

# EUROPE HOTEL MARKET SPOTLIGHT

YE DEC 2025 vs YE DEC 2024



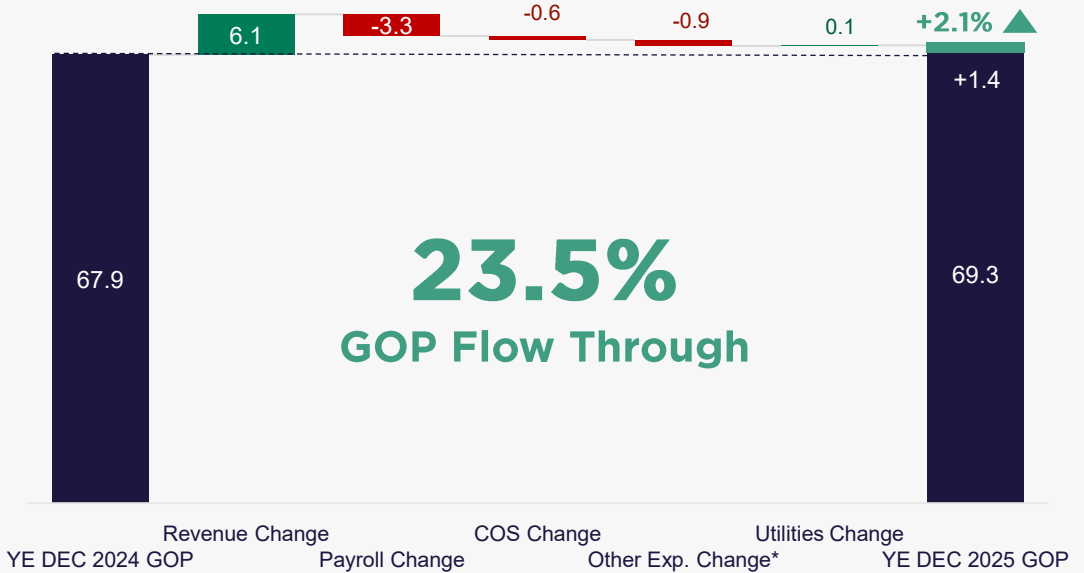
Better never settles

## OVERVIEW

- The sample of over two thousand European hotels in the HotStats database recorded a moderate increase in profit during the 12-month period ending in December 2025. The GOP per available room (GOP PAR) rose by 2.1% YoY, reaching €69.3, supported by total revenue growth of €6.1 (+3.3%), despite operating expenses also increasing by €4.7 (+3.9%).
- Rooms department performance improved as RevPAR grew by €4.2 (+3.1%) to €139.7, driven by a 2.0% rise in occupancy to 72.9% and a 1.1% increase in ADR to €191.6. F&B revenue grew by €1.7 (+3.8%), reaching €45.6 PAR.
- Total expenses increased by €4.7 PAR (+3.9% YoY), primarily led by Payroll at €60.5 PAR (+5.7%) and supported by Other Expenses at €43.3 PAR (+1.9%).
- All months in 2025 recorded higher occupancy levels compared to 2024. The most significant gains were in winter months, led by January and February (+3.1%) and followed by December (+2.9%).
- Overall, the nominal growth in total revenues exceeded the increase in expenses, resulting in a GOP flow through of 23.5%. Nominal GOP reached €69.3 in 2025, representing a 35.7% margin (-0.4pp).
- In Q4 2025 the selected hotels achieved a GOP of €67.6 PAR (+€4.6 YoY), driven by €9.5 increase in total revenues. This was partially offset by €4.9 growth of total expenses with payroll costs showing the largest increase among expense lines, rising to €61.2 PAR (+€3.1).
- London leads the GOP levels reaching €155 PAR during the period, followed by Paris (€141) and Edinburgh (€128). Meanwhile, Milan and Warsaw leads in terms of GOP PAR growth (+8.6% and +7.7%, respectively), ahead of Lisbon (+3.4%) and Prague (+3.1%). The highest profitability was achieved in London (46.8%), followed by Prague (45.5%), Edinburgh (45.4%), Lisbon (45.3%) and Barcelona (43.6%).

