UK REMAINS THE MOST LIQUID HOTEL INVESTMENT MARKET IN H2 2012

Even though declining, the UK remains the most liquid hotel investment market in Western Europe, according to research by BNP Paribas Real Estate, the leading international property adviser.

With €6 billion invested during 2012, the hotel investment volume in France, Germany, Italy, Spain and the UK suffered a combined 5% drop compared to the previous year. Looking ahead, 2013 is expected to be a repeat of 2012.

In H2 2012, the UK continued to dominate the hotel investment market at 41% of overall investment amongst the top-five markets. Hotel investment volume in the UK totalled €2.5 billion in 2012, reflecting a 31% drop compared to the same period a year ago. The regional markets’ activity remained quiet, so London stayed the main target of investors, in particular overseas investors. These cash-rich investors continue to focus on prime assets regardless of their high cost per key and low yields.

As with other types of assets, the hotel investment market is running at two speeds. In high gear is the investor focus on prime hotel assets; in low gear are the poorly performing hotels that are finding no takers.

Elsewhere in Western Europe, France showed great resilience and remained one of the most buoyant markets in Europe for hotel investment, with €1.8 billion invested during 2012; a year-on-year increase of 59%. German hotels stood out with a 5% rise of their revenue per available room, whilst Spanish hotels’ performances deteriorated over 2012, weighed down by a sluggish domestic tourism. Similarly, revenue per available room in Italy declined, though average daily rates remain high, above €100.

-ends-

About BNP Paribas Real Estate

BNP Paribas Real Estate, leading international real estate provider, offers to its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management.

BNP Paribas Real Estate has local expertise on a global scale through its presence in 36 countries with more than 180 offices and 3,400 employees (16 wholly owned subsidiaries and 20 by its Alliance network, that represents today more than 3,000 people).

BNP Paribas Real Estate is a subsidiary of BNP Paribas.
For more information: www.realestate.bnpparibas.com

Press contact:

Alex Tucker, UK Press Officer – Tel: +44 (0) 207 338 4086 alex.tucker@bnpparibas.com