



MARKETBEAT  
**ITALY**  
HOSPITALITY H2 2025

Better never settles

### MARKET FUNDAMENTALS\*

FY 2025	YoY Chg	Outlook
<b>€2.5Bn</b> Investment Volume	▲	▬
<b>5.25-5.75%</b> Rome Prime Yields (HMA)	▬	▼
<b>+2.3%</b> YoY RevPAR Growth	▲	▲
<b>+0.2%</b> YoY Supply Growth	▬	▲

### INVESTMENT HIGHLIGHTS

<b>110 / 11,310</b> Hotels / Rooms Transacted
<b>€220,084</b> Average Price per Room
<b>39%</b> Of volume was invested in Luxury Hotels

### ECONOMIC INDICATORS

<b>1.5%</b> YoY Real GDP Growth	▲	▲
<b>0.7%</b> YoY Inflation Growth	▲	▲

\*Growth indicators are based on nominal amounts

### INVESTMENT ACTIVITY

Hotel investment activity in Italy reached its highest level in a decade in 2025, with a total volume of €2.5 billion (+29% vs. 2024) and 110 transactions closed: the highest number recorded since 2007. Value-add strategies accounted for 45% of deals, while the upper upscale and luxury segment absorbed 48% of total capital deployed. Rome remained the primary destination, representing 23% of national hotel investment volume, followed by Milan, whose share grew to 15%. Domestic capital continued to dominate at 53%, alongside European (28%) and North American (9%) investors.

### PRIME YIELDS

Prime hotel yields in Italy show signs of potential compression, supported by strong operating fundamentals, sustained demand and a limited supply of high-quality, institutional-grade assets. The ongoing ECB monetary easing cycle is expected to drive new investment opportunities, reinforcing the attractiveness of the hospitality sector relative to other asset classes. Pricing for properties in prime locations and continued investor competition are placing downward pressure on returns in the prime segment. By contrast, secondary assets exhibit greater yield dispersion, reflecting differences in risk profile, repositioning needs and capital expenditure requirements.

### SUPPLY & DEMAND

Hotel demand in Italy continues to expand from already strong levels, supported by growing international tourist flows and resilient domestic consumption. Supply growth remains moderate and controlled, generating a favourable structural imbalance that underpins occupancy levels and pricing stability across the market.

### PERFORMANCE

Italy closed 2025 as the top-performing country in Europe for RevPAR growth since 2019 (+53%), reaching €159, driven by sustained rate increases (ADR +55% over the same period) and occupancy levels in line with pre-Covid benchmarks. On a year-on-year basis (2024 vs. 2025), both RevPAR and ADR grew by around +2%. Rome ranked fourth among European markets by RevPAR (€183, 74% occupancy, €247 ADR), while Milan recorded €160 RevPAR with an ADR of €216. Resort destinations outperformed urban markets in terms of RevPAR growth, with the 5-star and luxury segment delivering particularly strong results. Rome's luxury hotels posted a +46% RevPAR increase vs. 2019, and Milan's +58% over the same period.

### RECENT TRANSACTION TRENDS

(EUR, MILLIONS)

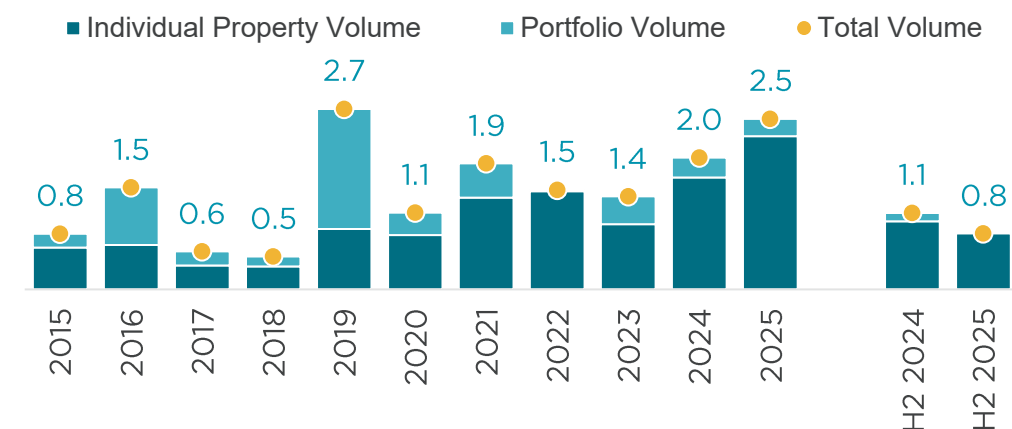
	Full Year 2025			
	Hotels	Rooms	Volume	% Change
<b>Italy</b>	<b>110</b>	<b>11,310</b>	<b>2,523</b>	<b>29%</b>
<b>Regional</b>	<b>102</b>	<b>10,377</b>	<b>1,934</b>	<b>20%</b>
Rome	8	932	590	77%
Venice	7	592	266	-39%
Milan	12	1,776	377	134%
Como	6	317	193	-3%

