

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

Q1 2022

SPAIN



ADR (y-o-y)
2019 - 2022

2019 vs 2020
(March vs March)
-3.9%

2020 vs 2021
(March vs March)
-15.5%

2021 vs 2022
(March vs March)
+34.8%



RevPAR (y-o-y)
2019 - 2022

2019 vs 2020
(March vs March)
-41%

2020 vs 2021
(March vs March)
-42%

2021 vs 2022
(March vs March)
+191%

Source: INE.

Situation in Spain

The hotel sector started the year with optimism. Tourism in Spain closed a quarter above its expectations and began to show more similarity with the figures for 2019, so the reactivation of tourism in 2022 will continue with good pace.

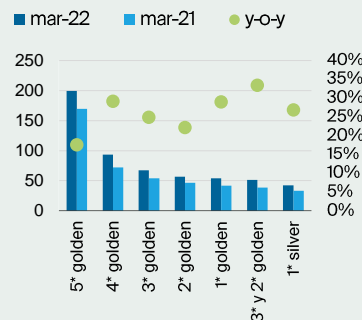
According to the latest available data, the figures for the number of passengers in the month of March are positive, although they have not yet reached the figures for 2019. Alicante airport stands out with an increase of almost 1,200% compared to the same period last year, followed by airports such as Seville and Tenerife South with almost 900% annual variation.

One of the main hotel indicators, the average daily rate (ADR), for the month of March, was close to €90, which is almost 35% more than in March of the previous year. By categories, 1*, 4* gold and 3* and 2* silver hotels have had the highest variation compared to the previous year (around 30%).

The revenue per available room (RevPar) was €50.1 nationwide in March, around 190% higher than in March 2020.

ADR variation by hotel category *

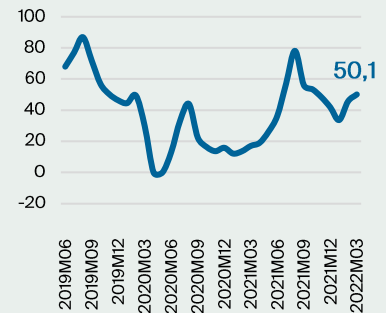
March 2022 vs March 2021. %



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

Evolution RevPAR

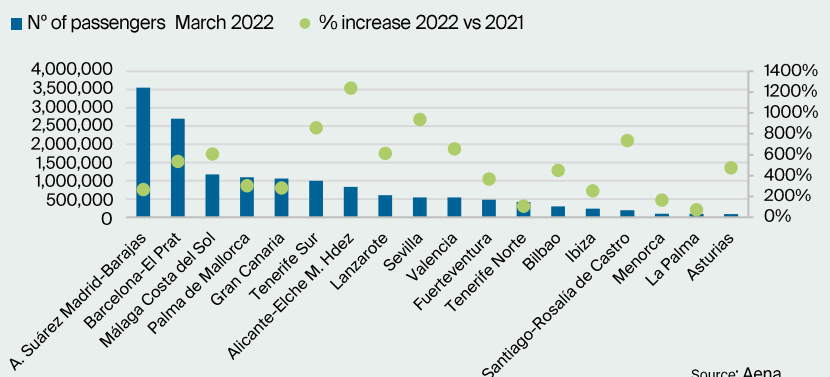
2019 - 2022 (Mar). Spain. All categories. €



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

Annual variation of travellers in main Spanish airports

March 2022 vs March 2021. %



Source: Aena

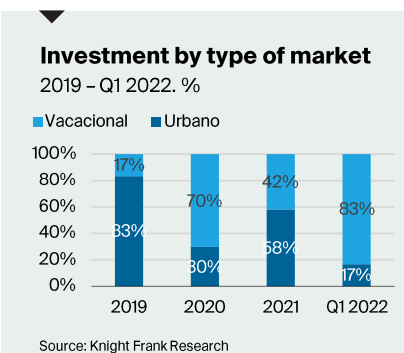
Hotel investment in Spain

The hotel sector closed 2021 with an investment of more than €3,000 million. The first quarter begins with very encouraging data with around €1 billion transacted, which is 300% more than the amount made during the first quarter of the previous year. This trend is expected to continue in 2022 and could exceed €3 billion.

According to the type of market, this quarter has focused more on coastal areas (83%) such as the Balearic Islands and Andalusia.

The selling price per room in the first quarter of the year stood at almost 290,000 euros, around 120% more than in the same period the previous year.

Most of buyers have been Spanish and French with about 30% respectively.



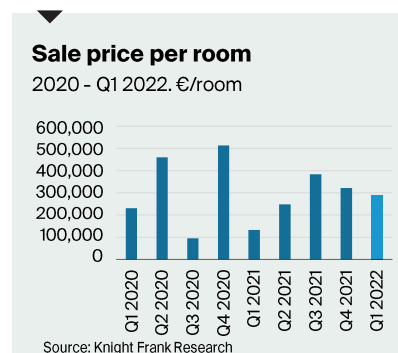
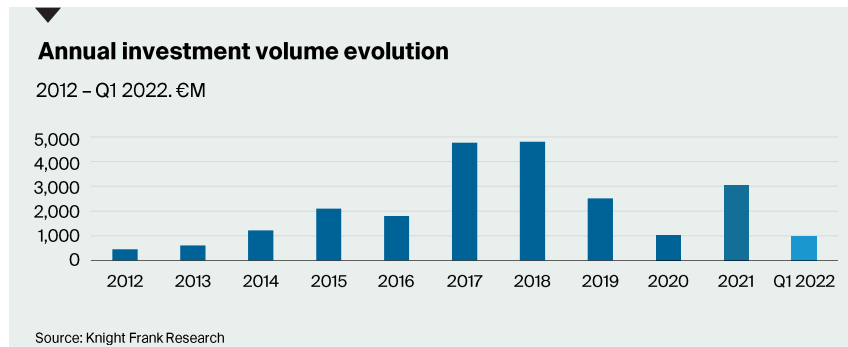
TOP 3 DEALS Q4 2021

VARIOUS
AYRE HOTELS PORTFOLIO
 VENDOR: EL CORTE INGLES / PALLADIUM
 PURCHASER: EURAZEO
€130 M 800 rooms
 Source: El Economista

MALLORCA
7 PINES IBIZA 5*
 VENDOR: 12.18 INVESTMENT MANAG.
 PURCHASER: ENGEL & VÖLKERS
€130 M 185 rooms
 Source: EjePrime

TENERIFE
SHERATON LA CALETA & SPA 5*
 VENDE: DISA
 COMPRA: SANTANDER ASSET MANAG / SIGNAL CAPITAL
€85 M 1.039 rooms.
 Source: BrainsReNews

Among the most significant transactions in the first quarter of the year was the purchase of the Ayre Hotels portfolio by Eurazeo for around €130 million, comprising five hotels located in Barcelona, Madrid, Cordoba and Oviedo, as well as a plot of land in Oporto. Another relevant transaction is the purchase of the 5-star Hotel 7 Pines Ibiza in Ibiza by Engel & Völkers for €130 million, the hotel has a total of 185 rooms.



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.

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