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Fairmas

Hotel Report

Fairmas Trendbarometer

In Focus: Bed tax, culture tax, and city tax

First Edition
March 2012

Dear reader,

The hotel market in Germany is growing rapidly and the competitive pressure keeps on increasing. Continuous and up-to-date market monitoring is essential for the successful positioning of a hotel. Comprehensible market analysis is fundamental in order to measure and control a company's success within its market environment.

Since 2004 Fairmas Gesellschaft für Marktanalysen mbH is collecting data and key indicators on a daily basis for the hotel industry. In cooperation with the Solutions dot WG GmbH consulting company the **Fairmas Hotel Report** was developed, which the two companies are presenting you today. The purpose of this report is to give developers, investors, financial institutions and operators the latest industry figures and background information.

On the fifth of each month, the latest hotel information on selected German destinations is published for the first time and commented on.Up to date information makes it possible to react to the influence of events, meetings, functions, and trade fairs, etc.

An important section of the **Fairmas Hotel Report** is the view to the future by using the Fairmas Trendbarometer, which is dedicated to analysing trends at selected destinations for the coming months. This analysis is based on the evaluation of selected, representative hotels at the destinations concerned.

The report is rounded off by a detailed analysis of a current industry issue.

"Bed tax, culture tax, and city tax - Municipal self service at the expense of hotel companies" is the title of the German industry issue in the first edition; The article takes a in-depth look at the hotly debated bed tax introduced in some German cities.

We will also be publishing the **Fairmas Hotel Ticker** on the first day of the month in future, so that you can quickly gain an initial overview of hotel performance in major German destinations over the last few weeks at the end of the month. The ticker can be found at www.fairmas.com/en/news or www.solutionsdotwg.com/en/aktuelles/

Have we been able to whet your appetite? We look forward to your feedback!

Your Fairmas Hotel Report editorial team

February 2012 in comparison to the previous year[1]

A brief overview of hotel performances at selected German destinations:

Berlin: Occ 59,96 % / ADR 95,95 € / RevPar 57,53 €

There was a 5% growth in RevPar in February compared to same period the year before, mainly due to an increase in occupancy. The influence of the ever-growing Fruit Logistica trade fair can be seen here (a 4.4% increase in RevPar during the event as compared to 2011). Other driving forces: The Berlinale (Berlin International Film Festival) – RevPar was up by 2.5% in a year-on-year comparison.

Dresden: Occ 41,45 % / ADR 68,82 € / RevPar 28,53 €

In February there was a 10% jump in RevPar, in particular due to higher occupancy (7.2%), but also due the increase in the average rates (up by 2%). One major reason for this was the fact that around 6,000 police officers had to be accommodated because of a mass demonstration in mid-February. This led to temporary surge in occupancy from 53.8% to 76.5%.

Dusseldorf: Occ 63,64 % / ADR 101,83 € / RevPar 64,80 €

In February, RevPar sank by 29%; probably due to the elimination of EuroShop trade fair in particular (it had 107,273 visitors in 2011).

Frankfurt: Occ 66,22 % / ADR 118,52 € / RevPar 78,48 €

A decline of 3% in RevPar in February, a month that was affected by the later start of the "Paper World" trade fair (it had begun in February the year before) and the weak corporate business during the Carnival period (in 2011, this had been in March). Besides this, the opening of some additional new hotels made itself noticeable, especially during months of low demand.

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[1] All the figures (daily collected) quoted are comparisons with those for the previous year
Source: Fairmas GmbH/STR Global, details as of 02 March 2012

Hamburg: Occ 67,07 % / ADR 100,47 € / RevPar 67,39 €

February saw a 5% growth in RevPar compared to the previous twelve months, which was mainly caused by an increase in occupancy. The stable economic situation and improved corporate business did have a positive influence. The tourist trade did not – there was a 14% fall in RevPar during the "Alstervergnügen" weekend event, despite the presence of a million foreign visitors (occupancy: -11.4%, ADR: -3%) compared to the same period 2011.

Cologne/Bonn: Occ 64,73 % / ADR 100,54 € / RevPar 65,08 €

In February, there was a significant increase (10%) in RevPar (+ 5.4% occupancy, + 4% ADR), influenced by the Carnival period, which is important for the tourism business (the period was in the month of March in 2011); During this period peak occupancy of up to 84.5% for the overall city.

