

This report was published by the London Office of HVS

March 2009

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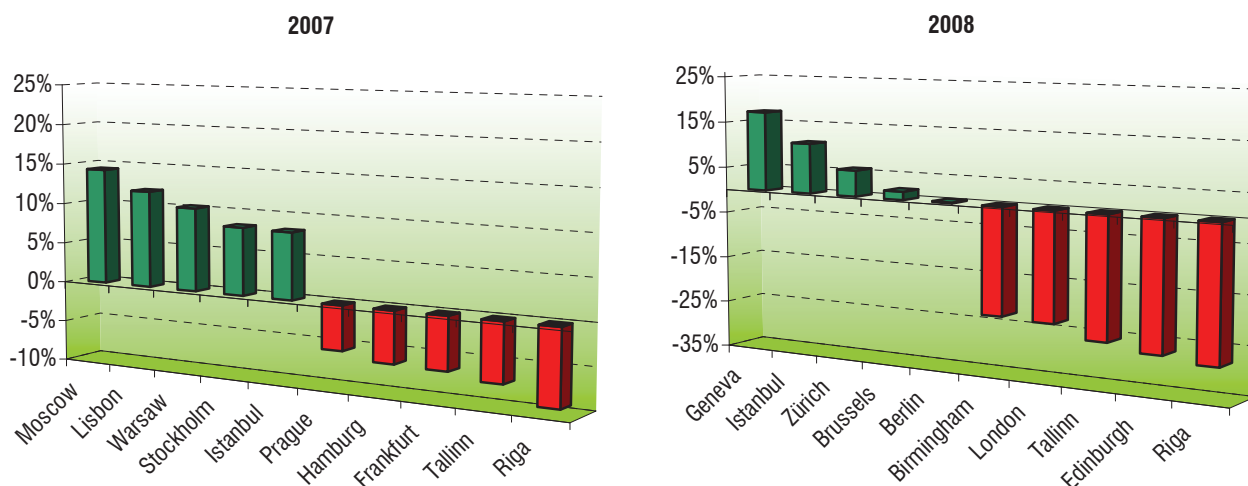
Highlights

- 2008 has proven to be the precursor of a new world order that seems to be emerging from the ongoing financial turmoil;
- The year started with hotel sector performance holding up, it continued with more subdued growth rates and finished with storm clouds gathering apace;
- During the last quarter, the European hotel industry experienced growing signs of weakening trading performance, due to a downsizing in business travel and customer spending. Serious operational cost cutting and deferment of refurbishment plans also started in earnest;
- The first signs of distressed hotels and downward pricing adjustments started to transpire as we reached the last quarter of 2008, with buyers' perceptions of risk increasing and value expectations decreasing;
- The analysis of yields and values for 2008 was always going to be an interesting exercise with many commentators expecting or predicting significant falls in value, owing to falling performances and rising yields. However, we have discovered that is this is not the case uniformly across Europe: there are some cities which have seen a dramatic decrease in value, but we also report five cities which have shown either an increase in value or static values;
- The difference between the decreases and increases has polarised this year: in euro terms Geneva has seen a 17.3% increase in value per room, whilst Riga has shown a 28.1% fall in value, a 45% difference overall (however, in Swiss francs the growth in values in Geneva was 4.4%; likewise in Riga, in Latvian lati, the fall was 27.5%. This highlights the vagaries of the euro exchange rate last year). On

average, 21 cities experienced a double-figure fall in value and only five stepped into positive territory. We note that the depreciation of the sterling against the euro was greatly responsible for the huge drops in the values of the UK cities, including London. We have calculated this impact to be in the region of 12%;

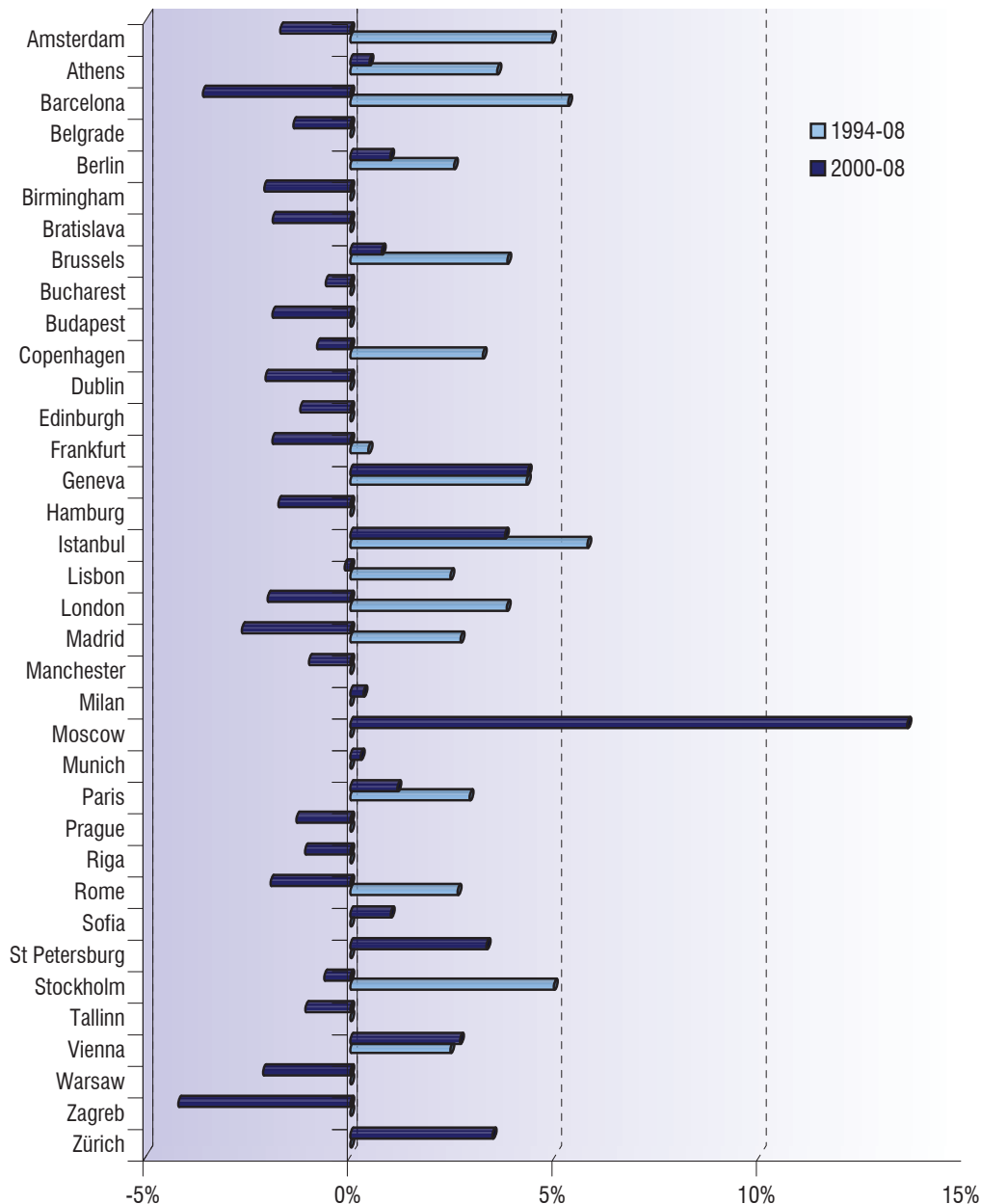
- We have decided to expand the study further this year by including St Petersburg and Sofia in the index. Both are important cities with burgeoning hotel markets and are now firmly in hotel operators' sights;
- Given the restrictions in the finance markets and the consequent delays on new hotel development, we have decided not to include a development pipeline for 2008. The data we have are so dependent on restrictions to financing and developers' and operators' changing circumstances that we feel their accuracy and relevance could be seriously challenged;
- For 2008 we have added further analysis by dividing Europe into four geographical regions: North, South, East and West. This, perhaps unsurprisingly, illustrates that in 2008 Western Europe showed the smallest overall fall in values and Eastern Europe the largest. Although the division is subjective, it demonstrates the importance of location on the performance of the hotels and their values. We have seen a return in 2008 to location as the driving force in investment decision-making. Covenant is still important but location is now again the crucial factor;
- Another new analysis included this year is measuring value appreciation versus risk – risk being the standard deviation of percentage change in values – over a ten-year period. This shows that over the ten-year cycle in real terms only Warsaw has seen a drop in value. More information on how this analysis is calculated can be found in 'Understanding the HVI'.

