

Brazilian Hotel Market Overview

2009 | 2010

Rio de Janeiro
São Paulo
Salvador
Curitiba

INTRODUCTION

The Brazilian Hotel Market Overview is an annual publication of HVS São Paulo that presents sector performance analyses for some of the main Brazilian markets. Our objective is to study and document the evolution of the Brazilian hotel industry so as to better understand its main drivers, anticipate challenges, and identify opportunities. We also hope to offer a tool that is useful to managers and investors for the planning of their strategies.

The first edition of the Market Overview, published in 2009 (in commemoration of the 10th Anniversary of HVS São Paulo) presented a detailed characterization of Rio de Janeiro, São Paulo, and Salvador, as well as a study of these markets' evolution over the course of the past decade.

In this second edition, we begin to cover Curitiba. In addition, we continue to monitor Rio de Janeiro, São Paulo, and Salvador, with a more objective approach. Performance data from the past five years are presented, but the comments refer only to 2009 and to the outlook for the future.

The information presented here is based on the commercial performance of 21,300 hotel rooms. The sample utilized is the same each year, except when there are new openings or significant changes in segmentation. In Rio de Janeiro, the sample represents 85 percent of the Top segment, 84 percent of the Upscale segment, and 31 percent of the Midscale segment. In São Paulo, the sample includes 100 percent of the Upscale segment and 40 percent of the Midscale segment. In Salvador, 78 percent of Upscale and 61 percent of Economy. In Curitiba, 100 percent of Upscale and 65 percent of Midscale.

This extensive database has been constructed using the internal records of HVS as well as data provided by various partners. We thank those who contributed to the preparation of this publication, and we invite new hotels, operators, and associations to share their performance data as well in future editions. HVS São Paulo is committed to preserving the confidentiality of the individual information of each collaborator.

This and other editions of the Market Overview can be obtained free of charge on the HVS website: <http://www.hvs.com/>

The annual editions of the Market Overview are complemented by quarterly analyses published in the HVS São Paulo Newsletter. To receive these and other HVS publications, please send an e-mail to hvsbrasil@hvs.com.

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RETROSPECTIVE

The year 2009 began marked by fear of the global economic crisis, but it ended as one of the most promising moments for Brazil's hotel industry in the past 20 years.

At the beginning, unease predominated. In January of 2009, it was expected that the Brazilian economy - after having grown at a rate above 5 percent for two years - would expand only 2.4 percent. In March, this expectation was reduced to zero percent. The exchange rate, which had been oscillating at around R\$ 1.70 before the crisis, was at R\$ 2.30, and it was thought that it would remain at this level. It was also expected that the SELIC rate (the Brazilian Central Bank's overnight lending rate), which was then 13.75 percent, would reach 12 percent at the end of the year.

That outlook pointed toward a retraction of hotel demand for business and events. However, the outlook was promising for resorts, as the appreciation of the dollar would elevate the competitiveness of the resorts (for a very heated domestic demand) and would increase revenues in Reais.

At first, these expectations were confirmed. The GDP fell during the fourth quarter of 2008 and the first quarter of 2009. Uncertainty about the consequences of the crisis caused the postponement or resizing of events, the cancellation of trips, the reduction of trip length, and the contraction of international demand. Although the summer of 2008/2009 had been excellent for the leisure hotel segment, the aggregate demand for hotels fell 8 percent during the first semester of 2009.

Gradually, this picture changed. Spurred by fiscal, tributary, and monetary incentives, the Brazilian economy began to grow again starting in the middle of the second quarter, earlier than the main industrialized countries and other emerging powers. Capital flows returned to the country, bringing the exchange rate to R\$ 1.90 (July) and then R\$ 1.75 (December). The influx of capital, low international interest rates, and the absence of inflationary pressures allowed the SELIC rate to reach 8.75 percent in July. Although the predictions for 2009 growth remained low, the projected 2010 GDP was gradually adjusted, from 3.8 percent in January to 5.2 percent in December.

The hotel industry immediately felt the effects when companies rushed to resume their projects, meetings, and events. While the exchange rate variations once again stimulated outbound international tourism (thereby threatening the resorts), the urban markets began to recover. The return of economic activity caused the fourth quarter aggregate demand to surpass that of the same period in 2008 by almost 1 percent. This increase, which was associated with a 2.6 percent increase in ADR, resulted in a 3.5 percent greater RevPAR that quarter as compared to 2008. This growth, however, did not completely compensate for the initial losses. Overall in 2009, there was a retraction of demand (-5.0 percent) and RevPAR (-3.5 percent in real terms). Despite this, the evolution of the quarterly results shows a clear recovery trend for the following months.

OUTLOOK

For 2010, there is an atmosphere of optimism. The expectation is of strong GDP expansion (+5.35 percent), a stable exchange rate (R\$ 1.80 at year's end), and an increase in the SELIC rate (11 percent at year's end) that is expected to contain the inflationary pressure resulting from heated demand. While the global economy has shown no signs of recovery, Brazil has emerged as an option: foreign direct investment (FDI) for 2010 (projected at US\$ 37.5 billion) will be at its second-highest level in history, despite the expected reduction in global FDI. In November, The Economist had a cover illustration of Rio's Christ the Redeemer statue taking off like a rocket, and the magazine affirmed that Brazil has managed for the first time to bring together price stability, democracy, and growth.

This favorable situation has made the Brazilian hotel industry especially attractive. Since 2008, seven large international hotel chains - including three of the world's four largest - have set up development teams in Brazil. There are other reasons for all this attention besides Brazil's economic power. The country will host the 2014 World Cup and the 2016 Olympics - events that induce demand, increase visibility, and set a deadline for the execution of large public investments, thereby increasing executive confidence and ensuring strong economic activity.

