



Horwath HTL™

Hotel, Tourism and Leisure



Switzerland
Hotels & Chains
2021



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Reporting Mid-Covid-19

When we prepared this year's edition of the Hotels & Chains Report for Switzerland we asked ourselves how to best interpret the data we present herein. We are currently still at the fierce hands of the pandemic with the third wave leading to yet another set of lock-downs throughout Europe and sluggish vaccination programmes just barely making progress. Summer season - while desperately awaited by the industry the world over - is still at limbo in many neighbouring countries.

As such we consider the data presented herein as a snapshot per year-end of 2020. We will all have to wait and see how much damage the industry will have suffered once travel can resume and some kind of normalcy returns to the industry. Without question, normalcy in the future will be different from what we considered normalcy in the past.

12 MONTHS OF UNCERTAINTY

One year ago we have been just at the beginning of COVID-19 and had no conception of how long and to what extent the pandemic will hit our industry. The statistics in this report speak for themselves.

It has become noticeably clear how dependent we are on international trade, business and travel. Governments have reacted differently and most of their decisions were made in short intervals and on even shorter notice. This made it exceedingly difficult to stay ahead of the situation and manage the day-to-day business.

But we found that some of the regions and destinations have done very well – a few even fantastic. Hotels with regular domestic clientele have not been impacted the way business and conference hotels in urban locations were.

Last year's development has turned the institutional investor's world upside down. Their preferred properties are city locations and lease contracts, i.e., hotels that suffer the most. Until today they have not decided how their strategy will be adapted going forward – the same applies to the retail sector by the way.

Looking back in history we have seen many revivals of regions, destinations, and hotels and maybe COVID-19 started a transition period which will give distinction to a new era in our sector. It will be a challenge for all of us but on the other hand will open new doors and possibilities for innovative and clever professionals.

We will experience the shifts not only in the different hotel segments and types of properties but also in the financing sector, and - last but not least - maybe also in guest behaviour and expectations.

*Heinz & Michaela Wehrle, Rustom Vickers
Horwath HTL Switzerland*





2020 was a year that shook the hotel industry to its core. It started with record figures and ended with the biggest financial crisis since the Second World War.

Back in February, we were suddenly faced with the realisation that we would have to manage our way through the whole year in the midst of the pandemic. By March 2020, tourism throughout Switzerland had collapsed as a result of the COVID-19 crisis. Against a backdrop of international travel restrictions, domestic economic constraints and interruptions to the value creation chain in the tourism sector, only 23.7 million overnight stays were generated by the Swiss hotel industry over the entire year. This translates to a 40% reduction compared to the previous year (-15.8 million stays).

The crisis has made us stand up for our industry on a political level. To ensure that our requests lead to results, we have been holding continuous discussions with the Federal Council and Administration as part of a broad alliance of stakeholders in the tourism industry. This has enabled us to significantly raise the profile of our sector on the political stage. Throughout this process, we have continually stressed that our industry is one which does its homework. The protection concepts that we have diligently put in place have made enjoying safe holidays a possibility for Swiss guests in particular, and in doing so we have made a significant contribution to the well-being

of the country's population. Businesses in urban areas have been hit the hardest. They still lack any prospects for recovery and their need for further support is now more urgent than ever.

The crisis and its consequences have highlighted the sheer variety in our industry and the challenges that we face. However, this year of crisis has also shown just how innovative and adaptable the hospitality industry is – businesses have found creative solutions and devised new offers that cater to the adjusted needs of guests while also incorporating the measures necessary to protect them from the pandemic. The industry also continued to develop in terms of digitalisation over the course of 2020, increasing the use of digital channels and automating more and more processes such as checking in and checking out. This never-say-die attitude and passion for hosting guests gives me confidence that the hospitality industry will overcome the difficulties of the restart once the current crisis has abated and will enrich the tourism industry with innovative and creative solutions.

Andreas Züllig
HotellerieSuisse, President

Switzerland's hotel market performs the best in Europe in 2020; yet still contracts by more than half compared to 2019.

In a year to forget for the global hotel market, Europe was the worst continent impacted by the COVID-19 crisis with an unprecedented 70% year-on-year reduction in RevPAR (as per local currency denominated data recorded by STR). Switzerland's hotels proved the most resilient within Europe with a relatively more robust decrease of 59% in RevPAR, which also pushed Switzerland to the number 1 spot in actual values (as per EUR denominated data recorded by STR).

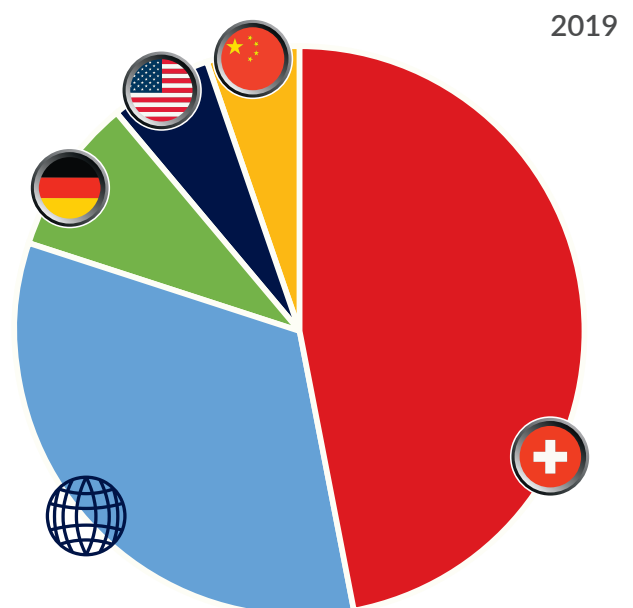
This resilience can be put down mainly to an excellent summer for the Alpine resorts, who benefited from relatively relaxed COVID-19 restrictions in Switzerland including borders with neighbouring countries remaining open.

It was not only the Alpine resorts that fared better compared to their European counterparts, both Zürich and Geneva were in the top half of the main 35 gateway cities in Europe in terms of annual percent change in RevPAR.

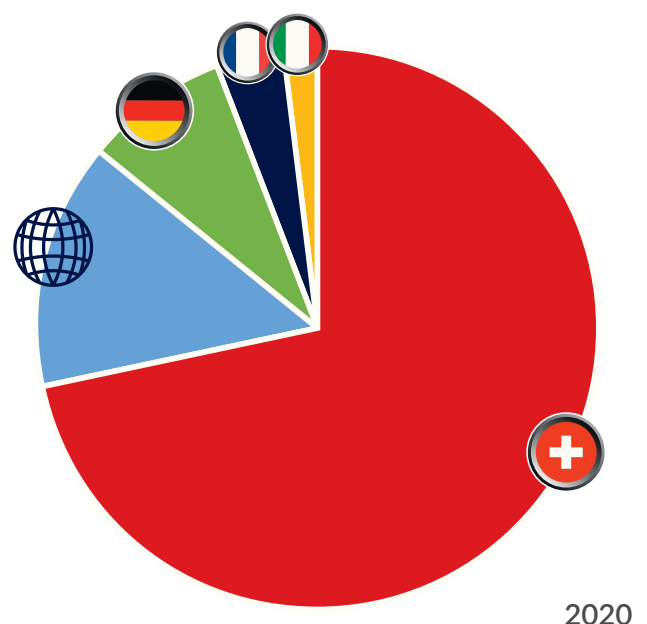
Whilst nonetheless an abysmal year for the Swiss hotels, their relative revenue performance strength, coupled with significant governmental support in terms of Kurzarbeit (short-term labour support scheme) and COVID-19 loans, gives a silver lining and confidence boost to investors.

