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The state of global hospitality pricing

H1 2026 recap and H2 2026 outlook

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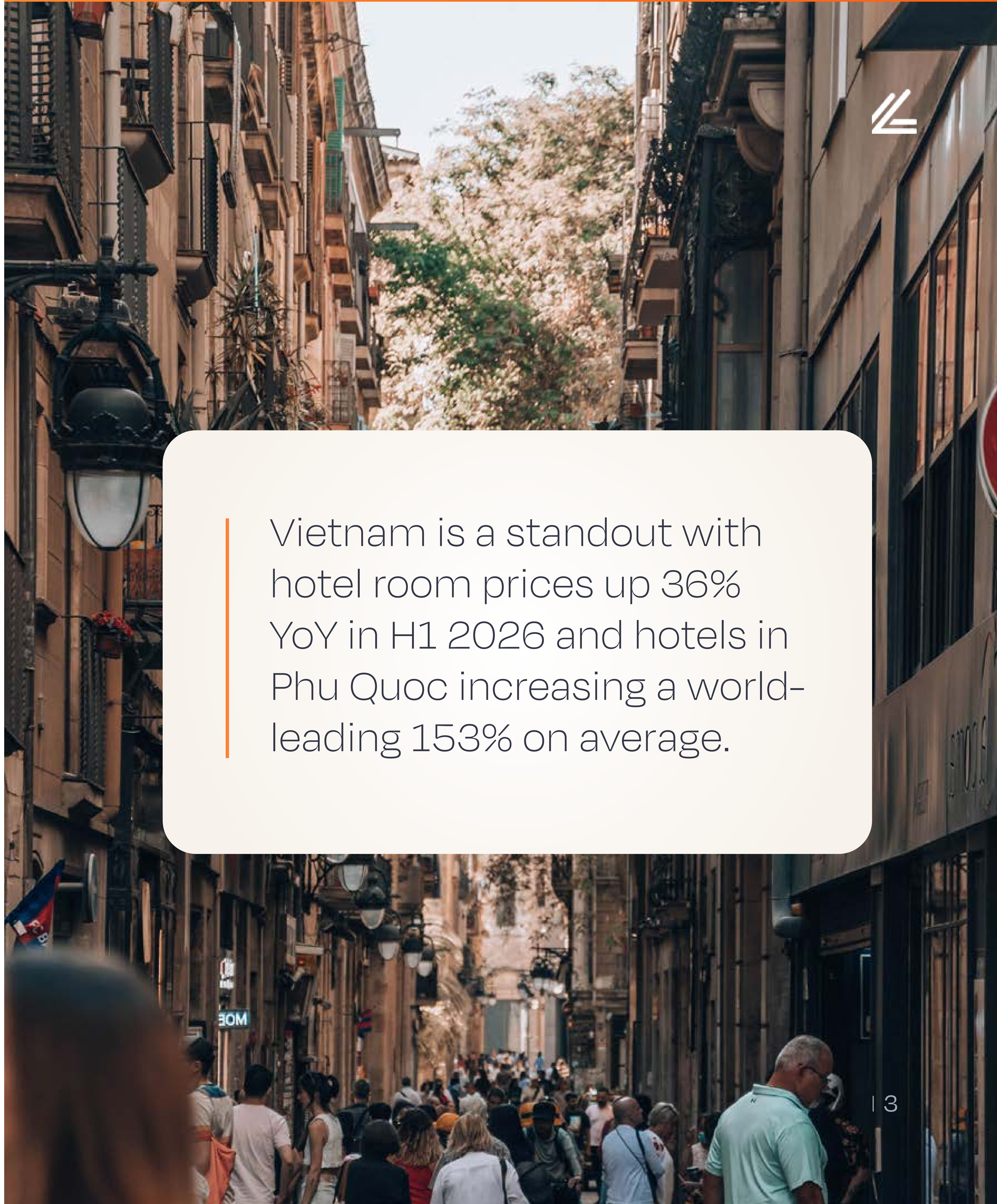
Contents

The 2026 travel and hospitality story

- Europe once again leads all regions for hotel room price growth in H1 2026 at 6.2%, following strong pricing growth of 10.4% in H2 2025.
- The FIFA World Cup may be carrying forward elevated room prices in H2 for North America. Hotel prices declined 8.9% in H1 2026 but advertised pricing is currently projected to grow 0.9% in H2.
- Asian hotels are finally in overall positive territory for room price growth after years of declining Year-over-Year (YoY) prices, with a 1.8% H1 2026 average increase.
- Consumer preference for value and differentiation appears to be continuing. The pricing gap is narrowing between three-star and five-star hotels, and between branded and independent properties. Advertised room prices for five-star hotels in North America are down 20.5% in H2 2026 but three-star hotel prices are up by an average of 3.7%. Growth in advertised prices for independents is higher than for branded hotels in four out of seven regions in H2 2026.
- Conflict is shaping pricing in many locations, with Gulf countries hit hard. The UAE leads all countries for advertised average hotel YoY pricing declines in H2 2026 at -48.1%.

*All prices are in nominal US dollars and YoY price comparisons for H2 2026 compare advertised prices with actualized average H2 2025 prices throughout.



> Vietnam is a standout with hotel room prices up 36% YoY in H1 2026 and hotels in Phu Quoc increasing a world-leading 153% on average.

The hotel pricing picture in 2026

Hotel prices in 2026 have been heavily impacted by geopolitical and economic uncertainty and major international events like the FIFA World Cup.

Europe is seen as a relatively safe haven for travelers, and room prices continue to rise in H1 2026, with a 6.2% YoY average pricing change. This follows on from a 10.4% change in H2 2025 and makes it the leading region for room price growth in percentage terms for the third consecutive half.

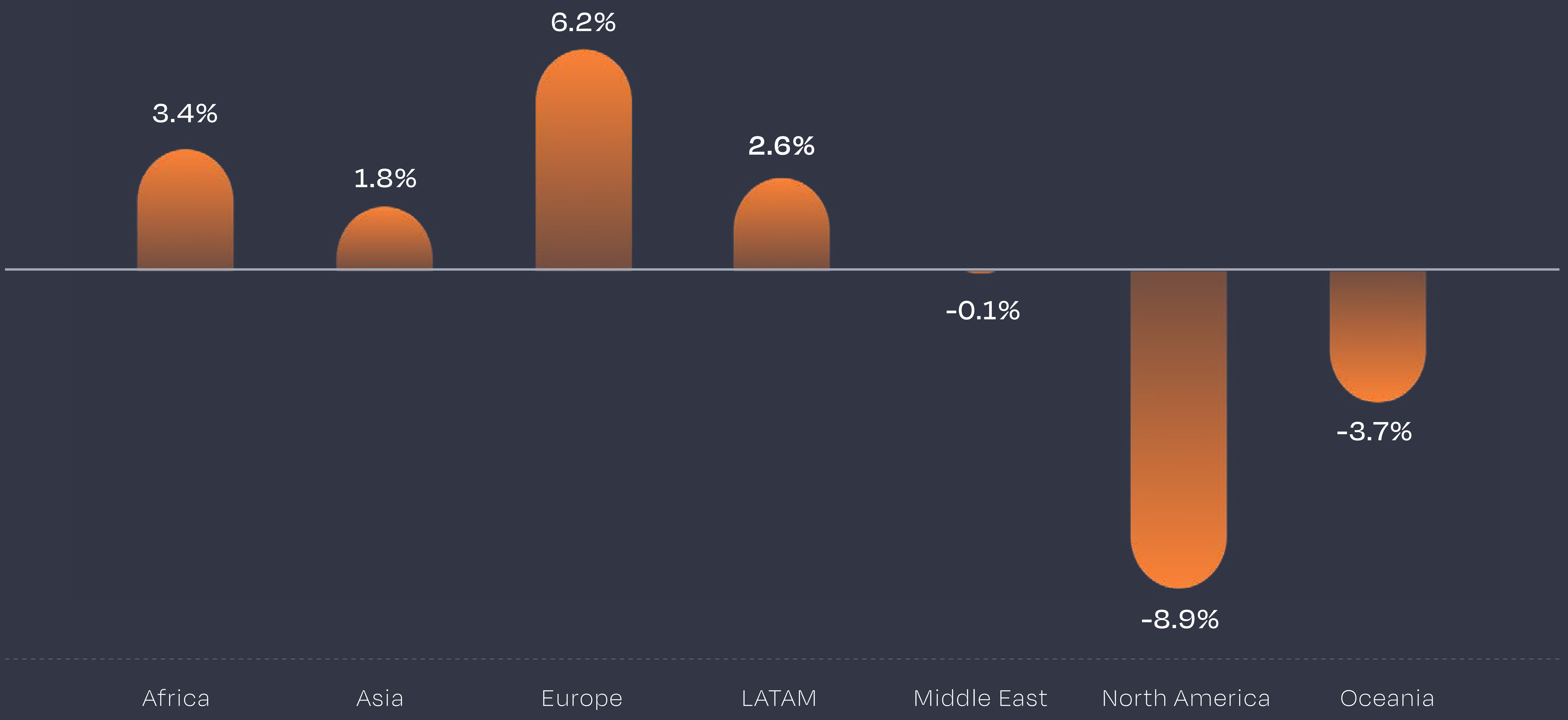
In the Middle East, however, conflict in the Gulf has changed the picture. A year ago, hotels were advertising H1 2026 prices 10% higher than the year before; today, average pricing for the period is stagnant.

Affordability continues to be top of mind for consumers, leading to tentative advertised pricing growth or declines in H2 across regions outside of Latin America, where advertised prices are up 8.6% YoY.

North American advertised prices return to growth overall in H2, indicating that the World Cup bounce may have fallen into the second half of the year, helping to boost a currently unsettled market.

