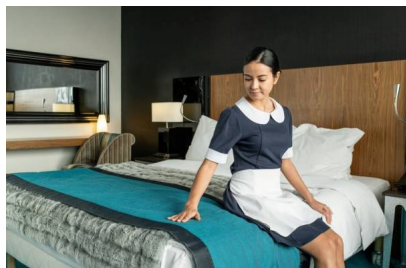


ITALY'S HOTEL REAL ESTATE MARKET CONTINUES STRONG EXPANSION IN 2025-2026



The Italian hotel real estate market is one of the most dynamic in terms of growth and investments. According to the 2026 report on the Hotel Real Estate Market, provided during the Hospitality Forum 2026, organized by Castello Sgr and the research agency Scenari Immobiliari, the situation in Italy is one of the most positive ones in Europe. In particular, in 2025, the amount of investments in Italy reached €2.35 billion, which is 27% more than in 2024. Besides, in the first half of 2026, investments in the Italian real estate market reached €1.25 billion.

Strong European and Global Backdrop

As the global real estate market report shows, the European hotel real estate market saw a recovery in 2025, with total investments reaching a record high of €24.4 billion. **Despite being 8% higher than the previous year, the figure remains below the peak of 2020.** At the same time, the world real estate market saw a demand for the hotel property category that exceeded €65 billion.

Furthermore, in January 2025 - May 2026, more than 430 hotel buildings in Europe changed hands, including more than 84,000 hotel rooms. In particular, the UK remains the leading player in terms of both room inventory and investments, with over €5.6 billion. Besides, Spain and France showed figures of €3.7 billion and €3.5 billion, respectively. Italy, in its turn, demonstrated a strong performance, with more than €2.3 billion of investments. This figure has allowed Italy to retain its status as one of the most popular destinations among European hotel real estate investors.

Premium Segment Leads the Way

In Italy, the prevailing majority of investments are made in middle-class, high-class, and luxury-class hotels. In particular, the number of objects in Italy in 2025 accounted for 70 properties, or about 5,250 rooms, with an average of four or five stars. At the same time, the report shows that Italy is one of the most attractive countries in the world in terms of the asset value of the real estate market. Thus, in Italy, the total value of assets in the hotel real estate market exceeded €140 billion, with a 7% annual increase.

Regional Strengths and Emerging Opportunities

The total value of Italy's real estate market in 2025 amounted to more than €1,73 billion, or 7.2% more than in 2024. Besides, 3.8 billion Euros was generated by these assets in 2025, which is 12% higher than in 2024. The results in Italy, in particular, in terms of value, are driven by private equity investors, owner-operators, and institutional investors. According to the report, in particular, some of the most promising asset development opportunities in Europe are located in Italy. Italy's hotel real estate market leaders are concentrated in certain regions. Thus, Trentino-Alto Adige, Emilia-Romagna, and Veneto possess the largest hotel concentrations, with more than 5,370, 4,030, and 3,150 hotels, respectively. As a result, the total amount of hotel buildings in Italy exceeds 370,000.

Demand Remains Strong for Major Destinations, Art Cities, and Leisure Markets

According to the report, the attractiveness of Italy is mostly driven by big cities, art cities, and leisure markets. In particular, Rome, Milan, Venice, and Florence are the most popular destinations among hotel real estate investors. At the same time, an increasing trend can be noticed in leisure markets and megacities. Outside the large cities, there are also areas with a high concentration of hotels. So, the most promising destinations are the Milan-Bologna agglomerations and the Florence-Siena-Chianti region. Genoa's agglomeration and the coastal area up to La Spezia, Verona and Lake Garda, and Naples, and the Amalfi Coast are areas with a high concentration of hotels. The occupancy in such destinations reaches 80%, and thus it can be described as extremely high. These are promising directions for private equity funds, owner-operators, and institutional investors.

Moreover, there is a growing interest in the leisure segment, which complements the demand for business and art-city markets.

Positive Operational Indicators

The results of the real estate market in Italy are also driven by high occupancy rates. **In 2025, the occupancy rates for mid-level and higher hotels in most major Italian cities exceeded 65%.** Moreover, the most popular destinations had occupancy rates of over 75%. In addition, the trends in this direction are positive, since the forecast for 2026 results showed that the rates in the first five months of the year are already promising. Altogether, these factors suggest that the situation in the hotel real estate market in Italy will remain positive.

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