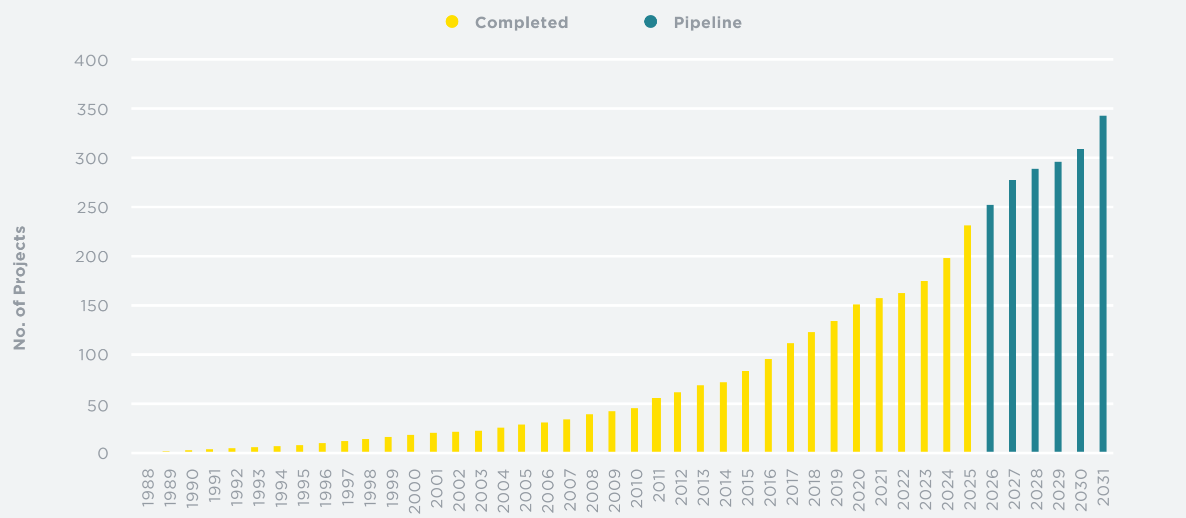
BRANDED RESIDENCES

ASIA PACIFIC 2025

GROWTH & GEOGRAPHIES

Market share is gradually shifting to Asia Pacific where the number of branded residences is expected to increase by 180% over the forecast period until 2031. This growth is outpacing the wider Americas region by 20 to 40 percentage points, with the Americas accounting for more than 50% of branded residences globally until 2015.

EVOLUTION OF BRANDED RESIDENCES IN APAC



SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY


INTERCONTINENTAL RESIDENCES HALONG BAY

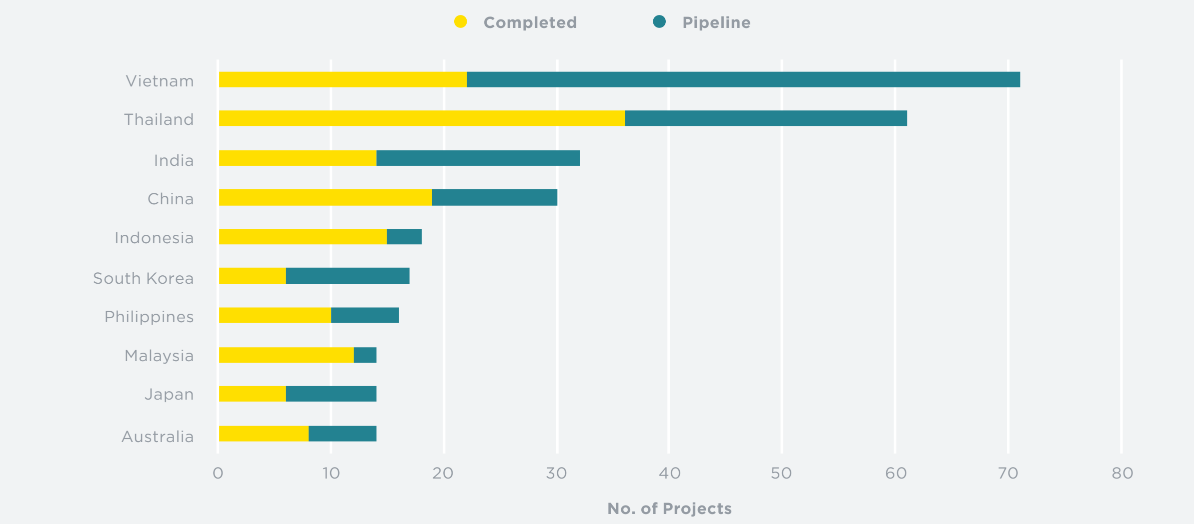
With Vietnam, Thailand and India ranked globally in the top ten and collectively exhibiting almost 200% growth over the forecast period, the region has considerable potential to rival North America over the next 10 to 12 years based on the extrapolated growth trajectory, despite growing market share from the Middle East and Africa.

