

2007 ISHC Annual Conference
Hong Kong

Asia Regional Overview
JAPAN

Ryu Iwaya, ISHC

Welcome to Japan!

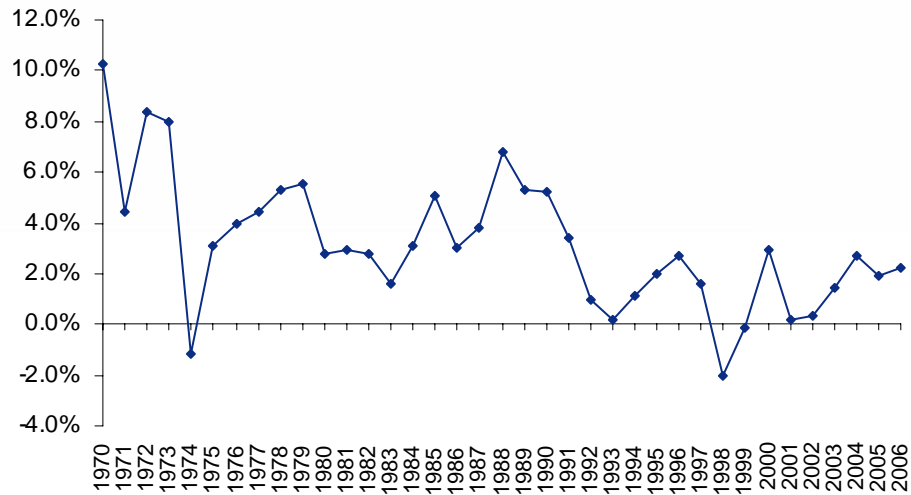


one should act on such information without appropriate professional advice after a thorough examination of the particular situation.



