

Portugal Hotels & Chains Report 2025



May 2025

Table of Contents

- 1. Welcome.....2**
- 2. Introduction3**
- 3. The Market3**
- 4. Key Points4**
 - 4.1. International Brands Expand as Domestic Presence Shrinks4
 - 4.2. Lisbon Leads in New Hotel Developments4
 - 4.3. Midscale Hotels on the Rise.....4
 - 4.4. Strong Institutional Investment in Portugal’s Hospitality Sector4
- 5. Key Stats5**
 - 5.1. Ranking by Size6
 - 5.2. Ranking by Scale7
 - 5.3. Ranking Per Scale & Size8
 - 5.4. Ranking by Destination8
 - 5.5. Destination Pipeline8
 - 5.6. Demand Driver9
 - 5.7. Hotel Investors9
 - 5.8. Institutional Owners.....9

1. Welcome

Welcome to the 2025 Portugal Hotels and Chains Report, a comprehensive exploration of the dynamic hospitality industry in Portugal. This report delves into the unique opportunities and challenges facing this flourishing market, offering valuable insights.

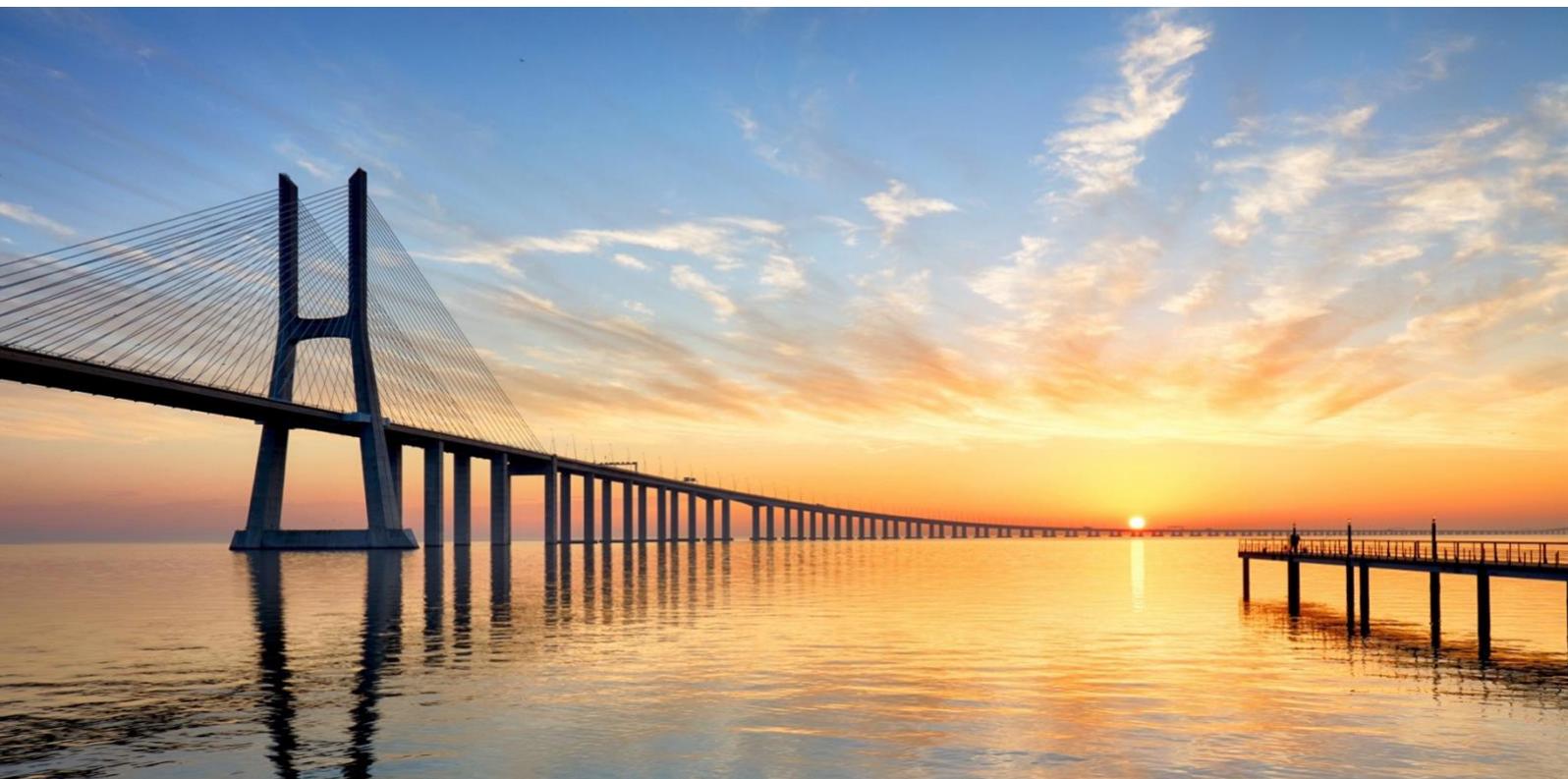
Portugal's hospitality industry continues to stand out as one of Europe's most dynamic and resilient markets. In 2024, the country reinforced its position as a top-tier global tourism destination, buoyed by sustained demand, growing international interest, and a robust investment environment. While traditional destinations like Lisbon, Porto, and the Algarve remained strongholds of growth, there was a notable surge in visitor numbers to lesser-known regions, signalling a broader diversification of tourism flows.

