

Italy Hotel & Chains Report 2024

11th Edition
April 2024

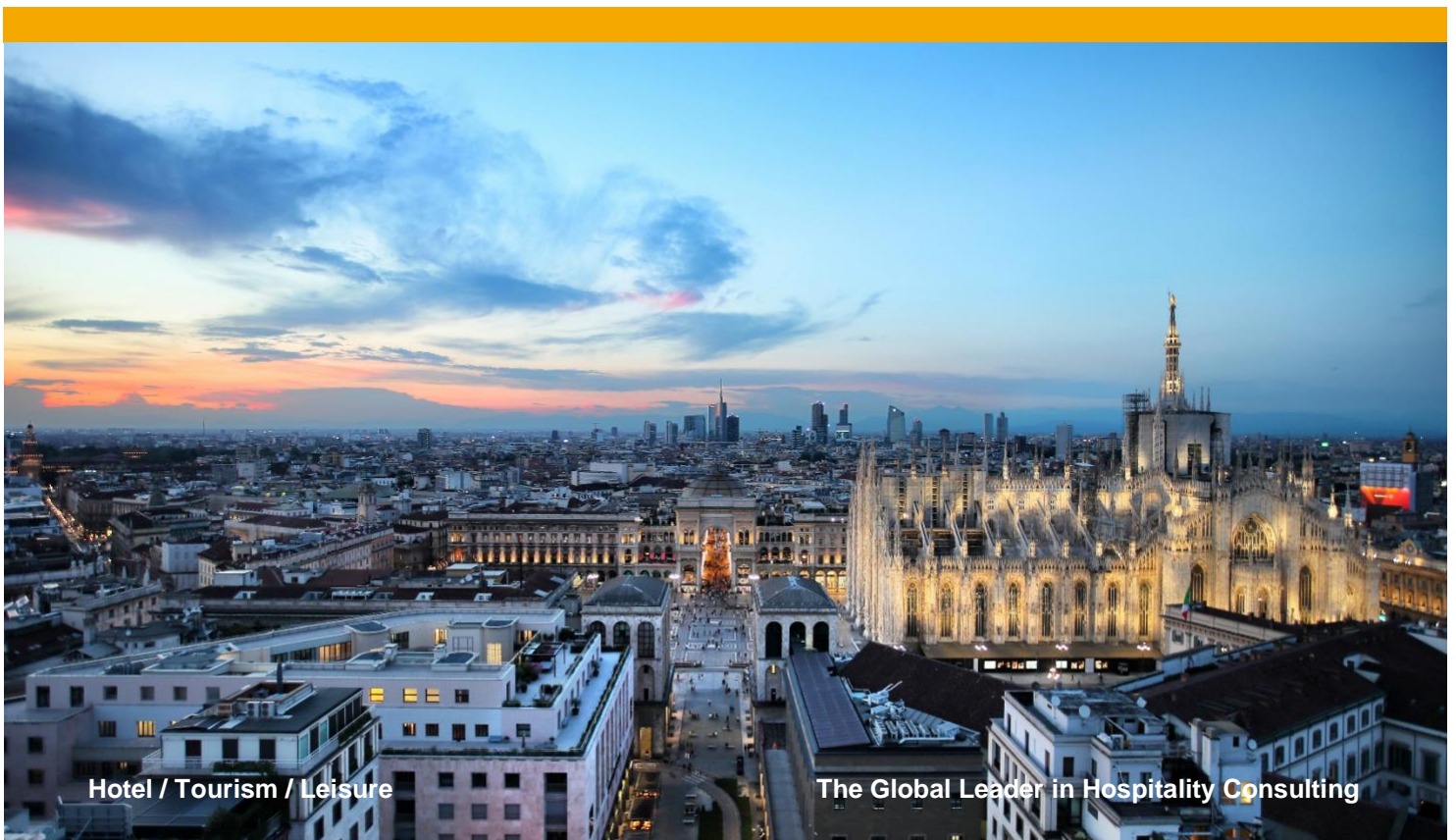


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1. Introduction

Introducing the 11th Edition of Hotels & Chains in Italy

We are pleased to present the Hotels & Chains Report Italy again this year in partnership with the Italian Confindustria Alberghi Association and the Bocconi University.

In 2022, tourist flows began to recover, and we hoped for further growth, which would consolidate in 2023. However, we have seen a halving of decline (gone from -5.2% in 2022 to -2.8% in 2023) only thanks to the critical role played by the cities of art (especially Rome) and by the international demand in the face of a halt in the domestic market due to inflation. Despite much of the missing Asian-Chinese tourism, hotel performance indicators showed a double-digit increase compared to 2022.

Although tourist flows have not yet broken the record of 97.8 million arrivals recorded in 2019, the 2023 data still shows Italy's attractiveness. Italy ranks fourth in Europe with a recovery rate of 4.8% compared to the previous year.

The conditions are favourable, while there is still a long way to go.

The penetration of chains in the country is about 6% of the Italian supply, which has remained stable in absolute numbers. It is noteworthy that Hotel Management Agreement contracts have grown by more than 14% in the last year despite Lease (38%) and Ownership (33%) remaining the preferred business models. A positive signal indicates that the Italian market is approaching international standards and providing fertile ground for new chain operators to enter and penetrate the market.

This growing interest among hotel operators in Italy is evident in the entry of prestigious international brands from both operators already operating in the Italian territory and operators entering the Belpaese for the first time, such as the recent and upcoming openings of Auberge Resorts Collection, Corinthia Hotels International, Thompson, and Orient Express. Over the next three years, several new hotels will be planned to be built, contributing to the renewal process of the Italian hotel supply and increasing the Italian penetration index of Chain hotels.

The upcoming hotel developments will remain focused on central regions such as Lombardy and Lazio, but the various projects in the pipeline in Sardinia, Apulia, and, above all, Sicily highlight how operators' attention is shifting towards secondary destinations in territories with a strong "Sun & Beach" orientation. We therefore hope that in emerging regions, there will be a more decisive public-private partnership to support the qualification of the Italian hotel sector's supply and demand.

Horwath HTL Italy wants to thank all domestic and international operators for helping to update this report.

Zoran Bačić

Senior Partner & Managing Director

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The hotel industry between challenges and opportunities

The hotel industry is constantly evolving, and this change has dramatically accelerated with the post-COVID restart.

What are the trends, challenges and opportunities shaping the Italian hotel landscape today?

We are facing significant changes and unprecedented challenges. The industry has had to adapt to structural changes and rapidly evolving market dynamics in just a few years.

New travellers, increasingly international (+11% foreign overnights in 2023 compared to 2022, +17% spending in Italy), distinguish the post-pandemic market.

This trend will be confirmed and grow further in the coming years. While domestic tourism has stabilised and will only physiologically decline in the coming years, the foreign component is intended to grow further.

Overall, a positive outlook for the sector is called upon to seize this opportunity by adapting its offerings to the expectations of these travellers, who are increasingly looking for the “experience”.

Going in this direction are the transformations we are recording; the hotel product is becoming more and more identity-driven.

Behind the development of both directly operated and franchised chain rooms is the incredible diversification of brands, each aiming to identify a different product.

From lifestyle to ultra-luxury to under-tourism, numerous products increasingly highlight themselves in the market.

This is an opportunity for Italian operators who, through product enhancement and dialogue with the territory and the local community, can offer a unique and unforgettable experience for travellers worldwide.

Maria Carmela Colaiacovo

President

Associazione Italiana Confindustria Alberghi

The positive role of hotel chains in the development of Italian hospitality and the discovery of lesser-known destinations

Addressing the data on some trends of a new year implies starting with the more macro or overall features that characterised the period. 2023 is a year that, from the tourism point of view, has registered the consolidation of the post-COVID economic recovery, although in the presence of a tendency on the part of domestic travellers to look across borders, known by the term “Revenge”. After years of rediscovering more proximity-based tourism, the Italians retook the international route, compared to positive data on foreign demand. International inflow exceeded that of restraining domestic flow. However, international flows were in some ways still limited in long-haul origins – due to reduced and sometimes still absent air connections – and domestic prices experienced sustained growth.

Italy, with its rich history, art, culture, and landscapes, continues to captivate the hearts of millions of tourists with a mix of age-old hospitality traditions and cutting-edge innovations, standing at the forefront of such an attraction. This report delves into the intricate world of hotel chains across Italy, exploring their pivotal role in sustaining and enhancing the national status of tourist destinations. Therefore, classical culture becomes culture and creative industry, the landscape moves to the global context of the Italian way of living, and the local “Made in Italy” products drive not just the exports but also represent an attraction for the consumer to come over to benefit from the overall environment and to act as a tourist.

The report identifies key trends that have shaped hotel operations in the post-pandemic era. It examines travellers’ diverse types of accommodations, from luxurious heritage hotels in historic city centres to charming boutique establishments in picturesque rural and peripheral areas.

The analysis extends to the operational strategies of major hotel chains in Italy, uncovering how these entities adapt to the dynamic market conditions and what this means for the future of hospitality in different areas/regions of the country. Milan and Rome are the most active cities that will be running in the future pipeline. Hotel chains play a positive role, showing an underlying interest.

The reader can assess the qualitative growth of the Italian hospitality supply, especially in the higher ranges, not only in luxury but also in a marked interest in investment by international chains, which is sometimes not yet present in our territory. Attention is generally seen in areas smaller than the best-known but marked by specificity and excellence. To cite examples, areas of a new ‘culture’ of sports and wellness, food and wine, events, etc. Even in business models, there is a steady, though slow advancement, of Hotel Management Agreements, compared to the more traditional forms typical of the Italian industry (Lease and Ownership): all signs of a profound trend towards internationalising Italian hospitality.

Looking to the future, the data presented in these pages show signs of consolidating the highlighted trends and further revitalisation and redevelopment that have been underway for some years. Evidence of this is the support of the PNRR program for significant events soon, such as the Milan-Cortina 2026 Winter Olympics, investments in the financial and fund world, and the Real Estate market in general.

In conclusion, the comprehensive exploration of Italian hotel chains forecasts the vital contribution to the country’s economic growth and the path of innovation and resilience that lies ahead for the Italian hospitality sector.

Magda Antonioli

Senior Professor - Bocconi University (Milan)

VP - European Travel Commission (Bruxelles)

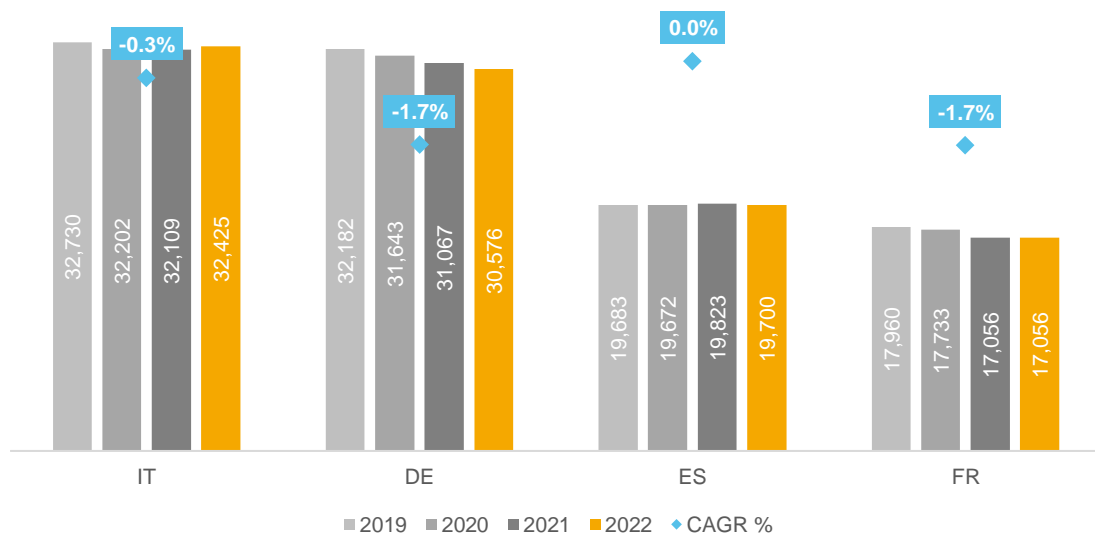


2. Italy confirms its importance in the hotel portfolio in Europe

According to the last available data from Eurostat (2022), Italy accounts for the most extensive hotel portfolio in Europe (32.4K hotels), followed by Germany (30.6K hotels), Spain (19.7K hotels), and France (17.1K hotels).

