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The German hotel market 2026–2040

Fewer but more competitive hotels — and higher profitability for the best operators.

Rudi Nowaczyk

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MARKET REPORT · SEPTEMBER 2026

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Rudi Nowaczyk · Nowa Hotel Real Estate · 28 September 2026

Core thesis

> **Fewer but more competitive hotels – and higher profitability for the best operators.** This development has already begun and, in my assessment, will continue until around 2040.

This does not mean a blanket contraction of the German hotel market, but a selective market development. Four different measures must be distinguished:

- **Number of hotels:** It is likely to fall in many markets, because small and economically weak businesses give up, are converted to other uses or are taken over by larger operators.
- **Number of hotel rooms:** This can remain stable overall or even grow regionally, because larger and new properties replace part of what leaves the market.
- **Economically competitive capacity:** It is becoming scarcer in many strong locations, because not every existing room is marketable.
- **Locations:** Strong and weak locations are drifting clearly apart.

My thesis is this: in many economically strong and regulated locations, competitive hotel supply is becoming scarcer – not across the whole of Germany. Weak properties or those in need of refurbishment leave the market, suitable buildings are converted to other uses, and new hotel construction is currently expensive. At the same time, new hotels continue to be built in growing tourism, business and technology locations.

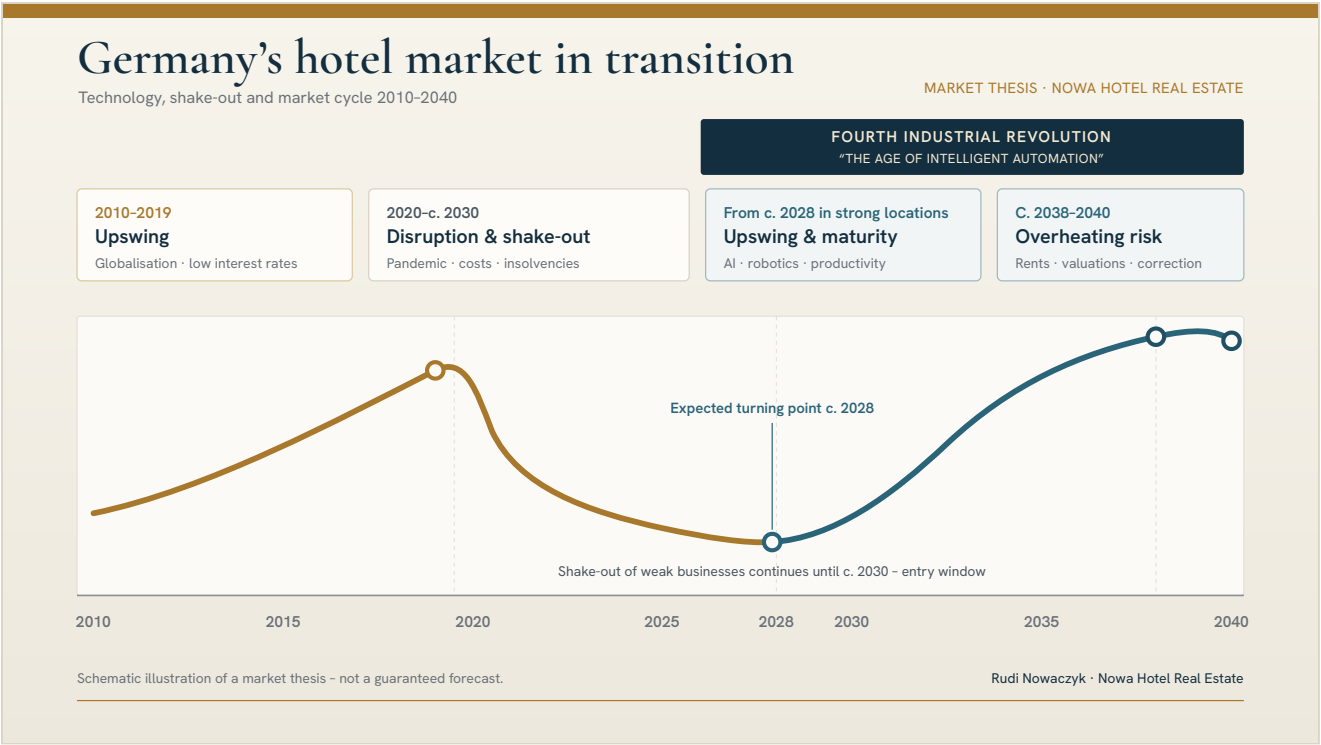
Where scarce supply meets stable or rising demand, the most attractive hotel markets of the coming 15 years will emerge, in my assessment. Those who benefit will above all be properties and operators that successfully combine location, building, brand, capital structure, distribution, staff, AI and automation.

