



hospitality
INSIDE

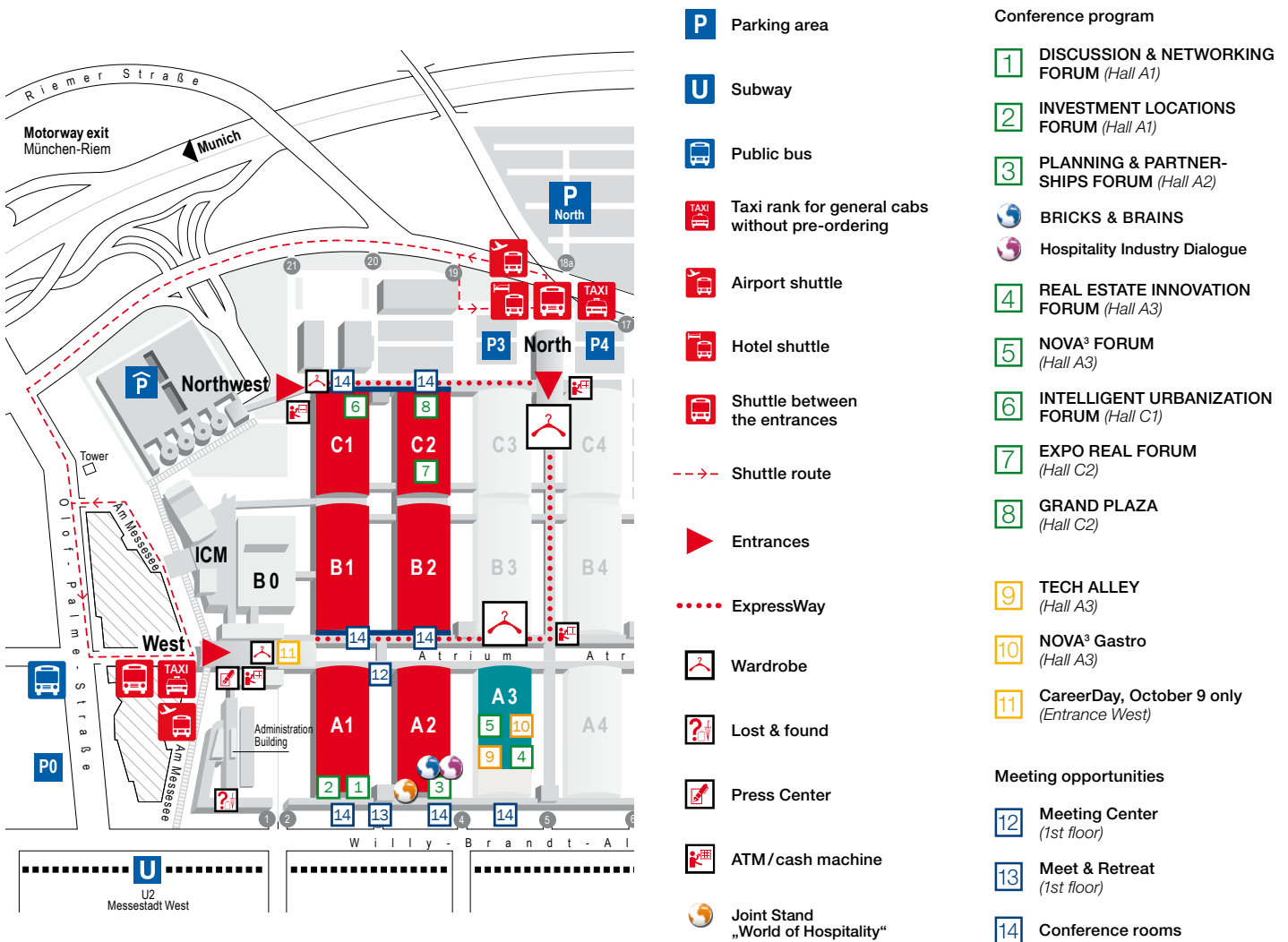


SPECIAL

OCTOBER 2019 // EXPO REAL EDITION FOR HOSPITALITY & REAL ESTATE EXPERTS



HOTEL BOOM: NO LIMITS TO GROWTH?



HospitalityInside network at EXPO REAL: Visit us!

Exhibitors at the „World of Hospitality“ – Joint stand Hall A2.140 and A2.040

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barefoot Hotels
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DSR Hotel Holding
easyHotel by i.gen hotels

Engel & Völkers Hotel Consulting
GSH – Gorgeous Smiling Hotels
HCS-Solutions GmbH
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Bayreuth
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Jung & Schleicher Rechtsanwälte
Kempinski Hotels

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B1.344
A2.014
B2.142



Dear hospitalityInsider and Guests of EXPO REAL 2019!

At last, it's trade fair again! And new opportunities for personal conversations!

The earth appeared to have opened up and swallowed developers over the last 12 months: All were chasing the last parcels of land, and were completely out of reach. Meanwhile, transactions and investments in the hotel industry are declining, oversupply is still growing and the wave of consolidation continues. In the meantime, not only are excessive prices being paid for properties in

good locations, but even for medium-sized, average operator companies with hotels in mixed locations. After Lehman, the industry could only dream of this in 2008.

Even though certain market actors are currently cashing in, there is no reason to dream on: Competition is increasing, and the digitally networked and ever more demanding traveller is putting increasing pressure on the industry. He/she will always find the best price somewhere on the Internet and has no problem booking through tech companies like Airbnb, Booking.com or Oyo. With their distribution model, these three names are not just placing classic hosts in a tight corner statistically. This is also true for Marriott & Co as well as for the family-run private hotel.

In this SPECIAL, which we publish for the Expo Real (in print and online), you will find background articles on the trends that currently have a massive effect on the industry. It's obvious just how much digitalisation is affecting everyday business. It forces investors and operators to have a rethink, prompts project developers to make reassessments and the classic bed giant Marriott to introduce the platform "Homes & Villas" and is also having a clear impact on the day to day work of sustainability experts. In addition, hotel investors should also read the articles about employee problems, after all, an empty hotel is a worthless hotel.

These topics will certainly come up in discussions with our exhibitors at the joint stand of "World of Hospitality" in Hall A2. 29 companies will be exhibiting here this year, and for the first time the exhibitors will be spread across two stand areas, A2.140 and A2.040. Find out more on page 10.

The traditional networking event "BRICKS & BRAINS" will take place this time on the second day of the fair. Don't miss the hotel conference "Hospitality Industry Dialogue" on the first day of the trade fair, which I organised for the 12th time on behalf of the trade fair and at which you can experience top speakers on the top topics live (p.8).

Many thanks to all our business partners, sponsors, advertising partners and subscribers who help us to ensure that this issue provides us with useful information about the colourful, multifaceted and promising hospitality industry. Otherwise, we're there for you every week online. At the trade fair stand, there will be the opportunity to take a first look at the new website and the magazine. We look forward to your visit at our stand.

Your Maria Pütz-Willems
Editor-in-Chief
maria[at]hospitalityInside.com

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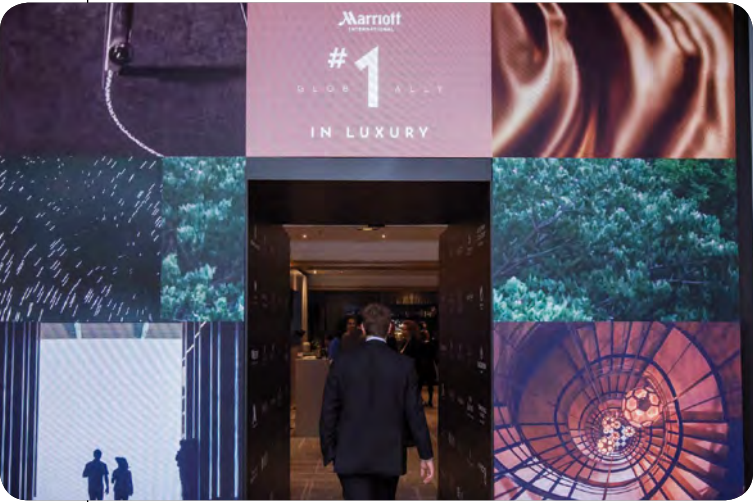
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IMPRINT

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Partners of the joint stand "World of Hospitality" (in alphabetical order): AccorInvest, Achat Hotels, Aroundtown SA, barefoot Hotels, Choice Hotels, Christie & Co, citizenM, Drees & Sommer, DSR Hotel Holding, easyHotel by i.gen hotels, Engel & Völkers Hotel Consulting, GSH – Gorgeous Smiling Hotels, HCS-Solutions GmbH, Hofer Land – Fichtelgebirge – Region Bayreuth, HospitalityInside, Hotel Affairs Consulting, Hotour Hotel Consulting, Jung & Schleicher Rechtsanwälte, Kempinski Hotels, King's Hotels, LetoMotel, IFPI Hotels Deutschland, Plaza Hotelgroup, prizeotel Hotel Group, Scandic Hotels, Select Hotel Advisory Services, Staycity Group, Treugast Solutions Group, TUI Hotels & Resorts.

Sponsors of the networking event "BRICKS & BRAINS": Kempinski Hotels, CMS.

EXPO REAL 2019: 7TH HALL, INNOVATION HUB AND MORE CONFERENCE PROGRAMME

A strong push

Expo Real expands to include one more hall. Hall A3 – NOVA3 – will provide a dedicated space on the theme of innovation for exhibitors in this field. The Real Estate Innovation Forum, Tech Alley and the Start-up Contest will move to this hall. There's also a NOVA3 Forum. Across all halls and asset classes, the conference programme is as extensive as never before.

„2,095 exhibitors, over 45,000 participants – in 2018 Expo Real was bursting at the seams. And so, for Expo Real 2019, we will be including one more exhibition hall, bringing the total to seven. This meets the demand for more space and from new exhibitors, and, with an increase in the number of participants, it also complies with official requirements to provide more public space in the halls,” explains Claudia Boymanns, Exhibition Director of Expo Real. „In addition, the theme of innovation in the context of increasing digitalization is gaining importance and leading to increased demand from the real estate sector.”

„We are pleased we have now managed to attract several of the start-ups from Tech Alley and the Proptech Network as main exhibitors,” Claudia Boymanns continues. These include 21st Real Estate, Alasco, BuildingMind, Cloudscaper Europe, Disruptive Technologies Research, FairFleet, PlanRadar, Sensorberg, Solutiance Services, Visn by OSRAM and WICONA. As well as these „grown-ups”, this year 75 start-ups (2018: 65) will be showcasing their digital products, solutions and ideas in Tech Alley, in the following sections: Plan & Build, Manage & Operate, Research & Value, Invest & Finance, Market and Next City Solutions. In addition, these young companies will again have the opportunity of presenting not only their products but also themselves to the audience, in a Tech Talk Zone. The 25 finalists of the Built

World Innovation Contest will also be featured in Tech Alley. The organizer and cooperation partner from previous years has renamed itself Built World Innovation (previously Real Estate Innovation Network). Europe's biggest proptech start-up competition will be held ahead of the show.

Conference programme: Much more room for discussion

For the first time, Expo Real will host events on ten stages. Some things are new – and that required a few changes. For example, the Expo Real Forum 2019, which has existed since the beginning of the fair (1997), is moving into Hall C2 and thus into the vicinity of the „Grand Plaza”, where all events are dedicated to trade and its real estate. The Investment Locations Forum will return from Conference Room B11 to Hall A1, where the Discussion & Networking Forum is still located. Next door in Hall A2 is the Planning & Partnerships Forum. The range on offer includes the already established Hospitality Industry Dialogue, which deals with topics relating to hotel real estate and investments (the programme on p. 8/9 of this SPECIAL). With the opening of hall NOVA3 the Real Estate Innovation Forum moved from A1 to hall A3. With the NOVA3 Forum it gets its own discussion platform (also with a hotel related discussion on Tuesday/sh. p. 8/9). While Career Day will take place on the third day of the fair this year in Conference Room B11 above Hall B1, the Intelligent Urbanization Forum will remain in Hall C1.

Keynote speeches with undisputed industry experts

It's always the case that internationally renowned industry experts attract a great deal of attention. This will likely be the case

at the Investment Locations Forum on Monday at 2 p.m. when the new President of the Kiel-based IfW Institute for the World Economy, Professor Gabriel Felbermayr, will be analyzing the USA in his keynote speech: The USA in a Global Context. His talk will be followed by a Q&A session involving leading industry figures and the public. There will also be a series of keynote speeches at the Expo Real Forum in Hall C2, including one from Dr. Ulrich Kater, Chief Economist at DekaBank, who will be talking about Europe and Brexit on Monday at 12.30 p.m.

Starting at 11 a.m. the same day, all attention will be focused on the international panel who will be exploring the question „Who is the city for?” and hopefully coming up with solutions as they discuss „Making Cities Work for All”. „The city” is a recurring theme throughout this year's Expo Real, including the „The Public Sector and the Real Estate Industry: Cooperation instead of Confrontation!” event on Monday at 2 p.m.; „How Dense are We? The Opportunities and Challenges of Urban Densification” on Tuesday at 3 p.m.; and on Wednesday from 10-11.50 a.m. at the „The Impact of Urbanization, E-commerce and New Mobility” panel, which includes a keynote speech on the topic of New Mobility from Peter Glus of Arcadis U.S.

Europe's leading trade fair for real estate and investment achieved record results in 2018: It featured 2,095 companies, cities and regions (2017: 2,003), with the number of participants rising by 8% to 45,058 from 73 countries, of which 22,029 were trade visitors (2017: 20,016). The trend themes of the previous year included risks, affordable housing and digital awakening.

Claudia
Boymanns,
Exhibition Director
EXPO REAL



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...to grown-up

THE CONFERENCE PROGRAMME

HOSPITALITY INDUSTRY DIALOGUE ON COMPETITION, HYBRIDS, RESORTS, HR, DIGITAL

Diversity in discussion

1.4 billion people travelled last year, despite all the trouble spots in the world. The UNWTO did not expect this figure until 2020. This means it is becoming ever tighter at the world's most beautiful holiday destinations and in the largest cities. But there is still a lot of capital flowing into the hotel industry, and operators are giving birth to new brands every week.

Competition is continuously increasing, investors and hotel groups have to reckon with ever sharper pencils. Under the pressure of demanding and digitally networked customers, the hotel world is becoming ever more diversified and colourful: Mixed-use districts, hybrid real estate, co-working/living and digitalisation are setting new, strong accents – and giving rise to hope for new sources of income and higher returns. All this is reflected in the Hospitality Industry Dialogue (HID). It starts on Monday, 7 October, in the “Planning and Partnerships Forum” in Hall A2 at 12 noon and ends at 5.20 p.m. On Tuesday, 8 October, there will be an extra panel in the new Nova3 hall on the subject of digitalisation / “Real Estate as a service”.



The programme in detail:

12.00–12.50 h

Trendy: The hospitality hybrid in the micro-city. Boring hotels are so yesterday: guests from 17 to 70 love to live, work and relax in a casual lifestyle environment. What synergies can be generated from the new mixed-use ensembles of hostels, serviced apartments, boutique and lifestyle hotels, student apartments, offices, co-working and F&B outlet? What are the challenges in design, construction/financing and guest experience? What is the best approach for creating new sustainable micro cities with their own communities?

Moderator: Anett Gregorius, Managing Director, Apartmentservice

Panelists: Alexander Trobitz, Head of Hotel Services, BNP Paribas Real Estate
Niels Berl, Director Germany, The Collective
Thomas Scherer, Managing Partner & Managing Director, denkmalneu.gastgeber
Amandus Samsøe Sattler, Founding Partner, Allmann Sattler Wappner Architekten

13.00–13.20 h

The big shift. Technology pushes hospitality aside. Facts and figures on the current challenges facing hotel chains. Technology companies change the balance in the hospitality industry.

Keynote: Robin Rossmann, Managing Director, STR

13.30–14.20 h

Hospitality Visions: Leaders discuss competition. Which strategy ensures the survival of global companies, who or what encourages travellers/guests to keep coming back for more? Who wins the international competition?

Moderator: Maria Pütz-Willems, Editor-in-Chief, hospitalityInside.com

Panelists: Karin Sheppard, Managing Director Europe, IHG/InterContinental Hotel Group
Duncan O'Rourke, COO Central Europe & COO Europe Luxe, Accor
Thomas Willms, CEO, Steigenberger Hotels AG

14.30–15.20 h

Leisure hype: Resorts, Villas & Homes. City hotel groups are suddenly focusing on resorts and discovering niches; retailers and tour operators are investing in holiday hotels; chains are setting up their own homesharing rental platforms.

Moderator: Thomas Reisenzahn, Managing Partner, Proding Consulting Group

Panelists: Chris Stephenson, Director Homes & Villas Europe, Marriott Hotels
Dr Christian Hirmer, Owner, Hirmer Group/Travel Charme Hotels & Resorts
Dr Otmar Michaeler, CEO, Falkensteiner Hotels & Residences
Franz Lanschützer, Deputy President of the Supervisory Board, Valamar

15.30–16.20 h

Asset light in danger? Are hotel properties regaining power? Do hotel operators need to change the way they think? Operators' business models are becoming leaner and more interchangeable; their scope is becoming narrower. Real estate is becoming more and more expensive.

Moderator: Christoph Härle, Owner, Härle Hotel Solutions

Panelists: Andrea Agrusow, COO Central Europe, AccorInvest
Felicity Black-Roberts, VP Development Europe, Hyatt
Mark Anderson, Managing Director, Property & Premier Inn Int. Whitbread Group
Carine Assouad, Head of Hotels Asset Management, Covivio

16.30–17.20 h

Humans, Human Robots or Nobody?

Who will serve the guests in the future? Hotel real estate is shooting out of the ground like mushrooms, pipelines are exploding. Investors ignore the employee dilemma, operators are in trouble. Where are the ways out?