Leipzig: Occ 58,32 % / ADR 68,15 € / RevPar 39,75 €

In February, there was a 16% increase in RevPar, probably influenced by stronger trade fair business (Euronics and the "Motorrad Messe" motorcycle fair) with a noticeable increase in demand according to Tourismus GmbH Leipzig). There were positive developments in both occupancy (+7.4%) and in average rates (+8%)

Munich: Occ 63,15 % / ADR 110,71 € / RevPar 69,91 €

In February there was a 10.6% decline in occupancy, but a slight increase of 1% in ADR, with RevPar thus down by 10%. Main reason was this year's re-scheduling of the ISPO sporting goods trade show for the last week of January (last year it was held in the second week of February), as well as the Carnival period, associated with reduced business travel activities (in 2011, Carnival went on until the beginning of March).

Destination Overview:

Hotel Performance February 2012

	Occupancy in %				Average Rate in Euro				RevPar in Euro			
	MTD 12	MTD 11	Var.	Var.%	MTD 12	MTD 11	Var.	Var.%	MTD 12	MTD 11	Var.	Var.%
Berlin	59,96	57,19	2,77	4,8 %	95,95	95,40	0,55	1%	57,53	54,56	2,97	5%
Dresden	41,45	38,66	2,79	7,2 %	68,82	67,30	1,52	2%	28,53	26,02	2,51	10%
Düsseldorf	63,64	70,10	-6,46	-9,2 %	101,83	129,47	-27,64	-21%	64,80	90,76	-25,95	-29%
Frankfurt	66,22	67,15	-0,93	-1,4 %	118,52	120,09	-1,57	-1%	78,48	80,64	-2,16	-3%
Hamburg	67,07	63,50	3,57	5,6 %	100,47	100,83	-0,36	0%	67,39	64,03	3,36	5%
Köln/Bonn	64,73	61,41	3,32	5,4 %	100,54	96,44	4,10	4%	65,08	59,22	5,86	10%
Leipzig	58,32	54,31	4,01	7,4 %	68,15	63,23	4,92	8%	39,75	34,34	5,40	16%
München	63,15	70,65	-7,50	-10,6 %	110,71	109,77	0,94	1%	69,91	77,55	-7,64	-10%

Source:Fairmas GmbH / STR Global, based on data from participants w ith daily data entry
Details as of 02.03.2012

Legend

OCC	Occupancy
ADR	Average Daily Rate (net logistics revenue per room sold)
RevPar	Revenue per available Room (net logistics revenue per available roomr)

Fairmas Trendbarometer

A peek into the future

How is the market going to develop over the coming months? It is a question that always moves hoteliers and investors. One answer is provided by the Fairmas Trendbarometer.

Twice a month, Fairmas requests an up-to-date assessment (with details of monthly occupancy, average room rate and expected revenue) of the business development from participating hotels in several German destinations for the next three months. These market assessments are weighted and displayed graphically in the Fairmas Hotel Report (as a relative deviation from the value of the corresponding month a year earlier), and commented upon.

The participating hotels gain an additional evaluation in the form of trend lines and a comparison of their own expectation with the trend for the destination. This makes it possible to compare the hotel's self-assessment in relation to the forecast with the expectations of the market as a whole, and to adjust the individual strategy where needed.

What can be expected in the hotel market over the next three months? The assessment can be found below with appropriate commentaries on the following selected German cities: Berlin, Dresden, Dusseldorf, Hamburg, Frankfurt, Cologne/Bonn, and Munich.

For all these destinations, it can be seen that the fact that the public holidays (such as Easter, Whitsun, etc.) and traditional events (i.e. Carnival) are on different dates in 2012, will significantly influence business from March to May when compared with 2011. Unlike in 2011, the month of March will not be affected by Carnival; May this year enjoys several public holidays, so the hotel industry expects weaker corporate and MICE business that month.

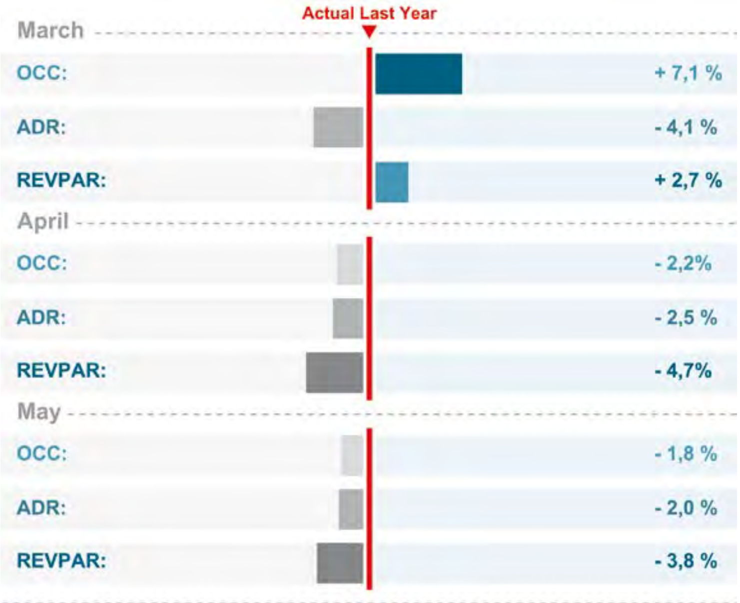
At exhibition destinations, changes are always very apparent when important fairs take place (or no longer take place) during the course of the year. Once again this year, the Dusseldorf hotel market in May is an outstanding example, when – as only occurs every four years – the international "Drupa" exhibition (the world's largest in this field) throws open its doors for 14 days.

