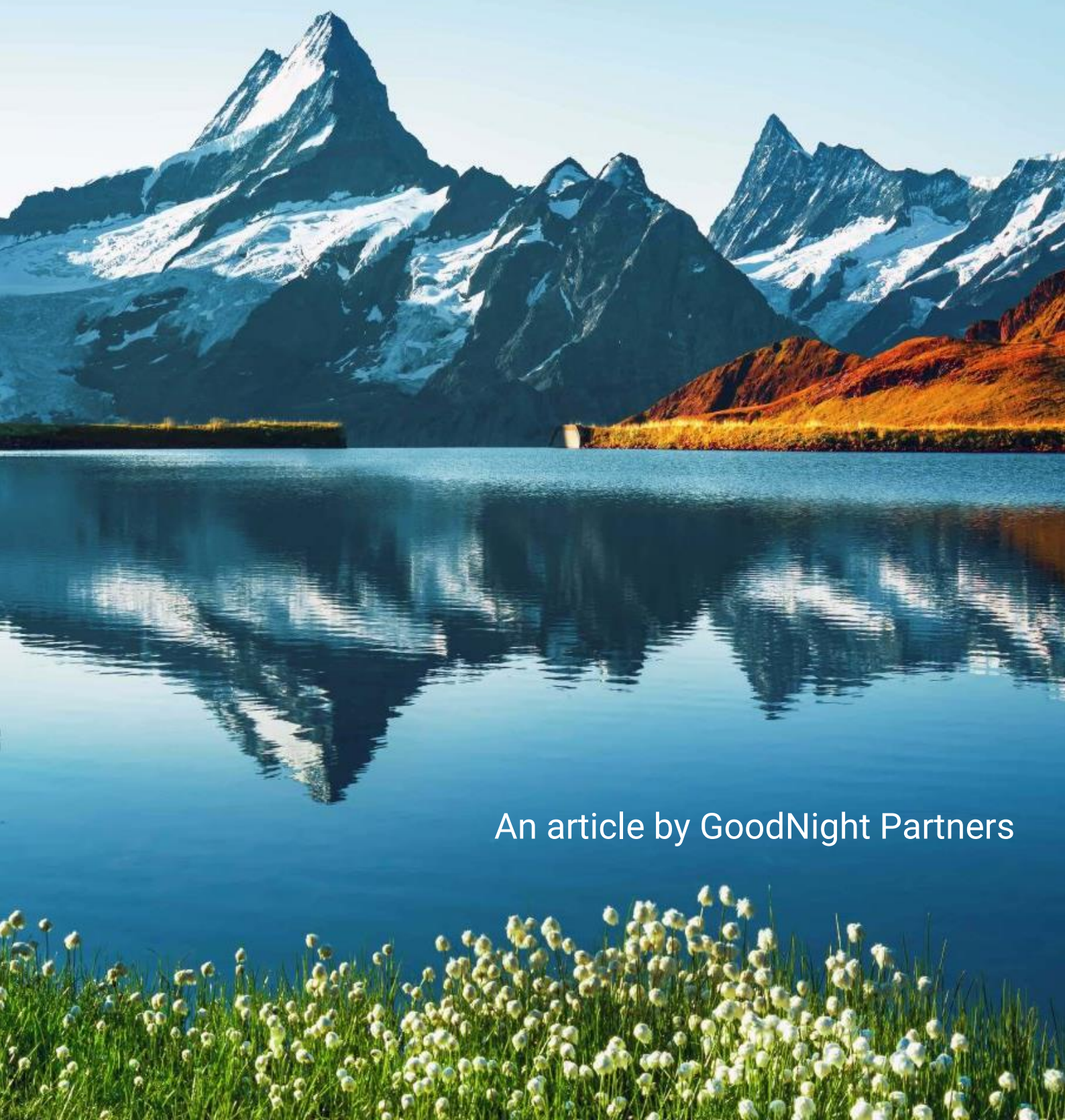


# Switzerland's Hotel Market Outlook 2024



An article by GoodNight Partners



# Introduction

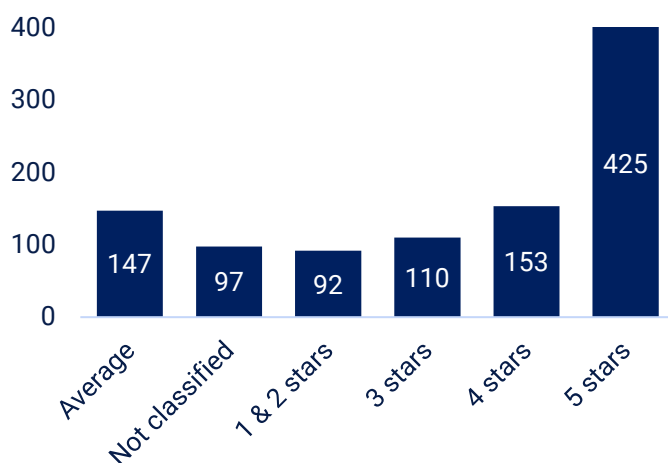
## POSITIVE OUTLOOK FOR SWITZERLAND'S HOSPITALITY INDUSTRY

Switzerland's hospitality industry has experienced a remarkable recovery since the Covid pandemic, exceeding 40 million overnight stays in 2023—a 9.2% increase compared to 2022. This recovery highlights a shift, particularly in the business travel sector, as urban tourism adapts to new business models to address the challenges of reduced business travel demand.

Tourism remains a key economic driver, contributing approximately 3% to Switzerland's GDP (CHF 17 billion). Nearly half of the tourists staying in Swiss hotels are international visitors, with significant numbers arriving from Germany and the United States. In 2023, occupancy rates surpassed 2019 levels in 7 of the country's 13 tourist regions, showing a 3.4% growth compared to 2022. This positive trend continues in 2024, with the first 10 months recording an all-time high in overnight stays, up 1.7% compared to 2023.

The latest data from October 2024 shows that between November 2023 and April 2024, the ADR reached CHF 148, with variations depending on the region: CHF 164 in the Alpine regions, CHF 118 in small and medium-sized cities, and CHF 148 in major metropolitan areas like Geneva, Zurich, Basel, and Bern.

