

Rezidor: 2008 a New Record Year in Terms of Contracting New Hotel Rooms

2008-07-31

Following a positive half-year result 2008 with growth in revenue, EBITDA and EBITDA margin The Rezidor Hotel Group (STO:REZT) further follows an ambitious and strategic business development.

2008 will be another record year in terms of contracting new rooms: 'In between January and end of July we have contracted 38 hotels with 9,300 rooms - more than in the full year 2007 (53 properties with 8,937 rooms). We are clearly setting new standards', says Puneet Chhatwal, Chief Development Officer (CDO) of Rezidor.

The group currently has over 100 hotels with more than 23,000 rooms under development, and focuses on high potential markets like Russia and the Middle East. At the same time Rezidor further develops a shift in its business model - concentrating on managed and franchised contracts, and less financial commitments.

Also regarding hotel openings 2008 is an important year for Rezidor: Among the 15 hotels with 2,700 rooms which were opened during the first seven months are flagships like Park Inn hotels in Moscow and London, the Radisson SAS Resort Tala Bay in Aqaba/Jordan, and the Radisson SAS Hotel Bucharest/Romania. Upcoming key properties such as the Radisson SAS Hotel Zurich Airport, the Radisson SAS Dokhan Hotel Paris Trocadéro and the Radisson SAS Hotel Sandton Johannesburg/South Africa are scheduled to join the system until end of the year.

Emerging markets

'Our pipeline is now stronger than ever before', says Puneet Chhatwal, 'we are seeking opportunities especially in dynamic markets which are less affected by the uncertainties surrounding the global economy'.

In Russia & CIS, where Rezidor was the first international hotel company to open a full technical, development, marketing and operations branch office in Moscow, the group currently has 16 hotels with more than 4,400 rooms in operation - and 19 more properties with approximately 5,000 rooms under development. Besides having three Radisson projects in Moscow alone (Radisson Hotel Belorusskaya, 264 rooms, Radisson Olympisky Hotel, 364 rooms, Radisson Riverside Hotel, 200 rooms) Rezidor is active in major cities all over Russia & CIS, 'where the demand for mid and upmarket hotels is high and the presence of international brands low', explains Puneet Chhatwal. Upcoming projects for both the Radisson SAS and Park Inn brand include locations such as Georgia, Russia, Ukraine, Belarus and Kazakhstan.

Also the Middle East and Africa play a strong role in Rezidor's pipeline - featuring more than 50 hotels with almost 13,000 rooms in operation and under development. Regarding the group's portfolio of hotels in operation, this emerging region today represents 11% and will grow to 17% until the end of 2009. New properties comprise the booming emirate Dubai, Kuwait, where the first Hotel MISSONI will join the system in early 2009, and the African continent, where Rezidor is focusing on industrial hubs - not only in South Africa with three new hotels under development, but also in developing countries like Senegal (Dakar), Nigeria (Lagos) and Ethiopia (Addis Ababa).

Balanced growth

'Due to market conditions in emerging markets, we - like any of our competitors - may experience delayed openings', comments Puneet Chhatwal. 'In order to compensate and to balance our risk we also growing in the Nordics and the Rest of Western Europe - and we select experienced business partners with a solid background.'

The concept works: Rezidor's upcoming openings feature flagships like the Radisson SAS Hotel Zurich Airport as the only hotel with direct link to the terminals and offering 330 rooms designed by the Italian architect Matteo Thun, a signature Italian restaurant 'Filini', and a spectacular winetower. In Paris, Rezidor will add two more Radisson SAS boutique hotels to its precious portfolio - the properties located in the exclusive 16th arrondissement comprise 45 and 50 rooms and will welcome the first guests by end of 2008 and beginning of 2009. Next year will also see Rezidor's arrival in the Spanish capital: The Radisson SAS Hotel Madrid Prado is located directly in front of the famous museum and offers 54 rooms designed by Sandra Tarruella and Isabel Lopez.

Looking at Scandinavia, the company is developing key Park Inn properties like the Stockholm Waterfront - a conference centre for up to 3,000 delegates and a hotel with 420 rooms right in the heart of Stockholm, and the Park Inn Oslo Gardermoen Airport which is also connected to a conference centre and featuring 300 rooms (both openings in 2010).

Besides these primary locations, Rezidor looks at secondary and tertiary markets in Europe, where especially the Park Inn brand - ideal for conversions and franchise contracts - grows fast. Today, 26% of all Rezidor hotels operate under the Park Inn brand, by the end of 2009 this number will increase towards one third.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article33804.html>

© 1998 - 2008 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html