

LISBON MARKET PULSE

AWARD-WINNING CITY DESTINATION

BEDNIGHTS – 2024



+4.3% YOY
15.1 MILLION

TOURIST ARRIVALS – 2024



+6.0% YOY
6.9 MILLION

REVPAR GROWTH – 2024



+6.9% YOY
€107

AIRPORT PASSENGERS – 2024



+4.3% YOY
35.1 MILLION
at Humberto Delgado Airport

Market Profile

Lisbon, the capital of Portugal, stands as one of Europe's most ancient cities, set within a metropolitan area that is home to around 3 million people. Celebrated for its rich cultural heritage, striking architecture, and bustling business scene, the city offers an array of attractions. To the west lies the Estoril coast, including Estoril, Cascais and the historic gem of Sintra, all teeming with leisure and recreational opportunities.

Tourism Demand

In 2023, Portugal was named Europe's Leading Destination at the World Travel Awards, while Lisbon itself earned the title of Europe's Leading City, a recognition it retained in 2024. These past couple of years, the country's popularity has caused an influx of tourists resulting in the number of arrivals and bednights surpassing historical levels by more than 15%. The USA, Spain, Brazil, France and the UK have remained the main source countries of Lisbon's tourists, with US demand soaring by nearly 90% over the last four years. This growth can largely be attributed to expanded air travel capacity between the USA and Portugal, as well as targeted promotional campaigns by Portugal's national tourism authority. Additionally, the Rock in Rio Lisboa festival, which takes place every two years, drew 300,000 visitors from 106 countries in 2024. The next edition is due to take place in June 2026. Other major events driving demand to the city include the Web Summit, held in November, and Fish & Flavours Lisbon in early April.

Transportation

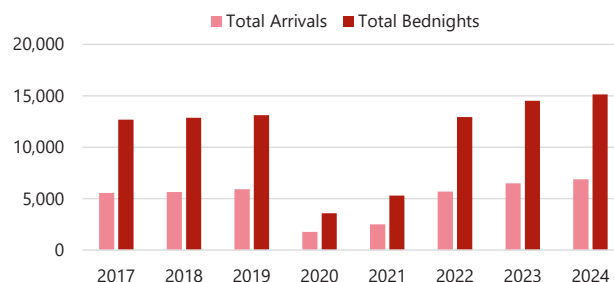
Historically, Humberto Delgado Airport has seen strong passenger growth, recording a compound annual growth rate of 11% between 2014 and 2019. With 33.6 million arrivals in 2023, passenger traffic at the airport surpassed 2019's record-breaking 31 million arrivals by 8%. This upward trend continued into 2024, with arrivals growing a further 4% year-on-year. To meet Lisbon's rising demand, the construction of the new Alcochete Airport has been proposed, with completion expected by 2034, set to replace the current airport. Similarly, the Port of Lisbon exceeded the number of passengers pre-pandemic by 33% in 2023, growing an additional 1% in 2024. The port, which includes three berths for cruise ships, was recently named Best Atlantic Port in Europe. Alongside those modes of transportation, the rail network and underground metro system are well developed, facilitating convenient commuting for residents and visitors.

ECONOMIC INDICATORS – PORTUGAL

	2024A	2025F	2026F
GDP GROWTH (%)	+1.9%	+2.0%	+1.7%
CPI (%)	+2.7%	+2.0%	+2.1%
UNEMPLOYMENT (%)	6.5%	6.4%	6.3%

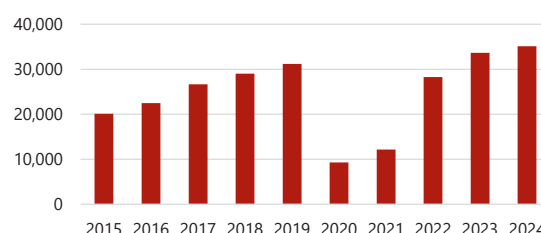
Source: International Monetary Fund (IMF), April 2025

AN EXCEPTIONAL YEAR FOR LISBON ARRIVALS AND BEDNIGHTS (000S)



Source: HVS Research

HIGHEST AIRPORT PASSENGER COUNTS IN TEN YEARS (000S)



Source: HVS Research

Hotel Performance

The evolution of hotel performances in the Lisbon Metropolitan Area is illustrated in the charts opposite, with 2019 used as base year for comparison.

- As with other Pan-European destinations, occupancy levels in the Lisbon Metropolitan Area only returned to pre-pandemic levels in 2023, with growth stagnating in 2024;
- Despite high inflation and a first quarter in 2022 impacted by the Omicron variant of COVID-19, RevPAR recovered to normalised levels by year-end, driven by a 40% increase in average rate over 2021. In real terms, average rate surpassed 2019 levels by 5%;
- Driven by a double-figure compound annual growth rate in US visitation between 2019 and 2024, this strong momentum continued through 2023 and 2024, marked by record occupancy levels and significant rate growth. By the end of 2024, RevPAR exceeded 2019 levels by more than 20% in real terms.

