

Global Asset Solutions

SOUTH KOREA HOTEL TRANSACTIONS AND MARKET OUTLOOK

FY 2025 - H1 2026

AT A GLANCE

South Korea in 2025 and the first half of 2026

We recently published our APAC Transactions Report, where South Korea accounted for around 12% of all the transactions in the period it covered. Here is the Korean story in full.

Korea trades on scale rather than volume. It sells few hotels, almost all of them in Seoul, and almost all of them large, which is how it keeps third place in the region on a fraction of Japan's deal count. The past eighteen months gave that market everything it likes: rates falling or flat, a weak won, record visitors and no new sites to build on. Foreign money noticed. M&G, CapitaLand, Goldman Sachs, GIC and CPP all bought, while Korean hotel groups, corporates and pension funds sold. The opposite of what happened in Japan.

What they bought, more often than not, was a building to change. A quarter of the hotels in this report were acquired to be rebranded, renovated or knocked down, from Hanwha's new ANTO flag at the Paraspara to a 1980s hotel in Hongeun-dong sold at a land price for apartments. Then, in July and August 2026, the Bank of Korea raised rates twice, and two of the four things holding Korean pricing up changed in six weeks. In figures, it looked like this:

- South Korea recorded USD 1.8 billion of hotel transactions in 2025, 18% more than the USD 1.5 billion of 2024, across 18 transactions, and kept third place in the region behind Japan and China.
- 4,662 keys changed hands at USD 379,000 per key, down about 22%, and an average transaction of USD 98 million, among the highest in the region. Korea sold few hotels, large ones, at high prices per room.
- Upscale took 74% of volume; Midscale & Economy traded at USD 344,000 per key, the highest lower tier price in the region. Luxury was one transaction, a 25.3% stake in the Conrad Seoul at about USD 72 million.
- Seoul recorded 16 of the 18 transactions and 96% of 2025 volume. Over the eighteen months, 23 of 27 transactions and 91% of volume were in the capital.
- International investors were net buyers, the opposite of Japan: over the eighteen months they bought 32% of volume and sold 18%. Korean hotel groups, corporates and public institutions supplied 62% of what was sold.
- Korea received 18.9 million visitors in 2025, a record and 8.2% above 2019, and 8.7 million in the first five months of 2026, up 21% (Korea Tourism Organization).
- The first half of 2026 recorded 9 transactions and USD 830 million at USD 347,000 per key. Every transaction in this report closed with the base rate at 3.00% or lower and falling or flat; it rose to 2.75% in July and 3.00% in August 2026 (Bank of Korea).