## GOP GROWTH DRIVEN BY REVENUE INCREASE

(PAR per day - EUR)



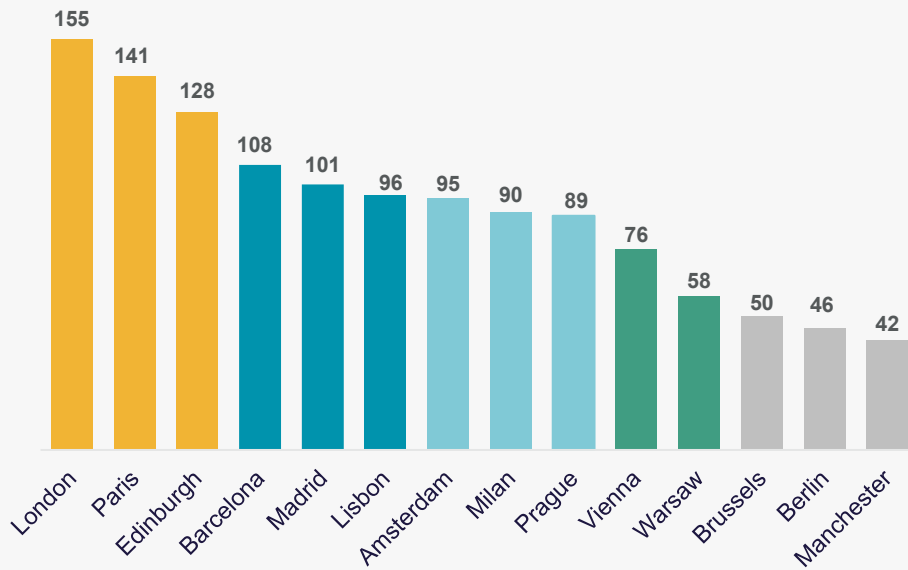
\*Utilities are excluded from Other Expenses

## KPI SUMMARY

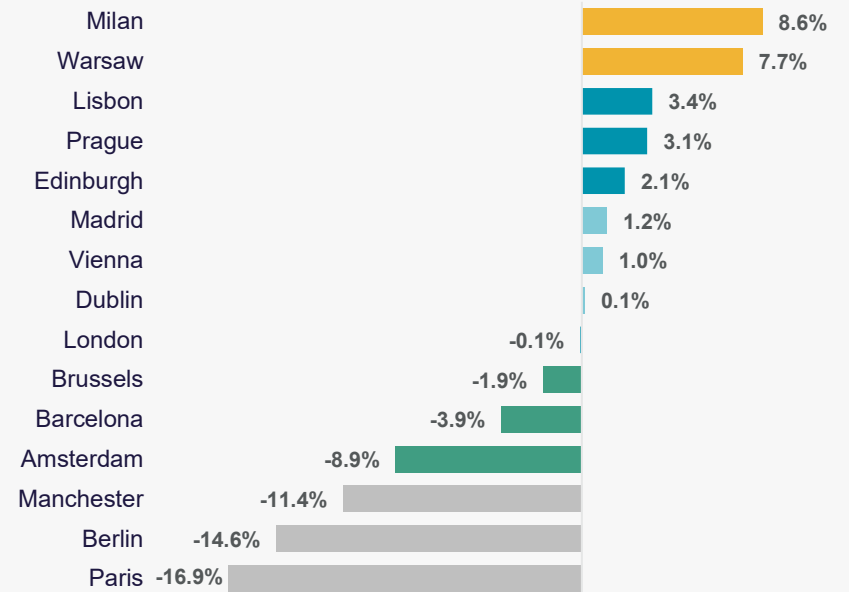
	YE DEC 2025	% Change
ADR (€)	191.6	1.1%
Occupancy %	72.9%	2.0%
RevPAR (€)	139.7	3.1%
F&B Revenue (€ PAR)	45.6	3.8%
Total Op. Revenue (€ PAR)	194.0	3.3%
Total Op. Expenses (€ PAR)	124.7	3.9%
GOP (€ PAR)	69.3	2.1%
GOP %	35.7%	-1.1%

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

HOTEL PROFIT LEVELS – SELECTED MARKETS  
(GOP PAR per day – EUR, YE Dec 2025)



HOTEL PROFIT GROWTH – SELECTED MARKETS  
(% change of GOP PAR per day, YE Dec 2025 vs YE Dec 2024)



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

## Supply in Selected Major Hotel Market

### HOTEL SUPPLY IN 2025 & OUTLOOK 2026

Strong performance growth in recent years, combined with rising interest from real estate investors, has helped revive hotel development activity across Europe despite elevated construction costs.

