

REVIEW HOTEL INVESTMENT MARKET

GERMANY Q4 2025



RESEARCH & INSIGHTS



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Q4 2025

HOTEL INVESTMENT MARKET

HIGHEST INCREASE IN VOLUME OF ALL ASSET CLASSES

BOTH GERMAN AND INTERNATIONAL BUYERS INVEST MORE

KEY FIGURES

1,816
Investment volume (€m) △ +28.6% y/y

20.9
Portfolio share (in %) △ +10.3%pts y/y

21.9
Ø Deal size (in €m) △ +33.3% y/y

MARKET OVERVIEW

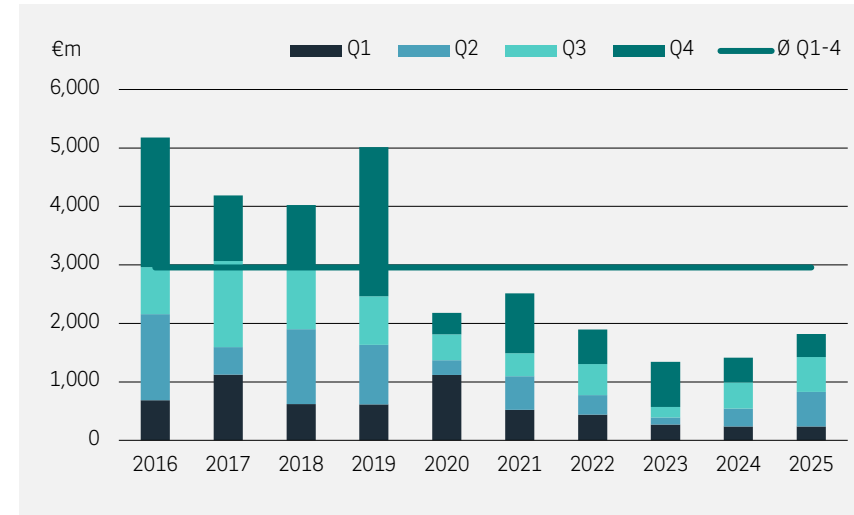
The hotel investment market can report the highest increase in investment volume compared to 2024 in an asset class comparison: The overall balance was over €1.8 billion, a remarkable 29% higher than in the previous year. It is also pleasing that the volume achieved was roughly back to the level of 2022 (just under €1.9 billion), in which the interest rate policy measures had not yet reflected to that extend in investment turnover.

The fact that both the larger and smaller city categories were able to benefit from the market revival underlines how diverse the market is at the moment: With major transactions such as the Mandarin Oriental in Munich, the Motel One Köln-Messe and the Steigenberger Hotel am Kanzleramt in Berlin, several hotel transactions with a signal effect were observed. At the same time, however, around two-thirds of the registered sales in the individual deal segment were in cities outside the A-locations, which underlines the overall broad-based demand impulses.

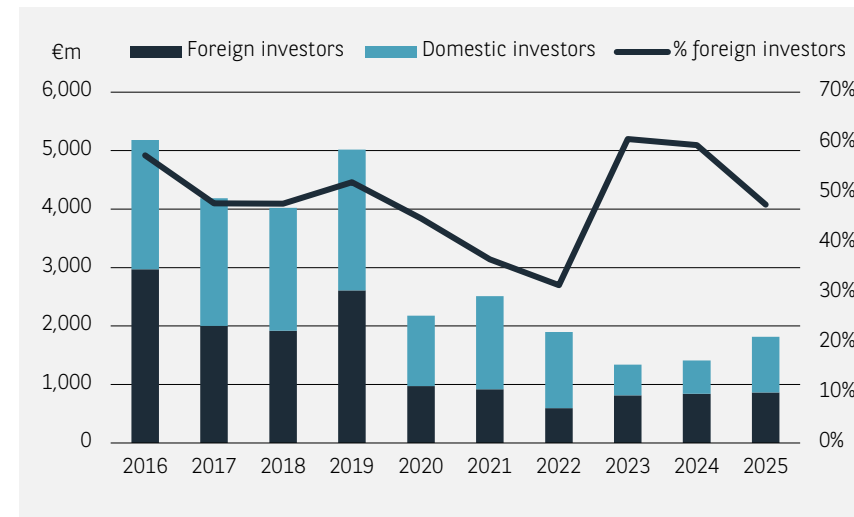
In addition, the increased momentum was also reflected in the portfolio sector: The Keystone portfolio of 17 Mercure and Ibis hotels nationwide as well as the majority stake of ActivumSG in Centralis' serviced apartments platform show, among other things, that package sales can increasingly be realized again in the context of asset deals but also in company takeovers. In total, the portfolio volume is around €379 million (vs. €150 million in 2024).



