EMEA
HOTELS MONITOR

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Whitebridge Hospitality is a specialist advisor to investors, developers and operators in the hospitality industry around the globe. We provide investment, operational and planning advice, and guidance in respect of the entire hospitality spectrum, including: hotels, mixed-use resorts, leisure facilities, casinos, visitor attractions and sporting venues. Our uniquely qualified team can provide services throughout an asset's life cycle.

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Introduction

New wars, new tariffs, new Prime Ministers, heatwaves and massive wildfires have buffeted the region these past six months, and yet stock markets seem healthy and the oil price has not gone through the roof. Our world is more resilient than we might think. Or is it all an AI creation. In our Monitor series we deal with facts and here are the facts.

Lots of movement in the performance stats, with some big winners and sizeable losers. Congratulations to the big winners: Istanbul +26% in occupancy, Olympics-influenced Milan +6% in ADR and a whopping +52% in GOPPAR (Gold Medal to Milan). I am sure all our thoughts go to the Middle East, which has been devastated by conflict yet again, with ADR -33% in Dubai, occupancy -11% and GOPPAR -62% in Bahrain. Keep your chins up and H2 2026 will be better.

Construction costs continue on a generally upward trend (driven by labour availability issues and ongoing conflicts in the Middle East) but tender price growth in some markets can be suppressed by softer pipelines and increased competition for projects.

Plenty of deals happened around Europe (none to note in Middle East or Africa), with France particularly frenetic. For another half year in recent years, a good few '€1m per key' deals were concluded. Spain and the UK (particularly London) were hotspots, with Germany and other countries showing lesser signs of activity.

> Our world is more resilient than we might think.

Our final page feature is a brief update on the current mood around Hotel Ground Rents (predominantly in the UK) and we would like to thank each of the protagonists for their help and support in compiling this feature.

Philip Camble
Director, Whitebridge Hospitality
Editor, EMEA Hotels Monitor

Performance Trends

Jan-Jun	2026				2025				Growth			
City	ADR	Occ	RevPAR	GOPPAR	ADR	Occ	RevPAR	GOPPAR	ADR	Occ	RevPAR	GOPPAR
	€	%	€	€	€	%	€	€	%	%	%	%
Amsterdam	218.78	76.3	167.01	82.03	229.55	74.6	171.32	84.23	-4.7	2.3	-2.5	-2.6
Bahrain	186.99	39.8	74.39	25.33	209.23	55.6	116.26	66.81	-10.6	-28.4	-36.0	-62.1
Berlin	162.20	70.7	114.69	46.68	159.08	70.5	112.22	45.86	2.0	0.2	2.2	1.8
Budapest	159.70	68.3	109.04	57.35	156.73	67.6	105.91	53.12	1.9	1.1	3.0	8.0
Cairo	147.97	65.5	96.98	88.23	151.07	67.3	101.72	89.56	-2.1	-2.7	-4.7	-1.5
Cape Town	219.60	76.3	167.56	105.26	190.89	76.0	144.99	87.06	15.0	0.5	15.6	20.9
Doha	139.47	55.6	77.53	45.13	145.36	71.0	103.16	65.23	-4.1	-21.7	-24.8	-30.8
Dubai	203.47	55.2	112.99	68.29	218.25	82.7	180.51	139.05	-6.8	-33.2	-37.4	-50.9
Dublin	274.72	79.3	217.73	109.39	271.87	77.3	210.14	112.17	1.0	2.5	3.6	-2.5
Edinburgh	190.23	80.8	153.75	78.84	180.28	80.1	144.42	71.85	5.5	0.9	6.5	9.7
Istanbul	238.26	63.3	150.94	65.82	188.95	64.2	121.27	56.47	26.1	-1.3	24.5	16.6
Jeddah	151.11	73.5	111.12	54.14	168.85	75.5	127.51	73.85	-10.5	-2.6	-12.9	-26.7
London	252.14	77.0	194.19	94.29	246.39	77.8	191.70	92.84	2.3	-1.0	1.3	1.6
Madrid	259.51	74.9	194.33	112.66	246.54	73.1	180.25	98.42	5.3	2.4	7.8	14.5
Milan	493.93	73.0	360.43	224.43	399.56	68.7	274.41	147.88	23.6	6.3	31.3	51.8
Muscat	146.78	47.9	70.31	23.36	135.87	58.6	80.51	31.90	8.0	-18.3	-12.7	-26.8
Paris	386.00	75.4	291.22	131.47	374.65	74.2	278.03	121.80	3.0	1.7	4.7	7.9
Prague	161.57	72.6	117.37	58.41	154.27	73.6	113.58	53.93	4.7	-1.3	3.3	8.3
Riyadh	192.05	47.6	91.38	51.57	211.78	56.1	119.90	79.18	-9.3	-15.2	-23.8	-34.9
Rome	641.08	58.1	372.79	188.36	588.36	64.9	381.99	198.94	9.0	-10.4	-2.4	-5.3
Vienna	179.96	71.9	129.41	51.63	185.92	72.1	133.99	54.83	-3.2	-0.2	-3.4	-5.8
Warsaw	114.03	77.2	88.09	47.35	110.66	76.3	84.43	43.32	3.0	1.2	4.3	9.3

