

2024 Hotel Market Report

2024.11. Research Center Kyu-Jeong Choi



2024.08.

Inbound Foreign Tourists

1,563,221 people

Compared to 2021

1,510% increase

This figure represents a recovery of 98.5% for the same month in 2019, the peak year for inbound foreign tourists

From annual sales of 5 billion KRW in 2020 to 120 billion KRW in 2024 (Q1-Q3), 'Matin Kim' has set a record with a 2,400% sales increase over five years, leading the K-Fashion industry

Premiered in September 2021, 'Squid Game' remains Netflix's all-time global number 1 ranked show in viewership (265.2 million viewers), highlighting the success of K-Content

K-Beauty, centered around 'Olive Young,' which has become a beauty destination for foreign tourists in Seongsu, Hongdae, and Myeongdong

As Korean culture becomes a global phenomenon, the number of inbound foreign tourists from regions like Europe and Latin America, where visits were previously rare, is increasing

Source
Korean Tourism Statistics / Netflix

- 01 Hotel Industry Overview**
- 02 Hotel Transaction Market**
- 03 Hotel Supply Market**
- 04 Hotel Demand Market**
- 05 2024 Hotel/Resort Trends**
- 06 Conclusion**

Hotel Industry Overview

Definition and Classification of the Hotel Industry

Tourist accommodation facilities are primarily categorized into hotel businesses and recreational/convention businesses. Hotels are further classified as follows

Tourism Hotels

Floating Tourism Hotels

Traditional Korean Hotels

Family Hotels

Hostels

Small Hotels

Medical Tourism Hotels

Source
Enforcement Decree of the Tourism Promotion Act



Definitions and Conditions for Tourism/Family Hotel Businesses

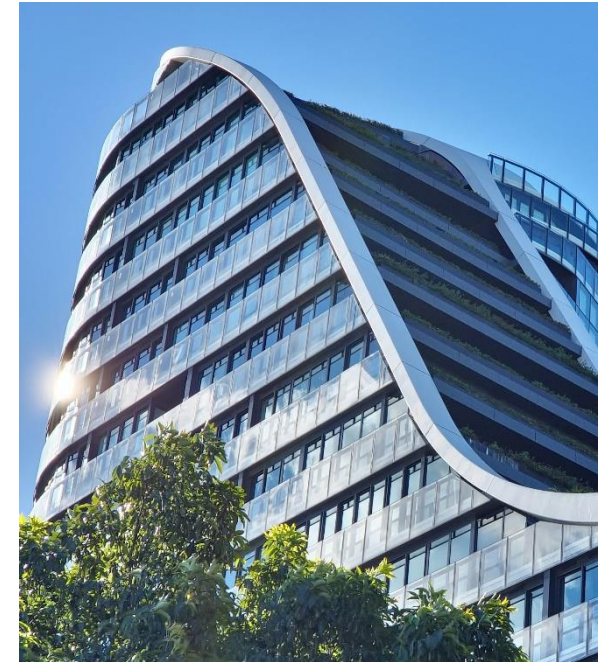
Tourism Hotels

- Businesses providing facilities suitable for tourist lodging and allowing access to additional amenities such as dining, fitness, entertainment, recreation, performances, or training facilities (auxiliary facilities)
- Must have at least 30 rooms equipped with bathrooms or shower facilities

Family Hotels

- Businesses offering facilities suitable for family tourists, including lodging and cooking utensils, or additional amenities such as dining, fitness, recreation, or training facilities
- Must have at least 30 rooms equipped with bathrooms or shower facilities
- Must include cooking facilities per room or shared communal kitchens on each floor
- The area of each room must be at least 19m²

Source
Enforcement Decree of the Tourism Promotion Act



General Lodging Facilities (motels, inns, general hotels, etc.) VS Tourism Lodging Facilities (tourism hotels, family hotels, etc.)

General Lodging Facilities

Governed by the Ministry of Health and Welfare, these facilities are licensed under the Public Health Control Act, and the installation of cooking facilities is prohibited.

Tourist Accommodation Facilities

Governed by the Ministry of Culture, Sports, and Tourism, these facilities are licensed under the Tourism Promotion Act and must undergo hotel grading evaluations.

Source
Enforcement Decree of the Public Health Control Act, Enforcement Decree of the Tourism Promotion Act

Hotel Classification

The classification of hotel grades is overseen by the “Ministry of Culture, Sports, and Tourism”, and the tasks of grade determination are delegated to the “Korea Tourism Association Central Council” and the “Jeju Special Self-Governing Province Tourism Association”.

Hotel Grade Validity: 3 Years

If the validity period expires before receiving notification after reapplying for grade determination, the existing grade remains valid until a new grade is issued. However, if a disaster warning of 'Alert' level or higher is issued, the validity can be extended for up to 2 years from the date of issuance (e.g., pandemic).

Source
Enforcement Rules of the Tourism Promotion Act

Classification of Hotel Grades

Based on safety and hygiene, service levels are evaluated and classified according to star ratings. Applicable to: Tourist hotels, floating tourist hotels, medical tourism hotels, family hotels, small-scale hotels, and Korean traditional hotels.

Source
Korea Tourism Association Central Council



1 Star

A hotel with clean rooms and bathrooms, offering breakfast



2 Star

A hotel with clean rooms and bathrooms, equipped with F&B facilities offering meals



3 Star

A hotel with clean rooms and bathrooms, operating at least one restaurant, and equipped with a lobby, lounge, and additional facilities



4 Star

A hotel offering high-end facilities and services, equipped with at least two restaurants, a business center, banquet halls, international conference rooms, additional facilities, and convenience facilities, capable of providing room service for over 12 hours



5 Star

A hotel offering the highest level of facilities and services, equipped with at least three restaurants, a business center, large banquet halls, international conference rooms, additional facilities, and convenience facilities, capable of providing 24-hour room service

Hotel Performance Indicators

Indicators used to measure the performance of hotel room sales include ADR, OCC, and RevPAR. These indicators show the average price of sold rooms, occupancy rate, and the average price of available rooms.

They are crucially used when calculating the sales price of a hotel.

Hotel Performance Indicators

ADR(Average Daily Rate)

The average price of sold rooms, room revenue per room sold

$ADR = \text{Room Revenue} / \text{Number of Rooms Sold}$

OCC(Occupancy)

Room Occupancy Rate

$OCC = (\text{Number of Rooms Sold} / \text{Number of Rooms Available}) * 100$

RevPAR(Revenue Per Available Room)

Average Price of Available Rooms

$RevPAR = \text{Room Revenue} / \text{Number of Rooms Available}$
 $= ADR * OCC$

Even if a hotel's ADR (Average Daily Rate) is high, if the OCC (Occupancy Rate) is relatively low, the average price of available rooms (RevPAR) may be calculated low.

Example)

Hotel A – ADR 300,000 KRW, OCC 50% → RevPAR 150,000 KRW

Hotel B – ADR 200,000 KRW, OCC 80% → RevPAR 160,000 KRW

Even if the average price of sold rooms is high, low occupancy will inevitably reduce actual revenue.

To maximize revenue, it is necessary to adjust room rates and occupancy levels. Sensitivity analysis for this adjustment requires comprehensive consideration of market conditions, demanding strong capabilities from hotel operators.



Hotel Transaction Market

Hotel Transaction Status

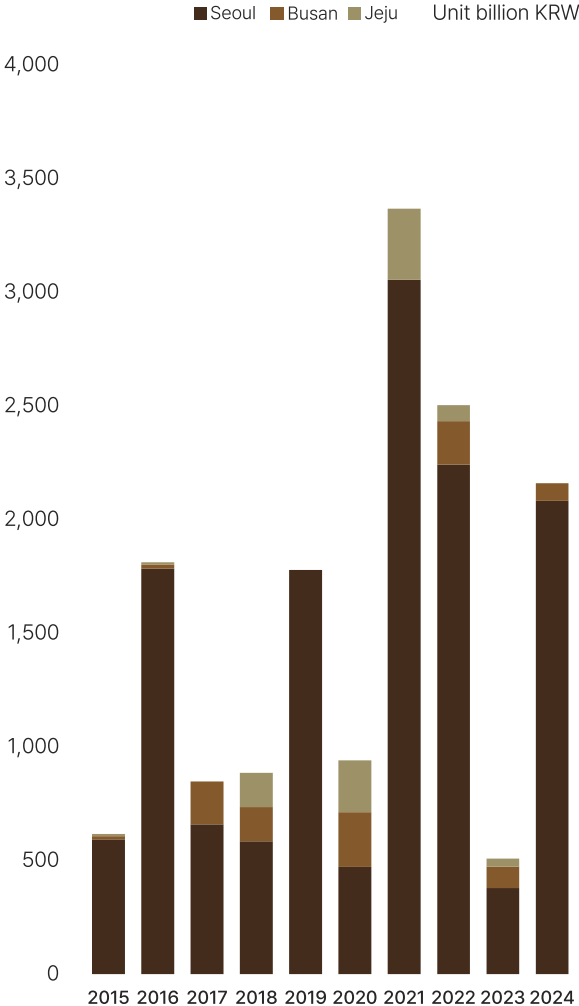
The hotel transaction market experienced a nearly 50% decline in transaction value in 2020 due to the pandemic. However, in 2021–2022, there was a significant increase in transaction value as many deals were made with the intent of repurposing properties into offices or apartments

In 2023, transactions involving small to mid-sized hotels dominated the market, with a total transaction value of approximately 508.1 billion KRW.

