

HOSPITALITY

Sansiri bullish on recovery prospects

KANANA KATHARANGSIPORN

SET-listed developer Sansiri Plc expects hotel revenue to bounce back to pre-Covid levels over the next few years, whilst aiming for 60% occupancy in the first 12 months of operation at The Standard Hua Hin, which opens next month.

Uthai Uthaisansuk, Sansiri's chief operating officer, said revenue from Standard International, the US-based hotel company in which the company owns a 62% stake, will return to around 1 billion baht in 2023 after falling to 500 million baht during the pandemic.

"By 2023 we will have more locations for hotel operations, including Ibiza, Lisbon, Milan and Singapore, while the global tourism market will recover within two years," he said.

In Thailand, the first hotel under The Standard brand will be in Hua Hin, where Sansiri has already developed 25 condo projects with a total of more than 4,000 units over the past three decades.

In May 2022 the firm will open the 155-room The Standard, Bangkok Mahanakhon, which is owned by King Power Group.

Sansiri is also in talks with landlords in Phuket and Koh Samui to expand this brand to the next location.

The Standard Hua Hin, which is scheduled to open on Dec 1, comprises 178 rooms and 21 villas with a room rate of between 5,000 and 30,000 baht per night.

It aims to have an occupancy rate of 40-50% this year before increasing to 60% next year.

"The Hua Hin tourism market has resumed since September as the area relies more on local travellers than other destinations," said Mr Uthai. "It is the best destination to launch the first



Mr Uthai said revenue from Standard International will resume to around 1 billion baht in 2023 from 500 million baht during the pandemic.

beach resort in Southeast Asia under The Standard brand."

With spending of 800 million baht excluding land costs, the 1950s-style hotel is located on a 15-rai site which Sansiri leases from the Kridakon family.

The company anticipates that break-even will be reached within 10 years, Mr Uthai added.

"When occupancy reaches 70-80%, which is likely in the next few years, we will sell it into a real estate investment trust," said Mr Uthai. "Token is another option we are studying."

According to the Tourism Authority of Thailand, international inbound travellers will total 1 million from Nov 2021 to March 2022, with spending of 60,000 baht per head on average.

Meanwhile, around 44% of Thai tourists, particularly those from Bangkok, planned to travel this year, mostly to nearby destinations.

Sansiri has been invested in Standard International since 2017. It aims to gain 500 million baht in revenue from the hotel business next year.



Hua Hin is the best destination to launch the first beach resort in Southeast Asia under The Standard brand.

UTHAI UTHAISANSUK
Chief operating officer, Sansiri