



Investor Pulse Check | March 2026

Where Does European Capital Really Stand?

A market in motion

The hospitality investment market has spent the better part of three years navigating a repricing cycle that few were willing to declare over. Rate rises, debt dislocation, geopolitical turbulence and a postpandemic demand surge that flattered performance while masking structural uncertainty.

And yet, as delegates gathered at IHIF EMEA in Berlin in March 2026, the data pointed decisively in a different direction from the macro narrative dominating the headlines.

Hospitality Investor surveyed the delegate base at IHIF EMEA to capture real-time sentiment from the people who actually allocate capital to hotel assets across Europe and beyond. The respondents - Investment Managers (34%), Developer/Owner/Operators (28%), Equity Funds (11%) and High Net Worth investors (8%), are the market. What they told us cuts through the macro ambiguity and lands on something more useful: a clear picture of where conviction sits, where capital is moving, and where the gaps in the conventional investor sentiment narrative have been hiding.

ABOUT THIS REPORT

The Hospitality Investor Pulse Check was conducted among delegates at IHIF EMEA in Berlin, March 2026. Respondents are predominantly Europe-focused investors, reflecting the IHIF EMEA delegate composition. Regional sentiment data particularly market opportunity rankings should be read as the view of European institutional capital, not a globally balanced sample. This is an important and intentional lens: understanding how the most active European hotel investment community views the world is itself a significant signal.

The US investor perspective will be captured at NYU IHIF, New York, 31 May–1 June 2026.

A world that has changed and a market that has adapted

Let us be direct about the environment in which this survey was conducted. The first quarter of 2026 has been set against a volatile macro backdrop. The global trade architecture is being redrawn in real time, with tariff escalations between the US and its major trading partners, alongside ongoing conflict and instability across the Middle East, driving a level of geopolitical uncertainty not seen in decades. European political cohesion is being tested. Inflationary pressures, while materially lower than their 2022/23 peak, remain sticky in services, precisely the category where hotels operate.

Against this backdrop, this report is focused on the questions that matter most to active hotel investors right now. It goes beyond topline confidence or directional preferences and concentrates instead on how capital is actually behaving in practice, what strategies are being executed rather than merely stated, how debt conditions are shaping real deal structures, and what the gap between investor intent and available supply reveals about pricing dynamics.

The Hospitality Investor Pulse Check is designed to capture that texture, an active investor survey conducted in the room where decisions are being made, reflecting sentiment at a moment when allocation and execution matter most. What follows is our analysis of what the data means.

Five figures that define the market right now

58%

net buy bias for 2026
0% strongly net sell

55%

Value-Add dominant strategy
vs 9% Core

62%

rate EU Gateways high
opportunity

41%

increasing hotel allocation
next 12 months

72%

shifting OpRE capital
into hotels

What the data is really telling you

Each of the five findings below carries a direct consequence for how you should be thinking about positioning, pricing, competition for assets and capital allocation in 2026.

