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MARCH 2025

2024 EUROPEAN HOTEL TRANSACTIONS

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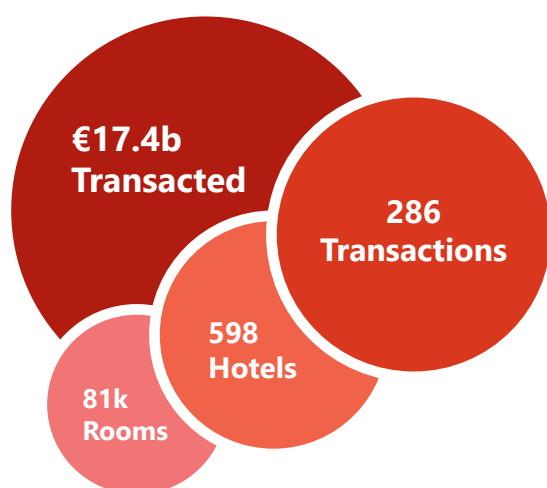
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Introduction

After two years of reduced activity, 2024 marked a turning point for the European hotel investment market, with transaction volume surging 62% year-on-year to reach €17.4 billion, the highest level recorded since 2019 (although still being only around two-thirds of the volume recorded in 2019). Easing interest rates, combined with abundant dry powder from Private Equity investors, fuelled a resurgence in deal-making, particularly in portfolio transactions where 2024 volumes were double the level recorded in 2023. Despite geopolitical uncertainties and a year filled with global elections, travel demand remained robust, reinforcing Europe's status as a global tourism powerhouse and driving further RevPAR growth. With more transactions, higher hotel values and increased investor confidence, 2024 proved to be a year of resurgence, setting the stage for continued momentum in 2025.



	2024	Change	%
Number of Transactions	286	+20	+8%
Total Volume (€)	17.4b	+6.7b	+62%
Hotels	598	+210	+54%
Rooms	81k	+26k	+49%
Avg Price Per Hotel (€)	29.0m	+1.5m	+5%
Avg Price Per Room (€)	215k	+18k	+9%

Source: HVS – London Office

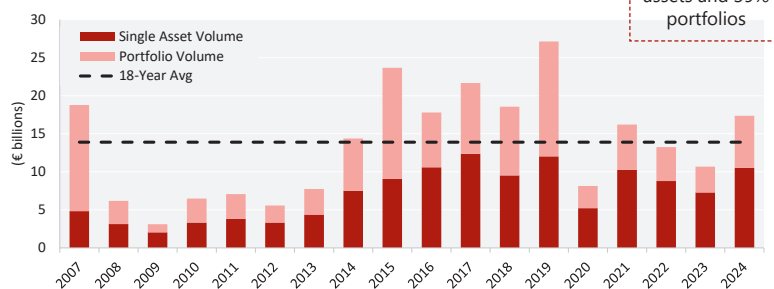
Only hotels that sold for more than €7.5 million have been considered in this analysis.

Total Transaction Volume

Volume

- Total transaction volume in 2024 reached €17.4 billion, the highest level recorded since 2019, and an impressive €6.7 billion increase over 2023, with portfolios making up nearly 40% of the total.

CHART 1: TOTAL HOTEL INVESTMENT VOLUMES 2007-24



Source: HVS – London Office

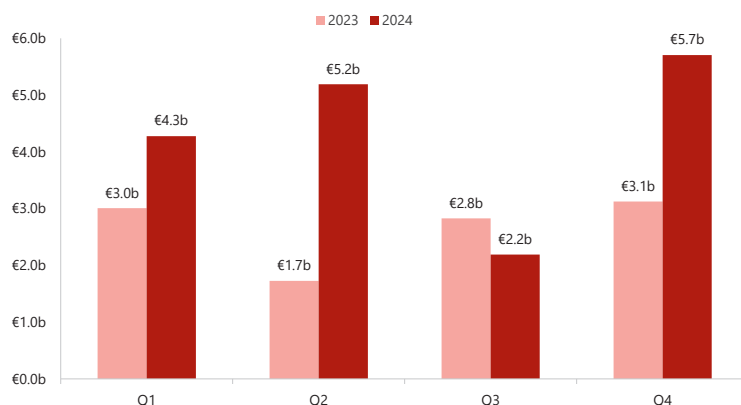
Pricing & Deal Size

- The average price per room was €215,300 in 2024, an increase of 9% over 2023 and around 5% higher than in 2019;
- Hotels in 2024 transacted for an average price per hotel of €29 million (a 5% increase over 2023) and had an average of 135 rooms (a 3% decrease over 2023).

Seasonality

- Unlike most years, transaction volume was higher in the first half of the year in 2024, although the fourth quarter still recorded the highest level of activity (however, only 10% ahead of Q2).

