

Hotel Real Estate Transactions 2011 halved

November 2011

Volume of hotel real estate transactions halved

Research by Invast Hotels shows that during the first six months of this year approximately 37 million euros in hotel real estate was sold in the Netherlands. Compared to the first six months of 2010 this means the volume of the transactions has halved.

Although, compared to 2010, the average price per room paid at the sale of a hotel increased slightly. In the first six months of 2010 this was € 72,000, in the same period this year it was € 82,000.

Relatively small transactions

Unlike in 2010, in the first six months no major transactions or large portfolio sales occurred. Whereas in 2010 the Mercure portfolio and also the former Holiday Inn in Lijnden changed hands, there were no such transactions in the first six months of 2011. This is the main reason for the difference with last year.

Amsterdam

In 2011, Amsterdam was the city where most hotel real estate changed hands. The Amsterdam market was responsible for 40% of the total transaction volume. However, this only represents a volume of less than 15 million euros.

Preview hotel sales

Although the first six months of 2011 were disappointing, 2011 will surely yield a better overall result than 2010. This has nothing to do with economic developments, but, like so often in the past, it is due to one single large transaction. It was recently announced that private equity investor Blackstone has taken over the Mint Hotel chain for a total amount reported to be 654 million euros. The Mint Hotel in Amsterdam with 553 rooms is part of this deal. When making an assessment of the value of this hotel, one can stay that the transaction volume will rise over 130 million euros before the end of this year. But obviously this says very little about the rest of the Dutch hotel real estate market.