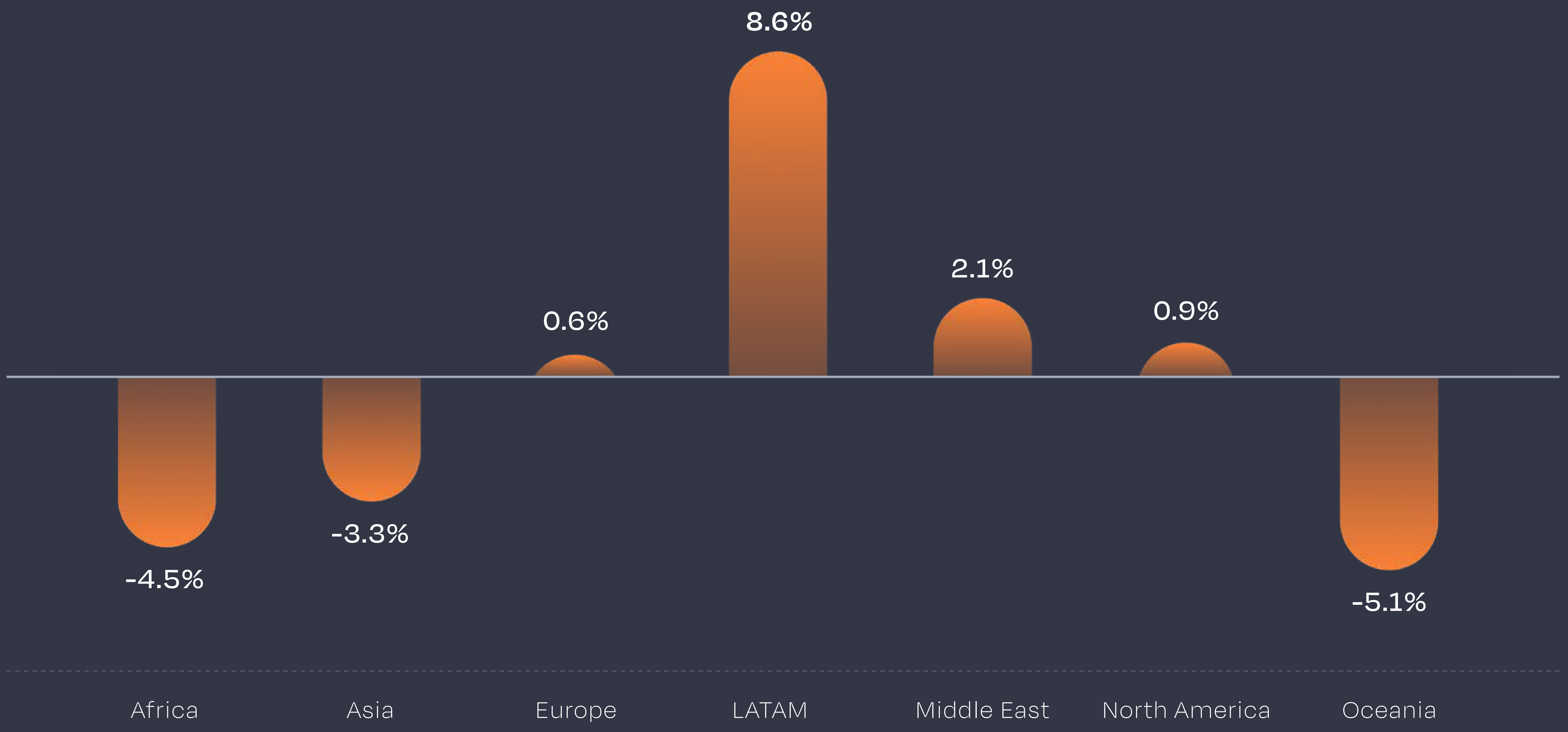
YoY change in actualized hotel pricing performance

Global regions in H1 2026 (USD)



YoY change in advertised hotel pricing performance

Global regions in H2 2026 (USD)



Hotel room price changes by star rating

With savings and spending power stretched thin, affordability is shaping vacation decisions more than ever.

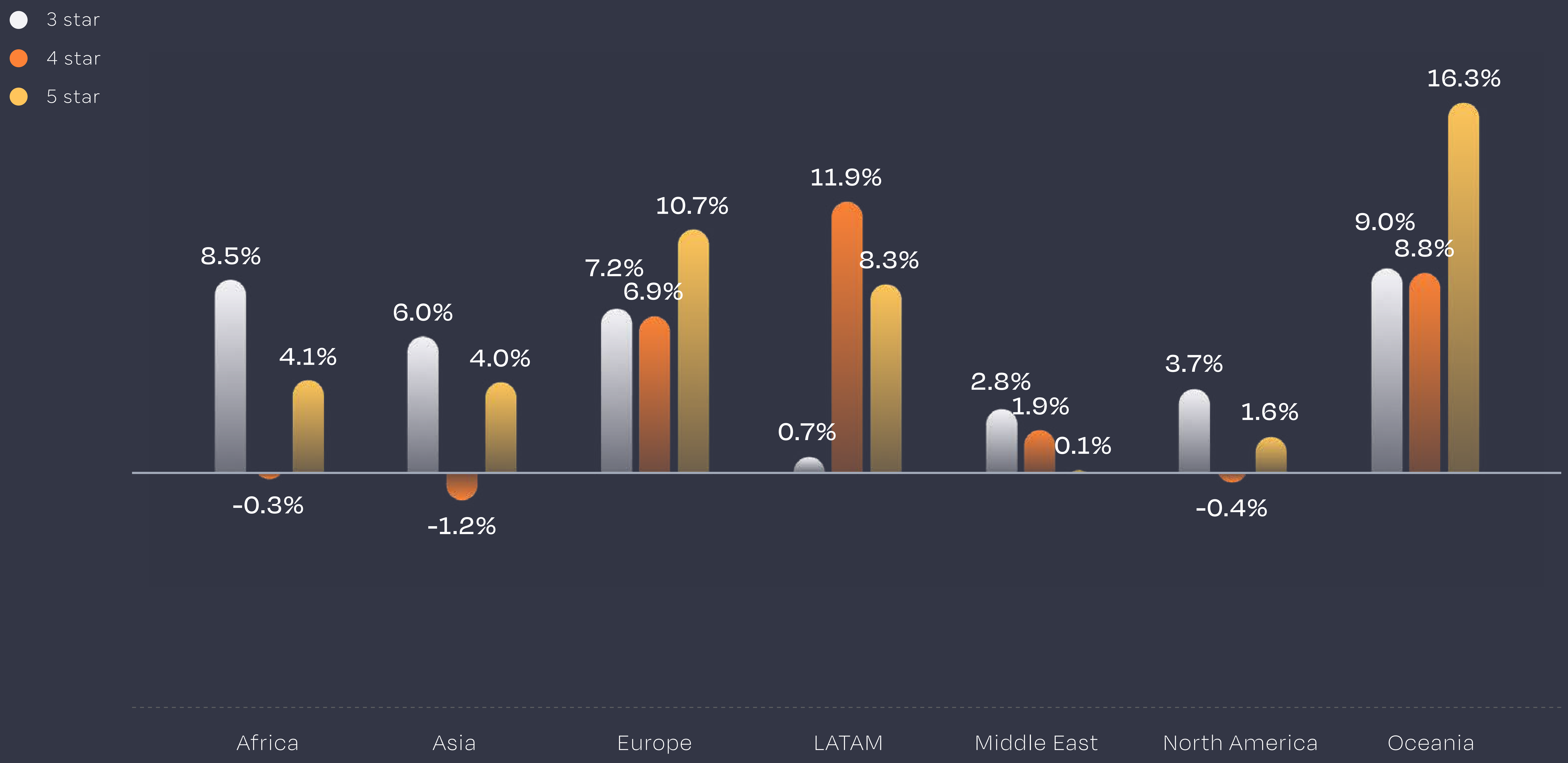
> In this environment, three-star hotels are closing the performance gap over more luxurious accommodation.

In pure percentage terms, prices are rising faster in Asia, Africa, the Middle East and North America for three-star hotels than five-star properties in both halves of 2026.

The trend is more pronounced in H2, especially in North America, where average versus actualized prices for three-star hotels are up 3.7% YoY, compared to -7.2% and -20.5% declines for four and five-star hotels, respectively.

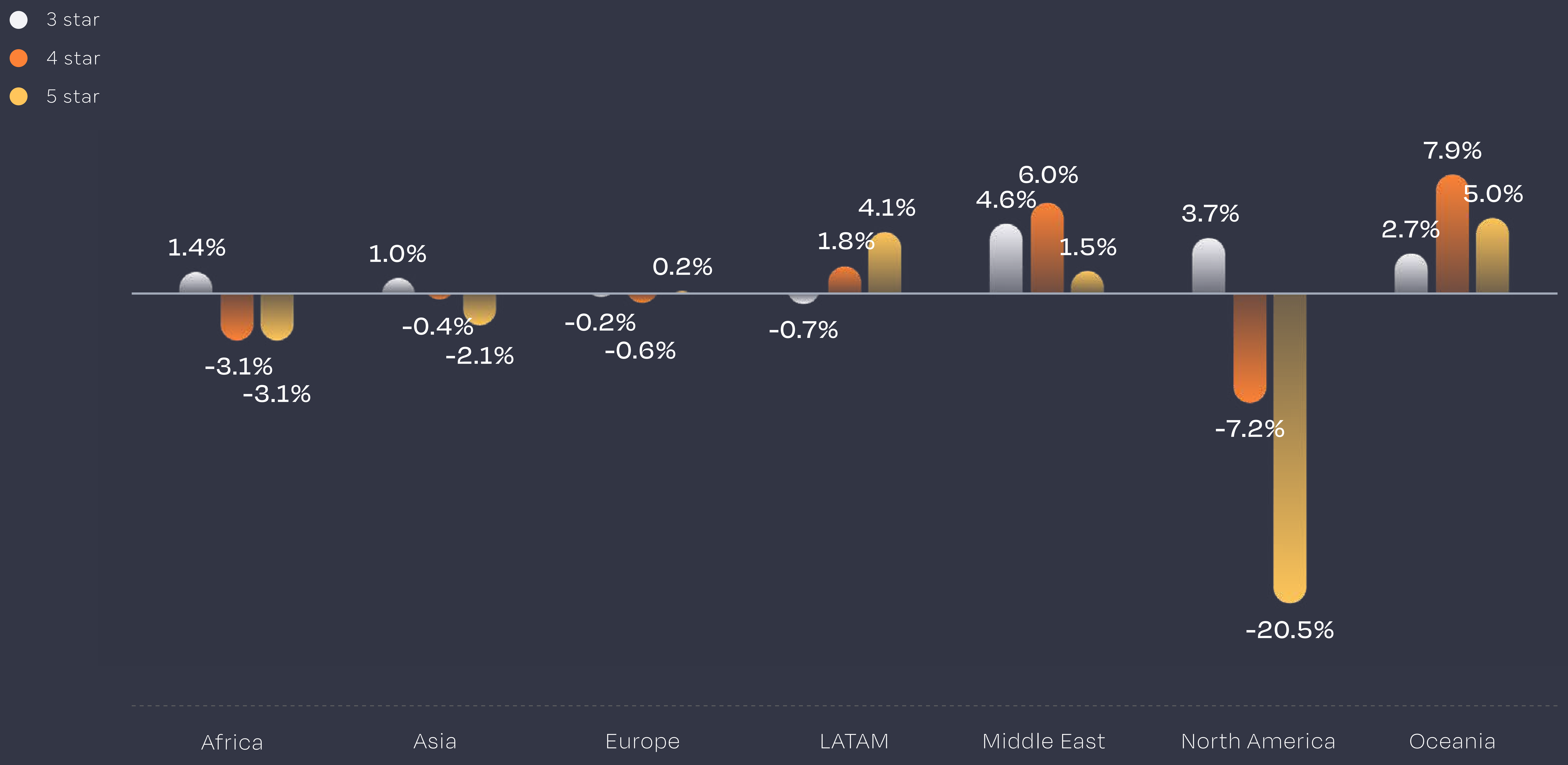
YoY change in average hotel pricing performance

Global regions in H1 2026 by star rating (USD)



YoY change in average advertised hotel pricing performance

Global regions in H2 2026 by star rating (USD)



Hotel room price changes by ownership type

Independent hotels have largely lagged their chain counterparts on pricing power in recent years, and H1 2026 was no exception, especially in Latin America, where actualized prices grew just 2.5% for independents, against 15.9% for branded properties.

