



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		
+0.2%	▲	▲
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, yet still 53% above the 10-year average. A total of 57 hotels comprising 9,343 rooms changed hands at an average price of €170,374 per room. The activity was driven by smaller deals, with acquisitions below €25m accounting for 74% of transactions. Milan led the market, with investment volume rising 143% YoY to €346m, followed by Rome at €308m (-36% YoY). Sicily and Sardinia also gained momentum, together contributing more than €200m and broadening demand beyond the two gateway cities. Cross-border capital dominated, accounting for 67% of total volume, with European buyers rebounding sharply (+249% YoY), while capital from the Americas fell 86%. By segment, investment shifted towards 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. Notably, all assets traded either with vacant possession (61%) or with a lease in place (39%).

PRIME YIELDS

Prime yields for leased hotels remained resilient at 4.5%-5.0% in H1 2026, underpinned by sustained investor appetite for high-quality, income-producing assets, despite renewed pressure on financing costs. Scarcity of prime, institutional-grade stock continues to underpin top-end pricing, while secondary assets display wider yield dispersion, reflecting differences in risk profiles, repositioning potential, and capex requirements.

SUPPLY & DEMAND

More than 80 hotels opened in Italy during H1 2026, with approximately half belonging to the 4-star segment and averaging around 78 rooms. Nonetheless, adjusted for opening dates, supply increased by only 0.2% year-on-year during the period. Although a further 100+ openings are anticipated by year-end, the pipeline remains constrained. At the same time, despite geopolitical headwinds, demand remains robust, with tourist arrivals reaching 88 million (+4.4% YoY), while international arrivals increased by 6.5% to 35 million. Growth was broad-based, led by Calabria (+10.5%), Umbria (+9.7%), and Piedmont (+9.2%).

PERFORMANCE

Hotels in Italy delivered RevPAR growth of +11.3% in H1 2026, well above the European average of +3.0% and among the strongest performers in Europe, behind only Bulgaria and Hungary. 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%). Rome also continued to perform strongly, with a RevPAR increase of +3.4% YoY, reaching over €176 in YTD June 2026 - building on 2025, when Italy had already closed as Europe's top RevPAR performer since 2019 (+53%).

RECENT TRANSACTION TRENDS

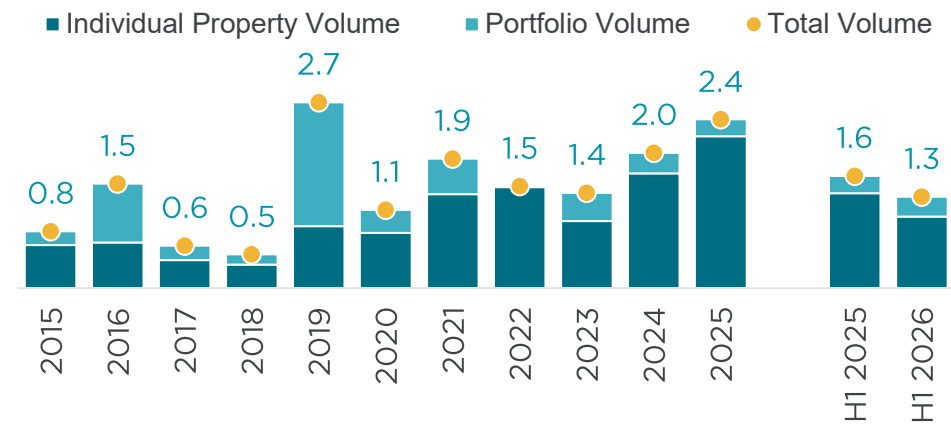
(EUR, MILLIONS)

	H1 2026			
	Hotels	Rooms	Volume	% Change
Italy	57	9,343	1,319	-18%
Regional	48	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%

