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HVS 2026 EUROPEAN
HOTEL VALUATION INDEX

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Highlights

There is little about 2025 that we could define as 'ordinary': this was 'the year of upheaval'. Against a backdrop of ongoing wars, the change in leadership in the USA resulted in an inflection point in long-established geopolitical alliances, and tariff wars reshaped international economic alignment. We highlight some of the key themes impacting the tourism industry.

- Shifting power balances have led to a reassessment of strategic military capabilities in Europe. Private-sector activity in the Eurozone surpassed expectations as manufacturers recorded their best performance since 2022. Germany, the EU's largest economy, continued to expand its industrial base as the government ramps up expenditure on defence and infrastructure;
- Intensifying global instability did not dent the desire for travel: Europe continued to attract more than half of all globetrotters. It went on to set yet another record year, with more than 3 billion overnights (+2.3% on 2024 according to Eurostats), around half of them international. The 2019 'peak' numbers are ancient history;
- Hotel performance had already 'stabilised' in 2024, following the much stronger RevPAR gains during the post-pandemic recovery years. In 2025, rates grew modestly on average across Europe which, coupled with minor occupancy gains, resulted in overall positive top lines for the year. On another positive note, the development pipeline across Europe remains modest by international standards, at under 5% on average;
- During the first half of 2025, the ECB decreased interest rates to support the Eurozone economy, down from 3% to 2%, where they remain. The Bank of England also implemented four rate cuts during the year, although the UK's economy remains weak. A new inflationary episode, should the Middle East war constrain oil supplies, could put cuts into reverse, with some outlets already predicting rate hikes from both institutions in 2026;
- Wage-increase pressure is easing: the ECB wage tracker indicated a rise of less than 4% in payroll by the end of 2025 (this was closer to 5% in 2024). Lower growth of under 3% is predicted for 2026. This remains positive in the context of stable inflation, even though cost pressures continue to be a point of concern for hoteliers. Recent developments in the Middle East could still result in a new inflation outbreak owing to oil-flow disruptions.

The European Investment Landscape

With the softening of the interest rate from the European Central Bank and the Bank of England, transaction activity increased in 2025 to its highest level since 2019 (please refer to our sister publication *2025 European Hotel Transactions* for more details). Some of the highlights for the year were as follows.

- With an increase of 175 transactions over 2024, transaction volume reached €22.6 billion in 2025, resulting in a 30% increase year-on-year. Despite this significant increase, transaction volume remained some 17% behind 2019 levels;
- After years of stagnation, single-asset transactions surged by 68% in 2025, resulting in a single-asset transaction volume of €15.6 billion, 48% growth year-on-year. The most remarkable single-asset transactions included the 1,037-room Mare Nostrum Resort in Tenerife (€430 million or €415,000 per key) in June 2025, the 192-room W London in October 2025 (brokered by HVS Hodges Ward Elliott), the sale of the remaining shares of the Four Seasons Astir Palace Hotel in Athens in February 2025, the 957-room Pullman Montparnasse in Paris (€300 million or €313,000 per key) in August 2025 and the 55-room Caesare Augustus in Capri (€180 million or €3,300,000 per key) in February 2025. Many portfolios transacted as well in 2025, the largest being the acquisition of Dalata Hotel Group by Swedish group Pandox AB and Norwegian group Eiendomsspar AS for €1.4 billion in November 2025;
- While transaction volume in the UK cooled in 2025, decreasing by 10% year-on-year, the country continued to be the most liquid investment market in 2025, accounting for 25% of total transaction volume. France (16%) and Spain (14%) complete the podium. Both markets showed strong year-on-year growth of 73% and 25%, respectively;
- Owner-Operators were the largest net buyers in 2025, acquiring €1.5 billion more than they disposed of, while Hotel Investment Companies were the largest net sellers at €696 million. High-Net-Worth Individuals (HNWIs) recorded the highest average price per room (€559,000 per room) across acquisitions;