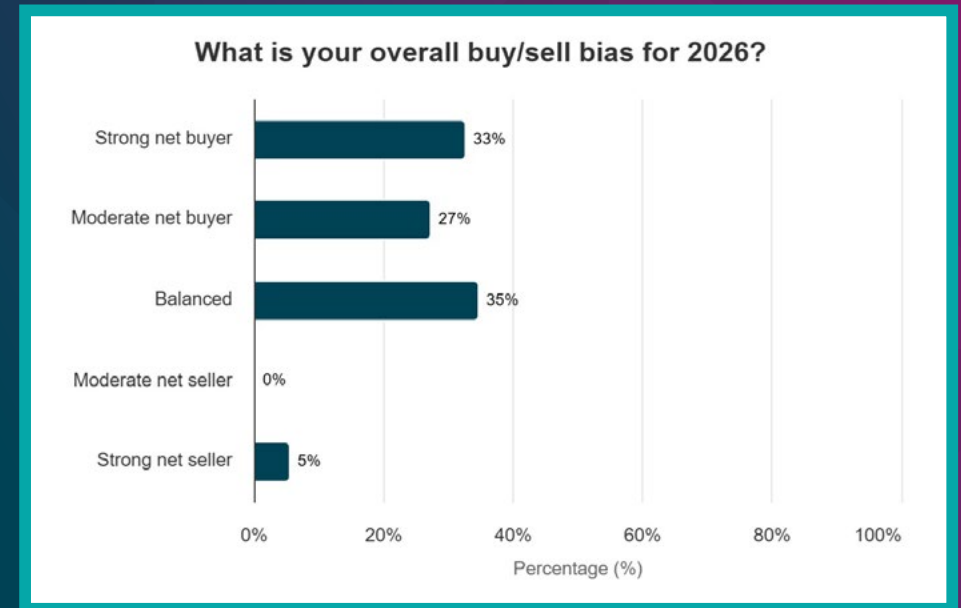
SIGNAL 1 • MARKET CONVICTION

The floor is in. European hotel capital is firmly in acquisition mode and the absence of sellers is as significant as the presence of buyers.

With 58% of respondents declaring a net buy bias for 2026 and zero recording a strong net sell stance, the market has clearly accepted the repriced environment and shifted its energy from valuation debate to execution. The 36% who describe themselves as balanced - neither strongly buying nor selling - are maintaining positions rather than retreating. Combined with the buy camp, that means 94% of investors are either accumulating or holding. Sellers are, in practical terms, an endangered species in this market right now.

Why it matters:

In a market where many have waited on the sidelines for pricing clarity, the consensus has shifted to execution. Those still waiting risk being priced out of the reset window as competition for quality assets intensifies.



THE FIVE SIGNALS

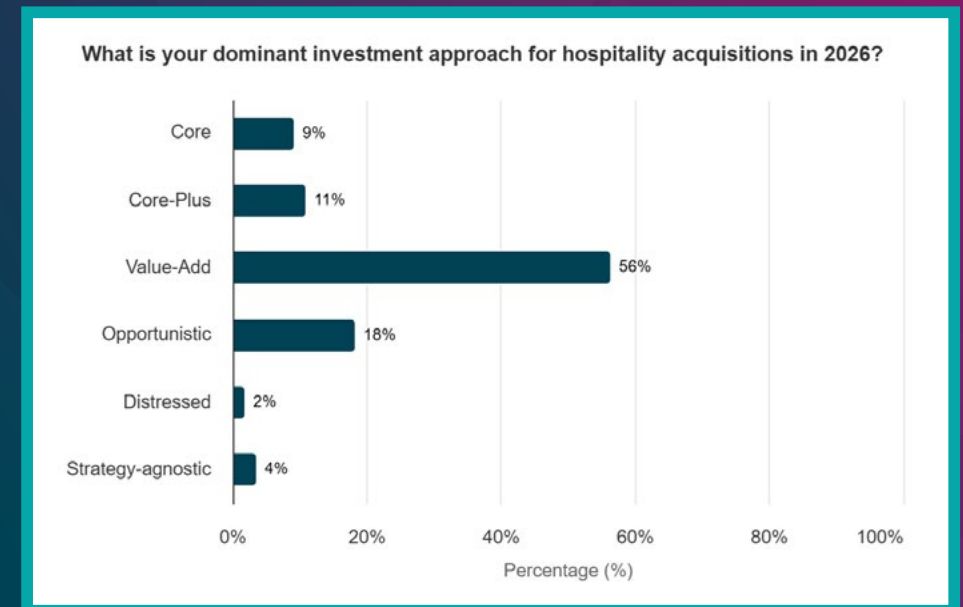
SIGNAL 2 • PRICING SIGNAL

Value-Add dominance is a verdict on stabilised asset pricing.

