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MARCH 2023

2023 EUROPEAN
HOTEL VALUATION INDEX

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Highlights

For Europe, some aspects of 2022 were much better than expected, while others were much worse. Some of the key highlights of this eventful year are presented below.

- A slow start to the year due to the Omicron variant of COVID-19 gave way to such a strong post-pandemic recovery that by the end of 2022 most gateway markets were firmly achieving RevPAR levels above those of 2019; this was mainly driven by above-inflationary average rate increases. The now year-old war in Ukraine impacted mainly those markets that are geographically close to the conflict and would normally count Russia as a significant source market;
- The strong increase of leisure demand was key to the recovery, as was the return of such essential source countries as the USA. Meeting groups, whether corporate or social, also returned to broadly three quarters of pre-pandemic volumes and are well on track for an imminent full recovery. Corporate contracts have often ditched fixed, volume-driven rates for dynamic ones, overall resulting in positive trade-offs for a segment where remote working and Zoom meetings are likely to have a long-term impact;
- As demand recovered, hotels struggled to fill vacant staffing positions due to the scarcity of labour. This resulted in hotels at times operating with reduced guest room inventories or limiting the offer and opening times of ancillary services such as food and beverage facilities. While service levels will have been impacted by labour shortages, margins were often distorted (positively) by this;
- Inflationary pressures on both wages and the cost of goods, as well as rising energy costs, were pressing concerns for the year. Given the timing of negotiations for salaries and energy contracts, however, some of the cost increases were not fully priced into the 2022 P&Ls. This, combined with strong revenues, resulted in often increased profit margins for the year;
- Increasing interest rates, as central banks aimed at taming inflation, combined with inflation, the cost-of-living crisis and fears of a recession, all led to a cooling of investors' appetites. This resulted in a year that started off strongly, then experienced little to no transactions in Q2 and Q3, and finished with an uptick in activity in Q4. Banks continued to support the industry, and as such, distressed selling remained all but absent yet again.

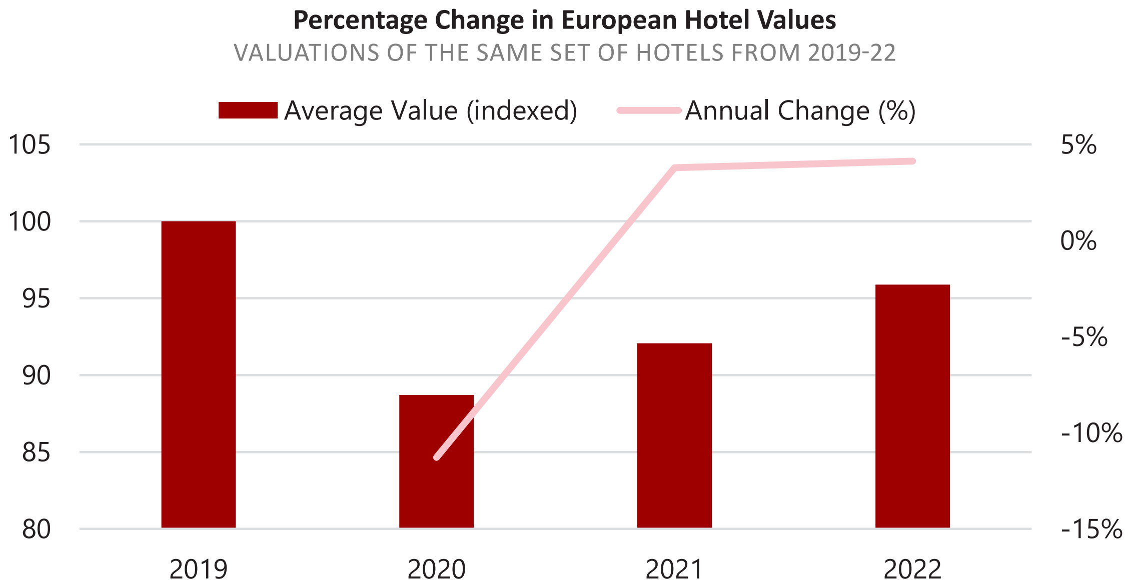
The European Investment Landscape

Transactional activity in 2022 was mixed, with some large transactions increasing the volume slightly over 2021, but otherwise the year was heavily impacted by the cost of debt complicating investors' return expectations and the bid-ask gap putting the brakes on activity (please refer to our sister publication *2022 European Hotel Transactions* for more details). Some of the highlights for the year are as follows.

