

Cape Town retains lion's share of planned hotel developments

According to the annual hotel pipeline survey by W Hospitality Group, Cape Town, despite showing a decrease in total planned rooms, retains the largest share (25%) of planned hotel development in South Africa with 1,063 rooms in six hotels.



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Durban now has 16% with 697 rooms in five hotels, an increase of 40% in terms of total rooms on last year, while Pretoria has 11% of the pipeline with 463 rooms in three hotels, Johannesburg has 10% of the pipeline with 432 rooms in four hotels and Umhlanga has 7% of the pipeline with 298 rooms in two hotels.

Compared to last year, development is slowing in Cape Town and Pretoria, with the number of planned rooms down 22% and 28% respectively. In contrast Durban, Johannesburg and Umhlanga are seeing a growth of 40%, 23% and 113% respectively.

W Hospitality Group's managing director, Trevor Ward said: "While Cape Town continues to offer great opportunities for hotel investment, it is exciting to see new hotel construction projects all over South Africa in places such as: Addo, Ballito, Boschendaal, Hermanus, Kruger, Malelane, Mossel Bay, Nelspruit, Paarl, Polokwane, Port Elizabeth, Rosebank, St. Francis, Stellenbosch, Tsitsikamma and Umfolozi."

Hotel development shows positive growth in Africa

This year's pipeline report, now in its tenth edition, has 41 contributors, reporting 418 deals with over 100 brands across Africa. Year-on-year performance for Africa as a whole in 2018 shows growth, but more muted than in recent years, with a 25% growth in the number of pipeline rooms in 2015; 19% in 2016, and 13% in 2017, much the same as the 14% growth in 2018.

Hotel development in Africa in general, and South Africa in particular, will be a core topic on the agenda of the Africa Hotel Investment Forum (AHIF) Regional Briefing, taking place in Cape Town on 13 June 2018, where speakers will include senior executives from the Hilton, Marriott and other leading brands plus economists, financiers and expert advisors to the hospitality industry. The event takes place in parallel with AviaDev, the aviation development conference, which was launched by Bench Events in 2015.

Bench Events MD, Matthew Weihs commented: “Hotel development is successful when more tourists come and a significant contributing factor is air access. In this respect, one has to congratulate local government and trade associations in South Africa for their efforts to encourage tourism-oriented development and their concerted initiatives to attract more flights.”

IATA has identified that the top 10 fastest growing aviation economies over the next 20 years will all be in Africa. Both AHIF and AviaDev aim to facilitate this growth through their conference programmes, involving top industry executives and highly-rated advisors, coupled to a meeting system which facilitates unrivalled networking opportunities.

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