In Detail:

In March, **Berlin** expects better occupancy rates (up 7.1%) than during the corresponding month in 2011. The reason given is the good advance bookings situation, thanks to the ITB tourism fair and the International Hotel Investment Forum (IHIF) event. Besides this, the city's hotel industry foresees a generally more positive development in the leisure and corporate segments than last year. However, the average rate (ADR) seems set to decline by 4.1%. This may be because the high-priced EASL conference, which brought at least 8,400 participants to the city in 2011, is not being held in Berlin this year, and an overall increase in number of beds in Berlin.

The hotel industry expects a downturn in April, with a fall in occupancy of 2.2% compared to last year. The absence of the EASL Congress, which last year ran through to April (30 March to 2 April 2011), seems set to have a significant impact. The forecast for May is also negative, with a 3.8% decline in RevPar. Performance will be influenced by the fact that public holidays fall in the second half of the month (in 2011 they fell in June). This, in turn, will impact the MICE business.

Figure 1: Trendbarometer Berlin February 2012- Trend versus last year



Source 1: Fairmas GmbH / Details as of 29.02.2012

Generally speaking, it will be difficult to maintain the rates in Berlin, which are in any case weak compared with other destinations. The many newly opened hotels, some very recent, are leading to greater competition and pricing pressure. Hoteliers will thus be relying more and more on guest segments with high volume.

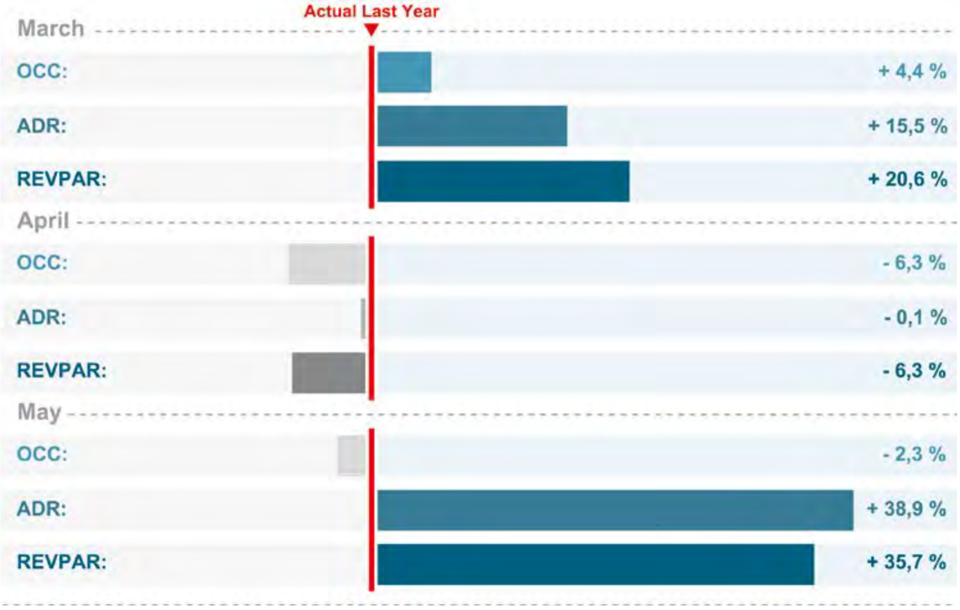
Unfortunately, comparative figures from **Dresden** were still unavailable at the time this issue of Fairmas Hotel Report went to press.

In **Dusseldorf**, the hotel industry expects a significant (20.6%) jump in RevPar in March. Besides increased occupancy (up 4.4%), a major rise in the average rate (ADR up by 15.5%) is responsible for this. The main drivers of this improvement over 2011 are this year's "Wire and Tube" and "METAV" fairs, which are held on a two-year cycle. I In March 2012 there will be five more trade show days than in 2011.

The influence of the trade fairs on the figures for Dusseldorf is also evident in April. A 6.3% decline in RevPar is expected in April because some important spring fairs such as Digi Media, Electronic Partner, and the Business Travel Show are not being held in 2012. Moreover, the bookings for the "Eurovision Song Contest", which were responsible for good occupancy in April last year, are missing this year.

