



MARKETBEAT
GERMANY
HOSPITALITY H1 2026

Better never settles

MARKET FUNDAMENTALS*

H1 2026	YoY Chg	Outlook
€603M	▼	▲
Investment Volume		
6.0-6.5%	—	—
Germany Prime Yields (HMA)		
+0.1%	—	▲
YoY RevPAR Growth		
-0.2%	▼	▲
YoY Supply Growth		

INVESTMENT HIGHLIGHTS

30 / 3,671

Hotels / Rooms Transacted

€164,281

Average Price per Room

43%

Of volume was invested in Upper Midscale Hotels

ECONOMIC INDICATORS

0.5%	▲	▲
YoY Real GDP Growth		
2.5%	▲	▼
YoY Inflation Growth		

*Growth indicators are based on nominal amounts

INVESTMENT ACTIVITY

During the first six months of 2026, the German hotel investment market generated a transaction volume of approximately € 600 million, reflecting a lower level of activity compared to the corresponding period in 2025 (ca. € 1.1 billion). International investors still accounted for more than half of volume, led by high-net-worth individuals and family offices, followed by institutional investors and hotel operators. The defining event of the half-year, however, was not a single transaction but the break-up of the insolvent REVO Hospitality Group, through which several international hotel groups entered or expanded in the German market for the first time.

PRIME YIELDS

Yield levels have remained broadly stable. Since the end of 2023, prime yields for hotels operated under hotel management agreement (HMA) have remained largely unchanged at around 6.5%. Outside the core segment, however, yields have become increasingly differentiated according to location, asset quality, and risk profile. While prime assets continue to attract strong investor demand, secondary locations require more convincing evidence that operational value creation and CAPEX planning can sustainably support returns.

SUPPLY & DEMAND

As supported by data from the German Federal Statistical Office, hotel supply has recorded a slight decline, suggesting that additional capacity is being surpassed by hotel closures. As a result, competitive pressures remain contained, helping to sustain stable operating metrics and reinforcing the sector's resilience despite ongoing macroeconomic challenges.

PERFORMANCE

Germany recorded broadly stable hotel operating performance in H1 2026 compared to H1 2025. Average occupancy increased slightly to 65% (+1 percentage point year-on-year), while ADR declined to €113 (-1.6% year-on-year). As a result, RevPAR remained essentially unchanged at €74 (+0.1% year-on-year). A stronger performance in August, with RevPAR growth of 4.7%, provides a more positive outlook for H2 2026. Looking ahead, market conditions are expected to strengthen further in 2027 as the return of several major biennial and triennial trade fairs supports increased corporate travel demand and pricing growth across Germany's key hotel markets.

RECENT TRANSACTION TRENDS

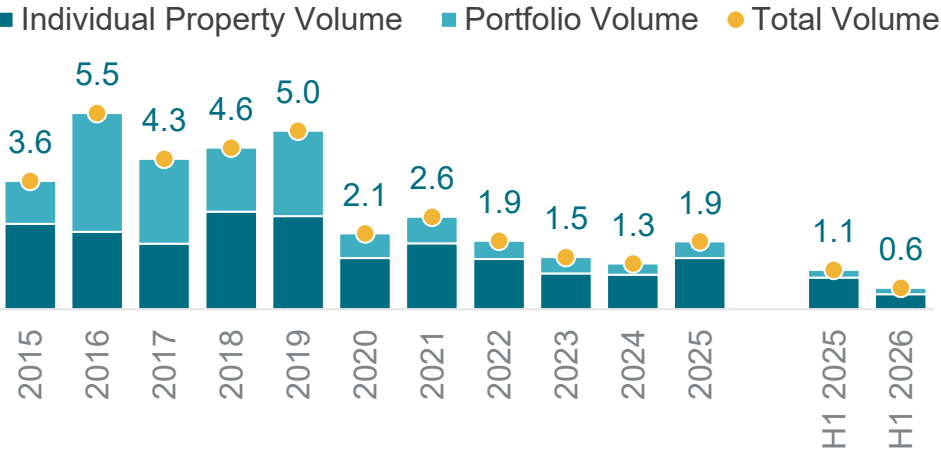
(EUR, MILLIONS)

	H1 2026				
	Hotels	Rooms	Volume	% Change	
Germany	30	3,671	603	-46%	■
Regional	25	3,000	488	-36%	■
Berlin	5	671	115	-68%	■
Munich	2	169	78	-48%	■
Cologne	2	227	22	-69%	■

