

2025 Hotel Market Report

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Market Overview

Inbound Foreign Visitor Trends

In 2025, inbound foreign visitors to Korea are projected to reach an all-time high, surpassing the previous peak in 2019.

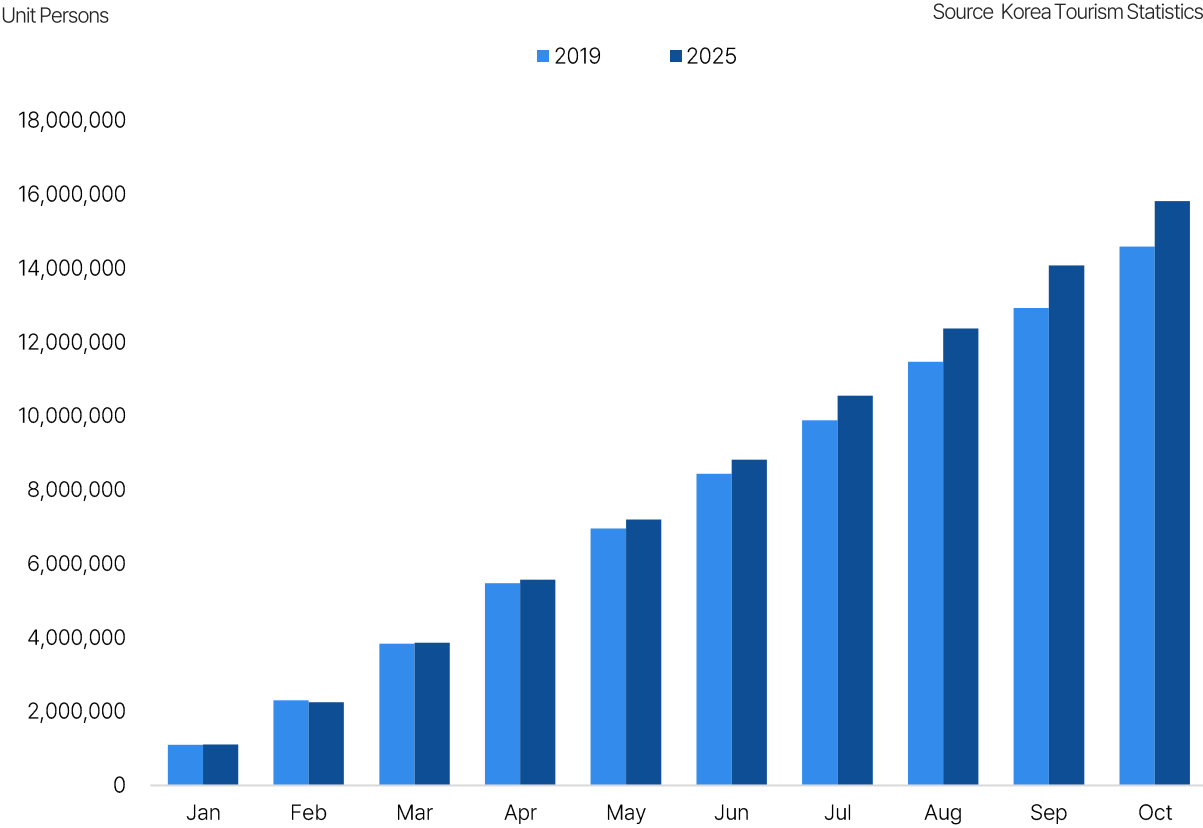
As of October 2025, inbound arrivals totaled 15.82 million, which is 1.23 million higher than the same period in 2019. In addition, visa-free entry for Chinese group tour visitors will be permitted from September 29, 2025, to June 30, 2026. This policy change is expected to support further growth in arrivals in November and December 2025.

In 2025, K-culture gained heightened global prominence.

A Netflix title, *"K-Pop Demon Hunters"*, set against the backdrop of Korean traditional culture, achieved strong mainstream traction. In addition, the Korean musical *"Maybe Happy Ending"* delivered a landmark performance at the 78th Tony Awards, receiving 10 nominations and winning 6 awards representing the production's highest nomination and win count to date.

These cultural milestones appear to have strengthened global awareness of Korean content and brands, contributing to an increase in domestic tourism and inbound demand.

Comparison of Annual Cumulative Inbound Foreign Visitors: 2019 vs. 2025



Ratio of Foreign Residents to the Total Population

Since 2020, the number of foreign residents in Korea declined temporarily and then recovered rapidly. It reached 2.65 million in 2024. This corresponds to 5.2% of the total population. This indicates that the role of foreign residents within Korea’s demographic, housing, and industrial structure is expanding in a structural manner.

Growth has been particularly strong among international students, skilled professionals, and short- to mid-term residents. This has generated effective demand not only for traditional rental housing but also for hotels, serviced residences, and hybrid accommodation formats. Some hotels are therefore expanding their role beyond tourism. They are increasingly functioning as long-stay accommodation and as substitutes for residential use.

This suggests that greater operational flexibility in room management will become increasingly important. Monthly unit-based stay products are likely to gain relevance. Residential-oriented room layouts and amenities are also expected to play a growing role in supporting income stability and market responsiveness.

Trend in the Share of Foreign Residents in the Total Population

Unit Persons

Source Ministry of Justice

Year	Foreign Residents	Total Population(Korea)	Foreign Residents as a Share of the Domestic Population
2020	2,036,075	51,829,023	3.93%
2021	1,956,781	51,638,809	3.79%
2022	2,245,912	51,439,038	4.37%
2023	2,507,584	51,325,329	4.89%
2024	2,650,783	51,217,221	5.20%

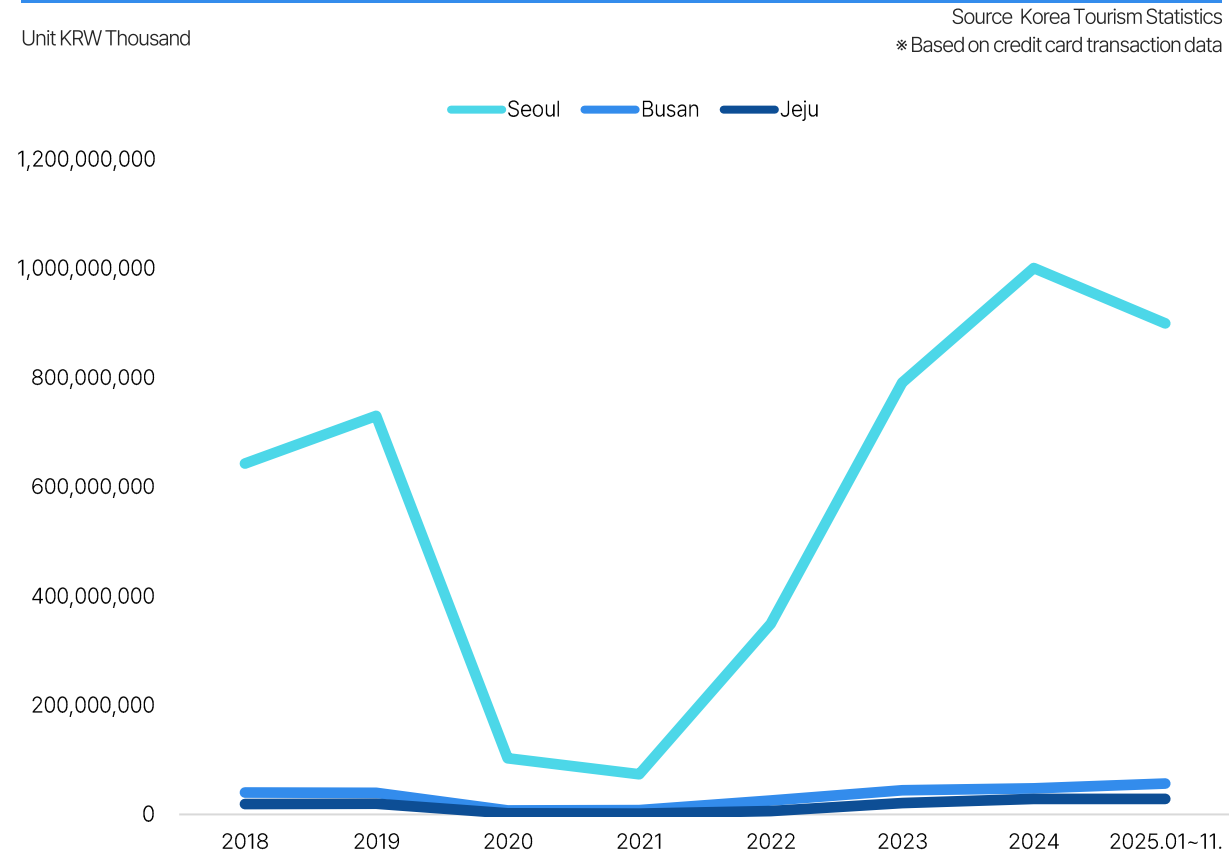
Foreign Visitors' Hotel Expenditure

Foreign visitors' hotel spending in 2025 is expected to decline slightly compared to 2024, but is still projected to reach the second-highest level on record.

As of January~November 2025, hotel spending in Seoul, Busan, and Jeju amounted to approximately KRW 985.4 billion. Considering peak-season demand in December, full-year spending is likely to exceed KRW 1.0 trillion.

Inbound tourist arrivals in 2025 are expected to reach an all-time high. Despite this, annual hotel spending in Seoul, Busan, and Jeju is projected to fall below 2024 levels. This reflects structural shifts in consumption patterns. Access to travel information has improved significantly. Usage of guesthouses and value-for-money accommodations has increased. Low-priced package tours have also become more widespread.

