Hotel, Tourism and Leisure Celebrating 100 years

# Hotel & Branded Residences

## BALI

December 2015

## TURBULENT TIMES: BRACE BRACE

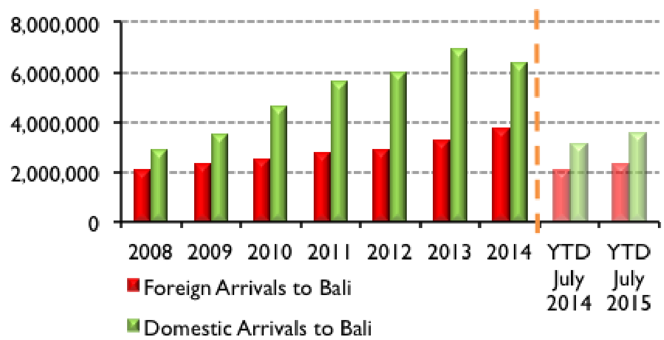
*The last 12 months have been challenging for Bali hotels, with new government policy, weaker than expected economic growth, the influx of new supply and a disgruntled Mother Nature one after the other slamming The Island of the Gods' hospitality industry. Taking cover from the storm hoteliers have warmed themselves (and subdued worried owners) with several positive factors including a vastly improved airport, changes to visa regulations and increased airlift. It's not all good, but it's not all bad either.*

### BALI TOURISM ARRIVALS

2014 recap: domestic market arrivals (air and sea) fell for the first time in 10 years, down 8% YOY to around 6.4 million. Foreign arrivals however continued their bullish trend recording another 15% hike YOY to around 3.8 million. 2014 was a disruptive year for Indonesians with federal elections, changes in government regulations restricting MICE travel and corporate belt tightening weighing heavily around the necks of hotel GMs. Domestic leisure travel suffered the repercussions of all the above factors with tourists opting for cheaper destinations or by staying home.

2015 BPS numbers: YTD July 2015 total arrivals (air and sea) rose by a solid 12%; domestic up a strong 14% after the 2014 glitch and foreigners up another 6%.

*Arrivals to Bali, 2006 – 2014*




*Source: BPS Indonesia*

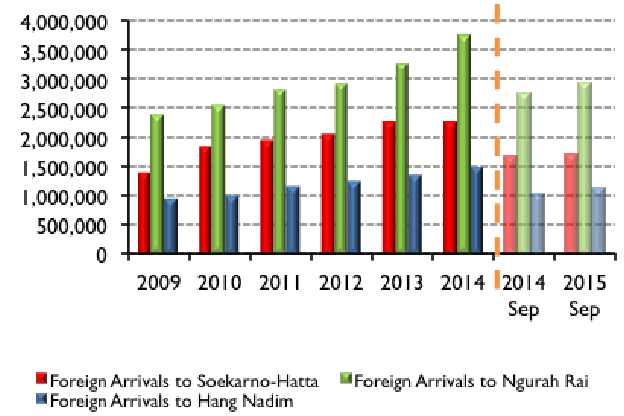
The Jokowi administration continues its effort to attract more foreign arrivals by adding another 45 countries to the visa-free list in October 2015 to a total of 90 by the end of 2015 (currently 72). We are hopeful that the limited number of visa-free entry points will be increased in 2016 reducing the confusion that currently exists for tourists who choose a less beaten Indonesian track. By September 2015, there were 14 entry gates (up from 9) processing visa-free entry for permitted foreigners and a much larger 50 exit gates (also up from 9). By adding more exit points intrepid foreign tourists won't be stung with visa fees when leaving a smaller port.

Airlines continue to come and go: Tigerair Australia is awaiting clearance to serve Bali from March 2016 servicing Melbourne, Adelaide and Perth, replacing Virgin's loss making routes. Qantas is back after a 7 year hiatus with seasonal Sydney – Denpasar flights December to January 2016. Emirates started daily flights to Denpasar from Dubai in June 2015 improving European connectivity to the island. Bali should also receive a boost in lift from Lionair in 2016, currently seeking flight clearance from Chinese regulators to serve direct flights from Bali to Shanghai, Nanjing and Guangzhou. Garuda will commenced an inter-island route from Bali to the diving centre of Wakatobi in September 2015, improving Bali's positioning as the country's international hub to other Indonesian destinations (particularly eastern Indonesia).

### NGURAH RAI

Ngurah Rai International remains the top foreign direct arrivals contributor for Indonesia, followed by Soekarno-Hatta, Jakarta and Hang Nadim, Batam. From January to September 2015 Ngurah Rai recorded 6% growth YOY, less aggressive than last year's 12% growth but still solid. Batam recorded the highest growth rate (off the lowest base) among the big three with 9% YOY while Jakarta stagnated. The economic slowdown coupled with government and corporate budget tightening is affecting Jakarta more than Batam since Jakarta is business-centric with little leisure attraction.

*Foreign Arrivals to Big 3 Airports*



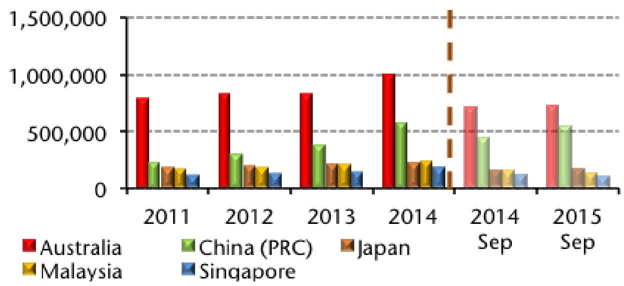

*Source: BPS Indonesia*

The expansion of Soekarno-Hatta Airport remains unfinished and will most likely be delayed until late 2016. The expansion is expected to alleviate the current bottleneck situation with an additional runway and increases in terminal capacity to 32 million passengers. Plans cover further infrastructure developments connecting Jakarta city centre with the airport but still very much in utero.

## NATIONALITY MIX

China's strong arrivals growth continued YTD September 2015 up 23% YOY with the larger Australian market only up 1% YOY. Politics has played a part, the weakening AUD, incidences between Australian tourists and local police plus airport closures have put Australians on edge this year.

*Nationality Mix to Bali, 2011 – 09/2015*




*Source: BPS Indonesia*

YTD September 2015 sees Singapore arrivals down, replaced by South Korea in the top 5 source markets for foreign arrivals to Bali. Bali should be wary of development plans in Bintan in future years as new resort product opens on Singapore's door step.

