



Horwath HTL

Hotel, Tourism and Leisure



Switzerland Hotels & Chains 2020



Contents

Welcome to Horwath HTL, the global leader in hospitality consulting.

We are a global brand providing quality solutions for hotel, tourism & leisure projects.

[Page 4 Introduction](#)

[Page 7 Foreword](#)

[Page 8 SWITZERLAND](#)

[Page 9 Total Market Switzerland](#)

[Page 11 City Development](#)

[Page 12 Key Statistics](#)

[Page 14 Regional Chain Stock by Scale](#)

[Page 16 Regional Market Penetration](#)

[Page 18 Ranking by Size](#)

[Page 19 Ranking by Scale](#)

[Page 20 Business Model](#)

[Page 24 Overall Ranking by Size & Scale](#)

[Page 24 Demand Driver](#)

[Page 24 Investment](#)

[Page 25 Pipeline](#)

Introduction

When Crisis strikes

Just as we were about to finish preparing this report, COVID-19 made landfall in Europe. In the light of these most recent developments it feels kind of strange to be reporting about the mostly positive developments on the Swiss hotel market in 2019. The coming months will show how drastic the impact on the market will be, not only in Switzerland.

The future will tell if the people's usually short-lived memories will also apply here, and tourism will rebound quickly once the drastic measures and bans have been lifted. Nevertheless, we do expect to see a hastened market-adjustment of outdated supply and hotels that were already struggling with failing liquidity in the aftermath of COVID-19.

This process could even be expedited if hoteliers resort to decreasing their rates, like they did after 9-11 and the global financial crisis in 2010. It took years to get the rates back up and some areas still have not fully recovered from it yet. It would require solidarity among all European hoteliers not to set the price spiral in motion. Unfortunately, history teaches us that this is unlikely to happen.

Looking at the most recent development in the global tourism sector we decided to highlight a subject which has not been of such great importance for the European or so-called developed countries in the recent past. This subject is called

RISK MANAGEMENT

Is there a difference in Risk Management for Chain Hotels compared to local operators?

The answer is YES. Companies experienced in operating in less developed countries and regions have almost certainly a Risk Management and Business Contingency Plan in place. Why? In times of crisis (such as terrorism, outbreak of war, droughts or epidemics to name a few) both, the hotel real estate and the hotel operation rely on a clearly structured risk management for different matters. Partners providing financing and liquidity, domestic and international clients and well trained and skilled workers are aware of the pre-defined procedures. Without them the companies would not be able to survive. They had learned to adapt quickly to new challenges and rapidly changing situations, to cooperate with partners from different sectors and improving their knowledge in a variety of areas.

In Switzerland, we will now enter a new realm of risk management and it will become part of the daily routine for the hospitality sector - not only in Switzerland. We must realize that such a plan will no longer be just a piece of paper – it will be an action plan based on new technologies such as the block chain technology forcing us to think completely out of the box.

The industry will bounce back, and it will only be a question of time until we will report again record figures for arrivals, room nights, occupancy and RevPar. The question will be which players remain in the market. Will the client attitude and booking behaviour change? Will we see new brands and companies or also new structures and concepts in the market?

It is going to be a challenging time, but it also offers the opportunity of adapting to new situations and behaviours of the market.

*Heinz & Michaela Wehrle
Horwath HTL Switzerland*





Ensuring that Switzerland remains in the Schengen area has been a decisive success factor for tourism. We are looking confidently towards an eventful time ahead.

As already seen in the year before, the positive trend in the number of overnight stays in Switzerland continued to also point upwards in 2019: Both the number of domestic guests (+2.9%) and foreign guests (+1.1%) rose equally. This development is one which makes me personally feel positive. Nonetheless, it should not be allowed to obscure the continuing challenges within the sector. Particularly noteworthy in this respect is the lacking availability of skilled workers. The difficulty of attracting and retaining qualified professionals is one which has been a concern for employers in the accommodation sector for some time now. According to current member surveys by HotellerieSuisse, the situation has worsened again since the beginning of the current year. Therefore, solutions must be found at both the corporate and political level. In order to tap new potential in the market for skilled workers, HotellerieSuisse is launching a pilot project this year together with the Zürich regional association, to encourage career-changers to join the industry.

On a political level, we were able to use the election year of 2019 to get the discussion moving about tourism-related topics and to strengthen the feeling of “togetherness” within the sector. A broad-alliance of tourism-related associations coordinated by HotellerieSuisse was not only able to successfully lobby for location development and for related contributions to be made toward the promotion of tourism through

national marketing, but also contributed to a clear “Yes” in the vote on the revised weapons law through the use of a sector-specific campaign. Thus ensuring that Switzerland thereby remains in the Schengen area has been a decisive success factor for tourism, because an open and networked Switzerland also means easier access for qualified specialists to come here.

New concepts are also in the starting blocks in the chain hotel industry - both in urban areas and agglomerations. Many of these are in the budget area. This makes particular sense because the structural adjustment in recent years has mainly taken place in the 1- and 2-star establishments. This vacuum is now being filled by the new concepts expressed within the chain hotel industry, which are bringing cost-effective offers to the marketplace for young and price-conscious guests.

The above-mentioned positive developments within the accommodation sector are a major contribution to the fact that we as an industry have entered 2020 in a stronger position and that despite existing and future challenges, we are looking confidently towards an eventful time ahead.

Andreas Züllig
HotellerieSuisse, President

Switzerland recorded a 2.1% growth in arrivals and a 1.9% increase in nights 2019. The country also recorded a 0.6% drop in hotel stock, yet a plus of 1.1% in rooms.

The Market

In 2019 Switzerland lost 27 hotels equalling an overall decrease of 0.6%. At the same time the number of rooms has increased by 1.1% bringing the average size of hotel to 30.9 rooms - also a plus of 1.8% compared to 2018. Interestingly, the average size in chain affiliated hotels dropped to 107 - one room less than the year before.

On December 31st, 2019 57.4% of the country's hotel supply and 33.1% of all rooms supply were unclassified. In percent, the unclassified room supply grew more than the classified this past year: 1.7% compared to 0.9%. This translates to +706 unclassified and +745 classified rooms in absolute numbers.

Also in absolute numbers, the most remarkable growth in room supply was recorded in Zürich where an additional 814 rooms were introduced to the market. The demand was almost able to match this so that room occupancy was only 0.8% below 2018 figures.

The highest increase in room occupancy was recorded in Basle: +1.8%, followed by Valais: +1.7%.

Fribourg was able to hold the 42% room occupancy rate despite the growth in supply, albeit at lower numbers. The one region which is suffering from shrinking demand and supply is Eastern Switzerland.

Michaela Wehrle, Partner
Horwath HTL Switzerland

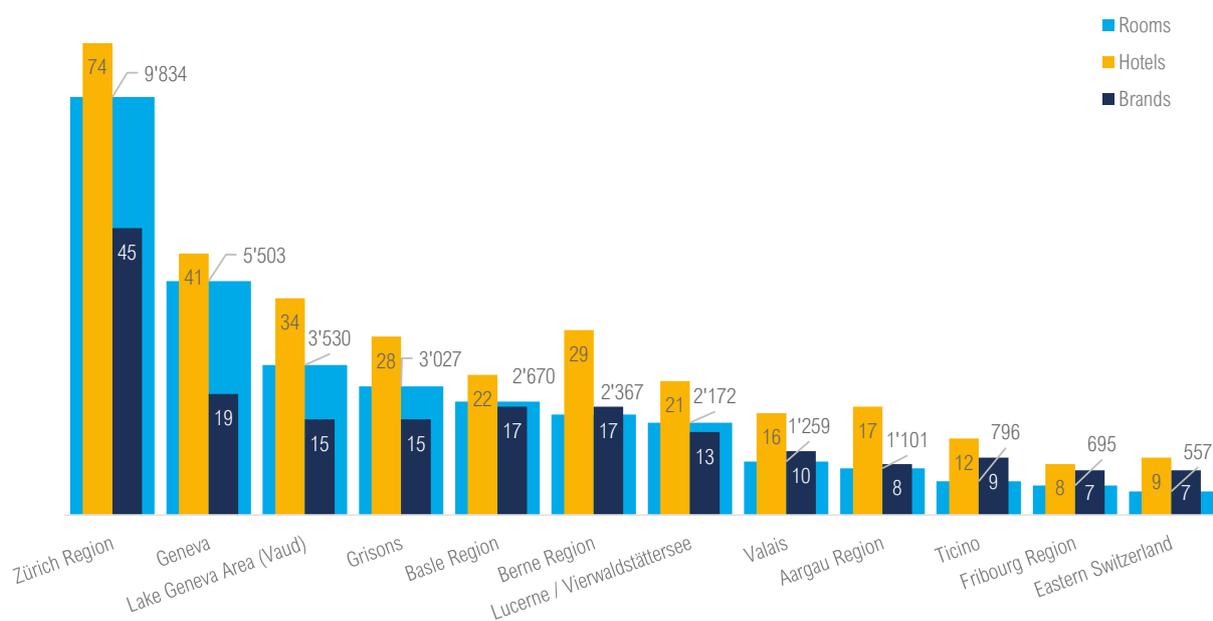
Regional Demand

TOP 5 - CHANGE IN DEMAND 2019 vs 2018			
Rank	Region	Arrivals	Nights
1	Fribourg	6,5%	8,5%
2	Valais	4,8%	3,2%
3	Aargau	4,1%	2,5%
4	Grisons	3,4%	2,4%
5	Zürich	3,0%	3,9%
...			
13	Eastern Switzerland	-2.2%	-2.2%

