

ISRAEL HOTEL INVESTMENT SUMMIT

Israel: A Vibrant Market for Hospitality Real Estate Investment

The inaugural [Israel Hotel Investment Summit \(IHIS\)](#) took place at the Hilton Tel Aviv on the 19th and 20th November 2018. Part of the International Hotel Investment Forum (IHIF), the conference created an environment for hospitality investors and key market stakeholders to understand the complete overview of the country's investment climate and the various investment opportunities available.

Hosted by [Questex Hospitality Group](#) and in partnership with the Israel Ministry of Tourism, the event welcomed over 250 attendees, representing 15 countries, from across the entire hospitality ecosystem. This included 38 industry-leading speakers selected for their expert knowledge and representing all disciplines relating to the industry. The curated programme included over 13 hours of quality networking, critical to forming new business contacts and cementing existing relationships. In order to experience the Israeli hospitality industry first hand, delegates were welcomed to both the The Orient Hotel and The Setai in Tel Aviv for private tours of both properties as well as a guided tour of Jerusalem for guests to understand why the city remains so important for tourism.

Israel offers a textbook investment climate; a shortage of good quality supply amid a boom in incoming tourism. According to data from the Israel Ministry of Tourism, the country has enjoyed an 80% increase in visitor numbers since 2000 and with over 20 million international passengers and approximately 105,000 international flights passing through the country's main airport, Ben Gurion Airport in 2017, there is undoubtedly a demand for this culturally rich country. Key source markets are the USA, Russia, France, Germany and the UK, and there is growing demand from China.

Speaking during the conference, Navneet Bali, Chairman of Meininger Hotels said; *"the supply demand dynamic is positive for hotel investment in Israel and favours the budget/economy or value orientated customer for which little supply of good quality currently exists"*. This sentiment is also being echoed by the Ministry of Tourism in Israel who are encouraging more lower-priced accommodation to be provided. Innovation in technology was also discussed at the event as Israel is known as 'the start-up nation' and there is wide spread technological innovation across the travel and hotel industry. A number of start-up incubators and accelerators are working with local start-ups and hotel and travel brands to support an open and inclusive market. During a panel session discussing hotel investment in Israel, notable points included that whilst there are some differences between Israel and the rest of the world which investors and developers need to take into consideration (for example the need for and additional costs of security, kosher observance and the implications of Sabbath and religious festivals on staffing and operating costs) there is no difference in the way typical investors consider opportunities in Israel.

All are seeking an adequate return on investment within a defined period but the delays encountered through the zoning and planning processes often mean that certain types of investors will not consider the country as their return expectations are timed out after five years or so. Long term investors, however, are not deterred. Conversion of existing buildings, typically offices, was seen as a faster way to increase the number of hotel rooms available, with zoning and planning consents likely to require a shorter timescale. A full round up of content from the event is available via the [IHIS](#) website.

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The Israel Ministry of Tourism was an integral partner to the event and Yariv Levin, Minister of Tourism in Israel commented; “there is tremendous momentum in incoming tourism to Israel which is fantastic for our country and economy. However, we must deliver a hospitality infrastructure to support this demand and exceed visitors expectations. Having the Israel Hotel Investment Summit in Tel Aviv provided the perfect platform to do this and outline the investment potential across the country to active developers and investors. It also allowed us to detail the various incentives and grants our government has put in place to ensure the hospitality real estate environment in Israel is an attractive a proposition as possible.”

Alexi Khajavi, Managing Director of EMEA Hospitality + Travel Group, Questex said; “our intention was to build a conference that showcased the prospects for foreign investment in the hospitality real estate industry in Israel and really shine a light on just how profitable this country could be for investors. We’re delighted with the success of IHIS and by providing that in-depth analysis coupled with quality networking at a senior level, have delivered an event that should boost the economic climate in the region through investment. We have ambitions to bring this format to other countries in order to work with them to showcase their investment opportunities.”

A comprehensive insight into the Israel hotel market, the rationale behind making an investment and how to succeed in navigating the market is available [here](#).

Further information on [IHIS](#) is available online including additional details on [Questex Hospitality Group](#) and the full portfolio of conferences and events.

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Editors notes:

About Questex Hospitality Group

Questex Hospitality Group serves the worldwide hospitality, travel and related industries that together contribute over \$6 trillion to global GDP. Through our innovative platform of targeted solutions, the group serves the sector’s entire ecosystem from tourism and hotel development and investment to hotel design, purchasing, management and operations. The Questex Hospitality+Travel Group serves every B2B segment of the industry via our proven demand generation, learning, loyalty and rewards solutions as well as our network of live events. For more information visit <https://www.questex.com/markets/hospitality>.

Content Director

Julie Rey-Gore
+44 (0) 208 547 9830
jreygore@questex.com

Press Relations

Emily Newman
+44 (0)7771 686202
emily@delysmarketing.co.uk

Sponsorship Director

Mark Cheney
+44 (0)20 8547 9830
mcheney@questex.com