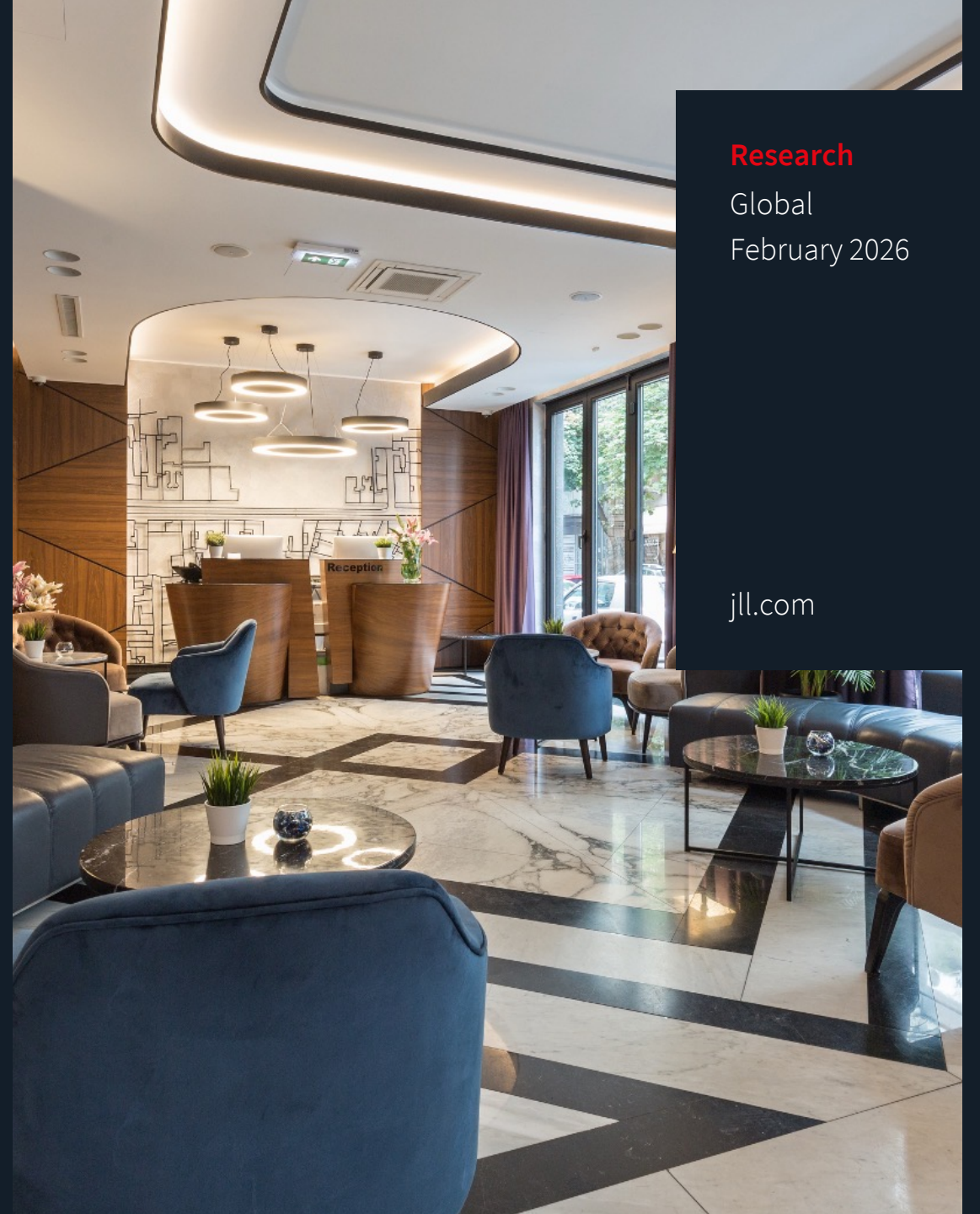


# 2026 Global Hotel Investment Outlook

Improving liquidity dynamics for hotel sector even as  
operating performance is more uneven



Research

Global

February 2026

[jll.com](https://www.jll.com)



## Key themes for 2026



Liquidity turns the corner with 2025 hotel transactions up 22% from 2023 trough



Debt markets for hotels increasingly strong; large loans are back



Hotel sector resilient across cycles; share of global transactions back to long-term average



Cross-border capital increasing, but inter-regional “long-haul” capital flows still lagging



Travel volumes robust and slated for 4.9% additional growth in 2026



RevPAR growth moderating after multi-year above-average trend



Liquidity for large-scale and luxury transactions building, driven by investors’ rebounding confidence in sector



Slowing supply means more competition to brand existing assets; a value driver for unencumbered assets





# Hotel market fundamentals

# 01





# International travel recovers globally but regional variances persist

Globally, international tourist arrivals surpassed pre-pandemic levels in 2025. Middle East/Africa, Europe and Americas exceed pre-pandemic levels while APAC lags.

Europe rebounded to pre-pandemic tourist arrivals in 2024 and saw 3.8% further growth in 2025. Western Europe delivered solid growth with arrivals 5% above pre-pandemic levels, and Southern Europe is 3% higher than 2019.

Middle East/Africa experienced a continued surge in tourism with global tourist arrivals up over 28% compared to pre-pandemic figures in 2025. In 2025, international arrivals to countries in Africa rose 7.8%, while the Middle East saw 3.3% growth.

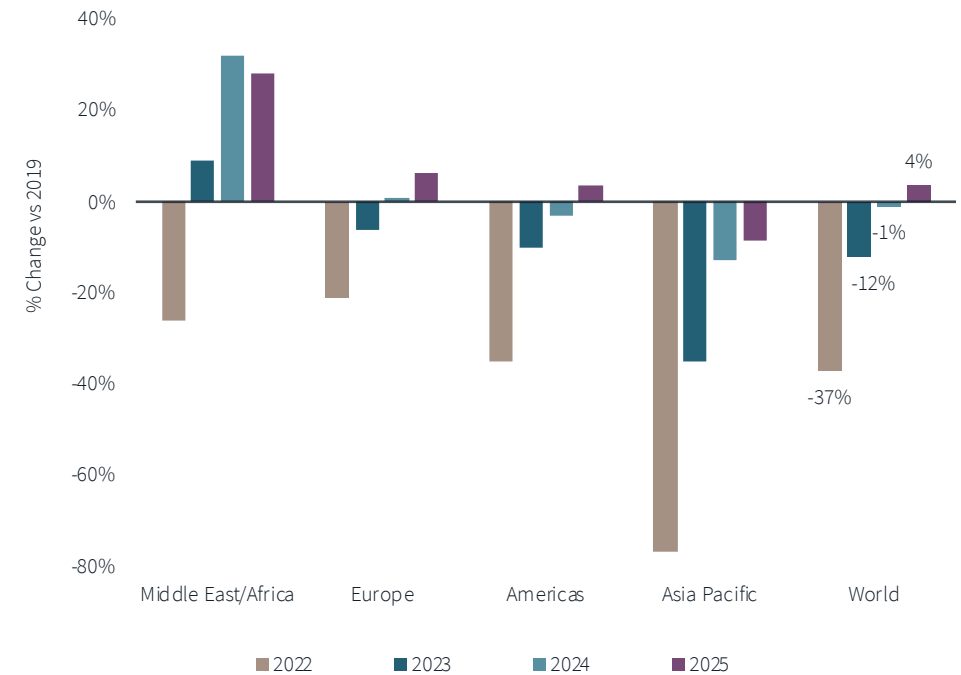
The Americas saw a lesser 1% growth in international arrivals in 2025, with growth impacted by relatively slower international arrivals into the U.S., especially in the second half of the year.

International arrivals in APAC rose by 6.3% in 2025 but still trail 2019 figures by 8.7%. Northeast Asia saw 17% growth in international arrivals in 2025, though volumes remained 12% short of 2019 amounts.

