Horwath HTL

Hotel, Tourism and Leisure

Germany 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.

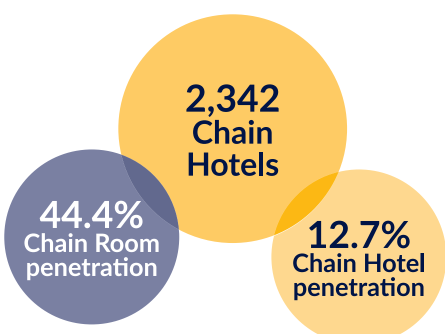
There are signs of life however. Hotel products away from city centres have experienced two summers of unexpectedly high occupancy with the famous staycation surge if not running to the rescue, then certainly helping to keep businesses afloat.

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



Key Statistics	2018	2019	%
Total chain hotels	2,217	2,342	**5.6%**
Total chain rooms	317,235	335,248	**5.7%**
Average size per chain hotel in rooms	143	144	**0.7%**
Country hotels stock (overall supply)	20,029	20,293	**1.3%**
Country rooms Stock (overall supply)	827,861	832,013	**0.5%**
Average size per hotel in rooms	41	41	**0.0%**
Chain penetration % by hotels	12.5%	12.7%	**1.6%**
Chain penetration % by rooms	42.7%	44.4%	**4.0%**
Total number of brands	222	218	**-1.8%**
Domestic brands	89	89	**0.0%**
International brands	131	129	**-1.5%**
Second-tier operated hotels	31	31	**0.0%**
International chain hotels*	1,316	1,405	**6.8%**
Domestic chain hotels*	898	962	**7.1%**
International chain rooms*	197,028	212,675	**7.9%**
Domestic chain rooms*	120,207	122,573	**2.0%**

** Does not include double counting*

Germany

Chain penetration hit an all-time high while the overall German market continued to grow steadily by more than 18,000 rooms and 125 hotels in 2019.

The Market

Even though the share of the chain hotel industry in the overall German market is only 12.7%, a trend towards chain hotels continues to emerge, especially in Germany's large cities.

Chain penetration in terms of both rooms and hotels has risen compared to 2018. It is striking that the chain penetration by hotels only increased by 1.6% from 12.5% to 12.7%, while chain penetration by rooms increased by 4% from 42.7% to 44.4%. This reflects the trend towards fewer hotels with a higher number of rooms. At the same time, the average room size remains the same as in the previous year.

The current demand for the construction of new hotels relates particularly to Germany's major cities. The focus is on hotels from the midscale sector with brands such as the Niu by Novum Hotels, Moxy Hotels by Marriott International and Premier Inn by Whitbread PLC.

Key Points

- Deutsche Hospitality was acquired in 2019 for €700 million by a subsidiary of the Chinese concern, Huazhu. In addition to Steigenberger Hotels, Deutsche Hospitality also owns IntercityHotels, MAXX by Steigenberger and Jaz in the City, among others. A total of 118 hotels in 19 countries changed hands.

- Best Western Hotels & Resorts took over the hotel brand WorldHotels with around 300 hotels, which will continue to operate under the same name. The purchase is intended to expand Best Western's upper upscale and luxury segment.

- Pandox and AroundTown were the most active institutional buyers in 2019, acquiring 12 and 9 properties each, indicating a consolidation of the institutional hotel owners market and a healthy interest for hotel assets.

Prof. Dr. Christian Buer
Managing Director
Horwath HTL Germany
cbuer@horwathhtl.com

Germany: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Accor Hotels	366	50,342
2	BWH Hotel Group	227	24,896
3	NOVUM Hospitality	165	22,081
4	Marriott International-Europe	95	19,300
5	IHG	101	18,500
6	Wyndham Hotel Group	110	15,300
7	Motel One GmbH	51	14,342
8	B&B Hotels GmbH	133	13,500
9	Deutsche Hospitality	69	12,700
10	NH Hotels Deutschland	57	10,100
	Domestic Chain Groups	Hotels	Rooms
1	NOVUM Hospitality	165	22,081
2	Motel One GmbH	51	14,342
3	Deutsche Hospitality	69	12,700
4	NH Hotels Deutschland	57	10,100
5	Top International Hotels	128	9,600
6	Maritim Hotelgesellschaft	32	9,474
7	H-Hotels AG	53	8,071
8	Dorint GmbH	48	7,760
9	Ringhotels e.V.	100	6,900
10	A&O Hotels & Hostels	24	5,100
	International Chain Groups	Hotels	Rooms
1	Accor Hotels	366	50,342
2	BWH Hotel Group	227	24,896
3	Marriott International-Europe	95	19,300
4	IHG	101	18,500
5	Wyndham Hotel Group	110	15,300
6	B&B Hotels GmbH	133	13,500
7	Radisson Hotel Group	41	9,644
8	Leonardo Hotels Europe	54	8,945
9	Hilton Worldwide	33	7,950
10	Meliá Hotels International	28	4,500

