



MARKETBEAT  
**SPAIN**  
HOSPITALITY H2 2025

Better never settles

### MARKET FUNDAMENTALS\*

FY 2025	YoY Chg	Outlook
<b>€4.2Bn</b> Investment Volume	▲	▬
<b>5.25-5.75%</b> Madrid Prime Yields (HMA)	▼	▼
<b>+6.3%</b> YoY RevPAR Growth	▲	▲
<b>+0.7%</b> YoY Supply Growth	▬	▲

### INVESTMENT HIGHLIGHTS

**155 / 26,382**  
Hotels / Rooms Transacted

**€172,716**  
Average Price per Room

**58%**  
Of volume was invested in Upper Upscale & Upscale Hotels

### ECONOMIC INDICATORS

**2.8%**  
YoY Real GDP Growth

**2.7%**  
YoY Inflation Growth

\*Growth indicators are based on nominal amounts

### INVESTMENT ACTIVITY

Hotel investment activity in Spain reached €4.2 billion in 2025, marking the highest volume since 2019 and confirming Spain as the second most active hotel investment market in Europe. After several years of exceptional performance, the market entered a more balanced phase, characterized by greater selectivity, disciplined underwriting and a stronger focus on long-term fundamentals. Investors continued to prioritize high-quality assets in prime urban and established resort destinations, while value-add and repositioning strategies gained further traction amid a more normalized pricing environment. Overall, 2025 reflected a maturing market: less driven by volume peaks and more by strategic positioning, asset management potential and operational strength, reinforcing Spain's status as a core Southern European hospitality investment destination.

### PRIME YIELDS

Prime hotel yields show signs of potential compression, supported by strong operating fundamentals, sustained demand and a limited supply of high-quality, institutional-grade assets. Pricing for well-located properties and continued investor competition are placing downward pressure on returns in the prime segment. By contrast, secondary assets exhibit greater yield dispersion, reflecting differences in risk profile, repositioning needs and capital expenditure requirements.

### SUPPLY & DEMAND

Demand continues to expand from already record-high levels, while supply growth remains moderate and controlled. This favorable imbalance supports strong operating performance and underpins pricing stability and returns across the Spanish hotel market.

### PERFORMANCE

Spain closed 2025 with solid operating momentum, reaching an average ADR of €127.7 (+5.1% vs 2024), occupancy of 70.3% (+1.2%), and RevPAR of €89.7 (+6.3%), according to the latest figures from the Exceltur Barometer. Growth was primarily driven by rate increases rather than significant volume gains. Performance was stronger in resort destinations (RevPAR +6.6%) than in urban markets (+4.2%), although not all regions expanded across all KPIs, as cities such as Valencia and Málaga recorded RevPAR declines.

### RECENT TRANSACTION TRENDS

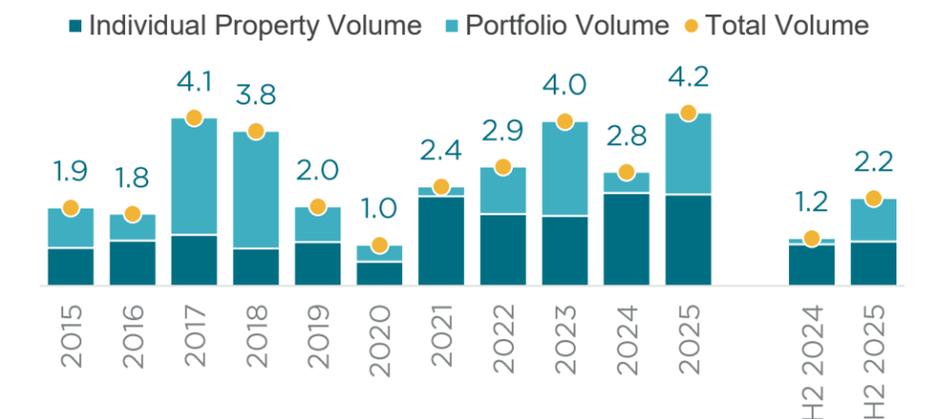
(EUR, MILLIONS)

