

Results 2023

Hotels

Russia

Table 1

Key market indicators in Russia

Source: Rosstat, Nikoliers

	2021	2022	2023F*
Number of people accommodated in collective accommodation facilities, individuals	61,376,161	71,384,627	75,052,790
Number of overnight stops in collective accommodation facilities, nights	255,048,776	305,889,988	330,377,116
Revenues of collective accommodation facilities, RUB thousand, exclusive of VAT	561,983,187	677,310,045	828,030,444

*Nikoliers estimation

Trends

- With outbound recreational tourism declining, we are recording a significant growth in domestic recreational tourism, which provides a new driver for the development of the national tourism industry.
- Operating revenues of recreational hotel facilities keep growing, with average growth rate across Russia for the recent two years amounting to more than 20% annually.
- A large number of incentives and preferences in the hospitality segment from various government institutions as well as investments in tourism infrastructure ensured the launch of numerous recreational hotel projects in 2023.

Table 2

TOP-10 regions with maximum growth of guests accommodated in collective accommodation facilities across Russia

Source: Rosstat, Nikoliers

№	Region	2019	2023F**	Growth of tourist flows in 2023 versus 2022 & 2019	
				2019	2022
1	Republic of Ingushetia	8,816	38,083	+ 332%	+ 36%
2	Leningrad Region	1,138,383	2,543,146	+ 123%	+ 30%
3	Republic of North Ossetia - Alania	78,233	168,397	+ 115%	- 20%
4	Kamchatka Territory	159,311	335,896	+ 111%	- 2%
5	Altai Republic	194,528	401,253	+ 106%	+ 71%
6	Republic of Dagestan	226,208	436,188	+ 93%	+ 32%
7	Adyge Republic	131,139	235,206	+ 79%	+ 21%
8	Kabardino-Balkar Republic	130,952	223,766	+ 71%	+ 20%
9	Republic of Buryatia	405,981	663,189	+ 63%	+ 14%
10	Saratov Region	417,894	679,565	+ 63%	+ 9%

