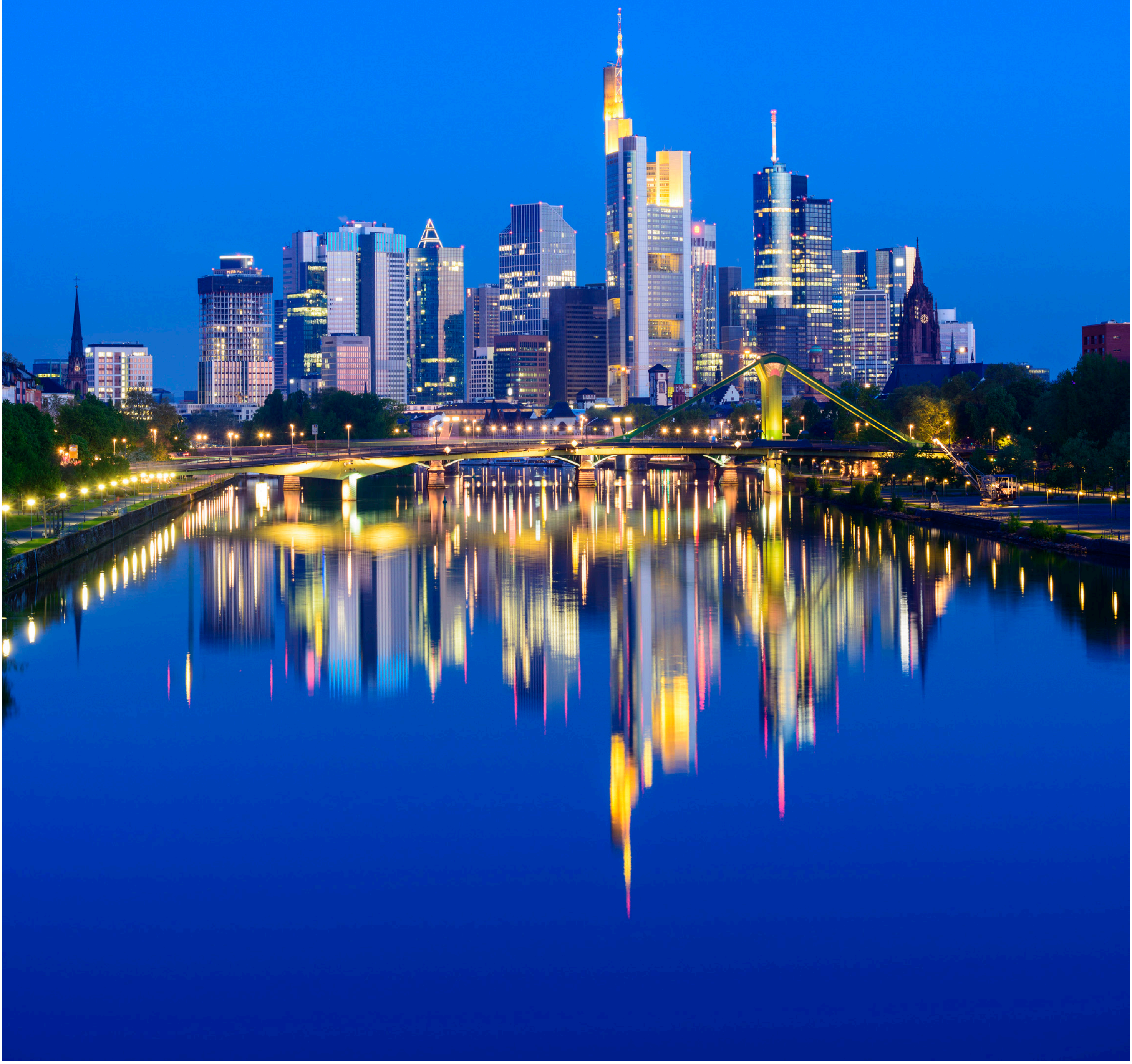
Horwath HTL
Hotel, Tourism and Leisure

2022 Germany Hotels & Chains



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 24+ 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

Germany

Hotel chains in Germany continue to expand their portfolio in 2022. As a result, the number of rooms in hotel chains is growing to an all-time high of 334,562 rooms, an increase of 5.46% compared to 2018. Strong market penetration is particularly evident in major cities such as Berlin, Hamburg, Munich, Frankfurt and Cologne. With 614 hotels across all segments and around 112,324 rooms, these major cities command one-third of the total room capacity in the hotel market.