Another important factor is the creation of the Pro-Copa line of credit, which will make available R\$ 1 billion for the renovation and expansion of the hotel supply, with attractive interest rates and terms (starting at 6.9 percent, in up to 18 years), through the Brazilian Development Bank - BNDES.

In some markets, the new financing conditions will make projects feasible sooner than they otherwise would be. Developers and property owners will finally be able to count on a good mechanism for financial leveraging.

A window of opportunity has opened: economic growth, international visibility, major events, and debt capital.

As a result, the performance of the majority of urban markets should consistently improve until the new hotels currently being planned begin operation. Until then, there is room for acquisitions. Where there are barriers to entry, it is expected that there will be a significant number of acquisitions and conversions, considering the limited potential for new developments. Besides this, certain markets will become promising due to major infrastructure projects. In addition, the popularization of certain financial mechanisms and the attractiveness of Brazil in the international market will facilitate the design of new investment strategies.

Despite the promising outlook, there are some risks and important restrictions. It is necessary to be fast in order to take advantage of the

best moment for opening new hotels. Land prices (pushed upwards by residential and commercial projects), zoning laws (which make some plots unsuitable for hotel use), and the lack of available spaces are the main challenges. Such factors can significantly restrict or delay the implementation of new hotels. Companies focused on conversions may have trouble identifying properties that meet the technical specifications of international brands. If in some markets it will be difficult to develop properties, in others there is a high chance of excessive expansion of the supply. Finally, the resources of the Brazilian Development Bank might not meet the demand for debt.

Weighing the risks and opportunities, the expected conditions of the Brazilian hotel market are exceptional. Knowledge and agility is required to take advantage of the various opportunities that arise.

¹Information on predictions of economic variables was obtained from Boletim Focus-BACEN (Central Bank of Brazil).



RIO DE JANEIRO

At the beginning of 2009, the expectation for Rio de Janeiro's hotel market was one of modest performance. The cooling of economic activity (resulting from the international crisis) should result in the retraction of international demand, as well as of domestic event and business demand. On the other hand, the change in the exchange rate suggested that there would be an increase in domestic leisure demand and an increase in revenue in Reais. After considering all of the factors, it was predicted that there would be a 3.0 percent decrease in demand, and that Average Daily Rates (ADR) would remain the same in real terms.

Over the course of the year, the change in the economic situation attenuated the predicted tendencies. By the beginning of the second semester, the economic recovery was evident and the exchange rate returned to pre-crisis levels. This provoked a fast recovery of demand, but it reduced the gains that had been generated by the variation in the exchange rate. As a result, 2009 registered a small decrease in demand (-0.9 percent), an increase in the ADR (2.3 percent), and a slight positive variation in supply (0.2 percent) caused by the reopening of rooms that had been closed for renovations the previous year. Consequently, there was a 1.1 percent increase in the city's RevPAR in real terms.

This general picture represents the sum of different realities for the categories of hotels analyzed. The **Top** hotels (those with ADR above R\$ 400) had a fall in occupancy (-5.4 percent), associated with an increase in ADR in Reais (4.5 percent). The result was a decrease in RevPAR (-1.2 percent).

The **Upscale** hotels (ADR between R\$ 300 and R\$ 400) had the largest ADR increase (8.6 percent) but a decrease in occupancy (-5.8%). The sum of these opposite effects was positive, resulting in a 2.3 percent expansion of RevPAR, despite the 0.5 percent increase in supply.

The **Midscale** segment (with ADR between R\$ 150 and R\$ 300) showed a significant increase in occupancy (6.3 percent) and a retraction of the ADR (-3.3 percent), resulting in the greatest increase in RevPAR (2.9 percent). As this segment has relatively

little international demand, exchange rate variations did not significantly affect its ADR.

It can be noted that the variation of demand in the three segments indicates that the economic crisis has stimulated interest in less expensive accommodations. This fact may be a reflection of the greater relative participation of domestic demand, which is more sensitive to price.

For the next few years, the outlook is one of increasing economic activity. There is a growing perception that there will be a large volume of public and private investment in the city, with a very positive outlook for an increase in hotel demand.

This perception is based on the following facts: the hosting of the World Cup in 2014; the hosting of the Olympics in 2016 (announced in 2009); expected investments in the naval, petrochemical, transportation, and international commerce sectors (among others); the implementation of the Porto Maravilha project; and the pacification and urbanization of run-down areas of the city.

With all of this, investors found it to be a good time to move ahead with new hotel ventures in the city.

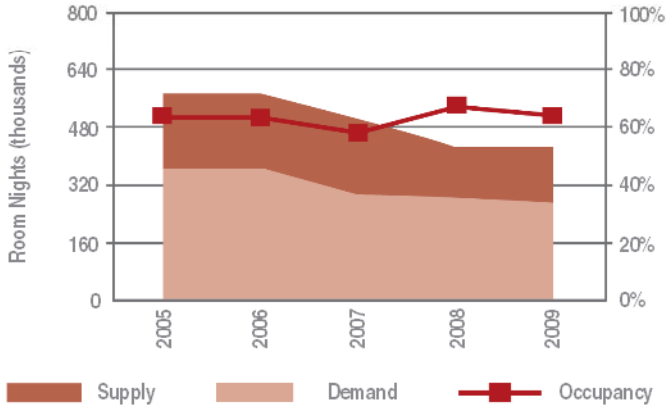
Taking into consideration just the most promising projects - located mainly in the Barra da Tijuca and Zona Sul (Southern District) neighborhoods - it is hoped that the supply will increase at least 10 percent during the next three to four years, not including the reopening of some of the icons of Rio de Janeiro hotel market, such as the Hotel Nacional (obtained at auction by the businessman Marcelo Gonçalves in 2009), the Windsor Hotel (formerly Le-Meridiën and Iberostar, sold to Windsor in 2009), and the Hotel Glória (currently under renovation, following its sale to the businessman Eike Batista in 2008), which may be operated by a large international brand.

