Why **Spain**

Spain remains a dominant force in Europe's tourism and property investment sectors, with key regions consistently ranking among the continent's top destinations.

For investors, these numbers tell a compelling story of stable returns, high demand, and unmatched economic potential.

Mallorca – Europe's Top Tourist Destination
Mallorca leads as Europe's most visited tourist destination, recording 44.4 million overnight stays by international visitors in 2022 (iv). Palma de Mallorca, with its blend of luxury, culture, and lifestyle, drives the island's success. High international demand, particularly from key European markets, underscores Mallorca's position as a prime investment hub. With its favourable climate and year-round tourism appeal, Mallorca provides investors with consistent opportunities in a dynamic market (v).

This strategic expansion of the visitor window has dramatically enhanced overall revenue performance, despite more modest changes in ADR, demonstrating Mallorca's evolution into a year-round destination with exceptional investment potential.

Tenerife – Europe's Second Most Popular Destination
Tenerife ranks second in Europe, with 32.2 million overnight stays in 2022 (vi). Tenerife South (TFS) continues to attract both tourists and investors with its mild year-round climate and 342 kilometres of Atlantic coastline.

The island's stable tourism performance, bolstered by its unique geographical location, ensures seasonal consistency, making it a strategic investment choice.

The Canary Islands overall led Spain in 2023, with 83.2 million overnight stays, highlighting Tenerife's role as a cornerstone of the region's appeal (vii).

Costa del Sol – A Top 10 European Destination
Ranking 10th in Europe, the Costa del Sol achieved unprecedented success in 2024, welcoming a record 14.47 million visitors—a 3.17% year-on-year increase—and recording an impressive 22 million overnight stays in hotels for the first time ever (viii). This surge in tourism generated a substantial economic impact of €21.2 billion (ix).

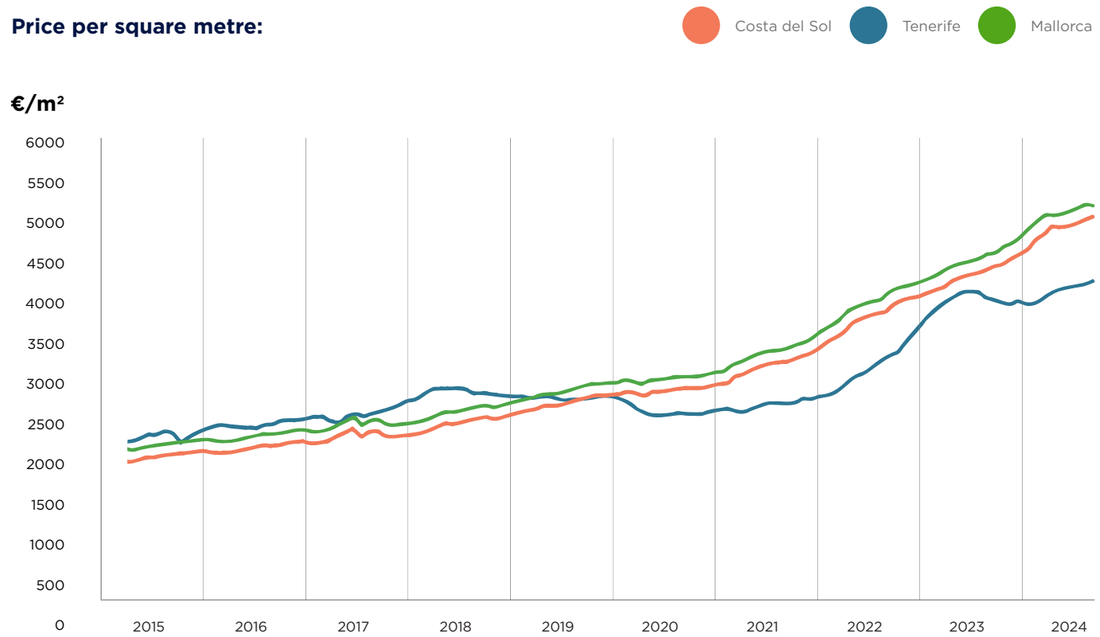
Spanning 150 kilometres along the Mediterranean coast, from Málaga to Gibraltar, and boasting over 320 days of sunshine annually, the Costa del Sol continues to be a prime destination for tourism and property investments.