The year in numbers

USD 1.8BN
TRANSACTION VOLUME

18
TRANSACTIONS

USD 379K
AVERAGE PRICE PER KEY

4,662
KEYS TRANSACTED

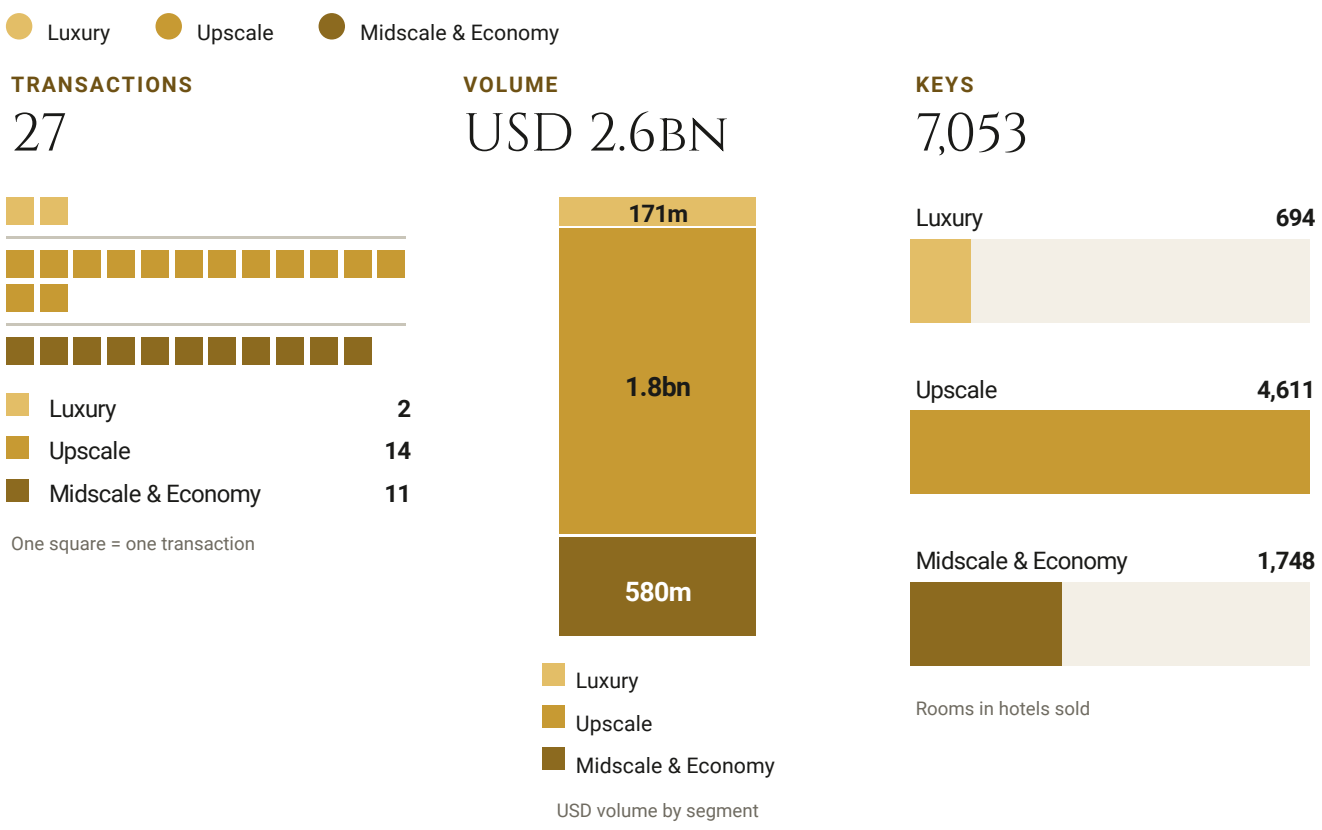
USD 98M
AVERAGE TRANSACTION

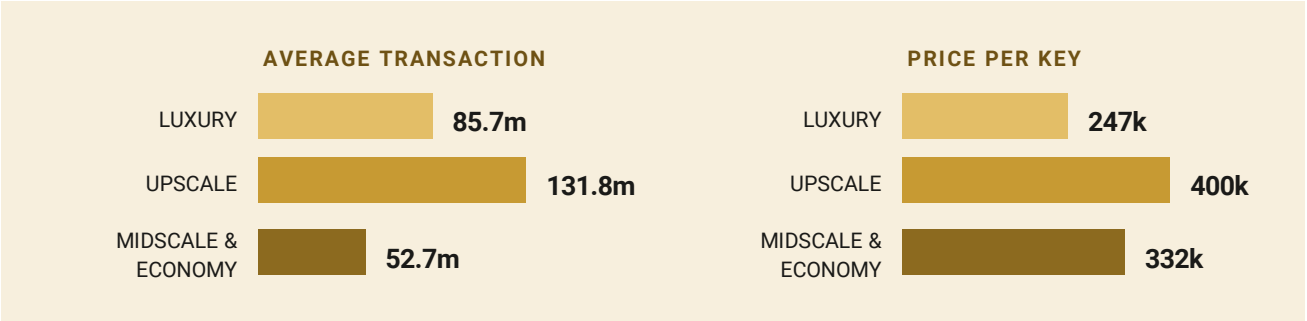
South Korea, hotel transactions above USD 20 million, FY 2025. Source: Global Asset Solutions.

