REVIEW

HOTEL MARKET

EUROPE Q3 2026



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RESEARCH & INSIGHTS

BNP PARIBAS REAL ESTATE

Real Estate for a changing world

Q3 2026 HOTEL MARKET EUROPE

The hotel market remains 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 70% of hotel investment volume in 9M 2026.

KEY FIGURES

€ 13.8bn
Hotel Investment
▽ -9% vs 9M 2025

10.6%
Share of Hotel Investment on total CRE investment
△ +5.8 pts vs 2020

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Normalization after a period of expansion

The hotel sector retains its appeal to investors as the volume remains above the 5-year average (7%). However, the market has felt the impact of the tougher macroeconomic environment.

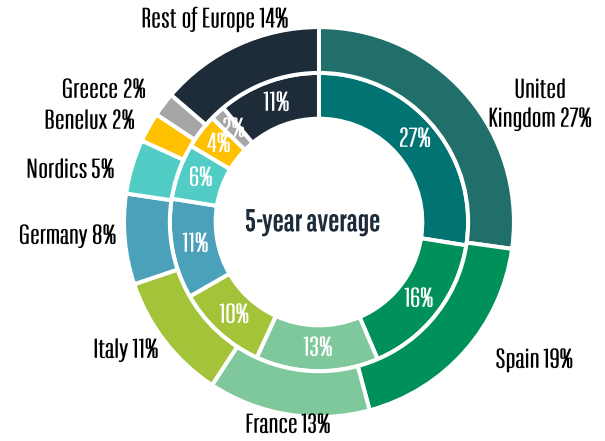
Hotel investment is now at a historically high market share, as **investors are looking for ways to diversify portfolios** with assets from a clearly growing business sector.

Patterns are different across countries. While most markets recorded decreases, growth persisted in a handful of countries, supporting overall European performance.

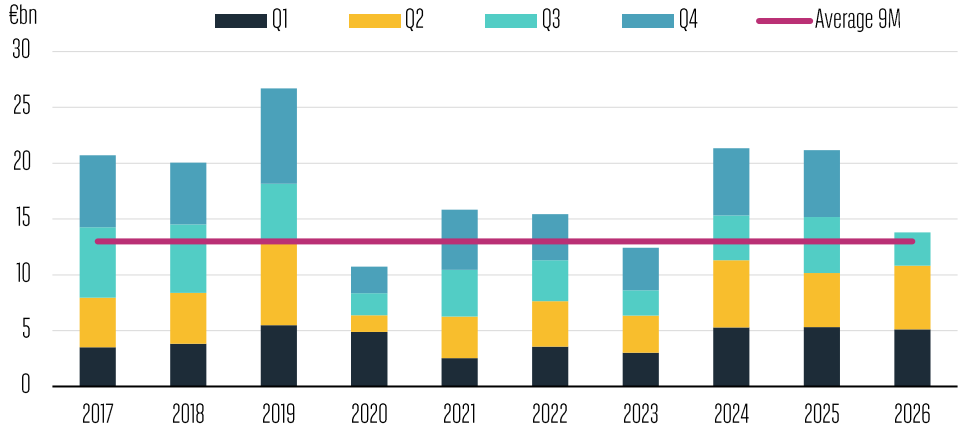
The United Kingdom and Spain dominated the market this quarter, collectively representing around 60% of the total volume.

Despite their leading positions, their trajectories diverge: while the **UK** market remains subject to cyclical fluctuations (currently in an expansionary phase), **Spain** is experiencing a steadier, ascending trend with significantly lower volatility.

