

OPPORTUNITY FOR HOTEL INDUSTRIAL
DEVELOPMENT AND INVESTMENT IN
ZALAEGERSZEG



Introduction

Our publication has been compiled to demonstrate the adequate market conditions to operate a profitable quality hotel in Zalaegerszeg. In the recent years the industry and commerce of the city have seen dynamic development, the service sector has been invigorated - providing almost 75% of the city's income to date. Mechatronics, engineering and electronics industry have all been improving, too. However, it is a problem that due to the lack of proper accommodation, the business clients of the companies in Zalaegerszeg need to stay over for the night in the nearby cities. Merely, in case of the biggest employer, Flextronics, it means an annual number of 1000 four-star hotel nights spent outside the city, in addition to this, there is a significant demand coming from the other companies, too. Moreover, many important professional debates (medical and automotive industrial ones) had to be organised in other cities' hotels equipped with conference rooms.

There is an increasing trend in conference tourism and a more intense demand triggered by the car industrial test track being built with 45 billion HUF investment on 265 acres. The test track is a unique base in Europe for research and development and innovation of the electric and autonomous cars. Related to this project, Zalaegerszeg has become the 5G mobile network pilot city. The economy of the region is also enhanced by the establishment of a logistic centre and a container terminal. The special transportational- geographical role and its regional significance of the city serves as the base of the development, therefore it is able to receive freight transport coming from the sea and forward the products with an extra added value towards other parts of the country and the continent, thus serving a classic logistic task. The city is striving to take an important role in organising the flow of goods shipped from the Far-East and the Koper harbour serving as one of the most crucial Hungarian entering locations in terms of trade (Slovenian-Hungarian railway).



The advantageous location of Zalaegerszeg and the nearby Austrian and Slovenian borders offer numerous opportunities for the continuous development. Three universities provide academic education in our city, however there is a shortage of skilled workforce. Zalaegerszeg is able to adapt to the new labour demand in a rapid and flexible way.

The leaders of the city are aware of the fact that a quality hotel in Zalaegerszeg is inevitable which would contribute to the development of the city to a great extent by generating further investments.

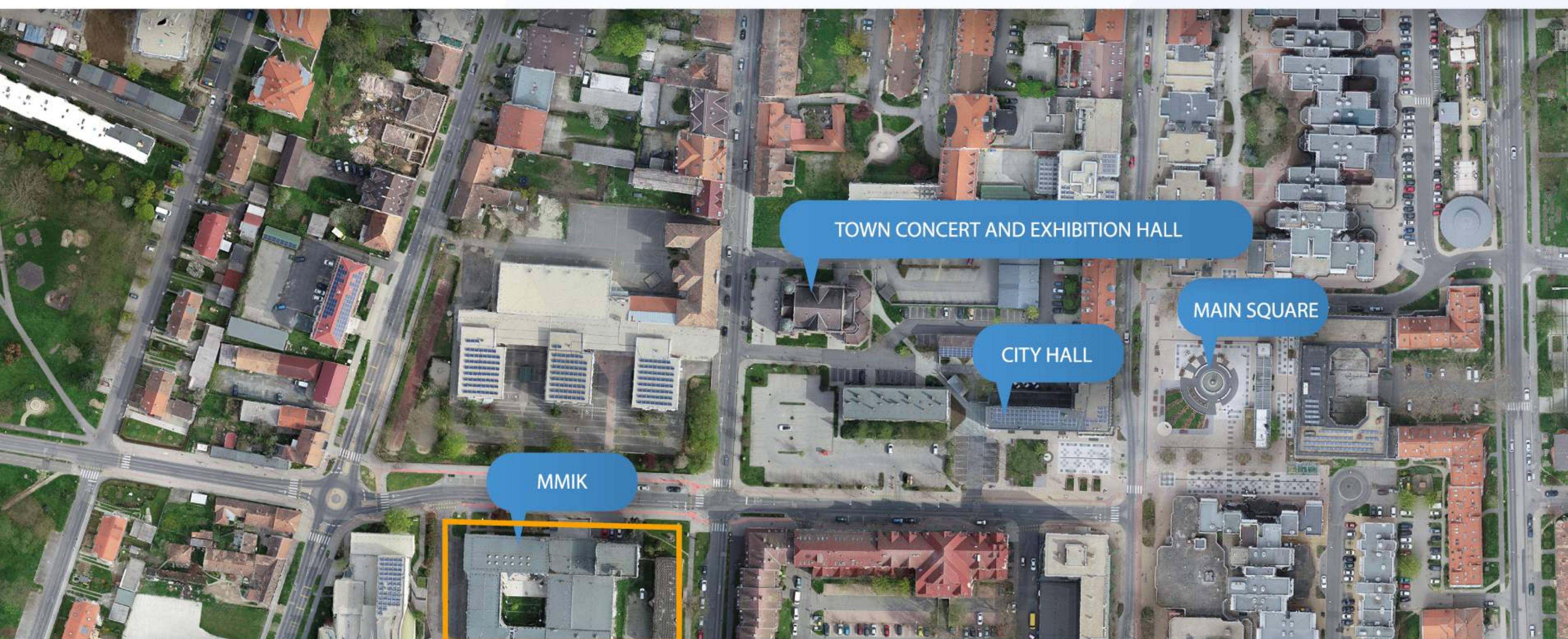
The fundamental pillar of the city's tourism is the Aquacity, opened in 2002, it offers quality leisure activities for the young and for families. The Aquatherma Spa Village ensures an ideal spot primarily for families but for the elderly, too. An indoor swimming- pool, an open-air spa and a lake beach with a campsite are also at disposal.



Opportunity to establish a hotel in the city centre

The building of the Cultural and Youth Centre of Zala County (MMIK), which has been closed since 2007, is located in the city centre of Zalaegerszeg, a few hundred metres away from the City Hall and the main square. The land is the most valuable and best-located among the properties in Zalaegerszeg. It is state-owned and managed by the MNV Zrt, as well as the neighbouring, smaller building of the ex-political headquarter in a similarly bad condition.

Following the demolition of these buildings, a modern, four-star hotel equipped with a conference room could be built in a central position, in order to serve the demand of recreational-, business- and conference tourism at the same time. The hotel would benefit sports tourism boasting of a significant role in the city, it could be utilised at the time of the festivals in the city centre or it could even provide venue for different city events, weddings.

