

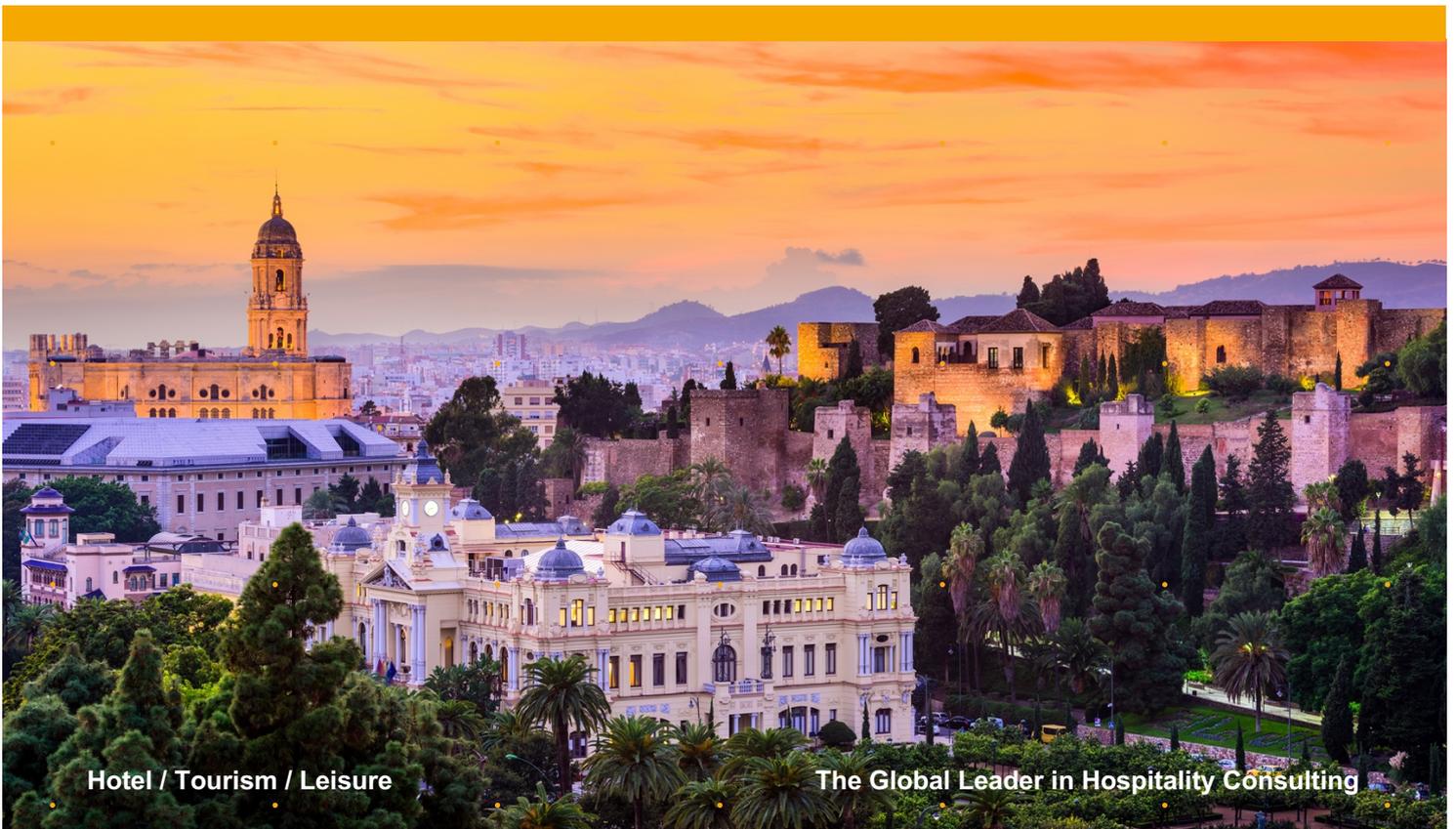


Horwath HTL

Hotel, Tourism and Leisure

Spain Hotel & Chains Report 2023

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Hotel / Tourism / Leisure

The Global Leader in Hospitality Consulting

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1. Introduction

With consumer confidence already on track, it has been easier for the hotel market to improve its performance. These factors have been key to keeping the hotel supply stable, as well as increasing the presence of new chains and brands. It has also favoured the emergence of new players in the market that are committed to alternative models that generate profitability and help new brands to expand their presence in Spain.