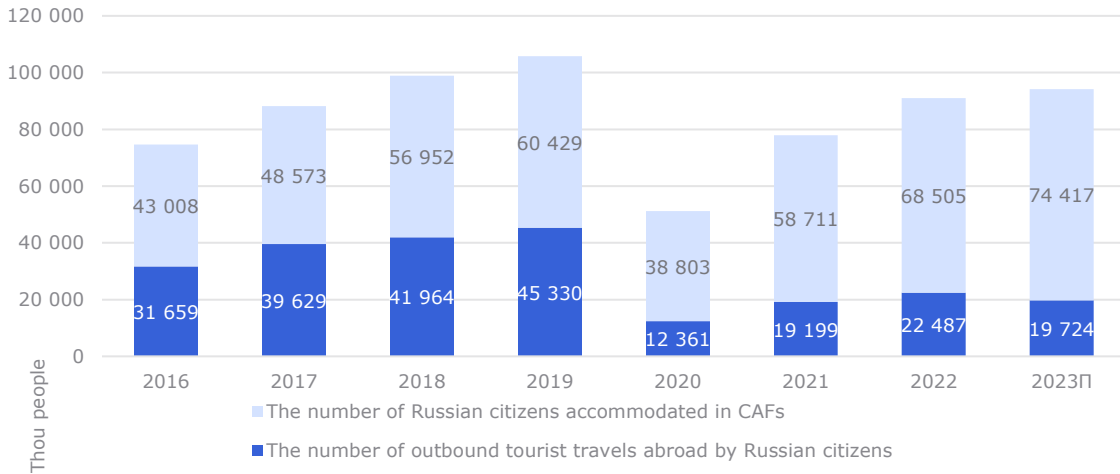
***Nikoliers estimation

Tourist flow

Chart 1

Breakdown of the tourist flow among Russian citizens, 2018–2023F

Source: Rosstat, Nikoliers

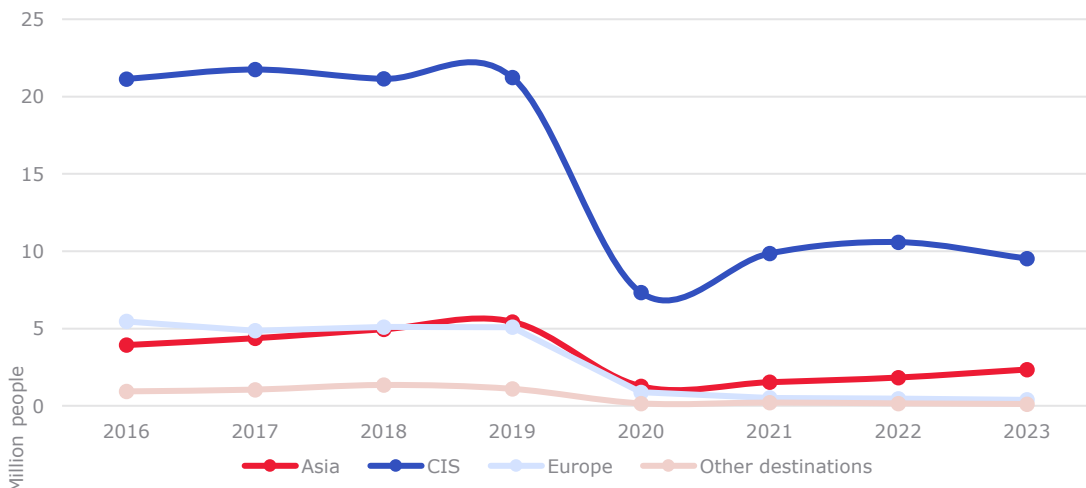


- A significant part of Russians switched to the domestic market. This trend began with the sanitary restrictions under COVID-19 and has continued due to the current geopolitical tensions. If in 2019 the share of Russian tourists who preferred a holiday abroad stood at 42.9% of the total tourist flow, by the end of 2023 the share of outbound tourists dropped to 21%.
- As a consequence, there is an increase in domestic tourist flow. Starting in 2021, the rebounding of domestic tourism commenced, and in 2022 domestic tourism parameters surpassed the peak in 2019.
- Inbound tourism is also recovering, but at a much slower pace. In addition, there has been a structural change in the flow from non-CIS countries. If previously tourists from Europe and China were considered the main clients, now tourists from the Middle East are increasingly often coming to Russia.

Chart 2

Breakdown of inbound tourist flow, 2014–2023F

Source: Rosstat, Nikoliers



*Nikoliers estimation



Hotels

Moscow

Table 3

Key market indicators

Source: Nikoliers

	2021	2022	2023
Total supply of quality hotels, number*	77	80	82
Quality room stock, number of keys*	19,470	20,418	20,732
Occupancy rate, %**	67%	60%	72%
Average daily rate per room (ADR, exclusive of breakfast and VAT), RUB/day**	5,597	6,224	7,106
Revenue per average room (RevPAR), RUB/day**	3,763	4,014	5,145

The "quality hotels" and "quality room stock" pools include classic hotels managed by international and major Russian operators, as well as certified hotels from 3 and 15 rooms, previously managed by international operators.

**The analysis of hotel operating performance for 2021-2023 is based on the data of Hotel Advisors. Within this source Nikoliers uses its own methodology for segmentation and grouping of the market data, which may result in differences from the figures published by Hotel Advisors independently or by other companies in other sources, where the data of Hotel Advisors may be used.

Supply

According to the results of 2023, two new hotels with the total room stock of 314 were added to the Moscow market. Due to a change of some hotel operators in the projects under construction, the time of their opening was shifted to a later period.

The share of rooms in the quality supply pool, which are still operating under the brands of the hotel operators that left the market, dropped to 14.6% (-21.9 p.p. against the previous year). About 3,000 quality rooms may change their management company and naming in the months to come.

Chart 3

Dynamics of quality supply commissioned in the Moscow market by categories, 2014–2024F