Source: HotStats

- UK heading into the summer with good momentum, although London slightly lower than the average at +2% in GOPPAR with softer demand than the regions.
- Italy strong YOY growth, with success of the Winter Olympics also impacting Switzerland, France and Austria performances.
- Middle East impact of the war is stark, but improving quickly. Europe, in particular, Souther Europe, benefited from displaced travel to the region. Turkey notably is entering peak season with strong momentum.
- South Africa, in particular Cape Town, has had an incredible start to the year, currency fluctuations aside, demand is very strong.

Click here for further market insight from HotStats.

Hotel Construction Costs

Country	Budget hotels	Mid market – low	Mid market – high	Luxury
	€ per sqm	€ per sqm	€ per sqm	€ per sqm
UK	2,820 - 3,220	2,820 - 3,610	3,150 - 5,070	4,170 - 5,660
Austria	1,950 - 2,320	1,950 - 2,670	2,480 - 3,630	3,370 - 4,030
Belgium	1,500 - 2,200	1,980 - 2,540	2,200 - 2,730	2,970 - 3,750
Denmark	1,910 - 2,180	1,910 - 2,460	2,800 - 3,580	3,680 - 4,710
France	2,560 - 2,950	2,560 - 3,330	2,820 - 3,610	3,070 - 3,890
Germany	1,460 - 1,860	1,460 - 2,240	1,960 - 2,840	2,440 - 3,410
Greece	2,417 - 2,858	2,367 - 3,604	2,700 - 4,500	3,500 - 5,650
Ireland	2,270 - 2,570	2,270 - 2,890	2,570 - 3,250	2,890 - 3,610
Italy	2,070 - 2,550	2,390 - 3,050	2,780 - 3,300	3,100 - 4,150
Norway	2,580 - 3,360	2,580 - 4,130	3,020 - 4,440	3,460 - 4,750
Netherlands	1,760 - 2,130	1,760 - 2,490	1,970 - 3,060	2,180 - 3,630
Poland	1,650 - 2,070	1,650 - 2,470	1,800 - 3,040	1,950 - 3,600
Portugal	1,230 - 1,320	1,230 - 1,400	1,390 - 1,730	1,550 - 2,060
Spain	1,650 - 1,920	1,650 - 2,170	2,020 - 2,690	2,380 - 3,210
Sweden	2,830 - 3,480	3,480 - 4,060	4,060 - 4,530	4,530 - 5,810
Abu Dhabi	1,660 - 2,000	1,660 - 2,350	2,480 - 3,530	2,850 - 4,270
Qatar	2,040 - 2,230	2,040 - 2,430	2,250 - 2,960	3,020 - 3,890
Dubai	1,740 - 2,110	1,740 - 2,490	2,610 - 3,730	2,980 - 4,470
Saudi Arabia	2,080 - 2,250	2,080 - 2,420	2,720 - 3,330	3,510 - 3,990
Mozambique	2,260 - 2,630	2,260 - 2,990	3,370 - 4,450	4,630 - 5,780
Botswana	1,800 - 2,010	1,800 - 2,230	2,170 - 2,360	2,510 - 3,410
Mauritius	1,700 - 1,980	1,700 - 2,270	2,530 - 3,370	3,480 - 4,410
South Africa	1,590 - 2,080	1,950 - 2,420	2,300 - 2,530	2,760 - 3,720

Source: Rider Levett Bucknall

These costs have been prepared from a survey of Rider Levett Bucknall worldwide offices and members of the RLB | EuroAlliance. Costs are expressed per square metre of gross internal floor area. The costs include FF&E, but exclude operator's stock and equipment. Fees, land costs and local taxes (VAT or similar) are also excluded. Costs are generally based on constructing international hotels to Western European specifications. Data is prepared to highlight key cost trends and differences between markets. Users should verify the suitability of general cost data to their specific circumstances. Exchange rates and inflation can distort generic data, for specific project guidance please contact Rider Levett Bucknall.