CHART 2: TOTAL ASSET QUARTERLY VOLUMES 2024 VS 2023



Source: HVS – London Office

CHART 3: TOP COUNTRIES (TOTAL ACTIVITY BY VOLUME)

Rank	Country	Volume (€m)	Change (€m)	Rank Change	% Total
1	UK	6,191	+4,452	+2	36%
2	Spain	2,544	-248	-1	15%
3	France	2,036	+129	-1	12%
4	Italy	1,126	+649	+2	6%
5	Germany	1,098	+132	-1	6%
6	Ireland	747	+310	+1	4%
7	Greece	639	+624	+15	4%
8	Netherlands	575	+335	0	3%
9	Portugal	458	-228	-4	3%
10	Switzerland	387	+228	+3	2%

Source: HVS – London Office

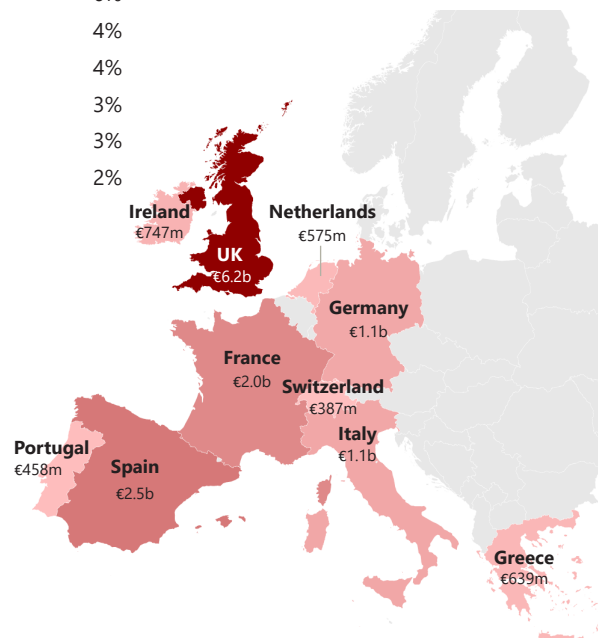


CHART 4: TOP CITIES (TOTAL ACTIVITY BY VOLUME)

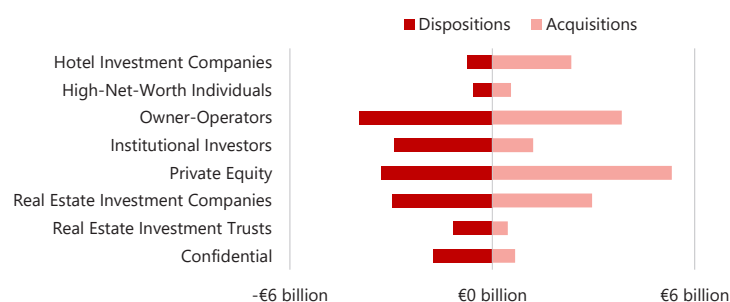
Rank	City	Volume (€m)	Change (€m)	Rank Change	% Country
1	London	2,926	+2,061	+1	47%
2	Paris	1,513	+599	-1	74%
3	Madrid	447	-30	0	18%
4	Barcelona	437	-16	0	17%
5	Amsterdam	338	+329	+24	59%
6	Venice	327	+327	+25	29%
7	Athens	309	+309	+24	48%
8	Zurich	281	+281	+23	73%
9	Edinburgh	278	+148	-1	4%
10	Ibiza	260	+166	0	10%

Source: HVS – London Office

Activity by Investor Type

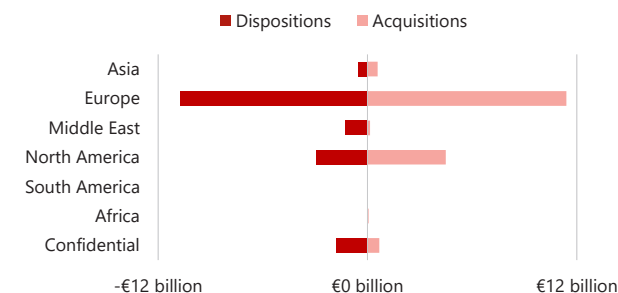
- In 2024, Private Equity investors were the most active, buying and selling nearly €8.6 billion in assets (a 315% increase over 2023), followed by Owner-Operators which transacted a combined €7.8 billion of properties (a 90% increase over 2023);
- Real Estate Investment Companies largely transacted similar volumes (€5.9 billion) as in 2023 (-0.9%);
- Along with Private Equity, Hotel Investment Companies were substantial net buyers in 2024 (+€1.9 billion);
- The largest net sellers, with a negative balance of €1.7 billion (compared to a positive balance of €2.8 billion in 2019) were Institutional Investors, who showed very little buying appetite in 2024 as a reflection of the higher interest rate environment.

CHART 5: CAPITAL FLOWS BY INVESTOR TYPE (€)



Source: HVS – London Office






CHART 6: CAPITAL FLOWS BY INVESTOR SOURCE REGION (€)



Source: HVS – London Office

Single Assets

Single asset transaction activity increased significantly in 2024, led primarily by the combination of interest rate cuts across European central banks and strong hotel trading performances, which ultimately fuelled investors' appetite for hotel deals.

	2024	Change	%
 Volume (€)	10.5b	+3.2b	+44%
 Hotels	245	+16	+7%
 Rooms	38k	+8k	+25%
 Avg Price Per Hotel (€)	43.0m	+11.1m	+35%
 Avg Price Per Room (€)	275k	+38k	+16%

Source: HVS – London Office

Volume

- Single asset transaction volume in 2024 totalled €10.5 billion, which was 44% greater than 2023 volumes and only 13% below 2019. This also made 2024 the fourth highest year on record for single asset hotel transaction volume in Europe;
- Activity was split evenly between H1 and H2 2024, with Q4 being the busiest quarter;
- Supported by a larger number of high-value transactions and a higher average price per room, the average price per hotel surged by 35% above 2023;
- The three most liquid European single asset markets in 2024 were Spain (€1.8 billion), the UK (€1.8 billion) and France (€1.7 billion). Each commanded 17% of total transaction activity;
- Other countries that saw significant increased single asset activity in 2024 were Italy (+€493 million and up to fourth position), Ireland (+€543 million and up to sixth) and Greece (+€478 million and up to seventh).