- As usual, European investors remained the most active demographic, leading both hotel asset acquisitions and disposals, accounting for 76% of transaction volume in 2025. Most notably, European investors increased their acquisition volume by 61% this year. Although they remained the second most active buyers in 2025, North American investors acquired approximately €2.0 billion worth of hotel assets (9% of total acquisition volume), a 56% decrease year-on-year;
- For the second consecutive year, London remained the most liquid market in Europe, with close to €2.3 billion in transactions, despite a 22% decrease over 2024. Paris kept second place with €1.9 billion in transacted volume, a 25% year-on-year increase. Berlin (€700 million), Athens (€663 million) and Prague (€580 million) complete the list of the most liquid markets, with all three showing triple-digit growth compared to 2024.

European Hotel Values Increase in 2025

In 2025, hotel values stagnated for the first time since the onset of the pandemic, displaying a 0.2% increase in value. There were, however, noticeable differences between markets. We have shortlisted the 'winners and losers' in terms of percentage change in value and presented them in a 'top and bottom' chart.

Strongest Performers

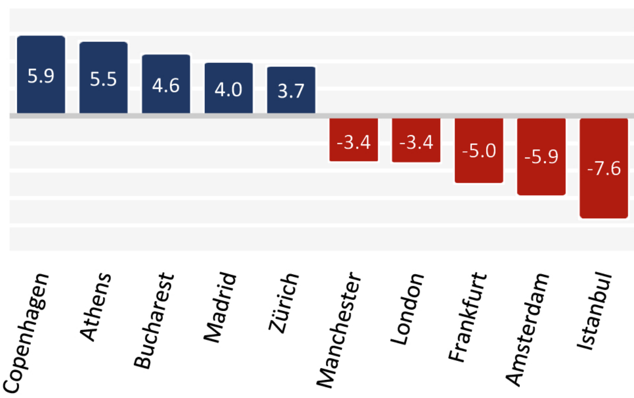
The winding down of new supply and continued strong demand underpin **Copenhagen's** exceptional recent performance. The development of new connections from Copenhagen airport and a rumoured potential ban of sorts on new supply should continue to boost this city's performance in the foreseeable future.

Ongoing positive performance in **Athens** (if more modest compared to that of recent years) keeps on propelling value growth for this city. Athens also continues to become increasingly attractive to institutional investors, which further reinforces the city's positive trajectory in the medium term.

Other top performers include **Bucharest**, which saw one of the largest growth levels in RevPAR across the European market on the back of strong economic growth for the country, which resulted in healthy hotel demand. **Madrid** continues to benefit from the 'upscaling' of a city previously considered too corporate for leisure demand, but which now attracts strong levels of tourism. Finally, **Zürich** benefits from a well-established demand base, which helps to drive occupancy and yield rate. Also, the appreciation of the Swiss franc against the euro helped the city's RevPAR grow more prominently in euro terms.

Percentage Change in European Hotel Values

TOP AND BOTTOM FIVE 2025



Note: Based on euro calculations
Source: HVS London Office

Challenged Markets

With a mix of continued political uncertainty, a high-inflation environment, the devaluation of the Turkish lira against the euro and the impression of 'affordable luxury' slowly fading, **Istanbul** had a challenging 2025. Despite recent RevPAR declines, the city nonetheless remains attractive, with brands keen to have a presence there, and Istanbul is expected to regain its footing as economic volatility eases.

While the Dutch capital showed a slight improvement in RevPAR year-on-year, the increased VAT on hotel accommodation from January 2026 (from 9% to 21%) is expected to impact RevPAR performance in **Amsterdam** as it pushes leisure demand (especially) away. This, combined with ongoing cost pressures, is having an impact on values in the short term. The medium-term view remains very strong, as constrained supply creates long-term pricing power for incumbent hotels.

Frankfurt's RevPAR had a volatile year in 2025 with new supply depressing occupancy and putting downward pressure on the market. As the city starts to attract more leisure demand (albeit from a very low base) and new hotel openings decline in the medium term, we expect the prospects for this city to improve.