Source: Nikoliers

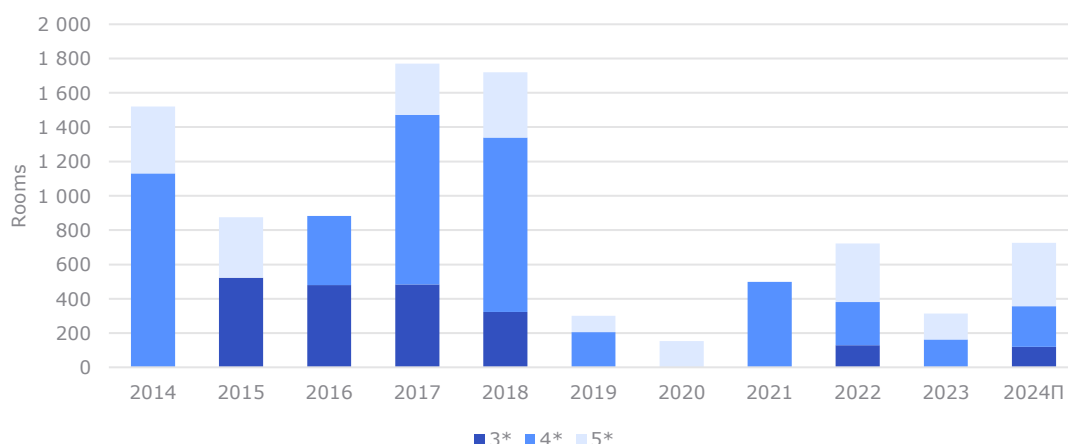


Table 4
New 2023 room stock

Source: Nikoliers

Category	Name	Location	Room stock
5*	Radisson Blu Leninsky	90/2, Leninsky Ave	150
4*	Azimut City Hotel Comcity	6, Kievskoye shosse	164

According to our estimates, 726 rooms, or 6 hotel clusters will hit the market in 2024. As of today, 5 out of 6 projects announced for opening have already been commissioned and will soon open their doors for guests. Among the largest projects are Imperial Garden 4* (237 units) on Kozhevnikeskaya Street and Cosmos Smart Semenovskaya 3* (120 units) on Veliaminovskaya Street from Cosmos Hotel Group, as well as Zaryadye Gardens Hotel 5* (148 units) at the intersection of Kitaygorodsky Proyezd and Varvarka Street.

Also at the end of the year a new player, namely Rotana Hotels from UAE, made its debut on the Russian market. The Arabian hotel operator started its expansion from the capital city, having taken two IHG hotels under its management: now the hotel on Korovinskoe highway can be found under the Edge by Rotana Seligerskaya sign, whereas Edge by Rotana Vinogradovo sits on Dmitrovskiye highway.

Chart 4
Breakdown of supply by stars, number of hotels

Source: Nikoliers

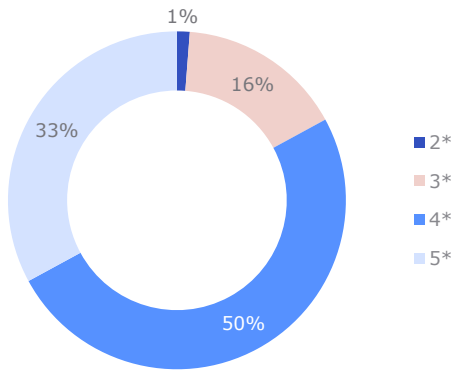


Chart 5
Breakdown of supply by stars, number of rooms

Source: Nikoliers

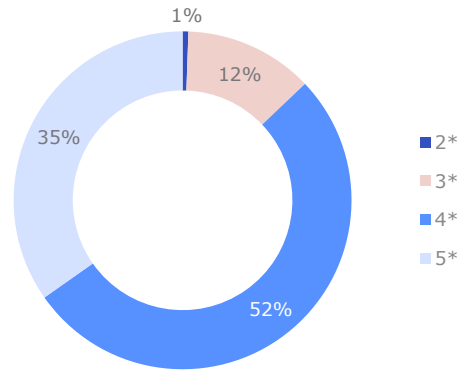
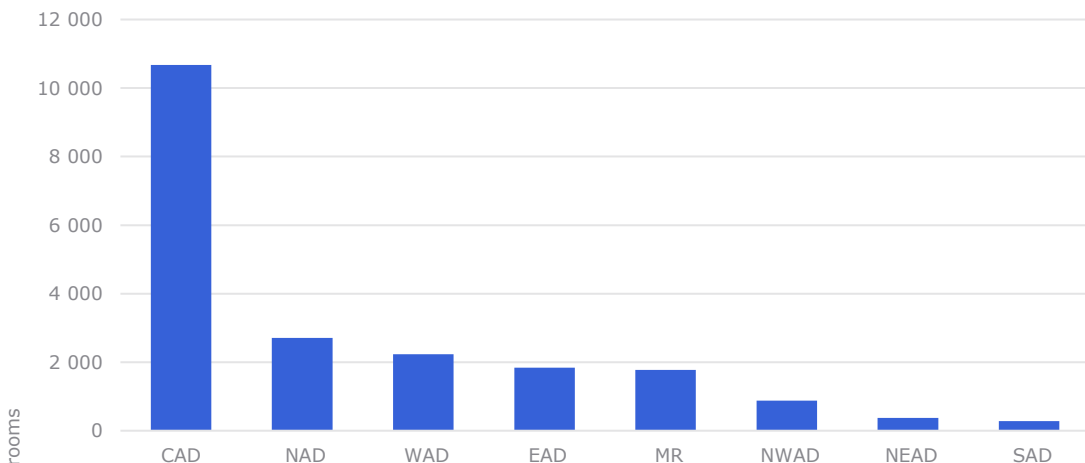


