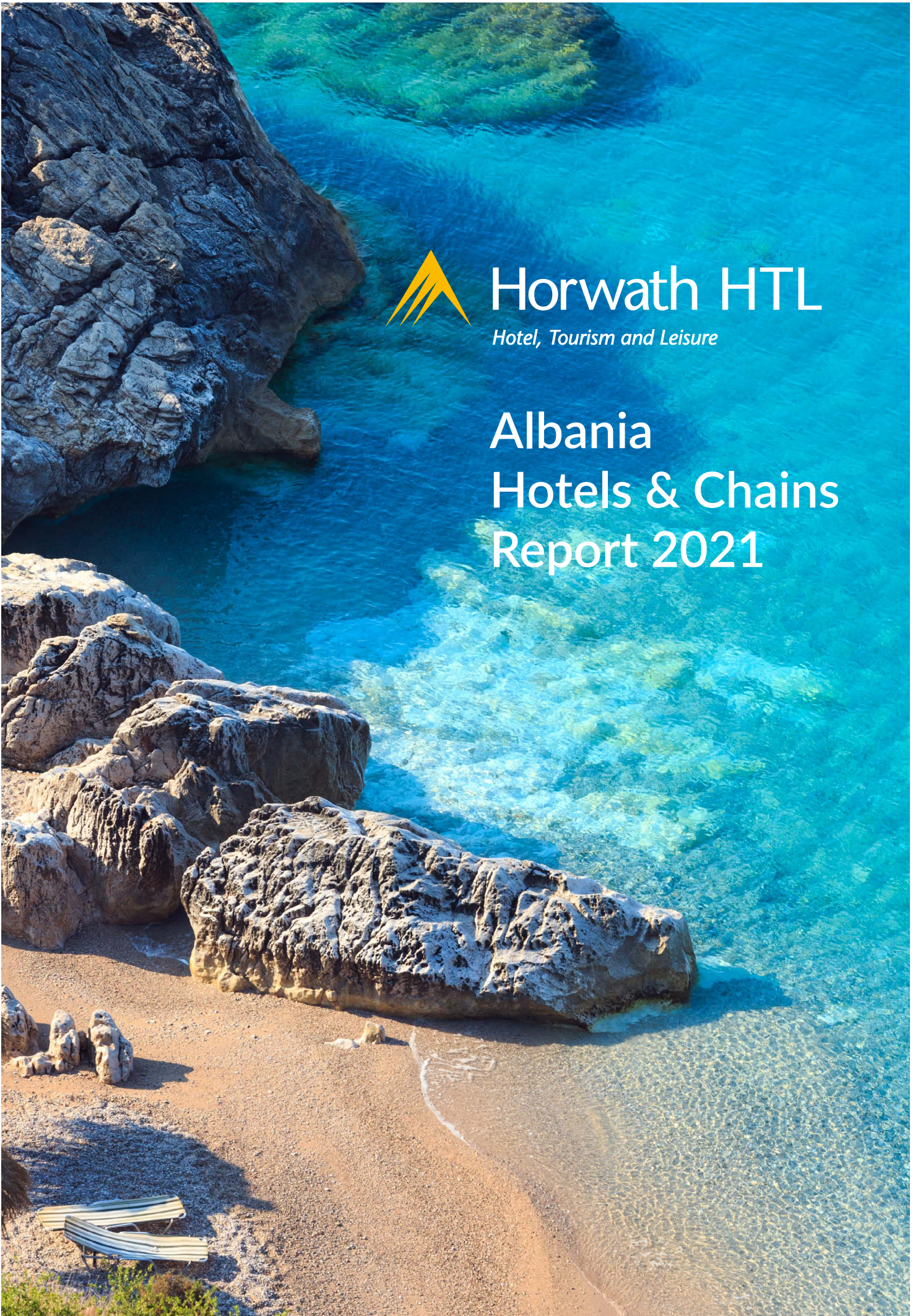




Horwath HTL

*Hotel, Tourism and Leisure*

Albania  
Hotels & Chains  
Report 2021



# *This report provides a snapshot of a fascinating moment in hospitality. Will we see the direction of the industry change forever?*

A very warm welcome to this latest country edition of the Hotels and Chains report. The report was started to examine the relationship between branded hotels and hotel companies and their independent counterparts.

Over the last 20 years or so, branded hotel products have started to become more and more prevalent in Europe and the Middle East. We are still nowhere near North America when it comes to brand penetration, but the industry has definitely been moving in that direction.

Of course, when we wrote the last edition, we had no idea that global events would cause such chaos in a market which had seen unprecedented success in 2019. Needless to say the events of the last 20 months have thrown the ownership and performance of the hotel industry into sharp focus, exacerbating friction between owners and operators, putting pressure on lenders, making development debt something of a mirage and laying waste to the best laid plans of many giants in the industry.

There are signs of life however. Hotel products away from city centres have experienced two summers of unexpectedly high occupancy with the famous staycation surge if not running to the rescue, then certainly helping to keep businesses afloat.

