

MARKETBEAT
CEE-6
HOSPITALITY H2 2025

Better never settles

MARKET FUNDAMENTALS*

FY 2025	YoY Chg	Outlook
€1.2Bn Investment Volume	▲	▲
6.25-8.5% CEE Prime Yields (HMA)	▼	▼
+8.9% YoY RevPAR Growth	▲	▲
+2.7% YoY Supply Growth	▲	▲

INVESTMENT HIGHLIGHTS

44 / 6,974 Hotels / Rooms Transacted
€167,234 Average Price per Room
63% Of volume was invested in Upper Upscale & Upscale Hotels

ECONOMIC INDICATORS

1.9% YoY Real GDP Growth	▲	▲
4.1% YoY Inflation Growth	▲	▼

*Growth indicators are based on nominal amounts

INVESTMENT ACTIVITY

The CEE hotel investment market demonstrated significant growth in 2025, with investment volumes increasing by 170% year-on-year. This growth was primarily driven by heightened activity in the Czech Republic, followed by Hungary. Most hotel transactions in the region involved Upper Upscale assets, followed by Upscale properties. The positive momentum is expected to continue into 2026, with several deals already completed and others in various stages of the disposition process.

PRIME YIELDS

Throughout 2025, prime yields in the Prague, Budapest and Bucharest hotel markets experienced some yield compression. The hotel market of the rest of the CEE-6 capitals (Warsaw, Bratislava, Sofia) remained relatively stable, although prime assets in top-tier locations benefitted from some yield tightening. Factors such as stabilizing inflation, improved access to financing, and increased capital inflows suggest the potential for further yield compression as we transition into 2026.

SUPPLY & DEMAND

In H2 2025, ca. 14 hotels and serviced apartments with ca. 1,130 rooms opened across the CEE-6 capitals. These include branded properties such as the You Hotel Budapest (Handwritten Collection), as well as the addition of ca. 100 newly renovated rooms at the Radisson Blu Hotel Bucharest. Openings reflected a strong focus on the Upper Upscale and Upscale segments - most significant supply growth. Room supply in the region increased by 2.7% year-on-year, primarily due to developments in Warsaw (+5.5%), Budapest (+2.8%), and Prague (+2.2%). This trend is expected to continue in 2026, with Warsaw leading the way.

PERFORMANCE

The region recorded an 8.9% year-on-year increase in RevPAR in 2025, supported by a 4.6% uplift in ADR and a 2.7pp. rise in occupancy. The growth was particularly notable in Bulgaria and Romania, both achieving double-digit RevPAR gains. At the city level, Bucharest and Warsaw posted the strongest RevPAR growth in 2025, while Prague and Budapest ranked as the highest-performing markets in terms of overall RevPAR.

RECENT TRANSACTION TRENDS

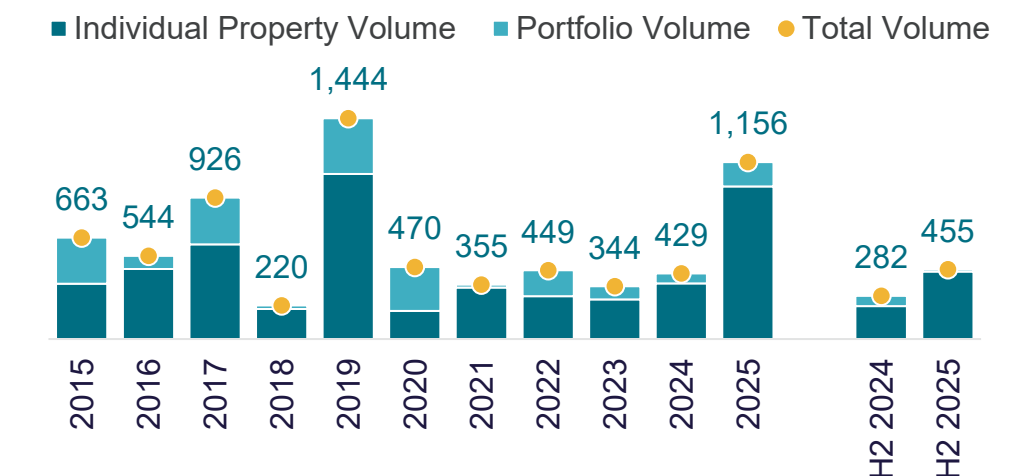
(EUR, MILLIONS)

