

# Lower occupancy seen in MM hotels this year

By CATHERINE TALAVERA

Metro Manila hotel occupancy is expected to slightly decline this year, given the growing number of new hotel rooms to be completed, a property services firm said.

"We are projecting a lower occupancy rate of 65 percent to 68 percent this year due to the significant number of new rooms projected to open, especially in the

Manila Bay Area," Colliers International Philippines research manager Joey Roi Bondoc said in a report.

In 2017, overall hotel vacancy in Metro Manila stood at 70 percent.

For this year, around 3,400 new hotel rooms are expected to be completed, more than double the 1,600 hotel rooms completed in 2017.

"We expect two and three star hotels to play a major role in driving hotel room

completion in Metro Manila this year," Colliers said.

The property services firm said most of the hotels to be completed this year will be in the Fort Bonifacio area. These include the 461-room Grand Hyatt Manila, the 342-Tower 2 of Ayala's Seda BGC Hotel, and the 125-room Dusit D2 The Fort.

"The three new hotels will cover nearly 30 percent of the new hotel rooms projected to be completed this

year," Colliers said.

Other hotels set to be completed this year are the 170-room Red Planet in Binondo, Manila and the 167-room Red Planet in Aurora in Quezon City, both of which will open in the first half of the year.

Also, Southeast Asian brand Lub d is opening a 230-room hotel in Makati 90 rooms of which will be completed in February.

Despite the lower occu-

pancy projection this year, Colliers sees occupancy rebounding to 65 percent to 70 percent in 2019 to 2020 as the completion of new rooms tapers off.

"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 expects average hotel rates across Metro Manila to grow by two percent to three percent annually over the next two to three years.

In 2017, average hotel rates in Metro Manila rose by a slower 1.1 percent to \$91.

Colliers added that 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.

\*HOTELS