Dusseldorf is expecting an exceptionally strong increase in RevPar in May – it is set to grow by 35.7%. The main reason is Dusseldorf's "Drupa" trade fair, the world's largest specialist event in this sector. As is generally known, the event is only held every four years and it also impacts neighbouring destinations (see the forecast for Cologne).

Figure 2: Trendbarometer Dusseldorf February 2012 - Trend versus last year



Source 2 Fairmas GmbH / Details as of 29.02.2012

In **Frankfurt**, the "Trendbarometer" for March points to a 15.9% decline in RevPar, mainly triggered by a big drop in average rates (ADR will be down by 17.5%). One likely main reason for this is the absence of the ISH trade fair, which only takes place every other year, and which was attended by more than 200,000 people in 2011.

On the other hand, the city expects increases in both occupancy (up 4.2%) and ADR (a 30.4% rise) in April. This year's "Light & Building" show is one of the reasons. There was no significant trade show business during the same month in 2011. The fact that Easter comes early in 2012 also makes it possible for conference events to be held in the second half of the month.

The current hotel industry forecast for May is cautious due to the public holidays and the consequently poor Corporate and MICE business.

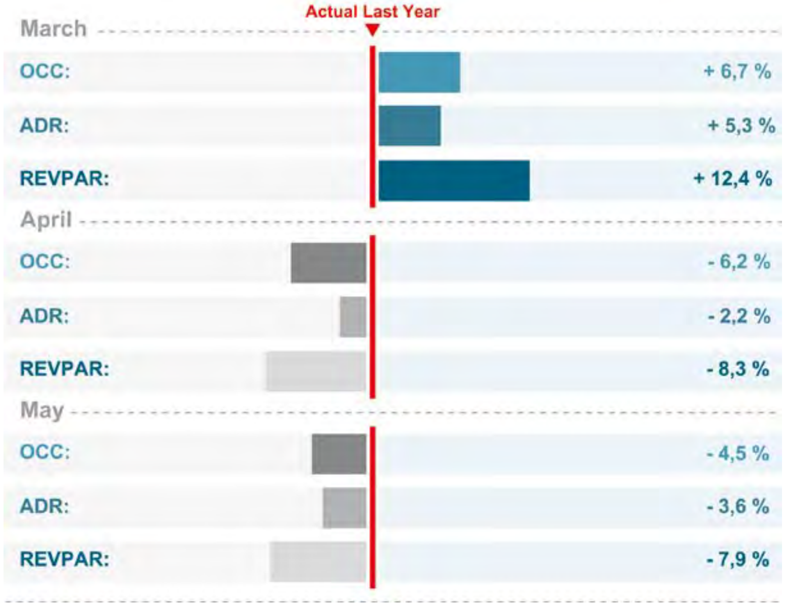
Figure 3: Trendbarometer Frankfurt February 2012 - Trend versus last year

Source 3: Fairmas GmbH / Details as 29.02.2012

Hamburg expects a 12.4% increase in RevPar in March, but also an 8.3% drop in April RevPar. The reason for the contradictory trends in these two months is probably the fact that this year's major "Aircraft Interiors Expo" trade fair has been brought forward from April to March.

Business in May is likely to be worse than last year due to the number of public holidays during the month, which will hit corporate business both in terms of occupancy (down 4.5%) and average rates (a fall in ADR of 3.6%).

