

Hotel Operators



“**Hong Kong’s culture is not identical to that of the Mainland, but for an overseas investor, presence and success in the Hong Kong marketplace always bode well for further development into China.**”

Calvin Mak, Founder & CEO
Rhombus International Hotels Group

Hong Kong: Asia’s Hospitality Hub

Hong Kong is home to some of the world’s finest hotels and leading hospitality providers. The rapid growth of business and leisure travel in Asia has ensured increased demand for accommodation at every price level.

The total number of tourists in 2016 reached 56.7 million, of which 76% were from Mainland China.

Of these, over 26.5 million were overnight arrivals. The total number of annual visitors is forecast to reach 100 million by 2023. Increasing visitor numbers contribute to growing demand in the hospitality industry.

Advantages

- With tourism as one of its pillar industries, Hong Kong has rich experience in providing hospitality of international standards
- Decision makers of key regional property developers are based in Hong Kong
- Excellent transportation and communication infrastructure for efficient regional management and sales office operations
- Pro-business labour legislation and steady supply of multilingual and talented workforce
- Visa-free entry for visitors from around 170 countries and territories has been boosting travel activities

Opportunities

- Stable demand for hotels from Mainland visitors under the Individual Visit Scheme (IVS) as well as visitors from other countries
- 100 million visitors forecast by 2023
- Designated hotel sites on government land sale list
- Guesthouses and capsule hotels become increasingly popular, with current value growth of 90% in short-term rentals by P2P websites in 2015; number of outlets increased by 51%

Examples of Foreign Hospitality Companies Operating in Hong Kong

- Accor (France)
- Four Seasons (Canada)
- Hyatt International (US)
- Marriott International (US)
- Rhombus International (Canada)



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The Government of the Hong Kong
Special Administrative Region

Industry Snapshot

Hotel Statistics by Category

Year	No. of hotels	No. of rooms	Average occupancy rate (%)	Average room rate (HK\$)
High Tariff A Hotels				
2016	35	18,089	84	2,161
2015	35	18,037	83	2,267
2014	34	17,522	86	2,452
2013	34	17,522	86	2,382
High Tariff B Hotels				
2016	95	28,268	89	1,034
2015	90	27,631	88	1,067
2014	86	27,434	91	1,205
2013	83	26,999	89	1,201
Medium Tariff Hotels				
2016	110	23,669	87	666
2015	104	22,678	87	677
2014	95	22,029	92	761
2013	88	20,048	91	758
All Hotels				
2016	263	74,868	87	1,287
2015	253	73,846	86	1,337
2014	244	72,721	90	1,473
2013	225	70,017	89	1,447
Guesthouses*				
2016	1,464	12,438	77	393
2015	1,356	11,712	79	459
2014	956	8,807	87	580
2013	818	7,630	86	522

*The 2013-2014 statistics are for Tourist Guesthouses. The 2015-2016 statistics are for Guesthouses which includes Tourist Guesthouses and Local People Guesthouses.
Source: Hotel Room Occupancy Report, December 2016, Hong Kong Tourism Board

Visitor Profiles for 2016

Per Capita Spending (HK\$)	\$6,599
Age (Years)	
16 - 25	16%
26 - 35	29%
36 - 45	22%
46 - 55	22%
56 - 65	8%
66 +	2%
Mean (years)	38.8
Travel Companion	
Without Companion	32%
With Companion	68%
Number of Visits to Hong Kong	
First Time	24%
More than once	76%

Source: Visitor Profile Report 2016, Hong Kong Tourism Board

Hotel Room Occupancy Rate by District

District	2016
Central/ Western	84%
Wanchai	87%
Eastern & Southern HK	86%
Tsim Sha Tsui	89%
Yau Ma Tei/ Mong Kok	91%
Other Kowloon	82%
New Territories	89%
Island	83%

Source: Hotel Room Occupancy Report, December 2016, Hong Kong Tourism Board

Average Length of Stay (Nights)	3.3
Occupation	
Working	73%
Housewife	6%
Student	9%
Retired	10%
Purpose of Visit	
Vacation	61%
Visiting Friends / Relatives	17%
Business / Meetings	15%
En Route	4%
Travel Arrangement	
Guided Tour	6%
Non-guided Tour	94%

Visitor Arrivals by Country / Territory of Residence

Visitor Arrivals by Country/ Territory of Residence by Major Market Areas ('000)	2013	2014	2015	2016
The Americas	1,665.6	1,679.1	1,728.1	1,773.3
Europe, Africa & the Middle East	2,253.7	2,218.4	2,167.1	2,226.5
Australia, New Zealand & South Pacific	717.4	715.5	681.2	684
North Asia	2,140.6	2,329.8	2,292.6	2,484.7
South & Southeast Asia	3,718.0	3,614.8	3,559.1	3,701.8
Taiwan	2,100.1	2,031.9	2,015.8	2,011.4
Macau SAR	958.2	1,001.7	1,021.4	995
Mainland China	40,745.3	47,247.7	45,842.4	42,778.1
Total	54,298.8	60,838.8	59,307.6	56,654.9

Source: Visitor Arrival Statistics, December 2016, Hong Kong Tourism Board

Licensing

All hotels must apply for a relevant licence from the Office of the Licensing Authority of the Home Affairs Department before commencing operation. The premises must comply with the

requirements in respect of fire safety, building safety, health and hygiene. The licences can be valid from 12 to 84 months.

List of Hotel Sites for Sale

To encourage the growth of the hotel industry in Hong Kong, the government has allocated several sites for hotel use on the land sale registry. These sites may be triggered for sale by application or by tender.

Location	User	Site Area (ha)	Estimated Earliest Site Available Date
Off Hing Wah Street West, Cheung Sha Wan, Kowloon	Hotel	0.4880	First half of 2017-18
Kai Tak Area 4C Site 5, Kowloon	Commercial/ Hotel	0.9480	Second half of 2017 - 2018
Kai Tak Area 4C Site 4, Kowloon	Commercial/ Hotel	1.0694	Second half of 2017 - 2018

Source: Land Sale Programme, April 2017 to March 2018, Lands Department

Average Monthly Salaries for Hotel Staff (HK\$)

Title	Experience (No. of years)	Salary Range
Head of Department	10+	\$60,000+
Front Office Manager	5+	\$25,000+
Guest Services Manager	3 - 5	\$22,500 - 27,000
Reservation Manager	3 - 5	\$22,500 - 27,000
Reservation Officer	1 - 2	\$11,000 - 13,500
Guest Services Officer	1 - 2	\$11,000 - 15,000
Host / Hostess / Reception	0 - 2	\$11,000 - 16,500

Source: Salary Report 2017, Manpower Group

Relevant Organisations in Hong Kong

Office of the Licensing Authority, Home Affairs Department

14/F, Cornwall House, Taikoo Place,
979 King's Road, Quarry Bay, Hong Kong
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Hong Kong Tourism Board

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Major Tourism and Hospitality Events in Hong Kong

Event	Month	Website
International Travel Expo Hong Kong	June	www.itehk.com
Hotel Technology Conference Hong Kong	September	www.questexevents.net/hoteltech
Hotel Management Asia Summit Hong Kong	September	www.questexevents.net/hmasummit
Hotel Investment Conference Asia Pacific	October	www.hicapconference.com

For more information, please contact

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