Horwath HTL
Hotel, Tourism and Leisure

Spain Hotel & Chains Report 2024

October 2024

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1. Introduction

The global hospitality industry continues its upward trend, characterised by sustained growth, strong investor interest and favourable forecasts. This positive dynamic reflects the vitality and potential of global travel and tourism. As this sector soars past its pre-pandemic prosperity, WTTC expects 2024 to see 142 countries of the 185 analysed outperform previous national records.

In the context of a changing tourism landscape, traditional hotel establishments are expected to continue their process of adaptation and innovation in order to remain relevant. The emergence of alternative accommodation models, coupled with the growing demand of travellers for unique experiences, will drive the evolution of the hospitality industry.

This adaptability will be crucial to ensure the long-term viability of the industry in an increasingly competitive environment. As Spain maintains its position as a top European travel destination, greater focus on sustainable tourism management will be crucial to maintaining long-term growth in the hotel industry.

2. The Market

Tourism in Spain saw remarkable growth in 2023, surpassing forecasts and reaching record numbers in both visitor arrivals and tourist spending. According to estimates from Exceltur, this growth generated €186.596 billion in economic activity, contributing 12.8% to Spain's GDP, the highest percentage recorded to date.

Among the key factors driving this growth was the recovery of European household purchasing power; a decrease in inflation; and the economic rebound in Europe. In addition, Spain's perception as a safer destination compared to other competitors was also an important factor.

2024 is going to be another milestone year for the Spanish travel and tourism industry, continuing the momentum of recovery and growth seen in previous years. Exceltur anticipates an increase in Spain's tourism GDP, which will exceed 200 billion euros for the first time in history. Tourism remains a driving force behind the Spanish economy, contributing significantly to GDP growth.

This positive outlook has facilitated the expansion of various international brands and chains in the country, as well as the interest of new investors and companies focused on providing alternative accommodation options. New trends such as extended-stay apartments, co-living spaces, and the increasingly popular branded residences are significantly transforming Spain's tourism landscape. These options offer new opportunities but also present challenges that require careful management to ensure sustainable and balanced tourism development.

In 2023, Spain's hotel sector experienced an exceptional year in terms of investment, reaching a total of €4.248 billion. This positioned Spain as the leading European market for hotel investment, making 2023 second only to 2018 in terms of historical transaction volumes. Hotels solidified their position as the most in-demand assets in the Spanish real estate market.

Spain is welcoming several new international hotel brands, particularly in the luxury and upper-scale segments. Some of the new openings include brands such as Mondrian and Hyde from Ennismore. These openings reflect the growing interest of international brands in the Spanish market, with a focus on key destinations such as Madrid, Barcelona, Mallorca, and the Costa del Sol. These brands are capitalizing on rising demand for high-end accommodation and the country's solid economic recovery, which is driving up ADR and RevPAR.

3. Key Points

3.1. Growth of Domestic and International Hotel Brands in the Spanish Market

This year the appearance of new brands has not been as notable as in previous years, suggesting a possible slowdown in the introduction of fresh names to the market. However, strategic alliances and repositioning within existing portfolios remain a key focus for both international and domestic players.

Collaborations between major companies, such as the IHG and Iberostar partnership, allow businesses to combine resources and expertise, thereby extending their market reach without the need to create entirely new brands. These alliances offer the benefits of growth and market penetration while allowing each company to maintain its corporate independence and established brand identity, which can be more efficient and less risky than launching new brands.

3.2. The Rise of Rural Tourism in the Leisure Sector

Leisure tourism in rural environments has become an increasingly popular alternative to traditional beach tourism. A focus on sustainability; less crowded destinations; and a diversity of accommodation types and experiences are driving this change in a post-COVID world. Chain operators are opting for this alternative and appealing to a growing segment of the market driven by a desire for authentic, immersive experiences connected to local traditions, culture, and the natural environment.

This is an area where specialist operators can excel if they can develop a unique understanding of how to integrate local culture and community into the hospitality experience, which is especially important in rural and differentiated markets. This shift away from mass tourism towards more personalized, experience-based travel is expected to continue influencing the Spanish market over the coming years.

