

## PRESS RELEASE



### **Hotel sentiment at all-time high**

- **hospitalityInside INVESTMENT BAROMETER for the first time above 4,000 mark**
  - **Willingness of hotel investors to take risk increases**

Augsburg/Hamburg (December 4, 2015). The hotel real estate sector has never been as euphoric as this autumn. Since the introduction of the "hospitalityInside INVESTMENT BAROMETER" in autumn 2013, the Business, Development, Expectation and Operation index has known just one trend: upwards. Each attack of pessimism has been overcome. The strongest driver is hotel development. The overall investment index - the sum of all four indices - breached the 4,000 threshold for the first time in October 2015 to reach 4,154 points. Compared to spring 2015, this corresponds to a rise of 9.01% and a rise of 7.13% compared to autumn 2014.

The number of investors indicating the prospects for their own business to be positive rose considerably on the number from the last survey. 86.7% indicated the prospects for their business to be "good" or "very good" - a significant change on spring 2015 when the value stood at 73.4%. When asked about their expectations for the coming six months, 89.7% expect business to be "good" to "very good".

All of this, drives hotel development which in turn points to a persistent hotel construction boom. 48.5% - 12% more than in the last survey - describe the sentiment in hotel development as "very good".

Reactions are likely to be different in respect of the high and rising investor demand in the German hotel investment market. The survey underlines what could already be felt at the EXPO REAL. Over the past 12 months, the willingness to take more risk has increased significantly. The trend is likely to continue, at least at short notice as Andreas Loecher, Head of Investment Management Hotel at Union Investment Real Estate GmbH, forecasts. "Non-core' will move more into focus even in hotel investments. Investor interest in hotel real estate which needs revitalising is also likely to continue to grow."

Extracts of the results are published at the website [www.hospitalityInside.com](http://www.hospitalityInside.com) (see "Market Check") and at the Union Investment website ([www.union-investment.de/realestate](http://www.union-investment.de/realestate)). Participants who joined the survey will get the detailed results via e-mail.

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