



MARKETBEAT
ITALY
HOSPITALITY H1 2026

Better never settles

MARKET FUNDAMENTALS*

H1 2026	YoY Chg	Outlook
€1.3 Bn Investment Volume	▼	—
4.5-5.0% Prime Yields Lease	—	▼
+11.3% YoY RevPAR Growth	▲	▲
+9.0% YoY Supply Growth	▲	▲

INVESTMENT HIGHLIGHTS

57 / 9,343 Hotels / Rooms Transacted
€170,374 Average Price per Room
68% Of volume was invested in Upscale and Upper Midscale Hotels

ECONOMIC INDICATORS

0.9% YoY Real GDP Growth	▲	▲
2.0% YoY Inflation Growth	▲	▼

*Growth indicators are based on nominal amounts

INVESTMENT ACTIVITY

Italian hotel investment reached €1.3 billion in H1 2026, down 18% YoY from an exceptional H1 2025, with 57 hotels and 9,343 rooms changing hands at an average €170,374 per room. Milan took the top spot among Italian markets, climbing 143% YoY to €346m, while Rome ranked second at €308m (-36% YoY). Sicily and Sardinia also surged, together contributing a combined volume above €200m and broadening demand beyond the two gateway cities. Cross-border capital dominated the market, with Europe alone accounting for 60% of volume and rebounding sharply (+249% YoY), even as Americas-sourced capital fell 86%; domestic capital represented only 33% of the total. By asset class, capital rotated toward Upscale (35% of volume, +127% YoY) and Upper Midscale (33%, +54% YoY) assets, while Luxury and Upper Upscale volumes declined (-76% and -81% respectively) following an exceptionally active 2025; Economy hotels accounted for 43% of rooms transacted.

PRIME YIELDS

Prime yields lease held stable at 4.5-5.0% in H1 2026, with the outlook pointing to further compression as the ECB’s easing cycle supports financing conditions and investor appetite for high-quality, income-producing assets. Scarcity of prime, institutional-grade stock keeps pricing at the top end under pressure, while secondary assets show wider yield dispersion, reflecting differing risk profiles, repositioning needs and capex requirements.

SUPPLY & DEMAND

Room supply grew 9.0% YoY, as the market absorbed more than 80 hotel openings in H1 2026 - around half 4-star, averaging c.78 keys - with a further 100+ openings.. Demand kept pace: tourist arrivals reached 88 million (+4.4% YoY), with international arrivals up 6.5% to 35 million. Growth was broad-based, led by Calabria (+10.5%), Umbria (+9.7%) and Piedmont (+9.2%), with a further +1.1% rise expected over summer.

PERFORMANCE

Italy delivered RevPAR growth of +11.3% in H1 2026, well above the European average of +3% and among the strongest performers in Europe, behind only Bulgaria (+14%) and Hungary (+12%). Growth was rate-led, with ADR up +10% and occupancy up +1%. Milan was the standout, with RevPAR up +206% YoY in February on the back of the Winter Olympics (occupancy +12%, ADR +84%), while Rome posted steadier gains, consistently outperforming its 2025 monthly figures - building on 2025, when Italy had already closed as Europe’s top RevPAR performer since 2019 (+53%).

RECENT TRANSACTION TRENDS

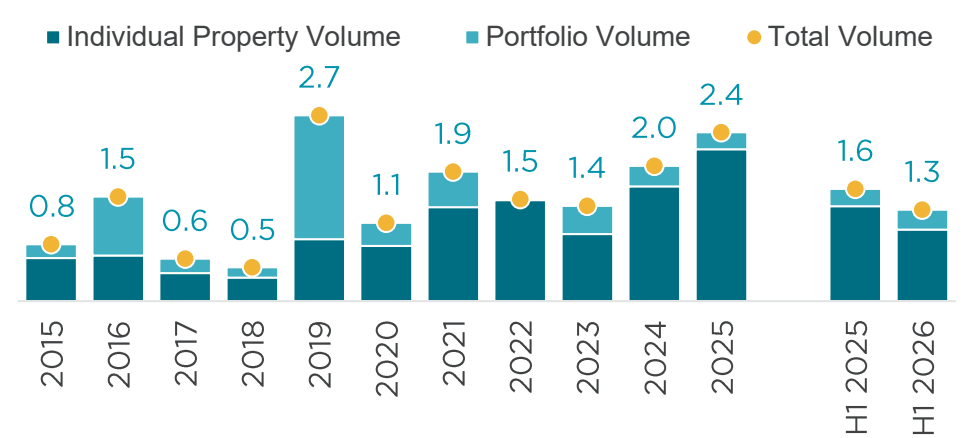
(EUR, MILLIONS)

