

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, colored red. It is positioned within a solid yellow square at the top center of the page.

savills

SPOTLIGHT

TOURISM MARKET

WHAT'S GOING ON
IN PORTUGAL?

TOURISM MARKET - PORTUGAL - H1 2026

RESEARCH



Between January and May 2026, national RevPAR rose 1.3% to €63.9 while room occupancy fell 1.1 percentage points to 58.7%. Overnight stays reached 28.74 million, 1.5% ahead of the same period of 2025, but guest arrivals grew faster at 2.4% compressing the average length of stay to 2.40 nights.

€508.4 million of hotel assets changed hands in the first six months, 53.7% ahead of the equivalent period of 2025 and 2.8% above the whole of last year: six months of transactions have already outdone twelve. The distance between a demand base that is flattening and a capital market that is re-rating is the defining feature of the half.

PORTUGAL — CUMULATIVE JANUARY TO MAY	2026	VAR. 26/25
Overnight stays	28.74m	+1.5%
Guests	11.99m	+2.4%
Average length of stay (nights)	2.40	-0.9%
Room occupancy rate	58.7%	-1.1 p.p.
RevPAR	€63.9	+1.3%

Source: Savills Research, analysing Observatório do Turismo

PORTUGAL — CUMULATIVE JANUARY TO MAY	2026	VAR. 26/25
Disembarked Passengers (International)	11.800,0	3.9%
Disembarked Passengers (National)	2.103,4	-1.1%
Guests (thousands)	11.992,8	2.4%
Domestic	4.756,2	2.0%
International	7.236,6	2.6%
Hotels, Villages and Apartments	9.706,4	2.8%
Overnight stays (thousands)	28.739,4	1.5%
Domestic	8.437,4	2.2%
International	20.302,0	1.3%
Hotels, Villages and Apartments	23.673,1	1.9%

Source: Savills Research using Travel BI

Demand: Rate is carrying the market

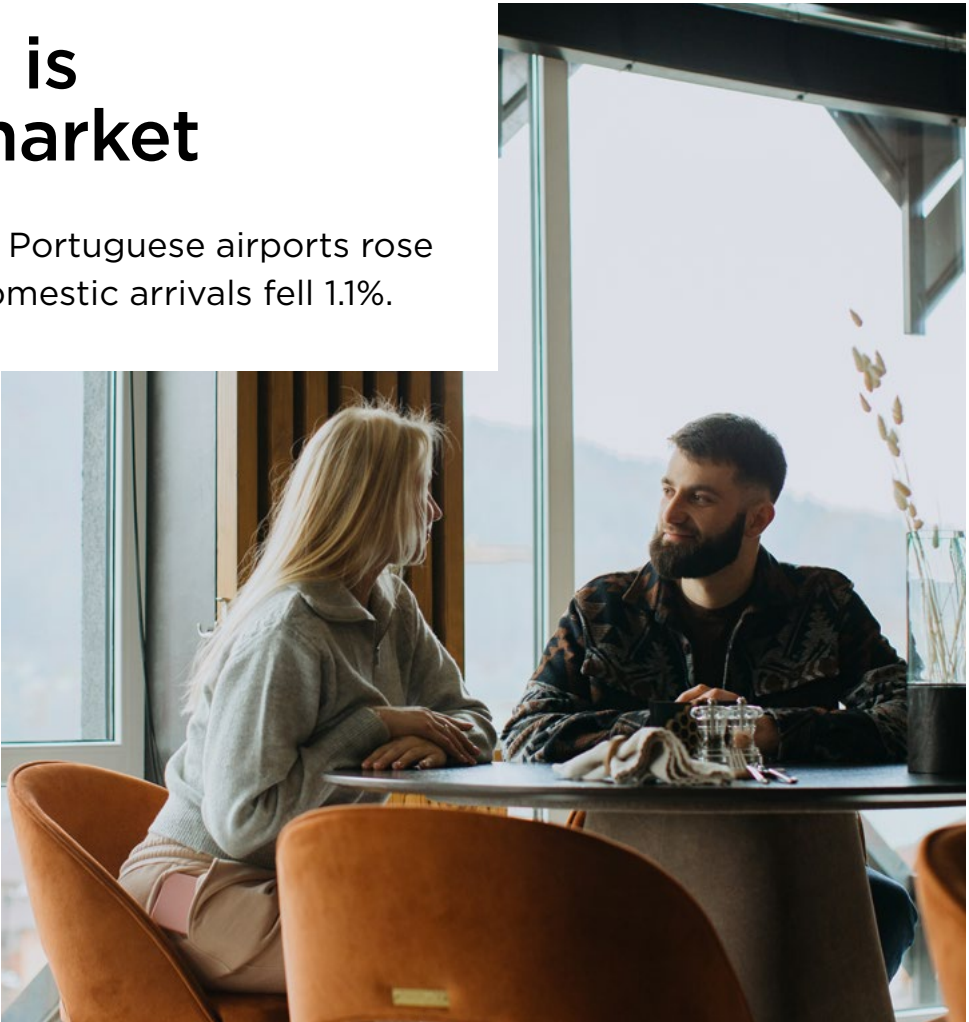
International arrivals through Portuguese airports rose 3.9% to 11.80 million, while domestic arrivals fell 1.1%.

That inbound volume is converted into visits rather than room nights: more guests, staying fewer nights each.

Resident overnight stays grew 2.2% against 1.3% for international demand, extending a cycle in which the domestic base has expanded faster than the foreign one — 25.0 million nights in 2025 sits 18.6% above 2019, against 16.2% for international.

Did you know?

The international share of total overnights reached 70.6% year to date, the highest reading in the series and above both 2025 (69.5%) and 2019 (69.9%).



Source Markets

Beneath a record level of international dependence, the composition of that demand is shifting.

THE UNITED KINGDOM

The UK remains Portugal's largest source market by a considerable margin, delivering 10.06 million nights in 2025 — some 1.6 times Germany, the next largest. Its trajectory, however, has flattened. British demand has grown just 7.4% since 2019 against 16.2% for international demand as a whole, its share of foreign nights has fallen from 19.1% to 17.7%, and 2025 closed 1.6% below the 2024 peak. Year to date the market is adding guests (+4.5%) while losing nights (-0.8%); British visitors continue to come, but they are staying for less time.

THE UNITED STATES AND THE LONG-HAUL MARKETS

The United States is the addition of the cycle, rising from 2.71 million nights in 2019 to 5.48 million in 2025 and overtaking both Spain and France to become Portugal's third-largest source market. It added a further 5.4% year to date. Poland (+62.6% on 2019) and Canada (+86.0%) are broadening the base from a smaller starting point. Against that, China (-2.0% on 2019) and Brazil (-20.1%) remain the two long-haul markets yet to recover their pre-pandemic volume, although Brazil grew 7.6% in the period.