- In 2022, hotels exchanged hands to the tune of €13.2 billion, falling short of 2021 levels by 18%, as investors grappled with multiple market headwinds. After a strong Q1, the tides turned, with the sentiment shift putting many deals on hold;
- Despite a reduced number of transactions, investors managed to close multiple high-profile portfolio deals, a phenomenon largely silent in 2021. These lifted the average price per room sold, which rose by 13% compared to the previous year;
- The UK and Spain were the two hottest markets, accounting for €5.9 billion or 45% of the total European volume. The two market volumes climbed 12% and 13%, respectively, over 2021 levels. Portugal also saw a substantial increase in volume to more than €1 billion in transactions, though this was largely driven by Davidson Kempner's acquisition of the ECS portfolio;
- European investors led the charge on their home turf once again, accounting for nearly 75% of all European hotel transactions. Most notably, Asian and Middle Eastern investment remained lower than in past years, a phenomenon also exhibited in 2021. Real Estate Investment Companies and Hotel Operators were the keenest buyers, with High-Net-Worth Individuals and Family Offices being the largest net sellers;
- London retained its crown as the most liquid hotel market of any city in Europe at €1.7 billion, despite being below 2021 levels by nearly a third. Paris saw a noticeable increase in volume at €740 million, nearly double that of the previous year.

Recovery in European Hotel Values in 2022

We have continued tracking a large sample of hotels that we value on a regular basis. We compared the value changes for these properties from 2019 to the end of 2022 and indexed the values for this sample to 2019, for reference, as presented in the following graph.



Source: HVS London Office

Following a 15% decline in values, on average, in 2020 due to the impact of the pandemic, values started recovering in 2021, with an uplift of around 5%. During 2022, we saw a further modest improvement in values of around 3%. There were various dynamics at play behind this.

- The strong rate-led RevPAR improvement, accompanied by the recovery of ancillary revenues resulted in strong revenue growth. Labour shortages and legacy energy contracts somewhat offset the impact of wage and cost of goods increases, protecting margins for a large number of hotels;
- High inflation across Europe (and the world) drove central banks to increase base rates to tame inflation, at least doubling interest rates over the past year;
- The increased cost of debt directly impacted discount rates, therefore offsetting the gains made through stronger revenues and improved profit margins;
- In addition to this, the potential risks of a recession, which were present throughout the year, coupled with fears of the impact on demand from the cost-of-living crisis, pushed exit yield expectations out – a point that is somewhat difficult to assess due to the limited transactional evidence;
- While 2022 values, on average, further recovered compared to the previous year, they remained below the 2019 peak.

The following table (page 4) shows the annual percentage change in hotel values, based on euro calculations, in each of the 33 cities covered by our survey, along with the overall average across Europe. Markets that experienced the stronger value recoveries, at or close to double digits, are those that are still, comparatively, perceived to offer more upside potential and not being fully priced, such as Athens, Dublin and Lisbon. Strong leisure demand and the return of key source markets like the USA have also sustained value recovery in well-established markets such as Amsterdam, Milan and Rome, albeit at a more modest pace. Markets that experienced modest recoveries were likely to have suffered from weaker currencies (the Scandinavian markets), a slower return of corporate demand (Frankfurt) or limited demand from important source countries due to the war in Ukraine – as was the case for a number of Eastern European markets.

We highlight that for Moscow and St Petersburg, value changes remain illustrative, given the dearth of transactional activity in Russia and the economic sanctions in place as a result of the war in Ukraine, and need to be considered in light of these heightened uncertainties.