The Market

Private hotels still hold the largest share of the German hotel market, accounting for 54% of rooms. Hotel chains, however, are catching up more and more; especially in the major cities, hotel chains have two-thirds of the room capacity. This is particularly evident in trade fair cities such as Leipzig and Frankfurt: in Frankfurt, for example, hotels from the midscale segment are especially well represented, with 41 hotels and 8,415 rooms. In small towns, on the other hand, private hotels tend to dominate.

Among the hotel chains, Accor is the leader in Germany with 362 hotels and 50,147 rooms. Accor thus has as many rooms as Best Western, Marriott and Deutsche Hospitality combined. Hotel chains like Accor and Marriott are constantly trying to expand their portfolio of hotel brands. Through a joint venture with Ennismore, Accor wants to further expand its presence with lifestyle brands, such as 25h, 21c and Delano, among others. Accor is also focusing on capturing the highest possible demand for hotel stays through a differentiated product portfolio across all price ranges.

Moxy, a Marriott brand, is focusing on D locations, such as Simmern and Kupferzell, for this purpose. B&B has greatly expanded its room count to 15,953 and 151 hotels. Compared to 2018, B&B thus recorded the strongest growth in the number of rooms (15%) as well as in newly opened hotels (11.3%).

Among German hotel providers, Motel One is the frontrunner, which now offers 1,090 more rooms compared to 2018, an increase of 13.6%.

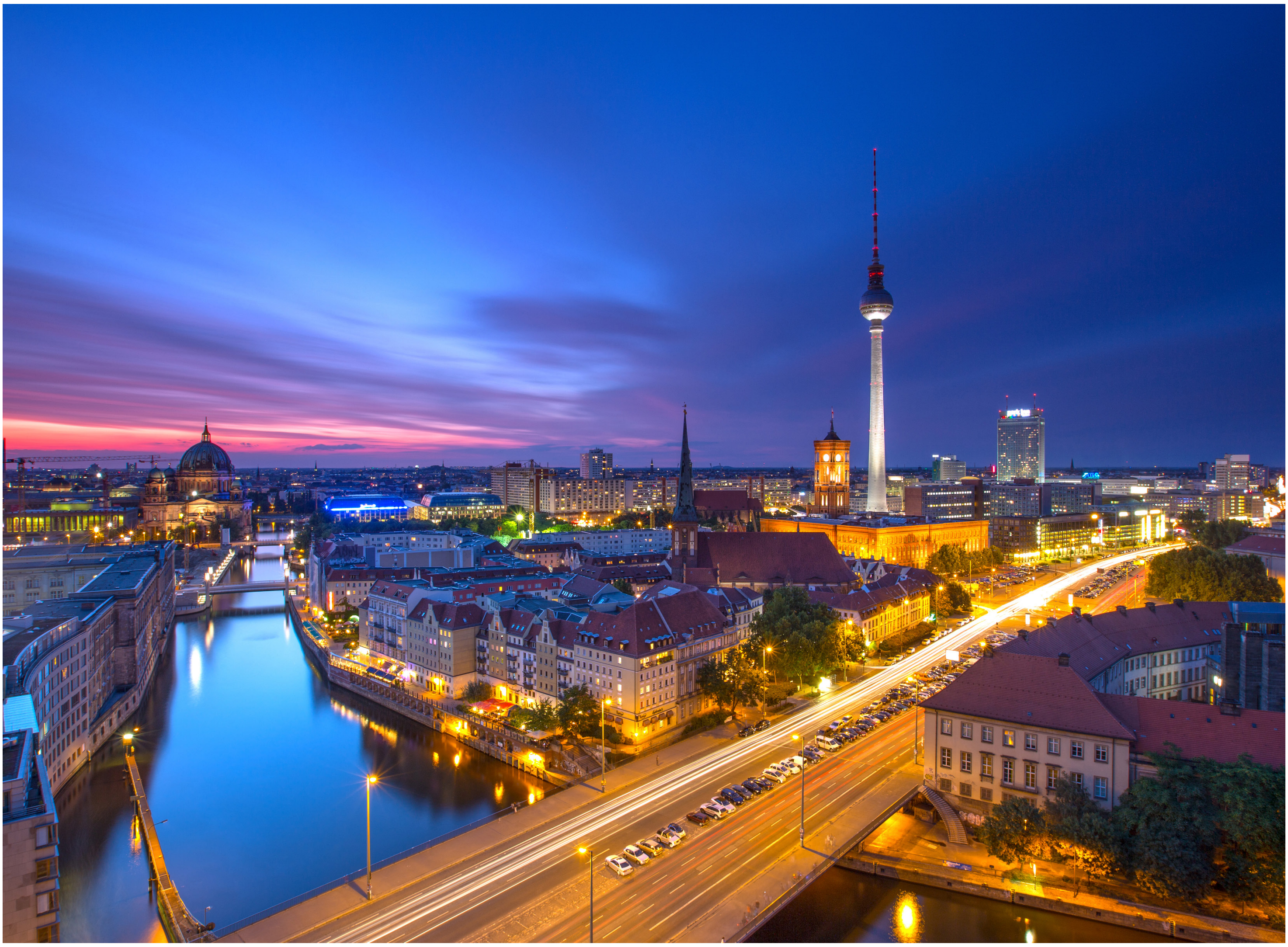
The trend of building fewer hotels, but with a larger number of rooms, initially remains as in previous years. In this context, the average number of rooms per hotel in the chain hotel market has increased by around 10% from 144 rooms to 158 rooms, which corresponds to an average of 14 rooms more than in 2018. Furthermore, the number of rooms depends on the categorization of the individual hotels. Hotels in the budget segment have an average number of rooms of 112 rooms per hotel, in the upscale segment 162 rooms and in the luxury segment 216 rooms.