The fourth industrial revolution – “the age of intelligent automation”

The development of the hotel market to around 2040 is more than an ordinary market cycle. It is part of a larger historical transition, which I understand as the fourth industrial revolution: the age of intelligent automation.

Industrialisation multiplied physical labour through machines. Digitalisation made information available worldwide and connected people and processes. Artificial intelligence now goes a step further: it takes over parts of analysing, planning and deciding. Robotics transfers this intelligence to physical tasks. Virtual and augmented reality, spatial computing and digital twins are simultaneously changing learning, training, collaboration, planning and the preparation of real projects.

As in earlier industrial revolutions, not all people, activities and companies benefit equally. Standardisable activities, labour-intensive business models and companies that do not adapt their processes in time come under particular pressure. At the same time, new tasks emerge around technology, control, personal advice, responsibility, creativity and interpersonal relationships. People who combine their industry knowledge with AI and technology skills become particularly valuable. Success and failure are determined not only by adaptability, but also by capital, regulation, location, energy prices and market developments.



2026 to around 2030: the shake-out has begun

The shake-out is no longer merely a future forecast; it has already begun. In the German accommodation sector, corporate insolvencies rose by 40.1 per cent in 2025 and were thus well above the pre-pandemic level[1]. In the first half of 2026 the hospitality sector recorded 59.6 insolvencies per 10,000 companies, compared with 36.2 on average across all economic sectors[2]. Larger operators are affected too, as shown by the insolvency of the Revo Hospitality Group, which led to portfolio restructurings and new operators in the German market[3].

According to the forecast by Allianz Trade, 2026 could mark the preliminary peak of corporate insolvencies in Germany overall. Across all sectors – that is, not only in the hotel industry – around 24,650 corporate insolvencies are expected for 2026 and around 24,150 for 2027[4]. The figures therefore ease slightly from 2027 but remain high at first. Strong locations are likely to turn first – in my assessment around 2028; the insolvencies thereafter mainly affect weak businesses and locations. The drivers are:

- **Refinancing:** The ECB raised its key interest rates in September 2026; the deposit rate has stood at 2.50 per cent since 16 September 2026[5]. Financing is available, typically at a loan-to-value of 55 to 65 per cent[3]. In my observation, however, pressure falls above all on properties whose low-interest-era loans have to be refinanced at significantly higher terms. Those who cannot carry this must sell, restructure their debt or change operator.
- **Costs:** Wages, energy and mandatory energy-efficiency refurbishment make operations more expensive. Older properties with an investment backlog no longer pay off.

- **Excessive leases:** Contracts concluded before the turn in interest rates are no longer viable for many operators.
- **Succession:** Many owner-run hotels have no successor and come onto the market discreetly.

The result is insolvencies, operator changes, distressed sales and the first larger conversions. The investment market nonetheless remains active: in the first half of 2026, hotel properties worth 741 million euros were traded in Germany, 18 per cent less than in the very strong prior-year period[3]. For buyers with equity and a clear concept, precisely this phase is the best entry window.

Operator quality is decisive

It is not only good and bad hotels that diverge, but also good and bad operators.

An older hotel in a strong location can become successful again through investment, automation, professional revenue management and a clear brand. Conversely, even a modern hotel can fail: through over-financing, an excessive lease, an inefficient head office, weak distribution, lack of liquidity, wrong positioning or poor management.