	Full Year 2025			
	Hotels	Rooms	Volume	% Change
Italy	106	10,490	2,433	25%
Regional	99	9,702	1,892	17%
Rome	7	788	541	62%
Milan	10	1,293	350	118%
Sicily	8	924	92	-46%
Sardinia	5	709	72	-19%

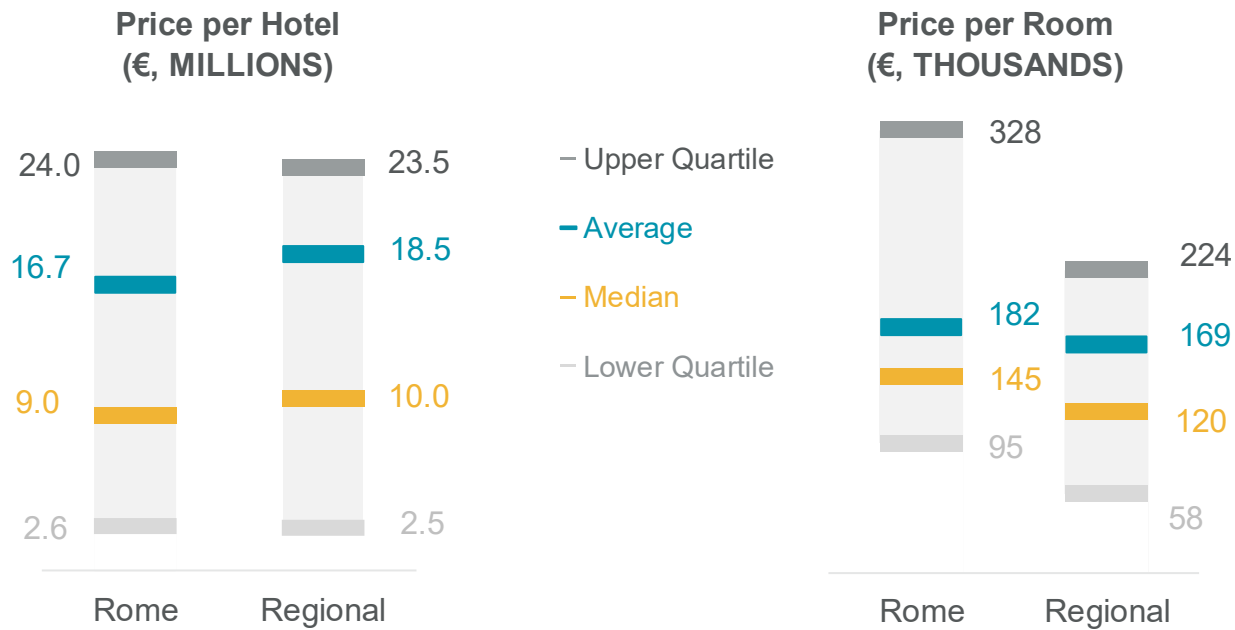
ANNUAL TRANSACTION VOLUMES

(EUR, BILLIONS)