	H2 2025			
	Hotels	Rooms	Volume	% Change
<b>Italy</b>	<b>53</b>	<b>5,325</b>	<b>827</b>	<b>-27%</b>
<b>Regional</b>	<b>50</b>	<b>5,124</b>	<b>763</b>	<b>-27%</b>
Rome	2	201	64	-26%
Venice	1	17	11	-97%
Milan	6	800	208	208%
Como	0	0	0	-100%

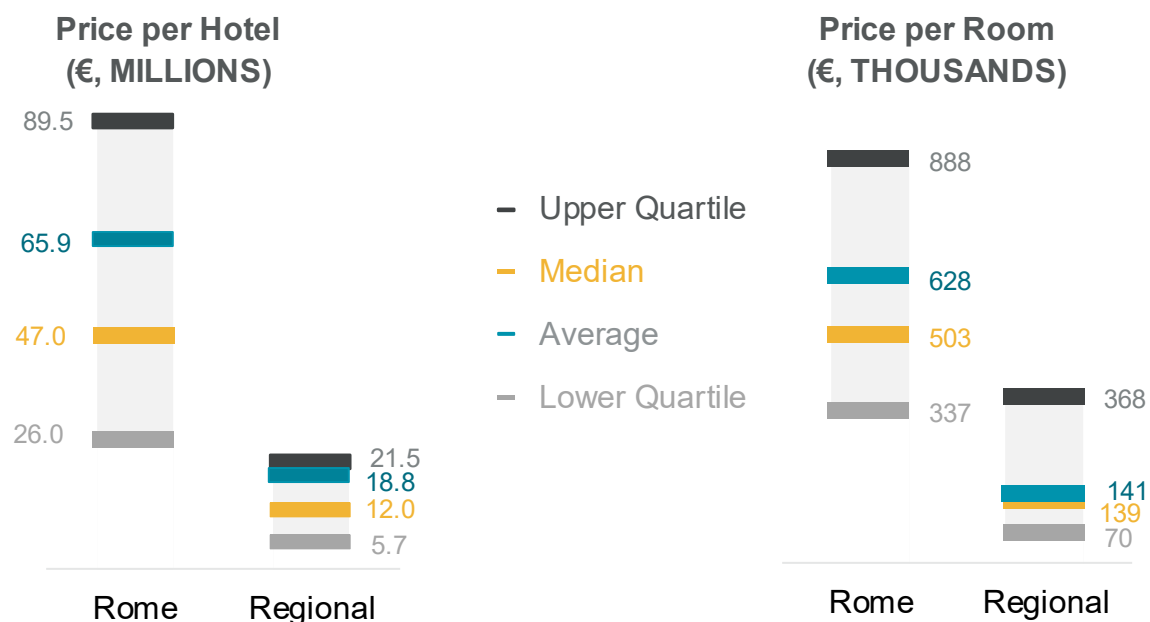
### ANNUAL TRANSACTION VOLUMES

(EUR, BILLIONS)