Performance Change 2020 over 2019

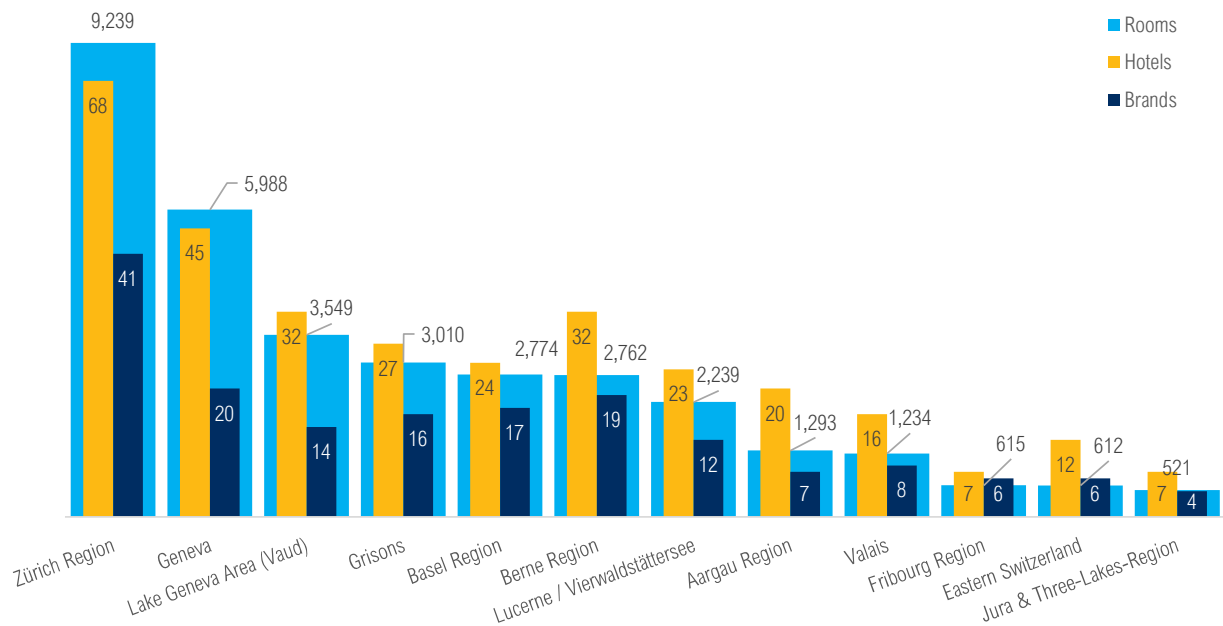
STR			
	Occ.	ADR	RevPAR
Switzerland	-60	+3	-59
Geneva	-71	-12	-75
Zürich	-69	-4	-71



Switzerland's Source Markets

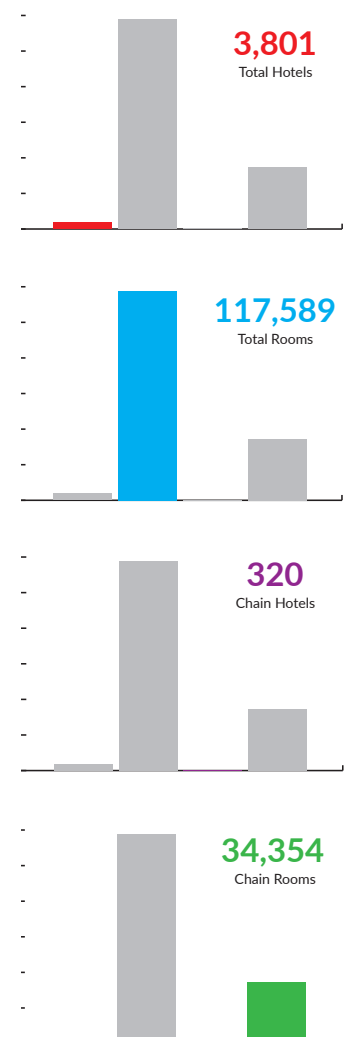


Chain Supply



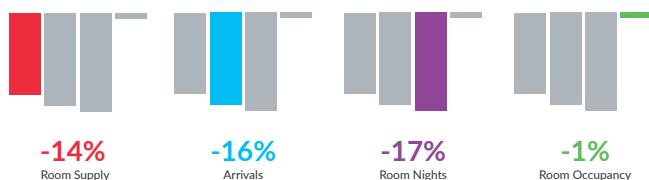
Total Market Supply

TOTAL SUPPLY			
Region	Hotels	Rooms	Room Occ.
Aargau Region	181	4,260	30.4%
Basel Region	114	5,261	28.1%
Berne Region	510	14,577	39.3%
Eastern Switzerland	397	8,151	33.7%
Fribourg	95	1,872	29.6%
Geneva Region	101	8,313	26.6%
Grisons	550	17,244	47.2%
Jura & Three-Lakes	169	2,658	30.0%
Lake Geneva/ Vaud Region	246	8,836	31.7%
Lucerne / Vierwaldstättersee	369	11,176	33.0%
Ticino	281	7,045	44.8%
Valais	464	11,568	48.1%
Zürich Region	325	16,784	27.2%

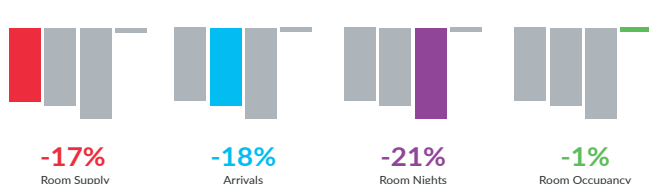


Destinations vs. Cities

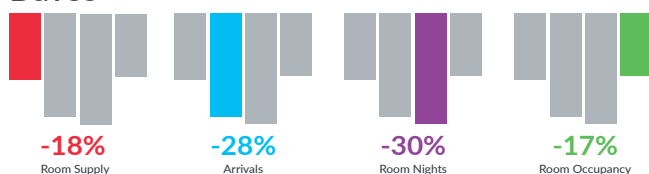
Ascona



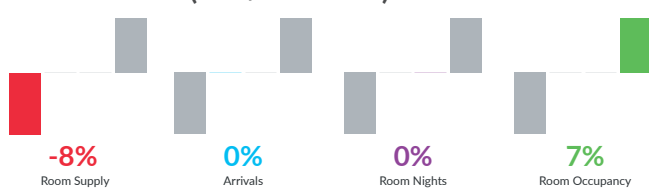
Crans-Montana



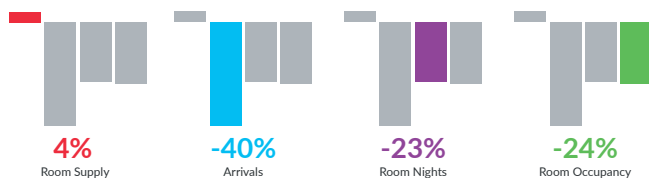
Davos



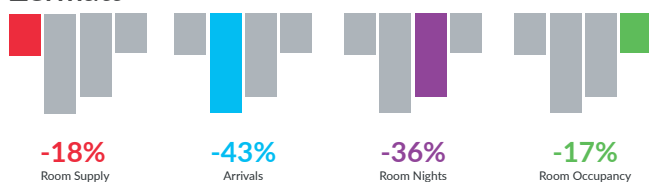
Lenzerheide (Vaz/Obervaz)