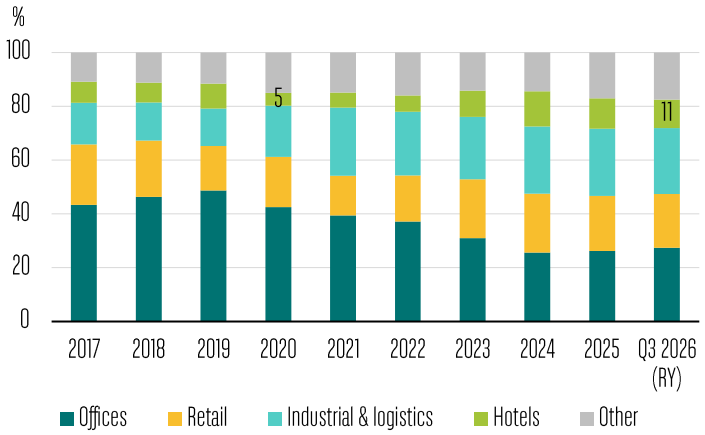
Hotel Investment Breakdown by Country/Region Q3 2026 (YTD)



Hotel Investment Trends Europe



CRE Investment Breakdown by Asset Class Europe



Source : BNP Paribas Real Estate Research

RevPAR in Q3 2026 (ytd) vs Q3 2025 (ytd)

Country	Change in Volume	Change in %
Slovakia	10.6	16%
Hungary	8.2	11%
Serbia	7.6	10%
Spain	7.6	7%
Italy	8.2	7%
Poland	3.5	5%
Greece	8.5	5%
France	2.8	3%
Europe	2.9	3%
Germany	1.8	2%
United Kingdom	2.1	2%
Switzerland	2.8	2%
Ireland	2.2	2%
Luxembourg	0.3	0%
Belgium	-0.9	-1%
Portugal	-1.9	-2%
Austria	-2.5	-3%
Slovenia	-3.4	-3%
Netherlands	-4.1	-3%

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Growth in the Upscale and Luxury Segment in Most Countries

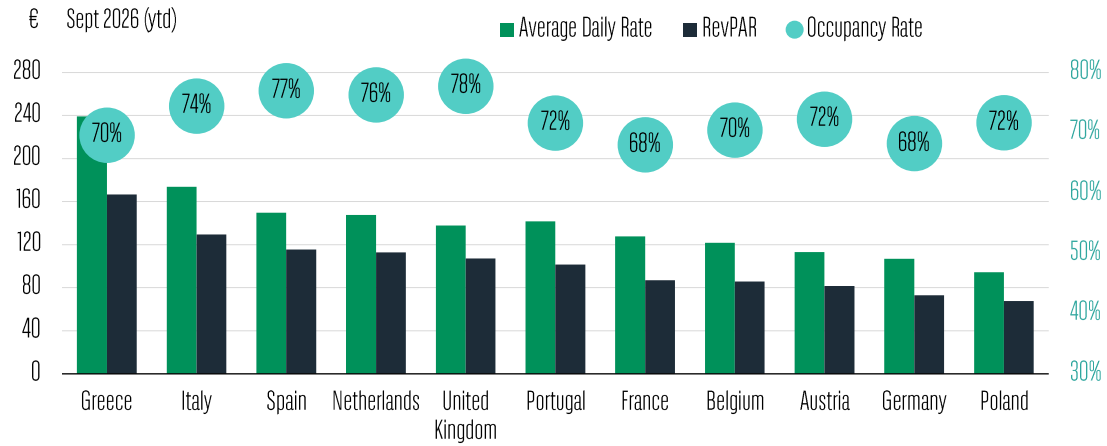
At country level, RevPAR growth remained uneven across Europe, with strong results in Central and Southern Europe. Germany is recording mixed performance across the country.

Occupancy rates (71%) increased slightly each year in Europe reflecting a moderate growth of nights spent at tourist accommodations (+1.2%). International tourists accounted for 51% of total demand.