**Average daily rate – from November 2023 to April 2024 (CHF)**



Source: Federal Statistical Office (FSO)



# Market Overview



## POSITIVE OUTLOOK FOR SWITZERLAND'S HOSPITALITY INDUSTRY

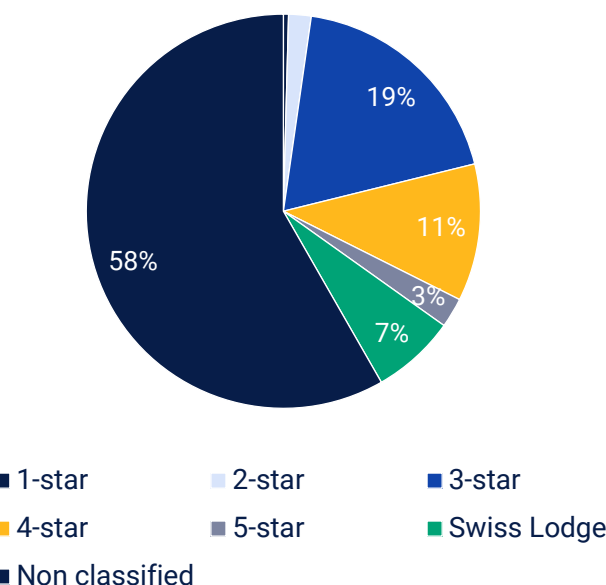
### Switzerland nationwide hotel supply

As of October 2024, Switzerland offers over 136,000 hotel rooms nationwide. The majority of these are unclassified accommodations (58%), followed by the 3-star segment (19%). A significant proportion of Swiss hotels are family-owned businesses, many of which do not adhere to a standardized star rating system.

Looking ahead, the Swiss hospitality sector is poised for further growth, with over 6,900 rooms in various stages of development, including 1,400 currently under construction. This expansion signals strong confidence in the industry's future.

The Swiss hotel market has traditionally seen limited presence of branded properties. However, this trend has begun to shift in recent years as several new hotel chains have entered the market. Notable examples include the W Hotel (Verbier), Citizen M, Intercity, Adina, and Marriott hotels (Geneva). Additionally, B&B Hotels has expanded its footprint with new properties across Switzerland. Despite this recent growth, branded hotels still represent a small portion of the Swiss hospitality landscape, accounting for 24% of the total hotel market in the country.

