

May 2017

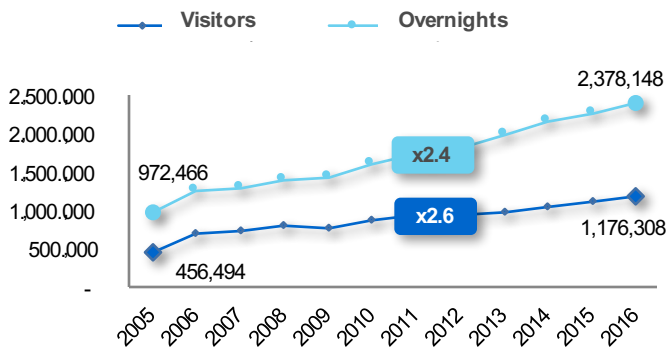


## Market Summary

In 2016 Malaga continued to grow as a key urban tourism destination in Spain. The city hosts now 1.2 million visitors annually, representing 2.4 million hotel nights sold. International tourism grew +14% in 2016, and today 62% of all the hotel nights sold correspond to foreigners. New hotel supply continues to be very limited and Malaga is now third by occupancy rates in Spain with 76.6%. Average daily rate in 2016 was € 80.7 for 3 to 5 star hotels. Hotel transactions are frequent and at good prices per room, with many hotel chains and international investors trying to gain presence.

## Visitors and overnights

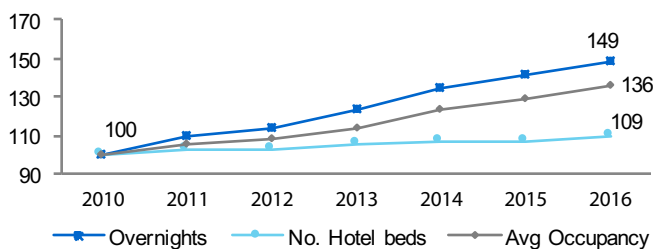
Evolution of visitors and overnights. 2005 - 2016



Throughout the period 2005-2016, the city of Malaga has been one of the fastest-growing urban destinations in Spain. The number of visitors and hotel nights sold has more than doubled over the past eleven years and it keeps increasing. Recently-ended year, closed with the stunning numbers of almost 2.4 million overnights and 1.2 million visitors.

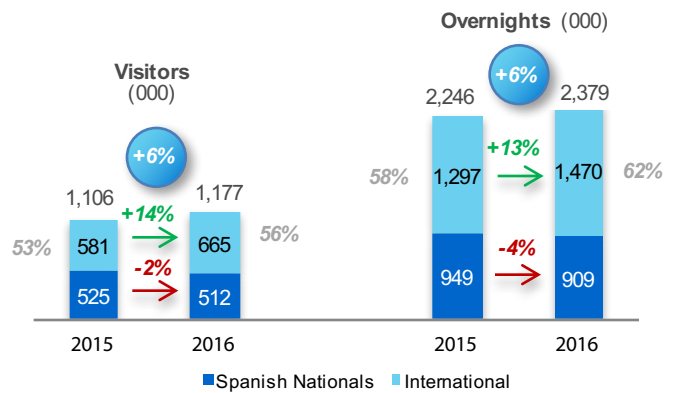
## Demand vs. Supply

Evolution of overnights, hotel beds and occupancy 2010-2016. Base 100 = 2010



Source: Aninver's analysis of data from INE

Relevance of international tourists. 2015 - 2016



The number of international visitors grew 14% from 2015 to 2016, whereas national visitors decreased 2%. Furthermore, Spaniards have reduced their nights spent by 4% while foreigners have increased their rate by 13% within the same period and international tourists represent 62% of the overnights and 56% of the visitors.

Source: Aninver's analysis of data from INE

*“Tourism is a key element for Malaga as the international destination it has become. Given its large market potential, Malaga’s hospitality sector has been undergoing continuous growth over the past 6 years. Specifically, a 49% increase in the number of overnights and a 36% in occupancy, since new room supply was very limited (+9% growth of No. beds).”*