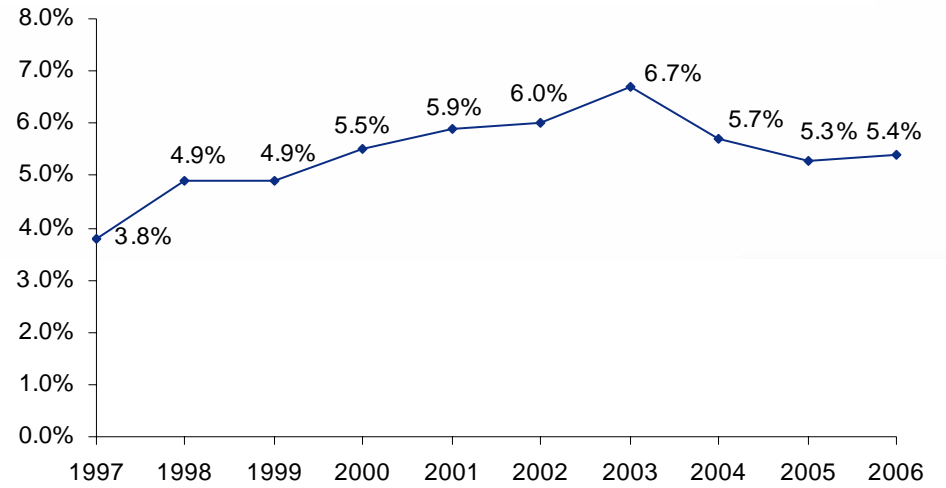
Circumstance

GDP (real) Growth



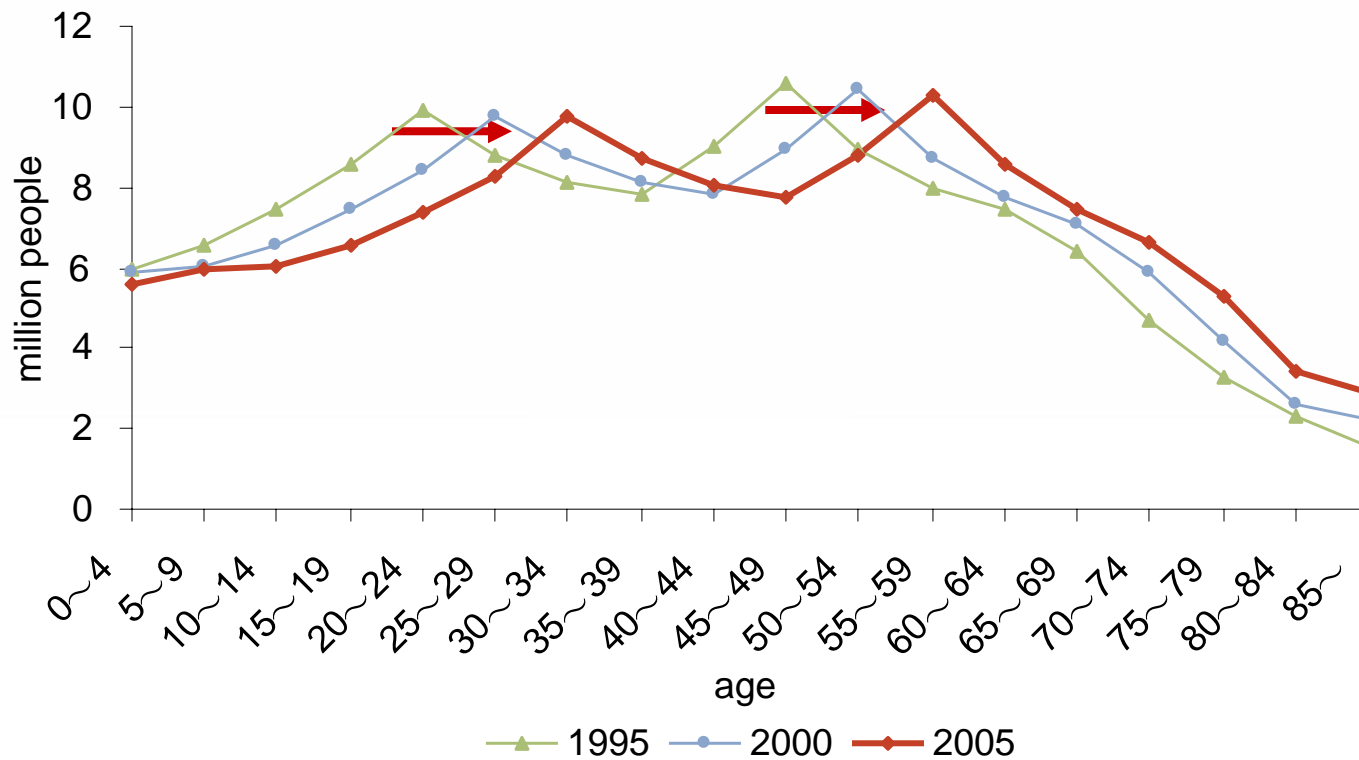
出典:内閣府

Unemployment



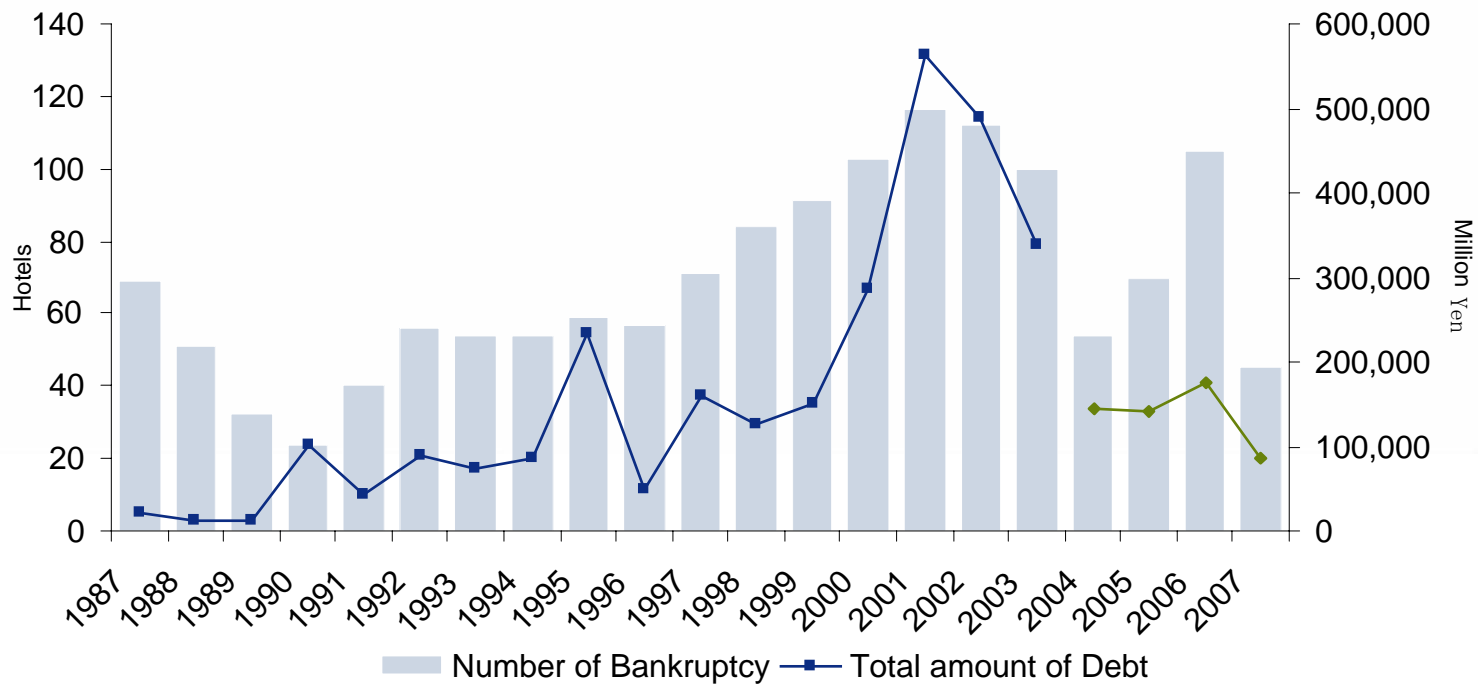
Source: Ministry of Public Management, Home Affairs Posts and Telecommunications

The birth rate is falling, the population is aging.