This study is based on a sample of hotels totaling 6,020 rooms, representing 31.3 percent of Rio de Janeiro's total supply (19,260 rooms). In the Top segment, 1,664 rooms were studied (85.1 percent of the segment total); in the Upscale segment, 2,349 rooms (83.5 percent); and in the Midscale segment, 2,007 rooms (31.2 percent). This supply excludes motels, hostels, pensions, and serviced residences that have primarily monthly contracts.

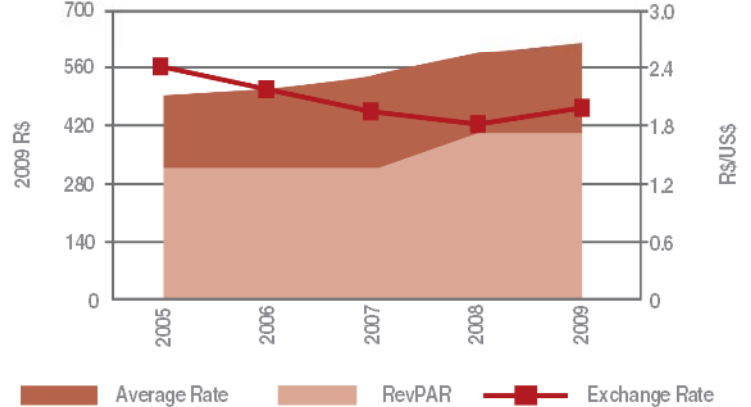
RIO DE JANEIRO

TOP MARKET

Supply, Demand and Occupancy

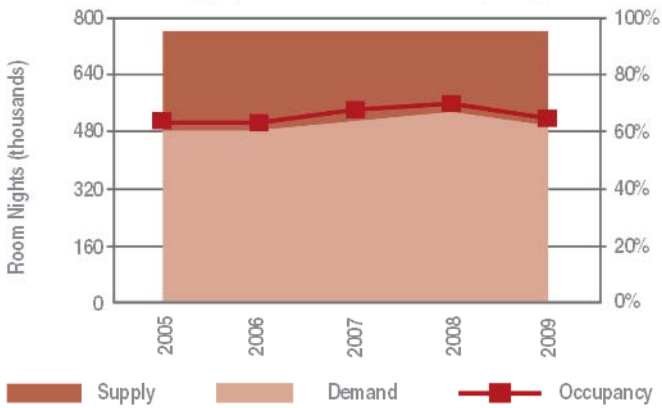


Performance (prices in 2009 Reais)

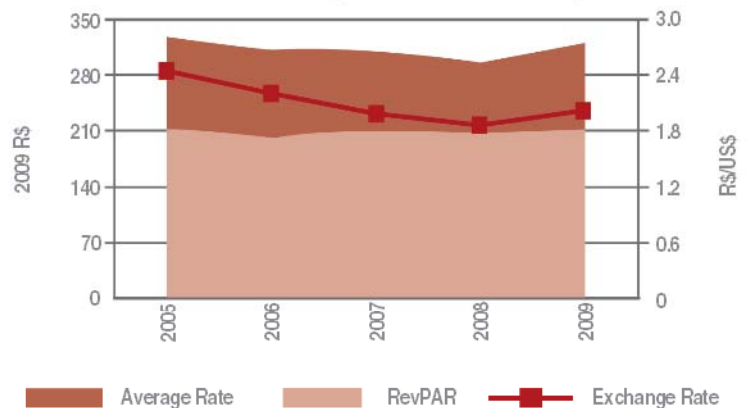


UPSCALE MARKET

Supply, Demand and Occupancy



Performance (prices in 2009 Reais)

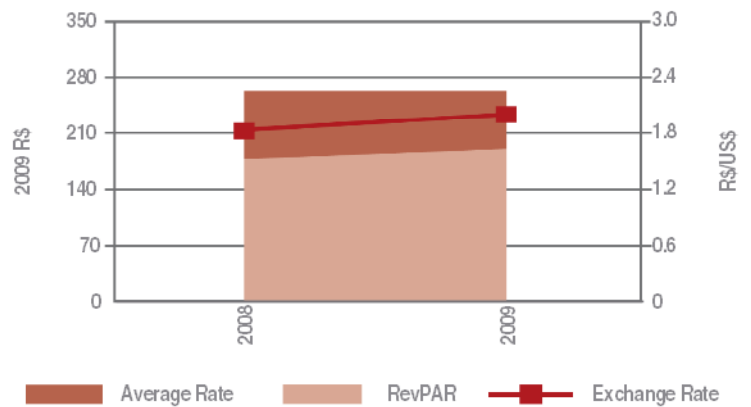


MIDSCALE MARKET

Supply, Demand and Occupancy



Performance (prices in 2009 Reais)





SÃO PAULO

In São Paulo, the hotel market entered 2009 uncertain of the impact of the global economic crisis. It was expected that there would be a decrease in corporate travel and events, but that this would not interrupt the recovery of ADR, which would result in a slightly higher RevPAR in 2009.

The first months of the year have yielded contradictory results. The January and March performance did not show signs of weakness, but the months of February and April were worrisome. This confounded the market, which did not know what to expect from the rest of the year. In truth, February and April were impacted mainly by holidays that, in 2009, fell on unfavorable days for the São Paulo market, which depends almost exclusively on the business and events segment. In the months that followed, the volume of business and events in São Paulo heated up again. Gradually, it was understood that the expectation was for a year with stable nominal RevPAR.

In general, the financial crisis directly impacted the demand for accommodations in São Paulo by -8.0 percent. Nevertheless, there were still some peaks in occupancy during the week, which allowed an increase in ADR (5.1 percent in real terms), compensating in part for the drop in occupancy.