Chinese growth was less aggressive in YTD 2015 up just over 100,000 people YOY. With more options available within Indonesia, Bali has increasing destination competition. That said, it will take time for alternatives to offer supporting facilities, attractions, language skills and general tourism expertise all of which is very important for the Chinese market.

Indian demand continued its strong growth in 2015, with the government hoping to gain further traction with visa free entry open to Indian visitors from October 2015 and continued talks to introduce direct flights from India to Bali. Jet Airways, Garuda and Batik Air are showing interest.

US arrivals were up 18% and EU arrivals up 10% YTD September 2015 YOY. This is good news as US tourists were also the biggest spenders in Bali in 2015 according to the most recent survey done by the Indonesian Central Bank.

***Top 5 Foreign Markets 09/2015 (% Total)***

- Australia 24%
- China 18%
- Japan 6%
- Malaysia 5%
- South Korea 4%

***Top 5 Growth Markets 09/2015 (pax)***

- China 100,315
- UK 24,318
- Indian 17,264
- Japanese 16,309
- USA 14,323

***Regional Arrivals 09/2015 (% total)***

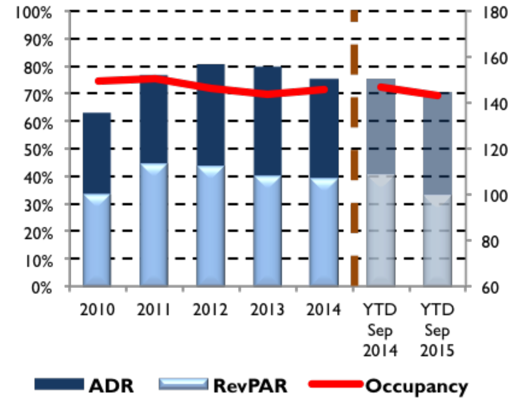
- Asia Others 35%
- Australia + NZ 26%
- Europe 21%
- ASEAN 10%
- Americas 5%

*Source : BPS Statistics Indonesia*

## TIME FOR CONSOLIDATION

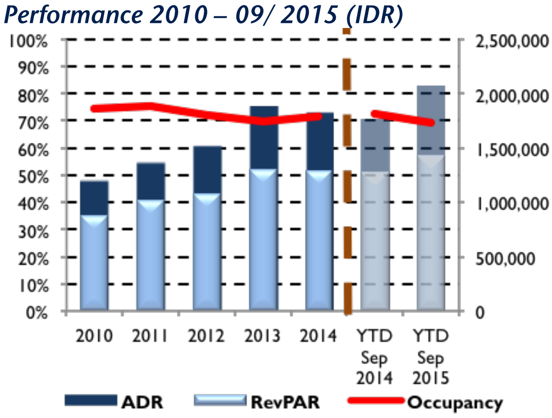
2015 is generally a year to forget for Bali hoteliers. After years of consistently large increases in supply concentrated in the southern and western parts of Bali, the slowdown in demand growth has resulted in the market struggling to maintain both occupancy & USD ADR YTD September 2015. It also seems unlikely that there will be a significant pick up in 2016.

***Performance 2010 – 09/ 2015 (USD)***




*Source : BHA and Horwath HTL*

***Performance 2010 – 09/ 2015 (IDR)***




*Source : BHA and Horwath HTL*

Presenting the YOY trends:

| | 2014 | YTD 09/15 |
|---|---|---|
| Occupancy | 2% | -3% |
| ADR (IDR) | -3% | 17% |
| ADR (USD) | -4% | -4% |
| RevPAR (IDR) | -1% | 12% |
| RevPAR (USD) | -1% | -8% |

As we said, not all bad! YTD September 2015 shows good growth in IDR values for both ADR and RevPAR. Occupancy is down a few percentage points to just under 70% market wide. Different story from a USD perspective, with rates falling 4% in 2014 and again YTD September 2015. With the fall in occupancy RevPAR fell 8%.

Major factors affecting 2015 market performance include the following, many of which will continue to impact performance in 2016:

**1. Rupiah devaluation:** the Rupiah is down by more than 13% against USD, YTD October 2015. Positive spin, it plays out positively for IDR ADR as a large proportion of rooms are sold in USD in Bali and it keeps Indonesians travelling domestically.

**2. Foreign tourists spending less:** based on a May 2015 Bank Indonesia survey, the average spend per tourist per day is about USD 125, more than 30 percent lower than USD 190 per day in 2014. However, when we compare the total budget allocation for accommodation the difference is insignificant (-1%). In fact, it has increased in Rupiah. Visa-free entry is likely to have a greater impact on the lower end of the market so this is expected to continue falling as Bali matures.

**3. Shortening foreign ALOS in YTD July 2015** from 8.19 to 7.66 (-6%) YOY, which over 3+ million tourists adds up. Again, this is a function of changing nationality mix and unlikely to increase back to the good ole days.

**4. Arrivals' growth is slower than supply growth:** supply growth in 2014 & 2015 is about 23%, while the total arrivals numbers are down YE 2014 (-1%) and only up by 12% until YTD July 2015. New supply increases continue into 2016 although construction delays are widespread.

**5. Volcanic disruptions:** Q3 is the peak period for Bali with summer and school holidays coinciding. In 2015, the party was spoiled by the intermittent closure of Ngurah Rai following the Mount Raung eruption and later with Rinjani. The airport closure (and the pursuant airport and airline chaos, which really must improve to alleviate passenger anxiety/stress) is having a big impact on tourism. According to the Chairman of the Bali PHRI, more than 6% or approximately 74,000 tourists cancelled their trips to Bali due to the volcano in July/August alone. With the rumblings continuing ….

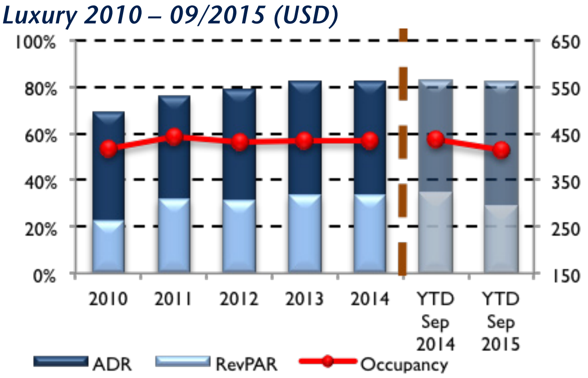
**6. Bali, and Borobudur to a lesser extent, are Indonesia's global tourism brands, unique destinations flocked to by global urbanites**. Historically, Bali has outshone its regional and domestic competition, successfully evolving to market trends and fulfilling tourists' holiday wishes. This relentless transformation / urbanisation however has had broad ranging environmental repercussions, with red flags being raised by concerned locals and expats alike. Based on a recently released Central Bank Indonesia survey only 22% of tourists to Bali show interest in cultural tourism. The concern being that Bali is losing its unique cultural identity to the long term detriment of the tourism economy on which it has now become so heavily reliant.