	Full Year 2025			
	Hotels	Rooms	Volume	% Change
<b>Spain</b>	<b>155</b>	<b>26,382</b>	<b>4,241</b>	<b>52%</b>
<b>Regional</b>	<b>88</b>	<b>14,510</b>	<b>1,939</b>	<b>242%</b>
Madrid	16	1,395	338	-29%
Barcelona	12	1,665	569	6%
Canary Islands	18	6,019	940	85%
Balearic Islands	22	2,793	454	-36%

	H2 2025			
	Hotels	Rooms	Volume	% Change
<b>Spain</b>	<b>91</b>	<b>15,271</b>	<b>2,153</b>	<b>84%</b>
<b>Regional</b>	<b>57</b>	<b>10,261</b>	<b>1,209</b>	<b>522%</b>
Madrid	11	1,031	198	-44%
Barcelona	4	510	234	21%
Canary Islands	6	1,742	211	-8%
Balearic Islands	14	1,727	301	49%

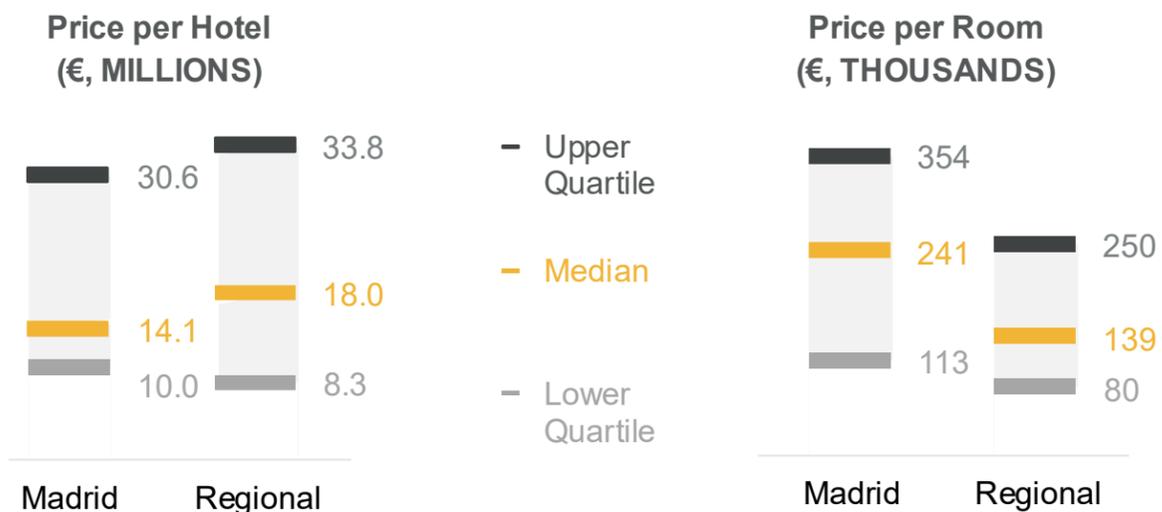
### ANNUAL TRANSACTION VOLUMES

(EUR, BILLIONS)