In the **Upscale** market (with ADR between R\$ 300 and R\$ 600), there was the reopening of the Hotel Mofarrej in February under the brand Tivoli, as well as the adhesion of the WTC Hotel to the Sheraton brand, which allowed it to compete directly with upscale hotels. These reopenings induced demand, which increased 9.4 percent in 2009, though they also represented a 21.3 percent increase in available supply over 2008, resulting in a 9.8 percent decrease in occupancy. ADR in nominal terms increased, but they changed by -0.3 percent in real terms, thus generating a 10.1 percent decrease in RevPAR.

In the **Midscale** and **Upper-Midscale** market (with ADR between R\$ 150 and R\$ 300) there was no change in supply, and demand was negatively impacted, falling 9.4 percent in relation to 2008, leading to an equally large drop in occupancy. As expected, this did not interrupt the process of recovery of ADR, which had a real increase of 6.0 percent. With this, the RevPAR in nominal terms had a slight increase

of 1.1 percent in 2009, which represents a real variation of -3.4 percent.

In 2010, the expectation is that the demand for hotels will begin to increase, once again reaching 2008 levels. In the final quarter of 2009 the demand for the Midscale and Upper-Midscale segments already showed signs of recovery, with a very small retraction of just 0.8 percent in relation to the same period the previous year (which had been a very good period for the city's hotel market, despite being after the start of the financial crisis).

Moreover, São Paulo is still not expected to have an increase in its hotel supply within the next few years. Beyond the difficulty of finding well-located plots at adequate prices for new hotels in the city, the current ADR are still low, which makes the market value of the hotels in operation lower than the construction cost of new ventures.

With the supply stabilized and the demand increasing sharply, there will be strong upward pressure on ADR, which should increase by more than 10 percent in 2010. This would result in a much higher RevPAR than in 2009.

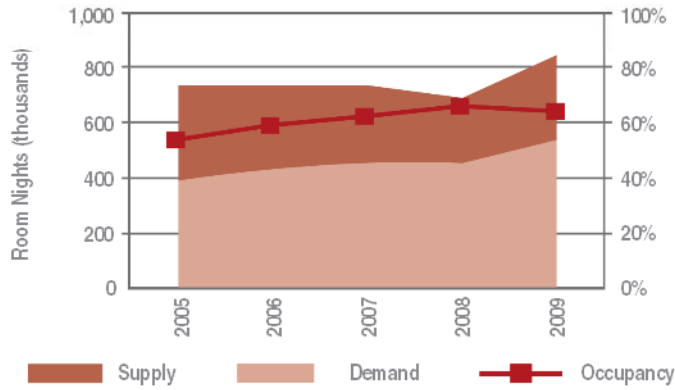
São Paulo's market situation is favorable for current investors and owners of hotel units in the city. The financial crisis merely slowed the recovery of the market, which in 2010 is already showing signs of good performance. The secondary market of condo-hotel rooms is still the best way to invest in the industry during the next few years; however, due to the heated real estate market, the value of these assets has gone up significantly, making it necessary to carefully analyze opportunities to identify the best ones.

This study is based on a sample of hotels totaling 9,072 rooms, representing 27.2 percent of São Paulo's total supply (33,360 rooms). In the Upscale segment, 2,332 rooms were studied (100 percent of the segment total); in the Midscale and Upper-Midscale segment, 6,740 rooms were studied (40.9 percent). This supply excludes motels, hostels, pensions, serviced residences with primarily monthly contracts, and condo-hotels that are outside the hotel pool.

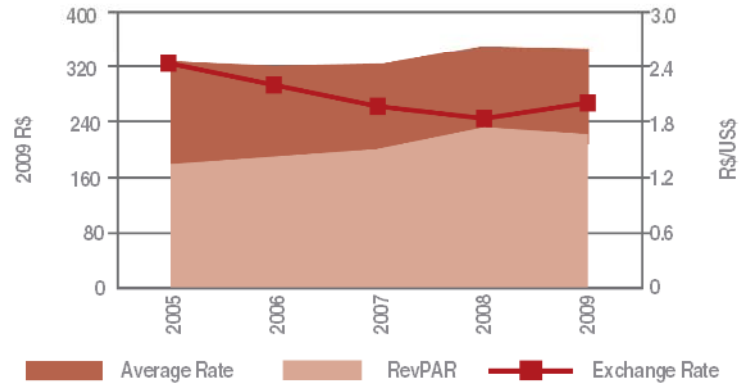
SÃO PAULO

UPSCALE MARKET

Supply, Demand and Occupancy

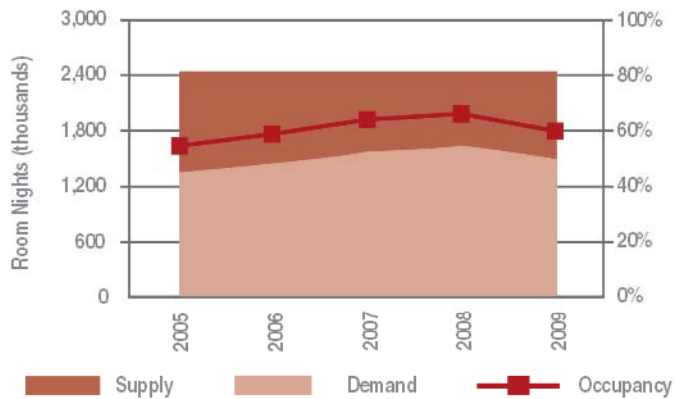


Performance (prices in 2009 Reais)