## PERFORMANCE BY SEGMENT

We have presented rates in USD and IDR although rate categories are USD for historical comparison purposes.

**Luxury (> USD 350):** after maintaining positive growth for years the luxury segment slipped back in 2015. New supply pressures and limited arrivals growth at the luxury price point sent RND levels down YTD September 2015 by more than 7% YOY. The bright side is stability of the USD ADR and the corresponding big bump in IDR ADR.

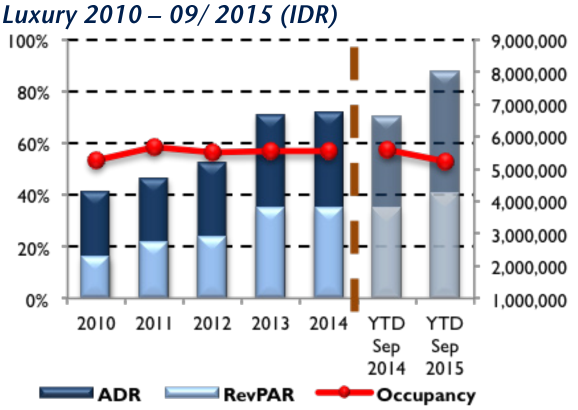
*Luxury 2010 – 09/2015 (USD)*




*Source : BHA and Horwath HTL*

| Luxury | 2014 | YTD 09/15 |
|---|---|---|
| Occupancy | = | -4% |
| ADR (IDR) | 1% | 21% |
| ADR (USD) | = | -1% |
| RevPAR (IDR) | 1% | 12% |
| RevPAR (USD) | = | -8% |

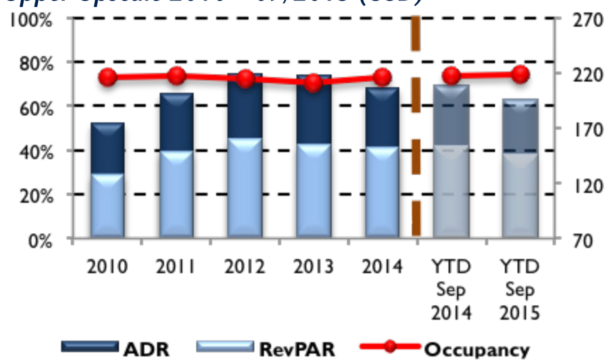
*Luxury 2010 – 09/ 2015 (IDR)*




*Source : BHA and Horwath HTL*

**Upper Upscale (USD 151 – 349):** the upper upscale segment appears to be the RevPAR sweet point in 2015. The segment is attracting increased RND and maintaining occupancy despite mounting new supply pressures. It is estimated that around 9% or 1,350 rooms of new supply in 2014 & 2015 opened within this segment.

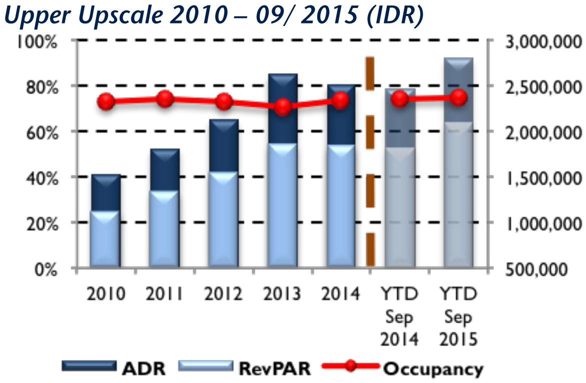
*Upper Upscale 2010 – 09/2015 (USD)*




*Source : BHA and Horwath HTL*

Occupancy however, appears to have been favoured over ADR with discounted USD rates. There is no doubt that the large amount of new supply with introductory opening rates has had an effect on market ADR. RevPAR is up an impressive 15% in Rupiah which is great if the majority of operational costs are in Rupiah. However, if you've recently opened a new property serviced with USD debt then things are more difficult with RevPAR down around 5% YOY.

*Upper Upscale 2010 – 09/ 2015 (IDR)*



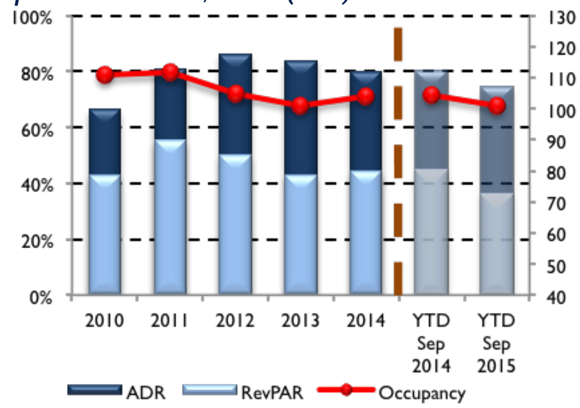

*Source : BHA and Horwath HTL*

| Upper Upscale | 2014 | YTD 09/15 |
|---|---|---|
| Occupancy | 2% | 1% |
| ADR (IDR) | -4% | 14% |
| ADR (USD) | -5% | -6% |
| RevPAR (IDR) | -1% | 15% |
| RevPAR (USD) | -1% | -5% |

**Upscale (USD 101 to 150):** The pressure of new supply is heavier in this segment and taking its toll. The September 2015 YTD RND was down by almost 6% YOY resulting in a drop of 4% points (similar to the Luxury market). Rupiah ADR jumped by 16% (+ IDR 213,000) which led to a RevPAR increase of 10%. Different story of course with USD rates, ADR down 5% (- USD 5) and RevPAR down 10%. Again, slowing tourism growth, increased volume-based tourism and introductory rates offered by new hotels are hurting Upscale market-wide averages.