FRANCE

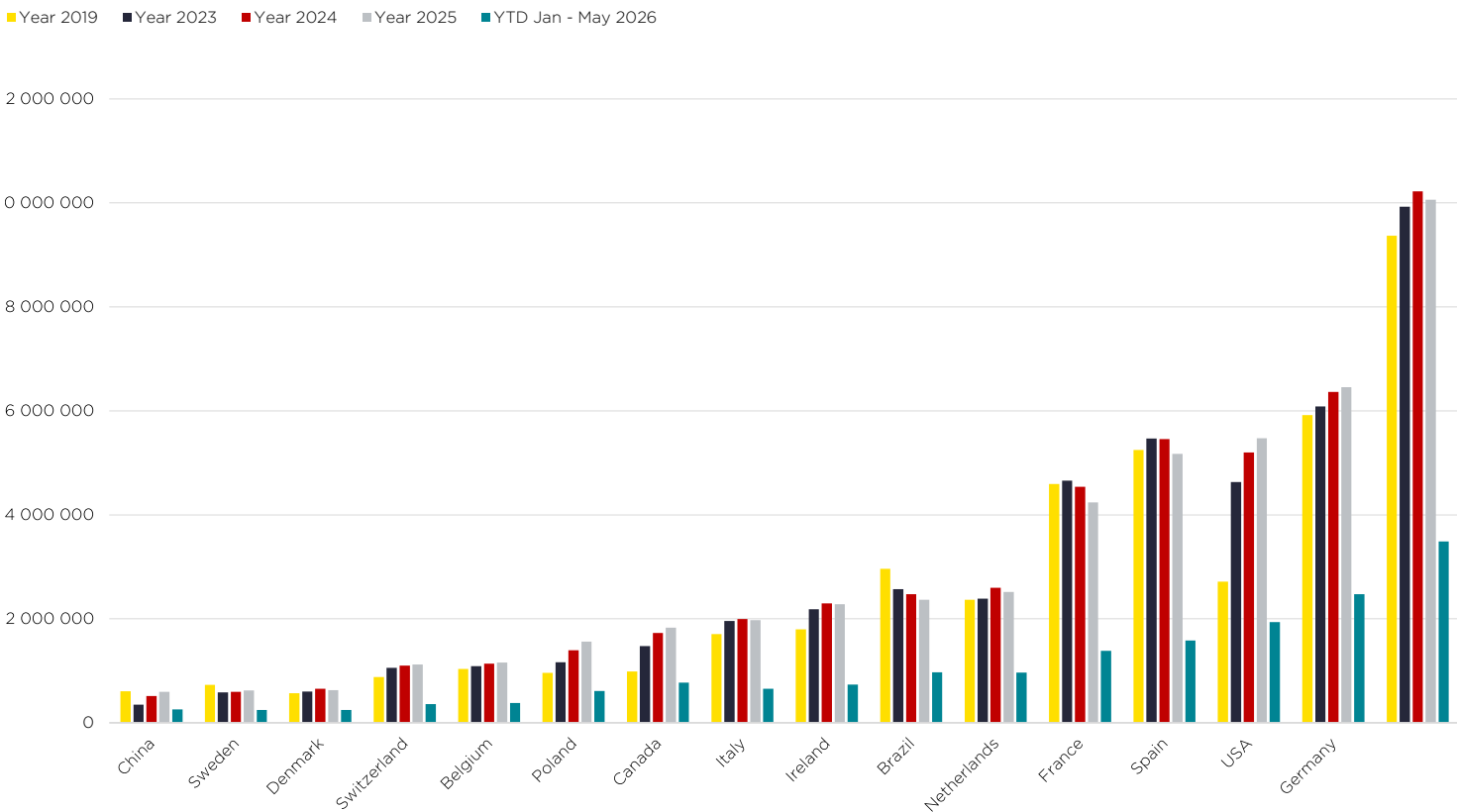
France is in retreat. At 4.24 million nights, 2025 sits 7.7% below its 2019 level and 9.0% off its 2023 peak, and the market contracted a further 8.3% year to date — the only top-ten source in outright decline. Germany (+5.8%) and Brazil (+7.6%) absorbed that loss over the half, but the French position warrants monitoring in the Algarve and the North, where it remains a top-four market.



Did you know?

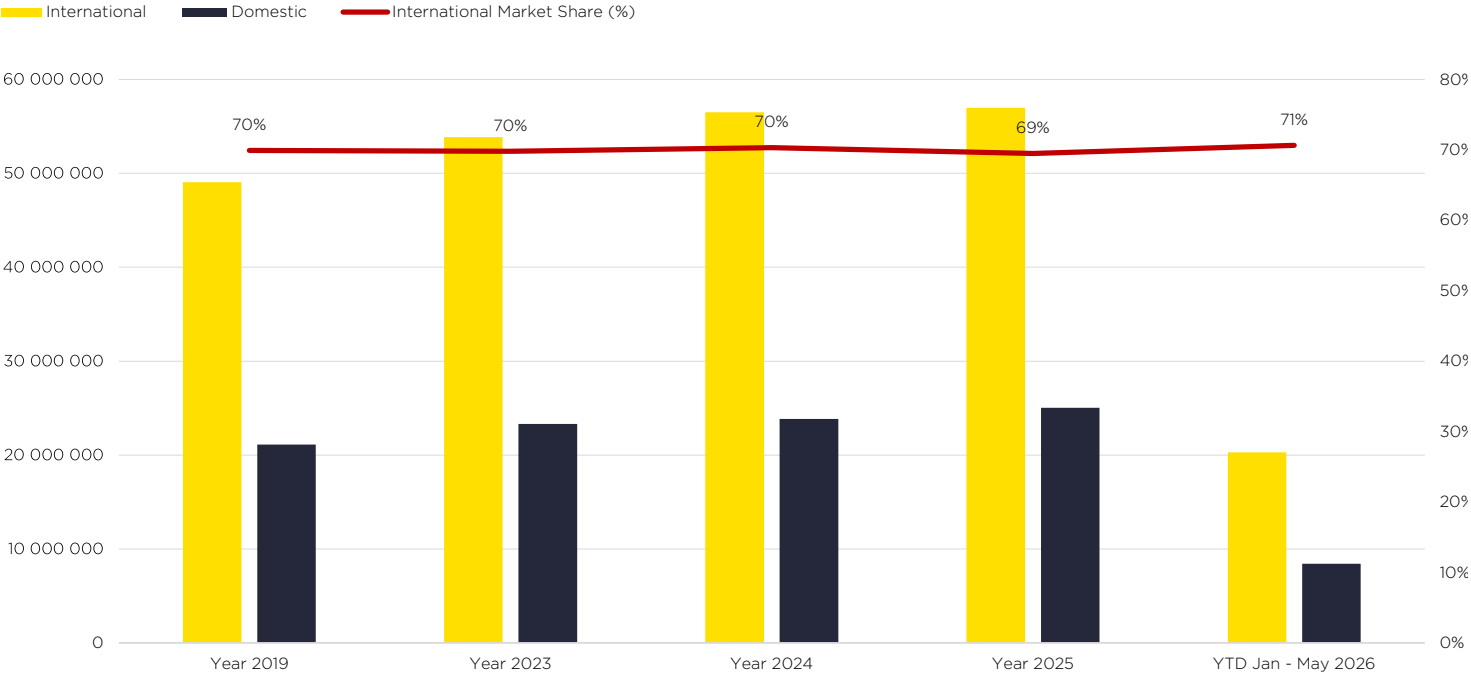
The UK alone accounts for 28.7% of all Algarve overnights and the United States has become Portugal's third-largest source market.