Nevertheless, the pipeline remains relatively modest across most key European markets, with many developments still several years from completion. Recent data indicate that although more hotels are in the pipeline, around half of the rooms expected to open over the next two years remain in the planning stage, with many projects delayed or on hold.

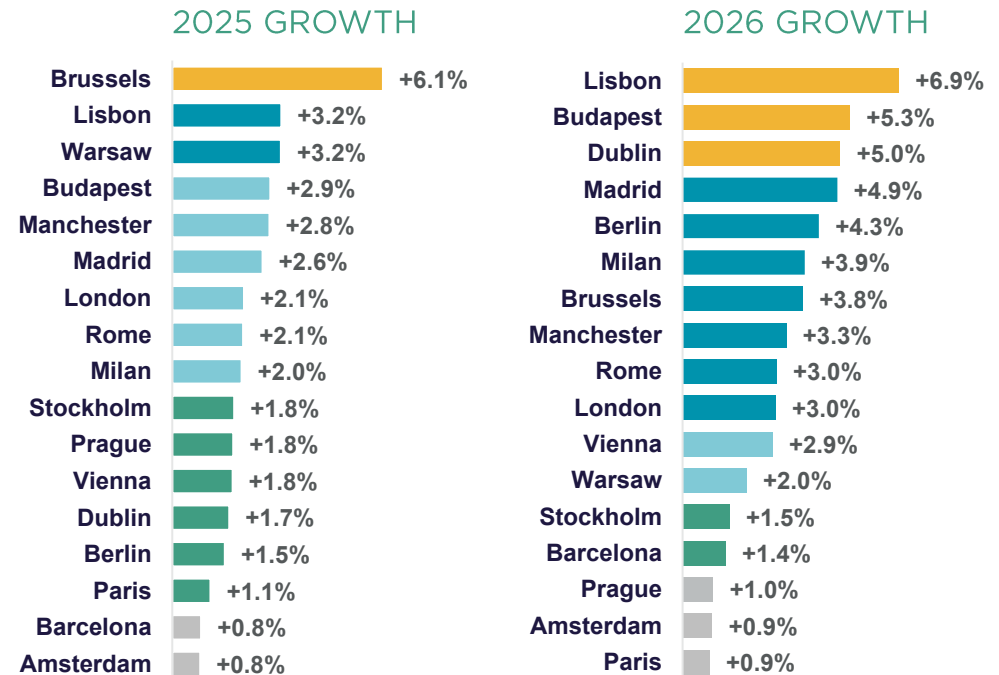
In major cities, hotel supply growth is expected to remain steady but moderate, rising from around 2% in 2025 to 3% in 2026.

In 2025, Brussels led the supply growth (+6.1%), followed by Lisbon and Warsaw (+3.2%). On the other hand, two of the selected markets, namely Amsterdam and Barcelona grew less than 1% in 2025.

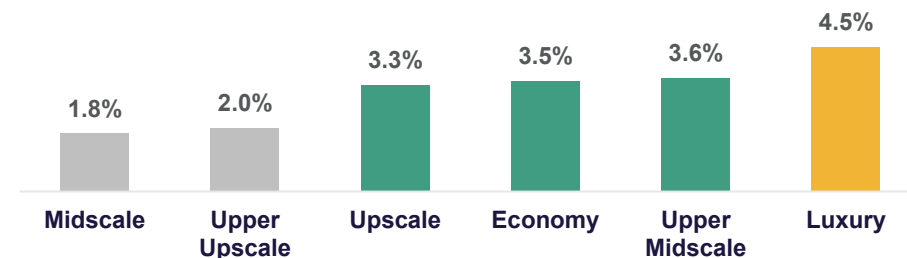
The cities that will see the highest growth in supply by the end of 2026 are Lisbon, Budapest and Dublin. Meanwhile, space and cost limitations will put pressure on supply growth for cities like Paris, Amsterdam and Prague.

Luxury hotels continue to lead the way and are expected to record the strongest growth in 2026 (+4.5%). This trend is likely to support ADR growth on the long term and drive leisure demand in markets such as Prague, where Luxury supply is expected to rise by 7.9% in 2026.