When 55% of active hotel investors choose Value-Add as their primary approach, and a further 19% go Opportunistic, the combined 74% signal something important: stabilised, income-producing assets are not clearing at return-justified prices in the eyes of the majority of the market. Only 9% are pursuing Core strategies and 11% Core-Plus meaning fewer than one in four investors believes that buying stabilised cash flow at current pricing makes sense. The bid-ask gap is yet to fully close. Value-Add buyers are, in effect, the market's price discovery mechanism, they will transact, but only when they have enough headroom to generate the return through their own operational and physical improvement programmes.

Why it matters:

If you are a seller of stabilised assets, this data should recalibrate your expectations. The pool of credible buyers at core valuations is thin. The dominant buyer in this market needs room to create value. For those on the buy side, Value-Add's dominance also means competition for the best repositioning opportunities will be intense, and execution capability will increasingly separate the winners from those left with expensive business plans and inadequate returns.



THE FIVE SIGNALS

SIGNAL 3 • EUROPEAN OPPORTUNITY

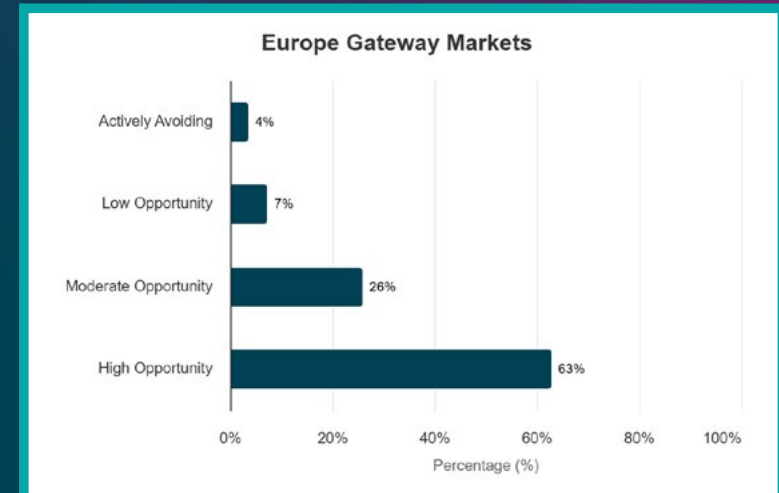
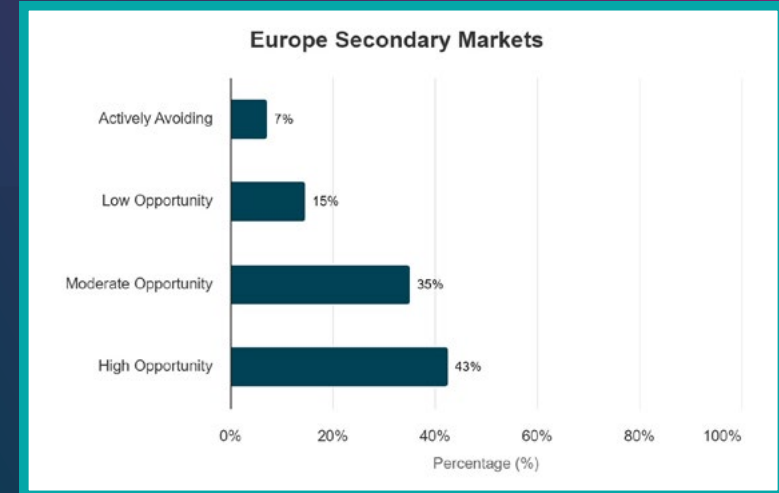
European Gateways are the standout conviction trade and the Secondary market thesis is more broadly held than most reports acknowledge.

62% of respondents rate European Gateway Markets as high opportunity, the strongest positive reading of any market in the survey. European Secondary Markets follow with 43% rating them high opportunity and a further 36% moderate, meaning 79% see meaningful opportunity outside the primary cities. The data suggests a genuinely broad-based European thesis, with investors looking at secondary city markets, many of which benefit from structural undersupply of branded quality accommodation and growing corporate and leisure demand as viable deployment targets alongside the traditional gateways.