St. Moritz



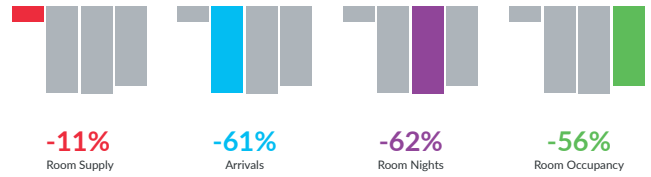
Zermatt



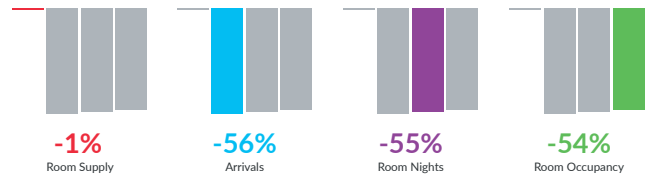


2020 City Development

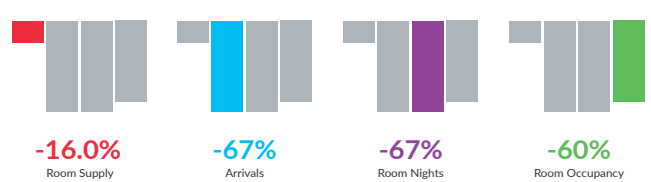
Basel



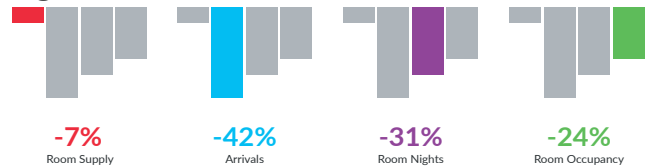
Berne



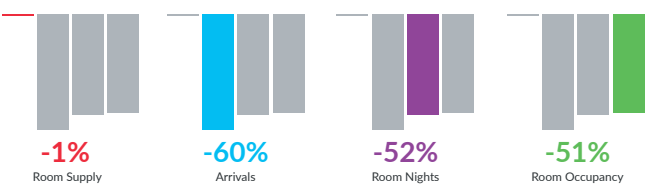
Geneva



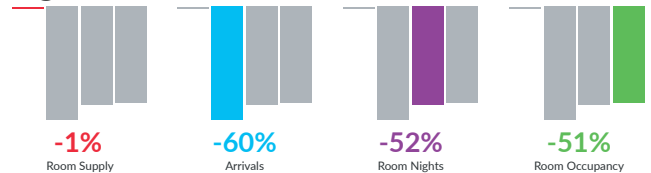
Lugano



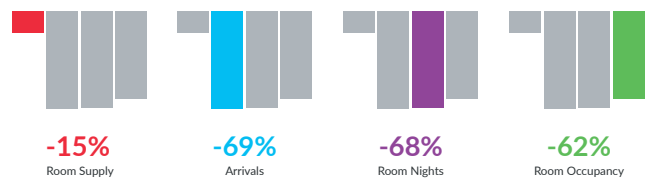
Lucerne



Zug

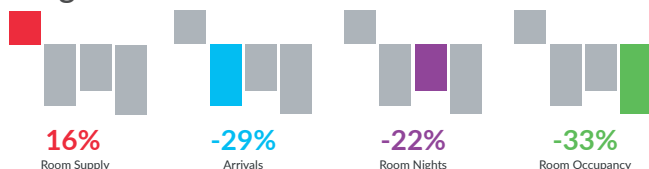


Zürich

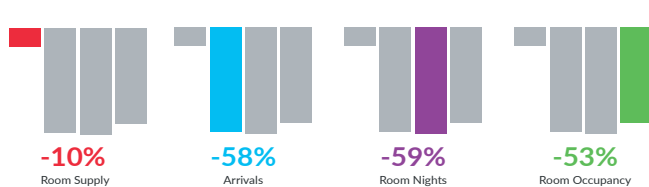


The (relative) winners are: Resorts

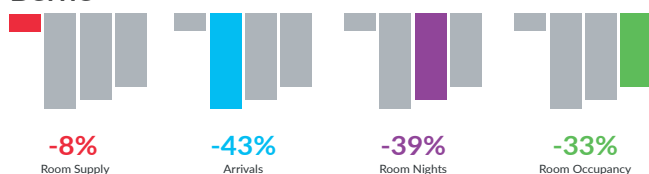
Aargau



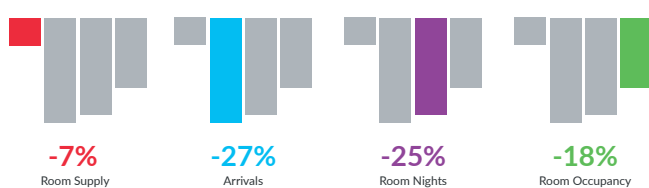
Basel



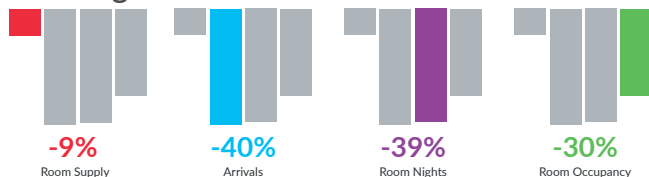
Berne



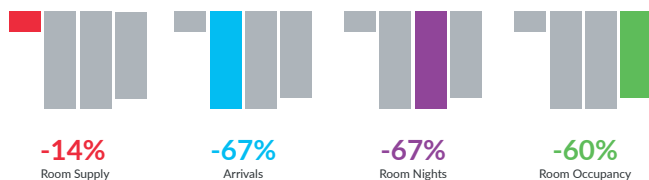
Eastern Switzerland



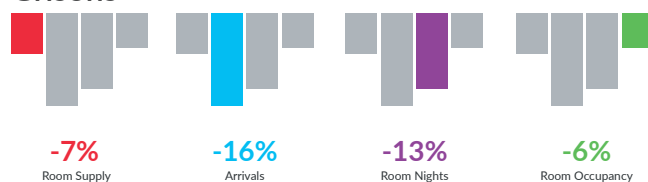
Fribourg



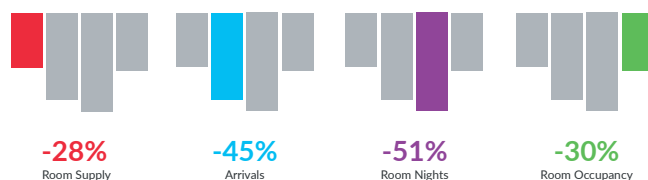
Geneva



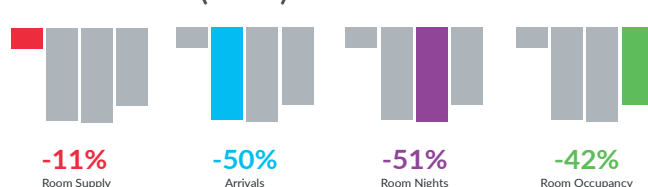
Grisons



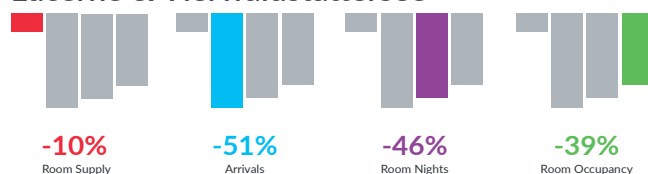
Jura & Three Lakes



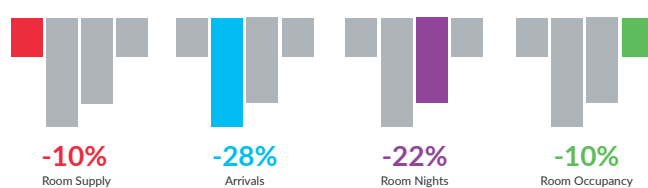
Lake Geneva (Vaud)