A hotel's competitiveness will in future arise from the interplay of seven factors:

1. Location
2. Building and technical quality
3. Operator competence
4. Brand and positioning
5. Capital and lease structure
6. Digital distribution
7. AI and automation

Anyone who, as an owner or investor, values a hotel must therefore always examine both sides: the property and the operator.

AI in operations: a fixed component of leading properties by 2030

AI-based software will become a standard part of operations at larger, standardised and technologically leading hotel businesses by 2030. Smaller, owner-run and less digitalised properties will follow at varying speeds. The starting point is still low, but the momentum is high: in 2025, 20 per cent of EU enterprises with at least ten employees used AI, up from 13.5 per cent the year before. In the accommodation sector, AI has so far been used mainly for marketing and distribution[6]. The hotel remains a hospitality business but increasingly organises itself like a technology company:

- AI-driven revenue management and data-based procurement
- automated reservation, billing and guest communication
- automated staff and cleaning scheduling
- digital distribution, digital check-in and room access
- virtual viewings of rooms and event spaces

This also becomes visible at reception: AI receptionists answer guest questions as a voice assistant on the phone, in chat, as a digital avatar at a terminal or, in future, as a life-size holographic or spatial projection[7] in the lobby, take bookings and accompany check-in – around the clock and in many languages. I consider

this economically attractive especially for budget and apartment hotels with a small reception or no night shift. They complement the personal welcome but do not replace it.

The next stage of development is, in my assessment, autonomous AI agents, which are likely to spread in the late 2020s and the 2030s. They not only analyse data and make recommendations, but independently carry out tasks and transactions within defined rules: adjust room prices, steer distribution channels, draw up duty rosters, order goods, check invoices, trigger repairs, launch marketing measures and handle large parts of guest communication. Several specialised agents can communicate with one another and coordinate operations in the background. People remain responsible for control, accountability, strategy, quality and personal hospitality.

Beyond this, AI is changing the entire economy. If AI is intensively integrated into the core processes of German companies, it can trigger a new productivity and growth cycle. Companies can handle more projects, analyses, negotiations and transactions in the same amount of time. Whether and when this effect becomes visible across the economy depends, however, on investment, energy supply, qualification, regulation and the speed of adoption. That such a cycle emerges in the 2030s is a central thesis of this report.

Robotics: faster than many expect

Robotics, sensor technology, machine vision and humanoid systems are currently developing very quickly. I therefore expect a rapid development in stages:

1. By 2030: AI software, sensor technology and the first specialised cleaning, transport, kitchen and service robots spread.
2. First half of the 2030s: robotics becomes increasingly economical in standardised operational areas and is deployed more broadly.
3. By around 2040: more advanced, partly humanoid systems can be a fixed component of modern hotel operations, for example in housekeeping, laundry logistics, the kitchen and building services.

Robotics will both close open staffing gaps and reduce the need for staff in standardised tasks. Often individual tasks and working hours are automated first, not entire job profiles. Germany’s labour shortage additionally accelerates this development.

People remain indispensable in particular for personal hospitality, leadership, sales, quality control, responsibility, problem-solving and demanding guest situations. Employees who combine industry knowledge with AI and technology skills and manage tasks that once required entire departments become particularly valuable.

The food and beverage operations of larger hotels are also changing. Intelligent inventory management, image recognition and AI-supported demand planning steer purchasing volumes, stock levels, production and food waste more precisely. Robotics can take over standardised preparation, washing-up and transport tasks. High-quality cuisine and personal advice, by contrast, remain strongly shaped by people.

Profitability: profits can grow faster than revenue

Technology used correctly lowers ongoing operating costs, increases productivity and fundamentally improves margins. Automation optimises staffing needs, occupancy, price steering, procurement and process quality in particular. Set against this are investment, software, maintenance and transition costs. Those who automate early and consistently can therefore achieve significant productivity and margin advantages; profits can grow faster than revenues.

