

The sector indicators are compiled quarterly from a detailed and exhaustive study prepared by experts in the Knight Frank Spain office and are based on real data and market trends.

# Hotels Snapshot

Q2 2021

SPAIN			
<b>ADR (y-o-y)</b> 2019 - March 2021*	2019	2020**	2021 (March 21 vs March 20)
	<b>+2.5%</b>	<b>-23.3%</b>	<b>-16.2%</b>
<b>RevPAR (y-o-y)</b> 2019 - March 2021*	2019	2020**	2021 (March 21 vs March 20)
	<b>+3.0</b>	<b>-54.8%</b>	<b>-42.9%</b>

Source: INE. \*March has been taken into account instead of April and May so as not to distort the data due to the confinement of those months. \*\* included confinement months.

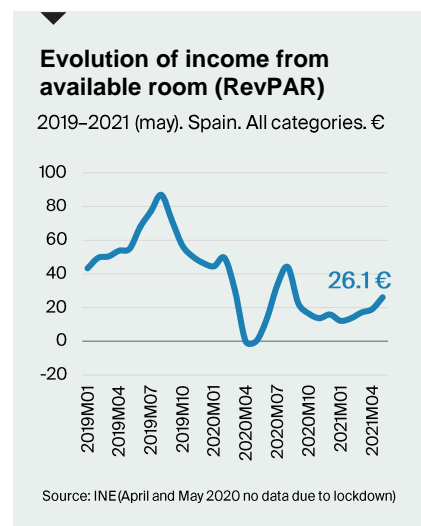
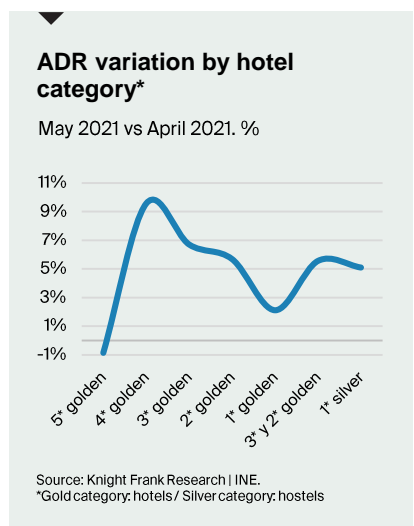
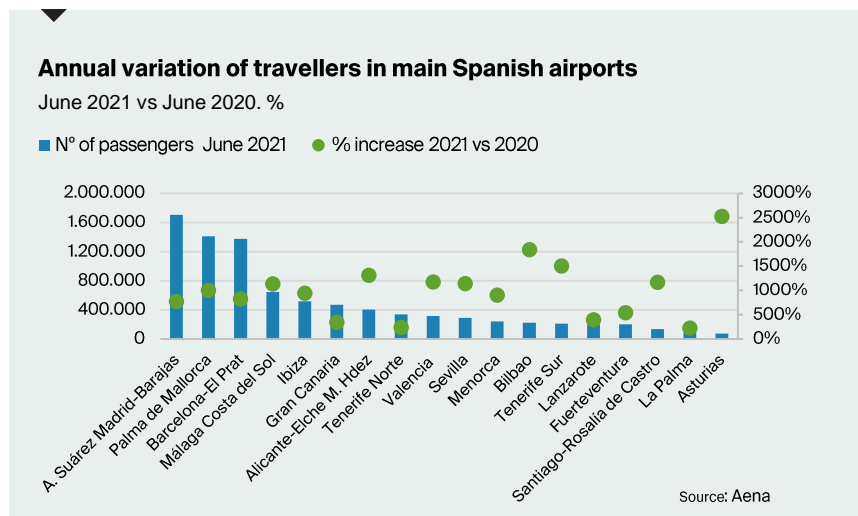
## Situation in Spain

The hotel sector was provided with some relief in certain key tourist areas with national tourism reactivating after the end of the state of alarm on the 9th of May. There were great hopes that the improving situation and strong initial reservation numbers would translate into a good summer season and help significantly with the recovery. Unfortunately the onset of the fifth wave has watered down many forecasts for this summer's performance.

Simultaneously, Spanish hoteliers are requesting further governmental support to help drive recovery in the sector with proposals such as the Spain Bond, which offers incentives for tourists.

The main hotels indicators, the average daily rate (ADR) and the income per available room (RevPAR) continue in negative values although with a more moderate decrease than that registered in 2020.

The RevPAR has increase more than 35% in May compared with April. While the ADR has reflected a monthly increase in all its categories except 5\*, which has had a slight decrease in part due to its higher resistance in adverse situations and its link with international tourism.



## Hotel investment in Spain

The recovery of the hotel sector has begun to be reflected in the second quarter of the year, where it has exceeded the investment made in the first by more than 125% and reaching a volume of € 760 million for the year as a whole (around 75% of everything done in 2020).

Barcelona has represented more than 40% of the total investment registered during the first half of the year, while Madrid represented nearly 10%.

However it should be noted we are expecting to see an increase in investment deals in Madrid with a number of prime deals expected to close this year such as the Eurobuilding or Hard Rock.

With high levels of liquidity in the market and high profile deals pending, the year is forecasted to close with high investment volumes however it is still very much dependent on the evolving situation of the pandemic.