However, in 2024, the market shifted significantly, focusing on large-scale hotels such as 'Grand Hyatt Seoul' in the first half and 'Conrad Seoul' in the second half. As a result, by Q3, the transaction value surged to approximately 2.16 trillion KRW..

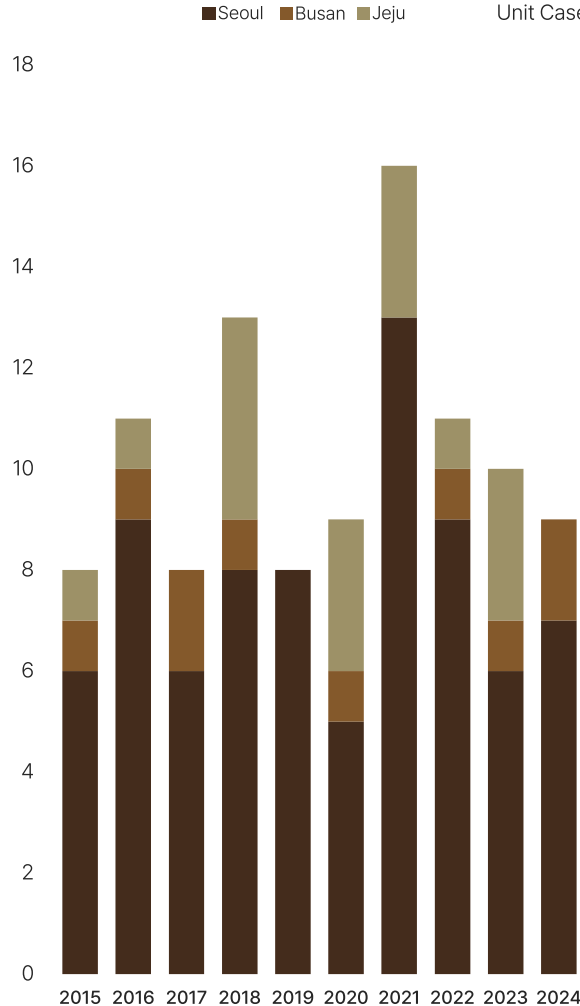
Approximately 1.8 trillion KRW ▲ compared to the same period in 2023 (Q1–Q3)

Transaction Amounts of Tourist Hotels in Seoul, Busan, and Jeju



Source RSQUARE Research Center
 * Includes partial office and retail / Tourist hotels with 100 or more rooms
 * Data for 2024 is up to Q3

Number of Tourist Hotel Transactions in Seoul, Busan, and Jeju



Source RSQUARE Research Center
 * Tourist hotels with 100 or more rooms
 * Data for 2024 is up to Q3 in terms of the number of cases

Yield and Transaction List

The minimum guaranteed yield showed an upward trend from 2017 to 2019 but declined by approximately 1 percentage point in 2020 compared to the previous year. Since then, it has maintained a stable trend through 2023 with no significant changes.

The spread between the minimum guaranteed yield and the 5-year government bond yield has been gradually narrowing, indicating that the market is stabilizing.

In the first half of 2024, transactions for Tmark Grand Hotel Myeongdong and Grand Hyatt Seoul were closed, followed by Conrad Seoul and Gangnam L7 in Q3. Compared to the previous year, 2024 has seen a focus on transactions involving large-scale hotels and operations-oriented deals.

Major Hotel Transactions and Upcoming Transaction List in Seoul

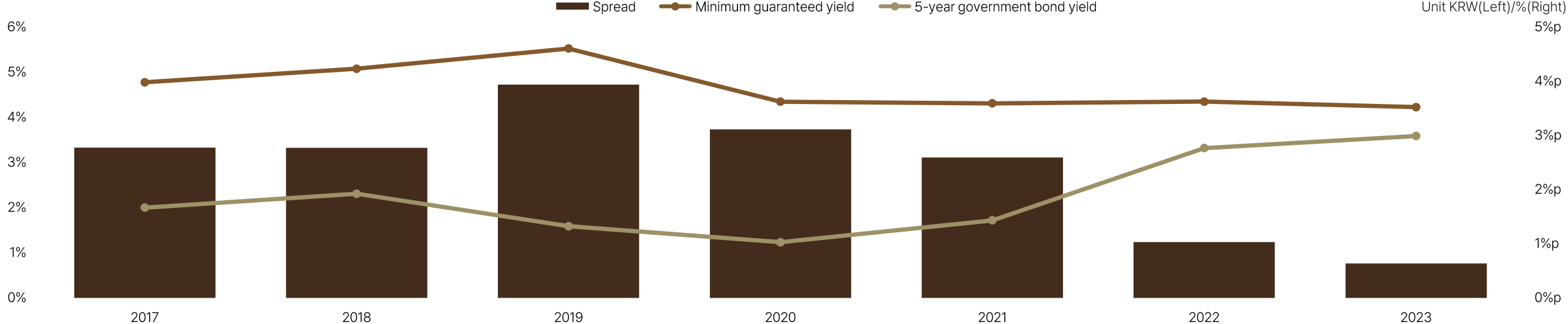
2024. Q1~Q3 Transaction List

Location	Hotel Name	Transaction Period	Transaction Amount (100 Million KRW)	Seller	Buyer	Investment Purpose
Jung-gu, Seoul	Tmark Grand Hotel Myeongdong	24.1Q.	2,282	Hana Alternative Asset Management	Gravity Asset Management	For Operation
Yongsan-gu, Seoul	Grand Hyatt Seoul	24.2Q	7,300	Inmark Asset Management	Blue Cove Asset Management	For Operation
Yeongdeungpo-gu, Seoul	Conrad Seoul	24.3Q	4,150	Brookfield Asset Management	ARA Korea	For Operation
Gangnam-gu, Seoul	Gangnam L7	24.3Q	3,300	Mastern Investment Management	Lotte AMC	For Operation

2024 Q4~2025 Planned Transaction List

Location	Hotel Name	Rating	# of Rooms	Seller	Preferred Negotiation Candidate	Investment Purpose
Mapo-gu, Seoul	Mercure Ambassador Hongdae	4	270	Hyundai Asset Management	JB Asset Management	For Operation

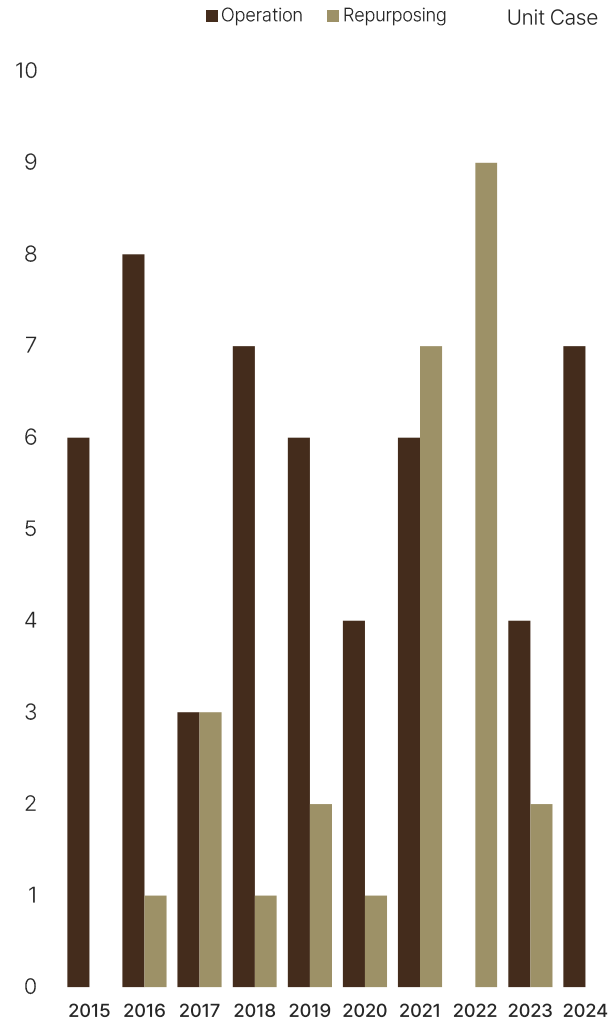
Trends in Minimum Guaranteed Yields of Tourist Hotels in Seoul, Busan, and Jeju



Source RSQUARE Research Center
 1) Minimum Guaranteed Yield = Minimum Guaranteed Rent / (Purchase Price - Deposit)

서울 호텔 시장

Trends in Transaction Purposes of Tourist Hotels in Seoul



Source
RSQUARE Research Center
* Based on tourist hotels with 100 or more rooms

2015 - 2019

Before the pandemic, most transactions were for hotel operation purposes, and repurposing was rare

From 2016 to 2019, transactions were made at an average of 370 million KRW per room