Figure 4: Trendbarometer Hamburg February 2012 - Trend versus last year

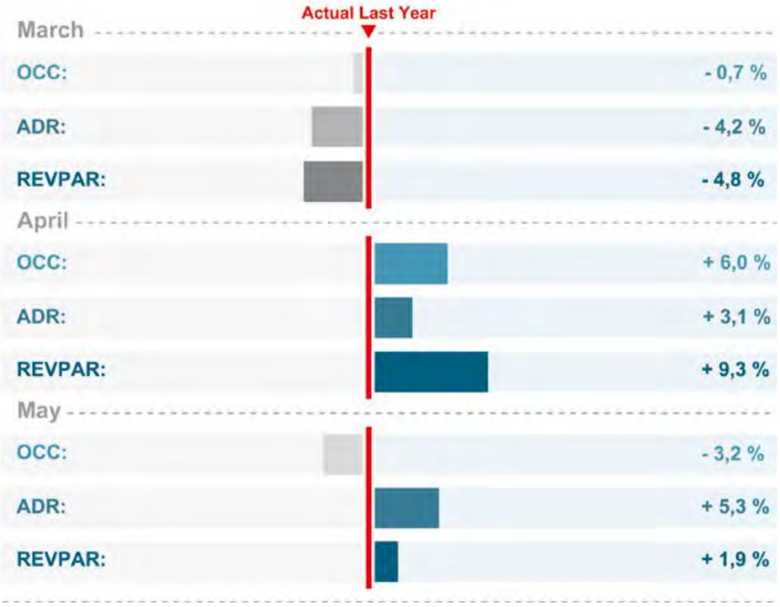


Source 4: Fairmas GmbH / Details as of 29.02.2012

For **Cologne and Bonn**, the "Trendbarometer" predicts that occupancy in March will remain largely unchanged on a year-on-year basis. On the other hand, a 4.2% decrease in ADR is likely. This year's lack of an IDS Trade Fair (it had around 118,000 visitors in 2011) will probably not be made up for by the Anuga FoodTec trade show and the Eisenwarenmesse (hardware fair). A noticeable growth (9.3%) in RevPar is expected in April, driven by increases in both occupancy (6.0%) and ADR (3.1%). The likely reason for this is the stronger events business at individual hotels during the month.

Despite the holidays and the expectation of lower occupancy numbers (down by 3.2%), business in May is forecast to be slightly better than during the same month in 2011 (RevPar will be up by 1.9%), triggered by an increase in average rates (ADR + 5.3%). This reflects the expectation of the Cologne hotel industry that it will benefit from the overflow from the international "Drupa" trade fair held in Dusseldorf, and from the associated increase in room rates.

Figure 5: Trendbarometer Cologne/Bonn February 2012- Trend versus last year



Source 5: Fairmas GmbH / Details as of 29.02.2012

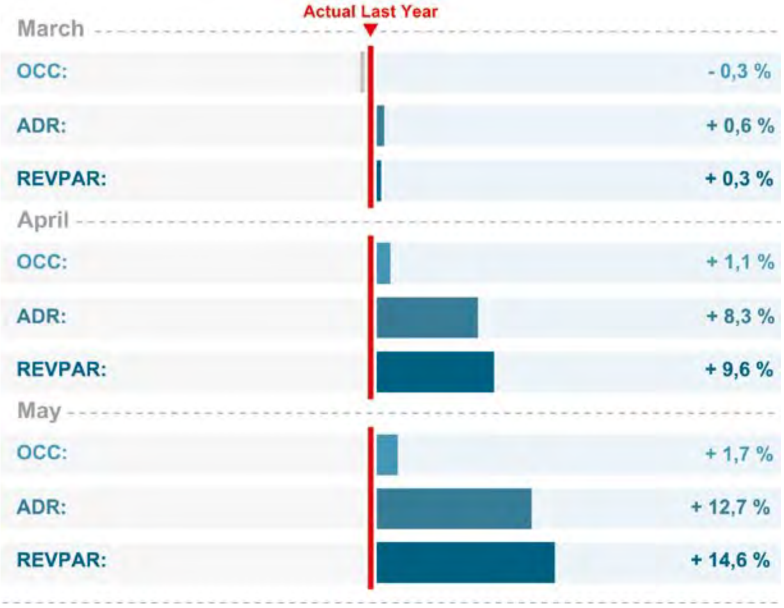
Unfortunately, comprehensive figures from **Leipzig** were still unavailable at the time this issue of Fairmas Hotel Report went to press.

In **Munich**, the Trendbarometer for March does not foresee any significant deviations from last year's levels. It is set to be a typical business month.

A 9.6% rise in RevPar can be expected in April, mainly attributable to this year's "Analytica" fair.

This year, May will be a strong month for Munich. Three major trade fairs – IFAT, Automatica, and Ceramitec – will be taking place during the month. The final of the European Champions League will also kick off in the city on May 19. The hotel industry thus expects a 12.7% increase in ADR, which is reflected in the 14.6% rise in RevPar.

Figure 6: Trendbarometer Munich February 2012- Trend versus last year



Source 6: Fairmas GmbH / Details as of 29.02.2012

Additional information about Munich can be found in the current edition of the "Top Hotel" hotel industry magazine.

In Focus:

Bed tax, culture tax, and city tax
Municipal self-service at the expense of hotel companies

Anyone who can make money in his sleep must feel that he is living in a fairy tale. Those that can fill up their coffers from other people's sleep can well and truly feel that they are in Dreamland. However, another way of naming it could be modern highway robbery. A total of seventeen municipal councils in Germany, from Bingen to Cologne and Weimar, have already decided to charge overnight guests to their cities for sleeping – with fees ranging from € 1 per night to as much as 5 percent of the room rate. Regulations of this kind are being prepared in another 23 cities and towns. However, in Bavaria and Saxony-Anhalt, federal state legislatures have rejected such an approach.