During 2019-2022, the number of hotels remained stable in Italy and Spain, while Germany and France recorded a decrease (-1.7% CAGR, each corresponding to -1,606 and -904 hotels, respectively).

Hotel Supply, CAGR % 2019-2022



*The 2023 supply data are not yet available.
Source: Horwath HTL Italy elaborations on Eurostat data*

Eurostat data confirm that, in the period considered, the rooms portfolio underwent slight changes in the European countries, and among these, Italy recorded a -0.5% CAGR, i.e. -17,582 rooms in absolute terms. On the other hand, Spain boasts the best figure (+0.5% CAGR, +13,449 rooms).

Referring to average size, Italy is the only country that records a downsizing of hotels (-0.2 rooms), which occurred exclusively in 2022, given that, until the previous year, the Belpaese remained stable at 33.4 rooms per hotel. Spain confirmed itself as the country with the largest size (48.1 keys per hotel), which increased in the period by 0.6 rooms. France follows with 38.3 keys on average, recording the higher growth (+1.8 rooms). Finally, despite having recorded the second largest increase (+1.4 rooms), Germany still has the most minor hotel portfolio (32.3 on average).

3. The increasingly qualified Italian hotel supply

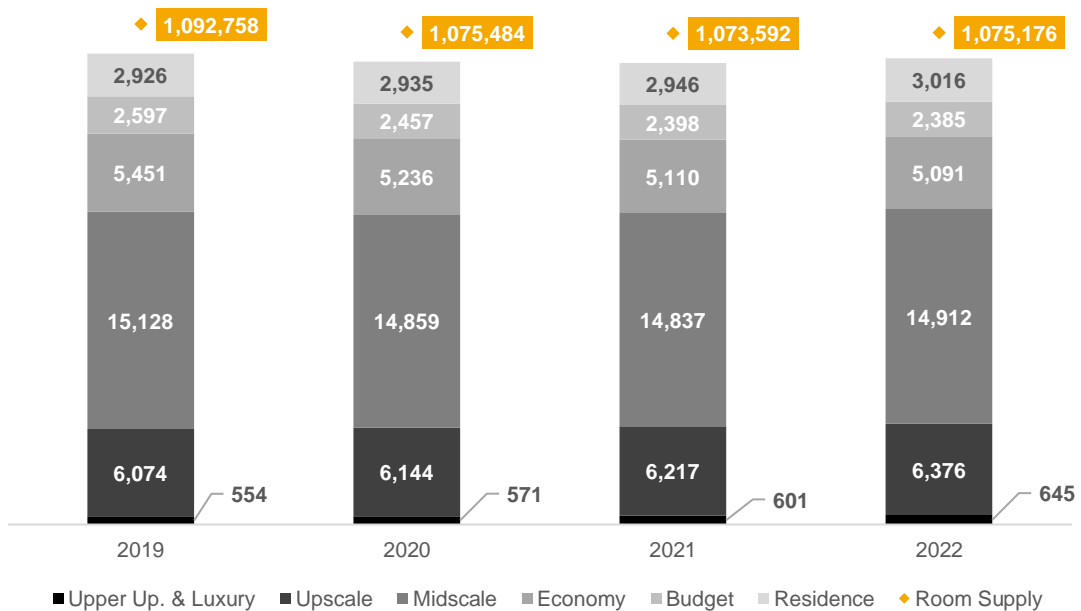
In 2022, the last data available, Italy recorded a total of about 1,1 Mln rooms in the overall hotel supply oriented to the Midscale tier with a share of 46%, which remained substantially stable in 2019-2022.

Despite the COVID-19 pandemic, Residences recorded new openings, but even more in the Upscale and Upper Upscale & Luxury categories, denoting a more prominent qualification of the hotel portfolio towards products of higher standing. These segments saw their share grow by 0.4, 1.1, and 0.3 percentage points at the expense of all other categories.

Compared to the national average of 33.2 rooms per hotel, all these categories also recorded a more substantial decrease in the period, underlining the interest by both independent owners and hotel chains to prefer boutique products.

Thanks to this type of supply, the general restructuring and qualification of the Italian offer are taking place, while the Economy and Budget tiers are decreasing more and more due to the entry of more specialised and newer non-hotel structures.

Hotel Supply by Scale and Total Room Stock



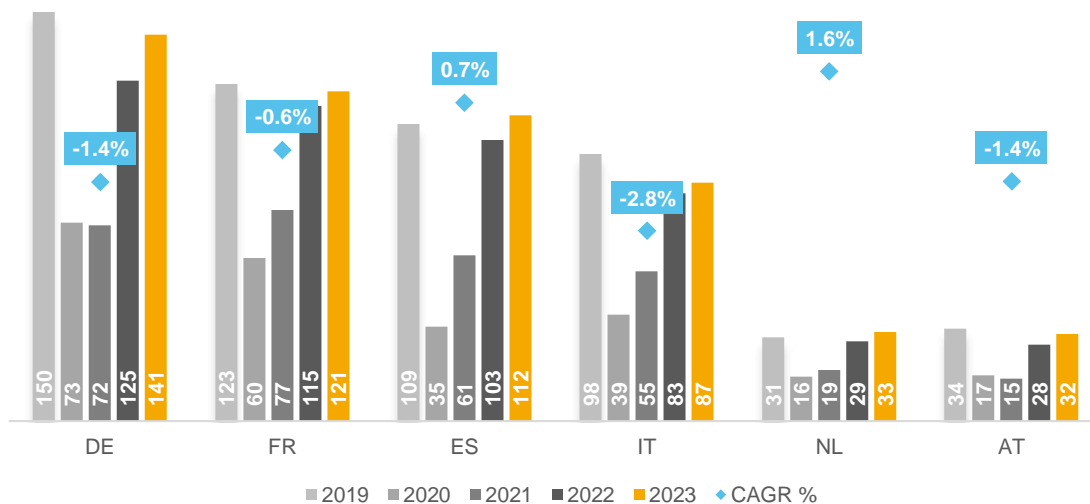
The 2023 supply data are not yet available.
Source: Horwath HTL Italy elaborations on ISTAT data

4. Italy's demand has a reverse and slower trend compared to its main European competitors

2023, signs of recovery in Europe continued to follow the COVID-19 pandemic. In particular:

- Italy confirmed its 4th place also in 2023, positioning itself after Germany, France, and Spain, with about 87.4 million arrivals (+4.8% compared to 2022 and -2.8% on the 2019 figure);
- Germany and Austria showed the most significant gap in 2022 compared to the pre-pandemic figure (-6% each), followed by Italy with -5.2%. However, in 2023, Italy was the worst performer with a decline equal to -2.8%, reversing its position with Germany and Austria (-1.4% each), while the first European countries to recover the pre-pandemic data were Spain and the Netherlands (respectively +0.7% and +1.6%);
- In general, the domestic component has been more confident about resuming travel in their home country in 2022, except for Germany (-4.6%), while in 2023, most European countries have equalled or exceeded the 2019 figure compared to Italy, which recorded the same decline as the previous year (-2.5%);
- On the other hand, in 2022, the international component has struggled to recover in Germany, Italy, and Austria (respectively with -10.8%, -8.2%, and -8.1%), but with a notable recovery in 2023, was not enough to consider the gap with 2019 overcome, as happened in other countries.

Arrivals in Hotels (in Mln), CAGR % 2019-2023



Source: Horwath HTL Italy elaborations on Eurostat data

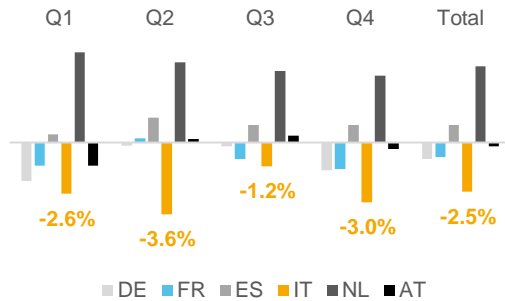
A monthly detail of the flows allows us to confirm that in 2022, the best period for the central European countries was April-December as some of them (mainly Spain and the Netherlands), thanks to the domestic component that recorded data with a positive sign, managed to narrow the difference with the 2019 figure the most.

In 2023, this thinning continued with even better results from the second quarter onwards, as the major European countries experienced declines below 1% on average. In this context, it is interesting to note that:

- The countries that recorded data higher than 2019 during the entire year are Spain and the Netherlands, finally leaving the worst period for tourism behind;
- Domestic flows recovered the 2019 figure as early as the start of the year, while international flows had to wait until April. In general, the best months for the domestic and foreign components were July (+1.1% on average) and September (+1.9% on average) respectively;

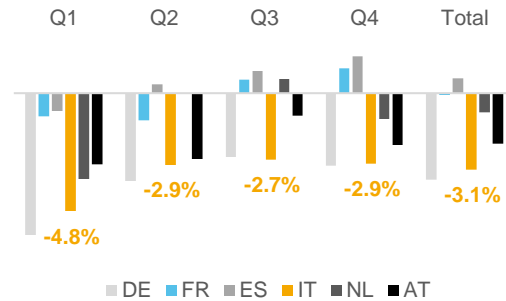
- Italy has never recorded a positive figure in overall hotel demand during the year (monthly declines between -1% and -5%). The domestic demand, which could have supported an early recovery compared to the 2023 forecasts, only equalled the 2019 data in January and July.

Domestic Arrivals in Hotels, CAGR % 2019-2023



Source: Horwath HTL Italy elaborations on Eurostat data

International Arrivals in Hotels, CAGR % 2019-2023



Source: Horwath HTL Italy elaborations on Eurostat data

While remaining a desirable destination, Italy failed in 2023 to recover the historical peak of 97.8 million arrivals recorded in 2019, performing worse than other European countries. Domestic tourists played a key role (probably due to higher prices) by failing to reduce further their gap in the face of a more dynamic trend of internationals who have both reduced their decline compared to 2019 by approximately three times and increased their market share by as many as four percentage points. Therefore, in 2024, Italy will have to exploit the leverage of the foreign component to recover ground compared to its European competitors by exploiting the enormous potential of the entire territory and proposing itself as a destination even out of season.

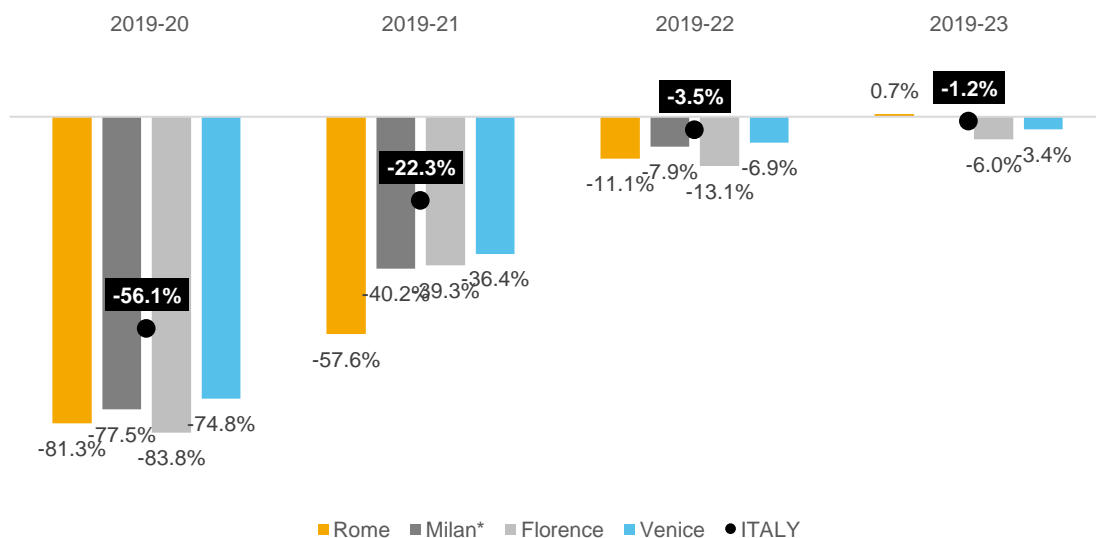
5. Remarkable recovery for Rome, the best performer among Italy’s top four destinations

In 2022, Italy’s main tourist cities, although still in the ‘red’ and with figures higher than the national average (-3.5% compared to 2019 figure), recorded a strong recovery (figures 3-6.4 times lower than in 2021) thanks mainly to the return of European flows, which have more than doubled from the previous year. In particular, such as in 2021, Venice recorded the smallest decline (-6.9%), while Florence in 2022 returned to being the worst performer among Italian art cities (-13.1%) as in 2020. Milan and Rome gained a position recording -7.9% and -11.1% respectively.