	Full Year 2025			
	Hotels	Rooms	Volume	% Change
Italy	106	10,490	2,433	25%
Regional	99	9,702	1,892	17%
Rome	7	789	541	62%
Milan	10	1,293	350	118%
Sicily	8	924	92	-46%
Sardinia	5	709	72	-19%

	H1 2026			
	Hotels	Rooms	Volume	% Change
Italy	57	9,343	1,319	-18%
Regional	47	8,478	1,011	2%
Rome	9	865	308	-36%
Milan	8	1,466	346	143%
Sicily	5	1,176	148	856%
Sardinia	3	218	89	122%

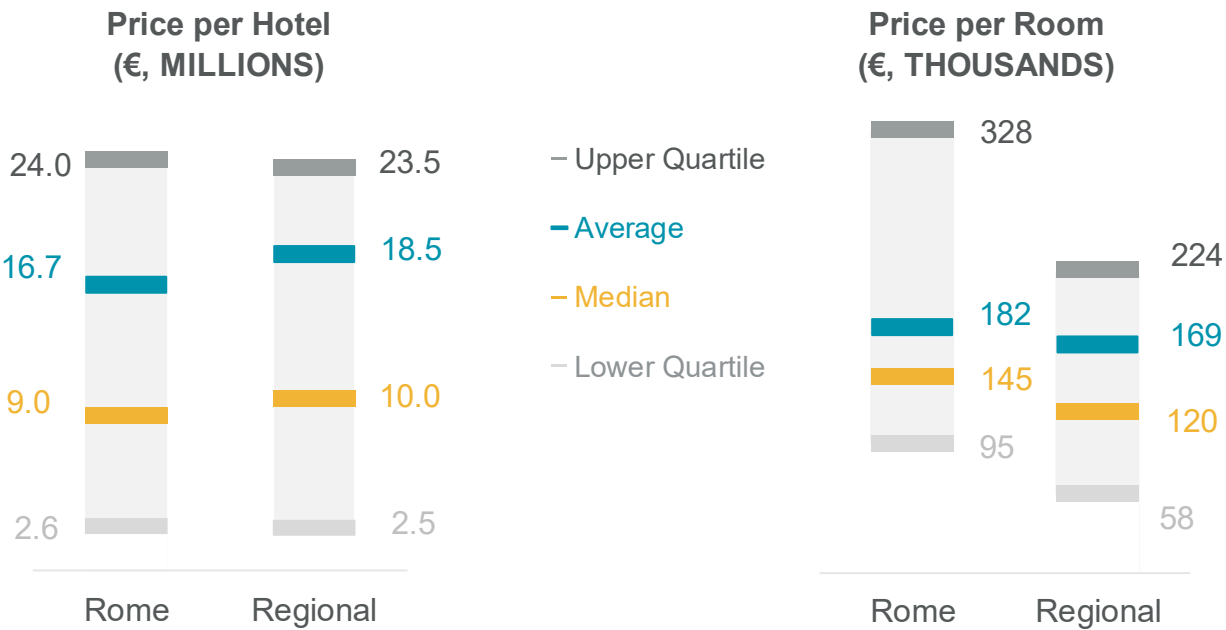
ANNUAL TRANSACTION VOLUMES

(EUR, BILLIONS)