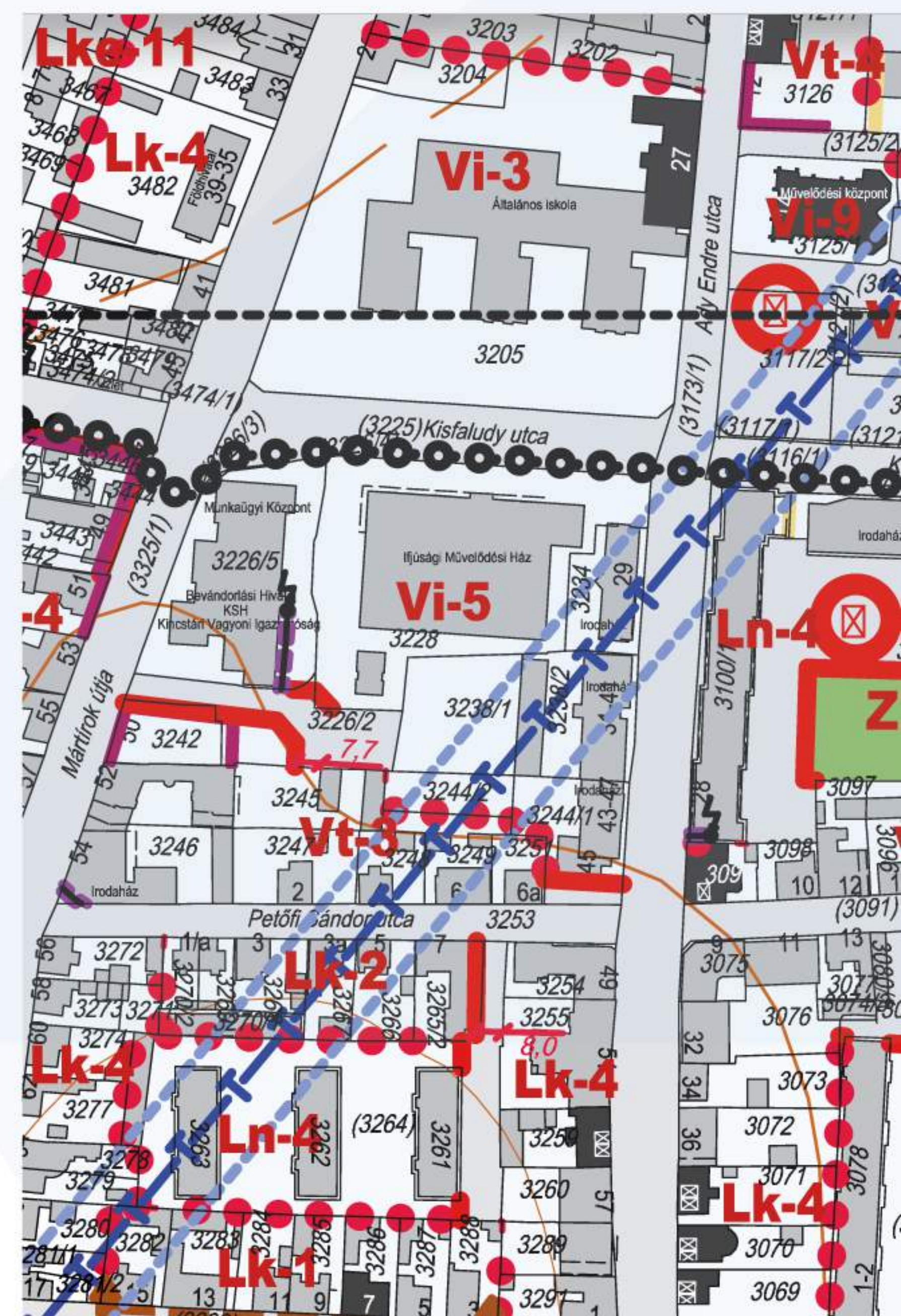
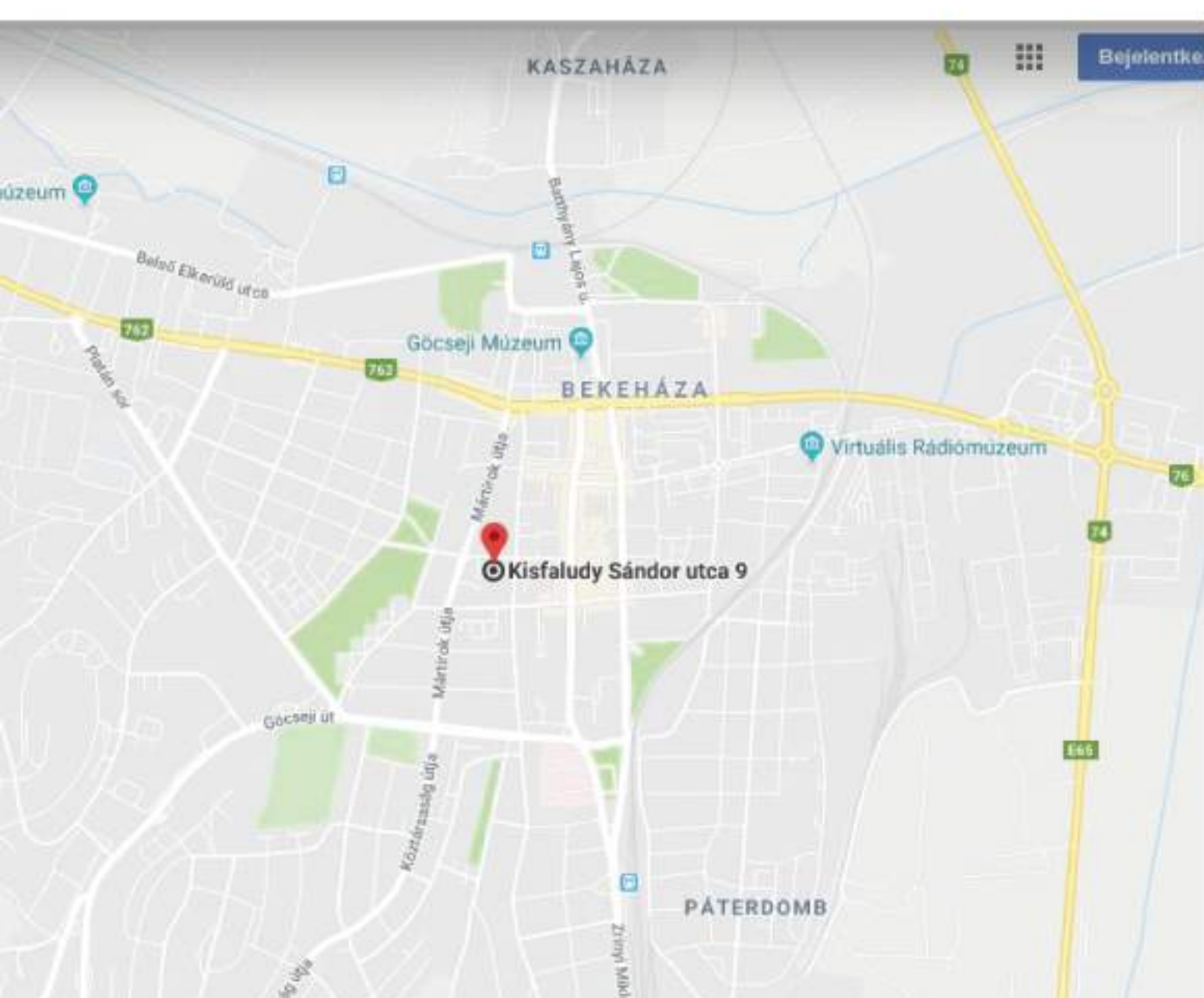


