

Singapore Hotels NEWSLETTER

Author: Ang Boon Tat (Mr.)



boontat_ang@quillionrealestate.com



+65 62222321 | +65 98568179

Quillion Global



10 Anson Road
International Plaza
#17-13

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INVESTMENT

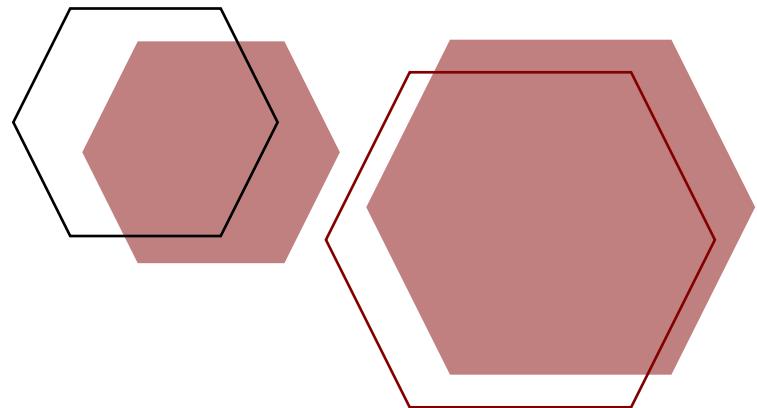
SINGAPORE AND THE WORLD

WITH analysts and traders both forecasted a looming bearish year ahead in 2019, the global economy will be swayed by investors and institutions' movement. As the trade tension remain in place, with no further progress nor certainty, regional markets will face a similar situation altogether. As was reported in Japan, the Nikkei 225 has officially been routed off 5 percent in the past few days. As they march into the bear market, turmoil is renewed among rattling investors. Such selloff will prompt the big question: What, where and when next?

SINGAPORE

ROBUST ECONOMY | STEADY GROWTH | HANDY HEDGE

Singapore's economy is expected to remain on a slow and steady expansion path in 2019. Inflation in Singapore has been within estimation – modest trend, in fact. Core inflation lowered in 4Q2018 by 0.3 percent as consumer costs fell across the nation. Both overall and core inflation came in under economists' expectations of 0.6 percent and 1.9 percent respectively. Singapore's GDP growth is expected to slow down in the light of a uncertain 2019 with 1.1%, considering the level of risks and market turbulences.



SANCTUARY FOR ALL

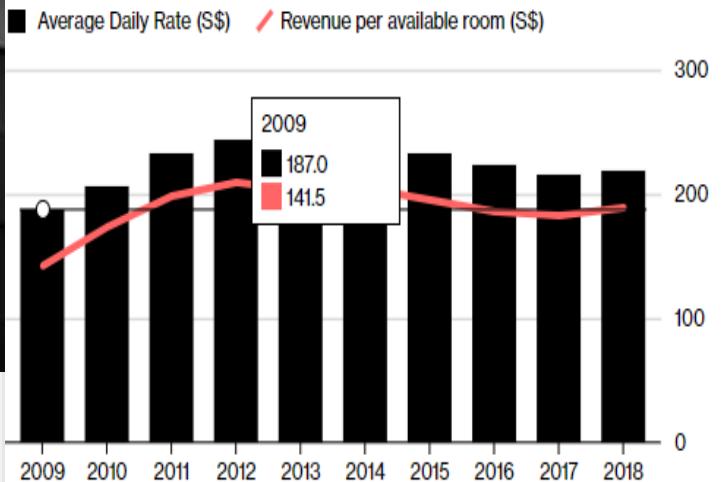
REAL ESTATE HAVEN

Singapore's real estate investment market has been ranked second in the Asia Pacific region in a real estate forecast jointly published by Urban Land Institute (ULI) and PricewaterhouseCoopers (PwC). Overall rents in office spaces have risen due to a tapered supply pipeline and renewing tenant demand with concepts of co-working and flexible office space being operated. The rather solid economic growth and high visitor numbers have supported rents and yield for prime retail and hospitality spaces. Capital flows are expected to remain strong in 2019.

