

# Hotel Market Report 2026





## HOTEL MARKET REPORT

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GLOBAL REAL ESTATE EXPERTISE

# Who is CBRE?

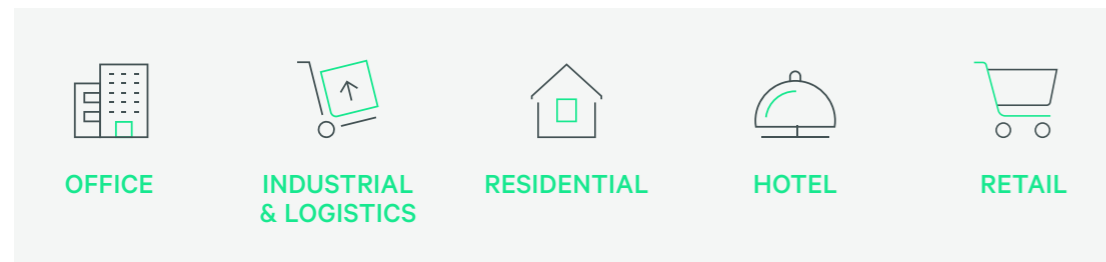
The CBRE Group\* is listed on the Fortune 500 and S&P 500 stock index and is the world's leading commercial real estate services firm\*\*.

The company which operates out of Dallas has more than 155,000 employees in over 600 offices across the globe (excluding branches and partner offices) and serves property owners, investors and tenants all over the world. Based in Vienna, CBRE has been represented in Austria since 1991.

At CBRE Austria, around 140 employees advise owners, investors, property developers and tenants in all aspects concerning real estate. The interdisciplinary team adopts a holistic approach when working on all projects. CBRE is therefore the only service provider in the market that offers an all-in-one solution for real estate.

**CBRE Services – Office, Industrial & Logistics, Residential, Retail and Hotel:**

- Renting and letting advisory services
- Acquisitions and sales advisory services
- ESG advisory and certifications
- Workplace & Design
- Commercial and Technical Property Management
- Shopping center Management
- Property valuation
- Market research, studies and analyses



\* New York Stock Exchange: CBG \*\* Basis: revenue 2025

## HOTEL MARKET EXPERTISE

# Vienna checks in: A record year for the Austrian hotel industry

Austria's hotel industry is breaking records – and Vienna is right at the forefront. With over 157 million overnight stays, the country achieved a new record in 2025, driven by guests from all over the world. The capital alone recorded more than 20 million overnight stays, marking the best result in its history.

But there is more to these figures than just a good season: Vienna stands out as a year-round hub for tourism, conferences and events – from its top spot in the international conference rankings to the 2026 Eurovision Song Contest. Stable key figures – with a RevPAR of EUR 87, an occupancy rate of 71% and a daily rate of EUR 123 – demonstrate the robustness of a market that is reaching its capacity limits in December, with an occupancy rate of around 90%.

International brands are entering the market, lifestyle concepts and branded residences are bringing a fresh dynamic, and conversions are transforming office and residential properties into sought-after hotels. At the same time, growing cost pressures are posing a particular challenge to full-service operators – a market in full flux.

Investors, too, have their sights firmly set on Vienna: with a transaction volume of around EUR 550 million, 2025 was the third-best year on record for hotel investment – an increase of 57% on the previous year. International capital is returning, and a slight compression in returns is on the horizon for 2026.

On the following pages, you will find all the figures, trends and background information presented in a concise format – from tourism data and the Viennese hotel market to current industry trends, conversions and investment.

## Would you like to delve deeper?

CBRE's hotel and research experts are always on hand to answer any questions you may have. As a global partner with local market knowledge, we support you in implementing projects in the hotel property sector.

We provide professional and targeted support throughout the buying and selling processes for hotel properties. We also find the right hotel operator – tailored to the property, the requirements and the market – and assist with feasibility studies, commercial and technical due diligence, asset management and other strategic matters. In addition, we produce well-founded valuations that serve as a reliable basis for investment and management decisions.



## We look forward to hearing from you!

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# Tourism Data Austria



TOURISM DATA AUSTRIA

# International tourism as the key driver of Austria's new overnight stay record

Driven primarily by an increase in international guests, Austria recorded a new overnight stay record in 2025: a total of over 157.3 million overnight stays were registered. International guests made a decisive contribution, with a 2.4% increase accounting for 116.8 million overnight stays. Overnight stays by domestic guests rose only slightly by 0.5%, totalling 40.5 million.

The average length of stay remained unchanged compared to the previous year at 3.3 days per person. Domestic guests stayed significantly shorter, averaging 2.8 days, compared to international visitors at 3.5 days.

Differences are also visible by accommodation type: in hotels, the average length of stay was 2.8 days, while guests in private accommodation stayed considerably longer at around 5 days.

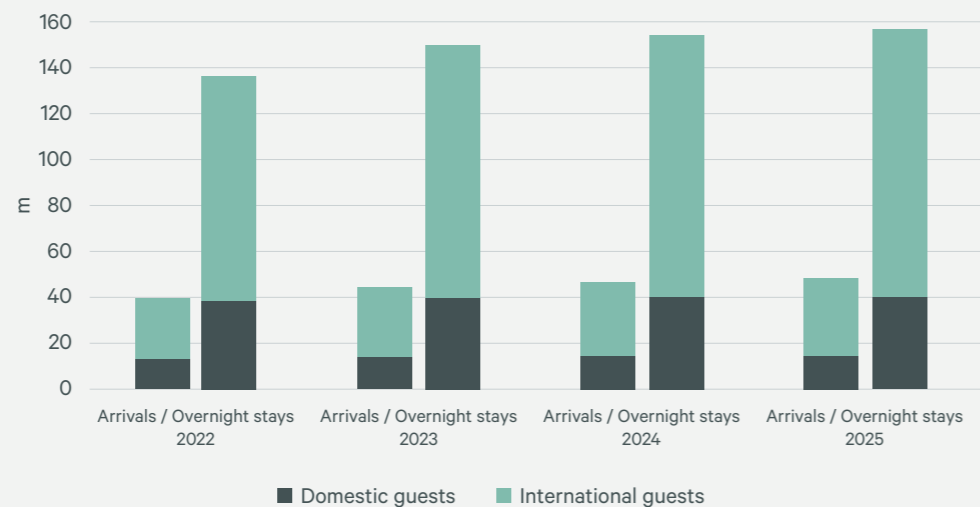
Over 70% of all arrivals in 2025 were to traditional hotels, which remain by far the most popular type of accommodation in Austrian tourism. Establishments in the upper categories were particularly dominant: around 40% of all arrivals were in the 4- and 5-star category.

