hospitality INSIDE SPECIAL

OCTOBER 2016 // EXPO REAL EDITION FOR HOSPITALITY & REAL ESTATE EXPERTS

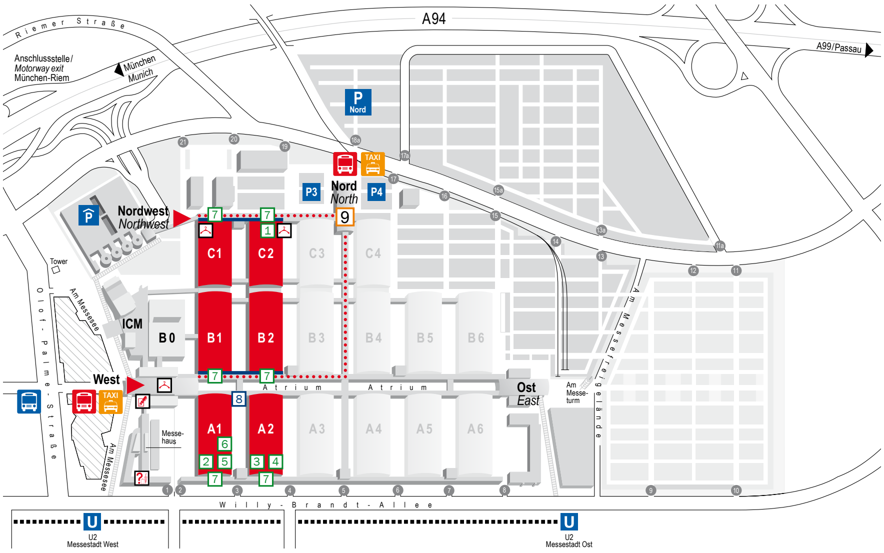
The big RUN

EXPO REAL 2016

www.exporeal.net

19th International Trade Fair for Property and Investment

October 4–6, 2016 | Messe München



Stand März 2016 – Änderungen vorbehalten / As of March 2016 – subject to changes

- **Parkplatz** *Parking area*
- **U-Bahn** *Subway*
- **Linienbus** *Public Bus*
- **Taxi**
- **Shuttle**
- **Eingänge** *Entrances*
- **ExpressWay**
- **Garderobe** *Wardrobe*
- **Fundbüro** *Lost & Found*
- **Pressezentrum** *Press Center*

Konferenzprogramm *Conference programm*

1. SPECIAL REAL ESTATE FORUM
   HOSPITALITY INDUSTRY DIALOGUE
   WORLD OF HOSPITALITY
2. INVESTMENT LOCATIONS FORUM
3. PLANNING & PARTNERSHIPS FORUM
4. EXPO REAL FORUM
5. DISCUSSION & NETWORKING FORUM
6. INTELLIGENT URBANIZATION FORUM
7. Konferenzräume *Conference Rooms*

Meetingmöglichkeiten *Meeting opportunities*

8. Meeting Center (1. OG/*1st floor*)
9. BRICKS&BRAINS

"World of Hospitality" – HospitalityInside joint stand C2.130

BHKV Hospitality (Place Value)
BBG-Consulting
Best Western Hotels Central Europe
Carlson Rezidor Hotels Group
Choice Hotels Franchise
Christie & Co.
Derag Livinghotels
Deutsche Hotel & Resort Holding (Arcona Hotels)
Dorint Hotels & Resorts
Drees & Sommer (Hotels)
DSR Immobilien (a-ja Resorts)
easyHotel powered by i.gen hotels
Falkensteiner Hotels & Residences
Harry's Home
Hotour Hotel Consulting
Hyatt International EAME
Jung & Schleicher Rechtsanwälte
Kempinski Hotels
Letomotel
LFPI Hotels Management Deutschland
Lindner Hotels
Novum Group Hotels
Oliver Massabni Architecture
Pandox
Plaza Hotelgroup
Primecity Investment
prizeotel Hotel Group
TKS
TREUGAST Solutions Group
TUI GROUP Hotels & Resorts

Hospitality related exhibitors of the HospitalityInside network:

AccorHotels	C2.222
CBRE	A1.210
Colliers International	B2.320
Deutsche Hypothekenbank	B1.344
Union Investment	B2.142

Dear hospitalityInsiders and guests of EXPO REAL 2016!

These days, geo-political turbulences and developments in individual countries or regions are affecting the international hotel industry and hotel real estate world just like all other industries. Investors as well as project developers and hotel operators, all of them key players in the industry, are facing unpredictable changes.

Alone for this reason, Expo Real 2016 should be a highly interesting forum for professional discussions, very likely flanked by numerous "top-secret" talks when it concerns real estate deals. At least in the hotel industry, the market is empty. This year, plots and real estate are scarcer than ever! And demand is still increasing – at least in the "save havens" of Central Europe.

HospitalityInside as specialist publisher for the international hotel industry with readers in more than 20 countries plays its part in networking, talking and taking action: under the neutral roof of the joint stand of WORLD OF HOSPITALITY, 30 co-exhibitors are present this year! Once again, this is a new record. The high interest mirrors the highly dynamical atmosphere in the hotel real estate industry. Starting on page 10 you will find the names and profiles of all co-exhibitors, a global pool of hotel groups, developers, investors/funds, consultants, architects, lawyers, and other hotel specialists. Come and visit us in Hall C2, Stand 130!

In addition, the much sought after by-invitation-only event BRICKS & BRAINS will take place again – for the 8th time – where 150 top decision makers from hotel operations and investment/finances will meet in a casual, cultivated atmosphere (page 24).

For the 9th time, Expo Real has entrusted me with the organisation of the hotel conference "Hospitality Industry Dialogue". In this respect, it is also good to see that an increasing number of requests come from the international hotel world that wishes to participate in the discussions about hot topics (starting page 8).

This hospitalityInside EXPO REAL SPECIAL, the seventh issue of its kind already, provides information about the trade fair, the events/conference and the market players. Specialist articles of hospitalityInside.com round off this special edition (starting page 28).

As this concept has paid off, this SPECIAL edition is available as a print edition at the trade fair and at selected trade fair hotels in Munich; and it is available on our website in PDF format online – always in German and English – at www.hospitalityInside.com.

This high-quality edition has been possible through the support of advertisements. At this point, I would like to thank everyone – including our loyal and new sponsors of BRICKS & BRAINS, as well as the established and many new co-exhibitors at WORLD OF HOSPITALITY.

They all contribute to the fact that the hotel industry is perceived as a large power package by investors, banks, funds, and family offices as well as construction companies, project developers and other real estate specialists!

We wish you a successful Expo Real 2016!

Yours, Maria Puetz-Willems
Editor in Chief
hospitalityInside.com

CONTENT

IMPRINT

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PARTNERS AND SPONSORS 2016

Partners of the joint stand "World of Hospitality" (in alphabetical order): BHKV Hospitality (Place Value), BBG-Consulting, Best Western Hotels Central Europe, Carlson Rezidor Hotels Group, Choice Hotels Franchise GmbH, Christie & Co., Derag Livinghotels, Deutsche Hotel & Resort Holding, Dorint Hotels & Resorts, DSR Immobilien GmbH, Drees & Sommer Projektmanagement, Hamburg, easyHotel powered by i.gen hotels, Falkensteiner Hotels & Residences, Harry's Home, Hotour Hotel Consulting, Hyatt International EAME, Jung & Schleicher Rechtsanwälte, Kempinski Hotels, Letomotel, LFPI Hotels Management Deutschland, Lindner Hotels & Resorts, Novum Group Hotels, Oliver Massabni Architecture, Pandox, Plaza Hotelgroup, Primecity Investment, prizeotel Hotel Group, TKS, Treugast Solutions Group, TUI Hotels & Resorts

Partners of the networking event "BRICKS & BRAINS": Kempinski Hotels, BBG-Consulting, Brera Serviced Apartments, CBRE, Colliers International, Deutsche Hotel und Resort Holding

EXPO REAL EXHIBITION DIRECTOR CLAUDIA BOYMANNS ON THE 2016 TRADE FAIR NEWS

Markets facing mega decisions

Munich (October 4, 2016). The real estate and investment industry are also concerned with Brexit and the question behind it: What does the future of Europe look like with national barriers? The who-is-who of the industry will discuss that at Expo Real 2016; the most important guest will be US economist Nouriel Roubini. Additional highlights: Marketplace "Grand Plaza" for retail trade, Barcelona and Berlin build the city of the future, students get deep insights into the industry, and the hotel conference comes up with a critical discussion about "Airbnb&Co".

National isolation is not an option for economic success," Klaus Dittrich, CEO of Messe Muenchen, explained. "The real estate and investment industry can prosper only if international trade functions smoothly." Expo Real is a perfect example for this. Project Manager Claudia Boymanns added: "We are the most important European B2B hub for real estate and investments. Concrete business deals are made here."

Star economist and Airbnb opponent in the conference program

The star guest at Expo Real 2016 will be Nouriel Roubini. The US economist was one of the few who predicted the real estate bubble burst in 2007. Murray Cox will also generate heated discussions; he is the founder of the website "Inside Airbnb". He analyzes the impact of the new social portals on the hospitality and residential markets (for the complete program of the hotel conference Hospitality Industry Dialogue please turn to page 8).

"Expo Real attracts many high-profile decision-makers, experts and politicians. They market their projects and use the excellent network on site," Claudia Boymanns explained. Additional topics in 2016: international capital flows; is thinking in cycles a thing of the past; are we facing an imminent housing bubble; the investment strategies of the big players; where are we headed in times of declining income and rising purchase prices; migration and housing.

Claudia Boymanns, Exhibition Director EXPO REAL

Innovative concept for retailer: Grand Plaza.

Grand Plaza is a unique new exhibition concept for the retail industry and its partners. "We are providing a high-quality networking area in the middle of the fair, so that our customers can expand their business further," Ms. Boymanns explained. Grand Plaza is created like a marketplace with food services and a supporting program. "The offer is addressed mainly to expansion-oriented, retail chain stores, property developers, urban planners, municipal representatives and consultants," Claudia Boymanns stated. The concept is attractive, demonstrated by the fact that tedi and kik could be signed on as new exhibitors and Lidl is returning to EXPO REAL. Rewe, Rossmann, dm, Alnatura, basic, Subway, denree, KFC and easy Apotheke are also participating.

City of the Future projects from Barcelona and Berlin

Barcelona and Berlin are presenting exciting projects in the "intelligent urbanization" Forum in 2016. "Berlin TXL" is dedicated to the future of Tegel Airport in Berlin after it is closed. A research and industrial park for the city of the future is to be created there. Barcelona is presenting "Plan 22@", a former industrial site in the middle of transformation into a diverse city district.

Career Day for students: practically oriented and comprehensive

Another highlight: Career Day. "It is the only career event in the industry, which is integrated into a trade fair. In addition: The ticket is valid not only for Career Day, but also for the entire three days of Expo Real including the conference program," the exhibition director explains. In addition to the Career Corner with exhibiting companies, the special conference program and an application portfolio check are very popular with the students. / kn

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THE CONFERENCE PROGRAMME

THOUGHT-PROVOKING TOPICS AT 2016 EXPO REAL HOTEL CONFERENCE

Facing unpredictable changes

Munich. Geopolitical turbulences and developments in particular countries or regions have been influencing the world of hospitality more severely than has been the case for a very long time. The buzzwords from the 2016 "Hospitality Industry Dialogue" programme: Europe's hotel market after the Brexit and terror attacks, pan-European owner-operators, the reluctance of investors concerning the financing of resorts, the current consolidation wave in the hotel industry and the leeway for investors/owners, young budget concepts, hotels in Africa – and the highlight: a panel about Airbnb & Co. Murray Cox, founder of the "anti Airbnb" website called InsideAirbnb will be flying in from New York and talking with representatives of cities, project developers and market researchers about the question whether rental apartment platforms influence city development and the hotel industry. Save the date: Tuesday, October 4, 2016, Special Real Estate Forum in Hall C2.

10.30 – 10.50 h

Keynote. Navigating Uncertainty: Where is Europe's hotel industry headed?
Hospitality markets in the midst of Brexit, security threats, political surprises, currency fluctuations and emerging markets.
SPEAKER: James Parsons, Head of Business Development Hotels, STR

11.00-11.50 h

Pan-European owner operators: Where is the best place to live in Europe and why?
MODERATION: Lukas Hochedlinger, Managing Director Germany, Austria & CEE, Christie & Co
PANEL: Philipp Bessler, Managing Director, LFPI Hotel Management Deutschland
Martin Löcker, Chief Operating Officer & Member of the Board, UBM Development/UBMhotels
Raúl Gonzalèz, Chief Executive Officer, Barceló Hotel Group
Michael Bauer, Director Development & Acquisition, Event Hotels

12.00-12.50 h

The desire for leisure is increasing – but not among investors: Who is still financing resorts?
MODERATION: Susanne Stauss, Senior Editor, hospitalityInside.com
PANEL: Ulf Pleschiutschnig, Managing Director, Morgan Stanley Real Estate Investment
Holger Kuball, Head of Tourism, Deutsche Kreditbank
Dr. Otmar Michaeler, Chief Executive Officer, Falkensteiner Michaeler Tourism Group
Bernd Maeser, Chief Financial Officer, TUI Hotels & Resorts
Prof. Stephan Gerhard, Chief Executive Officer, Solutions Holding

13.00-13.30 h Break

13.30-14.50 h

Airbnb & Co: The new P2P platforms' love for the hospitality and housing market.
Who benefits from the disruptive market players and who suffers? What does their approach mean for the commercial real estate industry and for the hotel and apartment market?
MODERATION: Maria Puetz-Willems, Editor in Chief, hospitalityInside.com
PANEL: Murray Cox, Founder, InsideAirbnb.com
Dr. Stefan Brauckmann, Director, Moses Mendelssohn Institute
Reiner Nittka, Chairman, GBI AG
Hyatt Hotels Corporation
Christian Mueller, Social-political spokesman of the SPD party, City of Munich

15.00-15.50 h

Does larger mean better? Even after Marriott/Starwood, the wave of consolidation continues to roll, acquisitions are booming. Which leeway do hotel owners still have after mergers, if any?
MODERATION: Dirk Bakker, Head of EMEA Hotels, Colliers International Real Estate
PANEL: Ingo Peters, Regional Vice President and General Manager, Fairmont Hotel Vier Jahreszeiten Hamburg
David Etmenan, Chief Executive Officer and Owner, Novum Hotel Group
Marc Werner, Managing Partner, Hogan Lovells Frankfurt

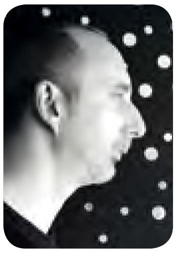
16.00-16.50 h

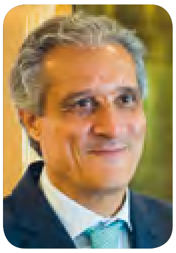
The next boom region? Hotel industry in sub-Saharan Africa – opportunities and risks.
MODERATION: Ray Mahlaka, Journalist, Moneyweb
PANEL: Olivier Harnisch, Executive Vice President & Chief Operating Office, The Rezidor Hotel Group
Selim Bora, Chairman, Summa
James Parsons, Head of Business Development Hotels, STR

17.00-17.50 h

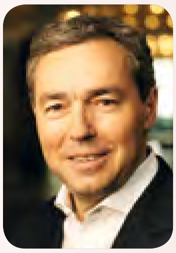
Newcomer in the budget market: Bed box or hotel? Introduction of young concepts.
MODERATION: Tina Froboese, Geschäftsführerin, bbg-Consulting
PANEL: Johannes Eckelmann, Chief Executive Officer, Cocoon Hotels & Buddy
Björn-M. Hiss, Managing Director, My Quarter, MQ Real Estate
Stefan Bader, Managing Director, Letomotel
Roland Paar, Regional Vice President Europe, PAI Hotels/Plateno Group

PORTRAITS PANELISTS

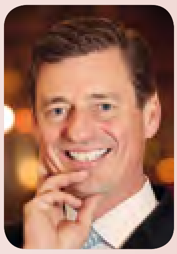

Murray Cox


Raúl González


Olivier Harnisch


Dr. Otmar Michaeler


James Parsons


Ingo C. Peters

Murray Cox is a New York City based community artist and activist utilizing data, media and technology for social change. He is the founder of Inside Airbnb, a data activist platform which provides open data and visualization tools that helps understand the impact Airbnb has on residential communities around the world.

Raúl González is CEO Europe, Middle East & Africa of Barceló Hotel Group (BHG), a leading Spanish company with more than 100 hotels spread over 20 countries, and a travel division comprising in excess of 700 travel agencies in 22 countries, including tour operators and its own airline. His career prior to joining Barceló encompasses over 12 years working in consultancy for strategic and organisational areas, during which he worked closely with some of Spain's largest corporations, such as BBVA, Iberdrola or Telefónica.

Olivier Harnisch is Executive Vice President & Chief Operating Officer of The Rezidor Hotel Group. He leads Rezidor's decentralised operational organisation comprising the Nordics, Eastern Europe & Russia, UK & Western Europe, Central & Southern Europe, Middle East & Turkey, and Africa. Prior to joining Rezidor in January 2013, Olivier served as the Vice President Northern & Central Europe at Hilton Worldwide.

Since 1995, **Dr Otmar Michaeler** has served as Managing Director of the tourism consulting group Michaeler & Partner. In the same year, he was also appointed as Managing Director of FMTG – Falkensteiner Michaeler Tourism Group. Since October 2010, he has been the president of Südtiroler Volksbank, where he was already a member of the board of directories before.

James Parsons leads STR's business development team for Europe. He began his hospitality career working in sales for Marriott Hotels before joining The Bench in 2006, a hospitality benchmarking company in the UK which later became a part of STR. Following The Bench, James joined Conference Bench in 2008 as managing director. In 2014, he joined STR and, in 2015, started in his current role.