For 2026, we expect to see continued growth in international travel volumes globally, which will bring APAC volumes closer to pre-pandemic averages.

Europe inbound international traveler volumes above pre-pandemic levels while APAC region still lags

**International tourist arrivals vs. 2019 by region**



Source: JLL Research, UN Tourism



## Global air passenger volumes expected to grow 4.9% in 2026

According to IATA’s forecast, global passenger traffic is projected to grow 4.9% year-over-year in 2026, reflecting a slight deceleration from 2025 but remaining consistent with long-term historical averages.

This indicates the aviation industry’s transition from recovery-driven growth to sustainable expansion.

APAC leads the global growth forecast with a robust 7.3% increase, driven by strong travel patterns in India, China and Vietnam. These markets benefit from growing middle classes, and rising disposable incomes that fuel both domestic and international travel demand. The interconnected nature of Asian

markets creates additional cross-border travel opportunities.

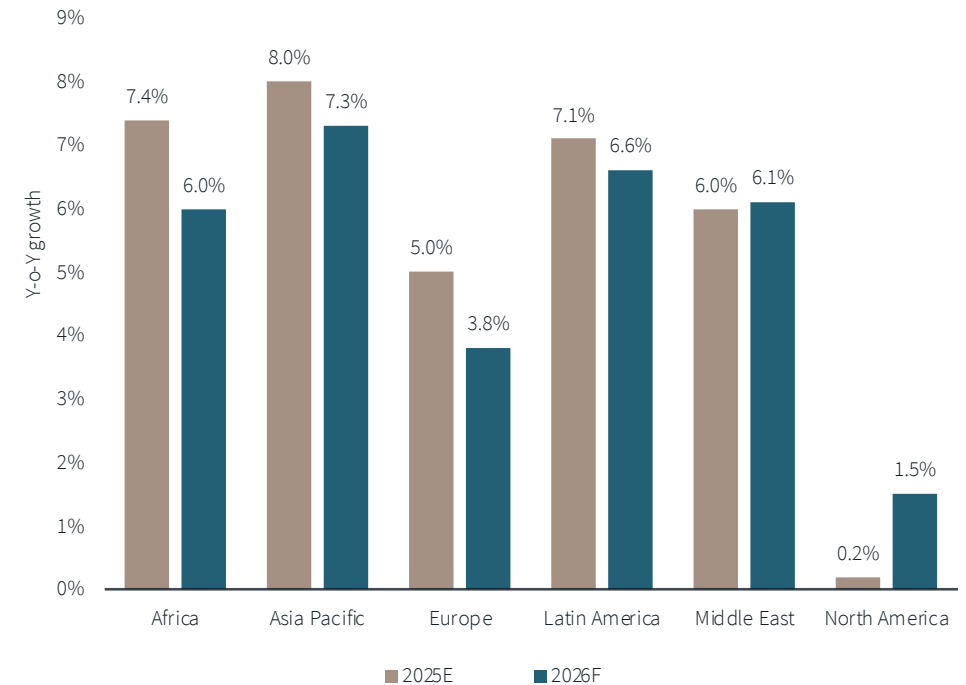
North America will experience more modest 1.5% year-over-year growth, reflecting market maturity and already-high travel penetration rates.

However, this represents improvement from 2025 which saw some impact from economic and policy uncertainty.

These divergent regional patterns highlight aviation’s shifting center of gravity toward emerging Asian markets, while developed regions settle into slower but more sustainable growth trajectories.

APAC is anticipated to record the strongest growth in 2026

Passenger traffic annual growth by region



Source: JLL Research, IATA



## Slower supply growth will underpin performance of existing hotels

The global hotel market exhibits significant regional variations in supply concentration and construction activity, with APAC and Middle Eastern markets generally seeing the highest development momentum.

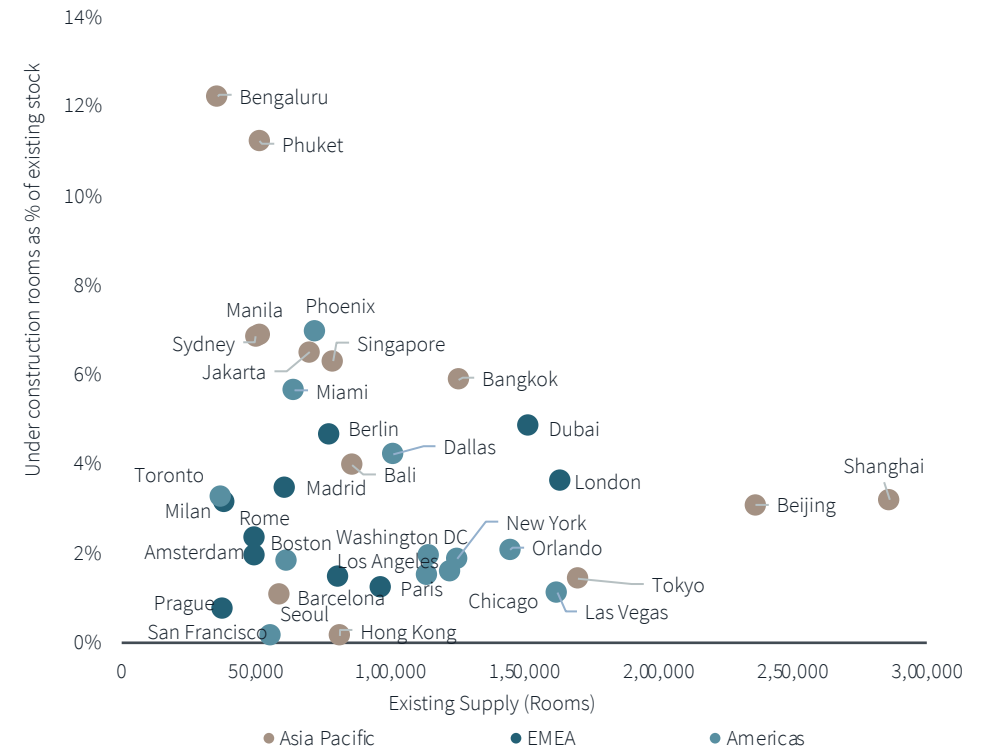
Shanghai maintains a relatively hotel modest construction pipeline representing just over 3% of existing stock while Bengaluru and Phuket have under-construction inventory exceeding 12% and 11% of existing hotel stock, respectively.

Mature hospitality markets in the U.S. and Europe display below average supply pipelines, leading to favorable supply and demand

dynamics in many markets. London's hotel construction activity is under 4% of existing stock. Dubai's under construction pipeline represents 5% of existing stock, a figure that has slowed from the past cycle as the market matured.

The constrained supply growth in the U.S. is a function of heightened development and financing costs, with most major cities including New York, Los Angeles, and Chicago showing construction pipelines below 2% of existing supply, which will underpin the performance of existing hotels.

Numerous large travel destinations to see low new supply deliveries over the next several years



Source: JLL Research, CoStar



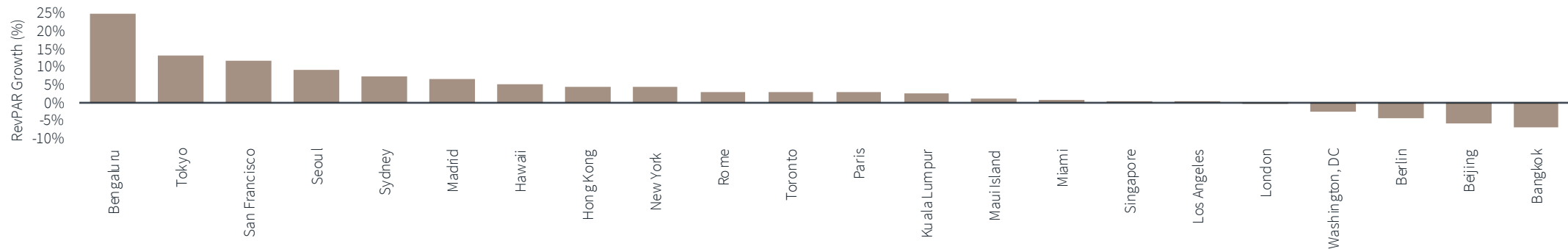
# Performance likely to be more uneven across markets globally during 2026

In 2025, top global markets experienced varied RevPAR performance stemming from several factors including post-pandemic recovery patterns, the pace of the return of business transient travel and differences in supply additions. Cities like Miami which led the way in pandemic recovery have normalized over the past several years while initial laggards like San Francisco and some cities in APAC experienced outsized growth in 2025.