Switzerland's hotel supply 2023

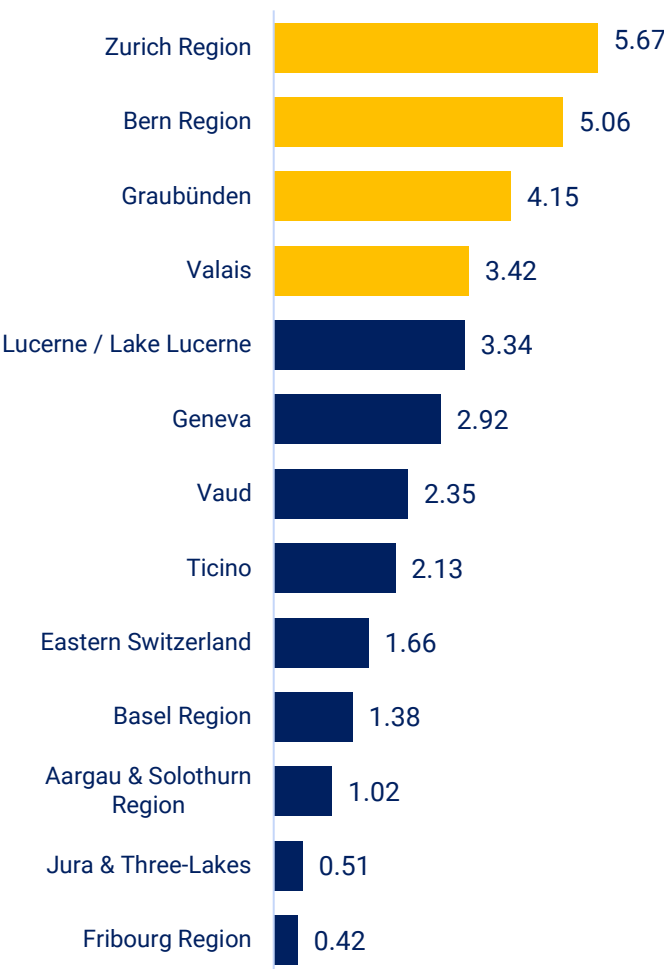


### Regional disparities in demand

Switzerland's tourism industry is highly popular in the following four most visited destinations: Zurich region, Bernese Oberland, Graubünden and Valais. The four regions are part of the 13 tourist regions of Switzerland.

The four main regions account for 54% of the country's overnight stays.

Overnight stays per touristic region



Sources: HESTA, HotellerieSuisse, CBRE

# Investment & Transactions



## TRANSACTION DYNAMISM IN SWITZERLAND'S HOSPITALITY INDUSTRY

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Switzerland's hotel market has seen notable transactions in 2024, reflecting the broader European trend of increased activity in the luxury and upscale segments.

Here are some highlights:

**Zurich Transactions:** Zurich has been a hotspot for hotel investments in 2024, with deals totaling approximately €276 million. This makes it one of the most active cities in Europe for hotel transactions, following London and Paris. The city's appeal stems from its position as a financial hub and its ability to attract luxury and business travelers. One of the key transactions was the sale of the Park Hyatt Zurich (138 rooms) by Trinity Investments, Oaktree and UBS, happening during the 2<sup>nd</sup> Quarter 2024.

**Other Transactions:** In Q1 2024, the Hotel des Trois Couronnes in Vevey, featuring 71 rooms, was sold by an undisclosed seller. The sale of Base Hotel Vevey, which includes 35 rooms, also took place this year. Remaining in the Léman region, the transaction of the EastWest Hotel in Geneva (41 rooms) was completed in 2024. Additionally, the Waldhaus Resort in Flims (140 rooms) represents a notable transaction in the canton of Graubünden.



**Luxury Segment Growth:** Across Europe, including Switzerland, luxury hotels have seen increased investor interest due to their strong post-pandemic performance. Higher average rates and improved net operating income (NOI) have made them attractive to private equity firms and hotel investment companies.

**Investor Activity:** Private equity firms and institutional investors have been the major players in these transactions, driven by stabilized operating costs and the expectation of stronger cash flows. Switzerland's strong fundamentals as a tourist and business destination contribute to its desirability for such investments.

**These transactions indicate a robust recovery and growth trajectory for Switzerland's hotel sector, with a focus on upscale and luxury assets.**



Sources: Hotel Investment Today, HVS



## GENEVA – A UNIQUE HOTEL MARKET

### Geneva hotel market supply:

Geneva stands out as a city with a high concentration of hotels. In 2024, they were 126 hotels in the canton of Geneva with most of them being in the City of Geneva (88).

Most of the hotels are positioned in the 4-star and 3-star segments (32% and 21% respectively). As for the more than 40 unclassified hotels, most of them are equivalent to 4-star hotels (mainly independent). With 12 hotels and more than 1'900 rooms, the 5-star hotel segment is quite substantial given the city's small size.

Geneva's hotel market has had a strong and sustained pipeline of hotels for the past few years as circa 1'420 additional rooms were built or renovated between 2019 and 2024.