While Asia Pacific accounted for almost one-quarter of branded residences globally from 2018 to 2020, it subsequently began conceding market share to the Middle East and Africa and, more moderately, to Europe. Notwithstanding this, markets such as Japan, South Korea and Australia are exhibiting potential to recover much of that market share.

Meanwhile, Indonesia and Malaysia are exhibiting stagnant growth from an otherwise historical contribution to the region, and if growth returns to these two markets, then this would further bolster growth in the region.

The potential for Asia Pacific is amplified by the expected growth in wealth as the region is forecast to grow faster than any other region in the world. Once again contending with North America, the rapid rise of wealth in Asia signals a fundamental shift in financial power. With three of the top ten countries for wealth inflow, Singapore, Japan and Australia are markets that may be poised for further development of branded residences, with the former two representing popular destinations for Asian nationals.

APAC TOP TEN COUNTRIES



SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY

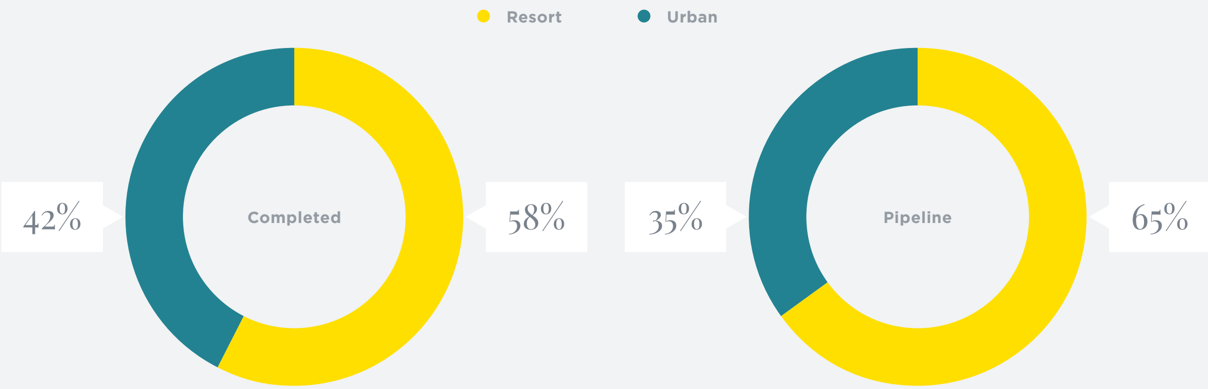
BRANDED RESIDENCES

BRANDED RESIDENTIAL SETTINGS

The urban and resort dynamic for branded residences in Asia Pacific has historically favoured resorts. With focused resort development activity from the late 1980s to the late 2000s, the urban model did not appeal to developers until 2008, by which time the resort model had already established itself in the region. With the number of resorts under development in markets such as Vietnam, Japan and Indonesia, where 70% to 90% of projects are expected to be resorts, resort-oriented residences are expected to continue as the preferred model.