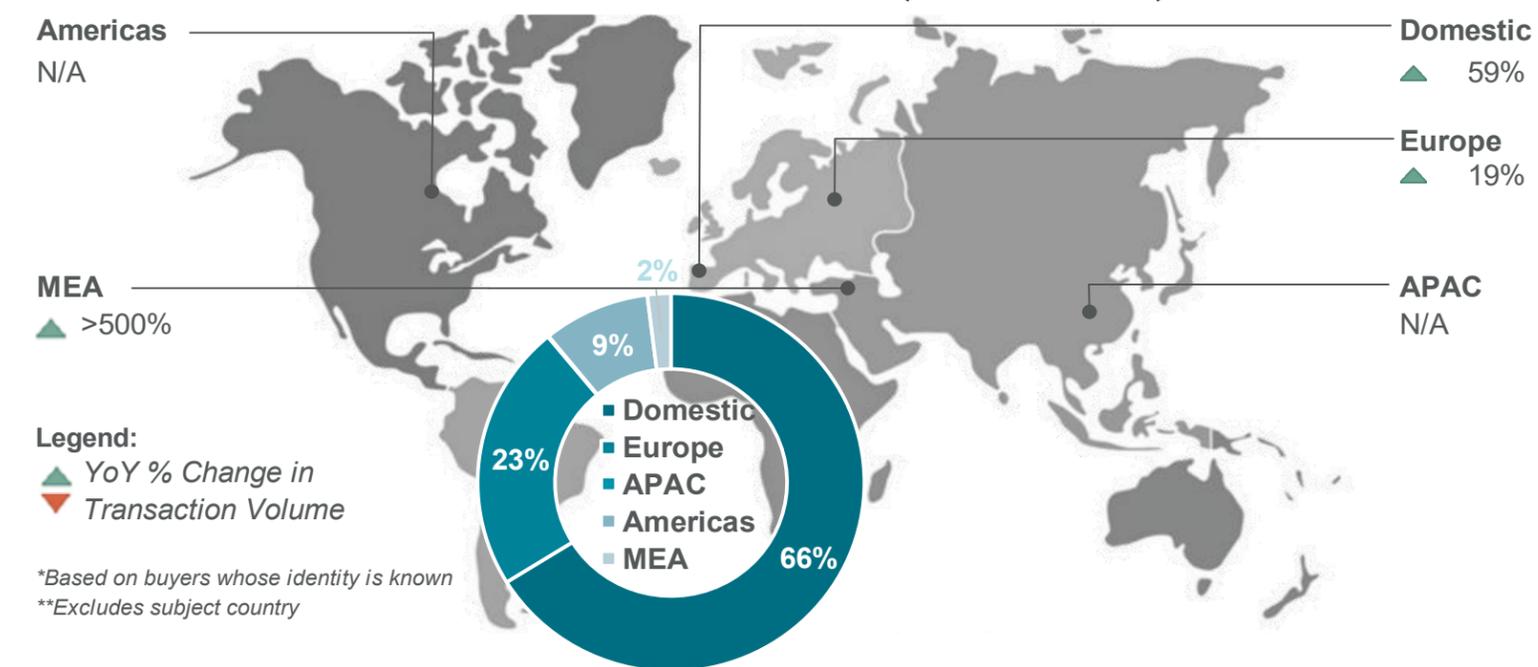


Sources: Cushman & Wakefield / Moody's / Oxford Economics / Exceltur / RCA / STR

TRANSACTION PRICE PER HOTEL & ROOM (2025)

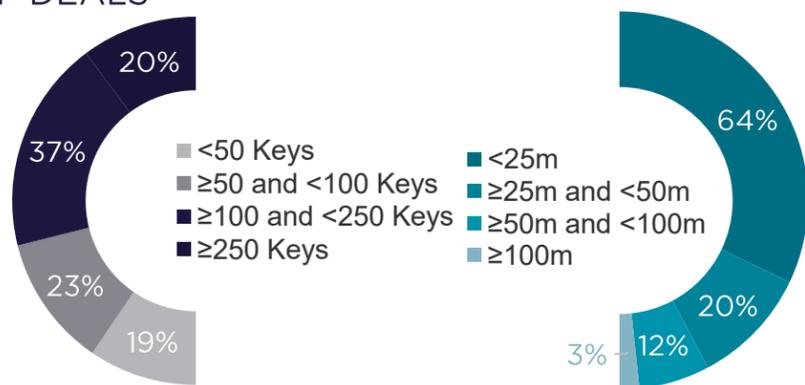


TRANSACTION VOLUME BY SOURCE OF CAPITAL (2025 VS 2024)



