Horwath HTL

Hotel, Tourism and Leisure

European Chains & Hotels Report 2019

Contents

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Forward

The report looks at the relationship between hotel chains, their myriad of brands, and the wider world of hospitality and lodging.

A very warm welcome to the new edition of the Horwath HTL Chains & Hotels Report, the third annual instalment. The report looks at the relationship between hotel chains, and their myriad of brands, and the wider world of hospitality and lodging.

There have been two big stories over the last 25 years in the industry, and we look at them both in the report.

The first has been the inexorable growth and expansion of branded hotels and their wider significance in the landscape of hospitably. Every year sees the creation and introduction of more and more brands, both international and domestic, as a way to drive market share through identity, segmentation and increasing scale. This is being done in a variety of ways, either through the introduction of brands with a proven track record in other countries, the creation of new brands from scratch or the slicing and dicing of existing brands to make them go further.

The second large trend has been the change in the model for owning and operating hotels. What impact has this asset light approach had on growth? What is interesting, and a complicating factor, is how each market has a different tolerance for each model and how that can work for/against chains trying to sign more deals.

We look at the models used by the chain companies and see which ones are the most prevalent, in which market segment.

In this edition, we have enhanced the report in a number of key ways. Firstly, we have greatly expanded the scope of the markets, from 12 last year to 22 this. Our goal is to cover every market in Europe and we are well on the way to achieving that. Secondly, we have added a lot of information about hotel ownership; who has been active buying and selling hotels, what were the biggest deals done last year and where is that money coming from. Lastly, we have been able to identify and highlight where next years deals have been signed and when these new hotels are likely to open.

All in all, it is a comprehensive look at a vibrant hotel market, one that has had significant growth over the last few years. We hope you enjoy reading the report as much as we enjoyed putting it together.

James Chappell
Horwath HTL Global Business Director

Introduction

For this latest edition, we have collected much more information. We have data on business models, transaction and investment numbers as well as the number of hotel deals being signed.

In the compilation of the data, we asked our offices to not rely on available local data, but to create our own databases from scratch. Once that was done, we checked our results with institutional data providers who have comprehensive numbers on hotels, restaurants, hostels and all the rest.

We then dug deeper into each market to get an understanding of the players, and what size and scope they have. We looked at overall ranking by size in each country, by overall group (hotels and rooms) and by brand. We broke the information down by domestic and international groups and brands, and then by scale/style of hotels.

For this latest edition, we have started collecting much more information on business models, looking at the four main types; namely owner operator, management contract, franchise and lease. We don't have all of this information for all hotels, but we have enough to show us the general trends and see which models are popular where. We also look at ownership details, and are grateful to include information from the leading collector and exponent of this information, Real Capital Analytics. RCA collect transactional data across all real estate classes and are a wealth of information about the movers and shakers in the hotel world.

In order to standardize the data, we looked at the same KPI's across all countries using the same methodology:

- Total number of chain hotels
- Total number of chain rooms
- Average size per chain hotel in rooms
- Country hotels stock *(overall supply)*
- Country rooms stock *(overall supply)*
- Average size per hotel in rooms
- Chain penetration % by hotels
- Chain penetration % by keys
- Total number of brands
- Domestic brands
- International brands
- Second tier operated hotels
- International chain hotels *(incl. double counting)*
- Domestic chain hotels *(incl. double counting)*
- International chain rooms *(incl. double counting)*
- Domestic chain rooms *(incl. double counting)*

James Chappell
Horwath HTL Global Business Director

For the 12 markets where we have YoY data, there has been a significant amount of growth of Chain hotels in 2018. There was a total of 686 new hotels, equating to 73,802 rooms, which is just over 4% growth.

Total Market
For this edition of the report, we have collected data from 22 European countries, ten more than last year, and have year to year data from 12. This means a really fascinating spread from countries like Albania with 12 Chain hotels all the way to France with 3,885. The spread and the scale of the market is impressive, let's start with some overall numbers.

The market (22 countries) has a grand total of 146,616 hotels, which accounts for just over six million bedrooms. The average number of rooms per hotel in the market is 61, and range from a massive 238 in a resort destination like Cyprus, to 20 in Albania. Two of the largest markets, France and Spain, have a very disparate number with the average French hotel having just 36 rooms and the average Spanish hotel 94.

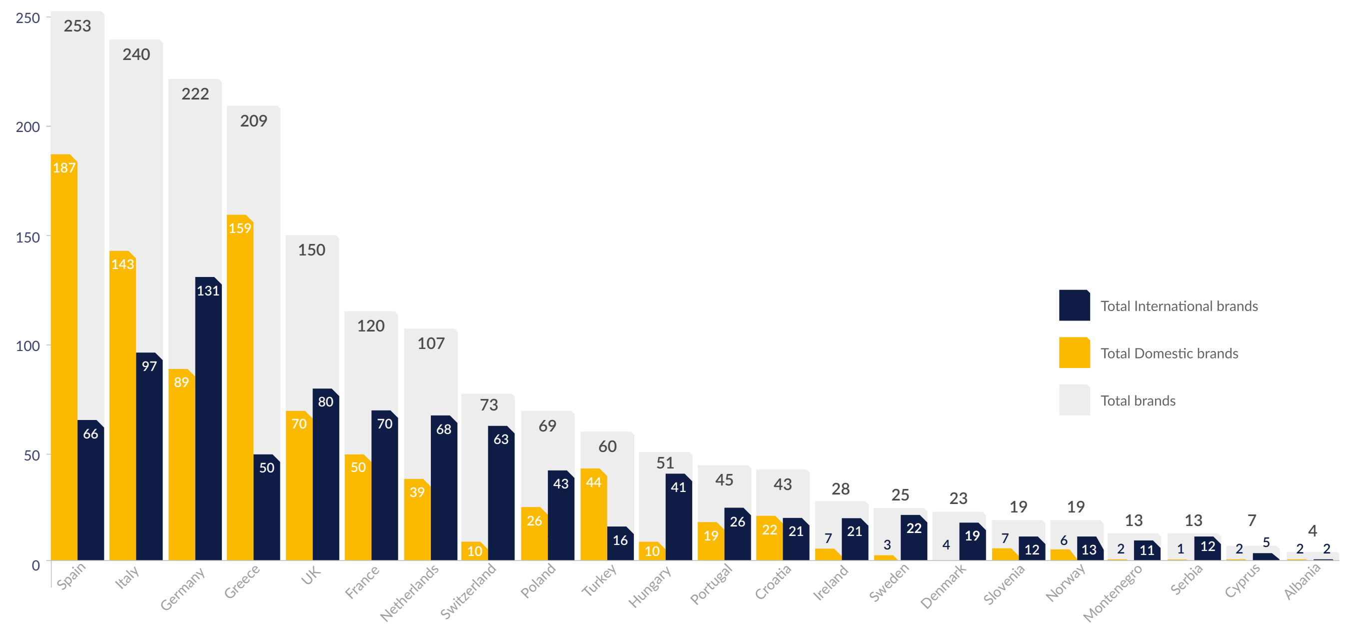
Chains
For the Chain Hotel market, there are 18,575 hotels with a total of 2,289,879 million bedrooms. This means that Chain hotels make up 13% of the overall hotel market, but represent 38% of the room market. Not surprisingly, the average size of Chain hotels is over twice the size of the whole market at 131 rooms. Here the spread is much more even, representing the consistency of hotel brands, with 19 out of the 22 markets having average chain room numbers of between 106 and 190.

Brands
In terms of the total number of brands, the average country has 82 hotel brands present. This range goes from Albania with 4, to Spain with 253. Spain has the most domestic brands, 187, whilst Germany has the most International brands with 131.

Growth
For the 12 markets where we have year on year data, there has been a significant amount of growth of Chain hotels in 2018. There was a total of 686 new hotels, equating to 73,802 rooms which is just over 4% growth.

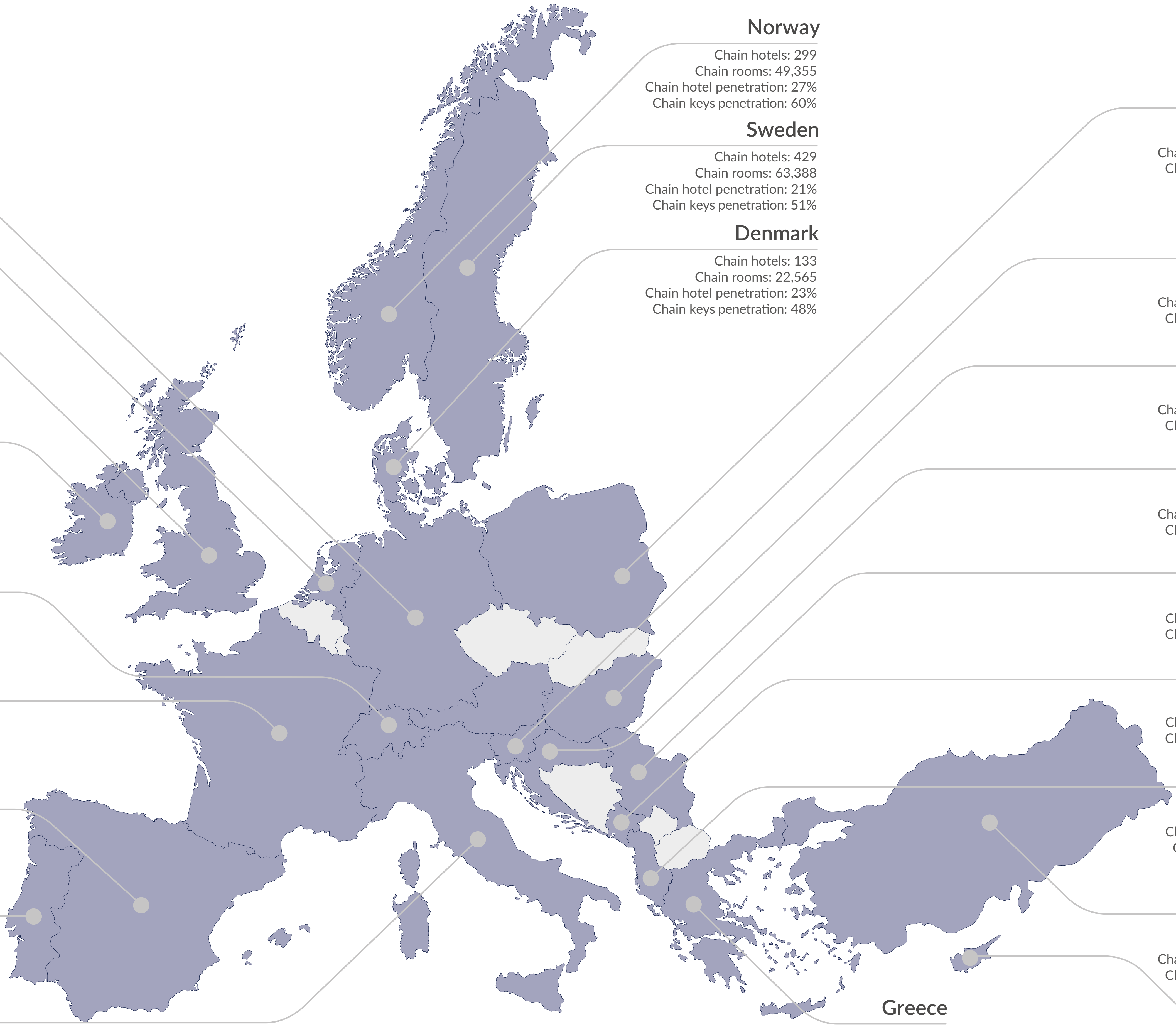
In contrast, the overall market grew by less than 1%, meaning that if you take out new build hotels, the overall market probably lost more independent hotels than they gained. The total number of brands grew 7%, or 102. This doesn't mean 102 new brands entered the market, but brands entered into markets they had not been in before.

James Chappell
Horwath HTL Global Business Director



	CHAINS & PENETRATION				BRANDS		
Country	Hotels	%	Rooms	%	Domestic	International	Total
Albania	12	2%	736	6%	2	2	4
Croatia	186	26%	33,939	58%	22	21	43
Cyprus	51	22%	9,701	17%	2	5	7
Denmark	133	23%	23,377	50%	4	19	23
France	3,885	21%	320,060	49%	50	70	120
Germany	2,217	11%	317,325	38%	89	131	222
Greece	730	7%	100,021	24%	164	47	209
Hungary	159	15%	22,093	36%	10	41	51
Ireland	185	22%	24,927	41%	7	21	28
Italy	1,584	5%	171,845	16%	143	97	240
Montenegro	25	8%	4,113	25%	2	11	13
Netherlands	663	19%	76,133	59%	39	68	107
Norway	299	27%	49,335	56%	6	13	19
Poland	366	14%	50,484	37%	26	43	69
Portugal	336	26%	43,069	44%	19	26	45
Serbia	22	6%	3,520	19%	1	12	13
Slovenia	78	24%	8,590	44%	7	12	19
Spain	2,488	34%	392,301	56%	188	65	253
Sweden	429	21%	63,388	51%	9	22	31
Switzerland	312	7%	33,775	26%	10	63	73
Turkey	942	19%	177,785	37%	44	16	60
UK	3,610	11%	384,223	48%	70	80	150

Chain Hotels & Rooms



Germany
Chain hotels: 2,217
Chain rooms: 317,325
Chain hotel penetration: 11%
Chain keys penetration: 38%

Netherlands
Chain hotels: 663
Chain rooms: 76,133
Chain hotel penetration: 19%
Chain keys penetration: 59%

UK
Chain hotels: 3,610
Chain rooms: 384,223
Chain hotel penetration: 11%
Chain keys penetration: 48%

Ireland
Chain hotels: 185
Chain rooms: 24,927
Chain hotel penetration: 22%
Chain keys penetration: 41%

Switzerland
Chain hotels: 312
Chain rooms: 33,775
Chain hotel penetration: 7%
Chain keys penetration: 26%

France
Chain hotels: 3,885
Chain rooms: 320,060
Chain hotel penetration: 21%
Chain keys penetration: 49%

Spain
Chain hotels: 2,488
Chain rooms: 392,301
Chain hotel penetration: 34%
Chain keys penetration: 56%

Portugal
Chain hotels: 336
Chain rooms: 43,069
Chain hotel penetration: 26%
Chain keys penetration: 44%

Italy
Chain hotels: 1,584
Chain rooms: 171,845
Chain hotel penetration: 5%
Chain keys penetration: 16%

Norway
Chain hotels: 299
Chain rooms: 49,355
Chain hotel penetration: 27%
Chain keys penetration: 60%

Sweden
Chain hotels: 429
Chain rooms: 63,388
Chain hotel penetration: 21%
Chain keys penetration: 51%

Denmark
Chain hotels: 133
Chain rooms: 22,565
Chain hotel penetration: 23%
Chain keys penetration: 48%

Greece
Chain hotels: 730
Chain rooms: 101,021
Chain hotel penetration: 7%
Chain keys penetration: 23%

Poland
Chain hotels: 366
Chain rooms: 50,484
Chain hotel penetration: 14%
Chain keys penetration: 37%

Slovenia
Chain hotels: 78
Chain rooms: 8,590
Chain hotel penetration: 24%
Chain keys penetration: 44%

Hungary
Chain hotels: 159
Chain rooms: 22,093
Chain hotel penetration: 15%
Chain keys penetration: 36%

Croatia
Chain hotels: 186
Chain rooms: 33,939
Chain hotel penetration: 26%
Chain keys penetration: 58%

Serbia
Chain hotels: 22
Chain rooms: 3,520
Chain hotel penetration: 6%
Chain keys penetration: 19%

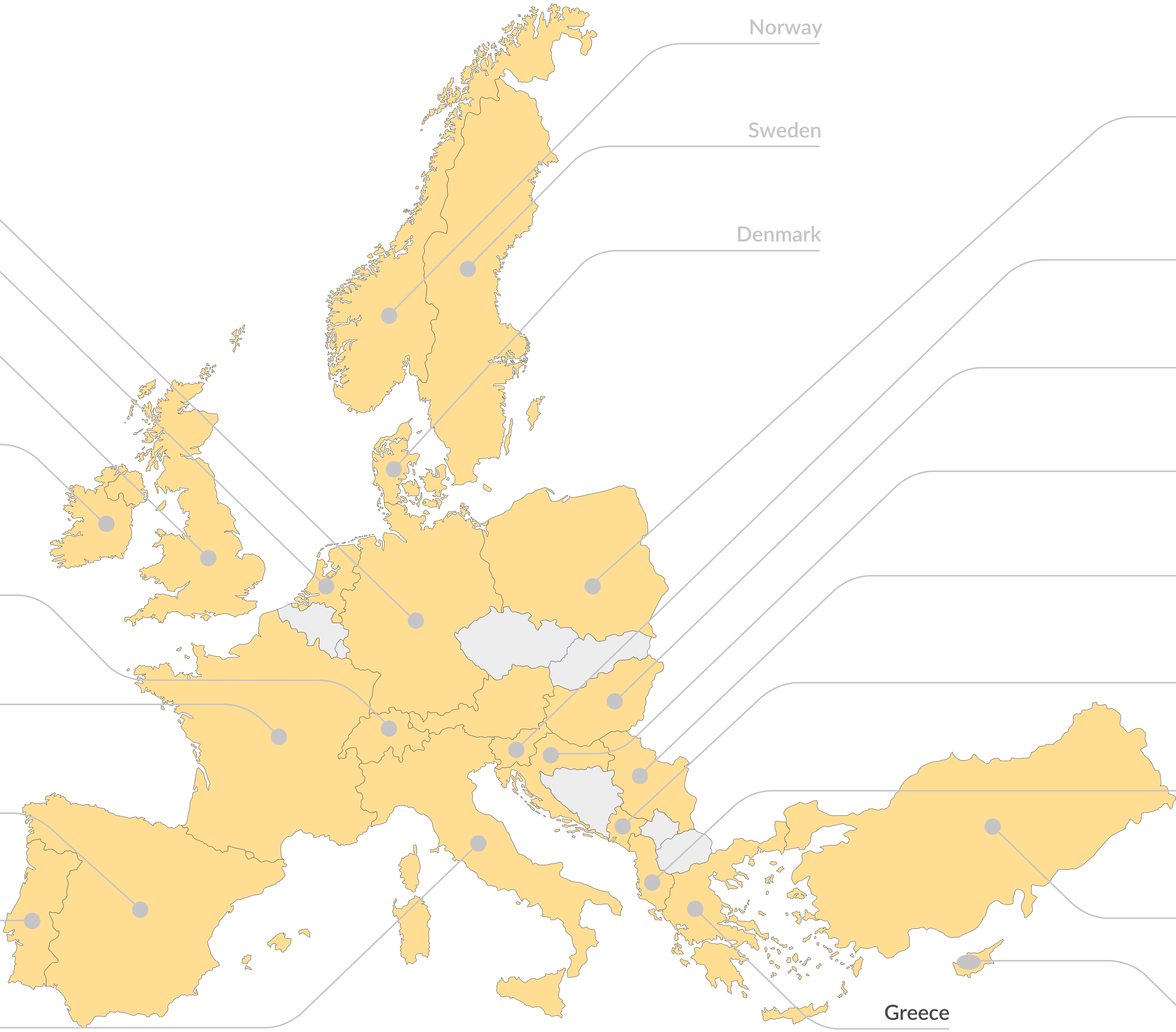
Montenegro
Chain hotels: 25
Chain rooms: 4,113
Chain hotel penetration: 8%
Chain keys penetration: 25%

Albania
Chain hotels: 12
Chain rooms: 736
Chain hotel penetration: 2%
Chain keys penetration: 6%

Turkey
Chain hotels: 942
Chain rooms: 177,785
Chain hotel penetration: 19%
Chain keys penetration: 37%

Cyprus
Chain hotels: 51
Chain rooms: 9,701
Chain hotel penetration: 22%
Chain keys penetration: 17%

Year-on-Year Growth



Germany
9% total brand increase
7% chain hotel increase
5% chain room increase

Netherlands
8% total brand increase
4% chain hotel increase
5% chain room increase

UK
1% total brand increase
3% chain hotel increase
3% total room increase

Ireland
-10% total brand decrease
1% chain hotel increase
4% chain room increase

Switzerland
14% total brand increase
15% chain hotel increase
12% chain room increase

France
12% total brand increase
2% chain hotel increase
0% chain room increase

Spain
2% total brand increase
6% chain hotel increase
4% chain room increase

Portugal

Italy
6% total brand increase
6% chain hotel increase
5% chain room increase

Norway

Sweden

Denmark

Poland
13% total brand increase
7% chain hotel increase
6% chain room increase

Slovenia

Hungary
-2% total brand decrease
8% chain hotel increase
6% chain room increase

Croatia
115% total brand increase
11% chain hotel increase
10% chain room increase

Serbia

Montenegro

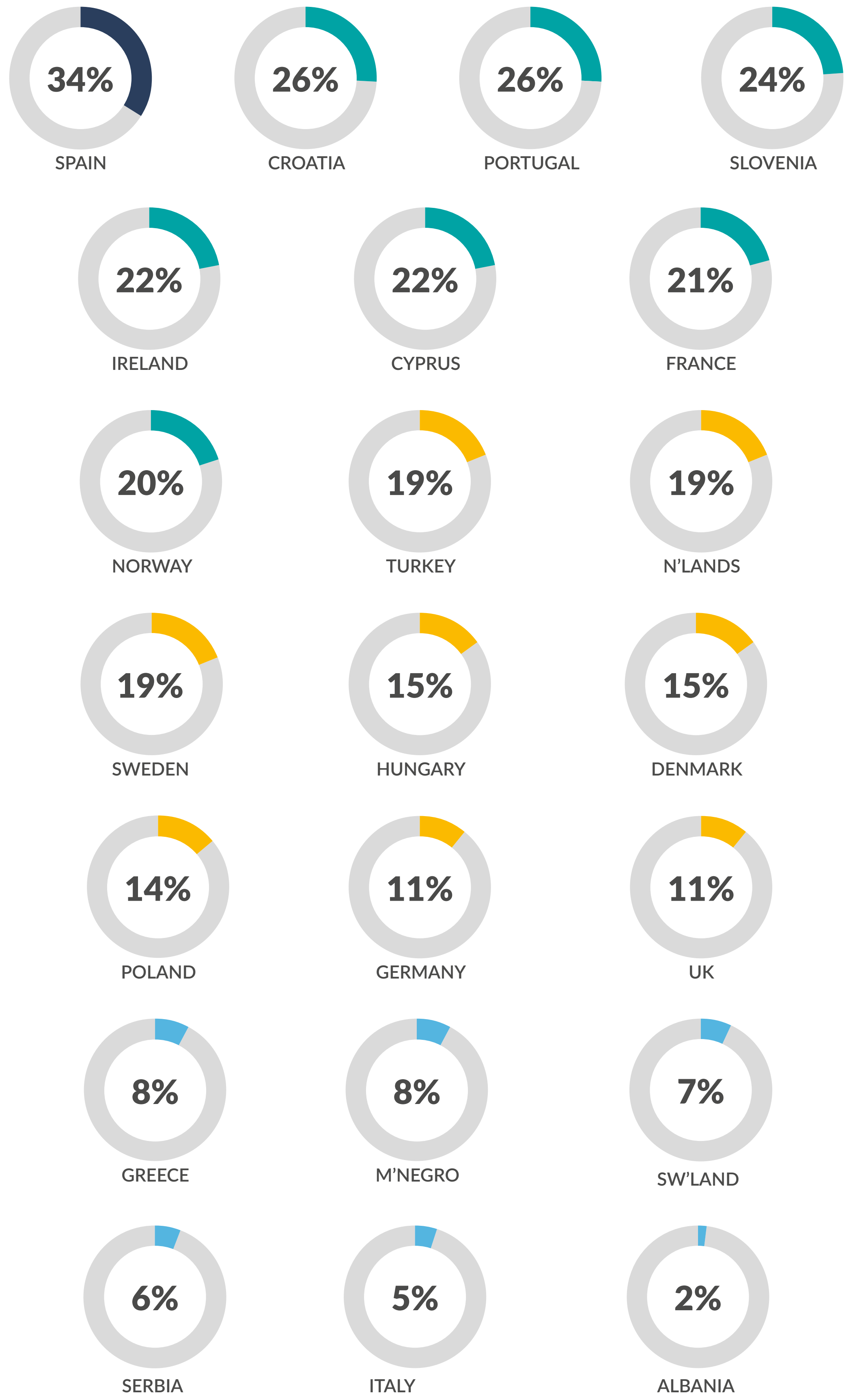
Albania

Turkey

Greece
6% total brand increase
5% chain hotel increase
5% chain room increase

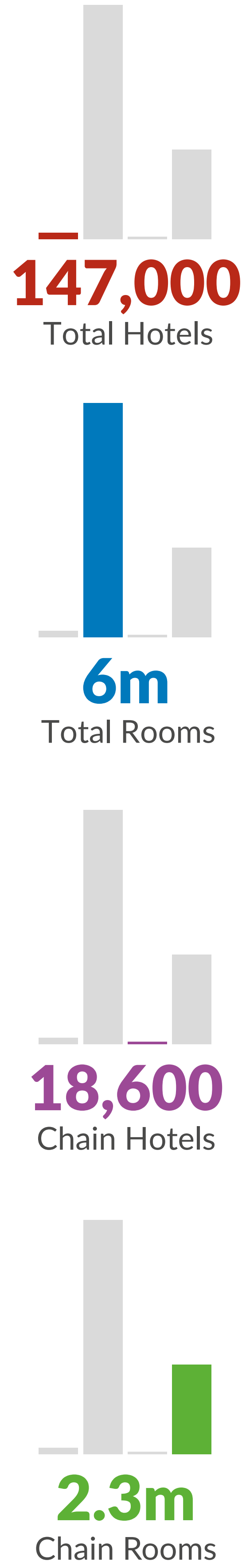
Cyprus
0% total brand increase
2% chain hotel increase
1% chain room increase

Branded Hotel Supply

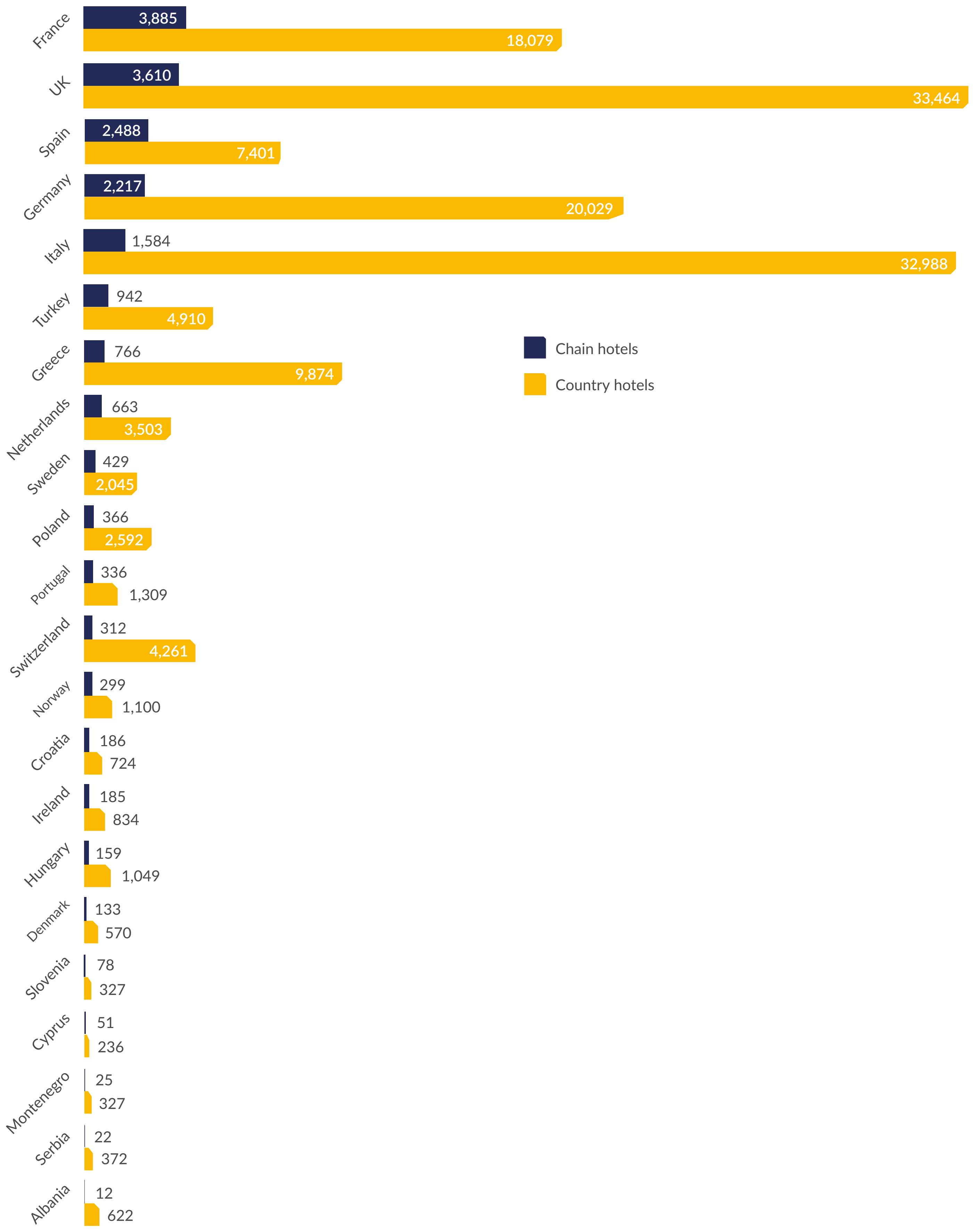


Total Market Supply

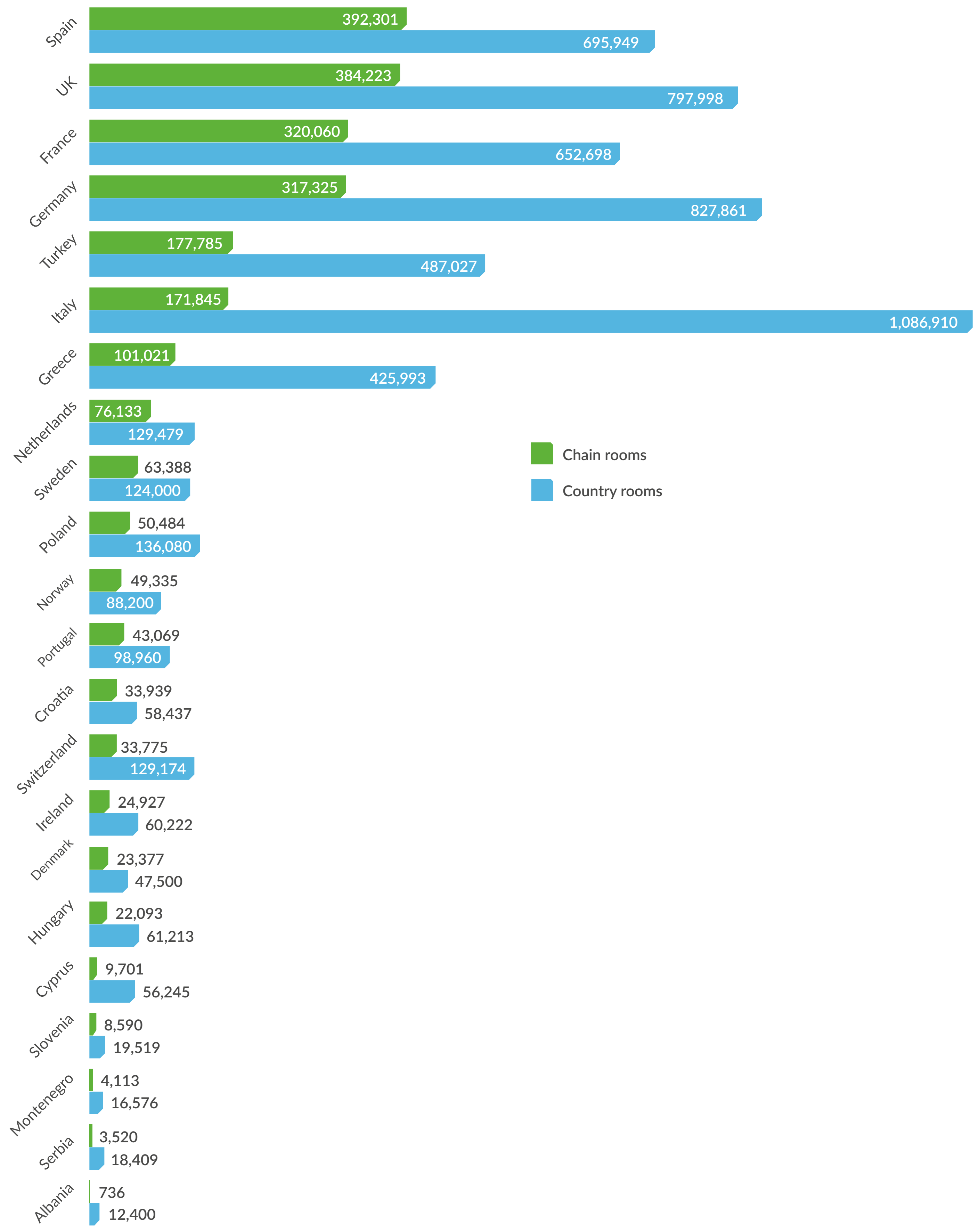
TOTAL SUPPLY			
Country	Hotels	Rooms	Avg. Size
Albania	622	12,400	20
Croatia	724	58,437	81
Cyprus	236	56,245	238
Denmark	570	47,500	83
France	18,079	652,698	36
Germany	20,029	827,861	41
Greece	9,874	425,993	43
Hungary	1,049	61,213	58
Ireland	834	60,222	72
Italy	32,988	1,086,910	33
Montenegro	327	16,576	51
Netherlands	3,503	129,479	37
Norway	1,100	88,200	80
Poland	2,592	136,080	53
Portugal	1,309	98,960	76
Serbia	372	18,409	49
Slovenia	327	19,519	60
Spain	7,401	695,949	94
Sweden	2,045	124,000	61
Switzerland	4,261	129,174	30
Turkey	4,910	487,027	30
UK	33,464	797,998	24