How strongly this advantage shows up in net profit depends on occupancy, investment costs, competition, lease structure and location. In strong locations with scarce supply and solvent demand, operators can retain a particularly large share of productivity gains as additional margin. In interchangeable segments with strong competition, by contrast, part of the cost advantages can be passed on to guests through lower prices or skimmed off by high leases and financing costs. The technological productivity advantage nonetheless remains.

The intelligent hotel building: energy, water, data and autonomous systems

The technology in the background is becoming a value driver of the hotel property in its own right. I consider the following developments particularly relevant up to around 2040.

Intelligent buildings and operational digital twins

Digital twins are used not only in planning and construction. Combined with sensors, building technology and AI, they map ongoing operations digitally and monitor energy and water consumption, indoor climate, air quality, lifts, pumps, cooling and the occupancy of individual areas[8]. Repairs can thus be triggered before a failure, and rooms heated, cooled and cleaned only when actually needed. Owners, operators and technical service providers work with a shared data basis. A functioning building twin can, in my assessment, in the long run become a value factor in itself – provided the technical data are current, the systems compatible and maintenance regular.

Energy: from consumer to managed system

Photovoltaics on roof and façade, heat pumps, battery storage, waste-heat recovery, automated shading, intelligent cooling and local energy communities can reduce external energy needs and operating costs. AI steers when energy is generated, stored, purchased or consumed; electric vehicles can temporarily serve as storage via bidirectional charging. Under the European buildings directive, the zero-emission building becomes the standard for new construction: for new buildings owned by public bodies from 2028, and for all new buildings from 2030[9]. Not every hotel can become energy self-sufficient; location, roof area, heritage protection, grid connection and investment costs set limits. Older properties with a poor energy balance and technology that is difficult to retrofit can continue to lose competitiveness.

Water: security becomes a value factor

In regions with growing water scarcity, water security becomes a competitive factor in its own right[10]. Intelligent meters, automatic leak detection, water-saving sanitary technology, greywater treatment, rainwater harvesting and the reuse of treated water can reduce the need for fresh water. Treated water can, where legally and technically permissible, be used for toilets, irrigation, cooling and cleaning[11]. In particularly dry regions, the value of a hotel may in future be determined not only by the room rate, but also by secured access to water and the building's ability to treat water.

Digital identity and seamless travel processes

By the end of 2026, every EU member state must offer a European Digital Identity Wallet (EUDI Wallet); its use is voluntary[12]. In addition, the European Commission has proposed digital travel documents[13]. Guests will thus in future be able to identify themselves digitally, transmit registration data, pay, check in and receive digital room access. This can shorten the classic check-in considerably. Its use, however, depends on regulation, technical implementation and guest acceptance; biometric procedures may be used only in compliance with data protection, data security and voluntariness. A personal welcome should remain possible.

Open systems, data spaces and data sovereignty

The value of the technology depends on whether the systems communicate with one another. PMS, CRM, revenue management, accounting, payments, building management systems, locking systems, distribution channels and AI applications must be connected via open and secure interfaces. Closed single solutions lead to high switching costs and dependency. The EU Data Act has, since September 2025, made it easier to access data from connected products and to switch between cloud providers[14]; a European tourism data space is being built[15]. For owners and operators it becomes decisive who owns the data, who may use them and whether they can be fully transferred when the operator or technology provider changes.

> *Not only the location and the building, but also the quality, transferability and control of the data become a value factor of a hotel property.*

Cybersecurity and technological dependency

The more connected and automated a hotel is, the greater the risks from system failures, cyberattacks, data loss and dependency on individual providers. Room access, payment systems, guest data, building controls and AI agents need separate security zones, ongoing updates, emergency plans and manual fallback levels[16]. A highly automated hotel must also be able to continue operating, in limited form, during an internet or system outage. Cybersecurity becomes part of technical due diligence, and outdated software or no-longer-supported building technology can impair the property value.

