



Berlin | Hotel

Market Report 2023 | 2022 Q1-Q4

Market overview

Although the hotel market continues to feel the aftermath of the pandemic, Berlin posted excellent results in 2022. The average hotel room rate in the city climbed for the first time to €111, the second-highest among Germany's top 7 cities (Munich: €125).

Hotel market availability

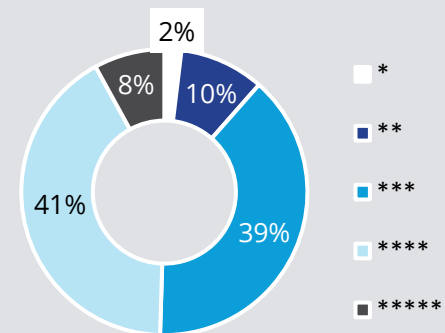
According to the Berlin-Brandenburg Statistical Office, 729 commercial establishments were open for business in Berlin in 2022, reflecting a 3.6% yoy increase. The Berlin lodging market again had more capacity on offer in 2022 with 145,051 beds, reflecting a 3.1% yoy increase. However, the market still comes in around 5,000 beds short of 2019 levels.

Overall market KPIs & trend yoy

Open establishments	729	+3.6%
Available beds	145,051	+3.1%
Check-ins	10.43 mil.	+103.3 %
Overnight stays	25.53 mil.	+90.0%
Average stay	2.5 days	-0.2 days
Average bed occupancy rate	50.9%	+20.7% ppt

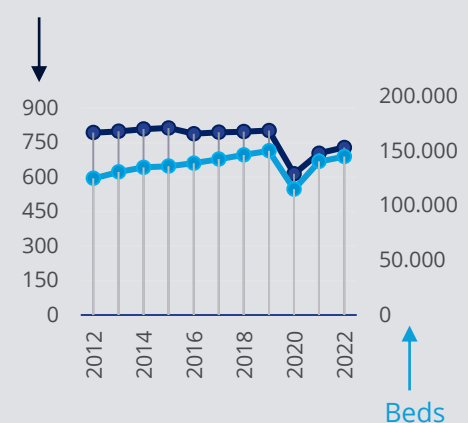
The 3 and 4-star segments posted the steepest yoy increases among the city's star-rated establishments. Berlin has a relatively low share of 3-star establishments compared to Germany's other top 7 cities. Similar to the landscape in Cologne and Munich, 40% of Berlin's star-rated establishments are categorized as 4-star.

Hotel market share by segment



Trend in accommodation availability

Accommodation level



Hotel and hotel garni performance

Hotel KPIs & trend yoy

Open establishments	222	+1.8%
Available beds	72,559	+0.6%
Check-ins	5.51 mil.	+94.8 %
Overnight stays	13.29 mil.	+88.6%
Average bed occupancy rate	50.9%	+20.9% ppt

Hotel garni KPIs & trend (yoy)

Open establishments	250	+2.5%
Available beds	44,134	+4.1%
Check-ins	3.38 mil.	+104.2 %
Overnight stays	8.42 mil.	+94.1%
Average bed occupancy rate	52.9%	+22.7% ppt

Berlin has some exciting hotel openings scheduled for the next few years. Here are a few examples:

- The Circus Living 207 serviced apartments – opening Q4 2023
- Eugen Block Hotel
127 rooms – opening 2024
- Townscape serviced apartments
95 rooms – opening Q2 2024
- Estrel Tower
750 rooms - opening 2024
- Ibis & ibis Budget Berlin
228 rooms - opening 2025

Hotel market demand

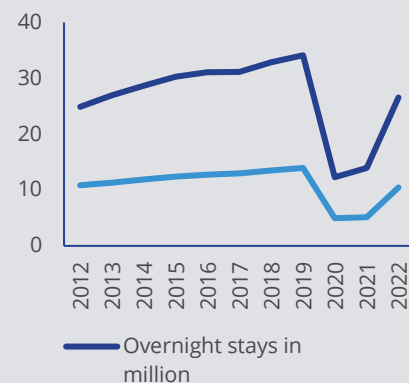
We are pleased to report that demand has finally regained momentum in the German capital. Guest check-ins on the overall commercial market doubled yoy to 10.5 million with only 4 million more to go to reach pre-pandemic levels. In terms of establishment type, hotels garnis performed even better than hotels, with hotels, however, naturally still ahead in terms of volume.

This favorable demand trend can in part be attributed to the swift pick up in stays booked by international guests. While Berlin recorded around 4 million overnight stays booked by international visitors in 2021, that number rose to over 10 million in 2022. The presence of international guests is once again becoming a significant factor with a 38% share in total overnight stays.

