

Regional travel to rebound strongly in 2022

Five property and tourism industry top executives in the region give their opinion ranging from revenge tourism, recovery destinations, travel bubbles, and whether it's time to pick up some property bargains at holiday destinations.



Bill Barnett

*Founder and
Managing Director,
C9 Hotelworks*

We are looking at a partial recovery in 2022 and a ramp to get back to where we were by 2024. For 2021, there is light at the end of the tunnel but given time is needed for vaccine passports and bilateral agreements between countries, Q4 looks to be the turning point this year. I believe travel bubbles will start in Asia Pacific in Q4 2021.

Airlift will dictate that, and certainly everyone is looking to Mainland China to be the prime mover, but it's yet to be seen where they will be allowed to go, it's a work in progress. My bets are Thailand and Vietnam will rank high in seeing the strongest recovery.

The pandemic has certainly changed the character of the tourism industry. I believe it's the start of a new cycle, not a new norm. After 9/11, we learnt to fly again, taking our shoes off at the airport and enduring longer travelling processes, that's likely to happen again. Time changes all and this is likely to be the case again. But in the short term, with baby steps, regional travel will lead the restart.

In terms of investing in holiday destinations, like Bali or Phuket, you want to invest at the bottom of a cycle not the top so we are certainly there now. Buying property is a long term game, so if the fundamentals are strong, certainly there is value in the marketplace now.



Tanah Lot, Bali

We are optimistic that tourism shall indeed rebound given the pent-up demand for travel and tourism over the course of COVID-19 pandemic during its initial stages and throughout.

Cities that are of drivable distance with strong Thai guest followings have garnered increased tourism due to their close proximity, and locals' urge to travel, and these destinations should continue seeing strong recovery. One such destination is Hua Hin.

In general, there has been more focus on health and safety in the tourism industry. International operators and hotel owners have opted to certify the safety standards of their hotels, both branded and unbranded. Owners and operators are seeking more innovative ways to drive revenue and profitability since tourism levels have dropped, while offering guests more 'bang for their buck'. We have seen a ramp-up in enquiries from hotel owners.

It's difficult to say how soon travel bubbles will start between Thailand and other countries. I think Thailand, partnering countries, and, in fact, all countries want the most effective method for tourism to return in the safest way possible. This may be in the form of a travel bubble or even a travel passport that could be universally accepted, or some other form. I think this needs to be settled first, and that COVID-19 cases remain at a relatively low level.

Yes, now is the right time to invest in holiday destinations. There are certainly good opportunities present more than before but it also depends on what they want to do with their property, such as branding or buying and holding for a period of time as opposed to flipping the property. In certain cases, we noticed that during this period, the majority buy property for their own use as their own holiday homes in all-time popular locations such as Hua Hin, Phuket and Pattaya. The developers are more flexible. Soon when the travel ban is removed and foreign buyers return, the developers may not be as flexible as now.

Atakawee Choosang

Head of
Capital Market,
CBRE Hotels,
Thailand



Phuket



David M. Moore
President & CEO,
WATG

There is global pent-up demand for travel. And this is the primary reason our clients have forged ahead so aggressively through 2020. Within Asia Pacific, I think we will see strong regional tourism come back in the second half of 2021. And global tourism coming back strongly in 2022 once the majority of the world is vaccinated and individual governments have figured out the entry logistics and processes. I also think that key business hubs like Singapore, Hong Kong, Sydney and Shanghai will create travel corridors for travel sooner than 2022.



Bali

There's no better time than now to invest in holiday destinations, in particular for host nationals. In markets like Thailand and Indonesia, citizens/passport holders have the distinct advantage of being able to purchase/invest in landed freehold properties.

With concerns surrounding health and safety, coupled with a renewed focus in wellness, a second home in Phuket or Bali provides a 'safe haven' for multi-generational families to escape the hustle and bustle of the city and enjoy quality time together in a holiday destination.

We have certainly noticed a spike in interest for our own residential properties in Thailand, especially from Thai nationals and non-Thais based in this market. In the preceding 12 months alone, we achieved THB2.5 bil in villa sales in Phuket.

We also note an increasing preference among a growing population of high net worth customers in Thailand towards resort branded residences that offer a 'hassle-free' second home ownership experience, and an opportunity to generate investment returns through a resort-managed rental program.

As Thailand's resilient tourism industry begins its recovery, we remain confident of the property market outlook in Thailand in 2021 and beyond.



Micah Tamthai

Vice President
of Real Estate,
Minor International



Jeffery Smith

Vice President
Sustainability,
Six Senses

Most definitely there is pent up demand and when restrictions ease, I anticipate many people will take the opportunity to travel. Destinations that have a good vaccine travel strategy in place in 2H 2021 will see the strongest recovery in Asia Pacific. I'm not sure about "revenge travel", but expect travellers will have a heightened sense of awareness after so long at home and more of us will seek purpose and meaningful connection in our travels; more thought to the local people involved and the impact our visit can leave behind. **APR**



Avadina Hills by Anantara, Thailand.