Foreign Visitors' Hotel Spending by Year (2-5 Star)

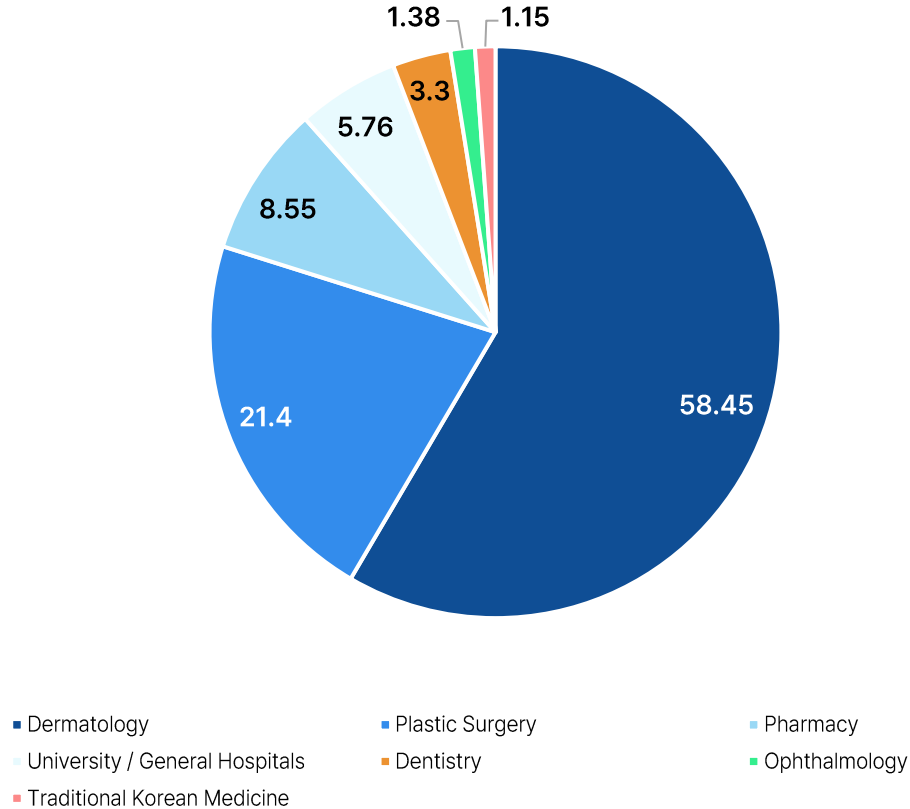


Medical Tourism Trends

- The competitiveness of Korea’s medical and healthcare services has been disseminated rapidly through social media. This has strengthened the “K-Medical” trend. Since the pandemic, medical tourism spending has shown a sustained upward trajectory.
- As of November 2025, overseas visitors’ medical spending had already exceeded the full-year 2024 level by approximately KRW 577.0 billion. If the current trend continues, total spending in 2025 is expected to approach KRW 2.0 trillion.
- As of November 2025, more than half of total medical spending by foreign visitors was concentrated in dermatology services. Strong demand from Chinese and Southeast Asian tourists was the primary driver of market growth. Plastic surgery accounted for the second-largest share. Korea’s advanced cosmetic surgery capabilities have gained international recognition. This has contributed to the continued increase in spending.

Share of Medical Spending by Specialty among Foreign Visitors (Nov. 2025)

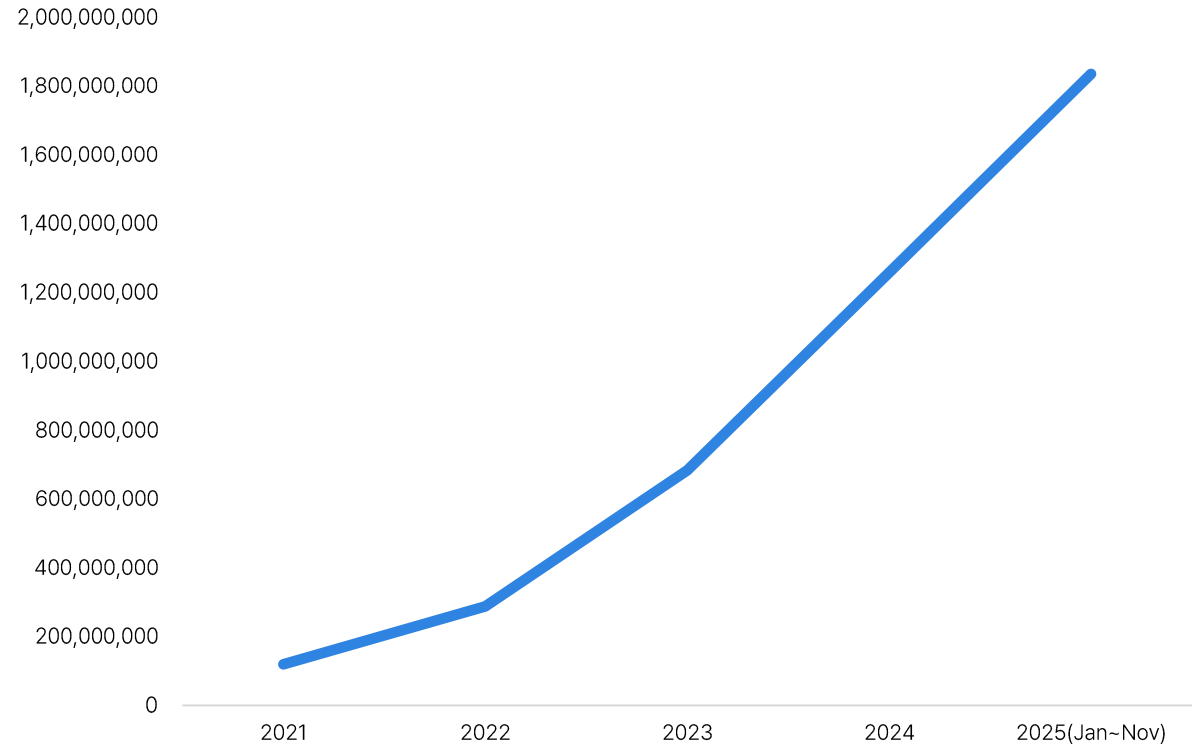
Source Korea Tourism Organization
* Credit card transaction data