On 1 January 2010, the VAT rate on accommodation in German hotels was cut from 19 to seven percent. The federal government's aim was to improve the competitiveness of German hotels, especially in those regions bordering other countries. As a result, the tax authorities lost out on billions of Euros in VAT revenue. The cities and local authorities also felt the pinch, so they started looking for something else to make up for the loss. They found the answer in the bed tax (in Cologne), the culture tax (Hamburg) or (in the case of Berlin) in the City Tax. The aim all of these more or less original terms was and is to claw back at least some of the money that the hotel operators had saved through the reduction in VAT. The city of Cologne demands five percent of the room rate; Berlin wants the same, while Hamburg is planning a flat rate payment of "well under five per cent".

Meanwhile, a fierce battle is raging between those cities affected and the German hotel and Restaurant Association, DEHOGA, which rejects the new charges "for regulatory, taxation and legal reasons" and which is doing all it can to oppose them. The introduction of a bed tax at the municipal level is plainly unconstitutional, DEHOGA claims. On this issue, the body has the backing of leading constitutional lawyers, who give legal backing to this view. The argument is easy to understand: Although Germany's separate federal states may regulate local consumption and expenditure taxes, the bed tax, often also known as a "culture

tax", is "analogous" with the statutory federal VAT, in other words, it does not fall within the legislative competence of the federal states, and is therefore unconstitutional.

In addition, as far as DEHOGA is concerned, any specific local levy on overnight stays counteracts the purpose of the Growth Acceleration Act, the basis for the cut in value added tax. The "bed tax" leads to less money being invested locally "because of the uncertainty that arises and the loss of confidence by entrepreneurs in the predictability and stability of the general economic policy framework".

Currently, there is particularly stubborn resistance to the City Tax in Berlin. No final decision has yet been made there. Berlin's Finance Senator, Ulrich Nussbaum, views the City Tax as "a tax from which Berlin can only benefit". The cost is usually borne by foreign visitors, who, he says, are not going to put off their trip to the capital just because "a few Euros". In contrast, Berlin's Hotel and Restaurant Association is worried that the tax would largely be borne by the hoteliers. The opportunity for business travellers to reimburse the tax from the federal city-state of Berlin does not, by any means, make the burden of city tax on the consumer any lighter, as examples from other municipalities show. In the tourist sector, the major operators are already rejecting any tax surcharge on the room rates. This will mean that the 2 to 4 star hotels, which are heavily frequented by tourists, will have to bear this burden while the landlords of "holiday apartments" in Berlin are freed from the tax (and such accommodation represents about 30% of the available beds and roughly a further 5.0 million overnight stays per year) and so undercut their competitors in regard to tax as well.

We can only hope that common sense will prevail in the end, so allowing investment and providing the predictability needed for planning and avoiding discrimination against the tourism industry.

Rupert Scholz, lawyer and former Professor of Constitutional Law, provides some excellent legal arguments against the bed tax in an interview with DEHOGA in January 2012:

DEHOGA Berlin – doing all it can to oppose the bed tax

Imagine you have the choice and decide on one thing - and then everything turns out quite differently... No, this is not a story about a bad dream that where the wicked witch does not end up disappearing up the chimney as you had hoped. We are talking about the "bed tax", a very real levy on overnight stays. In Berlin, DEHOGA (the Hotel and Restaurant Association) put candidates very much in the spotlight prior to the city's Senate election in September - the CDU (at that time an opposition party - translator) had spoken out against the levy. In an interview with the magazine for small businesses published by the local Tagesspiegel newspaper, CDU mayoral candidate Frank Henkel said: "As a basic principle, we cannot accept the bed tax." Now the coalition agreement has been signed, the new SPD/CDU (Social Democrat/Christian Democrat) city government is in office … and the bed tax is still on its way ... however, the last word has not yet been spoken. Dr. Rupert Scholz, constitutional law professor and lawyer, throws some light on the subject for us.

Professor Scholz, the bed tax has quite a lot of names so far. It is also sometimes known as a cultural or tourism promotion levy or, in Berlin, as the City Tax. How should it be understood?

"All these cases refer to the same type of charge. Behind it there is always the consistent basic idea, namely local decisions to counteract the reduction of VAT charged in the hospitality industry, which had been a federal decision taken in the context of the Growth Acceleration Act. "

What exactly are the arguments against the City Tax?
"The Berlin coalition agreement states that it is a local tax on expenditure and consumption." According to the German constitution, such a tax on expenditure and consumption may only be raised by a German federal state if it differs from a federal tax. However, the City Tax is analogous to value added tax, a tax regulated by federal law. It is, without a doubt, a tax on expenditure and consumption for the taxpayers, in other words for the guests, as it fall within the sphere of their private lives. "

How should this be understood?

