

InfoGraphic for Investors

Hotel Sector Spain

2009-2012	Crisis	During the crisis hotels fall into the hands of banks and speculative funds.
2013-2015	Opportunities	First surge of buyers purchase hotels from banks and funds at low cost.
2016-2019	Confidence	Big funds and hotel chains invest record amounts, especially in real estate. Property management is outsourced.
2020	Covid-19	C19 changed the way we travel and the way we celebrate our holidays. But the expected blood bath in the sector still didn't show up in Spain. Investors are lining up for opportunities

Covid changes the world

Update

- This InfoGraphic was published in 2017 and updated in 2018 with 'important' developments what we would consider now 'normal' market fluctuations.
- In 2020 **Covid-19 changed the world**, changed the way of **life** (and because of that the residential market and student housing), **holidays**, **business travelling** (hotels) and **working** (offices).
- Investors are waiting for the big market decline with 'Corona discounts' of 30% (most mentioned required discount).
- But, October 2020, the markets in Spain resist. In some niches there are discounts up to 20%, but not in the quality markets. Stay informed, visit our blog on BuildingsSpain.com and read in this InfoGraphic about market circumstances which are unsure but might give opportunities.

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Sources

Spain is hot

82 million tourists have visited Spain in 2017.

This is a record and an increase of 12,9% compared to 2016.

Spain is worldwide the second holiday destination, after France and before the US.

Investments

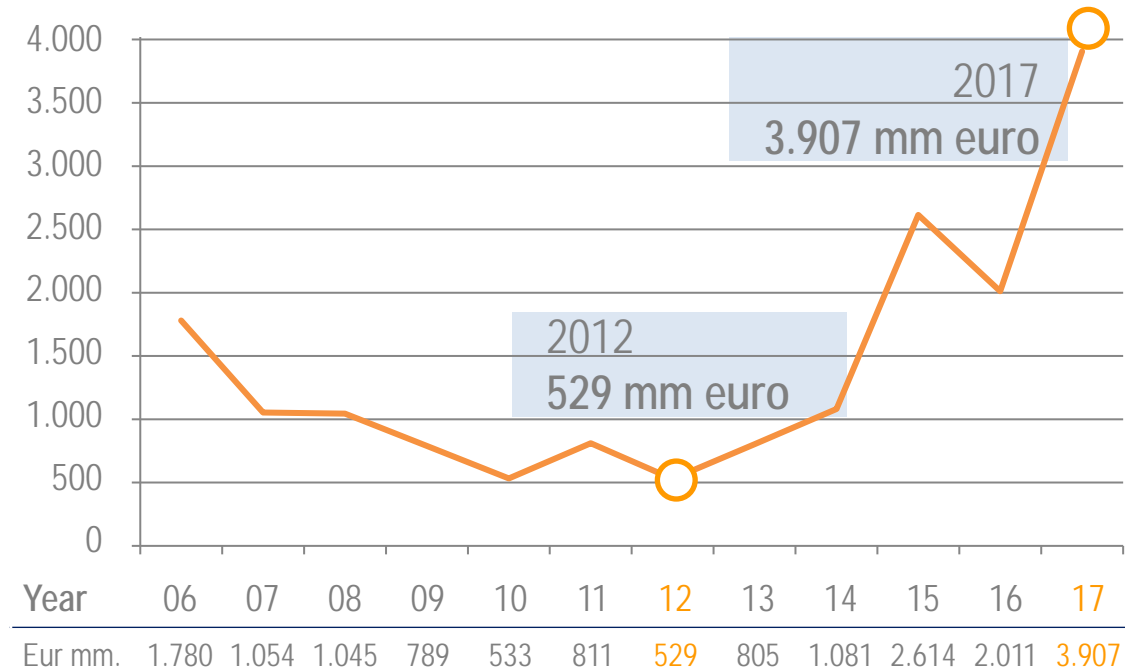
In 5 years investments in hotels have increased seven-fold.

See next page for a detailed chart

Tourists per region	Millions	%
Catalonia i.e. Barcelona, Costa Brava	18,2 mm	+6,1%
Balearic Islands i.e. Ibiza, Mallorca	13,7 mm	+6,2%
Canary Islands i.e. Tenerife, Las Palmas	13,0 mm	+7,9%
Andalusia i.e. Malaga, Costa del Sol	11,0 mm	+9,2%
Valencia i.e. Alicante, Costa Blanca	8,5 mm	+15,7%
Madrid i.e. Madrid, Getafe	6,2 mm	+16,2%

