



MARKETBEAT
ITALY
HOSPITALITY H1 2025

Better never settles

MARKET FUNDAMENTALS

H1 2025	YoY Chg	Outlook
€1.7B Investment Volume	▲	▲
5.5-5.75% Rome Prime Yields (HMA)	—	▼
+3.0% YoY RevPAR Growth	▲	▲
0.3% YoY Supply Growth	▲	▲

INVESTMENT HIGHLIGHTS

58 / 6,104 Hotels / Rooms Transacted
€279,436 Average Price per Room
51% Of volume was invested in Luxury Hotels

ECONOMIC INDICATORS

0.6% YoY Real GDP Growth	▲	▲
1.7% YoY Inflation Growth	▼	▼

INVESTMENT ACTIVITY

The Italian hotel investment market delivered a strong H1 2025, with transactions reaching nearly €1.7 billion, up 102% YoY. Rome and Venice led the activity, generating over €780 million (47% of the national volume), confirming their strategic appeal. Deals were mostly single-asset, focused on the Upper Upscale and Luxury segments. Notable transactions included the €170 million acquisition of the Mandarin Oriental in Rome (Villini Sallustiani). International investors drove 51% of total volume, with capital from Europe and the Americas. Despite cautious optimism, the market remains resilient, with a solid deal pipeline and sustained foreign interest expected to drive continued momentum in H2 2025

PRIME YIELDS

In the first half of 2025, prime yields remained broadly stable across Italy’s main hospitality markets, with slight compression observed in select trophy transactions in Rome and Venice. Despite macroeconomic uncertainty, investor confidence remained strong, supported by improved financing conditions and strong competition for prime assets. Resilient demand, a limited supply of core products, and early signs of rate stabilization are expected to drive further yield compression in the second half of the year.

SUPPLY & DEMAND

Over 100 hotels opened in H1 2025, mainly through conversions and rebranding, especially in key cities and coastal areas. About 50% were 4-star, followed by 5-star and Luxury properties. Average size rose to around 75 keys, up from H1 2024. Notable openings include Orient Express La Minerva (93 rooms), Auberge Collection Alle Querce Florence (83), The Hoxton Florence (161), Romeo Roma (74), and The Social Hub Rome (392).

PERFORMANCE

Italy’s hospitality sector performed well in H1 2025, with RevPAR up 3% YoY, driven by a 2% ADR increase (with growth now normalising post-pandemic) and a 1% rise in occupancy. Rome’s RevPAR grew by 3% in H1 2025, led by ADR, while Milan outperformed with a 5% increase, supported by both occupancy (+3%) and ADR (+2%). The outlook for H2 remains positive, boosted by peak summer demand and improved air connectivity, especially in southern and coastal areas.

RECENT TRANSACTION TRENDS

(EUR, MILLIONS)

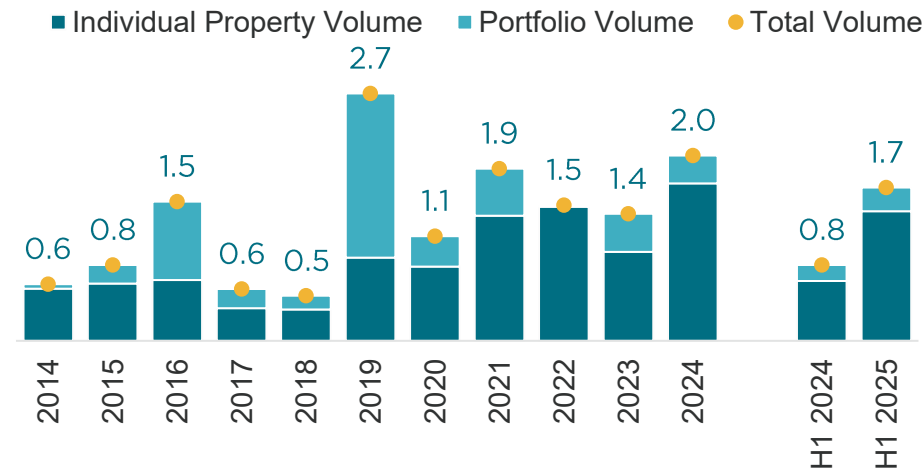
	Current Period (H1 2025)			
	Hotels	Rooms	Volume	% Change*
Italy	58	6,104	1,660	102%
Regional	50	5,301	1,134	98%
Rome	7	802	526	113%
Venice	6	768	255	332%
Milan	3	440	134	44%
Como	3	139	117	445%