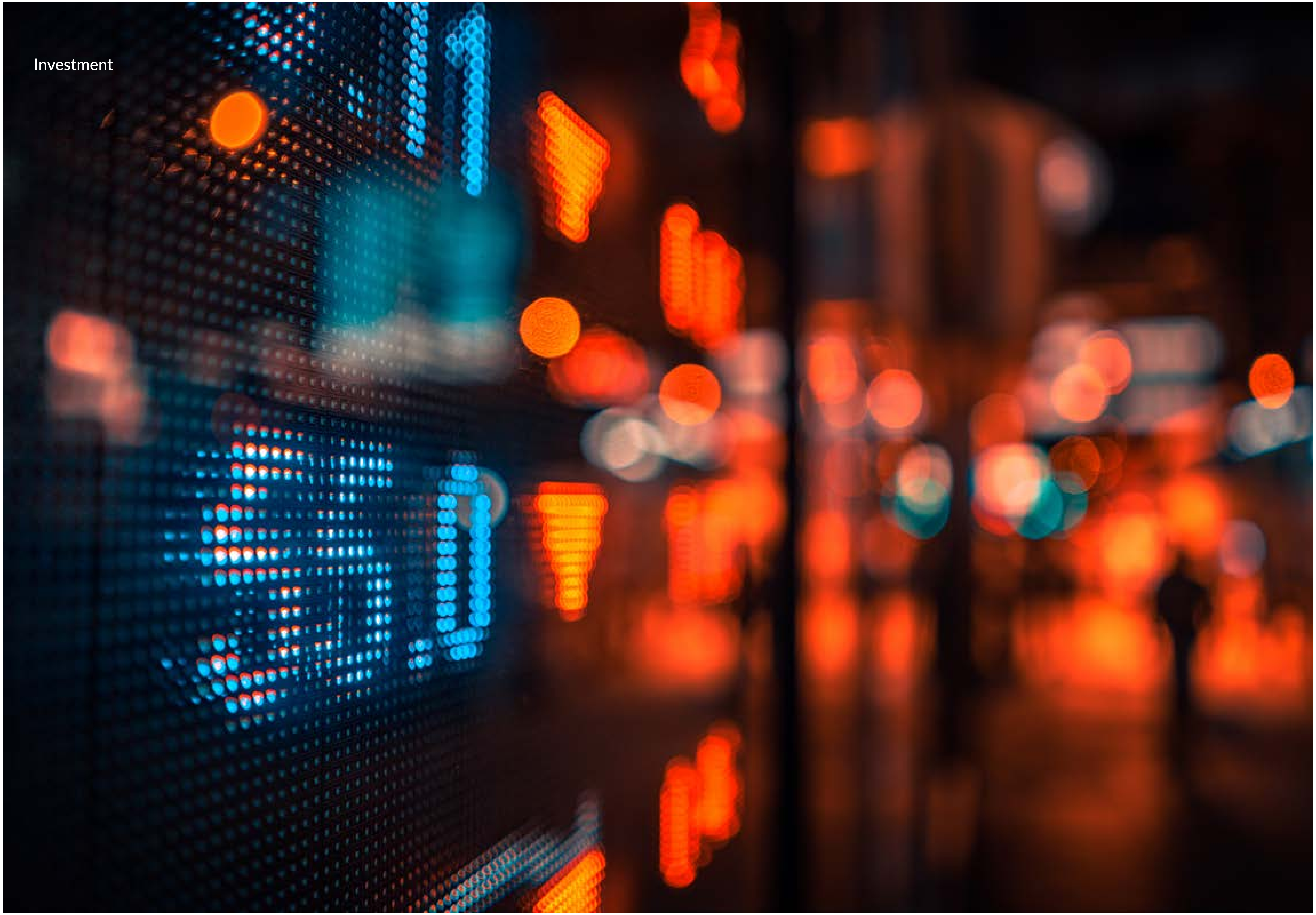
Chain Hotels vs Market



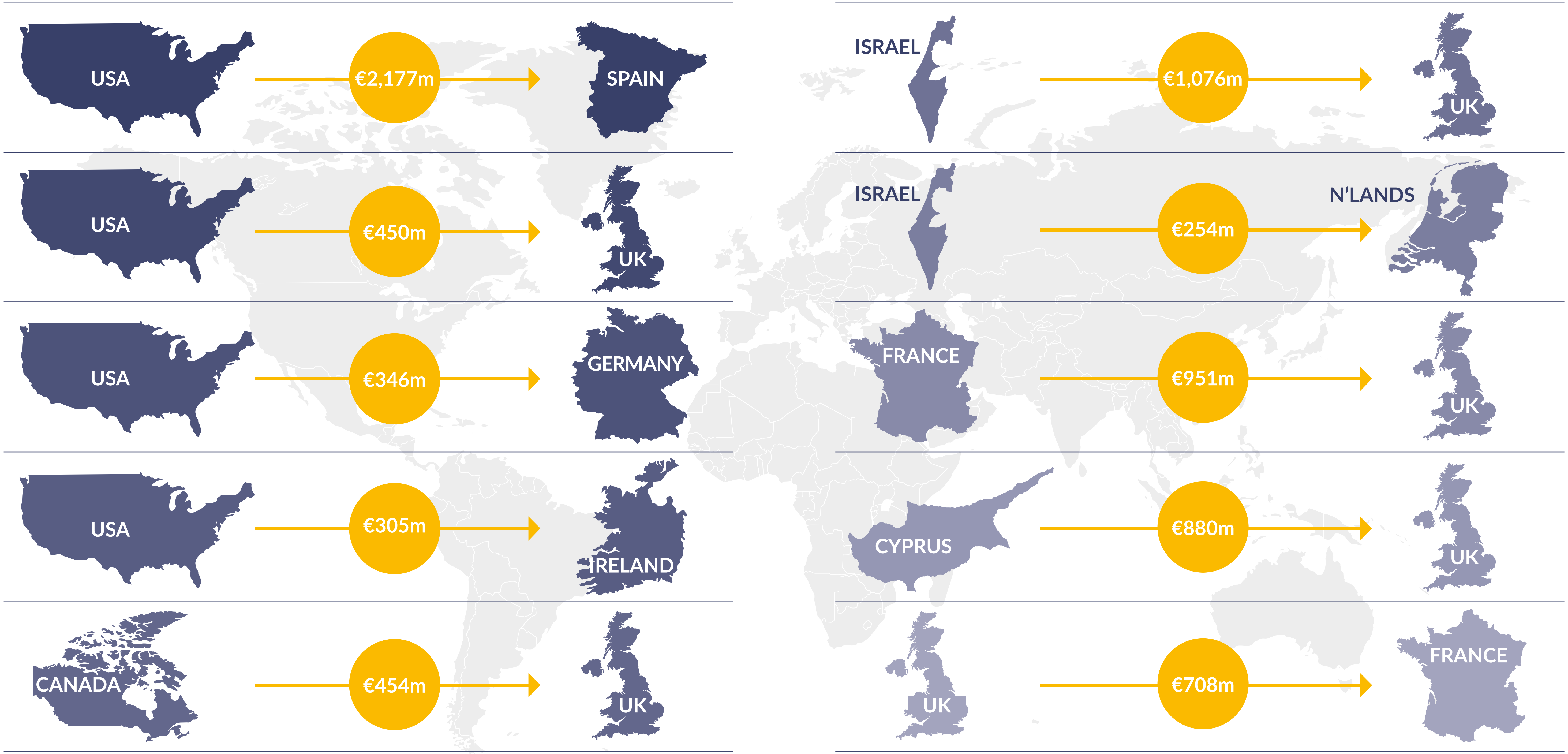
Chain Rooms vs Market



Investment



International Capital Flows, 2018

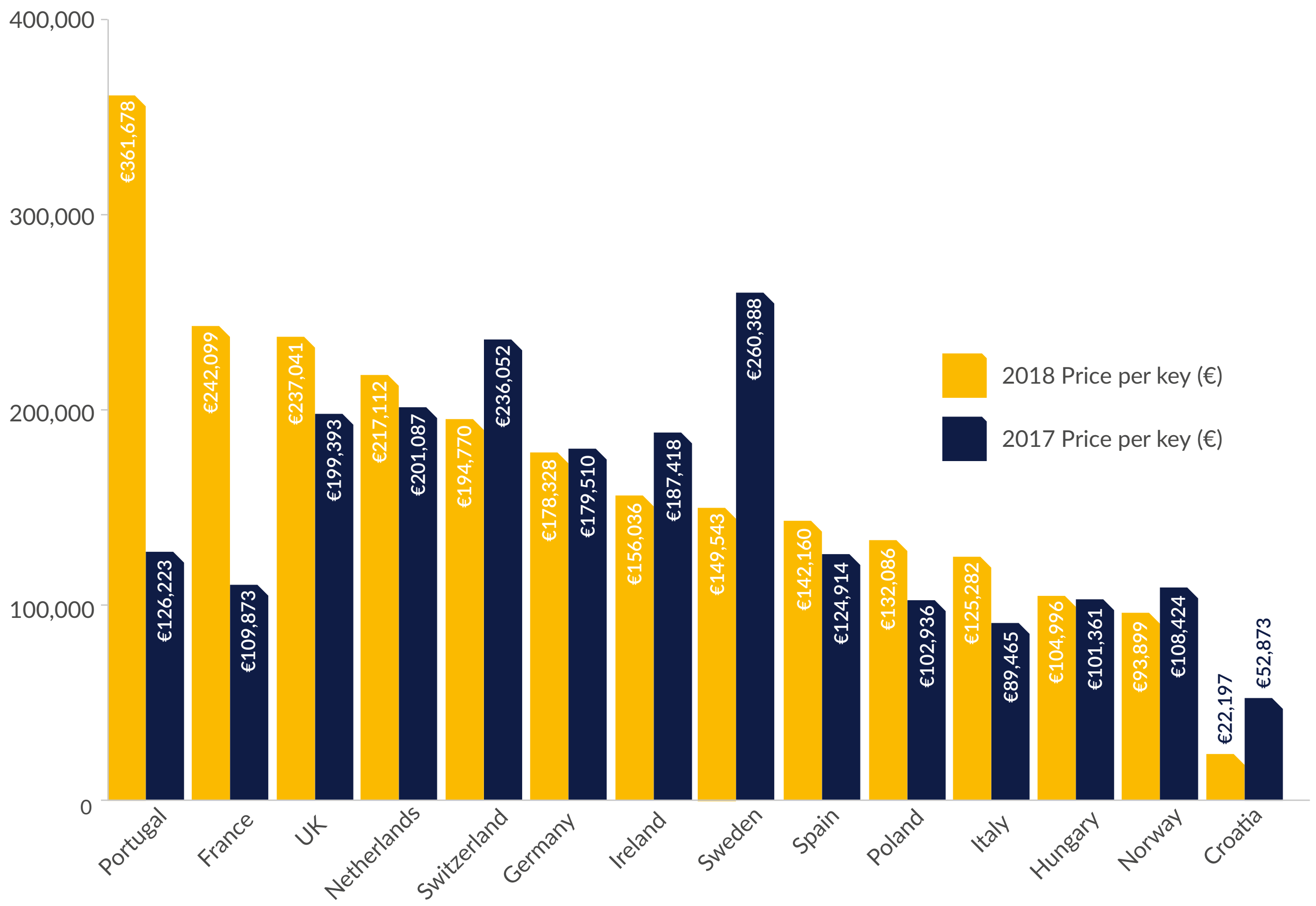


Source: Real Capital Analytics, Inc. 2019

Investment Volumes & Traded Keys

Country	VOLUME IN €M		NO. OF KEYS		€ PER KEY	
	2017	2018	2017	2018	2017	2018
Croatia	59	7	1,125	306	€52,873	€22,197
France	1,266	1,393	11,523	5,754	€109,873	€242,099
Germany	4,033	4,156	22,464	23,304	€179,510	€178,328
Hungary	189	35	1,864	332	€101,361	€104,996
Ireland	455	622	2,427	3,989	€187,418	€156,036
Italy	560	402	6,261	3,206	€89,465	€125,282
Netherlands	1,705	1,323	8,478	6,094	€201,087	€217,112
Norway	108	44	993	470	€108,424	€93,899
Poland	206	117	2,004	882	€102,936	€132,086
Portugal	129	228	1,022	631	€126,223	€361,678
Spain	4,159	3,551	33,298	24,976	€124,914	€142,160
Sweden	469	277	1,803	1,854	€260,388	€149,543
Switzerland	250	191	1,058	980	€236,052	€194,770
United Kingdom	6,176	6,483	30,976	27,350	€199,393	€237,041

Source: Real Capital Analytics, Inc. 2019



Hotel Portfolio Deals, 2018

Deal	Location	Price	Units	PPU	Buyer	Seller
Blackstone's Purchase of Hispania	Spain	€1,787	-	-	Blackstone	Hispania
Principal Hotel Company Portfolio	UK (multiple)	€951	2,633	361,047	Covivio	Starwood Capital
Ribbon Portfolio 2018	UK (multiple)	€855	4,272	200,064	Vivion Capital Partners	Apollo Global RE
Oaktree UK/IE SACO Aparthotel	Europe	€503	1,078	466,404	Brookfield AM	Oaktree
Amaris UK/IRE Hotel Portfolio	Europe	€364	895	406,444	LRC Europe	Lone Star
Tifco IRE Hotel Portfolio	Europe	€320	2,191	146,052	Apollo Global RE	Goldman Sachs
Amaris Portfolio Mercury Tranche	UK (multiple)	€313	2,281	137,431	LRC Europe	Lone Star
Secure Income acquires UK Hotel PF	UK (multiple)	€241	-	-	Secure Income REIT	GoldenTree Asset Mgt JV AvenueCapital Grp
Starwood De Vere Hotel Portfolio	UK (multiple)	€182	1,719	105,711	PGIM Real Estate	Starwood Capital
Project Dragonglass	UK	€154	1,334	115,640	Starwood Capital	Park Hotels & Resorts

Source: Real Capital Analytics, Inc. 2019

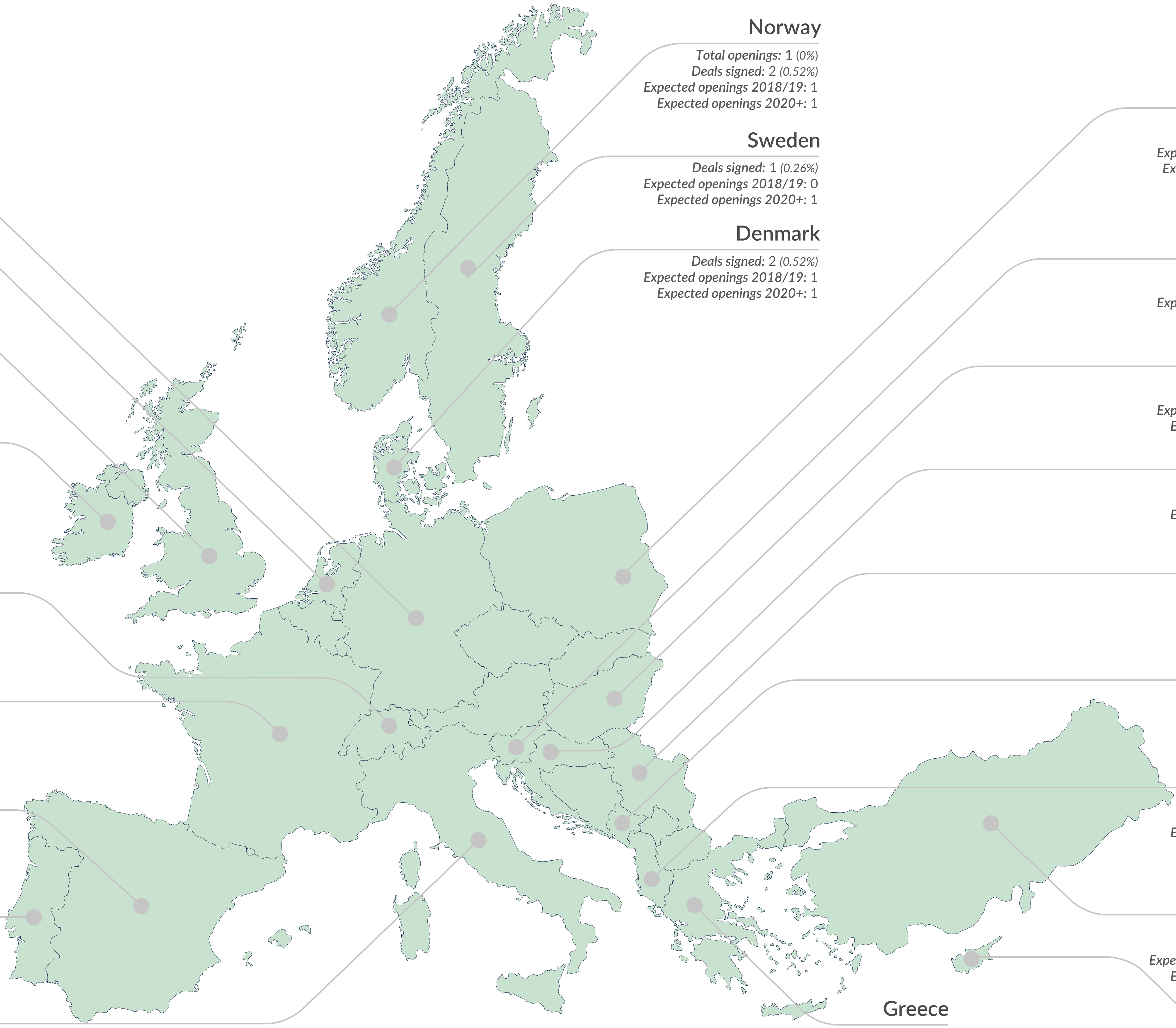
Hotel Ownership

Rank	Company	Units
1	AccorInvest	31,308
2	Pandox	26,742
3	Covivio	26,530
4	Blackstone	19,665
5	Shanghai Jinjiang Intl	18,109
6	Union Investment	16,411
7	London + Regional	14,056
8	DekaBank	12,121
9	Fattal Hotels	10,573
10	Eurazeo	9,125

Source: Real Capital Analytics, Inc. 2019

Openings & Deal Signing

(14 hotel companies provided deal signing data)



Germany
Total openings: 34 *(13%)*
Deals signed: 58 *(15.10%)*
Expected openings 2018/19: 20
Expected openings 2020+: 38

Netherlands
Total openings: 14 *(5%)*
Deals signed: 12 *(3.13%)*
Expected openings 2018/19: 6
Expected openings 2020+: 6

UK
Total openings: 57 *(22%)*
Deals signed: 74 *(19.27%)*
Expected openings 2018/19: 38
Expected openings 2020+: 36

Ireland
Deals signed: 1 *(0.26%)*
Expected openings 2018/19: 1

Switzerland
Total openings: 10 *(4%)*
Deals signed: 16 *(4.17%)*
Expected openings 2018/19: 7
Expected openings 2020+: 9

France
Total openings: 58 *(22%)*
Deals signed: 93 *(24.22%)*
Expected openings 2018/19: 56
Expected openings 2020+: 37

Spain
Total openings: 6 *(2%)*
Deals signed: 21 *(5.47%)*
Expected openings 2018/19: 10
Expected openings 2020+: 11

Portugal
Total openings: 2 *(1%)*
Deals signed: 8 *(2.08%)*
Expected openings 2018/19: 4
Expected openings 2020+: 4

Italy
Total openings: 11 *(4%)*
Deals signed: 21 *(5.47%)*
Expected openings 2018/19: 13
Expected openings 2020+: 8

Norway
Total openings: 1 *(0%)*
Deals signed: 2 *(0.52%)*
Expected openings 2018/19: 1
Expected openings 2020+: 1

Sweden
Deals signed: 1 *(0.26%)*
Expected openings 2018/19: 0
Expected openings 2020+: 1

Denmark
Deals signed: 2 *(0.52%)*
Expected openings 2018/19: 1
Expected openings 2020+: 1

Poland
Total openings: 12 *(5%)*
Deals signed: 23 *(5.99%)*
Expected openings 2018/19: 4
Expected openings 2020+: 19

Slovenia
Total openings: 2 *(1%)*
Deals signed: 1 *(0.26%)*
Expected openings 2018/19: 1

Hungary
Total openings: 2 *(1%)*
Deals signed: 6 *(1.56%)*
Expected openings 2018/19: 1
Expected openings 2020+: 5

Croatia
Total openings: 1 *(0%)*
Deals signed: 1 *(0.26%)*
Expected openings 2020+: 1

Serbia
Total openings: 2 *(1%)*

Montenegro

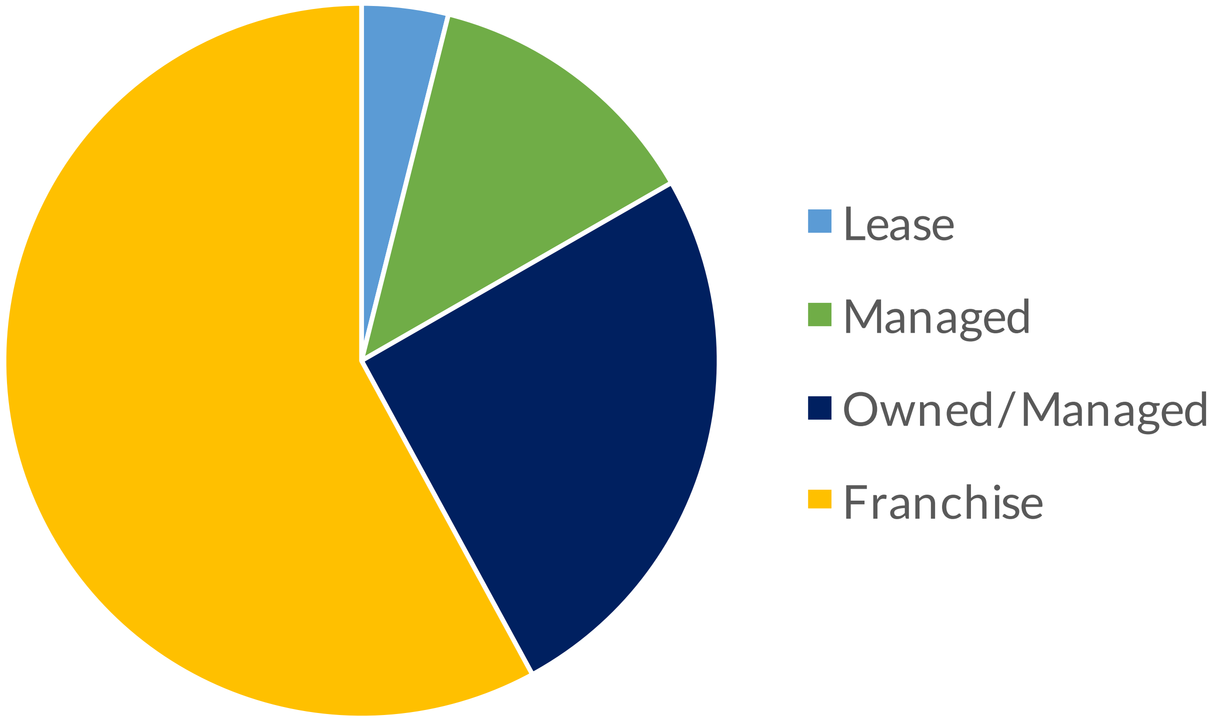
Albania
Total openings: 1 *(0%)*
Deals signed: 2 *(0.52%)*
Expected openings 2020+: 2

Turkey
Total openings: 32 *(12%)*
Deals signed: 26 *(6.77%)*
Expected openings 2018/19: 18
Expected openings 2020+: 8

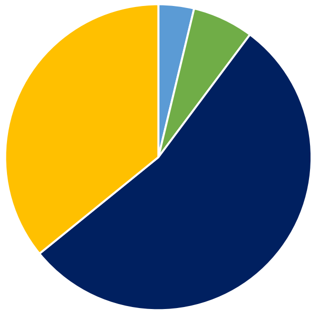
Greece
Total openings: 6 *(2%)*
Deals signed: 8 *(2.08%)*
Expected openings 2018/19: 6
Expected openings 2020+: 2

Cyprus
Total openings: 1 *(1%)*
Deals signed: 4 *(1.04%)*
Expected openings 2018/19: 1
Expected openings 2020+: 3

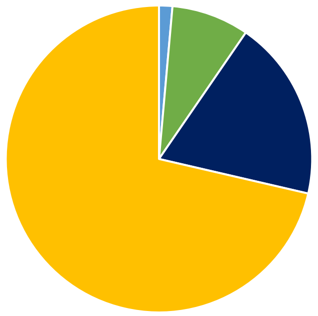
Business Model



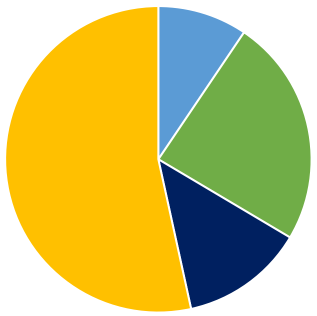
Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Overall	Lease	276	68,549	3.91%	7.66%
	Managed	902	150,527	12.79%	16.81%
	Owned/Managed	1,789	211,527	25.37%	23.63%
	Franchise	4,086	464,715	57.93%	51.91%



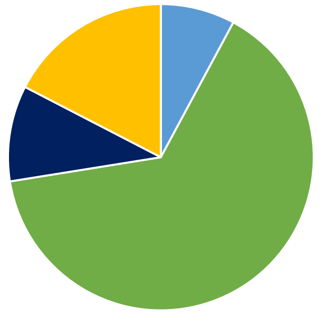
Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Economy	Lease	60	17,141	3.90%	11.78%
	Managed	103	8,870	6.70%	6.10%
	Owned/Managed	862	79,411	56.05%	54.60%
	Franchise	573	40,032	37.26%	27.52%



Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Midscale	Lease	52	9,764	1.41%	2.39%
	Managed	302	32,944	8.18%	8.07%
	Owned/Managed	702	86,982	19.02%	21.30%
	Franchise	2,634	278,720	71.38%	68.25%

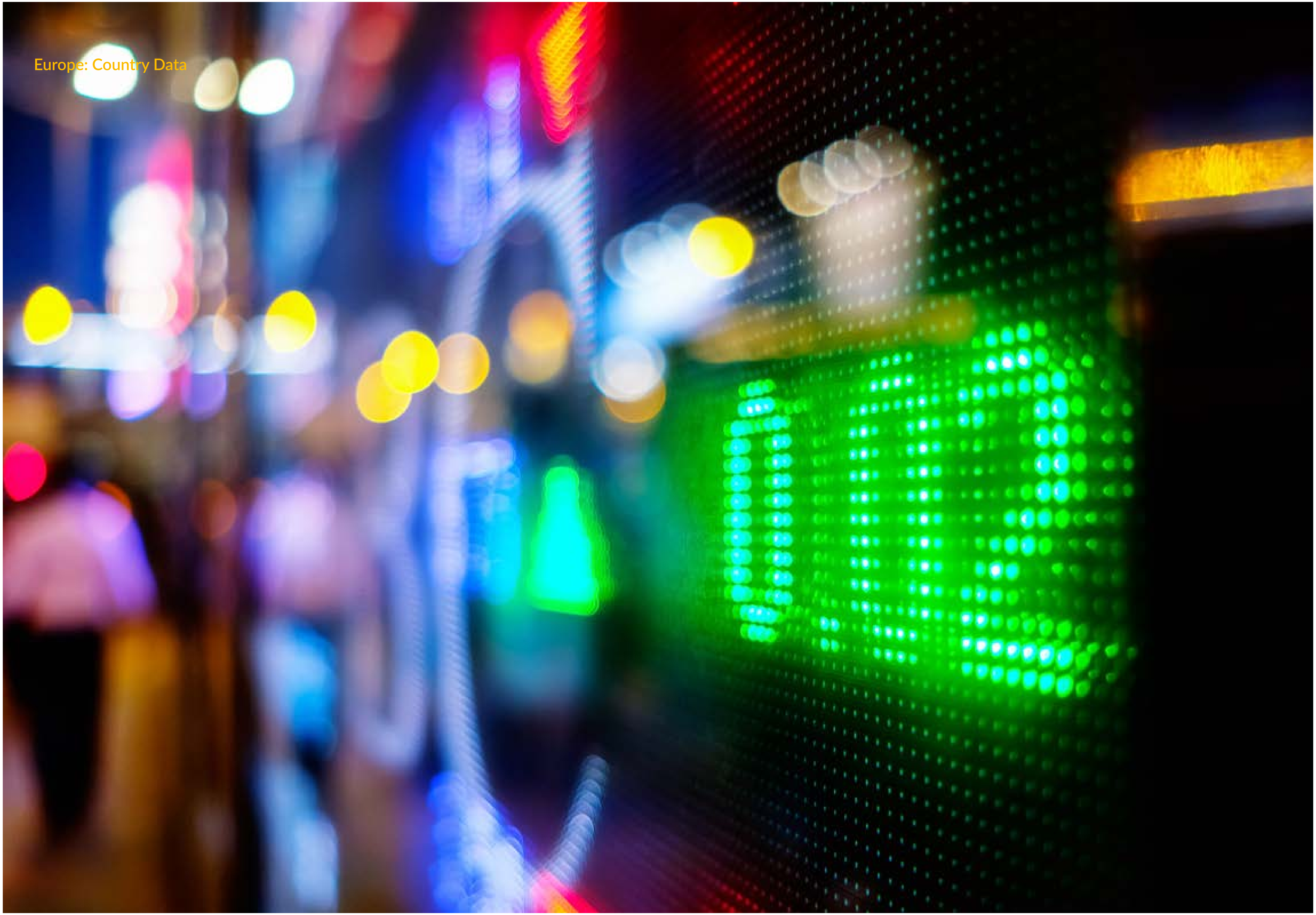


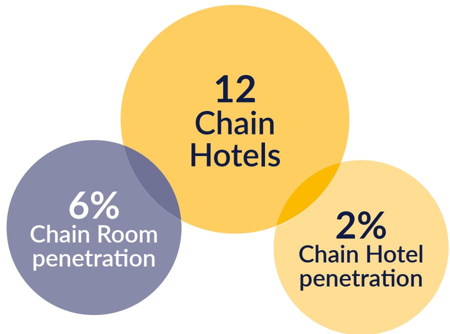
Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Upscale & Upper Upscale	Lease	150	38,260	9.42%	12.54%
	Managed	382	84,692	23.98%	27.76%
	Owned/Managed	207	41,952	12.99%	13.75%
	Franchise	848	140,192	53.23%	45.95%



Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Luxury	Lease	14	3,384	7.87%	9.31%
	Managed	115	24,021	64.61%	66.07%
	Owned/Managed	18	3,182	10.11%	8.75%
	Franchise	31	5,771	17.42%	15.87%

Europe: Country Data





Key Statistics	2018
Total chain hotels	12
Total chain rooms	736
Average size per chain hotel in rooms	61.3
Country hotels stock *(overall supply)*	622
Country rooms Stock *(overall supply)*	12,400
Average size per hotel in rooms	19.9
Chain penetration % by hotels	1.9%
Chain penetration % by rooms	5.9%
Total number of brands	4
Domestic brands	2
International brands	2
Second-tier operated hotels	0
International chain hotels*	3
Domestic chain hotels*	9
International chain rooms*	211
Domestic chain rooms*	525

** Includes double counting*
Note: Albania is a new market to report - only 2018 data available

Albania

Albania has never been as attractive for tourism investments as it is now. Hotel chains are chasing opportunities to enter Tirana or start up resorts along the 350km of unspoiled coast.

The Market

Albania is one of the few almost undiscovered destinations on the Mediterranean coast. The popularity on European incoming markets has grown impressively during the last 3 years - Hilton, Hyatt, Melià and formerly Sheraton, have all established a presence.

2019 will be a crucial year: in May 2018 the Government launched a FDI incentive plan dedicated to hotels and resorts, to further support chains' curiosity and some initial impacts are already evident. Hotels size is still limited and the industry is highly fragmented. With the exclusion of ten hotels which survived during communism, 90% of the Albanian hotel portfolio was started during the late 90s, with most development happening over the last 7-8 years. Hotel chains cover 1% of the hotels portfolio for less than a thousand rooms.

International chains curiosity is growing, together with a perception of reduced country business risk, thus pipeline projects are abundant and will lead to double current branded portfolio in 2-year time. Most future development will take place in the capital and in coastal areas of Vlore, especially along the southern coasts facing Corfù and bordering Greece. If resorts development will be kept under adequate sustainable levels and embraced into a long-term vision, Albania will be able to make the best out of its tourism in 5 years from now.

Zoran Bačić, Senior Partner & Managing Director
Horwath HTL Italy

Key Points

- **350 km of beaches**
  Albania offers over 350 km of beaches along the Adriatic and Ionian seas, with a very limited industrial and logistics presence on its coasts, which makes most of the bays, gulfs and peninsulas unspoiled and pristine. S&B resorts development, if adequately planned, is the key opportunity.

- **Tirana yet open to greenfield projects**
  Tirana has recently welcomed 2 Best Western, a planned re-branding of a former Sheraton into a Park Hyatt, a Garden Inn and other international brands have been announced. The capital is vibrant in terms of international demand curiosity and open to greenfield projects to be located within wider plans of re-building of central and peripheral districts.

Albania: Business Model

BY HOTELS								
	Franchising	%	Lease	%	Owned	%	Total	%
Midscale	-	-	5	100%	-	-	5	100%
Upscale & U.Upscale	3	43%	3	43%	1	14%	7	100%
TOTAL	**3**	**25%**	**8**	**67%**	**1**	**8%**	**12**	**100%**

BY ROOMS								
	Franchising	%	Lease	%	Owned	%	Total	%
Midscale	-	-	153	100%	-	-	153	100%
Upscale & U.Upscale	211	36%	239	41%	133	23%	583	100%
TOTAL	**211**	**29%**	**392**	**53%**	**133**	**18%**	**736**	**100%**

Albania: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Harmonia Hotels Group	5	448
2	Hilton	1	143
3	Albanian Resort	4	77
4	Best Western	2	68

	Domestic Chain Groups	Hotels	Rooms
1	Harmonia Hotels Group	5	448
2	Albanian Resort	4	77

	International Chain Groups	Hotels	Rooms
1	Hilton	1	143
2	Best Western	2	68

Albania: Ranking per Scale & Size

CHAINS	OVERALL			
	Hotels	Rooms	%	Avg.
Midscale	5	153	20.8%	31
Upscale & U.Upscale	7	583	79.2%	83
TOTAL	**12**	**736**	**100%**	**61**

Albania: Ranking by Destination

Rank	Destination	By Hotels
1	Tirana	4
2	Kavaje	3
3	Durres	3
4	Dhermi	1
5	Gjirokaster	1

Rank	Destination	By Rooms
1	Durres	272
2	Tirana	230
3	Kavaje	194
4	Dhermi	20
5	Gjirokaster	20

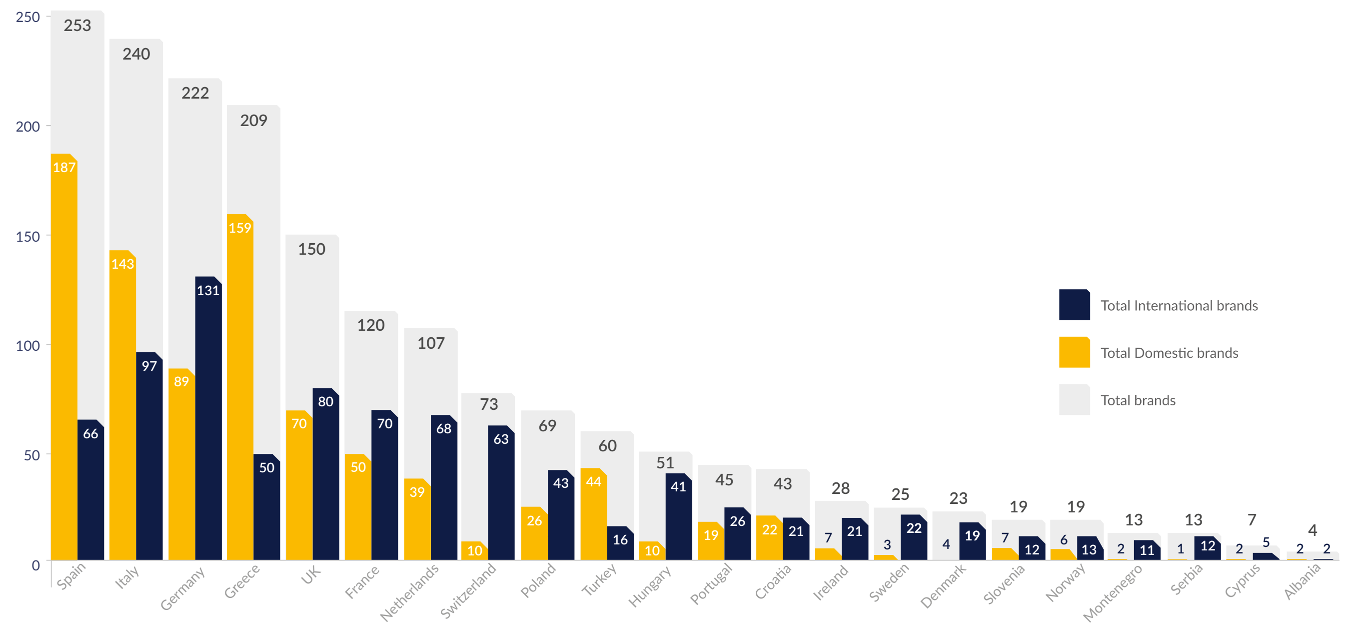
Albania: Pipeline (2018/19)

Rank	Destination	Hotel	Rooms
1	Durres	1	350
2	Palase	1	180
3	Tirana	2	291

Albania: Institutional Owners

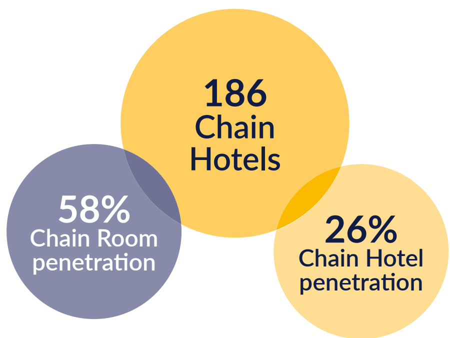
Rank	Name	No. of Keys
1	Bank of Albania	98

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2017	2018	% Diff.
Total chain hotels	167	186	11%
Total chain rooms	30,808	33,923	10%
Average size per chain hotel in rooms	184	182	-1%
Country hotels stock (overall supply)	684	724	6%
Country rooms Stock (overall supply)	57,885	58,437	1%
Average size per hotel in rooms	85	81	-5%
Chain penetration % by hotels	24.42%	25.69%	5%
Chain penetration % by keys	53.22%	58.05%	9%
Total number of brands	20	43	115%
Domestic brands	5	23	360%
International brands	15	22	47%
International chain hotels*	57	45	-21%
Domestic chain hotels*	119	163	37%
International chain rooms*	13,168	8,927	-32%
Domestic chain rooms*	20,110	30,272	51%

** Includes double counting*
Increase of international brands is dominantly the result of the international brand counting methodology



Croatia

Croatia is seen as one of most attractive destinations of the Mediterranean, yet the hotel sector is dominated by domestic chains. However, project pipeline is strongly inclined towards international brands.

The Market

The Croatian hotel market is stagnating in supply development (1% increase in overall room stock supply in 2018) primarily due to the current market being favourable for development of private accommodation (i.e. low taxes, regulatory environment) and low incentives for hotel development, which is the key reason for the dominance of domestic hotel chains (9% of hotel companies are generating 85% of total industry revenue).

High seasonality and the current level of 'doing business in Croatia' (ranked 58th overall, and 159th in dealing with construction permits) is still a major barrier for international investors, especially in terms of overtaking development and ownership risks – however there are positive examples on the market which may boost the investors' confidence.

In 2018, we saw growth (RevPar 16% YoY), however with a slowdown risk coming from the Mediterranean recovery and the price driven growth strategies without significant incremental increase in value-added offering starting to loose its competitiveness. On the other hand, the pre and post season offers significant upside potential, which can be captured with smart initiatives and management. Zagreb as the only 'continental' destination that is on the rise, with 3 new chain hotels in 2018, and 3 new in the pipeline.

Siniša Topalović, ISHC, Managing Partner
Horwath HTL Croatia

Key Points

- **Domestic chains main driver of growth**
  Domestic Chains have been active on the investment market with major chains opening at least one new property in 2018 – Top 5 chains added 11 properties and 2,5 thousand new rooms to the market. Other players have been primarily focused on development of small hotels.

- **New brands from domestic chains**
  Most of the leading domestic players have engaged into a portfolio branding process increasing the number of domestic brands of the market. This trend is aligned with the European market developments, however the motives of this process are still to be revealed (i.e. sale of portfolio, regional expansion) .

- **Hotel market still betting on summer season**
  Even though Zagreb is on the rise (with 3 new internationally branded projects in pipeline) the main part of the pipeline is focused on the coastal areas (75% of total pipeline) and into recognised destinations (Hvar, Dubrovnik, Rovinj, Poreč).