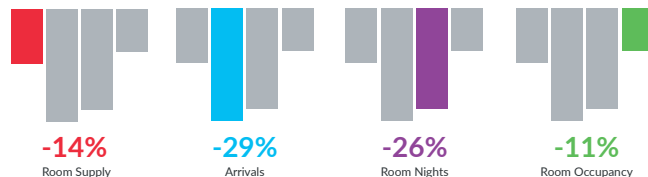
Lucerne & Vierwaldstättersee



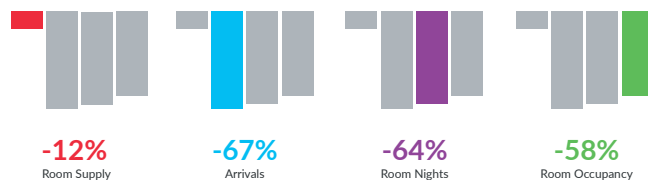
Ticino



Valais



Zürich



Switzerland's hotel market suffered acute demand and supply imbalance in 2020 with a 45% decrease in room nights with only a 11% decrease in rooms available, compared to 2019.

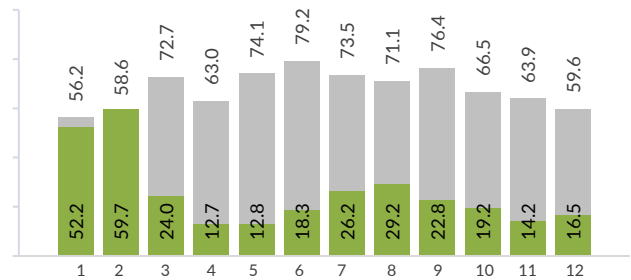
Not unexpectedly the dramatic drop in demand due to COVID-19 crisis, coupled with a somewhat steadfast supply of hotels, created an accentuated (but hopefully temporary) negative demand/supply disparity.

Nonetheless, this imbalance was not felt across country with certain regions, predominately in Alpine areas, actually having more demand than supply. Disentis proved to be one of the biggest winners with a 60% increase in arrivals, benefiting from the recent ski lift connection to Andermatt. Other notable regions that witnessed increased occupancies were Leytron, Gambarogno, and Films-Laax which continues to grow as a internationally recognized destination.

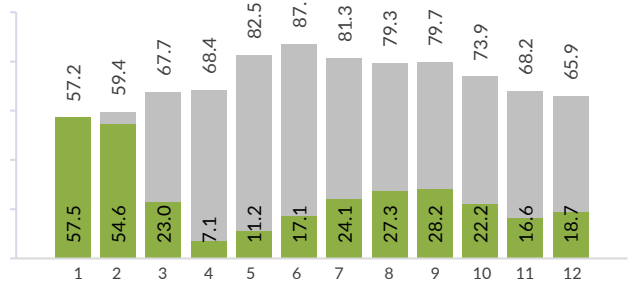
Cities across Switzerland suffered the most, with corporate and MICE segments the most impacted by COVID-19. Zürich and Geneva, the two most dependant regions on international arrivals, saw between 65% to 71% decreases in room nights. Hopefully when international travel resumes, these cities bounce back well.

🇨🇭 2020 over 2019 Seasonal Occupancy Rates (%) Samples

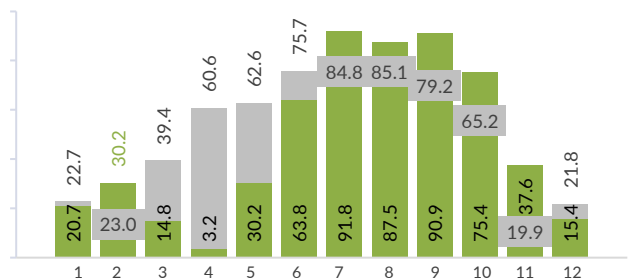
Geneva



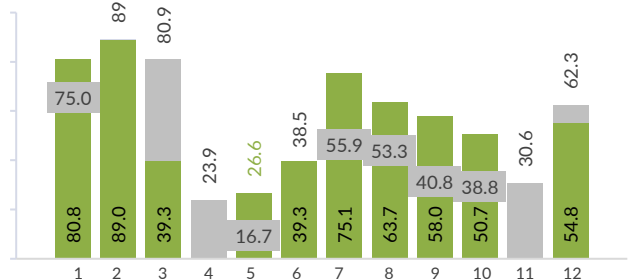
Zürich



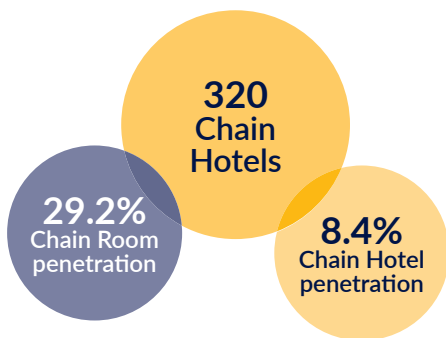
Ascona



Lenzerheide



■ 2019 ■ 2020



Key Statistics	2019	2020	% Diff.
Total chain hotels	318	320	0.6%
Total chain rooms	34,032	34,354	0.9%
Average size per chain hotel in rooms	107	107	0.3%
Country hotels stock (overall supply)	4,234	3,801	-10.2%
Country rooms Stock (overall supply)	130,625	117,589	-10.0%
Average size per hotel in rooms	30.9	30.9	0.1%
Chain penetration % by hotels	7.5%	8.4%	12.3%
Chain penetration % by rooms	26.1%	29.2%	11.9%
Total number of brands	80	83	3.8%
Domestic brands	11	11	0.0%
International brands	69	72	4.3%
Second-tier operated hotels	50	50	0.0%
International chain hotels	184	196	6.5%
Domestic chain hotels	134	124	-7.5%
International chain rooms	23,980	25,047	4.4%
Domestic chain rooms	10,052	9,307	-7.4%

Key Findings

Contrary to the overall market, chains still grew by just a small margin in 2020. However, this growth comes entirely from international group hotel openings as the number of domestic chain hotels shrank by 7.5%

Total Chain Market

Switzerland's chain hotel market experienced some remarkable changes in the midst of the Covid-19 pandemic. Needless to say that hotels which were already under construction were not simply cancelled and most of the scheduled openings actually took place. Unfortunately not all of the groups responded to our question asking which hotels were temporarily closed due to the situation, neither would we want to predict if and when the 28 hotels that were reported temporarily closed will reopen for business. That applies to the overall market as well. We have no way of ascertaining the number of only temporarily closed hotels. As such, we see this report as a snap shot that will need to be re-evaluated once some kind of normalcy returns to the industry.