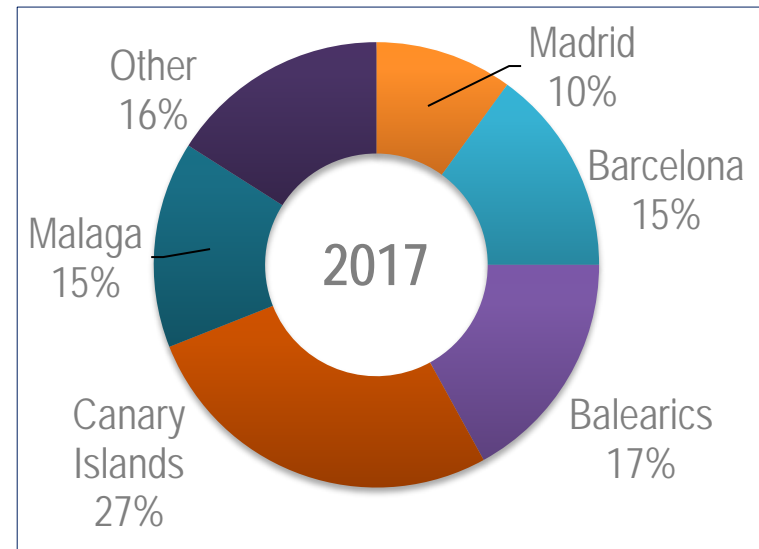
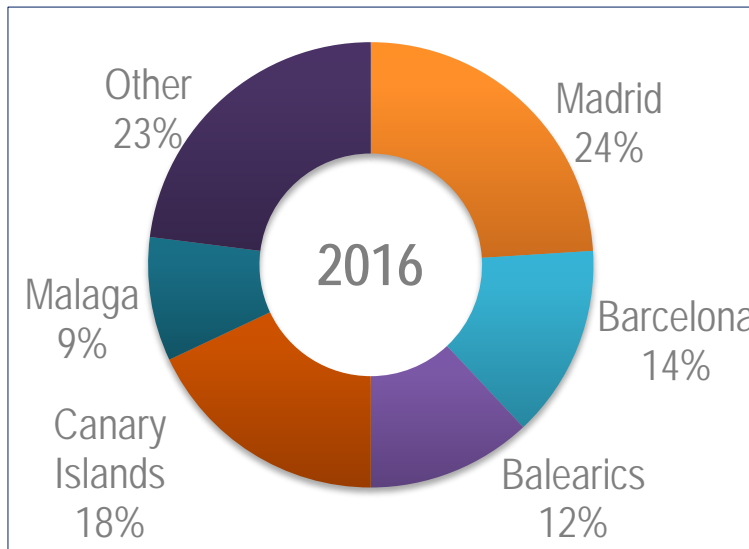
Investments Hotels Spain