INTERNATIONAL OVERNIGHTS BY NATIONALITY



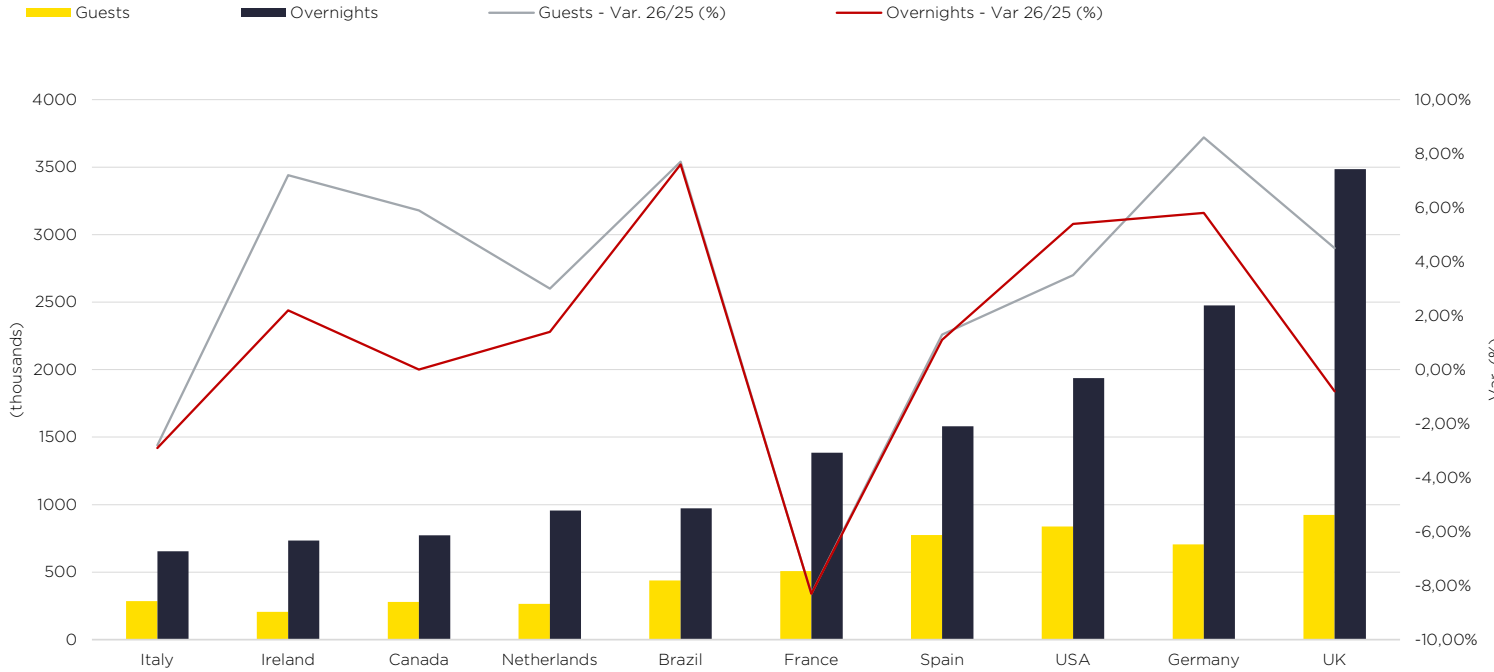
Source: Savills Research using Travel BI

INTERNATIONAL VS DOMESTIC MARKET | PORTUGAL - OVERNIGHTS



Source: Savills Research using Travel BI

PORTUGAL | GUESTS AND OVERNIGHTS



Source: Savills Research using Travel BI



Regional Performance

Rate performance diverged across the country.

The Alentejo delivered the strongest RevPAR growth of the four regions covered here, at 9.2%, followed by the Algarve at 3.8%; Greater Lisbon recorded the steepest correction at -3.6%, with the North also easing by 1.1%. Room occupancy fell in every region covered. Madeira, remains the outperformer, with year-to-date RevPAR of €89.8 on the highest room occupancy in the country and a rate that has more than doubled since 2019.

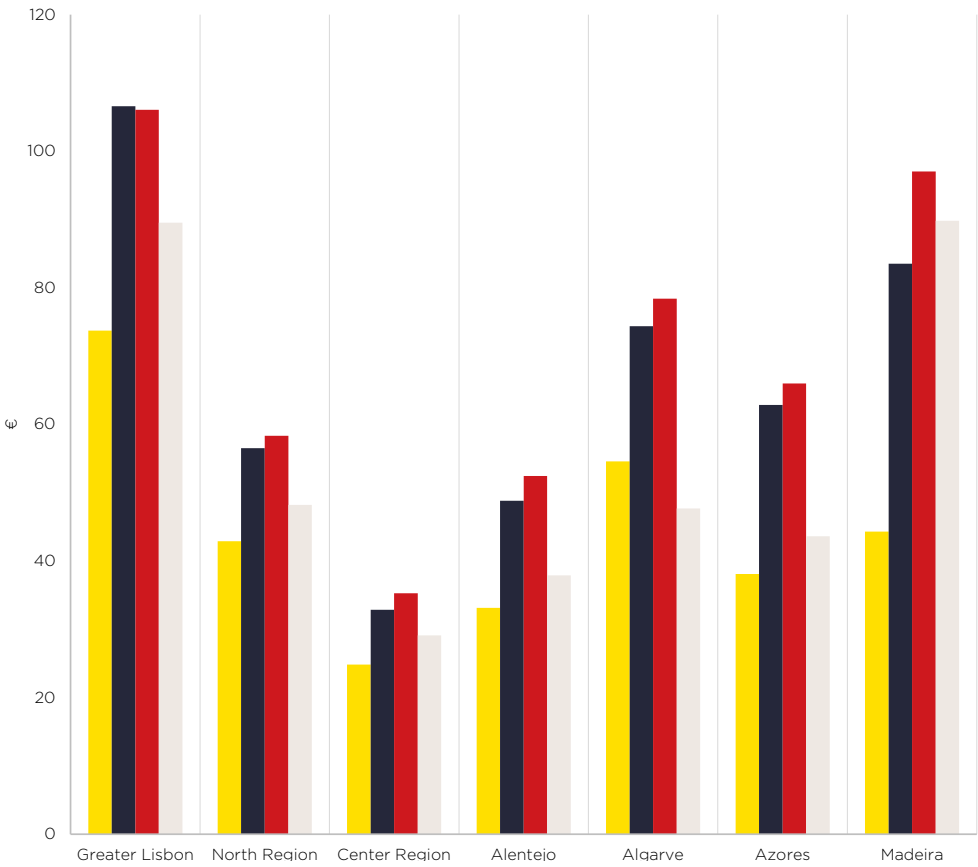
9.2%
THE ALENTEJO
STRONGEST
REVPAR GROWTH

REGION	REVPAR	VAR. 26/25	ROOM OCCUPANCY	H1 2026 INVESTMENT
Greater Lisbon	€95.8	-3.6%	68.0%	€312M
North Region	€35.8	-1.1%	42.7%	€111M
Alentejo	€45.9	+9.2%	47.5%	
Algarve	€50.3	+3.8%	53.2%	€15M

Source: Savills Research, analysing Travel BI. Cumulative January to May 2026.

