

The European hotel industry grows 8.1 per cent in 2007

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2007 was a strong year for the EMEA hotel market with Lisbon, Portugal emerging as the top performer in RevPAR growth with rever (RevPAR; the most important benchmark in measuring performance in the hospitality industry) increasing 25.5 per cent.

On an absolute scale, Dubai in the United Arab Emirates has overtaken Moscow and now has the highest RevPAR of €219. The Mo experienced a decline in RevPAR and average room rate (ARR) of -8.2 per cent and -9.9 per cent respectively although at an ARR of most expensive hotel market in EMEA.

- Asia maintains momentum with growth of 11.1%
- The US market, more under pressure as supply climbs, still performs at 5.7%
- The Middle East and Africa enjoys the strongest performance, growing at 12.5%
- The UK continues to grow year-on-year with strong performance of 11%

The figures were presented by James Chappell, Managing Director of hospitality performance consultancy, The Bench, at Cushman New Year Hotel Investment Summit last night in London's Mayfair. The Bench, which monitors over 400 markets worldwide, revealed performance trends at the event which also hosted a panel session with Sir David Michels, European strategist and board member of Resorts; Alan Parker, CEO of Whitbread and Peter Zenneck, vice president development for Europe and north Africa for Jumeirah G

The increase in performance in RevPAR from Lisbon (25.46 per cent growth) was largely due to its hosting of the EU Presidency. Os Barcelona at 14.5 per cent also performed well. Apart from Moscow, the only other European market with a negative RevPAR result cent to €72) in the year following the World Cup, although the feeling is that the German market is performing better that it has done i

In the UK, London's 10.2 per cent growth in RevPAR came on top of strong growth in 2006. Average RevPAR has increased from £1 reach its highest level since 2000. Edinburgh also enjoyed strong growth of 5.93 per cent to £97.

The panel's feelings for hotel performance in 2008 was cautiously optimistic 'people are worried, but never has RevPAR been so high when it is going to change', said Sir David Michels. Peter Zenneck was similarly optimistic that 2008 would build on success enjoyed markets of Dubai, London and now New York 'a record year again' he said, and went on to explain the Jumeriah was enjoying up to 5 of it hotels.

Philip Camble, Director of C&W Hospitality said "The Middle East continues to defy the critics and regional unrest. With regional Revl 12% in 2007, spearheaded by the regional tourism (both leisure and commercial) powerhouse that is Dubai, performance in the Midd dedication of its people and investors to diversify their economies and unlock their incredible potential as destinations of international

When questioned about Jumeirah's plans for 2008 Peter explained that they had a strong growth strategy in mind, and were looking t in prime gateway cities such as Paris. Commenting on yields in the upscale branded sector he said '[There is] such a demand for pal are seeing yields at 6, 5 and even 4%. I cannot see yields in that sector softening any time soon.'

To sum up the evenings discussions, Nick Pattie, Managing Director of C&W Hospitality, said '2007 was generally a good, or very go operating performances across Europe and the Middle East, but a year of two halves for hotel investment. 2008 will see strong opera continuing but growth slowing, whilst investment yields will soften in all but the prime markets.'

	CITY	ARR		GROWTH		RevPAR	
		Abs	%	Abs	%	Abs	%
1	Lisbon	14.37	17.71%	3.60	6.58%	11.82	25.46%
2	Dubai	13.93	14.04%	1.66	2.37%	11.84	16.75%
3	Barcelona	10.56	9.95%	2.89	4.15%	16.82	14.51%
4	Brussels	9.44	8.44%	1.41	2.86%	8.80	11.69%
5	Paris	8.40	9.18%	1.53	2.11%	16.67	11.48%
6	Vienna	12.93	8.40%	1.18	1.61%	11.28	11.58%
7	Stockholm	10.19	9.29%	0.74	1.86%	8.80	10.45%
8	London	17.80	9.69%	3.42	0.53%	15.11	10.27%
9	Dubai	19.87	8.88%	1.50	1.80%	17.72	8.79%
10	Milan	10.33	5.97%	1.42	2.18%	9.84	3.28%
11	Edinburgh	5.90	4.80%	0.84	1.88%	5.67	5.93%
12	Copenhagen	7.80	7.64%	-1.74	-2.42%	3.88	5.03%
13	Madrid	6.71	5.30%	-0.43	-8.63%	3.97	4.64%
14	Heilbronn	3.11	3.05%	0.88	1.38%	3.21	4.48%
15	Cardiff	2.15	2.85%	1.28	1.80%	2.90	3.88%
16	Budapest	7.88	8.08%	-1.42	-2.14%	3.23	3.81%
17	Amsterdam	5.94	3.72%	-0.37	-8.45%	3.56	3.24%
18	Berlin	-2.02	-2.17%	3.78	5.24%	1.56	2.95%
19	Prague	2.35	1.75%	0.48	0.88%	2.33	2.44%
20	Dublin	5.60	4.64%	-1.84	-3.35%	2.86	2.18%
21	Rome	7.94	3.91%	-1.87	-2.49%	1.78	1.52%
22	Frankfurt	-3.00	-2.80%	-0.28	-8.14%	-2.03	-2.74%
23	Moscow	-33.09	-9.92%	1.29	1.88%	-18.74	-8.22%

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