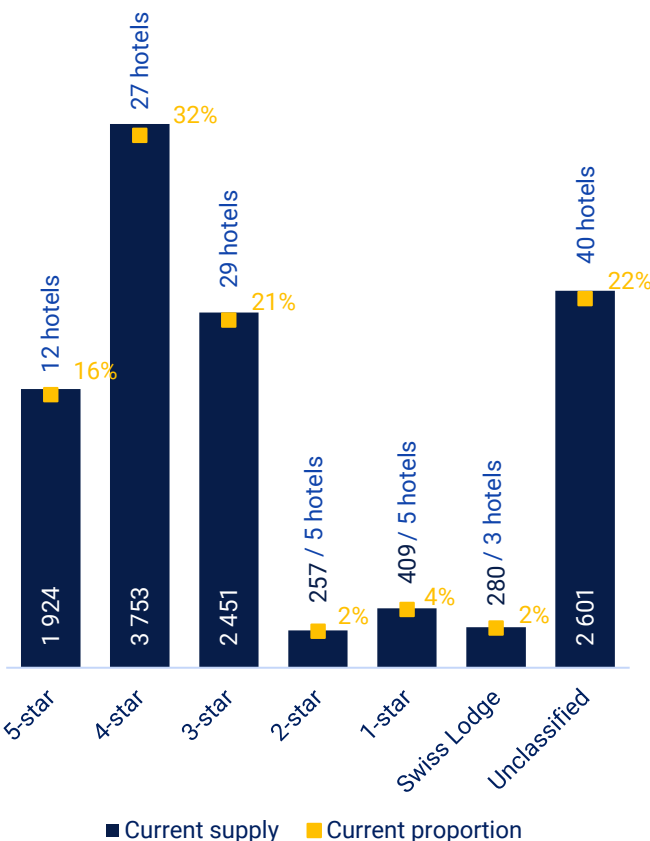
### Geneva hotel market demand:

As the second largest city of the country and host to numerous companies and INGOs, the demand for room nights is tightly linked to the city's economic activity. Business customers generates approximately 80% of hotel demand.

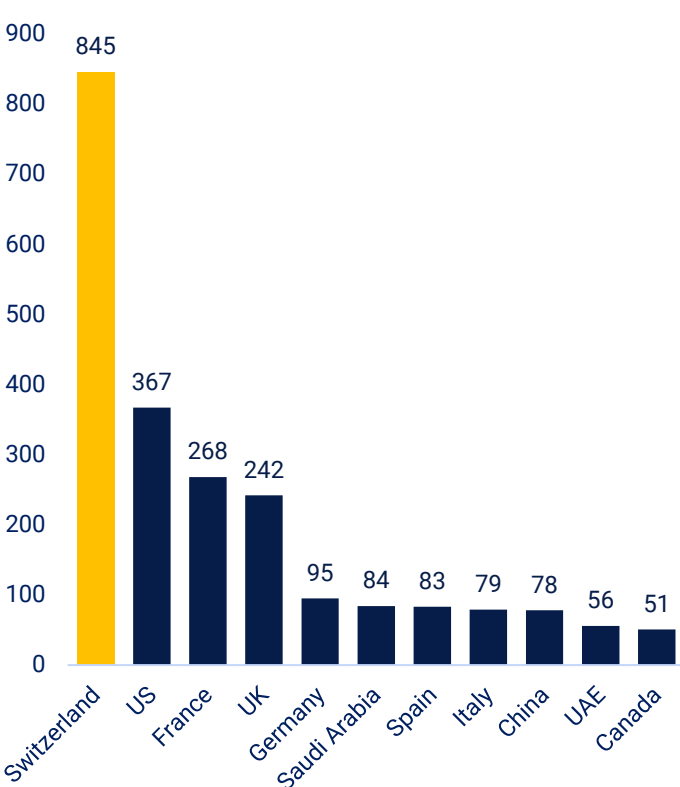
Out of the 10 largest overnight stays generators in 2024, 6 are European countries representing over 56% of the total overnight stays generated in Geneva in 2024 (including Switzerland which accounts for 27%). 12% have been generated by the United States alone and 2.5% by respectively Saudi Arabia and China. The remaining 27% are split amongst more than 60 other countries.

Geneva is among the European cities with the highest ADR and REVPAR. Since 2019, the ADR stayed relatively stable (CHF 262.- vs. CHF 266.-).

Geneva supply of hotel rooms



Top 10 overnight stays generators



# Hotel market structure



## GENEVA & ZURICH VS. SWITZERLAND

**Geneva & Zurich stand out in the Swiss hotel market. Several metrics show the difference between the 2 metropolises and the rest of the country:**

**Hotel size and standing:** Geneva & Zurich have more luxury and high-end hotels as a large part of the hotel room supply is coming from 4-star and 5-star hotels. The average size of hotels is substantially higher in the two-metropolis compared to the national average.