In 1982, **Ingo C. Peters** started his career at Hotel Vier Jahreszeiten Hamburg, leading to 25 years of experience in the top hotel industry meanwhile. His first decade included positions in The Westin Hotel, Copley Plaza Boston as well as the Ritz Carlton Hotels in Philadelphia and Laguna Niguel, California. In 1993, Ingo was promoted General Manager of Mandarin Oriental Phuket Yacht Club, two years later he changed to Mandarin Oriental Jakarta in the same position. Since 1997, he has been managing Hotel Vier Jahreszeiten Hamburg.

Hall C2 Stand 130

THE 30 PARTNERS OF THE "WORLD OF HOSPITALITY" 2016

Who is Who?

THE 30 PARTNERS OF THE JOINT STAND "WORLD OF HOSPITALITY" 2016 INTRODUCE THEMSELVES:

OLIVER MASSABNI ARCHITECTURE

OLIVER MASSABNI ARCHITECTURE GmbH is specialized in the development and implementation of hotel and tourism projects in Europe with offices in Austria, Germany and Italy. The "one-step" competence of the company is demanded by well-known hotel companies, real estate development companies and international investors.
Oliver Massabni Architecture GmbH offers the complete spectrum of the real estate development: starting with the development of the concept, architecture, interior design and with an on-site construction management, the company follows the project until its termination.
Based on market-oriented budget calculations and project advisory controlling, Oliver Massabni Architecture GmbH supports the economic success of the realized projects. An import role is played by the creative and modern design combined with a tight cost management.
Based on determined industry data and international market knowledge, the quality and reliability of the services is guaranteed. The team of architects, engineers, real estate economists, business economists, hotel and tourism professionals has been providing high quality services for many years in designing and developing of hotel and tourism projects.
Experience of Oliver Massabni Architecture includes:

- Hotels, motels and resorts
- Mixed-use properties
- Serviced apartments / boarding houses / residences
- Restaurants and other catering establishments

The Oliver Massabni Architecture team develops, partially by themselves or with the support of investors and project development companies, hotel and tourism project from the initial concept until their realization.
The company offers a complete portfolio of services from which the client can put together a customized package of services:

- Architecture
- Interior design
- Positioning consulting
- Detailed Business concept
- Concept development
- Search for investors
- Strategy consulting
- Project management
- Construction management
- Development

www.a2-architecture.com
www.olivermassabniarchitecture.com

BBG-CONSULTING
Focus F&B and Brokerage: Taylor-made Concepts and Profitable Solutions.
"The hospitality industry clearly moves toward F&B", notices Tina Froböse on the market developments, meaning the increasingly intensifying efforts of international chains as well as individual hotels, to further develop and position F&B areas as true profit centers. "Both in terms of economic as well as of image aspects is F&B a major component and success factor of a full-service hotel – hence, for us a clear focus from the very beginning of our work." Tina Froböse, since 2011 Managing Partner alongside BBG's founder Karl-Heinz Kreuzig, also articulates the core service of her team as follows "We offer our clients integrated solutions by aligning operational and concept requirements with economic targets." The key: F&B comprises not only a hotel restaurant but many other outlets, such as conference, banqueting, bars and room service – "the diversity", Tina Froböse further, "makes this major area so complex. We are looking for custom-fit solutions which do not only display the project's potential but also possible inherent risks." This would be specifically important for the due diligence of the sale or acquisition of hotels – when outdated full-service hotels need to be brought back on track and to be increased in value. Hotel Brokerage was established as a further core activity of BBG: "Off-the-pegg concepts cannot succeed here", explains the 38-year old further, "we deliver individual solutions." BBG-Consulting was established in 1962 and belongs to the pioneers of hotel consulting in Europe. Common hotel consulting services, such as Feasibility Studies, Asset Management or Operator Searches are in the portfolio; the expertise covers traditional business hotels as well as resorts, event, leisure and health care projects. "We know the ropes", gets Tina Froböse to the point, "from the transaction level down to the toaster."
www.bbg-consulting.com

BEST WESTERN HOTELS CENTRAL EUROPE: Best Western Hotels & Resorts headquartered in Phoenix, Ariz., is a privately held hotel brand with a global network of more than 4,000 hotels in more than 90 countries worldwide. Best Western Hotels Central Europe (BWHCE) headquartered in Eschborn/Frankfurt, Germany is in charge of approximately 230 hotels in ten countries: Austria, Croatia, Czech Republic, Germany, Hungary, Liechtenstein, Luxemburg, Slovakia, Slovenia and Switzerland. In addition to its German headquarter in Eschborn there are regional offices in Vienna and Bern.
All city and resort hotels of Best Western guarantee uniform and consistent quality standards worldwide and still keep their individual styles and their entrepreneurial independence. As a membership association all Best Western hotels are independently owned and operated. Best Western offers seven hotel brands to suit the needs of developers and guests in every market:

Best Western, Best Western Plus, Best Western Premier, Executive Residency, Vib, GLoō and the soft brand BW Premier Collection. As a service partner Best Western pursues to increase the profitability, success and competitiveness of their member hotels. Best Western Hotels maintain their independence while locking in all the advantages of the world's largest lodging affiliation. Member hotels benefit from a powerful global brand with full-service support and comprehensive marketing and sales activities for all relevant market segments and target groups. All hotels are optimally presented and bookable through all worldwide reservations and online booking channels. More than 27 million travelers are members of the brand's award-winning loyalty program Best Western Rewards, one of the few programs in which members earn points that never expire and can be redeemed at any Best Western hotel worldwide.
www.bestwestern.de
www.bestwestern.com

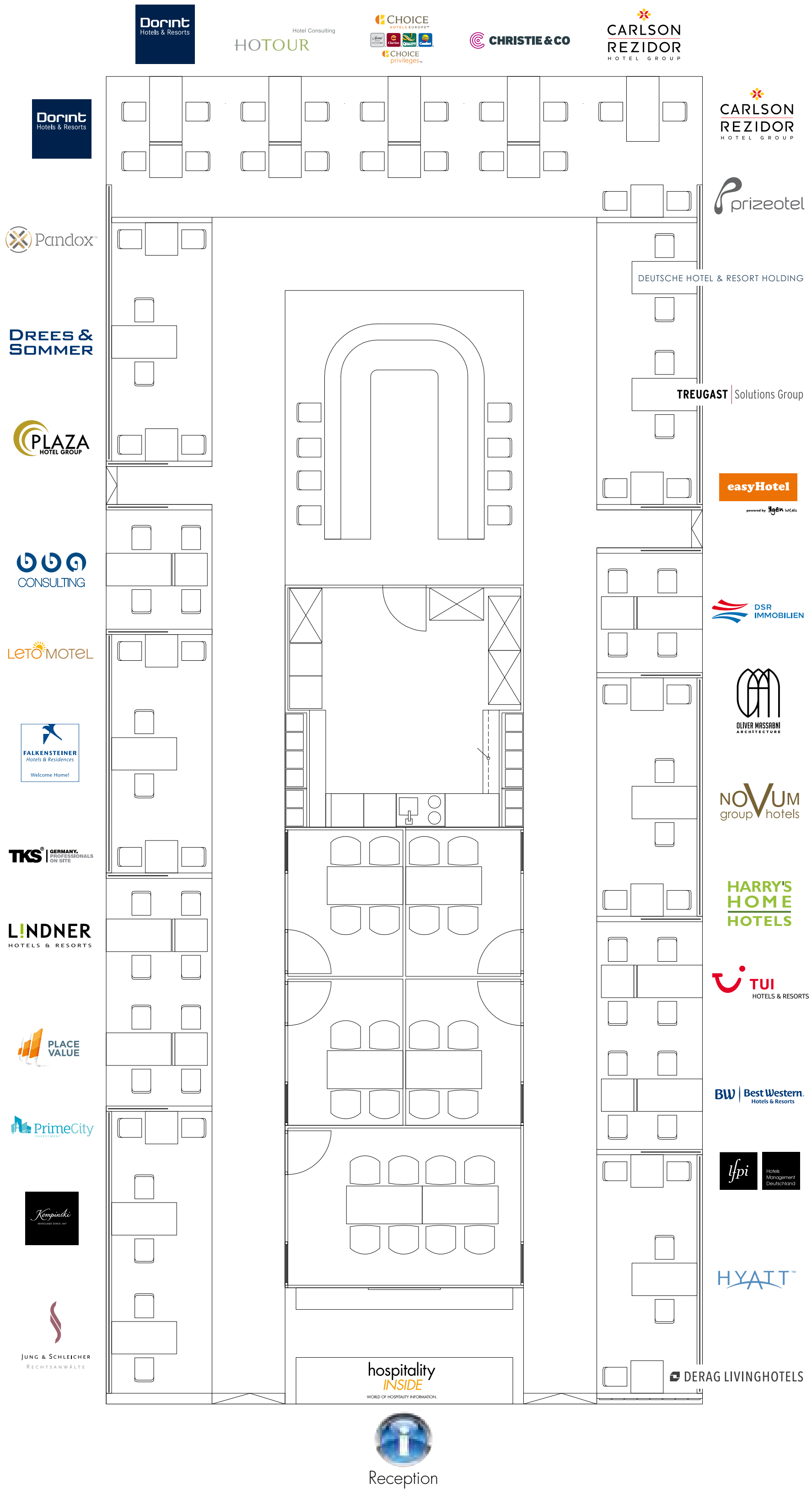
CARLSON REZIDOR HOTEL GROUP:
The Rezidor Hotel Group is one of the most dynamic hotel companies in the world and a member of the Carlson Rezidor Hotel Group. The group features a portfolio of 460+ hotels in operation or under development with 102,000+ rooms in 80+ countries.
Rezidor operates the core brands Radisson Blu and Park Inn by Radisson in Europe, the Middle East and Africa (EMEA), along with the Club Carlson loyalty programme for frequent hotel guests. In early 2014 and together with Carlson, Rezidor has launched the new brands Radisson RED (lifestyle select) and Quorvus Collection (luxury). Since 2016, Rezidor also owns 49% of prizeotel.
Rezidor has an industry-leading Responsible Business Programme and was awarded one the World's Most Ethical Companies by the US think tank Ethisphere. The corporate support office of The Rezidor Hotel Group is based in Brussels, Belgium.
In November 2006, Rezidor was listed on the Nasdaq Stockholm, Sweden. Carlson, a privately held global hospitality and travel company, based in Minneapolis (USA), is the majority shareholder.
www.rezidor.com

CHOICE HOTELS EUROPE is an experienced hotel franchisor. With over 6,400 hotels in more than 35 countries and territories, Choice Hotels International has been one of the major hotel franchise groups worldwide for the past 75 years.
Our four brands provide owners and operators in Europe with enough flexibility and individuality to fit any hotel, whether it is an existing property, a new built project or an adaptive re-use.
Clarion stands for upper-midscale full-service hotels whereas Quality focuses on midscale conference properties. Comfort hotels offer limited-service with contemporary design in city location. Ascend is the perfect fit for upscale boutique hotels wishing their individuality to remain in the foreground.
Our acclaimed loyalty program Choice Privileges offers its 26 million members attractive rewards for their repeated stays at Choice Hotels (all brands are registered trademarks).
Combining a proud heritage with effective distribution systems and hands-on support, as well as sophisticated marketing, revenue management and sales, we help enhance the performance of your property.
In a dynamic and fast-paced industry, we are among the global leaders, constantly introducing innovations that are welcomed by travelers.
Our plans for growth: Choice Hotels International has identified Europe as a key component to our overall growth. Following the recent introduction of our brands in Turkey, Austria and Hungary among other destinations, our development team is actively seeking hoteliers and investors across Europe willing to accelerate their growth with the support of Choice Hotels system, expertise and reputation.
www.choicehotels.com
www.choicehotelsfranchise.de

CHRISTIE & CO is Europe's leading specialist adviser for buying and selling businesses in our sectors hotels, healthcare, childcare, 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 16 international offices in Germany, Austria, Poland, France, Spain, Finland, Sweden and Ireland and offices across Britain with our headquarter and Asia Desk in London. This network of 32 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.
Activities and services of Christie & Co include corporate and agency services:

- Brokerage
- Consultancy
- Development
- Investment
- Valuation
- Building surveying
- Individual property review and valuation
- Rent review
- Dispute resolution
- Turnaround and recovery
- Bank support and business recovery
- Market assessments
- Operator search and selection
- Feasibility studies
- Contract negotiation
- Vendor or buyer due diligence
- NPL and fractional ownership exit solutions

Christie & Co Germany is headed up by Lukas Hochedlinger, Managing Director Germany, Austria & CEE with offices in Frankfurt, Berlin and Munich. The German team works closely with our teams in Vienna and Warsaw.
www.christie.com, https://de.christie.com
https://at.christie.com



DERAG LIVINGHOTELS

DERAG LIVINGHOTELS: Feeling just like at home with serviced apartments. Whether a classic business trip, some project work in a distant city, long commute between job and home, spontaneous relocation or an extended trip to a city – many situations require a flexible living concept. In this growing market, with currently 17 properties and approximately 3,000 rooms Derag Livinghotels has established itself as one of the leading providers of serviced apartments in the German speaking area.
Whether for short-, medium- or long-term stays, the concept offers the ideal space for different occasions at a very good price-performance ratio. The longer the stay, the cheaper the room rate per night.
All apartments are spacious and feature a fully equipped kitchen or kitchenette with refrigerator, stove, microwave, coffee maker and tableware, a living, working and sleeping area, bathroom and a mailbox for good news. Especially business travelers who do not only want to sleep in their hotel but also work there value the Wi-Fi, a PrintMe function as well as a laptop and fax hire. Furthermore a variety of services are available for guests: From cleaning or laundry service over breakfast roll delivery to shopping service – additional demands can be easily booked on top. Guests also appreciate the on-site fitness center. After a nice run, they can unwind in the relaxation area with sauna, steam bath and solarium.
Whether Berlin, Bonn, Dusseldorf, Frankfurt, Munich, Nuremberg, Weimar or Vienna - Derag Livinghotels can be found in eight cities. All the properties are centrally located and well connected to the public transport as well as the motorway network. The growing interest in serviced apartments confirms the striking concept of Derag Livinghotels. A consistent expansion into other European countries is on the agenda.
www.deraghotels.de

DEUTSCHE HOTEL & RESORT HOLDING

DEUTSCHE HOTEL & RESORT HOLDING
The German Hotel & Resort Holding is one of the 20 largest German hotel companies and was founded at the beginning of 2016 as a joint venture of the DSR Hotel Holding

and arcona HOTELS & RESORTS. Overall, the German hotel & resort holding includes 23 hotels in Germany, Austria and Switzerland. These include the brand A-ROSA resort with four locations on the island of Sylt in Travemünde, Scharmützelsee and in Kitzbühel, the Henri Hotels in Hamburg and Berlin, the Luxury Hotel Louis C. Jacob in Hamburg and the Neptun hotel in Warnemünde, arcona LIVING and the arcona HOTELS & RESORTS. Arcona HOTELS & RESORTS currently operates 16 hotels, including five companies of the franchisor Steigenberger Hotel Group. The objective of the joint venture is the further strategic growth – especially the brand A-ROSA Resort, Henri Hotels and arcona LIVING. The company is led by CEO Alexander winter together with its partners, Professor Stephan Gerhard and Horst Rahe.
www.arcona.de
www.a-rosa-resorts.de

Dorint
Hotels & Resorts

DORINT HOTELS & RESORTS: Five decades of eventful hotel history. In 1959 a "Model House for Hotel Interior Design", complete with cutting-edge technology and pioneering design, was opened in Mönchengladbach. The name of the establishment was an amalgam of the first few letters from founder Werner Dornieden's surname and the word "international" – and with that the Dorint brand was born.
After opening new branches in the South Eifel and in Trier, the Mönchengladbach company developed and implemented the basic methods of a corporate identity in the early 1970s, with a uniform company logo and targeted marketing campaigns. Dorint's red-and-blue claw was soon adorning the entrances of seventeen hotels across Germany.
At around the same time the chain took a leading role in destination marketing, tapping into the touristic potential of certain locations. Dorint set new standards in sport and holiday hospitality in particular. The chain went international in 1981, opening a hotel in the Belgian town of Spa. Other establishments across Europe would follow; the brand was represented in eleven countries at the peak of its expansion programme.
After briefly entering into collaboration with the French company Accor at the start of the new millennium, 2007 marked a new beginning for the company as Neue Dorint GmbH, with 40 locations. The hotel group is now headquartered in Cologne and operates 38 hotels in Germany, the Netherlands and Switzerland, employing around 3,300 members of staff.
With a focus on meetings, incentives, congresses and events, the Dorint Hotels & Resorts brand has more recently established itself as an expert and multi-award-winning conference services provider. The absolute comfort and well-being of guests – be they conference organisers or participants – is always the first priority for the Dorint Meeting Service experts.
The high regard in which the Dorint Group is held due to the excellent services it provides to both business and leisure guests is also reflected in the satisfaction of its staff. Thanks to its fair and family-friendly corporate culture, the Dorint Group is regarded as an attractive employer that has been benefitting for many years from a staff turnover level that is exceptional low for the sector.
Neue Dorint GmbH has its headquarters in Cologne and operates 38 hotels across Europe under the Dorint Hotels & Resorts brand. Around 3,300 employees in Germany, the Netherlands and Switzerland live and breathe heartfelt and natural hospitality. Dorint Hotels & Resorts is one of Germany's leading hotel chains.
www.dorint.com

DREES & SOMMER

DREES & SOMMER: As an international player, Drees & Sommer has been supporting public- and private-sector owners and investors in all aspects of real estate for 45 years. Today, our range of services covers Development Consulting, Project Management, Engineering, Real Estate Consulting, Infrastructure Consulting and Strategic Process Consulting.
We deliver our services on the understanding that economy, functionality and process quality are just as important as ecology, architecture and wellbeing. At Drees & Sommer, this holistic and sustainable approach is called ‚the blue way'. With over 2,150 employees at 20 international offices and 19 German regional offices committed to our clients' success, we achieved sales of EUR 300 million in 2015. Drees & Sommer has contributed in more than 200 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 IMMOBILIEN

DSR IMMOBILIEN GMBH is a leading developer of holiday hotels and resorts in Germany and is part of the Deutsche Seereederei Group. The core competencies of DSR Immobilien GmbH, with offices in Rostock and Hamburg, are the development and construction of hotels, resorts and furnished apartment residences. The service spectrum comprises the entire life cycle of hotel buildings and ranges from land and project development to facility and asset management for the hotels and resorts in the group. With the successful and well-known brands, such as A-ROSA and a-ja, the group has become one of the few large and successful players in the German tourism market within the past 25 years.
The group has placed its strategic focus on the hospitality industry. On behalf of the parent company, DSR Immobilien GmbH actively constructs hotels and new resort buildings for the most recent innovative concept of the "a-ja, The Resort" group, a part of the Deutsche Seereederei Group. The "a-ja concept" was developed by Senator E.h. Horst Rahe, managing partner of the Deutsche Seereederei and inventor of the successful AIDA and A-ROSA brands, and based on many years' expertise in resort tourism. With holiday resorts at attractive locations on the coasts of the North and Baltic seas, in the mountains, in the countryside as well as in the future in major touristic cities, the a-ja Resort und Hotel GmbH responds to the rising demand for affordable wellness and active holidays in German-speaking countries. Three a-ja resorts are already in operation and two more are under construction. A-ja plans future growth in the form of two to three new locations annually. DSR Immobilien GmbH supports this expansion strategy by searching for suitable land and the construction of the resort.
www.dsr-immobilien.com

FALKENSTEINER
Hotels & Residences
Welcome Home!