3.3. Expansion of Budget and Midscale Hotel Brands in Spain's Secondary Markets

In addition to luxury brands, midscale and budget international brands are making significant inroads into Spain's secondary cities and smaller towns. Brands like B&B Hotels, Holiday Inn Express, and Ibis are capitalizing on opportunities in regions such as Lugo, Girona, and Logroño. This trend represents a shift in Spain's traditionally independent hotel sector toward branded operations, often through management and franchise agreements.

3.4. Hybrid Hospitality: An Emerging Force in the Industry

This model combines elements of different types of accommodation, offering a more flexible experience tailored to the customer's needs. Hybrid hospitality is gaining ground but for the moment it is observed that new chains are the ones betting more on this model, which may force those groups with more traditional models to adapt their offer in order to remain competitive in the long term.

International brands are improving existing facilities to meet the higher expectations of today's travellers, making use of hybrid alternatives, especially in the upscale segments. This trend is particularly evident in urban centres, where travellers increasingly opt for accommodation that serves a dual purpose—offering both living and working spaces, often with additional cultural or social components.

3.5. Hotel Investments Hit All-Time Highs

In 2023, Spain emerged as the undisputed leader in the European hotel investment market, surpassing its usual rivals such as the United Kingdom, Germany, and France.

The leisure tourism sector stood out as the main attraction, capturing nearly two-thirds of the total investment, with the Canary Islands and Balearic Islands as the most benefited destinations.

Hotel portfolio transactions played a crucial role, accounting for more than half of the invested capital. Two operations stood out for their magnitude: the purchase of a significant stake in HI Partners by Singapore's sovereign wealth fund (GIC), and the acquisitions made by Abu Dhabi's sovereign wealth fund (ADIA).

This interest from international investors pushed Spain to second place worldwide in the hotel investment ranking, behind the United States. This position reinforces the attractiveness and strength of the Spanish hospitality market on the global stage.

In the first half of 2024, hotel investment reached €1,400 million, representing a 30% increase compared to the same period in 2023. An optimistic outlook is forecast for the rest of the year, with expectations that total investment in 2024 will exceed €3,000 million.

Notes:

1. *All data as of July 2024.*
2. *Strategic alliances without ownership changes keep chains separate.*

Source: 21 House of Stories

4. Key Stats

Key Statistics	2023	2024	%
Total chain hotels	2,831	**2,948**	4%
Total chain rooms	427,951	**440,544**	3%
Average size per chain hotel in rooms	151	**149**	-1%
Country hotels stock (overall supply)	7,597	**7,771**	2%
Country rooms Stock (overall supply)	707,430	**760,656**	8%
Average size per hotel in rooms	93	**98**	6%
Chain penetration % by hotels	37%	**38%**	2%
Chain penetration % by keys	60%	**58%**	-4%
Total number of brands	353	**357**	1%
Domestic brands	234	**235**	0%
International brands	119	**122**	3%
International chain hotels*	578	**619**	7%
Domestic chain hotels*	2,253	**2,329**	3%
International chain rooms*	86,352	**93,294**	8%
Domestic chain rooms*	341,599	**347,250**	2%

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

Source: Gran Hotel Mas d'en Bruno

4.1. Ranking by Size

CHAINS

Rank	Chain Groups	Hotels	Rooms
1	Meliá Hotels International	121	31,737
2	Barceló Hotel Group	88	20,122
3	Eurostars Hotel Company	182	18,385
4	Marriott International	100	14,359
5	Hyatt Hotels Corporation	48	13,216
6	Accor Hotels	106	12,930
7	Minor Hotels Europe & Americas	89	11,168
8	H10 Hotels	51	10,970
9	Riu Hotels and Resorts	25	9,748
10	Best Hotels	30	9,473

BRANDS

Rank	Chain Brands	Hotels	Rooms
1	Barceló	54	13,496
2	Meliá	37	11,315
3	H10 Hotels	51	10.970
4	Best	30	9,473
5	Sol	23	9,012
6	Alua	30	8,401
7	Globales	38	8,019
8	Eurostars	70	7,592
9	Catalonia	60	6,946
10	NH	59	6,912