The data for 2023 follow the general Italian recovery but with the following observations:

- Declines in Florence (-6% on the 2019 figure) and Venice (-3.4%), while seeing a move closer to the 2019 figure, are still distant from the national levels (-1.2%);
- Venice recovered ground in the same proportion as Florence (ratio 1 to 2), compared to a ratio 1 to 3 for Italy in 2023, underling a lower return to pre-pandemic figures for both cities;
- Rome is the first of Italy’s top destinations to make up the 2019 figure (+0.7%). On the wave of the robust recovery that began in 2022 (approximately four times the growth in overnights, from 5.5 to 21.6 million in one year), the Italian capital managed to record as many as 31.5 million in 2023, confirming its dynamism and attractiveness.

Overnight Stays in Hotels (January-December), CAGR %



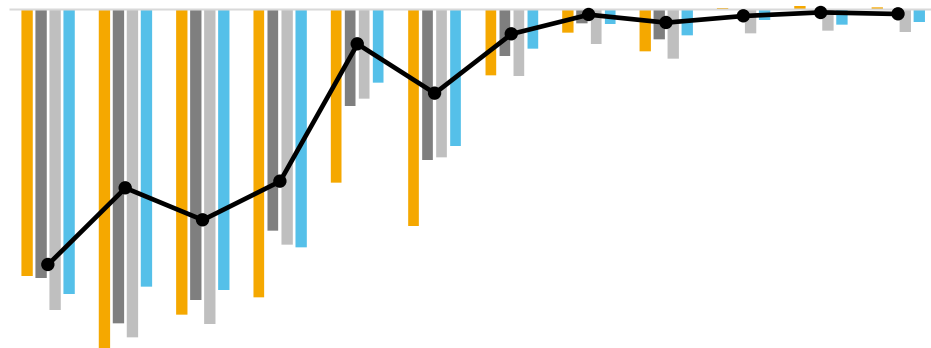
* 2023 data for Milan have yet to be closed and, therefore, unavailable.

Source: Horwath HTL Italy elaborations on ISTAT, Eurostat, EBTL, PoliS-Lombardia, Tuscany region, and Veneto region data

More in detail, after a close of 2021 with data still far behind that of 2019, the first half of 2022 began with decreases over pre-pandemic values of -18% in Rome and Florence, -12% in Milan, and -10% in Venice. The second half of the year was confirmed, as in previous years, the crucial role of the summer months, which provided a positive push toward recovery. Milan was the first art city to be most attractive, registering the smallest decline in the second half of the year (-3.8% in the same period of 2019), followed by Venice (-3.9%), while Rome and Florence continued to record higher declines, amounting respectively to 1.6 and 2.5 times more than other cities (-6.1% and -9.2%).

2023 opened with a national figure substantially unchanged compared to that of the second half of 2022, while cities of art were more dynamic: in particular, Florence and Venice, respectively, with -6.3% and -2.8%, recorded a decline equal to 1.5 times of that of the previous semester, while Rome recorded its first positive figure (+0.4%). At the national level, the second half of the year saw a reduction of more than half in the distance with the data for the same period of 2019. On one side, Florence and Venice, recording -5.7% and -4% respectively, closed the year with -6% (7.1 percentage points more than the previous year) and -3.4% (+3.4 percentage points), while on the other side Rome with a +0.9% brings 2023 to an overall +0.7%, officially considering the capital out of the setback generated by the pandemic.

Overnight Stays in Hotels (I and II semester), CAGR %



	I Sem	II Sem	Tot	I Sem	II Sem	Tot	I Sem	II Sem	Tot	I Sem	II Sem	Tot
	CAGR % 2019-20			CAGR % 2019-21			CAGR % 2019-22			CAGR % 2019-23		
■ Rome	-71.1%	-90.2%	-81.3%	-76.6%	-46.2%	-57.6%	-17.6%	-6.1%	-11.1%	0.4%	0.9%	0.7%
■ Milan*	-71.6%	-83.6%	-77.5%	-58.9%	-25.8%	-40.2%	-12.4%	-3.8%	-7.9%			
■ Florence	-80.1%	-87.3%	-83.8%	-62.6%	-23.7%	-39.3%	-17.7%	-9.2%	-13.1%	-6.3%	-5.7%	-6.0%
■ Venice	-75.9%	-73.8%	-74.8%	-63.4%	-19.6%	-36.4%	-10.4%	-3.9%	-6.9%	-2.8%	-4.0%	-3.4%
● ITALY	-68.0%	-47.6%	-56.1%	-45.8%	-9.1%	-22.3%	-6.5%	-1.4%	-3.5%	-1.8%	-0.8%	-1.2%

*2023 data for Milan have yet to be closed and, therefore, unavailable.

Source: Horwath HTL Italy elaborations on ISTAT, Eurostat, EBTL, PoliS-Lombardia, Tuscany region, and Veneto region data

6. Key Findings from 2023

Key Evidence of the Last 5 Years Census

Key Evidences of the last 5 years census (Horwath HTL Italy)	2019	2020	2021	2022	2023	5 years CAGR	2023 vs 2022 % Growth
Chain hotels							
Chain hotel properties (IDC - Including Double Counting)	1,569	1,678	1,741	1,804	1,875	4.6%	3.9%
Chain hotel properties - White Labels (Double Counted Properties)	66	75	89	99	109	13.2%	10.2%
Chain hotel properties (Double Counting Excluded)	1,503	1,604	1,652	1,706	1,767	4.1%	3.6%
Italian Hotels Stock* (Overall Supply)	32,730	32,202	32,109	32,425	32,425	-0.2%	N.A.
Chain Penetration by hotel properties (IDC)	4.8%	5.2%	5.4%	5.6%	5.8%	4.8%	3.9%
Chain Penetration by hotel properties (Double Counting Excluded)	4.6%	5.0%	5.1%	5.3%	5.4%	4.4%	3.6%
Chain Rooms							
Chain Rooms (IDC)	179,320	187,059	193,603	198,753	206,936	3.6%	4.1%
Chain hotel Rooms - White Labels (Double Counted Keys)	9,554	10,618	12,330	13,572	15,275	12.4%	12.6%
Italian Rooms Stock* (Overall Supply)	1,092,758	1,075,484	1,073,592	1,075,176	1,075,176	-0.4%	N.A.
Chain Penetration by hotel rooms (IDC)	16.4%	17.4%	18.0%	18.5%	19.2%	4.1%	4.1%
Chain Penetration by hotel rooms (Double Counting excluded)	15.5%	16.4%	16.9%	17.2%	17.8%	3.5%	3.5%
Average Hotel Size							
Chain Hotels Average Size (IDC)	114	111	111	110	110	-0.9%	0.2%
Italian Overall Supply Average Size	33	33	33	33	33	-0.2%	0.0%
Chain Brands							
Total number of Chains Brands	253	264	280	293	307	5.0%	4.8%
Domestic Chains Brands	147	157	156	161	160	2.1%	-0.6%
International Chains Brands	106	107	124	132	147	8.5%	11.4%
Chains Origin							
Domestic Chains Properties (IDC)	983	1,065	1,098	1,162	1,197	5.0%	3.0%
International Chains Properties (IDC)	586	613	643	642	678	3.7%	5.6%
Domestic Chains Keys (IDC)	106,734	111,284	115,166	122,523	126,314	4.3%	3.1%
International Chains Keys (IDC)	72,586	75,775	78,437	76,230	80,622	2.7%	5.8%
Business Models							
Ownership Share (IDC)	36%	36%	34%	33%	33%	-1.9%	-2.5%
Lease Share (IDC)	37%	37%	38%	39%	38%	1.2%	2.2%
HMA Share (IDC)	6%	5%	6%	7%	8%	9.5%	14.3%
Franchising Share (IDC)	22%	21%	21%	20%	21%	-1.9%	-4.2%

*Due to the lack of ISTAT updates, the 2023 Italian Hotels and Rooms Stock values are assumed to equal the 2022 figure.

Source: Elaborations on ISTAT and Horwath HTL Italy data

- 2023 was a year of remarkable recovery for the cities of art (Rome first) and the international market, and the gap with 2019 operating levels is getting thinner and thinner. While the overall Italian supply recorded a slight decline, Chain hotels gained 71 new properties this year and increased by over 4% in terms of keys compared to last year, or a net increase of 8,183 keys.
- Third-party-operated hotels or those managed by white-label groups have pursued robust growth, with a 10% increase since last year. In five years, white-label operators' groups increased their hotel portfolio from 66 in 2019 to 109 in 2023, or from 9.6K to 15.3K hotel keys. This model is flourishing year after year.
- Over the five years, the penetration of Chain hotels' rooms over the Italian Stock has gradually increased with a sustained rate of 4.1% (CAGR), passing from 16.4% to 19.2%, or from 15.5% to 17.8% excluding double-counted keys.

- Over the analysed period, the recorded average Chain hotel size has slowly decreased (-0.9% CAGR), passing from 114 to 110 keys per hotel. However, the Economy segment shows the most significant trend, with an average size decreasing from 103 to 95 keys per property.
- The most popular business models remain Ownership and Lease, stable at respectively 33% and 38% of the total Chain hotels, even if operators are slowly shifting their interest towards Lease and even more towards HMA contracts.
- Rome ranks first in 2023 with almost 24,000 rooms in terms of total keys, followed by Milan (17,100) and Venice (7,600). During the last 5-year period, Milan recorded the highest room increase, in absolute values, with almost +2,400 rooms, second Rome with +2,000. In third place is Venice, with +700. Meanwhile, Florence recorded the most substantial relative growth with a 7% CAGR in 5 years, from 4,800 to 6,200 rooms.
- By the end of 2026, 29,561 new keys are expected, including double counting, 52% of them in the Upscale tier as well as 27% in the Upper Upscale & Luxury segment, thanks to the arrival of new international brands for the first time in the Belpaese.
- In the next three years, Lease, HMA, and Franchising are expected to grow similarly. The Lease model is on top with 33% of the announced keys, followed by Franchising with 29% and, eventually, the Hotel Management contract with 22%. Aligned with the trends of the last five years, Ownership will continue to lose ground.



7. New Keys Added in 2023

Over the last five years, the recorded Chain hotel keys have increased by a CAGR of 3.6%, surging from 179K to 207K keys, with double-counting rooms included. The Upper Upscale & Luxury supply has recorded the most vigorous growth, achieving 5.3%, or a wave of +4,800 keys since 2019. The Economy segment gained 4.2%, the Upscale supply 3.5%, and the Midscale 3.1%.

In 2023, the Chain hotel's number of keys increased by 8,183, double counting included, for a 4.1% increase compared to the prior year.

The Upscale tier holds the highest share of the outstanding supply or 73%. The new supply of 2023 shows its dominance because this segment accounts for 66% of the net new supply, developing consistently.

This year's recorded net keys' increase (+59% on the 2022 figure) is mainly due to the Upper Upscale & Luxury segment, which accounts for 32%, while the Midscale only accounts for 3%. On the other hand, the Economy segment lost about 100 rooms compared to the previous year, but it continues to represent only 1% of the outstanding supply or 2,187 outstanding rooms.

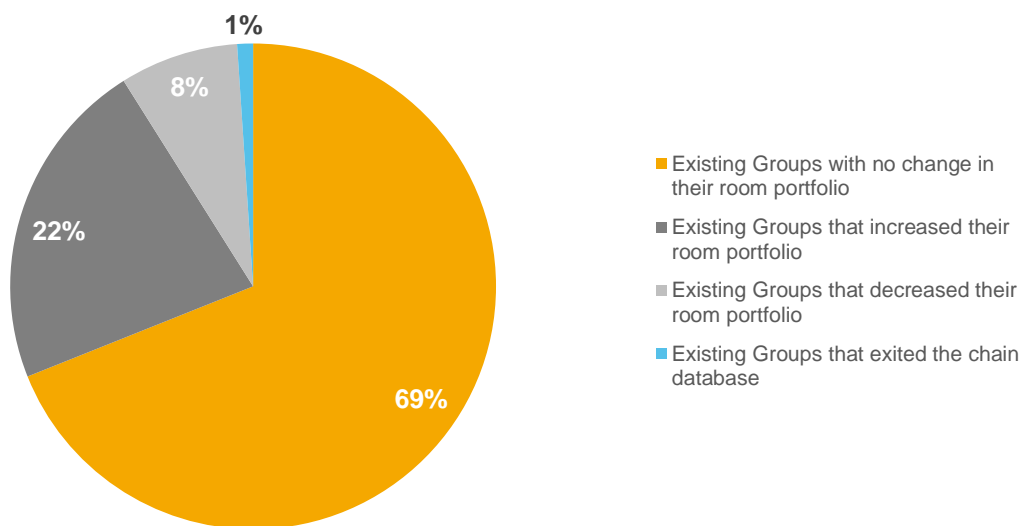


8. Observed Changes in the Development of Groups in 2023

Out of the 195 hotel chain groups registered in 2023:

- 69% remained unchanged;
- 22% saw their room supply increase. Marriott International (+1,020 keys), Hilton Hotels & Resorts (+919 keys), and Life Hotels & Resorts (+638 keys) recorded top increase;
- 8% saw their room supply decrease. Accor (-409 keys), TH Resorts (-340 keys), and Zeus International (-329 keys) recorded the highest decline.
- 1% of groups left the database: Fabilia Hotels & Resorts (-732 keys).