### HOTEL SUPPLY GROWTH 2025 and 2026



### EXPECTED GROWTH BY CLASS IN 2026



Source: Cushman & Wakefield

YE December 2025

## PAYROLL COSTS

Alongside rising revenues, the labor expenses in the selected European hotels increased during 2025 by €3.3 PAR (+5.7%), reaching €60.5 PAR. The largest growth was recorded in the Rooms department (+€1.3 PAR, +6.0%), followed by F&B (+€1.2 PAR, +5.1%).

## OTHER EXPENSES (excl. Utilities)

Other expenses increased by €0.9 PAR (+2.6%) to €36.0 PAR, driven by higher costs in S&M (+€0.4 PAR, +4.4%) and Rooms (+€0.3 PAR, +3.6%).

## COST OF SALES

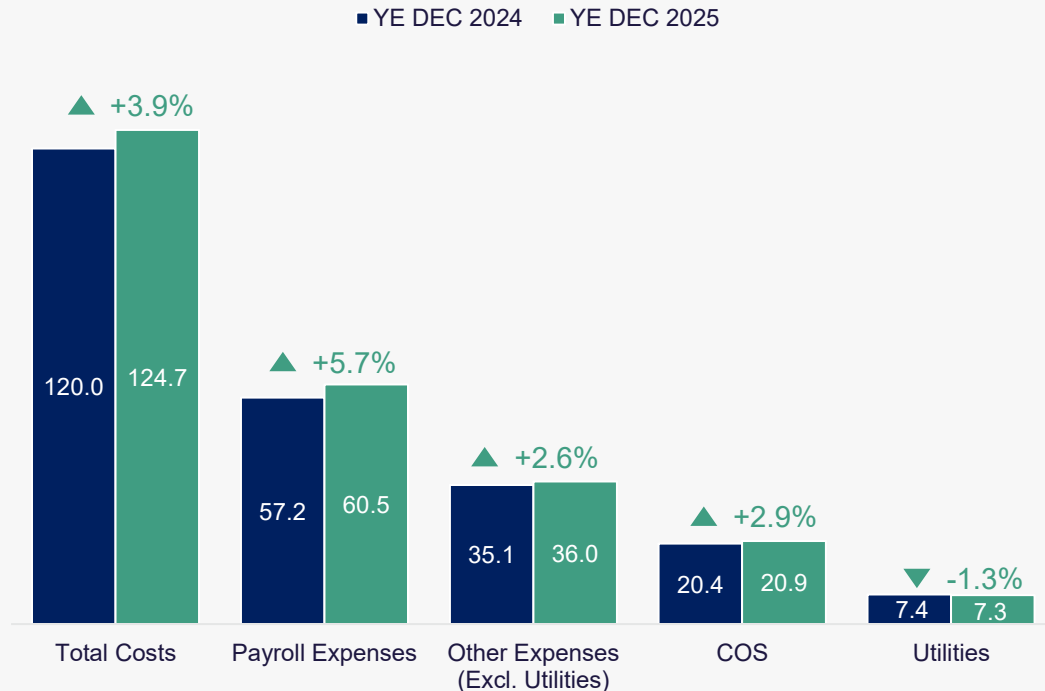
Total COS rose by €0.6 PAR (+2.9%), in line with the increase in revenues. COS expenses grew within the F&B (+€0.4 PAR, +3.7%), Rooms (+€0.2 PAR, +1.8%) and OOD (+€0.1 PAR, +4.7%) departments.

## UTILITY COSTS

Utility costs declined slightly by €0.1 PAR (-1.3%) driven by electricity (-€0.2), providing partial relief to overall expense growth.

