



The future of the local 3 and 4 stars tourism

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The hotels of 2 and 3 stars were holding the majority, at the end of 2007, from the existing tourist accommodations. A new tendency announces that the future stands in the hotels of 3 or 4 stars: over 80 new hotels, from this particular category are in project or under construction.

Due to the business tourism development in big cities this year is recorded an increase in the number of hotel projects put under construction. More than 80 such units across the country are in various stages of design or construction, of which 19 are in the process of modernization or expansion. And if last year were invested over 300 million Euros in the construction of hostels, which has proved to be a profitable business, about the same amount is allocated for hotel projects.

Most hotels that are under construction will be classified in three or four stars. Most are located in Bucharest, where there are in construction 17 units of tourist accommodation. Next in rank is Cluj-Napoca (15 hotels) and Brasov (14), and at some distance, Timisoara, Piatra Neamt, Sibiu and Constanta, each with seven hotels. Only two of the 80 projects, Le Meridien and Continental will add 300 new rooms to the already over 35,000 of three, four and five stars, which, according to the estimations of the Secretary General of the Federation of Hotel Industry, Mihai Rîjniță, were existing last year in the local tourist network.

According to the Hotels and Boarding Houses Report, designed by IBC Focus, a company specialized in monitoring the construction market, 1056 was the total number of hotels in Romania in 2007, up with 8% compared to 2006. Although the hotel is on an upward trend, Adriana Bodron, executive director of IBC Focus, foreseeing a more important growth this year, says that in Europe, Romania continues to be well below average degree of development of this sector. The good news is that potential for the local market is highly appreciated by foreign investors. "Most of the hotels pertain to local investors, but in the following years, the number of foreigners who invest in Romania will increase. They will focus mainly on Bucharest and Brasov" says Paul Mărășoiu, president of Peacock Hotels consulting company.

The biggest and most expensive Transylvanian hotel will be in Cluj

Building yard

There will be 80 hotels built in Romania in 2008.

At the end of 2007, the largest share of the total accommodation units was held by hotels of two to three stars. "Units of one star and two stars are on a downward trend, while those of three and four stars began to increase rapidly," says Adriana Bodron.

On the upper segment, the number of five-star hotels in operation reached 12 at the end of last year. There will be added other five - of which three are under construction, and the other two, are at the design stage - located in Bucharest, Iasi, Cluj and Oradea. "At present, in Cluj-Napoca is building the biggest and most expensive five-star hotel in Transylvania. Another five-star hotel design is in progress in the same city, but the contractor has not been established yet," says Bodron.



Cluj is one of the cities included in the plans for the expansion of the international chain of the JW Marriott, which currently bears negotiations with partners from this city, and also with potential partners from Timișoara. The company intends to bring to Romania the Courtyard and Renaissance brands.

These are not the only new brands that could enter the Romanian market. Intercontinental Hotels Group examines the possibility of expansion in Romania, especially in the segment of three stars, under the brand Holiday Inn Express.

Continental Hotels is also developing itself; the current plan involves the construction of seven Ibis hotels by 2010. "Continental aims to develop a chain of two-star hotels under the brand Hello. For starters, there will be ten units in cities with over 80,000 inhabitants" Bodron completed.

Caliber Operators

* **Continental Hotels** - 13 hotels running under Continental and Ibis brands. It will market the Hello brand. In 2008, it registered a 28.6 million Euros turnover

* **Frații Micula** - 16 hotels in the country, of which 12 are on the seaside, and the rest are in Bihor County

* **Hercules** – owns 6 hotels in Herculane health resort, with a total of over 1200 rooms

* **Unita Turism Holding** - 22 hotels in the country

* **Perla Majestic** – 5 hotels, of which 4 are on the seaside and one in Bucharest (Phoenicia hotel)
There are also 3 residential assemblies on the seaside: Coral Beach, Select and Hebe. The accommodation capacity offered by Perla Majestic Group is of 2.800 beds

* **Cendant** – 5 hotels, of which 4 are in Bucharest and one in Predeal

* **Ana Hotels** – 7 hotels in the capital, on the seaside and in Poiana Braşov. The group registered a growth of 22% in the first quarter of 2008.