CHART 7: SINGLE ASSET TOP COUNTRIES (TOTAL ACTIVITY BY VOLUME)

Rank	Country	Change (€m)	Change in Rank	% Total
1	Spain	+259	+1	17%
2	UK	+488	+1	17%
3	France	+136	-2	17%
4	Italy	+493	+1	9%
5	Germany	+78	-1	8%
6	Ireland	+543	+2	7%
7	Greece	+478	+12	5%
8	Switzerland	+228	+2	4%
9	Sweden	+187	0	3%
10	Portugal	-33	-4	3%

Source: HVS – London Office

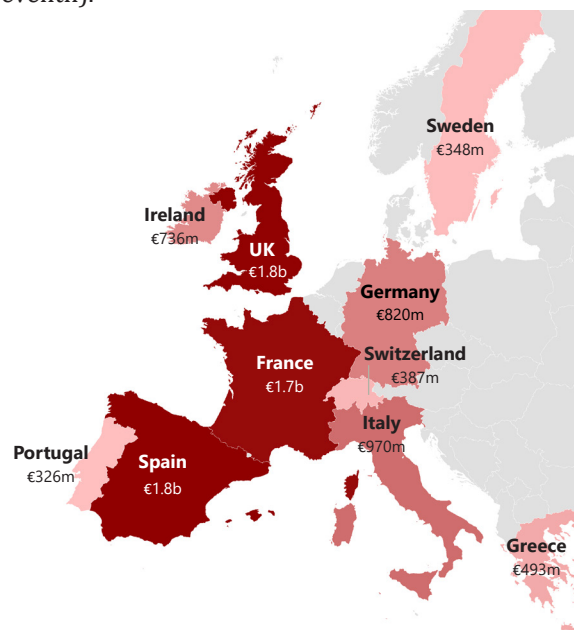
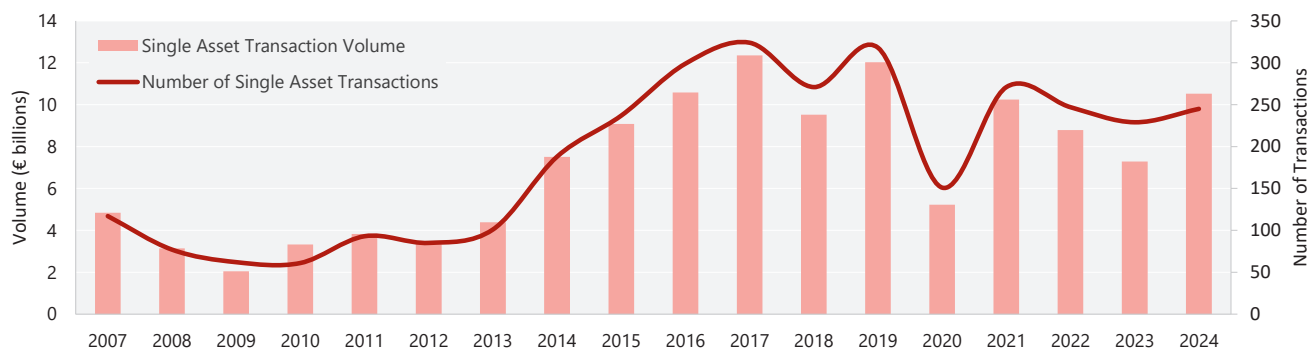


CHART 8: SINGLE ASSET INVESTMENT VOLUMES 2007-2024



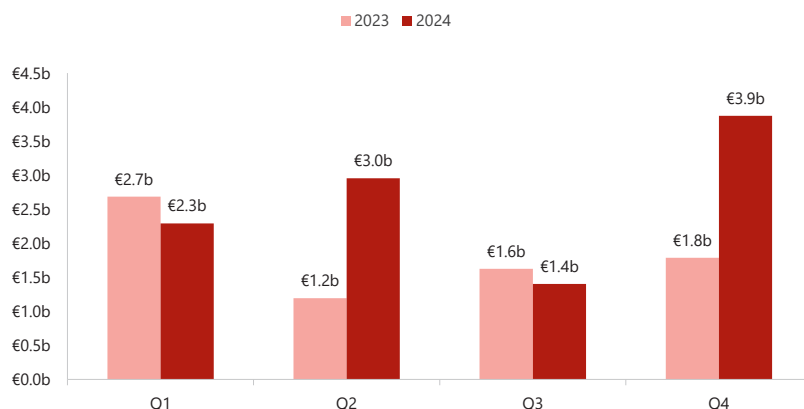
Source: HVS – London Office

MANDARIN ORIENTAL PARIS, FRANCE



The Mandarin Oriental Paris was sold to Italian investor Gruppo Statuto for approximately €205 million (€1.5 million per room) in Q1 2024.

CHART 9: SINGLE ASSET TRANSACTION VOLUMES BY QUARTER 2024 VS 2023



Source: HVS – London Office

Cities

Most major European cities attracted larger investments in 2024 than they did in 2023.