Chains

All groups with new openings in 2020 had already been present in Switzerland with one or more hotels in past year(s). Two thirds of the drop in the number of domestic chain hotels is owed to the fact that two groups missed our threshold of 5 hotels under operation this year and did not make the listing.

There was some movement in the international department as well with divestments, management back contracts, sold contracts and de-brandings.

Brands

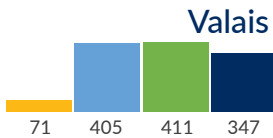
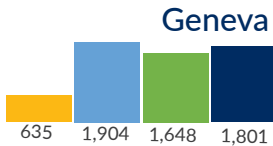
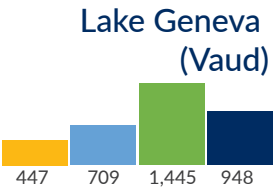
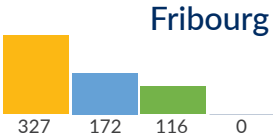
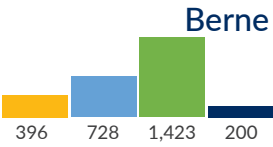
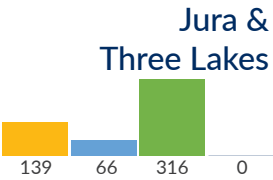
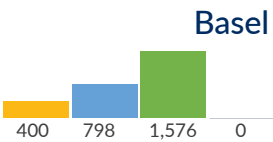
In 2020, b_smart selection launched their new brand flexy. motel and Switzerland's first prizeotel opened in Berne.

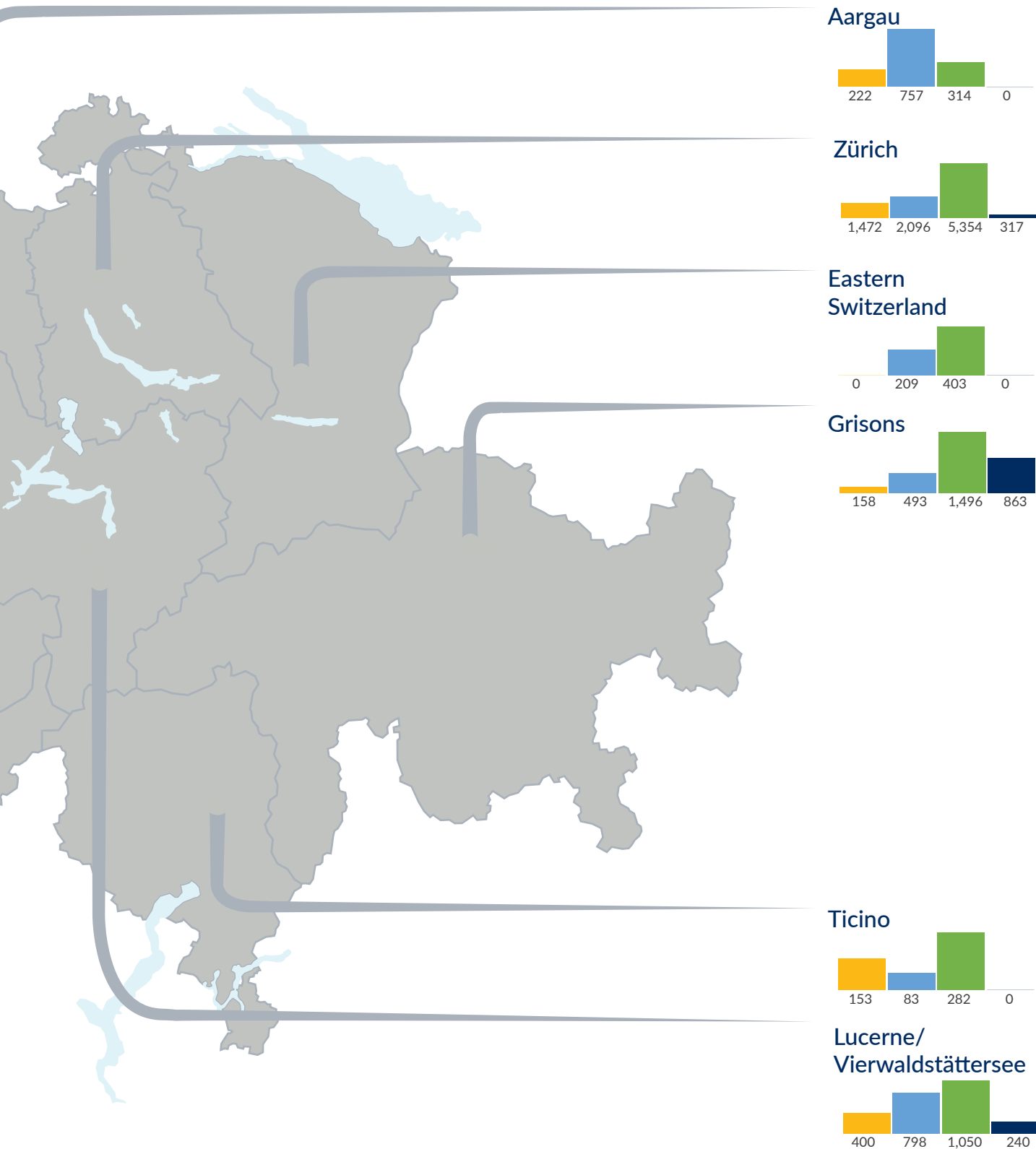
In the luxury department, Fairmont took over the Geneva property from Kempinski.

Domestic white label operator SV Hotels developed their first own brand Stay Kooook - a serviced apartment concept that celebrated its first opening, also in Berne, this past year. As many operators are still in negotiations with their lessors, and depending on the outcome of these negotiations, we expect to see some shifts in the Swiss brandscape in the years to come.