Development of hotel investment volume



Share of foreign investors





Q4 2025

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A-CITIES WITH NUMEROUS DEALS
AND INCREASED VOLUME (+28%)

COLOGNE AND MUNICH AHEAD DUE
TO LARGER SALES

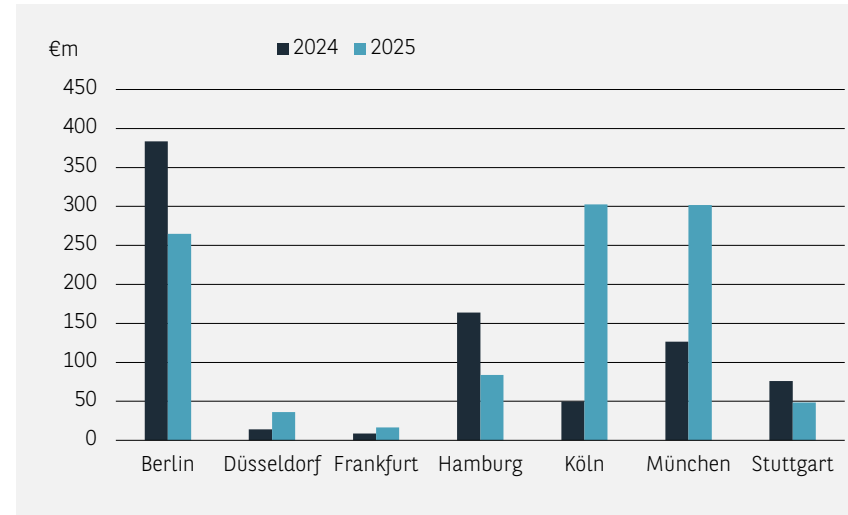
INVESTMENT MARKET STRUCTURE

A look at the size categories of the hotel investments can be seen as a further indication that the increase in volume is based on a broad deal basis. In this context, increased results were recorded in the small segment up to €50 million (+3%), in the medium-sized category between €50 million and €100 million (+29%) and for deals above €100 million (+159%).

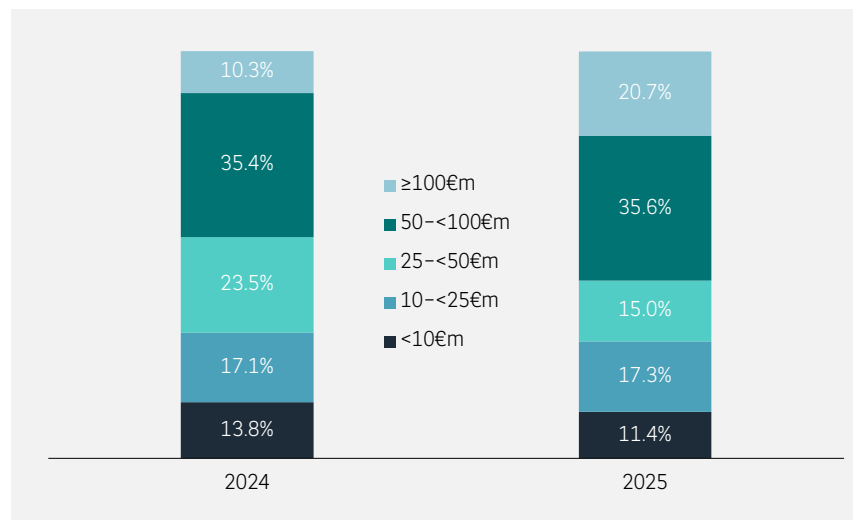
While the total volume in A-locations increased and was able to crack the hurdle of one billion euros (around €1.1 billion; +28%), the city ranking shows a differentiated picture due to the influence of the top deals: Cologne and Munich are at the top of the location comparison with three and two larger deals respectively and just over €300 million each. In Cologne, the Motel One Köln-Messe, the 25hours Hotel The Circle in the Gerling Gardens and the Pullman Cologne were among the volume-driving investments. In addition to the Mandarin Oriental – by far the largest deal of the year (around €150 million) – Munich also has the transaction of the Courtyard by Marriott Munich City Center in the mid-price segment to report. In the capital, €265 million was invested in the Steigenberger Hotel am Kanzleramt and a few smaller properties. The other locations, on the other hand, are below the €100 million hurdle.

If hotels sold as part of portfolios are included, around 40 properties in the top markets changed hands in 2025, which speaks for the positive market sentiment and the good performance indicators of the largest metropolises.

