Horwath HTL

Hotel, Tourism and Leisure

European Chains & Hotels Report 2018

Welcome to Horwath HTL, the global leader in hospitality consulting. We are the industry choice; a global brand providing quality solutions for hotel, tourism & leisure projects. At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

European Chains Report 2018

A very warm welcome to the second edition of our European Chains Report, which looks at the development of branded and chain hotels across the key markets. The data shows that the number and ratio of branded hotels is increasing in almost all of the markets we reported on, through a variety of different business models

Excitingly, we now have year on year data to analyse which has thrown up some very interesting results, as you will see. The industry overall has been going through a period of consolidation, with pretty much all of the major hotel groups being involved in a transaction as either a buyer or seller.

The big one a couple of years ago was Marriott and Starwood and we are starting to see the effects of that filter through into new brand development, but the others have not been standing by.

Accor in particular has been on a spending spree, snapping up whole brands to fill gaps in their market segmentation, or taking bets through minority positions in developing brands in other segments that may or may not play out for them.

IHG bought Kimpton, which is launching in the UK after the acquisition of the Principal Hotel company in the UK by French fund Covivio (formerly the less snappy Foncière des Régions). As we go to print, Spain's NH group is on the block, with Thai-based Minor group looking set to close the deal.

Based on this activity, would we expect the number of branded properties to be going up or down? The data shows that the number and ratio of branded hotels is increasing in almost all of the markets we reported on, through a variety of different business models.

Of the 'big' markets Italy in particular stands out, with chain hotels increasing by over 6% year on year, but they are far from the only market with a significant increase. Germany, Ireland, Spain, Poland, The Netherlands and Switzerland all experienced an increase of 3% or greater. Interestingly, France and the United Kingdom bucked the trend, although considering how saturated they are with branded properties, it's hardly a surprise.

There are many more nuggets of fascinating information in the report, and we hope you enjoy this edition.

James Chappell
Horwath HTL Global Business Director

Introduction

It is clear that chain and branded hotels are growing, ever more popular with owners looking to mitigate their risk. What is significant for our market, is that many of these brands have been developed locally. This is a positive sign as it shows we have the confidence to compete internationally with our products.

Olaf Steinhage, Managing Partner, Horwath HTL Germany and Chairman of ZIA

In the compilation of the data, we asked our offices to not just rely on available local data, but to create our own databases from scratch. We were then able to make a sanity check with reputable data providers like Eurostat which, although a few years old, have comprehensive numbers on hotels, restaurants, hostels, pensions 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. Finally, for this edition, we broke each country down to major cities or destinations to give a deeper understanding of what chain penetration is.

We have been able to compare year on year data for the key indicators. The graphs and charts will then show where the differences are and you can identify easily why the changes are taking place.

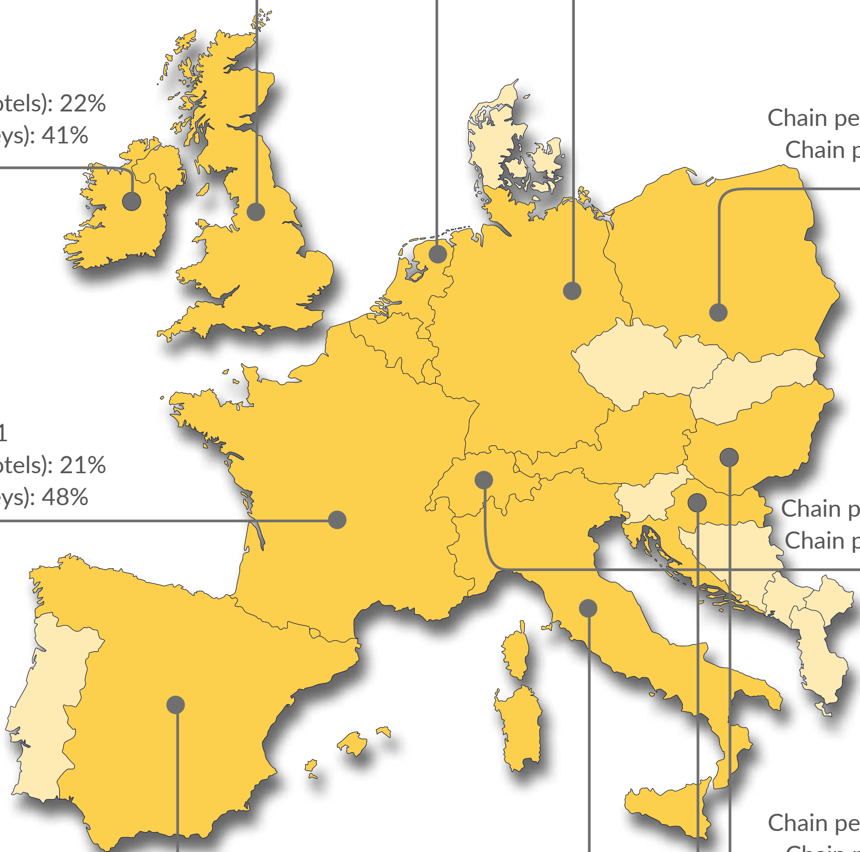
We were not able to get data for Austria this year, so we left their 2016 data in the overall Europe numbers, but left them out of the specific country reports.

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 *(including double counting)*
- Domestic chain hotels *(including double counting)*
- International chain rooms *(including double counting)*
- Domestic chain rooms *(including double counting)*

James Chappell
Horwath HTL Global Business Director

Chain Hotels in Europe 2018



UK
Chain hotels: 3,520
Chain rooms: 373,000
Chain penetration (hotels): 8%
Chain penetration (keys): 49%

Netherlands
Chain hotels: 663
Chain rooms: 76,133
Chain penetration (hotels): 19%
Chain penetration (keys): 58.9%

Germany
Chain hotels: 2,078
Chain rooms: 301,045
Chain penetration (hotels): 10%
Chain penetration (keys): 37.1%

Ireland
Chain hotels: 183
Chain rooms: 23,878
Chain penetration (hotels): 22%
Chain penetration (keys): 41%

Poland
Chain hotels: 342
Chain rooms: 47,484
Chain penetration (hotels): 14%
Chain penetration (keys): 37%

France
Chain hotels: 3,816
Chain rooms: 319,561
Chain penetration (hotels): 21%
Chain penetration (keys): 48%

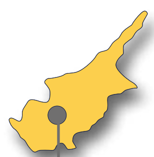
Switzerland
Chain hotels: 272
Chain rooms: 30,109
Chain penetration (hotels): 6%
Chain penetration (keys): 23%

Hungary
Chain hotels: 140
Chain rooms: 20,567
Chain penetration (hotels): 13%
Chain penetration (keys): 33%

Spain
Chain hotels: 2,453
Chain rooms: 386,771
Chain penetration (hotels): 33%
Chain penetration (keys): 56%

Italy
Chain hotels: 1,488
Chain rooms: 164,196
Chain penetration (hotels): 5%
Chain penetration (keys): 15%

Croatia
Chain hotels: 167
Chain rooms: 30,808
Chain penetration (hotels): 24%
Chain penetration (keys): 53.2%



Cyprus
Chain hotels: 8
Chain rooms: 5,499
Chain penetration (hotels): 4%
Chain penetration (keys): 10%

Chain Hotels in Europe 2018

The first number that leaps out when looking at chain hotel statistics, is just how much bigger branded hotels are than their independent counterparts

This may be self-evident given the rule of thumb that you 'need' a minimum of 100 rooms to make money, certainly outside of super budget hotels, but is worth exploring. It's also clear that branded hotel companies are not interested in putting their flag on hotels that won't make money. For 2017, the average chain hotel had 162 rooms and the average independent hotel had 57.

The biggest manifestation of this is in the United Kingdom where chains make up only 8% of the overall supply of hotels, but a massive 49% of rooms. In other markets, similar ratios are on display. Germany has just over 10% of hotels accounting for 37% of rooms, Italy has 5% versus 15%, the Netherlands has 19% versus 59% etc, the picture is clear. Even the smaller markets like Hungary follow a similar pattern, in that case 13% versus 33%.

It's only in markets where there is domination by a relatively small amount of players, France and Spain being the two biggest, that you see a huge representation of both chain hotels and chain rooms.

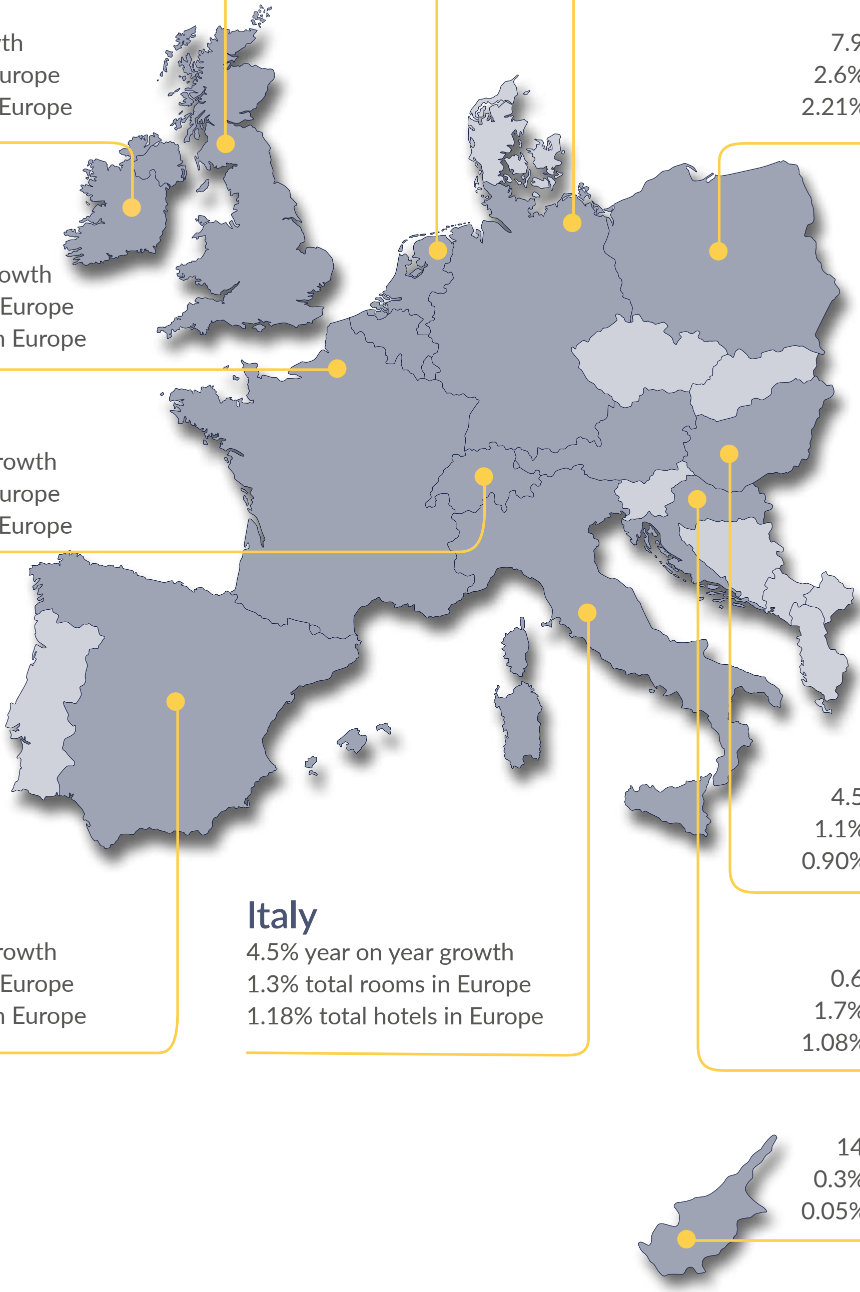
France, due to all of the Accor brands has a ratio of 21% hotels and 48% rooms. Spain is even more dominated by chains, with 33% hotel penetration and 56% hotel penetration.

There is also a large disparity in the sheer number of chain properties per market. Top again is France with 3,816 hotels, closely followed by the UK on 3,520 and then Spain on 2,453 and Germany on 2,078.

After that it's a big drop to Italy with 1,488 and an even bigger fall to the Netherlands on 663.

James Chappell
Horwath HTL Global Business Director

Year On Year Growth & Total Supply



UK
-0.5% year on year growth
20.5% total rooms in Europe
22.73% total hotels in Europe

Netherlands
3.6% year on year growth
4.2% total rooms in Europe
4.28% total hotels in Europe

Germany
4.4% year on year growth
16.5% total rooms in Europe
13.42% total hotels in Europe

Ireland
7% year on year growth
9.0% total rooms in Europe
9.61% total hotels in Europe

Poland
7.9% year on year growth
2.6% total rooms in Europe
2.21% total hotels in Europe

France
-0.1% year on year growth
17.6% total rooms in Europe
24.64% total hotels in Europe

Switzerland
24.8% year on year growth
1.7% total rooms in Europe
1.76% total hotels in Europe

Hungary
4.5% year on year growth
1.1% total rooms in Europe
0.90% total hotels in Europe

Spain
4.34% year on year growth
21.2% total rooms in Europe
15.84% total hotels in Europe

Italy
4.5% year on year growth
1.3% total rooms in Europe
1.18% total hotels in Europe

Croatia
0.6% year on year growth
1.7% total rooms in Europe
1.08% total hotels in Europe

Cyprus
14% year on year growth
0.3% total rooms in Europe
0.05% total hotels in Europe

Year On Year Growth & Total Supply

What the data clearly shows is that the overall share of chain hotels versus independent is increasing, even in markets that can be considered very mature.

What the data clearly shows is that the overall share of chain hotels versus independent is increasing, even in markets that can be considered very mature.

The exceptions to this trend however are two key markets, the UK and France, both of whom experienced slight drops in overall chain hotel numbers (-0.5% and -0.1%). Interestingly, both markets showed a healthy growth in the number of chain rooms, which shows that consolidation caused by mergers and acquisitions activity meant that new products being absorbed by the big players made up for the loss of smaller, worse performing properties.

For the markets that grew, Switzerland's 25% is the most eye catching, although the overall numbers are small.

Italy had a significant increase of over 6% which equated to 87 new hotels and almost 9,000 rooms. Poland grew by 8%, Ireland by 7%, Hungary 4.5% and Germany by 4.4%.

In Germany's case the actual growth came to 88 hotels with over 14,000 rooms.

Overall the number of chain affiliated hotels grew by 373, which accounts for almost 39,000 rooms. This increase is even more impressive when you consider that overall hotel supply for the region fell in 2017 by 103 hotels, taking the overall inventory from 145,573 to 145,470.

Looking at the percentage of each market versus Europe as a whole, the single biggest market is France with almost 25% of the entire European chain sector.

The UK follows with 22.7%, Spain with 15.84%, Germany with 13.42% and Italy on 9.61%. Hungary, which is seen correctly as a boom market and has 140 chain hotels, only makes up slightly less than 1% of European supply.

James Chappell
Horwath HTL Global Business Director

Domestic & International Brands

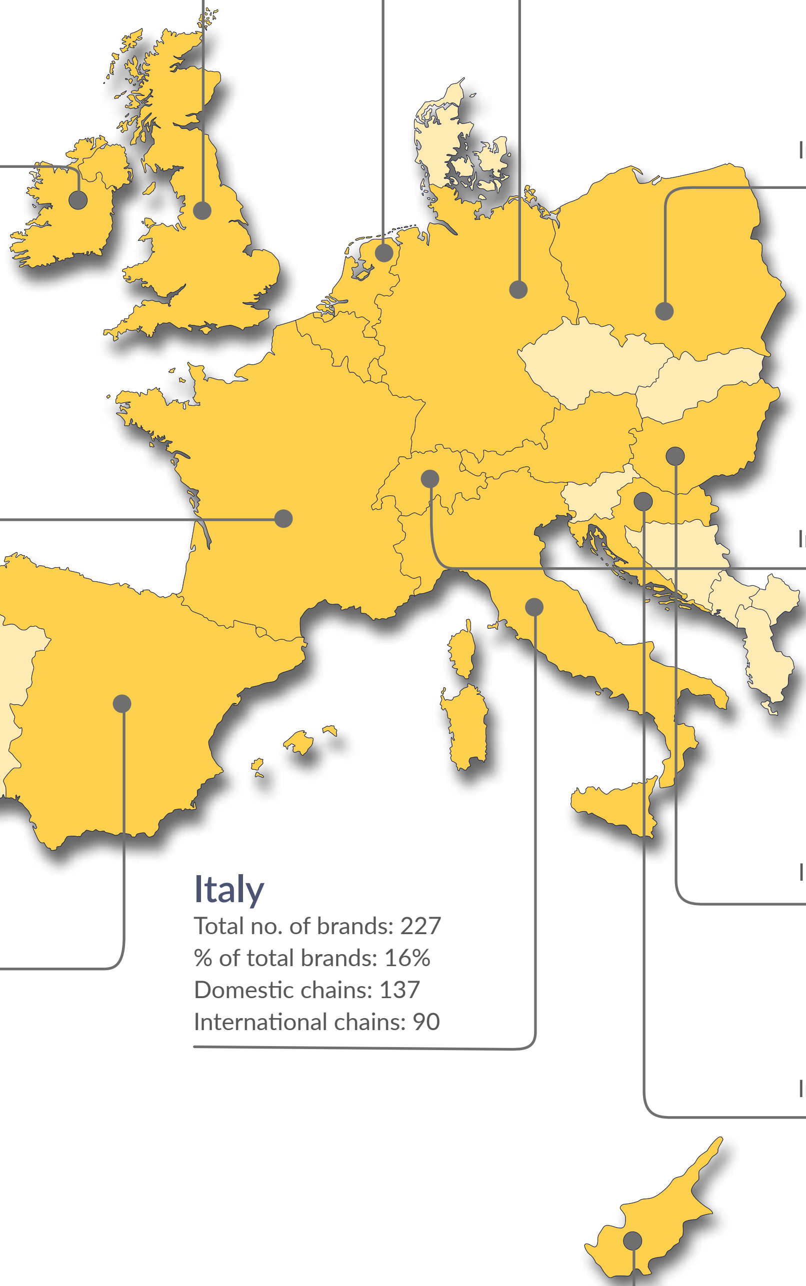
UK
Total no. of brands: 148
% of total brands: 11%
Domestic chains: 68
International chains: 80

Netherlands
Total no. of brands: 107
% of total brands: 8%
Domestic chains: 39
International chains: 68

Germany
Total no. of brands: 203
% of total brands: 14%
Domestic chains: 89
International chains: 114

Ireland
Total no. of brands: 31
% of total brands: 2%
Domestic chains: 8
International chains: 23

Poland
Total no. of brands: 61
% of total brands: 4%
Domestic chains: 26
International chains: 35



France
Total no. of brands: 107
% of total brands: 8%
Domestic chains: 52
International chains: 55

Switzerland
Total no. of brands: 65
% of total brands: 5%
Domestic chains: 8
International chains: 57

Hungary
Total no. of brands: 45
% of total brands: 3%
Domestic chains: 6
International chains: 39

Spain
Total no. of brands: 290
% of total brands: 21%
Domestic chains: 204
International chains: 86

Italy
Total no. of brands: 227
% of total brands: 16%
Domestic chains: 137
International chains: 90

Croatia
Total no. of brands: 20
% of total brands: 1%
Domestic chains: 5
International chains: 15

Cyprus
Total no. of brands: 6
% of total brands: 0%
Domestic chains: 4
International chains: 2

Domestic & International Brands

One of the fascinating points is how some otherwise excellent tourism markets, like Italy for example, just haven't developed local brands that export to the same level as other similar countries.

The next issue to look at is the make-up of brands in each country and see how much penetration international brands have made in each market. One of the fascinating points is how some otherwise excellent tourism markets, like Italy for example, just haven't developed local brands that export to the same level as other similar countries.

Let us exclude France for a moment, which is dominated by one family of brands, and look at Italy compared to Spain. Both markets are huge, Spain has 667,000 hotels overall versus 1.1 million in Italy, and when you look at the brand picture, superficially quite similar. Spain has 290 brands versus 227 in Italy. The ratios of domestic versus international brands is also quite similar, Spain has a ratio of 204/86 and Italy 137/90 and yet in terms of chain penetration they could not be more different. Spain has a brand penetration of almost 34% for hotels and 56% for rooms whereas Italy is just over 5% for hotels and 15% on rooms.

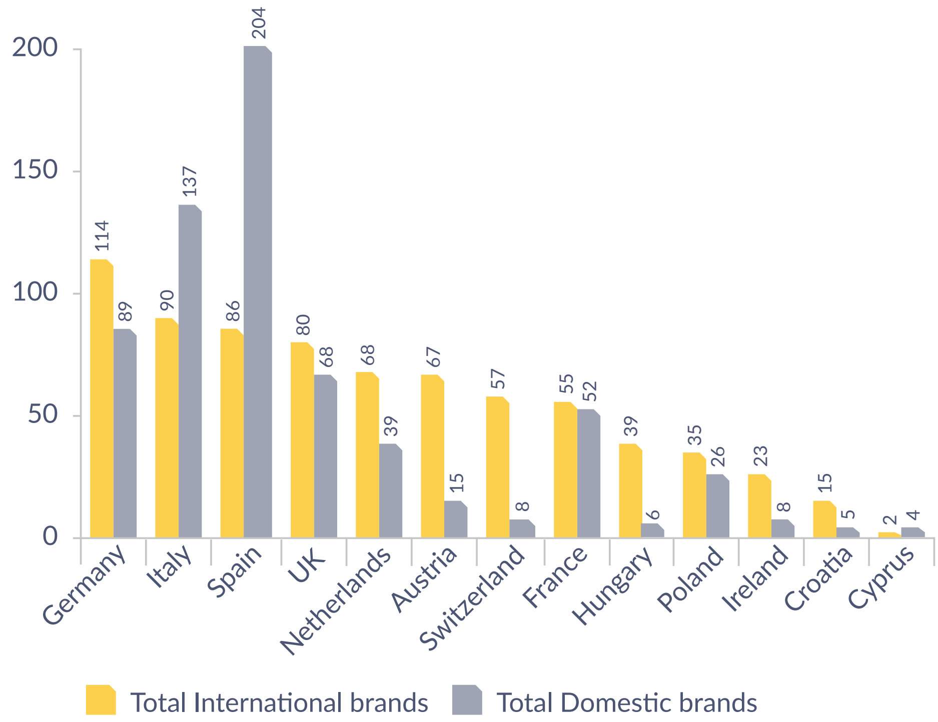
The market penetration of international versus domestic brands is also fascinating. Switzerland leads the way with international chains making up almost 90% of their brands. Hungary has 87% international chains, Austria 82% and Croatia 75%.

Are these international brands stopping the growth of domestic giants? Maybe, in the smaller markets almost certainly because why would an owner bet on a new local player with potential, when he can take much less risk on an international brand with global distribution and a track record. The finance community will also be black and white in terms of lending.

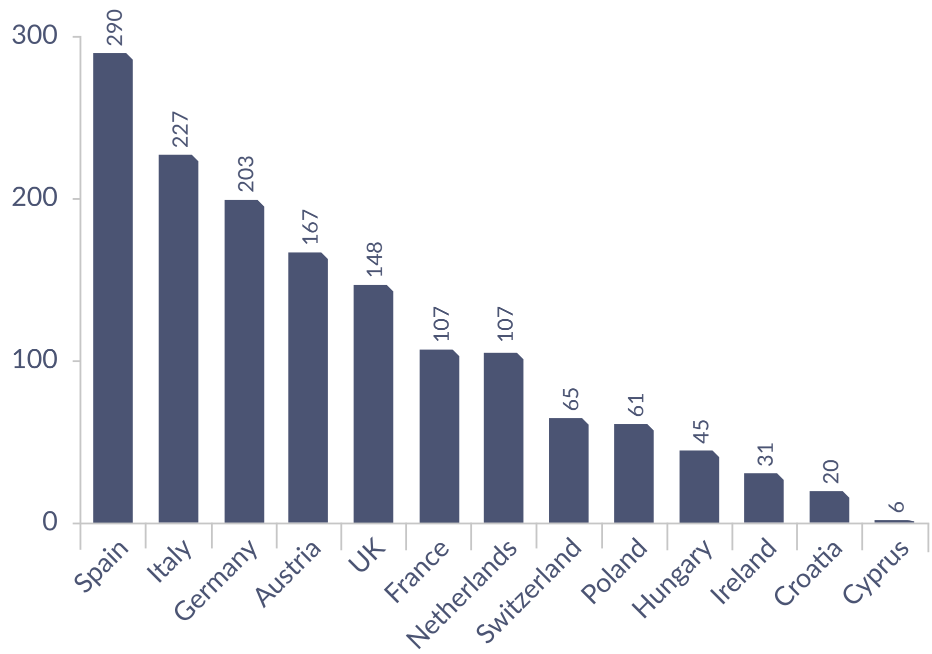
One last point to make is that a large number of domestic brands does not always equate to international success for those brands. France is the obvious candidate with the incredible success of the Accor brand, but Italy has 137 domestic brands and you would be hard pushed to name many of those that have made it overseas.

James Chappell
Horwath HTL Global Business Director

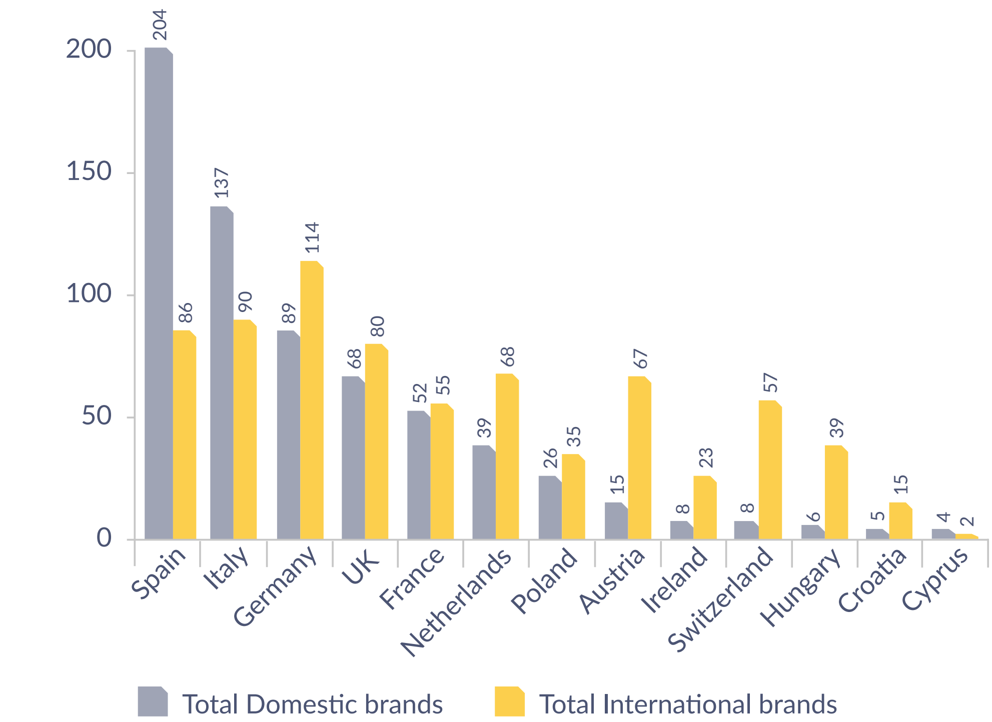
Total Brands: International vs. Domestic



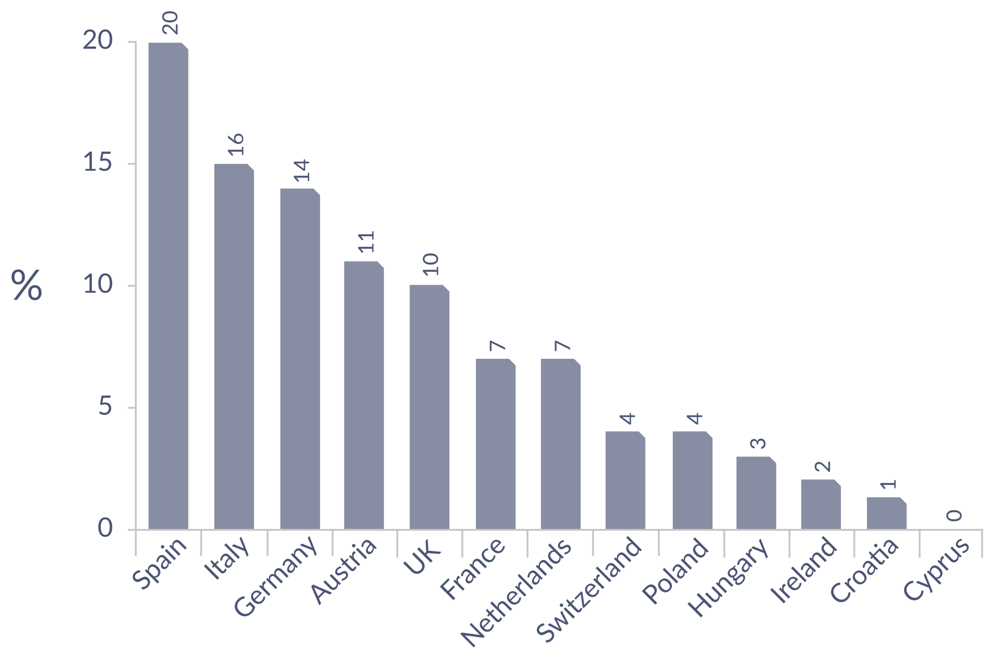
Europe: Total Number of Brands



Total Brands: Domestic vs. International



Total Brands: % of Total of brands in Europe

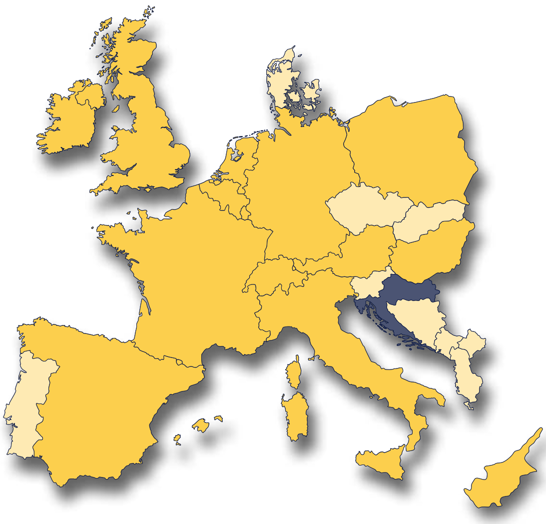


Europe: Country Data

Croatia

The market is dominated by domestic chains with strong seasonal operations. This has meant that there has been little incentive to develop and add international brands yet.

Siniša Topalović, Managing Director, Horwath HTL Croatia



Key Statistics	2017
Chain hotels	167
Chain rooms	30,808
Average size per chain hotel in rooms	184
Country hotels stock (overall supply)	684
Country rooms Stock (overall supply)	57,885
Average size per hotel in rooms	84.6
Chain penetration % by hotels	24.4%
Chain penetration % by keys	53.2%
Total number of brands	20
Domestic brands	5
International brands	15
Second-tier operated hotels	65
International chain hotels (including double counting)	59
Domestic chain hotels (including double counting)	119
International chain rooms (including double counting)	13,168
Domestic chain rooms (including double counting)	20,110

Croatia: The market

The Croatian hotel market is a rather slowly developing market, despite all the natural and historical attractions. There is a relatively high amount of chain affiliated hotels and rooms for a smaller market, (25% and 53% respectively) and the market is dominated by domestic chains with strong seasonal operations. This has meant that there has been little incentive to develop and add international brands.

The biggest challenge is the lack of foreign investors, a result of several factors: strong domestic investors that finance major investment opportunities on an exclusive basis , slow privatisation of tourism state assets, seasonality and slow administration.

Hotel performance data is showing a positive trend however. 2017 showed an increase of 4% in hotel occupancy and an even stronger growth of average room rates (7%), which resulted in growth for all the hotel KPI's (RevPAR increased 9% and GOPPAR around 12%) which is extremely good. With the country averaging overall 48% room occupancy, there is still room for improvement.

Seasonality is one of the most serious challenges for coastal destinations (with the exception of bigger cities like Dubrovnik, Split, Rijeka and the Istria Region) that have a stronger shoulder season and longer periods of operations.

From a development standpoint, there are hotels in the pipeline (not counting small hotels) with a total of 9 projects planned and underway, 4 of which are in Zagreb. It is important to note that mid-term outlook is rather optimistic, with around 2,000 hotel keys, including internationally branded properties led by Hilton, Marriott and Four Seasons, among others.

Hotel investments are picking up, supported by very favourable investment terms provided by the Croatian bank for reconstruction and development (HBOR) including low interest rates, 4 years grace periods and up to 17 years repayment period. Considering the positive market outlook, favourable investment terms and increasing positive image of Croatia on global market, coupled with still low share of hotel capacities in total accommodation stock, the time is right to consider hotel investment in Croatia.

Croatia: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	166	**167**	**0.6%**
Chain rooms	31,443	**30,808**	**-2.0%**
Average size per chain hotel in rooms	189	**184**	**-2.6%**
Country hotels stock *(overall supply)*	684	**684**	**0.0%**
Country rooms stock *(overall supply)*	58,070	**57,885**	**-0.3%**
Average size per hotel in rooms	8,500	**8,463**	**-0.3%**
Chain penetration % by hotels	24.3%	**24.4%**	**0.4%**
Chain penetration % by keys	54.1%	**53.2%**	**-1.7%**
Total number of brands	19	**20**	**5.3%**
Domestic brands	4	**5**	**25.0%**
International brands	15	**15**	**0.0%**
Second-tier operated hotels	65	**65**	**0.0%**
International chain hotels *(including double counting)*	58	**59**	**1.7%**
Domestic chain hotels *(including double counting)*	120	**119**	**-0.8%**
International chain rooms *(including double counting)*	13,191	**13,168**	**-0.2%**
Domestic chain rooms *(including double counting)*	20,550	**20,110**	**-2.1%**

Croatia: Key points

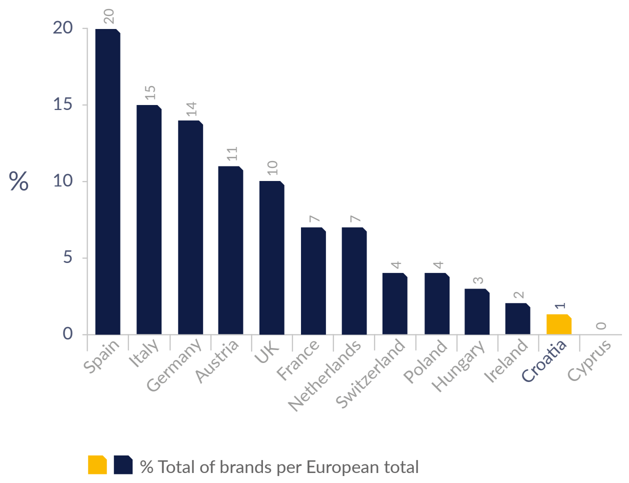
- **Valamar still on top**
  The Valamar Rivera hotel group is still by far the largest player in the market with 31 hotels and over 5,500 rooms. First acquisition outside of Croatia is being finalised during the preparation of report and includes an upscale hotel in Obertauern, Austria.

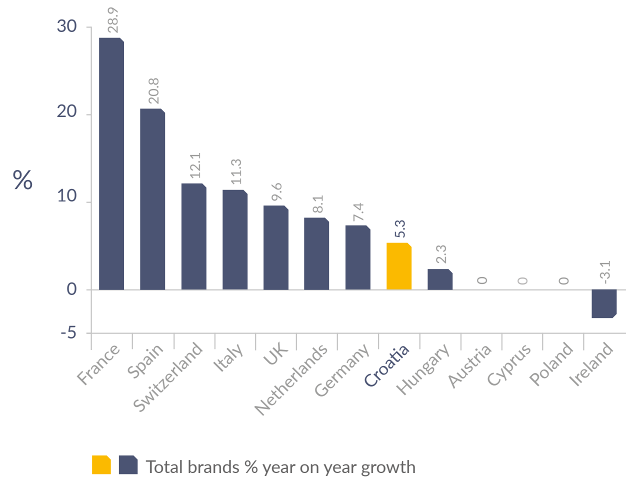
- **Upscale hotels most popular**
  The largest segment for chain hotels in Croatia is upper and upper upscale hotels (3/4 stars) with a whopping 47% belonging in that segment. This is remarkably similar to other markets like Germany which has 45% of chain hotels in the same segment. Budget hotels are only 9% and luxury 15.6%.

- **Melia top of the International Brands**
  For International chains, Spanish group Melia is top of the list with 9 hotels and 2,200 rooms, followed by Park Plaza Hotels with 6 hotels and 1,580 rooms.

- **Owner Operator Model**
  Owner operator is still very much order of the day in Croatia with 153 out of 178 hotels following this model. Next up is Franchising on 8% of the market, or 14 hotels, followed by 10 hotels or 6% of the market on Management Contracts. Leases are a tiny part of the market with only 1%.