2020 - 2023

After the pandemic, demand for hotels in downtown Seoul declined, leading to a rapid increase in transactions for redevelopment and repurposing. In 2022, all transactions were for the purpose of 'repurposing'

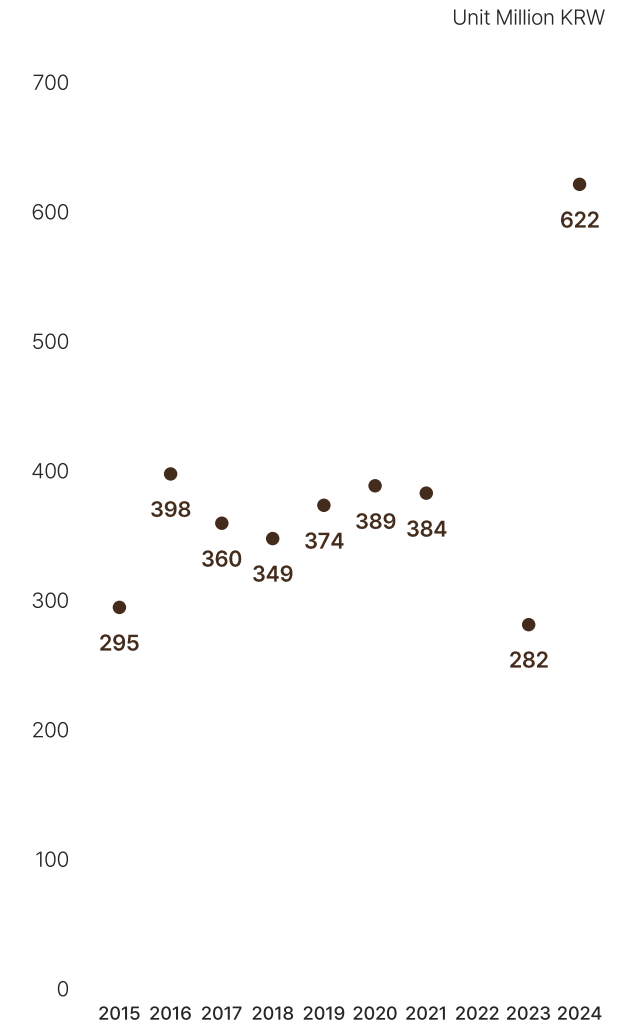
In 2023, due to the impact of COVID-19, the price per room decreased by approximately 102 million KRW compared to 2021, indicating that investor sentiment for operational purposes had frozen

2023 - 2024

From 2023, as the pandemic transitioned to an endemic phase, hotel transactions in Seoul shifted from being primarily for 'repurposing' purposes to 'operational' purposes, signaling a change in investment trends

In 2024, transactions involving large hotels such as Grand Hyatt Seoul and Conrad Seoul led to a sharp increase in the price per room

Seoul Tourist Hotel Price Per Room (For Operational Purpose)



Source
RSQUARE Research Center
* Based on tourist hotels with 100 or more rooms

Hotel Supply Market

Trends in Hotel Supply and Closures

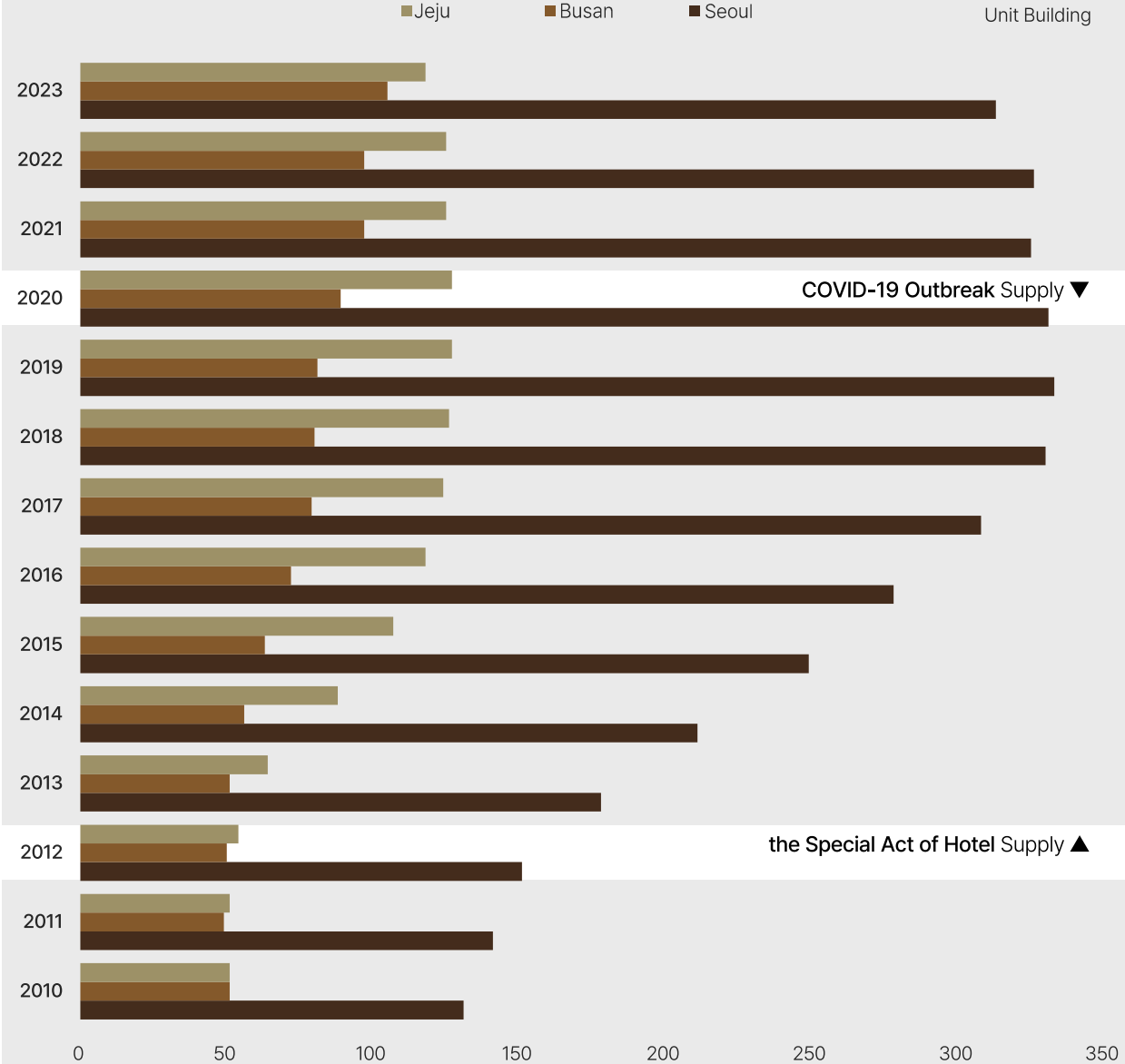
In Seoul, hotel supply steadily increased until the pandemic, but after the pandemic, the closure of small hotels and a decrease in new supply led to a downward trend in supply (approximately 6% decrease in 2023 compared to 2019)

In Busan, the supply of hotels continues to increase, and unlike Seoul and Jeju, the supply has grown without being affected by the pandemic

In Jeju, the supply of hotels increased after the implementation of the Special Hotel Act, but it slowed down from 2017 onward.

In 2023, the supply decreased by approximately 7% compared to 2019, maintaining a limited level of supply

Trends in Tourist Hotel Supply in Seoul, Busan, and Jeju



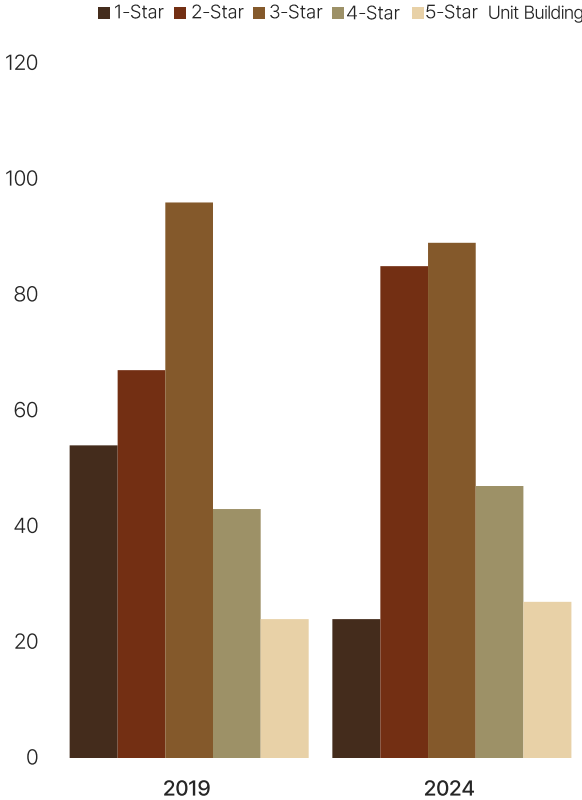
Source
Ministry of Culture, Sports and Tourism

Hotel Supply Ratio by Rating

Changes in Hotel Supply by Rating in Seoul

In 2024, the supply of 1-star hotels in Seoul experienced a significant drop, with the proportion decreasing by approximately 56% compared to 2019. This decline is attributed to an increase in closures of 1-star hotels owned by individuals and small corporations during the pandemic.