2022-2023: Chain Portfolio evolution



Source: Horwath HTL Italy

This year, six new groups were added to the database, adding over 1,600 hotel rooms to the H&C supply. These groups are domestic small chains, but not only ones: Apex Alliance Hotel Management, Baja Hotels, CitizenM, Easy Hotel Group, Evok Hotels, and Italica Hotels & Resorts.

9. Chain Hotels

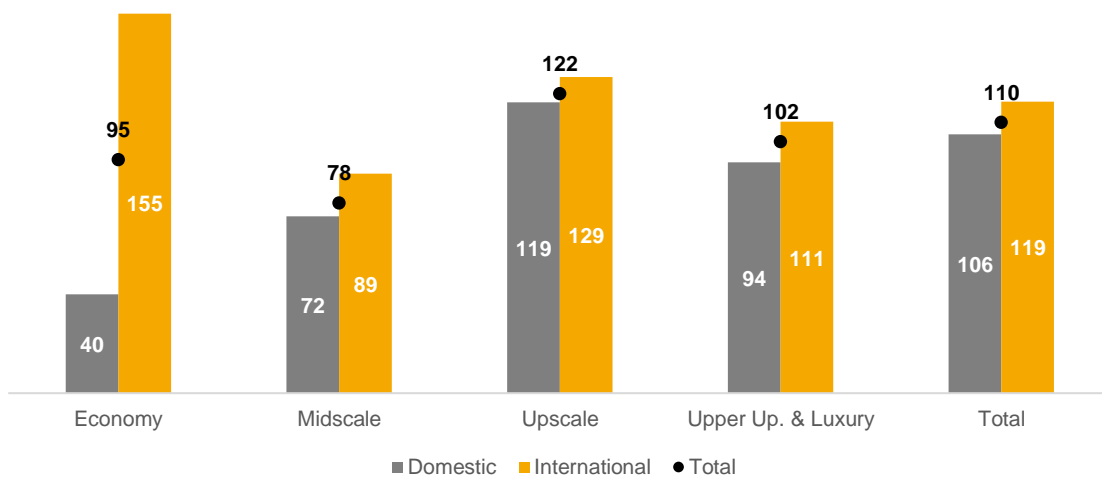
9.1. Chain Hotels by Number and Size

Over the last five years, the recorded average size of Chain hotels has slowly decreased (-0.9% CAGR), passing from 114 to 110 keys per hotel. In 2023, the overall average size of Chain hotels in Italy remained unchanged compared to the previous year. International Chain hotels are more prominent in all segments than Domestic Chain properties. The first records an average size of 119 keys per property, while the second 106.

However, the Economy segment shows the most significant trend, with an average size decreasing from 104 to 95 keys per property last year. The International Chains, which reduced the average hotel key per property from 180 in 2022 to 155 in 2023, mainly drove this trend. Conversely, Domestic Chains record an average of 40 keys per economy hotel, unchanged compared to 2022.

The Economy segment remains marked by the difference between Domestic and International hotels in size and product since International operators are structured and primarily oriented to large projects with economy-of-scale opportunities.

2023: Chain Hotel Average Size per Scale and Chain Origin in Number of Keys



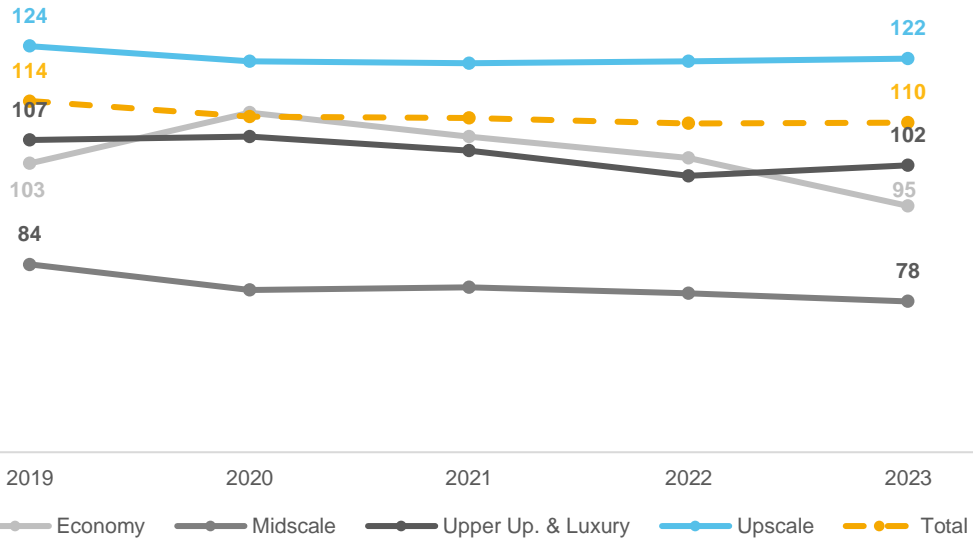
Source: Horwath HTL Italy

With 122 rooms per hotel, the Upscale properties still hold the largest average size across hotel scales. In this segment, the gap in capacity between International and Domestic groups is closer, with the first recording 129 keys and the second 119.

The average number of keys per Upper Upscale & Luxury hotel slightly increased from 101 in 2022 to 102 in 2023. International groups recorded an average of 111 keys per hotel, while Domestic ones recorded 94. This trend confirms the development of top-tier hotels, which favour room quality and sizes and create more competitive ancillary facilities. For instance, more lifestyle products offer suggestive common areas open to in-house and local customers.

The Midscale segment recorded a slight decrease from last year. The average capacity passed from 79 to 78 keys, 89 for the International groups and 72 for the Domestic ones.

2019-2023: Chain Hotel Average Size per Scale



Source: Horwath HTL Italy

9.2. Ranking by Size

Overall Chains Groups

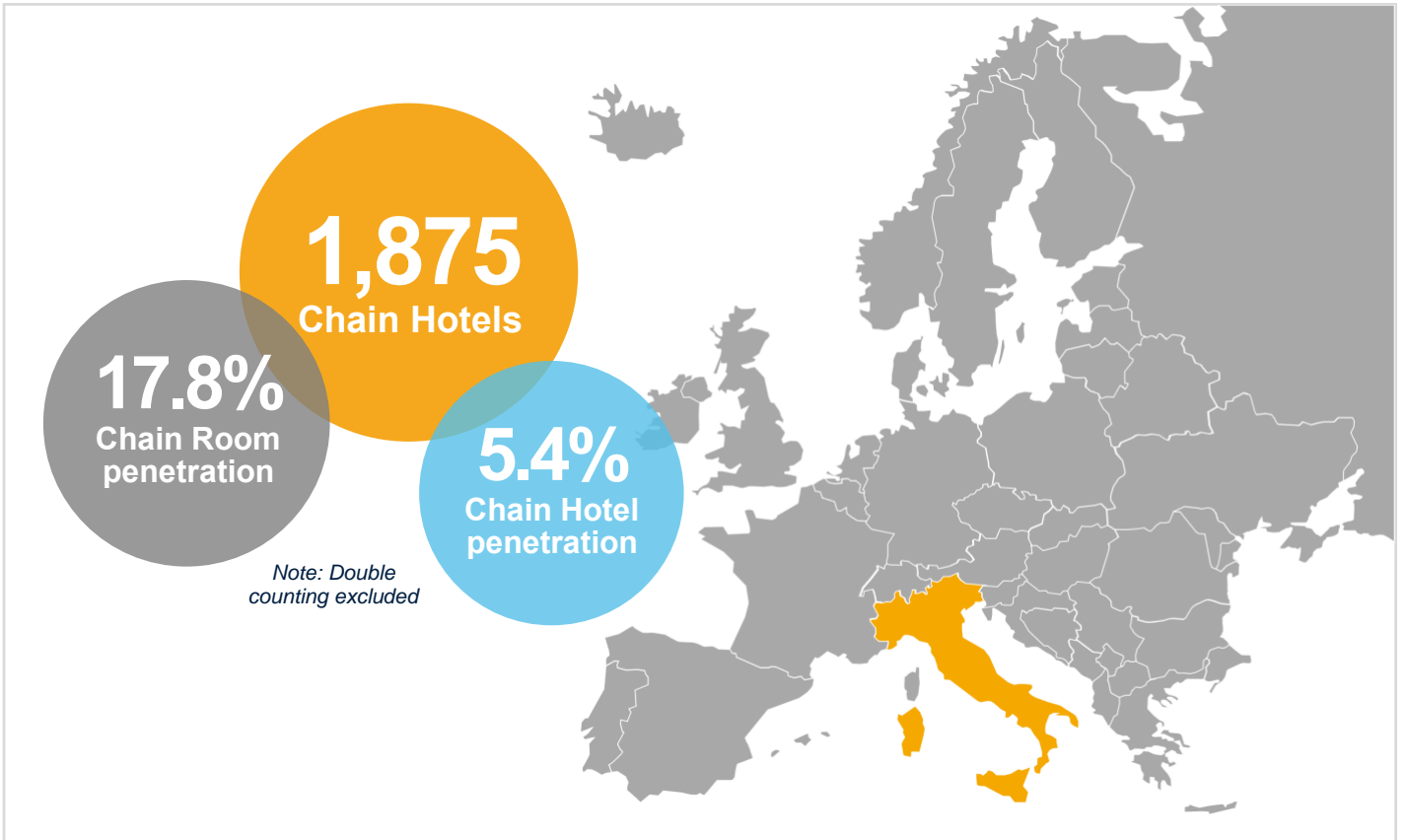
Rank	Overall Chain Groups	Hotels	Rooms
1	BWH Hotels	164	11,797
2	Marriott International	64	10,916
3	Accor	77	9,724
4	Minor Hotels	58	8,694
5	Hilton Hotels & Resorts	36	6,524
6	B&B Hotels	65	5,928
7	TH Resorts	28	5,437
8	Gruppo UNA	43	4,954
9	IHG Hotels & Resorts	30	4,540
10	Bluserena	13	4,167
11	ITI Hotels	27	4,012
12	Starhotels	25	3,803
13	Alpitour	20	3,577
14	Blu Hotels	29	3,204
15	Aeroviaggi	13	3,037
16	Gruppo Studio Vacanze	17	2,973
17	CDSHotels	12	2,364
18	Amapa Group	19	2,230
19	HNH Hospitality	16	2,223
20	Apogia Hotels Group	36	2,220

Source: Horwath HTL Italy

Overall Chains Brands

Rank	Overall Chain Brands	Hotels	Rooms
1	Best Western	89	6,364
2	B&B	65	5,928
3	NH Hotels	34	5,244
4	TH Resorts	25	5,117
5	Bluserena	13	4,167
6	Unahotels	26	3,867
7	Mercure Hotel	30	3,224
8	Blu Hotels	29	3,204
9	VOI Hotels	10	2,959
10	Studio Vacanze	16	2,881
11	Starhotels Premium	17	2,768
12	NH Collection	18	2,647
13	Sheraton	7	2,492
14	Best Western Plus	29	2,444
15	Hilton	7	2,378
16	CDSHotels	12	2,364
17	ITI Hotels-Marina H&R	14	2,251
18	Novotel	13	2,112
19	Aurum	16	2,108
20	Club Esse	12	2,037

Source: Horwath HTL Italy



Domestic Chains Groups

Rank	Domestic Chain Groups	Hotels	Rooms
1	TH Resorts	28	5,437
2	Gruppo UNA	43	4,954
3	Bluserena	13	4,167
4	ITI Hotels	27	4,012
5	Starhotels	25	3,803
6	Alpitour	20	3,577
7	Blu Hotels	29	3,204
8	Aeroviaggi	13	3,037
9	Gruppo Studio Vacanze	17	2,973
10	CDSHotels	12	2,364
11	Amapa Group	19	2,230
12	HNH Hospitality	16	2,223
13	Apogia Hotels Group	36	2,220
14	Nicolaus	13	2,176
15	Aurum Hotels	16	2,108
16	Life Hotels & Resorts	15	2,097
17	Club Esse H&R	12	2,037
18	IH Hotels	20	2,016
19	Chincherini Holiday Gr	24	1,959
20	Parc Hotels Italia	12	1,957