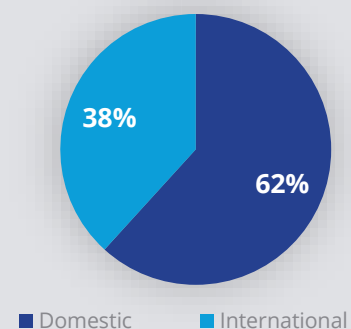
Many hotels continue to postpone their grand opening dates. The Locke at East Side Gallery was scheduled to open as early as 2022 but has rescheduled to June 2023. The Urban Loft and LOGINN by Achat opened in late 2022 with a total of 360 rooms.

We can expect to see more exciting projects in the coming years as well. The high share of new developments that will feature serviced apartments is particularly striking and the popularity of this model has been growing on Germany's markets. Plans to build a number of hotels are also underway. Construction is expected to start on more Ibis hotels and plans to expand the Estrel Tower with 750 rooms are still in place.

Trend in demand for accommodation



Demand in overnight stays



Hotel performance

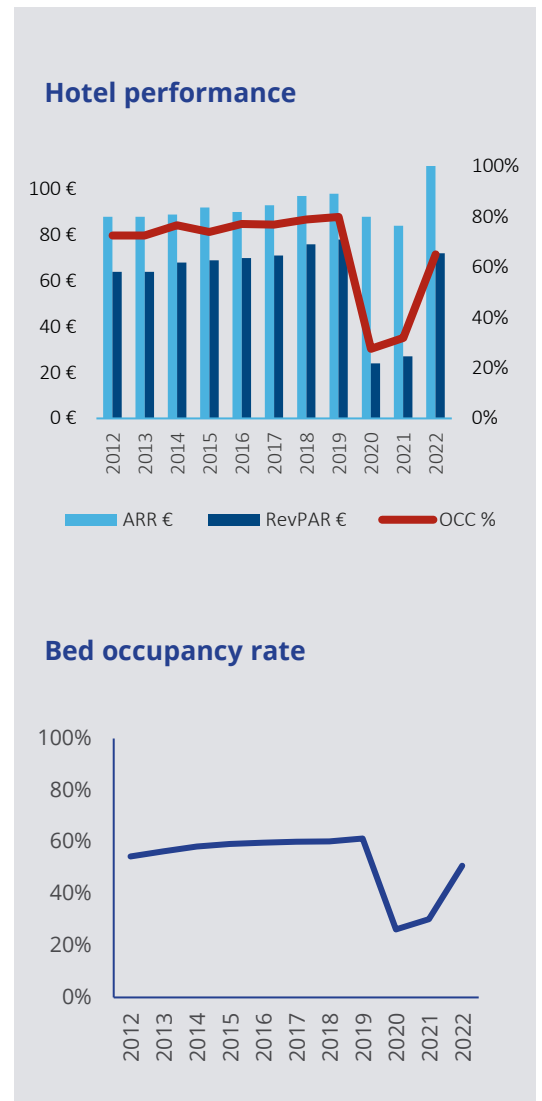
Occupancy (OCC) in Berlin more than doubled yoy (2021: 31.9%; 2022: 65.1%), putting the city in second place behind Hamburg (66.6%) in a 2022 comparison of Germany's top 7 cities.

Berlin also secured second place in terms of average room rate (ARR) with €111. Munich was the only city to post a higher average price room rate (€125). This is a new all-time high for Berlin, €13 above the city's previous record results from 2019 and reflecting a 13.3% increase.

The city has not yet been able to set a new record when it comes to average revenue per available room (RevPAR) with results posting €72 euros, still €6 below 2019's results. Berlin nevertheless performed well compared to the country's other top cities, just barely falling short of first place, which was claimed by Munich with €73. Performance was up significantly yoy across the board with results now much closer to pre-pandemic levels.

Outlook

Both the favorable hotel performance trend as well as the momentum behind supply and demand point to a positive development compared to the previous two years, which were characterized by the pandemic. Although most key results will remain below 2019's pre-pandemic levels, the trend is clearly moving in the right direction. Inbound tourism, which accounts for a high share of activity in Berlin, particularly suffered under the pandemic. Inbound tourism results are expected to continue to improve in 2023 as this market takes longer to recover, and the hotel market will continue to get closer to 2019 levels. Berlin already exhibited above-average performance in 2022 compared with the other cities.



Definitions

Accommodation establishment = The term accommodation establishment refers to the full spectrum of lodging offers. Accommodation establishments offer tourists and business travelers a place to spend the night.

Hotel

Hotels are accommodation establishments with a reception desk, services, daily room service, additional facilities and at least one restaurant for guests and visitors. A hotel typically has more than 20 rooms.

Hotel garni

A hotel garni is a hotel that offers lodging, breakfast, beverages and, at most, snacks.

