

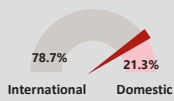


AMSTERDAM MARKET PULSE

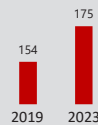
FULL RECOVERY

IN SIGHT

TOURIST ARRIVALS – 2023



REVPAR – 2019 VS 2023 (€)



CONFERENCE MARKET – 2022



AIRPORT PASSENGERS – 2023



Market Profile

With a population of more than 930,000, the capital city of Amsterdam lies on the coast of the province of North Holland. The city – known for its historic canals, the famous Van Gogh museum, the Rijksmuseum, coffee shops of the Red Light District – is also a significant financial and business centre in Europe. There were more than 3,500 international companies in the Amsterdam Metropolitan Area (AMA) in 2023, representing more than 30% of the private-sector jobs. The city is highly accessible via local, national and international transport links. Amsterdam has excellent domestic and international connections via Amsterdam Schiphol Airport, the European high-speed rail network and the North Sea Canal.

Tourism Demand

Amsterdam has historically been one of the main tourism destinations in Europe. Between 2010 and 2023, the city's visitation grew by 4% each year, on average, with more than 75% of the visitors being international. The primary international feeder markets remained identical to the pre-pandemic years in 2023, with the UK (13%), the USA (11%), Germany (10%) and France (5%) being responsible for nearly 40% of inbound traffic. The domestic market accounted for 21% of total visitation, reaching 117% of the pre-pandemic levels of 2019. After a severe drop in visitation in 2020 owing to the pandemic, visitation slightly picked up in 2021 but truly started to recover in 2022, following the lift of the travel restrictions in March.

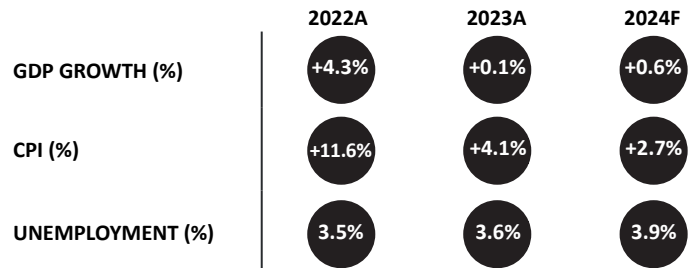
Having reported an increase in issues linked to overtourism in recent years, Amsterdam raised the city tax to 12.5% in January 2024, aiming to reduce the number of cruise ship arrivals and change the profile of visitors coming to the city. This strategy is becoming increasingly popular in European cities facing the same problem, such as Barcelona and Venice.

Hotel Performance

In 2018 and 2019, the Amsterdam market saw healthy growth in both occupancy and average rate, achieving record RevPAR levels, before plummeting by approximately 80% during COVID.

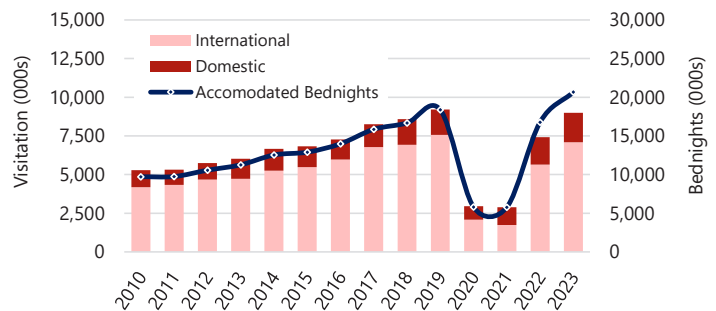
Despite a slow start to 2022, the market experienced a rapid recovery following the lifting of restrictions in March. Owing to a drastic increase in occupancy (+40 percentage points) and an equally impressive growth in average rate (+55%), the market's RevPAR quadrupled year-on-year. Maintaining this momentum in 2023, RevPAR increased by 35%. Despite reaching pre-pandemic levels in nominal values for the first time, last year's RevPAR was still a couple of percentage points behind 2019 in real terms. We highlight that our data sample leans more strongly towards the upper end of the market, as reflected in the higher-than-average room rates.