Annual Trend in Medical Expenditure by Foreign Visitors

Source Korea Tourism Statistics
* Based on credit card transaction data

Unit KRW Thousand

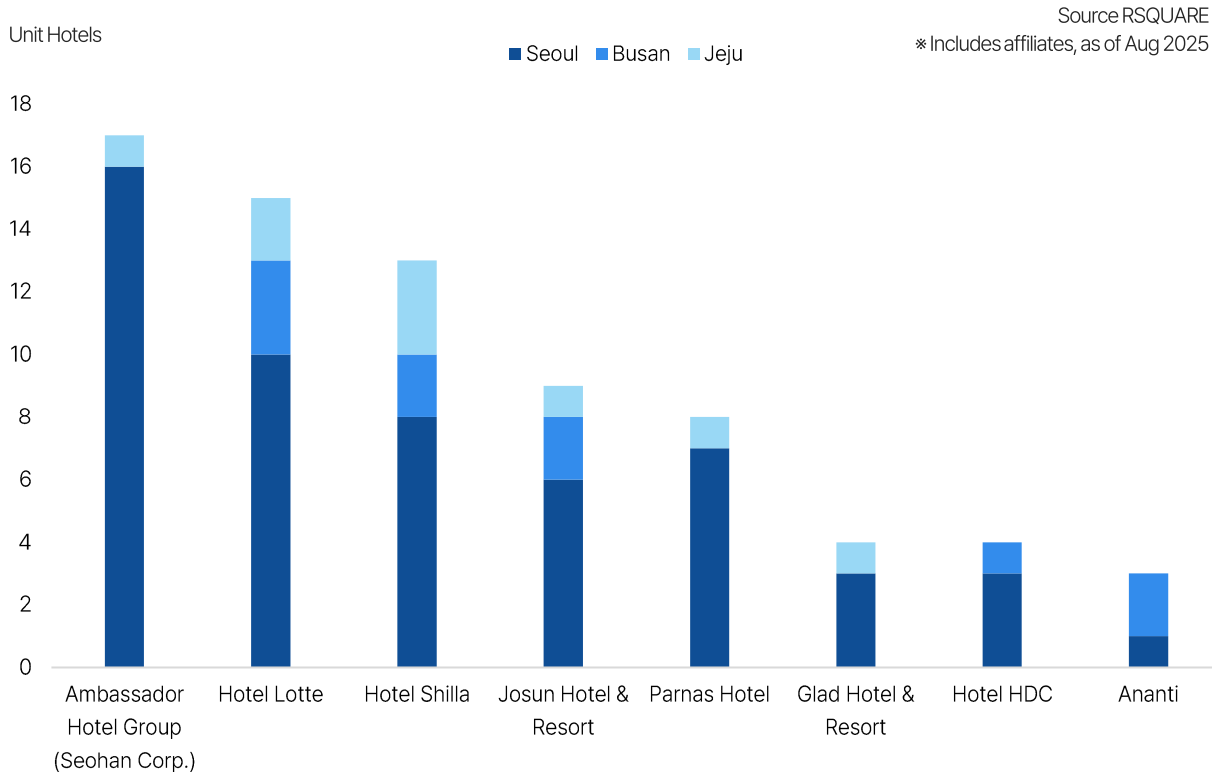


Domestic Hotel Overview

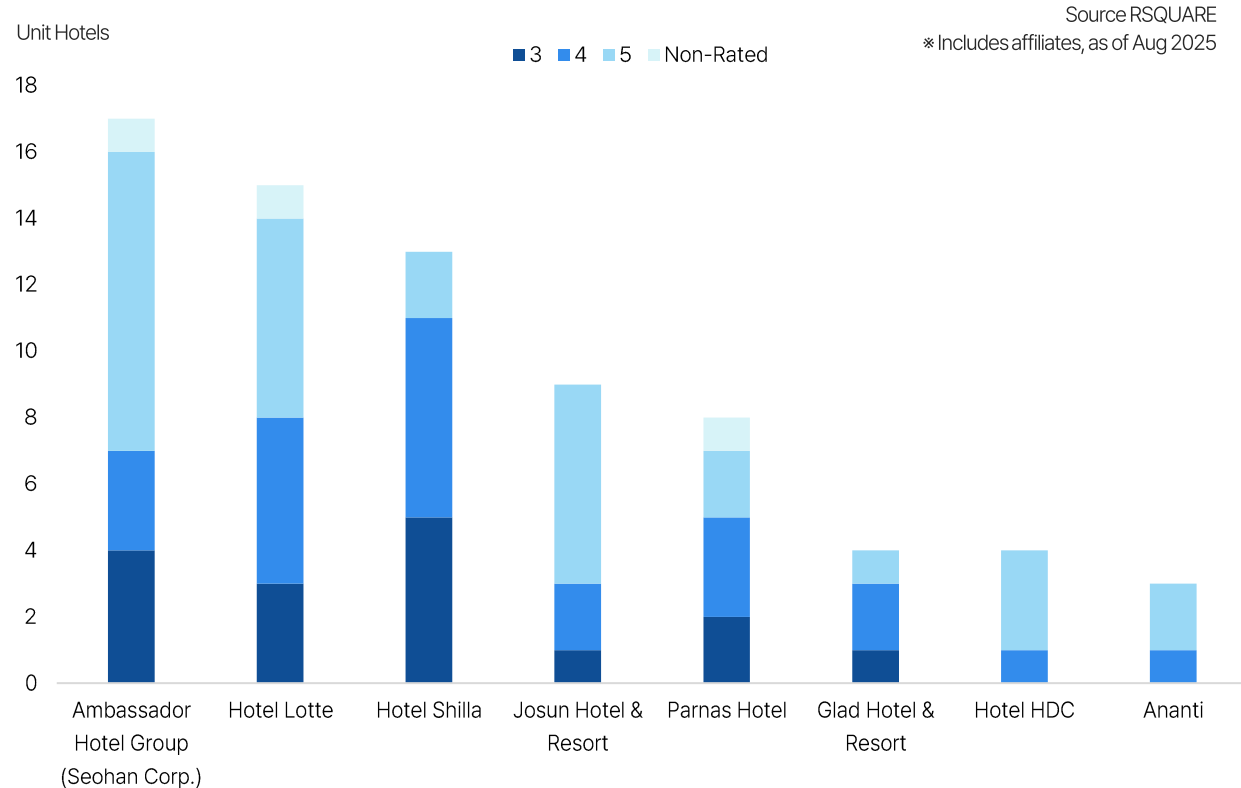
Domestic Hotel Chains

- The domestic hotel market in Korea is led by five major hotel groups, primarily concentrated in Seoul, including Ambassador Hotel Group, Hotel Lotte, Hotel Shilla, Josun Hotel, and Parnas Hotel.
- Ambassador Hotel Group operates Accor-affiliated brands through Accor-Ambassador Korea (AAK), a joint venture with Accor, with its portfolio largely focused on five-star hotels in Seoul.
- Hotel Lotte and Hotel Shilla maintain a broad geographic presence across Seoul, Busan, and Jeju, pursuing diversified brand strategies that target a wide range of demand, from three- to four-star business hotels to five-star luxury properties.
- Other conglomerate-backed hotel operators, including Josun Hotel, Parnas Hotel, Glad Hotels, and Hotel HDC, are also strengthening their market presence by operating four- to five-star hotels primarily in Seoul, supported by stable capital foundations.

Regional Distribution of Domestic Hotel Chains



Domestic Hotel Chain Operations by Star Rating



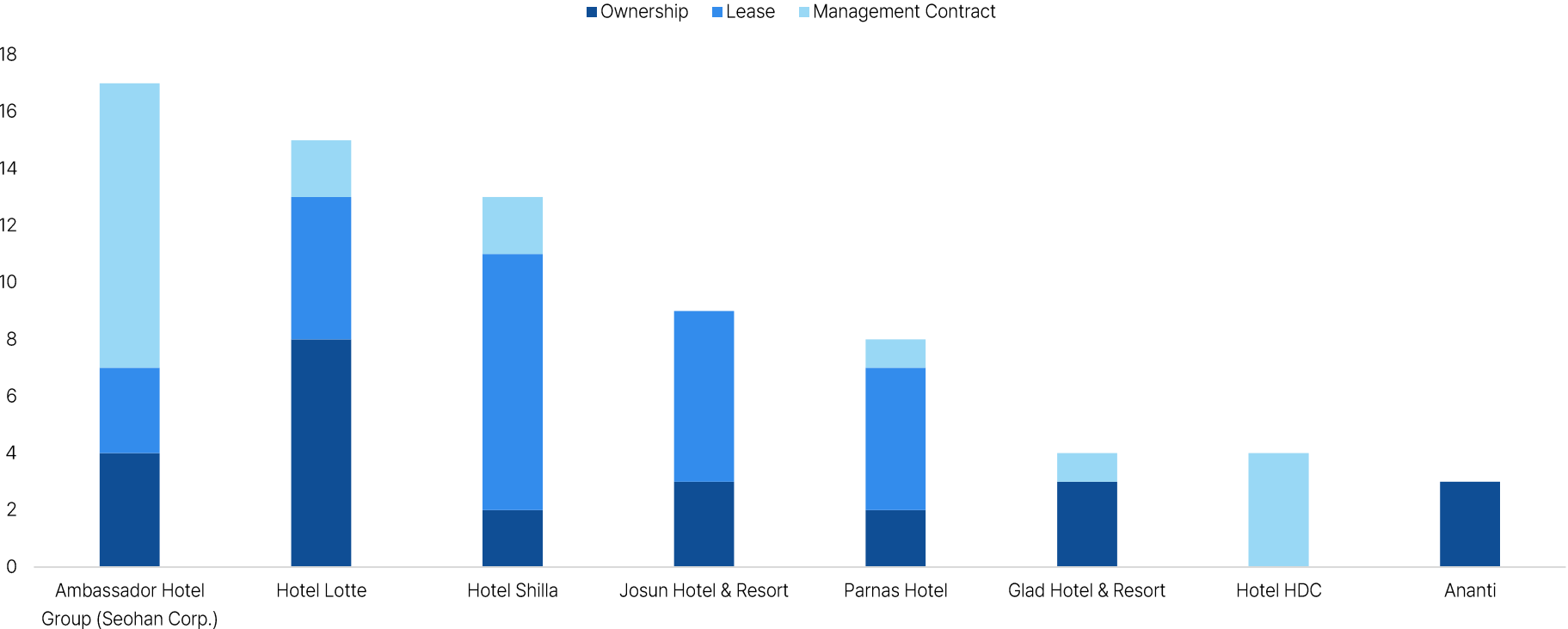
Domestic Hotel Chains

- Ambassador Hotel Group has pursued a management-led expansion strategy based on an asset-light model, reflecting its structural role as a domestic licensee and operator of Accor-affiliated brands. This approach minimizes balance-sheet exposure by prioritizing third-party management contracts.
- Hotel Lotte maintains a relatively higher proportion of owned assets, complemented by leased and management-operated properties. This balanced structure supports portfolio diversification across ownership and operating models.
- Hotel Shilla and Josun Hotel & Resort exhibit a lease-oriented operating strategy, enabling faster market entry while mitigating asset ownership risk through a higher share of leased properties.
- By contrast, Hotel HDC and Ananti employ distinct business models. Hotel HDC focuses primarily on management-based operations, whereas Ananti emphasizes an asset-heavy, ownership-centric strategy in developing its hotel business.

Comparison of Operating Models of Domestic Tourist Hotel Chains (Seoul, Busan, Jeju)

