

MARKET SUMMARY & OUTLOOK

	YoY Chg	12-Mo. Forecast
Investment Trends	▼	▲
Prime Yields	▼	—
Market Performance	▲	▲
Supply	▲	▲
Demand	▲	▲

The second half of 2022 saw transaction activity hampered as a result of rising costs of debt and economic instability. Transaction volumes declined by 32% compared to H1 2022, resulting in a yearly volume 15% lower than in 2021. Looking forward, we expect a slow start in 2023, with an uptick in transaction activity within the second half of the year, underpinned by rising investor interest and a healthy deal pipeline.

Limited transactional evidence within recent months has restricted transparency on the outward yield shift. While prime luxury assets are expected to hold their yield profile, other properties may see yield expansion in the first half of 2023 and stabilization during the latter part of the year.

Trading performance for the full year was a positive story as Italy as a whole and its major markets surpassed 2019 benchmarks (2022 RevPAR 17% above 2019). This was driven by sharp ADR growth, while occupancy was almost in line with 2019 figures. Milan made a strong comeback in the second half of 2022 thanks to business travel recovery. Looking ahead, growth in ADR will help absorb increases in energy & utility as well as staffing costs.

Italy recorded a number of hotel openings/re-brandings in 2022, totalling about 50 properties (over 3,300 rooms). This included several luxury urban assets, such as Portrait Ferragamo and Casa Cipriani, both in Milan, and Palazzo Portinari Salvati in Florence, as well as high-end resorts, such as the 7-Pines resorts in Sardinia and Adler Spa Resort in Sicily. The pipeline for 2023 remains strong (>3,800 rooms).

Demand is on a strong path to recovery. While driven primarily by domestic and European travellers, long-haul inbound visitation also saw solid growth, especially in the second half of the year. Overall, the total room nights spent in hotels during 2022 increased by 42% vs 2021, leading to average occupancy levels of 63%, less than 10% below 2019.

Sources: C&W, STR, Oxford Economics

INVESTMENT TRENDS

**HIGHLIGHTS - 2022**

- € 1.5 billion transacted
- 58 properties comprising 5,756 rooms sold
- 66% of capital was from international buyers
- 73% of volume was invested in Luxury hotels

RECENT TRANSACTION TRENDS

	Last 6 months (H2 2022)				CALENDAR YEAR 2022			
	Properties Sold	Rooms Sold	Volume Transacted	% Change*	Properties Sold	Rooms Sold	Volume Transacted	% Change*
Italy	35	3,889	623	-49.4%	58	5,756	1,543	-15.0%
Regional	33	3,659	423	-59.4%	51	5,042	1,048	-31.7%
Rome	2	230	201	5.8%	6	714	495	76.9%
Milan	2	351	25	-88.5%	4	459	106	-55.7%
Venice	2	458	50	n/a	3	484	55	-72.0%
Cortina d'Ampezzo	3	153	80	347.8%	3	153	80	-40.0%

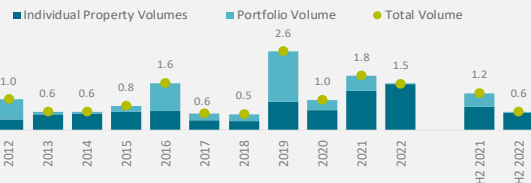
Volume transacted in EUR, millions.

\*Refers to the % change in transaction volume from the previous period

A contingency of 5% is assumed for 2022, based on the past experience with additional deals being revealed in several months after the period.

Source: Cushman & Wakefield

ANNUAL TRANSACTION VOLUMES (2012 - 2022, EUR MILLIONS)



Source: Cushman & Wakefield / RCA

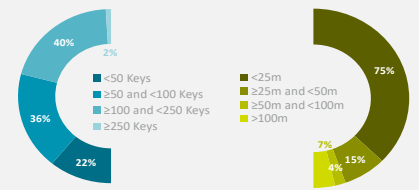
AVERAGE TRANSACTION PRICE (2022, EUR)

● Avg Price per Property (Millions)  
● Avg Price per Key (Thousands)