- Paris was the most liquid single asset city market for the second year in a row, with more than €1.4 billion in transaction volume in 2024, a 65% increase over 2023. This was led by numerous large transactions such as those of the Mandarin Oriental, the Pullman Tour Eiffel and the Hilton Opera, with investors rushing into this market ahead of the Olympics;
- London was second, with volume reaching €1 billion (an 80% increase over 2023), strongly driven by the forward-sale of the Six Senses in Bayswater and the transaction of The Standard in King's Cross;
- The transaction of the Hotel Miguel Angel Occidental carried Madrid into third place, a three-place improvement over 2023, with the Spanish capital recording single asset investment volume of €435 million (a €270 million increase over 2023). Barcelona trailed just behind at €334 million (a €55 million decrease over 2023);
- Some of the impressive ranking improvements included Venice (€327 million and climbing into fifth place) and Athens (€309 million and reaching sixth place).

HOTEL MIGUEL ANGEL OCCIDENTAL MADRID, SPAIN

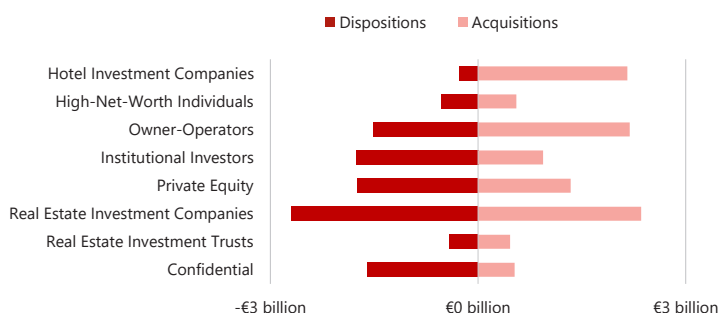


Spanish Lopesan Hotel Group and Swiss-based Stoneweg Hospitality acquired the Hotel Miguel Angel Occidental in Madrid for €200 million (€830,000 per room) in Q4 2024.

Investor Type

- The largest capital movers in 2024 were Real Estate Investment Companies, shifting a total of €5.1 billion in single asset acquisitions and disposals (a 26% increase over 2023);
- Hotel Investment Companies were 2024's largest net buyers of single assets at €1.9 billion (a €1.8 billion increase in net acquisitions over 2023);
- Institutional Investors were the largest net sellers of single assets in 2024 at €822 million. Private Equity followed, with total net sales reaching €403 million;
- Real Estate Investment Companies were net sellers in 2024, with net sales of €341 million, while High-Net-Worth-Individuals and Real Estate Investment Trusts remained largely neutral.

CHART 10: CAPITAL FLOWS BY INVESTOR TYPE (€)

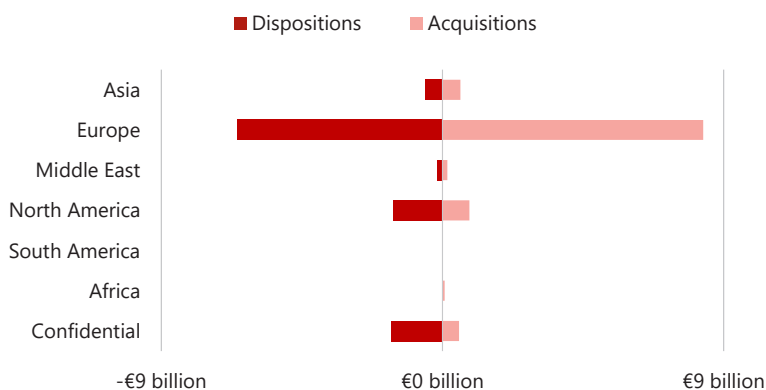


Source: HVS – London Office

Capital by Continent

- Europeans were the most active buyers of single assets in 2024, accounting for 82% of total transaction activity (up from 81% in 2023), with net acquisitions of €2 billion, significantly up from €703 million in 2023;
- North American investors recorded €722 million in net sales, while Asian investors remained largely neutral, accounting for 12% and 5% of total single asset transaction volume, respectively;
- Middle Eastern interest was largely neutral in 2024, with acquisition volumes closely mirroring disposal volumes, at €153 million and €165 million, respectively.

CHART 11: CAPITAL FLOWS BY INVESTOR SOURCE REGION (€)



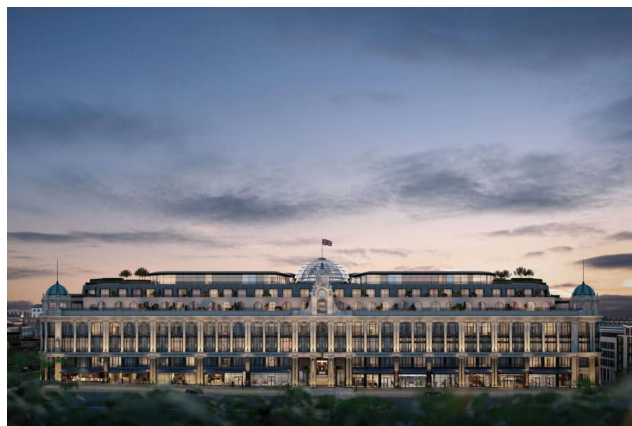
Source: HVS – London Office

HILTON PARIS OPERA, FRANCE



The Hilton Paris Opera was acquired by Singaporean investor CDL for €240 million (€895,000 per room), from funds managed by Blackstone in Q1 2024.

SIX SENSES LONDON, UK



Italian investor Gruppo Statuto forward-purchased the Six Senses The Whiteley in London, due to open in Q2 2024, for €211 million (€1.9 million per room).

PARK HYATT ZURICH, SWITZERLAND



Trinity Investments, Oaktree Capital and UBS acquired the Park Hyatt Zurich in Switzerland from Hyatt Hotels in Q2 2024.