Nevertheless, expectations of a strong tourist rebound sooner or later, is promoting sale & leaseback operations, where large hotel firms sell their assets while staying as tenants in the same establishments. Important chains such as Meliá, NH or Riu have joined this formula.



## TOP 3 DEALS Q2 2021

### VARIOUS

**PORTFOLIO (8 MELIÁ ASSETS)**  
 VENDOR: MELIÁ HOTELES  
 PURCHASER: BANKINTER  
**€204 M** 1,801 rooms  
 Source: Cinco Días

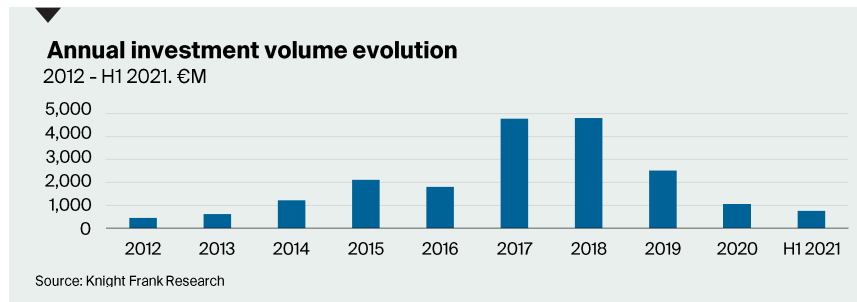
### BARCELONA

**NH GRAN HOTEL CALDERÓN 5\***  
 VENDOR: NH HOTEL GROUP  
 PURCHASER: LASALLE INVESTMENT  
**€125.5 M** 255 rooms  
 Source: Brainsre News

### BARCELONA

**GRAN HOTEL CENTRAL 5\***  
 VENDOR: ÚNICO  
 PURCHASER: YORK CAPITAL  
**€85 M** 147 rooms  
 Source: Eje Prime

One of the most relevant transactions during the second quarter has been the sale of the hotel group's Meliá Hoteles portfolio to Bankinter. The hotel chain will maintain a 7.5% stake in the portfolio as well as the financial institution, which will place a large part of the investment in the hands of its high-net-worth and institutional clients. The 8 assets are distributed between the Balearic Islands, the Canary Islands, Granada, Cádiz and Zaragoza with 1,801 rooms.



## MAIN ON MARKET OPERATIONS Q2 2021



**MADRID**  
**EUROBUILDING**  
 VENDOR: NH HOTELES  
 ASKING PRICE:  
 150M€ - 200M€



**MADRID**  
**HARD ROCK**  
 VENDOR: ACTIVUMSG  
 ASKING PRICE:  
 n.d.



**TENERIFE**  
**HOTEL LAS DALIAS**  
 VENDOR: IBEROSTAR  
 ASKING PRICE:  
 100M€

**COVID-19:** Across Europe and beyond, market activity is being impacted in all sectors due to the Novel Coronavirus (COVID-19) outbreak. As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, in providing our opinions on the market. Given the unknown future impact that COVID-19 might have on the real estate market and limited recent comparable data, this report is meant to provide market insights as we see them at this time but we wish to highlight the material uncertainty which may cause swift changes in the market. Please get in touch with our team if you would like to discuss in further detail or receive an update regarding market conditions.

### Capital Markets

Elaine Beachill  
 Head of Alternative Asset Classes & Retail  
 +34 600 919 016 [Elaine.Beachill@es.knightfrank.com](mailto:Elaine.Beachill@es.knightfrank.com)

### Capital Markets

Isabel Rodríguez-Legorburu  
 Hospitality & Retail Capital Markets Consultant  
 +34 600 919 091  
[Isabel.Rodriguez-Legorburu@es.knightfrank.com](mailto:Isabel.Rodriguez-Legorburu@es.knightfrank.com)

### Capital Markets

Brynn Evans  
 Head of Hospitality & Retail Capital Markets  
 +34 600 919 129 [Brynn.Evans@es.knightfrank.com](mailto:Brynn.Evans@es.knightfrank.com)

### Research

Rosa Uriol  
 Head of Research  
 +34 600 919 114 [Rosa.Uriol@es.knightfrank.com](mailto:Rosa.Uriol@es.knightfrank.com)

## Recent Publications



Wealth Report 2021



Active Capital 2020

Knight Frank Research  
 Reports are available at  
**spanish:** [knightfrank.es/investigacion-de-mercados](http://knightfrank.es/investigacion-de-mercados) and in  
**english:** [knightfrank.com/research](http://knightfrank.com/research)



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.

Important notice© Knight Frank España, S.A.U. 2021. This report is published for general information only and is not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank España, S.A.U. for any loss or damage resultant from any use of, reliance or reference to the contents of this document.

As a general report, this material does not necessarily represent the view of Knight Frank España S.A.U. in relation to particular properties or projects. Reproduction of this report in whole or part is not permitted without prior written approval of Knight Frank España S.A.U. to the form and content within which it appears. Knight Frank España is a limited liability partnership registered in the Mercantile Register of Madrid with Tax ID No. (CIF) A-79122552. Our registered office is located at Suero de Quiñones 34, 28002 Madrid.