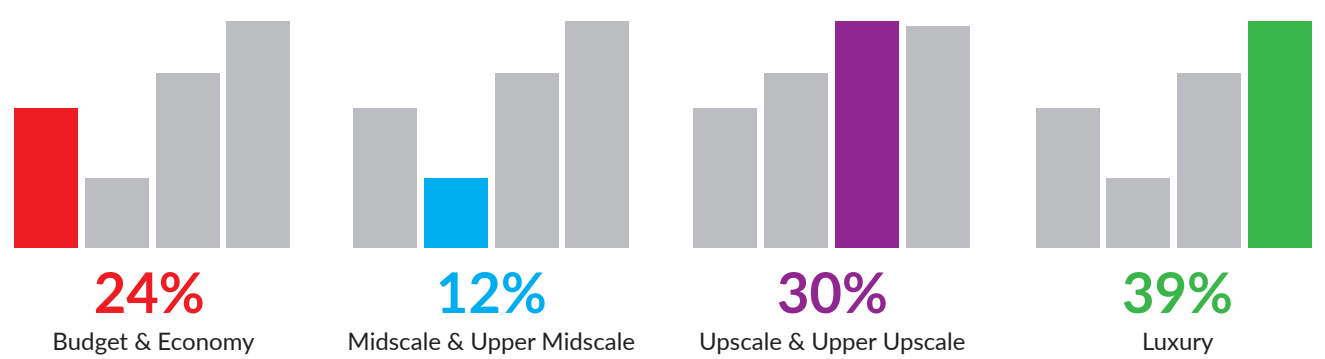
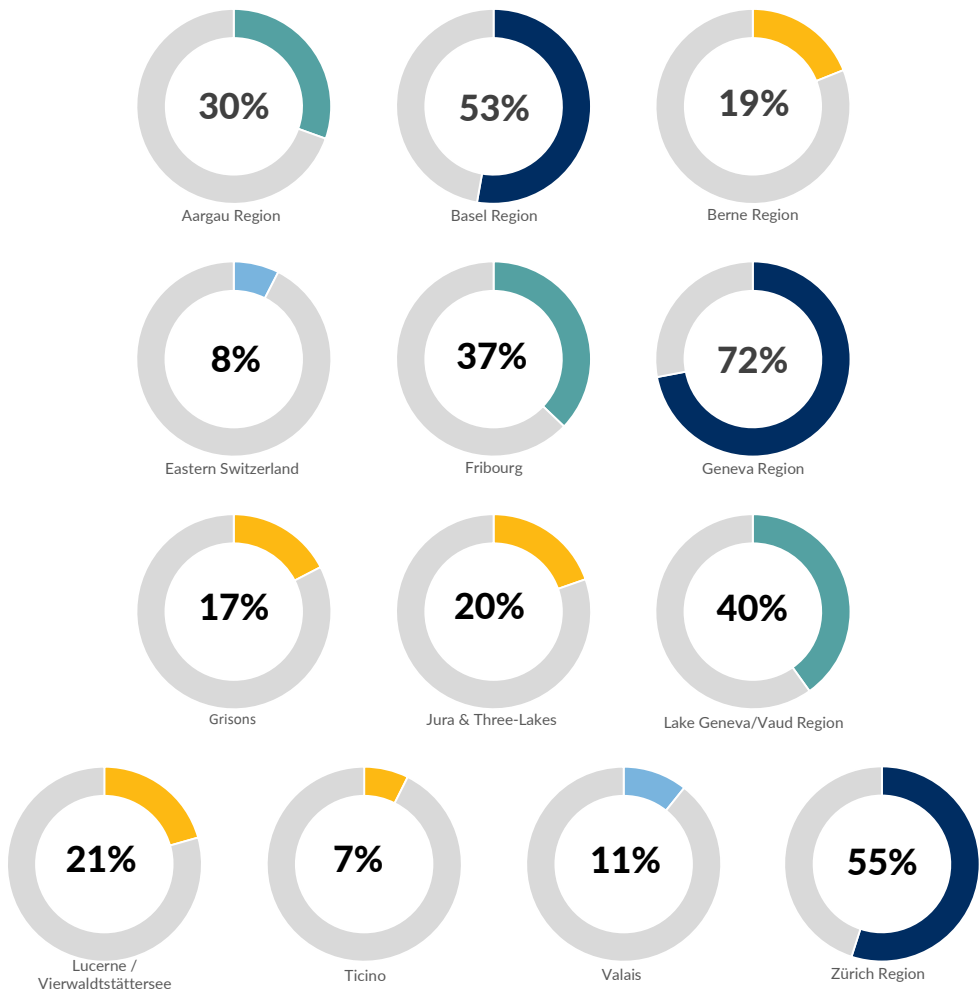
Regional Chain Room Stock by Scale

- 1/2** Economy & Budget
- 3/3+** Midscale & Upper Midscale
- 4/4+** Upscale & Upper Upscale
- 5** Luxury

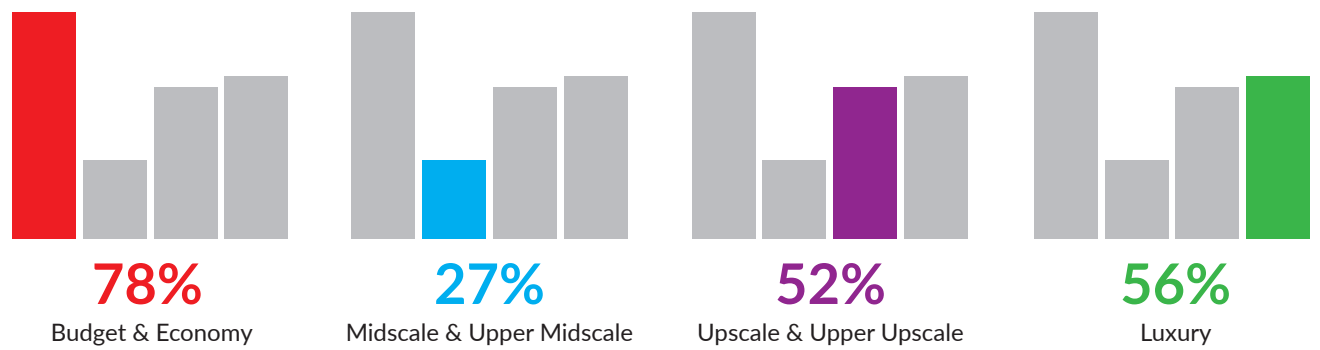
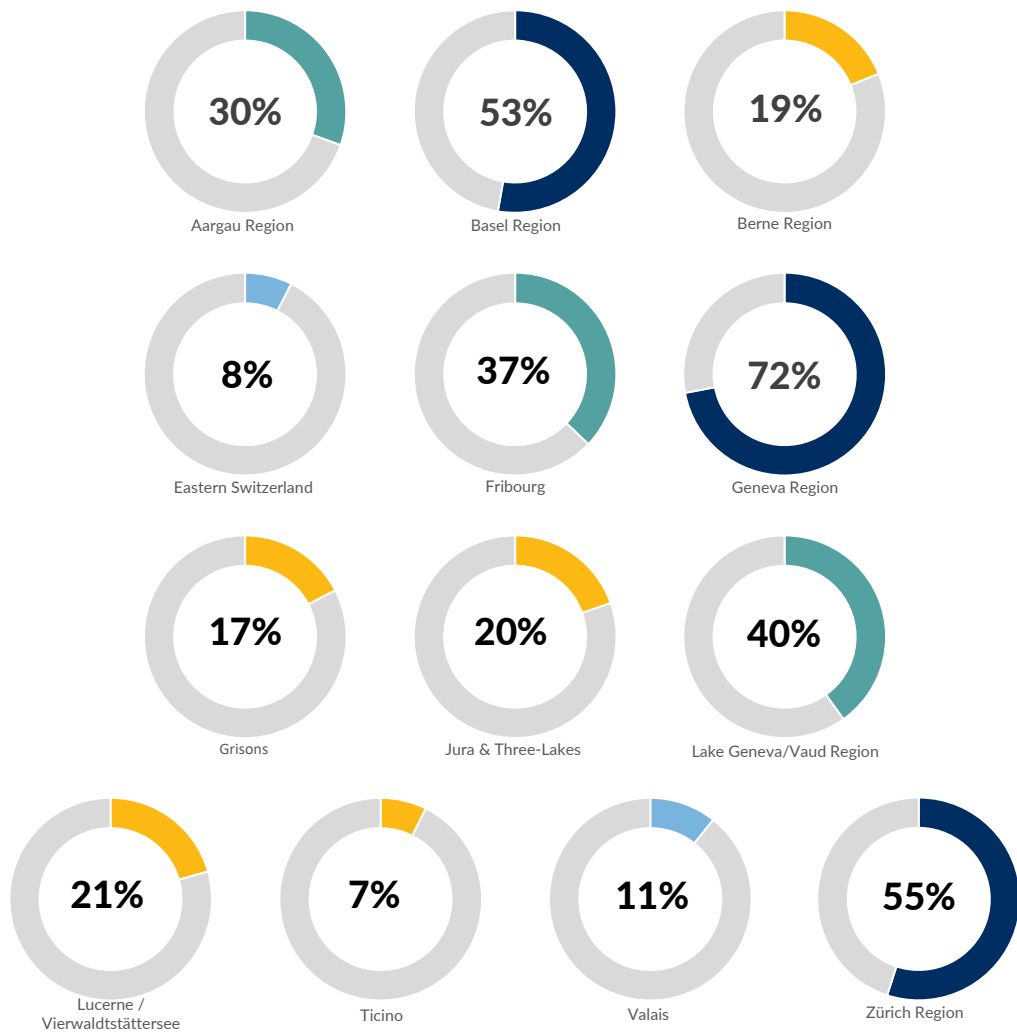