Moderator: Prof Dr Christian Buer, Head of Tourism and Hotel Management, Heilbronn University

Panelists: Otto Lindner, CEO, Lindner Hotels & Chairman IHA (Hotel Association Germany)

Garry Levin, Managing Partner, LHC International

André Wiitschi, President of the Board of Governors, EHL/Ecole hôtelière de Lausanne

Additional Panel about Digitalisation



in the hotel real estate industry on Tuesday, October 8, 2019 at the "Nova Forum" in the new Hall A3/Nova 3

11.00–11.50

More profit in sight: "Real Estate as a service". Digitally networked hotel real estate enables new forms of monetization.

To achieve this, investors/owners and operators have to break down existing processes and rethink services: Which services bring added value to the guest? How can new technologies be used to increase sales?

Moderator: Tim Davis (photo), Partner, Pace Dimensions

Panelists: Erik Florvaag, Head of Hotel Acquisitions, Art-Invest

Patrick de Nooijer, Senior Development & Investment Manager, citizenM Hotels
James Wright, Vice President IT Field Services Europe, Middle East and Africa, Hilton

Editor's recommendation: Klaus Dederichs, Head of ICT at Drees & Sommer Aachen, will give a keynote speech on the topic ahead of this panel at 10.30 a.m. about "Digital? Why, surely! The intelligent networking of people, buildings and business processes."

Programme as of September 17, 2019.

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PORTRAITS PANELISTS



Andrea Agrusow



Felicity Black-Roberts



Otto Lindner



Duncan O'Rourke



Thomas Willms



Robin Rossmann



Chris Stephenson

The high-calibre panelists bring with them years of experience in the hotel and real estate industry and thus the basis for exciting discussions. **Andrea Agrusow**, CEO of AccorInvest Germany & COO AccorInvest Central Europe, looks back on 20 years of international experience as Senior Tax Manager KPMG or Chief Financial Officer and Managing Director of CBRE Global Investors.

Felicity Black-Roberts, Vice President Development at Hyatt, has more than 25 years experience in hospitality and has worked for brands such as Forte, Le Méridien and Starman. While the two women enrich the "Asset Light at Risk" panel, **Otto Lindner** participates in "Humans, Human Robots or Nobody?". The business graduate has been a member of the Management Board

of Lindner Hotels AG since 1990 and has also represented the hotel industry as Chairman of the German Hotel Association (IHA) since 2016.

Duncan O'Rourke and **Thomas Willms**, participants in "Leader Discuss the Competition", have also been active in the industry for many years: After working for Kempinski - for example as General Manager London, COO and member of the Management Board - O'Rourke moved to Accor in 2016, where he first worked as COO Europe for the luxury segment and since 2018 as head of the Central Europe region. Willms, for his part, has been CEO of Steigenberger Hotels since 2018. Previously he worked for Starwood Hotels & Resorts, Maritim Hotels and InterContinental Hotels.

Robin Rossmann, Managing Director of STR, enriches the panel "Der grosse Shift. Technology displaces hospitality". He has more than 15 years of experience in the hotel industry, 13 of them at Deloitte, where he advised on hotel strategy, investment/market valuations, financial & commercial due diligence and risk management.

Chris Stephenson, who has been Senior Director Homes and Villas of Marriott Int. in Europe since 2019, fits ideally to the topic "In the Leisure Hype: Resorts, Villas & Homes". He joined the Group's Global Operations team in 2015 and worked his way through the portfolio of 30 hotel brands, including the launch of the Moxy brand and as head of Marriott's Home Rental pilot through Tribute Portfolio Homes.



Rendering: Neaplan München

Halle
A2

Stand A2.140
und A2.040

THE PARTNERS OF THE „WORLD OF HOSPITALITY“ 2019

New growth with second stand area

For years there has been a desire for larger and individually designed exhibition areas under the umbrella of the „World of Hospitality“ (WoH). Last year Letomotel had already taken advantage of this opportunity and very successfully implemented an individual corner stand solution. With AccorInvest and the GSH/Gorgeous Smiling Hotels it has now been possible for the first time to

place larger individual stands on an additional stand space next to the main stand. In order to master the logistical challenges during trade fair operations, the number of service staff was increased once again and a second fully equipped kitchen was installed on the new stand. At the WoH reception, visitors will find a compact guide with brief

profiles of all co-exhibitors to quickly find the right contacts among the 29 exhibiting companies from hotel operations, investment, project development and consulting. Expo Real visitors can look forward to an efficiently organised „World of Hospitality“ again this year with a wide range of expertise in all aspects of hotel real estate.

The 29 exhibitors at a glance:

- AccorInvest
- Achat Hotels
- Aroundtown SA
- barefoot Hotels
- Choice Hotels
- Christie & Co
- citizenM
- Drees & Sommer
- DSR Hotel Holding
- easyHotel by i.gen hotels
- Engel & Völkers Hotel Consulting
- GSH – Gorgeous Smiling Hotels
- HCS-Solutions GmbH
- Hofer Land – Fichtelgebirge – Region Bayreuth
- HospitalityInside
- Hotel Affairs Consulting
- Hotour Hotel Consulting
- Jung & Schleicher Rechtsanwälte
- Kempinski Hotels
- King's Hotels
- LetoMotel
- LFPI Hotels Deutschland
- Plaza Hotelgroup
- prizeotel Hotel Group
- Scandic Hotels
- Select Hotel Advisory Services
- Staycity Group
- Treugast Solutions Group
- TUI Hotels & Resorts

THE 29 PARTNERS OF THE WORLD OF HOSPITALITY 2019 INTRODUCE THEMSELVES:

ACCORINVEST

ACCORINVEST is both owner and operator of a property portfolio of more than 850 hotels, owned and leased, located in 26 countries of Europe, Latin America and Asia. The Group invests to consolidate its property portfolio through hotel renovations and new hotel developments in Europe on economy & midscale segments. Through these actions, AccorInvest pursues a two-fold ambition: guarantee guests service excellence of its hotels and answer to current environmental concerns by reducing carbon footprint of its assets. To accomplish successfully its development, AccorInvest relies on an international team of more than 30,000 collaborators. These talents practice complementary expertise: a deep knowledge of local conditions and opportunities, know-how in the Asset Management fields, longstanding passionate experts of the hospitality industry who are dedicated to delivering great service and unique guest experience. AccorInvest puts innovation at the service of its performance and sustainable development. The Group aims not only to build intelligent buildings but also to assure a rational exploitation of its assets in order to reduce their carbon footprint throughout their life cycle. Bounds historically to Accor, AccorInvest entered with the latter, world-class brands owner (ibis®, Novotel®, Mercure®, etc.), into long-term management contracts to offer operational excellence of its hotels. This privileged partnership assures continual enhancement of its hotel portfolio attractiveness and guest satisfaction.

www.accorinvest.com

ACHAT HOTELS

ACHAT Hotels is a growth-orientated hotel management company based in Mannheim. It was founded in 1991 and taken over by SME Investor HANNOVER Finanz at the end of 2016. The group now has 35 hotels in Germany, Austria and Hungary with over 4,100 rooms and apartments. These are operated under ACHAT Hotels' four brands.

The group focuses on new hotel buildings for the LOGINN by ACHAT brand as well as the acquisition of existing hotels for the different ACHAT brands. At the end of 2018, the ACHAT Group management board renewed its future strategy and goal to become one of the largest and leading hotel management groups in Germany's mid-market segment.

www.achat-hotels.com

AROUNDTOWN^{SA}

AROUNDTOWN SA is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities primarily in Germany and the Netherlands. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. Aroundtown is the largest listed and highest rated (BBB+ by S&P) German commercial real estate company and is included in several major indices, such as MDAX, EPRA indices, MSCI indices and STOXX Europe 600.

The hotel portfolio consists of over 140 hotels at a value of €1.4bn (as of June 2019). The hotels are flagged with leading and globally recognized brands and are located in touristic and commercially attractive locations in Germany and Europe with more than 80% positioned within the 4-star market.

Furthermore, the hotels have long-term fixed leases with third-party hotel operators, providing stable cash flows. The management participates in the branding decision of the hotel, applying its expertise in selecting the optimal brand. An integral component of the business plan is a long-term fixed rental lease, which increases the cash flow stability.

www.aroundtown.de

barefoot HOTELS

barefoot HOTELS is the registered trademark of the hotels conceived and designed by actor and director Til Schweiger. Following on from the successful launch of the barefoot HOTEL Timmendorfer Strand, "Barefoothotels Management- und Lizenzgesellschaft mbH" will develop and operate up to 20 hotels in popular and highly frequented destinations in the next few years. In the past, managing partners Alexander Winter and Stephan Gerhard have built up and managed other successful hotel brands, such as arcona HOTELS & RESORTS, 25hours Hotels, Fidelity Hotels & Resorts, and many more.

Inspired by the uncomplicated attitude to life of the American east coast and the Pacific casualness of Malibu, our hotels create places to breathe a sigh of relief and indulge in pure relaxation. Soft colours, natural chic and authentic materiality are decisive for the restrained charm and refreshing lightness of the hotels.

www.barefoothotels.de



CHOICE HOTELS International™ has been one of the major hotel groups worldwide for the past 80 years. Choice currently franchises more than 7,000 hotels, representing nearly 570,000 rooms in over 40 countries and territories.

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- Clarion™ stands for upper-midscale full-service hotels whereas Quality™ focuses on midscale conference properties.

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www.choicehotelsdevelopment.com



CHRISTIE & CO is Europe's leading specialist adviser for buying and selling businesses in our sectors hotels, healthcare, child-care, pubs, restaurants, convenience retail and leisure with over 80 years of experience. We employ the largest group of hotel specialists in Europe, providing professional brokerage and advisory services from 15 international offices in Germany, Austria, France, Spain, Finland and Sweden and offices across UK with our headquarters and Asia Desk in London. This network of 30 offices allows us to leverage intimate local knowledge with pan-European insight. In the hotel sector we complete around 500 transactions and over 500 hotel valuations per year. Currently, we have more than 400 hotel instructions throughout Europe.

Christie & Co is regulated by RICS and employs registered valuers, specialist chartered surveyors and a sector leading consulting team. We have built a strong team of industry professionals, from both the hotel and property worlds to provide market-leading commercial advice and support to clients.

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Transaction support in sales/acquisition of individual hotels or portfolios; Marketing of the asset; Operator search and selection; Support with contract negotiations (purchasing contracts, lease, franchise, management); Site scouting; Sales price estimates for hotels in stock or under development; Exit strategies for NPLs; Problem solving for shared ownership (WEG) structures; Location and market analyses; Feasibility studies; Cashflow and rent benchmark analyses; Independent business review and strategic consulting (individual hotels or portfolios); Review and validation of business plans; Commercial due diligence; Asset man-





agement support and owners' controlling (performance monitoring); RICS compliant valuations for individual hotels or portfolios; Second opinions; Accredited Mystery Guest Checks; Advice on operating contracts and conceptual support in drafting head of terms; Identification of alternative operators.

Christie & Co Germany is headed up by Lukas Hochedlinger, Managing Director Central & Northern Europe with offices in Frankfurt, Berlin and Munich. The German team works closely with our team in Vienna.

www.christie.com



citizenM HOTELS is owner/developer/operator of its own brand of hotels, named after its target audience: mobile citizens. citizenM started with an idea to disrupt the traditional hotel industry by creating a luxury hybrid hotel for today's modern travelers – eliminating the frustrations these travelers shared. Currently citizenM has 19 hotels operational, with 20 more under development. citizenM has secured a presence in amongst others Amsterdam, London, Paris, Zurich, Geneva, Copenhagen, New York, Boston, Los Angeles, San Francisco and Shanghai.

citizenM is a vertically integrated operational real estate platform and owns the majority of its real estate, with only a minority of hotels subject to management contracts and leases. The company has an ambitious rollout strategy and is actively sourcing new opportunities in key gateway cities around the world. In Europe the

focus for further expansion is amongst others on Hamburg, Munich, Geneva, Zurich, Copenhagen, Rome, Milan and London.

In 2008, we opened our first hotel and designed it around a new type of traveler – one who values a luxury hotel experience in central city locations, but at an affordable price. A hybrid hotel that isn't just a place to sleep, but somewhere to work, relax, and play. To meet like-minded people and get inspired. Somewhere to feel at home the moment you walk through the door. Somewhere with free Wi-Fi, comfortable furniture, and a great bed to crash in at the end of a long day. We know your time is precious, that's why we don't want to waste any of it, not even when you check in or out. We swapped the tedious form-filling for self-service check-in at touch-screen terminals. It takes just 60 seconds to check in, 30 to check out, and our friendly ambassadors are always there to help.

We know our beds are the best in the world, but we don't want anyone to feel they have to stay in the bedroom. We made our living rooms as inviting as possible by creating multiple corners for working and eating, lounges for relaxing, and places for sitting and watching TV.

We're not sure which part of our room is our favourite: the wall-to-wall beds and windows, powerful rain showers, or tablet-controlled ambient settings. Perhaps it's the fact that we only have one type of bed (king-size double), or that we stripped away all unnecessary and unwanted extras to give our citizens everything they truly need. Or maybe it's the free Wi-Fi and free movies. Take a tour and decide for yourself.

www.citizenm.com

DREES & SOMMER

DREES & SOMMER: *Your innovative partner for consulting, planning, construction and operation.*

As the leading European consulting, planning and project management enterprise, Drees & Sommer has supported private and public clients and investors for almost 50 years in all aspects of real estate and infrastructure – both analog and digital. The result is cost-effective and sustainable buildings, profitable real estate portfolios, people-oriented working environments, and visionary mobility concepts. The company's 3,200 employees in 40 locations around the world work in interdisciplinary teams to provide support for clients from a wide variety of sectors. All the services provided by the partner-run company take into consideration both economic and ecological concerns. Drees & Sommer calls this holistic approach 'the blue way'.

The construction and real estate experts always have the goal of producing measurable added value for the client. This could mean, for example, streamlining the implementation of a construction project, making the operation of a property more economical, or cutting energy costs through innovative concepts. Currently, Drees & Sommer accompanies more than 3,800



construction projects. The company and the Environmental Protection Encouragement Agency (EPEA) – Part of Drees & Sommer – are jointly committed to Cradle to Cradle®, bringing principals, investors, architects and manufacturers together to promote the approach.

Drees & Sommer has contributed in more than 600 hotel projects globally and has become an expert in hotel developments, conversions, new builds and refurbishments with its specific hospitality expertise.

www.dreso.com



DSR HOTEL HOLDING clusters activities of Deutsche Seereederei in the areas of tourism and hotel industry and is responsible for the development of new projects. It organizes and controls key functions such as sales, marketing, human resources, purchasing and finance. Within Deutsche Seereederei, the DSR Hotel Holding operates several brands: The A-ROSA Resorts & Hideaways, with four prominent locations on Sylt, in Travemünde, on the Scharmützelsee and in Kitzbühel, offer their guests an exclusive holiday – in a unique atmosphere as well as first-class range all around Spa, culinary and sports. The brand HENRI HOTELS, evolved out of the traditions of the Louis C. Jacob, meets the spirit of the time and the taste of today's and tomorrow's generation of hotel guests. The brand is seen to have high potential beyond the existing hotels and the German borders. The concept: relatively small Boutique-Hotels in hand-picked metropolises. Conveying a highly individual and very authentic atmosphere through premium furnishings and a

strong creative reference to the building's history and building type.

Furthermore, the hotel group includes selected hotels – the 5-star Hotel Neptun in Warnemünde, the luxury hotel Louis C. Jacob in Hamburg and the Hotel Paradies in the Engadin, Switzerland.

www.dsr-hotel-holding.de

ENGEL & VÖLKERS HOTEL CONSULTING

ENGEL & VÖLKERS HOTEL CONSULTING is the dedicated hotel consulting entity within Engel & Völkers, one of Germany's leading real estate service providers. Our team of experts bundles more than 60 years of experience in international hotel consulting and marketing. Through the E&V network with >800 regional offices in over 32 countries on four continents, we assemble access into an unreachd amount of local markets. Our clients value the main aspects of our DNA: established competence with deep understanding of hotel operations and real estate, highest quality standards and a reliable network. We support investors, operators and developers comprehensively and accompany our clients along the entire life cycle of a hotel, applying a 360° consulting approach. Through the long-term, jointly gained experience of the management and consultant's team, we provide individual, tailor-made and goal-oriented solutions. With decades-grown access to important decision-makers in the industry we create value for our clients during transaction and advisory projects.

For the context of the Expo Real 2019 we have utilized the second year in a row our expertise and network, to conduct a Sentiment survey which is reflecting the opinions of the most important personalities in the hotel industry. Our survey covers not only the

investment market but also displays the hotel operator's perspective of today's challenges and opportunities. Please visit the booth of the Word of Hospitality to get your free copy of the Hotel Sentiment Report 2019/2020.

www.engelvoelkers.com/de-de/hotel-consulting



GORGEOUS SMILING HOTELS GmbH is a multi-brand operator with numerous brands and operating companies in the international hotel industry. The group has won awards from the Financial Times and Focus Business and is now among the top thousand fastest growing companies in Europe. Together with trusted partners, it covers the whole value chain in the hotel industry from financing and planning to hotel management. Both new building projects and conversions of existing buildings are creatively designed and professionally implemented. Global hotel groups, such as Intercontinental Hotels Group, Hilton or Wyndham Hotels & Resorts are franchisors whose brands are successfully placed on the European market by Gorgeous Smiling Hotels GmbH. The focus is primarily on the group's own brands of Rilano Hotels & Resorts and Arthotel ANA. The group's strength lies in the fact that, with the range of opportunities presented by its international franchise partners and innovative own brands, it has considerable flexibility and regional expertise enabling it to adapt to market trends and local conditions as well as business partner requirements. This versatility is also an important factor in the success of its human resource management, as the existence of different brands and locations gives employees the opportunity to move around within the company. Following significant expansion within the DACH region, the Netherlands and, in future, Great Britain Gorgeous Smiling Hotels GmbH now has a portfolio of more than 90 properties in a range of segments and is planning further expansion into other European countries.

www.gsh-hotels.com



HCS SOLUTIONS GmbH develops serviced apartment projects that are fundamentally different from other projects. While 'normal' projects for target groups differ very little, HCS Solutions GmbH develops projects for predefined target groups, such as staff in the hotel/catering industry, who tend to change jobs frequently during the early years of their career due to the

requirements of the profession and so it is very difficult for them to find suitable accommodation for these periods. The employers are the tenants of the apartments: hotels and hotel chains which then provide the apartments to their staff.