H2 2026 points to a potentially shifting picture. Advertised prices for independents have risen at a marginally faster YoY pace than branded hotels in four of seven regions, and in Africa independent properties have limited price decreases to an average of -1.4%, compared to -5.1% for branded properties.

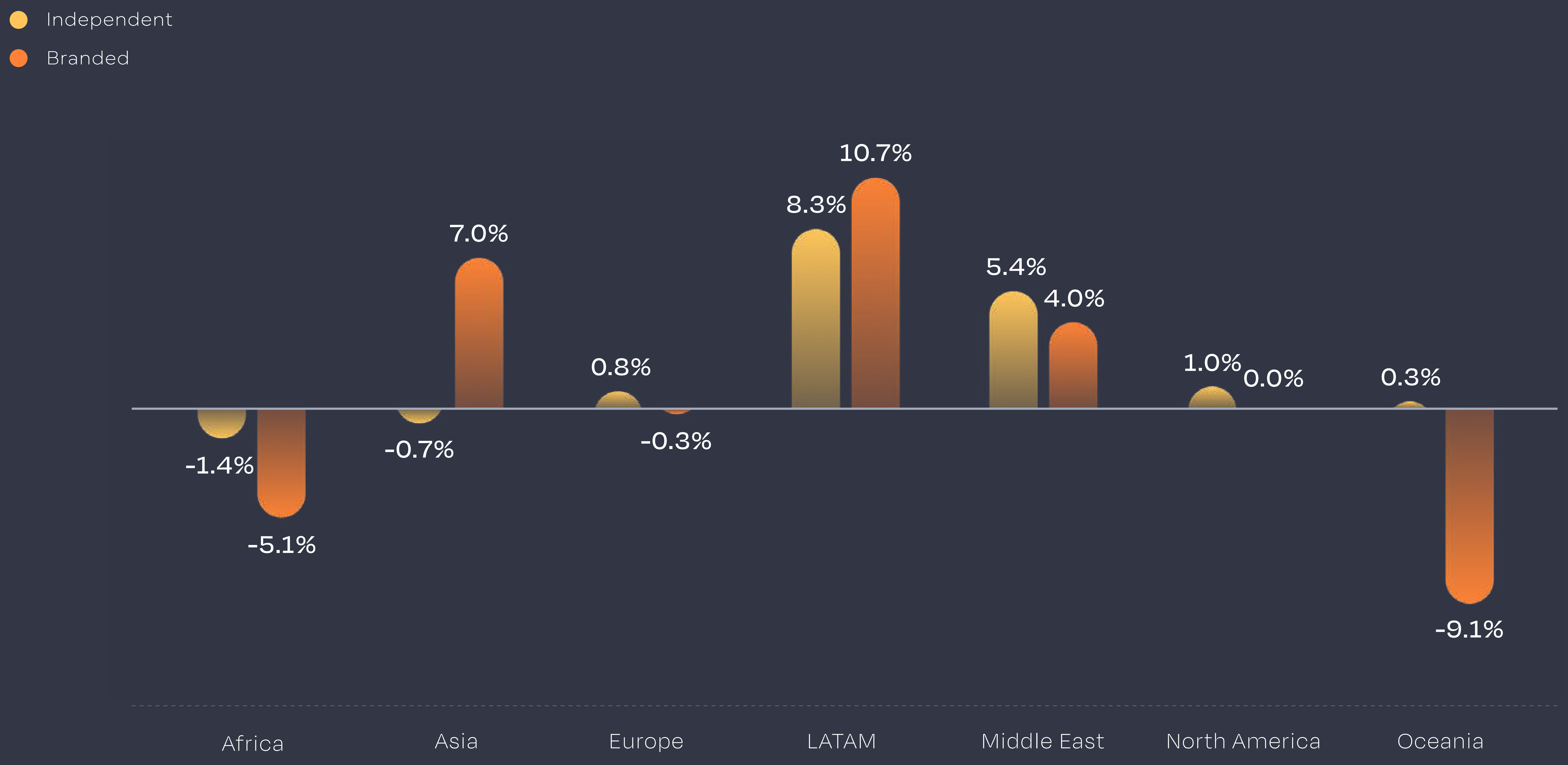
> Given how aggressively branded properties have set room prices in recent years, this could be another signal of the wider consumer search for value, with booking patterns starting to tilt ever so slightly toward independents.

YoY change in average hotel pricing performance

Global regions in H1 2026, branded vs independent hotels (USD)

YoY change in average advertised hotel pricing performance

Global regions in H2 2026, branded vs independent hotels (USD)



Where are hotel and short-term rental prices rising?

Year-over-year leaders from H1 2026 actualized & H2 2026 advertised prices

Vietnam is a standout star

Not only was Vietnam the second fastest growing country for hotel prices in H1 2026 (36%), but it is also within the top 20 in H2 for advertised pricing changes versus actualized H2 2025 prices (at 18.2%), as well as being the location for all five fastest growing destinations in H1, topped by a world-leading 153% growth in Phu Quoc.

Island getaways are a hot ticket in 2026

Caribbean islands feature heavily in the list of top performers, with the Bahamas, Barbados, Bermuda, Grenada and Saint Lucia all in the top 20 countries for hotel pricing growth for either H1 or H2.

Beyond the Caribbean though, other island locations including Fiji, Jersey, Guernsey and Samoa are also present.

Consumers look eastward in Europe as the search for value remains

Albania, Armenia, Bulgaria, Croatia, Lithuania, Montenegro and Slovenia are all in the top 20 country list for hotel room price rises in either H1 2026 or H2 2026.

Polish cities feature heavily for actualized short-term rental rate rises in H1 2026 versus H1 2025, including Gdansk, Krakow, Katowice, Poznan and Wroclaw.

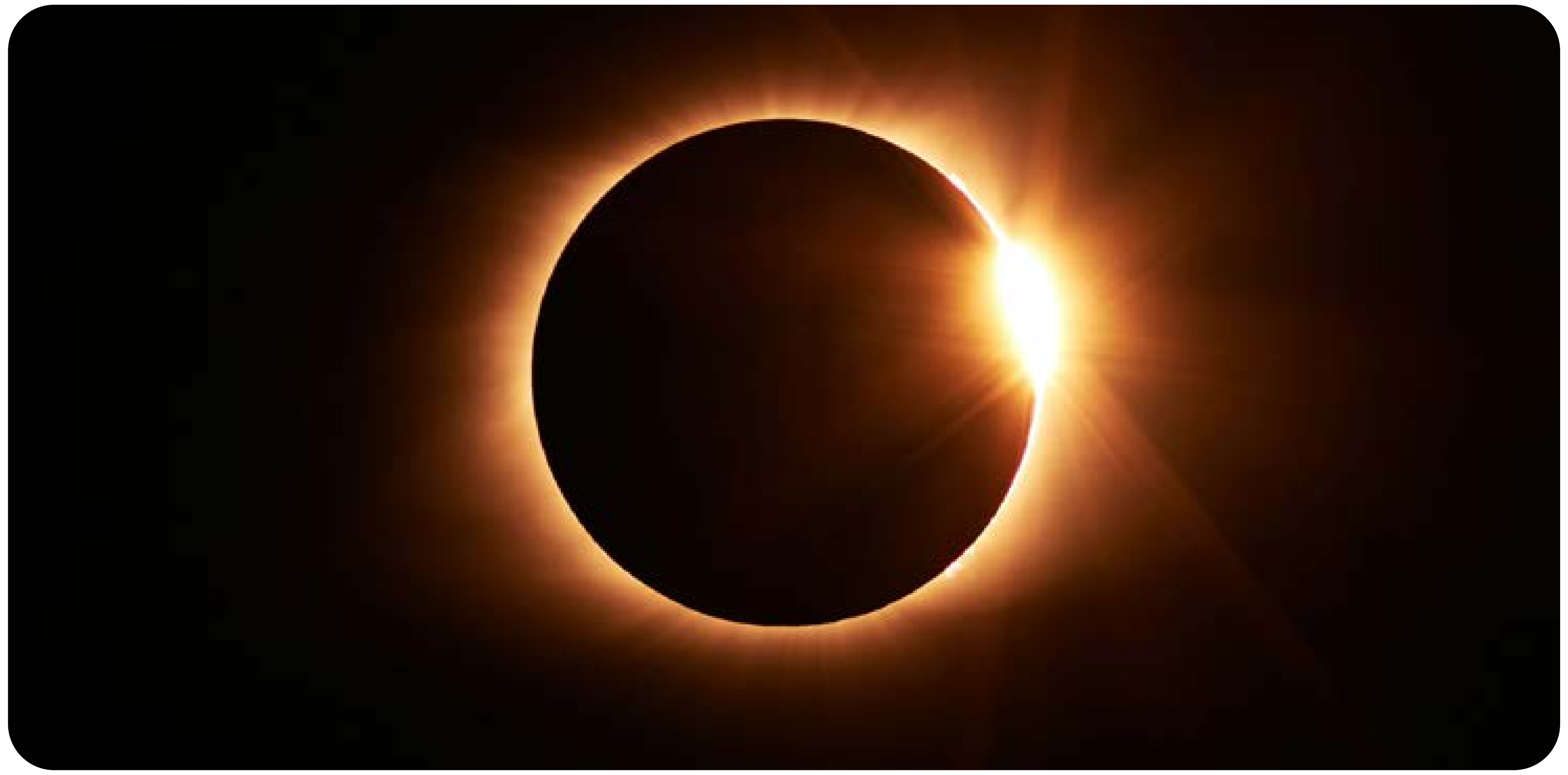
Just outside the top 20 countries for H2 2026 advertised pricing growth versus H2 2025 actualized room prices are also Bosnia & Herzegovina (12.3%), Estonia (17.2%) and Georgia (12.2%), reinforcing the pattern of Eastern European destinations on the rise.

