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IN FOCUS: AMSTERDAM, THE NETHERLANDS

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This market snapshot is part of a series of articles that HVS produces on key hotel sectors across Europe. In writing these articles we combine the expertise of HVS with STR Global data for each market. Our analysis is based on data for a sample of 102 mainly branded properties as provided by STR Global.

Highlights

- As a highly attractive historic city, significant business centre and with a major international hub airport, Amsterdam benefits from a strong mix of corporate, leisure and conference demand and is one of Europe's top performing hotel markets;
- Following the global economic downturn, Amsterdam was one of Europe's fastest recovering hotel markets, with an average revenue per available room (RevPAR) compound average growth rate of 6% per annum between 2009 and 2012;
- Total visitation to Amsterdam recovered very strongly in 2010, and remained solid during 2011 and 2012, although with some movement in the mix between domestic and international visitors. Domestic demand has been under pressure due to the delayed recovery of the Dutch economy. However, visitation to the city is primarily driven by international arrivals which account for more than 80% of total demand and continue to increase;
- After several years of being fully or partially closed for complete renovations, Amsterdam's three major art museums, the Van Gogh, Rijksmuseum and Stedelijk, were all fully reopened between September 2012 and May 2013. This appears to have driven strong growth in visitation to the city, particularly since May 2013;
- In 2012, the main international source markets for Amsterdam in terms of arrivals were the UK (14% of total arrivals), the USA (11%) and Germany (7%). Tourists from Asia and the BRIC countries (Brazil, Russia, India and China) are expected to play an important role in Dutch tourism moving forward owing to the fast-growing economies in these markets;
- Amsterdam Schiphol is Europe's fourth largest airport and is growing at more than twice the pace of London Heathrow, Paris Charles de Gaulle and Frankfurt airports. In 2012, passenger arrivals at Amsterdam Schiphol exceeded 50 million for the first time. Year-to-October 2013 passenger arrivals show a 2.9% increase compared to 2012;
- Increases in hotel supply paired with tougher domestic economic conditions made 2012 a challenging year for the Amsterdam hotel market. However, the rolling twelve months to September 2013 figures are positive and show an increase in occupancy, average rate and revenue per available room (RevPAR);
- Seventeen hotels are reported to have entered the Amsterdam market since 2012 totalling approximately 2,667 rooms. However, the majority of these new hotels are located outside of the city centre. The development pipeline remains active with a further 2,426 rooms planned to open in 2014 and 2015;
- Amsterdam's hotel investment market remains strong, with several major transactions having taken place in the past two years;
- As per the annual HVS Hotel Valuation Index (HVI), Amsterdam ended 2012 with values of around €281,500 per room for an internationally branded, four-star, city centre property.

MAP OF AMSTERDAM



Hotel Demand Patterns

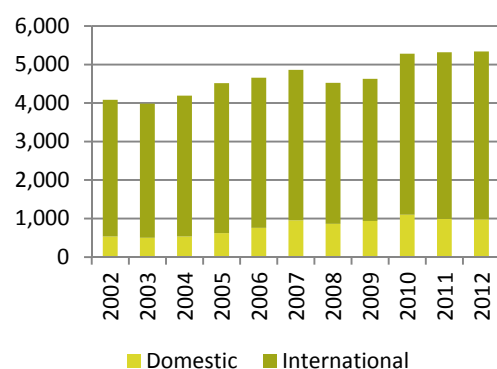
Airport Arrivals

Passenger numbers at Amsterdam Schiphol Airport increased at a compound annual rate of 2.3% over the last ten years. The year 2011 was a particularly exciting one for Amsterdam Schiphol Airport. Airport passenger movements increased 10% compared to the previous year; the new 'Airport Park' was completed, offering a new green outdoor experience for travellers; and the new General Aviation terminal for private and business flights opened. Passenger arrivals continued to grow in 2012, albeit to a lesser extent, by 2.6% and for the first time exceeded 50 million. Year-to-October 2013 statistics show a continuation of the positive passenger growth at the airport with an increase of 2.9% recorded compared to the same period in 2012. Having been developed with six runways, Amsterdam Schiphol Airport has substantial scope for further growth, giving it the opportunity to continue to gain market share from other major airports in Europe, such as, London Heathrow, which, with only two runways, has significant constraints to long-term capacity. Passenger arrivals are expected to grow some 25% over the next ten years. As a result, there are currently plans to develop an additional terminal at the airport, which is expected to open in 2017. In the longer term, by 2030, passenger arrivals are expected to grow by 50%.