Figure 1 Top and Bottom Five – Percentage Change in Hotel Value per Room (€)



Source: HVS – London Office

Figure 2 Compound Annual Growth in Values 1994-08 and 2000-08 (€)



Source: HVS – London Office

Changes in Value

Amsterdam is one of the European gateway cities that have suffered most from the economic downturn in 2008, owing partly to unfavourable exchange rates against the sterling and the US dollar and its strong reliance on foreign visitation, in particular from the UK and the USA. As a result revenue per available room (RevPAR) decreased by more than 6% last year. Values dropped for a second year in a row to €293,400

per room, returning to pre-2005 levels. Historically, high barriers to entry have limited the entrance of new supply in the city. New projects are now being developed near the outskirts of Amsterdam and in the Schiphol area in order to benefit from the increase in commercial developments between the airport and the city.

In **Athens** a 3.7% drop in occupancy in 2008 was offset by a 4.4% increase in average rate, maintaining RevPAR at around €96. The social unrest that took place

in December 2008 in the Greek capital has significantly affected the city's performance, as year-to-November figures were still showing a RevPAR of €98. Despite a 2.5% decrease in value per room to €212,500 in 2008, the Athens hotel market has shown stronger resilience to the global downturn in comparison to other cities in the Southern Europe region (with an overall average decrease in values of 10% for the area). We note that because of its low volatility, Athens showed a risk-adjusted capital appreciation ratio of 0.31 from 1998

to 2008 (as shown in Figure 5), which is well above the Southern European average of 0.23 and slightly above Western Europe's 0.30.

Since 1990, the **Barcelona** hotel market has significantly expanded and still shows high levels of growth. Following the decision of the city to reposition itself as an upscale destination, much of this growth is in the upscale and luxury segments. Combined with the negative impact of the economic downturn, this increase in supply drove RevPAR downwards to €95 in 2008 from €104 in 2007. Consequently, values per room in the city dropped to €254,500, lower than that recorded for 1998. As a result, Barcelona is now ranked 12th in our index. However, the compound annual growth rate for values from 1994 to 2008 is still strong at 5.3%.

Following a 7.2% decrease in RevPAR, values in **Belgrade** hotels dropped by 14.4% in 2008 to €114,800. As such Belgrade is ranked fourth after Warsaw, St Petersburg and Moscow in terms of year-on-year growth amongst the Eastern European cities, but it is 35th in terms of value per room, preceding only Tallinn and Riga. While the country undergoes the privatisation process of a number of companies, several international brands are expected to enter this business-driven market in the next few years. This is expected to help drive average rates upwards while inducing further demand.

Despite its improved image following the 2006 FIFA World Cup, **Berlin** is still perceived as a more affordable city compared to other Western European capitals. Of all of the inbound flights to the

city, 55% are operated by low-cost airlines, and 72% of overnight stays are domestic, which is partly owing to the amount of high-spending companies (international businesses and financial services) that are based in western Germany. In 2008, occupancy dropped by 1.6 percentage points to 69.1% but average rate rose to €92, with RevPAR growth close to 4% year-on-year. As a result, Berlin ranks fifth in terms of value growth per room with a 0.2% increase to €175,300 in 2008 (25th position in our index). We note that on a risk-adjusted capital appreciation basis Berlin had the fourth-largest ratio (0.54) out of all of the cities included in the index, well ahead of other German cities.

Several secondary British cities have seen their results deteriorate significantly in 2008. With a strong

Table 1 Hotel Values – Percentage Change 1994-08 (€)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	CAGR ¹ 1994-08	CAGR ¹ 2000-08 [†]
Geneva	7.0	8.8	-2.6	0.8	4.5	12.5	2.3	10.4	3.8	-7.9	-8.4	9.1	7.6	5.4	17.3	4.3%	4.3%
Istanbul	0.6	-4.4	28.0	34.2	-0.3	-20.7	25.9	-10.0	-19.5	-9.5	16.9	32.0	10.9	8.2	10.8	5.8%	3.8%
Zürich	n/a	n/a	n/a	n/a	9.9	5.4	6.2	4.0	-7.1	-5.5	6.2	8.4	10.1	7.6	5.6	n/a	3.5%
Brussels	-5.3	4.2	5.7	13.0	8.4	2.5	15.3	-4.2	-7.7	-4.0	3.1	4.5	7.8	6.1	1.7	3.8%	0.8%
Berlin	-1.6	-1.8	-12.1	11.1	-0.1	15.0	19.9	3.8	1.5	-2.9	1.0	-0.7	5.2	-0.7	0.2	2.5%	1.0%
Athens	-2.3	0.3	14.1	17.7	11.7	-5.1	10.7	-2.9	5.9	-2.8	6.7	-7.1	2.6	4.7	-2.5	3.6%	0.5%
Hamburg	n/a	n/a	n/a	n/a	3.2	4.8	10.1	-9.1	3.7	-0.2	0.5	0.5	0.8	-6.3	-3.2	n/a	-1.8%
Warsaw	n/a	n/a	n/a	n/a	2.1	1.2	1.2	-2.0	-15.2	-10.9	-13.4	8.1	14.7	10.2	-4.0	n/a	-2.1%
Vienna	-5.9	4.2	-3.0	-2.7	11.3	0.7	3.2	0.1	-1.4	6.4	0.8	3.9	11.2	6.5	-5.2	2.4%	2.7%
St Petersburg	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.7	4.1	6.9	9.5	-5.9	n/a	3.3%
Paris	-2.2	-3.3	-7.0	23.0	11.2	0.4	10.4	-6.4	4.4	-7.2	4.3	6.6	9.0	6.0	-5.9	2.9%	1.2%
Copenhagen	7.8	3.7	13.9	16.2	4.5	7.9	7.8	-6.2	-3.0	-8.3	-3.1	10.0	11.4	1.0	-6.4	3.2%	-0.8%
Stockholm	7.7	10.2	31.0	10.7	1.6	16.5	9.8	-10.5	-5.5	-6.5	1.9	5.2	11.2	8.3	-6.9	5.0%	-0.6%
Munich	n/a	n/a	n/a	n/a	15.9	10.0	10.3	5.1	-7.3	-8.1	11.7	-1.4	7.8	3.4	-7.0	n/a	0.3%
Frankfurt	-1.9	2.8	-5.3	5.6	2.8	4.0	12.9	6.4	-6.6	-2.0	-3.7	0.2	5.9	-6.4	-7.9	0.4%	-1.9%
Moscow	n/a	n/a	n/a	n/a	-19.9	-34.9	13.6	22.6	13.2	8.7	21.7	21.8	20.6	14.3	-9.9	n/a	13.6%
Europe	1.5	2.1	10.7	9.1	5.4	3.1	10.7	-2.4	-1.3	-10.0	2.4	5.3	8.9	3.1	-10.8	2.4%	-0.8%
Lisbon	-4.8	-2.2	13.6	3.1	13.2	-2.7	12.4	-0.1	-1.9	-4.0	2.6	-9.7	14.9	11.9	-11.8	2.4%	-0.1%
Milan	n/a	n/a	n/a	n/a	17.1	11.4	16.1	6.6	3.8	-0.4	-3.3	0.8	12.3	-1.7	-13.6	n/a	0.3%
Belgrade	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-2.1	7.8	5.0	-1.7	-14.4	n/a	-1.4%
Amsterdam	6.8	11.5	16.6	13.4	10.8	13.2	21.9	-6.5	-5.5	-4.9	-0.3	5.7	16.5	-0.8	-14.9	4.9%	-1.7%
Bratislava	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11.6	-5.0	3.0	-15.2	n/a	-1.9%
Sofia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9.1	12.4	-16.0	n/a	1.0%
Madrid	-5.1	0.2	13.5	16.6	10.9	9.7	11.5	-2.6	2.4	-5.7	-10.9	0.6	12.8	2.0	-16.8	2.7%	-2.7%
Budapest	n/a	n/a	n/a	n/a	3.9	11.4	1.4	-1.2	-2.8	-13.6	7.9	11.7	4.8	-1.2	-17.1	n/a	-1.9%
Rome	9.8	-5.9	28.4	15.8	10.8	0.4	8.0	-3.1	-1.8	-1.9	4.7	2.9	7.8	-4.3	-17.6	2.6%	-1.9%
Zagreb	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-9.3	5.6	6.9	-3.3	-18.5	n/a	-4.2%
Dublin	n/a	n/a	n/a	n/a	-2.7	8.5	9.9	-8.5	-1.6	1.9	2.3	6.7	6.5	-2.5	-18.6	n/a	-2.1%
Barcelona	-8.6	8.2	30.2	28.4	21.9	15.2	9.0	-1.5	1.4	-5.5	-8.5	-5.4	7.2	5.5	-19.4	5.3%	-3.6%
Prague	n/a	n/a	n/a	n/a	1.5	17.5	30.6	-0.5	-4.3	1.6	17.7	4.3	1.4	-5.4	-21.0	n/a	-1.3%
Bucharest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17.0	2.6	-4.9	8.1	-21.4	n/a	-0.6%
Manchester	n/a	n/a	n/a	n/a	3.2	-3.2	3.9	3.1	0.7	-5.7	7.5	6.9	6.2	-1.2	-21.9	n/a	-1.0%
Birmingham	n/a	n/a	n/a	n/a	2.3	5.3	1.0	-1.4	2.5	-4.2	7.7	3.0	5.4	-0.5	-22.7	n/a	-2.1%
London	12.7	6.0	22.3	38.3	1.8	-0.6	9.8	-12.7	-5.0	-5.9	11.9	7.2	11.7	5.5	-23.1	3.8%	-2.0%
Tallinn	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.6	6.1	18.4	-7.1	-25.7	n/a	-1.1%
Edinburgh	n/a	n/a	n/a	n/a	-1.3	-1.2	9.5	-5.3	3.3	-3.4	9.4	5.5	12.0	1.7	-27.1	n/a	-1.2%
Riga	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16.6	4.9	18.6	-9.2	-28.1	n/a	-1.1%

