

MUNICH HOTEL PERFORMANCE SPOTLIGHT

YE August 2026 vs YE August
2025

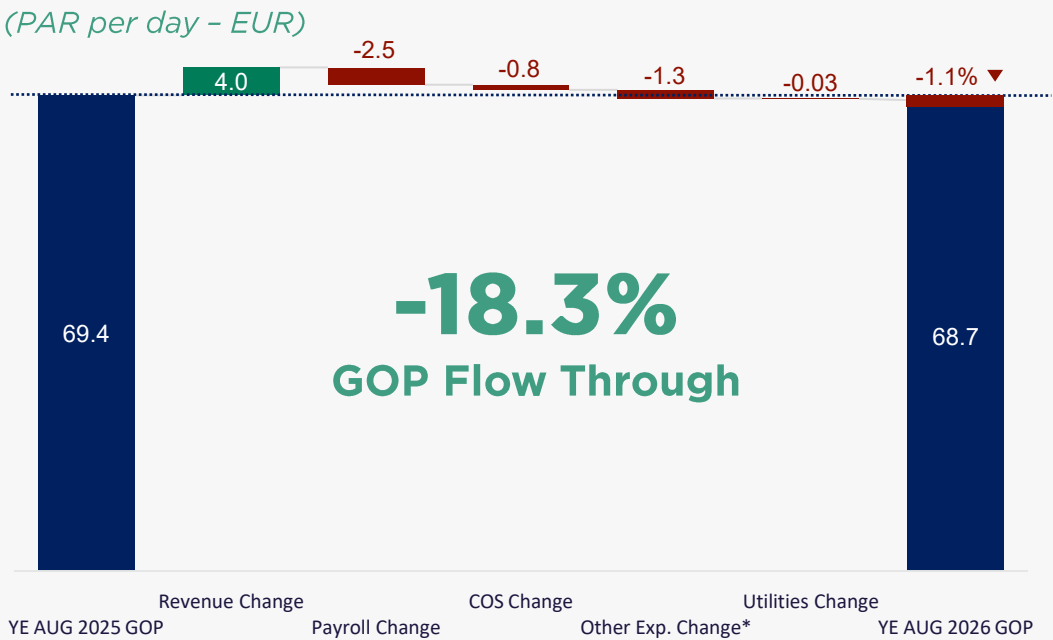


Better never settles

OVERVIEW

- Munich’s hotel market generated moderate top-line growth in YE August 2026, with total operating revenue increasing by €4.0 PAR (+2.1%) to €196.1 PAR. However, operating expenses rose at a faster pace (+3.9%), leading to a €0.7 PAR (-1.1%) decline in GOP to €68.7 PAR, while GOP margin contracted by 1.1 percentage points to 35.0%.
- Despite a moderation in trading performance, Munich’s underlying market fundamentals remain healthy. Supply growth was limited to 0.6% in YE August 2026 year-on-year, while current performance reflects a normalization from the elevated comparables of H1 2025, when the market benefited from major events such as Bauma and the UEFA Champions League Final.
- Market occupancy increased by 0.9 percentage points to 74.7%, indicating continued demand growth. However, this was offset by a 1.5% decline in ADR to €196.3, resulting in RevPAR decreasing by 0.4% to €146.7.
- F&B was the main driver of revenue growth, increasing by €4.4 PAR (+11.5%) and more than offsetting declines in Rooms revenue (-€0.6 PAR, -0.4%) and Miscellaneous Income (-€0.3 PAR, -9.3%). F&B revenue growth also remained ahead of the increase in departmental expenses.
- Total operating expenses increased by €4.8 PAR (+3.9%) to €127.4 PAR, primarily driven by higher Payroll, Other Expenses and Cost of Sales, while Utilities remained broadly stable.