Croatia: Total number of brands & YOY growth





Croatia: Ranking per scale & size

CHAINS				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	384	18.6	47,521	127
Midscale	645	31.2	80,092	167
Upscale & Upper-Upscale	930	45.0	147,718	200
Luxury	107	5.2	24,206	200
TOTAL	**167**	**100.0**	**30,808**	**184**

DOMESTIC				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	75	11.0	6,524	87
Midscale	317	46.3	20,823	66
Upscale & Upper-Upscale	256	37.4	25,261	99
Luxury	36	5.3	5,277	147
TOTAL	**684**	**100.0**	**57,885**	**85**

Croatia: Ranking by location

Rank	Destination	Hotels	Rooms
1	Poreč	23	5,128
2	Dubrovnik	19	3,666
3	Opatija	15	1,798
4	Umag	9	1,689
5	Rovinj	8	1,546
6	Zagreb	8	1,485
7	Šibenik	8	1,394
8	Rabac	7	1,345
9	Cavtat	6	1,133
10	Mali Lošinj	5	905

Croatia: Primary Demand Driver

DRIVER	International		Domestic	
	Hotels	Rooms	Hotels	Rooms
Arts & Business	6	1,171	2	303
Business Focus	-	-	-	-
Other Leisure	-	-	-	-
Ski	-	-	-	-
Sun & Beach	119	20,156	57	13,018
Thermal	-	-	-	-

Croatia: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Valamar Riviera	31	5,556
2	Plava Laguna	11	3,295
3	Liburnia Riviera	15	2,324
4	Bluesun H&R	12	2,324
5	Istraturist	9	2,200
6	Melia Hotels	9	2,200
7	UGO-Grupa	10	1,846
8	Arenaturist	6	1,580
9	HUP-Zagreb	8	1,580
10	PPHE	6	1,580

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Valamar Riviera	31	5,556
2	Remisens	15	2,324
3	Bluesun H&R	12	2,324
4	Melia Hotels	9	2,200
5	Park Plaza Hotels	6	1,580
6	Adriatic Luxury Hotels	8	1,569
7	Falkensteiner	5	1,152
8	Sheraton	2	557
9	Radisson Blue	2	451
10	Ilirija H&R	5	446

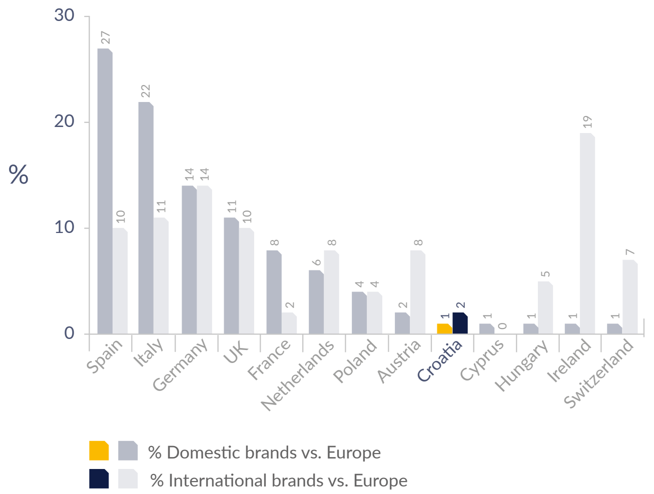
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Valamar Riviera	31	5,556
2	Plava Laguna	11	3,295
3	Liburnia Riviera	15	2,324
4	Istraturist	9	2,200
5	Bluesun H&R	12	2,324
6	Maistra	8	1,546
7	UGO-Grupa	10	1,846
8	Arenaturist	6	1,580
9	HUP-Zagreb	8	1,580
10	Adriatic Luxury Hotels	8	1,569

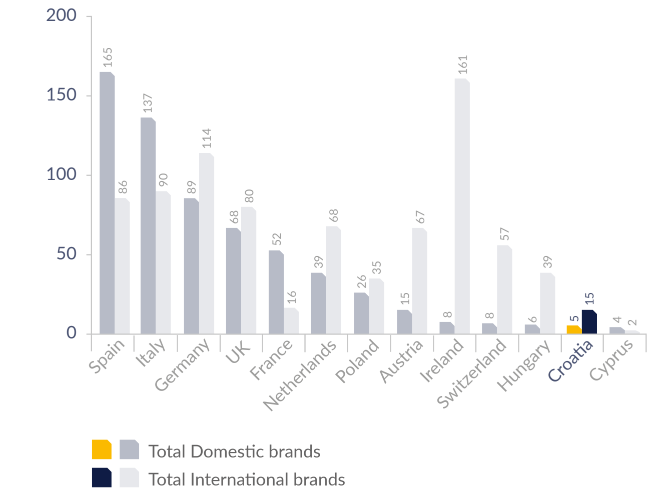
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Valamar Riviera	31	5,556
2	Remisens	15	2,324
3	Bluesun H&R	12	2,324
4	Adriatic Luxury Hotels	8	1,569
5	Ilirija H&R	5	446
6	-		
7	-		
8	-		
9	-		
10	-		

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	Melia Hotels	9	2,200
2	PPHE	6	1,580
3	Falkensteiner	5	1,152
4	Starwood H&R	4	1,229
5	Hilton Worldwide	2	299
6	Carlson Rezidor	2	451
7	Karisma Hotels	2	445
8	Rixos	1	254
9	Holleis Hotels	2	221
10	Kempinski	1	186

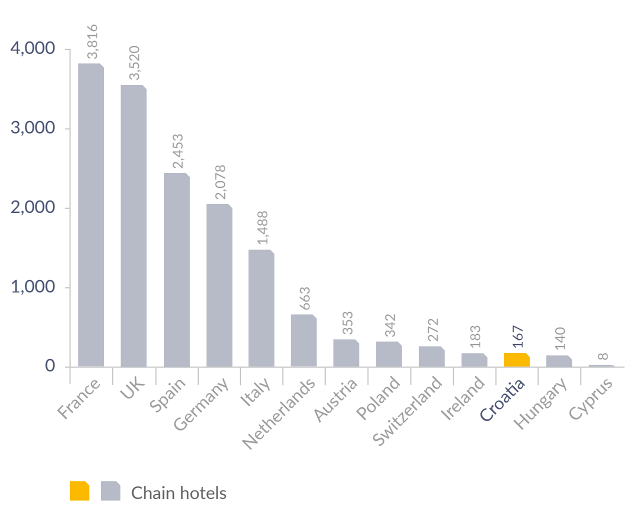
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	Melia Hotels	9	2,200
2	Park Plaza Hotels	6	1,580
3	Falkensteiner	5	1,152
4	Sheraton	2	557
5	Radisson Blue	2	451
6	Le Meridien Lav	1	381
7	Karisma Hotels	2	335
8	Hilton	2	299
9	Westin	1	291
10	Arcotel	1	151

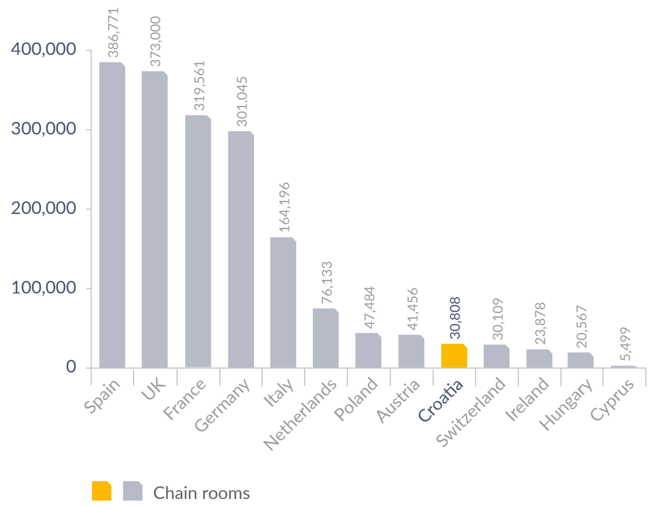
Croatia: Domestic & International brands vs. Europe



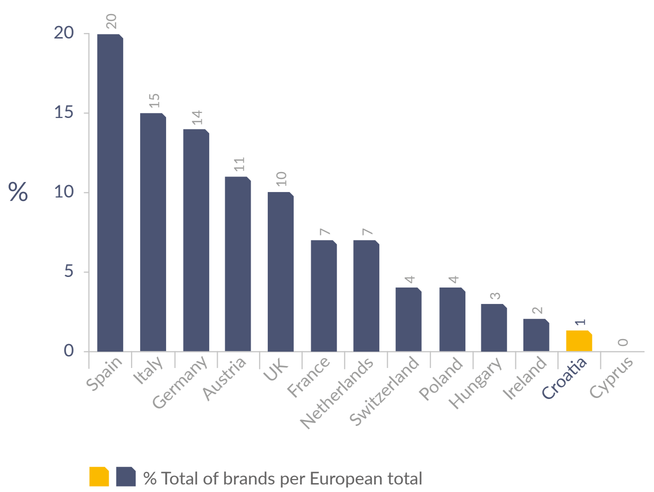


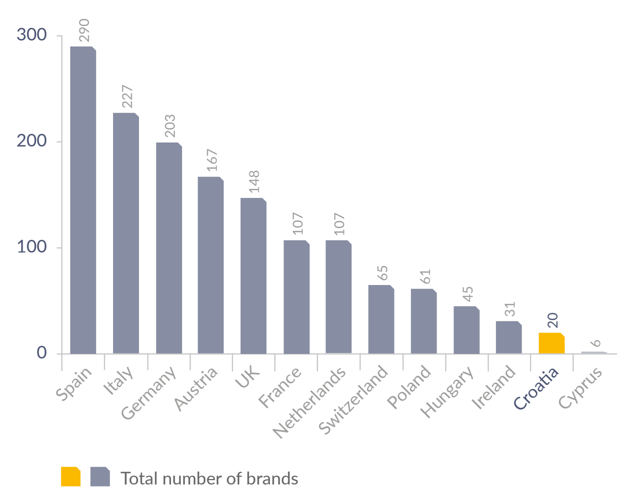
Croatia: Chain hotels & rooms



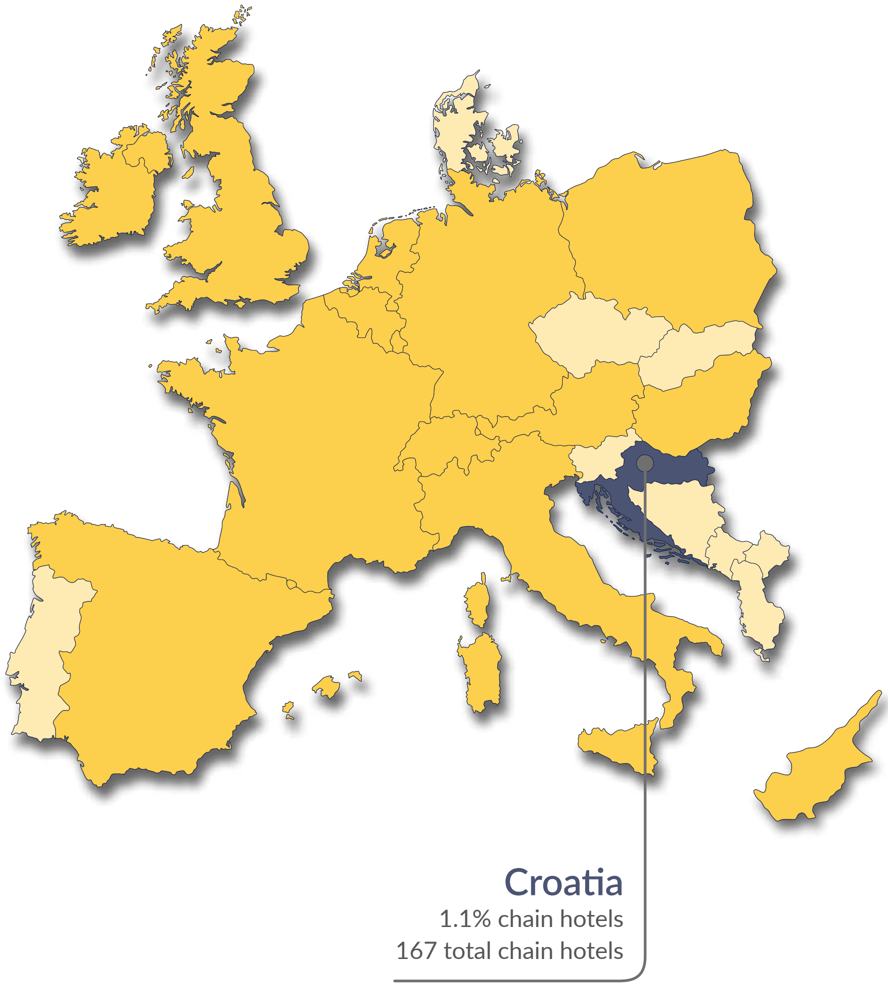


Croatia: Total of brands per Europe total





Croatia: European Chain Penetration



Croatia: Business Model

HOTELS										
	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy	0	0%	0	0%	1	6%	17	94%	18	100%
Midscale	3	6%	0	0%	2	4%	47	90%	52	100%
Upscale & Upper-Upscale	6	8%	1	1%	4	5%	68	86%	79	100%
Luxury	5	17%	0	0%	3	10%	21	72%	29	100%
Total	**14**	**8%**	**1**	**1%**	**10**	**6%**	**153**		**178**	**100%**

ROOMS										
	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy	0	0%	0	0%	222	8%	2,683	92%	2,905	100%
Midscale	508	6%	0	0%	373	4%	7,590	90%	8,471	100%
Upscale & Upper-Upscale	1,594	10%	25	0%	1,235	8%	13,070	82%	15,924	100%
Luxury	1,141	19%	0	0%	768	13%	4,069	68%	5,978	100%
Total	**3,243**	**10%**	**25**	**0%**	**2,598**	**8%**	**27,412**		**33,278**	**100%**

Croatia: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Valamar Riviera	13	2,508
2	Bluesun H&R	6	1,171
3	Remisens	9	1,149
4	Park Plaza	3	595
5	Sol Melia	3	508
6	Karisma Hotels	2	335
7	Falkensteiner	1	240
8	Adriatic Luxury Hotels	2	185
9	Ilirija H&R	2	172
10	-		

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Valamar Riviera	17	2,756
2	Melia Hotels	5	1,442
3	Remisens	5	995
4	Bluesun H&R	5	992
5	Park Plaza	3	985
6	Falkensteiner	3	702
7	Ilirija H&R	3	274
8	Carlson Rezidor	1	250
9	Holleis hotels	2	221
10	Adriatic Luxury Hotels	1	173

	CHAINS		
Rank	Luxury	Hotels	Rooms
1	Starwood H&R	4	1,229
2	Adriatic Luxury Hotels	5	1,211
3	Valamar Riviera	1	292
4	Rixos	1	254
5	Melia	1	250
6	Falkensteiner	1	210
7	Carlson Rezidor	1	201
8	Remisens	1	180
9	Bluesun H&R	1	161
10	Hilton Worldwide	1	147

Croatia: Destination pipeline (2018-2019)

PIPELINE							
Rank	Destination	Hotels Current	Hotel Investments	Hotels Total	Rooms Current	Rooms Investment	Rooms Total
1	Opatija	15	1	16	1,798	180	1,978
2	Umag	9	1	10	1,689	236	1,925
3	Rovinj	8	1	9	1,546	210	1,756
4	Zagreb	8	4	12	1,485	227	1,712
5	Zadar	4	1	5	881	245	1,126
6	Hvar	5	1	6	550	150	700

Croatia: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
Rank	Economy & Midscale	Hotels	Rooms
1	Valamar Riviera	13	2,508
2	Bluesun H&R	6	1,171
3	Remisens	9	1,149
4	Adriatic Luxury Hotels	2	185
5	Ilirija H&R	2	172
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Economy & Midscale	Hotels	Rooms
1	Park Plaza	3	595
2	Falkensteiner	1	240
3	Sol Melia	3	508
4	Karisma Hotels	2	335
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	DOMESTIC		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Valamar Riviera	17	2,756
2	Remisens	5	995
3	Bluesun H&R	5	992
4	Ilirija H&R	3	274
5	Adriatic Luxury Hotels	1	173
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Melia Hotels	5	1,442
2	Park Plaza	3	985
3	Falkensteiner	3	702
4	Carlson Rezidor	1	250
5	Holleis hotels	2	221
6	DT by Hilton	1	152
7	Arcotel	1	151
8	D Hotels	1	69
9	Brown	1	25
10	-		

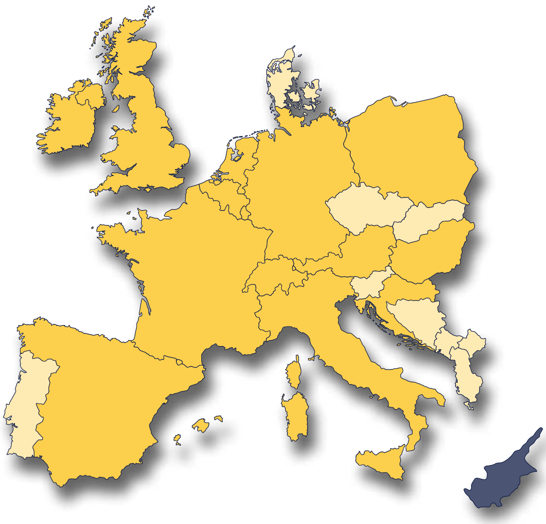
	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	Adriatic Luxury Hotels	5	1,211
2	Valamar Riviera	1	292
3	Remisens	1	180
4	Bluesun H&R	1	161
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Luxury	Hotels	Rooms
1	Starwood H&R	4	1,229
2	Hilton	1	147
3	Rtixos	1	254
4	Melia	1	250
5	Falkensteiner	1	210
6	Carlson Rezidor	1	201
7	-		
8	-		
9	-		
10	-		

Cyprus

Hotels chains in Cyprus are predominantly domestic chains with only with a 0.9% of hotels representing International chains. Some of the dominant tourism trends on the island (all-inclusive, large resorts) along with the small market size, make it so international chains are not that interested, despite the high occupancy rates.

Christos Michaelides, Managing Director, Horwath HTL Cyprus



Key Statistics	2017
Chain hotels	25
Chain rooms	5,355
Average size per chain hotel in rooms	214
Country hotels stock (overall supply)	223
Country rooms Stock (overall supply)	53,458
Average size per hotel in rooms	239.7
Chain penetration % by hotels	11.2%
Chain penetration % by keys	10.0%
Total number of brands	6
Domestic brands	4
International brands	2
Second-tier operated hotels	1

Cyprus: The market

Cyprus is by all measures a small country. Nevertheless one that relies on tourism greatly and pays close attention to it. This has led to a significant increase in tourism in the last couple of years and hence a need for rapid development from the hotel stock that already running on high occupancies in the High season.

Foreign investor presence is apparent in some cases, however the combined intent of both foreign and local investors is still not enough to cover the developmental needs of the market. This is mainly due to geopolitical reasons

Despite all of the above tourism has marked a 15% growth in 2017 vs 2016, occupancy for hotels has increased more than 35% and even greater increases are expected for 2018. This combined with the healthy growth of Hotels, and the apparent margins for performance improvement should render the sector even more attractive in the following years.

Cyprus: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	7	**25**	
Chain rooms	5,319	**5,355**	
Average size per chain hotel in rooms	760	**214**	
Country hotels stock *(overall supply)*	223	**223**	
Country rooms stock *(overall supply)*	53,278	**53,458**	
Average size per hotel in rooms	239	**239.7**	
Chain penetration % by hotels	3%	**11.2%**	
Chain penetration % by keys	10%	**10.0%**	
Total number of brands	6	**6**	
Domestic brands	4	**4**	
International brands	2	**2**	
Second-tier operated hotels	1	**1**	

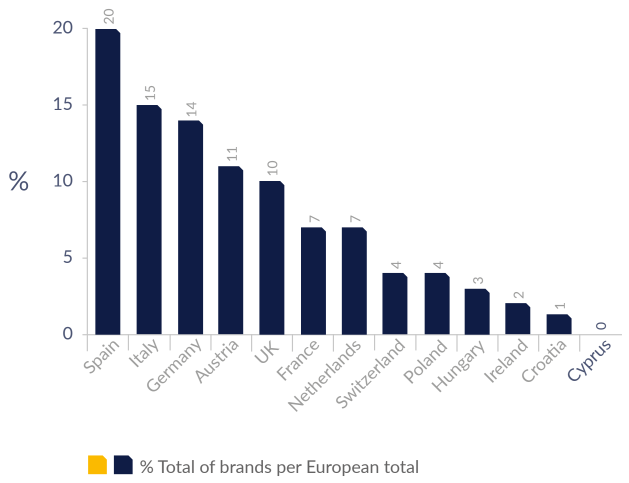
Cyprus: Key points

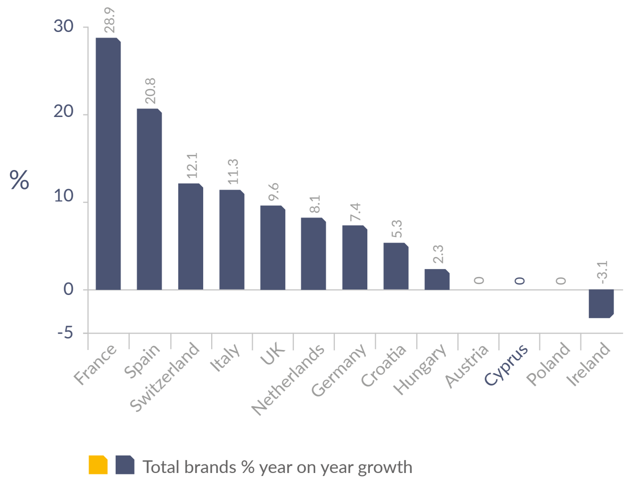
- **The chain are slowly moving in:**
  There is confirmation of 2 international chains moving into the Cyprus market in the near future with assets already identified. We believe that as the number of international chains increases on the island, more and more of them will show interest.

- **The opportunity is there:**
  8+ Hotel projects are currently under development and 10s more are at initial stages. Almost all of these cases would prefer an international chain to enter the project in any form. This combined with the many incentives of running a tourist business in Cyprus should be enough to make the opportunity attractive

- **Domestic chain growth:**
  Whilst most of the sector wishes to attract international chains, our own domestic chains are doing extremely well, with 2 of them expanding with 2 more hotels abroad this year and diversifying into other, parallel activities.

Cyprus: Total number of brands & YOY growth





Cyprus: Ranking per scale & size

CHAINS					CHAIN HOTELS		CHAIN ROOMS	
	Hotels	%	Rooms	Avg Size	Intl.	Dom.	Intl.	Dom.
Budget & Economy	1	4.0%	19	19	-	1	-	19
Midscale	5	20.0%	1,274	255	-	5	-	1,274
Upscale & Upper-Upscale	12	48.0%	2,410	201		12		2,410
Luxury	7	28.0%	1,652	236	2	5	474	1,178
TOTAL	**25**	**100.0%**	**5,355**	**214**	**2**	**23**	**474**	**4,881**

OVERALL COUNTRY					CHAIN HOTELS		CHAIN ROOMS	
	Hotels	%	Rooms	Avg Size	Intl.	Dom.	Intl.	Dom.
Budget & Economy	65	29.1%	4,597	71		65	-	19
Midscale	76	34.1%	15,579	205		76	-	1,274
Upscale & Upper-Upscale	57	25.6%	21,540	378		57		2,410
Luxury	25	11.2%	11,742	470	2	23	474	1,178
TOTAL	**223**	**100.0%**	**53,458**	**240**	**2**	**221**	**474**	**4,881**

Cyprus: Ranking by location

Rank	Destination	Hotels	Rooms
1	Famagusta	73	18,535
2	Pafos	56	17,076
3	Limassol	31	9,255
4	Larnaca	25	4,411
5	Nicosia	20	2,710

Cyprus: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Atlantica Hotels	7	1,730
2	Louis Hotels	5	1,323
3	Kanika Olympic	5	938
4	A. Tsokkos Hotels	6	890
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Atlantica Hotels	7	1,730
2	Louis Hotels	5	1,323
3	Kanika Olympic Ltd	5	938
4	A. Tsokkos Hotels	6	890
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

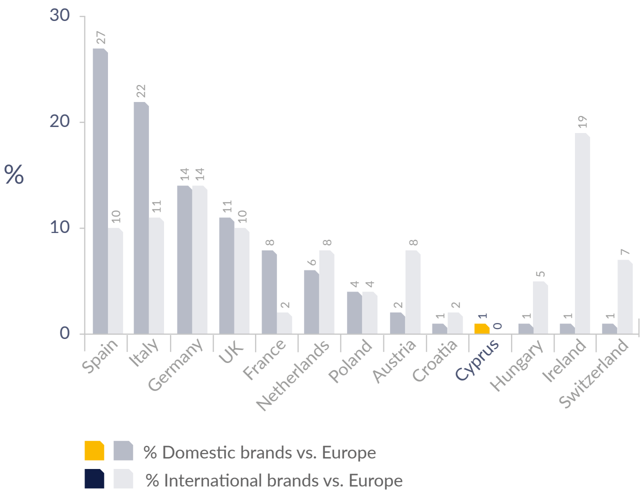
Cyprus: Ranking by scale *(all brands)*

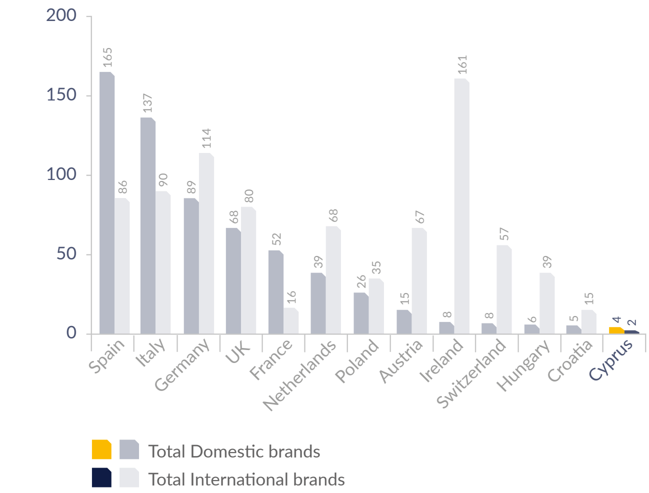
	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	A. Tsokkos Hotels	2	316
2	Atlantica Hotels	2	536
3	Kanika Olympic	1	19
4	Louis Hotels	1	422
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	A. Tsokkos Hotels	3	425
2	Atlantica Hotels	3	645
3	Kanika Olympic	3	643
4	Louis Hotels	3	697
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

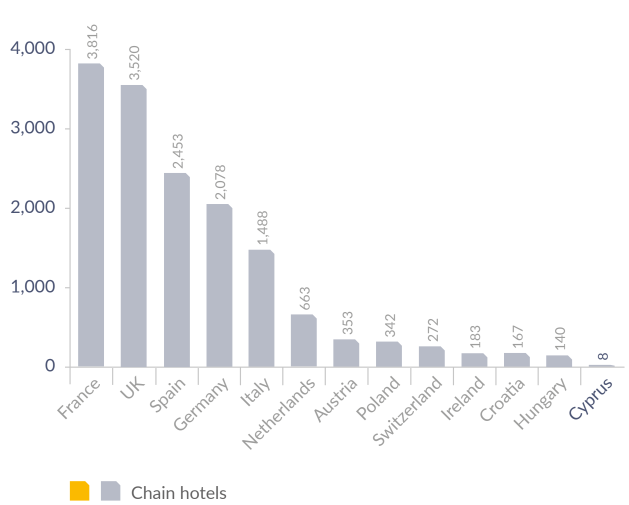
	CHAINS		
Rank	Luxury	Hotels	Rooms
1	A. Tsokkos Hotels	1	149
2	Atlantica Hotels	2	549
3	Kanika Olympic	1	276
4	Louis Hotels	1	204
5	Hilton Cyprus	1	294
6	Radisson Blu	1	180
7	-		
8	-		
9	-		
10	-		

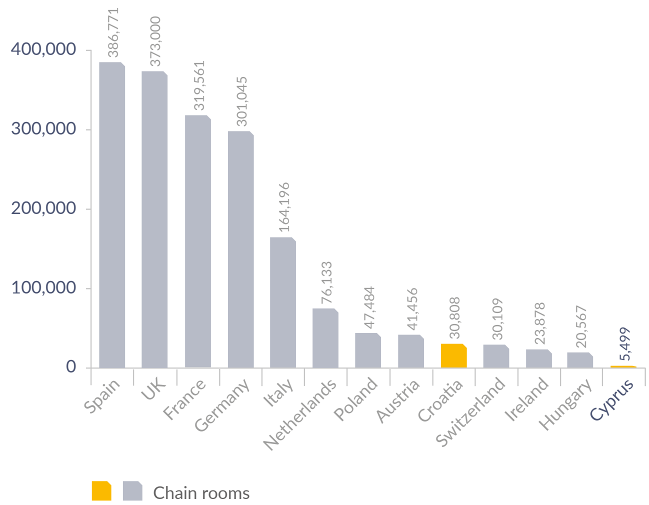
Cyprus: Domestic & International brands vs. Europe



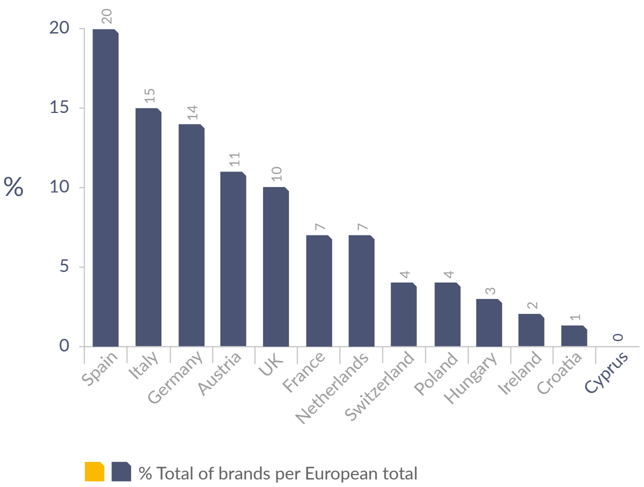


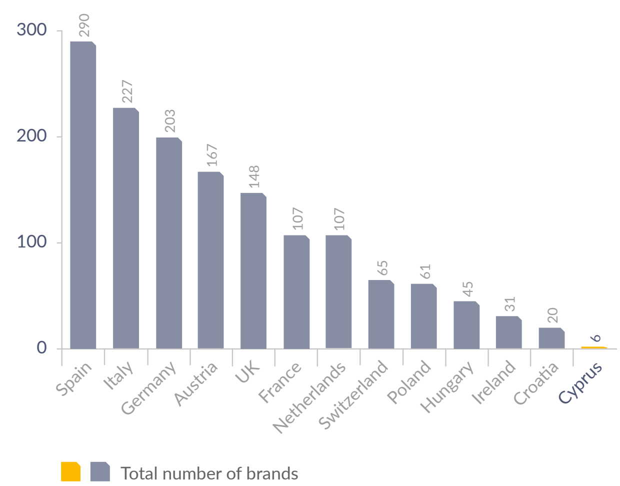
Cyprus: Chain hotels & rooms



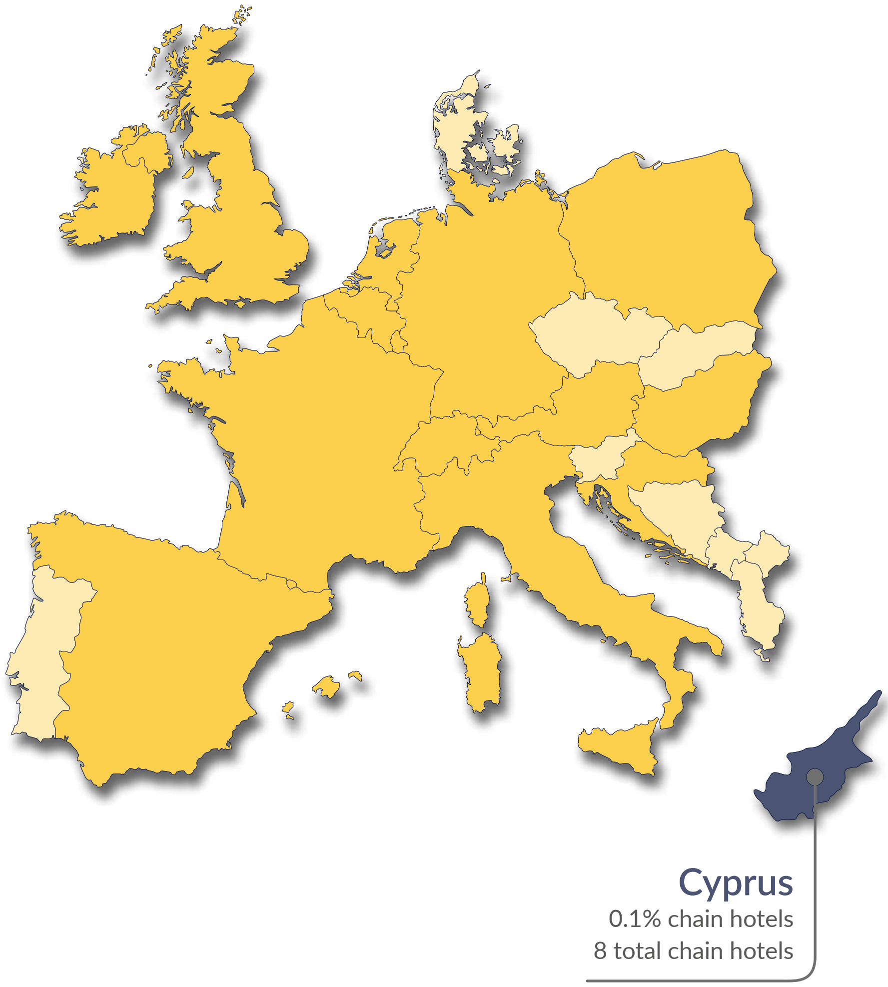


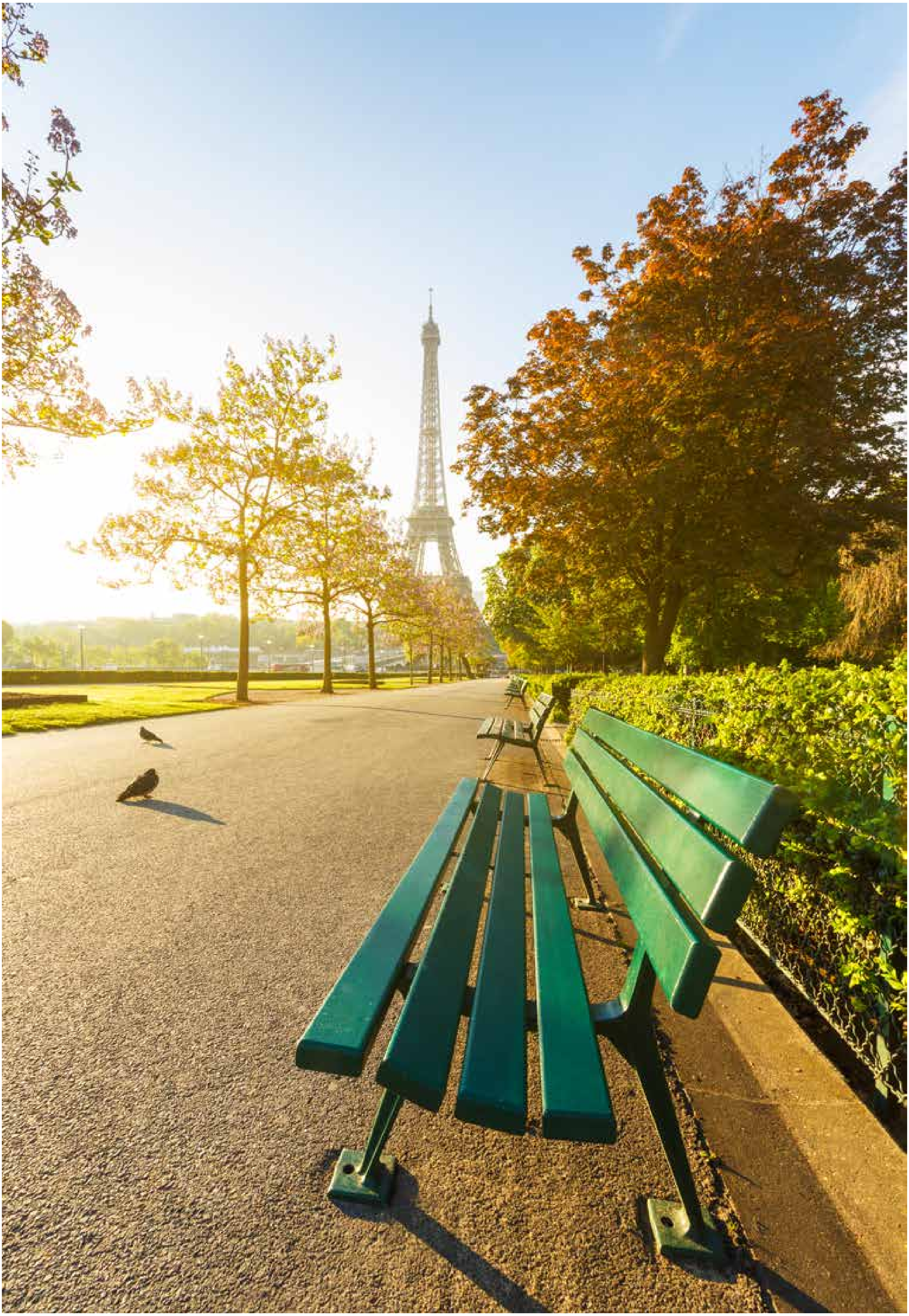
Cyprus: Total of brands per Europe total





Cyprus: European Chain Penetration

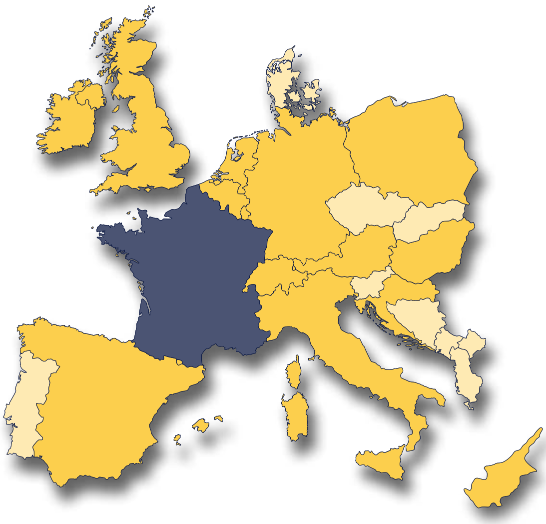




France

France remains the most visited country in Europe. In 2017 there was a 5% year on year growth in visitors, the equivalent of 88 million tourists, which broke the previous record.