We offer concepts that are easy to implement, which offer investors long-term security in a globally scalable, dynamic market.

We develop properties that offer these staff the appropriate services. Our ideas enable employers to obtain qualified staff and integrate them quickly into the workplace. That creates satisfaction on both sides. We offer a complete service, from marketing, help with setting up, development of services adapted for the location, to the complete IT structure and operation of the projects.

You've got the project – we've got the ideas and the right tenants.

www.hcssolutions.eu

Hofer Land Fichtelgebirge Region Bayreuth

HOFER LAND FICHELGEBIGE REGION BAYREUTH:

Situated in the heart of Europe, right in the middle of Germany, in the north of Bavaria, halfway to Munich, Berlin, Frankfurt and Prague, the central position of the three districts of Hof, Wunsiedel im Fichtelgebirge and Bayreuth leaves nothing to be desired. As an established business location the region is outstanding. With its beautiful landscape and its almost unique quality of life, the region is a perfect location for work, life and leisure.

With their romantic river valleys, wooded slopes and rugged rock formations, the Franconian Forest, the Fichtelgebirge Mountains and the Franconian Switzerland present a landscape that is rich in variety and makes a perfect day out for locals just as much as for tourists. You can do everything here, from a gentle walk to a strenuous hike, from a leisurely cycle trip to trails on a mountain bike. For recreation, there is no better place to go than to our thermal baths or public pools.

As a strong business location, the region offers excellent transport connections and is linked to worldwide markets by a many-faceted flow of goods. As a business location it is characterized by family-owned medium-sized companies, including global players and hidden champions, whose products have become secret market leaders worldwide. Local companies also benefit from many forms of cooperation offered by Hof University of Applied Science and University of Bayreuth.

Whether you are looking for a new location for tourism, production, trade or logistics, in our region companies and investors find a large number of available premises in attractive locations that will suit your individual needs.

www.landkreis-hof.de

www.entwicklungsagentur-fichtelgebirge.de

www.landkreis-bayreuth.de

hospitality INSIDE

WORLD OF HOSPITALITY INFORMATION.

HOSPITALITYINSIDE is an interactive information network for the international hotel industry and publishes the online magazine hospitalityinside.com weekly. This is aimed in German and English at the top management of the hotel industry as well as hotel specialists from investment, real estate and financing in over 20 countries. The editorial focus is on continental Europe, the reports naturally also include global players and global developments.

At the Expo Real HospitalityInside gave the go-ahead for today's hotel marketplace. The joint "World of Hospitality" stand in Hall A2 has developed into an international magnet for the industry. This professional presentation platform alone creates diverse synergies between readers, trade fair partners and market participants.

In addition, other top-class and high-profile events contribute to this: the networking event BRICKS & BRAINS at Expo Real has been around for more than 10 years, and since 2019 the HITT Breakfast in Berlin in March has been held, exactly in transition from IHIF to ITB. It continues the interaction born at the floating HospitalityInside Think Tank (HITT) on the subject of digitalisation, which was launched in 2018.

www.hospitalityinside.com

www.hitt.world



HOTEL AFFAIRS CONSULTING GmbH: The team of Hotel Affairs Consulting offers decades of experience in the hospitality industry, ranging from consulting, development, planning to management of international hotels. Our strong network and full-service concept make us the ideal partner from concept inception to market launch as well as for hotel transactions. In context of the 5th German Mittelstand Summit and under the academic supervision of Hochschule Rhein-Bonn-Sieg, we have been awarded as TOP CONSULTANT 2018.

Our clients are developers, banks, investors, public entities or touristic regions, hoteliers and operators. Our in-depth market insight and expertise range from city hotels as well as convention centers, resorts of any type incl. the management of international luxury hotels. Due to our work as lecturers, i.e. at Fresenius University, also enables us to keep in touch with recent developments. Managing Partner, Axel Deitermann, is deputy chairman of the German Study Group of Hotel Real Estate ("Arbeitskreis Hotelimmobilien"). We offer profound decision-making tools with following focuses:

- Studies ranging from market & feasibility studies, potential analyses to plausibility checks.

- Acquisition of operators for "green field projects", conversions or new constructions in cities and municipalities as well as re-brandings of existing hotels.
- Hotel project coordination from the acquisition of a project site to concept development incl. operator search and hotel-specific consulting in contract negotiation (hotel-related).
- Repositioning of existing hotels.
- Transaction advice for buyers and sellers (incl. Due Diligence).
- Strategic controlling for owners.

<https://hotel-affairs.com>

Hotel Consulting

HOTOUR

HOTOUR HOTEL CONSULTING GmbH: We are one of the most distinguished hospitality consultancies within the German and European markets. Our aim is to sustainably support our clients in a wide range of different matters, from strategically important decision making processes over project development to hotel openings. With our team of 12, we advise our clients throughout Europe, with a focus on Germany, Benelux, Austria and Switzerland. The success of long term added value is based on creative approaches towards solutions and individually tailored consultation services.

We have been successful on the market for nearly 50 years and cover a wide range of services:

- Transaction advice for buyers, sellers and banks
- Searching for investors and operators
- Preparation of and support for negotiations
- Appraisal reports for banks, investors, project developers and operators
- Hotel specific and business related due diligence
- Project development for developers, investors and banks
- Feasibility studies and plausibility appraisals
- Hotel development, conception and planning for new or converted buildings
- Asset management for banks, owners and investors
- Hotel checking: building, operator and budget assessments, preparation of business plans, coaching and monitoring with detailed reporting, implementation of interim management or new operators.

www.hotour.de



easyHotel powered by i.gen Hotels GmbH powered by i.gen Hotels GmbH from Potsdam is the master franchisee of the international super-budget hotel chain easyHotel for Germany. The company was founded in 2007 in Berlin to acquire the franchise rights of easyHotel from the easyGroup and Sir Stelios, the founder of the low cost airline EasyJet. A hotel market analysis confirmed our own expectations and showed that the market chance for a low-budget hotel chain in Germany were very high.

The i.gen hotels GmbH partners are connected by their love of hotels and the hotel industry, and it is based on years of experience and collaboration in areas such as hotel development, project marketing and hotel management.

After intensive development of the room and the hotel product, the first easyHotel in Berlin – new build – at Hackescher Markt in the hotspot district Mitte was opened. The easyHotel Frankfurt City Center – conversion – between the Frankfurt main train station and the trade fair followed. Both properties were sold to one of the co-partners after opening. easyHotel presents itself as future orientated and profitable. This has strengthened the financial potential of i.gen hotels and formed a secure platform to operate as a solid financial operator. The strengths of the hotel product: internet-based „easy“ brand – top location in the city centre – super-budget price – high-quality design – profitable. The development of easyHotel shall be pushed forward. For this purpose, we are looking for hotel locations or projects for acquisition, leasing or development.

Due to the fact that easyHotels do not have any restaurants or bars, the locations have to be in and around the city centre of major cities in Germany and Europe; but also hotspot districts with their urban infrastructure are ideal. The hotel product easyHotel is ideal for conversions of outdated office buildings or as a way to fill a gap in properties with retail space on the ground floor. Development-friendly use of space – safe return on investment.

www.igenhotels.com



JUNG & SCHLEICHER
RECHTSANWÄLTE

JUNG & SCHLEICHER RECHTSANWÄLTE Partnergesellschaft mbB provides comprehensive legal advice to national and international clients in real estate law – always focused on performance and solutions. We offer individual and personal service at the highest professional standards, and our services are tailored to the individual requirements of our clients. Among our clients are world-wide market leaders, stock listed companies, fast-growing investment groups and family offices which enjoy our commercial-minded approach as well as our long-term market experience. Being one of the leading



German real estate law firms, the long-term and personal relationship with our clients is an important value for us. J&S is specialized on complex and inter-disciplinary issues of real estate, hotel, banking, finance, corporate and commercial law and is well experienced in all kinds of national and cross-border transactions. In the last few years we successfully accompanied complex real estate transactions of more than € 20 billion. Furthermore, J&S provides legal services in all aspects of asset management related to commercial and residential real estate.

In addition to such major project work, J&S advises its clients in all questions of their day-to-day business operations such as developing and drafting contractual concepts (management, lease, franchise, building, service, licensing, cooperation, purchase, loan or outsourcing agreements), enforcing damage claims, achieving settlements, handling public law and license requirements with the competent authorities, negotiating loans and mortgages, etc. Depending on the client's wishes all correspondence and documents are provided in bilingual versions or English only.

Each year J&S represent clients in more than 250 regional and appeal court proceedings nationwide. Clients describe our success quote as outstanding. J&S is also experienced in international arbitration proceedings.

www.js-law.de



KEMPINSKI HOTELS: Created in 1897, Kempinski Hotels is Europe's oldest luxury hotel group. The rich Kempinski heritage of impeccable personal service and superb hospitality is complemented by the exclusivity and individuality of its properties. Headquartered in Geneva, Switzerland, Kempinski currently manages 78 five-star hotels and residences in 34 countries. Each one reflects the strength and success of the Kempinski brand without losing sight of its heritage. The portfolio includes a balanced mix of historic landmark properties, award-winning urban lifestyle hotels, outstanding resorts, and prestigious residences. Examples include San Clemente Palace Kempinski, situated on a private island only minutes away from Piazza San Marco in Venice, and Hotel Adlon Kempinski, located opposite Brandenburg Gate in Berlin. Hotel Vier Jahreszeiten Kempinski in Munich, built during the reign of King Maximilian II of Bavaria, is steeped in history, while Gran Hotel Manzana Kempinski La Habana is setting the tone for the future as the first international luxury hotel in Cuba.

Each property imbues the quality guests have come to expect from Kempinski while embracing the cultural traditions of its location. With pioneering spirit, Kempinski continues to add new hotels and residences to its portfolio worldwide. The most recent additions to the constellation include Kempinski Hotel Hangzhou

in China's Zhejiang province and The Apurva Kempinski Bali, set atop the majestic cliff of Nusa Dua. Kempinski is also proud to be a founding member of the Global Hotel Alliance (GHA), the world's largest alliance of independent hotel brands.

www.kempinski.com



KING'S HOTEL

KING's HOTELS® represent the very opposite of standard.

Instead of the usual hotel ambiance, guests can look forward to the very particular and personal KING's style. As a stylish alternative, KING's Hotels reject short-lived design trends and rely instead on consistent quality, sustainability, and classical-exquisite style. At the same time, all the usual features of premium hospitality are merged with the individual personality of the relevant city – right down to the last curated details.

Like the name KING's, the classic virtues are also written large in every hotel: highly trained staff, truly genuine in their friendliness, plus the utmost cleanliness and the greatest possible security. In technical terms, the hotels meet the most stringent of requirements, and our automated processes help us to master the fine art of combining four-star hardware with two-star personnel intensity. The aim is for every guest to find the perfect mix of comfort, technology and facilities.

KING's Hotels are usually centrally located within major cities with correspondingly good transport connections. We are therefore interested in real estate for sale or to lease in precisely such locations within selected German and European cities. Our focus is on the categories of three-star, four-star, and extended stay. Lessors will benefit from KING's characteristic interior concept, which we individually adapt to each property. The typical local character of the building will be carefully developed in each case.

Find out more about the KING's philosophy with its specific extras for a "first-class" hotel experience – true to our company claim: Truly unique. Truly yours.®

www.kingshotels.de



LETOMOTEL is a family-owned hotel company based in Starnberg and currently operates four modern city motels of the LETO-MOTEL brand with a total of 520 guest rooms. The hotel's guests include business travellers, city tourists and families alike. Since the opening of the first LETOMOTEL in 2010, our hotels in good locations with modern facilities and good service at comparably low prices have enjoyed great popularity. The consistently positive development of the hotel operating

figures shows that concept and product are contemporary and marketable. Letomotel will continue to expand in the coming years. The fifth hotel with 210 guest rooms in Vienna is already under construction and will open in 2021. Further locations in Munich, Augsburg and Regensburg are planned. The focus is on locations in Germany, Austria and Switzerland with an annual volume of 300,000 overnight stays and more. Letomotel is also happy to investigate attractive smaller locations, provided that the local conditions allow a promising hotel operation to be expected.

Letomotel attaches great importance to good public transport connections, good accessibility by car, existing parking facilities as well as shopping and gastronomic facilities in the immediate vicinity. Hotels of the LETOMOTEL brand ideally have 120-150 guest rooms and, depending on the structural conditions, have a total floor space requirement of around 3,500 sqm GFA. Letomotel offers real estate owners and project developers excellent prospects for the use of their projects through long-term rentals at attractive rental conditions and at the same time clearly definable investment costs. Many years of experience in hotel operations and project development support a successful project.

www.letomotel.de



19



LFPI HOTELS MANAGEMENT DEUTSCHLAND: LFPI Group is one of the premier independent multi-strategy alternative asset managers in Europe with more than 3.5 billion Euros of assets under management. We invest in private equity (primary, secondary, co-investments, and funds), private debt (unitranche, mezzanine, senior), real estate (from core to opportunistic in both equity and debt) as well as asset management (fixed income and equity) in Europe, North America and Africa across seven offices and approximately 70 investment professionals with a long-term and prudent investment strategy. With respect to hotels, we are both owners and operators in France and Germany with more than 70 hotels across the portfolio.

The French portfolio of 58 budget hotels is primarily marketed under the Timhotel brand as well as other franchise brands such as Louvre Hotels Group. The German portfolio of currently 13 hotels are operated by LFPI Hotels Management Deutschland: three Ibis hotels in Aachen, Erfurt and Augsburg, two Ibis Styles in Hamburg and Speyer, three Mercure in Berlin, Dusseldorf and Stuttgart-Zuffenhausen, a Best Western in Berlin, the Hotel Indigo in Dusseldorf, the Schloßhotel Karlsruhe, the Hotel Excelsior Lübeck and the Bielefelder Hof.

In 2018 all hotel activities in Europe have been pooled under LFPI's new holding FLE Hotels based in Luxembourg. In Europe, we are looking to ramp-up to approximately 30 hotels over the next three to five years as owners and/or operators. Besides the owner & operator model LFPI Hotels positions itself in the future as a pure operator for external owners. We focus on midscale

city hotels in both primary and secondary city centre areas (approx. 50 to 200 rooms). Generally operated by LFPI Hotels Management and marketed via franchise partnerships, certain leases can be taken over with short residual terms. Acquiring hotels in Germany and Central Europe will allow for positive growth of the LFPI portfolio over the near future.

www.lfp-hotels.de

www.lfpi.fr



PLAZA HOTELGROUP GmbH was founded in 2002 and currently operates 41 three and four-star business hotels with more than 6,000 rooms in Germany, Austria, Czech Republic and the Netherlands. At the moment more than 1,200 employees work for the company.

The core philosophy of the founding couple Yonca and Ihsan Yalaz: Especially the business traveller can find in our hotels all comfort which we expect as frequent travellers by ourselves: Friendly, helpful staff, large and comfortable beds, appealing, functional design, an adequate number of power sockets, fast wireless internet access with high bandwidth. Our core competence is the management of owned and leased business hotels in cities with a population of 50,000 and above. The central administration takes place efficiently from the Heilbronn headquarter.

Because of the central location and modern furnishing our products are not only interesting for business travellers but also for guests from the leisure and city trip sector. In order to meet our own, high service standards most of our hotels are member of the world's largest hotel chain Best Western.

Our goal over the next 2 years is the healthy, economic increase of our portfolio up to 50 hotels mainly in Germany and the Netherlands. Therefore, we are constantly looking for new and existing buildings in city locations in order to buy or lease them. New projects 2019/2020: Linz (188 rooms), Bottrop (154 rooms), Recklinghausen (135 rooms), Heidelberg (170 rooms), Baden-Baden (130 rooms).

www.plazahotels.de



prizeotel HOTEL GROUP: prizeotel is today regarded as the most unconventional economy design hotel brand (2-star superior). The hotels owe their extraordinary appearance to the American star designer Karim Rashid. Often celebrated as the "pop-star of the design world", Rashid makes high-quality hotel design affordable for all guests in all prizeotels. For years, travelers have also enjoyed innovative technologies such as free high-speed Internet and mobile check-in via smartphone, which can also be used as a digital room key. prizeotel is not only popular among their guests, but was also honored as the best employer in the hotel industry by Focus Business in cooperation with 'kununu' in 2018.

The first prizeotel with 127 rooms opened in Bremen in 2009. In 2014, the group's second hotel in Hamburg followed with 393 rooms. In 2015, the prizeotel Hannover-City opened with 212 rooms. The Group's newest hotel, the prizeotel Hamburg- St. Pauli with 257 rooms, has been welcoming its guests since 2018. In 2019, a hotel in Erfurt (208 rooms), one at Munich Airport (160 rooms) and a hotel in Bern (188 rooms) will follow. In 2020 a prizeotel in Münster (195 rooms), a house in Vienna (294 rooms), one in Bonn (210 rooms), one in Antwerp (144 rooms), one in Dresden (125 rooms) and one in Wiesbaden (154 rooms) and in 2022 another house in Dresden (213 rooms) and a hotel in Düsseldorf (250 rooms) enrich the portfolio.