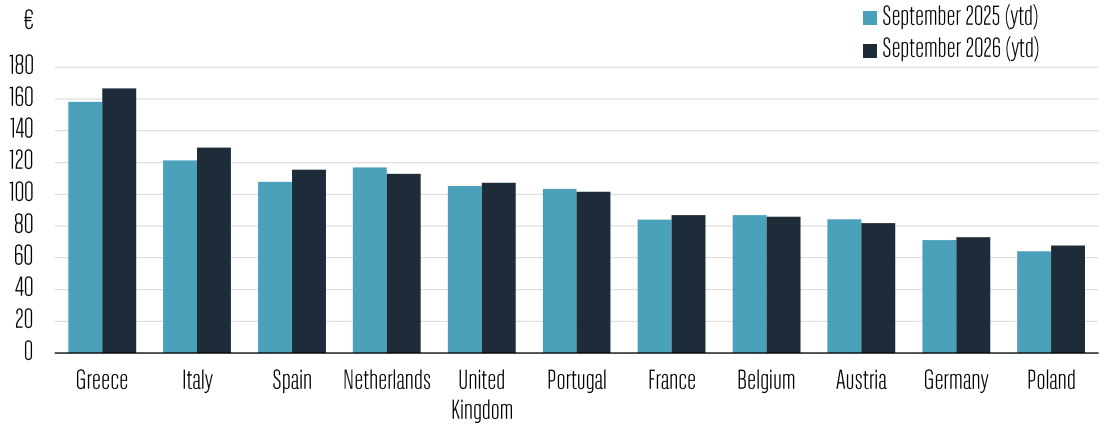
Spain showed strong and consistent momentum across multiple cities (Malaga, Valencia, Bilbao, and Madrid).

Italy experienced a fluctuating recovery; while Milan bounced back strongly due to sporting events (Olympic Games) and Fashion Week. Rome saw periodic dips.

Operational Performance in the Main European Markets



RevPAR in Main European Markets



UK growth was supported by London's events and currency rates, while Edinburgh and Glasgow saw peak occupancy over 80%.

In **France**, overall progress was driven by strong coastal performance and a recovery in Paris, though partially offset by regional environmental challenges (heatwaves and fires) and a high Olympic-year comparison base.

In **Germany**, performance was polarized: while some cities struggled, others peaked due to major trade fairs and sporting or medical events, with Düsseldorf leading growth at +24% in 2026.

Greece saw exceptional performance fueled by major events and concerts. In **Poland**, Warsaw and Krakow showed continued growth, with RevPAR up 8-9% y-o-y.

Source : BNP Paribas Real Estate Research, MKG

KEY FIGURES

RevPAR in Europe
+3.2% vs. Sept 2025 (ytd)

+1.8% vs. Sept 2025 (ytd)
Budget and Economy

+2.8% vs. Sept 2025 (ytd)
Midscale

+4.2% vs. Sept 2025 (ytd)
Upscale and Luxury

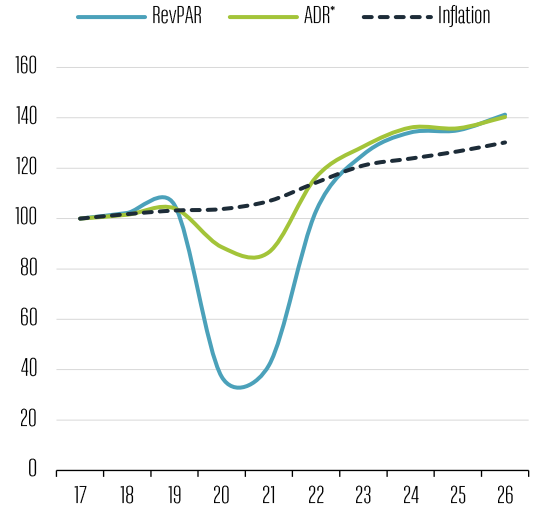
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RevPAR Growth Remains Uneven Across Europe

