

## [ Leipzig ]

- **Tourism in Leipzig continues to reach record levels:** Overnights in hotels and bed-and-breakfast hotels have risen by 32.3 % since 2010. With around 1.36 m arrivals and 2.42 m overnights, Leipzig's hotel industry reached a peak in 2014.
- **Germans predominate among visitor nationalities:** Accounting for around 85.8 % of overnight stays in 2014, domestic visitors are Leipzig's most important source market. In terms of international markets, the USA represents the highest number of overnights at around 39.6 thousand, followed by Switzerland (around 36.2 thousand) and the UK (around 31.6 thousand).
- **Likewise growth in supply:** Despite a slight decline in 2014, the number of hotels and bed-and-breakfast hotels rose by 6 % to 70 hotels between 2010 and 2014. In the same period the number of beds rose to around 12.6 thousand (+16.2 %), so that the average number of beds per hotel rose from 164 to 179.
- **Numerous hotel projects:** Hotel accommodation capacity is expected to rise significantly in the coming years. The project pipeline in Leipzig currently comprises 15 hotels with a total of around 2,400 rooms.
- **YTD December 2014 - RevPAR rises to 53 EUR:** In 2014, stable room occupancy rates (65.2 %) and slight growth in the average room rate (81.29 EUR) led to a year-on-year rise in RevPAR of 2.7 % (sample primarily comprised branded three to five-star hotels).

### Leipzig Hotel Market in Figures

	2014	2013	
Hotels	70	73	↘
Beds	12.56 k	12.59 k	↘
Arrivals in Hotels	1.36 m	1.31 m	↗
Overnights in Hotels	2.42 m	2.37 m	↗
Ø length of stay	1.8	1.8	↔
Total overnights	2.76 m	2.70 m	↗
International overnights			
Total	393 k	435 k	↘
Share in total overnights	14.2 %	16.1 %	↘

Notes Information about total and international overnights refers to all accommodation facilities, all further information refers only to hotels and bed-and-breakfast hotels; capacities as of July

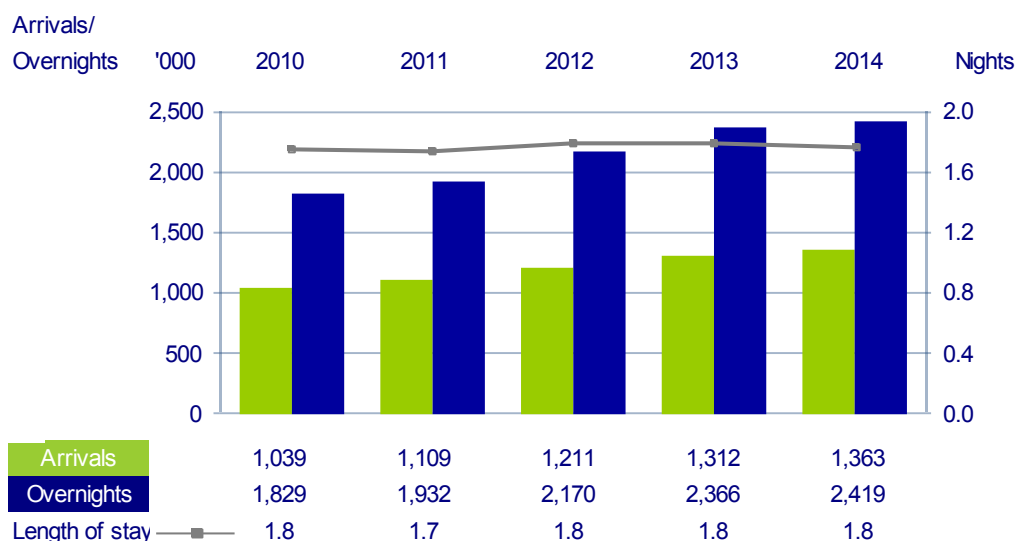
Source State Statistical Office of Sachsen

Photos from top to bottom: Hotel Fürstenhof, Leipzig (Hotel Fürstenhof, Leipzig), Steigenberger Grandhotel Handelshof (Steigenberger Hotels AG), Motel One Leipzig - Augustusplatz (Motel One), Radisson Blu Hotel, Leipzig (www.radisson-leipzig.com)

### New records in overnights and arrivals

Demand on Leipzig's hotel market has risen continuously over the past five years, with average annual growth of around 7.2 %. After high growth in recent years, Leipzig's hotel operators achieved new records in 2014 with around 1.4 m arrivals and around 2.4 m overnights – equivalent to a year-on-year growth of around 3.9 % for arrivals and around 2.2 % for overnights.

The average length of stay has remained roughly consistent over the past five years, at around 1.8 days, only falling to around 1.7 days in 2011.