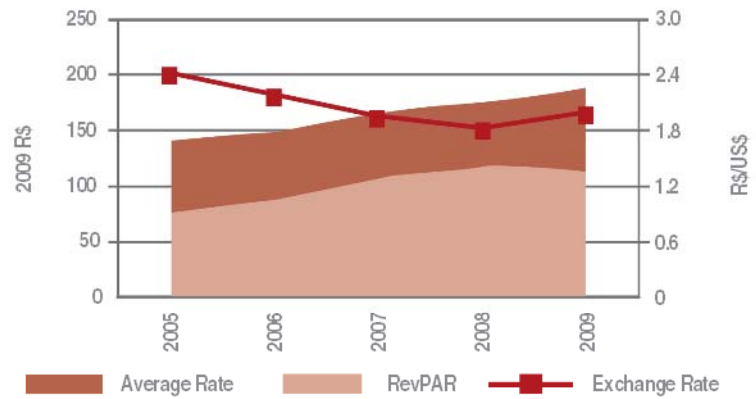


MIDSCALE AND UPPER-MIDSCALE MARKET

Supply, Demand and Occupancy



Performance (prices in 2009 Reais)





SALVADOR

Salvador's hotel market entered 2009 with uncertainties. The visible indicators showed that the crisis had not yet strongly affected Brazil and that the valuation of the dollar - which occurred at the end of 2008 - would stimulate leisure tourism in the Northeast.

As the year went on, some perceptions were confirmed, while others suffered sharp alterations; this resulted in performance inferior to that of 2008, especially for the economy segment. The financial crisis affected the oil and export commodity businesses (important activities in the city), provoked the reduction, postponement, or cancellation of many events, and reduced the propensity of European and American tourists to travel, especially to long-haul destinations. Furthermore, the devaluation of the dollar with respect to the Real made the city more expensive relative to other international destinations. In this context, the coastal resorts north of Salvador reduced their rates, aiming to attract events and leisure tourists. With reduced prices and grandiose facilities, the resorts managed to attract part of the demand that would otherwise have stayed in the capital.

As a result, Salvador's ADR decreased by just 1.4 percent while the occupancy fell 7.4 percent, causing an 8.7 percent drop in RevPAR. The decrease in occupancy was due to a slight reduction in demand (4.3 percent), which resulted from the economic crisis and competition from the resorts, associated with a 3.3 percent increase in Salvador's supply in 2009.

In the **Upscale** market (ADR above R\$ 170), the RevPAR decreased by 7.1 percent as a result of a 7.3 percent drop in occupancy and an increase of only 0.2 percent in the ADR. Despite the increase in demand in this category (5.0 percent), the supply of room nights increased 13.3 percent, due to the opening of the Gran Hotel Stella Maris at the end of 2008 and the Pestana Bahia Residence in mid 2009.

The **Economy** market (with ADR below R\$ 150) was hit even harder. Occupancy suffered a 7.9 percent drop, while the ADR fell 6.7 percent, resulting in a 14.1 percent reduction in RevPAR. The supply was

reduced 3.3 percent with the closing of the Salvador Praia Hotel, and the demand fell to 775,000 room nights, 10.9 percent less than in 2008.

For 2010, Salvador's outlook is for minor growth of demand, resulting from a mix of positive and negative factors. Despite the stimulus generated by the resumption of Brazil's economic growth, the low exchange rate will continue to make Salvador a less competitive destination internationally. At the same time, the resorts on the northern coast should maintain aggressive rates to attract events and tourists for their enterprises, competing directly with Salvador.

In addition, it is expected that there will be a large increase in supply for the coming years. Among the new openings, it is expected that the Caesar Business, the Catussaba Suites, and the Hotel Matiz will begin operation as early as 2010. Moreover, it is expected that the Intercity and the Fasano Salvador will open in 2011 and the Ibis Aeroclube and the Hilton will open in 2012. This developing supply will add more than 1000 rooms to Salvador's market, which represents a 16.2 percent increase over the next three years.

Given the estimated evolution of the demand and the supply, 2010 occupancy in Salvador should remain slightly above the 2009 level. Considering the estimated occupancy level and the existing pressures, it is expected that the ADR will also remain just slightly above the level reached in 2009.

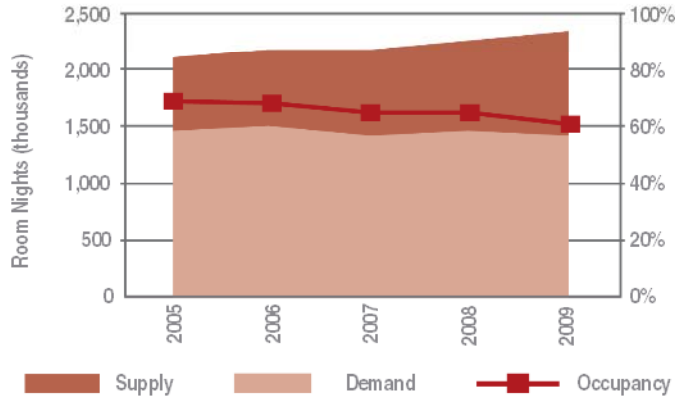
Given the current conditions, predictions for Salvador's hotel market are not favorable, even with the positive outlook for Salvador's economy. The increase in demand generated by the economic upturn will be tempered by exchange rate pressures. Moreover, the additional room nights generated will be shared with the resorts on the northern coast. In this way, the slow evolution of demand combined with a marked increase in supply should result in a period of low evolution of RevPAR; there may even be a risk of retraction.

This study is based on a sample of hotels totaling 4,213 rooms, representing 65.5 percent of Salvador's total supply (6,436 rooms). In the Upscale segment, 2,213 rooms were studied (77.6 percent of the segment total); in the Economy segment, 2,217 rooms were studied (61.1 percent). This supply excludes motels, hostels, pensions, and serviced residences that have primarily monthly contracts.