Arrivals by accommodation type 2025



- 5-/4-Star Hotels
- 3-Star Hotels
- 2-/1-Star Hotels
- Apartments
- Other
- Private Accommodation

Development of arrivals and overnight stays in Austria



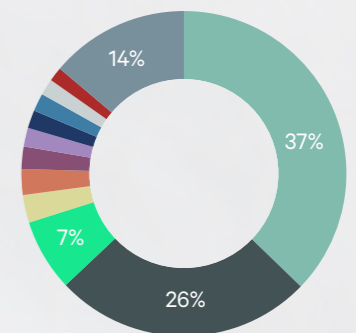
Source: CBRE Research, Statistik Austria

# The markets behind the record year for overnight stays

Overnight stay figures are traditionally driven by a largely stable group of source markets, above all neighbouring countries. As in previous years, the key source markets of Germany, Austria and the Netherlands were particularly well represented, which together account for 70% of overnight stays.

The most dynamic growth was recorded by Israel, with a strong increase of 50% compared to the previous year, followed by Turkey at +27% and Brazil at +21%.

Guests by country of origin (2025)



- Germany
- Austria
- Netherlands
- Switzerland and Liechtenstein
- Czech Republic
- United Kingdom
- Belgium
- Italy
- Poland
- USA
- Hungary
- Other countries

Top 10 growth markets 2025 vs. 2024

Countries	Development of overnight stays
Israel	+50.2%
Turkey	+27.3%
Brazil	+21.3%
Ukraine	+19.6%
Japan	+18.9%
Australia	+18.6%
Southeast Asia	+18.1%
Central & South America	+16.5%
Lithuania	+15.9%
Cyprus	+15.4%

Source: CBRE Research, Statistik Austria



TOURISM DATA AUSTRIA

# The alps and cities: engines of tourism growth

Significant regional differences exist within Austria's tourism landscape, driven by the respective supply structures of each region. Tyrol leads by a wide margin with around 50 million overnight stays, well ahead of all other federal states. Salzburg follows in second place with 30.9 million overnight stays. These high overnight stay figures are primarily the result of a pronounced winter and ski season – particularly during the winter months, these states record very high international demand.

Vienna ranks third with over 20 million overnight stays. This figure must be viewed in the context of an average length of stay of just 2.3 days – the lowest of all Austrian federal states.

This reflects the nature of urban tourism, which is typically characterised by shorter stays of just a few days. In contrast, Carinthia recorded the longest average length of stay of any federal state at 4.0 days.

State capital cities are sought-after destinations year-round, generating around 29.1 million overnight stays in 2025. This corresponds to approximately 18% of all overnight stays in Austria and represents an increase of 6% compared to the previous year.



Arrivals and overnight stays Austria

	Arrivals (in m)	Overnight stays (in m)	Average length of stay
Burgenland	1.3	3.4	2.7
Carinthia	3.3	13.1	4.0
Lower Austria	3.0	7.3	2.4
Upper Austria	3.5	8.9	2.6
Salzburg	8.4	30.9	3.7
Styria	4.6	14.1	3.1
Tyrol	12.9	50.0	3.9
Vorarlberg	2.8	9.6	3.5
Vienna	8.6	20.1	2.3

Source: CBRE Research, Statistik Austria, Wien Tourismus

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# Tourism Data Vienna



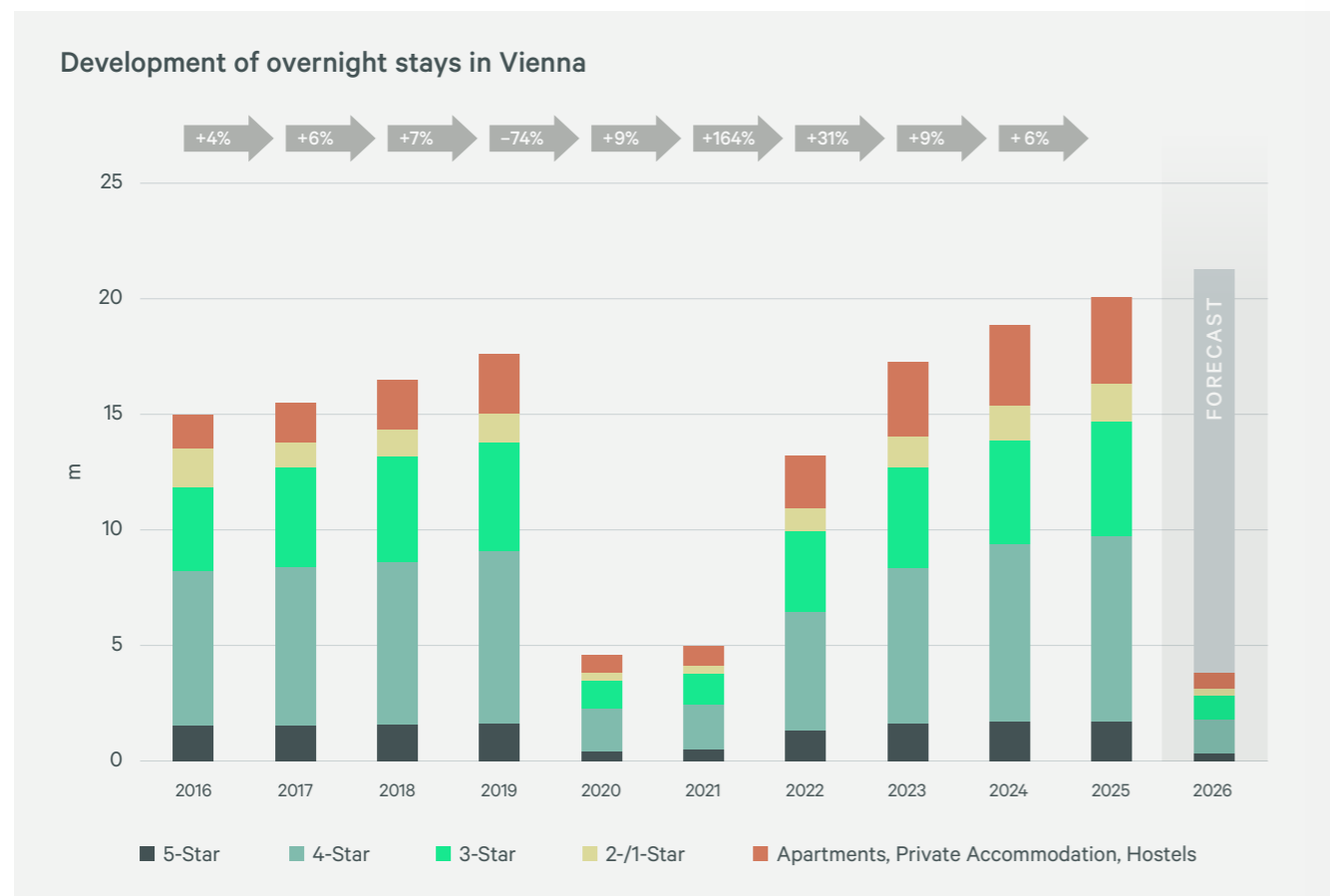
TOURISM DATA VIENNA

# Vienna continues its tourism growth path

Vienna also recorded a new tourism high in 2025. A total of 8.6 million arrivals were registered, an increase of 5.2% compared to 2024.

