

MARKET SUMMARY & OUTLOOK

	YoY Chg	12-Mo. Forecast
Investment Trends	▲	▼
Prime Yields	▬	▲
Market Performance	▲	▲
Supply	▲	▲
Demand	▲	▲

In 2022, the hotel transaction activity in Spain reached €3Bn; a level only exceeded in 2017 and 2018 (record years). The total volume was 21% above 2021, despite the economic and political concerns. The rising popularity of resorts within hotel investments, as well as the continued attractiveness of major gateway cities with a strong leisure appeal, contributed to this significant growth.

Yields remained flat in 2022, given the recovery of tourism demand, strong investor appetite, high liquidity in the market, and commercialization of prime assets, contributing to the relaunch of investment activity in Spain. Nevertheless, the pace may slow down in 2023 as record-breaking hotel performances in Q2 and Q3 led to high selling prices, which, adding to increasing financing costs, adds pressure on yields and expands pricing expectations between buyers and sellers.

Overall, the Spanish market has experienced an accelerated recovery during 2022, with a RevPAR 5% above 2019 levels (+€1.5). This was primarily driven by the growing ADR (+16% vs 2019), while the occupancy continues its path to recovery (10% below 2019).

Regardless of the current challenging geopolitical and macroeconomic setting, numerous hotels are expected to open by 2023, following the positive trend of 2022. Examples of major openings include the Barceló Costa Papagayo (720 keys), Gloria Palace Costa Teguiise (350 keys) and Ikos Porto Petro (319 keys). The first two are located in the Canary Islands and the latter in Mallorca, reaffirming the investment focus on coastal resorts.

Spain experienced a strong recovery during 2022, primarily driven by domestic demand, while international travellers also started to pick up in April. Although night stays remained lower than in 2019, average spending per guest improved, with an increased demand for premium hotel products (+2.7% overnight stays in 4- and 5-star hotels Jan-Nov 2022 vs 2019), reflecting lower price sensitivity.

Sources: C&W, STR, Oxford Economics

INVESTMENT TRENDS

HIGHLIGHTS - 2022

- € 3.0 billion transacted
- 108 properties comprising 15,073 rooms sold
- 72% of capital was from international buyers
- 50% of volume was invested in Luxury & Upper Upscale hotels

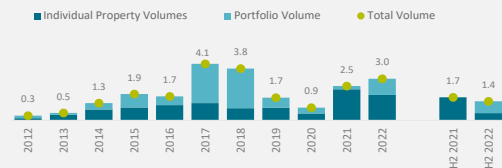
RECENT TRANSACTION TRENDS

	Last 6 months (H2 2022)				CALENDAR YEAR 2022			
	Properties Sold	Rooms Sold	Volume Transacted	% Change*	Properties Sold	Rooms Sold	Volume Transacted	% Change*
Spain	64	7,122	1,386	-17.3%	108	15,073	3,036	21.2%
Regional	60	6,638	1,151	-23.9%	95	12,724	2,254	7.2%
Madrid	4	484	235	43.3%	14	2,349	782	93.8%
Barcelona	n/a	n/a	n/a	n/a	8	1,561	374	-54.7%
Costa del Sol	n/a	n/a	n/a	n/a	6	1,611	252	319.4%
Balearic Islands	5	1,044	175	-16.2%	11	1,746	334	60.4%

Volume transacted in EUR, millions. No information displayed when < 3 deals. *Refers to the % change in transaction volume from the previous period.

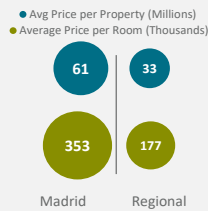
Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES (2012 - 2022, EUR MILLIONS)

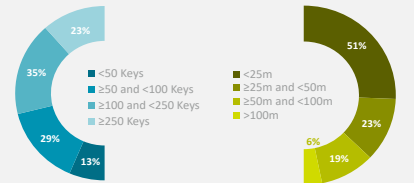


Source: Cushman & Wakefield / RCA

AVERAGE TRANSACTION PRICE (2022, EUR)



