

# Press Release

## **Huge Pipeline Imbalance Presents Great Opportunities in Russia**

### **Horwath HTL Hosts Hotel Discussion in Moscow**

**Moscow: October 26<sup>th</sup> 2010**

Horwath HTL, the world's largest hotel consulting network, hosted a plenary session on pipeline and development at the fourth Russia and CIS Hotel Investment Conference today, held at the Renaissance Moscow Monarch Centre Hotel. Michael O'Hare, Managing Director of Horwath HTL Russia and a leading industry expert in the region, led the session and was joined by senior developers from Hilton, Hyatt, IHG and Starwood Hotels and Resorts.

The session addressed whether Russian hotel development had begun to move again after a difficult 2009, where financing was scarce and opportunities were limited. Michael O'Hare talked about the huge disparity in supply of International Hotel Brands compared to demand and how this would be the driving force for opportunities as the financial markets loosened and bank lending began again. The general feeling among the brands was that projects were beginning to move again, and that those hotels whose construction had been delayed due to a freeze on financing were now finding new sources of capital to enable completion.

Michael O'Hare said, "It was positive to hear that projects and demand for opportunities are beginning to grow again. Russia, in particular Moscow and St Petersburg, had a period of very strong growth in the middle of the decade until the financial crisis. Those brands will now need to take the opportunity of an upturn to gain critical mass and look outside of the two major centers to the vast majority of Russian cities that have no International presence at all. There are over 50 cities in the Region with over half a million inhabitants that could support new hotel supply and that is where we expect the focus to be in the coming years."

#### **About Horwath HTL**

Horwath HTL (Hotels Tourism and Leisure) is one of the pre-eminent consulting specialists in the hotel, tourism and leisure industries, providing unequalled experience and expertise for client projects around the world through a combination of detailed local knowledge and international understanding. Horwath HTL is currently the world's largest consulting organization specialized in the hospitality industry, with 50 offices in 39 countries.

Horwath HTL is a member of Crowe Horwath International, a professional association of accounting and management consulting firms founded in New York in 1915. Crowe Horwath



International is currently ranked among the top ten international professional service groups with offices in close to 400 cities in 88 countries.

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