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HOTEL INVESTMENT MARKET AUSTRIA 2024

MARCH 2025



FOREWORD

Dear Readers,

While the years 2020-2023 were still characterised by many uncertainties on the hotel real estate market, it is now dominated almost exclusively by positive news. With around 32 million passengers in 2024, Vienna Airport has already exceeded the 2019 figure, and overnight stays in Austria also reached a new all-time high in 2024.

As positive as the developments on the tourism side were in 2024, it will take some time for this trend to spill over to the investment markets. Although the transaction volume increased in 2024 compared to 2023, and numerous stalled developments were sold, the total volume is still below the 10-year average. In addition to opportunistic buyers, the most active players were hotel operators and developers.

We are pleased to provide you with an overview of the Austrian hotel market on the following pages and hope you enjoy reading.



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HOTEL TRANSACTION VOLUME AUSTRIA

After the transaction volume began to recover in the second half of 2023, the first half of 2024 started with the largest single transaction of the year, the Austria Trend Hotel Ananas. The second-largest hotel in Austria with 539 rooms contributed significantly to the investment volume of 190 million euros. In the second half of the year, hotels worth 160 million euros changed hands, resulting in a total transaction volume of 350 million euros, which is around 25% below the 10-year average.

Regarding the Austrian market, Vienna once again accounted for the majority of hotel transactions in 2024. The most significant transactions outside Vienna were the Night Inn in Feldkirch, Vorarlberg, followed by the Mozart Vital Hotel (now: miaflor Familien- und Aktivresort) near Serfaus-Fiss-Ladis and the Hotel Tauernblick in Schladming, which even changed hands twice in 2024.

In addition to the slight increase in transaction volume compared to the previous year, the financing landscape has also eased due to the lower key interest rate. Hotels are considered an attractive asset class due to the resurgence in demand.

It is observed that hotel transactions in Austria continue to take longer than before the rise in interest rates in 2022. The average time from approaching the market to signing the contract is usually over six months. However, there are exceptions: Christie & Co successfully completed two transactions for institutional investors in around four months in 2024.

HOTEL TRANSACTION VOLUME
AUSTRIA
2015-2024 (M)



Source: RCA, Christie & Co Research

SELECTED TRANSACTIONS 2024

CITY	HOTEL	ROOMS	CONTRACT TYPE	SELLER	BUYER
Salzburg	Meininger Salzburg City	101	Lease agreement	Institutional Investor	Private
Vienna	Courtyard by Marriott Vienna Messe Prater	251	Lease agreement	DEKA	Art Invest
Vienna	Ex. Thompson Development	148	Operator free	SIGNA	Stumpf Development
Vienna	NH Vienna City	105	Lease agreement	SIGNA	Private
Vienna	Moxy/Residence Inn Erdberg	246	Lease agreement	Strabag	Strabag Hold Estate
Vienna	ibis Budget St. Marx	271	Lease agreement	Institutional Investor	Private
Vienna	Austria Trend Hotel Ananas	539	Operator free	Wertinvest/JP	Verkehrsbuero Group
Ried i. O	Mozart Vital Hotel	123	Operator free	Tiroler Sparkasse	Private

Source: RCA, Christie & Co Research

In addition to the aforementioned transaction of the Austria Trend Hotel Ananas, which was acquired by the Verkehrsbuero Group in the first half of the year, the Courtyard by Marriott Vienna Messe Prater, which was sold by DEKA to Art-Invest, and the Moxy/Residence Inn Erdberg, which was sold by Strabag to its own Strabag Hold Estate, also changed hands.

In addition, the Stumpf Group acquired the former ‘Lamarr’ development, which also includes a hotel, at the end of 2024. A consortium of investors took over the AlthanQuartier, including the Arcotel Althanquartier, from 6B47. Strabag also took over the Weitsicht development, which includes a hotel with around 250 rooms, from Value One.