Demographics: older guests, less staff

Europe is ageing. The birth rate in the EU stood at 1.34 children per woman in 2024, the lowest value since the start of EU-wide records in 2001[17]. The population is still growing: at the start of 2026, around 452 million people lived in the EU. Since 2012, however, more people have died than have been born, and only immigration offsets this[18].

By the 2030s, a large part of the baby-boomer generation moves into retirement. In Germany, 13.3 million members of the labour force will reach the statutory retirement age over the next 15 years – that is 30 per cent of all members of the labour force[19]. Two effects follow from this:

- **Staff shortage:** The situation in the hospitality sector has recently eased through business closures and weaker demand; the skills gap in hotel and catering occupations most recently stood at around 2,700 positions, and new training contracts are to a large extent filled by international trainees[20]. In the long term, however, retirements tighten the bottleneck again. This accelerates AI and robotics.
- **New demand:** Older, partly wealthy travellers are seeking wellness, health, accessibility, long-stay and wintering offers.

The population does not shrink everywhere immediately. Migration can slow the decline or offset it temporarily, bring in new employees and create new international travel relationships. It does not, however, automatically eliminate ageing and the skills shortage. A demographic decline therefore does not automatically mean falling hotel demand: migration, international guests, older travellers and new wealth work in the opposite direction.

Business travel: less routine, higher willingness to pay

Video conferences and AI agents increasingly replace routine appointments. At the same time, AI enables companies to handle more projects, investments, negotiations and transactions in the same amount of time. This increases the economic importance of in-person meetings, where trust, property inspection, contract negotiation and closing are decisive.

The current figures show both: in Germany, the number of business trips rose by 8.3 per cent in 2025 to 116.1 million, while the average cost per trip fell by 4.8 per cent to 418 euros[21]. Personal presence therefore remains in demand, but so does cost discipline. Worldwide, spending on business travel rises by 7.2 per cent in 2026 and the number of trips by 1.3 per cent; up to 2030, annual spending growth of 4 to 6 per cent is expected[22]. I expect the number of business trips to continue rising and, with demand, the cost per trip as well, because it meets scarcer supply in strong locations.

My expectation: for economically particularly important business trips, price sensitivity falls. Companies accept higher room rates when location, flexibility, security, technical equipment and professional working conditions are decisive for the success of the trip. For routine and standard trips, by contrast, cost control and travel policies remain important.

> *It follows that fewer routine appointments can go hand in hand with higher average room rates, higher revenues per high-value business trip and stronger demand for high-quality business hotels.*

Leisure demand: older, longer, more international

- **Older guests:** The baby boomers have time and often wealth. They travel outside the high season, stay longer and book health, wellness and accessible offers.
- **Health and wellness:** Connected devices, voluntarily used wearables, sleep and movement analyses and personalised training programmes enable new offers for older guests, prevention, rehabilitation and long stay. Medical promises and sensitive health data, however, require particularly high legal, ethical and technical standards.
- **Long stay:** Serviced apartments and long-term stays are growing, driven by project work, caring for relatives and wintering in the south.
- **Families:** The domestic segment of classic family trips with several children could grow more slowly in the long term. The actual development, however, additionally depends on income, migration, household structures, travel prices and the positioning of the respective hotels.
- **International guests:** International guests can partly offset the decline in domestic demand, especially in well-connected metropolises, well-known holiday regions and business and technology locations. Weaker and poorly accessible locations benefit considerably less from this.
- **New wealth:** Founders, investors and specialists who benefit from the technology wave strengthen the luxury, resort and lifestyle segment.

Supply: competitive capacity becomes scarce

This is the strongest part of the thesis. Several developments simultaneously reduce competitive supply at strong and regulated locations. For Germany as a whole, this does not apply across the board. In the short term, supply is even still growing: for 2027, a 2.3 per cent increase in room supply is expected in Europe, the highest value since 2022[23]. The scarcity takes hold afterwards, in my assessment, at strong and regulated locations.