	Full Year 2025				
	Hotels	Rooms	Volume	% Change	
Germany	83	11,716	1,920	49%	■
Regional	76	9,957	1,016	20%	■
Berlin	7	1,759	509	14%	■
Munich	3	528	247	93%	■
Cologne	4	649	133	81%	■

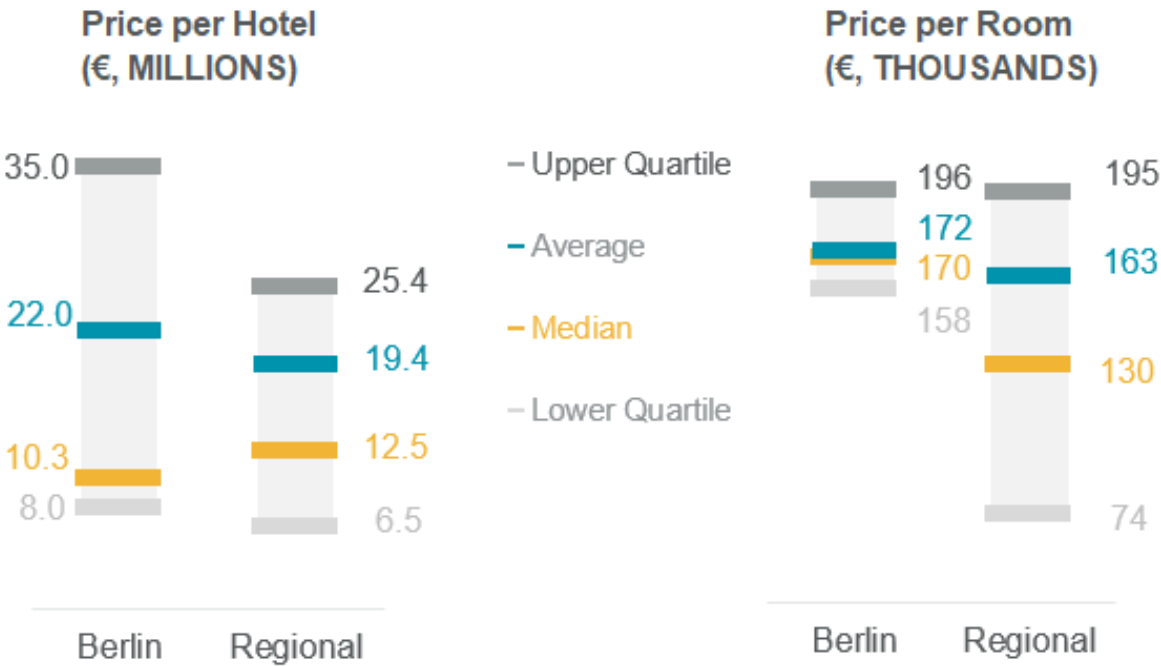
ANNUAL TRANSACTION VOLUMES

(EUR, BILLIONS)



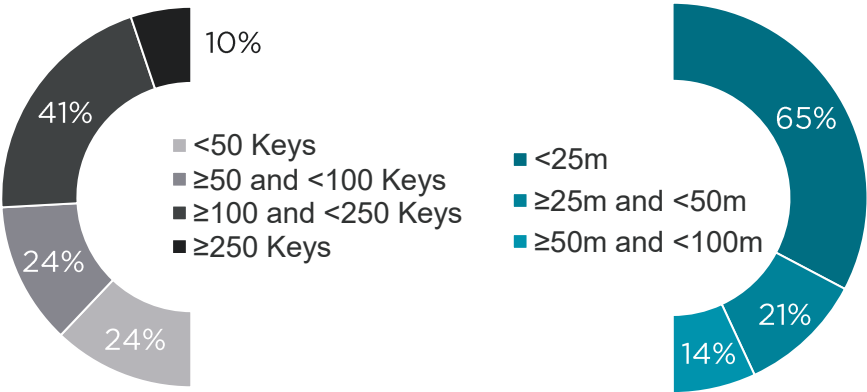
Sources: Cushman & Wakefield / Moody's / Oxford Economics / RCA / STR

TRANSACTION PRICE PER HOTEL & ROOM (H1 2026)