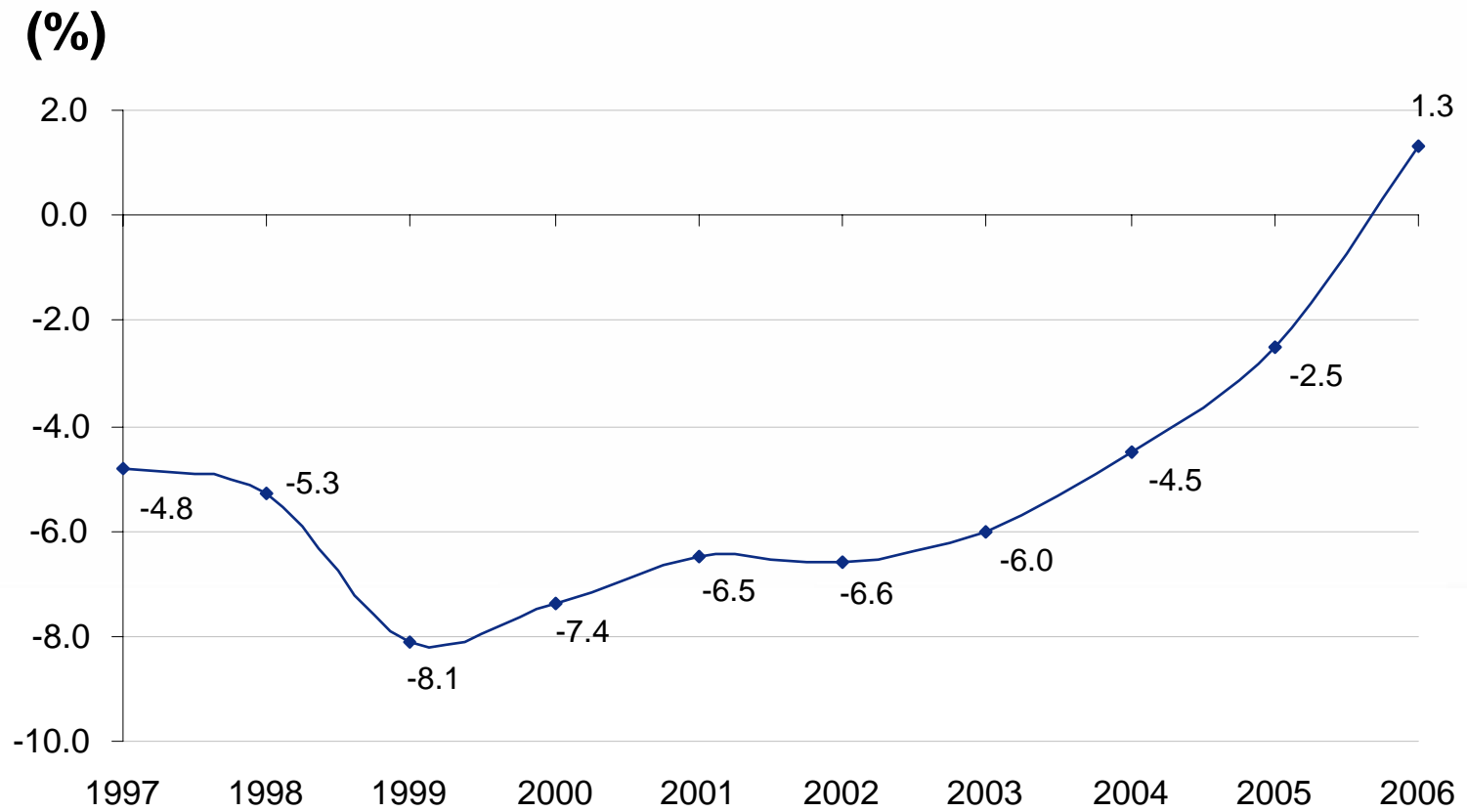
Source: Ministry of Public Management, Home Affairs Posts and Telecommunications