Overnight stays also developed positively. With more than 20 million overnight stays, a growth of 6.5% was achieved, representing the highest result ever recorded.

The positive trend is set to continue into 2026. In the first three months of the year, Vienna recorded 3.8 million overnight stays, a significant increase of 6.6% compared to the same quarter of the previous year. Congress and event tourism will again be a key driver of overnight stay figures in 2026, highlighted by Vienna hosting the Eurovision Song Contest.



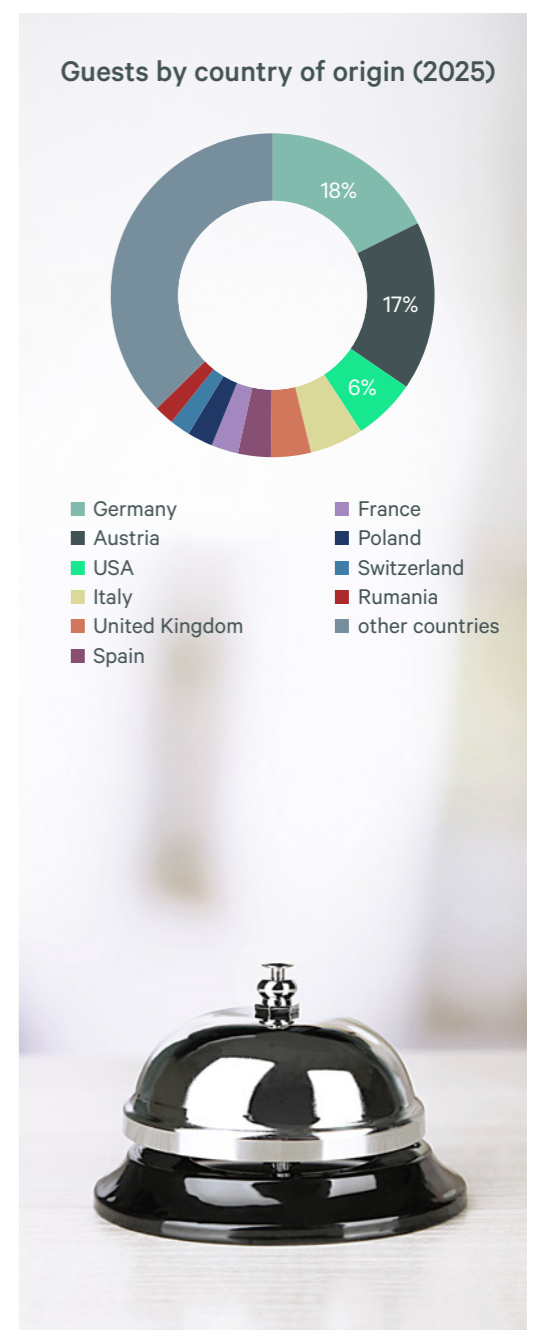
Source: CBRE Research, Wien Tourismus

# Asian source markets show the strongest growth

Compared with Austria as a whole, Vienna has a significantly higher proportion of foreign tourists, which stands at around 83%. The leading source markets are Germany with approximately 3.6 million overnight stays, followed by Austria itself with around 3.4 million overnight stays, and the USA with approximately 1.3 million overnight stays.

The picture differs in the luxury hotel segment: here, the USA holds the top position in terms of turnover.

Currently, the source markets with the strongest growth are Israel (+51%), Turkey (+33%) and Ukraine (+25%). Particularly noteworthy is the growth of Asian source markets, which achieved an overall increase of nearly 20% in Vienna.



**Top 10 fastest-growing markets in 2025 vs. 2024**

Countries	Development of overnight stays
Israel	+51.3%
Turkey	+32.7%
Ukraine	+25.3%
Japan	+24.4%
Southeast Asia	+24.2%
Australia	+24.1%
China	+21.9%
Serbia	+21.6%
India	+20.7%
Russia	+20.4%

Source: CBRE Research, Statistik Austria, Wien Tourismus



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# Hotel Market Vienna



HOTEL MARKET VIENNA

# Stable hotel key figures amid growing cost pressure

In 2025, overnight stay turnover in Vienna amounted to approximately EUR 1.5 bn, an increase of around 6% compared to the previous year. Revenue growth was achieved across almost all hotel categories, with the exception of 1- and 2-star hotels, which recorded a decline of around 10%. The 4-star category posted the strongest revenue increase at approximately 10%.

Despite the increase in the number of rooms available, the occupancy rate remained at 71% in 2025, the same as the previous year. This shows that the market was able to absorb the additional capacity well.

In 2025, the average RevPAR was EUR 87, an increase of 1% compared to the previous year. The Average Daily Rate (ADR) simultaneously reached EUR 123. Despite these positive revenue developments and strong occupancy levels, full-service hotel operators in particular continue to face significant economic pressure due to sharply rising staff and operating costs.