Volume rose 18% against 2024 and the average transaction was USD 98 million, among the highest in the region. The average transaction carried 259 rooms. Only six of the 18 hotels sold for less than USD 50 million and eleven for less than USD 100 million; the other seven carried 74% of the year's volume. The average price per key fell by about 22% to USD 379,000, and the fall is composition: within the year, Upscale hotels sold at USD 422,000 per key and Midscale & Economy at USD 344,000, while the quarterly average swung between USD 242,000 and USD 493,000 on which hotels happened to close. Korea is a market of few, large, full service hotels in Seoul, and the record reads accordingly.

Transactions by segment

South Korea, transactions by segment, January 2025 to June 2026

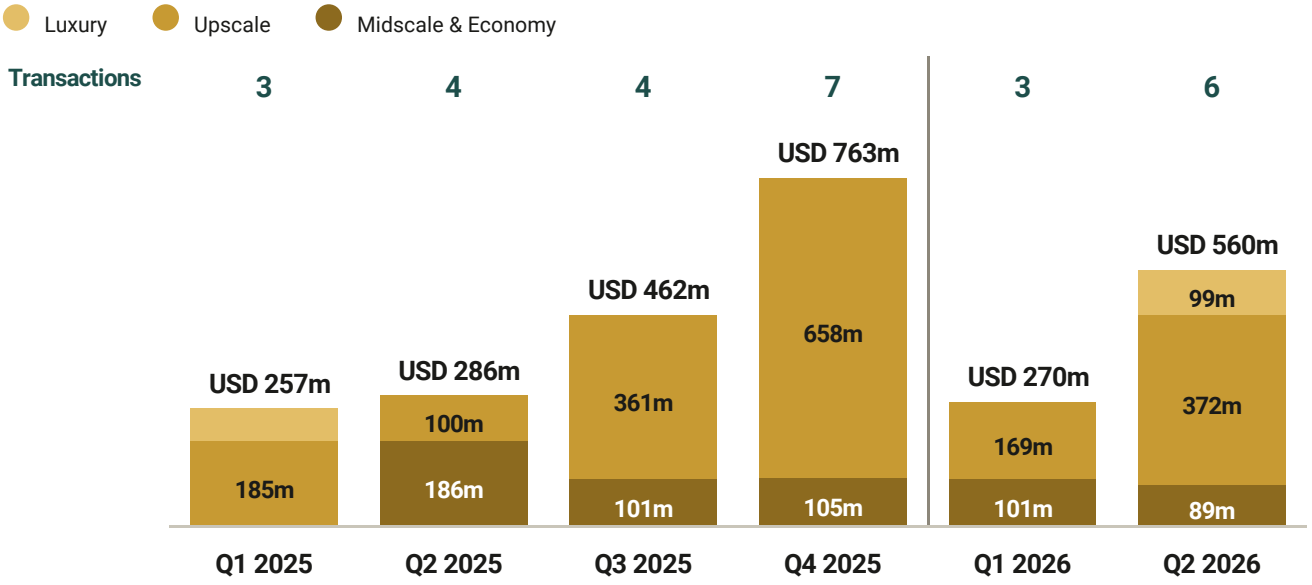




South Korea, transactions, volume and keys by segment, with average transaction and price per key, January 2025 to June 2026. Source: Global Asset Solutions.

Over the eighteen months to June 2026, Upscale accounted for 14 of 27 transactions and 71% of volume: USD 1.8 billion at USD 131.8 million a hotel and USD 400,000 per key. Midscale & Economy was eleven transactions and USD 580 million at USD 332,000 per key, the highest lower tier price in the region; these are full service and limited service hotels in central Seoul, in Myeongdong, Hongdae and Dongdaemun, where the land sets the price rather than the brand. Luxury was two transactions: a 25.3% stake in the Conrad Seoul, recorded at the consideration paid of about USD 72 million, which values the whole hotel at about USD 285 million or USD 657,000 per room, and the Signiel Busan in April 2026 at USD 382,000 per room. The Luxury price per key in the charts reflects the stake and is not a reading of Luxury pricing. In 2025 alone, Upscale took 73.8% of volume, Midscale & Economy 22.1% and Luxury 4.1%. Nineteen of the 27 hotels were full service properties. Korea does not trade business hotel portfolios the way Japan does; it trades one building at a time, and most of them have more than 250 rooms.