Tourist Arrivals and Bednights

Visitation to Amsterdam grew by a compound average growth rate of 2.1% between 2002 and 2012, accelerating between 2004 and 2007 as economic conditions prospered. Visitation decreased by 6.9% in 2008, owing to the impact of the global economic downturn, the short-lived air travel tax introduced by the Dutch government in July 2008 and the renovation work carried out at the Amsterdam RAI. In 2009, the number of international visitors increased slightly while domestic visitation recorded a more substantial increase of 8.8%. In 2010, the market saw a strong rebound in both international and domestic visitation. Growth in 2011 remained relatively stable at 0.7%, fuelled by a 3.5% increase in international visitation but a 9.8% fall in domestic visitation. This trend continued in 2012 with an overall increase of just 0.3%, led by a small increase in international arrivals; domestic arrivals once again declined.

FIGURE 1: TOURIST ARRIVALS IN AMSTERDAM



Source: European Cities Tourism

For the first time in ten years, Amsterdam's three major art museums have finally reopened after substantial renovations. The Stedelijk Museum underwent renovations for seven years and only reopened to the public in September 2012. The Rijksmuseum was then reopened in April 2013 after ten years of renovations, followed by the Van Gogh museum in May 2013. The prolonged closure of these famous museums led to the deferral of significant visitor demand. Their reopenings are of substantial benefit to the Amsterdam hotel market which is now expected to see a major uplift in culture tourism in the next few years.

The year 2013 was an important one for Amsterdam with a number of the city's cultural institutions marking significant milestones, meaning that celebrations took place throughout the city and generated additional demand. In addition to the reopenings of the city's three major museums, highlights included 400 years of the Amsterdam canals and the 125th anniversary of the Concertgebouw. Also, the inauguration of the new king, King Willem-Alexander, took place on 30 April 2013. Year-to-September

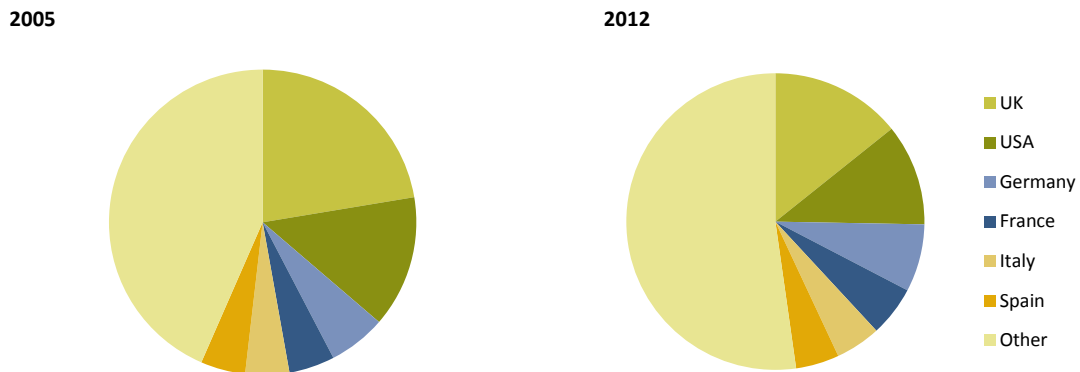
2013 figures show that visitation to Amsterdam is continuing to increase, with a total growth rate of 5.6%. This increase can be explained by the 2.3% growth in the number of international visitors which make up more than three quarters of total visitation to the city, while domestic visitation increased significantly by 21.0% compared to the same period in 2012. The forecast for Amsterdam until 2020 is positive, with visitation expected to increase to 6.5 million.

