

HOTEL INVESTMENT IN SPAIN: OVER €3.6 BILLION IN NINE MONTHS



Hotel investment in Spain is booming. Investors spent over 3.6 billion euros on Spanish hotel assets in the first nine months of 2026, up 35% year-on-year. If the trend continues, the country will invest more than 4 billion euros in this area for the entire year.

According to Cushman & Wakefield, the investments make Spain a key market for investors: No other European country has received so much capital in the last twelve months: **25% of all European hotel investments were made in Spain**, and it is the second largest market in terms of volume, behind the UK.

Luxury Segment and Islands Dominate

Hotel investment in Spain is increasingly popular among companies: the boom in tourism with high occupancy rates, excellent revenue, and high average prices dominates. Of the total investment volume, 44 percent went to luxury hotels, and the distribution of transactions was almost even between the urban and resort segments.

The islands continue to lead in popularity, but the focus is also on lesser-known areas. Of the cities, Madrid is the most popular in Europe, followed by Barcelona in fifth place.

New Construction Projects Are Taking Off

Signs of a boom in the Spanish hotel industry can also be seen in new construction projects. According to Alexander Robinson of STR Research, Spain ranks third in Europe in terms of the number of rooms under construction. About 17,000 hotel rooms are currently under construction in the country, behind Germany and the UK.

Hotels in Spain offer great opportunities for investors: Despite the high occupancy rates, demand for accommodation remains high. This is especially true for Málaga, Alicante, Marbella, and the Canary Islands. Average Daily Rates (ADR) in the summer season were higher than in the same period last year in the Balearic Islands, Málaga, Alicante, and San Sebastián. However, ADR in Spain is still relatively low, so there is still potential for growth.

New Ideas and Approaches Are Being Explored

There is also considerable interest in exploring secondary assets beyond the major tourist centers and realizing their potential for improvement. In individual cases, such projects proceed from the desire to improve the quality of the entire supply chain.

Everything now depends on the choice of the hotel brand and the definition of the concept in relation to the competition. At the same time, operators emphasize the acute shortage of financing sources and problems with construction costs.

Outlook for the Fourth Quarter

Potential buyers continue to show up in the Spanish hotel market, but few sellers are willing to part with their assets. The situation in the loan market is similar: **While the banks are ready to finance new projects, the spreads are high, and the search for alternative financing sources is ongoing.** Everyone is cautious about how far interest rates will rise.

Against this backdrop, the outlook for the hotel investment in Spain appears promising. The current dynamics suggest that the hotel industry will continue to attract substantial investment in the coming months. The availability of objects for investment, the cost and availability of financing, and the current trends in interest rates will shape the future of the Spanish hotel market.

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