	Last Year (2024)			
	Hotels	Rooms	Volume	% Change*
Italy	83	11,694	2,007	46%
Regional	75	10,363	1,669	79%
Rome	8	1,332	338	-23%
Venice	3	270	374	1301%
Milan	8	619	164	19%
Como	2	166	91	1626%

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

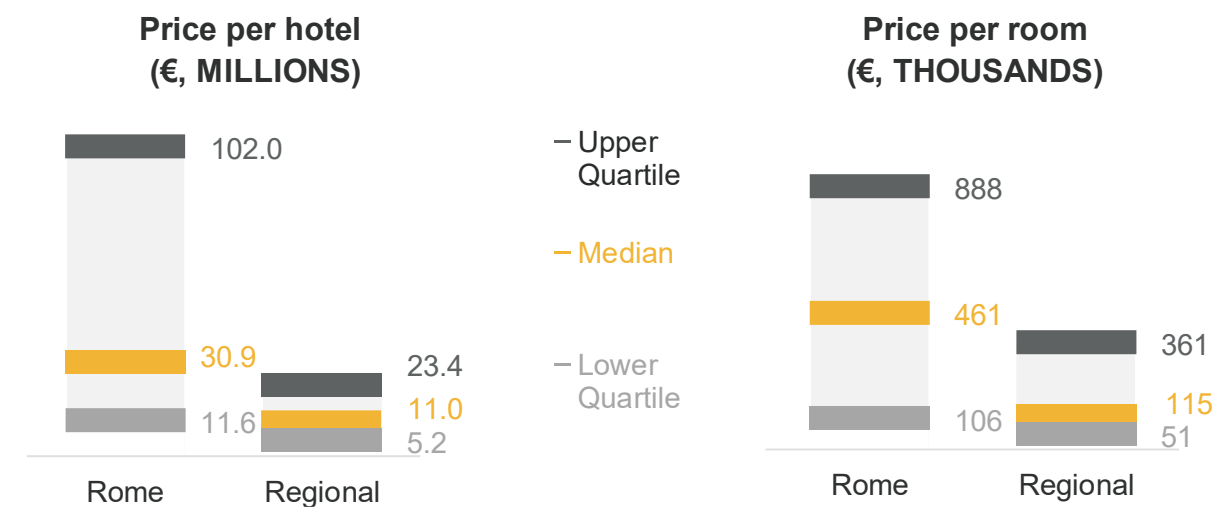
ANNUAL TRANSACTION VOLUMES

(EUR, BILLIONS)

