

Hotel Chain Development Pipelines in Africa 2016





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Welcome to the 8th edition of our annual survey of the hotel chains' development activity in Africa. We first produced the survey in 2009, with contributions from 19 international and regional hotel chains, who reported between them a pipeline of 144 hotels and almost 30,000 rooms.

In this 2016 study, we have 36 contributors with a total of over 64,000 rooms in 365 hotels. This massive increase comes not only from more contributing hotel chains, but also higher activity from those included back in 2009 – Hilton, as just one example, have increased their pipeline from five hotels (1,200 rooms) in 2009 to 36 hotels (8,500 rooms) in 2016.

The continent remains attractive to investors for business, trade and capital investment, leading to increasing demand for accommodation and hospitality products. Some countries are doing better than others – those such as Nigeria, Angola and Zambia, each highly dependent on single commodities for government income and foreign exchange, are growing slower than those such as Ethiopia, Kenya and Tanzania, with much greater diversification in their economies.

In our 2016 survey, we report on the activities of 36 hotel chains with between them 86 brands. The total number of rooms in the pipeline is up almost 30 per cent on last year, an extraordinary increase. Compare that with figures produced by STR, the global hotel data and benchmarking provider, who report that the global development pipeline is up 10 per cent on 2015, and 13.6 per cent in the USA, the largest single market. Noted, Africa's metric is on a lower base of existing hotels, but this is still an impressive growth figure.

The increase in Africa is largely due to strong growth in sub-Saharan Africa, which continues to surpass North Africa. In 2015, the pipeline in North Africa (Morocco, Algeria, Tunisia, Libya and Egypt) was just over 18,500 rooms, which in 2016 has increased by 7.5 per cent to just under 20,000 rooms. Contrast that with sub-Saharan Africa, where the pipeline has increased by 42.1 per cent. This is clear evidence that investors remain confident about the future of the hospitality industry on the continent.

One cannot look at that growth in sub-Saharan Africa without mention of AccorHotels' mega-deal in Angola, which dominates much of the data presented in this report. In July 2015 they signed with AAA Activos LDA for the management of 50 hotels with over 6,200 rooms throughout the country, all under construction and many ready to open. With this one deal, AccorHotels have propelled themselves from 6th place in the rankings in 2015 to number one in 2016 (as a company) and their Ibis Styles brand also tops the table.

Our annual report is acknowledged as the most authoritative source on the growth of the hotel industry in Africa, particularly the activities of the international chains in signing new deals. We are delighted to be closely involved in the African hotel success story – as well as the research work we undertake, we have provided professional advice on a number of the deals included in the data, and look forward to being showered with invitations to the opening parties!

Trevor J Ward
Managing Director
Lagos, Nigeria
March 2016

Research Methodology

The main objective of our research is to provide consistent, reliable, timely and comparable data measuring the hotel chains' development pipelines in the 54 countries of Africa.

This report has been compiled from the data on signed deals provided to us by regional (African) and international hotel chains in Africa. To be included in this report, Africa-based chains need to operate in more than one country, and the international chains in more than one country globally. We do not therefore, include African hotel chains which are domestic, i.e. operate in only one country. The deals need to be legally-binding management, franchise or other agreements (some of the chains are owner-operators) which state the intention of the parties to open a hotel at a date in the future.

We analysed the data received from the chains in several ways, by country, by city, by hotel chain and their individual brands, and various other permutations. We assessed the status of each project, to differentiate between those that are in the pre-planning stage (still "on paper") and those that are under construction.

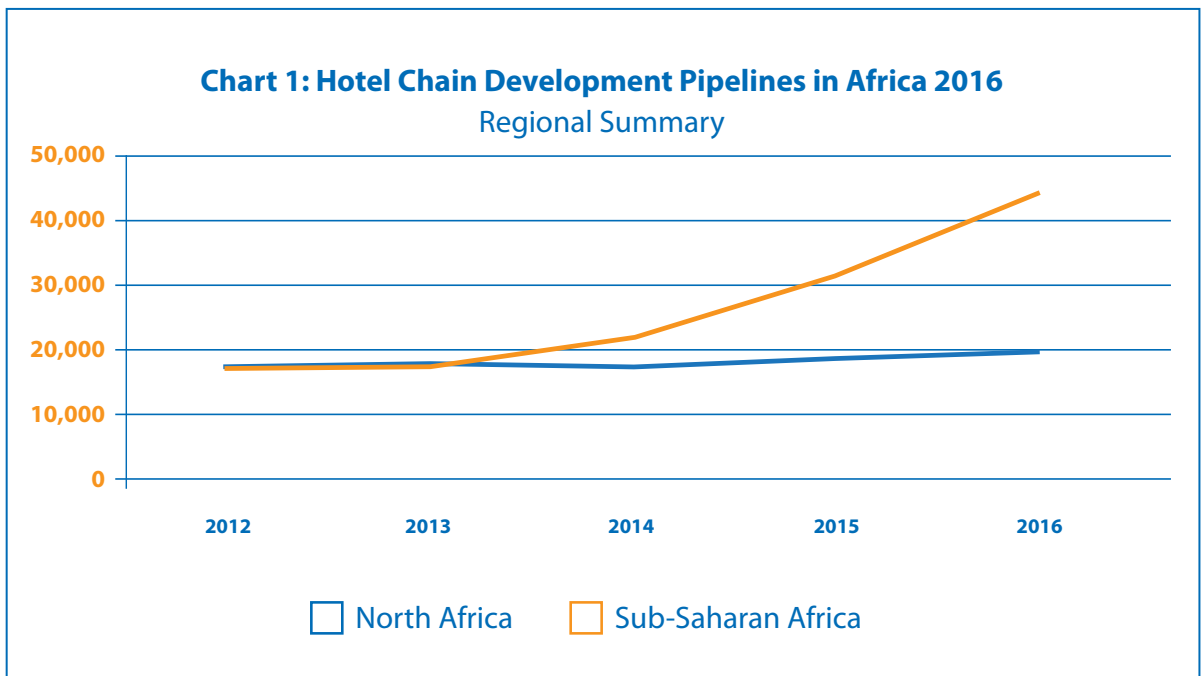
We have 36 data contributors this year, up from 33 in 2015, and are pleased to welcome new hotel chains, namely CG Hotels, with The Zinc Kigali opening this year, Club Med, Emaar Hospitality with The Address, and India's Tune Hotels, entering East Africa in conjunction with the UK's Queensway Group.

As always, we are immensely grateful to the hotel chains for contributing their data each year, and to the new contributors to this 2016 report.

2016 Research Findings

Our survey achieved a response rate of over 90 per cent, with 36 of the 38 chains whom we approached contributing to the research by reporting their pipeline activity, totalling 365 hotels with 64,231 rooms. This is an increase of 29.2 per cent on 2015's reported pipeline activity of about 49,715 rooms in 270 hotels. We list all the contributing chains and their brands in Appendix 1.

Table 1: Hotel Chain Development Pipelines in Africa 2016										
Regional Summary										
	2012		2013		2014		2015		2016	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
North Africa	77	17,217	73	18,065	73	16,449	79	18,565	87	19,971
Sub-Saharan Africa	100	17,109	115	18,191	142	23,283	191	31,150	278	44,260
Total	177	34,326	188	36,256	215	39,732	270	49,715	365	64,231



"2015 was a very busy year for us at Starwood. We expanded our footprint into 3 new countries (Kenya, Tanzania and Mali) and introduced two new brands to the continent – aloft, with its design-savvy spaces providing a welcome respite in the mid-market segment and Element, our eco-aware extended-stay product that offers the famous Westin Heavenly Bed. Then of course, there was the W in Sharm el Sheikh, promising to deliver a brand new, world-class, lifestyle WOW-resort in Sharm el Sheikh by the time the market normalises"

Neil George
Senior VP, Acquisitions and Development, Starwood Hotels & Resorts

In 2011, the number of pipeline rooms in the five countries of North Africa was about 25 per cent higher than that in the then 48 countries in sub-Saharan Africa (South Sudan was “born” in July that year). There are two reasons why development activity in North Africa is somewhat subdued – first, the markets there are far more mature, and have already seen so much development, that there are fewer opportunities (but by no means no opportunities) for new hotels, and the turmoil that continues to bedevil Libya, once a market with seven hotels and 2,200 rooms in the pipeline, as well as Egypt, parts of which are totally “out-of-bounds” to foreign tourists.

“Our priority is on fast growing markets with particular focus on Southern and Eastern Africa and Nigeria and Ghana for Western Africa. As evidence of this focus, we will open a new development office in Johannesburg in May 2016.”

Phillipe Baretaud,
SVP Development, AccorHotels

Table 2 lists the 40 countries in which the chains have signed deals for new hotels by sub-region.