Seven-fold increase in 5 years



Total transaction amounts per year in million euros

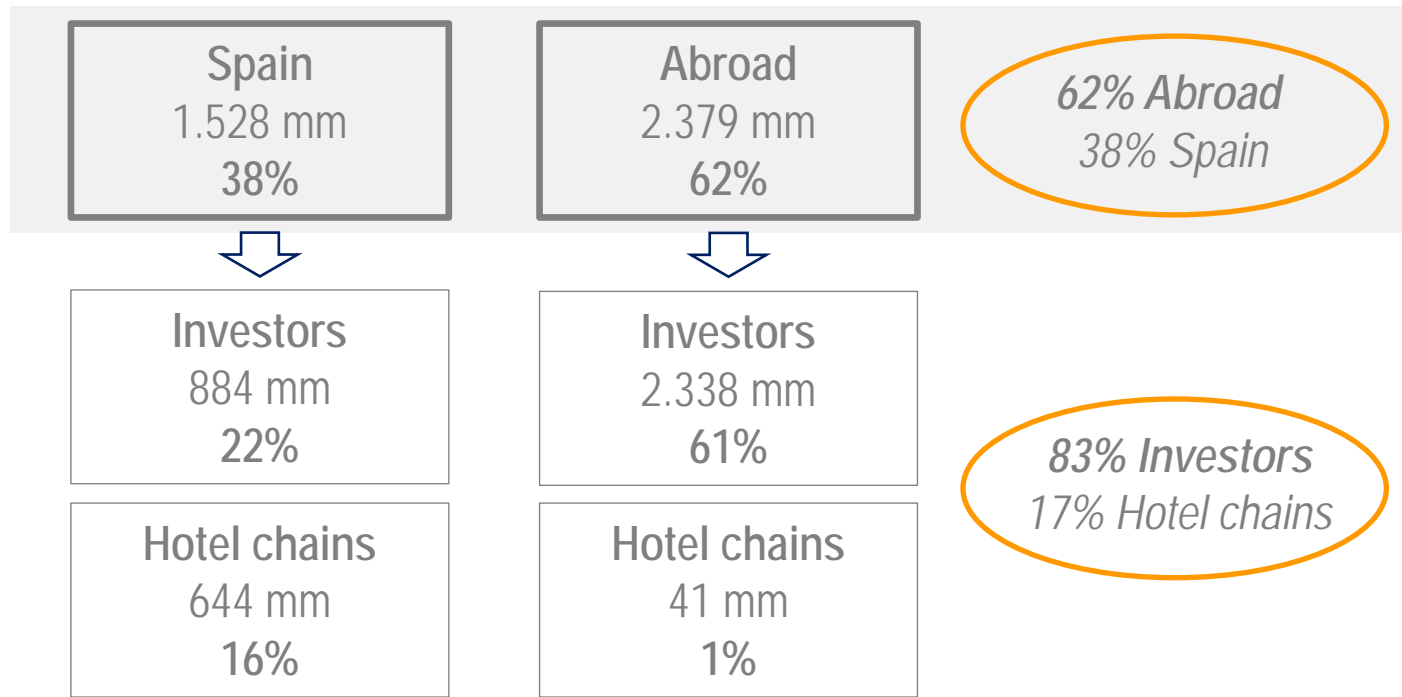
5 Important regions



Over the years the same regions have headed the list, the ranking changes due to major takeovers.

Origin

In 2017 the total investments amounted to 3.907 million euro.



Largest transactions

Transactions	Hotels	Rooms	Eur mm	Buyer
	Hoteles	Habit.	Importe Millones de euros	Comprador
1 HI Partners	14	3.746	631	Blackstone
2 JV Meliá-Starwood	4	2.049	230	London & Regional
3 24% BAY	21	7.570	228	Hispania Activos Inmob.
4 Intertur	5	1.126	124	KKR & Dunas Capital
5 IFA Hoteles	3	866	104	HI Partners
6 Hilton Diagonal Mar	1	433	145	AXA REIM
7 50% de Canalejas	1	200	145	Mohari Limited
8 Edificio ESpaña	1	589	135	Riu Hotels & Resorts
9 50% Ritz-Carlton Abama	1	461	100	HI Partners
Average 334 rooms/hotel	51	17.040	1.842	47% total

Per Hotel	Per Room
euro mm	euro
45,1	168.446
57,5	112.250
10,9	30.119
24,8	110.124
34,7	120.092
145,0	334.873
145,0	725.000
135,0	229.202
100,0	216.920
36,1	108.099

Data from 2017

10 Leading Groups

Group	Hotels		Rooms	
	2016	2017	2016	2017
1 Meliá Hotels International	314	312	83.252	80.305
2 NH Hotel Group	381	379	58.714	58.676
3 Barceló Hotel Group	109	229	32.770	50.486
4 RIU Hotels & Resorts	93	94	42.291	43.873
5 Iberostar Hotels & Resorts	78	83	27.551	28.921
6 Eurostar Hotel (Grupo Hotusa)	159	170	16.602	18.247
7 H10 Hotels	55	58	14.658	15.768
8 Grupo Piñero (Bahía Príncipe + Piñero)	26	26	13.516	13.639
9 Palladium Hotel Group	50	43	12.804	12.814
10 Grupo Bluebay	42	54	10.832	11.999
Total	1.307	1.448	312.990	334.728

Average number of rooms per hotel in 2017: 231 (2016: 239).

Trends

Traditional family-run hotels still have 40% of the market share, however as they are being bought by hotel chains and investment funds, their share will decrease.

Investors search for ownership of real estate.
Property management is outsourced.

Property management agreements between 15 to 20 years are common.

Also **sale and lease back** constructions find their entrance.

Sources

- INE, Spanish Institute for Statistics
- Ministerio de Energía, Turismo y Agenda Digital
- El País, Economía, Spanish newspaper, Article 'El insaciable apetito por los hoteles españoles' 27 April 2018
- Cinco Días, Spanish Financial newspaper, Article 'Inversión hotelera en España', 27 April 2018
- Colliers International: Graphs in El País, Cinco Días
- Hotel chains: Melia Hotels International, Gabriel Escarrer, Vice President (in trade journal Hosteltur)
- Consultants: Magma, Bruno Hallé in El País

Investment opportunities

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- Direct contact with owners
- English assistance
- Tax-legal support possible
- Information about financing possibilities
- Tailor made studies

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- E.g. residential, hotel sector, office market, student housing

Tailor-Made Studies

- Investments evaluations
- Second opinions

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The image shows the grand entrance of a historic building. Two ornate wrought-iron gates with intricate scrollwork stand open, revealing a checkered tile floor that leads to a brightly lit doorway. The architecture is highly detailed, featuring classical columns, a balcony with decorative ironwork, and a large, glowing lantern hanging from the ceiling. The overall atmosphere is one of elegance and historical grandeur.

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