CUSHMAN & WAKEFIELD

MARKETBEAT
EUROPE
HOSPITALITY H1 2026

Better never settles

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MARKET FUNDAMENTALS*

H1 2026

	YoY	Outlook
€11.7Bn Investment Volume	▼	▬
4.75-8%** Europe Prime Yields (HMA)	▼	▬
+3.0% YoY RevPAR Growth	▲	▲
+2.9% YoY Supply Growth	▲	▲

INVESTMENT HIGHLIGHTS

384 / 51,219
Hotels / Rooms Transacted

€228,416
Average Price per Room

50%
Of volume was invested in Upper Upscale & Upscale hotels

ECONOMIC INDICATORS***

	YoY	Outlook
0.6% YoY Real GDP Growth	▼	▲
2.5% YoY Inflation Growth	▲	▼

*Growth indicators are based on nominal amounts
**The yield spread covers a mix of European markets providing a wide range of risk/return levels.
***Euro Zone only, excl. UK

INVESTMENT ACTIVITY

Hotel investment activity in Europe remained resilient in H1 2026, reaching €11.7 billion, with volumes 19.5% above the 10-year average, despite a moderate year-on-year decline (-9.5%). Transaction activity was supported by landmark single-asset deals, including the Pullman Paris Tour Eiffel, The Westminster Curio Collection London and the Park Hyatt Vienna, alongside continued portfolio activity in key markets such as the UK and Spain. While fewer assets transacted overall, transactions above €100 million increased by 30% YoY, highlighting continued investor demand for prime hotel assets. APAC and MEA investors remained particularly active, with investment volumes increasing by 86% and 31% respectively, helping to drive cross-border activity across Europe's gateway markets.

PRICING

Following the strong investment momentum recorded in 2025, hotel yields remained broadly stable in H1 2026, supported by sustained investor appetite for the hotel sector. However, the resurgence of inflation during the first half of the year, resulting in higher financing costs, may limit further yield compression for the remainder of 2026. The average price per room increased by 9% year-on-year to €228,416. Private investors continued to dominate transaction activity, representing 54% of acquisitions and 46% of disposals. Their share of selling activity increased by 8.4 percentage points compared with the previous year. Institutional investors accounted for 37% of investment volume on the buy side and 38% of disposals on the sell side, although their share declined by 8.8 percentage points year-on-year.

SUPPLY

Hotel supply in Europe continued to grow in H1 2026 (+2.9% vs. H1 2025), especially in Southern Europe, where room inventory increased by more than 5%. At the country level, Poland, Italy and Austria recorded notable increases in supply. The pace of supply growth remained uneven across the region, reflecting varying development pipelines and development constraints, with very limited pipeline across several markets such as Amsterdam, Barcelona, Prague and Paris.

PERFORMANCE

In H1 2026, Europe's average RevPAR reached €101, a 3% increase year-on-year. This growth was driven by a 2.2% rise in ADR and a 0.7% increase in occupancy. Eastern Europe recorded the strongest performance growth, with RevPAR increasing by 6% year-on-year, followed by Southern Europe. Some of the largest year-on-year increases in RevPAR, compared to H1 2025, were recorded in Milan (+24%), benefiting from demand associated with the 2026 Winter Olympics, and Budapest (+15%).

RECENT TRANSACTION TRENDS

(EUR, MILLIONS)