- All costs are collected in local currency and converted into euro, reflecting fluctuations to exchange rates, which may have little to do with actual build cost changes in country.
- National figures represent average country-wide costs rather than single location costs.
- Construction cost escalation across most European markets remains broadly stable, although differences between locations widen depending on labour availability, project pipelines and local market conditions.
- Whilst input costs in many European countries are being driven upwards by the impact of the Iran conflict, tender price growth is often constrained by softer development pipelines and continued competition for available work.

Transaction Tracker

Region	Hotel	Location	No. of Keys	Total Price	Price per Key
Portfolio Transactions				€	€
	5x B&B hotels	France	536	32,700,000	61,000
	9x Ibis hotels	France	630	65,000,000	103,000
	11x Pentahotels	Ger/Bel/Fr	1,808	275,000,000	152,000
	3x HIP hotels	Spain	887	200,000,000	225,000
	2x Staybridge Suites	UK	260	28,800,000	111,000
	9x Premier Inn hotels	UK	955	102,000,000	107,000
Single Asset Transactions					
France	1932 Hotel & Spa	Cap d'Antibes	64	31,000,000	484,000
	Hotel La Perouse	Nice	53	60,000,000	1,132,000
	Hotel Sevres St Germain	Paris	30	20,000,000	667,000
	Pullman Paris Tour Eiffel	Paris	435	430,000,000	989,000
Greece	Hilton Garden Inn Syngrou Av	Athens	129	45,000,000	349,000
	Radisson Blu Zaffron Resort	Santorini	103	28,300,000	275,000
Italy	NH Parma	Parma	120	16,300,000	136,000
	CitizenM Isola Tiberina	Rome	162	80,000,000	494,000
	Palazzo Scanderbeg	Rome	11	24,000,000	2,182,000
	Hotel Expo Verona Villafranca	Verona	113	8,000,000	71,000
Portugal	Quinta Da Comporta	Comporta	89	70,000,000	787,000
	Penha Longa Resort	Sintra	204	140,000,000	686,000
Spain	Travelodge Poblenou	Barcelona	250	50,000,000	200,000
	Melia Bilbao	Bilbao	210	63,000,000	300,000
	Eurostars Las Salinas	Fuerteventura	223	51,000,000	229,000
	AC Ciutat de Palma	Palma de Mallorca	85	19,350,000	228,000
UK	Courtyard by Marriott Oxford	Oxford	160	85,100,000	532,000
	Lincombe Hall & Spa	Torquay	44	3,800,000	85,000
	Novotel Tower Bridge	London	203	178,300,000	878,000
	Cameron House	Loch Lomond	351	115,000,000	328,000
Other	Andaz Vienna	Vienna, Austria	303	92,000,000	304,000
	B&B Prague City	Prague, Czechia	160	11,000,000	69,000
	Hotel Excelsior	Munich, Germany	114	60,000,000	526,000
	International Hotel	Killarney, Ireland	98	22,000,000	224,000
	B&B Cloche d'Or	Luxembourg	150	37,400,000	249,000
	Hotel Belmont[1]	Crans Montana, Switzerland	45	54,100,000	1,203,000

Source: Whitebridge Hospitality

[1] including capex

- Frenetic France: Honotel acquired 2x hotels; Solestia Group acquired 3x hotel in Cannes; Sonm00 acquired 6x hotels; Mubadala Cap looking at Pierre & Vacances.
- Lively London: Criterion Capital acquired balance of St Giles Hotel; KCG acquired Great Northern Hotel; MCR acquired 4x hotels; OneIM acquired The Other House Hotels (2x open, 1x project); private investor acquired Cranley Hotel.
- Spirited Spain: Arcano Partners acquired 3x Hyatts; Bluesea Hotels acquired 17 Moondreams hotels; CBRE GI looking at Azora; Sancus Capital acquired 53.5% stake in Hotel Properties REIT.
- Other busy bodies: Blackstone and Colony Cap acquired 30.56% stake in Essendi (Fra); Kempinski acquired Augustine Hotel (Cze); L&R acquired 15x Marriotts and 25x hotel Ground Rents (UK); Wyndham acquired 2x hotels (Swi).