Headline events continue to drive pricing performance

The Winter Olympics (Cortina D'Ampezzo), solar eclipse (Iceland, Bilbao) and FIFA World Cup (Arlington, Kansas City, Monterrey, Plantation (Florida), San Francisco and Vancouver) all show up in the data. In the case of the World Cup, destination pricing growth appears to be more apparent in H2, especially for the US, with no destinations in the country showing up in the top 20 lists for actualized pricing growth in H1.

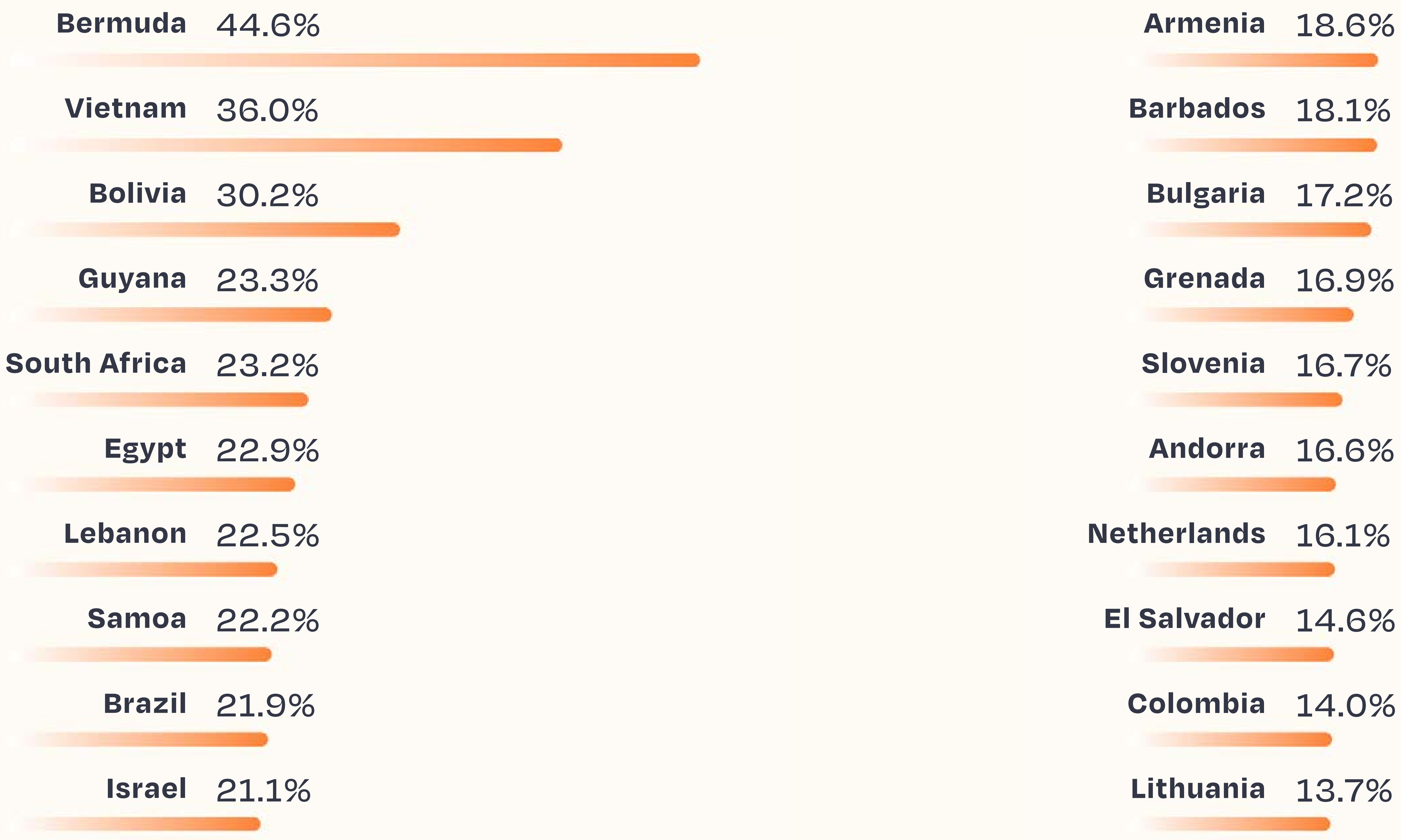
Egyptian and South African momentum continues

Both countries also featured in our previous H2 2025 report and continue to perform strongly.



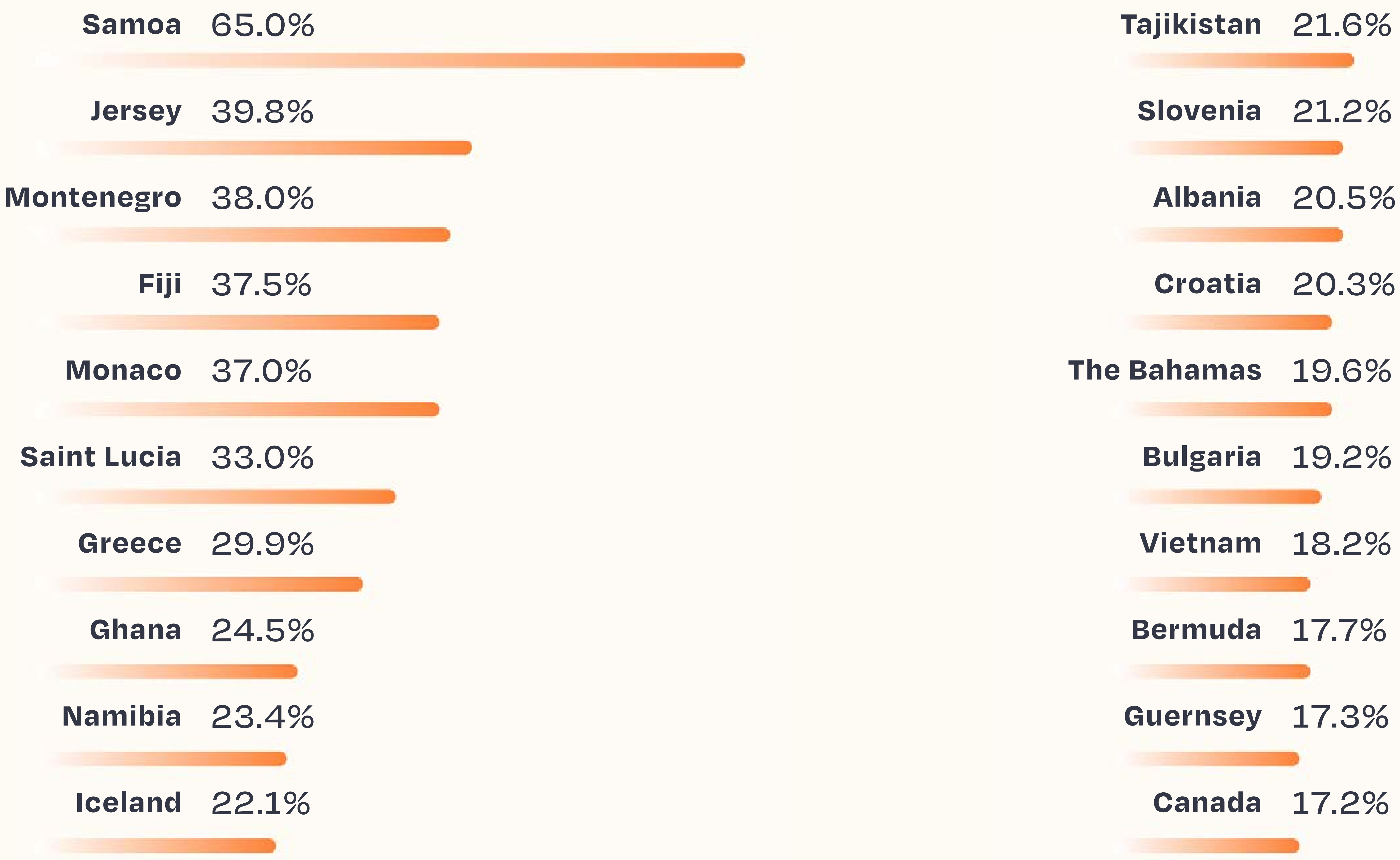
Top 20 countries for hotel pricing growth