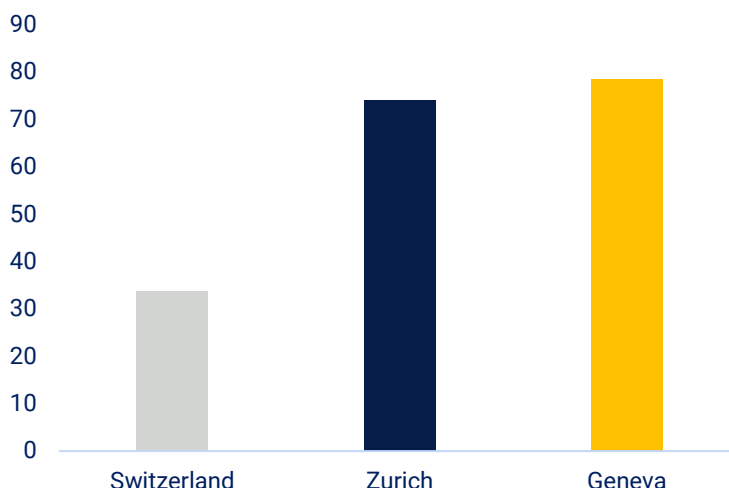
**Occupancy rates:** The Geneva & Zurich hotel market distinguish itself from the rest of the national hotel market. They have a higher occupation rate (62% in 2023) then the country average (49%) and the average we observe in urban destinations (59%).

**Seasonality:** Geneva & Zurich are prone to seasonality however, compared to alpine regions, the demand is more stable throughout the year and less dependent on seasonal tourism. Overall, the number of rooms sold is lowest between November and February, after which demand picks up again between March and October.

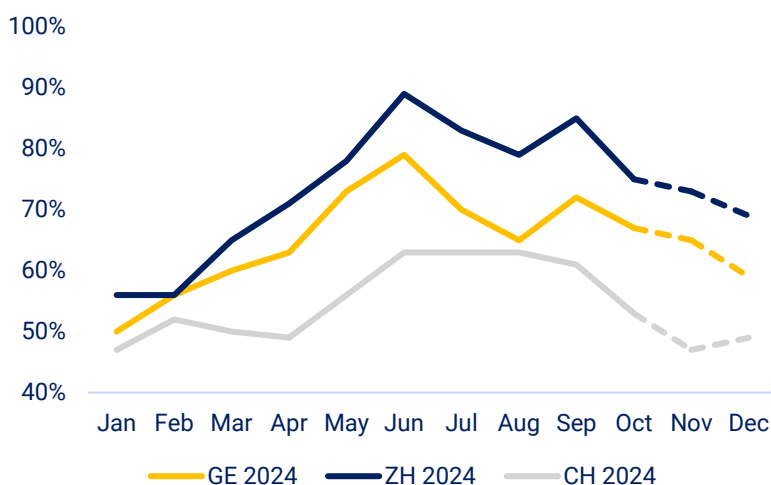
**Client segmentation:** The two main cities also attract more international clientele. Nearly 80% of Geneva's and 70% of Zürich overnight stays result from international tourism. The country-wide average stands at 52%.

**Sustainability and technology:** Geneva & Zurich hotels are starting to implement innovations such as AI and contactless check-ins to improve efficiency and guest satisfaction. The market is also seeing a push for sustainability

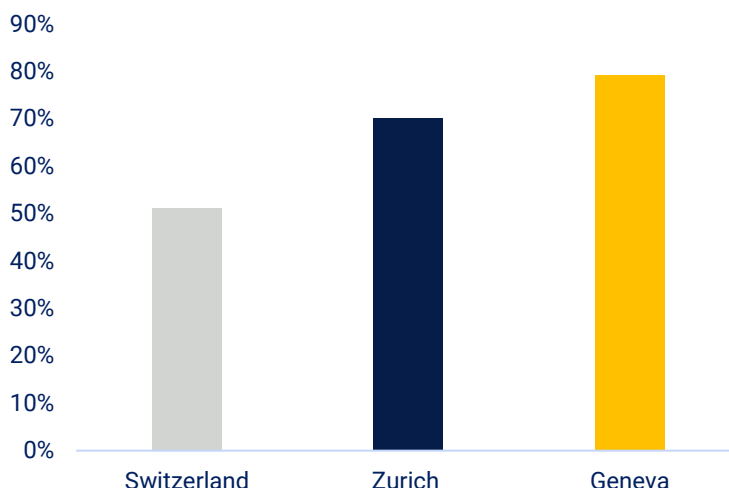
**Average hotel size (rooms)**



**Seasonality: Occupancy rate (%)**



**% of international overnight stays**



# Hotel Openings

## HOTELS THAT OPENED DURING 2024



**Essential by Dorint Interlaken:** this full-service 3-star 94-rooms hotel, opened since Spring 2024, is situated in the beautiful city center of Interlaken.