Table 2: Hotel Chain Development Pipelines in Africa 2016				
Countries in the Pipeline by Sub-Region				
North	Southern and Indian Ocean	West	East	Central
Algeria Egypt Libya Morocco Tunisia	Angola Botswana Madagascar Mauritius Mozambique Namibia South Africa Swaziland Zambia	Benin Republic Cape Verde Côte d'Ivoire Ghana Guinea Mali Mauritania Niger Nigeria Senegal Sierra Leone Togo	Burundi Ethiopia Kenya Rwanda South Sudan Sudan Tanzania Uganda	Cameroon Chad Congo DRC Equatorial Guinea Gabon

That means that there are 14 countries in Africa which have no signed deals for new chain hotels:

Table 3: Hotel Chain Development Pipelines in Africa 2016			
Countries with no Pipeline, by Sub-Region			
Southern and Indian Ocean	West	East	Central
Lesotho Malawi Zimbabwe	Burkina Faso Guinea Bissau Liberia The Gambia	Comoros Islands Djibouti Eritrea Seychelles Somalia	Central African Republic São Tomé and Príncipe

Of these, four countries, Comoros Islands, Eritrea, Liberia and Somalia, have no pipeline and no existing branded supply.

“As a market that is still vastly underserved when it comes to hospitality, Africa has tremendous potential for growth. The quickening pace of economic development, along with the recent discovery of oil and gas in many African countries, is set to provide a major boost to tourism demand in the region in the years to come. Rotana currently has a number of projects under various stages of development across Africa including in Marrakesh, Luanda, Kinshasa, Nouakchott, Dar es Salaam and Lagos. We are also in discussions to venture into several other African cities, such as Kampala, Maputo, Monrovia, Nairobi, Addis Ababa, Lusaka, Dakar and various locations in South Africa”.

Makram El Zyr,
Corporate VP Research & Development, Rotana



Chart 2: Hotel Chain Development Pipelines in Africa 2016
Sub-Saharan Africa Sub-Regional Breakdown (Rooms)

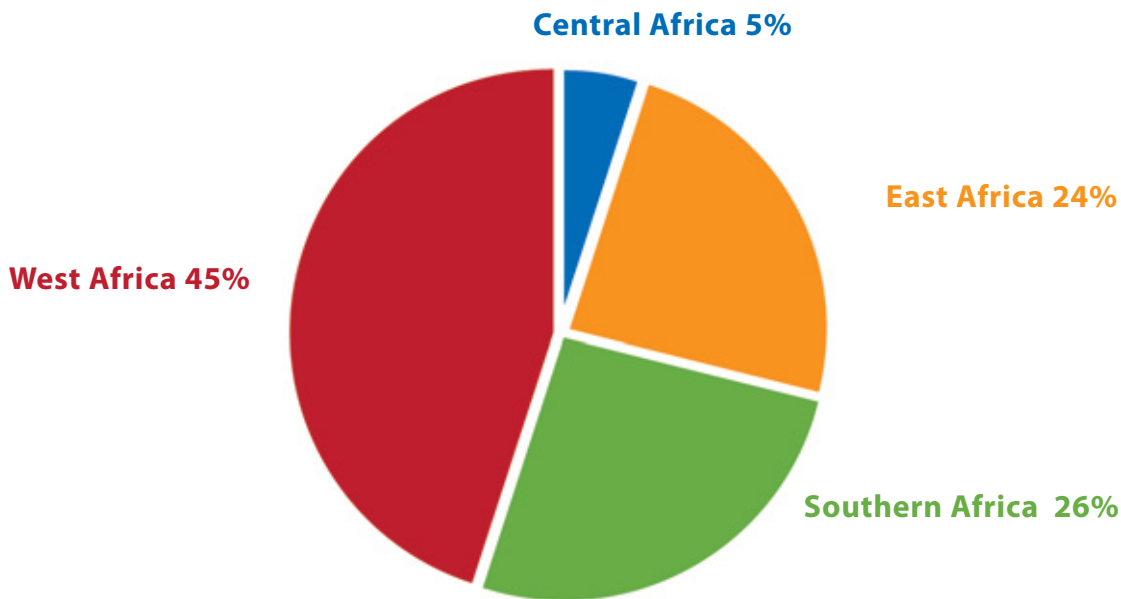


Chart 2 shows the distribution of the rooms in the chains' pipelines in sub-Saharan Africa. Whilst in previous years West Africa has represented more than half of the total, and is still the largest single region today, Southern Africa has increased in importance. In 2015 the region was the smallest of the four, at only 11 per cent of total pipeline rooms, but is now 26 per cent.

Two groups, AccorHotels and Hilton, have contributed to this regional growth. The former have signed the single largest development deal in Africa, with 50 hotels in Angola, whilst Hilton have two developments, one each in Botswana and Swaziland. The Hilton Garden Inn in Mbabane, the capital of Swaziland, will be the first internationally branded hotel in the country. Likewise in Gaborone, the Hilton Garden Inn will be a pioneer.

West Africa still has the largest number of rooms, almost 20,000 in 2016, up from 16,500 in 2015.

It is important to distinguish between deals which are still in the planning stage, and those on which construction has commenced, and is closer to reality (although in Africa, starting construction of a hotel is no guarantee of completion). We have therefore analysed the pipeline deals according to whether they are onsite.

"We are optimistic about the hospitality industry in Africa, and AccorHotels aims to increase its sub-Saharan Africa network to 15,000 rooms in 100 hotels over the next five years. In parallel we will continue to reinforce our current, long-established leadership in North Africa with our 11,000 rooms in 61 hotels through selective and strategic developments".

Phillipe Baretud,
SVP Development, AccorHotels

Table 4: Hotel Chain Development Pipelines in Africa 2016
SSA vs. North Africa by Pipeline Status

	Hotels	Rooms	
	Total	Total	On-Site Construction
Sub-Saharan Africa	278	44,260	26,384 60%
North Africa	87	19,971	15,322 77%
TOTAL	365	64,231	41,706 65%

"We continue consolidating our presence in Egypt across our three brands - Raffles, Fairmont and Swissotel - and we have identified several opportunities for luxury destinations outside Cairo and Sharm el Sheikh".

Francois Baudin,
Senior VP Development, Fairmont Raffles

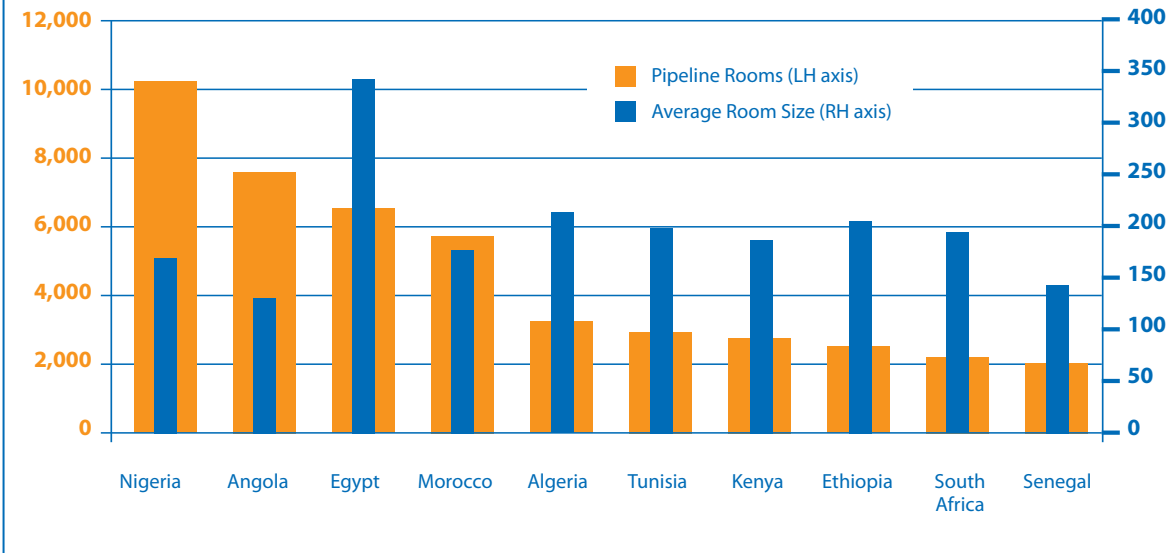
North Africa has a much higher proportion of its pipeline rooms on site, due to the fact that many of the deals were signed a few years ago, and because over half (154) of the deals in sub-Saharan Africa were signed in 2014 and 2015, therefore still in the planning stage.