Rank	Domestic Chain Groups	Hotels	Habs.
1	Meliá Hotels International	121	31,737
2	Barceló Hotel Group	90	20.290
3	Eurostars Hotel Company	182	18,385
4	H10 Hotels	51	10.970
5	Riu Hotels & Resorts	25	9,748
6	Best Hotels	30	9,473
7	Iberostar Hotel & Resorts	29	8,256
8	Hotels Globales	38	8,019
9	Catalonia Hotels & Resorts	60	6,946
10	Paradores de Turismo	97	6,138

Rank	Domestic Chain Brands	Hotels	Rooms
1	Barceló	54	13,496
2	Meliá	37	11,315
3	H10	51	10,970
4	Best	30	9,473
5	Sol	23	9,012
6	Globales	38	8,019
7	Eurostars	70	7,592
8	Catalonia	60	6,946
9	Riu	17	6,750
10	Parador	97	6,138

Rank	International Chain Groups	Hotels	Rooms
1	Marriott International	100	14,359
2	Hyatt Hotels Corporation	48	13,216
3	Accor Hotels	106	12,930
4	Minor Hotels Europe & Americas	89	11,168
5	B&B Hotels	51	4,528
6	Intercontinental Hotels Group- IHG	32	4.150
7	Allsun	18	3,604
8	Hilton Hotels & Resorts	21	3,462
9	TUI Hotels and Resorts	7	2.650
10	Fattal Hotel Group	18	2,649

Rank	International Chain Brands	Hotels	Rooms
1	Alua	30	8,401
2	NH	59	6,912
3	AC Hotels by Marriott	56	6,387
4	B&B Hotels	49	4,426
5	Ibis	37	3,917
6	NH Collection	26	3,634
7	Allsun	18	3,604
8	Ibis Budget	29	2,843
9	Novotel	8	2,319
10	Pierre & Vacances	11	2,302

4.2. Ranking by Scale

DOMESTIC BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	Globales	18	3,119
2	Sol	5	2,803
3	Vibra	14	2,246
4	Med Playa	8	1,947
5	Catalonia	18	1,867
6	ServiGroup	6	1,833
7	H Top	10	1,808
8	Sercotel	23	1,584
9	Blue Sea	8	1,488
10	Alda	46	1,474

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Barceló	38	10,791
2	Meliá	30	9,941
3	H10 Hotels	45	9,562
4	Best	24	7,846
5	Riu	16	6,530
6	Sol	18	6,209
7	Princess	13	5,275
8	Eurostars	54	5,169
9	Catalonia	42	5,079
10	Parador	79	5,060

Rank	Luxury	Hotels	Rooms
1	Gran Meliá	10	2,404
2	Iberostar Beachfront	7	2,153
3	Barceló	11	2,094
4	Eurostars	9	1,775
5	Meliá	6	1,335
6	H10 Hotels	3	1,249
7	Lopesan	2	1,238
8	Grupo Iberostar	7	1,236
9	Riu Palace	3	1,198
10	Royal Hideaway	7	1,141

INTERNATIONAL BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	37	3,917
2	B&B Hotels	39	3,479
3	Ibis Budget	29	2,843
4	Holiday Inn Express	18	2,034
5	NH	21	1,813
6	Travelodge	12	1,462
7	Ibis Styles	15	1,281
8	Alua	4	792
9	AllSun	4	783
10	Pierre & Vacances	3	759

Rank	Upscale & Upper Upscale	Hotels	Rooms
1	Alua	26	7,609
2	AC Hotels by Marriott	52	5,883
3	NH Collection	37	5,041
4	AllSun	14	2,821
5	NH Collection	19	2,724
6	Novotel	8	2,319
7	Pierre & Vacances	8	1,543
8	Marriott	2	1,292
9	Leonard Royal	4	964
10	B&B Hotels	10	947

Rank	Luxury	Hotels	Rooms
1	Autograph Collection	12	1,175
2	Westin	4	1,062
3	Hard Rock Hotel	2	944
4	The Ritz Carlton	2	942
5	NH Collection	7	910
6	Secrets	3	739
7	Ikos	2	730
8	Curio	4	675
9	The Unbound Collection by Hyatt	2	662
10	Grand Hyatt	2	657