***Note on sample:** 83% of respondents are Europe-focused investors. The regional opportunity rankings reflect where European institutional capital is choosing to deploy and not a globally balanced assessment. US investor sentiment on European markets will be captured at NYU IHIF in New York, 31 May–1 June 2026.*

Why it matters:

Even accounting for the home-market bias of a European respondent base, a 62% high opportunity reading on Gateway Markets is a strong directional signal. For non-European capital considering cross border allocation, this data suggests European hotel assets are attracting serious and well capitalised institutional competition. Getting into deal flow and relationships early matters. The window for uncrowded entry into European secondary markets in particular may be shorter than it appears.



THE FIVE SIGNALS

SIGNAL 4 • SEGMENT POSITIONING

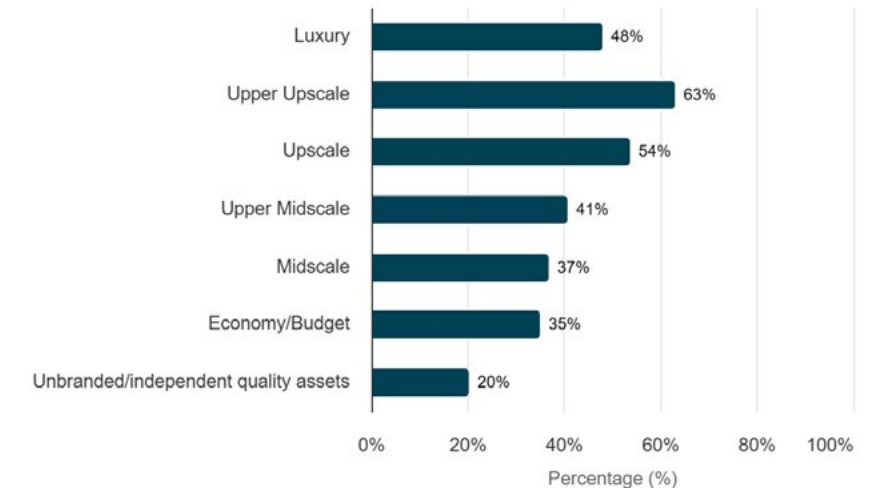
The quality clustering is a risk management decision and it has implications for the entire supply chain.

Upper Upscale (62%), Upscale (53%) and Luxury (49%) dominate targeted segments for 2026. The concentration of capital in the upper tiers of the hotel quality spectrum reflects a clear-eyed assessment of where the full investment ecosystem aligns. Upper Upscale and Upscale are the sweet spots where senior debt remains available at reasonable terms, where the major international brands compete aggressively for management agreements giving investors operational credibility, and where the pool of institutional exit buyers is deep enough to support a credible liquidity assumption at underwriting. Core markets for Upper Upscale assets trade with genuine price discovery; Economy and Budget assets in many European markets do not. Luxury adds a further dimension: the global growth of ultra-high-net-worth travel has created structurally higher RevPAR growth in this segment than in any other, insulating returns from the volume volatility that affects more price sensitive tiers. The 36% also targeting Economy/Budget are largely Value-Add and Opportunistic players seeking price and conversion angles a fundamentally different investment thesis.

Why it matters:

For sponsors in Economy, Midscale and Budget segments, this data presents both a challenge and an opportunity. The challenge: capital competition with upper-tier deals will make fundraising harder unless the return premium is clearly articulated. The opportunity: with less institutional capital chasing assets in these segments, pricing can be more favourable and competition for acquisitions less fierce for those with the operational and brand expertise to execute.