Table 5: Hotel Chain Development Pipelines in Africa 2016
Top 10 Countries by Number of Rooms

		Hotels	Rooms	Average Size
1	Nigeria	61	10,222	168
2	Angola	56	7,560	135
3	Egypt	19	6,660	351
4	Morocco	33	5,681	172
5	Algeria	15	3,263	218
6	Tunisia	15	2,976	198
7	Kenya	16	2,956	185
8	Ethiopia	12	2,460	205
9	South Africa	11	2,058	187
10	Senegal	13	1,943	149



Chart 3: Hotel Chain Development Pipelines in Africa 2016
 Top 10 Countries by Number of Planned Rooms and Average Size



“Despite current economic challenges in Nigeria, we are still keen on developing further our brands in Lagos and Abuja as we see a sustainable growth in demand”.

Francois Baudin,
 Senior VP Development, Fairmont Raffles

Nigeria remains the country with the most rooms in the chains’ pipelines. There are 20 per cent more signed rooms there in 2016 than in 2015. Due to AccorHotels deal, Angola, which has not previously appeared in the top 10, has displaced Egypt from 2nd place.

With 17,782 rooms between them, Nigeria and Angola account for almost 30 per cent of the total pipeline and 40 per cent of the signed rooms in sub-Saharan Africa. As in previous years, hotels in North Africa tend to be of a larger size than those in sub-Saharan Africa - the largest deal in the sample is Radisson Blu’s 913-room property in Sharm el Sheikh, and in sub-Saharan Africa the largest is the 450-room Four Points by Sheraton in Addis Ababa.

In Appendix 2, we provide detailed information about the number of hotels and rooms by country.

Chart 4 shows the pipeline activity in the top 10 countries according to the total number of rooms from 2014 to 2016. All of the countries, with the exception of Algeria, have shown progressive increases in the number of rooms over the last three years.

Angola had seen virtually no deal activity in the past, but AccorHotels recent deal results in a massive increase for that country. Their 50 hotels are located throughout the country, including in the Cabinda exclave.

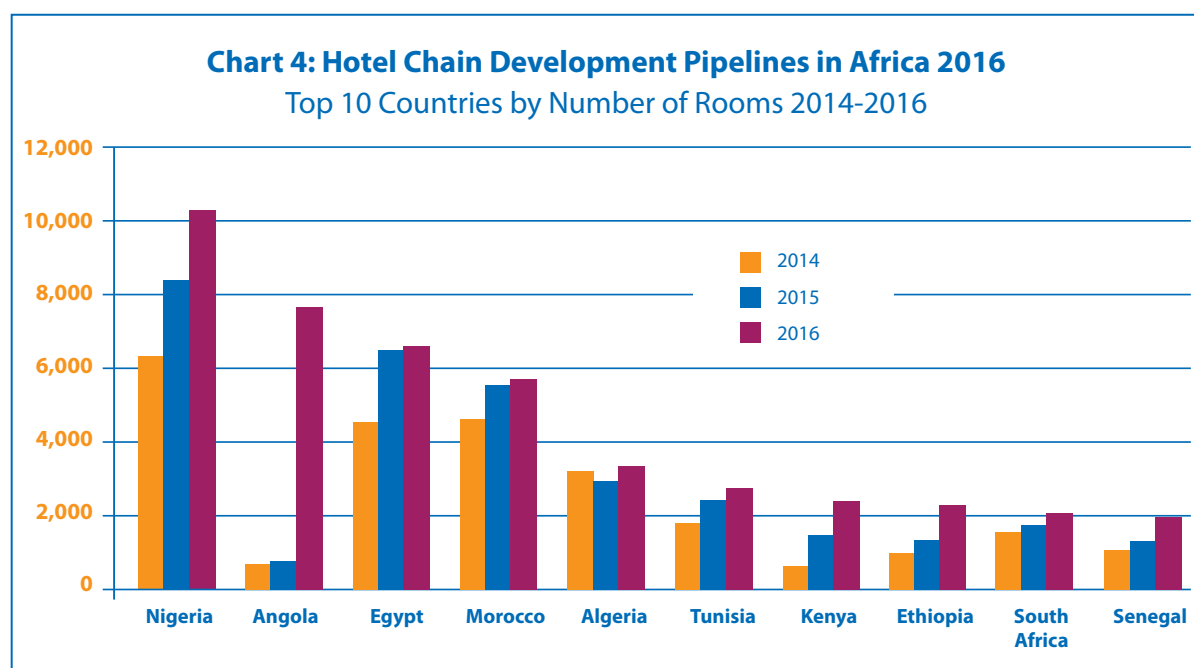


Table 6 gives an analysis of the top 10 countries with the highest number of hotel rooms by pipeline status. The change in ranking is from the total number of pipeline rooms, e.g. Angola was 2nd to Nigeria in terms of all rooms, but moves into 1st place with more under construction than Nigeria.

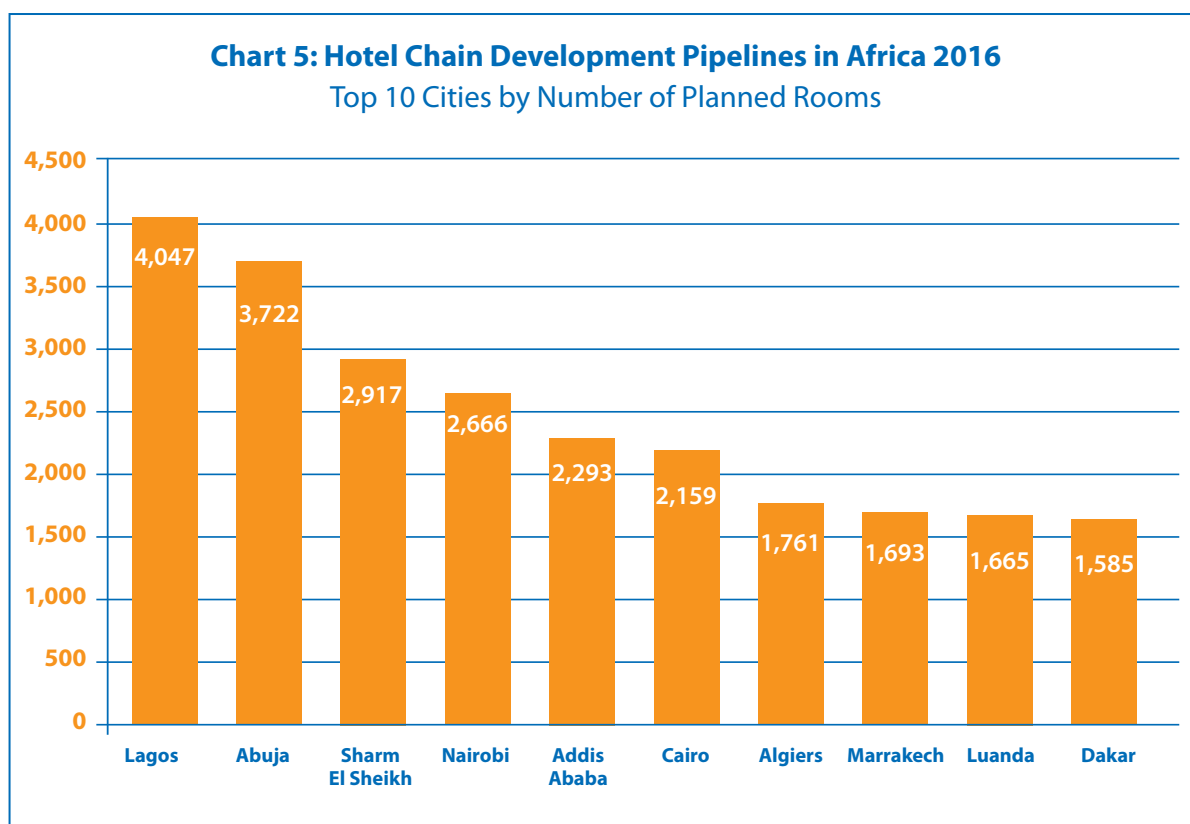
Table 6: Hotel Chain Development Pipelines in Africa 2016
Top 10 Countries by Pipeline Status

Rank	Country	Hotels	Rooms			Rank - All Deals*
			Total	On-site Construction		
1	Angola	56	7,560	6,778	90%	2 ↑
2	Egypt	19	6,660	5,517	83%	3 ↑
3	Morocco	33	5,681	4,268	75%	4 ↑
4	Nigeria	61	10,222	4,041	40%	1 ↓
5	Algeria	15	3,263	2,720	83%	5 ↔
6	Kenya	16	2,956	2,666	90%	7 ↑
7	Ethiopia	12	2,460	1,843	75%	8 ↑
8	Tunisia	15	2,976	1,726	58%	6 ↓
9	Senegal	13	1,943	1,174	60%	10 ↑
10	Rwanda	8	1,439	1,041	72%	-