Chart 6
Breakdown of supply by stars, number of hotels

Source: Nikoliers



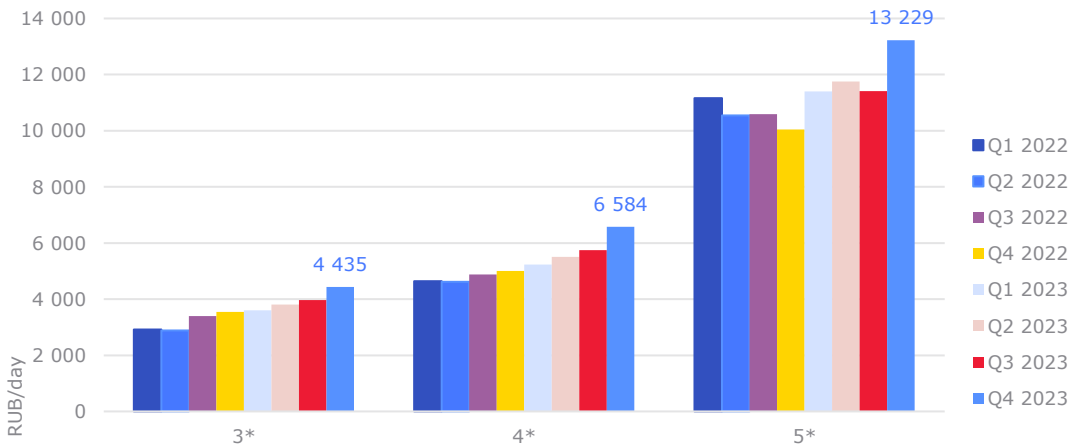
Demand and pricing policy

Based on the results for 2023, it can be stated that the market indicators are approaching the pre-crisis figures. The average daily rate (ADR) amounted to 7,106 rubles/day last year, which is 16.7% higher than a year earlier and 6% higher than in 2019. The biggest increase versus the previous year was recorded in the 3-star hotel category – 28.6%. The least growth was demonstrated by four-star hotels, where the daily rate increased from RUB 4,711 to 5,765 (+22.4%), whereas ADR in the upper upscale category grew by 10.8% reaching RUB 11,930 rubles.

