MARKET BEAT
ITALY
Hospitality H1 2024



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MARKET SUMMARY & OUTLOOK

	YoY Chg.	12-Mo. Forecast.	
Investment Trends	▲	▲	Italian hotel transactions exceeded €800 million in H1 2024, involving over 30 properties and nearly 4,500 rooms. This marks a 90% increase compared to H1 2023, positioning Italy as the fourth largest European market by transaction volume for the first half of 2024, behind the United Kingdom, Spain, and France. Hotel investments were primarily driven by domestic and European investors, amounting to 85% of the volumes in H1.
Prime Yields	▬	▼	Yields remained mostly stable in the first half of 2024. The European Central Bank's interest rate cut in June, coupled with improving debt liquidity, suggests further stabilization in 2024. Looking ahead to 2025, a gradual sharpening of yields for prime assets and value discovery for secondary assets and opportunistic investments is anticipated.
Market Performance	▲	▲	Italy recorded a robust performance in H1 2024, with RevPAR surpassing H1 2023 by 5.2%. This was driven by a 5.7% increase in ADR (+47.9% vs 2019), while the market experienced a minor decline in occupancy (-0.3 percentage points, -1.0 p.p. vs 2019). Overall, Italy experienced the second highest RevPAR in Europe, after Switzerland.
Supply Outlook	▬	▬	Supply growth remained mild in H1 2024 (+1.7% vs last year). Italy saw recent hotel openings, rebrandings, conversions and renovations, focusing on smaller-scale properties (<100 rooms) targeting both budget-conscious guests and luxury seekers. Notable openings were the Anglo American Florence, the Max Brown Missori in Milan, the Radisson Collection Hotel Roma Antica and the Veridia Resort in Sardinia (member of Radisson Individuals).
Demand Outlook	▲	▲	According to Bank of Italy data, international demand drove tourism flows during H1 2024, with 168 million bed nights recorded, representing a 4% increase relative to the same period in 2023. Meanwhile, domestic demand recorded 129 million hotel bed nights, a 9% increase compared to last year.

Sources: Cushman & Wakefield, STR, Banca d'Italia

Note: A contingency of 5% is assumed for transactions in the last 12 months, as some deals are revealed with notable delay.

INVESTMENT TRENDS

HIGHLIGHTS - 2024 H1

€ 807 million transacted

33 properties comprising **4,477** rooms sold

58% of capital was deployed by domestic buyers

45% of volume was invested in Upper Midscale hotels

RECENT TRANSACTION TRENDS

	Last 6 months (H1 2024)				Last Year (2023)			
	Properties	Rooms	Volume	% Change*	Properties	Rooms	Volume	% Change*
Italy	**33**	**4,477**	**807**	**90%**	**62**	**7,749**	**1,422**	**-3%**
Regional	**27**	**3,472**	**569**	**72%**	**52**	**6,674**	**964**	**-3%**
Rome	5	1,005	238	151%	9	1,075	459	-3%
Milan	5	330	98	49%	6	411	141	40%

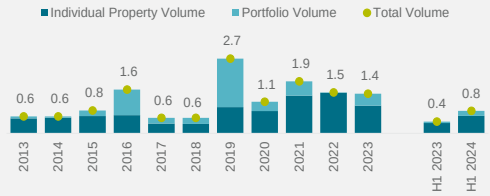
Volume transacted in EUR millions

*Refers to the % change in transaction volume from the previous period

Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES

(2013 - H1 2024, EUR BILLIONS)



Source: Cushman & Wakefield / RCA

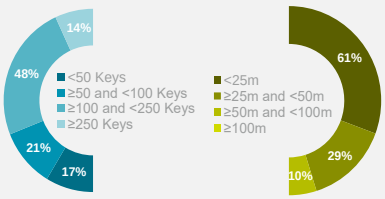
AVERAGE TRANSACTION PRICE

(H1 2024, EUR)



BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE

(H1 2024, % SHARE OF DEALS)