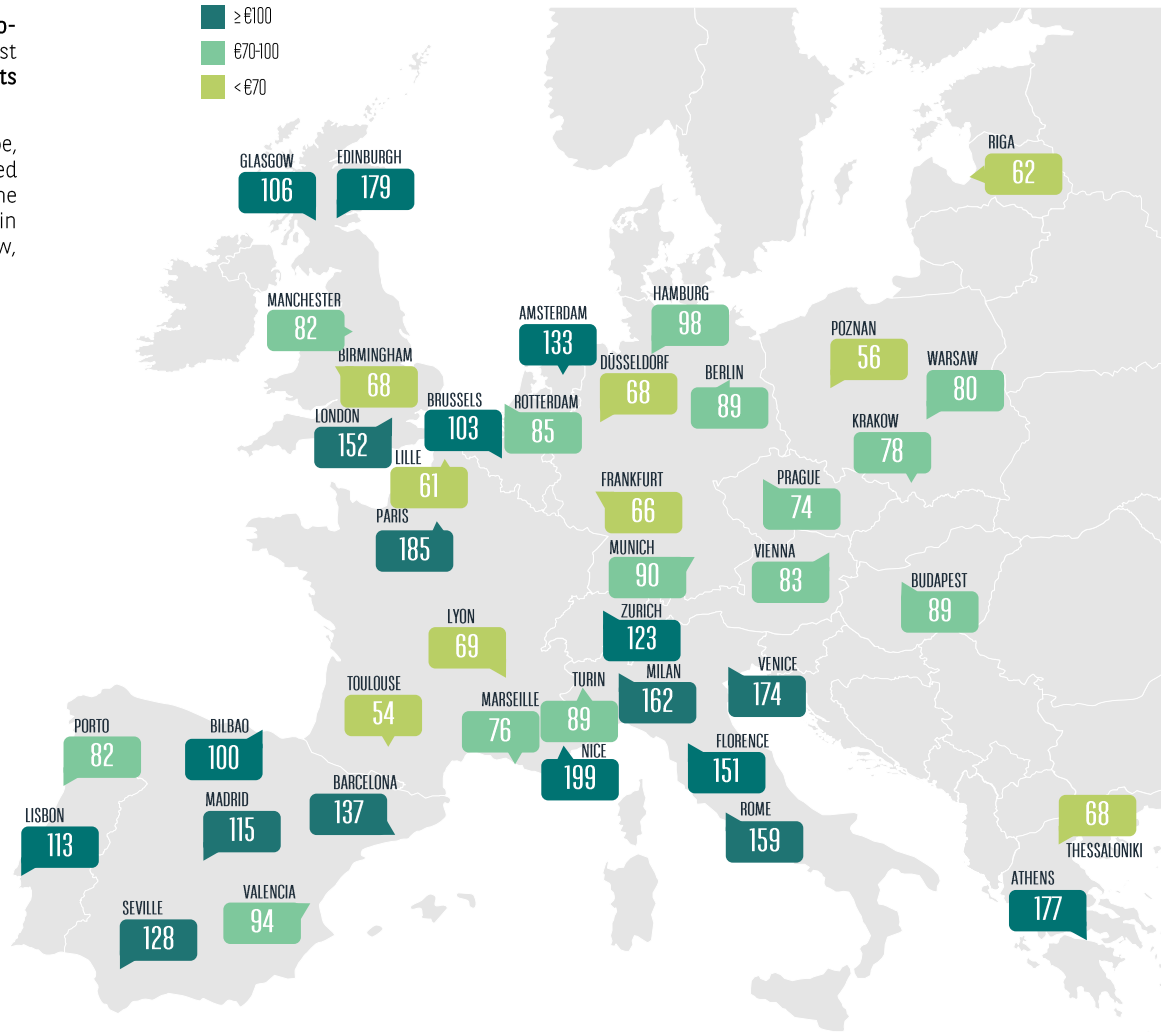
The European hotel market experienced general growth year-to-date vs September 2025. RevPAR increased by 3.2% whilst occupancy rose by 1.2%. **The luxury and upscale segments consistently outperformed** the budget and mid-scale sectors.

At country level, **RevPAR** growth remained uneven across Europe, with strong results in Southern Europe. Germany recorded mixed performance across the country. As of September 2026, the highest occupancy rates (exceeding 80%) were recorded in Edinburgh, Valencia, Glasgow, Paris, Barcelona, and Krakow, while **Paris and Nice achieved the strongest RevPAR.**

Evolution of RevPAR, ADR and Inflation in Europe
Base 100 = 2017



RevPAR in Europe



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

Source : BNP Paribas Real Estate Research, MKG

GLOSSARY

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.

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