EVOLUTION OF REVPAR

Year 2019 Year 2024 Year 2025 YTD Jan - May 2026

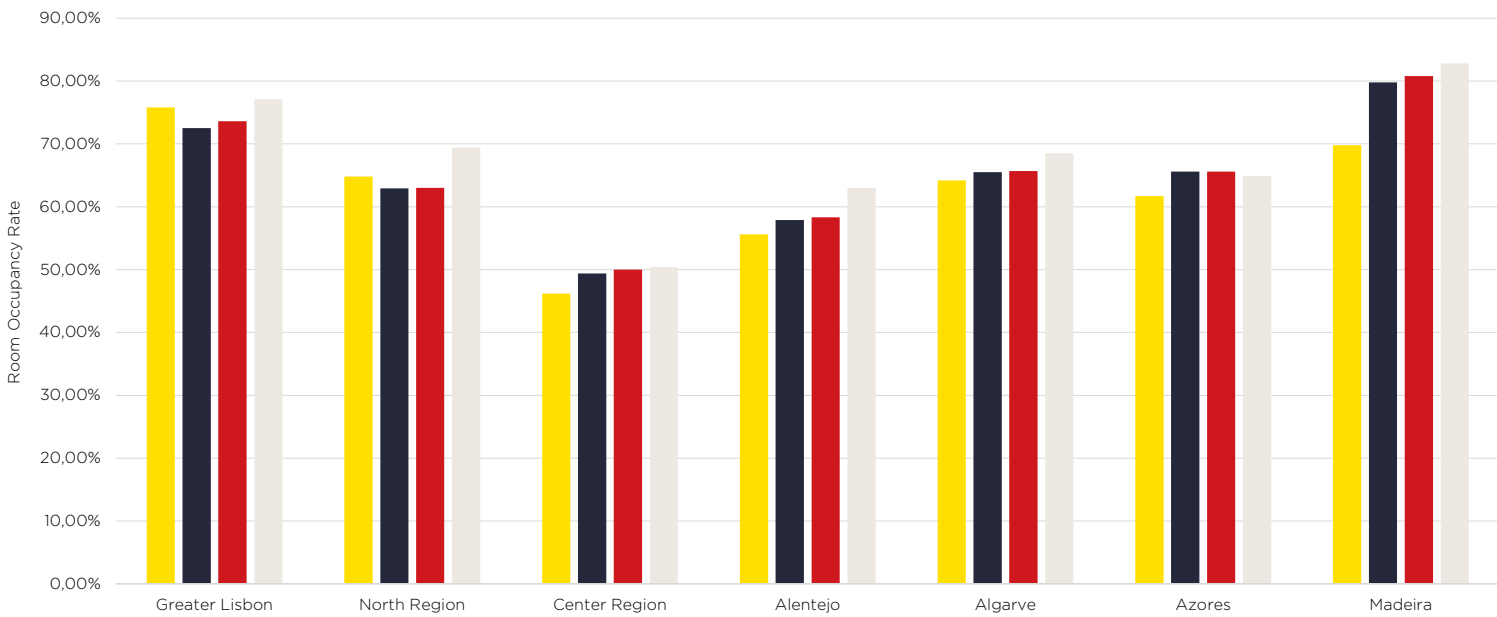


Source: Savills Research using Travel BI



EVOLUTION OF ROOM OCCUPANCY RATE

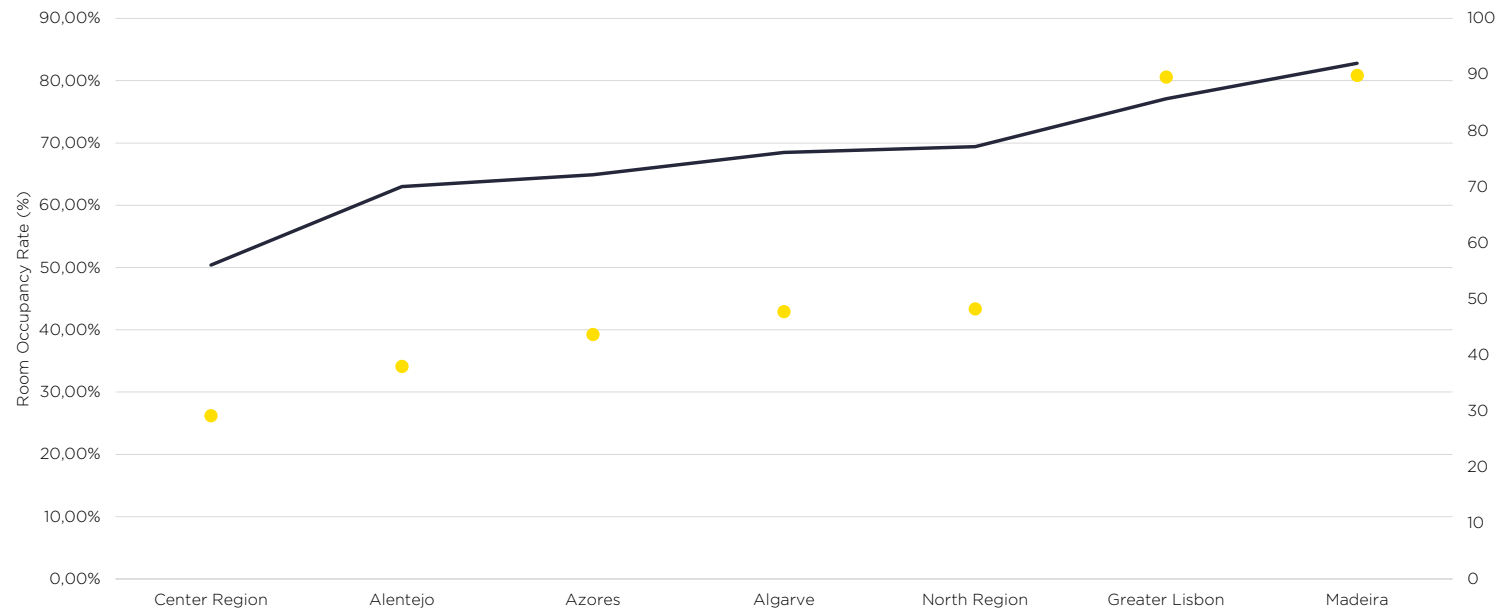
Year 2019 Year 2024 Year 2025 Room Occupancy Rate (%) YTD Jan - Apr 2026



Source: Savills Research using Travel BI

REVPAR VS OCCUPANCY

Room Occupancy Rate YTD Jan - Apr 2026 REVPAR (€) YTD Jan - May 2026



Source: Savills Research using Travel BI

Greater Lisbon

Greater Lisbon was the largest market of the first half, with 7.54 million overnight stays - ahead of the Algarve's 6.48 million, a ranking that reverses over the full year once the southern summer is counted. Volume grew 1.7% and guests 2.8%, taking the average stay down to 2.21 nights. Occupancy held steady at 68.0%, yet RevPAR fell 3.6% to €95.8, the sharpest rate correction of the four regions covered here.

Lisbon city now accounts for 82.9% of the region's overnight stays, up from 75.0% in 2019, while Greater Lisbon added only 5.2% across those six years.