Philippe Doizelet, Managing Director, Horwath HTL France



Key Statistics	2017
Chain hotels	3,816
Chain rooms	319,561
Average size per chain hotel in rooms	84
Country hotels stock (overall supply)	18,382
Country rooms Stock (overall supply)	659,773
Average size per hotel in rooms	36
Chain penetration % by hotels	21%
Chain penetration % by keys	48%
Total number of brands	107
Domestic brands	52
International brands	55
Second-tier operated hotels	54
International chain hotels (including double counting)	673
Domestic chain hotels (including double counting)	3,146
International chain rooms (including double counting)	53,949
Domestic chain rooms (including double counting)	256,538

France: The market

2011 was the previous high water mark for French tourism, but several years of terrorist attacks ending in 2015/16 had taken the shine off the country. By 2017 however, that pent up demand returned with a vengeance creating a record year. Over 88 million tourists came, a 5% increase on the previous year, setting a new record. The tourists mainly came from Northern Europe (Benelux, UK and Germany) and from Northern America and Asia. Half of them had an average stay of 1-3 nights.

In 2018, the hotel industry has recorded higher operational performance than 2017, with occupancy up 1.5%. This has benefitted all levels, with a particular emphasis on the high-end range (upper upscale and luxury) that have recorded the highest increase owing to the return of the international clientele.

In the first half of 2018, 47 signings were recorded, already 70% of the 2017 figures. These signings forecast the opening of 4,291 rooms out of which 93% are under franchises and 7% under management agreements.

A large share of the deals were by chains. Either the local giant, AccorHotels, with 67% of the room inventory and the remainder by IHG, Hilton, Hyatt, and Marriott.

Q1 and Q2 have recorded 25 openings adding over 2,500 rooms to the market with 44% based in Paris itself. Among new brand that opened or are scheduled to open in France, most are positioned on the boutique and lifestyle segment including Curio by Hilton, Nhow, Hyatt Place and CR7.

Hotel development has evolved in a very enthusiastic climate for the first half of the year, especially for the Paris Region as it concentrated approximately 44% of rooms signed and of rooms opened in France.

In this way, prospects for France and its capital city are promising for the next five years and are likely to sustain hotel demand for the city. One difficulty remains however in this very positive hotel investment climate: a certain reluctance to sign management contracts that are associated to staff related risk factor.

France: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	3,819	**3,816**	**-0.1%**
Chain rooms	310,487	**319,561**	**2.9%**
Average size per chain hotel in rooms	81	**84**	**3.0%**
Country hotels stock *(overall supply)*	18,328	**18,382**	**0.3%**
Country rooms stock *(overall supply)*	652,346	**659,773**	**1.1%**
Average size per hotel in rooms	36	**36%**	**0.8%**
Chain penetration % by hotels	21%	**21%**	**0.0%**
Chain penetration % by keys	48%	**48%**	**0.0%**
Total number of brands	83	**107**	**28.9%**
Domestic brands	38	**52**	**36.8%**
International brands	45	**55**	**22.2%**
Second-tier operated hotels	54	**54**	**0.0%**
International chain hotels *(including double counting)*	673	**673**	**0.0%**
Domestic chain hotels *(including double counting)*	3,146	**3,146**	**0.0%**
International chain rooms *(including double counting)*	53,949	**53,949**	**0.0%**
Domestic chain rooms *(including double counting)*	256,538	**256,538**	**0.0%**

France: Key points

- **National hotel champion still leading the way**
  67% of total rooms signed are affiliated to AccorHotels chain. Mostly under franchise agreement.

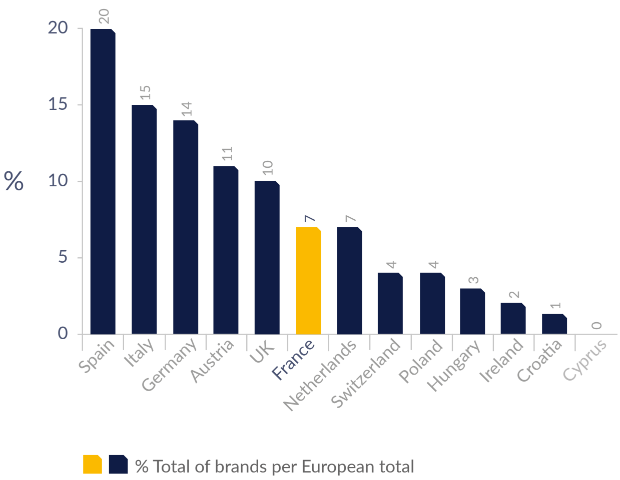
- **The region of Paris concentrates a large share of the deal signings for Q1 & Q2 2018**
  44% of total hotel rooms signed in France, located in the Paris region, in an effort to respond to the growing demand coming from emerging countries.

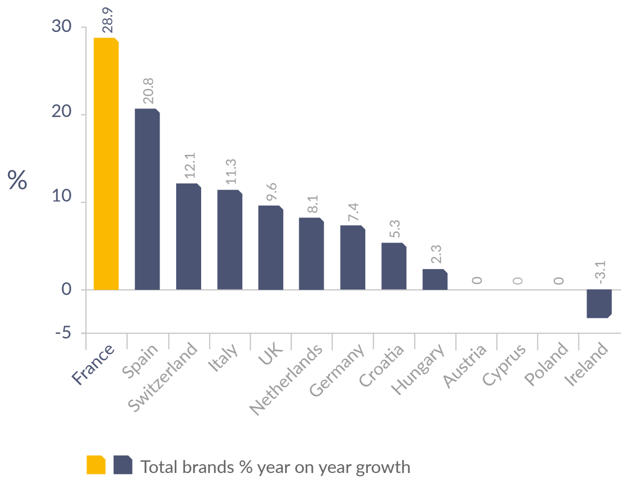
- **US chains stepping foot into the market**
  28% of total rooms signed are affiliated to brands of US origin.

- **Franchises are King**
  Of the new deals being signed, a full 93% are franchise, showing the maturity of the market as owners feel comfortable with the model and the brands on offer. However, more management agreements would be preferable for the brands as they are more lucrative, but staff costs and related expenses are seen as too risky.

- **Big projects start to pay off**
  Various projects and events such as the “Grand Paris” (urban plan to enhance connectivity within the capital and its suburbs) and the 2024 Olympics to be hosted by the capital are placing the city on the map for investors and triggering the interest of international operators who had been quite reserved in their growth strategy in Paris

France: Total number of brands & YOY growth





France: Ranking per scale & size

CHAINS				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	1,197	31.4%	85,521	71
Midscale	2,027	53.1%	152,135	75
Upscale & Upper-Upscale	517	13.5%	72,163	140
Luxury	76	2.0%	9,810	129
TOTAL	**3,817**	**100.0%**	**319,629**	**84**

DOMESTIC				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	10,117	55.7%	263,228	26
Midscale	5,973	32.9%	240,864	40
Upscale & Upper-Upscale	1,761	9.7%	123,376	70
Luxury	321	1.8%	21,403	67
TOTAL	**18,172**	**100.0%**	**648,871**	**36**

France: Ranking by location

Rank	Destination	Hotels	Rooms
1	Paris	1,573	80,617
2	Lourdes	150	10,798
3	Nice	177	9,978
4	Lyon	112	7,278
5	Marseille	108	6,404
6	Cannes	103	5,791
7	Toulouse	103	5,668
8	Roissy-en-France	-	5,001
9	Strasbourg	78	4,747
10	Bordeaux	74	4,474

France: Primary Demand Driver

DRIVER	International		Domestic	
	Hotels	Rooms	Hotels	Rooms
Arts & Business	1,941	168,867	42,400	33,116
Business Focus	1,047	78,499	13,600	10349
Other Leisure	69	4,554	43	2,681
Ski	29	2088	39	3,402
Sun & Beach	53	4,558	21	1,317
Thermal	17	1,056	-	-

France: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	AccorHotels	1,583	142,934
2	Louvre Hotels Group	822	53,072
3	B&B Hotels	276	19,860
4	Best Western	274	14,959
5	Appart'City	111	12,197
6	IHG	55	7,834
7	Choice Hotels	112	7,188
8	Marriott International	36	6,678
9	Disneyland	8	6,329
10	Club Meditérannée	16	4,345

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Ibis Family	910	75,569
2	Mercure	240	23,150
3	B&B Hotels	276	19,860
4	Campanile	314	19,477
5	Novotel	131	17,564
6	Première Classe	240	16,741
7	Kyriad	223	13,296
8	Hotel F1	170	12,975
9	Appart'City	111	12,197
10	Best Western	225	11,894

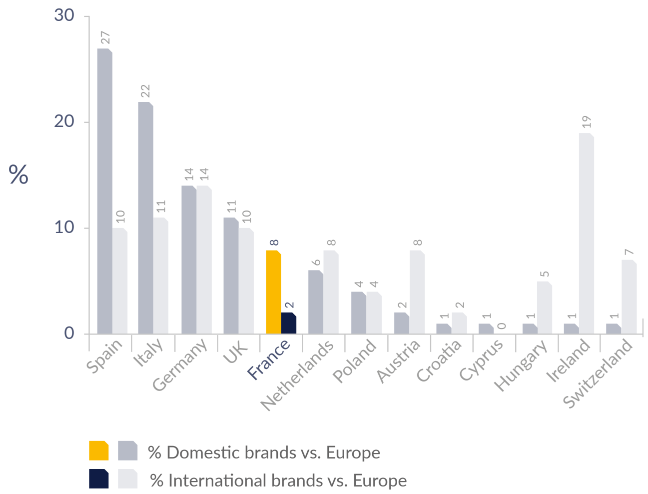
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	AccorHotels	1,583	142,934
2	Louvre Hotels Group	822	53,072
3	B&B Hotels	276	19,860
4	Appart'City	111	12,197
5	Club Meditérannée	16	4,345
6	Dynamique Hôtels	80	4,047
7	Oceania Hotels	25	2,880
8	Chateauform'	36	2,751
9	Groupe Barrière	17	2,288
10	Les Hotels de Paris	42	1,972

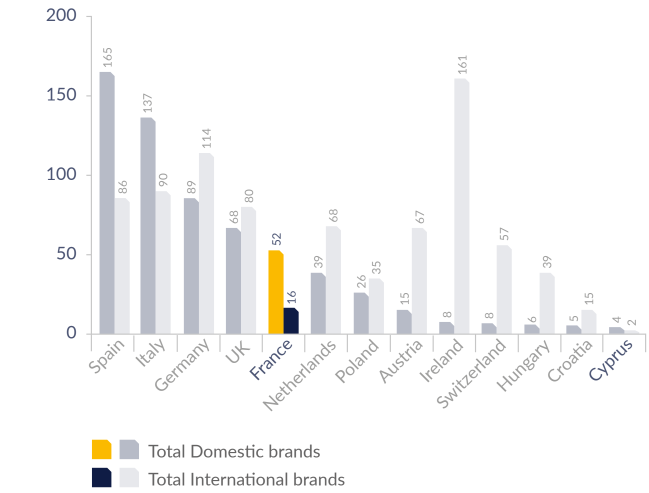
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Ibis Family	869	70,336
2	Mercure	240	23,150
3	B&B Hotels	276	19,860
4	Campanile	314	19,477
5	Novotel	131	17,564
6	Première Classe	240	16,741
7	Kyriad	223	13,296
8	Hotel F1	170	12,975
9	Appart'City	111	12,197
10	Adagio	72	7,687

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	Best Western	274	14,959
2	IHG	55	7,834
3	Choice Hotels	112	7,188
4	Marriott International	36	6,678
5	Disneyland	8	6,329
6	The Ascott Limited	25	2,807
7	Carlson Rezidor	14	2,474
8	Hyatt Hotel Corporation	5	1,764
9	Hilton	7	1,481
10	Starwood Hotels & Resorts	3	1,343

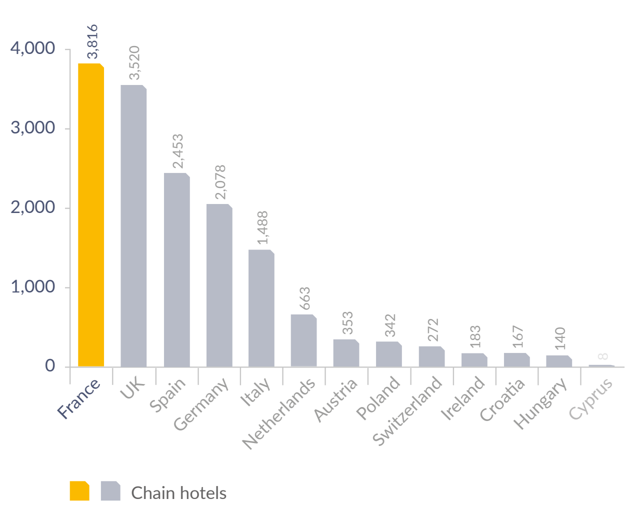
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	Best Western (Family)	225	11,894
2	Disney Hotels	8	6,329
3	Comfort	73	3,664
4	Holiday Inn	25	3,072
5	Citadines	25	2,807
6	Best Western Plus	35	2,330
7	Radisson Blu	13	2,323
8	Marriott	6	1,938
9	Holiday Inn Express	17	1,854
10	Crowne Plaza	7	1,658

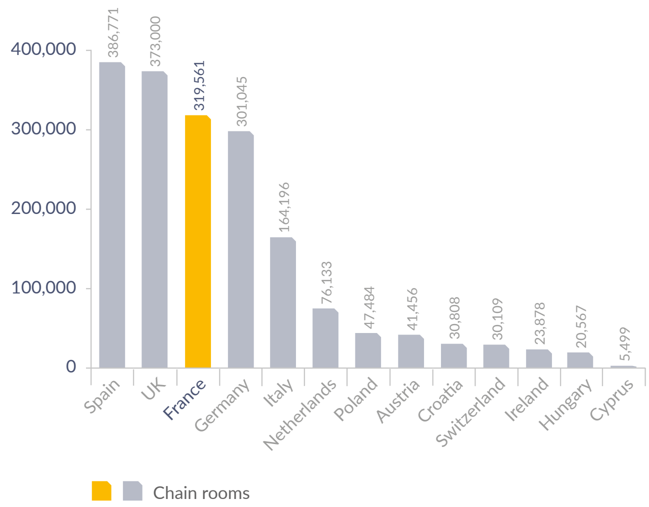
France: Domestic & International brands vs. Europe



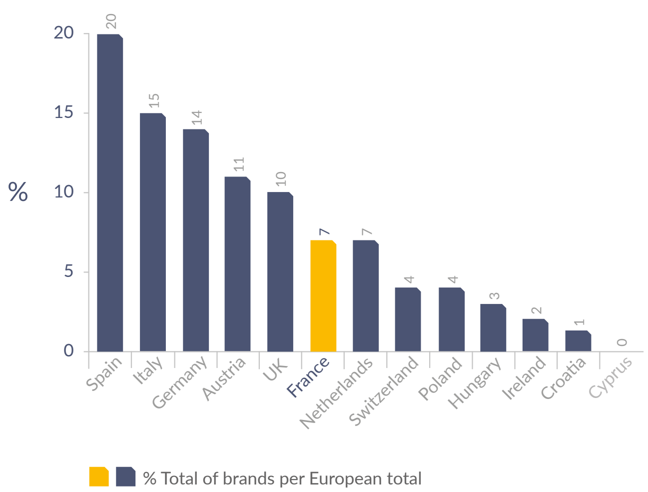


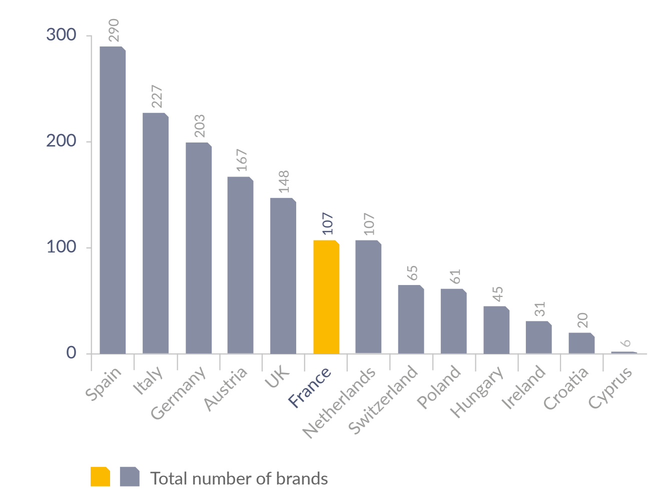
France: Chain hotels & rooms



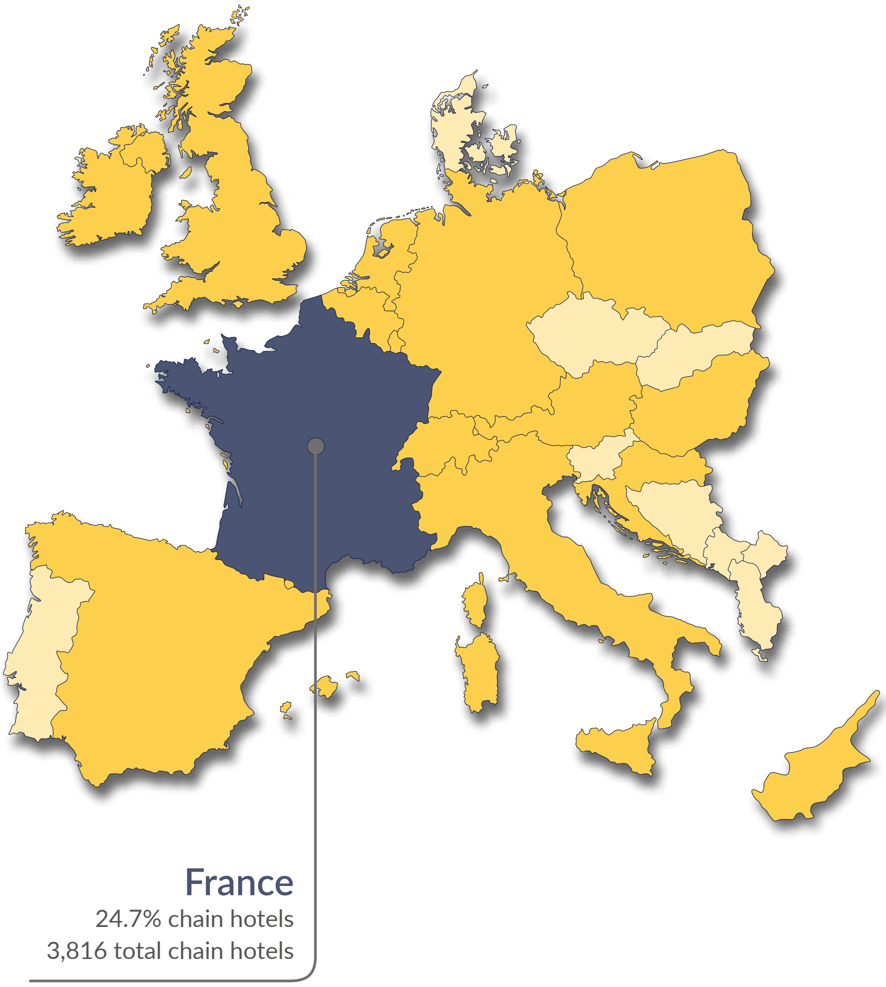


France: Total of brands per Europe total





France: European Chain Penetration



France: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis Family	910	73,569
2	Mercure	240	23,150
3	B&B Hotels	276	19,860
4	Campanile	314	19,477
5	Première Classe	240	16,741
6	Kyriad	223	13,296
7	Hotel F1	170	12,975
8	Best Western (Family)	225	11,894
9	Adagio	72	7,687
10	Balladins	80	4,047

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	131	17,564
2	Appart'City	111	12,197
3	Disney Hotels	9	6,329
4	Club Med	16	4,345
5	Pullman	11	3,342
6	Oceania Hotels	25	2,880
7	Radisson Blu	13	2,323
8	Marriott	6	1,938
9	Crowne Plaza	7	1,658
10	Hyatt Regency	3	1,525

	CHAINS		
Rank	Luxury	Hotels	Rooms
1	Barrière	17	2,288
2	MGallery	27	1,997
3	Sofitel	12	1,613
4	InterContinental	5	1,193
5	Four Seasons	3	373
6	Concorde Hotels & Resorts	1	354
7	JW Marriott	1	261
8	Sheraton	1	252
9	Peninsula	1	200
10	Raffles	1	149

France: Destination pipeline (2018-2019)

PIPELINE			
Rank	Destination	Hotel	Rooms
1	Paris	10	660
2	Bordeaux	2	207
3	Lyon	2	347
4	Mulhouse	2	144
5	Nice	1	135
6	Rouen	2	128
7	Nancy	1	91
8	Deauville	1	74
9	Toulouse	1	70
10	Marseille	1	53

France: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis Family	910	73,569
2	Mercure	240	23,150
3	B&B Hotels	276	19,860
4	Campanile	314	19,477
5	Première Classe	240	16,741
6	Kyriad	223	13,296
7	Hotel F1	170	12,975
8	Adagio	72	7,687
9	Balladins	80	4,047
10	Golden Tulip	20	1,806

	INTERNATIONAL		
Rank	Economy & Midscale	Hotels	Rooms
1	Best Western (Family)	225	11,894
2	Comfort	73	3,664
3	Holiday Inn	25	3,072
4	Citadines	25	2,807
5	Best Western Plus	35	2,330
6	Holiday Inn Express	17	1,854
7	Quality	20	1,442
8	Quality Suite	6	870
9	Comfort Suites	8	784
10	Generator	1	198

	DOMESTIC		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	131	17,564
2	Appart'City	111	12,197
3	Club Med	16	4,345
4	Pullman	11	3,342
5	Oceania Hotels	25	2,880
6	Chateauform'	36	2,751
7	Les Maisons du Séminaire	23	1,378
8	Les Hotels de Paris	21	986
9	Okko Hotels	7	779
10	Elegancia	15	531

	INTERNATIONAL		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Disney Hotels	9	6,329
2	Radisson Blu	13	2,323
3	Marriott	6	1,938
4	Crowne Plaza	7	1,658
5	Hyatt Regency	3	1,525
6	Le Méridien	3	1,343
7	Hilton	5	1,207
8	Courtyard By Marriott	7	1,132
9	Renaissance	10	1,065
10	AC by Marriott	5	776

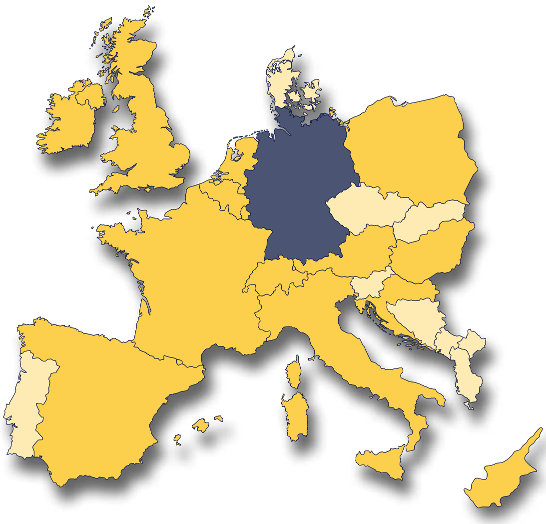
	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	Barrière	17	2,288
2	MGallery	27	1,997
3	Sofitel	12	1,613
4	Raffles	1	149
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Luxury	Hotels	Rooms
1	InterContinental	5	1,193
2	Grand Hyatt	1	409
3	Four Seasons	3	373
4	Concorde Hotels & Resorts	1	354
5	JW Marriott	1	261
6	Sheraton	1	252
7	Peninsula	1	200
8	Rosewood	1	147
9	Mandarin Oriental	1	138
10	Shangri-La Hotels & Resorts	1	101

Germany

These figures show that in the German market, it is really only chain hotels growing at a very rapid pace. The relatively small penetration of 10% means there is plenty of room for more.

Christian Ott-Sessay, Managing Director, Horwath HTL Germany



Key Statistics	2017
Chains Hotels	**2,078**
Chains Rooms	**301,045**
Average Size per Chain Hotel in Rooms	**145**
Country Hotels Stock *(overall supply)* July 2017	**20,081**
Country Rooms Stock *(overall supply)* July 2017	**812,218**
Average Size per Hotel in rooms	**40**
Chain penetration % by hotels	**10.3%**
Chain penetration % by keys	**37.1%**
Total number of brands	**203**
Domestic Brands	**89**
International Brands	**114**

Germany: The market

In this second edition of the European Hotels & Chains Report, you can clearly see that the market for chain hotels in Germany is booming and the number of chain/ branded hotels and rooms has strongly increased.

Last year the chain penetration was 9.9% for hotels and 35.9% for rooms, whereas in 2017 these numbers rose to 10.3% and 37.1%.

This move towards an brand or affiliation is a 4.4% increase in the total number of chain hotels (up 88 to 2,078) and a 5.0% increase in the total number of chain rooms (up 14,270 to 301,045) over the previous year.

Nevertheless, the German market in total is still mostly made up of independent hotels. Fully 89.7% of Germany's total hotel stock (20,081 hotels with 812,218 rooms) are single assets or small groups that do not meet the chain criteria.

The growth of chain hotels consists partly of existing chain companies and their various brands increasing as well as some new domestic players entering the market.

These include brands such as Novum's Niu, Loginn by ACHAT and HYPERION (Hospitality Alliance). New international brands like the Japanese Tokyo Inn or the US-American Hyatt House and Hyatt Place have opened hotels for the first time in Germany.

Germany: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	1,990	**2,078**	**4.4%**
Chain rooms	286,775	**301,045**	**5.0%**
Average size per chain hotel in rooms	144	**145**	**0.6%**
Country hotels stock *(overall supply)*	20,102	**20,081**	**-0.1%**
Country rooms stock *(overall supply)*	798,651	**812,218**	**1.7%**
Average size per hotel in rooms	40	**40**	**1.8%**
Chain penetration % by hotels	9.9%	**10.3%**	**4.5%**
Chain penetration % by keys	35.9%	**37.1%**	**3.3%**
Total number of brands	189	**203**	**7.4%**
Domestic brands	81	**89**	**9.9%**
International brands	108	**114**	**5.6%**

Germany: Key points

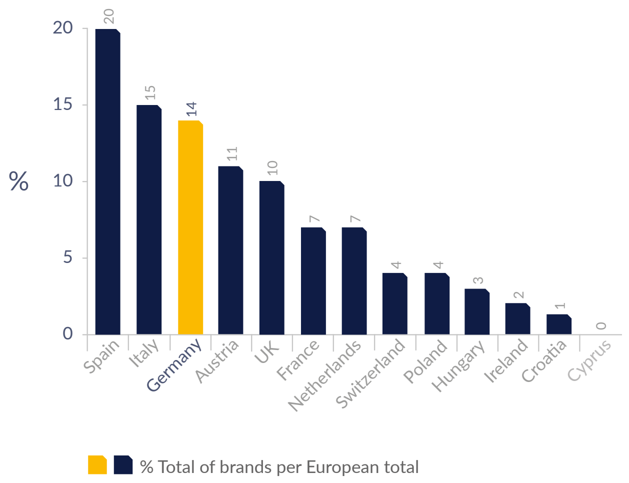
- The biggest casualty in the report is Wyndham hotel, which were number 4 in our top ten ranking, but have all but disappeared. This is due to the 31 former Ramada branded Wyndham hotels, which were franchised by their sales partner Hospitality Alliance (H-Hotel Group) are now running under Hospitality Alliances' own brands.
  - This means that, with an increase of more than 5,000 rooms, Hospitality Alliance now occupies 5th rank, up from 9th the year before in the TOP 10 domestic chain groups

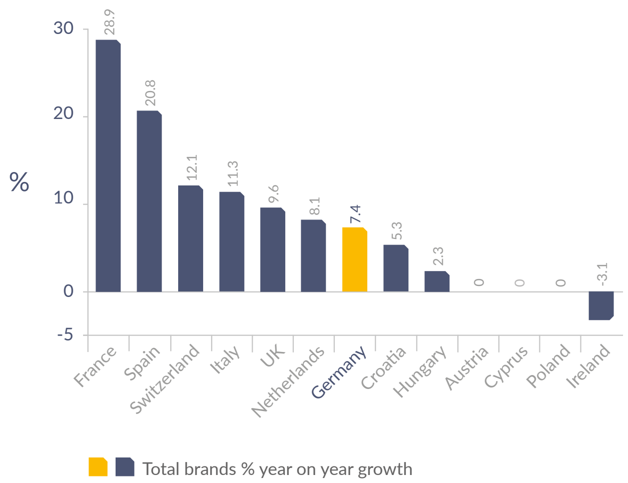
- Another strong player in the German market is B&B. In just one year, the group's German portfolio has risen by 1,321 rooms across 12 hotels. Currently, the group is running 102 hotels in Germany and according to Managing Director Max Luscher, B&B plans to expand its German stock to 150 hotels by 2020.

- Finally, we need to mention the domestic brand Motel One. In the last year, the group recorded an increase of 1,976 rooms in four additional hotels moving closer to Deutsche Hospitality, which is Germany's first placed domestic chain group for the second year in a row.

- These figures show that now only are chain hotels growing at a very rapid pace, the relatively small penetration of 10% means there is plenty of room for more.