Hotel & Japanese Inns Bankruptcies



Source: Teikoku Data Bank

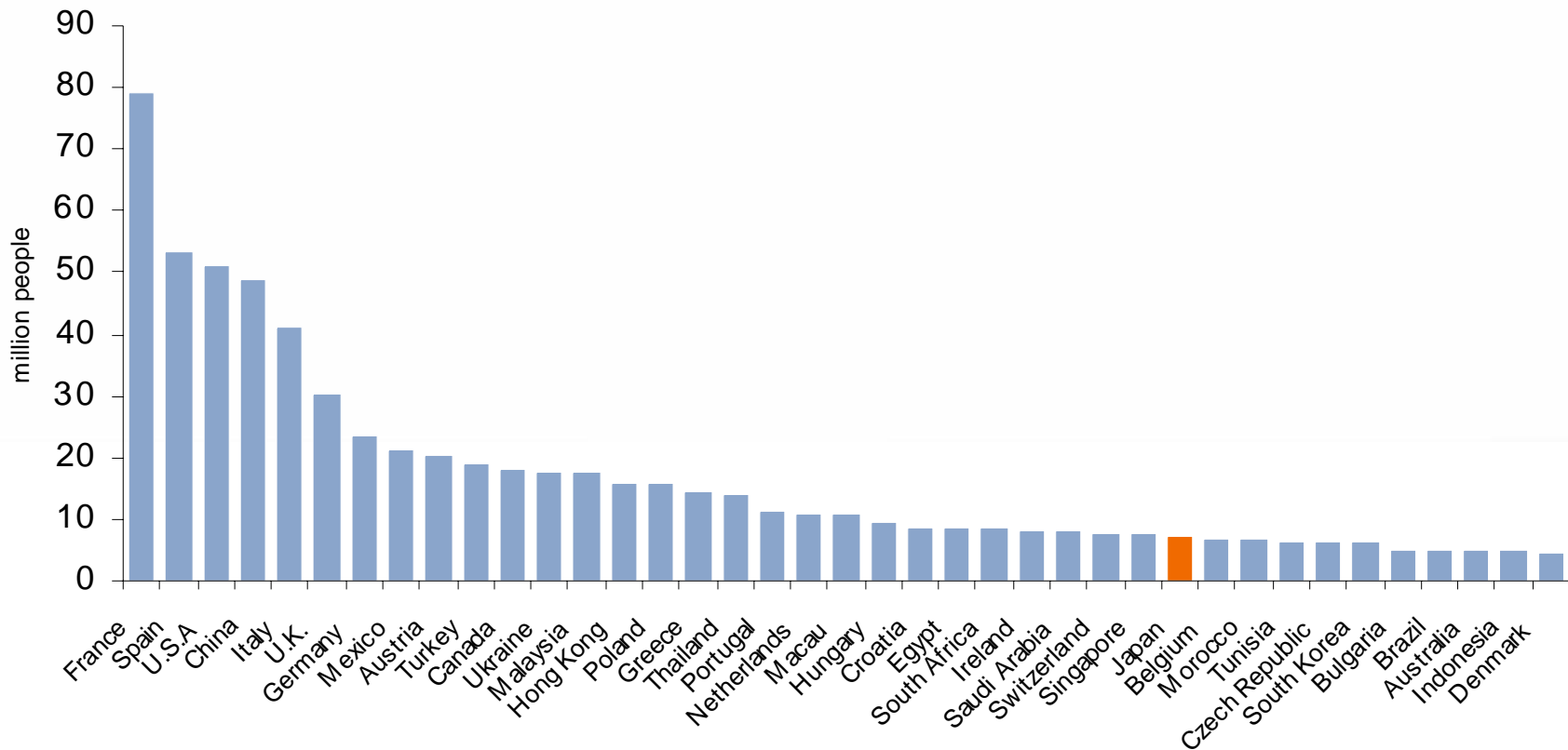
Change in Land Price (1997–2006)



Source: Ministry of Land & Transportation

Tourism

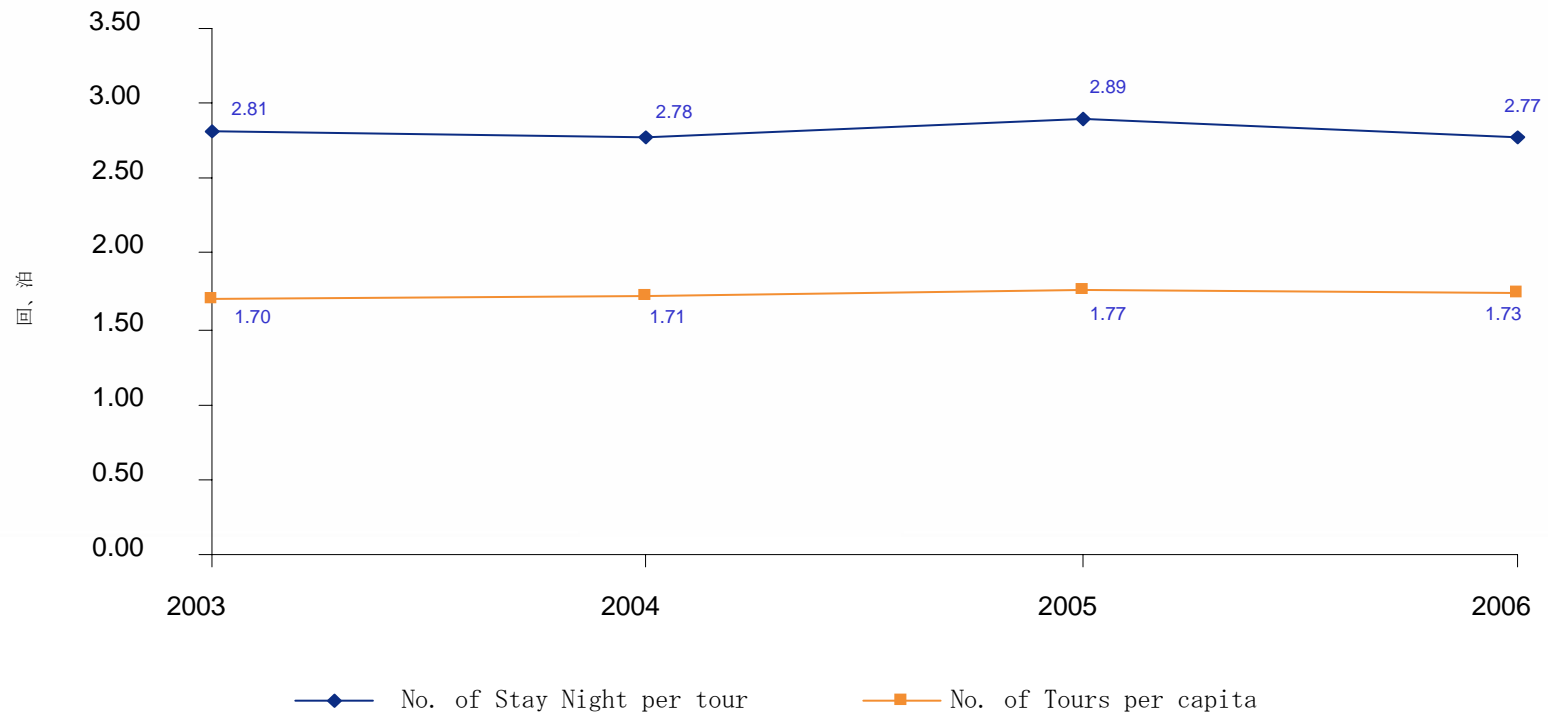
Visitors Arrivals(2006)