TOP 3 - AVERAGE LENGTH OF STAY		
Rank	Region	days
1	Grisons	2.6
2	Valais	2.3
3	Ticino	2.1
...		
13	Fribourg	1.6

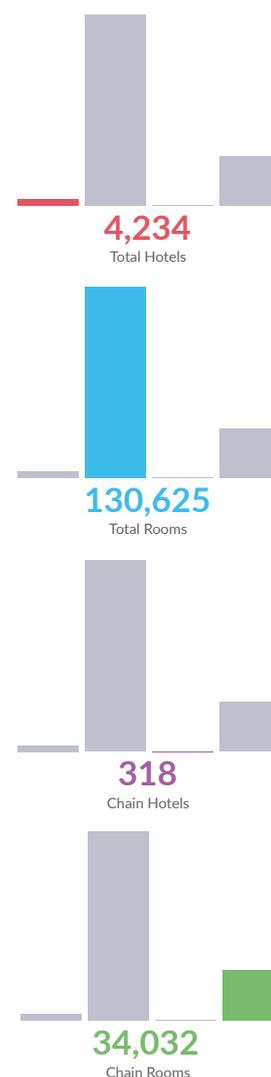
TOP 5 - DOUBLE OCCUPANCY		
Rank	Region	DOF
1	Valais	1.8
2	Berne	1.7
3	Grisons	1.7
4	Lucerne / Vierwaldstättersee	1.7
5	Ticino	1.7
...		
12	Aargau, Geneva	1.3

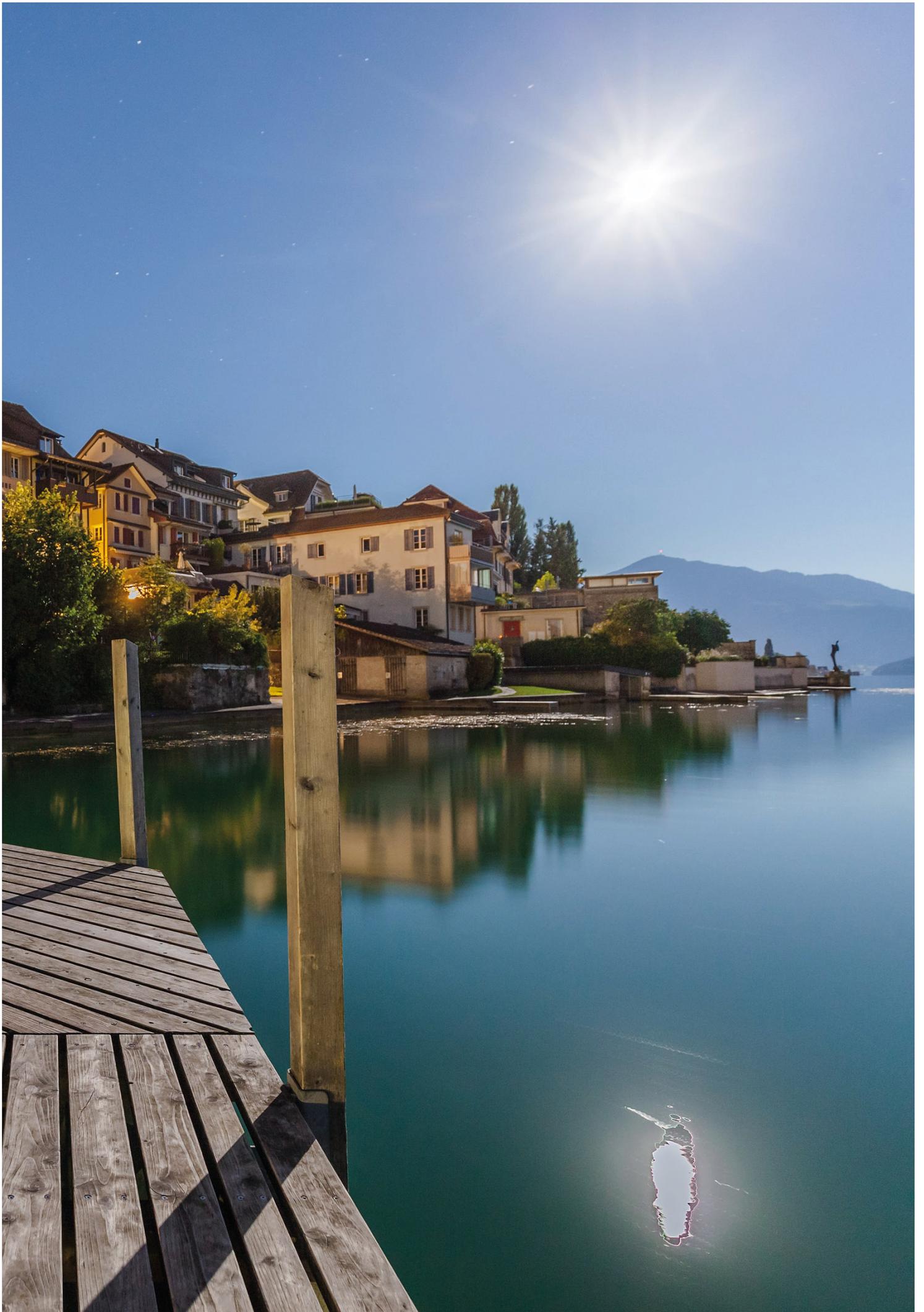
Chain Supply



Total Market Supply

TOTAL SUPPLY				
Region	Hotels	Rooms	Diff. vs 2018	Room Occ.
Aargau Region	159	3,658	-0.2%	45%
Basle Region	121	5,844	-0.5%	60%
Berne Region	561	15,822	-0.3%	59%
Eastern Switzerland	443	8,798	-1.7%	41%
Fribourg	102	2,049	+6.6%	42%
Geneva Region	124	9,697	+0.4%	66%
Grisons	601	18,478	-1.1%	50%
Jura & Three-Lakes	224	3,681	-1.1%	43%
Lake Geneva/Vaud Region	272	9,964	+0.7%	55%
Lucerne / Vierwaldstättersee	413	12,417	+0.6%	54%
Ticino	327	7,834	+0.6%	50%
Valais	531	13,390	-0.8%	54%
Zürich Region	357	18,994	+4.5%	65%





Zug is in for a rough ride as high rates drive clients to new supply and alternative lodgings in surrounding areas.