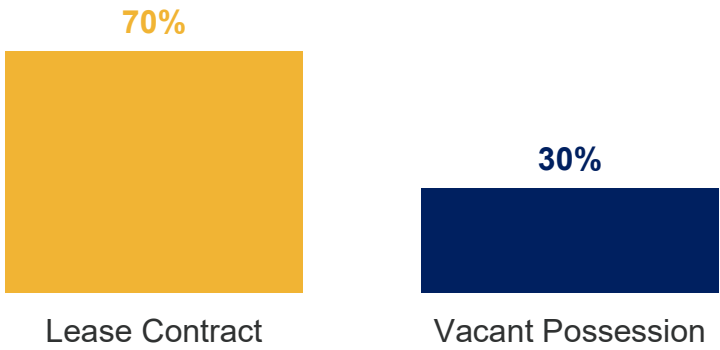
BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (H1 2026)

% SHARE OF DEALS

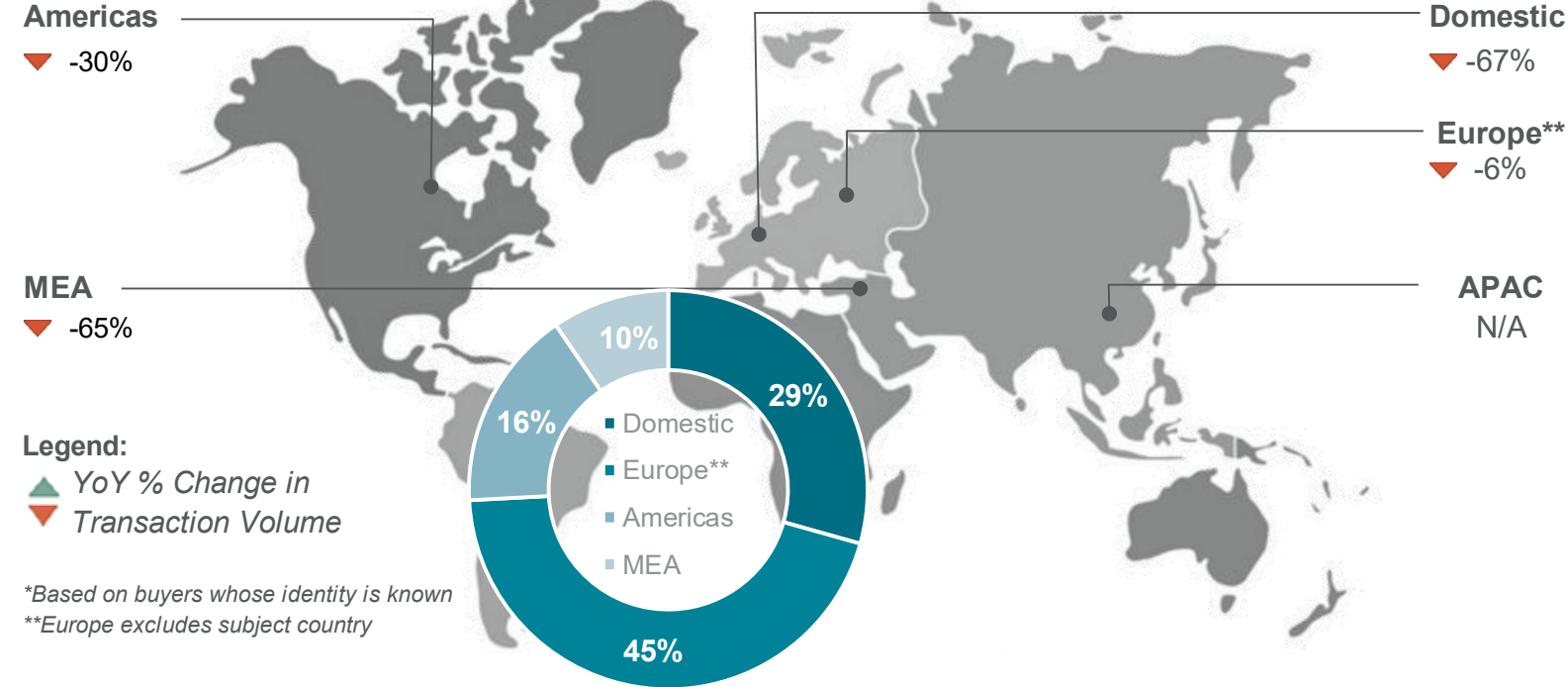


TRANSACTION VOLUME BY OPERATING STRUCTURE (H1 2026)

