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MARCH 2022

IN FOCUS:
SINGAPORE

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SINGAPORE





Key Highlights in 2021



International Arrivals

- 88.0%

The Republic of Singapore is a metropolitan city-state and island country in Southeast Asia with a total land area of an estimated 714.3 square kilometres. It is situated at the southern tip of the Malayan Peninsula, between Malaysia and Indonesia. With an economy supported by its population of approximately 5.45 million people, Singapore has witnessed consistent economic growth throughout the years and is prominent in the financial services, energy and infrastructure, biotechnology and tourism, medical tourism and information and communications technologies.



Passenger Traffic

- 74.1%

Due to the impact of the Covid-19 pandemic, Singapore's overall economy had previously contracted by 5.4% in 2020. However, the economy has shown a strong recovery in 2021 growing by 7.2%. Unlike 2020, the RevPAR and Room Revenue shows slight improvement growing at 0.7% and 2.7% respectively. Overall, the market held stable in the headwinds resisting further downward pressure in 2021.



RevPAR

0.7%

The two largest single origin source market remained China and India with their share growing from 16.6% and 12.9% to 26.7% and 16.5% respectively.



Room Revenue

2.7%

Despite the market remaining soft, we are optimistic that the end of 2021 will spark the phase of recovery as the government goes into the "endemic Covid" stance and we enter into a new normal. We also expect a recovery of visitors in 2022 as the government has negotiated a total of 27 vaccinated travel lanes (VTLs) by November 2021.



Transaction Volume

*Decreased to 125
Million*



Economic Outlook

In 2021, Singapore showed a strong recovery from the COVID-19 pandemic with a 7.2% growth in GDP. Singapore has reaffirmed the “endemic covid” stance and has moved to rapidly vaccinate the population with 82.9% of the population having been vaccinated by 31 December 2021. In 2022-23, the authorities are expected to focus on job creation and improving low earners’ income as well as upskilling the workforce. The economic impact of COVID-19 is expected to be much less pronounced than in 2020-2021. The GDP is expected to grow by 3.8% in 2022 and that the electronics, chemicals and advanced manufacturing sectors will remain as important drivers in the performance of Singapore in 2022.

FIGURE 1: Economic Outlook

	Actual					Forecast				
	2017	2018	2019	2020	2021	2021	2022	2023	2024	2025
Real GDP Growth (% change p.a.)	4.3	3.4	0.7	-5.4	7.2	3.8	3.2	2.7	2.9	3.0
Consumer Price Inflation (av; % change)	0.6	0.4	0.6	-0.2	2.3	2.8	1.4	1.2	1.3	1.4
Budget Balance (% of GDP)	-0.3	0.4	-0.1	-4.6	-4.2	-1.8	-0.5	-0.6	0.3	0.4
Current-account Balance (% of GDP)	16.3	17.2	17.0	17.6	17.8*	17.3	17.0	16.8	16.7	16.9
Lending Interest Rate (%)	5.3	5.3	5.3	5.3	5.3*	5.4	5.4	5.4	5.5	5.6
Exchange Rate (av; SGD:USD)	1.38	1.35	1.36	1.38	1.34*	1.36	1.38	1.37	1.36	1.35

Source: EIU Country Report January 2022 * EIU Estimates

Economic Performance & Outlook

Singapore has one of the highest levels of GDP in Asia. Singapore’s economy is highly dependent on the global economic outlook as transshipment plays an important role in its economy. As the world moves towards a COVID endemic stance, we expect world trade and economy to improve. GDP is projected to grow by 3.8% in 2022. With a total number of 27 vaccinated travel lanes as of December 2021, we are hopeful that the hospitality industry is on the road to recovery.

Currency Exchange Outlook

Singapore has historically had a steady exchange rate; we expect this to continue in the near future. In October 2021, MAS decided to pursue a modest rate of appreciation in its nominal effective exchange rate (NEER) measure. EIU expects that the Singapore dollar to face mild depreciation against the US dollar till 2024 as the US tightens its monetary policy. They also expect that the Singapore dollar will appreciate from 2025 onwards as the US tightening ends. The exchange rate (SGD:USD) is expected to fluctuate between 1.36 to 1.38 over the next five years.

Inflation

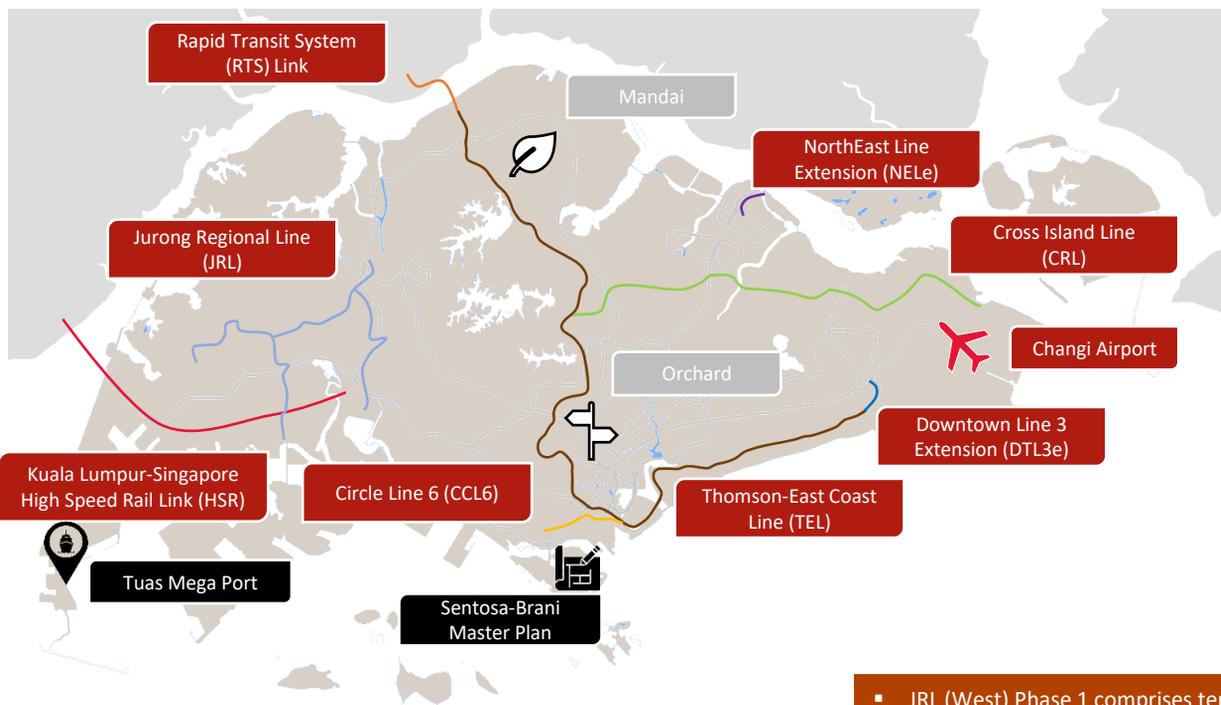
We have expectations of an uninterrupted economic recovery as Singapore adopts a “endemic covid” stance. We expect stronger consumer demand and wage inflation amidst a tightening job market. Due to the cooling measures, we expect that property prices in Singapore will show slower growth in 2022-2023. EIU expects the consumer price index to rise by 2.8% in 2022 and at 1.3% per year between 2023-26 on average.