Germany: Total number of brands & YOY growth





Germany: Ranking per scale & size

CHAINS					CHAIN HOTELS		CHAIN ROOMS	
	Hotels	%	Rooms	Avg Size	Intl.	Dom.	Intl.	Dom.
Budget & Economy	390	18.8%	48,044	123	323	67	35,133	12,911
Midscale	648	31.2%	80,524	124	352	296	48,052	32,472
Upscale & Upper-Upscale	931	44.8%	147,848	159	513	418	86,133	61,715
Luxury	109	5.2%	24,629	226	54	55	14,907	9,722
TOTAL	**2,078**	**100.0%**	**301,045**	**145**	**1,242**	**836**	**184,225**	**116,820**

Germany: Ranking by location

Rank	Destination	Hotels	Rooms
1	Berlin	216	43,559
2	Munich	132	25,373
3	Frankfurt / M	109	22,476
4	Hamburg	125	20,070
5	Dusseldorf	76	11,536
6	Cologne	66	10,692
7	Dresden	43	7,863
8	Stuttgart	44	7,515
9	Leipzig	41	6,066
10	Nuremberg	38	5,840

Germany: Primary Demand Driver

DRIVER	International		Domestic	
	Hotels	Rooms	Hotels	Rooms
Arts & Business	488	86,023	307	48,490
Business Focus	566	78,166	288	41,558
Other Leisure	118	12,214	113	11,281
Mountain (Ski)	27	2,605	43	4,789
Sun & Beach	19	2,779	50	6,495
Thermal	22	2,306	37	4,339

Germany: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Accor	366	48,796
2	Best Western	183	18,656
3	Marriott International	68	16,718
4	IHG	73	14,841
5	Deutsche Hospitality / Steigenberger Hotels	76	13,655
6	Motel One	44	12,240
7	B&B Hotels	102	10,452
8	NH Hotel Group	57	10,265
9	Maritim Hotelgesellschaft	33	9,672
10	Carlson Rezidor	38	9,208

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Mercure	110	15,349
2	Motel One	44	12,240
3	Best Western	123	11,744
4	IBIS	87	11,467
5	B&B Hotels	102	10,452
6	Maritim	33	9,672
7	Ibis Budget	84	8,220
8	NH Hotel	49	8,215
9	Steigenberger Hotels & Resorts	38	7,023
10	IntercityHotels	38	6,632

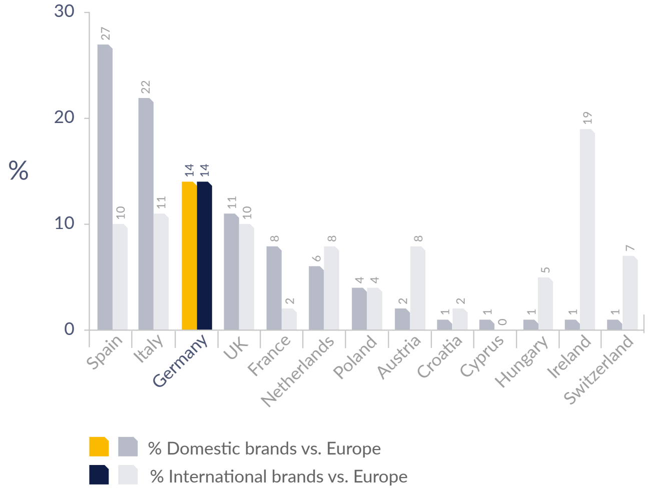
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Deutsche Hospitality / Steigenberger Hotels	76	13,655
2	Motel One	44	12,240
3	Maritim Hotelgesellschaft	33	9,672
4	Novum Group	95	8,364
5	Hospitality Alliance/ H-Hotel	47	7,599
6	Dorint	36	6,258
7	A&O Hotels & Hostels	25	4,943
8	Achat Hotel	28	3,263
9	Lindner Hotels	24	3,235
10	Centro Hotel	44	2,771

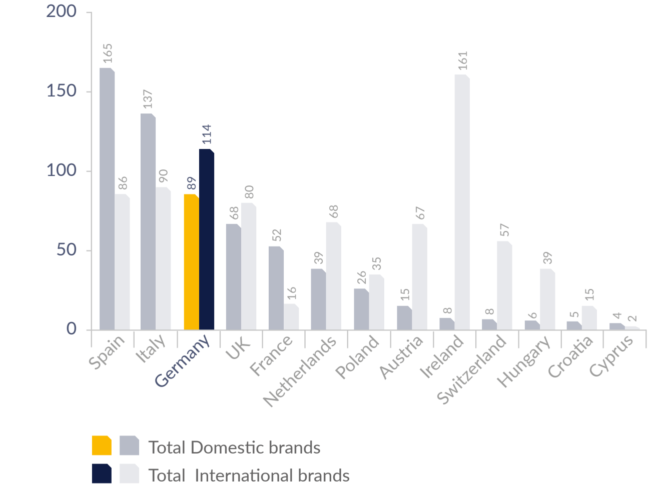
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Motel One	44	12,240
2	Maritim	33	9,672
3	Steigenberger Hotels & Resorts	38	7,023
4	IntercityHotels	38	6,632
5	Dorint Hotels & Resorts	36	6,258
6	Novum Hotels	76	6,114
7	A&O Hotels And Hostels	25	4,943
8	H+ Hotels	31	3,968
9	Lindner Hotels & Resorts	23	3,058
10	Dormero Hotels	17	2,271

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	Accor	366	48,796
2	Best Western	183	18,656
3	Marriott International	68	16,718
4	IHG	73	14,841
5	B&B Hotels	102	10,452
6	NH Hotel Group	57	10,265
7	Carlson Rezidor	38	9,208
8	Wyndham Hotel Group	62	8,441
9	Fattal Hotels	45	7,757
10	Hilton Worldwide	25	7,130

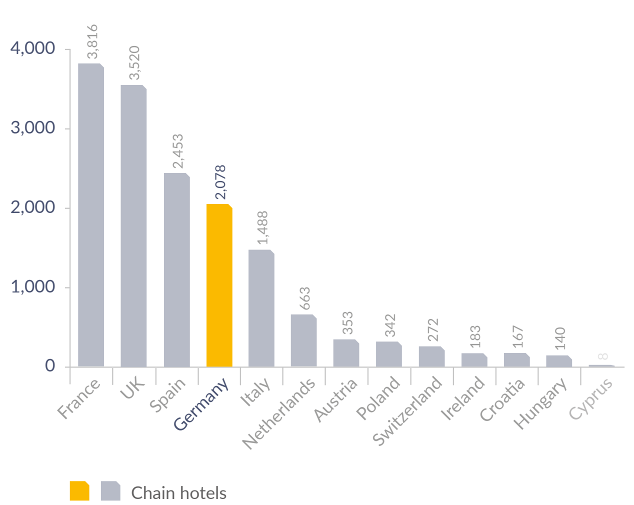
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	Mercure	110	15,349
2	Best Western	123	11,744
3	IBIS	87	11,467
4	B&B Hotels	102	10,452
5	Ibis Budget	84	8,220
6	NH Hotel	49	8,215
7	Holiday Inn	27	6,428
8	Radisson Blu	22	5,920
9	Leonardo Hotels	36	5,711
10	Holiday Inn Express	35	5,344

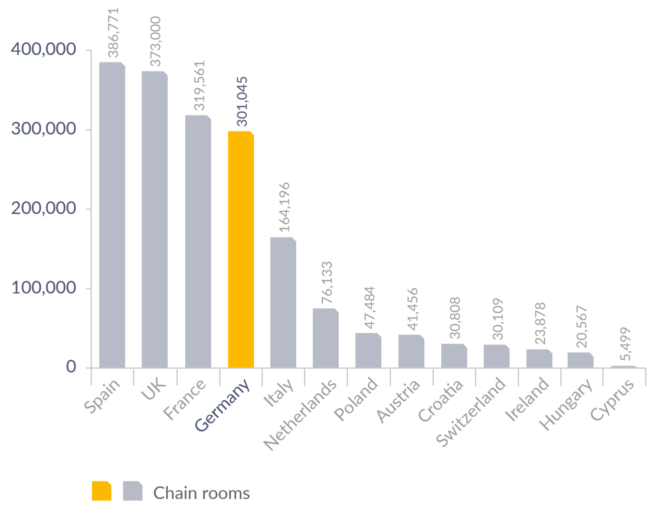
Germany: Domestic & International brands vs. Europe



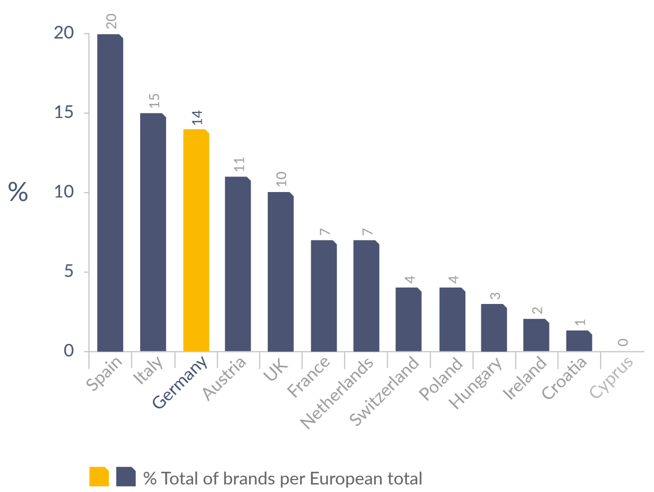


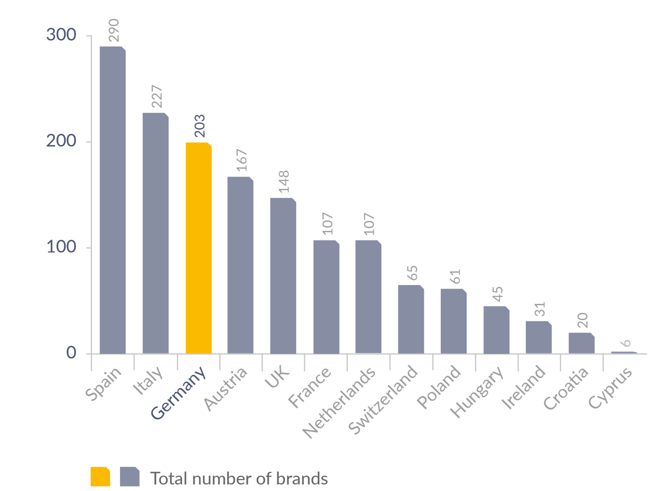
Germany: Chain hotels & rooms



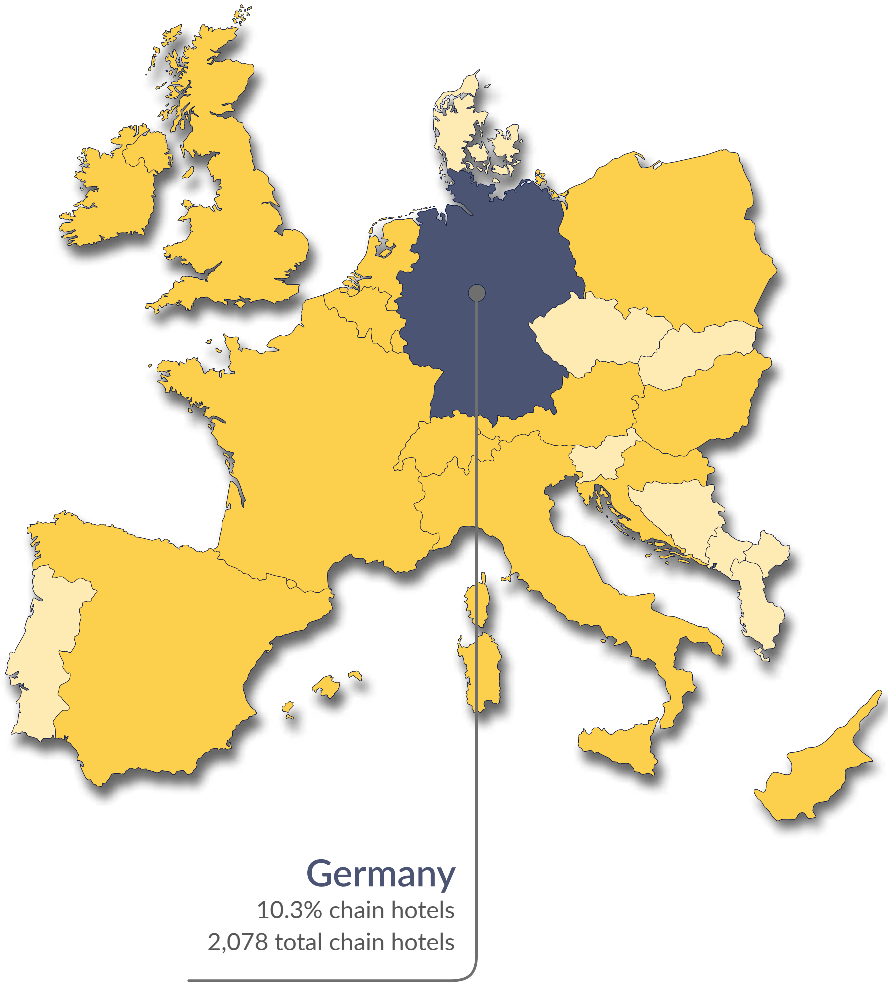


Germany: Total of brands per Europe total





Germany: European Chain Penetration



Germany: Business Model

HOTELS										
	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy (includes Budget)	79	25%	178	57%	0	0%	55	18%	312	100%
Midscale	205	57%	124	35%	3	1%	26	7%	359	100%
Upscale & Upper-Upscale	237	58%	146	35%	16	4%	10	2%	412	99%
Luxury	16	32%	19	38%	15	30%	0	0%	50	100%
Total	**537**	**48%**	**467**	**41%**	**34**	**3%**	**91**	**8%**	**1,129**	**100%**

** The TOP 10 Chain Groups represent 56% of the collected data*

Germany: Ranking by scale *(all brands)*

	BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Mercure	110	15,349
2	Motel One	44	12,240
3	IBIS	87	11,467
4	B&B Hotels	102	10,452
5	Ibis Budget	84	8,220
6	Holiday Inn Express	35	5,344
7	Best Western	54	5,177
8	A&O Hotels And Hostels	25	4,943
9	Novotel	21	4,544
10	Novum Hotels	59	4,540

	BRANDS		
Rank	Luxury	Hotels	Rooms
1	Steigenberger Hotels & Resorts	17	3,494
2	Kempinski	9	1,914
3	Westin Hotels & Resorts	4	1,642
4	Hilton	4	1,614
5	Sheraton	3	1,563
6	Marriott	3	1,331
7	Intercontinental Hotels & Resorts	3	1,312
8	Sofitel	6	1,268
9	Le Meridien	4	1,141
10	Dorint Hotels & Resorts	6	1,061

	BRANDS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Maritim	33	9,672
2	NH Hotel	46	7,898
3	Best Western	69	6,567
4	Holiday Inn	25	6,002
5	Radisson Blu	20	5,269
6	Leonardo Hotels	31	4,872
7	Dorint Hotels & Resorts	27	4,777
8	IntercityHotels	23	4,209
9	Best Western Plus	36	4,102
10	Steigenberger Hotels & Resorts	20	3,450

Germany: Destination pipeline (2018-2019)

PIPELINE			
Rank	Destination	Hotels	Rooms
1	Munich	30	6,296
2	Hamburg	25	4,868
3	Berlin	22	4,639
4	Frankfurt	18	4,223
5	Stuttgart	11	1,921
6	Düsseldorf	8	1,744
7	Leipzig	8	1,728
8	Mannheim	9	1,530
9	Cologne	5	987
10	Kiel	6	812

Germany: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
Rank	Economy & Midscale	Hotels	Rooms
1	Motel One	44	12,240
2	A&O Hotels And Hostels	25	4,943
3	Novum Hotels	59	4,540
4	IntercityHotels	15	2,423
5	Meininger Hotels	10	1,573
6	Centro Hotels	27	1,493
7	Star Inn Hotels	10	1,340
8	Morada Hotels & Resorts	10	1,226
9	Achat Comfort	12	1,204
10	Ghotel Hotel & Living	7	1,057

	INTERNATIONAL		
Rank	Economy & Midscale	Hotels	Rooms
1	Mercure	110	15,349
2	IBIS	87	11,467
3	B&B Hotels	102	10,452
4	Ibis Budget	84	8,220
5	Holiday Inn Express	35	5,344
6	Best Western	54	5,177
7	Novotel	21	4,544
8	Ibis Styles	31	2,835
9	Tryp Hotels	13	1,758
10	Moxy Hotels	7	1,527

	DOMESTIC		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Maritim	33	9,672
2	Dorint Hotels & Resorts	27	4,777
3	IntercityHotels	23	4,209
4	Steigenberger Hotels & Resorts	20	3,450
5	H+ Hotels	22	3,274
6	Lindner Hotels & Resorts	21	2,904
7	Dormero Hotels	17	2,271
8	Pentahotels	11	2,036
9	H4 Hotels	9	2,032
10	Novum Hotels	17	1,574

	INTERNATIONAL		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	NH Hotel	46	7,898
2	Best Western	69	6,567
3	Holiday Inn	25	6,002
4	Radisson Blu	20	5,269
5	Leonardo Hotels	31	4,872
6	Best Western Plus	36	4,102
7	Hilton	8	2,907
8	Best Western Premier	21	2,588
9	Courtyard Marriott	14	2,517
10	Park Inn By Radisson	9	2,217

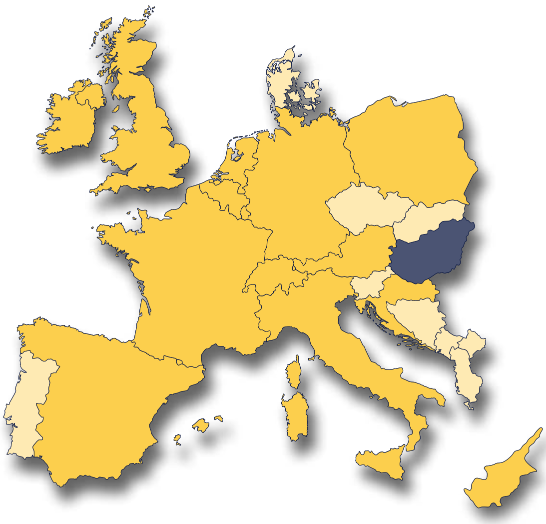
	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	Steigenberger Hotels & Resorts	17	3,494
2	Kempinski	9	1,914
3	Dorint Hotels & Resorts	6	1,061
4	A-Rosa	3	520
5	Althoff Hotel Collection	4	474
6	Fleming's Hotels & Restaurants	2	351
7	Neptun	1	338
8	Dr. Lohbeck Privathotels	2	322
9	Hyperion Hotels	1	235
10	Vila Vita Hotels	1	194

	INTERNATIONAL		
Rank	Luxury	Hotels	Rooms
1	Westin Hotels & Resorts	4	1,642
2	Hilton	4	1,614
3	Sheraton	3	1,563
4	Marriott	3	1,331
5	Intercontinental Hotels & Resorts	3	1,312
6	Sofitel	6	1,268
7	Le Meridien	4	1,141
8	Hyatt Regency	3	877
9	Radisson Blu	2	651
10	The Ritz-Carlton	2	473

Hungary

Demand growth for hotels in the capital, Budapest, is driven by the traditional US and European markets. A surge in leisure travellers from Asian markets is contributing to a shift in traveller profiles which means the products also need to evolve to meet the new requirements. It certainly feels like Hungary is now on the map and demand reflects that.

Marius Gomola, Managing Director, Horwath HTL Hungary



Key Statistics	2017
Chain hotels	140
Chain rooms	20,567
Average size per chain hotel in rooms	147
Country hotels stock (overall supply)	1,083
Country rooms Stock (overall supply)	61,815
Average size per hotel in rooms	57
Chain penetration % by hotels	13%
Chain penetration % by keys	33%
Total number of brands	45
Domestic brands	6
International brands	39
Second-tier operated hotels	35
International chain hotels (including double counting)	58
Domestic chain hotels (including double counting)	84
International chain rooms (including double counting)	9,267
Domestic chain rooms (including double counting)	11,300

Hungary: The market

Demand growth for hotels in the capital is driven by the traditional US and European markets, while the diversity of the traveller profiles is equally contributed to the surge from Asian markets primarily for leisure purposes.

Budapest is still a very popular destination for young adults enjoying the party and club scene, however cultural tourists from overseas markets diversify the leisure segment. Corporate and MICE perform equally well due to the strong economic growth in the country.

Hungary has a relatively high chain penetration index by keys (33.3%). The number of chain rooms increased by 3.3% in 2017, reaching a total of 20,567 rooms in 140 hotels.

With the opening of the Park Inn by Radisson in Zalakaros, the presence of the Radisson Hotel Group has significantly grown and is currently ranked among the international chain hotel groups in Hungary to be the third in terms of number of hotel rooms.

Further hotel openings in 2017 included the two new properties of The Three Corners Hotels & Resorts group, and Meininger is opening in 2018. New brands are in the pipeline, and we expect Hyatt to return to Hungary with two brands, while the first Hilton Garden Inn and The Luxury Collection by Marriott are scheduled to open in 2019.

In 2017 the total number of brands increased from 43 to 45 in Hungary with the entry of two international hotels in the market: EXE Hotel (Hotusa Group) and Golden Park Hotel by Novum Hotels.

Hungary: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	134	**140**	**4.5%**
Chain rooms	19,910	**20,567**	**3.3%**
Average size per chain hotel in rooms	149	**147**	**-1.1%**
Country hotels stock *(overall supply)*	1,072	**1,083**	**1.0%**
Country rooms stock *(overall supply)*	61,369	**61,815**	**0.7%**
Average size per hotel in rooms	57	**57**	**-0.3%**
Chain penetration % by hotels	13%	**13%**	**3.2%**
Chain penetration % by keys	32%	**33%**	**2.8%**
Total number of brands	44	**45**	**2.3%**
Domestic brands	6	**6**	**0.0%**
International brands	37	**39**	**5.4%**
Second-tier operated hotels	35	**35**	**0.0%**
International chain hotels *(including double counting)*	52	**58**	**11.5%**
Domestic chain hotels *(including double counting)*	82	**84**	**0.0%**
International chain rooms *(including double counting)*	9,178	**9,267**	**-8.4%**
Domestic chain rooms *(including double counting)*	10,732	**11,300**	**16.9%**

Hungary: Key points

- **Locals winning but for how long?**
  The top two chain groups are local companies, Danubius hotel group with 20 hotels and 4,962 rooms followed by Hunguest Hotels also with 20 hotels, but less rooms with 3,339 rooms. Hot on their heels though are French giant Accor with 17 hotels and 3,271 rooms. How long will it be before they take top spot?

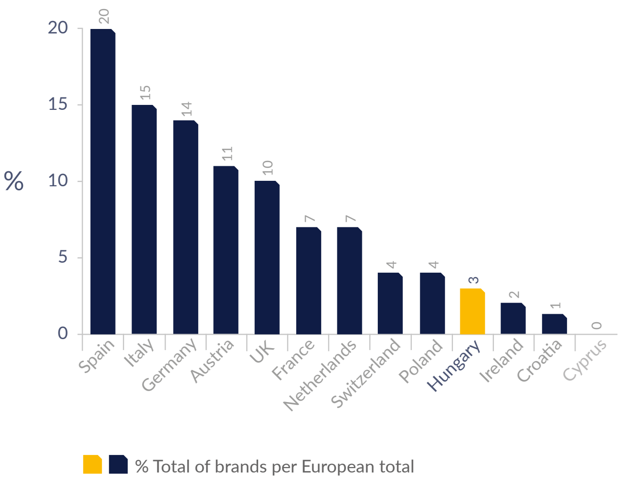
- **Gap in the market for budget brands?**
  Like many other markets and a good indicator of where the majority of chain products are positioned, upper and upper upscale (4/5 stars) hotels make up the most chain supply in Hungary on 58.6%.

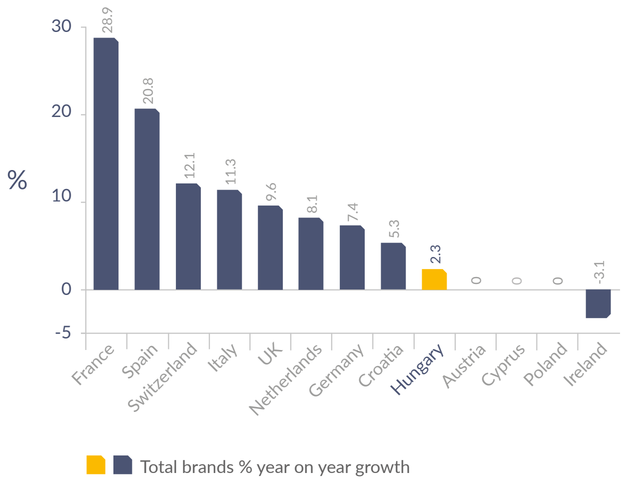
  Next up is midscale properties on 29%. 10% of chain hotels are luxury and only 2.1% budget. Considering how successful these budget hotels have been in France, the UK and Germany, maybe this is the next growth segment?

- **Budapest is Hungary's London**
  Like London, Budapest crushes all before it. The city has 12,918 chain affiliated hotel rooms, a cool 12,000 more than the next location Hévíz.

- **Business Models**
  Unlike their near neighbours Croatia, Hungarian investors are much more comfortable with other forms of ownership and agreements. Owner operator is still the largest method, with 46% of chain hotels. This is followed by Management agreement on 30% or 42 hotels, with leases on 13% and franchises 11%.

Hungary: Total number of brands & YOY growth





Hungary: Ranking per scale & size

CHAINS				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	3	2.1%	169	56
Midscale	41	29.3%	4,669	114
Upscale & Upper-Upscale	82	58.6%	12,348	151
Luxury	14	10.0%	3,381	242
TOTAL	**140**	**100.0%**	**20,567**	**147**

Hungary: Primary Demand Driver

DRIVER	International		Domestic	
	Hotels	Rooms	Hotels	Rooms
Arts & Business	55	9,380	32	4,495
Business Focus	2	232	6	649
Other Leisure	-	-	6	361
Sun & Beach	-	-	11	1,369
Thermal	1	223	24	3,611
Wine	-	-	3	247

Hungary: Ranking by location

Rank	Destination	Hotels
1	Budapest	79
2	Hévíz	5
3	Bükfürdő	4
4	Hajdúszoboszló	4
5	Siófok	4
6	Szeged	4
7	Zalakaros	4
8	Győr	3
9	Balatonfüred	2
10	Gyula	2

Rank	Destination	Rooms
1	Budapest	12,918
2	Hévíz	918
3	Bükfürdő	758
4	Balatonfüred	689
5	Hajdúszoboszló	565
6	Zalakaros	470
7	Szeged	446
8	Sárvár	359
9	Győr	354
10	Gyula	331

Hungary: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Danubius Hotels Group	20	4,962
2	Hunguest Hotels	20	3,339
3	AccorHotels	17	3,271
4	Marriott	6	1,365
5	Accent Hotel Management	16	1,349
6	Service4You	17	879
7	Mellow Mood Hotels	12	857
8	Carlson Rezidor	3	597
9	IHG	2	566
10	Corinthia Hotels	1	414

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Danubius	18	4,394
2	Hunguest	20	3,339
3	Accent	15	1263
4	Mercure	3	1038
5	Novotel	5	952
6	Mellow Mood	12	857
7	Park Inn By Radisson	3	597
8	Ibis	5	584
9	Hilton	2	551
10	Service4You	9	504

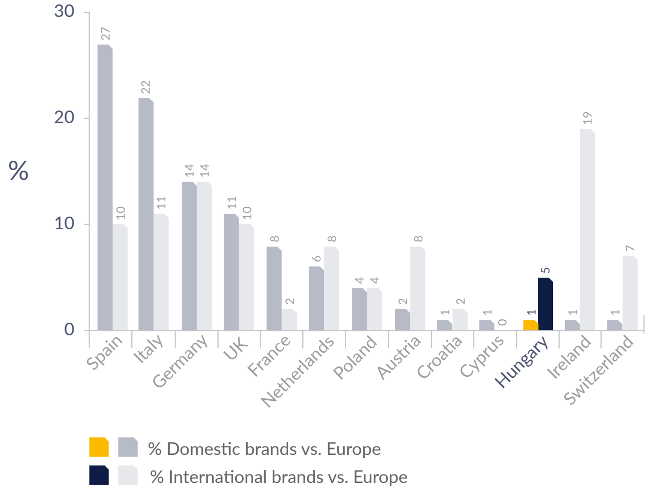
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Danubius Hotels Group	20	4,962
2	Hunguest Hotels	20	3,339
3	Accent Hotel Management	16	1349
4	Service4You	17	879
5	Mellow Mood Hotels	12	857
6	-		
7	-		
8	-		
9	-		
10	-		

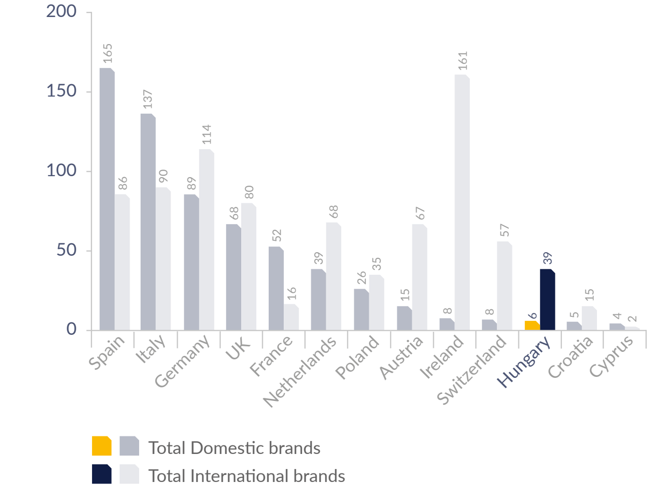
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Danubius	18	4,394
2	Hunguest	20	3,339
3	Accent	15	1263
4	Mellow Mood	12	857
5	Service4You	9	504
6	Optimum Hotels	8	375
7	-		
8	-		
9	-		
10	-		

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	AccorHotels	17	3,271
2	Marriott	6	1,365
3	Radisson Hotel Group	3	597
4	IHG	2	566
5	Hilton Hotels & Resorts	2	551
6	Corinthia Hotels	1	414
7	Kempinski	1	351
8	Eurostars Hotels	2	276
9	Novum Hotels	2	216
10	K+K	1	200

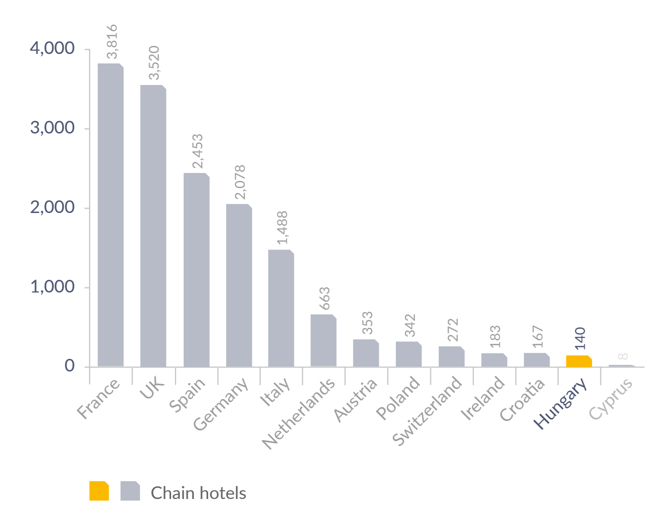
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	Mercure	3	1,038
2	Novotel	5	952
3	Park Inn by Radisson	3	597
4	Ibis	5	584
5	Hilton	2	551
6	Corinthia	1	414
7	Intercontinental	1	402
8	Marriott	1	364
9	Sofitel	1	357
10	Kempinski	1	351

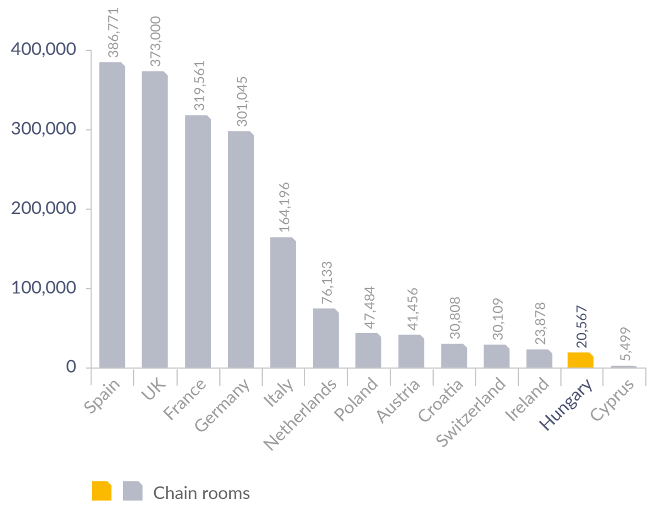
Hungary: Domestic & International brands vs. Europe



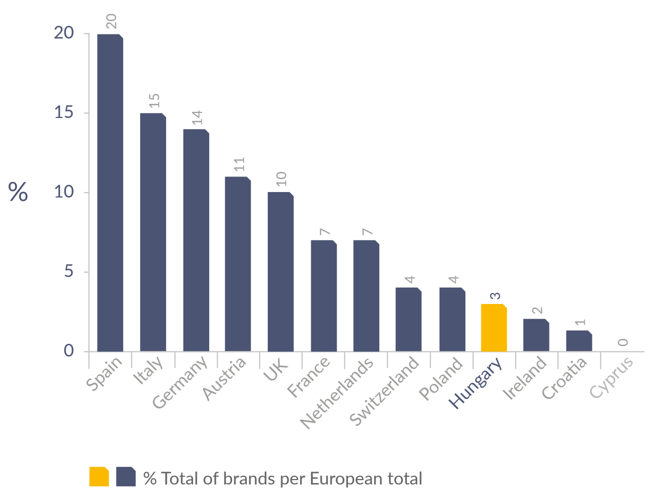


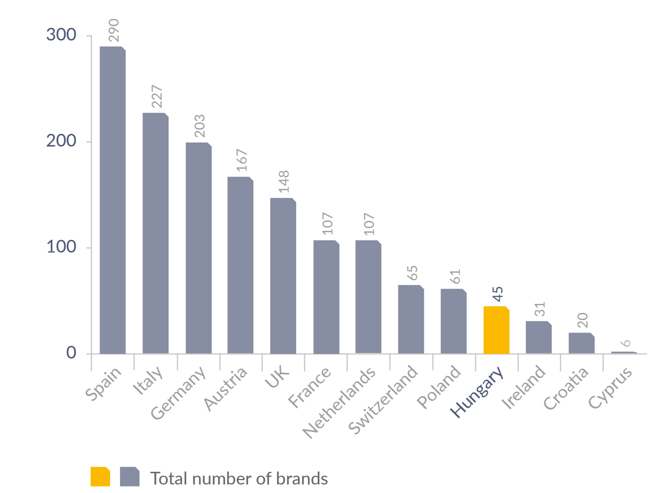
Hungary: Chain hotels & rooms



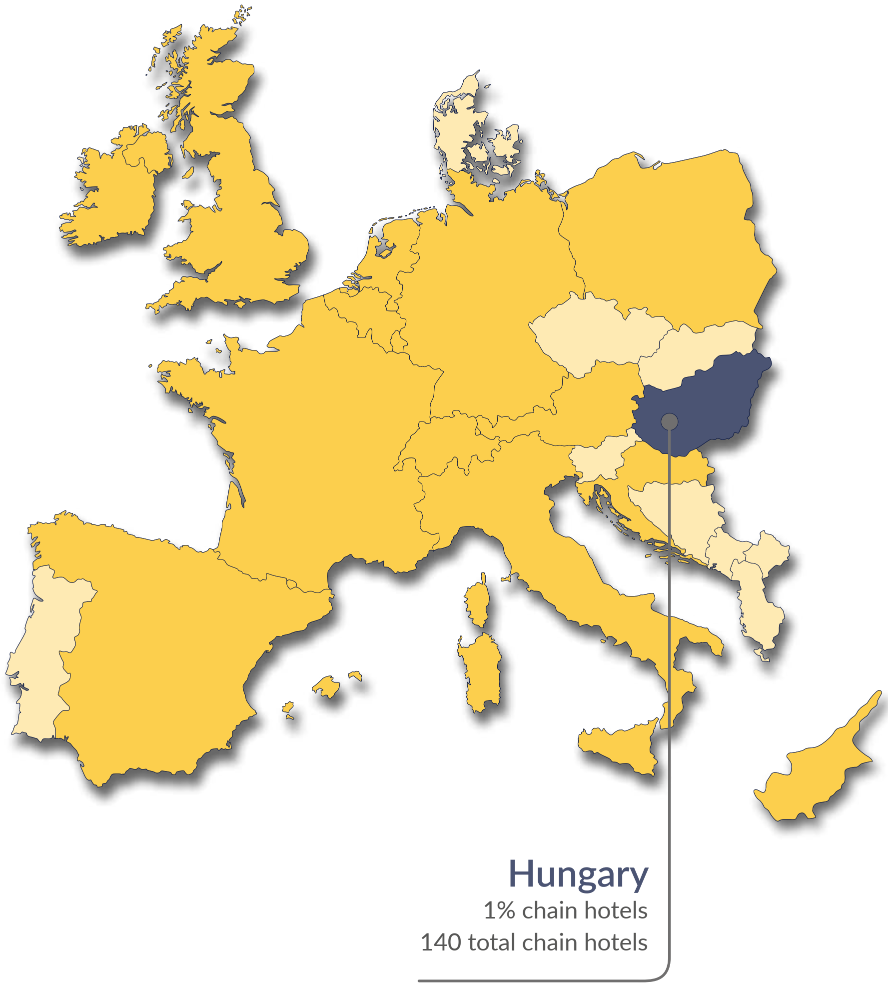


Hungary: Total of brands per Europe total





Hungary: European Chain Penetration



Hungary: Business Model

HOTELS										
	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy	1	33%	1	33%	1	33%	0	0%	3	100%
Midscale	5	12%	1	2%	10	24%	25	61%	41	100%
Upscale & Upper-Upscale	8	10%	13	16%	24	29%	37	45%	82	100%
Luxury	2	14%	3	21%	7	50%	2	14%	14	100%
Total	**16**	**11%**	**18**	**13%**	**42**	**30%**	**64**	**46%**	**140**	**100%**

ROOMS										
	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy	59	35%	47	28%	63	37%	0	0%	169	100%
Midscale	656	14%	37	1%	645	14%	3331	71%	4669	100%
Upscale & Upper-Upscale	1426	12%	1770	14%	1865	15%	7287	59%	12348	100%
Luxury	644	19%	509	15%	1765	52%	463	14%	3381	100%
Total	**2785**	**14%**	**2363**	**11%**	**4338**	**21%**	**11081**	**54%**	**20567**	**100%**

Hungary: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Hunguest	11	1,716
2	Danubius	4	906
3	Ibis	5	584
4	Accent	4	338
5	Mellow Mood	5	316
6	Optimum Hotels	6	308
7	Ibis Styles	2	260
8	Star Inn	1	125
9	The Three Corners	2	80
10	Service4You	1	62

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Danubius	14	3,488
2	Hunguest	9	1,623
3	Mercure	3	1,038
4	Novotel	5	952
5	Accent	10	884
6	Park Inn by Radisson	3	597
7	Service4You	8	442
8	Mellow Mood	5	392
9	Radisson Blu	1	247
10	Courtyard by Marriott	1	234

	CHAINS		
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	351
7	Autograph Collection/ Dedica Anthology	1	323
8	Ritz Carlton	1	200
9	Four Seasons	1	179
10	BuddhaBar	1	102

Hungary: Destination pipeline (2018-2020)

PIPELINE			
Rank	Destination	Hotels	Rooms
1	Budapest	33	4,392
2	Nyíregyháza	1	112
3	Pannonhalma	1	99
4	Bük	1	78
5	Esztergom	2	69
6	Kisvárda	1	52
7	Mezőkövesd	1	47
8	Szikszó	1	22

Hungary: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
Rank	Economy & Midscale	Hotels	Rooms
1	Hunguest	11	1,716
2	Danubius	4	906
3	Mellow Mood	6	363
4	Accent	4	338
5	Optimum Hotels	6	308
6	Service4You	1	62
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	5	584
2	Ibis Styles	2	260
3	Star Inn	1	125
4	The Three Corners	2	80
5	EasyHotel	1	59
6	Novum Hotels	1	37
7	-		
8	-		
9	-		
10	-		

	DOMESTIC		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Danubius	14	3,488
2	Hunguest	9	1,623
3	Accent	10	884
4	Service4You	8	442
5	Mellow Mood	5	392
6	Optimum Hotels	2	67
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Mercure	3	1,038
2	Novotel	5	952
3	Park Inn by Radisson	3	597
4	Radisson Blu	1	247
5	Courtyard by Marriott	1	234
6	K+K	1	200
7	Leonardo	1	182
8	Novum Hotels	1	179
9	Eurostars	1	175
10	Art'otel	1	165

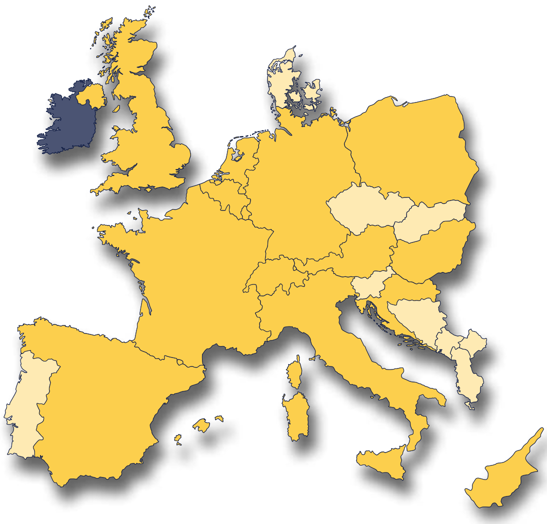
	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	Mellow Mood	1	102
2	Accent	1	41
3	-		
4	-		
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
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	351
7	Autograph Collection/ Boscolo	1	323
8	Ritz Carlton	1	200
9	Four Seasons	1	179
10	Iberostar	1	50

Ireland

We are estimating that over 1,300 new bedrooms will open in the capital city before the end of 2018, marking the largest annual increase in supply in the Dublin market in the last 10 years

Naoise Cosgrove, Managing Director, Horwath HTL Ireland



Key Statistics	2017
Chain hotels	183
Chain rooms	23,878
Average size per chain hotel in rooms	130
Country hotels stock (overall supply)	822
Country rooms Stock (overall supply)	58,333
Average size per hotel in rooms	71.0
Chain penetration % by hotels	22.3%
Chain penetration % by keys	40.9%
Total number of brands	31
Domestic brands	8
International brands	23
Second-tier operated hotels	15
International chain hotels (including double counting)	41
Domestic chain hotels (including double counting)	154
International chain rooms (including double counting)	6,149
Domestic chain rooms (including double counting)	20,349

Ireland: The market

2017 was a record year for the Irish tourism sector, with over 9.9 million overseas trips to Ireland (+3.6% on 2016).