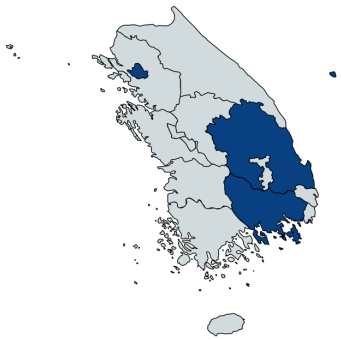
South Korea, volume by segment and number of transactions per quarter, Q1 2025 to Q2 2026



South Korea, volume by segment and number of transactions per quarter, Q1 2025 to Q2 2026. Source: Global Asset Solutions.

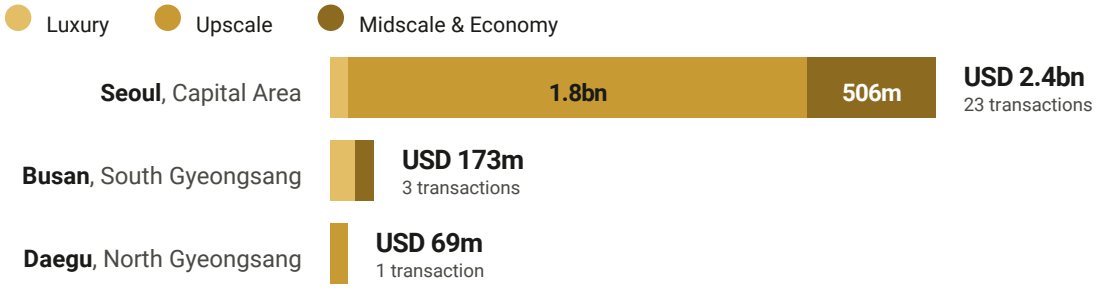
The year ended strongly. The first quarter recorded three transactions and USD 257 million, led by the Four Points by Sheraton Josun Seoul Station; the second four and USD 286 million; the third four and USD 462 million, led by the Paraspara Seoul; the fourth seven and USD 763 million, the largest quarter of the six, with the Swiss Grand Hotel, the Courtyard Seoul Namdaemun and the Four Points by Sheraton Josun Myeongdong closing within three weeks of each other in December. The first half of 2026 recorded three transactions and USD 270 million, then six and USD 560 million, the second largest quarter in the record, led by the Voco Seoul Myeongdong. Price per key moved with the mix, from USD 242,000 in the first quarter of 2025 to USD 335,000 in the second, USD 493,000 in the third and USD 422,000 in the fourth, then USD 335,000 and USD 353,000 in 2026. The base rate fell in the first two quarters of 2025 and did not move again until July 2026.