Interest Rates

As of December 2021, the 3-month Singapore Interbank Offered Rate (SIBOR) was recorded at 0.437%, an increase from the previous year which recorded at 0.405% as of December 2020. According to EIU, the lending interest rate remained stable at 5.3%. Singapore’s SIBOR rate is closely related to the US Federal Reserve (Fed) rate. Currently the US is projected to raise the Fed rates by 150 basis points (bps) this year starting in March, cumulating in a 150 bps tightening in 2022. Singapore may experience an increase in interest rates in 2022.



Infrastructure Developments



Sources: HVS Research & RCA

- Phase 2 of Mandai Rejuvenation Project
- Pulau Brani and Greater Southern Waterfront Development
- TEL Phase 3 will add 13 stations from Mount Pleasant to Gardens by the Bay
- Tuas Mega Port (Four phases from 2021)

- JRL (West) Phase 1 comprises ten stations linking Choa Chu Kang to Boon Lay and Tawas
- CCL6 will add three stations from HarbourFront to Marina Bay
- Marina Bay Sands 4th tower expansion project

- TEL Phase 4 TEL will add eight stations, from Bedok South to Sungei Bedok
- DTL3 Phase 2 will add two stations from Expo to Sungei Bedok
- NEL will have an extension to Punggol Coast



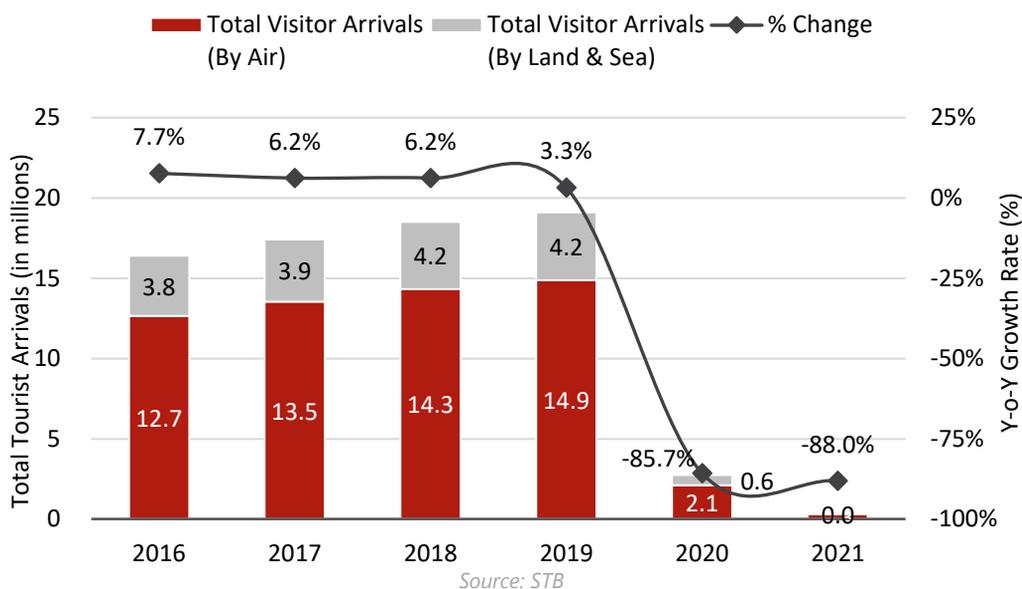
- TEL Phase 3 will add seven stations from Tanjong Rhu to Bayshore
- Sentosa Makeover: Merlion Gateway elevated walkway (Part of Sentosa-Brani Master Plan)

- Ongoing revitalisation of Orchard Road to be a lifestyle destination
- 4-km RTS Link from Woodlands North to Johor Bahru, Malaysia (Deferred beyond 2024)
- 4-km CCL6 will close the loop by adding three stations, connecting Harbourfront to Marina Bay station (2025)
- 24-km JRL will add 24 new stations (2028)
- Completion of CRL (2030)
- Changi Airport Terminal 5 with a handling capacity of 50 million per annum (Approx. 2030)
- 350 km HSR, connecting Kuala Lumpur and Singapore (Jurong East) in 90 minutes (Commence in 2031)
- Tuas Mega Port (2040)
- Resort World Sentsa expansion project (RWS 2.0)



Singapore Tourism Landscape

FIGURE 2: International Visitor Arrivals (2016-2021)



According to Singapore Tourism Board (STB) figures, international visitor arrivals demonstrated consistent growth at a CAGR of 5.23% for three consecutive periods to reach a record of 19.1 million in 2019 before decreasing in 2020 due to the COVID-19 pandemic. Total visitor arrivals decreased by 88.0% from 2020 to 329,970 total visitor arrivals in 2021. Pre-covid, the number of international visitors between 2016 to 2019 showed consistent growth compared to a CAGR of 6.23% between 2008 and 2016. We believe that the growing number of international visitors reaffirms that Singapore is still an attractive tourist destination.

