

# Hotels - Spain

## Key Performance Indicators (Q1 2024)

ADR

€106.89

Change YoY: +9%

RevPAR

€65.31

Change YoY: +12%

Occupancy

61%

Change YoY: +2 pp

Number of opened establishments

12,494

Change YoY: +1%

Estimated number of bed places (in thousands)

1,239

Change YoY: +6%

Number of travellers (in millions)

21

Change YoY: +10%

Lease Prime Yield in Madrid

5.25%

Change vs Q1 23: +0.50 p.p

Lease Prime Yield in Barcelona

5.25%

Change vs Q1 23: +0.50 p.p

Lease Prime Yield in Spanish Islands

6.25%

Change vs Q1 23: +0.50 p.p

After a record 2023 in the tourism sector, Spain surpassed 21 million visitors in the first quarter of 2024, 10% more than the same period of the previous year. Overnight stays also registered year-on-year rises (+12%), with almost 60 million. For the rest of 2024 we expect an additional increase in travelers to Spain, as a result of the conflicts in the Middle East and their impact on tourist flows; while average daily tourist spending (per person) continues to rise and already stands at €173, 6% higher than a year ago.

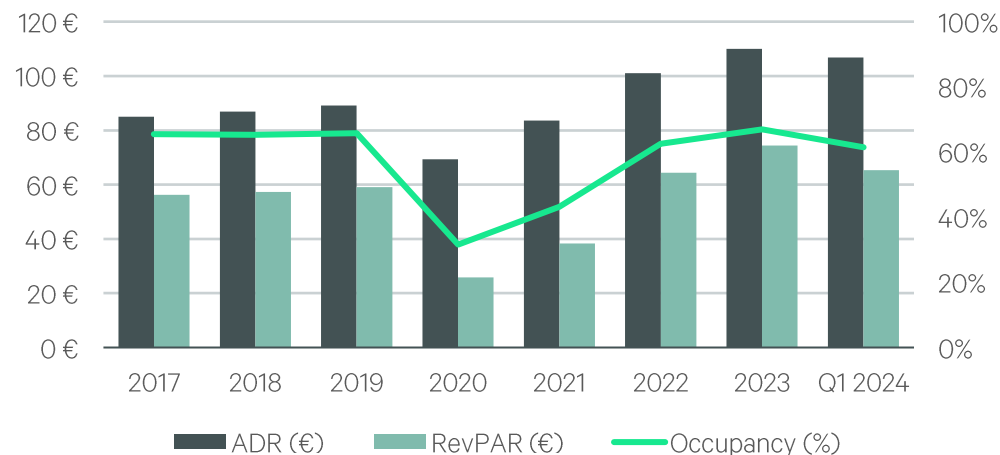
In terms of hotel supply, Spain currently has a total of 1,239 thousand beds available in 12,494 hotels, with an occupancy rate of around 61%. On the project pipeline side, around 260 hotels (approx. 26,000 rooms) are expected to be opened in Spain by 2025, 22% of which will be high-end (5-star and 5-star GL), with around 50% concentrated in Malaga, Madrid, Valencia and the Canary Islands.

The good performance of demand, together with the increase in the average rate, kept the pulse of the hotel industry's operating results at the beginning of 2024, considerably higher than those recorded a year earlier. Thus, ADR (average price per occupied room) reached €106.9 (+9% vs. Q1 2023) and RevPAR (average revenue per available room) stood at €65.3 (+12% vs. Q1 2023).

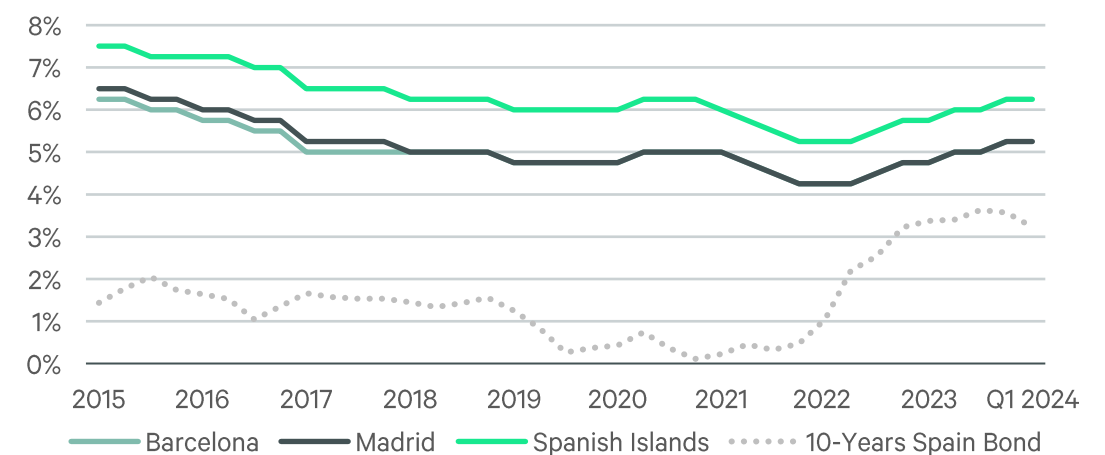
Prime hotel yields remained stable in Q1, standing at 5.25% in Madrid and Barcelona, and 6.25% in the Islands. The trend for the coming months is stable due to rising hotel operations, good bookings prospects and stabilization of interest rates.

