

AMSTERDAM

THE ENDURING APPEAL

MARKET PULSE

JULY 2022

TOURIST ARRIVALS – 2021



▼ **1.3% YOY**
2.9 MILLION

AIRPORT PASSENGERS – 2021 (SCHIPHOL AIRPORT)



▲ **22.0% YOY**
25.5 MILLION

BEDNIGHTS – 2021

▲ **0.7% YOY**
5.8 MILLION



CONFERENCE MARKET – 2020 (LATEST AVAILABLE FROM RAI AMSTERDAM)

▼ **75.6% YOY**
99 MEETINGS



MARKET PROFILE

Amsterdam is in the province of North Holland, in the heart of the Randstad, Europe's sixth-largest metropolitan area. The city of Amsterdam is the capital and the largest city in the Netherlands, with a population of just over 900,000 recorded in 2021. While Amsterdam is known globally for its historic canals, art museums (Rijksmuseum, Van Gogh Museum), red-light district and 'coffee' shops, it is also a significant European financial and business centre. More than 2,000 foreign companies have established offices in the metropolitan area, and more than 200 of these companies have headquarters in the city. Following Brexit, Amsterdam benefited from an inflow of new businesses, with 133 international offices opening up in 2021 (including 32 headquarters). The city is highly accessible, with well-developed local, national and international transport links, including Amsterdam Schiphol Airport, the European high-speed rail network and the North Sea Canal.

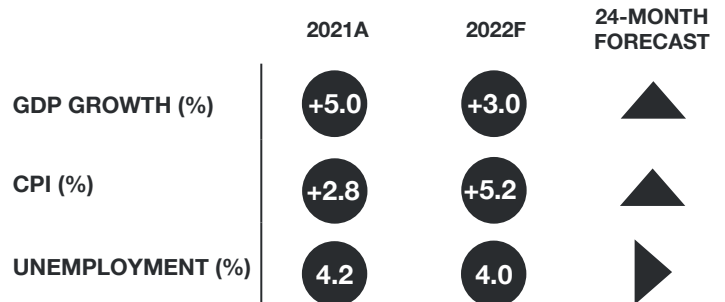
TOURISM DEMAND

Visitation to Amsterdam grew at a compound annual growth rate of 6.4% from 2010 to 2019, with international visitation leading the growth (6.8% CAGR 2010-19). The main international feeder markets in 2019 were the UK (15.5%), the USA (11.1%), Germany (10.1%) and France (5.2%), while the domestic market accounted for 17.8% of the total visitation. In 2020, visitation was impacted by the COVID-19 pandemic, resulting in a 70% decrease compared to a record high in 2019. Visitation in 2021 was broadly stable compared to 2020, with some signs of recovery from the domestic market and neighbouring countries (Belgium and France). Owing to strict cross-border restrictions, demand from the UK experienced a further decline of 74% in 2021, compared to 2020 levels, resulting in only 3% of the total visitation to Amsterdam that year. Following the lifting of restrictions in March 2022, visitation to Amsterdam rebounded strongly. Year-to-May data for 2022 indicate strong growth compared to year-to-May 2021 with visitation almost quadrupling, but still some 40% below year-to-May 2019 levels.

HOTEL PERFORMANCE

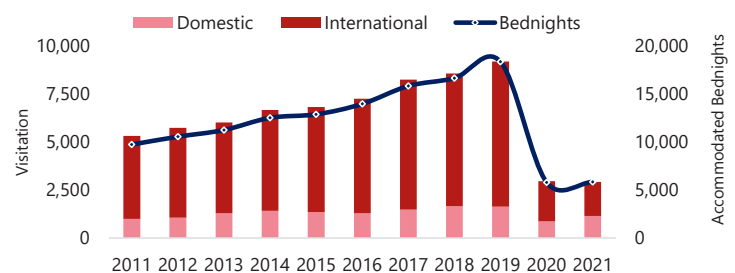
- The Amsterdam market experienced healthy growth in both occupancy and average rate pre-pandemic, reaching record RevPAR levels in 2018 and 2019. The severe contraction caused by the pandemic resulted in a RevPAR drop of 80% year-on-year in 2020, as was the case for all major European cities;

ECONOMIC INDICATORS – THE NETHERLANDS



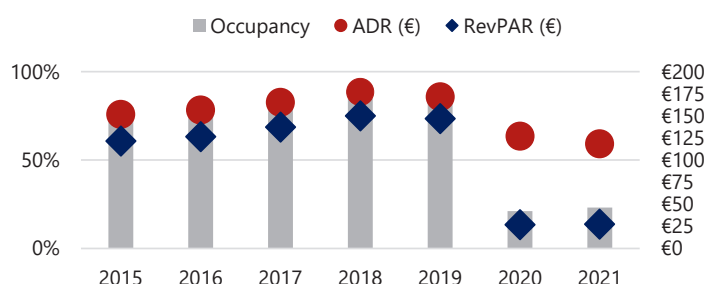
Source: IMF April 2022

VISITATION AND BEDNIGHTS – THE NETHERLANDS (000s)



Source: TourMIS, April 2022

KEY METRICS – BRANDED HOTELS



*Sample of approx. 9,000 rooms – Branded upscale properties

Source: HVS Research

- The duration of the strict measures imposed by the Dutch government throughout the pandemic resulted in little to no recovery in 2021;
- Recent evidence from the market indicates a strong pick-up in demand following the lifting of restrictions in March 2022. Most notably, the city-wide average rate is experiencing a robust recovery, with RevPAR levels for the months of May and June having almost recovered to 2019 levels.