In addition to these 15 hotels with more than 3,000 rooms, there are four further hotels for which agreements have already been signed. prizeotel is thus continuing its strategy of being represented with its Economy Design concept in the core markets of Germany and in selected international metropolises in the medium term.

www.prizeotel.com

Scandic

SCANDIC is the largest hotel company in the Nordic countries with more than 280 hotels, in operation and under development, in more than 130 destinations. The company is the leader when it comes to integrating sustainability in all operations and its award-winning Design for All concept ensures that Scandic hotels are accessible to everyone. Well-loved by guests and employees, the Scandic Friends loyalty program is the largest in the Nordic hotel industry and the company is one of the most attractive employers in the region. Scandic Hotels is listed on Nasdaq Stockholm.

93.7 percent of Scandic's hotel portfolio is made up of leases and 83.8 percent of these have variable rents based on the hotels' revenues with a shared investment commitment between Scandic and the property owner. Scandic's experiences with its six hotels in Germany and Poland have been very positive and is now set to expand its hotel network further in Germany, particularly in the largest cities and strategic regional areas.

A new Scandic hotel is expected to open in 2021 in Frankfurt as a part of the new "Hafenpark Quarter". With 505 rooms it will be one of Frankfurt's largest conference and event hotels. Another Scandic Hotel is also opening in 2021: The lifestyle hotel with 293 rooms will be part of the new urban development project "Macherei" in Munich.

www.scandichotelsgroup.com

SELECT

HOTEL ADVISORY SERVICES

SELECT Hotel Advisory Services: "We are mainly focusing on existing hotel assets. In upcoming years, it is foreseeable that many new hotels are going to shake up the hotel market. We can support owners as well as operators in pushing their assets back to market leadership positions," says Tina Froböse, Managing Partner at SELECT Hotel Advisory Services. Conceptual and in-depth market know-how enables the team at SELECT to find tailor-made solutions for clients while taking the future viability of the individual hotel-branding into account as well as each asset's feasible cash flow potentials.

"We see ourselves as an independent interface, and moderate between each project's protagonists. We provide profound decision-making tools, and have the ability to bring alternate partners into the deal due to our strong network," adds Tina. Depending on the nature of each project, SELECT can also bring in proven specialists to complement their expertise. Prior to establishing SELECT earlier this year, Tina spent many years working in the hotel consulting field, including her position as Managing Partner at BBG-Consulting, Europe's oldest hospitality-focused advisory firm.

Tina reveals on the launch of SELECT, "This year, we were proud to guide national as well as international hotel investors in single

asset and portfolio transactions but also to help clients in repositioning hotels throughout Germany. We are looking forward to discussing a number of interesting projects with great partners and to promoting further business at Expo Real."

<https://select-hoteladvisory.com>



STAYCITY APARTHOTELS: Dublin based Staycity was founded by Tom and Gerald Walsh in 2004. Currently we are operating over 2,400 apartments in Ireland, Italy, Germany, the United Kingdom and France. Additional 5,000 units are contracted and in the planning phase or under construction. By 2024 we aim to make Staycity Europe's largest mid-market, pan-European city aparthotel brand with 15,000 units operational. We deliver properties in our four key target markets of Ireland, the UK, Germany and France along with, opportunistically, properties in other European capitals and gateway cities with high growth potential and low operational volatility. Our search profile



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BOOTH 014




MOTEL ONE

LIKE THE PRICE. LOVE THE DESIGN.

includes centrally located purpose-built structures (or conversions) with an offering of 5,000 to 12,000 sqm GFA. In Germany, we are keen on operating in Berlin, Cologne, Heidelberg, Freiburg, Augsburg, Nuremberg, Stuttgart, Frankfurt, Hamburg and Munich. Our product lines: STAYCITY – our “Economy Plus” solution and “WILDE by Staycity”, our premium brand targeted at 4 star leisure and business class customers. Two ideal solutions for our customers, developers and investors. For project developers and investors, we are the perfect match: With our successful and convincing track record we offer long-term fixed leases on a competitive and sustainable level with a strong and growing covenant. The ideal CORE product for institutional investors.

www.staycity.com

TREUGAST Solutions Group

TREUGAST SOLUTIONS GROUP: TREUGAST Unternehmensberatungsgesellschaft mbH, founded 1985 in Munich, is a member of TREUGAST Solutions Group and belongs to the leading consulting companies in hospitality industry in the german speaking part of Europe. Years of experience and expertise of more our 20 Consultants in our business fields consulting, management and institute provide decision-makers with the planning

reliability, which is essential for the development and execution of projects within the tourism environment.

Portfolio:

- more than 120 consulting projects per year, among others in fields like feasibility studies, operational reviews, operator's searches, strategy consulting, valuations & transaction advisory as well as coaching & controlling
- since 1995 more than 160 self-operated hotels in terms of pre-opening management, interim management, turnaround and change management as well as hotel asset management
- scientific activities of TREUGAST International Institute, among others publisher of several industry-relevant publications like Hotel Investment Ranking Germany, Gastronomy Ranking Germany, Hospitality Trends, Business Comparison Hospitality and Gastronomy as well as Hotel Location Attractions Index (H.A.I.).

The American Academy of Hospitality Sciences bestowed TREUGAST Solutions Group as the first consulting company worldwide with the Five Star Diamond Award. Furthermore, TREUGAST was distinguished by the German specialist publisher “AHGZ” with Special Award „Hotelier des Jahres 2011”.

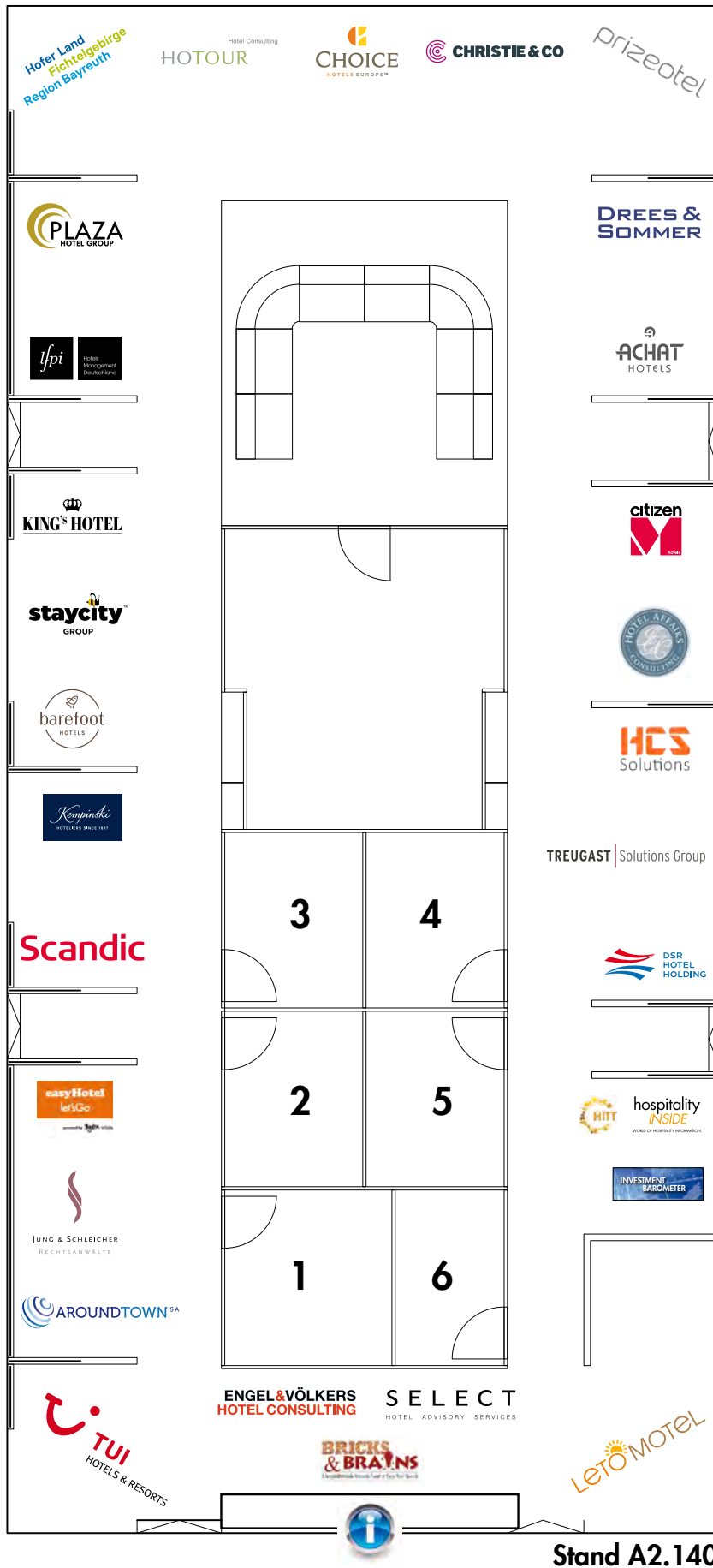
www.treugast.com



↶ Hall A 3

↶ Planning & Partnerships Forum A2.540 (Conference)

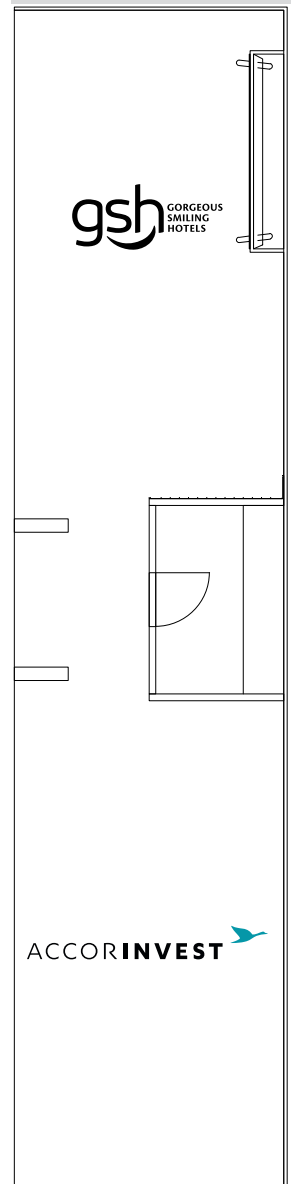
Hall A 1 ➔



Stand A2.140

WORLD OF HOSPITALITY
extended !

Stand A2.040



↶ Planning & Partnerships Forum A2.540 (Conference)

Hall B 2





TUI: With a portfolio of more than 380 hotels in more than 30 destinations, TUI Group Hotels & Resorts make a significant contribution to the consolidated earnings of the TUI Group. With our leading leisure hotel brands RIU, ROBINSON, TUI MAGIC LIFE, TUI BLUE, SENSIMAR, SENSATORI and TUI FAMILY LIFE we are striving for significant growth in hotel properties, which is based on three major reasons to believe:

- For our customers, the hotel is the key decision factor when making a booking and it is key to customer loyalty.
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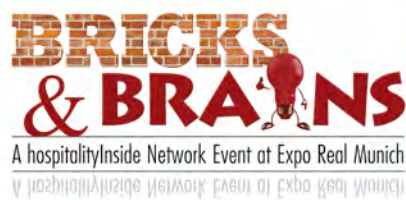
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Tuesday, 6.30 p.m.! This is the new date for BRICKS & BRAINS, the big Get-together of the hospitality industry at Expo Real. For the first time, the event changes from the first to the second day of the fair. For many visitors, this reduces the pressure of the first evening's event. Organizer HospitalityInside continues to expect more than 180 guests this year – and welcomes a new sponsor.

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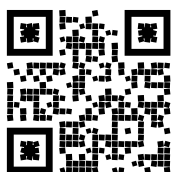




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In this SPECIAL, we focus on the hotel industry at EXPO REAL 2019 and on the hot topics of the industry. Current topics of the fair are part of this magazine. Also, you will find younger articles and excerpts from the online trade magazine www.hospitalityinside.com.

HOTEL EXPERTS FROM OPERATIONS & REAL ESTATE ABOUT SYNERGIES AND HANDICAPS

Intelligent property a must

In the hotel industry, digitalisation has mainly concentrated on the booking processes up until now. But this is only one part of the „customer journey“ and it focuses on the customer. However, the hotel operator wants to know more about the following: How will digital processes help to operate the business, to reduce costs and to increase efficiency? This way, operation also concerns the property.

But where is the building in this whole discussion? It's missing. This is a huge mistake, as the participants of the first HITT Think Tank in June 2018 already realised. Experts commented again on this topic, more critically and demanding this time at Expo Real 2018.

Last year, „intelligent properties“ made numerous headlines, for example the QO Hotel in Amsterdam. Or The Cube at the central station in Berlin, which is still under construction and will be Europe's „smartest building“. At the QO Hotel, the blinds close automatically when the sun shines in, but open up again as soon as the checked-in guest enters the room – but there is much more than that:

Project manager Drees & Sommer accompanied the development of the digitalisation concept of The Cube Berlin. Developer is CA Immo. The building will be interconnected completely. In the management cockpit, you will see where lights are switched on and in which room the blinds are closed in future. The building will have an automated valet parking system, which will take over the car (without driver) and bring it back, as soon as the driver leaves the Cube's elevator.

In the multi-sensory building, conference rooms will be booked digitally, the room temperature controlled individually via app. The cleaning service will be able to recognise if a room was used or not. The in-house navigation will support the dynamic energy management and the building will be equipped with a



Showpiece: Europe's smartest building (center) – the Cube Berlin – is to be completed in 2019.

preventive smart facility management. If certain parts of the building are not used, they will not be heated, cleaned and the blinds will not close. The booking system also includes co-working spaces and desk sharing.

Hotel operator Michael Struck, founder of Ruby, attested at the Expo Real discussion that at least part of the real estate industry has woken up in the meantime. „One year ago, we were approached by an investor if we would like to switch over to BIM (editor's note: Building Information Modelling). This is an initiative from the property's side, which offers us many advantages in the operative field now.“

For hotel operators, it is still very important to make life easier for guests by using new

digital solutions, but solutions behind the scenes are becoming increasingly important in hotel operations. Concerning topics such as efficient energy management or the management of maintenance agreements, Ruby has advanced quite far. Struck gave one example where guests are not spread over all floors but some floors might rather remain unoccupied in the room plan. This way, illumination in hallways and heating can be reduced and the housekeeping can be planned more efficiently, amongst other things.

An interesting new challenge will be the question of who finances such digital solutions in futures, said Struck. After all, he, as operator, does not want to cool or heat empty areas unnecessarily.



Building Information Modelling: Ruby saves energy costs thanks to clever room occupancy.

Concerning digital solutions or AI solutions in front of or behind the scenes: Richard Wiegmann, who was Managing Director and Chief Commercial Officer EMEA for the technology company Sabre Hospitality Solutions until July 2019, emphasized, that it is not easy to develop IT for the hospitality industry (in operations). "We have become very good concerning the pre-stay phase and we are quite good concerning post-stay," he explained. However, it is much more difficult to accompany the stay digitally.

Unnecessary data, no processes, no interconnection

"To a certain degree, we cannot use the good data we have obtained during the stay," he said. This is not only because of data security (in the EU) but also because of the limitations by the hotel developers. "Everybody should start thinking in customer-oriented processes," said Wiegmann. "Which offers do we want to use? The industry is not very eager to try out new things."

The first thing in the hotel industry that struck Wiegmann was the bad commercialisation of spaces. Concerning the planning of hotels, it still feels as if they were being planned the same way as 50 years ago. In the usage of digital systems for efficiency calculations, the airline industry is exemplary. "For them, we analyse which guests are booked for the flight. This takes into consideration, amongst others, how much an Asian person weighs or how much luggage a German passenger brings on average. Based on these calculations, the aircraft is fuelled and loaded." In the meantime, an increasing number of start-ups has specialized in the marketing of hotel areas such as pools or parking spaces. "But here, the interconnection is lacking," stated Wiegmann matter-of-factly.

Investor, operator & brand do not communicate

Technically speaking, much more is possible in the hotel industry, emphasised Gesa Rohwedder, Head of Hospitality bei Drees & Sommer. Therefore, thanks to automatisms, you can expect the receptionist to set up the preferred TV channels for the guest right at the check-in. "The realisation of the ultimate interconnection in marketing and services is hampered, amongst others, by the complexity of the hotel operations, by the lack of communication between investor, operator and brand," explained the expert. Those who want to plan a property intelligently, have to integrate the working processes as well. "At the end of the day, only the property's efficiency and profit counts," said Rohwedder. In order to achieve this, digital simulation is necessary: from storage, housekeeping and new delivery processes. All of this needs to be integrated in the development of the property. To be able to do so, all participating parties have to sit in one boat.

"We all have to learn to think differently," emphasised Daniela Schade, an experienced distribution expert and Managing

Director Central Europe of Accor. After all, the industry no longer calculates its profitability solely based on the RevPAR (Revenue Per Available Room) but also based on the TrevPAR (Total revenue Per Available Room). "Concerning area utilisation, we have to think about 'customer value per square metre'," she emphasised and pointed out the new and digital solutions for the increase in efficiency at AccorHotels.

With "Accor Local", the hotel becomes a service provider for the region, for example. On the other hand, Accor was able to increase its turnover by 25 percent with the aid of a marketing campaign (in cooperation with the solution provider Tinyclues) based on artificial intelligence last September. "With AI, I'm able to learn more about customers than before," said Schade. Already today, many customer wishes can be fulfilled, thus the smart customer journey can be depicted completely. Customers are able to search, book, check-in/out and express their opinion digitally. But not all guests want to have this automatization, she pointed out. "For a smart hotel, I need the right customers." Accor's CEO Sébastien Bazin clearly said that there will be no robots checking-in guests.

"We have to have a coalition of businesses like Accor meet investors but also of smaller operators, which are more flexible in their way of thinking than the large battle ships," Rohwedder said encouragingly. "Because only an intelligent property can really be sustainable." Only human beings can provide intelligent empathy, the processes are done by AI and robotics. Then, maybe, the time approaches when a hotel advertises "served by human beings". This would then be a new source of income. / Susanne Stauss

Extract from hospitalityInside, Jan 11, 2019

The most sustainable hotel in Europe by means of intelligent technology: QO Amsterdam.





