

Hotel Market Germany: not just the hot spots are booming

"The figures leave no doubt: 2014 will be a record year for the hotel industry in Germany", said Martina Fidschuster, Managing Director of HOTOUR Hotel Consulting GmbH, Frankfurt am Main. "In this year, when analysing just the seven major cities in Germany, a volume of around 77 million overnight stays will be reached."

The cities Berlin, Dresden, Dusseldorf, Frankfurt am Main, Hamburg, Cologne and Munich generate together around 20 percent of the total volume of overnight stays in Germany. Therefore, it is not surprising that these top seven cities have become sought-after hot spots for hotel companies and investors. However, growth also has a downside: the markets are fiercely contested, as top hotel locations and investment opportunities are



Martina Fidschuster,
Managing Director
of HOTOUR Hotel
Consulting GmbH

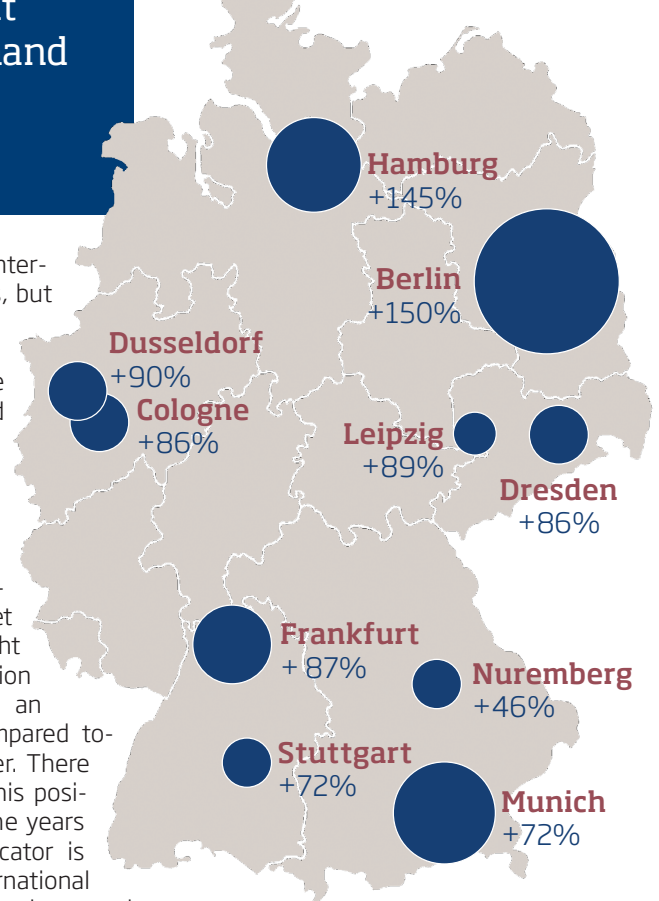
not readily available on every street corner in the major cities. Due to this, the demand for accommodation is no longer only increasing in the "Big Seven". For investors, the so-called secondary cities offer attractive entry opportunities as well.

According to the current HOTOUR market analysis, the results for the German secondary cities were very positive. In almost all locations, demand growth has outpaced supply in recent years. Secondary cities such as Leipzig, Nuremberg and Stuttgart have had particularly outstanding growth rates. "Since year 2000, the demand in these cities has increased, in some cases, up to 90 percent", said Martina Fidschuster. "The cities have not only benefited from successful tourism mar-

Throughout
Germany, demand
grows faster
than supply

keting and an increasing interest in travellers for city trips, but also from a good economic structure and an increase in business travellers due to renowned trade fairs and congresses." A broad mix of visitors is an important guarantor for the sustained success and stability of a hotel location. "According to our projections, the entire German accommodation market will achieve a total room-night volume of around 420 million in 2014. This would mean an increase of 22 percent compared to year 2000", said Fidschuster. There are many indications that this positive trend will continue in the years ahead. One significant indicator is the growing number of international guests; and, because of this, an increased interest from new international hotel companies to enter the German market. The HOTOUR Managing Director went on to say: "In the near future, we will see a growing number of hotel projects - in particular in the secondary cities. This will offer profit-focused investors a unique window of opportunity to take advantage of a growing market." The fundamentals of the German hotel market are very clear: Germany is the biggest hotel market in Europe, the largest trade-fair location in the world, and, after the United States, the second most important congress market. At the same time, more and more

Where the Pulse Beats Demand Growth 2000 - 2014*



* Selected German primary and secondary cities. Forecast HOTOUR based on data taken from the respective regional statistical offices

tourists from the fast-growing economic regions in Asia are coming to Europe; and Germany is ranking high in their travel itineraries thanks to its considerable amount of tourist attractions.

Company Information

The HOTOUR Hotel Consulting GmbH, based in Frankfurt, was founded in 1970 and is one of the oldest and most renowned consulting companies in the industry in Germany. The main focus of business is advising hotel investors, banks and project developers in Germany and Europe.
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