RIISING EXPENSES WEIGH ON PROFIT



*Utilities are excluded from Other Expenses

KPI SUMMARY	YE August 2026	% Change
ADR (€)	196.3	-1.5%
Occupancy %	74.7%	1.2%
RevPAR (€)	146.7	-0.4%
F&B Revenue (€ PAR)	42.2	11.5%
Total Op. Revenue (€ PAR)	196.1	2.1%
Total Op. Expenses (€ PAR)	127.4	3.9%
GOP (€ PAR)	68.7	-1.1%
GOP %	35.0%	-3.1%

Source: Cushman & Wakefield / HotStats (data are rounded)

SUPPLY

- Four new hotels opened in Munich during the 12-month period ending August 2026, adding 467 rooms. The repositioning of the former Roomers as The Dean returned a further 281 rooms to the market, bringing total supply additions to 748 rooms. On an opening-date-adjusted basis, this represents a +0.6% increase in overall market supply.
- Identified supply additions remained highly concentrated, with ibis Styles (358 rooms) and The Dean (281 rooms) accounting for 85.4% of identified additions. ibis Styles strengthened the Midscale offering in the airport catchment area and complemented wider infrastructure enhancements, notably the Terminal 1 Pier expansion (April 2026), which added capacity for up to six million passengers per year.
- Midscale and Upper Upscale hotels accounted for 49.3% and 37.6% of supply additions, while Upscale hotels represented the remaining 13.1%. Vast majority of new supply is branded, accounting for 91.7% on new inventory.
- The most significant near-term opening is the 277-room AMANO hotel in in Ludwigsvorstadt-Isarvorstadt. Over the following 12 to 18 months, three additional projects comprising of 523 rooms are targeted for delivery across Munich and the surrounding market area.
- The announced near-term pipeline equates to a further 0.7% opening-date-adjusted increase in supply over the next 12 to 18 months, based on current opening schedules.

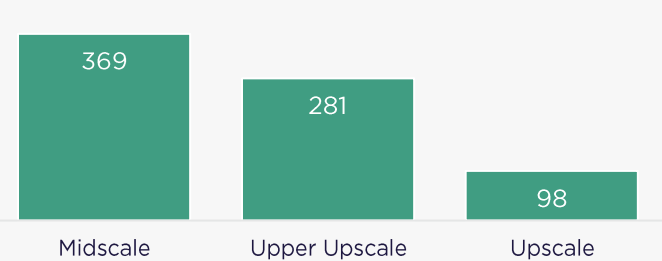
Source: Cushman & Wakefield

HOTEL OPENINGS IN THE LAST 12 MONTHS (YE August 2026)

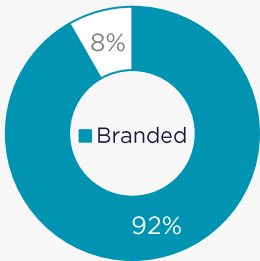
Hotel Name	Rooms	Date	Class	Location
Homaris Apartments Therese	51	Sep-25	Upscale	Ludwigsvorstadt-Isarvorstadt
Lindgold Apartments	11	Mar-26	Midscale	Sendling
ibis Styles	358	Jun-26	Midscale	Munich Airport
The Dean*	281	Jul-26	Upper Upscale	Schwanthalerhöhe
Numa	47	Aug-26	Upscale	Ludwigsvorstadt-Isarvorstadt

*Note: The Dean represents the repositioning of the former Roomers and is included as supply returning to the market vs 2025

NEW SUPPLY BY CLASS (rooms)



NEW SUPPLY - % BRANDED



KEY GROWTH LOCATIONS (rooms)



PAYROLL COSTS

Payroll costs increased across most operating departments in YE August 2026, rising by €3.2 PAR (+5.0%) to €67.3 PAR. Growth was primarily driven by labor expenses in Food & Beverage (+€1.0 PAR, +5.0%), Sales & Marketing (+€0.7 PAR, +13.1%), and Administration & General (+€0.6 PAR, +7.4%), while Rooms payroll remained broadly stable (+€0.1 PAR, +0.5%). I&T was the only department to record a decline in labor expenses (-€0.1 PAR, -9.1%). The increase in payroll costs likely reflects the combined impact of Germany's 8.4% statutory minimum wage increase implemented in January 2026, alongside broader wage inflation and ongoing staffing pressures..