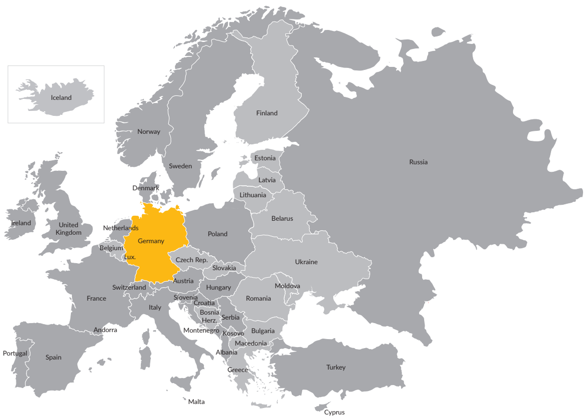
The focus of the hotel chains continues to be on the midscale segment, where brands such as Mercure, Leonardo and Novum, are leading the way, as in previous years.

However, demand for the construction of new hotels is currently lower than in previous years, which is partly due to the pandemic situation, but may also be caused by market saturation. In the next three years, an additional 64 hotels with around 13,000 additional rooms will enter the hotel market. Among the top 3 destinations are Berlin with 18, Hamburg with 17 and Munich with 15 new hotels.

Union Investment continues to lead the Institutional Investors ranking with 12,204 rooms and 47 hotels, followed by Accor Invest with 10,412 rooms. Union Investment was also the most active in 2021 with four acquisitions.

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





2,242 Chain Hotels

40.15% Chain Room penetration

11.6% Chain Hotel penetration

Key Statistics	2022	% increase on 2018
Total chain hotels	2,242	1.1
Total chain rooms	334,562	5.5
Average size per chain hotel in rooms	150	4.9
Country hotels stock (overall supply)	20,272	1.2
Country rooms Stock (overall supply)	833,276	6.5
Average size per hotel in rooms	45	9.8
Chain penetration % by hotels	11.60%	-0.9
Chain penetration % by rooms	40.15%	2.6
Total number of brands	240	8.1
Domestic brands	96	7.9
International brands	144	9.9
Second-tier operated Int. chain hotels*	31	0.0
Domestic chain hotels*	871	-33.8
International chain hotels	1,010	12.5
International chain rooms*	210,059	6.6
Domestic chain rooms*	124,503	3.6