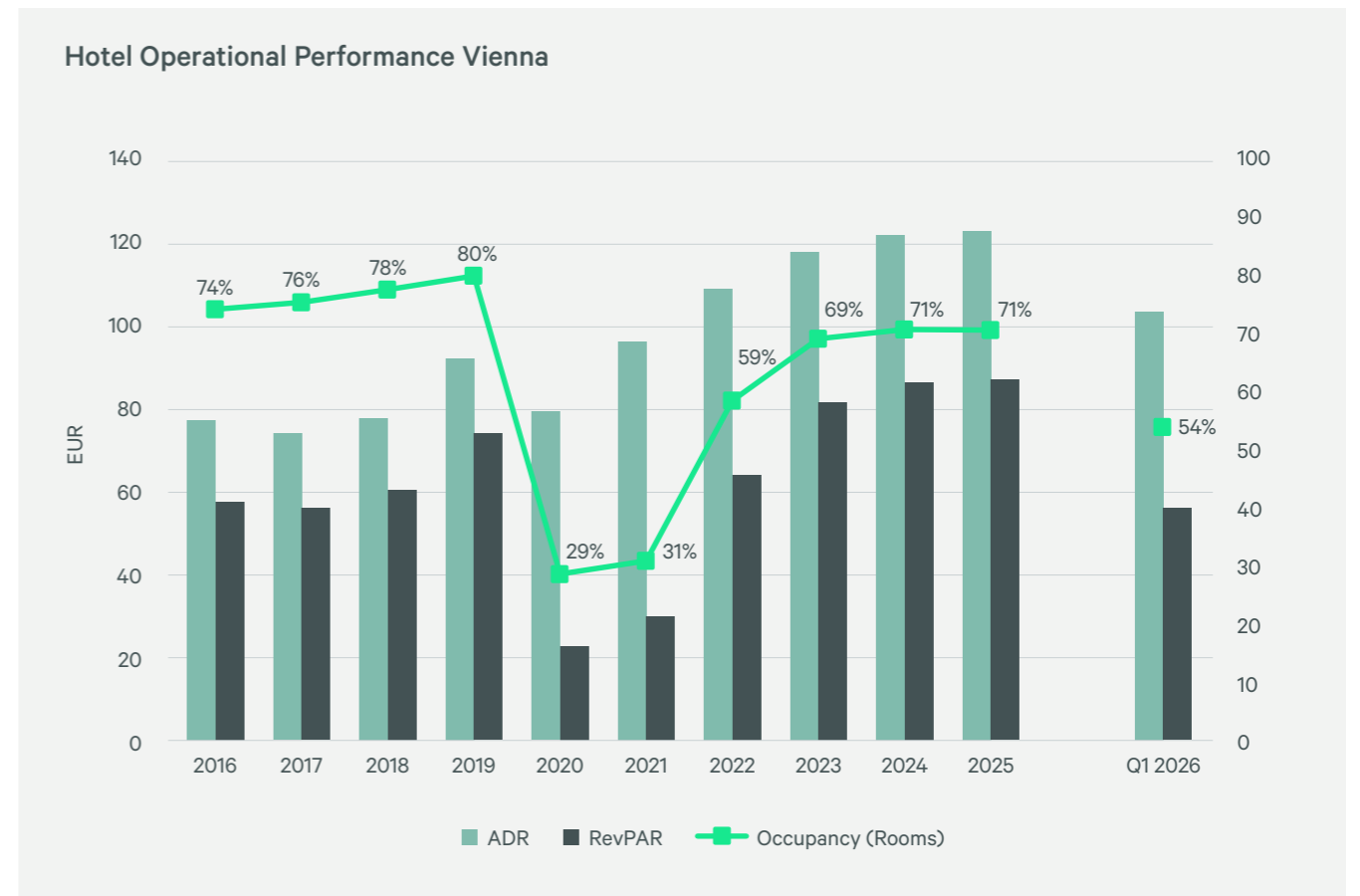
For the seasonally weaker months of January to March 2026, a RevPAR of EUR 56 and an ADR of EUR 104 were recorded, at an occupancy rate of around 54%.

## Record occupancy in December puts capacity under pressure

In the strongest month, December 2025, the average occupancy across all hotel categories reached a very high level of around 90%.

However, there were differences between the individual segments. The 1- and 2-star segment was nearly fully occupied, with an occupancy rate exceeding 97%. In this context, however, it should be borne in mind that this segment, with around 4,000 rooms, has a comparatively limited supply.

Strong demand was also clearly evident in the upper categories: the luxury segment reached an occupancy of 89%, while 4-star hotels recorded an even higher occupancy of 90%. Overall, these figures illustrate that existing capacity – particularly during peak periods – is increasingly reaching its limits.



Source: CBRE Research, Wien Tourismus

HOTEL MARKET VIENNA

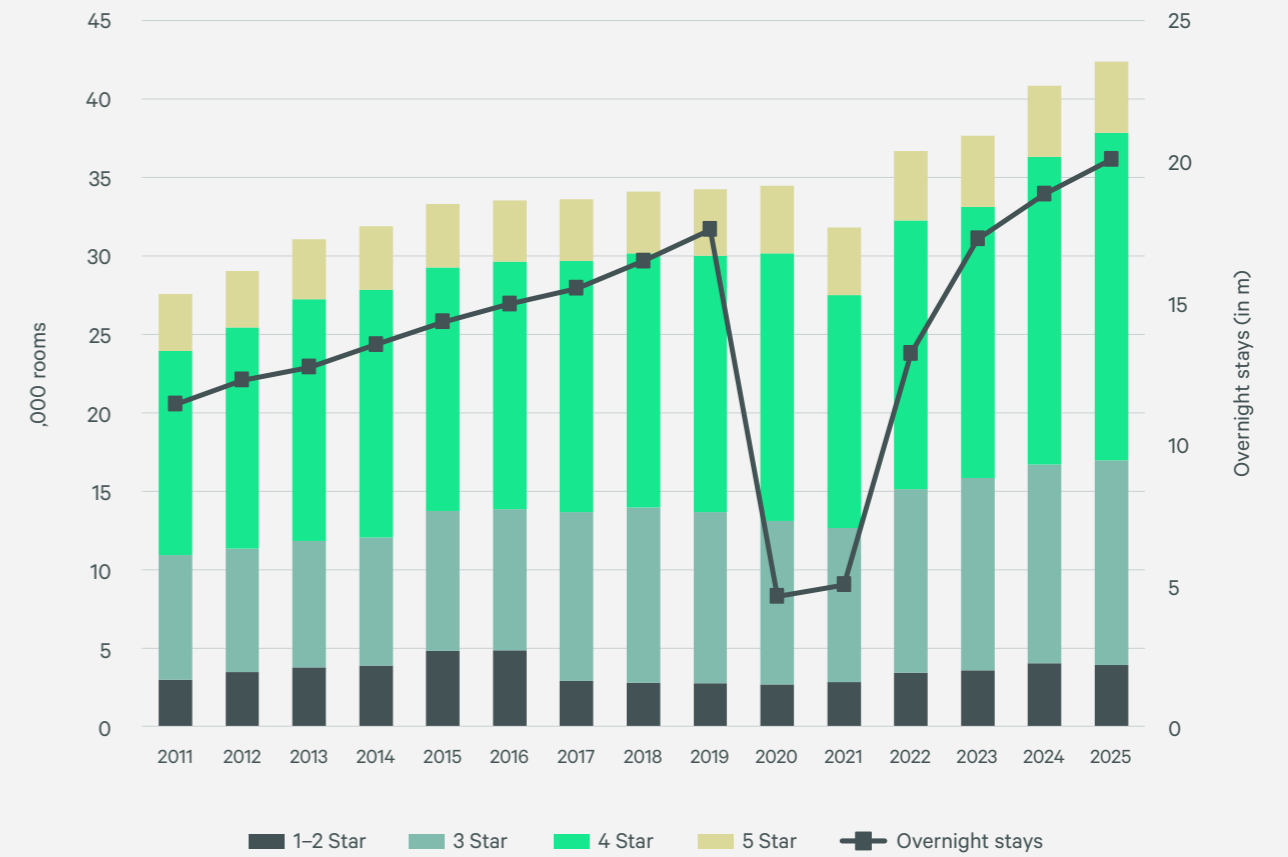
# Efficient supply structure in Vienna's hotel market

Vienna has around 450 hotels and accommodation establishments with a total of approximately 43,000 rooms. Although the number of available rooms grew only slightly over several years, it has been rising steadily since 2022.

Demand is growing significantly faster than supply: since 2015, the number of available hotel rooms has increased by around 27%, while overnight stays grew by approximately 40% over the same period.

