

## Spain's hotels market see values boosted as performance improves

**9 November 2015, Madrid:** Improving occupancy and rate performance across Spain has helped boost hotel values and drive recovery in the country's hotel and tourism sector, according to a new report from global hotel consultancy HVS.

Spain has experienced some challenging years on the back of the global downturn, particularly the crash of its real estate market. However, with a strong cultural identity, sound infrastructure and good accessibility, the country is once again appealing to both leisure and business travellers in both its urban and resort locations.

Released to coincide with the **Mediterranean Resort & Hotel Real Estate Forum** [Madrid, 9-11 November] the report outlines the fact hotels in Madrid have seen both occupancy and rate performance significantly improve. Occupancy is currently at its highest point since 2008 while rates have seen an impressive growth of 5% over the first eight months to August 2015.

Furthermore, recovery is strongly underway in the city's conference and events market, which suffered considerably during the downturn. Madrid is also due a boost to its luxury hotels sector, with the opening of the 215-room Four Seasons Hotel in 2017 and the purchase of The Ritz Madrid by Mandarin Oriental and Olayan. The impact of this activity in the luxury sector is hoped to be a boost to average rates across the city's hotels.

Hotels in Barcelona weathered the storm better, showing growth of 7% in the year-to-August 2015. Tourism continues to grow in the city, particularly the MICE sector, while the construction of a large cruise terminal in the port will further help to grow its cruise business, which will have a knock-on impact on the city's hotels. However, hotel supply in Barcelona is now expected to slow due to a moratorium on development and short-term rentals.

The beach resort of Ibiza has shown impressive growth, as has Marbella, where an influx of international hotel operators has boosted demand. Tenerife has also benefitted from international players, including the Hard Rock Hotel, while demand for high-end hotels is also boosting rates.

Hotel transactions in Spain have increased substantially in the past two years with Madrid and Barcelona being the key focus for urban activity, and Mallorca proving the hotspot for resort transactions, commented report co-author Nicole Perreten.

Recent portfolio transactions, including the joint venture between Barceló and Hispania-Azora, and Meliá and Starwood Capital and Bank of America, confirms the strong interest from international investors in the region.

As the recovery in Spain continues we would expect transaction activity to improve year-on-year, said Perreten.

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To download a full copy of **Mercury Rising on the Spanish Hotel Market**, by Nicole Perreten and Pavlos Papadimitriou click onto <http://www.hvs.com/article/7538/mercury-rising-on-the-spanish-hotel-market-hotel-and/?campaign=email>.

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#### About HVS

HVS, the world's leading consulting and services organization focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries, celebrates its 35th anniversary this year. Established in 1980, the company performs 4,500+ assignments each year for hotel and real estate owners, operators, and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of more than 35 offices and more than 500 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. [HVS.com](https://www.hvs.com)

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