Source: Japan Tourism Organization (JNTO)

Trend of Domestic Tourism

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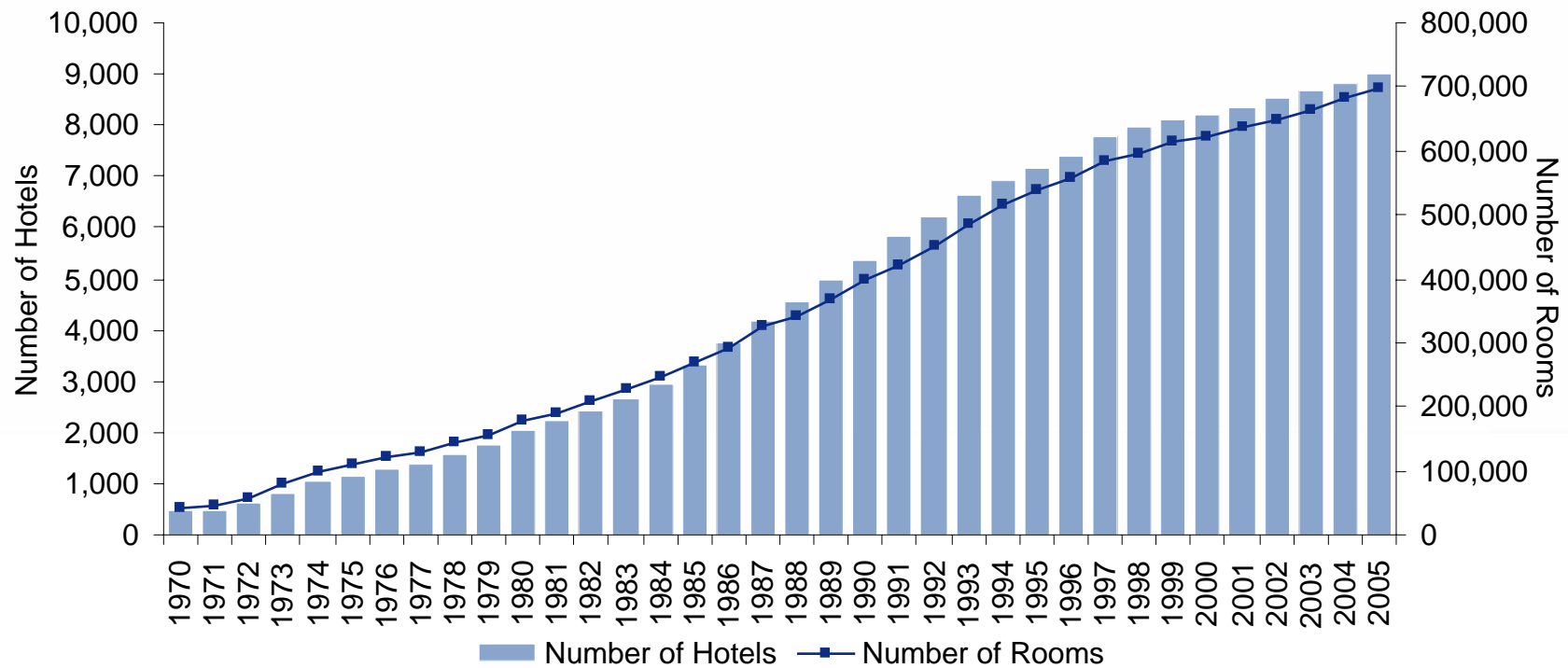
Source: : The White Paper on Tourism



