

Global Hotel Network®

# GHN EMEA Market Report



## *Global Hotel Network® Market Report: Lisbon*

*Date posted: September 2007*



**Pedro Rosa**  
Manager, Real Estate  
& Tourism Division  
Deloitte, Lisbon



Lapa Palace

Global Hospitality Resources®, Inc., asked Pedro Rosa, Manager, Real Estate & Tourism Division, Deloitte (Lisbon), to provide an update on Lisbon's hospitality market. He reports:

### **Beyond Lisbon's Seven Hills**

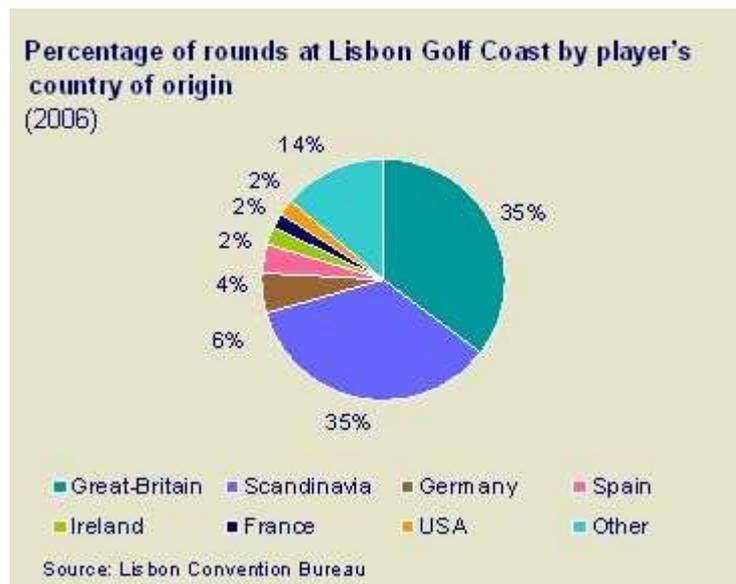
Lisbon is the most western capital of Europe and the largest city of Portugal. Lisbon is known as the “city of the Seven Hills” and is bathed by the Tagus River. Its municipality, which matches the city proper excluding the larger continuous conurbation, has a municipal population of 564.477, while the Lisbon Metropolitan Area in total has around 2,8 millions inhabitants. Due to its economic output, standard of living, and market size, the Greater Lisbon sub-region is among the major financial and economic centres of the Iberian Peninsula. It is also the political centre of the country, as seat of Government and residence of the Head of State.

Among Lisbon's most popular attractions are the historic buildings and monuments, result of a cultural heritage spanning nine centuries of history, inspiring City Short Breaks and Cultural touring. The heart of the city is the Baixa, which is being considered for UNESCO World Heritage Site status.

Besides the cultural heritage and the architecture richness, the Lisbon region, as a whole, provides an enormous variety of other leisure experiences for tourists, such as numerous golf courses, a wonderful nature landscape and a breathtaking Atlantic coast, allied to a pleasant climate, which invites to know its wonderful beaches.

Looking into the golf market, one of the Lisbon region main products, it attracts many tourists to the country and also to Lisbon, regarding to the evolution since 2000 till 2006, the number of golf players increase from 7.500 to 15.791, which means a Compound Annual Growth Rate (CAGR) of 13%, against the 4% growth in Europe.

The Lisbon Golf Coast is the entity that congregates the golf courses that are located less than 80 kilometres far from Lisbon. This region, considered as one of the most beautiful golf destinations, was recently awarded as the "Better destination of European Golf - 2007" by IAGTO (International Association of Golf Tour Operators), which congregates about 1.000 tourist operators of golf worldwide.



70% of Lisbon Golf Coast foreign rounds belong to Britain and Scandinavian players.

In a set of new infrastructures built in the scope of congresses, conferences and seminars, Lisbon positioned itself as an important centre for MICE and is attracting many international events. Nowadays, the city has 438 infrastructures, from which we should refer the Pavilhão Atlântico (20.000 places).



In 2006, Lisbon was considered by ICCA (International Congress & Convention Association) the 10th city worldwide in terms of number of international meetings organised, exceeding cities like Hong Kong, Stockholm and Montreal.

In Lisbon, the number of guests increased by over 15% in recent years, hosting nearly 2,4 millions in 2005 and the number of tourist overnights increased 13%, reaching 5,1 millions in 2005, and 5,8 millions in 2006. Excluding the Portuguese tourists, the majority of guests came from Spain (22%), Germany (9%), Italy (9%) and France (9%). The average stay is 2,6 nights.

