

REVIEW

HOTEL MARKET

EUROPE Q4 2025



RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q4 2025

HOTEL MARKET EUROPE

The hotel market is increasingly attractive, reflected in sector gains in commercial real estate market share.

Rising demand for urban luxury hotels drives hotel investment.

Spain, the UK, France and Italy are leading the market with over 51% of hotel investment volume.

KEY FIGURES

€ 20.1 bn
Hotels Investment 2025
-4.4% YoY

11%
Share of Hotel Investment on total CRE investment
+6pts vs 2020

845 vs 1,060 properties
Properties sold 2025
-20% YoY

Shutterstock © Brian A Jackson



Investors are Looking for Luxury Hotels

The attraction of the hotel sector slowed down in 2025. Hotel investment reached €20.1 bn (-4.4% on the same period in 2024). Still, the volume is now 12% above the 5-year average.

Investors continue to show interest in the sector. Over 2025, hotels reached 11.4% of commercial real estate investment, well above the 5-year average of 7.7%.

Investors are now more than ever looking for ways to diversify portfolios with assets from a clearly growing business sector. Investors are increasingly targeting luxury hotels in prime locations in city centres to capture renewed tourist demand.

Most markets witnessed acceleration, especially in the Nordics. Denmark, Finland, Sweden and Norway collectively accounted for €1.9 bn, 2.4 times the

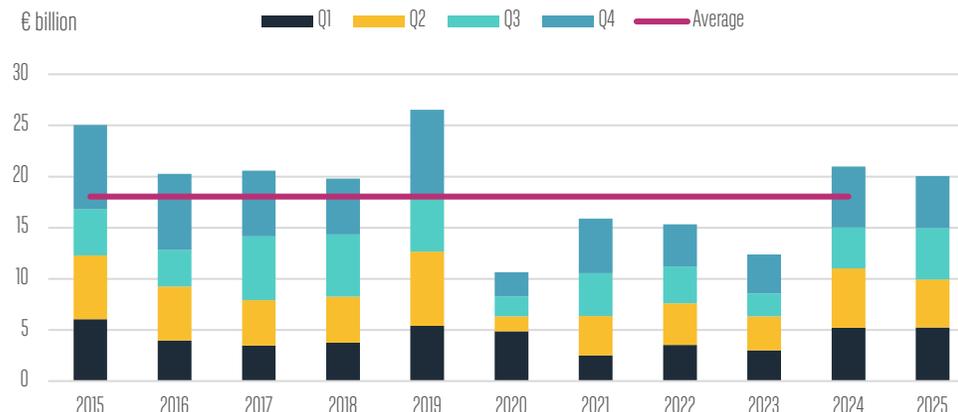
performance recorded in 2024.

Southern countries also showed strong growth (Spain: +18%) or maintained a high volume: Italy (€1.8bn, -2%) and Greece (€470m,-15%) compared to 2024.

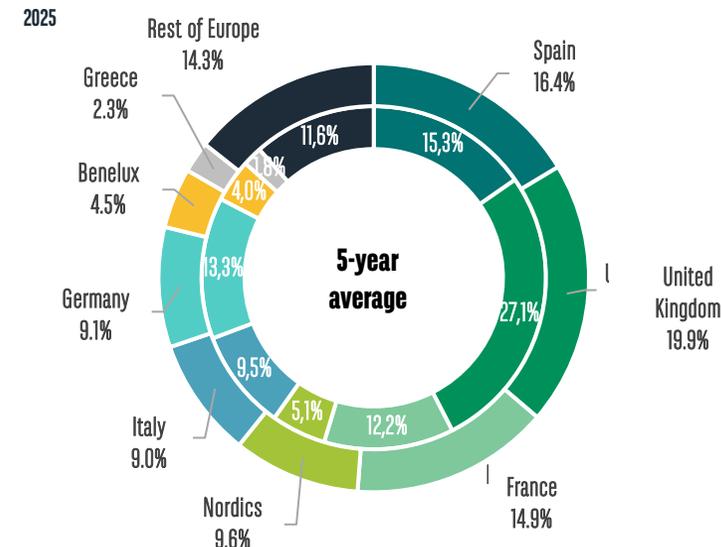
In 2025, the UK experienced a strong decrease. The drop off is partly explained by three major portfolio deals (all above €900m) that occurred in 2024.

