

SPAIN HOTEL MARKET:
URBAN DESTINATIONS
2026

CHRISTIE & CO

SPAIN URBAN MARKETS AT A GLANCE

Spain's urban hotel landscape comprises **17 destinations** with more than one million annual overnight stays. This report **reviews the performance of these markets up to YTD* August 2026.** Selected for their scale, market relevance and hotel performance, these destinations represent some of the country's most important urban tourism and hotel markets.

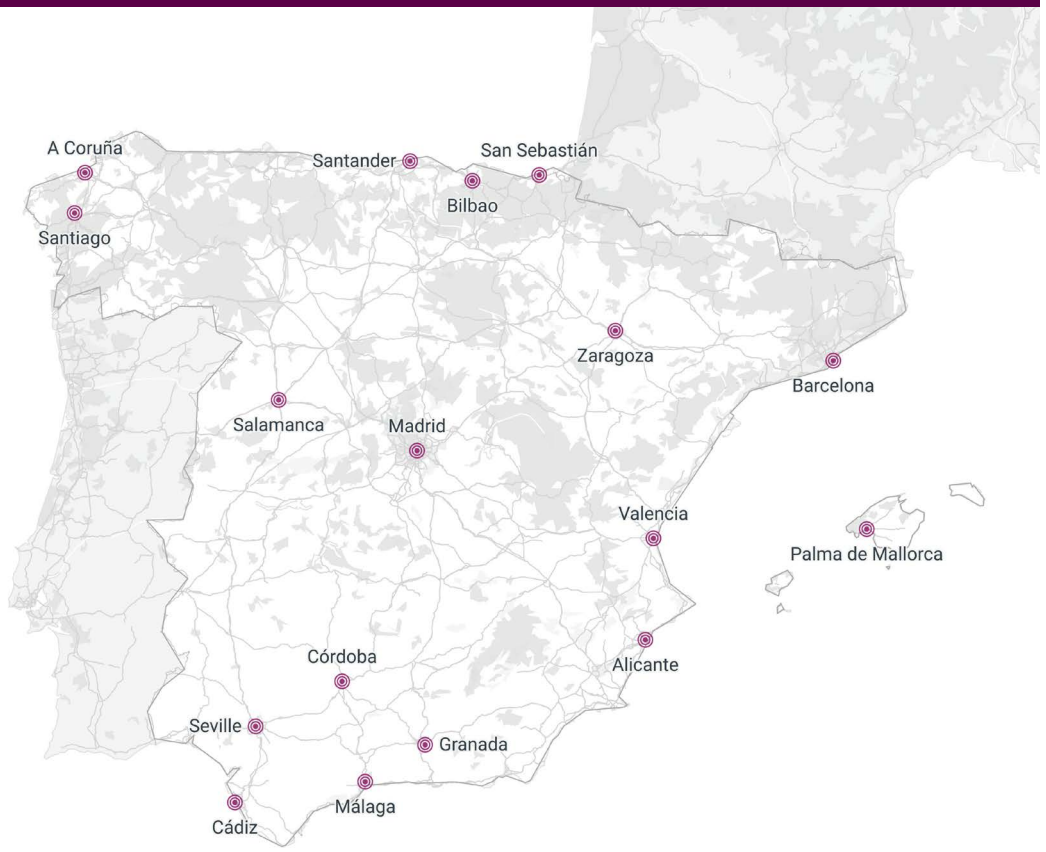
Spain's tourism sector continues to build on the **strong momentum recorded** over the last three years. Between 2022 and 2025, overnight stays increased from 320 million to circa 367 million, while the share of international demand rose from 62.5% to 66.8%, reinforcing Spain's position as one of **Europe's leading tourism destinations**. This growth translated into a **25% increase in ADR** and a **40% increase in RevPAR**, significantly outpacing supply growth.

Whilst **demand growth has moderated** in YTD August 2026, market fundamentals remain exceptionally strong. Overnight stays reached circa 257 million, broadly in line with the previous year, while international travellers continued to account for 66.6% of total demand. Supported by **expanding air connectivity** and **sustained pricing power**, Spain enters the next phase of the cycle from a position of strength across both gateway and regional destinations.

Hotel performance remains robust, with Barcelona, San Sebastián and Palma de Mallorca recording the **highest RevPAR levels** among the destinations analysed. At the same time, markets such as Valencia, Alicante and A Coruña have delivered some of the **strongest growth rates**, highlighting the **increasing diversification** of demand across Spain's urban hotel sector.

Looking ahead, the market continues to benefit from **strong investor appetite** and an **active development pipeline, particularly within the upscale and upper-upscale segments**. While challenges related to operating costs, labour availability and increasing regulatory scrutiny remain, Spain's hotel sector appears well positioned to sustain growth over the medium term.

17 URBAN HOTEL MARKETS



"Spain's urban hotel markets have entered a new phase of maturity, where performance is increasingly driven by demand quality, pricing power and destination positioning rather than recovery-led growth. The results presented in this report highlight both the resilience of established markets and the growing relevance of a new generation of urban destinations."

NICOLAS COUSIN

Managing Director - Spain & Portugal, Christie & Co

** YTD (Year-to-Date): Cumulative results from the beginning of the year to the period indicated.*

Sources: INE, Alimarket, Christie & Co

SPANISH MACROECONOMIC CONTEXT

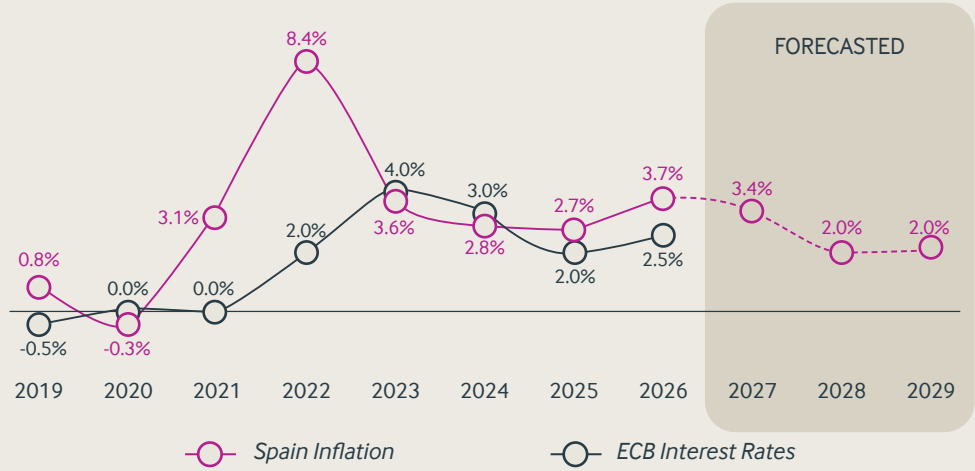
Resilient domestic demand and a stable macroeconomic outlook continue to underpin tourism performance in Spain

MACROECONOMIC CONTEXT

Spain continues to **outperform most European peers**, supported primarily by resilient domestic demand, sustained consumer spending, and strong investment across renewable energy, real estate and technology. **Inflation is expected to rise temporarily** to 3.7% in 2026, partly due to energy price volatility, before easing to 3.4% in 2027 and stabilising at the ECB's 2.0% target level by 2028. The **labour market remains resilient**, with unemployment forecast to decline to circa 10% by 2028, while real wage growth continues to outpace inflation.

