Iberian Hospitality Trends

Executive Summary

19th of November 2025

The Iberian hospitality sector is experiencing a period of sustained growth and transformation. Tourism continues to be a major economic driver for Spain and Portugal, supported by strong international demand, record-breaking arrivals, and robust hotel performance metrics. Both countries have successfully recovered from the pandemic, with significant increases in ADR and RevPAR, positioning Iberia as one of Europe's most attractive destinations for leisure and investment.

Beyond traditional hospitality, the market is evolving toward experience-driven models, with lifestyle hotels, wellness offerings, and F&B innovation becoming central to value creation. Investment flows remain strong, particularly in luxury segments, while Alojamento Local (AL) continues to play a critical role in urban accommodation supply. Looking ahead, Iberia is expected to maintain its leadership in tourism and hospitality, driven by trends such as branded residences, serviced apartments, and the integration of technology and sustainability into guest experiences.

Executive Summary

Strategic Macro View of Iberian Tourism

- International arrivals reached 1.47 billion in 2024, with Europe capturing 53%. Tourism contributes 9.6% to European GDP. Iberian Market Significance: Spain and Portugal welcomed 181.3 million guests in 2024 (83% Spain, 17% Portugal). Source markets include domestic travelers, UK, Germany, France, and USA.
- Despite the differences in source market dynamics, both countries performance has been similar in the last years: Portugal ADR +39%, RevPAR +44%; Spain ADR +37%, RevPAR +44%, confirming strong post-pandemic resilience.
- Portuguese RevPAR is highly influenced by the weight of the Lisbon market, but there is still room for growth at ADR level. Barcelona as the best performing submarket in Iberia commands a premium over city locations.
- 2026 Outlook: optimism is still the key word, both for Portugal and Spain, given the encouraging outlooks from major source markets and a robust growth in less central locations.

Hotel Investment: Past, Present, and Main Trends

- Iberia represented 19% of total European hotel investment during Q1-Q3 2025, leading the continent. Year-to-date volumes surpassed last year by c. €1.2 billion, and represent roughly a 20% increase over the 10-year average. Investment volumes reached €2.63 billion in Spain, showing a 16% year-on-year growth, while Portugal remained steady at €341 million. The hotel sector maintained its position as the second-largest asset class in terms of investment, following only Living in Spain and Retail in Portugal, accounting for 20% of total commercial real estate investment in 2024.
- Europe contributed two-thirds of the total investment in Iberia. At the national level, Spain's domestic market was the predominant source of investment for Spain, whereas in Portugal, the US represented 28% of investment over the past five years.
- Relevant differences between Portuguese and Spanish investor landscape – In Spain, hotel chains lead with 41% of investments, while in Portugal, institutional investors are the primary group at 59%, followed by Private High Net Worth Individuals and Family Offices at 31%.
- Luxury (5-star) is the most relevant category in Portugal (81% in of total hotel investment), Spain has been witnessing to a growing interest and investment volumes on the budget segment.

CBRE

Executive Summary

Branding & F&B: Experience-Driven Hospitality

- Lifestyle is no longer a marketing label, and became a strategic category in global hospitality.
- This attractiveness (evidenced by a significant number of transactions for lifestyle brands), has spread to all categories of the hotel sector and has no longer the luxury appeal. Lifestyle Hotels are trending and driving ADR premiums up in multiple cities across Iberia;
- Soft brands have gained traction, but risk standardizing the lifestyle appeal of brands. This is a relevant concern for demand management given that 75% of luxury travelers say they won't pay for a hotel that feels generic;
- Wellness Boom: 60% of Gen Z/Millennials plan trips with wellness; wellness tourists spend +177% above average.
- F&B Evolution: Restaurants now act as social hubs; F&B margins rising as value accelerators;
- Emerging Segments: Growth in branded residences, luxury serviced apartments, glamping, and dual branding.

Alojamento Local (AL) & Hotels: Market Dynamics

- AL has a salient role: Lisbon has 49,569 AL beds vs. 58,251 hotel beds; revenues €531.6M AL vs. €1.18B hotels.
- Supply Impact: Without AL, Lisbon would need 10,000+ extra hotel rooms (in an estimated 617,500 sqm GCA) to cater to the same demand levels.
- Growth Trends: AL was not the main driver post-pandemic demand or supply growth. Hotels were;
- Hotel-apartments and branded residences are emerging as a hybrid model between full-hotel and AL offers, and gaining both attention from investors and traction from demand.
- The hospitality industry is witnessing to a softening of frontiers between different offers and increasingly displaying a continuum (with specialized offers that position along a spectrum of services, facilities, amenities)
- Balance and Professionalization: Regulatory integration and professionalization will sustain equilibrium between hotels and AL.

CBRE

Business Contacts

Jorge Ruiz
Head of Hotels Iberia
jorge.ruiz@cbre.com

Blanca Martin
Senior Director Valuations Iberia
blanca.martin@cbre.com

Borja Fernandez-Peña
Head of F&B Iberia
borja.fernandezpena@cbre.com

Duarte Morais Santos
Head of Hotels Portugal
duarte.moraissantos@cbre.com

Frederico Borges de Castro
Senior Director Valuations Portugal
frederico.castro@cbre.com

David Pozo
Head of Strategic Consulting
david.pozo@cbre.com

Research Team

José Maria Moutinho
Head of Research Portugal
jose.moutinho@cbre.com

Laura Pelaez Corredor
Research Associate Director Spain
laura.pelaez@cbre.com

Diana Silva
Research Portugal
diana.silva@cbre.com

Laura Villazon
Research Spain
Laura.Villazon@cbre.com