MONDRIAN RESIDENCES GOLD COAST

URBAN AND RESORT DEVELOPMENTS



SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY

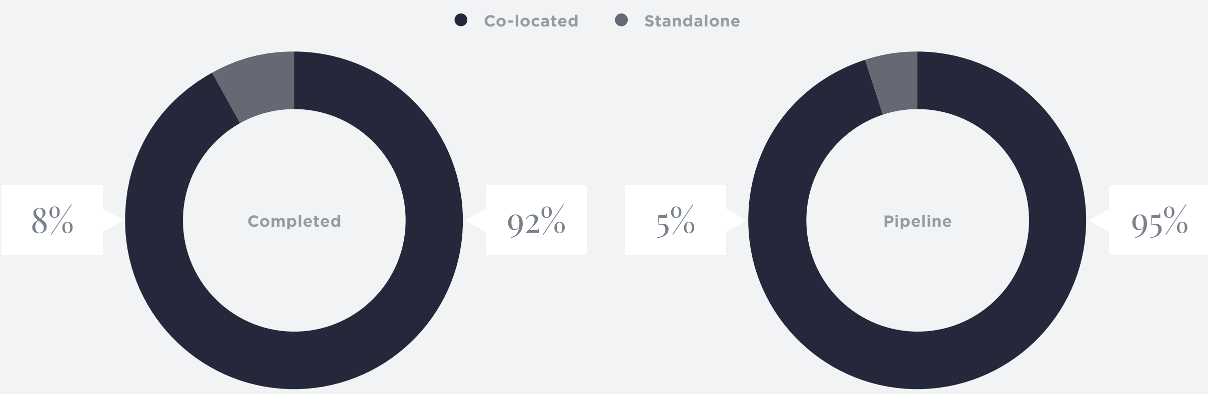
The outlier for the appeal of standalone developments is Asia Pacific, as the only region with a single digit ratio of standalone branded residences to the total number of developments. With a handful of standalone developments delivered in 2023 and 2024, the number of standalone developments forecast between 2027 and 2031 is currently limited to only one.

This is starkly different to a region such as the Middle East and Africa, one of the fastest growing regions, with more than 25% of branded residences forecast to be standalone in nature.

The growth of midscale and upscale segments offers a partial explanation to the dynamic of standalone branded residences, which are not appealing to primary-home purchasers in lower chain scales.

As usual, urban, resort, co-located and standalone branded residences refer to hotel branded developments, as non-hotel branded developments are inherently standalone, and less common in resort destinations.

CO-LOCATED AND STANDALONE DEVELOPMENTS



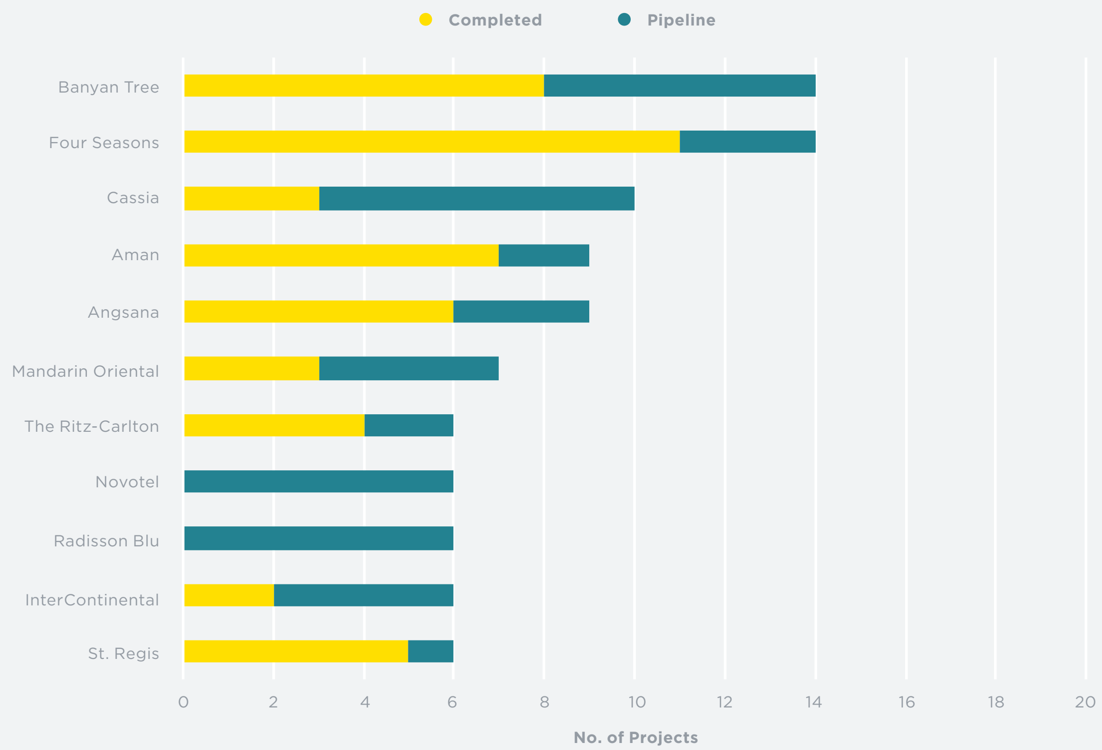
SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY

BRAND LEADERS & SEGMENT EVOLUTION

In Asia Pacific, leadership is shared between Banyan Tree and Four Seasons, with the latter enjoying a more established presence with 11 completed developments.