**Zleep Hotel, Zürich Kloten:** The hotel located in Kloten, near Zurich Airport and 13 kilometers from Zurich's city center. It features 90 well-equipped room.



**Stay Kooook, Geneva:** The establishment offers fully-equipped studios and rooms of around 20 m², designed for short or long stays, in a minimalist yet comfortable style



**Yotel Geneva Lake:** this 237-rooms hotel has opened its doors since April 2024. The Yotel is ideally situated, 15 minutes away by car from Geneva .



**Das Dorint Resort & Spa Locarno/Riazzino:** this hotel is a true getaway right in Locarno's city center. The establishment is composed of 82 rooms and opened at the end of the summer.



**Capsule Hotel, Lucerne:** since Spring 2024, the Capsule Hotel group invested in a new establishment based in Lucerne's old town.



**Hotel Waldstätterhof Luzern:** after a full renovation, this hotel opened its doors beginning of 2024 with new sustainable-oriented features. This 3-star hotel offers 93 rooms, common areas, a restaurant and a newly created bar.



**Grand Hotel Belvedere Wengen:** This recently renovated hotel offers 90 rooms, 2 restaurants and 1 spa. It is the first Swiss hotel operated by Beaumier.



**The Home Hotel Zurich (Design Hotels):** this hotel opened since August 2024 and is inspired by Dadaism. There are 132 rooms in total.



**Zoo des Marécottes Boutique Hôtel, Les Marécottes:** built inside an animal parc, this boutique hotel is planned to open during Easter 2024 and will accommodate 16 rooms.



**Hota Hotel, Saint-Imier:** situated in a natural park, this hotel opened in Spring 2024 and features 48 rooms.



**Mad Retreat Hotel, Haute Nendaz:** this 45-rooms hotel distributed between 25 chalets inspired by traditional regional chalets opened it doors in July 2024.



**Château de Raymontpierre, Vermes:** this castle is opened since June 2024 and offers 14 rooms to its guests.



**Lodges Hotel, Morges:** this serviced apartment hotel is opened since April 2024 and features 52 rooms and suites.



**Hôtel de la Cigogne, st. Ursanne:** with its 12 spacious rooms, this hotel is opened since May 2024 and aims to build an exceptional experience.



**Mona Hotel, Montreux:** this hotel reopened its doors in March 2024, after a complete rebranding and remodeling. Mona hotel features 154 rooms distributed between 16 floors.



**The Mansard, Gstaad:** this hotel opened in May 2024 and features 29 different rooms, whether it be for families or smaller parties.



**Zleep Hotel, Lausanne-Chavannes:** this recently opened hotel accommodates 120 rooms and is build close to Lausanne's universities hub.

# Future Hotel Openings



OPENINGS PLANNED THROUGHOUT 2025 AND AFTER



**Mama Shelter, Zürich:** planned to open during 2025, this hotel will have around 170 rooms and will replace the iconic Swissôtel in Zurich.



**Hotel Project, Andermatt:** The construction of a 66-room hotel, part of the Andermatt Reuss development, will start in 2025. It will be spread over three individual building linked on the first floor.



**Lefay Resorts & Residences, Crans-Montana:** this resort is planned to open in 2025 and will feature 106 suites and 12 private chalets with luxury services.



**Moxy Hotel Letzigrund, Zurich:** Planned to open by the end of 2025, it will be the first MoXY opened in Zurich. The hotel will have around 160 rooms.



**Hotel Aves, Grindelwald:** This future 3 to 4-star hotel will feature around 200 rooms. The hotel building is yet to be constructed.



**Fairfield by Marriott, Zug:** Marriott recently decided to launch "Fairfield" in several European cities. One of them should open in Zug. The hotel should offer more than 120 rooms.



**Mövenpick Hotel & Resort Disentis, Graubünden:** AccorHotel will open its 8<sup>th</sup> Mövenpick in Switzerland. The project includes 150 rooms and 91 residential units.



**Fermes de Brenies dans la Broye Lucens:** A unique hotel development project by Definitely Different Group was announced in 2022.