HOTEL SUPPLY

Overall, hotel supply increased at a compound annual rate of 4.7% from 2010 to 2020, with around 2,000 new rooms recorded in 2018. Total hotel supply currently stands at around 39,000 rooms, and it is fairly equally distributed across the Upscale category (27.4%), the Upper Midscale category (23.7%) and the Upper Upscale category (22.6%). The largest average growth (CAGR 2010-22) was recorded in the Upper Midscale class, at 6.3% or around 5,000 rooms.

The ban that was placed on new hotel developments in the Canal District in 2015 resulted in planned projects moving out to more fringe areas. However, at the end of 2016, the city of Amsterdam implemented further restrictions on new hotel construction in order to better manage tourism flow within the city. These restrictions essentially prohibit the development of hotels except in designated areas (such as Overhoeks, Buiksloterham and Indische Buurt) for which development applications can be submitted. This has had a substantial impact on the future hotel pipeline.

INVESTMENT MARKET

Amsterdam's hotel investment market was, pre-pandemic, one of the most liquid and attractive in Europe with a substantial number of transactions happening in recent years. Key sales from 2019 onwards included the 557-room DoubleTree Amsterdam for approximately €430,000,000 (€770,000/per room) by Anbang Insurance to AXA IM – Real Assets, the 90-room Sir Albert hotel for around €58,000,000 (€645,000 per room) by Sircle Collection to WestInvest, and the 579-room Maritim Hotel Amsterdam forward sale for €155,000,000 (€268,000 per room) by Investor United Benefits and IES Immobilien to Union Investment. Compared to the strong activity in 2019, only two transactions took place in the whole of 2020, and a further three in 2021, of which the largest was the sale of The Albus hotel (72 rooms) for approximately €25,000,000 or around €350,000 per room by Hilver-Heuvel to Vischjager Vastgoed BV. For the latest value trends, please refer to our annual *European Hotel Valuation Index*, which showcases the year-on-year value growth of hotel assets in key markets, including Amsterdam.

OUTLOOK

The Amsterdam hotel market was strongly impacted by government restrictions imposed during the pandemic, which resulted in particularly weak performances for this market in 2020 and 2021. However, data to the end of June

2022 portray the enduring appeal of this market for both its leisure and corporate demand bases. We expect the post-pandemic recovery to continue to benefit from the limited new supply allowed in the market. This, coupled with the strong fundamentals of this market and generally well-diversified demand sources, should allow Amsterdam to quickly recovery its position as one of Europe's more coveted hotel markets. As indicated in our *European Hotel Valuation Index*, hotel values have already started to recover in 2021, and remain amongst the highest in Europe.

HOTEL PIPELINE – AMSTERDAM

Property	Rooms	Opening
Mercure Amsterdam North	110	Recently opened
Tribe Amsterdam City	192	Recently opened
Pillows Maurits at the Park	88	Q4 2022
Y-Towers Amsterdam	103	Q4 2022
Maritim Hotel Amsterdam	579	Q1 2023
Citadines Canal Amsterdam	93	Q1 2023
Rosewood Amsterdam	134	Q2 2023
Courtyard By Marriott Amsterdam Harbour City	201	Q4 2024
element Amsterdam Harbour City	190	Q4 2024
Le Méridien Amsterdam Harbour City	208	Q4 2024

Source: HVS Research

HOTEL TRANSACTIONS – AMSTERDAM

Property	Sale Date	Rooms	Estimated Price (€)	Per Room (€)
The Albus	Dec 2021	72	25,000,000	347,000
Holiday Inn Express South	Sep 2021	80	8,000,000	100,000
easyHotel Amsterdam City Centre South	Jun 2021	80	14,000,000	175,000
Barbacan Hotel	Jul 2020	23	3,000,000	130,000
Hotel Max in Mokum	Jan 2020	12	4,000,000	333,000
The Lancaster Hotel Amsterdam	Dec 2019	122	21,000,000	172,000
Mercure Amsterdam Airport	Nov 2019	152	24,000,000	158,000
Maritim Hotel Amsterdam ¹	Oct 2019	579	155,000,000	268,000
Sir Albert Hotel	Aug 2019	90	58,000,000	644,000
Lloyd Hotel	Aug 2019	120	45,000,000	375,000
DoubleTree Amsterdam	Jul 2019	557	430,000,000	772,000
Park Inn Amsterdam City West	May 2019	476	124,000,000	261,000
Hotel Beethoven	Mar 2019	52	22,000,000	423,000
Holiday Inn Express Sloterdijk	Jan 2019	254	43,000,000	169,000

Source: HVS Research

¹ Development site

VALUE TRENDS

REVPAR



CAPITALISATION RATES



HOTEL VALUES



Source: HVS Research

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