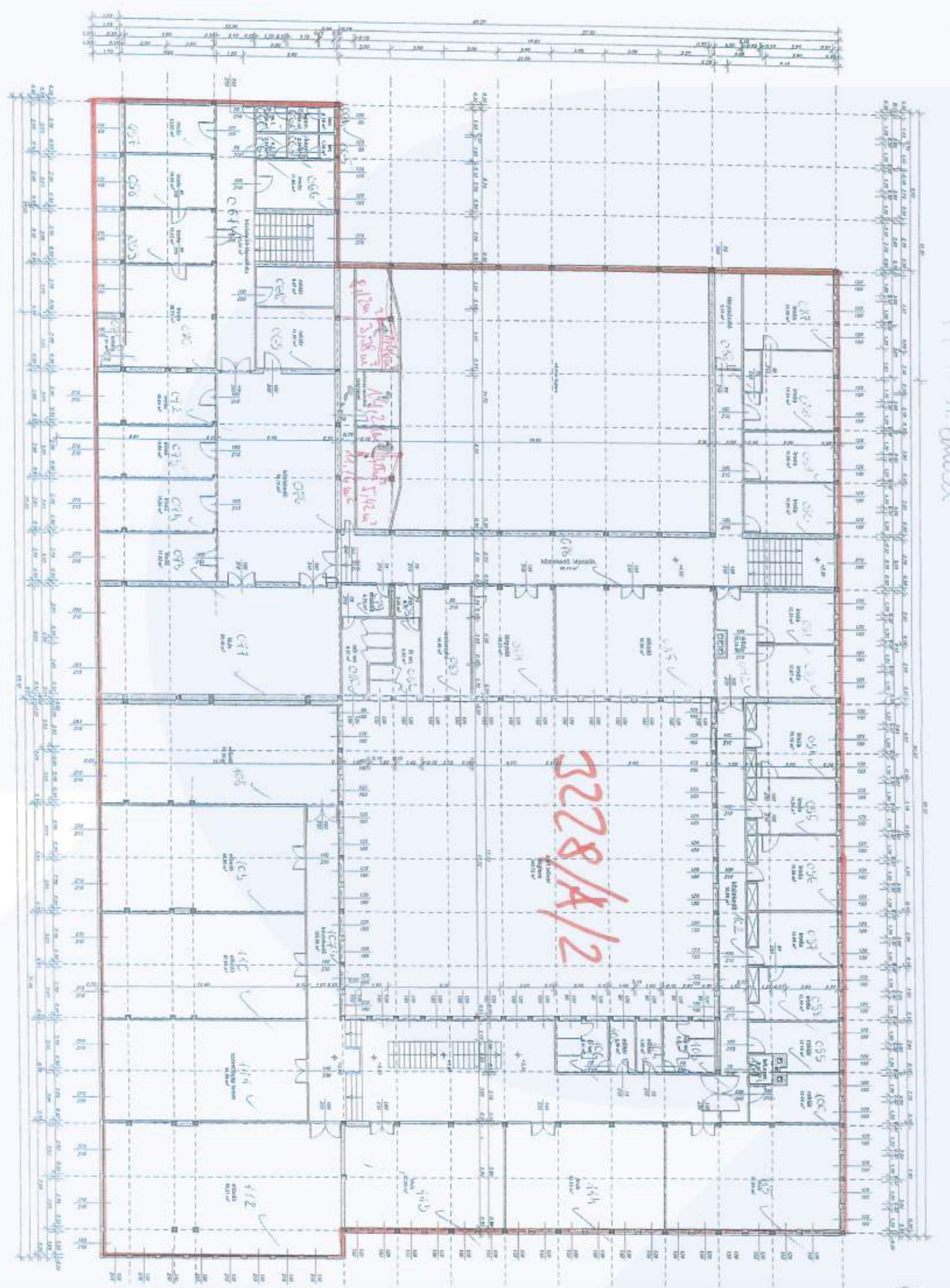
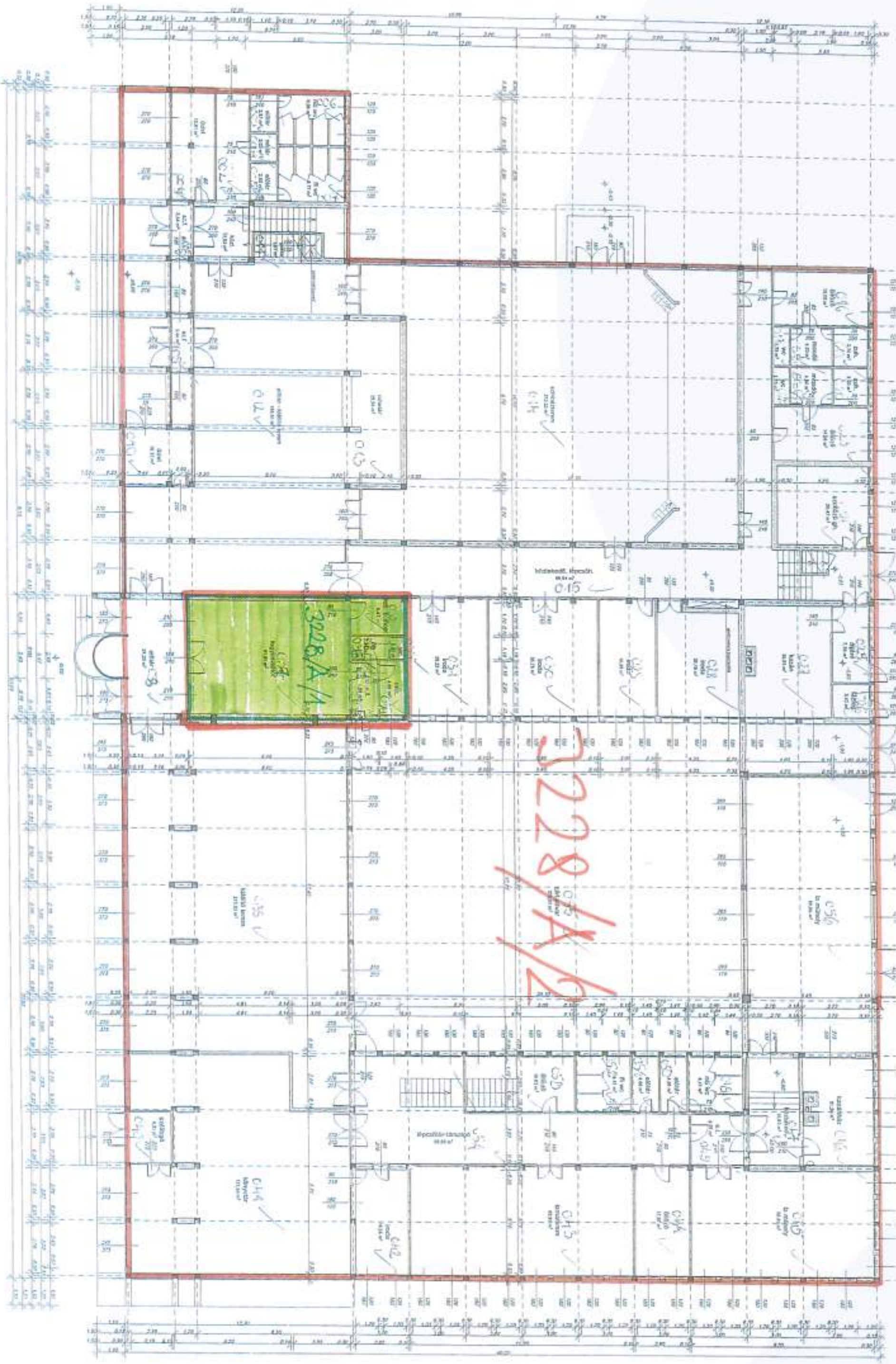
Description of the property:

The property of 5037m² is registered with the lot number 3228 and is listed as part of the institutional zone under Vi-5 by ZÉSZ. The buildings to be situated in the zone would be able to serve the function of offices, utilised for commercial, service, accomodation, cultural, entertainment, religious and sport purposes. The maximum site coverage is 60%, the present figure is 48%. The floor space is 3941 m², out of which the useful floor space at each floor is:

