



*IN COLLABORATION WITH:*



SINGAPORE HOTEL ASSOCIATION

**2019 SINGAPORE**  
Hotel Industry  
Survey of Operations

2018 Calendar Year

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## FOREWORD BY SINGAPORE HOTEL ASSOCIATION



The SHA is pleased to once again present the Singapore Hotel Industry Survey 2019 (Financial Year 2018) to members. This is our 22nd year of collaboration with Horwath HTL and the 35th publication of the Annual Survey of Hotel Performance.

The findings from the survey showed a 1 percentage point improvement in Occupancy to 85% and a 4% increase in Average Daily Room Rate to SGD 253 for FY2018. Correspondingly, RevPAR grew by 4% to reach SGD 214 for the same period.

The full report also gives an overview of the key developments and trends of the hospitality industry in Singapore. It provides an in-depth analysis of the operational costs and sources of revenue, including both departmental revenues and expenses, operating statistics by departments, as well as statistics relating to human capital and productivity indicators. Hoteliers and financial analysts find this comprehensive report very helpful in their planning and decision-making process due to its strong relevance to the hospitality industry.

For this year, I am indeed happy to share that we achieved a new record high of 87 participating hotels for this annual survey, comprising 34,758 available rooms daily.

I would therefore like to take this opportunity to thank the 87 participating hotels for their support. We hope to see even more hotels signing up for this very useful survey next year.

Finally, I would also like to voice my sincere gratitude to Horwath HTL for their professional services in conducting this all-important survey for the hotel industry.

A blue ink handwritten signature, appearing to read 'Kwee Wei-Lin'.

**Kwee Wei-Lin**  
**President**  
**Singapore Hotel Association**

## FOREWORD BY HORWATH HTL – ASIA PACIFIC



Horwath HTL is pleased to present the 2019 Singapore Hotel Industry Survey (Calendar Year 2018), generated through the 22nd year of valuable partnership with the Singapore Hotel Association (SHA).

This year's study attracted a total of 87 participating hotels, which accounted for 34,758 rooms. This represents a growth in participating rooms of 13 percent YoY. We are excited to continue growing the reach of this study.

2018's international arrivals to Singapore grew a healthy 6.2 percent, hitting a historical high of 18.5 million. With continued increase in visitor arrivals and the tapering in new supply growth, the Singapore hotel market recorded recovery in both ADR and RevPAR in 2018.

Horwath HTL maintains cautious optimism on future potential. While the market will benefit from a reduction in supply growth in the near-term, the uncertain global economic outlook and political instability from the ongoing trade war between China and the United States (US) could pose as headwinds to the sector's growth.

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.

A handwritten signature in black ink that reads "Robert Hecker". The signature is fluid and cursive, with a large initial 'R' and 'H'.

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

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# MARKET AND SURVEY INTRODUCTION

## STB STATISTICS - TOURISM MARKET

Singapore's travel and tourism market performed positively in 2018. Tourism receipts recorded an increase of 1 percent, reaching SGD 27.1 billion. This translates into a per capita spending of SGD 1,464. International visitor arrivals increased 6.2 percent, reaching a historical record of 18.5 million. The three largest markets are China (19 percent), Indonesia (16 percent), and India (8 percent), with China and Indonesia retaining their presence on the list for the 4th consecutive year and India toppling long-time-standing Malaysia for third position.

Vietnam and the US contributed to strong arrivals growth, entering the top ten list by displacing Hong Kong and Thailand. Newly introduced technologically advanced aircrafts have allowed the reopening of direct flight routes for both east and west coast destinations in the US. This allowed the US to climb two spots as Singapore strengthens its attractiveness as the gateway to Asia. Accelerated economic development in Vietnam and expansion of its national carrier has enabled more Vietnamese to travel abroad, pushing the country up by three spots.

Singapore Tourism Board (STB) has been successful in its marketing and digital partnerships, thus renewing a tripartite partnership with Changi Airport Group and Singapore Airlines. This partnership focuses on tapping into the Chinese and Indonesian tier 2 cities and city-layover for long-haul tourists visiting the region. It also hopes to utilize Chinese digital platforms to appeal to the younger generation of travelers by enhancing visitor experience and streamlining online payments.

