

## Casablanca offers budget hotel investors development opportunity, says HVS report

As the Moroccan city of Casablanca gears up for growth in tourism, its midscale and budget hotel segments remain undersupplied with demand continuing to exceed supply.

A new report from global hotel consultancy HVS outlines the fact that from 2006-2013 hotel supply in Casablanca grew at a compound rate of 6.6%, with both room and bed capacity expanding at a similar pace.

Four- and five-star hotels make up over 50% of the total room capacity, leaving the economy segment, particularly branded budget hotels, under-represented. Demand for one- and three-star properties grew by over 15% from 2006-2013, while supply grew at less than 5%.

‘The three-star segment in Casablanca has seen the fastest growth in terms of rooms capacity, of almost 12%, while the two-star segment makes up just under 7% of the total room capacity,’ said report co-author Veronica Waldthausen, associate, HVS London.

‘The situation is likely to improve somewhat as new supply comes on-stream, but there is still significant development opportunity in the economy sector in Casablanca,’ she added.

Strong growth in tourism was experienced by the city in 2010 but this was hampered in 2011 as the Arab Spring affected the image of Northern Africa.

However, as a financial and economic hub rather than a prime leisure destination, Casablanca recovered at a faster pace than other destinations in Morocco.

Ambitious plans for the future, laid down in the country's Vision 2020 project, include that of doubling tourism levels to 16-20 million by 2020.

Investment in the city's infrastructure includes the construction of Casanearshore, with a hotel and office space for 100 multinational companies. Next year will see the completion of a 350km high-speed rail line from Casablanca to Tangier, the first of its kind in Africa. In addition the \$500-million development of the waterfront into a luxury complex will include high-end retail space, a business centre, hotels and luxury apartments. Conference business has been further boosted by the opening of the 5,000-delegate Palais des Congres.

Report co-author Sophie Perret, director, HVS London, commented: ‘Overall, the outlook for Casablanca remains positive and growth in most hotel segments is expected. It is one of the most established countries in North Africa, and as such, the hotel sector should be able to reap the benefits from its stable image and close proximity to Europe.’

To download a copy of **In Focus: Casablanca ? A Look At Hotel Performance in the Economic Capital of Morocco**, by Veronica Waldthausen and Sophie Perret click

<http://www.hvs.com/article/6942/in-focus-casablanca-hotel-performance-in-the-economic/?campaign=email>

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HVS is the world's leading consulting and services organization focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries. Established in 1980, the company performs 4500+ assignments each year for hotel and real estate owners, operators, and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of more than 30 offices and 450 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. [www.hvs.com](http://www.hvs.com)

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