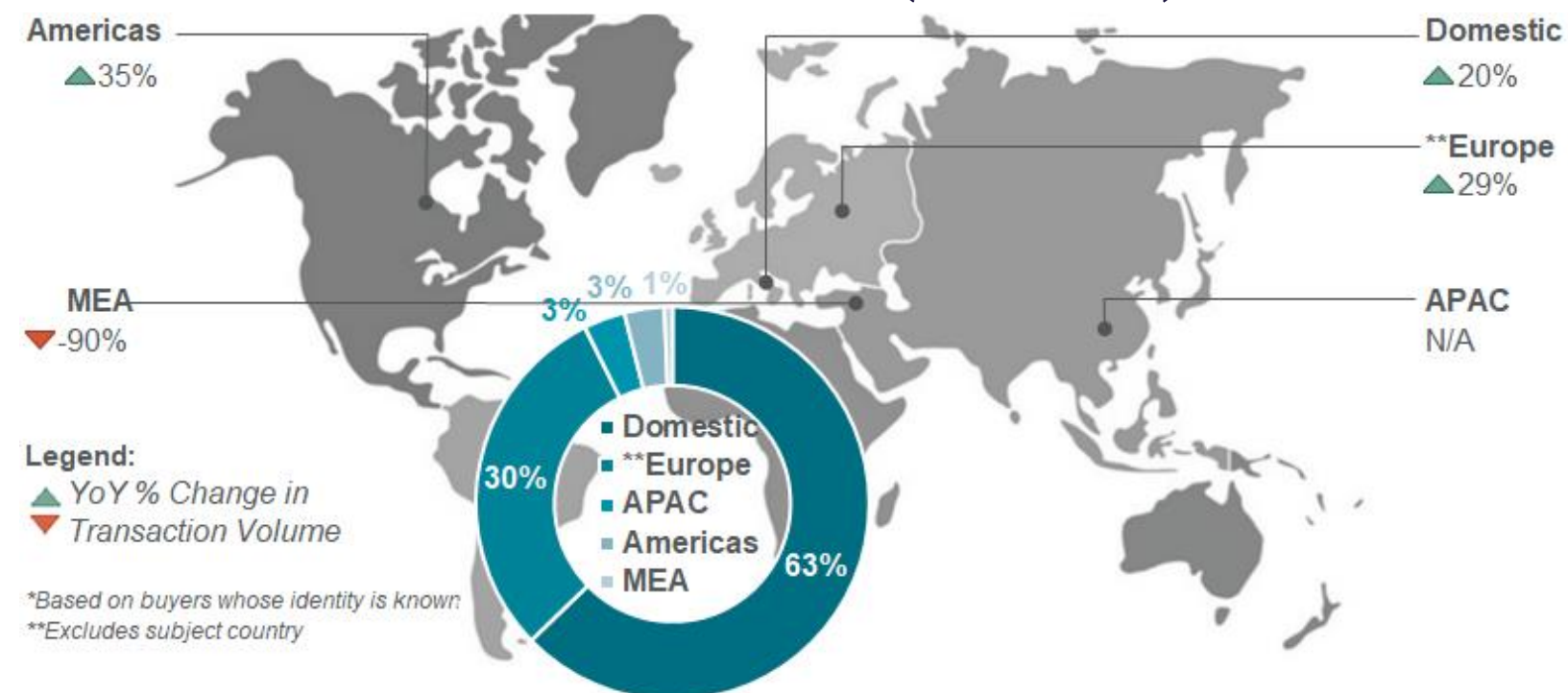


Sources: Cushman & Wakefield / Moody's / Oxford Economics / RCA / STR

TRANSACTION PRICE PER HOTEL & ROOM (2025)

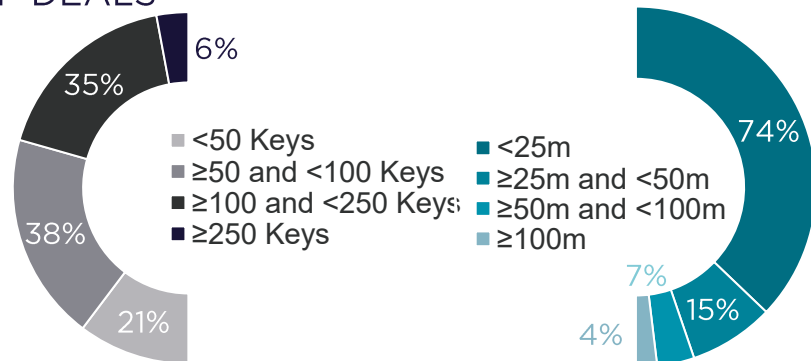


TRANSACTION VOLUME BY SOURCE OF CAPITAL\* (2025 VS 2024)