% SHARE OF DEALS (BY INVESTMENT VOLUME)



TRANSACTION VOLUME BY SOURCE OF CAPITAL* (H1 2026 VS H1 2025)



TRANSACTED VOLUME BY TYPE OF INVESTOR (H1 2026 VS H1 2025)

	BUYERS (% Share of Total Volume)			SELLERS (% Share of Total Volume)		
	H1 2026		% Change	H1 2026		% Change
Institutional	71%		▲ 86%	54%		▼ -29%
Private	23%		▼ -90%	39%		▼ -81%
Public	2%		▼ -88%	7%		▼ -91%
User/Other	4%		▼ -59%	0%		0%

TRANSACTION VOLUME PER HOTEL CLASS (H1 2026 VS H1 2025)

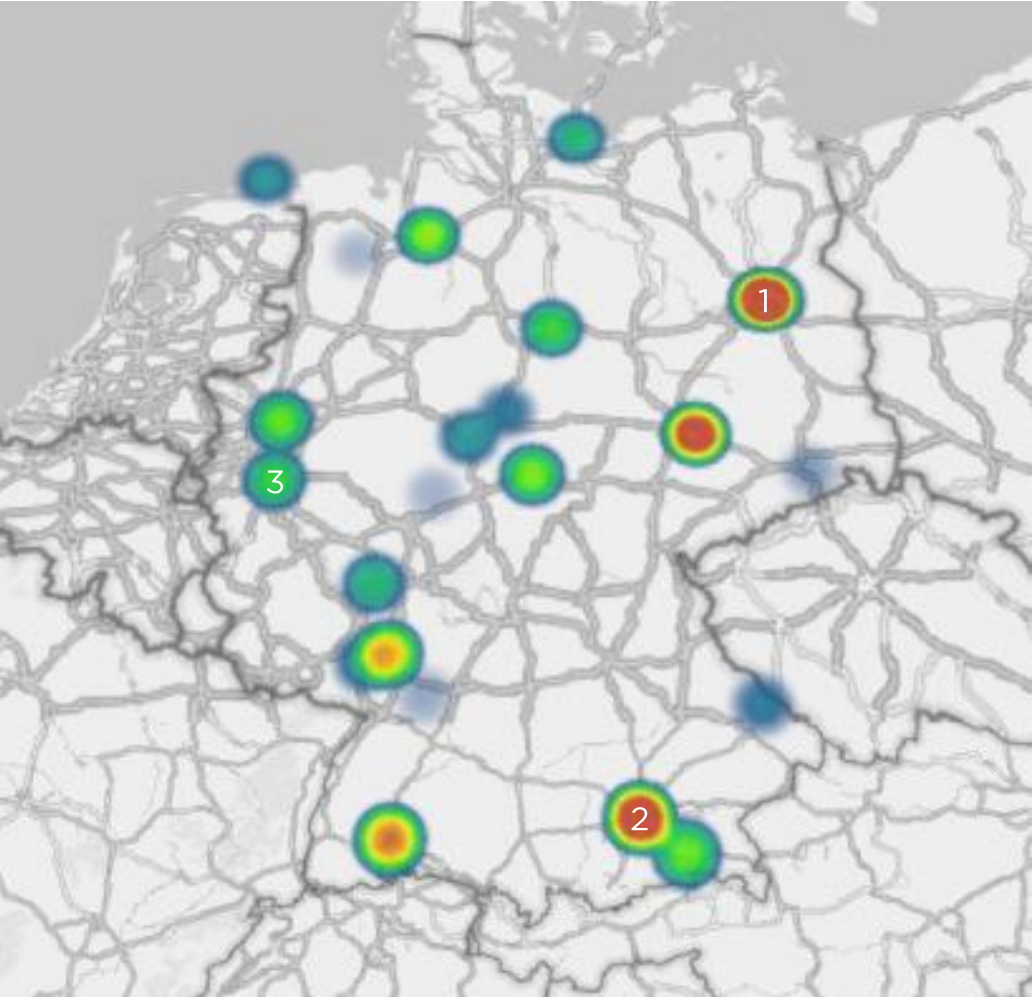
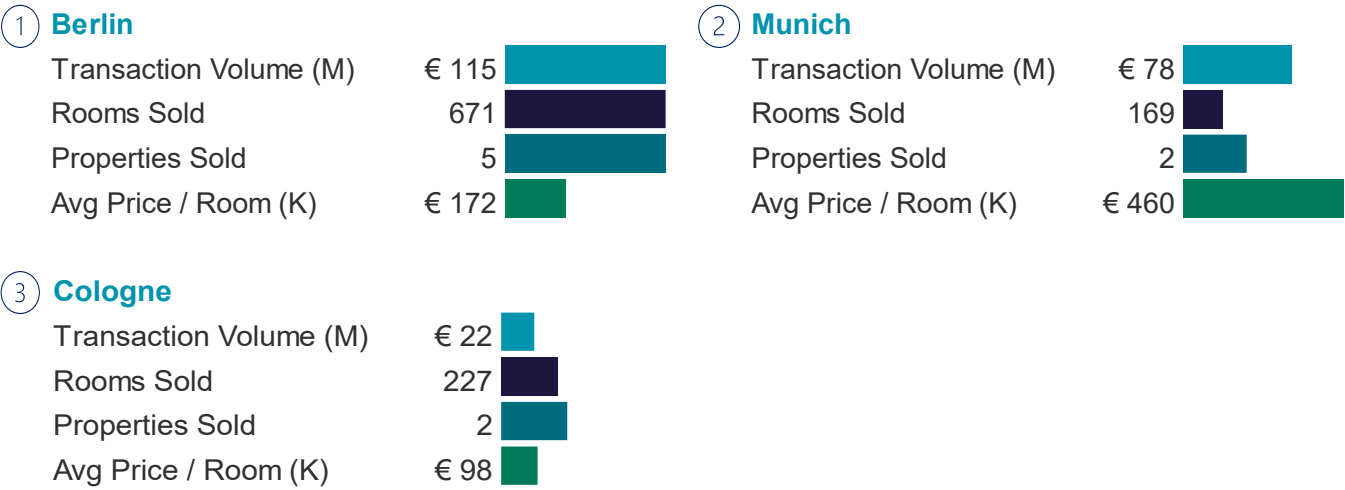
HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	9%	▼ -72%	4%	▼ -57%	391
Upper Upscale	12%	▼ -54%	5%	▼ -74%	445
Upscale	13%	▼ -52%	13%	▼ -46%	163
Upper Midscale	43%	▼ -18%	47%	▲ 56%	153
Midscale	17%	▼ -46%	23%	▼ -43%	118
Economy	6%	▼ -65%	9%	▼ -71%	122