Unit Hotels

Source RSQUARE
* Includes affiliates, as of Aug 2025



Global Hotel Chains

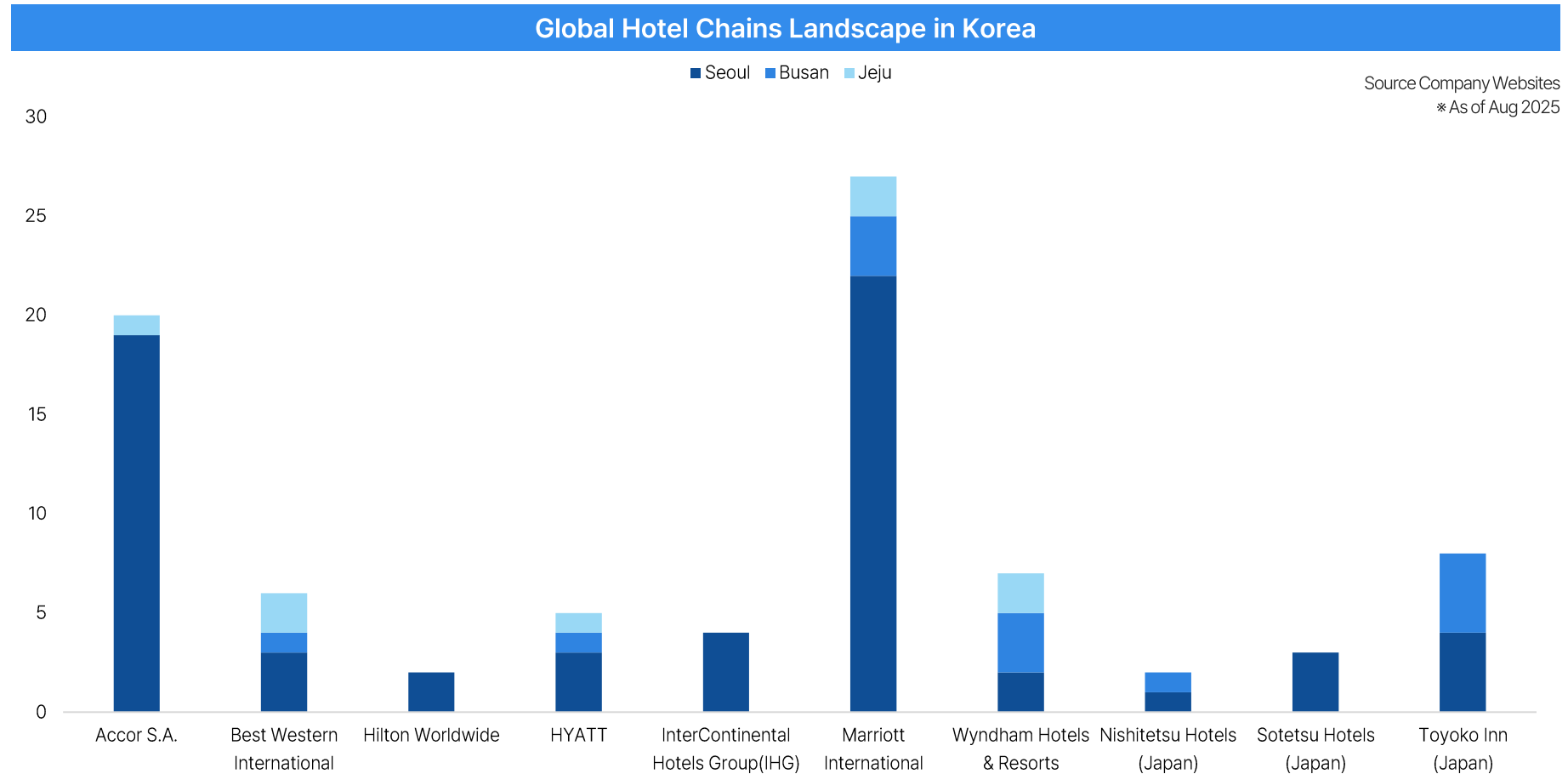
- Global hotel chains are expanding their footprint in Korea by supplying multiple properties through brand licensing agreements. They commonly adopt asset-light strategies, scaling their portfolios through management contracts and franchise agreements to enable rapid market entry.
- Marriott is the world’s largest hotel chain by number of rooms, with a high ratio of rooms relative to its property count. This scale supports operational efficiency through economies of scale. In addition, its loyalty program, Marriott Bonvoy, strengthens global customer retention, enhancing brand loyalty and value creation.
- Hyatt, another group with a high rooms-to-property ratio, is also shifting its strategy toward reducing exposure to ownership and leases while expanding its management and franchise business. At the same time, it actively leverages the World of Hyatt loyalty program to drive repeat stays, supporting a virtuous cycle in which supply expansion contributes to demand growth.

2025 Global Hotel Chain Ranking (by No. of Rooms)						
Rank	Hotel Chain	Country	Total Number of Rooms	Number of Hotels	Rooms per Hotel	Year-on-Year Growth in Number of Rooms
1	Marriott International	USA	1,683,204	9,266	182	6.9%
2	Jin Jiang International	China	1,439,756	14,311	101	7.7%
3	Hilton Worldwide	USA	1,249,814	8,342	150	7.1%
4	H World Group	China	1,017,225	10,580	96	20.3%
5	InterContinental Hotels Group	UK	977,257	6,599	148	4.3%
6	Wyndham Hotels & Resorts	USA	902,987	9,286	97	3.6%
7	Accor Group	France	850,285	5,682	149	3.5%
11	Hyatt Hotels Group	USA	347,301	appx.1,450	240	8.1%
12	Best Western Hotel Group	USA	335,405	appx.4,300	78	-2.1%

Source MKG Consulting, Hyatt, Best Western

Global Hotel Chains

- Global hotel chains in Korea are primarily concentrated in Seoul, while their presence in Busan and Jeju remains relatively limited, except for a small number of brands. This distribution reflects the concentration in Seoul of the demand scale, air connectivity via Incheon International Airport, and development conditions required to meet international brand standards.
- In the case of Hilton and IHG, the number of hotels operated in Korea remains very limited relative to the size of their global portfolios. By contrast, Best Western, a mid-scale chain, has secured broader geographic coverage and a larger number of properties, including locations in Seoul, Busan, and Jeju.
- Meanwhile, the Japanese chain Toyoko Inn follows a business-demand-oriented strategy, resulting in a relatively balanced presence across Seoul and Busan. Within the Wyndham portfolio, Wyndham Grand is also evenly distributed across Seoul, Busan, and Jeju, exhibiting limited regional disparity. These patterns suggest that differences in strategic focus and market positioning among global hotel chains have shaped their respective regional distribution strategies.



Global Hotel Chains

- Major domestic upscale and luxury hotels in Korea actively adopt global brands. This is done either through brand licensing agreements with leading international operators. One example is Park Hyatt Seoul. It is also done through the development of co-branded concepts via strategic partnerships with domestic operators. One example is Josun Palace, a Luxury Collection Hotel, Seoul Gangnam.
- Marriott International is the world's largest hotel chain. It has collaborated with Josun Hotels & Resorts across multiple projects. Ambassador Hotel Group maintains a long-term partnership with Accor. Hotel HDC continues its strategic alliance with Hyatt. Together, these partnerships support the operation of a diversified portfolio of global brands in the Korean market.

Domestic Hotels with Global Hotel Brand Affiliations and Partnerships

Source Company websites
(as of August 2025)

Hotel Chains	Key Brands	Major Domestic Hotels by Brand (Star Rating)
Marriott International	<ul style="list-style-type: none"> JW Marriot Autograph Collection Westin Hotels&Resorts Aloft Hotels Courtyard by Marriott Four Points by Sheraton Moxy Hotels 	<ul style="list-style-type: none"> Josun Palace, a Luxury Collection Hotel, Seoul Gangnam (5) JW Marriott Hotel Seoul (5) The Plaza Seoul, Autograph Collection (5) Westin Josun Seoul (5) Courtyard by Marriott Seoul Botanic Park (4) Four Points by Sheraton Josun, Myeongdong (4) Moxy Seoul, Myeongdong (3)
Hilton Worldwide	<ul style="list-style-type: none"> Conrad Hilton Garden Inn 	<ul style="list-style-type: none"> Conrad Seoul (5) Hilton Garden Inn Seoul Gangnam (4)
InterContinental Hotels Group	<ul style="list-style-type: none"> InterContinental Voco Holiday Inn Express 	<ul style="list-style-type: none"> Grand InterContinental Seoul Parnas (5) voco Seoul Gangnam (4) Holiday Inn Express Seoul Hongdae (3)
Wyndham Hotels & Resorts	<ul style="list-style-type: none"> Wyndham Grand Ramada 	<ul style="list-style-type: none"> Wyndham Grand Busan (5) Ramada Plaza Jeju (5) Ramada Seoul Sindorim (4)
Accor Group	<ul style="list-style-type: none"> Fairmont Mgallery Collection Sofitel Pullman Grand Mercure Novotel Ibis 	<ul style="list-style-type: none"> Fairmont Ambassador Seoul (5) Hotel Naru Seoul MGallery Ambassador (5) Sofitel Ambassador Seoul Hotel & Serviced Residences (5) Ambassador Seoul – A Pullman Hotel (5) Grand Mercure Ambassador Hotel and Residences Seoul Yongsan (5) Novotel Ambassador Seoul Gangnam (5) ibis Ambassador Seoul Insadong (3)
Hyatt Hotels Group	<ul style="list-style-type: none"> Park Hyatt Grand Hyatt Andaz 	<ul style="list-style-type: none"> Park Hyatt Seoul (5) Grand Hyatt Jeju (5) Andaz Seoul Gangnam (5)
Best Western Hotel Group	<ul style="list-style-type: none"> Aiden by Best Western Best Western Premier BW Premier Collection 	<ul style="list-style-type: none"> Orakai Cheonggyesan Hotel, BW Premier Collection (4) Aiden by Best Western Cheongdam (3) Best Western Premier Gangnam (3)

MICHELIN Key



Having awarded ratings to restaurants worldwide for decades, MICHELIN officially entered the global hotel rating market on October 8, 2025, with the first global launch of MICHELIN Key, its independent hotel evaluation system covering hotels worldwide.

MICHELIN Key is awarded to MICHELIN-selected outstanding hotels worldwide and evaluated based on five core criteria.

- 1. Excellence in architecture and interior design**
- 2. Quality and regularity of service, comfort and maintenance**
- 3. Singularity reflecting the personality of the establishment and its unique character**
- 4. Consistency between the quality of the experience and the price paid**
- 5. Contribution to the local experience and surrounding community**

- Our One and Two Key distinctions denote some of the best places in our selection. And if you're anywhere, anytime, and you can make it to a Three Key hotel — do whatever you can to get there for a night. It's one of the most outstanding experiences in the world.

Source MICHELIN Guide

Grade	Definition	Description
1 Key	A Very Special Stay	A true gem with personality. Service always goes the extra mile, and the hotel provides much more than others in its price range.
2 Keys	An Exceptional Stay	A hotel that's unique in every way, where a memorable experience is always a guarantee. A hotel of character and charm, run with obvious pride and considerable care.
3 Keys	An Extraordinary Stay	The ultimate in comfort and service, style and elegance. It is one of the world's most remarkable and extraordinary stays and a destination for the trip of a lifetime.