2. The Market

2022 will be remembered as the year in which tourism activity fully recovered after the pandemic, with this sector accounting for 61% of the growth of the Spanish economy. Tourism GDP closed 2022 with €159,490 million (1.4% higher than in 2019), with a contribution to Spanish GDP of 12.2%. These results are expected to be even better in 2023, with Exceltur estimating that tourism GDP for the year could reach €178,831 million, which would translate into 13.6% above 2019 values.

Much of the improvement in the sector is due to the extraordinary recovery of international tourism, proving the strength of the country's tourism sector. This trend started in 2022 and has remained in 2023 since in the first part of the year and up to July, Spain has received more than 47.6 million international tourists which represents a 20.9% increase over the previous year. All this translates into improved profitability for the sector.

However, many hotel businesses, even seeing how their main indicators of occupancy and average rate are improving and are even surpassing those of 2019, are noticing how their profit margins are not as wide due to the increase in energy and labour costs.

As 2021 represented a turning point in terms of hotel transactions, experts were cautious for 2022. However, the activity only strengthened last year, reaching €3,279 million, breaking all the records of recent years and paving the way for new investors in 2023.

Regardless of the category, international brands continue to increase their presence in the country. Some examples include chains such as Hyatt, introducing two new brands, Thompson in Madrid and Grand Hyatt in La Manga. Another example is the Danish company Zleep Hotels, which has made its debut in Spain with the opening of one of its economy category establishments in the capital city. It is worth noting that in the expansion of certain brands, the role of the multi-brand or third-party operator is gaining more weight, leading to a change in the traditional management model.



3. Key Points

3.1. Hotel Chains Continue Their Expansion

The impact of the pandemic on the sector is becoming less noticeable, and this is evident in the fact that practically all the establishments are already operative, including those that took advantage of the situation to close and carry out renovations to improve their facilities.

Penetration by chains has been increasing as it has every year, although in 2023 in a less dynamic way. Even so, the number of hotels represented by (international) brands continues to increase, with a greater presence in the Upscale and Upper Upscale segments.

3.2. The Franchise Model is Gaining Strength

The more traditional models of hotel management are giving way to new formulas that, after demonstrating their profitability and efficiency, are gaining market presence. This is the case of hotel franchises, which now represent almost 10% of the total number of chain establishments and have increased by 2% compared to last year, while, for example, the management model has decreased by 3%. Many operators have chosen to focus more on distribution and the development of their brands and have therefore preferred the franchise model as an expansion strategy.

3.3. New Operating Models

To a large extent, the increase in the number of hotels represented by the franchise model is due to the greater presence in the market of the multi-brand or third-party operator. They have demonstrated an extensive knowledge not only of how the market works, but also of the needs of both brands and owners. They have been able to gain a good position in the market and the positive results have led to an expansion of this type of operator.

3.4. Market Leaders Remain the Same

There are no major surprises as regards to the ranking of the largest hotel chains and brands, whether local or international. There are hardly any relevant changes and those already leading the ranking maintain their positions, as is the case of Meliá Hotels International, Barceló Hotel Group and Eurostars at the national level, or Marriott International, Hyatt Hotels and Accor as international representatives. However, there have been two new appearances represented by Paradores de Turismo and Fattal Hotel Group, the latter after the acquisition of six properties in Mallorca last summer.

3.5. Hotel Investment Breaks Records

In 2022, the leisure sector regained its share in the world of transactions, representing 58% of the total investment with the Balearic Islands, Canary Islands and Malaga leading the way and leaving cities such as Barcelona and Madrid behind. 72% of the €3,279 million transacted was of foreign origin, revealing the continued and growing interest of investors in the market.

But 2023 has not been left behind. Two of the transactions that have attracted the most attention have been that of the Abu Dhabi fund (ADIA) with the purchase of two portfolios totalling 24 assets (17 of these managed by Meliá Hotels International) for a sum of €800 million, and the acquisition of the Mandarin Oriental Hotel in Barcelona by the Saudi fund The Olayan Group valued at more than €200 million. In the first half of the year, €1,300 million was invested in the sector, but industry experts do not believe that last year's figures will be reached, especially in view of the rise in interest rates and the increase in the cost of financing.

All data as of July 2023.