4.3. Ranking Per Scale & Size

	OVERALL				DOMESTIC		INTERNATIONAL	
Category	**Hotels**	**Rooms**	**%**	**Ave. Size**	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Budget & Economy	269	17,580	4%	65	172	7510	97	10,070
Midscale	693	80,710	18%	116	557	64,723	136	15,987
Upscale & Upper Upscale	1,677	287,669	65%	172	1,402	239,677	275	47,992
Luxury	309	54,585	12%	177	194	35,043	115	19,542
TOTAL	**2,948**	**440,544**	**100%**	**149**	**2,325**	**346,953**	**623**	**93,591**

4.4. Business Model

By Hotels

By Hotels	Franchising	%	Lease	%	Management Contract	%	Owned	%	Total	%
Economy	62	24%	115	13%	37	9%	55	4%	269	9%
Midscale	66	26%	236	26%	62	15%	329	24%	693	24%
Upscale & Upper-Upscale	92	36%	505	55%	230	56%	849	62%	1,676	57%
Luxury	36	14%	64	7%	83	20%	127	9%	310	11%
Total	**256**	**100%**	**920**	**100%**	**412**	**100%**	**1,360**	**100%**	**2,948**	**100**

By Rooms

By Rooms	Franchising	%	Lease	%	Management Contract	%	Owned	%	Total	%
Economy	4,795	13%	5,713	5%	3,480	5%	3,512	2%	17,500	4%
Midscale	6,566	18%	21,403	19%	6,589	10%	46,072	20%	80,630	18%
Upscale & Upper-Upscale	16,553	46%	75,688	67%	41,121	64%	154,064	68%	287,426	65%
Luxury	8,019	22%	9,643	9%	13,060	20%	24,266	11%	54,988	12%
Total	**35,933**	**100%**	**112,447**	**100%**	**64,250**	**100%**	**227,914**	**100%**	**440,544**	**100%**

4.5. Ranking by Destination

Rank	Destination Pipeline	Hotels	Rooms
1	Catalonia	576	83,022
2	Balearic Islands	500	90,208
3	Andalusia	464	71,438
4	Community of Madrid	300	39,536
5	Canary Islands	265	74,343
6	Community of Valencia	228	34,108
7	Galicia	132	8,783
8	Castilla y León	102	7,304
9	Basque Country	82	7,686
10	Aragón	68	6,792

4.6. Destination Pipeline

Rank	Destination Pipeline	Hotels	Rooms
1	Andalusia	147	13,321
2	Community of Valencia	64	5,021
3	Community of Madrid	50	5,381
4	Balearic Islands	32	2,813
5	Canary Islands	30	4,816
6	Catalonia	25	2,414
7	Galicia	15	526
8	Basque Country	14	495
9	Asturias	10	401
10	Castilla La Mancha	10	327

4.7. Demand Driver

	DOMESTIC		INTERNATIONAL	
Driver	**Hotels**	**Rooms**	**Hotels**	**Rooms**
Art & Business	781	87,207	222	30,077
Business Focus	28	3,443	114	12,842
Golf	17	2,613	5	826
Mountain / Ski	29	2,466	3	256
Other Leisure	456	43,395	76	8,668
Sun & Beach	926	201,333	154	34,726
Thermal	19	1,725	1	43
Urban	60	4,385	44	5,875
Wine	4	169	4	278
Spa	5	217	-	-

4.8. Hotel Investors

Rank	Name	Volume in €M
1	Adia	727,499,418
2	Statuto Group	305,294,402
3	Greystar	399,999,683
4	Olayan Group	200,000,000
5	Blasson Property Investments	180,000,000

Source: Real Capital Analytics, past 24 months

4.9. Institutional Owners

Rank	Destination Pipeline	No. of Hotels
1	Blackstone	56
2	Atom Hoteles SOCIMI	27
3	Apollo Global RE	23
4	Perial	13
5	Azora	11

Source: Horwath HTL Research & Real Capital Analytics

5. Quick Dive into What's Trending…
The Rise of Hybrid Hospitality and Rural Tourism in Spain

The hospitality industry is undergoing a dynamic transformation, driven by shifting consumer preferences, technological advancements, and the growing demand for unique, experience-based travel. As Spain continues to be a top destination for international and domestic travellers, industry leaders are adapting their strategies to meet evolving market trends.