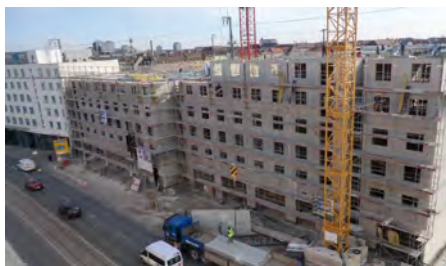
GBI CHAIRMAN REINER NITTKA ABOUT DIGITAL PROJECTS, INVESTORS AND OPERATORS

The developer **foots** the bill

The demands of operators and investors concerning the digital equipment of hotels are constantly growing. At the same time, the construction costs are increasing and the wishes of guests. Digitalised buildings are designed to help save costs. But this will still take more time, according to Reiner Nittka, Chairman of GBI AG, Berlin. Locking systems and Wi-Fi routers are sufficient to bring all of them to their (digital) limits.

Only a few operators have digital budgets

Reiner Nittka



Construction costs are generally rising, now digital costs are added.



Guests demand a high Internet speed, the developer pays the Wi-Fi router and the sockets.

GBI AG and its affiliate GBI Wohnungsbau GmbH are developing hotel, apartment and housing projects with a total of 13,498 rooms/units. Since its foundation in 2001, GBI has sold or placed properties with a volume of about 1.7 billion euros in Germany and Austria. The hotel and serviced apartment buildings bear the names of strong national and international brands, and in the longstay segment also the name of its own brand SMARTments business (www.gbi.ag).

Mr. Nittka, how open are investors/owners, hotel operators and project developers specialised in hotels to the topic of digitalisation in general?

At the moment, especially hotel operators are pressing ahead with the topic. There, it is about guest satisfaction and cost savings through the digitalisation of various processes. If you compare these with flying, you quickly see that there is a backlog demand in all processes, from search to room selection during the booking process to accounting. The investor wants the hotel

operator to be happy and mainly sees chances in facility management at the moment. And the developer is the one who pays most or should pay most.

Let's jump right into the topic... Have the hotels already expanded their FF&E by digital budgets?

No, most of them have not yet. But the budget for FF&E should be expanded by an own budget for digitalisation in future. Hotel groups such as citizenM, me and all or 25hours Hotels already specify digital budgets for the project developer. Very simple things like Alexa speakers (x100 rooms, for example!) are not included in the costs as yet, however the expensive keyless locking systems are also not included in most cases.

What does a locking system for a hotel with about 100 rooms cost?

A keyless locking system costs about 15,000 euros per room. Other desires such as an upgrade from TV to smart TV or Apple TV, streaming and mirroring amount to about 500 euros per room. These are all

extra costs we have to include in our calculations. These services do not bring any benefits for the investor but for the operator. This way, the costs for the developer increase, but the operator benefits. Within the scope of the leasing agreement negotiations, we point out the single-sided benefit here.

How positive are the experiences with keyless systems in practice?

You would be able to save money with them if human beings weren't a factor. We know that guests would like to have a room card upon arrival at the hotel – just in case; it's the same with train or flight tickets they like to print out at home.

At the apartments we ourselves operate – the "Smartments Business", we are currently testing keyless locking systems and are experiencing that the customer cannot find the email containing the code because he deleted the email, for example. Or guests leave their rooms again after checking in to smoke a cigarette outside but leave their smartphones in the room. For serviced apartments, which don't have a reception

occupied around the clock, this is a real challenge. Therefore, we are testing locking systems now, which can be opened by an emergency number from the outside. But if the smartphone was left in the apartment, this is difficult...

What else is being demanded?

Higher data transfer performance. The fibreglass cable has to run up to the house in order to be able to offer the necessary transfer rate within the property. In our hotels, we currently register a download volume of about 15,000 Gbits per month. This is a considerable increase compared to the previous years. The reason for this, among others, is that guests bring three to four devices in the meantime and use them. In order to provide the whole property with Wi-Fi, more routers are necessary.

Which problem might occur here?

Before the start of the construction, Wi-Fi spots are already determined. But sometimes, the data transfer does not work despite all this. This could be because of the building's walls or angles. Then, for fast internet connections, internet sockets are necessary in the rooms, just like in old times. Subsequently, we have already purchased some of these again as they are able to stabilise very high transfer rates. And we also had cases where business customers were not allowed to access their business network via Wi-Fi. The project developer then has to pay for both: the new and strong Wi-Fi routers and the sockets.

And where then is the highly-praised cost saving through digitalisation?

In-room telephones have vanished. Moxy, niu or Motel One no longer have these. TV sets are still in demand but they have to be 40-inch smart TVs with Amazon Prime and Netflix access. Fortunately, TV sets are getting cheaper – but also go out of date more quickly.

These were mainly wishes from the guest's and operator's perspective. Which are the demands of buyers/investors for the developer?

Nowadays, the buying price factors have increased so much that for the 23-fold the buyer also wants to have a sustainability certification for the building included, e.g. LEED Silver, Gold or Platinum. The requirements are, for example, that the building contractor cooperates with regional providers and construction companies. And the material selection and the usable building materials are also limited. And the certification itself already costs a five-digit sum. In addition, a LEED certification also contains components concerning the operator. But as developer, we cannot provide any commitments for the operator. We always offer our properties with a signed lease agreement. Therefore, we now include a clause in our purchase agreements. This clause says that we commit ourselves to meet requirements for the certification as long as they do not concern the operator.

How or where can you additionally save construction costs today?

Partly through area efficiency. But most likely through the individual allocation of

trades, as is the case with us. When hotel companies do the construction themselves, they mainly cooperate with general contractors (GCs). More often, hotel companies approach us now and ask if we could take over construction for them as it becomes cheaper that way.

How much have construction costs increased in the last five years?

As already mentioned, the construction cost increase could be higher when cooperating with a GC. In the past, they added a surcharge of 10 to 12 percent, today it is about 15 to 20 percent. Until the building permission is granted, we presently calculate a factor of six percent as an index on the currently calculated costs as it takes about two to three years until the construction starts. In concrete terms, we experienced an increase of about 3.5 percent in 2016, about 3.7 percent in 2017, and even 4.5 to 5 percent in 2018. But the GBI is only active in Germany and Austria; in Austria, however, the increase was a bit more moderate.

Honestly: Which of the three parties – investor/owner, project developer, operator – will profit the most from the digital progress, according to today's findings?

Currently, it will be the hotel operators.

Thank you very much for the interview!

The interview was conducted by Susanne Stauss.

Extract from *hospitalityInside*, April 5, 2019



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CONSIDERATE GROUP: IMPLEMENT CSR STRATEGY WITH CAUTION & SMALL STEPS!

The answer is **not a simple one**

The motivation comes from pure pressure: Only then do hoteliers take care of more sustainability. It is the company's own energy consumption, CO₂ emissions and waste that causes the highest costs. Nevertheless, most hoteliers think only on short term and not in the medium or long term, nor strategically, criticizes Xenia zu Hohenlohe the industry. With the Considerate Group, it advises smaller individual hotels and hotel groups on how to implement Corporate Social Responsibility (CSR). The way is the goal: It is about permanent improvement of the hotel performance, not about quick success overnight.



Young people show us how to do it: Sustainability is indispensable in today's world.

Xenia zu Hohenlohe is a pragmatist, not a preacher. More than 25 years ago, she got to know the hotel industry from a PR point of view, learned at chains such as Mandarin Oriental and Amanresorts, last she was Assistant GM and then entered the consulting business. In 2012, she became a partner at London-based Considerate Hoteliers; the company changed its name to Considerate Group in 2018 (www.considerate-group.com). It was her knowledge of sustainability from her academic years that helped her. Her goal today is to firmly anchor CSR in the businesses in order to achieve positive results.

Maria Pütz-Willems asked her about the challenges, mistakes and positive examples from the industry.

Xenia, Considerate Group mainly advises individual small and medium-sized hotels and hotel groups with up to 40 hotels. In a fragmented Europe, medium-sized hotels still form the backbone of the industry. In which areas do these SMEs have the most catching up to do on CSR? Where they have to catch up the most is still in energy consumption and CO₂ emission. For hoteliers, both are the biggest cost items. This is why the screws can be tightened best in order to achieve noticeable

effects. Besides, waste is a huge topic, especially plastic waste. Of course, this immediately raises further questions: Where do I buy which alternatives, how does the entire supply chain fit in? How do I maintain control over the latter? After we know that German waste is "exported" to Malaysia or China, for example, we know that a large part of the CO₂ savings lies in waste reduction. And that means a new Food Waste Management today.

How high is the pressure to change? This year, 2019, the pressure has increased enormously – driven by two issues. One is inadequate, slow politics

resulting in the “Fridays for Future” demos of young people calling politicians to action. On the other hand, 2020 will be the first year in which countries – in accordance with the agreed Paris climate targets – will be obliged to report a 20% reduction in their greenhouse gases (compared with 1990 levels). This puts pressure on governments and companies.

How will SMEs deal with this pressure?

They will increasingly commission energy audits, join sustainability platforms such as Considerate's Con-Serve or cooperate with energy companies that provide them with data and assistance. This fall, the Considerate Group will launch an environmental app called “Fluttr” for SMEs. This will give hotels and restaurants more control over their energy consumption of their operation – based in the hotel's own live data. It will also provide users with ‘fun facts’ on energy and environmental protection to raise awareness of our daily activities. The hotel industry must adapt to more technology – more technology for more transparency. Investors and developers already have a number of digital tools within the framework of the BMS / Building Services Management System, which provide data transparency. This will evolve rapidly.

Are you sure about this? Through our own event, the HospitalityInside Think Tank (HITT), we learned that this digitally motivated approach is still the exception...

I'm afraid I have to agree with you. However, the trend is increasing: funds in particular are asking for sustainability on behalf of their investors. At a climate conference in Vienna two weeks ago, at which I was allowed to moderate a panel, the chairman of the insurance company Allianz

said that from now on all assets would be made climate neutral. The statements of such investors create pressure, also for the hotel industry.

Does the bad example of governments rub off on hoteliers?

Hoteliers are currently in a state of shock. They tend to take short-term individual actions instead of, for example, thinking about a five-year strategy. Fortunately, the young employees who put pressure on their bosses come into play here. But: they do not get a budget and no room for maneuver – because the corporate strategy is missing. Only the really young innovators such as Ruby Hotels from Germany or Room Mate in Spain have firmly integrated sustainability. I miss the visionaries among the hoteliers. There are already many of them in the consumer goods industry.

What role do certifiers for sustainability play in this process of understanding?

I take a critical view of their role and competence in individual cases, and a general judgement should not be made here either, because there are also very positive influences. The problem with many certificates at the end of an audit is that you can go through the check fairly quickly, finalize it and then put it aside. Moreover, many certificates are not known to customer/guest. We recommend to hoteliers to put their own report on their website and to communicate honestly what they have done and what they will do. The Oetker Collection, one of our customers, started doing this in 2017.

Today, global mega-chains are producing CSR or Sustainability Reports with great effort and often still in printed form.

Do these reports have any influence on the further actions of the companies?

Yes, they do, as long as these companies fit into an international framework. Their own goals from their own CSR report should fit in with the international business community and should be measured against its goals – e.g. the EU climate targets of Paris 2015. Another standard is offered by the United Nations with its Global Compact Reporting, or the Sustainability Reporting Standards of GRI, an independent international organization. These are the three major international reporting standards; they all include the UNWTO's 17 Sustainable Development Goals (SDGs). These are very intelligible and very visually structured, which should appeal to hoteliers. But there are too few hoteliers who are involved. The platform www.tourismpartnership.org represents a good approach.

Let's get back to the cost pressure mentioned at the beginning. If you want to save on costs, you have to know your data and collect more data to document progress. How popular is the data game among hoteliers?

The insight into data is now there – and also the insight to train employees for it or to find an external data specialist. The general managers of larger hotel groups now have to explain the energy costs as part of their KPIs. I would therefore like to make another point of criticism: The hotel management schools should impart CSR knowledge and prepare the next generation for sustainability. It's still not happening. Don't the employees of all departments also need training? From what I hear, it is pure “waste” in housekeeping and kitchen. In housekeeping, which today is almost always outsourced, it is difficult to monitor compliance with sustainability. Someone who has only seven minutes to clean a room leaves the taps open, flushes the toilet three times and leaves the lights on. There must also be clarification for the kitchen staff: the morning team simply switches everything on in the kitchen – from the lights to all the stoves – without everything being needed. Energy costs can also easily be saved at night. And during the day, you can switch on the sauna also later.

With the latter, of course, do guests also react?

Yes, that's why communication is extremely important. Florian Werner, owner of the

Xenia zu Hohenlohe:
The pressure on hotels is increasing, more and more investors are asking for sustainable real estate and concepts.



5-star Arlberg Hospiz in Austria, just said that they have called a "CO₂ Reduction Month" and omitted the turndown service in the evening. Of course, the hotel communicated this idea to every arriving guest by letter and gave him/her the choice. The result: Only 1% still demanded the turn-down service.

Dear hoteliers, ask your guests if they still want a breakfast buffet at all! Of course, buffet formats reduce labour costs, but on the other hand the hotel produces more waste and additional costs.

So you say the hotelier should give the guest more confidence – more competence and more room for decision?

Definitely! The guest is also more mature in terms of sustainability than one might think, at least in Central Europe. If communicated correctly, problems rarely arise. On the contrary, the hotel generates even more credibility with the guest and also receives suggestions from him/her. This situation is very similar to the dialogue with the employees.

Luxury hotel groups are often "colorful", they consist of city hotels and resorts in very different countries with different knowledge, different legal requirements. The demanding customer is often the same. How can a group develop a corporate CSR strategy in this area of conflict?

By living CSR honestly and openly. Resorts have much better chances than city hotels, because the guest stays longer, appears more often in the same restaurant... There are significantly more touch points. Taking him to the local greengrocer or giving him a guided tour of the coral laboratory increases the guest experience and knowledge. It always goes back to communication. Unlike Airbnb, hotel guests are not left alone; there is always someone there to talk to the guest, to get to know their needs. Ask him what (s)he wants: Does (s)he want new towels every day, does (s)he want seasonal food, does (s)he want to try out the electric car?

Since 2014 you have been building up the CSR strategy for the Oetker Collection. What positive examples are there now across all nine hotels around the world?

I'd like to start with the Bristol Paris, a city hotel. Many guests buy new clothes in the



Giving Bag: If you shop in Paris, you can donate "old" clothes to the Red Cross in the room.

shopping paradise of Paris. This is why Oetker has launched the "Giving Bag" initiative: You can immediately put "old" clothes into a corresponding bag in the room and donate them to the Red Cross. Currently, we are also encouraging hotels to each work with one organization to look after an endangered species in the region. In the Hotel du Cap-Eden-Roc in Antibes it's the turtles, in the Château Saint-Martin on the French Riviera it's the owls and the ski resort L'Apogée Courchevel takes care of mountain goats. For the children there's always a suitable stuffed animal in the hotel... Such initiatives give the guest the feeling of having done something very concrete for a "tangible" project now and here.

How do you come up with a uniform CSR line?

With a lot of patience and a thoughtful approach! The most difficult thing is to change the supply chain. How do I find alternatives to plastic? What do I do with the supplies in the warehouse? What is feasible in the respective country, everywhere the waste collection works differently. It simply takes time to find the right solutions. Motivated employees also work wonders: they often come up with suggestions for solutions. It is not easy, because in small destinations local politicians often want to set the order of business. Renewable energies are not often welcome. After the hurricane Irma 2017 on St. Barth, Eden Rock was completely rebuilt and we discussed photovoltaic cells on the roof. But the government refused: they did not want to deface the bright red roofs of the islands and thus lose a world-famous photo motif.

How can a managing director or a board member of such a colorful

group document their CSR progress to their own investors/owners?

That's difficult. In the hotel portfolio, for example, there are "Grand Dames" within old walls, and there are also new buildings with state-of-the-art technology under the roof. The only value with which one can roughly compare the hotels is the CO₂ emission per overnight stay. If I know this value, then I must try to further reduce this value. The goal is always the reduction and thus the permanent improvement of my performance. It is a process in which you set yourself new goals on a quarterly basis or for the whole year.

What are the parameters that this value "CO₂ emissions per overnight stay" consist of?

There is the Hotel Carbon Measurement Index (HCMI), which was compiled by KPMG and ITP (International Tourism Partnership) in a very complex calculation of parameters to have an industry-wide index. These are mainly emissions caused directly by the hotel and do not interfere with the transport of goods or travel. Our platform Con-Serve has deposited this database from HCMI, so our customers can anonymously benchmark against it. In order to be able to imagine this value, here an information of my team: The HCMI average is 27.1 kg CO₂/Room Night, equivalent to charging 3,443 smartphones or driving 66 miles (in an average car).

What are the biggest costs for an investor/owner?

This certainly starts with the hardware of the building, with the BMS mentioned above. It's always primarily about energy and waste. For example, installing a waste shredder on an island costs two million euros. That's a lot of money, but there's a return on it. The most strenuous thing is to set priorities at the beginning.

But it's worth it?

Of course! Travel consists of visiting other destinations and having fun. How is that supposed to work without intact nature? There can only be one answer to that: Tackle it!

Thank you very much, Xenia!

Author: Maria Pütz-Willems

Extract from *hospitalityInside.com*, June 21, 2019

+++ Ongoing hospitalityInside survey +++ Ongoing hospitalityInside survey +++

11TH INVESTMENT BAROMETER
BY HOSPITALITYINSIDE AND UNION INVESTMENT

A boom that makes nervous

1.4 billion people travelled last year, more than ever before. Tourism is booming. This generates joy and a desire to expand among hotel chains, but also intensifies competition and makes investors nervous. What is your opinion? Take part in our survey, any time online or live at the „World of Hospitality“ stand at Expo Real Munich. Have a coffee with us!