The sector's evolution has been marked by a shift toward more sustainable, experiential, and culturally immersive travel. This has driven both strategic investments and operational innovation, particularly in the midscale segment, which is experiencing a rapid rise in popularity among younger, budget-conscious travellers. Meanwhile, institutional investors continue to demonstrate high confidence in the Portuguese market, despite macroeconomic challenges, with new developments and brand entries expanding across the country.

This report provides a detailed snapshot of current performance, development pipelines, and market trends shaping Portugal's hotel landscape. From the increasing dominance of international hotel chains to the strong RevPAR growth across emerging destinations, the 2025 edition offers a timely, data-driven perspective on the forces driving this high-performing European hospitality market.

James Chappell

Global Business Director, Horwath HTL
jchappell@horwathhtl.com



2. Introduction

Portugal's tourism industry continued to thrive in 2024, attracting millions of visitors from around the world. Known for its rich history, scenic coastlines, and vibrant culture, the country remained a top destination in Europe. Tourism played a key role in the national economy, with strong growth in both international arrivals and travel-related revenue. As interest in sustainable and diverse travel experiences grew, Portugal positioned itself as a leading destination for both leisure and cultural tourism.



3. The Market

During the first half of 2024, Portugal's tourism market maintained a strong performance, with consistent growth across key metrics despite a slight deceleration in growth rates. By July, the number of guests and overnight stays had risen by 5% and 4%, respectively, largely driven by international demand, which accounted for over 70% of all overnight stays. Long-haul markets, particularly the U.S., showed remarkable growth, with American arrivals increasing by 13% year-on-year.

Geographically, every region in Portugal recorded growth in overnight stays. Lesser-known areas, such as Oeste and Vale do Tejo (up 10%) and the Azores (up 8%), saw notable gains, reflecting a shift in tourist interest toward exploring diverse destinations beyond the typical touristic destinations. In Lisbon and Porto, the two main urban markets, tourism demand continued to rise. Lisbon recorded a 5% increase compared to the previous year, with Revenue per Available Room (RevPAR) rising to €112.6. The number of hotel overnight stays in Porto grew by 9%.

Hotel revenues increased by 12%, with RevPAR up 8% to €65.4 and a room occupancy rate reaching 62.3%. Regional highlights include the Setúbal Peninsula and Oeste and Vale do Tejo, where RevPAR rose by 14% and 13%, underscoring the growing attractiveness of areas beyond the city centres.

The market trends indicate a move toward diversification and higher-quality hotel offerings, with growing interest in newer, experience-rich destinations focused on nature, gastronomy, and culture. The North American market remains a strategic priority, with strong growth prospects, and there is a targeted expansion into Asian markets with high potential. Increased capital inflow in the tourism and hospitality sectors continues, with a focus on acquiring and modernizing properties aligned with ESG principles.