Note: at the time of preparing this report (March 2023), inflation remains a concern across the globe, but seems to have peaked in late 2022. There is, however, limited visibility in terms of the short- and medium-term forecasts per market for inflation. Across our sample of 33 cities, we have adopted a consistent view on inflation, based on euro, at 6% for 2023, 3% for 2024 and 2.0% thereafter.

The table on page 5 shows the annual percentage change in hotel values for those cities outside the Eurozone, based on their local currency. Local currency dynamics and fluctuating exchange rates will result, at times, in a different expression of value changes when looking at the performance in local currency or in euro.

The chart on page 5 shows the regional changes in values per room based on euro calculations.

Finally, the table on page 6 presents the Hotel Valuation Index for each of the cities and the overall average for Europe, again based on euro calculations. The aggregates on a per region basis might mask some of the differences across markets. For Northern Europe, for example, while cities such as Copenhagen and Stockholm experienced a slower recovery due to weak local currency, markets such as Amsterdam saw significant growth, owing to the strong rebound of a market with substantial barriers to entry. Eastern European markets saw strong rebounds for the most part, but the region's average was impacted by the Russian markets.

Hotel Values

PERCENTAGE CHANGE IN HOTEL VALUES IN EURO

Market	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR[1] 2012-2022
Athens	-23.8	7.6	5.9	12.6	10.6	11.0	5.7	10.0	-18.2	5.1	**11.6**	5.8%
Dublin	5.5	6.6	13.2	13.4	15.5	2.7	5.6	0.9	-15.9	4.3	**9.8**	5.2%
Lisbon	-10.0	6.0	10.3	11.1	10.2	14.7	8.9	3.9	-17.1	5.3	**9.3**	5.9%
Bratislava	-6.2	-0.0	-6.3	10.7	18.9	4.6	2.3	11.2	-19.7	2.7	**8.9**	2.8%
Amsterdam	-2.8	4.8	8.6	8.6	6.7	5.8	4.5	0.1	-10.3	3.1	**7.2**	3.8%
