

REVIEW HOTEL INVESTMENT MARKET

GERMANY Q1 2026



RESEARCH & INSIGHTS



**BNP PARIBAS
REAL ESTATE**

Real Estate for a changing world



BEST START TO THE YEAR SINCE 2022

MANY TRANSACTIONS

KEY FIGURES

318

Investment volume (€m)

△ +33.6% y/y

0.0

Portfolio share (in %)

▷ 0.0pts y/y

11.0

Ø Deal size (in €m)

▽ -12.5% y/y

MARKET OVERVIEW

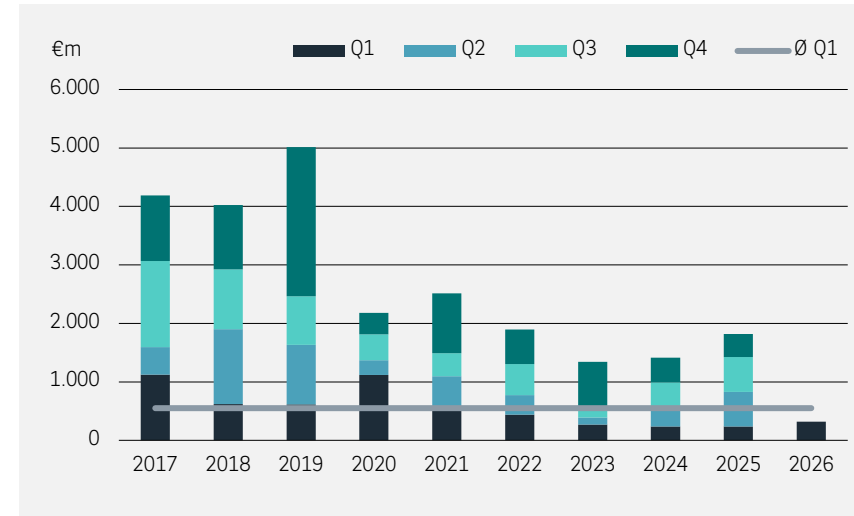
The hotel investment market is off to a dynamic start in 2026. With an investment volume of around €318 million, it not only exceeds the result from the same period of the previous year by around a third, but also achieves its best result since 2022. After the portfolio segment had picked up noticeably over the course of last year, market activity has so far concentrated on individual transactions: hotel portfolios have not yet been recorded as at the start of 2025. The average volume per deal fell slightly year-on-year to €11 million due to the large number of smaller transactions.

On the buyer side, there are again more institutional investors. These are currently dominating the market, especially in the size classes above €25 million. The robust overnight stay figures and high occupancy rates form the basis for their growing interest. In the smaller-scale segments up to €25 million, on the other hand, owner-occupiers and private investors are still strongly represented.

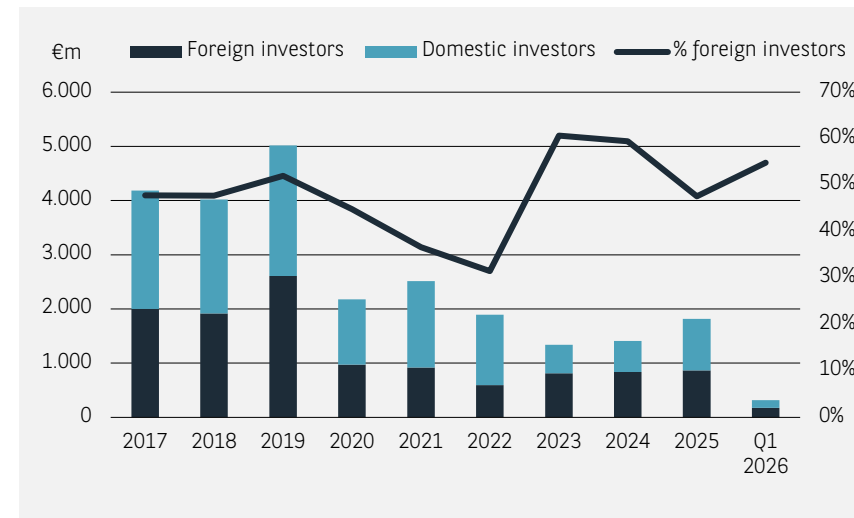
It is striking that international investors are particularly present at the beginning of the year. The three largest deals in the first three months are on their account. More than half of the hotel investment volume comes from foreign investors, especially from the Anglo-Saxon world.