GRAND HYATT ATHENS, GREECE



The Grand Hyatt Athens, in Greece, was acquired by Blackstone in Q4 2024 from Hines and Henderson Park for €235 million (€429,000 per room).

Notable Single Asset Transactions

Presented below is a selection of single asset transactions that occurred over the course of 2024. To request an expanded list of transactions, contact lhorch@hvshwe.com.








Property	Country	Location	Rooms	Price (€)	Price per Room (€)	Buyer	Seller
Hilton Paris Opera	France	Paris	268	240,000,000	896,000	CDL	Blackstone
Hotel Dames des Arts	France	Paris	109	120,000,000	1,101,000	Sono Hospitality BV	TPG Angelo Gordon, EQ Group
Hôtel Saint James & Albany	France	Paris	175	Confidential	Confidential	Mohari Hospitality, Omnam Group, Pharrell Williams	Undisclosed
Maison Breguet	France	Paris	50	46,000,000	920,000	Financiere MP Landowski	Fonciere Concorde
Mandarin Oriental, Paris	France	Paris	135	205,000,000	1,519,000	Gruppo Statuto	Mandarin Oriental
Pullman Paris Tour Eiffel	France	Paris	430	330,000,000	768,000	Morgan Stanley, QuinSpark Investment Partners	Amundi Immobilier
Sinner Paris	France	Paris	43	53,000,000	1,233,000	Experimental Group	Pierre Bastid
Hotel de Rome, a Rocco Forte Hotel	Germany	Berlin	145	145,000,000	1,000,000	Gruppo Statuto	GIC, Caleus Capital Investors
Roomers Munich, Autograph Collection	Germany	Munich	280	Confidential	Confidential	Lifestyle Hospitality Capital Group	W.P. Carey, Elliott Investment Management
Grand Hyatt Athens	Greece	Athens	548	235,000,000	429,000	Blackstone	Hines, Henderson Park
Aldemar Knossos Royal	Greece	Hersonissos	391	80,000,000	205,000	Karatzis Group	Aldemar Group
Ballsbridge Hotel	Ireland	Dublin	232	Confidential	Confidential	US Government	ADIA, Chartered Land
Hard Rock Hotel Dublin	Ireland	Dublin	120	Confidential	Confidential	Leonardo Hotels	Apollo Global RE
The Shelbourne, Autograph Collection	Ireland	Dublin	265	Confidential	Confidential	Archer Hotel Capital	Kennedy Wilson
Radisson Blu Hotel, Dublin Airport	Ireland	Dublin	229	83,000,000	363,000	Dalata Hotel Group	Emerald Investment
Grand Hotel Imperiale Forte Dei Marmi	Italy	Forte Dei Marmi	46	40,000,000	870,000	Emaar Properties	Luxury Hotel Development Group
Grand Hotel Cadenabbia	Italy	Griante	188	Confidential	Confidential	Gruppo Statuto	Undisclosed
Kamarina Resort	Italy	Ragusa	636	120,000,000	189,000	Arrow Global Group	The Ability Group
Aldrovandi Villa Borghese	Italy	Rome	102	Confidential	Confidential	Arlaes Management	Dogus Holding
Bauer Hotel	Italy	Venice	210	300,000,000	1,429,000	Mohari Hospitality, Omnam Group	Undisclosed
Conrad Algarve	Portugal	Almancil	236	Confidential	Confidential	Denis O'Brien	ECS Capital
Hotel Labranda Costa Adeje	Spain	Adeje	409	110,000,000	269,000	Hovima Hotels	Atom Hoteles Socimi
AC Forum Barcelona	Spain	Barcelona	368	80,000,000	218,000	Fattal Hotel Group	Covivio Hotels
OD Talamanca	Spain	Eivissa	117	Confidential	Confidential	Undisclosed	OD Group
Six Senses Ibiza	Spain	Ibiza	137	Confidential	Confidential	Gruppo Statuto	Metric Capital Partners
Hotel Miguel Angel Occidental	Spain	Madrid	241	210,000,000	872,000	Lopesan Hotel Group, Stoneweg	Nadhmi Auchi
Clarion Hotel Stockholm	Sweden	Stockholm	532	Confidential	Confidential	NREP	Aspelin-Ramm Fastigheter AB
Park Hyatt Zurich	Switzerland	Zurich	138	Confidential	Confidential	Trinity Investments, Oaktree, UBS	Hyatt Hotels
YOTEL Edinburgh	UK	Edinburgh	276	Confidential	Confidential	Millemont Capital Partners	Starwood Capital
Great Northern Hotel, a Tribute Portfolio Hotel	UK	London	88	Confidential	Confidential	Kaya Tourism Group	Confidential Private Equity Investor
Hyatt Place London City East	UK	London	280	116,800,000	418,000	Sun Venture	Resolution Property
Six Senses London	UK	London	109	211,400,000	1,940,000	Gruppo Statuto	C C Land Holdings, MARK
The Standard	UK	London	266	221,343,000	833,000	Trinity Investments, Oaktree, Partners Group	Crosstree Real Estate
Ruby Zoe Hotel & Bar	UK	London	173	62,000,000	359,000	Deka Immobilien	Frogmore/Morgan Stanley Real Estate

Source: HVS – London Office

Portfolio Assets

Portfolio transactions in 2024 increased dramatically over the previous year, reaching double the level recorded in 2023, and accounting for 40% of total European investment activity. Most of the annual difference was due to a huge increase in portfolio transactions in the UK, which was 2024's most active transaction market for portfolios by some distance, having been home to some of Europe's largest deals, including Starwood's acquisition of 10 Edwardian hotels and Blackstone's acquisition of 33 Village Hotels.

