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## Italy: Hotels to attract half of real estate investments

Bologna (September 13, 2019). 2019 seems to be becoming a record year for the Italian hospitality real estate market. Most recent published data draw a brilliant scenario for the country's hotel assets which have become the first segment investors are currently looking for.

According to a survey carried out by the Real Estate Services division of the consulting firm **CRIF**, total investments in the hospitality segment reached a value of about 2 billion euros during the January-June period, corresponding to 42% of the overall transaction value in the real estate market in Italy, while retail stopped at 10%, offices and logistic assets at 8% each. In 2018, the overall investment in hotels stopped instead just above the 1-billion-euro threshold for the entire year.

At the same time, in an effort to adapt hospitality products to emerging trends, the Italian hotel stock is progressively repositioning itself towards the medium/medium-high segment of the market. Nevertheless, the country still suffers from a gap in the upper segments: upscale hotels, for example, today account for 10 percent of the overall property stock, while in Europe this percentage rises to 30% on average. Analysing the distribution of accommodation properties, the **CRIF** RES survey underlines that hotels are more frequently found in city centres, while guest houses, residences, holiday villages and bed & breakfasts are more frequently located in peripheral areas.

Regarding value, holiday villages average the highest single asset price due to their huge dimensions. For hotels, the highest value per asset has been recorded in Milan, where the average cost of a single property reaches almost 20 million euros. The Lombard capital city is then followed by Florence (17 million) and Rome (11 million). However, the average per-room value is higher in Venice and Florence (227,000 and 224,000 euros resp.), followed by Rome (180,000) and Milan (163,000). Looking at leisure destinations, the highest value per room has been registered in the Alpine destination of Livigno (170,000 euros), followed by the seaside region of Levante Riviera in Liguria (including, among others, the towns of Portofino, Rapallo and Chiavari, as well as the so-called Five Lands), where each hotel room averages 140,000 euros. On the lowest step, there is the Sardinian Costa Smeralda (130,000), while the Lake Como area is fourth (123,000).

The **CRIF** - RES survey also takes a few AICA - Confindustria 2018 data into account, regarding the most important KPIs of the industry. Remarkably, Naples is the city where hotels record the highest occupancy in Italy (77%), while less surprisingly, Venice is the destination with the highest RevPAR (164 euros). On average, Italy's occupancy rate stood at 71%, while RevPAR reached 108 euros.

All in all, the national hotel market still counts something like 33,000 properties (-2.4% during the 2009-2018 period) with a total of 1.1 million rooms (+1.4% in the same ten years). That makes Italy the country with the largest hospitality offer on the old continent and the third market on a global level. In spite of this, the southern European peninsula is only the fourth continental market in terms of total arrivals, welcoming 12.2% of all hotel guests in Europe. Germany is the first one (18.3%), followed by France (15.5%) and Spain (13.5%). / Massimiliano Sarti

## Hotel Values\*

Location	Average value per asset (euros)	Average value per room (euros)
Venice	7,300,000	227,000
Florence	17,000,000	224,000
Rome	11,090,000	180,000
Livigno	4,300,000	170,000
Milan	19,700,000	163,000
Levante Riviera (Liguria)	6,200,000	140,000
Smeralda Coast	9,460,000	130,500
Como Lake	5,120,000	123,000

## Holiday villages values\*

Geographic area	Average value per asset (euros)
Northern and Central regions	10,180,000
Southern regions	8,000,000
Average	9,000,000

## Residence values\*

Geographic area	Average value per asset (euros)
Central regions	1,900,000
Northern regions	4,800,000
Southern regions	2,000,000
Average	2,900,000

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## Latest News

## Salary Biography 2019: Hotel &amp; Restaurants bottom of the list

Munich (September 20, 2019).

How much do employees earn over the course of their lives? The portal gehalt.de, specialised in the subject of salary and career, has analysed hundreds of thousands of data points. In comparison to other sectors, the income on offer in the hotel and restaurant industry is poor.

[ more ... ]

## Travel charm with project details

Munich/Bad Gastein (September 20, 2019).

The Munich Hirmir Group and Travel Charme Hotels revealed further details about their next resort hotels in Italy, Austria and Germany. Existing hotels will also be refurbished and repositioned.

[ more ... ]

## Real estate shark plans massive investment in Klagenfurt Airport

Carinthia/Klagenfurt (September 20, 2019).

The entrepreneur Franz Peter Orasch has placed his stamp on tourist development in Carinthia's state capital Klagenfurt for quite some time. Now, he intends to invest a billion euros in Klagenfurt Airport, including a hotel.

[ more ... ]

## TripAdvisor becomes transparent

Augsburg (September 20, 2019).

The travel platform TripAdvisor has published its first-ever Review Transparency Report, revealing never-before-shared details about its review moderation processes, as well as statistical data on the volume of fake review attempts targeted at the platform in 2018. In addition, the report revealed both the total volume of ratings submitted to TripAdvisor in 2018 and a detailed breakdown of ratings that were either blocked or removed.

[ more ... ]

## Digi News

Augsburg (September 20, 2019).

Innovative, funny and frightening

**Bed & Breakfast values\***

Geographic area	Average value per asset (euros)	Average value per room (euros)
Central regions	960,000	135,000
North-Eastern regions	1,010,000	180,000
North-Western regions	770,000	100,000
Southern regions	690,000	120,000
Average	860,000	133,000

\*Source: CRIF – RES analysis based on a panel including more than 3,000 assets across the entire national territory.

**Industry KPIs (2018)\***

Destination	Occupancy (%)	RevPAR (euros)
Turin	67	63
Bologna	68	64
Genoa	70	65
Naples	77	68
Milan	70	104
Florence	74	106
Rome	73	131
Venice	73	165
Italian average	71	108

\*Source all other tables: AICA – Confindustria