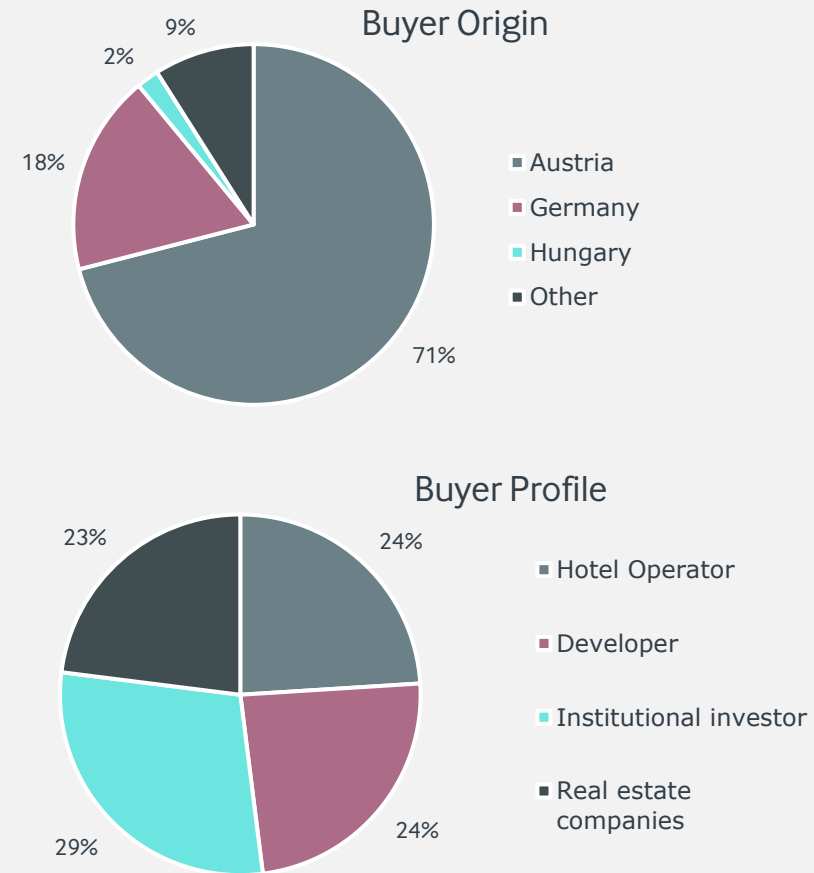
Other transactions in Vienna included the NH Vienna City, the Hotel Boltzmann and the acquisition of all shares in the Anantara Palais Hansen by the Vienna Insurance Group from UBM and Warimpex.

WHO BOUGHT HOTELS IN AUSTRIA IN 2024

While 44% of hotel investors came from Austria in 2022, this share rose to 58% in 2023. This trend continued in 2024, when Austrian investors accounted for 71% of transactions. Germany remains in second place with 18% (2023: 19%). In addition to multinational buyer consortia, investors from Hungary, which focus specifically on holiday hotels, also accounted for a small proportion.

The buyer profile shows an almost equal balance between hotel operators, institutional investors, property companies and developers. The latter hardly played a role in the hotel investment market in 2023. This development was driven by the acquisitions of the Weitsicht (Foresight) project, the former 'Lamarr', and the Althan quarter. This suggests that more institutional products could return to the market in the coming years. Due to various macroeconomic events, investors from outside Europe are still very cautious when it comes to hotel investments in Austria. Based on conversations Christie & Co had with international investors, this should improve slightly in 2025 as a looser interest rate policy increases possible opportunities again. Although institutional investors were the most active based on volume, opportunistic property companies dominated the number of transactions, predominantly acquiring assets from institutional investors. Two examples are the ibis Budget St. Marx and the Meininger Salzburg, where Christie & Co was able to support the transaction process.

In 2023, hotel operators were the most active players on the domestic property market, accounting for 58% of the total volume. This share fell to 24% in 2024, mainly driven by the purchase of the Austria Trend Hotel Ananas by the Verkehrsbuero Group and the Hotel Boltzmann and Hotel Exel by the Linzian hoteliers Lisa Sigl and Michael Nell.



Source: Christie & Co Research

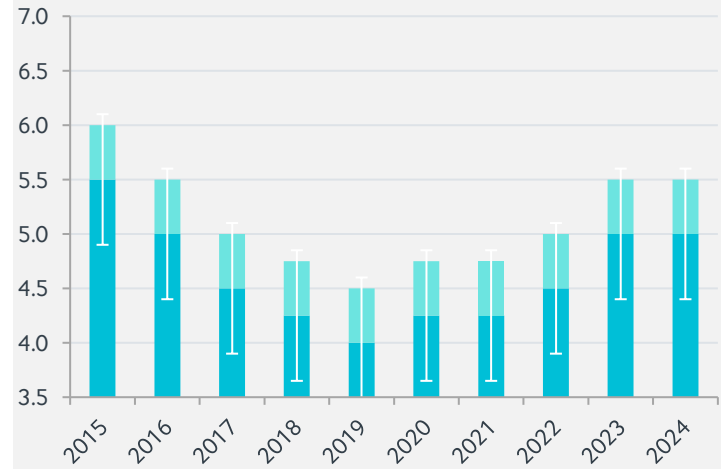
YIELD EVOLUTION

Yields below 5% were an absolute exception in 2024 and only occurred if the buyer had an emotional attachment to the property, or if the buyer and seller were related companies. Compared to 2023, the yield expectations of prime buyers corrected slightly downwards due to the relaxed interest rate environment. As a result, prime yields for prime assets with a strong operator in a good to very good location were between 5% and 5.5% in 2024.