The broader European economic outlook **remains relatively stable** despite broader political and economic uncertainty. The European Commission forecasts moderate real GDP growth across the Euro area alongside continued headline disinflation in the medium term. Nonetheless, in response to inflationary pressures stemming from the conflict in the Middle East, the ECB raised its key interest rates by 25 basis points in June 2026 and by a further 25 basis points in September 2026, bringing rates to 2.5%.

INFLATION & ECB INTEREST RATES, 2019 - 2029F



MORATORIUMS BY REGION

1. **Asturias:**
   Room-by-room tourist rentals banned, stricter technical standards, and increased municipal control in saturated areas.
2. **San Sebastián:**
   Restrictions on new hotels, tourist apartments and tourism-related uses remain in place across key residential areas, limiting further accommodation growth.
3. **Catalonia:**
   New Short-Term Rentals (STR) licences suspended in stressed municipalities, reinforced by Law 11/2025 tightening controls on seasonal and room rentals.
4. **Barcelona:**
   Ongoing freeze on new tourist flats and hotels, with a full phase-out of flats planned by 2028.
5. **Balearic Islands:**
   Net cap on tourist places, ban on new STRs in multi-family housing, and sharply higher fines for illegal supply.
6. **Valencia:**
   Tourist accommodation capped at 2% of dwellings per neighbourhood (or 5% per block), with reinforced enforcement.
7. **Madrid:**
   Structural ban on tourist flats in residential buildings in the historic centre under Plan RESIDE 2025.
8. **Seville:**
   Tourist flats limited to 10% of housing stock per neighbourhood.
9. **Canary Islands:**
   Tourist flats capped at 10% of total housing stock, with strengthened inspections.

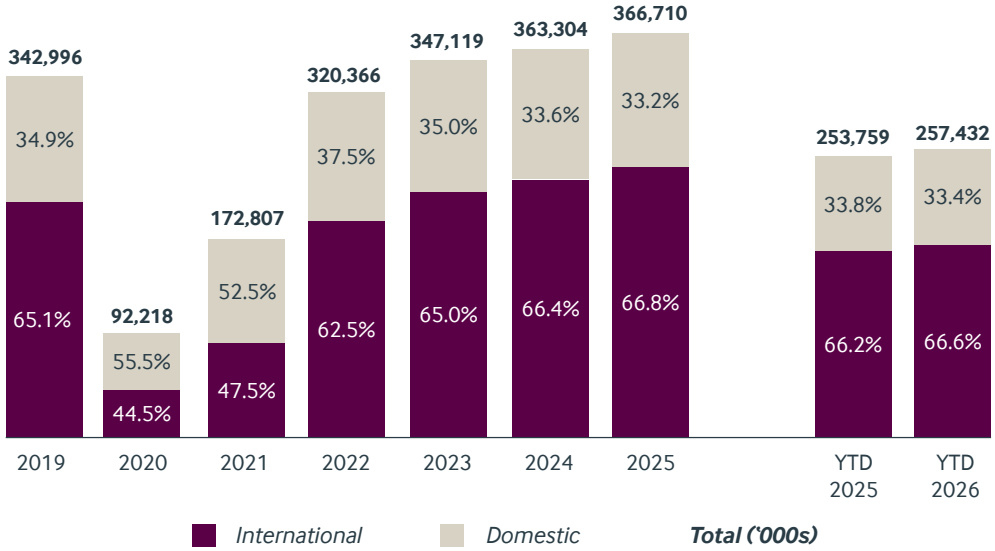


Sources: INE, Eurostat, Christie & Co

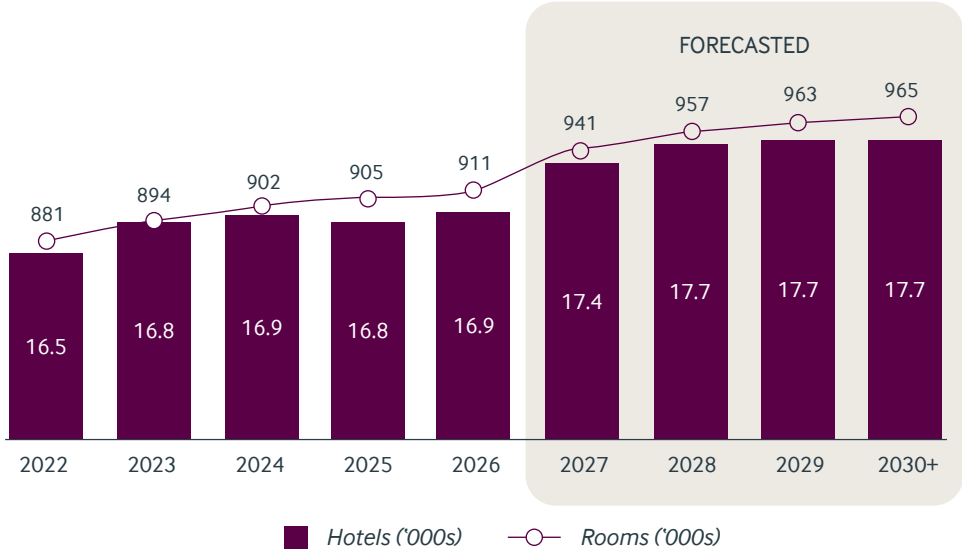
DEMAND & SUPPLY

Resilient demand and a growing pipeline of higher-quality assets are shaping the next phase of Spain's hotel market growth

OVERNIGHT STAYS EVOLUTION SPAIN, 2019 - YTD AUGUST 2026



TOTAL SUPPLY & CONFIRMED PIPELINE (HOTELS & ROOMS), 2022 - 2030F



DEMAND EVOLUTION

Overview: Beyond the post-pandemic rebound, demand growth has been increasingly supported by structural **improvements in air connectivity**. Expanded route networks, increased airline capacity and greater airport efficiency have enhanced accessibility across Spain, supporting **sustained visitor growth**. Although domestic demand has remained stable in absolute terms, international overnight stays have increased from 200 million in 2022 to 245 million in 2025, driving a **growing share of total demand** and attracting **higher-spending travellers**. As a mature tourism market, Spain has reached a more stabilised growth phase, with YTD August 2026 overnight stays increasing by 1.4% compared to YTD 2025, reflecting the sector's continued strength despite a more normalised growth environment.

Source markets top performers: Spain continues to strengthen its position as one of the world's leading tourism destinations, supported by **rising international visits**, growing overnight volumes and an ongoing shift towards higher-quality accommodation.

In 2025, the **UK remained the largest source market**, accounting for circa 17% of total overnight stays, followed by Germany (circa 11%), France (circa 5%) and the US (circa 3%). The increasing weight of these higher-spending markets is supporting tourism expenditure growth and contributing to the sustained uplift in hotel rates and overall revenue performance. Comparing YTD August 2025 and YTD August 2026, the mix of source markets remained largely unchanged, **reflecting the maturity and resilience** of Spain's tourism demand base.