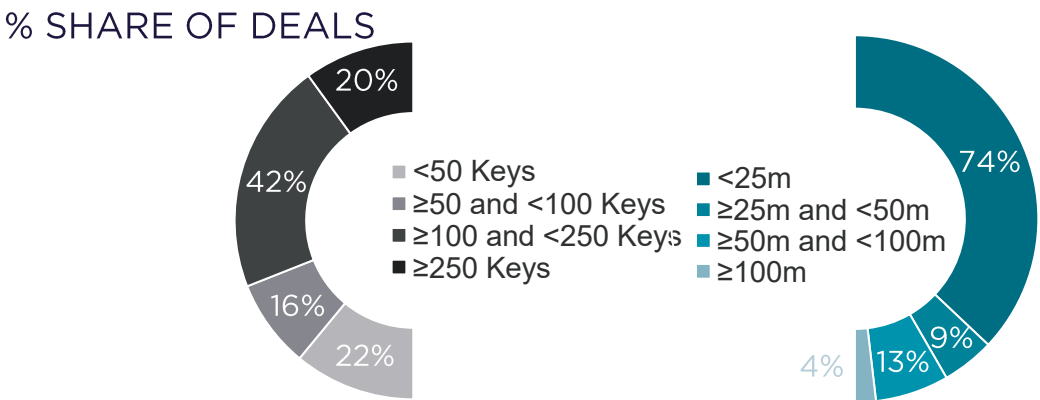


Sources: Cushman & Wakefield / Moody’s / Oxford Economics / RCA / STR

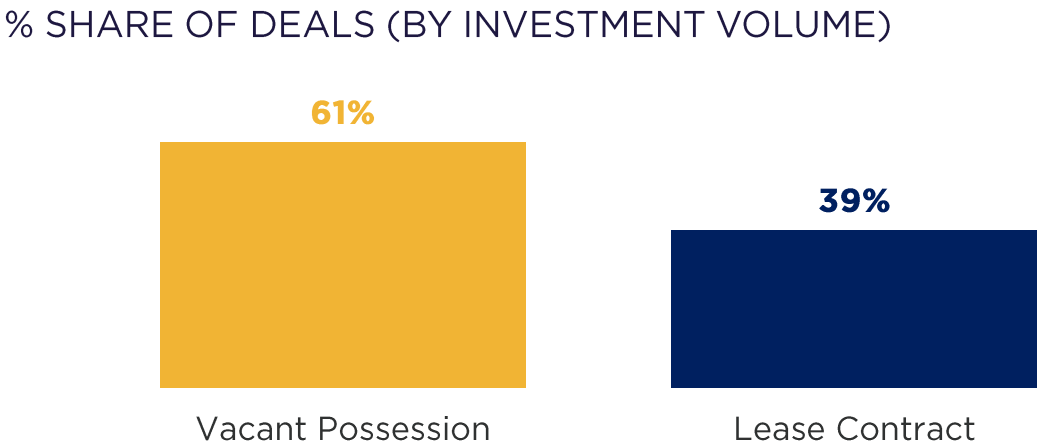
TRANSACTION PRICE PER HOTEL & ROOM (H1 2026)



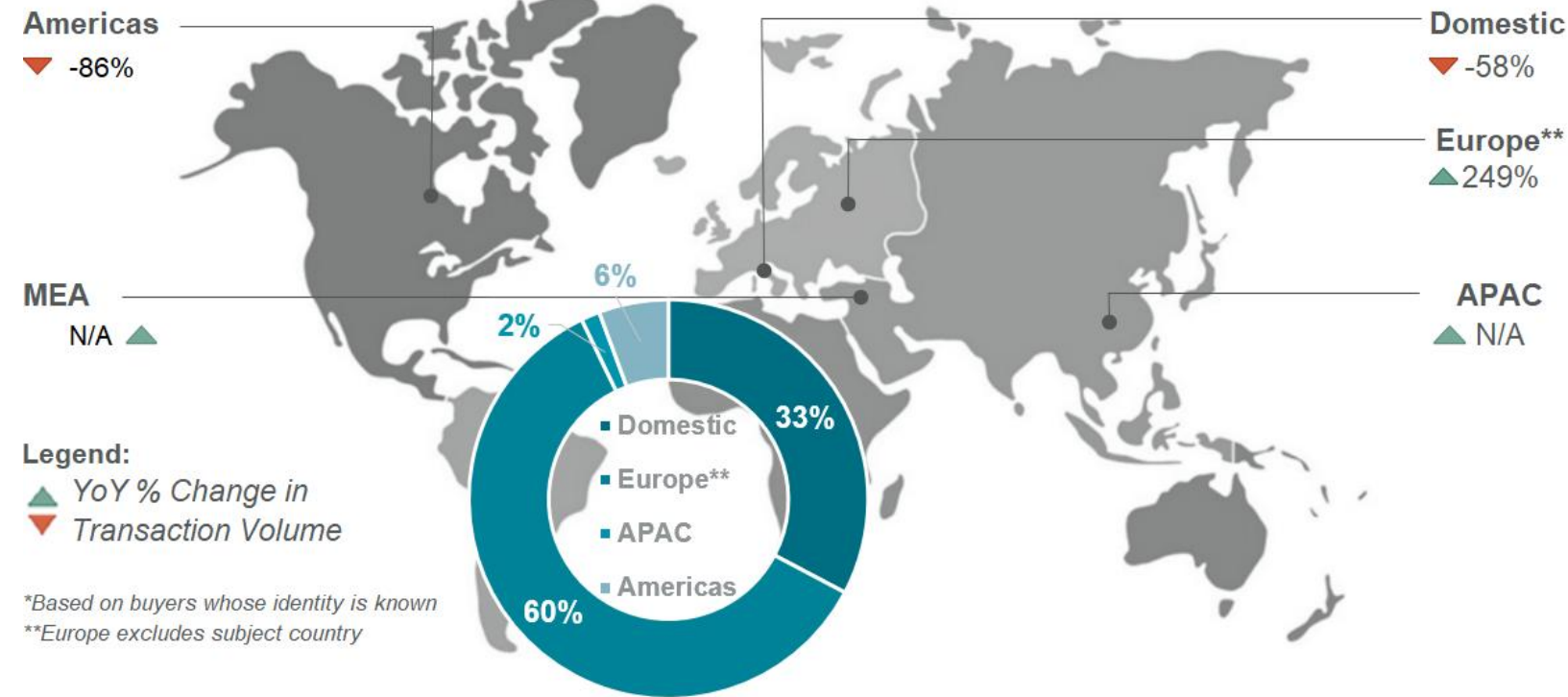
BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (H1 2026)



