

Recovering conference market puts Amsterdam's hotel sector on a strong footing for future growth, says HVS London

Amsterdam's hotel sector has demonstrated enviable resilience to the downturn, with business and conference travellers increasingly attracted to the city and a large number of tourists staying for extended weekends.

A new report by hotel consultancy HVS London says that the success of Amsterdam's hotel sector, while other markets in Europe have suffered more acutely, is due to its easy access, conference infrastructure and numerous cultural and tourist attractions.

While 2010 saw a 15% increase in the number of events held in the city, 2011 saw the return of large events with higher delegate numbers than in previous years. The signing of several major events for 2012 and 2013 will enable Amsterdam to maintain its position amongst the leading conference destinations in Europe and support continuing growth in hotel demand from this sector.

While the active involvement of the municipality and tourism authorities greatly facilitate the marketing of the city, the resilience of the Amsterdam market, despite the influence of global economic factors, has sustained the interest of investors and international operators. This can be seen from the many developments planned for the city over the next few years, said report author Luisa Pott, consulting & valuation analyst with HVS London.

New developments are taking place both in the established districts of Amsterdam (airport and city centre), but also in new pockets of the city, contributing to the expansion of the city centre.

However, the amount of new supply is likely to affect marketwide occupancy levels in the short to medium term, while consolidating the hotel landscape of Amsterdam. But the balanced mix of business and leisure visitors also makes Amsterdam relatively resilient to the current uncertainty in the Eurozone, and therefore maintains the interest of investors and supports the prospect of further growth in hotel values.

Between 2003 and 2010 the total number of hotels and rooms in Amsterdam increased steadily by 6.7% and 3.2%, respectively. Four-star hotels, which dominate the hotel sector in the city at 36%, recorded the second-highest increase in the number of properties (with a compound annual growth of 6.3%) and the highest growth in rooms (9.6%).

A large number of additions will enter the market within the next two to three years, with particular focus on the four- and five-star segments. These are predominantly internationally branded and include a 122-room Andaz hotel, a 446-room Ramada, a 330-room Hyatt hotel, and a 94-room Waldorf Astoria.

Amsterdam, like many other major European cities, showed a drop in hotel values per room in 2008 and 2009. In 2010, Amsterdam hotels saw an increase in value of 10%, and values are likely to increase further as a result of the city's continuing signs of improvement, Pott added.

For a complimentary copy of 'Hotel Market Snapshot ? Amsterdam, The Netherlands' by Luisa Pott click onto <http://www.hvs.com/Library/Articles/>

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About HVS

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