SUPPLY EVOLUTION

Overview: Spain remains one of **Europe's largest hotel markets**, with 16,951 hotels and over 910,000 rooms at YTD August 2026. Supported by diversified leisure, corporate and MICE demand, the sector has continued to expand in recent years. Since 2022, total room supply has increased by almost 30,000 rooms (+3.4%) and is expected to surpass 965,000 rooms by 2030.

Brands and positioning: Branded operators continue to account for approximately 74% of total room inventory, supported by their distribution capabilities, loyalty programmes and operational scale. In contrast, independent hotels represent around half of all establishments, highlighting the **fragmented ownership structure** that continues to characterise much of the Spanish hotel market.

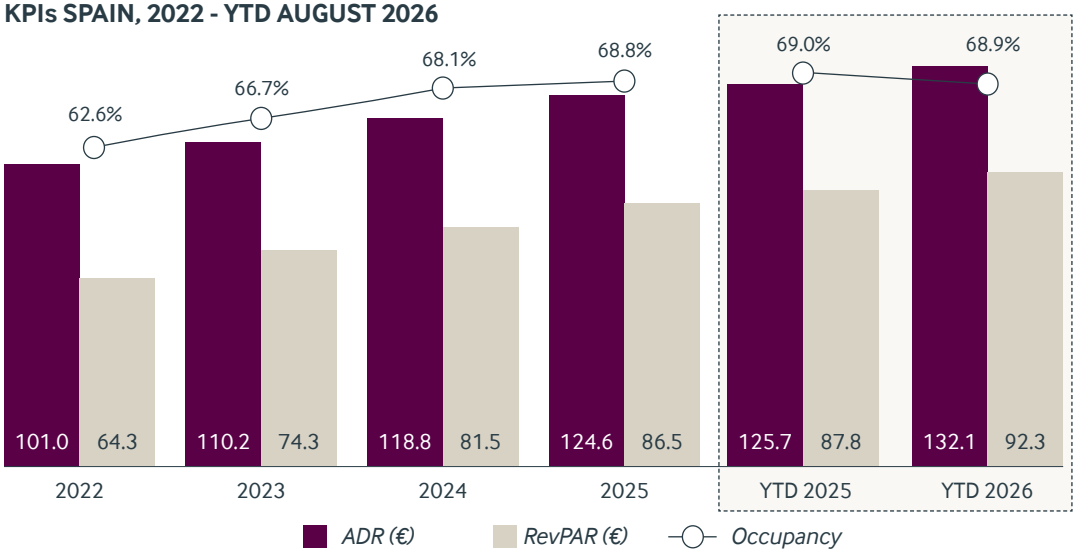
Pipeline: We have identified **718 hotel projects** scheduled to open between 2026 and 2032, representing an additional 54,557 rooms and a **5.9% increase in national supply**. The pipeline remains heavily concentrated in the upscale and upper-upscale segments, reflecting investors' preference for higher-quality assets capable of supporting stronger rate performance. At the same time, development activity is increasingly extending beyond the traditional gateway cities, reinforcing the growing attractiveness of Spain's **secondary urban and leisure destinations**, as evidenced by strong pipeline activity in Córdoba (21 hotels), Cádiz (15) and Alicante (14).

Sources: INE, Alimarket, Christie & Co

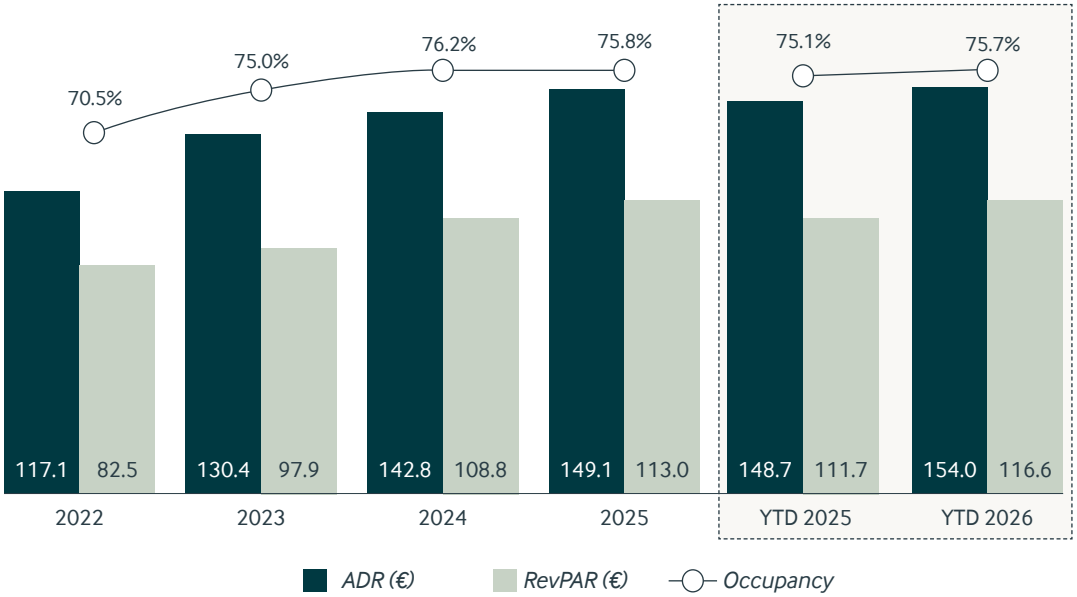
NATIONAL VS. URBAN DESTINATIONS PERFORMANCE

The selected urban destinations continue to outperform the national market, supported by stronger demand fundamentals and superior pricing power

KPIs SPAIN, 2022 - YTD AUGUST 2026



KPIs SELECTED URBAN DESTINATIONS*, 2022 - YTD AUGUST 2026



SPANISH URBAN MARKET, YTD AUGUST 2026

€154.0	€116.6	75.7%
ADR	RevPAR	Occupancy

OVERVIEW:

The urban destinations analysed in this report have consistently delivered higher ADR, RevPAR and occupancy levels than the Spanish market as a whole since 2022, highlighting the strength and growing relevance of urban tourism across the country.

YTD August 2026, the selected urban destinations achieved an **ADR of €154.0** and a **RevPAR of €116.6**, compared with **€132.1** and **€92.3**, respectively, across Spain. **Occupancy also remained significantly higher at 75.7%**, versus 68.9% nationwide. This performance premium reflects the ability of urban destinations to attract a **more diversified demand mix**, combining international leisure, corporate and MICE segments.

The gap has remained broadly stable in recent years, underlining the resilience of Spain's leading urban markets and their ability to capture a disproportionate share of tourism expenditure and hotel revenue growth.