Málaga city itself has emerged as one of Spain's fastest-growing urban destinations, contributing significantly to the region's tourism boom, recording 14.3 million overnight stays through online booking platforms (x).

Spain's Hospitality Investment Outlook
Spain's position as a leader in the European hospitality sector is reinforced by nearly €3.3 billion in hotel investments in 2024, second only to the UK (xi). This surge is driven by national investors and family offices recognising Spain's long-term potential. High-profile deals, such as the €200 million acquisition of the Hotel Miguel Ángel in Madrid, further demonstrate market confidence.

Looking to 2025, Spain remains the most attractive destination for hotel investments in Europe, according to CBRE (xii). With Mallorca, Tenerife, and the Costa del Sol ranking among Europe's top destinations, and with tightening regulations in alternative accommodation markets such as Airbnb, Spain continues to offer unparalleled opportunities for investors (xiii).

Price per square metre:



Conclusion
Spain's tourism and property markets are driven by robust, data-backed performance. With Mallorca and Tenerife ranking first and second among Europe's top tourist destinations, and the Costa del Sol securing a top-10 spot, these regions deliver consistent tourism demand and significant economic impact.

For investors seeking high-level opportunities in a resilient and growing market, Spain offers a unique blend of scale, stability, and strategic growth potential.

Tourism in **Spain**

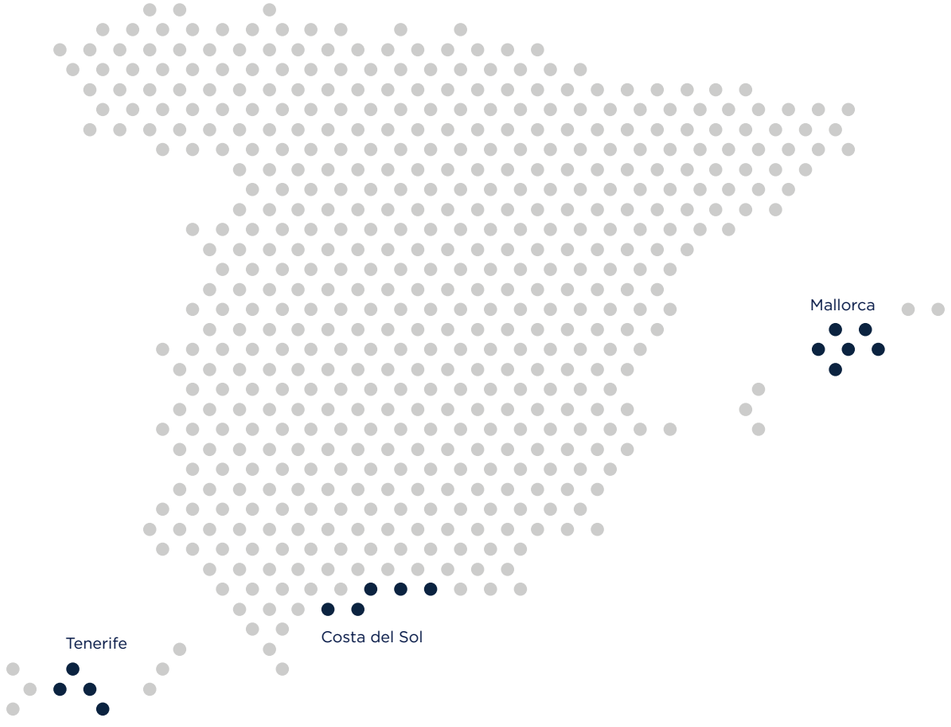
Last year, Spain welcomed 85.1 million tourists making it the top visited destination in Europe in 2024.

Hotel investment in Spain was also ranked number 1 in Europe in 2023, rising from 3.3 billion in 2022 to 4.06 billion in 2023 (xiv). This stark increase is reflected throughout mainland Spain and the islands, with hotspots such as the Costa del Sol seeing a 54.8% increased ADR (Average Daily Rate) over the last 5 years (xv).