FALKENSTEINER HOTELS & RESIDENCES: *Welcome Home! "The challenge lies not in building a hotel, but in creating a home". – Erich Falkensteiner.*
Falkensteiner Michaeler Tourism Group (FMTG) is among the leading regional providers and developers of tourism products and services in Central Europe. FMTG is active in all areas of tourism development – from the planning and projection of hotels, residences, serviced apartments and mixed-use properties to the operational management and marketing of these.
By integrating the entire value-creation chain, FMTG uses its experience in the operation, development and realization of tourism facilities to achieve an optimal internal transfer of knowledge. This results in numerous synergies and allows for the development of products tailored to future market demand.
Currently the Group employs over 1,900 employees from over 29 different countries. The company is comprised of 3 business divisions: FMTG Services (Falkensteiner Hotel Management), FMTG Development GmbH and the tourism consulting company Michaeler & Partner.
The most prominent of these is the hotel management division, currently managing 32 hotels and residences under the Falkensteiner Hotels & Residences brand in six European countries (Austria, Italy, Slovakia, the Czech Republic, Croatia and Serbia). Since the founding of Falkensteiner Hotels (now Falkensteiner Hotels & Residences, the most important part of FMTG) in 1957 as a family-owned company with a small hotel in Ehrenburg, South Tyrol, it has seen steady growth.
As of 2015, Falkensteiner Hotels & Residences generated a managed turnover of EUR 154 million and with more than 4,000 rooms and 1.7 million bed nights per year, it provides hundreds of thousands of people from around the world the opportunity for holidays, recreation and relaxation in four-star, four-star superior and five star hotels.
www.fmtg.com

HARRY'S HOME HOTELS

HARRY'S HOME HOTELS: The extraordinary hotel was established in 2006 by hotelier and entrepreneur Harald "Harry" Ultsch and is the missing link between hotel and apartment. Guests are looked after neither too much, nor too little. They can decide on the extent individually: Support instead of overpriced service.
The innovative modular concept of Harry's Home Hotels unites the values of traditional hospitality with modern needs. Thus, cordial service is just as important at the owner-operated design hotels as a wide range of individually bookable services, such as breakfast, laundry service, the frequency of room cleaning, or the espresso machine in each room.
Harry's Home ranks in the 3- to 4-star category and additionally broadens its range with the long stay opportunity. "Temporary residence" is a growing need, both private and work-related.
For 10 years now, the Tyrolean hotel group with 5 locations, 438 studios, and 1,200 beds has been attending to several thousand guests every year. With Harry's Home Hotel Munich, the first property outside Austrian borders opened in August 2015 – following Graz (2006), Linz (2009), Dornbirn (2010), and Vienna (2012). In 2018, the hotel group will open to the Swiss market with Harry's Home Zurich. Further projects in the German-speaking area are currently being planned. The headquarters of the hotel group is located in Innsbruck, Austria.
www.harrys-home.com

hospitality INSIDE
WORLD OF HOSPITALITY INFORMATION.

HOSPITALITYINSIDE GmbH is an information provider specialized in international hospitality and publishing the weekly hospitalityInside.com online magazine. In both German and English, the magazine

addresses top-level management of hotels but also representatives of related sectors (investment, real estate, finance). The geographic focus is Continental Europa and the Middle East, however, the reports and articles also cover the global players and worldwide trends and developments.
Based on a paid content model, the online magazine is free of advertisements and has been providing market and background information to a top-notch readership in more than 20 countries each Friday for over 10 years.
In addition, professional networking and presentation platforms such as international hotel conferences, trade fairs and events create manifold synergies between subscribers, trade fair partners and market participants. The joint booths of the "World of Hospitality" have been a popular address for the decision makers across the industry: in October at EXPO REAL Munich, Europe's leading trade fair for property and investment, and in March at ITB Berlin, the world's biggest tourism trade fair, a meeting point for hotel operations, technology and distribution.
www.hospitalityInside.com

Hotel Consulting
HOTOUR

HOTOUR HOTEL CONSULTING: Our goal is to support our clients with lasting effect in the most varied of problems and strategically important decisions in all phases, from the project development up to the hotel opening. The foundation for the success of a long-term added value is a creative solution approach and individually tailored consultation services.
TRANSACTION CONSULTING for Purchasers, Sellers and Banks: Valuations, Hotel-specific and management analysis / due diligence, Search for investors and operators, Preparation and support of negotiations,
PROJECT DEVELOPMENT Consulting for Project Developers, Investors and Banks: Feasibility studies and plausibility appraisals, Hotel development, conception and planning of new or reconstructed buildings, Search for investors and operators,
ASSET MANAGEMENT for Banks, Owners and Investors: Hotel check: building, operator and budget assessment, Preparation of business plans, Coaching and monitoring with detailed reporting, Implementation of interim management or new operator HOTEL APPRAISELS for Banks, Investors, Project Developers and Operators.
www.hotour.de

HYATT™

HYATT HOTELS CORPORATION, headquartered in Chicago, is a leading hospitality company with a portfolio of 12 premier brands and 667 properties in 54 countries, as of June 30, 2016. The Company's purpose to care for people so they can be their best informs its business decisions and growth strategy and is intended to create value for shareholders, build relationships with guests and attract the best colleagues in the industry. The Company's subsidiaries develop, own, operate, manage, franchise, license or provide services to hotels, resorts, branded residences and vacation ownership properties, including under the Park Hyatt®, Grand Hyatt®, Hyatt Regency®, Hyatt®, Andaz®, Hyatt Centric™, The Unbound Collection by Hyatt™, Hyatt Place®, Hyatt House®, Hyatt Ziva™, Hyatt Zilara™ and Hyatt Residence Club® brand names and have locations on six continents.
www.hyatt.com

easyHotel
powered by igen hotels

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 und 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
www.easyHotel.com

JUNG & SCHLEICHER
RECHTSANWÄLTE

JUNG & SCHLEICHER RECHTSANWÄLTE provides comprehensive legal advice to national and international clients particularly 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, fast-growing investment groups and family offices which enjoy our commercial-minded approach as well as our long-term market experience. As a real estate boutique law firm the long-term and personal relationship with our clients is an important value for us.
J&S is specialized on complex and interdisciplinary 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 alone, we successfully accompanied complex real estate transactions and developments of more than € 9 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
HOTELIERS SINCE 1897

KEMPINSKI HOTELS: Created in 1897, Kempinski Hotels is Europe's oldest luxury hotel group. Since its foundation, the group has become a renowned provider of luxury hotel management service. Its craftsman's approach to luxury means that staff are dedicated to creating a truly personalised experience for guests. Kempinski's rich heritage of superb hospitality is complemented by the exclusivity and individuality of its properties around the world.
Kempinski now manages a portfolio of more than 70 five-star hotels and residences in 30 countries, having tripled in size since 1995. The group continues to add new properties in Europe, the Middle East, Africa and Asia, and aims to expand its presence to new gateway cities and major capitals. As an operator, Kempinski offers properties under its management decades of international luxury hospitality know-how, led by some of the industry's top experts, to ensure each property can thrive in its environment and achieve its full potential.
Kempinski's portfolio of hotels and residences comprises historic landmark properties,

award-winning urban lifestyle hotels, outstanding resorts, and prestigious residences. Each one is imbued with the quality guests have come to expect from Kempinski while embracing the culture and traditions of its location, blending international luxury hotel standards with unique signature concepts.
Looking forward, to 2017 and beyond, Kempinski's strategy will be to focus on enhanced financial performance and selective growth, and on continuing to grow the company's brand value in the market.
www.kempinski.com

LETOMOTEL: The first LetoMotel was opened in Munich/Moosach in November 2010. The hotel, which has since expanded to offer 99 rooms, established itself in the market in an outstanding fashion right from the start. Attractive overnight accommodation prices starting from € 49.00 have continuously attracted business travellers, city tourists and families to the hotel from day one. The clearly designed and welcoming 16-square-metre rooms offer guests everything that they need: they can sleep comfortably in exceptionally high-quality box-spring beds and enjoy free Internet connection throughout the hotel. The lobby, which is staffed around the clock, offers vending machines for drinks and snacks. In addition, an in-house baker offers guests a wide breakfast choice from 6 am every morning. All these comfort features can also be enjoyed by guests at the second LetoMotel location in Munich/Trudering, which has offered accommodation in 135 rooms since April 2015. All LetoMotel locations are conveniently located directly beside an "S-Bahn" or "U-Bahn" railway station. This will also apply to the additionally planned hotels because the LetoMotel brand is continuing to grow in Munich: a third hotel offering 155 rooms has opened in August 2016 at the Olympia Shopping Centre in Munich. The objective is to add a further two locations in Munich and expand into other cities in Germany. Among others, a LetoMotel is planned for Nuremberg, a project which is expected to be realised in 2017.
www.letomotel.de

LFPI HOTELS MANAGEMENT DEUTSCHLAND: LFPI Group is one of the premier independent multi-strategy alternative asset managers in Europe with more than three 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 60 72 hotels across the portfolio. The French portfolio of 62 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 10 hotels are operated by LFPI Hotels Management Deutschland GmbH: three Ibis hotels in Aachen, Erfurt and Augsburg, two Ibis Styles in Hamburg and Speyer, two Mercure in Berlin and Dusseldorf, a Best Western in Berlin, the Hotel Indigo in Dusseldorf and the Schloßhotel Karlsruhe.
Specifically in Germany, 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 Deutschland positions itself in the future as a pure operator for external owners. We with a focus on midscale city hotels in both primary and secondary city centre areas (50 to 150 rooms). Generally operated by LFPI Hotel Management Deutschland GmbH and marketed via franchise partnerships, certain leases can be taken over with short residual terms. Acquiring hotels in the target cities of Munich, Frankfurt, Stuttgart and Cologne will allow for positive growth of the LFPI portfolio over the near future.
www.lfpihotels.de
www.lfpi.fr

LINDNER HOTELS AG:
Not just better. Different.
34 hotels and resorts in 7 European counties – that is the basis for the ambitious and innovative concepts of the family-managed company. As the logo says, each hotel has its own individual character and offers its guests lifestyle perfect in every way.
Exceptional locations, stylish architectures and great attention to details make Lindner Hotels & Resorts a unique mixture of many-sided holiday hotels and exclusive business addresses for any occasion.
Lindner Hotels & Resorts (1,950 employees; EUR 179.1 million sales volumes in 2015) is one of the ten leading hotel chains in Germany. CEO Otto Lindner has received several awards for his pioneering approaches and hotel concepts, which range from the first multimedia and stadium hotels to the first animal-park-themed hotel. Under his auspices the number of Lindner hotels has tripled since 2000.
me and all hotels: In 2016 the "me and all hotels" concept will be the newest baby of the chain. With five great locations in Düsseldorf, Berlin, Mainz, Kiel und Hannover contracted, "me and all hotels" with its genuine personality, urban spirit, high-end technology and community-based character, has started coming on stream this summer in the very heart of Düsseldorf.
Requirements profile for real estate: Basically the conversion of office and hotel properties, the revitalization of existing hotel properties and new project developments are in searched of. Long-term management, lease or franchise contract in connection with the usual collateral are on offer. The properties will be run by two brands, the "Lindner Hotels & Resorts" and the "me and all hotels".
Key requirements for
Lindner Hotels & Resorts

- Hotel real estate in commercial cities, suburbs of large cities or resorts hotels with restaurant, meeting rooms, fitness, wellness & spa facilities
- Total area from about 4,000 m² GFA
- Room area from about 40 to 55 m² GFA
- Number of rooms from 100

- Standard room area about 20 to 32 m² NFA

Key requirements for **me and all hotels**

- Hotel properties in top locations of business capitals and major cities with a population from 250,000
- Total area from about 4,000 m² GFA
- Room area from about 35 to 39 m² GFA
- Number of rooms from 100
- Standard room area about 18 to 25 m² NFA
- Modern lounge concept with bar, breakfast, snack and co-working zones
- Just a preparatory kitchen (no full kitchen needed)

www.lindner.de
www.meandallhotels.com

NOVUM GROUP HOTELS: The NOVUM Group is a family-owned corporation, operating over 100 hotels with more than 10,000 rooms at 30 locations in Europe under the brand NOVUM Group Hotels. Foundation took place in 1988, when Nader Etmenan opened the first hotel in Hamburg. With the handover of management to his sons in 2004, further hotels were acquired in the Hanseatic City of Hamburg.
The company has been expanding throughout Europe under a growth plan supervised by David Etmenan ever since. The hotels are 3 and 4 star properties in central locations, whose individual character is appealing to tourists and business travellers alike.
The NOVUM Zinshaus is the company's own division for creating and managing private real estate and is the core for all property activities of NOVUM Group. The division's focus lies on creating a profitable real estate portfolio – including residential properties as well as hotels – and a clearly defined appreciation strategy through a structured asset management. At present, NOVUM Zinshaus owns and operates approx. 650 residential properties and 21 hotels in Hamburg, Bremen and North Rhine-Westphalia. The residential and business portfolio is going to be expanded even further within the next years.
NOVUM Flächenprofi offers a competent and comprehensive solution for your individual construction and renovation projects. From competent consultation through a reliable implementation to a long-term maintenance and control, our goal is your satisfaction. A wide range of services combined with highly qualified employees provide you with the best possible results.
With NOVUM IT Solutions, the NOVUM Group has created an in-house specialist, designed to provide a professional and reliable system infrastructure. NOVUM IT Solutions is therefore guaranteeing a profitable business environment both in the hotels and the headquarters.
www.novumgroup.de
www.novum-hotels.de

PANDOX AB is a leading owner of hotel properties in Northern Europe with a focus on sizeable hotels in key leisure and corporate destinations. As of 30 June, 2016, the market value of Pandox's hotel property portfolio was approximately 32,100 MSEK.
Pandox's vision: Pandox's vision is to be a world leading hotel property company with regard to specialist expertise in hotel and property operations.
Pandox's strategy and business model: Pandox's business concept, which is based on expertise within hotel properties, hotel operations and business development, is to actively own, develop and lease hotel properties.
Pandox's strategy and business model have been consistently followed since the company was founded in 1995. The company has exclusively invested in one type of asset since inception: hotel properties. This type of asset has distinctive features that differ from other types of property and demands specialist expertise in order to maintain an active ownership business model.
Pandox's business segments: Pandox's hotel property portfolio comprises 113 hotels with approximately 24,000 hotel rooms across eight countries. Pandox's business is organised into two segments: Property management, which comprises hotel properties leased on a long-term basis to market leading regional hotel operators and leading international hotel operators, and Operator activities, which comprises hotel operations executed by Pandox in its owner hotel properties. The segments Property management and Operator activities are further divided into the five geographic areas: Sweden, Norway, Finland, Denmark, and International. The latter comprises Pandox's business in Belgium, Germany, Switzerland and Canada.