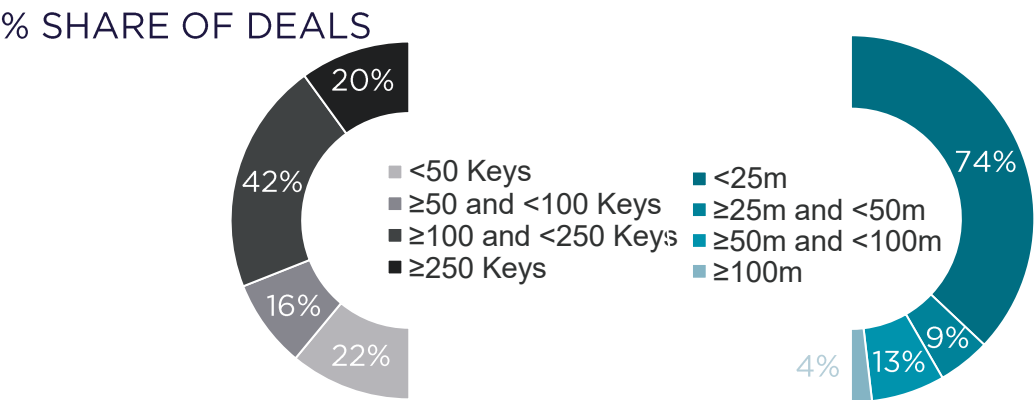


Sources: Cushman & Wakefield / Moody's / Oxford Economics / RCA / STR

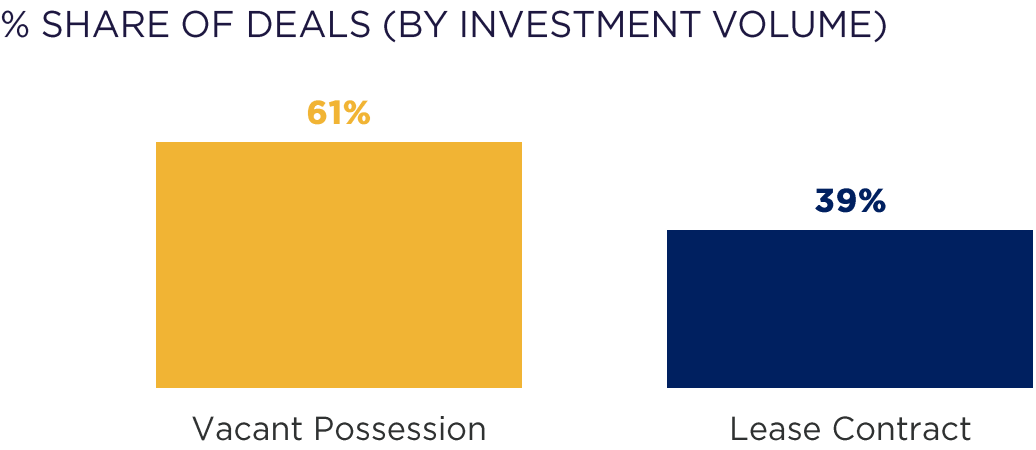
TRANSACTION PRICE PER HOTEL & ROOM (H1 2026)



