

# IBERIAN HOTELS SNAPSHOT

2021

Nº DEALS

52

INVESTMENT VOLUME

2.8 billion euros

ACTIVE BUYERS IN IBERIA

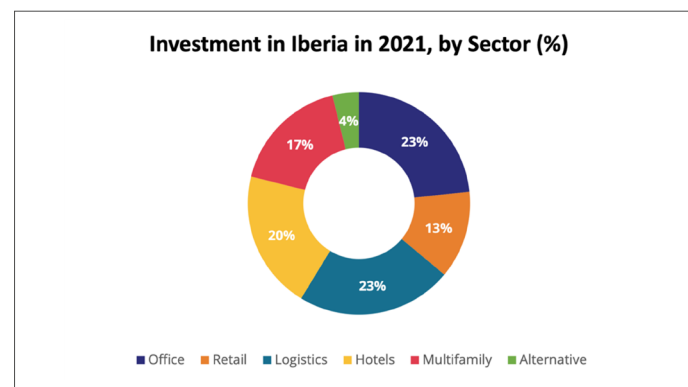
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## INVESTORS ALLOCATED 2.8 BILLION EUROS TO HOTELS IN 2021

The capital allocated to the Iberian real estate sector has registered a positive recovery, and when compared to the previous year the final figure of 14 billion euros invested during 2021 represents an increase of 18% (compared to the approximately 11.9 billion euros invested during 2020).

Hotels followed accordingly, with a remarkable increase of the investment volume allocated to the sector, climbing to the third position in the podium of most dynamic asset classes in Iberia. The market share detained by the hotels segment has decreased from 14% in 2019 to 11% in 2020, but the year of 2021 closed with a figure above pre-pandemic levels with a market share of 20%.

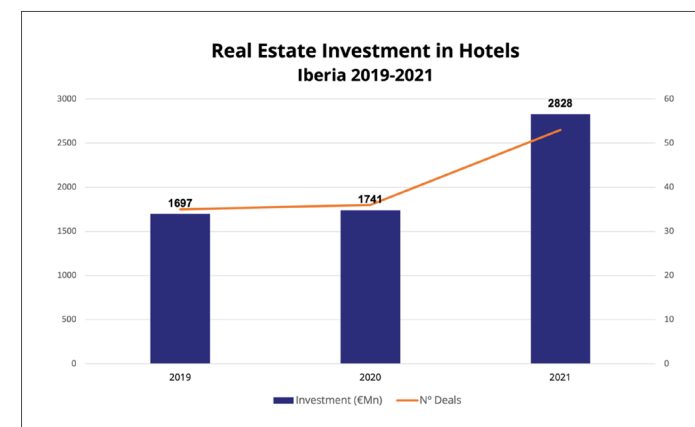


In 2019 the hotels sector attracted 1.7 billion euros in 35 operations; the year that followed was marked by the constraints imposed to the sector, which led investors to diversify their capital allocation – nevertheless the investment volume had a slightly increase in 2020 and with one operation more concluded than in the previous year. In 2021 investors became more active and the signs of recovery are clear.

The first quarter of 2021 was off to a good start with 14 operations closed, worth over 400 million euros. The investment volume grown during the next months, ending the first semester with almost 1 billion euros invested through a total of 25 operations.

Investors entered the second semester with regained vigor, and the Iberian hotels market attracted a total of 1.8 billion euros (in 27 operations) with the biggest transaction of the year happening in July, namely through the Brookfield purchase of the Selenta portfolio (composed by 4 hotels) for an amount of 440 million euros.

By the end of 2021, the volume of investment increased in 62% when compared to the performance of 2020 (2.8 billion euros vs. 1.7 billion euros), and the Iberian Property Data® database identified 52 deals concluded in Iberia in 2021, in other words, 16 more than the 36 operations monitored throughout the previous year. Furthermore, the average value per operation also increased, from the 48.4 million euros estimated in 2020, to 54.4 million euros in 2021.