Economic and geopolitical factors create additional performance divergence

across these markets. Currency fluctuations impacted international visitor flows, while local economic strength influenced both business and leisure travel. Regulatory environments, including travel restrictions and tourism policies, continue to influence visitor volumes across regions. Markets like Bengaluru are benefitting from significantly increased office leasing and business travel while some U.S. gateways faced reduced international tourist arrivals or shifts in travel patterns particularly from Canada.

## Hotel revenue per availability room growth varies by market during 2025



Note: RevPAR growth is based on RevPAR converted to USD based on a constant currency rate. 2025 RevPAR data pertains to YTD November  
 Source: JLL Research, CoStar



# The year ahead – tailwinds and headwinds by region

Looking across 2026, hotel performance and liquidity will be influenced across different factors in each region, with a number of demand tailwinds on the horizon, along with selected looming risks.

Region	Americas	EMEA	APAC
<b>Tailwinds</b>	<ul style="list-style-type: none"> <li>• Transactions market on firm rebound</li> <li>• U.S. hosting 2026 FIFA Soccer World Cup (16 host cities)</li> <li>• U.S. Centennial celebrations</li> </ul>	<ul style="list-style-type: none"> <li>• Region should generally see strongest fundamentals globally in 2026</li> <li>• UK / Europe currently the biggest beneficiary of cross border capital flows</li> <li>• Demand for authentic experiences is unlocking new destinations beyond traditional tourism hubs</li> </ul>	<ul style="list-style-type: none"> <li>• Most APAC gateways among best-performing RevPAR markets globally</li> </ul>
<b>Headwinds and risks</b>	<ul style="list-style-type: none"> <li>• Union negotiations across several major markets impacting underwriting</li> <li>• Inbound travel to U.S. to remain below potential, especially from Canada</li> <li>• Canada to continue to benefit from domestic travel strength</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of saturation in growth rate of inbound tourists amid economic uncertainty</li> <li>• "Over-tourism" risk displacing demand from traditional hotspots</li> <li>• Despite a decrease in headline inflation, persistent secondary inflation and rising labor costs impact hotel profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Geopolitical tensions in Thailand impacting travel</li> <li>• China performance continues to be relatively weak</li> </ul>
<b>Investment hot pick for 2026</b>	<b>Luxury resort and trophy assets</b>	<b>London / UK and Southern Europe</b>	<b>Tokyo / Japan as a whole</b>
<b>Proof point</b>	Transactions volume for deals \$100M+ rose 20% in 2025	Operators partnering with capital to pursue strategic assets to rebrand hotels	Goldman Sachs raising \$500M fund targeting Japan hotels – aiming to close end of Q1 2026

Source: JLL Research



## Spotlight on large events – 2026 FIFA Soccer World Cup in U.S.

Large events like the 2026 FIFA Soccer World Cup are likely to buoy performance in cities across the U.S.

Over the past decade, major events like the Super Bowl boosted annual market revenue per available room (RevPAR) by an average of 2.8 percentage points beyond what the growth would have been based on national growth levels had it not been for the event.

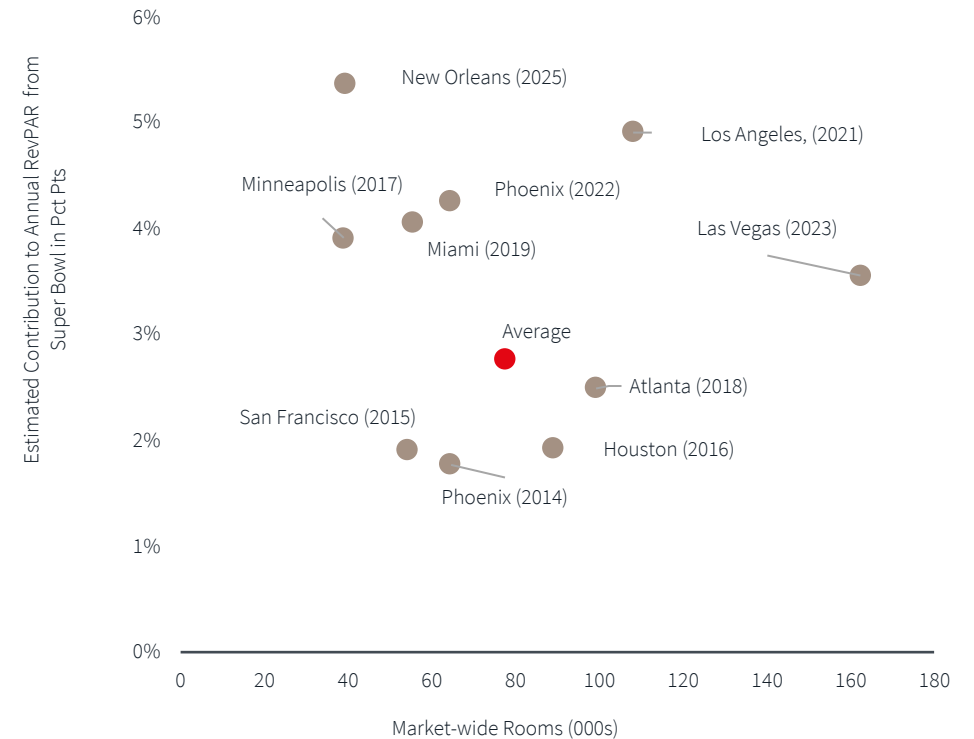
Smaller markets like New Orleans experienced a greater impact over five percentage points of growth in the full-year driven by the event.

Given soccer's growing popularity in the U.S. since last hosting the World Cup in 1994 and strong global appeal,

host cities stand to see RevPAR increases comparable to multiple major sporting events due to heightened international and domestic demand coupled with significant rate increases.

With over 70 games across 39 days in the U.S. in the summer of 2026, selected host cities are slated to experience mid-double digit RevPAR growth in 2026, depending on market size and whether the games take place during a seasonally slower time like Miami in the summer.

Investors' eyes on hotel demand boost as the U.S. hosts the World Cup for the first time since 1994



Sources: JLL Research, CoStar



## Low luxury supply growth positioning sector to be long-term winner

Global wealth has risen by a 9.6% compound annual growth rate (CAGR) from 2015 to 2025, driving demand for luxury hotel and resorts.

The S&P Global Luxury Index demonstrated a 7.7% CAGR over the past ten years. Luxury consumer spending patterns are outpacing overall economic growth and fueling interest in luxury travel and experiences.