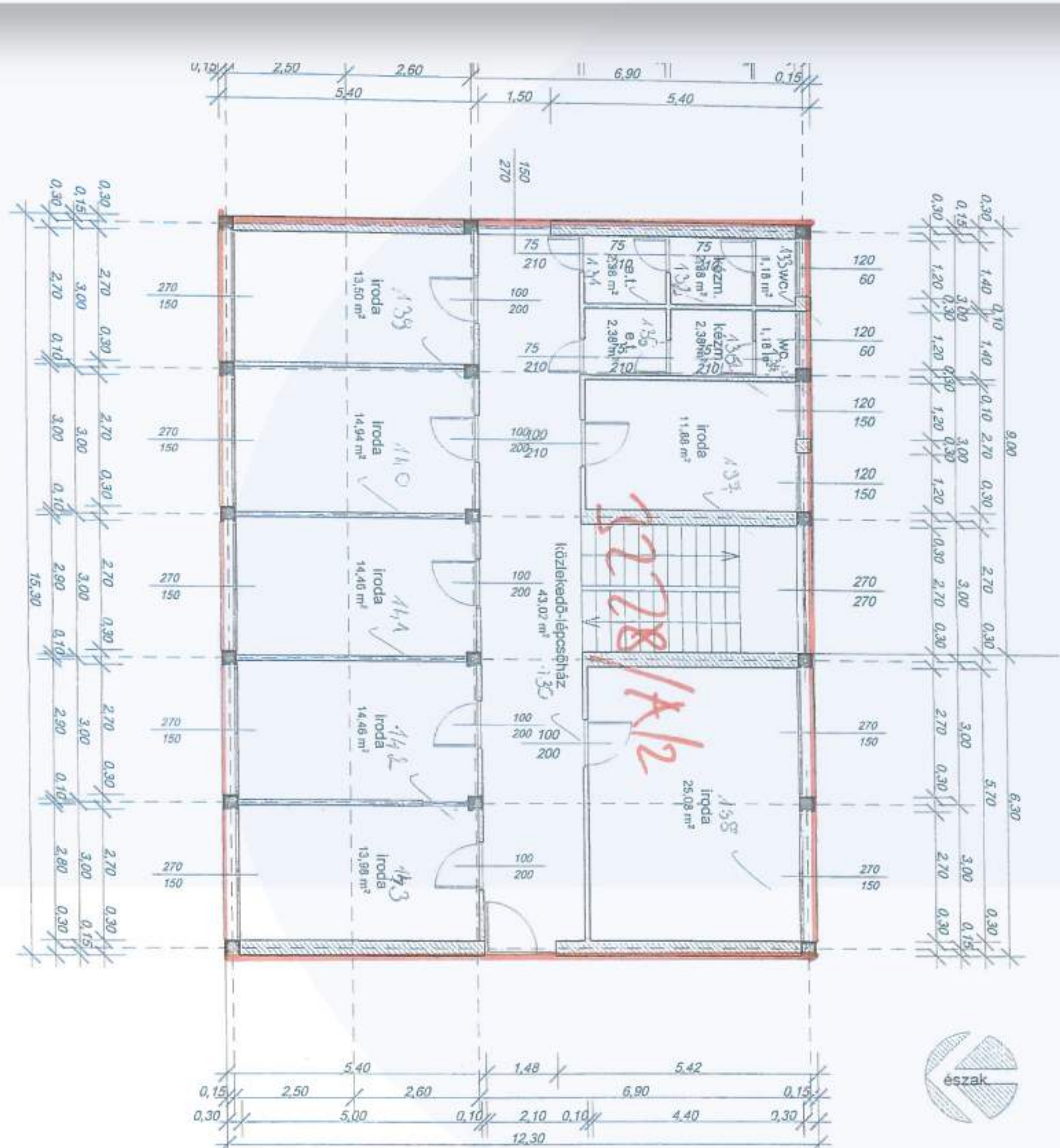
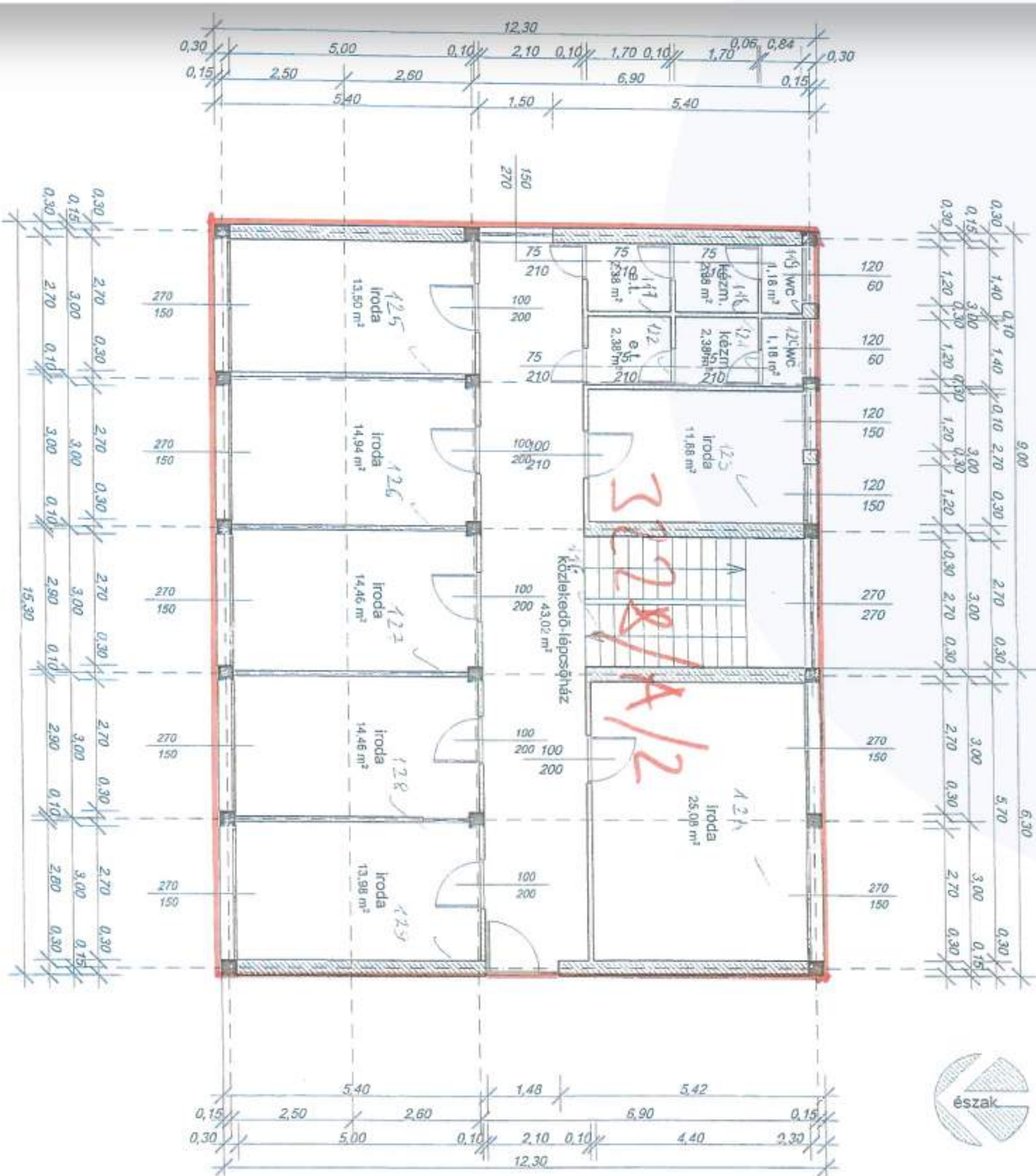
- Ground floor: 1645 m²
- First floor: 1583 m²
- Second floor: 163 m²
- Third floor: 163 m²
- In total: 3554 m²

The state-owned, neighbouring ex- political headquarter is in a bad condition, it can be included in the project.





1. emelet



2. emelet

A niche infrastructural investment would be achieved in the extended environment of Zalaegerszeg, since at present there are no hotels capable of housing more than 200 people. The municipality is supporting all the scopes of the preparation of the development, as well as the related administration MNV Zrt., the Hungarian Investment Promotion Agency (HIPA), the Hungarian Touristic Agency, The Government Office of Zala County and the Municipality of Zalaegerszeg, City with a County Rank is supporting the investment, providing all the necessary aid to realise the development.