Overall, the average number of hotels per portfolio also doubled, from 4.3 in 2023 to 8.6 in 2024. While price per room reached €161,400 in 2024 (a 12% increase over 2023, although still 18% below 2019), the average price per hotel decreased to €19,377,000 (a 9% drop from 2023), in part due to the high number of economy portfolios that transacted with small-room-count properties, such as the portfolio of 30 ibis-branded hotels across Germany sold by AccorInvest to BC Partners.

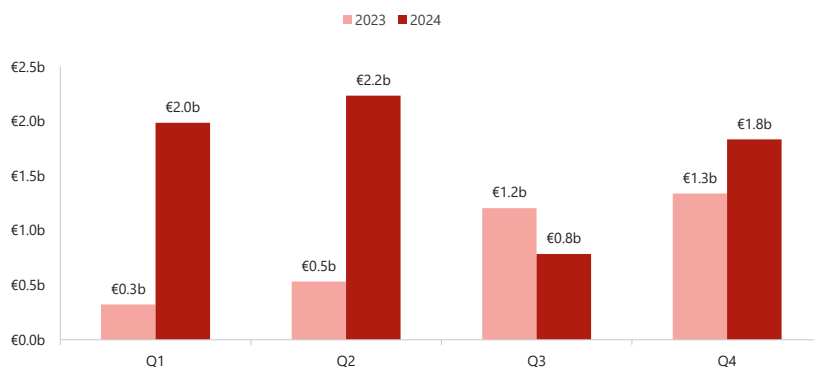
	2024	Change	%
 Volume (€)	6.8b	+3.4b	+101%
 Portfolios	41	+4	+11%
 Hotels	353	-34	+122%
 Rooms	42k	+19k	+80%
 Avg Price Per Portfolio (€)	166.8m	+75.0m	+82%
 Avg Price Per Hotel (€)	19.4m	-2.0m	-9%
 Avg Price Per Room (€)	161k	+17k	+12%

Source: HVS – London Office

Volume

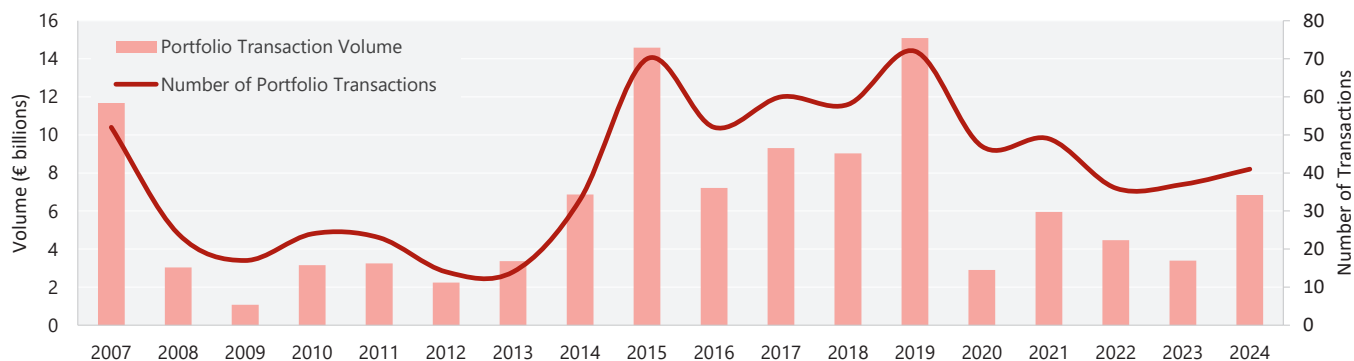
- Portfolio transaction volume in 2024 totalled €6.8 billion, which was, again, double the volume recorded in 2023, although still falling 55% short of 2019 volumes. However, it surpassed the 18-year average for the first time since 2019;
- Most of the increase in 2024 happened in the first half of the year, with H1 2024 portfolio volumes being more than five times those witnessed in H1 2023;
- By comparison, portfolio activity in H2 2024 was almost the same as in H2 2023 at €2.6 billion and €2.5 billion, respectively.

CHART 12: PORTFOLIO TRANSACTION VOLUMES BY QUARTER 2024 VS 2023



Source: HVS – London Office

CHART 13: PORTFOLIO INVESTMENT VOLUMES 2007-2024



Source: HVS – London Office

CHART 14: PORTFOLIO TOP COUNTRIES (TOTAL ACTIVITY BY VOLUME)

Rank	Country	Change (€m)	Change in Rank	% Total
1	UK	+3,964	+1	64%
2	Spain	-506	-1	11%
3	Netherlands	+262	+6	5%
4	France	-7	0	4%
5	Germany	+54	+1	4%
6	Czech Republic	+173	+7	3%
7	Italy	+156	+6	2%
8	Greece	+146	+5	2%
9	Portugal	-195	-6	2%
10	Belgium	+99	+2	2%

Source: HVS – London Office

Cities

- Approximately half of the hotels that transacted across European portfolios in 2024 were located in secondary cities, with markets such as Spain, France, Germany and Belgium witnessing the largest trend towards secondary cities in the composition of transacted portfolios;
- London recorded the highest volume by some margin with €1.9 billion in portfolio transactions (a €1.6 billion increase over 2023), followed by Amsterdam with €240 million (dominated by Fattal's acquisition of the Zien Group).

