

MBS injects \$1 billion for next phase of hotel transformation

Large tourism projects will help lift S'pore as a tourist hub, says analyst

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Marina Bay Sands (MBS) will inject an additional US\$750 million (S\$1 billion) for the second phase of a rejuvenation programme to improve its luxury offerings.

The refurbishment, encompassing the hotel's Tower 3, the lobby, Sands SkyPark and other key features, will be carried out in phases till 2025, MBS said in a statement on Jan 18. It will bring the total investment for the programme to US\$1.75 billion.

The announcement came on the back of strong earnings – net revenue grew 34.3 per cent to US\$1 billion for July to September 2023, from US\$756 million the year before. In the same period, revenue from rooms at MBS, which is owned by Las Vegas Sands, surged by 35.9 per cent year on year from US\$92 million to US\$125 million.

MBS chief operating officer Paul Town said the integrated resort has “made significant progress in delivering new world-leading luxury travel experiences over the past two years”.

“This second phase of reinvestment will be critical as it propels the property to new heights and places us in a strong position to capture future growth opportunities,” he added.

MBS said this second phase will include new dining and retail offerings, as well as more than 550 re-designed rooms, which include 380 suites.

The transformation of the hotel, first announced in 2022, is part of a multi-year programme to strengthen the positioning of the integrated resort as a leader in the lux-

ury hospitality industry, said MBS.

Under the US\$1 billion first phase, MBS upgraded around 1,280 rooms across Towers 1 and 2, of which about 390 are new suites.

After the three hotel towers are renovated, there will be 1,850 refurbished rooms, including some 770 suites.

The ultra-luxurious suites – with the largest at 6,458 sq ft – are housed on the highest floors, from levels 50 to 54 in Towers 1 and 2, and are reserved for the hotel's highest tier of guests. The experience includes private VIP arrival and dedicated lifts, butler services and exclusive access to the Paiza Sky Club, said MBS.

Mr Jesper Palmqvist, senior director for the Asia-Pacific at hotel industry research firm STR, said the luxury segment was the fastest-recovering hotel class from the Covid-19 pandemic, and remains strong today.

“While geopolitics remains one of the larger volatility factors influencing global travel, alongside overall economic slowdown, demand for travel generally remains quite strong,” he added.

“And while the higher rates across all hotel classes in Singapore are sometimes described as a deterrent and risk for travellers to seek other options, it is important to remember that higher rates are a global movement. Singapore is not



Marina Bay Sands COO Paul Town said the second phase of reinvestment will help the property capture growth opportunities.

alone in this,” Mr Palmqvist said.

Ms Selena Ling, chief economist and head of global markets research and strategy for OCBC, noted that large tourism projects help to lift Singapore as a tourist hub.

Meetings, incentives, conferences and exhibitions – or Mice – have picked up since 2023, she said.

Leisure visitor numbers have also increased, though there may be “some shifts in the types of leisure visitors, with more bespoke or customised tourism demand”, Ms Ling added.

The Building and Construction Authority said on Jan 15 that between \$14 billion and \$17 billion in construction contracts are expected to be awarded by the private sector in 2024. The likely major projects include the expansion of the two integrated resorts (IRs).

The IRs' expansions are part of an agreement with the Government, under which MBS and Resorts World Sentosa (RWS) pledged to plough a combined \$9 billion into new non-gaming attractions.

MBS will build a fourth tower that is due to be completed by April 8, 2028, and offer more luxurious hotel rooms, as well as a live entertainment arena capable of seating 15,000, among other facilities.

RWS is expanding Universal Studios Singapore with a new themed zone – Minion Land – and rebranding the SEA Aquarium as the Singapore Oceanarium. The oceanarium will be three times the size of the SEA Aquarium and encompass a research and learning centre.

In the third quarter of 2023, an indirect wholly owned subsidiary of Genting Singapore received provisional permission from the Urban Redevelopment Authority to develop 228,658 sq ft in gross floor area into retail space, and 700 hotel rooms at RWS.

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