

Hotels - Spain

Key Performance Indicators (Q1 2025)

ADR €113.19 Change YoY: +6%	RevPAR €69.60 Change YoY: +7%	Occupancy 62% Change YoY: +02pp
Number of open establishments 12,308 Change YoY: -2%	Number of beds (in thousands) 1,226 Change YoY: -1%	Number of travellers (in millions) 20 Change YoY: -3%
Lease Prime Yield in Madrid 5.00% Change vs Q4 24: +0 p.p	Lease Prime Yield in Barcelona 5.00% Change vs Q4 24: +0 p.p	Lease Prime Yield in Spanish Islands 6.00% Change vs Q4 24: +0 p.p

Spain received close to 20 million visitors in the first quarter of the year, a slight drop of 3% compared to 2024. This decline is mainly attributed to the fact that Easter this year was celebrated in the month of April, affecting especially the number of domestic travellers (-6%), but not so much foreigners, which remained stable. We expect the data for the first half of the year to offset this initial slight drop, although we must consider the possible influences of recent geopolitical events on tourism. Meanwhile, total cumulative spending by international tourists continues to increase, standing 8% higher than in the same period last year.

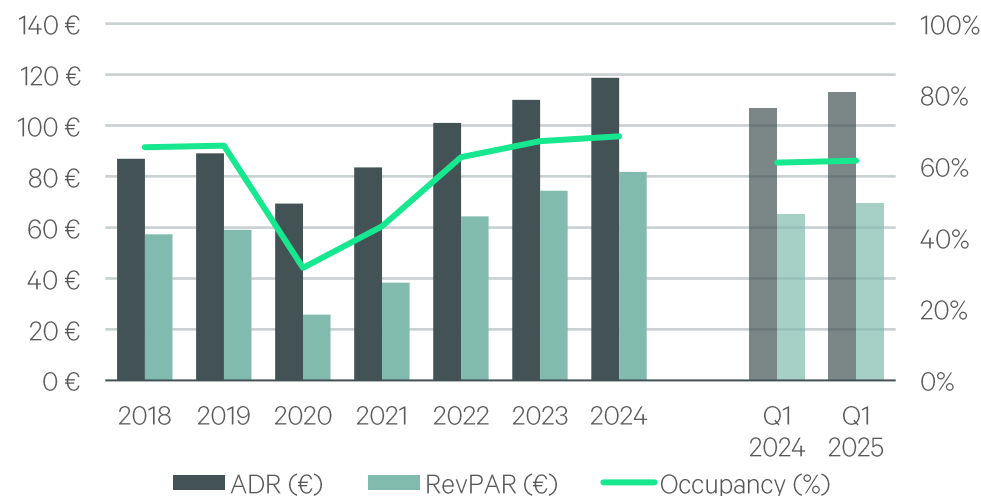
The hotel supply in Spain stood at 1,226,428 available beds in 12,308 establishments, with an occupancy rate of around 62% at the end of the quarter. In terms of the project pipeline, around 220 hotels (approximately 23,000 rooms) are expected to be opened in Spain by 2026, 25% of which will be high-end (5-star and 5-star GL), and around 50% concentrated in Malaga, Madrid, the Canary Islands and Cadiz.

The operating results of the hotel industry in the first three months of 2025 confirmed the good pulse of hotel and tourism activity in our country, surpassing the levels of the same period in 2024 thanks to the increase in rates and the improvement in occupancy: ADR (average price per occupied room) reached a value of 113.19€ (+6% vs. Q1 2024) and RevPAR (average revenue per available room) stood at 69.60€ (+7% vs. Q1 2024).

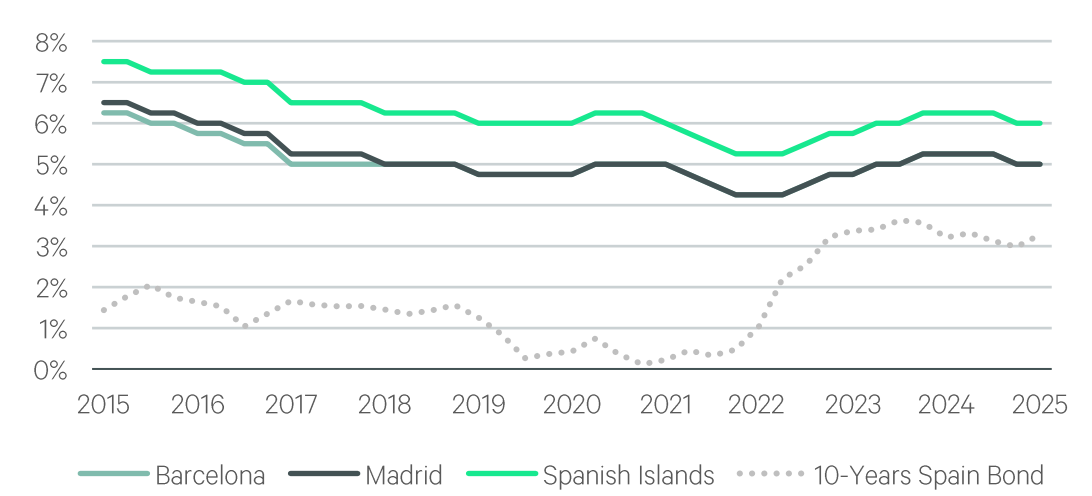
Prime hotel yields remained unchanged in the first quarter, standing at 5% in Madrid and Barcelona, and 6% in the Islands. The trend also points to stability in the coming months.

