

Hotels Snapshot

Q1 2026

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.

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Spain consolidates its position globally as the country with the highest revenue from international tourism.

- Hotel investment in Spain continues to be driven by transactions in the islands and the Costa del Sol, accounting for around 80% of quarterly deals, with a focus on upscale four- and five-star hotels.

SPAIN SITUATION

2026 has started with an increase in the number of tourists during the first months of the year (January and February), of around 2% compared to 2025.

Additionally, the current conflict in the Middle East could lead to a partial diversion of tourist flows towards safer destinations such as Spain, in line with patterns observed in previous episodes, such as the 2011 Arab Spring.

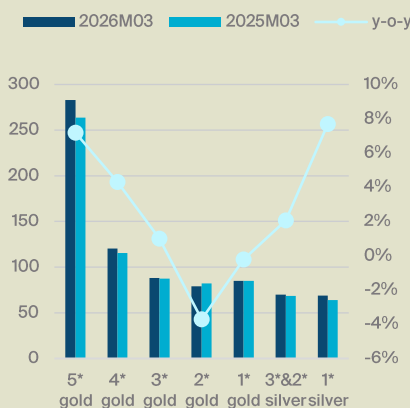
At the end of the first quarter of 2026, hotel performance indicators showed a positive trend, with a year-on-year increase of 3.1% in average daily rate (ADR) and 2.8% in revenue per available room (RevPAR).

In recent years, tourism spending at the national level has recorded a significant increase, standing 50% above pre-Covid levels, reflecting structural changes in the tourism model, including a shift towards longer tourist stays.

Hotel overnight stays, particularly by international tourists, continue to increase during the first quarter of the year, with a +4% year-on-year growth, consolidating the strong performance of international demand.

ADR variation by hotel category*

€ and %

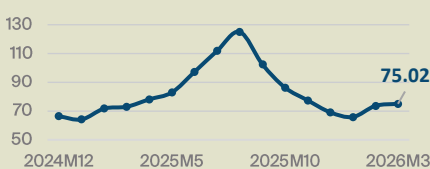


Source: INE

*The gold category refers to hotels and the silver category refers to hostels.

RevPAR* evolution

€



Source: INE

*All hotel categories

Spain

ADR (% mar 26 vs mar 25)

3.1% (4.9% mar 25 vs mar 24)

RevPAR (% mar 26 vs mar 25)

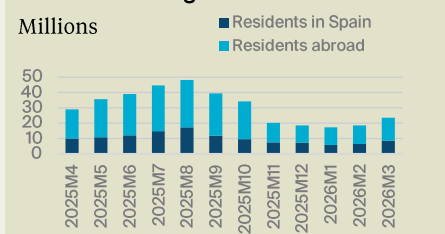
2.8% (5.4% mar 25 vs mar 24)

Nº hotel overnight (% mar 26 vs mar 25)

5.6% (-8.9% mar 25 vs mar 24)

Nº hotel overnight

Millions



Source: INE

Average annual RevPar variation in Spanish hotels

Mar 26 vs Mar 25. %

63%



-19%

Source: INE

HOTEL INVESTMENT IN SPAIN

The first quarter of the year closed with investment exceeding €960 million nationwide, representing a year-on-year increase of more than 85%.

Upper-scale hotel categories, namely 5-star and 4-star properties, accounted for more than 75% of total investment during the quarter, highlighting a clear preference for higher-quality assets.

The majority of quarterly investment continues to be concentrated in Spain's coastal areas, primarily in the islands and Costa del Sol.

Ibiza emerged as the leading destination during the quarter, accounting for 30% of total transactions, with notable upscale hotel deals such as the Bless Hotel Ibiza and the Ibiza Corso Hotel & Spa, among others. When considering the Balearic Islands as a whole, this share rises to 45%.

Meanwhile, Las Palmas accounted for around 20% of total transactions. The Spanish capital continues to attract hotel investment, representing approximately 15% of total investment.

The buyer profile was mainly dominated by private investment managers, accounting for around 55% of total transactions. Hotel operators represented more than 30%, while family offices accounted for approximately 15% of total investment during the quarter.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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Spain

Investment volume Q1 2026

€960 M (€515 M Q1 2025)

Top 3 investment deals Q1 2026

Madrid, NH Casa Suecia

Vendor: Feuring Hotelconsulting | Purchaser: Beasant Capital
N° rooms: 123
Source: Eje Prime

Bilbao, Hotel Meliá

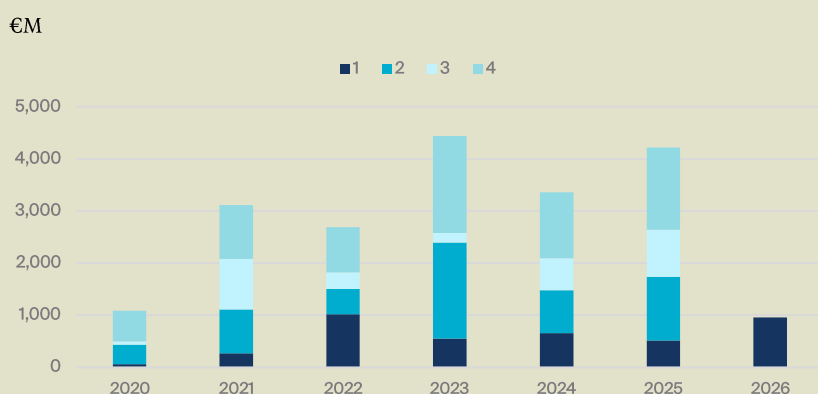
Vendor: Hotei Properties | Purchaser: Nordeste Properties
N° rooms: 210
Source: Brainsre

Fuerteventura, Eurostars Las Salinas

Vendor: Atom Hoteles | Purchaser: Naxitis
N° rooms: 223
Source: Observatorio Inmobiliario

▶ During the first quarter of the year, the hotel sector was marked by the acquisition in Madrid of the upscale 5-star Hotel NH Casa Suecia by Beasant Capital from Feuring Hotelconsulting. Another notable transaction was Nordeste's acquisition of the five-star Meliá Hotel in Bilbao from Hotei Properties. Meanwhile, in Fuerteventura, Atom Hoteles has divested the four-star Eurostars Las Salinas Hotel to Naxitis.

Investment volumen in Spain*

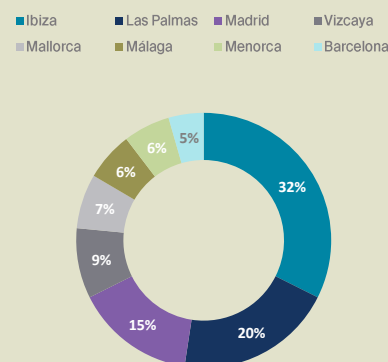


Source: Knight Frank Research

*Include corporate transactions

Investment by province*

TOP Q1 2026 (%)

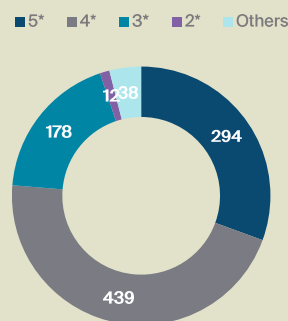


Source: Knight Frank Research

*Not include confidential or non-representative transactions

Investment by hotel category*

€M



Source: Knight Frank Research

*Note: "Others" includes establishments without a defined category or hostels. Portfolios without a breakdown that include assets with multiple categories are not included.