Croatia: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Valamar Riviera	35	7,135
2	Plava Laguna	22	5,777
3	Liburnia Riviera Hoteli	16	2,636
4	Bluesun H&R	14	2,442
5	Amadria Park	12	2,050
6	Meliá Hotels International	10	2,331
7	HUP-Zagreb	9	1,831
8	Maistra	9	1,695
9	Adriatic Luxury Hotels	9	1,585
10	Jadran Crikvenica H&C	8	562
	Domestic Chain Groups	Hotels	Rooms
1	Valamar Riviera	35	7,135
2	Plava Laguna	22	5,777
3	Liburnia Riviera Hoteli	16	2,636
4	Bluesun H&R	14	2,442
5	Amadria Park	12	2,050
6	HUP-Zagreb	9	1,831
7	Maistra	9	1,695
8	Adriatic Luxury Hotels	9	1,585
9	Jadran Crikvenica H&C	8	562
10	Lošinj Hotels & Villas	7	1,343
	International Chain Groups	Hotels	Rooms
1	Meliá Hotels International	10	2,331
2	Falkensteiner	6	1,088
3	TUI	5	703
4	PPHE	5	1,397
5	Marriott International	4	1,229
6	Hilton Woldwide	3	452
7	Best Western	2	140
8	Holleis Hotels	2	221
9	Carlson Rezidor	1	254
10	Rixos	1	254

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Valamar Hotels and Resorts	18	3,513
2	Bluesun Hotels & Resorts	13	2,281
3	Plava laguna	12	3,446
4	Amadria Park	10	1,756
5	Sunny by Valamar	9	2,330
6	Sol Hotels - Meliá	8	1,901
7	Jadran Crikvenica H&C	8	562
8	Remisens Hotels	7	1,379
9	Lošinj Hotels & Villas	7	1,343
10	Suncani Hvar Hotels	6	760
	Domestic Chain Brands	Hotels	Rooms
1	Valamar Hotels and Resorts	18	3,513
2	Bluesun Hotels & Resorts	13	2,281
3	Plava laguna	12	3,446
4	Amadria Park	10	1,756
5	Sunny by Valamar	9	2,330
6	Jadran Crikvenica H&C	8	562
7	Lošinj Hotels & Villas	7	1,343
8	Remisens Hotels	7	1,379
9	Suncani Hvar Hotels	6	760
10	Ilirija hotels and resorts	5	446
	International Chain Brands	Hotels	Rooms
1	Sol Hotels - Meliá	8	1,901
2	Falkensteiner	6	1,088
3	Park Plaza hotels	3	983
4	Sheraton	2	557
5	Meliá Hotels and Resorts	2	430
6	Le Meridien Lav	1	381
7	Sensimar	3	342
8	The Westin	1	291
9	Rixos	1	254
10	Radisson Blu	1	254

Croatia: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Sunny by Valamar	9	2,330
2	Plava laguna	7	2,313
3	Bluesun Hotels & Resorts	6	1,169
4	Jadran Crikvenica H&C	5	257
5	Hoteli Maestral	4	372
6	Valamar Hotels and Resorts	3	701
7	Suncani Hvar Hotels	3	314
8	Remisens S.Selection Hotels	3	337
9	Remisens Hotels	2	378
10	Adriatic Luxury Hotels	2	185
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Valamar Hotels and Resorts	15	2,812
2	Amadria Park	7	1,315
3	Bluesun Hotels & Resorts	7	1,112
4	Remisens Hotels	5	1,001
5	Lošinj Hotels & Villas	5	1,078
6	Plava laguna	5	1,133
7	Valamar Collection Resorts	3	470
8	Suncani Hvar Hotels	3	446
9	Jadran Crikvenica H&C	3	305
10	Ilirija hotels and resorts	3	338
Rank	Luxury	Hotels	Rooms
1	Maistra Collection	2	349
2	Lošinj Hotels & Villas	2	265
3	Amadria Park	2	115
4	Valamar Collection	1	292
5	Remisens	1	249
6	Valamar Collection Resorts	1	54

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Falkensteiner	1	240
2	Park Plaza hotels	1	188
3	Sol Hotels - Meliá	1	179
4	Best Western	1	40
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Sol Hotels - Meliá	7	1,722
2	Park Plaza hotels	2	795
3	Falkensteiner	4	638
4	Sensimar	3	342
5	Radisson blu	1	254
6	Karisma hotels	1	209
7	TUI Family Life	1	200
8	Lifeclass	1	157
9	Doubletree Hilton	1	152
10	Canopy	1	151
Rank	Luxury	Hotels	Rooms
1	Sheraton	2	557
2	Le Meridien Lav	1	381
3	The Westin	1	291
4	Rixos	1	254
5	Falkensteiner	1	210
6	Kempinski	1	186
7	TUI Blue	1	161
8	Hilton	1	149

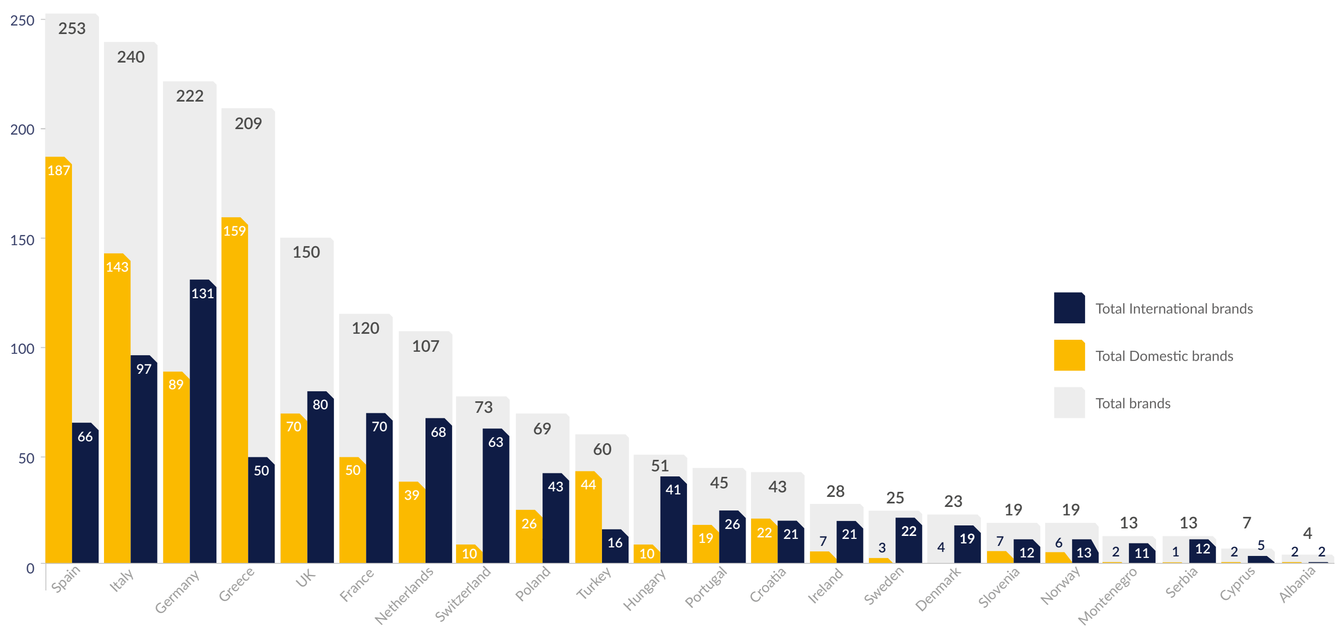
Croatia: Ranking per Scale & Size

CHAINS	OVERALL		DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Budget & Economy	11	1,953	10	1,713	1	240
Midscale	45	8,068	42	7,661	3	407
Upscale & U.Upscale	92	16,851	66	11,846	26	5,005
Luxury	25	4,990	16	2,801	9	2,189
TOTAL	**173**	**31,862**	**134**	**24,021**	**39**	**7,841**

Croatia: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-	-	-	-	-	-	13	8%	13	7%
Midscale	2	11%	-	-	-	-	48	30%	50	27%
Upscale & U.Upscale	11	61%	5	83%	2	50%	79	50%	97	52%
Luxury	5	28%	1	17%	2	50%	18	11%	26	14%
TOTAL	**18**	**10%**	**6**	**3%**	**4**	**2%**	**158**	**85%**	**186**	**100%**

BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-	-	-	-	-	-	2,224	8%	2,224	7%
Midscale	219	6%	-		-	-	8,639	30%	8,858	26%
Upscale & U.Upscale	2,305	61%	578	78%	411	42%	14,356	50%	17,650	52%
Luxury	1,247	33%	161	22%	567	58%	3,216	11%	5,191	15%
TOTAL	**3,771**	**11%**	**739**	**2%**	**978**	**3%**	**28,435**	**84%**	**33,923**	**100%**



Croatia: Ranking by Destination

Rank	Destination	Hotels
1	Poreč	22
2	Dubrovnik	19
3	Opatija	17
4	Zagreb	11
5	Umag	10
6	Crikvenica	7
7	Rovinj	7
8	Rabac	6
9	Hvar	6
10	Šibenik	6

Rank	Destination	Rooms
1	Poreč	5,140
2	Dubrovnik	3,537
3	Umag	2,331
4	Opatija	2,104
5	Zagreb	1,737
6	Šibenik	1,486
7	Rovinj	1,450
8	Cavtat	1,133
9	Rab	977
10	Rabac	975

Croatia: Pipeline (2018/19)

Rank	Destination	Hotels	Rooms
1	Zagreb	14	2,265
2	Hvar	9	1,075
3	Šibenik	7	1,736
4	Rovinj	8	1,659
5	Dubrovnik	16	3,737
6	Opatija	18	2,299
7	Split	3	828
8	Zadar	5	814
9	Poreč	23	5,248

Croatia: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	1	112	8	1,675
Sun & Beach	133	24,024	29	5,829
Other Leisure	1	65	1	157

Croatia: Hotel Investors 2018

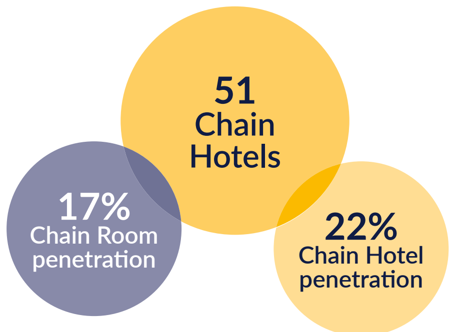
Rank	Name	Volume in €m
1	PBZ Croatia Osiguranje	6.8
2	Erste Bank	6.8

Source: Real Capital Analytics, Inc. 2019

Croatia: Institutional Owners 2018

Rank	Name	No. of Keys
1	PBZ Croatia Osiguranje	830
2	Hypo Alpe-Adria-Bank	359
3	Erste Bank	306
4	Raiffeisen Bank	84
5	Podravska Banka	80

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2017	2018	% Diff.
Total chain hotels	50	51	2.00
Total chain rooms	9,595	9,701	1.10
Average size per chain hotel in rooms	192	190	(0.88)
Country hotels stock (overall supply)	228	236	3.51
Country rooms Stock (overall supply)	54,746	56,245	2.74
Average size per hotel in rooms	240.1	238.3	(0.74)
Chain penetration % by hotels	21.93%	21.61%	(0.32)
Chain penetration % by rooms	17.53%	17.25%	(0.28)
Total number of brands	7	7	-
Domestic brands	2	2	-
International brands	5	5	-
Second-tier operated hotels	2	2	-
International chain hotels*	7	7	-
Domestic chain hotels*	45	45	-
International chain rooms*	1,120	1,120	-
Domestic chain rooms*	8,351	8,351	-

** Includes double counting*

Cyprus

International chains are a new phenomenon. For decades, only a few domestic brands were present in the market. This is now changing as international brands see the opportunities.

The Market

Tourism in Cyprus in recent years has surpassed expectations. 2019 was a record year with the highest arrivals ever reaching a peak 3.94m compared to 3.6m in 2017 and 2.6m in 2016 enjoying an increase of 13% compared to 2018 and a 5th consecutive year of growth.

Major countries of tourism origin remain UK, Russia, Germany, Greece and Sweden and major months of arrivals being the period May - October.

The most preferred geographical destinations were Paphos and Ayia Napa – Protaras and 3-4 star hotels appear to be the most popular format.

Hotels occupancy has expectedly increased throughout whilst seasonality in some districts is declining. This has driven the building of new hotels. The positive developments in tourism has increased the interest of foreign investors for hotel acquisitions and new buildings (high stars and with more keys)

Christos Michaelides, Managing Director
Horwath HTL Cyprus

Key Points

- **The opportunities**
  By 2030, Cyprus tourism strategy envisages stronger links to premium tourism models (thus further improving quality versus quantity) whilst more than 20,000 beds are still needed to cover the needs.

- **Local Brands**
  A number of successful local brands such as Olympic Lagoon and Anvani have sprung, having already expanded in the local area (Greece and Malta) and look promising for the near future.

- **International chains**
  International chains seek further expansion on the island whilst long-existing chains also wish further growth. A number of new chains are testing the waters for presence in Cyprus. The exceptionally good results of tourism and premium strategy will become the catalyst to attract quality driven brands.

Cyprus: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Tsokkos Hotels	15	2,540
2	Louis Hotels	12	2,257
3	Atlantica Hotels	10	2,044
4	Kanika hotels	6	1,122
5	Leptos Hotels	2	524
6	Hilton	2	488
7	Louvre hotels	1	193
8	Marriott	1	189
9	IHG	1	144
10	Radisson	1	106
	Domestic Chain Groups	Hotels	Rooms
1	Tsokkos Hotels	15	2,540
2	Louis Hotels	12	2,257
3	Atlantica Hotels	10	2,044
4	Kanika hotels	6	1,122
5	Leptos Hotels	2	524
	International Chain Groups	Hotels	Rooms
1	Hilton	2	488
2	Louvre hotels	1	139
3	Marriott	1	189
4	IHG	1	144
5	Radisson	1	106

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Atlantica	13	1,730
2	Olympic	3	520
3	Hilton	2	488
4	Golden Tulip	1	193
5	Marriott	1	189
6	Crown Plaza	1	144
7	Radisson Blu	1	106
	Domestic Chain Brands	Hotels	Rooms
1	Atlantica	10	2,044
2	Olympic	3	520
3	Made for 2	1	155
	International Chain Brands	Hotels	Rooms
1	Hilton	2	488
2	Golden Tulip	1	139
3	Design	1	189
4	Crown Plaza	1	144
5	Radisson Blu	1	106

Cyprus: Ranking per Scale & Size

CHAINS					DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	63	2,631	9	42	65	19	-	-
Midscale	79	8,195	29	104	79	8,195	-	-
Upscale & U.Upscale	58	11,142	40	192	56	10,804	2	338
Luxury	26	6,153	22	237	22	5,371	4	782
TOTAL	226	28121	100	574	222	24389	6	1120

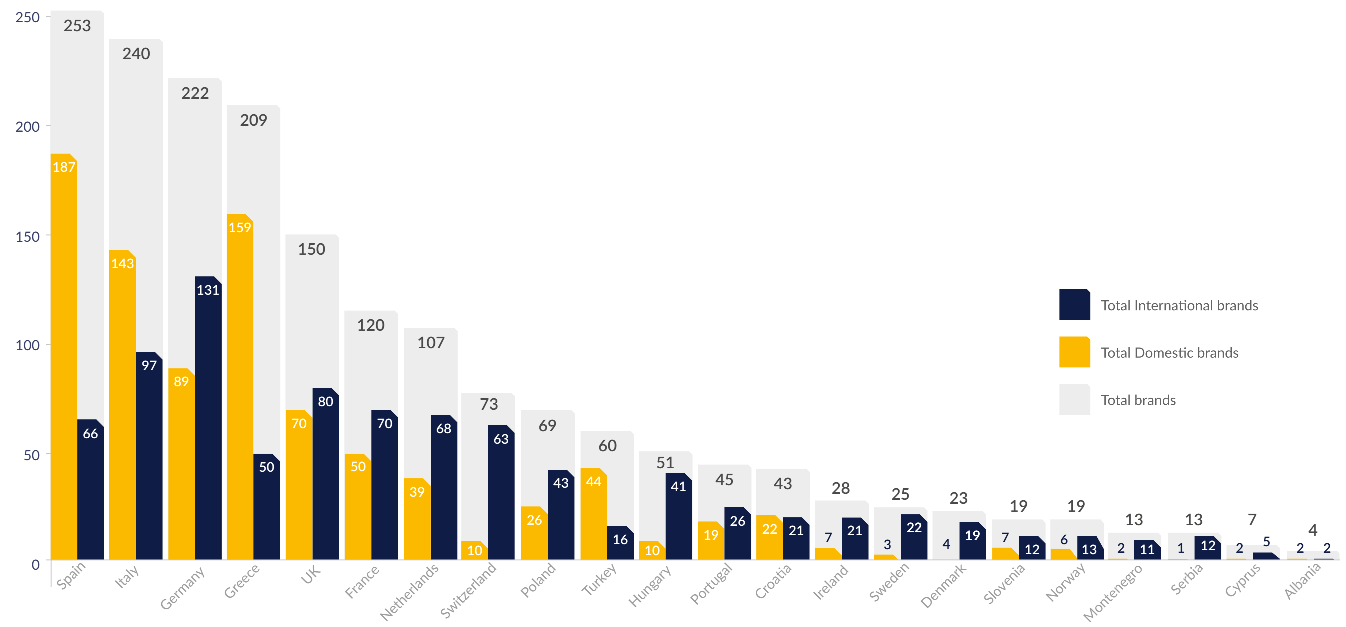
Cyprus: Ranking by Scale

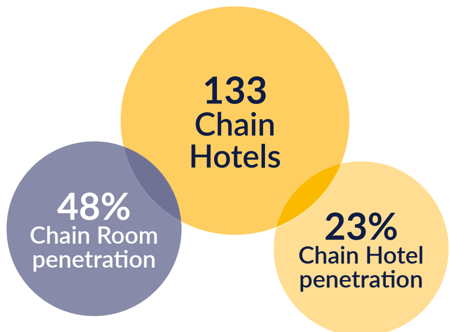
	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Atlanica	2	268
2	Tsokkos	4	528
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Louis Hotels	11	2,053
2	Atlanitca	5	1,227
3	Kanika Hotels	2	377
Rank	Luxury	Hotels	Rooms
1	Kanika Hotels	4	745
2	Atlantica	2	549
3	Louis Hotels	1	204

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Atlanica	2	268
2	Tsokkos	4	528
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Hilton	1	194
2	IHG	1	144
Rank	Luxury	Hotels	Rooms
1	Hilton	1	294
2	Louvre hotels	1	193
3	Marriott	1	189
4	Radisson	1	106

Cyprus: Ranking by Destination

Rank	Destination	Hotels	Rooms
1	Paphos	16	3,766
2	Protaras	15	2,186
3	Ayia Napa	8	1,333
4	Limassol	7	1,399
5	Nicosia	2	488
6	Larnaca	2	299





Key Statistics	2018
Total chain hotels	133
Total chain rooms	22,565
Average size per chain hotel in rooms	170
Country hotels stock *(overall supply)*	570
Country rooms Stock *(overall supply)*	47,500
Average size per hotel in rooms	83
Chain penetration % by hotels	23.3%
Chain penetration % by rooms	47.5%
Total number of brands	23
Domestic brands	4
International brands	19
International chain hotels*	110
Domestic chain hotels*	23
International chain rooms*	20,037
Domestic chain rooms*	2,528

** Includes double counting*
Note: Denmark is a new market to report - only 2018 data available

Denmark

The market has very few brands of any description, but the brands they do have, have critical mass. 23% of hotels and 48% of rooms have a brand affiliation.

The Market

This is the first time that Denmark has featured in the report. The Danish market is small, with 133 chain hotels, 6th lowest, out of 22 markets covered, with only 23 brands, well below the report average of 81. The penetration of chain hotels and rooms is relatively high though, with branded hotels making up 23% of hotel stock and bedrooms almost 50%. This is reflected in the average size of the hotels, with chain affiliated hotels having an average of 176 rooms as opposed to the average market size of 83.

The majority of chain affiliated hotels are in the upscale and upper upscale segment with 85 hotels equating to 14,802 rooms. The budget and economy sector is the next larger with 26 hotels, and finally the midscale segment with 20 hotels. The economy and midscale segments is exclusively made up of local players, but the higher tier is an almost 50-50 split between domestic and international brands.

In terms of groups, local player Arp Hansen has a total of 13 hotels, which are branded under their 'Wakeup' economy flag, the rest are owned and managed but unbranded. The next largest is Swedish Hotel company Scandic, which has 26 hotels equating to 4,623 rooms.

The transactional market in Denmark is small compared to the rest of Europe, with only 10 transactions being registered during the course of the year.

James Chappell, Global Business Director
Horwath HTL Global

Key Points

- **Upscale segments predominate**
  The Danish hotel market is heavily skewed towards what used to be called four star Hotels. Recently however, there are signs that the popular 'budget design' segment that has become prevalent in Europe is being developed. Arp Hansens 'Wakeup' brand is a good example.

- **Few brands, but highly branded**
  The market has very few brands of any description, but the brands they do have, have critical mass. 23% of hotels and 48% of rooms have a brand affiliation.

Denmark: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Arp Hansen Group	13	4,585
2	Scandic	26	4,623
3	Comwell	14	1,993
4	Radisson	7	1,779
5	Nordic Choice Hotels	5	1,440
6	Marriott International	3	1,295
7	Best Western	15	1,234
8	First	7	1,038
9	Zleep Hotels	10	995
10	Hotel Guldsmeden	6	458

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Scandic	26	4,623
2	Comwell	14	1,993
3	Wakeup	4	1,908
4	Radisson Blu	5	1,223
5	First	7	1,038
6	Zleep Hotels	10	995
7	Best Western	9	644
8	Best Western Plus	5	516
9	Hotel Guldsmeden	6	458
10	Quality	2	394

	Domestic Chain Groups	Hotels	Rooms
1	Arp Hansen Group	13	4,585
2	Comwell	14	1,993
3	Zleep Hotels	10	995
4	Hotel Guldsmeden	6	458

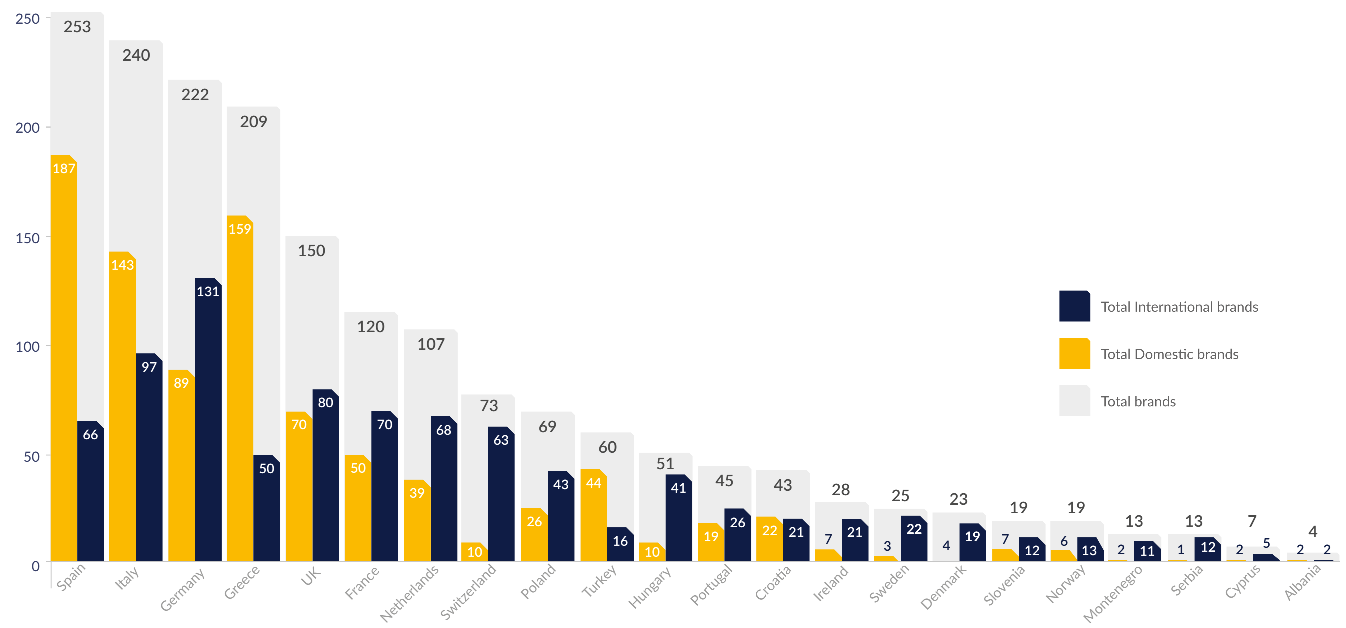
	Domestic Chain Brands	Hotels	Rooms
1	Comwell	14	1,993
2	Wakeup	4	1,908
3	Zleep Hotels	10	995
4	Hotel Guldsmeden	6	458
5	Helnan Hotels	1	160

	International Chain Groups	Hotels	Rooms
1	Scandic	20	3,631
2	Best Western	15	1,234
3	Radisson	7	1,779
4	First	7	943
5	Choice Hotels International	5	1,440
6	Marriott International	4	1,515
7	Intercontinental Hotels Group	1	366
8	Meininger	1	228
9	Toga Far East Hotels	1	128

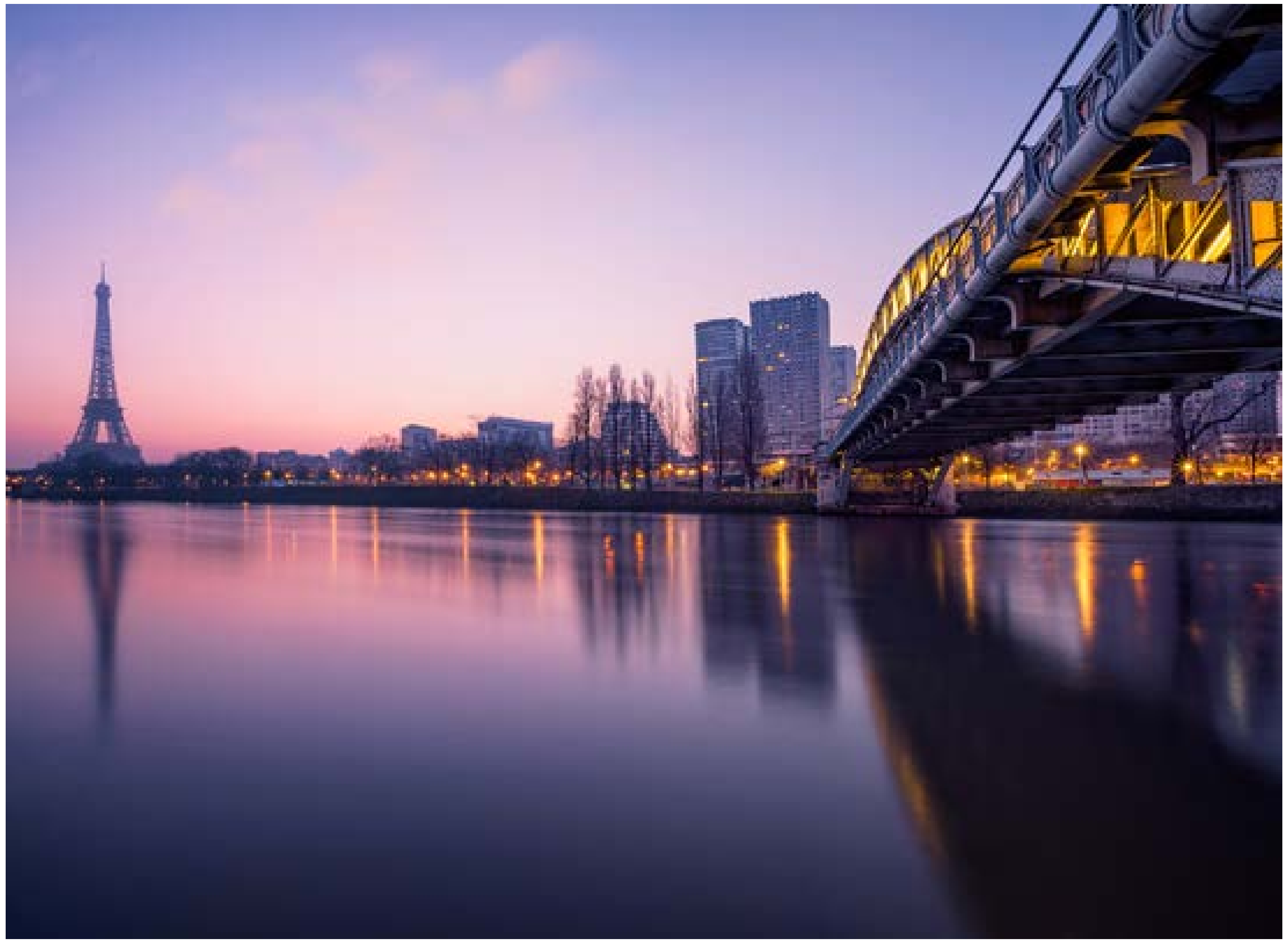
	International Chain Brands	Hotels	Rooms
1	Scandic	20	3,631
2	Best Western	9	644
3	First	7	943
4	Radisson Blu	5	1,223
5	Best Western Plus	5	516
6	Quality	2	394
7	AC Marriot	1	812
8	Marriott	1	402
9	Comfort	1	400
10	Clarion	1	378

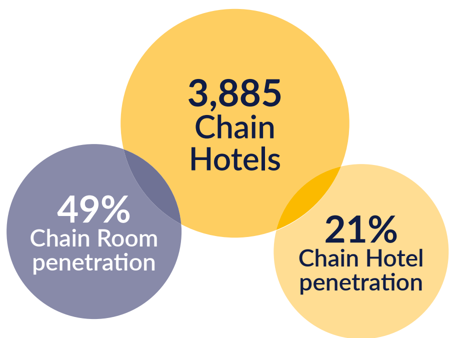
Denmark: Ranking per Scale & Size

CHAINS					DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	26	5,627	20%	216	26	5,627	-	-
Midscale	20	2,136	15%	107	20	2,136	-	-
Upscale & U.Upscale	85	14,802	65%	174	41	6054	44	8,748
TOTAL	**131**	**22,565**	**100%**	**172**	**87**	**13,817**	**44**	**8,748**



With thanks to Benchmarking Alliance for their support with Danish data.





Key Statistics	2017	2018	% Diff.
Total chain hotels	3,816	3,885	1.8%
Total chain rooms	319,561	320,060	0.2%
Average size per chain hotel in rooms	84	82	-1.9%
Country hotels stock *(overall supply)*	18,382	18,079	-1.6%
Country rooms Stock *(overall supply)*	659,773	652,698	-1.1%
Average size per hotel in rooms	36	36	0.3%
Chain penetration % by hotels	21%	21%	2.3%
Chain penetration % by rooms	48%	49%	2.2%
Total number of brands	107	120	12.1%
Domestic brands	52	50	-3.8%
International brands	55	70	27.3%
International chain hotels*	673	599	-11.0%
Domestic chain hotels*	3,146	3,286	4.5%
International chain rooms*	53,949	60,254	11.7%
Domestic chain rooms*	256,538	259,806	1.3%

** Includes double counting*

France

2018 was a record year for French tourism as demand was sustained by long-haul travelers, from China and North America. Looking forward, the 2024 Olympics is a good target for developers.

The Market

2018 was another record year for French tourism as demand is sustained by long haul travelers, especially from China and North America.

As a result, Paris RevPAR recorded a double digit growth. The market dynamics of the French capital is very strong and expand as an oil spot to the surrounding region of Ile de France and specifically in La Defense and the airports.

The provinces remain, with the exception of the French Alps and Côte d'Azur, mostly impacted by domestic and short haul tourism. As a result the growth in performance remains moderate even in the top ten metros.

Despite the yellow jacket protests which took place during November and December, consolidated French RevPAR recorded a growth over 7% according to STR.

The main question raised for 2019 concerns the sustainability of this growth in RevPAR with regards to country's social climate. On the longer term still, prospects for French hotels remain good in the perspective of the 2024 Olympics and the country is on the agenda of most hotel developers.

Philippe Doizelet, Managing Partner
Horwath HTL France

Key Points

- **49% European room inventory**
  France shows the highest chain penetration in Europe at 49% of the room inventory. At the time consortia tend to lose affiliates, franchisors are growing at a fast pace.

- **Accor setting the pace**
  Accor remains by far the leading player followed by Louvre Hotel Group and B&B Hotels. The French hotel giant takes advantage of a very diversified brand portfolio from budget to luxury that develops though acquisitions and creations. Originally owner and operator, Accor develops successfully in France as a franchisor.

- **Brand rooms on the rise**
  Whereas the overall chain supply grows moderately, the number of rooms under international brands is on the rise and underlines the maturity of the market of a more diversified hotel supply with and increasing share of hostels, lifestyle and luxury hotels.

France: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	AccorHotels	1,713	153,180
2	Louvre Hotels Group	851	56,248
3	B&B	275	21,391
4	Best Western	282	15,142
5	Marriott/Starwood	51	8,932
6	IHG	57	7,954
7	Brit Hotel Groupe	138	6,526
8	Choice	98	6,480
9	Disneyland Hotels & Resorts	6	5,206
10	The Ascott Limited	27	2,913
	Domestic Chain Groups	Hotels	Rooms
1	AccorHotels	1,713	153,180
2	Louvre Hotels Group	851	56,248
3	B&B	275	21,391
4	Brit Hotel Groupe	138	6,526
5	Oceania Hotels	28	2,539
6	Dynamique Hôtels	47	2,377
7	Barrière	16	2,301
8	Chateauform'	28	2,040
9	All Suites Appart Hôtel	11	1,873
10	Groupe Hôtelier Bataillé	26	1,731
	International Chain Groups	Hotels	Rooms
1	Best Western	282	15,142
2	Marriott/Starwood	51	8,932
3	IHG	57	7,954
4	Choice	98	6,480
5	Disneyland Hotels & Resorts	6	5,206
6	The Ascott Limited	27	2,913
7	Radisson Hotel Group	15	2,741
8	Hyatt	8	2,455
9	Hilton	11	1,939
10	Melia' Hotels International	7	965

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Ibis Hotels	395	34,589
2	Ibis Budget	350	26,962
3	Mercure	259	24,676
4	B&B	275	21,391
5	Campanile	319	20,224
6	Hotelf1	237	17,863
7	Première Classe	242	17,418
8	Novotel	113	15,452
9	Kyriad	231	13,844
10	Ibis Styles	196	13,786
	Domestic Chain Brands	Hotels	Rooms
1	Ibis Hotels	395	34,589
2	Ibis Budget	350	26,962
3	Mercure	259	24,676
4	B&B	275	21,391
5	Campanile	319	20,224
6	Hotelf1	237	17,863
7	Première Classe	242	17,418
8	Novotel	113	15,452
9	Kyriad	231	13,844
10	Ibis Styles	196	13,786
	International Chain Brands	Hotels	Rooms
1	Best Western	170	8,477
2	Disneyland Hotels & Resorts	6	5,206
3	Best Western Plus	79	4,812
4	Comfort Hotel	62	3,417
5	Holiday Inn	29	3,357
6	Citadines Apart'hotel	24	2,680
7	Radisson Blu	13	2,463
8	Quality Inn	24	2,108
9	Marriott Hotels & Resorts	6	1,936
10	Holiday Inn Express	15	1,701

France: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis Hotels	395	34,589
2	Ibis Budget	350	26,962
3	Mercure	259	24,676
4	B&B	275	21,391
5	Campanile	319	20,224
6	Hotelf1	237	17,863
7	Première Classe	242	17,418
8	Kyriad	231	13,844
9	Ibis Styles	196	13,786
10	Brit Hotel Comfort	102	4,794
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	113	15,452
2	Pullman	13	3,652
3	Novotel Suites	21	2,369
4	Barrière	16	2,301
5	Mgallery	25	1,782
6	Chateauform' Les Maison	24	1,519
7	Les Hotels De Paris	21	987
8	Chateauform' Campus	3	479
9	Temmos	5	397
10	25hours	1	237
Rank	Luxury	Hotels	Rooms
1	Sofitel	11	1,509
2	Raffles	1	149

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Best Western	170	8,477
2	Best Western Plus	79	4,812
3	Comfort Hotel	62	3,417
4	Holiday Inn	29	3,357
5	Disneyland Hotels & Resorts	3	2,994
6	Citadines Apart'hotel	24	2,680
7	Quality Inn	24	2,108
8	Holiday Inn Express	15	1,701
9	Comfort Suites	7	664
10	Sure Hotel by Best Western	6	306
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Radisson Blu	13	2,463
2	Disneyland Hotels & Resorts	3	2,212
3	Marriott Hotels & Resorts	6	1,936
4	Crowne Plaza	7	1,647
5	Hyatt Regency	3	1,562
6	Courtyard By Marriott	8	1,382
7	Le Méridien	2	1,343
8	Hilton	5	1,228
9	Renaissance Hotels & Resorts	7	1,031
10	Best Western Premier	17	976
Rank	Luxury	Hotels	Rooms
1	InterContinental Hotels	5	1,192
2	Unbound Collection by Hyatt	2	586
3	Four Seasons	3	373
4	JW Marriott Hotels & Resorts	1	261
5	Fraser Suites	2	248
6	The Luxury Collection	2	234
7	The Peninsula Hotel	1	200
8	Park Hyatt	1	153
9	Rosewood Hotel Group	1	147
10	Shangri-La Hotels & Resorts	1	101

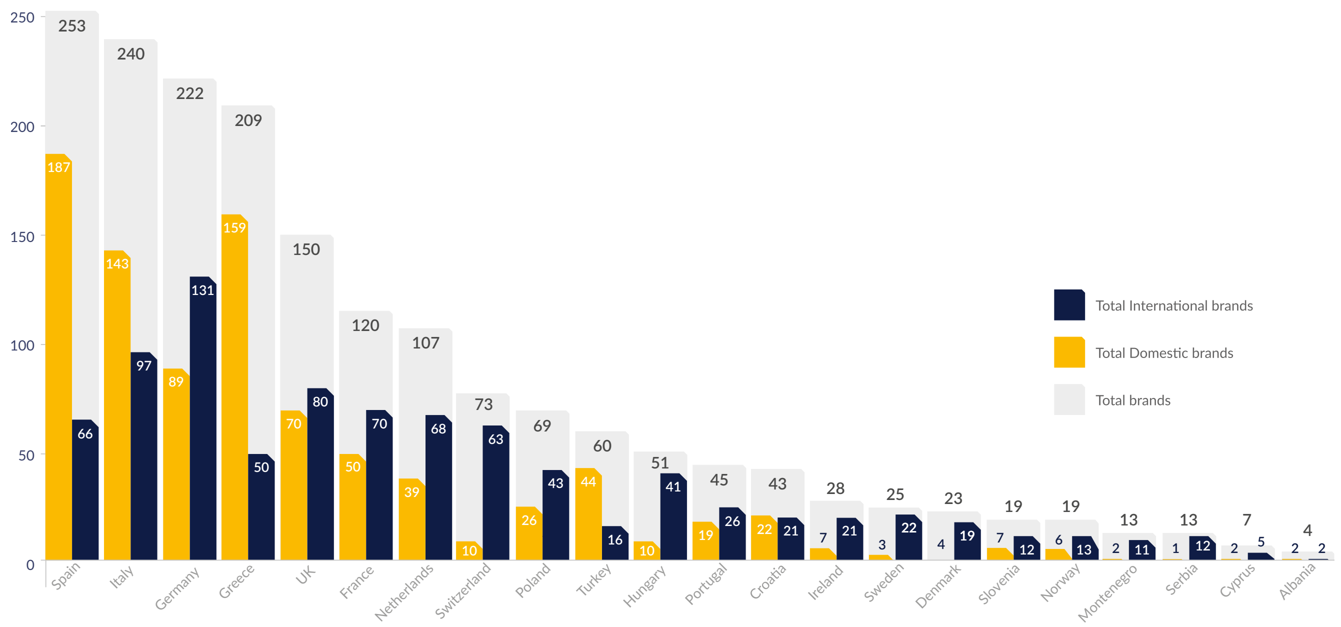
France: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	1144	87,488	27%	76	1135	85,123	9	2,365
Midscale	2316	173,232	54%	75	1896	143,808	420	29,424
Upscale & U.Upscale	391	53,759	17%	137	243	29,217	148	24,542
Luxury	34	5,581	2%	164	12	1,658	22	3,923
TOTAL	**3,885**	**320,060**	**100%**	**82**	**3,286**	**259,806**	**599**	**60,254**

France: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	500	26%	1	7%	89	26%	528	55%	1,118	34%
Midscale	1,305	67%	-	-	13	4%	8	1%	1,326	41%
Upscale & U.Upscale	129	7%	8	57%	194	57%	334	35%	665	20%
Luxury	3	-	5	36%	46	13%	89	9%	143	4%
TOTAL	**1,937**	**100%**	**14**	**100%**	**342**	**100%**	**959**	**100%**	**3,252**	**100%**

BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	34,375	25%	98	4%	7,088	18%	44,714	46%	86,275	31%
Midscale	87,806	64%	0	0%	2,807	7%	1,027	1%	91,640	33%
Upscale & U.Upscale	14,813	11%	1098	46%	17,523	46%	36,739	38%	70,173	25%
Luxury	391	0%	1166	49%	11,041	29%	15,460	16%	28,058	10%
TOTAL	**137,385**	**100%**	**2362**	**100%**	**38,459**	**100%**	**97,940**	**100%**	**276,146**	**100%**



France: Ranking by Destination

Rank	Destination	By Hotels
1	Paris	375
2	Marseille	66
3	Lyon	64
4	Nice	49
5	Toulouse	47
6	Bordeaux	43
7	Strasbourg	38
8	Lille	31
9	Nantes	30
10	Cannes	27

Rank	Destination	By Rooms
1	Paris	42,109
2	Lyon	7,121
3	Marseille	6,754
4	Nice	5,734
5	Bordeaux	4,766
6	Toulouse	4,577
7	Strasbourg	3,571
8	Cannes	3,512
9	Roissy-en-France	3,144
10	Coupvray (Disneyland)	3,100

France: Pipeline (2018/19)

Rank	Destination	Hotel	Rooms
1	Paris	16	2,625
2	Roissy Airport Area	6	836
3	Nice	4	597
4	Saint-Étienne	4	324
5	Toulouse	3	346
6	Bordeaux	3	338
7	Lille	2	268
8	Strasbourg	2	259
9	Marseille	2	183
10	Cahors	2	139

France: Hotel Investors 2018

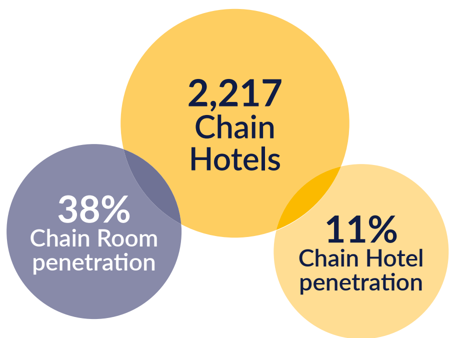
Rank	Name	Volume in €m
1	Henderson Park	550.0
2	Hilton	80.0
3	CitizenM	80.0
4	Schroders	65.5
5	Trocadero Capital Partners	62.2

Source: Real Capital Analytics, Inc. 2019

France: Institutional Owners 2018

Rank	Name	No. of Keys
1	Credit Mutuel-CIC	6,265
2	Credit Agricole	6,031
3	Schroders	3,098
4	LFPI	2,970
5	QIA	2,756

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2017	2018	% Diff.
Total chain hotels	2,078	2,217	7%
Total chain rooms	301,045	317,235	5%
Average size per chain hotel in rooms	145	143	-1%
Country hotels stock *(overall supply)*	20,081	20,029	-0.3%
Country rooms Stock *(overall supply)*	812,218	827,861	2%
Average size per hotel in rooms	40	41	3%
Chain penetration % by hotels	10.3%	11.1%	0.8%
Chain penetration % by rooms	37.1%	38.3%	1.2%
Total number of brands	203	222	9%
Domestic brands	89	89	0%
International brands	114	131	15%
Second-tier operated hotels	-	31	-
International chain hotels*	1,241	1,316	6%
Domestic chain hotels*	837	898	7%
International chain rooms*	183,826	197,028	7%
Domestic chain rooms*	117,219	120,207	3%

** Includes double counting*

Germany

The German market is still dynamic, growing by more than 16,000 rooms and 200 hotels last year. As more exciting concepts are developed, chain penetration levels will continue to grow.

The Market

The German market is strongly influenced by the individual hotel industry. 88.9% of Germany's total hotel stock (20,029 hotels with 827,861 rooms) is run independently.

Some well-established chain hotels and their brands pushed into the German hotel market and underpinned the above-mentioned trend in 2018. These include domestic brands Castlewood Hotels, Roomers (Gekko Group) and Ruby Hotels as well as international brands Swedish Good Morning Hotels (Ligula Hospitality Group), Ascend Hotel Collection by the US group Choice Hotels International and the British Wombat's City Hostels that have been included in our current census. Furthermore, established hotel chains have expanded their brand portfolio - Deutsche Hospitality with upscale brand MAXX by Steigenberger and lifestyle brand Jaz in the City, as well as Fattal Group (Leonardo Hotels) with the lifestyle brand NYX.

