

Italy tops Europe in luxury hotel investment

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MILAN — Six in 10 luxury hospitality investors now rank Italy as Europe's top market for high-end hotel development, ahead of Greece at 11 percent and Portugal at 10 percent, according to findings from research presented by Deloitte at an industry event in Milan on 12 May 2026.

"Italy remains the most attractive market in Europe for luxury tourism," said Angela D'Amico, partner and real estate sector leader at Deloitte, citing the country's cultural and landscape heritage as the primary driver. Growth prospects, she added, extend well beyond Rome, Milan, Venice, and Florence to regenerated villages, mountain areas, and emerging destinations.

Beyond the historic centres

The data reflects a sector in significant repositioning. Investors are focusing primarily on existing structures and historic buildings, though preservation restrictions frequently complicate redevelopment. Returns in the luxury segment are outperforming other areas of the market, drawing capital toward properties that would previously have been considered too complex to convert.

Source: https://italynow.co.uk/italy-tops-europe-in-luxury-hotel-investment-deloitte-finds/



Terrace with a view (*Credits: Italy Now*)

Food as strategy

The sharpest shift in the data concerns food and drink. More than 70 percent of investors and operators plan to direct capital toward restaurant spaces, high-end dining facilities, and chef partnerships. Food and drink now generates between 30 and 40 percent of revenues at many luxury properties, reaching 50 percent in some cases.

“The richness and variety of Italian cuisine, recognised by UNESCO as an intangible cultural heritage, represent a fundamental competitive lever,” said Benedetto Puglisi, director of real estate and hospitality at Deloitte.

The sustainability premium

Between 2024 and 2025, the number of Italian hotels holding ESG certifications — which measure environmental, social, and governance performance — rose 22 percent. More than 21 percent of total capital expenditure in luxury repositioning projects is now allocated to sustainability initiatives.

Properties investing in energy retrofitting, renewable sources, and water conservation can expect a six to 10 percent increase in asset value, according to research published by MDPI, an academic research platform. A Booking.com survey found 73 percent of travellers want their spending to generate direct benefits for local communities.

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