The market structure provides a solid foundation for further growth. 4- and 5-star hotels account for around half of all establishments and approximately 60% of total room supply. A similar picture emerges on the demand side, with around 60% of hotel overnight stays attributable to the upper-market segment. This means the supply structure is broadly efficient and aligned with market needs, while the challenge going forward will be to keep pace with continued demand growth.

Development of overnight stays and available rooms in Vienna



Source: CBRE Research, Wien Tourismus



HOTEL MARKET VIENNA

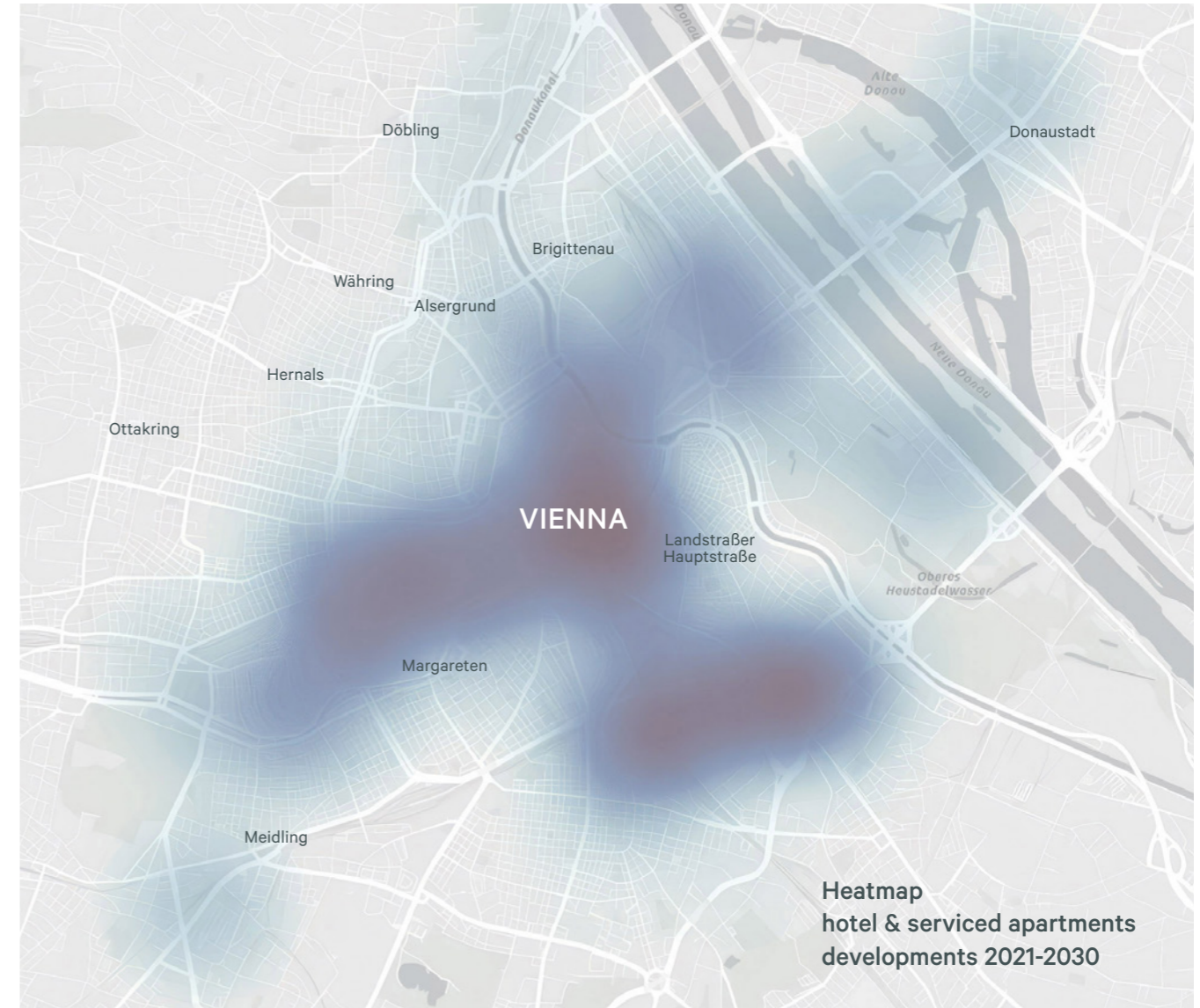
# Prime locations fuel new hotel development

In 2025, a total of 1,200 hotel rooms and 450 serviced apartments were completed in Vienna. Notable openings included the luxury hotel Mandarin Oriental Vienna in the city centre, the Motel One DC Waterline on the Neue Donau, and the Memento Serviced Apartments on Dresdner Straße.

2026 has already seen further hotel openings, including Hotel Schani Wien City, EST Hotel Palais Chotek and The Companion Hotel near Westbahnhof.

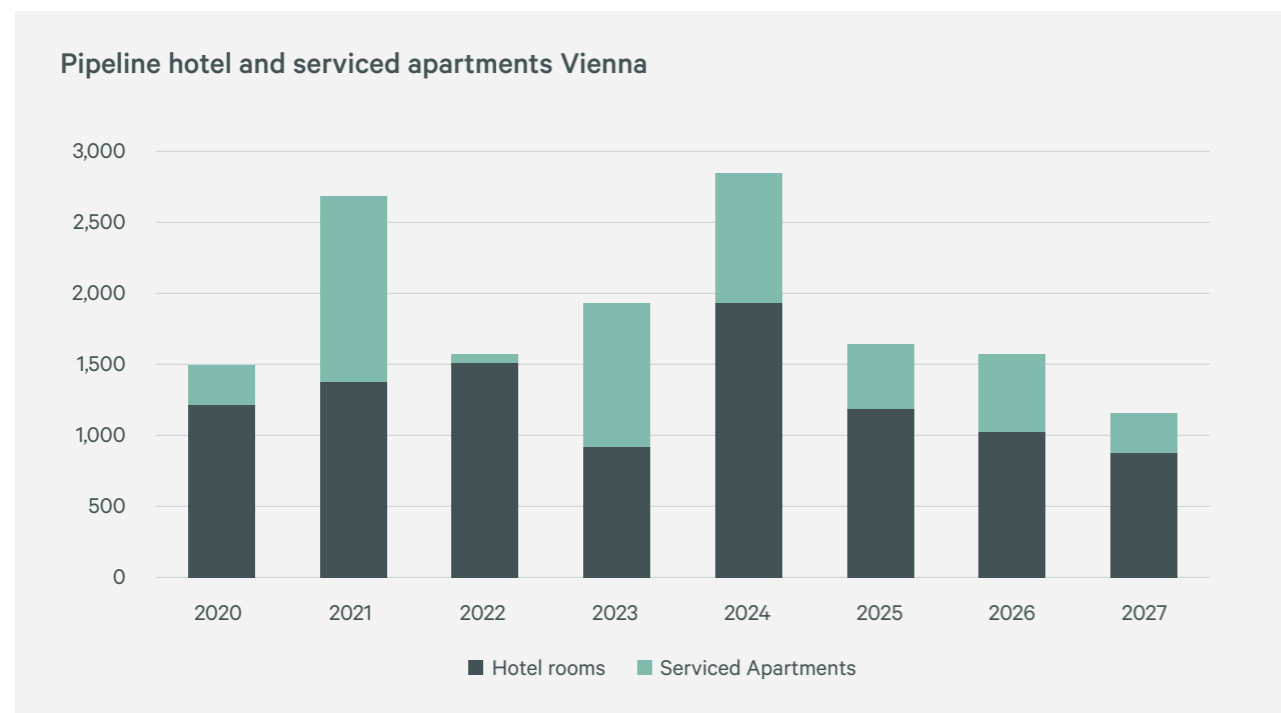
By the end of 2026, the completion of over 1,500 hotel rooms and serviced apartments in Vienna (including the airport area) is anticipated.