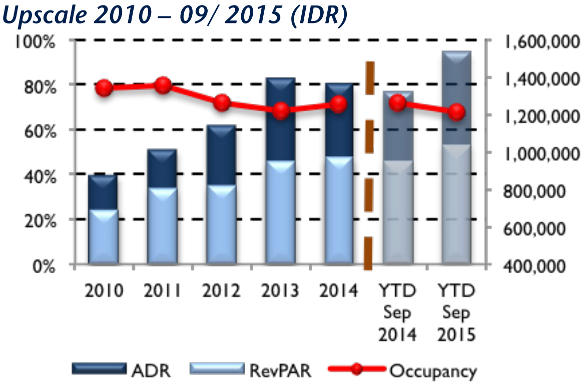
A larger proportion of Upscale properties have big key counts which in current conditions leaves them more exposed to rate pressures.

*Upscale 2010 – 09/ 2015 (USD)*




*Source : BHA and Horwath HTL*

*Upscale 2010 – 09/ 2015 (IDR)*



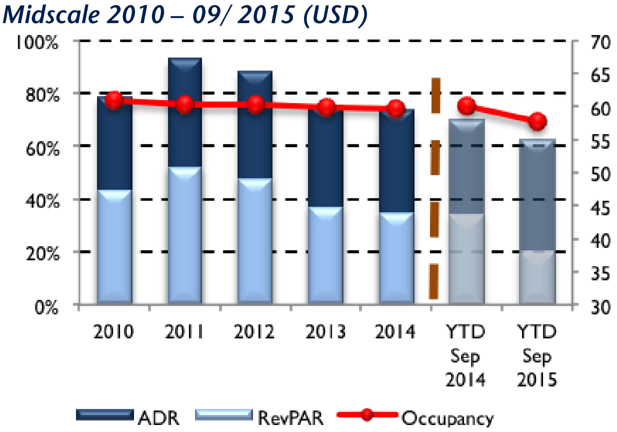

*Source : BHA and Horwath HTL*

| Upscale | 2014 | YTD 09/15 |
|---|---|---|
| Occupancy | 3% | -4% |
| ADR (IDR) | -2% | 16% |
| ADR (USD) | -3% | -5% |
| RevPAR (IDR) | 2% | 10% |
| RevPAR (USD) | 1% | -10% |

**Midscale (USD 40 – 101):** Bam! The Midscale category is under fire with both Midscale and Economy hotels popping up in sub-optimal locations discounting rates to fire sale levels. Heaven for volume / group agents taking USD 20 – 25 rates including breakfast and taxes/ service. This of course, has a trickle-up effect on the Midscale category which must either weather the storm or discount rates. In a gallant attempt to maintain rates, RND and occupancy have been sacrificed. But how long will operators be given a choice by owners feeling bank pressures...

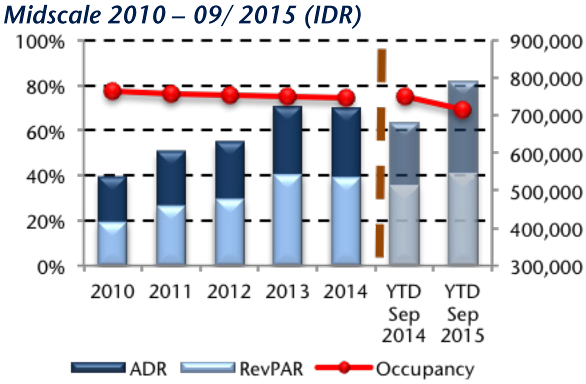
By September 2015 RND was down almost 8% YOY with occupancy down 6% points. Of course, the slowdown in domestic tourism both leisure and corporate, belt tightening, government MICE regulations etc etc all very heavily impacts this market segment. Competition from destinations such as Yogyakarta with great hotels, great flight connections and great hotel rates also plays a part. Rupiah ADR levels are solid, USD down a few $ and RevPAR YTD 2015 is reasonable in Rupiah.

*Midscale 2010 – 09/ 2015 (USD)*




*Source : BHA and Horwath HTL*

*Midscale 2010 – 09/ 2015 (IDR)*




*Source : BHA and Horwath HTL*

| Midscale | 2014 | YTD 09/15 |
|---|---|---|
| Occupancy | -1% | -6% |
| ADR (IDR) | = | 16% |
| ADR (USD) | -1% | -5% |
| RevPAR (IDR) | -1% | 7% |
| RevPAR (USD) | -2% | -12% |

## REVPAR SUMMARY BY RATE

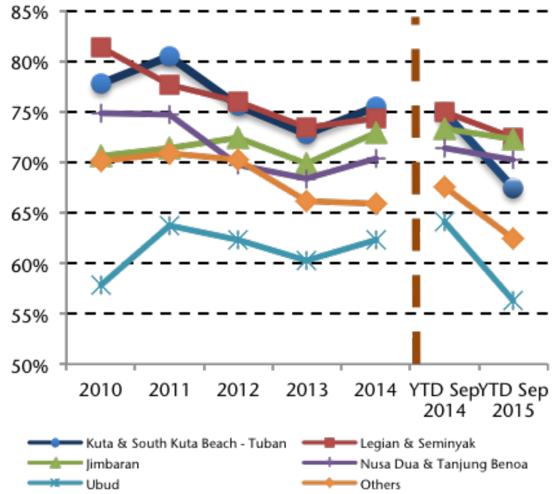
| IDR | 2014 | YTD 09/15 |
|---|---|---|
| Luxury | 1% | 12% |
| Upper Upscale | -1% | 15% |
| Upscale | 2% | 10% |
| Midscale | -1% | 7% |
| IDR | 2014 | YTD 09/15 |
| Luxury | = | -8% |
| Upper Upscale | 1% | -5% |
| Upscale | -1% | -10% |
| Midscale | -2% | -12% |

## PERFORMANCE BY LOCATION

### Occupancy

Together with Kuta & South Kuta Beach-Tuban, Ubud experienced the deepest drop of RND YTD September 2015 with 10 and 12% respectively YOY.
The most resilient areas YTD September 2015 are Nusa Dua / Tanjung Benoa and Jimbaran down only 1% point each. A good result for Nusa Dua given the reliance on MICE business which has taken a hit in the last 12 months.