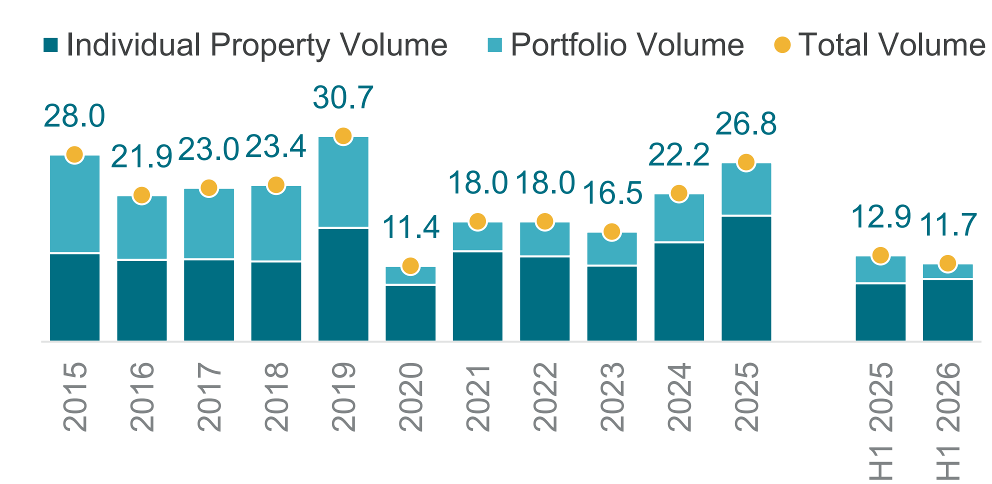
	Current Period		
	H1 2026	H1 2025	% Change
Hotels	384	515	-25%
Rooms	51,219	61,855	-17%
Volumes	11,704	12,930	-9%

Top countries by transaction volume (H1 2026)

	Hotels	Rooms	Volume	% Change
United Kingdom	72	9,983	3,224	74%
Spain	91	12,863	2,656	34%
Italy	57	9,558	1,319	-18%
France	57	3,851	1,254	8%
Germany	30	3,867	603	-46%

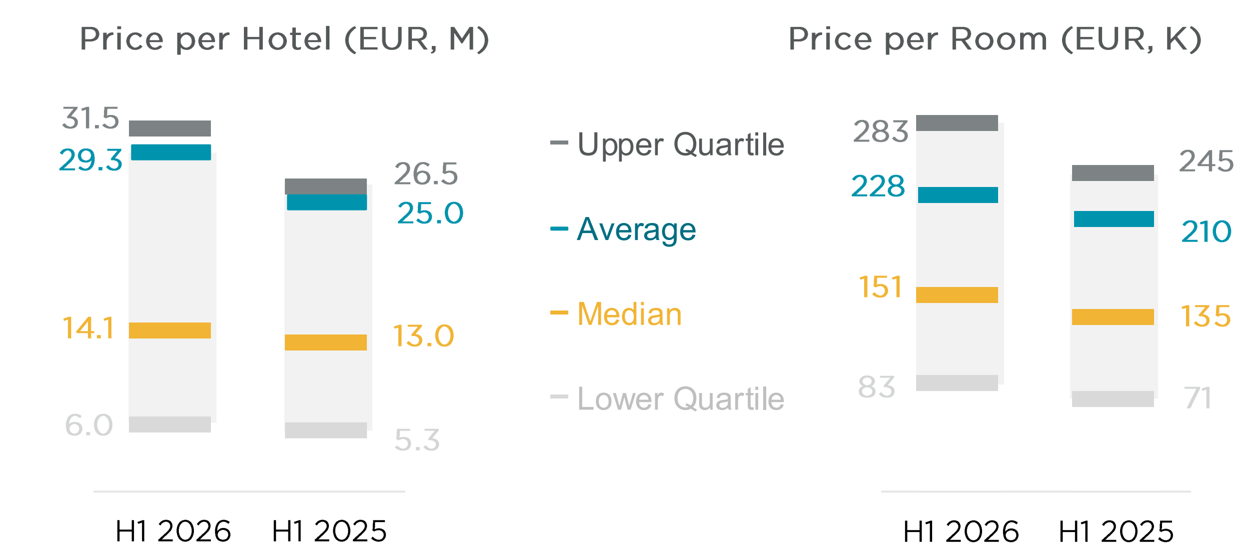
ANNUAL TRANSACTION VOLUME

(EUR, BILLIONS)