Signals of Recovery

FIGURE 3: Overnight Visitors Singapore (2021)

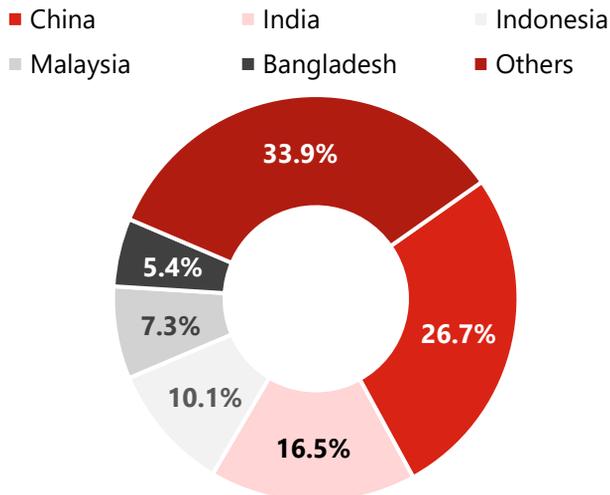


Despite the steep decrease in overnight visitors, the decrease in visitor days did not show a steep decline. The visitor days decreased from 11.76 million to 7.4 million in 2021, a total decrease of 37% from the previous. Pre-covid, the total number of overnight visitors showed a consistent growth between 2016 to 2019. We believe that Singapore has a strong tourism appeal and that the overnight visitor statistics will show a strong recovery when travel resumes as per normal. The number of overnight visitors shows a strong correlation with the number of international visitors.



Singapore Tourism Landscape

FIGURE 4: Top Five International Source Markets (2021)



Source: STB

Average Length of Stay

The Average Length of Stay (ALOS) in 2021 is 22.4 nights compared to the 4.3 nights in 2020. This is an increase of 18.1 nights. We consider the ALOS for 2021 to be an outlier and not indicative of the future growth of the ALOS under normal conditions. We believe the high ALOS is a result of the various quarantine measures and longer stay by guests during the COVID-19 period. We foresee that the ALOS will gradually return to 2019 figures as Visitor Arrivals continue to see rapid growth over the period of 2023-2025.

FIGURE 5: Average Length of Stay and Visitor Arrivals Growth (2019-2022)

	Average Length of Stay	Visitor Arrivals YoY%
2019	3.4 NIGHTS	3.30%
2020	4.3 NIGHTS	-85.70%
2021	22.4 NIGHTS	-88.00%
2022 YTD March	17.7 NIGHTS	201.00%

Source: STB

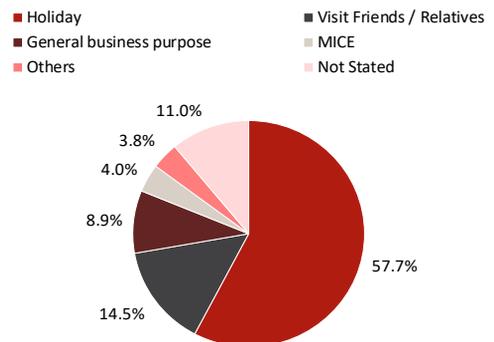
International Source Market

In 2021, China overtook India and Indonesia as the top international source market. This positive attribute can be a sign of recovery for the Chinese visitors to start traveling abroad. Last year the restrictions were imposed on Chinese visitors when the Covid-19 strain was first recorded in China in December 2019 and Indonesia was the dominant source market.

The top five international source markets to Singapore in 2021 were: China (26.7%), India (16.5%), Indonesia (10.1%), Malaysia (7.3%), and Bangladesh (5.4%). The five markets made up more than half of the total visitor arrivals to Singapore in 2021.

Due to the travel restrictions imposed globally, Singapore has encouraged domestic and international tourism within the island state through several initiatives, such as the Vaccinated Travel Lane (VTL), and other marketing campaigns.

FIGURE 6: Purpose of Visit (2019)



Source: STB

*Latest data available till 2019

Singapore's weather is tropical all year round, this allows for a range of tourism offerings. Historically, the majority of the international travellers visit Singapore for holiday purposes, making up 58% of the visitors in 2019. This is followed by visiting friends and relatives (15%) and for general business purposes (9%). More than half (51%) of the total travellers are repeat guests to the island state. We expect that the tourism make up will return to the 2019 makeup upon a full recovery from COVID-19.



Source: Unsplash



Singapore Hotel and Branded Serviced Apartment Pipeline

2022 is a promising year for Singapore’s hotel supply growth and the room supply will increase by 2,069 rooms and will grow the overall supply by 6.3%. Properties such as Citadines Connect City Centre Singapore (172-keys), Mondrian Singapore Duxton (303-keys), and the 900-keys at 8 Club Street were slated to open in the year 2021/2022 but are delayed due to the ongoing pandemic and expected to open in 2022/2023.

Moving forward, HVS tracks the opening of six branded properties in 2023, which will be part of the injection of 3,769 rooms into the market. Between 2024 and 2025, an additional 1,355 branded rooms are expected to be added to Singapore’s accommodation supply. The hotels slated to open are mainly positioned in the luxury and upscale segments.

In a bid to provide ample opportunities for developers to initiate additional supply of hotel rooms, the government periodically updates the list of hotel sites available for sale under the Government Land Sales (GLS). Only one site is available for hotel development under the 1H2021 GLS programme. The 1.02ha River Valley Road could yield up to 530 rooms and is estimated to provide 2,000 square metres of commercial space.

Hotel Openings

Hotels Opening in 2023:

- Pullman Singapore City Hall, 350 keys
- Banyan Tree Mandai Park, 400 keys
- Edition Singapore, 190 keys
- Pan Pacific Orchard Singapore, 350 keys
- The Standard Singapore, 143 keys
- Artyzen Cuscaden Singapore, 142 keys

Hotels Opening in 2024:

- Raffles Sentosa Resort & Spa, 62 keys
- Ibis Budget Singapore Gold, 44 keys

Hotels/Service Apartments Opening beyond 2024:

- MOXY Singapore Clarke Quay, 475 keys
- Somerset Liang Court Singapore, 192 keys
- VAREL a Tribute Portfolio Hotel, 132 keys
- Marina Bay Sands Resort, 1,000 keys

Notable Changes in the Hotel Landscape

- 300-key Park Hotel Farrer Park rebranded to Holiday Inn Singapore Little India in September 2021
- 423-key Hilton Singapore rebranded to voco Orchard Singapore on 1 January 2022
- Rebranding of 308-key Grand Park Orchard to Pullman Singapore Orchard by early 2022
- Major renovation and rebranding of Mandarin Orchard to a 1,080 key Hilton Singapore Orchard by early 2022

FIGURE 7: SINGAPORE HOTEL ROOMS PIPELINE (2022 to >2026)

Hotel Rooms Pipeline	Total	2022	2023	2024	2025	2026	>2026
Total	8,794	2,069	3,769	686	669	1,350	251
Under Construction	5,794	2,069	2,806	250	669	-	-
Planned	3,000	-	963	436	-	1,350	251