Source: Cushman & Wakefield

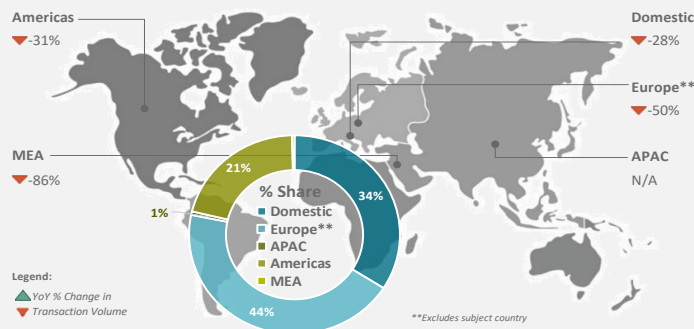
BREAKDOWN BY NO. OF ROOMS SOLD & DEAL SIZE (2022, % SHARE OF DEALS)



Source: Cushman & Wakefield

NATURE OF INVESTMENTS

TRANSACTION VOLUME\* BY SOURCE OF CAPITAL (% CHANGE, 2022 vs 2021)



Source: Cushman & Wakefield

\*Based on buyers whose identity is known

TRANSACTION VOLUME PER HOTEL CLASS (% CHANGE, 2022 vs 2021)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	HOTEL CLASS	% OF ROOMS SOLD	% CHANGE
Luxury	73%	▲ 53%	Luxury	23%	▲ 54%
Upper Upscale	2%	▼ -89%	Upper Upscale	2%	▼ -85%
Upscale	10%	▼ -74%	Upscale	16%	▼ -76%
Upper Midscale	7%	▼ -67%	Upper Midscale	16%	▼ -50%
Midscale	4%	▲ 232%	Midscale	31%	▲ >500%
Economy	5%	n/a	Economy	12%	n/a

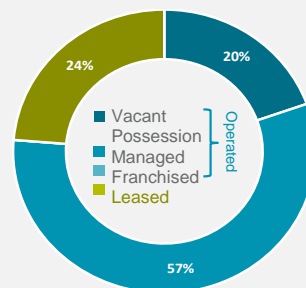
Source: Cushman & Wakefield

TRANSACTIONED VOLUME BY TYPE OF INVESTOR (2022, % SHARE OF TOTAL VOLUME)

BUYERS (% Share) Last 12 Months	% Change	SELLERS (% Share) Last 12 Months	% Change
Institutional	65%	45%	-40%
Private	35%	48%	-58%
Public	0%	4%	-37%
User/Other	0%	2%	-96%

Source: Cushman & Wakefield / RCA

TRANSACTIONED VOLUME BY OPERATING STRUCTURE (2022, % SHARE)



Source: Cushman & Wakefield

MAJOR DEALS

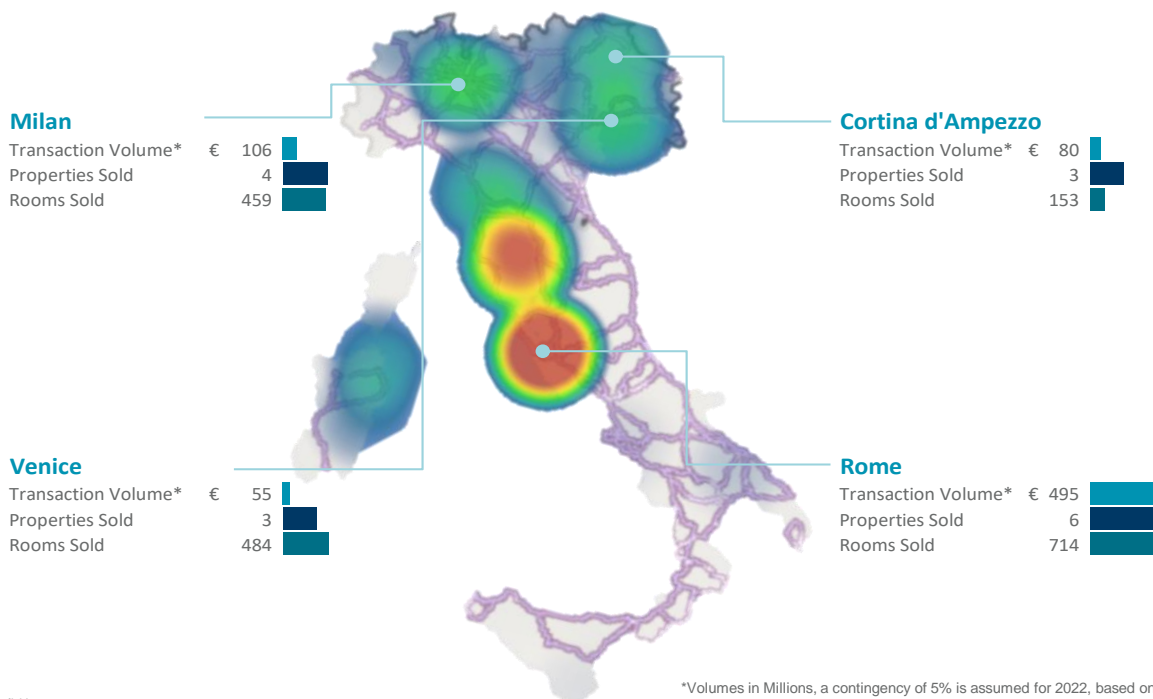
SELECTED MAJOR HOTEL TRANSACTIONS IN 2022

Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
7 Pines Resort	Arzachena	76	Engel & Völkers Asset Management	DEU	Itacosmer	ITA
Resort Baia dei Mori	Budoni	157	CDP	ITA	Gruppo StudioVacanze	ITA
Hotel Bellevue Suites & Spa	Cortina d'Ampezzo	100	Prodea Investments / Invel Real Estate	GRC / GBR	Sorgente	ITA
Hotel Europa	Cortina d'Ampezzo	45	Confidential	N/A	Benetton	ITA
Rosapetra Spa Resort	Cortina d'Ampezzo	33	Private	ITA	Private	ITA
Ex teatro Maggio Fiorentino	Florence	150	Hines	USA	CDP	ITA
Grand Hotel Imperiale	Forte dei Marmi	46	Private	RUS	Private	ITA
Hotel Excelsior Venice Lido Resort	Lido di Jesolo	197	London & Regional	GBR	COIMA	ITA
Almar Jesolo Resort & Spa	Lido di Jesolo	179	Perial AM	FRA	Castello	ITA
B&B Central Station	Milan	101	Sofidy	FRA	Sarda Leasing	ITA
Via Borgospesso 15	Milan	38	Antirion	ITA	Private	ITA
W Rome Hotel	Rome	162	CPP Investment / Hamilton - Pyramid Europe	CAN / GBR	King Street Capital Management / Kryalos SGR SPA / Omnam Investment Group	USA / ITA / ISR
I Marini 3-4	Rome	100	Millennium Luxury Fund (Fort Partners)	USA	Fondo Trophy Value Added (York capital JV Star Hotel JV Tristan)	USA / ITA / GBR
Hotel Majestic	Rome	100	Boscalt Hospitality	LUX	Alberghi Riuniti Via Veneto	ITA
Hotel Giulio Cesare	Rome	80	Centaurus Group	FRA	Private	ITA
Hotel Alexandra	Rome	57	Molo Hotel Group	GBR	Confidential	N/A
Rosewood Castiglion del Bosco	Siena	53	Undisclosed Buyer	N/A	Ferragamo	ITA
B&B Hotel Torino President	Turin	72	B&B Hotels	FRA	Confidential	N/A
Project Dream ENPAM Portfolio	Various in Italy	Unknown	Apollo Management	USA	ENPAM	ITA
Tronchetto Land Future B&B Hotels Venezia	Venice	406	Blue Sgr (Batipart)	LUX	Unknown	NA

Note: Sorted by number of keys and market

ITALY TRANSACTIONS - MAP VIEW 2022

<€1M <€490M



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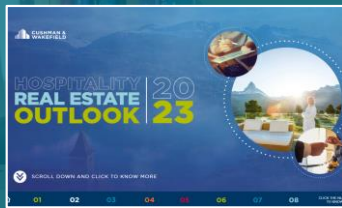
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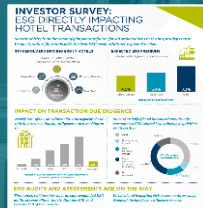
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## RECENT PUBLICATIONS



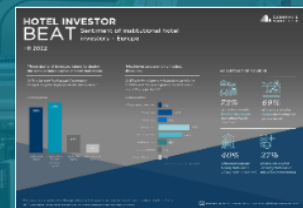
**HOSPITALITY REAL ESTATE OUTLOOK**  
2023



**INVESTOR ESG SURVEY**  
Europe - 2022



**ITALIAN REAL ESTATE OVERVIEW**  
Italy - H2 2022



**HOTEL INVESTOR BEAT**  
Europe - H1 2022

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