

Hotels Snapshot

Q3 2024

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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Hotel investment remains strong, with a progressive increase in tourism in Spain.

- The number of overnight stays in Spanish hotels reached a record figure during the summer season (June to September), standing at nearly 170 million (+3% compared to the same period in 2023). In addition, since last August, room rates have been rising continuously for the past 40 consecutive months.

SPAIN SITUATION

The analysis of the 3rd quarter, which includes the key summer months, confirms the favorable forecasts previously anticipated in the sector.

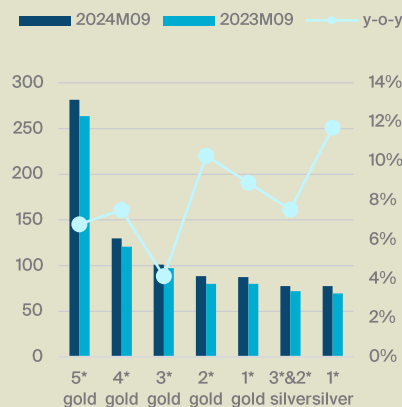
The Average Daily Rate (ADR), Revenue Per Available Room (RevPar) and the number of overnight stays have shown significant growth compared to last year.

The national ADR increased by 7.4% year-on-year, surpassing €125. In the 5* category, the average daily rate is nearly €282, almost 7% higher than in September of last year.

National RevPar rose by nearly 9% this September compared to 2023, reaching €97. During the 3rd quarter, the provinces with the highest RevPar were Balearic Islands, Guipuzkoa, Málaga, Barcelona and Cádiz, with values exceeding €120, surpassing the national average of around 110€ and showing annual growth of approximately 5-10%.

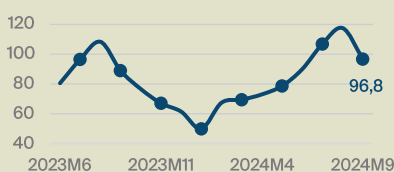
Overnights stays by international tourists in the first nine months of the year amounted to approximately 200M, 8% higher than during the same period in 2023.

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 (% sept 24 vs sept 23)

7.4% (7.9% sept 23 vs sept 22)

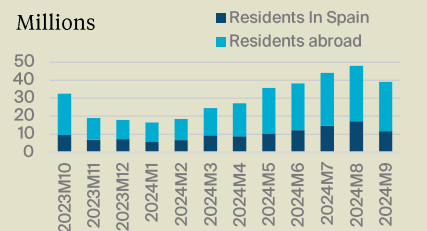
RevPAR (% sept 24 vs sept 23)

8.8% (12.7% sept 23 vs sept 22)

Nº hotel overnight stays (% sept 24 vs sept 23)

2.8% (2.5% sept 23 vs sept 22)

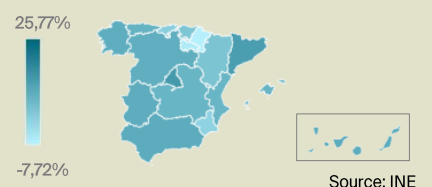
Nº of hotel overnight



Source: INE

Average annual RevPar variation in Spanish hotels

Sept 2024 vs sept 2023. %



HOTEL INVESTMENT IN SPAIN

Hotel investment continues to rise thanks to the strong fundamentals of the hotel sector at a national level. The arrival of foreign tourists is expected to reach a new record this year. In the first three quarters of 2024, there has been an 11% increase compared to the same period in 2023. In the 5-star category, the increase has been 7%.

The accumulated investment for 2024 until September is approaching €2,040 billion (€560 M transacted in the third quarter).

In the upcoming quarters, it is expected that investors will maintain their interest in acquiring hotel assets.

On the other hand, it is likely that 2024 will not reach the investment figure of 2023, a historic year for hotel investment in our country. Despite this, we would not be talking about a slowdown in hotel sector investment, as a transaction of over €1,2 billion was completed in 2023, the highest in the last 5 years.

Barcelona and Madrid represent more than 40% of the total investment in the country during the first nine months of 2024, making them attractive destinations for hotel accommodation investment. Barcelona accounts for nearly 30% of the investment, while Madrid represents 15% of the total.

Other coastal locations known for their vacation leisure, such as Santa Cruz de Tenerife, Valencia, and Málaga, stand out with investments surpassing €60 M, €30 M, and €20 M, respectively.

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



Capital Markets

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Spain

Investment volume Q3 2024

€555 M (€190 M Q3 2023)

Top 3 investment deals Q3 2024

Barcelona, Sunotel

Vendor: Sunotel | Purchaser: Hotelatelier

N° rooms: 300

Source: Idealista

Madrid, Rafael Atocha Hotel

Vendor: Reyat Urbis | Purchaser: Bacanlé

N° rooms: 245

Source: Green Street News

Tenerife, San Antonio Park

Vendor: HIP | Purchaser: Confidential

N° rooms: 246

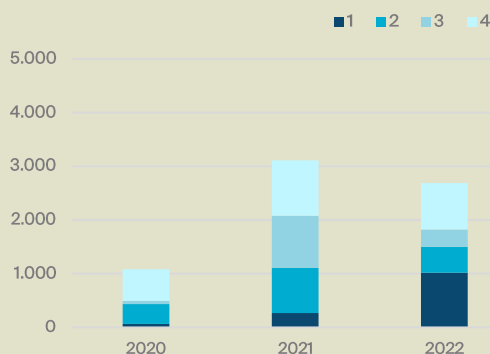
Source: Brainsre

► During the quarter, the acquisition of Sunotel in Barcelona by the Hotelatelier group stands out. As a result, its portfolio has grown to a total of 42 hotels, of which four belong to the Sunotel chain.

In Madrid, the purchase of the Hotel Rafael Atocha by Bacanlé stands out, with a transaction amount of €81 million. This property has 245 rooms. Also notable is the purchase of San Antonio Park in Tenerife, whose first opening dates back to 1965.

Investment volumen in Spain*

€M

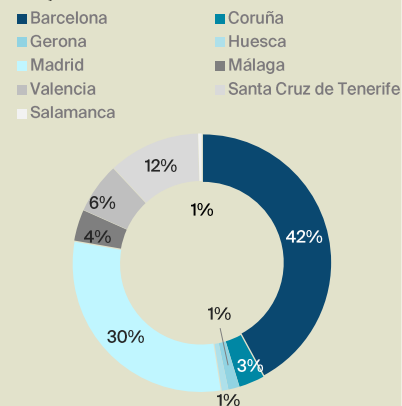


Source: Knight Frank Research

* Includes corporate transactions

Investment by province*

TOP Q3 2024 (%)

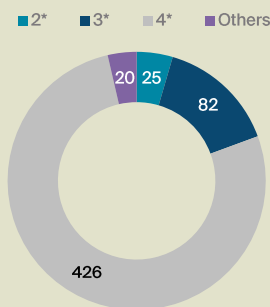


Source: Knight Frank Research

*Not include confidential or non-representative transactions

Investment by hotel category*

€M



Source: Knight Frank Research

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