The German hotel transaction market shows a few changes in 2018. The year was characterised by the sale and closure of two renowned luxury hotels in Berlin: the former Kempinski Bristol Kurfuerstendamm (sold) and the Swissôtel Berlin Kurfuerstendamm, which was closed at the end of the year. Furthermore, the Rezidor Group changed its name to the Radisson Group in 2018.

Christian Ott-Sessay & Olaf Steinhage
Managing Partners
Horwath HTL Germany

Key Points

- **Motel One becomes 5th largest chain**
  Motel One with 50 hotels and over 14,000 rooms displaced the Deutsche Hospitality and is now the fifth largest hotel chain in Germany – a great success for the family-run company. In 2018, six Motel One hotels with 1,844 rooms were opened.

- **Top spots for French B&B**
  French B&B hotel group is a big winner in the TOP 10 hotel brands. With more than 1,900 rooms (20 new hotels) in 2018, the group climbed to third place of all brands and to second place in terms of international brands.

- **Stock to double**
  According to Whitbread PLC, 31 new Premier Inn hotels with more than 5,700 rooms are planned in Germany by 2020. Meanwhile, IHG plans to bring 87 new Intercontinental hotels to the German market. That would be more than double of their current hotel stock in Germany.

Germany: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	AccorHotels	371	50,185
2	Best Western	181	18,362
3	Marriott International	72	17,492
4	IHG	83	16,737
5	Motel One	50	14,084
6	Deutsche Hospitality	75	13,454
7	B&B Hotels	122	12,440
8	NH Hotel Group	58	10,444
9	Maritim Hotelgesellschaft	33	9,674
10	Radisson Hotel Group	39	9,611
	Domestic Chain Groups	Hotels	Rooms
1	Motel One	50	14,084
2	Deutsche Hospitality	75	13,454
3	Maritim Hotelgesellschaft	33	9,674
4	Novum Hospitality	96	8,452
5	Hospitality Alliance/H-Hotels	46	7,045
6	Dorint	42	7,020
7	A&O H&H	25	4,788
8	Achat Hotel	31	3,751
9	Lindner Hotels	25	3,389
10	Centro Hotel Management	53	3,337
	International Chain Groups	Hotels	Rooms
1	AccorHotels	371	50,185
2	Best Western	181	18,362
3	Marriott International	72	17,492
4	IHG	83	16,737
5	B&B Hotels	122	12,440
6	NH Hotel Group	58	10,444
7	Radisson Hotel Group	39	9,611
8	Fattal Hotels Group	51	8,847
9	Hilton Worldwide	31	8,251
10	Wyndham Hotel Group	51	6,715

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Mercure	109	15,363
2	Motel One	50	14,084
3	B&B Hotels	122	12,440
4	Best Western	120	11,764
5	Ibis	85	11,283
6	Maritim	33	9,674
7	NH Hotels	49	8,221
8	Ibis budget	84	8,219
9	Dorint H&R	42	7,020
10	Steigenberger H&R	37	6,825
	Domestic Chain Brands	Hotels	Rooms
1	Motel One	50	14,084
2	Maritim	33	9,674
3	Dorint H&R	42	7,020
4	Steigenberger H&R	37	6,825
5	IntercityHotels	36	6,362
6	Novum Hotels	71	5,617
7	A&O Hotels & Hostels	25	4,788
8	H+ Hotels	30	3,727
9	Lindner H&R	23	3,050
10	Dormero Hotels	21	2,556
	International Chain Brands	Hotels	Rooms
1	Mercure	109	15,363
2	B&B Hotels	122	12,440
3	Best Western	120	11,764
4	Ibis	85	11,283
5	NH Hotel	49	8,221
6	Ibis budget	84	8,219
7	Holiday Inn	29	6,769
8	Leonardo Hotels	39	6,378
9	Radisson Blu	22	6,050
10	Holiday Inn Express	38	5,807

Germany: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Motel One	50	14,084
2	A&O Hotels And Hostels	25	4,788
3	Novum Hotel	58	4,644
4	IntercityHotels	21	3,656
5	Meininger Hotels	11	1,811
6	Centro Hotels	31	1,714
7	Achat Comfort	15	1,657
8	Morada Hotels & Resorts	10	1,229
9	Ghotel Hotel & Living	7	1,057
10	Derag Livinghotels	3	822
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Maritim	33	9,674
2	Dorint Hotels & Resorts	34	5,978
3	H+ Hotels	21	3,030
4	Steigenberger H&R sorts	19	2,989
5	Lindner Hotels & Resorts	21	2,896
6	IntercityHotels	15	2,706
7	Dormero Hotels	21	2,556
8	H4 Hotels	9	2,031
9	Pentahotels	10	1,909
10	Welcome Hotels	11	1,627
Rank	Luxury	Hotels	Rooms
1	Steigenberger H&R	17	3,792
2	Roomers	3	526
3	A-ROSA	3	522
4	Dorint Hotels & Resorts	4	502
5	Althoff Hotel Collection	4	464
6	Dr. Lohbeck Privathotels	2	322
7	Vila Vita Hotels	2	278
8	Hyperion Hotels	1	235
9	Fleming's Selection	1	206
10	Derag Livinghotels	1	170

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Mercure	108	15,259
2	B&B Hotels	122	12,440
3	Ibis	85	11,283
4	Ibis budget	84	8,219
5	Best Western	58	5,899
6	Holiday Inn Express	38	5,807
7	Novotel	21	4,428
8	Ibis Styles	32	2,972
9	MOXY Hotels	11	2,089
10	Comfort Hotels	17	1,860
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	NH Hotel	45	7,866
2	Holiday Inn	27	6,343
3	Best Western	62	5,865
4	Leonardo Hotels	34	5,536
5	Radisson Blu	20	5,399
6	Best Western Plus	37	4,125
7	Hilton	8	2,910
8	Courtyard by Marriott	15	2,691
9	Park Inn By Radisson	9	2,233
10	Innside by Meliá	13	2,131
Rank	Luxury	Hotels	Rooms
1	Westin Hotels & Resorts	4	1,642
2	Kempinski	8	1,621
3	Hilton	4	1,614
4	Sheraton	3	1,570
5	Marriott	3	1,337
6	Intercontinental H&R	3	1,312
7	Sofitel	6	1,268
8	Le Méridien	4	1,141
9	Hyatt Regency	3	877
10	Radisson Blu	2	651

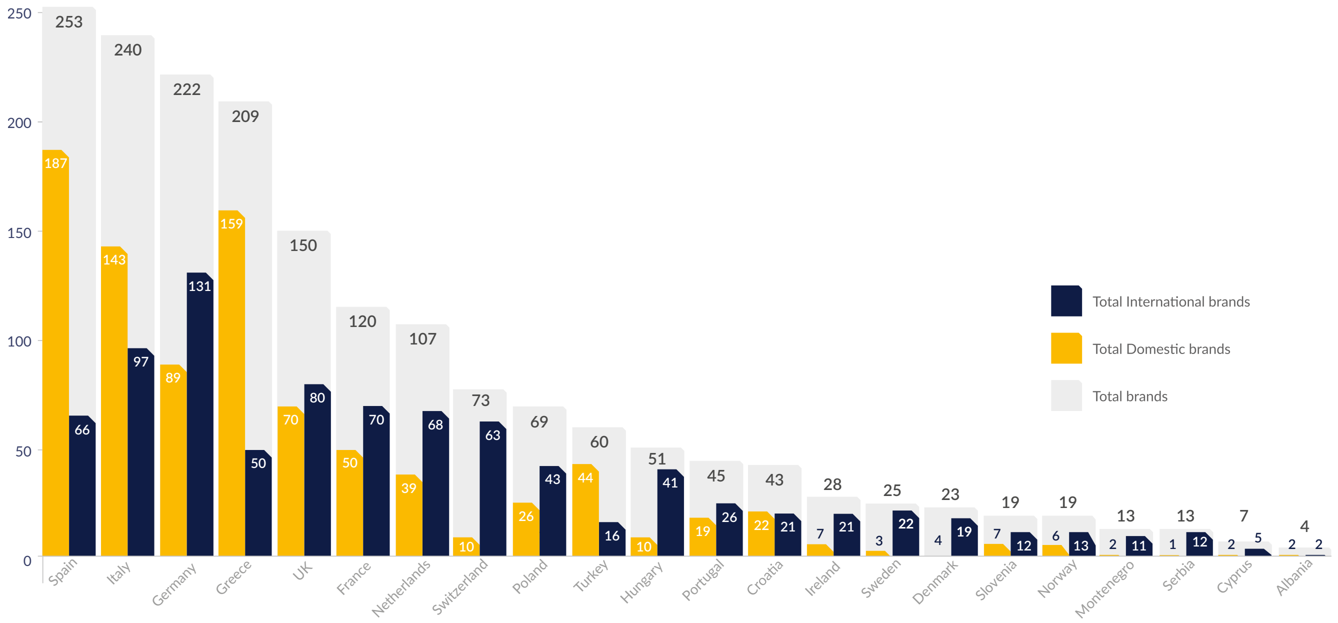
Germany: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	440	58,432	18.4	133	100	21,250	340	37,182
Midscale	698	81,617	25.7	117	313	28,752	385	52,865
Upscale & U.Upscale	969	152,551	48.1	157	435	61,956	534	90,595
Luxury	110	24,635	7.8	224	50	8,249	60	16,386
TOTAL	**2,217**	**317,235**	**100**	**143**	**898**	**120,207**	**1,319**	**197,028**

Germany: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	100	16%	203	27%	102	35%	21	7%	426	22%
Midscale	226	36%	171	22%	90	31%	84	29%	571	29%
Upscale & U.Upscale	289	45%	351	46%	70	24%	174	61%	884	45%
Luxury	21	3%	38	5%	32	11%	8	3%	99	5%
TOTAL	**636**	**100%**	**763**	**100%**	**294**	**100%**	**287**	**100%**	**1,980**	**100%**

BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	11,216	13%	30,584	26%	11,852	25%	3,627	9%	57,279	19%
Midscale	29,920	33%	19,284	17%	13,662	29%	8,617	21%	71,483	24%
Upscale & U.Upscale	44,118	49%	57,538	49%	13,473	28%	27,568	67%	142,697	48%
Luxury	4,340	5%	9,187	8%	8,581	18%	1,258	3%	23,366	8%
TOTAL	**89,594**	**100%**	**116,593**	**100%**	**47,568**	**100%**	**41,070**	**100%**	**294,825**	**100%**



Germany: Ranking by Destination

Rank	Destination	By Hotels
1	Berlin	221
2	Munich	153
3	Frankfurt (Main)	144
4	Hamburg	136
5	Dusseldorf	83
6	Cologne	71
7	Stuttgart	53
8	Dresden	45
9	Leipzig	44
10	Nuremberg	39

Rank	Destination	By Rooms
1	Berlin	44,009
2	Munich	28,872
3	Frankfurt (Main)	27,977
4	Hamburg	21,129
5	Dusseldorf	12,517
6	Cologne	11,433
7	Stuttgart	8,739
8	Dresden	8,346
9	Leipzig	6,621
10	Nuremberg	5,900

Germany: Pipeline 2018/19

Rank	Destination	Hotel	Rooms
1	Hamburg	18	3,896
2	Munich	20	3,859
3	Berlin	14	3,237
4	Frankfurt (Main)	13	2,510
5	Dusseldorf	9	2,111
6	Stuttgart	9	1,942
7	Leipzig	9	1,805
8	Mannheim	10	1,714
9	Cologne	8	1,280
10	Offenbach (Main)	5	858

Germany: Demand Driver

DRIVER	Domestic		International	
	Hotels	Rooms	Hotels	Rooms
Art & Business	319	49,035	545	95,004
Business Focus	320	44,151	582	81,067
Golf	3	382	5	614
Ski	37	3,964	28	2,523
Sun & Beach	59	7,301	19	2,805
Thermal	42	4,948	22	2,235
Wine	2	197	5	491
Other Leisure	123	11,676	106	10,842

Germany: Hotel Investors 2018

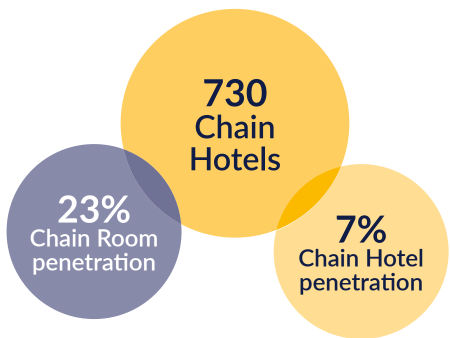
Rank	Name	Volume in €m
1	Aroundtown	567.0
2	Art Invest	239.0
3	Zurich Financial	168.2
4	Invesco	157.0
5	Precise Hotels & Resorts	122.0

Source: Real Capital Analytics, Inc. 2019

Germany: Institutional Owners 2018

Rank	Name	No. of Keys
1	Union Investment	10,664
2	DekaBank	6,235
3	Patrizia	5,272
4	Art Invest	4,009
5	Invesco	3,320

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2017	2018	% Diff.
Total chain hotels	695	730	5.04%
Total chain rooms	94,839	100,021	5.46%
Average size per chain hotel in rooms	136	137	0.41%
Country hotels stock *(overall supply)*	9,783	9,874	0.93%
Country rooms Stock *(overall supply)*	414,127	425,993	2.87%
Average size per hotel in rooms	42	43	1.92%
Chain penetration % by hotels	7.10%	7.39%	4.08%
Chain penetration % by rooms	22.90%	23.48%	2.53%
Total number of brands	198	209	5.56%
Domestic brands	153	159	3.92%
International brands	45	50	11.11%
International chain hotels*	198	217	9.60%
Domestic chain hotels*	631	657	4.12%
International chain rooms*	30,513	33,930	11.20%
Domestic chain rooms*	78,470	82,978	5.74%

** Includes double counting*
Data Source: Hellenic Hotel Federation

Greece

Greek tourism has managed to hit one record year after the other in terms of arrivals and revenues. Greece is now one of the top 15 destinations in the World.

The Market

Since the start of the Greek economic crisis in 2010, tourism has been the only sector that remained resilient and grew steadily, in terms of arrivals and revenues. Greece is recognized for its impeccable sea & sun product, culture & gastronomy, strong city breaks, nautical and MICE components. The key markets for Greek tourism continue to be Germany, UK, France, Italy, Netherlands, Austria, Bulgaria, Turkey, Russia and USA.

Even though revenues and arrivals has grown, hotel supply did not follow at the same pace. The sector is still capitalising on existing hotel stock, although in 2018 there was an increase of numbers in accommodation capacity. More specifically, we had an increase of 2,9% in rooms and a 3,7% increase in beds, despite the fact that in total numbers, hotel units remained almost the same. What is worth noting, is the increase of 5-star and 4-star hotels, by an additional 151 units, highlighting the effort to upgrade and develop new keys in order to cope with the increased demand.

Greece remains a great investment opportunity for International hotel chains, since, only 1.7% of total units operate under an international brand. In 2018 there was an increase of their market share by almost 15% in rooms capacity and 12.1% in beds capacity highlighting the attractiveness of the Greek tourism product and its potential for further development.

Xenophon Petropoulos, Managing Director
Horwath HTL Greece

Key Points

- **Greek hotels shift upmarket**
  In 2018, 150 luxury hotels started their operations, resulting to 550 5-star hotels and 1.581 4-star hotels out of total of 9.873 units. This is more than one in five (21,6%) hotels in the country that now belong to the top 4-star and 5-star categories.

- **Hotel Chains represent ¼ of overall capacity**
  Although, only 8,06% of hotels are part of a Hotel Group or Brand, due to their larger size, they represent the 25% of the available beds.

- **Greek hotel Chains stay domestic**
  Although several domestic hotel groups have developed a strong brand image and position during the past few years, none of them have been transformed into an international Group, except IKOS Resorts which will commence operations in Spain and Portugal over the following years.

Greece: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Thomas Cook	68	7,268
2	Grecotel	29	5,523
3	Marriott	28	3,533
4	Mitsis Hotels	17	5,737
5	TUI	16	4,148
6	Xenos Group Hotels	13	1,254
7	Louis Hotels	11	2,694
8	Myconian Collection	10	754
9	Blue Lagoon Group	10	1,340
10	Hersonissos Group Hotels	9	1,408
	Domestic Chain Groups	Hotels	Rooms
1	Grecotel	29	5,523
2	Mitsis Hotels	17	5,737
3	Xenos Group Hotels	13	1,254
4	Myconian Collection	10	754
5	Blue Lagoon Group	10	1,340
6	Hersonissos Group Hotels	9	1,408
7	Caldera Group	9	1,204
8	Vasia Hotels & Resorts	8	549
9	Diana Group Hotels	8	404
10	Domotel	8	591
	International Chain Groups	Hotels	Rooms
1	Thomas Cook	68	7,268
2	Marriott	28	3,533
3	TUI	16	4,148
4	Louis Hotels	11	2,694
5	Wyndham Hotel Group	7	1,440
6	Labranda	7	1,737
7	Best Western	6	564
8	Preferred Hotels & Resorts	6	433
9	Cronwell	4	604
10	Dessole Hotels	4	881

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Thomas Cook	38	1,619
2	Grecotel	29	5,523
3	Mitsis Hotels	17	5,737
4	TUI (Sensimar)	14	2,323
5	Xenos Group Hotels	13	1,254
6	Thomas Cook (Sentido)	12	2,558
7	Marriott (Luxury Collection)	12	1,319
8	Marriott (Design Hotels)	12	859
9	Myconian Collection	10	754
10	Blue Lagoon Group	10	1,340
	Domestic Chain Brands	Hotels	Rooms
1	Grecotel	29	5,523
2	Mitsis Hotels	17	5,737
3	Xenos Group Hotels	13	1,254
4	Myconian Collection	10	754
5	Blue Lagoon Group	10	1,340
6	Hersonissos Group Hotels	9	1,408
7	Caldera Group	9	1,204
8	Vasia Hotels & Resorts	8	549
9	Diana Group Hotels	8	404
10	Domotel	8	591
	International Chain Brands	Hotels	Rooms
1	Thomas Cook	38	1,619
2	TUI (Sensimar)	14	2,323
3	Thomas Cook (Sentido)	12	2,558
4	Marriott (Luxury Collection)	12	1,319
5	Marriott (Design Hotels)	12	859
6	Thomas Cook (Smart Line)	10	1,386
7	Labranda	7	1,737
8	Preferred Hotels & Resorts	6	433
9	TUI (Family Life)	5	1,656
10	Der Touristik	5	301

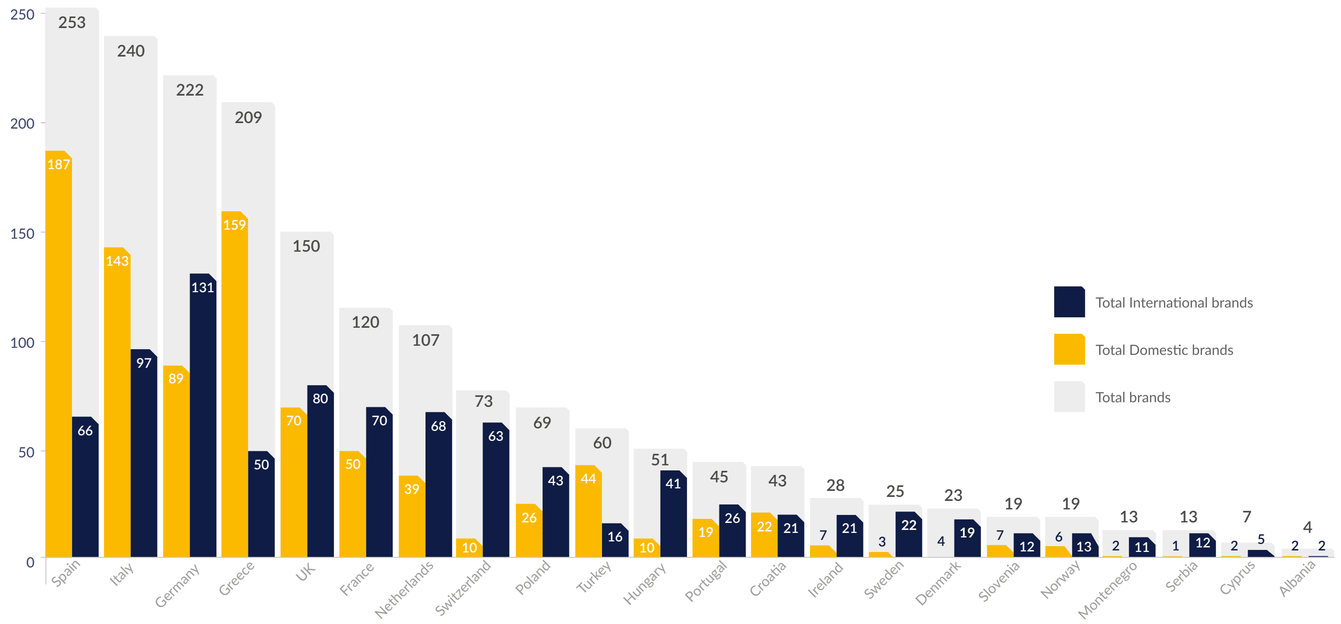
Greece: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Caldera Group	8	1067
2	Xenos Group Hotels	7	843
3	Minoan Hotels	5	184
4	Vasia Hotels & Resorts	5	278
5	Mast Hotels	4	115
6	Dhotels	4	136
7	Diana Group Hotels	4	208
8	Plaka Hotels	4	157
9	Ioannidis Hotels & Resorts	3	322
10	Bitzaro Hotels	3	272
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Grecotel	15	2,451
2	Hersonissos Group Hotels	6	946
3	Airotel	6	648
4	Fegoudakis Hotels & Resorts	5	351
5	Zeus Hotels	5	1,330
6	Amalia Hotels	5	776
7	KD Hotels	5	435
8	Domotel	5	310
9	Xenotel Group Hotels	5	1,229
10	H Hotels	4	1,437
Rank	Luxury	Hotels	Rooms
1	Mitsis Hotels	14	5,351
2	Grecotel	12	2,898
3	Myconian Collection	10	754
4	SANI-IKOS Resorts	8	2,131
5	Helios Hotels & Resorts	7	1,416
6	Blue Lagoon Group	6	1,083
7	Aldemar	5	2,188
8	Xenos Group Hotels	5	247
9	Divani	4	1,140
10	Aquila Hotels & Resorts	4	1,133

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Thomas Cook	30	1,112
2	Marriott	2	17
3	Labranda	2	40
4	Louis Hotels	2	36
5	Club Med	1	470
6	TUI	1	334
7	Best Western	1	42
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Thomas Cook	22	3,040
2	Louis Hotels	8	1,958
3	Marriott	5	248
4	Best Western	4	402
5	TUI	4	1,022
6	Dessole Hotels	4	881
7	Wyndham Hotel Group	3	503
8	Iberostar	2	815
9	Labranda	2	757
10	Accor	2	268
Rank	Luxury	Hotels	Rooms
1	Marriott	21	3,268
2	Thomas Cook	16	3,116
3	TUI	11	2,792
4	Preferred Hotels & Resorts	5	363
5	Cronwell	4	604
6	Wyndham Hotel Group	4	937
7	IHG	3	930
8	Labranda	3	940
9	HAYATT	2	514
10	Radisson	2	470

Greece: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	5,094	127,596	51.59%	25	5,069	126,918	25	678
Midscale	2,648	99,286	26.82%	37	2,631	97,738	17	1,548
Upscale & U.Upscale	1,581	116,145	16.01%	73	1,517	105,077	64	11,068
Luxury	551	82,966	5.58%	151	461	64,932	90	18,034
TOTAL	**9,874**	**425,993**	**100%**	**43**	**9,678**	**394,665**	**196**	**31,328**



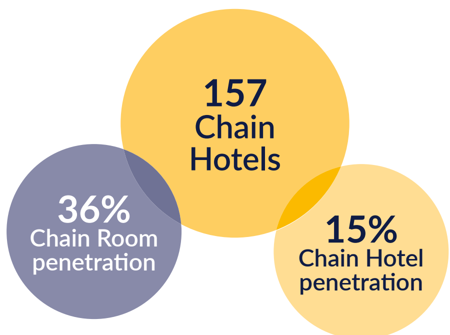
Greece: Ranking by Destination

Rank	Destination	By Hotels
1	Crete	1,598
2	Peloponnese	1,218
3	Broader Attica & Islands	649
4	Rodos	537
5	Halkidiki	513
6	Corfu	408
7	Pieria	384
8	Santorini	364
9	Zakynthos	301
10	Kos	277

Rank	Destination	By Rooms
1	Crete	94,288
2	Rodos	49,471
3	Attica	32,250
4	Peloponnese	29,167
5	Kos	26,099
6	Halkidiki	24,460
7	Kerkyra	24,327
8	Zakynthos	17,321
9	Pieria	10,289
10	Evia	8,771

Greece: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Sun & Beach	574	83,045	142	20,649
Culture & Business	57	5,703	24	4,200
Other leisure	26	2,348	2	619



Key Statistics	2017	2018	% Diff.
Total chain hotels	146	157	7.5%
Total chain rooms	20,863	22,028	5.6%
Average size per chain hotel in rooms	143	140	-1.8%
Country hotels stock *(overall supply)*	1,094	1,049	-4.1%
Country rooms Stock *(overall supply)*	62,274	61,213	-1.7%
Average size per hotel in rooms	57	58	2.5%
Chain penetration % by hotels	13.3%	15.0%	12.1%
Chain penetration % by rooms	33.5%	36.0%	7.4%
Total number of brands	49	48	-2.0%
Domestic brands	7	7	0.0%
International brands	42	41	-2.4%
Second-tier operated hotels	38	46	21.1%
International chain hotels*	61	63	3.3%
Domestic chain hotels*	85	94	10.6%
International chain rooms*	10,881	11,667	7.2%
Domestic chain rooms*	9,982	10,361	3.8%

** Includes double counting*

Hungary

The CEE region experienced economic growth and booming tourism in 2018. As the darling of operator and investor interest, Hungary is capitalising on this positive trend.

The Market

Demand growth for hotels in Budapest is driven by the large European outbound and US markets. Increasing diversity of traveller profiles from Asian markets is also contributing to the surge in demand with the fastest growth expected from China owing to additional direct flights confirmed for 2019. Rural hotels primarily cater to local demand and international travellers mainly from the neighbouring countries.

Budapest has managed to establish a firm position within European tourism and now not only competes with other cities in CEE but with major European capitals. Airport passenger traffic reached 14.9 million registering a staggering 14.5% y-o-y increase.
The tourism sector has been the beneficiary of an unprecedented level of state support over the last two years. The National Tourism Strategy that has committed EUR 2.6 billion of investment in tourism infrastructure developments across the country substantiates this.

A total of 10 hotels opened in Hungary in 2018 of which 6 were in Budapest. This includes Hungary's first internationally branded airport hotel (ibis Styles), the world's first smart hotel, the KviHotel, and the Hotel Clark and D8 Hotel, operated by Continental Group. New property openings will continue in 2019, such as the Hyatt Unbound Collection and Meininger Hotel.

Attila Radvánszki, Associate Director
László Bene, Junior Consultant
Horwath HTL Hungary

Key Points

- **Another record year in KPIs**
  Revenues at hotels grew by 9% in 2018. Occupancy reached 75% in Budapest and 56% countrywide, while ADR averaged 6.6% and 3.4%YoY growth respectively. Despite positive trends, growth can only be sustainable going forward if Budapest remains the host of large-scale events, which appears to correspond with the agenda on the state to bring more international sports events to the city, living up to the commitment to make Budapest the Sporting Capital of Europe in 2019.

- **Budapest still the unrivalled hot-spot**
  Of the total hotel guest nights and room revenues, 40% and 55% have been realized in hotels in Budapest respectively in 2018. Amongst the key capital cities in CEE, Budapest ranked 3rd with a RevPAR of EUR 70.2 behind Vienna and Prague.

- **Home sharing is here to stay**
  Year round active Airbnb rentals reached over 10,000 units in 2018, which is approximately 50% of the total hotel room supply in Budapest. This supply segment did not exist 5 years ago, yet despite its staggering growth, it helped the destination absorb the growing demand. While this trend is expected to continue, regulations will be inevitable and have already begun in certain districts contributing to the slowing pace of supply growth in this relatively new commercial accommodation segment.

Hungary: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Danubius Hotels Group	21	5,142
2	AccorHotels	19	3,570
3	Hunguest Hotels	20	3,374
4	Accent Hotel Management	20	1,412
5	Marriott	7	1,275
6	Mellow Mood Hotels	11	820
7	Radisson Hotel Group	4	924
8	Hotel and More	11	739
9	IHG	2	566
10	Hilton	2	551
	Domestic Chain Groups	Hotels	Rooms
1	Danubius Hotels Group	21	5,142
2	Hunguest Hotels	20	3,374
3	Accent Hotel Management	20	1,412
4	Mellow Mood Hotels	11	820
5	Hotel and More	11	739
6	Service4You	10	485
	International Chain Groups	Hotels	Rooms
1	AccorHotels	19	3,570
2	Marriott	7	1,275
3	Radisson Hotel Group	4	924
4	IHG	2	566
5	Hilton	2	551
6	Corinthia Hotels	1	414
7	Kempinski	1	349
8	Dedica Anthology	2	320
9	Eurostars Hotels	2	276
10	Novum Hotels	2	216

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Danubius	19	4,574
2	Hunguest	20	3,374
3	Accent	19	1,326
4	Mercure	3	1,078
5	Novotel	5	952
6	Hotel and More	11	739
7	Mellow Mood Hotels	10	718
8	Park Inn by Radisson	3	677
9	Ibis	5	584
10	Hilton	2	551
	Domestic Chain Brands	Hotels	Rooms
1	Danubius	19	4,574
2	Hunguest	20	3,374
3	Accent	19	1,326
4	Hotel and More	11	739
5	Mellow Mood Hotels	10	718
6	Service4You	10	485
7	Continental Group	5	451
	International Chain Brands	Hotels	Rooms
1	Mercure	3	1,078
2	Novotel	5	952
3	Park Inn by Radisson	3	677
4	Ibis	5	584
5	Hilton	2	551
6	Ibis Styles	4	519
7	Corinthia	1	414
8	InterContinental	1	402
9	Marriott	1	364
10	Sofitel	1	357

Hungary: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Hunguest	9	1,597
2	Danubius	5	1,061
3	Accent	7	490
4	Mellow Mood Hotels	5	326
5	Hotel and More	3	230
6	Service4You	4	188
7	Continental Group	1	121
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Danubius	14	3,513
2	Hunguest	11	1,777
3	Accent	12	836
4	Hotel and More	8	509
5	Mellow Mood Hotels	5	392
6	Continental Group	4	330
7	Service4You	6	297
Rank	Luxury	Hotels	Rooms

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	5	584
2	Ibis Styles	4	519
3	Comfort Hotels	1	125
4	EasyHotel	1	59
5	The Three Corners	2	80
6	Novum Hotels	1	37
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Mercure	3	1,078
2	Novotel	5	952
3	Park Inn by Radisson	3	677
4	Eurostars	2	276
5	Radisson Blu	1	247
6	Courtyard by Marriott	1	234
7	K+K	1	200
8	Leonardo	1	182
9	Novum Hotels	1	179
10	Art'otel	1	165
Rank	Luxury	Hotels	Rooms
1	Hilton	2	551
2	Corinthia	1	414
3	InterContinental	1	402
4	Marriott	1	364
5	Sofitel	1	357
6	Kempinski	1	349
7	The Ritz Carlton	1	200
8	Autograph Collection	1	185
9	Four Seasons	1	179
10	Buddha-Bar	1	102

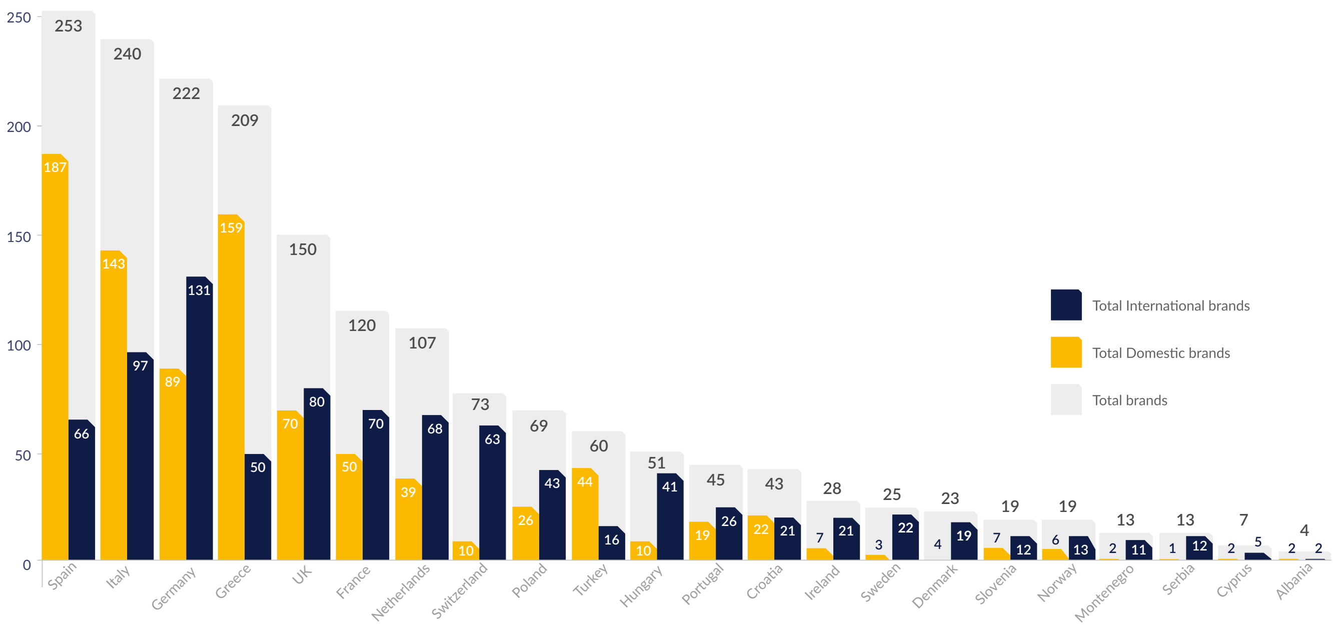
Hungary: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	3	212	1.0%	71	2	153	1	59
Midscale	45	5,205	23.6%	116	32	3,860	13	1,345
Upscale & U.Upscale	96	13,409	60.9%	140	60	7,654	36	5,755
Luxury	13	3,202	14.5%	246	0	0	13	3,202
TOTAL	157	22,028	100%	140	94	11,667	63	10,361

Hungary: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Contr	%	Owned	%	Total	%
Economy	1	33%	0	0%	2	67%	0	0%	3	100%
Midscale	3	7%	1	2%	13	29%	28	62%	45	100%
Upscale & U.Upscale	10	10%	14	15%	33	34%	39	41%	96	100%
Luxury	2	15%	3	23%	6	46%	2	15%	13	100%
TOTAL	**16**	**10%**	**18**	**11%**	**54**	**34%**	**69**	**44%**	**157**	**100%**

BY ROOMS										
	Franchise	%	Lease	%	Mgt Contr	%	Owned	%	Total	%
Economy	59	28%	-	0%	153	72%	-	0%	212	100%
Midscale	374	7%	37	1%	876	17%	3,918	75%	5,205	100%
Upscale & U.Upscale	1,774	13%	1,818	14%	2,435	18%	7,382	55%	13,409	100%
Luxury	506	16%	509	16%	1,724	54%	463	14%	3,202	100%
TOTAL	**2,713**	**12%**	**2,364**	**11%**	**5,188**	**24%**	**11,763**	**53%**	**22,028**	**100%**



Hungary: Ranking by Destination

Rank	Destination	By Hotels
1	Budapest	90
2	Siófok	5
3	Hévíz	5
4	Szeged	4
5	Zalakaros	4
6	Hajdúszoboszló	4
7	Balatonfüred	3
8	Győr	3
9	Bükfürdő	3
10	Sárvár	2

Rank	Destination	By Rooms
1	Budapest	13,790
2	Hévíz	946
3	Balatonfüred	738
4	Bükfürdő	551
5	Zalakaros	470
6	Szeged	446
7	Hajdúszoboszló	434
8	Sárvár	372
9	Győr	354
10	Gyula	308

Hungary: Pipeline (2018/19)

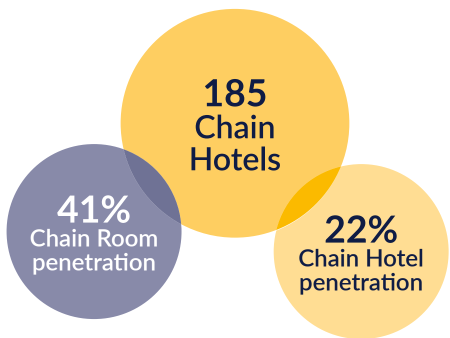
Rank	Destination	Hotel	Rooms
1	Budapest	41	6,154
2	Countryside	10	1,000

Hungary: Ownership

Rank	Owner	Assets	Rooms
1	CP Holding (Danubius)	21	5,142
2	Hunguest	20	3,374
3	Orbis (Accor)	12	3,570
4	Mellow Mood	12	867
5	CPI Property Group	4	394
6	Proform	3	677
7	Zeina	3	431
8	Corinthia	2	724
9	Al Habtoor	2	602
10	Wing	2	231

Hungary: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
City Break	34	3,912	39	5,164
Corporate	1	103	11	1,759
Health & Wellness	38	5,188	2	472
Lake (Balaton)	12	1,567	-	-
MICE	2	180	8	2,711
Outdoors	4	480	-	-
Special Interest	3	237	3	255



Key Statistics	2017	2018	% Diff.
Total chain hotels	183	185	1%
Total chain rooms	23,878	24,927	4%
Average size per chain hotel in rooms	130	135	4%
Country hotels stock *(overall supply)*	822	834	1%
Country rooms Stock *(overall supply)*	58,333	60,222	3%
Average size per hotel in rooms	71	72	2%
Chain penetration % by hotels	22%	22%	0%
Chain penetration % by rooms	41%	41%	1%
Total number of brands	31	28	-10%
Domestic brands	8	7	-13%
International brands	23	21	-9%
Second-tier operated hotels	15	19	27%
International chain hotels*	41	42	2%
Domestic chain hotels*	154	142	-8%
International chain rooms*	6,149	6,148	0%
Domestic chain rooms*	20,349	18,634	-8%

** Includes double counting*

Ireland

Dublin shows no sign of slow down as new hotel developments start construction and others are close to completion. We anticipate 1,600 rooms will be completed in the capital in 2019.

The Market

2018 was a record-breaking year with over 10.6m overseas trips to Ireland (+7% on 2017). Passenger numbers at Dublin Airport reached a record high of 31.5m, a 6% increase. 2018 was the eighth year in a row that passenger numbers have grown at the airport.

The Dublin hotel market saw an increase of over 1,100 new bedrooms during 2018, a 5.7% increase in room capacity. This represents the largest annual increase in supply in the Dublin market in over 10 years. There has been a notable increase in foreign investment in the hotel sector due to the positive outlook. Development activity for the sector is buoyant on the back of continued strong demand for hotel rooms and investor appetite.

Dalata Hotel Group remain Ireland's largest domestic group and brand. Dalata continued to invest, adding 670 rooms in Ireland in 2018 across three new hotels, together with four extensions. Radisson remains the largest international brand with nine hotels (1,445 rooms). Marriott International are growing their market share by adding two new hotels in 2019 to add to their existing four properties.

The outlook for 2019 remains encouraging with positive domestic and international economic indicators. However, hoteliers remain wary of potential risks from Brexit and any potential escalation in global trade wars.

Naoise Cosgrove, Managing Director,
Horwath HTL Ireland

Key Points

- **New brands**
  A number of new brands have announced that they will enter the Dublin market in the next couple of years. These include Aloft and Moxy, both by Marriott. Other new entrants include Easy Hotel, Hampton by Hilton, Hard Rock Hotel, Hyatt Centric, Marlin Hotel (part of the Marlin serviced apartment group) and Motel One.