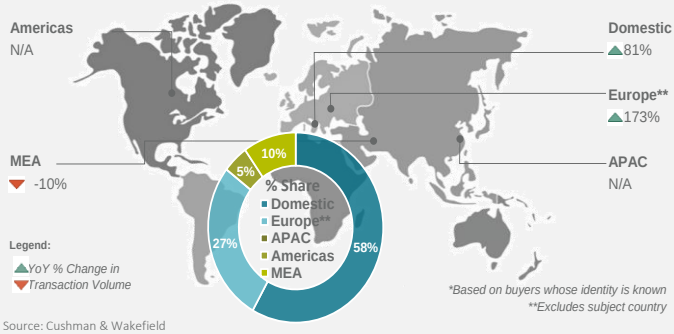


Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME* BY SOURCE OF CAPITAL

(% CHANGE, H1 2024 vs H1 2023)



*Based on buyers whose identity is known

**Excludes subject country

Source: Cushman & Wakefield

TRANSACTION VOLUME PER HOTEL CLASS

(% CHANGE, H1 2024 vs H1 2023)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	9%	▲ 210%	Luxury	3%	▲ 76%
Upper Upscale	22%	▲ 93%	Upper Upscale	19%	▲ 187%
Upscale	15%	▼ -32%	Upscale	14%	▼ -51%
Upper Midscale	45%	▲ >500%	Upper Midscale	54%	▲ >500%
Midscale	6%	▼ -46%	Midscale	5%	▼ -57%
Economy	2%	▼ -71%	Economy	5%	▼ -73%

Source: Cushman & Wakefield

TRANSACTED VOLUME BY TYPE OF INVESTOR

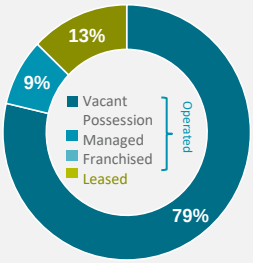
(H1 2024, % SHARE OF TOTAL VOLUME)

	BUYERS (% Share)		SELLERS (% Share)	
	Last Year	% Change	Last Year	% Change
Institutional	30%	▲ 237%	43%	▲ 2%
Private	70%	▲ 406%	30%	▲ 358%
Public	0%	▲ 0%	18%	▲ >500%
User/Other	0%	▼ -100%	10%	▲ >500%

Source: Cushman & Wakefield / RCA

TRANSACTED VOLUME BY OPERATING STRUCTURE

(H1 2024, % SHARE OF DEALS)



Source: Cushman & Wakefield

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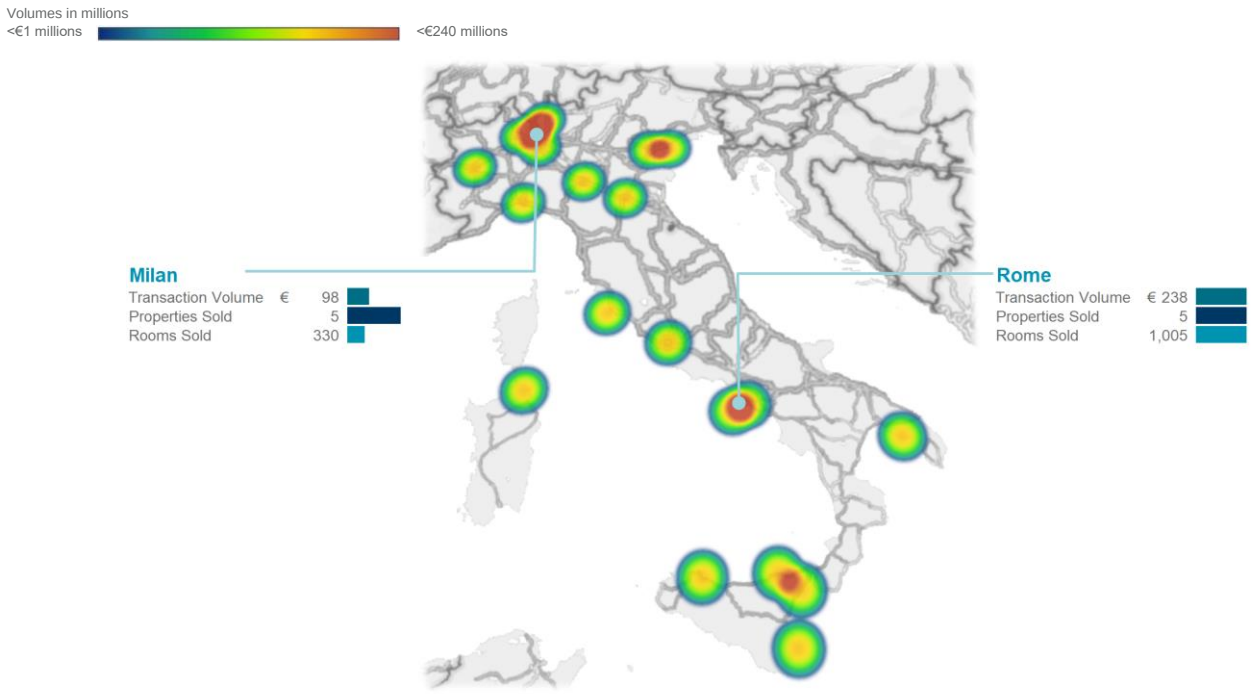
MAJOR DEALS OF H1 2024