Source: HVS – London Office

¹ Compound Annual Growth Rate

[†] CAGR from 2000 or closest year

Table 2 Hotel Valuation Index

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Paris	2.228	2.179	2.107	1.960	2.412	2.681	2.693	2.974	2.785	2.907	2.697	2.813	2.997	3.267	3.463	3.259
London	1.448	1.632	1.729	2.115	2.924	2.977	2.961	3.250	2.838	2.695	2.536	2.838	3.043	3.400	3.588	2.760
Geneva	1.381	1.478	1.608	1.566	1.580	1.651	1.857	1.900	2.099	2.178	2.006	1.838	2.006	2.158	2.275	2.669
Moscow	n/a	n/a	n/a	n/a	1.549	1.240	0.808	0.917	1.125	1.273	1.384	1.684	2.051	2.473	2.828	2.547
Zürich	n/a	n/a	n/a	n/a	1.552	1.706	1.799	1.910	1.986	1.846	1.744	1.852	2.008	2.210	2.377	2.510
St Petersburg	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.846	1.895	1.974	2.110	2.311	2.175
Rome	1.363	1.496	1.408	1.807	2.093	2.320	2.330	2.516	2.438	2.394	2.349	2.460	2.531	2.729	2.610	2.150
Milan	n/a	n/a	n/a	n/a	1.338	1.568	1.747	2.027	2.162	2.244	2.235	2.162	2.180	2.449	2.408	2.080
Istanbul	0.899	0.904	0.865	1.106	1.485	1.481	1.175	1.479	1.331	1.071	0.969	1.134	1.496	1.659	1.795	1.990
Amsterdam	0.806	0.861	0.960	1.119	1.269	1.406	1.591	1.939	1.812	1.713	1.629	1.624	1.717	2.000	1.984	1.689
Madrid	1.130	1.072	1.074	1.219	1.422	1.577	1.730	1.930	1.880	1.925	1.815	1.617	1.626	1.834	1.872	1.556
Barcelona	0.775	0.709	0.767	0.999	1.283	1.564	1.802	1.965	1.935	1.963	1.855	1.698	1.606	1.722	1.817	1.465
Europe	1.000	1.015	1.036	1.147	1.252	1.320	1.360	1.506	1.470	1.450	1.306	1.337	1.407	1.533	1.580	1.409
Stockholm	0.620	0.668	0.736	0.964	1.068	1.085	1.264	1.388	1.242	1.174	1.097	1.119	1.177	1.308	1.417	1.319
Edinburgh	n/a	n/a	n/a	n/a	1.337	1.320	1.303	1.427	1.351	1.396	1.349	1.475	1.556	1.743	1.773	1.293
Vienna	0.973	0.916	0.954	0.925	0.900	1.001	1.008	1.040	1.042	1.027	1.093	1.102	1.145	1.273	1.355	1.285
Munich	n/a	n/a	n/a	n/a	0.866	1.004	1.104	1.218	1.280	1.187	1.090	1.217	1.200	1.293	1.338	1.243
Athens	0.764	0.746	0.748	0.854	1.005	1.122	1.064	1.178	1.144	1.211	1.178	1.257	1.168	1.199	1.255	1.223
Copenhagen	0.698	0.752	0.780	0.889	1.032	1.079	1.164	1.255	1.177	1.142	1.047	1.015	1.116	1.244	1.256	1.176
Warsaw	n/a	n/a	n/a	n/a	1.313	1.340	1.355	1.371	1.344	1.140	1.016	0.879	0.950	1.090	1.202	1.154
Dublin	n/a	n/a	n/a	n/a	1.169	1.137	1.233	1.355	1.239	1.219	1.242	1.270	1.355	1.443	1.407	1.146
Prague	n/a	n/a	n/a	n/a	0.810	0.822	0.966	1.261	1.255	1.201	1.221	1.436	1.498	1.519	1.437	1.135
Brussels	0.701	0.664	0.692	0.731	0.826	0.895	0.918	1.058	1.013	0.935	0.898	0.926	0.967	1.042	1.105	1.125
Hamburg	n/a	n/a	n/a	n/a	1.036	1.069	1.120	1.233	1.121	1.162	1.159	1.164	1.170	1.180	1.105	1.070
Berlin	0.722	0.710	0.698	0.613	0.682	0.681	0.783	0.939	0.975	0.990	0.961	0.971	0.964	1.014	1.007	1.009
Manchester	n/a	n/a	n/a	n/a	1.015	1.047	1.013	1.053	1.086	1.093	1.031	1.109	1.185	1.259	1.244	0.971
Bratislava	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.036	1.157	1.099	1.132	0.960
Bucharest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.113	1.142	1.086	1.175	0.923
Budapest	n/a	n/a	n/a	n/a	0.907	0.942	1.050	1.064	1.052	1.022	0.883	0.953	1.064	1.115	1.101	0.913
Frankfurt	0.855	0.839	0.862	0.817	0.862	0.887	0.922	1.041	1.107	1.034	1.013	0.976	0.977	1.035	0.969	0.892
Birmingham	n/a	n/a	n/a	n/a	0.930	0.952	1.002	1.012	0.999	1.023	0.980	1.056	1.087	1.146	1.140	0.881
Sofia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.839	0.915	1.029	0.864
Lisbon	0.636	0.605	0.592	0.672	0.693	0.785	0.763	0.858	0.858	0.842	0.808	0.829	0.748	0.860	0.962	0.849
Zagreb	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.858	0.778	0.822	0.878	0.849	0.692
Belgrade	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.709	0.694	0.748	0.786	0.772	0.661
Tallinn	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.603	0.637	0.676	0.800	0.743	0.552
Riga	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.579	0.675	0.708	0.840	0.762	0.548

Source: HVS – London Office

Note: Based on euro calculations

share of demand being generated by domestic guests (70% of total overnights) and exhibitions (54% of arrivals to the city are business-oriented), **Birmingham** has also experienced the effects of corporate cost cutting as the country goes into recession. As a result RevPAR decreased by 15.5% and values fell to a historically low level of €153,100 per room, below that of Edinburgh and Manchester. We note that the depreciation of the sterling against the euro played a very important part in this drop in value, as our results are presented in euro. While euro values decreased by 22.7%, in sterling this drop in value is much more modest at 10.9%.