Transactions by city, buyer and seller



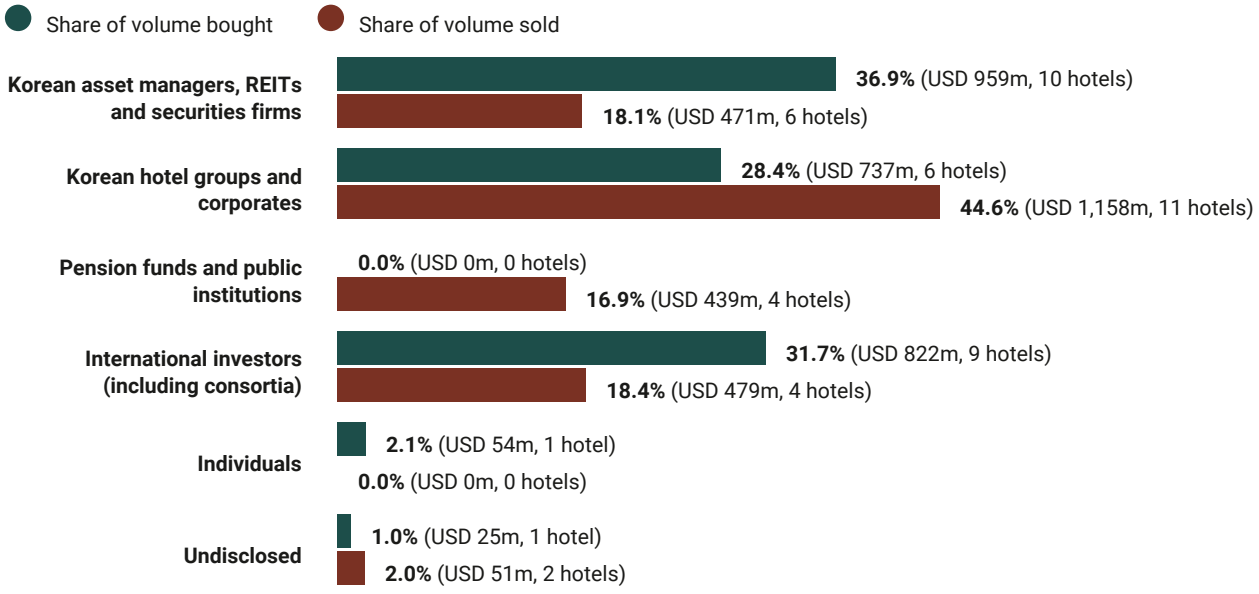
Seoul recorded 23 transactions and USD 2.4 billion over the eighteen months, 91% of Korean volume, at USD 378,000 per key: USD 402,000 for Upscale and USD 368,000 for Midscale & Economy, with the Conrad Seoul stake the only Luxury trade. Busan recorded three transactions and USD 173 million, the Signiel Busan, the Fairfield by Marriott Busan and the Blue Beach Hotel, at USD 274,000 per key. Daegu recorded one, the Daegu Marriott Hotel and Serviced Residences, at an estimated USD 69 million. Nothing else in the country crossed the USD 20 million threshold. The concentration is the finding: Korean hotel investment is Seoul investment, and within Seoul it is Myeongdong, Jung-gu and the station districts, where four of the 23 transactions were hotels bought for repositioning, demolition or rebranding.

South Korea, volume by city and segment, January 2025 to June 2026



South Korea, volume by city and segment, January 2025 to June 2026. Source: Global Asset Solutions.

South Korea, share of transaction volume by buyer and seller group, January 2025 to June 2026



South Korea, share of transaction volume by buyer and seller group, January 2025 to June 2026. Groups are our classification from the names of the parties; a consortium with an international member is counted as international. Source: Global Asset Solutions.

What drove the market

01 Money

The Bank of Korea cut its base rate from 3.00% to 2.75% in February 2025 and to 2.50% in May, then held it to June 2026, so every transaction in this report closed with rates falling or flat. It then raised the rate to 2.75% on 16 July and 3.00% on 27 August 2026, citing inflation of 3.2%, the won, Seoul housing prices and household debt, and lifted its growth forecast to 3.3% on semiconductor exports (Bank of Korea). The won traded near 16-year lows through the period, making Korean assets cheaper for foreign buyers, and foreign buyers used it. International investors, alone or in consortia, bought nine hotels and 32% of volume over the eighteen months and sold four and 18%: M&G Real Estate took the Conrad Seoul stake, CapitaLand Investment the Voco Seoul Myeongdong and the Connoisseur Residence, Goldman Sachs the Mercure Ambassador Hongdae and the Seonyudo Union Hotel, GIC a share of the Hotel U5 and the Lotte City Hotel Guro, CPP Investment Board a share of the Orakai Daehakro and SC Capital the New Blanc Central Myeongdong. Korean asset managers, REITs and securities firms bought ten hotels and 37%, led by Heungkuk, KB, Nonghyup, Shinhan and KORAMCO. The sellers were Korean hotel groups and corporates, eleven hotels and 45%, among them KT&G, Lotte Shopping, Dongwon and Kyesan Industrial, and pension funds and public institutions, four hotels and 17%, with the National Pension Service, Korea Investment Corporation, MG KFCC and the Busan Metropolitan Corporation all exiting and none buying. Across all sectors, Korean investment fell 22% year on year in the second quarter of 2026 after a record 2025, with domestic managers refilled by blind-pool allocations outbidding foreign capital for core office and logistics (Savills). Hotels ran the other way: in this record, international capital was the net buyer by about USD 340 million.

