

# Hotel industry to add 3,400 rooms this year

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Metro Manila will likely see a fresh supply of 3,400 hotel rooms this year, more than double the new accommodations that entered the hospitality space last year, as more developers complete their projects especially at the BGC central business district, property consulting firm Colliers said.

Colliers still expects two- and three-star hotels to play a major role in driving hotel room completion in Metro Manila this year. However, more than a tenth of projected new supply in 2018 will come from a five-star hotel in BGC—Grand Hyatt Manila—due to be

completed this first quarter with 461 guest rooms and a 1,190-square meter grand ballroom.

The second tower of Ayala's business hotel Seda BGC is slated to open in the second half, adding 342 rooms, while Dusit D2 The Fort will add 125 rooms, Colliers said.

After two decades of operating a lone hotel in Makati, Thai hospitality group Dusit International is expanding its footprint in the Philippines. It has invested about P2 billion to develop its second Philippine hotel, Dusit D2 which is integrated with a school specializing in hotel and restaurant management called Dusit Hospitality Management College.

Once completed, these three

new hotels in BGC will cover nearly 30 percent of the new hotel rooms projected to be completed this year, in turn bringing total hotel stock in the metropolis to around 35,000 this year.

Budget hotel Red Planet will open two new hotels in the first half of the year. These are the 170-room Red Planet in Binondo, Manila, and the 167-room Red Planet in Aurora in Quezon City.

Southeast Asian brand "Lub d" is opening a 230-room hotel in Makati. Some 90 rooms will be completed in February.

"We see an average of 1,900 rooms being completed annually between 2019 and 2021. Among the major ones in the pipeline are Seda hotels in City Gate Makati, Arca South and

Manila Bay Area; as well as Rockwell's Aruga hotel and the new Mandarin Oriental in Makati CBD," Colliers research manager Joey Roi Bondoc said in a research note.

Due to the large hotel room supply coming to the metropolis this year, Colliers expects a lower occupancy rate of 65 to 68 percent this year from 70 percent last year. Colliers sees occupancy rate rebounding to 65-70 percent in 2019 to 2020 as delivery of new rooms tapers off.

Overall occupancy rate in Metro Manila surged in November and December last year as the Philippines hosted the Association of South-east Asian Nations (Asean) Summit alongside holi-

**FROM B1** day-induced spending.

In Metro Manila, average hotel rates rose by a slower 1.1 percent in the

second half of last year to \$91. Average rates in Manila Bay Area hotels declined by 0.4 percent due to the significant number of available rooms in the

casino-hotels in the area.

Hotel rates in the Fort Bonifacio area rose by an average of 3.5 percent in the second half of the year. BGC continues to enjoy ris-

ing occupancy and daily rates due to sustained demand brought about by outsourcing and traditional businesses operating in business districts. INQ

\* HOTELS