COST OF SALES

Cost of Sales increased to €18.1 PAR (+4.4%), compared with €17.3 PAR in YE August 2025. The increase was primarily driven by higher F&B costs (+€0.5 PAR, +5.1%) and Rooms related expenses (+€0.3 PAR, +3.3%).

UTILITY COSTS

Utility costs remained broadly stable at €7.7 PAR (+0.4%) between YE August 2025 and YE August 2026. Lower electricity costs (-€0.3 PAR, -8.9%) were offset by increases in Water/Sewer (+€0.1 PAR, +15.2%) and Fuels, Gases & District Energy (+€0.1 PAR, +3.1%).

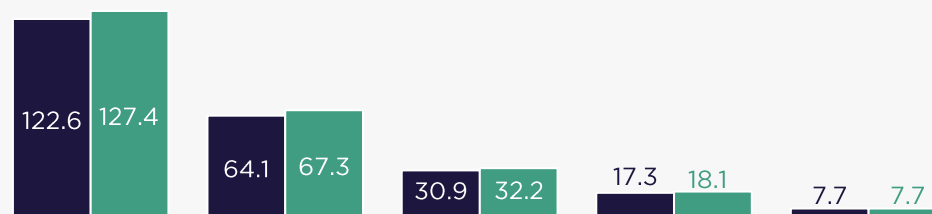
OTHER EXPENSES (excl. Utilities)

Other Expenses increased by 4.1% YoY to €32.2 PAR from €30.9 PAR last year. The increase was mainly driven by higher Rooms costs (+9.3%), alongside increases in F&B (+4.8%), A&G (+3.7%) and S&M (+1.7%). This was partly offset by reductions across OOD (-20.8%), I&T (-15.9%) and POM (-14.3%).

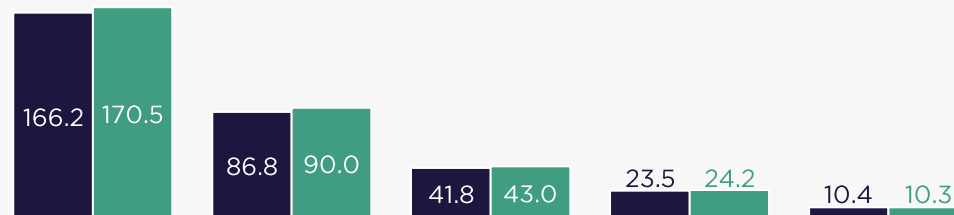
BROAD-BASED COST PRESSURES

(PAR per day - EUR)

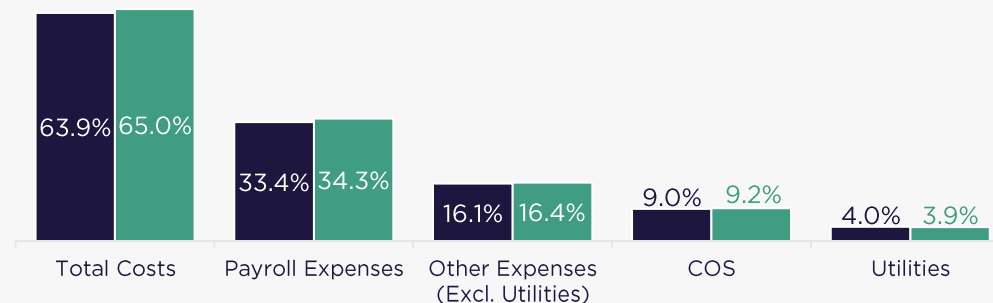
■ YE AUG 2025 ■ YE AUG 2026



(POR per day - EUR)



(% of Total revenue)



Source: Cushman & Wakefield / HotStats (data are rounded)

PROFIT & LOSS STATEMENT

Departmental Revenues

- Total revenue across the Munich market increased by 2.1% (+€4.0 PAR) to €196.1 PAR. Growth was primarily driven by F&B revenue (+€4.4 PAR, +11.5%), alongside increases in OOD (+€0.4 PAR, +8.3%), partly offset by lower Rooms revenue (-€0.6 PAR, -0.4%) and Miscellaneous Income (-€0.3 PAR, -9.3%).