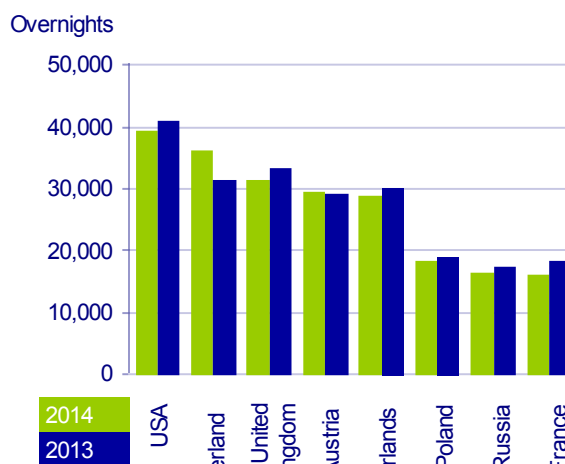
Note Information refers to hotels and bed-and-breakfast hotels  
Source State Statistical Office of Sachsen

### Germany is the main source market

In 2014 around 85.8 % of the approx. 2.76 m overnights across all types of accommodation operation were generated by domestic visitors.

The most important international source markets in 2014 were the USA (1.4 % of total overnight volume), followed by Switzerland (1.3 %), the UK (1.1 %), Austria (1.1 %) and the Netherlands (1 %). International overnights fell short of the record set in 2013 and declined by 9.7 % to around 392,500 – principally due to this year's lack of the *WorldSkills* trade show.

In 2014 overnights from Switzerland accounted for around 4,900 more than the previous year (+15.6 %), making the country one of the fastest-growing source markets for Leipzig. According to Leipzig Tourismus and Marketing GmbH Switzerland's strong franc might allow visitors from that country to overtake the USA in terms of overnights in 2015 for the first time.

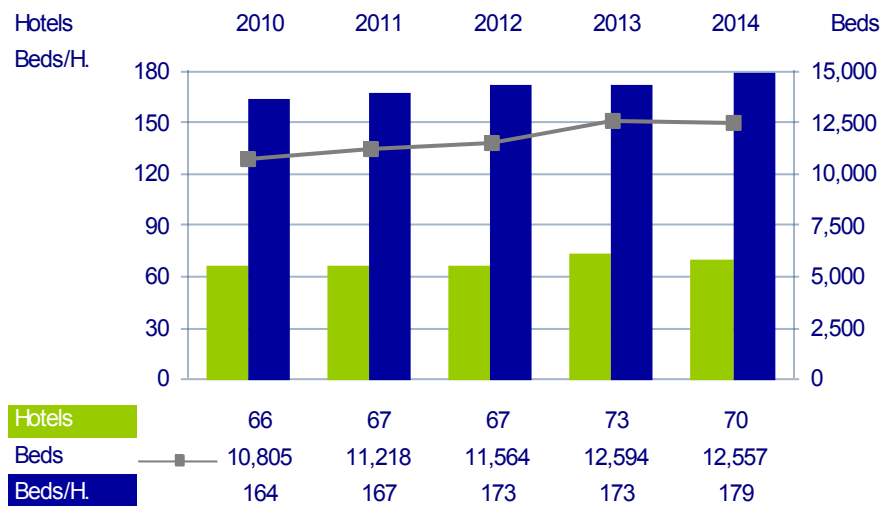


Note Information refers to hotels and bed-and-breakfast hotels  
Source State Statistical Office of Sachsen

### Hotel supply is growing

The number of hotel operations (hotels and bed-and-breakfast hotels) in Leipzig rose from 66 in 2010 to 70 in 2014; over the same period the number of beds rose by 16.2 % to 12,600 beds (3.8 % p.a.). The number of beds per hotel has risen steadily over the past five years to 179 beds in 2014.