The hospitalityInside INVESTMENT BAROMETER Autumn 2019 has started again in cooperation with our partner, the Hamburg investment house Union Investment Real Estate. Both of us want to know from you, dear readers and hotel experts, how you assess the current market development. In addition to the four standard questions on expectations, there are these two special questions on room growth and trends.

THE QUESTIONS:

1. *New room capacities are entering the market. What are the main reasons for the growing supply?*

- Investment pressure from the capital market
- Positive growth forecasts
- Strategic location decisions
- Desire for more scalability
- Declining attractiveness of other asset classes

2. *From which industry trends do you expect new or more stable revenues?*

- Mixed use complexes consisting of several components (e.g. retail, residential, hotels)
- Hotel complexes with dual brands
- Hotels with Co-Working/Co-Living components
- Hotels with F&B and „Neighbourhood“-Story
- Digitally networked buildings
- Sustainable buildings/concepts

HOW TO PARTICIPATE?

»» Online now!

hospitalityInside.com has already invited its subscribers and registered newsletter readers to participate in this survey; they have received a link. Otherwise the way leads over the homepage www.hospitalityInside.com, on which the banner „Investment Barometer“ directly leads to the suitable article and inquiry left.

»» Live at the Expo Real!

Expo Real visitors can participate in the survey at the joint stand „World of Hospitality“ in Hall A2/Stand 140, where you find the online terminal at the HospitalityInside table. Or you can surf in our online magazine or chat with us – over a cup of coffee!

END OF THE SURVEY?

The online survey ends on **Monday, 21 October 2019**.

THE RESULTS?

hospitalityInside.com publishes the results of the survey on its website www.hospitalityInside.com. If you want the complete results, leave your e-mail contact at the end of the online survey; anonymity is guaranteed here.

For further questions, please contact the editorial team at editor@hospitalityInside.com.

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... And this was **YOUR OPINION** in the last years (extract):

AUTUMN 2018: In the spoiled development departments the „very good“ expectations decrease from 22% to 12% and the „good“ expectations decrease from 56% to 39%. With regard to the declining transaction volumes, 33% expect the trend to continue equally strong, 42% expect it to strengthen.

AUTUMN 2017: Despite demand pressure on the German hotel market, C locations will not become the new B locations. 34% of those surveyed indicated that A locations were packed with hotel chains right up to the rafters. Only 15% – and thus some way behind – saw a shift from B locations to C locations.

AUTUMN 2016: With regard to the question as to current willingness to take risk, the participating hotel investment experts were divided into two roughly equal camps. 51 percent stated they pursued as strategy of „same return, higher risk“; by contrast 49 percent indicated that there were happy with „lower returns for the same risk“.

AUTUMN 2015: The hotel construction boom will continue. 48.5% describe the sentiment in hotel development as „very good“.



SERVICED APARTMENTS REPORT 2019: KEY FIGURES HAVE CHANGED

The segment is flying

Despite market adjustments, the segment of Serviced Apartments in Germany will grow by 60% until 2021. It seems that there are new openings every week. 17,000 units are to be added by 2021. Micro apartments are clearly en vogue and demand is rising. This is one of the results of 'Marktreport Serviced Apartments 2019', the ninth instalment of this report series.

The segment is flying," titled Anett Gregorius, founder and owner of Apartmentservice, her editorial in the report. "The future that has been announced in our project charts since about 2016 has arrived. The biggest growth phase with new openings has begun," she notes. "In our new 'Marktreport Serviced Apartments 2019' we record another 17,000 units by 2021 – a growth by 60%."

For the first time, only commercial Serviced Apartments were considered that at least have cooking facilities. In accordance with the new "Temporary Housing Charter", all data in the market report have been adjusted for residential products. "We thus reflect the segment and its differentiations even more realistically," explains Anett Gregorius. "At the same time, the enormous pace of growth has become clearer. The forecasted 100,000 units by 2030 could be reached earlier than that."

A year ago, Apartmentservice introduced the new charter. It distinguishes between commercial and residential concepts thus considering serviced apartments exclusively a commercial concept for the first time. The concept and business types are classified based on service levels and length of stay, and no longer according to apartment size. As a result of this new allocation, the number of Serviced Apartments on the German market went down from 36,600 at the end of 2018 to 28,500 at present, says Anett Gregorius quoting concrete figures to hospitalityInside.com. The 28,500 units are spread over approximately 540 hotels offering at least 15 units in a single building (as of April 2019).

Changes in key figures

In 2018, average occupancy amounted to 80% for the first time – with a positive mood among operators that had grown

again as 89% consider the market development "positive" or "very positive" (previous year: 84%) according to the operator survey conducted by Apartmentservice. Despite increasing supply, demand for serviced apartments continues to grow – not only among classic business travellers and an increasing number of career starters, students, commuters and professional nomads, but also among leisure travellers. Business travellers continue to be the main target group with 70%, but the share of



Anett Gregorius:
The biggest
growth phase
has begun with
new openings.

leisure travellers continues to grow, especially in apartment hotels. Homeliness and individuality, both flexible and personal service and professional standards at significantly lower prices than hotel rooms remain the unique selling points of serviced apartments in the field of temporary living.

"It shows that Serviced Apartments are becoming better known and reach different lifestyle groups with their varying concepts and differentiations," emphasises Anett Gregorius. In 2018, the segment generated around 12 million room nights. In 2017, 14.3 million room nights have been registered. However, these two figures can no longer be compared due to the adjustments

made. If both figures are adjusted (for 2017 and 2018), 11.03 million overnight stays are to be compared with 12.1 million, which represents an increase of 10%, Gregorius explains.

After some stagnation over the past few years, occupancy rose from 77% to above 80% – despite increasing supply. Corresponding to the adjusted market figures, RevPAR had also changed accordingly, Gregorius explains to hospitalityInside. It no longer exceeds 100 euros, but is now roughly at 70 euros – similar to traditional hotels.

Meanwhile, despite rising demand, the average length of stay is again declining slightly, which is mainly due to the high proportion of short stays in Apartment Hotels. The latter record an average length of stay of around 5 to 6 nights, while Serviced Apartments remain at an average 34 nights (depending on the provider, even up to 60 nights are possible). However, across the German market as a whole, the segment remains true to its long-term character with an average of 25 room nights.

But bookings are made at shorter notice: in 2018, almost every second booking was made with an advance notice of less than two weeks. Bookings with a lead time of more than one month accounted for only 31 percent.

Significantly more micro apartments, also with co-concepts

Micro apartments continue to be en vogue. More brands are being added everywhere. Many investors and developers continue to focus on larger properties with smaller units with a clear trend towards more space efficiency and formation of quarters. As a result, the number of micro apartments is increasing both in apartment hotels as well as in serviced

Small rooms, long stays:
micro apartments
are becoming more
and more important.



apartment buildings: units with less than 25 sqm currently account for almost one third of the total offer. At the same time, they continue to be the most popular apartment category among guests. "Most micro apartments are likely to be around 22 square metres or less in size in the future," estimates Anett Gregorius, adding: "When the large number of announced micro apartment projects are launched in 2020, the extent of the market changes will be particularly pronounced once again."

The success of micro apartments goes hand in hand with the trend towards extensive co-living and co-working concepts. As communal areas, they should compensate for the small apartment sizes and also provide synergies among the growing number of double brand and mixed-use projects. In mixed neighbourhoods with serviced apartments, classic apartments, hotels, retail outlets and offices, it is increasingly important to be able to stay in the same place for 24 hours a day, and to benefit from concierge services, gastronomy and

sports offers with short distances and flexible forms of offers and works.

Operation and ownership increasingly separated

"The commitment of national and international investors and the growing professionalism in terms of location selection, target-group-oriented conception and positioning are currently showing how seriously the segment is growing sustainably," explains Anett Gregorius. This also includes the trend of increasingly establishing new or proven management models from the hotel industry. According to last year's operator survey of Apartmentservice, one in two operators was also an owner, whereas this year, it's only 22 per cent.

"When it comes to the next few years, I see the need to focus even more strongly on a specific target or lifestyle group due to the increasing diversity of concepts across the segment. This applies above all to the question of when co-living and co-working concepts make sense. A bit of trend topic here

and a bit there in me-too mode no longer works."

Since 2011, Apartmentservice has published the market report for Serviced Apartments, because there are no official data available for Germany yet. Based on a written, fully standardised online survey among operators of serviced apartments operating at least 15 units, the company determines typical key performance indicators such as occupancy, duration of stay and rates as well as assessments about the market development.

For the first time, the 2019 market report takes a detour to the markets of Austria and Switzerland. In addition, it casts a glance into the segment's future and includes its own forecasts. For the second time, an English version of the report is available as well (www.apartmentservice-consulting.de). / map

Extract from hospitalityInside.com, May 17, 2019



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A holiday home in the Caribbean, bookable through the new Marriott Homes & Villas platform.

MARRIOTT STARTS ITS OWN RENTAL PLATFORM AND OYO BUYS LEISURE GROUP TO STEP IN

The homesharing **battle** is on



The homesharing battle is on. On April 30, 2019, Marriott launched its homesharing platform named „Homes & Villas“ which features over 2,000, non-exclusive highly curated homes in the United States, Europe, the Caribbean, and Latin America. Owners may not share the new approach as for them it only means one thing: more competition.

Competition has even increased overnight: On May 1, 2019, India-based OYO acquired Amsterdam-based @Leisure Group from Axel Springer, the German media giant and technology company. It enters the market with over 85,000 homes and 300,000 rooms across 50 countries. Jumping into the sharing rental industry – an industry worth 138 billion dollars – has proven to be challenging for Airbnb, Booking Homes and Expedia HomeAway and will be for hoteliers too. The complexity of the business is everybody's main issue (compliance with regulations, safety, etc.), except for hoteliers forced to deal with angry hotel owners who see only one thing happening... more competition. It took some time until traditional hotel groups finally came to peace with homesharing, and most of them have now put strategies in place to conquer this multi-billion dollar market. Marriott Hotels International is the last one to make its move in the hopes of answering a growing demand from customers.

In the footsteps of Accor, Choice, Wyndham or Hyatt, the largest hotel group worldwide announced earlier this week that it is launching Homes & Villas by Marriott International. The brand portfolio features over 2,000, non-exclusive highly curated homes in the United States, Europe, the Caribbean, and Latin America (Editor's note: we are far from the almost 6 million listings from Airbnb). "What started out as a pilot phase a year ago is now a global offering, providing our guests with the space and amenities of a home backed by a trusted travel company, and the very best in loyalty benefits," explains Stephanie Linnartz, Global Chief Commercial Officer at Marriott, in a company statement.

Hostmaker no longer part of the strategy

Last year, Marriott tested the homesharing waters through a partnership with UK-based management company Hostmaker. During the pilot phase which listed just 200 houses and apartments in London before going to 340 listings across Europe, the average

guest stay was more than triple the typical hotel stay. However, despite these numbers, Marriott decided to stop working with Hostmaker and instead opted for a multi-player approach, selecting premium property management companies which are already providing guests with a professionally cleaned home with 24/7 support, high-speed Wi-Fi, premium linens, and amenities as well as family-friendly conveniences upon request. The list includes among others: TurnKey, LaCure, Loyd & Townsend Rose, London Residents Club, etc.

In the footsteps of other hotel chains

Other hotel groups are testing the waters of home rentals or vacation rentals as they call it in the US. Wyndham is the oldest on the market. The American hotel group has been exploring the segment since 2001, listing over 10,000 properties in dozens of destinations. A year ago, the group sold its European vacation rental business to Platinum Equity for 1.3 billion dollars. The sale

includes a 20-year agreement under which the investment firm will continue to use the "by Wyndham Vacation Rentals" endorser brand in exchange for 1% of net revenue as a royalty fee. Another group exploring the home sharing business is Hyatt. The chain made a minority investment in 2017 in Oasis but backed off after Oasis was sold to Vacasa, the largest vacation rental management company in North America. Hyatt's website stated then that the "business (with Oasis) has not met our financial expectations, reflecting challenges that market participants across the high-touch private accommodations space are facing, including a fast-moving regulatory environment and scaling profitably."

It was in 2016 that Choice Hotels first entered the vacation rental business. And in 2018 it announced the expansion of Vacation Rentals by Choice from 1,100 to more than 20,000 properties in 35 US destinations thanks to a partnership with RedAwning.com, a vacation rental network with over 100,000 properties in 10,000 destinations in North America and Europe.

Accor buys in, Room Mate builds

In Europe, Accor has spent a substantial amount of money on buying its way into the prolific rental market. In 2016, the group invested 169 million dollars in the acquisition of Onefinestay but has been struggling with profit ever since. In 2017, Accor added Travel Keys and Squarebreak to the Onefinestay rental division, whose portfolio now offers more than 10,000 listings. Last October, the group also made an investment of 8.5 million dollars in Properly, a company that provides cleaning and operational services for short-term rentals. In Spain, Room Mate Hotels has created a buzz with the launch of Be Mate Apartments, a concept of apartments with hotel services at affordable prices. Room

A holiday home in Norway from the Dancenter portfolio. Now Oyo distributes it.



Mate does the full management of leased and contracted apartments around existing hotels. Since the launch in 2016, Be Mate boasts 10,000 listings in 10 cities including 600 units that are exclusive to Be Mate.

Investing in home rentals seems to be a smart move on the part of hoteliers since they don't have much choice anyway, but it also answers customers' new needs for more choice and alternative accommodation. A win-win scenario one would say. Well, not really from the hotel owners' point of view. For them, more hotels (under different brands) combined with apartments, all in the same area, only mean one thing... more competition.

OYO acquires Dutch group @Leisure

India-based OYO announced on Wednesday that it had signed an agreement to acquire Amsterdam-based @Leisure Group from Axel Springer, the German media giant and technology company. OYO Hotels & Homes, which except for the UK doesn't operate in Europe (yet), is making its first move onto the continent via the home rental segment.

In a statement, OYO's Global Chief Strategy Officer, Maninder Gulati explained: "If one were to look at Europe alone, there is an ever-increasing demand for vacation homes with an increasing trend of booking an entire home. Further, in such a market of largely fragmented small and independent players, and a handful of established players, of which @Leisure Group, is one of the largest, we feel travelers will be excited with what it can offer. Today, more than 2.8 million holidaymakers from over 118 countries book their holiday every year with @Leisure Group."

Last year @Leisure Group achieved a record EBITDA of more than 24 million euros. According to BBC, the transaction amount allegedly was 369.5 million euros. This Homes division was created in 2017 and has already secured over 15,000 villas and apartment units globally. Adding the inventory of @Leisure will drive the count to over 130,000 properties with the snap of a finger. That number alone casts a shadow on Marriott's 2,000 units recently announced, and all other hotel chain portfolios for that matter. / Sarah Douag

Extract from hospitalityInside.com, May 3, 2019

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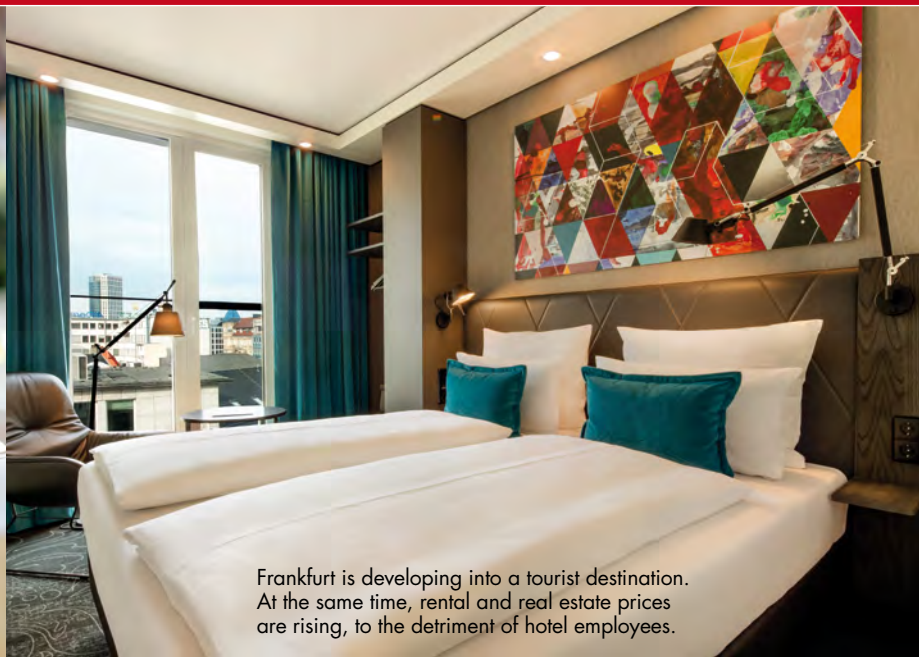
GERMANY'S HOTEL INDUSTRY FAILS TO FLOURISH DUE TO LACKING EMPLOYEES

Bizzare: Drowning during the boom

The employees are gone. Or they don't come at all. The calamity is there. And the industry can no longer run away from its own problem, but it tries nonetheless: politicians and associations still talk of a shortage of skilled workers while hoteliers and other experts already name it a shortage of employees.



Of 80 trainees, only 24 remain in the industry, according to the latest IHA report.



Frankfurt is developing into a tourist destination. At the same time, rental and real estate prices are rising, to the detriment of hotel employees.