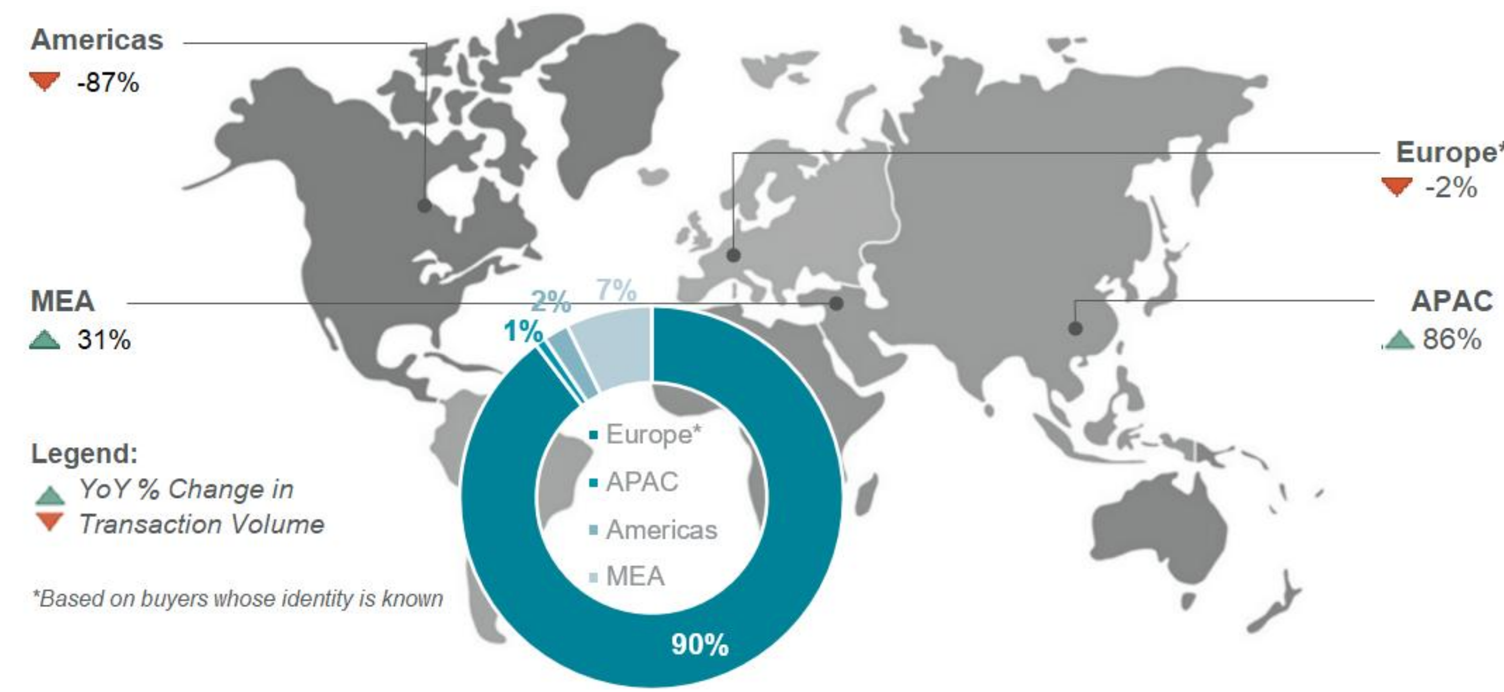


Sources: Cushman & Wakefield / RCA / Moody's / STR

TRANSACTION PRICE PER HOTEL & ROOM (H1 2026)

