Investment Trends In The Industry



Arthur de Haast

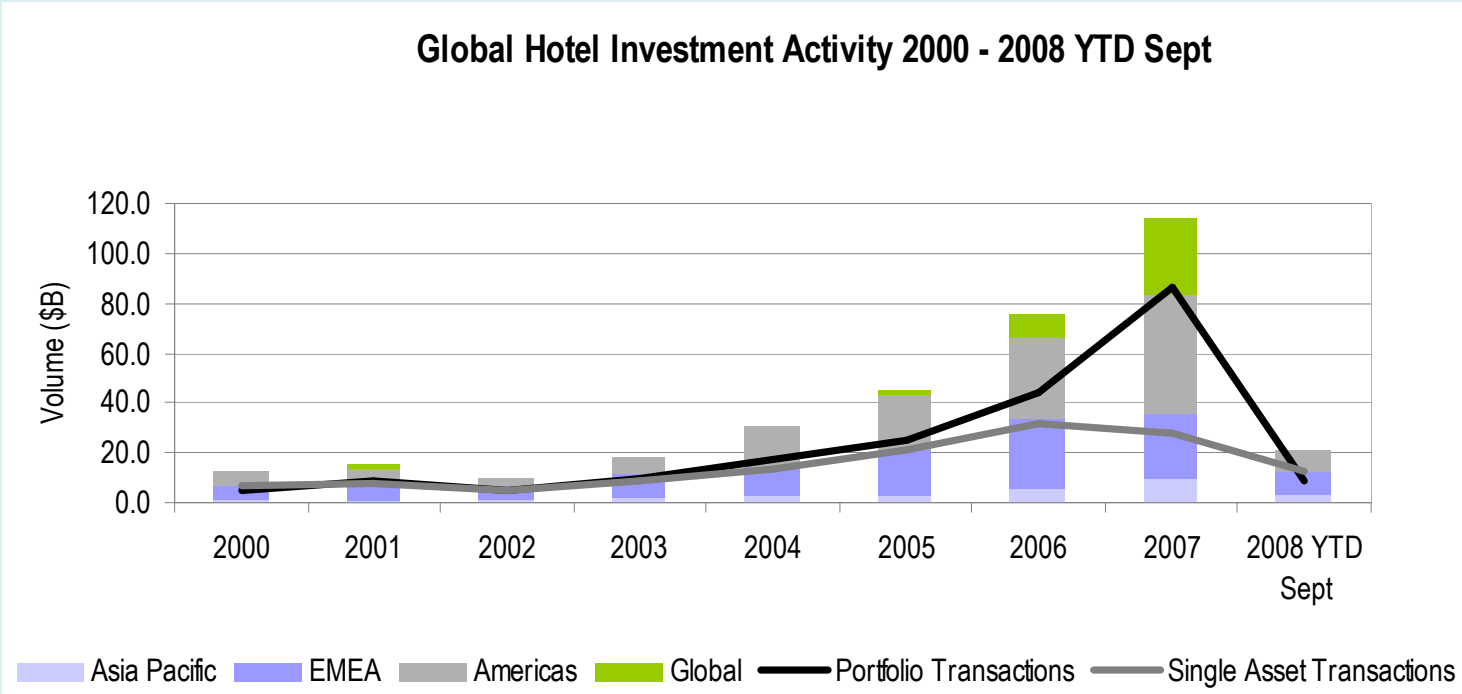
Global Chief Executive Officer