Chart 7

ADR Dynamics, RUB/day

Source: Hotel Advisors, Nikoliers

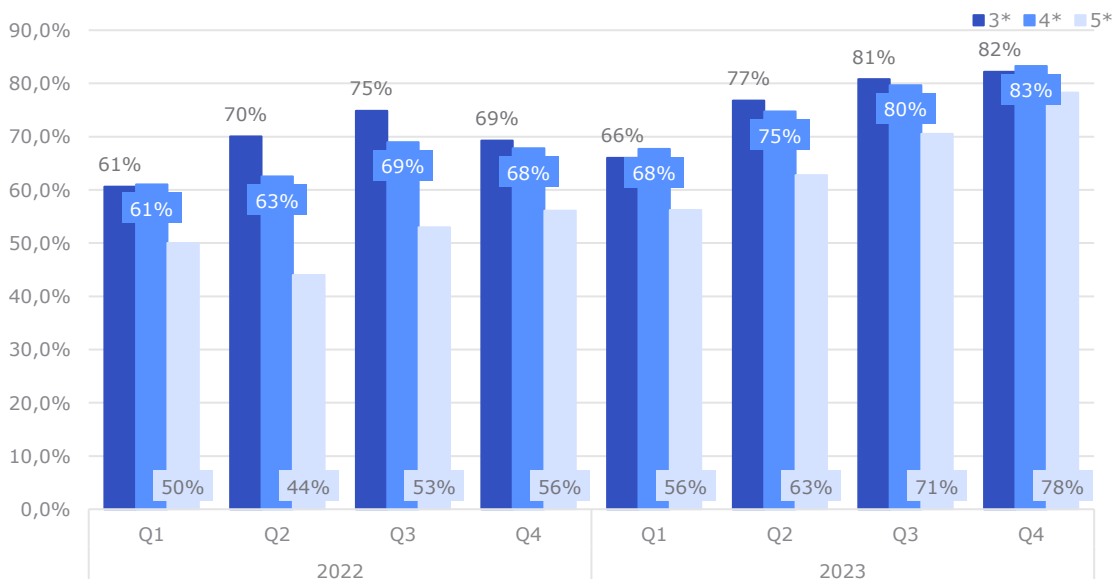


The occupancy of the capital city’s hotels also showed a steady growth last year: compared to the year before the occupancy of hotels increased by 12.7 p.p. The highest growth was shown by 4-star hotels – 11.3 p.p., from 65.1% to 76.4%. The occupancy of 3-star hotels rose 7.8 p.p. to 76.5%, while in the upper upscale category it grew by 5 p.p. reaching 61.4%.

Chart 8

Hotel occupancy dynamics, %

Source: Hotel Advisors, Nikoliers

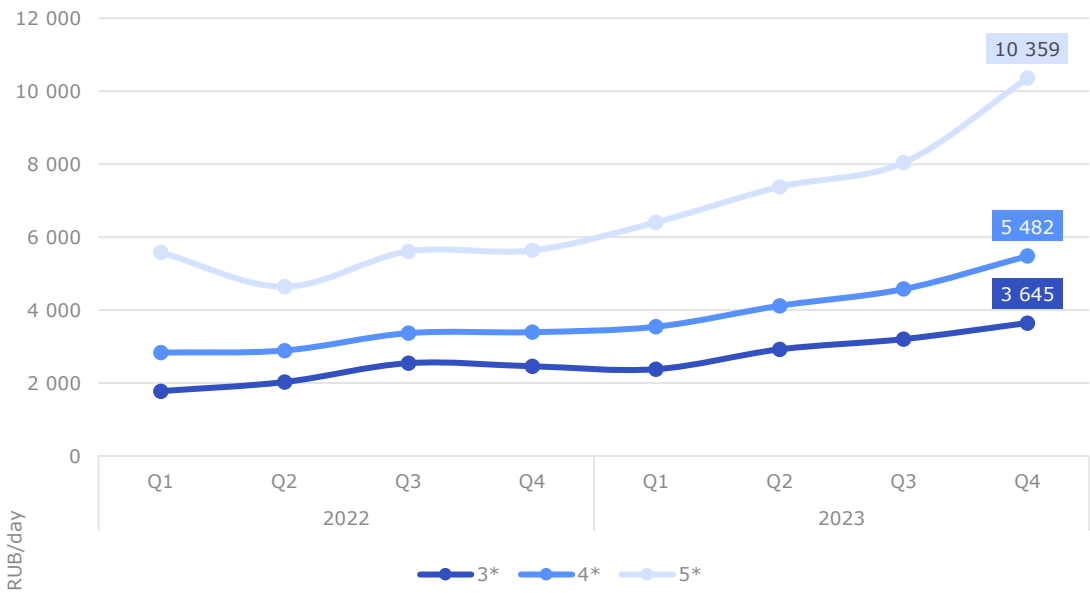




As a result, relative to a similar period of the previous year the revenue per average room in Moscow hotels nearly doubled: depending on the category, it surged by 43.7%-52.1%. In our estimation, the given trend will persist in 2024 though the growth rates will be more moderate.