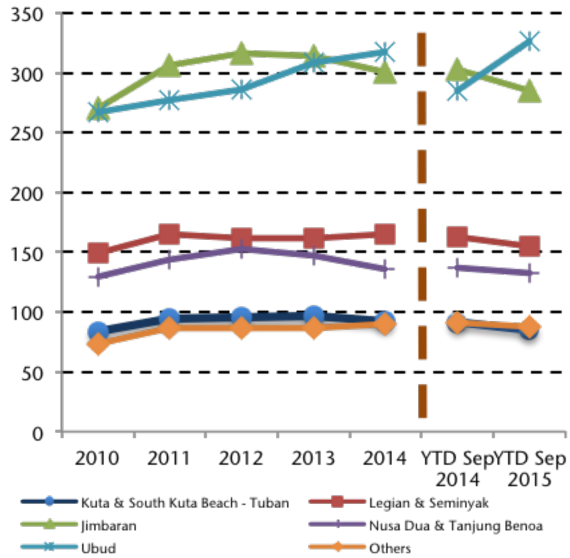
*Occupancy by Location 2010 – 09/2015*




*Source : BHA and Horwath HTL*

### Average Daily Rates

*ADR by Location 2010 – 09/2015 (USD)*

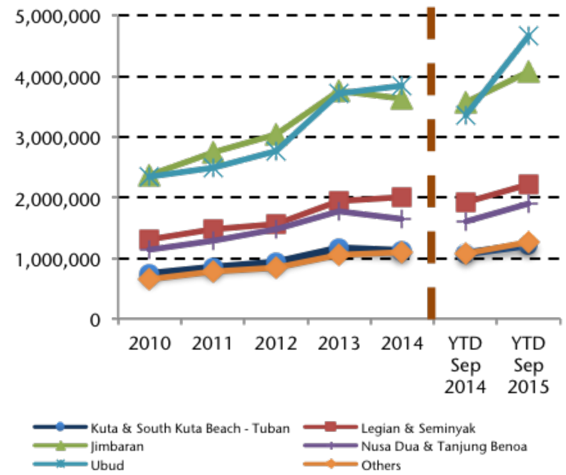



*Source : BHA and Horwath HTL*

Kuta & South Kuta Beach-Tuban is the worst ADR performer through Q3 2015 with USD rates down 7% YOY. 2 words: new supply! Without any significant arrivals growth it has proven difficult to maintain performance in light of the new rooms in the heavily populated, mass market area of Kuta. Occupancy is down as seen above and coupled with rate falls, RevPAR has taken a beating.

On the contrary the lightly populated and more niche Ubud market has increased USD & IDR rates aggressively to the detriment of occupancy.

*ADR by Location 2010 – 09/2015 (IDR)*




*Source : BHA and Horwath HTL*

## REVPAR SUMMARY BY LOCATION

| IDR | 2014 | YTD 09/15 |
|---|---|---|
| Kuta / Tuban | -1% | 2% |
| Jimbaran | 1% | 13% |
| Ubud | 7% | 22% |
| Legian / Seminyak | 4% | 11% |
| Nusa Dua / T. Benoa | -4% | 16% |
| Others | 4% | 9% |
| **USD** | **2014** | **YTD 09/15** |
| Kuta / Tuban | -1% | -16% |
| Jimbaran | = | -7% |
| Ubud | 6% | 1% |
| Legian / Seminyak | 3% | -8% |
| Nusa Dua / T. Benoa | -5% | -5% |
| Others | 3% | -10% |

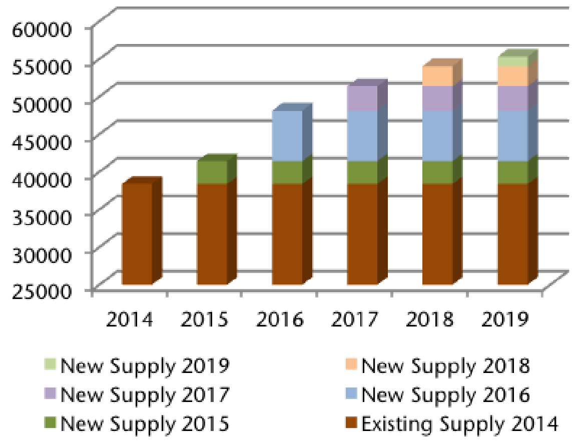
Ubud is the star performer in 2015, followed by Nusa Dua/ Tanjung Benoa.

## LOOKING FORWARD: PIPELINE

In the 2014 version of this report we claimed to have 34,000 rooms on record (year end 2013) and expected 5,000+ new rooms in 2014, and to top 40,000 rooms by mid-2015. So what's happened? By YE 2014 we recorded a total of 321 hotels in operation representing more than 38,000 rooms (YOY increase of 12%, and 20% less than anticipated). YTD September 2015 a further 13 hotels have opened with 1,900 rooms a market increase of around 5% in 9 months. This brings the total to around 40,000 keys by YE 2015 around 6 months later than forecast this time last year. This indicates that construction has slowed and projects have stalled which is no surprise to anyone driving around Bali.

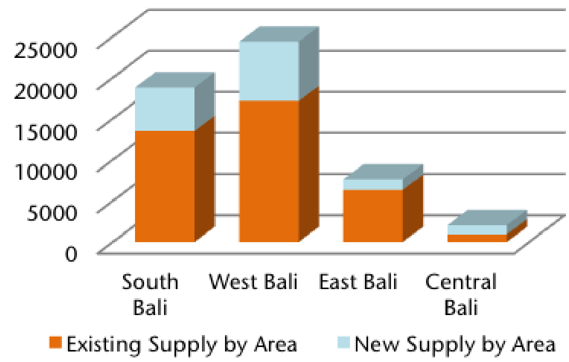
There is a lot of hype around Bali's pipeline, it is definitely a trending topic! To add fuel to the fire, to 2019 we anticipate a further 115 new hotels with around 15,000 additional rooms. This will take the total key count to around 55,000.

*Rumoured / Under Development to 2019*




*Source : BHA and Horwath HTL*

*Pipeline to 2019 by Location*



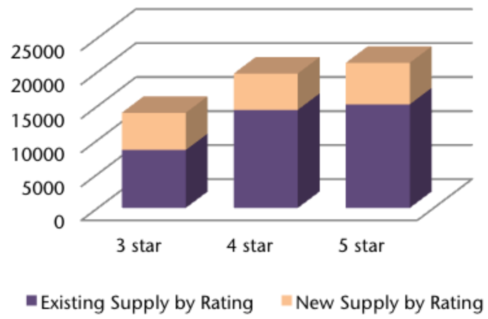

*Source : BHA and Horwath HTL*

Horwath HTL
*Hotel, Tourism and Leisure*

hotelworks

Not surprisingly, West Bali (west of Ngurah Rai) remains the developers' hotspot with the existing 139 hotels (YE 2014) ballooning to around 180 through 2019. This accounts for over 30% of the total future hotel supply to Bali.

