



MARKETBEAT
SPAIN
HOSPITALITY H1 2025

Better never settles

MARKET FUNDAMENTALS

H1 2025	YoY Chg	Outlook
€2.1B Investment Volume	▲	▲
5.5-6.0% Madrid Prime Yields (HMA)	▬	▼
+6.9% YoY RevPAR Growth	▲	▲
0.7% YoY Supply Growth	▼	▲

INVESTMENT HIGHLIGHTS

61 / 10,100 Hotels / Rooms Transacted
€203,154 Average Price per Room
27% Of volume was invested in Luxury Hotels

ECONOMIC INDICATORS

2.8% YoY Real GDP Growth	▼	▼
2.4% YoY Inflation Growth	▼	▼

INVESTMENT ACTIVITY

The hotel investment market in Spain showed remarkable momentum and consolidation during the first half of 2025. With a total investment volume of €2.1 billion, the sector not only recovered to pre-pandemic levels but also recorded the third-highest first semester in history. Driven by robust demand and high-performing assets, the leisure sector regained its leadership, boosted by the record-breaking €430 million acquisition of the Mare Nostrum Resort in Tenerife. Domestic investors led the transactions, accounting for 66% of the volume. With a strong pipeline for H2 2025, the sector is on track to surpass 3 billion mark, reinforcing Spain’s appeal to both domestic and international capital.

PRIME YIELDS

Hotel yields in Spain have remained stable or slightly compressed in prime destinations such as Madrid, Barcelona, the Balearic Islands, and the Canary Islands, driven by strong investor demand and constrained supply.

SUPPLY & DEMAND

Despite record-breaking demand, hotel supply has not kept pace, creating a supply-demand imbalance, with fewer hotel establishments (16,778) than 2015 levels. This imbalance has contributed to rising prices and improved performance indicators (e.g., RevPAR). The limited growth in supply is due to constraints such as land availability, regulatory pressures, and a focus on quality over quantity. As a result, the total number of hotel rooms increased by only 0.7% in H1 2025.

PERFORMANCE

Spain delivered a strong performance in H1 2025, with RevPAR increasing by 6.9% year-over-year to reach €115.7. This growth was primarily driven by a 6.5% rise in ADR, while occupancy remained stable (+0.2 percentage points). ADR in Madrid and Barcelona rose by 6.6% and 3.1% compared to H1 2024. Marbella and Fuerteventura were leading the growth rate in ADR (+15% and 12%) while destinations enjoying the highest increases in occupancy were Marbella (+4.3%), Zaragoza (+3.9%) and the Balearic Islands (+3.2%).

RECENT TRANSACTION TRENDS

(EUR, MILLIONS)

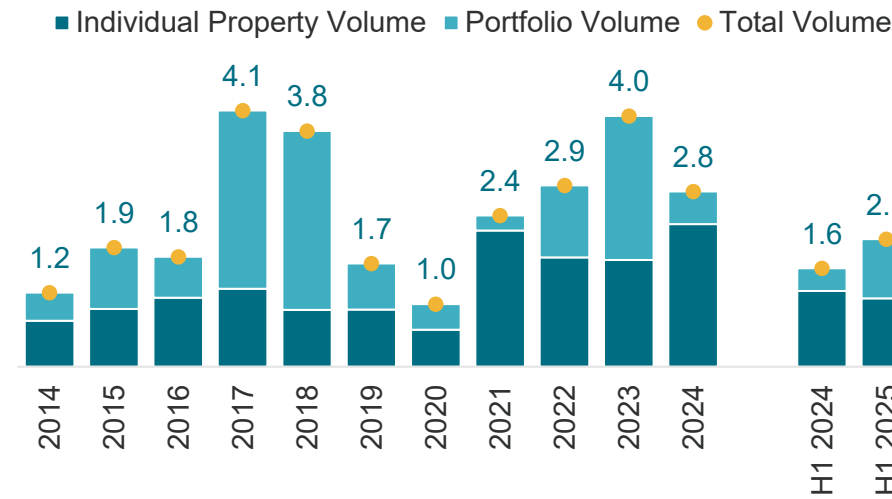
	Current Period (H1 2025)				
	Hotels	Rooms	Volume	% Change*	
Spain	61	10,100	2,052	29%	▲
Regional	58	9,855	1,942	30%	▲
Madrid	3	245	110	14%	▲
Canary Islands	11	4,130	726	162%	▲
Balearic Islands	8	1066	158	-69%	▼
Barcelona	4	547	214	-23%	▼