Jones Lang LaSalle Hotels

Global Hotel Investment Trends

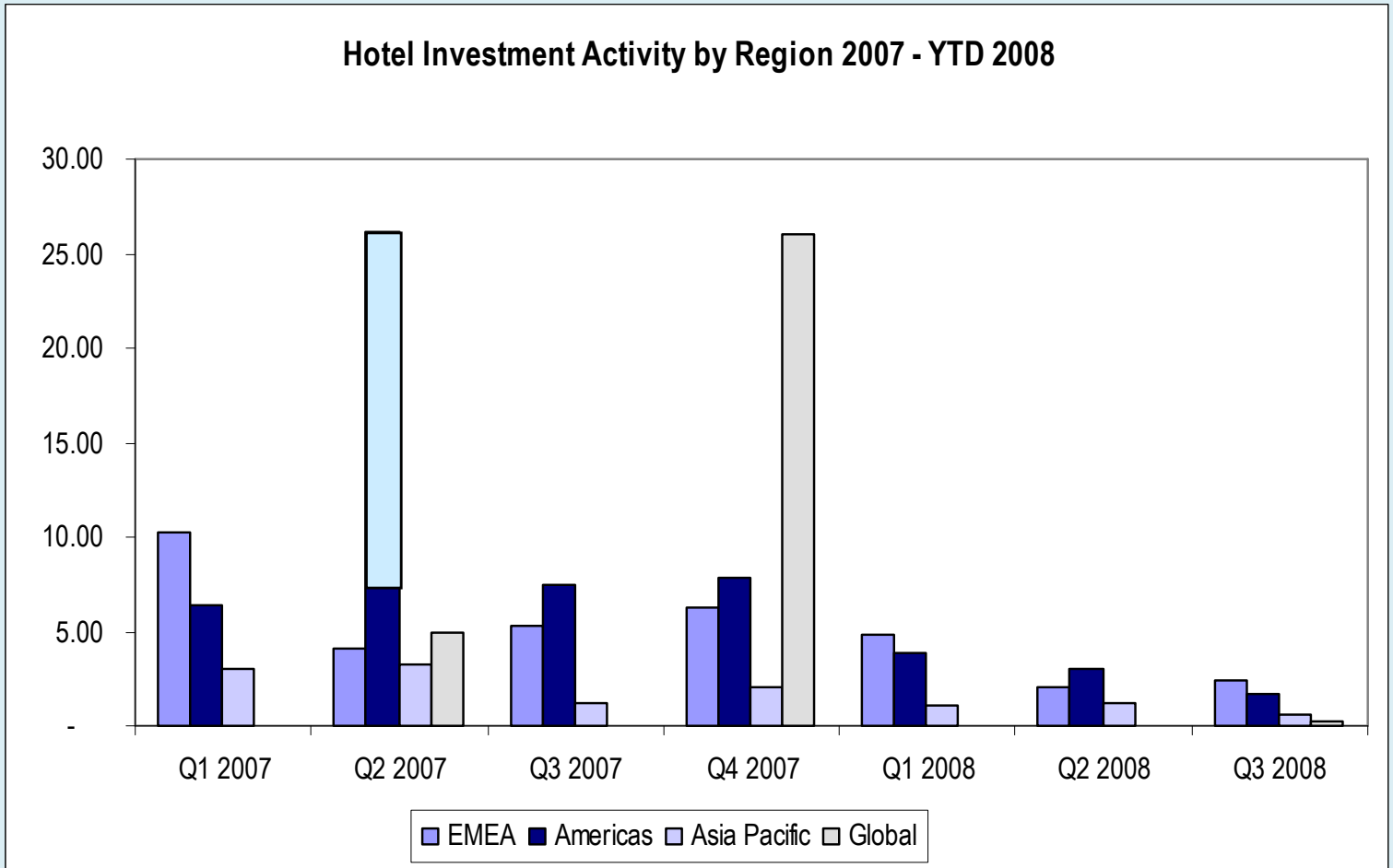
Global Hotel Investments 2000 – YTD Sept 2008

