

SERBIA

Hotel Market Snapshot

H1 | 2018



Overview

Belgrade Airport Nikola Tesla has serviced record-high 5.3 million passengers in 2017, noting a growth of 9% in comparison with 2016-figures. An increased number of passengers using Nikola Tesla airport, visa-free regime that the country has with numerous countries as well as additional flights to new destinations have all contributed to an increase in the number of foreign tourists in 2017.

Supply

The hotel accommodation in Belgrade has experienced major changes over the last decade, mostly being driven by tourists' needs and by the trends present in the hotel sector worldwide. Since the demand was mostly coming from corporate guests, Belgrade hotel offer was enriched mostly in the upscale segment, due to the simultaneous opening of several large-sized hotels, which added a significant number of rooms to the total supply. Belgrade hotel supply currently holds more than 100 hotels and more than 7,000 rooms (including "garni" hotels).

After a while, Belgrade five-star hotel offer was recently enriched thanks to the opening of two hotels, Saint Ten boutique hotel which comprises 56 rooms and the first hotel of the Hilton Hotels and Resorts international chain, Hilton hotel which was opened in March 2018, featuring 242 suites and rooms. At the moment, Belgrade five-star hotel stock comprises six hotels.

When analyzing the share of the supply per categories, the share of four-star hotel stock is the largest, holding the share of 44%. The latest opened 4-star hotel is MAMA Shelter hotel of 125 keys, opened along the main pedestrian zone, in Knez Mihailova street in March 2018, within the earlier opened Rajiceva Shopping center. Previously, TESLA Smart Stay garni hotel was opened, offering 17 rooms, as well as 4-star Abba hotel, totaling 44 keys.

Demand

The number of tourists in Serbia grew by 12% in 2017 as compared to 2016-annual data. In Belgrade only, the number of guests grew by 13% in 2017, thanks to the increase in the number of foreign guests. The number of overnights in Belgrade increased by 17% also, exceeding 2.1 million in 2017. More specific, the number of domestic overnights grew by 6%, while the number of overnights by foreigners grew by 20%.

Outlook

The number of hotels under construction and announced for development proves that the large interest in Belgrade hotel market still exists among hotel operators and investors.

Pipeline Hotel Projects

HOTEL	STARS	NUMBER OF ROOMS	PLANNED OPENING
CENTAR-BEOGRAD	4	68	2018
INDIGO HOTEL	4	n/a	2019
MONA PLAZA	4	152	2019
W HOTEL BELGRADE	5	120	2020
ST. REGIS	5	125	n/a

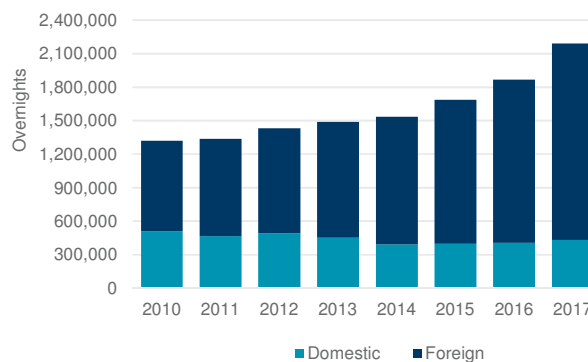
Source: CBS International, part of Cushman & Wakefield Group

Belgrade Market share per hotel category

CATEGORY	NUMBER OF HOTELS	SHARE IN THE NUMBER OF HOTELS
5*	6	5%
4*	51	44%
3*	29	25%
2*	5	4%
1*	2	2%
Boutique hotels	9	8%
Suburban area	14	12%
Total	116	100%

Source: CBS International, part of Cushman & Wakefield Group

Number of overnights in Belgrade 2010-2017



Source: Statistical Office of the Republic of Serbia

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