As we recover, we turn our focus once again to branded hotels and products and look to see what affect COVID-19 has had on their inevitable rise. Will the lack of corporate travel and city centre tourists see a slowing of the large brands? Will owners think twice about rebranding with an inevitable rise in costs, or will the pandemic accelerate the move towards the perception of a safe harbour?

The other interesting question is what now happens to the various models that are prevalent in the industry. There are already signs that owners are unhappy with the current arrangements, so will that mean less management contracts and more franchises and will those markets that have traditionally relied on leases be able to create a product that shares the risk more effectively?

This report provides a snapshot of a fascinating moment in hospitality. Will we see the direction of the industry change forever, or will the pain be short term and the new normal looks like the old normal?

James Chappell  
Horwath HTL Global Business Director  
[jchappell@horwathhtl.com](mailto:jchappell@horwathhtl.com)

# Albania

*With more than 350km of Mediterranean coast and a booming urban environment, operators and investors continue to chase opportunities to be the 'first'. Investment opportunities for both international and domestic players, have never been this propitious in Albania as it is today.*

## The Market

Albania's popularity on European incoming markets has grown impressively during the last 5 years. Between 2015 and 2019, foreign arrivals grew by 12% CAGR. In 2019, hotel nights increased by 10% in one year, driven both by a robust domestic demand (+10,4%) and the foreign one (+8,5%). Although the current size remains well below other Mediterranean countries, Albania is establishing itself as the next hotel hotspot on the Mediterranean Sea. Investors and hotel chains are chasing opportunities to enter key cities and S&B destinations and benefit from first-mover advantages.

Since 2018, the hotel supply has pursued its consolidation phase. Chain hotels almost doubled, passing from 12 to 23 properties, or from 736 to 1,277 rooms. The penetration rate on hotels grew from 1,2% to 2%, with International Chains branding 5 properties. A valid example is Maritim hotels, from Germany, which has entered the market in 2019, with a 5\* property in central Tirana, and, for the summer of 2021, promptly opening a new resort on the coastline. A similar development strategy is being planned by Melià.

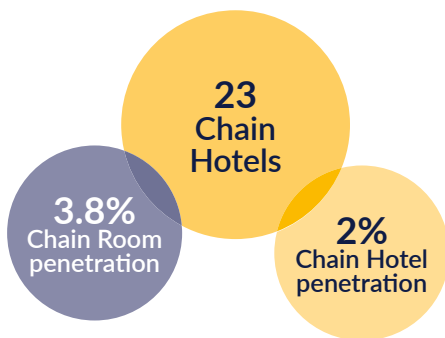
Domestic Chains have strengthened their position and increased their portfolio from 525 rooms to 888 rooms. This strong increase was also recorded due to the development of the domestic group Via Hotels which was able to group more than 10 hotels under its brands over the last two years.

The most of future development is expected to be driven both by the international brands, especially targeting S&B resorts and franchising opportunities in key cities, and by domestic hotel chains, through franchising/affiliation models and local operators' horizontal integration. The post-Pandemic recovery shall be seized as an opportunity for the Albanian Hotel supply to pursue its domestic hotel development and to stand out as a qualitative competitor to other Mediterranean destinations.

## Key Points

- **350 km of beaches**  
Albania offers over 350 km of untouched beaches and bays along the Adriatic and Ionian seas. Half of the Chain hotels are located on the coastline and the pipeline confirms the interest of developers, operators and international brands for the new emerging S&B destinations.
- **Tirana leading the way**  
The capital leads the Chain hotels development in the country by doubling its supply over the last two years.
- **A flourishing domestic market**  
Not only domestic demand represents more than half of the hotel nights in the country and is growing at a faster pace than the foreign demand, but also the domestic supply is undergoing a consolidation phase with new players such Via Hotels. We expect the next three years a robust growth of local operators.

Zoran Bačić  
Managing Director  
Horwath HTL Italy  
[zbacic@horwathhtl.com](mailto:zbacic@horwathhtl.com)



Key Statistics	2018	2019	2020
Total chain hotels	12	23	23
Total chain rooms	736	1,277	1,277
Average size per chain hotel in rooms	61.3	55.5	55.5
Country hotels stock (overall supply)	1,021	1,126	1,126
Country rooms Stock (overall supply)	30,524	33,798	33,798
Average size per hotel in rooms	29.9	30.0	30.0
Chain penetration % by hotels	1.2%	2.0%	2.0%
Chain penetration % by rooms	2.4%	3.8%	3.8%
Total number of brands	4	6	7
Domestic brands	2	3	4
International brands	2	3	3
Second-tier operated hotels	0	0	2
International chain hotels*	3	3	5
Domestic chain hotels*	9	20	20
International chain rooms*	211	389	454
Domestic chain rooms*	525	888	888

\* Includes double counting

## Albania: Ranking by Size

CHAINS			
Rank	Chain Groups	Hotels	Rooms
1	Harmonia Hotels Group	4	422
2	Via Hotels	11	371
3	Maritim Hotels	1	190
4	Hilton Group	1	143
5	Albanian Resort	5	95
6	Hotusa Group	2	65
7	BWH Hotel Group	1	56