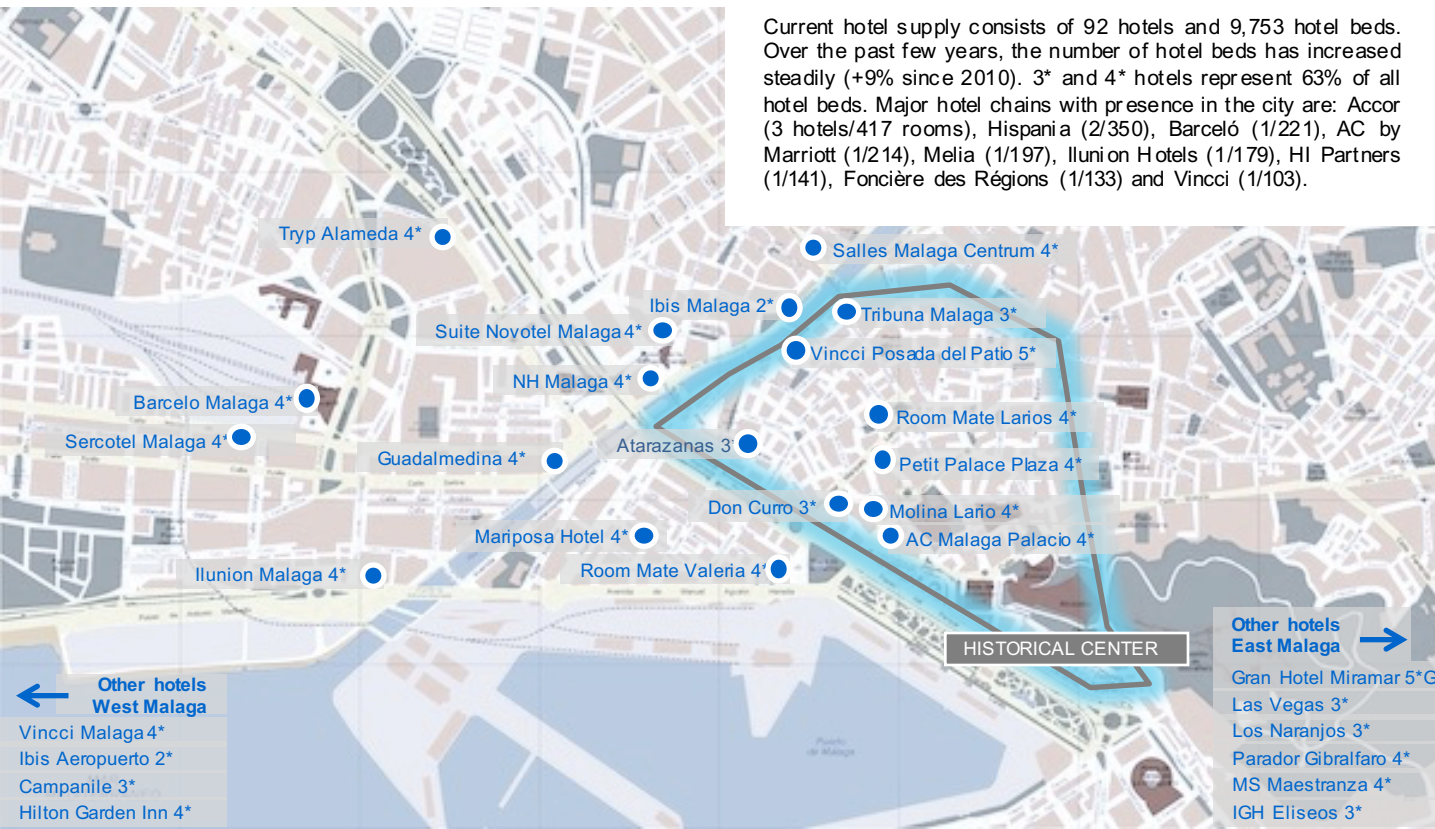
# Profitability

2016 Figures. 3 to 5 star hotels only

ADR (€)		Occupancy (%)		RevPar (€)		Var. RevPar 2016/15 (%)	
San Sebastian	122.4	Palma de Mallorca	80.2	Barcelona	95.9	Las Palmas	21.1
Barcelona	120.8	Barcelona	79.4	San Sebastian	86.5	Oviedo	17.9
Madrid	86.8	<b>Malaga</b>	<b>76.6</b>	Palma de Mallorca	68.7	Murcia	17.2
Palma de Mallorca	85.7	Las Palmas	75.4	Madrid	63.3	Alicante	16.6
Sevilla	84.4	Madrid	72.9	<b>Malaga</b>	<b>61.8</b>	Zaragoza	15.8
Santander	81.7	Sevilla	72.6	Sevilla	61.3	Santiago de Compostela	13.2
<b>Malaga</b>	<b>80.7</b>	San Sebastian	70.8	Bilbao	55.3	La Coruña	13.1
Bilbao	77	Granada	68.8	Las Palmas	55	Sevilla	13.1
Las Palmas	73	Valencia	67.8	Santander	50.9	Jerez de la Frontera	11.8
Pamplona	72.3	Alicante	67.7	Valencia	48.2	<b>Malaga</b>	<b>11.2</b>