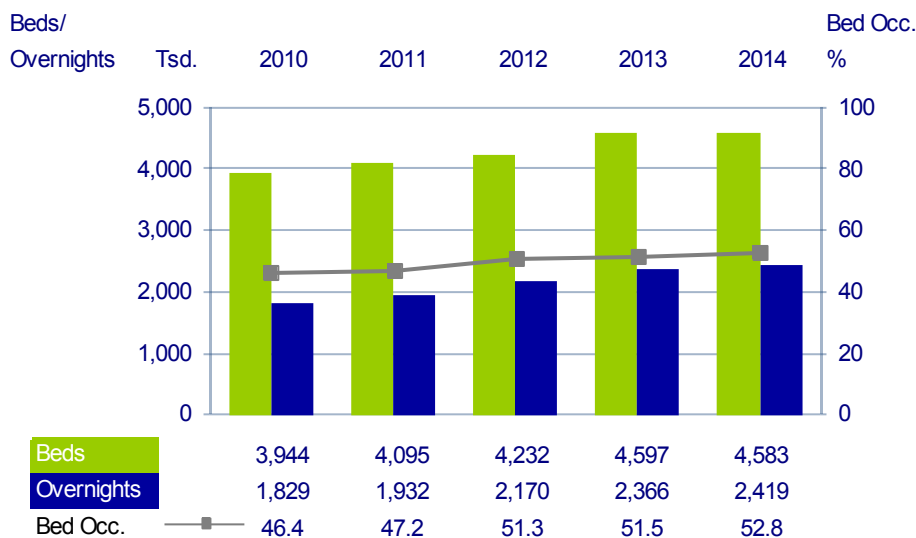
In July 2014 Leipzig showed a slight fall in the number of beds year-on-year (-37 beds); however, the opening of a second Motel One in August 2014 added 180 new rooms to the total.



Note Information refers to hotels and bed-and-breakfast hotels  
Source State Statistical Office of Sachsen

### Satisfactory rise in bed occupancy rates

Thanks to the disproportionately high increase in demand compared to growth in supply, bed occupancy rates over the past five years have risen continuously and reached a peak of around 52.8 % in 2014, equivalent to growth of around 6.4 % points compared to 2010.



Notes Information refers to hotels and bed-and-breakfast hotels  
Accumulated number of beds for the whole year, as of July  
Source State Statistical Office of Sachsen

## Numerous hotel projects on the Leipzig market

The supply of hotels in Leipzig is expected to rise significantly in the coming years; at present our research shows approx. 15 hotel projects in the planning or construction stage.

The project pipeline contains approx. 2,400 rooms. The majority of the planned projects — six hotels with a total of around 820 rooms — are in the budget segment. 2015 will see the opening of three new hotels: Book Hotel Leipzig with 46 rooms, a B&B hotel with 96 rooms and the Travel24 Hotel with 170 rooms.

The following chart shows a selection of the hotel projects in Leipzig that are known to us (no claim to completeness):

Hotel projects				
Project	Location	Category (Stars)	Rooms	Opening
Book Hotel Leipzig	Auguste-Schmidt-Strasse 6	2-3	46	2015
B&B Hotel	Nikolaistrasse 34	2	96	2015
Travel24 Hotel	Am Tröndlinring	2	170	2015
Adina Apartment Hotel	Brühl 34-50	4	166	2016
Innside by Meliá	Gottschedstrasse 1/Am Dittrichring 11	4	177	2016
Ibis	Brühl/Reichsstrasse	2	124	2016
Ibis budget	Brühl/Reichsstrasse	1	169	2016
Hotel at Philippus-Kirche	Aurelienstrasse 54/Helmholtzstrasse	3	31	2016
Hotel project	Main station, east	3-4	300	2018
Hotel project	Main station, east	2	200	2018
Airport-Messe Hotel	Former Airport Mockau	4	300	n.a.
Amedia Hotel	n.a.	4	n.a.	n.a.
Hotel project Alte Hauptpost	Augustusplatz	2	182	n.a.
Hotel project am Alten Zoll	Main station, west	n.a.	120	n.a.
Hotel project Doppelturm	Brühl	n.a.	n.a.	n.a.

Notes According to international standards; If room number is not available an average of 150 rooms is assumed  
Source Research PKF hotelexperts

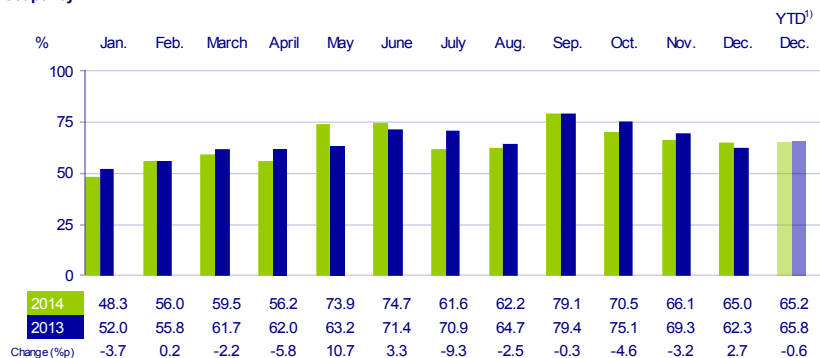
Performance indicators for YTD December 2014

Room occupancy almost reached prior-year level of around 65 %

The three to five-star hotels in our sample achieved average room occupancy of 65.2 % in 2014 (-0.6 % points compared to 2013). The months with the highest demand in Leipzig were May, June and September.

