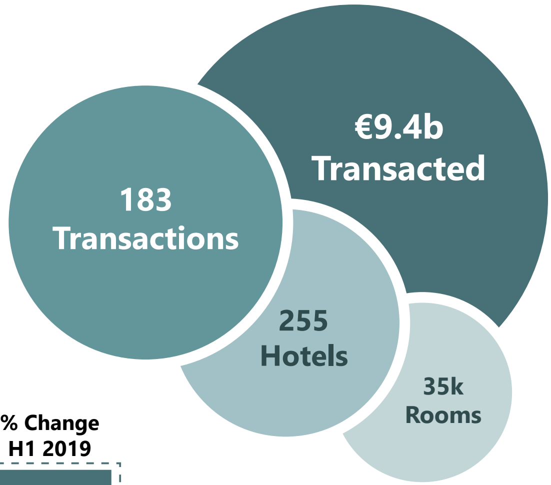
# H1 2026 EUROPEAN HOTEL TRANSACTIONS

## Introduction

European hotel transaction activity slowed in the first half of 2026, with total volume reaching €9.4 billion, which was 10% below H1 2025, although still 11% above the ten-year first-half average. The number of transactions declined by 5% to 183, while the number of hotels and rooms transacted fell by 19% and 23%, respectively. This indicates that, despite lower activity, average transaction pricing increased, with the average price per hotel rising by 12% to €36.7 million and the average price per room increasing by 18% to a decade-high €268,000. We would note, however, that this has more to do with the higher quality of the hotels that have sold so far this year compared to last year, as opposed to an underlying rise in market values generally.




| | H1 2026 | Change H1 2025 | % Change H1 2025 | Change H1 2019 | % Change H1 2019 |
|---|---|---|---|---|---|
| Number of Transactions | 183 | -10 | -5% | -24 | -12% |
| Total Volume (€) | 9.4b | -1.0b | -10% | -3.5b | -27% |
| Hotels | 255 | -61 | -19% | -59 | -19% |
| Rooms | 35k | -11k | -23% | -23k | -40% |
| Avg Price Per Hotel (€) | 36.7m | +3.9m | +12% | -4.2m | -10% |
| Avg Price Per Room (€) | 268k | +40k | +18% | +44k | +20% |

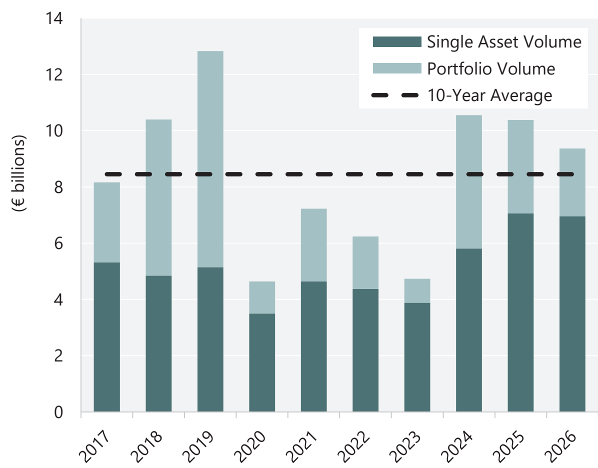
*Source: HVS – London Office*

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

## General Commentary

- The single-asset-to-portfolio volume ratio moved further towards individual properties, at 74%/26% in H1 2026 compared to 68%/32% in H1 2025. This six-percentage-point shift reflects the contraction in portfolio activity rather than any growth in single-asset volume.
- Single-asset transaction volume was broadly stable at €7.0 billion (-1.5%) across 160 transactions (-5%). The largest transactions included the sale of the 435-room Pullman Paris Tour Eiffel to Batipart and a consortium of French institutional investors, Riu's €334 million acquisition of the Westminster Curio in London, and Pictet's acquisition of the Zürich Marriott, in a sale arranged by HVS Hodges Ward Elliott.
- Portfolio volume decreased by 27% to €2.4 billion, despite the number of transactions remaining broadly stable at 23 compared with 24 in H1 2025. This indicates that portfolios were considerably smaller in H1 2026, averaging 4.1 hotels and 523 rooms, down from 6.1 hotels and 807 rooms in H1 2025. As a result, the average price per portfolio fell by 24% to €104.7 million, while the average price per hotel increased by 12% to €25.4 million. The largest transactions included APG's sale of the three-hotel, 588-room The Other House portfolio in London to a