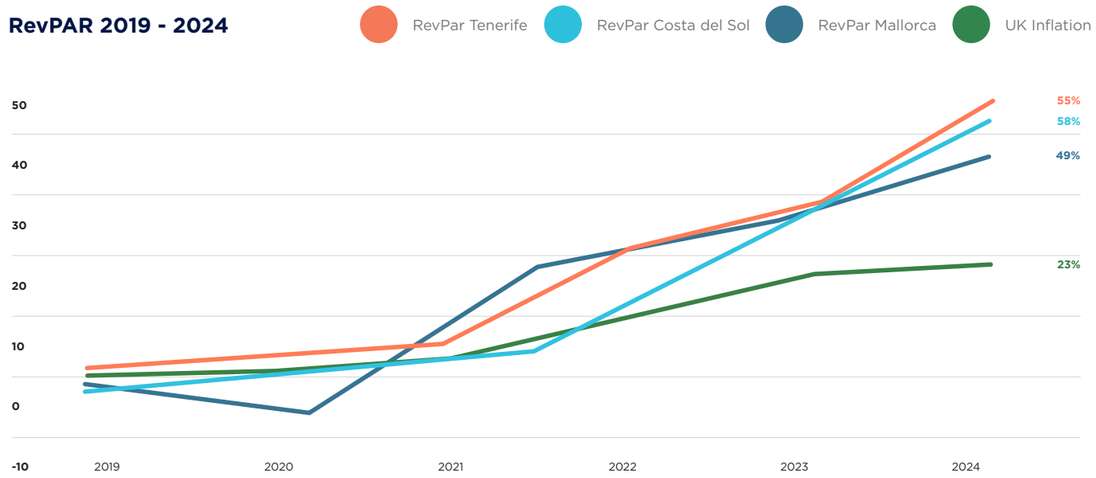
In a similar trend, Adeje, a premier tourist destination in South Tenerife, saw its hotel ADR rise 55.0% over the same five-year period (xvi).

This growth outpaced both regional inflation trends and the performance of other Canary Islands destinations.

Mallorca has experienced an even more compelling transformation in its hospitality performance metrics. Unlike other regions where revenue growth is primarily attributed to room rate increases, Mallorca's remarkable 58% rise in RevPAR (Revenue Per Available Room) stems from a fundamental shift in seasonal demand patterns. Package holiday providers have extended their operational calendars by an average of 10 additional weeks, effectively lengthening the traditional tourism season throughout the year.



RevPAR 2019 - 2024



Methodology:
Total Inflation: (End Value / Start Value) – 1

UK Inflation – CPI:
Data: According to the Office for National Statistics (ONS), the CPI values are as follows:

- **September 2019:** 108.5
- **September 2024:** 134.2

Total Inflation = **(134.2 / 108.5) – 1**
Total Inflation = **0.236 = 23.6% 134.2**

Source:
Consumer price inflation, UK – Office for National Statistics

Holidays on Costa del Sol:
Data: RevPAR (Revenue per available room) Malaga Province August 2019 – 2024 from

- **August 2019:** 121.73
- **August 2024:** 181.41

Total Inflation = **(121.73 / 181.41) – 1**
Total Inflation = **0.49 = 49%**

Source:
Instituto Nacional de Estadística (National Statistics Institute)

Holidays on Tenerife:
Data: RevPAR (Revenue per available room) Adeje August 2019 – 2024 from

- **August 2019:** 103.33
- **August 2024:** 160.20

Total Inflation = **(103.33 / 160.20) – 1**
Total Inflation = **0.55 = 55%**

Source:
Tourismo de Islas Canarias Occupancy Report 2024

Holidays on Mallorca:
Data: RevPAR (Revenue per available room) Mallorca August 2019 – 2024 from

- **August 2019:** 116.80
- **August 2024:** 276.00

Total Inflation = **(116.80 / 276.00) – 1**
Total Inflation = **0.58 = 58%**

Source:
Mallorca Daily Bulletin