Vehicle industry test track

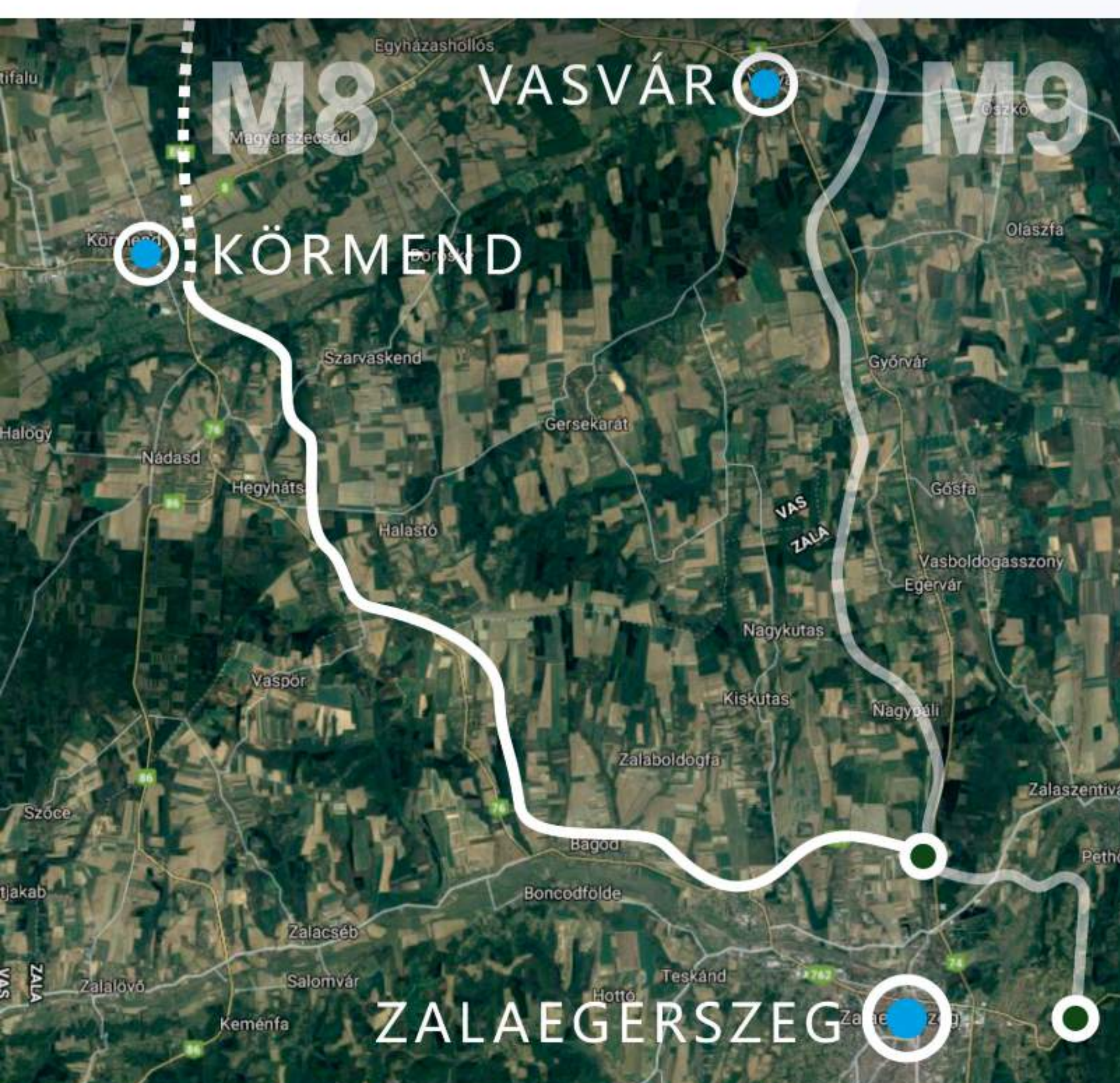
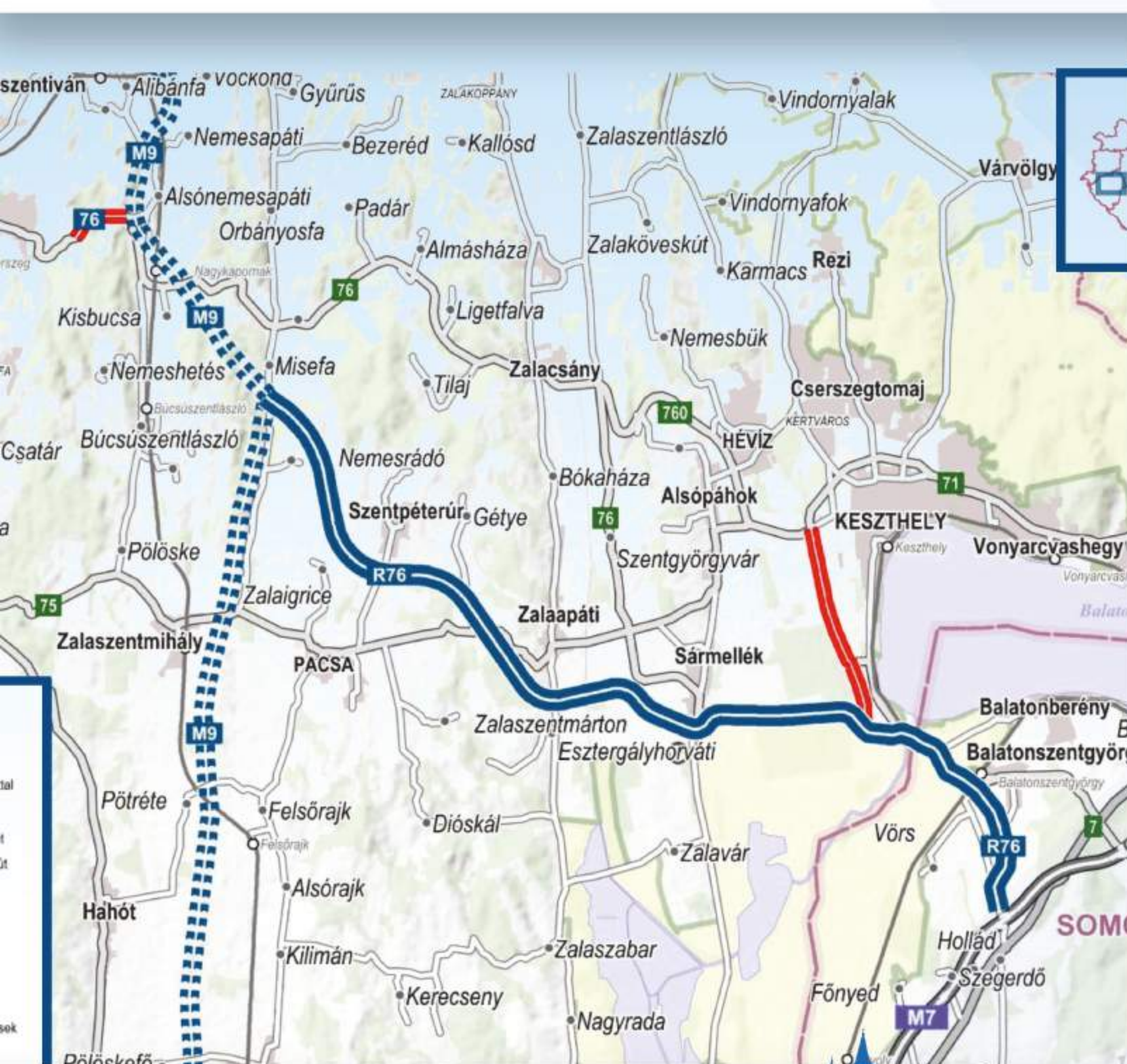
ZalaZone: the background of the project: the vehicle industry and mobility are on the brink of rapid technological development. Two of its main directions are the preference of alternative and hybrid resources instead of the traditional internal combustion engines as well as the promotion of autonomous vehicles. This project serves to establish an experimental infrastructure that supports the improvement of car industry and the technology for future mobility. ZalaZone is a new infrastructural zone which is oriented towards the support of experimental research and development in order to improve the technology of the future car industry.



The test track will be built as the greatest economic development program in the northern industrial park on 265 acres, with a 45-billion HUF investment. It will be a unique base for the research, development and innovation of electric and autonomous cars in Europe. The construction started in May, 2017, and the two remaining phases, i.e. the complete investment is expected to be completed by 2020. The settling of the companies related to the development has also been prepared on the industrial area, built in the neighbourhood of the test track. The facility of the vehicle industry was designed by professionals from the English Horiba Mira Ltd, which belongs to the Japanese Horiba Group, so the test track of Zalaegerszeg will be built with the expertise of a world class company with 70-years' experience in the car industry. The future of the Hungarian economy depends on such investments, as not only do they enable the rapid growth of the industry, but also the related flourishing of the research and development as well as the improvement of the Hungarian small and medium-sized businesses. During phase one, the component for the vehicle dynamics will be built, the first part of the specific location, the 'smart city' suitable for the testing of autonomous vehicles will be added, the service buildings and the related inner infrastructure and the module for the so-called manageability-operability track and the brake tests will also be established. Throughout the coming phases, between 2018 and 2020, the high-speed oval track will be constructed, the components for vehicle dynamics will be developed, and further service buildings will be built. There is no facility in Europe where such complex testing, and the research and development of autonomous vehicles could be carried out, therefore the institution in Zalaegerszeg will be a completely unique opportunity. In addition, the facility will be connected with the highspeed, dual carriageway M76, which will be built as a so-called "smart road" to test the self-driving vehicles on public roads. The "smart road" will ensure the communication of autonomous vehicles and will also collect data about its surroundings and traffic, and will forward them to the smart cars travelling on this road section. Hungary will get into the global forefront of the development of self-driving vehicles with this establishment in Zalaegerszeg.



According to British ambassador Ian Lindsay, who paid us a visit in 2017, the test track will have a beneficial influence on the economic development of the entire Central-Eastern European region. As stated by Erik Jonnaert, the chief secretary of the ACEA, the rapid transformation of the car industry has two major directions: the alternative resources will be prioritised, and the autonomous vehicles will gain ground. Thus, projects like the unique test track in Zalaegerszeg will have a crucial role in our understanding of the influence of the automatized driving on safety on public roads, traffic and the environment.



5G pilot city

Considering the competition among the continents, the European Union has made it a goal for every member state to have one 5G network at least in one large town. In Hungary, related to the construction of the vehicle industry test track and the dual carriageway, M76, Zalaegerszeg has been selected as the testing environment for the 5G, a 5th generation mobile network, as it is necessary for the fast and immediate communication of self-driving cars. All of this contributes to Zalaegerszeg becoming the winner of the 21st century, the future; and to the seat of county Zala growing into a true smart city. Hungary is thereby striving to be leading in both the vehicle industry and info communication in the world. In such connected areas like innovation, digitalisation, the vehicle industry and logistics, Zalaegerszeg, and together with the Hungarian economy will join the fourth industrial revolution.



Logistic centre and Container terminal

A Logistical Centre and Container Terminal will be built in Zalaegerszeg. Considering the European distances, Zalaegerszeg is close to the international harbour of Koper, from where there is a direct national railway corridor leading to our city, and in fact it diverges here. The International Airport of Sármellék is also near the seat of the county, where in the following years a 6,6-billion HUF development will be facilitated in order to be eligible for the reception and departure of passenger and cargo planes adequate for every size and flying category. Hungary will thus have three international airports with the highest rating: Budapest (Ferihegy), Debrecen and Sármellék. The dual carriageway M76 will lead from Zalaegerszeg to the airport due to the connection with road M7. In the long run, a highway will be built between Zalaegerszeg and M8 ensuring a connection towards Austria and Germany. Based on these factors, Zalaegerszeg is the perfect location for the logistic centre and the container terminal.