Chart 9
RevPAR Dynamics, RUB/day

Source: Hotel Advisors, Nikoliers

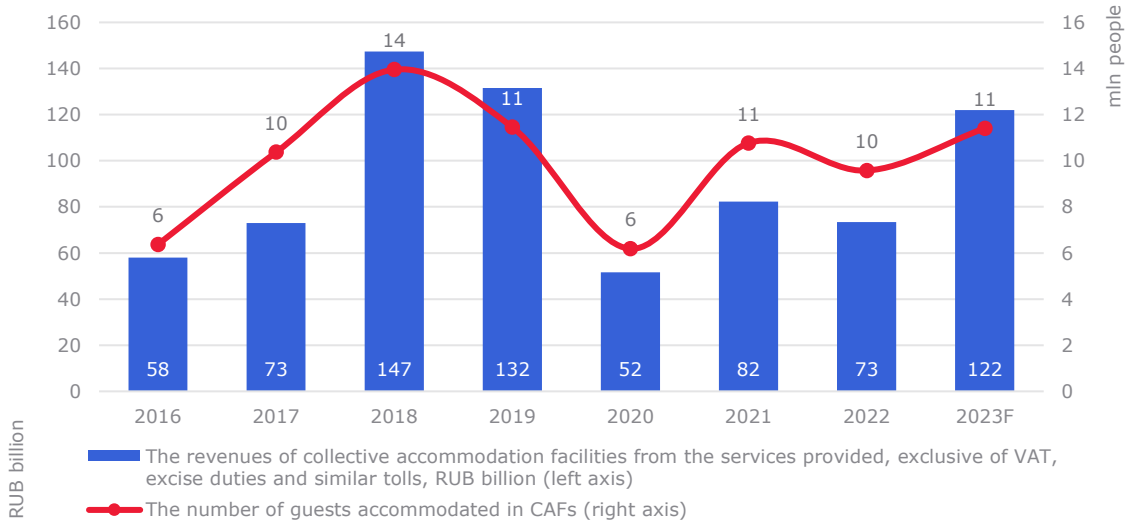


Dynamics of the tourist industry and seasonality

Chart 10

Total revenues of collective accommodation facilities and the number of guests lodged in CAFs, 2016–2023F

Source: Rosstat, Nikoliers

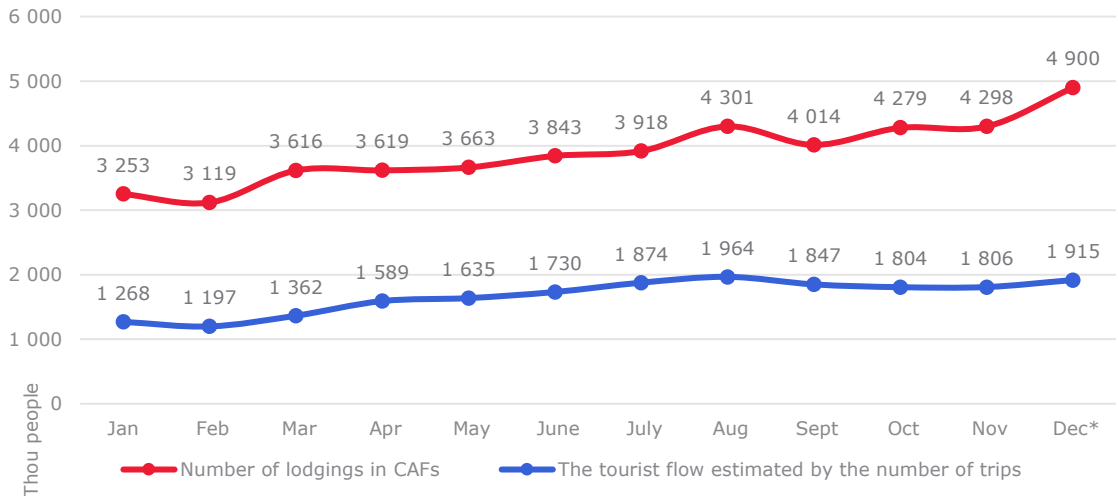


- In our estimation, the revenues of Moscow collective accommodation facilities from the services provided will hit the RUB 122 billion mark for 2023, which is 66.4% more than in the previous year and compared to 2022 the CAF revenues doubled.
- Based on the year’s results, the number of guests accommodated in CAFs will reach the level of 2019.
- The number of lodgings (overnight stops) will be at the level of 2019 and will amount to about 46.8 million guests for the year 2023.
- In 2023, the tourist flow will reach about 20 million people, up 40% year-on-year. The greatest influx of tourists is recorded from June to September.

Chart 11

Tourist flow estimation and number of lodgings in CAFs, 2023 r.

