MONTHLY BRIEF

Tourism & Hospitality Brief

Resilient demand, revenue growth and an increasingly uneven market across regions.

Revenue grew faster than overnight stays, supported by pricing. However, lower occupancy and weaker performance in Greater Lisbon show that market development is becoming increasingly selective by region and asset.

Paulo Braga

Hospitality Real Estate Advisor

Portugal | July 2026

Edition v1.0 - provisional data

EXECUTIVE SUMMARY

July confirmed resilient tourism demand

MAIN CONCLUSION

Revenue grew faster than overnight stays, supported by pricing. However, lower occupancy and weaker performance in Greater Lisbon show that market development is becoming increasingly selective by region and asset.

Tourist accommodation recorded 3.4 million guests and 9.6 million overnight stays. Total revenue reached EUR 923.7 million and room revenue EUR 734.4 million.

Domestic demand remained the main growth driver. Resident overnight stays increased 5.1%, while non-resident overnight stays rose 0.7%, returning to growth after the June decline.

The national reading remains positive, but regional and operating dispersion requires analysis at asset, source-market and micro-location level.

KEY INDICATORS

Pricing supported revenue growth

GUESTS	OVERNIGHT STAYS	TOTAL REVENUE
3.4 M	9.6 M	EUR 923.7 M
+1.0% YoY	+2.1% YoY	+4.9% YoY

ADR	REVPAR	NET ROOM OCCUPANCY
EUR 154.9	EUR 104.3	67.3%
+3.2% YoY	+1.8% YoY	-0.9 pp YoY Net bed occupancy: 59.9%, -0.5 pp.

Reading: revenue growth continued to exceed overnight-stay growth. Occupancy declined, indicating greater reliance on pricing rather than fuller use of capacity.

DEMAND

Domestic demand led; international demand recovered modestly

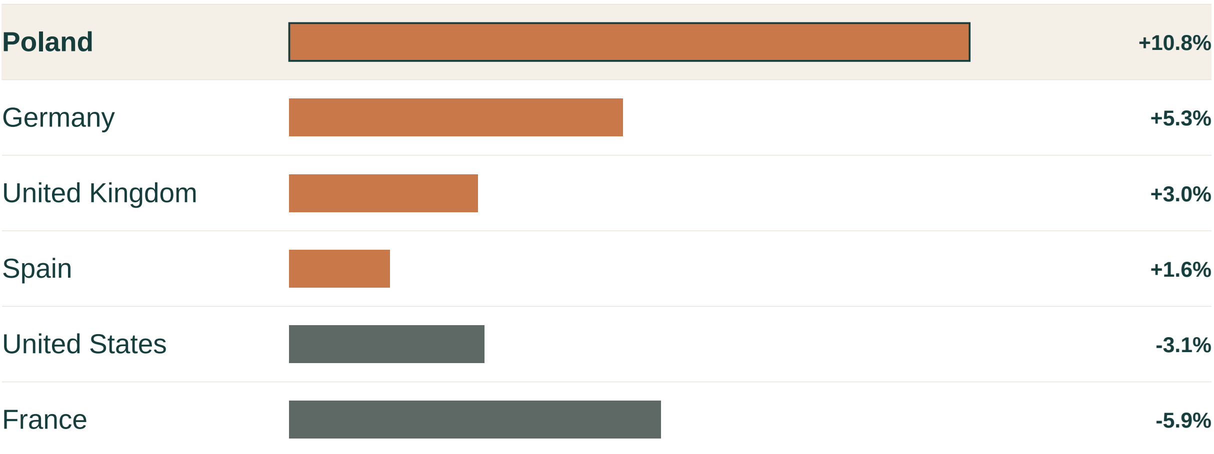
RESIDENT OVERNIGHT STAYS	NON-RESIDENT STAYS	TEN LARGEST MARKETS
3.1 M	**6.6 M**	**74.0%**
+5.1% YoY	+0.7% YoY	share of foreign stays

The United Kingdom remained the leading source market, accounting for 18.4% of non-resident overnight stays and growing 3.0%. Poland recorded the strongest increase among the ten largest markets (+10.8%), while France posted the largest decline (-5.9%).