Milan	-4.1	3.6	5.7	10.1	-3.7	4.4	4.5	6.5	-16.7	5.0	**7.0**	2.4%
Munich	8.3	6.7	7.8	3.7	-1.1	3.2	5.7	0.8	-12.6	4.4	**6.5**	2.3%
Rome	-2.4	2.3	3.7	4.5	0.5	2.3	5.3	2.4	-16.5	5.1	**5.8**	1.3%
Budapest	-0.5	2.5	7.5	8.0	9.9	12.2	6.0	6.3	-19.7	2.8	**5.4**	3.7%
Berlin	2.6	-0.4	6.3	8.1	1.7	3.3	6.6	3.5	-11.8	5.0	**5.2**	2.6%
Edinburgh	4.5	2.5	7.3	10.7	-6.7	-0.7	0.3	-2.1	-13.6	5.1	**5.0**	0.5%
Birmingham	3.3	0.6	11.0	12.9	-6.8	-4.1	3.5	-0.5	-14.6	7.6	**5.0**	1.1%
Florence	-1.1	9.3	8.0	9.7	1.8	6.4	2.1	2.5	-17.5	5.8	**4.9**	3.0%
Madrid	-6.8	-5.6	14.3	14.2	11.0	14.1	4.9	6.1	-15.3	6.4	**4.9**	5.1%
Brussels	-1.5	1.5	4.0	3.5	-6.7	10.6	6.7	7.0	-14.6	5.2	**4.7**	1.9%
Bucharest	-6.6	0.4	5.9	9.3	14.6	3.7	2.4	10.6	-20.6	2.2	**4.6**	2.9%
London	6.5	-0.0	8.5	2.9	-13.9	-2.5	1.2	1.7	-13.8	5.8	**4.5**	-0.8%
Vienna	2.6	-4.8	7.3	5.3	4.3	2.0	5.8	4.8	-18.2	3.6	**4.2**	1.2%
Sofia	0.3	-6.8	7.1	7.5	16.0	9.9	5.9	2.3	-21.8	2.2	**3.8**	2.1%
Warsaw	5.7	-6.4	-7.0	2.4	10.1	8.6	-0.7	-4.7	-20.5	2.2	**3.7**	-1.6%
Istanbul	0.3	-11.0	-9.9	-8.9	-23.7	-3.4	4.3	17.3	-23.5	3.5	**3.4**	-6.0%
EUROPE	**0.4**	**0.8**	**3.2**	**5.2**	**0.2**	**3.9**	**3.0**	**3.0**	**-15.3**	**4.9**	**3.3**	**1.1%**
Barcelona	1.3	5.0	6.3	10.9	13.8	7.1	-4.9	6.5	-12.8	6.0	**3.2**	3.8%
Manchester	3.8	0.2	13.5	11.6	-3.9	-5.8	-1.5	2.2	-14.2	7.2	**3.2**	0.9%
Frankfurt	2.4	4.7	2.2	8.6	-2.0	4.0	1.3	0.3	-13.4	2.1	**2.6**	0.9%
Copenhagen	-0.5	4.9	9.1	8.9	7.8	2.2	2.9	-1.9	-12.2	5.0	**2.5**	2.7%
Paris	4.6	1.7	4.9	-0.5	-8.1	4.7	7.3	3.3	-11.7	6.8	**2.1**	0.9%
Prague	4.7	0.0	5.7	9.4	9.9	8.5	5.8	3.9	-18.8	4.0	**1.8**	2.7%
Geneva	-3.5	-5.4	6.5	0.9	-4.0	-0.1	-3.5	2.4	-13.3	4.9	**1.4**	-1.2%
Zürich	-5.1	1.9	6.6	0.9	-6.2	-0.4	0.6	2.0	-12.8	4.3	**1.2**	-0.3%
Stockholm	-5.4	0.2	1.5	8.7	5.0	-3.0	-4.3	0.8	-12.0	5.2	**1.1**	0.2%
Hamburg	-0.3	2.2	6.7	5.3	7.8	3.0	-2.5	-0.1	-12.9	5.1	**1.1**	1.4%
St Petersburg	11.5	4.9	-31.6	-2.6	2.6	14.4	6.3	5.6	-22.1	4.6	**-21.9**	-5.2%
Moscow	11.6	-4.2	-37.9	-13.2	5.5	11.5	8.2	-2.4	-21.2	6.1	**-29.0**	-9.2%