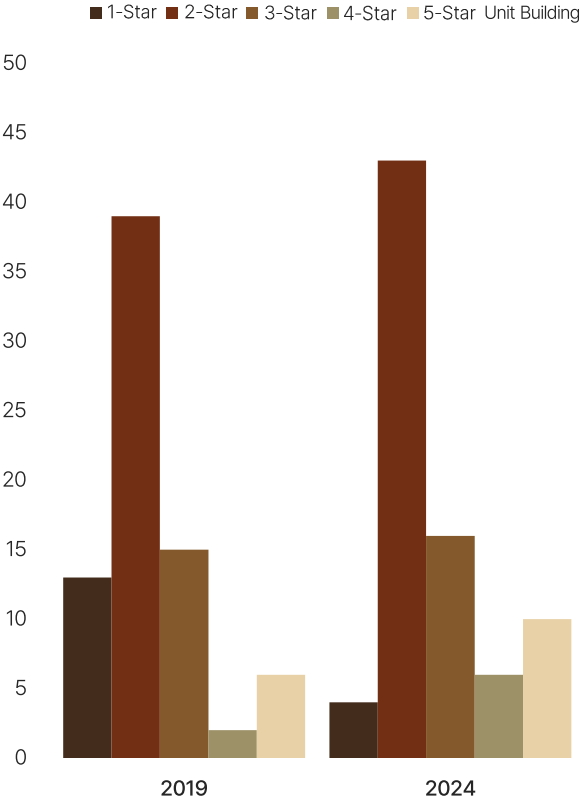
Following the end of the pandemic, the hotel industry's focus on luxury strategies and the booming investment market have driven an increase in premium hotel supply. Between 2019 and 2024, the total number of 4- and 5-star hotels has increased by 7 buildings.



Changes in Hotel Supply by Rating in Busan

The supply of hotels in Busan in 2019 was dominated by low-cost accommodations, with 1- and 2-star hotels accounting for approximately 70% of the market. However, due to closures of 1-star hotels during the pandemic, the proportion of 1- and 2-star hotels decreased by 10%p by 2024 compared to 2019.

The Busan hotel market has also experienced a boom in investment and a shift toward luxury strategies. By 2024, compared to 2019, the number of 4-star and 5-star hotels in Busan increased by 4 buildings each.



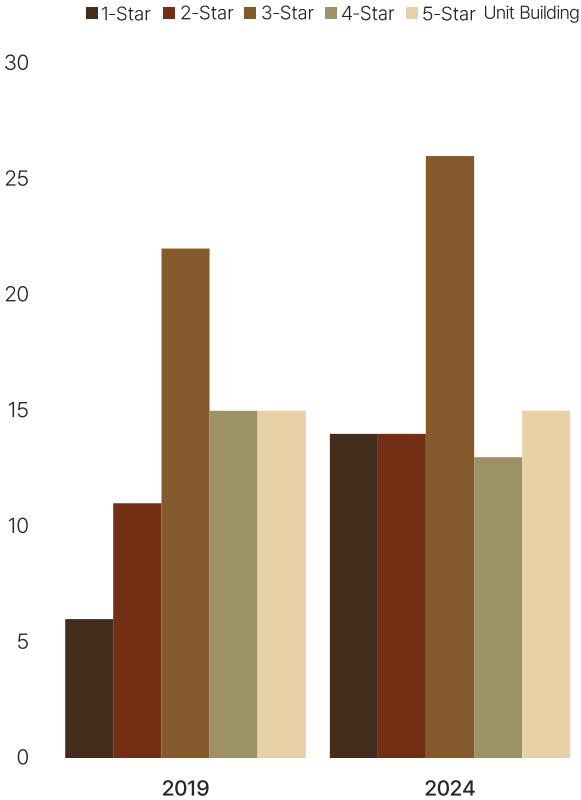
Changes in Hotel Supply by Rating in Jeju

In 2024, the combined proportion of 1- and 2-star hotels in Jeju increased by approximately 9%p compared to 2019.

This suggests a rise in the supply of small, budget-friendly hotels targeting solo travelers.

The supply volume of 4- and 5-star hotels in Jeju has increased compared to 2019.

However, the supply proportion decreased from 43% in 2019 to 34% in 2024, presenting a different trend compared to the markets in Seoul and Busan.



Source
 Ministry of Culture, Sports, and Tourism, Korea Tourism Association Central Council, Jeju Special Self-Governing Province Tourism Association
 * Tourist hotels only, excluding unrated hotels

Major Upcoming Hotels

Five-star luxury hotels in Seoul, Busan, and Jeju are scheduled to open sequentially, with some luxury brands that have never been introduced in Korea also planning or considering opening

In 2026, 'Maison Delano' will make its first entry into Asia, located at the former Ramada Seoul Hotel site in Gangnam, Seoul. Similarly, 'Rosewood,' another global luxury hotel brand that has yet to enter Korea, is scheduled to open in 2027 at 'The Parkside Seoul,' a development on the site of the former UN Command headquarters in Yongsan District

The luxury resort brand 'Janu' by Aman, known as the ultimate retreat frequented by global celebrities like 'Jenny' and 'Leonardo DiCaprio,' is being considered for openings at Hanwha Group's mixed-use development project near Seoul Station's northern area (scheduled for completion in 2028) and at the Aewol Forest development site in Jeju



Major Upcoming Hotel Supply List

Location	Hotel Name	Expected Opening Year	Building Type	Room Count	Hotel Operator	Hotel Rating (STR Standard)	Developer
Busan Haeundae-gu	Banyan Tree	2025	New Construction	195	Banyan	Luxury (5-Star)	Lupentis
Samdo 2-dong, Jeju City	Sheraton Jeju	2026	Remodeling	-	Marriott	Upper Upscale (5-Star)	Korean Teachers' Credit Union
Gangnam-gu, Seoul	Maison Delano Seoul	2026	Remodeling	81	Ennismore (Accor 계열)	Luxury (5-Star)	Ramid Tourism
Yongsan-gu, Seoul	Rosewood Seoul	2027	New Construction	250	Rosewood	Luxury (5-Star)	Eleven Construction
Jung-gu, Seoul	Janu Seoul (Under Review)	2028	New Construction	124	Janu	Luxury (5-Star)	Hanwha

Source
RSQUARE Research Center, STR
* Hotel classifications are based on STR (Smith Travel Research) standards

Hotel JANU

In Sanskrit, "Janu," which means "soul," is a hotel, residence, and lifestyle brand under the globally renowned luxury resort group, Aman Group.

In March 2024, Janu's first hotel will open at Azabudai Hills in Tokyo, featuring 122 rooms designed with Japanese wooden minimalism, eight dining venues, and a 4,000m²-wellness center.

Janu is currently considering opening hotels in Seoul and Jeju, with plans to incorporate interiors that highlight the unique characteristics of these cities.



JANU SEOUL

Source JANU



JANU JEJU

Source JANU

JANU

TOKYO

Location	Azabudai Hills, Tokyo, Japan
Opening Period	2024.03.14.
Number of Rooms	122
Room Size	55~519m ²
Number of Dining Facilities	8
Auxiliary Facilities	4,000m ² -wellness center Five specialized workout studios for activities such as spinning, golf, and boxing

Hotel Demand Market

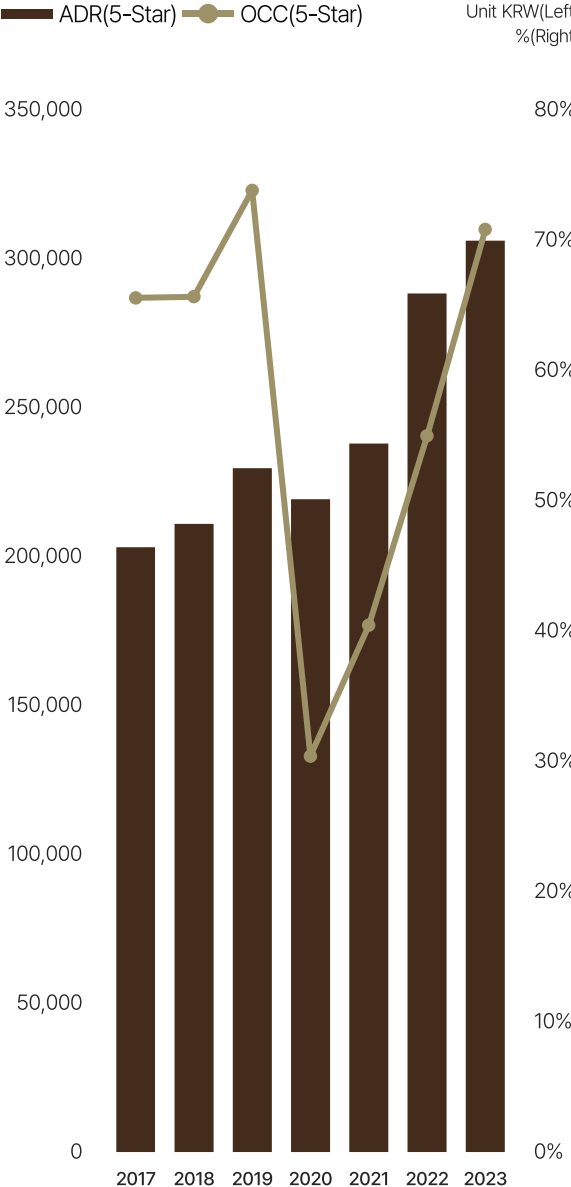
Seoul Tourist Hotels

5-Star
 ADR declined following the onset of the pandemic but began to rise as consumer spending shifted towards experiential purposes during the pandemic period. In 2023, ADR reached an all-time high of 306,000 KRW.