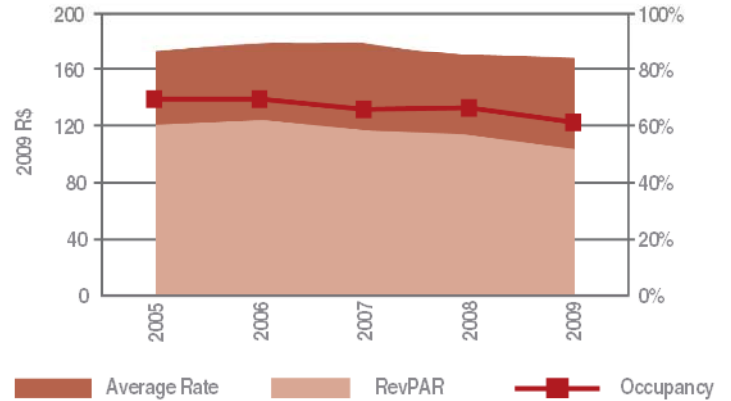
SALVADOR

MARKETWIDE

Supply, Demand and Occupancy

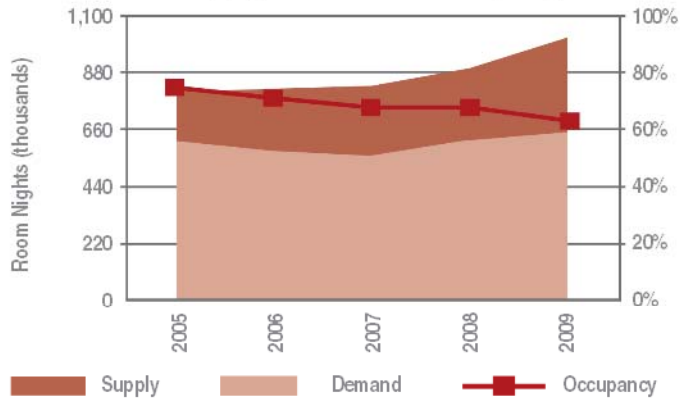


Performance (prices in 2009 Reais)



UPSCALE MARKET

Supply, Demand and Occupancy

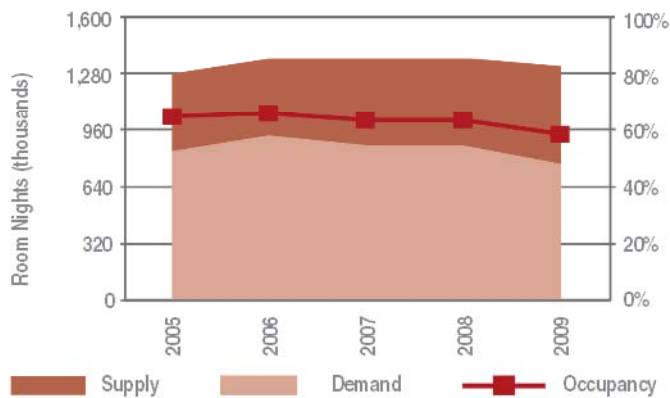


Performance (prices in 2009 Reais)

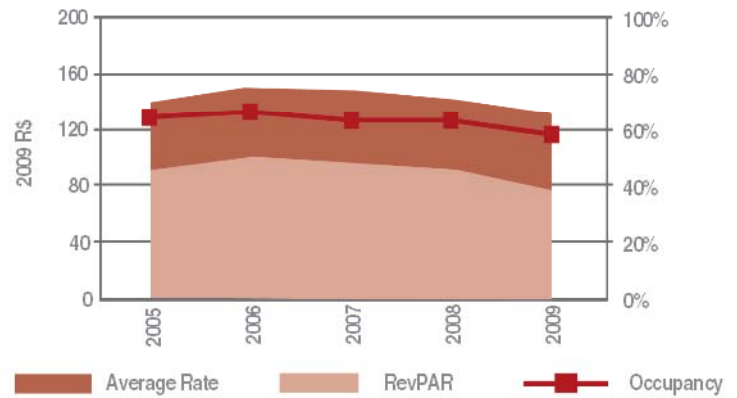


ECONOMY MARKET

Supply, Demand and Occupancy



Performance (prices in 2009 Reais)





CURITIBA

In this second edition, the Brazilian Hotel Market Overview begins to cover Curitiba along with other Brazilian hotel markets.

Curitiba, the capital of the state of Paraná, is the seventh most populous city in Brazil and the second largest in the southern region, with more than 1.85 million residents. With a diversified industrial pole, it is among the ten largest Brazilian economies. In 2009, it received about 3 million tourists and registered 4.85 million air arrivals and departures..

As Curitiba is essentially a city of business and events, these two categories, taken together, represent 90 percent of the city's hotel demand. Its seasonality is related to the academic calendar. Vacation months have the lowest occupancy; more room nights are registered during the second semester due to a marked increase in events held in the city. During the week, the greatest demand for hotels is from Monday to Thursday.

The city's qualified hotel supply totals 7,195 rooms, distributed among 82 enterprises. The hotels are divided into four categories, based on their infrastructure, services, and practiced ADR: budget (BUD) - up to R\$ 74; economy (ECO) - between R\$ 75 and R\$ 104; midscale (MID) - between R\$ 105 and R\$ 144; and upscale (UPS) - between R\$ 145 and R\$ 230.

The first cycle of hotel development in the city began in the 70s, fueled by growing industrialization. Until the beginning of the 90s, the evolution was slow, gradual, and limited to the city center, basically consisting of BUD and ECO hotels that were independently managed. With the improvement in the macroeconomic climate following the Plano Real, the city underwent a period of great expansion. Brazilian and international chains constructed various hotels, ranging from economy to upscale, this time in a more pulverized manner. Batel, an upscale region of the city has become a new center for hotels.

Between 1998 and 2004, the supply increased by 80 percent - an average of 10 percent per year. During this period, 34 enterprises (3,000 hotel rooms), most of them condo-hotels, were inaugurated.

The construction of new hotels caused the performance to plunge, giving rise to a difficult period in the Curitiba hotel market. Still today, the confirmed occupancy rate and ADR are low as compared to those of other Brazilian destinations.