Spain (€3.3 bn) and the UK (€4.0 bn) contributed for around 36% of total hotel investment, a reduced share compared to previous periods (49% in 2024). Even so, when combined with France and Italy, these four countries still accounted for more than half of the overall investment volume.

Hotels Investment Trends Europe



Hotels Investment Breakdown by Country/Region



CRE Investment Breakdown by Asset Class



Source: BNP Paribas Real Estate



Q4 2025

HOTEL MARKET EUROPE

Foreign tourists continue to travel to Europe, with a global increase of 3.2% as of November 2025, compared to the same period last year.

Nonetheless, this positive trend is offset by fewer Asian tourists, where numbers have yet to return to their pre-Covid volumes.

Significant Variations in 2024 (vs 2019)

Countries	Change in Value (in €million)	% of Change
USA	+ 5.3 m	+ 22%
Poland	+ 5.3 m	+ 19%
Netherlands	+ 4.7 m	+ 17%
Romania	+ 2.5 m	+ 21%
Czechia	+ 2.2 m	+ 18 %
Japan	- 2.2 m	- 49%
Italy	- 3 m	- 5%
France	- 3.2 m	- 3%
China	- 5.5 m	- 46%
Russia	- 6.9 m	- 83%

Shutterstock © Brian A Jackson



Foreign Tourist Arrivals on the Rise

Foreign tourist arrivals reached 314 million, up 3.2% year-on-year, as of November 2025. Foreign tourists represent 43% of hotel stays in Europe.

The geographic pattern remains uneven across regions. While visitors from North America are up 23% compared to 2019, Asian countries are the reverse. Tourists coming from China (-46%), Japan (-49%), and South Korea (-24%) are all below pre-Covid levels.

Slow recovery reflects the lingering impact of late reopening policies in Asia and a broader economic gloom across several regions, marked by deflationary pressures and reduced purchasing power.

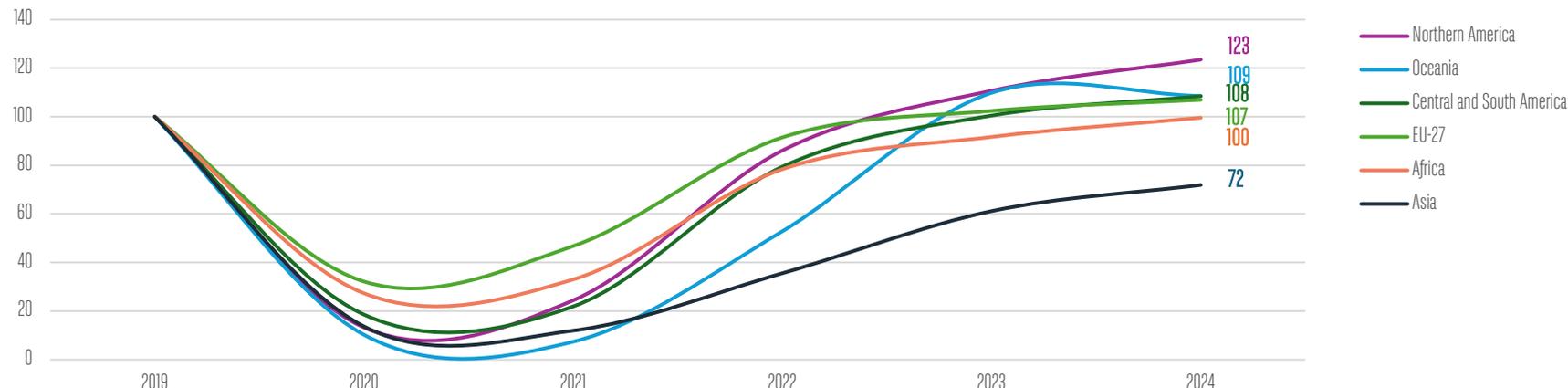
The continued absence of Chinese tourists weighs on Europe's tourism dynamics, as they traditionally rank among the highest spenders abroad.