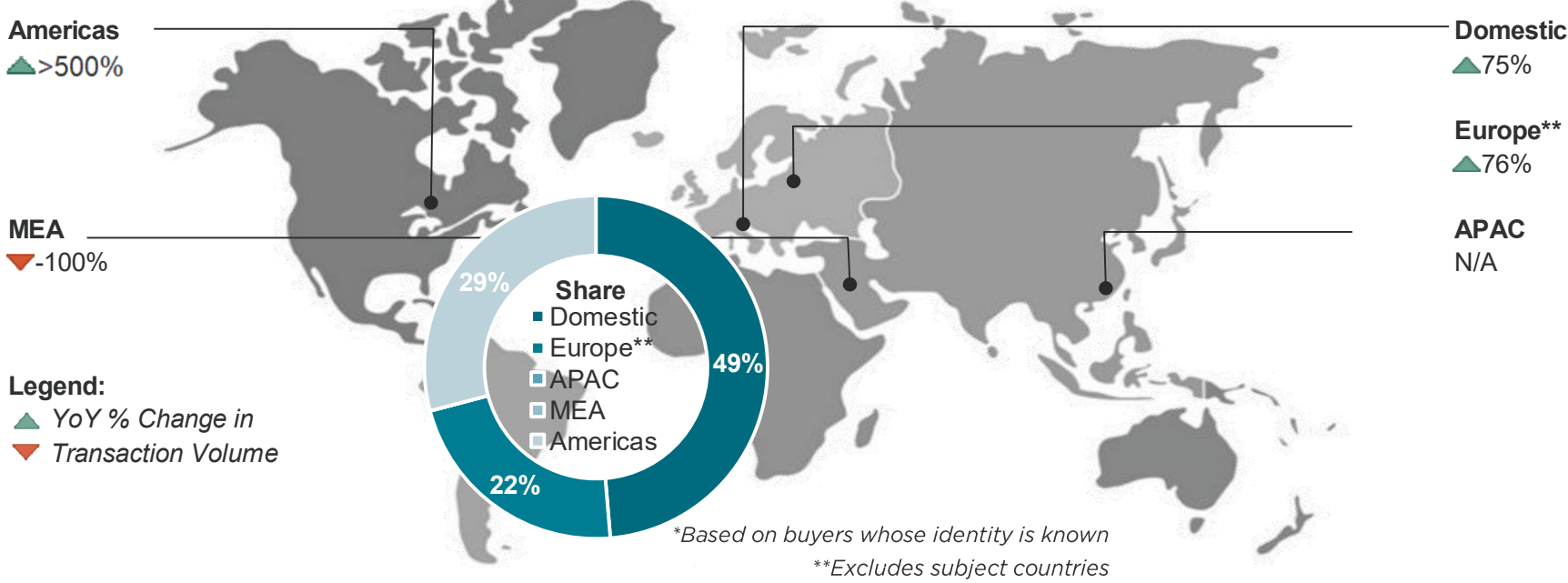


Sources: Cushman & Wakefield / Oxford Economics / RCA / STR

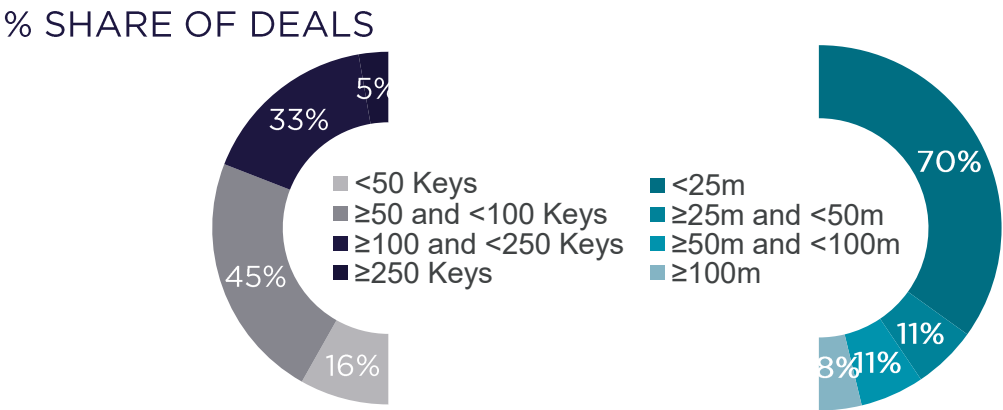
TRANSACTION PRICE PER HOTEL & ROOM (H1 2025)



TRANSACTION VOLUME BY SOURCE OF CAPITAL (H1 2025 VS H1 2024)



BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (H1 2025)

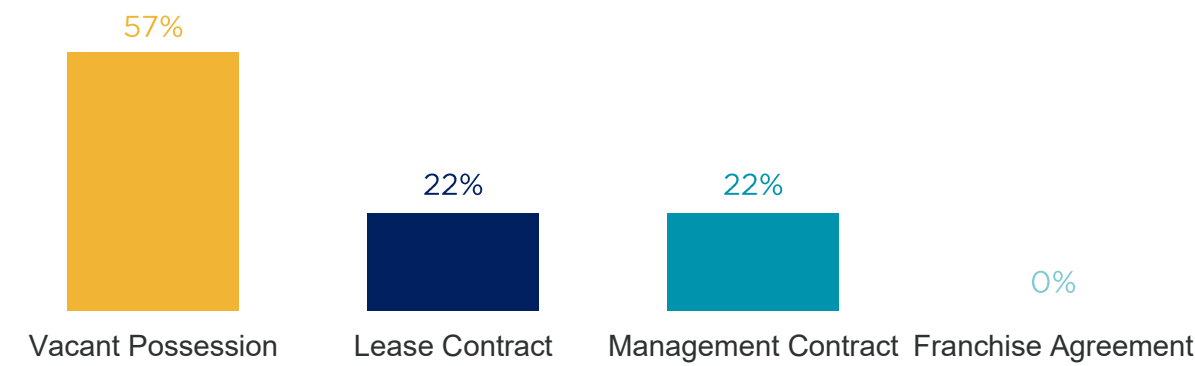


TRANSACTIONED VOLUME BY TYPE OF INVESTOR (H1 2025 VS H1 2024)