The total number of accommodated bednights in Amsterdam reached 9.8 million in 2012, an increase of 0.5% on the previous year, greatly exceeding 2007 pre-recession levels. Of the total bednights, 83% were from international guests. Overall, the number of international bednights increased at a solid compound annual rate of 2.0% between 2002 and 2012, whereas the number of domestic bednights increased by 6.0% over the same period. This strong increase in domestic travel is a trend being witnessed throughout the Eurozone as a result of the global crisis and families looking to save money by travelling locally. Year-to-September 2013 figures show a 7.1% increase in overnight stays compared to the same period in 2012 as a result of a 5.0% increase in international bednights and a 17.8% increase in domestic bednights.

International Feeder Markets

The primary source countries for visitation to Amsterdam are the UK, the USA, Germany and France. In 2012, the UK accounted for 14% of the total number of international visitors, followed by the USA (11%), Germany (7%), France (6%), Spain (5%) and Italy (5%). In the same year, arrivals from the UK, the USA and Germany increased while arrivals from other major European source markets including, France, Spain and Italy, declined. Tourism from Asia and the BRIC countries is expected to play an increasingly important role in Dutch tourism in the longer term owing to the fast-growing economies of these markets. Additionally, return visitors to Europe who have already experienced the continent’s largest cities, such as, London, Paris and Rome, are looking for alternative destinations, including Amsterdam.

FIGURE 2: VISITATION SOURCE MARKETS 2005-12



Source: European Cities Tourism

Meetings and Events

The RAI, Amsterdam’s main conference venue, is located at the eastern end of the city’s Zuidas area and contains 11 exhibition halls with a combined floor area of 87,000 m². The opening of the RAI Elicium (an additional facility consisting of six conference rooms and 23 meeting rooms) in September 2009 made the complex the largest convention centre in Europe. In terms of number of meetings, 2012 was a good year. This was mainly due to the continuing positive development of large-scale multi-day international events. However, the number of delegates declined. With large events such as the 35th Congress of the European Society of Cardiology (ESC) and the 38th ESMO Multidisciplinary Congress taking place, 2013 was anticipated to be a challenging but strong year. The RAI has more plans to grow and expand, with the ‘Scheldeplein Building’, which will add an office building and conference centre with a restaurant, expected to open before the end of 2015.

Hotel Performance

The analysis in this market snapshot is based on a sample of 102 hotels in Amsterdam. Figure 3 shows Amsterdam hotel market performance in euros.

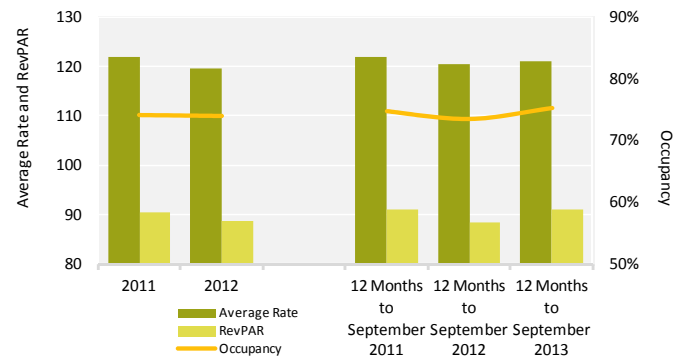
Following very strong recovery from the economic crisis in 2010, room occupancy grew marginally further in 2011, reaching 74%. As a result of significant increases to room supply in 2012, occupancy remained at a similar level to demand growth was spread over the city's increased room stock. With regards to average rate, the market saw a 4% increase in 2011 before a decline of 2% in 2012 leading to an average rate of €120 which can also be attributed to the marketwide increase in supply and consequently led to some pricing pressures in the market. This dynamic resulted in a RevPAR decline of 2% in 2012.

As discussed, 2013 was an important year for Amsterdam, with a number of celebrations and events taking place that generated additional demand. As a result, the rolling 12 months to September 2013 figures show occupancy of 75%, a 2.5% increase compared to the twelve months to September 2012. Despite the increasing price pressures from the increased competition, in the same period, average rate still managed to grow, reaching €121 (compared to €120 in 2011/12), leading to a significant, occupancy driven, increase in RevPAR of 2.9%, thus highlighting positive signs of recovery.

Figure 4 shows the monthly moving average of hotel occupancy, average rate and RevPAR from January 2011 to September 2013.