Hotels

Supply Trend

No. of Hotels & Hotel Rooms

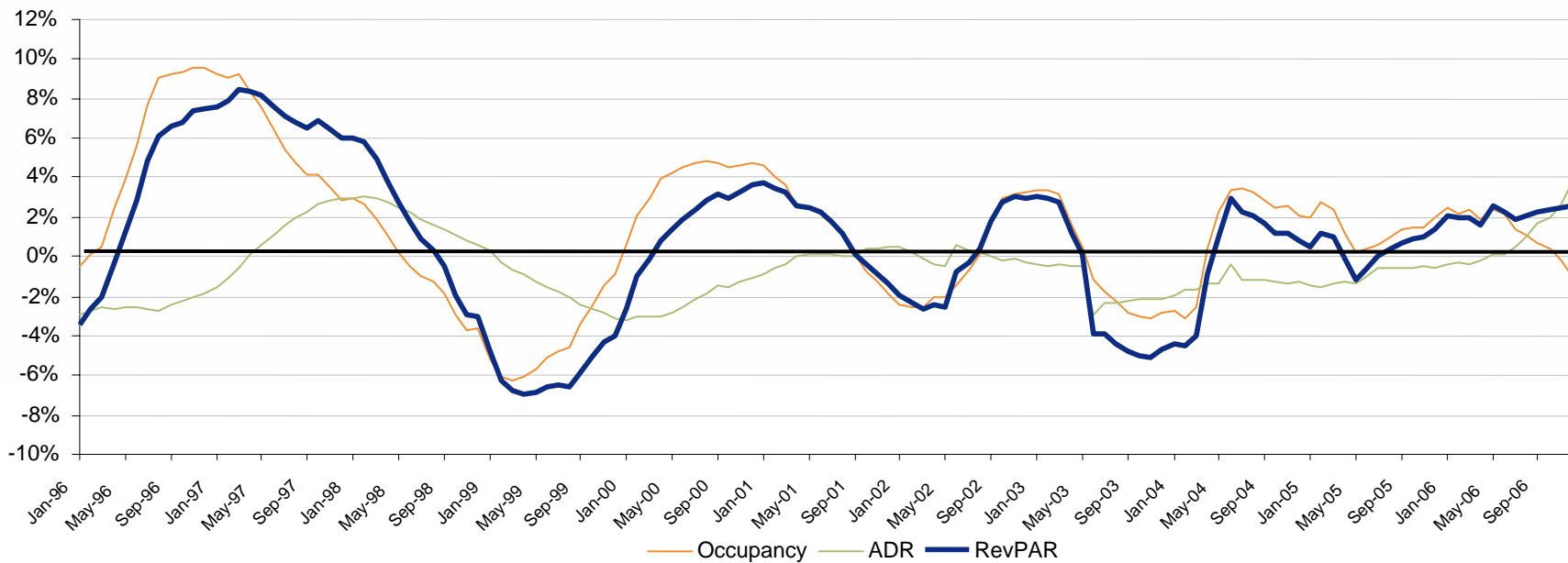


Source: "Japan Hotel almanac", Ohta Publications Co., Ltd.

Tokyo Hotel Market Trend

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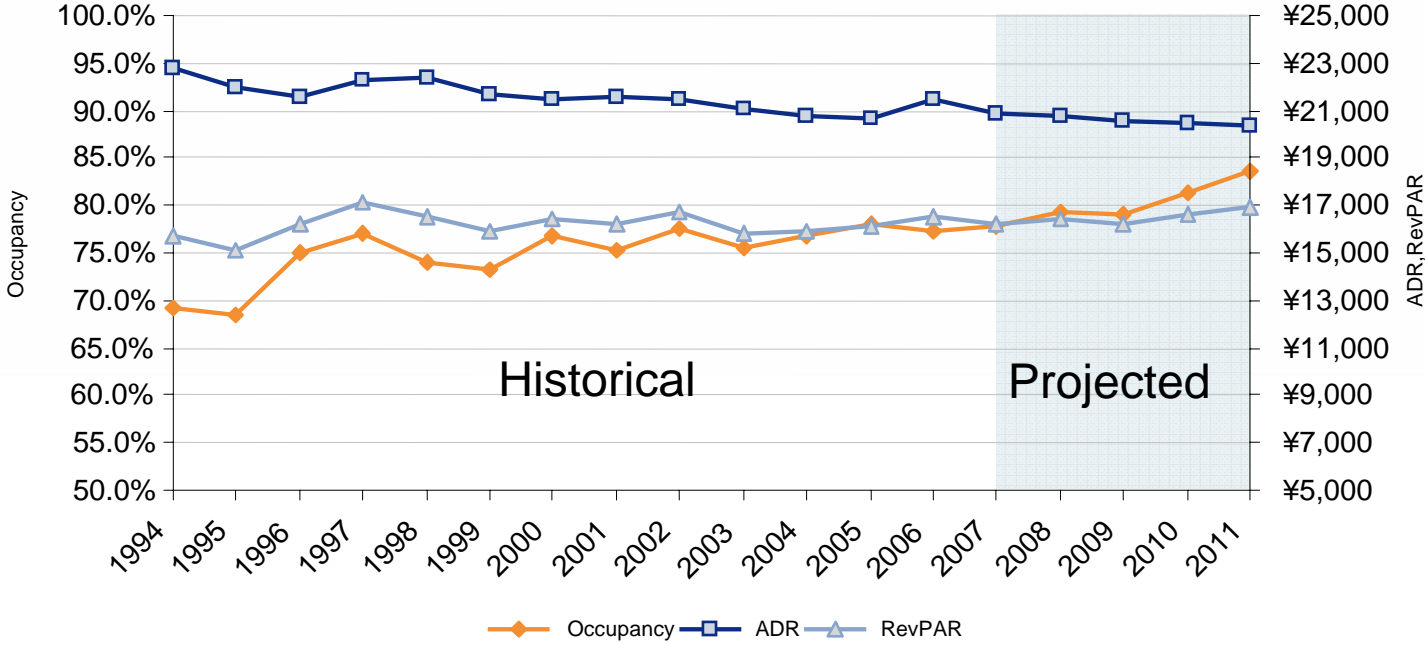
Tokyo Top Tier Hotels KPI Changes
(12 months moving average, 1996–2006)