Source: Horwath HTL Italy

Domestic Chains Brands

Rank	Domestic Chain Brands	Hotels	Rooms
1	TH Resorts	25	5,117
2	Bluserena	13	4,167
3	Unahotels	26	3,867
4	Blu Hotels	29	3,204
5	VOI Hotels	10	2,959
6	Studio Vacanze	16	2,881
7	Starhotels Premium	17	2,768
8	CDSHotels	12	2,364
9	ITI Hotels-Marina H&R	14	2,251
10	Aurum	16	2,108
11	Club Esse	12	2,037
12	Mangia's Resorts	7	2,004
13	Chincherini Holiday Gr	24	1,959
14	Parc Hotels	12	1,957
15	IH Hotels	19	1,953
16	Life Resorts	12	1,912
17	Apogia Hotels Beach	28	1,712
18	I Grandi Viaggi	6	1,678
19	Delphina	8	1,582
20	Nicolaus	10	1,446

Source: Horwath HTL Italy

International Chains Groups

Rank	International Chain Groups	Hotels	Rooms
1	BWH Hotels	164	11,797
2	Marriott International	64	10,916
3	Accor	77	9,724
4	Minor Hotels	58	8,694
5	Hilton Hotels & Resorts	36	6,524
6	B&B Hotels	65	5,928
7	IHG Hotels & Resorts	30	4,540
8	TUI Group	7	1,758
9	Westmont Hospitality G	11	1,634
10	Radisson Hospitality	10	1,526
11	FMTG	8	1,210
12	Fattal Hotels Group	6	1,026
13	Hotusa Group	10	998
14	Meliá Hotels Internat.	7	962
15	The Social Hub	2	751
16	Wyndham H&R	5	739
17	Barceló Group	3	732
18	Club Med	2	720
19	Choice Hotels Internat.	8	654
20	Louvre Hotels Group	5	646

Source: Horwath HTL Italy

International Chains Brands

Rank	International Chain Brands	Hotels	Rooms
1	Best Western	89	6,364
2	B&B	65	5,928
3	NH Hotels	34	5,244
4	Mercure Hotel	30	3,224
5	NH Collection	18	2,647
6	Sheraton	7	2,492
7	Best Western Plus	29	2,444
8	Hilton	7	2,378
9	Novotel	13	2,112
10	Holiday Inn	10	1,639
11	Ibis	8	1,481
12	Crowne Plaza	7	1,475
13	Ibis Styles	13	1,367
14	Doubletree by Hilton	8	1,350
15	AC Hotels Marriott	11	1,311
16	Hilton Garden Inn	8	1,228
17	Falkensteiner H&R	8	1,210
18	Marriott	3	1,076
19	Sure Hotel Collection	17	921
20	Four Points by Sheraton	5	875

Source: Horwath HTL Italy

9.3. Chain Hotels Penetration Rate

Over the last five years, the penetration of Chain hotels' rooms into the Italian Stock has gradually increased at a sustained rate of 4.1% (CAGR), while the overall room stock remained stable (-0.4% CAGR).

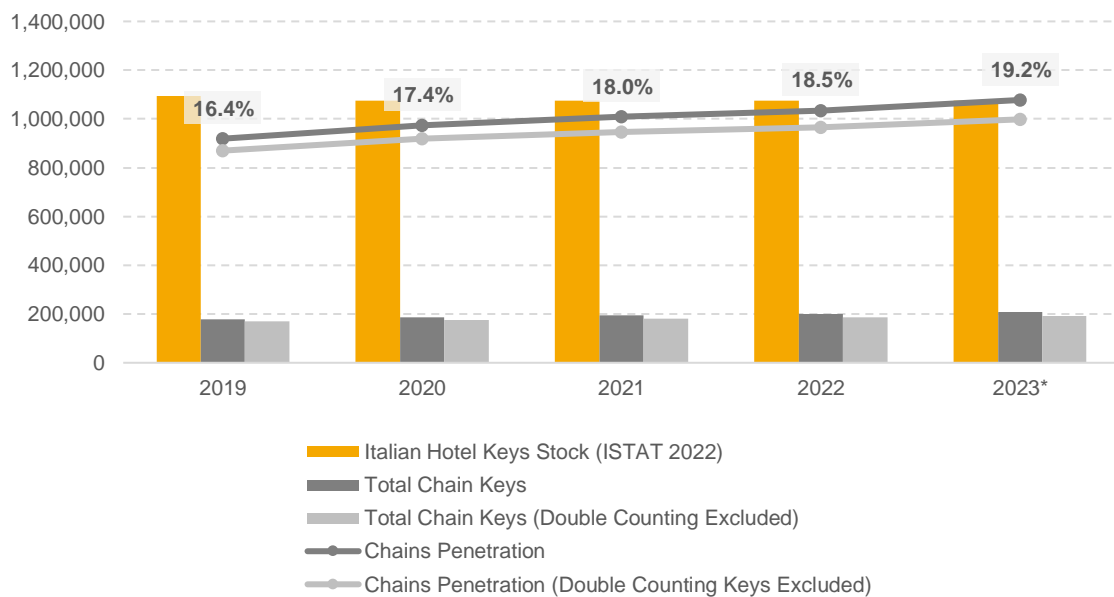
Although superficial in absolute values, the growing gap between the penetration rate recorded by Chain hotels, including double-counting keys, and the one excluding double-counting, which passed from 0.9% to 1.4%, shows the increasing role of white-label operators in Italy.

The penetration rate of Chain hotel rooms in the Economy segment is stable at 2%. Even though remarkable projects are in the pipeline, this category still constitutes an untapped market segment to further explore in brand and product targeting, especially youngsters, students, and budget travellers.

In the Upper Upscale & Luxury category, 61% of the hotel keys in Italy are branded, making it the tier with the most Chain hotel keys – in percentage terms – in the Italian market and the fastest-growing one (+7 percentage points in the last three years).

The Upscale market is the second with a substantial increase (+1.6 percentage points) compared to 2021, while the Midscale category registered a slight increase.

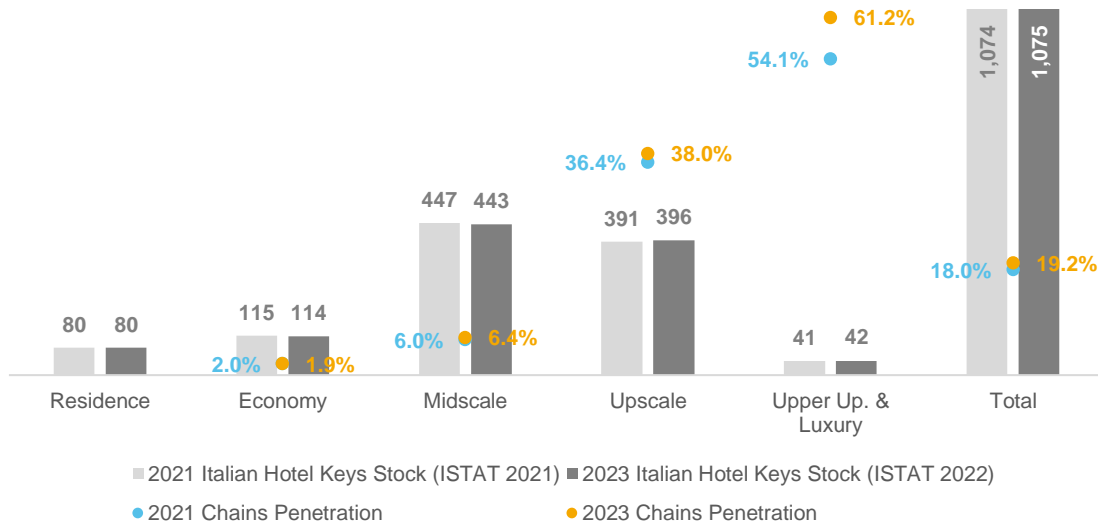
2019-2023: Chain Hotel Average Size per Scale and Chains' Origin in Number of Keys



*Due to the lack of ISTAT updates, the 2023 Italian Hotel Keys Stock values are assumed to equal the 2022 figure.

Source: Horwath HTL Italy

2021-2023: Italian Hotel Rooms Stock by Scale and Chains' Penetration Rate (,000 Keys)



Source: Horwath HTL Italy

9.4. Chain Hotels by Scale and Brands

In 2023, the total Chain Brands present in Italy amount to 307, of which 160 are Domestic and 147 International. Nevertheless, as several brands cover different market scales, the potential number of brands, or gross number of brands, could be assessed at 476, of which 293 are Domestic and 183 International.

Domestic groups account for 1,197 hotels and 160 hotel brands, or 64% of the overall number of Chain properties and 52% of the Chain brands in the market.

International groups recorded 678 properties and 147 hotel brands, or 36% of the overall Chain supply and 48% of the Chain brands in the market.

In 2023, Domestic Chain brands still held the most significant market share in the number of hotels and rooms and the total number of brands, except for the Upper Upscale & Luxury segment. The number of properties and brands is more significant for International groups.

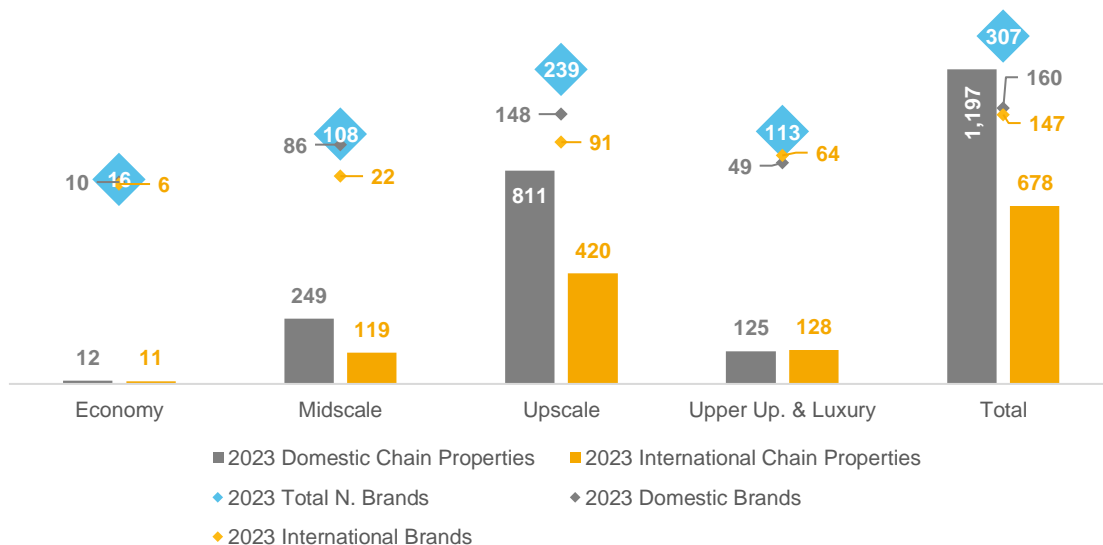
Compared to last year, Domestic Chains recorded a net increase of 35 hotels, compared to 36 properties more for International Chains.

The dominance of the Domestic brands is still very marked in the Upscale properties (811 vs. 420 hotels), where International operators recorded 17 more properties compared to the Domestic operators, which added 22 hotels.

The Upscale segment accounts for 66% of the total chain supply regarding the number of properties. Furthermore, this market has 239 hotel brands, the highest by far compared to any other segment.

The Midscale tier needs to catch up, with 368 properties and 108 brands. The Upper Upscale & Luxury segment represents 13% of the Chain hotels. With its 23 hotels, the Economy tier holds 1% of the total supply share.

