These are the key findings from the 2017 Deloitte European Hotel Investment Survey, conducted as part of the annual European Hotel Investment Conference.

The survey represents the views of a sample of senior hospitality figures, including owners, operators, lenders, developers and investors.
Major industry trends

Focus on Europe

Despite Chinese capital controls on international hotel investment, respondents view China as a close 3rd behind European and North American investors as the dominant source of investment in 2018.

€3bn worth of hotels have changed hands locally since 2012.

Traditional bank debt is expected to be the most common source of financing in the market (54%), ahead of unsecured bank debt (42%) and alternative lenders (14%).

Amsterdam remains the top city as the most attractive European city for investment and Dublin moves up to 3rd place.

Spotlight on Ireland

The Irish Tourism industry is currently estimated to be worth a record €8.7bn annually.

In 2017, Ireland earned an estimated €6.5bn from overseas tourism. Growth in visits from long haul markets of North America and Rest of the World was strong with double digit growth. Visits from mainland Europe grew marginally by 4% while visits from Ireland fell by 4%.

95% of Irish Hoteliers concerned about the impact of Brexit will have in 2018.

Dublin currently has a stock of c.19,000 hotel bedrooms, construction projects underway or in planning will add 3,000 rooms in Dublin by 2020, a 15% increase in the total stock.

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Government have kept the 9% VAT rate for hotel related activities which has added to the attractiveness of the sector.

Technology and big data

Capturing the consumer

Almost two thirds say the biggest potential for technology and data lies in an improved booking experience for the user and improved personalised customer communications.

Operational optimisation is #3 and represents another key focus area, especially in light of concerns around rising operating costs across the UK and Europe.

Future growth demographics

Driving business with the younger generation

Despite baby boomers having the highest disposable income, >60% think that Millennials and Generation X have the biggest potential to drive business over the next 5 years.

Investment choices

Opportunities for the innovators

Over a third say they would invest their own money in small innovative hotel companies over traditional/established hotel companies or the OTAs and sharing economy.