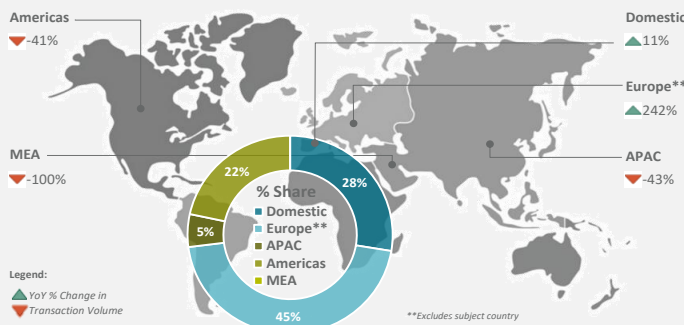
BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE (2022, % SHARE OF DEALS)



Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME* BY SOURCE OF CAPITAL (% CHANGE, 2022 vs 2021)



Source: Cushman & Wakefield

TRANSACTION VOLUME PER HOTEL CLASS (% CHANGE, 2022 vs 2021)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	17%	▲ 1%	Luxury	10%	▲ 13%
Upper Upscale	33%	▲ 93%	Upper Upscale	25%	▲ 34%
Upscale	15%	▼ -68%	Upscale	18%	▼ -63%
Upper Midscale	14%	▲ 92%	Upper Midscale	26%	▲ 195%
Midscale	16%	▲ 166%	Midscale	14%	▲ 44%
Economy	4%	▲ 84%	Economy	8%	▲ 189%

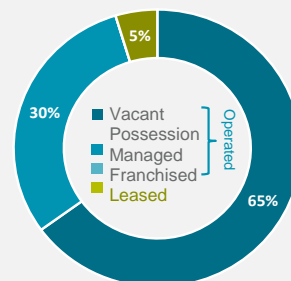
Source: Cushman & Wakefield

TRANSACTION VOLUME BY TYPE OF INVESTOR (2022, % SHARE OF TOTAL VOLUME)

BUYERS (% Share)	Last 12 Months		SELLERS (% Share)	Last 12 Months	
	% Share	% Change		% Share	% Change
Institutional	41%	-41%	64%	199%	
Private	56%	67%	28%	-67%	
Public	3%	-56%	8%	97%	

Source: Cushman & Wakefield / RCA

TRANSACTION VOLUME BY OPERATING STRUCTURE (2022, % SHARE)



Source: Cushman & Wakefield

MAJOR DEALS

SELECTED MAJOR HOTEL TRANSACTIONS IN 2022

Year	Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
Q4 2022	Hotel Incosol Marbella	Marbella	186	Ilanga Investments	LUX	Blackstone	USA
Q4 2022	Hotel Iberostar Las Letras Gran Vía de Madrid	Madrid	109	Millenium Hotels Real Estate	ESP	Animua	ESP
Q3 2022	Expo Hotel Valencia	Valencia	377	Pictet Group	CHE	Selenta	ESP
Q3 2022	Sareb Portfolio (23 hotels)	Various in Spain	1,729	Fortress Investment Group	USA	Sareb	ESP
Q3 2022	Alua Portfolio (5 hotels)	Balearic Islands	1,119	Fattal hotels	ISR	KKR Investment Group	USA
Q2 2022	Hotel Florida Norte	Madrid	400	Round Hill Capital	GBR	Faranda Hotels	ESP
Q2 2022	Occidental Barcelona 1929	Barcelona	152	Invesco	USA	Principal RE Europe	GBR
Q2 2022	Hotel Princesa Plaza Madrid	Madrid	423	Brookfield AM	CAN	Colony Capital	USA
Q2 2022	The Student Hotel Marina	Barcelona	538	Patrizia	DEU	The Student Hotel	NLD
Q1 2022	Hotel Palladium Costa del Sol	Benalmádena	336	Brookfield AM	CAN	Benson Elliot	GBR
Q1 2022	Hard Rock Hotel Madrid	Madrid	161	Arles Management	ESP	Activum SG Advisory	JEY
Q1 2022	Palladium Hotel Don Carlos	Santa Eulalia	168	Stoneweg / Bain Capital	CHE / USA	Palladium Hotel Group	ESP
Q1 2022	Hotel Sheraton Tenerife	Adeje	284	Santander / Signal Capital Partners	ESP/GBP	Grupo Disa	ESP
Q1 2022	Hotel Unico Madrid	Madrid	44	Unico Hotels	ESP	A&G Banca Privada	ESP
Q1 2022	Relaxia Beverly Park Hotel	Maspalomas	481	Relaxia Hotels	ESP	Grupo Perez Moreno	ESP
Q1 2022	Radisson Blu Barcelona	Barcelona	182	Union Investment Real Estate	DEU	Partners Group	CHE
Q1 2022	Crisol Via Castellana	Madrid	228	Ibervalles	ESP	Millenium Hotels Real Estate	ESP
Q1 2022	Los Monteros SPA & Golf Resort	Marbella	173	Stoneweg / Bain Capital	CHE / USA	New Monteros	ESP
Q1 2022	7Pines Resort Ibiza	Ibiza	185	Engel & Volkers	DEU	12.18. Investment Management GmbH	DEU
Q1 2022	Portfolio Palladium - Corte Inglés	Various in Spain	809	Eurazeo	FRA	Palladium Hotel Group / El Corte Ingles RE	ESP