"The following parallels to VAT exist: 1. The city tax is also based on the hotelier's revenue, namely in the form of income from overnight stays. 2. City tax and value added tax have the same assessment basis, in the form of a specific percentage of the room rate. 3. City tax and value added tax have the same collection technique, in which the tax is charged to the entrepreneur (the hotelier) with the proviso that it is then passed on to the guest via the hotel price mechanism. As there are similarities with value added tax in every respect, the introduction of this tax on expenditure and consumption is unconstitutional."

And what about the business guest whose overnight stay is undoubtedly for business reasons only?

"Business travellers are not affected by the so-called Berlin city tax, since their periods of residence in the city are not matters of a personal lifestyle choice. It is not legally and practically feasible to distinguish between commercial and private stays - it is impossible for the hotelier and an imposition on the guest, who is indeed the taxpayer. This means there is a contradiction. Therefore the necessity of a distinction between private and business is another fact that underlines the unconstitutionality of the tax, because consistent (i.e. non-contradictory) legislation is vital."

So far, the bed tax has been introduced in different ways in a number of cities. How has this come about?

"Following the reduction in VAT for hotels in the context of the Growth Acceleration Act in early 2010, local authorities were urgently looking for new revenue opportunities. The City Tax was first introduced in Cologne; now it exists in Erfurt, Bremen, Lübeck and Darmstadt, among other places. Cities such as Freiburg, Stuttgart, Frankfurt am Main, Leipzig and Rostock have said 'no' to the additional levy. There was outright rejection of the bed tax by the state government in Saxony-Anhalt, and by the state parliament in Bavaria. When it comes to legal action, then the text of the law is decisive.

While the Munich judges stopped the introduction of a bed tax of € 2.50 per night, the courts elsewhere decided differently when ruling at first instance. An underlying decision has to be made by the Federal Administrative Court. "

What recommendation do you have for the capital city?

"I can only urge the Berlin Senate to disassociate itself from the so-called City Tax, because it is legally inadmissible and, last but not least, it harms the Berlin economy."
Thank you very much, Professor Rupert Scholz, for your informative comments.

For hoteliers in Berlin, the City Tax can become a threat of survival. With the number of hotel beds growing constantly, the price pressure is also greatly increasing. Hotel operators therefore need to look exactly at whether the tax can be imposed on Berlin tourists and business travellers at all. The Senate (city government) is hopeful of annual additional revenue up to € 50 m, in any case. However, if we look at the example of the office for the payment of fines in Berlin in 2010 where no less than a staggering 87 percent of revenues were spent on covering the administrative costs, as announced by Ehrhard Körting, Berlin's former state interior minister, this optimism seems justifiably questionable: From the comparable high sum of € 53.7 m that flowed into the fines office, net proceeds totalling a mere € 6.7 m ended up at the state treasury. Now of course, some outsiders might just think: What are the hoteliers getting worked up about? Five per cent more on the price of a hotel is really not the end of the world, after all. However: A single overnight stay costing € 70 means that € 3.50 is due for the Senate's strapped coffers.If we assume a stay of several nights, the guest will be forking out an additional banknote. And that can be very annoying in some cases. Business travellers are exempt from the tax. All guests are thus required to specify the reason for their stay: It is up to the guests to state whether they consider themselves to be tourists or business travellers on a day when the conference ends at lunch-time and they then stay on in the city for the rest of the time.

Perhaps the hotel chains might be able to bear the bed tax but the small and medium-sized ones are already under threat in the current price war and their existence would likely be put further at risk by the additional expenditure.

DEHOGA Berlin is still hoping that the Senate will recognize, when assessing the legal certainty of the tax, that this is not the case in Berlin, and that it will decide not to introduce a City Tax - the association will also take the matter to the Federal Administrative Court if necessary.
In addition, the tax is quite simply unjust from the perspective of the hoteliers: Public transport companies, taxi drivers, retailers or cultural institutions and many others who also benefit from the tourism boom would not have pay anything at all.

And there is another matter that could mean Berlin scores an own goal with its bed tax: So far, the hotels have participated voluntarily in the context of the "visitBerlin Partnerhotels e. V." organization to finance Berlin's official tourism effort, and they have so helped to market of the city all over the world. It would be hard to imagine this continuing if the bed tax were introduced. The annual shortfall would then be: well over one million Euros.