4. Key Stats

Key Statistics	2022	2023	%
Total chain hotels	2,780	2,831	2%
Total chain rooms	426,527	427,951	0.33%
Average size per chain hotel in rooms	153	151	-1%
Country hotels stock (overall supply)	7,766	7,597	-2%
Country rooms Stock (overall supply)	728,938	707,430	-3%
Average size per hotel in rooms	94	93	-0.79%
Chain penetration % by hotels	36%	37%	4%
Chain penetration % by keys	59%	60%	3%
Total number of brands	346	353	2%
Domestic brands	241	234	-3%
International brands	105	119	13%
International chain hotels*	569	578	2%
Domestic chain hotels*	2,211	2,253	2%
International chain rooms*	86,904	86,352	-1%
Domestic chain rooms*	339,623	341,599	0.58%

* Includes double counting

Only 1* to 5* hotels have been considered for this report and not other types of accommodation units.



4.1. Ranking by Size

CHAINS

Rank	Chain Groups	Hotels	Rooms
1	Meliá Hotels International	119	31,357
2	Barceló Hotel Group	81	18,590
3	Eurostars Hotel Company Hotusa	156	15,683
4	Marriott International	98	13,927
5	Hyatt Hotels	45	12,313
6	Accor Hotels	94	11,879
7	NH Hotel Group	91	11,267
8	H10 Hotels	52	11,059
9	Riu Hotels & Resorts	25	9,748
10	Best Hotels	30	9,473

BRANDS

Rank	Chain Brands	Hotels	Rooms
1	Barceló	46	11,842
2	H10 Hotels	51	10,970
3	Meliá	35	10,839
4	Best Hotels	30	9,473
5	Sol	24	9,251
6	Alua	30	8,373
7	Globales	37	7,983
8	Eurostars	66	7,419
9	NH	61	7,011
10	Riu	17	6,750

Rank	Domestic Chain Groups	Hotels	Habs.
1	Meliá Hotels International	119	31,357
2	Barceló Hotel Group	81	18,590
3	Eurostars Hotel Company	156	15,683
4	H10 Hotels	52	11,059
5	Riu Hotels & Resorts	25	9,748
6	Best Hotels	30	9,473
7	Hoteles Globales	37	7,983
8	Iberostar Hotel & Resorts	28	7,836
9	Catalonia Hotels & Resorts	57	6,721
10	Paradores de Turismo	97	6,138

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1	Barceló	46	11,842
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3	Meliá	35	10,839
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10	Parador	97	6,138

Rank	International Chain Groups	Hotels	Rooms
1	Marriott International	98	13,927
2	Hyatt Hotels	45	12,313
3	Accor Hotels	94	11,879
4	NH Hotel Group	91	11,267
5	B&B Hotels	47	4,171
6	IHG	31	3,982
7	Allsun Hotels	19	3,754
8	Hilton	19	3,170
9	TUI Hotels & Resorts	7	2,650
10	Fattal Hotel Group	16	2,507

Rank	International Chain Brands	Hotels	Rooms
1	Alua	30	8,373
2	NH	61	7,011
3	AC by Marriott	56	6,387
4	B&B Hotels	45	4,069
5	Ibis	37	4,000
6	Allsun Hotels	19	3,754
7	NH Collection	26	3,634
8	Novotel	8	2,319
9	Ibis Budget	23	2,215
10	Pierre & Vacances	10	2,180

4.2. Ranking by Scale

DOMESTIC BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	Globales	17	3,083
2	Sol	5	2,803
3	Vibra	14	2,246
4	Med Playa	8	1,947
5	Servigroup	6	1,833
6	Catalonia	16	1,747
7	H Top	8	1,607
8	Blue Sea	8	1,488
9	Sercotel	22	1,482
10	Poseidón	4	1,446

INTERNATIONAL BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	ibis	37	4,000
2	B&B Hotel	35	3,122
3	ibis Budget	23	2,215
4	Holiday Inn Express	19	2,147
5	NH Hotels	23	1,983
6	Alua	5	992
7	ibis Styles	10	929
8	Allsun Hotels	4	783
9	Campanile	6	772
10	Pierre & Vacances	3	759

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Barceló	34	9,581
2	H10 Hotels	45	9,562
3	Meliá	28	9,465
4	Best	24	7,846
5	Riu	16	6,530
6	Sol	19	6,448
7	Eurostars	56	5,385
8	Princess	13	5,275
9	Affiliated by Meliá	28	5,202
10	Parador	79	5,060

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Alua	25	7,381
2	AC By Marriott	52	5,883
3	NH	37	4,970
4	Allsun Hotels	15	2,971
5	NH Collection	19	2,724
6	Novotel	8	2,319
7	Pierre & Vacances	7	1,421
8	Leonardo Royal	4	964
9	B&B Hotels	10	947
10	Marriott	1	869