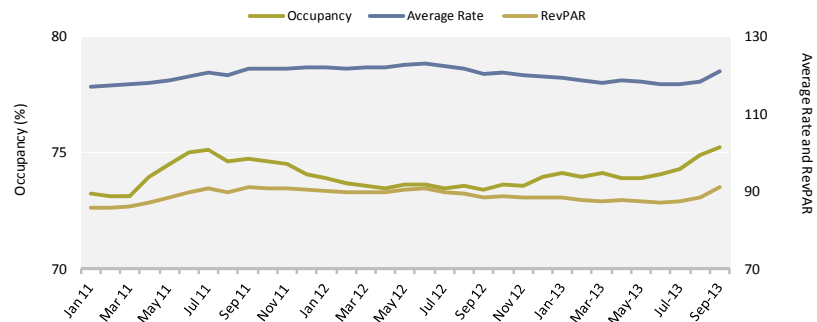
In terms of average rate and RevPAR, Figure 4 shows a relatively flat performance during this period after the very strong growth in 2010, although a downwards trend can be identified in the second half of 2012 and into 2013 when hoteliers were under pricing pressures as a result of significant increases in supply paired with challenging economic conditions. Despite this, the third quarter of 2013 saw the emergence of a positive upwards trend which we understand continued in the fourth quarter. Over the same period, it is interesting to note the fluctuations in occupancy, with supply increases exerting downwards pressure on occupancy, but with hoteliers still trying to grow average rate when possible at the expense of occupancy. This indicates that demand has grown substantially since 2010 despite the pressure of new supply. Furthermore, occupancy has shown a positive upwards trend in every month since May 2013.

FIGURE 3: HOTEL PERFORMANCE IN AMSTERDAM 2011-13 (€)



Source: STR Global

FIGURE 4: 12-MONTH MOVING AVERAGE – OCCUPANCY, AVERAGE RATE AND REVPAR JANUARY 2011-SEPTEMBER 2013 (€)

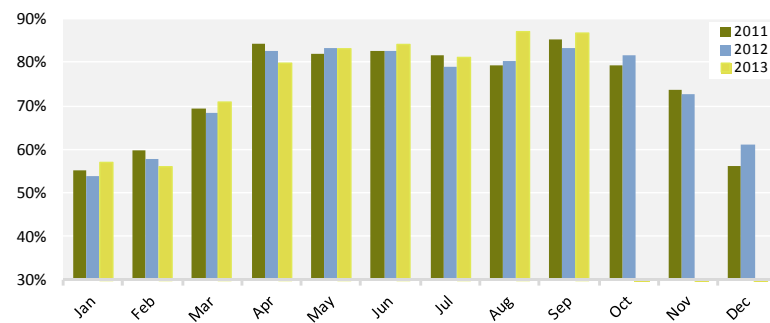


Source: STR Global

Seasonality

Figure 5 shows the seasonality for the hotel market in Amsterdam for 2011, 2012 and year-to-September 2013. As is shown in this graph, 2013 occupancy levels clearly exceed those reached in 2012 for the majority of the months. August saw the strongest growth, with a seven percentage point increase in occupancy compared to the same month in 2012.

FIGURE 5: SEASONALITY – AMSTERDAM MONTHLY OCCUPANCY 2011, 2012 AND YEAR-TO-SEPTEMBER 2013

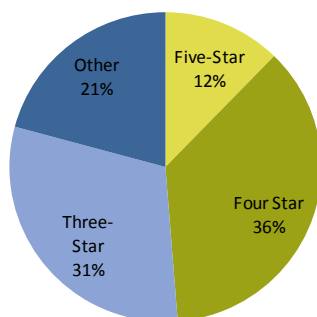


Source: STR Global

Amsterdam has successfully attracted business and conference travellers and large numbers of tourists for extended weekends owing to its easy access, conference infrastructure and numerous cultural and tourism attractions. As a result of these travellers visiting the city at different times of the year, there are few months of the year when arrival and bednight volumes reduce, mainly December to February. We note that the City is taking measures to generate demand during these winter months through new events and themes such as the Festival of Lights, which most recently ran from 6 December 2013 until 19 January 2014. Business visitors make up most of the demand from February to April; the addition of leisure travellers from April to October creates peaks in occupancy levels, which fluctuate between 75% and 85% for almost eight months of the year.