[1]Compound Annual Growth Rate
Source: HVS London Office

Local Hotel Values

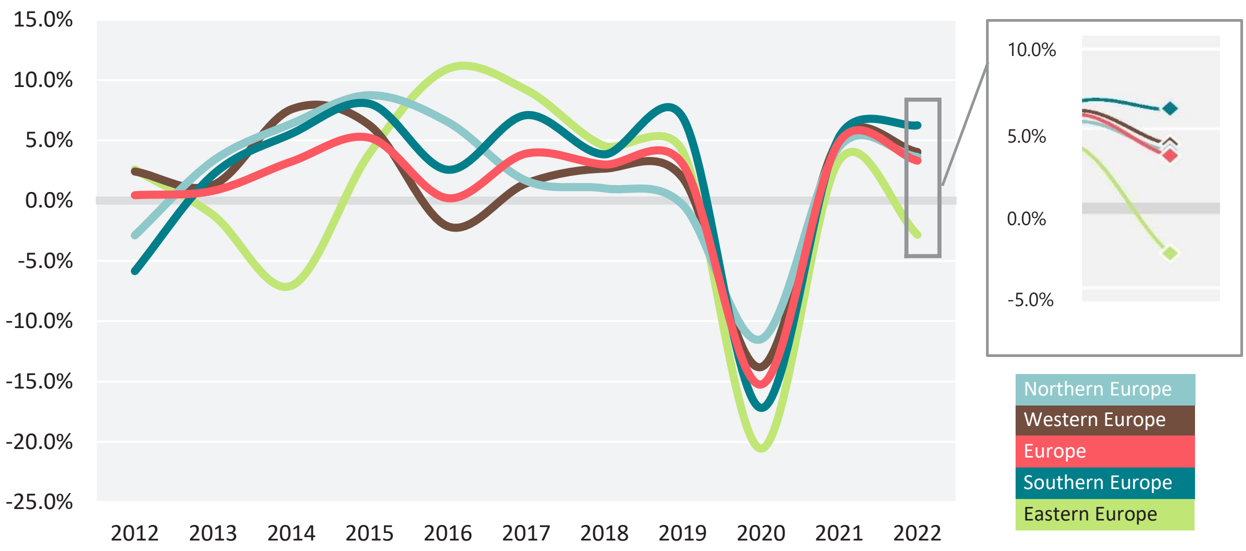
PERCENTAGE CHANGE IN HOTEL VALUE IN LOCAL CURRENCY

Market	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CAGR[1] 2012-2022
Istanbul	-0.4	-2.4	3.9	-5.8	-15.3	18.7	44.7	31.0	-3.1	31.8	**74.0**	15.0%
Budapest	-3.1	6.7	10.0	9.5	9.5	11.3	9.3	8.4	-2.6	-6.7	**15.0**	6.9%
Stockholm	-8.9	-0.7	7.1	11.9	6.2	-1.7	2.2	4.0	-12.9	1.9	**9.5**	2.5%
Warsaw	8.0	-6.4	-7.4	2.5	14.7	6.1	-0.6	-3.9	-17.9	5.0	**6.4**	-0.5%
Bucharest	-3.8	-0.5	6.6	9.3	15.9	5.3	4.5	12.5	-19.1	3.9	**4.8**	3.9%
Edinburgh	-1.5	6.0	2.1	-0.3	5.3	6.3	1.2	-2.9	-12.5	1.5	**4.2**	0.9%
Birmingham	-2.6	4.0	5.6	1.7	5.1	2.7	4.4	-1.3	-13.4	4.0	**4.1**	1.5%
Sofia	0.3	-6.8	7.1	7.5	16.0	9.9	5.8	2.3	-21.9	2.2	**3.8**	2.1%
London	0.4	3.4	3.2	-7.3	-2.8	4.3	2.1	0.8	-12.7	2.2	**3.7**	-0.4%
Copenhagen	-0.3	4.9	9.1	8.9	7.7	2.1	3.1	-1.7	-12.3	4.8	**2.5**	2.7%
Manchester	-2.2	3.6	8.0	0.5	8.5	0.8	-0.7	1.3	-13.1	3.6	**2.4**	1.3%
Prague	7.2	4.4	10.9	8.3	9.0	5.3	3.2	4.0	-16.4	-1.4	**-0.2**	2.4%
Geneva	6.2	-3.3	5.5	-12.1	-1.8	1.8	0.3	-1.3	-16.6	5.9	**-5.8**	-3.0%
Zurich	4.4	4.2	5.7	-12.1	-4.1	1.5	4.5	-1.7	-16.1	5.3	**-6.0**	-2.2%
St Petersburg	8.3	11.8	-16.3	26.7	13.5	1.5	19.6	3.4	-11.6	10.6	**-36.8**	0.4%
Moscow	8.3	2.1	-24.0	12.9	16.7	-1.1	21.8	-4.5	-10.6	12.2	**-42.6**	-3.8%