02 Governments

Korea introduced visa-free entry for Chinese tour groups from 30 September 2025, and Chinese arrivals rose 16% in the first month (Korea Tourism Organization). The rift between China and Japan from 14 November 2025 then redirected Chinese travellers from Japan to Korea, Hong Kong and Southeast Asia. The United States and Korea announced a tariff framework at the end of July 2025, ending three months of uncertainty for an export economy. Seoul's housing market and household debt, rather than hotels, drove the central bank's decision to tighten in the summer of 2026. The government's target is 30 million visitors by 2029.

03 Travellers

Korea received 18.9 million international visitors in 2025, a record and 8.2% above its 2019 peak. Japanese visitors reached 3.6 million. The first five months of 2026 brought 8.7 million, up 21%, with Chinese arrivals lifted by the group visa waiver and by the diversion from Japan (Korea Tourism Organization). Spending has not kept pace with arrivals. Per capita spending was 17% below 2019 in the first half of 2025, cruise passenger numbers rose fivefold, duty-free sales fell by more than half and the tourism balance ran a deficit (Yanolja Research, citing Bank of Korea data). Hotels did well regardless. Korea was among the region's strongest RevPAR markets in the first half of 2026, and new supply is limited by site scarcity in central Seoul (STR/CoStar) [subject to licence]. Seven of the 27 hotels in this record were bought for renovation, rebranding or redevelopment: the Paraspara Seoul to become ANTO under Hanwha, the Hotel U5 to become a Mercure Ambassador, the L7 Cheongnyangni to move to a Marriott select service brand, the Connoisseur Residence to become an Oakwood, the Seonyudo Union to join Hilton's Tapestry collection, the Conrad Seoul to add meeting space, and the Swiss Grand to be demolished for apartments. When new rooms cannot be built, existing buildings are repositioned, and in Seoul that is where the value is being made.

The deals

HOTEL	DATE	LOCATION	SEGMENT	ROOMS	PRICE	PER KEY
Paraspara Seoul	Aug 2025	Seoul	Upscale	334	**USD 297m**	USD 888k
Voco Seoul Myeongdong	Jun 2026	Seoul	Upscale	576	**USD 243m**	USD 422k
Swiss Grand Hotel	Dec 2025	Seoul	Upscale	396	**USD 218m**	USD 551k
Courtyard by Marriott Seoul Namdaemun	Dec 2025	Seoul	Upscale	409	**USD 173m**	USD 423k
Four Points by Sheraton Josun Seoul Myeongdong	Dec 2025	Seoul	Upscale	375	**USD 172m**	USD 460k

Five largest hotel transactions in South Korea by consideration paid, January 2025 to June 2026. All five prices were reported or confirmed; none is an estimate. The 25.3% stake in the Conrad Seoul, recorded at about USD 72 million, is discussed in the segment section. Source: Global Asset Solutions.

Paraspara Seoul (Seoul), USD 297m

Hanwha Hotels & Resorts acquired 100% of the Paraspara Seoul from Jeongsangbukhansan Resort in August 2025 for approximately USD 297 million, or USD 888,000 per key, assuming the existing mortgage. The 334 room five-star resort hotel stands on the slopes of Bukhansan National Park in northern Seoul, a mountain resort inside the city rather than a downtown business hotel, and it was the largest hotel transaction in Korea over the eighteen months. The price per key is the highest in the Korean record for a whole hotel. Hanwha intends to rebrand the property as ANTO, its own luxury flag, and to operate it directly, so this is an operator buying a platform for a new brand rather than a financial purchase. The repositioning plan has been disclosed: rebranding and operation by Hanwha Hotels & Resorts.