	Full Year 2025			
	Hotels	Rooms	Volume	% Change
CEE	44	6,974	1,156	170%
Capital Cities	23	4,282	965	442%
Czech Republic	16	2,989	764	425%
Poland	12	1,652	135	-18%
Hungary	6	942	176	148%
Romania	5	890	65	67%

	H2 2025			
	Hotels	Rooms	Volume	% Change
CEE	17	2,774	455	62%
Capital Cities	11	2,024	415	280%
Czech Republic	8	1,349	262	170%
Poland	5	627	54	-61%
Hungary	2	506	130	210%
Romania	1	292	10	143%

ANNUAL TRANSACTION VOLUMES

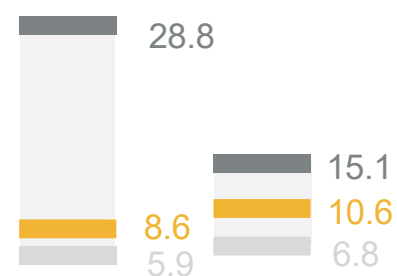
(EUR, MILLIONS)



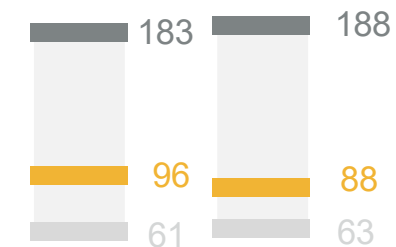
Sources: Cushman & Wakefield / Moody's / Oxford Economics / RCA / STR

TRANSACTION PRICE PER HOTEL & ROOM (2025)

Price per Hotel (€, MILLIONS)



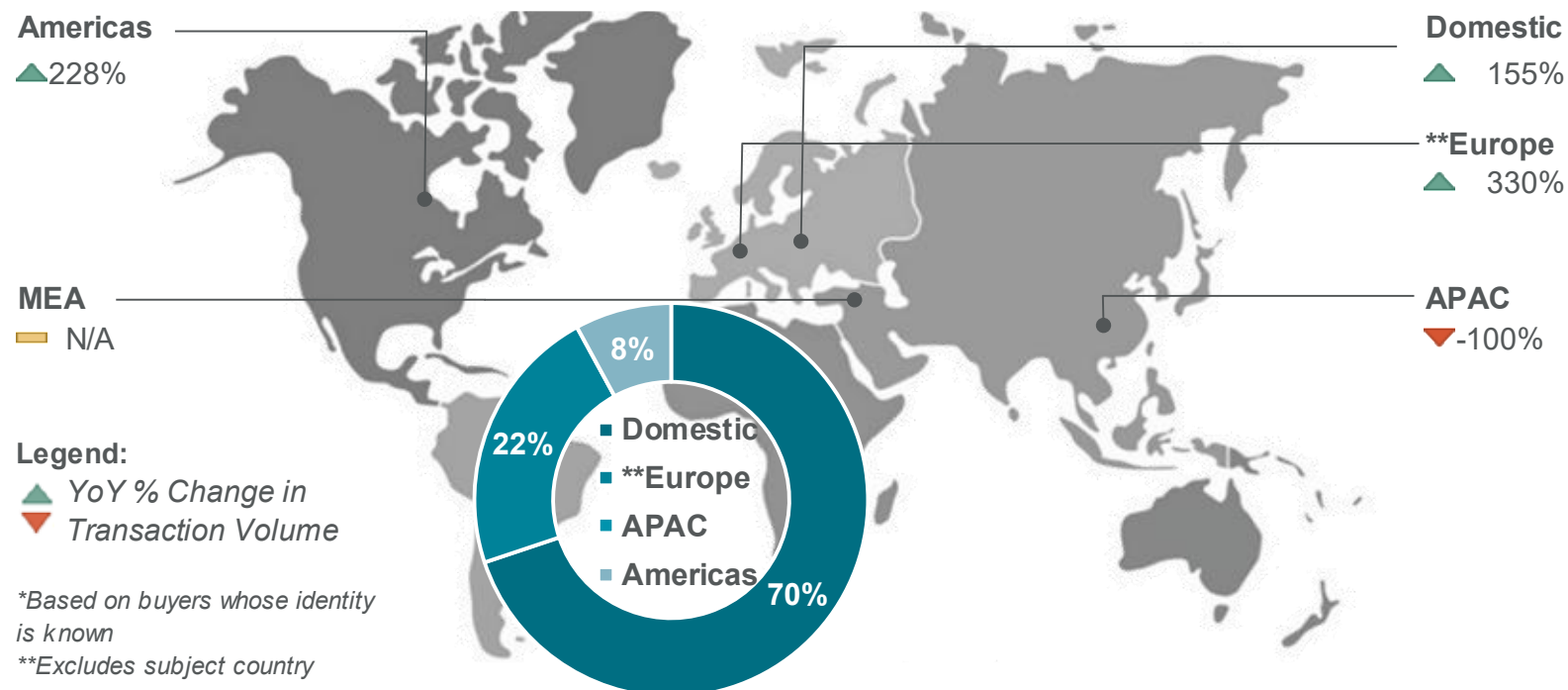
Price per Room (€, THOUSANDS)