	Last Year (2024)				
	Hotels	Rooms	Volume	% Change*	
Spain	111	16,550	2,818	-30%	▼
Regional	103	15,466	2,351	-33%	▼
Madrid	7	1,084	467	-11%	▼
Canary Islands	14	3,708	519	-47%	▼
Balearic Islands	23	3,729	714	-26%	▼
Barcelona	14	1,606	455	-2%	▬

*Refers to the % change in transaction volume from the previous period

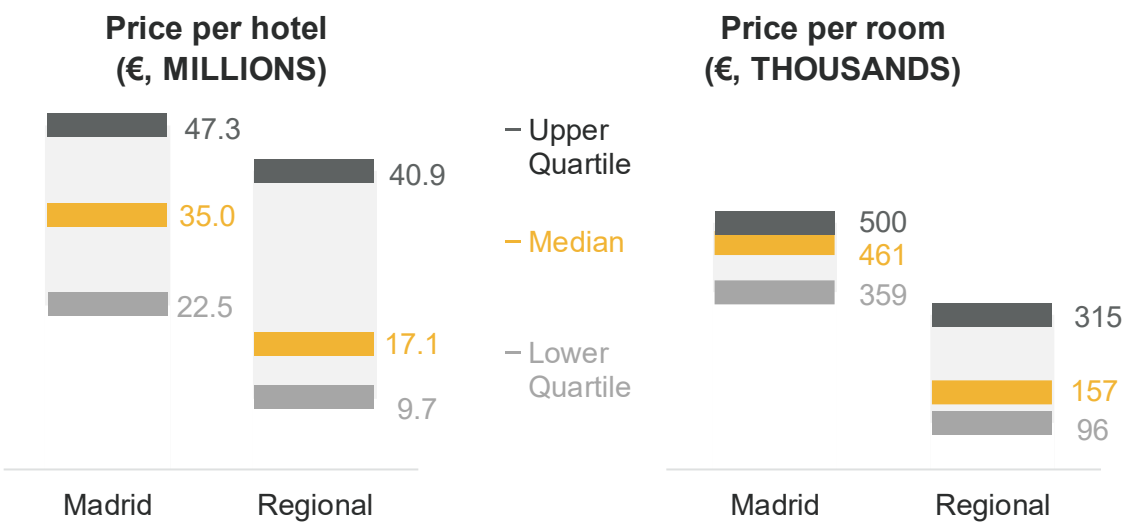
ANNUAL TRANSACTION VOLUMES

(EUR, BILLIONS)