Because of its dependence on foreign demand for accommodation (which accounts for 65% of total overnight stays in the city), **Bratislava** experienced a strong RevPAR decrease of 8% in 2008, despite maintaining an average rate of €101 and the

growing domestic economy. However, in anticipation of the country's adoption of the euro in 2009, a 10% appreciation of the Slovakian koruna took place in May 2008, thereby providing upward bias to the average rate. Hotel values per room dropped by 15.2% in 2008 to €166,800, the lowest absolute figure for Bratislava since we first included the city in 2004. Bratislava now ranks 27th in our index.

At the end of 2008 **Brussels** was still managing to weather the economic storm in terms of both occupancy and rate. The limited number of new hotels and steady European Union (EU) corporate demand has kept the city's hotel performance relatively robust. Occupancy increased by 1% and average rates by 4.1%, resulting in a 5.1% rise in RevPAR to €115. Hotels in the Belgian capital are considered to be more affordable than those in other Western European capital cities and values, although lower in

absolute terms (with 23rd position overall in the index) compared to other Western European capital cities, increased by a marginal 1.7% in 2008, confirming Brussels as one of the more resilient markets in Europe. In terms of risk-adjusted capital appreciation, Brussels ranks sixth with a ratio of 0.46, well above the Western European average of 0.30.

Despite registering a healthy growth in arrivals and a strong countrywide GDP growth in 2008, **Bucharest's** occupancy dropped by almost 17%. The city had a 47% increase in hotel supply during 2008. The high dependence on business-related demand (80% of overnights) and the strong seasonality between weekdays and weekends, owing to the corporate-focused business mix, added to the fall in occupancy. Consequently, RevPAR decreased by 14.2% to €70, despite a 3.1% increase in average rate. Values per room in the city decreased by 21.4% to €160,300 in 2008 (28th position).

Budapest's dependence on the international market along with growing competition amongst Central and Eastern European city-break destinations led the city's RevPAR to decrease by 7% in 2008, driven mainly by a decrease in occupancy. Lately, bottom line performance has also been challenged by higher labour costs, and capitalisation rates rose because of political and economic uncertainty and the higher perceived risk (Hungary was bailed out by the IMF towards the end of 2008). Altogether, this caused a value decrease of 17.1% to €158,600 per room. The robust pipeline of new hotels expected for the next few years (a 20% increase on the current hotel supply), assuming that they materialise, is likely to put more pressure on room yields and values in the coming year.

As a result of a decrease in leisure and group arrivals during the summer months and the decrease in business travellers in the second half of the year, hotels in **Copenhagen** recorded a decline in occupancy of 4.8% to 68% in 2008. With a 5.1% increase in average rate, RevPAR remained static at €81. There were no significant additions to room supply; however, the deteriorating economic conditions came into effect towards the second half of 2008 and, consequently, hotel values declined by 6.4% (below the Northern European average) to €204,300 per room. New supply is expected to enter the market over the next few years, including a city centre convention centre with a capacity of 2,500 delegates.

Dublin's heavy reliance on visitation from European and North American source markets, which have been greatly affected by the current economic situation, led hotel trading performances to slump in 2008. With bednight demand from North America and mainland Europe falling by 19% and 10%, respectively, as well as a rate adjustment strategy, RevPAR dropped by 9.8% to pre-2005 levels of €95. Values per room fell by 18.6% to €199,000 in 2008. While Dublin's room supply grew in line

with accommodated visitation to the city between 2003 and 2008, an estimated 4,000 new hotel rooms are expected to be added to the city's room stock by 2013.

Out of all of the UK cities included in the index, **Edinburgh** saw the sharpest decline in RevPAR, which in turn led values to drop by 27.1% (out of which 12 percentage points are related to the depreciation of the sterling against the euro) in 2008 to €224,600 per room (15th position). The city's supply pipeline indicates that approximately 2,000 new rooms are to enter the market in the coming years. On a risk-adjusted basis, the Scottish capital showed a capital appreciation above that of the other UK cities included in the index, with a ratio close to 0.03. We note that these poor results reflect the double effect of a drop in absolute values and the unfavourable currency exchange conditions, which affects the regional UK to a larger extent. In sterling the drop in value is 15.9%.

The triple impact of an increase in supply, the loss of major trade fairs and the decrease in business-related demand led **Frankfurt's** RevPAR to decline by 1.3% (resulting from a decrease in both occupancy and rate). As such, Frankfurt experienced a decrease in values for the second year in a row with a drop of 7.9% in 2008 to €155,000 (30th position). On a rate-adjusted capital appreciation basis, Frankfurt has a ratio of 0.08, which is below the Western Europe average but on a par with Hamburg. The city also has a substantial development pipeline of 5,000 rooms, including some international brands, which may result in a further fall in value next year.

With the recent refurbishment of several de luxe properties and despite its exposure to international demand for accommodation (80% of overnights), **Geneva** is one of the very few cities in Europe to have experienced double-figure growth in average rate in 2008. As a result, values per room in Geneva experienced the strongest increase

out of all the cities included, with a growth of 17.3% to €463,700, placing the city in third position in the index. Geneva is also ranked third in terms of risk-adjusted capital appreciation from 1998 to 2008, which further demonstrates the city's resilience to downturns. This can be attributed to the large presence of international organisations, providing a constant source of demand, as well as the high barriers to entry.

Hamburg is one of the five cities that saw an increase in RevPAR during 2008. Although occupancy dropped by 1.5 percentage points to 73%, the city managed to hold its ground and even increase average rate to €101, resulting in a miniscule RevPAR rise of 0.3%. As Hamburg is mainly a domestic leisure destination, it has not yet felt the full blow of the current financial crisis. On the other hand, with more than 2,500 rooms announced or rumoured to be in the pipeline and more brands entering the city (such as Golden Tulip, Motel One and B&B), new developments will probably have to be put on hold until the market recovers. Values suffered a moderate drop of 3.2%, which put Hamburg at 24th position in the 2008 index, four places higher than last year. We note that on a risk-adjusted capital appreciation basis, Hamburg has a ratio of 0.08, well below the European average.

Istanbul is one of the few cities that has proved resilient to the economic downturn, recording the second-highest growth in value for 2008. Despite a mere one percentage point drop in occupancy to 73.4%, average rate in the city grew by a healthy 19% to €164 in 2008. This led to an overall increase in value of 10.8% to €345,700 per room, ranking the city ninth in our index. Istanbul benefits from its status as a strong meeting and incentive destination with demand emanating from Europe and the Middle East. As more luxury brands entered the market in 2008 and with the city hosting the World Water Forum and the IMF summit in 2009 and taking on the role of the European

Capital of Culture in 2010, average rates are expected to remain high in the foreseeable future and therefore contribute towards maintaining the current levels of value.

In 2007 **Lisbon**'s values per room increased by 11.9%, second only to Moscow; however, in 2008 the city's RevPAR decreased by 5.7%, following a sharp decline in occupancy, while average rates grew by 1.4% to €104. This led to a drop in values of 11.8% to €147,500 per room, less than that recorded for 2006. Lisbon is still considered to be one of the most affordable destinations in Europe and has consequently proven to be a good alternative for price-sensitive travellers. The city is expected to double its inventory of upscale hotels in the next decade, while government initiatives currently aim to improve infrastructure.