FIGURE 6: HOTEL SUPPLY IN AMSTERDAM

Supply



Hotel supply in Amsterdam consists of approximately 398 hotels, ranging from economy to five-star, with a total of more than 24,000 rooms. Although the city’s hotel supply covers all categories, the majority are concentrated in the three and four-star segments which together account for 67% of the total room supply. We note that the previously mentioned increases in supply have also been concentrated in this segment. There are currently just twelve luxury hotels in the market, accounting for a small 12% of hotel rooms in the city. Figure 6 shows the breakdown of hotel supply in Amsterdam as of 2012.

New Supply

Amsterdam has seen a significant increase in its hotel supply over the past two years, as detailed in the following table. However, more than 75% of this new room supply is situated outside of the city centre, predominantly in secondary business locations or around Schiphol Airport.

CHART 7: RECENT HOTEL OPENINGS

Recent Openings	Category	Number of Rooms	Opening Date	Status
Sir Albert Hotel	Upscale	90	Jun-12	Recently Opened
Holiday Inn Express Amsterdam South	Upper Midscale	80	Jun-12	Recently Opened
Meininger Hotel Amsterdam City West	Economy	219	Jul-12	Recently Opened
Ramada Apollo Amsterdam Centre	Midscale	446	Aug-12	Recently Opened
Andaz Amsterdam Prinsengracht	Luxury	122	Oct-12	Recently Opened
Amsterdam Identity Apartments	Upper Midscale	55	Oct-12	Recently Opened
Hotel Espresso City Centre	Upscale	68	Oct-12	Recently Opened
Golden Tulip Amsterdam West	Upper Midscale	245	Dec-12	Recently Opened
Fletcher Hotel Amsterdam	Upscale	120	Jan-13	Recently Opened
Park Inn by Radisson Amsterdam Airport Schiphol	Upper Midscale	150	Jan-13	Recently Opened
Hotel V Nesplein	Upper Midscale	43	Mar-13	Recently Opened
Hampton by Hilton Amsterdam Airport Schiphol	Upper Midscale	181	Apr-13	Recently Opened
Hampton by Hilton Amsterdam/Arena Boulevard	Upper Midscale	254	May-13	Recently Opened
NL Hotel Museumplein	Midscale	18	Jun-13	Recently Opened
Room Mate Aitana	Upscale	284	Aug-13	Recently Opened
Bastion Deluxe Hotel Amsterdam Airport	Upper Midscale	185	Aug-13	Recently Opened
Art'Otel Amsterdam	Upscale	107	Sep-13	Recently Opened
Total		2,667		

Source: HVS Research

- The **Andaz Amsterdam** opened in November 2012 in a prime location in the historic city centre fronting both the Prinsengracht and Keizersgracht canals. A conversion of a former public library, this five-star design hotel features interiors by famous Dutch designer Marcel Wanders, and offers 117 guest rooms ranging from 27 m² to 36 m², plus five luxury suites ranging from 55 m² to 141 m²;
- Rezidor Hotel Group opened the 150-room, mid-market **Park Inn by Radisson Amsterdam Airport Schiphol** on 11 January 2013. The hotel is in a converted office building in the Schiphol-Rijk office-park, five kilometres from Schiphol Airport;
- In April 2013, Hilton opened the first Hampton by Hilton in the Netherlands, the 181-room **Hampton by Hilton Amsterdam Airport Schiphol**. The hotel is in the Hoofddorp area in a converted office building and is operated under a franchise agreement with The Vincent Hotel Group;
- In September 2013, the 107-room **Art'Otel Amsterdam** opened in the city centre near Centraal train station, representing the first of a new generation of Art'Otel properties in Europe. Art'Otel is a lifestyle brand belonging to PPHE Hotel Group.