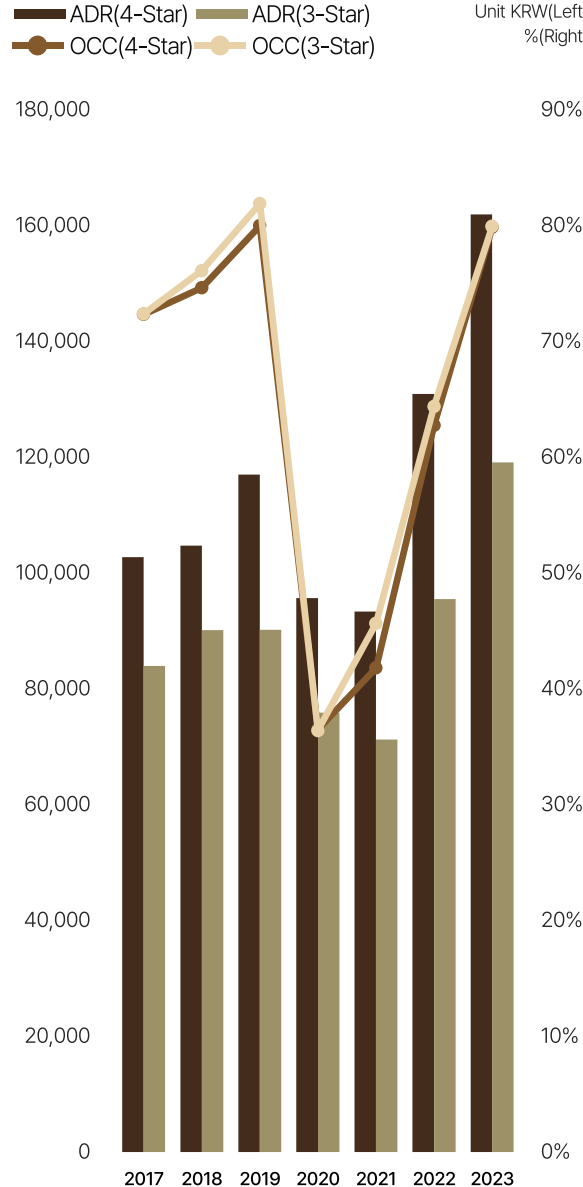
However, border restrictions during the pandemic caused OCC to drop to 30.4%. Despite this, the growing trend of "hotel vacations" (known as Hocance in Korea) led to increased demand for 5-star hotels, resulting in OCC recovering to over 95% of pre-pandemic levels compared to 2019.

3, 4-Star
 Following a similar trend to 5-star hotels, demand for boutique hotels and lifestyle hotels has grown since 2021, with each star rating achieving record-high ADR in 2023. OCC also nearly recovered to pre-pandemic levels by 2023 (Compared to 2019, 3-star hotels recovered approximately 99.8%, and 4-star hotels approximately 97.6%)

Trends in ADR & OCC for 5-Star Hotels in Seoul



Trends in ADR & OCC for 3 and 4-Star Hotels in Seoul



Source
 Hotel Association

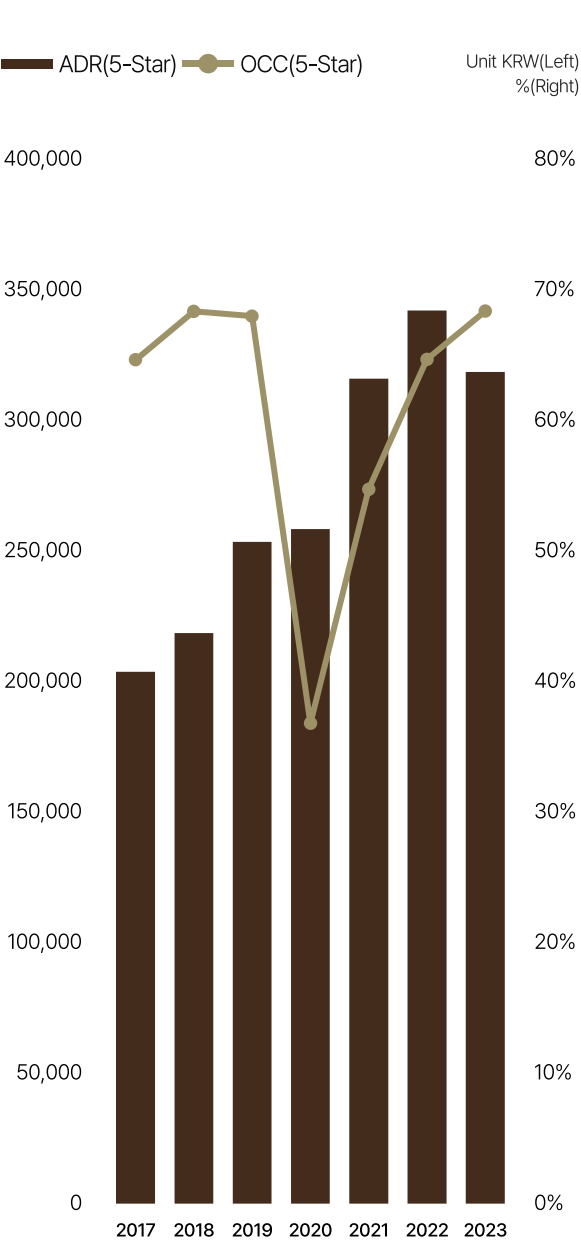
Busan Tourist Hotels

5 Star
 With the opening of luxury hotels (Signiel Busan, Grand Josun Busan), domestic travel demand was absorbed, leading to a 68% increase in ADR in 2022 compared to 2017. However, demand slowed in 2023, resulting in a 7% decrease. OCC has been rising since 2021, reaching 68.4% in 2023, the highest level in recent years

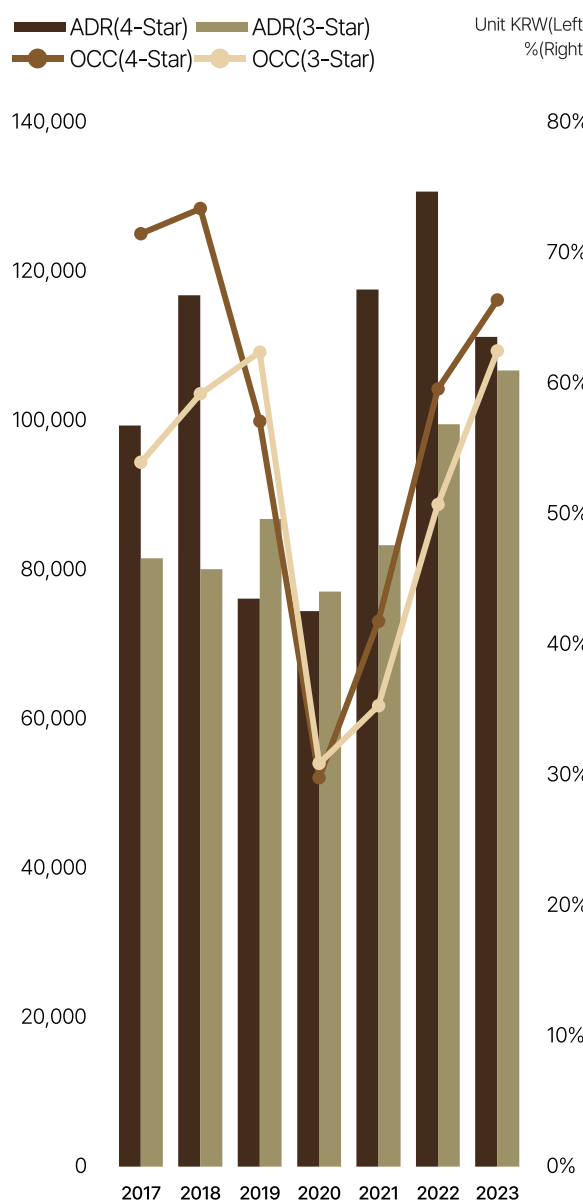
3, 4 Star
 The ADR for 4-star hotels began declining even before the pandemic, with the 4-star ADR dropping to 74,000 KRW in 2020, falling below the 3-star ADR of 77,000 KRW. However, after a sharp increase in 2021-2022, it fell again, decreasing by approximately 15% YoY in 2023. OCC for both 3 and 4-star hotels rose following the pandemic, reaching 66% for 4-star hotels and 62% for 3-star hotels in 2023

Source
 Hotel Association
 The increase in the ADR of 5-star hotels in 2021 is attributed to the opening of Grand Josun Busan and Signiel Busan in 2020.