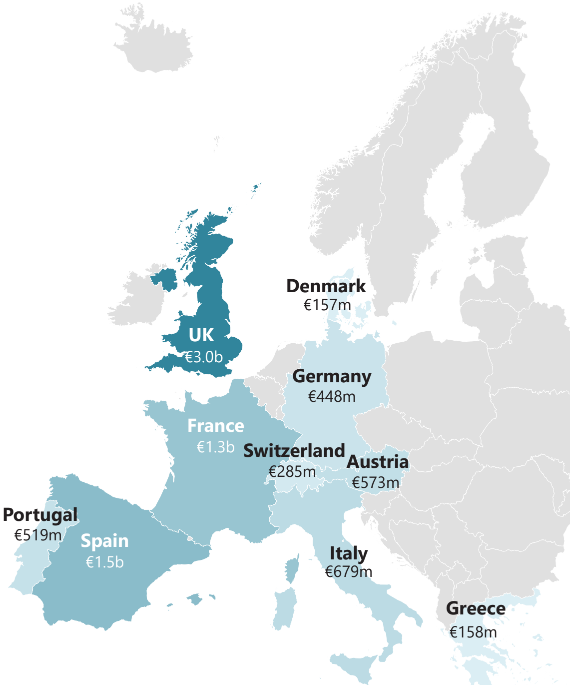
H1 2026 TRANSACTION VOLUMES REMAIN ABOVE TEN-YEAR H1 AVERAGE




*Source: HVS – London Office*

consortium of OneIM, AENDRE and LHC; Aroundtown's €275 million disposal of 11 Pentahotels to Ironstone Group and Ogilvy Management; and Covivio's €217 million acquisition of four hotels in Milan from Invest Hospitality.

- The largest net buyers over the first semester were Real Estate Investment Companies (€2.1 billion) and Hotel Owner-Operators (€768 million). The largest net sellers were Private Equity firms (€1.3 billion) and High-Net-Worth Individuals (€377 million), the latter reversing their position as net buyers 12 months ago.
- Almost two-thirds of total transaction volume occurred in three countries: the UK (32%), Spain (16%) and France (14%). Austria and Portugal both entered the top six, more than doubling and more than tripling their respective volumes from a year earlier, whilst Germany (-62%), Greece (-73%) and Denmark (-70%) recorded significant decreases, after strong first halves in 2025. London alone accounted for 22% of total European transaction volume and two-thirds of all UK activity, at €2.0 billion, ahead of Paris (€707 million) and Vienna (€563 million).
- Transactions were recorded in 21 European countries, although the ten largest markets accounted for 92% of total volume.
- Upscale hotels were the most transacted category in H1 2026, accounting for €4.3 billion, or 46% of total transaction volume, across 87 hotels.
- Luxury assets were the second-largest contributor by volume, at €2.4 billion, despite representing only 34 hotels and 14% of total rooms sold. At €514,000, their average price per room was close to double the market average of €268,000.
- Midscale hotels made up the largest number of properties sold, with 97 hotels, but their lower average price per room of €159,000 translated into 21% of total euro volume.
- Economy assets accounted for 7% of volume from 37 hotels, at an average price per room of €134,000.




## UPSCALE HOTELS ACCOUNT FOR NEARLY HALF OF H1 2026 TRANSACTION VOLUME

| Category | Volume (€m) | Hotels | Rooms | Avg PPR (€) | % of Volume |
|---|---|---|---|---|---|
| Luxury | 2,430 | 34 | 4,732 | 514,000 | 26% |
| Upscale | 4,340 | 87 | 13,186 | 329,000 | 46% |
| Midscale | 1,971 | 97 | 12,370 | 159,000 | 21% |
| Economy | 624 | 37 | 4,650 | 134,000 | 7% |
| Total/Avg | 9,365 | 255 | 34,938 | 268,000 | 100% |

*Source: HVS – London Office*

## UK LEADS H1 2026 TRANSACTION VOLUMES, FOLLOWED BY SPAIN

| Rank | Country | Volume (€ million) | Avg. Price per Room (€) | Hotels | Rooms | Change in Volume (€ million) | % Total Volume | % Total Rooms |
|---|---|---|---|---|---|---|---|---|
| 1 | United Kingdom | 3,021 | 325,000 | 61 | 9,309 | 1,338 | 32% | 27% |
| 2 | Spain | 1,515 | 207,000 | 37 | 7,309 | -206 | 16% | 21% |
| 3 | France | 1,284 | 280,000 | 63 | 4,578 | 32 | 14% | 13% |
| 4 | Italy | 679 | 310,000 | 17 | 2,189 | -68 | 7% | 6% |
| 5 | Austria | 573 | 451,000 | 6 | 1,269 | 291 | 6% | 4% |
| 6 | Portugal | 519 | 467,000 | 6 | 1,111 | 365 | 6% | 3% |
| 7 | Germany | 448 | 165,000 | 20 | 2,718 | -727 | 5% | 8% |
| 8 | Switzerland | 285 | 917,000 | 2 | 311 | 75 | 3% | 1% |
| 9 | Greece | 158 | 256,000 | 4 | 617 | -439 | 2% | 2% |
| 10 | Denmark | 157 | 184,000 | 6 | 853 | -360 | 2% | 2% |

