



Why invest in hotels?

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February 22, 2019



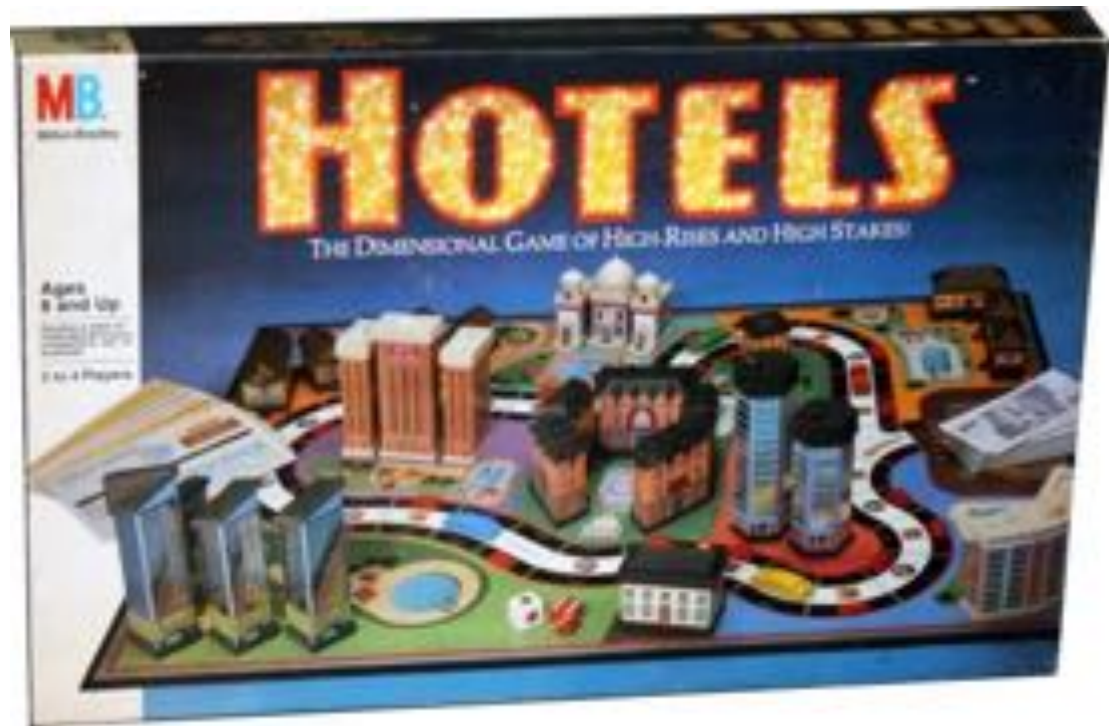
**Serviced
Apartment
Summit Asia**

Hotels...



Good investment?

Well... that depends...



Why you should NOT invest in hotels...



A typical hotel investment...

- High Capital investment
- Operationally complex
- Requires Human Capital
- Management
- Lower Returns
- Longer payback period
- Volatility
- Seasonality
- Disruption
- Exit
- ...



Some positives...



Real property vs Hotels



Real property vs Hotels

- Any real estate investment is not going to make money sitting there empty. Problems hotels don't have:
 - Tenants not paying their rent
 - No such a thing as a vacant property
- Hotels generate annual cashflow

Serviced Apartments vs Hotels

- Hotels
 - Higher revenue per sqm
 - Higher income from other sources
- SA - dependency on corporate; moving to short stay model
 - Impact on efficiency
 - Impact on profitability
- Airbnb, etc



Market Values

- Hotels tend to rebound after falling (if you hit the market timing right!)



Capital appreciation...



Diversifying...

- Investment portfolio
- Revenue generation
- Demand Base
- Resorts
- Development schemes



The 'Cool' factor

- People business
- Owners' perks
- Legacy & ROE





Thank you!

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