

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

Q42021

SPAIN

ADR (y-o-y)
2018 - 2021

2018 vs 2019
(November vs November)
+1.9%

2019 vs 2010
(November vs November)
-23.5%

2020 vs 2021
(November vs November)
+38%

RevPAR (y-o-y)
2018 - 2021

2018 vs 2019
(November vs November)
+0.6%

2019 vs 2020
(November vs November)
-72.6%

2020 vs 2021
(November vs November)
+251.3%

Source: INE.

Situation in Spain

The hotel sector is starting to show signs of improvement after the toughest months of the health crisis, thanks in part to the recovery of mobility both at national and European level. By 2022, international tourism is expected to pick up again, as is business travel, although the evolution of the Omicron variant will again put this possible recovery at risk.

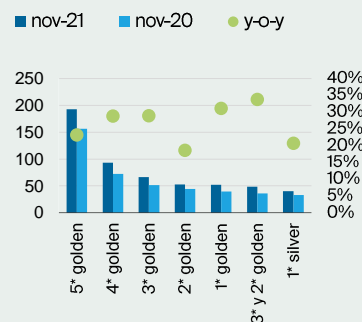
The average daily rate (ADR) has reached almost €90 in November, around 40% more than the same month last year. By category, 1*, 2* and 3* gold hotels have had the highest variation, with more than 30%.

The revenue per available room (RevPar) has reached €43.3 nationally in November, more than 250% higher than in November 2020.

On the other hand, according to the latest published data, the number of overnight stays has increased significantly compared to previous quarters and is expected to continue this positive trend. In the 3rd quarter of 2021, the number of overnight stays reached around 86,500, 130% higher compared to the same period of the previous year.

ADR variation by hotel category *

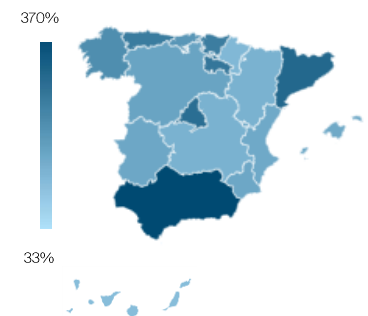
November 2021 vs November 2021. %



Source: Knight Frank Research | INE.
*Gold category: hotels / Silver category: hostels

SPAIN AVERAGE ANNUAL VARIATION IN HOTEL REVPAR

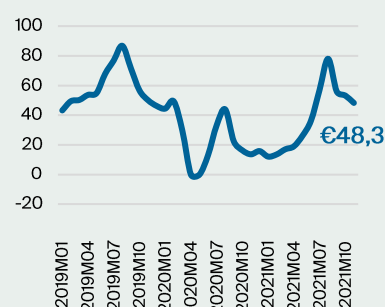
Nov 2020 VS Nov 2021



Source: INE | Knight Frank Research

Evolution RevPAR

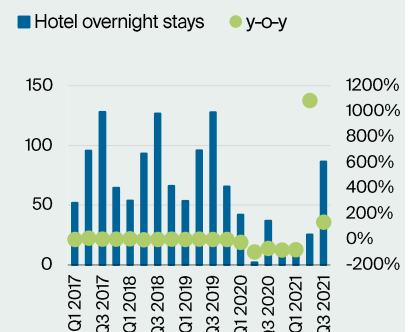
2019 - 2021 (Nov). Spain. All categories. €



Source: INE (April and May 2020 no data due to lockdown)

N° of hotel overnight stays

Q3 2017 - Q3 2021. Million



Source: INE

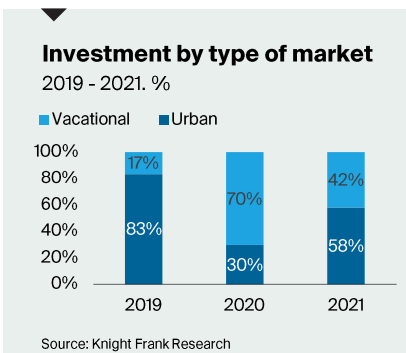
Hotel investment in Spain

The sector closed the year with an investment of more than €2.1 bn, which is almost 105% more than 2020. It is expected that by 2022 investment will continue to increase due to the interest of international investors in this assets.