New supply also presented challenges for both **Manchester** and **London**, which displayed declines in RevPAR (in euro) in 2025. Pressure on various costs, including increases in national insurance and minimum wages, as well as the reassessment of property taxes, will negatively impact profits in the short-to-medium term. However, this is expected to be a short-term blip, as both cities benefit from strong fundamentals.

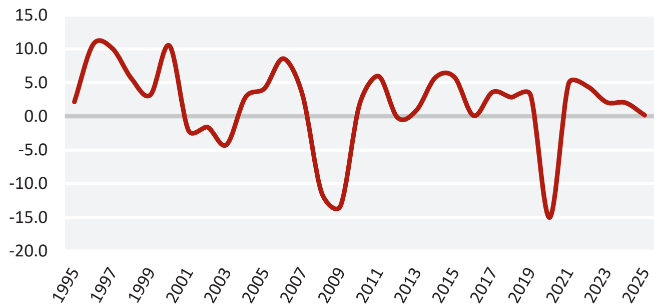
The table below shows the annual percentage change in hotel values, based on euro calculations, in each of the 31 cities covered by our survey, along with the overall average across Europe. Europe's growth is currently being driven by strong performance in the Nordics, thanks to trailblazing Copenhagen. At the same time, Athens remains among the top cities for value growth, supported by steady RevPAR increases. While some traditionally strong Western European markets faced challenges in 2025, several Eastern European markets recorded solid growth and gained momentum, particularly Warsaw and Prague. Italy continues to record solid performances, which should be further boosted by Milan's hosting of the 2026 Winter Olympic Games. Whilst Rome's jubilee year was broadly positive for the Eternal City, it did displace some of its traditional demand base – this negatively impacted Florence, as international visitors tend to combine Rome and Florence within the same itinerary.

Inflation has now stabilised in Europe, although the ongoing war in Iran and oil disruptions could disrupt it again. Across our sample of 31 cities, we have adopted a consistent view on inflation, based on euro, at 2% throughout

Swap rates edged up in 2025 as markets priced in the increased volatility and uncertain environment. We accounted for marginally higher interest rates as a result of this, which dented value growth. Germany, amid ongoing economic uncertainty, saw its hotel markets underperform during the year. This followed a stronger 2024, when several German cities benefited from hosting UEFA Euro 2024 matches, which generated substantial hotel demand. UK cities also had an unremarkable 2025, thanks to new supply and cost pressures – strong RevPAR growth in Edinburgh insulated it from any value declines.