4. Key Points

4.1. International Brands Expand as Domestic Presence Shrinks

Domestic hotel brands in Portugal are witnessing a decrease in their market presence, while international brands continue to grow. For instance, private equity firm Davidson Kempner acquired 21 distressed hotels in 2023 and transferred their management to Highgate. Eight of the hotels previously managed by NAU Hotels & Resorts are being rebranded to global brands such as Marriott. This trend underscores the increasing role of international tourism in Portugal and the heightened interest from major global hotel chains. Currently, more international brands operate within Portugal than domestic ones, although Portuguese hotel chains still lead in overall hotel and room supply.

Both Hilton and Marriott are expanding significantly. Hilton is planning to increase its portfolio, adding over 2,000 rooms to its existing capacity over the next two years. Marriott, on the other hand, has ambitious plans that include a luxury hotel at Verdelago Resort to be completed by 2027, representing an investment of €52.5 million, with a focus on sustainability. Additionally, Marriott will launch the Marriott Residences Salgados Resort in the Algarve in May 2025, rebranding the existing NAU Salgados Dunas Suites.

4.2. Lisbon Leads in New Hotel Developments

Lisbon City is seeing extensive hotel development, with 34 projects in the pipeline, more than any other region, including the Algarve (19) and the North (24). Of this pipeline, 26 projects (37%) are expected to open by 2025, adding 24 hotels: nine in Lisbon, nine in the North, and the remainder in the Algarve, Alentejo, and Lisbon Area. Additionally, 39% of the projects are still in the planning phase without an opening date, indicating strong future growth potential for hotel expansion across Portugal. However, many construction projects in the pipeline are experiencing delays due to licensing issues, changes to project specifications, technical difficulties, and financing challenges. These setbacks have caused changes to scheduled opening dates for several planned developments.

4.3. Midscale Hotels on the Rise

The midscale category, particularly 3-star hotels, is experiencing the largest growth among the segments (Budget/Economy, Upscale, and Luxury). While Luxury and Upscale segments still lead in total room count, the Midscale segment grew significantly in 2024, with 16 additional chain hotels compared to 2023. This trend may reflect increasing demand from younger travelers, who often prioritize budget-friendly yet experiential stays. Portugal's rising supply of midscale hotels aligns with this trend, catering to a new generation of budget-conscious, experience-focused travelers.

4.4. Strong Institutional Investment in Portugal's Hospitality Sector

Davidson Kempner remains the largest investor and institutional owner in Portugal's hotel sector, with a portfolio of 21 hotels. Arrow Global follows, holding eight hotels, reflecting its growing presence in the market. Azora holds six hotels, while Square Asset and Extendam also have notable portfolios.

The market continues to attract significant capital from international and institutional investors. In addition to key players like Davidson Kempner and Arrow Global, companies such as Porto Bay Hotels & Resorts and NH Hotels have shown strong interest in expanding their operations in Portugal. This trend indicates a continued flow of capital directed toward expanding and modernizing hotel infrastructure across the country.

José Gil Duarte

Managing Partner, Horwath HTL Portugal

jgilduarte@horwathhtl.com

5. Key Stats

Key Statistics	2023	2024	%
Total chain hotels	623	636	2%
Total chain rooms	73 405	74 378	1%
Average size per chain hotel in rooms	118	117	-1%
Country hotels stock (overall supply)	2 049	2 108	3%
Country rooms Stock (overall supply)	144 898	149 374	3%
Average size per hotel in rooms	71	71	0%
Chain penetration % by hotels	30%	30%	-1%
Chain penetration % by keys	51%	50%	-2%
Total number of brands	129	129	0%
International brands	68	72	6%
Domestic brands	61	57	-7%
International chain hotels	177	189	7%
Domestic chain hotels	446	447	0%
International chain rooms	24 401	25 762	6%
Domestic chain rooms	49 004	48 616	-1%



5.1. Ranking by Size

CHAINS

Rank	Chain Groups	Hotels	Rooms
1	Pestana Hotel Group	80	7 688
2	Vila Gale Hotéis	31	5 006
3	Accor	38	3 940
4	Marriott Hotels & Resorts	19	3 794
5	MINOR	18	3 499
6	Eurostars	24	2 781
7	SANA	14	2 267
8	Hoti Hotéis	12	1 857
9	Real Hotels Group	14	1 826
10	VIP Hotels	9	1 796