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

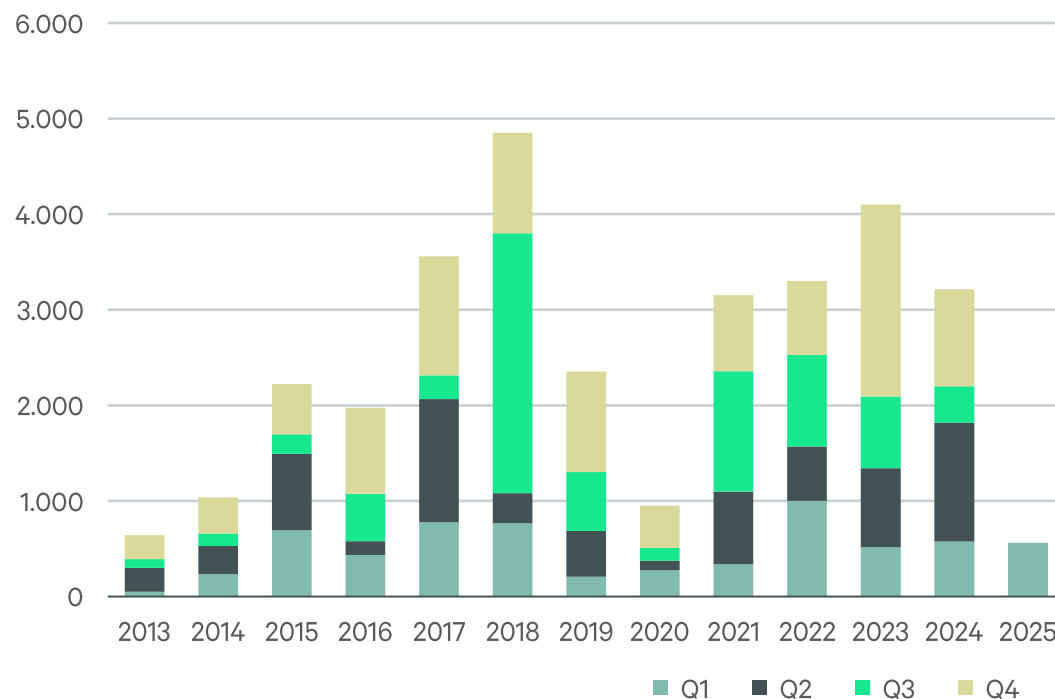
ADR and RevPAR (left, €) Occupancy (right, %). Source: CBRE Research via INE



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



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



*Land for hotel developments and serviced apartments, considered as part of the Living sector, are not included.

The hotel sector attracted 564 million euros in the first quarter of the year, representing 17% of the total transacted in the real estate sector in Spain, a figure in line with the previous two years. As in 2024, medium-volume transactions prevailed.

Investment forecasts for the rest of the year are positive, based on the results of the Hotel Investor Intentions Survey 2025, in which Spain repeats for the second consecutive year as the most attractive destination in Europe for hotel investment.

The predominant investor profile was distributed mainly between hotel chains (48%) and private investors (25%). By origin of capital, domestic investors once again led investment, accounting for 56% of the total amount transacted, followed by French investors (20%).

A total of 34 hotel assets and 3,634 rooms were transacted in Spain in the first quarter, compared to 29 hotels and 3,240 rooms in the same period of 2024. Last year's trend towards the polarization of luxury assets and the budget segment has been accentuated in favour of the latter, which accounted for 17% of the total from January to March. Luxury hotels accounted for 13% of investment (6% five-star and 8% five-star GL), while four-star assets led with 45%.

While portfolio rotations lost importance in total volumes (representing only 4% of total investment in Q1), there was an increase in investor interest in the purchase of obsolete office assets for change of use to hotels in city centers.

In terms of asset type, the urban and vacation segments attracted investors in equal parts in the first three months of the year. By location, Barcelona was the main protagonist and preferred destination for investors (45%), followed by the Balearic Islands (17%) and the Canary Islands (13%). The rest was divided between Andalusia and other provinces of Catalonia.

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