Rank	Domestic Chain Groups	Hotels	Rooms
1	Harmonia Hotels Group	4	422
2	Via Hotels	11	371
3	Albanian Resort	5	95

Rank	International Chain Groups	Hotels	Rooms
1	Maritim Hotels	1	190
2	Hilton Group	1	143
3	Hotusa Group	2	65
4	BWH Hotel Group	1	56

BRANDS			
Rank	Chain Brands	Hotels	Rooms
1	Harmonia Hotels	4	422
2	Via Hotels	11	371
3	Maritim Hotels	1	190
4	Hilton Garden inn	1	143
5	Albanian Resort	5	95
6	Hotusa Group	2	65
7	Best Western Premier	1	56

Rank	Domestic Chain Brands	Hotels	Rooms
1	Harmonia Hotels	4	422
2	Via Hotels	11	371
3	Albanian Resort	5	95

Rank	International Chain Brands	Hotels	Rooms
1	Maritim Hotels	1	190
2	Hilton Garden inn	1	143
3	Hotusa Group	2	65
4	Best Western Premier	1	56

## Albania: Ranking by Scale

DOMESTIC BRANDS			
Rank	Economy & Midscale	Hotels	Rooms
1	Harmonia Hotels Group	2	89
2	Albanian Resort	2	38

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Via Hotels	11	371
2	Harmonia Hotels	2	333
3	Albanian Resort	3	57

Rank	Luxury	Hotels	Rooms

INTERNATIONAL BRANDS			
Rank	Economy & Midscale	Hotels	Rooms

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Hilton Group	1	143
2	Hotusa Group	2	65
3	BWH Hotel Group	1	56

Rank	Luxury	Hotels	Rooms
1	Maritim Hotels	1	190

## Albania: Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Midscale	4	127	9.5%	32	4	127		
Upscale & U.Upscale	20	1,025	76.4%	51	16	761	4	264
Luxury	1	190	14.2%	190			1	190
<b>TOTAL</b>	<b>25</b>	<b>1,342</b>	<b>100%</b>	<b>54</b>	<b>20</b>	<b>888</b>	<b>5</b>	<b>454</b>

## Albania: Business Model

BY HOTELS								
	Franchising	%	Lease	%	Owned	%	Total	%
Midscale			4	100%	1	5%	4	16%
Upscale & U.Upscale	14	70%	4	20%			20	80%
Luxury			1	100%	1	4%	1	4%
<b>TOTAL</b>	<b>14</b>	<b>56%</b>	<b>9</b>	<b>36%</b>			<b>25</b>	<b>100%</b>

BY ROOMS								
	Franchising	%	Lease	%	Owned	%	Total	%
Midscale			127	100%			127	9%
Upscale & U.Upscale	492	48%	257	25%	133	13%	1,025	76%
Luxury			190	100%			190	14%
<b>TOTAL</b>	<b>492</b>	<b>37%</b>	<b>574</b>	<b>43%</b>	<b>133</b>	<b>10%</b>	<b>1,342</b>	<b>100%</b>

## Albania: Ranking by Destination

Rank	Destination	By Hotels
1	Tirana	9
2	Durres	6
3	Saranda	4
4	Kavaje	2
5	Gjirokaster	1
6	Dhermi	1

Rank	Destination	By Rooms
1	Tirana	600
2	Durres	402
3	Kavaje	168
4	Saranda	67
5	Gjirokaster	20
6	Dhermi	20

## Albania: Destination Pipeline

Rank	Destination	Hotel	Rooms
1	Tirana	2	270
2	Durres	1	350
3	Palase	1	180
4	Vlora	1	96



# Horwath HTL

*Hotel, Tourism and Leisure*

## **AFRICA**

Rwanda  
South Africa

## **ASIA PACIFIC**

Australia  
China  
Hong Kong  
India  
Indonesia  
Japan  
Malaysia  
New Zealand  
Singapore  
Thailand

## **EUROPE**

Andorra  
Austria  
Croatia  
Cyprus  
Germany  
Greece  
Hungary  
Ireland  
Italy  
Netherlands  
Norway  
Poland  
Portugal  
Russia  
Serbia  
Spain  
Switzerland  
Turkey  
United Kingdom

## **LATIN AMERICA**

Argentina  
Brazil  
Chile  
Dominican Republic  
Mexico

## **MIDDLE EAST**

UAE & Oman

## **NORTH AMERICA**

Atlanta  
Denver  
Los Angeles  
Miami  
Montreal  
New York  
Norfolk  
Orlando  
Toronto

[www.horwathhtl.com](http://www.horwathhtl.com)

*Horwath HTL has made every effort to ensure that all data in this report is as accurate as possible at the time of publication, we cannot however guarantee that this is the case. All country figures from UNWTO.*

*All data as of 30 April 2021  
Publication date: 1st September 2021*