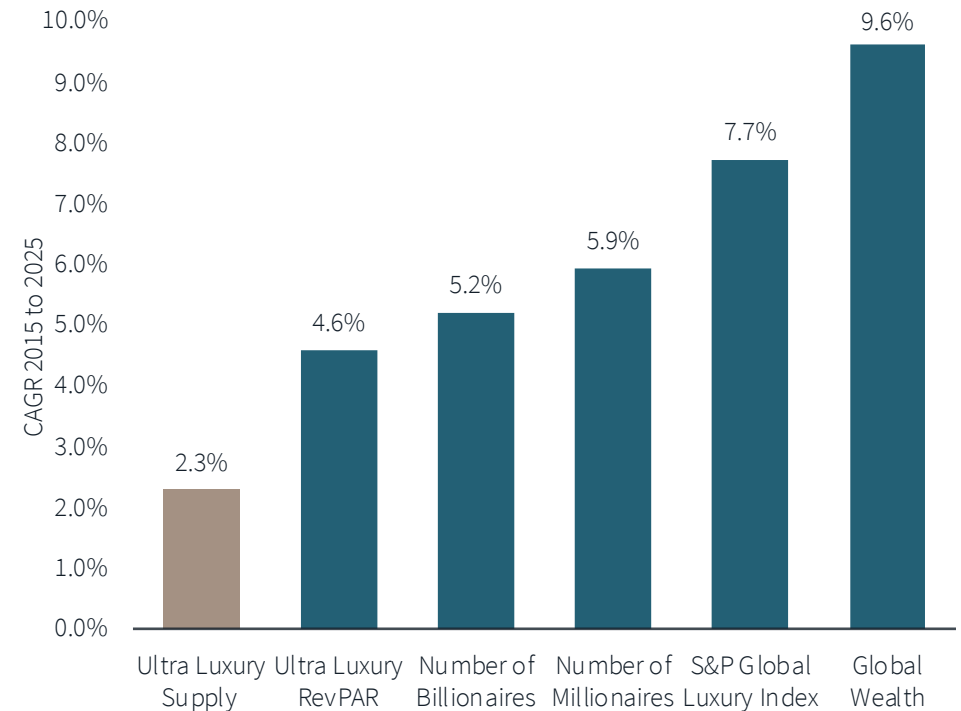
The Ritz-Carlton Yacht Collection set sail in 2022 and Four Seasons and Aman are launching luxury yachts. Luxury cruise passengers rose from 310,000 in 2021 to 1.1 million in 2024 according to Cruise Lines International Association.

Ultra luxury hotel supply, on the other hand, has grown at a slower pace given elevated construction costs and high entry barriers in prime locations.

The gap between wealth creation, luxury spending, and ultra luxury hotel supply presents a compelling investment opportunity in the ultra luxury hospitality sector, supported by expanding high net worth demographics and limited competitive supply additions.

While transactions in the highest-end hotel segment have been more subdued given longer-term oriented owners, liquidity stands to improve in 2026.

Supply of luxury hotel rooms growing at more tepid pace than demand as evidenced by key comparisons



Notes: Luxury supply pertains to all countries globally for which continuous annual data set is available from 2009-2025

Source: JLL Research, CoStar, UBS Global Wealth Report, public filings



# Capital markets and liquidity trends

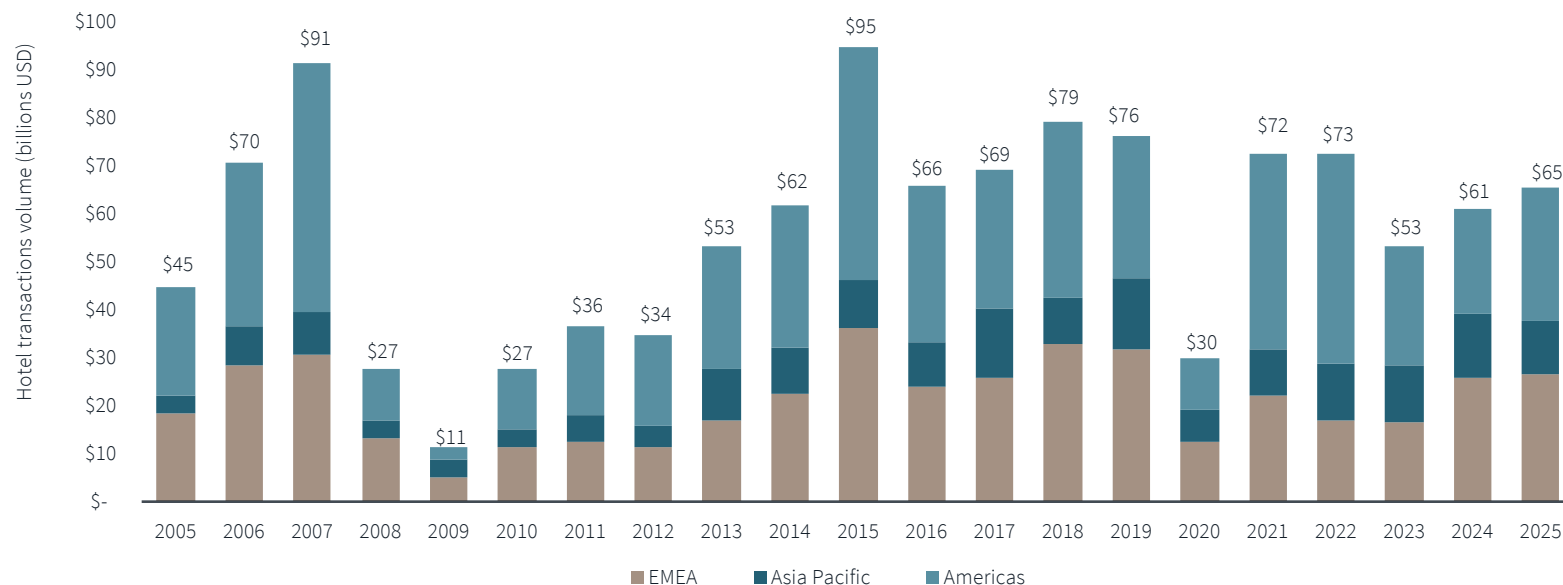
# 02





# Hotel transaction volumes on solid rebound, direct investment in 2025 is up 22% from 2023 trough

## Hotel transaction volumes by region



Pertains to transactions \$5 million and above; excludes casino transactions. Includes entity-level transactions where bulk of value was driven by the underlying real estate that traded  
Sources: JLL Research

2025 hotel transactions volume growth by region

**Americas**  
**+27%**

**EMEA**  
**+4%**

**APAC**  
**-20%**

**Global**  
**+7%**



# Americas region accounts for increased share of transaction volumes in 2025 and more liquidity drivers on horizon for 2026

Despite geopolitical uncertainty and weakening U.S. fundamentals in 2025, late-year transaction volume increases and improved debt market liquidity point to a stronger outlook for 2026. Expectations for continued interest rate cuts and significant dry powder position the market for notable growth, with expectations for further growth in transaction volumes, driven by larger transactions sizes. While hotel operating fundamentals are softer, select markets are positioned for outsized RevPAR growth.

## Key themes to watch across the U.S. include

### New York to top transactions activity

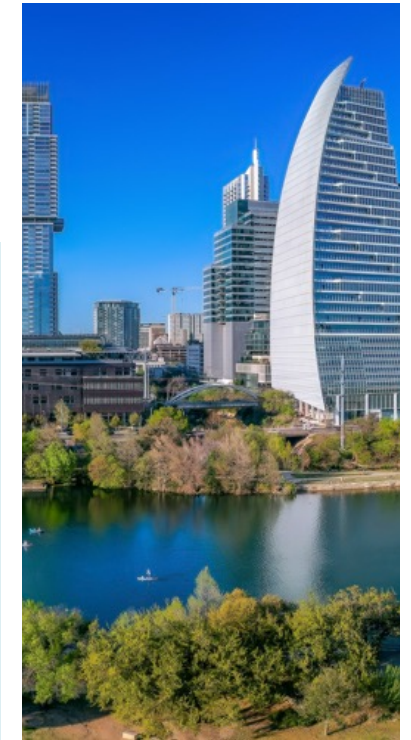
New York was the most liquid hotel market in the U.S. in 2025. With historically low new supply because of changes in the city's zoning regulations and increased liquidity dynamics, this will create opportunities for owners looking to monetize their investments. However, risks remain including union contract renegotiations, potentially slower international visitation and the impact of policy shifts made by the new mayoral administration.