© Ground Picture

Foreign Tourist Arrivals in Hotels in Europe

Index 2019 = 100



Note: China, Japan and Other Asian Countries are part of Asia

Source: BNP Paribas Real Estate, Eurostat



Q4 2025

HOTEL MARKET EUROPE

KEY FIGURES

-1.9% vs. 2024

RevPAR for the Budget segment in Europe

-0.2% vs. 2024

RevPAR for the Economy segment in Europe

+1.5% vs. 2024

RevPAR for the Midscale segment in Europe

+3.8% vs. 2024

RevPAR for the Upscale segment in Europe

Shutterstock © Brian A Jackson



RevPAR Boosted by the Upscale Segment

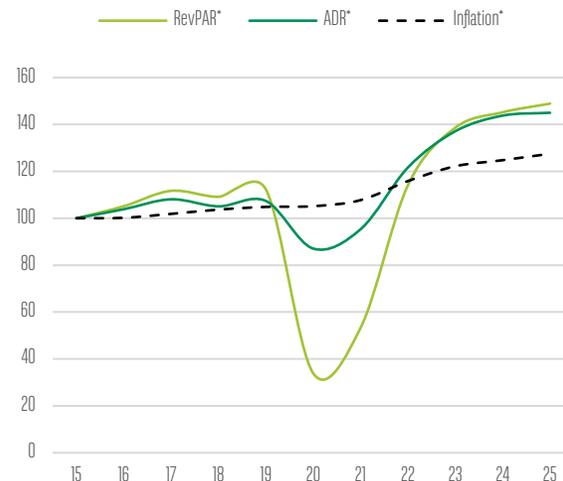
After months of recovery, the European hotel market is stabilizing. RevPAR increased by 1.7%, compared with the previous period.

Hotel competitiveness has been affected by a decline in ADR in most segments. Only the upscale segment managed to maintain growth at +1.1%, reflecting the rising attractiveness of this segment.

Budget and economy segments continue to struggle with falling occupancy rates, ADR and RevPAR. These categories have been hit hardest by the erosion of household purchasing power driven by inflation.

