

# UK HOTEL DEALS UP 74%

*Trophy Assets  
Change Hands*

**PER-KEY PRICING  
RECORD**

**Property  
Firms  
Turn  
Buyer**



*Europe  
RevPAR  
Turns  
Negative*

**COSTS  
OUTRUN  
REVENUE**

**Revisit  
Operator  
Terms**

**Private Equity Turns Seller**



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## Europe H1 at EUR 11.7bn

**EUR 11.7bn**

European hotel investment reached EUR 11.7bn in the first half, 9.5% below last year but 19.5% above the ten-year average. Deals above EUR 100m rose 30%.

Source: Cushman & Wakefield

## UK Volume Up 74%

**EUR 3.22bn**

The UK led all European markets at EUR 3.22bn, up 74% year on year, followed by Spain at EUR 2.66bn. London alone took EUR 2.3bn across 24 properties.

Source: Cushman & Wakefield

## London Sets a Price Record

**EUR 300m**

RIU's acquisition of the Westminster Curio Collection cleared EUR 300m, a record for a London single asset and evidence that trophy stock still clears at strong prices.

Source: Cushman & Wakefield, HVS

## Trophy Assets Change Hands

The half's landmark sales were the 435-room Pullman Paris Tour Eiffel to Batipart and French institutions, the Park Hyatt Vienna, and the Zurich Marriott to Pictet.

Source: HVS Hodges Ward Elliott

## Portfolios Are Shrinking

**-27%**

Portfolio volume fell 27% to EUR 2.4bn on a similar deal count, so the average portfolio held 4.1 hotels against 6.1 a year ago. Single assets now make up 74% of volume.

Source: HVS



## *Price Per Room Hits a Record*

**EUR 268,000**

HVS puts the average price per room at EUR 268,000, up 18% and a decade high, while Cushman records EUR 228,416, up 9%. Both point the same way on quality.

Source: HVS, Cushman & Wakefield

## *Fewer Deals, Dearer Assets*

**EUR 36.7m**

Volumes fell while the average price per hotel rose 12% to EUR 36.7m. Buyers are paying up for fewer, better assets rather than walking away from the sector.

Source: HVS

## *Yields Hold Their Ground*

European hotel yields stayed broadly stable through the first half, supported by sustained investor appetite, even as government bond yields climbed across the same period.

Source: Cushman & Wakefield

## *Upscale Takes Half the Volume*

**50%**

Upper upscale and upscale hotels absorbed half of all invested volume in the first half, with the luxury segment trading at more than double the average upscale ticket.

Source: Cushman & Wakefield

## *Mind the Data Gap*

HVS reports the half at EUR 9.4bn and Cushman at EUR 11.7bn on different definitions. Pick one house and stay with it, or your trend line will mislead the board.

Source: HVS, Cushman & Wakefield

## *Real Estate Firms Take Over*

**43%**

Real estate investment companies bought EUR 4.1bn, 43% of all volume, ending the half as net buyers of EUR 2.1bn. A year ago the same group were modest net sellers.

Source: HVS

## *Private Equity Turns Seller*

**EUR 1.3bn**

Private equity ended the half as net sellers of EUR 1.3bn, and high net worth individuals reversed from net buyers a year ago to net sellers of EUR 377m.

Source: HVS

## *Asian Capital Steps Up*

**+86%**

Asia Pacific investment into European hotels rose 86% and Middle East and Africa capital rose 31%, driving cross-border activity into the main gateway markets.

Source: Cushman & Wakefield

## *Owner-Operators Keep Buying*

**EUR 768m**

Hotel owner-operators were net buyers of EUR 768m. Buyers who run the business are outbidding buyers who only own it, which tells you where the value is seen.

Source: HVS

## *Ten Deals Above EUR 100m*

Ten single-asset and portfolio transactions above EUR 100m closed in the first half with more on the market, so large-lot liquidity is intact despite lower headline volume.

Source: Cushman & Wakefield

## *RevPAR Growth Is Thin*

**+1.2%**

STR forecasts European RevPAR growth of just 1.2% across its 31 markets this year, almost all of it rate at plus 0.8%. Occupancy is contributing close to nothing.