Source: Rosstat, Nikoliers



*Nikoliers estimation

Services



Offices



Industrial



Retail



Residential



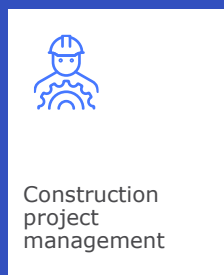
Hotels



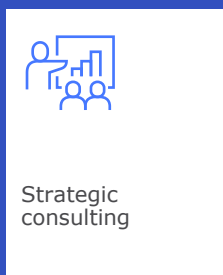
Land plots



Property management



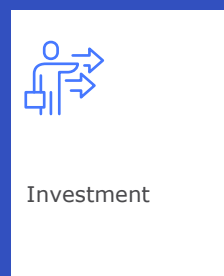
Construction project management



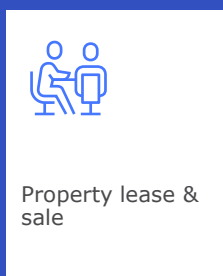
Strategic consulting



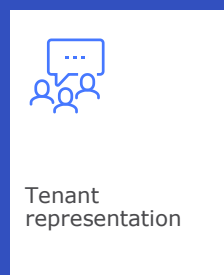
Real estate and business valuation



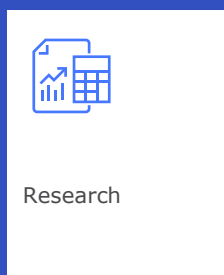
Investment



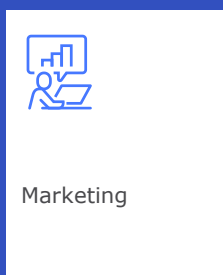
Property lease & sale



Tenant representation



Research



Marketing

Experts

Nikolay Kazanskiy FRICS, CCIM
Managing Partner
nikolay.kazanskiy@nikoliers.ru

Vladimir Sergunin PhD, MSF
Partner
vladimir.sergunin@nikoliers.ru

Anna Nikandrova
Partner
anna.nikandrova@nikoliers.ru

Igor Temnyshev
Partner
igor.temnyshev@nikoliers.ru

Dmitry Romanov
Partner | Regional Director
Valuation Department
dmitry.romanov@nikoliers.ru

Andrey Kosarev
Partner, UAE
andrey.kosarev@nikoliers.com

Olga Bakulina MCIM
Business Support Head
Marketing, PR & Research Department
olga.bakulina@nikoliers.ru

Irina Pesotskaya
Regional operating Director
irina.pesotskaya@nikoliers.ru

Ekaterina Aridova
Managing Director | St. Petersburg
ekaterina.aridova@nikoliers.ru

Victor Afanasenko
Regional Director
Warehouse&Industrial Department
victor.afanasenko@nikoliers.ru

Kirill Golyshev
Regional Director
Residential and land development Department
kirill.golyshev@nikoliers.ru

Vladislav Nikolaev
Regional Director
Strategic consulting Department
vladislav.nikolaev@nikoliers.ru

Irina Tsarkova
Director | Retail Department
irina.tsarkova@nikoliers.ru

Victoriya Goryacheva
Associate Director | Office Department
victoriya.goryacheva@nikoliers.ru

Denis Platov
Director | Capital Markets
denis.platov@nikoliers.ru

Contacts

Strategic consulting

Vladislav Nikolaev
Regional Director
Tel. +7 495 258 5151
Vladislav.Nikolaev@nikoliers.ru

Research

Tatiana Divina
Regional Director
Tel. +7 495 258 5151
Tatiana.Divina@nikoliers.ru

Evgeniya Maul
Analyst
Tel. +7 495 258 5151
Evgeniya.Maul@nikoliers.ru

Business support

Olga Bakulina, MCIM
Head of Business Support
Tel. +7 495 258 5151
Olga.Bakulina@nikoliers.ru

Copyright © 2024 Nikoliers

This report is a general study of the real estate market and is based on materials provided to us or owned by us, which we believe to be reliable. In compiling this report, our main principles were the accuracy and completeness of the information, however, we do not provide any guarantees that there will be no factual errors. We will be grateful if you inform us about such errors for prompt editing of information. Nikoliers does not accept any responsibility for damage or loss arising from inaccuracies or inaccuracies in the information contained in this report.



 **Nikoliers**

123112 Moscow
10 Presnenskaya Embankment
BC Naberezhnaya Tower
Block C, 52 floor