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

% SHARE OF DEALS

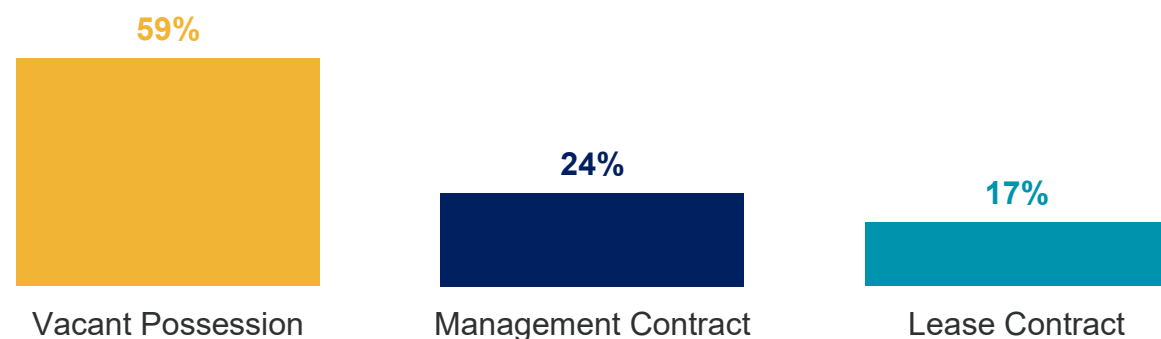


TRANSACTION VOLUME BY TYPE OF INVESTOR (2025 VS 2024)

	BUYERS (% Share of Total Volume)			SELLERS (% Share of Total Volume)		
	FY 2025	% Change		FY 2025	% Change	
Institutional	52%	▲	42%	56%	▲	19%
Private	44%	▼	-44%	39%	▼	-36%
Public	3%	▼	-2%	5%	▲	12%
User/Other	1%	▲	100%	0%	▼	-100%

TRANSACTION VOLUME BY OPERATING STRUCTURE (2025)

% SHARE OF DEALS (BY INVESTMENT VOLUME)