- **Large hotel transactions**
  Three large sales during the year were the sale of Tifco's portfolio to Apollo Global Management, the sale of Hilton Garden Inn to Israeli backed LRC group for an estimated €100m and the sale of Citywest Hotel to Tetrarch for a reported €70m.

- **Galway trumps Cork on brand growth**
  Dublin continues to tower over all the other Irish markets in terms of chain supply with 68 hotels (13,123 rooms), an increase of 5% on last year. From 2017 Galway beats Cork to second spot with 16 hotels (1,706 rooms).

Ireland: Ranking by Size

Rank	CHAINS Chain Groups	Hotels	Rooms
1	Dalata Hotel Group	31	6,004
2	MHL Hotel Collection	11	1,840
3	Tifco	17	1,807
4	Great National Hotels	20	1,523
5	Tetrarch	5	1,324
6	Rezidor Hotel Group	9	1,298
7	McGettigan Hotels	9	1,159
8	IHG	7	1,130
9	Hilton	5	816
10	Marriott International	4	799
	Domestic Chain Groups	**Hotels**	**Rooms**
1	Dalata Hotel Group	31	6,004
2	MHL Hotel Collection	11	1,840
3	Tifco	17	1,807
4	Great National Hotels	20	1,523
5	Tetrarch	5	1,324
6	McGettigan Hotels	9	1,159
7	Windward Management	7	749
8	Inua Hospitality	7	743
9	Brian McEniff Hotels	6	626
10	The Doyle Collection	3	619
	International Chain Groups	**Hotels**	**Rooms**
1	Rezidor Hotel Group	9	1,298
2	IHG	7	1,130
3	Hilton	5	816
4	Marriott International	4	799
5	Choice Hotel International	6	365
6	Riu	1	340
7	Liebherr Group	2	289
8	Seraphine Hotels	2	279
9	Best Western	1	270
10	Premier Inn	1	213

Rank	BRANDS Chain Brands	Hotels	Rooms
1	Clayton Hotels	13	3,491
2	Maldron Hotels	14	1,948
3	Radisson	8	1,184
4	Jurys Inn	4	698
5	Travelodge	8	583
6	Crowne Plaza	3	521
7	Holiday Inn Express	3	510
8	Hilton Hotels and Resorts	3	479
9	Great National Hotels	7	422
10	Autograph Collection	2	394
	Domestic Chain Brands	**Hotels**	**Rooms**
1	Clayton Hotels	13	3,491
2	Maldron Hotels	14	1,948
3	Jurys Inn	4	698
4	Great National Hotels	7	422
5	Treacys Hotel	4	380
6	Talbot Collection	3	341
7	McGettigan Hotels	1	82
	International Chain Brands	**Hotels**	**Rooms**
1	Radisson	8	1,184
2	Travelodge	8	583
3	Crowne Plaza	3	521
4	Holiday Inn Express	3	510
5	Hilton Hotels and Resorts	3	479
6	Autograph Collection	2	394
7	Riu	1	340
8	Hilton Garden Inn	1	324
9	Renaissance Hotels	1	266
10	Premier Inn	1	213

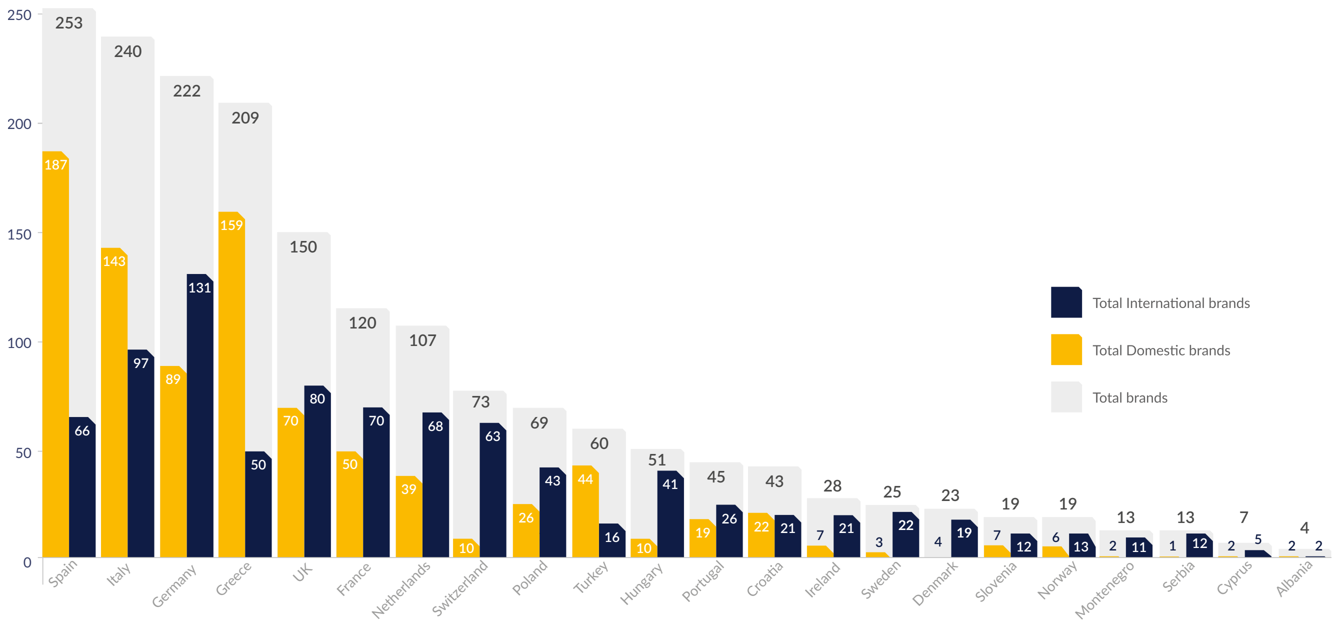
Ireland: Ranking by Scale

Rank	DOMESTIC BRANDS Economy & Midscale	Hotels	Rooms
1	Maldron Hotels	8	1,090
2	Jurys Inn	4	698
3	Treacys Hotel	3	330
4	Great National Hotels	4	254
5	McGettigan Hotels	1	82
Rank	**Upscale & Upper Upscale**	**Hotels**	**Rooms**
1	Clayton Hotels	13	3,491
2	Maldron Hotels	6	858
3	Talbot Collection	3	341
4	Great National Hotels	3	168
5	Treacys Hotel	1	50
Rank	**Luxury**	**Hotels**	**Rooms**

Rank	INTERNATIONAL BRANDS Economy & Midscale	Hotels	Rooms
1	Travelodge	8	583
2	Holiday Inn Express	3	510
3	Hilton Garden Inn	1	324
4	Premier Inn	1	213
5	Ibis Hotel	1	150
6	Park Inn	1	114
7	Quality Hotel	1	25
Rank	**Upscale & Upper Upscale**	**Hotels**	**Rooms**
1	Radisson	7	1,033
2	Crowne Plaza	3	521
3	Hilton Hotels and Resorts	3	479
4	Riu	1	340
5	Sheraton	1	167
6	Ascend Hotel Collection	1	40
Rank	**Luxury**	**Hotels**	**Rooms**
1	Autograph Collection	2	394
2	Renaissance Hotels	1	266
3	InterContinental H&R	1	197
4	Conrad Hotels and Resorts	1	192
5	Westin	1	172
6	Radisson	1	151
7	Solis Hotel	1	96
8	Trump Hotels	1	81

Ireland: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	1	150	1%	150			1	150
Midscale	36	4,323	41%	120	20	2,454	16	1,869
Upscale & U.Upscale	42	7,488	48%	178	26	4,908	16	2,580
Luxury	9	1,549	10%	172			9	1,549
TOTAL	88	13,510	100%	154	46	7,362	42	6,148



Ireland: Ranking by Destination

Rank	Destination	By Hotels
1	Co Dublin	68
2	Co Cork	16
3	Co Galway	16
4	Co Limerick	10
5	Co Kerry	9
6	Co Wexford	6
7	Co Kilkenny	3
8	Co Kildare	3

Rank	Destination	By Rooms
1	Co Dublin	13,123
2	Co Galway	1,706
3	Co Cork	1,614
4	Co Limerick	1,214
5	Co Kerry	901
6	Co Wexford	583
7	Co Kildare	414
8	Co Kilkenny	158

Ireland: Hotel Investors 2018

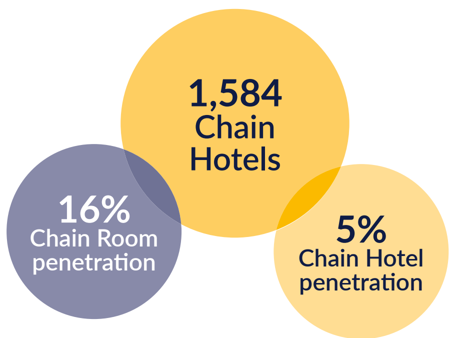
Rank	Name	Volume in €m
1	Apollo Global RE	289.0
2	LRC Europe	104.4
3	Tetrarch Capital	75.0
4	Brookfield AM	56.3
5	Aviva	17.5

Source: Real Capital Analytics, Inc. 2019

Ireland: Institutional Owners 2018

Rank	Name	No. of Keys
1	Apollo Global RE	2,057
2	TVC Holdings	1,020
3	DekaBank	753
4	ADIA	418
5	Kennedy Wilson	414

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2017	2018	% Diff.
Total chain hotels	1,488	1,584	6.5%
Total chain rooms	164,196	171,845	4.7%
Average size per chain hotel in rooms	110.3	108.5	-1.7%
Country hotels stock *(overall supply)*	33,166	32,988	-0.5%
Country rooms Stock *(overall supply)*	1,091,061	1,086,910	-0.4%
Average size per hotel in rooms	32.9	32.9	0.2%
Chain penetration % by hotels	4.5%	4.8%	7.0%
Chain penetration % by rooms	15.0%	15.8%	5.1%
Total number of brands	227	240	5.7%
Domestic brands	137	143	4.4%
International brands	90	97	7.8%
Second-tier operated hotels	69	76	10.1%
International chain hotels*	523	558	6.7%
Domestic chain hotels*	1,034	1,102	6.6%
International chain rooms*	65,965	68,961	4.5%
Domestic chain rooms*	107,881	113,848	5.5%

** Includes double counting*

Italy

Hospitality in Italy is consolidating its ownership and corporate structure. Its competitive backbone is no longer family-run hotels: core assets are in the hands of hundreds of operators and owners.

The Market

2018 was a year of confirmation and consolidation. Hotels demand grew +2.3%, thanks to international flows. The hotel industry continued to consolidate in operating chains (16% of rooms) and owning structure, due to the expansion of domestic operators and the unrest in investment funds' interest. Overall, the last 3 years have been very vibrant, with several M&A deals.

During 2018, a sustained period of consolidation saw many domestic operators go beyond the threshold of 4 hotels needed to be considered a chain, meaning the total number of brands and operators reached 240, up from 227 last year. The countries of origin for brands are very diverse: not only Italy (143 brands), USA (36), France (13) and Spain (13), UK (12), but also Germany (7), Austria (4), Belgium (2), Israel (2), Taiwan (1) and many other countries. In expanding their global footprint, international chains have succeeded in having at least one property in Italy, which has the highest number of hotels and rooms in Europe (Eurostat).

Looking ahead, while the number of hotels will diminish (as recorded over the last 10 years) due to the 'retirement' of properties which are not appealing for independent operations, nor affiliated, chains will continue to consolidate and get closer to one fifth of the overall room inventory.

Zoran Bačić, Senior Partner & Managing Director
Horwath HTL Italy

Key Points

- **2018 chain rooms penetration rose to 15.8%**
  In 2018 the total penetration rate of chain rooms got closer to 16%. This figure reached 50% in the Upper Upscale & Luxury segment and 33% in the Upscale segment. The presence of chains in the Economy tier is yet very limited.

- **5% of chain hotels under management contracts**
  Management contracts in the Country remain rare. They were 5% of the overall distribution of business models in 2018. Franchising is set at 20%. Lease and management under direct ownership together total 74% of chain hotels.

- **15,700 chain rooms expected for 2019-202**
  The current amount of pipeline rooms we have recorded in our last census for the coming years (2019-2022) is 15,650 belonging to 118 new hotels, the majority of which in the Midscale and Upscale segments, 60% of which branded by international operators.

Italy: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Best Western H&R	154	11,676
2	AccorHotels	84	10,529
3	Marriott International	62	10,093
4	NH Hotels	51	7,825
5	Gruppo Una	39	5,034
6	IHG	30	4,678
7	TH Resorts	22	4,645
8	Hilton	22	4,606
9	ITI Hotels	39	4,604
10	Bluserena	11	3,920
	Domestic Chain Groups	Hotels	Rooms
1	Gruppo UNA	39	5,034
2	TH Resorts	22	4,645
3	ITI Hotels	39	4,604
4	Bluserena	11	3,920
5	Starhotels	24	3,669
6	Blu Hotels	30	3,372
7	Aeroviaggi	14	3,183
8	IH Hotels	28	2,927
9	Alpitour	10	2,739
10	JSH Hotels & Resorts	13	2,671
	International Chain Groups	Hotels	Rooms
1	Best Western H&R	154	11,676
2	AccorHotels	84	10,529
3	Marriott International	61	10,035
4	NH Hotels	51	7,825
5	IHG	30	4,678
6	Hilton	22	4,606
7	B&B Hotels	34	3,270
8	Club Med	5	2,016
9	Louvre Hotels Group	7	1,139
10	Grupo Hotusa	11	1,103

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Best Western	101	7,423
2	NH Hotels	38	5,877
3	TH Resorts	22	4,645
4	Bluserena	11	3,920
5	Mercure	34	3,702
6	Unahotels	23	3,607
7	Blu Hotels	30	3,372
8	B&B Hotels	34	3,270
9	Aeroviaggi	14	3,183
10	Iti Hotels-Marina H&R	24	2,870
	Domestic Chain Brands	Hotels	Rooms
1	TH Resorts	22	4,645
2	Bluserena	11	3,920
3	Unahotels	23	3,607
4	Blu Hotels	30	3,372
5	Aeroviaggi	14	3,183
6	Iti Hotels-Marina H&R	24	2,870
7	IH Hotels	27	2,864
8	Starhotels Premium	17	2,772
9	Voi Hotels	10	2,739
10	Jsh	13	2,671
	International Chain Brands	Hotels	Rooms
1	Best Western	101	7,423
2	NH Hotels	38	5,877
3	Mercure	34	3,702
4	B&B Hotels	34	3,270
5	Best Western Plus	29	2,622
6	Holiday Inn	14	2,313
7	Sheraton	6	2,211
8	Novotel	13	2,200
9	Club Med	5	2,016
10	Hilton	6	1,939

Italy: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	TH Resorts	7	1,600
2	Geturhotels	7	1,330
3	Chincherini Holiday Group	10	1,170
4	Aeroviaggi	2	772
5	Bianchi Hotels	10	641
6	Apogia Hotels Group	12	618
7	Aurum Hotels	3	599
8	Piazza Hotels & Residences	19	568
9	Azzurro Club Vacanze	10	516
10	Club Esse	5	499
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Bluserena	9	3,686
2	Una Hotels	23	3,607
3	Blu Hotels	25	3,136
4	TH Resorts	15	3,045
5	Starhotels Premium	17	2,772
6	IH Hotels	26	2,749
7	Voi Hotels	8	2,568
8	ITI Hotels-Marina H&R	20	2,553
9	Aeroviaggi	12	2,411
10	JSH	11	2,266
Rank	Luxury	Hotels	Rooms
1	GB Thermae Hotels	3	542
2	Delphina	3	541
3	ITI Hotels- Colonna Luxury	3	477
4	The Dedica Anthology	3	458
5	Select	3	451
6	JSH	2	405
7	Baglioni Hotels	6	398
8	Giorgio Mazzella Group	2	397
9	Sina	5	391
10	Allegroitalia	5	389

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	B&B Hotels	33	3,193
2	Ibis	9	1,625
3	Best Western	25	1,491
4	Club Med	3	1,450
5	Ibis Styles	11	949
6	Holiday Inn Express	6	664
7	Tulip Inn	4	445
8	The Student Hotel	1	390
9	Moxy	2	362
10	Meininger	3	329
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Best Western	76	5,932
2	NH Hotels	38	5,877
3	Mercure	32	3,492
4	Best Western Plus	26	2,487
5	Holiday Inn	14	2,313
6	Novotel	13	2,200
7	Sheraton	5	2,131
8	Hilton	5	1,560
9	Crowne Plaza	7	1,476
10	AC Hotels Marriott	11	1,235
Rank	Luxury	Hotels	Rooms
1	Luxury Collection	8	940
2	Westin	3	714
3	Autograph Marriott	5	636
4	NH Collection	4	567
5	Belmond	7	453
6	Melia'	4	449
7	Mgallery By Sofitel	4	418
8	Rocco Forte	3	405
9	Dorchester Collection	2	399
10	Hilton	1	379

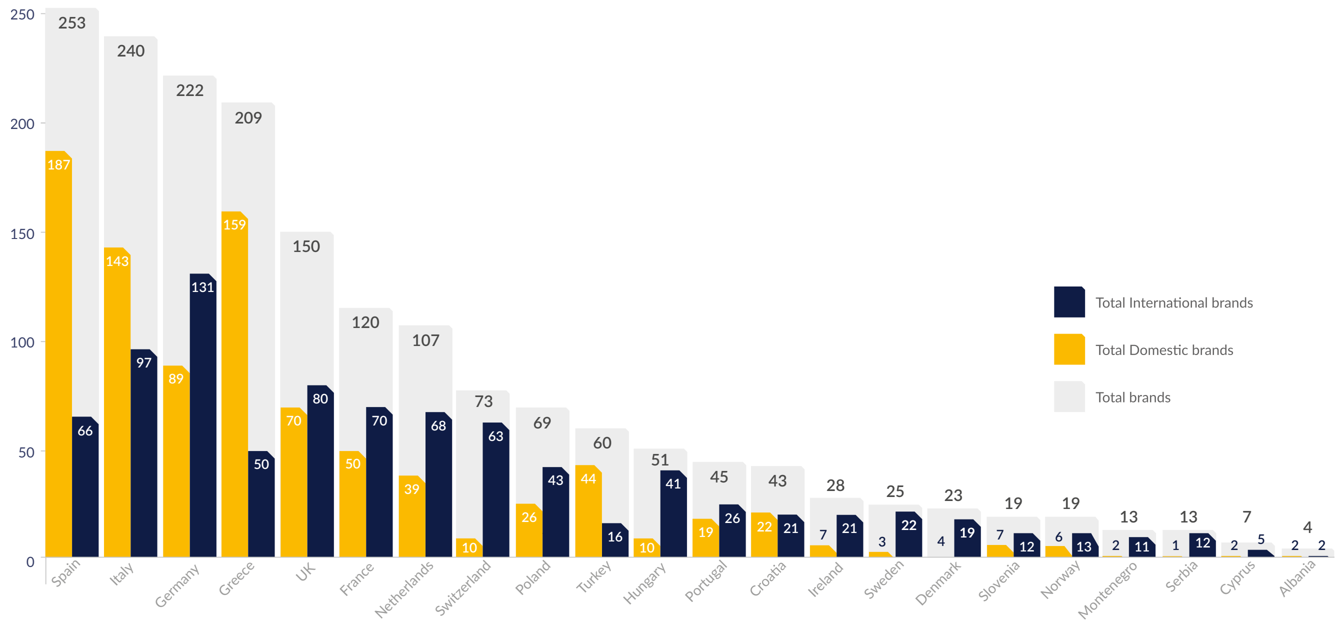
Italy: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	24	1,802	1.0%	75	17	660	7	1,142
Midscale	356	27,842	16.2%	78	249	17,050	107	10,792
Upscale & U.Upscale	1,029	124,317	72.3%	121	721	85,426	308	38,891
Luxury	175	17,884	10.4%	102	108	9,852	67	8,032
TOTAL	1,584	171,845	100%	108	1,095	112,988	489	58,857

Italy: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-	-	9	38%	1	4%	14	58%	24	100%
Midscale	62	17%	145	40%	12	3%	144	40%	363	100%
Upscale & U.Upscale	253	23%	398	37%	41	4%	393	36%	1,085	100%
Luxury	19	10%	52	28%	31	16%	86	46%	188	100%
TOTAL	334	20%	604	36%	85	5%	637	38%	1,660	100%

BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-	-	468	26%	50	3%	1,284	71%	1,802	100%
Midscale	4,577	16%	13,366	47%	1,770	6%	8,776	31%	28,489	100%
Upscale & U.Upscale	28,802	22%	48,584	37%	7,258	5%	48,274	36%	132,918	100%
Luxury	1,808	9%	5,343	27%	4,430	23%	8,019	41%	19,600	100%
TOTAL	35,187	19%	67,761	37%	13,508	7%	66,353	36%	182,809	100%



Italy: Ranking by destination

Rank	Destination	By Hotels
1	Rome	181
2	Milan	116
3	Venice	61
4	Florence	59
5	Rimini	36
6	Cervia	31
7	Bologna	25
8	Turin	23
9	Jesolo	21
10	Genoa	20

Rank	Destination	By Rooms
1	Rome	20,782
2	Milan	15,061
3	Venice	5,955
4	Florence	4,967
5	Bologna	3,441
6	Turin	2,575
7	Naples	2,361
8	Genoa	2,314
9	Cervia	2,228
10	Budoni	2,154

Italy: Pipeline (2018/19)

Rank	Destination	Hotel	Rooms
1	Rome	18	2,588
2	Milan	13	1,936
3	Venice	12	1,824
4	Florence	5	953
5	Pizzo	1	618
6	Bologna	2	561
7	Fiumicino	2	439
8	Acireale	1	374
9	Badesi	1	350
10	Carlentini	1	225

Italy: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	245	23,078	184	22,728
Airport	10	1,727	22	3,764
Business Focus	147	15,313	161	18,136
Golf	14	2,230	3	596
Other Leisure	172	13,489	73	7,521
Ski	83	6,585	16	1,234
Sun & Beach	400	48,042	28	4,760
Thermal	24	2,524	2	118

Italy: Hotel Investors 2018

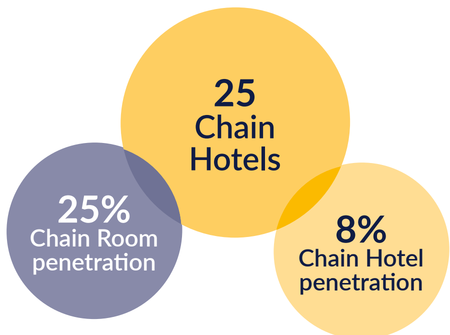
Rank	Name	Volume in €m
1	CDL	40.6
2	Boissee Finances	36.0
3	Swiss Life AM	34.0
4	Finint	32.9
5	Rocco Forte Hotels	25.3

Source: Real Capital Analytics, Inc. 2019

Italy: Institutional Owners

Rank	Name	No. of Keys
1	CDP Cassa Depositi	1,808
2	QIA	1,597
3	BNP Paribas	958
4	Finint	797
5	Varde Partners	698

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2018
Total chain hotels	25
Total chain rooms	4,113
Average size per chain hotel in rooms	165
Country hotels stock *(overall supply)*	327
Country rooms Stock *(overall supply)*	16,576
Average size per hotel in rooms	51
Chain penetration % by hotels	7.65%
Chain penetration % by rooms	24.81%
Total number of brands	13
Domestic brands	2
International brands	11
International chain hotels*	15
Domestic chain hotels*	12
International chain rooms*	2,366
Domestic chain rooms*	1,805

** Includes double counting*
Note: Montenegro is a new market to report - only 2018 data available

Montenegro

The market in Montenegro is fast-growing, driven largely by high quality coastal resorts built by foreign investors, supported by favourable investment conditions.

The Market

The hotel market in Montenegro is a fast growing market driven largely by high quality resorts built by foreign investors on the coast, such as Lustica Bay, Porto Montenegro and Portonovi. Currently there are only two domestic chains. Budvanska Rivijera with 1,751 rooms across 7 hotels is the dominant market player with a share of 42%, while Casa Del Mare owns/manages 5 small hotels.

Conditions for investment are very favourable for hotel construction since the Montenegro Government has ensured significant investing benefits and tax reliefs on national and local level, such as general corporate profit tax and personal income tax as low as 9%. This has attracted 11 international hotel chains and brands, which share 57% in total hotels chain supply, particularly in the luxury segment (primarily through luxury mixed-use mega resorts) with brands such as Aman, Hilton, Regent, Melia, Chedi and Iberostar.

2018 was a good year with a significant increase in average RevPar (27%) but Montenegro is still developing as a tourist destination. The expectation is that it will remain in the upward trend as more chains enter the market with the high-end resorts likely to improve performance and have an impact on the surrounding destinations.

Rubinka Vlahov Petrović, Senior Partner
Horwath HTL Croatia

Key Points

- **Hotel supply driven by foreign investments**
  Due to a favourable investment environment, Government incentives and still underdeveloped coastal area, Montenegro is a very attractive country for mixed-use tourism projects with internationally branded hotels.

- **High interest from international brands**
  With 14 international brands present in the market in the Upper Upscale and Luxury segment there is clear indication that the market is of interest to global players, primarily for stand-alone high-end resorts.

- **Privatisation may add more international brands**
  The Government of Montenegro is going through a privatisation process for several state-owned entities, which may entice new international brands into the market and further enhance the overall maturity of the tourism offering.

- **Citizenship program to boost investments**
  The Government of Montenegro has introduced an economic citizenship program which allows foreigners to be granted the citizenship of Montenegro at the discretion of the Ministry of Interior Affairs and Public Administration through a designated investment. This program is expected to further attract investors within the already favourable investment environment.

Montenegro: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Budvanska Rivijera	7	1,751
2	Casa del Mare	5	54
3	Iberostar Hotels & Resorts	3	821
4	Karisma Hotels Adriatic	2	482
5	Aman Resorts	2	58
6	Falkensteiner	1	236
7	Hilton Worldwide	1	180
8	IHG	1	149
9	Melia Hotels & Resorts	1	114
10	Orascom Hotels	1	111
	Domestic Chain Groups	Hotels	Rooms
1	Budvanska Rivijera	7	1,751
2	Casa del Mare	5	54
	International Chain Groups	Hotels	Rooms
1	Iberostar Hotels & Resorts	3	821
2	Karisma Hotels Adriatic	2	482
3	Aman Resorts	2	58
4	Falkensteiner	1	236
5	Hilton Worldwide	1	180
6	IHG	1	149
7	Melia Hotels & Resorts	1	114
8	Orascom Hotels	1	111
9	Wyndham	1	110
10	Marriott International	1	72

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Budvanska Rivijera	5	1,693
2	Casa del Mare	5	54
3	Iberostar	3	821
4	Karisma	2	482
5	Aman	2	58
6	Falkensteiner	1	236
7	Hilton	1	180
8	Regent	1	134
9	Melia	1	114
10	Chedi	1	111
	Domestic Chain Brands	Hotels	Rooms
1	Budvanska Rivijera	5	1,693
2	Casa del Mare	5	54
	International Chain Brands	Hotels	Rooms
1	Iberostar	3	821
2	Karisma	2	482
3	Aman	2	58
4	Falkensteiner	1	236
5	Hilton	1	180
6	Regent	1	134
7	Melia	1	114
8	Chedi	1	111
9	Ramada	1	110
10	Four Points by Sheraton	1	72

Montenegro: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Budvanska Rivijera	3	1,337
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Casa del Mare	5	54
2	Budvanska Rivijera	2	356
Rank	Luxury	Hotels	Rooms

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Iberostar	2	756
2	Karisma	2	482
3	Falkensteiner	1	236
4	Ramada	1	110
5	Four Points by Sheraton	1	72
Rank	Luxury	Hotels	Rooms
1	Aman	2	58
2	Hilton	1	180
3	Regent	1	149
4	Melia	1	114
5	Chedi	1	111
6	Iberostar	1	65

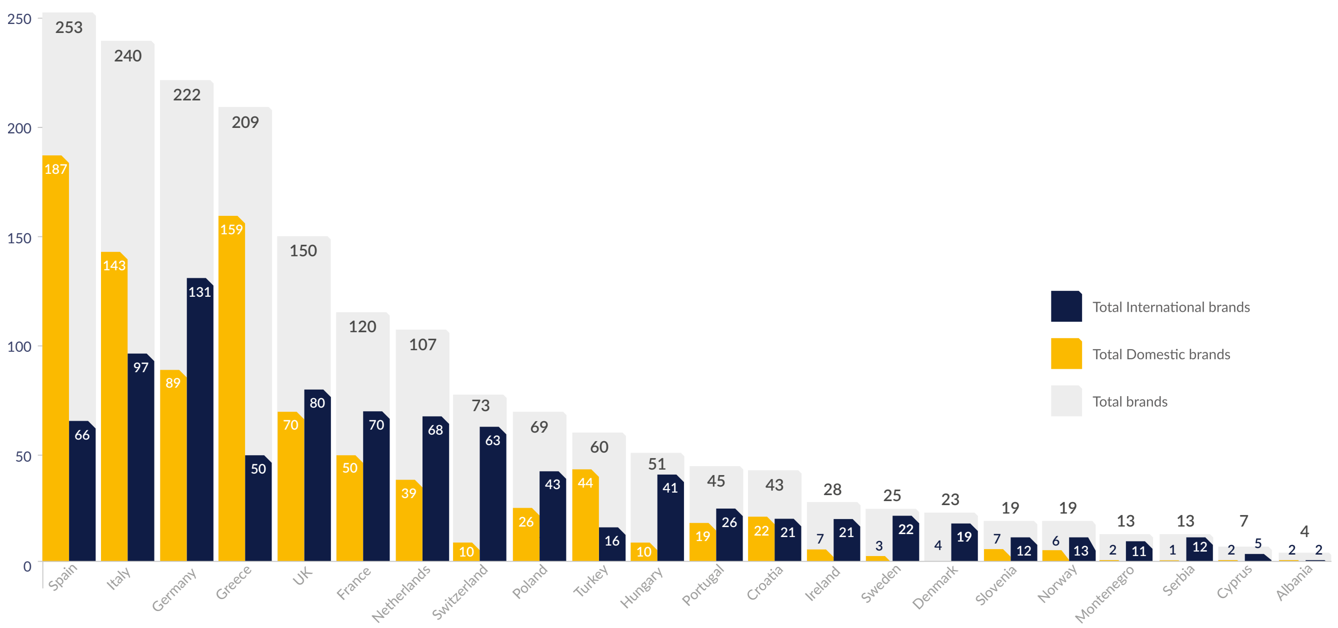
Montenegro: Ranking per scale & size

CHAINS	OVERALL		DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Midscale	3	1,337	3	1,337	-	-
Upscale & U.Upscale	14	2,066	7	410	7	1,656
Luxury	7	662	-	-	7	662
TOTAL	**24**	**4,065**	**10**	**1,747**	**14**	**2,318**

Montenegro: Business Model

BY HOTELS								
	Franchising	%	Mgt Contract	%	Owned	%	Total	%
Midscale	-	-	-	-	3	33%	3	12%
Upscale & U.Upscale	3	75%	6	50%	6	67%	15	60%
Luxury	1	25%	6	50%	-	-	7	28%
TOTAL	4	16%	12	48%	9	36%	25	100%

BY ROOMS								
	Franchising	%	Mgt Contract	%	Owned	%	Total	%
Midscale	-	-	-	-	1,337	55%	1,337	33%
Upscale & U.Upscale	230	56%	793	62%	1,091	45%	2,114	51%
Luxury	180	44%	482	38%			662	16%
TOTAL	410	10%	1,275	31%	2,428	59%	4,113	100%



Montenegro: Ranking by Destination

Rank	Destination	By Hotels
1	Budva	5
2	Herceg Novi	3
3	Podgorica	3
4	Kotor	3
5	Bečići	2
6	Tivat	2
7	Petrovac	2
8	Ulcinj	1
9	Njivice, Igalo	1
10	Dobra Voda	1

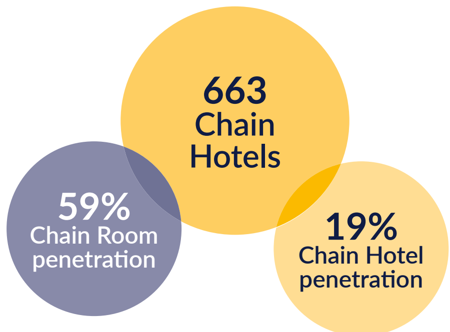
Rank	Destination	By Rooms
1	Budva	1,395
2	Bečići	802
3	Petrovac	356
4	Ulcinj	353
5	Podgorica	338
6	Tivat	245
7	Njivice, Igalo	190
8	Dobra Voda	129
9	Petrovac na Moru	114
10	Kotor	83

Montenegro: Pipeline (2018/19)

Rank	Destination	Hotels	Rooms
1	Budva	5	1.395
2	Bečići	3	1.038
3	Petrovac	3	470
4	Ulcinj	1	353
5	Podgorica	3	338
6	Tivat	6	2,334
7	Njivice, Igalo	1	190
8	Dobra Voda	1	129
9	Kotor	3	83
10	Kolašin	1	72

Montenegro: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	-	-	3	338
Ski	-	-	1	72
Sun & Beach	10	1,747	11	1,956



Key Statistics	2017	2018	% Diff.
Total chain hotels	640	663	3.6%
Total chain rooms	72,467	76,133	5.1%
Average size per chain hotel in rooms	113.2	114.8	1.4%
Country hotels stock (overall supply)	3,434	3,503	2.0%
Country rooms Stock (overall supply)	124,565	129,479	3.9%
Average size per hotel in rooms	36.3	37.0	1.9%
Chain penetration % by hotels	18.6%	18.9%	1.6%
Chain penetration % by rooms	58.2%	58.8%	1.1%
Total number of brands	99	107	8.1%
Domestic brands	38	39	2.6%
International brands	61	68	11.5%
Second-tier operated hotels	44	46	4.5%
International chain hotels*	246	262	6.5%
Domestic chain hotels*	436	447	2.5%
International chain rooms	37,298	40,188	7.7%
Domestic chain rooms*	40,825	42,123	3.2%

** Includes double counting*

Netherlands

The largest hotel chain in The Netherlands in number of rooms remains Van der Valk, with 70 hotels and almost 10,000 hotel rooms. The largest international chain is Accor Hotels.

The Market

The Dutch hotel industry is flourishing, having reached record occupancies, room rates and revenues and projecting further growth for the near future. Increased supply and demand in Amsterdam has led to a strong sense of 'overtourism' among the local population and politicians. As a result, a near total 'hotel stop' has been implemented. However, it may be some years before the effects are visible, as there are still dozens of locations where hotel developments are approved. Meanwhile, the cities are experiencing increased attention from developers/investors, and are expected to maintain a strong growth rate in both supply and demand.

The Netherlands currently has a total of over 3,500 hotels, offering almost 130,000 rooms. While 19% is chain affiliated, almost 60% of all rooms belong to a chain. Chain penetration is high in Upscale, Upper Upscale and Luxury hotels, but less so in Midscale and Budget & Economy hotels. Chain penetration is highest in/around Amsterdam Schiphol Airport, and in cities such as Eindhoven, The Hague and Rotterdam. More rural tourist destinations such as Noordwijk and Valkenburg offer a large number of hotels, but few are chain-affiliated.

The largest hotel chain remains Van der Valk, with 70 hotels and almost 10,000 hotel rooms. The largest international chain is Accor Hotels, with 46 hotels and 8,000 hotel rooms. The fast-growing domestic chain, Fletcher Hotels has now surpassed Van der Valk in number of hotels, reaching 87. However, as most Fletcher Hotels are relatively small, with a total of 5,000 rooms it is only the fourth chain in number of hotel rooms.

Ewout Hoogendoorn, Managing Director
Horwath HTL Netherlands

Key Points

- **Chain Hotels**
  23 chain hotels were added in the Netherlands, with a total of 3,666 rooms. The most active chain is Fletcher Hotels, which added 8 hotels to its brand. The largest single addition was the opening of the 476 room Park Inn by Radisson in Amsterdam.

- **Domestic brands**
  Newly active brands in the Netherlands include Cityden Up, a spin-off of the domestic short stay brand Cityden.

- **International brands**
  The Irish Prem Group brought its serviced apartments brand to the Netherlands with Premier Suites Plus in Rotterdam. IHG introduced the trendy, super-green QO Hotel in Amsterdam. International hostel brands Generator and Via opened their first hotels in The Netherlands, as did Indigo and Pestana.