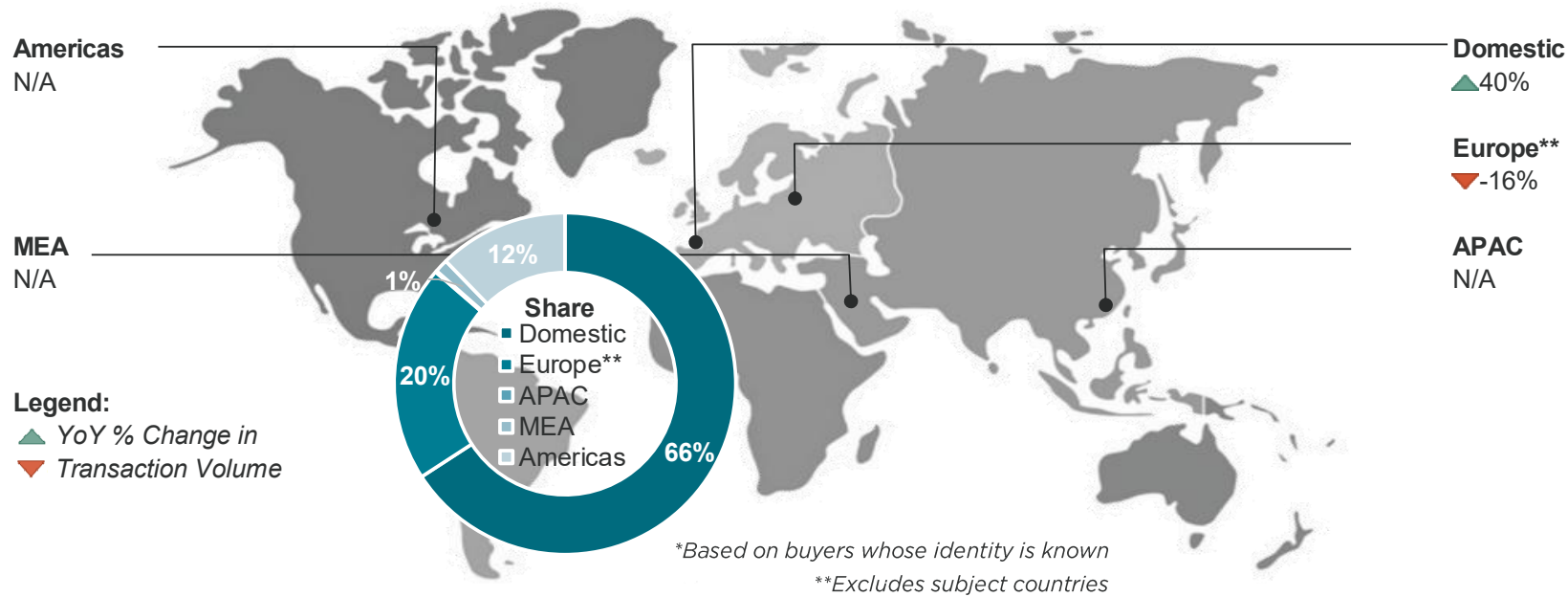


Sources: Cushman & Wakefield / Moody's / Oxford Economics / RCA / STR

TRANSACTION PRICE PER HOTEL & ROOM (H1 2025)

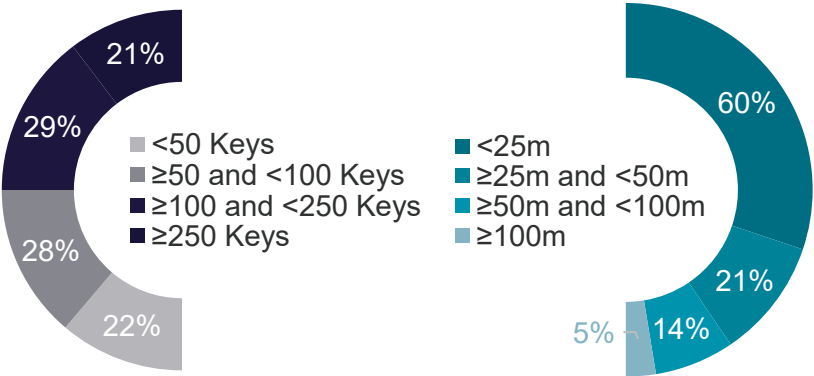


TRANSACTION VOLUME BY SOURCE OF CAPITAL (H1 2025 VS H1 2024)



BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (H1 2025)