Departmental Expenses

- Departmental expenses increased at a faster rate than revenue, rising by €3.1 PAR (+4.0%) to €80.7 PAR. The increase was primarily driven by F&B expenses (+€1.6 PAR, +5.0%) and Rooms expenses (+€1.4 PAR, +3.2%), while OOD expenses increased by €0.1 PAR (+2.9%).

Undistributed Expenses

- Undistributed expenses increased by €1.7 PAR (+3.8%) to €46.7 PAR, with their share of revenue increasing slightly from 23.4% to 23.8%. Growth was driven by A&G (+€0.8 PAR, +5.6%), S&M (+€0.7 PAR, +5.4%) and POM (+€0.3 PAR, +3.9%), partly offset by lower I&T expenses (-€0.1 PAR, -2.5%).

Gross Operating Profit

- GOP declined by 1.1% YoY to €68.7 PAR, as growth in departmental and undistributed expenses outpaced the increase in revenue. As a result, GOP margin contracted by 1.1 percentage points to 35.0%, highlighting increased pressure on operating profitability. Nevertheless, the GOP PAR achieved by hotels in Munich remains notably above the

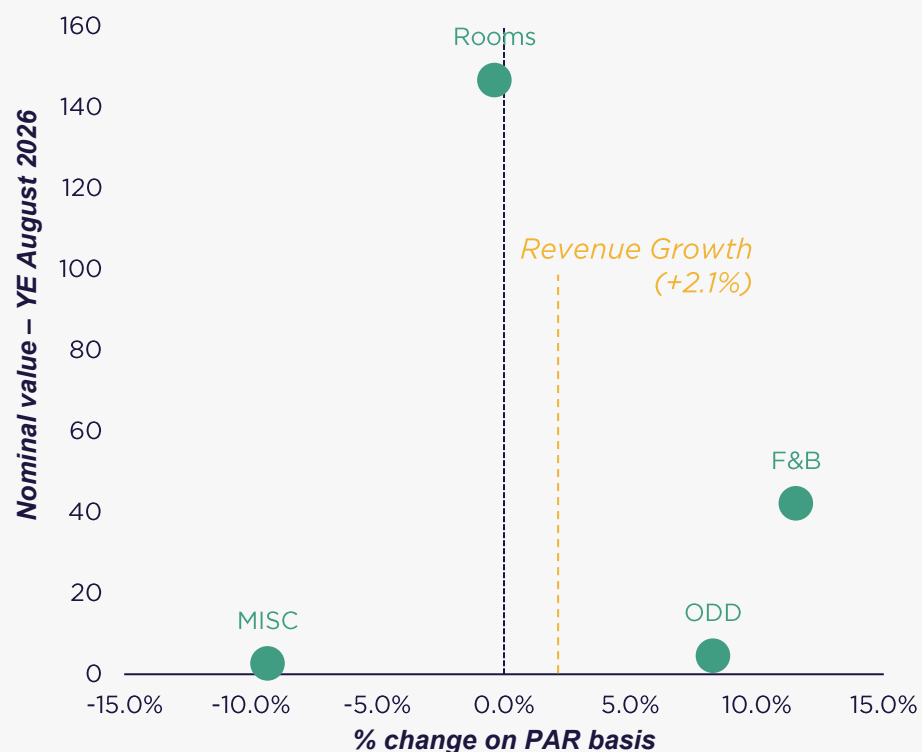