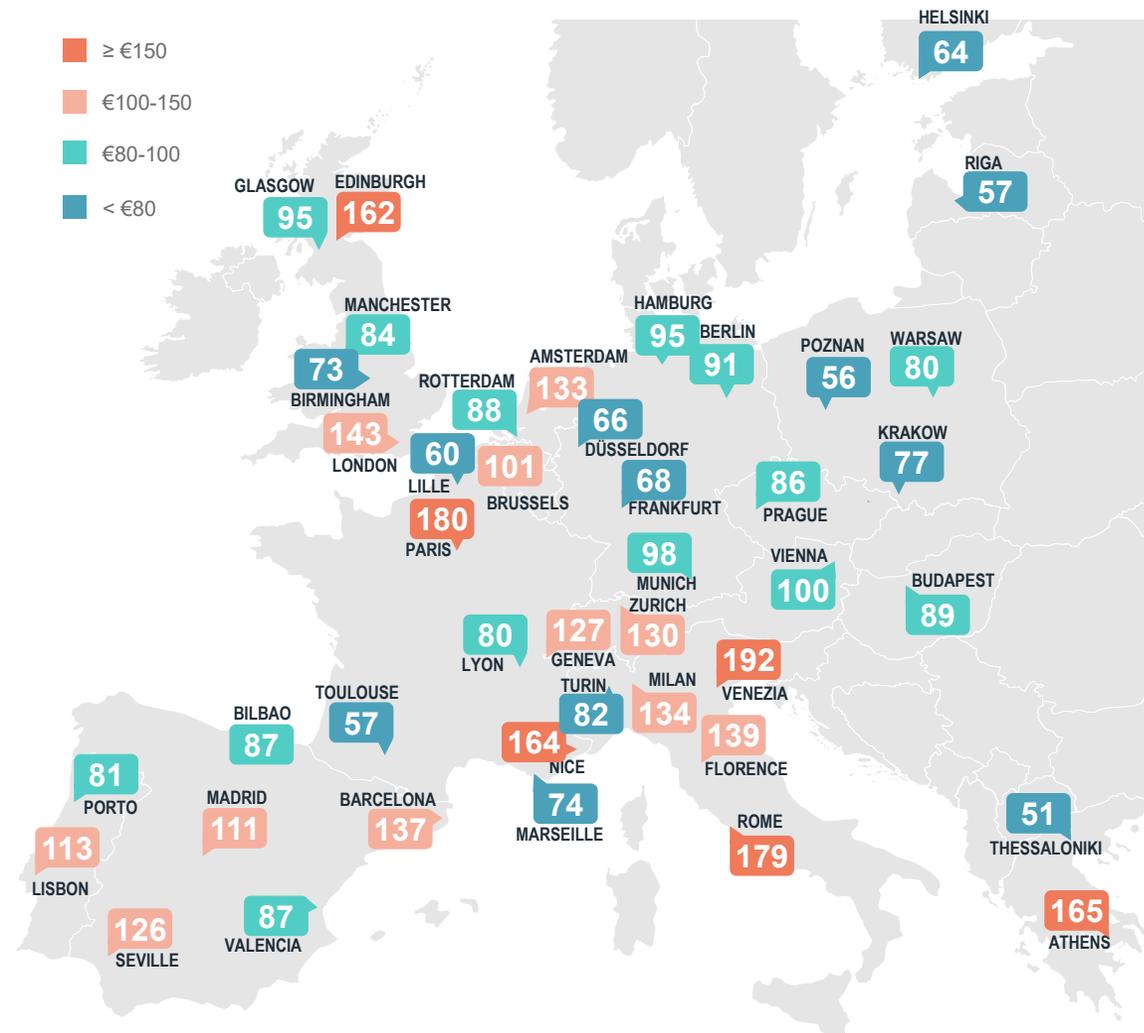
Evolution of RevPAR, ADR and Inflation in Europe

Base 100 = 2015



*Means based on France, Germany, Italy, Spain and United Kingdom

RevPAR in Europe



Source: BNP Paribas Real Estate, MKG



Q4 2025

HOTEL MARKET EUROPE

Country Level RevPAR 2025 (vs 2023)

Countries	Change in Value	Change in %
Greece	+ €21.8	+ 18%
Spain	+ €15.3	+ 16%
Poland	+ €15.1	+ 29%
Luxembourg	+ €14.8	+ 15%
Austria	+ €11.8	+ 14%
Latvia	+ €11.7	+ 26%
United Kingdom	+ €7.7	+ 8%
Malta	+ €4.6	+ 5%
Switzerland	+ €4.1	+ 4%
Germany	+ €4.1	+ 6%
Italy	+ €4.0	+ 3%
Portugal	+ €3.9	+ 4%
Belgium	+ €3.2	+ 4%
Netherlands	+ €2.8	+ 3%
France	+ €2.6	+ 3%