During 2017, there was limited growth in the supply of hotel rooms. However, the market is in the early stages of a development phase and a number of new hotels are anticipated to open in 2018, principally in Dublin.

We are estimating that over 1,300 (+6.7%) new bedrooms will open in the capital city before the end of 2018, marking the largest annual increase in supply in the Dublin market in the last 10 years. The new rooms will predominantly be branded and will include new hotel additions to the Dalata and Starwood hotel groups, as well as extensions to Hilton, Hilton Garden Inn and Premier Inn hotels.

As hotels continue to trade profitably, we expect to see continued investment in properties, improving the quality of assets even further.

41% of the bed supply in Ireland form part of a chain. The market is made up primarily of domestic chains, 16% of all hotels and 27% of Dublin hotels.

The largest chains remain Dalata Hotel Group plc, followed by Goldman Sachs backed Tifco. After Dalata's Clayton and Maldron brands, the next largest brand represented in Ireland is Radisson, which has seen its portfolio reduce following the sale and rebranding of the Farnham Estate. Over the next number of years, we expect to see the number of branded rooms increase as new supply enters the market, particularly from chain hotels.

Ireland: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	171	**183**	**7.0%**
Chain rooms	22,469	**23,878**	**6.3%**
Average size per chain hotel in rooms	131	**130**	**-0.8%**
Country hotels stock *(overall supply)*	822	**822**	**0.0%**
Country rooms stock *(overall supply)*	57,838	**58,333**	**0.9%**
Average size per hotel in rooms	70	**71**	**0.8%**
Chain penetration % by hotels	21%	**22%**	**7.2%**
Chain penetration % by keys	39%	**41%**	**5.4%**
Total number of brands	32	**31**	**-3.1%**
Domestic brands	6	**8**	**33.3%**
International brands	26	**23**	**-11.5%**
Second-tier operated hotels	15	**15**	**0.0%**
International chain hotels *(including double counting)*	41	**41**	**0.0%**
Domestic chain hotels *(including double counting)*	145	**154**	**6.2%**
International chain rooms *(including double counting)*	6,307	**6,149**	**-2.5%**
Domestic chain rooms *(including double counting)*	18,937	**20,349**	**7.5%**

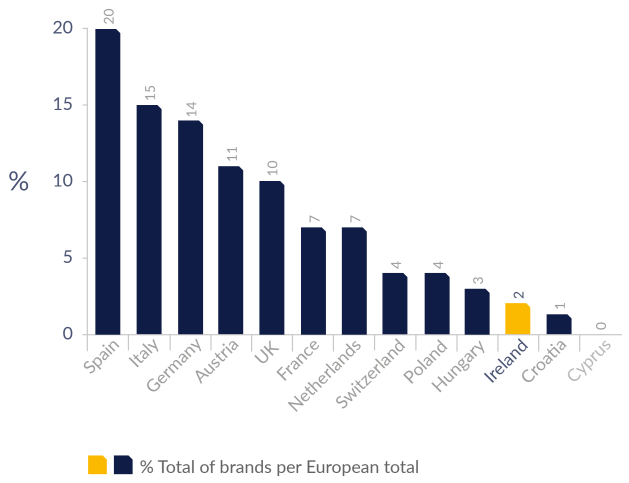
Ireland: Key points

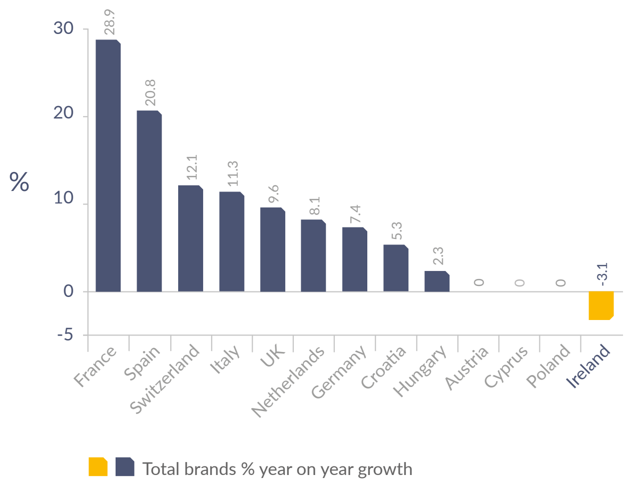
- **Dublin big and getting bigger**
  Dublin towers over all the other Irish markets in terms of chain supply, with 65 hotels with 12,320 rooms. The next closest is Cork with 18 hotels but only 1,789 rooms. This does not include the estimated 1,300 bedrooms set to open in Dublin this year.

- **Size and Scale**
  Like most EU markets, the 3 and 4 star segment, or upper and upper upscale brands represent most of the chain affiliated hotels making up to 49.2% of the hotel stock. In terms of actual rooms though they are beaten into second place by Midscale or 3 star properties which make up 42.2% of the total inventory with upper and upper upscale accounting for 42.2%. Luxury hotels represent 15 properties, 8.2% of the market counted as the top tier.

- **Brands**
  Ireland is a small market which has recovered from a severe recession and is now undergoing a consistent period of growth and recovery. At the moment Irish branded properties equate to 2% of the total number of brands in Europe with one of the lower levels, 23%, of international brand presentation. This shows the potential opportunities for new brands to enter the market.

Ireland: Total number of brands & YOY growth





Ireland: Ranking per scale & size

CHAINS				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	3	1.6%	227	76
Midscale	75	41.0%	7,738	103
Upscale & Upper-Upscale	90	49.2%	13,797	153
Luxury	15	8.2%	2,116	141
TOTAL	**183**	**100.0%**	**23,878**	**130**

DOMESTIC				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	137	16.7%	2,747	20
Midscale	347	42.2%	21,186	61
Upscale & Upper-Upscale	302	36.7%	30,220	100
Luxury	36	4.4%	4,180	116
TOTAL	**822**	**100.0%**	**58,333**	**71**

Ireland: Ranking by location

Rank	Destination	Hotels	Rooms
1	Dublin	65	12,370
2	Cork	18	1,789
3	Galway	12	1,287
4	Limerick	9	1,147
5	Killarney	8	916

Ireland: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Dalata Hotel Group	29	5,891
2	Tifco	22	2,328
3	MHL Hotel Collection	11	1,758
4	Great National Hotels	23	1,637
5	Rezidor Hotel Group	10	1,559
6	Tetrarch	7	1,466
7	Windward Management	10	1,255
8	IHG	7	1,130
9	McGettigan Hotels	9	1,050
10	Amaris Hospitality	5	937

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Clayton	12	3,265
2	Maldron	12	1,661
3	Radisson	9	1,445
4	Travelodge	10	766
5	Jurys Inn	4	698
6	Crowne Plaza	3	521
7	Treacys Hotel Group	5	480
8	Hilton	3	479
9	Great National Hotels	7	422
10	Talbot	3	341

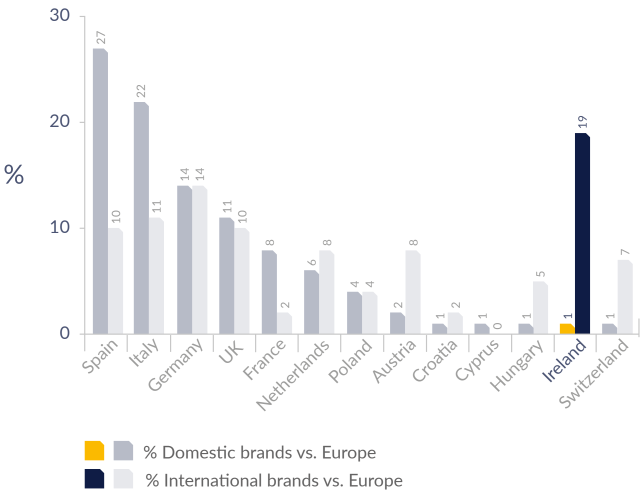
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Dalata Hotel Group	29	5,891
2	Tifco	22	2,328
3	MHL Hotel Collection	11	1,758
4	Great National Hotels	23	1,637
5	Rezidor Hotel Group	10	1,559
6	Tetrarch	7	1,466
7	Windward Management	10	1,255
8	McGettigan Hotels	9	1,050
9	Amaris Hospitality	5	937
10	-		

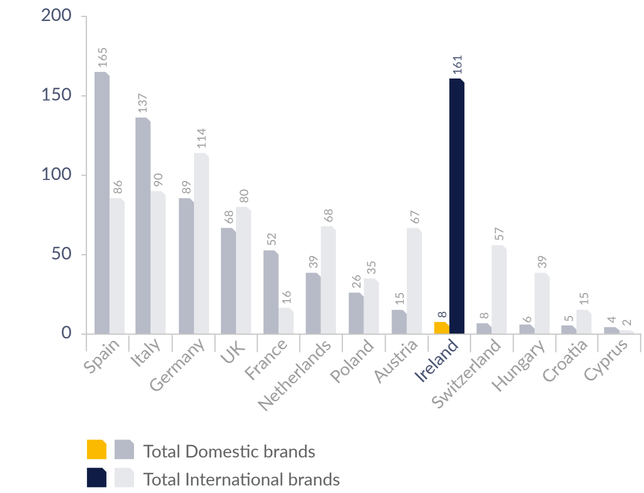
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Clayton	12	3,265
2	Maldron	12	1,661
3	Jurys Inn	4	698
4	Treacys Hotel Group	5	480
5	Great National Hotels	7	422
6	Talbot	3	341
7	-		
8	-		
9	-		
10	-		

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	Rezidor Hotel Group	10	1,559
2	IHG	7	1,130
3	Hilton	5	910
4	Marriott International	4	799
5	Choice Hotel International	5	335
6	-		
7	-		
8	-		
9	-		
10	-		

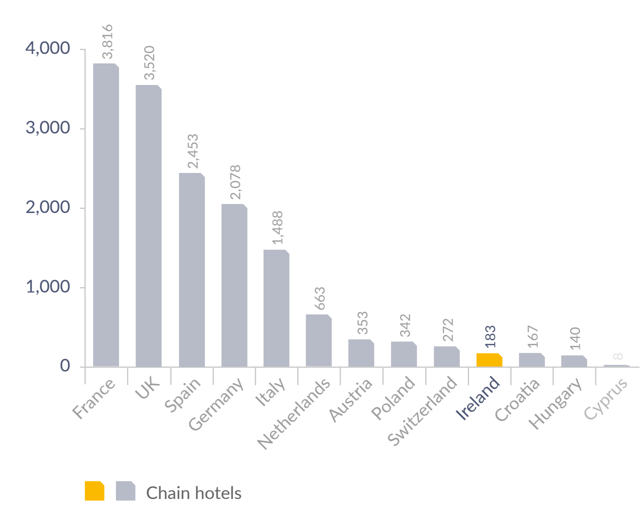
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	Radisson	9	1,445
2	Travelodge	10	766
3	Crowne Plaza	3	521
4	Hilton	3	479
5	Riu	1	323
6	-		
7	-		
8	-		
9	-		
10	-		

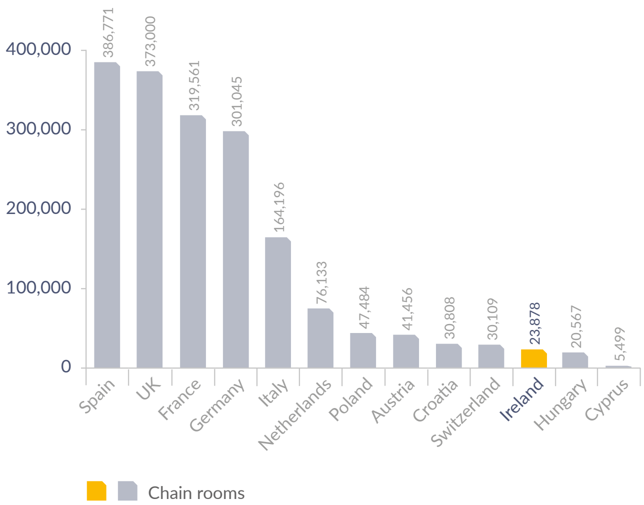
Ireland: Domestic & International brands vs. Europe



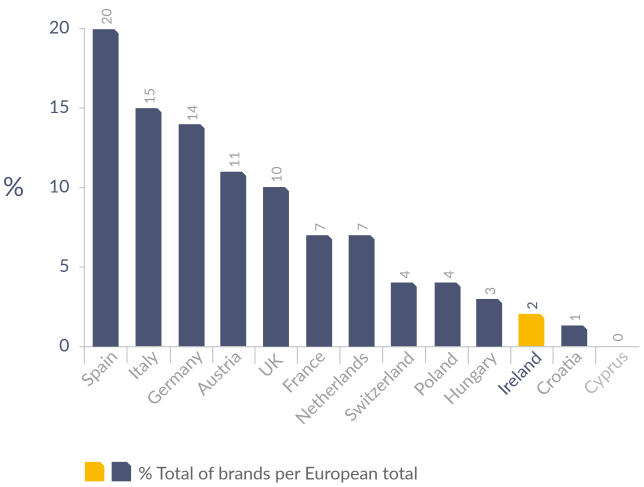


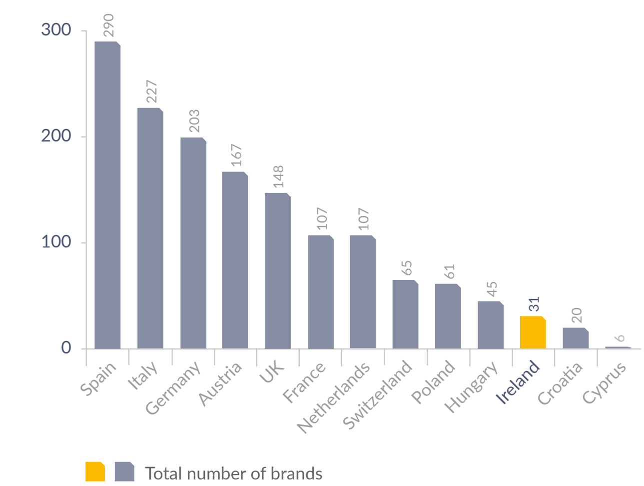
Ireland: Chain hotels & rooms



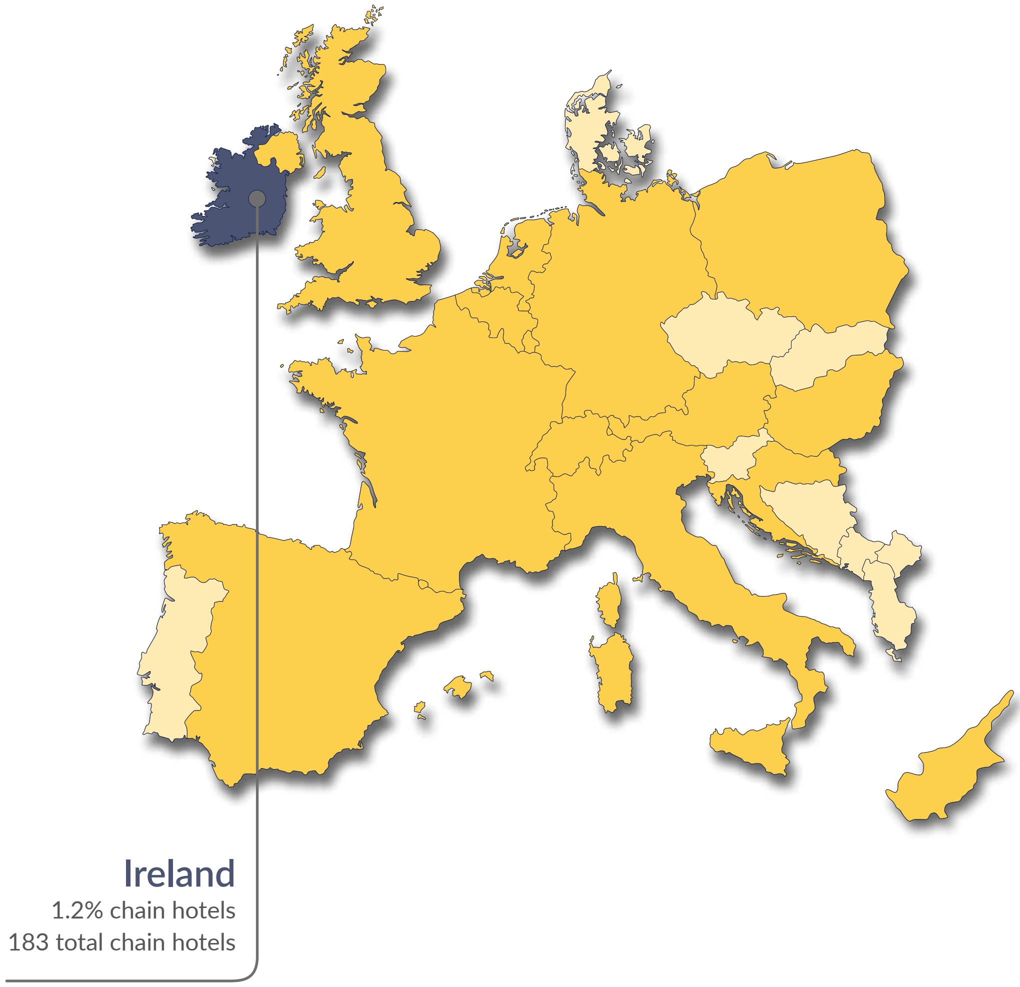


Ireland: Total of brands per Europe total





Ireland: European Chain Penetration



Ireland: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Maldron	10	1306
2	Travelodge	10	766
3	Jurys Inn	4	698
4	Treacys Hotel Group	3	330
5	Holiday Inn Express	2	312
6	Great National Hotels	4	254
7	-		
8	-		
9	-		
10	-		

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Clayton	12	3265
2	Radisson	8	1294
3	Crowne Plaza	3	521
4	Hilton	3	479
5	Maldron	2	355
6	-		
7	-		
8	-		
9	-		
10	-		

	CHAINS		
Rank	Luxury	Hotels	Rooms
1	Renaissance Hotels	1	266
2	IHG	1	197
3	Autograph Collection	1	194
4	Conrad Hotels and Resorts	1	192
5	Westin	1	172
6	-		
7	-		
8	-		
9	-		
10	-		

Ireland: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
Rank	Economy & Midscale	Hotels	Rooms
1	Maldron	10	1,306
2	Jurys Inn	4	698
3	Treacys Hotel Group	3	330
4	Great National Hotels	4	254
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Economy & Midscale	Hotels	Rooms
1	Travelodge	10	766
2	Holiday Inn Express	2	312
3	Hilton Garden Inn	1	239
4	Premier Inn	1	155
5	Ibis Hotel	1	150
6	-		
7	-		
8	-		
9	-		
10	-		

	DOMESTIC		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Clayton	12	3,265
2	Maldron	2	355
3	Talbot	3	341
4	Great National Hotels	3	168
5	Treacys Hotel Group	2	150
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Radisson	8	1,294
2	Crowne Plaza	3	521
3	Hilton	3	479
4	Riu	1	323
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

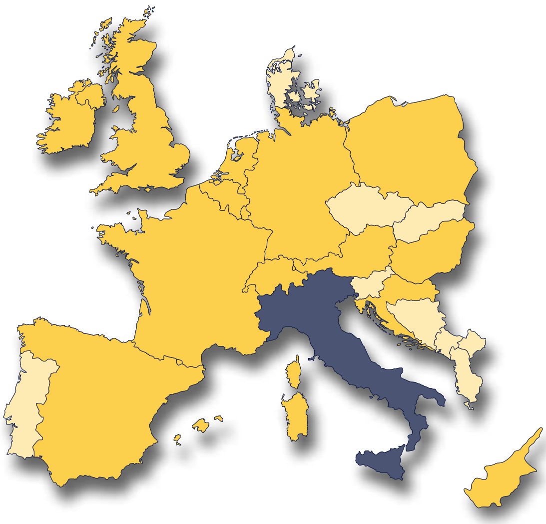
	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	-		
2	-		
3	-		
4	-		
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Luxury	Hotels	Rooms
1	Renaissance Hotels	1	266
2	InterContinental Hotels and Resorts	1	197
3	Autograph Collection	1	194
4	Conrad Hotels and Resorts	1	192
5	Westin	1	172
6	Radisson	1	151
7	-		
8	-		
9	-		
10	-		

Italy

Don’t underestimate the size of the Italian market and the strength of Italian domestic chains which, at 137 is second only to Spain in size.

Zoran Bačić, Managing Director, Horwath HTL Italy



Key Statistics	2017
Chain hotels	1,488
Chain rooms	164,196
Average size per chain hotel in rooms	110
Country hotels stock (overall supply)	33,166
Country rooms Stock (overall supply)	1,091,061
Average size per hotel in rooms	33
Chain penetration % by hotels	5%
Chain penetration % by keys	15%
Total number of brands	227
Domestic brands	137
International brands	90
Second-tier operated hotels	69
International chain hotels (including double counting)	523
Domestic chain hotels (including double counting)	1,034
International chain rooms (including double counting)	65,965
Domestic chain rooms (including double counting)	107,881

Italy: The market

Italy is often cited as one of the most famous countries with the lowest proliferation of international brands, and this is true, with overall chain penetration accounting for only 5% of total hotel supply, and 15% of rooms.

Certainly compared to other giants like France with 21% or Spain with 33% it is relatively small, but that underestimates the size of the market and the strength of their domestic chains which, at 137 is second only to Spain in Europe.

Of the Chain hotels that Italy has, the vast majority (65%) are in the upscale and upper upscale segment, with 23% in the midscale section and 10.9% Luxury. There are hardly any budget and economy brands (1.5%) which is not surprising considering the vast numbers of independent hotels.

In terms of performance, 2017 was an excellent year for Italian hotels.

Over the year, occupancy rates in Italy rose by 4% and average room rates rose by 4.1% leading to a very healthy 8% increase in revenue per average room rates.

This was driven by a record year in arrivals, not least of which the capital Rome, which saw an increase in both domestic and International visitors at 5.9 and 8.75 million arrivals respectively.

Other key markets experienced similar increases, Venice went up from just over 3 million to almost 4 million in 2017, Florence grew from just over 2 million to over 2.6 million

Italy: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	1,401	**1,488**	**6.2%**
Chain rooms	155,505	**164,196**	**5.6%**
Average size per chain hotel in rooms	111	**110**	**-0.9%**
Country hotels stock *(overall supply)*	33,199	**33,166**	**-0.1%**
Country rooms stock *(overall supply)*	1,091,569	**1,091,061**	**0.0%**
Average size per hotel in rooms	33	**33**	**0.1%**
Chain penetration % by hotels	4%	**5%**	**7.1%**
Chain penetration % by keys	14%	**15%**	**5.6%**
Total number of brands	204	**227**	**11.3%**
Domestic brands	124	**137**	**10.5%**
International brands	80	**90**	**12.5%**
Second-tier operated hotels	65	**69**	**6.2%**
International chain hotels *(including double counting)*	515	**523**	**1.6%**
Domestic chain hotels *(including double counting)*	951	**1,034**	**8.7%**
International chain rooms *(including double counting)*	64,280	**65,965**	**2.6%**
Domestic chain rooms *(including double counting)*	100,559	**107,881**	**7.3%**

Italy: Key points

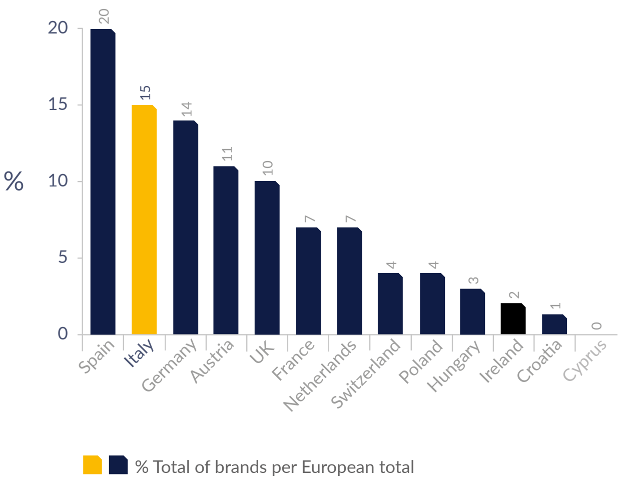
- **Development Hotspots**
  Verona, Naples and Palermo (and Sicily in general) are attracting the curiosity of developers and are considered to be top of the priority list for new development.

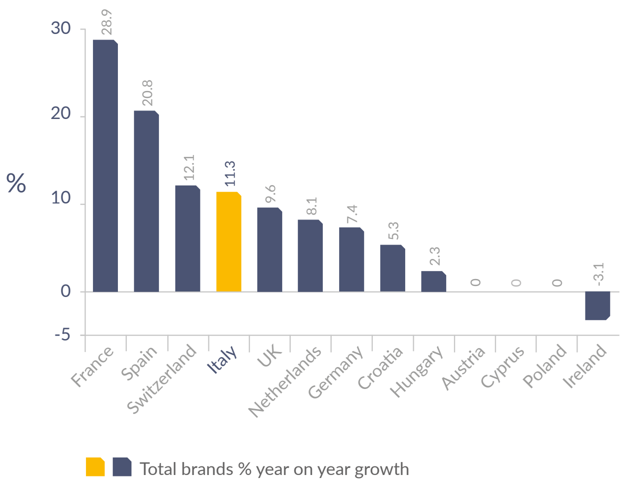
- **Different financial tools for international and domestic chains to use**
  International hotel chains will continue to grow in the near future, primarily thanks to franchising. For Domestic chains the lease model is the most likely vehicle for growth as owners have strong covenant and banks are comfortable with the model.

- **Franchising on the horizon for Domestic chains**
  Domestic chains will possibly start a franchising in 2 to 3 years from now as the market starts accepting the model and brands are established enough.

- **Mergers and Acquisitions not done**
  The last couple of years has seen a huge cycle of M&A activity internationally, with relatively small amounts in Italy. It's likely that Italy has not seen the last of these transactions, with some of the larger domestic players looking to consolidate their positions by snapping up rivals.

Italy: Total number of brands & YOY growth





Italy: Ranking per scale & size

CHAINS				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	23	1.5%	1,173	51
Midscale	341	22.9%	27,559	81
Upscale & Upper-Upscale	962	64.7%	118,140	123
Luxury	162	10.9%	17,324	107
TOTAL	**1,488**	**100%**	**164,196**	**110**

CHAINS	Hotels		Rooms	
	Intl.	Dom.	Intl.	Dom
Budget & Economy	4	19	503	670
Midscale	101	240	10,391	17,168
Upscale & Upper-Upscale	294	668	38,555	79,585
Luxury	63	99	7,883	9,441
Total	**462**	**1,026**	**57,332**	**106,864**

Italy: Primary Demand Driver

DRIVER	International		Domestic	
	Hotels	Rooms	Hotels	Rooms
Art & Business	183	23,229	236	21,593
Business Focus	167	20,544	147	15,792
Golf	4	798	13	2,175
Other Leisure	64	6,870	155	14,208
Ski	15	1,164	76	6,285
Sun & Beach	27	4,609	375	44,113
Thermal	2	118	24	2,698

Italy: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Best Western	149	11,386
2	Accor	79	10,283
3	Marriott International	51	9,673
4	NH Hotels	50	7,748
5	Gruppo Una	43	5,516
6	Valtur	14	4,711
7	IHG	30	4,681
8	Hilton	21	4,639
9	Iti Hotels	37	4,356
10	Starhotels	24	3,669

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Best Western	112	8,254
2	NH Hotels	39	6,142
3	Valtur	14	4,711
4	Blu Hotels	30	3,369
5	Mercure	29	3,249
6	Aeroviaggi	14	3,183
7	TH Resorts	17	3,137
8	Bluserena	8	3,130
9	B&B	30	2,889
10	Starhotels Premium	17	2,772

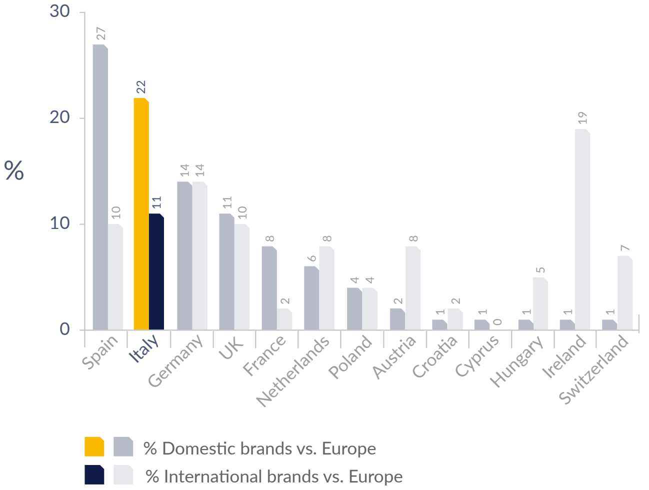
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Gruppo Una	43	5,516
2	Valtur	14	4,711
3	Iti Hotels	37	4,356
4	Starhotels	24	3,669
5	Blu Hotels	30	3,369
6	Aeroviaggi	14	3,183
7	Th Resorts	17	3,137
8	Bluserena	8	3,130
9	IH Hotels	26	2,652
10	JSH	12	2,517

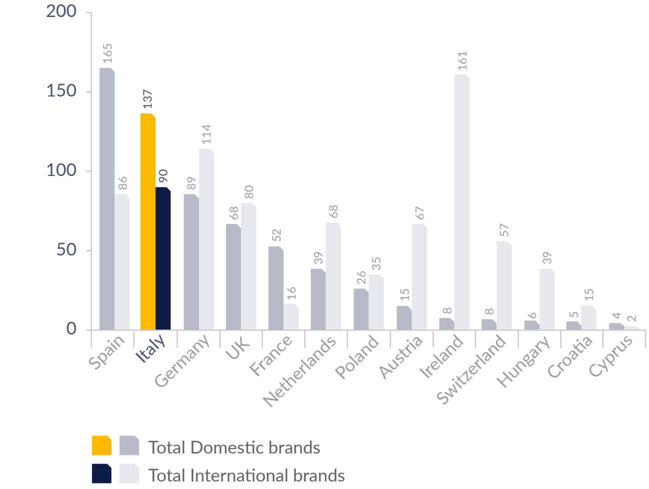
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Valtur	14	4,711
2	Blu Hotels	30	3,369
3	Aeroviaggi	14	3,183
4	TH Resorts	17	3,137
5	Bluserena	8	3,130
6	Starhotels Premium	17	2,772
7	Atahotels	13	2,664
8	Iti Hotels-Marina H&R	22	2,622
9	JSH	12	2,517
10	Una Hotels & Resorts	25	2,192

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	Best Western	149	11,386
2	Accor	79	10,283
3	Marriott International	51	9,673
4	NH Hotels	50	7,748
5	IHG	30	4,681
6	Hilton	21	4,639
7	B&B	30	2,889
8	Club Med	4	1,684
9	Louvre	7	1,139
10	Choice Hotels	13	1,101

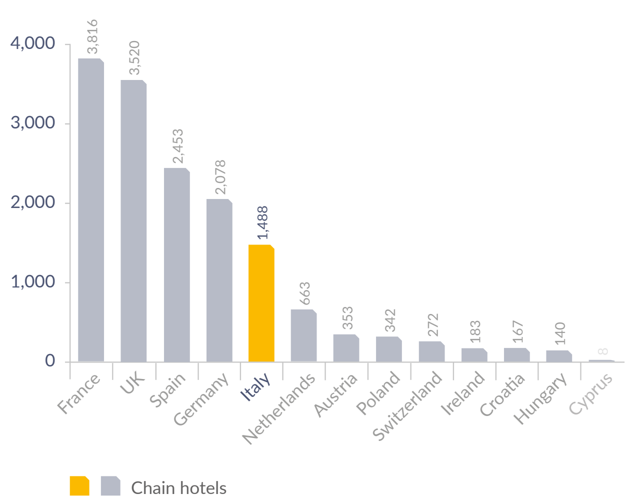
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	Best Western	112	8,254
2	NH Hotels	39	6,142
3	Mercure	29	3,249
4	B&B	30	2,889
5	Sheraton	7	2,431
6	Holiday Inn	15	2,391
7	Novotel	13	2,210
8	Hilton	6	2,065
9	Best Western Plus	21	1,990
10	Ibis	10	1,758

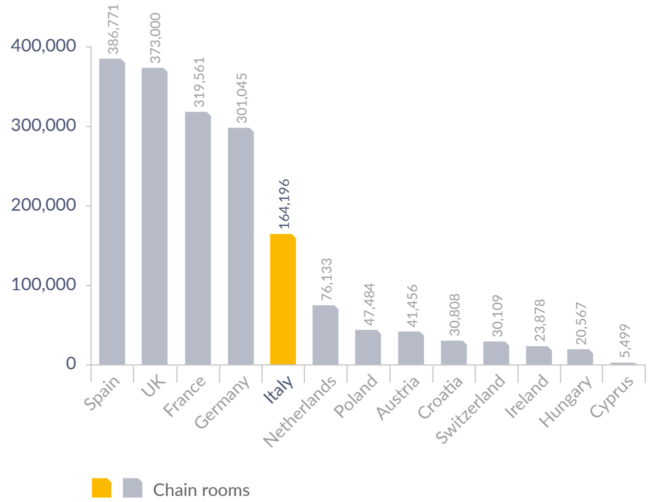
Italy: Domestic & International brands vs. Europe



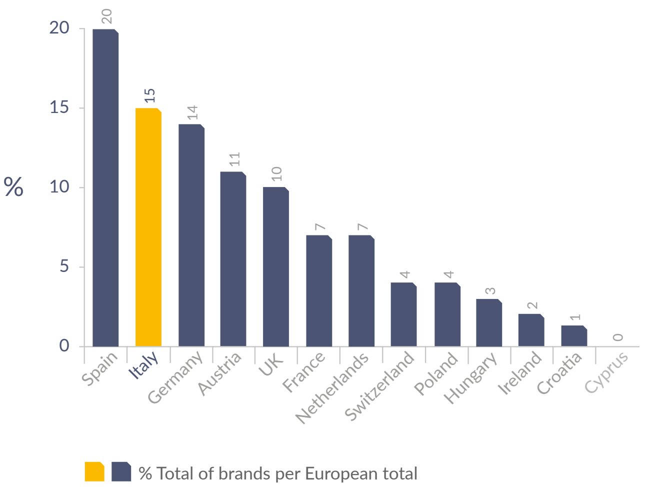


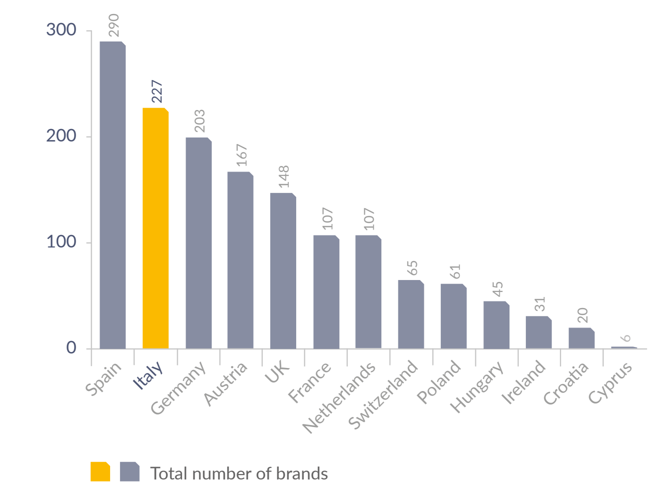
Italy: Chain hotels & rooms



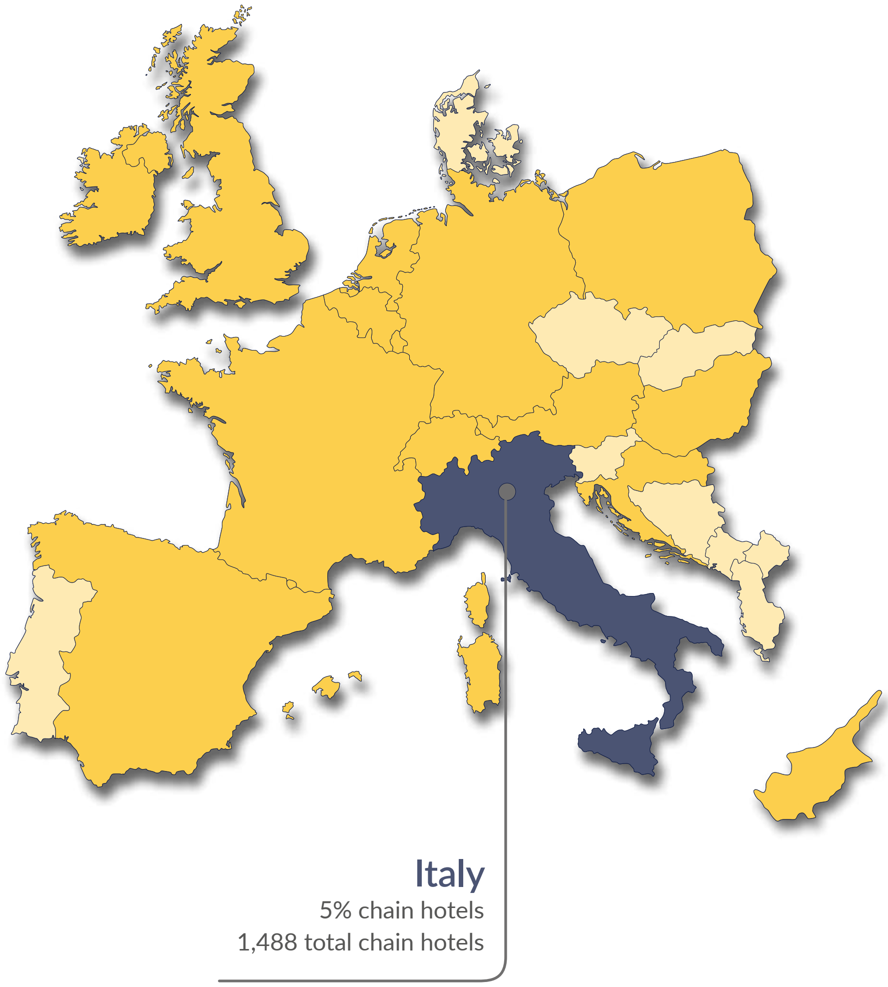


Italy: Total of brands per Europe total





Italy: European Chain Penetration



Italy: Ranking by location

Rank	Destination	Hotels
1	Rome	175
2	Milan	115
3	Florence	60
4	Venice	55
5	Rimini	36
6	Bologna	24
7	Turin	21
8	Genoa	19
9	Naples	16
10	Milano Marittima - Cervia	15

