

# Hotels - Spain

## Key Performance Indicators (Q2 2024)

ADR

€110.77

Change YoY: +8%

RevPAR

€72.92

Change YoY: +11%

Occupancy

66%

Change YoY: +2 pp

Number of opened establishments

14,130

Change YoY: +1%

Estimated number of bed places (in thousands)

1,502

Change YoY: +4%

Number of travellers (in millions)

54

Change YoY: +6%

Lease Prime Yield in Madrid

5.25%

Change vs Q2 23: +0.25 p.p

Lease Prime Yield in Barcelona

5.25%

Change vs Q2 23: +0.25 p.p

Lease Prime Yield in Spanish Islands

6.25%

Change vs Q2 23: +0.25 p.p

Tourism is increasingly becoming a key driver of the Spanish economy. In the first half of 2024, Spain reached 54 million visitors (+6% vs. H1 2023), and overnight stays also recorded year-on-year increases (+7.5%), with close to 161 million. Looking ahead to the second half of the year, Spain will continue to break records in the tourism sector and position itself as the second most visited country in Europe, after France, especially driven by foreign tourism, which will show signs of greater dynamism. In this sense, to ensure sustainable growth from a social and environmental perspective, it will be essential to continue enhancing the management of tourist flows.

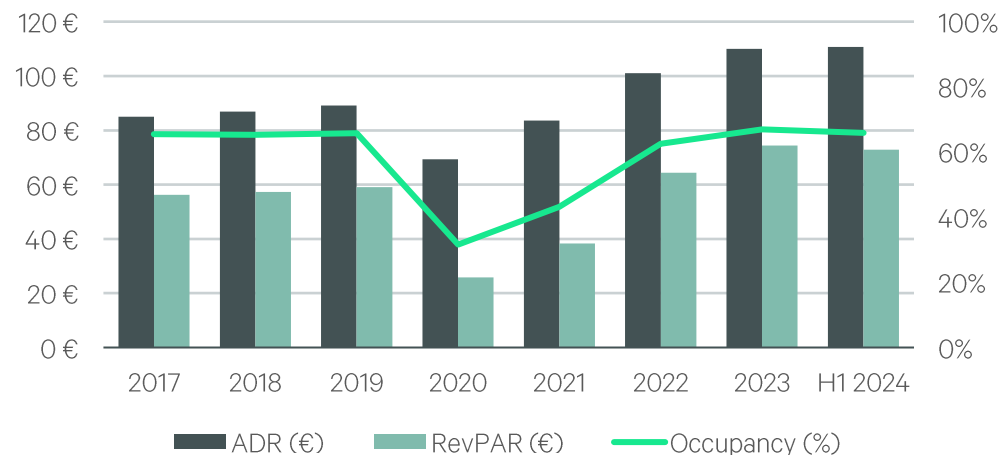
In terms of hotel supply, Spain currently has a total of 1,502 thousand beds available in 14,130 hotels, with an occupancy rate of around 66%. In terms of the project portfolio, around 220 hotels (approx. 21,000 rooms) are expected to be opened in Spain by 2025, 24% of which will be high-end (5-star and 5-star GL) and around 50% of which will be concentrated in Malaga, Madrid, the Canary Islands and Cadiz.

The hotel industry experienced solid operating results from January to June 2024 and up on the previous year, thanks to the good performance of demand and the increase in the average rate. ADR (average price per occupied room) reached €110.77 (+8% vs. H1 2023) and RevPAR (average revenue per available room) stood at €72.92 (+11% vs. H1 2023).

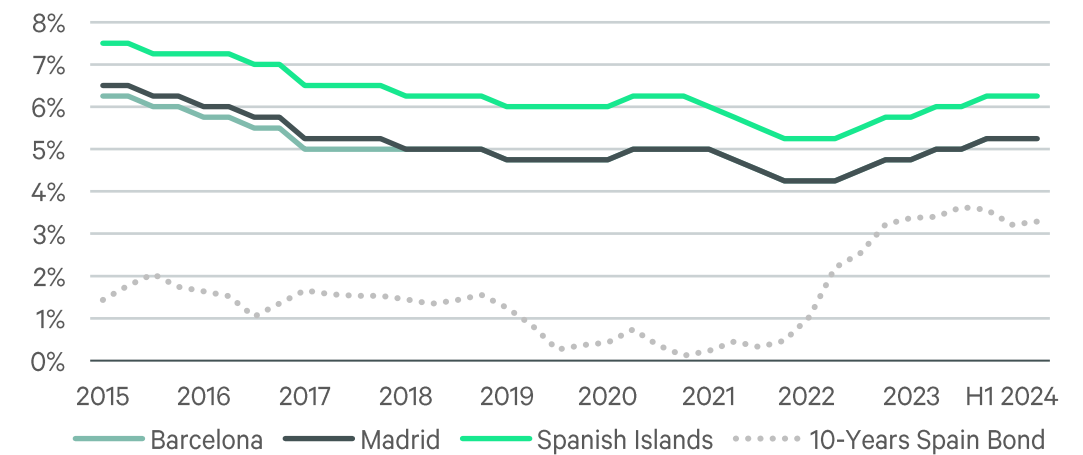
Prime hotel yields remained stable in Q2, standing at 5.25% in Madrid and Barcelona, and 6.25% in the Islands. The trend has turned to stronger for the coming months based on the new interest rates situation, and closely linked to the upturn in operational and investment activity.