### Large-scale events to drive performance

The 2026 FIFA Soccer World Cup and America's 250th anniversary celebrations are expected to generate significant lodging demand spikes in major U.S. cities like Boston, Philadelphia, Washington, D.C., Los Angeles, New York and Miami. This should strengthen hotel operating fundamentals and potentially accelerate investment activity in markets where these events will be concentrated, providing a demand-side catalyst to complement the favorable financing environment driving transaction opportunities.

### Private equity firms on offense

Private equity firms are positioning themselves to deploy capital in situations involving balance-sheet stress, portfolio transactions, or recapitalizations, along with the ability to acquire high-quality hotels below replacement cost. The \$88 billion in debt maturities over the next two years will catalyze an uptick in transactions, particularly for owners pressured by cost and capital expenditure increases.





## Americas region accounts for increased share of transaction volumes in 2025 and more liquidity drivers on horizon for 2026 (continued)

### Market bifurcation and quality premium in focus

The investment landscape shows clear bifurcation, with high-performing luxury assets in prime locations attracting strong investor interest while some lower-tier properties struggle with weaker demand fundamentals. This divergence may reduce overall deal count in 2026, which will be counteracted by larger average transactions sizes, with institutional-quality assets expected to dominate dollar volume. Cross-border capital, particularly from the Middle East, remains in early engagement stages, focusing primarily on gateway cities and luxury properties.

### Attractive investment window has emerged

Hotels currently present compelling relative value within commercial real estate, with cap rates estimated 50-100 basis points wider than one year ago despite declining interest rates. This unusual market dynamic creates a potentially attractive investment opportunity, particularly in the first half of 2026, as investors who position themselves before looming cap rate compression could benefit from both improving fundamentals and valuation upside as financing costs continue to decline.

### Risk of a slow down in equity markets and/or consumer spending

Despite the S&P Index gaining over 16% in 2025, any correction in the equity markets, particularly one tied to inflated expectations around artificial intelligence could weaken the consumer, which would impact lodging fundamentals.





# Hotel sector in EMEA to represent compelling relative value proposition in 2026

The era of uniform recovery is over. In 2026, the EMEA hotel market will be defined by a great strategic sorting, separating assets with a clear purpose from the rest. While a supportive economic backdrop and available capital provide a strong foundation for investment, success will no longer be about market participation. Instead, it will be driven by the targeted deployment of capital into distinct opportunities, from trophy assets to complex value-add repositionings.

## Key themes to watch across EMEA

### The great divergence: Quality and experience to command the premium

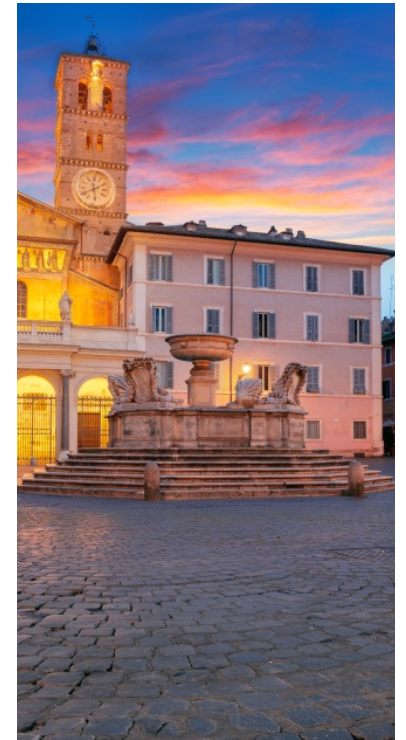
The central theme for 2026 will be a widening performance gap. Armed with greater transparency and AI-powered tools, consumers will become increasingly discerning, accelerating demand for high-quality, experience-led assets. This will force a reckoning for undifferentiated hotels, creating a clear "anchor vs. facilitator" dynamic. Properties that fail to establish a distinct identity will face declining demand, presenting prime opportunities for investors focused on strategic repositioning and rebranding.

### Concentrated capital flows

UK, Southern Europe, and the rise of the Nordics: investment activity will be highly concentrated in three key regions. The UK will serve as a bedrock of stability, with London attracting trophy hunters while regional cities offer compelling yield. Southern Europe will be the epicenter of leisure-driven growth, with Spain's top markets leading in performance, while Italy and Greece will attract capital for value-add plays. Concurrently, the Nordics will solidify its position as a core institutional target, drawing in new international capital with its unique blend of stability and growth.

### Global wealth targets irreplaceable Europe

Growing global wealth will have a disproportionate impact on Europe. The continent's high concentration of enduring, irreplaceable, and historic markets makes it a primary target for Ultra-High-Net-Worth Individuals (UHNWIs) and family offices. This capital is chasing not just stable returns but the unique opportunity to own a piece of cultural heritage. This dynamic will fuel intense competition for trophy assets in gateway cities and luxury resorts, further strengthening the investment case for the high-end of the market.





# Hotel sector in EMEA to represent compelling relative value proposition in 2026 (continued)

## The capital landscape: private equity and owner-operators to dominate

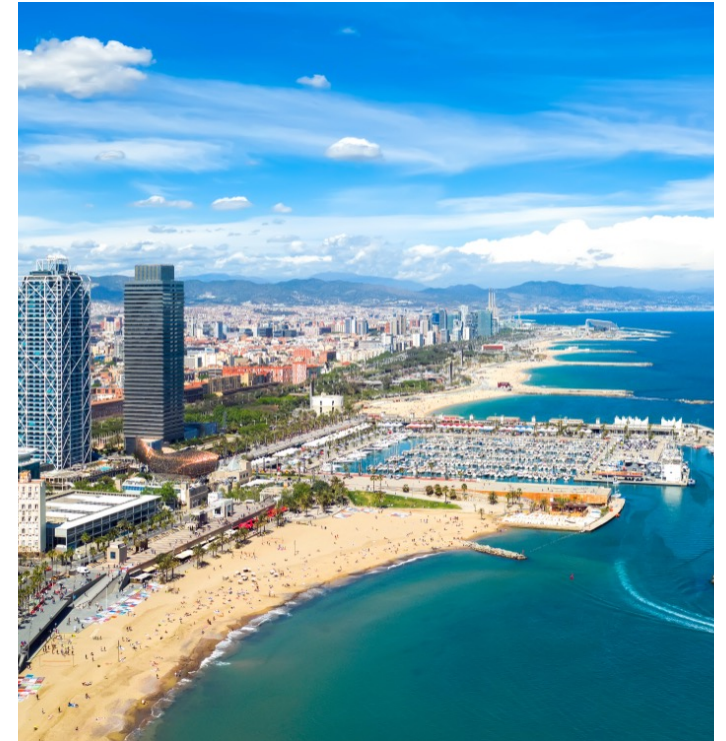
The transactional landscape will be driven by two distinct but powerful capital sources. Private equity firms, with substantial dry powder, will be on offense, targeting not only value-add opportunities and assets below replacement cost but also exploring recapitalizations to optimize existing holdings or inject fresh capital. In parallel, well-capitalized owner-operators will remain highly competitive, leveraging their lower cost of capital and deep operational expertise to acquire strategic assets or recapitalize their balance sheets to fuel long-term platform ambitions.

## A compelling relative value proposition has emerged

The hotel sector's investment case is strengthening significantly. Its share of total commercial real estate investment reached a recent high in 2025, and we expect it to consolidate this increased allocation as hotels demonstrate superior demand fundamentals compared to more cyclical property types. This structural appeal is compounded by a muted construction pipeline, where high replacement costs provide a strong floor for the value of existing assets. With cap rates still attractively priced, an investment window has opened for investors to act before sentiment fully catches up.

## Smarter consolidation

Nuanced strategies for brands and operators. Consolidation will evolve with more nuanced, strategic approaches. For global brands, the focus will shift from pure M&A toward nimble hybrid partnerships with niche and challenger brands to quickly fill specific portfolio gaps. In the operator space, a different consolidation phase will emerge. Here, strategic M&A will be used to achieve scale, as operators vie to become one of the few regional champions with the superior technology and platform required to meet the stringent demands of institutional capital.