With well-recognized, regional brands, Cassia and Angsana, Banyan Group becomes the leading parent company, resigning the leading global operators, Marriott and Accor, to third and second place, respectively. Notwithstanding this, with powerhouse-brands The Ritz-Carlton and St. Regis in the top ten, Marriott has an opportunity to establish dominance in the region.

APAC LEADING HOTEL BRANDS



SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY

APAC LEADING NON-HOTEL BRANDS

SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY

Brands with a leading global presence such as Rosewood and Mandarin Oriental are expected to grow their combined portfolios in the region by 200%, which is encouraging for their respective rankings, while similar leading, global hotel brands such as Fairmont and Six Senses are expected to grow their combined portfolios by 75%, suggesting there is significant opportunity to secure a spot on the regional leaderboard.

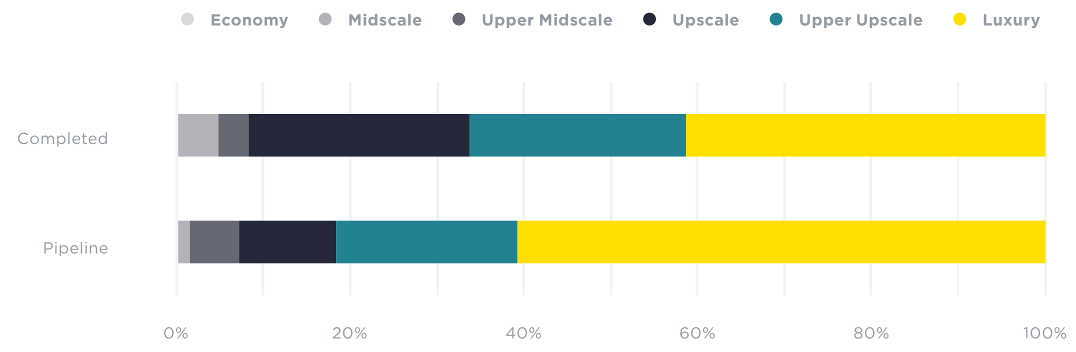
Global growth in the upscale, upper midscale and midscale segments is forecast at approximately 260% with Asia Pacific and the Middle East & Africa exhibiting growth well above that.

Resoundingly, the Middle East & Africa exhibits the strongest growth in the three combined segments at 540% while the segments in Asia Pacific are forecast to grow only 310%. While the absolute number of projects in Asia Pacific is three times that of the Middle East & Africa, this is unsurprising considering regional populations and demographics.

Residential developments licensed by non-hotel brands in the region are dominated by YOO across its derivative, YOO inspired by Starck, and YOO Studio, brands. Although Versace was the first in the region with its Palazzo Versace on the Gold Coast, it was YOO that was second and third, and until 2023 the company accounted for more than 50% of non-hotel branded residences in the region.

Meanwhile, non-hotel branded industries are expected to remain relatively unchanged except for the entry of food & beverage brands. In Asia Pacific, the design industry is preeminent with moderate activity from the fashion industry. While global activity favours the design industry as well, the fashion and automotive industries are globally more pronounced, although the Porsche Design Tower Bangkok is highly anticipated and will mark their first in Asia.

