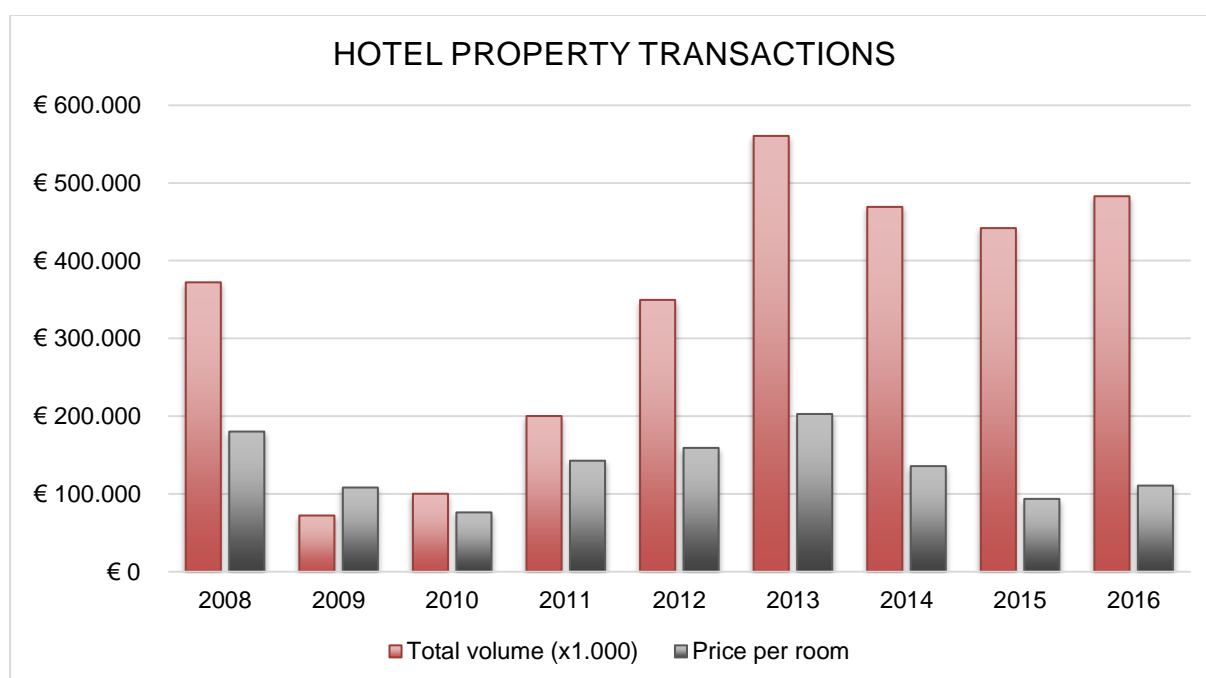


## Hotel property transactions 2016: increasing transaction scope

In 2016, more than € 482 million of hotel real estate was sold in the Netherlands. This represents an increase of 9% compared to 2015. This is evident from the annual update of the unique hotel database of **Invest Hotels**, which now includes more than 1,500 hotels in the Netherlands. In addition to the land registers' sales transactions of property, the list is also supplemented with company transactions which have not been registered with the Land Register. These last transactions, in which the shares of a company are transferred, contain information which is not publicly available.

The average transaction price per room was € 118,006 an increase of 26% compared to 2015. This is mainly because of the relatively numerous hotel bankruptcies and closings in 2015, which resulted in a lower price per room. The graph below shows the turnover of the total volume and the per-room price of hotel property transactions in the Netherlands between 2008 and 2016.



Source: Invest Hotels

### Amsterdam

The Amsterdam hotel property market is, just as in previous years, much in demand with investors and operators. The transaction volume in Amsterdam in 2016 was approximately € 257.9 million in total, 53% of the total transaction volume in the Netherlands. The number of overnight stays, the average room price, the occupation percentage and the RevPAR all rose in recent years, as a result of which the property prices in Amsterdam continue to grow.

The average price per room in Amsterdam in 2016 was € 176,266. This represents a slight decrease of 3% compared to 2015. The table below displays the differences in price per room in 2016 between Amsterdam and the rest of the Netherlands.

Stars	Price per Room Amsterdam	Price per Room The Netherlands without Amsterdam	Price per Room Total The Netherlands
None	-	€ 48,372	€ 48,372
1*	-	€ 17,144	€ 17,144
2**	€ 121,879	€ 51,875	€ 101,452
3***	€ 130,387	€ 72,146	€ 106,914
4****	€ 285,596	€ 87,236	€ 121,098
5*****	-	-	-
<b>Total</b>	<b>€ 175,266</b>	<b>€ 85,573</b>	<b>€ 118,006</b>

Source: *Invast Hotels*

The larger and notable transactions in Amsterdam in 2016 are listed below:

Hotel	# rooms	Purchase price Hotel Property	Price/room	Type Transaction
▪ Ibis Amsterdam Centre	363 rooms	€ 67,000,000	€ 184,573	Operator
▪ Park Hotel	187 rooms	€ 50,000,000	€ 267,379	Investment
▪ Hotel Roemer and Hotel Vondel	124 rooms	€ 40,837,734	€ 329,336	Investment
▪ The Toren	38 rooms	€ 8,000,000	€ 210,526	Operator
▪ Lloyd Hotel	117 rooms	€ 18,150,000	€ 155,128	Investment

Source: *hotel database Invast Hotels*

## The Netherlands

The transaction volume outside of Amsterdam in 2016 totalled approximately € 224.9 million. This transaction volume is distributed over a larger number of hotels and rooms, which results in a lower price per room than in Amsterdam. Outside of Amsterdam, an average of € 85,573 was paid for a room in 2016, less than half of the Amsterdam prices. However, this represents an increase of around 39% compared to 2015.

The included map shows where the transactions have taken place. From this it is clear to see that the Amsterdam surroundings are desirable, but multiple hotels were also sold in Utrecht, Eindhoven and in southern Limburg.



Source: *Invast Hotels*

## Expectations for 2017: even more!

The expectations for 2017 are positive, both for Amsterdam as well as for the rest of the Netherlands. The number of overnight stays, average room price, occupation percentage and RevPAR have all increased in recent years, and the first figures from 2017 exhibit this trend.

The much discussed “hotel stop” in Amsterdam is officially valid as from 1 January 2017. Projects which were approved before this date (around 106) still will be realized, ensuring that many more new hotels will be opened in coming years. However, the hotel stop sends a clear signal, as a result of which the already existing hotel properties in Amsterdam will be even more desired in the current tight investment market. Certainly combined with the great amount of capital which is looking for investment opportunities in Amsterdam.

But there are also uncertainties. For example, it is still unclear what the influence of the still growing Airbnb will be on the hotel market. And Brexit and terrorist threats can also weaken growth. Yet the expectation of **Invast Hotels** is that the growth will continue in the near future. The number of foreign guests continues to increase and, as a result of the improved economic situation, the Dutch are also booking more hotel rooms. Hotels that continue to invest and innovate will eventually benefit most from this situation.

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