As part of looking at these areas in greater depth, we enlisted the help of **David Stein**, Chairman/CEO of *Stein Group International and* **Theo Bartoluzzi**, Director of Development of *21 House of Stories.* They have shown us their unique perspectives, innovative approaches and shared their predictions for the future of hospitality and tourism.

Spain's tourism sector in 2024 is characterized by a dynamic evolution that balances the recovery of traditional markets with the rise of new travel trends. While urban centres and resort destinations continue to attract international visitors, the growing interest in rural tourism and hybrid hospitality models is reshaping the landscape. Both trends reflect a broader shift in traveller expectations, where experiences, authenticity, and flexibility are prioritized.

By examining these trends, we gain a deeper understanding of how the tourism and hospitality industry is adapting to changing consumer behaviours and market demands, offering a more diversified and resilient future for Spain's economy.

Hybrid Hospitality: The Convergence of Work and Leisure

The concept of *Hybrid Hospitality* is redefining the traditional hotel experience by merging accommodation, coworking spaces, and community areas. This trend responds to the growing demand for flexibility among travellers, especially those embracing remote work. The model allows guests not only to stay but also to work and socialize in one place, creating a more dynamic and multifunctional experience.

As Theo Bartoluzzi from 21 House of Stories, a brand leading this trend, explained: *"The hybrid model allows us to offer spaces that adapt to different functions throughout the day, integrating hotel, coworking, dining, and events under one roof."* This approach has proven particularly successful in Milan, where the balance between work and leisure is key to attracting both professionals and tourists.

Hotel chains are increasingly adopting this model due to its flexibility and adaptability to different markets. Brands like 21 House of Stories are expanding in cities such as Madrid, Valencia, and Seville, maintaining their focus on multifunctional spaces and local cultural integration.

The Rise of Rural Tourism: An Authentic Experience

Rural Tourism is gaining traction as travellers seek more authentic, nature-connected experiences. The pandemic accelerated this trend, as many tourists began to avoid crowded urban destinations in favour of safer, quieter rural environments. As David Stein noted: *"Rural tourism offers a safer, more personalized experience connected to nature, making it attractive to both vacationers and remote workers."* An example of David Stein's company, **Stein Group International**, contributing to rural tourism in Spain is the multi award-winning **Gran Hotel Mas d´en Bruno**. This luxury hotel is in the world-famous wine region of Priorat, a rural setting that allows visitors to engage with the natural landscape and local culture of the region. By focusing on the preservation of the area's traditional elements, the hotel offers a way for guests to experience rural Spain in an authentic and respectful manner. The property highlights the potential of rural areas in Spain for tourism, without relying on mass commercialization or urban development.

The rural tourism experience is not only about the environment but also about offering unique, personalized activities. Hotel brands are integrating sustainability concepts such as *farm-to-table* and promoting immersion in local culture. This model not only meets guests' expectations but also supports local economies, creating jobs and promoting small businesses like farms and artisans.

Moreover, hotel chains and independent brands are adopting *soft branding* strategies to expand in rural markets, allowing them to maintain flexibility in offering personalized experiences while benefiting from the recognition of international brands. Stein highlighted: *"Large brands are betting on flexibility through soft branding, collaborating with independent hotels to reach a wider audience."* This is especially relevant in lesser-known rural destinations, where brand recognition is crucial for attracting travellers.