International demand represents 80.7% of regional nights - the second-highest dependence in the country after the Algarve - although domestic stays

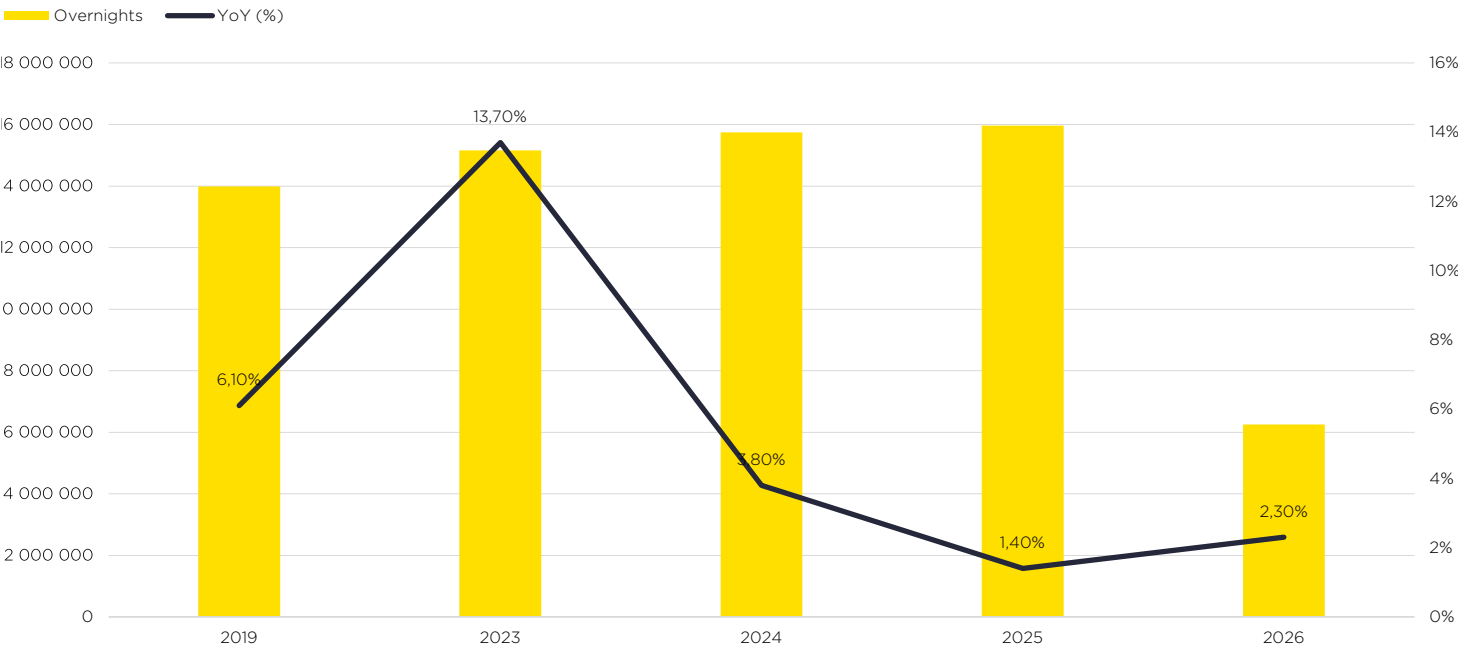
are currently on the faster-growing side, at 3.4% against 1.3%. Air access diverged along the same lines, with international arrivals up 2.5% and domestic arrivals down 3.8%.

On the supply side, the half delivered 314 keys, led by Andaz Lisboa (5*, 170 keys), The Cloud One Lisbon (4*, 88) and 1904 Benfica (4*, 56). A further 427 keys are committed for the second half, in DoubleTree by Hilton Lisbon Airport (230) and The Standard Lisbon (197).

Investment activity was concentrated here: €312 million, or 61% of national hospitality volume, including the Corinthia Lisbon (518 keys, €150 million, €289.6k per key) and Penha Longa (204 keys, €120 million, €588.2k per key).



LISBON CITY



Source: Savills Research using Travel BI



North Region

Regional overnight stays are 36.2% above their 2019 level, against 5.2% for Greater Lisbon, and the gap between the two regions has narrowed from 7.8 million nights in 2019 to 4.9 million in 2025. Porto city drives 46.9% of regional volume, delivering 2.54 million nights to date and compounding at 5.2% city overnights are 44.1% above 2019, three times Lisbon's 14.1%.

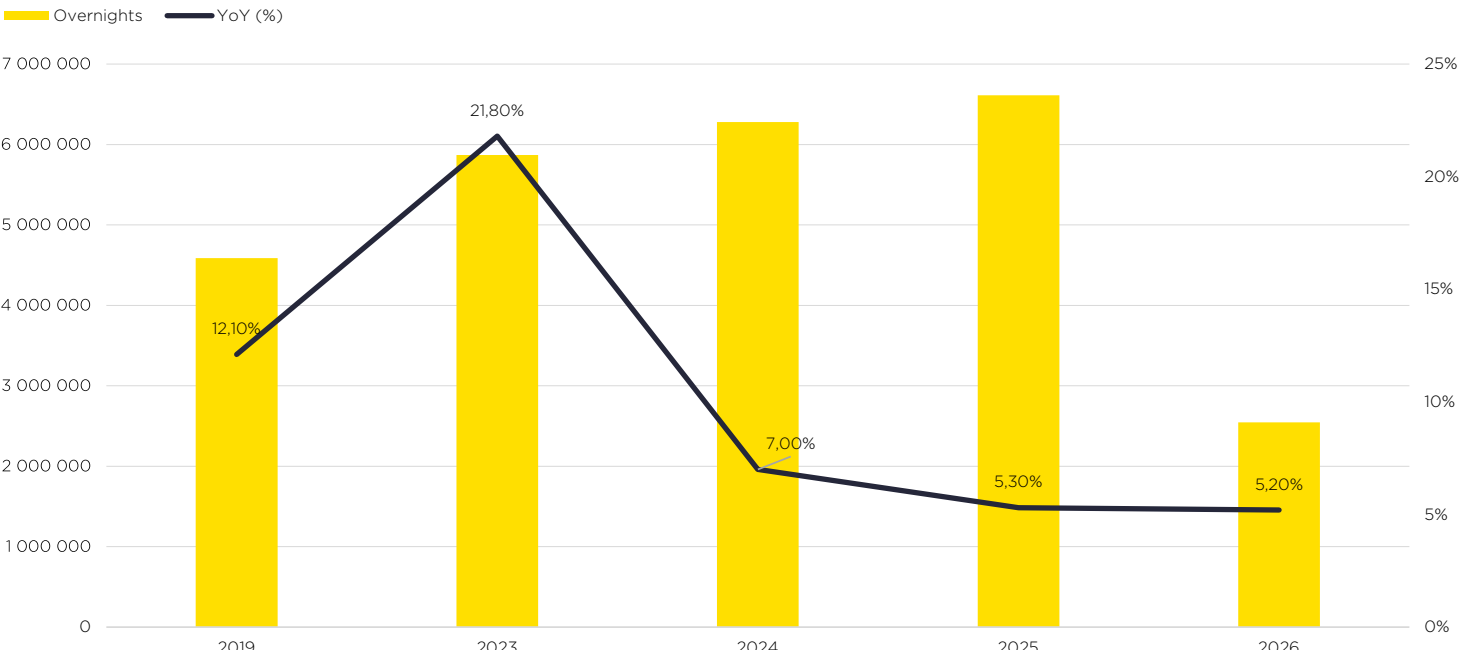
International arrivals through Porto rose 8.0%, ahead of Lisbon's 2.5% and the national average of 3.9%. Demand is also unusually well diversified. Spain (510,000 nights, +3.8%) and the United States (411,000, +6.4%) are the largest international sources, while the United Kingdom (+14.1%) and Brazil (+14.3%) grew

fastest; France (-9.2%) was the only top ten market to contract, mirroring the national pattern.