FY 2025 FY 2024

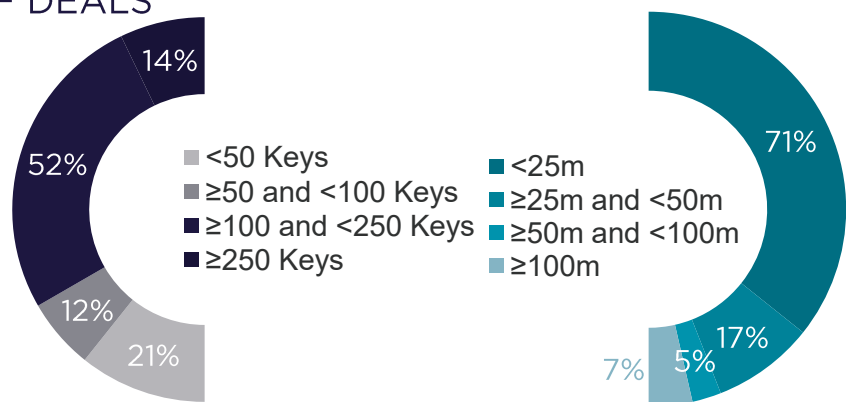
FY 2025 FY 2024

TRANSACTION VOLUME BY SOURCE OF CAPITAL* (2025 VS 2024)



BREAKDOWN BY NO. OF ROOMS & DEAL SIZE (2025)

% SHARE OF DEALS

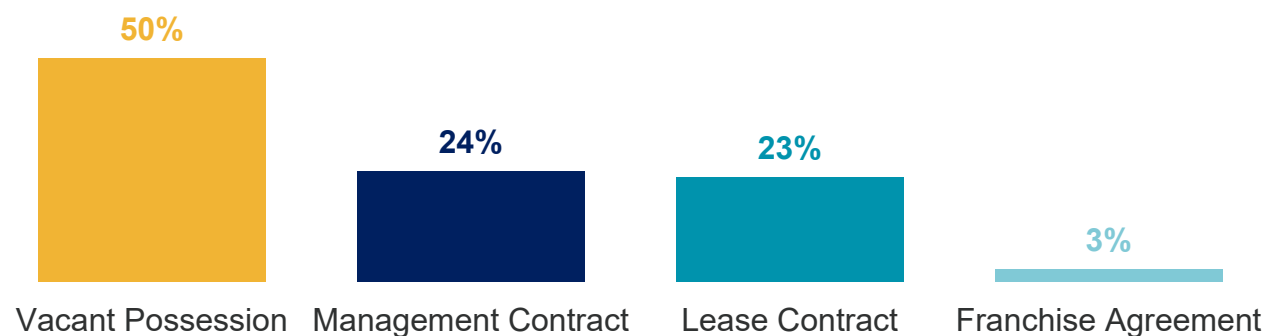


TRANSACTION VOLUME BY TYPE OF INVESTOR (2025 VS 2024)

	BUYERS (% Share of Total Volume)		SELLERS (% Share of Total Volume)	
	FY 2025	% Change	FY 2025	% Change
Institutional	23%	▲ 465%	66%	▲ >500%
Private	73%	▲ 206%	15%	▼ -24%
Public	0%	▼ -100%	19%	▼ -47%
User/Other	4%	▼ -58%	0%	■ 0%

TRANSACTION VOLUME BY OPERATING STRUCTURE (2025)

% SHARE OF DEALS (BY INVESTMENT VOLUME)