Netherlands: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Van der Valk	70	9,880
2	AccorHotels	46	7,977
3	NH Hotels	36	6,874
4	Fletcher	87	5,004
5	InterContinental Hotel Group	20	3,610
6	Louvre	45	3,545
7	Bastion Hotel Group	32	3,312
8	Marriott International	13	2,843
9	Hilton	12	2,690
10	Radisson Hotel Group	11	2,394
	Domestic Chain Groups	Hotels	Rooms
1	Van der Valk	70	9,880
2	Fletcher	87	5,004
3	Bastion	32	3,312
4	Apollo	14	1,995
5	TVHG	11	1,913
6	Eden Hotels	14	1,798
7	The Student Hotel	7	1,766
8	WestCord Hotels	15	1,754
9	Bilderberg	17	1,696
10	Amrâth Hôtels	14	1,323
	International Chain Groups	Hotels	Rooms
1	AccorHotels	46	7,977
2	NH Hotels	36	6,874
3	IHG	20	3,610
4	Louvre	45	3,545
5	Marriott International	13	2,843
6	Hilton	12	2,690
7	Radisson Hotel Group	11	2,394
8	Best Western Hotels	28	2,242
9	PPHE Hotels Group	6	1,117
10	Carlton Hotel Collection	7	886

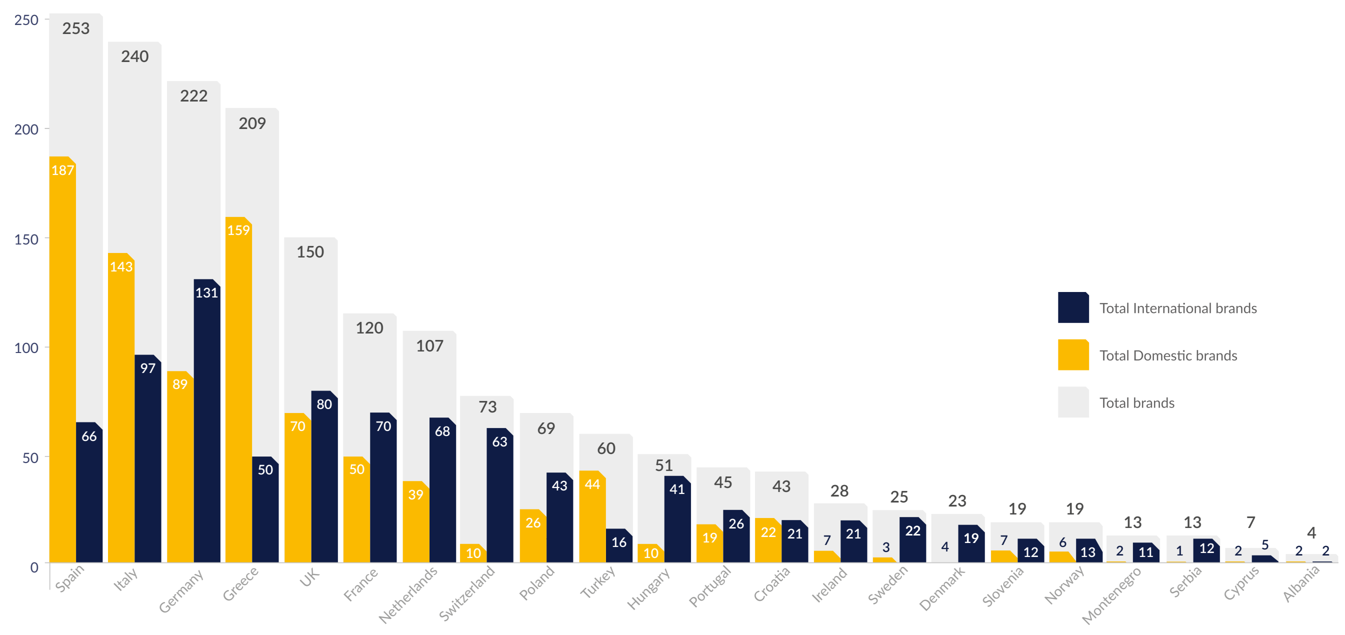
	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Van der Valk	70	9,880
2	NH	31	5,615
3	Fletcher	87	5,004
4	Bastion	31	3,119
5	Best Western	28	2,242
6	Ibis	11	2,182
7	Novotel	9	1,874
8	The Student Hotel	7	1,766
9	Bilderberg	17	1,696
10	Golden Tulip	19	1,610
	Domestic Chain Brands	Hotels	Rooms
1	Van der Valk	70	9,880
2	Fletcher	86	4,937
3	Bastion	31	3,119
4	The Student Hotel	7	1,766
5	Bilderberg	17	1,696
6	Golden Tulip	19	1,610
7	WestCord	14	1,497
8	Eden	11	1,429
9	Apollo	11	1,315
10	Amrâth	11	1,161
	International Chain Brands	Hotels	Rooms
1	NH	31	5,615
2	Best Western	28	2,242
3	Ibis	11	2,182
4	Novotel	9	1,874
5	Mercure	10	1,521
6	Holiday Inn Express	8	1,351
7	Hilton	5	1,266
8	Park Plaza	5	1,010
9	NH Collection	4	981
10	Marriott	3	947

Netherlands: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Fletcher	87	5,004
2	Bastion	31	3,119
3	The Student Hotel	7	1,766
4	XO	7	1,018
5	Tulip Inn	11	955
6	Stayokay	20	814
7	Postillion	6	515
8	Teleport	2	210
9	Hotel V	3	182
10	CityHub	2	176
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Van der Valk	70	9,880
2	Bilderberg	17	1,696
3	Golden Tulip	19	1,610
4	WestCord	14	1,497
5	Eden	11	1,429
6	Apollo	11	1,315
7	Amrâth	11	1,161
8	Inntel	4	886
9	Hampshire	15	873
10	CitizenM	3	596
Rank	Luxury	Hotels	Rooms

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Best Western	28	2,242
2	Ibis	11	2,182
3	Mercure	10	1,521
4	Holiday Inn Express	8	1,351
5	Campanile	14	913
6	Ibis budget	5	739
7	Ramada	3	731
8	Park Inn by Radisson	2	626
9	easyHotel	6	611
10	Hampton by Hilton	3	517
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	NH	31	5,615
2	Novotel	9	1,874
3	Hilton	5	1,266
4	Park Plaza	5	1,010
5	NH Collection	4	981
6	Marriott	3	947
7	Carlton Hotel Collection	6	835
8	Holiday Inn	4	781
9	Crowne Plaza	4	764
10	Radisson Blu	3	651
Rank	Luxury	Hotels	Rooms
1	W	2	238
2	Sofitel	1	182
3	Andaz	1	122
4	Waldorf Astoria	1	93
5	Luxury Collection	1	92
6	InterContinental	1	79
7	Warwick	1	25

Netherlands: Total Brands



Netherlands: Ranking by Destination

Rank	Destination	By Hotels
1	Amsterdam	447
2	Valkenburg	72
3	The Hague	72
4	Rotterdam	69
5	Maastricht	59
6	Zandvoort	35
7	Utrecht	34
8	Noordwijk	32
9	Groningen	28
10	Eindhoven	27

Rank	Destination	By Rooms
1	Amsterdam	32,266
2	Rotterdam	5,778
3	The Hague	4,816
4	Hoofddorp	2,709
5	Maastricht	2,641
6	Eindhoven	2,272
7	Utrecht	1,945
8	Valkenburg	1,747
9	Schiphol	1,711
10	Noordwijk	1,419

Netherlands: Hotel Investors 2018

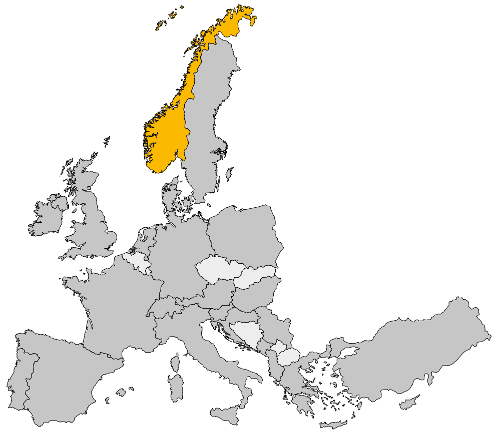
Rank	Name	Volume in €m
1	DekaBank	197.7
2	Global Holdings	163.7
3	InterGlobe Enterprises	113.3
4	Invesco	110.0
5	CBRE Global Investors	110.0

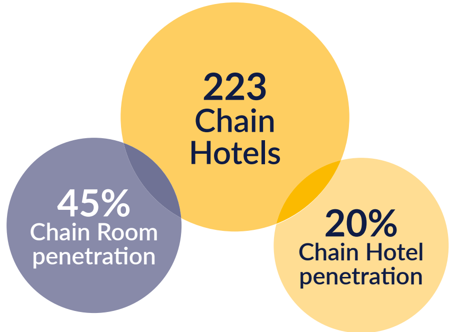
Source: Real Capital Analytics, Inc. 2019

Netherlands: Institutional Owners

Rank	Name	No. of Keys
1	DekaBank	1,485
2	AXA Group	1,376
3	Invesco	1,048
4	Bouwinvest	943
5	Union Investment	779

Source: Real Capital Analytics, Inc. 2019





Key Statistics	2018
Total chain hotels	223
Total chain rooms	39,596
Average size per chain hotel in rooms	178
Country hotels stock *(overall supply)*	1,100
Country rooms Stock *(overall supply)*	88,200
Average size per hotel in rooms	80
Chain penetration % by hotels	20.3%
Chain penetration % by rooms	44.9%
Total number of brands	16
Domestic brands	3
International brands	13
International chain hotels*	179
Domestic chain hotels*	44
International chain rooms*	32,796
Domestic chain rooms*	6,800

** Includes double counting*
Note: Norway is a new market to report - only 2018 data available

Norway

The market is mature and very brand heavy, in fact well over half of the rooms in Norway are attached to a brand. Many of them to local hero, Nordic Choice hotels.

The Market

This is the first time that Norway has featured in the report. The Norway market is a very solid hotel market with 299 chain hotels, placing then 10th out of the 22 markets covered. Even though the number of brands they have is small compared to the rest of Europe, only 19 well below the report average of 81, the brands they do operate a lot of hotels and the penetration of chain hotels and rooms is relatively high, with branded hotels making up 27% of hotel stock and bedrooms over 55%. This is reflected in the average size of the hotels, with chain affiliated hotels having an average of 165 rooms as opposed to the average market size of 80.

The market is dominated by three players, two local and one Swedish. Nordic Choice hotels, a master franchise owner of the Choice brands are the biggest, with 4 brands, 93 hotels and 15,908 rooms. Scandic is next with 85 hotels and 15,702 rooms and third is the Thon Hotels group who have 74 hotels and 9,969 rooms.

The market is very focused on the midscale and upscale markets, with 53% and 45% respectively. Nordic Choice is slightly disadvantaged here as their hotels share the same STR ratings as Choice worldwide, even though the overall quality is higher.

James Chappell, Global Business Director
Horwath HTL Global

Key Points

- **Choice, but not as you know it**
  Nordic Choice is a master franchise with a classic stable brand which was reinvented for a new market. It is also a good, rare example of an imitation, being better than the original. They now have 93 hotels and counting in Norway alone.

- **Transactions few and far between**
  The transaction market in Norway was subdued in 2018, with the top five deals netting a relatively small 55.4 million Euros.

Norway: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Choice Hotels International	93	15,908
2	Scandic	46	9,311
3	Olav Thon Grp	37	6,157
4	Radisson	23	6,190
5	Best Western	15	1,061
6	First	6	571
7	Marriott	1	276
8	Norlandia	1	72
9	Hotel Guldsmeden	1	50
	Domestic Chain Groups	Hotels	Rooms
1	Olav Thon Grp	37	6,157
2	First	6	571
3	Norlandia	1	72
	International Chain Groups	Hotels	Rooms
1	Choice Hotels International	93	15,908
2	Scandic	46	9,311
3	Radisson	23	6,190
4	Best Western	15	1,061
5	Marriott	1	276
6	Hotel Guldsmeden	1	50

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Scandic	46	9,311
2	Thon	37	6,157
3	Quality Hotel	34	6,376
4	Clarion Collection	21	2,707
5	Radisson Blu	19	5,424
6	Comfort	18	2,986
7	Ascend	10	2,067
8	Clarion	10	1,772
9	Best Western	7	426
	Domestic Chain Brands	Hotels	Rooms
1	Thon	37	6,157
2	First	6	571
3	Norlandia	1	72
	International Chain Brands	Hotels	Rooms
1	Scandic	46	9,311
2	Quality Hotel	34	6,376
3	Clarion Collection	21	2,707
4	Radisson Blu	19	5,424
5	Comfort	18	2,986
6	Ascend	10	2,067
7	Clarion	10	1,772
8	Best Western	7	426
9	Best Western Plus	5	483
10	Park Inn by Radisson	4	766

Norway: Ranking per scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	3	152	1%	51	-	-	3	152
Midscale	81	13,157	36%	162	1	72	80	13,085
Upscale & U.Upscale	139	26,287	62%	189	43	6,728	96	19,559
TOTAL	223	39,596	100%	178	44	6,800	179	32,796

With thanks to Benchmarking Alliance for their support with Norwegian data.

Norway: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Norlandia	1	72
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Thon	37	6,157
2	First	6	571

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Quality Hotel	34	6,376
2	Comfort	18	2,986
3	Clarion	10	1,772
4	Best Western	7	426
5	Best Western Plus	5	483
6	Park Inn by Radisson	4	766
7	Surestay by Best Western	3	152
8	Moxy	1	276
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Scandic	46	9,311
2	Clarion Collection	21	2,707
3	Radisson Blu	19	5,424
4	Ascend	10	2,067
5	Hotel Guldsmeden	1	50

Norway: Hotel Investors 2018

Rank	Name	Volume in €m
1	Christiansholm Eiendom	18.4
2	Ragde Eiendom AS	11.2
3	Breidablikk Eiendom	11.2
4	Eiendomsspar AS	8.1
5	Strawberry Fields	6.4

Source: Real Capital Analytics, Inc. 2019

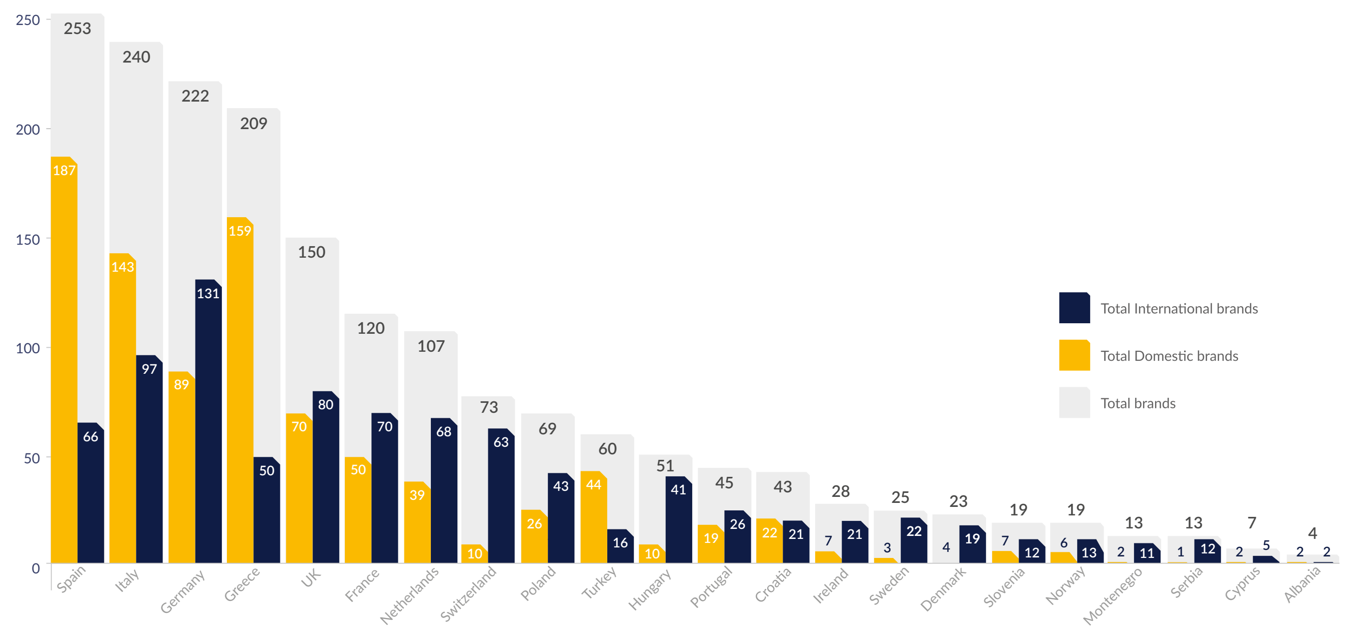
Norway: Institutional Owners 2018

Rank	Name	No. of Keys
1	Midstar AB	1,073
2	KLP Forsikring	757
3	Ragde Eiendom AS	612
4	Storebrand	334
5	Pareto	301

Source: Real Capital Analytics, Inc. 2019

Norway: Ranking by Destination

Rank	Destination	Hotels	Rooms
1	Oslo	58	11,946
2	Bergen	22	4,427
3	Trondheim	17	3,032
4	Stavanger	15	2,873
5	Tromso	10	1,680

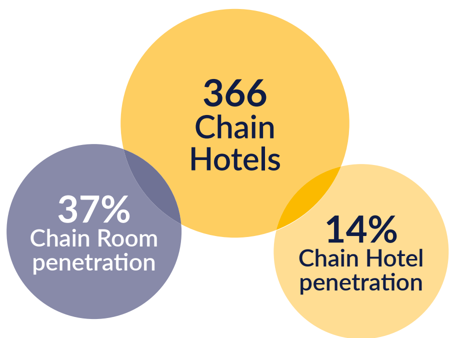


Poland

The hotel boom in Poland is continuing and investors are increasingly interested in opening hotels as asset diversification.

Key Statistics	2017	2018	% Diff.
Total chain hotels	342	366	7%
Total chain rooms	47,484	50,484	6%
Average size per chain hotel in rooms	139	138	-1%
Country hotels stock *(overall supply)***	2,540	2,592	2%
Country rooms stock *(overall supply)***	130,081	136,080	5%
Average size per hotel in rooms	51	53	3%
Chain penetration % by hotels	13.5%	14.1%	5%
Chain penetration % by rooms	36.5%	37.1%	2%
Total number of brands	61	69	
Domestic brands	26	26	-
International brands	35	43	
International chain hotels*	173	198	
Domestic chain hotels*	144	168	
International chain rooms*	27,726	31,870	
Domestic chain rooms*	16,159	18,614	

** Includes double counting*
*** Source: GUS (Central Statistic Office)*



The Market

The Polish hotel market has been in the midst of rapid growth for several years. Increasing ADR and Occupancy of hotels in major Polish cities were encouraging investors to open new hotels. As a result new hotel brands and new hotel chains are entering the market with incredible speed.

Based on initial announcements, by 2021 over 21 new hotels will be open in Warsaw, creating a new supply of 4,400 hotel rooms (30% of current room supply). There is a similar situation in Tricity (Gdansk, Gdynia and Sopot) where within the next 3 years, 9 new hotels will be open, creating a new supply of over 1,900 new hotel rooms which is also an increase of 30% of current supply.

The largest hotel chain, is still Accor with 75 hotels, followed by Best Western and LHG with 20 hotels each. Accor has 12,584 rooms, followed by Hilton Worldwide (3,330 rooms) and Marriott International (3,330 rooms).

Chopin Airport Development, a state-owned management company with 8 hotels under international brands, became Polish Hotel Holding (PHH), which took over chains AMW, GAT and WPUT. PHH's goal is to consolidate state-owned hotel chains and adjust them to modern standards of hospitality. Horwath HTL had the privilege of advising PHH in this process.

Agata Przeniosło-Drozd, Senior Consultant & Partner
Horwath HTL Poland

Key Points

- **Chain hotels are entering resort destinations**
  International hotel chains are more interested in opening hotels in resort destinations. Radisson will open a new Radisson Blu in mountainous Zakopane (2019), Hilton will open a new hotel in coastal Świnoujście (2020) and Accor is building MGallery in coastal Jurata.

- **Increasing popularity of lease agreement**
  Investors are more interested in opening new hotels under lease agreements with the fix or mix rent model.

- **New brands entering market**
  2019 will be a year of new hotel brands entering the Polish market. Moxy Hotel has already opened at Katowice Airport and in Warsaw. In 2019 the brands Four Points by Sheraton and Motel One will follow. By 2021 the Polish hotel market will welcome the brands Staybridge, Residence Inn, NYX, Crowne Plaza, and MGallery.

Poland: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Accor	75	12,584
2	Best Western	20	1,726
3	Louvre Hotel Group	20	2,482
4	Hilton	19	3,330
5	Polski Holding Hotelowy*	17	1,405
6	Marriott International	15	3,330
7	Arche	12	1,949
8	CFI Hotels	12	876
9	Radisson	11	2,497
10	Focus	10	896
	Domestic Chain Groups	Hotels	Rooms
1	Polski Holding Hotelowy*	17	1,405
2	Arche	12	1,949
3	CFI Hotels	12	876
4	Focus	10	896
5	Dobry Hotel	9	583
6	Zdrojowa Invest	9	1,068
7	De Silva	7	556
8	Likus	7	591
9	Q Hotels	5	541
10	Gołębiewski	4	2,331
	International Chain Groups	Hotels	Rooms
1	Accor	75	12,584
2	Best Western	20	1,726
3	Louvre Hotel Group	20	2,482
4	Hilton	19	3,330
5	Marriott International	15	3,330
6	Radisson	11	2,497
7	IHG	10	1,714
8	PURO	6	951
9	Vienna House	6	1,216
10			

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Ibis Styles & Budget	34	4,588
2	Mercure	24	3,812
3	Polski Holding Hotelowy*	17	1,405
4	Novotel	13	3,403
5	Arche	12	1,949
6	CFI Hotels	12	876
7	Hampton	10	1,475
8	Campanile	10	1,106
9	Zdrojowa Invest	9	1,068
10	Dobry Hotel	9	583
	Domestic Chain Brands	Hotels	Rooms
1	Polski Holding Hotelowy*	17	1,405
2	Arche	12	1,949
3	CFI Hotels	12	876
4	Zdrojowa Invest	9	1,068
5	Dobry Hotel	9	583
6	De Silva	7	556
7	Likus	7	591
8	Gołębiewski	4	2,331
9	Malinowe Hotele	3	278
	International Chain Brands	Hotels	Rooms
1	Ibis Styles & Budget	34	4,588
2	Mercure	24	3,812
3	Novotel	13	3,403
4	Hampton	10	1,475
5	Campanile	10	1,106
6	Golden Tulip	7	894
7	Radisson Blu	7	1,947
8	Holiday Inn	6	1,060
9	PURO	6	951
10	Double tree	4	981

** with branded chain hotels - it is 25 hotels*

Poland: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Gomada	9	938
2	Wam	15	1113
3	Elbest	5	504
4	Focus	6	571
5	Satoria Group	7	1106
6	Arche	7	914
7	Hotel 500	3	413
8	Qubus	6	407
9	Hotel Centrum	3	373
10	Syrena	2	325
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Gołębiewski	4	2,331
2	Qubus	14	1,465
3	Q Hotels	6	733
4	Diament	7	663
5	Interferie	2	390
6	Boutique Hotels	3	326
7	Zdrojowa Invest	4	317
8	Malinowe Hotele	3	278
9	Focus	3	231
10	Trip	1	174
Rank	Luxury	Hotels	Rooms
1	Zdrojowa Invest	4	677
2	Likus	4	311

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	33	4,502
2	Mercure	13	1,736
3	Best Western	14	1,122
4	Campanille	10	1,106
5	Hampton By Hilton	9	1,375
6	B&B	5	641
7	Novotel	4	628
8	Premiere Class	2	262
9	Puro	2	238
10	Vienna House Easy	1	220
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	9	2,775
2	Mercure	11	2,076
3	Holiday Inn	5	823
4	Golden Tulip	6	817
5	Radisson Blu	2	804
6	Courtyard By Marriott	3	587
7	Best Western	5	577
8	Puro	4	577
9	Double Tree By Hilton	2	432
10	Hilton Garden Inn	3	410
Rank	Luxury	Hotels	Rooms
1	Radisson Blu	6	1,483
2	Sheraton	4	951
3	Sofitel	3	675
4	Double Tree By Hilton	2	549
5	Hilton	2	464
6	Marriott	1	523
7	Intercontinental	1	414
8	Westin	1	361
9	Holiday Inn	1	237
10	Bristol	1	206

Poland: Ranking per Scale & Size

CHAINS	OVERALL			DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	49	5,535	113	18	1,639	31	3,896
Midscale	152	16,330	107	82	7,339	70	8,991
Upscale & U.Upscale	127	21,306	168	55	8,302	72	13,004
Luxury	38	7,313	192	13	1,334	25	5,979
TOTAL	366	50484	138	168	18614	198	31870

Poland: Business Model

BY HOTELS					
	Franchising	Lease	Mgt. Contract	Owned	Total
Economy	1	3	6	39	49
Midscale	29	12	17	94	152
Upscale & U.Upscale	29	9	21	68	127
Luxury	5	2	15	16	38
TOTAL	**64**	**26**	**59**	**217**	**366**

BY ROOMS					
	Franchising	Lease	Mgt. Contract	Owned	Total
Economy	77	94	608	4756	5,535
Midscale	2,691	1,026	2,186	10,427	16,330
Upscale & U.Upscale	4,133	1,014	3,228	12,931	21,306
Luxury	1,312	160	2,697	2,144	6,313
TOTAL	**8,213**	**2,294**	**8,719**	**30,258**	**49,484**

Poland: Institutional Owners 2018

Rank	Name	No. of Keys
1	Union Investment	1,306
2	DekaBank	744
3	Invesco	539

Source: Real Capital Analytics, Inc. 2019

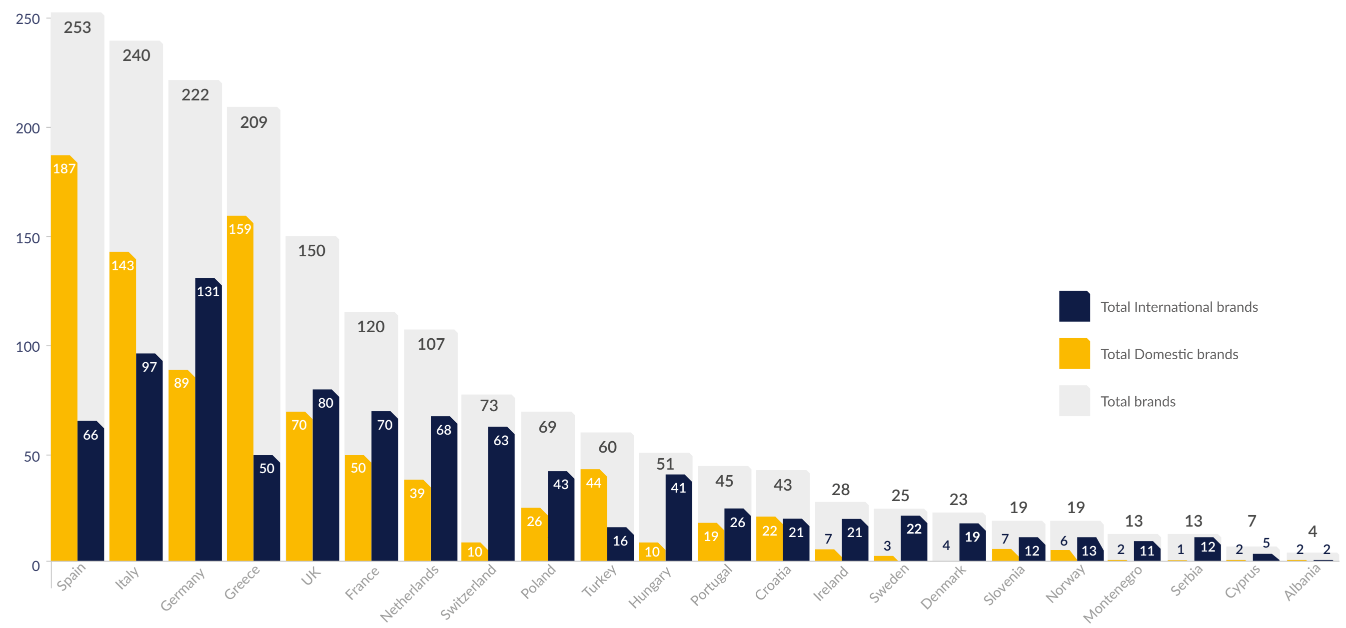
Poland: Ranking by Destination

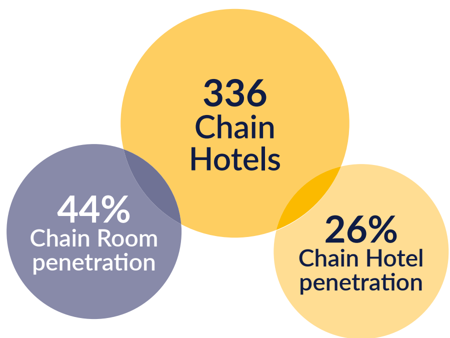
Rank	Destination	By Hotels
1	Cracow	168
2	Warsaw	97
3	TriCity	85
4	Poznan	63
5	Wrocław	60

Rank	Destination	By Rooms
1	Warsaw	14,600
2	Cracow	11,180
3	TriCity	6,500
4	Wrocław	5,200
5	Poznan	3,960

Poland: Pipeline (2018/19)

		HOTELS			ROOMS		
Rank	Destination	Current	Investments	Total	Current	Investment	Total
1	Warsaw	97	21	118	14,600	4400	19,000
2	Cracow	168	8	176	11,180	1030	12,210
3	TriCity	85	9	94	6,500	1989	8,489
4	Wrocław	60	6	66	5,200	863	6,063
5	Poznan	63	5	68	3,960	440	4,400





Key Statistics	2018
Total chain hotels	336
Total chain rooms	43,069
Average size per chain hotel in rooms	128
Country hotels stock *(overall supply)*	1,309
Country rooms Stock *(overall supply)*	98,960
Average size per hotel in rooms	76
Chain penetration % by hotels	26%
Chain penetration % by rooms	44%
Total number of brands	45
Domestic brands	19
International brands	26
International chain hotels*	86
Domestic chain hotels*	250
International chain rooms*	10,779
Domestic chain rooms*	32,290

** Includes double counting*
Note: Portugal is a new market to report - only 2018 data available
Data source: Alimarket

Portugal

Having grown strongly from a relatively low base following the financial crisis, Portugal is clearly on the map when it comes to being a force to be reckoned with in the European hospitality arena.

The Market

Portugal was voted the World's Leading Destination and the World's Best Golf Destination in 2018 by the World Travel Awards. Positive growth in Portuguese tourism is the driving force behind stronger hotel performance, but a lack of properties of the right size and at affordable prices, especially in Lisbon, together with a staff supply shortage that is starting to put pressure on personnel costs, are presenting challenges for the investment market.

Porto is increasingly on the city map, as well as less developed parts of the country such as Alentejo and the Douro Valley. Pressure from growing demand means that some projects which were put on hold during the financial crisis are now being concluded and released to the market. The Troia Peninsula and Alentejo coast, have a number projects under development that will provide additional recognition, especially in international markets.

Portugal's Golden Visa scheme is behind many mixed-use hospitality developments, as developers try to combine the strength of the hotel market with the financial appeal of secondary residential sales within a resort environment. Airbnb now has a tax agreement with both Lisbon and Porto and more than 50,000 listings in the country as a whole. Marriott International recently announced it was extending its home-sharing pilot to include Lisbon. It offers rooms in collaboration with Hostmaker, with guests able to earn Marriott loyalty points.

Philip Bacon MRICS, FCA, Senior Director
Horwath HTL Spain, Andorra & Portugal

Key Points

- **Local players have the knowledge; new international entries: Strategic or Tactical?**
  Three of the top five chains are domestic. 29% of chain rooms are controlled by four domestic brands. International chain brands have yet to penetrate all of the key markets, being located mainly in the Lisbon area.

- **Undiscovered Portugal holds the key to the future**
  50% of all chain hotel rooms are located in Lisbon, the Algarve and Madeira (65% of rooms); no surprise given the history of tourism in Portugal. But future growth is anticipated in the other regions of the country, opening up new opportunities across all categories.

- **Asset ownership will consolidate further, sparking chain management growth**
  Chain penetration is relatively low which is to be expected from a market that is still quite fragmented in terms of ownership. 45% of all chain hotels (44% of chain hotel rooms) are controlled by the top five chains.

Portugal: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Pestana Hotel Group	58	5,657
2	Vila Gale Group	23	4,334
3	Accor Hotels	33	3,440
4	Marriott International	20	2,914
5	Hoti Hotéis	16	2,462
6	SANA Hotels	14	2,218
7	Tivoli Hotel & Resorts	10	1,997
8	IHG	12	1,962
9	VIP Hotels	9	1,724
10	Porto Bay Hotels & Resorts	10	1,521
	Domestic Chain Groups	Hotels	Rooms
1	Pestana Hotel Group	58	5,657
2	Vila Gale Group	23	4,334
3	Hoti Hotéis	16	2,462
4	SANA	14	2,218
5	Tivoli Hotel & Resorts	10	1,997
6	VIP Hotels	9	1,724
7	Porto Bay Hotels & Resorts	10	1,521
8	HF Hotéis Fénix	9	1,363
9	Dom Pedro Hotels	6	1,302
10	Discovery Hotel Management	13	1,297
	International Chain Groups	Hotels	Rooms
1	Accor Hotels	33	3,440
2	Marriott International	20	2,914
3	IHG	12	1,962
4	MGM Muthu Hotels	5	1,059
5	Eurostars Hotels	10	941
6	Louvre Hotels	6	463

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Vila Gale	23	4,334
2	Pestana	19	3,747
3	Sana	14	2,218
4	Tivoli	10	1,997
5	Ibis	19	1,803
6	VIP	9	1,724
7	Porto Bay	10	1,521
8	HF Hotéis Fénix	9	1,363
9	Dom Pedro	6	1,302
10	Hotéis Real	8	1,280
	Domestic Chain Brands	Hotels	Rooms
1	Vila Gale	23	4,334
2	Pestana	19	3,747
3	Sana	14	2,218
4	Tivoli	10	1,997
5	VIP	9	1,724
6	Porto Bay	10	1,521
7	HF Hotéis Fénix	9	1,363
8	Dom Pedro	6	1,302
9	Hotéis Real	8	1,280
10	Pousadas de Portugal	32	1,184
	International Chain Brands	Hotels	Rooms
1	Ibis	19	1,803
2	TRYP by Wyndham	7	1,082
3	Muthu	5	1,059
4	Eurostars	10	941
5	Sheraton	3	791
6	Holiday Inn	4	754
7	Marriott	2	754
8	Mercure	6	690
9	Meliá	4	642
10	Holiday Inn Express	5	616

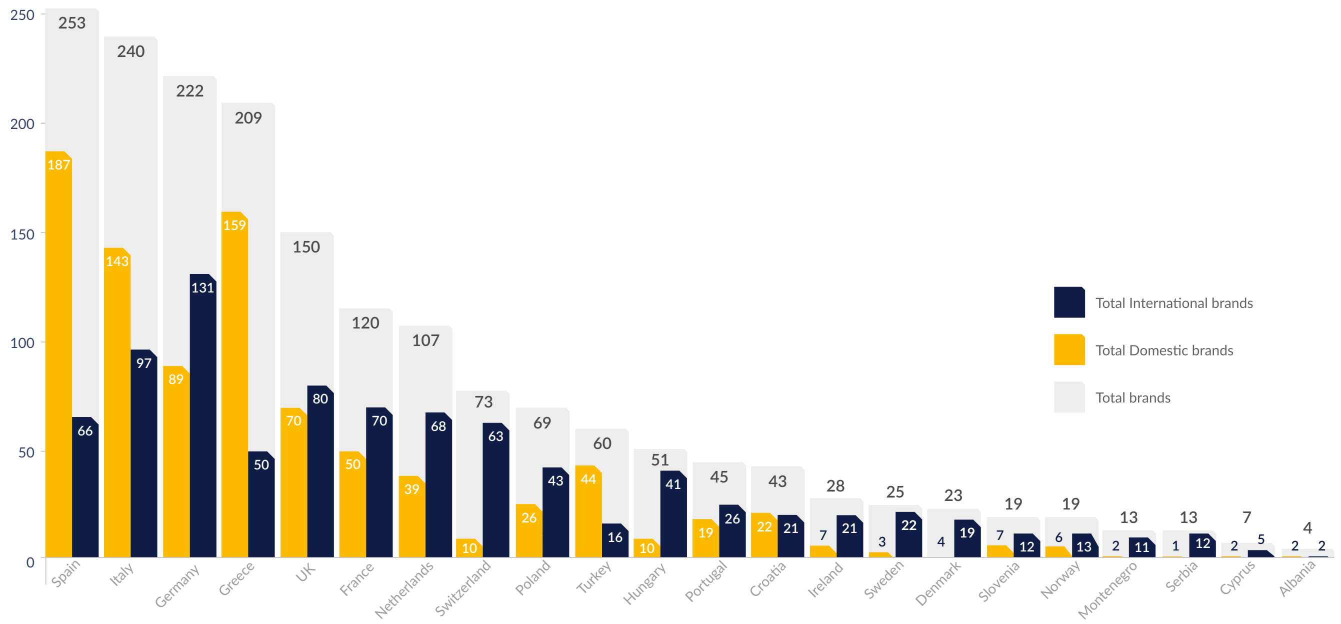
Portugal: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Vila Gale	23	4,334
2	Sana	14	2,218
3	VIP	9	1,724
4	Inatel	10	666
5	Hoti	3	481
6	HF Hotéis Fénix	4	443
7	Dom Pedro	1	263
8	Turim	3	197
9	Pousadas de Portugal	7	171
10	Lux	1	48
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Pestana	19	3,747
2	Tivoli	10	1,997
3	Porto Bay	7	1,200
4	Turim	10	874
5	Dom Pedro	4	776
6	HF Hotéis Fénix	4	639
7	Pousadas de Portugal	14	514
8	Hotéis Real	3	446
9	Olissipo	4	419
10	Luna	6	414
Rank	Luxury	Hotels	Rooms
1	NAU	6	798
2	Hotéis Real	4	759
3	Pousadas de Portugal	11	499
4	Porto Bay	3	321
5	HF Hotéis Fénix	1	281
6	Dom Pedro	1	263
7	Pestana Collection	2	192
8	Olissipo	1	109

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	19	1,803
2	TRYP by Wyndham	7	1,082
3	Holiday Inn	4	754
4	Mercure	6	690
5	Holiday Inn Express	5	616
6	Golden Tulip	4	324
7	Ibis Budget	2	177
8	Ibis Styles	2	160
9	Campanile	1	72
10	Tulip Inn	1	67
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Muthu	5	1,059
2	Eurostars	10	941
3	Sheraton	3	791
4	Marriott	2	754
5	Meliá	4	642
6	Crowne Plaza	2	555
7	Design	9	456
8	Novotel	3	447
9	Radisson Blu	1	221
10	AC By Marriott	1	128
Rank	Luxury	Hotels	Rooms
1	The Luxury Collection	3	519
2	InterContinental	3	495
3	The Ritz-Carlton	1	194
4	Sofitel	1	163
5	Six Senses	1	57

Portugal: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	5	366	1%	73	3	189	2	177
Midscale	128	16,741	38%	131	89	12,770	39	3.971
Upscale & U.Upscale	161	20,784	48%	129	125	15,581	36	5.203
Luxury	41	5,103	12%	124	32	3,675	9	1.428
TOTAL	**335**	**42,994**	**100%**	**128**	**249**	**32,215**	**86**	**10.779**



Portugal: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL		OVERALL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Art & Business	107	15,348	50	6,547	157	21,895
Business Focus	1	171	-	-	1	171
Golf	7	1,201	1	177	8	1,378
Ski	2	130	0	0	2	130
Sun & Beach	64	10,831	19	2.710	83	13,541
Thermal	3	246	0	0	3	246
Wine	1	38	1	57	2	95
Other Leisure	65	4,325	15	1,288	80	5,613

Portugal: Ranking by Destination

Rank	Destination	By Hotels
1	Lisbon City	88
2	Algarve	58
3	Madeira	23
4	Porto City	31
5	Lisbon Area	32
6	Coimbra & Central Region	36
7	Porto Area & Norte Region	31
8	Azores	16
9	Alentejo	21

Rank	Destination	By Rooms
1	Lisbon City	12.747
2	Algarve	11,186
3	Madeira	3,970
4	Porto City	3,828
5	Lisbon Area	3,562
6	Coimbra & Central Region	2,764
7	Porto Area & Norte Region	2,315
8	Azores	1,545
9	Alentejo	1,152

Portugal: Pipeline (2019/20)

		HOTELS			ROOMS		
Rank	Destination	Current	Investments	Total	Current	Investment	Total
1	Lisbon City	88	1	89	12,747	204	12,951
2	Algarve	58	2	60	11,186	191	11.377
3	Madeira	23	-	23	3,970	-	3,970
4	Porto City	31	-	31	3,828	-	3,828
5	Lisbon Area	32	1	33	3,562	100	3,662
6	Coimbra & Central Reg.	36	1	37	2,764	81	2,845
7	Porto Area & Norte Reg.	31	-	31	2,315	-	2,315
8	Azores	16	-	16	1,545	-	1,545
9	Alentejo	21	-	21	1,152	-	1,152

Portugal: Hotel Investors 2018

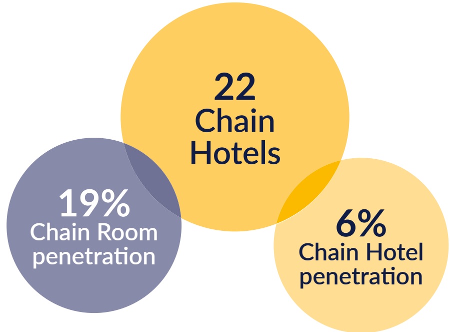
Rank	Name	Volume in €m
1	Explorer Investments	100
2	Carlyle Group	100
3	Gaw Capital	53.8
4	Paris Inn Group	38.0
5	Porto Bay Hotels & Resorts	20.0

Source: Real Capital Analytics, Inc. 2019

Portugal: Institutional Owners 2018

Rank	Name	No. of Keys
1	Square Asset	451
2	Credit Suisse	300
3	Espirito Santo Group	254
4	ECS Capital	229
5	Turismo Fundos SGFII SA	225

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2018
Total chain hotels	22
Total chain rooms	3,520
Average size per chain hotel in rooms	160
Country hotels stock *(overall supply)*	372
Country rooms Stock *(overall supply)*	18,409
Average size per hotel in rooms	49
Chain penetration % by hotels	5.91%
Chain penetration % by rooms	19.12%
Total number of brands	13
Domestic brands	1
International brands	12
International chain hotels*	13
Domestic chain hotels*	10
International chain rooms*	2,447
Domestic chain rooms*	1,346

** Includes double counting*
Note: Serbia is a new market to report - only 2018 data available

Serbia

Developer interest in chains has been significant over the last five years. Secondary cities, mountain and spa destinations are expected to follow, backed by increasing economic and tourism activity.

The Market

An increase of 6% in room stock in Serbia indicates a healthy growing hotel market. More than 100 new hotels have opened since 2014, out of which 40 are in the capital city Belgrade, which is the main business & administrative centre and the central tourist destination. The shift in hotel developments has been driven primarily by international brands entering the Belgrade market in 2013/14, with the introduction of brands Crowne Plaza, Radisson Blu, and Luxury Collection.