LOGISTIC CENTRE AND CONTAINER TERMINAL

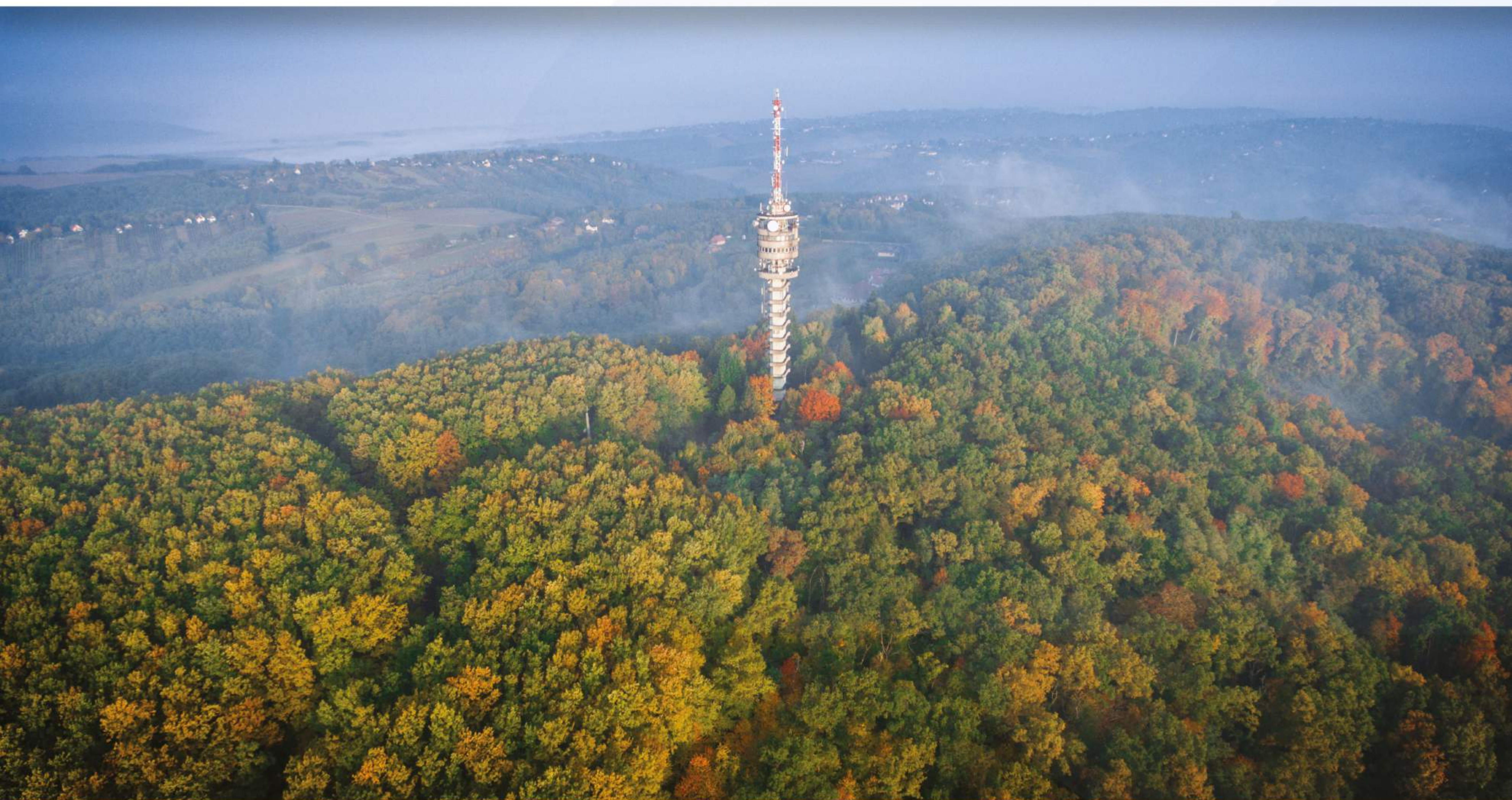


Summary of other touristic developments

Designing the Alsóerdő Sports- and Recreational Centre

One of the main goals of the 'Modern Cities Program' is to develop the Alsóerdő region, which includes the current children's campsite, the Tv-Tower, the Azalea-valley, and the region of Búslakpuszta. The development aims to renew the beautiful Alsóerdő-complex located at the southern part of Zalaegerszeg and to establish new touristic attractions. The city would like to create an appealing brand-new and unique touristic venue in Alsóerdő which could complement the entertainment and cultural palet of the currently running Gébart spa-complex, the Village Museum and as well as that of the city centre. We are aiming to realise an experience which can be an invitation to Zalaegerszeg in the future.

Alsóerdő is the southern gate to Zalaegerszeg, on the top of it there is a 100 meter- high TV-Tower that accommodates a café at the height of 53 meters, offering a wonderful panorama. There is a belvedere and a free fall simulator, too. The wonderful natural environment, the Azalea -valley, the spring of the Aranyoslap, the nature trails and clearings offer an ideal location for taking complete advantages of the hidden trasures of Alsóerdő in order to allow Zalaegerszeg to attract tourists.

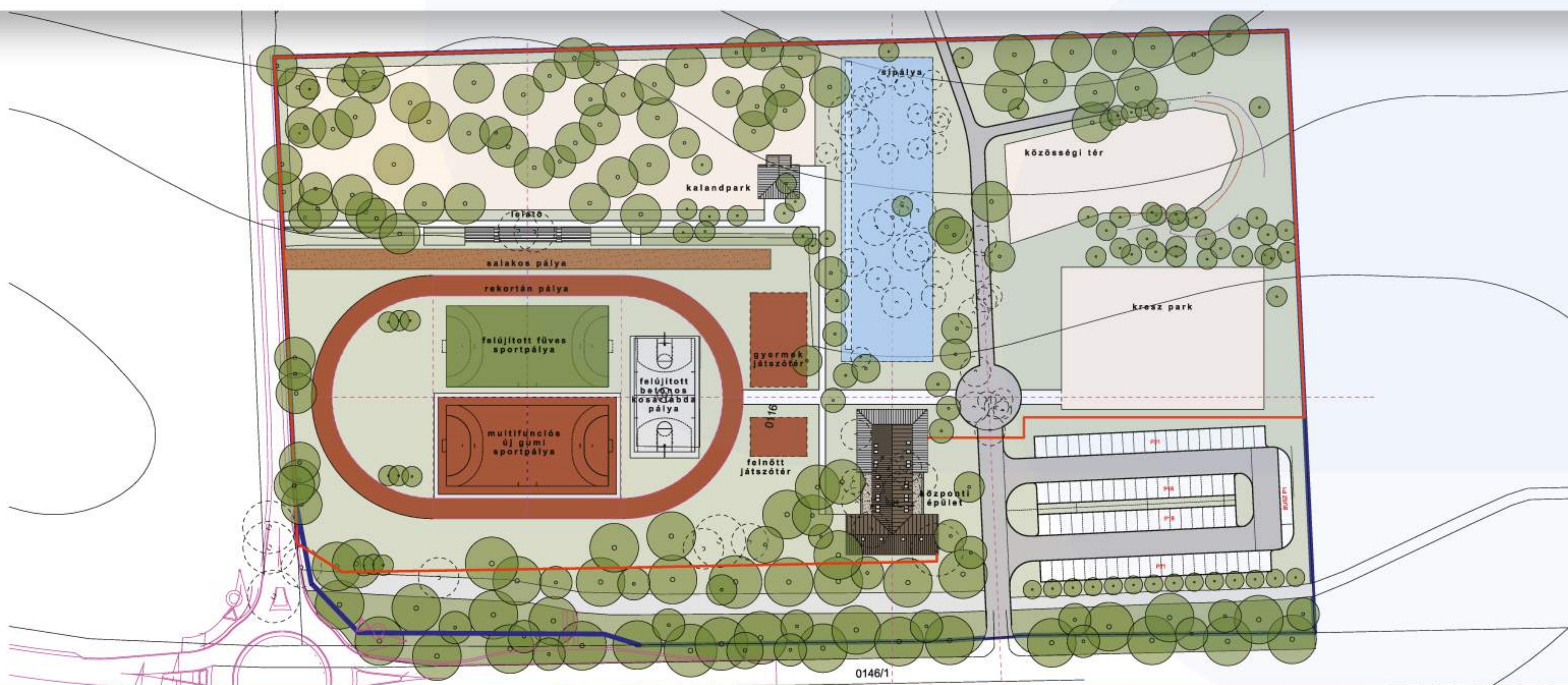


Planned elements of the project to the east of the Alsóerdei Road :

A building for the sports clubs, sports fields for free use:

- sports fields, football pitch with artificial grass (with all the belongings, electric lights) , outdoor basketball court, 'recortan' running tracks
- adult playground, children's playground, camp and fireplace, adult and children's playground equipment, gym park, traffic- codes park, Spartan race track.