The focus of new hotel openings remains on Vienna's inner-city areas, where demand is most pronounced. At the same time, other well-connected locations are growing in importance: the area around Mariahilfer Straße and the vicinity of the Vienna main railway station are increasingly establishing themselves as preferred locations for new hotel developments.



Heatmap hotel & serviced apartments developments 2021-2030

Source: CBRE Research



Source: CBRE Research, Wien Tourismus

## Vienna attracts international hotel brands

International hotel operators and brands continue to show a strong interest in the Vienna market, as evidenced by a series of new market entries. A clear trend towards lifestyle hotel concepts is emerging. Examples include brands such as The Companion, TRIBE and Miiro, which have enriched Vienna's hotel portfolio this year.

HOTEL MARKET VIENNA

# Pipeline 2026/2027

## Selected Projects Hotels/ Serviced Apartments

### 2026

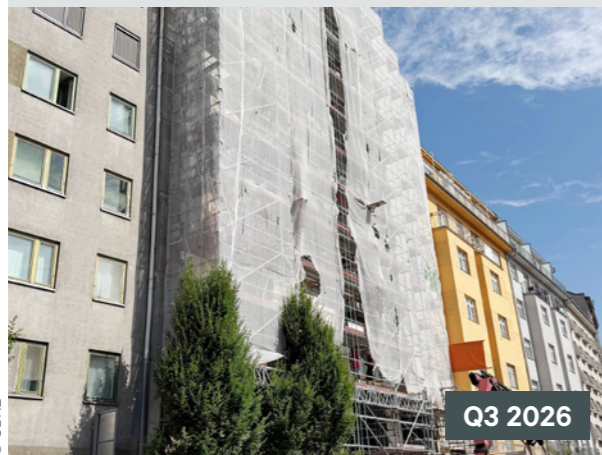
**Bob W. Vienna Döbling**  
19., Heiligenstädter Straße 40  
Upper Midscale, Apartments: 67



© Bob W

Q3 2026

**Hotel Schani Naschmarkt**  
6., Linke Wienzeile 130a  
Upper Midscale, Number of rooms: 90

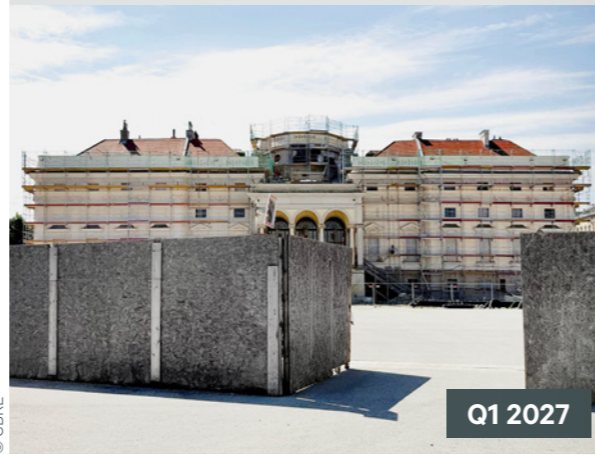


© CBRE

Q3 2026

### 2027

**Hotel Palais Schwarzenberg**  
3., Schwarzenbergplatz  
Luxury, Number of rooms: 100



© CBRE

Q1 2027

**magdas HOTEL Vienna Prater**  
2., Laufberggasse 12  
Midscale, Number of rooms: 103



© Atelier Heiss

Q2 2027

**Hotel Bristol**  
1., Kärntnerring 1  
Luxury, Number of rooms: 150



© CBRE

Q4 2027

**Hotel Quartier TwentyOne**  
21., Siemensstraße  
Midscale, Number of rooms: 100 + Apartments: 60



© Cserni

Q4 2027

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# Current Trends



## CURRENT TRENDS

# Moving away from in-house dining: Success strategies for luxury hotels

Hotel restaurants in the luxury and upper-upscale segments of the full-service hotel industry are traditionally not profitable outlets. High labour costs – Austria is 20% above the EU average in this regard – combined with adherence to traditional operating models that focus exclusively on hotel guests and largely ignore the local market, cement the restaurant's role as a pure cost centre.

The international response is the decoupling of food & beverage from hotel operations, with the concept of outsourcing hotel-owned F&B to third-party operators. This is increasingly becoming the international standard as a means of reaching the local population. Outsourcing restaurant outlets to prominent chefs and international F&B brands also brings immediate international visibility and increases the local capture rate.

Furthermore, mixed-hospitality models are on the rise, with hotels increasingly serving as a framework for specialised third-party operators who take over individual areas such as rooftop bars, restaurants and event spaces. The daypart-sharing model is also gaining traction – where the same space serves as a breakfast room in the morning, a co-working space during the day, and a trendy restaurant run by a prominent chef in the evening.

The Austrian hotel market is clearly moving towards separately managed F&B operations, albeit more slowly than the international competitive landscape. The hybrid model combining a traditional “Grand Hotel” with a modern lifestyle offering, featuring its own high-quality dining options, has become more and more important and is the model that appeals most strongly to both the local market and an international audience. Financially, this approach is clearly more sustainable due to lower costs and additional rental income or revenue-sharing arrangements. Targeted collaborations with local top chefs and regional winemakers can reach the local market and, thanks to familiarity and recognisability, attract not only the hotel's own guests but above all external visitors.

International contacts and celebrity chefs additionally bring fresh perspectives, create new and exciting dining offerings, and help create an environment that attracts skilled hospitality professionals with international experience while supporting their long-term career development.

## Other key trends

### Vienna as a congress and meeting destination

Around 7,200 congresses and corporate events took place in Vienna last year, generating over 2.5 million overnight stays. This means that approximately every eighth overnight stay in Vienna is now attributable to the congress and meetings segment. Vienna also remains a leading destination in international comparison: in 2024, the city still ranked first in the ICCA congress ranking; in 2025, it ranks fourth. This development is part of an overall very strong recovery since the COVID-19 pandemic, which is reflected in particular in the high number of large congresses this year. At the same time, this dynamic brings new challenges. The highly variable demand leads to significantly fluctuating ADRs, creating a challenging revenue management environment for hotel operators.