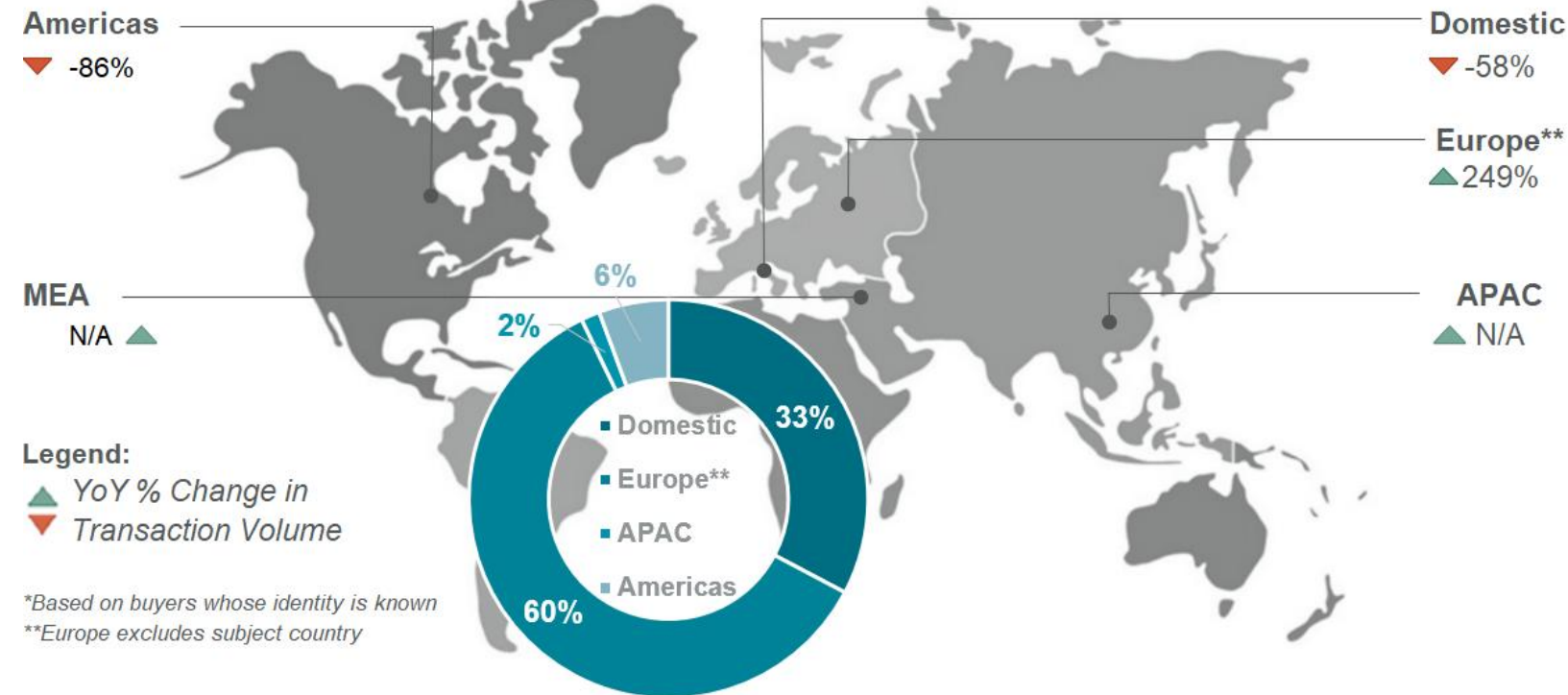
BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (H1 2026)