	BUYERS (% Share of Total Volume)		SELLERS (% Share of Total Volume)	
	2025 H1	% Change	2025 H1	% Change
Institutional	43%	11% ▲	60%	168% ▲
Private	53%	15% ▲	40%	2% ▲
Public	4%	>500% ▲	0%	-100% ▼
User/Other	0%	0% ▬	0%	-100% ▼

TRANSACTION VOLUME BY OPERATING STRUCTURE (H1 2025)

% SHARE OF DEALS (BY INVESTMENT VOLUME)



TRANSACTION VOLUME PER HOTEL CLASS (H1 2025 VS H1 2024)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	51%	>500% ▲	18%	331% ▲	760
Upper Upscale	15%	34% ▲	17%	38% ▲	266
Upscale	4%	-58% ▼	12%	-29% ▼	82
Upper Midscale	22%	8% ▲	35%	-13% ▼	172
Midscale	4%	61% ▲	10%	264% ▲	99
Economy	4%	343% ▲	8%	132% ▲	174

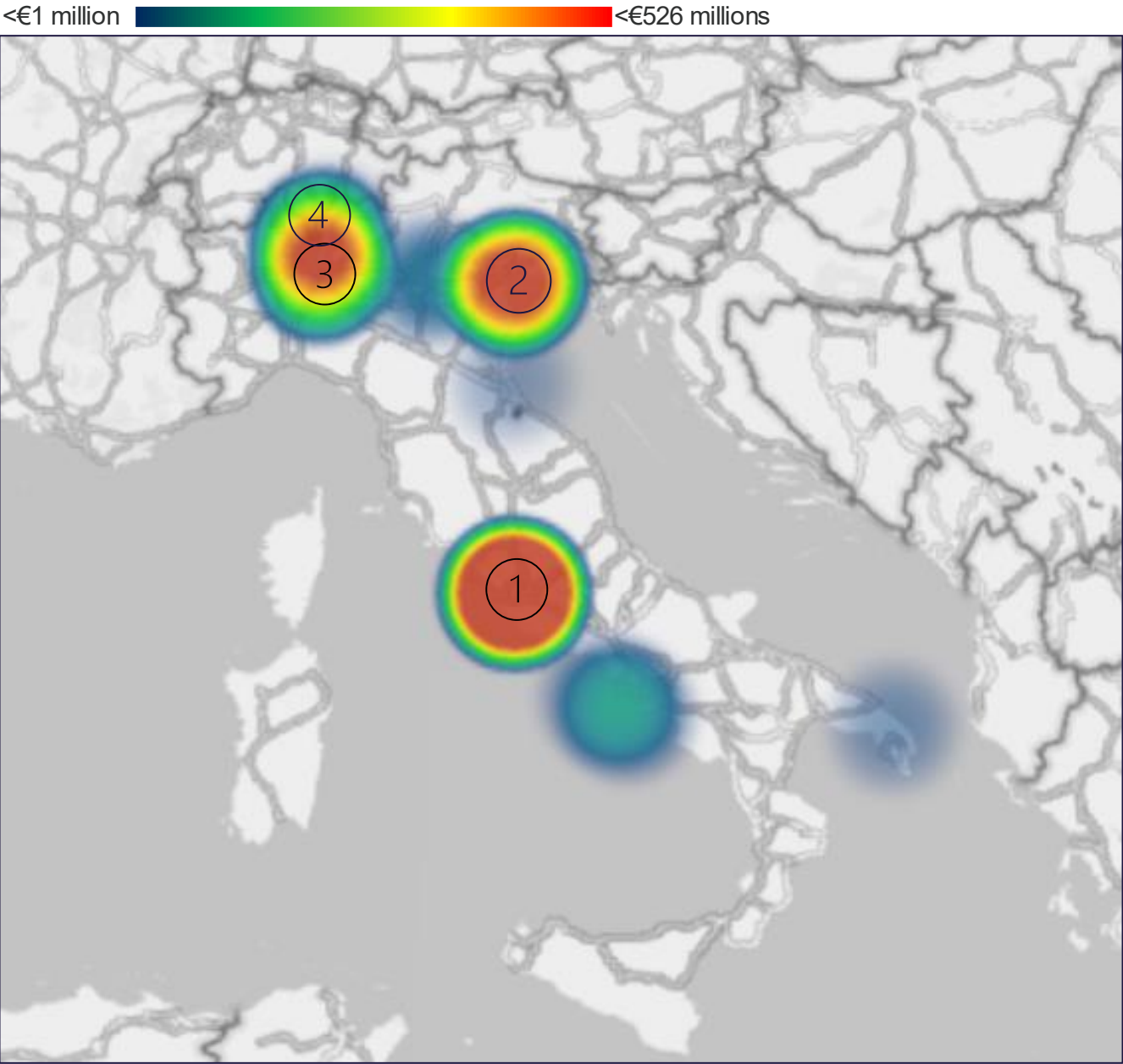
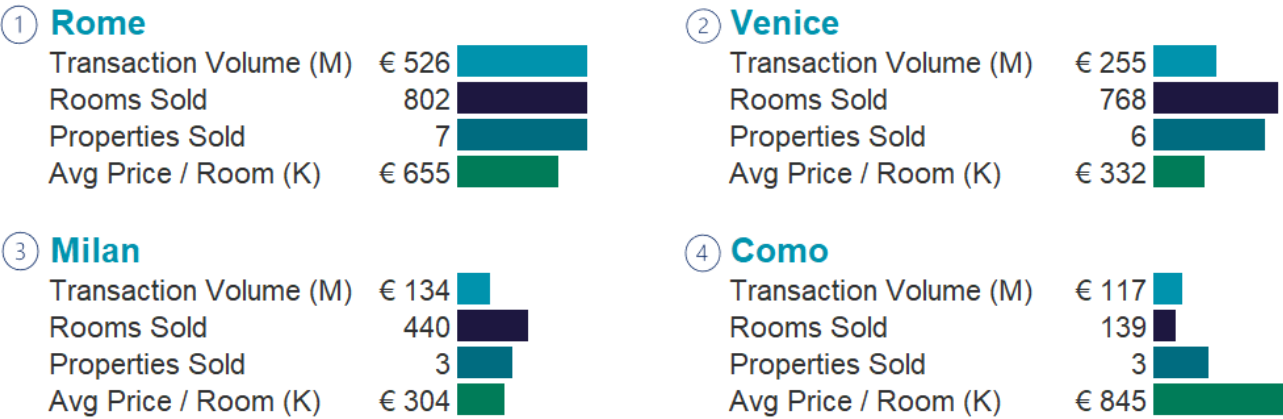
SELECTED MAJOR HOTEL TRANSACTIONS (H1 2025)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Project Mandarin Oriental at Villini Sallustiani	IT, Rome	108	Dumas Family	FRA	MEROPE	ITA
Hotel Caesar Augustus	IT, Capri Island	56	Statuto Group	ITA	Signorini Family	ITA
Project conversione (building in Via delle Vergini)	IT, Rome	131	The Palace Company	MEX	Bain Capital	USA
JW Marriott Venice Resort & SPA	IT, Venice	266	KSL Capital Partners	USA	Aareal Bank AG	GER
NH City Life Milan	IT, Milan	185	Schroders Capital	GER	Invesco Real Estate	GBR