Figure 3 highlights the year-on-year average changes in values per room by region. This highlights the increasing correlation between the more established European regions from 2000 to 2008 and the severe drop in value suffered by Eastern Europe. It also shows the trends throughout the continent to be very similar.

Along with the other UK cities mentioned in this report, **London** has been significantly affected by the double impact of a weakened currency and deteriorating trading conditions. These two factors have led values per room to drop

by 23.1% in euro terms in 2008 to €479,600. As such, London has lost its leadership position in our index in favour of Paris to rank second, ahead of Geneva and Moscow. This translates into a compound annual growth rate of values of -2.0% and 3.8% for 2000-08 and 1994-08, respectively. We note that despite the below-average performances achieved by London in 2008, owing to the expected improvement in economic conditions, the eventual return to the historical currency exchange environment and the upcoming Olympic Games in 2012, the city's investment attractiveness is not at stake in the long term. Expressed in sterling the decrease in value is significantly less at 11.3%.

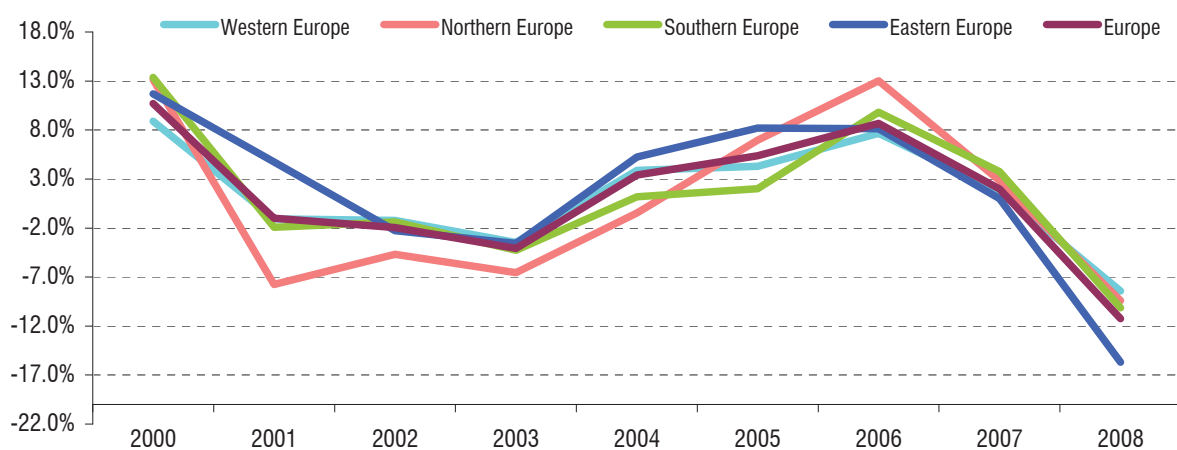
In 2008, values per room decreased by 16.8% to €270,400 in **Madrid** as a result of a 5% decrease in RevPAR and the perceived risk and deteriorated investment attractiveness of the local hotel market. The worsening operating performances come as a result of the decrease in business demand on which the local hotel market heavily depends, which in turn has led occupancy to drop by 6.6% to 66%. Spain's capital now ranks 11th in the index and has shown a risk-adjusted capital appreciation of 0.13 from 1998 to 2008, close to Barcelona's 0.16 but below the Southern European average of 0.23.

With a strong share of demand being generated from within

the UK, **Manchester** has also experienced the effects of corporate cost cutting, lower disposable income levels amongst UK residents and higher unemployment as the country goes into recession. This came in addition to the unfavourable currency environment. As a result, RevPAR dropped by 15% in euro terms with the expectation of moderate decreases in the near term. Hotel values in 2008 decreased by 21.9% to €168,700 per room (26th position), the lowest level since 1997. Nevertheless, it is important to note that Manchester has undergone a major regeneration over the past decade and has proved to be a stable hotel market in the past, improving the prospects for a recovery in the medium to long term. Moreover, in sterling this drop in value is less at 9.9%.

As a financial and business centre, **Milan**'s trading results have been negatively impacted by the current economic downturn because of its reliance on international visitation (which makes up 60% of total overnights) and the drop in domestic business-related demand. An occupancy-led 3.9% drop in RevPAR meant values slumped by 13.6% to €361,400 (eighth position), close to Rome's €373,500 (seventh position). However, Milan's risk-adjusted capital appreciation is well above the Western European average at 0.48, in fifth position between Berlin and Brussels.

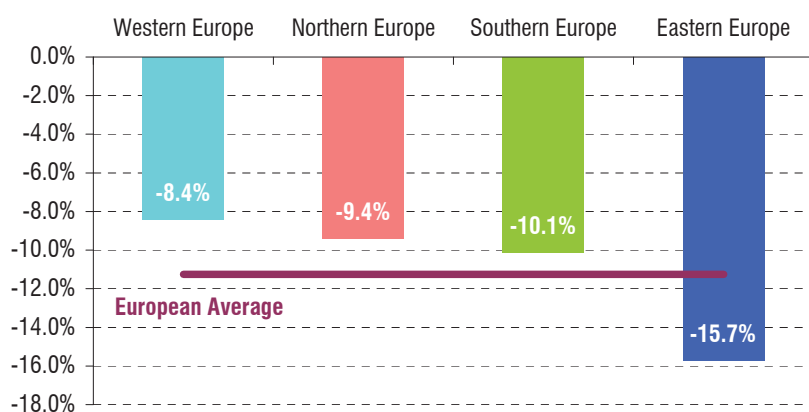
Figure 3 Year-on-Year Change in Values per Room by Region 2000-08



Source: HVS – London Office

Note: Based on euro calculations

Figure 4 Year-on-Year Fall in Values per Room by Region 2008



Source: HVS – London Office

Note: Based on euro calculations

Milan's values per room have grown at a compound annual rate of 0.3% from 2000 to 2008.

Figure 4 highlights the variation in values by region from 2000 to 2008. As such, we can see that Eastern Europe has been the hardest hit by last year's downturn in trading performances and the loss of interest in investment, while Western European cities were the least affected.

Moscow has maintained its economic growth owing to strong global demand for Russia's energy and mineral resources. Economic growth, a shortage of high-quality hotel rooms over the past eight years, stable occupancy and upward pressure on room rates resulted in an all-time high RevPAR of €192 in 2008 (a 4.6% increase). The recent decline in commodity prices and the conflict in Georgia have had an adverse impact on foreign direct investment and overall economic growth in Russia. The short-term risks outweighed the prospects for long-term economic growth, resulting in a 9.9% decrease in hotel values per room to €442,400 (fourth position). On a risk-adjusted capital appreciation basis Moscow ranks high with a ratio of 0.34, well above the Eastern European and overall European averages of 0.11 and 0.18, respectively.

Despite being one of the most visited cities in Germany and

experiencing one of the strongest economic growths in the country, **Munich** saw a 3.7% drop in occupancy in 2008. Average rate increased by 3.2%, and RevPAR decreased by 0.6%. Consequently, values decreased by 7% to €216,000 per room. As such, the Bavarian capital scores a risk-adjusted capital appreciation of 0.43 (eighth position), well above the Western European average. Munich is expected to continue to benefit strongly from MICE demand and regional economic growth that is above the national average.

In 2008, RevPAR in **Paris** marginally increased by 0.5% to €169 despite a 1% drop in occupancy. As a result, and for the first time since 2003, the French capital is now in first position in our index, despite a 5.9% decrease in values per room to €566,200, which is in line with other Western European cities. On a risk-adjusted capital appreciation basis, Paris is ranked seventh with a ratio of 0.44, between Brussels and Munich. Paris has benefited from some significant events in recent years, such as the Rugby World Cup which increased both the profile of the city and occupancy during the tournament. However, occupancy was often gained at the cost of rate, and we are probably witnessing the adjustment to a standard trading position.