## Current hotel supply

Source: Aninver's analysis of data from Exceltur



## Projects

### Hotel projects and potential locations

Project/Location	Hotel operator	No. Rooms	Category
Braser	Vincci	137	4*
NH refurbishment	NH	133+112	4*
La Equitativa	Potential project	100/150	n/a
Hotel-Suites Malaga Port	Unknown	352	5*GL
Calle San Juan	Malaga Premium Hostel	23	3*

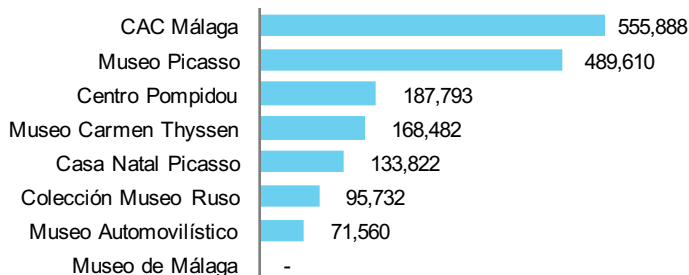
Source: Aninver's analysis

*“Malaga has become a key urban destination in Spain: fifth in RevPAR only after Barcelona, San Sebastian, Palma and Madrid with a consistent growth in RevPAR in 2016 of 11.2%. The presence of major Spanish hotel chains is limited regarding recent hotels trading. There is a clear shortage of locations suitable for large international branded hotels. New supply is focusing on smaller boutique-type assets and unlocking the potential of certain selected sites”*

Source: Aninver's analysis

## Malaga is becoming a key museum destination

### 2015 No. of visitors in Malaga's main museums



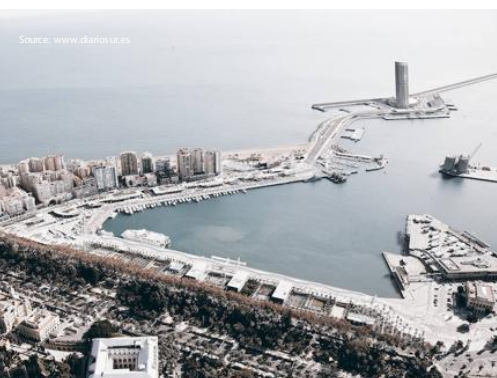
Sources: Press clippings. Fundación Picasso. CAC-Málaga. Museo Picasso. Museo Thyssen. Museo Automovilístico.

Malaga has clearly positioned itself as a cultural destination over the past years. Since the opening of the Picasso Museum in 2003, the number of museums has grown significantly. Centro Pompidou and Museo Ruso, both opened in 2015. Museo de Malaga is the last incorporation which opened to the public in the December 2016 becoming the biggest museum in Andalusia and the 5<sup>th</sup> in Spain with slightly over 2,000 pieces in the Fine Arts collection and over 15,000 in the Archeology collection.

## Major hotels trading in Malaga recently

Hotel 4*	Seller	Buyer	No. Rooms	Price MM €	Date (MM/YY)
NH 4*	NH Group	Hispania	245	41	02/2017
Mariposa 4*	Unknown	Indep.	50	-	02/2017
Tryp Alameda 4*	Merlin Properties	Foncière des Régions	133	-	12/2016
Palacio Sonora Calle Granada 4*	Mazacruz	Activum	83	8 (Land)	01/2016
Sercotel Malaga 4*	Urvasco	HI Partners	141	-	11/2015
Ilunion Malaga 4*	Hoteles Monte	Ilunion Hotels	179	Est. 25	10/2015
Vincci Malaga 4*	Vincci Hoteles	Hispania	105	10	01/2015

Source: Press clippings. Aninver analysis



### Key project: New 5\*GL hotel in Malaga Port

Currently, Malaga only boasts one five star Gran Lujó hotel, it is the €60 million Gran Hotel Miramar. However, the situation will change in the coming years with the project of the new Hotel-Suites Malaga Port 5 star Gran Lujó. Comprising 352 rooms (12 of them suites), 135 meters high and 35 floors among other highlights, the hotel will be erected right on the port within 3 years due to an inversion of approximately €115 million from the Qatari Al Bidda Group.

- Aninver Hospitality Advisors is a boutique advisory firm working for institutional investors, hotel chains and independent hotel owners on multiple kinds of consulting assignments: strategy, international expansion/business development, asset and project management, special projects and asset divestments.
- We are part of Aninver InfraPPP Partners, a business advisory and market intelligence group based in Malaga but working globally for relevant public and private clients.
- If you are interested in discussing this market report or any potential business opportunity please contact our team.

## Contacts

**Jose de la Maza**  
Partner  
jm@aninver.com  
+34 639 90 63 48

**Alvaro de la Maza**  
Partner  
ama@aninver.com  
+34 661 24 97 63

**OFFICE**  
P.º Farola 8, Entrepantalla 5  
Malaga 29016 (Spain)  
aninver@aninver.com  
+34 951767973