Vista Palace Como & Albergo Terminus	IT, Como Lake	68	Villa d'Este	ITA	Gruppo Lario Hotels	ITA
Project conversion (former MPS Bank HQ)	IT, Rome	90	Corso Gestioni Alberghiere	ITA	Dea Capital Real Estate SGR	ITA
Hotel Avani Rio Novo Venice	IT, Venice	144	Prelios SGR	ITA	AXA AM	FRA
Hotel Regina Olga	IT, Como Lake	64	Villa d'Este	ITA	R Collection	ITA
Generator Rome & Venice (part of a Pan European portfolio)	IT, Rome	279	Brookfield Asset Management	USA	Queensgate	GBR
Hermitage Hotel & Resort	IT, Forte dei Marmi	59	Starhotels	ITA	Maschietto Family	ITA
Residence La Cava 1961	IT, Como Lake	40	Castello SGR	ITA	Franchini Family	ITA
Royal Hotel Carlton	IT, Bologna	236	Sofidy SA	FRA	Generali RE	ITA
Hotel Villa San Felice	IT, Capri Island	35	Confidential	ITA	Confidential	ITA
Leon d'Oro Verona	IT, Verona	190	Dekus, PGIM-HNH Hospitality	USA, ITA	Tabacchi Family	ITA
Meininger Rome	IT, Rome	109	Confidential	CHE	Confidential	FRA
Project conversion (building in Via Boskovich)	IT, Milan	160	Gruppo Maresca	ITA	Bain Capital	USA
Relais Il Melograno	IT, Bari	41	ANAV	ITA	Italian Private	ITA
Santo Stefano Resort	IT, Sardinia	303	Dekus, PIF	ITA, UAE	CPP Investments	CAN
Just Hotel Milano	IT, Milan	74	Invest Hospitality	ITA	Lfpi Europa	FRA