*The arrows in the 'Rank - All Deals' column denote a change in the brands' ranking compared to the ranking by all pipeline rooms

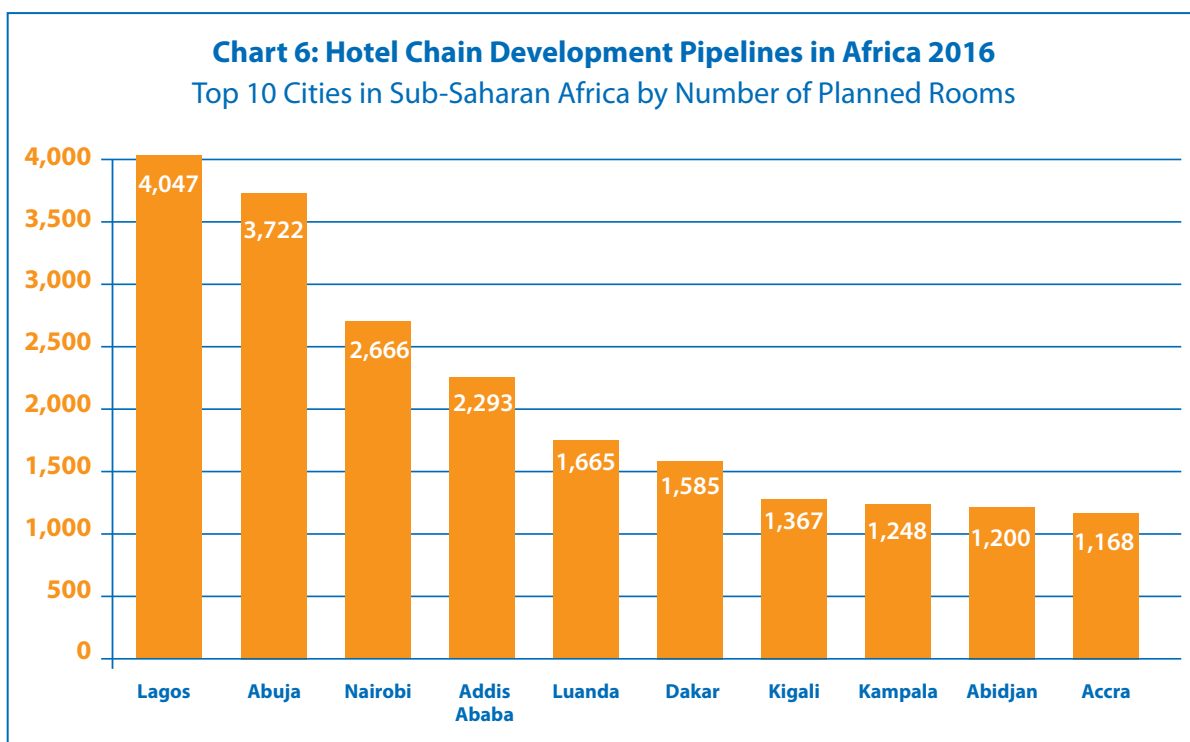
Angola is a unique case, with the highest performing pipeline in Africa. 90 percent of its pipeline activity is under construction, the majority being the AccorHotels deal. Kenya also has 90 per cent of its pipeline under construction, an increase of about 150 per cent on the 2015 figures. Nigeria, with the highest total number of rooms (over 10,000) has only 40 per cent of its pipeline under construction, the lowest proportion of the top 10 countries. Whilst 32 of the 61 deals were signed in 2014 or more recently, and therefore can be expected still to be in planning, the ratio does highlight the challenges of getting a hotel project to start on site. In addition, some of the hotels “under construction” have been stalled for some time after work started, in one or two cases for several years.

Charts 5 and 6 show the top 10 cities by number of planned rooms in Africa and in sub-Saharan Africa.



In the whole of Africa, Lagos, the largest city on the continent, continues to lead the top 10 by number of planned rooms, with over 4,000 planned rooms. Abuja, the capital of Nigeria, has the second highest number of planned rooms in the African pipeline, and together with Lagos accounts for 32 per cent of the rooms in the top 10.

Cairo was in 2nd place in 2015, but has been displaced to 6th place in 2016 – only three deals have been signed there since 2014. Nairobi jumps from 9th place in 2015 to 4th place in 2016 with 2,666 rooms, an increase of over 45 per cent. Despite fears of oversupply (which may or may not come true), hotel chains and investors are still doing business there.



Looking just at sub-Saharan Africa, Luanda, the capital of Angola, gets into the top five cities, after Lagos, Abuja, Nairobi and Addis Ababa. Abidjan, arguably the most important city in Francophone West Africa, enters the ranking in 9th place, with more to come, as Côte d'Ivoire overtakes Nigeria as a potential investment destination, according to a recent survey.

Having analysed where it is happening, or due to happen, we then look at who is making the running. The top 10 brands by number of hotels and rooms in their pipelines are shown in Table 7 and Chart 7, and data on all brands is included as Appendix 3.

Table 7: Hotel Chain Development Pipelines in Africa 2016
Top 10 Brands by Number of Planned Hotels and Rooms

Rank by Hotels		Rank by Rooms		Change on 2015	Average Size Rooms		
Brand	Units	Brand	Rooms				
1	Ibis Styles	28	1	Radisson Blu	5,693	6%	228
2	Radisson Blu	25	2	Hilton	4,851	-2%	303
3	Mercure	24	3	Ibis Styles	3,822	-	137
4	Hilton	16	4	Marriott	2,919	26%	209
5=	Marriott	14	5	Hilton Garden Inn	2,566	53%	183
5=	Hilton Garden Inn	14	6	Mercure	2,526	606%	105
7=	Swiss Spirit	10	7	Sheraton	2,045	10%	227
7=	Golden Tulip	10	8	Mövenpick	1,866	86%	267
9=	Sheraton	9	9	Four Points by Sheraton	1,797	44%	200
9=	Four Points by Sheraton	9	10	Fairmont	1,412	109%	282



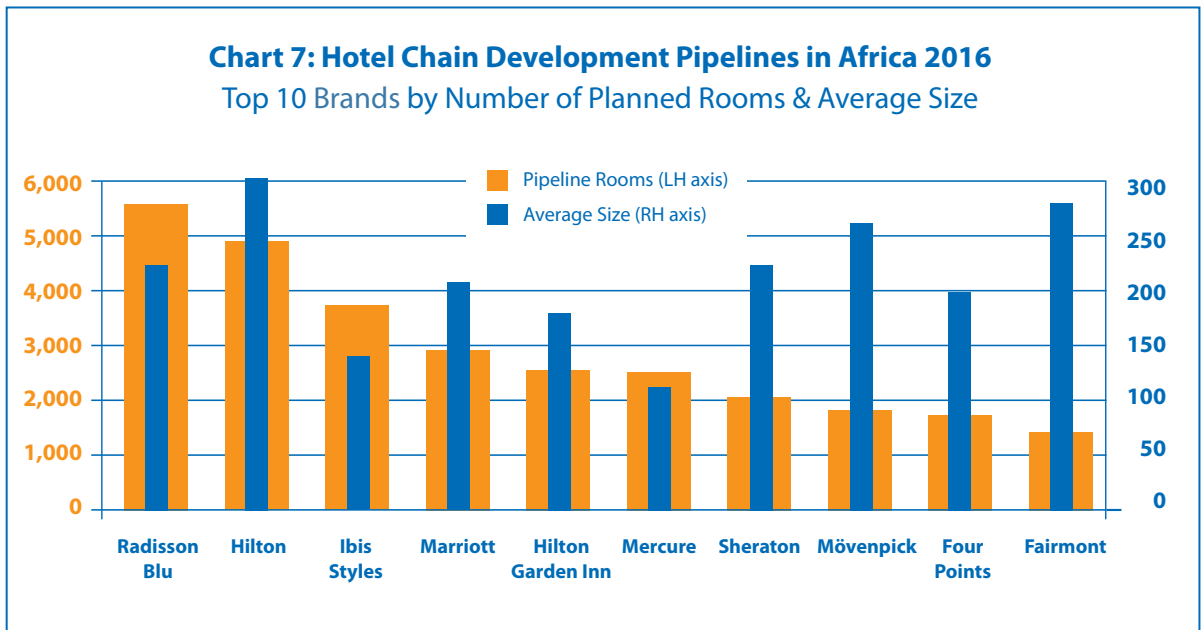
"We aim to proactively secure multi-unit growth in selected countries (Ethiopia, Kenya, Tanzania, Mozambique, Angola, Ghana and Algeria) and establish hotel networks in the three main economic regions (ECOWAS, SADC, EEC) and in addition explore multi-hotel deals through various business platforms and exploit opportunities across the select target markets to roll out our two new brands, Radisson Red and Quorvus Collection".