HOTEL CHAIN SCALES



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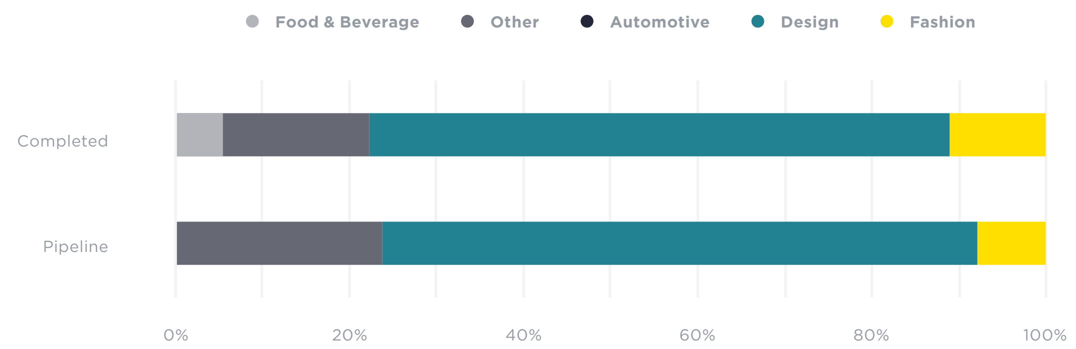
NON-HOTEL BRAND INDUSTRIES



SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY

MANDARIN ORIENTAL RESIDENCES BALI

WESTIN RESIDENCES GURUGRAM

BRAND PREMIUM

Between 2023 and 2024, the average premium for branded residences in Asia Pacific increased by two percentage points from 21% to 23%.

Brand premiums in the region are below the global average and comparatively below other regions which is partially explained by the greater number of projects in the upscale, upper midscale and midscale segments. Asia Pacific has a ratio of such projects that is more than double the global average and almost ten percentage points higher than Europe, which features the second largest ratio of lower chain scale segments.

Unsurprisingly, the percentage of mandatory rental programs in the region is equally high, which reflects the investment nature of upscale, upper midscale and midscale segments. Buyers of such residences are less driven by emotion or brand affinity and are therefore less likely to pay a premium as this would adversely affect yields and investment returns.