Branded Hotel - Market Penetration



Branded Room - Market Penetration



Ranking by Size

	CHAINS		
Rank	Chain Groups	Hotels	Rooms
1	Accor	73	9,211
2	Marriott	17	2,576
3	IHG	12	2,307
4	Radisson Hotel Group	7	1,382
5	BWH Hotel Group	13	876
6	Boas Hotels	8	876
7	Sunstar Hotels	9	875
8	Sorell Hotels	16	826
9	H Hotels	6	731
10	Hotels by Fassbind	7	764

	Domestic Chain Groups	Hotels	Rooms
1	Boas Hotels	8	876
2	Sunstar Hotels	9	875
3	Sorell	16	826
4	Hotels by Fassbind	7	764
5	Manotel	6	610
6	Aargauhotels	12	544
7	Sandoz Foundation	6	543
8	Fassbind Hotels	6	521
9	Welcome Management	6	510
10	Hotel Portfolio Holding	4	508

	International Chain Groups	Hotels	Rooms
1	Accor	73	9,211
2	Marriott	17	2,576
3	IHG	12	2,307
4	Radisson Hotel Group	7	1,382
5	BWH Hotel Group	13	876
6	H Hotels	6	731
7	Katara Hospitality	5	658
8	Hilton	3	585
9	Motel One	2	543
10	B&B	5	542

	BRANDS		
Rank	Chain Brands	Hotels	Rooms
1	Ibis	24	2,475
2	Ibis budget	13	1,692
3	Mövenpick	5	1,306
4	Novotel	7	1,099
5	Radisson Blu	5	1,092
6	Sunstar	9	875
7	Ibis styles	9	781
8	Sorell	15	754
9	Crowne Plaza	2	731
10	Holiday Inn Express	6	719

	Domestic Chain Brands	Hotels	Rooms
1	Sunstar	9	875
2	Sorell	15	754
3	by Fassbind	5	566
4	Arenas - The Resort	4	508
5	Welcome Hotels	4	356
6	Bâle Hotels	3	218
7	Swiss Night	2	198
8	Seiler Hotels	2	191
9	Kempinski	1	184
10	Welcome homes	2	154

	International Chain Brands	Hotels	Rooms
1	Ibis	24	2,475
2	Ibis budget	13	1,692
3	Mövenpick	5	1,306
4	Novotel	7	1,099
5	Radisson Blu	5	1,092
6	Ibis styles	9	781
7	Autograph Collection	5	763
8	Crowne Plaza	2	731
9	Holiday Inn Express	6	719
10	Bürgenstock Selection	5	658

Ranking by Scale

DOMESTIC BRANDS			
Rank	Economy & Midscale	Hotels	Rooms
1	Arenas - The Resort	4	508
2	Sorell	9	465
3	Welcome Hotels	3	224
4	Hotels by Fassbind	3	183
5	Welcome homes	2	154
6	Stay Kooook	1	62
7	Swiss Night	1	51
8	BâleHotels	1	47

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Sunstar	9	875
2	Hotels by Fassbind	2	383
3	Sorell	6	289
4	BâleHotels	2	171
5	Swiss Night	1	147
6	Welcome Hotels	1	132
7	Seiler Hotels	1	41

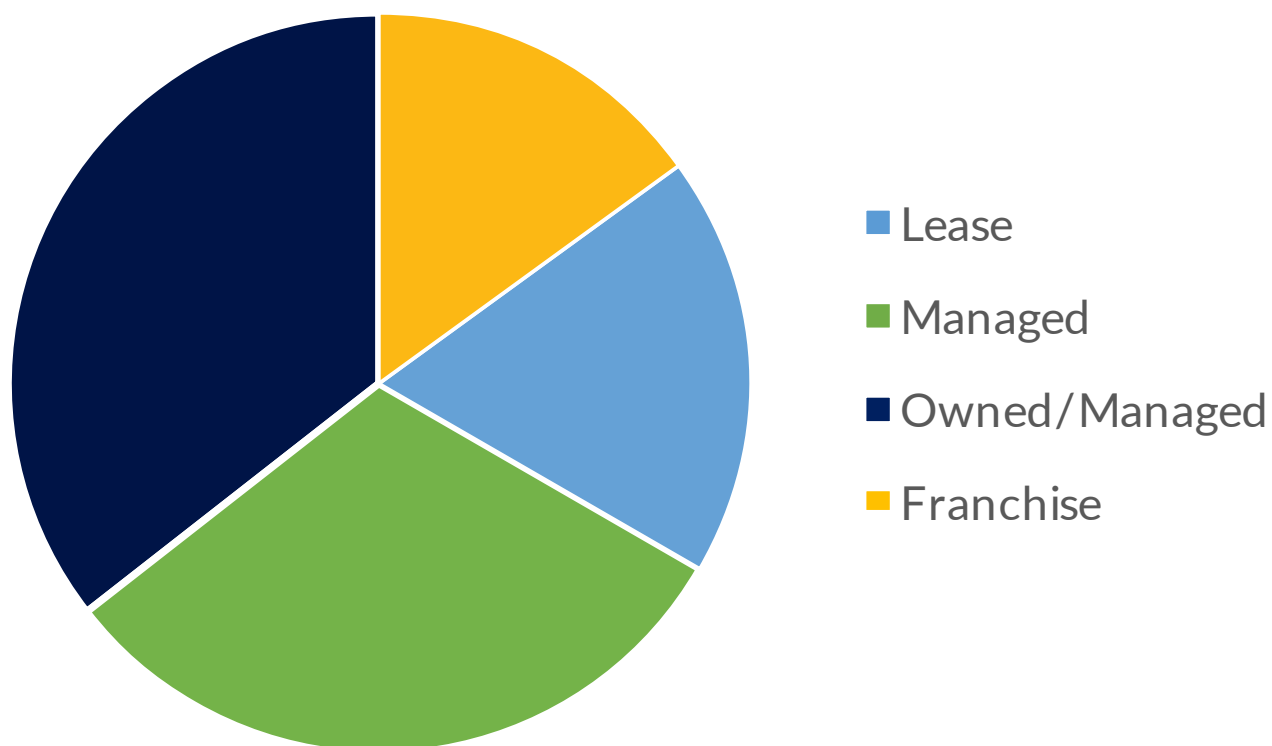
Rank	Luxury	Hotels	Rooms
1	Kempinski	1	184
2	Seiler Hotels	1	150