** Includes double counting*

Germany: Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Accor	362	50,147
2	Best Western Hotels	185	20,425
3	Marriott	78	18,215
4	Intercontinental	88	17,382
5	Motel One	56	16,294
6	B&B Hotels	151	15,953
7	Deutsche Hospitality	66	12,217
8	Novum	111	11,326
9	Dorint	54	9,050
10	Fattal	52	9,183

Rank	Domestic Chain Groups	Hotels	Rooms
1	Motel One	56	16,294
2	Deutsche Hospitality	66	12,217
3	Novum	111	11,326
4	Dorint	54	9,050
5	Maritim	28	8,452
6	HHotels	50	8,299
7	a&o Hostels	25	4,803
8	Acchat	32	3,775
9	Flemings	19	3,088
10	Lindner	22	3,016

Rank	International Chain Groups	Hotels	Rooms
1	Accor	362	50,147
2	Best Western Hotels	185	20,425
3	Marriott	78	18,215
4	Intercontinental	88	17,382
5	B&B	151	15,953
6	Radisson	47	10,865
7	NH	50	9,195
8	Fattal	52	9,183
9	Hilton	24	8,454
10	Wyndham	50	7,235

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Motel One	56	16,294
2	B&B	151	15,953
3	Mercure	99	14,097
4	ibis	84	11,495
5	Best Western	99	9,738
6	Maritim	28	8,452
7	ibis Budget	76	7,749
8	Dorint	42	7,319
9	Holiday Inn	31	7,249
10	NH	41	6,972

Rank	Domestic Chain Brands	Hotels	Rooms
1	Motel One	56	16,294
2	Maritim	28	8,452
3	Dorint	42	7,319
4	InterCity	34	6,172
5	Steigenberger	27	5,298
6	Novum	65	5,060
7	a&o Hostels	25	4,803
8	H-Hotels	25	3,215
9	Derag	14	2,451
10	Meiniger	12	1,918

Rank	International Chain Brands	Hotels	Rooms
1	B&B	151	15,953
2	Mercure	99	14,097
3	ibis	84	11,495
4	Best Western	99	9,738
5	ibis Budget	76	7,749
6	Holiday Inn	31	7,249
7	Holiday Inn Express	46	7,028
8	NH	41	6,972
9	Leonardo	38	6,415
10	Radisson BLU	23	6,161

Germany: Ranking by Scale

	DOMESTIC BRANDS		
Rank	Budget & Economy	Hotels	Rooms
1	Motel One	55	16,294
2	B&B Hotels	151	15,953
3	ibis	84	11,495
4	ibis Budget	76	7,749
5	Holiday Inn Express	45	6,947
6	a&o Hostels	25	4,803
7	Achat	19	2,103
8	Meiniger	12	1,918
9	Super8	9	1,720
10	TRYP	10	1,260
Rank	Midscale	Hotels	Rooms
1	Novum	51	3,940
2	niu Hotels	18	3,248
3	InterCity	17	2,985
4	Victor`s Rezidenz	13	1,680
5	Achat Premium	12	1,502
6	Flemings	9	1,294
7	Centro	21	1,259
8	Ghotel	6	1,073
9	Upstalsboom	12	1,085
10	Arthotel	19	1,082
Rank	Upscale	Hotels	Rooms
1	Maritim	28	8,452
2	Dorint	41	7,159
3	H+	26	3,280
4	Dormero	25	2,904
5	Pentahotels	9	1,711
6	Michel Hotels	13	1,612
7	Select	12	1,538
8	Lindner	19	1,403
9	Derag Livinghotel	9	1,320
10	Hyperion	4	1,259
Rank	Luxury	Hotels	Rooms
1	Steigenberger	27	5,298
2	Roomers	5	937
3	Hommage Luxury Collection	5	788
4	A-Rosa	2	367
5	Dr. Lohbeck Privathotels	2	322
6	Villa Vita	2	278
7	Hyperion Dresden	1	235
8	Flemmings Selection	1	206
9	Livinghotel De Medici	1	170
10	Göbel's Schlosshotel	1	92