SELECTED MAJOR HOTEL TRANSACTIONS (H1 2026)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Penta Hotel Leipzig	Leipzig	355	Ironstone Group / Ogilvy Capital	USA / GBR	Aroundtown	DEU
Excelsior Hotel	Munich	114	BlackRock Investment Management	USA	Geisel Privathotels	DEU
Excelsior Hotel Berlin	Berlin	316	Canada-Israel Group	ISR	Confidential	N/A
Öschberghof	Donaueschingen	128	Zech Group	DEU	Aldi Sued	DEU
Postquadrat Hotel	Schwetzingenstadt	325	Orion Capital Managers	GBR	Eyemaxx Real Estate	DEU
smartments Berlin Prenzlauer Berg	Berlin	179	M&G Real Estate	GBR	Livory Group	DEU
Pentahotel Bremen	Vahr	148	Ironstone Group / Ogilvy Capital	USA / GBR	Aroundtown	DEU
Penta Hotel Eisenach	Eisenach	137	Ironstone Group / Ogilvy Capital	USA / GBR	Aroundtown	DEU
Four Points Flex by Sheraton Essen	Essen	174	Art-Invest	DEU	Confidential	N/A
Premier Inn Rosenheim City Lohhöfe Hotel	Rosenheim	145	Kingstone Investment Management	DEU	S&P Commercial Development	DEU

Note: Penta Hotel transactions are part of the Pan European (DE/BE/FR) Aroundtown portfolio

HOTEL TRANSACTIONS HEAT MAP (H1 2026)



Note: Selection of largest transactions in H1 2026, ordered by deal size

Source: Cushman & Wakefield

METHODOLOGY

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.
A contingency of 5% is assumed for total transaction volumes, rooms and properties sold in the current year, as some deals are revealed with notable delay.