Rank	Luxury	Hotels	Rooms
1	Eurostars	12	2,156
2	Iberostar	7	2,153
3	Barceló	11	2,094
4	Gran Meliá	9	2,013
5	Meliá	6	1,335
6	H10 Hotels	3	1,249
7	Lopesán	2	1,238
8	Riu Palace	3	1,198
9	Royal Hideaway	7	1,141
10	Zafiro Hotels	3	897

Rank	Luxury	Hotels	Rooms
1	Autograph Collection	12	1,175
2	Hard Rock Hotels	2	944
3	The Ritz-Carlton	2	942
4	NH Collection	7	910
5	Westin	3	775
6	Secrets	3	739
7	Ikos	2	730
8	The Unbound Collection by Hyatt	2	662
9	W	2	635
10	The Luxury Collection	5	561

4.3. Ranking Per Scale & Size

Category	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Ave. Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy	234	15,470	4%	66	151	6644	83	8,826
Midscale	667	79,282	19%	119	543	65,242	124	14,040
Upscale & Upper Upscale	1,650	282,400	66%	171	1,378	235,607	272	46,793
Luxury	280	50,799	12%	181	178	32,921	102	17,878
TOTAL	2,831	427,951	100.0%	151	2,250	340,414	581	87,537

4.4. Business Model

By Hotels

By Hotels	Franchising	%	Lease	%	Management Contract	%	Owned	%	Total	%
Economy	53	22%	94	11%	39	10%	48	4%	234	8%
Midscale	67	28%	231	27%	56	14%	313	23%	667	24%
Upscale & Upper-Upscale	89	37%	482	56%	219	57%	860	64%	1,650	58%
Luxury	30	13%	60	7%	73	19%	117	9%	280	10%
Total	239	100%	867	100%	387	100%	1,338	100%	2,831	100

By Rooms

By Rooms	Franchising	%	Lease	%	Management Contract	%	Owned	%	Total	%
Economy	3,899	12%	4,676	4%	3,847	6%	3,048	1%	15,470	4%
Midscale	6,474	19%	20,999	20%	6,682	11%	45,127	20%	79,282	19%
Upscale & Upper-Upscale	16,017	48%	70,783	67%	40,139	65%	155,461	68%	282,400	66%
Luxury	7,089	21%	9,037	9%	11,216	18%	23,457	10%	50,799	12%
Total	33,479	100%	105,495	100%	61,884	100%	227,093	100%	427,951	100%

4.5. Ranking by Destination

Rank	Destination Pipeline	Hotels	Rooms
1	Canary Islands	332	84,309
2	Andalucía	517	81,569
3	Balearic Islands	456	80,176
4	Cataluña	509	73,486
5	Community of Madrid	263	34,007
6	Community of Valencia	191	28,801
7	Galicia	112	7,680
8	Basque Country	68	7,396
9	Aragón	71	7,134
10	Castilla y León	87	6,169

4.6. Destination Pipeline

Rank	Destination Pipeline	Hotels	Rooms
1	Andalucía	97	5,966
2	Community of Madrid	35	4,351
3	Canary Islands	20	3,318
4	Community of Valencia	44	2,533
5	Cataluña	22	2,424
6	Balearic Islands	31	1,993
7	Basque Country	13	512
8	Castilla y León	10	310
9	Aragón	7	299
10	Castilla La Mancha	6	262

4.7. Demand Driver

Driver	DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms
Art & Business	762	85,569	207	28,360
Business Focus	28	3,425	103	11,758
Sun & Beach	929	203,625	152	33,821
Other Leisure	366	35,521	62	6,949
Golf	22	3,310	5	826
Mountain/Ski	26	2,338	3	256
Wine	4	169	3	254
Thermal	15	1,386	1	43
SPA	5	217	0	0

4.8. Hotel Investors

Rank	Name	Volume in €M
1	ADIA	919,999,215
2	Olayan Group	220,000,000
3	Brookfield AM	215,900,000
4	Blasson Property Investments	180,000,000
5	AXA Group	180,000,000

Source: Real Capital Analytics, past 24 months

4.9. Institutional Owners

Rank	Destination Pipeline	No. of Hotels
1	Blackstone	51
2	Atom Hoteles Socimi	27
3	Apollo Global RE	23
4	Perial	13
5	Azora	11

Source: Horwath HTI Research & Real Capital Analytics, past 24 months



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Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with 52 offices in 38 countries, who have successfully carried out over 40,000 assignments for private and public clients. We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

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