	INTERNATIONAL BRANDS		
Rank	Budget & Economy	Hotels	Rooms
1	B&B Hotels	151	15,953
2	ibis	8	11,495
3	ibis budget	76	7,749
4	Holiday Inn Express	45	6,947
5	Super8	9	1,720
6	IFA-Hotels	4	1,449
7	TRYP	10	1,260
8	Ramada	8	1,170
9	Generator	3	541
10	Première Classe	4	256
Rank	Midscale	Hotels	Rooms
1	Mercure	99	14,097
2	Leonardo Hotels	50	8,807
3	Holiday Inn	30	6,993
4	Premier Inn	34	5,746
5	Radisson Blu	19	5,257
6	Center Parcs	25	5,091
7	Novotel	24	4,992
8	ibis styles	4	4,414
9	Moxy	14	2,601
10	Hampton	13	2,444
Rank	Upscale	Hotels	Rooms
1	NH	48	8,718
2	Best Western	83	8,164
3	Hilton	13	3,886
4	Vienna	24	3,209
5	Courtyard	14	2,664
6	Innside	13	2,214
7	Park Inn	8	2,039
8	Pullmann	6	1,722
9	Wyndham Garden	12	1,684
10	Best Western Premeir	12	1,380
Rank	Luxury	Hotels	Rooms
1	Sheraton	8	2,785
2	The Westin Grand	4	1,642
3	Kempinski	6	1,487
4	Le Meridian	5	1,441
5	Westin H&R	3	1,398
6	Hyatt Regency	3	877
7	Sofitel	3	787
8	Ritz Carlton	2	473
9	Waldorf Astoria	1	232
10	JW Marriott Frankfurt	1	217

Germany: Ranking per Scale & Size

CHAINS	OVERALL			DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget	271	271	112	25	4,803	246	25,453
Economy	297	297	165	99	21,981	198	26,852
Midscale	845	845	138	321	33,754	524	81,726
Upscale	710	710	162	374	55,974	336	58,184
Luxury	123	123	216	38	5,377	85	19,875
TOTAL	**2,246**	**2,246**	**159**	**857**	**121,889**	**1,389**	**212,090**

Germany: Ranking by Scale & Destination

CHAINS	BERLIN		HAMBURG		MUNICH		FRANKFURT	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms		
Budget	16	3,129	13	2,514	15	1,886	10	1,635
Economy	31	7,447	12	3,161	22	4,603	15	3,261
Midscale	73	12,558	68	10,133	62	10,138	53	10,253
Upscale	64	13,591	32	5,422	37	8,028	38	7,320
Luxury	16	5,022	10	1,898	11	3,586	10	3,459
TOTAL	**200**	**41,747**	**135**	**23,128**	**147**	**28,241**	126	25,928

Germany: Ranking by Destination

Rank	Destination	Hotel	Rooms
1	Berlin	213	44,754
2	München	142	28,961
3	Frankfurt	136	28,856
4	Hamburg	141	23,972
5	Dusseldorf	82	13,574
6	Köln	72	12,426
7	Stuttgart	59	10,014
8	Dresden	44	8,237
9	Leipzig	46	7,429
10	Nürnberg	30	4,515

Germany: Destination Pipeline

Rank	Destination	Hotel	Rooms
1	Berlin	18	4,680
2	Hamburg	17	4,360
3	München	15	3,256
4	Düsseldorf	12	2,982
5	Frankfurt	9	2,630
6	Karlsruhe	6	1,343
7	Stuttgart	6	1,071
8	Mannheim	5	955
9	Dresden	6	933
10	Köln	5	928

Germany: Institutional Owners

Rank	Name	Hotels	Rooms
1	Union Investment	47	12,204
2	Accor Invest	77	10,412
3	Covivio	56	9,365
4	Pandox	38	8,235
5	Aroundtown	35	6,972

Rank	Name	Hotels	Rooms
6	Patrizia	43	6,356
7	Event Hotels	29	6,056
8	DekaBank	27	6,049
9	Art Invest	30	5,532
10	Commerz Real	15	3,647

Source: MSCI Real Capital Analytics

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
Poland
Portugal
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
Oregon
Orlando
Toronto

www.horwathhtl.com

All data as of April 2022
Publication date: April 2022