Development of hotel investment volume



Share of foreign investors





A LOCATIONS WITH SIGNIFICANT GROWTH

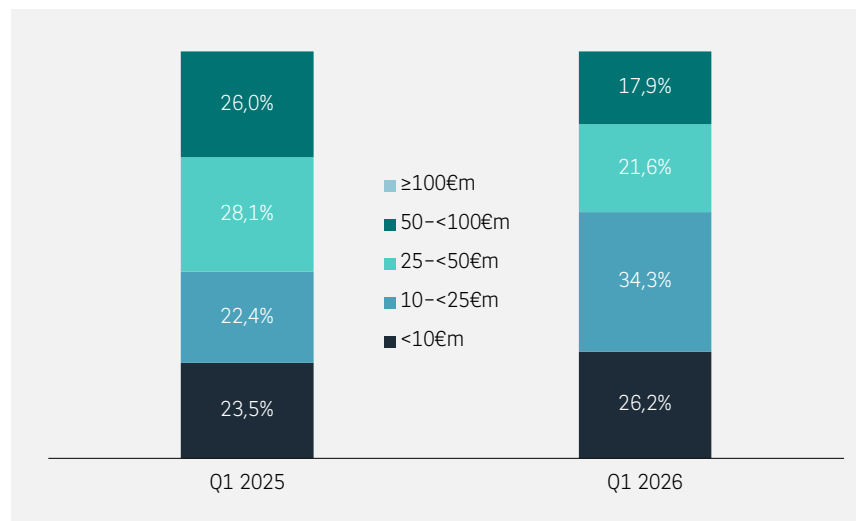
INVESTMENTS NOT YET RECORDED IN ALL CITIES

INVESTMENT MARKET STRUCTURE

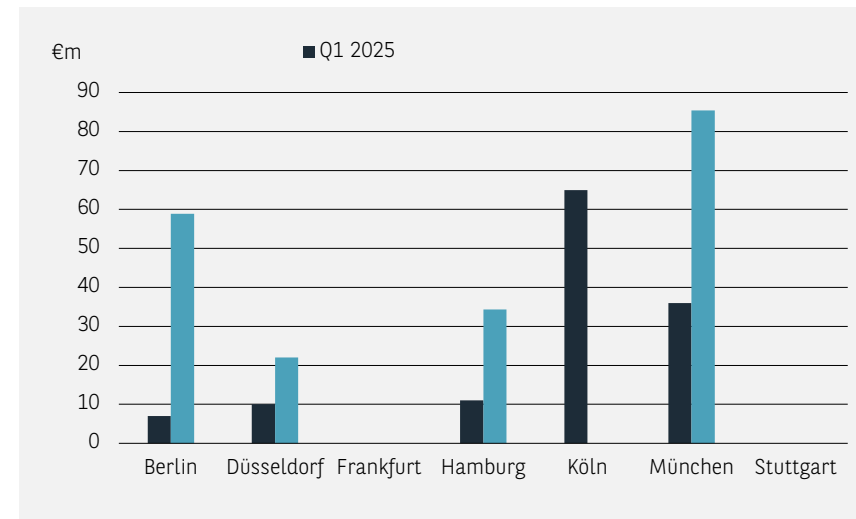
The hotel investment volume in the A-locations amounted to a good €200 million in the first quarter. Compared to the previous year, this corresponds to an increase of 56%. At present, however, not all cities participate in the turnover. The current front-runner is Munich, where €85 million was placed. The sale of the Excelsior Hotel at the main railway station, which BNPPRE advised on, made a significant contribution to this. It represents the largest transaction of the year in Germany so far. Berlin follows in second place with just under €59 million. Increases can also be reported in Hamburg (€34 million) and Düsseldorf (€22 million), while no transactions have yet been recorded in Frankfurt, Cologne and Stuttgart at the start of the year.

As in the same quarter of the previous year, the transaction volume was distributed fairly evenly among the size segments up to €100 million, although the category above €100 million was once again unoccupied. Overall, the market is still quite fragmented. To date, the most investments have been made in properties with a volume of between €10 million and €25 million (34%), followed by smaller hotels up to €10 million (26%). The considerable absolute increase in volume in these size classes compared to the previous year is encouraging. Deals between €25 million and €50 million contribute a similar amount as in the previous year, but only account for a share of 22% due to the overall higher result. The same applies to the segment between €50-100 million, which contributes 18%.