[1]Compound Annual Growth Rate
Source: HVS London Office

Year-on-Year Change

IN VALUES PER ROOM BY REGION 2012-22



Note: Based on euro calculations
Source: HVS London Office

Hotel Valuation Index

2012-22

Market	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Paris	3.80	3.86	4.05	4.03	3.70	3.88	4.16	4.30	3.80	4.06	**4.14**
London	3.60	3.60	3.90	4.02	3.46	3.37	3.42	3.47	2.99	3.17	**3.31**
Zürich	2.83	2.89	3.08	3.11	2.91	2.90	2.92	2.98	2.60	2.71	**2.74**
Amsterdam	1.62	1.70	1.84	2.00	2.14	2.26	2.36	2.36	2.12	2.18	**2.34**
Rome	2.03	2.08	2.16	2.26	2.27	2.32	2.44	2.50	2.09	2.20	**2.32**
Geneva	2.60	2.46	2.62	2.64	2.53	2.53	2.44	2.50	2.17	2.28	**2.31**
Florence	1.64	1.79	1.94	2.12	2.16	2.30	2.35	2.41	1.99	2.10	**2.20**
Milan	1.58	1.64	1.73	1.90	1.83	1.91	2.00	2.13	1.77	1.86	**1.99**
Barcelona	1.33	1.40	1.49	1.65	1.88	2.01	1.91	2.04	1.78	1.89	**1.95**
Madrid	1.13	1.06	1.22	1.39	1.54	1.76	1.85	1.96	1.66	1.76	**1.85**
Munich	1.45	1.55	1.67	1.73	1.71	1.77	1.87	1.88	1.65	1.72	**1.83**
Dublin	0.97	1.03	1.17	1.33	1.53	1.57	1.66	1.68	1.41	1.47	**1.61**
EUROPE	**1.40**	**1.41**	**1.46**	**1.54**	**1.54**	**1.60**	**1.65**	**1.70**	**1.44**	**1.51**	**1.56**
Copenhagen	1.18	1.24	1.35	1.47	1.59	1.62	1.67	1.64	1.44	1.51	**1.55**
Edinburgh	1.31	1.34	1.44	1.59	1.48	1.47	1.48	1.45	1.25	1.31	**1.38**
Berlin	1.04	1.04	1.10	1.19	1.21	1.25	1.34	1.38	1.22	1.28	**1.35**
Hamburg	1.15	1.18	1.26	1.33	1.43	1.47	1.44	1.43	1.25	1.31	**1.33**
Prague	1.00	1.00	1.05	1.15	1.27	1.37	1.45	1.51	1.23	1.27	**1.30**
Stockholm	1.27	1.27	1.29	1.40	1.47	1.42	1.36	1.37	1.21	1.27	**1.29**
Frankfurt	1.16	1.22	1.25	1.35	1.33	1.38	1.40	1.40	1.21	1.24	**1.27**
Lisbon	0.71	0.75	0.83	0.92	1.02	1.17	1.27	1.32	1.09	1.15	**1.26**
Brussels	1.01	1.03	1.07	1.11	1.03	1.14	1.22	1.31	1.12	1.17	**1.23**
Vienna	1.09	1.04	1.11	1.17	1.22	1.25	1.32	1.39	1.13	1.17	**1.22**
Budapest	0.78	0.80	0.86	0.93	1.02	1.15	1.21	1.29	1.04	1.06	**1.12**
Istanbul	1.97	1.76	1.58	1.44	1.10	1.06	1.11	1.30	1.00	1.03	**1.06**
Athens	0.60	0.64	0.68	0.77	0.85	0.94	1.00	1.10	0.90	0.94	**1.05**
Warsaw	1.14	1.07	0.99	1.02	1.12	1.22	1.21	1.15	0.92	0.94	**0.97**
Manchester	0.85	0.85	0.96	1.08	1.03	0.97	0.96	0.98	0.84	0.90	**0.93**
Bucharest	0.64	0.64	0.68	0.74	0.85	0.88	0.91	1.00	0.79	0.81	**0.85**
Bratislava	0.64	0.64	0.60	0.66	0.79	0.83	0.84	0.94	0.75	0.77	**0.84**
Birmingham	0.65	0.65	0.73	0.82	0.76	0.73	0.76	0.75	0.64	0.69	**0.73**
Sofia	0.58	0.54	0.58	0.62	0.72	0.79	0.83	0.85	0.67	0.68	**0.71**
Moscow	1.78	1.70	1.06	0.92	0.97	1.08	1.17	1.14	0.90	0.95	**0.68**
St Petersburg	1.02	1.14	0.82	0.80	0.82	0.94	0.99	1.05	0.82	0.85	**0.67**

Note: Based on euro calculations
Source: HVS London Office

Outlook

The war in Ukraine, interest rate increases, inflation and the cost-of-living crisis: the causes for gloom in 2022 were many. However, glimmers of hope, such as the strong desire for people to travel and meet again, the will to tackle climate change and the reopening of China, are all causes for celebration that brighten the outlook for the year ahead. We highlight some of the trends to watch out for.