The beginning of 2009 was marked by uncertainty for Curitiba's hotels. Doubts relating to the impact of the global financial crisis on Brazil left hotel industry executives reticent. The first practical effect of this concern was the freezing of ADR increases. After the confirmation of the change in outlook for Brazil's growth - resulting from the release of Brazilian economic indicators for the fourth quarter of 2008, in March - myriad events were cancelled or at least postponed, leading to a marked drop in occupancy in the second quarter of 2009.

At the beginning of the third quarter, despite the tempering of Brazilian executives' crisis of confidence with respect to the national economy, the H1N1 virus (swine flu) scare gained visibility in Curitiba more than in any other region. As a result, occupancy - especially in the month of August - began to fall again. With the end of media coverage of the virus, and with the recovery of the economy, the last quarter showed real growth in hotel performance.

Curitiba's hotel industry ended 2009 with modest performance. In the **Midscale** segment, the ADR was R\$ 120, while occupancy reached 62 percent. In the **Upscale** market, the ADR did not exceed R\$ 176, and occupancy was at only 47 percent.

For the end of 2010, it is expected that ADR in both segments will recover, probably by more than 10 percent, in terms of nominal value. The demand should increase moderately, at around 5 percent, and the supply should increase 3.5 percent with the opening of a 250-room Ibis in the Batel region.

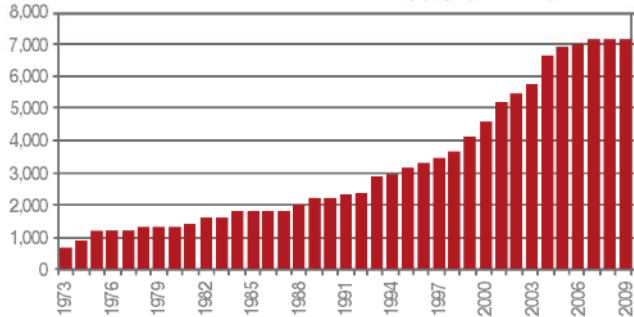
¹Data from the Secretary of State for Tourism of Paraná and from Infraero.

²This study is based on a sample of hotels totaling 2,000 rooms, representing 27.8 percent of Curitiba's total supply (7,195 rooms). In the Upscale segment, 932 rooms were studied (100 percent of the segment total); in the Midscale segment, 1,068 rooms were studied (65 percent). This supply excludes motels, hostels, pensions, and serviced residences that have primarily monthly contracts.

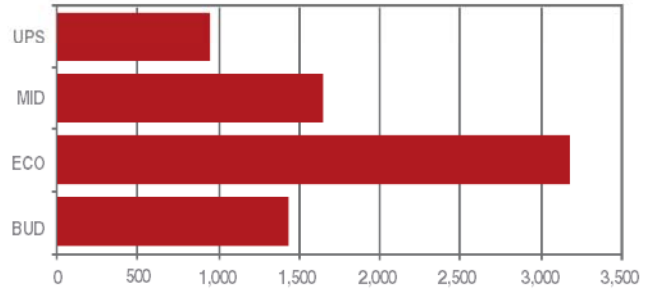
CURITIBA

MARKETWIDE

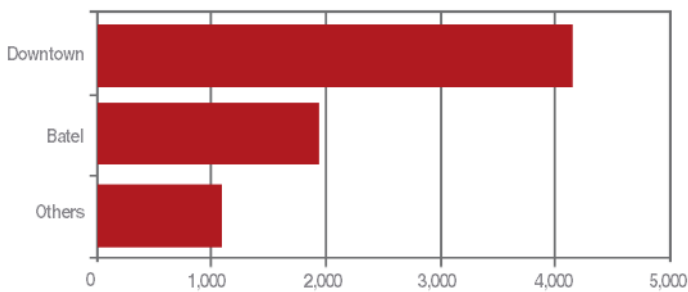
Evolution of Current Supply (rooms)



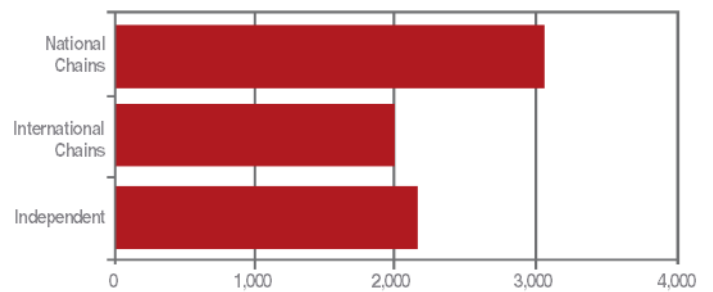
Distribution of Supply by Segment (rooms)



Distribution of Supply by Region (rooms)

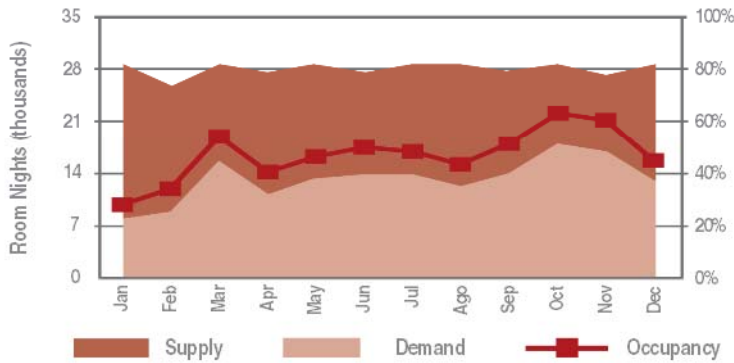


Distribution of Supply by Affiliation (rooms)