Following a fourth consecutive year of decreasing occupancy,

Prague's RevPAR dropped by 11.6% to €66 in 2008. The strength of the Czech koruna against the US dollar and the euro and an increase in VAT (effective January 2008) has put pressure on average rates, making it more difficult for Prague to compete as a budget and short-break destination with other emerging destinations such as Budapest, Kiev and Warsaw. Consequently, values per room decreased by 21.0% to €197,100, placing Prague in 22nd position of this year's index.

Riga has experienced two consecutive years of value decreases (9% in 2007 and 28% in 2008) and it now ranks in last position in our survey with a value of €95,200 per room, marginally lower than that of Tallinn, another Baltic State capital. Riga's decrease in values is a result of a drop in RevPAR of 18.1% in 2008 and the city's low investment attractiveness.

Italy's economic growth has been one of the weakest in Western Europe in 2008, which caused a decrease in domestic demand for accommodation to a larger extent than in other cities in the index. As a result, an occupancy-led 11.7% decline in RevPAR drove **Rome's** values per room to fall by 17.6% to €373,500. As such, the Italian capital now ranks seventh in our index. The compound annual growth in values was 2.6% and -1.9% for 1994-08 and 2000-08, respectively. The majority of planned new supply in the city is estimated to enter the market in 2010 and this could further adversely affect values.

Occupancy in **Sofia** dipped into negative territory with a decrease of 7.2% to 56%. This was accompanied by a 6.6% drop in average rate to €101, resulting in a decrease in RevPAR of 13.3% to €56, which is only underperformed by Budapest, Riga, Tallinn and Zagreb. Given the undersupply of quality accommodation in the Bulgarian capital, developments as part of large-scale mixed-use retail or business schemes – assuming financing can be obtained – are still a possibility because of the low tax and cost of labour in the country.

Table 3 Hotel Values per Room 1993-08 (€)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Paris	387,124	378,607	366,113	340,586	419,023	465,839	467,850	516,648	483,823	504,973	468,642	488,637	520,657	567,582	601,736	566,182
London	251,597	283,549	300,471	367,477	508,083	517,285	514,406	564,730	492,997	468,253	440,589	493,147	528,685	590,700	623,389	479,586
Geneva	239,973	256,781	279,438	272,145	274,426	286,828	322,637	330,184	364,598	378,445	348,545	319,394	348,553	374,928	395,337	463,664
Moscow	n/a	n/a	n/a	n/a	269,035	215,461	140,311	159,350	195,379	221,221	240,379	292,597	356,385	429,738	491,250	442,442
Zürich	n/a	n/a	n/a	n/a	269,670	296,479	312,523	331,825	344,981	320,644	303,071	321,776	348,816	383,896	412,929	436,164
St Petersburg	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	320,777	329,300	342,922	366,545	401,525	377,850
Rome	236,751	259,986	244,586	313,964	363,716	403,154	404,869	437,149	423,617	415,946	408,025	427,329	439,706	474,115	453,513	373,474
Milan	n/a	n/a	n/a	n/a	232,524	272,389	303,497	352,247	375,619	389,819	388,362	375,607	378,780	425,408	418,292	361,405
Istanbul	156,120	157,114	150,197	192,211	258,040	257,366	204,085	256,922	231,174	186,101	168,425	196,943	259,962	288,298	311,874	345,688
Amsterdam	140,083	149,595	166,797	194,486	220,547	244,296	276,480	336,913	314,879	297,539	283,081	282,177	298,276	347,480	344,731	293,440
Madrid	196,383	186,305	186,611	211,830	247,048	273,957	300,548	335,237	326,582	334,500	315,270	280,863	282,425	318,668	325,149	270,403
Barcelona	134,675	123,124	133,264	173,495	222,830	271,732	313,155	341,337	336,221	341,063	322,233	294,942	278,972	299,168	315,731	254,503
Europe	173,737	176,267	180,042	199,333	217,526	229,290	236,339	261,577	255,376	251,982	226,837	232,240	244,457	266,287	274,427	244,837
Stockholm	107,772	116,097	127,947	167,562	185,479	188,521	219,668	241,175	215,816	203,956	190,634	194,343	204,438	227,309	246,204	229,155
Edinburgh	n/a	n/a	n/a	n/a	232,324	229,263	226,412	247,901	234,700	242,543	234,293	256,289	270,269	302,830	308,027	224,606
Vienna	169,108	159,131	165,737	160,713	156,348	173,956	175,201	180,730	180,950	178,379	189,872	191,412	198,867	221,081	235,469	223,289
Munich	n/a	n/a	n/a	n/a	150,491	174,436	191,831	211,682	222,380	206,169	189,397	211,504	208,544	224,723	232,382	216,013
Athens	132,710	129,656	129,997	148,318	174,572	194,927	184,922	204,695	198,785	210,423	204,603	218,340	202,946	208,274	218,010	212,539
Copenhagen	121,251	130,709	135,498	154,399	179,375	187,410	202,191	218,008	204,473	198,353	181,906	176,344	193,944	216,080	218,247	204,279
Warsaw	n/a	n/a	n/a	n/a	228,045	232,780	235,465	238,207	233,496	198,109	176,439	152,723	165,083	189,431	208,847	200,436
Dublin	n/a	n/a	n/a	n/a	203,068	197,499	214,191	235,386	215,301	211,756	215,852	220,721	235,425	250,642	244,497	199,027
Prague	n/a	n/a	n/a	n/a	140,738	142,780	167,808	219,149	218,023	208,653	212,065	249,529	260,316	263,895	249,576	197,115
Brussels	121,843	115,335	120,181	126,972	143,442	155,539	159,443	183,810	176,061	162,422	155,942	160,799	167,979	181,015	192,041	195,401
Hamburg	n/a	n/a	n/a	n/a	180,064	185,749	194,603	214,232	194,679	201,830	201,356	202,289	203,288	204,941	192,032	185,881
Berlin	125,441	123,433	121,212	106,546	118,415	118,349	136,114	163,137	169,398	171,922	166,977	168,681	167,454	176,141	174,941	175,269
Manchester	n/a	n/a	n/a	n/a	176,269	181,865	176,077	183,000	188,644	189,950	179,167	192,692	205,929	218,703	216,057	168,737
Bratislava	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	180,070	200,954	190,899	196,613	166,769
Bucharest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	193,316	198,380	188,751	204,066	160,328
Budapest	n/a	n/a	n/a	n/a	157,571	163,745	182,342	184,920	182,708	177,574	153,460	165,514	184,914	193,737	191,347	158,591
Frankfurt	148,546	145,724	149,804	141,864	149,808	154,054	160,258	180,854	192,358	179,599	175,961	169,497	169,811	179,872	168,302	155,043
Birmingham	n/a	n/a	n/a	n/a	161,548	165,343	174,153	175,882	173,488	177,813	170,258	183,382	188,794	199,043	198,044	153,081
Sofia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	145,770	159,016	178,800	150,132
Lisbon	110,418	105,124	102,816	116,759	120,381	136,297	132,636	149,097	148,996	146,202	140,296	143,955	129,972	149,358	167,172	147,476
Zagreb	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	149,042	135,242	142,756	152,624	147,537	120,215
Belgrade	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	123,176	120,600	129,967	136,488	134,139	114,829
Tallinn	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	104,755	110,663	117,448	139,035	129,107	95,920
Riga	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100,651	117,333	123,066	145,912	132,469	95,204

Source: HVS – London Office

In 2008, values per room in Sofia came within the bottom six of our index, with a value decline of 16% to €150,100 per room.

Stockholm continued to show a strong performance in 2008, which was a good convention and conference year. The Swedish capital saw the effects of the economic downturn in the second half of 2008 and, combined with new supply entering the market, this resulted in a marginal decrease of 0.6% in RevPAR. Stockholm saw a decrease in values per room for the first time since 2003, from €246,200 in 2007 to €229,200 in 2008. Values grew at a compound annual rate of 5.0% from 1994 to 2008.