Note: Selection of largest transactions in H1 2025, ordered by deal size

Source: Cushman & Wakefield

HOTEL TRANSACTIONS HEAT MAP (H1 2025)



METHODOLOGY

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.
A contingency of 5% is assumed for total transaction volumes, rooms and properties sold in the last 12 months, as some deals are revealed with notable delay.

EXPLANATION OF TERMS

Prime Yields (HMA): The prevailing initial yields (current income divided by sales price) for quality stabilized assets in prime locations, managed under Hotel Management Agreement by professional operator (the HMA is not terminable on sale or in near-term after the sale). The yields are based on actual transactions where available as well as the sentiment indicated by investors.

Average Price per Room: Transaction KPI calculated by dividing the total transaction volume by the number of rooms transacted. In case of majority deals, the number of rooms is adjusted to reflect the proportion of the volume sold. Minority deals are excluded from the calculation. Median, Upper-quartile (75%) and Lower-quartile (25%) are based on the price-per-room data over the period (not weighted by total deal size). The average price per room by hotel class is influenced by the location of hotels transacted within that class. As a result, there may be instances where a lower hotel class shows a higher average price per room if those hotels were sold in more premium locations during the period.

Operating Performance Indicators

Occupancy: Percentage of available rooms sold during the period (Rooms Sold / Rooms Available).

ADR: Average Daily Rate paid for rooms sold (Rooms Revenue / Rooms Sold).

RevPAR: Revenue Per Available Room during the period (Rooms Revenue / Rooms Available).

GOPPAR: Gross Operating Profit Per Available Room (Hotel gross operating profit / Rooms Available).

Operating/Deal Structures

Franchise Agreement Structure: A hotel operating model where the owner directly operates the property but uses a specific brand, paying fees for the brand name, standards, and marketing support, while keeping full control of day-to-day operations.

Management Contract Structure: A hotel operating model where the property is managed by a third-party hotel operator on behalf of the owner. If a hotel is managed by non-branded operator and uses brand name via franchise agreement, it is recorded as "Management Contract" structure.

Leased Contract Structure: A hotel operating model where the property is leased to a third party with fixed, variable, or hybrid (fixe and variable) rent.

Vacant Possession: A hotel that is free from any contractual encumbrances, allowing the new owner immediate and unrestricted control upon transfer. Even if a hotel has franchise agreement or management contract or lease contact in place, but it expires on sale or it is terminable on sale, the deal is considered as "Vacant Possession" sale.

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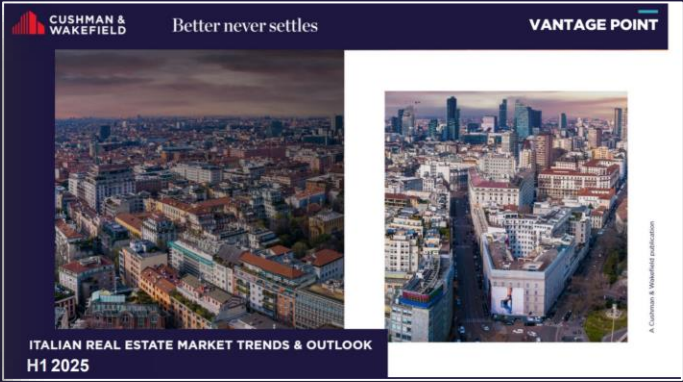
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