Leisure driving operational Performance

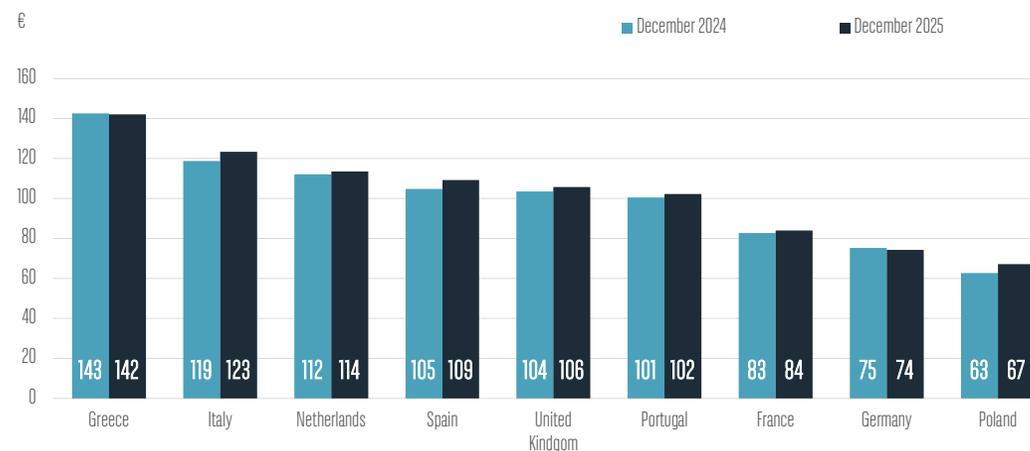
At country level, across 2025, RevPAR growth remained uneven across Europe, with strong results in Central and Southern Europe.

Italy stands out this year, boosted by the Jubilee 2025 religious festival which attracted a surge of pilgrims. The event supported strong results across all indicators in the main urban destinations, resulting in an average +5% increase (year-on-year) of RevPAR in Milan, Rome and Turin.

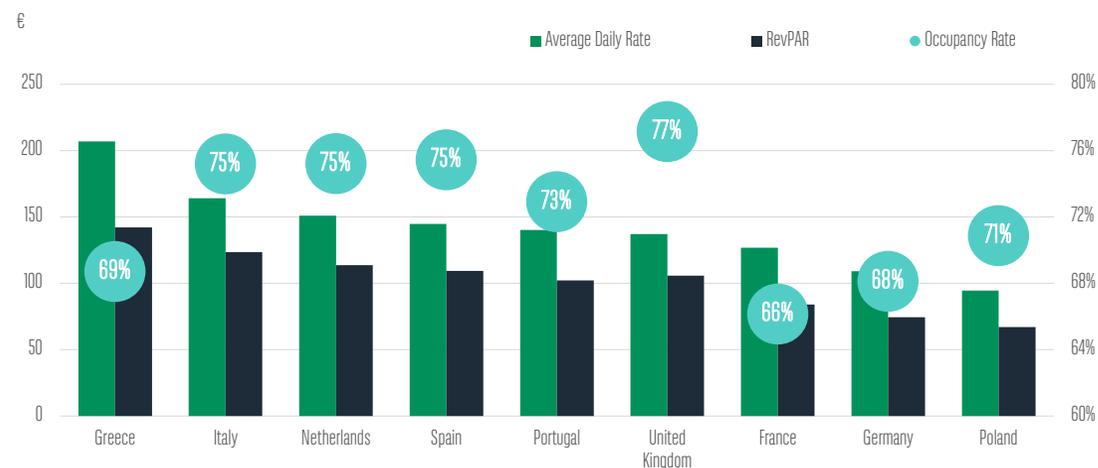
Spain and Portugal maintain a solid upward trend, fueled by strong leisure demand and international events. Barcelona and Lisbon remain among Europe's top three destinations, alongside Paris.

Poland continues its positive momentum, with RevPAR up +7% year-to-date, driven by major cities such as Krakow (+10%) and Warsaw (+7%). The market remains one of the most dynamic in Central Europe.

RevPAR in Main European Markets



Operational Performance in the Main European Markets in 2025



In France, performance is still largely driven by Paris and Nice, where RevPAR rose by +4% and +9%. In contrast, Lille, Lyon and Toulouse recorded declines of around -2%, highlighting a more polarized market where international hotspots outperform regional destinations.