\*INE public data are calculated using current year averages up to March

ADR and RevPAR (left, €) Occupancy (right, %). Source: CBRE Research via INE



Lease Prime Yields in Spain (by location) vs. 10-Years Spanish bond. Source: CBRE Research



# Hotels - Portugal



## Key Performance Indicators (Q1 2024)

ADR

€89.1

Change YoY: +9%

RevPAR

€39.8

Change YoY: +9%

Number of travellers  
(in millions)

5.6

Change YoY: +8%

Occupancy

44%

Change YoY: +0 p.p.

Lease Prime Yield  
in Lisbon

5.5%

Change vs Q1 23: +0 p.p.

Lease Prime Yield  
in Porto

5.75%

Change vs Q1 23: +0 p.p.

Portugal exceeded pre-pandemic levels in tourism, with 30 million visitors in 2023. This good performance continued in the first quarter of 2024, registering 5.6 million travelers, 8% more than in the corresponding period last year. Specifically, the accommodation sector recorded a yearly increase in overnight stays of 7%, reaching 13.5 million in Q1 2024. The number of foreign visitors in the first quarter reached 3.2 million, representing c.60% of the total. During the rest of the year, the country will continue to attract interest from international travelers.

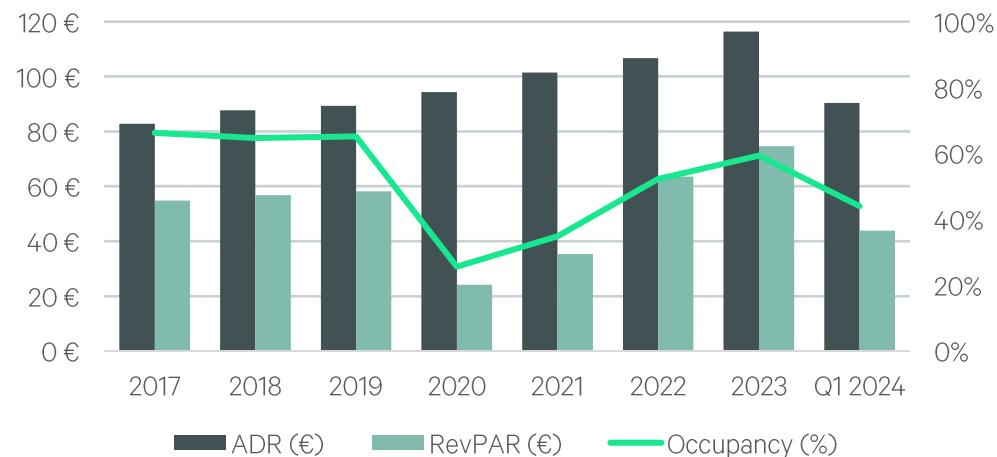
The hotel sector had a very positive performance in Q1, with operating results continuing an upward trend: ADR increased to €89.1 (+9% vs. Q1 2023) and RevPAR reached €39.8 (+9% vs. Q1 2023). Portugal registered an occupancy rate of 44% in Q1 2024, in line with the same period of last year.

In terms of hotel supply, despite the lack of official statistics, CBRE tracked four new hotels in the first quarter: three in Lisbon MA and one in Porto MA, totaling 436 rooms. There are around 30 projects in the pipeline in Porto and Lisbon Metropolitan Areas and Algarve, adding more than 2,600 rooms.

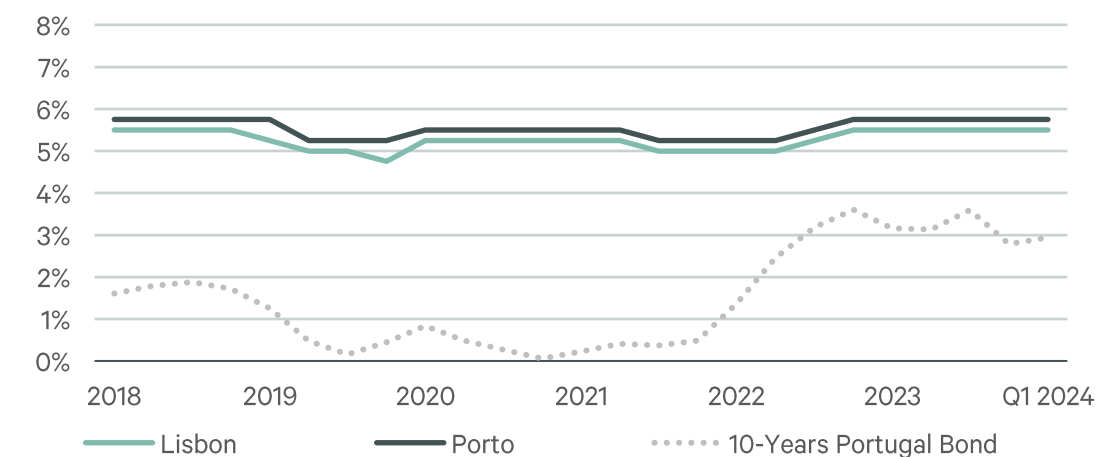
Hotel prime yields haven't changed since Q4 2022, standing at 5.5% in Lisbon and 5.75% in Porto. Notwithstanding the relevant number of transactions in the pipeline, we expect a stable trend for the coming months.