Change in average actualized prices in H1 2026 vs H1 2025



Top 20 countries for hotel pricing growth

Change in average advertised prices in H2 2026 vs H2 2025



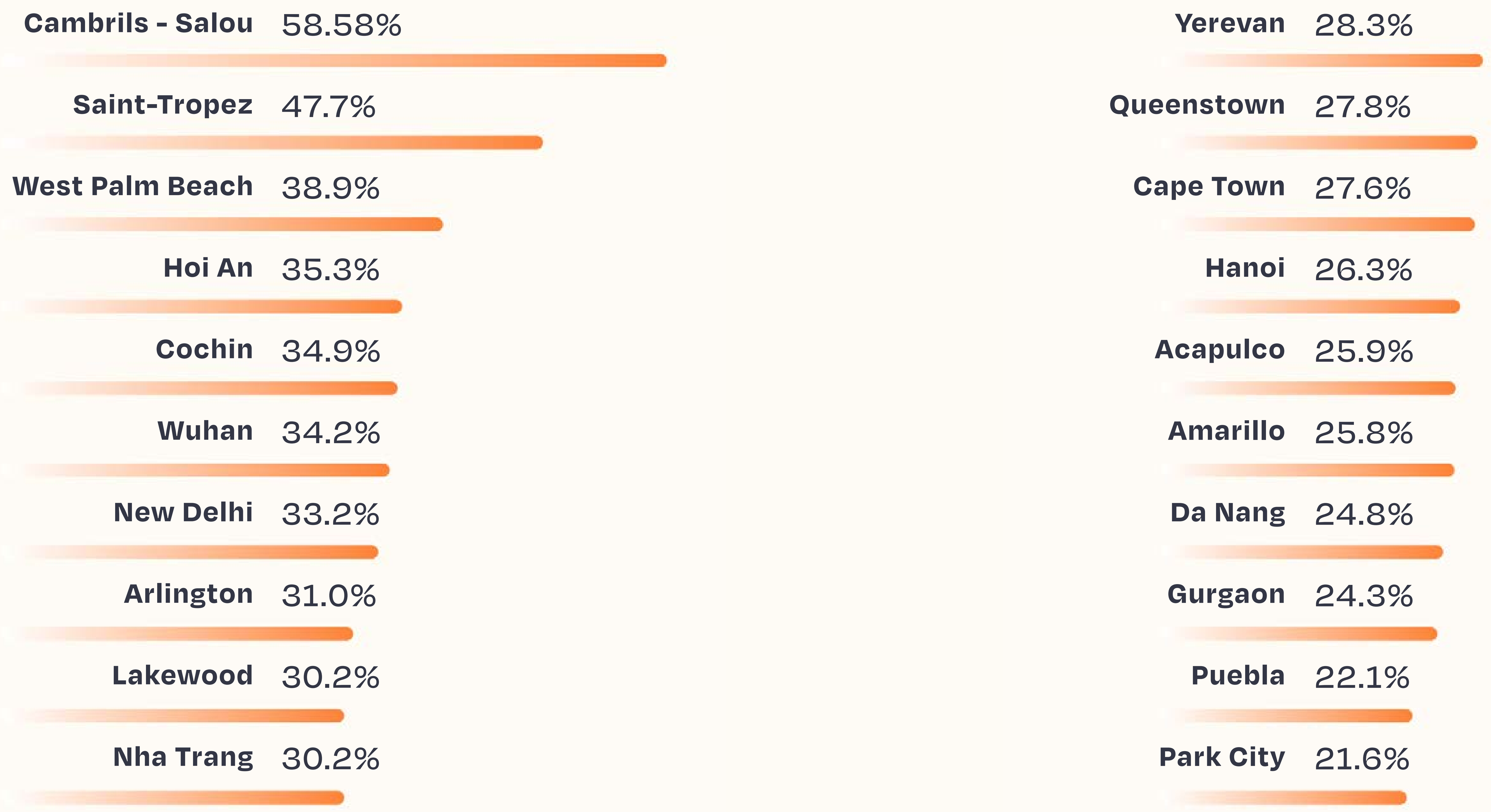
Top 20 destinations for hotel pricing growth

Change in average actualized prices in H1 2026 vs H1 2025

Destination	Change	Destination	Change
Phu Quoc	153%	Batam	35.4%
Da Nang	99.3%	Cape Town	32.6%
Nha Trang	68.6%	Pretoria	31.8%
Hanoi	58.1%	Jerusalem	30.4%
Ho Chi Minh City	58.0%	Santorini	29.7%
New Delhi	55.4%	Queenstown	29.5%
Cairo	38.4%	Yerevan	28.6%
Guadalajara	38.3%	Goiania	28.4%
Halkidiki	37.3%	Busan	27.4%
Foz do Iguacu	35.4%	Hyderabad	27.2%

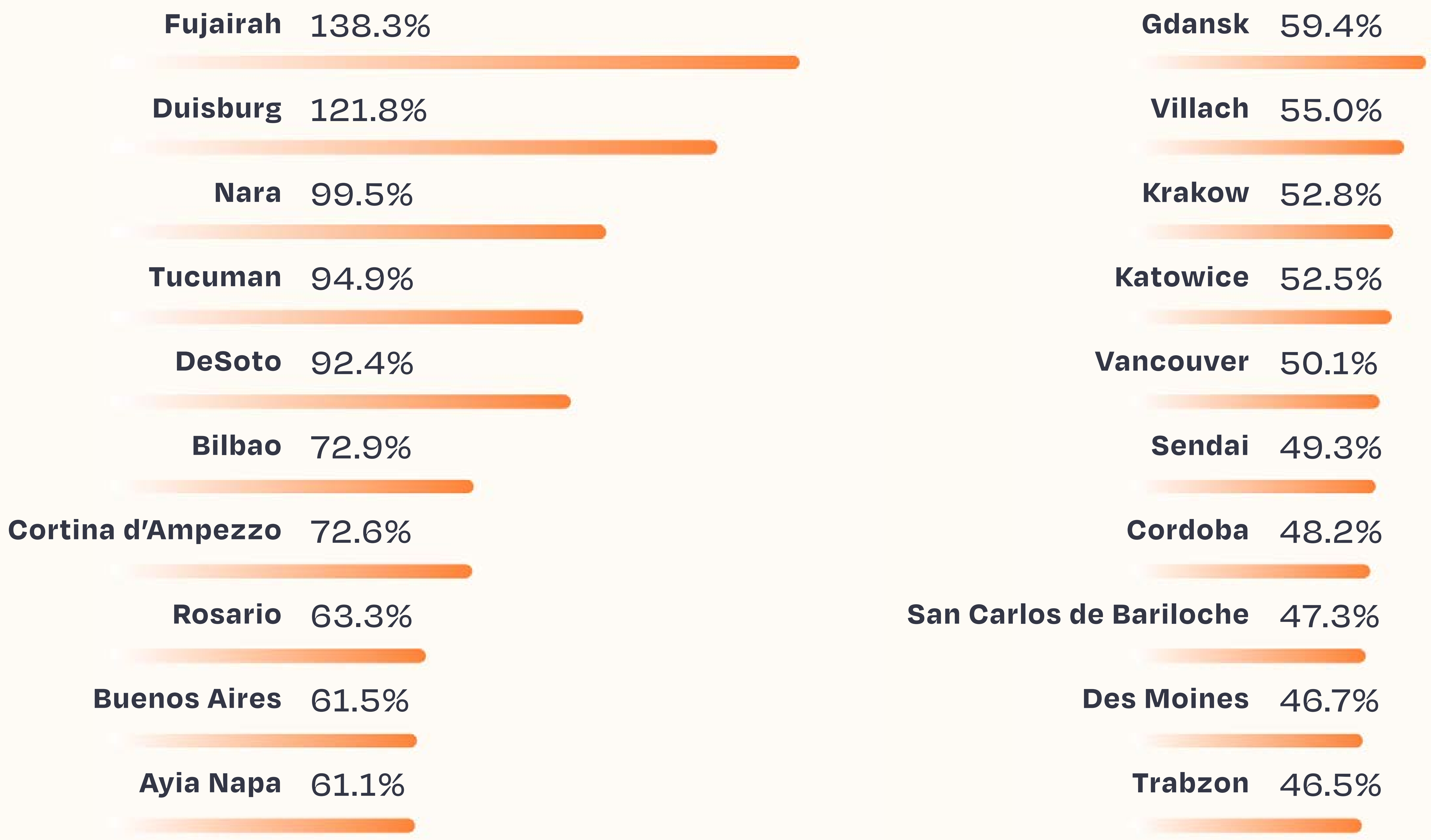
Top 20 destinations for hotel pricing growth

Change in average advertised prices in H2 2026 vs H2 2025



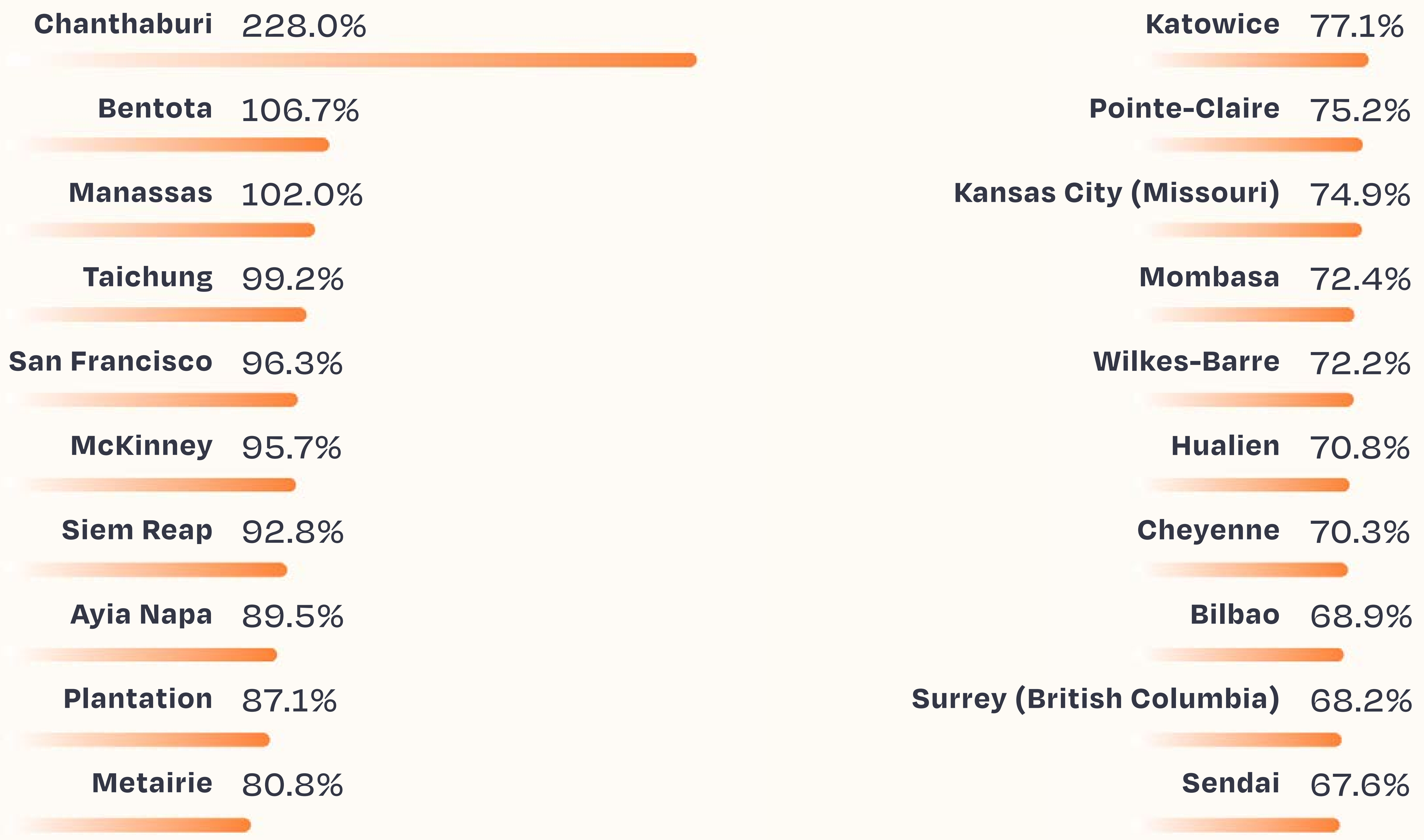
Top 20 destinations for short-term rental pricing growth

Average booked price in H1 2026 vs H1 2025



Top 20 destinations for short-term rental pricing growth

Average booked price in H2 2026 vs H2 2025



Where are hotel and short-term rental prices falling?