SPAIN - TRANSACTIONS - MAP VIEW 2022

<€1M <€780M

Madrid

Transaction Volume € 782
 Properties Sold 14
 Rooms Sold 2,349

Barcelona

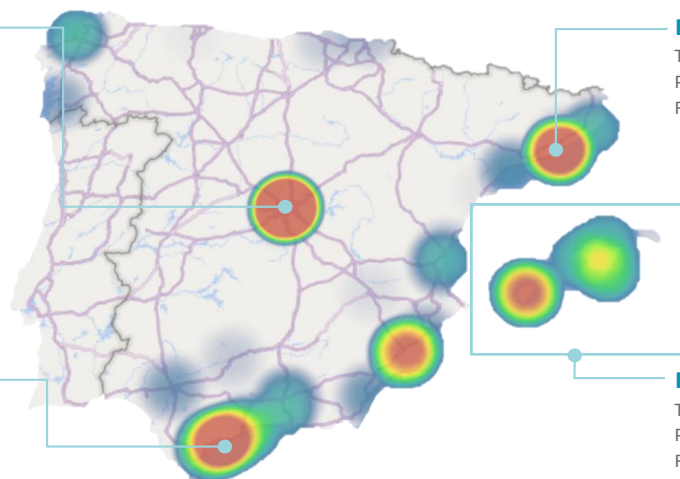
Transaction Volume € 374
 Properties Sold 8
 Rooms Sold 1,561

Costa del Sol

Transaction Volume € 252
 Properties Sold 6
 Rooms Sold 1,611

Balearic Islands

Transaction Volume € 334
 Properties Sold 11
 Rooms Sold 1,746



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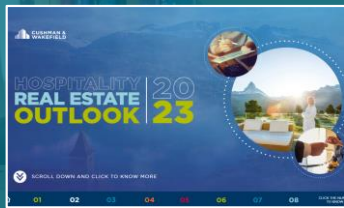
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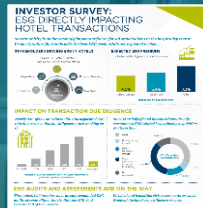
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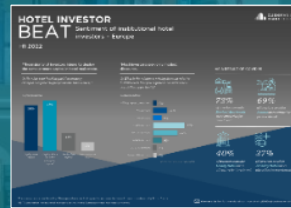
RECENT PUBLICATIONS



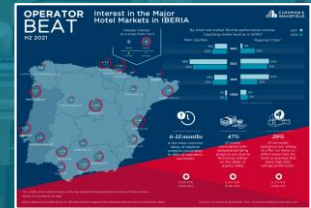
HOSPITALITY REAL ESTATE OUTLOOK 2023



INVESTOR ESG SURVEY Europe - 2022



HOTEL INVESTOR BEAT Europe - H1 2022



HOTEL OPERATOR BEAT Iberia - H2 2021

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