% SHARE OF DEALS

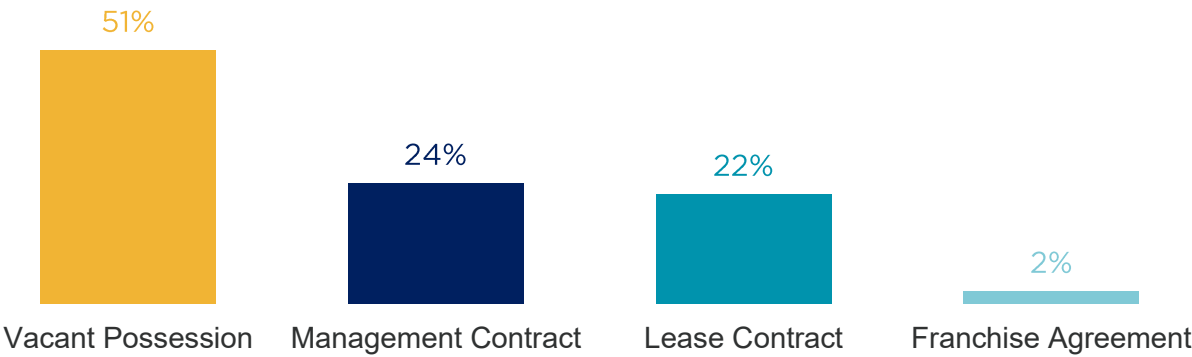


TRANSACTION VOLUME BY TYPE OF INVESTOR (H1 2025 VS H1 2024)

	BUYERS (% Share of Total Volume)		SELLERS (% Share of Total Volume)	
	2025 H1	% Change	2025 H1	% Change
Institutional	53%	8% ▲	31%	80% ▲
Private	47%	-64% ▼	60%	-57% ▼
Public	0%	0% ▬	8%	-19% ▼
User/Other	0%	0% ▬	0%	0% ▬

TRANSACTION VOLUME BY OPERATING STRUCTURE (H1 2025)

% SHARE OF DEALS (BY INVESTMENT VOLUME)



