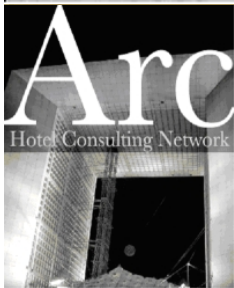


# The ARC Issue



Bulletin n. 1-2007

**Arc Hotel Consulting Network wishes you a great 2007, possibly with its partners!  
[www.Hotel-Consulting-Network.com](http://www.Hotel-Consulting-Network.com) is online !**

We are proud to inform you that our financial branch, thanks to connections with important investors, is now able to create any form of financial structure in order to close business related to hotel purchase and leaseback management. Also Development projects and high yield area are available in all Europe.

some reports from our Observation Centre:

- **Royal Bank of Scotland Sells 47 Marriott Hotels to Delek for \$2.1 Billion**

Delek Real Estate Ltd., an Israeli property company, and its partners have agreed to buy 47 U.K. hotels operated by Marriott International Inc. from Royal Bank of Scotland for about \$2.1 billion. Delek will purchase a 17 percent stake in the hotels through its Delek-Belron International unit, while Electra Real Estate Ltd. will buy a 9.9 percent stake, the companies said today in separate statements to the Tel Aviv Stock Exchange.

- **Dubai: hotel industry continues to boom - revenues up 14% in Q3**

Dubai's booming hospitality industry continued its impressive growth levels in the third quarter of 2006 as well with 14 per cent increase in hotel revenues compared with the corresponding period last year. Hotel room occupancy increased to 85 per cent..

- **Investors in European property finding it difficult to locate good-quality, standard assets should monitor macro trends such as the development of a Sunbelt in Europe similar to that in the Americas, Reda Khatim from Citigroup Property Investors told the Private Equity Exchange conference in early December**

# The ARC Issue

- **The wave of money breaking over European** real estate is unlikely to stop soon, and investors will be obliged to widen their view to property development projects, according to panelists at a recent conference
  - **ARC** estimates that global hotel transactions are set to hit the \$70 billion mark by the end of the year. The figure marks a 38% rise on last year's figures, making 2006 the strongest year on record
  - **More star-rated hotels for Guangzhou** Forty four- and five-star hotels will be built in Guangzhou in 2007, according to the Guangzhou Municipal Tourism Administration (GMTA) and Guangzhou Municipal Hotel Association (GMHA). The hotels will be built as part of a new push to develop hospitality infrastructure in the region to meet the demand anticipated for the 2010 Asian Games, which Guangzhou is hosting.

The city only has seven five-star hotels now. By 2010, the GMTA aims to have over 300 star-grade hotels that can cater to 300,000 guests per night. According to the GMHA, Zhujiang New Town, Tianhe Road and the Pazhou area will be the main sites for deluxe hotels in the future.

- Stats from our Centre

- **London Tops European Hotel Revenue Survey**

- London has been ranked top European market in revenue per available room (RevPAR) for 2006, according to data presented by professional services firm KPMG and global benchmarking provider The Bench.

1-London achieved a RevPAR of EUR166.63, up 18.49% on last year. This was driven by an average room rate (ARR) of EUR205.30 and Occupancy of 81.7%. London was closely followed by

2- Moscow, boasting the highest ARR at EUR222.53 ranking second in absolute RevPAR (EUR161.78), up 15.1% on last year.

3-Dubai ranked third with an absolute RevPAR result of EUR156.03.

Global figures for 2006 show improved performances worldwide with RevPAR growth in Europe rising by 11.61%; USA up 7.5% and Asia Pacific increasing by 20.12%.

**We see 2007 as maintaining a strong performance in Europe."**

# The ARC Issue

## Top 15 Europe & Middle East Markets – Absolute RevPAR (EUR)

Rank City RevPAR 2005 **RevPAR 2006** Change

1	London	139.22	<b>166.63</b>	18.5%
2	Moscow	140.62	<b>161.78</b>	15.1%
3	Dubai	137.93	<b>156.03</b>	16.0%
4	Paris	134.23	<b>152.36</b>	13.5%
5	Amsterdam	91.48	104.27	14.0%
6	Edinburgh	94.81	<b>101.32</b>	6.9%
7	Bath	87.65	<b>96.13</b>	9.7%
8	Dublin	89.17	<b>95.20</b>	6.8%
9	Berlin	72.77	<b>93.53</b>	28.5%
10	Vienna	82.68	<b>92.14</b>	11.4%
11	Manchester	86.22	<b>90.15</b>	4.6%
12	Belfast	75.89	<b>85.89</b>	13.2%
13	Prague	83.49	<b>85.10</b>	1.9%
14	Rome	77.45	<b>80.77</b>	4.3%
15	Hamburg	67.84	<b>80.33</b>	18.4%

Paris 4 stars	2003	2004	2005	2006
occupancy	75%	76,5%	77%	78,5%
Average rate	170	171	180	184
RevPAR	110	112	124	130

Milan 4-5stars	2003	2004	2005	2006
occupancy	61%	59%	63%	62% forecast
Average rate	242	250	253	255 forecast
RevPAR	147	149	160	158

Av. price	residential	offices	commercial	industrial
MILAN	6.730euro/sqm	5.500	7.350	900
ROME	7.200	4.950	6.600	760
TURIN	3.280	2.650	3.400	650
BOLOGNA	4.350	3.050	5.000	800