Germany's hotel industry is experiencing a boom in its history like never before: tourists are pouring in, capital is flowing, hotel construction is booming. It is an outright success story – but one that is driven by third parties. Both operators and individual hoteliers need to make this story a sustainable success. Some are starting to fight, becoming creative. But the big picture shows that the industry is drowning right in the middle of the boom. Frankfurt has become a hot spot. The city is rapidly turning from a pure business destination to a city trip destination, tourist arrivals are constantly on the rise, and hotel construction is unstoppable. For 2018, Tourismus+Congress GmbH Frankfurt am Main reports 10,149,671 room nights (+6.3%) and 5,934,778 million guests (+5.9%). With 298 accommodation businesses (+18) and 56,092 beds (+8.3%), supply rose once again in 2018. At the same time, rents and real estate prices in

the city have gone through the roof in the past few years. This is just one example of many in major (German) cities. In Hamburg, the situation is almost as precarious, in Munich it is even worse. Apprentices and low-income earners at the lower end of the hotel hierarchy suffer the most from the imbalance between earnings and rents. But resort hotels are even worse off, especially in the mountains and by the sea. But even resort hotels located only an hour away from big cities are not finding new employees. "The



Prof Dr Christian Buer: We have a severe labor shortage.

industry is slowly bleeding to death" and "hospitality is facing collapse" – these negative headlines were used by Gastrofix, a POS system specialist in Berlin, to promote its most recent monothematic "Restaurant Digital World" customer magazine, which intends to point out that, for example, digitising a business might be of help in all this chaos.

Shortage of manpower, not lack of skilled workers!

The good thing about this supplier PR initiative is that the entire calamity was described with two headlines in a way the German Hotel and Restaurant Association (DEHOGA) would never do. "We don't have a lack of skilled workers (anymore), but a true shortage of manpower," Dr Christian Buer adds in an interview with *hospitalityInside.com*. As a former hotelier and professor for hotel management at Heilbronn University, he experiences the

daily balancing act between passion and frustration in one of the greatest industries in the world. He himself has created his own motivational model in order to at least lift a few more young people into the industry. For days on end you could complain about incompetent politicians, sleepy associations, stingy entrepreneurs, bad bosses and misguided training systems. Germany is embarrassing itself even more with respect to this disaster as being a highly developed country; it has always been characterised as being far-sighted, using intelligent systems and having a high educational level. That is the past. The current employee disaster is a fact. Both individual hoteliers and large groups need to invest lots of energy and money in order to make up for the mistakes made in federal and industry policies. The embarrassment gets even bigger as tourism in Germany is booming – but cannot be fully absorbed economically. And why? Because there are not enough employees. Small and medium-sized businesses are no longer open at noon, restaurant terraces remain closed, menus are becoming smaller, fewer and fewer employees speak German ... and that is all that stays in the memory of tourists and business travellers.

Everything is positive, except among employees

High-price countries with rigid laws are hit much harder by the disaster than others, which, for example, can use temporary workers unbureaucratically and for a few dollars a day. In Germany, the negative spiral continues to drill its way into the tourist ground, and every insider asks how this

can be achieved at all in view of the country's ongoing hotel construction boom. The bare facts speak for themselves. 111,828 additional hotel rooms will push on to the market in Germany over the next three years, should all of the 776 announced new buildings, conversions and extensions be realised according to the most recent "Branchenreport" industry report issued by the German Hotel Association (IHA). Last year, the three-year forecast spoke of only 695 objects. The run on Germany is reflected also in terms of the projected investment volume: it is currently at 19.6 billion euros. Last year, it was 3 billion euros less. The hotel industry records its ninth consecutive year of growth – a fantastic development since the Lehman crash in 2008. All key figures are rising. This makes the current situation all the more bizarre: the hotel industry is drowning at the temporary peak of tourism development. It no longer finds any employees. No longer in sufficient numbers and no longer with sufficient competence.

Bitter statistics

The IHA-Branchenreport 2019 (industry report) provides the most up-to-date market figures: the entire hospitality industry (accommodation, restaurants, canteens and caterers) currently employs 2.36 million people (+0.6% vs previous year), which makes it one of the strongest employment sectors in Germany. However, finding enough employees is getting increasingly difficult. The IHA report states: since 2014, both hotels and

restaurants have reported an increasing number of vacancies. Concretely, this is what it looks like today: In January 2019, the accommodation sector recorded 13,748 vacancies – versus 12,844 at the same time last year (+7%). In January 2019, 22,394 vacancies were reported in the catering sector throughout Germany, which is 1.4% more than in the same period last year. "All in all, the demand for skilled labour and manpower in general will not decrease in the coming years, so that the labour-intensive hospitality industry is facing major challenges," says the conclusion.

The statistics on young talent proves even more frustrating: 100 apprentices are sought, 80 are found. 33 break off. 23 of the 47 remaining will leave at a later stage. This means that only 24 remain in the industry (source: IHA Branchenreport / Institut of Culinary Art, Gerhard Bruder 2014).

There are, of course, many reasons for this, ranging from the still miserable image of the industry to difficult working hours, poor pay and high enticement rates from other industries. The result is the sum of decades of doing nothing.

In view of the framework described above, creativity, concrete and above all fast action are required ... hospitalityInside.com provides ideas and suggestions in another article: about how resort hotels find and retain employees, and how real estate developers in big cities would like to create more living space for hotel employees and thus turn the plight of the industry into a new business model. / map

Extract from hospitalityInside.com, April 19, 2019



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HOUSING ATTRACTS STAFF, YET HOTELS MUST
INCREASE BENEFITS ALL THE SAME

I'll take the added **value package** please!

As rents continue to rise and housing shortages intensify, the provision of accommodation is playing an increasingly important role in attracting hotel employees. Whether an apartment is provided as part of the employment contract often decides on whether the job is accepted or not.

Will salvation come from the commercial and residential real estate sector? Evan Group plc., a stock corporation based in La Valletta, Malta, and with offices in Zug in Switzerland and in Frankfurt, Germany, offers a solution – with the construction of places to sleep. The pilot project for the hotel sector is within the livinit pillar (micro apartments), and more specifically in the city district of Frankfurt-Niederrad, home to many office buildings. There, on Lyoner Strasse, a former office building will be converted into a serviced apartment property for hotel staff and will open at the end of 2021. The technical process behind the livinit concept was defined with selected hotels and their staff. The basic idea is that Frankfurt's hotels will rent a specified number of apartments and will then use these to offer accommodation for their staff. "Before you plan a project, you should have your target group in mind," Ulrich Backmann, Managing Director of Evan Technology & Services i.G. based in Zug and a hotelHT specialist, says and adds: "We do not rent to individuals."

Beckmann and his team are meanwhile considering how to offer the livinit operating model to other serviced apartment operators. In this case, livinit would assume complete management of the buildings from owners, including sales and marketing, administration, IT systems, contracts as well as furnishing. "We develop workers accommodation," Beckmann says. "An investor must in this case decide on the target group hotel staff." The livinit concept is a low-cost concept and, in terms of fixtures and fittings, is not comparable with a serviced apartment house designed for

managers who travel frequently and who are willing to pay EUR 1,200 to EUR 1,800 per month for an apartment. For Jörg Frehse, Managing Director of the operator Munich Hotel Partners (MHP) in Munich (with five hotels of under the Le Méridien brand as well as a Sheraton in Germany), the provision of staff apartments has meanwhile become extremely important, especially for first-time staff. "Since the search for land and real estate is resource-intensive, I would prefer to have housing built by outsiders," he says in response to being asked whether he finds the Evan Group idea good. "It would be an alternative. But it's a matter of seriousness in reputation. The owner and the concept must be very transparent." He has many other ideas to enthruse staff, to attract them and keep them on board. "City hotels should seek out stronger synergies with resorts," Frehse says, "within chains and, to some extent, within consortia, this is already happening, but I would like to see much more exchange across all areas – based on professional staff programmes!"

Resorts: Convincing with housing and added value

Working in some of the world's most attractive destinations is for many hotel staff a reason to work for a global chain. But what can small hotel groups and individual companies in the Alps and the Baltic and North Sea coasts do to entice staff? In popular destinations, the oligarchs and rich private investors have long since turned affordable housing into a fantasy. On Majorca, in Sylt and in Austria's Lech am Arlberg near the Swiss border, they buy up houses and

apartments in which they are rarely present. The situation in Lech is especially acute. As hospitalityinside.com reported just a few weeks ago, after the turn of the millennium, the assumption in Lech was that the dwindling Bed and Breakfasts could be turned into staff housing. The proposal to build affordable homes in an apartment block with accommodation for locals and staff in Stubenbach was rejected though. Since then, private B&Bs have been ever more frequently refurbished as chic luxury chalets rented either as entire units or sold. The lack of – affordable – accommodation has since then made it increasingly difficult to find qualified personnel in general and in particular during the winter high season, which in turn weakens the hand of established family-run businesses (with half-board services) compared to chalet or apartment structures without restaurant facilities.

Housing for staff with family

Another Austria ski location, Bad Gastein in Salzburger Land, at the end of a 40km long valley, safe from the snow, has its own experiences of "the rich" to report. The destination, once famous as the Monte Carlo of the Alps, has suffered neglect over recent





Bad Gastein has again a tourism magnet: Travel Charme Hotels. Better housing conditions should attract employees and their families to the valley.



decades. A well-known hotel ensemble in the centre – the former Grandhotel Straubinger, the Alte Post and the famed Badeschloss – was left empty over a 20-year period by the owner, the Viennese family Duval. With this, tourism at the end of the valley came to a standstill; even the local congress centre went insolvent.

Now, Hirmer Group (owner of Travel Charme Hotels & Resorts) has acquired the ensemble for EUR 7.5 million and will create a new Travel Charme lead company. The local community welcomes the investor; together they will now revive the well-known winter sport and hiking destination. "Our staff is to live there and not just be accommodated," Travel Charme Managing Director Matthias Brockmann says, highlighting the human resources factor here. TC employees are in future, wherever possible, no longer to be accommodated in several-bed rooms with colleagues, but are to have an apartment for themselves, and real privacy – as has up to now been the case in the hotel industry only for managers. And this has been taken even further: It should also be possible to bring the family into the mountains too. In Bad Gastein, Hirmer finds an extremely

cooperative community for these plans. Travel Charme Hotels, a chain looking to expand, wants to score points here: We will offer more than others," Brockmann announces.

Part of the package

If MHP can offer applicants housing, it's a palpable plus, Managing Director Jörg Frehse has noticed. "In Frankfurt, we can offer staff apartments, though not in Munich," he adds. Where housing can't be offered in the interview, we must provide some other added value. And not only "hardware" is meant here. Frehse is self-critical – despite knowing that he's not alone in the sector here: "We speak regularly with our staff in the hotel, listen to their problems intensively, then we too feel like most colleagues in the

sector: The passion for hotels must be revived!"

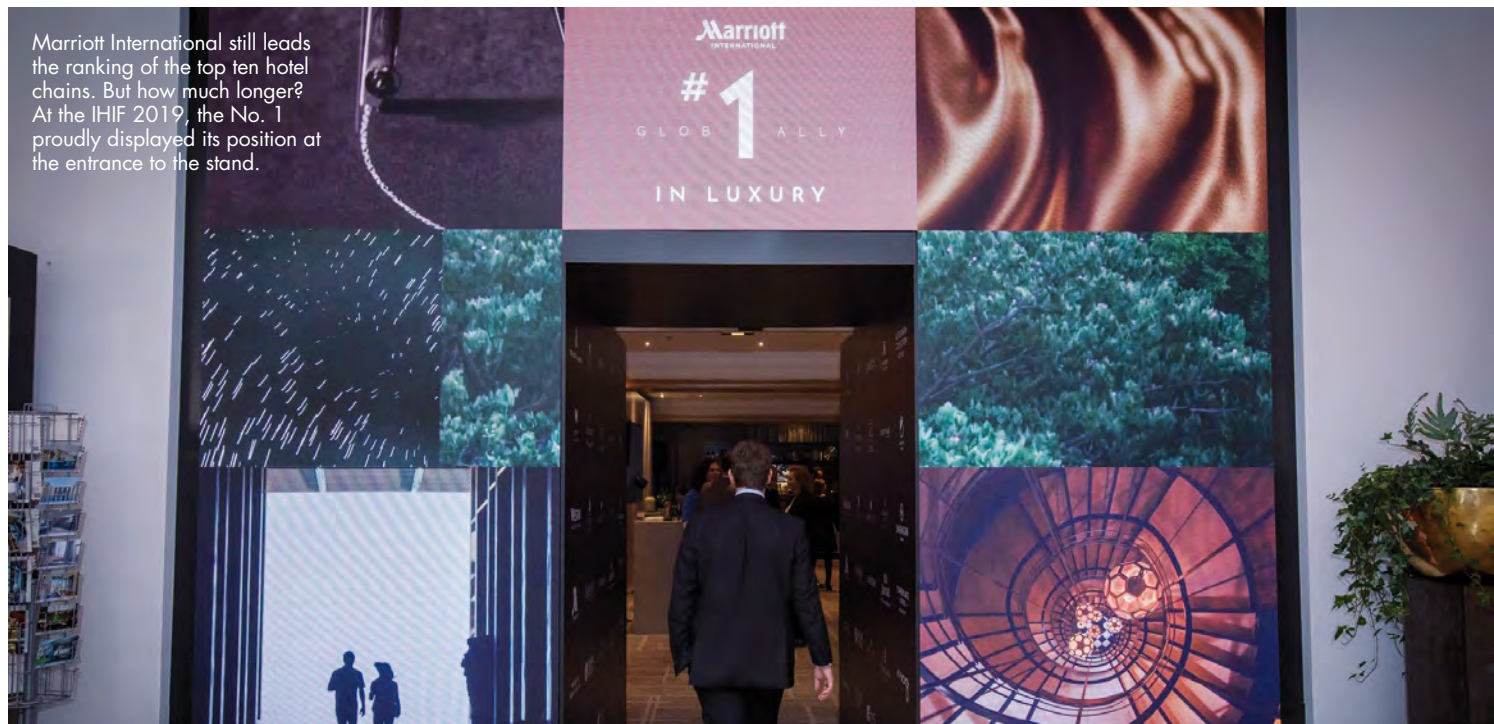
MHP as leaseholder and franchise partner concludes only permanent contracts of employment, provides guarantees for tenancy agreements and supports staff with travel cards and benefits. It also invests in quality and welfare in the back of the house: In the canteen, there's the same coffee machine as in the restaurant, and staff areas are also regularly decorated and attended to.

"We work intensively on improvements for the welfare of our staff," Frehse says. All that costs the operator money – own money. "Our biggest problem is that investors and owners view finding staff as a problem that operators alone must attend to!" The additional costs are borne by the leaseholder. For Frehse, the roles of managers change when it comes to employees. "For applicants and first-time employees, the HR manager is almost more important than the general manager. They represent the company already in the interview with the applicant." / map, sst

Extract from *hospitalityInside.com*, April 19, 2019



Jörg Frehse:
Operator MHP
Hotels increases
the benefits
for employees.
Investors do
not care about
such topics.



CHINESE JIN JIANG AND INDIAN OYO DRIVE THE US GIANTS FROM THEIR PLACES

Disrupting the established ranking

This summer, two important developments have shaken up the order of the top-ten hotel chains. First of all, China's Jin Jiang International has surged from fifth place to displace Hilton in second-ranked position. And Oyo Hotels & Homes has arrived on the top-ten list for the first time – now in the fourth-ranked spot. Currently, the Indian disruptor is the industry's biggest challenge, aside from turning the ranking upside-down.

Jin Jiang's jump in total rooms of 38% year-on-year was primarily due to its November 2018 acquisition of Radisson Hotel Group, which added some 200,000 rooms to the Jin Jiang total. And Oyo Hotels & Homes, which is enjoying explosive growth worldwide, rose from the ashes like a Phoenix.

Consequently, IHG, Wyndham moved down two rungs on the ladder; meanwhile Accor and Choice Hotels both moved down one rung and Chinese Huazhu retained its prior year ranking, but Chinese BTG Homeinns Hotels dropped down two rungs to tenth ranked position as it fell behind its compatriot, Huazhu, as well as, of course Oyo.

Of the nine hotel groups that were also in the top-ten at yearend 2017, Accor had the fastest growth rate in rooms – up 7.8% by mid-year 2019. Considering its size and bulk, Marriott's 11.5% growth in total

rooms over the period is a commendable performance. Meanwhile, BTG Homeinns, IHG and Wyndham showed the slowest growth.

China, the centre of growth

China, as the epicentre of worldwide growth, continues to be a prime market for hotel chain expansion and presently six of the top 20 hotel chains are based there, according to Hotels magazine. In addition to the three chains in the top-ten listed below are: 12th ranked in 2018 (also 12th in 2017) GreenTree Hospitality Group, Shanghai, China; 14th ranked in 2018 (15th in 2017) Dossen International Group Guangzhou, China; and 16th ranked in 2018 (19th in 2017) Qingdao Sunmei Group Co, Qingdao, China.

Oyo, the disruptor

Launched in 2013, Oyo has taken the world of hospitality by storm. As a major disruptor of the industry with a unique business model, Oyo is taking tens of thousands of unbranded, often shabby hotels (in many cases converted extra rooms sitting on top of an industrial building) and converting them into franchises or leases with a new, standardised product rented with high occupancies at technology-optimised bargain rates.

Oyo's young founder 25-year-old, Ritesh Agarwal, has raised more than US\$1.5 billion in equity financing from banks, venture capitalists and even Airbnb to reach a notional valuation of over US\$5 billion. Attempting to estimate Oyo's lodging capacity at any point in time is like trying to hit a moving target. As of mid-year 2019, the company reported it had grown

to more than 23,000 hotels, 850,000 rooms and 46,000 vacation rental homes across 80-plus countries, with most of its capacity still located in India and China. However, the group has entered the US, where it has over 50 Oyo buildings in more than 35 cities in 10 states, including major urban markets like Dallas, Houston, Atlanta and Miami. Agarwal projects a trebling of the chain's capacity to 2.5 million Oyo rooms worldwide by 2023. Nevertheless, it is difficult to make straightforward comparisons between Oyo and established players in the upscale and luxury segments like Marriott, Hilton and Accor. For instance, while Oyo far and away leads the pack in terms of the number of hotels, the average Oyo property is of a quite

marginal character with only 37 rooms, as opposed to over 120 for the nine chains listed above.