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

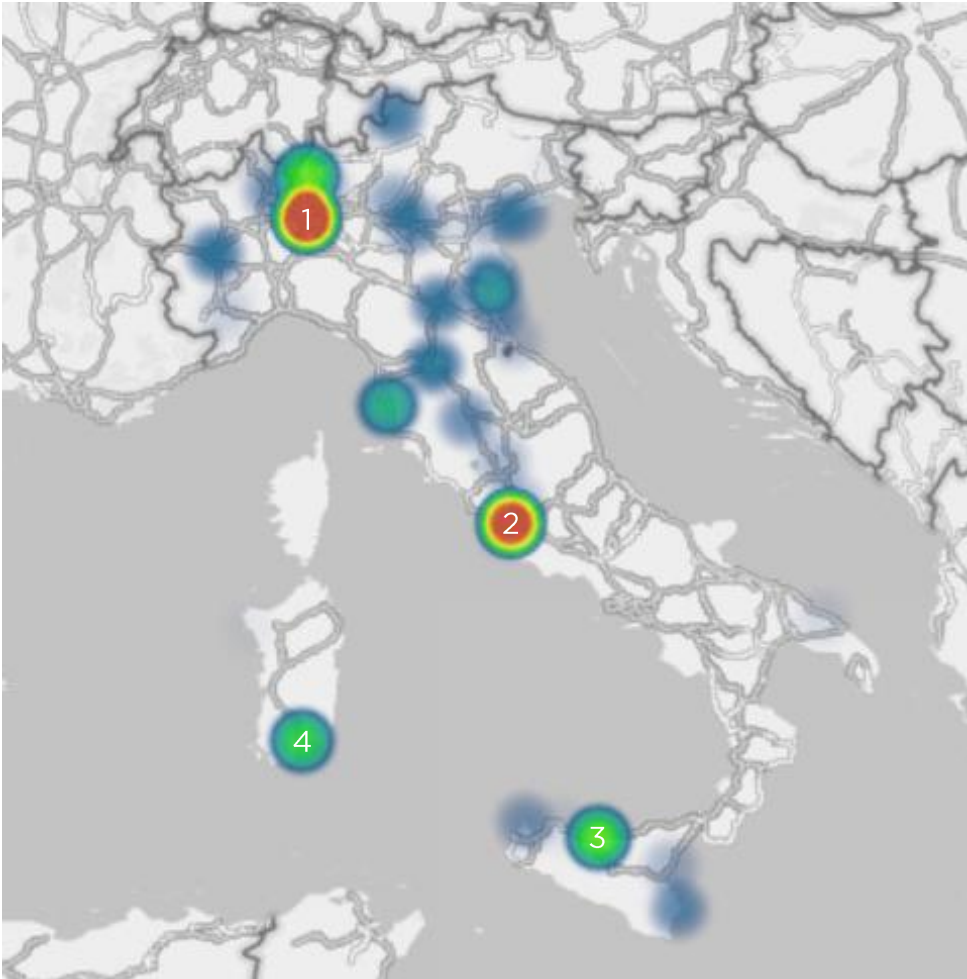
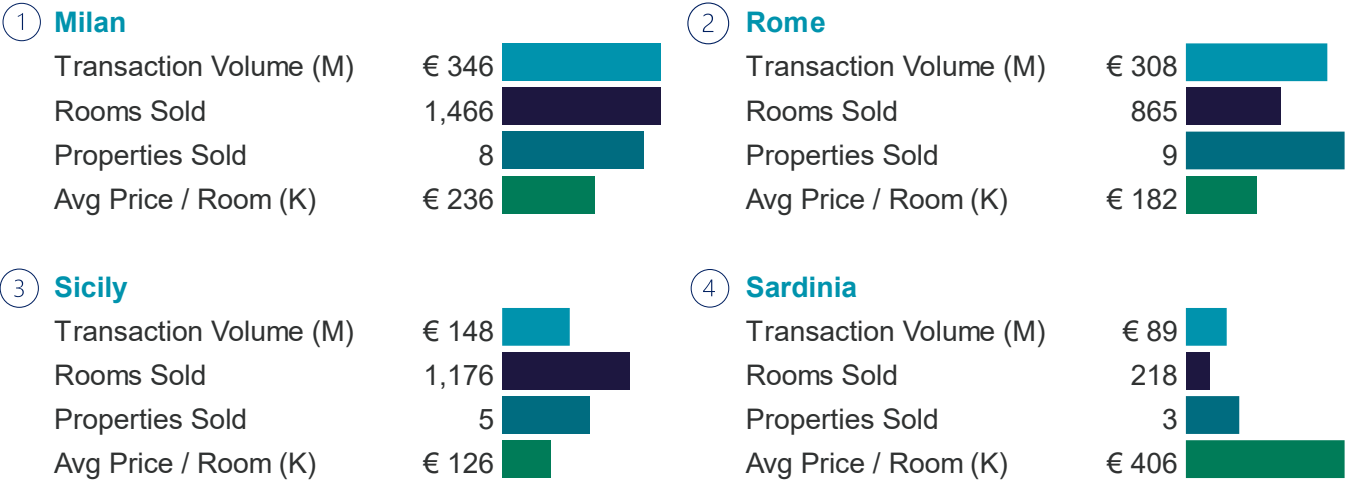
SELECTED MAJOR HOTEL TRANSACTIONS (H1 2026)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Hotel Portfolio MI (x3)	Milan	c. 790	Covivio Hotels	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 Hotels	FRA	Invest Hospitality Spa	ITA
J24 Hotel Milano & Kira Hotel	Milan	242	Covivio Hotels	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 Hotels	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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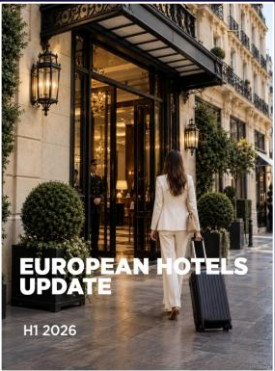
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