Rank	Destination	Rooms
1	Rome	20,167
2	Milan	14,924
3	Venice	5,257
4	Florence	4,627
5	Bologna	3,188
6	Naples	2,354
7	Turin	2,337
8	Genoa	2,039
9	Budoni	1,924
10	Taormina	1,786

Italy: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	B&B	30	2,889
2	Ibis	10	1,758
3	Best Western	28	1,695
4	Club Med	3	1,450
5	Valtur	5	1,430
6	Geturhotels	7	1,330
7	Chincherini Holiday Group	10	1,170
8	Ibis Styles	10	896
9	Th Resorts	5	805
10	Aeroviaggi	2	772

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Best Western	84	6,559
2	NH Hotels	39	6,142
3	Bluserena	8	3,130
4	Mercure	27	3,039
5	Valtur	8	3,023
6	Blu Hotels	24	2,989
7	Starhotels Premium	17	2,772
8	Atahotels	11	2,488
9	Aeroviaggi	12	2,411
10	Iti Hotels-Marina H&R	19	2,395

	CHAINS		
Rank	Luxury	Hotels	Rooms
1	Luxury Collection	8	954
2	Westin	4	899
3	Mgallery By Sofitel	5	625
4	NH Collection	4	567
5	Autograph Marriott	4	557
6	Gb Thermae Hotels	3	542
7	Delphina	3	541
8	Iti Hotels- Colonna Luxury	3	477
9	Boscolo	3	458
10	Select	3	451

Italy: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
Rank	Economy & Midscale	Hotels	Rooms
1	Valtur	5	1,430
2	Geturhotels	7	1,330
3	Chincherini Holiday Group	10	1,170
4	Th Resorts	5	805
5	Aeroviaggi	2	772
6	Bianchi Hotels	11	751
7	Rimini Residence	20	632
8	Apogia Hotels Group	12	618
9	Meditur	11	613
10	Aurum	3	599

	INTERNATIONAL		
Rank	Economy & Midscale	Hotels	Rooms
1	B&B	30	2,889
2	Ibis	10	1,758
3	Best Western	28	1,695
4	Club Med	3	1,450
5	Ibis Styles	10	896
6	Holiday Inn Express	6	664
7	Tulip Inn	4	445
8	A&O Hotels & Hostels	1	319
9	Mercure	2	210
10	Moxy	1	162

	DOMESTIC		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Bluserena	8	3,130
2	Valtur	8	3,023
3	Blu Hotels	24	2,989
4	Starhotels Premium	17	2,772
5	Atahotels	11	2,488
6	Aeroviaggi	12	2,411
7	Iti Hotels-Marina H&R	19	2,395
8	Ih Hotels	21	2,374
9	Th Resorts	12	2,332
10	Una Hotels & Resorts	24	2,127

	INTERNATIONAL		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Best Western	84	6,559
2	NH Hotels	39	6,142
3	Mercure	27	3,039
4	Holiday Inn	15	2,391
5	Novotel	13	2,210
6	Sheraton	5	2,133
7	Best Western Plus	19	1,942
8	Hilton	5	1,686
9	Crowne Plaza	7	1,476
10	Hilton Garden Inn	8	1,300

	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	Gb Thermae Hotels	3	542
2	Delphina	3	541
3	Iti Hotels- Colonna Luxury	3	477
4	Boscolo	3	458
5	Select	3	451
6	Jsh	2	405
7	Baglioni	6	398
8	Giorgio Mazzella Group	2	397
9	Sina	5	391
10	Allegroitalia	5	389

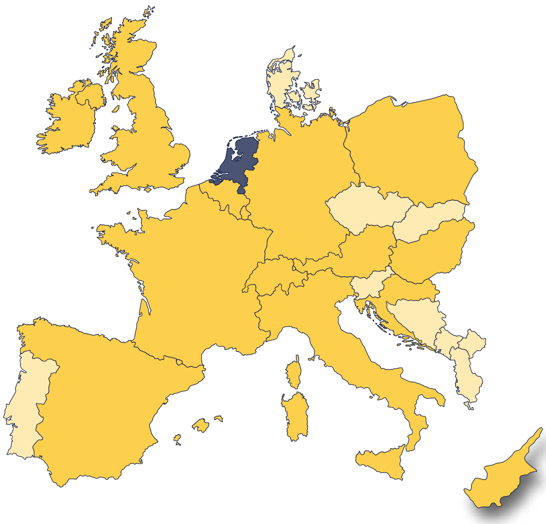
	INTERNATIONAL		
Rank	Luxury	Hotels	Rooms
1	Luxury Collection	8	954
2	Westin	4	899
3	Mgallery By Sofitel	5	625
4	NH Collection	4	567
5	Autograph Marriott	4	557
6	Melia'	4	449
7	Rocco Forte	3	427
8	Belmond	6	412
9	Dorchester Collection	2	399
10	Hilton	1	379

Please Note: ALL ITALY DATA AS OF FEBRUARY 2018

Netherlands

The Dutch hotel industry is flourishing, reaching record occupancies, room rates and revenues in 2017 and projecting further growth for the future.

Ewout Hoogendoorn, Managing Director, Horwath HTL Netherlands



Key Statistics	2017
Chain hotels	663
Chain rooms	76,133
Average size per chain hotel in rooms	114.83
Country hotels stock (overall supply)	3,503
Country rooms Stock (overall supply)	129,479
Average size per hotel in rooms	3,696
Chain penetration % by hotels	18,9%
Chain penetration % by keys	58,9%
Total number of brands	107
Domestic brands	39
International brands	68
Second-tier operated hotels	46
International chain hotels (including double counting)	262
Domestic chain hotels (including double counting)	447
International chain rooms (including double counting)	40,188
Domestic chain rooms (including double counting)	42,123

Netherlands: The market

The Dutch hotel industry is flourishing, reaching record occupancies, room rates and revenues in 2017 and projecting further growth for the future. Hotel supply has been increasing at a record pace, particularly in most of the major cities and especially in the capital city of Amsterdam. The increased supply and demand in Amsterdam has lead to a strong sense of 'over-tourism' 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 of the 'hotel stop' are visible, as there are still dozens of locations where hotel developments are already approved. Meanwhile, the other main cities in the Netherlands are experiencing increased attention from developers and 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 accommodations, offering almost 130,000 rooms. While only 19% of all accommodations is chain affiliated, almost 60% of all hotel rooms belong to a chain. Chain penetration is particularly high in the Upscale, Upper Upscale and Luxury hotels, but much less so in Midscale and Budget & Economy hotels.

Chain penetration is highest in and 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 very few are chain-affiliated.

The largest hotel chain in number of rooms remains Van der Valk, with 70 hotels and almost 10,000 hotel rooms. The largest international chain is Accor Hotels, which offers 46 hotels and almost 8,000 hotel rooms in The Netherlands. The fast-growing domestic hotel 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.

A total of 103 hotel brands are active, including 36 domestic brands and 67 international brands. Brands with the largest number of hotel rooms are Van der Valk, NH, Fletcher and Bastion. Hampshire Hospitality has dropped out of the Top 10 as the company has split into two, resulting in the return of the Eden chain and brand.

Netherlands: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	640	**663**	**3.6%**
Chain rooms	72,467	**76,133**	**5.1%**
Average size per chain hotel in rooms	113.23	**114.83**	**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	3,627	**3,696**	**1.9%**
Chain penetration % by hotels	18.6%	**18.9%**	**1.6%**
Chain penetration % by keys	58.2%	**58.9%**	**1.2%**
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 *(including double counting)*	246	**262**	**6.5%**
Domestic chain hotels *(including double counting)*	436	**447**	**2.5%**
International chain rooms *(including double counting)*	37,298	**40,188**	**7.7%**
Domestic chain rooms *(including double counting)*	40,825	**42,123**	**3.2%**

Netherlands: Key points

- **Chain Hotels**
  23 new 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.

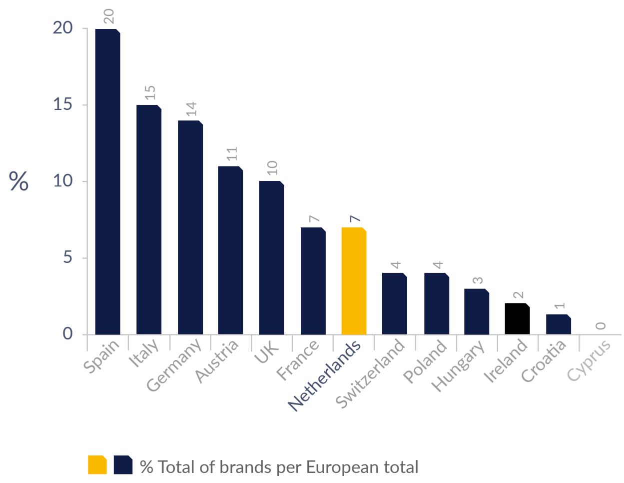
- **Total number of brands**
  The total number of hotel brands in the Netherlands increased from 99 to 107. The 8 new brands include one new domestic brand and seven new international brands.

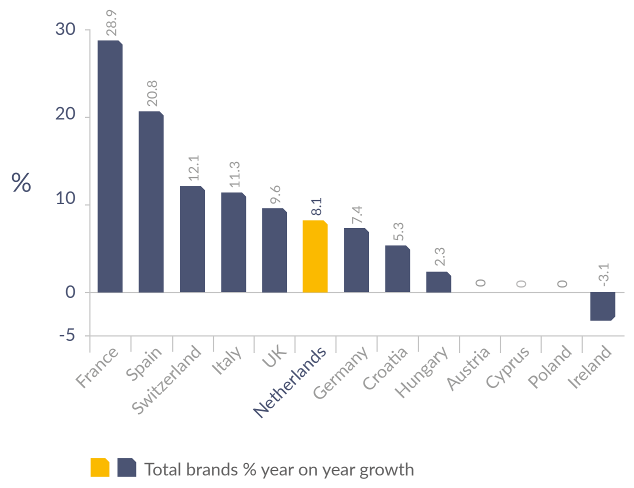
- **Domestic brands**
  Newly active brands in the Netherlands include Cityden Up, a spin-off of the domestic short stay brand Cityden.

- **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. After almost 50 years, the Days Inn brand was finally introduced in the Netherlands, with the first hotel opening in Rotterdam.

- **Country hotels stock**
  In addition to the 23 new chain hotels, 69 unbranded hotels were added to the supply,including the Ammonite Hotel in Amsterdam, Hotel The James in Rotterdam and a new hotel at the nation’s largest amusement park, Efteling.

Netherlands: Total number of brands & YOY growth





Netherlands: Ranking per scale & size

CHAINS					
	Hotels	%	Rooms	%	Avg. Size
Budget & Economy	45	6.8%	3,889	5.1%	76
Midscale	278	41.9%	24,880	32.7%	103
Upscale & Upper-Upscale	331	49.9%	46,404	61.0%	153
Luxury	9	1.4%	960	1.3%	141
TOTAL	**663**	**100.0%**	**76,133**	**100.0%**	**115**

CHAIN PENETRATION		
	Hotels	Rooms
Budget & Economy	4.2%	33.7%
Midscale	15.2%	43.4%
Upscale & Upper-Upscale	56.6%	78.3%
Luxury	81.8%	72.5%
TOTAL	**18.9%**	**58.8%**

DOMESTIC					
	Hotels	%	Rooms	%	Avg. Size
Budget & Economy	1,082	30.9%	11,546	8.9%	11
Midscale	1,825	52.1%	57,338	44.3%	31
Upscale & Upper-Upscale	585	16.7%	59,270	45.8%	101
Luxury	11	0.3%	1,325	1.0%	120
TOTAL	**167**	**100.0**	**30,808**		**184**

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	IHG	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

	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

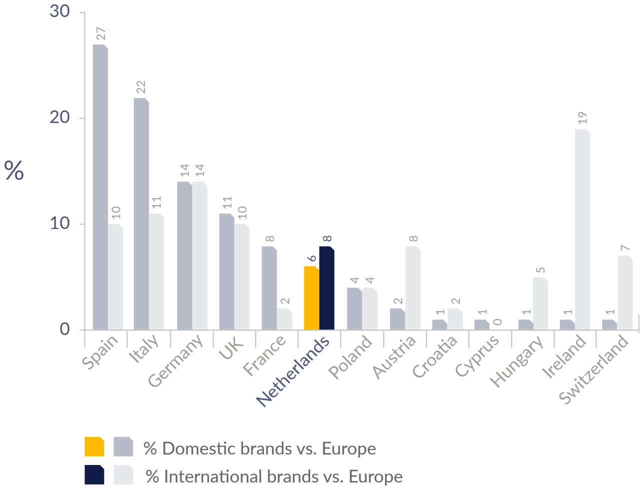
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Van der Valk	70	9,880
2	Fletcher	87	5,004
3	Bastion	32	3,312
4	Apollo	14	1,995
5	TVHG	11	1,913
6	Eden Hotels	14	1,798
7	The Student Hotel	7	1,766
8	WestCord Hotels	15	1,754
9	Bilderberg	17	1,696
10	Amrâth Hôtels	14	1,323

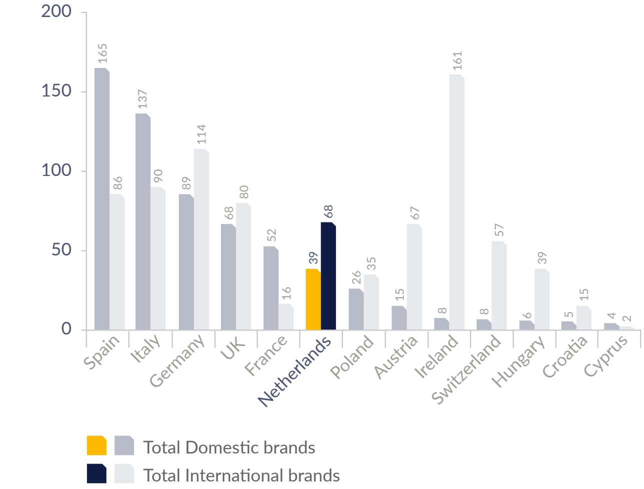
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Van der Valk	70	9,880
2	Fletcher	86	4,937
3	Bastion	31	3,119
4	The Student Hotel	7	1,766
5	Bilderberg	17	1,696
6	Golden Tulip	19	1,610
7	WestCord	14	1,497
8	Eden	11	1,429
9	Apollo	11	1,315
10	Amrâth	11	1,161

	CHAINS		
Rank	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

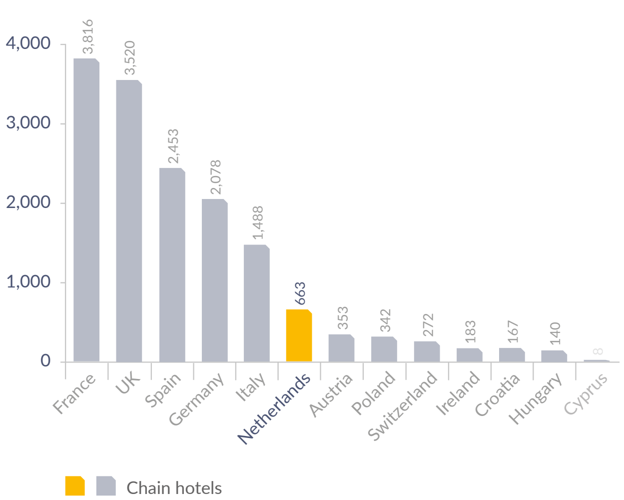
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	NH	31	5,615
2	Best Western	28	2,242
3	Ibis	11	2,182
4	Novotel	9	1,874
5	Mercure	10	1,521
6	Holiday Inn Express	8	1,351
7	Hilton	5	1,266
8	Park Plaza	5	1,010
9	NH Collection	4	981
10	Marriott	3	947

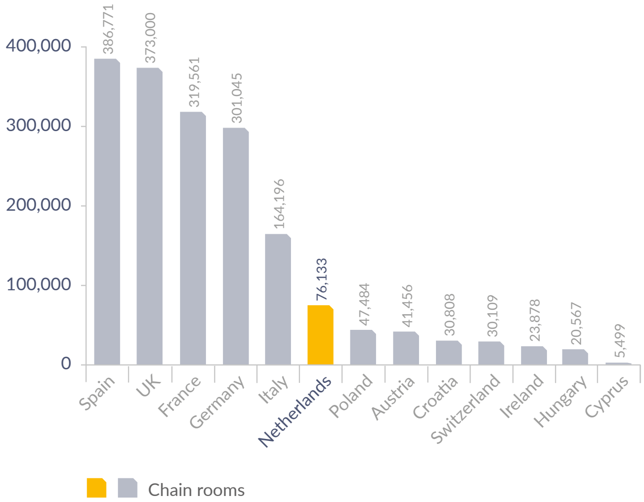
Netherlands: Domestic & International brands vs. Europe



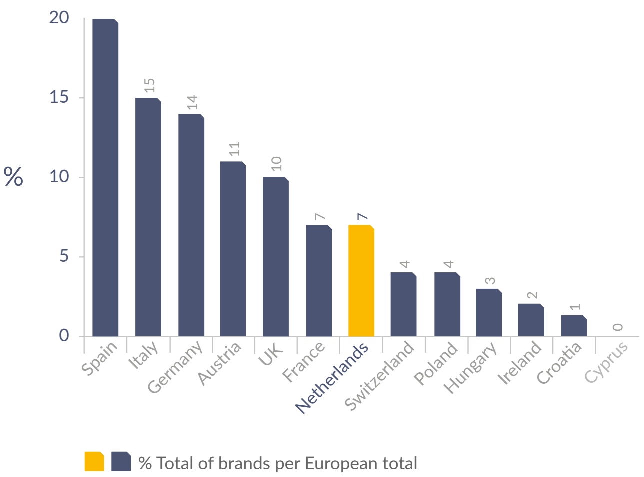


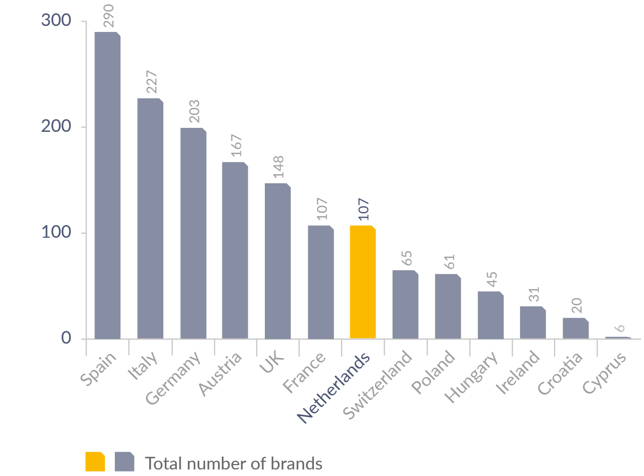
Netherlands: Chain hotels & rooms





Netherlands: Total of brands per Europe total





Netherlands: European Chain Penetration

Netherlands: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Fletcher	87	5,004
2	Bastion	31	3,119
3	Best Western	28	2,242
4	Ibis	11	2,182
5	The Student Hotel	7	1,766
6	Mercure	10	1,521
7	Holiday Inn Express	8	1,351
8	XO	7	1,018
9	Tulip Inn	11	955
10	Campanile	14	913

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Van der Valk	70	9,880
2	NH	31	5,615
3	Novotel	9	1,874
4	Bilderberg	17	1,696
5	Golden Tulip	19	1,610
6	WestCord	14	1,497
7	Eden	11	1,429
8	Apollo	11	1,315
9	Hilton	5	1,266
10	Amrâth	11	1,161

	CHAINS		
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
8	-		
9	-		
10	-		

Netherlands: Ranking by location

Rank	Destination	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	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: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
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	9,55
6	Stayokay	20	814
7	Postillion	6	515
8	Teleport	2	210
9	Hotel V	3	182
10	CityHub	2	176

	INTERNATIONAL		
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

	DOMESTIC		
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

	INTERNATIONAL		
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

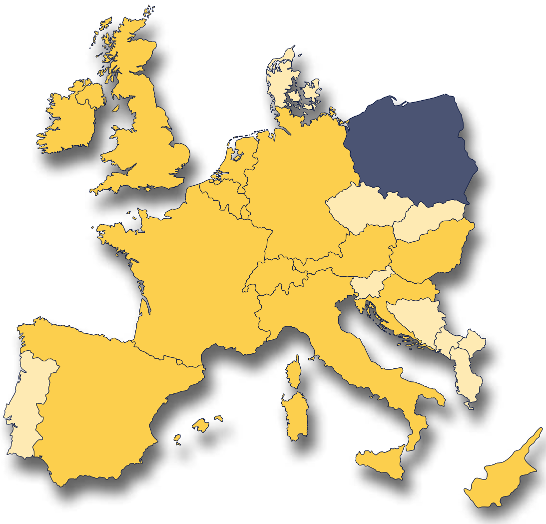
	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	-		
2	-		
3	-		
4	-		
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
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
8	-		
9	-		
10	-		

Poland

With far less fanfare than other European neighbours, Poland has quietly been building a serious number of first class hotels, many affiliated to international chains, specifically Accor.

Dariusz Futoma, Managing Director, Horwath HTL Poland



Key Statistics	2017
Chain hotels	**342**
Chain rooms	**47,484**
Average size per chain hotel in rooms	**139**
Country hotels stock (overall supply)	**2,316**
Country rooms Stock (overall supply)	**117,448**
Average size per hotel in rooms	**51**
Chain penetration % by hotels	**14%**
Chain penetration % by keys	**37%**
Total number of brands	**61**
Domestic brands	**26**
International brands	**35**
Second-tier operated hotels	**1**
International chain hotels (including double counting)	**173**
Domestic chain hotels (including double counting)	**144**
International chain rooms (including double counting)	**27,726**
Domestic chain rooms (including double counting)	**16,159**

Poland: The market

Poland has been one of the success stories of the last few years. With far less fanfare than other European neighbours, Poland has quietly been building a serious number of first class hotels, many affiliated to international chains, specifically Accor. In the same way that Polish banks had far less exposure to risky loans during the financial crisis, the investment community has the same attitude to risk for its hotel projects as well.

For a country that is not a massive tourist destination, they have almost as many chain affiliated hotels as Austria and more than Hungary, Croatia and Switzerland. That the majority of these hotels (40%) are in the midscale sector, as opposed to the upper and upper upscale hotels which are most prevalent in almost all the other countries, only goes to reinforce the impression that Poland knows where the market is and plays to its strength.

The decision of one of its largest owners, Orbis, to bet on the Accor brands has proved to be a master stroke. The annual occupancy of 72.3 is good, but the average rate of just over 67 Euros shows that there is no huge appetite at the moment for more upscale projects. Germany for example has a similar occupancy, but an ADR over 100 Euros. This sits very much in the sweetspot of the midscale brands that Accor excels at and explains why they have been able to develop 74, more than the other 4 next best performers combined. However we could be reaching a point of critical mass and the other brand, Hilton and Marriott in particular have recognised the potential and are pushing hard.

One last point to consider is the city spread of chains hotels is very even. Warsaw is obviously the leader with 55 but not by much. Krakow has 45, Wroclaw has 26 and Gdansk has 20. This shows that there is solid demand across many destinations and should bode well for future development

Poland: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	317	**342**	**7.9%**
Chain rooms	43,907	**47,484**	**8.1%**
Average size per chain hotel in rooms	139	**139**	**0.2%**
Country hotels stock *(overall supply)*	2,316	**2,316**	**0.0%**
Country rooms stock *(overall supply)*	117,448	**117,448**	**0.0%**
Average size per hotel in rooms	51	**51**	**0.0%**
Chain penetration % by hotels	14%	**14%**	**0.0%**
Chain penetration % by keys	37%	**37%**	**0.0%**
Total number of brands	61	**61**	**0.0%**
Domestic brands	26	**26**	**0.0%**
International brands	35	**35**	**0.0%**
Second-tier operated hotels	1	**1**	**0.0%**
International chain hotels *(including double counting)*	173	**173**	**0.0%**
Domestic chain hotels *(including double counting)*	144	**144**	**0.0%**
International chain rooms *(including double counting)*	27,726	**27,726**	**0.0%**
Domestic chain rooms *(including double counting)*	16,159	**16,159**	**0.0%**

Poland: Key points

- **Accor is king...for now**
  Accor make up the lions share of the Chains market with 74 hotels and almost 12,500 rooms. That's more than the next 6 runners up combined.

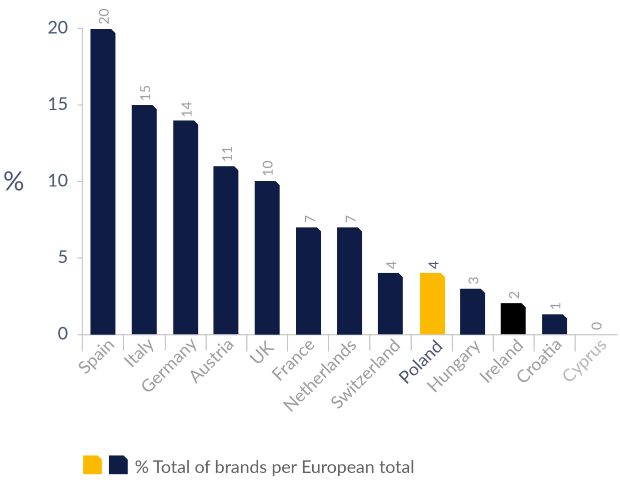
  Not surprisingly, Ibis, Mercure and Novotel are the top three brands in the country. All eyes are on Marriott and Hilton though who have big plans to muscle in.

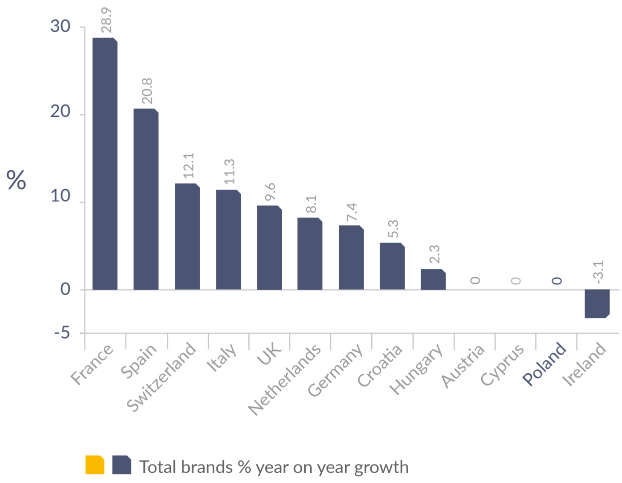
- **Midscale is massive**
  Unlike many of their European counterparts, Midscale rather than upper upscale brands are the most significant in Poland, representing nicely where the market sits. Most room for growth is in the budget (13.7%) and Luxury markets (10.5%).

- **A good spread**
  One other thing that Poland has done well is to spread the chains out over several locations and to not focus too much on the capital Warsaw.

  Warsaw still comes top in terms of number of properties at 55, but Krakow is close behind on 45, Wroclaw has 26 and Gdansk has 20.

Poland: Total number of brands & YOY growth





Poland: Ranking per scale & size

CHAINS				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	47	13.7%	5,196	111
Midscale	138	40.4%	14,837	108
Upscale & Upper-Upscale	121	35.4%	20,380	168
Luxury	36	10.5%	7,071	196
TOTAL	**342**	**100.0%**	**47,484**	**139**

Poland: Ranking by location

Rank	Destination	Hotels	Rooms
1	Warszawa	55	12,086
2	Kraków	45	5,719
3	Wrocław	26	3,511
4	Gdańsk	20	2,692
5	Poznań	16	2,332
6	Łódź	15	2,057
7	Katowice	14	1,814
8	Swinoujście	-	1,092
9	Karpacz	2	1,006
10	Sopot	9	720

Poland: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Accor/Orbis	74	12,498
2	Hilton Hotels	19	3,330
3	Marriott International	13	3,089
4	Gołebiewski	4	2331
5	Radisson	10	2,331
6	Louvre Hotels Group	18	2,185
7	IHG	10	1,714
8	Best Western	19	1,699
9	Qubus	14	1,465
10	Gromada	9	938

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Ibis	33	4,502
2	Mercure	24	3,812
3	Novotel	9	2,775
4	Gołębiewski	4	2,331
5	Radisson Blu	6	1,483
6	Qubus	14	1,465
7	Hampton By Hilton	9	1,375
8	Best Western	14	1,122
9	Wam	15	1,113
10	Campanille	10	1,106

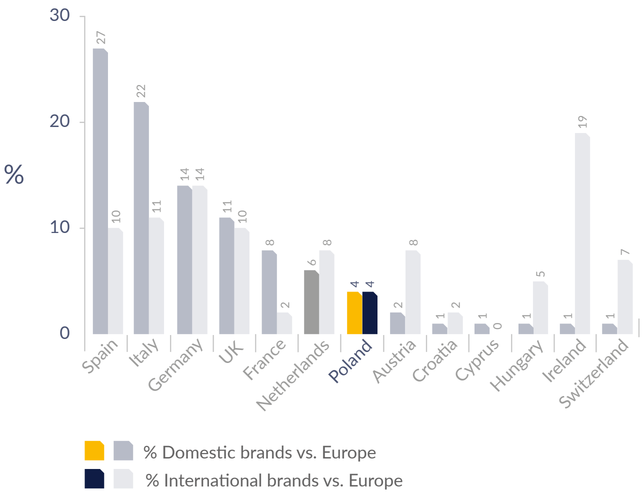
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Gołebiewski	4	2,331
2	Qubus	14	1,465
3	Satoria Group	8	1,280
4	Arche	9	1,244
5	WAM	15	1,113
6	Zdrojowa Invest	9	1,068
7	Gromada	9	938
8	Diament	13	925
9	Focus	9	802
10	Trip	2	218

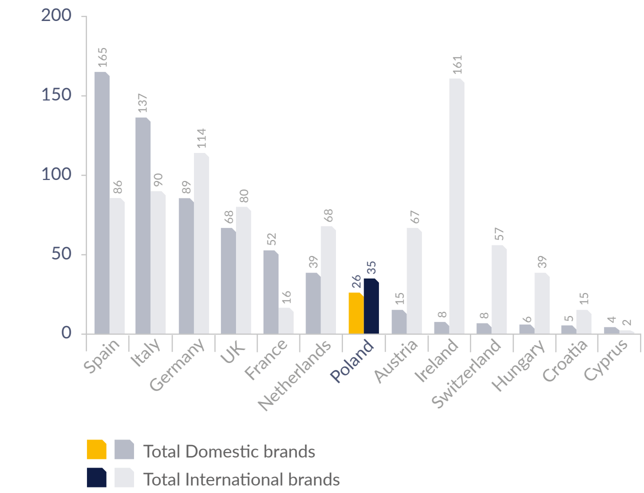
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Gołębiewski	4	2,331
2	Qubus	14	1,465
3	Wam	15	1,113
4	Satoria Group	7	1,106
5	Gomada	9	938
6	Arche	7	914
7	Q Hotels	6	733
8	Zdrojowa Invest	4	677
9	Diament	7	663
10	Focus	6	571

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	Accor/Orbis	74	12,498
2	Hilton Hotels	19	3,330
3	Marriott International	13	3,089
4	Radisson	10	2,331
5	Louvre Hotels Group	18	2,185
6	IHG	10	1,714
7	Best Western	19	1,699
8	Vienna House	5	1,052
9	Puro Hotels	5	815
10	B&B	5	641

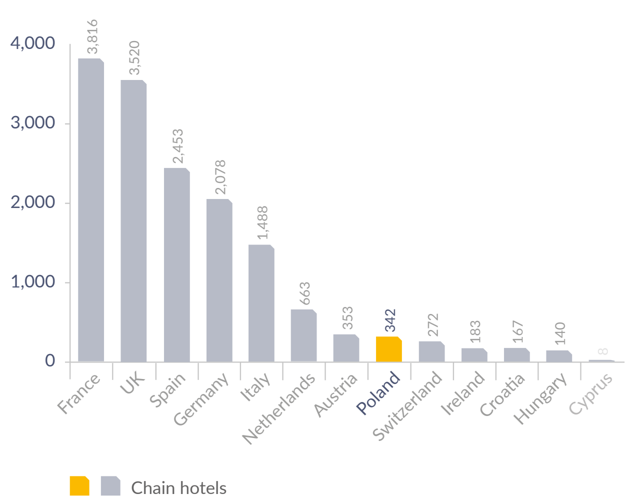
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	Ibis	33	4,502
2	Novotel	9	2,775
3	Mercure	11	2,076
4	Mercure	13	1,736
5	Radisson Blu	6	1,483
6	Hampton By Hilton	9	1,375
7	Best Western	14	1,122
8	Campanille	10	1,106
9	Sheraton	4	951
10	Holiday Inn	5	823

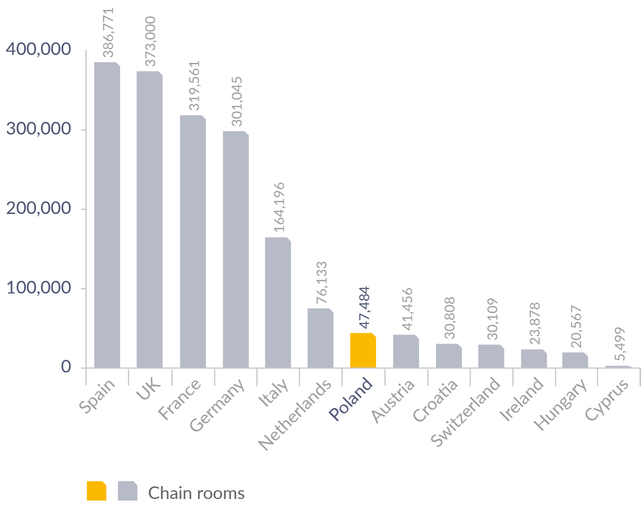
Poland: Domestic & International brands vs. Europe