Year-over-year underperformers from H1 2026 actual & H2 2026 advertised prices

Armed conflict reshapes Gulf pricing

Geopolitical instability is one of the defining forces of 2026. Gulf markets that were until recently among the fastest-growing for hotel pricing now sit among the weakest performers.

Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates all rank within the bottom 20 lists for hotel pricing declines (H2 2026 advertised pricing, versus H2 2025 actualized pricing), with the UAE posting the steepest H2 advertised price decline of any country at -48.1%. Dubai further typifies the reversal in fortunes for the region.

A year ago, hotels there were advertising H1 2026 prices 49.9% above 2025; now fast forward to the actualized prices achieved and there is an average cut of 21.6%.

Japan's pricing boom loses steam

Japan is a surprise entry among markets with weakening hotel pricing. Advertised prices are down 21.4%
in H2 and six Japanese destinations sit in the bottom 20 for falling prices.

Until recently one of the world's fastest-growing destinations for tourist arrivals, Japan has been hit by a sharp drop in Chinese visitors, contributing to a -2% decline in overall arrivals in H1. Historic weakness in the yen is likely amplifying the price cuts (this report uses US dollars), and a pullback in domestic consumer spending is adding to the pressure.

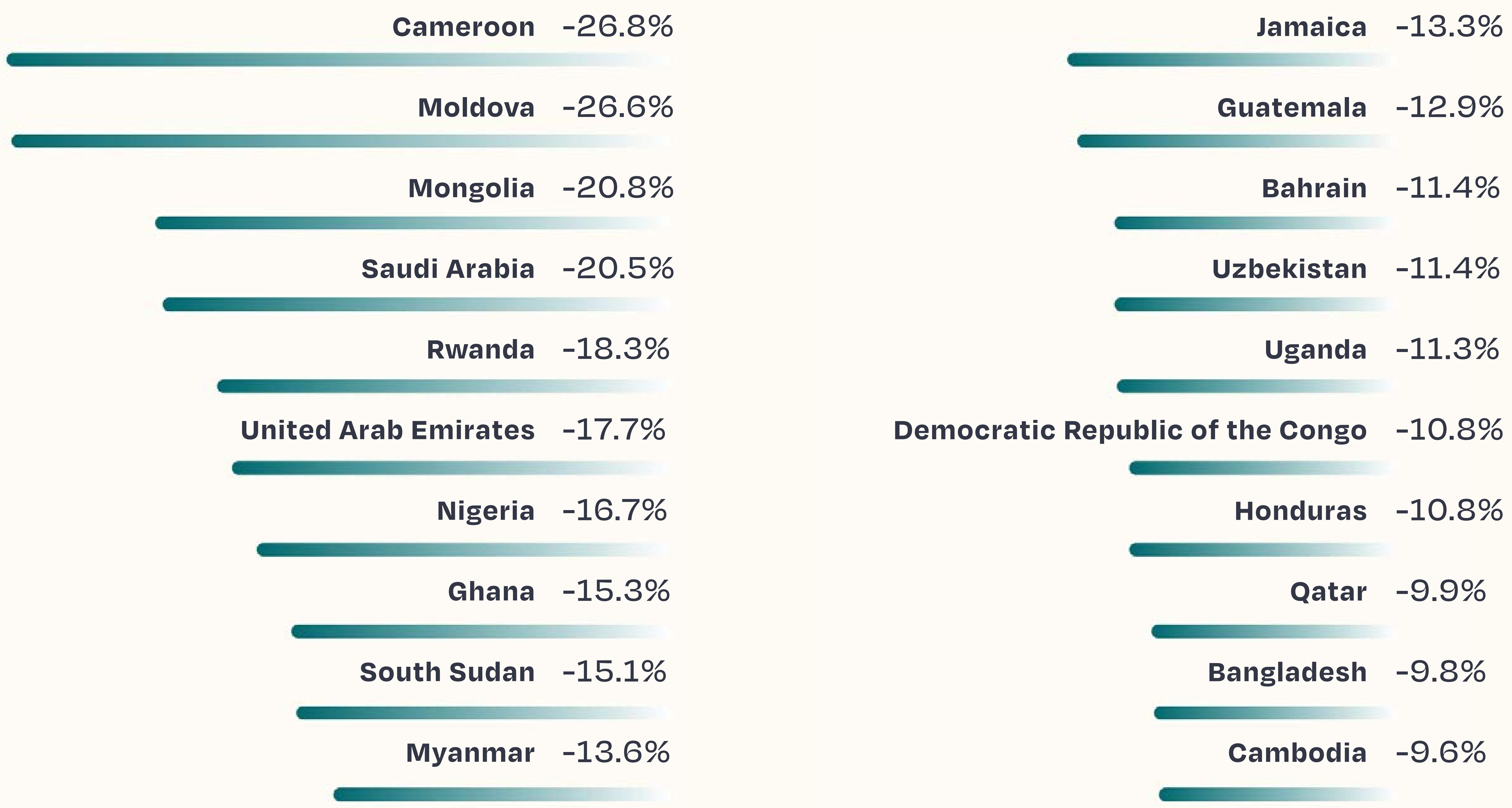
Weakness continues in previously in-demand destinations

Bali (-21.3%), Las Vegas (-14.5%) and Saint-Tropez (-50.5%) were all flagged in our previous pricing report, where they declined -23.1%, -21.5% and -49.9% YoY in H2 2025.

> These destinations are still underperforming, suggesting travelers are swapping the world's busiest hotspots for quieter, further-flung alternatives.

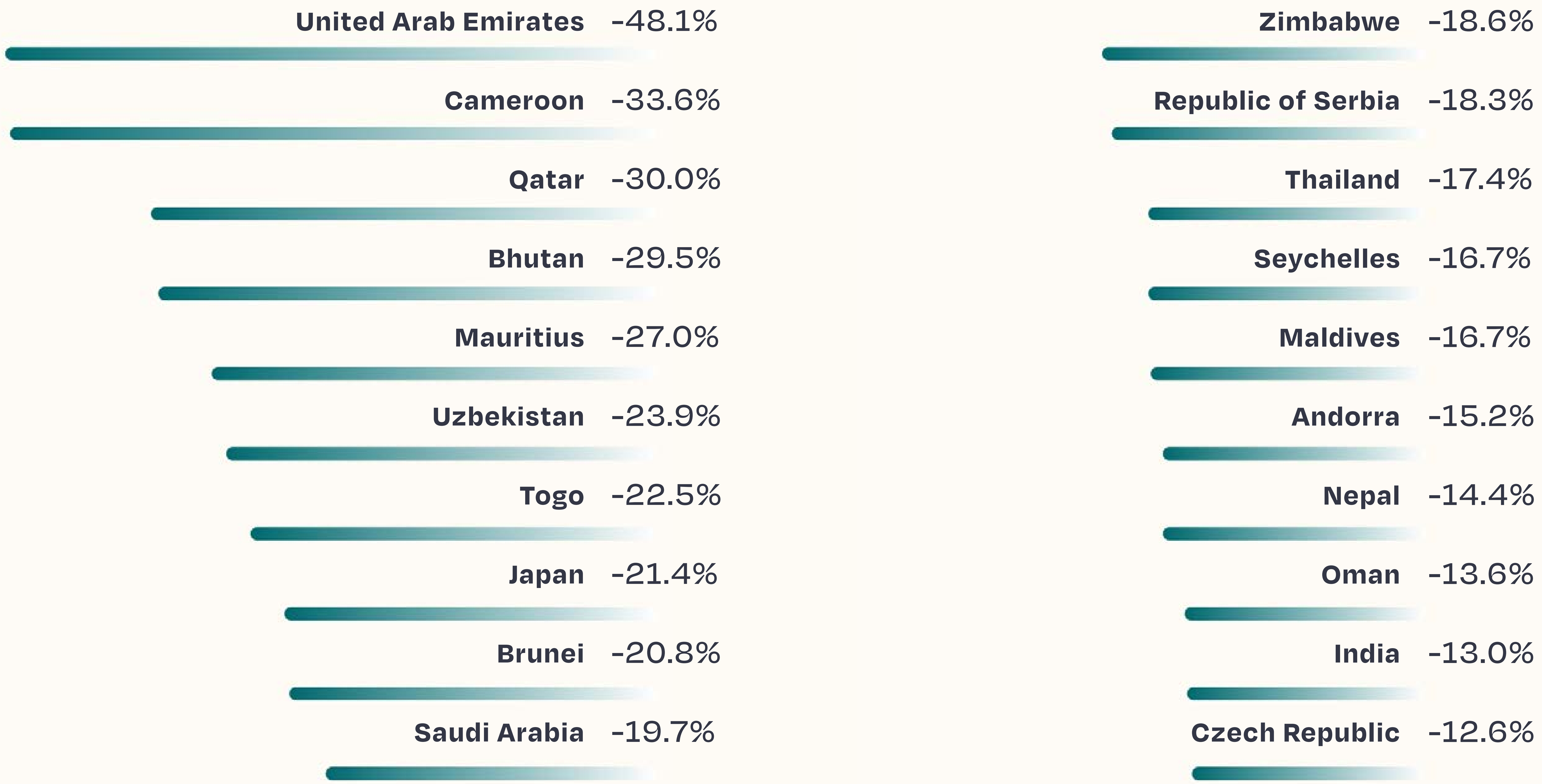
Bottom 20 countries for hotel pricing declines