Pandox's owners: Pandox was founded in 1995 and the company's B shares are, as of 18 June 2015, listed on Nasdaq Stockholm.
www.pandox.se

PLACE VALUE

PLACE VALUE (BHKV): *Place Value GmbH – No Hotel is Like the Other.*
Mid-sized hotel management firm Place Value based in Munich-Unterfoehring specializes on the development and the full-range hotel management of properties in the budget, economy, and mid-scale segment. The company has extensive experience related to rebranding, complete overhauls, new construction, as well as market rollouts of hotels.
Place Value develops hotels in new directions, creates new value at old locations and with its professional support makes sure that the commitment of property owners, investors, hotel owners and operators pays off – following its credo "We do not want to own; we want to move!" Experts in all hotel topics work at the company. In addition, Place Value can lean on a strong network of capable specialists and partners.
Since 2010, Place Value very successfully operates hotels with in total more than 700 rooms, three restaurants and twelve conference rooms. The properties under Place Value management are clearly positioned and dispose of a distinctive storyline reflected in features from ambiance to specific offerings for guests. Until 2020, projects with a capacity of 1.000 rooms will be added to the portfolio.
Place Value holds strategic partnerships with the international hotel groups Choice Hotels and AccorHotels that go far beyond a classic franchise partnership.
As franchise partner, Place Value currently is engaged in six hotels in Germany and manages three properties of the Choice brand Comfort Hotels in Munich, Friedrichshafen and Ulm. The opening of a newly erected Comfort Hotel with 178 rooms in Monheim/Rhein is previewed for 2018. Already in 2017, a new property with 234 rooms and built-in microbrewery will be opened close to Frankfurt/Main airport. Another hotel is projected for Neuss just outside the city of Duesseldorf.
Under the umbrella of the AccorHotels brands, Place Value operates one Mercure hotel in Munich as well as two Ibis Styles hotels in Munich and Hildesheim. At the end of 2016, the Styles Hotel Piding will open its doors being the first private hotel built and managed by Plave Value.
www.placevalue.de

PLAZA
HOTEL GROUP

PLAZA HOTEL GROUP GmbH: The foundations of the PLAZA HOTEL GROUP were laid in 2002. 2013 the company of the same name was founded. Currently the group operates 25 three and four star business hotels with more than 3,000 rooms in Germany, Austria, Czech Republic and the Netherlands. At the moment more than 700 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, 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 5 years is the healthy, economic increase of our portfolio up to 30 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 on a long-term basis.
New projects 2016/2017: Linz (188 rooms), Bottrop (151 rooms), Potsdam (150 rooms), Augsburg (180 rooms).
www.plazahotels.de

PrimeCity
INVESTMENT

PRIMECITY INVESTMENT PLC: PLC is a publicly traded hotel investment company with main focus on investing in and repositioning of hotel properties. As of June 2016, PCI's portfolio includes 56 hotel assets with approximately 8,800 guestrooms. The hotels are flagged with leading and globally recognized franchise brands and are located in touristic and commercially attractive locations in Germany. The Company is led by an experienced management team which is based in Berlin and which has a strong track-record in acquisitions and proactive asset management activities.
PCI's business strategy targets investments in hotel assets which are located in markets with strong demand generators. After the takeover stage, the Company repositions the asset, by selecting the ideal market position, the adequate brand and star category and implements the targeted Capex in property modernization. During the repositioning process PCI leases out the hotel to external operators through long term fixed lease agreements.
Having been active in the market for more than 12 years and with a track-record of more than 130 successful turnarounds, PCI has positioned itself as a preferred buyer in the market. The Company's perceived quality as counterparty stems from the following key advantages: certainty of execution guaranteed through a solid funding structure

and extensive execution experience; fast decision making and execution due to lean management structure; rapid liquidity injections through strong liquidity profile and long standing relationships with major financing partners.
www.prime-city.com

prizeotel

PRIZEOTEL, the Economy-Design-Hotel has successfully established three hotels in Bremen, Hamburg and Hanover in the German market. The next project, prizeotel Hamburg-St. Pauli, with 258 design-rooms is already in construction and due to open in Q1 2018.
During the IHIF in Berlin this year, a joint venture with The Rezidor Hotel Group and its more than 450 hotels in 80 different countries was announced. An integrated development and commercial strategy will accelerate the pursuit of growth opportunities and optimise business support.
The neologism "prizeotel" is based on the combination of creating the maximum of value for guests with a well thought-out hotel concept. Along with the naming, a customer-oriented approach and the credibility to create a brand with clear objectives for everybody has been the center of attention. Thus prizeotel is an exclusive designer product with the charm of a private hotel. The main target groups are individual travelers searching for a hotel which offers the best value for money – both to business and leisure travellers.
At prizeotel, it's not just about placing design furniture throughout the hotel, but creating a real and logical design inside and out. New York's star designer Karim Rashid exclusively designs all prizeotels. Every hotel is designed individually in terms of colour and furnishings. Rashid's style is found throughout the entire hotel and each prizeotel is a so called "signature-brand hotel". Furthermore, prizeotel is an innovative pioneer in the hotel industry, and one of the fastest hotel operators in developing and implementing technical innovations that underline the prizeotel experience in the most unconventional way.
www.prizeotel.com

TKS® GERMANY. PROFESSIONALS ON SITE

TKS: As general contractor, TKS offers the planning, organisation and implementation of various construction services including technical building installations "from one hand" for refurbishment and initial fit-outs of hotels as well as the re-use of office buildings into hotels. TKS delivers its services mainly as turnkey solutions.
TKS manages and coordinates the communication between all project participants and deployed trades. Due to its longstanding experience and competence, TKS is well equipped to manage the interests of all participants through all phases of the project to reach an optimal solution.
With its reliable project organisation, its expert teams from all technical and business disciplines as well as its strong network of partners, TKS is capable of planning and realising very complex renovations and reconstruction works with guaranteed pricing and timelines in all European countries – under compliance with all official regulatory requirements and with due regard to legal guidelines.
For 25 years, TKS has been realising projects for international hotel chains such as Accor, Hilton, Holiday Inn, Hyatt, Marriott, Motel One, Le Méridien, Radisson, Steigenberger, Westmont Hospitality Group as well as for well-known individual hotels. In many cases, TKS has cooperated with international acclaimed architects and designers on a partnership basis.
The company operates in the European core markets with its subsidiaries TKS UK, TKS France, and TKS Swiss.
TKS' pioneering role is based on the continuous development of its service portfolio, including technical building installations (MEP) as well as the development of innovative service packages such as shortest time renovation (STR) and the CSM analysis for a project-based optimisation of the budget and protection of the environment at the same time. TKS realises an annual sales volume of about 45 million euros. Uwe Christian Koehnen is the CEO.
www.tks.net

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 Europe. Years of experience and expertise of more than 30 Consultants and 500 employees worldwide in TREUGAST Unternehmensberatung, TREUGAST Hotellerie and TREUGAST International 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 150 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 and Austria, Gastronomy-Ranking Germany, Hospitality Trends, Business Comparison Hospitality and Gastronomy as well as Hotel Location Attractions Index

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

TUI HOTELS & RESORTS

TUI HOTELS & RESORTS: With a portfolio of more than 350 hotels in more than 30 countries, TUI GROUP Hotels & Resorts makes 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 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
- key to customer loyalty
- For our industry, the leisure hotel segment is a stable and profitable business with above-average growth prospects
- Therefore, expansion of our hotel business is one of the key strategic pillars of the TUI GROUP growth strategy

This is where our potential lies: TUI GROUP Hotels & Resorts offers its guests individual hotel brands with a variety of concepts that allow them to find an offering that meets their needs and wishes. At our hotels, customer satisfaction and high quality are our top priorities.
This is the successful concept that will drive our planned growth. To strengthen our position in relation to the international competition and to further extend exclusivity for our customers, we will be expanding our hotel and club portfolio significantly in the coming years. Access to the strengths of TUI GROUP, as the world's largest integrated tourism group, promotes our growth and makes us the ideal link between tour operators and hotel partners. With more than 350 hotels, 13 cruise ships, more than 130 aircrafts and the sales strength of well-known tour operators, both online and through our 1,800 travel agencies across Europe, we operate a huge portfolio of unique travel experiences under one roof.
www.tuigroup.com/TUIhotels

BRICKS & BRAINS

A hospitalityInside Network Event hosted by Expo Real Munich

The network

Munich (October 4, 2016). On the evening of the first day of the 1 fair (Tuesday), BRICKS & BRAINS will once again be the place where the networks of EXPO REAL and HospitalityInside come together.

Trade fair partners and subscribers of HospitalityInside as well as the panelists from the Hospitality Industry Dialogue, the hotel conference at the Expo Real, will make up the lion's share of participants at the event; the hosts also expect further growth in visitor numbers and guests from their network.
The by-invitation-only character of the event also remains for the 8th year. It has proved a valuable element, allowing top managers to meet each other at the highest level in a relaxed atmosphere. High-quality events such as BRICKS & BRAINS also allow energetic support from renowned sponsors: The luxury hotel group Kempinski has been on board from the very first fay as strategic partner and spoils all guests with its excellent catering and service. The hotel consultancy company CBRE – with 370 offices and 150 hotel professionals, a truly global company – has also been loyal to the event for many years, just like BBG-Consulting, based in Duesseldorf, which is specialised in the European market. New additions include the ambitious Brera Serviced Apartments, based in Munich, the newly established Deutsche Hotel und Resort Holding based in Rostock and the consultancy Colliers International based in Amsterdam, which is active across the globe with 135 hospitality professionals.

Created in 1897, Kempinski Hotels is Europe's oldest luxury hotel group. Since its foundation, the group has become a renowned provider of luxury hotel management service. Its craftsman's approach to luxury means that staff are dedicated to creating a truly personalised experience for guests. Kempinski's rich heritage of superb hospitality is complemented by the exclusivity and individuality of its properties around the world.
Kempinski now manages a portfolio of more than 70 five-star hotels and residences in 30 countries, having tripled in size since 1995. The group continues to add new properties in Europe, the Middle East, Africa and Asia, and aims to expand its presence to new gateway cities and major capitals. As an operator, Kempinski offers properties under its management decades of international luxury hospitality know-how, led by some of the industry's top experts, to ensure each property can thrive in its environment and achieve its full potential.
Kempinski's portfolio of hotels and residences comprises historic landmark properties, award-winning urban lifestyle hotels, outstanding resorts, and prestigious residences. Each one is imbued with the quality guests have come to expect from Kempinski while embracing the culture and traditions of its location, blending international luxury hotel standards with unique signature concepts.
Looking forward, to 2017 and beyond, Kempinski's strategy will be to focus on enhanced financial performance and selective growth, and on continuing to grow the company's brand value in the market.
www.kempinski.com

Identifying Opportunities – and Risks. "We deliver profitable solutions; we are not menu card advisors." Tina Froböse, 2011 Managing Partner at BBG-Consulting, delivers this short profile on BBG in her very typical manner: fast, concise and – with a little self-irony and distance – which helps to "view and assess subjects and situations in a clear way". This is, so Froböse further, "not always the easiest way because we point out opportunities and risks of projects". Profound operational and economic know-how, continues Tina who derives of a hoteliers family and manages the Düsseldorf based consulting firm alongside with BBG's founder Karl-Heinz Kreuzig, is essential for the highly complex F&B division – one of BBG's core competences besides Hotel Brokerage: whether it is to bring outdated hotels back on track for sale or acquisition purposes or to develop new projects in the market. **www.bbg-consulting.com**

is a young and vibrant Hospitality Company that specializes in delivering Serviced Apartment experiences across 150 centrally located design apartments in Munich, Nurnberg and Frankfurt. Temporary Living in a Brera Apartment saves time, money and resources. We tailor our services à la carte for our guests according to their needs: business or leisure travelers enjoy the comfort, space and independence in staying with us.
Since four years we operate our buildings very successfully and are growing year after year with our efficient business model. We are looking for new buildings to lease or manage in the major European cities.
www.brera.de

is a division of CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, the world's largest commercial real estate services and investment firm (in terms of 2015 revenue). The Company has more than 70,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 400 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting.
www.cbre.de

counts more than 135 hotel specialists worldwide, of which more than 70 are active in the EMEA region. In 2015 Colliers International Hotels valued more than € 21.5 billion in hotel real estate, was responsible for the sale of nearly 20,000 hotel rooms and signed dozens of hotel operators as clients. In the same year, the international hotel team conducted consultancy assignments in 22 countries within the EMEA region and strengthened its position as a top three hotel advisor in Europe.
www.colliers.com

DEUTSCHE HOTEL & RESORT HOLDING

The German Hotel & Resort Holding is one of the 20 largest German hotel companies and was founded at the beginning of 2016 as a joint venture of the DSR Hotel Holding and arcona HOTELS & RESORTS. Overall, the German hotel & resort holding includes 23 hotels in Germany, Austria and Switzerland. These include the brand A-ROSA resort with four locations on the island of Sylt in Travemünde, Scharmützelsee and in Kitzbühel, the Henri Hotels in Hamburg and Berlin, the Luxury Hotel Louis C. Jacob in Hamburg and the Neptun hotel in Warnemünde, arcona LIVING and the arcona HOTELS & RESORTS. Arcona HOTELS & RESORTS currently operates 16 hotels, including five companies of the franchisor Steigenberger Hotel Group. The objective of the joint venture is the further strategic growth – especially the brand A-ROSA Resort, Henri Hotels and arcona LIVING. The company is led by CEO Alexander winter together with its partners, Professor Stephan Gerhard and Horst Rahe.
www.arcona.de
www.a-rosa-resorts.de

SAVE THE DATE 2017

Would you like to become a partner of BRICKS & BRAINS 2017
and benefit from the top contacts at this event?
Please, send an eMail to office@hospitalityInside.com.

EXPO REAL 2017 will take place from Wednesday to Friday,
4-6 October 2017. Consequently, BRICKS & BRAINS will take place
on **Wednesday, 4 October**.

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

GO FOR THE 8TH "HOSPITALITYINSIDE INVESTMENT BAROMETER": LOG IN!

Which strategy are you currently pursuing?

Augsburg/Hamburg. The newest survey for the Investment Barometer has just started. Following the banner on hospitalityInside.com's homepage, you will get to the survey. If you pay Expo Real a visit, a terminal at the joint stand of WORLD OF HOSPITALITY in Hall C2/130 will invite you to participate. Just ask our team at the stand! Your opinion is important! Do not hesitate, participate in the 8th hospitalityInside Investment BAROMETER.

For the eigth time, hospitalityInside and Union Investment are inviting the decision makers from hotel industry and real estate/investment to give short and precise answers to a very interesting question. The answers, however, will remain anonymous.

This time, it is about strategy. What is your answer to the two trend questions?

1. Which strategy do you follow at the moment?
   Same rate of return – Higher risk OR lower risk – Lower rate of return?
2. Does digitalisation mean more opportunities or more risks for the hotel industry?

We are looking forward to your opinion!

Of course, you can also participate in the survey in the Internet. Go to the **online survey** by www.hospitalityInside.com – click on the banner "Investment Barometer" or at the "Market Check" button on the front page.

All survey participants will obtain all details and analyses as a PDF document in a personal eMail later on. Parts of the survey results will be published in hospitalityInside's magazine. People interested in the survey will be able to find a summarizing graph under "Market Check" on the website.

... And this was YOUR opinion
in the last hospitalityInside INVESTMENT BAROMETER:

Autumn 2015: The hotel construction boom will continue.
48.5% describe the sentiment in hotel development as "very good".

Spring 2015: The continuing pressure on demand in the hotel market most likely motivates hoteliers and hotel property experts to diversify regionally in secondary and tertiary markets.

Autumn 2014: Brand hotels will happily announce a quick-paced expansion, but in reality, they rarely implement these plans as quickly.

Q1 2014: Currently, the rate-of-return considerations are driving the investments in hotels, more than diversification and security aspects.

Q4 2013: the largest potential for developing into an investment product is being assigned to aparthotels and serviced apartments.

For more see www.hospitalityInside.com ("Market Check").

TUI GROUP Hotels & Resorts

WELCOME TO EUROPE'S LEADING LEISURE HOTEL GROUP!

With a portfolio of more than 350 hotels in more than 25 countries, TUI GROUP Hotels & Resorts makes a significant contribution to the consolidated earnings of the TUI GROUP. To strengthen our position in relation to the international competition and to further extend exclusivity for our customers, we are looking for new hotel assets, hotel projects as well as land properties for hotel developments in attractive sun & beach destinations and mountain regions worldwide.

ROBINSON | TUI BLUE | TUI MAGIC LIFE | RIU Hotels & Resorts | SENSATORI by TUI | SENSIMAR by TUI | FAMILY LIFE by TUI

TUI GROUP

Dear Readers,

In this SPECIAL, we focus on the hotel industry at EXPO REAL 2016 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.

RISKS ON THE ACQUISITION OF EXISTING (HOTEL) REAL ESTATE IN GERMANY

The law and the run on German hotel property

Munich. The investor run on "safe haven" assets in Germany is certain to increase this year. This is expected by pretty much all experts. Germany will presumably also benefit from Brexit – and for this reason alone, attract increased interest from foreign investors. Many of these investors though have little or no experience with the German legal system. For this reason, Jan Wunschel, Partner, and Alexander Thiermann, Senior Associate, at the law firm Arnecke Sibeth in Munich look at the legal risks on acquiring real estate in Germany. With this article today, hospitalityInside.com launches its partnership with Arnecke Sibeth, a law firm which is active at four locations with 35 partners and over 100 lawyers (see inset below).

German real estate is generally considered a safe and respectable capital asset, as "concrete gold" as it were. In the year 2015 alone, transaction volumes for commercial real estate exceeded EUR 19 billion. Approx. EUR 4.4 billion of this was attributable to hotel real estate. Brexit has already resulted in the dramatic paralysis of the British real estate market and is expected to mean further rises in purchases by foreign investors in Germany. The acquisition of existing properties, however, harbours considerable legal risks. For investors who have little or no experience in the German market, these risks may not be evident at first glance, though could have substantial financial consequences.

The land register: Even if its sounds obvious: An exact assessment of the land register on purchasing land is essential. Only the land register is able to show who the owner of a particular land parcel is. If the land register contains an incorrect entry, the law allows the person using that information to rely on it, provided he or she does so in good faith. A bona fides hotel investor can therefore able to acquire title to a property from a person who is falsely entered as owner on the land register.

As well as information on the owner, the land register also provides information on charges on the land. These are transferred by force of law to the new owner and limit his or her ownership rights.

The charges, or liens as they are sometimes described, and the resulting obligations can be quite varied. Rights of access, either by foot or by vehicle, allow third parties to cross the land. This can be problematic for a hotel investor as well as for leasing if use by the hotel operator is disturbed. It could also be a problem for a planned change of use of the land.

Attention should also be paid to limits on commercial enterprise which could prohibit business being conducted on the land, including the operation of a hotel.

Effective planning permission: Insofar as a certain type of use of the land is not officially licensed, authorities can prohibit the operation of a hotel on the land or, in the worst case scenario, can even order the hotel's demolition. Where effective planning permission is provided, the owner enjoys protection from the above-described measures.

On purchasing an existing property, an assessment of planning permission is essential for a hotel investor. This assessment should be accompanied by due diligence, that is, conveyors should check whether the building has actually been build as planned.

The permanence of tenancy agreements / cash flows: The top priority of a real estate investor is generally timely receipt of the monthly agreed lease/rent payment. Lease/tenancy agreements with a solvent tenant/lessee and

Lawyer Alexander Thiermann has worked in Munich since 2014. He is specialised, amongst other things, on real estate transactions, due diligence, hotel tenancy and lease agreements.