Which hotel segments are you actively targeting in 2026? (Select all that apply)



THE FIVE SIGNALS

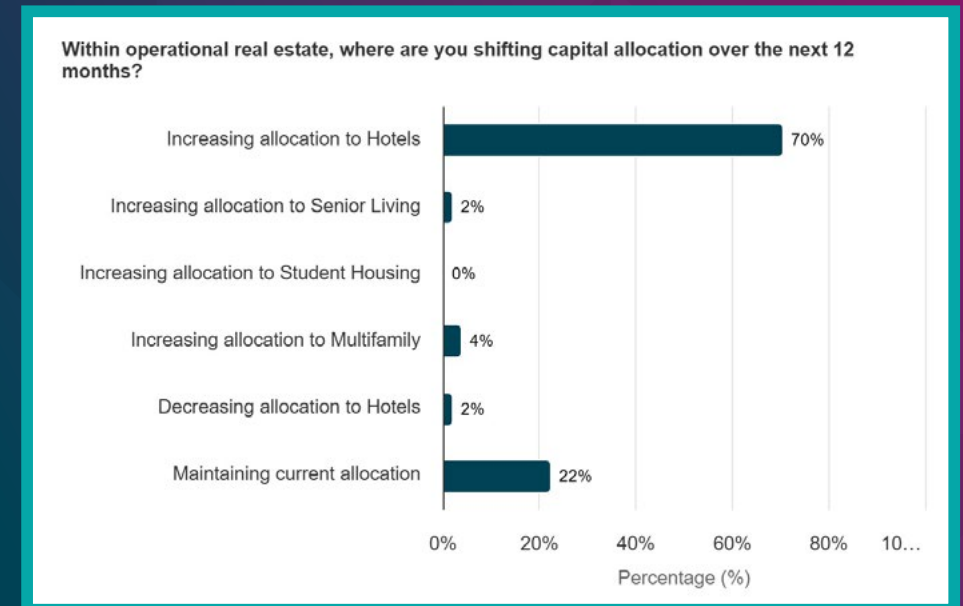
SIGNAL 5 • CAPITAL FLOWS

Hotels are winning the operational real estate allocation battle and this looks structural.

41% of respondents plan to increase their hotel allocation within operational real estate over the next 12 months, with 55% maintaining current levels. Just 4% are decreasing. More striking still: of those actively shifting capital allocation within operational real estate, 72% are directing that movement into hotels ahead of the alternative sectors including student housing, senior living, data centres and self-storage that have attracted significant institutional attention over recent years. This is a sector that is gaining wallet share. The combination of RevPAR growth durability, the inflation-linkage of room rate revenues, and the operational leverage available through active management has repositioned hotels in the minds of institutional investors from an exotic, complex alternative to a core operational real estate allocation.

Why it matters:

96% of respondents maintaining or increasing hotel exposure within operational real estate is a structural signal. It suggests that the rotation of capital into hotels that began post-pandemic as a tactical recovery play has matured into a considered strategic overweight. For operators and brands seeking institutional partners, capital partners seeking deal flow, and lenders structuring hotel debt, the direction of travel here is unambiguous. Hotels are in favour, and the institutions are staying.



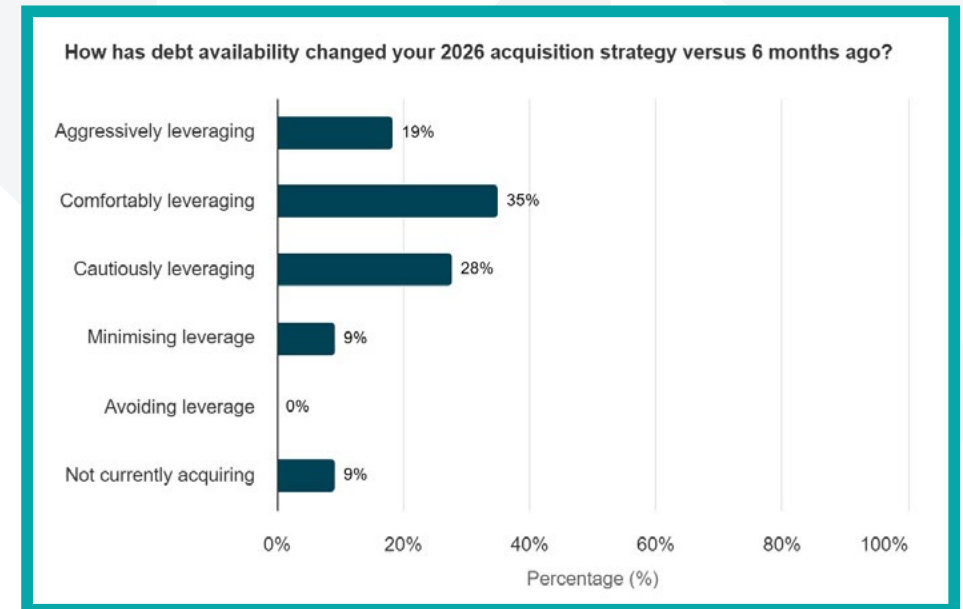
Financing conditions: functional, rather than euphoric