By type of market, has focused more on large cities such as Madrid and Barcelona with around 60%, while the vacation market closed the year with more than 40%, mostly in the Balearic Islands.

By type of buyer in 2021, the largest number of hotel assets have been acquired by investment funds with around 55%.

In terms of investor nationality, Spain leads with around 35% in 2021, followed by Canada and the US.



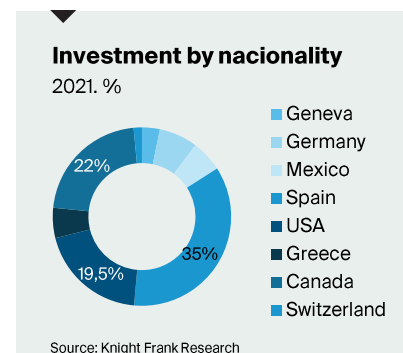
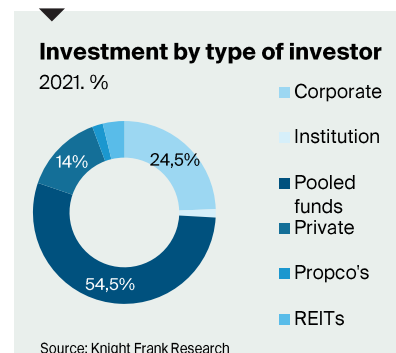
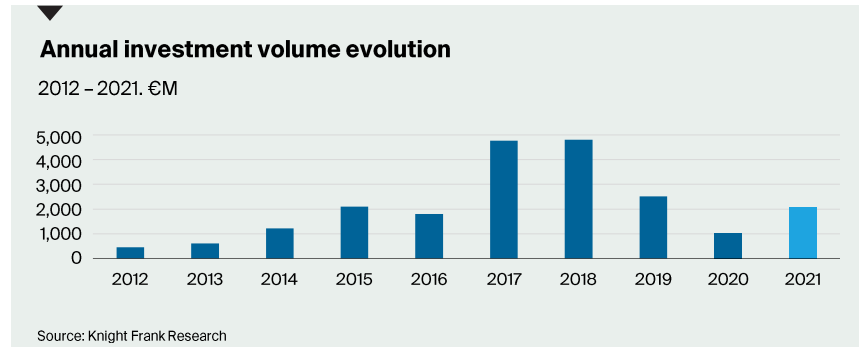
TOP 3 DEALS Q4 2021

TENERIFE
HOTEL LAS DALIAS 4*
VENDOR: IBEROSTAR
PURCHASER: STARWOOD CAPITAL
€100 M 420 rooms
Source: BrainsReNews

MALLORCA
HOTEL PUNTA NEGRA 4*
VENDOR: BLANES FAMILY
PURCHASER: BLASSN PROPERTY
€90 M 137 rooms
Source: Eje Prime

VIARIOS
CARTERA SIXTH STREET
VENDE: N.D
COMPRA: SIXTH STREET
Y PIERRE & VACANCES
€85 M 1.039 rooms.
Source: IdealistaNews

Among the most significant transactions in the last quarter was the acquisition of the 4* Las Dalias hotel in Tenerife by the US investment group Starwood Capital for €100m. On the other hand, Blasson Property has acquired the 4* Hotel Punta Negra in Mallorca for €90m. The Sixth Street fund also acquired a portfolio of five 3* and 4* hotels in Benidorm, Salou, Roquetas de Mary and Lloret de Mar for €85 million.



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

Capital Markets

Isabel Rodríguez-Legorburu
Hospitality & Retail Capital Markets Consultant
+34 600 919 091
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

Research

Rosa Uriol
Head of Research
+34 600 919 114 Rosa.Uriol@es.knightfrank.com

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