Lawyer Jan Wunschel has been a partner at Sibeth since 2011. There, up till the merger of Arnecke Sibeth, he spearheaded the Practise Group Real Estate. He is specialised, amongst other things, on the structuring and implementation of real estate transactions and finance.

long duration mean cash flows and are therefore the crucial investment and finance criterion for almost every investor. In Germany, a lease/tenancy agreement generally runs to a maximum of 30 years.
Any such agreement running for longer than 30 years can – provided the duration is not extended during this 30 years – be terminated by either contract party upon expiry of the 30 years. Even if renowned hotel groups like to conclude agreements for duration of between 40 to 60 years, this statutory right of termination cannot be excluded.
The law also contains certain pitfalls for hotel investors during this 30 years. If a tenancy agreement is concluded for a duration of more than one year without written form, it can be terminated with notice. A 10-year tenancy agreement, upon which an investor has secured finance, then loses its value.
As a result of hurdles in German case law, there is in practice the risk for a very high number of tenancy/lease agreements that the written form requirement is not fulfilled or is subsequently infringed. Case law demands that "essential" contract terms are evident from the contract deed. What is essential is determined in accordance with the intention of the contract partners and, in case of doubt, includes all rules. Should the landlord agree with the hotel operator by e-mail or telephone, for instance, that ancillary costs are no longer to be paid monthly but rather quarterly, the written form requirement is not fulfilled. As a result, the entire tenancy agreement fails to satisfy the written form requirements and can be terminated prematurely in spite of the agreed fixed duration.
In practice, this causes difficulties for owners and hoteliers. If the contract relationship, at any time, breaks down and the hotel operator intends to relinquish the location for economic reasons, this unpleasant issue at once takes on a certain virulence and puts considerable pressure on the party facing premature termination.
Alongside the written form requirement, an effective indexation clause is also very much in the interests of hotel investors. Such a clause works to adjust the rent/lease payment in accordance with a certain index. In order to protect the public from inflation, the law places certain restrictions on indexation clauses. For instance, the contract must run over a period of at least 10 years. In the case of a void indexation clause, the rent/lease fee owed by the hotelier remains fixed for the entire duration of the agreement. This too can completely scupper the investor's calculations.
Special risks for (hotel) lease agreements: Often, the owner provides the hotel operator not only with the hotel building, but with an already furnished and ready-to-go hotel. In this case, the owner not only allows the operator land use, but also leaves fixtures and fittings to the operator. This can mean that the owner is subject to business tax and that in respect of the entire property. On purchasing land on which a hotel is operated, it must be checked whether the owner become subject to business tax. In this case, the lease contract must take account of these outgoings.
Extract of an article by hospitalityInside.com, July 29, 2016.

WITH THIS ARTICLE

hospitalityInside.com launches its partnership with the law firm Arnecke Sibeth which is active with 35 partners and over 100 lawyers at four sites (Frankfurt, Munich, Berlin and Dresden) and is one of the leading law firms in Germany. With its membership in the two large lawyer networks, Meritas and Interlaw, Arnecke Sibeth also enjoys the best legal connections. The firms focuses include hospitality spearheaded by Dr Anton Ostler. He and/or colleagues from various subject areas and from partner firms outside Germany will in future contribute articles on legal issues with special relevance for hotel investors and hotel operators, e.g. about public law, financing and taxes.

Cities like New York and London remain a magnet for (hotel) real estate investors.

WHY CHINESE INVESTMENT COMPANIES CHASE INTERNATIONAL ASSETS

Asian capital: Go west or go home!

Beijing. Jin Jiang, Fosun, Anbang, HNA… the industry has become familiar with these groups as they continue to acquire assets around the world. Five years ago however, not many people in the Western world knew they even existed. And these four only represent the tip of the iceberg, as many more investment companies from China, Japan, South Korea, Malaysia, Taiwan, Singapore, Indonesia and Hong Kong are also banking on western assets. Who are they? What are they after? Sarah Douag spoke with the Asia experts Susheela Rivers of DLA Piper Hong Kong, and Jileen Loo of CBRE London about these unpredictable key players in the current M&A trend.

Jileen Loo, CBRE:
In 2014, Asians already invested 13.7 billion USD in the hotel industry in EMEA.

Until capital market liberalization relaxed the restrictions around outbound real estate investment, most Asian insurance companies and pension funds were mainly forced to deploy their burgeoning capital resources within domestic property markets. Spiraling demand and restricted supply resulted in commercial yields. But that was yesterday.

Since 2010, financial institutions almost everywhere in Asia can invest a larger quota of capital into commercial property and pursue opportunities throughout the world. As a result, intra-regional investment in the Far East has slumped by as much as 40% in the past years. Instead, Asian capital flowed strongly towards real estate markets in Europe and North America. Office buildings, iconic properties as well as the hotel sector are benefitting from that. According to the latest CBRE report about Asian Capital which was issued in April 2016, groups from the Far East invested 1.6 billion euros in the European hotel sector last year alone. In comparison to the year 2007, this represents a 393% increase and thus, investments have reached the same level as at the peak of the former cycle.

Head of Hotels Asia Desk, International Capital Markets at CBRE London, Jileen Loo, confirms that a change of regulations led to the current situation. "In 2014, outbound Asian investment exceeded 40 billion dollars (+23% compared to 2013). Over one third of it, 13.7 billion dollars was directed into EMEA, with an increased appetite for hotels.

Investors and developers are moving beyond the office sector, and in the past 20 months in particular, there has been an increased interest for hotels, with 16% of total assets sold in 2014 being hotels (+5% compared previous years)," explains the young expert who believes the demand in the hospitality industry shows a need for investors to generate better returns as well as to invest in good growth potential markets.

From insurers, sovereign funds to hotel operators and mining

Who are these investors? Let's start with the insurance companies. Since its surprising bid during the almost done deal between Starwood and Marriott, as well as through the acquisition of the Waldorf Astoria New York for 1.95 billion dollars, Anbang's brand name was put on a map this year. However, they are not the first insurer to invest in real estate. "China's Pingan Insurance Group and its landmark office tower acquisitions in London paved the way for other insurance groups such as Anbang," specifies Jileen Loo before mentioning other examples including Sunshine Insurance from China which bought the luxury Baccarat Hotel in New York City for 230 million dollars.

"There have been a number of high profile hotel sales in the US and Australia but so far none have been transacted in Europe.

We know however, that these same groups are keenly looking out for European opportunities, especially in London," she added.
For Susheela Rivers, Partner and Head of Real Estate Asia Pacific at DLA Piper in Hong Kong, insurers are not the only ones interested in real estate and hotels: "Many entities coming from discretionary capital and sovereign funds from all over Asia are also surfing on the same trend." CBRE's last report confirms that the Chinese government's 747-billion-dollar sovereign wealth fund purchasing high profile trophy assets abroad, has slowly spread to acquisitions by mid-tier insurers and corporate investors. "Specifically for hotels, Singaporean and Hong Kong owner operators such as Langham, M&L and Frasers have had presence in Europe for many years now. But new players are entering the game," explains the study.

Cast an eye on Europe?

Chinese hotel groups also have acquired and/or shown great interest for many international assets. Jin Jiang, for instance, a public company linked to the municipality of Shanghai, is one of them. In 2015, the giant hotel operator acquired Louvre Hotels, Europe's number two, and is now going after AccorHotels' stake. Although Jin Jiang's CEO repeats he won't go above 29%, AccorHotels' CEO as well as the French government itself wish to know the giant's real agenda.
In a continuation of their European expansion plans, Jin Jiang merged with fellow Chinese group Plateno, which is present in Germany and Austria. Combined, they have a total inventory of 475,000 rooms in 4,585 hotels. Their main competition in Europe could well be coming from HNA, another Chinese company banking for European hotels and airports. HNA currently owns 29.5% of the Spanish NH Hotels Group and has recently made the headline acquiring the hotel business unit from Carlson which includes the Rezidor portfolio.
Other examples include Fosun's acquisition of Club Med and its joint venture with Thomas Cook Travel, as well as China Travel Service (CTS). Although the latter is China's state-owned tourism and travel agency, it does own hotels. KH CTS Hotels, its subsidiary, currently manages a mix of hotels under the Grand Metropark, Metropark and Traveler Inns brands in mainland China, Hong Kong and Macau.
Last year in August, this entity bought Kew Green Hotels in the UK, for 620 million dollars. CTS now controls and operates 44 hotels with 5,179 rooms in this country. Jeremy Xu Muhan, Chairman of HK CTS Metropark Hotels, hinted that the acquisition could be a stepping stone to more cross-border investments. "The purchase of Kew Green Hotels is a tremendous acquisition that provides us with a strategic growth platform within the UK and across Europe. Investing overseas will enable us to bridge Chinese tourism with the rest of the world," he said to "China Travel News".
For Jileen Loo, "It makes sense for CTS to purchase hotels as they control the flow of travelers. They can ensure a steady flow of bookings for their properties." Her colleague Susheela Rivers reminds us that even companies, such as Wanxiang, an automotive parts manufacturer, is now looking into the hotel business…"and many like them, even from the mining sector will follow."

Sudden interest for midscale markets

The DLA Piper Director is clear about it. Asian investors are looking for the value proposition and they understand the market perfectly. "From office buildings to logistic companies, luxury retail (jewelry) and more recently hotels and iconic properties (châteaux in France and Italy), they are looking at anything in gateway cities. While still looking for high profile hotels on the upper market, Asian capital now also shows interest for midscale markets, and Germany for instance is a great country for that."
Last year, outbound growth globally represented 64.2 billion dollars invested by Asian groups in all assets classes. 22.4 billion were spent on the US market and 17 billion across Europe. "London remains very attractive, so is Germany and France. Paris was negatively affected by the attacks. Tourists will come back but investors might think again before investing in a country where there are terrorist activities. Although the major issue in Paris is a high degree of tax jurisdiction," analyzed Susheela Rivers.
"Europe is undeniably a key region for Asian capital," added Jileen Loo, "and the reasons why, really differ between individual countries. In the case of Singapore and Taiwan for instance, both markets have seen yield compression in the hotel sector to less than 4%, which, compared to achievable yields in Europe makes it more favorable to invest there," she pointed out. On a more international level, iconic properties in New York are still on top of the list and so are the ones in Los Angeles. Sydney in Australia is interesting because it provides good yields and so is Tokyo where there are negative interest rates. / SD

Extract of an article by hospitalityInside.com, June 17, 2016.

London, Downing Street: The gate is closed. Great Britain is out, left the EU. Who takes over now? Everybody is waiting for the next decisions.

WHAT HOTEL EXPERTS EXPECT AFTER THE REFERENDUM – REACTIONS

BREXIT: How fatal are the consequences?

Augsburg. On June 23, 2016 more than half of the Britons voted in favour of "Leave" from the EU. Overnight the British Pound dropped to its lowest value since 1985, and shares are globally plunging. The BREXIT caused a "Black Friday" – and even more: rage and anger are spreading over a completely disunited island and finally international companies intend to leave the "United Kingdom". hospitalityInside.com asked experts in Germany, Italy, Austria and Switzerland, which consequences the BREXIT could have towards the hotel real estate market, the hotel industry and overall tourism.

»CBRE Germany, Alexander von Erdély, CEO:
"On a mid-term scale it is likely that many economic activities – especially in the finance sector – will be shifted to the member states of the Eurozone, even if the British government will try to set itself against this development by enforcing corporate tax cuts, for example. On a short-term scale the EU-economies will probably see themselves confronted with a decline in economic security with their largest commercial partner. Ironically, the withdrawal of Great Britain could serve as an accelerator of the EU-integration process, since one of the most sceptic members has now left the club."

»Colliers International, Walter Boettcher, Chief Economist and Director of Research & Forecasting:
"Due to the poll's resulting recent insecurities, late-cyclical risks could be intensified in the commercial real estate sector. We can expect to see certain price adaptions in core and non-core real estate. This will once again have a domino effect with certain investors who decided to temporise for a while. The labour market will also slow down since companies will wait and see how the impact of the exit decision will unfold."

»Colliers International Hotel, Berlin, Andreas Erben, Managing Director:
"The BREXIT consequences will probably not have an overall negative effect on the German hotel sector. We are assuming that especially the market in Frankfurt will benefit, since this is the place where international investors from the finance sector will be looking for new locations and hereby also increasingly stimulate the MICE business and therefore also strongly strengthen the overall room occupancy of accommodations."

»Confindustria Alberghi, Giorgio Palmucci, President:
"BREXIT will certainly impact Italian tourism. The victory of ‚Leave' will produce various consequences which we can hardly imagine today. The first and most evident effect is the pound devaluation: a trend that in only two days has significantly increased the prices of European holidays for British tourists. And it's still not clear what will be the future of security controls at the borders, while British aircraft low cost companies are already recording heavy losses. All this will heavily impact Italy, since till now the United Kingdom has traditionally been the fourth inbound market after Germany, USA and France. British tourists have always

been interested in Italian culture, food and art. But after the BREXIT their presence in our hotels will inevitably fall".

Federalberghi, Alessandro Nucara, Director General:
"We must consider that the UK was already out of both the Euro and the Schengen area. Therefore, technically speaking, the BREXIT should not have a great impact on our tourism industry. Our main concern is that, once outside from the EU, Great Britain may experience a sort of economic isolation that could impact business travel flows. On the other hand, at the moment we are not particularly worried about the currency fluctuations, since hoteliers are used to deal with it."

hausInvest, Mario Schuettauf, Funds Manager:
"Daily business of the Commerz Real is prepared for the withdrawal of Great Britain from the European Union … whereas our British activities are limited to the open-ended real estate fund hausInvest.
The framework for retail properties as well as for well-established hotels should not be subject to significant changes, since from today's perspective the withdrawal of Great Britain from the EU should not have a long-term influence on tourism or on consumer behaviour; and finally the office buildings in excellent locations are rented on a long-term basis so that no particular impact should be expected here either."

Horwath HTL, James Chappell, Global Business Director:
"This is a huge challenge because London has traditionally been seen as an iron clad, safe place to park cash with a guaranteed return. What will the appetite of investors to risk their cash be in a market where nobody knows what the rules are going to look like? The commercial real estate market is braced to take a hit for that very reason and hotels will not escape unscathed either. Things will change, but nobody really knows how. This alone will put off investors from the London market. Considering the travel segment, it will probably be positive as a combination of a weak pound, making London much more affordable, plus the desire to travel before any possible restrictions kick in. Who knows what the new Visa and travel requirements will be? Whatever happens, it will probably be more complicated to go there from the EU and that means less travel."

Hotour Hotel Consulting, Martina Fidlschuster, Managing Director:
"After the shock no one is able of reliably forecasting possible long-term effects. Everything depends on the consumer sentiment – how will markets and consumers behave and how will in turn markets and consumers react and so on…
On a short-term scale, I believe that we will be experiencing increasing weekend and shopping trips to London, thanks to a weaker pound. The outbound tourism to the traditional British holiday destinations such as the Canary Islands will probably be the first to sense the impact. German top performer Berlin, with 1.5 million overnight stays from the UK and other city destinations could also be affected.
The hotel industry in London and Brussels may also benefit from this European divorce suit, since swarms of consultants and lawyers will be leading contract negotiations across the channel for many years to come.
Due to the uncertain outcome of the referendum, Great Britain was already the biggest loser of the hotel investment market in the first months of 2016. Germany obviously benefitted from this. I believe it is quite likely that this trend will be continued."

JLL Germany, Dr. Frank Poerschke, CEO:
"Great Britain's decision will have an immediate impact on domestic real estate markets. The consequences are not yet predictable. Unfortunately, overreactions in finance and real estate markets especially during the initial phase cannot be excluded.
Following the BREXIT, market players may direct their focus more intensely on Germany, being the strongest economic nation in Europe. The continental European finance centre and headquarter of the European Central Bank Frankfurt could also move closer to the centre of attention than it has already been."

Skal International Roma, Roberto Necci, President:
"BREXIT has provoked a great earthquake at a macro-economic level. It's therefore self-evident that tourist flows will be consistently hurt in the short-term. Uncertainty is strictly linked to the fluctuations of the pounds/euro exchange rates, as well as to the United Kingdom GDP trend, that will inevitably affect also tourism consumption. With regards to Rome, Great Britain is one of the top 5 most important source markets. The Italian capital city hotels are therefore intensively monitoring the situation".