Source : KPMG FAS Hospitality Data Base

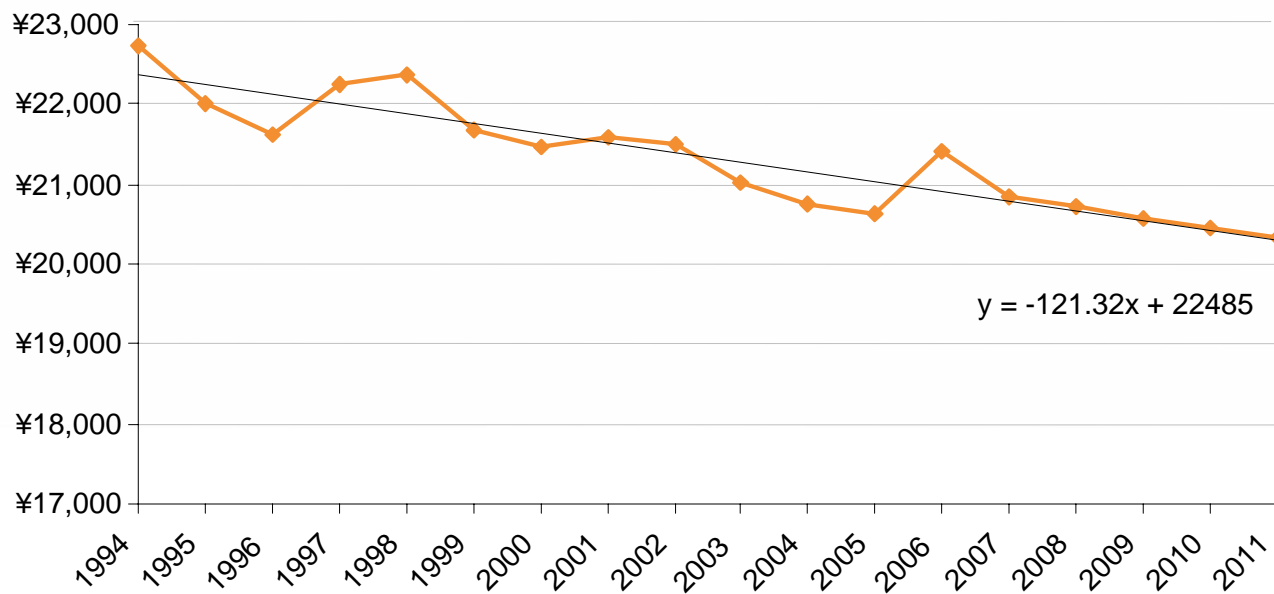
Tokyo Hotel Market Trend

Tokyo Top tier Hotels Historical KPI Trend



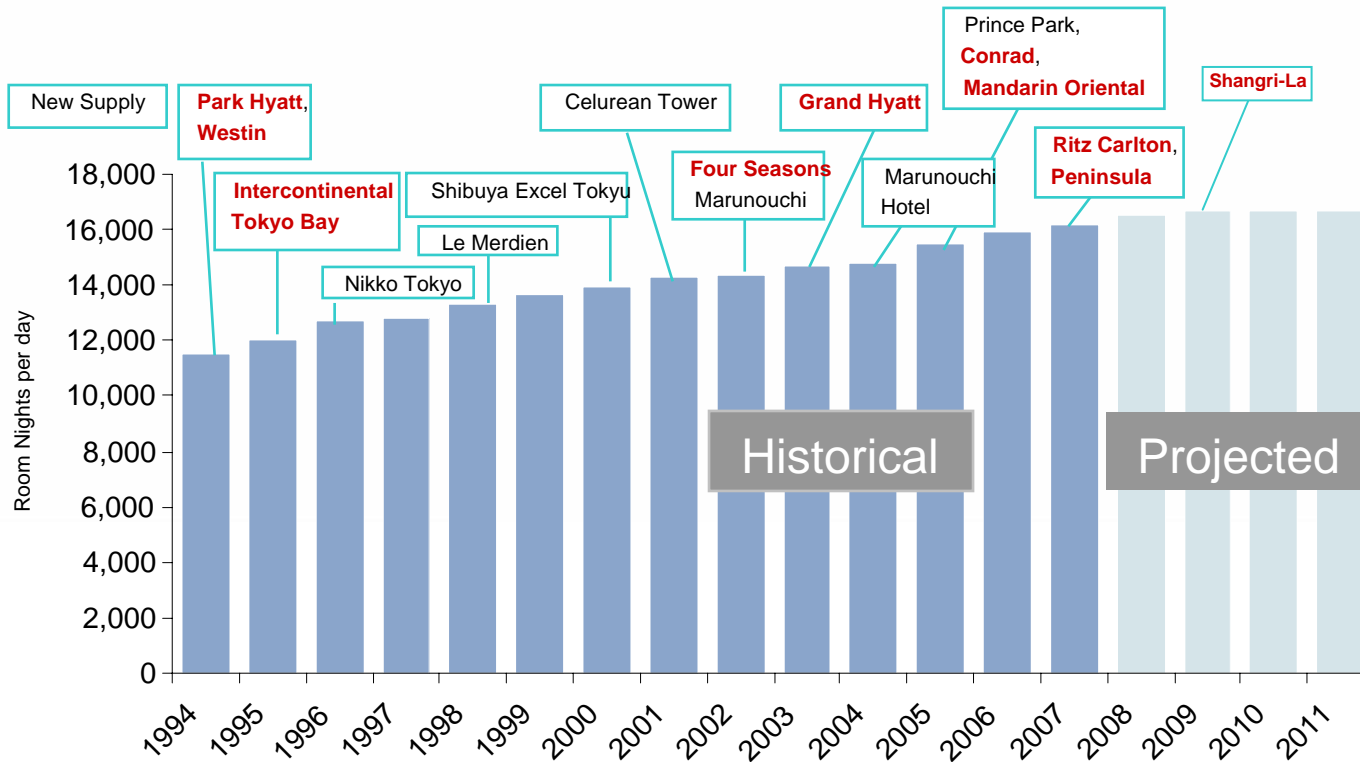
Source : KPMG FAS Hospitality Data Base

Tokyo Top Tier Hotels ADR Trend



Source : KPMG FAS Hospitality Data Base

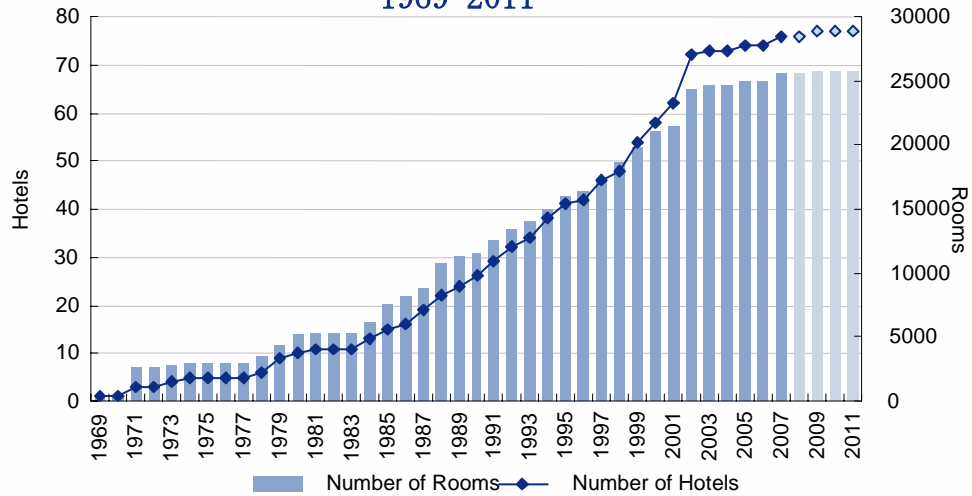
Tokyo Top Tier Hotels Trend of Supply with specific Entries, 1994-2011



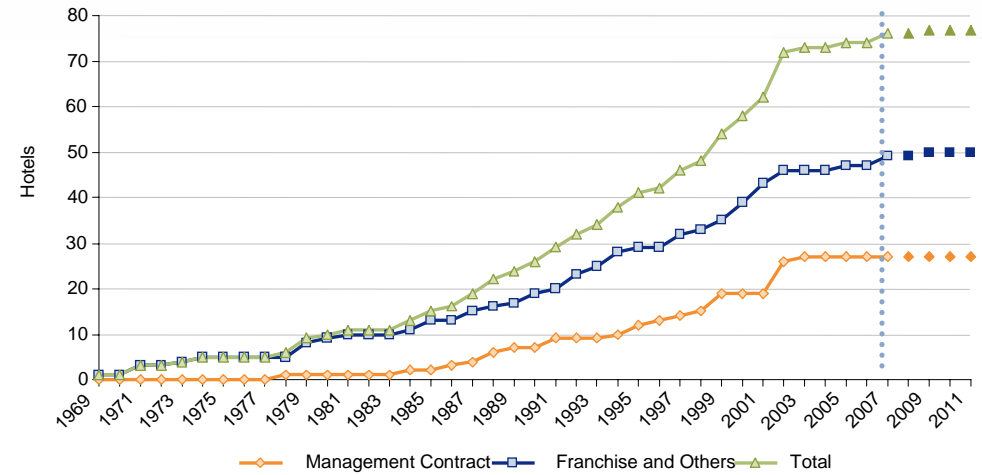
Source: KPMG FAS Hospitality Data Base

International Brands

Trend of Supply
International Brand,
1969-2011



Trend of Supply
International Brand by Type of Agreement
1969-2011



Source Various including the followings
Weekly Hotel & Restaurant
Japan Hotel Almanac
KPMG Hospitality data Base
Researches respectively done by KPMG FAS

- Problems on distressed assets are almost settled.
- Financial authority continues to strengthen its demands and restrictions for corporation compliance, accountability and appropriate governance.
- Sale for hotels positioned as non-core business shall be continued.
- Deals for re-branding, M&A, strategic alliance increases.
- International luxury brands continues leading higher ADR & RevPAR
- Local hotel companies are under continuous pressure for sophistication & brush-up in terms of their management skills.
- Funds which own properties in portfolio keep struggling for value up.
- Resorts shall continue their suffer from “Inefficiency of Peak Economy” so to speak.
- Hard time for Hotel REIT (Currently, there listed only two hotel REIT in Japan.) continues.
- Hotel consultant business? Good time and bad time
- Hotel industry in general? **Behind, but forever!**

The End

Thank you for your attention.



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