### Cost pressure for operators

Growing cost pressure poses major challenges particularly for full-service hotel operators. High staff and operating costs weigh heavily on margins and make stable profitability increasingly difficult. In contrast, select-service hotels and serviced apartments are significantly less affected by this trend. Thanks to their leaner cost structures, lower staffing intensity and more efficient operating models, they are better positioned to counteract rising costs and consequently remain comparatively highly profitable.

### Branded Residences

The hotel market is currently seeing a trend towards Branded Residences – a model in which residential units are sold under an established operator brand and complemented by comprehensive hotel services. This option is increasingly being explored by luxury hotel operators in Vienna, who pursue this model to strategically expand their business, generate steady revenue streams through service offerings, and sustainably strengthen their brand in the high-end real estate segment. A key advantage is often the ability to achieve higher selling prices through brand association.

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# Conversions



## CONVERSIONS

# Conversions as a response to limited new-build potential

In the wake of the hospitality industry's recovery from the COVID-19 pandemic, and against the backdrop of dynamic growth with new overnight stay records, the hotel asset class is becoming increasingly attractive for both developers and investors. At the same time, new-build potential – particularly in well-connected, inner-city locations – is severely constrained.

Against this background, the conversion of existing properties is of strategic importance. Conversions offer an efficient solution to the scarcity of available space and can provide advantages over new-build developments in terms of project timelines and costs, as demolition and extensive construction works are avoided.

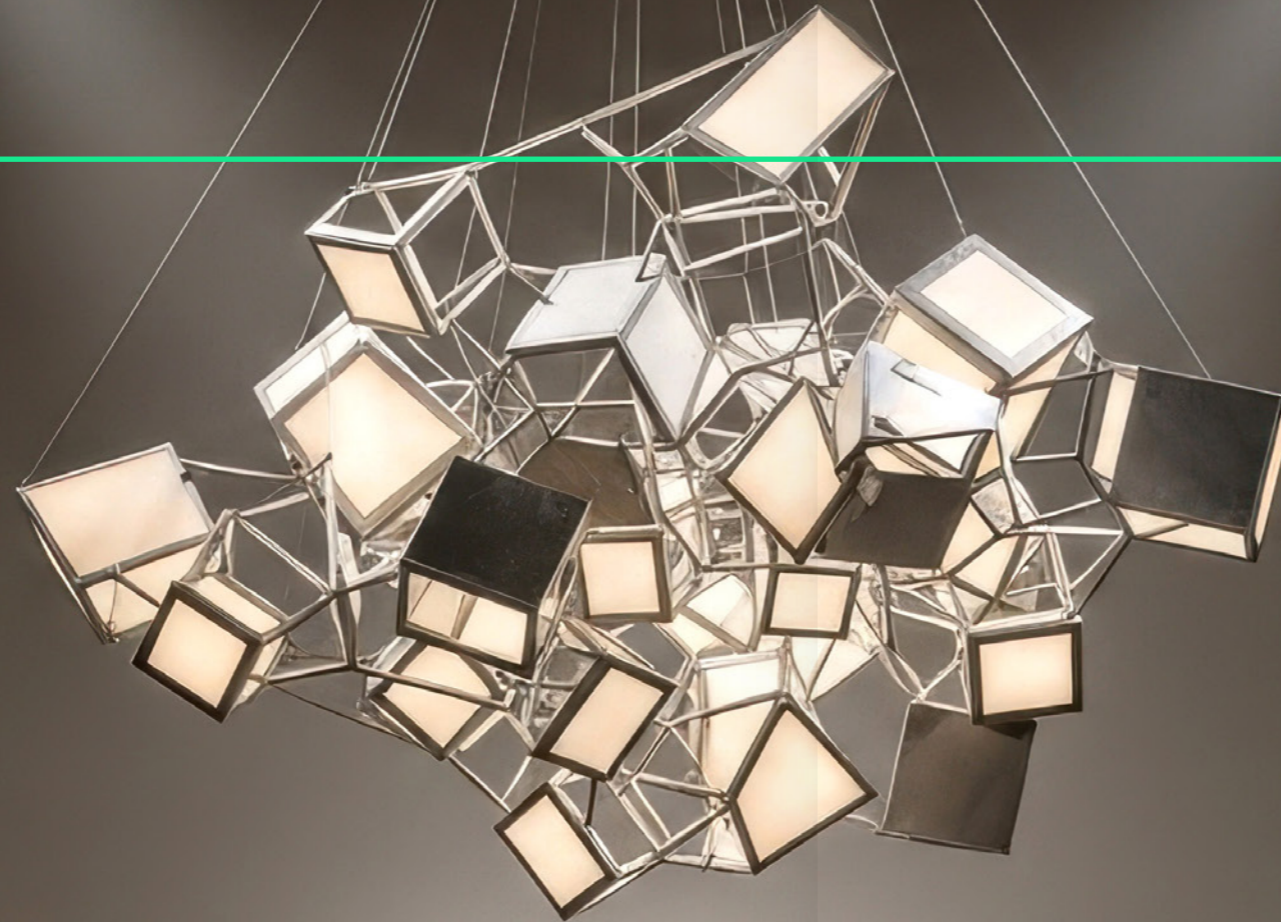
A key prerequisite is that the existing use of a building permits a functionally viable conversion. In practice, residential and office properties are most frequently assessed for their suitability for conversion into hotels or serviced apartments.

The Vienna market already offers several high-quality examples of successful conversions: the current Mandarin Oriental was developed from the former premises of the Vienna Commercial Court. The Hoxton in the 3rd district is also the result of a conversion, having previously been occupied by the Austrian Chamber of Commerce. A further example is the Ruby Lissi Hotel in the 1st district, which was likewise converted from a former office building.



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# Investment



INVESTMENT

# The third-best hotel investment year on record

The Austrian hotel investment market continued to gain momentum in 2025. With a transaction volume of around EUR 550 m, an increase of 57% compared to 2024 was recorded, representing the third-best result ever achieved in the Austrian hotel investment market.

Market activity was significantly shaped by several large transactions, most notably the Vienna Marriott Hotel, the Grand Hotel Wien and the 25hours Hotel. In addition, a large number of small to medium-sized transactions were registered, indicating broad market activity across all ticket sizes.

2026 also started very actively, with a transaction volume of EUR 167 m. Two larger deals were already concluded in the first quarter, including the Andaz Vienna.

In recent years, a clear return of international capital to the Austrian hotel investment market has been observed, particularly following a period of restraint between 2020 and 2022. While smaller transactions are frequently driven by private Austrian investors, the capital for larger deals is increasingly coming from abroad.

