Adaptation of Apartments to Small Hotels: The Case of Nakhon Si Thammarat Thailand

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Abstract. The support of tourism industry from Thai government leads to the increasing demand and development of accommodation in the less visited cities including Nakhon Si Thammarat, which has been mostly visited in comparison to the other less visited cities since 2017. There is a high demand in small hotel accommodation type in Nakhon Si Thammarat whereas apartment buildings are oversupplied and becoming obsolete. This study aims to propose a step-by-step process for the adaptation of apartments to small hotels in Nakhon Si Thammarat, Thailand. Research method includes interviews with tourists, small hotel developers, the apartment developer and the expert in the adaptation of buildings to small hotels. The findings show the alignments between data from the interviews and what have been found in the literature that were developed to a proposed step-by-step process on the adaptation of apartments to small hotels. This study provides the adaptation process based on the case of Nakhon Si Thammarat, Thailand. More cases are required to test the step-by-step process in order to increase the validity and to make further progress. Further study could focus on feasibility analysis and the implementation of the step-by-step process in other cities to find out the similarities and dissimilarities regarding the different contexts of the cases.

1. Introduction
Thai government initiated several projects such as public utilities, main transportation routes and accommodation with the aim to improve local business in order to support tourism industry. With the increasing growth rate at 9.47 per cent from last year, Thailand’s tourism industry generated income with the total number of 2.75 trillion Baht (90.55 billion USD) in 2017 that disseminated to every part of the country [1]. In 2016, data from the Tourism Authority of Thailand showed the increasing percentages of international tourists travelling to Thailand (2.8-4.8 per cent) and Thai tourists (6.2-7.2 per cent) travelling within the country. Government’s plan to promote the less visited cities brought about the attention of investors and local communities to develop accommodation in the cities using tourism industry as a driver [2]. Nakhon Si Thammarat in Thailand is regarded as one of the most popular destinations among other less visited cities because of its famous tourist attractions such as Phra Mahathat Woramahawihan Temple, Nakhon Si Thammarat National museum, Dohok Pavilion and Ho Phra Sung. Accommodation business in the city has gained benefits from the growth of tourism industry as a result.

2. Accommodation's demand and supply in Nakhon Si Thammarat
The development of accommodation strategy of Nakhon Si Thammarat city resulted in the increasing number of tourists and a higher demand in accommodations whereas accommodation supply has been fairly limited. The total number of 132 accommodation units in Nakhon Si Thammarat comprise of
60 apartments (45.45 per cent), 38 hotels (28.80 per cent), 17 dormitories (12.90 per cent), 15 mansions (11.35 per cent), 1 guest house and 1 resort (0.75 per cent each).

2.1. Apartment
Apartment is a type of accommodation that provides individual dwelling for rent for more than 4 units. Each unit includes bathroom, toilet and kitchen and may provide a multi-purpose space or include 2-4 bedrooms. The unit is provided with standard furniture such as cabinets, beds, air conditioners, fridges, water boilers, televisions or without furniture. The building is designed for renters to walk up the stair without the provision of an elevator. Usually, the floor space per unit can be more than 100 square metre depending on building grade or price per unit of each apartment. Renters have to comply with apartment’s rules and with specific occupying period [3]. Renters include students, families without children, young couples or company workers that have to move from place to place.

2.2. Small hotel
Hotel is set up with a business objective in providing temporary accommodation to visitors. It provides paid lodging on a short-term basis. Small hotel is defined as the hotel that has no more than 30 rooms. In this study, small hotels are selected from cases with room availability ranging from 3-30 individual units and have more than 20 visitors [4]. There are four main functions of small hotels including:

- residential - individual unit provided as: 1) private room with bathroom, 2) dormitory type with sharing bathroom. The space allocation in each unit can be classified on different hotel grades: budget/economy, mid-price, upscale and luxury.
- front of the house - includes reception, common area, dining area and multipurpose space.
- back of the house - includes functions used by hotel staff such as storage, machine room, staff room, lockers, personnel office and kitchen.
- service space - includes parking, surrounding area, circulation and stair hall.