- **Travelling on.** The indomitable, formidable enthusiasm for travel was reflected by the strong post-pandemic recovery. Even Airbnb has become profitable. Europe, the epicentre of global travel, welcomed 585 million tourists in 2022 (21% below 2019's 745 million). Now that travel has normalised and China has abandoned its Zero-COVID policy, it is easy to imagine much more globetrotting in the year ahead;
- **Recession no more?** The economic outlook for Europe has improved: a warmer-than-usual winter has removed fears of gas shortages, and the reopening of China bodes well for Europe's luxury industry and its tourism sector. The continuing war in Ukraine and the lack of consensus from economists as to what lies ahead, however, indicate persistent uncertainty for the near future;
- **Inflation no more?** As inflationary pressures seem to be easing, investors are increasingly (exuberantly?) expecting central banks to stop

rising interest rates. Policymakers are obliged to bring inflation back down – we will leave it to the economists to determine whether a 2.0% target is realistic – and so it is unclear when the BoE and the ECB will consider their job done and stop increasing interest rates, especially in the context of a potential banking crisis;

- **Lending.** On the back of this, banks remain mostly present but highly selective. Just as importantly, on the refinancing front, borrowers are required to top up their investments with equity injections given how much more expensive debt has become. To what extent there will be an appetite (or deep enough pockets) for this to happen could determine how many owners consider exiting their investments come refinancing time, which could hasten the pace of transactions for 2023;
- **Margins retrench.** The outlook for RevPAR remains cautious as the cost-of-living crisis reduces disposable incomes. More modest top-line growth (though hopefully enough to compensate for inflation), combined with salary and energy increases, should see margins reduce from the heights of 2022;
- **Greener and greener.** The focus on environmental, social and governance (ESG) strategies has, if anything, been magnified over the last year. Talent management and sustainable energy use, among others, became front and centre of management concerns. There are, however, concerns that the additional cost of implementing environmental policies, for example, could result in 'green inflation' as the costs of goods and services, as well as investment in physical facilities, are passed on to consumers.

Conclusions

What a year 2022 has been. And we have moved into 2023 on a strong footing from a revenue perspective, with ADRs at record levels in many markets, and good prospects for occupancy to fully recover over the months ahead. Inflation might have peaked, and if this is the case, interest rates might start to, if not decrease, at least stabilise. Many areas of uncertainty remain, however, not least around the war in Ukraine and its potential ramifications. The cost-of-living crisis and its impact on demand, as well as the sustainability of ADR levels and possible margin erosion, remain some of the key concerns. On the lending side, a huge volume of loans are due for refinancing this year. Could this create distress in a meaningful way?

No doubt investors are hoping for better visibility in the short term, so they can move on from the prevalent 'wait and see' mantra of 2022. Substantial amounts of capital await being invested in hotels, provided the return levels can be attained (the cost of debt and a large bid-ask gap are making this challenging). Furthermore, hotels remain a good hedge against inflation – see our recent publication *Can Hotel ADRs Overcome Inflation?* – and the case for hotel investment remains, as always, very strong.

Understanding the HVI

The HVI is a hotel valuation benchmark developed by HVS. It monitors annual percentage changes in the values of typically four-star and five-star hotels in 33 major European cities. Additionally, our index allows us to rank each market relative to a European average. All data presented are in euro, unless otherwise stated.