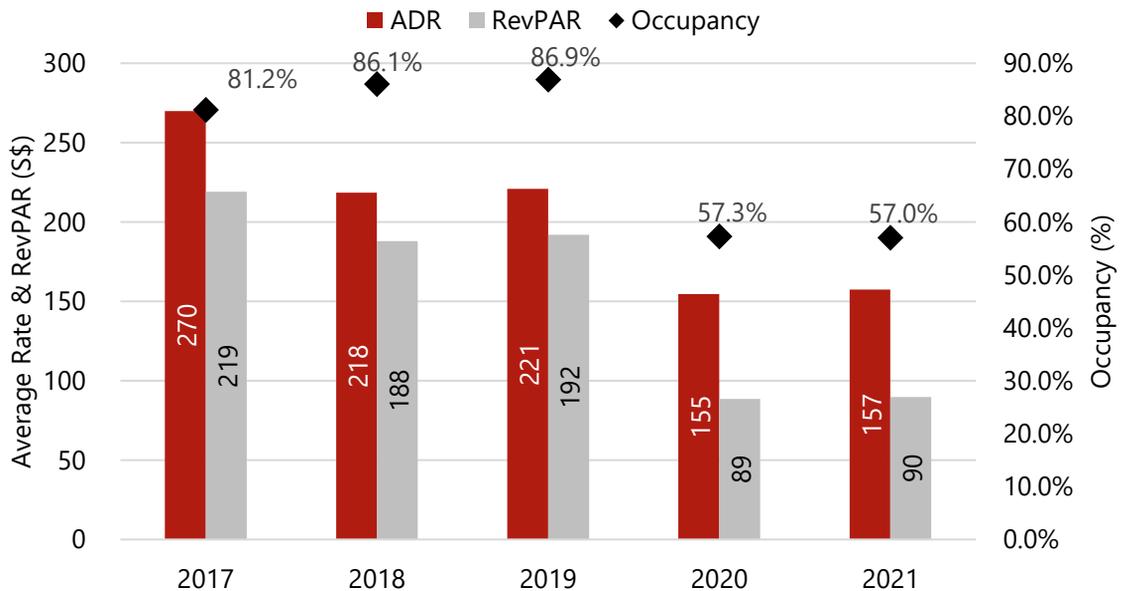
Source: URA Q4 2021 Commercial Pipeline Report

Planned refers to projects that are not yet under construction but have planning approvals, written and provisional



Singapore Hotel and Branded Serviced Apartment Market

FIGURE 8: Singapore Overall Hotel Performance (2017-2021)



Source: STB

Note:

On 29 Jan 2018, STB reviewed and updated the data estimation methodology for performance of the hotel industry (for gazetted hotels). The above figures should not be compared to HVS In-Focus Singapore publications prior to 2018.

Singapore Hotel Market Performance

In 2021, the hotel market performed similarly to 2020 with little change in both ARR, Occ, and RevPAR. This is primarily due to the ongoing pandemic and continuous challenges of finding a viable way to return to the “new normal.” Compared with 2019, 2021 market-wide Occupancy decreased 29.9 percentage points (p.p.), the Average Room Rate(ARR) declined by 28.8%, and the RevPAR dropped 53%.

However, we are optimistic for 2022 with the government adopting an “endemic Covid” stance. Additionally, many countries are on route to vaccinating their population and gradually opening up to tourism. We foresee that the tourism market will gradually recover over the next three years, expecting tourism numbers to return to 2019 levels by 2025.

FIGURE 9: Singapore Hotel Segment Performance (2021)

Y-O-Y Growth	Occupancy (p.p.)	ARR (%)	RevPAR(%)
Luxury	15%	-13%	0%
Upscale	2%	-5%	-3%
Mid-Tier	-11%	-7%	-17%
Economy	3%	-20%	-17%

Source: STB

The market for luxury and upscale hotels remains stable. However, the RevPAR for Mid-tier and Economy hotels have declined. We believe this is due to them being less able to capture the local market staycation phenomenon.



Hotel Transactions & Investment

Hotel Investment Market Shrinks Further in 2021

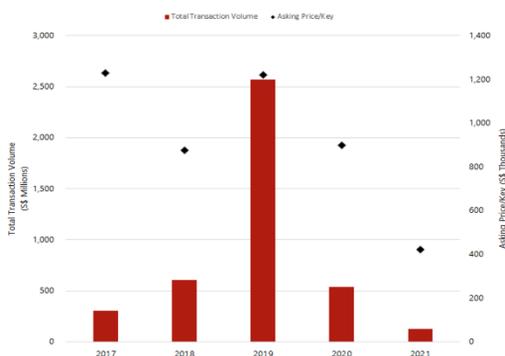
Local investors have mostly dominated the Singapore hotel investment market. While S\$306 million and S\$763 million worth of inbound transactions were recorded in 2017 and 2018 respectively, transaction volume peaked in 2019. In 2019, the number of hotels transacted increased to twelve, with transaction volume totaling SGD2.57 billion. However, in 2020, as the global economy slowed, consumer sentiments weakened, and the hospitality market was hit hard by travel disruptions. This resulted in a low transaction volumes. The market data shows that the market situation in 2021 did not improve, with approximately S\$125 million recorded in 2021 which is a 76.7% decrease compared to 2020. Despite the decrease in transaction amount, the transaction volume increased from 2 assets to 6 assets in 2021.

Key Hotel transactions in 2021:

- 138-key Porcelain Hotel at SGD90 million (SGD649,000/key)
- 25-key Amber Hotel Katong at SGD28 million (SGD646,000/key): Converted to co-living property

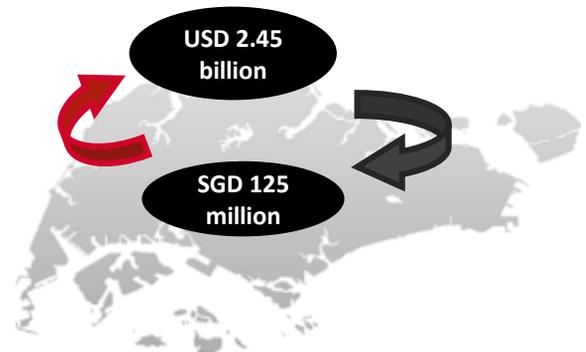
Moving forward in 2022, the hotel investment market will possibly see more investment volume due to the recovery of investors' sentiments and the growing interest in hotel investment post-Covid.

