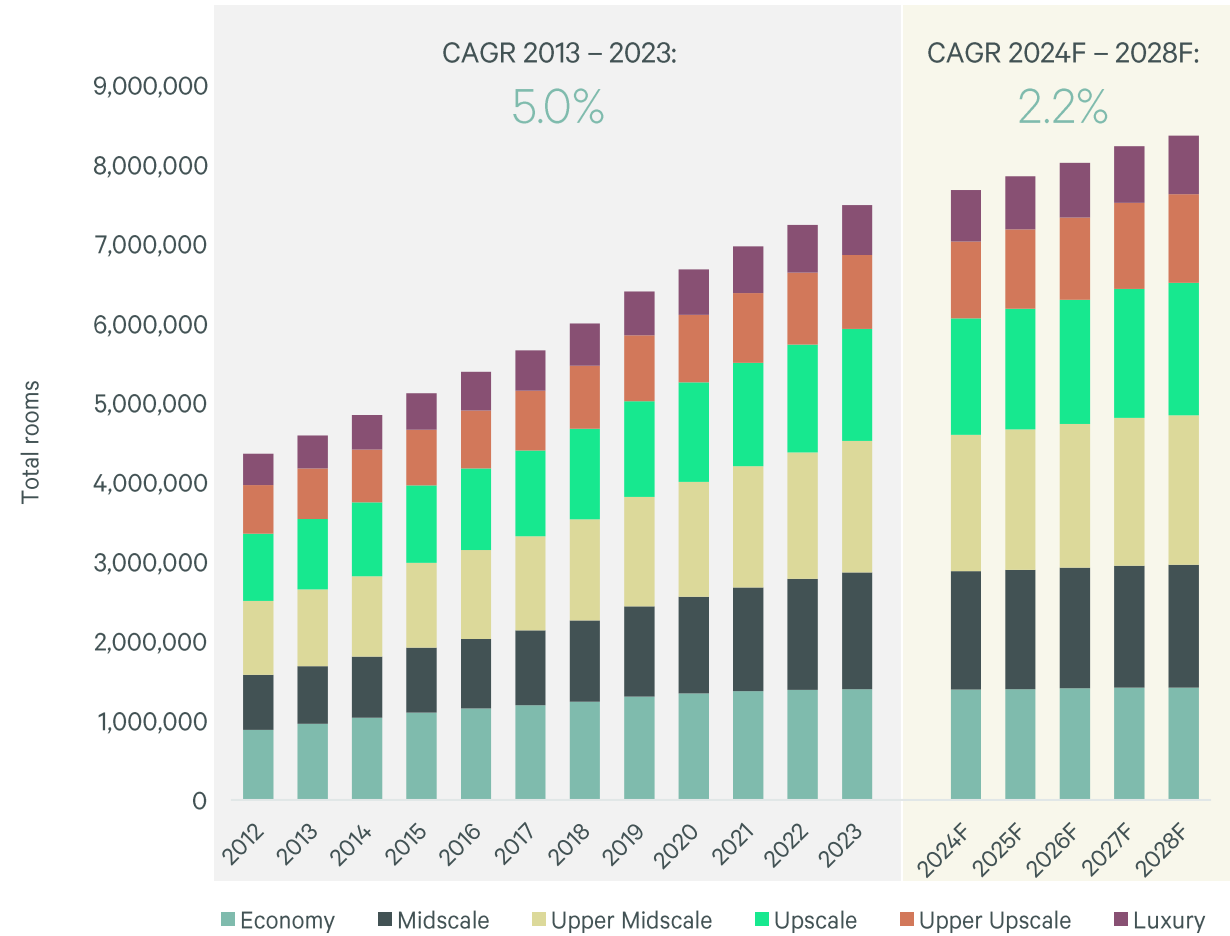


Source: CBRE Research, Bloomberg, September 2024.

Note: Interest rates for Hong Kong and Singapore refer to key market rates 3M HIBOR and overnight rate average (SORA) respectively. Interest rate for mainland China refers to the 1-year Loan Prime Rate (LPR).