## STB STATISTICS - HOTEL MARKET

Occupancy improved strongly by 2.1 percentage point from 84.1 to 86.3 percent. The decline in industry-wide Average Daily Rate (ADR) was reversed by 1.4 percent from SGD 216 to SGD 219 in 2018. Combined, this resulted in a positive YoY Revenue Per Available Room (RevPAR) performance of 4.4 percent. Hotels within the luxury segment benefitted greatly from the high publicity events in 2018. Moving ahead, new supply in 2019 will primarily be in the upscale segment, particularly in Sentosa with the opening of Village, The Barracks and The Outpost.

Room Nights Available (RNA) continued to grow from 2017, contributing 21.1 million room nights to the market. With supply growth slowing in the immediate future, we are expecting some upside opportunities for improved occupancy and ADR performance.

## 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 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 2017 figures shown in this current 2019 study (calendar year 2018) might not be identical to 2018'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.

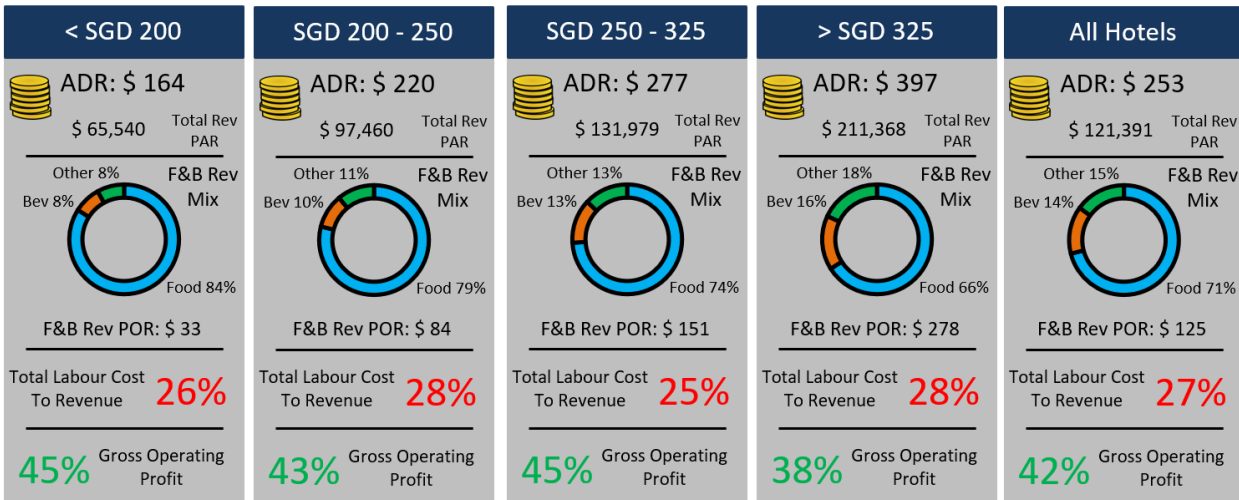
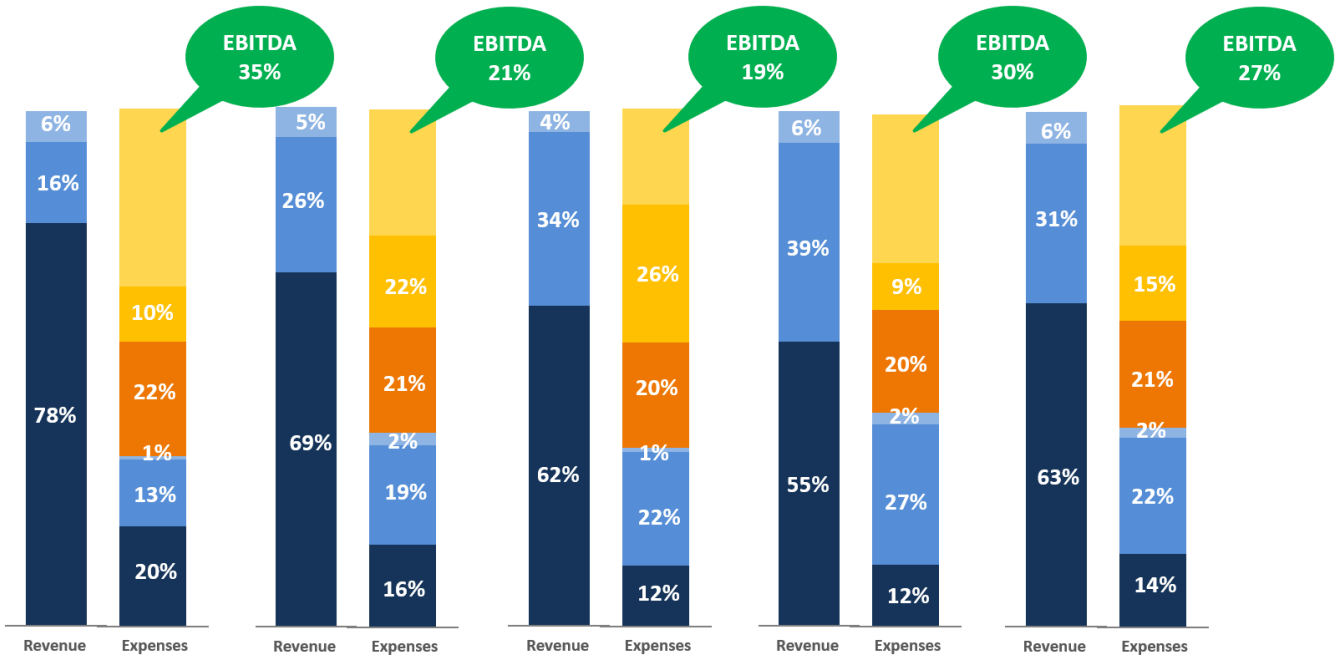
**Requisite Sample Size:** Each average benchmark figure will only be presented if the number of respondents is more than 10 percent of the total respondents in the respective column group. Anything less than 10 percent will be show as Not Available (N/A).