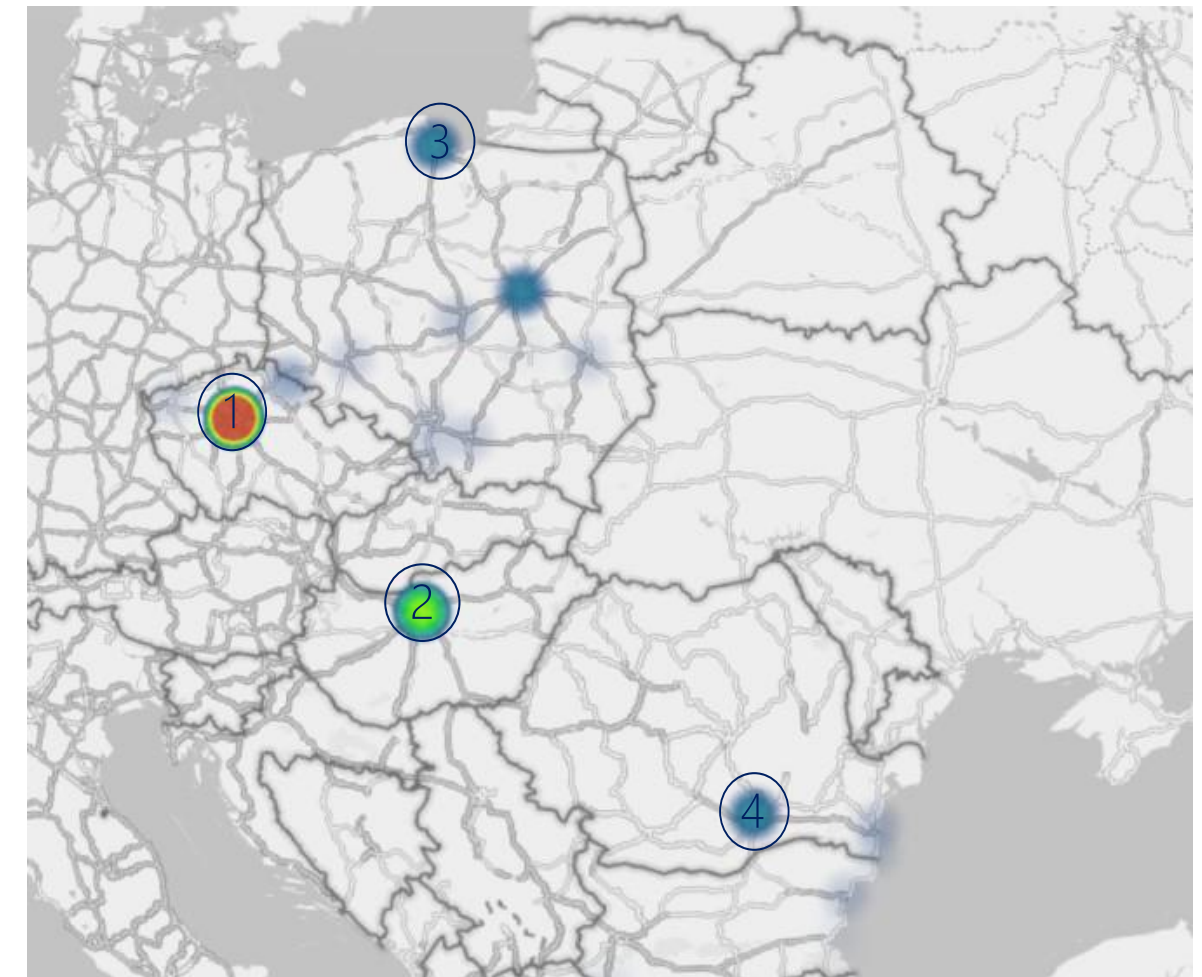
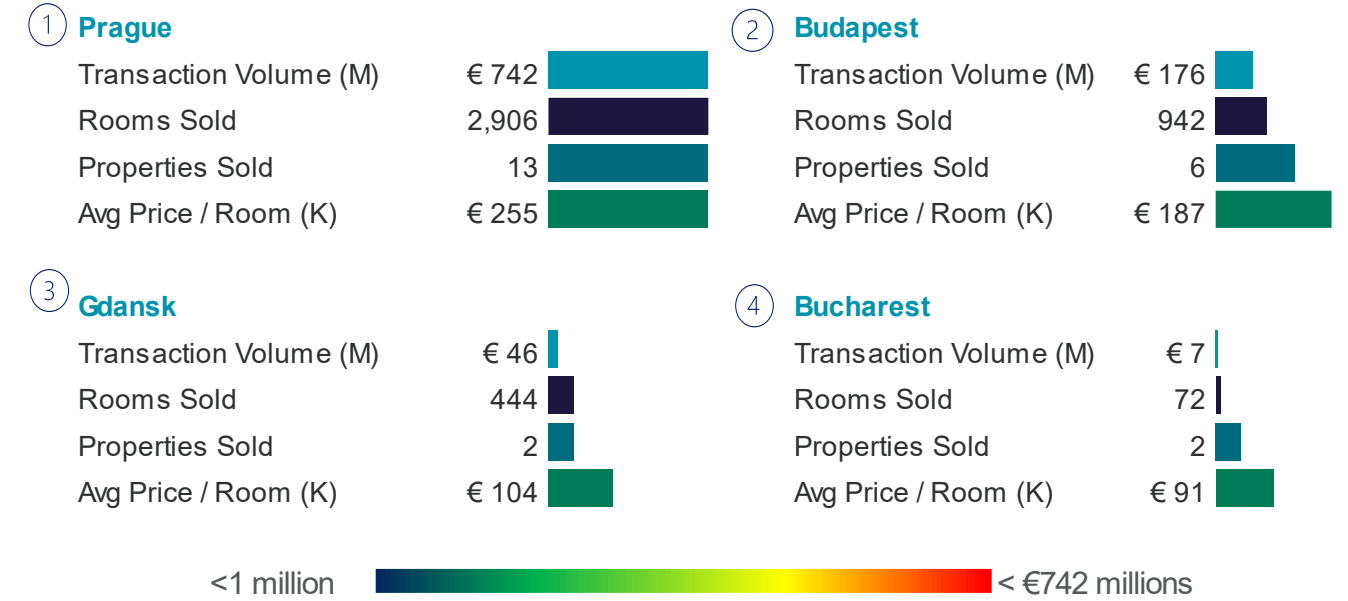
TRANSACTION VOLUME PER HOTEL CLASS (2025 VS 2024)