2023: Chain Properties and Brands by Scale and Origin



Source: Horwath HTL Italy

9.5. Ranking by Scale & Groups

Overall Chain Groups

Rank	Economy & Midscale (1-3★)			Upscale (4-4S★)			Upper Upscale & Luxury (5-5L★)		
	Hotel Chains	Hotels	Rooms	Hotel Chains	Hotels	Rooms	Hotel Chains	Hotels	Rooms
1	B&B Hotels	58	5,356	BWH Hotels	132	10,074	Marriott International	26	3,331
2	Accor	15	1,924	Minor Hotels	47	7,500	Aeroviaggi	4	1,368
3	BWH Hotels	31	1,676	Accor	58	7,314	Minor Hotels	11	1,194
4	TH Resorts	9	1,614	Marriott International	36	7,223	Hilton H&R	6	1,185
5	Chincherini HG	11	1,089	Hilton H&R	29	5,191	Radisson Hospitality	8	972
6	Apogia Hotels Group	15	768	Gruppo UNA	37	4,657	Meliá Hotels Int.	5	716
7	The Social Hub	2	751	Bluserena	11	3,938	Rocco Forte Hotels	6	613
8	I Grandi Viaggi	2	591	IHG H&R	24	3,925	Delphina H&R	3	564
9	Ferretti Hotels Group	8	590	TH Resorts	19	3,823	GB Thermae Hotels	3	542
10	Bianchi Hotels	8	575	Starhotels	21	3,459	Westmont Hospitality	6	524

Domestic Chain Groups

Rank	Economy & Midscale (1-3★)			Upscale (4-4S★)			Upper Upscale & Luxury (5-5L★)		
	Hotel Chains	Hotels	Rooms	Hotel Chains	Hotels	Rooms	Hotel Chains	Hotels	Rooms
1	TH Resorts	9	1,614	Gruppo UNA	37	4,657	Aeroviaggi	4	1,368
2	Chincherini HG	11	1,089	Bluserena	11	3,938	Delphina H&R	3	564
3	Apogia Hotels Group	15	768	TH Resorts	19	3,823	GB Thermae Hotels	3	542
4	I Grandi Viaggi	2	591	Starhotels	21	3,459	HNH Hospitality	3	524
5	Ferretti Hotels Group	8	590	ITI Hotels	23	3,327	Batani Select Hotels	3	451
6	Bianchi Hotels	8	575	Alpitour	12	3,137	Gruppo Mazzella	2	448
7	Azzurro Club Vac.	10	536	Blu Hotels	25	3,030	Alpitour	7	430
8	Aurum Hotels	2	530	Gruppo Studio Vac.	17	2,973	Duetorrihotels	4	403
9	Color Holiday	5	482	CDSHotels	10	2,269	Adler Spa R&L	6	394
10	Gruppo Mondotondo	1	456	Amapa Group	18	2,182	Sina Hotels Group	5	391

International Chain Groups

Rank	Economy & Midscale (1-3★)			Upscale (4-4S★)			Upper Upscale & Luxury (5-5L★)		
	Hotel Chains	Hotels	Rooms	Hotel Chains	Hotels	Rooms	Hotel Chains	Hotels	Rooms
1	B&B Hotels	58	5,356	BWH Hotels	132	10,074	Marriott International	26	3,331
2	Accor	15	1,924	Minor Hotels	47	7,500	Minor Hotels	11	1,194
3	BWH Hotels	31	1,676	Accor	58	7,314	Hilton H&R	6	1,185
4	The Social Hub	2	751	Marriott International	36	7,223	Radisson Hospitality	8	972
5	Louvre Hotels Group	4	533	Hilton H&R	29	5,191	Meliá Hotels Internat.	5	716
6	Meininger Hotels	4	441	IHG Hotels & Resorts	24	3,925	Rocco Forte Hotels	6	613
7	Marriott International	2	362	TUI Group	7	1,758	Westmont Hospitality	6	524
8	A&O Hotels & Hostels	1	309	Westmont Hospitality	5	1,110	Accor	4	486
9	IHG Hotels & Resorts	3	295	Hotusa Group	9	950	Palladium HG	2	469
10	Hilton H&R	1	148	Fattal Hotels Group	5	881	LVMH	9	442

Source: Horwath HTL Italy

9.6. Ranking per Scale & Size

CHAINS	OVERALL				DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	%	Ave. Size	Hotels	Rooms	Hotels	Rooms
Budget & Economy (1-2★)	23	2,187	1.1%	95	12	484	11	1,703
Midscale (3★)	368	28,558	13.8%	78	249	17,924	119	10,634
Upscale (4-4S★)	1,231	150,261	72.6%	122	811	96,147	420	54,114
Upper Upscale & Luxury (5-5L★)	253	25,930	12.5%	102	125	11,759	128	14,171
TOTAL	1,875	206,936	100%	110	1,197	126,314	678	80,622

9.7. Chain Hotels by Business Model

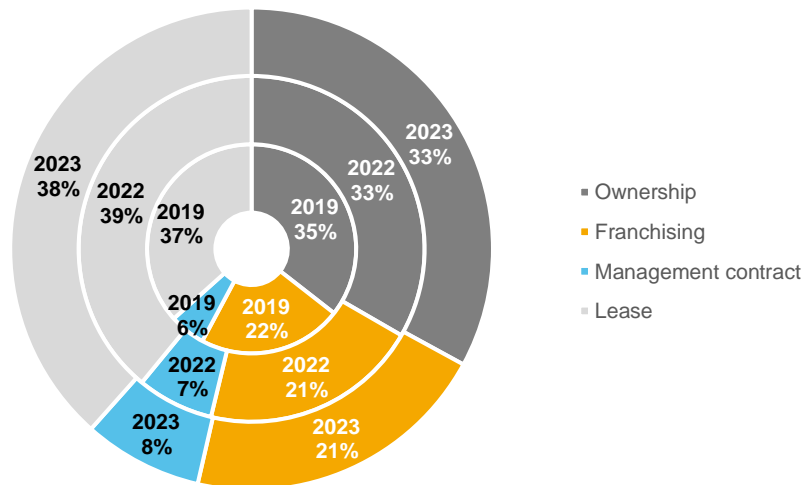
The most popular business models remain Ownership and Lease, the first stable at 33% and the second slightly decreasing compared to last year.

In the last five years, the business model preferences have evolved to favour Lease contracts while diminishing Franchises and more Ownership.

The Management contract model still positions itself as the last preferred mode. Nevertheless, the 8% achieved in 2023, the highest result since 2013, demonstrates that the market and the hotel industry in Italy are evolving towards more international models, high-end segments, and the distribution of risks and benefits between the parties.

However, the lease model's critical role reveals the traits of the Italian market, which is mainly focused on the real estate approach of hotel owners and oriented to property valorisation.

2023 VS 2019: Breakdown of Chain Hotels by Business Model



Source: Horwath HTL Italy

9.8. Chain Hotels by Business Model

By Hotels

Scale	Franchise	%	Lease	%	Mgt Contr	%	Owned	%	Total*	%
Economy	-	-	10	1.4%	2	1.4%	11	1.8%	23	1.2%
Midscale	55	14.4%	177	24.9%	26	17.6%	107	17.5%	368	19.6%
Upscale	302	79.1%	453	63.7%	71	48.0%	389	63.8%	1,231	65.7%
Upper Upscale & Luxury	25	6.5%	71	10.0%	49	33.1%	103	16.9%	253	13.5%
TOTAL	382	100%	711	100%	148	100%	610	100.0%	1,875	100%

By Rooms

Scale	Franchise	%	Lease	%	Mgt Contr	%	Owned	%	Total*	%
Economy	-	-	576	0.7%	125	0.6%	1,486	2.3%	2,187	1.1%
Midscale	3,649	8.9%	14,188	17.9%	2,523	12.7%	7,947	12.3%	28,558	13.8%
Upscale	34,940	85.1%	57,268	72.4%	11,159	56.0%	45,413	70.3%	150,261	72.6%
Upper Upscale & Luxury	2,481	6.0%	7,056	8.9%	6,131	30.8%	9,717	15.1%	25,930	12.5%
TOTAL	41,070	100%	79,088	100%	19,938	100%	64,563	100%	206,936	100%

*Including 24 hotels with a total of about 2,300 keys for which the business model is unknown.

Source: Horwath HTL Italy

9.9. Chain Hotels Top Destination

Lombardy (16.4%), Latium (14%), Veneto (11.3%), and Emilia-Romagna (10.1%) still hold together more than half of the branded keys in the country, accounting for about 52% of the total share.

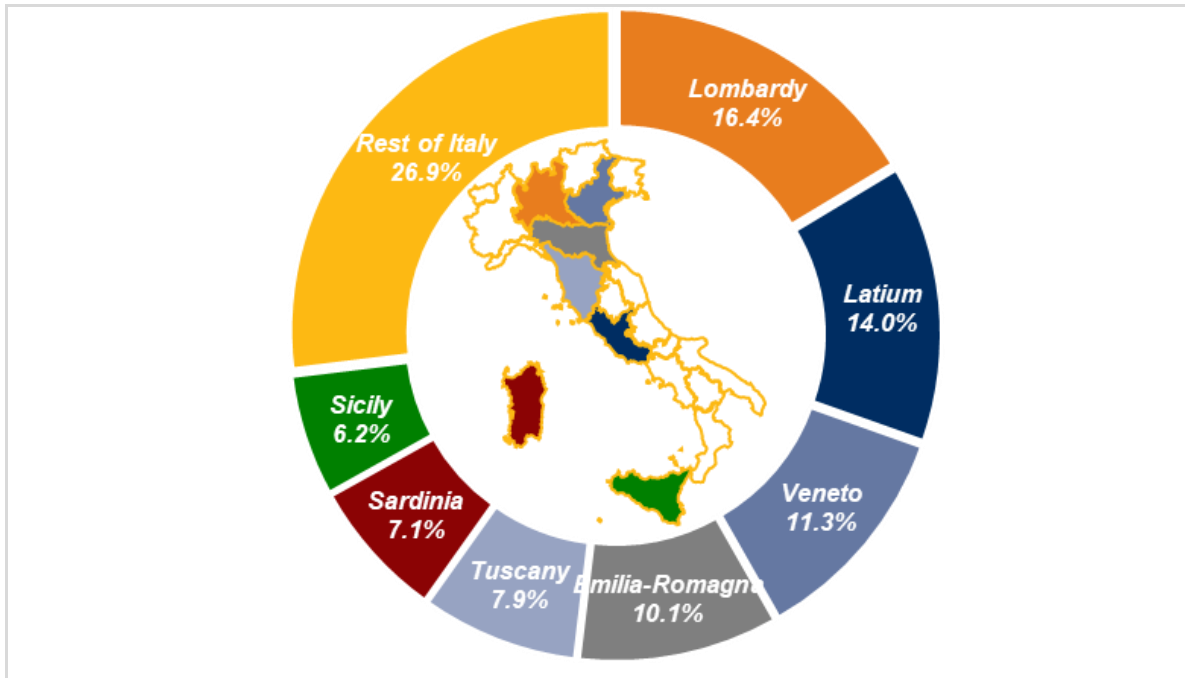
In 2023, Rome held the first podium regarding Chain properties and keys, registering 227 hotels and 26,5K rooms.

Following up the capital, with about 9,400 fewer Chain rooms, is Milan with 17,1K keys, Venice with 7,6K rooms, and Florence with 6,2K rooms.

Compared to last year, all the top 10 Chain destinations grew in rooms on average by 5.3%, double counting included. Only Florence saw its room portfolio decrease by -95 units (-2%) despite its increase by +2 properties.

Milan, where Chain rooms increased by 11% annually, recorded the most substantial growth. Rome, Arzachena (Sardinia), and Turin also recorded strong growth with a 6%, 7%, and 9% increase in room count, respectively.

The observed trend shows that the key 4 Italian cities remain attractive to hotel groups and confirms the growing interest in other destinations.



Source: Horwath HTL Italy

2022-2023: Top 10 Destinations by Chain Rooms

Rank	Destination	CHAIN HOTEL PROPERTIES				CHAIN HOTEL KEYS			
		2022	2023	YoY Change	YoY Change	2022	2023	YoY Change	YoY Change
1	Rome	218	227	9	4%	25,071	26,472	1,401	6%
2	Milan	114	123	9	8%	15,359	17,097	1,738	11%
3	Venice	76	79	3	4%	7,480	7,604	124	2%
4	Florence	69	71	2	3%	6,269	6,174	-95	-2%
5	Bologna	23	24	1	4%	3,202	3,306	104	3%
6	Genoa	25	25	0	0%	2,994	2,994	0	0%
7	Turin	22	24	2	9%	2,480	2,705	225	9%
8	Budoni	15	15	0	0%	2,435	2,435	0	0%
9	Naples	21	22	1	5%	2,153	2,305	152	7%
10	Arzachena	19	20	1	5%	2,133	2,178	45	2%

Source: Horwath HTL Italy

In the last five years, these top 10 destinations recorded a 2.7% CAGR, passing from 66K to 73K rooms, or an increase of 11%. Similarly, the Chain hotel count increased by a 3.3% CAGR, passing from 553 to 630 properties, or an increase of 14%.