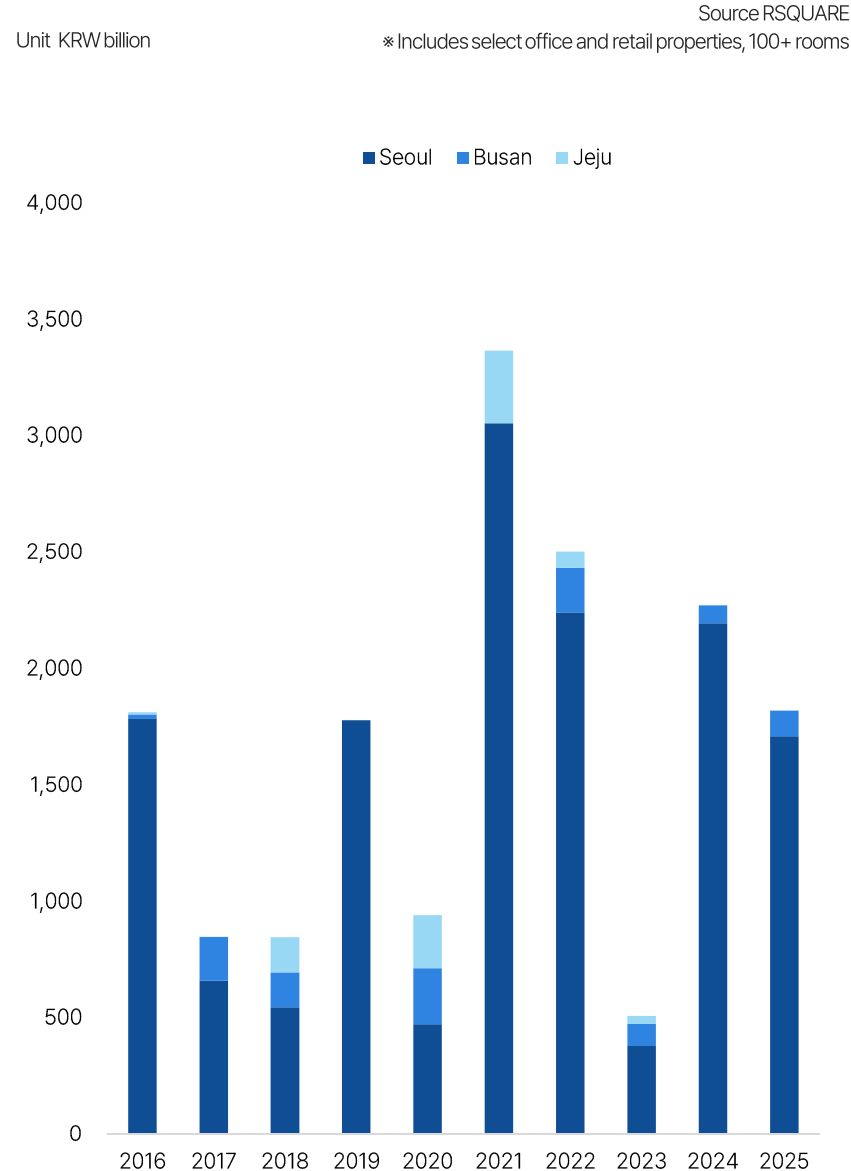
Grade	No. of Hotels	List of Hotels in Korea
1 Key	6	Fairmont Ambassador Seoul(Ambassador group), Four Seasons Hotel Seoul(Mirae Asset), Josun Palace, a Luxury Collection Hotel, Seoul Gangnam(Josun Hotel), JW Marriott Jeju Resort(Marriott), The Shilla Seoul(Shilla Hotel), Art Paradiso, Paradise City(Paradise)
2 Keys	2	SIGNIEL Seoul(Lotte Hotels), SIGNIEL Busan(Lotte Hotels)
3 Keys	0	-

Hotel Transaction Market

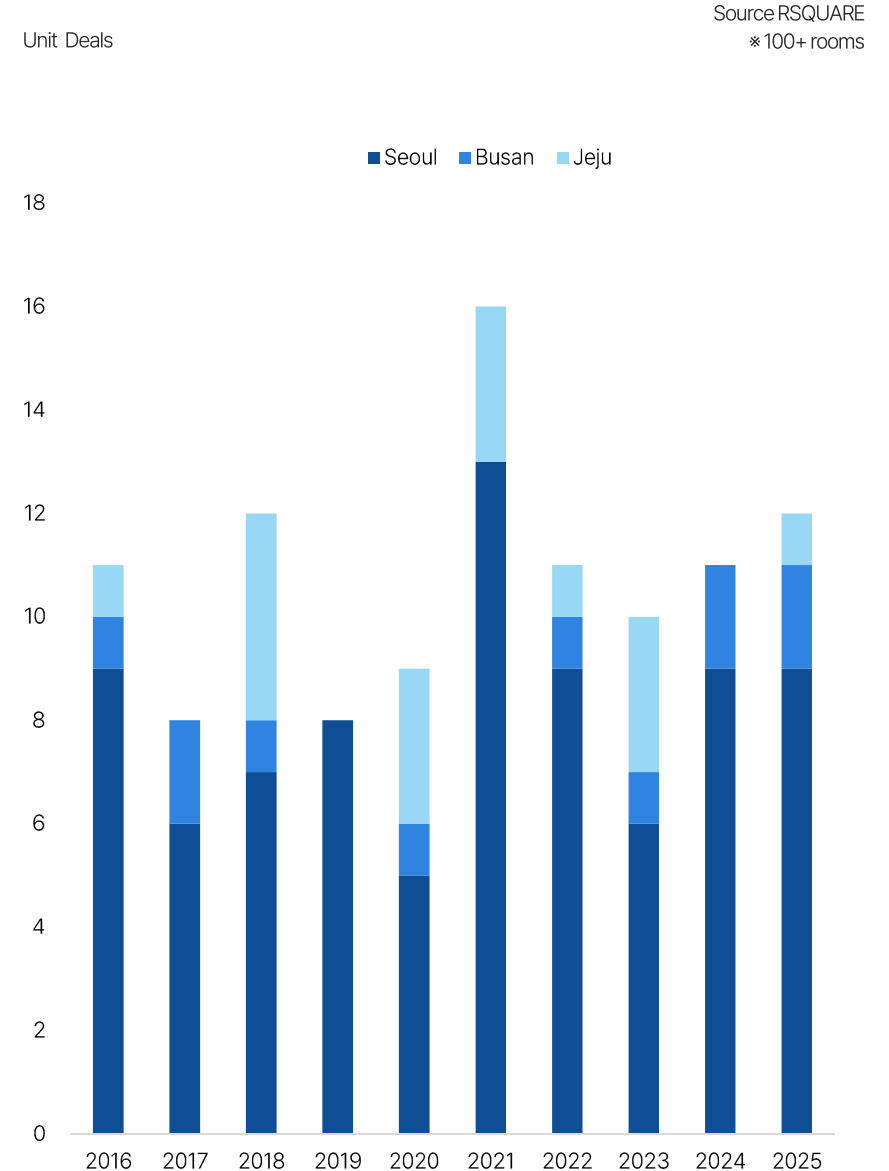
Hotel Transaction Overview

- In 2025, tourist hotel transaction volume in Seoul, Busan, and Jeju totaled approximately KRW 1.8 trillion, down by about KRW 450 billion year-on-year. Despite strong investor interest in hotel assets, overall transaction volume remained moderate.
- Transaction activity was heavily concentrated in Seoul, while volumes in Busan and Jeju were similar to or lower than the previous year.
- In Seoul, transactions were primarily focused on three- and four-star tourist hotels, including Four Points by Sheraton Josun Seoul Station, Shilla Stay Mapo, and Courtyard Marriott Seoul Namdaemun. Unlike past years when five-star hotels dominated deal value, the 2025 market was characterized by multiple mid-scale transactions collectively forming overall volume.

Tourist Hotel Transaction Value: Seoul, Busan and Jeju



Tourist Hotel Transactions: Seoul, Busan and Jeju



Major Transactions and Upcoming Deals in 2025

- Hotel transactions in Seoul in 2025 were concentrated primarily in Guro, Mapo, Hongdae, and the Seoul Station area. Trading activity was most active in the three- and four-star segments. Transaction sizes ranged widely. They extended from large-scale deals of approximately KRW 400 billion to smaller transactions of around KRW 20 billion.
- Overseas limited partners such as GIC, Goldman Sachs, and Invesco expanded their interest in Korean hotel assets and participated in transactions. “Creator Town Seogyo,” acquired by Invesco, will continue to be operated in a co-living format by the incumbent operator, Local Stitch.
- “Courtyard Marriott Seoul Namdaemun,” which closed in December 2025, was acquired by Heungkuk REITs Management through “Taekwang No.1 REIT.” Taekwang Group acted as the sponsor of the vehicle. Post-acquisition operations are expected to be handled by TISYS, an affiliate of Taekwang Group.
- Hotel acquisition and disposal activity is expected to continue into 2026. As of December 2025, a diverse pipeline of assets was available on the market. In particular, market attention is focused on “voco Seoul Myeongdong,” formerly Tmark Grand Hotel. The asset was acquired by Gravity Asset Management in 2024. It underwent a brand conversion. It is now being marketed for sale after only two years. Investors are closely watching the level of capital gains that may be realized.

