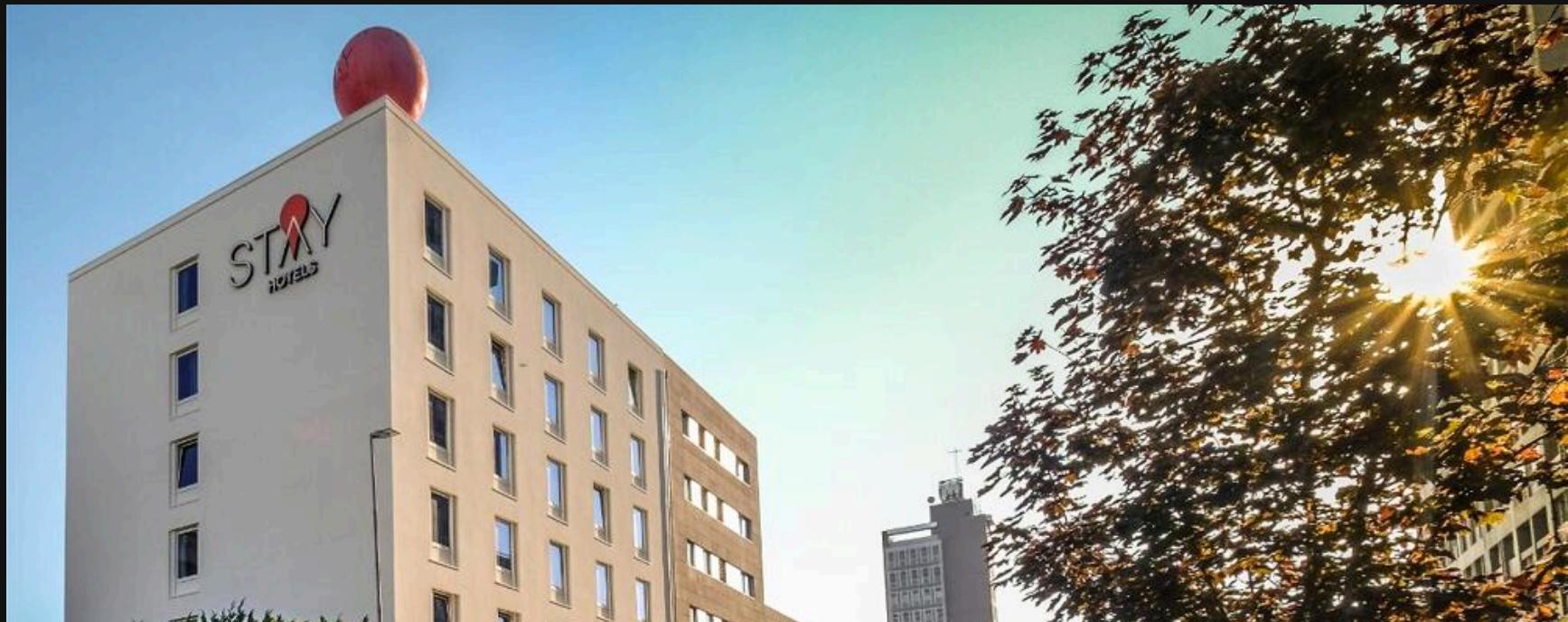


iStay Hotel

PORTO - PORTUGAL

Rua Alexandre Herculano



iStay Hotel Porto Centro – Downtown Overview

iStay Hotel Porto Centro is a budget-class 2-star hotel located right in the historic heart of Porto, at Rua Alexandre Herculano 296, just a few minutes' walk from major city-centre landmarks (such as the Ponte Dom Luís I, the old town, the central train station and metro/bus connections).

With 56 rooms spread over the building, the hotel offers a practical, no-frills stay: air conditioning, private bathrooms, flat-screen TVs, free Wi-Fi, 24-hour reception and a basic self-service snacks & drinks option.

Context — Downtown Porto & Tourism Market

- The hotel market in Porto in 2024 had an average occupancy rate around 74%, with peak periods (festivals, holidays) reaching over 90%. (portocvb.com)
- Downtown Porto attracts city-breakers, cultural tourists, and business travelers due to proximity to major landmarks, restaurants, nightlife, and public transport.
- The city continues to experience strong tourism growth, recovering and surpassing pre-pandemic levels, making central urban hotels a high-demand segment.
- Conclusion: Investing in a downtown, centrally-located hotel in Porto benefits from a stable and growing tourism market with strong potential for occupancy and revenue.

iStay Hotel Porto Centro — Overview & Key Metrics

- Star rating: 2★
- Number of rooms: 56
- Location: Rua Alexandre Herculano 296, Porto, in the historic center, close to key attractions, public transport, and city amenities. (visitporto.travel)
- Services: Air conditioning, private bathrooms, Wi-Fi, 24-hour reception, snack/drinks service, breakfast available for extra cost.
- Target audience: Budget-conscious tourists, young travelers, couples, city-break visitors looking for convenience and central location.
- Positioning: Downtown / urban stay — short-stay city tourists who prioritize location and affordability over luxury.

Value & Investment Potential

- Prime downtown location: walking distance to city attractions, public transport, restaurants, and nightlife.
- Steady occupancy potential: downtown hotels of this type in Porto maintain high seasonal occupancy, with annual averages estimated at 70–75% for budget hotels.
- Revenue stability: With 56 rooms and an average daily rate (ADR) estimated around €60–€70, the hotel can generate consistent revenue.
- Urban tourism growth: Porto continues to attract international and domestic tourists, increasing both hotel demand and potential property value appreciation.

Risks & Considerations

- Limited facilities: 2★ budget hotel; minimal amenities compared to higher-starred hotels, limiting appeal for certain segments.
- Competition: The downtown budget segment is highly competitive, with hostels, guesthouses, and Airbnb alternatives.
- Seasonality: Urban tourism shows fluctuations; winter months see lower occupancy.
- Small scale: With only 56 rooms, economies of scale are limited. Revenue growth depends on occupancy and careful rate management.

Conclusion – Investment Rationale

iStay Hotel Porto Centro represents a budget urban hotel with stable demand in downtown Porto. Its 56-room capacity, central location, and cost-conscious offering make it a suitable asset for investors looking at small-scale downtown city hotels.

Strategic recommendations:

- Active revenue management and pricing optimization
- Focus on maintaining service quality and guest reviews
- Leverage location for city-break and short-stay marketing
- Explore partnerships with travel platforms to maximize visibility

Hypothetical 5-Year Financial Projection (Downtown / Budget)

- Assumptions:
- Rooms: 56
- Occupancy: 75% (average)
- ADR: €65
- EBITDA margin: 25–28%
- Market growth: 3–5% per year

Scenario Table (Revenue / EBITDA)

Scenario	2025 Revenue	2025 EBITDA	2029 Revenue	2029 EBITDA
Low	€1,000,000	€250,000	€1,125,000	€281,000
Medium	€1,050,000	€280,000	€1,230,000	€320,000
Optimistic	€1,100,000	€308,000	€1,350,000	€378,000

Payback Estimate:

- ow: ~20–22 years
- Medium: ~17–18 years
- Optimistic: ~14–15 years

Strategic Notes:

- Revenue can be increased with slight ADR adjustments, upselling, and online marketing.
- Downtown location ensures stable demand even in off-peak months.
- Property appreciation likely in the historic city center.