Investor Type

- Acquisition activity by Private Equity groups was the strongest of all investors in 2024 (having been virtually absent in 2023), with a total volume of €4 billion, representing 58% of all portfolio transactions;
- Next in line were Owner-Operators, which acquired roughly €1.6 billion worth of portfolios in 2024 (a €1 billion increase over 2023), and amounted to 24% of total volume;
- Real Estate Investment Companies, which represented 32% of the volume in 2023, contributed only 9% in 2024, witnessing a 44% decrease in acquisition volume;
- Net portfolio transaction volumes show Private Equity groups were still front-runners with net acquisitions of €2.4 billion in 2024, followed by Real Estate Investment Companies with €328 million;
- The largest net sellers in 2024 were Institutional Investors, Owner-Operators and Real Estate Investment Trusts at €874 million, €792 million and €748 million, respectively.

Capital by Continent

- In contrast to 2023, European investors were not the largest portfolio buyers in 2024, representing 45% of total volume. Led by Private Equity groups, North American investors were responsible for the most acquisitions, with a total volume of €3.6 billion in 2024, having been largely absent in 2023;
- Despite also being major buyers in 2024, European investors were net sellers overall, with total net disposals of €1.1 billion, in contrast to the net acquisitions of €2.3 billion made by North American investors;
- Having been net buyers of portfolios in 2023, Middle Eastern investors, primarily led by ADIA, recorded net sales of €1.1 billion in 2024.

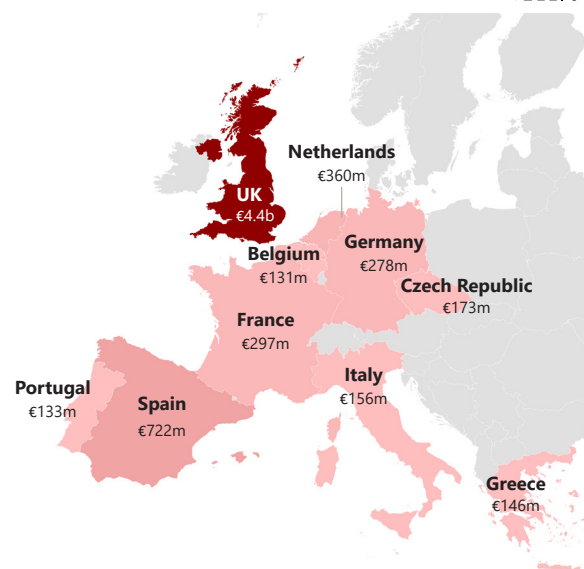
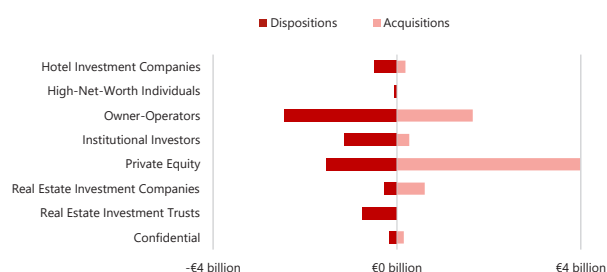
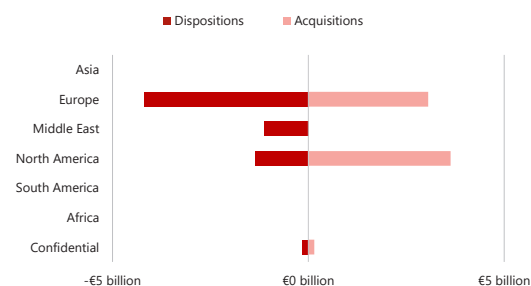


CHART 15: CAPITAL FLOWS BY INVESTOR TYPE (€)



Source: HVS – London Office

CHART 16: CAPITAL FLOWS BY INVESTOR SOURCE REGION (€)



Source: HVS – London Office

Notable Portfolio Transactions

Presented below is a selection of portfolio transactions that occurred over the course of 2024. To request an expanded list of transactions, contact lhorch@hvshwe.com.