HOSPITALITY

UP AND COMING

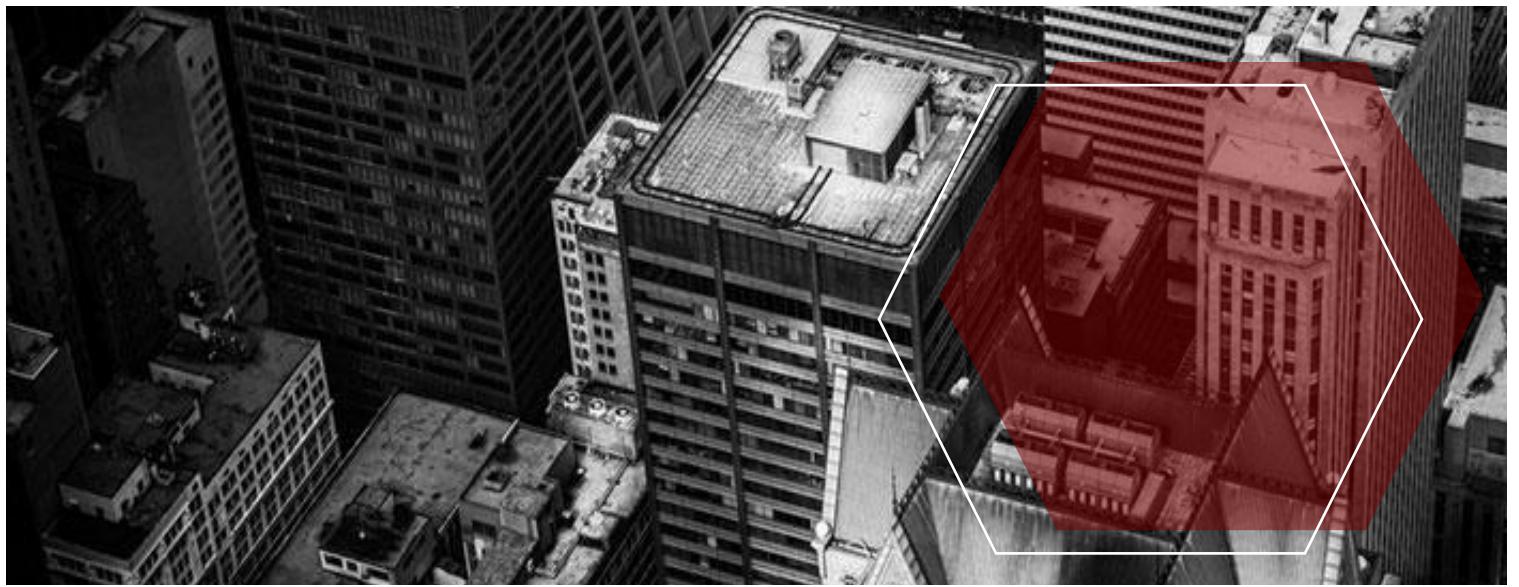
The market average occupancy rate remained at a steady 85.2 percent whilst the average Revenue per Available Room declined by 2 percent. It is projected for occupancy level to increase by another 1.7 percent due to the favorable increasing quantum of International Visitor Arrivals (IVA) in 2019. The IVA is expected to increase by another 7.14 percent according to statistics released by the Singapore Tourism Board. The supply of hotel spaces will be managed and controlled by the Singapore Government as they seek to answer to the increasing demand for hotel rooms due to increasing tourist arrivals.