ECONOMIC INDICATORS – THE NETHERLANDS



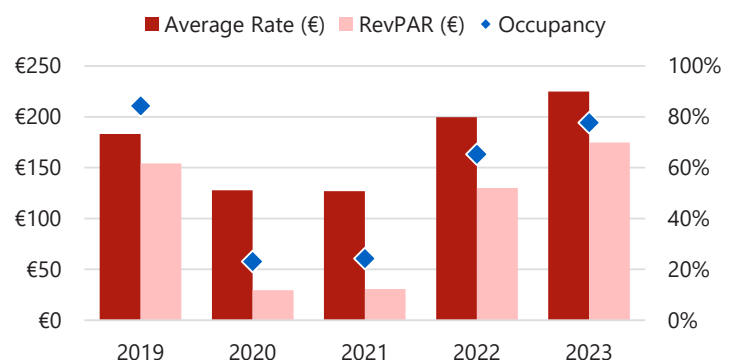
Source: IMF

VISITATION AND ACCOMMODATED BEDNIGHTS



Source: Centraal Bureau voor der Statistiek

KEY METRICS



Source: HVS Research

Hotel Supply

Hotel room supply increased at a compound annual rate of 5% from 2014 to 2023, with approximately 3,200 new rooms since pre-pandemic times. Total hotel supply currently stands at around 42,000 rooms and is mostly concentrated in the mid- and upscale segments (approximately 75%). The upscale segment witnessed the greatest compound annual growth rate between 2014 and 2023, at around 8%.

The initial ban imposed on new hotel developments in the Canal District in 2015 led to planned projects relocating to peripheral areas. However, to further improve tourism flow and limit overtourism in the city, the city of Amsterdam implemented further restrictions on new hotel construction at the end of 2016. These restrictions essentially prohibit the development of hotels within the city centre; certain projects, mostly across the IJ river, can however still be accepted. This understandably had a drastic effect on the market's pipeline.

Investment Market

Amsterdam's hotel investment market has always been one of the most attractive markets in Europe, with a substantial number of transactions taking place in recent years. Notable transactions from 2022 onwards include the sale of the 93-room Mercure Amsterdam Centre Canal in January 2022 (€520,000 per key) by AccorInvest to Ascott Ltd; the 288-room QO Hotel Amsterdam, sold by CBRE IM and Invesco UK to Tristan Capital Partners for €92 million in May 2022; the purchase of Accor's stake in the 178-room Sofitel Legend The Grand by Schroders (€840,000 per room); and the 111-room Hoxton hotel, acquired by Schroders in December 2022 from Ennismore Capital for more than €540,000 per room. Two transactions occurred in March 2023. The 52-room Hotel Atlantis was bought by Dutch owner-operator Highland Group for around €9.5 million (€180,000 per room). The future Maison ELLE was purchased by Extendam for an undisclosed amount. 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 market was greatly impacted by the pandemic and the subsequent strict government restrictions. Following the weak performance during 2020 and 2021, a modest recovery started in Q2 2022, building momentum for the drastic improvement showcased in 2023. Although last year's RevPAR was still marginally below pre-pandemic levels in real terms, the city's attractiveness – coupled with well-diversified demand sources and a limited supply – indicate a promising 2024 and, potentially, the market's full recovery. The city's approach to regulate overtourism remains important to monitor, its effect on the high season is still to be analysed. Nonetheless, Amsterdam remains one of Europe's most coveted hotel markets, standing behind only Paris, London and Zürich in our *European Hotel Valuation Index*.

HOTEL PIPELINE

Property	Rooms	Opening
The Diamond Amsterdam	38	Q2 2024
Wilde Amsterdam-Noord	120	Q2 2024
Maritim Hotel Amsterdam	579	H2 2024
Rosewood Amsterdam	134	Q4 2024
Renaissance Amsterdam Hotel (extension)	80	Q4 2025
Courtyard By Marriott Amsterdam Harbour City	201	Undisclosed
Le Méridien Amsterdam Harbour City	208	Undisclosed
element Amsterdam Harbour City	190	Undisclosed

Source: HVS Research

HOTEL TRANSACTIONS

Property	Rooms	Sale Date	Estimated Price (€)	Per Room (€)
Amadi Park Hotel	33	Mar-24	6,500,000	200,000
Future Maison ELLE	30	Mar-23	Undisclosed	
Hotel Atlantis	52	Mar-23	9,500,000	180,000
The Hoxton*	111	Dec-22	260,000,000	920,000
Crowne Plaza Schiphol	242	Dec-22	21,000,000	90,000
Cityden Museumkwartier	11	Nov-22	5,500,000	500,000
easyHotel Amsterdam Arena Boulevard	131	Oct-22	26,200,000	200,000
easyHotel Amsterdam City Centre South	80	Oct-22	16,000,000	200,000
easyHotel Zaandam	96	Oct-22	19,200,000	200,000
Sofitel Legend The Grand Amsterdam**	178	Sep-22	150,000,000	840,000
Hotel Rembrandt	17	Sep-22	5,000,000	290,000
Park Plaza Vondelpark	138	Jul-22	19,500,000	140,000
Prinsen Hotel	45	Jun-22	10,000,000	220,000
QO Hotel Amsterdam	288	May-22	92,000,000	320,000
Mercure Amsterdam Centre Canal	93	Jan-22	48,500,000	520,000

* sold as part of a portfolio with Hoxton Paris; price per room is for the whole portfolio

** partial interest

Source: HVS Research

VALUE TREND 2023 VS 2022



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