***Pipeline to 2019 by Star Rating***




*Source : BHA and Horwath HTL*

This is closely followed by South Bali (the teardrop) which is still far ahead of Central and East Bali which are largely overlooked.... still.....
4 star hotels are no longer the developers' darling with our pipeline indicating that by 2019 there will be more 5 star rooms (essentially ADR > USD 150). This time last year our list included a similar amount of forecast 4 star rooms with some attrition across the board, it would indicated a large number of 5 star added in the last 12 months.

## Upshot?

In effect, this equates to an 8% YOY increase in rooms over the next 5 years. Bearing in mind that construction delays and project cancellations will inevitably occur, the actual growth will be slower. The obvious next questions being:

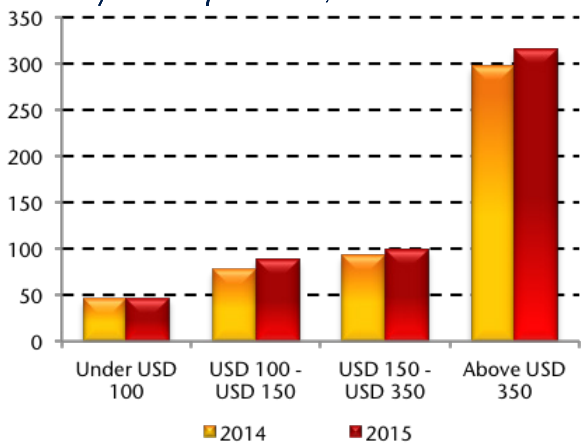
- can demand growth match 8% YOY to maintain current occupancy levels;
- is Bali making efforts to improve infrastructure so that tourism growth is sustainable; and
- are those hotels well-conceived to evolve with tourist patterns and to match demand dynamics?

In our humble opinion: yes absolutely; yes but not enough; and no, further emphasis must be placed on planning new hotels!

## ENERGY & WATER CONSUMPTION

**Energy:** The consumption of electricity per guest across hotel categories YTD September 2015 is slightly higher than last year.

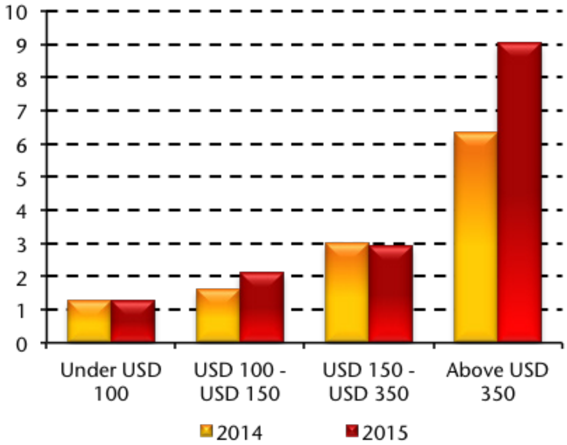
***Electricity Consumption KWH/Guest***




*Source : BHA and Horwath HTL*

**Water:** Water shortages have intensified in 2015 due to the extended dry season, with Bangli and Buleleng regencies severely affected by drought. Other areas like Kuta have seen water sources down by 20 to 25% less against normal conditions according to State owned water company (PDAM).

*Water Consumption $m^3$ / Guest*




*Source : BHA and Horwath HTL*

# BALI HOTEL RESIDENCES

*Market sales pace contracts as Indonesia's economy slows*

Bali's hospitality-led residential market has seen a cautious impact to a slowing sector as new development only comprise 310 condominium/apartment units and villas coming into the sales market this year. Market-wide performance continues to be challenged with a slight increase in price offering per square meter and an overall year-on-year decline in sales pace.

In past years, the impact of new offerings has spurred overall absorption but this trend has been muted in 2015. Mirroring the current broad flatting in Indonesian's economic performance, Bali's hotel residences market experienced a decline in per square meter pricing as well as contraction in sales pace. Hotel managed residential villas however witnessed significant growth in pricing with momentum in sales pace. This was driven by a shift in buying trends from two-bedroom unit configuration to one-bedroom units.

Seminyak and Canggu continue as Bali's prime locations with the highest per square meter pricing and absolute sales value. Pecatu and Uluwatu have surpassed Nusa Dua and Tanjung Benoa, which are both driven by premium product offerings. Bali's neighbor to the East, Lombok, has seen several new and meaningful residential real estate developments gain traction and are trading at overall lower pricing points. Despite Lombok's affordable / value pricing, sales pace still lag that of Bali.

Looking forward to the next 12-18 months, meaningful overseas investment has continued to remain on the sidelines waiting advances in the government's policy on foreign property ownership. That said, Bali remains highly dependent on domestic investors and end users remain a pivotal force marketplace which in our forecast is likely to remain stable.

## PROPERTY OVERVIEW

*Slowing growth reflected within only one major project entering the market in 2015.*

### *Condominium / Apartment Projects*

| Project Name | Location | Total Units | Launch Year |
|---|---|---|---|
| Alila The Cliff Uluwatu | Uluwatu | 56 | 2013 |
| Ayana Residences | Jimbaran | 68 | 2012 |
| The Himana Condotel & Residence | Jimbaran | 88 | 2013 |
| New World Grand Bali Resort | Jimbaran | 223 | 2015 |
| Alila Seminyak | Seminyak | 108 | 2012 |
| Souble-Six | Seminyak | 50 | 2012 |
| Klapa Breeze | Pecatu | 128 | 2011 |
| Harris Benoa Nusa Dua | Nusa Dua | 100 | 2012 |
| Avani Nusa Dua | Nusa Dua | 264 | 2013 |
| Springhill Jimbaran | Jimbaran | 126 | 2013 |

*Source: C9 Hotelworks Market Research*

### *Villa Projects*

| Project Name | Location | Total Units | Launch Year |
|---|---|---|---|
| Springhill Villa & Resort | Jimbaran | 112 | 2013 |
| New World Grand Bali Resort | Jimbaran | 87 | 2015 |
| Bvlgari Residences | Bukit | 5 | 2009 |
| Banyan Tree Residences | Bukit | 73 | 2014 |
| Klapa Breeze | Pecatu | 4 | 2010 |
| Rosewood Tanah Lot | Tanah Lot | 29 | 2013 |
| Waka Residences | Tabanan | 11 | 2014 |