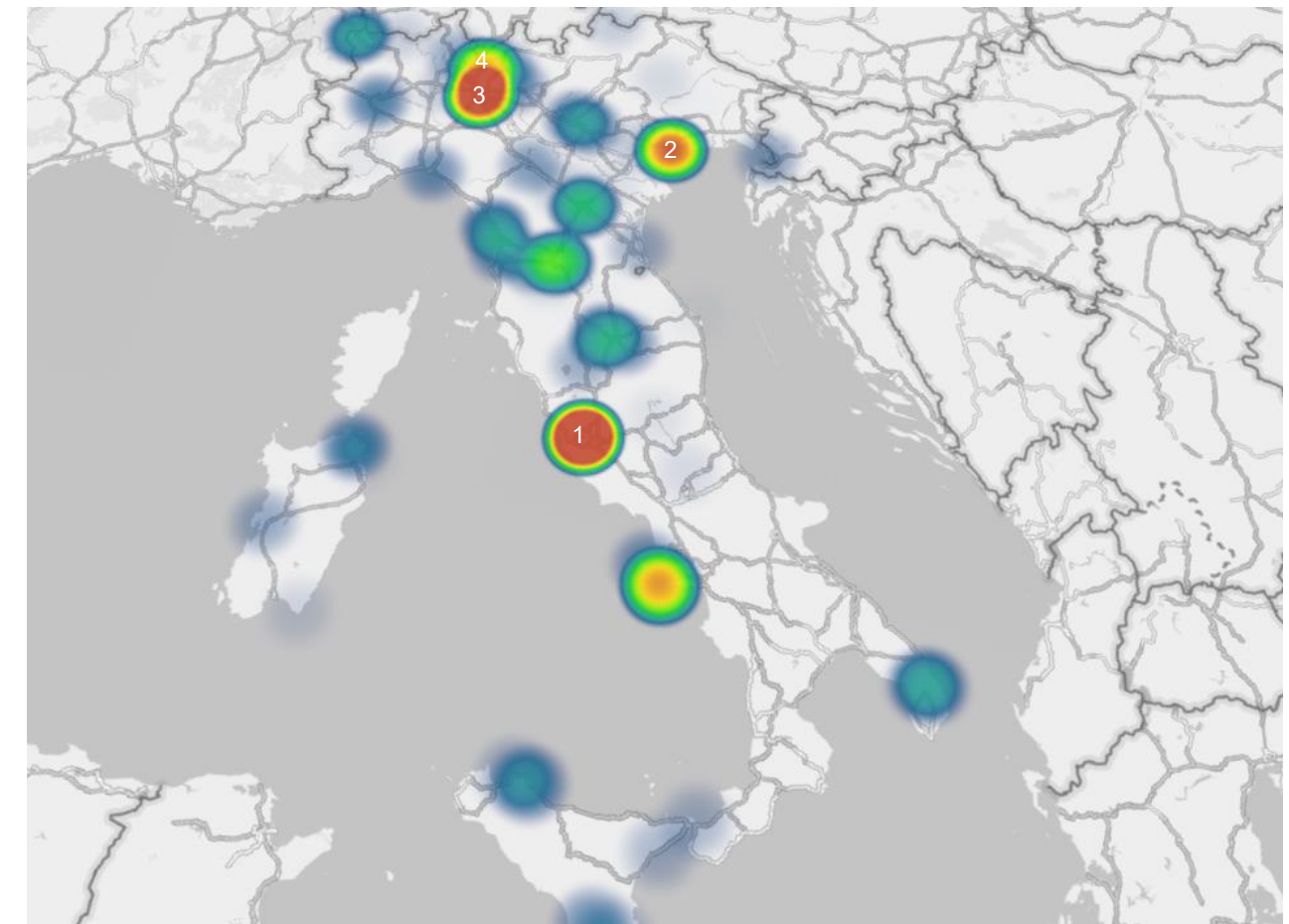
TRANSACTION VOLUME PER HOTEL CLASS (2025 VS 2024)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	39%	▲ 74%	15%	▲ 169%	566
Upper Upscale	16%	▲ 13%	18%	▲ 48%	184
Upscale	13%	▼ -19%	20%	▼ -40%	142
Upper Midscale	22%	▲ 11%	33%	▲ 12%	142
Midscale	5%	▼ -32%	8%	▼ -58%	139
Economy	5%	▲ >500%	6%	▲ 201%	205

SELECTED MAJOR HOTEL TRANSACTIONS (2025)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Project Mandarin Oriental at Villini Sallustiani	IT, Rome	108	Famiglia Dumas	FRA	MEROPE	ITA
Caesar Augustus Hotel	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	DEU
NH City Life Milan	IT, Milan	185	Schroders Capital	GBR	Invesco Real Estate	GBR
Project conversion (former MPS Bank HQ)	IT, Rome	90	Corso Gestioni Alberghiere	ITA	DeA Capital Real Estate SGR	ITA
Avani Hotel Venezia	IT, Venice	144	Prelios SGR	ITA	AXA AM	FRA
Six Senses Antognolla	IT, Perugia	71	Eagle Hills Properties	UAE	Confidential	N/A
Hotel Regina Olga	IT, Como Lake	64	Villa d Este	ITA	R Collection	ITA
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
ibis Styles Roma Eur	IT, Rome	191	CDP	ITA	Amapa Group	ITA
Hotel Meininger	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 & Spa	IT, Sardinia	303	Dekus srl	ITA	CPP Investment Board	CAN
Just Hotel Milano	IT, Milan	74	Invest Hospitality	ITA	Lfpi Europa	FRA
Le Massif	IT, Courmayeur	109	Pestana Hotels	PRT	Oaktree/Castello SGR	USA / ITA
Vista Palace Como & Albergo Terminus	IT, Como Lake	68	Villa d'Este	ITA	Gruppo Lario Hotels	ITA

HOTEL TRANSACTIONS HEAT MAP (2025)



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

Source: Cushman & Wakefield

**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 (fixed 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 contract 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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