Andrew McLachlan,
VP Business Development, Carlson Rezidor

By number of hotels, Ibis Styles is ranked in 1st place, displacing the Hilton and Radisson Blu brands, which have competed with each other for 1st and 2nd place for many years. Mercure, another AccorHotels brand, is also in the top five. However, the average size of hotel in these two brands means that Radisson Blu and Hilton remain in the top two positions when measured by number of rooms, which is ultimately the measure of future income potential.

Radisson Blu continues to occupy first place position in the ranking by number of rooms, with 5,693 rooms in their pipeline, a small increase compared to 2015, when there was a 25 per cent increase in the brand’s pipeline. But as is often the case, one metric needs to be looked at in the context of another – Carlson Rezidor opened six Radisson Blu hotels in Africa in 2015, with 1,147 rooms, a greater number than any other brand. The pipeline for the Hilton core brand reduced slightly, with two openings in 2015 (c400 rooms), but there was much higher growth in their pipeline for the Hilton Garden Inn brand, now up to 14 hotels with 2,566 rooms. The Fairmont brand has experienced very strong growth, albeit from a small base, with a 109 per cent increase in the number of rooms in 2016.

Hilton are signing the largest deals, with an average of 303 rooms per hotel, closely followed by Fairmont with an average of 282 rooms. Mövenpick also favour the “bigger boxes”, whilst AccorHotels’ mega deal is for a large number of relatively small hotels.



“And this strong growth is gaining further momentum, with more than half of Hilton’s African pipeline currently under construction; from Lagos, where we have announced our first Curio; to Tangier which is home to our first African Hilton Garden Inn; and Hilton N’djamena, Chad which was Hilton’s 100th country globally – we are achieving the best quality portfolio in Africa through organic growth, which now totals 76 hotels trading or under development across five brands”.

Patrick Fitzgibbon,
Senior VP Development, Hilton Worldwide

Chart 8 shows the top five brands by the number of planned hotels from 2014 to 2016. AccorHotels' Ibis Styles and Mercure show the highest growth, due to the Angola deal.

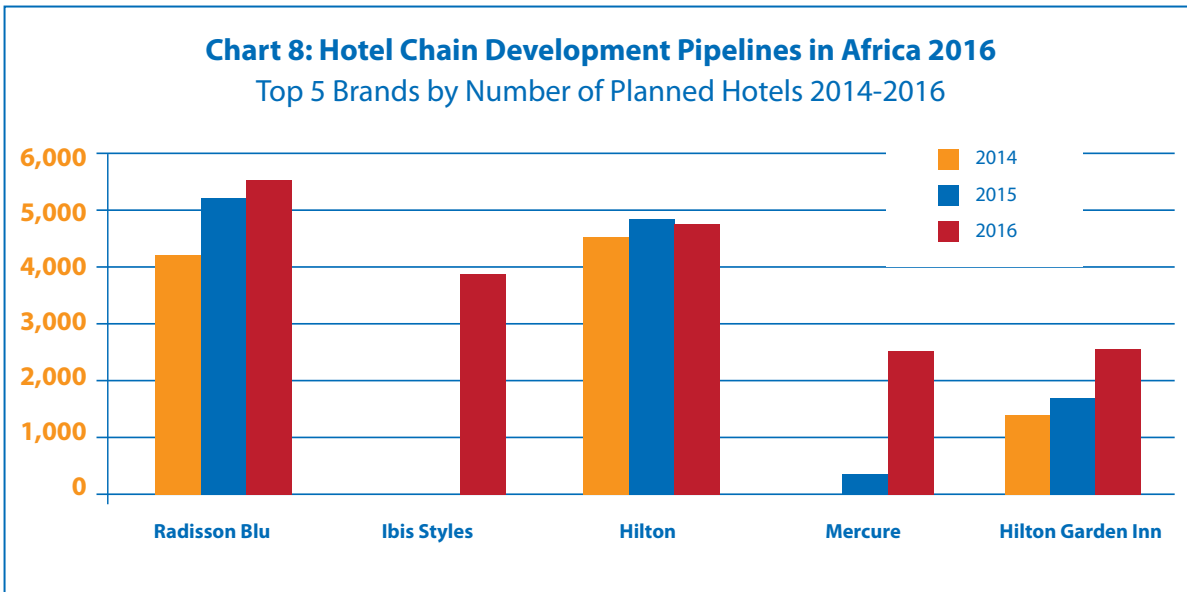


Table 8 presents the analysis of the brands according to pipeline status.

Rank	Brand	Hotels	Rooms			Rank - All Deals*
			Total	On-site construction		
1	Radisson Blu	25	5,693	3,956	69.5%	1 ↔
2	Ibis Styles	28	3,822	3,822	100.0%	3 ↑
3	Hilton	16	4,851	3,380	69.7%	2 ↓
4	Mercure	24	2,526	2,526	100.0%	6 ↑
5	Marriott	14	2,919	2,049	70.2%	4 ↓
6	Hilton Garden Inn	14	2,566	1,231	48.0%	5 ↓
7	Sheraton	9	2,045	1,189	58.1%	7 ↔
8	Mövenpick	7	1,866	1,141	61.1%	8 ↔
9	Park Inn by Radisson	7	1,157	1,035	89.5%	- ↑
10	Steigenberger	2	905	905	100.0%	- ↑

*The arrows in the 'Rank - All Deals' column denote a change in the brands' ranking compared to the ranking by all pipeline rooms

Radisson Blu and Hilton, the traditional leaders in the survey, are joined by AccorHotel's Ibis Styles and Mercure brands in the top four. All of AccorHotel's Angolan hotels are under construction, and Steigenberger also has 100 per cent of its pipeline, two large projects in Egypt, on site.

The above analysis is by individual brands. Several of the chains have more than one brand which they are seeking to expand or establish in Africa – Starwood, for example, have no fewer than eight brands for which deals have been signed, namely St. Regis, Westin, Sheraton, Le Méridien, Four Points, aloft, Element and W.

Marriott are also working with eight of their brands in Africa, and others such as Hilton and Wyndham with four.

Table 9 and Chart 9 show the top 10 chains by hotels and rooms. Appendix 4 provides detail for all the chains.

Table 9: Hotel Chain Development Pipelines in Africa 2016							
Top 10 Chains by Number of Planned Hotels and Rooms							
Rank by Hotels			Rank by Rooms				
						Change on 2015	Average Size (Rooms)
1	AccorHotels	65	1	AccorHotels	8,794	286.9%	135
2	Marriott	38	2	Hilton Worldwide	8,501	17.3%	236
3	Hilton Worldwide	36	3	Marriott	7,683	19.8%	202
4	Carlson Rezidor	34	4	Carlson Rezidor	7,338	5.5%	216
5	Starwood	26	5	Starwood	5,765	24.7%	222
6	Swiss International	19	6	Rotana	2,409	23.2%	241
7	Mangalis	17	7	Mangalis	2,329	-	137
8	Louvre Hotels Group	16	8	FRHI	2,292	79.5%	287
9	Best Western	13	9	Swiss International	1,997	14.9%	105
10	CityBlue	11	10	Mövenpick	1,866	86.4%	267

AccorHotels leads the pack for the first time, because of that deal in Angola. Without that, they would have been down in 5th place, with around 2,500 rooms in their pipeline. But they did do the deal, and just beat Hilton Worldwide to first place. Carlson Rezidor have low growth, just 5.5 per cent on 2015, but as noted above, they opened the most hotels of any chain in 2015, eight hotels (Radisson Blu and Park Inn, with a total of 1,460 rooms), thus reducing their pipeline – had they not opened (but they did!), and were still in their pipeline, their growth would have been 26.5 per cent. The chain signed seven new deals in 2015, with 1,400 rooms, so still made good progress.