The half delivered 295 keys - Júpiter Porto (4*, 131), 705 O'Porto (4*, 85) and Água Hotels da Terra Fria (4*, 79) - with 448 keys committed for the second half across Evolution Porto Gaia (4*, 185), Moov Matosinhos Sul (3*, 143) and Porto Douro Marina & Villas (5*, 120).

The region attracted €111 million investment, 22% of the national total. The InterContinental Porto traded at €80 million for 113 keys, or €708.0k per key — the highest price per key recorded in the half. A forward commitment on the 228-key Meininger, at an estimated €30–35 million, points to continued appetite for scale in the city.

PORTO CITY



Source: Savills Research using Travel BI



Alentejo
Overnight stays rose 6.9% to 1.13 million against guest growth of 2.9%, making it the only region covered here in which the average stay is lengthened, to 1.82 nights. RevPAR advanced 9.2% to €45.9 — the strongest rate growth of the regions covered here - even as room occupancy fell 4.0 percentage points to 47.5%.

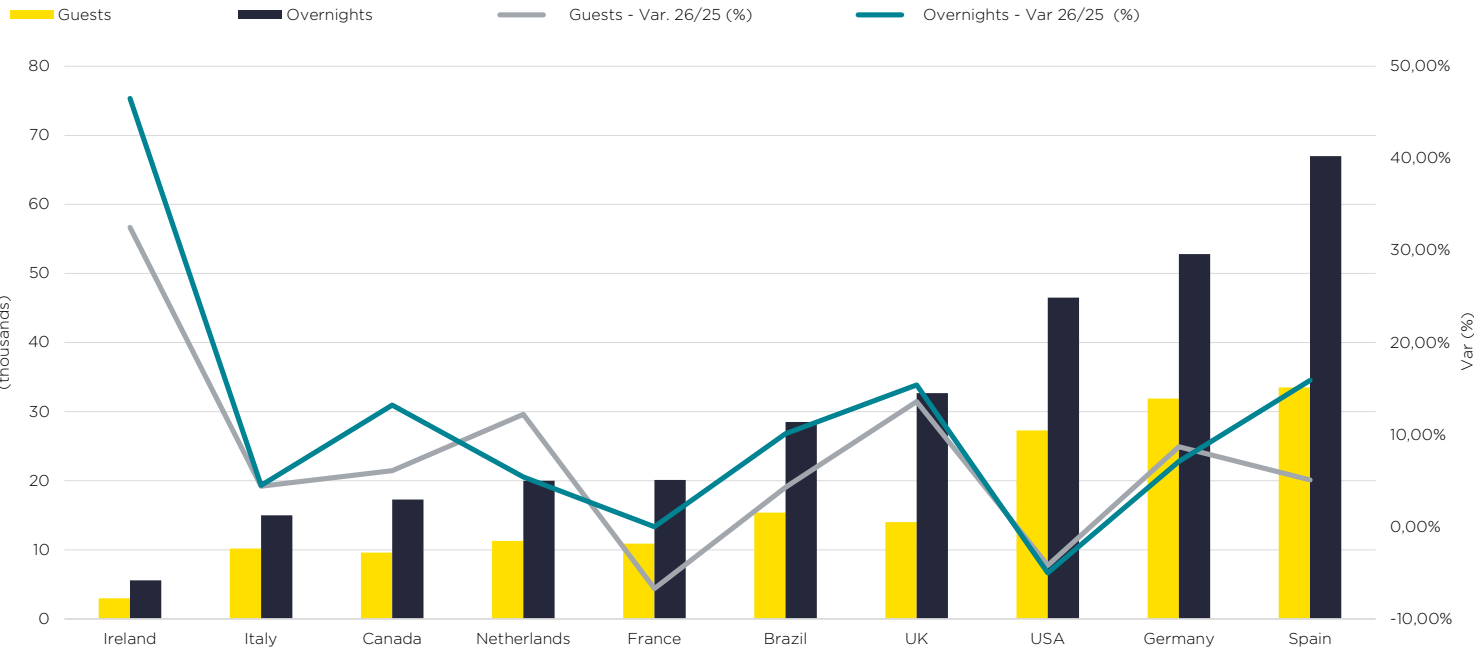
The region remains predominantly domestic, at 64.7% of overnight stays - the highest domestic weighting of the four regions covered here — though international demand is growing faster. Ireland (+46.5%), Spain (+15.9%) and the United Kingdom (+15.4%) led, with the United States (-5.0%) the sole top ten market in decline.

The H1 2026 openings include: Na Praia in Comporta (5*, 113 keys) and Sublime Comporta (5*, 43 villas) with the 196-key Wellness & Grand Vista Winery (4*) scheduled for the second.

Did you know?
Investment reached €70 million, or 14% of the national total, concentrated in the acquisition of Hotel Quinta da Comporta.



ALENTEJO REGION | GUESTS AND OVERNIGHTS



Source: Savills Research using Travel BI

Algarve
The Algarve remains Portugal's largest region by annual volume, at 20.8 million nights in 2025, and the only one still below its pre-pandemic base — 0.6% short of 2019. Its recovery has been achieved through price rather than through people. Year to date, overnight stays rose 2.4% to 6.48 million against guest growth of 4.4%, shortening the average stay to 3.62 nights, which nonetheless remains the longest in the country. RevPAR grew 3.8% to €50.3 while occupancy fell 3.9 percentage points to 53.2%.