EXPLANATION OF TERMS

Prime Yields (HMA): The prevailing initial yields (current income divided by sales price) for quality stabilized assets in prime locations, managed under Hotel Management Agreement by professional operator (the HMA is not terminable on sale or in near-term after the sale). The yields are based on actual transactions where available as well as the sentiment indicated by investors.

Average Price per Room: Transaction KPI calculated by dividing the total transaction volume by the number of rooms transacted. In case of majority deals, the number of rooms is adjusted to reflect the proportion of the volume sold. Minority deals are excluded from the calculation. Median, Upper-quartile (75%) and Lower-quartile (25%) are based on the price-per-room data over the period (not weighted by total deal size). The average price per room by hotel class is influenced by the location of hotels transacted within that class. As a result, there may be instances where a lower hotel class shows a higher average price per room if those hotels were sold in more premium locations during the period.

Operating Performance Indicators

Occupancy: Percentage of available rooms sold during the period (Rooms Sold / Rooms Available).

ADR: Average Daily Rate paid for rooms sold (Rooms Revenue / Rooms Sold).

RevPAR: Revenue Per Available Room during the period (Rooms Revenue / Rooms Available).

GOPPAR: Gross Operating Profit Per Available Room (Hotel gross operating profit / Rooms Available).

Operating/Deal Structures

Franchise Agreement Structure: A hotel operating model where the owner directly operates the property but uses a specific brand, paying fees for the brand name, standards, and marketing support, while keeping full control of day-to-day operations.

Management Contract Structure: A hotel operating model where the property is managed by a third-party hotel operator on behalf of the owner. If a hotel is managed by non-branded operator and uses brand name via franchise agreement, it is recorded as "Management Contract" structure.

Leased Contract Structure: A hotel operating model where the property is leased to a third party with fixed, variable, or hybrid (fixe and variable) rent.

Vacant Possession: A hotel that is free from any contractual encumbrances, allowing the new owner immediate and unrestricted control upon transfer. Even if a hotel has franchise agreement or management contract or lease contact in place, but it expires on sale or it is terminable on sale, the deal is considered as "Vacant Possession" sale.

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AUTHORS

KEVIN ESSER
*Associate – Valuation Services
Germany*
kevin.esser@cushwake.com

EDOARDO GIRARDI
*Analyst Strategic Advisory & Hospitality
Research, EMEA*
edoardo.girardi@cushwake.com

MATHILDE LUCRON
*Analyst Strategic Advisory & Hospitality
Research, EMEA*
mathilde.lucron@cushwake.com

REGIONAL MARKET RESEARCH LEAD

MARTIN POLIFKE
Head of Business Development Services
martin.polifke@cushwake.com

KEY CONTACTS

GERMANY

CHRISTINE MAYER

Partner Valuation Hospitality, Germany
christine.mayer@cushwake.com

SIMON JESCHIORO

Head of Capital Markets
simon.jeschioro@eur.cushwake.com

MARTIN POLIFKE

Head of Business Development Services
martin.polifke@cushwake.com

KEVIN ESSER

Associate Valuation & Advisory, Germany
kevin.esser@cushwake.com

BIANCA MOMM

Associate Valuation & Advisory, Germany
bianca.momm@cushwake.com

TORBEN MOELLER

Associate Valuation & Advisory, Germany
torben.moeller@cushwake.com

CHRISTINE FOLZ

Senior Consultant Valuation & Advisory,
Germany
christine.folz@cushwake.com

RALPH ZIMA

Senior Consultant Valuation & Advisory,
Germany
ralph.zima@cushwake.com

TERENCE PIROTH

Analyst Valuation & Advisory, Germany
terence.piroth@cushwake.com

EMEA

FRED LE FICHOUX

Head of Hospitality, EMEA
frederic.lefichoux@cushwake.com

BORIVOJ VOKRINEK

Strategic Advisory & Head of Hospitality
Research, EMEA
borivoj.vokrinek@cushwake.com

KONSTANTINOS SOFIANOS

Senior Hospitality Consultant, EMEA
Konstantinos.sofianos@cushwake.com

MATHILDE LUCRON

Analyst - Strategic Advisory
& Hospitality Research , EMEA
mathilde.lucron@cushwake.com

EDOARDO GIRARDI

Analyst - Strategic Advisory
& Hospitality Research , EMEA
edoardo.girardi@cushwake.com

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