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TOP REGION

## Barcelona

INVESTMENT EVOLUTION (Y-O-Y)

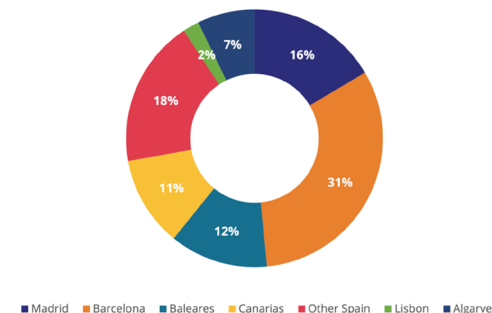
# + 62%

## BARCELONA LEADS HOTELS INVESTMENT IN IBERIA

The Barcelona region was the main contributor for the hotel's performance observed in 2021, namely attracting 870 million euros in 15 operations, which corresponded to 31% of the total hotels' investment. The Iberian hotel market share detained by this region registered a remarkable increase, considering that in 2019 Barcelona was responsible for 10% with only 3 operations concluded. In 2020, it tripled the number of deals and its market share rose to 14%; and, in 2021, Barcelona occupies the first place of the podium in terms of investment volume, more than doubling its market share (y-o-y evolution).

Madrid appears in second place in 2021, after more than doubling its investment volume when compared to the previous year. In 2019, the Spanish capital was the leading region with a market share of 28% (477 million euros in 8 operations), but in 2020 Madrid saw its hotel market share "shrink" to more than half, corresponding to 13% of the total hotels' investment in Iberia. In 2021, the investment volume was close to return to pre-pandemic levels, although its market share had only a slight increase – from 13% in 2020, to 16% in 2021 – due to a greater dispersion of investment in Iberia.

Investment in Hotels by Region (%)  
Iberia 2021



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TOP REGION

## Barcelona

INVESTMENT EVOLUTION (Y-O-Y)

# + 62%

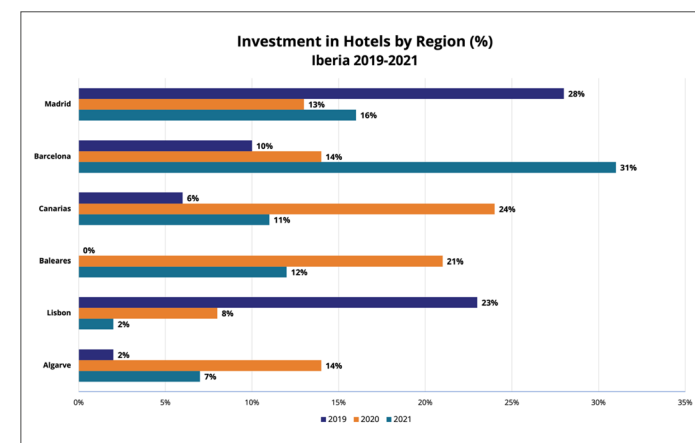
The Balears islands (Comunidad Autónoma de las Islas Baleares) closed the Iberian hotels podium in 2021 with 332 million euros captured. The evolution of the hotels investment in this region deserves a special mention: in 2019 Iberian Property didn't identify any operation concluded, but in 2020 the Balears attracted 366 million euros in 6 operations, capturing a market share of 21% that placed it on the second position of the podium. The investment volume remained relatively stable in 2021 (9% decrease y-o-y), however the market share detained by the region dropped to 12%.

The Canarias autonomous community (Comunidad Autónoma Gran Canaria) presents a similar evolution to the one observed in Balears. From 2019 to 2020, the region registered the highest increase observed, specifically with its investment volume multiplying itself by 4, placing Canarias as the number one region in Iberian market share (24%). In 2021, this community captured 314 million euros in 3 operations, which corresponded to 11% of the total investment in the Iberian hotel sector.

On the other hand, Lisbon has been decreasing substantially its relevance in the Iberian sector with its investment volume captured reducing consecutively since 2019 – the year in which Lisbon appeared as the second most attractive hotel investment destination, capturing 382 million euros that translated in a 23% Iberian market share. The year that followed was marked by a reduction of 64% of the investment volume captured by the Portuguese capital, with its market share following the trajectory and dropping to 8%. In 2021, 3 operations

were concluded in Lisbon, totaling 46 million euros, in other words, 2% of the total investment in the sector.