30-Year Trend in European Hotel Values

PERCENTAGE CHANGE PER ANNUM BASED ON EURO



Source: HVS London Office

Hotel Values

PERCENTAGE CHANGE IN HOTEL VALUES IN EURO

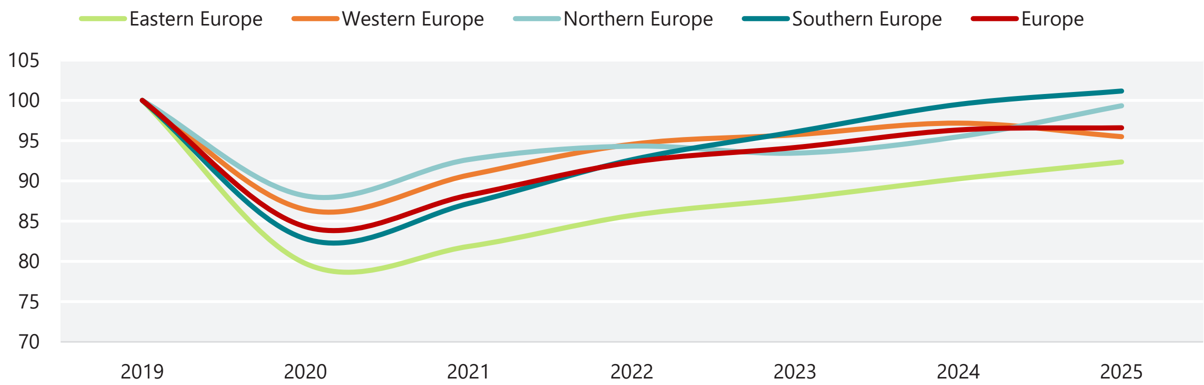
Market	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR[1] 2016-25
Copenhagen	7.8	2.2	2.9	-1.9	-12.2	5.0	2.5	1.5	1.8	**5.9**	0.7%
Athens	10.6	11.0	5.7	10.0	-18.2	5.1	11.6	11.2	11.8	**5.5**	5.5%
Bucharest	14.6	3.7	2.4	10.6	-20.6	2.2	4.6	1.4	2.7	**4.6**	0.9%
Madrid	11.0	14.1	4.9	6.1	-15.3	6.4	4.9	3.0	6.8	**4.0**	3.6%
Zürich	-6.2	-0.4	0.6	2.0	-12.8	4.3	1.2	5.0	1.2	**3.7**	0.4%
Milan	-3.7	4.4	4.5	6.5	-16.7	5.0	7.0	2.3	1.3	**3.6**	1.7%
Edinburgh	-6.7	-0.7	0.3	-2.1	-13.6	5.1	5.0	3.3	6.3	**3.0**	0.6%
Bratislava	18.9	4.6	2.3	11.2	-19.7	2.7	8.9	0.7	0.7	**3.0**	1.2%
Warsaw	10.1	8.6	-0.7	-4.7	-20.5	2.2	3.7	5.3	4.2	**2.7**	-0.3%
Lisbon	10.2	14.7	8.9	3.9	-17.1	5.3	9.3	3.2	7.8	**2.7**	3.9%
Rome	0.5	2.3	5.3	2.4	-16.5	5.1	5.8	1.7	1.6	**2.3**	0.9%
Stockholm	5.0	-3.0	-4.3	0.8	-12.0	5.2	1.1	-3.4	2.5	**2.0**	-1.3%
Prague	9.9	8.5	5.8	3.9	-18.8	4.0	1.8	4.7	3.8	**1.8**	1.4%
Barcelona	13.8	7.1	-4.9	6.5	-12.8	6.0	3.2	3.8	3.7	**1.4**	1.4%
Geneva	-4.0	-0.1	-3.5	2.4	-13.3	4.9	1.4	0.5	1.1	**1.2**	-0.7%
Budapest	9.9	12.2	6.0	6.3	-19.7	2.8	5.4	0.8	1.8	**1.0**	1.5%
Sofia	16.0	9.9	5.9	2.3	-21.8	2.2	3.8	2.0	3.6	**0.8**	0.6%
EUROPE	**0.1**	**3.6**	**2.8**	**3.1**	**-15.0**	**4.9**	**4.4**	**2.1**	**2.0**	**0.2**	**0.7%**
Paris	-8.1	4.7	7.3	3.3	-11.7	6.8	2.1	3.5	0.0	**0.0**	1.6%
Birmingham	-6.8	-4.1	3.5	-0.5	-14.6	7.6	5.0	0.8	1.2	**-1.6**	-0.5%
Vienna	4.3	2.0	5.8	4.8	-18.2	3.6	4.2	2.6	3.2	**-1.6**	0.4%
Florence	1.8	6.4	2.1	2.5	-17.5	5.8	4.9	4.7	2.1	**-1.8**	0.8%
Dublin	15.5	2.7	5.6	0.9	-15.9	4.3	9.8	4.3	-0.7	**-2.4**	0.7%
Munich	-1.1	3.2	5.7	0.8	-12.6	4.4	6.5	-1.6	4.8	**-2.4**	0.8%
Brussels	-6.7	10.6	6.7	7.0	-14.6	5.2	4.7	4.2	0.9	**-2.9**	2.2%
Berlin	1.7	3.3	6.6	3.5	-11.8	5.0	5.2	-0.2	2.8	**-2.9**	1.1%
Hamburg	7.8	3.0	-2.5	-0.1	-12.9	5.1	1.1	-0.4	0.9	**-3.0**	-1.1%
Manchester	-3.9	-5.8	-1.5	2.2	-14.2	7.2	3.2	1.5	-0.9	**-3.4**	-1.5%
London	-13.9	-2.5	1.2	1.7	-13.8	5.8	4.5	0.9	0.0	**-3.4**	-0.8%
Frankfurt	-2.0	4.0	1.3	0.3	-13.4	2.1	2.6	-7.5	3.4	**-5.0**	-1.5%
Amsterdam	6.7	5.8	4.5	0.1	-10.3	3.1	7.2	1.6	-1.1	**-5.9**	0.4%
Istanbul	-23.7	-3.4	4.3	17.3	-23.5	3.5	3.4	-0.8	-9.8	**-7.6**	-2.4%