Trends in ADR & OCC for 5-Star Hotels in Busan



Trends in ADR & OCC for 3 and 4-Star Hotels in Busan



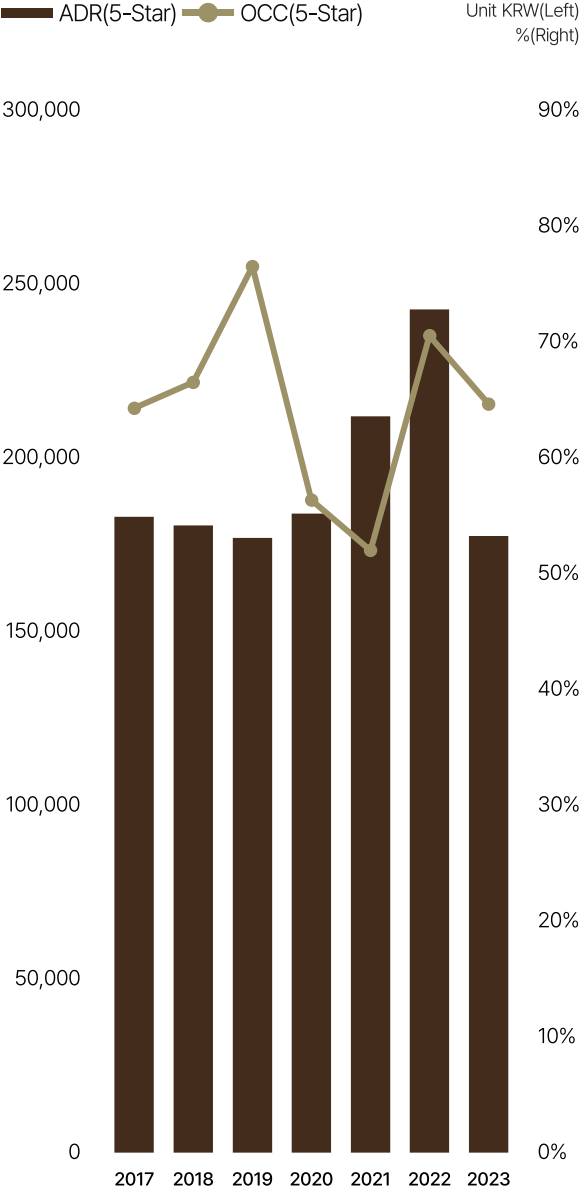
Jeju Tourist Hotels

5-Star
 During the pandemic, domestic travel to Jeju Island increased, leading to a rise in ADR from 2020 to 2022 (37% increase compared to 2019). However, as pent-up demand for overseas travel surged post-pandemic, both ADR (27% decrease compared to 2022) and OCC (6.5%p decrease compared to 2022) declined in 2023. This decline in ADR appears to be a strategic move to mitigate further drops in OCC

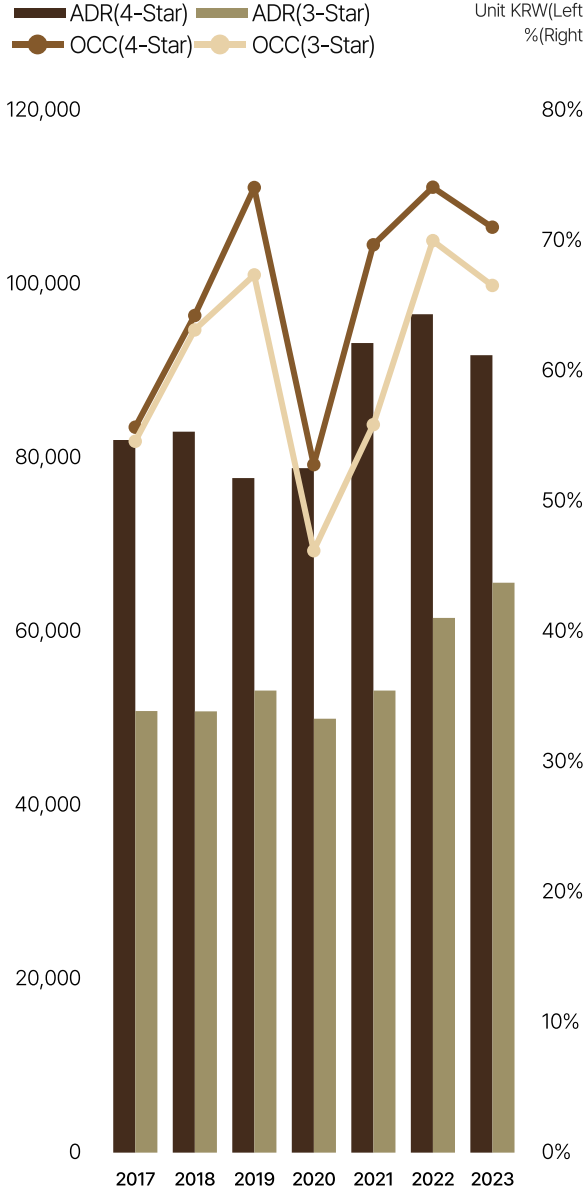
3, 4-Star
 3 and 4-star hotels were also impacted by the increase in outbound travel by domestic tourists. In 2023, compared to 2022, ADR declined by approximately 5%, and OCC fell by around 3%p. While the ADR for 3-star hotels rose by 6.6% during the same period, OCC experienced a slight drop of 3%p

Source
 Hotel Association

Trends in ADR & OCC for 5-Star Hotels in Jeju



Trends in ADR & OCC for 3 and 4-Star Hotels in Jeju



RevPAR by Location

The RevPAR of 5-star hotels in Seoul and Busan has recovered rapidly since the onset of the pandemic, reaching historic highs.

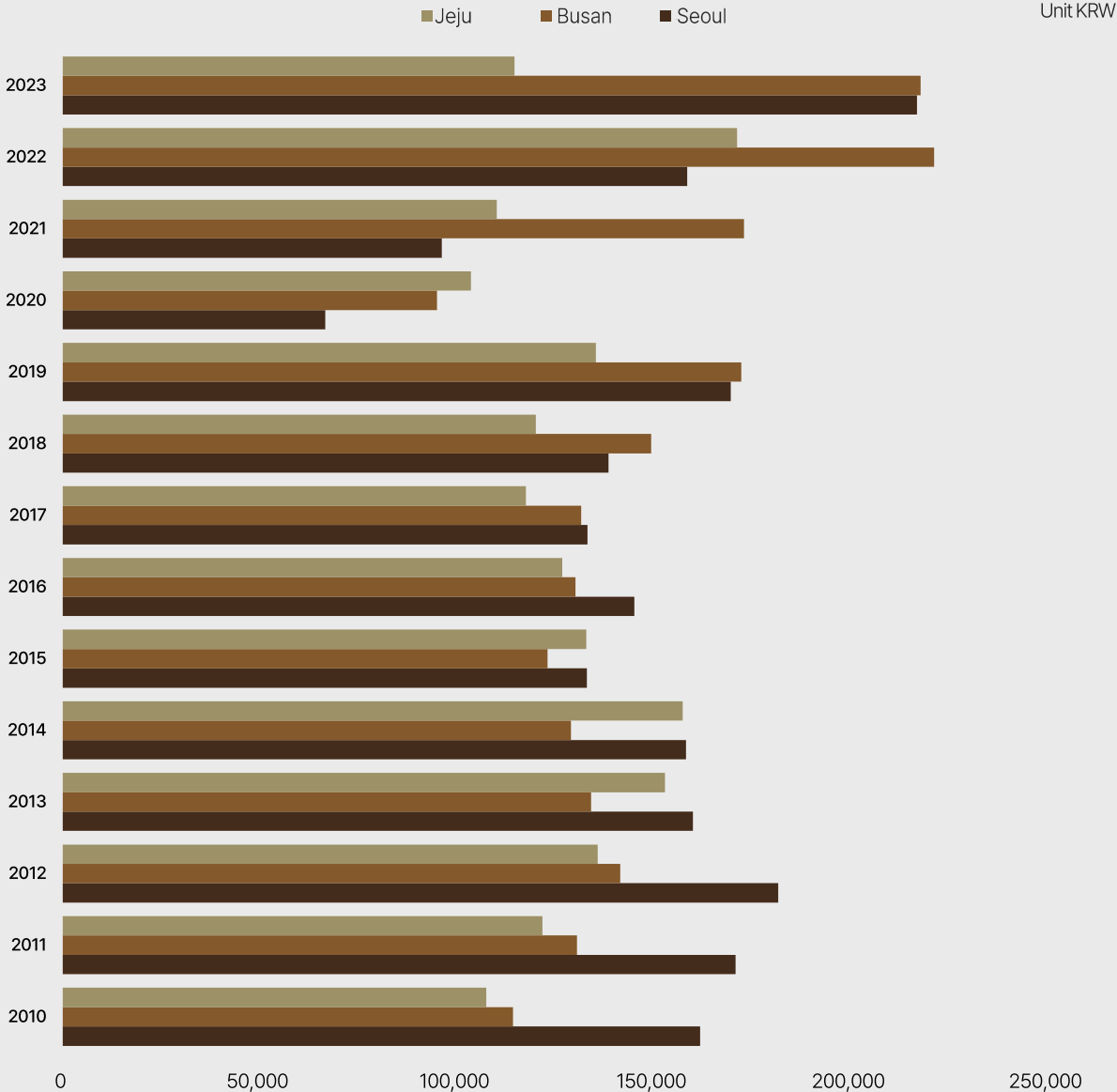
Seoul, in particular, continues its upward trend

In the case of Jeju, visits by domestic tourists increased during the pandemic, leading to a rise in demand. However, following the endemic, the pent-up demand for international travel among citizens surged dramatically, resulting in a natural decline

The strong rise of the Korean wave (Hallyu) has resulted in a steady annual increase in foreign visitors to Korea since the pandemic, opening up significant upside potential for RevPAR in Seoul, which is well-equipped with shopping and F&B facilities.

