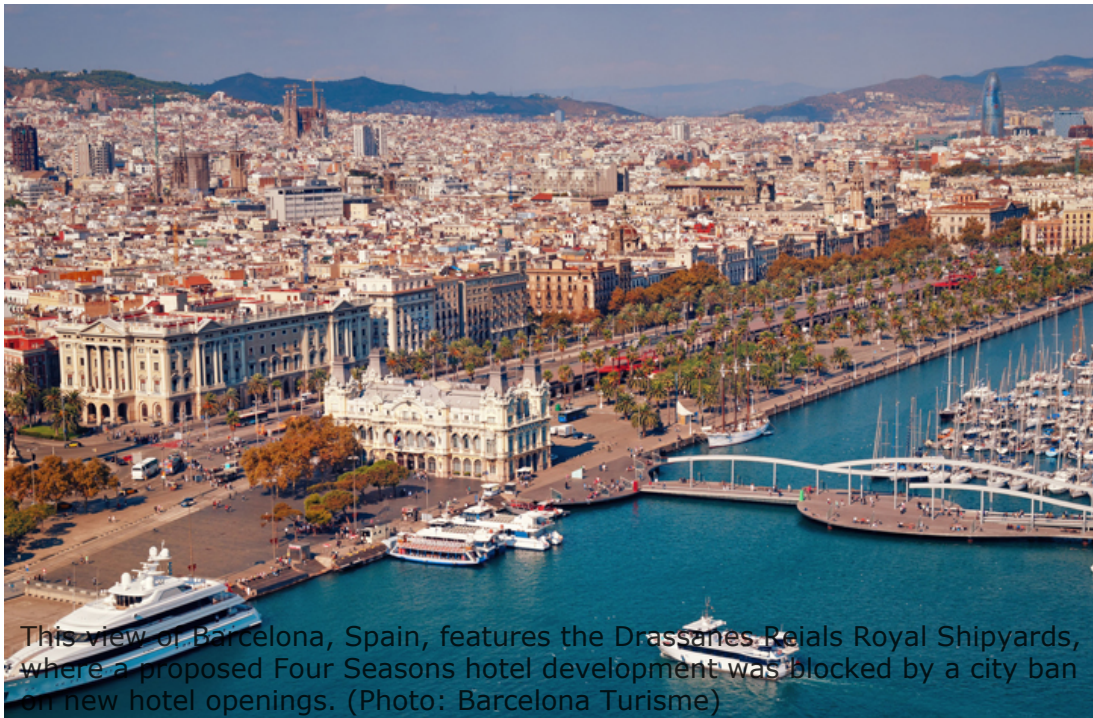


Barcelona ban on new hotels sends developers elsewhere

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The Catalan capital is said to be losing business, while others benefit from the city's freeze on new hotels.



This view of Barcelona, Spain, features the Drassanes Reials Royal Shipyards, where a proposed Four Seasons hotel development was blocked by a city ban on new hotel openings. (Photo: Barcelona Turisme)

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BARCELONA, Spain—In a fairly unprecedented move, Barcelona, Spain, has applied an iron fist ban to new hotel openings and refurbishments, and is actively chasing hotel investors out of the city center.

While other city planners from Bali, Indonesia, to Beverly Hills, California, and Mauritius, Africa, have imposed or considered a suspension on hotel development, Barcelona administrators have taken that quite a bit further by making it a rule of law.

“What began as a moratorium is now a law,” says Javier Serrano, market manager for Spain and Portugal at STR (<http://www.str.com>), parent company of HNN.

Approved by the Ajuntament de Barcelona City Council in January, the new law seeks to dramatically curb the city’s annual 32 million tourists by limiting the number of hotel and tourist apartment beds that can be offered.

According to STR, there are currently 58,289 rooms in the Barcelona market and 1,152 rooms under contract (in construction, planning or final planning) in the pipeline.

The government wants to keep it that way, under the Special Tourist Accommodation Plan introduced by Mayor Ada Colau soon after she took office in July 2015, and now enforced by law.

Colau and her supporters say current tourist numbers are unsustainable for a city of 1.6 million, and hotels earmarked for key locations such as the Drassanes Reials Royal Shipyards in the historic city and port area would further deplete housing stock and force residents out.

Projects halted

“They have knocked back a couple of high profile hotels including the Four Seasons and there may be more on the cards,” said Montse Planas, of the Chamber of Commerce-backed tourism consortium Barcelona Turisme. “They don’t want more hotels so they simply won’t give permission to more hoteliers.

“The law aims to bring down the supply growth and halt investments as well as refurbishments,” Serrano said, “to keep supply under control, and allow no new construction.”

It also puts a halt on issuing licenses for tourist apartments.

Serrano says the Canary Islands did a similar thing with a self-imposed moratorium on all but luxury hotels in 2013.

“But in the Canary Islands case the moratorium was lifted in 2015 and it has now become a hotspot for development. It didn’t do any lasting damage especially with regards to international investors, he said. “But Barcelona is proving very different he adds, despite some claims the effects will not be felt until the current development pipeline trickles out.”

Serrano added that both domestic and international investors now are favoring Madrid over Barcelona.

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