[1]Compound Annual Growth Rate

Source: HVS London Office

Values Per Region

EVOLUTION INDEXED TO 2019

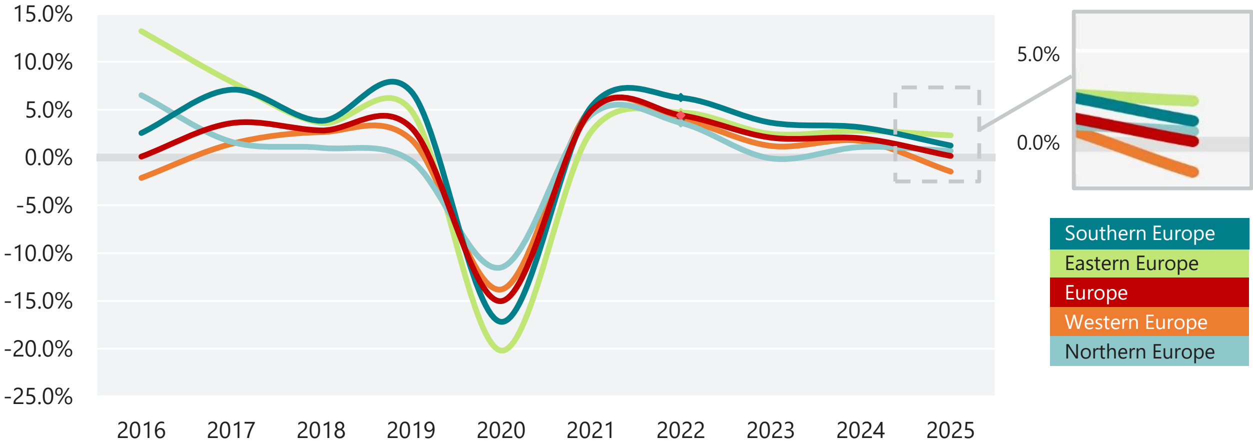


Note: Based on euro calculations
Source: HVS London Office

The above graph displays the evolution of annual values per region, indexed to 2019, on a market aggregate basis and based on euro calculations. The following graph shows the regional changes in values per room based on euro calculations. As a region, Southern Europe is further ahead in terms of value growth relative to pre-pandemic levels, the only region to have surpassed that watermark, despite Istanbul being accounted for within this region and therefore bringing the average down. Northen Europe follows, thanks to the stellar performance of Copenhagen, with Western Europe somewhat declining from 2024 levels, as some of its markets experienced value declines. Several key cities, including Amsterdam, London, Berlin and Brussels, faced challenges such as VAT increases in certain cities and rising operating costs, which put pressure on profit margins. Eastern European cities recorded the strongest growth in 2025. These cities, however, experienced the strongest declines post-pandemic and had a slower pace of recovery, owing to a combination of factors such as the war in Ukraine (which impacted international demand) and strong inflation.