However, Busan's performance has stagnated (-1.5% from 2022 to 2023), while Jeju is experiencing a significant decline. RevPAR growth for hotels in Busan and Jeju is expected to remain limited unless a major catalyst arises.

5-Star Hotel RevPAR by Location



Source
Hotel Industry Association
The sharp increase in Busan's RevPAR since 2021 is attributed to the opening of "Grand Josun Busan" and "Signiel Busan" in 2020

2024 Hotel/Resort Trends

ESG, Sustainable Hotels

Hotels that consider the social (S) aspect of ESG are increasing, with more businesses making efforts to respect diversity, support marginalized groups, and promote coexistence with local communities

Efforts include direct donations to NGOs and underprivileged groups, selling products from small local businesses within the hotel, and engaging in volunteer activities to contribute to society from various angles

Cappuccino Hotel, under the slogan "CAPPUCCINO SHARED VALUE," has established a new business model where the hotel, local community, and nature grow together, becoming the first hotel in Korea to introduce the concept of shared value in 2015

Staying at Cappuccino Hotel promotes the message that "simply staying here can realize shared value." A portion of the hotel's profits is donated to environmental organizations (WATER.ORG) and animal protection groups. Additionally, the hotel has created a 'Cappuccino's Pick' space in the lobby, where products from social enterprises or businesses contributing to the local community are displayed

Cappuccino Hotel

When using pet-friendly rooms, a portion of the proceeds is donated to NGOs.



When purchasing a menu with a wing symbol, donations are made to emergency relief supplies



Source Cappuccino Hotel

Displaying products from social enterprises and companies contributing to society



Worcation

Worcation (Work+Vacation)

The term "Digital Nomad" and means "working while on vacation"

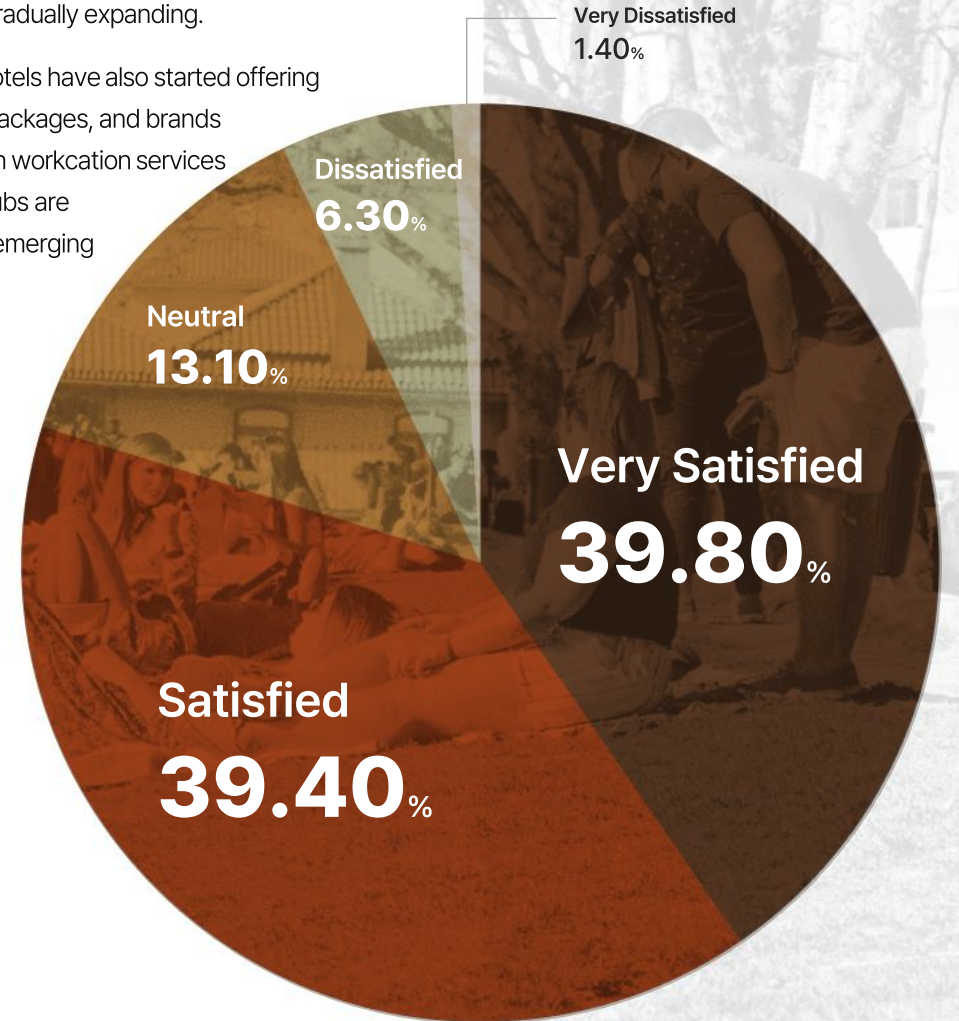
It developed as a concept due to advances in ICT technology enabling remote work, also referring to a hybrid form of tourism combining 'business + leisure'

The concept of "Workcation" originated in Japan and emerged as a trend in Korea during the pandemic as remote work became prevalent.

Major domestic companies like Danggeun Market, Naver, and Toss have introduced workcations to enhance employee job satisfaction and productivity, with usage gradually expanding.

Traditional hotels have also started offering workcation packages, and brands specializing in workcation services at regional hubs are increasingly emerging

Workcation Participation Satisfaction



Workation Brand

Source
Each company's homepage

DESKER WORKATION



Workation Package

Source
Chestertons Sokcho



Workation Case, Busan

Local governments are utilizing workation as a strategy for regional economic development. Municipalities such as Busan, Jeju, and Gangwon are offering vouchers and creating tourism-linked services while actively promoting workation support projects.

Source: Busan Metropolitan City

The economic ripple effect generated by "workation" in Busan over 1.5 years is estimated at approximately 22.4 billion KRW, with workation users spending an average of 1.14 million KRW per person in Busan.

Busan operates the 'Asti Hotel Busan Station' as a hub center for Busan-style workation and is working to expand workation initiatives by collaborating with 3 satellite centers and 13 partner centers.