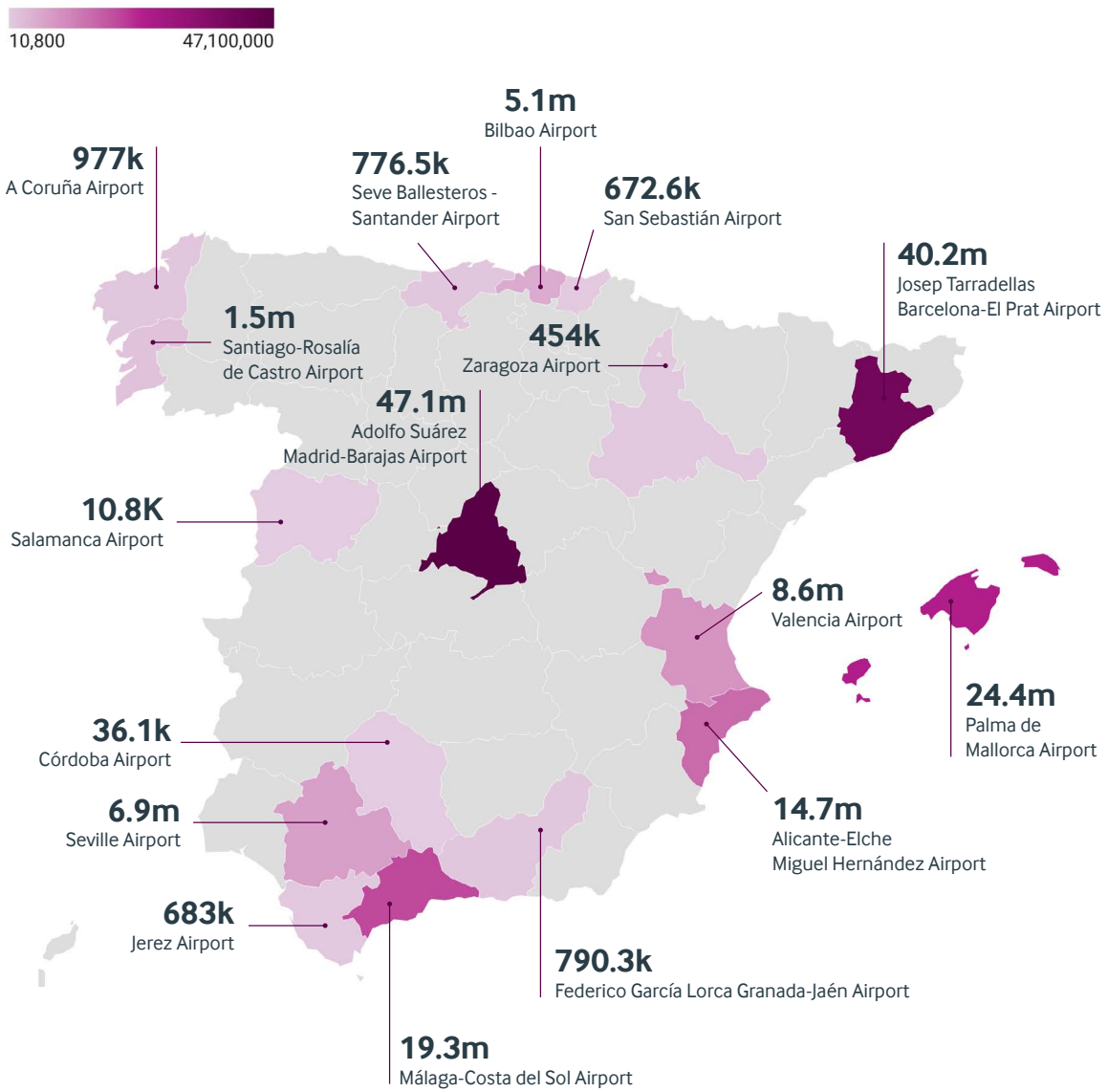
** Note: Aggregate performance of the 17 selected urban markets*

Sources: INE, Hosteltur, Christie & Co

AIR CONNECTIVITY

Air connectivity continues to improve, supported by a pipeline of major airport expansion projects

AIRPORT PASSENGERS, YTD AUGUST 2026



Destination	International Passengers	Domestic Passengers	Var. (%) YTD 2025 vs. YTD Aug-26
Madrid	59%	41%	**3.2%**
Barcelona	83%	17%	**4.7%**
Palma de Mallorca	88%	12%	**9.5%**
Málaga	68%	32%	-4.8%
Alicante	67%	33%	**3.3%**
Valencia	59%	41%	0.8%
Seville	63%	37%	**0.9%**
Bilbao	57%	43%	**6.2%**
A Coruña	24%	76%	**3.2%**
Santiago de Compostela	55%	45%	-7.2%
Santander	34%	66%	-0.4%
Cádiz	35%	65%	**2.1%**
Zaragoza	39%	61%	-26.2%
Granada	53%	47%	-0.2%
San Sebastián	65%	35%	-5.2%
Córdoba	46%	54%	-5.0%
Salamanca	38%	62%	-2.6%

FUTURE AIRPORT IMPROVEMENTS

Aena's DORA III plan (2027-2031) includes a significant investment programme of over **€13 billion aimed at modernising infrastructure and expanding the capacity** of Spanish airports.

At **Adolfo Suárez Madrid-Barajas Airport**, a comprehensive refurbishment and expansion of **all four terminals** is planned, alongside the **integration of high-speed rail with the metro** network. This investment, estimated at €4 to €5 billion, is expected to increase annual passenger capacity **from 70 million to over 90 million**.

In **Barcelona**, El Prat Airport will undergo **refurbishment of two terminals and a runway extension**, supported by an investment of approximately €1.8 billion.

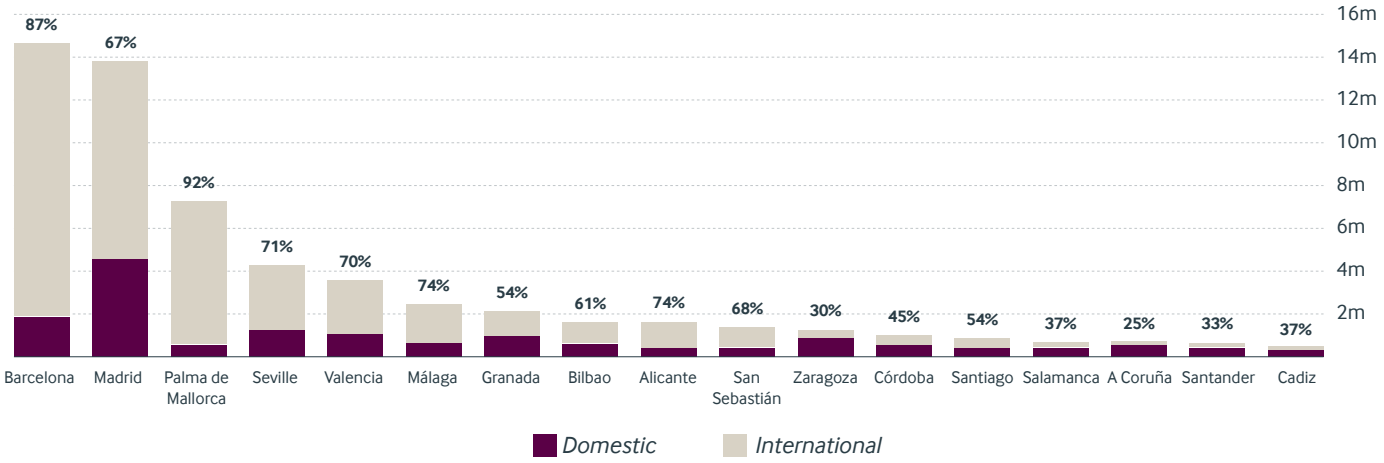
At Málaga-Costa del Sol Airport, expansion works are expected to commence between 2028 and 2029, focusing on enlarging terminal capacity and targeting **over 36 million passengers annually**.