# APAC investment outlook for 2026: resilient travel volumes and growth in transactions activity

Travel and hotel demand across APAC is expected to remain resilient in 2026. Hotel investment volumes in the region are expected to rebound to 2024 levels in 2026. Liquidity is expected to remain concentrated in the core markets of Japan, Australia, Greater China, South Korea, and Singapore.

## Key markets that will be on investors' radar in 2026 include:

### Japan

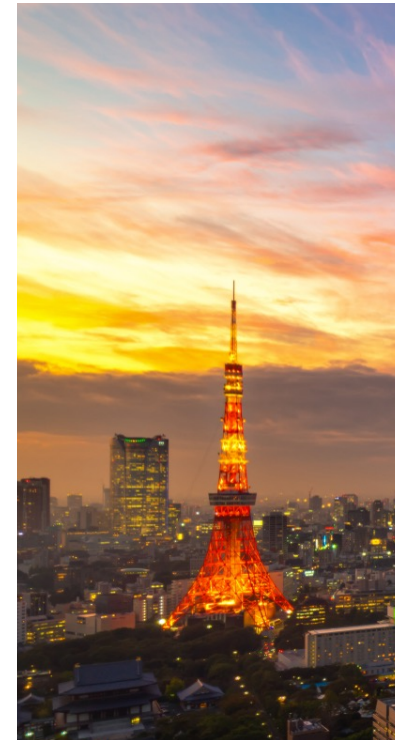
Japan is set for strong performance in 2026, driven by continued liquidity and institutional investment in midscale/limited-service properties. Accelerated disposal activity reflects tourism momentum, foreign investor interest, and domestic demand. Real estate tokenization is growing rapidly, with platforms like Mitsui Digital leveraging low yields for higher valuations. Tokyo, Osaka, Kyoto remain under-the-radar opportunities while Okinawa resort sales are slated to drive activity. Japan is forecast to represent 35-40% of total APAC hotel transaction volumes in 2026.

### Singapore

Singapore is emerging as a safe-haven destination with strong investment momentum. 2025 showed robust activity with boutique properties commanding premium prices per key, as owners began divesting assets. Market fundamentals remain attractive with positive yield spreads over borrowing costs, driving strong investor demand. This momentum positions 2026 as a potentially exceptional year for Singapore's hospitality investment sector, with the combination of quality product availability and favorable financing conditions creating optimal investment conditions.

### Australia

Asian capital is driving a significant market uptick that began in 2025 and is expected to continue through 2026. International investors from Asia are acquiring assets from domestic funds and property owners, focusing on strategic, long-term investments rather than short-term gains. Activity is concentrated in both premium branded properties and mid-market segments, indicating broad-based demand across different asset classes as Asian investors expand their portfolios in this market.





## APAC investment outlook for 2026: resilient travel volumes and growth in transactions activity (continued)

### India

India represents the most promising growth opportunity, with major players redirecting focus from China. Strong domestic momentum combines with rising international tourism, while market institutionalization accelerates. Public markets are performing well, evidenced by significant IPOs like Leela. Enhanced connectivity will further boost prospects. However, two key challenges persist: limited product availability and financing constraints that could impede growth potential despite the otherwise favorable market conditions and investor sentiment.



### Hong Kong

The year 2026 is expected to represent a good year to evaluate investment opportunities in Hong Kong. Hospitality is outperforming most of the other asset classes. An additional liquidity driver is the potential to reposition hotel assets to PBSA and co-living conversions.





## Hotel sector’s share of transactions resilient; pandemic losses recovered

Over the past nearly 20 years, the hotel sector has accounted for 7% of direct investment volumes globally. This proportion dipped notably during the GFC, and in 2020 and 2021 amid pandemic disruptions.

The hotel sector has shown notable resilience, rebounding and even surpassing this long-term average, signifying that investment dynamics are again more normalized.

The four main property sectors have undergone notable shifts in the share of investment they attract. The office sector went from seeing the highest liquidity of all sectors through 2020, after getting surpassed by the living / multi-housing sector as the largest transacted asset class.

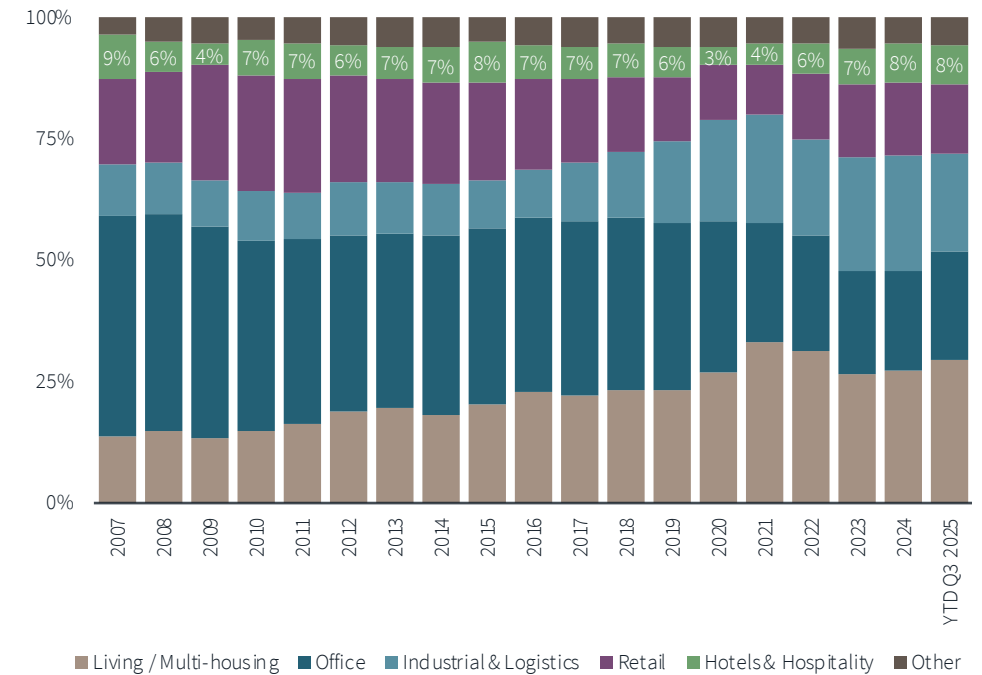
At the same time, industrial and logistics assets have attracted a greater share of liquidity.

Retail sector dynamics were under pressure in the years leading up to the pandemic amid increased e-commerce adoption and directly following the pandemic but have also regained share.

The long-term trend is clear – the hotel sector, while having being tested during extraordinary timeframes, has a proven track record of bouncing back, and continued growth in investment share is anticipated for 2026.

Hotels accounting for approximately 8% of global investment volumes, in line with previous highs

**Sector share of investment globally (%)**



Sources: JLL Research



## Cross-border capital trends, while still below last cycle’s norms, turn corner and signify sector’s appeal

Cross-border capital invested into the hotel sector reached an all-time high in 2015 and 2016, driven by Asian and Middle Eastern outbound investment.

The years directly following the pandemic onset saw significantly lower cross-border capital flows into the hotel sector as owners were managing complexities with existing portfolios; living and industrial and logistics sectors saw a surge in cross-border investors’ interest.

Led by hotel acquisitions in the UK and Europe, 2024 and 2025 saw a rebound in cross-border capital, with activity driven by both single-asset and portfolio transactions in the UK.

