

REVIEW

HOTEL MARKET

EUROPE Q1 2026



RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



Q1 2026

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 73% of hotel investment volume in Q1 2026.

KEY FIGURES

€ 4.8bn

Hotels Investment vs Q1 2025



-10% vs Q1 2025

11%

Share of Hotel Investment on total CRE investment



+6pts vs 2020

Shutterstock © Brian A Jackson



Solid Growth in Key Markets

Volumes in the hotel segment were lower in Q1 though the sector remains popular overall.

Hotel investment accounted for 11.4% of commercial real estate investment in Q1 2026 (in rolling year), a much larger share than seen in previous years.

Hotel investment is now at a historically high market share, as investors are looking for ways to diversify portfolios with assets from a clearly growing business sector.

Investors are particularly keen to buy prime hotels in city centres, especially in

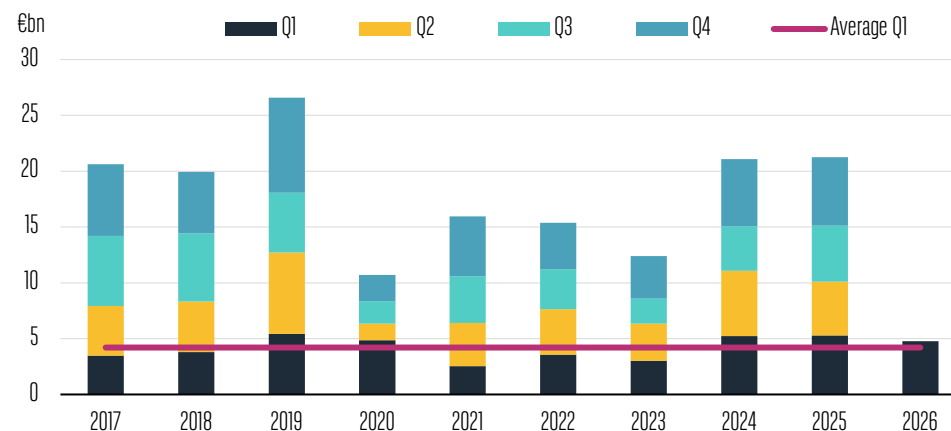
the luxury segment, to capture renewed interest in these locations from tourists.

Patterns are different across countries. While most markets recorded decreases, strong growth occurred in selected countries supporting overall European performance.

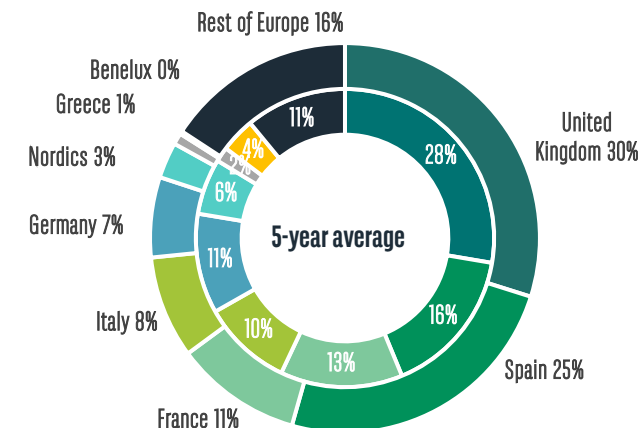
The UK and Spain led the market this quarter, holding a 54% share. Both showed a three-digit expansion.

The largest transactions of the quarter occurred in these countries as well as in Italy and Portugal.