Sources: INE, AENA, Alimarket, Christie & Co

DEMAND BY DESTINATION & PROFILE

Diversified international demand, strong source-market depth and extended stays support urban hotel performance

OVERNIGHTS (% OF INTERNATIONAL VISITORS), YTD AUGUST 2026



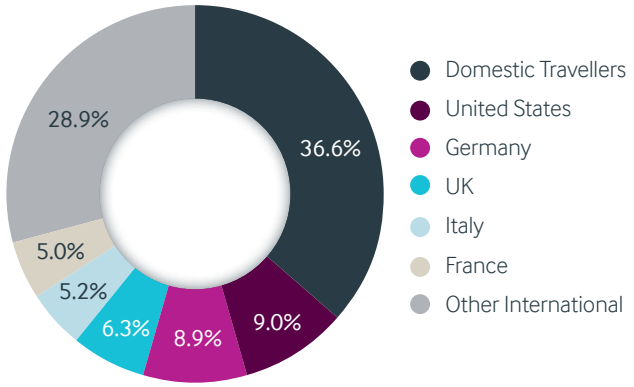
The top three Spanish urban markets by overnight stays also rank among **Europe's Top 20 destinations in 2025**, with Barcelona and Madrid placed 7th and 8th respectively, while Palma de Mallorca ranks 20th. This strong representation highlights **Spain's international appeal** and reinforces its position as one of Europe's leading tourism destinations.

AVERAGE LENGTH OF STAY (NIGHTS), YTD AUGUST 2026

3.6 Palma de Mallorca	2.2 San Sebastián	1.8 Granada
2.7 Alicante	2.1 A Coruña	1.7 Córdoba
2.5 Valencia	2.1 Seville	1.7 Zaragoza
2.4 Barcelona	2.0 Bilbao	1.6 Salamanca
2.3 Cádiz	2.0 Madrid	1.6 Santiago de Compostela
2.2 Málaga	2.0 Santander	

2.1 nights
National average

SOURCE MARKETS URBAN DESTINATIONS, 2025



While Germany, the UK, France, Italy, and the United States represent Spain's largest individual source markets, a substantial **28.9%** of demand comes from a **highly diversified group of international visitors**. This broad international base **reduces reliance on any single market** and highlights Spain's strong global appeal across both European and long-haul destinations.

Within this mix, the United States stands out as a strategically high-value segment. Representing **9%** of international arrivals, American tourists combine the **highest average daily expenditure** (€294) with the **longest average stay** (7.8 nights) among Spain's major source markets. By comparison, average daily spending reaches €170 for German visitors, €183 for UK visitors, €158 for Italian visitors, and €132 for French visitors.

The combination of a diversified international visitor base and the strong value contribution of the U.S. market reinforces Spain's resilience and attractiveness as a global tourism destination.

The average length of stay varies significantly across Spanish urban markets in YTD August 2026. Leisure-oriented destinations record the longest stays, led by **Palma de Mallorca** (3.6 nights) and **Alicante** (2.7 nights), reflecting their strong holiday appeal. In contrast, Córdoba, Santiago de Compostela and Salamanca report shorter average stays of around 1.6 to 1.7 nights, despite their strong cultural and leisure appeal, as visitors typically experience these destinations through shorter city-break trips.

Sources: INE, TourSpain, Hosteltur, Christie & Co

SEASONALITY

Most Spanish destinations are gradually reducing their reliance on summer demand, with overnight stays shifting towards the winter season

Demand growth is increasingly **shifting towards the off-season months**, with many urban destinations recording **stronger increases during winter** than during the traditional summer peak. Combined with the continued **resilience of shoulder-season demand**, this suggests a gradual reduction in seasonality and a more balanced annual demand profile across Spain's urban markets.

Improved connectivity, warmer year-round travel conditions and the growing popularity of cultural, leisure and city-break tourism continue to support this trend, **extending demand beyond the traditional summer season**.

SHIFT IN OVERNIGHTS SEASONALITY, VAR. OF MONTHLY OVERNIGHTS (%), 2019 VS. 2025

Destination	Jan	Feb	Mar	Apr*	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Alicante	18%	19%	9%	6%	14%	11%	19%	12%	13%	13%	27%	28%
Palma de Mallorca	63%	61%	28%	21%	15%	8%	7%	5%	4%	22%	21%	5%
Barcelona	1%	3%	-2%	1%	1%	-1%	-3%	0%	1%	4%	7%	9%
Cádiz	61%	44%	5%	14%	25%	36%	38%	27%	31%	29%	15%	40%
Córdoba	18%	11%	7%	8%	3%	1%	-6%	-9%	-5%	5%	13%	12%
Santiago de Compostela	20%	10%	20%	7%	7%	12%	1%	-2%	-1%	0%	5%	-9%
Granada	0%	-1%	-6%	-6%	-4%	-8%	-15%	-13%	-6%	-4%	6%	2%
San Sebastián	73%	83%	66%	58%	48%	44%	45%	38%	50%	47%	62%	70%
Madrid	6%	2%	-3%	8%	3%	0%	-2%	3%	0%	5%	6%	7%
Málaga	28%	37%	29%	33%	29%	31%	33%	35%	34%	42%	40%	42%
Santander	18%	20%	12%	0%	20%	12%	9%	3%	-2%	9%	18%	4%
Valencia	20%	26%	10%	15%	11%	6%	6%	9%	16%	19%	16%	20%
Bilbao	7%	22%	20%	21%	32%	34%	29%	24%	38%	27%	21%	20%
Seville	16%	20%	13%	11%	13%	10%	8%	1%	8%	12%	20%	22%
Zaragoza	7%	5%	5%	10%	9%	-7%	4%	5%	2%	-1%	3%	5%
A Coruña	1%	25%	21%	19%	12%	13%	1%	-3%	11%	14%	6%	24%
Salamanca	4%	-4%	-10%	1%	-6%	-4%	7%	-6%	5%	2%	3%	2%

<0% *0% - 5%* *5% - 15%* *>15%*

MONTHLY DEMAND EVOLUTION 2026

Demand dynamics varied across destinations in YTD August 2026. Whilst growth remained broadly positive across most markets, **performance was strongest during the first half of the year,** before **moderating in several destinations** during the summer months. Alicante, Valencia, A Coruña and Bilbao continued to record some of the most **consistent growth patterns**, whilst Palma de Mallorca, Córdoba and Santiago de Compostela showed signs of demand normalisation following recent years of exceptional expansion.

For many urban destinations, the strongest growth is **no longer occurring during the traditional summer peak**. Instead, demand is increasingly being captured during winter and shoulder periods, supporting a **more diversified and resilient tourism model**.