Germany continues to experience a decline in leisure and business-related demand (-1%), particularly in main cities where RevPAR is sharply down between -4% and -5% in Berlin, Düsseldorf and Frankfurt. Average Daily Rates are also particularly affected by the fall in occupancy, with values down in Berlin (-4%) and Düsseldorf (-4%).

In the UK, Edinburgh stands out as a highly attractive destination for tourists, supported by limited hotel supply, resulting in a high occupancy rate of 86%.

Shutterstock © Brian A Jackson



BNP Paribas Real Estate continually works to produce indicators which are as comparable as possible. This is a complex issue, due to cultural differences from market to market. Our goal is to actively contribute to market transparency. Consequently, we present those definitions and indicators which are strictly comparable, so that our readers can understand BNP Paribas Real Estate market data.

Exchange Rates into € are the average value observed over the quarter.

Night Spent at Tourist Accommodation Establishments

Tourist accommodation establishment means a local kind-of-activity unit providing as a paid service short-term or short-stay accommodation services. It includes here hotels and similar accommodation. It includes :

- Hotels (and similar establishments, for instance operating under the name "bed & breakfast")
Resort hotels
Suite/apartment hotels
Motels

It does not include :

- Holiday and other short-stay accommodation
Camping grounds, recreational vehicle parks and trailer parks

Arrival of tourist at a tourist accommodation establishment

Within the context of European Union (EU) tourism statistics, an arrival is defined as a tourist who arrives at a tourist accommodation establishment or at a non-rented accommodation.

The tourist can be either a resident or a non-resident of the country where the establishment is located, no age limit is applied: children are counted as well as adults, even in the case where the overnight stays of children might be free of charge.

Hotels Financials

RevPAR, Revenue per Available Room, is a metric used in the hotel industry to measure the average revenue generated from a room in any given period of time. It is calculated by dividing the total revenue from hotel rooms by the number of available rooms in a given period of time.

A hotel's ADR, Average Daily Rate is a measure used to calculate the average rate paid for a hotel room over a given period of time. It is calculated by dividing the total revenue from room sales by the total number of rooms sold.

Inflation refers to the persistent and broad-based increase in the overall price level of goods and services within an economy over

a given period, leading to a gradual erosion of the currency's purchasing power. It is typically measured through price indices and is influenced by factors such as demand dynamics, production costs, and monetary policy conditions.

INVESTMENT

Investment volume considers specifically all commercial investment realized in the hotel's asset segment.

Investment volume by country refers to the investment realized in countries member of the EU. Benelux refers to Belgium, Netherlands and Luxembourg. Nordics refers to Norway, Sweden, Finland and Denmark.

Investment volume by asset type refers to all commercial properties BNP Paribas Real Estate is aware of, whose owner has changed during the studied period, whatever the purchasing price. It includes Office buildings, Retail (supermarkets, hypermarkets), Industrial and Logistics Warehousing, Hotels and Others (Cinema, Leisure, Car Parks, Care Homes, parts of portfolio which can not be split up by product, and Development Sites). Quoted investment volumes are not definitive and are consequently subject to change.

Full-year investment volumes are made up by adding the four quarters of each year.



Paul Fardelli
Pan European Hotel Analyst
Paul.fardelli@realestate.bnpparibas

Perrine Jakots
Head of pan-European analysis
perrine.jakots@realestate.bnpparibas



Looking for a tailor-made analysis? Click here to find out our service offer Research on Demand

BNP Paribas Real Estate cannot be held responsible if, despite its best efforts, the information contained in the present report turns out to be inaccurate or incomplete. This report is released by BNP Paribas Real Estate and the information in it is dedicated to the exclusive use of its clients. The report and the information contained in it may not be copied or reproduced without prior permission from BNP Paribas Real Estate.

This document is neither a personalised recommendation according to applicable regulations. The products or services described herein do not take into account any specific investment objective, financial situation or particular need of any recipient.