TRANSACTION VOLUME BY OPERATING STRUCTURE (H1 2026)



TRANSACTION VOLUME BY SOURCE OF CAPITAL* (H1 2026 VS H1 2025)



TRANSACTION VOLUME BY TYPE OF INVESTOR (H1 2026 VS H1 2025)

	BUYERS (% Share of Total Volume)			SELLERS (% Share of Total Volume)		
	H1 2026	% Change		H1 2026	% Change	
Institutional	38%	▼ -53%		10%	▼ -88%	
Private	11%	▼ -83%		90%	▼ -3%	
Public	36%	▲ 470%		0%	▼ -100%	
User/Other	15%	▲ 100%		0%	0%	

TRANSACTION VOLUME PER HOTEL CLASS (H1 2026 VS H1 2025)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	15%	▼ -76%	3%	▼ -79%	388
Upper Upscale	4%	▼ -81%	N/A	▼ -99%	N/A
Upscale	35%	▲ 127%	21%	▲ 83%	214
Upper Midscale	33%	▲ 54%	23%	▲ 8%	207
Midscale	4%	▲ 27%	10%	▲ 186%	63
Economy	9%	▲ 210%	43%	▲ >500%	45

Note: Price per room is only available when 2 or more transaction in the given class occurred

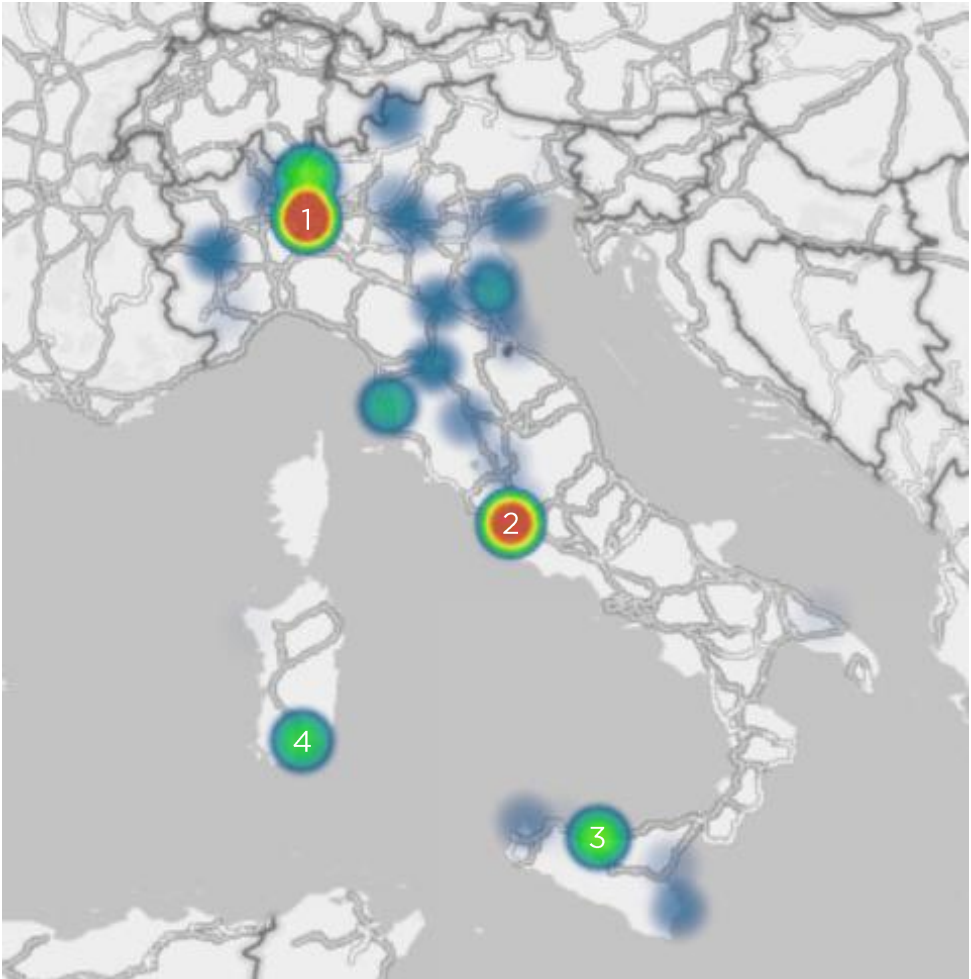
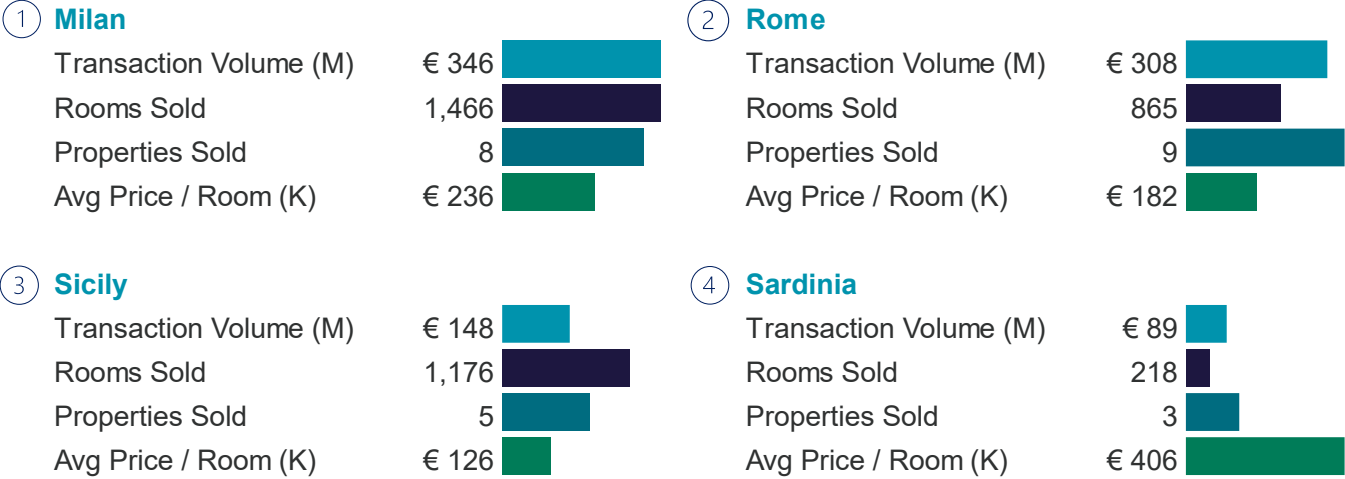
SELECTED MAJOR HOTEL TRANSACTIONS (H1 2026)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Hotel Portfolio MI (x3)	Milan	c. 790	Covivio Development	FRA	Invest Hospitality Spa	ITA
Via del corso 232	Rome	N/A	Private investor	ITA	Private investor	ITA
Grand Palladium Sicilia Resort & Spa	Campofelice di Roccella	469	Palladium Hotel Group	ESP	AZORA CAPITAL	ESP