The Algarve region keeps sustaining the Portugal market share, being undoubtedly the most demanded region of the country for leisure tourism. While in 2019 the Algarve was responsible for 2% of the total investment in the hotel segment, in 2020 its market share grew to 14% (through 4 operations worth 238 million euros). In 2021, the investment volume decreased by 16% (y-o-y) and only 2 operations were concluded, nevertheless it is important to highlight that the average value per operation increased substantially – moving from 59.5 million euros in 2020, to 100.5 million euros in 2021.



# IBERIAN HOTELS SNAPSHOT

2021

MOST ACTIVE BUYER COUNTRY

## Spain

PRIVATE EQUITY SHARE

## 25%

INSTITUTIONAL CAPITAL SHARE

## 55%

## ASSET MANAGERS & INVESTMENT FUNDS LEAD INVESTMENT VOLUME

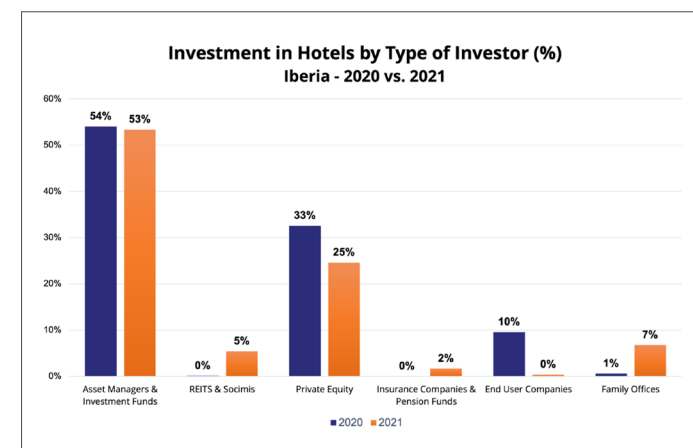
Asset Managers & Investment Funds took the lead in the Iberian hotel market, being responsible for 20 operations that amounted to 1.5 billion euros, which represents more than half of the total investment. These investors registered a 60% increase (y-o-y) in terms of investment volume channeled to the sector, and their average value per operation reached 75.4 million euros – a figure well above the 44.8 million euros estimated in 2020. Nevertheless, their market share dropped from 54% in 2020 to 53% in 2021.

Private Equity investors occupy the second position of the hotels Iberian podium in 2021 as it already happened in the previous year, but their market share fell from 33% in 2020 to 25% in 2021, despite both their number of deals and investment volume increased (23% investment volume increase y-o-y).

Family Offices had an important expression during 2021, namely being responsible for 7% of the total investment in hotels – a figure well above the 1% conquered in 2020. Family Offices concluded 4 acquisitions in 2021 (3 more than in 2020), worth 191 million euros.

REITS & Socimis also increased their investment volume in 2021, reaching more than 150 million euros invested in 5 operations, which corresponded to 5% of the total investment.

Insurance Companies & Pension Funds didn't carry any operation in this sector during 2020, therefore their market share was null. In 2021, these institutional investors made 2 acquisitions, corresponding to 2% of the total investment.





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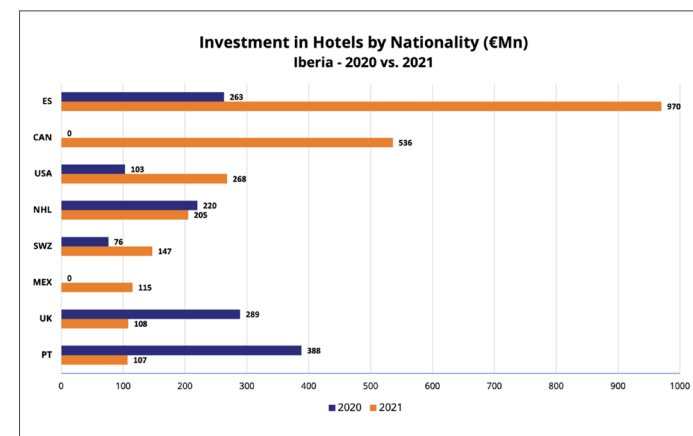
## 55%

Analysing the sources of investment in Iberia throughout last year, the Spanish investors stood out, capturing a market share of 34% in 26 operations – a share 19 percentage points above the one conquered in 2020 (15%). Their investment volume more than doubled when compared to the previous year, reaching 970 million euros in 2021.

