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Rezidor enters economy segment through acquisition of prizeotel

The Rezidor Hotel Group today announced its entry to the economy segment through the acquisition of a 49% stake of prizeotel for a price of €14.7m and has secured further rights including the acquisition of the remaining 51% in 4 years from now. Prizeotel is a dynamic start-up company – a young hotel chain with currently 3 operating properties in Germany and 1 further hotel under development. The brand was founded by Marco Nussbaum and co-created with New York-based industrial designer Karim Rashid.

“We are delighted to partner with prizeotel, an entrepreneurial and creative economy brand. It ideally complements our compelling brand portfolio currently ranging from mid-scale to luxury, and facilitates our responsiveness to the evolving needs of our guests. With this transaction, we now offer additional choices and opportunities to both our customers and owners”, said Wolfgang M. Neumann, President & CEO of Rezidor at the International Hotel Investment Forum IHIF in Berlin. “The acquisition allows us a fast-paced entry to the economy segment – an increasingly attractive sector due to its rapid development opportunities and resilience to the economic cycles. Prizeotel is a commercial success story and has differentiated itself through innovative urban design, tech-savvy focus, personal touch and unique team culture – a total fit to Rezidor”, added Neumann.

“Alone we can do so little, together we can do so much. I am glad to partner with Rezidor to transform prizeotel from a local player to an international economy brand. Having started our journey back in 2009, we will now write the next chapter of our unconventional success story. I am happy, proud, chilled and especially thankful for the work and dedication each team member of prizeotel as well as all our partners have put into creating this unique brand”, said Marco Nussbaum, CEO of prizeotel. “The current owners of prizeotel’s real estate will keep the properties and plan to invest in further projects”, ended Nussbaum.

Following the purchase, which will be closed during the next few weeks, Rezidor and prizeotel plan an integrated approach towards the brand’s Business Development as well as Sales, Marketing & Distribution. Prizeotel will continue to be led by Marco Nussbaum, and his team who retain full responsibility for the business. Rezidor will steer key strategic aspects through its shareholding governance represented by Wolfgang M. Neumann. An integrated development and commercial support will be in place to accelerate the pursuit of growth opportunities and optimise business support for prizeotel.

“Combining and cross-fertilizing prizeotel’s market and brand knowledge with Rezidor’s international expertise will unlock value for both organisations. We will initially grow the German network and target key cities in Austria, Switzerland and BeNeLux primarily through leases, but also management agreements. Prizeotel will offer a unique investment proposition with its compelling design, value-engineered development costs, high operating efficiencies and an optional turn-key construction solution”, commented Elie Younes, Executive Vice President & Chief Development Officer of Rezidor.

Prizeotel currently operates 3 hotels with a total of 555 rooms in Hamburg, Hannover and Bremen. Exclusively designed by Karim Rashid, these signature hotels feature an appealing, futuristic look and put a focus on technology as well as hassle-free service for business and leisure guests seeking individual experiences at great value for money. An extension of the property in Hamburg and a second hotel in Hamburg-Reeperbahn were equally announced today.

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