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

% SHARE OF DEALS

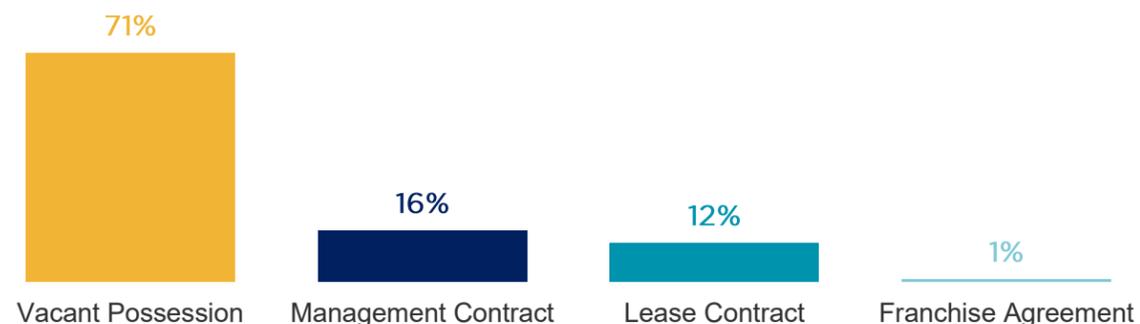


TRANSACTION VOLUME BY TYPE OF INVESTOR (2025 VS 2024)

	BUYERS (% Share of Total Volume)		SELLERS (% Share of Total Volume)	
	FY 2025	% Change	FY 2025	% Change
Institutional	44%	▲ 157%	55%	▲ >500%
Private	54%	▼ -7%	36%	▼ -42%
Public	0%	▼ -100%	9%	▼ -1%
User/Other	2%	▲ 100%	0%	▲ 0%

TRANSACTION VOLUME BY OPERATING STRUCTURE (2025)

% SHARE OF DEALS (BY INVESTMENT VOLUME)



TRANSACTION VOLUME PER HOTEL CLASS (2025 VS 2024)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	19%	▲ 5%	6%	▼ -2%	493
Upper Upscale	21%	▲ 316%	24%	▲ >500%	193
Upscale	37%	▲ 64%	43%	▲ 165%	140
Upper Midscale	7%	▼ -4%	9%	▼ -6%	122
Midscale	10%	▲ 1%	11%	▼ -51%	154
Economy	5%	▲ 91%	6%	▲ 110%	140

