

2026 Hospitality Market Outlook — Hong Kong

Prepared for: Investors & Hotel Operators · 2026



Key Market Intelligence

Key themes: Tourism recovery • Limited hotel supply • Investment opportunities

Hong Kong Hospitality

Contents

- 3 Market Overview
- 4 Tourism Demand Recovery
- 5 Hotel Performance
- 6 Changing Visitor Behavior
- 7 Supply Outlook
- 8 Investment Market
- 9 Key Challenges
- 10 Opportunities & 2026 Outlook



Market Overview

Hong Kong Hospitality 2026

Demand Phase

Post-pandemic recovery

Tourism

International arrivals rebounding

Occupancy

Strong recovery across segments

Rates

Moderate rate pressure

MARKET SIZE (2025)

US\$1.6B revenue

GROWTH TO 2030

~9.8% CAGR



Tourism Demand Recovery

45.2M visitors Jan–Nov 2025 (+12.4% YoY)

- Mainland China ~76% of arrivals
- Taiwan and regional markets following
- Tourism recovery is the primary demand driver for 2026

Source: HKTB; JLL APAC Research (Jan–Nov 2025)



Hotel Performance

Recent market trends (2024-2025)

Metric	Value / Note
Occupancy	~85% average
ADR	Declined—cautious spending
RevPAR	~HK\$1,132

Key insight: Demand is strong but pricing power is still stabilizing.



Changing Visitor Behavior

Key trends

- Shorter stays
- Budget-conscious travelers
- Experience-driven choices
- Lower per-trip spend vs 2018

Visitors spend significantly less per trip compared with 2018.

Implication

Hotels should focus on value and experience-led offerings.



Supply Outlook

Hong Kong Hospitality 2026


INVENTORY

≈320 hotels

ROOMS

≈92,900 keys

New supply (2026)

 Only 2 new hotels expected

Trend

- Selective conversions to **student housing** and **co-living**
- Overall pipeline remains limited, supporting occupancy



Investment Market

US\$456M hotel investment volume (2025), +106%
YoY

Drivers

- Price correction unlocking deals
- Opportunistic investors re-entering
- Distressed assets and value-add plays

Key Challenges

- Declining visitor spending
- Rising operating costs
- Competition from Bangkok, Tokyo, Singapore



Opportunities for Hotels

Note: Luxury ADR near pre-pandemic levels

1. Luxury & Experiential

Differentiate on value

- Curated experiences (art, wellness, culinary)
- Premium packages to defend ADR

2. Event-driven Tourism

Fill shoulder periods

- Partner with MICE, sports, culture events
- Create weekend city-break offers

3. Regional Marketing

Target near-source markets

- Focus Mainland China + short-haul APAC
- Localized campaigns, influencer tie-ups

4. Smart Technology

Optimize cost & service

- Mobile check-in, AI pricing, upsell tools
- Energy and labor efficiency

5. Asset Repositioning

Align to demand shifts

- Renovate or convert (co-living/student)
- Branding refresh for midscale/value