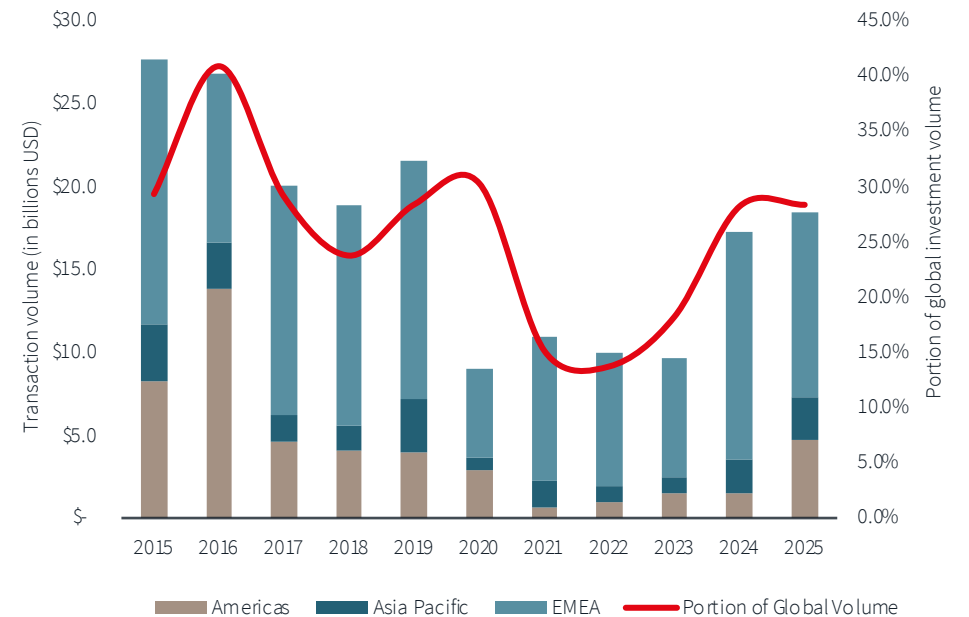
However, a significant share of these cross-border trends are Intra-regional, with “longer-haul” inter-regional capital flows still lower.

The U.S. has lagged, but notable cross-border transactions closed in 2025, to include KSL Capital Partners’ and Rodina’s purchase of Playa Resorts from Hyatt Hotels for \$2 billion, along with Equinox Hotel New York sale by Related Companies to Mori Trust Co, Ltd and Henderson Park’s purchase of PGA National Resort from Brookfield.

Hotels’ relative value thesis is expected to lead to an increase in cross-border acquisitions in 2026.

As with other property sectors, EMEA region tends to lead with volume of cross-border capital

### Cross-border capital flows to hotel investments



Pertains to transactions \$5 million and above; excludes casino transactions. Includes entity-level transactions where bulk of value was driven by the underlying real estate that traded. Transactions volumes pertain both to inter-regional and intra-regional capital flows

Source: JLL Research



## Liquidity dynamics improving for urban full service hotels in mature markets

The composition of hotel transactions by ticket size has fluctuated materially after the investment market reached a plateau following the exceptionally high liquidity levels in 2015.

As was the case with other sectors, the rising interest rate environment across most mature economies in 2022 and 2023 lead to a slowdown in larger transactions. The market saw less liquidity for select service hotel transactions and fewer large ticket urban and resort transactions.

Dynamics started to turn around for the \$250 to \$499 million tranche

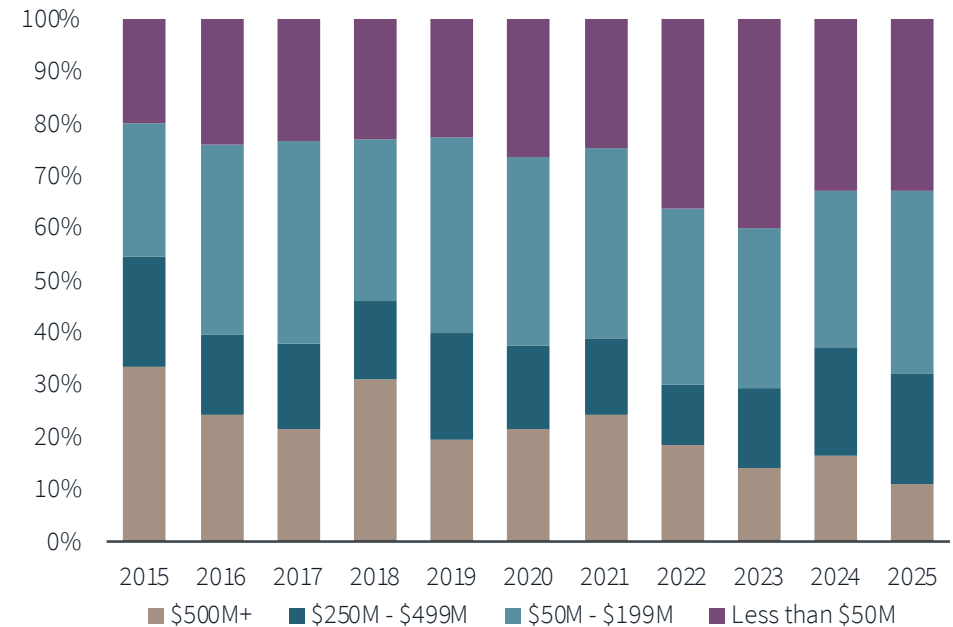
which rose to 21% of activity in 2024 and 2025. The last two years have also seen the proportion of transactions under \$50 million ease to more normalized levels.

With the transactions market in gateway cities such as New York and San Francisco heating up, and buyer interest for large scale resorts that come to market very strong, the proportion of transactions over \$250 million is expected to rise in 2026.

In London, the fourth quarter of 2025 alone saw the closing of three London hotel transactions valued at over \$300 million each.

Transactions over \$500 million still well below levels seen over past cycle, but uptick looms for 2026

**Global hotel investment volume by transactions size**



Pertains to transactions \$5 million and above; excludes casino transactions. Includes entity-level transactions where bulk of value was driven by the underlying real estate that traded.

Source: JLL Research



# Hotel buyer composition evolves with sector increasingly in favor

Private equity buyers have supported periods of peak transactions activity such as in 2015, 2018 and 2021. The rising interest rate period in 2022 and 2023 led to a decline in private equity buyers given the greater uncertainty around underwriting income returns.

Owner / operators have been a consistent driver of acquisitions. They are expected to continue to become more active buyers given the lower organic supply growth, making assets which can be rebranded an attractive acquisition opportunity.

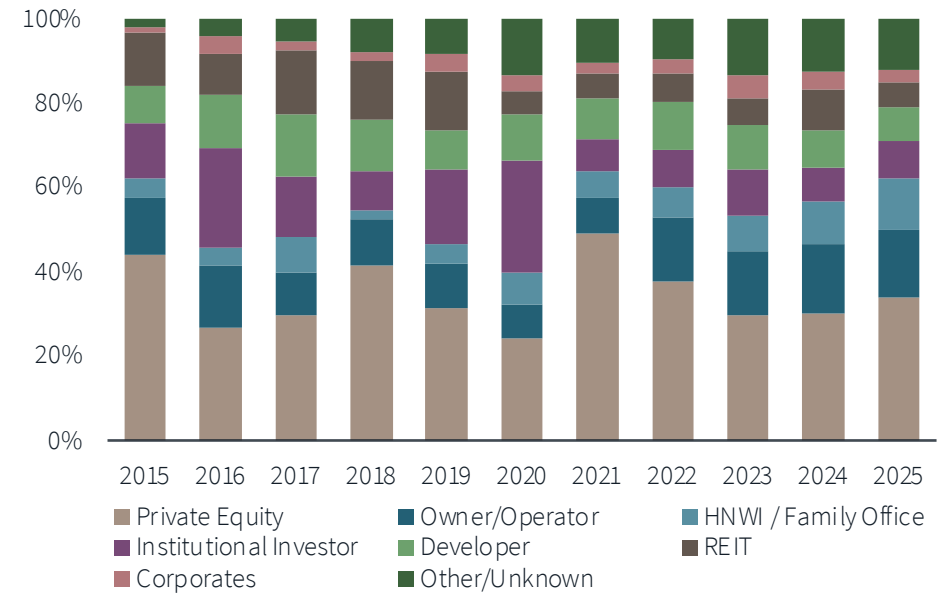
Hotel REITs, which during the years leading up to the pandemic accounted for as much as 15% of the

buyer pool globally (and a notably higher percentage in the U.S.) have been quiet on the buy-side given discounted share prices. The broader health in the capital markets could buoy REITs and eventually enable them to be more acquisitive.