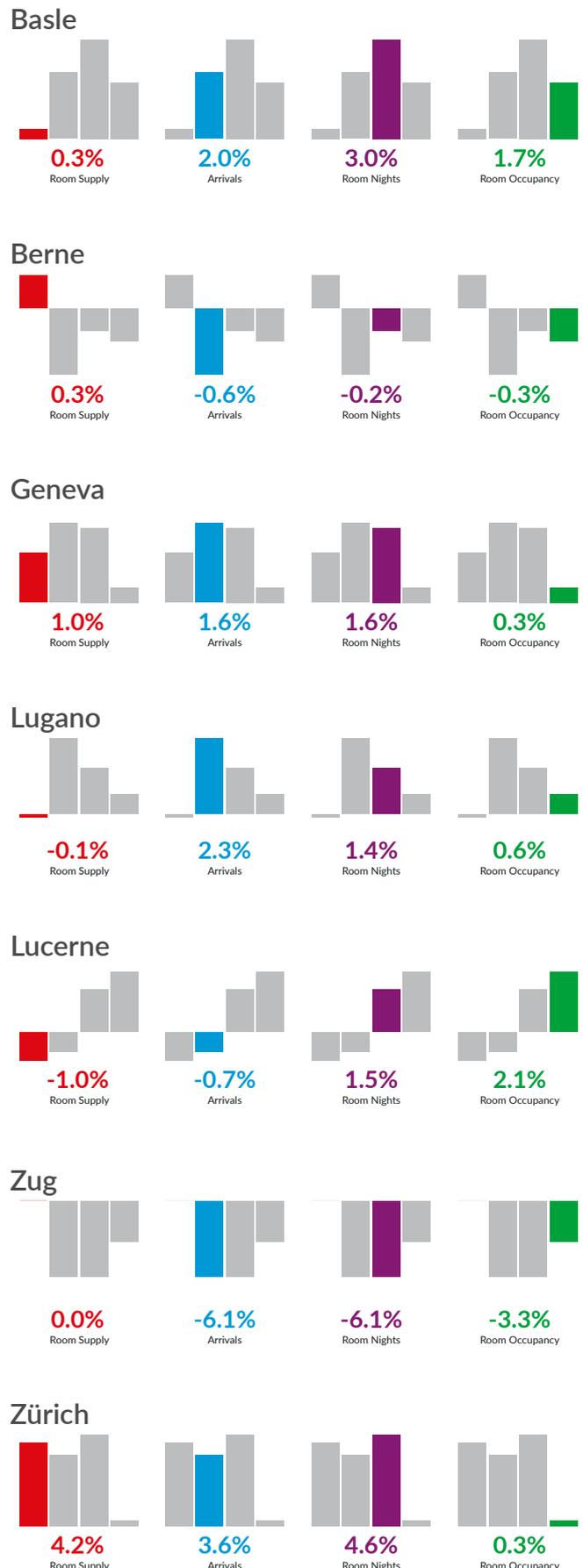
Performance

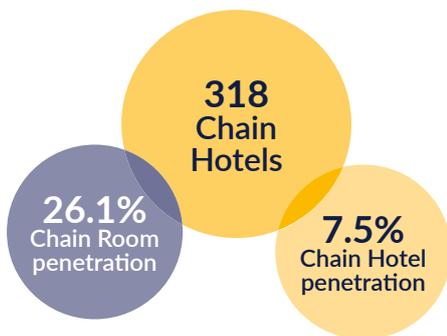
For a long time Zug was in the unique position that it could charge high rates even for outdated supply because there were just no real alternatives in the nearby area.

With new supply in the region between Zug, Zürich and Lucerne, an increase in alternative accommodation that is not registered in statistics and a decrease in arrivals from practically every market except domestic, but especially from China and Germany, room occupancy in Zug dropped to 57.3% - down from 60.6% in 2018.

Zürich on the other hand, despite a remarkable increase in room supply, was still able to increase the room occupancy rate, if even marginally. Data by STR on Zürich prove that the RevPAR at participating hotels even increased by 0.4% to Fr. 170.90.

In Geneva, STR participants recorded an ADR plus of 1.4% and a RevPAR increase of 1.6%. In Switzerland overall, ADR is up 0.5% (Fr. 214.73 vs 213.62) and RevPAR 0.8% (Fr. 144.28 vs 143.12).





Key Statistics	2018	2019	% Diff.
Total chain hotels	312	318	1.9%
Total chain rooms	33,775	34,032	0.8%
Average size per chain hotel in rooms	108	107	-1.1%
Country hotels stock (overall supply)	4,261	4,234	-0.6%
Country rooms Stock (overall supply)	129,174	130,625	1.1%
Average size per hotel in rooms	30.3	30.9	1.8%
Chain penetration % by hotels	7.3%	7.5%	0.2%
Chain penetration % by rooms	26.1%	26.1%	0.0%
Total number of brands	74	80	8.1%
Domestic brands	10	11	10.0%
International brands	63	69	9.5%
Second-tier operated hotels	45	50	11.1%
International chain hotels	171	184	7.6%
Domestic chain hotels	135	134	-0.7%
International chain rooms	23,352	23,980	2.7%
Domestic chain rooms	10,423	10,052	-3.6%

Key Findings

At 1.9% chain hotels growth in Switzerland has been moderate in 2019.

Portfolio adjustments of domestic chains and re-brandings are in parts accountable.

Total Chain Market

The development of Switzerland's chain hotel market drifts continuously towards economy to midscale properties, where there is still room for growth. Not surprisingly, the strongest pipelines for the years to come are in Zürich and Geneva. But also Berne Region, ranked third in the pipeline ranking this year, will see 7 new hotels and 857 additional rooms in the near future. Notably, 21% of the new room supply entering the Swiss market 2020/21 will be in Serviced Apartments operations, the majority thereof around Lake Geneva.

Chains

6 new hotel groups made their first appearance on the Swiss hotel market in 2019 while one group completely left the arena this past year. Victoria Jungfrau Collection was reduced to 2 properties only and is no longer considered a group for the purpose of this report. Overall, we counted 74 hotel groups in Switzerland, including white label operators. The by far largest group is still and again Accor with nearly unbeatable 73 hotels and 9,350 rooms in stock. That is equal to 23% of all branded hotel supply and 27% of branded room supply in this country. IHG in second place holds only one quarter of Accor's total number of rooms.

Brands

Switzerland now counts a total of 80 brands, 6 more than in 2018. Moxy and CitizenM were the most prominently talked about additions. Others were Harry's Home, Campbell Gray Hotels, and Garden Inn. Swiss Belhotels, Dormero and Vienna House re-branded already existing chain hotels.

In a highly competitive market where land is expensive and construction costs a project killer, hotel owners may be able to achieve a better deal when re-branding. Just so happened to Kempinski, the last Swiss hotel chain with international repute. They lose their hometown property to Fairmont which strengthens Accor's stronghold on Geneva.

Growth

Chain hotel growth has slowed down somewhat in 2019 with 17 hotels entering the market representing 1,492 rooms. Not all of them were new builds, however. We also saw de-brandings and re-brandings taking place. Additionally, some domestic groups adjusted their portfolios while others refined their branding strategies. This is something we expect to see more of in the years to come.

Regional Chain Room Stock by Scale

- ★★ Economy & Budget
- ★★★ Midscale & Upper Midscale
- ★★★★ Upscale & Upper Upscale
- ★★★★★ Luxury

