

Hotels - Spain

Key Performance Indicators (Q1 2024)

ADR €106.89 Change YoY: +9%	RevPAR €65.31 Change YoY: +12%	Occupancy 61% Change YoY: +2pp
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.

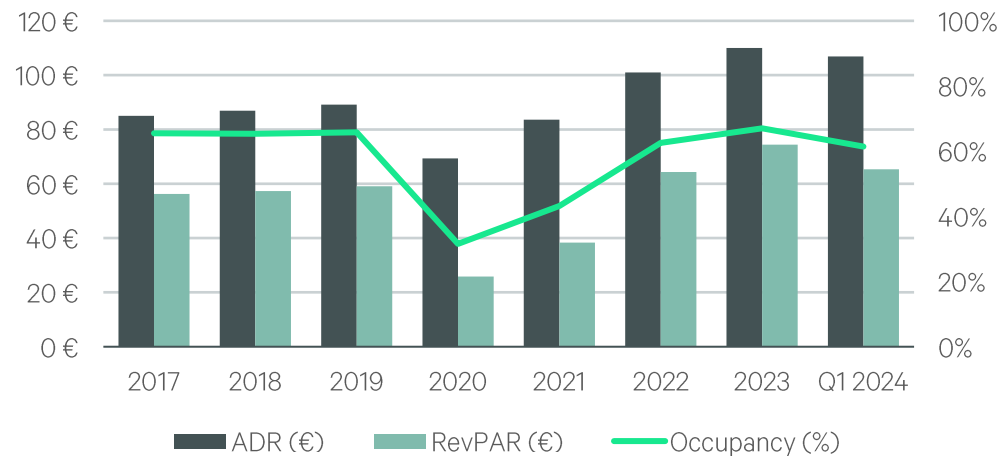
In terms of hotel supply, Spain currently has a total of 1,239 thousand beds available in 12,494 hotels, with an occupancy rate of around 61%. In terms of the project portfolio, around 260 hotels (approx. 26,000 rooms) are expected to be opened in Spain by 2025, 22% of which will be high-end (5-star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

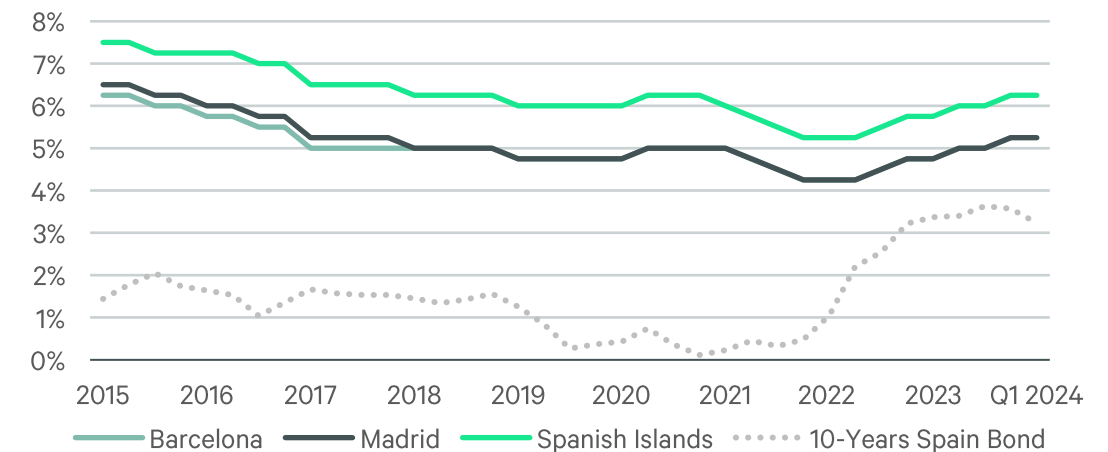
Prime hotel yields remained stable in Q1, standing at 5.25% in Madrid and Barcelona, and 6.25% in the Islands. The trend for the coming months is stable due to rising hotel operations, good bookings prospects and stabilization of interest rates.