Prices have been rounded where appropriate. We do not warrant the accuracy of this data which was obtained from publicly available sources and reported in industry journals. Conversions to euros were made according to the exchange rate at the time of the announcement.

HOTEL GROUND RENTS

A banker, a broker, a brand and an owner walk into a hotel. This may sound like the opening line to a joke, but hotel ground rents (GRs) are not a joking matter. For this brief update on GRs, we interviewed the protagonists and summarise their thoughts here below.

The Banker (Andy Porter, formerly Coutts & Co)
Most banks do not like GRs but some will still consider them as part of the capital stack. The main issues when encumbering a hotel with a GR are the erosion of security and value, and the ongoing lack of transactions evidence. GR terms have evolved over time to help mitigate these constraints. In the early years, GRs did not have cap+collar provisions and were without time limit. Today, GRs should be subject to annual rent reviews, a cap+collar and have a fixed term (up to 75 years).

GRs are typically applied when an investor has insufficient equity and the GR provides an equity fix or if they want to capitalise on the asset by removing an element of equity. However, such equity gap fillers can limit future refinancing options and suppress asset values.

The Broker (Patrick Grant, AlphaReal)
GRs became popular because they offered cheaper finance overall compared to conventional debt (the sellers of GRs were well rewarded). Such efficient cost of capital appealed to the buyers of GRs as it provided inflation linked liabilities.

The GR sector slowed after the Truss Budget, when institutional debt became much more expensive, but activity is beginning to pick again, especially in these days of interest rate uncertainty (a GR is not subject to 'refi risk' and associated costs). A GR should not be onerous on the owner (up to only 15% of EBITDA, as opposed to 50% of EBITDA for sale+leasebacks). The bulk of the income should remain with the operation and such income should rise in line with inflation over the long term.

All this said, one must use GR funding with care. How and when to apply such a funding mechanism needs careful consideration and they don't suit every situation. Most failures have come about not because of the GR (no correctly structured modern GR has been foreclosed on by the freeholder to our knowledge) but because of overleverage generally.

The Brand (Paul Thomas, Marriott International)
As a general rule, we tend to be ambivalent towards GRs, provided the owner's capital stack is not over leveraged. However, GRs do impose additional layers of complication for an operator, such as a requirement for a Non-Disturbance Agreement, greater legal review and deeper DD.

Few owners of Marriotts in UK are using GRs. A GR may be good for the initial seller of the freehold, but in subsequent turns of the leasehold interest the benefits do not seem to be as good. Most owners and subsequent owners want as much optionality as possible and the fixed, long-term nature of a GR does not provide such creativity for future owners of the leasehold interest.

The Owner (anonymous)
The theory of GRs sounds great and they were a popular concept some 10-15 years ago, when such structures made sense (an inflation linked liability expected to be met by inflation linked profit growth). Today, however, hotel performances are not always keeping up with inflation. Major economic shocks have exposed the vulnerabilities of long-dated, economically sensitive income streams. Such structures in Regional UK destinations should be treated with careful consideration as the issues are exponential compared to London-located assets.

We are seeing opportunities to acquire assets subject to GRs, but higher cost of debt and increased leverage constraints in today's market have altered the risk-return profile. Financing for GR-encumbered assets is more limited, which means having to tap the alternative market, which in turn accentuates the risk level still further. As a value-add investor, GRs can limit the possibilities for us to unlock development opportunities at the asset. It is difficult and often expensive to buy-back the freehold from institutional owners, making such Ground Rented assets an unattractive target for acquisition (unless very cheaply priced).

The Punchline
GRs may be a short-term equity fix, but long-term they behave more like debt (always payable) or worse (ever present and ever increasing).

GRs should never be applied in weak locations; more likely to be sustainable in highly desirable locations (such as adjacent to airport terminals or in prime city centres).

GRs can affect both liquidity and pricing but the dearth of transactions of such assets makes for a lack of reliable data with regard to accurately quantifying the impact on re-sale values.

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