CHART 8: HOTEL DEVELOPMENTS

Future Openings	Category	Number of Rooms	Opening Date	Status
Hyatt Place Amsterdam Airport	Upscale	330	Jan-14	Under Construction
Brooklyn Hotel	Upscale	81	May-14	Under Construction
Waldorf Astoria Amsterdam	Luxury	94	Aug-14	Under Construction
Park Inn by Radisson Sloterdijk	Upper Midscale	478	Q4 2014	Under Construction
Courtyard by Marriott Amsterdam Atlas Park	Upscale	170	2014	Under Construction
Novotel Hoofddorp	Upscale	314	2015	Under Construction
Hyatt Regency Amsterdam	Luxury	211	2015	Under Construction
Hilton Amsterdam Airport Schiphol	Upper Upscale	433	2015	Under Construction
Motel One	Economy	315	2015	Under Construction
Total		2,426		

Source: HVS Research

- The **Hyatt Place Amsterdam Airport** recently opened in January 2014, marking the debut of the Hyatt Place brand in Europe. Hyatt Place is an upscale select service hotel designed for the business traveller, typically located in urban, airport and suburban areas. Signature features of Hyatt Place include The Gallery, which offers a coffee and wine bar, a 24-hour 'grab and go' guest kitchen and daily complimentary continental breakfast. The hotel is located in Hoofddorp near Schiphol Airport and will have 330 guest rooms with a typical guest room size of 28 m²;
- The 81-room **Brooklyn Hotel** is expected to open in Amsterdam Noord on the NDSM Wharf, in May 2014. The hotel is part of the WIN Hotels group which operate a portfolio of three- and four-star hotels across Amsterdam;
- The 93-room **Waldorf Astoria Amsterdam** is accepting reservations from 20 August 2014 and will be located alongside one of Amsterdam's most famous canals, Herengracht, in the historic city centre. The hotel will offer a range of food and beverage outlets including a destination restaurant and bar, a 500 m² health club and spa and 400 m² of meeting and conference space, including a courtyard garden;
- **Park Inn by Radisson Sloterdijk** is expected to open in the last quarter of 2014, with 478 rooms. The hotel will be the largest hotel in the Park Inn portfolio for meeting and conferences, offering a massive 4,000 m² of meeting space including a ballroom of 900 m². The 28,000 m² building is located in the west of Amsterdam next to the Amsterdam Sloterdijk Railway station;
- Expected to open in 2014 under a franchise agreement with Scandinavian Hospitality Management, the 170-room **Courtyard by Marriott Amsterdam Atlas Park** will be located adjacent to the Amsterdam Arena football stadium, home of AFC Ajax, Amsterdam's biggest football club;
- In addition to the existing Novotel at Amsterdam Schiphol Airport, we are aware that Accor plans to open a 314-room **Novotel in Hoofddorp**. The hotel is not expected to open before 2015;
- The **Hyatt Regency Amsterdam** is expected to open in 2015 offering 211 rooms, including 15 suites, nearby to the Amstel InterContinental. The hotel will offer meeting and ballroom space, a restaurant, a bar and lounge, a fitness centre and a two-treatment-room spa. Hyatt Regency Amsterdam will be the third Hyatt-branded hotel to open in the city, joining the recently opened Andaz Amsterdam and the early 2014 opening of the Hyatt Place Amsterdam Airport;
- A new 433-room **Hilton Schiphol Airport** is currently under construction, adjacent to the existing Hilton hotel. When the hotel is completed in 2015, the 'old' Hilton located on the same site will be demolished;

- Amsterdam's first **Motel One** is to be constructed on a site in close proximity to the congress centre and Amsterdam RAI fairground. The 315-room hotel is not expected to open before 2015.

Hotel Investment

According to Chris Martin, Director of HVS's hotel brokerage arm HVS Hodges Ward Elliott, there is very strong investor demand for Amsterdam hotels. 'With a strong and well balanced mix of corporate, conference and leisure demand; high barriers to entry in the historic city centre; and Europe's fastest growing major hub airport, Amsterdam is one of the most keenly sought-after hotel investment markets in Europe.'

In the past two years, there has been particularly strong investment activity in Amsterdam, with seven reported single asset hotel transactions of more than €7.5 million and three portfolio deals.