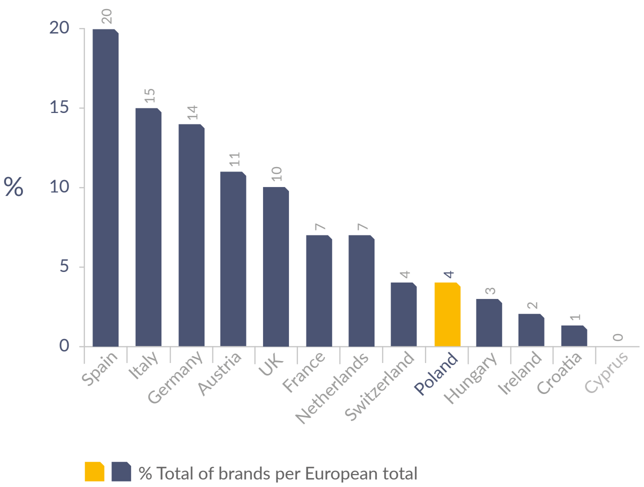


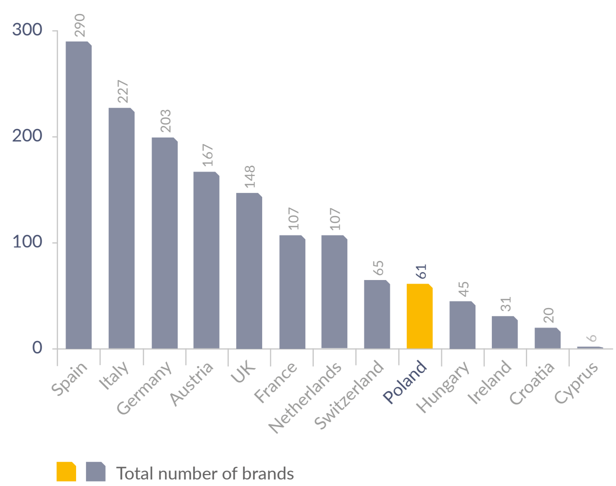
Poland: Chain hotels & rooms



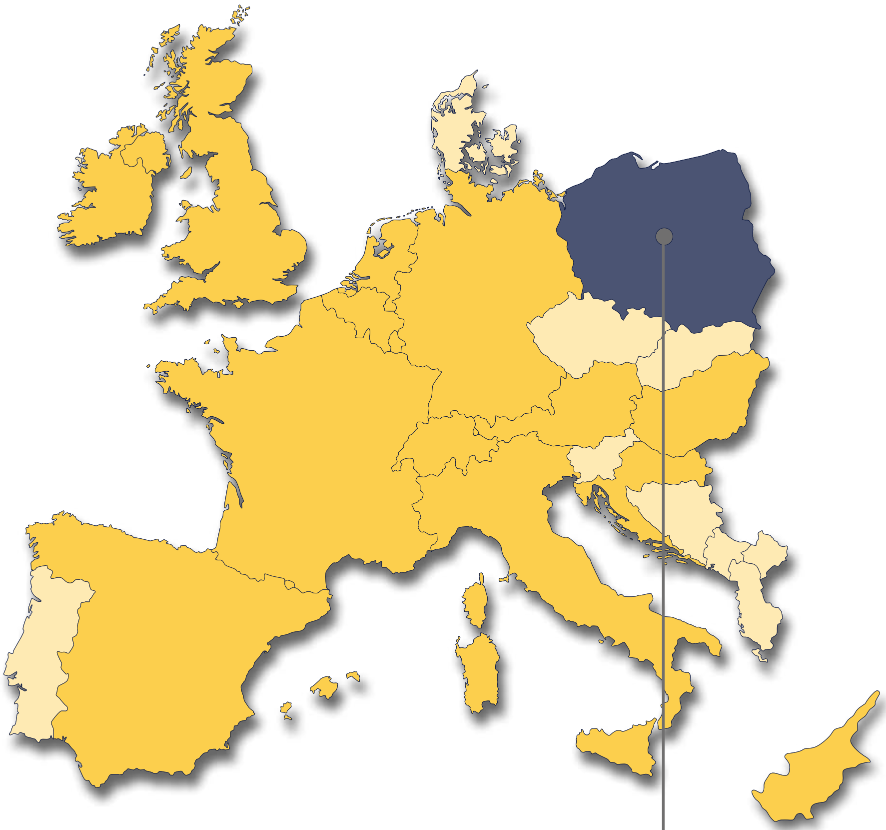


Poland: Total of brands per Europe total





Poland: European Chain Penetration



Poland
2.2% chain hotels
342 total chain hotels

Poland: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	33	4,502
2	Mercure	13	1,736
3	Hampton By Hilton	9	1,375
4	Best Western	14	1,122
5	Wam	15	1,113
6	Campanille	10	1,106
7	Gomada	9	938
8	B&B	5	641
9	Novotel	4	628
10	Elbest	5	504

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	9	2,775
2	Gołębiewski	4	2,331
3	Mercure	11	2,076
4	Qubus	14	1,465
5	Holiday Inn	5	823
6	Golden Tulip	6	817
7	Radisson Blu	2	804
8	Diament	7	663
9	Best Western	5	577
10	Double Tree By Hilton	2	432

	CHAINS		
Rank	Luxury	Hotels	Rooms
1	Radisson Blu	6	1,483
2	Sheraton	4	951
3	Zdrojowa Invest	4	677
4	Sofitel	3	675
5	Double Tree By Hilton	2	549
6	Marriott	1	523
7	Hilton	2	464
8	Intercontinental	1	414
9	Westin	1	361
10	Likus	4	311

Poland: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
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

	INTERNATIONAL		
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

	DOMESTIC		
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

	INTERNATIONAL		
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

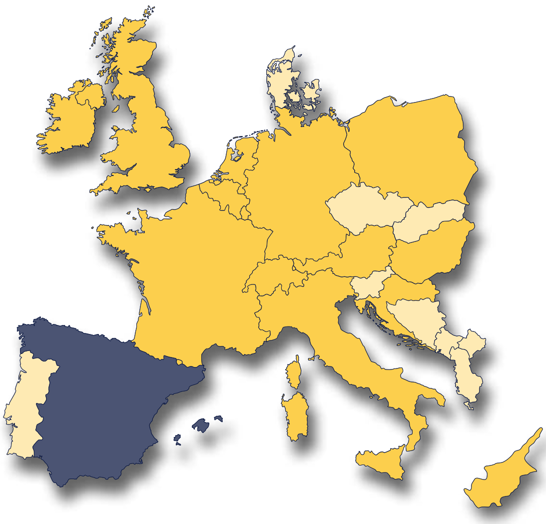
	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	Zdrojowa Invest	4	677
2	Likus	4	311
3	-		
4	-		
5	-		
6	-		
7	-		
8	-		
9	-		
10	-		

	INTERNATIONAL		
Rank	Luxury	Hotels	Rooms
1	Sheraton	4	951
2	Radisson Blu	6	1,483
3	Sofitel	3	675
4	Marriott	1	523
5	Hilton	2	464
6	Intercontinental	1	414
7	Westin	1	361
8	Holiday Inn	1	237
9	Bristol	1	206
10	Double Tree By Hilton	2	549

Spain

Spain still has strong appeal for investment and development, although finding good sites and under-exploited built assets, is becoming increasingly difficult.

Philip Bacon, Director, Horwath HTL Spain



Key Statistics	2017
Chain hotels	2,453
Chain rooms	386,771
Average size per chain hotel in rooms	158
Country hotels stock (overall supply)	7,369
Country rooms Stock (overall supply)	691,539
Average size per hotel in rooms	94
Chain penetration % by hotels	33.3%
Chain penetration % by keys	55.9%
Total number of brands	290
Domestic brands	204
International brands	86
Second-tier operated hotels	70
International chain hotels (including double counting)	417
Domestic chain hotels (including double counting)	2,036
International chain rooms (including double counting)	64,509
Domestic chain rooms (including double counting)	322,262

Spain: The market

Spain still has strong appeal for investment and development, although finding good sites and under-exploited, built assets is becoming increasingly difficult.

Investors are busy studying competing, specialist asset classes such as senior residences and student residences, which in some cases offer higher yields.

From a tourism point of view, Spain has a number of quite distinct regions and cities, and these are experiencing different levels of activity and are therefore attracting different types of investor.

The residential market has seen significant growth in recent years, often driven by the Golden Visa program that has fuelled interest in resort-based property.

This has a knock-on effect on the hospitality sector, especially tourist apartments, which are destined to become an increasingly important feature of the hospitality sector as operators realize that they need to specialize in this asset class in order to compete with the combination of online platforms and local, entrepreneurial property managers.

Limited supply is putting pressure on the need for new concept development that will be sustainable for the next cycle and the next generation of tourists.

Many existing hotels are stuck in the past and radical change is needed. As they say, there are only two types of hotel; those that need to change, and those that need to be torn down.

Spain: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	2,351	**2,453**	**4.34%**
Chain rooms	379,935	**386,771**	**1.80%**
Average size per chain hotel in rooms	162	**158**	**-2.43%**
Country hotels stock *(overall supply)*	7,053	**7,369**	**4.48%**
Country rooms stock *(overall supply)*	667,259	**691,539**	**3.64%**
Average size per hotel in rooms	95	**94**	**-0.81%**
Chain penetration % by hotels	33%	**33%**	**0.0%**
Chain penetration % by keys	57%	**56%**	**-1.58%**
Total number of brands	240	**290**	**20.83%**
Domestic brands	169	**204**	**20.71%**
International brands	71	**86**	**21.13%**
Second-tier operated hotels	66	**70**	**6.06%**
International chain hotels *(including double counting)*	457	**417**	**-8.75%**
Domestic chain hotels *(including double counting)*	1,894	**2,036**	**7.50%**
International chain rooms *(including double counting)*	73,658	**64,509**	**-12.42%**
Domestic chain rooms *(including double counting)*	306,277	**322,262**	**5.22%**

Spain: Key points

- 4% growth in total chain hotels in a mature market highlights continuing interest in the region on the part of both investors and operators. Lower growth in number of keys (1.8%) and a slight reduction in average room count of chain hotels (down 2.4% to 158), suggest that restrictions in supply of properties are resulting in compromises on room count.

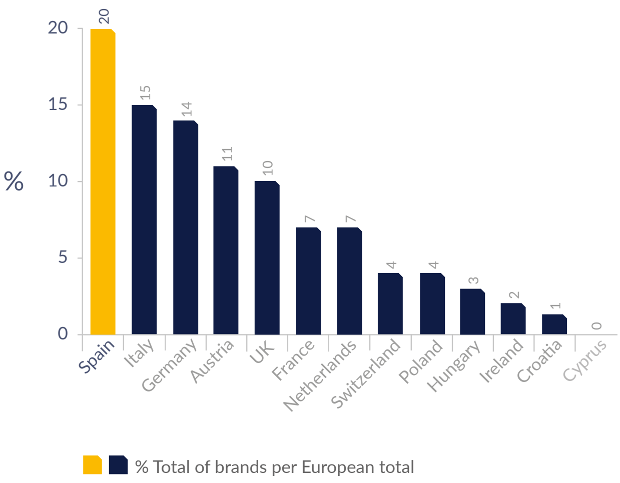
- Overall penetration by chain hotels remains constant at approximately 33% of total chain supply; the highest of the countries measured in our survey.

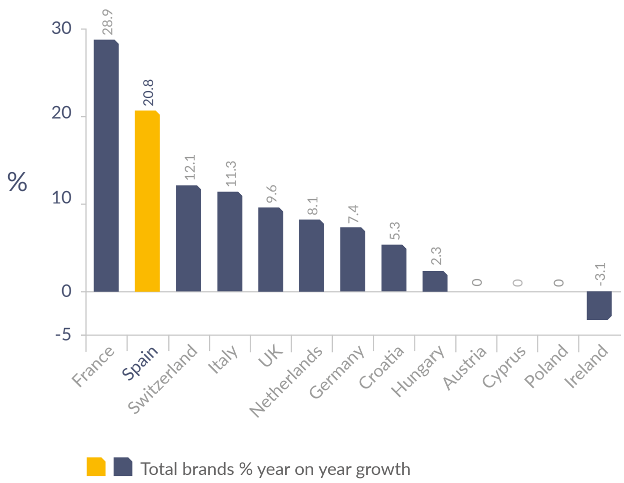
- The total number of brands has grown by 21% to 290. With 204 (NB update summary chart which shows 165) domestic brands, Spain has the highest number of all the countries in our survey; a reflection of both the variety of hotel types and the deeply regional character of Spain's hospitality market. The number of international brands also grew by 21% to 86; a reflection of the continuing interest from international operators.

- In terms of room count, Meliá Hotels and Resorts dominance grows and now occupies first and second place in the brand ranking (Meliá and Sol), pushing Tryp by Wyndham (managed by Meliá) out of the top ten, to be replaced by Catalonia.

- B&B hotels rises from 10th to 7th place in the ranking of international brands, with the top ten international brands still dominated by Accor (73 hotels in total compared to largest single brand, AC by Marriott, with 59 hotels).

Spain: Total number of brands & YOY growth





Spain: Ranking per scale & size

CHAINS				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	179	7.3%	12,712	71
Midscale	619	25.2%	81,333	131
Upscale & Upper-Upscale	1,433	58.4%	251,108	175
Luxury	222	9.1%	41,618	187
TOTAL	**2,453**	**100.0%**	**386,771**	**158**

DOMESTIC				
	Hotels	%	Rooms	Avg. Size
Budget & Economy	2,126	28.9%	75,438	35
Midscale	2246	30.5%	186,461	83
Upscale & Upper-Upscale	2,580	35.0%	368,168	143
Luxury	417	5.7%	61,472	147
TOTAL	**7,369**		**691,539**	**94**

Spain: Ranking by location

Rank	Destination	Hotels	Rooms
1	Barcelona	677	55,038
2	Madrid	402	41,826
3	Palma - Calviá	363	41,448
4	Costa del Sol	296	36,801
5	Gran Canaria	402	37,141
6	Costa Blanca	319	31,950
7	St. Cruz de Tenerife	238	31,170
8	Costa Brava	229	22,762
9	Costa Daurada	167	22,487
10	Sevilla	128	9,899

Spain: Primary Demand Driver

DRIVER	International		Domestic	
	Hotels	Rooms	Hotels	Rooms
Urban	121	8,063	529	64,452
Suburban	150	15,482	387	35,449
Rural	8	645	143	6,445
Beach	108	24,513	916	206,248
Golf	8	1,935	41	6,445
Ski & Mountain	-	-	20	3,223
Airport	17	1,935	-	-
Motel	-	-	20	-
Theme Park	4	1,935	-	-

Spain: Ranking by size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Meliá Hotels International	89	25,719
2	NH Hotel Group	133	16,672
3	Barceló Hotel Group	66	15,954
4	Marriott International	95	14,292
5	Eurostars Hotel Company	127	12,839
6	Accor Hotels	96	11,413
7	Riu Hotels & Resorts	31	10,801
8	H10 Hotels	52	10,770
9	Best Hotels	30	9,322
10	Iberostar Hotels & Resorts	41	8,474

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Meliá	39	11,399
2	Sol	34	10,846
3	H10 Hotels	50	10,602
4	NH	81	9,021
5	Barceló	35	8,821
6	Best	26	8,559
7	Eurostars	67	7,403
8	AC Hotels By Marriott	59	6,585
9	Catalonia	56	6,502
10	Globales	26	6,196

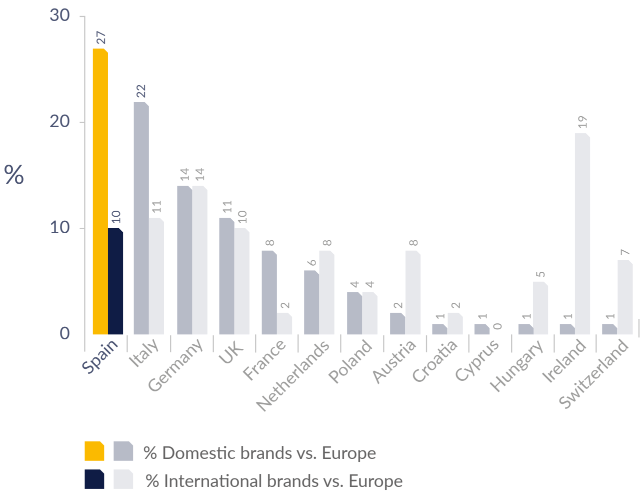
	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Meliá Hotels International	89	25,719
2	NH Hotel Group	133	16,672
3	Barceló Hotel Group	66	15,954
4	Eurostars Hotel Company	127	12,839
5	Riu Hotels & Resorts	31	10,801
6	H10 Hotels	52	10,770
7	Best Hotels	30	9,322
8	Iberostar Hotels & Resorts	41	8,474
9	Senator Hotels & Resorts	33	6,823
10	Hoteles Catalonia	56	6,502

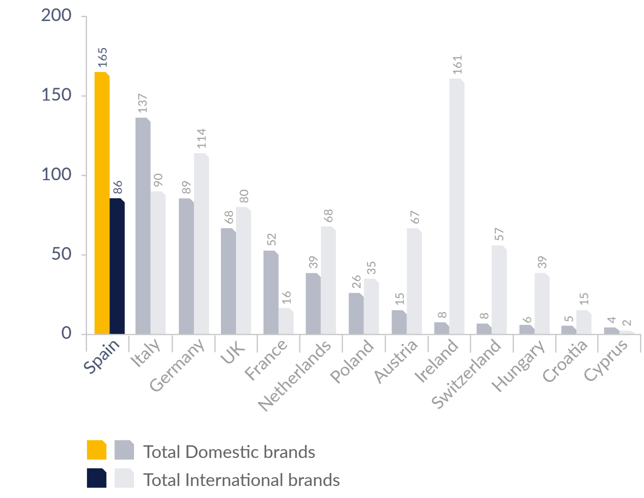
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Meliá	39	11,399
2	Sol	34	10,846
3	H10 Hotels	50	10,602
4	NH	81	9,021
5	Barceló	35	8,821
6	Best	26	8,559
7	Eurostars	67	7,403
8	Catalonia	56	6,502
9	Globales	26	6,196
10	Occidental	21	5,550

	CHAINS		
Rank	International Chain Groups	Hotels	Rooms
1	Marriott International	95	14,292
2	Accor Hotels	96	11,413
3	Wyndham Hotels World-wide	45	6,428
4	Princess Hotels & Resorts	16	5,812
5	Allsun Hotels	30	4,120
6	IHG	27	3,410
7	Thomas Cook	16	3,011
8	B&B Hotels	28	2,734
9	Hilton	13	2,115
10	Tui Hotels & Resorts	8	1,963

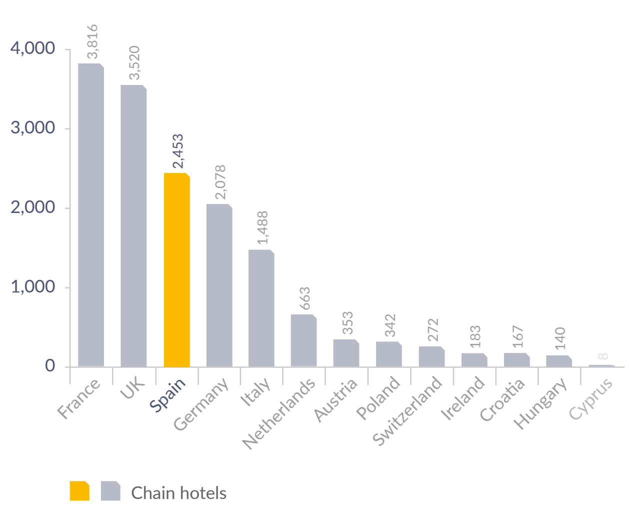
	BRANDS		
Rank	International Chain Brands	Hotels	Rooms
1	AC Hotels By Marriott	59	6,585
2	Tryp By Wyndham	44	6,165
3	Princess	14	5,283
4	Ibis	40	4,266
5	Allsun	30	4,120
6	Labranda	28	1,918
7	B&B Hotel	28	2,734
8	Ibis Budget	25	2,424
9	Novotel	8	2,162
10	Holiday Inn Express	18	1,942

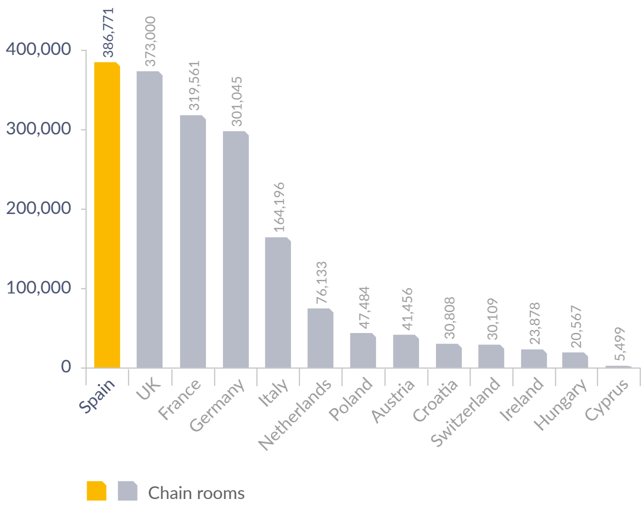
Spain: Domestic & International brands vs. Europe



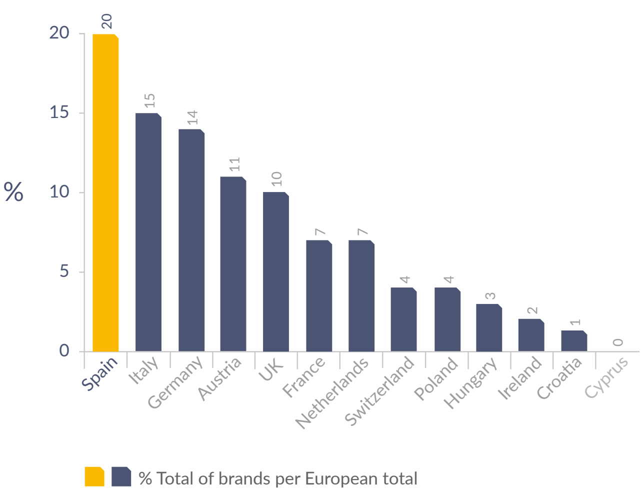


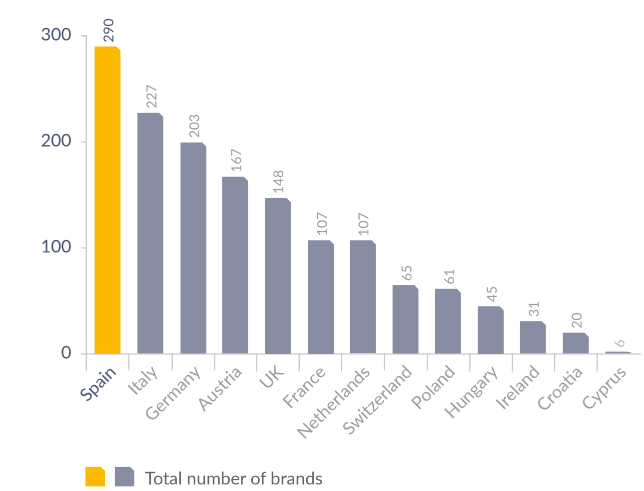
Spain: Chain hotels & rooms



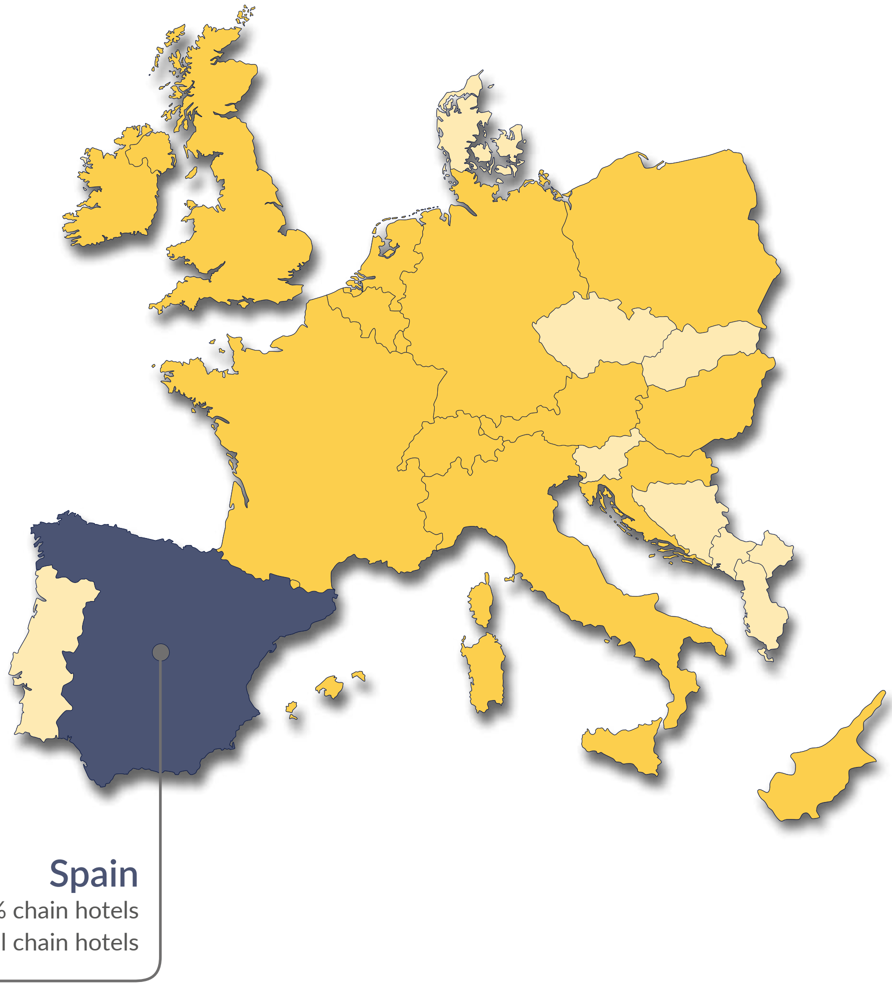


Spain: Total of brands per Europe total





Spain: European Chain Penetration



Spain: Business Model

HOTELS	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy	37	15%	95	37%	18	7%	105	41%	255	100%
Midscale	58	7%	251	31%	72	9%	437	53%	818	100%
Upscale & Upper-Upscale	69	4%	451	26%	226	13%	1,020	58%	1,766	100%
Luxury	12	4%	48	16%	73	24%	167	56%	300	100%
Total	**176**	**6%**	**845**	**27%**	**389**	**12%**	**1,729**	**55%**	**3,139**	**100%**

ROOMS	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy	2,725	16%	6,204	37%	1,213	7%	6,471	39%	16,613	100%
Midscale	5,761	6%	26,009	26%	7,607	7%	62,265	61%	101,642	100%
Upscale & Upper-Upscale	11,400	4%	66,777	22%	35,765	12%	184,811	62%	298,753	100%
Luxury	1,951	4%	8,621	17%	11,836	23%	29,760	57%	52,168	100%
Total	**21,837**	**5%**	**107,611**	**23%**	**56,421**	**12%**	**283,307**	**60%**	**469,176**	**100%**

Spain: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Sol	34	10,846
2	Best	26	8,559
3	Catalonia	56	6,502
4	Globales	26	6,196
5	Tryp By Wyndham	44	6,165
6	Ibis	40	4,266
7	Oh!Tels	17	3,751
8	H Top	18	3,648
9	B&B Hotel	28	2,734
10	Ibis Budget	25	2,424

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Meliá	39	11,399
2	H10 Hotels	50	10,602
3	NH	81	9,021
4	Barceló	35	8,821
5	Eurostars	67	7,403
6	Ac Hotels By Marriott	59	6,585
7	Occidental	21	5,550
8	Princess	14	5,283
9	Hipotels	27	4,722
10	Servigroup	18	4,665

	CHAINS		
Rank	Luxury	Hotels	Rooms
1	NH Collection	29	4,120
2	Riu Palace	7	2,341
3	Gran Meliá	7	1,673
4	Royal Hideaway	6	1,134
5	Sheraton	5	1,110
6	Me By Meliá	5	1,100
7	Hilton	4	1,093
8	W	4	1,026
9	Hard Rock Hotel	2	944
10	The Ritz-Carlton	2	943

Spain: Destination pipeline (2018-2019)

PIPELINE			
Rank	Destination	Hotels	Rooms
1	Mallorca	10	3,640
2	Costa del Sol	11	2,863
3	Madrid	11	2,161
4	Islas de Gran Canaria	4	876
5	Barcelona	5	867
6	Costa Dorada	3	787
7	Costa Blanca	5	652
8	Ibiza	3	368
9	Costa Tropical	2	352
10	Bilbao	1	108

Spain: Ranking by scale *(Domestic vs International brands)*

	DOMESTIC		
Rank	Economy & Midscale	Hotels	Rooms
1	Sol	34	10,846
2	Best	26	8,559
3	Catalonia	56	6,502
4	Globales	26	6,196
5	Oh!Tels	17	3,751
6	H Top	18	3,648
7	Exe	36	3,395
8	Alegría Hotels	15	2,585
9	Blue Sea	18	2,419
10	Azuline	9	1,768

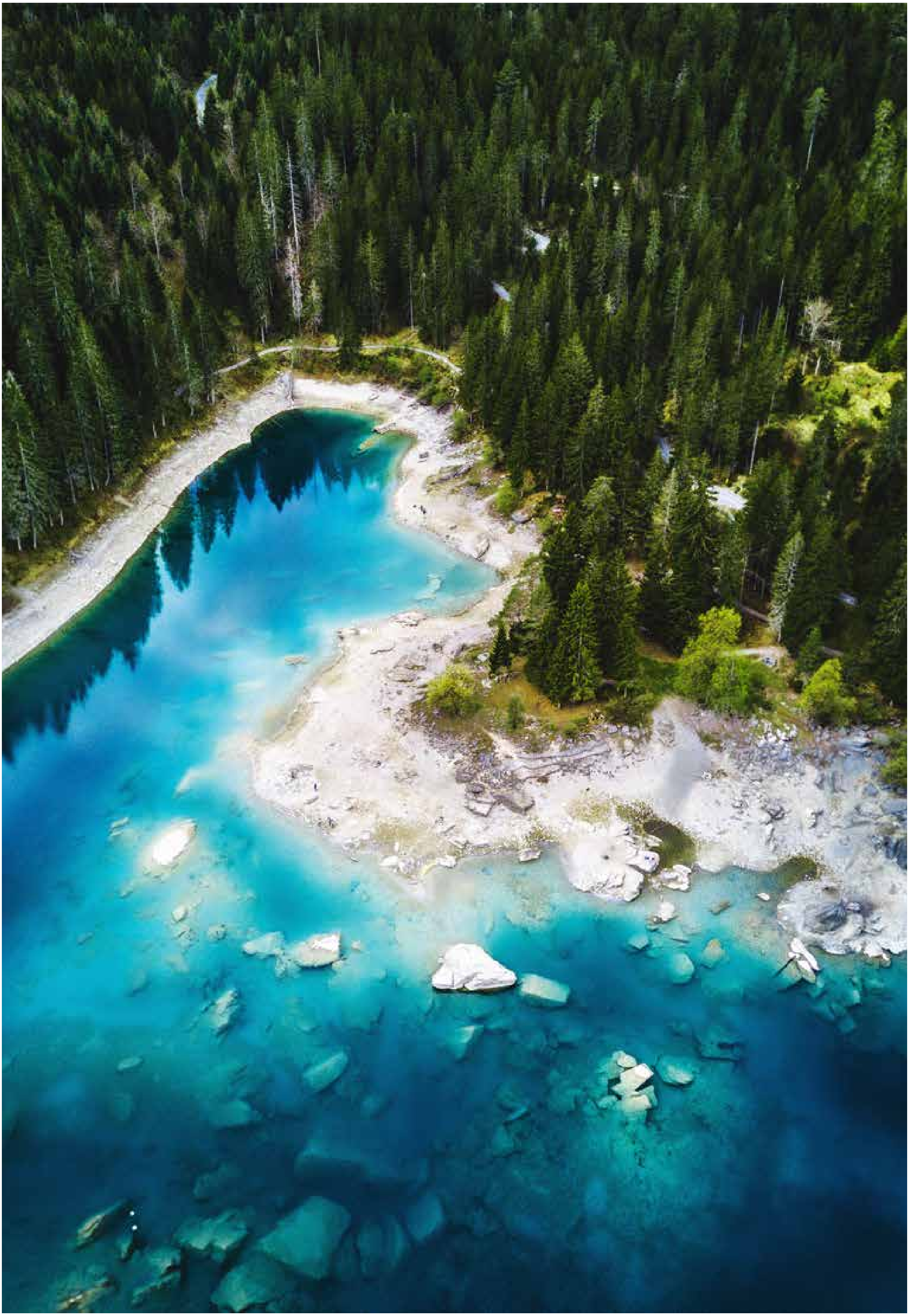
	INTERNATIONAL		
Rank	Economy & Midscale	Hotels	Rooms
1	Tryp By Wyndham	44	6,165
2	Ibis	40	4,266
3	B&B Hotel	28	2,734
4	Ibis Budget	25	2,424
5	Novotel	8	2,162
6	Holiday Inn Express	18	1,942
7	Smartline	5	1,089
8	Holiday Inn	6	1,016
9	Campanile	7	852
10	Ibis Styles	9	711

	DOMESTIC		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Meliá	39	11,399
2	H10 Hotels	50	10,602
3	NH	81	9,021
4	Barceló	35	8,821
5	Eurostars	67	7,403
6	Occidental	21	5,550
7	Hipotels	27	4,722
8	Servigroup	18	4,665
9	Clubhotel Riu	8	4,020
10	Playa	14	3,890

	INTERNATIONAL		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Ac Hotels By Marriott	59	6,585
2	Princess	14	5,283
3	Allsun	30	4,120
4	Labranda	28	1,918
5	Universal	13	1,660
6	Pierre & Vacances	8	1,198
7	Sentido	6	1,034
8	Mercure	10	908
9	Doubletree By Hilton	6	742
10	Travelodge	5	621

	DOMESTIC		
Rank	Luxury	Hotels	Rooms
1	NH Collection	29	4,120
2	Riu Palace	7	2,341
3	Gran Meliá	7	1,673
4	Royal Hideaway	6	1,134
5	Me By Meliá	5	1,100
6	Iberostar Premium Gold	4	948
7	Grand Palladium	2	840
8	Vincci Selección	6	637
9	Iberostar Grand Collection	4	479
10	Hospes	9	472

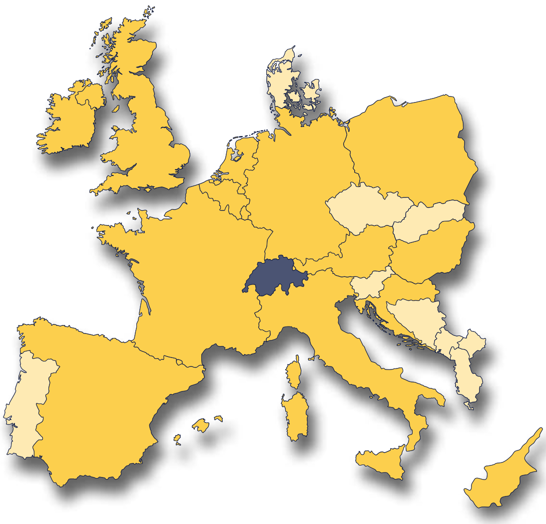
	INTERNATIONAL		
Rank	Luxury	Hotels	Rooms
1	Sheraton	5	1,110
2	Hilton	4	1,093
3	W	4	1,026
4	Hard Rock Hotel	2	944
5	The Ritz-Carlton	2	943
6	Westin	3	775
7	Autograph Collection	9	639
8	The Luxury Collection	4	494
9	Radisson Blu	3	476
10	Fairmont	1	432



Switzerland

The hotel asset class has increasingly become a focal point for institutional investors. We consider this to be an important driver for the continued development of the Swiss hotel industry.

Heinz Wehrle, Managing Director, Horwath HTL Switzerland



Key Statistics	2017
Chain hotels	272
Chain rooms	30,109
Average size per chain hotel in rooms	111
Country hotels stock (overall supply)	4,418
Country rooms Stock (overall supply)	131,175
Average size per hotel in rooms	30
Chain penetration % by hotels	19%
Chain penetration % by keys	59%
Total number of brands	65
Domestic brands	8
International brands	57
Second-tier operated hotels	18%
International chain hotels (including double counting)	158
Domestic chain hotels (including double counting)	114
International chain rooms (including double counting)	20,719
Domestic chain rooms (including double counting)	9,390

Switzerland: The market

In total, Swiss hotels welcomed 6.2% more guests in 2017 than they did the year before. Nearly 400k - equalling 37% of these additional arrivals - were of domestic origin, thus, generating a 4.8% in that category.

Developments in 2017 were positive for the hotel industry in more than one way. In addition to the improved regulatory framework, demand and profitability has increased. As a result, the hotel asset class has increasingly become a focal point for institutional investors. We consider this to be an important driver for the continued development of the Swiss hotel industry.

New openings, acquisitions or franchise agreements accounted for 38% of the additional chain affiliated room supply in 2017, while 62% are related to domestic chains exceeding the threshold for consideration for the first time or smaller regional groups that have gone unnoticed in the first edition of the report.