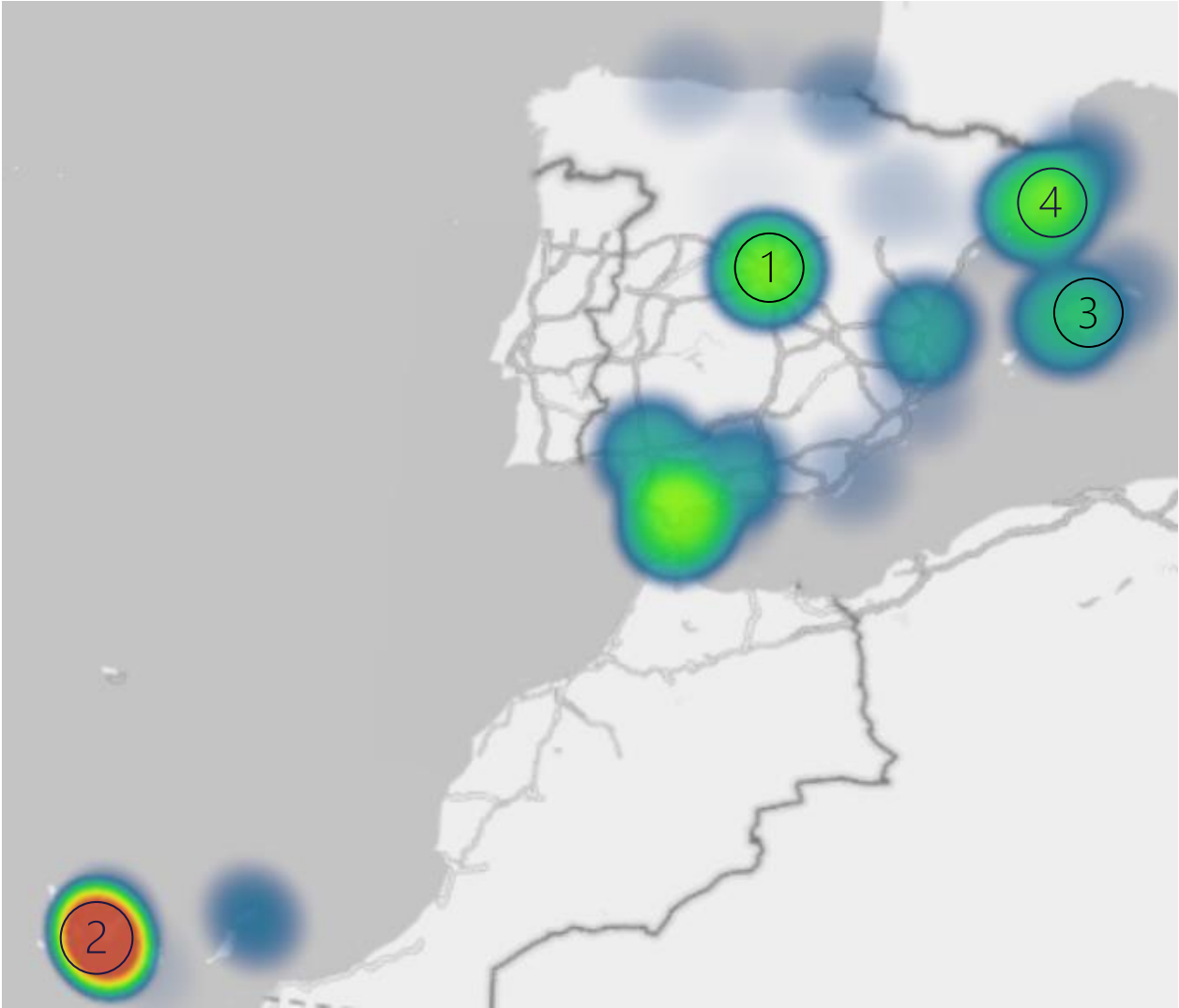
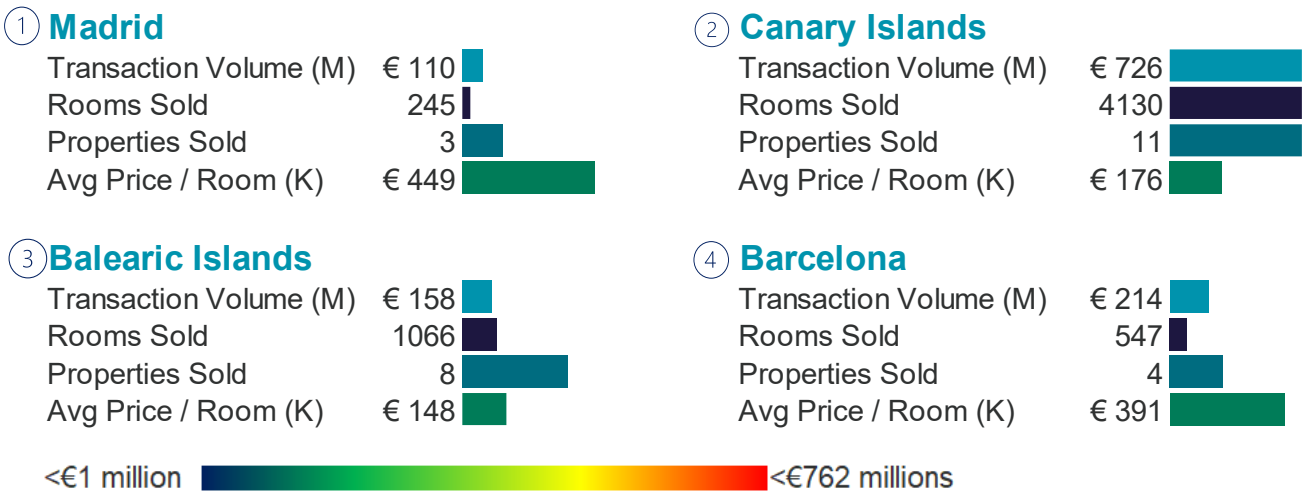
TRANSACTION VOLUME PER HOTEL CLASS (H1 2025 VS H1 2024)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	27%	▲ 18%	12%	▼ -14%	514
Upper Upscale	9%	▲ 70%	5%	▲ 2%	366
Upscale	26%	▼ -11%	40%	▲ 25%	147
Upper Midscale	5%	▼ -40%	6%	▼ -58%	204
Midscale	24%	▲ 219%	27%	▲ 55%	202
Economy	8%	▲ 78%	10%	▲ 33%	200