Rapid expansion

Oyo has grown to become India's largest hospitality company, with a network of 260 Indian cities, including all major metros, regional commercial hubs, leisure destinations, and key pilgrimage towns. In only 18 months after making its debut in China, Oyo has become the country's second largest hotel chain, with more than 500,000 guestrooms in 10,000 hotels across China's 320 cities. In early 2019, Oyo also entered the US market, opening an office in Dallas and testing properties in Austin and Dallas.

Oyo has overtaken IHG

In early July 2019, Oyo became the fourth largest hotel chain in the world in terms of room count, leaping two positions from the sixth largest chain with 636,000 rooms in April, to the fourth largest with 850,000 rooms in June. In a matter of two months, according to Oyo, it has overtaken Accor, Wyndham and IHG/InterContinental Hotels Group, Accor and Choice Hotels to rise to a fourth-ranked position.

Oyo CEO Agarwal has said the budget chain will be the world's largest hotel chain in scale, revenue and margin by 2023, with over two million rooms in Southeast Asia alone. Marriott hasn't got even that globally, with Oyo's chart showing it has 1.3 million rooms currently. Oyo accounts for the swift jump in rooms in two months to China where, in a press statement on 25 June it claimed to have more than 500,000 rooms, making it the country's largest hotel brand.

The global ranking dominated by US chains doesn't exist anymore. / Macy Marvel

Extract from *hospitalityInside.com*, August 30, 2019

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Last year Hilton was still in 2nd place, but Jin Jiang pushed them to 3rd place.

THE WORLD'S BIGGEST HOTEL CHAINS, by number of branded rooms

Rank 2019	Rank 2017	Hotel-group	Country	Room 2019	Hotels 2019	Room/Hotel 2019	Room end 2017	Hotels end 2017	% change Room 2017-2019	% change Hotels 2017-2019
1	1	Marriott	US	1,332,826	7,003	190	1,195,141	6,333	11,5%	10,6%
2	5	Jin Jiang	China	941,794*	8,715*	108	680,111	6,794	38,5%	28,3%
3	2	Hilton	US	939,000	5,900	159	856,115	5,284	9,7%	11,7%
4	n/a	Oyo	India	850,000	23,000	37	n/a	n/a		
5	3	IHG	UK	836,541	5,603	149	798,075	5,348	4,8%	4,8%
6	4	Wyndham	US	809,900	9,200	88	753,161	8,643	7,5%	6,4%
7	6	Accor	France	725,634	4,954	146	616,181	4,283	17,8%	15,7%
8	7	Choice	US	572,659	7,045	81	521,335	6,815	9,8%	3,4%
9	9	Huazhu**	China	422,747*	4,230*	100	379,675	3,746	11,3%	12,9%
10	8	BTG Homeinns	China	397,561*	4,049*	98	384,743	3,712	3,3%	9,1%
		Total***		6,978,662	56,699	123	6,184,537	50,958	12,8%	11,3%

Note: *Figures from 31 December 2018; **formerly China Lodging Group; ***Excludes Oyo; n/a = not available
Sources: Hotel chains / Macy Marvel

CRITICISM: OLD PROPERTY MANAGEMENT SYSTEMS PREVENT THE CUSTOMER JOURNEY

The **thick walls** of PMS

Property Management Systems (PMS) are a major obstacle for hotel companies attempting to digitise: Their technology is old, rigid and does not allow interfaces to smart modern tools which simplify interaction with the guest.

The operator is totally dependent on the PMS used and its level of innovation. Yet there is change. Newcomers have arrived on the scene, but have not (yet) been able to break through the PMS firewall. An IT-experienced hotelier has sharp criticism for today's PMS providers: They don't want to destroy their own business model.

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Clinton Anderson, Executive Vice President of Sabre and President of Sabre Hospitality Solutions, said:

"There are three ways to connect data – mobile, in the Cloud, and API/Application Programming Interface [a fixed defined bidirectional interface]. The data I get here tells me a lot about the customer – and the customer then buys more, pays more and is happy".

One of the APIs that makes for happy customers/guests and brings joy to US hoteliers is in fact called Happy and sits in San Francisco. In Europe, too, young start-ups and new offshoots of specialists with industry experience are trying to relieve some of the burden on hoteliers caused by old, rigid Property Management Systems (PMS). They are proving to be the biggest hurdle in digitisation, so the opinion in the industry goes.

"These old PMS are a technological affront," Alexander Fitz recently complained, CEO of the rapidly expanding and tech-savvy HHotels, speaking on the fringes of an event in Berlin. "What's happening with guest data available today? No PMS can answer this question. Our role model is Amazon, and we are now

setting up our own huge salesforce platform. This is his answer to an established PMS provider who is at the top of his "personal hate list".

Amadeus, Sabre Hospitality, Oracle and Infor are four big names that have, in the past, pushed automated distribution in the hotel industry and largely covered the market. Now they too are being pushed – challenged by new, more flexible systems such as Apaleo or Mews from Germany or Ireckonu from the Netherlands. The latter try to solve what the legacy systems supposedly cannot do – that the different, individually docked data pools speak seamlessly to each other. Of the four big names, Sabre is the fastest moving and will launch the first "Hospitality Retailing Tool" for the industry this year. But even this is – at the moment – just another building block in a very long value chain that needs to be digitised.

There is still a long way to go before a hotel PMS, the hotel CRS (Central Reservation System) and CRM (Customer Relationship Management) are able to communicate with each other and deliver the highly desired individual guest profiles at the touch of a button. The customer journey

can't yet be seamlessly represented in all its stages, the focus is still on the booking phase and the stay in the hotel. The potential of pre- and post-stay has been recognised, but is still largely untapped by technology. This could also have another reason though, as an IT-experienced hotelier explains.

No matter how large or small the companies are that have been visible in the market to date, and no matter what tech innovations they have produced or used themselves: Many things seem to be exactly as the Hotelschool The Hague puts it in its recently published white paper "Innovation, personalisation and market forces" (as reported): "Many technological innovations do not respond to an actual or specific market demand".

Tech companies aren't that progressive

The tech companies all fish in the same pond, still more or less at random. Many companies only work on developing what suits their "old" system the fastest. This is not an innovation.

"If you talk to the tech companies, and you actually asked them about the guest

experience and what they're thinking in terms of concepts, they are not as far as I would think they were," Veerle Donders, Concept and Brand Director at Zoku is quoted in The Hague's white paper, "they are very much tech focused and they go at it taking the traditional route, which is first real estate, getting an architect to build a building, and then they try to shove in the concept in the end which leaves no room for people to actually make a customer centric concept".

It follows that hotel operators also get stuck here; hotel operators who are confronted every day with the growing demands of their guests – and who earn their money with guest satisfaction. In concrete terms, this means that today they have to fulfil the guest's wish for "experiences". Technology can help here, but when they turn to the tech partners they've had up to now they find nobody with a fresh approach able to properly and consistently reformulate together with them the new customer journey. Another obstacle is that they still have incredibly long contracts with these PMS providers, and there's also the fact that they must acquire expertise on their own steam. Thirdly, for operators, hospitality does not consist of optimising technology and automating guest profiling.

The Hague experts observe "that technological innovations apparently challenge the human aspects of hospitality, but that they hold the potential to enhance the personalisation of experiences. In our view this requires a customer centricity mindset and attitude first, technological innovations should be facilitating not dominating in order to prevent that personalisation becomes superficial and mechanistic. Their introduction, therefore, must respond to a guest demand."

Price war with the chains, agility with small hotels

Putting it simply, this means: first the concept, then the underlying technology. Digitalisation is therefore a strategic topic for the entire company – and by no means a puzzle to be solved with back-of-the-drawer solutions for each individual department. Nevertheless, there are still thousands of tech companies in the market selling digitisation as a series of software tools. Why? Because that's how they do business, making money from ignorant hoteliers.

The media play a role here too, further unsettling the industry with a preference for reporting only on the mega-players and on expensive top innovations, and yet failing to question things. The outcome has grotesque elements. While headlines on Marriott, Airbnb and Oyo keep the hotel world holding its breath, frightened German mini hotel groups are already calling staff

meetings to discuss how they themselves can react to this "global risk".

The rise of Airbnb and Oyo, but also of Uber and Amazon, makes at least one thing very clear: In this new world, origin is no longer of importance; size counts when it is scalable. Nevertheless: The small and medium-sized groups and chains (SMEs) will not be crushed by these – if they recognise their own "agility".

"Agility" is the insider word of the moment and this is exactly what divides the hotel world into two camps. There are the mega-players, for which only scalability counts. They continue to push growth by giving birth non-stop to new brands (like Hilton) or by constantly buying up branded hotels (like Jin Jiang or Accor). All of this will continue to drive consolidation in the market. On the other hand – at least in highly fragmented Europe – there are still many SMEs whose strength lies in the local market.

These groups can play out their entrepreneurial strengths quite differently – even if the big players were to copy the innovations and concepts of the small hotels, the experts from The Hague state. Why? Because the big players lack the "soul" of the concept.

Veerle Donders from Zoku sums it up: Moxxy is an innovative mass product and Hilton opens a hotel somewhere in the world every day. Zoku, on the other hand, will always remain Zoku, there is only one concept for it – one with soul that is lived individually at the location. Dirk Bakker, Head of EMEA Hotels at Colliers International in Amsterdam, shows how mega-players will continue to move like hamsters in the wheel: "Not even with their six months' development programmes can those big companies fill the gap between the current five percent compound annual growth rate in tourist arrivals and a 2.1 percent increase in hotel rooms. This means that, at least for now, providing sufficient beds at a certain price is the decisive factor."

Put simply, this means: Among the giants, the price war will continue to rage, presumably stronger than ever before. And among the SMEs, competition around the guest experience will set in, presumably much faster than planned.

The sober day-to-day workings of PMS

For all chains though, both large and small, the PMS is still enormously important as the central administrative tool for all aspects of



Alexander Fitz:
Old PMS are
technologically
an affront.



Veerle
Donders, Zoku:
The soul of the
concept counts.



Erik Florvaag,
Art-Invest:
Investors and
operators will
grow together
digitally.



Martin Kemmer,
Place Value:
PMS are
not transparent
for hotels.

booking and guest data management. Where it fails has only been made clear by the emergence of more demanding guests; the guest who no longer simply books a room, but wants a room "with experience". And of course all of this immediately, transparently and in real time. The guest addresses these demands only to the operator, not to the investor/owner. But change is also taking a turn here, as the example of Art-Invest Real Estate shows. "As an end investor and developer, we never had a discussion with our operator about the PMS," Erik Florvaag explains, Head of Hotel Acquisitions at the Cologne-based company. Art-Invest is regarded as an active, flexible and progressive project

& Commerce at Ruby, led another two-day workshop to clarify the details of the new PMS. With a total of 18 hotels (in operation + pipeline) and great growth opportunities, the lifestyle group no longer wants to open hotels with an "old" PMS. The partner is a company with hotel specialists that has just created a new open-interface system. Köhler is currently unable to name names here. "We are trying out various things together in order to realise the seamless customer journey. We are rethinking processes and want to provide guests with relevant information only at the right time". This means: The guest will not be bombarded with standard messages, but rather will receive a reassuring email that the

must automate MICE processes to such an extent that the system itself sends the final invoice and sounds the alarm in the event of a deposit failure. The Ruby wish list is still long... But the investment in a Ruby-compliant PMS is worth it, Köhler says, because at the end of the day the PMS is a key element in the chain to convince investors: "Investors are interested in the efficiency of our processes and the associated cost advantages!"

The game of profit-driven PMS providers

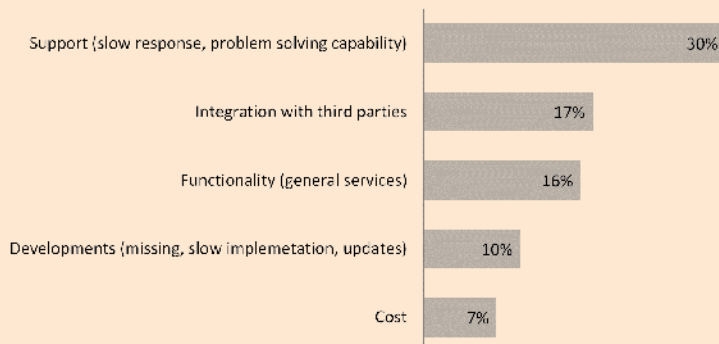
Martin Kemmer, founder of the hotel developer and operator Place Value from Grünwald near Munich, has a completely different perspective of PMS. The quality-conscious, highly committed and critical franchisee operates a total of eleven budget, economy and midscale hotels, also under Choice and Accor brands. His employees therefore work from a position of experience in the everyday workings of a hotel and with an understanding of the history of the evolution of Place Value with four different property management systems, including those of the two major chains. Kemmer experiences PMS weaknesses and strengths on a daily basis and can even compare them. Originally, Kemmer comes from the IT sector, more specifically from the world of geodata, SEO and SEM, and thus understands technological interrelationships often more easily than many of his colleagues.

"A PMS is nothing more than an Enterprise Resource Planning (ERP) tool used in business. It helps in the planning of logistic processes and in the control of business processes. In the hotel industry this is called PMS, as it tailored more specifically to the needs of the industry", Kemmer explains. "Therefore, the central question to be asked by a hotelier should always be: What do I want to achieve with this ERP – and not what can this tool do?"

A deliberately cumbersome machine

It's here that large and small hotel groups alike walk into the first big trap, only later to express their anger at PMS providers when asked about them in surveys (see below). "Hoteliers only use a fraction of what this heavy vehicle offers. But I won't win a race with such a big, powerful machine if it's not tuned to win. What I need is a special machine, a streamlined platform that responds to the particular needs of the hotel. Only with such tuning

Figure 3: Why are these pain points? What exactly is not working? (Top 5)



- One in three hotel chains experience insufficient support from their PMS vendor
- Support issues were mentioned nearly twice as often as any other pain point

Base: N = 40 (multiple answers possible)

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developer and investor for institutional investors and invests in almost all asset classes, including hotels. In particular, it discovered the added value of mixed use quarters.

For Florvaag, a PMS is currently still very much a matter for the operator, not the investor/owner. "If you want a global brand on the roof, the chains decide on the PMS for you anyway," he says. And he is right; and it's precisely for this reason that Art-Invest is increasingly beginning to consider these things, because the automation standards and digitisation specifications of the mega chains often do not match the local investment concept (in Europe). Art-Invest is confident that the digitisation and ongoing development of smart buildings will very soon bring owners / investors and operators very closely together. The young lean luxury group Ruby Hotels sees it the same way – and is already acting: This week Tobias Köhler, responsible for Systems

room is still available when the system notes that his or her plane is delayed. The new Ruby-configured PMS is to be able to do even more than this though. It will also be able to handle group bookings automatically, for instance. "From the customer perspective, everything must be instant and flexible," Köhler says. Existing MICE solutions have not convinced him yet. "Customers want to make group bookings as easily they are able to book a single room, by checking availability and price for 2020 and then confirming. And for us as an operator, group bookings must, for example, enable customers to make last-minute changes to guest numbers themselves and see these directly reflected in our system – and, for example, also be able to indicate the CEO, who will arrive last minute, with a VIP flag, so that we can offer him or her corporate rates for employees on their travels later". But that's not enough for Köhler: The PMS

can I increase my speed and efficiency. It's here that new, young providers are challenging the established providers with their interface-flexible systems." These newcomers build a simple, powerful motor, which can then be attached under the chassis of individual modules which suit the specific needs of the hotel. These can also be easily linked to other external individual modules in the Cloud or via API.

Established providers have no interest in such a business model; after all, over recent decades, they have always offered hoteliers an XXL package which the hotelier has first had to dig through in order to be able to separate off unsuitable features. Only this way was it possible to turn such a heavy vehicle into a slim, customised race car. Yet very few hoteliers manage to acquire this sort of expertise through the course of their day to day hotel business – it's not their core business, after all.

"PMS vendors have thus managed to generate mega sales for their companies whilst at the same time they have been able to ask hoteliers to pay a second time for their technology purchase. Those who didn't understand the features, had no alternative

but to call PMS support and pay again – and you're quite often another thousand euros out of pocket for this privilege," Kemmer criticises. It's a practice that pretty much all medium-size individual hotels have complained about. "The marginal costs in software development are almost zero," says Kemmer. Anyone who charges EUR 1,500 for the activation of an interface (once programmed and then multiplied x times) earns EUR 1,490, Kemmer reports, putting this kind of profit in perspective.

PMS providers do not want transparency

And what does this mean for the customer journey? Kemmer: "Today, the established property management systems can already cover 95% of this digital journey – the technology for this is in the large property management systems. But the providers will be careful not to admit this. They will never be the disruptor of their own business model!" The way out? Hoteliers should buy an ERP – and only then add on the features special to their business. Kemmer: "The hotelier generally knows their hotel, so they have special knowledge about the business, the

guests, target groups and distribution channels. Why should a B&B also buy a booking tool for conference rooms? Or accept features in the XXL package that otherwise only Disney can use?"

So the approach taken by the newcomers is exactly right. The fact that they find it difficult to cover a larger stretch in the customer journey is partly due to the fact that the established systems here have deliberately erected "firewalls" that make access impossible or at least considerably more difficult, says Kemmer.

Reducing things to the essentials has other advantages as well: Employees can be trained much more easily and quickly – a factor that is becoming increasingly important as the industry has increasingly to fall back on unskilled personnel.

Property management systems would, essentially, be ideal resource managers, and they could have already been a considerable help to the industry in this regard for a while already. But PMS providers certainly don't want to hear that. / Maria Puetz-Willems

Extract from *hospitalityInside.com*, July 12, 2019

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