Villa La Cassinella	Como	9	Confidential	N/A	Italian family	ITA
Club del Sole Portfolio (x5)	Various, IT	c. 2800	SWISS LIFE REIM	CHE	CLUB DEL SOLE	ITA
CitizenM Rome	Rome	162	Petra AM	FRA	Another Star	NLD
Hotel degli Arcimboldi e Breda Suites Hotel Milano	Milan	372	Covivio Development	FRA	Invest Hospitality Spa	ITA
J24 Hotel Milano & Kira Hotel	Milan	242	Covivio Development	FRA	Invest Hospitality Spa	ITA
CLUB FASANO	Milan	25	JHSF	BRA	Private investor	N/A
Falkensteiner Resort Capo Boi	Villasimius	123	Falkensteiner Hotels & Residences	AUT	Private investor	N/A
Palazzo Loreto Hotel Milano	Milan	175	Covivio Development	FRA	Invest Hospitality Spa	ITA
Conversion Teatro delle Arti	Rome	N/A	Castello SGR	ITA	Nextalia SGR	ITA
UNA Hotel Century	Milan	144	Unipol Gruppo	ITA	Generali Real Estate SGR	ITA
Supernova Porftolio	Various, IT	c. 260	Supernova Group	AUT	AHC International AG	USA
Hotel Stella Maris	Villasimius	49	Aermont Capital	GBR	Private investor	N/A
PLUS Florence	Firenze	167	EIPF FLORENCE	ITA	Confidential	N/A
Via Flavio Gioia 8	Milan	97	Carlo Maresca Real Estate	ITA	Kryalos SGR	ITA
Le Gorette Cecina Easy Camping Village	Cecina	600	CLUB DEL SOLE	ITA	Le Gorette	ITA
Palazzo Scandenberg	Rome	11	Gruppo Ginobbi	ITA	Nextalia SGR	ITA
Empire Palace Hotel	Rome	110	Confidential	N/A	Creditor / Receiver	ITA