Lastly, a buyer group that is growing in prominence across the various property sectors are high net worth investors and family offices, who are drawn by the relative yield premium that hotels offer, the ability to collect ongoing cash flow, and depending on the profile of the asset, the prestige factor of owning a high-quality hotel.

Private equity buyers' interest in hotels increases in 2025 and is slated to rise further

**Global transactions volume by buyer type**



Pertains to transactions \$5 million and above; excludes casino transactions. Includes entity-level transactions where bulk of value was driven by the underlying real estate that traded. "Other" includes corporates, government entities and other non-traditional hotel investors. Cross-border investors are classified by their underlying investor type

Source: JLL Research



## Debt market liquidity for hotels to be strong in 2026

Debt liquidity in the U.S. improved in 2025, with reigniting lender pool depth providing optimism in the hotel financing market with \$64 billion dollars originated.

Banks and CMBS markets remain the largest two capital sources for hotel borrowers in the U.S., and with all lender types active, this is expected to drive more transactions in 2026.

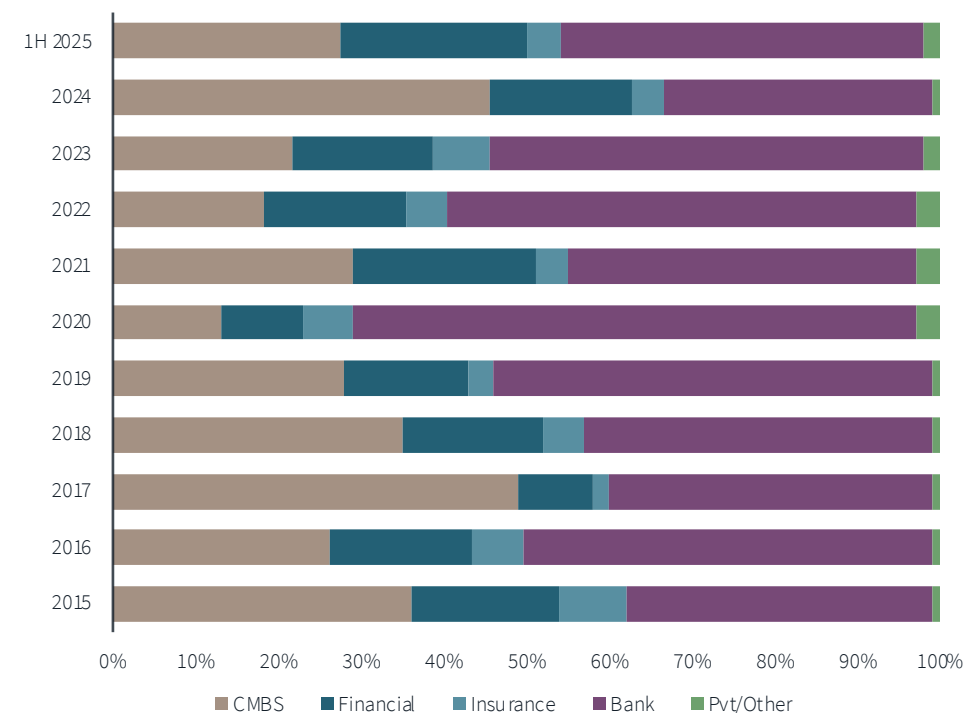
With \$88 billion in hotel loans scheduled to mature through 2027, this is expected to catalyze hotel transactions, particularly for property owners facing operating cost pressures and capital expenditure requirements.

In EMEA, strong debt markets persist as 80% of lenders plan to further increase originations, and banks, debt funds, investment banks, and insurers all remain active. This competition is driving margin compression & greater flexibility on terms and covenants.

In APAC, central bankers have generally adopted a cautious stance in 2025. Looking ahead, monetary policy is likely to diverge, with some countries facing potential rate hikes while others maintain accommodative policies, contingent on local inflation and growth. With most major APAC markets facing stable or rising interest rates, debt costs may have reached the bottom of this cycle.

Debt liquidity from banks, debt funds, and—in the U.S.—from CMBS lenders to bolster activity in 2026

### U.S. hotel debt originations based on lender type



Sources: JLL Research, MSCI (full-year 2025 data to be released in March 2026)



# Final thoughts

# 03





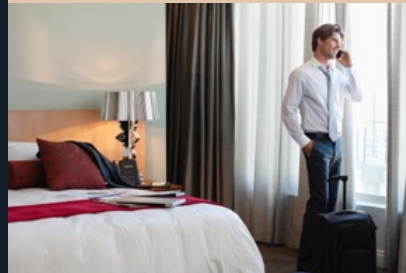
# Investment market dynamics for hotel sector have markedly turned the corner, heralding a new investment cycle

## Liquidity dynamics for sector looking up in 2026



The hotel sector has once again shown exceptional resilience, and hotels' share of transaction volumes has rebounded to 8% of commercial real estate transaction volumes in 2025, slightly surpassing the long-term average share.

## Bigger-ticket sales slated to come back in 2026



Investor conviction is fortified around the ability to acquire assets below replacement cost; debt markets are robust, and investors are yearning to diversify portfolios and deploy into higher-yielding investments.

## RevPAR, while slower, still has gas in the tank



GDP outlook has generally been revised up. Central banks will generally continue to ease monetary policy. This supports additional growth potential. But consumer confidence is bifurcated, and this will create more uneven performance growth.

## Luxury investment thesis is very strong



Demand for luxury / ultra-luxury hotels is very strong and exceeds supply growth. This positions the segment as a long-term winner; in fact, owning luxury hotels can be an excellent way to have exposure to the theme of rising global wealth.

## Ingredients in place for accelerating capital cycle



Strong debt markets, record dry powder, the need for yield, and reestablished confidence about the sector's resilience, all amid a lower supply environment, set the stage for further growth in hotel transaction volumes globally in 2026.

## Research authors

### **Lauro Ferroni**

Head of Capital Markets Research,  
Americas  
lauro.ferroni@jll.com

### **Joe Stather**

Hotels & Hospitality Research,  
EMEA  
joe.stather@jll.com

### **Christine Bang**

Hotels & Hospitality Research,  
Americas  
christine.bang@jll.com

### **Marina Bracciani**

Hotels & Hospitality Research,  
APAC  
marina.bracciani@jll.com

### Research at JLL

JLL's research team delivers intelligence, analysis and insight through market leading reports and services that illuminate today's commercial real estate dynamics and identify tomorrow's challenges and opportunities. Our more than 550 global research professionals track and analyze economic and property trends and forecast future conditions in over 60 countries, producing unrivalled local and global perspectives. Our research and expertise, fueled by real-time information and innovative thinking around the world, creates a competitive advantage for our clients and drives successful strategies and optimal real estate decisions.

### About JLL

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500® company with annual revenue of \$23.4 billion and operations in over 80 countries around the world, our more than 112,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAYSM. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit [jll.com](https://www.jll.com).

© 2026 Jones Lang LaSalle IP, Inc. All rights reserved.

This report has been prepared solely for information purposes and does not necessarily purport to be a complete analysis of the topics discussed, which are inherently unpredictable. It has been based on sources we believe to be reliable, but we have not independently verified those sources and we do not guarantee that the information in the report is accurate or complete. Any views expressed in the report reflect our judgment at this date and are subject to change without notice. Statements that are forward-looking involve known and unknown risks and uncertainties that may cause future realities to be materially different from those implied by such forward-looking statements. Advice we give to clients in particular situations may differ from the views expressed in this report. No investment or other business decisions should be made based solely on the views expressed in this report.