Along with the growth of the overall Russian economy, **St Petersburg's** efforts to attract foreign investment, improve its infrastructure and build up its tourism marketing capabilities have strengthened demand for high-quality room products, and

thus escalated upward pressure on room rates in the market. RevPAR in St Petersburg increased by 9.8% to €147 in 2008, which resulted in the fifth-highest RevPAR in Europe. Similar to Moscow, short-term risks outweighed the prospects for long-term economic growth, resulting in a 5.9% decrease in hotel values to €377,800 (sixth position); however, this is still less than the average decrease for Eastern Europe of 16.4%.

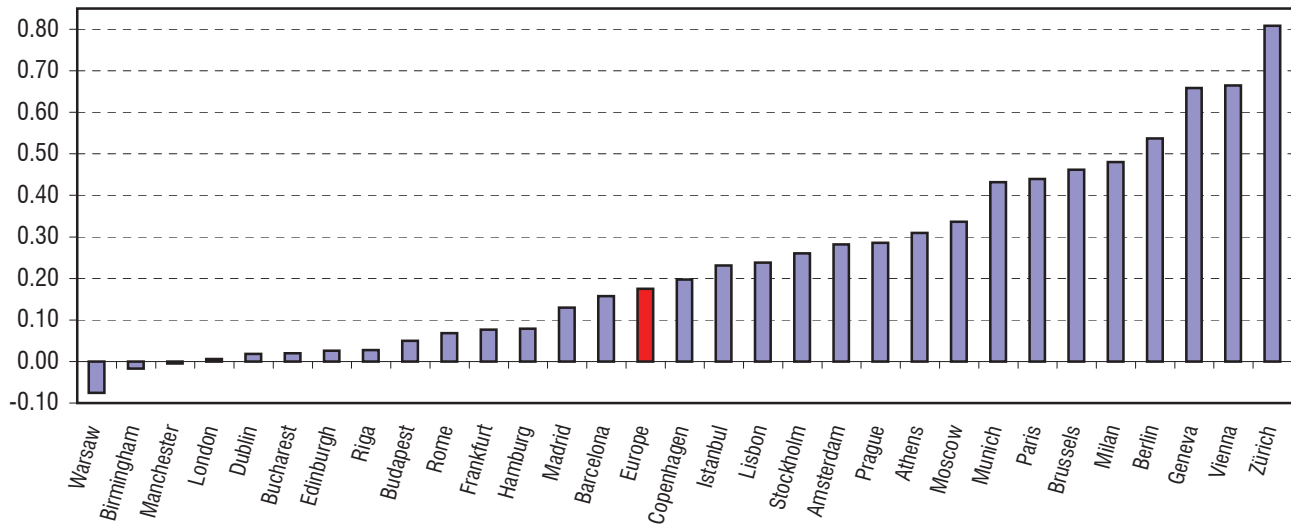
Further to an almost 18% drop in RevPAR in 2008, values per room in Tallinn have dropped to €95,900, the lowest level since we started reporting hotel values for the city. This equates to a 25.7% drop in value on 2007, well above the Eastern European average.

Vienna experienced a 1.6% increase in RevPAR in 2008 following a 6.5% increase in average rate. This corroborates the theory that the Austrian capital is still underpriced in comparison to

other European gateway cities. Despite trading performances above the European average, values per room in the city decreased by 5.2% to €223,300 (16th position in our index). We note that this equates to a risk-adjusted capital appreciation ratio of 0.66 from 1998 to 2008, second only to Zürich and just ahead of Geneva.

Warsaw strongly outperformed other Eastern European cities with a rate-driven RevPAR increase of almost 8% to €66 in 2008. As such the Polish capital is gradually recovering from previous years' oversupply and the price war that followed. However, values per room dropped by 4%, much less than both the Eastern European and European average drops of 16.4% and 10.8%, respectively. Values per room in the city are now €200,400 (20th position). Warsaw's risk-adjusted capital appreciation ratio of -0.08 ranks the city last on a risk-adjusted basis, owing to poor historical performances.

Figure 5 Risk-Adjusted Capital Appreciation by City 1998-08



Source: HVS – London Office

Following a deterioration of its hotels' trading performances, RevPAR in **Zagreb** dropped by 10.4% to €39 in 2008. The Croatian city now ranks 34th in our index, between Lisbon and Belgrade, with a decrease in values per room of 18.5% in 2008 to €120,215.

Like Geneva, **Zürich** so far has only been marginally impacted by the economic downturn with trading performances starting to weaken no earlier than November 2008. Despite an overall drop in occupancy of 5.3%, Zürich's RevPAR increased by 9.9% in 2008, following a 16% increase in average rate. This in turn led values per room to grow by 5.6% to €436,200. Zürich has the highest risk-adjusted capital appreciation ratio with 0.81 and this highlights the city's proven resilience to downturns and validates the continued investment interest it is subject to. Given its small proportion of branded supply for a city of its stature, the development pipeline for Zürich indicates that 1,300 rooms are expected to open by 2011.

Figures 5 and 6 present a newly introduced ratio to the HVI: the risk-adjusted capital appreciation. This ratio aims to measure the return on capital appreciation over a given period (1998 to 2008) adjusted for investment risk. Details of how this ratio

is calculated are provided in 'Understanding the HVI'. We highlight that while this measure does not directly account for yearly generated income, the capital appreciation from one year to the next heavily depends on yearly performance and income.

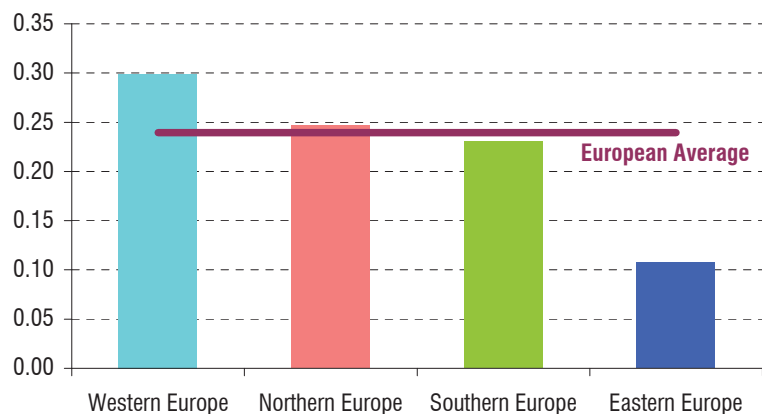
Figure 5 ranks Zürich, Geneva and Vienna as the most rewarding hotel markets to have invested in, on a risk-adjusted basis, from 1998 to 2008. When analysing these tables we draw attention to the fact that market maturity and the foreign exchange environment can play a decisive role in the computation of the ratio. As such, the fact that UK cities such London and Edinburgh have scored below average can

be attributed to adverse euro exchange rates, and in the case of London the market reached an advanced level of maturity (and therefore greater value from which to start from) in 1998. Figure 6 shows the average ratios by region.