The big surprise of 2021 was Canada, whose investors were responsible for 19% of the total investment in hotels, in other words 536 million euros, carried in only 3 operations. The Canadian investors closed the biggest operation of the year in this sector, specifically through the purchase of the Selenta portfolio (4 hotels) for a total of 440 million euros. On the other hand, in 2020 no acquisitions were recorded by these investors.

The USA was the third most important nationality in the market, and through 3 operations, the North American investors channeled 268 million euros to hotels, representing 9% of the total investment in Iberia during 2021.

Portuguese investors were the second most active in terms of number of operations closed (4) and they were responsible for 4% of the total investment in 2021. In 2020, Portuguese investors led the investment volume directed to the sector with a market share of 22% - mainly absorbed through the acquisition by Palminvest of a portfolio of 12 hotels (Hotéis Real).



# IBERIAN HOTELS SNAPSHOT

2021

TOP 5 DEALS -  
TOTAL INVESTMENT SHARE

40%

TOP 5 DEALS - TOP LOCATION

Barcelona

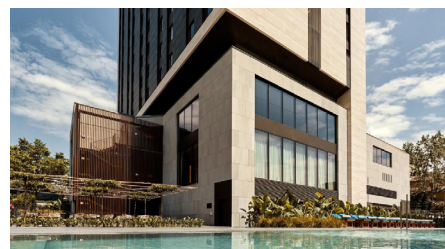
TOP 5 DEALS -  
CANADIAN INVESTORS SHARE

39%

Author : Alexandre Lima

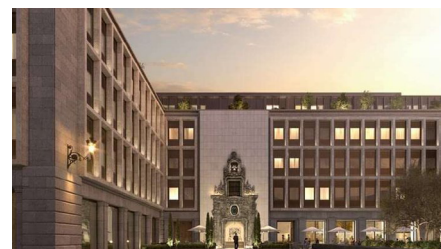
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## TOP 5 HOTELS DEALS IN IBERIA (2021)



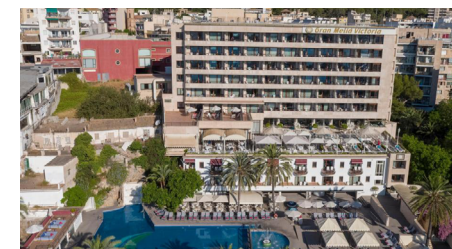
### 1. Selenta Portfolio – 4 Hotels

Location	Barcelona, Marbella, and Tenerife
Value	€440M
Buyer	Brookfield
Seller	Selenta Group



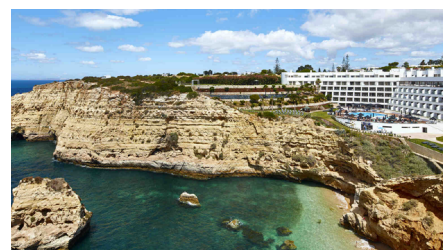
### 2. Hotel Edition

Location	Madrid
Value	€205M
Buyer	Archer Hotel Capital
Seller	KKH Property Investors



### 3. Portfólio Meliá – 8 hotels

Location	Mallorca, Gran Canaria, Menorca, Granada, Lanzarote, Cadiz, and Zaragoza
Value	€203.9M
Buyer	Victoria Hotels & Resorts
Sellers	Meliá



### 4. Tivoli Marinotel and Tivoli Carvoeiro

Location	Algarve
Value	€148M
Buyer	Azora
Seller	MINT



### 5. NH Collection Barcelona Gran Hotel Calderón

Location	Barcelona
Value	€125.5M
Buyer	LaSalle Investment Management
Seller	NH Hotel Group

*Investment figures analysis are an estimative from Iberian Property, taking into account the public operations signed and communicated to date (in 2022 new operations may be revealed, elevating the final investment volume of 2021)*