Turkey's Positive Outlook

April 16, 2024 / By Hala Matar Choufany

Landscape

Turkey has always attracted visitors with its deep-rooted history, culture and stunning scenery. Furthermore, its enhanced air connections and transportation networks have elevated its appeal for both leisure and business trips. Despite recent obstacles, like economic setbacks, inflation and currency devaluation, Turkey's hospitality industry remains resilient.

Hotel Performance Indicators and Projections

In 2023, Turkey saw a notable increase in tourism spending and arrivals, marking a growth of about 25-30 percent from 2022. Between 2022 and 2023, the hotel market witnessed robust growth in RevPAR, as indicated by data from **STR Research**. In 2023, Istanbul Hotels registered the highest occupancy at 65 percent. As for the Bodrum hotel market, it achieved the highest average rate at USD530. Despite lower occupancy due to seasonality, Bodrum achieved the highest RevPAR in 2023, followed by Istanbul, according to data.

Statista projects Turkey's hospitality sector revenue to reach approximately USD 5.44 billion by 2024, indicating a promising outlook. Anticipated growth at 1.66 percent annually (CAGR 2024-2028) suggests Turkey's hospitality market volume will reach USD 5.81 billion by 2028. This growth trajectory is underpinned by an average revenue per user (ARPU) forecasted to reach USD 309.70, signaling sustained momentum and increasing consumer spending in the sector.

Turkey's Hotels

As Turkey's lodging scene evolves, boutique hotels have become symbols of personalized hospitality. Hotels offer guests unique experiences beyond standard accommodations. Meanwhile, Turkey's landscape features numerous luxury hotels, especially in tourist hubs like Istanbul, Antalya, Bodrum and Izmir. These upscale properties, known for their lavish amenities and top-notch service, attract affluent travelers globally. Additionally, Turkey has seen significant growth in medical tourism. Consequently, it made Turkey a top choice for patients worldwide. Furthermore, it is expected to grow at a CAGR of 5.92 percent between 2024 and 2033. The **Turkish Statistical**

Summary

Located at the intersection of Europe and Asia, Turkey's hospitality industry continues to stand strong. Hala Matar Choufany, president for the Middle East, Africa and South Asia at HVS, tells us more.

Comments

FILED UNDER CATEGORIES

Hotel Operations
Travel & Tourism
Economic Trends and Cycles
Hotel Brands
Turkey

Institute reported a 10 percent increase in health and medical tourism income from 2022 to 2023, totaling USD 2.3 billion. The Turkish government supports medical tourism, implementing policies to facilitate and promote the industry, fostering its growth.

Turkey's Branded Residences

Driven by urbanization, changing demographics and demand for upscale living, Turkey's branded residential market has undergone a transformative shift. Branded residences, associated with prestigious hospitality and luxury brands, now represent exclusivity, prestige and refined living. Cities such as Istanbul, Ankara, and Izmir have emerged as focal points for luxury residential developments. Furthermore, the market features names like **Four Seasons**, **Ritz-Carlton** and **Mandarin Oriental**, thus appealing to discerning customers seeking unparalleled lifestyle offerings. Branded residences offer more than luxury; they curate a lifestyle by globally recognized brands, fostering a sense of elite community. In high-end residential markets, luxury brands often command premiums of 25-35 percent, sometimes even higher, compared to non-branded properties.

Istanbul features branded projects with luxury names like Mandarin, Ritz-Carlton, **Address**, Four Seasons and **Kempinski**, while Bodrum offers Ritz Carlton, Mandarin Oriental and more.

Government Initiatives and Investment Initiatives

The efforts of the Turkish government to attract foreign investment have accelerated the rise of the branded residential market. The Citizenship by Investment scheme, granting Turkish citizenship to property investors, has spurred global investment in Turkey's real estate sector. Continuous infrastructure development and urban renewal, combined with investment initiatives, create a favorable environment, fostering growth and innovation in hospitality.

Challenges and Opportunities

Despite the promising growth of Turkey's hospitality sector, there are ongoing challenges. Regulatory obstacles, economic fluctuations and geopolitical uncertainties still affect market dynamics and investor confidence. However, within these challenges lie opportunities for innovation and collaboration.

Turkey has a vibrant culture, well-established tourism infrastructure and diverse offerings. Consequently, it is positioned to strengthen and become more resilient. Furthermore, the outlook remains positive for the hotel and branded residential markets in Turkey.

hospitalitynewsmag.com retains the copyrights of this article. The article cannot be republished without prior written consent by ***hospitalitynewsmag.com***
View the Article on ***https://www.hospitalitynewsmag.com/market-update-turkey-2024/***

HVS Dubai has been featured in the prestigious Hospitality News Middle East magazine, leader in its field. This prominent publication has highlighted our expert opinion on the matter of the hospitality market in the Middle East. Hospitality News Middle East is the go-to source for the latest news, developments and trends in the region's hospitality and food service industries.
www.hospitalitynewsmag.com*, features essential market insights, analysis and guidance from experts in the field, in addition to special reports on the latest concepts and interviews with top international names in the sector. Widely regarded as a must read, the magazine has built a solid reputation as a reference for hospitality professionals in the Middle East and beyond. Daily news bulletins can be found* ***online****.*

About Hala Matar Choufany

Hala is an experienced Regional President and Managing Partner, an industry expert, and is recognized as one of the most influential leaders in the hospitality industry, notably in the Middle East and Africa region.

Hala has advised on more than 5,000 hospitality and mixed-use projects in the last 20 years across Europe, the Middle East, Africa and Asia. She has advised clients in areas such as Valuations, Acquisitions, Asset Management, Strategic investments and development, Contract Negotiations, and general Real Estate Strategic Advisory.

Hala has authored more than 50 publications and speaks frequently at investment and hospitality related conferences on a range of topics including asset valuation, investments, management issues and women leadership.

In addition to being a Board Member of HVS Global, Hala sits on the Boards of Harvard Business School Club of the GCC, Hotel Investment Advisory Board, and is regularly invited to Boards as a subject matter expert in the industry. Hala is frequently invited to discuss hotel and tourism trends on major news channel including Alarabiya, Bloomberg, Abu Dhabi TV, Forbes, Breaking Travel News and CNN.

Hala is also a member of the International Society of Hospitality Consultants (ISHC).

Hala completed Executive Education at Harvard Business School. She also holds an MBA in Finance and Strategy from IMHI (Essec- Cornell) University, Paris, France and a BA in Hospitality Management from Notre Dame University, Lebanon. Hala is fluent in English, French and Arabic.

Born in Beirut, Hala lived and worked in several cities across Europe, Asia and Middle East and is a mother of three.

For more information, contact Hala at .