3. Adaptive reuse
Adaptive reuse is defined as the renovation and reuse of pre-existing structures for new purposes [5]. In this study, the term refers to the adaptation of old building apartments to small hotels with regard to the requirements of visitors. Findings from the literature show drivers of adaptive reuse that include the potentials to: 1) create usability of the new function, 2) improve quality of the building, 3) reduce acquisition time in comparison to new building construction, 4) provide investment advantages. Three main physical condition factors that affect the implementation of adaptive reuse are: 1) structure of the building, 2) construction technique, 3) building characteristics.

4. Problem formulation and research question
There has been an increasing demand of accommodation in Nakhon Si Thammarat with regard to the government policy in the support of tourism in less visited cities. Apartments as accommodation supply are currently provided to tourists in the area, but do not respond to their needs whereas small hotels are becoming more popular. The purpose of this study is to propose a step-by-step process for the adaptation of apartments to small hotels in Nakhon Si Thammarat. The paper aims to answer the following question:

- How can adaptive reuse concept be applied to apartment buildings to solve the increasing accommodation demand in small hotels?

5. Research method
Data collection of this study is through interviews to obtain qualitative data and in-depth information. Four groups of participants’ interviews include: tourists (5 persons), small hotel developers (5 persons), the apartment developer and the expert in the adaptation of buildings to small hotels.

- Interview with tourists aims to collect data on preferences and the decision to stay in small hotels.
Interview with small hotel developers focuses on building design and factors influencing business operation of small hotels.

Interview with the apartment developer collects data on business operation, building information, occupancy rate, target customer and duration of stay.

Interview with the expert in building adaptation focuses on the steps towards the adaptation of apartments to small hotels.

6. Findings
The findings include four parts: 1) interview with tourists, 2) interview with small hotel developers, 3) interview with the apartment developer and 4) interview with the expert in the adaptation of buildings to small hotels.

6.1. Interview with tourists
Findings from the interviews with tourists travelling to Nakhon Si Thammarat during annual festivals of the city are described as follows:

6.1.1. General information of the tourists. The findings show that the majority of tourists are female from 41-50 years old with the average income between 20,000 - 30,000 Baht (651 - 977 USD) per month. Most of the tourists reside in the southern cities of Thailand and work as civil servants and company employees.

6.1.2. Tourist behaviours. Tourists visit Nakhon Si Thammarat choose to stay in small hotels because of the lower room price per night. In addition, the variety of hotels that offer range of services in various locations make it more convenient for tourists in terms of accessibility. Generally, tourists visit the city in a group of 3-4 persons. The common destinations are cultural and historic places followed by religious sites. The findings show the average duration of stay of 3 days and 2 nights. Surprisingly, tourists do not search for accommodations through the internet in advance, but choose to ask for information directly from the hotels.

6.1.3. Factors influencing accommodation selection. The findings show factors that influence small hotel selection including:

- location - hotels situated close to tourist destinations within walking distance or within the travelling by public transport gain advantages in terms of accessibility.
- services and sales promotion - includes services from personnel staff such as personality and accessibility and the ability to provide sufficient information to customers. Sales promotion such as the offer of morning meal or local food/beverage as a complimentary from the hotels draws tourists’ attention.
- interior and exterior of the building - interior and exterior of the building with distinct characteristics and identities promotes attractions.
- room price - findings from the interviews show that the average room price per night are from 1,000 - 1,500 Baht (31.43 - 47.14 USD) per night. The tourists are willing to pay in higher price if the conditions of rooms and facilities as well as hotel services are properly provided.

6.2. Interviews with small hotel developers
Findings from small hotel developers regarding factors influencing the development of small hotel projects in Nakhon Si Thammarat are described as follows:

- location and accessibility - this item is considered as the most important factor. The hotels must be located on main roads and easily accessible from public transport and close to tourist attractions. This item aligns with requirements of the tourists.
- exterior design and interior decoration - the hotels should express distinct characteristics of the city such as cultures, traditions, materials and local climates both in terms of architectural...
design and interior decoration. This item corresponds with findings from interviews with the tourists.