### Prime yields expected to remain stable

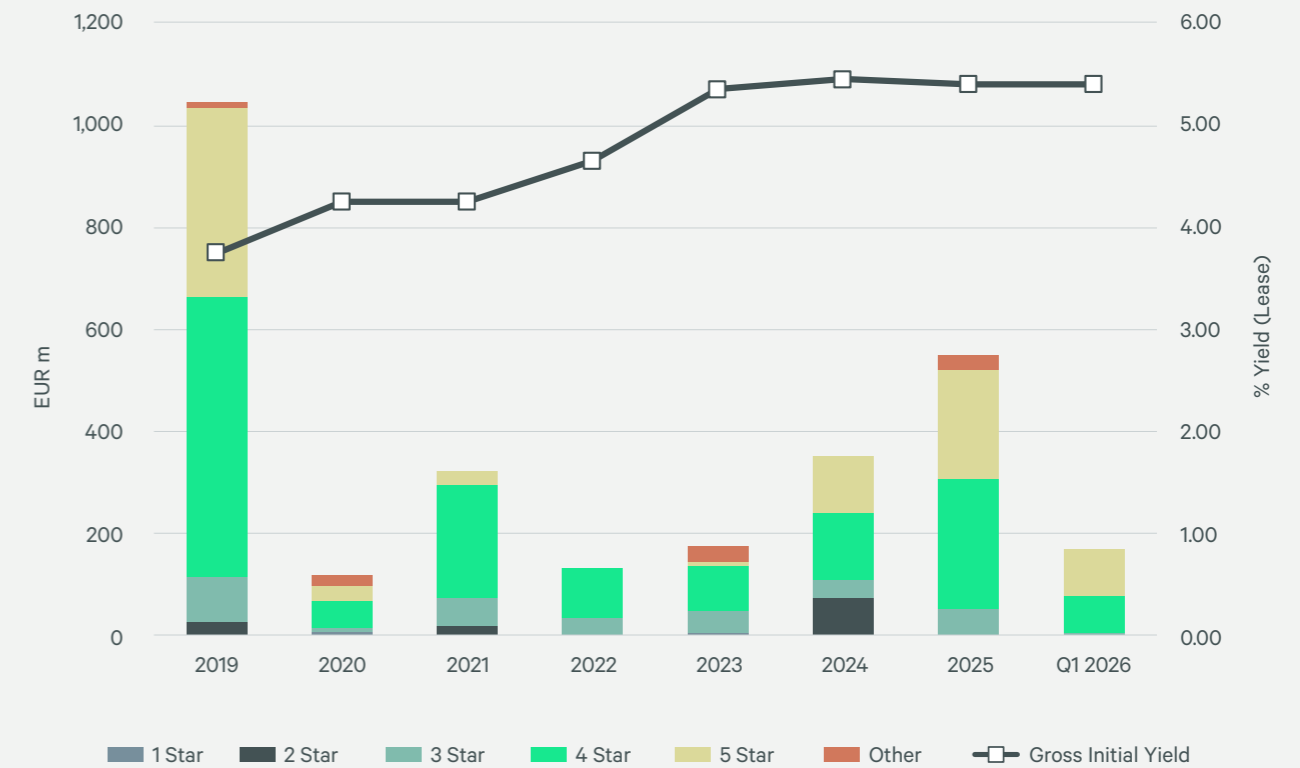
The prime yield for hotels with lease contracts currently stands at 5.40%, while management contracts command a significant yield premium at around 6.60%. Prime yields are expected to remain stable until year-end. In Vienna's inner city, yield discounts of up to 200 basis points are possible.

### Market environment remains challenging

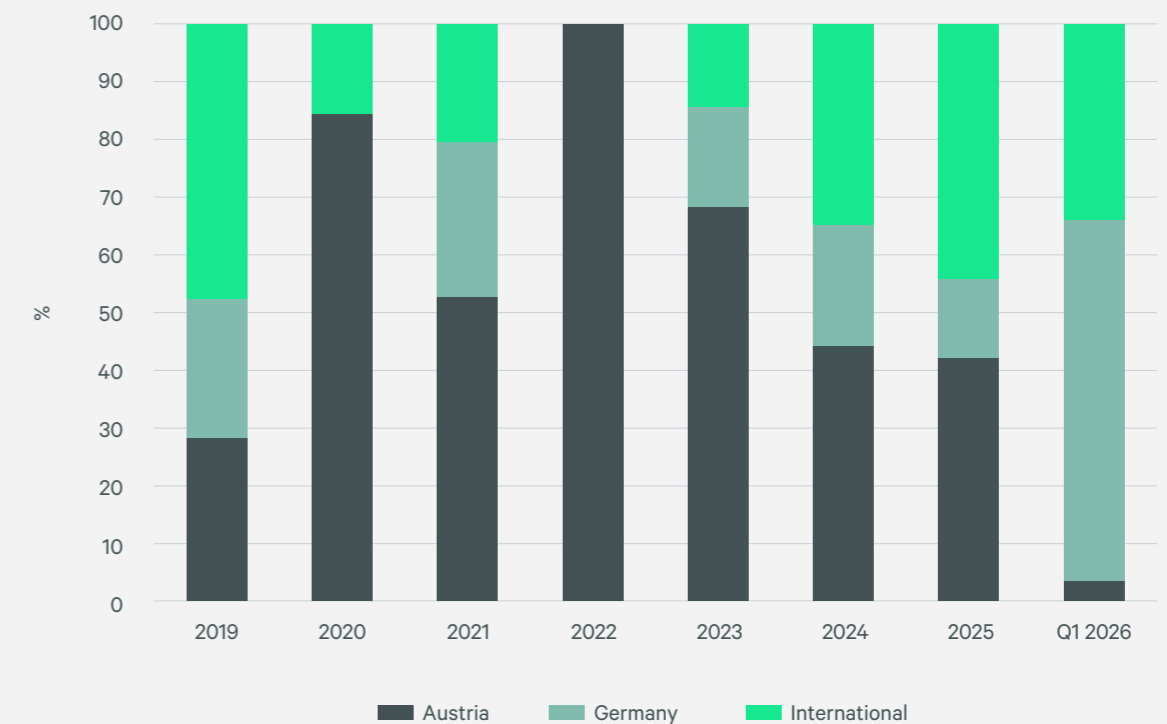
In CBRE's 2026 European Hotel Investor Intentions Survey, over 90% of investors stated they intend to maintain or increase their capital allocation to hotels in 2026. Value-add strategies remain dominant, but interest in opportunistic approaches is rising from 15% in 2025 to 25% in 2026. The most frequently cited reasons for hotel investments are more optimistic return expectations and attractive pricing levels. Nevertheless, rising operating costs and geopolitical uncertainties are regarded as the greatest challenges for investors.

For 2026, the market environment is expected to remain characterised by high product availability, while simultaneously remaining challenging. Although significant product is on the market, the likelihood of deal closings is substantially influenced by the geopolitical situation and the resulting macroeconomic conditions.

Investment volume Austria by hotel category & gross initial yield



Investment volume by investor origin



Source: CBRE Research

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