REVENUE GROWTH OFFSET BY HIGHER COSTS

DEPARTMENTAL REVENUE	PAR	POR	%	YoY Δ
Rooms	146.7	196.4	74.8%	-0.4%
F&B	42.2	56.4	21.5%	11.5%
OOD	4.6	6.1	2.3%	8.3%
Misc. Income	2.7	3.6	1.4%	-9.3%
TOTAL	196.1	262.5	100.0%	2.1%
DEPARTMENTAL EXPENSES				
Rooms	44.6	59.7	30.4%	3.2%
F&B	34.0	45.5	80.6%	5.0%
OOD	2.2	2.9	47.1%	2.9%
TOTAL	80.7	108.1	41.2%	4.0%
TOTAL DEPARTMENTAL PROFIT	115.4	154.4	58.8%	0.8%
UNDISTRIBUTED EXPENSES				
A&G	14.2	19.0	7.2%	5.6%
I&T	3.1	4.1	1.6%	-2.5%
S&M	14.0	18.7	7.1%	5.4%
POM	7.8	10.4	4.0%	3.9%
Utilities	7.7	10.3	3.9%	0.4%
TOTAL	46.7	62.5	23.8%	3.8%
GOP	68.7	93.0	35.0%	-1.1%

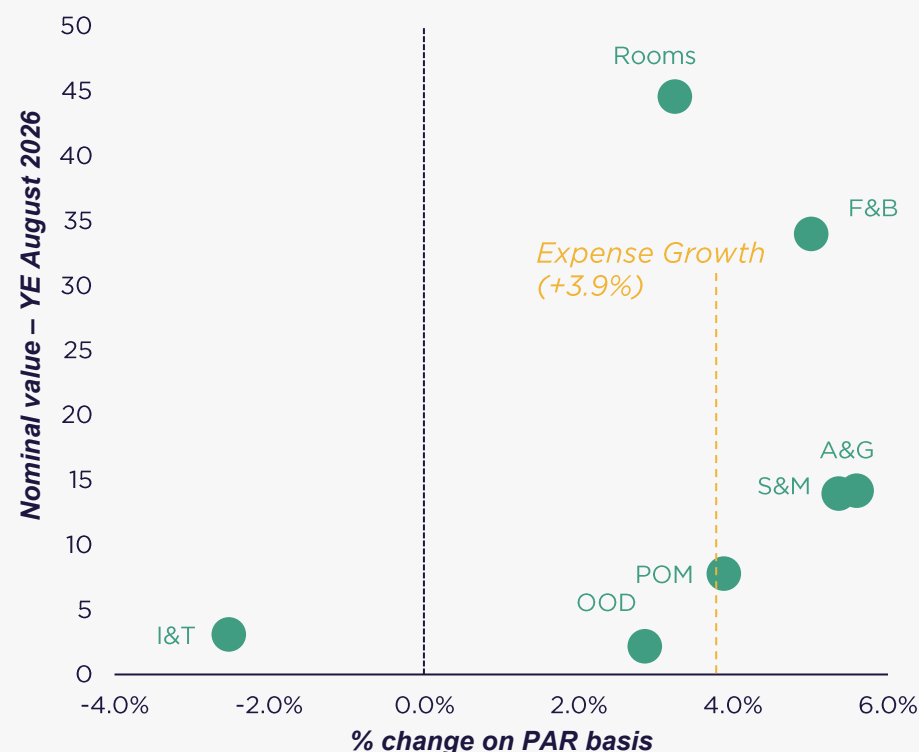
*YoY changes are based on PAR values

Source: Cushman & Wakefield / HotStats (data are rounded)

DEPARTMENTAL REVENUES
(PAR per day - EUR, YE August)



DEPARTMENTAL & UNDISTRIBUTED EXPENSES
(PAR per day - EUR, YE August)



Source: Cushman & Wakefield / HotStats (data are rounded)

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