HOTEL CLASS	% OF TOTAL VOLUME	% CHANGE	% OF TOTAL ROOMS	% CHANGE	AVG. PRICE/ROOM (EUR, '000)
Luxury	> 9%	▲ 130%	2%	▼ -60%	> 600
Upper Upscale	46%	▲ >500%	25%	▲ >500%	309
Upscale	17%	▲ 210%	21%	▲ 212%	135
Upper Midscale	12%	▲ 2%	17%	▲ 3%	114
Midscale	10%	▲ 24%	18%	▲ 13%	92
Economy	6%	▼ -15%	17%	▲ 63%	56

SELECTED MAJOR HOTEL TRANSACTIONS (2025)

Property	Market	Rooms	Buyer	Origin	Seller	Origin
Hilton Prague	CZ, Prague	791	PPF Real Estate	CZ	IBRC	IRL
Marriott Budapest	HU, Budapest	364	BDPST	HU	CPI Property Group	CZ
Four Seasons Prague	CZ, Prague	157	PPF Real Estate / Noble Hospitality	CZ	Northwood Investors	USA
Vienna House Diplomat Prague	CZ, Prague	398	PPF Real Estate	CZ	U City Public Limited	THA
Portfolio Noli Studios (x2)	PL	423	Urban Partners	DNK	Nowa Przystań / CityCamp	POL
Hilton Garden Inn Bucharest Airport	RO, Otopeni	218	Yellow Tree Holdings	GBR	Gaw Capital	CHN
Penta Hotel Prague	CZ, Prague	227	Jan Hotels	CZ	Aroundtown	DEU
Ibis Praha Old Town	CZ, Prague	287	Patria Investiční Společnost	CZ	Amundi Immobilier	FRA
Mama Shelter Prague	CZ, Prague	238	Ares Management	USA	Fidera Vecta	GBR
B&B Portfolio Poland (x2)	PL	553	Remake Asset Management	FRA	Covivio	FRA
Four Points by Sheraton Warsaw Mokotow	PL, Warsaw	190	Nusret Sancak	POL	Mokotow Business & Airport Hotel	POL

HOTEL TRANSACTIONS HEAT MAP (2025)



Note: Selection of largest transactions in 2025, 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 last 12 months, 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 (fixed 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 contract 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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