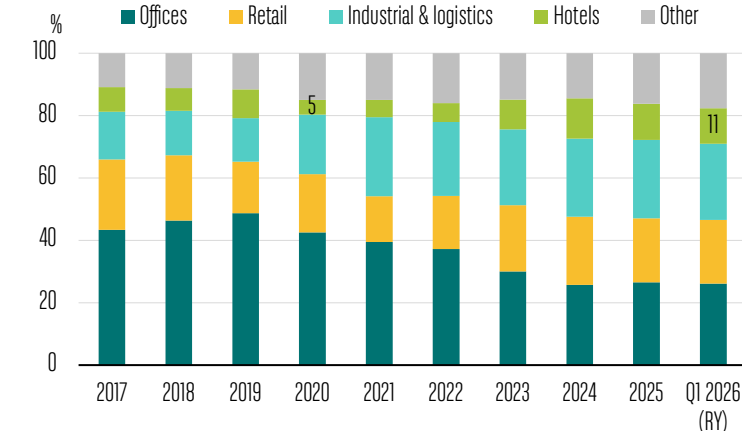
Hotels Investment Trends Europe



Hotels Investment Breakdown by Country/Region Q1 2026



CRE Investment Breakdown by Asset Class Europe



Source : BNP Paribas Real Estate Research



RevPAR in Q1 2026 (vs Q1 2025)

Country	Change in Value (€)	Change in %
Italy	20.7	24%
Serbia	12.7	20%
Slovenia	6.4	13%
Slovakia	7.2	12%
Hungary	3.9	7%
Spain	4.8	6%
Switzerland	4.3	4%
Europe	2.3	3%
France	2.2	3%
Austria	1.7	3%
Ireland	2.1	2%
Poland	1.0	2%
Greece	0.9	1%
Germany	0.7	1%
Luxembourg	0.2	0%
Belgium	-0.3	0%
Netherlands	-0.7	-1%
United Kingdom	-1.1	-1%
Portugal	-0.9	-2%



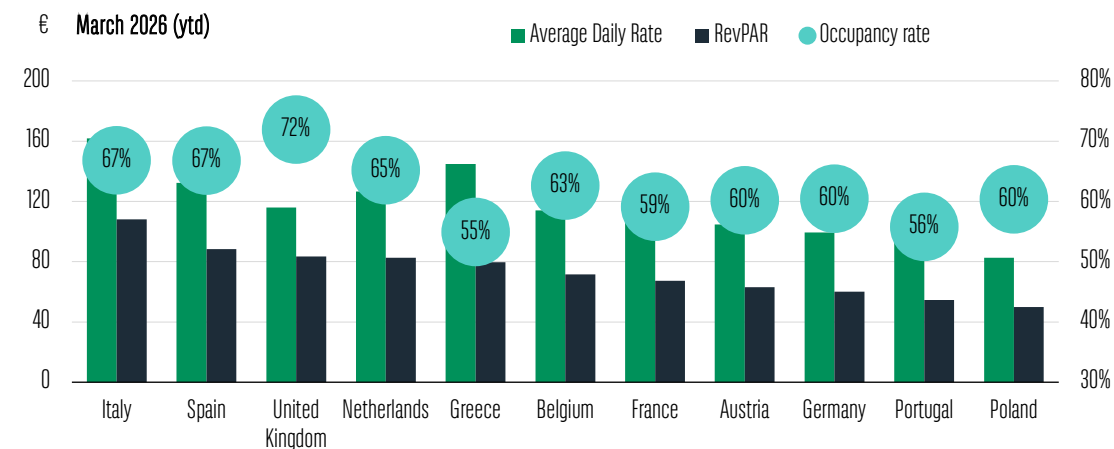
Growth in the Upscale and Luxury Segment in Most Countries

At country level, RevPAR growth remained uneven across Europe, with strong results in Central and Southern Europe. Germany is recording mixed performance across the country.