- In May 2012, Dekam Immobilien acquired the 175-room **Amsterdam American Hotel** at Leidsekade 97, in a sale and leaseback agreement. Acting on behalf of its WestInvest fund, Dekam purchased the four-star hotel from Hampshire Hospitality and the vendor has entered into a 25-year lease agreement with WestInvest. The hotel was purchased for €58.5 million (approximately €334,000 per room);
- In December 2012, Union Investment signed a turnkey purchase contract for the first **Motel One** to be developed in Amsterdam. The 315-room hotel is let on a long lease to Motel One and is being developed by Cradle of Development (COD). The hotel is due to open in 2015;
- In June 2013, AXA Real Estate acquired the **NH Grand Hotel Krasnapolsky** Amsterdam from NH Hoteles. The hotel will continue to be operated by NH Hoteles under a 25-year management contract. The 468-room hotel sold for €157 million (approximately €335,000 per room). In addition, the hotel will undergo a phased €38 million refurbishment which is due to be completed by 2017;
- In mid 2013, the 230-room **Hotel Pulitzer**, a member of Starwood's Luxury Collection, sold for an undisclosed sum. The hotel, which fronts both Prinsengracht and Keizersgracht, is housed across a block of 25 restored 17th- and 18th-century canal houses;
- The 111-room **Rembrandt Classic Hotel** is reported to have sold in August 2013. Ennismore Capital, which owns the Hoxton in London's Shoreditch and a development site in nearby Holborn, is understood to have acquired the historic hotel which is located on the Herengracht canal in central Amsterdam, for a rumoured sum of €25 million. The private equity firm is expected to spend at least €5 million converting the freehold property into the **Hoxton Hotel Amsterdam**;
- In October 2013, Invesco Real Estate acquired the 189-room four-star mid-market **Park Hotel Amsterdam** from Grand City Hotels & Resorts on a 20-year sale and leaseback. The hotel has been purchased for Invesco Real Estate's second dedicated hotel fund. The hotel will continue to be operated by Grand City as the Park Hotel Amsterdam, affiliated with Warwick Hotels;

THE RENAISSANCE AMSTERDAM



- In March 2012, PPHE Hotel Group acquired the remaining 50% interests in, and loans related to, the 342-room **Park Plaza Amsterdam Airport**, the 306-room **Park Plaza Victoria Amsterdam**, the 120-room **Park Plaza Utrecht** and the 107-room **Art’otel Amsterdam** (which was under construction at the time of purchase). The 50% interest was acquired from Elbit Imaging Ltd;
- In August 2012, Accor agreed to sell two MGallery hotels to Internos Real Investors, one of which is located in central Amsterdam (the other in Cologne, Germany). The 148-room **MGallery Convent Hotel Amsterdam** was sold for €23.5 million. Accor signed a 15-year agreement to lease back the hotels;
- Finally, in November 2012, Host Hotels & Resorts acquired five hotels in Paris and Amsterdam for approximately €440 million. The sale included the 402-room **Renaissance Amsterdam** situated in the historic city centre.

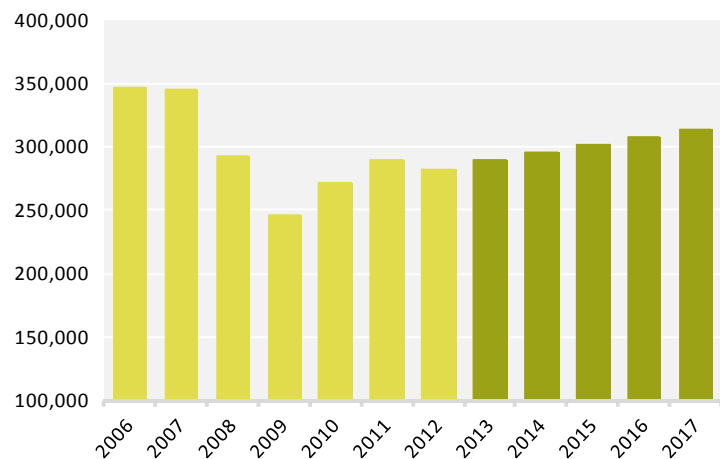
Hotel Values

From our valuation experience and knowledge of the market, we estimate that hotel values in Amsterdam have evolved and will grow as shown in Figure 8. Following sustained growth, the value per room peaked just below €347,500 in 2006, before declining for three consecutive years; an obvious impact of the economic crisis. In 2010 and 2011, values grew for the first time since 2006 by 10.4% and 6.4%, respectively, but remained considerably lower than the peak.