Conversion. Not every hotel can easily be converted into housing. Whether it succeeds depends on floor plan and building depth, daylight and window areas, building law and municipal approval, fire protection, technical installations, conversion costs and demand for the new use. Conversions therefore reduce hotel capacity only where they are actually feasible structurally, legally and economically. Above all, suitable hotels are converted into flats, senior living, student and micro-apartments, care properties or other uses. Every successful conversion, however, permanently removes hotel capacity from the market and, where demand is stable, improves the position of the remaining properties.

Construction costs and new building methods. In the short term, high construction, land and financing costs continue to slow new hotel construction. Prices for the new construction of commercial operating buildings were 5.0 per cent above the previous year in May 2026, and for office buildings 5.2 per cent[24]. In the 2030s, however, modular prefabrication, standardised room and bathroom modules, digital planning, automated production and construction robotics can significantly reduce construction time, staffing needs and error costs. For modular construction methods, construction times 20 to 50 per cent shorter and, under favourable conditions, cost savings of over 20 per cent are cited; with unfavourable logistics, however, costs can also rise[25]. Added to this are new materials such as low-CO_2 concrete, timber-hybrid construction, lightweight composites and reusable, circular components. 3D printing complements these methods but is not yet economical everywhere. Hotels are, in my assessment, particularly suited to industrial prefabrication because of their recurring room and bathroom modules. I assume that these methods will make building standardised hotels cheaper again, first in budget and apartment hotels. No single technology, however, automatically makes building cheap, and land prices, financing, energy connections, approvals, fire protection and regulation remain important cost drivers. Supply scarcity may therefore turn out smaller at individual locations than in my base scenario. One example from China shows the technical speed of modular assembly: in 2021, the Broad Group assembled a ten-storey residential building in around 28 hours[26]. This cannot, however, be transferred directly to German approval, safety and cost structures.

Regulation. German cities use misuse-of-housing rules to act against short-term rentals; Berlin adapted its misuse-of-housing law to EU Regulation 2024/1028 on short-term holiday rentals in 2026, so that platforms must report provider data to the authorities[27]. This can regionally reduce competitive pressure from holiday flats. In touristically strained southern European regions, tourism permits and holiday rentals are increasingly being limited too, which can partly steer international demand towards other destinations.

The scarcity applies above all to the coming years and to locations with scarce land and strict regulation. In shrinking rural regions, the reduction of capacity is merely an adjustment to falling demand. Conversely, in good locations vacant offices are being converted into hotels. In the end, the economics of the respective use decide.

Distribution: AI assistants become the new booking power

AI assistants will in future not only compare prices. They plan the entire trip, select suitable hotels, check conditions and carry out the booking themselves. This shifts the power in distribution once again, similar to the rise of the large booking portals.

Whether a hotel is recommended by these systems is determined by:

- structured, machine-readable hotel data
- current prices and availability
- open interfaces

- a clear positioning
- reliable reviews
- transparent services and conditions
- direct bookability
- fast digital communication

Hotels without high-quality, current and machine-readable data lose considerable visibility and recommendation probability in AI-mediated booking processes. The data quality of a property thus becomes a distribution and value factor.

Lease and management: hybrid models gain importance

Many institutional and financing-oriented owners – especially in Germany and other lease-driven markets – will continue to demand a fixed, calculable lease or at least a guaranteed minimum rent. They need reliable income in order to finance, mortgage, value and later sell properties at a comprehensible return. In other markets and segments, management, franchise and hybrid models remain more widespread.

Operators, by contrast, do not want to bear the entire revenue and market risk alone. Hybrid models therefore gain importance and can establish themselves as the preferred contract form in numerous sub-markets. The most important model, in my view, is the guaranteed minimum rent plus revenue share. Alongside this are:

- minimum rent plus performance-based components
- shorter fixed-lease periods with regular adjustments
- franchise contracts with local or independent operation
- hybrid lease and management elements
- owner contributions for necessary investment and technical modernisation

The shake-out up to around 2030 accelerates this change. Excessive fixed leases from the period before the turn in interest rates are renegotiated or end with a change of operator.