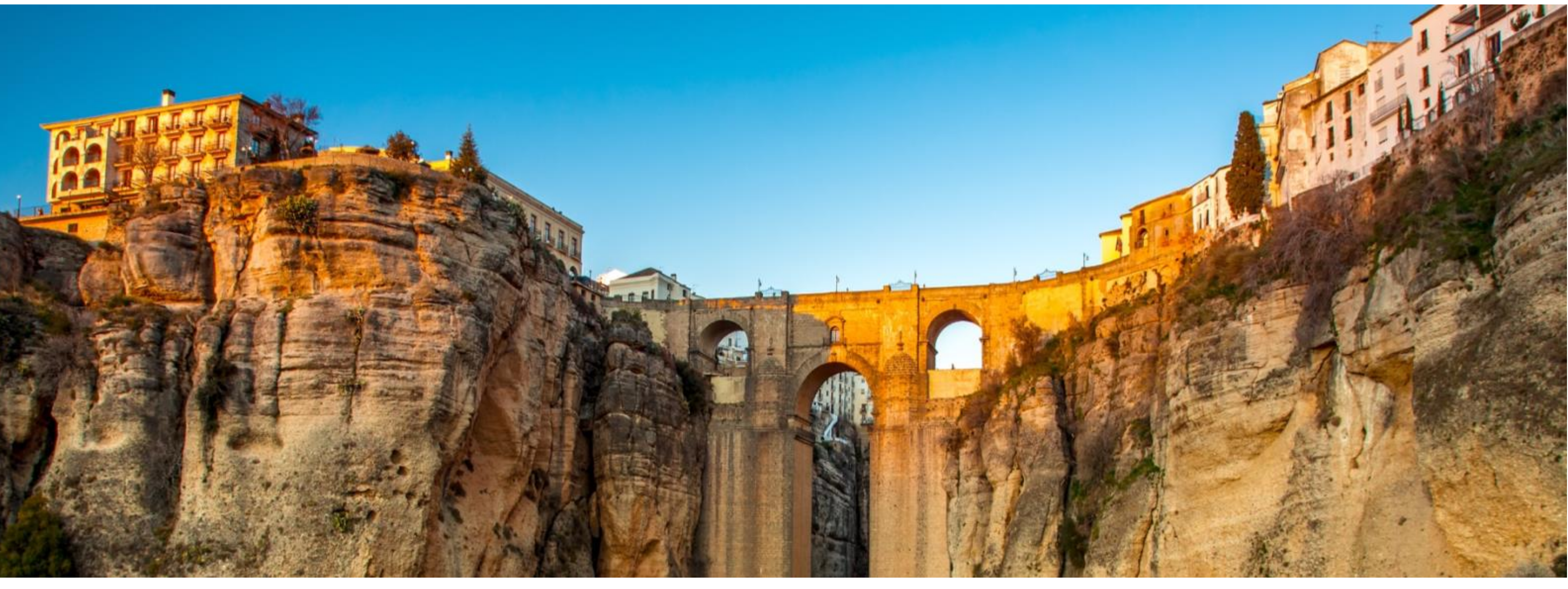
How Trends Shape the Future of Brands

The Spanish hotel market in 2024 is marked by an evolution towards hybrid models and rural destinations, where personalization, sustainability, and flexibility are the pillars of success. Chains and brands that can adapt to these trends will not only meet the demands of today's travellers but will also set the pace for the industry in the years to come.

Both Hybrid Hospitality and Rural Tourism represent the evolving preferences of modern travellers, combining work, leisure, and authentic experiences in a seamless manner. Independent and boutique hotels are capitalizing on these trends by offering personalized, flexible services that cater to the specific needs of their guests. These smaller, specialized hotels are well-positioned to innovate, as they can adapt quickly and implement unique offerings that larger hotel chains may struggle with due to their standardized procedures.

As David Stein and Theo Bartoluzzi highlighted, larger hotel brands often face challenges when trying to enter these more specialized markets. Their reliance on standardized processes and global uniformity can limit their ability to create the kind of bespoke, local experiences that travellers are increasingly seeking. While some major hotel chains have begun to adopt soft branding strategies to collaborate with independent hotels and better penetrate these markets, the most successful examples of Hybrid Hospitality and Rural Tourism tend to be driven by smaller, more agile players. These independent brands can more easily integrate local culture, sustainability initiatives, and multifunctional spaces into their operations, giving them an edge in attracting both remote workers and experience-driven travellers.

As the hospitality industry continues to evolve, we can expect further innovation in both the hybrid and rural sectors. The growth of remote work, along with travellers' desire for more meaningful and immersive experiences, will likely push more hotels both large and small to rethink how they approach design, service, and the integration of work and leisure. However, it remains clear that those who are best able to adapt to these new demands will lead the way in shaping the future of travel.



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About Horwath HTL

At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

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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