Transaction and Listing of Tourist Hotels in Seoul, Busan, and Jeju

Major Hotel Transactions in Seoul in 2025

Source RSQUARE:
* Some including office and retail

Location	Hotel	Star Rating	Transaction Date	Transaction Value (KRW 100mn)	Seller	Buyer	Key Investor
Seoul	Lotte City Hotel Guro	3	2025.02.	4,160 ¹⁾	IGIS Asset Management	IGIS Asset Management	GIC
Seoul	Four Points by Sheraton Josun, Seoul Station	4	2025.02.	1,720	Macquarie Asset Management	KB Asset Management	KB Financial Group Blind Fund
Seoul	Shilla Stay Mapo	3	2025.05.	1,430	Hana Alternative Asset Management	Shinhan REITs Management	IGIS Asset Management
Seoul	Mercure Ambassador Seoul Hongdae	4	2025.06.	2,620	Hyundai Asset Management	JB Asset Management	Goldman Sachs
Seoul	CS Premier Hotel Seoul	3	2025.10.	228	CS Premier Hotel Seoul	Koramco Asset Trust	-
Seoul	Creator Town Seogyo	3	2025.10.	1,430	IGIS Asset Management	D&D Investment	Invesco
Seoul	Four Points by Sheraton Seoul, Myeongdong	4	2025.11.	2,463	IGIS Asset Management	Pacific Investment Management	Shinsegae
Seoul	Courtyard Marriott Seoul Namdaemun	4	2025.12.	2,542	KT&G	Heungkuk REITs Management	Taekwang Group

List of Hotel Assets on the Market (as of December 2025)

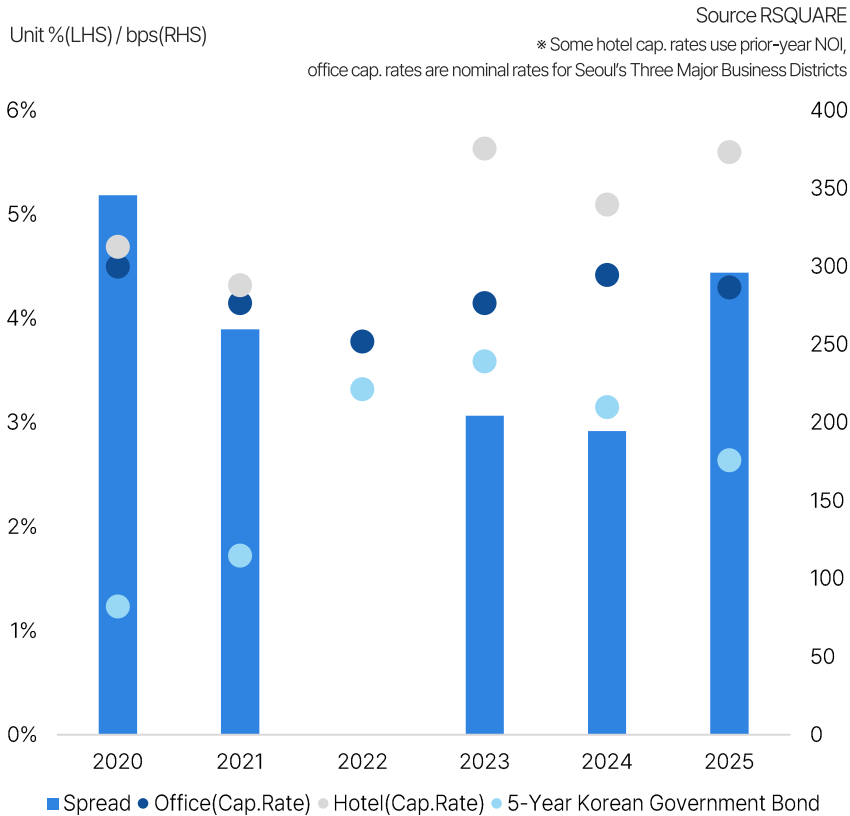
Source RSQUARE

Location	Hotel	Operating Model	Star Rating	Number of Rooms	Seller	Preferred Bidder
Dongdaemun-gu, Seoul	L7 Cheongnyangni by Lotte	Management Contract	-	260	Cheongnyangni District 4 Urban Environment Improvement Project Association	Hyundai HAIM
Mapo-gu, Seoul	L7 Hongdae	Owner-Operated	4	340	Hotel Lotte	Lotte Reits
Jongno-gu, Seoul	Nine Tree by Parnas Seoul Insadong	Management Contract	4	301	IGIS Asset Management	-
Gangseo-gu, Busan	Shilla Stay Seobusan	Management Contract	4	295	Koreit Asset Management	-
Jung-gu, Seoul	voco Seoul Myeongdong	Management Contract	4	576	Gravity Asset Management	-
Jung-gu, Seoul	Nine Tree Hotel Dongdaemun	Lease	3	219	Shinhan REITs Management	-

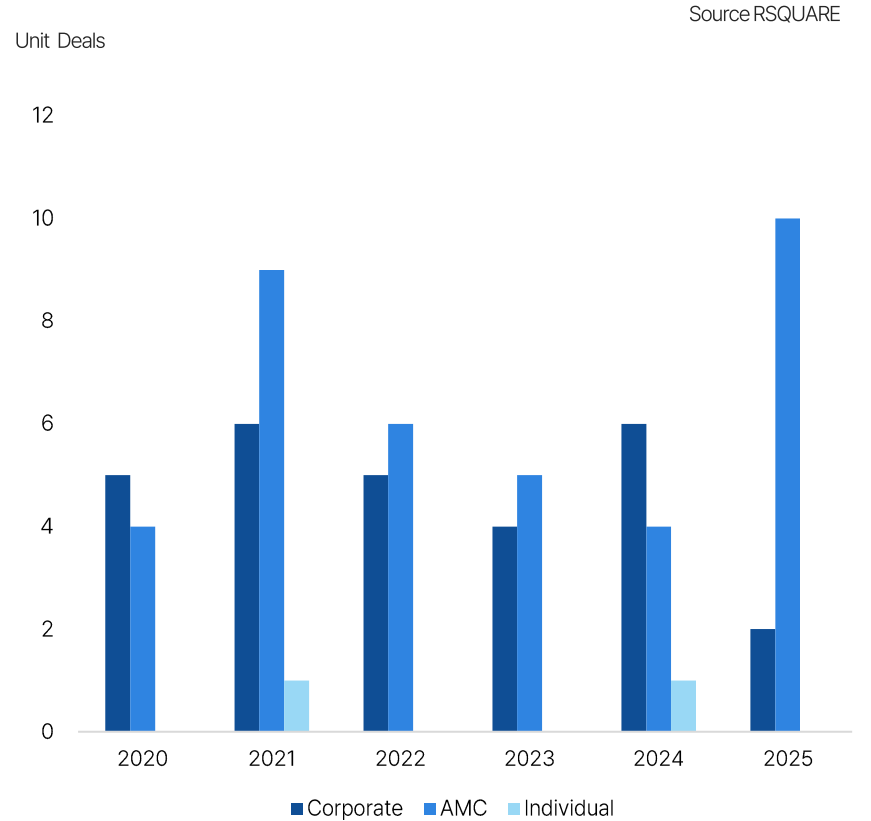
Analysis of Transaction Participants

- Hotel cap. rates stood in the high-5% range as of 2025, indicating that hotel operating risk remains higher than that of Seoul office assets. This also suggests that post-pandemic uncertainty around hotel operations has not been fully resolved.
- Hotel acquisitions have historically been divided between operational use buyers and asset management companies. In 2025, however, asset management companies accounted for the majority of transactions, with investments increasingly focused on both operating income and potential capital gains upon exit. This trend indicates a strengthening of asset management company-led investment strategies amid the ongoing recovery in tourism and rising investor interest in hotel assets.

Tourist Hotel Cap. Rate Trends: Seoul, Busan and Jeju (Operational Use Deal)



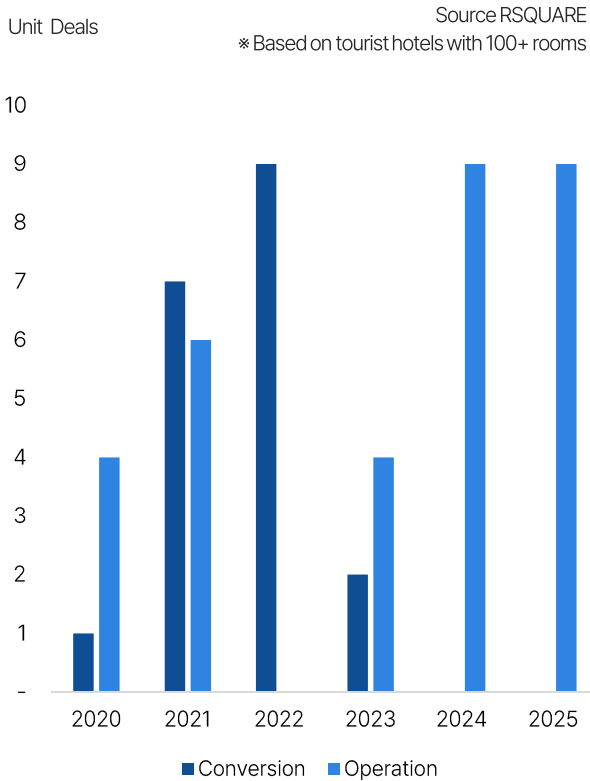
Tourist Hotel Buyer Trends: Seoul, Busan and Jeju