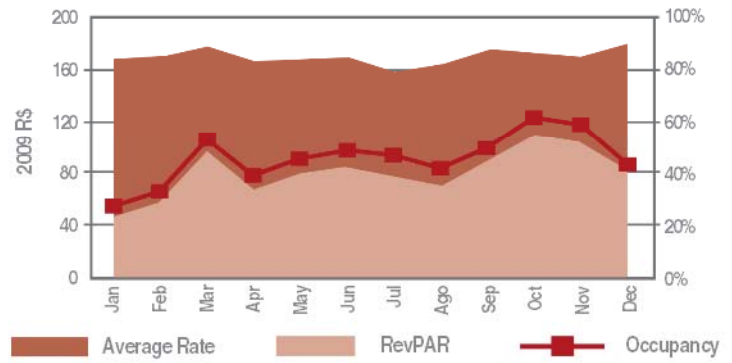


UPSCALE MARKET

Supply, Demand and Occupancy

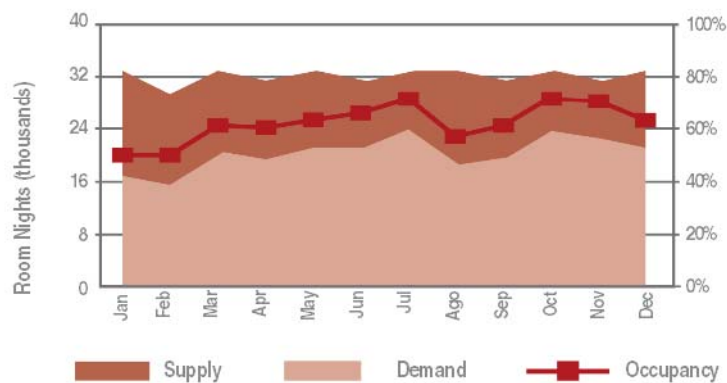


Performance (prices in 2009 Reais)

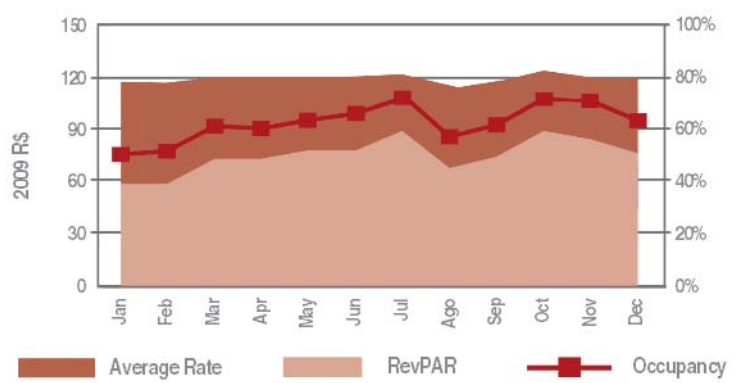


MIDSCALE MARKET

Supply, Demand and Occupancy



Performance (prices in 2009 Reais)



About HVS

HVS is the world's leading consulting and services organization focused on the hotel, restaurant, shared ownership, gaming, and leisure industries. Established in 1980 by President and CEO Steve Rushmore, MAI, FRICS, CHA, the company offers a comprehensive scope of services and specialized industry expertise to help you enhance the economic returns and value of your hospitality assets.

Steve began his career in the 1970s as a consultant in the hospitality division of a prominent New York City real estate firm. Through that experience, Rushmore noted the limited body of knowledge available to assess the value of hotels and motels, taking into consideration both the business and real estate components. Rushmore's first book, *The Valuation of Hotels and Motels*, quickly became the definitive work on the subject, and soon after, HVS was born. The HVS method of providing an economic study and appraisal for hotels and motels immediately became, and continues to be, the industry standard.

Over the past three decades, HVS has expanded both its range of services and its geographical boundaries. The company's global reach, through a network of 30 offices staffed by 400 seasoned industry professionals, gives you access to an unparalleled range of complementary services for the hospitality industry:

Consulting & Valuation
Investment Banking
Asset Management & Advisory
Hotel Management
Hotel Parking Consulting
Executive Search
Food & Beverage Services
Gaming Services

Convention, Sports & Entertainment Facilities
Interior Design
Sales & Marketing Services
Shared Ownership Services
Golf Services
Eco Services
Risk Management

Our clients include prominent hotel owners, lending institutions, international hotel companies, management entities, governmental agencies, and law and accounting firms from North America, Europe, Asia, Latin America, and the Caribbean. Our principals literally 'wrote the book' on hospitality consulting, authoring numerous authoritative texts and hundreds of articles. HVS principals are regarded as the leading professionals in their respective regions of the globe. We are client driven, entrepreneurial, and dedicated to providing the best advice and services in a timely and cost-efficient manner. HVS employees continue to be industry leaders, consistently generating a wide variety of articles, studies, and publications on all aspects of the hospitality industry.

HVS is the industry's primary source of hotel ownership data. Our 2,000+ assignments each year keep us at the forefront of trends and knowledge regarding information on financial operating results, management contracts, franchise agreements, compensation programs, financing structures, and transactions. With access to our industry intelligence and data, you will have the most timely information and the best tools available to make critical decisions about your hospitality assets.

For further information regarding our expertise and specifics about our services, please visit www.hvs.com.

About HVS São Paulo

Over the course of its more than ten years of activity in Brazil, HVS São Paulo has done consulting projects for more than 200 hotels and resorts in the country and abroad, in addition to creating tourism development plans for the Brazilian states of Bahia and Maranhão. Today, its Asset Management division assists 14 hotels located in São Paulo, Rio de Janeiro, and Salvador. As the strategic manager of the Hotel Maxinvest Investment Fund, HVS supervises assets in excess of R\$ 113 million¹.

In Brazil, HVS offers the following services:

- Feasibility studies;
- Appraisals;
- Business plans;
- Market studies;
- Structuring of tourism hotel and real estate ventures;
- Asset Management of hotel ventures;
- Strategic Management of Hotel Investment Funds;
- Tourism planning and management consulting.

About the Authors



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¹Based on 565 rooms in 44 different hotels in Greater São Paulo. Estimate based on an appraisal done by an independent consultant.