**Nestwood, Nax:** A new unique hotel complex consisting of 8 units suspended in the trees in the middle of the Nax forest will be delivered in 2025.



**AC by Marriott, Bulle:** Marriott will open its first AC hotels in Switzerland in 2026. Bringing to the Bulle hotel market 120 new rooms.



**Hotel des Innovations, Marly:** The construction of this 167-room hotel due in 2025 has started at the end of 2023.



**Hotel Plaza Cinema, Geneva:** this 20-rooms hotel due to open in 2025 will offer a unique cinema experience with large screens in every rooms.

## Renovations:



**Le Richemond, Geneva:** The hotel closed in 2023 after its acquisition by Jumeirah Group. It will reopen in 2025.



**Fairmont, Geneva:** Set to close end of 2024, the recently acquired by Victoria Group 412 rooms asset will undergo a complete renovation and should reopen in 2027.



**Beau Rivage, Geneva:** The 5-star hotel is currently undergoing a renovation. It is set to reopen in 2016 with a new spa and fitness.



**Hotel Paradis Ftan, Graubünden:** The hotel closed in 2023 and is set to reopen in 2025. The aim is to modernize the existing infrastructure



**Villa Florhof, Zürich:** The hotel is set to reopen in 2025 with 15 rooms and a restaurant. The renovation started after the Lalique Group acquired the hotel in 2022.



**Grand Hotel, Locarno:** The hotel will reopen in 2025 with 122 rooms and suites as well as 3 restaurants.



**Hotel Sonnenberg, Seelisberg:** currently undergoing a significant renovation and expansion project. Will reopen with 130 hotel rooms and 120 apartments.



**Bikini Island & Mountain Hotels, Zermatt:** The hotel is set to reopen in 2026 after the renovation and extension of 4 existing buildings.



# Looking forward



## WHAT ARE SWITZERLAND'S NEXT STEPS FOR THE HOSPITALITY INDUSTRY ?

The State Secretariat for Economic Affairs (SECO) published a report on their Tourism Strategy 2022–2026. Their focus were divided into four main objectives: improve the framework conditions in the hospitality sector, promote entrepreneurship, seize opportunities through the digitalization, reinforce the attractiveness of the Swiss tourism supply and its presence on the market.

The Swiss hospitality sector has shown resilience and innovation, with trends like sustainable tourism, wellness programs, and "bleisure" (business-leisure) travel boosting growth. Revenue per available room (RevPAR) and average daily rates (ADR) are also increasing, driven by strong demand and dynamic pricing strategies.

The KOF Swiss Economic Institute reports continued growth in Swiss tourism, driven by strong demand from the US and stable domestic visits. Summer 2024 saw record overnight stays, with European tourism recovering and a strong influx of North American tourists. Asian and Gulf State visitors remained below pre-pandemic levels. A 0.8% increase in winter 2024/25 overnight stays is forecast, while modest growth is expected for 2025.

### Key Points Summary

**Recovery Post-COVID:** Swiss hospitality recovered strongly, surpassing 40M overnight stays in 2023 (+9.2%).

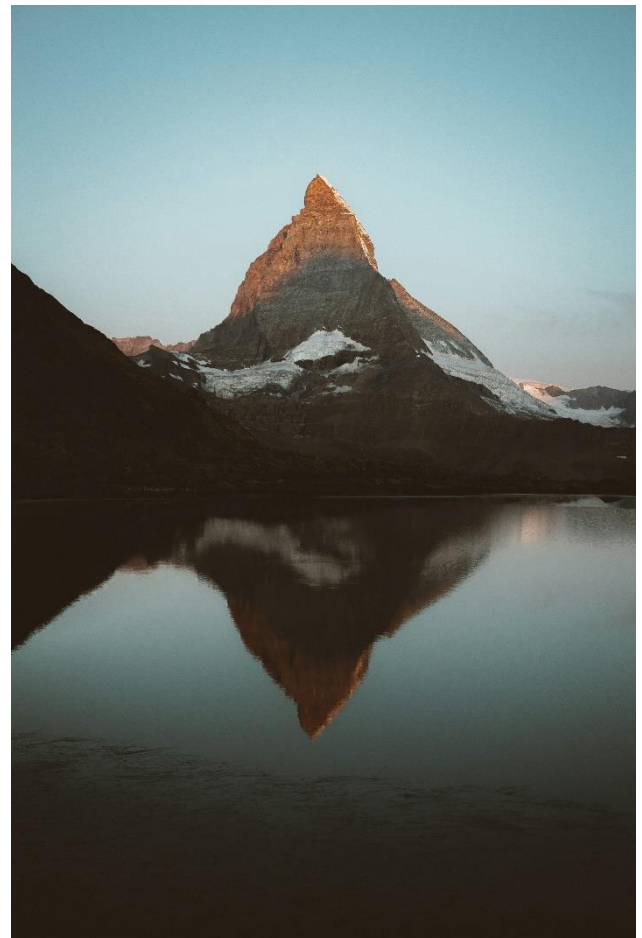
**Economic Contribution:** Tourism accounts for 3% of GDP (CHF 17B), with 50% of guests being international, mostly from Germany and the US.