**Categories by Number of Rooms:** In previous years, we have used number of rooms as a category along with average daily rates and locations. However, as of 2014, we have chosen 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 analysing hotels based on rate category and location provides stronger and more accurate comparisons.



# REVENUE AND EXPENSE DISTRIBUTION

● Fixed Charges 
 ● Undistributed 
 ● Other Depts 
 ● Food & Beverage 
 ● Rooms



## KEY FINDINGS

2019's survey comprises of 87 participating hotels, representing a total of 34,758 available rooms per day, a 12 percent increase from last year.

In analysing the year-on-year comparisons, it is important to note that in 2019, there was a significant increase in participation in the "Above SGD 325" category, up from 16 hotels to 23 hotels. This will likely cause a bias to location-based performance figures towards how an upper-tier hotel would perform. Participation in the CBD/Marina and Others' location received 3 and 4 new upper-tier hotels respectively.

- Occupancy improved by 1 percentage point to 85 percent in 2018 as RNA growth slows.
- Resultantly, ADR grew 4 percent to SGD 253 as the market benefitted from improved demand. Combined, RevPAR grew 4 percent to SGD 214. This trend direction is in line with Singapore's overall market performance figures as presented by STB.
- EBITDA per available room (PAR) grew strongly by 16 percent to SGD 32,967. The positive performance is to be taken cautiously as there are more luxury hotels in the analysis, pushing up EBITDA PAR. However, cost cutting measures and productivity improvements have also improved EBITDA PAR for the overall market.

Segmented performances may be more relevant for this year's report and will be presented in the following sections.

**TABLE I.1 2018 vs. 2017**

| SUMMARY OF RESULTS                         | 2018    | 2017    | % Change |
|--|---------|---------|----------|
| Total Number of Hotels                     | 87      | 76      | 14%      |
| Total Number of Available Rooms per Day    | 34,758  | 31,128  | 12%      |
| Total Number of Occupied Rooms per Day     | 29,419  | 26,249  | 12%      |
| Occupancy                                  | 85%     | 84%     | 0.4%     |
| Average Number of Guests per Occupied Room | 1.9     | 2.4     | -21%     |
| Average Daily Room Rate (SGD)              | 253     | 243     | 4%       |
| RevPAR (SGD)                               | 214     | 205     | 4%       |
| Average Rate per Guest Night (SGD)         | 124     | 98      | 26%      |
| Total Revenue per Guest Night (SGD)        | 195     | 156     | 25%      |
| Total Revenue per Available Room (SGD)     | 121,391 | 118,728 | 2%       |
| Total Expenses per Available Room (SGD)    | 70,757  | 71,913  | -2%      |
| GOP per Available Room (SGD)               | 50,634  | 46,815  | 8%       |
| GOP as a Percentage of Revenues            | 42%     | 39%     | 6%       |
| Fixed Charges per Available Room (SGD)     | 17,667  | 18,315  | -4%      |
| EBITDA per Available Room (SGD)            | 32,967  | 28,499  | 16%      |

**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