



Under the microscope



Chadi Chidiac, managing partner of Protocol hospitality management and consultancy, takes a closer at Erbil

The Erbil governorate was the most desired destination for foreign investment in 2011, with over USD 1.2 billion channeled into the Kurdistan region's capital last year. That is about 57% of the USD 2.18 billion foreign money sloshing about the region, according to a survey by the Kurdistan region's investment board.

"Most hotels are central and just provide basic amenities"

Erbil is close to the borders of Turkey and Iran and is frequently visited by journalists and business travelers. But there are also many key attractions for tourists. The area's hotels are in central locations and provide basic amenities like en suite bathrooms and dining opportunities. Some hotels also have extra luxuries like spas, pools and health centers. The city's newly finished airport renovations have attracted major international carriers, including Lufthansa and Fly Dubai, making it a gateway to the region.

Destination benefits

"Erbil is an encouraging destination with a lot of economic and commercial opportunity," said **Ed**

Fuller, president of international lodging for **Marriott** believing that the city serves as a gateway to a region with vast deposits of oil and gas, fertile soil for agriculture and antiquities. The city's proponents say it is safe, and hoteliers say that the demand is there.

If you build it, they will come

In addition to the considerable number of hotels in Erbil which are located all around the city center from all tiers properties (3, 4 and 5 star), counting around 1,543 rooms distributed on three segment tiers (3, 4 & 5 star) and many upcoming projects are in the pipeline. **Marriott**, **Hilton Worldwide** and **Best Western** have recently inked deals to manage brand new hotels in Erbil, which already has development projects underway for residential towers, private villas, office towers and retail and leisure space.

Best Western recently agreed to manage two of its branded hotels there, including the Premier Erbil Hotel, which will have 160 rooms and 20 suites and is slated to open in mid 2014, and the **Best Western Premier Erbil Airport**, which will have 82 rooms and a tentative opening date in late 2013. The Phoenix, Ariz based hotel chain operator says it hopes to

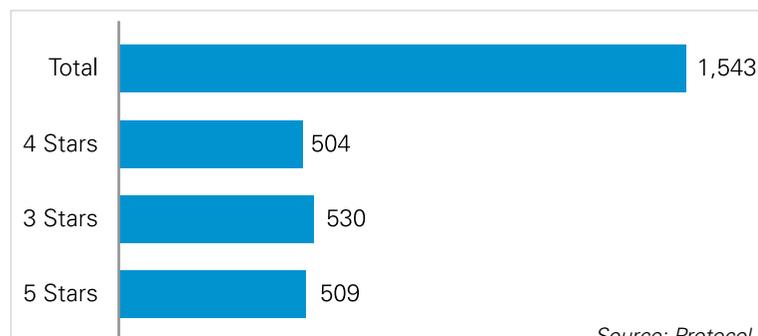
have three hotels in operation by the end of 2015 in Iraq. It's eyeing Sulaimaniyah and Dohuk in addition to Erbil, all in Iraq's Kurdistan. **Marriott**, meanwhile, will manage a hotel for Empire Iraq, a private real estate company, that calls for a 200-room upscale **Marriott Hotels & Resorts**-branded hotel and a USD 100 million 75-unit deluxe **Marriott Executive Apartments** property, both are planned to open in 2014. The 200-room **Marriott** is expected to provide a range of amenities to support business travelers, including connectivity, **Empire Iraq** said in a statement.

Hilton's DoubleTree, which it is managed through a partnership with **The Claremont Group**, will have 200 suites, a business center, health club, two restaurants and a lobby lounge and bar. It is slated to open in 2013. **Best Western CEO David Kong** cited Erbil's "promising economy, the influx of foreign investment, an increase in international business arrival," and little supply in the marketplace as reasons why they are investing their resources in Iraq.

"Generally we see Erbil as a great opportunity for development, it's a stable part of the region and has been for a number of years," said **Ian Carter**, president of global operations and development at **Hilton Worldwide**.

Malia Holding s.a.l, a Lebanese holding company, invited **IFC** to consider financing the development of its green-field hotel in the city of Erbil in northern Iraq/Kurdistan region. **Hotel Erbil** is a five star business hotel, with 201 rooms, 4 restaurants and supporting services for a total estimated project cost of \$40.5 million. The hotel is operated by the **Rotana Hotels Management Corporation**, a well-known regional hotel management company based in the U.A.E. The total project cost is estimated at \$40.5 million, **IFC** financed 34.5% of the project cost with a loan of up to \$14 million. The hotel is implemented on a 20,000 m2 parcel of land next to the convention center and the main city park of 200,000 m2, 10 km away from the Erbil International Airport. **protocollb.com**

Number of Keys by Tier



Source: Protocol