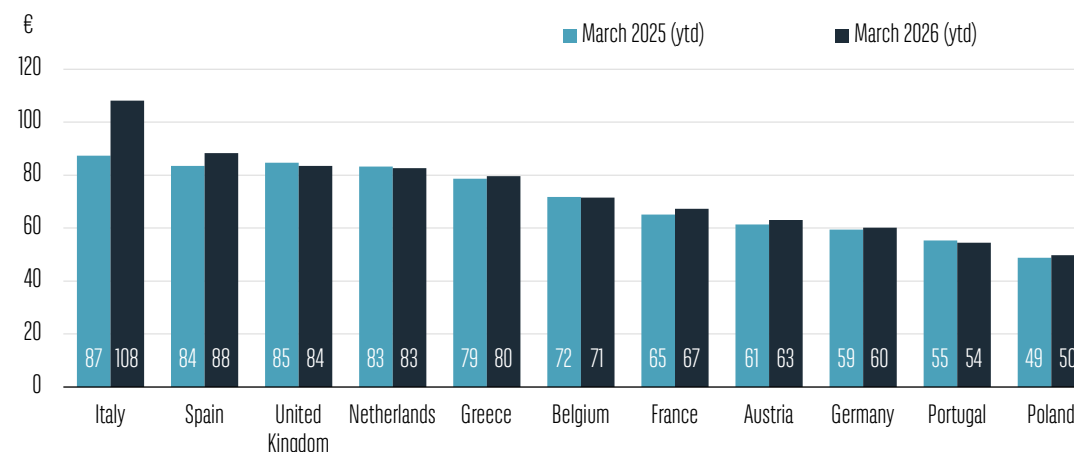
Occupancy rates (62% in Q1 2026) increased slightly each year in Europe reflecting a moderate growth of nights spent at tourist accommodations (+1.7% in 2025). International tourists accounted for over 50% of total demand.

Italy stands out this year, boosted by the Winter games. The event supported strong results across all indicators particularly in Milan where RevPAR increased by 60%, boosted by the Upscale and Luxury sector (+27%).

Operational Performance in the Main European Markets



RevPAR in Main European Markets



Central Europe was particularly dynamic recording some of the strongest growth in occupancy rates and RevPAR in Europe, especially in the Czech Republic, Serbia, and Slovenia. In Poland, Krakow maintains strong momentum, with RevPAR up 15%.

France showed signs of improvement, with positive national performance particularly in Paris, supported by international leisure theme parks and a rebound in the upscale segment (+5.0%).

Germany underperformed, with RevPAR down in most cities except for Düsseldorf. Weak corporate demand and intense price competition weigh heavily on performance.

Shutterstock © Brian A Jackson

Source : BNP Paribas Real Estate Research, MKG



Q1 2026

HOTEL MARKET EUROPE

KEY FIGURES

RevPAR in Europe

+1.5% vs. Q1 2025
Budget and Economy

+2.6% vs. Q1 2025
Midscale

+5.2% vs. Q1 2025
Upscale and Luxury



RevPAR Growth Remains Uneven Across Europe

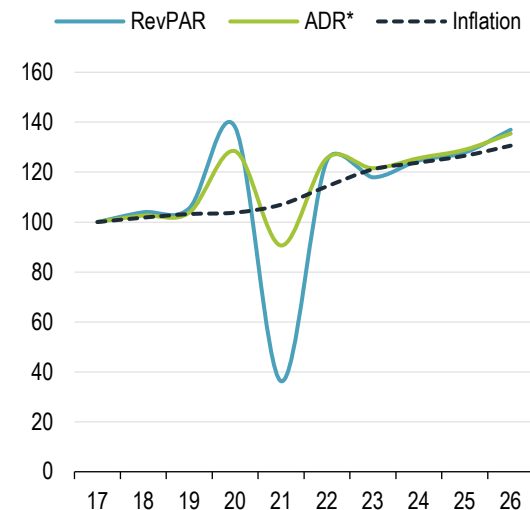
After months of recovery, the European hotel market is stabilizing. European RevPAR increased by 3.4% in March 2026 (year-to-date vs March 2025), whilst occupancy rate rose by just 1.9%. This performance mainly reflects booking done before the Middle-East crisis, particularly in the upscale and luxury segment.

The oil crisis and its impact on the economy may adversely affect hotel activity in the forthcoming months.