There is a low number of domestic chains in comparison to the regional players, which indicates the market is still immature and fragmented. This could influence the presence of international brands, which may face lower standards of competition. Domestic chains are limited to MK Group and A Hoteli, with five hotels each, primarily targeting the Upscale and Upper Upscale segment, while international chains are mostly present with single properties, apart from the Marriott International (677 rooms in 3 hotels) and IHG (500 rooms in 3 hotels).

Key hotel performance indicators show a positive trend with double-digit growth since 2015. The chief driver has been the introduction of new quality internationally branded hotels in the Belgrade market. Overall the country has not yet capitalized on its tourism potential, bearing in mind the modest marketing budgets and "old-fashioned" destination management model – but on the other hand, it offers strong potential for development.

Branislav Miletić, Partner
Horwath HTL Croatia

Key Points

- **Belgrade in focus**
  With 65% of total chain/brand hotel rooms, Belgrade confirms its spotlight. Out of 14 international brands in Serbia, 13 are present in Belgrade. Development of other locations is solely driven by the efforts of domestic hotel chains such as MK Group in Kopaonik and Novi Sad.

- **Only two domestic players**
  The domestic chain scene is still underdeveloped with only two active players (MK Group and A Hoteli). Next year it will expand with two more chains, Delta Holding and Mona Hotel Management. Delta Holding has already made a footprint on the international market with its InterContinental hotel in Ljubljana, while Mona Hotel Management currently manages three hotels in Serbia and one in Montenegro, with one 4* facility under construction in Belgrade.

- **IHG & Marriott are in the lead**
  IHG and Marriot are currently the leading international hotel chains providing 6 out of a total 14 hotel brands on the market, and are in the process of introducing their luxury portfolio on the Belgrade market with InterContinental, St. Regis and W Belgrade.

Serbia: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	MK Group	5	863
2	A Hoteli	5	483
3	Marriott International	3	500
4	IHG	3	677
5	Accor	2	198
6	Hyatt International	1	302
7	Hilton Worldwide	1	242
8	Rezidor Hotels Group	1	236
9	Falkensteiner	1	170
10	Louvre Hotels	1	105
	Domestic Chain Groups	Hotels	Rooms
1	MK Group	5	863
2	A Hoteli	5	483
	International Chain Groups	Hotels	Rooms
1	Marriott International	3	500
2	IHG	3	677
3	Accor	2	198
4	Hyatt International	1	302
5	Hilton Worldwide	1	242
6	Rezidor Hotels Group	1	236
7	Falkensteiner	1	170
8	Louvre Hotels	1	105
9	Karisma Hotels	1	17

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	A Hoteli	4	437
2	Crowne Plaza	1	416
3	Hyatt Regency	1	302
4	Hilton	1	242
5	Radisson Collection	1	236
6	Luxury Collection	1	236
7	Falkensteiner	1	170
8	Sheraton	1	150
9	Holiday Inn	1	139
10	Mama Shelter	1	125
	Domestic Chain Brands	Hotels	Rooms
1	A Hoteli	4	437
	International Chain Brands	Hotels	Rooms
1	Crowne Plaza	1	416
2	Hyatt Regency	1	302
3	Hilton	1	242
4	Radisson Collection	1	236
5	Luxury Collection	1	236
6	Falkensteiner	1	170
7	Sheraton	1	150
8	Holiday Inn	1	139
9	Mama Shelter	1	125
10	Holiday Inn Express	1	122

Serbia: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	A Hoteli	3	310
Rank	Luxury	Hotels	Rooms
1	A Hoteli	1	127

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Holiday Inn Express	1	123
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Crowne Plaza	1	416
2	Falkensteiner	1	170
3	Sheraton	1	150
4	Holiday Inn	1	139
5	Mama Shelter	1	125
6	Courtyard by Marriott	1	114
7	Mercure	1	73
8	Allure hotels by Karisma	1	17
Rank	Luxury	Hotels	Rooms
1	Hyatt Regency	1	302
2	Hilton	1	242
3	Radisson Collection	1	236
4	Luxury Collection	1	236

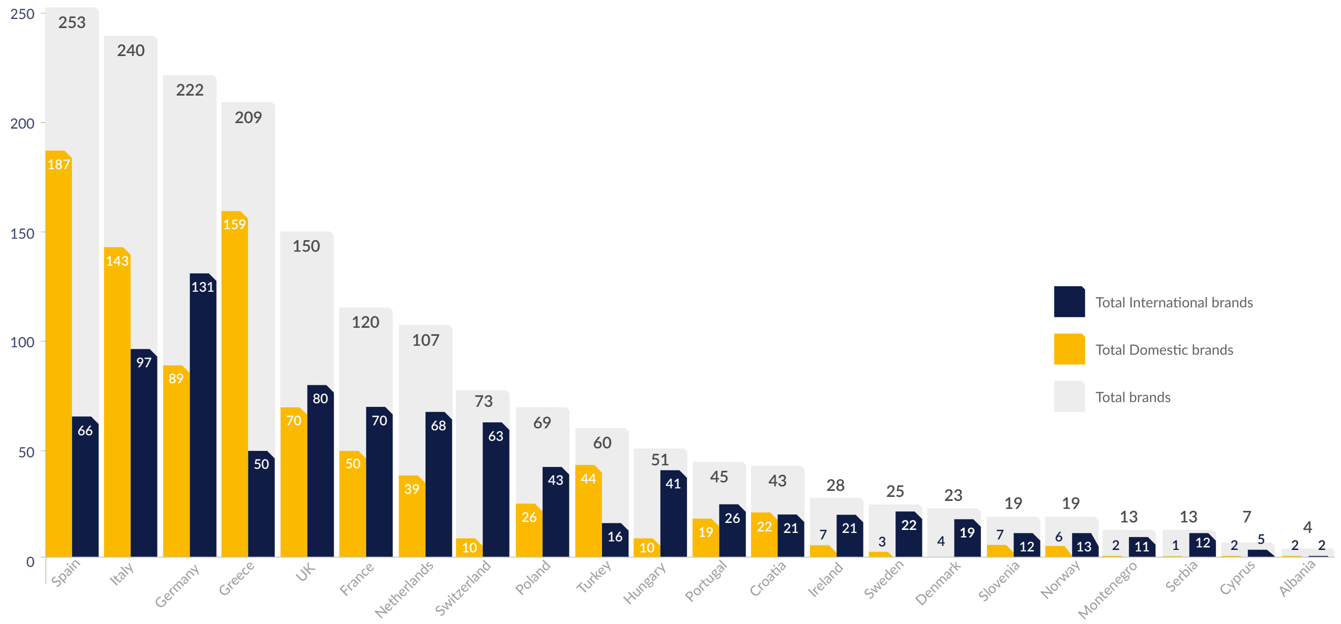
Serbia: Ranking per Scale & Size

CHAINS	OVERALL		DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Budget & Economy	-	-	-	-	-	-
Midscale	1	123	-	-	1	123
Upscale & U.Upscale	11	1,514	3	310	8	1,204
Luxury	5	1,143	1	127	4	1,016
TOTAL	**17**	**2,780**	**4**	**437**	**13**	**2,343**

Serbia: Business Model

BY HOTELS								
	Franchise	%	Mgt. Contract	%	Owned	%	Total	%
Economy	-	-	-	-	1	9%	1	4%
Midscale	1	25%	1	13%	-	-	2	9%
Upscale & U.Upscale	2	50%	3	38%	9	82%	14	61%
Luxury	1	25%	4	50%	1	9%	6	26%
TOTAL	**4**	**17%**	**8**	**35%**	**11**	**48%**	**23**	**100%**

BY ROOMS								
	Franchise	%	Mgt. Contract	%	Owned	%	Total	%
Economy	-	-	-	-	46	3%	46	1%
Midscale	122	19%	105	7%	-	-	227	6%
Upscale & U.Upscale	289	45%	728	45%	1,210	87%	2,227	61%
Luxury	236	36%	780	48%	127	9%	1,143	31%
TOTAL	**647**	**18%**	**1,613**	**44%**	**1,383**	**38%**	**3,643**	**100%**



Serbia: Ranking by Destination

Rank	Destination	By Hotels
1	Belgrade	14
2	Kopaonik	3
3	Novi sad	2
4	Zlatibor	1
5	Vrnjačka Banja	1
6	Aranđelovac	1
7	Šabac	1

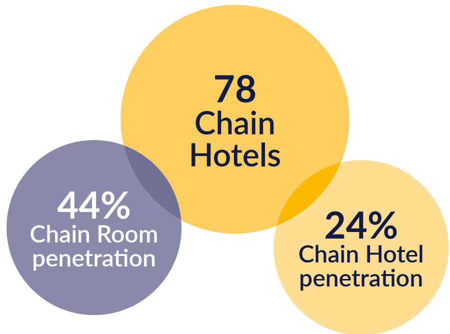
Rank	Destination	By Rooms
1	Belgrade	2,385
2	Kopaonik	625
3	Novi sad	204
4	Aranđelovac	165
5	Zlatibor	127
6	Šabac	91
7	Vrnjačka Banja	46

Serbia: Pipeline (2018/19)

		HOTELS			ROOMS		
Rank	Destination	Current	Investments	Total	Current	Investment	Total
1	Belgrade	14	4	18	2,385	600	2,985
2	Kopaonik	3	1	4	625	119	744
3	Novi Sad	2	0	2	204	0	204
4	Aranđelovac	1	0	1	165	0	165
5	Zlatibor	1	0	1	127	0	127
6	Šabac	1	0	1	91	0	91
7	Vrnjačka Banja	1	0	1	46	0	46

Serbia: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	2	145	13	2,342
Ski	1	127	-	-
Thermal	1	165	-	-



Key Statistics	2018
Total chain hotels	78
Total chain rooms	8,590
Average size per chain hotel in rooms	110
Country hotels stock *(overall supply)*	327
Country rooms Stock *(overall supply)*	19,519
Average size per hotel in rooms	60
Chain penetration % by hotels	23.85%
Chain penetration % by rooms	44.01%
Total number of brands	19
Domestic brands	7
International brands	12
International chain hotels*	16
Domestic chain hotels*	64
International chain rooms*	2,205
Domestic chain rooms*	6,613

** Includes double counting*
Note: Slovenia is a new market to report - only 2018 data available

Slovenia

The Slovenian hotel sector is predominantly publicly owned but expected to experience a restructuring process. This will open the market to investment, creating opportunities for a variety of products.

The Market

Slovenia is experiencing growth in tourist arrivals (12% CAGR since 2014) placing it as one of the up and coming leaders in the region for tourism. Its offerings of nature and thermal springs have become popular, especially for transit tourists not looking to travel great distances. With approximately 40% of hotels being state-owned, the industry has been slow in keeping up with international standards and needs restructuring and investment in order to keep its global competitiveness. The government recognises the need for change and has approved the new Tourism strategy, which favours developing high-quality hotel projects.

Hotel chains are dominated by local players such as Sava Hotels & Resorts, HIT, and Unitur Hotels & Resorts. The largest international chain present is the Croatian-based Liburnia Riviera Hoteli. There is very little in the pipeline for chain/brand development and only on a speculative basis. The performance of the hotel sector is still low in comparison to the region and growth is below the market potential. The new InterContinental Ljubljana and several new boutique hotels have been able to outperform the market, which is a clear sign of the lack of internationally competitive products and an opportunity for supply driven growth. With strong tourism growth, a limited pipeline, low penetration rates of international brands, limited hotel supply and the imminent privatisation of the state-owned companies, there are plenty of opportunities for hotel investors in Slovenia.

Siniša Topalović, ISHC, Managing Partner
Horwath HTL Croatia

Key Points

- **Domination of state-owned domestic hotel Chains**
  Domestic chains dominate the market representing top 8 hotel chains in terms of size (out of which 6 are state-owned companies). This also applies to hotel brands, as most of the domestic companies are developing comprehensive brands covering the whole portfolio.

- **2018 good year for international brands**
  Currently there are 12 international brands present with InterContinental, Ibis Styles and Mercure opening their doors in 2018. This trend is expected to continue with interest from other international brands, especially in the Ljubljana market.

- **Limited pipeline but high expectations**
  There are no confirmed development projects from hotel chains/brands. One 4* Greenfield hotel project in Ljubljana is rumoured to be branded but the project concept is still in development. The expected privatisation process may lead other international chains to enter the market.

Slovenia: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Sava Hotels and Resorts	15	1,765
2	HIT Group	10	1,011
3	Terme Krka	9	641
4	Unitur Hotels & Resorts	8	305
5	Hoteli Bernardin	6	952
6	LifeClass Hotels & Resorts	6	780
7	Terme Olimia	5	830
8	Eurotas Hoteli	5	329
9	Liburnia Riviera Hoteli	4	492
10	Best Western H&R	3	302
	Domestic Chain Groups	Hotels	Rooms
1	Sava Hotels and Resorts	15	1,765
2	HIT Group	10	1,011
3	Terme Krka	9	641
4	Unitur Hotels & Resorts	8	305
5	Hoteli Bernardin	6	952
6	LifeClass Hotels & Resorts	6	780
7	Terme Olimia	5	830
8	Eurotas Hoteli	5	329
	International Chain Groups	Hotels	Rooms
1	Liburnia Riviera Hoteli	4	492
2	Best Western H&R	3	302
3	Wyndham	2	228
4	Accor	2	147
5	Marriott International	1	239
6	Radisson	1	237
7	Austria Trend Hotels	1	214
8	MK Grupa	1	181
9	IHG	1	165
10			

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Sava Hotels and Resorts	15	1,765
2	Terme Krka	9	641
3	LifeClass	6	780
4	Hoteli Bernardin	6	952
5	Terme Olimia	5	830
6	Terme Zreče	4	149
7	Rogla-Unitur Resort & Spa	4	156
8	Remisens Premium	3	310
9	Ramada	2	228
10	Best Western Premier	2	230
	Domestic Chain Brands	Hotels	Rooms
1	Sava Hotels and Resorts	15	1,765
2	Terme Krka	9	641
3	LifeClass	6	780
4	Hoteli Bernardin	6	952
5	Terme Olimia	5	830
6	Terme Zreče	4	149
7	Rogla-Unitur Resort & Spa	4	156
	International Chain Brands	Hotels	Rooms
1	Remisens Premium	3	310
2	Ramada	2	228
3	Best Western Premier	2	230
4	Four Points by Sheraton	1	239
5	Radisson Blu	1	237
6	Austria Trend Hotels	1	214
7	Remisens	1	182
8	Kempinski	1	181
9	InterContinental Hotels	1	165
10	Mercure	1	76

Slovenia: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Sava Hotels and Resorts	5	257
2	Terme Olimia	2	236
3	Rogla-Unitur Resort & Spa	2	110
4	Terme Zreče	2	44
5	Hoteli Bernardin	1	237
6	Terme Krka	1	28
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Sava Hotels and Resorts	8	1,299
2	Terme Krka	7	597
3	LifeClass	5	636
4	Hoteli Bernardin	4	474
5	Terme Olimia	3	594
6	Terme Zreče	2	105
7	Rogla-Unitur Resort & Spa	2	46
Rank	Luxury	Hotels	Rooms
1	Sava Hotels and Resorts	2	209
2	Hoteli Bernardin	1	241
3	LifeClass	1	144
4	Terme Krka	1	16

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Remisens	1	182
2	Ibis Styles	1	71
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Best Western Premier	2	230
2	Ramada	2	228
3	Remisens Premium	2	207
4	Four Points by Sheraton	1	239
5	Radisson Blu	1	237
6	Austria Trend Hotels	1	214
7	Mercure	1	76
8	Best Western	1	72
Rank	Luxury	Hotels	Rooms
1	Kempinski	1	181
2	InterContinental Hotels	1	165
3	Remisens Premium	1	103

Slovenia: Ranking per Scale & Size

CHAINS	OVERALL		DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Budget & Economy	1	100	1	100	-	-
Midscale	14	1,065	12	812	2	253
Upscale & U.Upscale	42	5,254	31	3,751	11	1,503
Luxury	8	1,059	5	610	3	449
TOTAL	**65**	**7,478**	**49**	**5,273**	**16**	**2,205**

Slovenia: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-		-		-		1	2%	1	1%
Midscale	1	13%	-		-		19	29%	20	26%
Upscale & U.Upscale	7	88%	1	100%	1	33%	40	61%	49	63%
Luxury	-		-		2	67%	6	9%	8	10%
TOTAL	**8**	**10%**	**1**	**1%**	**3**	**4%**	**66**	**85%**	**78**	**100%**

BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-		-		-		100	1%	100	1%
Midscale	71	7%	-				1,346	20%	1,417	16%
Upscale & U.Upscale	1,006	93%	214	100%	76	18%	4,718	69%	6,014	70%
Luxury	-		-		346	82%	713	10%	1,059	12%
TOTAL	**1,077**	**13%**	**214**	**2%**	**422**	**5%**	**6,877**	**80%**	**8,590**	**100%**

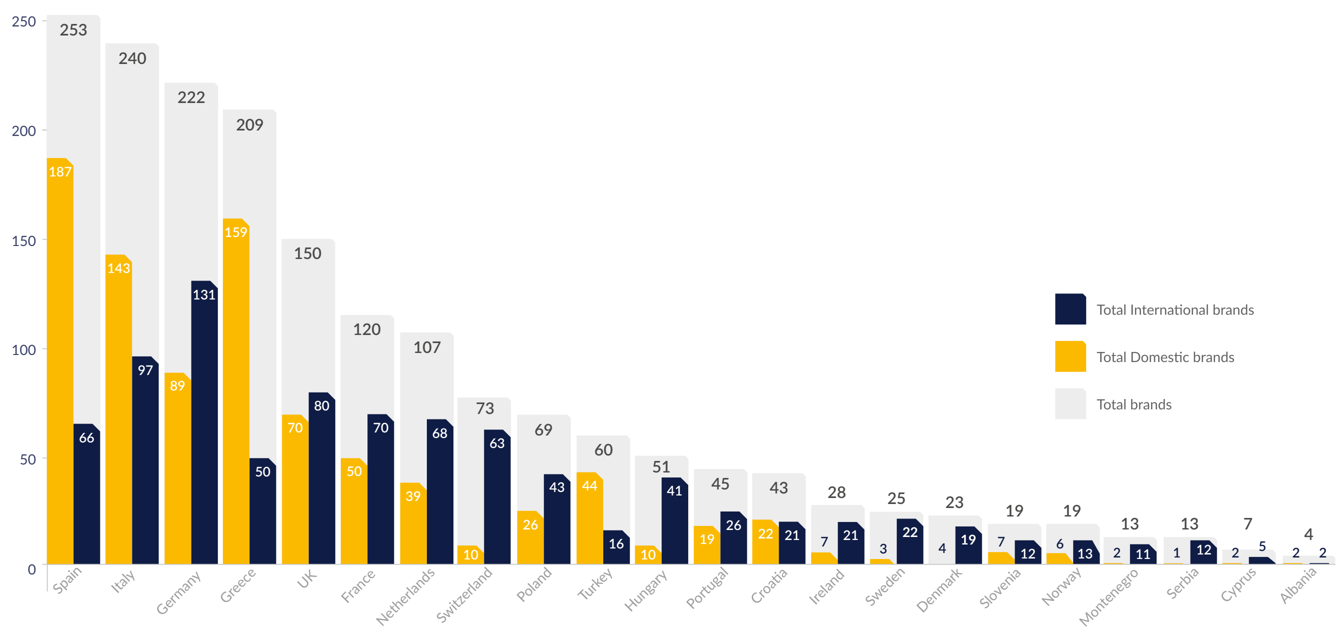
Slovenia: Ranking by Destination

Rank	Destination	By Hotels
1	Portorož	16
2	Bled	7
3	Kranjska Gora	6
4	Ljubljana	5
5	Rogla	4
6	Podčetrtek	4
7	Zreče	4
8	Nova Gorica	4
9	Moravske Toplice	3
10	Radenci	2

Rank	Destination	By Rooms
1	Portorož	2,390
2	Ljubljana	1,205
3	Bled	687
4	Kranjska Gora	602
5	Podčetrtek	566
6	Nova Gorica	441
7	Radenci	419
8	Moravske Toplice	415
9	Tuhelj	264
10	Dolenjske Toplice	235

Slovenia: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	-	-	7	1,172
Ski	4	156	3	300
Sun & Beach	14	1,879	5	673
Thermal	25	2,611	-	-
Other Leisure	6	627	1	60



Spain

Growth has slowed for the one of the world's most-visited countries, but Spain remains a tourism power-house that continues to focus on combining established strengths and innovation to satisfy the customers of tomorrow.

The Market

Spain continues to consolidate the remarkable growth seen over the last five years. Growth showed signs of stabilization in 2018, registering an increase in output of 2% to reach €142 billion (11.8% of GDP, which grew by 2.5%).

The trend for refurbishing and repositioning continues, as specialist hotel investment funds, together with existing property owners and hotel operators, come to terms with the mismatch between an ageing room stock and demands of guests. This rejuvenation is bringing new brands to the market. The relative availability of capital has helped to accelerate the process of creating an industry for future decades.

However, supply shortages in certain key markets such as Madrid, Barcelona, the Balearic Islands and the Costa del Sol, are reducing yield potential to an unacceptable level for some investors who are now starting to look eastwards in order to find the upside they seek. Supply shortages are, in turn, providing opportunities for new development, although unravelling the planning process and finding adequate project finance remain the main challenges for many green field sites, as well as finding the concepts that will satisfy the needs of the coming generations.

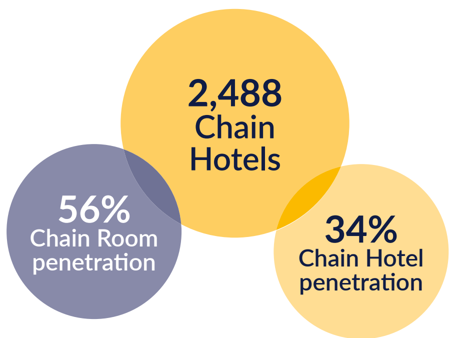
Philip Bacon MRICS, FCA, Senior Director
Horwath HTL Spain, Andorra & Portugal

Key Points

- **Growth in new chain properties has been modest**
  International chain penetration rates have reached stabilization in a market dominated by domestic players. Significant opportunities for international chain growth are limited and remain tactical rather than strategic with two Accor brands (Ibis and Novotel), AC by Marriott and Tryp by Wyndham now established exceptions.

- **Refurbishment/rebranding of existing properties still on the radar for chains**
  The added value proposition of chain brands continues to drive the upside opportunities being sought by owners and investors. Improvements in profitability are very much focused on finding cost and distribution efficiencies; asset management is the key.

- **Ownership consolidation will continue**
  The entry of Blackstone as a key player with the acquisition of Hispania and Minor's interest in NH signal a shift in the ownership structure of Spain's hospitality assets. This trend will continue as a generational shift takes hold of the country as a whole.



Key Statistics	2017	2018	% Diff.
Total chain hotels	2,353	2,488	5.7%
Total chain rooms	375,523	392,301	4.5%
Average size per chain hotel in rooms	160	158	-1.2%
Country hotels stock *(overall supply)*	7,172	7,401	3.2%
Country rooms Stock *(overall supply)*	669,647	695,949	3.9%
Average size per hotel in rooms	93	94	0.7%
Chain penetration % by hotels	33%	34%	2.5%
Chain penetration % by rooms	56%	56%	0.5%
Total number of brands	247	253	2.4%
Domestic brands	185	188	1.6%
International brands	63	65	3.2%
Second-tier operated hotels	70	70	0.0%
International chain hotels*	363	372	2.5%
Domestic chain hotels*	1,990	2.116	6.3%
International chain rooms*	53,337	54,494	2.2%
Domestic chain rooms*	322,186	337,807	4.8%

** Includes double counting*
Data source: Alimarket

Spain: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Meliá Hotels International	82	25,133
2	Barceló Hotel Group	61	15,492
3	Marriott International	89	13,149
4	Eurostars Hotel Company	125	13,146
5	NH Hotel Group	104	12,463
6	Accor Hotels	93	11,334
7	H10 Hotels	45	9,919
8	Riu Hotels & Resorts	26	9,319
9	Iberostar Hotel & Resorts	31	8,125
10	Best Hotels	22	8,015
	Domestic Chain Groups	Hotels	Rooms
1	Meliá Hotels International	82	25,133
2	Barceló Hotel Group	61	15,492
3	Eurostars Hotel Company	125	13,146
4	NH Hotel Group	104	12,463
5	H10 Hotels	45	9,919
6	Riu Hotels & Resorts	26	9,319
7	Iberostar Hotel & Resorts	31	8,125
8	Best Hotels	22	8,015
9	Hoteles Globales	26	6,429
10	Catalonia Hotels & Resorts	54	6,277
	International Chain Groups	Hotels	Rooms
1	Marriott International	89	13,149
2	Accor Hotels	93	11,334
3	Wyndham Hotels Worldwide	35	4,761
4	Thomas Cook	18	3,907
5	IHG	27	3,410
6	B&B Hotels	28	2,715
7	Apple Leisure Group	9	2,283
8	Hilton	12	2,020
9	TUI Hotels & Resorts	6	1,957
10	Mac Hotels	7	1,678

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Meliá	41	12,039
2	Sol	28	10,146
3	H10	43	9,751
4	Barceló	33	8,522
5	NH	73	8,083
6	Best	22	8,015
7	Eurostars	69	7,958
8	Riu	18	6,645
9	Iberostar	22	6,539
10	AC by Marriott	58	6,535
	Domestic Chain Brands	Hotels	Rooms
1	Meliá	41	12,039
2	Sol	28	10,146
3	H10	43	9,751
4	Barceló	33	8,522
5	NH	73	8,083
6	Best	22	8,015
7	Eurostars	69	7,958
8	Riu	18	6,645
9	Iberostar	22	6,539
10	Globales	26	6,429
	International Chain Brands	Hotels	Rooms
1	AC by Marriott	58	6,535
2	Tryp by Wyndham	34	4,498
3	Ibis	42	4,466
4	B&B	28	2,715
5	Novotel	10	2,499
6	Holiday Inn Express	18	1,942
7	Ibis Budget	20	1,854
8	Seaside	4	1,208
9	Pierre & Vacances	5	1,198
10	Hilton	3	1,003

Spain: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Sol	28	10,146
2	Barceló	33	8,522
3	Best	22	8,015
4	Catalonia	54	6,277
5	Princess	13	5,283
6	Ilunion	23	3,701
7	Exe	41	3,672
8	Playa	13	3,554
9	Roc	12	3,286
10	Grupotel	17	3,085
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Meliá	41	12,039
2	H10	43	9,751
3	NH	73	8,083
4	Eurostars	69	7,958
5	Riu	18	6,645
6	Iberostar	22	6,539
7	Parador	96	6,121
8	Occidental	17	4,944
9	Hipotels	16	3,982
10	Hesperia	27	3,853
Rank	Luxury	Hotels	Rooms
1	Gran Meliá	7	1,673
2	Lopesan	2	1,238
3	Riu Palace	3	1,198
4	ME by Meliá	4	936
5	Grand Palladium	2	840
6	GF	2	699
7	Hipotels	3	616
8	Zafiro	2	597
9	Insotel	2	568
10	Protur	2	510

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Tryp by Wyndham	34	4,498
2	Ibis	42	4,466
3	B&B	28	2,715
4	Holiday Inn Express	18	1,942
5	Ibis Budget	20	1,854
6	Mercure	10	984
7	Campanile	7	852
8	Travelodge	5	621
9	Ibis Styles	7	589
10	Holiday Inn	3	539
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	AC by Marriott	58	6,535
2	Novotel	10	2,499
3	Hilton	3	1,003
4	Club Aldiana	3	975
5	Aluasoul	4	958
6	Pierre & Vacances	4	884
7	Marriott	1	869
8	Sentido	4	806
9	Robinson Club	3	798
10	Sheraton	4	797
Rank	Luxury	Hotels	Rooms
1	The Ritz-Carlton	2	942
2	Club Magic Life	1	693
3	The Luxury Collection	4	494
4	W	1	473
5	Fairmont	1	432
6	Seaside	2	422
7	Intercontinental	2	366
8	Pure Salt Luxury	2	226
9	St, Regis	1	125
10	Edition	1	100

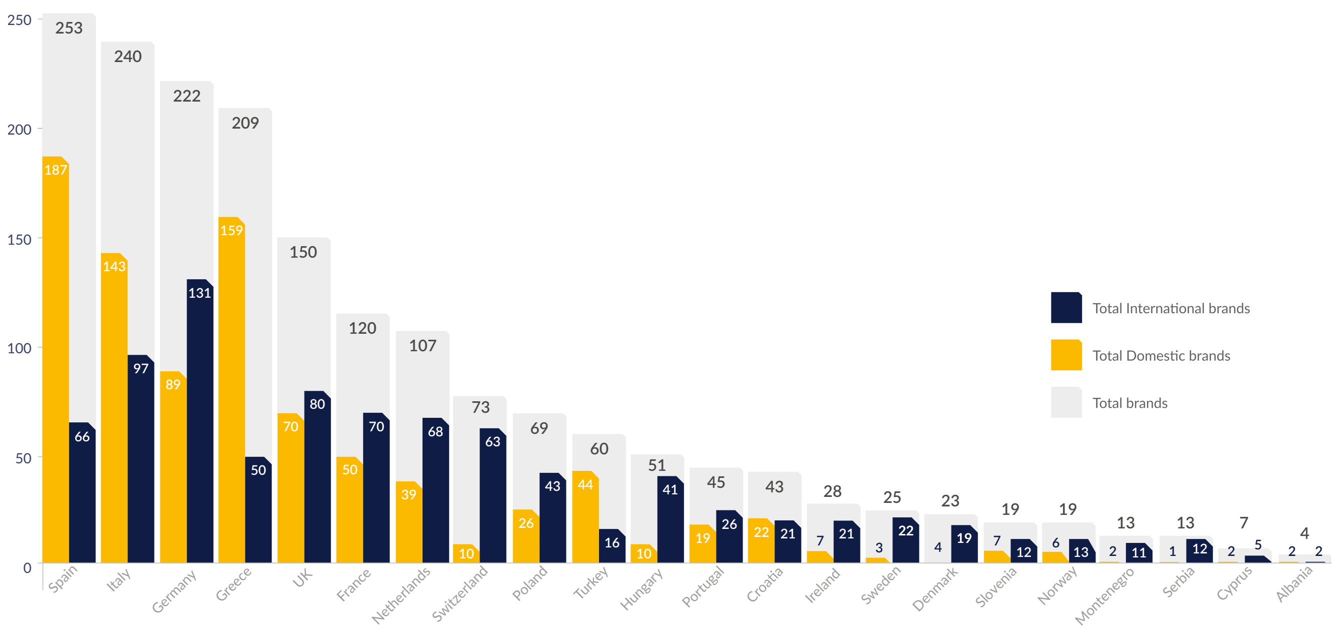
Spain: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	179	19,226	7.2%	107	126	14,036	53	5,190
Midscale	847	132,721	34.1%	157	702	113,972	145	18,749
Upscale & U.Upscale	1,334	216,883	53.1%	163	1,177	190,601	157	26,282
Luxury	120	23,218	5.5%	193	103	18,945	17	4,273
TOTAL	2,480	392,048	100.0%	158	2,108	337,554	372	54,494

Spain: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	12	8%	52	8%	13	5%	102	7%	179	7%
Midscale	98	62%	201	30%	62	23%	485	35%	846	34%
Upscale & U.Upscale	46	29%	398	60%	179	65%	711	52%	1,334	54%
Luxury	2	1%	17	3%	20	7%	81	6%	120	5%
TOTAL	**158**	**100%**	**668**	**100%**	**274**	**100%**	**1.379**	**100%**	**2.479**	**100%**

BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	739	4%	3,304	4%	1,382	3%	13,801	6%	19,226	5%
Midscale	10,697	56%	28,024	31%	11,068	26%	82,888	34%	132,677	34%
Upscale & U.Upscale	7,464	39%	54,630	61%	26,830	63%	127,959	53%	216,883	55%
Luxury	366	2%	3,864	4%	3,336	8%	15,652	7%	23,218	6%
TOTAL	**19,266**	**100%**	**89,822**	**100%**	**42,616**	**100%**	**240,300**	**100%**	**392,004**	**100%**



Spain: Ranking by Destination

Rank	Destination	Hotel	Rooms
1	Balearic Islands	428	81,102
2	Barcelona	340	43,092
3	Madrid	256	34,245
4	Canary Islands	246	69,628
5	Málaga	111	22,656
6	Girona	87	12,527
7	Alicante	85	16,294
8	Cádiz	74	12,266

Spain: Pipeline (2019/20)

Rank	Destination	Hotel	Rooms
1	Madrid	3	854
2	Barcelona	3	422
3	Canary Islands	1	342
4	Balearic Islands	1	334
5	Tarragona	1	150
6	La Coruña	2	119
7	Navarra	1	80
8	Aragon	1	56

Spain: Ownership Assets

Rank	Name	Total Assets	Domestic Assets	International Assets
1	Sociedad Estatal de Gestión Inmobiliaria del Patrimonio, S.A.	96	96	-
2	The Blackstone Group Spain, S.L.	49	43	6
3	Eurostars Hotel Company, S.L.	45	45	-
4	Catalonia Hotels & Resorts - Grupo	44	44	-
5	Corporacion H10 Hotels, S.L.	41	41	-
6	Belagua 2013, S.A. (AC Hoteles) - Grupo	32	1	31
7	Hoteles Globales - Optursa Management, S.L.	32	25	7
8	Meliá Hotels International, S.A. - Grupo	30	30	-
9	Grupo Inversor Hesperia, S.A.	24	24	-
10	Riu Hotels & Resorts - Riusa II, S.A. - Grupo	22	23	3

Spain: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	797	95,932	187	25,742
Business Focus	37	4,081	45	5,897
Golf	26	4,354	7	1,011
Mountain/Ski	29	2,073	3	336
Sun & Beach	890	194,778	90	17,734
Thermal	14	1,288	-	-
Wine	6	398	3	236
Other Leisure	311	33,106	43	5,335

Spain: Hotel Investors 2018

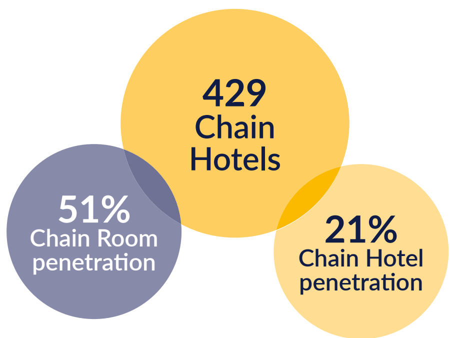
Rank	Name	Volume in €m
1	Blackstone	1,814.1
2	YTL Corp	220.0
3	RLH Properties	210.0
4	Colony Capital (REIT)	196.3
5	Hispania	165.0

Source: Real Capital Analytics, Inc. 2019

Spain: Institutional Owners 2018

Rank	Name	No. of Keys
1	Blackstone	18,134
2	La Caixa	3,394
3	London + Regional	2,290
4	Grupo BBVA	2,155
5	InvestIndustrial	2,000

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2018
Total chain hotels	429
Total chain rooms	63,388
Average size per chain hotel in rooms	148
Country hotels stock *(overall supply)*	2,045
Country rooms Stock *(overall supply)*	124,000
Average size per hotel in rooms	61
Chain penetration % by hotels	21.0%
Chain penetration % by rooms	51.1%
Total number of brands	31
Domestic brands	9
International brands	22
International chain hotels*	315
Domestic chain hotels*	114
International chain rooms*	41,522
Domestic chain rooms*	21,866

** Includes double counting*
Note: Sweden is a new market to report - only 2018 data available

Sweden

The Swedish hotel market is definitely mature and is dominated to a large extent by a few large 'homegrown' players.

The Market

This is the first time that the Swedish market has featured in the Chains and Hotels Report. The Swedish hotel market is definitely mature and is dominated to a large extent by a few large 'homegrown' players. In terms of Chain penetration Sweden is squarely in the middle of the markets we cover, with chain hotels accounting for 20% of inventory and rooms for 49%. There is a relatively low number of overall brands, only 25, when the average for Europe is 81.

Overall average rate and occupancy numbers are high, with the vast majority of hotels in the midscale, upper and upper Upscale segment. Staffing costs are too high in Scandinavia in general to support Luxury products, and even though there are a few, the ratio is much lower than other European markets.

In terms of Brands, three groups, Scandic, Nordic Choice and Best Western dominate the scene, with Best Western and Nordic Choice hotels having the most properties, 91 each, but Scandic having the greatest number of bedrooms, 17,446 from 85 hotels. Norwegian chain First is next with 40 hotels closely followed by local Swedish brand Elite hotels with 39 properties.

Leases are the most popular model in Sweden with almost all of Scandics' 85 properties being leases. This is a well-accepted model in Scandinavia and not seen as a disadvantage.

James Chappell, Global Business Director
Horwath HTL Global

Key Points

- **Turnover Volumes Moderate**
  Sweden is not seen a high volume transaction market, but investments were a decent €230 million in 2018. The most active players were Fastighets AB Balder, LKAB Fastigheter AB, Vasterkulla Hotell, Midstar AB and Kungsleden AB.

- **Local Money Rules**
  In terms of holdings, local players are the most significant holders of hotel assets. The largest, Midstar AB have 2,102 keys under ownership and KLP Forsikring have 1,264. The largest 'foreign' holding is a Norwegian fund, DNB ASA (Norway) that owns almost a 1,000 keys.

- **Few International Brands**
  Since Hilton bought and sold Scandic, international brands apart from Best Western have struggled to get a foothold in the market.

Sweden: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Best Western	91	10,203
2	Nordic Choice Hotels	91	16,472
3	Scandic Hotels	85	17,446
4	Elite Hotels	39	4,420
5	First	40	5,239
6	Radisson	16	4,023
7	Ligula Hospitality Group	28	3,404
	Domestic Chain Groups	Hotels	Rooms
1	Scandic Hotels	85	17,446
2	Elite Hotels	39	4,420
3	Ligula Hospitality Group	28	3,404
	International Chain Groups	Hotels	Rooms
1	Best Western	119	10,203
2	Nordic Choice Hotels	91	16,472
3	First	40	5,239
4	Radisson	16	4,023
5	Marriott International	7	1,320
6	Accor	4	462
7	Hilton	1	289
8	Comwell	1	159

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Scandic Hotels	85	17,446
2	Best Western	58	5,386
3	Elite Hotels	32	4,185
4	Best Western Sure HotelS	31	1,598
5	First	40	5,239
6	Clarion Collection	27	2,662
7	Quality	26	5,086
8	Best Western Plus	19	2,260
9	Clarion	13	4,105
10	Comfort	13	2,194
	Domestic Chain Brands	Hotels	Rooms
1	Scandic Hotels	85	17,446
2	Elite Hotels	32	4,185
3	Good Morning Hotels	14	1,560
4	Profil Hotels	8	945
	International Chain Brands	Hotels	Rooms
1	Best Western	58	5,386
2	Best Western Sure Hotels	31	1,598
3	First	40	5,239
4	Clarion Collection	27	2,662
5	Quality	26	5,086
6	Best Western Plus	19	2,260
7	Clarion	13	4,105
8	Comfort	13	2,194

Sweden: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	45	3,158	11%	70	14	1,560	31	1,598
Midscale	165	22,972	39%	139	-	-	165	22,972
Upscale & U.Upscale	216	36,520	51%	169	133	23,261	83	13,259
Luxury	1	343	-	-	-	-	1	343
TOTAL	**427**	**62,993**	**100%**	**148**	**147**	**24,821**	**280**	**38,172**

With thanks to Benchmarking Alliance for their support with Swedish data.