> *It is not the nominally highest lease that creates the highest property value, but the highest lease that a capable operator can actually generate and pay over the entire contract term.*

Climate change: demand shifts, costs rise

A warmer climate can strengthen certain German holiday regions touristically, for example on the North and Baltic Sea. At the same time, risks from flooding and heavy rain increase, coastal protection becomes more important, and additional costs arise for cooling, water, energy efficiency and building technology. This too accelerates the separation between modernised and outdated properties.

In southern European summer destinations, heat stress, growing water scarcity and more frequent wildfires can reduce attractiveness as a summer destination and lead to seasonal shifts[28]. Part of summer demand may shift into spring and autumn, which can also benefit German holiday regions.

Market cycle to around 2040: my base scenario

Entry during the shake-out, correction risk around 2040 · Phases of the German hotel market, 2026 to around 2040 · Base scenario and market thesis – not a guaranteed forecast.

Shake-out 2026 TO AROUND 2030	Insolvencies, refinancing pressure, operator changes Distressed sales, first conversions, entry window
Upswing FROM AROUND 2028	Scarce supply at strong locations AI in operations, first robots, prices rise
Maturity MID-2030S	Robotics more broadly in operations, margin potential rises Hybrid models gain importance
Overheating risk AROUND 2038 TO AROUND 2040	Leases and valuations could outrun earnings Correction risk increases

In my base scenario, an upswing begins at strong locations around 2028, while the shake-out of weak businesses still continues until around 2030. This fits the forecast by STR and Tourism Economics: 2027 remains a weak year in Europe with a RevPAR of –0.1 per cent, and from 2028 to 2030 demand and RevPAR grow again in most markets[23]. In Germany the upswing begins slowly in 2028 and 2029 – for 2028 the economic research institutes expect only 0.4 per cent growth[29] – and becomes clearly noticeable around 2030. In the mid-2030s, the margin potential of technologically leading operators can rise significantly, while in interchangeable segments with heavy competition part of the productivity gains is passed on to guests. From the mid-2030s, cheaper construction methods can dampen scarcity at individual locations. Towards the end of the 2030s, leases, purchase prices and valuations could rise more strongly than actual earnings. In that case, the risk of a renewed market correction around the year 2040 would increase.

Winners and losers: typical patterns, no automatic outcome

The following categories describe opportunities and risks, not automatic results.

Good opportunities	Elevated risk
luxury and resort hotels with a strong location, sufficient capital, clear positioning and manageable climate and operating costs	interchangeable mid-market hotels without a clear profile
lifestyle and boutique hotels with a distinctive profile	labour-intensive businesses without an economic concept
technologically well-equipped business hotels	hotels at shrinking and poorly accessible locations
hotels in business, technology and trade-fair centres	operators with oversized head offices
automated budget hotels with sufficient occupancy, good distribution and controlled technology investment	properties with permanently excessive fixed leases
serviced apartments and long-stay concepts, where housing protection and local regulation allow	hotels with a large investment and refurbishment backlog
health, wellness and senior offers	businesses that do not integrate AI and automation
existing hotels in regulated, supply-constrained city and business locations	hotels without machine-readable data and digital distribution interfaces
operators with a lean head office, strong data and an efficient cost structure	over-financed or wrongly positioned properties, even if they are modern
hotels with intelligent energy, water and building management and open, transferable data systems	hotels with outdated, incompatible building technology, high energy and water consumption or strong dependency on individual technology providers

Conversely, an older hotel too can remain successful with a good location, investment and a strong operator.

Infrastructure is part of the decision

Beautiful rooms are no longer enough. What becomes decisive is high-performance fibre and mobile connections, local edge and cloud infrastructure, compatible building management systems, energy and water management, charging infrastructure, secure digital identity and access systems, transferable data, technical fallback levels, accessibility and reachability by rail, road and airport. Even a well-run property loses out if the location does not offer these prerequisites.

Moreover, changes in mobility can shift the value of locations. New high-speed connections, electric mobility, autonomous shuttles and integrated travel platforms change travel times and catchment areas. Hotels should therefore assess not only their present but also their future accessibility.