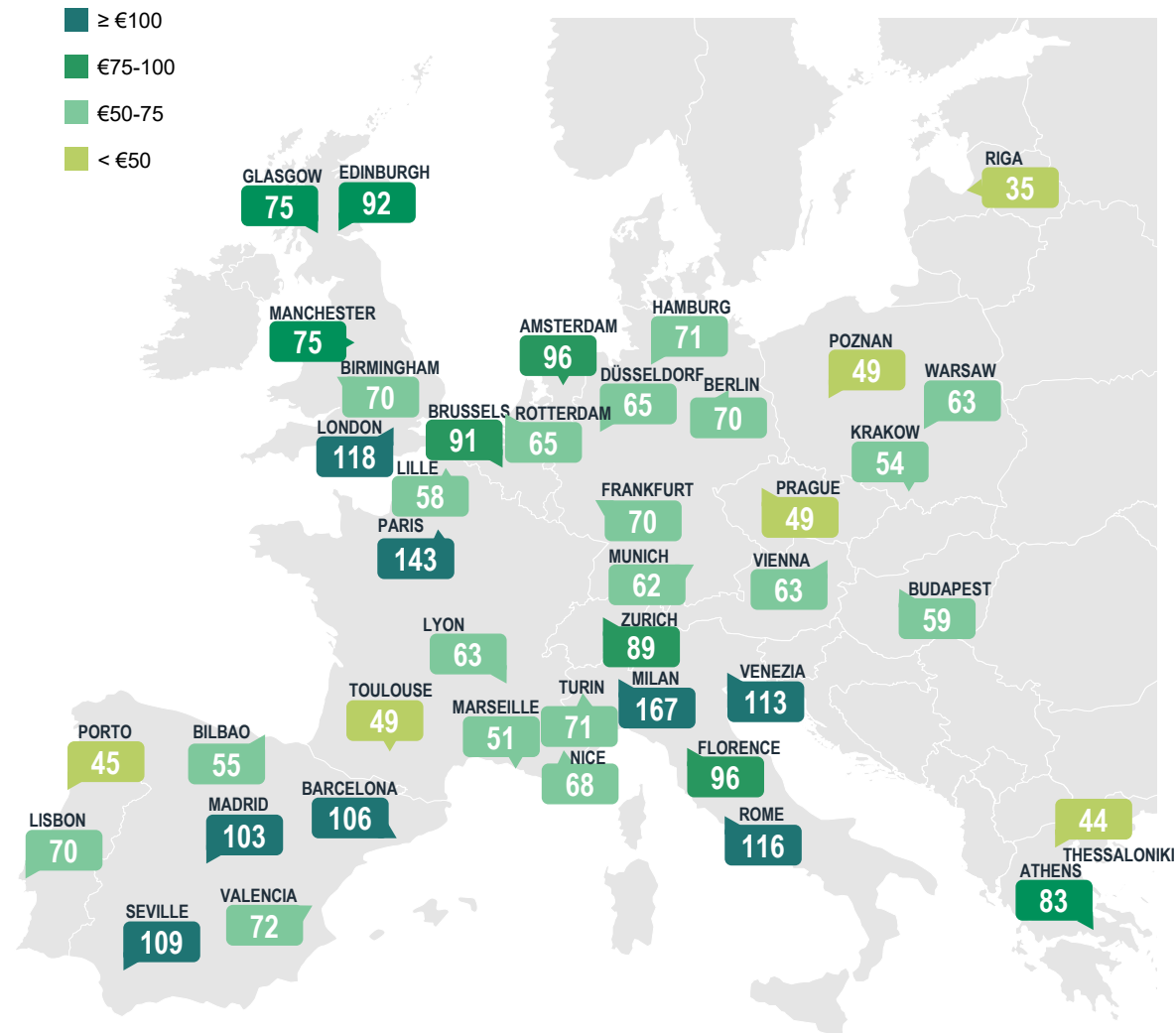
Edinburgh, Paris and London recorded the highest occupancy rate in Q1 2026 (ranging between 74% and 77%), whilst Milan achieved the strongest RevPAR, boosted by the Winter games in February.

Evolution of RevPAR, ADR and Inflation in Europe

Base 100 = 2017



RevPAR in Europe



Shutterstock © Brian A Jackson

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

Source : BNP Paribas Real Estate Research



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.



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

Vincent Robion
Head of Research
vincent.robion@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



Q1 2026

HOTEL 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

Rue Royale 52
1000 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

60, Avenue JF Kennedy
L - 1855 Luxembourg
Tel.: +352 34 94 84

Investment Management

Tel.: +352 26 06 06

NETHERLANDS

The CubeHouse - Parnassusweg 789,
1082 LZ Amsterdam
Tel.: +31 20 305 97 20

POLAND

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

PORTUGAL

Avenida da República, 90 Piso 1,
Fracção 1
1600-206 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 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