- supporting facilities - usually, most hotels provide standard facilities such as parking, smoking area, shower room and dining area. However, there is increasing demand of facilities for elderly and disabled visitors that should be provided.
- amount of rooms - the findings show the average number of 20 rooms for small hotels with the average price per night of 885 Baht (28.90 USD).
- size of rooms - the findings show the average room area of 28.50 square metre.
- usable area in the building - room area has the highest percentage of the total usable area (40 per cent) followed by service area, i.e. walkways, parking spaces, stair halls (28 per cent), front of the house such as reception, dining area, shops (24 per cent) and back of the house (8 per cent).
- After sale service and promotion - this item includes daily cleaning, luggage storage service, transportation service and travel service offered by hotels.

6.3. Interview with the apartment developer
Findings from the interview with the apartment developer in Nakhon Si Thammarat provide information on physical characteristics of the building, project marketing and finance as well as challenges of apartment business that can be described as follows:

- physical characteristics - buildings are located in secondary road connected to main road and are close to tourist attractions. With only one type of room offered for the apartment, the total number of 18 rooms are provided with bathroom and fan.
- the average rent is 2,300 Baht (74.71 USD) per month with the required deposit up front. The average duration of stay is 5 months. The majority of renters are civil servants.
- challenges of apartment business - the major problem is the inconsistency on due payment or left without pay from renters followed by quarrels between renters and physical obsolescence of the buildings.

6.4. Interview with the expert in the adaptation of buildings to small hotels
Findings from the interview with the expert regarding the adaptation of apartments to small hotels are adapted in connection to what have been found in the literature and proposed as a step-by-step process as follows table 1:

| Table 1. A step-by-step process for the adaptation of apartments to small hotels |
|---|---|
| **Steps** | **Details** |
| 1 | Examining laws and regulations  
- examine urban planning laws, i.e. examine building location whether it can be applied for hotel business  
- examine regulation on building transformation and adaption, i.e. examine building location associated with regulation on building transformation and adaptation to hotels |
| 2 | Performing preliminary feasibility analysis  
- analyse location potential  
- set up project initiation plan  
- study physical characteristics  
- conduct financial and marketing analysis |
| 3 | Surveying surrounding areas and building layout  
- collect data on surrounding area  
- collect data on existing building, i.e. examine building conditions and consider which parts have to be renovated or put in current condition. |
| 4 | Setting up business plan  
- plan for business operation  
- plan for building design operation |
Steps | Details
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5 | Developing architectural design of the project
   - develop architectural design according to laws and regulations on building adaptation to small hotels
6 | Authorizing building adaptation
   - inspect building to be aligned with building laws and regulations
   - request for permission on building adaptation
7 | Conducting building adaptation
   - conduct building adaptation from structures, architecture works, surroundings, building systems, facades to interior spaces
   - request for permission on the changing of building function
8 | Submitting permission to operate hotel business
9 | Preparing for building operation
   - inspect building functions together with architects and engineers
   - request legal documents from government authorities
   - prepare building operation plan
   - practice the use of building functions
   - prepare hotel management system (e.g. reservation and accounting system)
   - prepare spare parts of building in case of long term maintenance
   - plan for marketing and sales system

7. Conclusions
The study shows factors influencing the adaptation of apartments to small hotels in Nakhon Si Thammarat. The most important factor is location that must be easily accessible from public transport and close to tourist attractions. Regarding the physical characteristics of buildings, the adaptation on size of rooms and walkways and fire escape have to rely on laws and regulations of the area. Interior and exterior design of the building need to follow cultures, traditions and location climates. The other functions in common areas such as reception, dining area and shops have to be properly arranged. The provision of related services such as transportation and travel service is important to the decision to stay of the tourists. A step-by-step process for the adaptation of apartments to small hotels includes: 1) examining laws and regulations, 2) performing preliminary feasibility analysis, 3) surveying surrounding areas and building layout, 4) setting up business plan, 5) developing architectural design of the project, 6) authorizing building adaptation, 7) conducting building adaptation, 8) submitting permission to operate hotel business and 9) preparing for building operation.

There are certain alignments between findings from the interviews with different groups of participants. Data from the interviews with various stakeholders involved in the adaptive reuse project is useful for developing the step-by-step process. This study provides the adaptation process based on the case of Nakhon Si Thammarat, Thailand. More case study buildings are required to test the step-by-step process in order to increase the validity and to make further progress. Further study could focus on feasibility analysis and the implementation of the step-by-step process in other cities to find out the similarities and dissimilarities regarding the different contexts of the cases.

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