SELECTED MAJOR HOTEL TRANSACTIONS (H1 2025)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Generator Hostel Madrid (Part of a 12-hotel pan-European portfolio)	ES, Madrid	129	Brookfield	CAN	Queensgate Investments	GBR
Mare Nostrum Resort (3 hotels)	ES, Tenerife	1037	Spring Hotels	ESP	Brookfield	CAN
EasyHotel Portfolio (24 hotels)	UK / FR / NL / BE / ES / IE	2394	Tristan Capital Partners	GBR	ICAMAP	LUX
Fairmont La Hacienda	ES, San Roque	306	Flame Hotel & Gold Holding / Flame Hotel & Golf Equityco	ESP	Millenium Hospitality	ESP
Alua Portfolio (3 Hotels)	ES, Tenerife	1094	Hyatt International	USA	Blantyre Capital	GBR
Sol Tenerife & Ininside Palma Bosque Portfolio (2 hotels)	ES, Various	784	Melia Hotels / Banca March	ESP	Bankinter / Tertian XXI SLU	ESP
Motel One Barcelona	ES, Barcelona	300	PAI Partners	FRA	Motel One Group	DEU
Hotel Barceló Raval	ES, Barcelona	186	Real Is	DEU	Union Investment	DEU
Plaza Nueva 13 (conversion)	ES, Sevilla	60	Blasson Property	ESP	Shaftesbury PLC	GBR
Hotel Exe Rey Don Jaime	ES, Valencia	319	Genefim	FRA	GMA (Atom Hotels)	ESP
La Bobadilla A Royal Hideaway Hotel	ES, Loja (Malaga)	70	Único Hotels	ESP	Barcelo Hotels and Resorts	ESP
Velazquez 22 (conversion)	ES, Salamanca	70	Emuna Inversiones	ESP	Inbest GPF	ESP
Hotel Grand Teguisse Playa	ES, Lanzarote	300	Alexandre Hotels	ESP	CaixaBank / Grupo Metropolis	ESP
Capri by Frasers	ES, Barcelona	97	All Iron	ESP	Frasers Hospitality	SGP
Proyecto Gran Via 3 (conversion)	ES, Madrid	65	Alting Gestión	ESP	Comunidad de Madrid	ESP
Sir Joan Hotel	ES, Ibiza	38	AX Partners	ESP	Confidential	N/A
Hesperia del Mar Barcelona	ES, Barcelona	84	Catalonia Hotels & Resorts	ESP	Meridia Capital	ESP
Hotel Tent Palmanova	ES, Palmanova	231	Private Family Office	N/A	Zetland Capital Partners	GBR
Hotel Bed4u Ayete San Sebastián	ES, San sebastian	73	Fattal Hotels	ISR	Bed4U Hotels	ESP
Skyline Menorca	ES, Ciutadella de Menorca	156	Azora	ESP	Urban Input Asset Management	ESP

HOTEL TRANSACTIONS HEAT MAP (H1 2025)



Note: Selection of largest transactions in H1 2025, ordered by deal size

Source: Cushman & Wakefield

METHODOLOGY

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.
A contingency of 5% is assumed for total transaction volumes, rooms and properties sold in the last 12 months, as some deals are revealed with notable delay.

EXPLANATION OF TERMS

Prime Yields (HMA): The prevailing initial yields (current income divided by sales price) for quality stabilized assets in prime locations, managed under Hotel Management Agreement by professional operator (the HMA is not terminable on sale or in near-term after the sale). The yields are based on actual transactions where available as well as the sentiment indicated by investors.