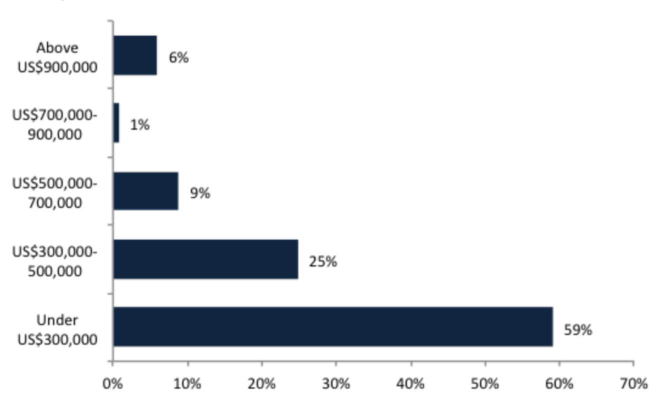
*Source: C9 Hotelworks Market Research*

## CONDOMINIUM/APARTMENTS PROJECTS

### Current Inventory

- There are 14 active residential projects were observed for this report, which of 7 projects comprised of apartment / condominium product type units and 3 projects positioned a combination of both apartment / condominium units and villas.

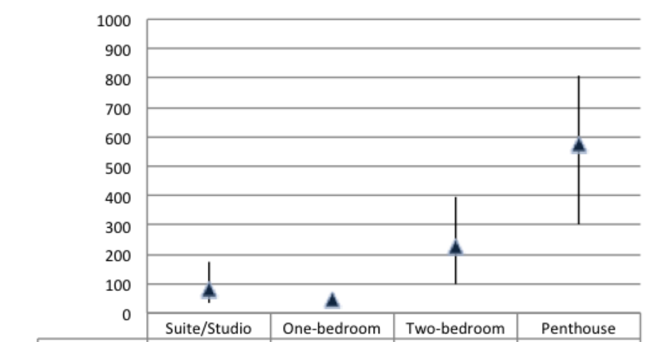
### *Price per Unit*




*Source: C9 Hotelworks Market Research*

***59% of the current inventory is priced under US$300,000.***

### *Inventory Mix*

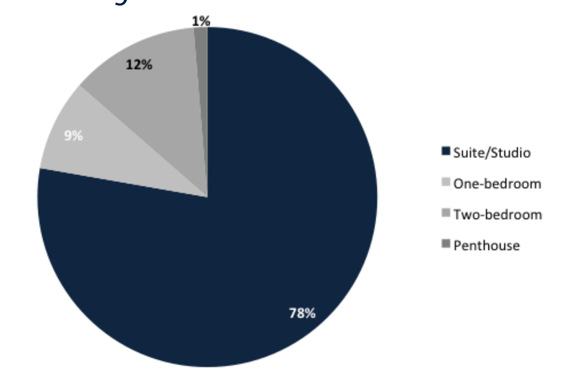



| | Suite/Studio | One-bedroom | Two-bedroom | Penthouse |
|---|---|---|---|---|
| Min (Sq.m.) | 33 | 48 | 96 | 300 |
| Max (Sq.m.) | 177 | 48 | 396 | 811 |
| ▲ Average | 82 | 48 | 229 | 573 |

*Source: C9 Hotelworks Market Research*

***Weighted average market-wide unit size is 77 square meters.***

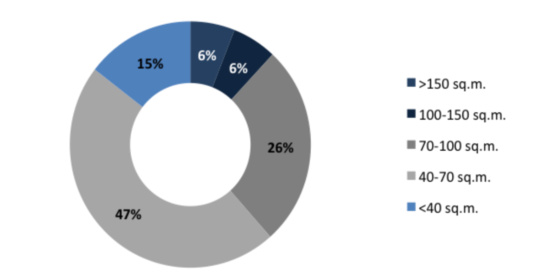
### *Unit Configuration Mix*




*Source: C9 Hotelworks Market Research*

***Suite / Studio type units remain the most popular configuration.***

### *Unit Size Mix*



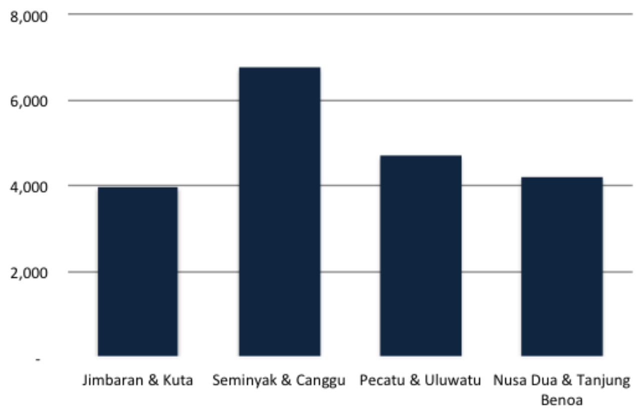

*Source: C9 Hotelworks Market Research*

***Units averaging 40 to 70 square meters are preferred size.***

## CONDOMINIUM/APARTMENT PROJECTS

### Pricing Comparison

### *Pricing by Area*




*Note: US$ per Sq.m.*
*Source: C9 Hotelworks Market Research*

***Hotel managed residences pricing per square meter rose 2% over 2014.***

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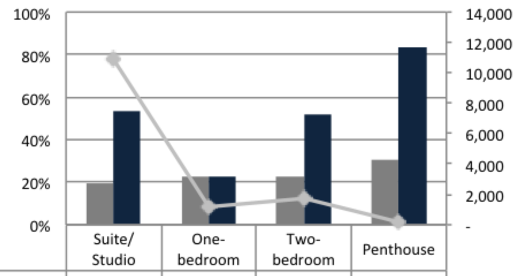
### *Pricing by Type*



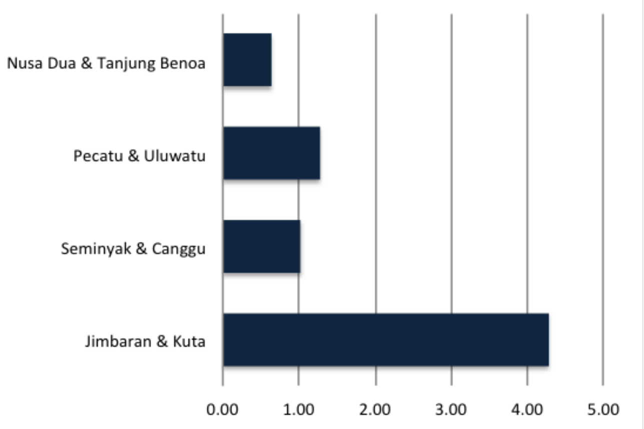

| | Suite/ Studio | One-bedroom | Two-bedroom | Penthouse |
|---|---|---|---|---|
| Min (US$/Sq.m.) | 2,737 | 3,115 | 3,192 | 4,276 |
| Max (US$/Sq.m.) | 7,480 | 3,115 | 7,274 | 11,685 |
| Units | 78% | 9% | 12% | 1% |