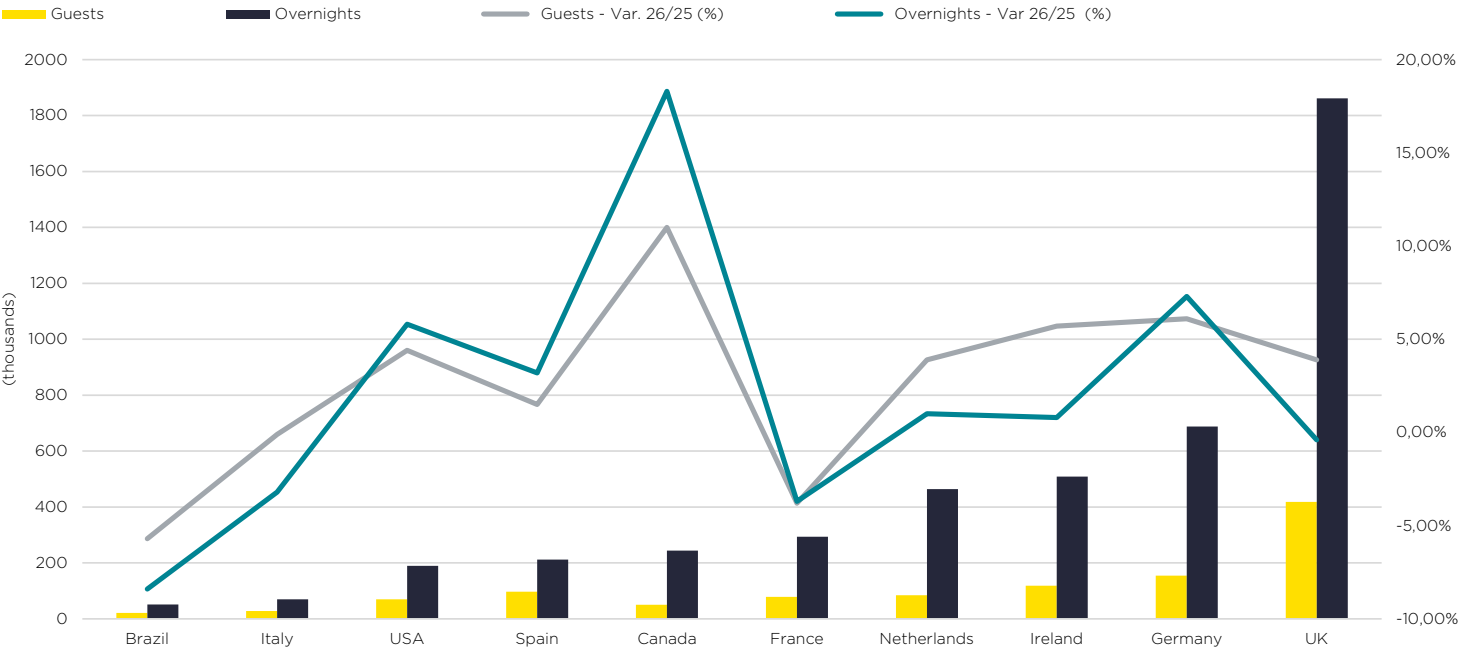
This is the most international market in Portugal, at 82.9% of overnight stays, and the most concentrated. The United Kingdom, Germany and Ireland together deliver 47.2% of all nights, with the UK alone at 28.7%. The British pattern here mirrors the national one but with greater consequence: guests grew 3.9% while nights fell 0.4%, so the market is trading down in duration rather than in visits. Canada (+18.3%) and Germany (+7.3%) led growth, while France (-3.7%) and Brazil (-8.4%) contracted.

The half delivered the Hyatt Regency (5*, 257 keys), Nomad Bay (4*, 69 apartments) and Masana (5*, 33 villas), with a further 433 keys committed for the second half in Wine & Books by the Sea (250) and Casa de Sada Algarve Beach Resort, Curio Collection by Hilton (5*, 183).

Did you know?
Investment, at €15 million or 3% of the national total, was correspondingly light.



ALGARVE REGION | GUESTS AND OVERNIGHTS



Source: Savills Research using Travel BI

Supply: Arriving at the top of the market

The principal openings of the first half added 1,163 keys, of which 80% were five-star, and a further 1,241 keys are committed for the second. Stock is being added at the top of the market rather than in the middle.

That inbound volume is converted into visits rather than room nights: more guests, staying fewer nights each.

Resident overnight stays grew 2.2% against 1.3% for international demand, extending a cycle in which the domestic base has expanded faster than the foreign one — 25.0 million nights in 2025 sits 18.6% above 2019, against 16.2% for international.

Did you know?

International brands are now the primary vehicle for new supply. Hyatt, Hilton in two formats, Andaz and The Standard together account for 1,037 of the 2,404 keys listed across the year, or 43% of the total. Geographic spread is also widening: Comporta, Seixal, Vila Nova de Gaia and inland Alentejo account for 596 keys between them, evidence that operators are now willing to underwrite secondary locations at scale.



TOP OPENINGS H1 2026

HOTEL	REGION	CATEGORY	ROOMS
Pestana Dunas	Madeira	5*	390
Hyatt Regency	Algarve	5*	257
Andaz Lisboa	Lisbon	5*	170
Júpiter Porto Hotel	Porto	4*	131
Na Praia	Comporta	5*	113
Upon Harbor	Seixal	4*	102

Source: Savills Research

TOP FUTURE OPENINGS H2 2026

HOTEL	REGION	CATEGORY	ROOMS
Wine & Books by the Sea	Algarve	not disclosed	250
Double Tree by Hilton Lisbon Airport	Lisbon	4*	230
The Standard Lisbon	Lisbon	5*	197
Wellness & Grand Vista Winery	Alentejo	4*	196
Evolution Porto Gaia	Vila Nova de Gaia	4*	185
Casa de Sada Algarve Beach Resort, Curio Collection by Hilton	Algarve	5*	183

Source: Savills Research

Investment Market

Hotel investment totalled €508.4 million in the first half of 2026, 53.7% above the same period of 2025 and 2.8% above the whole of last year.

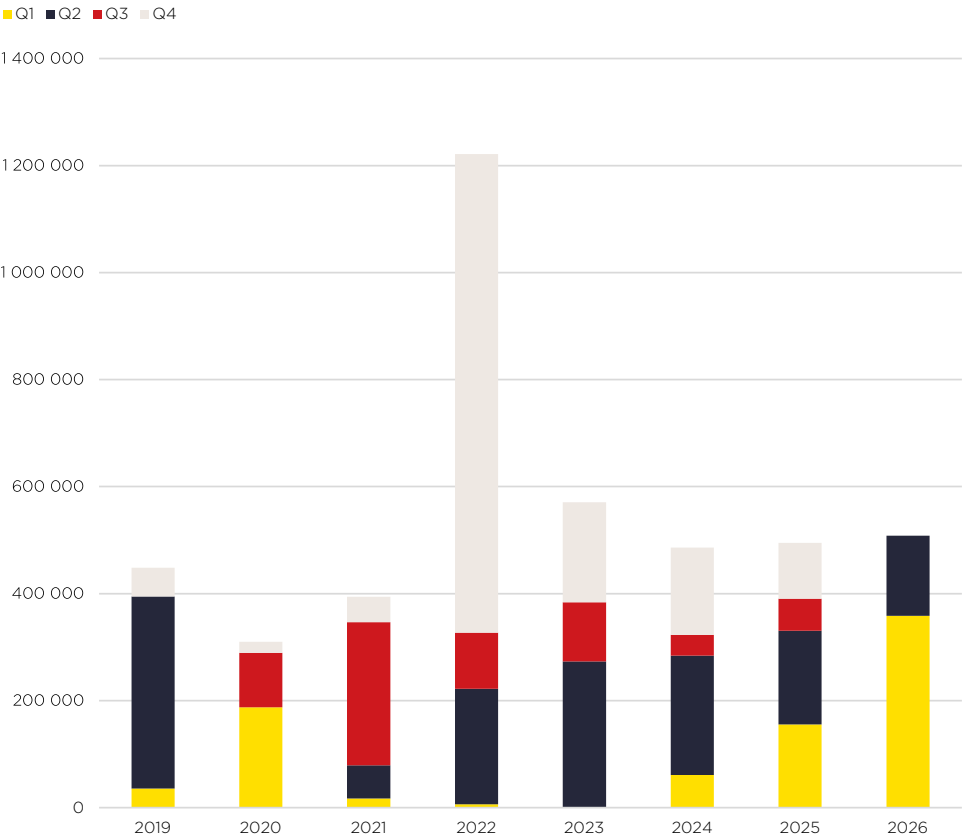
The first quarter carried the half at €358.4 million - the largest single quarter since the fourth quarter of 2022 and almost double the previous strongest first quarter on record.