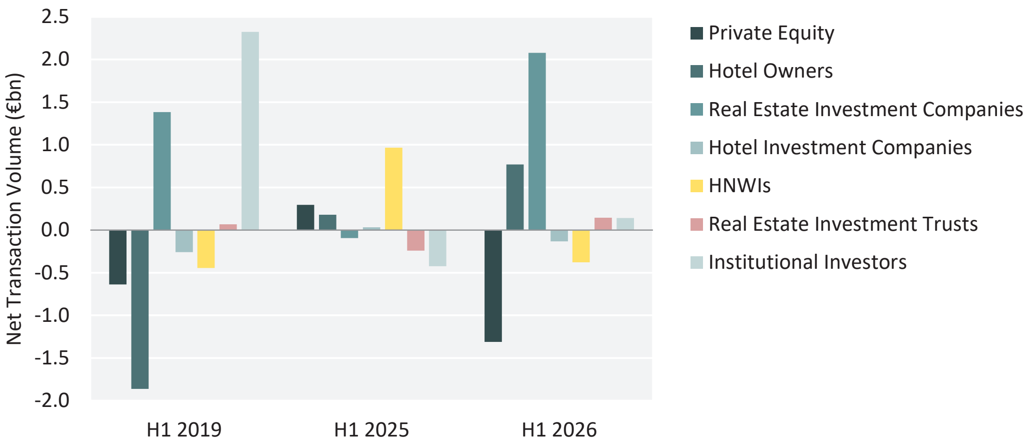
*Source: HVS – London Office*

## Buyers and Sellers Change Places

A pronounced shift took place in the first half of 2026 in the type of capital acquiring European hotels. Real Estate Investment Companies acquired €4.1 billion over the semester, 43% of all volume transacted, and closed the period as net buyers of €2.1 billion of hotel assets. This reverses their position of 12 months ago, when Real Estate Investment Companies were modest net sellers. Their buying was concentrated in the portfolio market, where they acquired 72% of all volume transacted in H1 2026. Hotel owners, institutional investors and REITs also ended the semester in net acquisition.

Private Equity moved in the opposite direction. Having been net buyers a year earlier, private equity firms acquired 88% less in H1 2026 than in H1 2025 and disposed of €1.5 billion, ending the period as the largest net sellers at €1.3 billion. Two of the larger PE disposals were of assets bought in 2024: the Radisson Blu, London Leicester Square sold by Starwood Capital and the Novotel London Greenwich sold by Ares and EQ, with both having been acquired within sizeable 2024 UK portfolios.

REICs BECOME THE HIGHEST NET BUYERS AMONGST ALL INVESTORS, ACQUIRING €2.2 BILLION MORE THAN THEY DISPOSED OF




*Source: HVS – London Office*

The reversal was sharpest amongst high-net-worth individuals. As set out in our *H1 2025 European Hotel Transactions* report, HNWIs were the largest net buyers of European hotels 12 months ago, while this semester they were net sellers of €377 million and were absent from the portfolio market as buyers. Their average price per room on acquisitions fell from €581,000 to €200,000, among the lowest of any investor class.

European capital accounted for 91% of acquisition volume, up from 80% in H1 2025, whilst North American investors were net sellers of €1.9 billion and acquired no European portfolios at all. Notable acquisitions by Real Estate Investment Companies included Calena Partners' €200 million acquisition of three hotels in Spain from Hotel Investment Partners (HIP), the portfolio of four boutique hotels in London purchased by MCR Property Group for £123 million (€142 million), and three Alua-branded properties in Tenerife, Spain, which were bought by Arcano Partners for €140 million from Hyatt.

## Outlook

The war with Iran has had limited effects on European hotel performance, with the loss of Middle Eastern travel offset by stronger intra-European activity and long-haul demand from the Americas. Transaction volume has likewise seen little impact from these events. Middle Eastern capital remains a small part of the European market, although acquisitions from the region rose by around €100 million to €254 million.

Eurozone inflation is expected to rise to around 3% in 2026 before easing towards 2.3% in 2027, roughly a percentage point above the level projected before the US-Iran conflict. That reduces the scope for further rate easing and, indeed, rates may rise. The conditions that supported the first half of the year nonetheless remain in place; pricing has held up, single-asset activity is close to last year's level and European buyers continue to hold a deep pool of capital. On that basis, transaction activity should remain strong over the remainder of the year.

European buyers were the principal source of demand in the first half, accounting for 91% of acquisition volume as they absorbed the stock released by private equity and overseas investors. The concentration of activity in the UK, at a third of European volume, points to the enduring appeal of the UK, and London in particular, which should continue to attract the largest share of European capital.




**Lukas Horch**
Associate
lhorch@hvshwe.com
+44 (0) 7785 224 189

**Gauthier Champlong**
Senior Associate
gchamplong@hvshwe.com
+44 (0) 7742 882 834

**Chris Martin**
Senior Director
cmartin@hvshwe.com
+44 (0) 7738 024 207