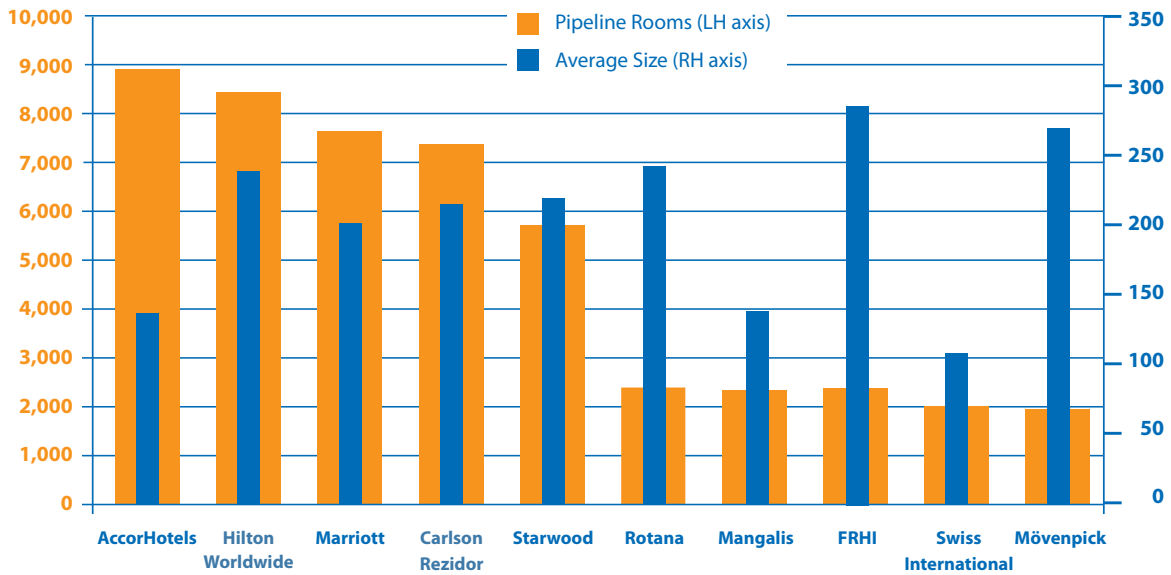
"We are optimistic about the hospitality industry in Africa, and AccorHotels aims to increase its sub-Saharan Africa network to 15,000 rooms in 100 hotels over the next five years. In parallel we will continue to reinforce our current, long-established leadership in North Africa with our 11,000 rooms in 61 hotels through selective and strategic developments".

Phillipe Baretaud,
SVP Development, AccorHotels

"Marriott International is committed to growth in Africa. We have a strong focus on countries with multiple hotel development opportunities, as well as countries that have potential for single-city lodging development."

Samir Baidas,
Chief Development Officer, Marriott International

Chart 9: Hotel Chain Development Pipelines in Africa 2016
 Top 10 Chains by Number of Planned Rooms & Average size



Starwood experienced strong growth again, adding a net 1,142 rooms to their Africa pipeline. Mövenpick also moved up a gear, signing deals in Abuja, Abidjan and Nairobi in 2015, after only one, in Tunis, in 2014. Seven of the top 10 chains have an average size per deal of above 200 rooms, compared to the average of the entire sample of 176 rooms per hotel (230 in North Africa and 159 in sub-Saharan Africa).

“For Rotana, Africa will remain a focus market as we move towards our goal of operating 100 hotels worldwide by 2020, and we are very keen to expand our pipeline in the continent.”

Makram El Zyr,
 Corporate VP Research & Development, Rotana

“AccorHotels development in sub-Saharan Africa relies on the use of the most relevant operating modes combining asset light management contracts and franchise, with investments through partnerships and investment vehicles under AccorHotels leadership.”

Phillipe Baretaud,
 SVP Development, AccorHotels

Very clear from the chart below (remember Pac-Man?!) is that the vast majority of the hotel chains are signing management contracts for their new deals. Most of the franchises or franchise look-alikes (e.g. licence agreements) have been signed by two companies, Best Western and Swiss International, but many of the global chains also have a few franchises in their pipelines.

“Other” includes joint ventures between hotel chains and hotel owners, and owner-operators such as Azalai, Onomo and City Lodge, as well as a (very) few leases.

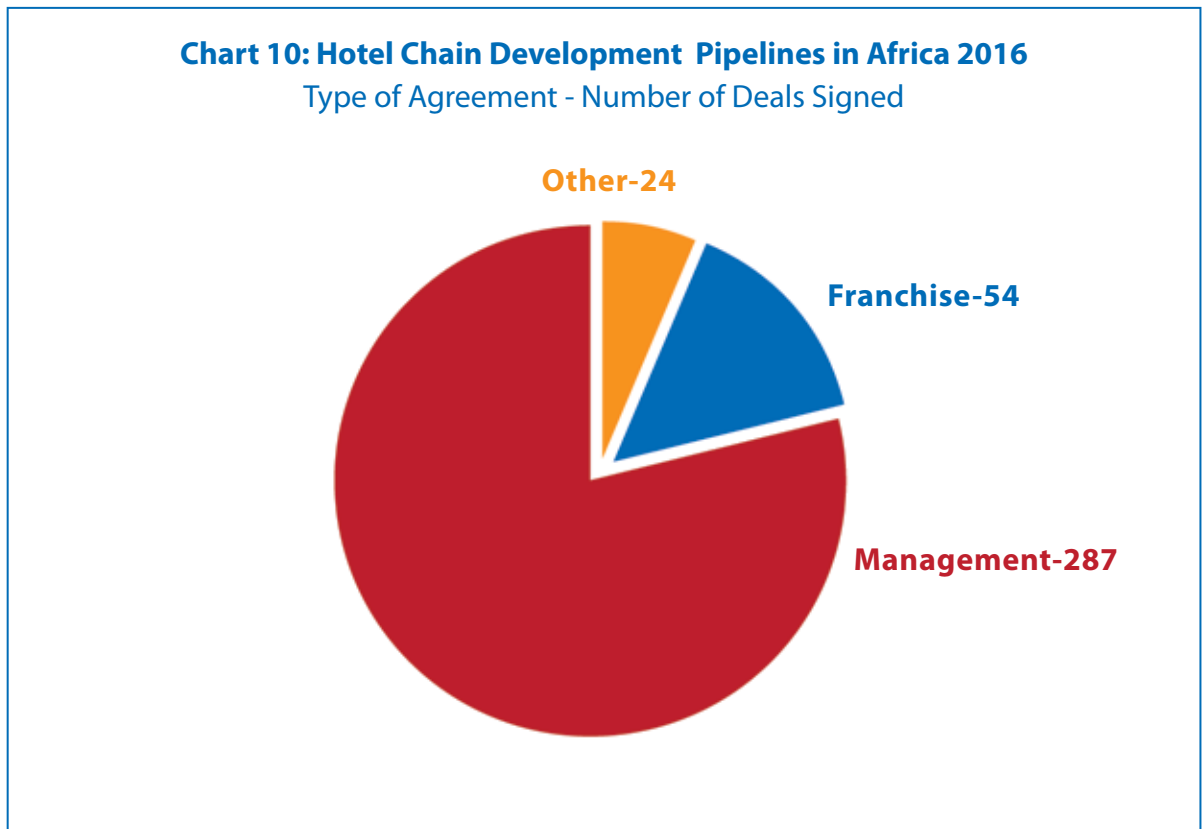


Table 10: Hotel Chain Development Pipelines in Africa 2016
Top 10 Chains: Pipeline vs Existing Hotels in Africa

Rank	Company	Pipeline		Existing		Pipeline vs Existing Rooms
		Hotels	Rooms	Hotels	Rooms	
1	AccorHotels	65	8,794	93	16,005	54.9%
2	Hilton Worldwide	36	8,501	39	11,192	76.0%
3	Marriott	38	7,683	109	12,925	59.4%
4	Carlson Rezidor	34	7,338	32	7,083	103.6%
5	Starwood	26	5,765	34	9,631	59.9%
6	Rotana	10	2,409	2	759	317.4%
7	Mangalis	17	2,329	-	-	-
8	FRHI	8	2,292	9	2,000	114.6%
9	Swiss International	19	1,997	6	547	365%
10	Mövenpick	7	1,866	23	5,155	36.2%
TOTAL		260	48,974	347	65,297	75.0%



Radisson

tabú

tabú

Looking at pipelines versus each chain's existing presence on the continent shows that all of the top 10 are set to expand their presence in Africa by large percentages, most by 50 per cent or more. Swiss International has the highest percentage increase, but on a very low base. Carlson Rezidor is the only other chain with a pipeline greater than its existing footprint, but AccorHotels and Hilton Worldwide have larger pipelines in absolute terms.

Analysing the data according to what's still on paper and what's on site shows the following:

Table 11: Hotel Chain Development Pipelines in Africa 2016						
Top 10 Chains by Pipeline Status						
Rank	Company	Hotels	Rooms			Rank - All Deals*
			Total	On-site construction		
1	AccorHotels	65	8,794	8,539	97%	- ↑
2	Hilton Worldwide	36	8,501	5,483	64%	2 ↔
3	Carlson Rezidor	34	7,338	5,479	75%	4 ↑
4	Marriott	38	7,683	4,555	59%	3 ↓
5	Starwood	26	5,765	2,394	42%	5 ↔
6	Best Western	13	1,311	1,246	95%	- ↑
7	Mangalis	17	2,329	1,204	52%	7 ↔
8	Mövenpick	7	1,866	1,141	61%	10 ↑
9	Swiss International	19	1,997	1,137	57%	9 ↔
10	Steigenberger	8	905	905	100%	- ↑

*The arrows in the 'Rank - All Deals' column denote a change in the brands' ranking compared to the ranking by all pipeline rooms

With all of the hotels in their Angola deal on site, AccorHotels stays at number one, and Hilton also maintain their position as number two, in terms of rooms under construction. Carlson and Marriott swap places, whilst Best Western joins the Top 10 at number six. Mangalis, with their Noom, Yaas and Seen brands, still has no hotel operational, but has eight hotels on site, of which three will open in 2016.