FIGURE 10: Singapore Hotel Transactions (2017-2021)



Sources: HVS Research & Real Capital Analytics (RCA)

FIGURE 11: Singapore Inbound and Outbound Hotel Transactions (2021)



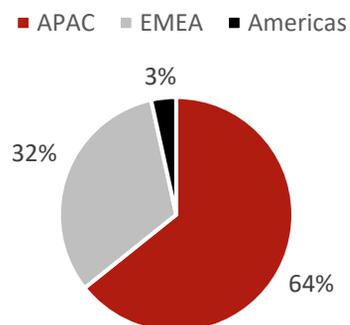
Sources: HVS Research & RCA

Outbound Hotel Investment Volume Surpass pre-Covid Levels

In 2021, outbound investment by Singapore investors had escalated in volume, increasing from USD1.64 billion in 2020 to USD2.45 billion in 2021, representing a 49.4% increase. The transaction volume has surpassed that of 2019 volume by USD90 million, demonstrating a higher level of investments than pre-Covid levels.

Approximately 64.3% of the total outbound hotel investments were made in Asia Pacific, while 32.3% were made in Europe, the Middle East, and Africa (EMEA). The remaining 3.4% were made in the Americas.

FIGURE 12: Outbound Hotel Transaction Markets (2021)



Source: RCA



Integrated Resorts

Beginning of Marina Bay Sands (MBS) Development (2006)

Las Vegas Sands emerged as a surprise winner for the bid in 2006, as the corporation committed highest development investment of S\$3.85 billion.

Birth of MBS & RWS (2010)

Marina Bay Sands & Resorts World Sentosa both successfully launched its operations in 2010 and became the most profitable casinos in the world by 2013.

Expansion Plan for MBS (2021)

MBS to embark on S\$4.5 billion hotel expansion project, expect to be completed by 2026.

Genting Group successfully won the bid for the Resorts World Sentosa and started construction on its master plan.

Beginning of Resorts World Sentosa (RWS) Development (2008)

RWS to embark on S\$4.5 billion upgrade for expansion project. Expected to complete in 2025.

Expansion Plan RWS 2.0 (2019)

Sources: HVS Research

What is an Integrated Resort?

Integrated Resort (IR) is a multi-dimensional resort property that integrates complex facilities built to attract tourists. The core facilities include international convention venue, exhibition hall, theater, museum, hotels, casino, shopping district, and entertainment facilities. For most of the integrated resorts, casino floors are the engine of the resort in order to support facilities such as convention/exhibition centres, hotels, shopping, and entertainment facilities.

Integrated Resorts Parent Company at a Glance

Las Vegas Sands Corporation

Founded in 1988, Las Vegas Sands Corporation is an American casino and resort company that focuses on integrated resorts which feature accommodations, gambling and entertainment, convention and exhibition facilities, restaurants and clubs. The corporation now owns five properties in Macau and one integrated resort in Singapore. Las Vegas Sands Corporation is known to be one of the largest casino company worldwide.

Genting Group

In 1965, the Malaysia-based firm Genting Group initially started business in leisure and hospitality activities and expanded into sectors including plantations, properties, power generation, oil and gas, and biotechnology. The subsidiaries include Genting Berhad, Genting Plantations Berhad, Genting Singapore Plc, and Genting Energy Limited. The group currently owns 13 hotels and resorts that span across USA, Malaysia, United Kingdom, Bahamas, Egypt, and Singapore.

Singapore's Integrated Resorts Impact on Singapore Society

On a national level, the Integrated Resorts (IR) significantly affected Singaporean society as they have attracted both local and foreign interest by providing iconic national landmarks, recreation, and entertainment which enriches the local economy. The IRs have led to an increase in Gross Domestic Product (GDP) growth in a slowing economic outlook, benefitting from better public services and reducing government debt. For instance, the construction of Marina Bay Sands has shaped the physical environment by creating a representative image of the Singaporean skyline, featured in the mass media to showcase to an international audience. Following the opening of the two IRs in 2010, Singapore saw an increase of almost 2 million international visitor arrivals. Moreover, the IRs have caused a significant impact on the local society by providing a multi-faceted appeal for Singapore as a leisure and business destination, creating jobs for locals. The IR directly employs approximately 20,000 people, of which more than 65% are locals, accompanying a lower employment rate in the country.



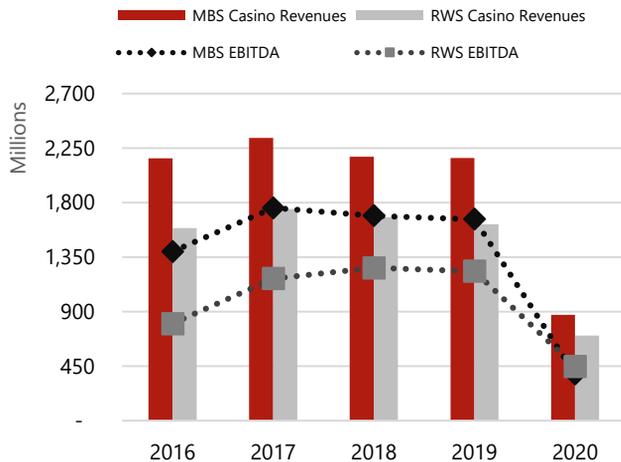
Integrated Resorts

Actual Returns on Integrated Resorts

The two integrated resorts in Singapore have constantly delivered sufficient profitability to the country as they contribute approximately 1-2% of Singapore's annual GDP. From 2016 to 2019, MBS earnings before interest, taxes, depreciation, and amortization (EBITDA) averages USD1.6 billion, emerging as the most profitable casino of parent company Las Vegas Sands. RWS's EBITDA had a 4-year average of USD1.1 billion, demonstrating strong returns despite MBS competition during pre-Covid years.

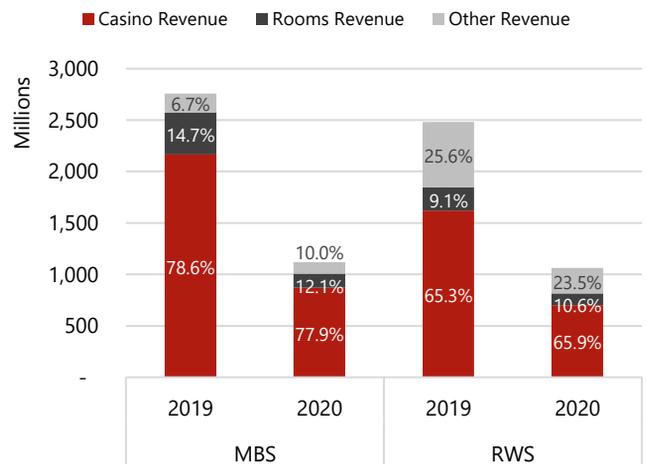
Since the global pandemic emerged, both MBS and RWS EBITDA decreased by 77% and 64%, respectively. The earning plunge came as no surprise after a nearly three-month shutdown due to circuit breaker measures in 2020 Q2 and air travel restrictions that continue to put a damper on tourist spending. Hotel, food and beverage, and convention turnover fell by more than 50% from the corresponding period a year earlier. Despite the pandemic, MBS is still recognised as the most profitable among Las Vegas Sands casinos, which predominantly have resorts located in Macau. The overall percentage of revenue mix from RWS remained constant regardless of the pandemic, as shown in figure 14.