Russia&CIS Hotel Investment Conference



Source: Jones Lang LaSalle Hotels

Regional Breakdown – YTD Sept 2008



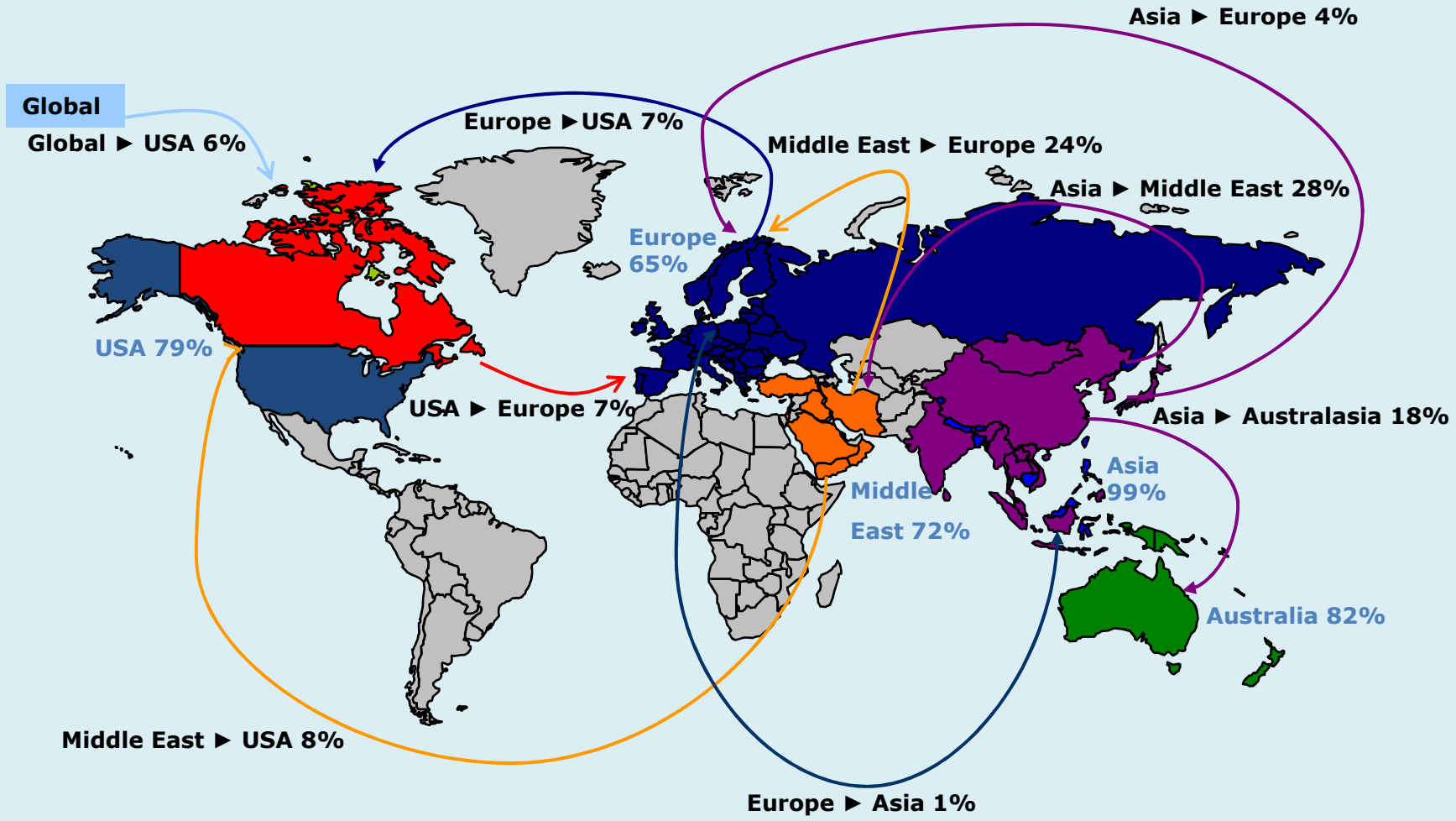
* Incl. several large corporate transactions (e.g. Acquisition of Four Seasons Hotels chain)

Source: Jones Lang LaSalle Hotels

Global Hotel Capital Flows – YTD Sept 2008

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Inter-regional and Cross Border Investment