The building permit drawings and the final construction documents have been prepared, a state subsidy up to 3 billion HUF is at disposal, concerning public procurements and the execution have all been commenced.



Mindszenty József Museum and Pilgrimage Centre

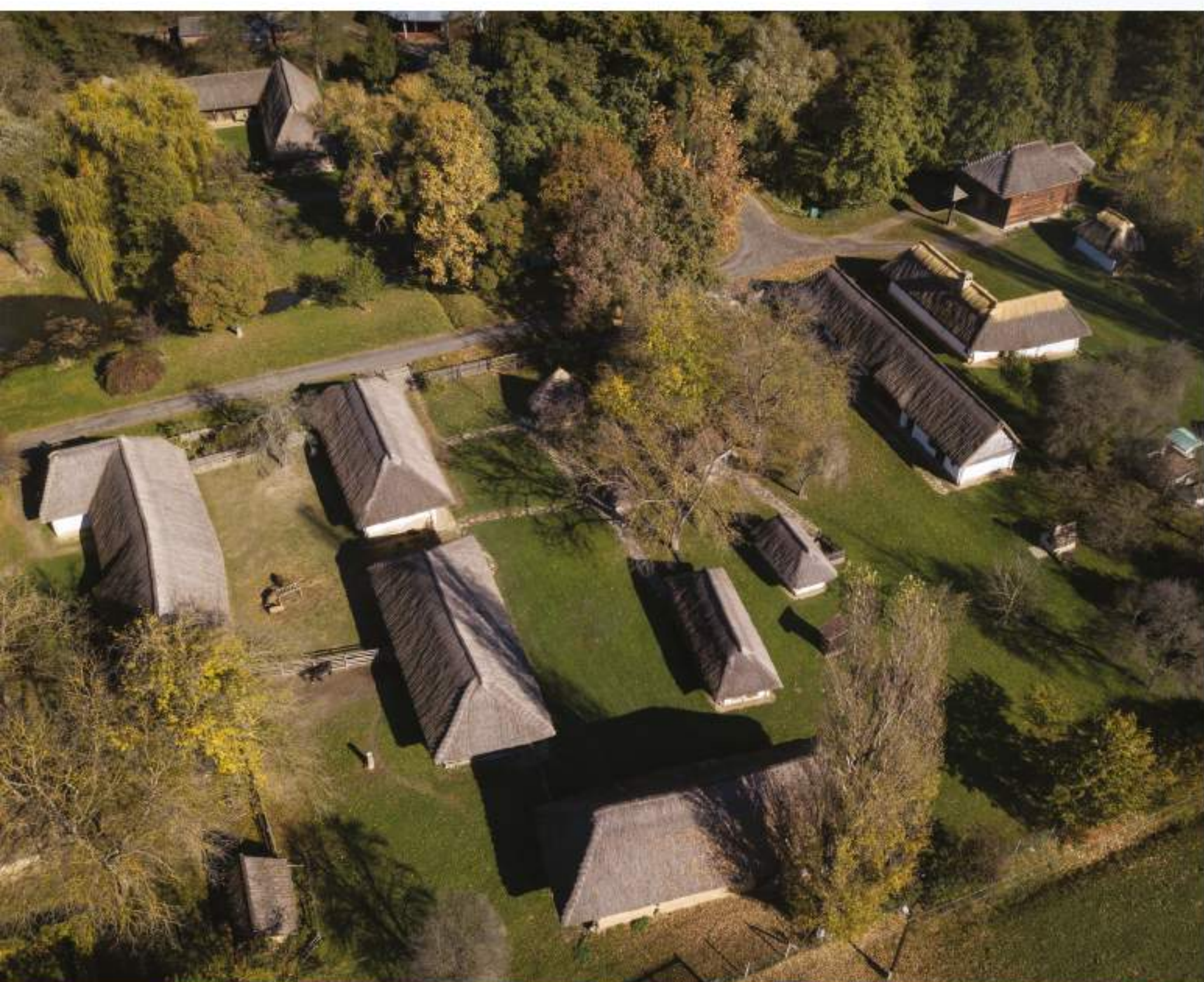
Zalaegerszeg is planning a modern, 21 st -century museum to display the life, work, era, and fight against the extremities of the former local parson Mindszenty József just before his beatification. Our goal is to make the memorial place a pilgrimage site, and yet, a social venue, a place of recreation for the younger generation.

The memorial place will be built in the neighbourhood of the Mary Magdalene Parish and next to Göcsej Museum, becoming an integral part of the historic city centre. The 8-billion HUF touristic renewal program of the city centre has begun with the archeological excavations and the reconstruction of the building of Mary Magdalene Parish which further comprises the renovation of Göcsej Museum, Mary Magdalene Parish Church, the Quarterhouse and the Archives, as well as the renovation of the Erdődy-Hűvös Castle in Botfa, the construction of Mindszenty József Museum and Pilgrimage Centre and a new car park next to the stadium.



The development of Göcseji Village Museum

According to the plans, beside the preservation of the characteristic atmosphere of Zala, a new reception facility will be built, the car parks will be extended, the accessibility and cyclist network will be improved, the system of public services will be modernised, and the surroundings of the museum will join the revitalisation of the Zala backwater. Moreover, the plans include the construction of four new keeper's cubicles in the museum, a small mansion, a working water mill, a crushing-mill, a Göcseji tavern, a small pub, a cemetery and a school, as well as activities and programmes in these buildings to make the museum livelier.



The establishment of local and areal markets for handicraft products

The construction of a location for the trade and consumption of products at Piac square. The building of a Göcsej visitor centre in the building of the market for local products which, as an interactive exhibition, provides information for tourists on a daily basis all year round about the way of production of local products at open (portas) displaying the farming traditions of Zala, and the available sights of the neighbouring villages. For instance, displays for hunting, forests and mushrooms, a map for the best spots for picking mushrooms, daylong wildlife and herbal observation, etc. Furthermore, the organised, advertised, guaranteed and thematic tours like mushroom picking, wildlife observation, herbal ones, etc. would start here with a gathering place at the market square. The coffee shop for local commodities will offer samplings of healthy local products as a way of their promotion, the organization of cooking courses (for example bottling fruit or making dödölle) which may even become an advertised tourist attraction.