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

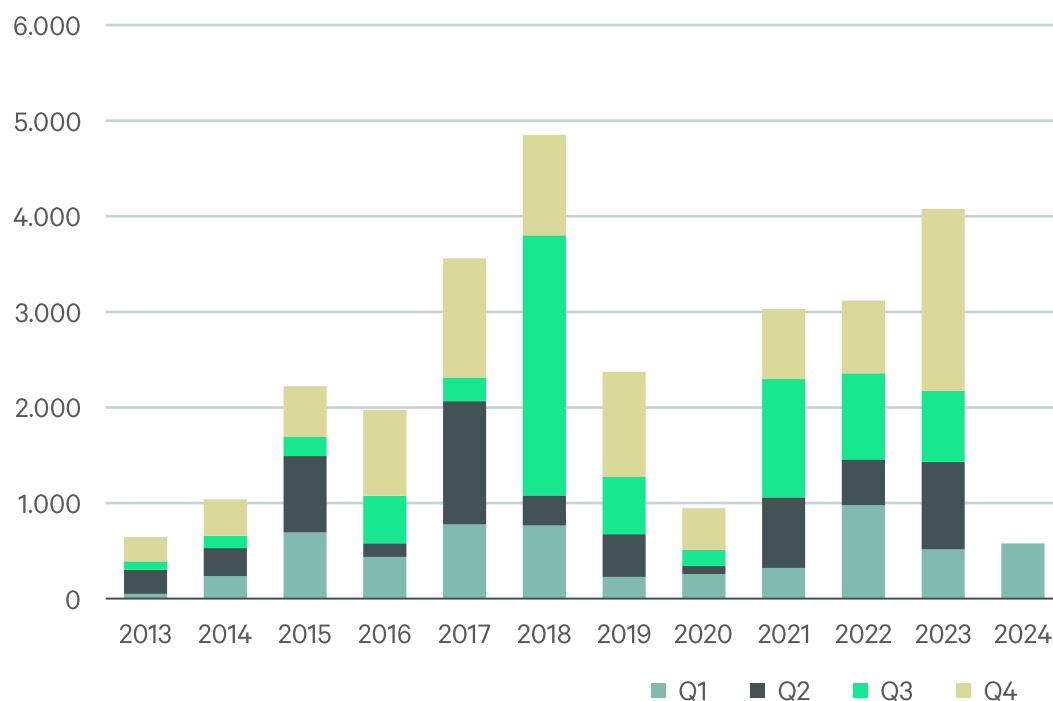
ADR and RevPAR (left, €) Occupancy (right, %). Source: CBRE Research via INE



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



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



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

Spain led hotel investment in Europe last year with 28% of the total amount transacted, and is also positioned as the preferred destination for investors in 2024 according to the *European Hotel Investor Intentions Survey*. Thus, the hotel sector reached 577 million euros transacted in Spain in Q1, 27% of the national total. These investment figures represent an increase of 12% compared to the same period in 2023.

The predominant investor profile was led by institutional investors, with more than 37% of the total volume (especially investment vehicles managed by Financial Institutions), followed by hotel chains (36%) and private investors (23%). In terms of the origin of the capital, the activity of domestic investors during Q1 2024 was surprising, representing 74% of the total amount transacted, with the closing of three portfolio transactions having a major impact.

In Q1 2024, 28 hotel assets and more than 3,000 rooms were transacted in Spain, compared to 19 hotel assets and 2,900 rooms in Q1 2023. Investors continue to focus on high-end hotels due to their more resilient and inelastic nature, accounting for 82% of the total transacted: 55% for four-star assets and 27% for luxury assets (1% five-star and 26% five-star GL). During the quarter, portfolio turnover continued, with four portfolio transactions accounting for 47% of the total volume (more than 270 million euros), including the acquisition of part of the Meliá Hotels portfolio by Banco Santander.

In terms of asset type, resort hotels played a less important role than the urban segment during the first months of the year, accounting for only 38% of the total. By location, Barcelona was the province with the highest amount transacted (33%), followed by the Canary Islands (31%), the Balearic Islands (12%) and Malaga (7%).

Contacts

Jorge Ruiz Andrés
National Director,
Hotels Spain CBRE
jorge.ruiz@cbrehotels.com

Gustavo Cumella de Montserrat
Director
Hotels Spain CBRE
gustavo.cumella@cbrehotels.com

Miriam Goicoechea
Head of Research
CBRE Spain
miriam.goicoechea@cbre.com

Laura Peláez
Associate Director
Research CBRE
laura.pelaez@cbre.com

© Copyright 2024. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