INTERNATIONAL BRANDS			
Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	24	2,475
2	Ibis budget	13	1,692
3	Ibis styles	9	781
4	Holiday Inn Express	6	719
5	Motel One	2	543
6	B&B	5	542
7	Best Western	5	353
8	CitizenM	2	304
9	25hours	2	296
10	Moxy	2	243

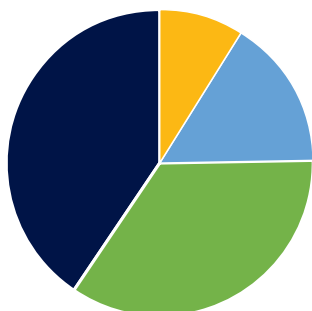
Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Novotel	7	1,099
2	Radisson BLU	5	1,092
3	Mövenpick	4	956
4	Crowne Plaza	2	731
5	Dorint	3	534
6	Renaissance	2	387
7	Ameron	3	370
8	Club Med	1	358
9	Courtyard	2	327
10	Hilton	1	323

Rank	Luxury	Hotels	Rooms
1	Fairmont	2	648
2	Autograph Collection	4	608
3	Interconti	2	549
4	Bürgenstock Selection	3	397
5	Mövenpick	1	350
6	Mandarin Oriental	1	189
7	la Reserve	2	152
8	W	1	127
9	Steigenberger	1	126
10	Fours Seasons	1	115

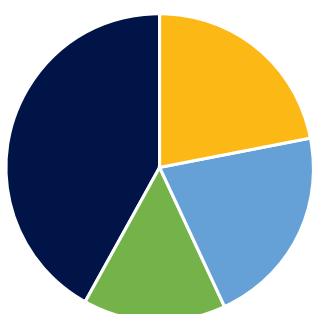
Business Model



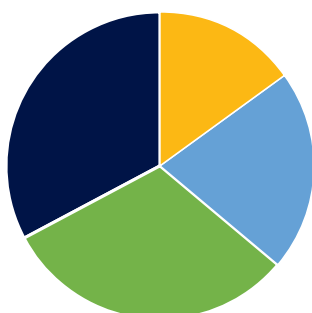
Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Overall	Lease	57	6,313	17.8%	18.4%
	Managed	83	10,702	25.9%	31.2%
	Owned/Managed	132	12,158	41.2%	35.4%
	Franchise	48	5,181	15.0%	15.1%



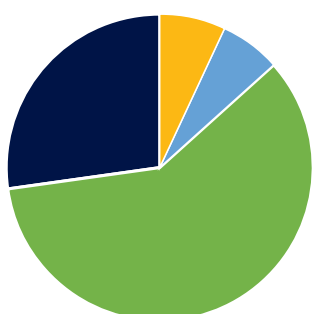
Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Economy	Lease	6	730	10.3%	11.4%
	Managed	16	1,596	19.3%	14.9%
	Owned/Managed	17	1,872	12.9%	15.4%
	Franchise	6	419	12.2%	7.7%



Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Midscale	Lease	24	1,949	41.4%	31.7%
	Managed	15	1,375	18.1%	12.9%
	Owned/Managed	57	3,834	43.2%	31.5%
	Franchise	22	2,014	44.9%	37.1%



Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Upscale & Upper Upscale	Lease	24	3,328	52.7%	52.1%
	Managed	37	4,936	44.6%	46.1%
	Owned/Managed	47	5,170	35.6%	42.5%
	Franchise	18	2,669	38.8%	49.1%



Ranking	Model	Hotels	Rooms	% Hotels	% Rooms
Luxury	Lease	4	306	4.9%	4.8%
	Managed	15	2,795	18.1%	26.1%
	Owned/Managed	11	1,282	8.3%	10.5%
	Franchise	2	333	6.9%	6.1%

Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Avg Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	45	4,617	13.4%	103	4	168	41	4,449
Midscale	117	9,172	26.7%	78	61	3,842	56	5,330
Upscale & U.Upscale	126	15,849	46.1%	126	50	4,196	76	11,653
Luxury	32	4,716	13.7%	147	9	1,101	23	3,615
TOTAL	320	34,354			124	9,307	196	25,047



Demand Driver

DRIVER	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	72	5,250	156	19,634
Conference Focus	6	406	14	2,352
Mountain/Ski	22	2,021	13	1,300
Other Leisure	24	1,630	13	1,761

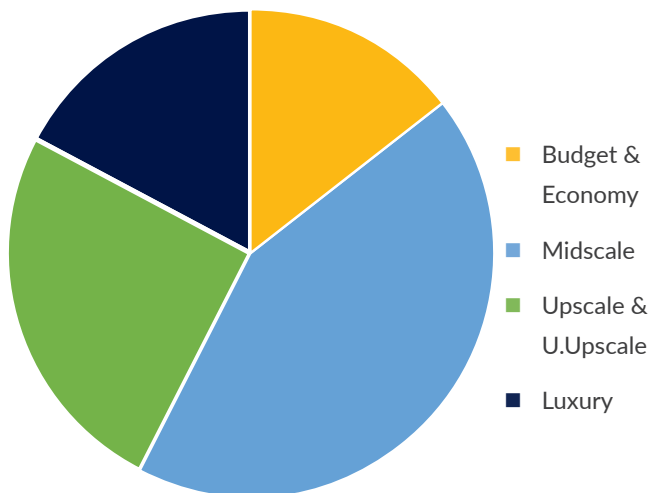
Institutional Owners 2020

Rank	Name	No. of Keys
1	Credit Suisse	2,478
2	AccorInvest	1,454
3	UBS	628
4	Aevis Victoria	575
5	Investis Group	484

Source: Real Capital Analytics, Inc. 2020



Pipeline (2021-23)



Rank	Destination	Hotel	Rooms
1	Geneva	8	1,430
2	Zürich Region	7	1,362
3	Berne Region	5	558
4	Basel Region	3	469
5	Lake Geneva / Vaud	3	434
6	Lucerne / Vierwaldstättersee	3	298
7	Eastern Switzerland	3	236
8	Valais	2	190
9	Aargau Region	2	152
10	Grisons	1	70

AFRICA

Ivory Coast
Rwanda
South Africa

ASIA PACIFIC

Australia
China
Hong Kong
India
Indonesia
Japan
Malaysia
New Zealand
Singapore
Thailand

EUROPE

Andorra
Austria
Croatia
Cyprus
France
Germany
Greece
Hungary
Ireland
Italy
Netherlands
Poland
Portugal
Russia
Serbia
Spain
Switzerland
Turkey
UK

LATIN AMERICA

Argentina
Brazil
Dominican Republic
Mexico

MIDDLE EAST

UAE & Oman

NORTH AMERICA

Atlanta
Denver
Los Angeles
Miami
Montreal
New York
Norfolk
Orlando
Toronto

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All RCA data based on independent reports of properties and portfolios €5 million and greater. Data believed to be accurate but not guaranteed. All data and statistics are the sole intellectual property of Real Capital Analytics, Inc. and no sale, transfer, sub-license, distribution or commercial exploitation of the data is permitted without the express permission of RCA. Ownership data is compiled from RCA's transaction database, which is comprehensive from 2007 onward. If an asset has not been traded, transferred or refinanced it may not be included. Ownership stats derived from traded property data and do not take into account brand new developments or properties that have never traded or traded pre-2007.

Horwath HTL has made every effort to ensure that all data in this report is as accurate as possible at the time of publication, we cannot however guarantee that this is the case. All international country figures from UNWTO.

*All data as of full year 31 December 2020
Publication date: 6 May 2021*