

THE HOTEL BOOM

THE RUSH TO GET ESTABLISHED IN BARCELONA STARTED WHEN THE CITY'S OLYMPIC PROJECT WAS FIRST TALKED ABOUT.



© ELOI BONJOCH

ANNA FARRERO JOURNALIST



Recently, Barcelona has become the centre of attention of the hotel companies. Many foreign companies have been looking for land or buildings for the construction of hotels. At the same time, the city has seen extensive construction of hotels with Spanish or Catalan capital, which will significantly increase the present hotel offer.

The rush to get established in Barcelona started when the city's olympic project was first talked about. The hopes the proposal gave rise to were fulfilled on 17 October 1986, when the President of the International Olympic Committee, Joan Antoni Samaranch, announced the nomination of Barcelona as host to the 1992 Olympic Games.

From that moment, a construction boom was unleashed, particularly in the hotel sector, where competitors elbowed desperately for positions, working basically with two figures in mind. According to statistics from the *Direcció General de Turisme de la Generalitat de Catalunya*, it would be a good thing if the total hotel offer reached 35,000 places in 1992, of which 15,000 should be luxury -that is to say, in four and five star hotels. At present, there is a total offer of 26,000 places in Barcelona, a fairly low figure for a city that is a business and congress centre. It is well known that when two important events coincide here, whether

fairs or congresses, it becomes impossible to find accommodation. In these cases, one has to resort to the hotels outside the city, such as those in Castelldefels, Bellaterra or even further afield, with all the inconveniences and loss of time that that entails.

Now, a year after the olympic nomination, ten projects have been started that will increase the 26,000 places by 2,200.



Almost all these new hotels are of four and five stars, with investments that go from 600 million pesetas in the most modest case to 2,000 million in the most ambitious project. It is precisely in the highest categories, where there are only 7,000 places over three stars, that there is the greatest need for expansion. Two years from now, when these projects have been completed, there will be 9,200 places, still a long way from the 15,000 that the forecasts predict will be needed. The new hotels will be situated in three very different and decisive areas of the city.

The first of these areas will be the *Diagonal*. This important gateway of the city is the expensive area *par excellence*, where there is now little land available for development, making it even more expensive, and where there is already a lot of building taking place.

The other area that a lot of hotel companies have set their sights on is the *Eixample*, a much more traditional part of the city as regards commercial and financial centres. The only inconvenience is that the chance of finding land to build on here is practically nil and it is therefore a question of buying old buildings and converting them accordingly. A pioneer Catalan group in this field did just this two years ago. The restoration of an old building on the *Passeig de Gràcia* was a



great success and marked the way for many similar projects which have recovered the city's palaces, old factories and so on. At the present moment, five hotels are under construction using this formula. With care, these restorations can mean the recuperation for the city of buildings with great historical value, real architectural jewels which must of course be respected and restored in harmony with their surroundings.

The third area in demand is that resulting from the promotion of the neighbourhood surrounding the congress halls around Montjuich. The *Fira de Barcelona*, which organizes many salons and fairs throughout the year, will now be equipped, thanks to a special plan drawn up by the City Hall, with an important urban thoroughfare with a service area included.

It should also be mentioned that, within the plan for the future Olympic Village, the Ministry of Public Works plans to build two hotels.

The foreign companies have shown enormous interest in opening their doors to the metropolis that will host the 1992 Olympic Games. Chains such as the North American Holiday-Inn and the French Sofitel, amongst others, have already been fighting for their share of the market for some time. In fact, after 17 October 1986, the biggest hotel chains sent special representatives to meet the representative authorities and find out about the strategic sites that were available. But the construction boom that

Barcelona is going through, also as a consequence of the olympic euphoria, led to the failure of the negotiations. For this reason, only Spanish businessmen, most of them Catalan, have so far started the adventure. Only one foreign company has managed to establish itself in the Catalan capital in the last year. This is the North American group Ramada, which has bought a hotel in the *Rambles* for conversion to five star. However, other groups have not ceased in their efforts, and have decided—in some cases there are already firm contacts established—to open establishments in spite of all the difficulties.

Even the Sheraton group, which has been trying to find an opening in Barcelona for some time, and whose plan to do so on the *Diagonal* failed, has now announced its implantation.

The opening, for the moment, of these ten hotels, and the thirteen others foreseen before 1992, will obviously mean a distribution of the market between them. According to the sector's calculations, the present average annual occupation of 65 % could drop to 58 %. It is also thought that the new hotels will cater for the demand from the business world, while the older hotels will have to be satisfied with the groups of package tourists organized by the tour operators. Now, alongside those who see the hotel boom as inevitable and profitable, there are those who fear that after the Games the bill will be more difficult to pay. ■