Hotel Supply

Total hotel supply for the metropolitan area of Lisbon stood at 32,000 rooms in 2023, growing at a compound annual rate of 3.0% between 2017 and 2023 (the 2024 supply had not been published by INE at the time of writing). Historically dominated by independent hotels, Lisbon's market composition has been shifting in response to increasing international interest, particularly from US travellers, and has spurred rising demand from national and international brands.

There are approximately 30 hotels in the pipeline due to be completed by the end of 2027, representing a 10% increase in the total number of rooms. Branded hotels represent nearly two-thirds of the new hotel supply, including brands from Marriott, Hyatt, Hilton and InterContinental Hotels Group. New openings in the next couple of years include the 213-room **ME Lisbon**, the 232-room **Andaz Lisbon** and the 150-room **Hampton by Hilton Lisbon Baixa**.

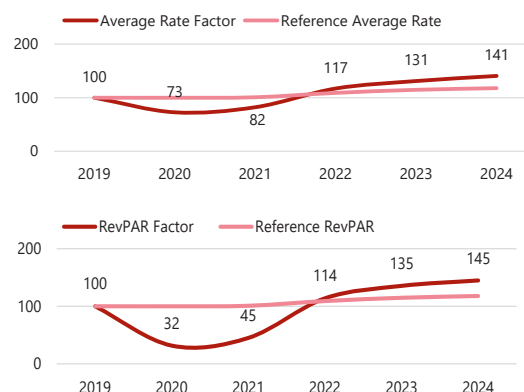
Investment Market

Transaction activity in Lisbon remained subdued throughout 2022 and 2023, with three transactions being recorded over these two years. Following a pickup in transactions in the first half of 2024, no deals occurred in the second half of the year. As per our HVS European Hotel Valuation Index 2025, Lisbon's hotel market values benefitted from 7.8% year-on-year growth, surpassing 2019 levels for the first time since the onset of the pandemic.

Outlook

Lisbon's post-pandemic recovery has been exceptional, marked by a sharp rebound in tourism, increased visitor spending on hotel accommodation, and growing international appeal between 2022 and 2024. It is no surprise that the city was named Europe's Leading City Destination for two consecutive years. The forthcoming hotel inventory reflects this renewed confidence, with high-quality developments poised to reinforce Lisbon's upward trajectory. The outlook for the city remains highly optimistic, supported by strong fundamentals, continued investor interest, and a hospitality market ripe with opportunity.

AVERAGE RATES AND REVPAR GROWING ABOVE INFLATION



Source: HVS Research

HOTEL PIPELINE

Property	Rooms	Opening
ME Lisbon	213	Q2 2025
Andaz Lisbon	232	Q3 2025
Hampton by Hilton Lisbon Baixa	150	Q2 2026
The Standard Lisbon Santa Clara	197	Q2 2026
Nobu Lisbon	50	Q2 2026
Six Senses Lisbon	115	Q2 2027

Source: HVS Research

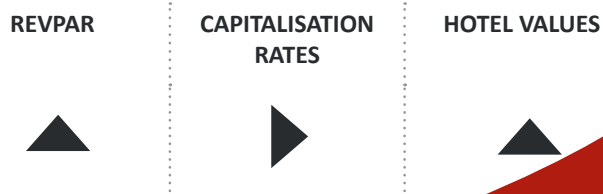
HOTEL TRANSACTIONS

Property	Location	Rooms	Sale Date	Estimated Price (£)
Hotel Sofitel Lisbon Liberdade*	City Centre	163	Apr-24	Undisclosed
Miraparque Hotel	City Centre	96	Feb-24	Undisclosed
Amazonia Lisboa Hotel*	City Centre	192	Jan-24	Undisclosed
Amazonia Jamor Hotel*	Oeiras	97	Jan-24	Undisclosed
Amazonia Estoril Hotel*	Cascais	32	Jan-24	Undisclosed

*As part of a portfolio transaction

Source: HVS Research

VALUE TREND – 2024 VS 2023



Superior Results through Unrivalled Hospitality Intelligence. Everywhere

HVS is the world's leading consulting and valuation services organisation focused on the hotel, restaurant, shared ownership, gaming, and leisure industries. Established in 1980, the company performs more than 2,000 assignments a year for virtually every major industry participant. HVS principals are regarded as the leading professionals in their respective regions of the globe. Through a worldwide network of 30 offices staffed by 400 seasoned industry professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. For further information regarding our expertise and specifics about our services, please visit www.hvs.com.