\*INE public data are calculated using current year averages up to March

ADR and RevPAR (left, €) Occupancy (right, %). Source: CBRE Research via INE

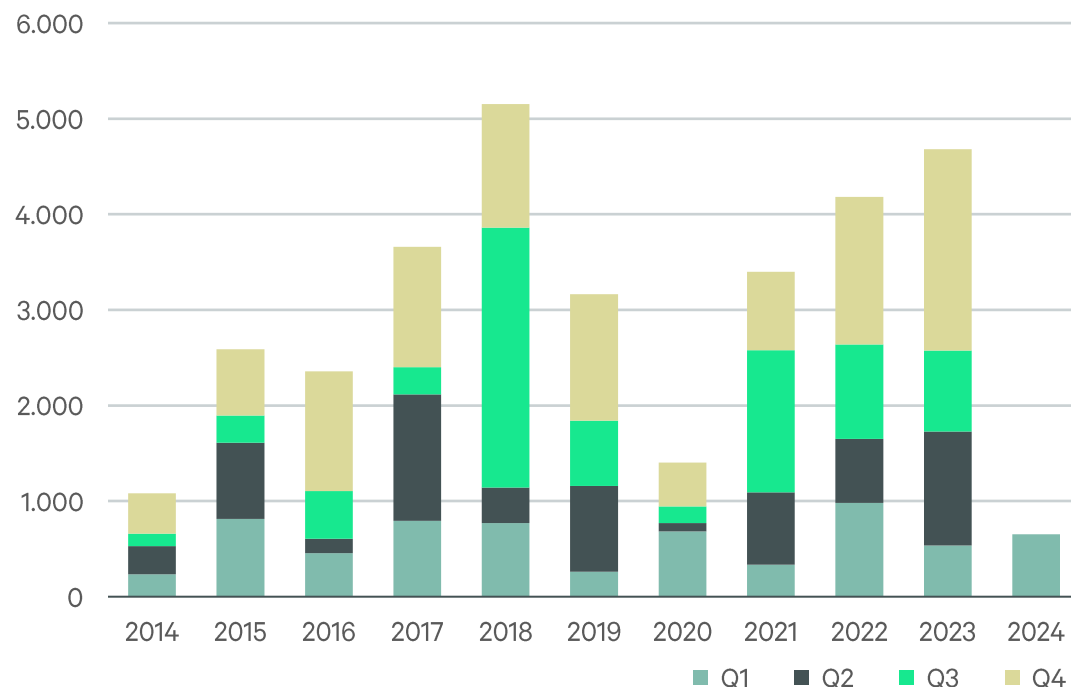


Lease Prime Yields in Portugal (by location) vs. 10-Years Portuguese bond. Source: CBRE Research



# Hotels - Iberia

Hotel investment volumes in Iberia (€ Million). *Source: CBRE Research*



The hotel sector in Iberia reached €654 million transacted in Q1 2024, 22% higher than Q1 2023 and 14% higher compared to the 2019-2023 average. Spain represented 88% of the investment and Portugal 12% of the total in Iberia.

Hotel investment in Iberia accounted for 27% of the total volume transacted, while in Europe it stood at around 12% in Q1 2024. The outlook in Iberia is positive for the rest of the year following the results of the *2024 European Hotel Investor Intentions Survey*. Spain is positioned as the preferred destination for investors in 2024 and Portugal ranks 7th as an investment destination.

In Q1 2024, 35 hotel assets and more than 3,500 rooms were transacted in Iberia, compared to 20 hotel assets and 3,000 rooms in Q1 2023. Investors continue to focus on high-end hotels due to their more resilient and inelastic nature, accounting for 84% of the total transacted: 56% four-star assets and 28% luxury assets (4% five-star and 24% five-star GL).

The predominant investor profile was led by hotel chains and institutional investors (40% and 36% of the total volume, respectively), followed by private investors (20%). In terms of the origin of capital, the activity of domestic investors during Q1 2024 stood out, with Spanish investors accounting for 67% and Portuguese investors for 15% of the total volume transacted in Iberia.

Portfolio turnover continued in Q1, with five portfolio transactions represented 48% (over €300 million), including the acquisition of part of the Meliá Hotels portfolio by Banco Santander (Spain) and the purchase of the Amazónia Hotéis Group by Real Hotels Group (Portugal).

In terms of asset type, resort hotels played a less important role than the urban segment during the first months of the year, with 37% of the total. By location, Barcelona accounted for the largest amount transacted (29%), followed by the Canary Islands (28%), the Balearic Islands (11%) and Lisbon (9%).

*\*Services apartments are not included, which are considered in the Living sector.*

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