**2024 Trends:** The first 10 months of 2024 saw a record 1.7% growth in overnight stays. ADR averaged CHF 148.

**Major Cities:** Geneva & Zurich dominate luxury hospitality, with high ADR (Geneva: CHF 266). Both have 4 to 5-star hotels catering to international travelers (70%-80%).

**Investment Activity:** Zurich saw a CHF 276M in the Park Hyatt hotel deal. Geneva added ~1,420 rooms since 2019.

**Seasonality:** Urban hotels face less seasonality compared to Alpine regions, emphasizing sustainability and tech in their daily operations (AI, contactless check-ins).



Sources: Switzerland Tourism, Mordor Intelligence, The Swiss Times, Event Temple, KOF Swiss Economic Institute

# GoodNight Partners at a glance



A SWISS HOSPITALITY EXPERT

GoodNight Partners ("GNP") is an independent Swiss company specialized in hotel real estate, providing Advisory and Asset Management services to Hotel owners and investors across Switzerland, with the aim to continuously create value throughout each assets' investment cycle.

GNP is organized as three key interlinked business activities:

1. Investment & Strategic Advisory
2. Development
3. Hotel Asset Management

Number of rooms advised

**4'541**

Transactions assisted (CHF)

**+250 mio**

Number of rooms developed

**1'760**

Linguistic area presence

**4/4**

Rooms under management

**1'750**

Assets under management  
(CHF)

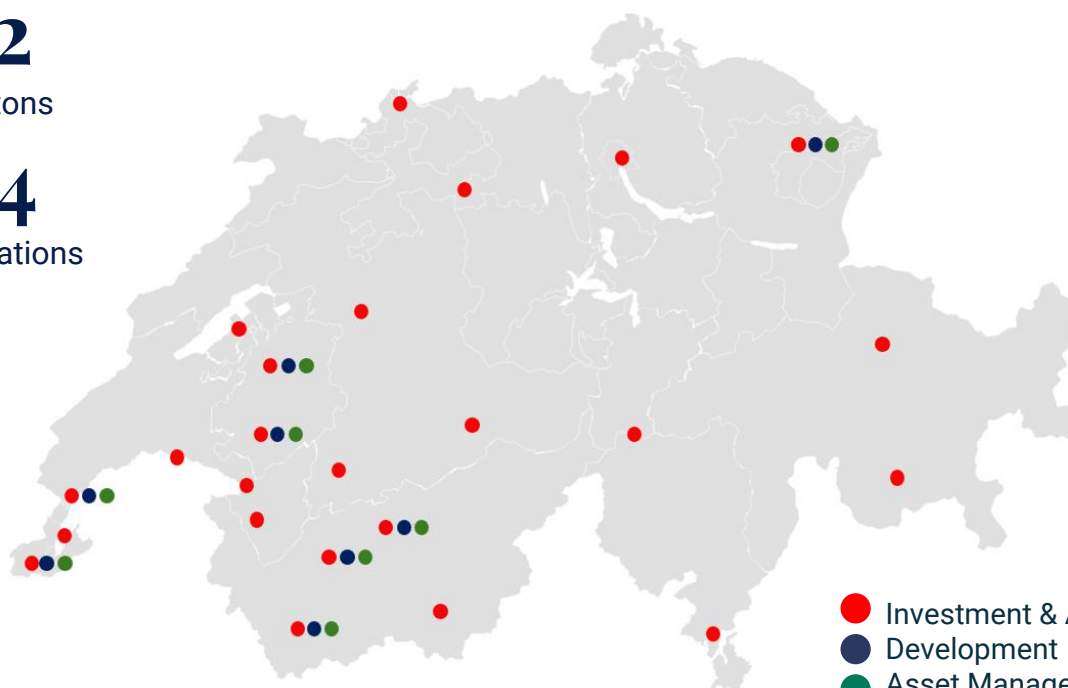
**+350 mio**

**12**

Cantons

**34**

Destinations



- Investment & Advisory
- Development
- Asset Management

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