



Hotel Pipeline Growth in Africa Accelerates

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Research by W Hospitality Group, the award-winning consultancy and one of the founding members of Hotel Partners Africa (HPA), reveals that the number of planned new hotel rooms in the Hotel Development Pipeline in Africa has increased by 16 per cent on last year, which was 12 per cent up on 2011.

This is based on a sample of 29 international hotel chains, with 59 brands between them, and analyses deals that they have signed with owners.

As in previous years, the detail behind the headline shows a distinct tale of two Africas. In North Africa, the development pipeline grew by 9 per cent, from 17,217 planned new hotelrooms in 2012 to 18,782 rooms in 77 hotels in 2013. In sub-Saharan Africa, however, the chains' pipeline now stands at 21,052 rooms in 130 hotels, up from 17,109 rooms in 100 hotels a year ago – a massive 23 per cent increase. This compares to 4 per cent growth in Europe and 8.6 per cent growth in Asia Pacific, according to data produced by STR Global (although the growth in Africa is from a much lower base).

Trevor Ward, Managing Director of W Hospitality Group said: "The main reasons for the slower growth in North Africa include the opening of hotels in the 2012 pipeline, particularly in Algeria, a reduced investment focus on North Africa due to political concerns and a greater emphasis on development in sub-Saharan markets.

"There is a boom in Africa, in all sectors, including hotels. Economic growth in many countries is 6 per cent or higher and global investors are looking at the continent in a much more serious and sophisticated way. We are being contacted by an increasing number of dedicated investment funds seeking to enter the African hotel market."

The five countries of North Africa all appear in the top ten countries for new hotels, led by Egypt (7,644 planned new hotel rooms), Morocco (5,178) and Algeria (3,160). In sub-Saharan Africa, Nigeria has by far the largest pipeline, with 7,470 planned new rooms. The companies leading the way are Hilton Worldwide with 6,230 rooms in its African pipeline, Carlson Rezidor with 5,947, Accor with 5,165 and Marriott with 3,900.

Said Ward: "The major international brands are still blazing the trail, led by Hilton Worldwide, forging ahead with 6,230 planned new rooms for Hilton, Doubletree and Garden Inn brands, an extraordinary 84% increase on 2012. And it is extremely encouraging to see new brands entering the market, including Campanile, Dusit, easyHotel, Fairmont, Hyatt Place and W. This shows the confidence of the hotel chains not just in the continent conceptually, but also as somewhere where they can diversify their brand footprint."

W Hospitality Group and Hotel Partners Africa released the report at the official launch of HPA to highlight its deep understanding of the hotel sector in Africa. HPA is a new consultancy formed by four pre-eminent consultants to the hotel industry in Africa – Trevor Ward and Vernon Page of Lagos-based W Hospitality Group, David Harper of Leisure Property Services (UK) and Mark Martinovic of Hotel Spec (South Africa and Dubai). Together they are offering their clients an unparalleled range of services throughout the lifecycle of a hotel venture in Africa, from feasibility & market studies, valuations, sourcing funding & finance, development management and procurement, to asset management and sales.

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