

a&o Hostel

Csengeri utca

Europe's largest private owned hostel chain enters the Budapest Market.



Client Objectives

Market leader a&o hostels set Budapest high on its agenda for its Central Eastern European expansion.

The real estate - private equity backed group knew well that the number one rule of real estate -location, location, location- must be matched with the hostel company's operating principle of cost effectiveness. But in a booming market with strong demand and very limited supply of suitable buildings, the task was challenging.

Results

Cresa went all-in on this task to combine its expertise in both hotels and real estate and identified a building in a vibrant and up-and-coming part of town in district 7, just one block away from the most popular young-traveller scene. The building was formerly used as student housing and could be turned into a modern hostel within a relatively short period of time.

As a result, the property will be transformed into Hungary's first a&o hostel over appr 4.500 m² featuring 108 rooms with 412 beds.

The a&o chain was founded in 2000 by Oliver Winter (CEO until today) and Michael Kluge (retired 2016). The company started with just the dream of running a couple of hotels in Berlin. To this day, a&o is the biggest private owned hostel chain in Europe operating 35 houses in 21 cities.



Space

**4.500 m² hostel
with 108 rooms
Csengeri utca
Budapest**



Industry Hostel



Success

**New market entry, off market
opportunity, excellent
location with expansion
option**