Change in average actualized prices in H1 2026 vs H1 2025



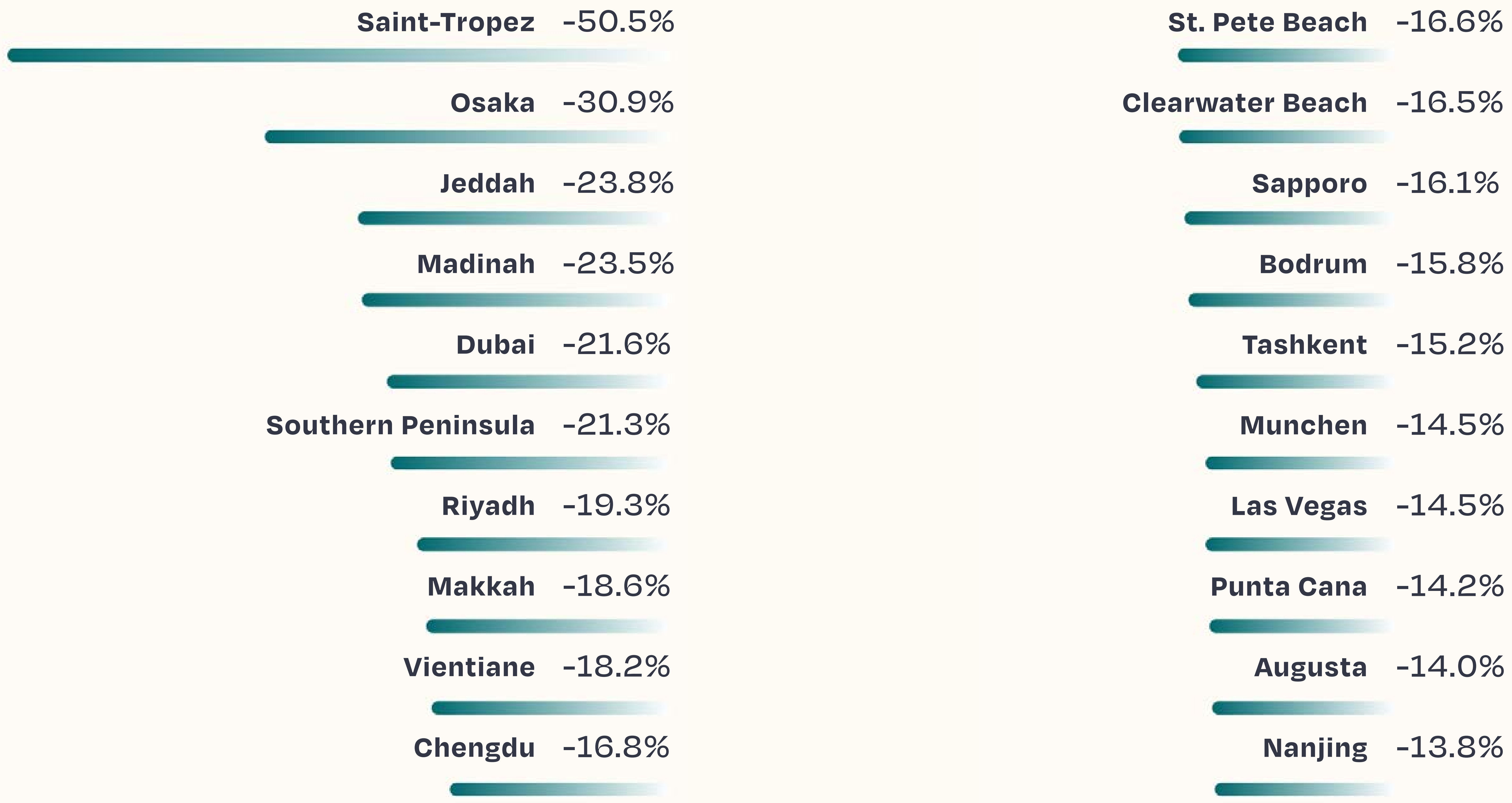
Bottom 20 countries for hotel pricing declines

Change in average advertised prices in H2 2026 vs H2 2025



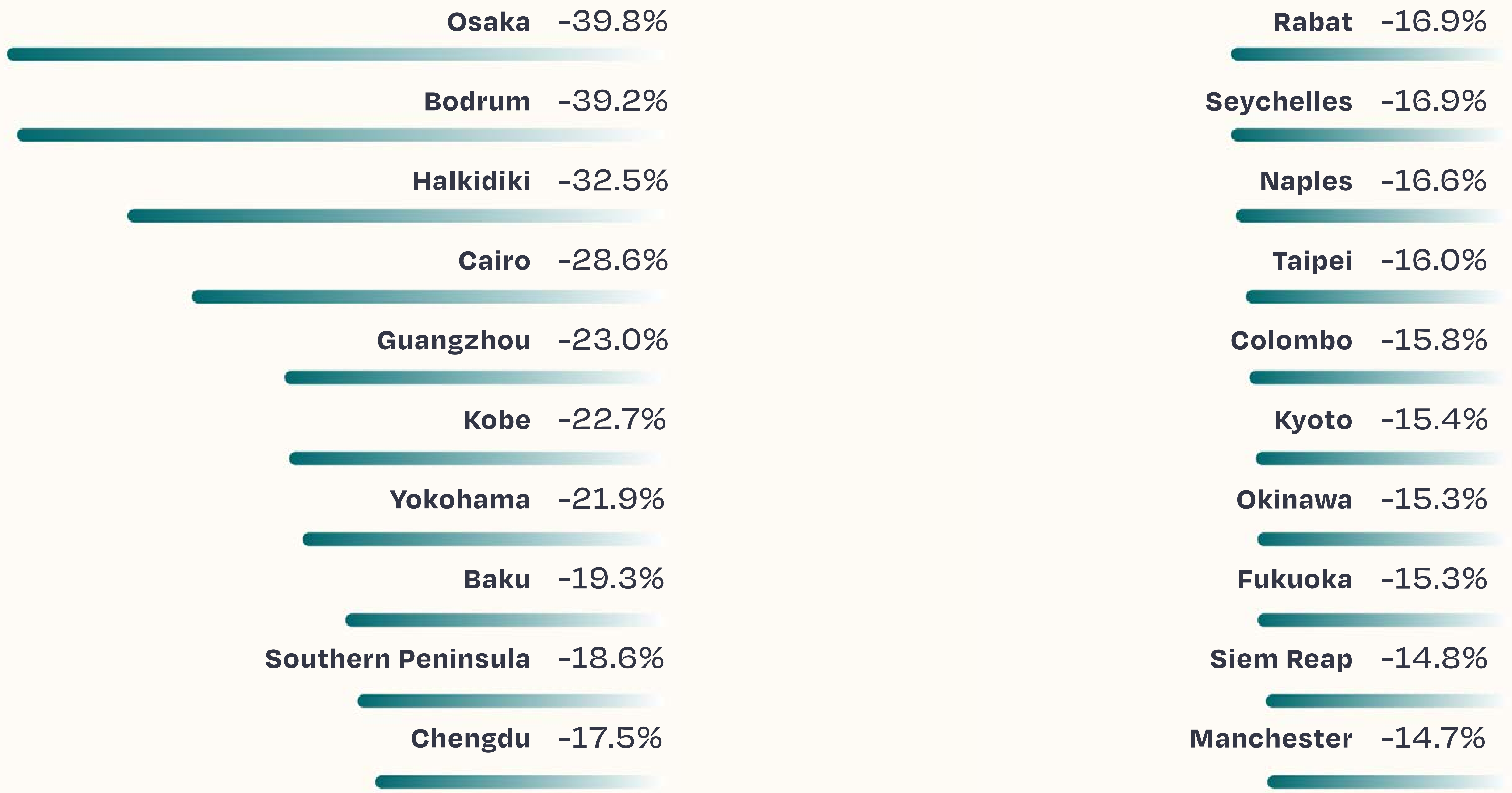
Bottom 20 destinations for hotel pricing declines

Change in average actualized prices in H1 2026 vs H1 2025



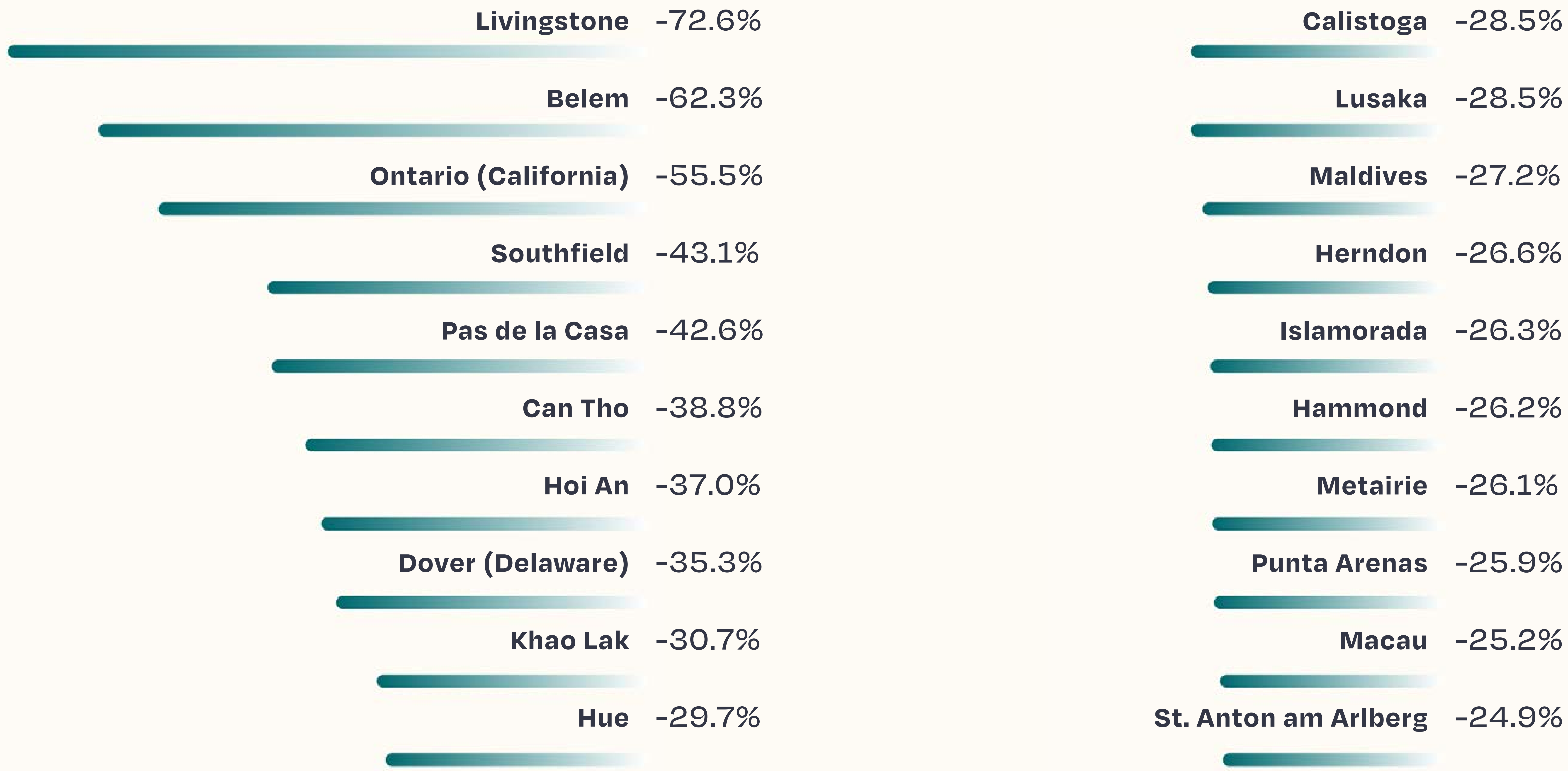
Bottom 20 destinations for hotel pricing declines

