

# PRESS RELEASE



## IHIF 2010 – CBRE Hotels Managing Director, Derek Gammage, encourages hotel investors to “buy, buy, buy”.

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### For immediate release

The 13<sup>th</sup> Annual International Hotel Investment Forum opened on Monday 8<sup>th</sup> March, after one of the industries most challenging years.

The conference was officially opened by Jonathon Worsley (Chairman, Bench Events) in front of an expectant audience at the InterContinental Hotel Berlin. After a difficult and highly volatile year over 1600 industry experts from across 58 countries attended the 2010 conference with a sense of renewed optimism. Promisingly, 500 of these were attending for the first time highlighting the potentially strong interest in the hotel market for the year to come.

The conference's opening discussion “The trouble with markets and the consequences for capitalism”, was well intended. Moderated by Russell Kent (Managing Director, HVS), the panel included industry leaders within the Global Hospitality Real Estate Market including CBRE Hotels Managing Director, Derek Gammage.

Roger Bootle (Managing Director, Capital Economics Ltd), one of the UK's most respected and recognised economists presented an in depth analysis on current market issues and a predictably cautious outlook for the coming year. Bootle, who unlike many others correctly predicted the economic downturn, stated that in his opinion if any single group should be blamed for the financial crisis “it should be the economists”. In his opinion the root of the problem was linked to a failure of ideas and a belief that markets were perfect, and as a result massively under regulated. Bootle predicted that the banking system will be radically transformed and even suggested that large banks maybe broken up.

CBRE Hotels Managing Director, Derek Gammage was joined on the presiding panel by Michael Fishbin (National Director, Hospitality & Leisure, Ernst & Young LLP) and Simon Hampton (Managing Director, Real Estate, Gaming & Lodging – EMEA Bank of America Merrill Lynch). A number of varying insights on the current market situation and its influence on hotel market were put forward however the overriding outlook remained largely optimistic.

Potential investor's ability to purchase hotel assets is dependent on their cash flow and the price, stated Simon Hampton. Derek Gammage explained that hotels are still widely misunderstood by investors but insisted that “now is a good time to buy”. Gammage admitted that there are still uncertain times ahead however explained “you don't get on a rollercoaster and then get off midway”. Fishbin agreed, stating that investors should purchase assets now and potentially join the ride up for the next decade.

When asked for his closing remarks, Gammage urged potential hotel investors to “buy, buy, buy” and advised those within the industry to “watch this space”.

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Notes to Editors:

CBRE Hotels is the world’s leading, full-service, real estate advisory group focused exclusively on the hospitality industry. CBRE Hotels provides consultancy services for the sale, valuation, financing, development and asset management of hotels. Headquartered in London, the group has offices in Ireland, France, Spain, Italy and CEE (Central and Eastern Europe) with dedicated hotel teams in the United States and the Asia-Pacific region.

During 2009, the combined value of assets successfully sold and valued by CBRE Hotels EMEA was in excess of €19billion. During 2009, CBRE Hotels successfully sold and valued over 500 assets across the EMEA region.

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