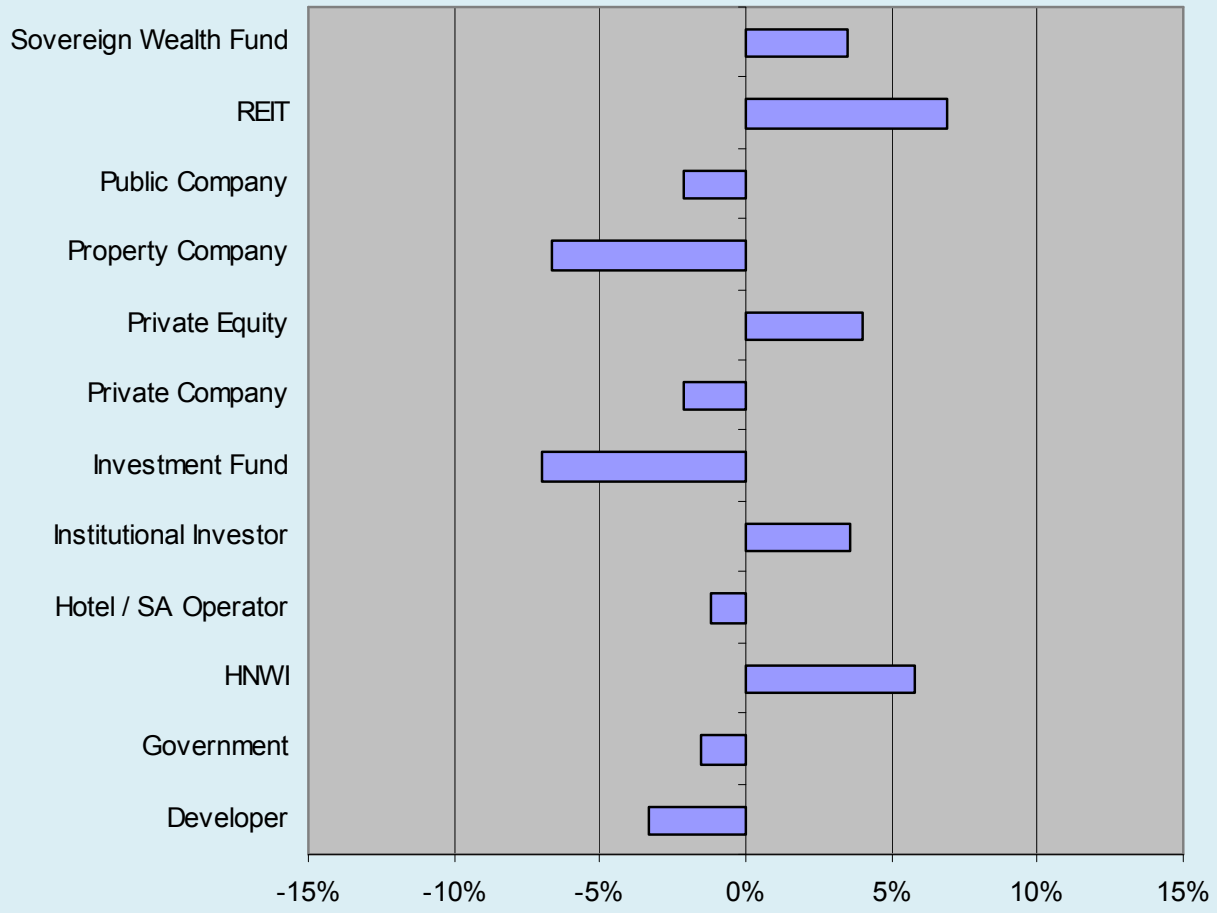


Source: Jones Lang LaSalle Hotels

Net Transaction Activity – YTD Sept 2008

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Net Transaction Activity



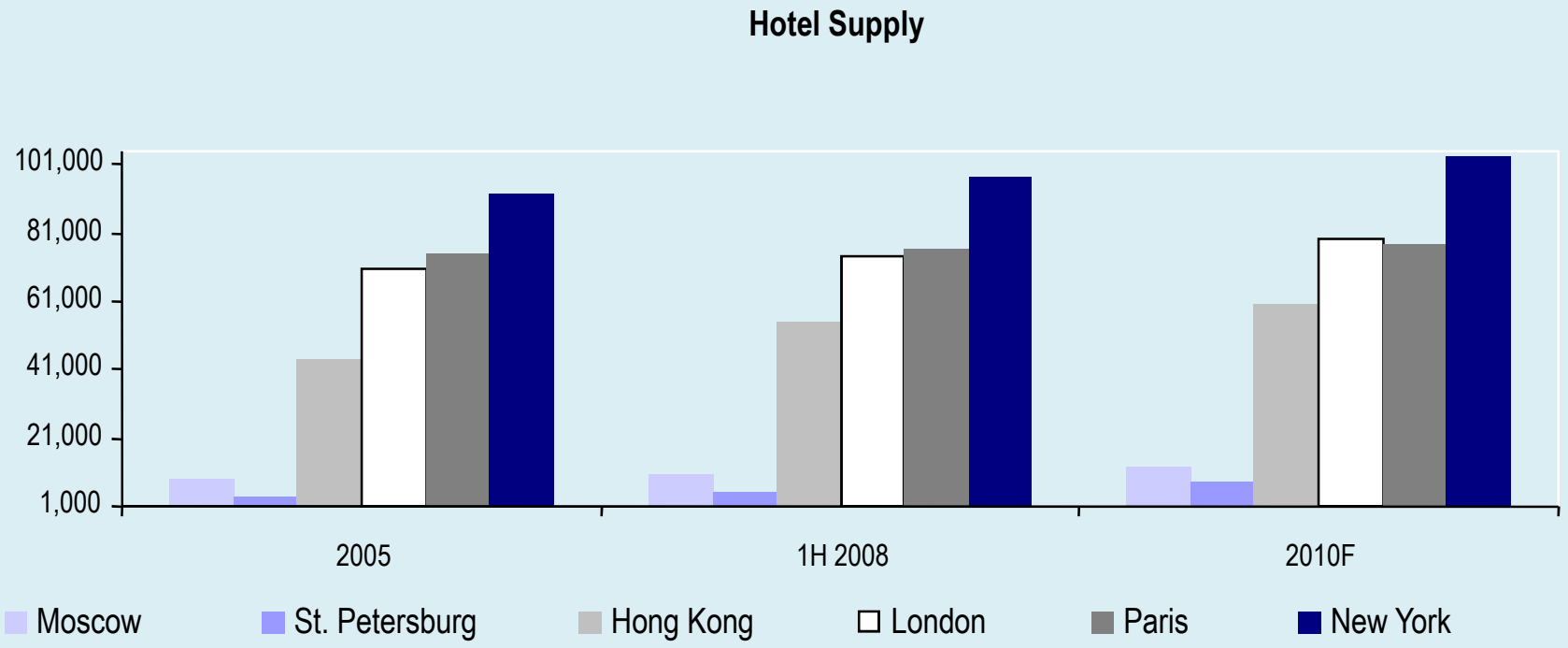
Source: Jones Lang LaSalle Hotels

Regional Hotel Investment Trends

Russia – Major Hotel Markets Supply