Source 7 HogaAktiv January 2012

Summary of the status of the discussions in the municipalities

Figure 7: State of discussion in the municipalities

Source 8: DEHOGA Federal Association, based on the reports from the DEHOGA regional associations and the media. No responsibility can be accepted for the accuracy of this information. Details as of 23 February 2012

Figure 8: Summary of the state of the discussions in the municipalities

Bed taxes decided upon

- **Aachen** – In force since 1 January 2012. 5 percent of the price of the room rate.
- **Berlin** – From 2013, amounting to five percent of the room rate.
- **Bingen** – In force since 1 January. Between € 1 and € 3 per night
- **Bremen** – Effective as „City Tax" from 1 April 2012 - depending on classification level
- **Bochum** – Since 1 January 2012 - 5 percent of the room rate.
- **Darmstadt** – In force since 3 December 2010. € 1 to € 3 per night, depending on the room rate.
- **Dortmund** – In force since 1 November 2010. Charged only for private overnight stays.
- **Duisburg** – In force since 1 November 2010. Five percent of the room rate.
- **Eisenach** (Thuringia) – € 1 to € 2 per night, depending on the type of operation and classification level.
- **Erfurt** – In force since 1 January 2011. Five percent of the room rate.
- **Gera** – In force since 18 June 2011. € 1 per night, children under 12 free.
- **Göttingen** – In force since 1 July 2011. € 1 to € 3 per night, depending on the type of operation and classification level.
- **Hildesheim** – In force since 1 January 2012. Between € 0.50 and € 3 per night, depending on the type of operation and classification level.
- **Jena** – In force since 21 January 2011. € 1 to € 2 per night, depending on the room rate.
- **Cologne** – In force since 1 October 2010. Five percent of the room rate.
- **Lübeck** – In force since 1 January 2012. Five percent of the price of the room rate.
- **Moers** – Should come into force on 1 January 2014.
- **Oldenburg** – In force since January 2012 - between € 0.25 and € 5 per night, depending on the classification level.
- **Osnabrück** – In force since 1 January 2011. Between € 0.50 and € 2 per night, depending on the type of operation and classification level.
- **Suhl** – Came into force on 1 November 2011. € 1 to € 2 per night, depnding on the room rate.
- **Trier** – Since January 2011. € 1 per night.
- **Weimar** – Valid since 2005. € 1 per night in hotels with up to 49 rooms. € 2 per night in hotels with 50 rooms.

Bed taxes under discussion

- Bergisch-Gladbach
- Bonn
- Dresden
- Flensburg
- Hamburg
- Hanover
- Heidelberg
- Kaiserslautern
- Koblenz
- Lauterbach
- Mainz
- Mönchengladbach
- Oberhausen (on a voluntary basis)
- Potsdam
- Rügen
- Saarbrücken
- Speyer
- Verden
- Zweibrücken
- Zwickau

Despite general rejection by the Bavarian state parliament, the bed tax is being discussed in the cities of Augsburg, Munich and Regensburg.

Bed taxes rejected

- Bamberg
- Bielefeld
- Chemnitz
- Celle
- Detmold
- Dusseldorf
- Essen
- Frankfurt/Main
- Freiburg
- Gotha
- Halle
- Herdecke
- Karlsruhe
- Kassel
- Kiel
- Leipzig
- Ludwigsburg
- Lüneburg
- Mannheim
- Mülheim an der Ruhr
- Neuss
- Ottersberg
- Passau
- Rastatt
- Remscheid
- Rostock
- Schmitten
- Schwerin
- Solingen
- Stralsund
- Stuttgart
- Ulm
- Weinheim
- Worpswede
- Wuppertal

- Bavaria (general decision)
- Saxony-Anhalt (general decision)

Source 9: DEHOGA Federal Association, based on the reports from the DEHOGA regional associations and the media. No responsibility can be accepted for the accuracy of this information. Details as of 23 February 2012

Shortly before the publication of the report the city of Koblenz rejected the hotel city tax (Source: AHGZ 27.02.2012)

Judicial decisions on bed taxes

Higher Administrative Court of Rhineland-Palatinate:	Bed taxes in **Bingen** and **Trier** declared lawful Appeal lodged at the Federal Administrative Court
Administrative Court, Cologne:	Bed taxes in **Cologne** declared lawful Appealed lodged at the Higher Administrative Court of Muenster
Administrative Court, Munich:	Bed tax by-law of the City of **Munich** declared unlawful The City of Munich is to appeal
Higher Administrative Court of Thuringia:	An application for a suspension of enforcement of the bed tax by-laws in **Erfurt** and **Jena** by means of interim temporary legal protection proceeding was rejected. It remains to be seen as to what decision will be reached in the main proceedings
Administrative Court, Dusseldorf:	Bed tax by-law in **Duisburg** declared lawful. Appeale lodged at the Higher Administrative Court
Higher Administrative Court of Schleswig-Holstein	An application for a suspension of enforcement of the bed tax by-law in **Lübeck** by means of an interim temporary legal protection proceeding was rejected. It remains to be seen as to what decision will be reached in the main proceedings (judicial review)

Source 10: Federal DEHOGA Association / Details as of 15 February 2012

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Fairmas Gesellschaft für Marktanalysen mbH specializes in market analyses and the development of planning and controlling software for the hotel industry.
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