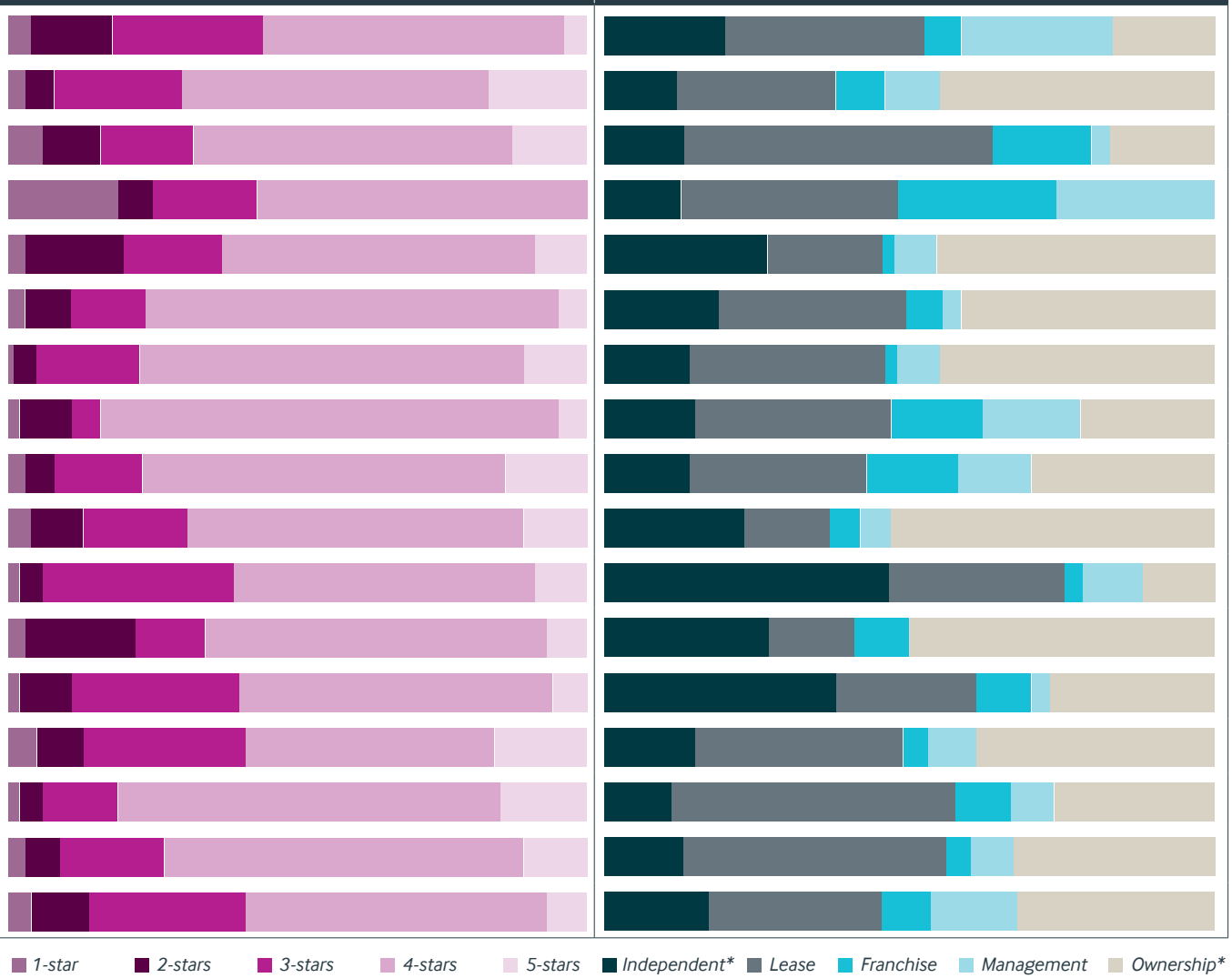
** Note: Easter was celebrated in April in both 2019 and 2025, reducing calendar-related distortions when comparing monthly performance trends.*

Sources: INE, Christie & Co

CURRENT SUPPLY BY DESTINATION

Urban hotel supply is increasingly shaped by premium positioning, whilst lease structures remain the dominant operating model

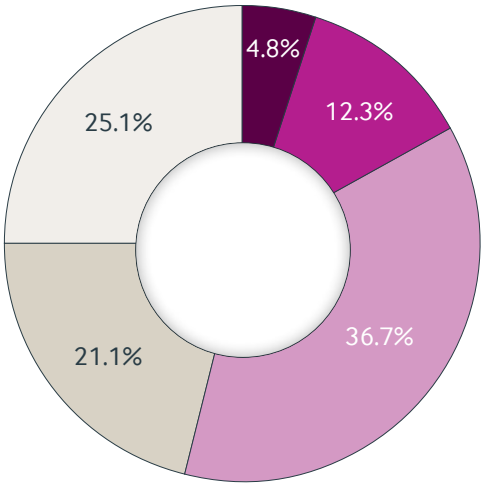
Destination	Room Supply YTD Aug-26	Var. YTD 2025 vs. YTD Aug-26	Room Supply By Category YTD Aug-26	Room Supply By Business Model YTD Aug-26
Alicante	5,129	3.0%		
Palma de Mallorca	25,441	0.2%		
Barcelona	43,774	1.7%		
Cádiz	1,691	-6.4%		
Córdoba	3,892	13.2%		
A Coruña	2,844	-1.6%		
Santiago de Compostela	4,086	-0.6%		
Granada	7,085	-1.7%		
San Sebastián	4,677	2.9%		
Madrid	47,533	2.0%		
Málaga	7,844	3.6%		
Salamanca	2,954	3.3%		
Santander	2,561	3.8%		
Seville	13,097	-0.9%		
Valencia	10,566	2.9%		
Bilbao	5,412	0.6%		
Zaragoza	5,089	-0.9%		



** Note: Independent (I): Hotel operated independently without affiliation to a hotel group. Ownership: Hotel owned and operated by a hotel group, with no third-party management or lease structure. Sources: INE, Alimarket, Christie & Co*

FUTURE PIPELINE

Nearly 60% of upcoming rooms are concentrated in the 4- and 5-star segments, reflecting investor appetite for the upper categories



1 & 2 stars	939 rooms
3-star	2,422 rooms
4-star	7,201 rooms
5-star	4,144 rooms
Unclassified	4,928 rooms