Sweden: Ranking by Destination

Rank	Destination	Hotel	Rooms
1	Stockholm	66	14,335
2	Gothenburg	27	5,621
3	Malmo	22	4,120

Sweden: Hotel Investors 2018

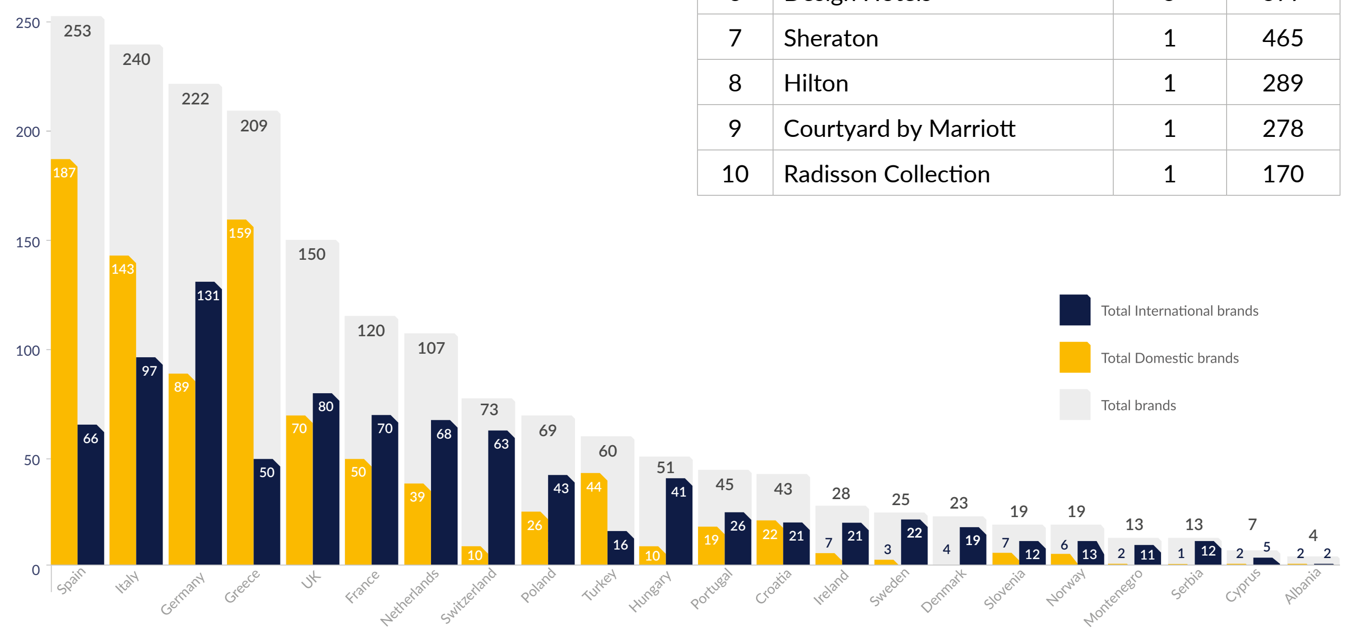
Rank	Name	Volume in €m
1	Fastighets AB Balder	82.8
2	LKAB Fastigheter AB	76.0
3	Vasterkulla Hotell	26.0
4	Midstar AB	22.2
5	Kungsleden AB	20.7

Source: Real Capital Analytics, Inc. 2019

Sweden: Institutional Owners 2018

Rank	Name	No. of Keys
1	Midstar AB	2,106
2	KLP Forsikring	1,264
3	Landsorganisationen LO	1,064
4	DNB ASA (Norway)	962
5	Storebrand	636

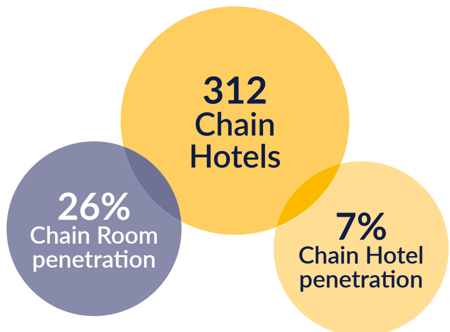
Source: Real Capital Analytics, Inc. 2019



Sweden: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Scandic Hotels	85	17,446
2	Elite Hotels	39	4,420
3	Profil	8	945

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Best Western	58	5,386
2	Best Western Sure Hotels	31	1,598
3	Quality	26	5,086
4	Best Western Plus	19	2,260
5	Clarion	13	4,105
6	Comfort	13	2,194
7	Park Inn by Radisson	4	760
8	Ibis Styles	2	259
9	BW Signature Collection	2	208
10	Ibis	1	52
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	First	40	5,239
2	Clarion Collection	27	2,662
3	Ascend	12	2,425
4	Radisson Blu	11	3,093
5	BW Premier Collection	9	751
6	Design Hotels	5	577
7	Sheraton	1	465
8	Hilton	1	289
9	Courtyard by Marriott	1	278
10	Radisson Collection	1	170



Key Statistics	2017	2018	% Diff.
Total chain hotels	272	312	14.7%
Total chain rooms	30,109	33,775	12.2%
Average size per chain hotel in rooms	111	108	-2.5%
Country hotels stock *(overall supply)***	4,375	4,261	-2.6%
Country rooms Stock *(overall supply)***	129,932	129,174	-0.6%
Average size per hotel in rooms	29.7	30.3	2.1%
Chain penetration % by hotels	6.2%	7.3%	17.8%
Chain penetration % by rooms	23.2%	26.1%	12.8%
Total number of brands	65	73	13.8%
Domestic brands	8	9	25.0%
International brands	57	64	10.5%
Second-tier operated hotels	49	45	-8.2%
International chain hotels*	158	171	8.2%
Domestic chain hotels*	114	135	18.4%
International chain rooms*	20,719	23,352	12.7%
Domestic chain rooms*	9,390	10,423	11.0%

** DOES NOT INCLUDE double counting*
*** Jan-Nov 2018*

Switzerland

The chain penetration rate by key is already at over 26% and growing fast. 36 chain hotels with roughly 4,300 additional keys will be added to the existing supply in the next three years.

The Market

2018 data (Jan-Nov) reveal an above average decrease of overall hotel supply in Switzerland. Over a ten year period (2009/18) the number of hotels had dropped on average by 1.% per annum. In 2018, the country counted 114 hotels less than the previous year, equalling a record decrease of 2.6%. At the same time, we logged 312 chain hotels representing an increase of 14.7% over 2017. Half of this growth is attributable to acquisitions and new hotel openings - the other from small domestic chains.

As a result, the average size of the chain hotels (number of keys per hotel) dropped from 111 in 2017 to 108 in 2018. The total key stock in chain hotels increased to 33,775 (+12.2%).

From Jan-Nov 2018, Switzerland welcomed 17,962,034 guests who spent on average 2 nights and a total of 35,914,360 nights in accommodation. Even though growth rates did not match those of the same period the previous year, the nationwide average room occupancy rate rose from 53.4% to 54.7%.

The strong pipeline will continue to push smaller and outdated supply out of the market. In the Zürich region, 14 new chain hotels will add approx 2,000 keys to the existing supply in all categories. Happily, and contrary to previous year's report, in 2019 the pipeline does not only include city hotels in A & B cities.

Michaela Wehrle, Partner
Horwath HTL Switzerland

Key Points

- **Accor swallowed Mövenpick**
  2018 Switzerland's largest domestic chain group, Mövenpick, was acquired by Accor. This transaction leaves the country with only one internationally renowned hotel chain: Kempinski. However, Kempinski operates only two hotels in Switzerland itself and ranks only 7th as a domestic group and 3rd as a brand.

- **International upscale chain hotels trump in size**
  International chain hotels are the largest in Switzerland: they have 167 rooms on average; this is more than 4 times the size of the smallest category domestic 1-2* chain hotels with an average 38 rooms per property and double the size of their domestic counterparts.

- **5 new international brands – strong pipeline**
  With a-ja Resort, Harry's Home, Hard Rock Hotel, b_smart and B&B five new brands entered Switzerland in 2018. The pipeline for the next three years (2019-2021) includes another thirteen new brands waiting to conquer the Swiss market from East to West.

Switzerland: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Accor	72	9,188
2	IHG	11	2,149
3	Marriott	13	2,002
4	Radisson Hotel Group	5	1,058
5	Sorell Hotels	18	981
6	Sunstar Hotels	10	956
7	Best Western Hotels	14	935
8	Hotels by Fassbind	7	758
9	Boas Hotels	9	753
10	H Hotels	6	731
	Domestic Chain Groups	Hotels	Rooms
1	Sorell	18	981
2	Sunstar Hotels	10	956
3	Hotels by Fassbind	7	758
4	Boas Hotels	9	753
5	Welcome Hotel Management	9	610
6	Manotel	6	610
7	Kempinski	2	596
8	Fassbind Hotels	6	521
9	Hotel Portfolio Holding	4	507
10	Victoria Jungfrau Collection	4	463
	International Chain Groups	Hotels	Rooms
1	Accor	72	9,188
2	Intercontinental Hotels	11	2,149
3	Marriott	13	2,002
4	Radisson Hotel Group	7	1,382
5	Best Western Hotels	14	935
6	H Hotels	6	731
7	Katara Hospitality	5	658
8	Club Med	2	575
9	Motel One	2	543
10	NH Hoteles	4	522

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Ibis	25	2,539
2	Ibis budget	13	1,692
3	Mövenpick	5	1,306
4	Novotel	7	1,099
5	Radisson Blu	5	1,092
6	Sorell	18	981
7	Sunstar	10	956
8	Crowne Plaza	2	731
9	Ibis styles	8	719
10	Bürgenstock Selection	5	658
	Domestic Chain Brands	Hotels	Rooms
1	Sorell	18	981
2	Sunstar	10	956
3	Kempinski	2	596
4	Hotels by Fassbind	5	560
5	Ferienverein	4	507
6	Victoria Jungfrau Collection	4	463
7	Giardino	4	260
8	Swiss Night	2	198
9	Seiler Hotels	2	191
	International Chain Brands	Hotels	Rooms
1	Ibis	25	2,539
2	Ibis budget	13	1,692
3	Mövenpick	5	1,306
4	Novotel	7	1,099
5	Radisson Blu	5	1,092
6	Crowne Plaza	2	731
7	Ibis styles	8	719
8	Best Western	10	660
9	Bürgenstock Selection	5	658
10	Swissotel	2	585

Switzerland: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Sorell	14	744
2	Ferienverein	4	507
3	Hotels by Fassbind	3	178
4	Swiss Night	1	51
5	Giardino	1	15
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Sunstar	10	956
2	Hotels by Fassbind	2	382
3	Sorell	3	172
4	Swiss Night	1	147
5	Seiler Hotels	1	41
Rank	Luxury	Hotels	Rooms
1	Kempinski	2	596
2	VJC	4	463
3	Giardino	3	245
4	Seiler Hotels	1	150
5	La Reserve	1	102

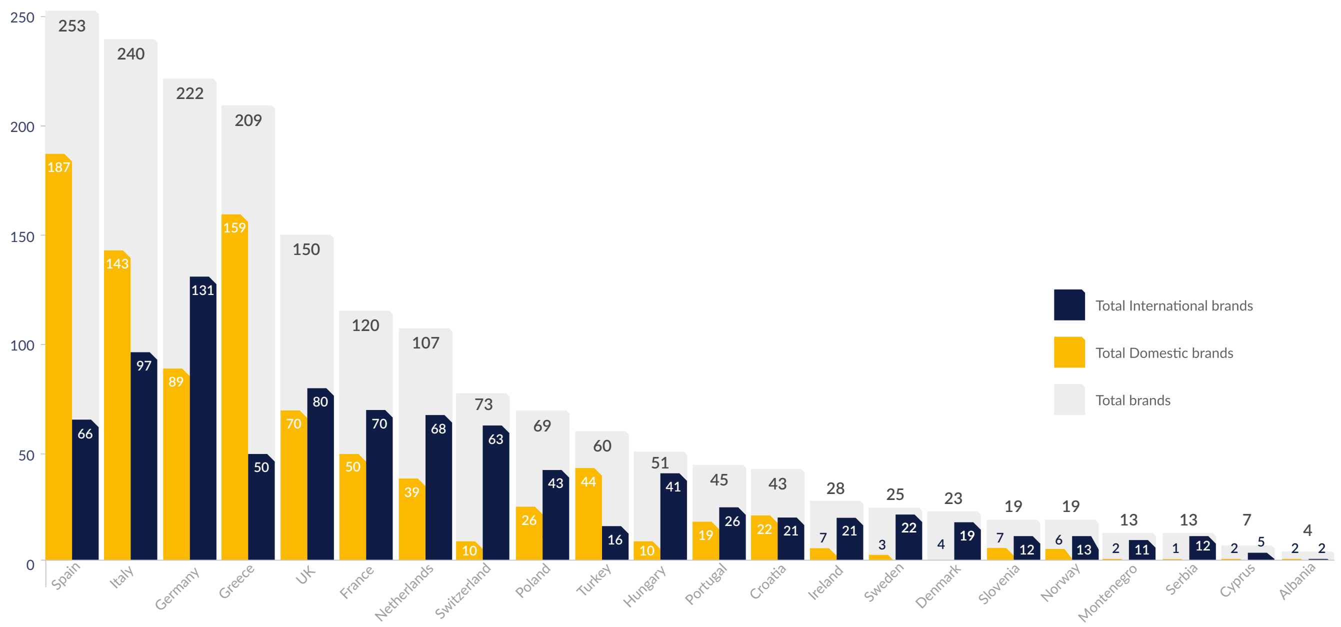
	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	24	2,437
2	Ibis budget	12	1,607
3	Ibis styles	7	600
4	Motel One	2	543
5	Best Western	9	536
6	Holiday Inn Express	4	479
7	Courtyard by Marriott	2	327
8	Park Inn	2	290
9	25 hours	2	296
10	Tulip Inn	2	228
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	7	1,099
2	Mövenpick	4	956
3	Radisson BLU	4	848
4	Crowne Plaza	2	731
5	Swissotel	2	585
6	Club Med	2	575
7	NH	4	522
8	Holiday Inn	3	390
9	Renaissance	2	387
10	Dorint	2	363
Rank	Luxury	Hotels	Rooms
1	Intercontinental	2	549
2	Bürgenstock Selection	3	397
3	Mövenpick	1	350
4	Autograph Collection	2	275
5	Fairmont	1	236
6	Mandarin Oriental	1	189
7	W	1	127
8	Steigenberger	1	126
9	Four Seasons	1	115
10	Dorchester Collection	1	109

Switzerland: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	44	4,263	12.6%	97	6	230	38	4,033
Midscale	114	8,926	26.4%	78	64	3,838	50	5,088
Upscale & U.Upscale	116	15,338	45.4%	132	47	3,841	69	11,497
Luxury	38	5,248	15.5%	138	19	2,376	19	2,872
TOTAL	312	33,775			136	10,285	176	23,490

Switzerland: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	5	11%	3	5%	17	23%	19	14%	44	14%
Midscale	23	52%	22	39%	17	23%	52	38%	114	37%
Upscale & U.Upscale	16	36%	29	51%	22	29%	49	36%	116	37%
Luxury	-	-	3	5%	19	25%	16	12%	38	12%
TOTAL	44		57		75		136		312	
BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	362	8%	305	5%	1,655	17%	1,941	15%	4,263	13%
Midscale	2,119	45%	2,046	32%	1,565	16%	3,196	24%	8,926	26%
Upscale & U.Upscale	2,259	48%	3,710	59%	3,308	35%	6,,061	46%	15,338	45%
Luxury	-	-	257	4%	2,976	31%	2015	15%	5,248	16%
TOTAL	4,740		6,318		9504		13,213		33,775	



Switzerland: Ranking by Destination

Rank	Destination	By Hotels
1	Zürich Region	74
2	Geneva Region	42
3	Lake Geneva/Vaud Region	34
4	Berne Region	29
5	Grisons	28
6	Aargau Region	19
7	Lucerne/Vierwaldstättersee	19
8	Basle Region	18
9	Valais	15
10	Ticino	11

Rank	Destination	By Rooms
1	Zürich Region	9,854
2	Geneva Region	5,613
3	Lake Geneva/Vaud Region	3,730
4	Grisons	3,086
5	Berne Region	2,585
6	Basle Region	2,308
7	Lucerne/Vierwaldstättersee	1,960
8	Valais	1,134
9	Aargau Region	1,039
10	Ticino	728

Switzerland: Pipeline (2018/19)

Rank	Destination	Hotel	Rooms
1	Zürich Region	14	2,071
2	Berne Region	5	484
3	Basle Region	2	401
4	Geneva	2	291
5	Lake Geneva / Vaud	3	253
6	Fribourg	2	174
7	Lucerne / Vierwaldstättersee	1	160
8	Grisons	1	130
9	Jura & Three Lakes	2	126
10	Eastern Switzerland	1	112

Switzerland: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	75	5,320	137	18,086
Business Focus	7	631	13	2,140
Mountain/Ski	28	2,366	11	1,208
Other Leisure	26	1,860	15	2,164

Switzerland: Hotel Investors 2018

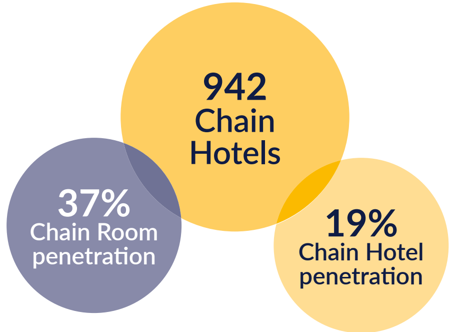
Rank	Name	Volume in €m
1	Asklepios Kliniken	126.4
2	Sami al-Angari	35.9
3	Swiss Life AM	20.0

Source: Real Capital Analytics, Inc. 2019

Switzerland: Institutional Owners 2018

Rank	Name	No. of Keys
1	Credit Suisse	3,307
2	UBS	628
3	Swiss Life AM	599
4	JER Partners	567
5	Government of Oman	390

Source: Real Capital Analytics, Inc. 2019



Key Statistics	2018
Total chain hotels	942
Total chain rooms	177,785
Average size per chain hotel in rooms	25
Country hotels stock *(overall supply)*	4,910
Country rooms Stock *(overall supply)*	487,027
Average size per hotel in rooms	30
Chain penetration % by hotels	19%
Chain penetration % by rooms	37%
Total number of brands	60
Domestic brands	44
International brands	16
International chain hotels*	331
Domestic chain hotels*	611
International chain rooms*	46,200
Domestic chain rooms*	131,585

** Includes double counting*
Note: Turkey is a new market to report - only 2018 data available

Turkey

2018 has seen the first signs of improvement for Turkey since the tourism crises in 2016. The market is starting to show promising figures, which should translate into an increase in ADR.

The Market

Turkey demonstrated the recovery of its tourism market with a record 40 million tourist arrivals. Re-establishing close ties with other European countries has helped with the recovery, which is evident both by increased ADR (6.5%) and RevPAR (3.9%), but is most apparent by an occupancy rate increase of 2,5% to 60,9%.

In some areas, the Ministry of Culture and Tourism has steered away from the concept of seasonal resorts allowing resorts to be open for twelve months of the year. This enables existing resorts, to promote existing facilities all year round and for winter ski resorts to become trekking havens in the summer.

Many tourists come to Turkey in search of culture and there are no shortages of historical sites in the country, including several that are on the World Heritage list. One such site, Gobeklitepe, which has recently been discovered, will soon be open to the public. The Chamber of Regional Tourist Guides attributes the increase in tourism to the region to the new site being included in the World Heritage list. Culture and Tourism Minister, Mehmet Nuri Ersoy, announced that 2019 will be the “Gobeklitepe Year” for tourism. As Turkey’s tourism sector gains ground, it hopes to reach its target in the years ahead with new hotel investments being launched for a prosperous tourism sector.

Alp Ancel, Associate Director
Horwath HTL Turkey

Key Points

- **Prosperous year are coming for Turkish tourism**
  Turkey’s tourism sector suffered after the 2016 crises but has started to regain its strength with promising figures. It broke a record of 40 million tourist arrivals in 2018, which should keep increasing in 2019.

- **Hotel chains keeps growing**
  New infrastructure and investment will be critical to reach tourism targets of turkey under the vision of 2023 goals, including welcoming 50m visitors and earning $50bn. Local and international hotel chains will take an important role to accomplish the target.

- **World’s oldest temple - Gobeklitepe**
  Every country has its unique historical heritage and it is something everyone should preserve and experience. Gobeklitepe is one of those that changed the world’s human history and by promoting this area Turkey hopes to attract tourists from all over the world.

Turkey: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Wyndham	75	10,953
2	Hilton	63	12,674
3	Accor	42	7,453
4	Marriott	30	5,686
5	IHG	27	5,026
6	Rixos	26	8,721
7	Anemon	18	2,210
8	Divan	17	2,080
9	Dedeman	17	2,784
10	Kaya Hotels	14	5,630
	Domestic Chain Groups	Hotels	Rooms
1	Rixos	26	8,721
2	Anemon	18	2,210
3	Divan	17	2,080
4	Dedeman	17	2,784
5	Kaya Hotels	14	5,630
6	Crystal Hotels	13	4,554
7	Barut	12	3,716
8	Titanic	12	2,920
9	Larissa	10	1,630
10	The Marmara	7	1,191
	International Chain Groups	Hotels	Rooms
1	Wyndham	75	10,953
2	Hilton	63	12,674
3	Accor	42	7,453
4	Marriott	30	5,686
5	IHG	27	5,026
6	Radisson	13	2,590
7	Sentido Hotels	12	3,300
8	Corendon Hotels & Resort	5	1,696
9	Club Med	4	1,750
10	Choice Hotels	4	682

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Ramada	56	8,319
2	Hilton Garden Inn	19	3,050
3	DoubleTree by Hilton	17	2,732
4	Holiday Inn	14	2,097
5	Radisson Blu	14	2,847
6	Divan	14	2,520
7	Hampton by Hilton	13	1,619
8	Hilton	13	4,720
9	Ibis	13	2,003
10	Dedeman	10	3,210
	Domestic Chain Brands	Hotels	Rooms
1	Divan	14	2,520
2	Dedeman	10	3,210
3	Titanic	9	2,615
4	The Marmara	8	2,080
5	Dedeman Park	7	1,190
6	Titanic Comfort	2	122
7	Divan Express	2	220
8	Divan City	1	162
9	Titanic City	1	183
	International Chain Brands	Hotels	Rooms
1	Ramada	56	8,319
2	Hilton Garden Inn	19	3,050
3	DoubleTree by Hilton	17	2,732
4	Holiday Inn	14	2,097
5	Radisson Blu	14	2,847
6	Hampton by Hilton	13	1,619
7	Hilton	13	4,720
8	Ibis	13	2,003
9	Crowne Plaza	9	2,251
10	Mercure	9	1,938

Turkey: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Titanic Comfort	2	122
2	Divan Express	2	220
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Dedeman Park	7	1,190
2	Divan City	1	162
3	Titanic City	1	183
Rank	Luxury	Hotels	Rooms
1	Divan	14	2,520
2	Dedeman	10	3,210
3	Titanic	9	2,615
4	The Marmara	8	2,080

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	13	2,003
2	Hampton Inn by Hilton	13	1,619
3	Mercure	9	1,938
4	Park Inn by Radisson	7	879
5	TRYP by Wyndham	5	525
6	Holiday Inn Express	3	288
7	Hawthorn	3	236
8	Ibis Style	2	139
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Ramada	56	8,319
2	Hilton Garden Inn	19	3,050
3	Hilton Doubletree	17	2,732
4	Radisson Blu	14	2,847
5	Holiday Inn	14	2,097
6	Hilton	13	4,720
7	Novotel	7	1,145
8	Four Points	3	436
9	Renaissance Hotel	3	760
10	Le Meridien	1	259
Rank	Luxury	Hotels	Rooms
1	The Luxury Collection	3	239
2	Kempinski	3	720
3	Four Seasons	2	265
4	Raffles	1	185
5	Fairmont	1	209
6	St Regis	1	118
7	Intercontinental	1	390
8	Ritz Carlton	1	243
9	Conrad	1	553
10	Grand Hyatt	1	360

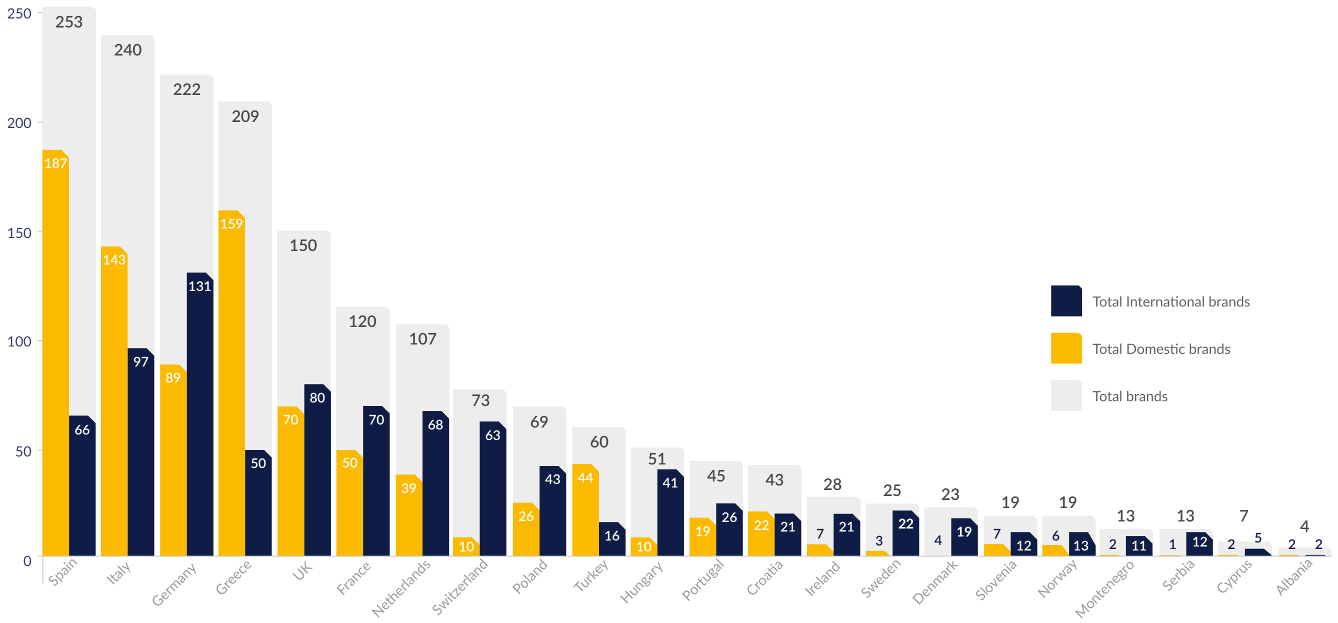
Turkey: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	48	5,265	5%	18	31	2,015	17	3,250
Midscale	263	35,700	28%	23	122	18,300	141	17,400
Upscale & U.Upscale	306	43,820	32%	27	183	29,960	123	13,860
Luxury	325	93,000	35%	32	275	73,200	50	19,800
TOTAL	**942**	**177,785**	**100%**	**25**	**611**	**123,475**	**331**	**54,310**

Turkey: Business Model

BY HOTELS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-	-	-	-	1	2%	-	-	1	-
Midscale	115	60%	1	17%	9	20%	9	64%	134	52%
Upscale & U.Upscale	74	38%	5	83%	27	60%	5	36%	111	43%
Luxury	4	2%	-	-	8	18%	-	-	12	5%
TOTAL	**193**	**100%**	**6**	**100%**	**45**	**100%**	**14**	**100%**	**258**	**100%**

BY ROOMS										
	Franchise	%	Lease	%	Mgt Cont	%	Owned	%	Total	%
Economy	-	0%	-	0%	81	1%	-	0%	81	0%
Midscale	16,378	51%	200	11%	1,144	13%	1,481	65%	19,203	42%
Upscale & U.Upscale	15,204	47%	1,670	89%	5,981	66%	796	35%	23,651	52%
Luxury	654	2%	-	0%	1,865	21%	-	0%	2,519	6%
TOTAL	**32,236**	**100%**	**1,870**	**100%**	**9,071**	**100%**	**2,277**	**100%**	**45,454**	**100%**



Turkey: Ranking by Destination

Rank	Destination	By Hotels
1	Antalya	883
2	Istanbul	745
3	Mugla	503
4	Izmir	269
5	Ankara	212
6	Bursa	114
7	Nevşehir	113
8	Balıkesir	109
9	Aydın	105
10	Çanakkale	95

Rank	Destination	By Rooms
1	Antalya	229,567
2	Istanbul	71,893
3	Mugla	63,236
4	Izmir	21,207
5	Aydin	17,878
6	Ankara	16,187
7	Mersin	9,859
8	Bursa	8,967
9	Afyonkarahisar	7,856
10	Balıkesir	6,666

Turkey: Pipeline (2018/19)

Rank	Destination	Hotel	Rooms
1	Istanbul	Peninsula Hotel	180
2	Istanbul	Mandarin Oriental	120
3	Bodrum	Four Seasons	125
4	Bodrum	Banyan Tree	70
5	Bodrum	Hilton Curio	85
6	Bodrum	Hyatt Centric	77
7	Bodrum	Swissotel Resort	35
8	Istanbul	NG	400
9	Istanbul	Four Points	440

Turkey: Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	17	4,005	14	3,298
Business Focus	3,541	327,845	247	23,465
Golf	16	4,320	1	274
Ski	54	10,422	1	72
Sun & Beach	606	83,689	28	3,867
Thermal	109	14,007	8	1,028
Wine	5	215	-	-
Other Leisure	263	10,520	-	-

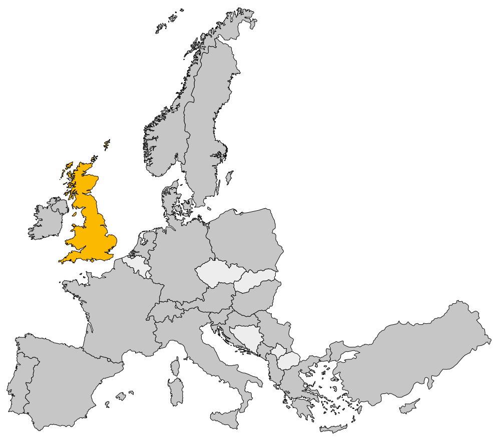
Turkey: Ownership Assets

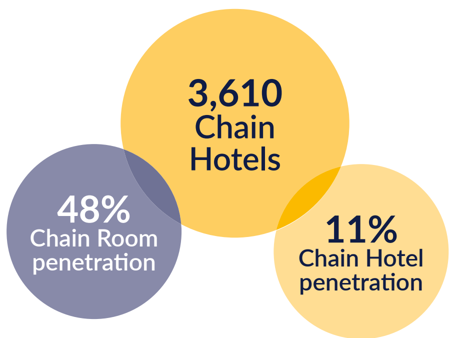
Rank	Name	Domestic	International
1	KOC	14	3
2	Akfen	15	1
3	Dogus	11	2
4	Crystal	13	-
5	Dedeman	8	2
6	Titanic	6	3
7	Greenpark	7	-
8	Limak	8	-

Turkey: Institutional Owners 2018

Rank	Name	No. of Keys
1	Fiba Holdings	1,355
2	Dogus Holding A S	653
3	Halk Bank	546
4	MV Holding	402
5	VakifBank	342

Source: Real Capital Analytics, Inc. 2019





Key Statistics	2017	2018	% Diff.
Total chain hotels	3,520	3,610	3%
Total chain rooms	373,000	384,223	3%
Average size per chain hotel in rooms	106	106	-
Country hotels stock (overall supply)	33,374	33,464	-
Country rooms Stock (overall supply)	786,775	797,998	1%
Average size per hotel in rooms	23.6	24	1%
Chain penetration % by hotels	10.5%	10.8%	2%
Chain penetration % by rooms	47.4%	48.1%	2%
Total number of brands	148	150	1%
Domestic brands	68	70	3%
International brands	80	80	-
Top 10 Chains Total Hotels	2,523	2,621	4%
Top 10 Chains Total Rooms	278,908	290,118	4%
Top 10 Chains Hotels %	72%	73%	1%
Top 10 Chains Rooms %	75%	76%	1%

United Kingdom

One of the largest deals of the year, Starwood Capital brought their investment in the old Principal Hayley group, to a close by selling the 13 hotels to French company, Foncière des Régions (FDR) for £858m.

The Market

The UK market was very positive again in 2018, both from a performance point of view and investments. In one of the largest deals of the year, Starwood Capital brought their investment in the old Principal Hayley group to a close, by selling the 13 hotels to French company Foncière des Régions (FDR) for £858m. This also meant that InterContinental Hotels Group who will manage the hotels now, were able to bring their recently acquired Kimpton brand to the UK. This makes IHG the second largest hotel company (by rooms) in the UK with 340 properties and 49,311 rooms.

From a domestic brand perspective, the economy sector continues to perform well with Premier Inn clearly in front with 801 hotels and 75,478 rooms, Travelodge came in third with 551 hotels and 41,876 rooms. Whatever issues the economy brands have growing their portfolio abroad, they seem to be having no such issues at home. Of the International brands, Accor is the largest with 257 hotels.

We re-stated the overall number this year to be in line with the Visit UK and UNWTO data which meant that chain penetration is higher. The penetration for hotels is almost 11% and rooms just over 48%. So a relatively low penetration of hotels, 7 out of 22 markets, but a solid 15 for rooms. The overall number of brands present, 150, lags well behind German, Spain and France.

James Chappell, Global Business Director
Horwath HTL Global

Key Points

- **No Brexit Blues for Transactions**
  The UK had one of the highest volumes of turnover in the transaction market last year, with the top five transactions alone bringing in £3.5 billion. This also included the purchase of Principal.

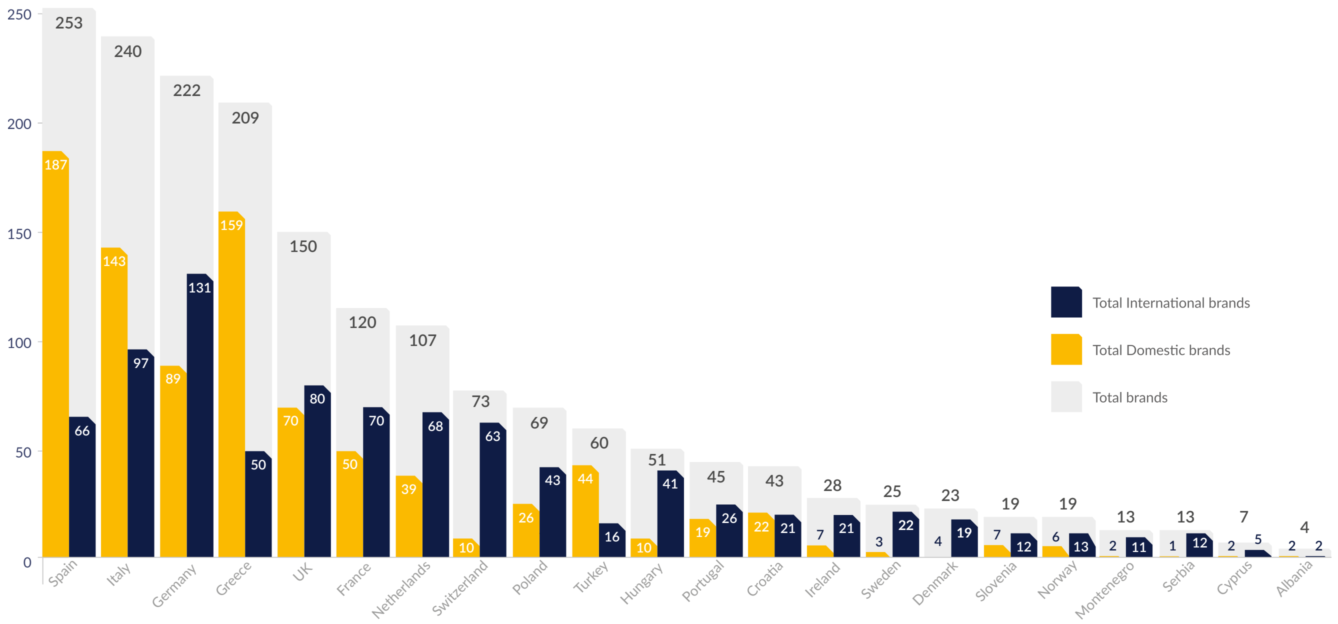
- **Owners**
  In terms of holdings, London & Regional is still top-dog owning just over 9,000 keys, followed by ADIA with 7,958 and Lone Star on 5,431. Even after their Principal sale, Starwood Capital still owns 5,332 keys.

- **More coming**
  Looking at deal signing, the UK is near the top, 74 were signed last year for the UK. Chain groups have 21 openings pencilled-in for this year and 17 the year after.

UK: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Whitbread Group	801	75,478
2	IHG	340	49,311
3	Travelodge	551	41,876
4	Accor	257	34,832
5	Hilton Worldwide	154	32,068
6	Marriott International	98	19,286
7	Best Western	253	14,752
8	Carlson Rezidor	33	6,900
9	Britannia hotels	54	10,221
10	Wyndham	72	5,407
	Domestic Chain Groups	Hotels	Rooms
1	Whitbread Group	801	75,478
2	IHG	340	49,311
3	Travelodge	551	41,876
4	Accor	257	34,832
5	Britannia Hotels	54	10,221
6	Jurys Inn	32	7,317
7	Bespoke Hotels	76	5,432
8	The Qhotel Group	26	3,682
9	Village Club Hotels	29	3,658
10	Easy Hotels	19	3,300

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Premier Inn Hotels	801	75,478
2	Travelodge	551	41,876
3	Holiday Inn	136	20,529
4	Holiday Inn Express	141	17,411
5	Hilton	54	14,215
6	Britannia hotels	54	10,221
7	DoubleTree	53	10,188
8	Ibis	64	9,557
9	Best Western	158	8,890
10	Marriott	44	8490
	Domestic Chain Brands	Hotels	Rooms
1	Premier Inn Hotels	801	75,478
2	Travelodge	551	41,876
3	Holiday Inn	136	20,529
4	Holiday Inn Express	141	17,411
5	Britannia hotels	54	10,221
6	Jurys Inn	32	7,317
7	Crowne Plaza	33	6,686
8	BeFreind	46	3,715
9	Qhotel	25	3,682
10	Village Club Hotels	30	3,784



UK: Ranking by Scale

	OVERALL		
Rank	Economy & Midscale	Hotels	Rooms
1	Premier Inn Hotels	801	75,478
2	Travelodge	551	41,876
3	Britannia hotels	54	10,221
4	Best Western	158	8,890
5	Ibis	64	9,557
6	Imperial London Hotel	7	3,379
7	Ibis budget	24	3,146
8	Ibis Styles	27	3,269
9	Old English Inns	70	1,924
10	EasyHotel	19	1,771
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Holiday Inn	136	20,529
2	Holiday Inn Express	141	17,411
3	Hilton	54	14,215
4	DoubleTree	53	10,188
5	Marriott	44	8,490
6	Mercure	91	9,685
7	Wyndham	92	7,820
8	Jurys Inn	32	7,317
9	Park Plaza	22	7,196
10	Crowne Plaza	33	6,686
Rank	Luxury	Hotels	Rooms
1	MacDonald Hotels & Resorts	42	3,624
2	Preffered Hotels and Resorts	23	2,510
3	Principal	9	1,688
4	Sofitel	3	1,306
5	InterContinental	2	900
6	The Doyle Collection	4	742
7	Luxury Collection	3	733
8	SBE	3	713
9	Red Carnarion Hotels	10	664
10	Rosewood	3	590

UK: Hotel Investors 2018

Rank	Name	Volume in €m
1	Covivio	950.6
2	LRC Europe	880.2
3	Vivion Capital Partners	854.7
4	Brookfield AM	446.5
5	Cola Holdings	292.2

Source: Real Capital Analytics, Inc. 2019

UK: Institutional Owners 2018

Rank	Name	No. of Keys
1	London + Regional	9,044
2	ADIA	7,958
3	Lone Star	5,431
4	Starwood Capital	5,332
5	Aprirose Investments	4,433

Source: Real Capital Analytics, Inc. 2019

Horwath HTL

Hotel, Tourism and Leisure

AFRICA
Ivory Coast
Rwanda
South Africa

ASIA PACIFIC
Australia
China
Hong Kong
India
Indonesia
Japan
Malaysia
New Zealand
Singapore
Thailand

EUROPE
Andorra
Croatia
Cyprus
France
Germany
Greece
Hungary
Ireland
Italy
Netherlands
Norway
Poland
Portugal
Serbia
Spain
Switzerland
Turkey
United Kingdom

LATIN AMERICA
Argentina
Dominican Republic

MIDDLE EAST
UAE & Oman

NORTH AMERICA
Atlanta
Denver
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