Bed occupancy rate

Bed occupancy rate refers to the ratio between the actual number of overnight stays and the number of overnight stays that is theoretically possible. The number of theoretically possible overnight stays is based on the number of available beds and the hotel's days of operation.

Occupancy

Occupancy refers to the ratio between the number of booked rooms and total rooms available.

Market overview: Q1 – Q4 2022

Performance

Kennzahlen KPIs ¹	Deutschland Germany	Berlin Berlin	Düsseldorf Dusseldorf	Frankfurt Frankfurt	Hamburg Hamburg	Köln Cologne	München Munich	Stuttgart Stuttgart
Average occupancy Occupancy Ø	57.5%	65.1%	55.3%	52.4%	66.6%	61.1%	58.7%	49.8%
Veränderung Vorjahr Change yoy	26.2% ppt	33.2% ppt	30.1% ppt	30.9% ppt	33.3% ppt	30.3% ppt	32.3% ppt	24.6% ppt
ZimmerpreisØ Average room rate	€105.00	€111.00	€103.00	€107.00	€107.00	€101.00	€125.00	€93.00
Veränderung Vorjahr Change yoy	26.3%	34.3%	25.8%	29.9%	28.3%	19.7%	44.0%	18.4%
Zimmerertrag Ø Average RevPAR	€61.00	€72.00	€57.00	€56.00	€71.00	€62.00	€73.00	€46.00
Veränderung Vorjahr Change yoy	130.7%	166.8%	167.4%	194.1%	148.6%	133.4%	205.3%	156.7%

Hotel market

Kennzahlen KPIs ¹	Deutschland Germany	Berlin Berlin	Düsseldorf Dusseldorf	Frankfurt Frankfurt	Hamburg Hamburg	Köln Cologne	München Munich	Stuttgart Stuttgart
Beherbergungsbetriebe Lodging establishments	50,228	729	212	276	425	262	458	161
Veränderung Vorjahr Change yoy	-1.0%	3.6%	3.9%	+0.4%	1.9%	0.8%	7.8%	-3.6%
Bettenangebot Available beds	3,210,389	145,051	33,811	58,235	77,212	35,905	92,240	23,131
Veränderung Vorjahr Change yoy	3.2%	3.1%	15.7%	4.5%	2.7%	5.4%	4.6%	-0.8%
Gästeankünfte Check-ins	163.0 mil.	10.4 mil.	2.5 mil.	4.8 mil.	6.8 mil.	3.2 mil.	6.9 mil.	1.7 mil.
Veränderung Vorjahr Change yoy	68.4%	103.3%	117.1%	122.3%	105.2%	116.3%	124.1%	118.4%
Übernachtungen Overnight stays	450.7 mil.	26.5 mil.	4.3 mil.	8.6 mil.	14.7 mil.	5.6 mil.	16.0 mil.	3.3 mil.
Veränderung Vorjahr Change yoy	45.3%	90.0%	119.8%	105.4%	94.6%	103.0%	101.5%	102.9%

Location

Kennzahlen KPIs ¹	Deutschland Germany	Berlin Berlin	Düsseldorf Dusseldorf	Frankfurt Frankfurt	Hamburg Hamburg	Köln Cologne	München Munich	Stuttgart Stuttgart
Einwohner Population ²	83.2 mil.	3.7 mil.	619,000	759,000	1.9 mil.	1.1 mil.	1.5 mil.	626,000
Arbeitslosenquote Unemployment rate ¹	5.7%	9.2%	6.8%	5.9%	7.3%	8.6%	4.5%	4.8%
Sozialversicherungspflichtig Beschäftigte Salaried employees ²	34.4 mil.	1.7 mil.	0.4 mil.	0.6 mil.	1.0 mil.	0.6 mil.	1.2 mil.	0.6 mil.
Verfügbares Einkommen der privaten Haushalte pro Kopf Disposable income per capita ³	€23,916	€21,745	€26,729	€24,246	€25,285	€23,703	€31,859	€26,503
Flughafenpassagiere Airline passengers ⁴	165.1 mil.	19.8 mil.	16.1 mil.	48.8 mil.	11.1 mil.	8.7 mil.	31.6 mil.	7 mil.

1 In December of the year of this report | 2 In June of the previous year | 3 In 2020 | 4 Arr. + Dep. in 2022



Colliers International

Colliers Global 2022

66

Countries

€4.2bn

Revenue

18,000

Employees

186 million

sqm under management

51,000

Deals

€91bn

Total transaction volume

Contact

Colliers International Deutschland GmbH

Budapester Straße 50
10787 Berlin, Germany
TEL +49 30 5858178-10
FAX +49 30 5858178-99



Contacts

René-P. Schappner
Head of Hotel/Managing Director
+49 30 5858178-24
rene.schappner@colliers.com

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