Year-on-Year Change

IN VALUES PER ROOM BY REGION 2016-25



Note: Based on euro calculations
Source: HVS London Office

The table overleaf presents the Hotel Valuation Index for each of the cities and the overall average for Europe, again based on euro calculations. Leisure demand continues to propel performances, and therefore values, across Mediterranean markets and in Northen Europe. It is a combination of leisure and corporate demand, thanks to economic dynamism, together with more stable inflation, which drives Eastern European hotel values up. Western Europe offers contrasting outcomes, as Paris benefitted from the post-Olympics boost, but other markets grapple with cost increases and more modest RevPAR growth.

Hotel Valuation Index

2016-25

Market	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Paris	3.70	3.88	4.16	4.30	3.80	4.06	4.14	4.29	4.29	**4.29**
London	3.46	3.37	3.42	3.47	2.99	3.17	3.31	3.34	3.34	**3.22**
Zürich	2.67	2.66	2.67	2.73	2.38	2.48	2.51	2.64	2.67	**2.77**
Rome	2.27	2.32	2.44	2.50	2.09	2.20	2.32	2.36	2.40	**2.45**
Geneva	2.53	2.53	2.44	2.50	2.17	2.28	2.31	2.32	2.35	**2.37**
Florence	2.16	2.30	2.35	2.41	1.99	2.10	2.20	2.31	2.36	**2.31**
Amsterdam	2.14	2.26	2.36	2.36	2.12	2.18	2.34	2.38	2.35	**2.22**
Milan	1.83	1.91	2.00	2.13	1.77	1.86	1.99	2.04	2.06	**2.14**
Barcelona	1.88	2.01	1.91	2.04	1.78	1.89	1.95	2.02	2.10	**2.12**
Madrid	1.54	1.76	1.85	1.96	1.66	1.76	1.85	1.91	2.03	**2.12**
Euro Inflation	**1.52**	**1.54**	**1.57**	**1.59**	**1.59**	**1.63**	**1.77**	**1.87**	**1.91**	**1.95**
Munich	1.71	1.77	1.87	1.88	1.65	1.72	1.83	1.80	1.89	**1.84**
Copenhagen	1.59	1.62	1.67	1.64	1.44	1.51	1.55	1.57	1.60	**1.70**
EUROPE	**1.57**	**1.63**	**1.67**	**1.73**	**1.47**	**1.54**	**1.61**	**1.64**	**1.67**	**1.68**
Dublin	1.53	1.57	1.66	1.68	1.41	1.47	1.61	1.68	1.67	**1.63**
Edinburgh	1.48	1.47	1.48	1.45	1.25	1.31	1.38	1.42	1.51	**1.56**
Lisbon	1.02	1.17	1.27	1.32	1.09	1.15	1.26	1.30	1.40	**1.44**
Prague	1.27	1.37	1.45	1.51	1.23	1.27	1.30	1.36	1.41	**1.44**
Athens	0.85	0.94	1.00	1.10	0.90	0.94	1.05	1.17	1.31	**1.38**
Berlin	1.21	1.25	1.34	1.38	1.22	1.28	1.35	1.34	1.38	**1.34**
Stockholm	1.47	1.42	1.36	1.37	1.21	1.27	1.29	1.24	1.27	**1.30**
Hamburg	1.43	1.47	1.44	1.43	1.25	1.31	1.33	1.32	1.33	**1.29**
Vienna	1.22	1.25	1.32	1.39	1.13	1.17	1.22	1.25	1.30	**1.27**
Brussels	1.03	1.14	1.22	1.31	1.12	1.17	1.23	1.28	1.29	**1.25**
Budapest	1.02	1.15	1.21	1.29	1.04	1.06	1.12	1.13	1.15	**1.16**
Frankfurt	1.33	1.38	1.40	1.40	1.21	1.24	1.27	1.18	1.22	**1.16**
Warsaw	1.12	1.22	1.21	1.15	0.92	0.94	0.97	1.02	1.06	**1.09**
Bucharest	0.85	0.88	0.91	1.00	0.79	0.81	0.85	0.86	0.88	**0.92**
Manchester	1.03	0.97	0.96	0.98	0.84	0.90	0.93	0.94	0.94	**0.90**
Bratislava	0.79	0.83	0.84	0.94	0.75	0.77	0.84	0.85	0.85	**0.88**
Istanbul	1.10	1.06	1.11	1.30	1.00	1.03	1.06	1.06	0.95	**0.88**
Sofia	0.72	0.79	0.83	0.85	0.67	0.68	0.71	0.72	0.75	**0.75**
Birmingham	0.76	0.73	0.76	0.75	0.64	0.69	0.73	0.73	0.74	**0.73**

