

HTLroundtable iberian peninsula snapshot

Radisson Blu Hotel, Madrid Prado, 20 April 2017

PKF hotelexperts hosted the annual Iberian Peninsula HTLroundtable event in Madrid: 2017 is expected to be a promising year for the hotel and tourism industry in the region.

Hosted by *Michael Widmann*, Founder and Managing Partner of PKF hotelexperts Vienna, 20 hotel professionals discussed the actual hotel market conditions in Spain and Portugal including their resort islands in the Mediterranean and the Atlantic. Both the tourism and hotel sectors continue to send positive signals. Based on figures collected by global bench mark data provider *STR*, Spanish hotels achieved an annual occupancy of 74% in 2016 with an average net room rate of 108 €, which results in an almost 12% higher revpar (80 €) compared to 2015. Portugal is not too far behind with almost 68.5% annual occupancy and 98 € average daily rate resulting in an even slightly higher revpar growth of close to 13 % (67 €) compared to 2015.



Radisson Blu Hotel, Madrid Prado
(source: Radisson Blue Hotel, Madrid Prado)

Barcelona is one of the hot cities in the region. Until recently, there were many attempts to convert centrally located apartment buildings into hotels. In July 2015, the city administration of Barcelona put in place a moratorium to stop additional hotel developments in the city centre, negatively impacting 40 hotel projects in various development phases, most of which involved the adaptive re-use of existing buildings. Interestingly many of the apartment buildings that were slated for hotel development have officially remained apartment buildings, the units of which may also be found on Airbnb or similar sites to be rented out to tourists who are arriving in Barcelona in ever greater numbers.

Looking at city revpar growth rates in the first quarter of 2017 (based on STR data), Barcelona – no doubt helped by the moratorium – and Bilbao are the leading Spanish cities with continued growth rates of 13,6 % compared to the first quarter of 2016, whereas Lisbon jumped ahead by 22,6 % by Porto with 11,4 % during the same period.

The Radisson Blu Hotel, Madrid Prado, venue of this year’s HTLroundtable meeting, is centrally located just opposite the Prado museum. In 2010, the property was converted from an apartment building (formerly the home of members of the Franco family) into a boutique hotel offering 54 guest rooms.

The general positive outlook for the Iberian Peninsula was also confirmed by representatives of leading Spanish and international hotel brands, already present or looking to enter these markets, such as Hilton, IHG, Meininger, nh and Carlson Rezidor, who attended the meeting together with local developers, bankers as well as architects and interior designers.

Michael Widmann concluded: “We will see more and more local and foreign investors, developers and operators seeking opportunities to enter the Spanish and Portuguese hotel market. When looking at the growing pipeline of new projects and the strong potential of further demand growth,



both in the corporate as well as in the leisure driven markets, we expect a further short to mid-term improvement of the key performance indicators in today's positive investment climate".

About HTLroundtable Europe:

HTLroundtable is a high-profile discussion platform - by invitation only - for decision-makers in the hotel, tourism & leisure sector organised by PKF hotelexperts Vienna since 2009 in hotels in 16 European capital cities. Topics focus on the hospitality sector in the particular countries and regions.

The aim of these events is to create an industry network of international experts from hotel groups, real estate companies, investment institutions, banks, law practices, suppliers and consulting firms to exchange their views on the future of the hotel and tourism industry in the region.

At the conclusion of the two 90-minute discussions, participants are cordially invited to an informal dinner at or near the host hotel.

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