BRAND PREMIUMS

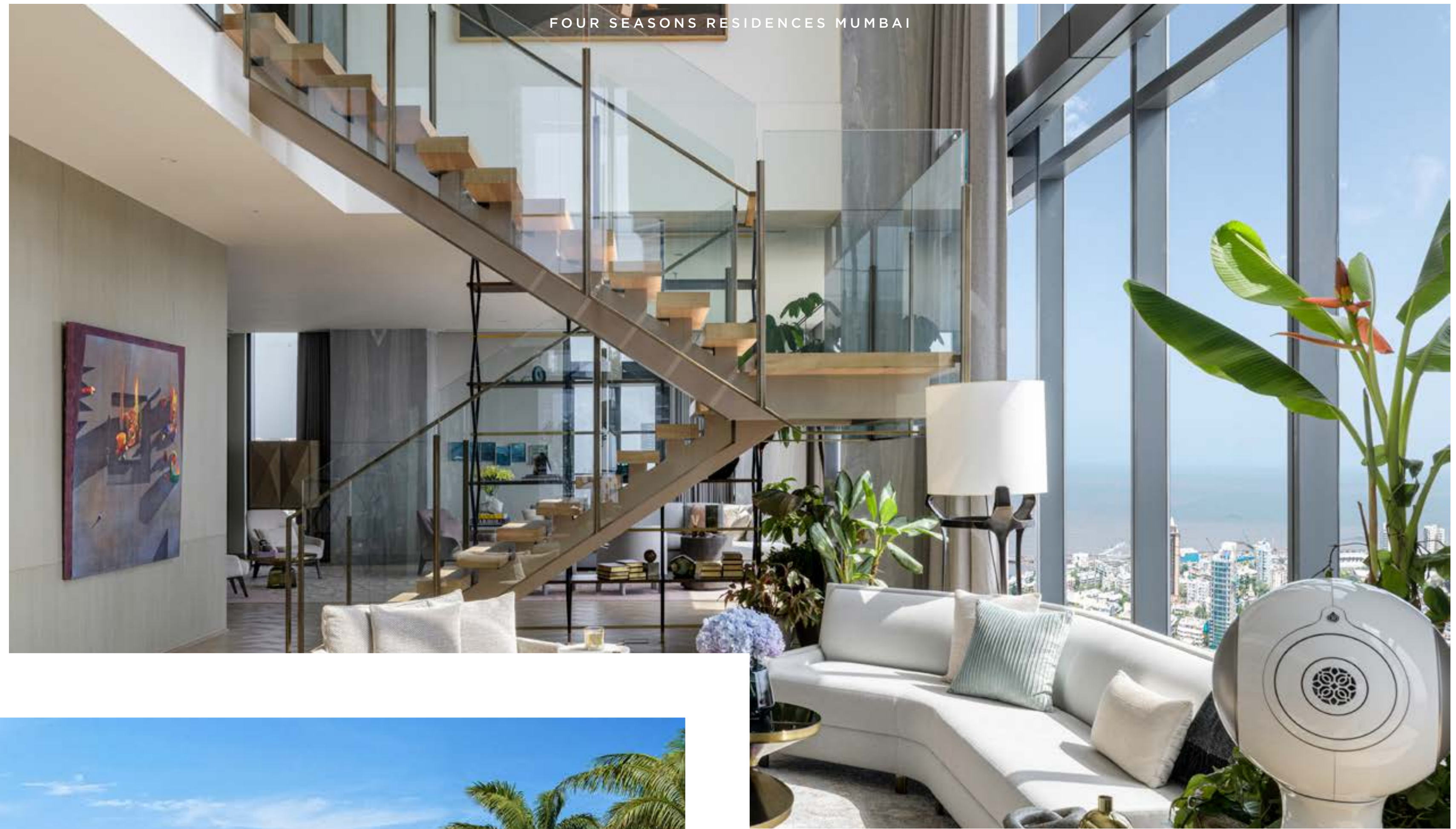
Asia-Pacific **Global**

SOURCE: SAVILLS GLOBAL RESIDENTIAL DEVELOPMENT CONSULTANCY

REGIONAL OUTLOOK

With ten Asian countries among the 30 most active for branded residential development, this is more than any other region.

BACCARAT RESIDENCES MALDIVES

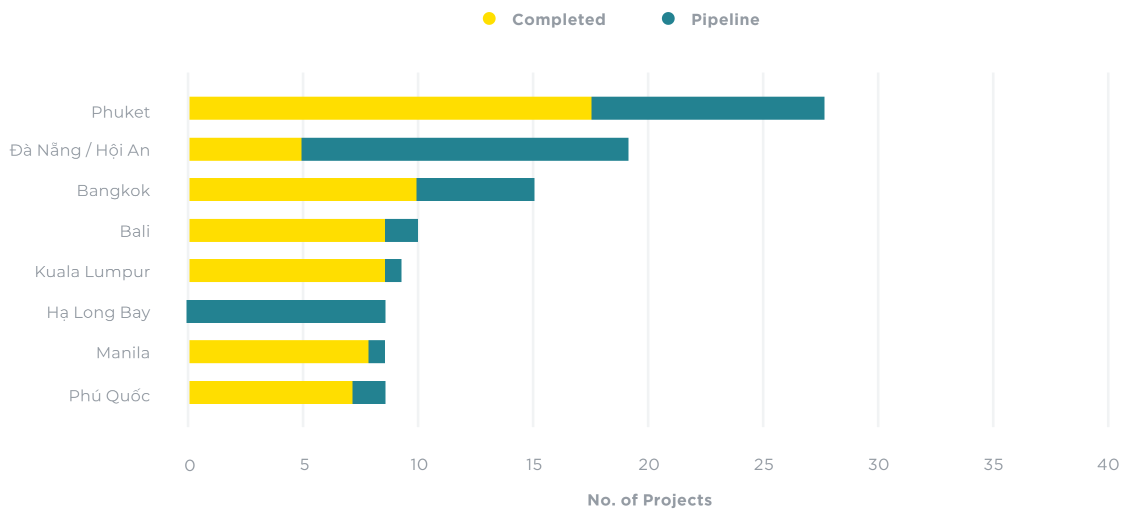


FOUR SEASONS RESIDENCES MUMBAI

And with the network of branded residences expected to double over the forecast period, Asia Pacific is poised to be a significant region in the global landscape, which reinforces the expectation for it to rival North America over the medium term.

Although the Middle East & Africa is forecast to experience strong growth, this is largely limited to three countries, while Asia Pacific ranks twice as many countries in the top 30 countries for branded residential activity. Although the Middle East & Africa possesses a superior pipeline with roughly 40% more developments planned, Asia Pacific has a 15-year head start on the region with 85% more completed projects, and a greater number of developments in the upscale, upper midscale and midscale segments. This foothold in the industry, as well as its diversity, represents an opportunity for the establishment of a strong pipeline of branded residences across the region that will not only rival North America, but the Middle East & Africa as well.