Voco Seoul Myeongdong (Seoul), USD 243m, the largest of H1 2026

CapitaLand Investment acquired the 576 room Voco Seoul Myeongdong from TPG Angelo Gordon and Gravity Asset Management in June 2026 for USD 243 million, or USD 422,000 per key. The hotel had sold in March 2024 for about USD 171 million, so the reported price was 42% above the previous one; the owners' return after capital expenditure, costs and the won's move over the period is not disclosed. It was the largest Korean hotel transaction in the first half of 2026 and the largest by rooms in the record. The buyer is a Singaporean institutional manager adding a core Seoul hotel to its Korean portfolio; the sellers are an American fund and a Korean manager exiting a value-add hold. The Voco brand under IHG continued. No repositioning plan has been disclosed.

Swiss Grand Hotel (Seoul), USD 218m

Union Y&J acquired the 396 room Swiss Grand Hotel in Hongeun-dong from Dongwon in December 2025 for approximately USD 218 million, or USD 551,000 per key. The price is a land price. The buyer intends to demolish the hotel and redevelop the site for residential apartments, so the per key figure measures what a Seoul hillside site is worth to a housing developer rather than what a 1980s hotel earns. It is the clearest case in the Korean record of the housing market, which the Bank of Korea cited when it raised rates in July, setting the price of a hotel. The hotel will leave the stock. The repositioning plan has been disclosed: demolition and residential redevelopment.

How 2026 is looking

USD 830M TRANSACTION VOLUME	9 TRANSACTIONS
USD 347K AVERAGE PRICE PER KEY	2,391 KEYS TRANSACTED
USD 92.2M AVERAGE TRANSACTION	

South Korea, hotel transactions above USD 20 million, H1 2026, reported on its own. Source: Global Asset Solutions.

The first half of 2026 recorded nine transactions and USD 830 million, 47% of 2025's volume in half the time, at USD 347,000 per key. Upscale was five transactions and USD 541 million at USD 356,000 per key, led by the Voco Seoul Myeongdong and the Shilla Stay Seodaemun; Midscale & Economy three and USD 189 million at USD 309,000, led by the Hotel U5 bought by KORAMCO and GIC for conversion to a Mercure Ambassador; Luxury one, the Signiel Busan, acquired by Sungho Electronics from Lotte under a pre-agreed purchase option. Seoul recorded seven of the nine, Busan one and Daegu one. The average hotel sold had 266 rooms. Every one of the nine closed before the Bank of Korea moved. Over the eighteen months from January 2025 to June 2026, South Korea recorded 27 transactions, USD 2.6 billion and 7,053 keys.

What to watch

Five things will decide how the second half of 2026 reads when the next edition is written.

- **Pricing after the rate turn.** Korea's growth and per room pricing rested on falling rates, a weak won, record arrivals and tight supply. Two of the four changed in July and August 2026. The next edition will show whether Upscale holds at USD 400,000 per key and Midscale & Economy above USD 300,000 with the base rate at 3.00%.
- **Foreign capital.** International investors were net buyers of Korean hotels by about USD 340 million in the eighteen months, against a wider market where domestic managers outbid them for core assets (Savills). A stronger won or a slower Seoul market would test whether that continues.
- **Arrivals into profit.** Korea received a record 18.9 million visitors in 2025 while spending per head stayed 17% below 2019. The next edition will test whether RevPAR follows arrivals across the market or stays with the repositioned stock.
- **Repositioning capex and operator selection.** Seven of 27 hotels were bought to be rebranded, renovated or demolished. Hanwha's ANTO at the Paraspara, the Mercure Ambassador conversion at the Hotel U5 and Marriott's select service flag at the L7 Cheongnyangni are the tests of whether a new operator and a renovation budget reprice a Seoul hotel on resale, as the Voco did.
- **Chinese demand.** Visa-free group entry and the diversion from Japan lifted Chinese arrivals through the first half of 2026. If Japan reopens to Chinese travellers, Seoul loses a tailwind it did not have in 2024.

Authors



Alex Sogno
Chief Executive Officer



Leanne Reddie
Chief Commercial Officer



Robert Walters
Chief Investment Officer



Douglas Louden
Managing Partner Asia Pacific



Juan Manuel Gea
Chief of Staff

Sources

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