

Budapest on the up as success of hotel sector attracts global investors, says HVS report

24 September 2018, London: Visitor numbers to the Hungarian capital of Budapest have risen by 12% over the past three years prompting a recovery in the city's hotel sector and stimulating further demand for property, according to a new report from global hotel consultancy HVS.

With Budapest's hotels having suffered from the global financial crisis in 2008, when visitation dropped causing hotel rates to fall, the market has since recovered boosting average rates and occupancy levels resulting in above-average rise in RevPAR (rooms revenue per available room).

Since 2010 Hungary's hotel supply has grown considerably, with a total of 1,094 hotels (as of December 2017), 35% of which are in Budapest.

While many of the world's leading hotel brands, such as Four Seasons, Ritz-Carlton, Kempinski and InterContinental, are already represented in Budapest, further big names will be opening over the next three years including Hyatt, Marriott's W and Luxury Collection.

'Budapest's tourism boom and improved hotel market performance have drawn significant attention from investors, who now see the city as a good long-term investment,' commented report co-author, Magalí Castells, associate, HVS London.

'The number of hotel transactions and deals in recent years has increased and the pipeline is strong. However, construction costs have risen sharply which may jeopardise some of these plans,' she added.

International investors are further encouraged by the steady growth of the Hungarian economy since 2013, Hungary's low unemployment rate, and its decreasing debt-to-GDP ratio.

'The outlook for Budapest remains extremely positive, particularly with an increase in arrivals to the city and the country's strong economy,' added Russell Kett, chairman, HVS London.

'The recent boost in hotel performance is one of the main reasons behind the growing interest from investors, developers and operators, although RevPAR levels remain somewhat lower compared with other European cities, the development and increase in five-star properties is expected to help increase average rates in the city,' he said.

[ends

Download a copy of Market Pulse: Budapest on the up by Magalí Castells and Arlett Hoff at
<https://hvs.com/article/8348-budapest-on-the-up>

For further information please contact:

Linda Pettit, Tilburstow Media Partners

Linda@tilburstowmedia.co.uk

Tel: +44 (0) 13 4283 2866.

Mob: +44 79 7378 9853

Magalí Castells, Associate

mcastells@hvs.com

Tel: +44 (0) 207 878 7710
Mob: +44 (0) 7850 205 149

Russell Kett, Chairman

rkett@hvs.com

Tel: +44 (0) 20 7878 7701
Mob: +44 (0) 78 0241 1142

About HVS

HVS, the world's leading consulting and services organization focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries, was established in 1980. The company performs 4,500+ assignments each year for hotel and real estate owners, operators, investors, banks and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of some 40 offices and more than 350 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. [HVS.com](https://www.hvs.com)

Superior results through unrivalled hospitality intelligence. Everywhere