## TOTAL EXPENSES GROWTH DRIVEN BY PAYROLL

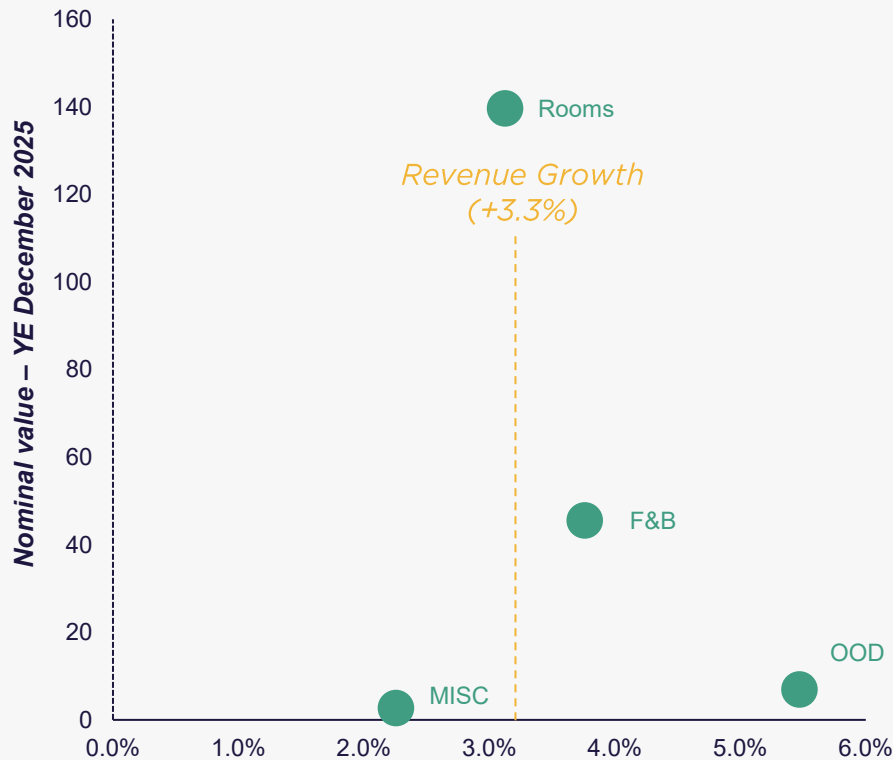
(PAR per day - EUR)



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

## DEPARTMENTAL REVENUES

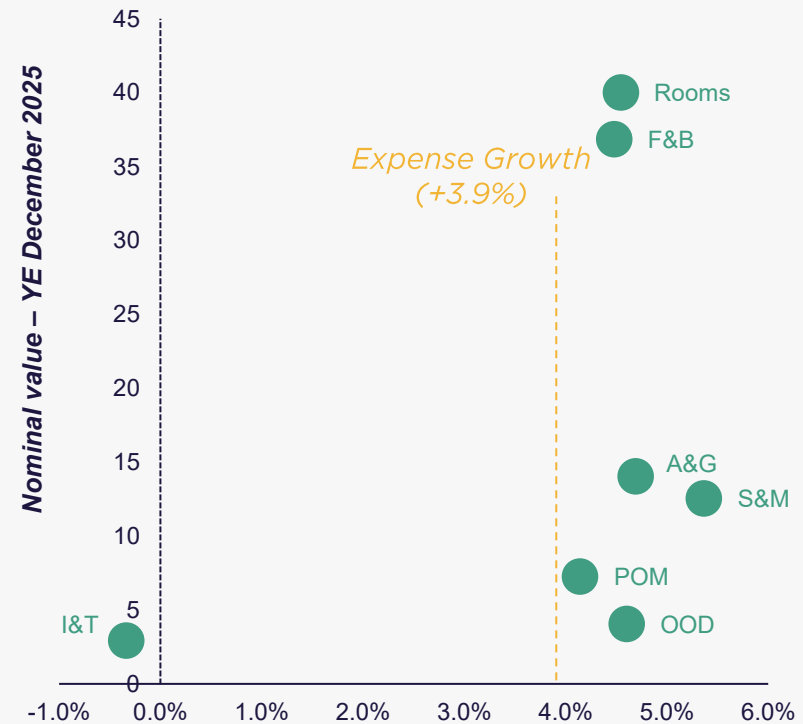
(PAR per day - EUR, YE December 2025)



The total revenue growth was driven by Rooms (+€4.2 PAR, +3.1%) and F&B departments (+€1.7 PAR, +3.8%). Overall, all departments recorded revenue increases in 2025.

## DEPARTMENTAL & UNDISTRIBUTED EXPENSES

(PAR per day - EUR, YE December 2025)



The total expense growth was led by Rooms (+€1.7 PAR, +4.5%) and F&B (+€1.6 PAR, +4.5%) departments. Only I&T expenses saw a minor decline during 2025.

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

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