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

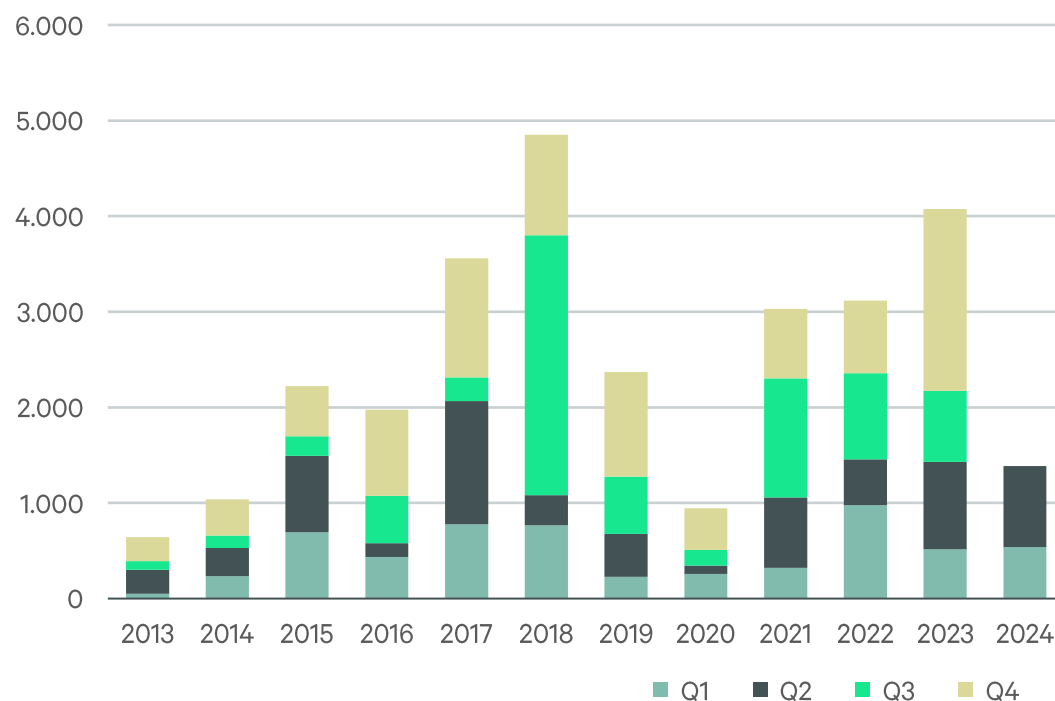
ADR and RevPAR (left, €) Occupancy (right, %). Source: CBRE Research via INE



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



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



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

The dynamism of the Spanish hotel sector was reflected in the more than 1,385 million euros transacted during the first half of the year (25% of the RE total), especially through mid-market transactions. With 847 million euros transacted in Q2, the sector has maintained its investment momentum, which we expect to continue thanks to the pipeline of deals.

The predominant investor profile was mainly diversified between hotel chains (34%) and private investors (33%). In terms of the origin of the capital, domestic investors led the investment, representing 50% of the total amount transacted, compared to 33% in H1 2023.

In the first half of 2024, 73 hotel assets and more than 7,400 rooms were transacted in Spain compared to 59 hotel assets and 7,600 rooms in H1 2023. Investors maintained their preference for high-end hotels due to their more resilient and inelastic nature, although less than usual (70% of the total transacted vs. 85% in 2023). This reduction was due to a lower prominence of four-star hotels, while luxury assets continued to play a major role in the investment, accounting for 30% of the total (19% five-star and 11% five-star GL). Among the luxury asset transactions, the purchase by the Italian Statuto Group of the Six Senses Ibiza for close to 200 million euros was particularly noteworthy.

Five portfolio transactions were responsible for 20% of the hotel investment (more than 270 million euros), including the acquisition of part of the Meliá Hotels portfolio by Banco Santander and the purchase of the Gran Lujo Miramar and Florida hotels in Barcelona by Atom Hoteles.

In terms of asset type, the distribution between the urban and resort segments is very tight, with 53% and 47% of the total, respectively. By location, the Balearic Islands was the province with the highest amount transacted (29%), followed by Barcelona (21%), the Canary Islands (16%), Malaga (10%) and Madrid (8%).

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