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Motel One	54	15,204
2	Mercure	103	14,517
3	B&B Hotels	136	13,876
4	Best Western	119	11,672
5	Ibis	85	11,283
6	Maritim	31	9,084
7	NH Hotels	52	8,724
8	Ibis budget	81	7,923
9	Dorint H&R	45	7,521
10	Intercity Hotels	39	7,193
	Domestic Chain Brands	Hotels	Rooms
1	Motel One	54	15,204
2	Maritim	31	9,084
3	Dorint H&R	45	7,521
4	Intercity Hotels	39	7,193
5	Steigenberger H&R	34	6,947
6	H+ Hotels	42	5,217
7	Novum Hotels	62	4,893
8	A&O Hotels	25	4,788
9	Lindner Hotels	24	3,192
10	Dormero Hotels	26	3,164
	International Chain Brands	Hotels	Rooms
1	Mercure	103	14,517
2	B&B Hotels	136	13,876
3	Best Western	119	11,672
4	Ibis	85	11,283
5	NH Hotel	52	8,724
6	Leonardo Hotels	50	8,176
7	Ibis budget	81	7,923
8	Holiday Inn	31	7,235
9	Radisson BLU	24	6,621
10	Holiday Inn Express	34	5,195

Germany: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Motel One	54	15,204
2	Intercity Hotels	39	7,193
3	Novum Hotels	62	4,893
4	A&O Hotels And Hostels	25	4,788
5	Centro Hotels	35	1,935
6	Meininger Hotels	12	1,911
7	Achat Comfort	15	1,657
8	Morada Hotels & Resorts	10	1,229
9	Ghotel Hotel & Living	7	1,057
10	Livinghotels	3	822
	Upscale & Upper Upscale	Hotels	Rooms
1	Maritim	31	9,084
2	Dorint Hotels & Resort	41	7,019
3	H+ Hotels	34	6,310
4	Lindner Hotels & Resorts	24	3,192
5	Dormero Hotels	26	3,164
6	Steigenberger H&R sorts	17	3,155
7	Intercity Hotels	15	2,706
8	H4 Hotels	10	2,231
9	Pentahotels	10	1,909
10	Welcome Hotels	11	1,627
	Luxury	Hotels	Rooms
1	Steigenberger H&R	17	3,782
2	Roomers	3	526
3	A-ROSA	3	520
4	Dorint Hotel & Resorts	4	502
5	Althoff Hotel Collection	4	474
6	Dr. Lohbecker Privathotels	2	322
7	Vila Vita Hotels	2	278
8	Hyperion Hotels	1	235
9	Fleming's Selection	1	206
10	Livinghotels	1	170

	INTERNATIONAL BRANDS		
Rank	Economy & Midscale	Hotels	Rooms
1	Mercure	103	14,517
2	B&B Hotels	136	13,876
3	Ibis	85	11,283
4	Ibis budget	81	7,923
5	Holiday Inn Express	40	6,107
6	Best Western	58	5,899
7	Novotel	21	4,428
8	Ibis Styles	36	3,343
9	MOXY Hotels	15	2,658
10	Comfort Hotels	17	1,982
	Upscale & Upper Upscale	Hotels	Rooms
1	NH Hotel	48	8,329
2	Holiday Inn	29	6,789
3	Best Western	61	5,773
4	Leonardo Hotels	39	6,245
5	Radisson Blu	21	5,593
6	Best Western Plus	38	4,236
7	Hilton	9	3,078
8	Courtyard by Marriott	16	2,859
9	Park Inn By Radisson	9	2,242
10	Innside by Meliá	13	2,131
	Luxury	Hotels	Rooms
1	Sheraton	4	1,851
2	Westin Hotels & Resort	4	1,642
3	Kempinski	8	1,621
4	Hilton	4	1,614
5	Le Méridien	5	1,421
6	Marriott	3	1,337
7	Intercontinental H&R	3	1,312
8	Sofitel	6	1,268
9	Hyatt Regency	3	879
10	The Ritz Carlton	2	473

Germany: Ranking per Scale & Size

CHAINS	OVERALL			DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	514	68,734	135	119	24,744	395	43,990
Midscale	709	82,982	121	321	29,043	388	53,939
Upscale & U.Upscale	1007	158,556	157	453	65,008	554	93,548
Luxury	112	24,976	226	50	11,150	62	13,826
TOTAL	**2,342**	**335,248**	**144**	**943**	**129,945**	**1,399**	**205,303**

Germany: Ranking by Destination

Rank	Destination	By Hotels	By Rooms
1	Berlin	225	44,895
2	Munich	165	31,172
5	Frankfurt (Main)	147	28,560
3	Hamburg	145	22,566
4	Dusseldorf	84	12,633
7	Cologne	72	11,600
7	Stuttgart	55	9,122
6	Dresden	46	8,522
9	Leipzig	46	6,872
10	Nuremberg	41	6,030

Germany: Destination Pipeline

Rank	Destination	Hotel	Rooms
1	Dusseldorf	12	3,479
2	Frankfurt am Main	10	2,990
3	Hamburg	11	2,582
4	Berlin	11	2,400
5	Stuttgart	10	1,959
6	Munich	7	1,595
7	Cologne	6	1,314
8	Eschborn	3	642
9	Augsburg	4	605
10	Potsdam	4	588

Germany: Institutional Ownership

Rank	Owner	Total Keys
1	Union Investment	11,027
2	Covivio	9,365
3	Pandox	8,235
4	Aroundtown	5,599
5	Art Invest	4,601

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

All data as of June 2021
Publication date: November 2021