

## **HTLroundtable turkey+ - snapshot**

*Wyndham Grand Levent, 24 October 2017*

Ömer Bayraksan, Director Turkey, and Andreas Martin, Managing Consultant of PKF hotelexperts, welcomed more than 30 hotel investors, operators and industry experts from various cities and regions in Turkey and Greece at the annual HTL roundtable meeting to discuss the hotel and tourism market in Turkey, Cyprus and Greece.

This year, the event was held at the Wyndham Grand Levent, which is a mixed used development in the centre of the Levent business district of Istanbul, owned and operated by the Özdilek Group under a franchise agreement with Wyndham Group.

In general, Turkey seems to be gaining back volume in tourism and with an increasing number of guests from Asia and the Middle East occupancy rates in 2017 are slightly going up again. Whereas Russian guests are back in the Turkish resort destinations, Western European travellers - especially from Germany - are avoiding travel to Turkey, mainly due to the current political turbulences and security issues after the Reina terror attack last New Year's Eve. 2016 was already a very difficult year for the Turkish tourism industry, with a decline from 61% room occupancy (2015) to 51% (2016), according to STR. However, the mood seems to be getting better in the country, even though room rates are still under enormous pressure with a drop from 106 € (2015) to 78 € (2016) recorded by STR. In addition, the Turkish currency lost roughly 20% compared to the € (based on a comparison of the present exchange rate to that of October 2016).



*Picture source: [www.wyndhamhotels.com](http://www.wyndhamhotels.com)*

A possible oversupply is especially expected for Istanbul, where the occupancy dropped from 65 % (2015) to 50 % (2016) and room rates went down from 121 € (2015) to 91 € (2016). Together with rising competition from international economy and midmarket brands, which finally seem to be accepted in Turkey, according to international operators like Accor and Hilton, the market conditions will however remain difficult.

The new Istanbul International Airport is expected to be operational later next year with an annual capacity of 90 million passengers in Phase 1. Once fully operational, the airport shall later have a capacity of close to 200 million passengers. Istanbul's Ataturk Airport presently serves some 60 million passengers at full capacity. There are unconfirmed plans to convert the airport area into an international fair centre once the new airport is fully in operation.

Greece enjoyed a very successful year in tourism. For the last two years, Greece's growth has been nearly twice the global industry average of 3.9 percent, as reported by the World Tourism Organization (UNWTO) in January 2017. In 2016, occupancy rates moved slightly up from 66 % (2015) to 68 % (2016), with a growth in room rates from 112 € (2015) to 115 € (2016) - according to STR. For 2017 continued growth is expected and Greece seems to be entering a new era with the more institutionalized tourism investments rather than family owned hotel businesses.

### **About HTLroundtable Europe:**

HTLroundtable is a high-profile discussion platform - by invitation only - for decision-makers in the hotel, tourism & leisure sector organised by PKF hotelexperts Vienna since 2009 in hotels in 16 European capital cities. Topics focus on the hospitality sector in the particular countries and regions.

The aim of these events is to create an industry network of international experts from hotel groups, real estate companies, investment institutions, banks, law practices, suppliers and consulting firms to exchange their views on the future of the hotel and tourism industry in the region.



At the conclusion of the two 90-minute discussions, participants are cordially invited to an informal dinner at or near the host hotel.

**HTLroundtable partners:**



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