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# Hotel real estate



## HOTEL INDUSTRY: EXECUTIVE SUMMARY

***383 hotels and hotel resorts operate in Belarus: 2-5 stars accounted for 10.4 % of them***

Accommodation sector in the Republic of Belarus consists of 383 hotels and hotel resorts, 156 units of other overnight accommodation (motels, guest houses, camping sites, etc.) According to the official data, 56 hotels and hotel resorts are certified: 3 hotels are five star, 5 hotels and 1 tourist hotel resort – four star, 34 hotels – three star, 12 hotels – two star, and 1 hotel – one star.

***The capital Minsk holds the leading position in terms of the most luxury hotels in Belarus***

Minsk is a cultural, business, and sport capital of the Republic of Belarus. Today, Minsk has 25 certified hotels and hotel resorts in operation, including 3 five-star hotels, resulting from a demand for the established hotel infrastructure.

***The hotel room supply of 3-5 star hotels in Minsk accounts for 4790 rooms***

Since the opening of new hotels in Minsk, market indicators of 3 to 5-star hotels have approximated to neighbouring capital cities. According to estimates, the hotel room supply in today's Minsk (4 790 rooms) exceeds that in Vilnius (4 418 rooms), but still accounting only for 73 % of the hotel room supply in Riga (6 527 rooms), and for 75 % of that in Tallinn (6 359).

***Hotel residents in Minsk totaled 517 thou***

Hotel residents in Minsk totaled 517 thou people in 2015, representing a 2,4 % increase over the previous year. The number of foreign visitors comprised more than 70% of the total number of guests, reflecting the growth in business, cultural and “event” activity in Belarus.

***Occupancy rates in Minsk declined to 29 %***

Due to the increase in room supply, average hotel occupancy rate in Minsk declined 3 p.p. to 29 % in 2015.

***The lowest hotel rates in Belarus are still higher than in the neighbouring countries***

The hotel rates in Minsk decreased in 2014, as the result of a number of new hotels had been opened that led to closing the gap between rates in Minsk and neighboring capital cities. In 2015, the hotel rates were unchanged. The price for a standard room in 3-star hotels amounted to EUR 58 (EUR 22-45 in neighbouring countries), in 4-star hotels – EUR 98 (EUR 37-70 in neighbouring countries), in 5-star hotels – EUR 146 (EUR 83-110 in neighbouring countries).

***Belarus faced a sharp decline in the number of international visitors***

The number of organized foreign tourists was down 26 % in 2015, totaling 101.7 thou visitors.

***More than 3 000 new rooms are due for completion by 2020***

Despite the saturation of the hotel market after the 2014 Ice Hockey World Championship, the hotel projects with more than 3 000 available rooms are still in different implementation phases. The room supply of 3-star hotels is projected to increase by 1 224 rooms by 2020, while the room supply of 4-star and 5-star – by 1 257 and 613 rooms, respectively.

UNITER Investment Company – financial and investment adviser in Belarus with 14+ years of experience with national and international investors in 40+ industries and markets within the country.

The company's activity is focused on investment banking; support of foreign investors and attraction of financing for national companies; conducting marketing and analytical research; project and asset management.

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