One of the most telling findings in the survey and one that rarely features in sentiment reports is the picture on debt. How investors describe their relationship to leverage reveals more about real market conditions than almost any other single variable.

The data here is nuanced and important. 34% describe themselves as comfortably leveraging debt in their 2026 acquisition strategy, and a further 19% say they are aggressively leveraging debt, giving a combined 53% who are either comfortable or aggressive on leverage. 28% are cautiously leveraging, and 9% are minimising. Zero are avoiding leverage entirely.

This is a functioning debt market, but it is a disciplined one. The 28% of investors operating in cautious leverage mode are structuring deals at lower LTVs, seeking floating-to-fixed conversion options, or prioritising assets with strong in-place cash flow to service debt. Together, they represent a meaningful portion of the market operating under discipline imposed by the current rate environment. The complete absence of investors avoiding leverage entirely suggests that the cost of debt has been absorbed into deal structures rather than acting as a dealbreaker.

The strategic implication is clear: hotel investment in 2026 is a market in which equity quality, asset selection and operational execution matter more than financial engineering. This is a healthier foundation for returns, but it demands a materially higher standard of underwriting across the investment ecosystem.

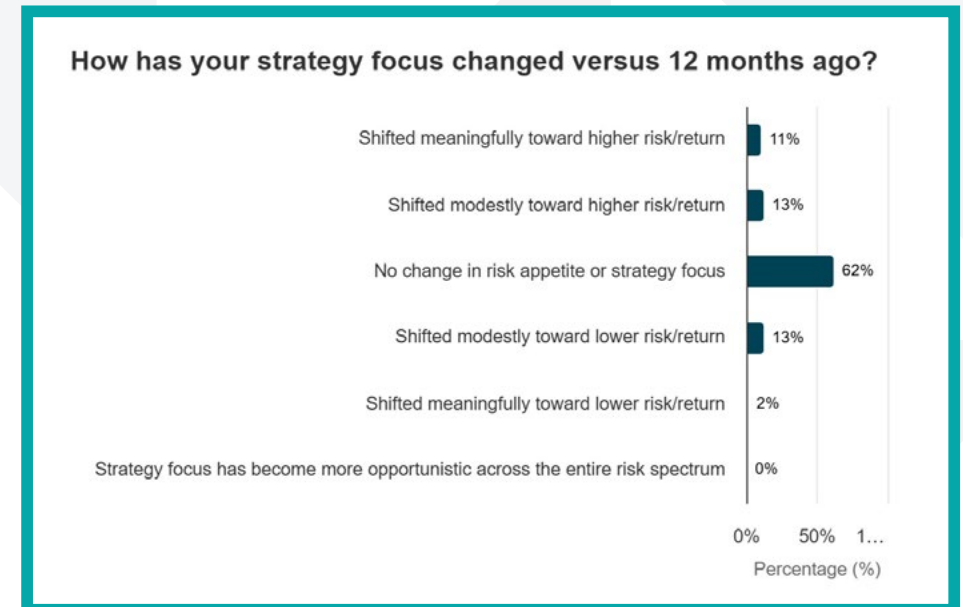


The quiet signal: 62% haven't changed their strategy in 12 months

The survey asked how strategy focus had changed over the past 12 months. The dominant response, 62% reporting no change, is more significant than it might first appear. In a market characterised by genuine macro volatility, the absence of strategic rotation is a form of conviction in itself.

