

Interviews with Leaders - Mr. Carlos Khneisser, Vice President of Development Middle East North Africa & Turkey - Hilton Worldwide

December 19, 2018 / By HVS Dubai



1. What is Hilton's current brand portfolio, market presence and pipeline across the Middle East? What were the major developments for Hilton in 2018?

We have 46 hotels in the Middle East, operating across eight brands. This is a figure we expect to almost triple in the next 3-5 years with 80 properties in the pipeline at the moment and more coming. Every one in five rooms under construction in the region is under the Hilton brand so we have a significant market share and a good track record of working with owners who are able to get projects built. 2018 highlight include the conversion of the Al Habtoor City complex in Dubai and a dual branded property in Heliopolis, Cairo which between them have added near to 2,500 rooms to our portfolio. We also marked our return to the Moroccan capital of Rabat with the signing of a flagship Hilton property and furthered our market leading position in Ras al Khaimah with a new Conrad and DoubleTree.

2. How would you describe Hilton's development and growth strategy in the Middle East? Which new markets will drive Hilton's pipeline growth over the next 5 years?

Historically we have been one of the pioneers of the industry in the Middle East, having been the first international operator to locate in many markets like Cairo, Abu Dhabi and Istanbul which are now well-established destinations. More recently we have adopted the same approach when you look at a place like Ras al Khaimah you see this 'Hilton Effect' in action where we come into new markets and stimulate growth. Looking forward we see a lot of untapped potential in Saudi Arabia, which is already our biggest pipeline market in the

Summary

Next in the series of Interviews with Leaders is Mr. Carlos Khneisser, VP of Development, Middle East and North Africa & Turkey - Hilton Worldwide.

[Comments](#)

FILED UNDER CATEGORIES

Asset Management

Development & Construction

Hotel Brands

Hotel Companies

Hotel Management

Middle East

region.

3. As an organization, what sets apart Hilton from other large international hotel operators such as Marriott, AccorHotels and IHG?

I believe it is our 100 years of experience in the market and the expertise and trusting relationships with our owners we have built over this time. This is something we pride ourselves on as developers, I encourage all of my team to put the interests of our owners first and the plans of owners at the heart of ours. You see the results of this because nearly two thirds of our pipeline projects are in partnership with existing owners who know us, trust us and have seen themselves the returns we can generate.

4. What are the main barriers for growth in MENA at present? Do you consider oversupply to be a potential threat for the hospitality industry in the region?

This is something that is spoken about quite a lot in the media and I think it is not as simplistic as it is often described. Yes, it is true that as the market matures, owners need to be more selective about the projects they get involved with, but there is plenty of room for growth. We are quite focused on the midscale segment where new hotels entering the market in the last couple of years have been generating extremely good returns. This part of the market is actually quite undersupplied if you compare a city like Dubai, which has close to 20 million annual visitors, with other major destinations globally. So, owners need to make sure they are undertaking the right type of projects and working with brands which have the commercial know-how to maximise their investment.

5. What are your strategies to grow Hilton's presence in the lifestyle segment?

We have our new Canopy by Hilton brand which we are looking to introduce to the Middle East. We launched this as an upscale lifestyle concept in response to demand from both guests and our owners. Each property is custom designed as a natural extension of its neighbourhood, with local design, food & drink, and culture. The first Canopy hotel opened in 2016 in Iceland and it has been very well received by our guests and now open also in Zagreb, so it is something we are actively looking at for a number of markets here.

6. How do you see the market for branded residences (rental pools) evolving in the region?

What I typically say to owners is that the best opportunity for such projects comes within the luxury segment. Associating with a world class luxury brand is really where you can add a premium to your offering as customers are going to be willing to pay more for the levels of service, design concepts and prestige that comes with this. Who wouldn't want to tell their friends 'I live at the Waldorf Astoria or the Conrad'? It is not quite the same effect for an upscale brand. In terms of rental pools, we prefer to keep within a more direct ownership structure where possible so it is not a focus but we do consider opportunities on their individual merits.

7. What is your experience with HVS and how would you describe its value proposition and the contribution of its consultancy services to your development initiatives?

HVS has been a partner for us on a number of projects, we know as developers that when we receive a proposal from them it is going to have been well thought through and deserving of our close attention. The value of any third party consultancy is transparency in their dealings with owners and operators to provide an objective viewpoint, having the confidence and ability to do this comes down to experience of the market and respect within its client base to provide open and honest advice.