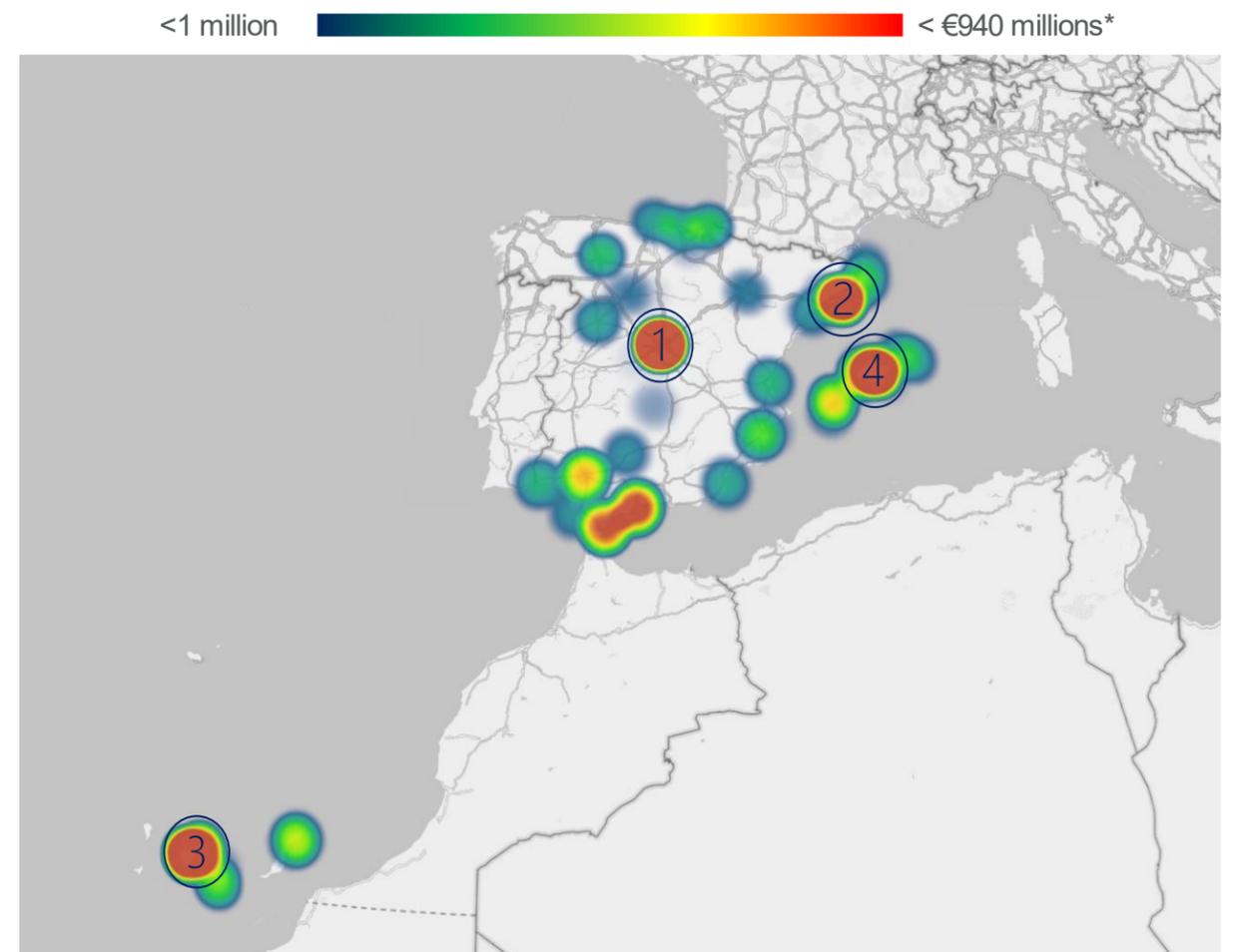
SELECTED MAJOR HOTEL TRANSACTIONS (2025)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Portfolio Mare Nostrum Resort (x3)	ES	1,037	Spring Hoteles	ESP	Brookfield / Selenta Group	CAN / ESP
Portfolio Silken	ES	1,656	Grupo Hotusa	ESP	Pygmalion Capital Advisers/ CBRE Global Investors	GBR / USA
Fairmont La Hacienda	ES, Cadiz	306	Activum SG	JER	Millenium Hotels and Resorts	ESP
Hospes Portfolio Omega Capital (x6)	ES	334	Omega Capital	ESP	Gaw Capital	CHN
Portfolio Sol Tenerife & Ininside Palma Bosque (x2)	ES	784	Melia Hotels International / Banca March	ESP	Bankinter / Tertian XXI SLU	ESP
Portfolio Catalonia Lario & Gallery (x2)	ES	213	Catalonia Hotels & Resorts	ESP	Meridia Capital	ESP
Hotel The Hoxton Poblenou	ES, Barcelona	240	Partners Group / Trinity Investments	CHE	Norlake Hospitality	GBR
Alua Portfolio (x3)	ES	1,094	Hyatt International	USA	Blantyre Capital	GBR
ME Ibiza	ES, Ibiza	205	Melia Hotels International / Tyrus Capital Services	ESP	Undisclosed	N/A
Portfolio MedPlaya (x7)	ES	1,734	Azora Capital	ESP	Medplaya	ESP
Portfolio Alannia Resorts (x4)	ES	2,375	Swiss Life Asset Managers	CHE	Grupo Marjal / Corpfm Capital	ESP
Hotel Barceló Raval	ES, Barcelona	186	Real Is	DEU	Union Investment	DEU
Plaza Nueva 13 (Four Seasons Sevilla)	ES, Sevilla	60	Blasson Property	ESP	Shaftesbury PLC	GBR
Blueseas Cervantes Hotel	ES, Malaga	398	Confidential	N/A	Arena Investors LP / Oppo Invest	USA / ESP
Ocean House Costa del Sol	ES, Torremolinos	372	Grupotel	ESP	Apollo Global RE	USA
Novotel Valencia Lavant	ES, Valencia	370	Ibervalles	ESP	Pictet Alternative Advisors	CHE
Portfolio Ibis Budget Aeropuerto & Easy Hotel Atocha (x2)	ES, Madrid	386	Meridia Capital	ESP	Extendam	FRA
Sunwing Arguineguin Seafront	ES, Gran Canaria	252	Premia Properties	GRC	Nordic Leisure Travel Group	SWE
Generator Hostel Madrid (P)	ES, Madrid	129	Brookfield	CAN	Queensgate Investments	GBR
Hesperia del Mar Barcelona	ES, Barcelona	84	Catalonia Hotels & Resorts	ESP	Meridia Capital	ESP