It suggests that investors who entered 2025 with a clear thesis, typically Value-Add in European Gateway and Secondary markets, targeting upper-tier assets with a credible debt structure, found no compelling reason to abandon that thesis despite the noise. The 13% who shifted moderately more conservative and the 13% who became more opportunistic broadly cancel each other out, reinforcing the picture of a market in stable formation rather than one scrambling to adapt.

For the broader ecosystem, operators, brands, lenders and advisors, this strategic consistency is valuable intelligence. It indicates that the capital entering the market in 2026 is patient, thesis-driven and likely to remain focused on the same asset types and markets that shaped deal flow in 2024 and 2025. Relationships built on that basis are more likely to endure.



FILLING THE GAPS

The Hospitality Investor Pulse Check is designed to surface the realities of hotel investment as they are experienced by active capital. Captured in the room where allocation decisions are made, it reflects how investors are underwriting risk, structuring leverage and translating conviction into execution. By focusing on behaviour rather than broad sentiment, the research provides a clearer lens on pricing dynamics, strategy selection and the balance of power shaping the market in 2026.

This report goes beyond describing the strategy mix to interrogating why it looks the way it does. The dominance of Value-Add in this survey is examined for what it reveals about pricing dynamics between vendors and buyers. That gap is actionable intelligence, the kind a topline confidence index cannot capture.

Sample composition is treated here as signal. The Hospitality Investor Pulse Check is transparent about who is in the room and what that means for interpretation. The European respondent base is a defining characteristic of the dataset that shapes how every regional finding should be read.

The debt picture receives equal scrutiny. The distinction between comfortably leveraging and cautiously leveraging, 34% versus 28% of respondents, offers a precise view into how deals are being structured and the underwriting standards investors are applying in practice.

This is a regular series, with Berlin in March 2026 as the first data point. New York in June will be the second. In the second half of the year, the Pulse Check will extend to UK investors at AHC and Asian capital at IHIF Asia, applying the same framework across each market. Read together, these datasets will build a rare, cycle-consistent view of how different pools of global hotel capital are pricing risk, return and execution at the same moment in time.

CONCLUSIONS

What to take into the rest of 2026

The Hospitality Investor Pulse Check captures a clear and actionable signal at a pivotal point in the cycle. European hotel capital is deploying selectively, with conviction, and with a level of strategic consistency that suggests the repricing phase has largely run its course and the execution phase is now underway.

The five signals outlined in this report provide a practical framework for navigating the market through the remainder of 2026. The floor is in. Value-Add remains the dominant strategy because stabilised assets continue to struggle to clear at return-justified pricing. European Gateway markets are the conviction trade, with secondary cities increasingly part of a broad deployment thesis. Upper Upscale and Upscale assets are where capital, operating capability and debt markets align most effectively. And hotels are consolidating their position as a core allocation within operational real estate.

This dataset reflects how European institutional capital is underwriting risk, return and execution today. The companion Pulse Check gathered in New York will apply the same lens to a different capital base at the same point in the cycle. Read together, the comparison will offer rare insight into where global capital is aligned, where it diverges, and how that tension will shape pricing, liquidity and deal flow.

Follow both datasets closely.

COMING NEXT - NYU IHIF, NEW YORK

31 MAY-1 JUNE 2026

The other side of the Atlantic answers back.

This report captured how European institutional capital views the global hospitality opportunity in 2026. But what does US capital think - about their own market, about Europe, about where the cycle is heading? We will be running the Investor Pulse Check again at NYU IHIF in New York. Join us in the room, or subscribe now to receive the results the moment they are published.

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