★★ 400 ★★★ 798 ★★★★ 1'472 ★★★★★ 0

Basle

★★ 139 ★★★ 66 ★★★★ 316 ★★★★★ 0

Jura & Three Lakes

★★ 203 ★★★ 536 ★★★★ 1'428 ★★★★★ 200

Berne

★★ 327 ★★★ 252 ★★★★ 116 ★★★★★ 0

Fribourg

★★ 447 ★★★ 745 ★★★★ 1'530 ★★★★★ 808

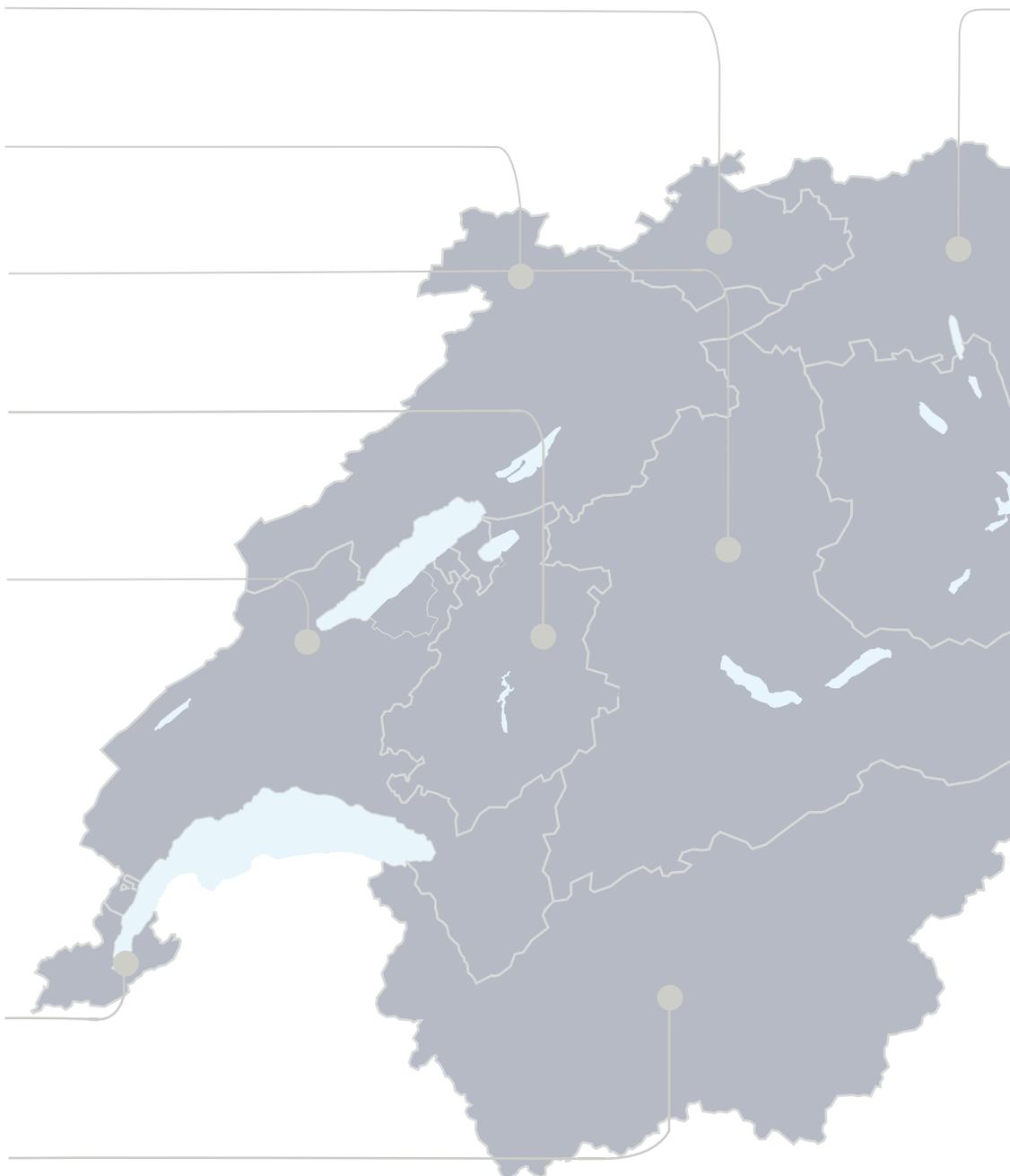
Lake Geneva (Vaud)