SELECTED MAJOR HOTEL TRANSACTIONS IN H1 2024

Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
Hotel Cicerone	Rome	292	Fattal Hotels	ISR	Banco BPM	ITA
Grand Hotel Poltu Quatu	North Sardinia	239	Castello SGR; Anima Alternative SGR	ITA	Italian Family	ITA
Sofitel Roma Villa Borghese (1 of 2 hotel portfolio)	Rome	109	Extendam	FRA	AccorInvest	FRA
Portfolio H10 Hotels Venezia (2 hotels)	Venice	69	H10 Hotels	ESP	Italian Family	ITA
Grand Hotel Cadenabbia	Lake Como	192	Gruppo Statuto	ITA	Bain Capital	USA
Hotel Ritter	Milan	88	Confidential	ITA	Montello	ITA
Golden Palace Hotel	Turin	192	REAM SGR	ITA	Banco BPM	ITA
Palazzo Via Cavour 223 (development)	Rome	-	Principal Real Estate	USA	GWM Group	GBR
CHC Holding Italian Hotel Portfolio (3 hotels)	Naples, Parma, Bologna	534	Gruppo CHC	ITA	Bayview	USA
Midas Palace Hotel	Rome	350	Barcelo Hotels and Resorts	ESP	ZEITGEIST Asset Management	DEU
Grand Hotel Et Des Palmes	Palermo	123	Aeroviaggi	ITA	Algebris	ITA
Hotel Torre Di Cala Piccola	Argentario Area	53	Confidential	N/A	Cala Piccola	ITA
Hotel Miralago	Lake Como	40	Villa d'Este Group	ITA	Italian Family	ITA
Ca' Pisani Deco Design Hotel	Venice	29	Planetaria Hotels	ITA	Albergo Saturnia Internazionale	ITA
Hotel NH Padova	Padua	190	Confidential	ITA	Mediolanum Gestione Fondi	ITA
MEININGER Milano Lambrate	Milan	131	Confidential	ITA	Covivio Hotels	FRA
SHG Hotel Portamaggiore	Rome	206	Confidential	GBR	Confidential	ITA
Dolce Milan Malpensa (1 of 2 hotel portfolio)	Malpensa, Milan	207	Zeus International	GRC	Prodea Investments	GRC
Masseria La Maviglia	Taranto, Apulia	125	Ultimate Collection	CHE	Confidential	ITA
Capo dei Greci Taormina Coast - Resort Hotel & Spa	Taormina, Sicily	200	Rocco Scala	ITA	Confidential	USA

Note: Ordered by deal size

ITALY TRANSACTIONS - MAP VIEW H1 2024



Source: Cushman & Wakefield

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