HOTSPOTS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Bangkok
Bali
Kuala Lumpur
Ha Long Bay
Manila
Phú Quốc
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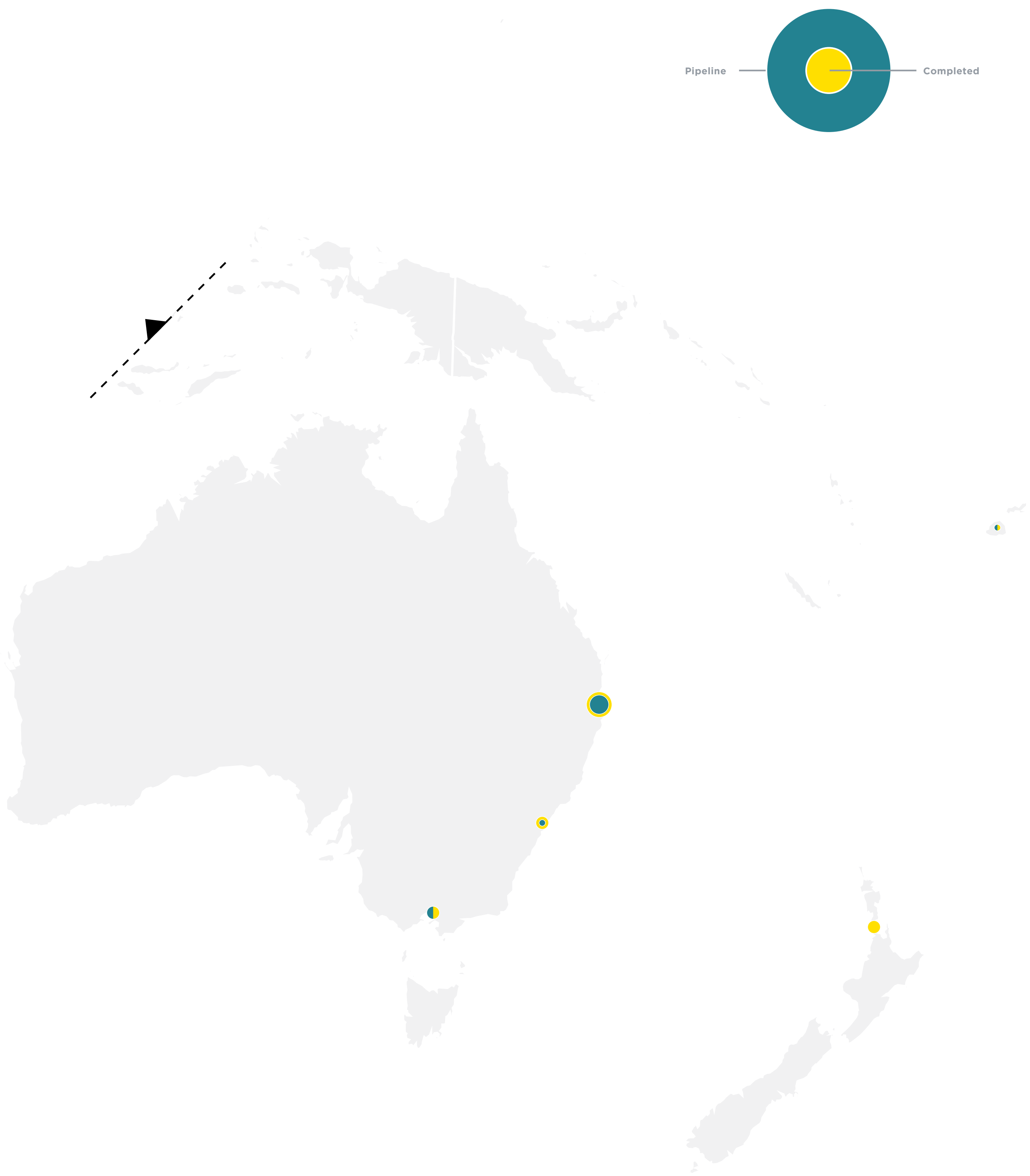
No. of Projects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