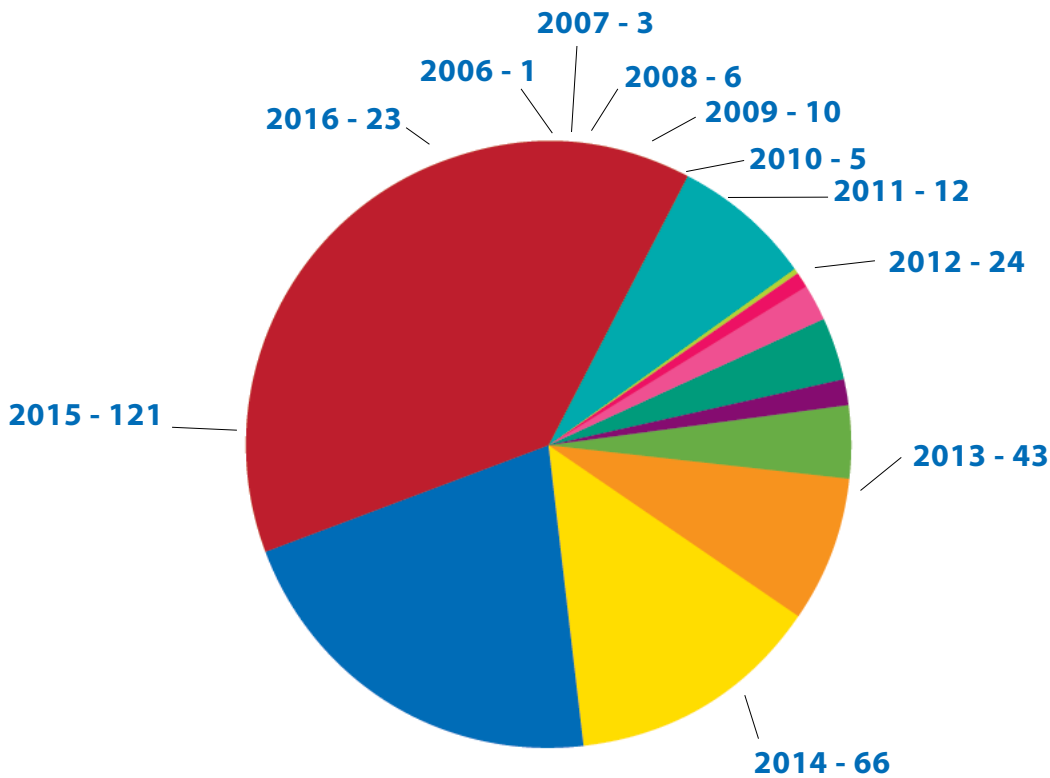
Chart 11 shows when the deals in the chains' pipelines were signed. A record 121 new deals were signed in 2015, far more than the 79 contracts signed in 2014 (the figure in the chart for 2014 is lower, as some hotels will have opened since, and are therefore not included in these data).

"Investors often ask where the best opportunity is in Africa, and my response will always be the right brand and location, combined with the best expertise to support the project from signing to welcoming its first guests. Hilton's more than 55 years of developing hotels from North Africa to South Africa brings expertise that guides the process in every aspect, enabling investors to make the best decisions for their project."

Patrick Fitzgibbon,
Senior VP Development, Hilton Worldwide

Chart 11: Hotel Chain Development Pipelines in Africa 2016

Years the Deals were Signed - Number of Hotels



What is of concern to all involved is the number of deals that are still on the books after several years. Between 2006 (the oldest deal in the sample) and 2013, no fewer than 104 deals with 21,377 rooms, over 30 per cent of the total, were signed, and really should have opened by now, but for many reasons (most often a lack of finance) are still just paperwork or, in some cases, unfinished “hulks”.

That’s the past. If those involved – the investors, the chains, the consultants and the lenders – can get these deals to fruition, the pipeline of the future, as shown in Table 12, will result in much-needed expansion of Africa’s hotel industry:

Table 12: Hotel Chain Development Pipelines in Africa 2016			
Anticipated Opening Years of Pipeline Deals			
	Pipeline	Rooms	Cumulative New Rooms Open
2016	119	16,934	-
2017	99	16,540	33,474
2018	75	13,920	47,394
2019	37	8,625	56,019
2020	22	4,989	61,008
2021	2	383	61,391
Not Known	10	2,840	64,231

The last row, 10 hotels with 2,840 rooms for which the opening date is “not known” reflects the uncertainty that is affecting Africa, particularly some of the North African countries, and is as it says – the chains just do not know when the hotels will open. As noted in the introduction, the countries in North Africa, particularly Libya and Egypt, have been affected by civil unrest and terrorism, and this has delayed work on a number of projects.

Further, one of the sources of funding for projects in North Africa is the Middle East, where pockets have tightened because of the oil price crash, but in the next three years, that’s over 47,000 new rooms in 293 new hotels, with a certainty that there will be more than that, in deals yet to be done, and which have already been done in the first quarter of 2016.

Look beyond the problems that the continent is experiencing currently, problems that are being felt equally elsewhere in the world. Look at the growth story that is evident from these figures, and you can see that Africa is still rising!



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"Tourism Investment Advisor of the Year"



Appendices



Appendix 1

Hotel Chain Development Pipelines in Africa 2016

Contributors to the Survey - Hotel Chains & Brands

Hotel Chains	Brands		
AccorHotels	Adagio Ibis Ibis Styles	Mercure Novotel	Pullman Sofitel
Banyan Tree Hotels & Resorts	Banyan Tree		
Best Western Hotels & Resorts	Best Western	Best Western Plus	Best Western Premier
Carlson Rezidor Hotel Group	Park Inn by Radisson Radisson Blu	Radisson Red	Quorvus Collection
CG Hotels & Resorts	The ZINC		
CityBlue Hotels	CityBlue	Urban by CityBlue	
City Lodge Hotel Group	City Lodge	Town Lodge	
Club Med	Club Med		
Corinthia Hotels International	Corinthia		
Dusit International	Dusit Thani		
Emaar Hospitality Group*	The Address		
Fairmont-Raffles Hotels International	Fairmont	Raffles	Swissotel
Four Seasons Hotels & Resorts	Four Seasons		
Fraser Hospitality*	Fraser Suites		
Groupe Azalaï	Azalaï		
Hilton Worldwide	CURIO DoubleTree by Hilton	Hilton	Hilton Garden Inn
Hyatt International	Hyatt Place	Hyatt Regency	Park Hyatt
InterContinental Hotels Group	Crowne Plaza InterContinental	Holiday Inn Staybridge Suites	Holiday Inn Express
Jumeirah Group*	Jumeirah		
Kempinski Hotels	Kempinski		
Louvre Hotels Group	Golden Tulip	Royal Tulip	Tulip Inn

* Chains currently with no existing hotels in Africa

Appendix 1 contd.