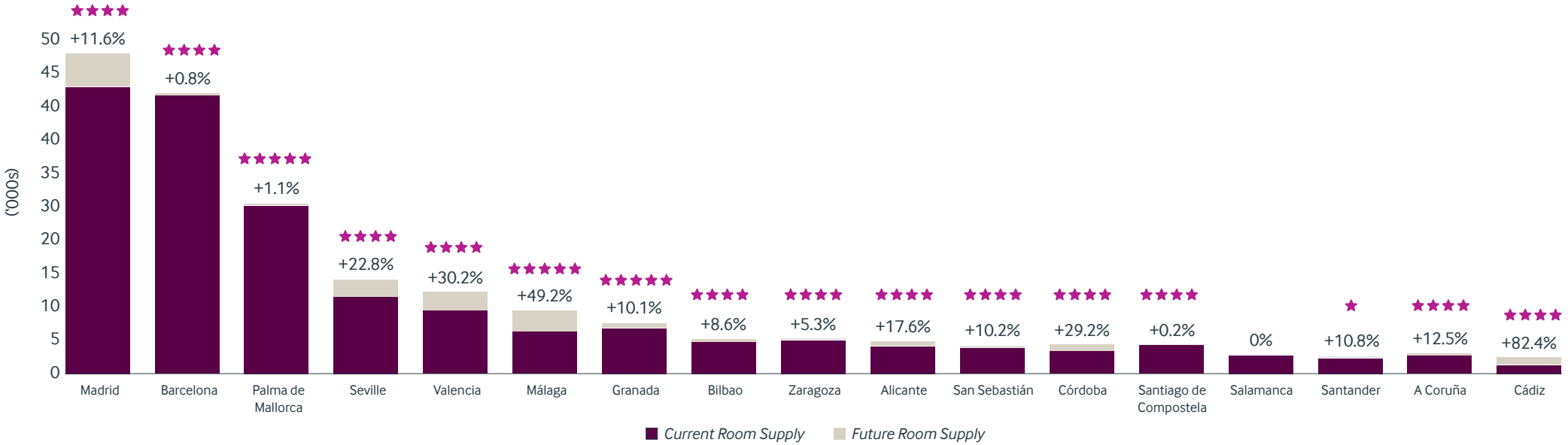
Group	Nº of rooms
Independent	7,774
IHG	881
Marriott International	742
B&B Hoteles	716
Sercotel	629
Accor	548
Limehome	506
Ilunion Hoteles	499
Hilton Worldwide	407
Hoteles Hesperia	378
Travelodge	353
Other branded	6,201

Spain's hotel pipeline continues to reflect a clear shift **towards higher-quality accommodation,** with almost 60% of future rooms concentrated in the 4-star and 5-star segments. This trend highlights investors' preference for assets capable of **supporting stronger ADR performance and responding to evolving traveller expectations.**

Whilst gateway markets continue to attract the largest volume of development activity, the **pipeline increasingly points to the other destinations** apart from Barcelona and Madrid as key growth markets. Cádiz (+82.4%) and Málaga (+49.2%) are expected to register the strongest supply increases, followed by Valencia (+30.2%), Córdoba (+29.2%), Seville (+22.8%) and Alicante (+17.6%), reflecting the **broadening appeal of regional destinations among investors and operators.**

The pipeline is also characterised by the **growing presence of branded operators,** with groups such as IHG, Marriott, B&B, Sercotel and Accor accounting for a significant share of upcoming openings, reinforcing the **ongoing professionalisation of Spain's hotel sector.** Nevertheless, **independent hotels continue to represent the majority of new openings,** although the share of branded properties has steadily increased in recent years as operators seek greater scale, visibility and operational efficiencies.

CURRENT SUPPLY & FUTURE SUPPLY GROWTH (INCLUDING % SHIFT*), YTD AUGUST 2026

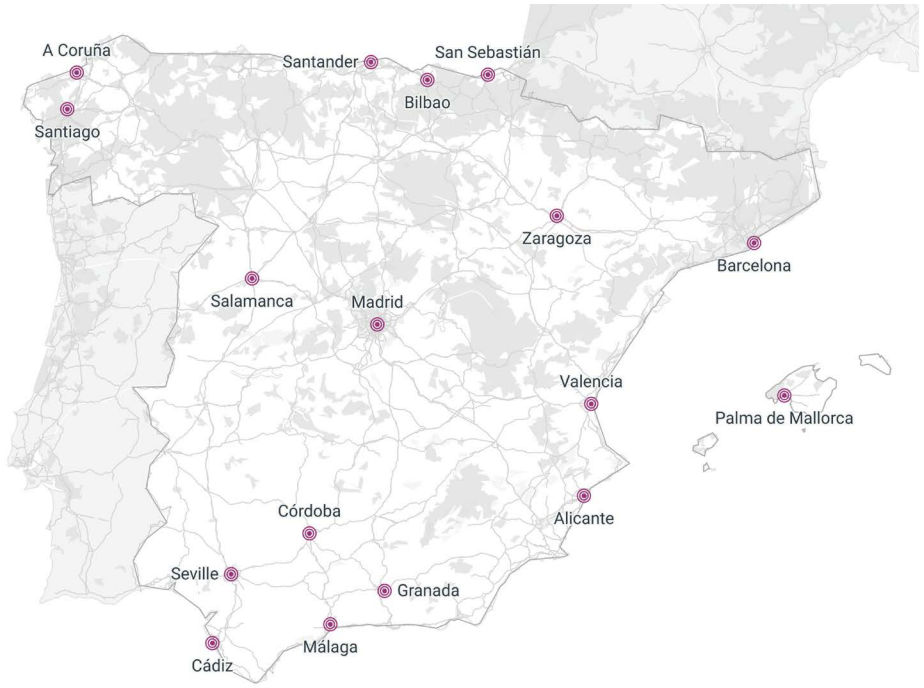


** Note: Star icons identify the hotel category (1 to 5-star) with the highest growth within the total destination pipeline volume.*

Sources: Alimarket, Christie & Co

KPIs BY DESTINATION

Performance remains led by gateway cities, although emerging regional destinations are narrowing the gap through stronger growth rates



OVERVIEW

YTD August, Spain's leading **urban hotel markets continue to demonstrate strong pricing power,** with Barcelona (€152 RevPAR), San Sebastián (€147 RevPAR) and Palma de Mallorca (€132 RevPAR) recording the highest RevPAR levels among the destinations analysed. These markets benefit from a combination of **international demand, limited prime hotel supply and strong ADR performance.**

While gateway cities continue to command the highest RevPAR levels, several **regional destinations are increasingly closing the gap. Alicante** has already surpassed the €100 RevPAR threshold, while Cádiz is approaching €90, reflecting the **broadening strength of demand** across Spain's urban markets.

At the same time, destinations such as A Coruña (+21.3%), Valencia (+14.9%) and Zaragoza (+13.6%) are delivering the strongest RevPAR growth in YTD August 2026, highlighting the significant performance **upside available beyond the country's traditional gateway cities.**

By contrast, some southern destinations with a greater reliance on high-speed rail connectivity **may have experienced temporary disruption** following the Adamuz incident and subsequent rail network issues, whilst markets such as Málaga and Seville have continued to maintain solid performance levels, supported by their diversified demand base and stronger air connectivity.