Hotel Values per Room

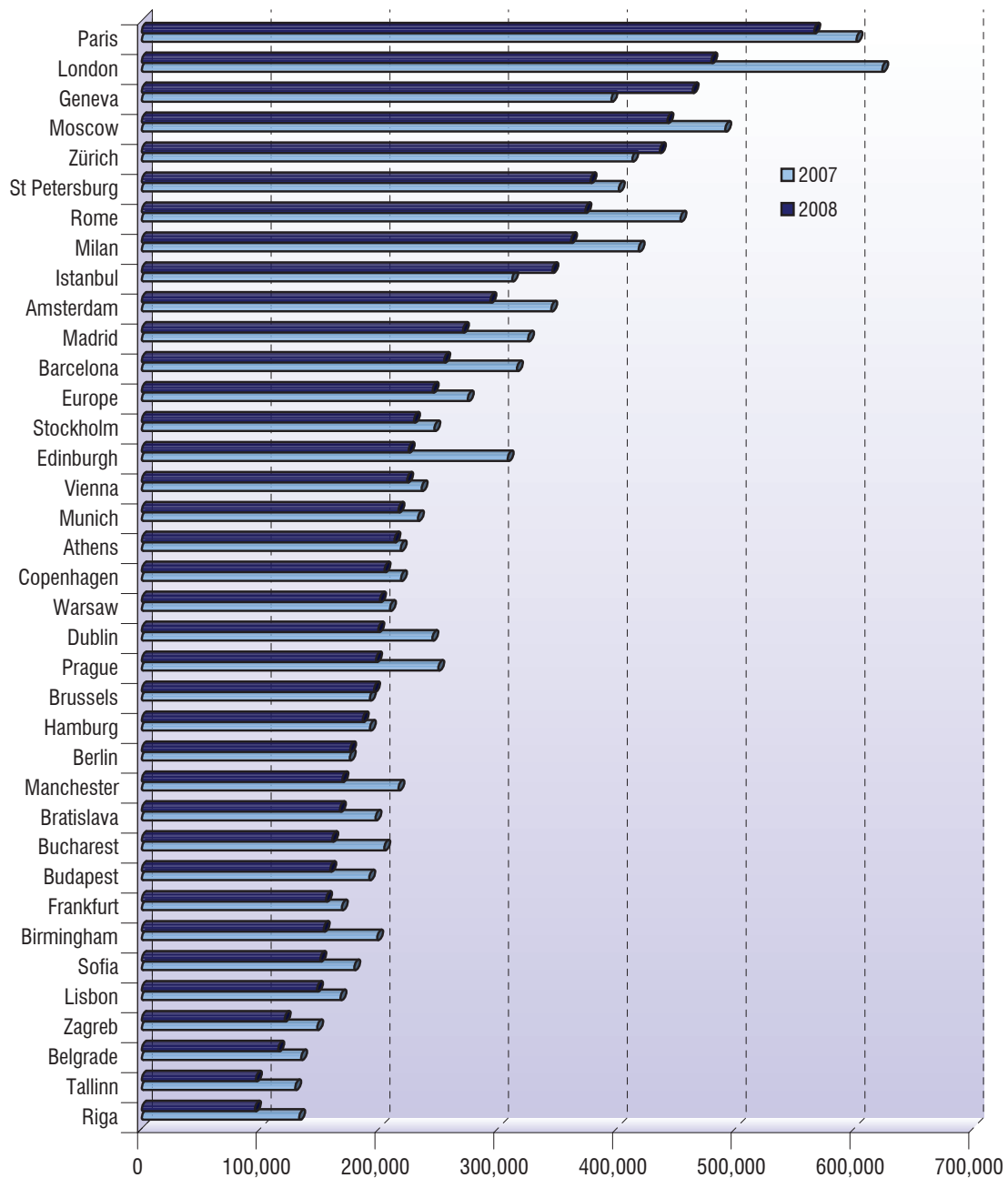
2008 will be remembered for being the year of two halves. The first half continued in much the same way as 2007, but the second half was characterised by a collapse towards the end of the year. The impact of the worldwide credit crisis and the associated lack

Figure 6 Risk-Adjusted Capital Appreciation by Region 1998-08



Source: HVS – London Office

Figure 7 Hotel Values per Room 2007 and 2008 (€)



Source: HVS – London Office

of confidence cannot be over estimated. The lack of available debt has dramatically reduced the number of transactions, which in turn has made purchasers more cautious and therefore depressed values further. Providing that many of these factors ease in 2009, some of the loss in value may be reversed during the year. 2008 continued to showcase the momentum of the European hotel market, even with the inclusion of additional Eastern European markets, when compared to other real estate classes. The top-five set of the most expensive

European cities in which to buy a hotel contains many of the same players as previous years. Our analysis of values per room in euro (Table 3) shows that Paris has regained the top spot at €566,200 per room. Riga and Tallinn remain at the bottom of the index with values per room of €95,200 and €95,900, respectively.

Outlook

The Europewide decrease in value of 10.8% and increase in yield

of 42 basis points, is not as great as some might have expected or indeed predicted for 2008. This demonstrates the resolute nature of the hotel industry and perhaps is a social commentary on the importance of travel to the human race.

There is no question that since the last quarter of 2008 we have entered a period of recession. The question is: how long will it last? Many operators traded well and close to budget until autumn 2008. However, with the basic

valuation formula of passing net operating income levels over initial returns in mind, it is evident that both factors are putting negative pressure on resulting values, as the former decreases and the latter have started to move out. It will certainly be interesting to watch the direction and the percentage change of these components during 2009. However, we strongly consider that the much-feared further fall in values during the next 12 months can be contained to a great extent once we see a freeing of the financial restraints and a subsequent increase in transactions and investment appetite.

It is probably of no surprise that the top-five performers include the two Swiss cities of Zürich and Geneva, with high barriers to entry and stable economies, and Brussels, which is becoming even more dependent on the EU but also benefits from improved transport links. Istanbul has shown significant growth, mainly because of the high-quality accommodation that has recently been opened, the increase in visitation and the greater diversification of its feeder markets.

The largest falls in reported values are all in Eastern Europe. The old adage of 'what goes up must come down' illustrates that a large spike in values often results in a sharp fall. It will be interesting to watch these cities over the next couple of years to see the extent to which they can bounce back.

The trend for the year ahead is de-leveraging and investing in prime locations, established markets and good-quality products. Development prospects remain high, especially for many emerging markets, although it seems they will have to be postponed for a few months. Overall, the HVI 2009 shows an ever-increasing maturity of the European hotel market and that interest in developing and operating hotels across the whole continent continues. Values generally remain well ahead of those recorded in 2000. Long may it continue, and we will look forward to the rest of 2009 with fascination and anticipation.

Understanding the HVI

The HVI is a hotel valuation benchmark developed by HVS. It monitors annual percentage changes in the values of typically four-star and five-star hotels in 36 major European markets. Additionally, our index allows us to rank each market relative to a European average (see Table 2). The HVI also reports the average value per room, in euro, for each market (Table 3) and all data presented are based on euro, unless otherwise stated.

The methodology employed in producing the HVI is based upon actual operating data from a representative sample of four-star and five-star hotels for which HVS maintains extensive databases. Operating data from the STR Global Survey was used to supplement our sample of hotels in some of the markets. The data are then aggregated to produce a pro forma performance for a typical 200-room hotel in each market. From our experience of real-life hotel financing structures gained from valuing hundreds of hotels each year, we have determined appropriate valuation parameters for each market, including loan to value ratios, real interest rates and equity return expectations. These market-specific valuation and capitalisation parameters are applied to the net operating income for a typical hotel in each city. In determining the valuation parameters relevant to each of the 36 European markets included in the HVI, we have also taken into account evidence of actual hotel transactions and the expectations of investors with regard to future changes in supply, market performance and return requirements. Investor appetite for each market at the end of 2008 is therefore reflected in the capitalisation rates used. The HVI assumes a date of value of 31 December 2008. Values are based on recent market performance but the capitalisation rates reflect the anticipated

future trends in performance, competitive environment, both demand and supply, cost of debt and cost of equity. The HVI allows comparisons of values across markets and over time by using the 1993 average European value of €173,737 per available room (PAR) as a base (1993=1.000). Each market's PAR value is then indexed relative to this base. For example, in 2008 the index for Paris was 3.259 (€566,182/€173,737), which means that the value of a hotel in Paris in 2008 was more than three times higher than the European average in 1993.

In 2008 we introduced the risk-adjusted capital appreciation analysis per city and per region in order to assess the risk/return factor for cities for which we had a sufficient amount of data to perform the calculation. The calculation is as follows.

$$RACA = M/STDEV$$

M = the arithmetic average of yearly capital appreciation per room from 1998 to 2008.

STDEV = standard deviation of variations in capital appreciation from 1998 to 2008.

This analysis provides us with ratios ranging from -0.08 (Warsaw) up to 0.81 (Zürich). Our findings are presented in Figures 5 and 6.

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About the authors



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Published by:
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