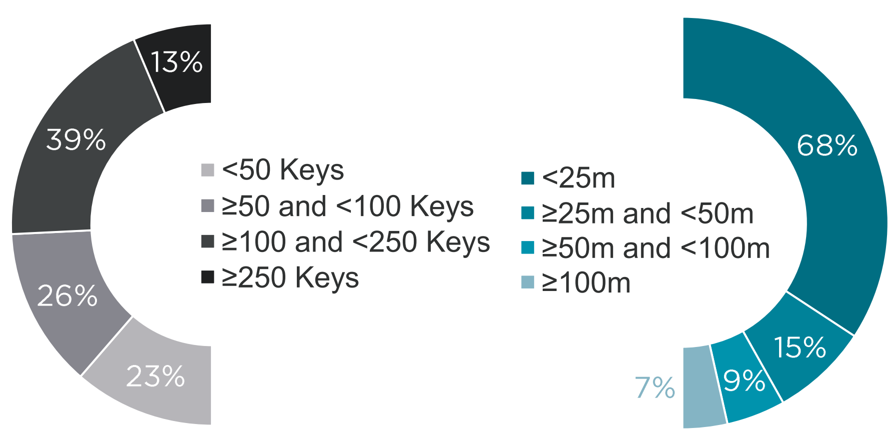


TRANSACTION VOLUME BY SOURCE OF CAPITAL (H1 2026 VS H1 2025)



BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (H1 2026)

% SHARE OF DEALS

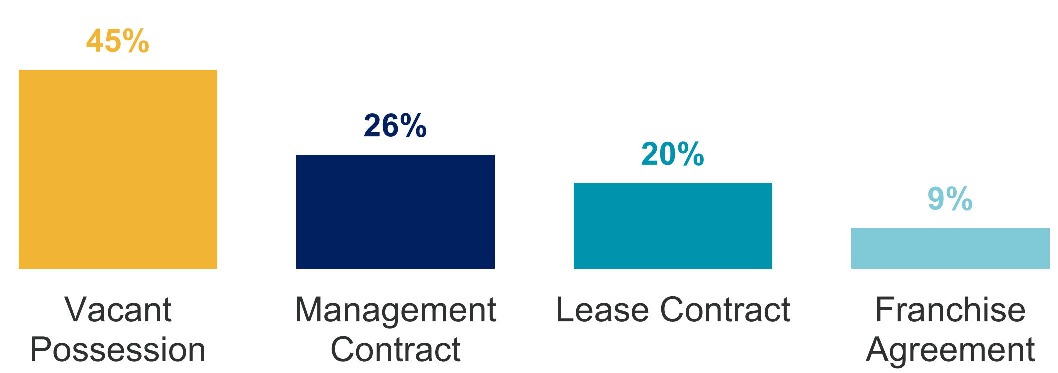


TRANSACTED VOLUME BY TYPE OF INVESTOR (H1 2026 VS H1 2025)

	BUYERS (% Share of Total Volume) H1 2026	% Change	SELLERS (% Share of Total Volume) H1 2026	% Change
Institutional	37%	-35%	38%	-48%
Private	54%	-23%	46%	-22%
Public	6%	0%	15%	-32%
User/Other	2%	-11%	1%	-56%

TRANSACTION VOLUME BY OPERATING STRUCTURE (H1 2026)

% SHARE OF DEALS (BY INVESTMENT VOLUME)



TRANSACTION VOLUME PER HOTEL CLASS (H1 2026 VS H1 2025)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	23%	-22%	10%	-8%	522
Upper Upscale	23%	16%	14%	-5%	364
Upscale	27%	-10%	27%	-29%	226
Upper Midscale	12%	-19%	17%	-22%	155
Midscale	10%	-4%	16%	-9%	141
Economy	5%	-38%	15%	-18%	77

