



Focus on European & Dutch Hotel Industry Developments



Amsterdam retains the **top spot** for most attractive **European city** for investment in 2019. **London** follows as a distant second, closely followed by **Paris**. **Madrid** comes in fourth, and **Dublin** fifth.



32% say the Netherlands is **at the peak** of the **investment cycle**. Another 27% think the Netherlands is **still experiencing an upturn**.



Respondents view **Europe** to be the **dominant source** of hotel investment in 2019 with activity anticipated to **decline** from **North America** as a result of fewer opportunities for private equity funds. With continued Chinese capital restrictions, respondents anticipate that Asian-based investment will be dominated by **Singapore, Malaysia** and **Thailand**.

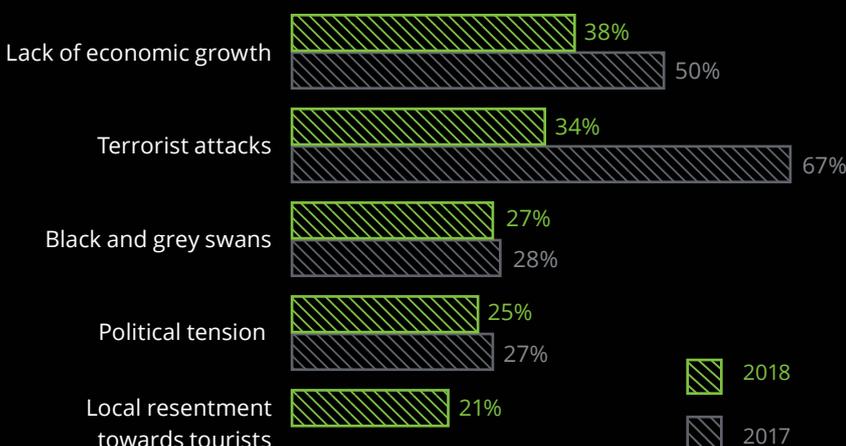


Traditional bank debt is expected to be the most common source of financing the market (53%), followed by **private equity** (44%).



45% view **lack of investment opportunities** as the **key challenge** for their **organisation** over the next 5 years, followed by **staffing** (38%) and **lack of growth opportunities** (28%).

Risks to the European hotel industry in the next 5 years



In the absence of recent major terrorist attacks, the **perceived threat of terrorism** for hotels has **dropped significantly** from last year.

'**Overtourism**' appeared for the **first time** in the **top-5 risks**.



Major industry trends

Capturing the consumer

Opportunities for new brands

74% believe there should be more brands. The greatest branding opportunities exist for targeting **millennials** in the economy (55%) and **midscale 'extended stay'** (49%) segments.

Customer Experience

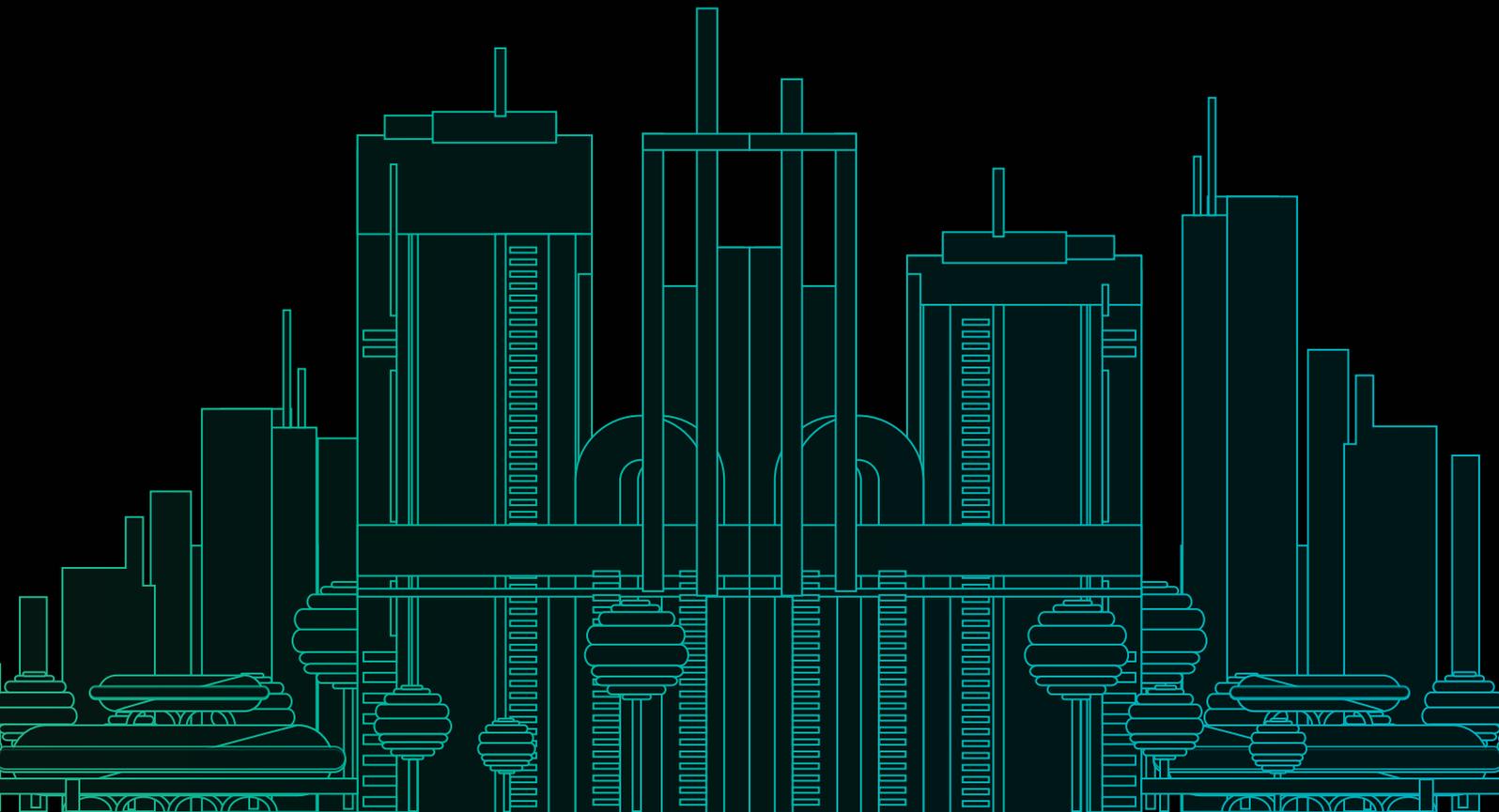
Opportunities for the changing segments

Other research shows that **86% of millennials** want to experience a new culture. They **travel 4.2 times per year**, compared to **2.9 times by older generations**. **41% of businesses** invested in **AI in 2018**. Would AI be the key to catering to experience-driven millennials?

Investment choices

Opportunities for the conventional

The **alternative accommodation** sector (25%) has replaced hotel start-ups (20%) as the most popular investment choice. For example, **Serviced Apartments**, such as The Yays, are **showing growth**. 9% would invest their own money in **traditional hotels**.



These are the key findings from the 2018 Deloitte European Hotel Investment Survey, conducted as part of the annual European Hotel Investment Conference.

The survey represents the view of a sample of senior hospitality figures, including owners, operators, lenders, developers and investors.

The report additionally includes insights from the Dutch Hospitality practice at Deloitte.

Contacts

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