*Note: US$ per Sq.m.*
*Source: C9 Hotelworks Market Research*

***Market-wide average price per square meter is US$4,753.***

## Absorption Rate

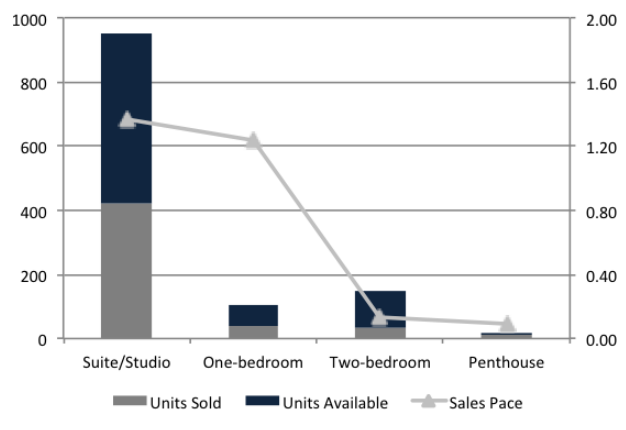
### *Absorption Rate by Area*




*Note: Montly Sales Pace*
*Source: C9 Hotelworks Market Research*

***Higher absorption rate in Jimbaran and Kuta is driven by more recent market entries.***

### *Absorption Rate by Area*




*Note: Montly Sales Pace*
*Source: C9 Hotelworks Market Research*

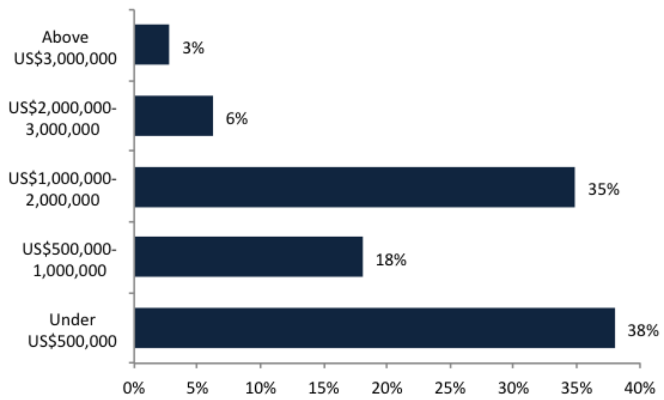
***Entry level priced units top sales momentum with 1.37 units per month.***

## VILLA PROJECTS

### Current Inventory

- Currently, 7 projects offer the total of 321 villas in the market.

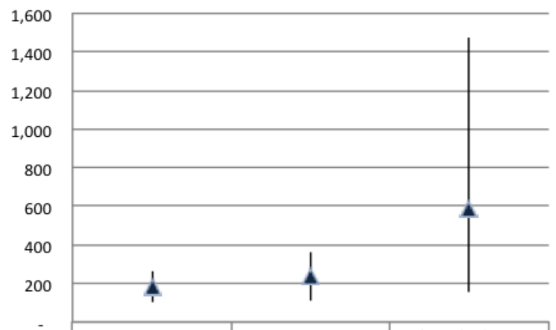
***Pricing Per Villa***




*Source: C9 Hotelworks Market Research*

***Luxury offerings over US$2 million seeing limited momentum.***

***Inventory Mix***



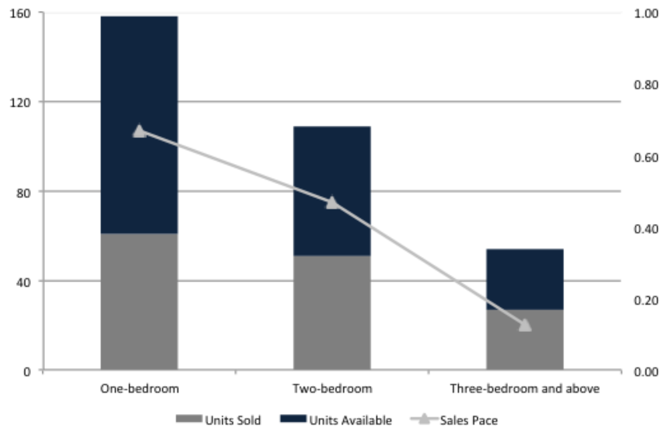

| | One-bedroom | Two-bedroom | Three-bedroom and above |
|---|---|---|---|
| Min (Sq.m) | 103 | 108 | 151 |
| Max (Sq.m) | 260 | 360 | 1,477 |
| Average | 178 | 239 | 589 |

*Source: C9 Hotelworks Market Research*

***Average built-up area for villas is 216 square meters.***

## Pricing Comparison and Absorption Rate

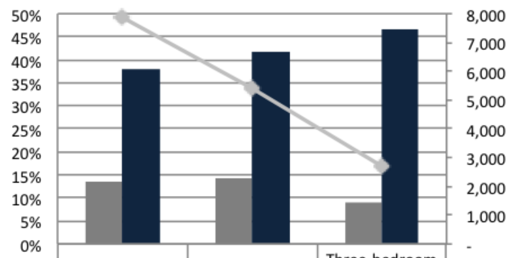
***Absorption Rate by Type***




*Note: Montly Sales Pace*
*Source: C9 Hotelworks Market Research*

***Demand shifted from two-bedroom configuration in 2014 to one-bedroom villas in 2015.***

***Price by Type***




| | One-bedroom | Two-bedroom | Three-bedroom and above |
|---|---|---|---|
| Min (US$/Sq.m.) | 2,184 | 2,269 | 1,438 |
| Max (US$/Sq.m.) | 6,067 | 6,667 | 7,448 |
| Villa | 49% | 34% | 17% |

*Note: US$ per sq.m.*
*Source: C9 Hotelworks Market Research*

***Average sales price per square meter stands at US$4,934.***

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