SELECTED MAJOR HOTEL TRANSACTIONS (H1 2026)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Pullman Tour Eiffel	FR, Paris	435	Batipart Immo Europe Management	FRA	Morgan Stanley / QuinSpark Investment	USA / FRA
The Other House Portfolio (x3)	UK, London	c. 590	One Investment Management	ARE	APG Asset Management	USA
Curio Westminster	UK, London	464	Riu Hotels	ESP	PPF / J&T Private Equity Group / Westmont	CZE / SVK / CAN
Park Hyatt	AT, Vienna	143	JR Real Invest	AUT	Sigma Group	AUT
Marriott Zurich Hotel	CH, Zurich	266	Pictet Alternative Advisors	CHE	Confidential	N/A
Aroundtown Portfolio (x11)	DE/FR/BE, Various	c. 1810	Ironstone Group / Ogilvy Capital	USA / GBR	Aroundtown	DEU
St Giles Hotel	UK, London	732	Criterion Capital	GBR	IGB Corporation Berhad	MYS
Barlow Place & Grafton Street	UK, London	94	Evolution Investment Fund	ARE	O&H Property Developments	GBR
Portfolio Calena Partners (x3)	ES, Various	c. 890	Calena Partners	ESP	HI Partners	USA
Portfolio Matutes (x2)	ES, Various	c. 530	Grupo de Empresas Matutes	ESP	Azora	ESP
Four Seasons 50%	ES, Madrid	200	Mohari Hospitality	CYP	OHLA	ESP
Park Plaza Waterloo	UK, London	494	Park Plaza Hotels Europe	GBR	CBRE Global Investors	USA
Covivio Hotel Portfolio	IT, Milan	c. 790	Covivio Development	FRA	Invest Hospitality	ITA
Hyatt Regency Atakoy	TR, Istanbul	284	RAMS Global	TUR	Tavros Group	TUR
Hotel Saint	UK, London	272	Leonardo Hotels	ISR	Cerberus European Capital Advisors	USA
25hours Copenhagen (Trinity Quarter mixed use)	DK, Copenhage	128	Urban Partners	DKK	Hines	USA
Radisson Blu Hotel, Leicester Square	UK, London	127	Dartriver London	GBR	Starwood Capital Group	USA
Novotel Tower Bridge	UK, London	203	Generali Real Estate	ITA	EQ Group / Ares Management	GBR / USA
Tivoli La Caleta Tenerife Resort	ES, Adeje	284	Lácteas García Baquero	ESP	Signal Santander / European Hospitality	GBR/ESP
Ritz Carlton - Penha Longa	PT, Sintra	204	L Catterton Europe / Cedar Capital Partners	FRA / GBR	The Carlyle Group / Explorer Investments	USA / PRT

Note: Selection of largest transactions in 2026, ordered by deal size. Source: Cushman & Wakefield

HOTEL TRANSACTIONS MAP (H1 2026)

1 **London**

Transaction Volume (M)	€ 2,327
Rooms Sold	4,159
Properties Sold	24
Avg Price / Room (K)	€ 549

2 **Paris**

Transaction Volume (M)	€ 822
Rooms Sold	1,412
Properties Sold	19
Avg Price / Room (K)	€ 582

