

Hotels Snapshot

Q2 2025

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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The hotel sector reasserts its leadership, accounting for more than 35% of the quarter's total investment(1)

- The second quarter recorded historic investment along Spain's coastal areas, reinforcing the region's economic momentum and coinciding with a surge in the number of tourists visiting the country.

SPAIN SITUATION

Hotel indicators in Spain showed very positive results at the close of the second quarter.

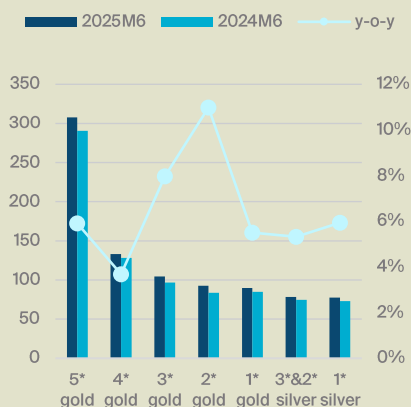
During this period, both the Average Daily Rate (ADR) and Revenue per Available Room (RevPAR) outpaced growth rates since 2019.

The result was a year-on-year increase of 9% in RevPAR during the first half of 2025, reaching €77.8, compared to €71.42 in the same period of 2024.

This growth aligns with data from the World Travel & Tourism Council (WTTC), which reported a 7% increase in international flight bookings to Madrid during the first quarter of 2025.

According to the most recent figures (2024), Spain was the second most visited country in the world. The trend confirms WTTC projections for growth in international tourism to Spain, which could approach 100 million visitors. In the first five months of the year, more than 35 million foreign tourists visited Spain—5.4% more than in the same period of 2024.

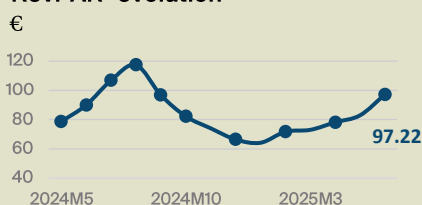
ADR variation by hotel category*
€ and %



Source: INE

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

RevPAR* evolution



Source: INE

*Todas las categorías hoteleras

Spain

ADR (% Jun 25 vs Jun 24)

8.6% (5.5% Jun 24 vs Jun 23)

RevPAR (% Jun 25 vs Jun 24)

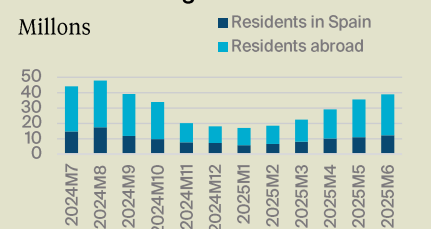
7.8% (11.63% Jun 24 vs Jun 23)

Nº hotel overnight (% Jun 25 vs Jun 24)

2% (5.4% Jun 24 vs Jun 23)

Nº hotel overnight

Millions



Source: INE

Average annual RevPar variation in Spanish hotels

Jun 25 vs Jun 24. %



Source: INE

(1) Total real estate investment encompassing the hotel, office, retail, logistics, and living sectors.

HOTEL INVESTMENT IN SPAIN

The second quarter of the year saw strong hotel investment nationwide, with a volume of around €1.226 billion—50% more than in the same quarter of the previous year. This quarter was marked by the acquisition of hotel portfolios. Likewise, on a half-year cumulative basis, the sector showed positive progress, exceeding €1.73 billion.

By category, four-star establishments accounted for 38% of investment, while five-star hotels captured 49%, consolidating the growing interest in premium assets.

By location, Tenerife emerged as the main recipient of investment, concentrating nearly half of the total this quarter, reaffirming its importance as a hotel and tourism hub.

Other coastal areas also stood out, including cities such as Cádiz (16%), Barcelona (12%), Valencia (5%), Mallorca (5%), and Málaga (5%)—all recognized for their appeal to both domestic and international tourists.

As for the investor profile, approximately 45% of transactions were carried out by hotel operators (including one hotel portfolio). Private equity firms represented nearly 40%, while the remaining 15% corresponded to vacation accommodation companies.

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 Q2 2025

1,226 M€ (819 M€ Q2 2024)

Top 3 investment deals Q2 2025

Tenerife, Mare Nostrum Resort portfolio

Vendor: Brookfield | Purchaser: Spring Hotels

N° rooms: 1000

Source: Observatorio Inmobiliario

Cádiz, Fairmont La Hacienda Hotel

Vendor: Millenium | Purchaser: Activum

N° rooms: 260

Source: Eje Prime

Varias, Banca March y Meliá portfolio

Vendor: Victoria Hotels | Purchaser: Banca March y Meliá

N° rooms: 784

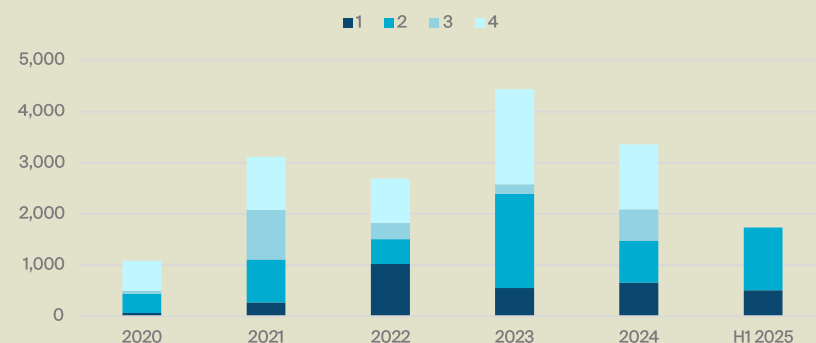
Source: Idealista news

During this quarter, a highlight in Tenerife was the acquisition of the Mare Nostrum Resort portfolio—comprising three hotels—by the Spring Hotels Group. In Cádiz, the Fairmont La Hacienda hotel was sold to the Activum fund.

Meanwhile, in the Balearic and Canary Islands—both leading national tourist destinations—Meliá and Banca March stood out with the purchase of a portfolio of two hotels.

Investment volumen in Spain*

€ M

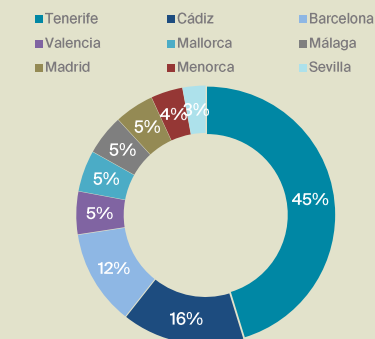


Source: Knight Frank Research

* Include corporate transactions

Investment by province*

TOP Q2 2025 (%)

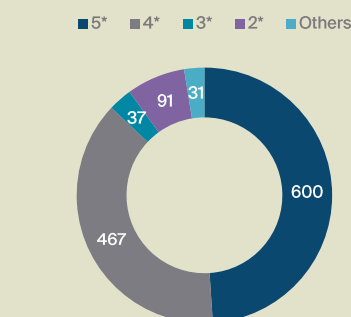


Source: Knight Frank Research

*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.