Lack of new developments helps operators maintain rates

Hotel supply pipeline – Asia Pacific



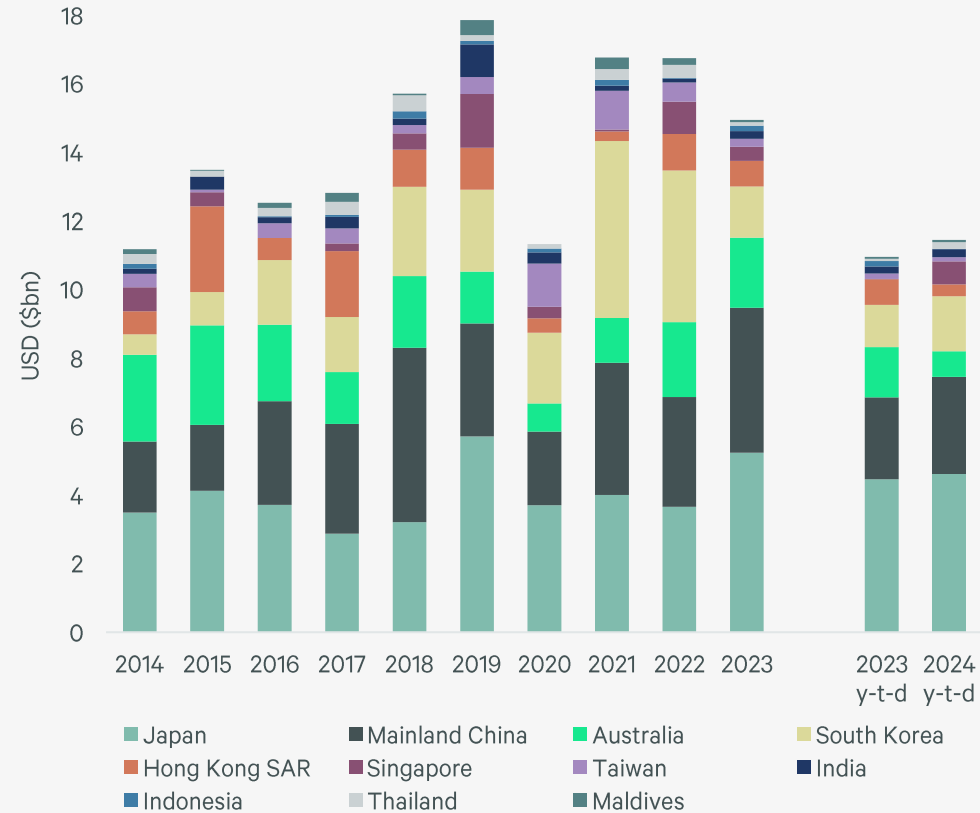
Supply growth CAGR
By scale (2024F – 2028F)

Economy	0.3%
Midscale	1.0%
Upper Midscale	2.6%
Upscale	3.4%
Upper Upscale	3.7%
Luxury	3.2%

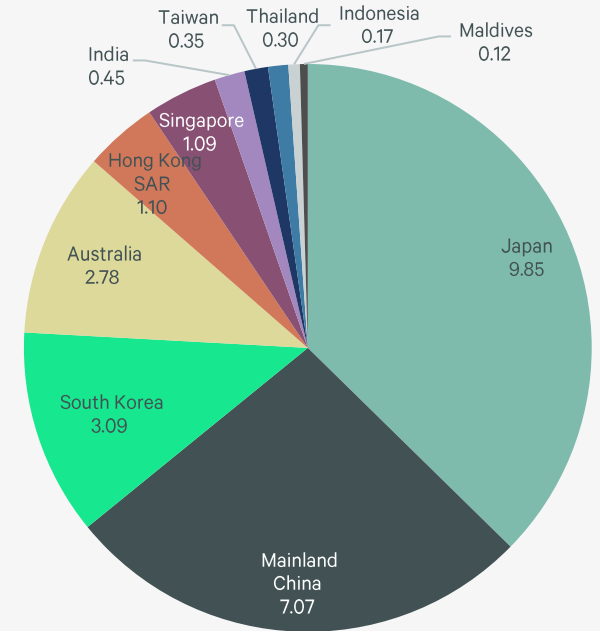
Source: STR AMPM, CBRE Research, November 2024

Hotel investment volumes remain robust despite current debt environment

Hotel investment volumes – Asia Pacific (as of Q3 2024 y-t-d)



Since beginning of 2023 (US\$bn, by market)



Source: MSCI, CBRE Research, Q3 2024

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