FIGURE 13: MBS & RWS EBITDA and Casino Revenue



Sources: Las Vegas Sands Annual Report & Genting Singapore Annual Report

FIGURE 14: MBS & RWS Revenue Mix



Sources: Las Vegas Sands Annual Report & Genting Singapore Annual Report

Exclusivity Extension on Integrated Resorts License

Lessons to be learnt

As Marina Bay Sands (MBS) and Resorts World Sentosa (RWS) agreed to commit approximately S\$9 million of non-gaming investments to build tourism facilities and attractions, the government agreed to allow the expansion and the exclusivity period of the state's two IRs extended until 2030. The exclusivity extension period demonstrates the government efforts to bring success to IRs. To keep up with competition in the region, the Singapore IRs must constantly invest in expansion plans and comply with government regulations to ensure the potential to secure strong returns and continued success in their business.



Source: dezeen



Integrated Resorts

What Next?

Expansion of Facilities for Integrated Resorts

Key details

- Government agreement to extend the exclusivity period for the operating corporations.
- The new developments are expected to draw about 500,000 additional international tourists annually.
- Tourism receipts estimated to contribute an additional USD500 million to the GDP.
- Positive outlook due to strong government support.
- Key pillar in Singapore's tourism landscape.

Marina Bay Sands Expansion Plan (\$\$4.5b):

- Construct a fourth tower adding 1,000 luxury suites
- Build a 15,000-seat entertainment arena which is also additional MICE Space
- In addition, MBS will reinvest US\$1b in upgrading its existing hotel rooms & suites, F&B offerings and others to elevate and enhance guests experiences

Resorts World Sentosa Expansion Plan (\$\$4.5b):

- Hotels; refurbishment of three existing hotels
- Resorts World Convention Centre; facility refurbishment and upgrade
- Universal Studios Singapore; new Minion Land and Super Nintendo World zones with rides, themed shops and restaurants
- S.E.A. Aquarium; will be "significantly enhanced" and rebranded as Singapore Oceanarium and will encompass a carbon-neutral Research and Learning Centre
- A new Waterfront Lifestyle Complex with two new destination hotels adding 1,100 more keys
- In addition, RWS committed S\$10m funding to the RWS-NUS Living Laboratory for collaborative research and development to make impactful contributions to Singapore's goals of achieving long-term success in sustainable tourism

Success of Singapore Integrated Resorts Inspires Asian Countries

The benefits acquired from successful integrated resorts (IR) in Singapore created eclectic interests in nearby Asian countries in hopes of building an iconic tourist destination. Singapore IRs delivered economic ripple effects by increasing the number of visitors by 60% and tourism revenue by 90% in the country in 4 years after opening. Through the development of IRs, other countries aim to achieve realisation of long-stay tourism, revitalisation of local economies, improvement of public finances, further social and economic development, and enhancement of international presence.

Japan, after an extended battle with illegal gambling in the country, has ended its ban on gambling by introducing the "resort promotion law" welcoming bids from top global casino companies to advance into the Japanese market. In addition, countries such as Australia, Malaysia, and South Korea have mega resorts plans on the pipeline which will create strong competition to the Singapore IRs and Asian IR industry.

Prepare for the Future

As China addresses some social concerns regarding Macau resorts, the city has shifted its focus on non-gaming entertainment developments, including water parks, E-sports Stadium, zipline activity, and indoor skydiving. Singapore IRs are showing similar trends in their expansion plans as shown above. The greatest challenge will be to fathom the differentiating factor(s) between existing and potential competitors and emerge ahead of the competition.



Source: Unsplash



Integrated Resorts

Upcoming Integrated Resorts in Asia Pacific Region

	South Korea (Incheon)	Malaysia (Pahang)	Australia (Brisbane)
Project Name	Inspire Integrated Resort	Resorts World Genting SkyWorlds (Expansion Plan)	Queen's Wharf Brisbane Project
Project Fund Size	USD2.8 billion	USD800 million	USD3.6 billion
Expected Opening Date	Inspire Hotel & Casino: 2023 Theme Park: 2025 Last Phase: 2031	2022	2023
Operating Company	- Inspire Integrated Resort Co. - Mohegan Gaming & Entertainment	Genting Malaysia	- Star Entertainment Group - Far East Consortium and Chow Tai Fook Enterprises
Facilities Details	<ul style="list-style-type: none"> • Five-star hotel with 1,256 rooms with shopping area • 15,000-seat arena • Paramount Pictures indoor theme park • Foreign-only casino facility operated by Mohegan Gaming & Entertainment 	<ul style="list-style-type: none"> • 26 acres theme park at Resorts World Genting • 26 attractions across nine zones • 20,000 pax capacity • Expect visitation to 26-27 million people per year 	<ul style="list-style-type: none"> • Five premium hotels including six-star Ritz Carlton • Three residential towers, high-end departmental stores, 50 food and beverage outlets • World-class casino and gaming facility