Destinations have created new products which generate attention in Switzerland and abroad. Results of our research shows that Swiss hoteliers do not leave the development of hotel chains and brands to foreign companies. New stars are rising who offer trendy, highly demanded products. As of now, 42% of all chain hotels in Switzerland are affiliated to Swiss groups with an upward tendency.

The three Asian target market with the biggest growth rates were India, Korea and China, with a combined increase of 16.6% in arriving travellers.

Switzerland: Year on year data

Key Statistics	2016	2017	% Diff.
Chain hotels	218	**272**	**25%**
Chain rooms	25,448	**30,109**	**18%**
Average size per chain hotel in rooms	117	**111**	**-5%**
Country hotels stock *(overall supply)*	4,456	**4,418**	**-1%**
Country rooms stock *(overall supply)*	127,939	**131,175**	**3%**
Average size per hotel in rooms	29	**30**	**3%**
Chain penetration % by hotels	18%	**19%**	**1%**
Chain penetration % by keys	58%	**59%**	**1%**
Total number of brands	58	**65**	**12%**
Domestic brands	8	**8**	**0%**
International brands	50	**57**	**14%**
Second-tier operated hotels	-	**18%**	
International chain hotels	135	**158**	**5%**
Domestic chain hotels	83	**114**	**12%**
International chain rooms	17,894	**20,719**	**2%**
Domestic chain rooms	7,554	**9,390**	**49.00**

Switzerland: Key points

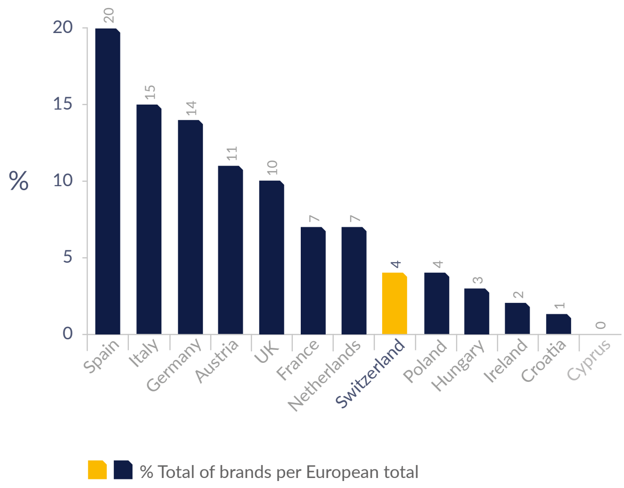
- **Geneva is the king of the Brands**
  No other region in Switzerland has a higher chain penetration rate than Geneva. At 33.1% it topped last year's result of 28.8% although the city accounts for only 18% of the country's chain affiliated room supply.

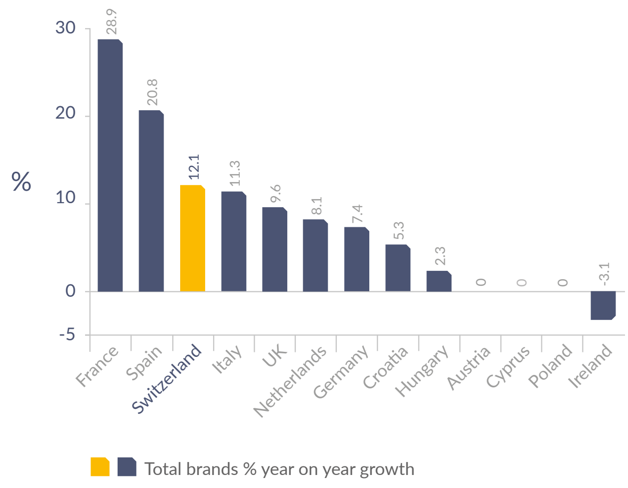
- **Zurich under pressure**
  It will be interesting to see how Zürich will cope with yet another nearly 1'600 rooms entering the market within the next two years.

- **Owners are Swiss**
  74% of all owner operated hotels are affiliated to a domestic chain. In fact, 78% of all domestic chain hotels are owner operated and another 11% are leased. Management and Franchise contracts play only a minor role in the domestic landscape.

- **Vive la France!**
  Accor and Club Med hold 41% of all hotels with international chain affiliation, owed to Accor's aggressive expansion strategy.

Switzerland: Total number of brands & YOY growth





Switzerland: Ranking per scale & size

CHAINS	Hotels	%	Rooms	Avg. Size
Budget & Economy	36	13.3%	3,732	104
Midscale	97	35.8%	7,613	78
Upscale & Upper-Upscale	105	38.7%	13,998	133
Luxury	33	12.2%	4,761	144
TOTAL	**271**	**100.0%**	**30,104**	**111**

OVERALL SUPPLY	Hotels	%	Rooms	Avg. Size
Budget & Economy	289	15.1%	7,938	27
Midscale	1,081	56.5%	37,456	35
Upscale & Upper-Upscale	454	23.7%	33,386	74
Luxury	90	4.7%	9,679	108
TOTAL	**1,914**	**100.0%**	**88,459**	**46**

Switzerland: Ranking by location

Rank	Destination	Hotels	Rooms
1	Zürich Region	63	8,631
2	Geneva	40	5,463
3	Grisons	27	2,906
4	Berne Region	29	2,515
5	Lake Geneva Area (Vaud)	18	2,391
6	Basle Region	16	2,225
7	Lucerne / Vierwaldstättersee	18	1,836
8	Valais	14	1,024
9	Aargau Region	17	860
10	Ticino	12	813

Switzerland: Primary Demand Driver

DRIVER	International		Domestic	
	Hotels	Rooms	Hotels	Rooms
City	125	16,273	54	4,295
Conference	7	1,221	9	1,238
Spa	2	170	10	1,011
Mountain Resort	12	1,313	25	2,146
Resort (other)	12	1,742	16	700

Switzerland: Ranking by scale *(all brands)*

	BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	24	2,437
2	Sorell Hotels	13	737
3	Ibis Styles	6	574
4	Motel One	2	543
5	Best Western	7	490
6	Holiday Inn Express	3	419
7	25 hours	2	296
8	Park Inn	2	290
9	Tulip Inn	2	228
10	Adagio	2	179

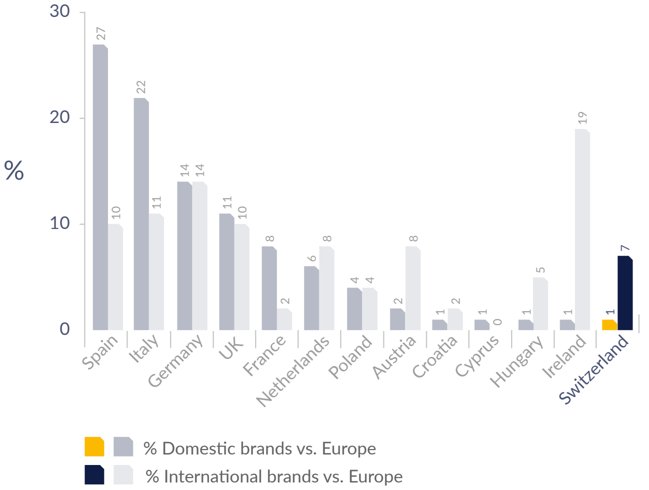
	BRANDS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	7	1,099
2	Sunstar Hotels	10	956
3	Mövenpick Hotels	4	956
4	Radisson BLU	4	848
5	Crowne Plaza	2	731
6	Swissotel	2	585
7	Club Med	2	575
8	NH Hotels	4	522
9	Holiday Inn	3	390
10	Renaissance	2	387

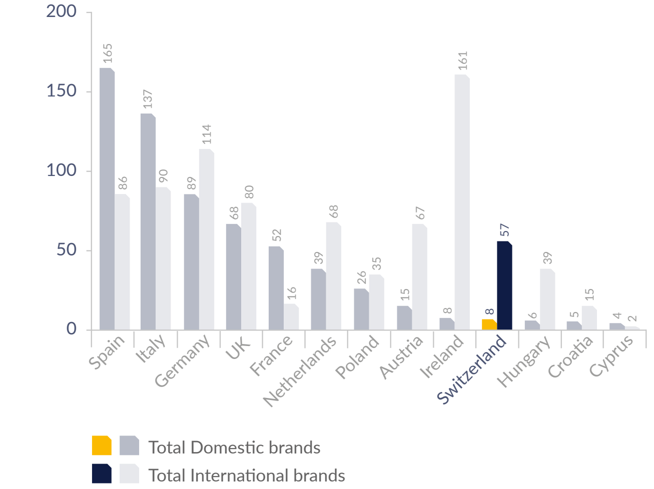
	BRANDS		
Rank	Luxury	Hotels	Rooms
1	Kempinski	2	596
2	VJC	5	592
3	Intercontinental	2	549
4	Bürgenstock Selection	3	397
5	Mövenpick	1	350
6	Giardino	3	245
7	Fairmont	1	236
8	Mandarin Oriental	1	189
9	Steigenberger	1	126
10	W	1	123

Switzerland: Destination pipeline (2018-2019)

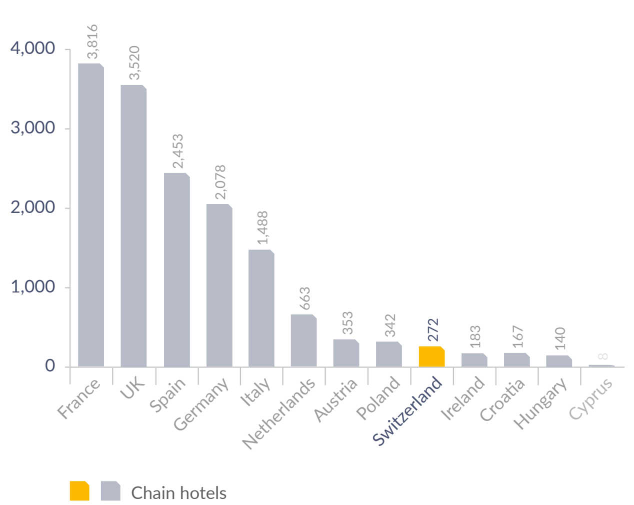
PIPELINE			
Rank	Destination	Hotels	Rooms
1	Zürich Region	8	1,591
2	Lucerne / Vierwaldstättersee	2	335
3	Berne Region	2	318
4	Basle Region	2	264
5	Geneva	2	217
6	Aargau Region	2	187
7	Lake Geneva Area (Vaud)	2	147
8	Fribourg Region	1	85

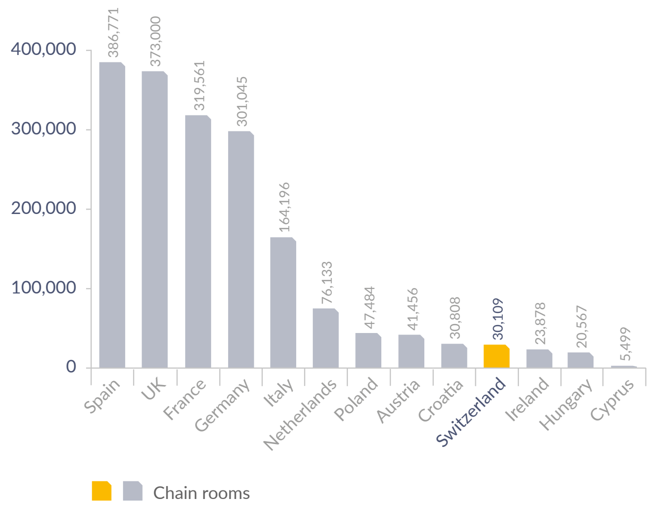
Switzerland: Domestic & International brands vs. Europe



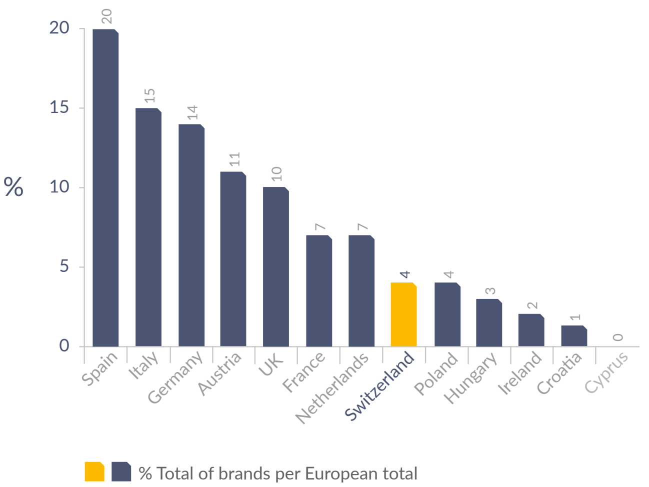


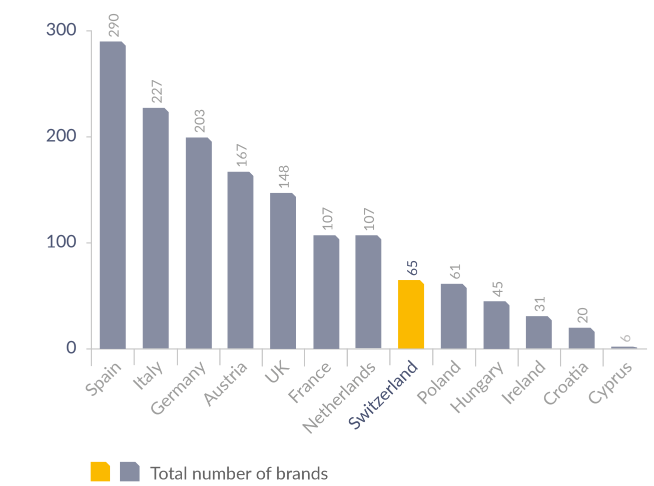
Switzerland: Chain hotels & rooms



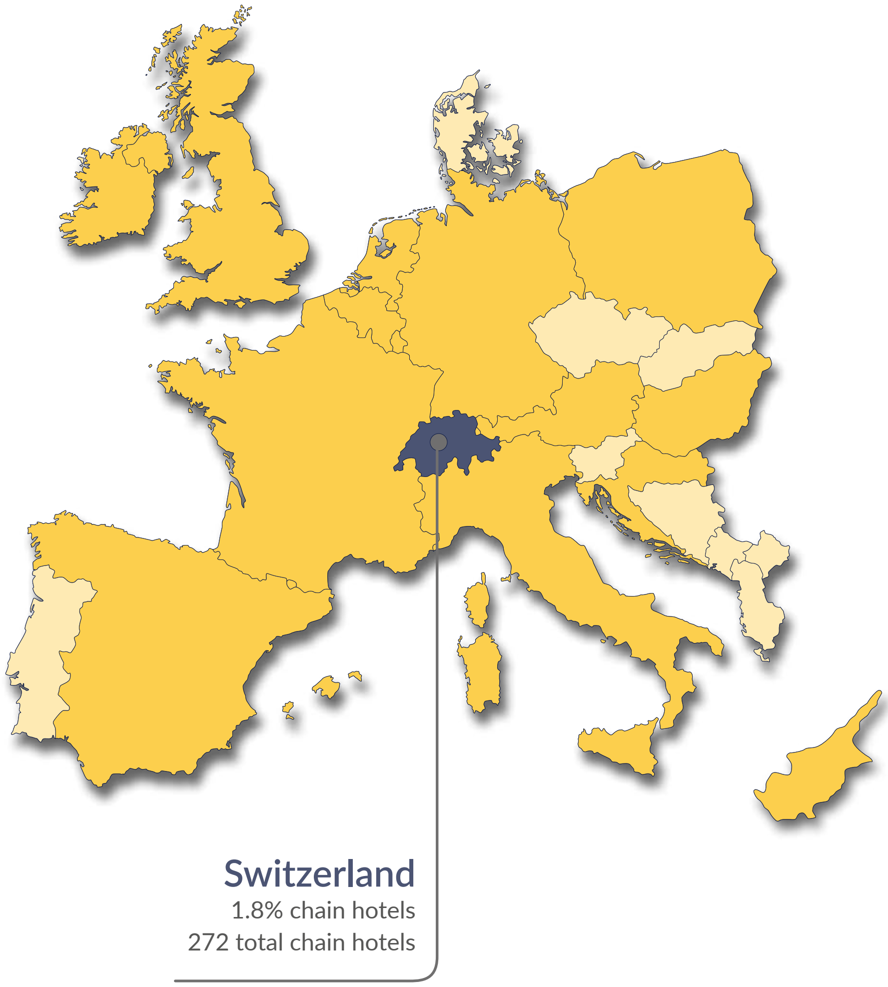


Switzerland: Total of brands per Europe total





Switzerland: European Chain Penetration



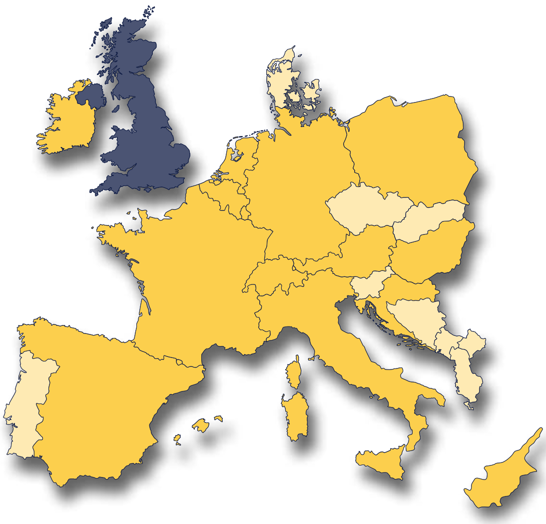
Switzerland: Business Model

ROOMS										
	Franchising	%	Lease	%	Management contract	%	Owned	%	Total	%
Economy	336	16%	62	3%	625	31%	1,015	50%	2,038	100%
Midscale	1,551	20%	1,753	23%	1,271	17%	3,078	40%	7,653	100%
Upscale & Upper-Upscale	3,624	26%	3,063	22%	1,838	13%	5,293	38%	13,818	100%
Luxury	925	23%	257	6%	1,298	33%	1,481	37%	3,961	100%
Total	**6,436**	**23%**	**5,135**	**19%**	**5,032**	**18%**	**10,867**		**27,470**	**100%**

United Kingdom

2017 was another cracking year for the UK hotel industry, with solid RevPAR growth across both London and the provinces. Because of this, and in seeming disregard of the ever-increasing uncertainty over the impact of Brexit, a significant volume of new supply entered the market, led by the brands – both domestic and international.

Patrick Angwin, Director, Horwath HTL United Kingdom



Key Statistics	2017
Chain Hotels	3,520
Chain Rooms	373,000
Average Size of Hotel (rooms)	106
UK Hotel Stock	42,024
UK Room Stock	762,755
Average Size of Hotel (rooms)	18.2
Chain penetration by Hotels	8%
Chain penetration by Rooms	49%
Total Number of Brands	148
Domestic Brands	68
International Brands	80
Top 10 Chains Total Hotels	2,523
Top 10 Chains Total Rooms	278,908
Top 10 Chains Hotels %	72%
Top 10 Chains Rooms %	75%

United Kingdom: The market

UK hotels enjoyed another bumper year in 2017. Overall inbound tourism from overseas grew by 4% with a record total of 39.2m visits. With each visit lasting on average just over 7 nights, this equated to 285 million overnight stays, of which typically slightly under half were spent in hotels.

France and Germany were the top two European source markets, accounting for 10% and 9% respectively of total visits, and 6% each of total spend. The USA remains the most important long-haul inbound market, producing 10% of visits and 15% of total inbound visitor spend.

It is noteworthy, however, that China re-entered the top 10 list of inbound markets by visitor spend, generating 3%. At the same time, domestic tourism was also up on the previous year with 120.7 million trips generating 369.5 million room nights, roundly a quarter of which were spent in hotel accommodation.

It is no surprise therefore that hotel performance saw reasonably strong growth:

- In London, RevPAR reached £121, up 4.6% on the previous year (occupancy +0.2% and ADR +4.3%)
- In the provinces, RevPAR was up to £54, up 3.6% on 2016 (occupancy +0.5%, ADR +3.1%).

Much of this buoyancy was underpinned by the Brexit vote, with the devaluation of the pound prompting both increased visitation from abroad and an increase in domestic leisure stays (so-called "staycations").

Clouds are gathering on the horizon, however: continuing uncertainty over what Brexit actually means (and indeed over whether it will even go ahead) is starting to have a clear adverse impact on the economy and it is only a matter of time before this starts to impact the hotel industry.

United Kingdom: Year on year data

Key Statistics	2016	2017	% Diff.
Chain Hotels	3,538	**3,520**	**-0.5%**
Chain Rooms	36,6202	**373,000**	**1.9%**
Average Size of Hotel (rooms)	104	**106**	**2.4%**
UK Hotel Stock	41587	**42,024**	**1.1%**
UK Room Stock	746,750	**762,755**	**2.1%**
Average Size of Hotel (rooms)	18	**18.2**	**1.1%**
Chain penetration by Hotels	9%	**8%**	**-8.2%**
Chain penetration by Rooms	49%	**49%**	**0.0%**
Total Number of Brands	135	**148**	**9.6%**
Domestic Brands	47	**68**	**44.7%**
International Brands	88	**80**	**-9.1%**
Top 10 Chains Total Hotels		**2,523**	**0.0%**
Top 10 Chains Total Rooms		**278,908**	**0.0%**
Top 10 Chains Hotels %		**72%**	**0.0%**
Top 10 Chains Rooms %		**75%**	**0.0%**

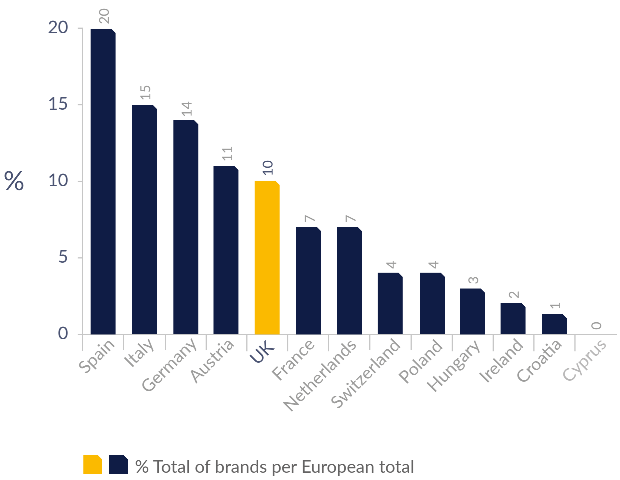
United Kingdom: Key points

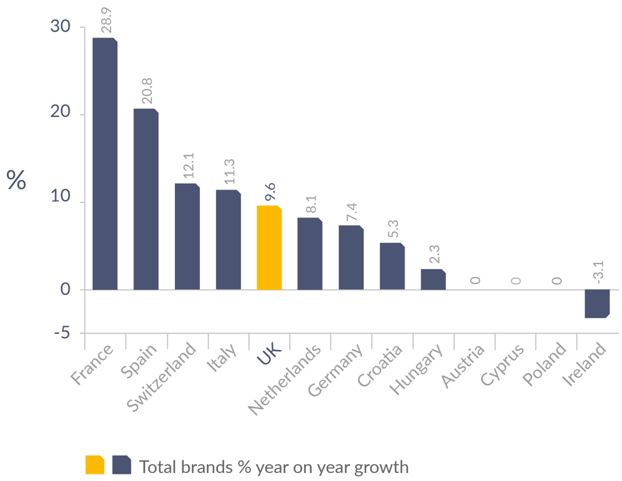
- **Plenty of New Supply Still Coming to Market**
  It is estimated that over 15,000 new rooms opened in 2017, the majority of which branded with the budget sector alone accounting for over 60% of new supply. With up to a further 20,000 new rooms expected in 2018 (8,000 of which in the economy space), we expect strong growth in non-budget brands as well as the economy sector.

- **Economy Brands Continue to Dominate**
  Unsurprisingly, Premier Inn and Travelodge continue to lead the pack in terms of hotels, with market leader Premier Inn's hotel portfolio (including its Hub by Premier Inn sub-brand), up 40 units on last year (+6,700 rooms), more than three times the size of third-placed Accor.

- **Good representation by the Main International Brands, but Domestic Groups Lead the Way**
  With another UK group, IHG, completing the top three and a wealth of other medium-sized UK chains vying for market share, it is no surprise that the majority of branded supply in the UK sports a domestic brand; however, nearly all of the leading international big-name operators also have a strong presence in the UK with Accor leading the way, closely followed by Hilton and Marriott still some way behind despite its acquisition of Starwood.

United Kingdom: Total number of brands & YOY growth





United Kingdom: Ranking by scale *(all brands)*

	CHAINS		
Rank	Economy & Midscale	Hotels	Rooms
1	Premier Inn	768	69,506
2	Travelodge	509	38,175
3	Britannia hotels	54	10,221
4	Best Western	177	9,521
5	Ibis	61	8,606
6	Imperial London Hotel	7	3,379
7	Ibis budget	24	3,256
8	Ibis Styles	23	2,918
9	Old English Inns	70	1,924
10	easyHotel	19	1,771

	CHAINS		
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Holiday Inn	133	20,104
2	Holiday Inn Express	139	16,810
3	Hilton	56	14,569
4	DoubleTree	47	9,340
5	Marriott	51	9,193
6	Mercure	80	8,553
7	Wyndham	92	7,820
8	Jurys Inn	32	7,317
9	Park Plaza	22	7,196
10	Crowne Plaza	33	6,686

	CHAINS		
Rank	Luxury	Hotels	Rooms
1	Macdonald Hotels & Resorts	42	3,624
2	Preffered Hotels and Resorts	23	2,510
3	The Principal	10	2,022
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

United Kingdom: Ranking by size

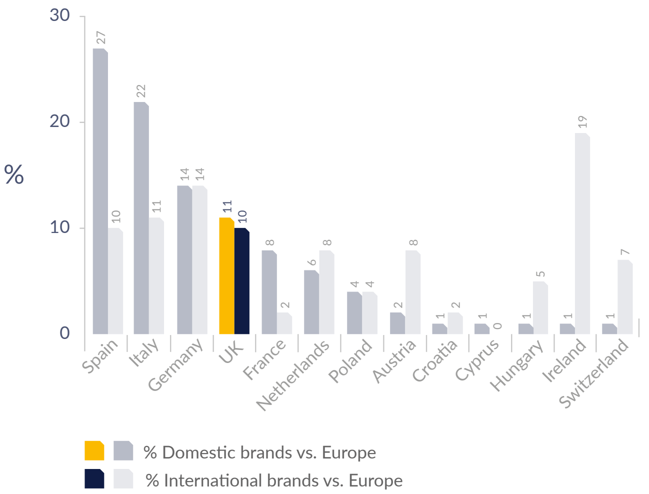
	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Premier Inn Hotels Ltd	776	71,107
2	IHG	325	46,379
3	Travelodge	509	38,175
4	Accor	238	32,779
5	Hilton Worldwide	144	30,569
6	Marriott International	87	16,900
7	Best Western	252	14,274
8	Carlson Rezidor	46	10,684
9	Britannia hotels	54	10,221
10	Wyndham	92	7,820

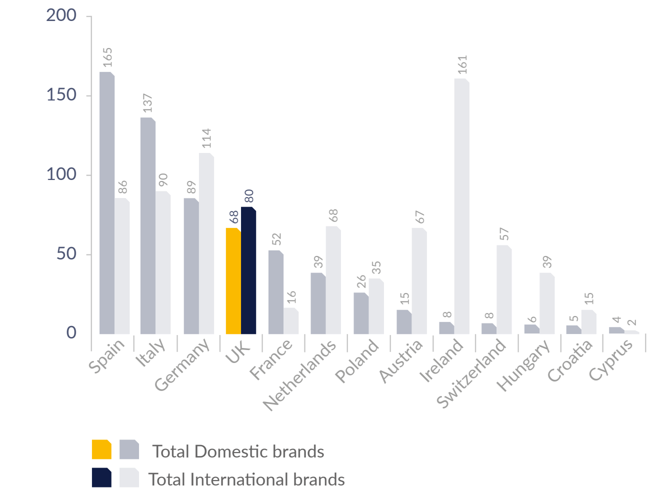
	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Premier Inn	768	69,506
2	Travelodge	509	38,175
3	Holiday Inn	133	20,104
4	Holiday Inn Express	139	16,810
5	Hilton	56	14,569
6	Britannia hotels	54	10,221
7	Best Western	177	9,521
8	DoubleTree	47	9,340
9	Marriott	51	9,193
10	Ibis	61	8,606

	CHAINS		
Rank	Domestic Chain Groups	Hotels	Rooms
1	Premier Inn Hotels Ltd	776	71,107
2	IHG	325	46,379
3	Travelodge	509	8,175
4	Britannia hotels	54	10,221
5	Jurys Inn	32	7,317
6	Bespoke hotels	76	5,432
7	Principal Hotel Company	25	5,156
8	Millennium Hotels	21	4,833
9	The Qhotel Group	26	3,682
10	Village Club Hotels	29	3,658

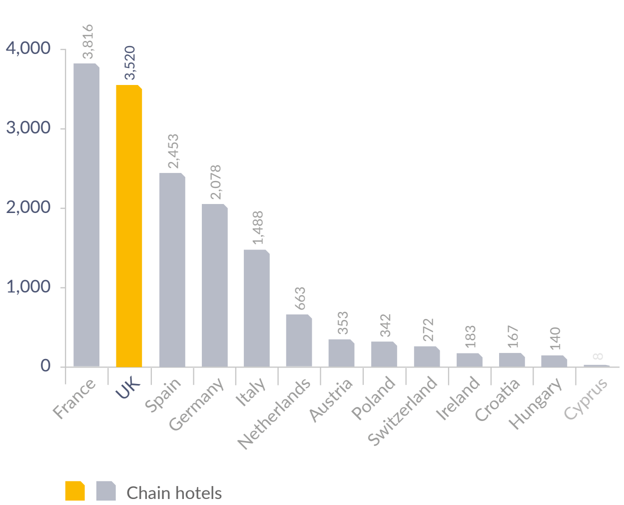
	BRANDS		
Rank	Domestic Chain Brands	Hotels	Rooms
1	Premier Inn	768	69,506
2	Travelodge	509	38,175
3	Holiday Inn	133	20,104
4	Holiday Inn Express	139	16,810
5	Britannia hotels	54	10,221
6	Jurys Inn	32	7,317
7	Crowne Plaza	33	6,,686
8	BeFreind	46	3715
9	Qhotel	26	3,682
10	Village Club Hotels	29	3,658

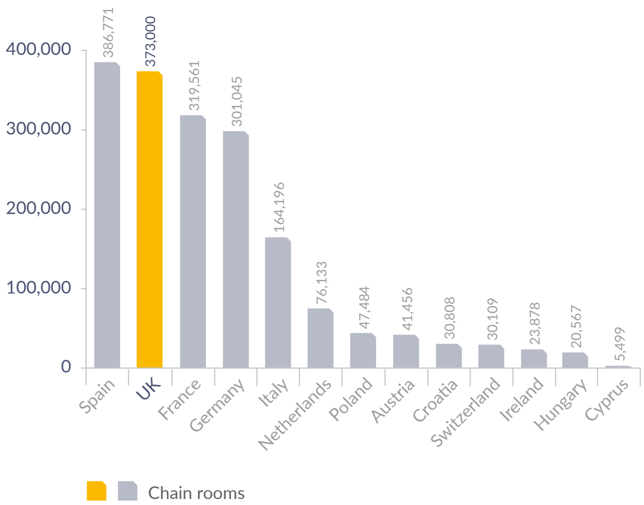
United Kingdom: Domestic & International brands vs. Europe



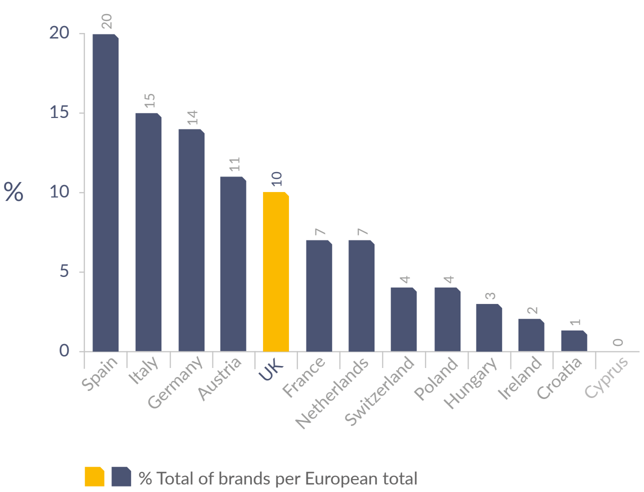


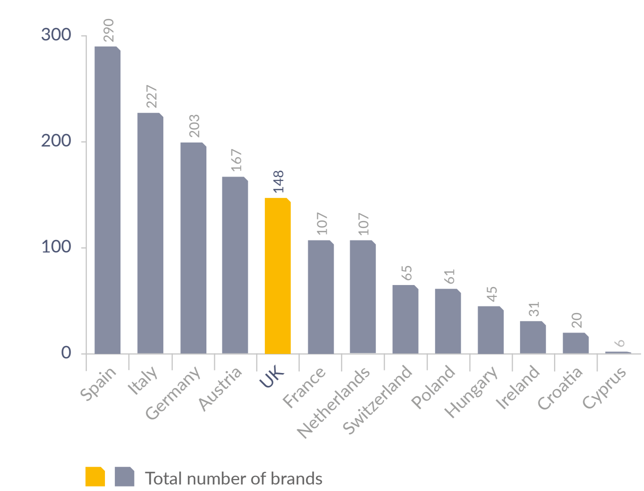
United Kingdom: Chain hotels & rooms



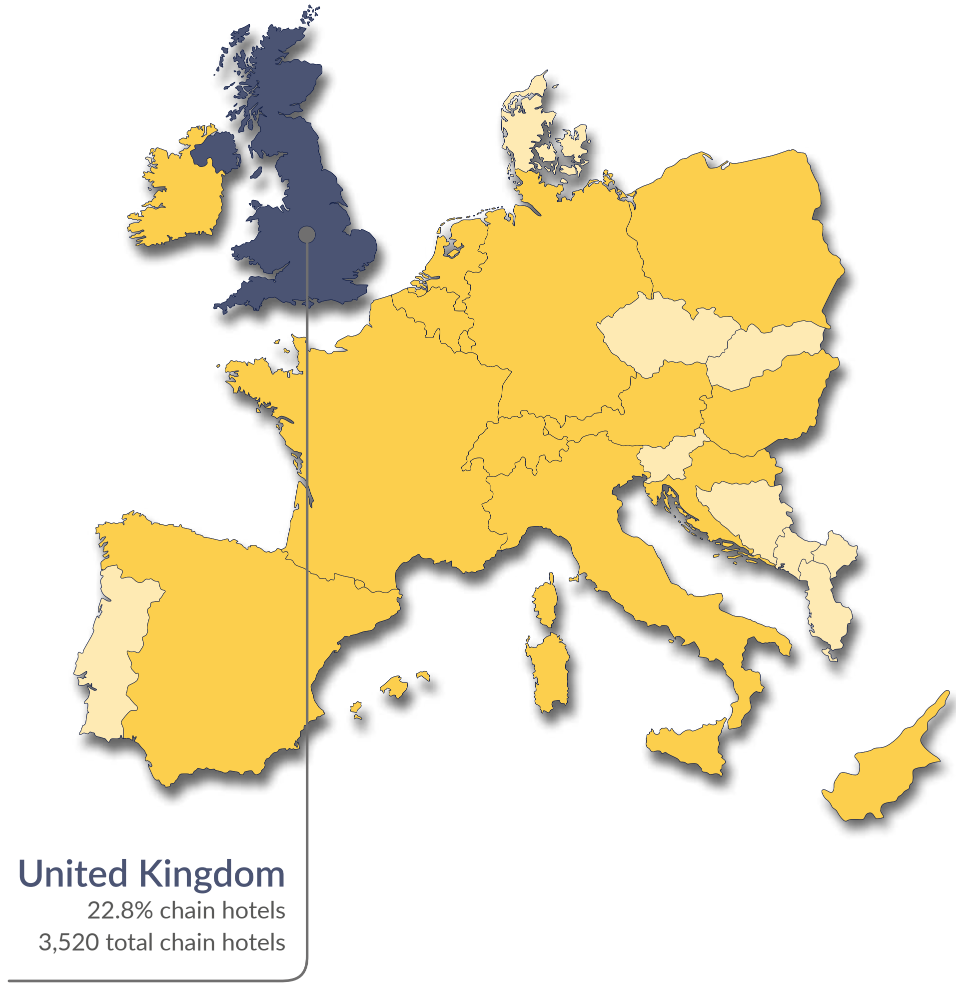


United Kingdom: Total of brands per Europe total





United Kingdom: European Chain Penetration



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
Austria
Croatia
Cyprus
France
Germany
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
Los Angeles
Miami
Montreal
New York
Norfolk
Orlando
Toronto

www.horwathhtl.com