Average Price per Room: Transaction KPI calculated by dividing the total transaction volume by the number of rooms transacted. In case of majority deals, the number of rooms is adjusted to reflect the proportion of the volume sold. Minority deals are excluded from the calculation. Median, Upper-quartile (75%) and Lower-quartile (25%) are based on the price-per-room data over the period (not weighted by total deal size). The average price per room by hotel class is influenced by the location of hotels transacted within that class. As a result, there may be instances where a lower hotel class shows a higher average price per room if those hotels were sold in more premium locations during the period.

Operating Performance Indicators

Occupancy: Percentage of available rooms sold during the period (Rooms Sold / Rooms Available).

ADR: Average Daily Rate paid for rooms sold (Rooms Revenue / Rooms Sold).

RevPAR: Revenue Per Available Room during the period (Rooms Revenue / Rooms Available).

GOPPAR: Gross Operating Profit Per Available Room (Hotel gross operating profit / Rooms Available).

Operating/Deal Structures

Franchise Agreement Structure: A hotel operating model where the owner directly operates the property but uses a specific brand, paying fees for the brand name, standards, and marketing support, while keeping full control of day-to-day operations.

Management Contract Structure: A hotel operating model where the property is managed by a third-party hotel operator on behalf of the owner. If a hotel is managed by non-branded operator and uses brand name via franchise agreement, it is recorded as "Management Contract" structure.

Leased Contract Structure: A hotel operating model where the property is leased to a third party with fixed, variable, or hybrid (fixe and variable) rent.

Vacant Possession: A hotel that is free from any contractual encumbrances, allowing the new owner immediate and unrestricted control upon transfer. Even if a hotel has franchise agreement or management contract or lease contact in place, but it expires on sale or it is terminable on sale, the deal is considered as "Vacant Possession" sale.

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AUTHORS

VICTOR LÓPEZ-PEÑA
*Associate – Capital Markets
Hospitality Spain*
M: +34 661 059 766
victor.lopezpena@cushwake.com

LISE KELLER
*Senior Consultant Strategic Advisory &
Hospitality Research, EMEA*
M: +44 7799 159 306
lise.keller@cushwake.com

REGIONAL MARKET RESEARCH LEAD

MARTA ESCLAPÉS
*Head of Research
Iberia*
+34 661 767 927
marta.esclapes@cushwake.com

KEY CONTACTS

SPAIN

ALBERT GRAU

Partner, Co-Head of Hospitality
Spain

M: +34 666 556 710

Albert.grau@cushwake.com

BRUNO HALLE

Partner, Co-Head of Hospitality
Spain

M: +34 617 667 522

Bruno.halle@cushwake.com

ISABEL FERNANDEZ-VALENCIA

Associate – Valuations Hospitality
Spain

M: +34 661 076 775

Isabel.fernandezvalencia@cushwake.com

VICTOR LOPEZ PENA

Associate – Capital Markets
Spain

M: +34 661 059 766

Victor.lopezpena@cushwake.com

DANIEL CABALLERO

Associate – Advisory Hospitality
Spain

M:+34 673 312 107

Daniel.caballero@cushwake.com

EMEA

JON HUBBARD

Head of hospitality,
EMEA

M: +44 7921 492 681

Jonathan.Hubbard@cushwake.Com

FRED LE FICHOUX

Head of hotel transactions,
EMEA

M: +420 724 319 802

Frederic.Lefichoux@cushwake.Com

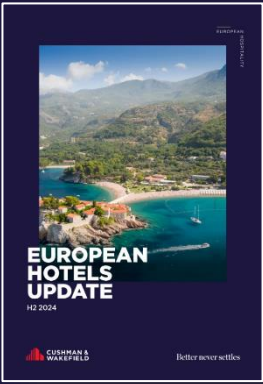
BORIVOJ VOKRINEK

Strategic advisory
& head of hospitality research, EMEA

M: +420 727 906 030

Borivoj.Vokrinek@cushwake.Com

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