Change in average advertised prices in H2 2026 vs H2 2025



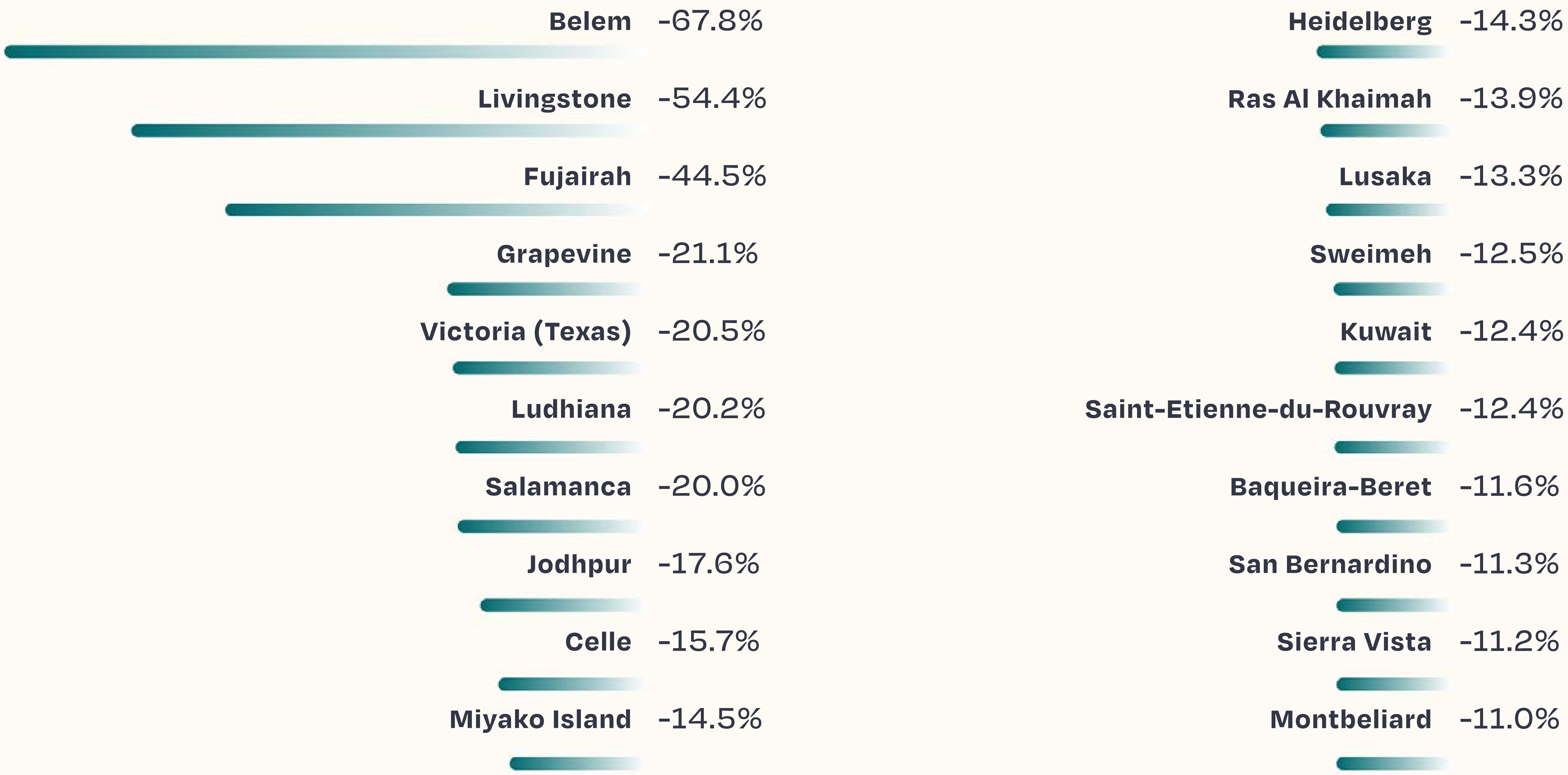
Bottom 20 destinations for short-term rental pricing declines

Average booked price in H1 2026 vs H1 2025



Bottom 20 destinations for short-term rental pricing declines

Average booked price in H2 2026 vs H2 2025



What does the data tell us about the state of hospitality pricing?

The big story is the consumer search for value, which appears to be strengthening as we head into H2 2026.

Forward pricing in most regions is tentative at best, with advertised room prices in Africa, Asia and Oceania showing YoY cuts on average. Three-star hotels are the exception, suggesting more consumers are trading down to less luxurious options as belts tighten. The same pattern shows up in destination choice.

> Value markets such as Vietnam and many of Europe's geographically peripheral destinations are climbing the growth rankings as travelers look further afield for affordable vacations.

Consumer data backs this up, with households in developed countries in particular facing a budgetary crunch that is already reshaping hospitality spending. Consumer confidence in the Euro Area sits below its long-term average, while the share reporting financial distress has risen for three consecutive years.

In Japan, consumers are deeply concerned about inflation and have been cutting discretionary spending in 2026. US consumers are still increasing overall spending, but the latest release for May 2026 shows that spending skewed heavily toward necessities, with restaurants and accommodation services stagnating at the bottom of the category rankings.

With even five-star pricing now affected, no segment can assume immunity.

How should hoteliers and short-term rental operators act?

Lighthouse data points to five priorities for the year ahead:

- **Price on forward demand, not last year's calendar**
  Markets are flipping fast in both directions. Vietnam swung from falling prices to 36% growth, while Gulf hotels reversed from advertising room prices 10% above the previous year to flat average pricing inside a year. Forward-looking demand signals, booking pace and real-time pricing data should drive your pricing decisions.

- **Sell value without slashing prices**
  Blanket discounts are hard to claw back once demand returns. Bundle ancillaries dynamically, build length-of-stay offers that respond to the trend for shorter stays, and aim promotions at your most price-sensitive segments rather than cutting headline prices. For short-term rentals, that includes revisiting minimum-stay rules as trips get shorter.

- **Play to your segment's position**
  Three-star properties are outperforming in most regions, so hold your prices where pickup is strong instead of defaulting to discounts. Luxury properties face a more discerning guest and need to justify the premium through what competitors can't copy, such as experience and service.

- **Independents should press the advantage**
  With independent hotels outgrowing branded properties in four of seven regions in H2, this is the moment to embrace dynamic pricing, so every room sells at a price that matches real demand conditions rather than a static price plan. It's also the time to review your channel mix: benchmark daily against your comp set, make sure your inventory is working across the right channels, and push direct bookings to capture more revenue from the demand tilting your way.

- **In declining markets, defend room prices with value-adds and new source markets**
  Properties in the Gulf and Japan face suppressed demand. Rather than deep headline cuts, protect ADR with upgrades, F&B credits or flexible cancellation, and redirect marketing toward guests still traveling, such as US and European visitors taking advantage of the weak yen.

Expect market volatility to continue over the coming year.

The properties that come out ahead will be the ones that spot demand signals early, price rooms accurately, measure what works and refine strategies.
[See how Lighthouse can help you do all of these with confidence.]

The Lighthouse Commercial Platform

The trends in this report are opportunities for hospitality professionals with the right data. Lighthouse's commercial operating system combines the world's largest source of hotel and short-term rental pricing intelligence with Ernest, a natural-language, native AI interface that turns questions into insights and recommendations into action.

Get a competitive edge with Lighthouse.

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Predict market demand and track competitor pricing to maximize revenue

Start a free trial

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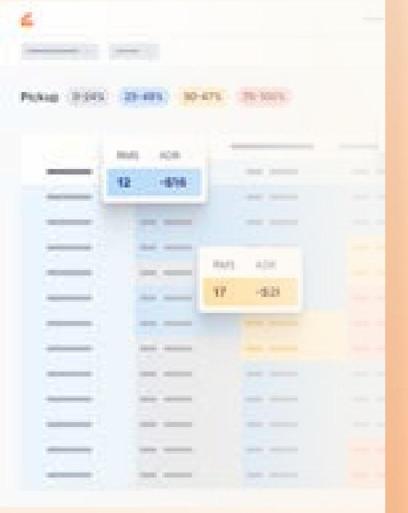
Monitor, optimize, benchmark and report on your performance



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Solve parity issues portfolio wide and optimize channel distribution

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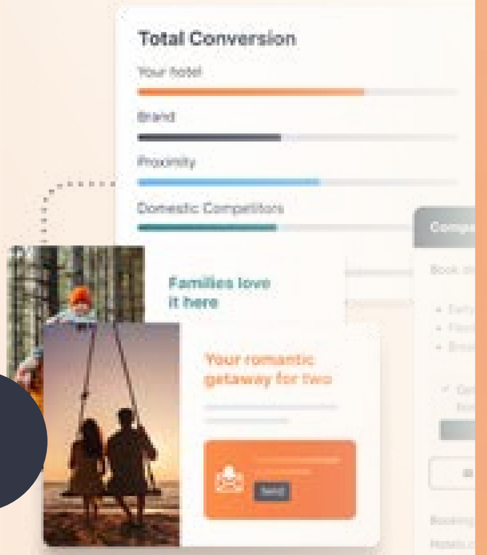
Lighthouse Direct

Grow direct bookings with AI-driven website personalization



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About Lighthouse

Lighthouse is the **leading commercial platform for the travel & hospitality industry.** We transform complexity into confidence by **providing actionable market insights, business intelligence, and pricing tools that maximize revenue growth.**

We continually innovate to deliver the best platform for hospitality professionals to price more effectively, measure performance more efficiently, and understand the market in new ways.

Trusted by over 80,000 hotels in 185 countries, Lighthouse is the only solution that provides real-time hotel and short-term rental data in a single platform. We strive to deliver the best possible experience with unmatched customer service. We consider our clients as true partners—their success is our success.

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