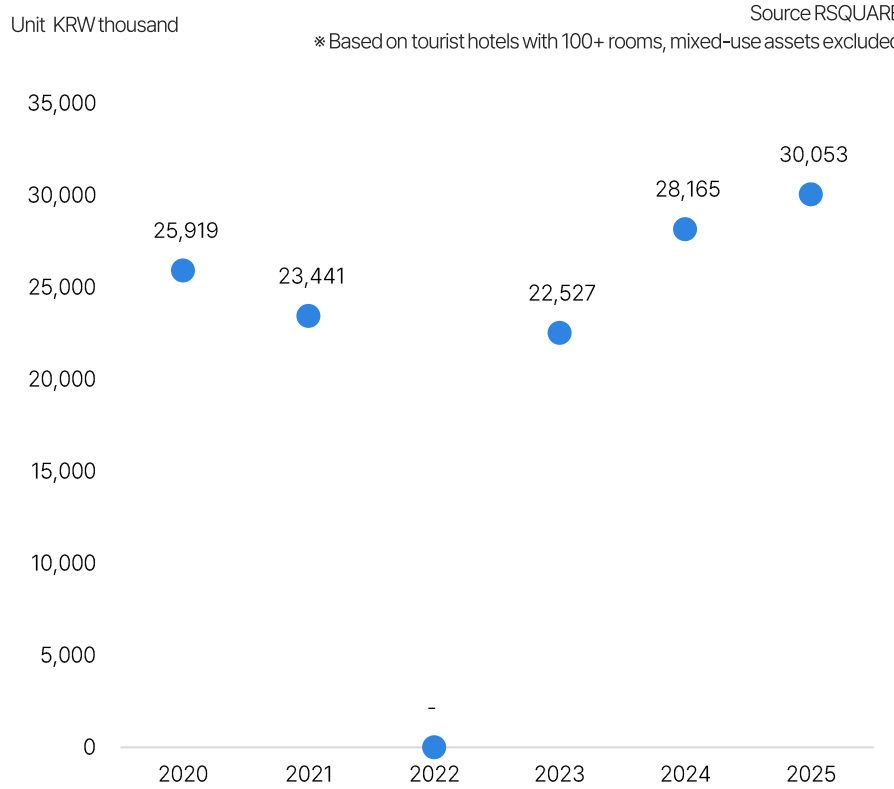
Seoul Hotel Market

- Since 2024, tourist hotel transactions in Seoul have been predominantly for operational use, with buyers pursuing value-add strategies through brand repositioning and renovations.
- Average price per Pyeong for tourist hotels has stabilized at approximately KRW 28–30 million since 2024, reflecting a material increase in investor interest.
- While price per room (PPR) varies significantly by location and star rating, recent 2024–2025 market transactions have generally been executed at KRW 500 million or higher per room, establishing this level as a prevailing benchmark.

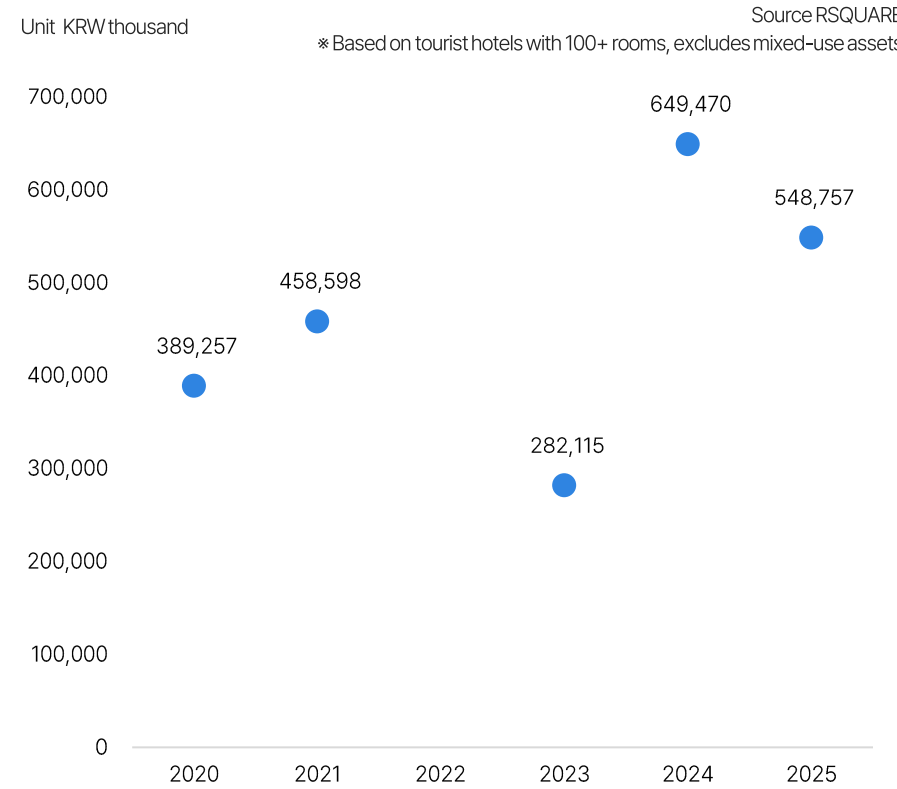
Seoul Tourist Hotel Transaction Purposes



Average Price per Pyeong: Seoul Tourist Hotels (Operational Use Deal)



Average Price per Room: Seoul Tourist Hotels (Operational Use Deal)

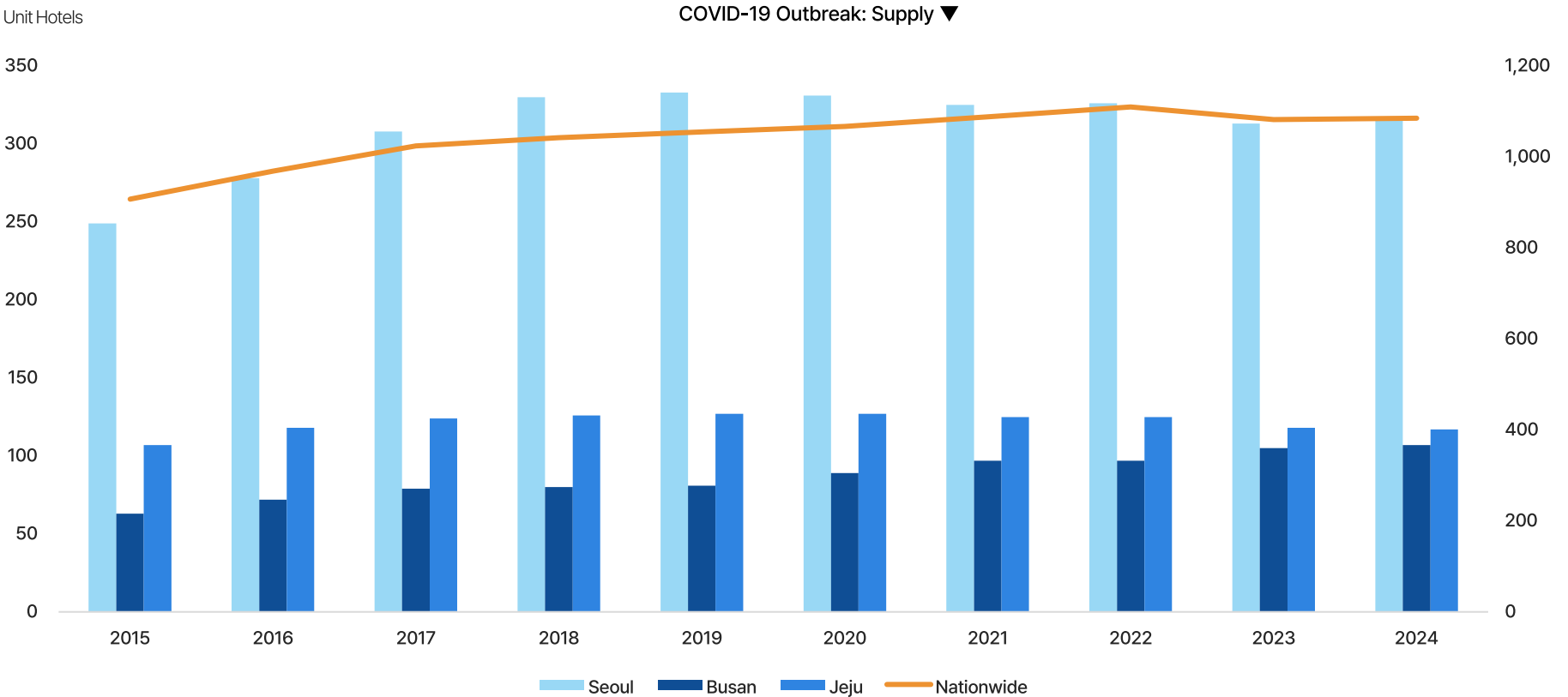


Hotel Supply Market

Trend in Hotel Supply

- Seoul: In 2024, the number of hotels increased by three compared to 2023, marking a modest rebound after a prolonged period of decline. As of 2024, approximately 29.1% of the nation's 1,085 tourist hotels are located in Seoul, accounting for nearly one-third of the total.
- Busan: The number of tourist hotels increased by two in 2024 compared to 2023, continuing the gradual upward trend observed over the past decade.
- Jeju: While Jeju had been on an upward trajectory prior to the pandemic, it has experienced a sustained decline since then. In 2024, the number of hotels decreased by one year-on-year, however, the pace of decline has moderated compared to earlier periods.