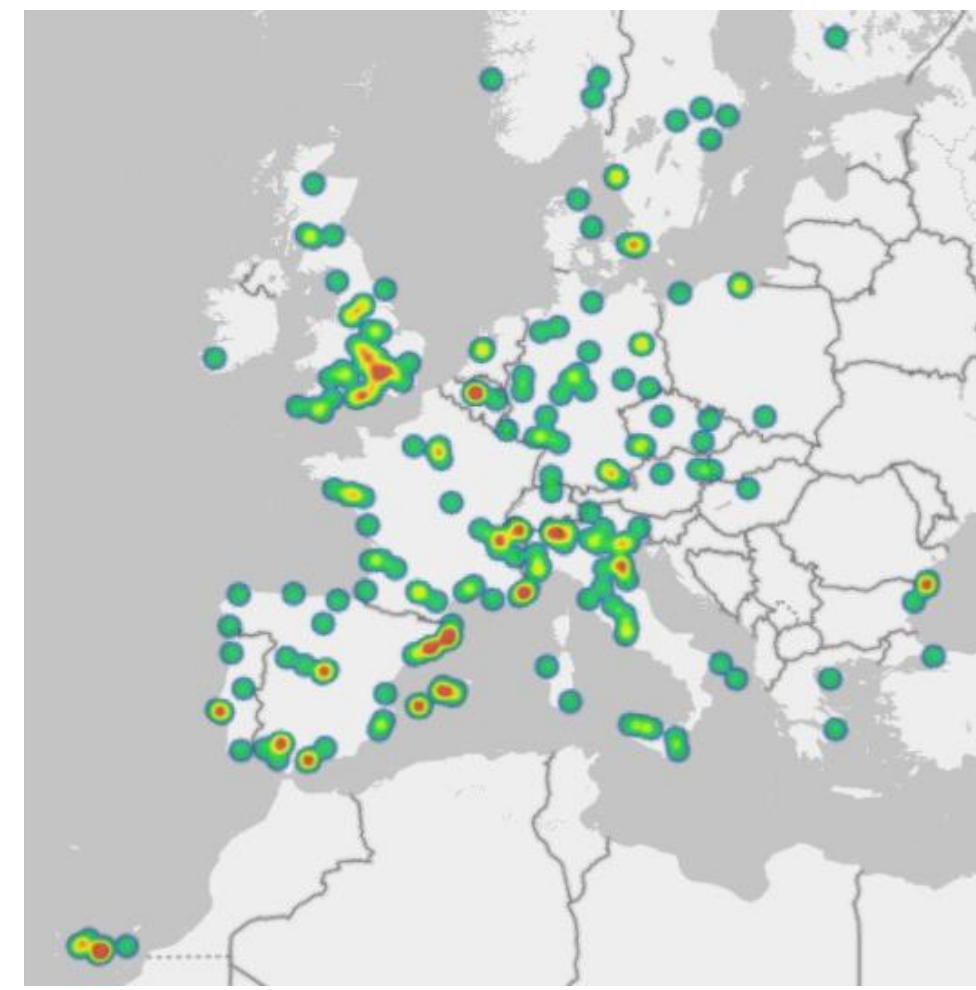
3 **Madrid**

Transaction Volume (M)	€ 511
Rooms Sold	996
Properties Sold	11
Avg Price / Room (K)	€ 574

4 **Vienna**

Transaction Volume (M)	€ 508
Rooms Sold	735
Properties Sold	4
Avg Price / Room (K)	€ 691

<1 million — < €2327 millions



METHODOLOGY

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.
A contingency of 5% is assumed for total transaction volumes, rooms and properties sold in the current year, as some deals are revealed with notable delay.

EXPLANATION OF TERMS

Prime Yields (HMA): The prevailing initial yields (current income divided by sales price) for quality stabilized assets in prime locations, managed under Hotel Management Agreement by professional operator (the HMA is not terminable on sale or in near-term after the sale). The yields are based on actual transactions where available as well as the sentiment indicated by investors.

Average Price per Room: Transaction KPI calculated by dividing the total transaction volume by the number of rooms transacted. In case of majority deals, the number of rooms is adjusted to reflect the proportion of the volume sold. Minority deals are excluded from the calculation. Median, Upper-quartile (75%) and Lower-quartile (25%) are based on the price-per-room data over the period (not weighted by total deal size). The average price per room by hotel class is influenced by the location of hotels transacted within that class. As a result, there may be instances where a lower hotel class shows a higher average price per room if those hotels were sold in more premium locations during the period.

Operating Performance Indicators

Occupancy: Percentage of available rooms sold during the period (Rooms Sold / Rooms Available).

ADR: Average Daily Rate paid for rooms sold (Rooms Revenue / Rooms Sold).

RevPAR: Revenue Per Available Room during the period (Rooms Revenue / Rooms Available).

GOPPAR: Gross Operating Profit Per Available Room (Hotel gross operating profit / Rooms Available).

Operating/Deal Structures

Franchise Agreement Structure: A hotel operating model where the owner directly operates the property but uses a specific brand, paying fees for the brand name, standards, and marketing support, while keeping full control of day-to-day operations.

Management Contract Structure: A hotel operating model where the property is managed by a third-party hotel operator on behalf of the owner. If a hotel is managed by non-branded operator and uses brand name via franchise agreement, it is recorded as "Management Contract" structure.

Leased Contract Structure: A hotel operating model where the property is leased to a third party with fixed, variable, or hybrid (fixed and variable) rent.

Vacant Possession: A hotel that is free from any contractual encumbrances, allowing the new owner immediate and unrestricted control upon transfer. Even if a hotel has franchise agreement or management contract or lease contract in place, but it expires on sale or it is terminable on sale, the deal is considered as "Vacant Possession" sale.

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

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