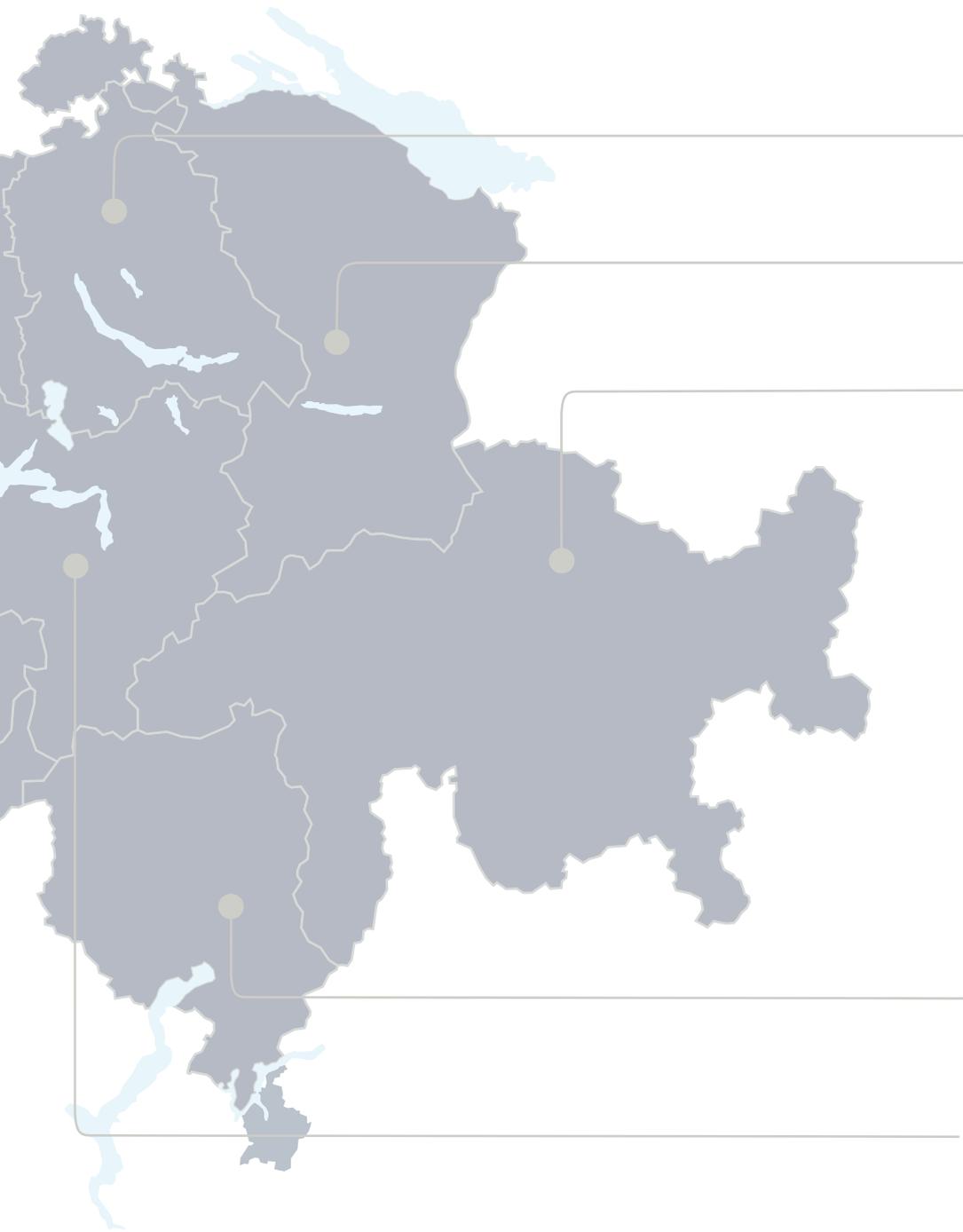
★★ 635 ★★★ 1'743 ★★★★ 1'550 ★★★★★ 1'575

Geneva

★★ 71 ★★★ 420 ★★★★ 421 ★★★★★ 347

Valais





★★ ★★★ ★★★★★ ★★★★★★
64 723 314 0

Aargau

★★ ★★★★★ ★★★★★★ ★★★★★★
1'130 2'300 5'748 456

Zürich

★★ ★★★ ★★★★★ ★★★★★★
0 154 403 0

Eastern Switzerland

★★ ★★★ ★★★★★ ★★★★★★
158 396 1'496 977

Grisons

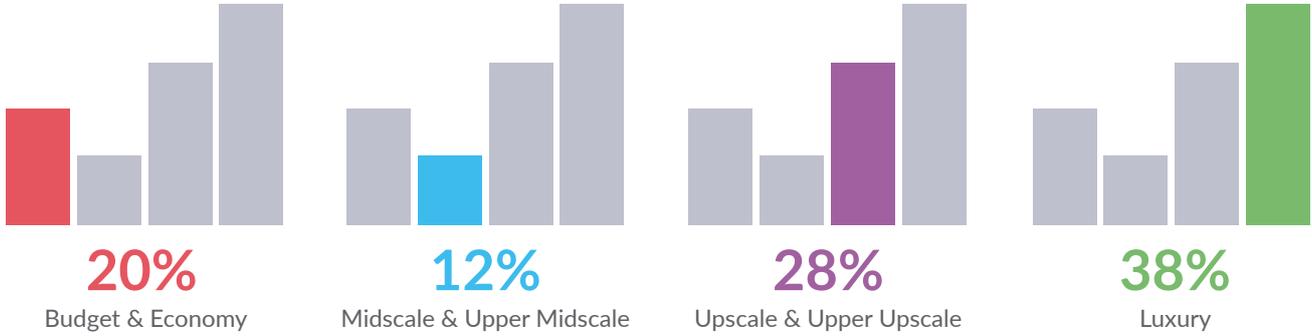
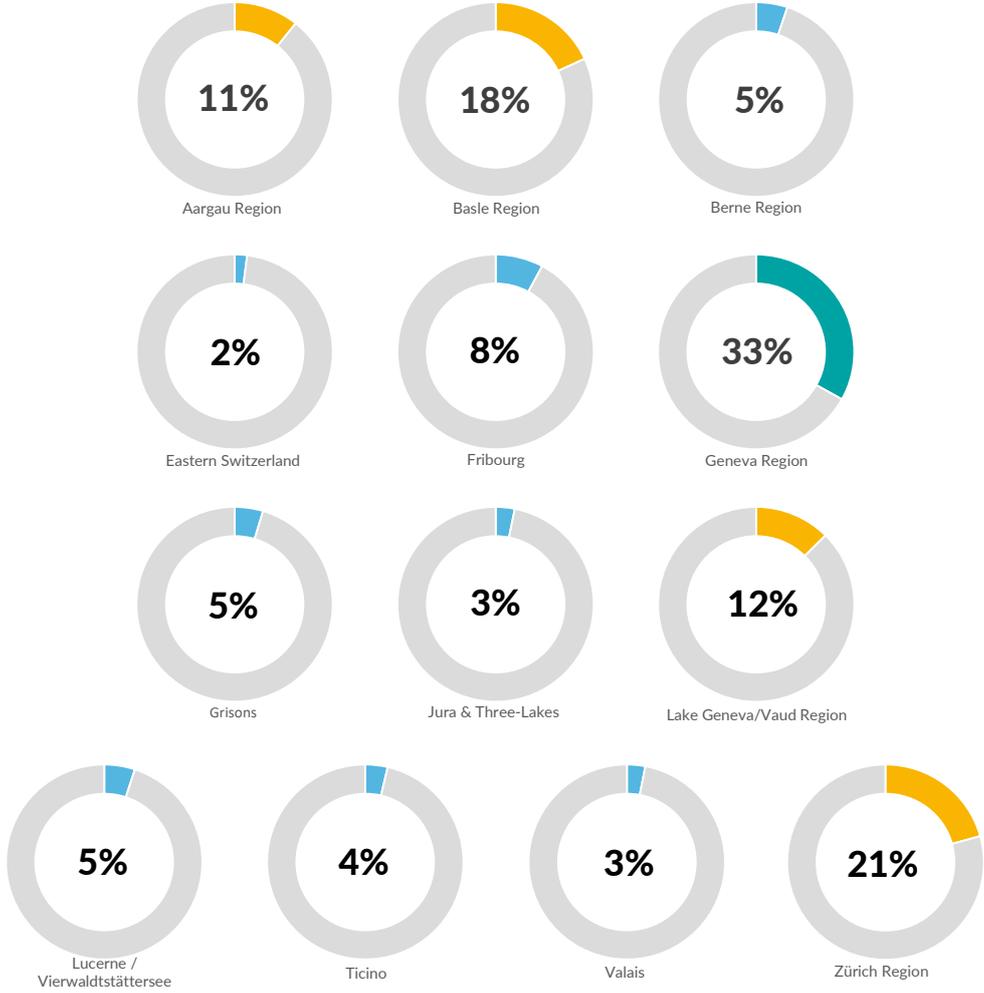
★★ ★★★ ★★★★★ ★★★★★★
153 127 350 166

Ticino

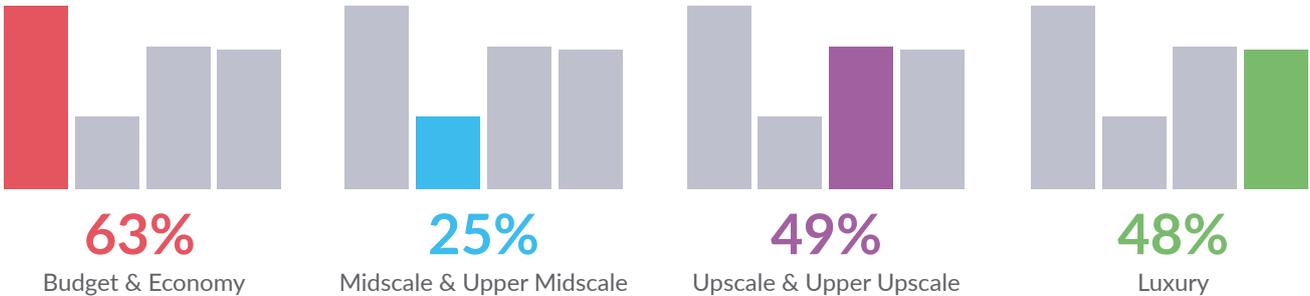
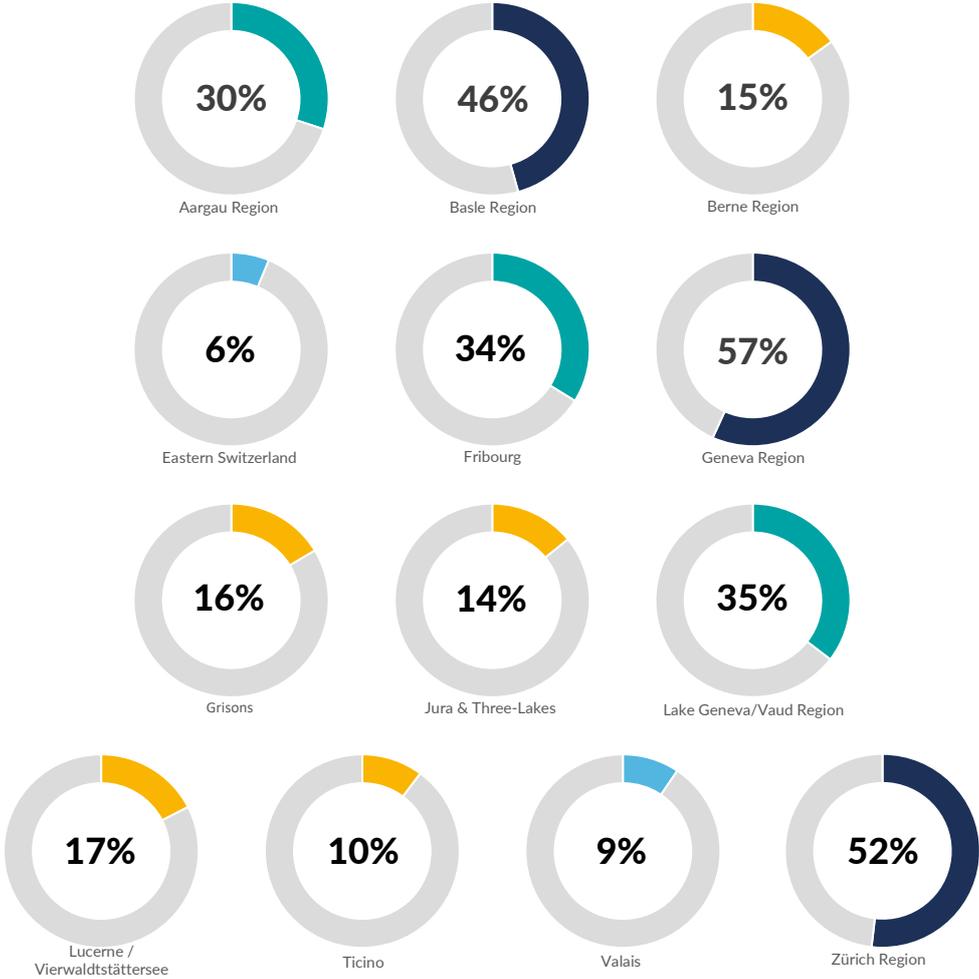
★★ ★★★ ★★★★★ ★★★★★★
197 574 1'161 240

**Lucerne /
Vierwaldstättersee**

Branded Hotel - Market Penetration



Branded Room - Market Penetration



Ranking by Size

CHAINS			
Rank	Chain Groups	Hotels	Rooms
1	Accor	73	9,250
2	IHG	12	2,309
3	Marriott	14	2,113
4	Radisson Hotel Group	7	1'382
5	Sorell Hotels	18	981
6	BWH Hotel Group	14	935
7	Sunstar Hotels	9	875
8	H Hotels	7	799
9	Hotels by Fassbind	7	758
10	Boas Hotels	9	753

Domestic Chain Groups			
Rank	Domestic Chain Groups	Hotels	Rooms
1	Sorell	18	981
2	Sunstar Hotels	9	875
3	Hotels by Fassbind	7	758
4	Boas Hotels	9	753
5	Manotel	6	610
6	Welcome Management	8	592
7	Kempinski	2	596
8	Fassbind Hotels	6	521
9	Hotel Portfolio Holding	4	508
10	Aargauhotels	11	478