Tier One

1. Barcelona	FY 2025	YTD 2026
ADR (€)	177.4	185.6
Occ. (%)	80.7	81.7
RevPAR (€)	143.2	151.6

2. Madrid	FY 2025	YTD 2026
ADR (€)	170.4	166.3
Occ. (%)	73.9	72.4
RevPAR (€)	125.9	120.3

GROWTH (%) VS. YTD 2025		
< -3%	-3% to 3%	> 3%

Tier Two

3. San Sebastián	FY 2025	YTD 2026
ADR (€)	178.7	199.6
Occ. (%)	73.7	73.6
RevPAR (€)	131.7	146.9

4. Palma de Mallorca	FY 2025	YTD 2026
ADR (€)	151.1	161.7
Occ. (%)	81.2	81.8
RevPAR (€)	122.6	132.2

5. Málaga	FY 2025	YTD 2026
ADR (€)	137.8	147.7
Occ. (%)	80.4	81.8
RevPAR (€)	110.8	120.8

6. Seville	FY 2025	YTD 2026
ADR (€)	134.3	138.6
Occ. (%)	77.0	75.8
RevPAR (€)	103.4	105.0

7. Valencia	FY 2025	YTD 2026
ADR (€)	118.7	124.3
Occ. (%)	76.3	81.5
RevPAR (€)	90.6	101.4

8. Bilbao	FY 2025	YTD 2026
ADR (€)	121.2	128.7
Occ. (%)	73.4	72.4
RevPAR (€)	89.0	93.2

Tier Three

9. Alicante	FY 2025	YTD 2026
ADR (€)	116.5	123.8
Occ. (%)	74.3	80.9
RevPAR (€)	86.6	100.2

10. Cádiz	FY 2025	YTD 2026
ADR (€)	128.3	134.9
Occ. (%)	71.0	66.8
RevPAR (€)	91.1	90.1

11. Santander	FY 2025	YTD 2026
ADR (€)	111.2	134.0
Occ. (%)	66.4	66.2
RevPAR (€)	73.8	88.7

12. A Coruña	FY 2025	YTD 2026
ADR (€)	79.2	92.8
Occ. (%)	67.1	69.9
RevPAR (€)	53.1	64.9

13. Granada	FY 2025	YTD 2026
ADR (€)	97.4	93.0
Occ. (%)	69.8	66.3
RevPAR (€)	68.0	61.6

14. Zaragoza	FY 2025	YTD 2026
ADR (€)	77.1	81.3
Occ. (%)	68.3	70.9
RevPAR (€)	52.7	57.6

15. Córdoba	FY 2025	YTD 2026
ADR (€)	92.0	89.4
Occ. (%)	69.8	62.5
RevPAR (€)	64.2	55.9

16. Santiago	FY 2025	YTD 2026
ADR (€)	91.7	95.3
Occ. (%)	63.9	59.2
RevPAR (€)	58.6	56.4

17. Salamanca	FY 2025	YTD 2026
ADR (€)	69.5	72.9
Occ. (%)	61.0	58.0
RevPAR (€)	42.4	42.3

Sources: INE, Hosteltur, Christie & Co

DESTINATIONS RANKED BY YTD AUGUST GROWTH

Barcelona and Madrid continue to lead in demand volumes and performance, while several secondary markets are outperforming in terms of growth

OVERNIGHTS								
#1	ALICANTE	+11.4%	#2	VALENCIA	+11.0%	#3	BILBAO	+6.2%

ROOM SUPPLY								
#1	CÓRDOBA	+13.2%	#2	SANTANDER	+3.8%	#3	MÁLAGA	+3.6%

ADR								
#1	A CORUÑA	+15.4%	#2	SANTANDER	+12.9%	#3	SAN SEBASTIÁN	+9.8%

OCCUPANCY								
#1	VALENCIA	+8.4%	#2	ALICANTE	+7.8%	#3	ZARAGOZA	+6.1%

REVPAR								
#1	A CORUÑA	+21.3%	#2	VALENCIA	+14.9%	#3	ZARAGOZA	+13.6%

Sources: INE, Hosteltur, Christie & Co

OUTLOOK



"As the core market matures and that material pipeline is delivered across a wide range of Spanish markets, the strongest opportunities are likely to emerge from destinations combining resilient demand, pricing power, and further room for market maturation. This breadth of opportunities, extending from established gateway cities to fast-evolving regional destinations, continues to differentiate Spain from many other European hotel markets."

PIERRE RICORD
Head of Consultancy – Hotels, Christie & Co



Fundamentals remain strong, although future growth will increasingly depend on pricing, demand quality and supply distribution

DEMAND FUNDAMENTALS REMAIN SUPPORTIVE

Spain is expected to remain **one of Europe's most resilient tourism markets,** supported by strong international demand, expanding air connectivity and ongoing infrastructure investment. International travellers continue to account for approximately **two-thirds of total overnight stays,** whilst airport expansion programmes and route development initiatives are expected to increase direct international connectivity, particularly to regional destinations that have historically relied on Madrid and Barcelona as entry points.

GROWTH INCREASINGLY DRIVEN BY QUALITY RATHER THAN VOLUME

Following several years of exceptional growth, demand is expected to progressively normalise, with future performance increasingly driven by **demand quality**, **pricing power** and **destination positioning** rather than visitor volumes alone. As market performance becomes more differentiated, destinations with strong international exposure, diversified demand sources and resilient ADR are expected to remain **best placed to outperform.**

URBAN MARKETS WITH FURTHER UPSIDE POTENTIAL

While Barcelona and Madrid are expected to **maintain their leading positions** with relatively measured supply growth (+0.8% and +11.6% respectively), several Urban Leisure & Coastal destinations will continue to **attract significant development** activity. Valencia (+30% pipeline growth), Málaga (+49%) and Córdoba (+29%) are projected to see **substantial increases** in room supply, supported by robust tourism fundamentals and sustained investor interest. However, investors should be mindful of markets where in the short-term supply absorption may be more challenging due to the magnitude of the pipeline, particularly in increasingly mature markets such as Málaga, Seville and Bilbao. In addition, recent disruptions affecting the Madrid-Andalucía high-speed rail corridor may also place temporary pressure on destinations with a stronger dependence on rail accessibility, notably Córdoba, Granada and Seville, until connectivity is fully restored.

KEY THEMES SHAPING THE NEXT GROWTH CYCLE

The next phase of growth is expected to be **driven by further premiumisation** of hotel supply, with development activity **concentrated in upscale and upper-upscale** segments. At the same time, intensified regulatory pressures of tourist accommodation and stricter development policies in several destinations are likely to **raise barriers to entry** and protect the long-term value of trading hotel assets. Looking ahead, major infrastructure projects and preparations for the **FIFA World Cup 2030** are foreseen to be a catalyst for further tourism demand and destination visibility across Spain.

Sources: Christie & Co

METHODOLOGY

Throughout this report, the tourism and hotel market environment of each city is analysed using public data sources including Exceltur, the National Statistics Institute (INE), Spanish Airports and Air Navigation (AENA), Spain's Ministry of Development (Ministerio de Fomento), Alimarket, as well as Christie & Co's proprietary internal data and research.

DEFINITIONS AND ABBREVIATIONS

ADR	Average Daily Rate. Defined as room revenue for the period divided by the total number of guest rooms occupied during the period
AENA	Spanish Airports and Air Navigation (Aeropuertos Españoles y Navegación Aérea)
CAGR	Compound Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECB	European Central Bank
F	Forecast
FY	Full year
GDP	Gross Domestic Product
KPI	Key Performance Indicator
Occupancy	The ratio of total occupied rooms to total annual available rooms
RevPAR	Revenue per Available Room. Defined as room occupancy multiplied by the average achieved room rate or rooms revenue divided by the number of available rooms
STR	Short-term rentals
YTD	Year to date. Cumulative results from the beginning of the year to the period indicated

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