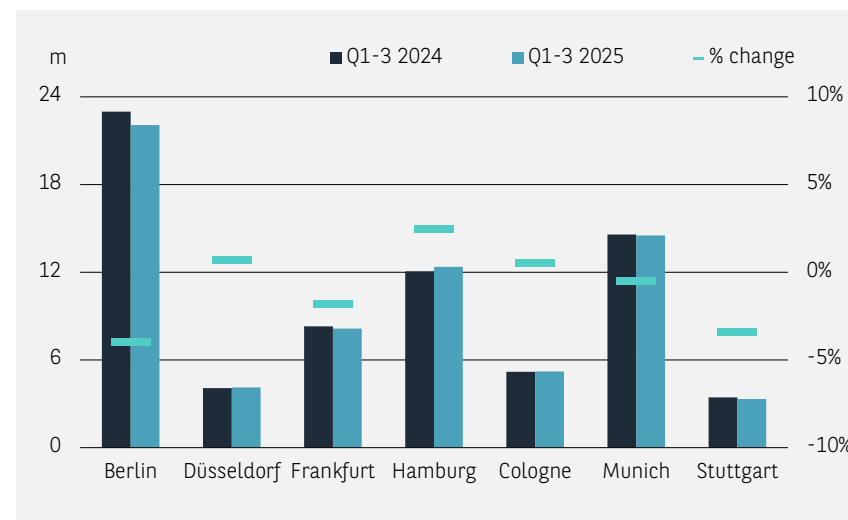
Hotel investments in A-locations



Hotel investments by € category



Overnight stays in A-locations





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HOTEL INVESTMENT MARKET

STRONG HOTEL PERFORMANCE

KEY FIGURES AND ATTRACTIVE PRODUCT SHOULD CONTINUE TO SUPPORT HOTEL INVESTMENTS

ECONOMIC INDICATORS

+0.1

GDP Forecast 2025
(in %)

2.7

10ys bond yield
Ø Q4 2025 (in %)

△ +1bps q/q

87.6

ifo business climate index
(12 2025)

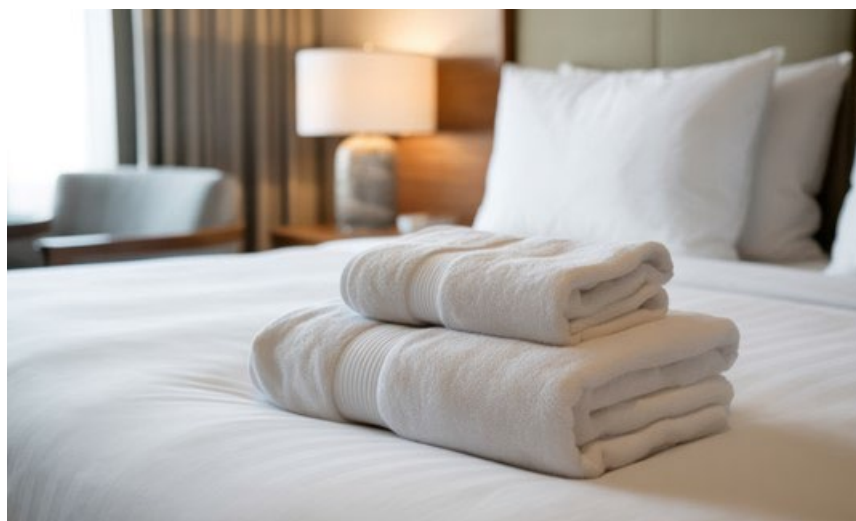
▽ -0.4pts m/m

Source: ifo ecomic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

Against the background that market conditions have continued to be challenging across asset classes in the course of 2025, it is all the more remarkable that the hotel investment market is currently able to pull the momentum on its side. The hotel segment benefits from the fact that the price expectations between buyers and sellers are closer to each other again, which results in attractive risk-return profiles in good macro locations with consistently high performance indicators and operators with strong credit ratings. It is therefore very likely that this asset class is just at the beginning of a new cycle. This opens up good entry opportunities for investors to benefit from the rising market in top markets as well as in B- and C- cities or in leisure regions. The major deals that sent signals also made an important contribution to the perception of the hotel sector. It is also worth mentioning the Motel One in the Upper West, which was taken into account in the office segment due to its dominant rental income, but can still be mentioned as a figurehead of the positive hotel market story.

With regard to the external influencing factors, it can be assumed that the continued high number of overnight stays in combination with the good ADR and RevPAR ratios should provide tailwind and investor confidence for 2026. However, a residual risk that has the potential to change the framework conditions overnight at any time comes from the geopolitical situation, which continues to be fraught with uncertainty. However, if external disturbances do not cause fundamental changes in sentiment, the omens in the hotel sector are good and investors are ready to build on the positive trends of the last 12 months in 2026.



Investment market data

	2024	2025	CHANGE
Total (€m)	1,412	1,816	+28.6%
Portfolio share	10.6%	20.9%	+10.3%pts
Share above €100 million	10.3%	20.7%	+10.4%pts
Share of A-cities	58.3%	58.1%	-0.2%pts
Share of foreign investors	59.5%	47.6%	-11.9%pts



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