International Chain Groups			
Rank	International Chain Groups	Hotels	Rooms
1	Accor	73	9,250
2	IHG	12	2,309
3	Marriott	14	2,113
4	Radisson Hotel Group	7	1'382
5	BWH Hotel Group	14	935
6	H Hotels	7	799
7	Hilton	4	697
8	Katara Hospitality	5	658
9	Motel One	2	543
10	Dorint	3	534

BRANDS			
Rank	Chain Brands	Hotels	Rooms
1	Ibis	25	2,539
2	Ibis budget	13	1,692
3	Mövenpick	5	1,306
4	Novotel	7	1,099
5	Radisson Blu	5	1,092
6	Sorell	18	981
7	Sunstar	9	875
8	Ibis styles	9	781
9	Crowne Plaza	2	731
10	Bürgenstock Selection	5	658

Domestic Chain Brands			
Rank	Domestic Chain Brands	Hotels	Rooms
1	Sorell	18	981
2	Sunstar	9	875
3	Kempinski	2	596
4	by Fassbind	5	560
5	Arenas - The Resort	4	508
6	Welcome Hotels	6	438
7	Giardino	4	260
8	Bâle Hotels	3	218
9	Swiss Night	2	198
10	Seiler Hotels	2	191

International Chain Brands			
Rank	International Chain Brands	Hotels	Rooms
1	Ibis	25	2,539
2	Ibis budget	13	1,692
3	Mövenpick	5	1,306
4	Novotel	7	1,099
5	Radisson Blu	5	1,092
6	Ibis styles	9	781
7	Crowne Plaza	2	731
8	Bürgenstock Selection	5	658
9	Holiday Inn Express	5	639
10	Swissotel	2	585

Ranking by Scale

DOMESTIC BRANDS			
Rank	Economy & Midscale	Hotels	Rooms
1	Sorell	13	737
2	Arenas - The Resort	4	508
3	Welcome hotels	5	306
4	Hotels by Fassbind	3	178
5	Welcome homes	2	154
6	Siwss Night	1	51
7	Bâle Hotels	1	47
8	Giardino	1	15

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Sunstar	9	875
2	Hotels by Fassbind	2	382
3	Sorell	5	244
4	Bâle Hotels	2	171
5	Swiss Night	1	147
6	Welcome hotels	1	132
7	Seiler Hotels	1	41

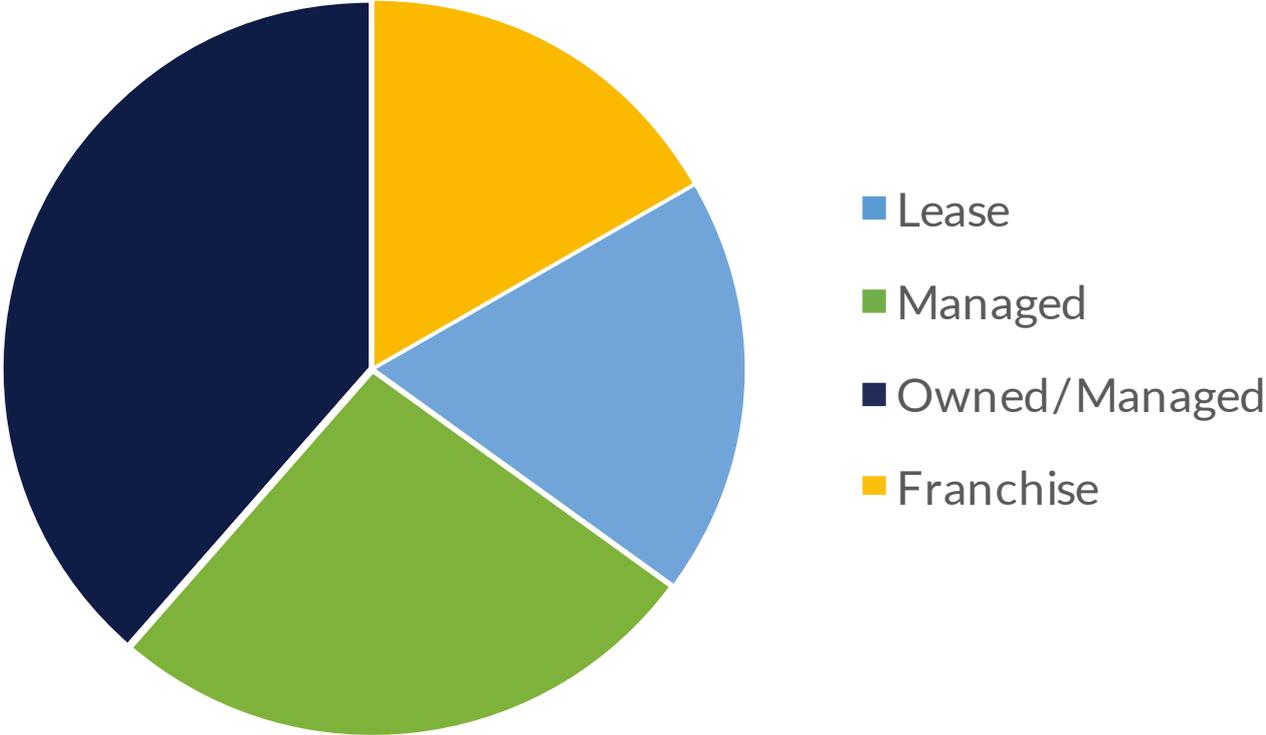
Rank	Luxury	Hotels	Rooms
1	Kempinski	2	596
2	Giardino	3	245
3	Seiler Hotels	1	150

INTERNATIONAL BRANDS			
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	25	2'539
2	Ibis budget	13	1'692
3	Ibis styles	9	781
4	Motel One	2	543
5	Holiday Inn Express	4	479
6	Best Western	6	414
7	25 hours	2	296
8	B&B	2	250
9	Adagio	2	179
10	CitizenM	1	160

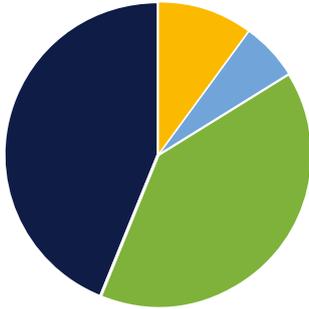
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	7	1,099
2	Radisson BLU	5	1,092
3	Mövenpick	4	956
4	Crowne Plaza	2	731
5	Swissôtel	2	585
6	Dorint	3	534
7	Holiday Inn	3	390
8	Renaissance	2	387
9	Club Med	1	358
10	H+ Hotels	3	357

Rank	Luxury	Hotels	Rooms
1	Intercontinental	2	549
2	Bürgenstock Selection	3	397
3	Mövenpick	1	350
4	Autograph Selection	2	275
5	Fairmont	1	236
6	Mandarin Oriental	1	189
7	la Reserve	2	152
8	W	1	127
9	Steigenberger	1	126
10	Four Seasons	1	115

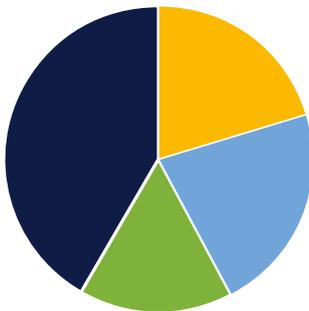
Business Model 



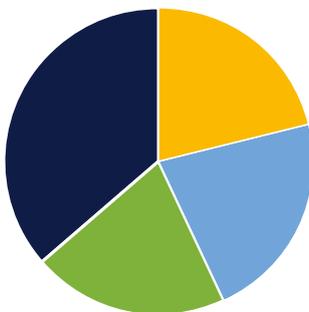
Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Overall	Lease	56	6,310	17.45%	18.33%
	Managed	74	9,039	23.05%	26.26%
	Owned/Managed	140	13,285	38.60%	23.63%
	Franchise	51	5,784	15.89%	16.81%



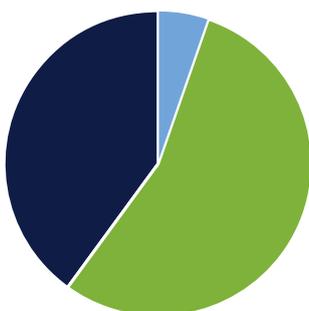
Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Economy	Lease	2	250	4.88%	6.06%
	Managed	17	1,655	41.46%	40.13%
	Owned/Managed	16	1,800	39.02%	43.65%
	Franchise	6	419	14.63%	10.16%



Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Midscale	Lease	22	1,952	18.80%	22.10%
	Managed	16	1,411	13.68%	15.97%
	Owned/Managed	59	3,673	50.43%	41.58%
	Franchise	20	1,798	17.09%	20.35%

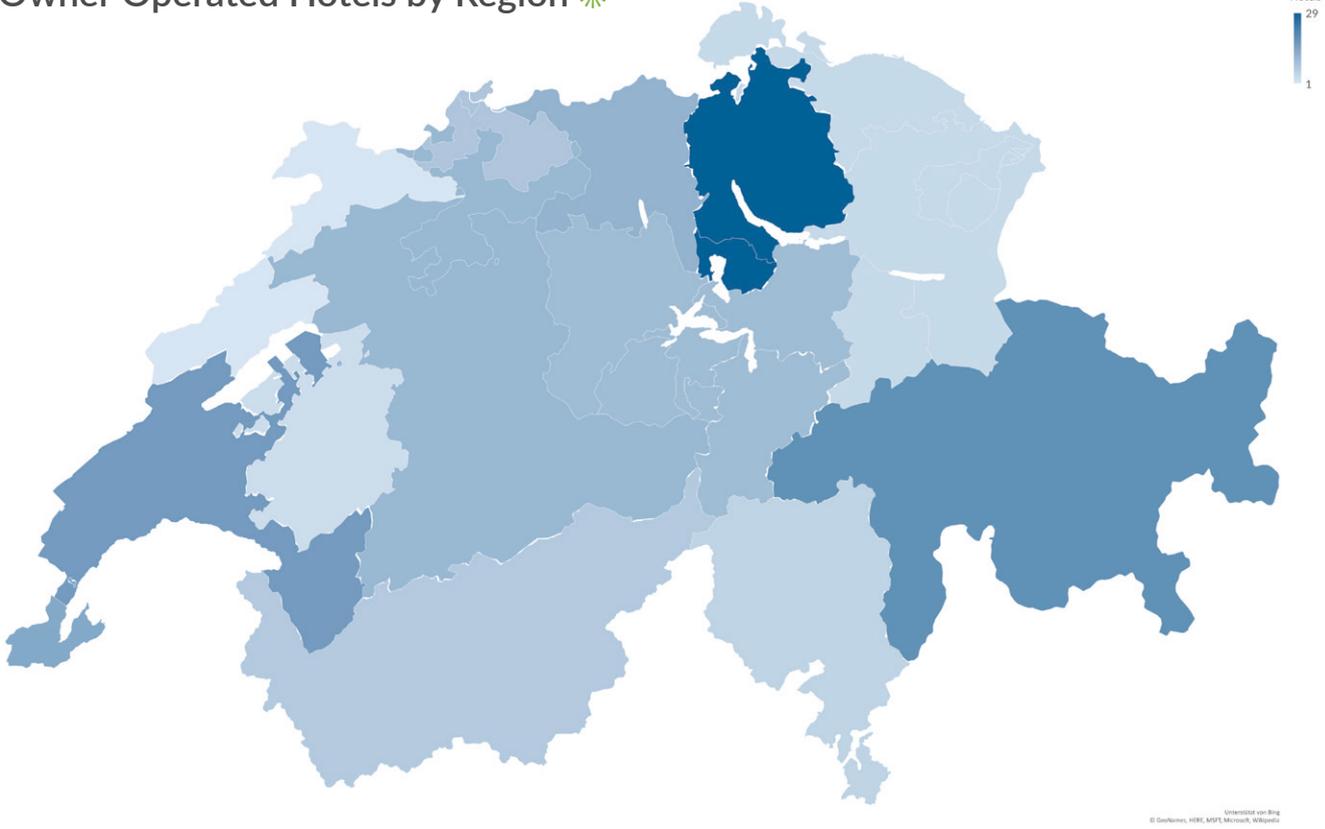


Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Upscale & Upper Upscale	Lease	27	3,577	21.60%	21.94%
	Managed	24	3,367	19.20%	20.65%
	Owned/Managed	50	5,906	40.00%	36.22%
	Franchise	24	3,455	19.20%	21.19%

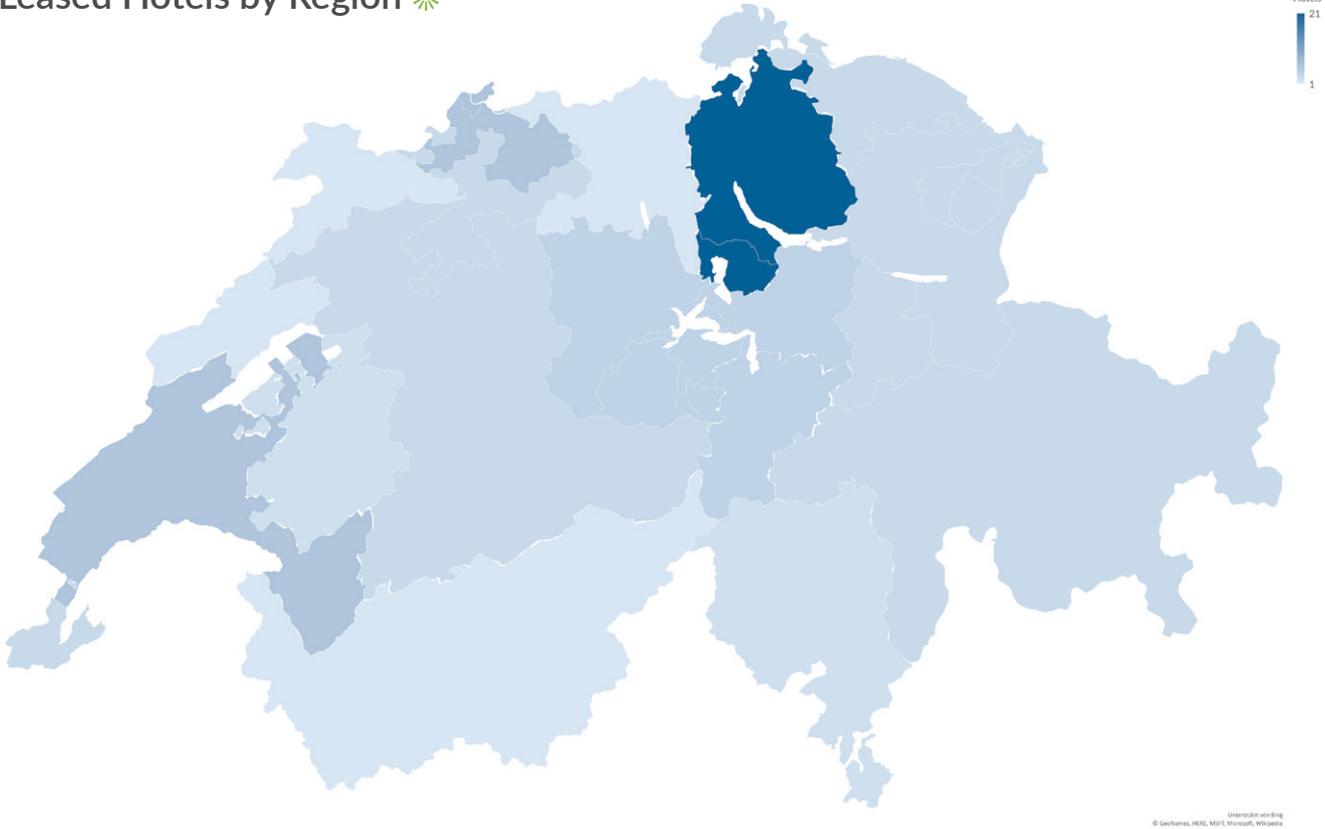


Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Luxury	Lease	3	257	8.57%	5.39%
	Managed	17	2,606	48.57%	54.64%
	Owned/Managed	15	1,906	42.86%	39.97%
	Franchise	0	0	-%	-%