Hotel Chain Development Pipelines in Africa 2016

Contributors to the Survey - Hotel Chains & Brands

Hotel Chains	Brands		
Mangalis Hotel Group*	Noom	Seen	Yaas
Mantis Collection	Mantis		
Marriott Hotels International	Courtyard by Marriott	Protea	Ritz Carlton
	JW Marriott	Renaissance	
	Marriott	Residence Inn by Marriott	
	Marriott Executive Apartments (MEA)		
Meliã Hotels International	Meliã		
Millennium Hotels & Resorts *	Grand Millennium		
Minor Hotel Group	Anantara	Per Aquum	
Mövenpick Hotels & Resorts	Mövenpick		
Onomo Hotels	Onomo		
Pestana Hotel Group	Pestana		
Rotana	Arjaan Hotel Apartments by Rotana		
	Centro Hotels by Rotana		Rotana
Starwood Hotels & Resorts	aloft	Le Méridien	St. Regis
	Element	Sheraton	W
	Four Points by Sheraton		Westin
Steigenberger Hotel Group	Steigenberger		
Swiss International Hotels	Royal Swiss	Swiss Spirit	
	Swiss International, The Residences		
	Swiss International	Yes Inn by Swiss International	
Tune Hotels*	Tune		
Wyndham Hotel Group	Days Hotel & Suites	Ramada	Ramada Encore
	Wyndham		

* Chains currently with no existing hotels in Africa

Appendix 2

Hotel Chain Development Pipelines in Africa 2016

Hotels and Rooms by Country

Country	Total Per Country		Pre-Construction (Planning)	Rooms on Site (Construction)
	Hotels	Rooms		
Algeria	15	3,263	17%	83%
Angola	56	7,560	10%	90%
Benin Republic	5	727	28%	72%
Botswana	1	147	100%	-
Burundi	2	140	-	100%
Cameroon	3	393	67%	33%
Cape Verde	3	841	71%	29%
Chad	1	175	-	100%
Congo, Rep of	3	515	73%	27%
Côte d'Ivoire	6	1,200	18%	82%
DRC	4	560	28%	72%
Egypt	19	6,660	17%	83%
Equatorial Guinea	1	100	100%	-
Ethiopia	12	2,460	25%	75%
Gabon	2	290	100%	-
Ghana	9	1,666	53%	47%
Guinea	5	1,052	41%	59%
Kenya	16	2,956	10%	90%
Libya	5	1,391	22%	78%
Madagascar	2	366	43%	57%
Mali	2	320	63%	38%
Mauritania	2	450	56%	44%
Mauritius	3	441	64%	36%
Morocco	33	5,681	25%	75%
Mozambique	2	210	-	100%
Namibia	2	330	55%	45%
Niger	2	300	53%	47%
Nigeria	61	10,222	60%	40%
Rwanda	8	1,439	28%	72%
Senegal	13	1,943	40%	60%
Sierra Leone	4	497	22%	78%
South Africa	11	2,058	58%	42%

Appendix 2 contd.

Hotel Chain Development Pipelines in Africa 2016

Hotels and Rooms by Country

Country	Total Per Country		Pre-Construction (Planning)	Rooms on Site (Construction)
	Hotels	Rooms		
South Sudan	3	593	73%	27%
Sudan	1	220	100%	-
Swaziland	1	123	-	100%
Tanzania	15	1,491	63%	37%
Togo	4	690	54%	46%
Tunisia	15	2,976	42%	58%
Uganda	9	1,407	42%	58%
Zambia	4	378	26%	74%
TOTAL	365	64,231	44%	56%

Appendix 3

Hotel Chain Development Pipelines in Africa 2016

Hotels and Rooms by Brand

Brand	Total Per Brand		Pre-Construction (Planning)	Rooms on Site (Construction)
	Hotels	Rooms		
Adagio	1	72	-	100%
aloft	1	150	100%	-
Anantara	5	656	23%	77%
Arjaan	4	790	87%	13%
Azalai	6	1,062	62%	38%
Banyan Tree	1	92	-	100%
Best Western	3	302	-	100%
Best Western Plus	7	743	-	100%
BW Premier	3	266	24%	76%
Centro	2	620	44%	56%
City Lodge	2	320	47%	53%
CityBlue	8	518	39%	61%
Club Med	1	358	-	100%
Corinthia	2	490	39%	61%
Courtyard	4	1,065	35%	65%
Crowne Plaza	1	200	-	100%
CURIO	1	54	-	100%
Days Hotel & Suites	1	85	-	100%
DoubleTree by Hilton	5	1,030	21%	79%
Dusit Thani	2	507	-	100%
Element	1	105	-	100%
Fairmont	5	1,412	71%	29%
Four Points	9	1,797	82%	18%
Four Seasons	2	233	13%	87%
Fraser Suites	1	126	-	100%
Golden Tulip	10	770	-	100%
Grand Millennium	1	250	100%	-
Hilton Garden Inn	14	2,566	52%	48%
Hilton	16	4,851	30%	70%
Holiday Inn	1	300	100%	-
Hyatt Centric	1	149	-	100%
Hyatt Regency	4	731	75%	25%
Ibis	3	405	-	100%
Ibis Styles	28	3,822	-	100%
InterContinental	2	544	-	100%

Appendix 3 contd.

Hotel Chain Development Pipelines in Africa 2016

Hotels and Rooms by Brand

Brand	Total Per Brand		Pre-Construction (Planning)	Rooms on Site (Construction)
	Hotels	Rooms		
Jumeirah	1	155	100%	-
JW Marriott	4	1,342	45%	55%
Kempinski	3	875	100%	-
Mantis	3	178	-	100%
Marriott	14	2,919	30%	70%
MEA	5	890	61%	39%
Meliä Hotels & Resorts	4	777	-	100%
Mercure	24	2,526	-	100%
Le Méridien	1	368	-	100%
Mövenpick	7	1,866	39%	61%
Noom	9	1,332	36%	64%
Novotel	4	637	40%	60%
Onomo	5	671	61%	39%
Park Hyatt	1	181	-	100%
Park Inn by Radisson	7	1,157	11%	89%
Per Aquum	1	49	-	100%
Pestana	1	275	100%	-
Protea	1	180	100%	-
Pullman	3	867	-	100%
Quorvus Collection	1	250	-	100%
Radisson Blu	25	5,693	31%	69%
Radisson Red	1	238	-	100%
Raffles	1	243	100%	-
Ramada	2	225	-	100%
Ramada Encore	1	84	-	100%
Renaissance	1	150	-	100%
Residence Inn	3	497	70%	30%
Ritz-Carlton	6	640	33%	67%
Rotana	4	999	75%	25%
Royal Swiss	3	310	27%	73%
Royal Tulip	1	73	-	100%
Seen	5	709	62%	38%
Sheraton	9	2,045	42%	58%
Sofitel	2	465	-	100%
St. Regis	1	292	-	100%

Appendix 3 contd.

Hotel Chain Development Pipelines in Africa 2016

Hotels and Rooms by Brand

Brand	Total Per Brand		Pre-Construction (Planning)	Rooms on Site (Construction)
	Hotels	Rooms		
Steigenberger	2	905	-	100%
Swiss International	4	585	90%	10%
Swiss International, The Residences	1	40	-	100%
Swiss Spirit	10	942	27%	73%
Swissotel	2	637	39%	61%
The Address	3	435	46%	54%
The ZINC	1	153	-	100%
Town Lodge	1	150	-	100%
Tulip Inn	4	442	-	100%
Tune	2	445	37%	63%
Unknown (Louvre)	1	11	-	100%
Urban by CityBlue	3	181	39%	61%
W	2	498	100%	-
Westin	2	510	76%	24%
Wyndham	1	290	100%	-
Yaas	3	288	69%	31%
Yes Inn by Swiss International	1	120	-	100%
TOTAL	365	64,231	33%	67%

Appendix 4

Hotel Chain Development Pipelines in Africa 2016

Hotels and Rooms by Group

Group	Total Per Group			Pre-Construction (Planning)	Rooms on Site (Construction)
	Countries	Hotels	Rooms		
AccorHotels	7	65	8,794	3%	97%
Groupe Azalai	6	6	1,062	-	100%
Banyan Tree	1	1	92	5%	95%
Best Western	7	13	1,311	25%	75%
Carlson Rezidor	21	34	7,338	32%	68%
CG	1	1	153	39%	61%
City Lodge	3	3	470	-	100%
CityBlue	6	11	699	39%	61%
Club Med	1	1	358	0%	100%
Corinthia	2	2	490	46%	54%
Dusit International	2	2	507	-	100%
Emaar	2	3	435	13%	87%
Four Seasons	2	2	233	0%	100%
Frasers Hospitality	1	1	126	65%	35%
Fairmont Raffles	3	8	2,292	62%	38%
Hilton Worldwide	18	36	8,501	36%	64%
Hyatt International	5	6	1,061	52%	48%
Intercontinental	4	4	1,044	29%	71%
Jumeirah	1	1	155	100%	-
Kempinski	3	3	875	100%	-
Louvre Hotels Group	11	16	1,296	100%	-
Mangalis	11	17	2,329	48%	52%
Mantis Collection	1	3	178	-	100%
Marriott International	14	38	7,683	41%	59%
Meliä Hotels International	1	4	777	0%	100%
Millennium	1	1	250	100%	-
Minor	5	6	705	21%	79%
Mövenpick	6	7	1,866	39%	61%
Onomo	5	5	671	61%	39%
Pestana	1	1	275	100%	-
Rotana	9	10	2,409	71%	29%
Starwood	15	26	5,765	58%	42%
Steigenberger	1	2	905	-	100%
Swiss International	5	19	1,997	43%	57%
Tune Hotels	2	2	445	37%	63%
Wyndham	4	5	684	42%	58%
TOTAL		365	64,231	39%	61%





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