

Amsterdam's hotel market shows record growth while further development is pushed out-of-town, says HVS report

Tighter planning regulations in central Amsterdam will mean future hotel development will continue to be concentrated outside the city centre where properties in non-tourist locations face particular challenges attracting guests.

Despite this the city's mix of leisure and business travellers means demand for hotels remains strong, with the sector seeing record growth in overnight stays in 2014 and double-figure growth expected in 2015.

According to a new report on the Amsterdam hotel market by global hotel consultancy HVS, central hotels are performing well and the recent addition of a limited number of hotels is expected to put pressure on existing owners to renovate their properties, thereby raising the quality of the overall offer.

This performance growth has attracted significant interest from investors, demonstrated by an impressive hotel project pipeline. However, tight controls on city centre planning in the city means there have been only five new hotels in the past eight years and only two planned over the next three years.

Other than exceptional schemes perceived to add value to the hotel offer, no further city centre developments are likely to gain permission in the medium term.

'We expect the value of centrally located hotels to continue to increase, although there will also be new interest from investors in emerging locations outside the city centre,' commented report co-author Nicole Perreten, consulting & valuation analyst with HVS. 'However, some observers warn of an over-supply in out-of-town locations, which are not intrinsically attractive to leisure guests.'

One sector showing particular growth in Amsterdam is that of limited service properties, with supply growing by 2%, demand by 7% and RevPAR rising 9% in 2014, compared with the previous year*.

However, this sector faces increasingly tough competition from the expanding number of hostels in the city, with some hostel brands offering better accommodation than traditional budget hotels. International hostel chains are expected to add an estimated 2,600 beds to the market this year, with over 1,000 coming on stream in 2017/8.

'With a robust reputation for attracting corporate, MICE and leisure travellers, Amsterdam has experienced healthy demand growth in recent years, and we see no reason for that to cease, although there are challenges when it comes to new development sites. This will be of benefit to hotels in more central locations in terms of value and demand,' added report co-author Constance Biria.

Average hotel values in Amsterdam rose 8.6% in 2014, reaching €320,000 per room. **[ends]**

To download the report, In Focus: Amsterdam Hotel Market Update by Nicole Perreten and Constance Biria please click onto <http://www.hvs.com/article/7349/in-focus-amsterdam-hotel-market-update/?campaign=email&campaign-id=GHR-20150526-194%20>

*Figures from STR Global

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About HVS

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 35 offices and 450 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. [HVS.com](#)

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