Cross-border investors funded 95.6% of volume, while domestic participation of €22.5 million was the thinnest since 2019. Three assets - the Corinthia Lisbon, Penha Longa and the InterContinental Porto - delivered €350 million, or 68.8% of the half.

Did you know?

Porto city alone accounted for €230.6 million - 71.8% of its region's volume - whereas Lisbon city accounted for €191.8 million, 39.4% of Greater Lisbon's.

HOSPITALITY | EVOLUTION OF INVESTMENT VOLUME



Source: Savills Research

INVESTMENT H1 2026

€508.4M

+53.7% vs H1 2025

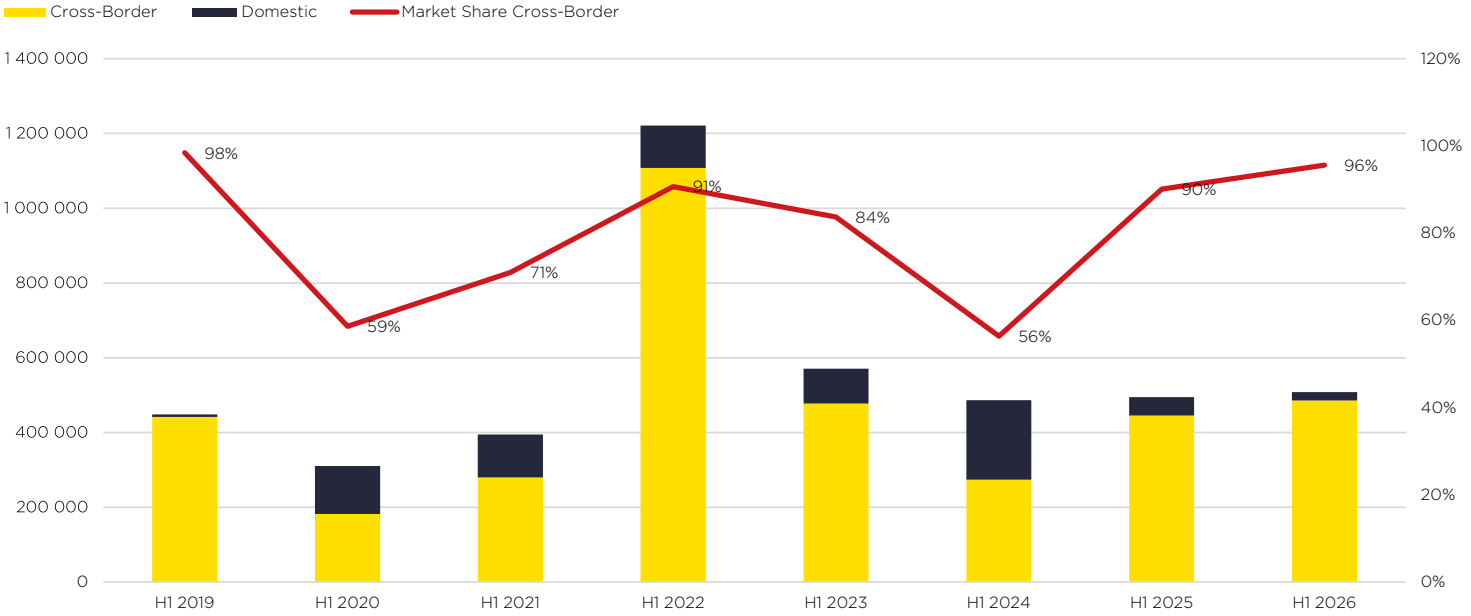
That eighteen-month view gives a clearer reading of who is buying Portuguese hotels than any single half can. Cross-border capital accounted for 92.9% of the total; Portuguese buyers committed €71.5 million, or 7.1%.

The United Kingdom was the largest single source of capital, at €325.2 million or 32.4% of the total, ahead of France and Spain. The symmetry with the demand side is worth noting: the UK is simultaneously Portugal's largest source of guests and its largest source of hotel investment.

By geography, Greater Lisbon absorbed €486.8 million, or 48.5% of the eighteen-month total, and Greater Porto €321.1 million (32.0%), with the Algarve at €125.2 million (12.5%) and the Alentejo at €70.0 million (7.0%).



HOSPITALITY | CROSS-BORDER VS DOMESTIC INVESTMENT VOLUME



Source: Savills Research

ORIGIN OF CAPITAL — 2025 TO H1 2026	€M	SHARE
United Kingdom	325.2	32.4%
France	204.6	20.4%
Spain	182.5	18.2%
USA	120.0	12.0%
International — undisclosed	99.3	9.9%
Portugal	71.5	7.1%

Source: Savills Research

By type of buyer, investment and asset managers were the largest category, followed by hospitality groups and operators acquiring directly.

Hotel groups and operators were the second most active category by volume, ahead of both institutional funds and private equity, which indicated that operational control rather than yield alone is driving a meaningful share of capital allocation.

BUYER PROFILE — 2025 TO H1 2026	€M	SHARE
Investment & asset management	315.2	31.4%
Hospitality groups operators	233.6	23.3%
Institutional funds	209.3	20.9%
Private equity	165.0	16.4%
Undisclosed	80.0	8.0%

Source: Savills Research



BY GEOGRAPHY — 2025 TO H1 2026	€M	SHARE
Greater Lisbon	486.8m	48.5%
<i>of which Lisbon City</i>	191.8	19.1%
Greater Porto	321.1	32.0%
<i>of which Porto City</i>	230.6	23.0%
Algarve	125.2	12.5%
Alentejo	70.0	7.0%



Investor Takeaways

Three transactions accounted for approximately 70% of the half-year volume.

Portugal remains a market defined by a small number of large-scale deals, and the record total reflects this concentration rather than any broadening of the transaction base;

Minimum ticket size has historically been the principal barrier to institutional capital entering Portugal: a significant proportion of the assets brought to market are too small for this investor profile, preventing capital from being deployed at the scale sought.

This half-year marks a shift in direction. We have begun to see genuinely institutional-scale assets come to market, well above the average ticket size to which the Portuguese market is accustomed.

In most cases, these are capital recycling decisions - institutional investors who entered in an earlier cycle, delivered their value creation plan and are now releasing capital to reinvest, reallocate to other markets or pursue alternative strategies;

Portugal is establishing itself as an increasingly relevant market for institutional capital, and this maturity is, a positive signal: a market that can be entered and exited at this scale is a credible one, and it brings liquidity to the Portuguese hotel sector.



INVESTMENT VOLUME

€1,003.1M

2025 - H1 2026



Savills Research

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