Lisbon city provides a big range of hotels and other are expected to open soon. According to the Lisbon Convention Bureau, Lisbon has more than 90 hotels, of different capacities and categories with a total bed capacity of 24 thousand beds. 13% of Lisbon hotels are 5 star category, they offer a variety of services enhancing the wellness and gastro-tourism facilities.

<b>Hospitality in Lisbon City</b> (2006)				
	2* & 3*	4*	5*	Total
No. Hotels	38	41	12	91
No. Rooms	3.642	6.241	2.988	12.871
No. Bedrooms	7.276	11.680	5.131	24.087
Source: "Observatório" by Lisbon Convention Bureau				

More than 30 new hotels are expected to open in the following years, many of them representing well-known international brands.

In 2006, according to Deloitte's HotelBenchmark Survey, Lisbon hotels had an occupancy rate of near 63%, the biggest since 2002; an ARR of 96,73€ and a RevPar of 60,60€.

<b>Hospitality in Lisbon City – key indicators evolution</b>					
	2002	2003	2004	2005	2006
Occupancy (%)	61,8	58,9	60,0	54,5	62,6
Average Room Rate (€)	100,40	98,41	110,96	97,69	96,73
RevPAR (€)	62,02	58,00	66,56	53,25	60,60
Source: HotelBenchmark Survey by Deloitte					

In the recent years, the oscillation of these indicators is confirmed by some international events that gives recognition to the city and catches the attention of many tourists. The peak of 2004 is explained by the European Football Championship, held in June of that year.

The Lisbon International Airport received in 2006 more than 12 million passengers and more than 132 thousand flights, this number increased 10% and 6,7% respectively. The airport is now being extended, but the Portuguese Government have the intention to build a new one. It's also important to report the positive impact on the passenger's movement,

resulting from an increasing number of low cost carriers flying to Lisbon.

Evolution of Lisbon International Airport movement							
	2003	2004	Δ	2005	Δ	2006	Δ
No. Passengers	9.635.646	10.705.206	11,1%	11.234.709	5,0%	12.314.314	9,6%
No. Flights	112.425	122.206	8,7%	124.124	1,6%	132.456	6,7%

Source: "Observatório" by Lisbon Convention Bureau

In the last few years, Lisbon achieved some significance in the cruise market; last year the increase of passengers and cruises was in an amount of 13 and 7 percent, respectively. It could be an even more dynamic segment. Many intercontinental cruises carriers choose Lisbon as port of call and some European cruises stop in Lisbon. The Port of Lisbon Authority intends to invest in a new cruise ship terminal.

Evolution of Lisbon Port movement							
	2003	2004	Δ	2005	Δ	2006	Δ
No. Passengers	211.979	241.557	14,0%	239.524	-0,8%	270.893	13,1%
No. Cruises	265	270	1,9%	251	-7,0%	269	7,2%

Source: "Observatório" by Lisbon Convention Bureau

Nowadays, Lisbon has connections by train with all regions of the country. Portugal is evolving its quicker terrestrial connection to European cities through the high speed train, which is planned to the following years.

Lisbon has an active cultural and experimental agenda with concerts, exhibitions, theatre-plays, musical and sportive events supported by many facilities such as theatres, museums, cinemas, some gardens and parks, a castle, the largest Oceanarium in Europe, many sport facilities and shopping malls, and a big range of fine restaurants to taste the local cuisine and the famous Portuguese wines.

Lisbon's nightlife is generally considered to be amongst the best in Europe. At night, the city's old quarters come alive with the sound of Fado singing and guitar-playing, the musical expression of the soul of Lisbon's inhabitants. And yet, down the hill at the open air cafés, bars and discos reflect their lights in the calm waters of the Tagus River.

Copyright © 2007, Global Hospitality Resources®, Inc., San Diego, CA USA All rights reserved. [www.GlobalHotelNetwork.com](http://www.GlobalHotelNetwork.com)

This userpage was printed from Global Hotel Network®  
<http://www.globalhotelnetwork.com>

The URL for this userpage is:  
[http://www.globalhotelnetwork.com/mod.php?mod=userpage&page\\_id=1206](http://www.globalhotelnetwork.com/mod.php?mod=userpage&page_id=1206)