Source: STR and Tourism Economics

## *2027 Turns Negative*

**-0.1%**

The 2027 European RevPAR forecast was cut from plus 0.2% to minus 0.1%, with aggregate occupancy now expected to be flat across the year.

Source: STR and Tourism Economics

## *Occupancy Falls in 14 Markets*

**14 of 31**

Occupancy is forecast to decline in 14 of 31 European markets in 2027, and to rise less than 1% in twelve of the rest. Rate has to carry the budget from here.

Source: STR and Tourism Economics

## *Luxury Pulls Away*

**+5.2%**

PwC put first-half European RevPAR at plus 4.5% with luxury at plus 5.2%, midscale at plus 0.7% and economy at minus 0.6%. The spread between segments is widening.

Source: PwC European Hotel Forecast

## *Supply Keeps Arriving*

**+2.9%**

European room supply grew 2.9% in the first half, and above 5% in parts of Southern Europe. New rooms are the quiet reason occupancy gains are so hard to find.

Source: Cushman & Wakefield

## *Costs Outrun Revenue*

**+2%**

HotStats found UK hotel TRevPAR up 2% in the first quarter while payroll costs rose at close to double that rate. Profit margins moved in the wrong direction.

Source: HotStats

## *London Luxury Margins Slip*

**-1pt**

Gross operating profit margins fell about one percentage point year to date in London luxury, with provincial UK also negative. Top-line growth is not reaching the owner.

Source: HotStats

## *Report Profit, Not Revenue*

With RevPAR growth near 1% and payroll rising faster, the squeeze appears in GOPPAR rather than the top line. Budget and report on profit per room, not RevPAR alone.

## *Energy Still Sets the Floor*

**\$105**

The OECD assumes Brent averages \$105 a barrel in the fourth quarter before easing. That feeds utilities, laundry, food, transfers and the airfares your guests pay.

Source: OECD Interim Outlook

## *Watch the Event Calendar*

Several cities are carrying 2027 rate growth on trade fairs and tours. Where an event is not repeating, assume the rate premium disappears rather than hoping it holds.

Source: STR and Tourism Economics

## ***Stress-Test Refinancing Now***

**4.8%**

UK market pricing implies Bank Rate near 4.8% by late 2027 while the Bank's own survey respondents say 3.25%. Test every refinancing date against both paths.

Source: SONIA curve, Bank of England

## ***Revisit Operator Terms***

With margins under pressure, management agreement terms, incentive fees and brand standard capex obligations matter more to returns than another point of RevPAR.

## ***Plan the Capex Bill***

Brand standards, energy efficiency works and deferred refurbishment all land in the same window. Price them per key now, before the lender asks for the number.

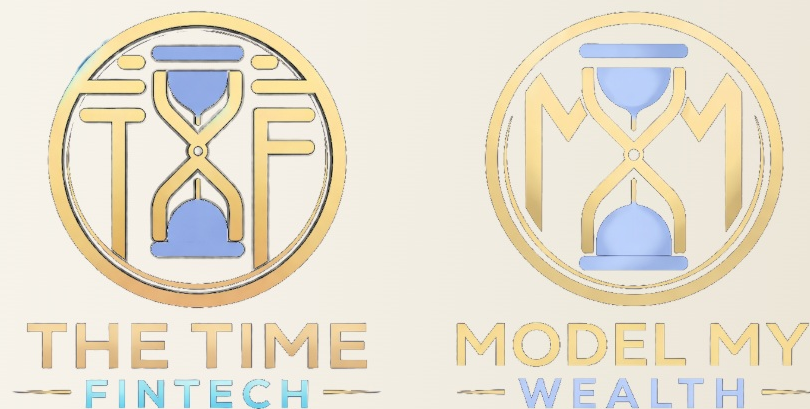
## ***Rebalance Source Markets***

Higher airfares are pushing guests to shorter trips closer to home. Shift marketing towards drive and rail catchments before the long-haul segment corrects further.

Source: BAK Economics

## ***Get the Comparables Right***

Per-key evidence is moving fast and differs by adviser. Keep a live table of European comparables by segment, with the source and date against every figure.



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