Milan recorded the highest room increase in absolute values, with about 2,400 rooms in 5 years, while Rome had about 2K.

However, Florence recorded the most substantial relative growth, with a 7% CAGR in 5 years, from 4.8 K to 6.2 K rooms.

2019-2023: Top 10 Destinations by Chain Rooms

Rank	Destination	CHAIN HOTEL PROPERTIES				CHAIN HOTEL KEYS			
		2019	2023	% VAR	% CAGR	2019	2023	% VAR	% CAGR
1	Rome	200	227	14%	3%	24,473	26,472	8%	2%
2	Milan	107	123	15%	4%	14,700	17,097	16%	4%
3	Venice	67	79	18%	4%	6,937	7,604	10%	2%
4	Florence	57	71	25%	6%	4,798	6,174	29%	7%
5	Bologna	24	24	0%	0%	3,235	3,306	2%	1%
6	Genoa	23	25	9%	2%	2,685	2,994	12%	3%
7	Turin	25	24	-4%	-1%	2,798	2,705	-3%	-1%
8	Budoni	14	15	7%	2%	2,149	2,435	13%	3%
9	Napels	21	22	5%	1%	2,169	2,305	6%	2%
10	Arzachena	15	20	33%	7%	1,954	2,178	11%	3%

Source: Horwath HTL Italy

In the past years, the average size of hotels in the top 5 cities has slowly decreased thanks to the arrival of significant luxury international players and the continuous development of lifestyle hotels over limited-service properties.

In the Economy tier, Rome and Milan are still behind. However, the announced pipeline will make them more competitive at the national level.

2023: Average Chain Hotels Size by Scale in the Top 5 Cities in Italy

Destination	Economy	Midscale	Upscale	Upper Upscale & Luxury	Destination Average
Rome	73	75	130	110	117
Milan	79	104	148	138	139
Venice	150	50	95	125	96
Florence	202	56	95	72	87
Bologna	361	61	132	106	138

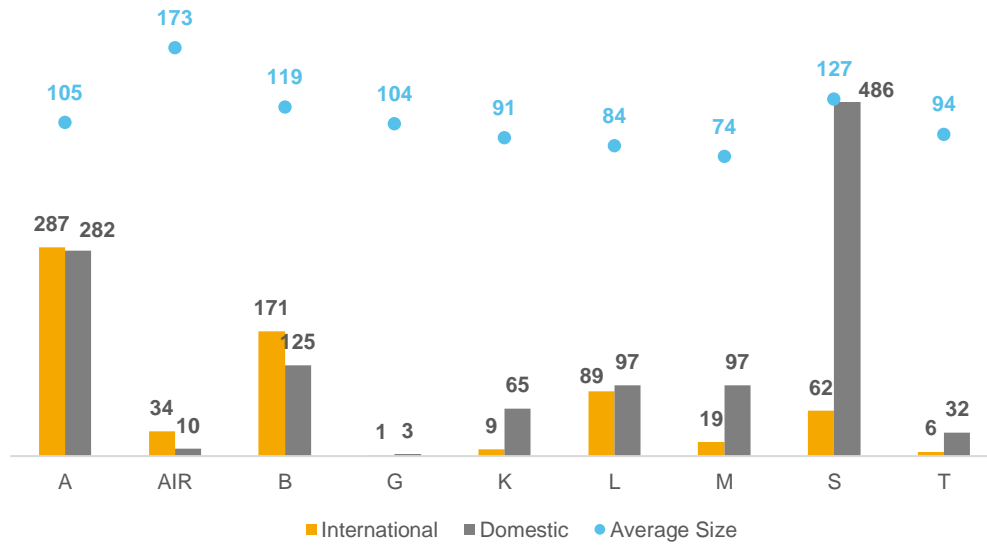
Source: Horwath HTL Italy

Over 60% of the branded hotels are either in Art & Business locations (A & B) or Sun & Beach destinations (S), almost equally distributed, gaining new branded properties yearly.

As confirmed by the properties announced in the pipeline, International players are growing interest in sea destinations, which Domestic groups still dominate.

Given the development of Milan's airports, we will soon see an increase in airport hotels, which now accommodate a minimal share. Golf hotels also have great potential and, despite the Ryder Cup 2023, will only record a few openings in the next three years.

2023 Breakdown of Chain Properties by Destination Type and Chains' Origin



Destination types: A for Art Cities, AIR for Airports, B for Business-Focused, G for Golf, K for Lakes, L for Other Leisure destinations, M for Mountains, S for Sun & Beach, and T for Thermal/Spa destinations.

Source: Horwath HTL Italy

9.10. Demand Drivers

Driver		OVERALL		DOMESTIC		INTERNATIONAL	
		Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
S	Sun & Beach	548	69,365	486	61,351	62	8,014
A	Art & Business	569	59,799	282	25,350	287	34,449
B	Business Focus	296	35,250	125	13,145	171	22,105
K+L	Other Leisure	260	22,324	162	14,629	98	7,695
M	Ski	116	8,565	97	6,979	19	1,586
AIR	Airport	44	7,629	10	1,464	34	6,165
T	Thermal	38	3,589	32	3,184	6	405
G	Golf	4	415	3	212	1	203

Top 5 Brands by Destination Type in 2023

Sun & Beach (S)

Rank	Brand	Hotels	Rooms	Market
1	Bluserena	11	3,720	5.4%
2	Studio Vacanze	16	2,823	4.1%
3	TH Resorts	11	2,758	4.0%
4	ITI Hotels-Marina H&R	15	2,512	3.6%
5	CDSHotels	12	2,364	3.4%

Art & Business (A)

Rank	Brand	Hotels	Rooms	Market
1	NH Hotels	18	2,646	4.4%
2	Best Western	30	2,157	3.6%
3	B&B	23	2,041	3.4%
4	Mercure Hotel	13	1,669	2.8%
5	Unahotels	11	1,547	2.6%

Business Focus (B)

Rank	Brand	Hotels	Rooms	Market
1	B&B	25	2,311	6.6%
2	NH Hotels	10	1,996	5.7%
3	Best Western	23	1,683	4.8%
4	Starhotels Premium	8	1,334	3.8%
5	Unahotels	8	1,154	3.3%

Other Leisure (K+L)

Rank	Brand	Hotels	Rooms	Market
1	Best Western	21	1,504	6.7%
2	Chincherini HG	15	1,456	6.5%
3	Parc Hotels	7	1,171	5.2%
4	Blu Hotels	8	1,106	5.0%
5	Zacchera Hotels	5	909	4.1%

Ski (M)

Rank	Brand	Hotels	Rooms	Market
1	TH Resorts	9	1,389	16.2%
2	Blu Hotels	9	694	8.1%
3	Saint Jane H&S	10	555	6.5%
4	Falkensteiner H&R	5	418	4.9%
5	Club Med	1	388	4.5%

Airport (AIR)

Rank	Brand	Hotels	Rooms	Market
1	Novotel	3	594	7.8%
2	Crowne Plaza	2	569	7.5%
3	Hilton	1	517	6.8%
4	Best Western	5	469	6.1%
5	B&B	4	452	5.9%

Thermal (T)

Rank	Brand	Hotels	Rooms	Market
1	Dimhotels	9	898	25.0%
2	GB Thermae Hotels	5	855	23.8%
3	QC Spa of Wonders	5	305	8.5%
4	Aurum	2	290	8.1%
5	Cosmopolitan HG	2	284	7.9%

Source: Horwath HTL Italy

Golf (G)

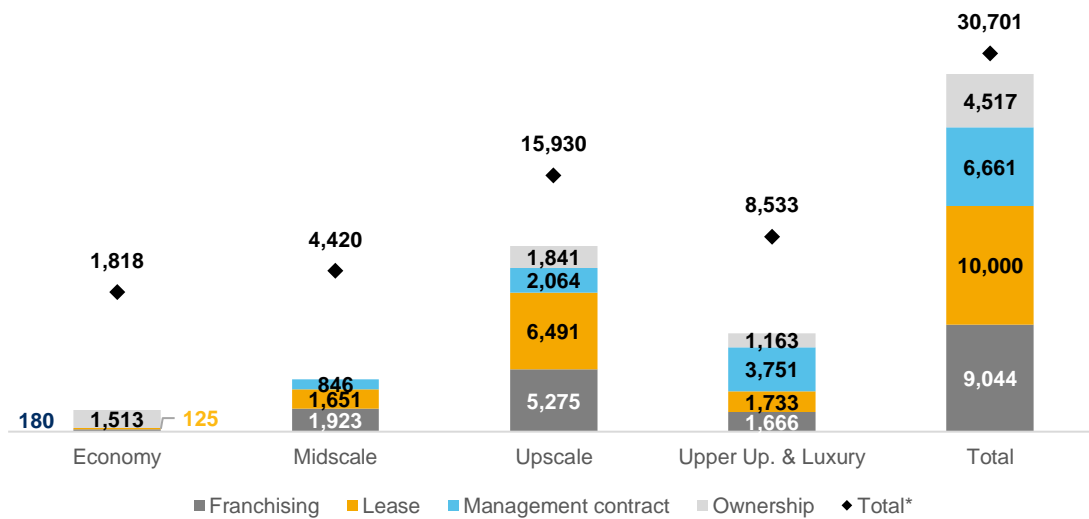
Rank	Brand	Hotels	Rooms	Market
1	Rocco Forte	1	203	48.9%
2	Starhotels Collezione	1	124	29.9%
3	Parc Hotels	1	62	14.9%
4	Chincherini HG	1	26	6.3%
5	-	-	-	-

Source: Horwath HTL Italy

9.11. Pipeline by Scale & Business Model

By the end of 2026, the Chain portfolio will expect an increase of 29,561 keys and 229 properties, with new 30,701 keys and 1,140 exiting keys. Of the latest keys, including double counting, 52% will be in the Upscale tier, and 28% will be in the Upper Upscale & Luxury segment. For the first time, new international brands will enter the Belpaese such as, but not limited to, Fairfield, Residence Inn and Ritz-Carlton (Marriott International); Movenpick, Orient Express and Tribe (Accor); LXR Hotels and Resorts (Hilton Hotels & Resorts); Motel One; Kimpton Hotels & Restaurants and Vignette Collection (IHG Hotels & Resorts); Regency and Thompson (Hyatt); Edition Hotels and Max Brown Hotels (Sircle Collection); Cheval Blanc (LVMH); Baccarat Hotels & Resorts (SH Hotels & Resorts).

2024-2026 New Chain Hotel Keys by Hotel Scale – Including Double Counting (IDC)

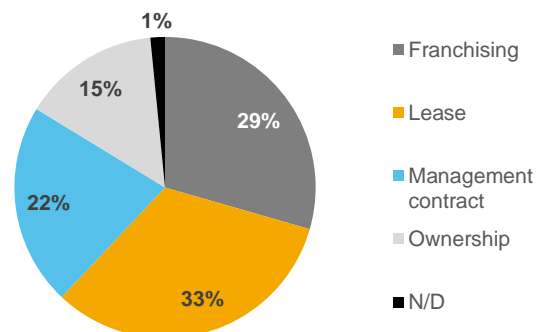


*Including both Upscale and Upper Upscale & Luxury tiers, five hotels with about 480 keys in total for which the business model has yet to be defined.

Source: Horwath HTL Italy

2024-2026 New Chain Hotel Keys by Business Model – Including Double Counting (IDC)

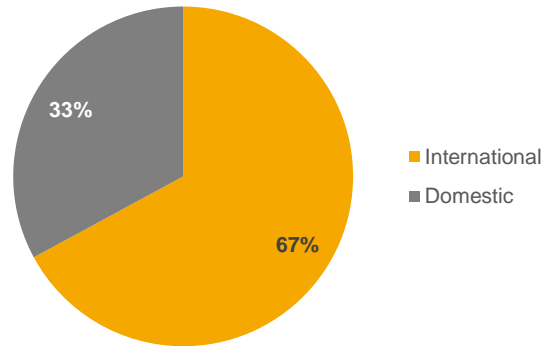
A similar growth is expected for Lease, Franchising, and HMA in the next three years. The Lease model is on top with 33% of the announced keys, followed by Hotel Franchising with 29% and, eventually, Hotel Management Agreements with 22%. Aligned with the last decade's trends, Ownership will continue to lose ground.