Although yield expectations were still 100-200 basis points higher compared to the years before the COVID-19 pandemic, some positive developments are already emerging. These could lead to more institutional products, which have historically achieved the lowest yields, being sold or marketed again, especially in the second half of 2025 and 2026.

In the holiday hotel industry, top returns were mainly driven by trophy transactions. Yields on operator-free holiday hotels can vary greatly depending on the location and product. Transactions that Christie & Co has been involved in for operator-free holiday hotels in Austria were between 8% and 10%, based on the actual cash flow generated by the property.

PRIME YIELDS 2015-2024 (IN %)



Source: Christie & Co Research

SUMMARY & OUTLOOK

Although the hotel transaction year 2024 remained below the 10-year average at around 350 million euros, some positive trends can still be identified. Firstly, there has already been an increase compared to the €270 million in 2023. Furthermore, the numerous assets that are currently being marketed, some of which are in advanced talks, provide an even more positive outlook. In addition to some assets on the Vienna Ring, several larger hotel properties are also on the market or in preparation, which could have a positive impact in 2025.

Another positive factor is that operators continue to be very expansive, and the hotel asset class was almost exclusively given a positive connotation in the media in 2024. This is also due to the extremely positive tourism figures. Both Vienna Airport and the City of Vienna have already experienced increased passenger volumes, and the number of overnight stays compared to 2019 achieved new record figures.

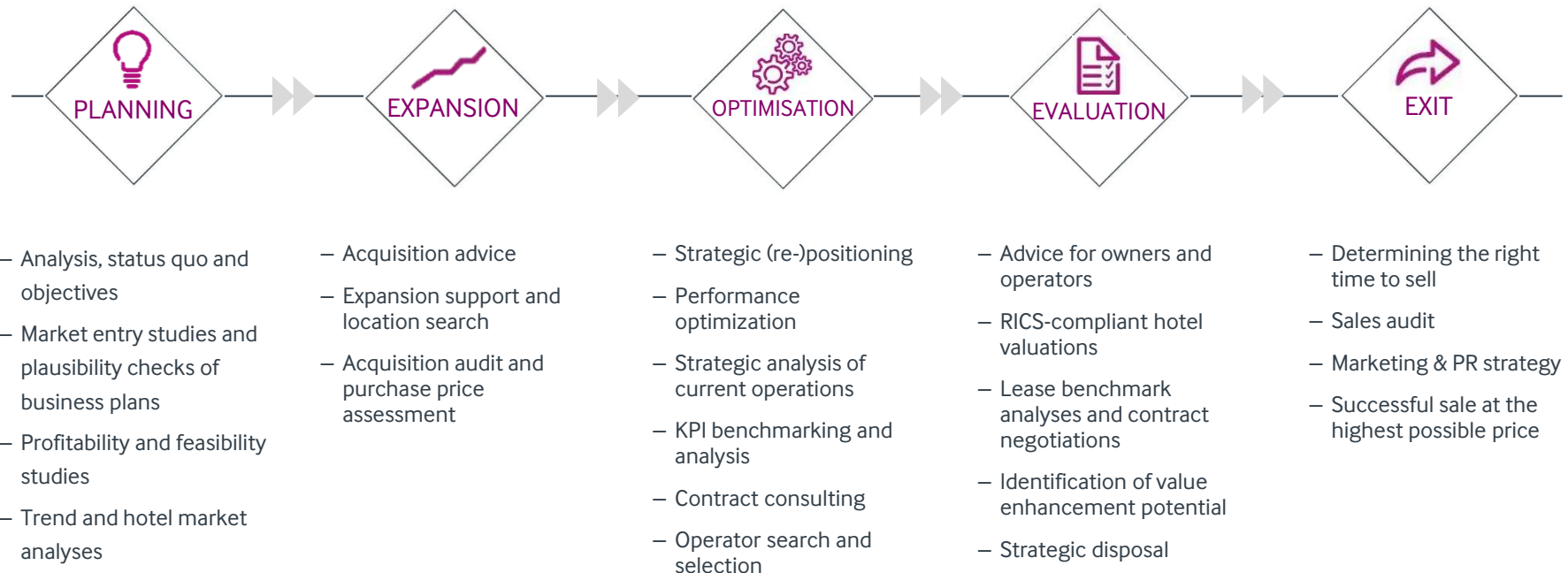
The strong demand from tourists combined with a gradual easing in the property sector and a more relaxed interest rate policy, coupled with the attractiveness of the hotel asset class, are positive signs for a transaction-rich year in 2025.

Christie & Co currently markets over 20 hotels in Austria and more than 300 throughout Europe on behalf of owners. In addition to transaction support, the company offers a comprehensive range of hotel property consultancy services.

Selected mandates successfully negotiated by Christie & Co in 2024:



WHAT CAN CHRISTIE & CO DO FOR YOU?



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