What speaks against the thesis

A robust thesis names its weak points. These developments could delay it or change it regionally:

- **Technology:** New technologies are introduced more slowly or more expensively than expected.
- **Investment costs:** Automation requires high initial investment that smaller operators cannot shoulder.
- **New building methods:** Cheaper and faster building methods could stimulate new hotel construction more than expected and thereby weaken the assumed supply scarcity at individual locations.
- **Recession and interest rates:** A longer economic crisis or an interest-rate shock prolongs the shake-out.
- **Energy and geopolitics:** Energy-price shocks or conflicts restrict international travel.

- **Politics against tourism:** In overloaded regions, caps could also hit hotels themselves, not only holiday flats.
- **New competition:** Serviced living, co-living or new platforms draw away hotel demand.
- **Limits for AI and robotics:** Societal or regulatory requirements slow deployment.

These factors can change the speed, timing and regional character. They do not, however, necessarily cancel the long-term basic direction.

How the thesis can be measured up to around 2040

The thesis is regarded as confirmed if, around the year 2040, the following points apply:

1. The economically competitive room supply at strong locations has fallen compared with 2026 or has grown more slowly than demand.
2. Real, inflation-adjusted room rates have risen.
3. RevPAR and occupancy have developed positively at comparable locations.
4. The staffing need, or the number of staff hours per room sold, has fallen significantly.
5. AI steers essential parts of distribution, revenue management, planning, procurement and guest communication.
6. Robots take over a relevant share of standardised physical tasks.
7. High-value business trips achieve higher room rates and higher revenues per guest.
8. Minimum-rent, revenue and other performance-based components appear more frequently in new contracts.
9. AI assistants prepare or carry out a relevant part of bookings.
10. At regulated, supply-constrained German locations, competitive existing hotels achieve a recognisable value advantage.
11. Technologically well-positioned operators achieve higher productivity and margins at comparable locations and segments.
12. Autonomous AI agents independently carry out a relevant part of administrative and operational processes within defined rules.
13. Modern hotels use sensor technology and digital building twins for energy, water, cleaning and maintenance control.
14. Energy and water consumption per room sold has fallen significantly at technologically modernised hotels.
15. Digital identities and automated, voluntary check-in processes are used regularly.
16. Technical data, system compatibility, data sovereignty and cybersecurity are systematically examined in hotel transactions.

Operators and energy and water consumption are compared only within comparable hotel types, locations, climate zones and service offers.

Conclusion

The German hotel market is already in the middle of a shake-out. In my assessment, by around 2030 weak businesses, unsuitable properties, non-viable leases and outdated structures will increasingly be pushed

out of the market. In my base scenario, from the end of the 2020s a scarcer economically operable supply, higher technology productivity and a changed, partly more solvent demand meet at strong locations.

The winners will not simply be all hotels. Those who benefit will above all be properties and operators that combine location, building, brand, capital structure, distribution, staff, AI and automation into an efficient overall system.

Investment thesis and entry window

For investors, the most attractive entry window probably lies in the shake-out phase: at strong locations above all until 2028, for refurbishment and conversion properties until around 2030, before the expected improvement in market conditions is fully reflected in leases, purchase prices and valuations. By around 2040, this can again give rise to a phase of excessive expectations, leases and valuations that forms the starting point for the next market correction.

Investment window 2026 to around 2030

Entry before the expected market improvement is fully reflected in leases, purchase prices and valuations

Distressed and forced sales
take over properties from insolvency and refinancing at strong locations

Convertible properties
transfer weak hotels with a suitable floor plan into housing or care

Renegotiated leases
viable minimum rent plus revenue share instead of excessive legacy contracts

Modernisation properties at strong locations
technically and energetically upgrade older hotels in good locations

The best opportunities arise while sellers are under pressure and operators have to renegotiate. Those who enter in this phase with equity, operator competence and a clear concept buy the expected market improvement before it is fully priced in.

Sources

Documented market data come from the following publications. The numbers in the text refer to the respective source. All further statements, in particular regarding the development up to around 2040, are market assessments and forecasts by the author.

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