BRANDS

Rank	Chain Brands	Hotels	Rooms
1	Pestana Hotels & Resorts	35	5 410
2	Hotéis Vila Galé	22	4 369
3	Tivoli	9	2 264
4	Ibis	20	1 892
5	B&B Hotels	17	1 698
6	Turim	17	1 598
7	Eurostars	14	1 508
8	Porto Bay	11	1 506
9	Pestana Pousadas de Portugal	36	1 490
10	Savoy Signature	7	1 388

Rank	Domestic Chain Groups	Hotels	Rooms
1	Pestana Hotel Group	80	7 688
2	Vila Gale Hotéis	31	5 006
3	SANA	14	2 267
4	Hoti Hotéis	12	1 857
5	Real Hotels Group	14	1 826
6	VIP Hotels	9	1 796
7	Turim Hotels	17	1 598
8	Porto Bay Hotels & Resorts	11	1 506
9	Savoy Hotels & Resorts	7	1 388
10	Dom Pedro Hotels & Golf Collection	7	1 379

Rank	Domestic Chain Brands	Hotels	Rooms
1	Pestana Hotels & Resorts	35	5 410
2	Hotéis Vila Galé	22	4 369
3	Tivoli	9	2 264
4	Turim	17	1 598
5	Porto Bay	11	1 506
6	Pestana Pousadas de Portugal	36	1 490
7	Savoy Signature	7	1 388
8	Dom Pedro	7	1 379
9	HF Hotéis Fénix	8	1 320
10	VIP Executive	7	1 261

Rank	International Chain Groups	Hotels	Rooms
1	Accor	38	3 940
2	Marriott Hotels & Resorts	19	3 794
3	MINOR	18	3 499
4	EUROSTARS HOTEL COMPANY - HOTUSA	24	2 781
5	IHG	9	1 734
6	B&B Hotels	17	1 698
7	Hilton	9	1 271
8	MGM Muthu Hotels	7	1 245
9	Louvre Hotels	7	545
10	Corinthia Hotels	1	518

Rank	International Chain Brands	Hotels	Rooms
1	Ibis	20	1 892
2	B&B Hotels	17	1 698
3	Eurostars	14	1 508
4	Muthu	7	1 245
5	Meliá	7	1 119
6	The Luxury Collection	5	856
7	Mercure	8	848
8	Holiday Inn Express	7	829
9	Exe Hotels	7	828
10	Sheraton Hotels	3	827

5.2. Ranking by Scale

DOMESTIC BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	INATEL	12	931
2	Barata Hotels	6	842
3	Hoteis Moov	5	629
4	Wotels	14	581
5	Star Inn	3	481
6	Flag Hotels	7	427
7	Stay Hotels	6	406
8	HF Hotéis Fénix	3	400
9	Turim	4	360
10	Eurosol Hotéis	5	356

INTERNATIONAL BRANDS

Rank	Economy & Midscale	Hotels	Rooms
1	Ibis	20	1 892
2	B&B Hotels	15	1 586
3	Holiday Inn Express	7	829
4	Moxy Hotels	2	358
5	Exe Hotels	2	293
6	Ikonik	1	231
7	Ibis styles	2	225
8	Ibis budget	2	177
9	Yotel	1	150
10	Mama Shelter	1	130

Rank	Upscale	Hotels	Rooms
1	Hotéis Vila Galé	21	4 185
2	Pestana Hotels & Resorts	25	3 009
3	Pestana Pousadas de Portugal	36	1 490
4	Turim	12	1 137
5	Porto Bay	7	1 091
6	VIP Executive	6	1 009
7	AP Hotels & Resorts	7	1 004
8	Luna	10	901
9	Bensaude Hotels Collection	6	803
10	Dom Pedro	4	776