Inspire Integrated Resort, South Korea

Source: TheKoreaTimes



Genting SkyWorlds, Malaysia

Source: Klook



Queen's Wharf Brisbane, Australia

Source: Rakesh Wadhwa



Covid-19 Timeline

Period	Date	Restrictions & Stimulus
Q1 2020	23-Jan-2020	Singapore advises citizens to avoid non-essential travel to Wuhan.
	29-Jan-2020	Singapore bans visitors from Hubei.
	2-Feb-2020	Singapore bans all Chinese visitors.
	7-Feb-2020	Singapore raises DORSCON level to Orange.
	18-Feb-2020	In the SGD6.4 billion Unity Budget, Deputy Prime Minister Heng Swee Keat has announced 30% property tax rebate to accommodation and function-room components of licensed hotels and serviced apartments, as well as venues for meetings, incentives, conventions and exhibitions. International cruise and regional ferry terminals will receive a 15% property tax rebate, and integrated resorts will get a 10% rebate in 2020.
	27-Feb-2020	Singapore bans visitors with travel history to Daegu and Cheongdo, South Korea.
	3-Mar-2020	Singapore advises citizens to avoid non-essential travel to Iran, Northern Italy, Japan and South Korea.
	4-Mar-2020	Singapore requires visitors with recent travel history to South Korea, Northern Italy and Iran to self-isolate for 14 days.
	5-Mar-2020	Singapore ban visitors with travel history to South Korea, Northern Italy and Iran.
	13-Mar-2020	Singapore advises citizens to defer non-essential travel to Italy, France, Spain and Germany.
Q2 2020	15-Mar-2020	Singapore advises citizens to defer all non-essential travel.
	16-Mar-2020	Singapore bans visitors with travel history to Italy, France, Spain and Germany.
	19-Mar-2020	Singapore Ministry of Health advises Singaporeans to defer all travel and requires all visitors to self-isolate for 14 days.
	24-Mar-2020	Singapore ban all short-term visitors.
	26-Mar-2020	Singapore announced SGD48.4 billion Resilience Budget which includes Jobs Support Scheme (JSS) for tourism industry can expect to receive 75% co-funding wage support, and SGD90 million that has been allocated for tourism recovery All bars, cinemas and entertainment outlets are closed.
	3-Apr-2020	Singapore announces circuit breaker.
	6-Apr-2020	SGD5.1 billion Solidarity Budget which includes extension of JSS for tourism industry which can expect to receive 75% co-funding wage support.
	7-Apr-2020	Circuit breaker measures kick in. Most workplaces are closed, and dining-in at eateries is not allowed.
	21-Apr-2020	Singapore extends circuit breaker till 1 June, the measures are also tightened, with barber and certain retail stores ordered to close.
	24-Apr-2020	The STB has set aside SGD22 million to help tourism businesses market their services and build demand for when global travel resumes.
Q3 2020	1-May-2020	Changi Airport Terminal 2 suspends operations for 18 months.
	26-May-2020	SGD33 billion Fortitude Budget which includes an extension of JSS for an additional month.
	1-Jun-2020	The circuit breaker lifts.
	2-Jun-2020	Singapore enters Phase One of reopening.
	8-Jun-2020	Singapore established fast lane with six provinces in China for essential travel, namely, Chongqing, Guangdong, Jiangsu, Shanghai, Tianjin and Zhejiang.
	18-Jun-2020	Travellers from Australia, Brunei Darussalam, Hong Kong, Japan, Macao, Mainland China, New Zealand, Republic of Korea, Taiwan and Vietnam entering Singapore need not serve SHN at dedicated SHN facilities.
	19-Jun-2020	Singapore enters Phase Two of economy reopening with easing measures for travellers from selected countries, and dining-in is permitted.
Q4 2020	3-Jul-2020	Hotels allowed to apply for staycation permit.
	10-Aug-2020	Singapore and Malaysia to open green lane for long-term pass holder and essential business and official visitors.
	17-Aug-2020	JSS to extend by seven months, tourism industry can expect 50% co-funding wage support.
	1-Sep-2020	Singapore allows entry of Brunei and New Zealand travellers without having to self-isolate.
	4-Sep-2020	A fast lane for residents of Singapore and South Korea will open for essential business or official trips.
	23-Sep-2020	A new business travel pass is being piloted for senior executives in Singapore with regional or international responsibilities who need to travel overseas regularly for official and business purposes.
Q1 2021	25-Sep-2020	Singapore and Japan agreed to launch residence track for business travellers who are work pass holders.
	30-Sep-2020	Application for Singapore and Japan residence track for business travellers with work pass holders begins.
	1-Oct-2020	Singapore Tourism Board starts accepting applications for organizers to pilot meetings, incentives, conventions and exhibitions of up to 250 attendees.
	3-Oct-2020	Up to 100 people, including the wedding couple, are allowed at wedding receptions, up from the previous cap of 50.
	8-Oct-2020	Singapore unilaterally lifts border restrictions to visitors from Australia excluding Victoria state, and Vietnam.
	12-Oct-2020	Singapore and Indonesia agreed on reciprocal green lane for essential travel.
	26-Oct-2020	Application for Singapore and Indonesia reciprocal green lane for essential travel begins.
	11-Nov-2020	Singapore and Hong Kong agreed to start travel bubble arrangement in the month of November.
	21-Nov-2020	Originally scheduled air travel bubble on this day between Hong Kong and Singapore suspended.
	1-Dec-2020	Eligible Singapore citizens can collect their SGD100 SingaporeRediscover vouchers and use it for tourism activities. Vouchers are valid till 30 June 2021.
Q1 2021	28-Dec-2020	Singapore transitioned to Phase Three of the nation's reopening plans which allows for bigger social gatherings and live performances.
	30-Dec-2020	Vaccination exercise for healthcare workers commence.
	11-Jan-2021	Vaccination exercise for essential workers commence.
	16-Feb-2021	JSS extended by up to six months, tourism sector expects to receive 30% wage co-payment support.
	18-Feb-2021	Singapore opens Connect@Changi facility, allowing business visitors to meet without serving quarantine.
	22-Feb-2021	Vaccination exercise for senior citizens commence.
Q1 2021	9-Mar-2021	Connect@Changi facility receives first batch of business travellers.
	24-Mar-2021	Singapore announced that the 100-person cap for weddings, marriage solemnisations will be raised to 250, and for live performances, some business-to-business and sports events will be allowed to hold up to 750 participants.