Owner Operated Hotels by Region ☀



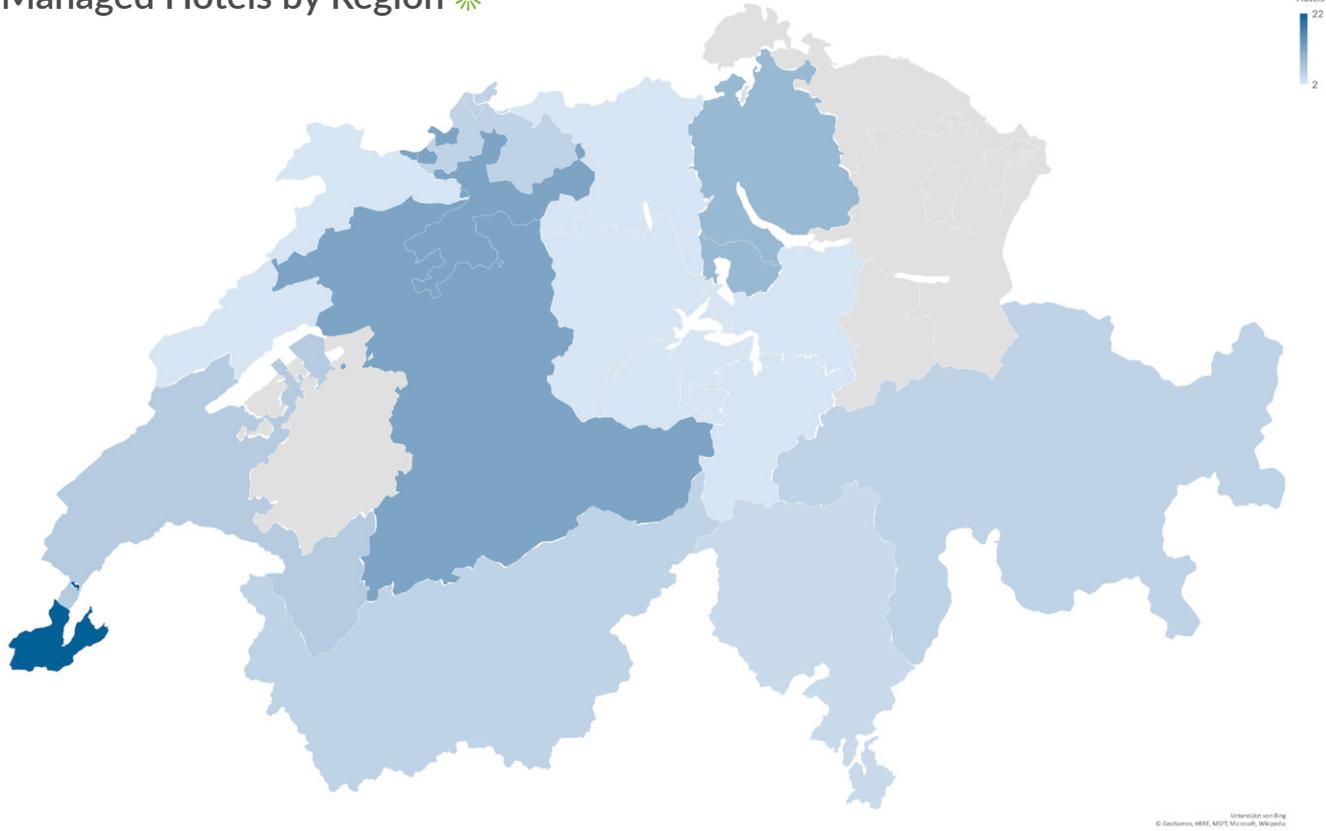
Leased Hotels by Region ☀



Franchised Hotels by Region ☀

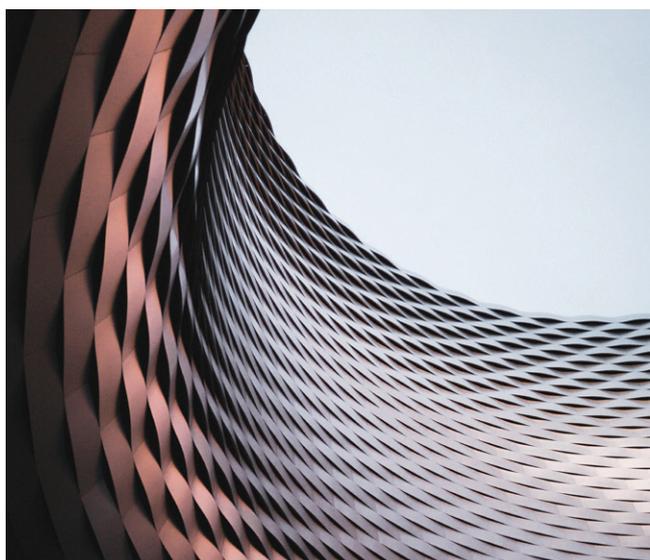


Managed Hotels by Region ☀



Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	41	4'124	12,1%	101	3	91	38	4'033
Midscale	117	8'834	26,0%	76	68	3'987	49	4'847
Upscale & U.Upscale	125	16'305	47,9%	130	48	4'070	77	12'235
Luxury	35	4'769	14,0%	136	15	1'904	20	2'865
TOTAL	318	34'032			134	10'052	184	23'980



Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	75	5'586	144	18'618
Conference Focus	6	406	14	2'265
Mountain/Ski	26	2'295	11	1'073
Other Leisure	27	1'765	15	2'024

Hotel Investors 2019

Rank	Name	Volume in €m
1	Aevis Victoria	262
2	LuLu Group	61
3	mjd Développement SA	58

Source: Real Capital Analytics, Inc. 2020

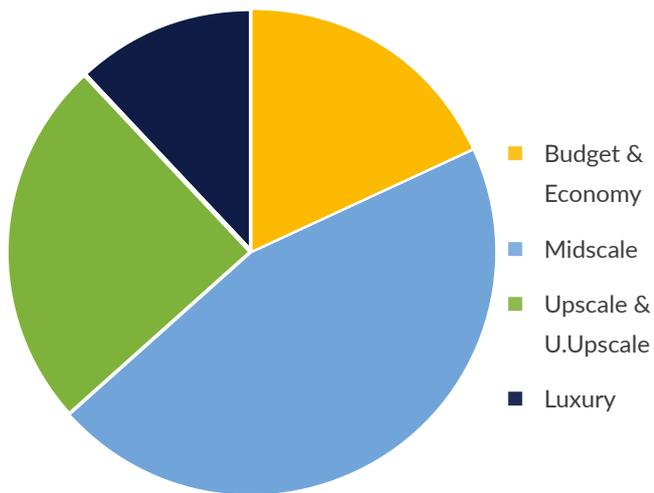
Institutional Owners 2019

Rank	Name	No. of Keys
1	Credit Suisse	2,593
2	AccorInvest	1,454
3	UBS	788
4	Aevis Victoria	645
5	Swiss Life AM	599

Source: Real Capital Analytics, Inc. 2020



Pipeline (2020/21) ✨



Rank	Destination	Hotel	Rooms
1	Zürich Region	11	1'759
2	Geneva	10	1'654
3	Berne Region	7	857
4	Basle Region	2	401
5	Lake Geneva / Vaud	2	445
6	Grisons	2	200
7	Aargau Region	2	152
8	Lucerne / Vierwaldstättersee	1	129
9	Eastern Switzerland	1	112
10	Fribourg	1	86



Horwath HTL

Hotel, Tourism and Leisure

AFRICA

Ivory Coast

Rwanda

South Africa

ASIA PACIFIC

Australia

China

Hong Kong

India

Indonesia

Japan

Malaysia

New Zealand

Singapore

Thailand

EUROPE

Andorra

Croatia

Cyprus

France

Germany

Greece

Hungary

Ireland

Italy

Netherlands

Poland

Portugal

Serbia

Spain

Switzerland

Turkey

LATIN AMERICA

Argentina

Brazil

Dominican Republic

Mexico

MIDDLE EAST

UAE & Oman

NORTH AMERICA

Atlanta

Denver

Los Angeles

Miami

Montreal

New York

Norfolk

Orlando

Toronto

www.horwathhtl.ch

www.hotelleriesuisse.ch



HotellerieSuisse

All RCA data based on independent reports of properties and portfolios €5 million and greater. Data believed to be accurate but not guaranteed. All data and statistics are the sole intellectual property of Real Capital Analytics, Inc. and no sale, transfer, sub-license, distribution or commercial exploitation of the data is permitted without the express permission of RCA. Ownership data is compiled from RCA's transaction database, which is comprehensive from 2007 onward. If an asset has not been traded, transferred or refinanced it may not be included. Ownership stats derived from traded property data and do not take into account brand new developments or properties that have never traded or traded pre-2007.

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 international country figures from UNWTO.

*All data as of full year 31 December 2019
Publication date: 2 April 2020*