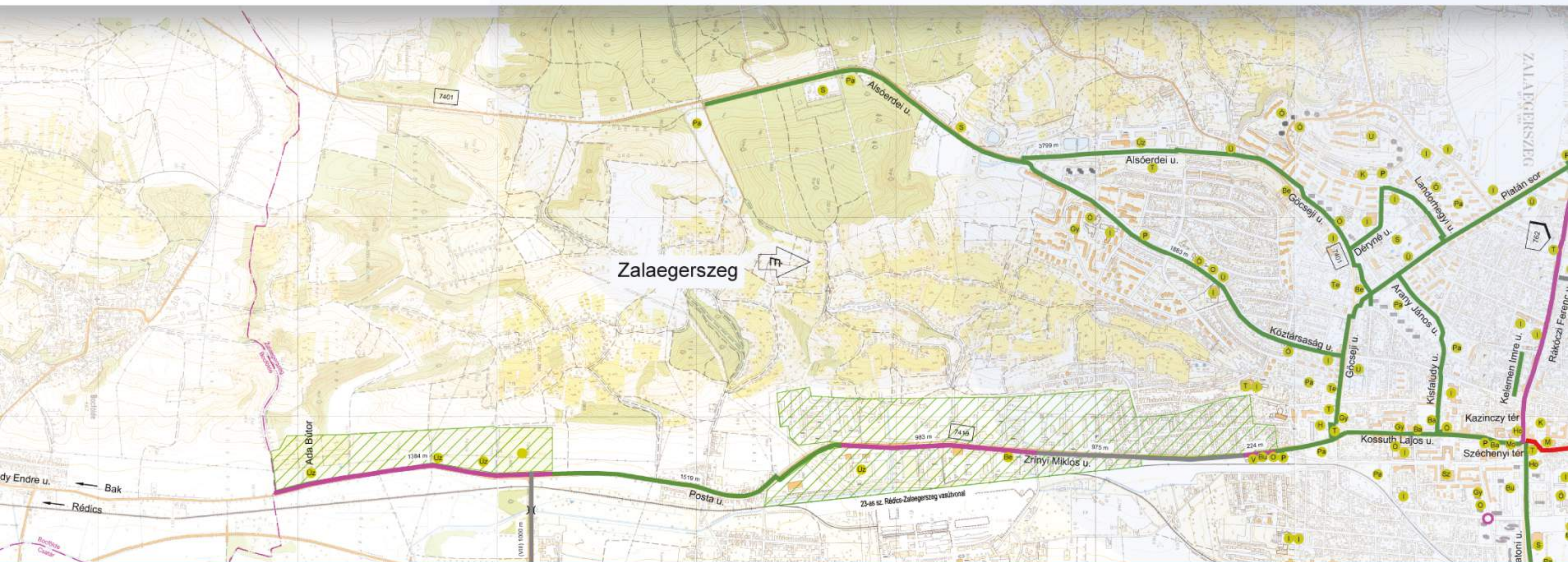
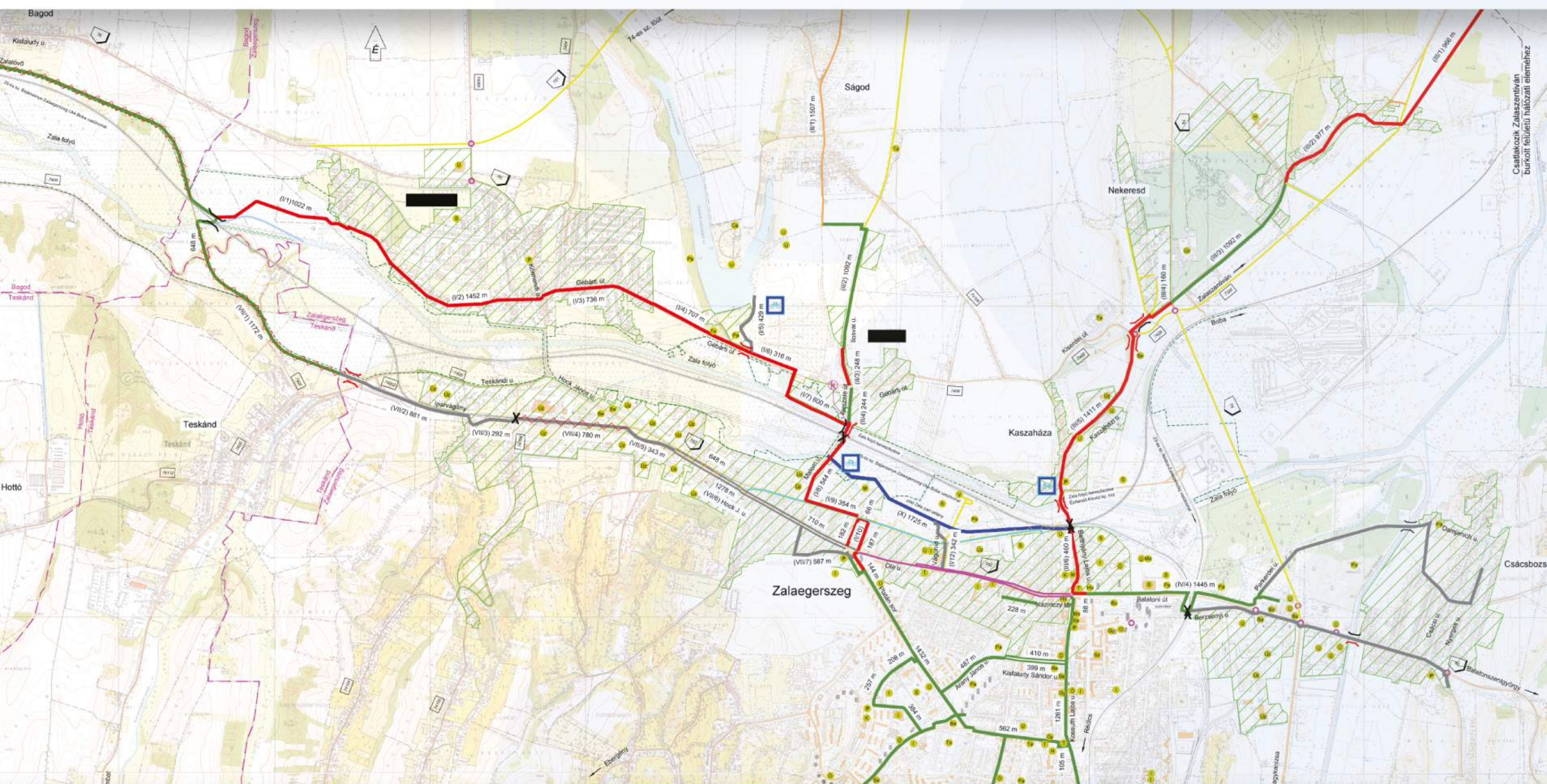
Zöld Zala Project

The development encompasses the improvement of the River Zala and its backwater as well as the surroundings of Lake Gébárti, during which a 3 km long, walkable/strollable green centreline will be created near the city. The program also comprises the establishment of infrastructure around Lake Gébárti and the organisation of leisure activities near the lake.



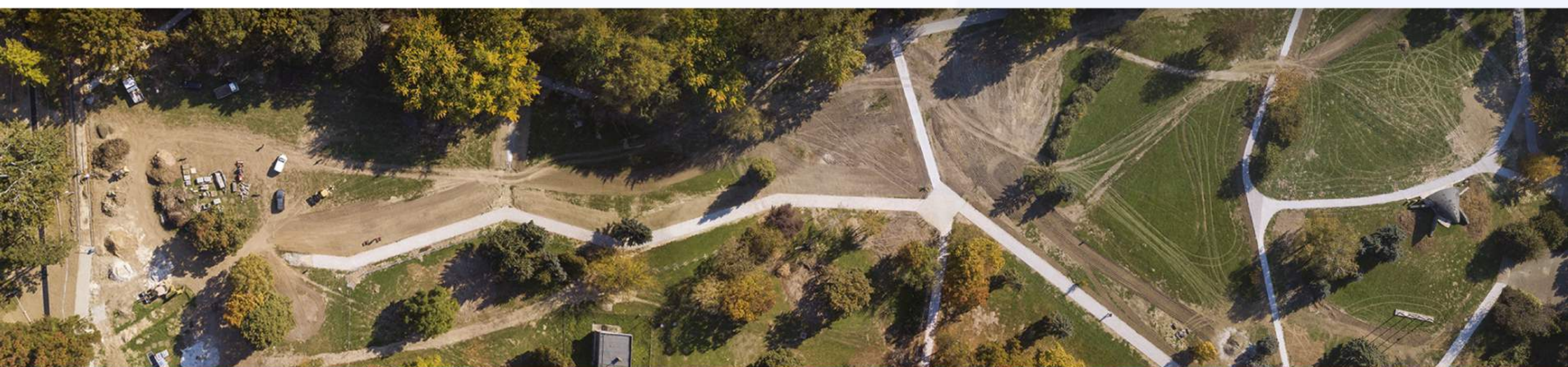
Construction of bicycle tracks

Among others, a road section between Zalaegerszeg and Bagod will be built which provides connection to the 13-km-long bicycle road between Bagod and Zalalövő. This will enable the access to Őrség through Göcsej which provides a further component for families' single-centre tours starting in Zalaegerszeg.



The renovation of Vizslapark

The construction has begun in the biggest community park of the inner city. The plans include the renewal of green areas, and the establishment of a community park, an enclosed playground, bicycle containers, a field for running, and an agility field for dogs.



The reconstruction of the Public lido and swimming pool

A 50-metre-long, 10-course training pool with a stretched water surface will be built in the framework of the Modern Cities' Program.



Introduction of the AquaCity Waterslide and Adventure Park and Aquatherma

The Zalaegerszeg indoor and outdoor thermal spa welcomes visitors with 700 m² water surface, three indoor adventure pools, two indoor thermal spa pools, three indoor pools for children, an outdoor pool, waterslides, and a Finnish sauna open all year round.



The AquaCity Waterslide and Adventure Park situated in a total area of 7,5 acres, with a watersurface of 6.043 m², 6 outdoor pools, 3 jacuzzis, 3 other pools and a waterslide park offers excellent recreational opportunities to the local people and to tourists arriving in Zalaegerszeg, too. The average annual number of visitors reaches up to 70-80 thousand.



The biggest artificial lake of the region can be found to the north of the city. Lake Gébárt was created by the artificial protuberance of two small creeks, presently stretching over a vast area of 31 acres. Its environment covered by parks offers recreation grounds for swimmers, for those keen on watersports and fishermen, too. There are walking paths around the lake and a beach at its peninsula. The area has grown out to be a renowned recreational and leisure zone.



The Aquatherma Thermal Spa Village and Campsite neighbouring the AquaCity and the Thermal Spa is located in the picturesque area of the Lake Gébart peninsula. There are apartment houses made of logs, caravan zones and a modern campsite of high standards operating all around the year with a lake beach, free time sports facilities and a restaurant, too.