Austrian Economic Chamber, Petra Nocker-Schwarzenbacher, Chairperson for Tourism and Leisure:
"After all, the United Kingdom is currently ranked at number four with 3.5 million overnight stays of international source markets in Austria. More than 800,000 British guests were welcomed in Austria last year, 62.5% came in the winter season and 37.5% in summer. Furthermore, 5.4 million British citizens are interested in holidays in Austria, as recent surveys reveal.
Corresponding with the losses we have encountered with our Russian guests in the past couple of years, due to the difficult political situation in Russia and the Rouble devaluation this current development is of course a drawback. But the domestic tourism is well-positioned. Therefore, I am confident that we are able to more than compensate for possible decreases." / BB, MAS, kn

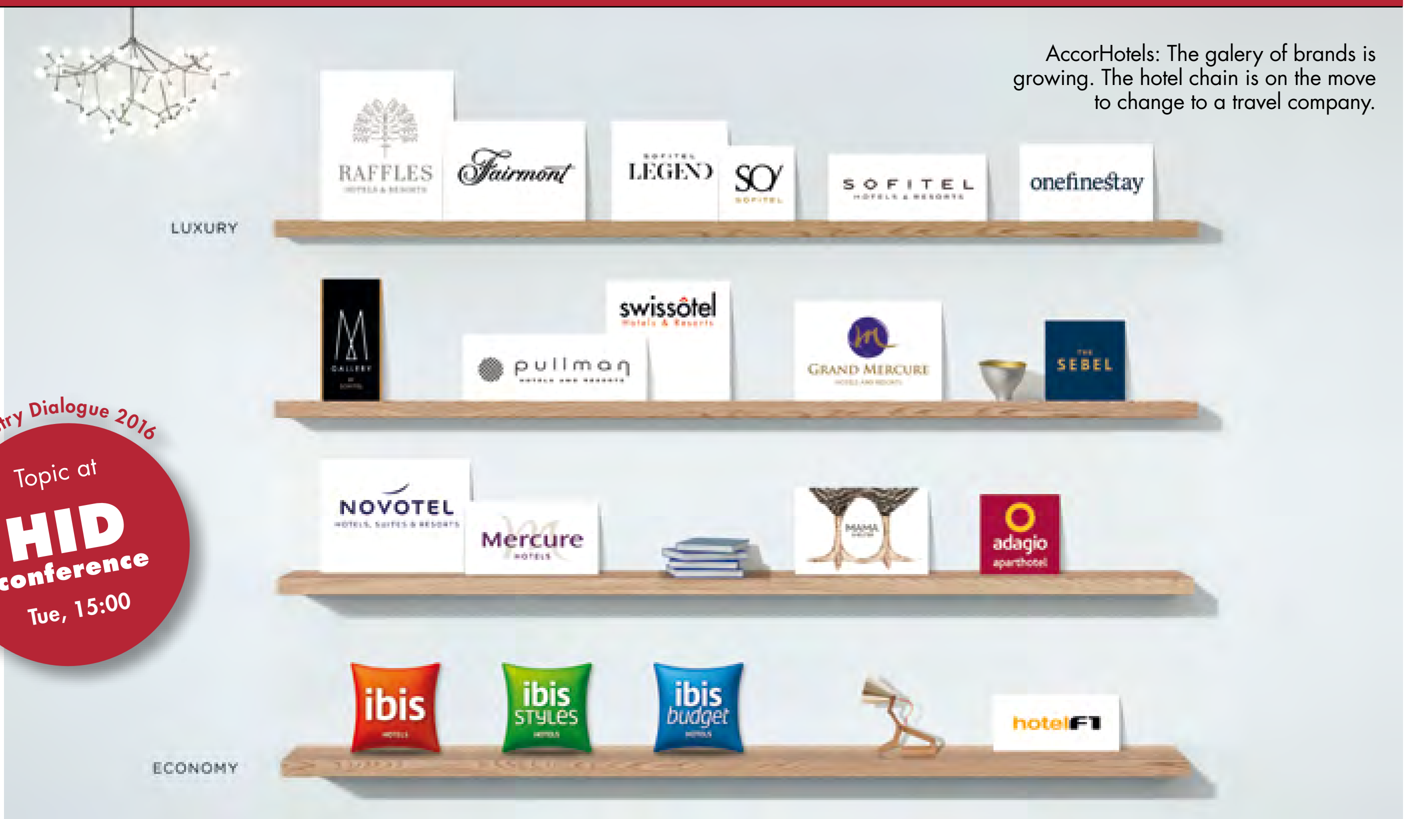
Extract of an article by hospitalityInside.com, July 1, 2016.

Popular tourism spots: London's Street Markets. Will the weak pound even attract more tourists?

THE MERGER OF ACCORHOTELS/FRHI IS COMPLETE – CEO BAZIN WITH NEW STATEMENTS

Power partners only please

Paris. A new era began for Europe's biggest hotel chain on Tuesday 12 July 2016: AccorHotels has evolved to become a global player that – like few others – now covers all segments from budget to luxury. At the general meeting in Paris, 98% of shareholders approved the merger with Fairmont Raffles International (FRHI). "That is an important number!" CEO Sébastien Bazin said of the result. In the subsequent questions and answers rounds with investors, he went on to reveal a little more about AccorHotels' future course: The company intends to ally itself even closer to global power partners; it prefers to grow with the Chinese than without them, and its investment vehicle HotelInvent is now also to be opened up to external capital providers. AccorHotels definitely wants change.



AccorHotels: The galery of brands is growing. The hotel chain is on the move to change to a travel company.

Hospitality Industry Dialogue 2016
Topic at **HID conference** Tue, 15:00

The hotel company's new power partners were in the hall: Qatar Tourism Authority (QTA), the Kingdom Holding Company (KHC) and the Chinese conglomerate Jin Jiang. KHC now holds a 5.8% stake and QTA 10.38%; neither were represented before the FRHI acquisition. Jin Jiang, on the other hand was – with a 15.05% stake. As of Tuesday, the Chinese have held only 12.58%.
A move over which one can speculate again: According to media reports, Jin Jiang wanted to increase its stake just four weeks ago to 29% and thus revealed itself to be a hungry shareholder with an appetite for the whole of Accor (see link). Now, it looks as if the intervention on part of the French government has had an impact. Thanks to Jin Jiang's manoeuvre, AccorHotels has gained recognition as a national gem worthy of protection. And CEO Sébastien Bazin did his very best at the general meeting to make clear that AccorHotels intends to remain an independent global player.
The influence of the "Chinese" audibly moved various investors in the hall. Bazin responded to the sceptics with frankness: "Jin Jiang are our friends," he said, "they are rational, smart and ambitious… Our discussions are very sober, calm… We listen to each other… They are strong hotel operators… We haven't yet found the right solution for collaboration, but I am sure we will find it… I am thoroughly aware of the role of the Chinese. But we live in an open world… We should think about how we can grow together – as we also want to continue to grow in their geography."
Another investor asked whether the


The new luxury man under the Accor Hotels roof: Chris Cahill.

acquisition of FRHI with its geographic focus in the US is a good decision for more profitability in view of the fact that the middle class in China as well as in India are now heading to the world in massive numbers. Bazin responded: We are talking a lot with both Jin Jiang as well as with Huazhu/China Lodging (AccorHotels' collaboration and affiliation partner since December 2014) on changes in tourism in China. Bazin didn't want to see the FRHI deal painted as market-driven, but rather as a fundamental and significant change in strategy for AccorHotels.

Now third-largest luxury provider worldwide

The AccorHotels boss once again underlined the FRHI deal with the figures: The unified luxury segment now consists of 645 hotels with over 165,000 rooms, including a medium-term pipeline with 175 hotels. The number of upscale/luxury hotels in operation therefore stands at 470. FRHI brings with it 114 hotels with 42,000 rooms.
All luxury hotels together are to raise revenue fees from 19 to 35% (see insert).
"This now takes AccorHotels into the the Top 3 operators in the luxury segment worldwide", Sébastien Bazin was keen to point out, stressing the strategic advantage of the deal, which itself brings two of the world's oldest brands to the portfolio (no.3 is Ritz). Whoever has 128 (Raffles) and 108 (Fairmont) years of luxury hotel group experience also has a large regular customer basis to fall back on. The joint loyalty programme also gains momentum here.

AccorHotels	Before merger	After merger
Rooms by segment*	84% Economy/Midscale 16% Luxus/Upscale	78% Economy/Midscale 22% Luxus/Upscale
Franchise & Management Fees by segment**	81% Economy/Midscale 19% Luxus/Upscale	65% Economy/Midscale 35% Luxus/Upscale

*Portfolio as of June 30, 2016 / ** Proforma estimate 2016 / Source: AccorHotels

Chris Cahill brought back on board
"Despite our efforts, the luxury segment was always a small segment," Bazin admits, "now we are reinforcing our presence in this segment." Apart from that, FRHI brings market share with it as well as strong brands and good staff. The "talent" at the top has a well-known and respected name: Chris Cahill. AccorHotels has made him CEO Luxury & Upscale Hotels – with (preliminary) headquarters in Toronto, the home of Fairmont Hotels, respectively its predecessor, Canadian Pacific Hotels. Cahill was active for this hotel company for a total of 19 years.

More power shareholders

"A new journey is beginning," Sarmad Zok summarises, Executive Board Director at Kingdom Holding Company. He issued his own statement before he and five others were officially appointed to the Board of Directors of AccorHotels (see below). He described Bazin's strategy as "successful" and stated that as shareholder and owner of hotels, AccorHotels would be supported. "That's a long-term investment for us!" he stressed.
For Bazin, the next question is now: How does AccorHotels secure further value increases – to the benefit of its shareholders? An initial response can be gleaned from this statement from Bazin: "The stronger AccorHotels rests in the hands of powerful shareholders, the more we will change the world."
With both new shareholders from Qatar and Saudi Arabia, the company is already on track there, as well as with the Chinese and the long-standing shareholders Colony and Eurazeo, that together now hold 9.17% (before the merger 10.98%). Yet Bazin's statement also reveals an appetite for more strong partners. / Maria Puetz-Willems
Extract of an article by hospitalityInside.com, July 15, 2016

FINANCIAL EXPERTS DEMYSTIFY THE DREADED IFRS 16 LEASE

Yes? No? Perhaps?

Munich. The new standard for lease accounting is allegedly intended to ensure greater transparency and improved comparability. IFRS 16 therefore puts an end to off-balance sheet models – without transitional provisions or exceptions for existing contracts.

From 1 January 2019, every type of leasing agreement must be included on the balance sheet. This also poses a challenge to certain sections of the hotel industry as lease contracts – both new as well as existing (!) – are included under the definition of leasing. What listed hotel operating companies must now expect – and what solutions are available, is explained in this article by our author Beatrix Boutonnet and is based on her interviews with experts at Colliers Int., JLL, Roedl & Partner, Jung & Schleicher, Bayern LB, DG Hyp and the Deutsche Hypothekenbank.

Since the financial crisis in 2008, caution and mistrust have dominated politics and industry. Ever less certain economic data and opaque earnings figures are causing analysts and other stakeholders ever more problems. Analysts are especially disapproving of sly accounting methods aimed at concealing certain balance sheet realities. In response, the International Accounting Standards Board (IASB) has produced clearer rules with respect to leasing agreements. The IASB, comprised of accounting experts, has now published the outcome of several years of work on the new accounting standard IFRS 16 Lease (IFRS = International Financial Reporting Standard). It replaces IAS 17 (IAS = International Accounting Standard), which has applied since 1984. The hotel industry must now get to grips with the impact of the new standards as lease agreements – both new and existing – are included in the definition of leasing.

What has changed?

Up to now, crucial for the classification of a leasing arrangement was not primarily the legal structure of the contract, but rather its economic essence (principle of economic perspective). This allowed room for accounting wizardry as only the Finance Leasing and not the Operating Leasing appeared on the balance sheet.

Under the new accounting standard, all leasing arrangements are to be included on the balance sheet. That means: Lessees must in future indicate a right of use with regard to the object of the leasing arrangement on the assets side of the balance sheet, and include the payment obligation under the leasing agreement on the liabilities side.

"With this right of use model, the IASB takes account of criticism of the current leasing standard IAS 17 which is often used for off-balance sheet leasing finance," Karsten Ganssauge, Parter at PwC and expert on leasing accounting, explains of the new standard.

IFRS 16 Lease: Not everything is fixed yet

In relation to the impact of the new IFRS 16 Lease, many things are still rather vague. One thing is clear though: Hotels and their finance departments keeping accounts in accordance with the IFRS standard will face changes. How large and incisive these changes will be is currently a topic of speculation. The spectrum ranges from the catastrophe scenario to an attitude of complete relaxation.

"A final assessment of the impact of the IFRS directive/leasing accounting on the hotel industry can't yet be made," Andreas Erben says, Managing Director at Colliers International Hotel, Berlin. In his opinion, politicians and the consultants involved will have no insignificant impact as to what the actual consequences will be. At the end of the day, this is a matter of an accounting change – without any effect on day-to-day business. "Whether and how these changes will have a real economic impact will essentially depend on the type of each individual hotel business and the size of the respective hotel group," the hotel expert went on.

Christian Landgraf: The fixed date is January 1, 2019.

The all-clear: Not all hotel operators will be affected

The focus is on hotel operators who are either listed on exchanges or otherwise active on capital markets, for instance by issuing debt instruments such as bonds traded on regulated markets. They are obliged to keep accounts in accordance with IFRS. "As of 1 January 2019, they must indicate all new and existing lease agreements on their balance sheets," Christian Landgraf says, Partner, Auditor and Head of Capital Markets & Accounting Advisory Services at Roedl & Partner based in Nuremberg. Hotel companies with an Anglo-Saxon parent company also often keep accounts in accordance with IFRS standards.

The impact of the new standards will therefore affect hoteliers who have rented or leased real estate, Dr Mathias Jung says, Jung & Schleicher Solicitors in Berlin. Companies which operate hotels in their own real estate will not be affected. Companies which keep accounts under US GAAP

(Generally Accepted Accounting Principles) are also unlikely to be affected by the new IFRS standard as under US GAAP, the treatment is already more or less similar.

Adjustment already possible

Hotel companies which already wish to apply the standard are free to do so. Premature application also requires the application of IFRS 15 on sales realisation

Dr. Mathias Jung: Operating own properties makes live asier.

though. In practice, it looks like this: The operating leasing agreements in the data bases must be adjusted in line with the new standard and further information provided. In particular, discount rates must be determined. There are exemptions for leasing objects of low value (up to USD 5,000) as well as for leasing arrangements with short duration (up to 12 months). Neither are likely to be of much relevance in the hotel industry as most hotel lease agreements run for longer terms and the objects leased are generally of higher value.
Hotel operators keeping accounts in accordance with the German HGB standards – this includes many medium-sized German operators and hotel chains – are not affected by this change. This is an advantage for them, Jung believes, as there are already indications that they score well with owners on account of the fact that they can continue to offer fixed leases. Insurance companies and some types of fund are prevented from investing in hotels with management contracts by their statutes.

The end of customisability

Up to now, it was more or less a matter of individual choice whether a hotel leased real estate and accounted for it under IFRS or bought it outright, Landgraf explains. Under the former standard, IAS 17, there was a catalogue of criteria and indicators which decided on the allocation of beneficial ownership and thus on whether the lease was to be categorised as either a financial lease or an operating lease. Whether these conditions were fulfilled was, however, a matter of choice to a certain extent as contracts could be arranged accordingly, Landgraf went on.

- In the case of a "Finance Lease", which was similar to a debt-financed "acquisition", the leasing object is entered on the assets side with a corresponding entry on the liabilities side.
- An "Operating Lease", which corresponds to a tenancy agreement, was neutral and up to now not included on the balance sheet. It was sufficient to indicate the existence of the lease in the Notes. Often, investors didn't notice this. The operators simply had to book the lease payments under expenses in the Profit & Loss (P&L) account.

Since the criteria for differentiating between the operating and financial lease allowed and still do allow room for discretion, the rules here have long attracted criticism. And no wonder: According to data from the IASB, approx. 85 percent of all leasing agreements across the globe – around USD 3.3 trillion worth – are held off-balance sheet.
Greater transparency and comparability
The idea at the core of the new standard is that the lessee, that is, the hotel operator, generally include all leasing arrangements/lease contracts and the associated contractual rights and liabilities on the balance sheet in order to clearly represent risk and so create greater transparency and comparability for stakeholders. Long-term leasing and tenancy agreements are to stand on the liabilities side opposite their corresponding positive effects – that is, income and revenues from rights of use in future. According to the IASB, the rule seeks to prevent liabilities being concealed. For this reason, the application of the new rule to existing tenancy/lease agreements is logical. / Beatrix Boutonnet

Extract of an article by hospitalityInside.com, August 26, 2016.

Hospitality Industry Dialogue 2016
Topic at HID conference Tue, 12:00

RESORTS ON THE THRESHOLD OF A CHANGE IN IMAGE AND FUNDING

The new lust for leisure

Augsburg. The lust for leisure is rising everywhere: More leisure time, greater willingness to spend and consume – the well-off among the younger generation are triggering a boom in holidays, entertainment and leisure. In the holiday industry, a “bottleneck“ is currently accelerating the run on resorts: Many holidaymakers are choosing to holiday in their home country or in safe neighbouring countries on account of current geopolitical turbulence. This has given rise to an unprecedented balancing act, in particular in Germany. After all, not only does changeable weather stand in the way of this trend – but even worse – the unwillingness of banks and investors to invest in resorts. This was the line until today at least. Now though, the aversion to investment in resorts is beginning to crumble.

Meeting point workbench: In the background there are the lockers for the sports equipment. All close to the lobby. That’s the way Explorer Hotels connect their guests.

The amphitheater, the heart of Arborea Resorts – a central point for guests and crew to meet.

Martina Fidlschuster, Managing Director of Hotour Hotel Consulting in Frankfurt, immediately puts the boom in the resort segment into experts’ perspective. “The pure resort regions are not booming,“ she says, “growth is to be seen only in the cities.“ There, overnight stays have increased by up to 200% over recent years.

In light of this city boom, it’s no wonder that many resorts are looking with envy towards the cities and are asking how they can raise their own revenues/profits whilst at the same time keeping their – considerably higher – costs under control and setting themselves apart better from the competition. And they also know: city tours, made by many travellers meanwhile between three to five times per year, are developing into increasingly serious competition for the classic resort holiday with guests who traditionally stay between seven and 14 days. Resorts have long since stood before major challenges, especially when it comes to guest expectations. Since wellness arrived, no wellness area can be big enough – but the room rate shouldn’t be any higher. Guests also have high expectations with regard to the quality of the food, with regard to the room and with regard to the leisure activities on offer – they have high expectations of everything in fact! In a nutshell: Everyday, a resort walks a very fine line between satisfying guest expectations and its own profitability requirements.

No finance because the sales price is too low

Large banks see this picture too and are correspondingly sceptical when it comes to resorts. The Deutsche Hypothekenbank in Hanover has meanwhile decided that it will not finance resorts any more. “Most resort chains are too small for us as they have fewer than ten hotels,“ Uwe Niemann explains, Head of Market Hotel Finance. “From our long experience and from our own project development work, we know that resorts involve higher risks.“

With this, he means sale options. “The fungibility for a planned sale is much more limited for resorts than for city hotels as the range of buyers is much smaller. Apart from that, the construction price is similar to that of city hotels, in some cases even higher on account of the wellness area. Accordingly, the profit margin for the investor is lower and where cost projections are exceeding, there is the risk of a loss on sale.“ The banker looks for security only, though he doesn't doubt that there are very successful hotels – also wellness hotels – which know their business inside out. Another downside for him is the location: "Banks must make a decision as to whether the location will also be attractive to holiday guests in the next 20 to 25 years. That's sometimes very difficult to foresee," he adds. The same uncertainty also applies to the city though – but Uwe Niemann counters here saying: In the city, there's more room for manoeuvre in terms of generating business and in marketing.