Covid-19 Timeline

Period	Date	Restrictions & Stimulus
Q1 2021	11-Jan-2022	Vaccination exercise for essential workers commence.
	16-Feb-2021	JSS extended by up to six months, tourism sector expects to receive 30% wage co-payment support.
	18-Feb-2021	Singapore opens Connect@Changi facility, allowing business visitors to meet without serving quarantine.
	22-Feb-2021	Vaccination exercise for senior citizens commence.
	9-Mar-2021	Connect@Changi facility receives first batch of business travellers.
	24-Mar-2021	Singapore announced that the 100-person cap for weddings, marriage solemnisations will be raised to 250, and for live performances, some business-to-business and sports events will be allowed to hold up to 750 participants.
Q2 2021	1-May-2021	Singapore bars long-term and short-term visitors with recent travel and transit history to Bangladesh, Nepal, Pakistan, and Sri Lanka within 14 days from being allowed to enter or transit in Singapore.
	2-May-2021	Visitors from Thailand to Singapore will have to serve 14 days of Stay Home Notice at their residence
	8-May-2021	Singapore transitions from phase 3 to phase 3 heightened alert.
	15-May-2021	Singapore tightens border measures with Taiwan; Singaporean, PR travellers to serve 21 day stay home notice.
	16-May-2021	Singapore re-enters phase 2 heightened alert.
	27-May-2021	Singapore will tighten border control measures for those with a travel history to Australia's Victoria state.
	4-Jun-2021	Singapore tightens border control for travellers from Guangdong.
	14-Jun-2021	Singapore eases COVID-19 restrictions in two phases including social gatherings and dining in.
	14-Jun-2021	Singapore moves back to phase 3 heightened alert.
30-Jun-2021	Singapore tightens border measures for travellers from Australia after spike in COVID-19 cases.	
Q3 2021	2-Jul-2021	Vaccination exercise for population aged 12-39 to commence.
	14-Jul-2021	Singapore stops long-term pass holders and short-term visitors with recent travel to Myanmar within 21 days from entering or transiting through Singapore.
	5-Aug-2021	Singapore eases border measures for travellers from Taiwan.
	19-Aug-2021	Singapore increases capacity for live performances, MICE events, sports events, solemnizations & weddings, Cinemas, Worshipship services to a capacity of 1000 vaccinated participants. Attractions, Cruises, museums and libraries will be allowed to operate at 50% capacity.
	20-Aug-2021	Fully vaccinated travellers from 8 countries can apply to serve stay-home notice at their residence.
	8-Sep-2021	Singapore launches Vaccinated Travel Lane (VTL) with Germany and Brunei.
Q4 2021	2-Oct-2021	Singapore to shorten stay-home notice for travellers from select countries who meet criteria and travel history assessment period shortened.
	19-Oct-2021	Singapore extends VTLs to eight more countries. The countries are Canada, Denmark, France, Italy, the Netherlands, Spain, the United Kingdom and the United States.
	26-Oct-2021	Singapore reopens borders to travellers from six countries, Bangladesh, India, Myanmar, Nepal, Pakistan and Sri Lanka.
	8-Nov-2021	Singapore will loosen testing and stay-home notice restrictions for several other countries including Malaysia and Indonesia.
	8-Nov-2021	Singapore extends VTLs to Switzerland and to Australian citizens.
	9-Nov-2021	Denmark imposes mandatory quarantine on Singaporean travellers after removal from EU list of countries for which restrictions should be lifted.
	15-Nov-2021	Singapore and The Republic of Korea to jointly launch VTL.
	29-Nov-2021	Singapore launches land VTL with Malaysia for citizens, permanent residents or long-term pass holders of the country they are entering.
	29-Nov-2021	Singapore launches VTL with Indonesia and India.
	28-Nov-2021	Singapore defers VTL with Qatar, Saudi Arabia and the United Arab Emirates.
Q1 2022	22-Dec-2021	Singapore freezes new ticket sales for vaccinated travel lanes between 23 December and 20 January.
	26-Dec-2021	Singapore lifts travel ban for passengers from 10 African countries. These countries are: Botswana, Eswatini, Ghana, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa and Zimbabwe.
	16-Feb-2022	Singapore announced launch of VTL with Hong Kong, and previously deferred VTL with Qatar, Saudi Arabia and the United Arab Emirates (UAE).
	16-Feb-2022	Singapore to launch VTL with Batam and Bintan on 25 Feb 2022.

Sources: HVS Research



Source: Unsplash



Outlook

In 2021, the Singapore tourism sector recorded relatively slow market performance due to the ongoing pandemic and the continuing challenge of finding a viable way to return to the "new normal." Compared with 2019, Singapore has recorded a decline of 29.9 p.p. in occupancy and a decrease of 28.8% in ARR, contributing to an overall dip of 53% in RevPAR. However, with the progress made in the roll-out of Covid-19 vaccines and rising tourist confidence in travelling, Singapore's tourism industry is projected to recover gradually. Travellers can enter Singapore by applying VTP (Vaccinated Travel Pass), accompanying vaccination certificates, and a covid test. While it will take time for tourism numbers to return to pre-pandemic levels, Singapore is trying to partner with overseas OTA to drive demand and collaborate with different destinations.

As a prominent business events destination in the Asia Pacific, Singapore has maintained a robust pipeline of events from world congresses to regional conferences in the past years. As vaccines develop and border restrictions gradually phase out, more business events are expected in Singapore. This includes the IBTM Institute of Business Travel Management), the Asia Pacific in April, WCS (World Cities Summit) 2022 from 31 July to 3 August 2022, and ITB Asia in October. This has demonstrated event organizers' confidence and trust in how Singapore has handled the Covid-19 spread.

In terms of the supply pipeline, HVS notes that there will be five branded hotels and serviced apartments in the pipeline by 2023, which will add 4,514 rooms to the market. The hotel market in Singapore is expected to benefit from the robust supply and demand fundamentals with the limited supply injection into the market over the next few years when the travel market recovers. We also expect a more balanced inbound and outbound transaction volume as we recover from the pandemic.

In 2021, transaction volume in Singapore dipped to SGD125 million, the lowest over the past four years. This illustrates investors' reservations in hotel investment due to the ongoing uncertainty circling the global market and the Covid-19 pandemic.

In efforts to bolster Singapore's tourism market, the Singapore government has established Vaccinated Travel Lane (VTL), which exempts tourists from the 14-day quarantine for those who are fully vaccinated against Covid-19. Singapore will also continue to revitalize its key destinations such as the Sentosa with a makeover. The Sentosa-Brani walkway development cost is estimated at S\$90 million. The integrated resorts in Singapore are undergoing expansions to attract more international visitors. These resorts are expected to attract 500,000 international visitors annually and contribute approximately USD500 million to Singapore's GDP annually.

Moving forward into 2022 and beyond, we expect the market to begin recovery, with most governments adopting an "endemic Covid" stance. Currently, Singapore has several planned developments that will enhance the attractiveness of Singapore as a tourist destination moving forward. These developments include Changi Airport Terminal 5, Greater Southern Waterfront, Rail Corridor, Resorts World Sentosa 2.0 and the fourth tower expansion at MBS. The government remained a supporter of the tourism industry in 2021, injecting an additional SGD68.5 million more into the Tourism Development Fund to support the sector amidst the headwind. Currently, more than 80% of the population has been fully vaccinated as of December 2021, and we expect that the economy will continue growing at a modest rate of 2.3% in 2022. We expect tourism and hospitality to recover between 2022 to 2025 gradually. Overall, we are optimistic for the recovery of the market over the next three years.



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