The methodology employed in producing the HVI is based upon actual operating data from a representative sample of four-star and five-star hotels. Operating data from STR were used to supplement our sample of hotels in some of the markets. The data are then aggregated to produce a pro forma for a typical 200-room hotel in each city. Using our experience of real-life hotel financing structures gained from valuing hundreds of hotels each year, we have determined valuation parameters for each market that reflect both short-term and longer-term sustainable financing models (loan to value ratios, debt coverage ratios, real interest rates and equity return expectations). These market-specific valuation and capitalisation parameters are applied to the EBITDA less FF&E Reserve for a typical upscale hotel in each city. In determining the valuation parameters relevant to each of the 33 cities included in the European HVI, we have also taken into account evidence of actual hotel transactions and the expectations of investors with regard to future changes in supply, market performance and return requirements. Investor appetite for each city at the end of 2022 is therefore reflected in the capitalisation rates used and investment yields assumed.

The HVI assumes a date of value of 31 December 2022. Values are based on recent market performance, but the capitalisation rates reflect the expected future trends in performance, competitive environment, cost of debt and cost of equity. As our opinion of value remains an opinion of Market Value, we have attempted to remove all aspects of distress when analysing transactions and assessing the opinions of value. The parameters adopted assume a reasonable level of debt and investor sentiment. Conversely, the values reported may not therefore bear comparison with actual transactions completed in the marketplace. However, this is the best approach to retain the integrity of the HVI as a rolling annual index.

The HVI allows comparisons of values across markets and over time by using the 1993 average European value of €173,737 per available room (PAR) as a base (1993=1.000). Each city's PAR value is then indexed relative to this base. For example, if the index for Paris was 4.000 (€694,948/€173,737), the value of a hotel in Paris would be four times higher than the European average in 1993.

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About HVS

HVS, the world's leading consulting and services organisation focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries, celebrated its 40th anniversary in 2020. Established in 1980, the company performs 4,500+ assignments each year for hotel and real estate owners, operators and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of 50 offices and more than 300 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry.
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With offices in London since 1990, HVS London serves clients with interests in the UK, Europe, the Middle East and Africa (EMEA). We have appraised some 4,000 hotels or projects in more than 50 countries in all major markets within the EMEA region for leading hotel companies, hotel owners and developers, investment groups and banks. Known as one of the foremost providers of hotel valuations and feasibility studies, and for our ability, experience and relationships throughout Europe, HVS London is on the valuation panels of numerous top international banks which finance hotels and portfolios.

For further information about the services of the London office, please contact Sophie Perret, senior director, on +44 20 7878 7722 or sperret@hvs.com.

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About the Authors

Julia Dzerkach joined the HVS London office as a consulting and valuation analyst in July 2022. She holds a Bachelor's degree in International Hospitality Management from EHL Hospitality Business School Lausanne. Prior to joining HVS, Julia gained operational and administrative experience in both hotel and chemical industries in Switzerland. Her primary responsibilities at HVS include valuations of single assets and hotel portfolios, feasibility studies and market research within the EMEA region.

Dannie Murphy joined the HVS London office in July 2022 as an intern. She holds a Bachelor's degree in Law from Dalhousie University, in eastern Canada. After completing her Bachelor's degree, she pursued a Master's at Glion in Switzerland, specialising in International Hospitality. Prior to studying at Glion, Dannie gained operational experience in both hotels and restaurants, working in various departments. Her responsibilities at HVS include assisting in carrying out valuations of single assets and hotel portfolios, feasibility studies and market research within the EMEA region.

Sophie Perret, MRICS is a senior director at the HVS London office. She joined HVS in 2003, following ten years' operational experience in the hospitality industry in South America and Europe. Originally from Buenos Aires, Argentina, Sophie holds a degree in Hotel Management from Ateneo de Estudios Terciarios, and an MBA from IMHI (Essec Business School, France and Cornell University, USA). Since joining HVS, she has advised on hotel investment projects and related assignments throughout the EMEA region, and is responsible for the valuation of hotels and especially portfolios throughout Europe. Sophie completed an MSc in Real Estate Investment and Finance at Reading University in 2014. Sophie is also a chartered surveyor and a member and registered valuer of the RICS.