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

Source: Cushman & Wakefield

HOTEL TRANSACTIONS HEAT MAP (2025)



**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 (fixed 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 contract 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*

[victor.lopezpena@cushwake.com](mailto:victor.lopezpena@cushwake.com)

**LISE KELLER**

*Senior Consultant Strategic Advisory &  
Hospitality Research, EMEA*

[lise.keller@cushwake.com](mailto:lise.keller@cushwake.com)

**REGIONAL MARKET RESEARCH LEAD****MARTA ESCLAPÉS**

*Head of Research  
Iberia*

+34 661 767 927

[marta.esclapes@cushwake.com](mailto:marta.esclapes@cushwake.com)

**KEY CONTACTS**

**SPAIN**

**ALBERT GRAU**

Partner, Co-Head of Hospitality Spain

albert.grau@cushwake.com

**BRUNO HALLÉ**

Partner, Co-Head of Hospitality Spain

bruno.halle@cushwake.com

**VICTOR LOPEZ PENA**

Associate – Capital Markets Spain

victor.lopezpena@cushwake.com

**LUCIA CUELLAS**

Senior Consultant – Hospitality

lucia.cuellas@cushwake.com

**ISABEL FERNANDEZ-VALENCIA**

Associate – Valuations Hospitality Spain

isabel.fernandezvalencia@cushwake.com

**DANIEL CABALLERO**

Associate – Advisory Hospitality Spain

daniel.caballero@cushwake.com

**MEI WUHRMANN**

Junior Consultant Hospitality Spain

mei.wuhrmann@cushwake.com

**EMEA**

**JON HUBBARD**

Head of Hospitality, EMEA  
jonathan.hubbard@cushwake.com

**FRED LE FICHOUX**

Head of Hotel Transactions, EMEA  
frederic.lefichoux@cushwake.com

**BORIVOJ VOKRINEK**

Strategic Advisory & Head of Hospitality Research, EMEA  
borivoj.vokrinek@cushwake.com

**KONSTANTINOS SOFIANOS**

Senior Hospitality Consultant, EMEA  
konstantinos.sofianos@cushwake.com

**LISE KELLER**

Senior Consultant - Strategic Advisory & Hospitality Research, EMEA  
lise.keller@cushwake.com

**MATHILDE LUCRON**

Analyst- Strategic Advisory & Hospitality Research, EMEA  
mathilde.lucron@cushwake.com

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