Martina Fidlschuster summarises the general caution of banks with regard to resorts jokily as follows: "For banks, these are commercial areas with a wall round them. For them, a resort isn't a classic hotel,

because the lion's share of its success depends on the skill of the owner. In a chain hotel, risk is easier to reduce because the director can be changed quickly."

Thomas Edelkamp, Chairman of Romantik Hotels & Restaurants responds to the sceptics with performance figures from his medium-sized hotels: "Based on a selection of 47 hotels, occupancy stands at 62.7% on average and the net room rate at EUR 120.33 with Rev Par at EUR 70.26. This makes clear that hotels can also be successfully operated outside conurbation areas and larger cities."

In terms of finance, Edelkamp says the following: "Unfortunately, possibilities for finance are limited and come, if at all, from local/regional banks. Where our hotels request, we support them here. Supra-regional marketing via a brand is often a basic requirement of financing banks. We also see private investors from the region looking to invest more frequently now than was the case previously."

The Deutsche Kreditbank (DKB) believes in resorts: The DKB has been financing tourism projects in Germany for 15 years. At present, it has 300 projects on its books with a volume of over a billion euros, including more than 250 hotels. "We finance hotels with a good operator concept," Kathleen Matthes explains, Tourism Expert at DKB. "This can be a brand hotel, though a large chain doesn't have to stand behind this; it can also be a professional owner-managed resort," she says.

New concepts and operators

The success of the budget hotel in the city has allowed the German a-ja Resorts to become a-ja City Resorts. Relaxation at the seaside is to be transferred to relaxation within city limits. In November 2018, the first hotel of this species will open in Zurich, though in slightly modified form: with modular components and now with all-inclusive offers. The room size is also to be 24 sq.m. in the city. And the 1,000 sq.m spa includes an Alpine rooftop garden and future outdoor sauna (www.ajaresorts.de).

The most recent resort brand to be announced here in Germany is called "Arborea" – created by Johann Kerkhofs, Managing Director of Orange Lion (previously Lindner Hotels Real Estate). Together with his partner Gerhard Geising, he focuses the concept on recreation and the outdoor experience. "And for all its significance and uniqueness, the hardware here is more in the background," Kerkhofs says.

Arborea aims to set itself apart from other resorts "by offering guests experience of nature in various ways."

Arborea Hotels & Resorts plan, develop, co-invest and operate resorts themselves. The company seeks locations with "standing", that is, undeveloped and in sunny spots with unhindered views of the mountains or forests, or on to the sea or a lake. Arborea Resorts are always located in sporting paradise areas and in regions with good tourist infrastructure. Over the next ten years, two resorts per year are to open (http://orangelion.de).

Established resorts expand further

Explorer hotels define themselves as trendy bases for sporty Alpine explorers. On 27 July, the two Explorer Partners Katja Leveringhaus and Juernjakob Reisigl signed a land purchase agreement in Hinterstoder, Upper Austria. With this, the seventh Explorer Hotel will be built by December 2017. Four hotels are currently in operation, two (in Kitzbühel and in Zillertal) under construction (www.explorer-hotels.com). Explorer intends to grow further too. Reisigl doesn't share the scepticism and reservations with regard to resorts: "The finance situation for resorts as never been as positive as it is today," he is happy to say. / map

Extract of an article by hospitalityInside.com, August 5, 2016.

Is the tide turning against Airbnb? Well, it's a possibility should New York's Governor Andrew Como legislate a bill against illegal short-term rentals recently passed by the New York State Senate. Two weeks ago, local representatives voted for a new measure which prohibits online apartment rentals that last under 30 days. "They are inconsistent with the city's multiple dwelling law, which is designed to stop apartment buyers from renting out the entire space and basically turning their units into Airbnb hotels," mentions the bill, which involves heavy fines.

Actually, first time offenders are fined 1,000 dollars, but a third infringement amounts to up to 7,500 dollars. The P2P platform didn't wait long before reacting, telling local media that the bill's supporters are exaggerating facts and are actually backing the interests of the hotel industry. Paul Graham, one of Airbnb's first investors and mentor to the co-founders twittered: "It's a bad proposal that will make it harder for thousands of New Yorkers to pay their bills." Linda Rosenthal, a member of the State Assembly and one of the bill's sponsors, reminded him that it's not about individual tenants renting out a room but people or companies with multiple listings that are being targeted. "There are so many units held by commercial operators who horde multiple units, driving up the cost of housing around them and across the city." She also mentioned that Airbnb shatters the sense of community in a building and that it can also be dangerous. "You should know who your neighbor is. With Airbnb, you get strangers every night."

You can be certain that Airbnb will lobby hard against this bill which is targeting its

STATES AND CITIES ARE TIGHTENING UP RESTRICTIONS, FINES AND LAW SUITS

Airbnb and other P2P under global attack

Beijing. The pressure is rising. After years of global expansion overriding local regulations, rental platforms of the Sharing Economy are now facing global opposition: States like New York are restricting rentals; cities like San Francisco are removing non-registered units from online listings. Heavy fines will hit operators and hosts. At the same time, 10 international mega-cities (including Paris, Madrid, Toronto, New York, and Seoul) are now working together to establish common regulations P2P platforms will have to follow. And: 60 French unions representing hotels but also real estate agencies are officially suing Airbnb, Homeaway and even Booking.com for unfair competition and illegal activity. The global battle has started.

Hospitality Industry Dialogue 2016
Topic at
HID
conference
Tue, 13:30

second largest market destination after Paris. The company's team of super lobbyists and former political advisers have probably already started. The platform has placed radio ads in Albany (capital of New York State) that support Airbnb's standpoint and numerous venture capitalists have also slammed the New York bill as harmful to innovation.

San Francisco: All non-registered units offline

"Dozens of governments around the world have demonstrated that there is a sensible way to regulate home sharing and we hope New York will follow their lead and protect the middle class," said Paul Graham. True, except that not governments but city councils actually deal with Airbnb and similar companies. And in many cases, e.g. Dubai and Florence lately, they are easily convinced. That being said, in many other major cities, the Airbnb pill is harder to swallow and many are starting to acknowledge the disadvantages of such a concept.
Last month, in San Francisco (SFO), Airbnb's home town, the city Board of Supervisors passed a bill requiring home-sharing services to remove listings of units that have not been registered with the city office of short-term rentals. Failure to do so will result in a fine of up to 1,000 dollars per day per listing. Most importantly, requirements for registration only allow hosts to register one property; that property must be their primary residence and 90 days is the limit guests can stay in a home when the resident host is away.
Taking into consideration these drastic changes, analysts from the Real Estate company Canaccord Genuity US, published an article mentioning that so far, less than 20% of all listings in San Francisco are registered (1,324 out of 9,500 on Airbnb). "We expect this to result in a near-term reduction of Airbnb listings by close to 80% and a reduction close to 50% on a more stabilized basis. We also expect this dynamism to provide a marginal tailwind to hotel fundamentals and spread from SFO to other major markets in the coming months. Enforcement of home-sharing laws should drive RevPar growth upside."
According to a Penn State University report published last September, 54% of all Airbnb revenues in the San Francisco area come from hosts that violate these registration requirements. For them, it's possible that over half of the supply available for rent on home-sharing sites in SFO will disappear, unlikely to return. The same report explains that 67% of all US Airbnb listings violate the regulations set out in SFO.

For the first time, Airbnb is taking its case to court

These regulations are clearly a direct threat to Airbnb's business and the company is feeling the hit. It appears, lobbying won't be enough this time to counter the attack: For the very first time, the platform is indeed suing its hometown over claims that "the city's rental restrictions violate protection for internet companies and it's free-speech ▶

rights quoting the First Amendment of the Constitution." In a statement, the company regrets being forced to ask a federal court to intervene: "This is an unprecedented step for Airbnb, and one we do not take lightly, but we believe it's the best way to protect our community of hosts and guests."
San Francisco's City Attorney obviously disagrees. David Campos defends the regulation claiming "it is not regulating user content at all, but the business activity of the hosting platform." In an interview with the "San Francisco Chronicles", David Campos, a supervisor who is very critical of Airbnb, simply pointed out that "if you are a rental car agency, you have to make sure the person renting the vehicle has a license before you rent a car to them. That is exactly what we are asking the short-term rental platforms to do here."
Airbnb calls the registration process, which will be effective in July, "onerous and overly complicated", that this new approach will harm thousands of everyday SFO residents who depend on the platform, and finally that it violates federal law.
Well, on that matter, it will be the court that decides. Meanwhile, the company is facing heavy fines daily. The fear is definitely palpable on Airbnb's side as its legal crusade could well spread to the rest of America and even Europe, where similar legislation has recently been passed or is currently being discussed in Berlin, Paris, Barcelona, etc.

Ten mega-cities against Sharing Economy

Despite regulations and warnings set up by the municipality, over 20,000 rentals are considered illegal in Paris, which represents 5 to 10% of the private housing market. A recent law forces people to register their property with the city hall if it is rented out for over 120 days a year. In cities with more than 200,000 inhabitants, people renting out via P2P platforms need an authorization and are obliged to convert a shop or an office into a house within the same district.
Unfortunately for the city, not many hosts actually come forward. Most of them prefer to remain anonymous and take the risk of operating and being caught. A big risk to take when one knows that over 100 tenants in Paris area have already been caught and seen their renting contracts terminated. Last month, a Paris court fined a tenant 7,500 euros for renting his apartment without the owner's consent. A first in France.
Despite political pressure put on Airbnb & Co to share details about every single listing, the platform refuses to comply. This lack of transparency led Paris to join a global movement seeking for more regulations against the so-called Sharing Economy operators, like Airbnb, Uber etc. Representatives from NYC, Seoul, Barcelona, Athens, Toronto, Berlin, Los Angeles and Paris to name a few, met for the first time last month in Amsterdam to discuss regula-

tions and set up a common framework. "Having the 20 or 30 biggest urban markets of the world all operating under entirely different rules doesn't do anybody any good. We want consumers and tourists to have some consistency, city to city, to leverage the size of markets, which together are enormous, so that the voice of cities will actually make an impact," said Wiley Norvell, spokesman for New York Mayor Bill de Blasio's deputy for housing and economic development.

Paris: "Airbnb can't buy us"

Facing the same issues around safety, equity, economic opportunity and sustainability, all the cities present are trying to make things move where responses from governments have been very unsettled so far. "Balancing local housing needs and new services for tourists is one aspect," mentioned Ian Brossat who is in charge of that issue for Paris. Regulation is one of the biggest hurdles for the Sharing Economy companies as they expand. "We would welcome any chance to educate more cities about the benefits of home sharing and look forward to continuing to partner with individual cities to address their unique policy needs," told an Airbnb spokesman "Bloomberg".
At this point, one can seriously question the honesty of Airbnb towards its "partners" as it keeps on refusing the only thing they want from it: sharing customer data. All cities want is full transparency. It helps knowing who is doing what, for how much and how long, to be able to get taxes out of them and most important, to prevent entire districts from turning into tourist-only zones. "Our agreement with Airbnb on collecting tourist tax is positive, but they can't buy us," pointed out Ian Brossat, adding: "We can't remain inactive or entire neighborhoods won't have a single home left for locals to rent."
Sticking to the same "we help poor people" message, Airbnb defends itself, drawing attention to the fact that it has collected 85 million dollars in taxes and helped thousands of people pay their bills and stay in their homes.

French unions are officially suing Airbnb & Co

Sick and tired of waiting for officials to act against what they call "unfair competition", French hoteliers are taking action now. Last week, the Association of Actors of the Hospitality and Tourism Professionals (AhTop), which represent 30,000 members – among them Best Western and AccorHotels – filed an official complaint against all P2P rental platforms. It identified 127, including, Airbnb, Abritel (Homeaway) but also, Booking.com and other locals.
Last November, 60 organizations – among them real estate unions – already sued the same renting platforms for illegal activity. The court investigated this for months, especially Airbnb with the help of Australian activist Murray Cox who started the website InsideAirbnb. Many rules are broken and many professions are impacted concluded the investigation.
This week, the French Senate was to adopt the "Numeric bill" which Airbnb and Homeaway are fighting against, and for a good reason. If the law is passed, it will oblige every single host to register at the city hall, it will allow quality controls of the properties, checks if the host is permitted to subrent, it will block any listing which has exceeded the 120-day rental legal limit and most important, it will oblige Airbnb and fellow competitors to transfer all host data and revenue they have generated directly to the tax department.
Eager to win this war against P2P platforms, the AhTop also reminded the court that if Abritel (Homeaway) is paying taxes in France, Airbnb France does not. The French subsidiary hires only 25 people and despite 150 million euros of commissions received per year (15% of the billion euros it collects), it only pays 89,000 euros in taxes. "Thanks to a tax scheme involving shell companies in Ireland and the Netherlands, they simply take away the profits generated in France," denounces the association which expects to win this battle against the giants of the Sharing Economy, who, in reality, do not share much.
According to the "New York Times", Airbnb is in talks for a new investment round that would value the company at around 30 billion dollars. That would give Airbnb the second-highest valuation among U.S. start-ups, behind Uber (about 62.5 billion) and triple Airbnb's valuation from two years ago. Funds would go toward international expansion, a source told the newspaper, in addition to a 1 billion debt facility the company has reportedly secured. / Sarah Douag

Extract of an article by hospitalityInside.com, July 1, 2016.

WHY INSTITUTIONAL INVESTORS NOW ALSO FINANCE SMALL OPERATORS LIKE RUBY

Signals from large investors

Munich/Vienna. The "lean luxury" brand Ruby Hotels will now continue its expansion with three new hotels in top locations in Hamburg, Duesseldorf and Vienna – and finds three strong investment partners for this purpose. The new hotels will be financed by institutional investors: by Patrizia, Allianz Real Estate and by IFA Institut fuer Anlegerberatung. "To me, this is the ultimate accolade," Ruby founder and CEO Michael Struck says. Recognition from such solid investors will give the entire segment of cool, calculated, floor-space optimised and creative lifestyle hotels a further boost.

Accor and Ibis were the budget pioneers in Central Europe right up until – in Germany – the newcomer Motel One appeared on the scene. Its CEO Dieter Mueller provided every investor with exact figures with his Excel sheets. As Union Investment initiated its first special fund for budget hotels in 2013 and focused on real estate (inter alia with operator Motel One), pretty much over night, this type of hotel was turned into a respectable target for many investors.

Following in the wake of Motel One, there then came Meininger, citizenM and numerous other budget/economy brands and their young and dynamic champions Marco Nussbaum and Michael Struck. They weren't going to be intimidated by the big players, rather they refined their concepts in their respective niches and exactly calculated their profitability. Marco Nussbaum's budget design hotel group www.prizeotel.com received its acknowledgement this March as Carlson Rezidor made an investment of EUR 14.7 million (49%).

Art-Invest Real Estate based in Cologne was the first institutional investor to decide to invest in Ruby (www.ruby-hotels.com) at the beginning of 2016. It made an investment in the Ruby Lilly with 174 rooms on Dachauer Strasse in Munich, two underground stations from Munich Central Station (opening end of December 2016). Dr Peter Ebertz, Parter at Art-Invest (behind which is Zech Group) and Head of Hotels, says here: "Ruby satisfies the requirements of institutional investors." Here, he doesn't only mean its tidy projected rent per square metre and the fixed lease agreement, but also the professional approach of the operator which also brings with it FF&E. Ruby "has regard for the individual location with its DNA," Ebertz says. He's sure: "Such boutique concepts in top locations are on the up."

In Munich, everything is going to schedule, and the story behind the girl's name Lilly signals the theme of this lean luxury hotel: It takes aim at Munich's socialites and its TV hero "Monaco Franze". The faces behind the names of the individual Ruby hotels can be marketed with great PR effect. Behind the scenes, very different criteria count.

"All investment partners assessed us thoroughly, commissioned reports from renowned consultancy companies, analysed our technical solutions and processes; then came the banks.." Michael Struck is relieved. The three new properties are substantial.

Quality sandwiched in the middle of the Kö-Galerie

"Ruby Coco" is the name of what is certainly the most exciting of the hotels in the very middle of Duesseldorf's Kö-Galerie: The 79-room hotel is sandwiched between shopping and office storeys, above the upmarket shopping centre in an absolute premium location. The hotel entrance is

from a side street (Steinstrasse), the lobby is on the second floor, accessible by lift. The 2,500 sqm of hotel floor space is centred around two internal courtyards. All in all, this is a configuration spanning a large area and which was very expensive from a fire protection perspective on account of its sandwich position. Now, the opening is planned for the second quarter of 2017.

In 2014, Allianz Real Estate, the real estate subsidiary of the insurance group, acquired Kö-Galerie from the US investor Blackstone for EUR 300 million. There was much interest in the conversion of this top location from office space to hotel, Mathias Gross reports, Head of Asset Management at Allianz Real Estate. The decision was taken in favour of the young company Ruby for several reasons: "The concept is simply an excellent fit to the fashion environment of the Kö-Galerie; the concept is clear and there are not so many operators who are so flexible and who bring quality with them. The breakeven is low – the concept should therefore still be viable in the event of a crisis.

Will the premium location also lead to premium prices? "We will begin at the Kö-Galerie with a rate of EUR 69, then – like everywhere – we will set rates on a yield

Dr. Peter Ebertz, Art-Invest: Boutique in top locations is in vogue.

Ruby founder and CEO Michael Struck: convincing calculations.

Chill out at the Ruby Marie Vienna: Ruby Hotels' Lean Luxury DNA.

basis, in this case through room categories," Struck said. He is convinced that he'll be able to achieve his rate targets. "The location, the quality of the building and the attention to detail will prove the value," he knows after opening the first two Ruby hotels, Sophie and Marie in Vienna.
That he was able to bring Allianz on board, he attributes to the fact that the consequent structure and process innovations by Ruby enabled an exceptionally high degree of centralisation and automation: "For example, we not only centralise administration and marketing, but also large parts of the front office; and the reservation process for standard bookings is fully automatic."
This leads to higher margins and thus better servicing of debts. And the fixed costs are lower, which means a significantly lower cyclicality risk for Ruby's real estate partners.
He continues to explain: "Our minimum operating size is 70 rooms, our breakeven at this size stands at 45 percent," he boasts of the Ruby concept. The rooms are generally 16 sqm, individual rooms have 20-22 sqm. There's also the fact that the small but elegant F&B concept requires little space and personnel – in contrast to other lifestyle brands with strong focus on gastronomy.