In any event, you should request any internal and/or external advice that you consider necessary or desirable to obtain, including any financial, legal, tax or accounting advice, or any other specialist advice, in order to verify in particular that the investment(s) described in this document meets your investment objectives and constraints, and to obtain an independent valuation of such investment(s), and the risk factors and rewards.

It should not be assumed that the information contained in this document will have been updated subsequent to the date stated on the front page of this document. In addition, the delivery of this document does not imply in any way an obligation on anyone to update the information contained herein at any time.



50, cours de l'île Seguin
92100 Boulogne-Billancourt
France
Tel.: +33 (0)1 55 65 20 04
Fax: +33 (0)1 55 65 20 00
www.realestate.bnpparibas.com



H1 2025

HOTELS MARKET EUROPE



Locations

EUROPE

FRANCE

Headquarters

50, cours de l'Île Seguin
CS 50280
92650 Boulogne-Billancourt cedex
Tel.: +33 1 55 65 20 04

GERMANY

Goetheplatz 4
60311 Frankfurt am Main
Tel.: +49 69 29 89 90

UNITED KINGDOM

10 Harewood Avenue
London NW1 6AA
Tel.: +44 20 7338 4000

BELGIUM

Avenue Louise 235
1050 Brussels
Tel.: +32 2 290 59 59

SPAIN

C/ Emilio Vargas, 4
28043 Madrid
Tel.: +34 91 454 96 00

IRELAND

57 Adelaide Road,
Dublin 2
Tel.: +353 1 66 11 233

ITALY

Piazza Lina Bo Bardi, 3
20124 Milano
Tel.: +39 02 58 33 141

LUXEMBOURG

Kronos building
10, rue Edward-Steichen
2540 Luxembourg
Tel.: +352 34 94 84

Investment Management

Tel.: +352 26 06 06

NETHERLANDS

Antonio Vivaldistraat 54
1083 HP Amsterdam
Tel.: +31 20 305 97 20

POLAND

Grzybowska 78,
00-844 Warsaw
Tel.: +48 22 653 44 00

PORTUGAL

Palacete Duque d'Ávila,
Av. 5 de Outubro, 38
1050-057 Lisboa
Tel.: +35 1 939 911 125

MIDDLE EAST / ASIA

DUBAI

Emaar Square
Building n° 1, 7th Floor
P.O. Box 7233, Dubai
Tel.: +971 44 248 277

HONG KONG, SAR CHINA

63/F, Two International
Finance Centre
8 Finance Street, Central,
Hong Kong, SAR China
Tel.: +852 2909 8888

SINGAPORE

20 Collyer Quay, #17-04
Singapore 049319
Tel.: +65 681 982 82

ALLIANCES

AUSTRIA
CZECH REPUBLIC
GREECE
HUNGARY
JERSEY
NORTHERN IRELAND
PORTUGAL
ROMANIA
SLOVAKIA
SWITZERLAND
USA

BNP PARIBAS REAL ESTATE, is a simplified joint-stock company with capital of €669 873 760 euros and headquarters at 50, cours de l'Île Seguin - CS 50 280 - 92650 Boulogne-Billancourt - France, registered on the Nanterre Trade and Companies Register under no. 692 012 180 - APE 7010 Z Code - Identification Number CE TVA FR 66692012180. Address: 50 cours de l'Île Seguin - CS 50280 - 92650 Boulogne-Billancourt Cedex. Phone: +33 (0)1 55 65 20 04 Fax: +33 (0)1 55 65 20 00 - www.realestate.bnpparibas.com. BNP Paribas Real Estate is part of the BNP PARIBAS Group (art. 4.1 of the French law 70-9, 02/01/70)



**BNP PARIBAS
REAL ESTATE**

KEEP IN TOUCH WITH US, WHEREVER YOU ARE

#BEYONDBUILDINGS



www.realestate.bnpparibas.com