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## **HOTEL BUSINESS IN UKRAINE. IS IT WORTH OPENING NEW HOTELS?**

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*The article reveals the concepts of hotel business and to understand whether it is worth investing in the opening of a new hotel chain in Ukraine.*

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Most of us love travelling and have a great desire for opening new places, attractions, knowledge about the history and culture of different countries. What do you need for a successful trip? Good company, fun guide, interesting excursions, beautiful views, amount of free time, minimum costs, souvenirs or price? In my opinion - comfort. What is it all about? First, the comfort of a bus, train or any other transport on which the traveler gets to his destination. Secondly, the hotel. A good quality hotel can not be found in any city, so the question arises: "How many comfortable hotels that provide a full package of high quality services, open and working in Ukraine?". This is the question we want to reveal in my article.

### **Let`s look through the history of hotel creation.**

The first establishments, similar in the set of services to hotels arise in Ukraine during the period of Kievan Rus, that is, in the twelfth (thirteenth) century [1]. There they appeared because of the advantageous location: the countries of the Mediterranean, the Baltics and Western Europe surrounded Kievan Rus. Consequently, there were plenty of tourists [2]. In the eighteenth century, the construction of new and improved hotels began. They were called "postal tracts." Of course, their appearance was far from a modern hotel, but the services and

purpose of creating such establishments were very similar. Built in 1803-1805, the "Green Hotel" was best known in the 1950s.

Until 1880 There were 15 hotels in Kiev. In addition to food, most accommodation facilities provided services for the delivery of passengers and luggage by horse-drawn crews and hotel omnibuses. Over the next 20 years, 64 new hotels were built in the central part of the city, mainly in the area of Kreshchatika and nearby streets, in the entire history of the city.

Before the First World War in Kiev there were about 80 such hotels. Among the hotels in this category, the most famous hotels were "Austria", "England", "Bristol", "Versailles", "Marseille" and others, the name of which reflected the geography of the whole of Europe.

Until 2014, the hotel business was developing at a very fast pace.

2014 began with a crisis in the hotel market because of which many of them suspended and some even ceased their activities.

Over the past few years, the hotel business has been rebuilding its activities and developing in new specific directions, providing a wider range of high-quality services every year.

If you open a hotel in 2020 - 2025 you need to take into account the following changes in the structure of hotels in Ukraine: in the hotel real estate market oversupply of hotels in the segments upscale, upper upscale, luxury. But at the same time the shortage of quality hotels in the budget categories is midscale, although they are the highest demand.

In Odessa, Kherson, Nikolayevskaya and Zaporozhskaya regions today there is a rapid increase in the number of tourists. According to the Odessa City Hall, 3 million 200,000 tourists visited South Palmyra in 2018 (in 2017 their number was 2.5 million). As in Kiev and other cities of Ukraine, the majority of hotel guests are Ukrainians - about 60-70%.

As for the relevance of buying or building new hotels in Ukraine: in general, the number of hotel places per 1,000. population is 2, in Kiev - 6. Whereas the average in Europe is 14-18.

In general, the conclusion that we do not have enough hotels. According to various estimates, Kiev needs another 12-15 thousand hotel rooms. Of the 8,700 hotel rooms in the capital, only 3% meet international standards. At the same time, the cost of hotel services in Kiev is from \$60 to \$400 per day, and it is constantly growing.

Representatives of foreign capital in general assess the Ukrainian hotel market as complex, but promising for investors and pay more attention to the opportunities to implement projects in the regions of the country [3].

**The analysis shows the activation of investors in the hotel segment of commercial real estate, and this primarily concerns the hotel market in Ukraine. There are a number of reasons for this change, including:**

- The inability of existing hotels to meet existing demand
- A steady increase in demand for world-class apartments
- Saturation of segments of the real estate market with a minimum payback period;
- Increase in the capital of investment companies;
- Relative stability of the Ukrainian economy;
- Changes in foreign policy
- Approaching the EU's borders to Ukraine's borders and gradually integrating the state into the European and global community;
- Improving the investment and business climate within Ukraine;
- Gradual growth of business activity within the country,
- Increased frequency of business visits from abroad;
- The growth of Ukraine's tourist appeal [4].

Changes to the rules of mandatory certification of hotel services are already being prepared. The new certification rules may affect the dynamics of the hotel business, but at the same time will help to improve the quality of services provided. This in turn will be the key to stability and prosperity of the hotel business in Ukraine [5].

**Conclusion:** hotel business is not easy, but with the right management and marketing a good hotel is able to quickly pay off and start to make a profit. The Ukrainian hotel market has great prospects and is one of the most promising in Eastern Europe, but with all the potential for the development of the hotel business in Ukraine, the number of available hotels is not enough for a country with a high investment attractiveness, rich historical past and extensive tourist opportunities. Hotel business in Ukraine is promising for at least four reasons:

First, there is an increase in business activity in the country, which usually inevitably causes an increase in the volume of so-called "business tourism", not only domestic, but also inbound.

Secondly, as the world practice shows, increasing incomes of the population leads to the fact that people travel more and more, and therefore stay in hotels.

Thirdly, Ukraine, which has declared its integration into European structures, is gradually becoming more attractive to Europeans.

Fourthly, hotel fees are expected to decrease and unify, and mandatory payments for hotels should be reduced [6].

### **Література:**

1. Hotel business - business is associated with the provision of services in the hospitality sector and is focused mainly on meeting the needs of tourists, including holidaymakers arriving for business purposes - [https://vsetreningi.ru/schools/gostinichnyj\\_biznes/#ixzz6FkACZI00](https://vsetreningi.ru/schools/gostinichnyj_biznes/#ixzz6FkACZI00)

2. Tourist - "citizen visiting the country (place) of temporary stay in health, cognitive, professional, sports, religious and other purposes without engaging in paid activities for a period of 24 hours to 6 months in a row or exercising at least one night. <https://dic.academic.ru/>"

3. <https://ubr.ua/leisure/travel/ukraina-voshla-v-top-3-po-kolichestvu-novykh-hostinits-3873020>

4. Investments - capital placement for profit -  
<https://ru.wikipedia.org/wiki/%>
5. <http://www.mayger.ua/ru/analitika/gostinichnyj-biznes-v-ukraine-tendentsii-i-perspektivy/>
6. <https://apostrophe.ua/pages/aleksej-abasov-otelnyj-biznes-v-ukraine-razvivaetsya>