Overnight stays by US residents fell 3.1%, with the clearest impact in Greater Lisbon and the Algarve.

Change in overnight stays by source market

July 2026, year-on-year change



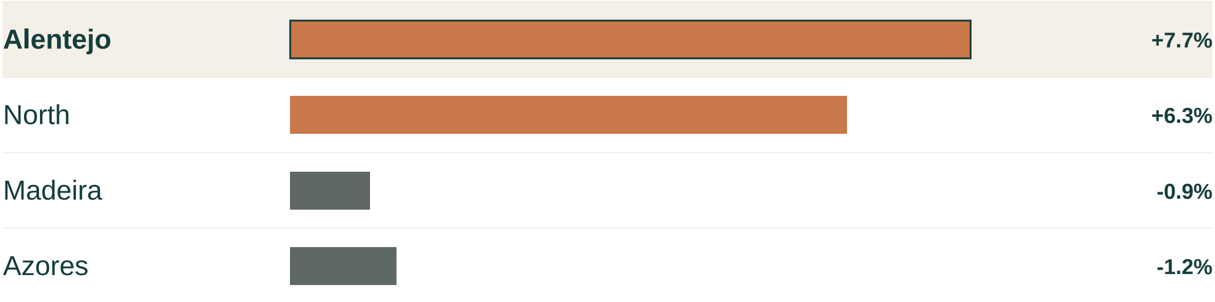
Statistics Portugal, Tourism Activity - Flash Estimates, July 2026

REGIONS

Alentejo and the North led growth

Change in overnight stays by region

July 2026, year-on-year change



Statistics Portugal, Tourism Activity - Flash Estimates, July 2026

The Algarve, Greater Lisbon and the North accounted for 68.4% of national overnight stays. The Algarve led total and room revenue, with shares close to 35%.

ATTENTION SIGNAL

Greater Lisbon was the only region to record lower revenue: -2.0% in total revenue and -2.2% in room revenue.

OPERATING PERFORMANCE

Greater Lisbon diverged from the national average

Greater Lisbon

OVERNIGHT STAYS	NET ROOM OCCUPANCY	ADR
+0.4%	74.1%	EUR 154.6
Greater Lisbon	-4.3 pp YoY	-2.0% YoY

REVPAR	TOTAL REVENUE
EUR 114.5	EUR 196.3 M
-7.3% YoY	-2.0% YoY

Despite slight growth in overnight stays, the simultaneous decline in occupancy, ADR, RevPAR and revenue points to specific operating pressure in the region. The national average does not adequately represent this reality.

REAL ESTATE LENS

A positive but selective view

FACT

National demand and revenue remain resilient, but growth is not benefiting every market and asset equally.

INTERPRETATION

Regional and micro-location analysis is becoming more relevant than the national average. Greater Lisbon's divergence shows that tourism growth and asset performance are not equivalent.

IMPLICATION

For investors and owners, the priority should be asset-level revenue quality: source-market mix, pricing power, operating efficiency and the ability to preserve occupancy without discounting. Investment decisions should therefore test demand origin, price elasticity, cost structure and each asset's ability to capture sustainable revenue.

OUTLOOK

Three signals to watch in August

01	**Whether international demand continues to recover.**
02	**The balance between occupancy and ADR.**
03	**Whether Greater Lisbon stabilises.**

SOURCES

Statistics Portugal, Tourism Activity - Flash Estimates, July 2026, released 31 August 2026. Turismo de Portugal / TravelBI, Turismo em Números - July 2026. Banco de Portugal estimates reproduced by TravelBI.

Statistics Portugal flash estimates, subject to revision. All changes are year-on-year unless stated otherwise. Room occupancy is reported on a net basis and its change in percentage points.

Paulo Braga

Hospitality Real Estate Advisor