

ITALIAN HOTELS RECORD SHARP RATE GROWTH IN Q1 2026



Pricing held firm across Italy's hotels industry as the opening months of 2026 came to a close, reports now confirm. Though room fill rates dipped slightly - down only one-tenth of a point from the year before - the cost per night jumped sharply. Rates moved up from €131.23 to €143.09, marking a rise of nine percent. Behind this shift: stronger flows of foreign guests traveling for work or vacation. At the same time, local visitors began scaling back, reacting to steeper prices. Demand stayed steady despite these changes in how people spend.

International Demand Drives Rate Growth

Nowhere is the rebound in travel more visible than in rising nightly prices. With foreign guests spending freely, Italian hotels find space to raise costs while keeping rooms full. **A sharp climb - nearly one-quarter higher since early last year - signals deeper changes in how lodging competes.** Rather than relying on local stays, Italy's sector leans increasingly on overseas arrivals. These travelers absorb price increases smoothly, balancing weaker interest at home.

The Domestic Squeeze: A Shift Toward Alternatives

Even with upbeat numbers on the surface, differences in travel choices are becoming more visible. As accommodation costs climb, Italian households face tighter spending limits - shifting interest toward non-hotel options. Instead of traditional rooms, many now turn to vacation flats and rental units that ease financial pressure. This move suggests a lasting change in how locals plan brief trips within the country. Staying competitive means hotels must rethink pricing while strengthening what they offer beyond just a bed.

Performance by Hotel Category

The Q1 2026 results also show distinct performance patterns across hotel segments:

- **Luxury (5-star):** The high-end segment continues to consolidate its market position, posting a 4.6% increase in ADR alongside a modest 0.7% rise in occupancy.
- **Upscale (4-star):** Four-star properties recorded an 8.2% jump in average rates while occupancy remained essentially flat (-0.5 points), indicating successful rate management without significant demand erosion.
- **Midscale (3-star):** Similarly, three-star hotels saw an 8.2% increase in pricing, accompanied by a slight occupancy uptick of 0.3%, suggesting strong appeal to budget-conscious yet quality-seeking travelers.

What stands out is how firms across the industry manage rising expenses without losing customers - this holds especially true for those targeting middle and high-end markets. Stability in consumer interest seems tied less to price shifts and more to positioning within these segments.

Milan Tops City Rankings for Occupancy and Prices

Across regions, Italy's hotels cluster mostly around major economic and cultural centers. **In 22 out**

of 39 observed cities, room usage passed the 60% mark - a level often seen as essential for staying in business. Topping the list is Milan, reaching 74.2% occupancy. Close behind sits Florence with 68.5%. Then come Pescara and Udine, both at 67.5%, while Bologna records 67.4%, just slightly above Bergamo's 67.3%.

Milan leads on price, recording an average daily rate of €224.34 - a rise of 30.1% compared to last year. Ahead now of Venice, which sits at €217.41 with a modest 1% growth. Following closely are Florence, priced at €173.18 and up by 2.3%, then Rome at €160.29, showing a 3.3% gain. This shift highlights how Milan is increasingly seen not just for commerce but also for high-end tourism.

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