Rank	Upscale	Hotels	Rooms
1	Eurostars	11	1 065
2	Meliá	6	899
3	MERCURE	8	848
4	Muthu	4	832
5	Holiday Inn	4	754
6	NH Hotels	5	646
7	Tryp By Wyndham	4	628
8	Marriott Hotels & Resorts	1	577
9	Exe Hotels	5	535
10	NOVOTEL	3	447

Rank	Luxury	Hotels	Rooms
1	Pestana Hotels & Resorts	9	2 324
2	Tivoli	6	1 561
3	Epic Sana	3	876
4	Savoy Signature	2	722
5	Pestana Collection Hotels	5	605
6	Hotéis Real	4	602
7	Montebelo Hotels & Resorts	6	590
8	Altis Hotels	3	469
9	The Editory Collection Hotels	3	445
10	Porto Bay	4	415

Rank	Luxury	Hotels	Rooms
1	The Luxury Collection	5	856
2	Sheraton Hotels	3	827
3	Crowne Plaza	2	560
4	InterContinental	3	520
5	Corinthia Hotels	1	518
6	Eurostars	3	443
7	Hilton	2	420
8	Muthu	3	413
9	Iberostar	2	386
10	Tui Blue	1	350

5.3. Ranking Per Scale & Size

Category	OVERALL				DOMESTIC				INTERNATIONAL			
	Hotels	Rooms	%	Ave. Size	Hotels	Rooms	%	Ave. Size	Hotels	Rooms	%	Ave. Size
Budget & Economy	39	2 896	4%	74	11%	21	1 173	2%	56	24%	18	1 723
Midscale	139	13 490	18%	97	13%	94	8 269	18%	88	7%	45	5 221
Upscale & Upper Upscale	350	38 674	52%	110	0%	251	26 290	56%	105	-2%	99	12 384
Luxury	108	19 318	26%	179	-5%	66	11 513	24%	174	-7%	42	7 805
TOTAL	636	74 378	100%	461	2%	432	47 245	100%	423	0%	204	27 133

5.4. Ranking by Destination

Rank	Destination	Hotels	Rooms
1	Norte	153	14,327
2	Lisbon City	145	18,963
3	Algarve	114	17,666
4	Centro	79	6,181
5	Lisbon Area	53	5,931
6	Madeira	46	7,716
7	Alentejo	29	1,815
8	Azores	17	1,764

5.5. Destination Pipeline

Rank	Destination Pipeline	Hotels	Rooms
1	Lisbon City	34	5 167
2	Algarve	19	3 299
3	Norte	24	2 957
4	Lisbon Area	6	823
5	Alentejo	4	366
6	Madeira	2	248
7	Centro	2	147

5.6. Demand Driver

Driver	OVERALL		DOMESTIC		INTERNATIONAL	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Urban & Business	308	35 200	164	17 366	144	17 834
Sun & Beach	171	25 382	139	20 092	32	5 290
Other Leisure	58	5 117	46	3 660	12	1 457
Cultural & Heritage	40	1 746	39	1 659	1	87
Wellness & Spa	26	2 583	23	2 281	3	302
Golf	24	3 737	13	1 634	11	2 103
Wine	9	613	8	553	1	60

5.7. Hotel Investors

Rank	Name	Volume in €M
1	Davidson Kempner	773 409 069
2	Arrow Global	319 970 099
3	Porto Bay Hotels & Resorts	149 999 958
4	NH Hotels	133 199 900
5	Extendam	86 072 102

Source: Real Capital Analytics, past 24 months

5.8. Institutional Owners

Rank	Destination Pipeline	No. of Hotels
1	Davidson Kempner	21
2	Arrow Global	8
3	Azora	6
4	Square Asset	5
5	Extendam	2

Source: Real Capital Analytics, past 24 months



Contact:

José Gil Duarte
Managing Partner
jgilduarte@horwathhtl.com
+351 917 274 078

Horwath HTL Portugal
Rua Castilho nº14C,
5 andar
1269-077 Lisboa
+351 211 935 000
horwathhtl.com

About Horwath HTL

At Horwath HTL, our focus is one hundred percent on hospitality, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with more than 50 offices in over 40 countries, who have successfully carried out over 50,000 assignments for private and public clients. We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hospitality, tourism and leisure consulting.