Note: Selection of largest transactions in 2026, ordered by deal size

Source: Cushman & Wakefield

HOTEL TRANSACTIONS HEAT MAP (H1 2026)



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 current year, 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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AUTHORS

DAVIDE BARBARO
*Senior Hospitality Consultant
Italy*
davide.barbaro@cushwake.com

EDOARDO GIRARDI
*Strategic Advisory & Hospitality
Research, EMEA*
edoardo.girardi@cushwake.com

MATHILDE LUCRON
*Analyst Strategic Advisory & Hospitality
Research, EMEA*
mathilde.lucron@cushwake.com

REGIONAL MARKET RESEARCH LEAD

RAFFAELLA PINTO
*Partner, Research and Insight
Head of Business Development Services*
raffaella.pinto@cushwake.com

KEY CONTACTS

ITALY

FRANCESCO CALIA

Head of Hospitality
Italy
M: +39 33 5133 7927
francesco.calia@cushwake.com

ALESSANDRA GIORGI

Associate Hospitality
Italy
M: +39 34 2123 6051
alessandra.giorgi@cushwake.com

FLAVIA MANCINI

Senior Hospitality Consultant
Italy
M: +39 02 4958 5499
flavia.mancini@cushwake.com

MARTINA CAPELLI

Hospitality Analyst
Italy
M: +39 34 8657 9672
martina.capelli@cushwake.com

DAVIDE VERGANI

Head of Hospitality Valuations
Italy
M: +39 02 6379 9384
davide.vergani@cushwake.com

MARCO RONDENA

Senior Consultant Hospitality Valuations
Italy
M: +39 02 6379 9000
marco.rondena@cushwake.com

DAVIDE BARBARO

Senior Hospitality Consultant
Italy
M: +39 02 6379 9354
davide.barbaro@cushwake.com

SILVIA COSTANTINI

Hospitality Analyst
Italy
M: +39 02 6379 9838
silvia.costantini@cushwake.com

RAFFAELLA PINTO

Partner, Head of Business Development
Italy
M: +39 34 2081 6772
raffaella.pinto@cushwake.com

EMEA

JON HUBBARD

Head of Hospitality, EMEA
M: +44 7921 492 681
jonathan.hubbard@cushwake.com

FRED LE FICHOUX

Head of Hotel Transactions, EMEA
M: +420 724 319 802
frederic.lefichoux@cushwake.com

BORIVOJ VOKRINEK

Strategic Advisory & Head of Hospitality
Research, EMEA
M: +420 727 906 030
borivoj.vokrinek@cushwake.com

KONSTANTINOS SOFIANOS

Senior Hospitality Consultant, EMEA
konstantinos.sofianos@cushwake.com

MATHILDE LUCRON

Analyst- Strategic Advisory
& Hospitality Research , EMEA
mathilde.lucron@cushwake.com

EDOARDO GIRARDI

Strategic Advisory
& Hospitality Research , EMEA
edoardo.girardi@cushwake.com

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