Russia&CIS Hotel Investment Conference

Hotel Supply still limited by international standards

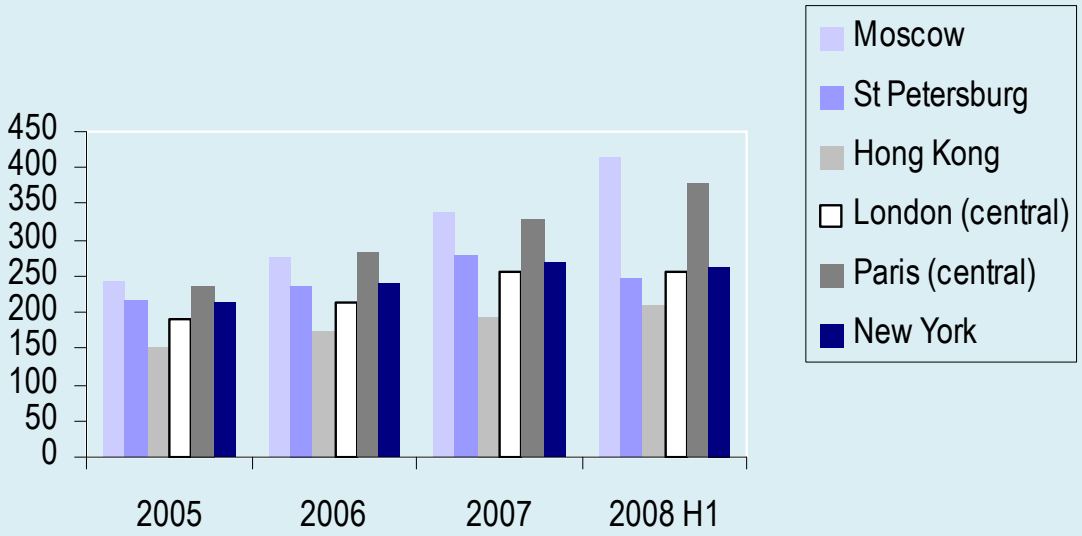


Source: Jones Lang LaSalle Hotels

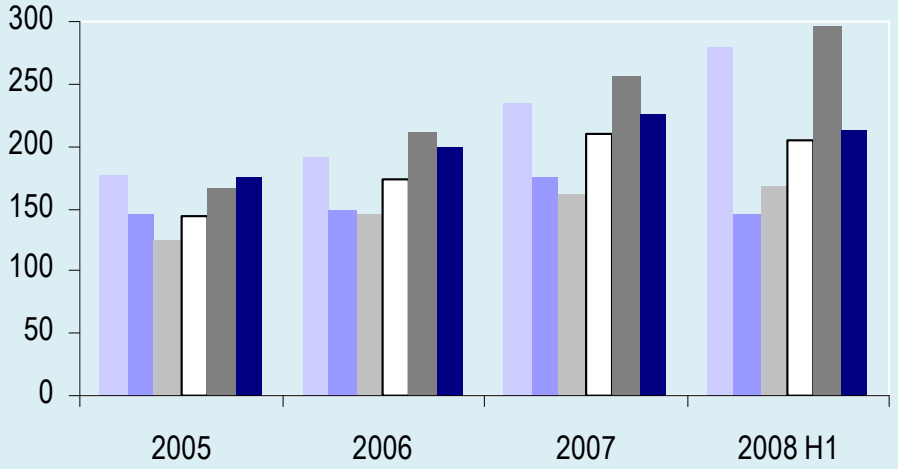
Russia – Major Hotel Markets Trading Performance

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Average Room Rate (US$)



RevPAR (US$)