Andreas Wissmeier, Patrizia: The final mix made it.

289 rooms with partner Patrizia

In Hamburg, the largest Ruby Hotel to date is set to open: 289 rooms in Duesternstrasse, directly in front of the Stadthaus Bridge, a short distance from the Jungfernstieg and the city hall. A shopping centre is planned directly opposite. A majority of the rooms look out on to the water channel. The site of the hotel is a former publishing building. Print journalism will therefore form the hotel's theme.
With a property in this location, the investor had a whole range of operators to choose from: Around 12 made it through to the final selection round, Andreas Wissmeier reports, General Proxy at Patrizia Investment GmbH. Real estate partner for this property is Patrizia WohnInvest Kapitalverwaltungsgesellschaft with its special fund "real value plus".
The choice went in favour of Ruby because "the final mix was right," Wissmeier says. This was clear from the economic framework data, from the fact that Ruby set itself apart from other similar concepts with its low personnel costs and through its extremely solution-oriented team, a team that was able to act quickly, flexibly and agreeably. Patrizia was obviously particularly attracted to the sensitive connection with the old existing building: For each floor plan, Ruby provided a set up with only minimal changes.
The fact that Ruby also takes on responsibility for planning and interior design, is also a bonus for the residential specialist Patrizia: "That's nice," Wissmeier says, "as we've also made our calculations – and I admit, we couldn't do it any cheaper," he adds. Both parties have signed a 25-year lease agreement.

Modular systems ease live

Ruby Lissi is the third new "girl" in Austria. It is located in Vienna's 1st district at the meat market, near Schwedenplatz – a location which the city is currently redeveloping as lifestyle meeting point and which presents itself as an oasis of green with beach bars near the Danube. In one of Vienna's oldest cloisters, a 107-room hotel will take shape over 3,200 sqm. The guest wanders through archways...
Was the implementation of the lifestyle rooms in the old cloister walls a special problem? Michael Struck says its wasn't and point to Ruby's self-created modular architectural system; a system which allows each floor plan to be furnished in a space efficient way. The "shower", "bed" and "toilet" modules etc. can be grouped together in different ways, still allowing a high grade of serial manufacture. In the Ruby Hamburg, 15 different furnishing options will be used in 289 rooms. In the Ruby Coco Duesseldorf, 30 different basic forms will be used for just 79 rooms. / map

Extract of an article by hospitalityInside.com, July 5, 2016.

SPANISH BARCELÓ HOTELS LAUNCHED A REIT AND CREATES FOUR BRANDS

More volume with multi-brands

Palma de Mallorca/Munich. The Spanish company Barceló Hotels presented its new multi-brand strategy along with its new company structure. Last year, it co-founded a new REIT. It also separated holding and operations into two distinct companies. The Barceló Hotel Group (BHG) has thus become an owner-operator. This allows Spain's third largest hotel group (after Meliá and NH, measured by rooms) to push expansion forward much more rapidly. BHG would also like to acquire smaller groups. And the company has big plans in Asia too: 100 hotels under franchise with Plateno. "We want volume," Raúl Gonzáles, CEO Europe, Middle East & Africa, said last Tuesday in Munich.

Royal Hideaway Asia Gardens near Alicante, Spain: the Destination Resorts of this brand will polish the group's image but will not drive the expansion like other brands.

Barceló is a family company, currently owned by eleven cousins. The change in strategy comes exactly in time for its 85th anniversary. Of the eleven cousins, four sit on the board. None of them are involved in operations. The company is managed by three CEOs: Raúl González is responsible for Europe, the Middle East and Africa. James Carroll is the CEO of Crestline Hotels & Resorts, an operational entity for over 70 hotels in the US of which Barceló owns 40% of the shares. Gabriel Subías is in charge for Barceló Viajes (Barceló Travel), the group's holiday and leisure division.

Barceló, which is headquartered in Mallorca, today counts 106 hotels in 19 countries. 50 of these are in Spain (mainland, Balearic Islands and Canary Islands). In 2015, Barceló posted revenues of around EUR 2.5 billion, EBITDA of around EUR 300 million and a net result of EUR 100 million. Net profit was raised by 100 percent on the previous year (Annual Report 2015 in PDF-file attached). "The hotel group is the core business," CEO Raúl González makes clear. The Barceló Viajes division generates revenues of EUR 1.3 billion in 2015.

Two years ago, González gave an interview to hospitalityInside on the enormous efforts to upgrade all the hotels in the portfolio and on the expansion. The new multi-brand strategy now offers a new attractive platform for many plans: Instead of one brand (Barceló), there will in future be four, divided by target group and theme – and no longer by star category. "It no longer makes sense to compete via beds, but rather

through experiences," González notes. "With us, only the beds, the showers and the TV screens are the same – in all other respects, there is no broad standardisation."

Royal Hideaway Luxury Hotels & Resorts: The new luxury brand is a brand of the Occidental Hotel Group which Barceló acquired in May 2015 for around EUR 500 million and with it a portfolio of around 4,000 hotel rooms in Mexico, the Dominican Republic, Costa Rica and Aruba. The new Royal Hideaway hotels are destination resorts and have a traditional luxury style. They are marketed independently from the parent company. Occidental managed only one hotel under this brand in Mexico, Barceló currently has four more in Spain. Two hotels belong to The Leading Hotels of the World. – The brand claim: "The art of fine moments".

Barceló Hotels & Resorts: The core brand of the group is to continue to hold the family name high and is the large pillar with 50 hotels for families, adults-only and business and city travellers. The brand is positioned in the upscale segment in the 5-star category, awaits the guest with its ‚story', has ‚surprises', e.g. with a seven-day kids programme for music, and also has a strong claim to incorporating the local culture. Edutainment is the buzz word for these activities which were developed together with the Harvard professor, Howard Gardner. – Brand claim: "Live up to more".

Occidental Hotels & Resorts: This brand was secured through the acquisition of the Occidental Group. This brand brings together upscale hotels in a Mediterranean or exotic style which are easy for the guest to access and which are geared towards the younger, uncomplicated guest. – Brand claim: "There for you".

Allegro Hotels: The third brand acquired from the Occidental portfolio. A white and pink design indicates the informal, carefree character of this upper midscale brand which is to sell a unique "Spanish

More individuality, less standards: CEO Raúl González and Chief Marketing Officer Sara Ramis present the new multi-brand strategy in Munich.

happiness" and which is no longer a full-service concept. – Brand claim: "Enjoy life".

The new brand world will be launched in September of this year; according to CEO Raúl González, 50 hotels will gradually change their name. Through the course of restructuring, around 50 hotels will move in the 3 and 4-star segments, the other half in the higher segments.

Acquisition of Occidental and Joint Venture with Hispania

Parallel to the acquisition of Occidental Group, Barceló last year announced a joint venture with Hispania Activos Inmobiliarios S.A to found a REIT. Hispania holds 76% in this fund, Barceló the remaining 24%. "It's the only REIT in Europe which is 100 percent specialised in leisure hotels," Raúl González explains. "Our (Barceló's) primary aim is to become the leader in Leisure in Spain," he adds. The hotel group transferred 16 of its hotels with 6,000 rooms to the REIT. The CEO would like to at least double this number over the next three years. In around three years, the REIT is to be floated on the stock exchange in Madrid. According to González, the REIT has starting capital of EUR 550 million, which is to grow to EUR 1.2 billion over the next few years.

"With this, we have transformed ourselves from an owner to a management company," González says. Barceló moves into this new era with 60,000 rooms and still 40 hotels under ownership. Barceló's expansion list primarily includes the European and of course also the South American market.

In Germany though, González says, the company will (have to) move away from the management and franchise line and accept lease agreements. After the first – and extremely successful – hotel in Hamburg, the company has signed a deal for a second hotel before Berlin's Central Station. It is also in negotiations for a further hotel in Frankfurt, and it is also keeping a lookout in Munich. "We want to be represented in Germany with all four brands and also acquire real estate," González announces. The company is also open for projects in Vienna and Zurich/Geneva, he went on.

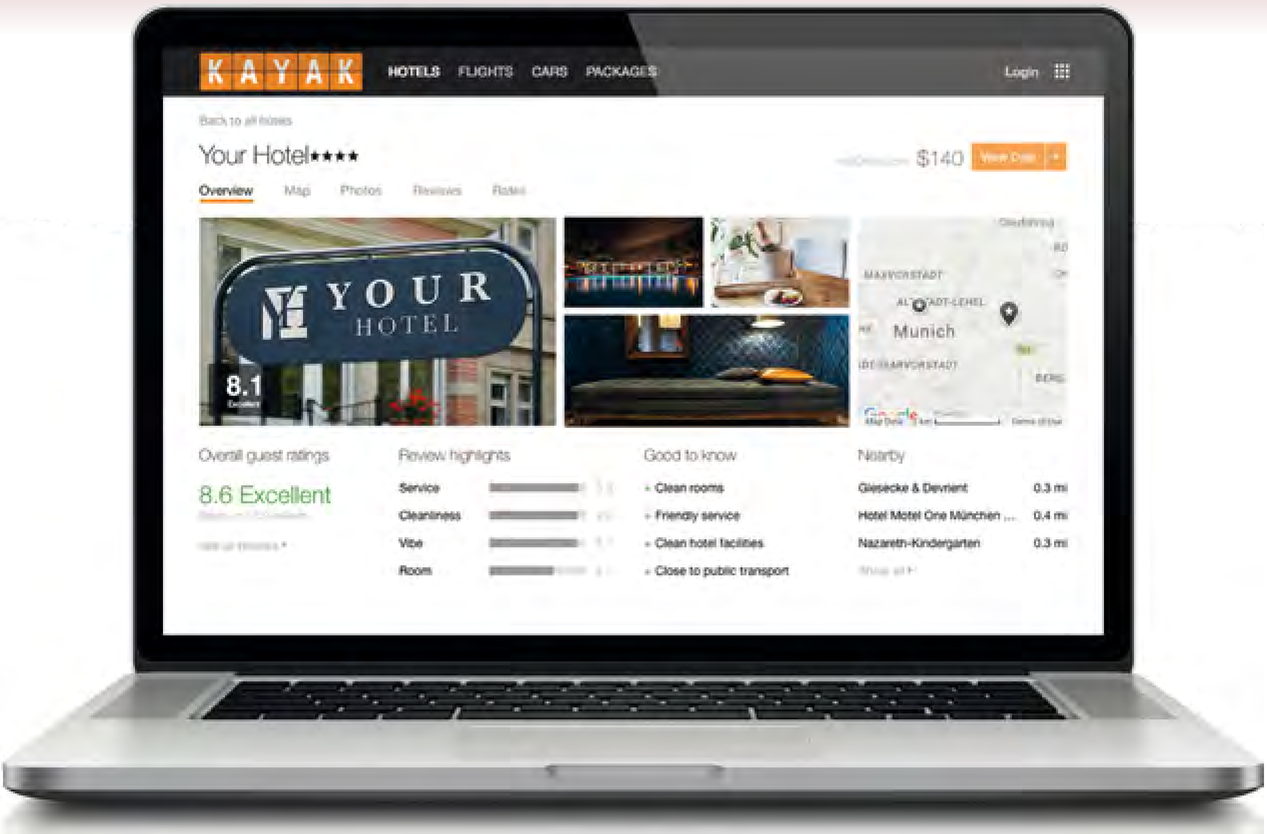
Barceló certainly wants one thing though: room volume! For this reason, González is also open to acquiring hotel groups, "if the price is right". In central Europe though, finding groups with several hotels over 200 rooms (as Barceló is used to in Spain) is likely to be difficult.

Radius of expansion is growing

In Egypt and Turkey, where Barceló also has hotels, business (as is the case for all hotel operators) has currently fallen through the floor. On the other hand though, this means a very strong summer season is expected in Spain. The CEO is satisfied with the hotels in Prague and Budapest.

In spite of the new room for manoeuvre for investment thanks to the REIT, CEO Raúl González doesn't plan to move Barceló away from its roots. "Barceló wants to remain a stable family company, and act simply and understandably." It pays attention to keeping debt manageable and has consistently paid down debt in the years following the financial crisis. Each project keeps the debt ratio down to below 50 percent. (www.barcelo.com) / Maria Puetz-Willems

Extract of an article by hospitalityInside.com, June 24, 2016.



TRUSTYOU'S CEO BENJAMIN JOST ABOUT THE ARITHMETIC GAME OF REVIEWS

High score, higher rates

Munich. There is a proper plethora of ratings and reviews of every kind and everywhere. On platforms, which were created for this purpose (e.g. TripAdvisor) or on portals, which do not want to have them (e.g. Booking.com). And the hotels are asking their guests for feedback too. The review specialist TrustYou, which has been in the market for eight years now, filters feedback from three million guests every week. However, which specific conclusions could be obtained this way is unknown to most people. Maria Puetz-Willems talked to Benjamin Jost, Chief Executive Officer of the renowned analysis platform in Munich, about the reasons why every hotelier should feverishly collect reviews of their guests.

Benjamin, how many sources does TrustYou search in concrete terms and which one is the largest source?
The system searches 250 sources, and the largest sources are, probably unexpected by many people, the hotel's own guest surveys. They provide 50 percent of the feedback. Many hoteliers are not aware of this fact and therefore, they are also unaware of the fact that they are able to control the feedback of their guests to a large degree.

This means, the formula for success is "the more reviews, the better"?
Yes. Each case of feedback, no matter from which channel – via portals, own guests questionnaires or social media – promotes the overall review. Today, we know: 80 percent of all reviews are positive reviews.

On which portals do the remaining 50 percent of the guests spread their feedback at TrustYou?
It is hard to say, as it constantly changes, of course. The platforms, where we obtain the most feedback globally are "big players": In the first quarter this year, the biggest sources were Booking.com, TripAdvisor, Ctrip, Hotels.com and Google. These portals, which have a global reach here, represent the biggest part of these remaining 50 percent. However, this list changes again due to local markets. There are portals which do not appear in the Top Five.

Is TrustYou not part of the list?
Compared to external sources, TrustYou surveys in total represent a larger volume than Google, for example. But for the individual hotels, guest questionnaires are by far the most important source as they represent 50 percent of all reviews.

Do you have knowledge as to how the guest behaves when looking for/booking a room?
The users compare their "hotel matches" in several review channels in order to be absolutely sure about their decision. Of course, a good review influences this decision, and the hotelier should notice the following: The review is also connected to the room rate. A good review or a high score, as we call it, enables higher rates in the end.

How can you explain changes in the score to the hotelier?
In the meantime, our analyses have become so exact that we are able to tell the hotel: The guests are complaining about the cleanliness in the bathroom – therefore, improve your bathrooms! According to our experience, this subsequently increases the score by 3.5 percent points.

Which parts of the hotel have the most influence on the feedback of the guests?
Definitely service. We are able to quantify this. The "message" to the hotelier will then be: Think about hiring an additional housekeeper because you will reach a score, which is five percent higher, which in turn enables you to charge a higher room rate.

The whole thing seems to degenerate into an arithmetic game... How do the hotels react to such explanations?
An increasing number of revenue managers constantly include scores in their calculations today. From a statistic point of view this means: With a score, which is one percent point better, a one-percent-point higher room rate can be charged.

This sounds great, but will the rate increase not reach its limit quickly, despite a higher score – especially considering the competition?
This is correct. In 2014, we carried out a study in cooperation with the New York University, Preston Robert Tisch Center for Hospitality and Tourism, which has the title "The Effect of Reviews on Hotel Conversion Rates and Pricing". In the study, various fictional hotels with high/medium/low rates were displayed in booking engines. The rates varied between 100 to 120 US dollars per night and the scores ranged between 80 and 100. Here, it became obvious, that most guests are willing to pay more for a hotel, which has a better review. In the end, this means that better scores definitely put the hotel higher up in the hit list. If the rate remains the same or nearly the same, the hotel will be booked well. For a hotel, the logical step will be to improve its product and reputation first – and then the revenue. For precisely this reason, we always call on the hoteliers to gather as much guest feedback as possible, in order to improve the hotel product and then bring their own good reputation actively into the market.

You can buy yourself to the top of some hit lists... does the surfer (still) remain at the top and book one of the top hits?
No, travellers have become much more experienced and compare much more. They click through the various websites and offers and sort the hit list according to reviews. Of course, ranking is still important but the more the hotel optimises its rate-performance ratio and therefore its score, the more often it will be clicked and the better the ranking becomes in the portals. In my opinion, there are better and more sustainable ways to position a hotel online than "buying" into a top hit.

When talking to friends, they all search via Google for a hotel... Is the hotelier forced to invest only in Google in future?
The situation is complex. Google shows the best offers and search results from platforms such as Booking.com, TripAdvisor and HRS but the hotelier is able to do a lot in order to appear in the higher-ranking search results and to generate direct bookings. Of course, they can invest in Google AdWords, but the integration of review data and rich snippets in the hotel's own website as well as forwarding reviews to Google, which will be shown as Google reviews there, are simple and often free alternatives.

Who relies on the TrustYou score?
TrustYou cooperates with numerous partners, and also with the big search engines and review portals. Kayak, a subsidiary of the Priceline Group, shows the scores of TrustYou, for example, as well as Skyscanner, another successful meta search engine. Since fall last year, Google relies on the TrustScore and the TrustYou meta reviews for the search as well as for Google Maps. Google took over our review system because we are able to offer the most detailed and unbiased data as the world's largest feedback platform. Google also indicates that the data originate from TrustYou.

Could you summarise in a concluding sentence the benefits for the hotelier who collects extensive reviews?
The core question for every hotel or hotel group is: "How can I make sure that my hotel and my reviews get the best visibility? The more reviews, the better the visibility!"

Extract of an article by hospitalityInside.com, July 8, 2016.