Source: Singapore Tourism Board, Cushman & Wakefield Inc.
2018 data until August

BOOMING TREND OF 'STAYCATION'

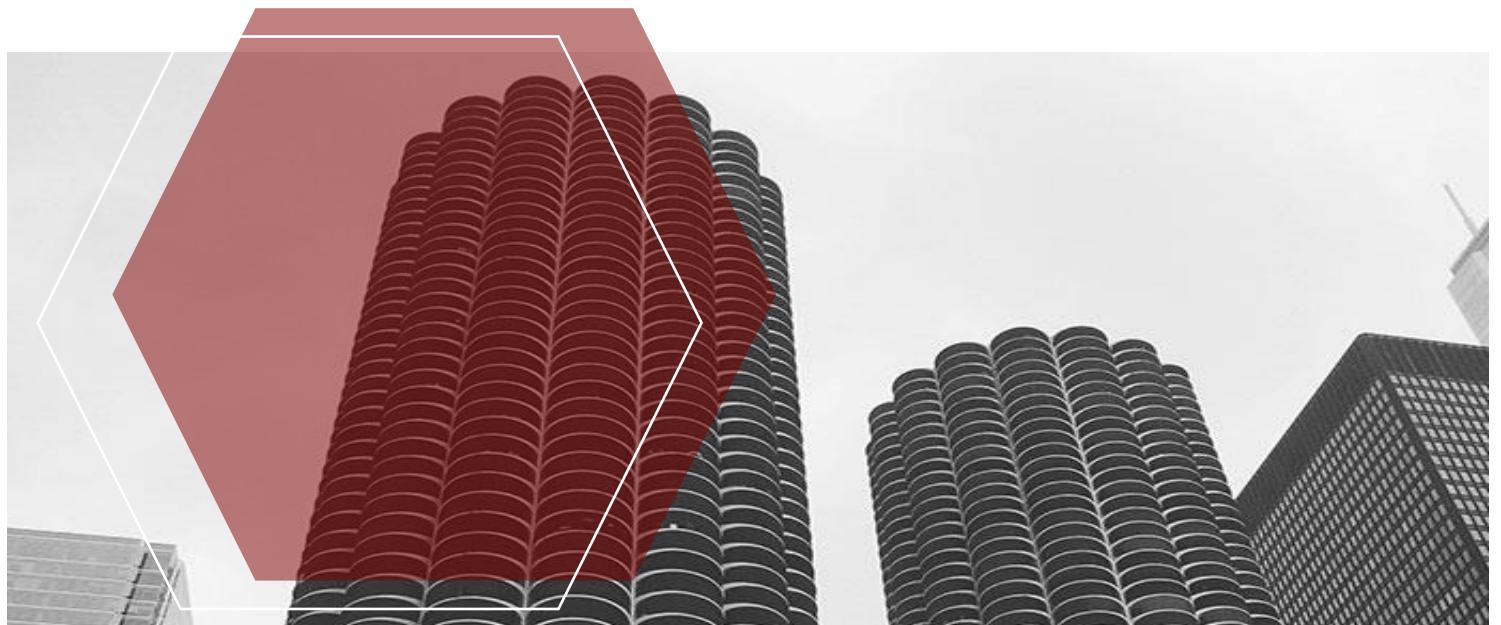
As the trade wars halt for a moment, headwinds are expected for all investors. A slower global economic growth, decreased consumers' purchasing power and waned business activities may discourage overseas travels. However, in a positive sign for hotel operators' revenue, excluding the upward trend of the IVA, the industry is looking to tap into the locals to bolster up the market of 'staycation' whereby travelers need not go overseas to enjoy the luxurious stay of a hotel.



INVESTMENT OPPORTUNITIES

POTENTIAL

There are endless opportunities to get started in Singapore's market. Spotting the right one can evoke an arbitrage for the intelligent investors. Moreover, with such a turbulent global financial climate, opportunities are waiting. Risks can be managed by selecting the right portfolio or asset class. It is up to the investors to take advantage of the poor performing markets right now and Quillion Global is here to assist all investors.



*Interested parties may contact us: marketing@quillionrealestate.com or +65 6222 2321

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