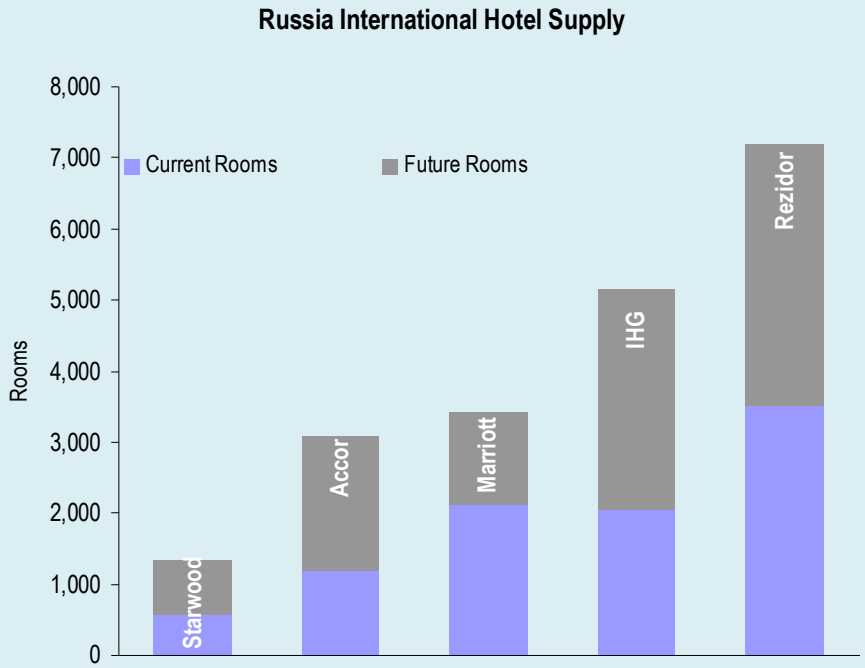


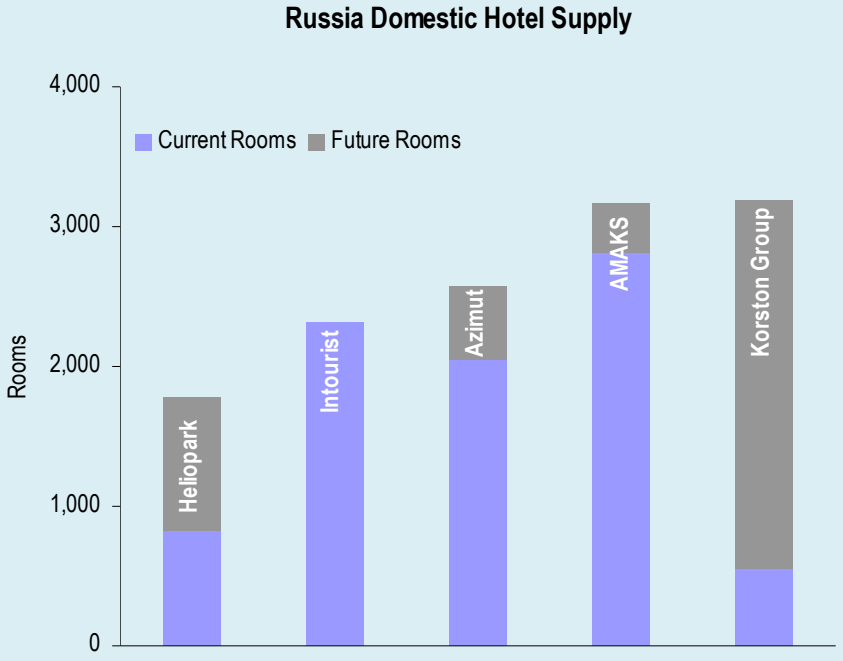
Source: STR Global

Russia Domestic and Intl Hotel Supply 2008-2014

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Robust activity in hotel market from both domestic and international players – mostly in development





Source: Jones Lang LaSalle Hotels

Foreign Investors into Russia Hotel Markets

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Strong Foreign Investor Interest