Portfolio	Country	Hotels	Rooms	Price (€)	Price per Room (€)	Buyer	Seller
Alchemy Step Hotel Group acquires FLI Group	Belgium	8	1,070	Confidential	Confidential	Alchemy Step Hotel Group	FLI Group
CPIPG sells 50% stake in eight Czech hotels	Czech Republic	8	1,015	173,000,000	170,000	Best Hotel Properties	CPI Property Group
Portfolio of 22 economy hotels in France	France	22	1,797	Confidential	Confidential	Swiss Life AM, B&B Hotels	Grape Hospitality
Portfolio of three Mercure hotels in Germany	Germany	3	458	Confidential	Confidential	SomnOO	Extendam, 123 Investment Managers
Portfolio of 30 ibis hotels in Germany	Germany	30	2,285	Confidential	Confidential	BC Partners Real Estate	AccorInvest
Portfolio of four B&B Hotels in Germany	Germany	4	400	Confidential	Confidential	Art-Invest	Covivio Hotels
Portfolio of two Niu-branded hotels in Bayern region	Germany	2	534	Confidential	Confidential	Undisclosed	First Immobiliengesellschaft, Highstreet Group
Portfolio of two Sunwing-branded Greek hotels	Greece	2	796	112,500,000	141,000	Premia Properties	Nordic Leisure Travel Group
Portfolio of three hotels in Italy	Italy	3	536	Confidential	Confidential	CDC Holding SpA (City Hotels Company)	Undisclosed
Fattal acquires Zien Group in the Netherlands	Netherlands	12	1,522	Confidential	Confidential	Leonardo Hotels	KSL Capital Partners, Garden Capital
Real Hotels acquires Amazonia Hotel Group	Portugal	4	350	Confidential	Confidential	Real Hotels Group	Amazonia Hotel Group
Portfolio of six Campanile-branded hotels in Spain	Spain	6	773	Confidential	Confidential	Travelodge	Louvre Hotels
Room Mate acquires Staying Valencia portfolio	Spain	6	356	Confidential	Confidential	Room Mate Hotels	Staying Valencia
Partners Group acquires majority stake in Bluesea Hotels	Spain	25	5,100	Confidential	Confidential	Partners Group	Portobello Capital
Portfolio of two Sofitel-branded hotels in southern Europe	Spain, Italy	2	241	Confidential	Confidential	Extendam	AccorInvest
Portfolio of 10 Radisson Blu Edwardian hotels in London	UK	10	2,053	Confidential	Confidential	Starwood Capital	Edwardian Hotels London
Portfolio of 66 Travelodge-branded hotels in the UK	UK	66	3,250	243,760,882	75,000	Travelodge	LXi REIT
Portfolio of three ground rents in the UK	UK	3	410	Confidential	Confidential	Aprirose	Lloyds Pension Fund
Portfolio of 18 Accor-branded hotels in major UK cities	UK	18	3,204	464,667,821	145,000	Ares Management, EQ Group	Landsec
Blackstone acquires Village Hotels in the UK	UK	33	4,383	Confidential	Confidential	Blackstone	KSL Capital Partners
Portfolio of five Pentahotel-branded hotels	UK	5	562	Confidential	Confidential	B&B Hotels	Aroundtown
Portfolio of three London Residence Inn apart-hotels	UK	3	503	273,286,000	543,000	Pandox	Starwood Capital
KKR, Baupost acquire 33-hotel UK portfolio from ADIA	UK	33	6,414	Confidential	Confidential	KKR, Baupost Group	ADIA
Banco Santander acquires minority stake in Meliá Group subsidiary	UK, Spain	3	1,099	300,000,000	273,000	Santander	Meliá Hotels International

Source: HVS – London Office

Conclusions

Hotel Transactions in 2024: A Market Reignited

After two years of substantial interest rate rises following the Russian invasion of Ukraine (and the resulting energy cost spikes that drove global inflation), 2024 marked a turning point for capital markets in Europe. As debt market conditions improved and cost inflation softened, combined with relatively little supply growth, transaction activity surged to its highest level for five years, registering an impressive 62% growth over 2023 (although still being only two-thirds of the volume registered in 2019).

The year saw several landmark single-asset transactions, including in the ultra-luxury segment, as well as a major increase in portfolio deals which were double the level recorded in 2023. Higher volume, more hotels, more rooms and rising average prices per room compared to 2023 – all clear indicators of a market regaining momentum.

Private Equity groups led market activity, both as buyers and sellers, driving the most significant transaction volumes. They were followed by Owner-Operators, while traditionally influential Institutional Investors remained more restrained, a reflection of the lingering effects of the high-interest-rate environment.

Leading Markets: UK Reclaims the Top Spot

The UK emerged as the most liquid market, recording €6.2 billion in transactions, followed by Spain (€2.5 billion) and France (€2.0 billion). Paris alone accounted for €1.5 billion in deals, as transactions surged ahead of the 2024 Olympic Games.

London retained its position as Europe's most transacted city, with €3 billion in deals—matching the combined total of the next five most active cities. This was largely driven by major portfolio transactions, reinforcing London's status as a key global investment hub.

Looking Ahead

As we move further into 2025, the availability and cost of financing will remain a focal point for hotel investors. With interest rates expected to decline further, capital markets should see a resurgence in liquidity, boosting transaction volumes across key European markets.

While refinancing challenges persist, particularly for highly leveraged assets, widespread distress remains unlikely. Banks and alternative lenders have demonstrated greater flexibility in restructuring debt, and hotel assets continue to outperform most other real estate classes in investor preference.

Private Equity firms and Owner-Operators are expected to remain the dominant market players, with value-add investments to remain popular given the return potential in a higher interest rate environment.

Institutional Investors—previously hesitant due to interest rate volatility—could re-enter the market more aggressively should rates continue their downward trajectory. The return of the institutional buyer would add further momentum to the expected increase in portfolio transactions, but especially for core and core+ assets, which would improve the liquidity and valuation of leased hotels.

As seen in 2024, urban markets will remain the prime focus for investors, with cities like London, Paris, Madrid and Rome continuing to attract the highest capital inflows.

Beyond the major metropolitan hubs, resort destinations across Southern Europe—particularly in Spain, Italy and Greece—are expected to continue to gain significant attention, as investors look to capitalise further on the booming leisure- and experience-driven travel sector.

While macro uncertainties persist, particularly in relation to shifting global trade dynamics, the hospitality sector continues to outperform other real estate asset classes. Investors are recognising that travel remains a spending priority for many demographics, particularly in the luxury and experience-driven segments.

Europe's ability to weather economic and geopolitical challenges while maintaining its status as the world's most popular destination highlights the sector's long-term attractiveness. This, combined with rising interest from Middle Eastern, North American and Asian investors, is expected to further fuel transaction activity in 2025.



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