Note: Based on euro calculations
Source: HVS London Office

Outlook

Against a backdrop of modest but positive top line performances and overall marginal value gains, both challenges and opportunities lie ahead in 2026 for the hospitality industry in Europe. Caution, however, remains crucial. Some of the trends that could shape the sector in the next few months are as follows.

- We had hoped that **inflation** would no longer be a concern at this stage. However, oil supply disruption caused by the conflict in the Middle East, which is only a few days old at the time of writing, could reverse the recent progress in controlling inflation. This could affect **interest rates** and have implications for the financing and refinancing of hotel transactions. Central banks, and hotel owners, will be watching on with interest;
- Europe's appeal as a tourism magnet will remain very strong. Solid hotel demand and a modest project pipeline bode well for **hotel performances**. Depending on how long the war in the Middle East lasts, this could disrupt travel flows from that region (with a greater impact on the luxury, full-service sector), and a correction in the equity markets could impact the purchasing power of US travellers, so crucial to the old continent. However, domestic demand could be propped up by ongoing (and most likely increasing) investments in defense and infrastructure, which could at least partially replace the ailing automotive industry. This would be good for the EU's economy generally, and hence good for hotels;
- There is such a thing as excessive success, however: **overtourism** is becoming difficult to manage in the cities affected by it, and the political drive to control it through taxation

and regulation can be challenging for hotels to navigate. It will be necessary to find a compromise: that sweet spot that allows local communities to peacefully enjoy the cities they call home, whilst also benefiting from the economic uplift generated by visitors;

- The hotel industry is grappling with the fall from grace of third-party operator Revo in early 2026; this has put into focus the viability of lease agreements as an operating structure, and the **alignment of owner-operator interest**. Some institutional investors have opted to only team up with branded operators, rather than third-party ones, owing to the strength of covenant. It will be interesting to see what the future holds for a model that remains very popular in Germany and Spain;
- The significant easing of SONIA and EURIBOR reference rates is expected to bottom out at 3.25% and 2.00%, respectively, by the end of 2026. However, a higher-for-longer environment persists in the swap markets owing to the continued volatility caused by increasing geopolitical uncertainty. This has kept the all-in **cost of debt** higher than expected. Nevertheless, senior lender appetite for core hotel assets remains resilient, with low (and even sometimes very low) margins for selected assets. As positive sector trading performance continues, we are seeing a gradual normalisation of covenant structures, while debt funds remain the primary liquidity source for transitional and higher-leverage situations;
- In today's hyper-connected digital environment, various **travel trends** emerged in 2025. Whether a slowcation, stargazing, noctourism or a digital detox, there are opportunities for hotels to embrace AI in the pursuit of providing these experiences to guests. Increasingly, too, off-the-beaten-path destinations are gaining momentum, as are 'coolcations', which provide new opportunities for markets which would have been, until recently, considered too remote or not attractive enough for leisure travellers. The search for unique experiences, and travel with purpose, create opportunities for those hoteliers ready to spot them;
- The **blurring of lines between hotel and residential** continues apace. While branded residential is the talk of the town, and we can't seem to get enough of it, hotels are venturing into the living space in other, more subtle ways, such as brands entering the furnished apartment space for short-term and extended-stay accommodation (think Apartment Collection by Hilton). It poses the question: how long is too long a stay for it to belong under the hotel umbrella?