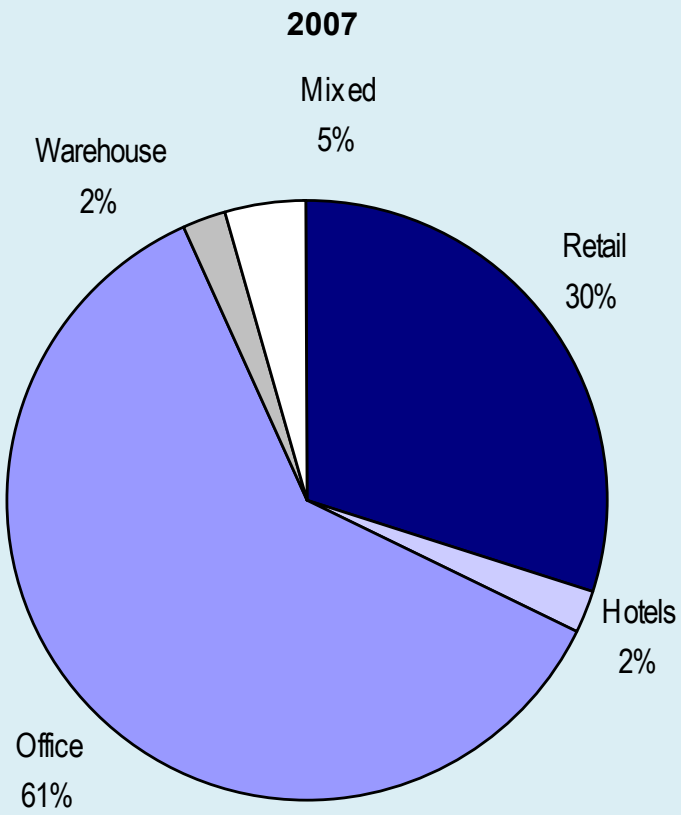


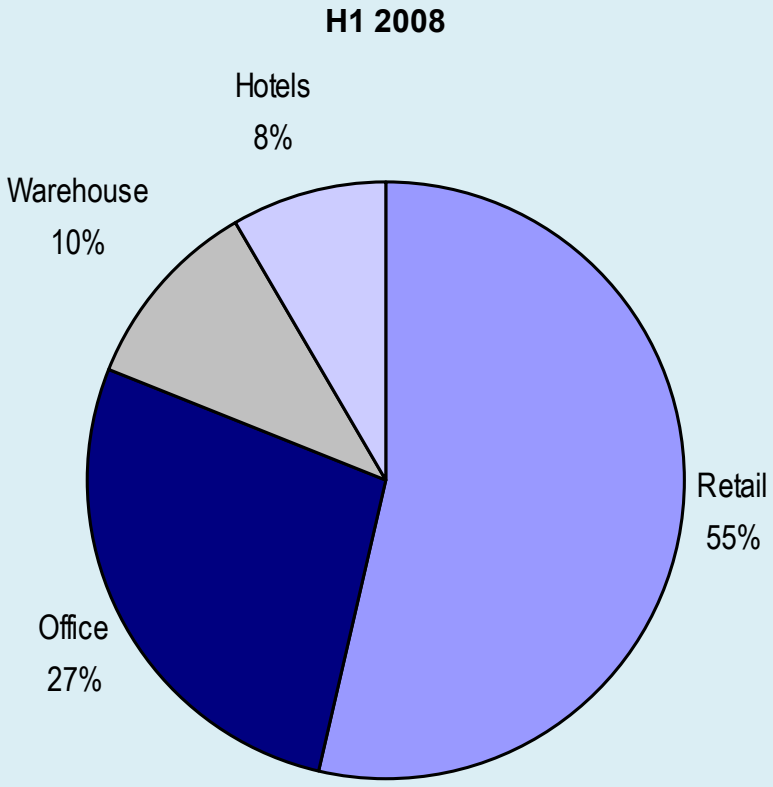
Source: Jones Lang LaSalle Research

Russia Real Estate Investment Volume

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Real Estate Investment Volumes amounted to $4.5BN in 1H2008 ($5BN in 2007) - Hotels accounted for 8%