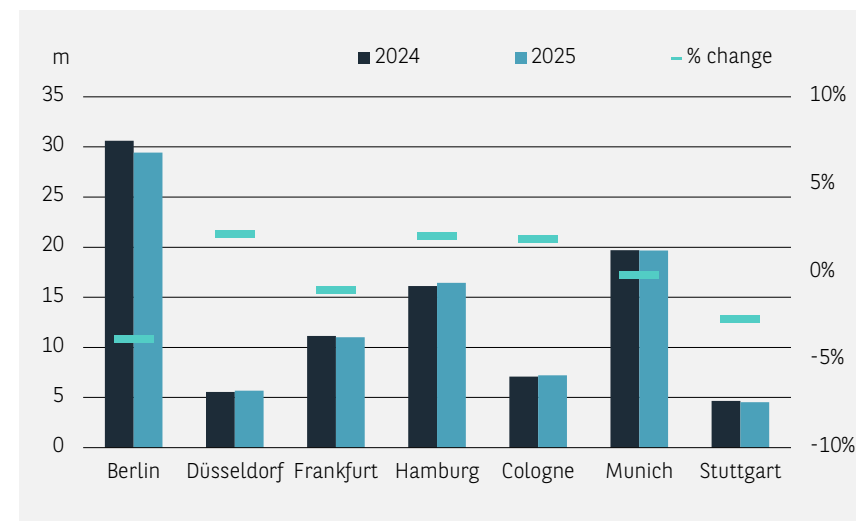
Hotel investments by € category



Hotel investments in A-locations



Overnight stays in A-locations





TAILWIND FROM THE OCCUPIER SIDE

TRANSACTION MOMENTUM LIKELY TO REMAIN HIGH OVER THE COURSE OF THE YEAR

ECONOMIC INDICATORS

+0.6

GDP Forecast 2026
(in %)

2.86

10ys bond yield
0 Q1 2026 (in %)

86.4

ifo business climate index
(3/2026)

△ +15bps q/q

▽ -2.0pts m/m

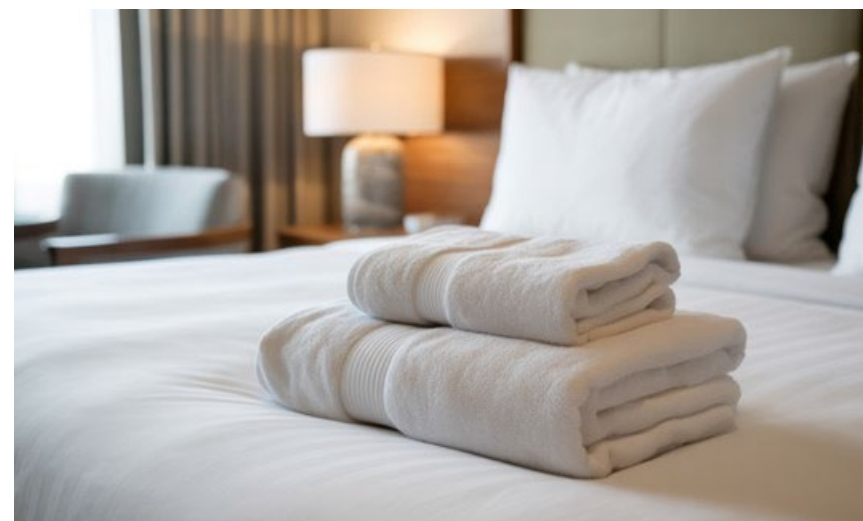
Source: ifo economic forecast, Deutsche Bundesbank, ifo Institut

OUTLOOK

In a geopolitical environment marked by uncertainty, the hotel investment market is once again extremely robust. It is receiving tailwind from the demand side. Booming domestic tourism and increased interest from travelers from abroad have set a new nationwide record for overnight stays in 2025. Likewise, important key figures such as occupancy rates and room rates have recovered noticeably since the Corona kink and are presenting themselves in their old strength.

On the other hand, supply in the new-build segment, which has traditionally contributed significantly to investment volume, has been more limited in recent years than before the coronavirus pandemic, as many projects have been postponed or completely deferred as a result. However, due to the positive signals from the occupier markets, the project volume is likely to expand somewhat in the coming months, which could also have a sales-boosting effect. Fortunately, the volume of projects under construction has already increased in the first quarter compared to the end of the year.

At the same time, geopolitical disputes and the resulting inflation risks, as well as the recently more volatile capital market environment, remain influencing factors that can temporarily slow down pricing and transaction activity. Nevertheless, the robust operating key figures suggest that the hotel investment market is on a solid foundation. From today's perspective, a transaction volume at least in the range of the previous year's result is therefore realistic at the end of the year.



Investment market data

	Q1 2025	Q1 2026	CHANGE
Total (€m)	238	318	+33.6%
Portfolio share	0.0%	0.0%	+0.0%pts
Share above €100 million	0.0%	0.0%	+0.0%pts
Share of A-cities	54.2%	63.1%	+8.9%pts
Share of foreign investors	54.0%	54.8%	+0.8%pts



Q1 2026

HOTEL INVESTMENT MARKET

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