In September the success of the exhibition and conference industry returned the highest room occupancy rate, at around 79.1 %. The highest growth year-on-year was shown in May (+10.7 % points), accounted for largely by trade shows including *OTWorld* and the motor show *AMI*. Negative year-on-year changes in 2014 were due to the lack of various major events which had taken place in the previous year (e.g. *agra* and *WorldSkills* trade shows in April, Bruce Springsteen concert in July).

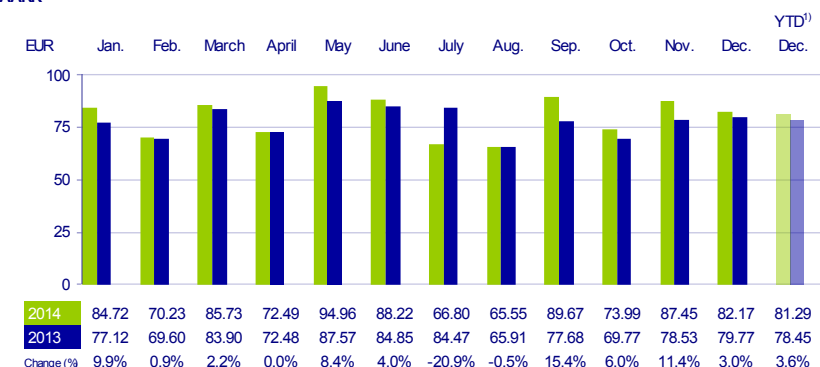
Occupancy



Net room rate rose by 3.6 %

In 2014 the average net room rate rose to 81.29 EUR. May showed the highest price level at approx. 95 EUR, while August had the lowest net room rate at 65.55 EUR

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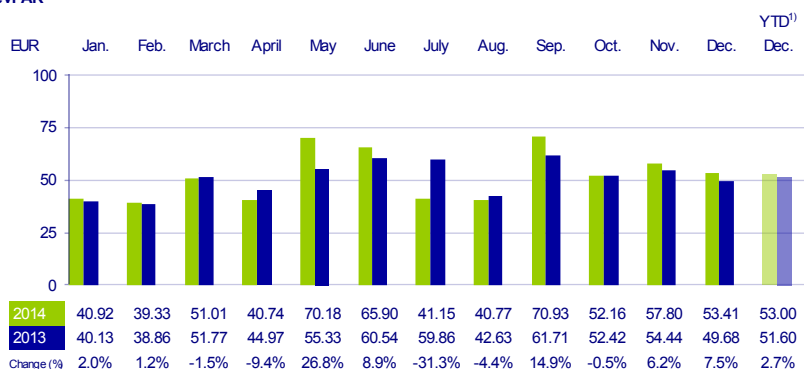


Note 1) YTD-figures are related to December sample  
Source BDO/PKF Monthly German Trends

RevPAR rose to 53 EUR

Given the higher price level, overall RevPAR rose by 2.7 % to 53 EUR. The highest RevPAR figures, and the highest year-on-year growth rates, were in May (70.18 EUR, +26.8 %) and September (70.93 EUR, +14.9 %), while July showed the steepest fall of 31.3 % to 41.15 EUR.

RevPAR



Note 1) YTD-figures are related to December sample  
Source BDO/PKF Monthly German Trends

### Prospects for the future

Over the past five years, the demand for hotel services in Leipzig has grown by around 590,000 (+32.3 %) and reached a new record in 2014 of around 2.4 m overnight stays in hotels and bed-and-breakfast hotels. Germany is still the main source market for overnight visitors (accounting for around 85.8 % of overnights throughout all types of accommodation operation in 2014), while international guests are responsible for a relatively low proportion of demand, at around 14.2 %.

Leipzig is among Germany's most dynamic major cities. Saxony's metropolis is in fourth place among 69 cities surveyed in the 2014 ranking by *Wirtschaftswoche* and the online real-estate site *Immobilienscout24*. The study "European Cities & Regions of the Future 2014/2015" by the *Financial Times Group* also placed Leipzig in the top ten in four categories.

In addition, the city's targeted marketing activities and congress initiative *do-it-at-leipzig.de* are contributing further to Leipzig's positive development as a tourism destination. International newspapers and magazines including the UK's *Guardian* recommend Leipzig as one of the top travel destinations for 2015.

2015 is an anniversary year for Leipzig, in which numerous celebrations and events are hoped to attract many tourists to the city. The climax of festivities will be the festival week "1000 Jahre Leipzig" (1000 Years of Leipzig). Growth potential in the conference and congress sector will be boosted by the opening of the new Congress Center at the Zoo, scheduled for May. With 15 different rooms and halls, it will offer capacity for up to 1,200 people.

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As at April 2015