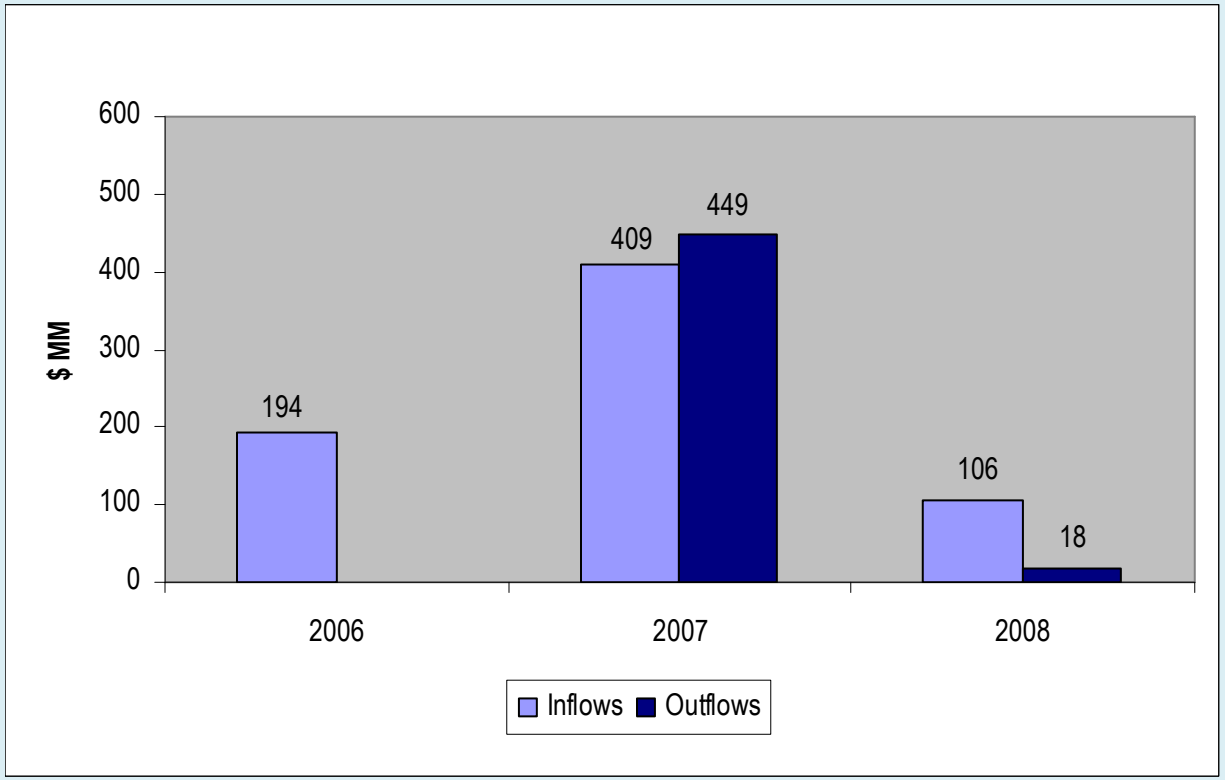


Source: Jones Lang LaSalle Hotels

Russia Hotels Capital Flows

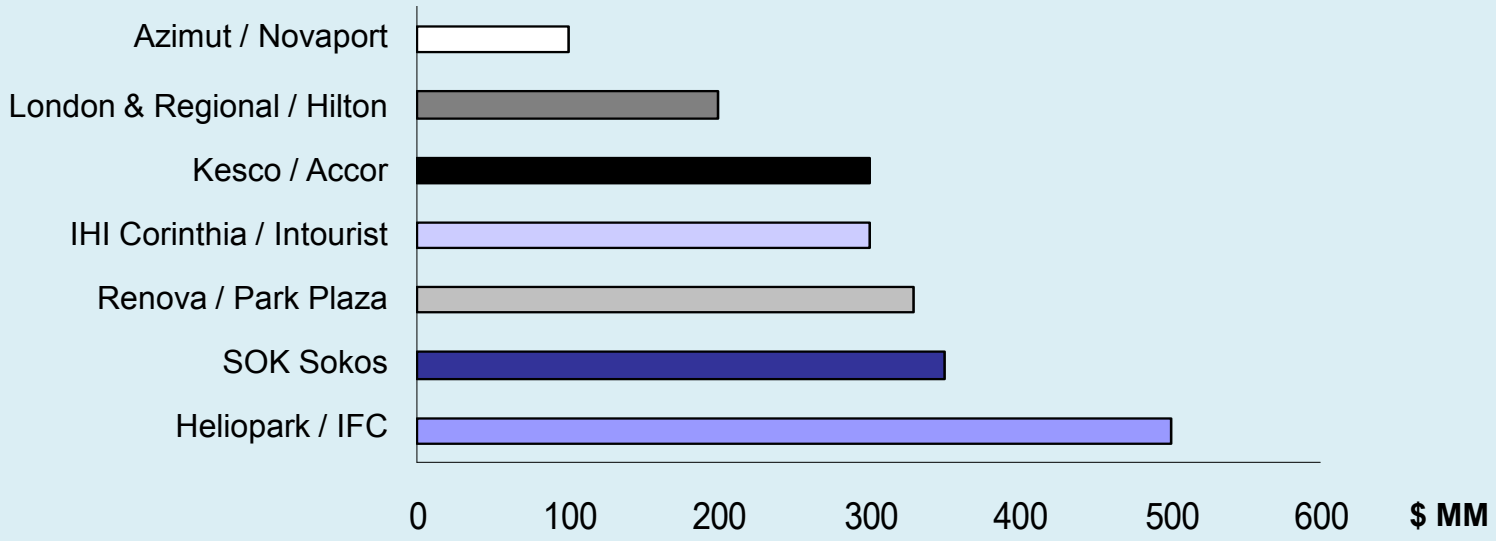
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Russia Inward and Outward Hotel Capital Flows



Source: Jones Lang LaSalle Hotels

Investment in JVs, Strategic Partnerships and Alliances – 1H 2008



Source: Jones Lang LaSalle Hotels

Russia – Offshore Hotel Investment

Russia&CIS
Hotel Investment Conference



- Majority of Russian investors / developers still focused on domestic opportunities
- Russian capital for offshore hotel investments – limited due to pricing mismatch
- Offshore interest tends to concentrate on CEE and Western Europe
- Example of recent acquisition activities by Russian groups:

  - Azimut purchased the Austrian Hotel Company in April 08, a 20-hotel European hotel chain with plans to expand the chain in CEE and Western Europe

  - Mirax purchased the Sungate Port Royal in Antalya, Turkey in 2007 from Chengiz Group for $340MM

Thank You – Q&A