Conclusions

In a context where hotel investment has broadly become mainstream and hotels have vastly demonstrated their resilience and adaptability as an asset class, this status is likely to be further supported by continued interest in travel across Europe. This is a continent with unbeatable fundamentals in terms of accessibility and infrastructure, culture, historical sites – you name it. Whilst demand will remain strong, limited supply growth will continue to amplify positive hotel performance in the foreseeable future. We note, however, that at the time of publication, the war in Iran has just started. Whilst this is likely to have an increased impact the longer it lasts, it is difficult today to make any predictions of its repercussions on tourism.

At a time of heightened concerns over private markets and tech companies, there is renewed interest in tangible, productive assets that are inherently less exposed to AI disruption. While these 'Halo' trades (heavy assets, low obsolescence) typically include transport infrastructure and energy companies, real estate exhibits similar characteristics. In a rapidly evolving world, certain assets are built to endure. Within real estate, hotels are particularly well positioned to benefit from demand from both leisure and corporate guests. Moreover, AI is likely to be a net positive for hotels, enhancing customer reach, guest experiences, and operational efficiency. Overall, hotels stand to gain significantly from this dynamic landscape.

– End –

Understanding the HVI

The HVI is a hotel valuation benchmark developed by HVS. It monitors annual percentage changes in the values of typically four-star and five-star hotels in 31 major European cities. Additionally, our index allows us to rank each city relative to a European average. All data presented are in euro, unless otherwise stated.

The methodology employed in producing the HVI is based upon actual operating data from a representative sample of four-star and five-star hotels. Operating data from STR were used to supplement our sample of hotels in some of the cities. The data are then aggregated to produce a pro forma for a typical 200-room hotel in each city. Using our experience of real-life hotel financing structures gained from valuing hundreds of hotels each year, we have determined valuation parameters for each city that reflect both short-term and longer-term sustainable financing models (loan to value ratios, debt coverage ratios, real interest rates and equity return expectations). These market-specific valuation and capitalisation parameters are applied to the EBITDA less FF&E Reserve for a typical upscale hotel in each city. In determining the valuation parameters relevant to each of the 31 cities included in the European HVI, we have also taken into account evidence of actual hotel transactions and the expectations of investors with regard to future changes in supply, market performance and return requirements. Investor appetite for each city at the end of 2025 is therefore reflected in the capitalisation rates used and investment yields assumed.

The HVI assumes a date of value of 31 December 2025. Values are based on recent market performance, but the capitalisation rates reflect the expected future trends in performance, competitive environment, cost of debt and cost of equity. As our opinion of value remains an opinion of Market Value, we have attempted to remove all aspects of distress when analysing transactions and assessing the opinions of value. The parameters adopted assume a reasonable level of debt and investor sentiment. Conversely, the values reported may not therefore bear comparison with actual transactions completed in the marketplace. However, this is the best approach to retain the integrity of the HVI as a rolling annual index.

The HVI allows comparisons of values across cities and over time by using the 1993 average European value of €173,737 per available room (PAR) as a base (1993=1.000). Each city's PAR value is then indexed relative to this base. For example, if the index for Paris was 4.000 (€694,948/€173,737), the value of a hotel in Paris would be four times higher than the European average in 1993.

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About HVS

HVS, the world's leading consulting and services organisation focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries, celebrated its 45th anniversary in 2025. Established in 1980, the company performs 4,500+ assignments each year for hotel and real estate owners, operators and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of 50 offices and more than 250 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. HVS.com

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With offices in London since 1990, HVS London serves clients with interests in the UK, Europe, the Middle East and Africa (EMEA). We have appraised some 4,000 hotels or projects in more than 50 countries in all major markets within the EMEA region for leading hotel companies, hotel owners and developers, investment groups and banks. Known as one of the foremost providers of hotel valuations and feasibility studies, and for our ability, experience and relationships throughout Europe, HVS London is on the valuation panels of numerous top international banks which finance hotels and portfolios.

For further information about the services of the London office, please contact Sophie Perret, MRICS, managing director, on +44 7725 781037 or sperret@hvs.com.

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About the Authors

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