Asti Hotel Busan Station - Busan Workation Hub Center

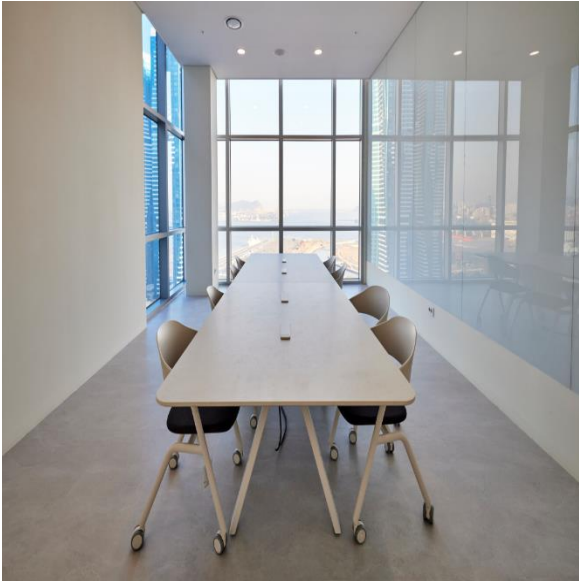
Event Lounge – Networking Space



Workspaces and Open Desks



Meeting Room



Phone Booth



Source Asti Hotel Busan Station

SUMMARY & EXPECTATION

Sum up, 2024 Hotel Market

Investment Market

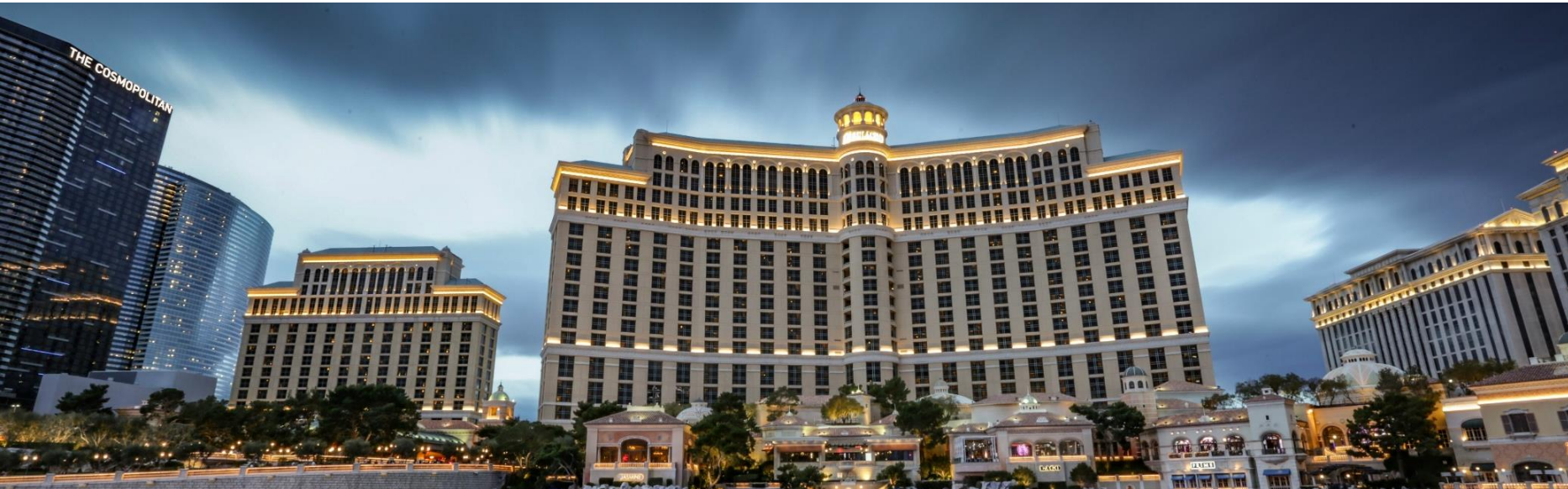
- Four Points by Sheraton Seoul Station, L7 Haeundae, Best Western Jeju Hotel properties are available in the market not only in Seoul but also in Busan and Jeju
- Fundraising issues, real estate investment market sentiment, and differing price perspectives between sellers and buyers are making deal closures difficult.
- Despite these challenges, significant deals like Grand Hyatt Seoul and Conrad Seoul were closed this year. Blackstone recently purchased an office which was a former hotel property, planning to reintroduce it as a hotel, highlighting investor interest in hotel investments. Recently, foreign investors are increasingly purchasing hotels through domestic and international asset management companies. In the current buyer-dominated market, as hotel properties become available, transactions are expected to focus selectively on high-quality assets

Supply Market

- The total supply of hotels in Seoul and Jeju has been gradually decreasing due to consecutive closures and reduced new supply following the pandemic. In contrast, the hotel supply in Busan continues to increase
- Seoul is set to see the opening of luxury hotels such as 'Maison Delano' and 'Rosewood,' which is expected to intensify competition among high-end hotels in the city
- Busan also shows a noticeable increase in high-end hotels. However, most 5-star hotels are concentrated in East Busan, near Haeundae (8 locations), creating a regional imbalance compared to West Busan, which has only one
- Conversely, the proportion of 4- and 5-star hotels in Jeju decreased by 9%p in 2024 compared to 2019, while 1- and 2-star hotels increased by approximately 9%p over the same period, indicating a dominance in the supply of budget hotels

Hotel Demand Market

- The ADR for 3- to 5-star hotels in Seoul reached an all-time high in 2023, with OCC for all 3- to 5-star hotels recovering to over 95% compared to 2019. Along with the rising number of foreign travelers driven by the Korean Wave, and the upcoming supply of domestic luxury hotels, demand for upscale hotels is expected to continue growing steadily, albeit not as sharply as the recent growth trend
- Demand for 5-star hotels in Busan saw a rapid rise in ADR during the pandemic, supported by the supply of luxury hotels, with OCC also increasing. However, following the endemic phase in 2023, the growth has slowed due to the lack of issues driving 5-star hotel demand. During this period of high inflation, there has been a rise in demand for value-for-money hotels, particularly 3-star hotels, and this trend is expected to continue for the time being
- During the pandemic (2019–2022), ADR in Jeju's 5-star hotel market consistently increased. However, with the reopening of international travel in 2023, ADR dropped by 27% compared to 2022. Following the pandemic, group tours have decreased while individual travel has risen. Due to the economic downturn, demand for value-for-money hotels is expected to continue, with ADR and OCC in 3-star hotels projected to increase in the near term.



2024 Hotel Trends

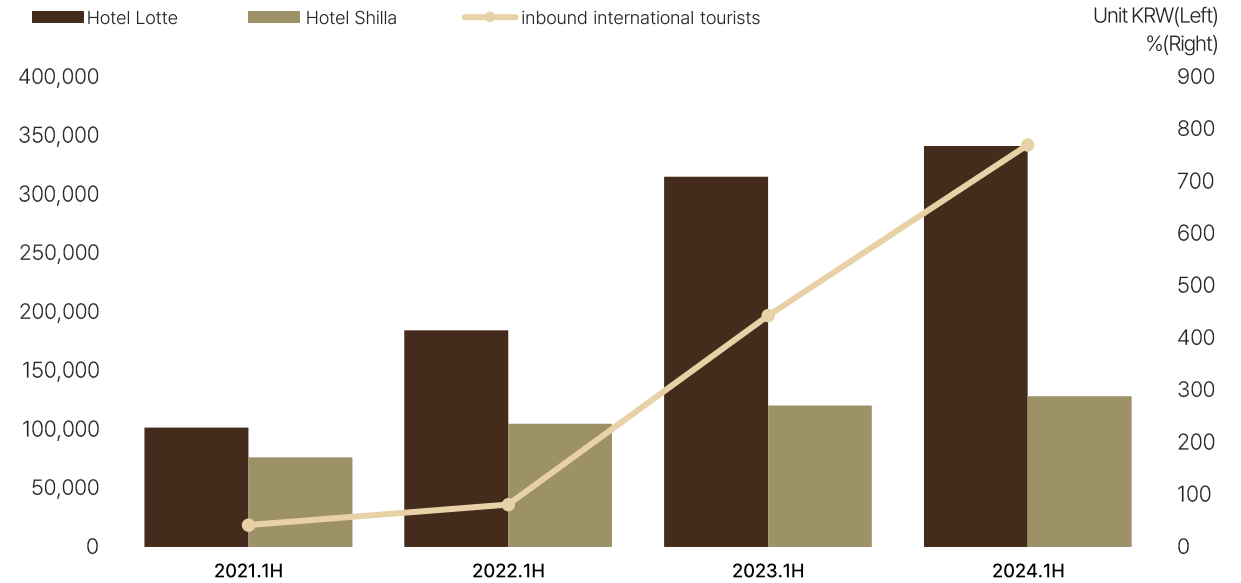
- The hotel industry is making efforts to implement 'ESG' practices, particularly focusing on environmental protection. To this end, hotels are adopting eco-friendly policies, such as providing label-free water bottles, replacing plastic key cards, and using upcycled uniforms
- To address social elements (Social), hotels are contributing in various ways, including donating to NGOs and underprivileged groups, selling small business products within hotels, and engaging in volunteer activities, fostering coexistence with local communities and marginalized groups
- Workation, a trend that allows individuals to work and relax simultaneously in vacation spots, has gained prominence since the pandemic. Consequently, the number of hotels offering spaces conducive to work is on the rise

Hotel Growth Potential

The room revenues of major domestic hotel operators have been steadily increasing from the first half of 2021, when the pandemic was at its peak, up until the first half of 2024. The number of inbound international tourists is growing rapidly, with visitors expected to increase from a wider range of countries beyond the traditional focus on China, influenced by the global popularity of K-Fashion and K-Beauty. Similar to shopping malls that extend customer dwell time by offering experiential spaces, hotels can attract guests through events, exhibitions, and interactive content, which are expected to be key drivers of revenue growth

Hotels that provide diverse experiences—such as extended stay options, various attractions or activities in lounges, and pet-friendly accommodations—are likely to enjoy consistent consumer preference. These hotels are anticipated to maintain stable revenues, remaining less affected by unforeseen external shocks like the pandemic

Trends in Room Revenue of Major Domestic Hotels



Hotel with Outstanding Content: RYSE, Autograph Collection

RYSE One-Month Stay Package (Left)

- 30 nights, 31 days package with double occupancy, pet-friendly accommodation
- Discounts on food and beverages, complimentary laundry service provided
- Access to fitness facilities

Print Culture Lounge (Right)

- A curated lounge featuring independent publications, art, and vinyl from both domestic and international sources
- Accessible to everyone 24 hour

Source
Graph - Dart, Korea Tourism Organization,
Photo - RYSE Autograph Collection

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