Source: Horwath HTL Italy

2024-2026 New Chain Hotel Keys by Origin – including double counting (IDC)

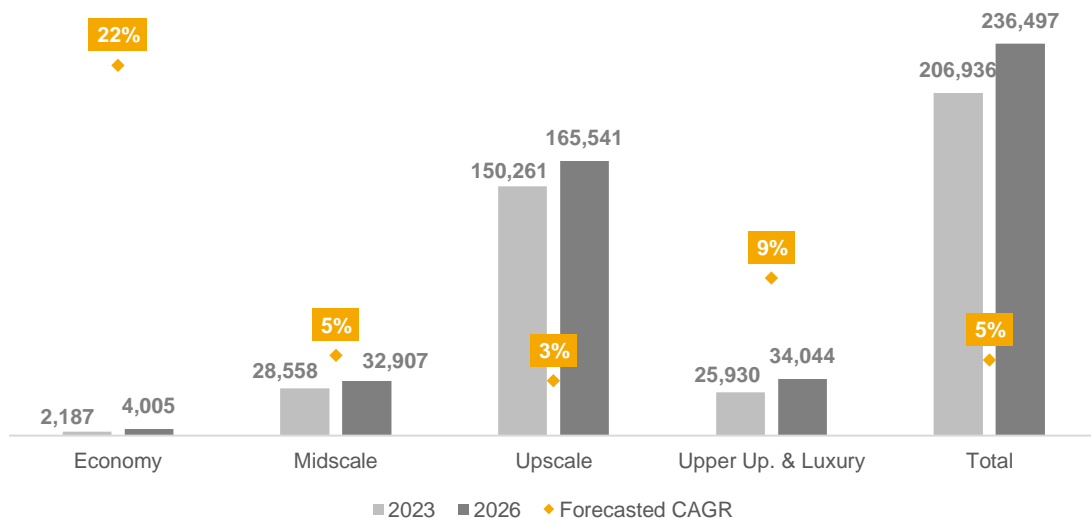
International operators are becoming more attracted to the country year by year; in fact, less than 35% of the properties in the pipeline will belong to Domestic Chains.



Source: Horwath HTL Italy

If the actual database remains unvaried as the rooms in the pipeline, the Italian Chain supply should increase by 14% over the next three years, with a CAGR of 5%. Here follows a sneak peek of the 2026 Chain Hotels' Supply.

2023 vs 2026 Chain Hotel Keys Breakdown by Hotel Scale – Including Double Counting (IDC)

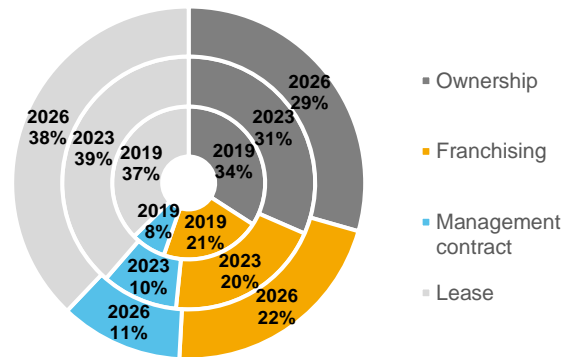


Source: Horwath HTL Italy

By 2026, the existing supply of the Economy tier will be boosted by a 22% CAGR, with over 1,800 new rooms. Follow, at long distance, the Upper Upscale & Luxury (+9% CAGR), Midscale (+5% CAGR), and Upscale (+3% CAGR).

2019 / 2023 / 2026 Chain Hotels' Keys Breakdown by Business Model – Including Double Counting (IDC)

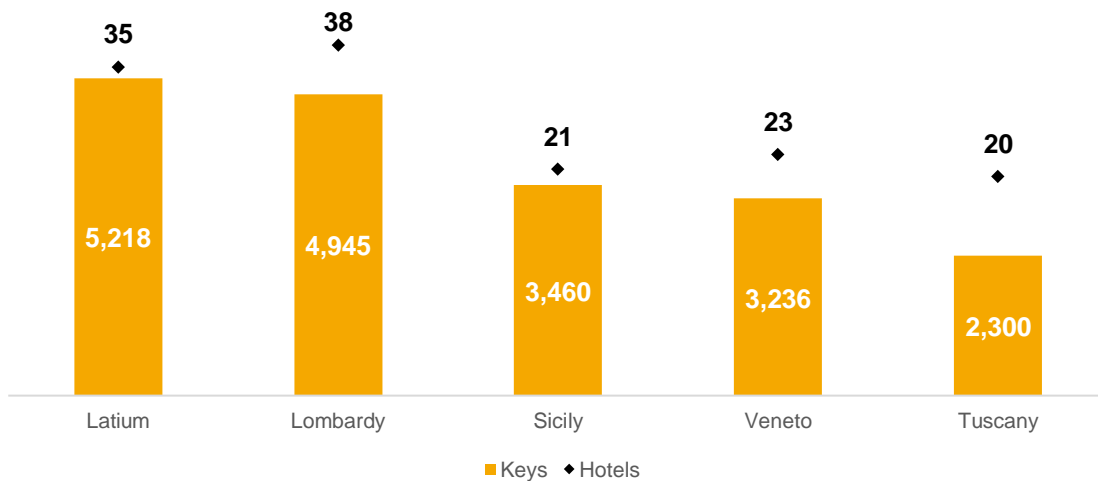
The Lease will remain the primary business model (38%) with a slight decrease compared to 2023, followed by Ownership, which will continue to lose shares (-5 and -3 percentage points, respectively, on 2019 and 2023 figures). With its third place, Franchising will remain essentially stable at 21%, while HMA will gain another percentage point, reaching 11%.



Source: Horwath HTL Italy

The future hotel development will mainly involve the following five regions, confirming the interest in investing in the established target destination.

2024-2026 Pipeline: Top 5 Italian Regions



Source: Horwath HTL Italy

These Top 5 Regions hold more than 60% of the pipeline for the next three years for 137 hotels and 19,2K hotel Keys, excluding double-counted properties.

Latium and Lombardy will equally lead the way, with 33% of the announced pipeline, for 10,2K hotel keys and 73 hotel properties.

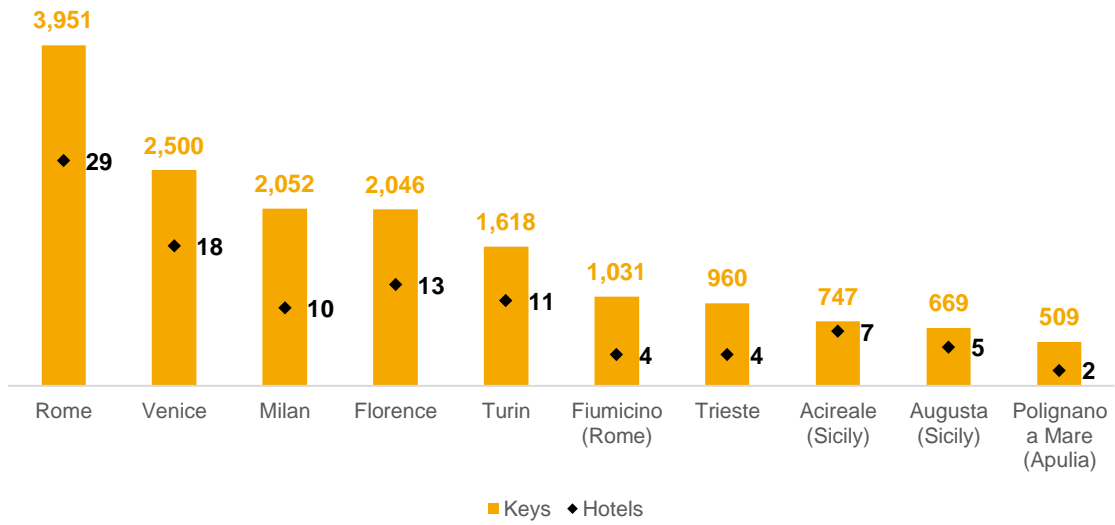
A large part of the pipeline will play in the luxury tier in the Latium region, making the Roman scenario very competitive. This is also thanks to the arrival of renowned international players, such as Corinthia Hotels International and Evok Hotels, who are coming to Italy for the first time.

By contrast, Lombardy plans to add +4,9K keys not only in Milan, an evergreen target city but also in the region's secondary destinations, particularly airports and lake locations.

Sardinia, Apulia, and Emilia-Romagna will be dynamic, accounting for over 5,200 new rooms, with 1,898 keys, 1,691, and 1,612 each.

The rising interest in the Campania, Piedmont, and Calabria regions marks the interest in developing and investing in the Sun & Beach market and, overall, in secondary destinations.

2024-2026 Pipeline: Top 10 Destinations



Source: Horwath HTL Italy

Art cities remain the most targeted at national and international levels, but there is also a growing interest in secondary destinations, especially Sun & Beach destinations.



10. Hot Topic

Are the traditional hotels still competitive?

The travel industry has undergone a significant change, and as a result, the hospitality sector is also redefining its boundaries to find innovative solutions. The pandemic has played a substantial role in this shift, as 31% of the workforce can now work from anywhere, creating a new market void and pushing all operators toward new solutions.

Research conducted by leading international institutions has precisely defined the profile of the contemporary “game changer” traveller: the median age is 40 years (with an increasing number of families) seeking local leisure experiences, with the safety and comfort of an apartment associated with lifestyle products.

Reducing the gap between traditional Airbnbs and small hotels (20/30 rooms) is necessary. In response, we see interesting “hybrid” hotel products emerging and new international players entering the market after consolidating their presence in their home country and attempting to expand in Italy.

Due to the characteristics of the historic centres of Italian primary destinations, there is a shift towards smaller buildings, possibly located in places with a “vibe”. These buildings have fewer rooms but are more extensive, offering units with kitchens suitable for extended stays. Conviviality spaces (events, micro-events, or coworking), refined F&B outlets, and, in some cases, Speakeasy Bars complete the hotel product, focusing on lifestyle.

Limehome, Numa, Sonder, and LHG are some branded non-hotel operators with small structures, without staff and F&B spaces, but with higher profit margins. Even big players carefully consider these opportunities, with LivSmart Studios by Hilton or the MidX Studios by Marriott planned for 2025.

These trends are underway, and stopping the wave will take much work.

However, this represents an extraordinary opportunity for urban regeneration, considering the enormous unused real estate assets and their poor state of conservation. Still, public administrations must streamline bureaucratic authorisation procedures to support private initiatives.

Legend

Rank	Brand
Avg	Average
Bn	Billion
CAGR	Compound Annual Growth Rate
F&B	Food & Beverage
GDP	Gross Domestic Product
IDC	Including Double Counting. For instance, a hotel operated by a white-label Chain will be accounted for twice in the census if franchised by an International Chain.
MICE	Meetings, Incentives, Conferences, Exhibitions
MIn	Million
OR	Occupancy Rate
K	Thousand
YoY	Year Over Year
YTD	Year To Date

Definitions

Rank	Brand
Hotel Chains <i>(in this report)</i>	Any hotel organisation that operates five or more hotels worldwide by owning, managing, leasing, or franchising properties. Simple Ownership (in the lack of operations control) does not qualify as a hotel chain.
International Chain	A chain with HQ outside Italy.
Domestic Chain	A chain with headquarters in Italy, including those which also run hotels abroad.
White Label, Second Tier	A chain operating one or more hotels branded by another chain.

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This version of the report is distributed for free. We have tried our best to correctly report information and data on the hotel chains by directly contacting the persons responsible for the hotel chains before distribution for data checking to improve accuracy. Nevertheless, involuntary omissions and minor errors may occur as for any census.

About Associazione Italiana Confindustria Alberghi



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Associazione Italiana Confindustria Alberghi originated from the merger of the two industries- representing players at Confindustria: the independent hotels and the hotel companies.

Associazione Italiana Confindustria Alberghi is present throughout the country, with over 2,500 tourist accommodation facilities totalling 175,000 rooms, 70,000 employees, and more than 5 billion Euros in revenues. It is, therefore, a reference player in the tourism economy in Italy, and it has an entrepreneurial vision whose main features are commitment, planning skills, and attention to market change and rationale. Associazione Italiana Confindustria Alberghi is a member of Confindustria and Federturismo, and as such, it integrates with the other players in the Italian economy and tourism industry.

At an international level, Associazione Italiana Confindustria Alberghi examines new phenomena and dynamics that drive investments and tourist flows. It aims to provide companies with the tools to address today's crisis while exploring the future of an industry that all indicators see growing strongly worldwide in the years to come.

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About Horwath HTL

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

We are a global brand with 52 offices in 38 countries, and we have successfully carried out over 30,000 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 top choice for companies and financial institutions looking to invest and develop in the industry.

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