In 2012, as a result of the continued economic difficulties in Amsterdam and the significant increases in supply as detailed in this report, values per room dropped slightly. As per our annual European Hotel Valuation Index report (HVI), Amsterdam is eighth in terms of value per room in the 32 European cities we monitor. Amsterdam ended 2012 with values of €281,500 per room for a typical internationally branded four-star, city centre property. This is 17% above the average value per room for the 32 cities covered by the HVI, which was €240,400 in 2012.

HVS forecasts that the value per room will rise to €313,900 by 2017, an increase of around 12% on 2012 values. However, we note that this is still well below the peak of the market as witnessed in 2006 and 2007.

FIGURE 8: EVOLUTION OF HOTEL VALUES PER ROOM – AMSTERDAM 2006-17(€)



Conclusion

Visitor demand in Amsterdam is strong. Following the global economic crisis, international demand has increased consecutively for three years and is currently the highest it has ever been. Domestic demand dropped in 2011 and 2012 owing to tough domestic economic conditions. Despite this, overall tourism demand peaked in 2012 at almost 4.4 million, since 82% of total arrivals are international.

Amsterdam continues to see growth in demand despite significant recent additions to supply and challenging economic conditions. The market is embracing this and appropriate plans are in place to adapt the existing

infrastructure accordingly to support this growth. Amsterdam Schiphol Airport is now Europe's fourth largest air hub, with passenger arrivals expected to grow some 25% over the next ten years. As a result, there are currently plans to develop an additional terminal and aeroplane piers at the airport to take further advantage of Schiphol's six runways. In the longer term, by 2030, passenger arrivals are expected to grow by 50% and at this point the airport will be looking to expand further. Amsterdam Schiphol Airport is currently connected to 317 cities in 98 countries. This ease of access and the many attractions of Amsterdam, including its World Heritage Listed canals, make the city an obvious choice for both commercial and leisure tourism.

Following the significant increases in supply and the domestic economic recession, recovery in hotel performance in Amsterdam gained pace in 2013. The increased tourism demand is having a positive impact on hotel performance, with year-to-September 2013 figures showing growth in occupancy, average rate and therefore RevPAR. RevPAR growth has primarily been driven by occupancy in the past few years.

There are still a number of new hotels under construction or proposed within Amsterdam, although as with recent openings, the majority are outside of the city centre. Therefore, despite the attempts of most major city centre hotels to grow room rates, we anticipate that on average, room rates will remain under some pressure during the next few years due to supply increases.

Amsterdam's city centre enjoys significant physical and planning barriers to entry that protect city centre hotels from over-supply. This is encouraging the speed at which the market is absorbing the new supply, including those assets outside of the city centre. Amsterdam's solid demand fundamentals and strong mix of corporate, leisure and conference demand ensures the city remains a highly sought-after hotel investment market and encourages investors to consider the city, which is expected to lead to further increases in hotel values.

AMSTERDAM





About HVS

HVS is the world's leading consulting and services organisation focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries. Established in 1980, the company performs 4,500+ assignments each year for hotel and real estate owners, operators, and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of more than 30 offices and 450 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry.

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About STR Global



STR Global provides clients – including hotel operators, developers, financiers, analysts and suppliers to the hotel industry – access to hotel research with regular and custom reports covering Europe, the Middle East, Africa, Asia Pacific and South America. STR Global provides a single source of global hotel data covering daily and monthly performance data, forecasts, annual profitability, pipeline and census information. STR Global is part of the STR family of companies and is proudly associated with STR, RRC Associates, STR Analytics, and HotelNewsNow.com.

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Investment and Asset Management from Cornell. She joined HVS in 2010 and since then has worked on a number of valuation and feasibility assignments across Europe and Africa, including several in Amsterdam.



Tim Smith, MRICS is a Director at the London office of HVS. He is responsible for valuations throughout EMEA and within the last year he has valued properties in numerous countries across the region.

Throughout his career, Tim has advised the majority of European lenders, many of the leading brand owners and a wide variety of owners, operators and developers. Tim graduated from De Montfort University with a degree in Estate Management and has been valuing hotels and other leisure properties for 17 years. He is a member of the Royal Institution of Chartered Surveyors and is a Registered Valuer.

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