Cumulative Trend in Tourist Hotel Supply in Seoul, Busan, and Jeju

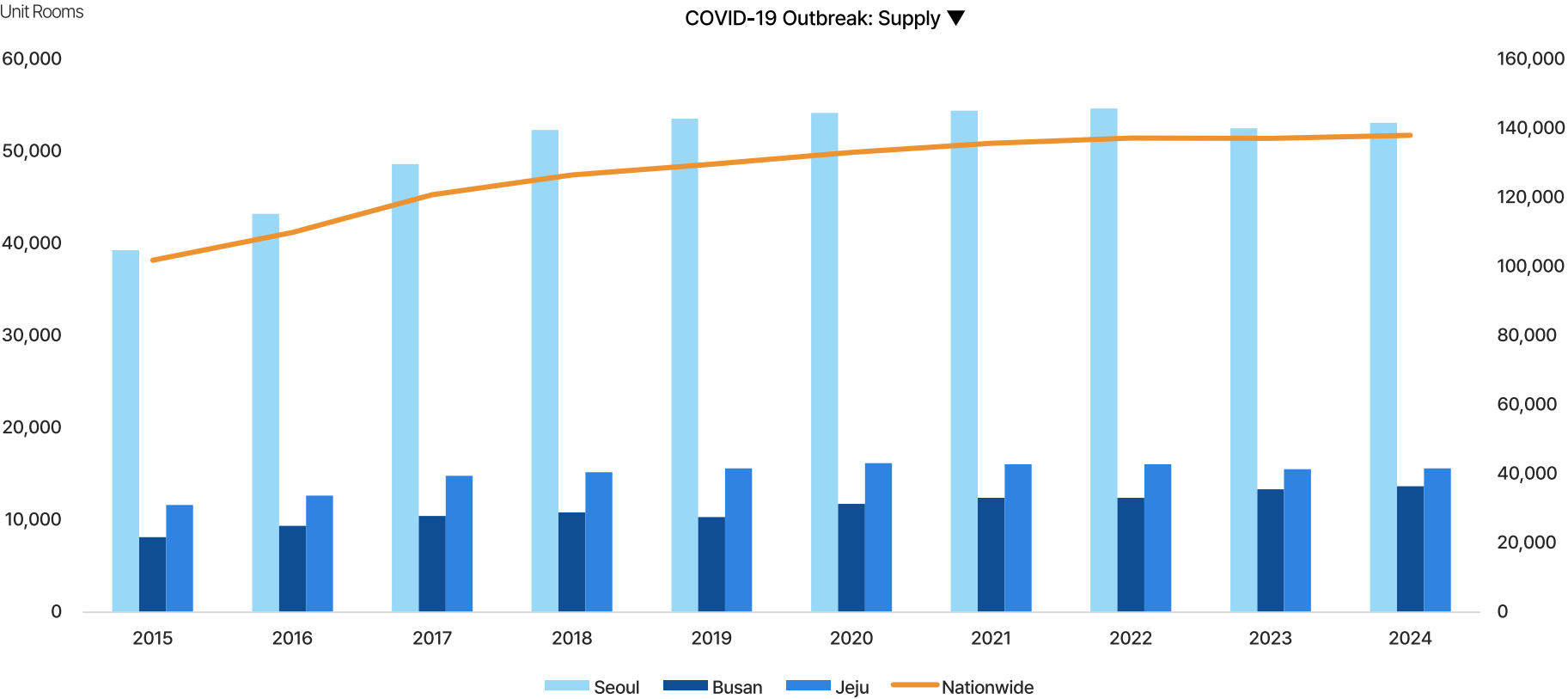


Source Ministry of Culture, Sports and Tourism (MCST), RSQUARE

Trend in Hotel Supply

- Seoul: Seoul's hotel room supply increased from 39,278 rooms in 2015 to 53,126 rooms in 2024. This represents an increase of approximately 14,000 rooms over the past decade. It is the largest expansion among major domestic markets. The increase exceeds the combined growth recorded in Busan and Jeju over the same period. Room supply declined slightly in 2024 compared to the post-pandemic peak reached in 2022. However, qualitative improvements are being made in parallel. These include renovations of existing hotels and brand repositioning initiatives.
- Busan: With the exception of a temporary decline in 2019, Busan has maintained a stable upward trend in room supply on an annual basis. As of 2024, the market has approximately 13,668 rooms in operation. Supply is expected to continue increasing gradually. Sharp fluctuations are not anticipated.
- Jeju: Since the pandemic, Jeju's room supply has remained stable at approximately 15,000 to 16,000 rooms per year. Regulatory constraints are limiting large-scale new hotel developments. These include environmental impact assessments, landscape reviews, and height restrictions. Domestic tourism demand is also not expected to increase significantly in the near term. As a result, room supply is likely to remain broadly stable at current levels for the foreseeable future.

Cumulative Trend in Tourist Hotel Room Supply in Seoul, Busan, and Jeju

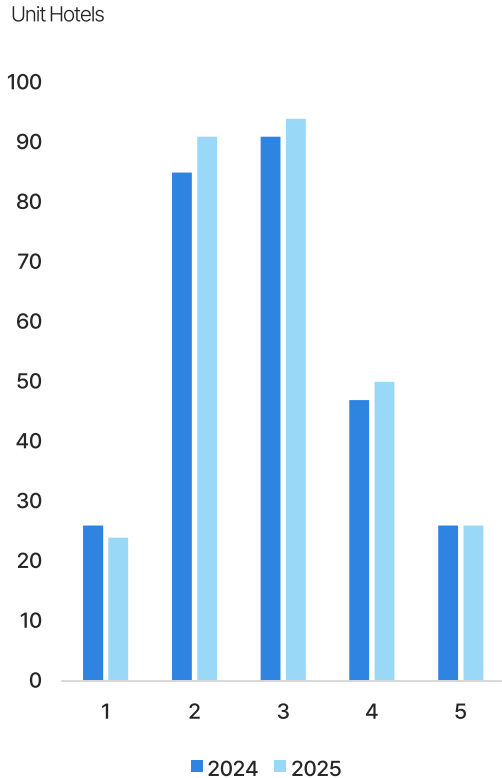


Source Ministry of Culture, Sports and Tourism (MCST), RSQUARE

Distribution of Tourist Hotel Supply by Star Rating

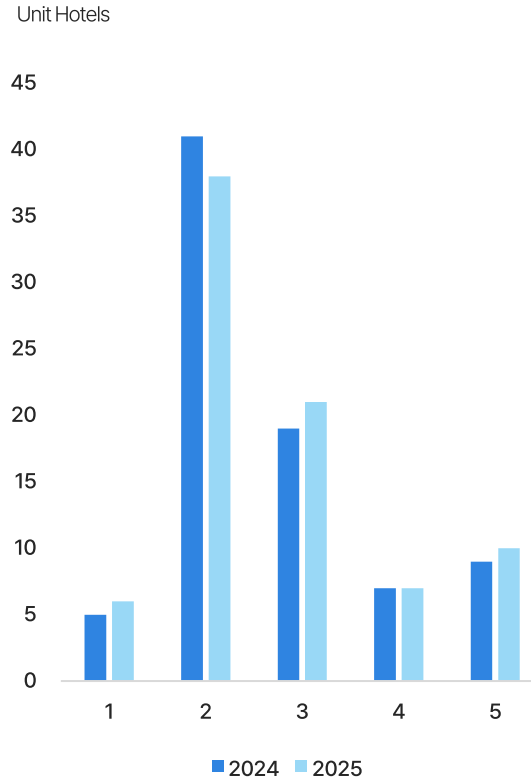
Tourist Hotel Supply by Star Rating in Seoul

- Hotel supply in Seoul expanded moderately between 2024 and 2025, with growth concentrated in the two- to four-star segments. The one-star segment declined slightly, while the five-star segment remained broadly unchanged.
- Overall, the recovery in inbound demand has increased mid-scale demand, and new supply has been focused on this segment in order to reduce development risk and improve returns.



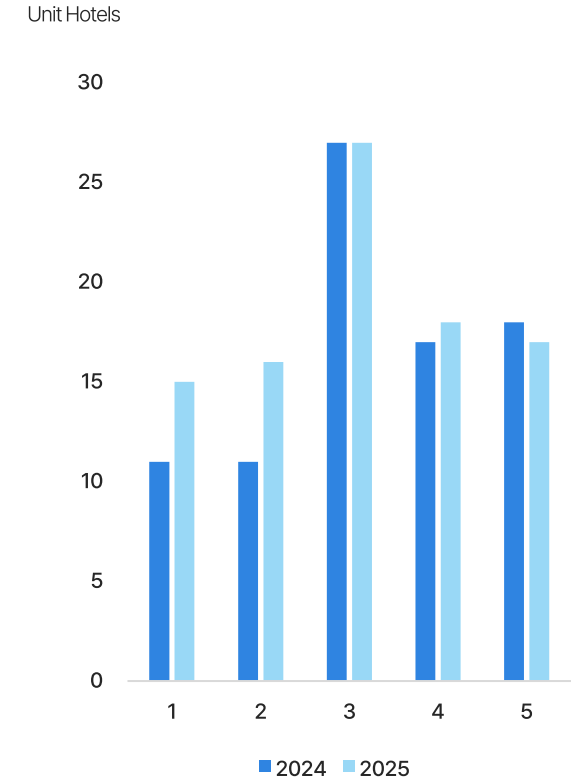
Tourist Hotel Supply by Star Rating in Busan

- In 2025, hotel supply in Busan declined in the two-star segment, indicating a contraction in the budget market. The three- and five-star segments increased modestly, reflecting a rebalancing toward mid-range and upscale demand.
- Mid-scale hotels remain dominant, while parts of the two-star segment are being adjusted and the market is gradually shifting toward higher-quality supply.



Tourist Hotel Supply by Star Rating in Jeju

- In 2025, Jeju's hotel market remained centered on the three-star segment, while supply in the one- and two-star segments increased noticeably. The number of five-star hotels declined by one to 17 following the brand conversion of Ramada Plaza Jeju to Sheraton.
- Overall, this reflects rising price sensitivity among domestic visitors, which has driven supply toward the budget and lower mid-scale segments, while structural change in the three- to five-star range remains limited.



Source: Ministry of Culture, Sports and Tourism, Korea Tourism Association, Jeju Tourism Association
 * Tourist hotels only, as of Nov. 10, 2025, Hotels without star ratings excluded

Five-Star Hotels in Korea

Overview of Five-Star Hotel Supply in Korea

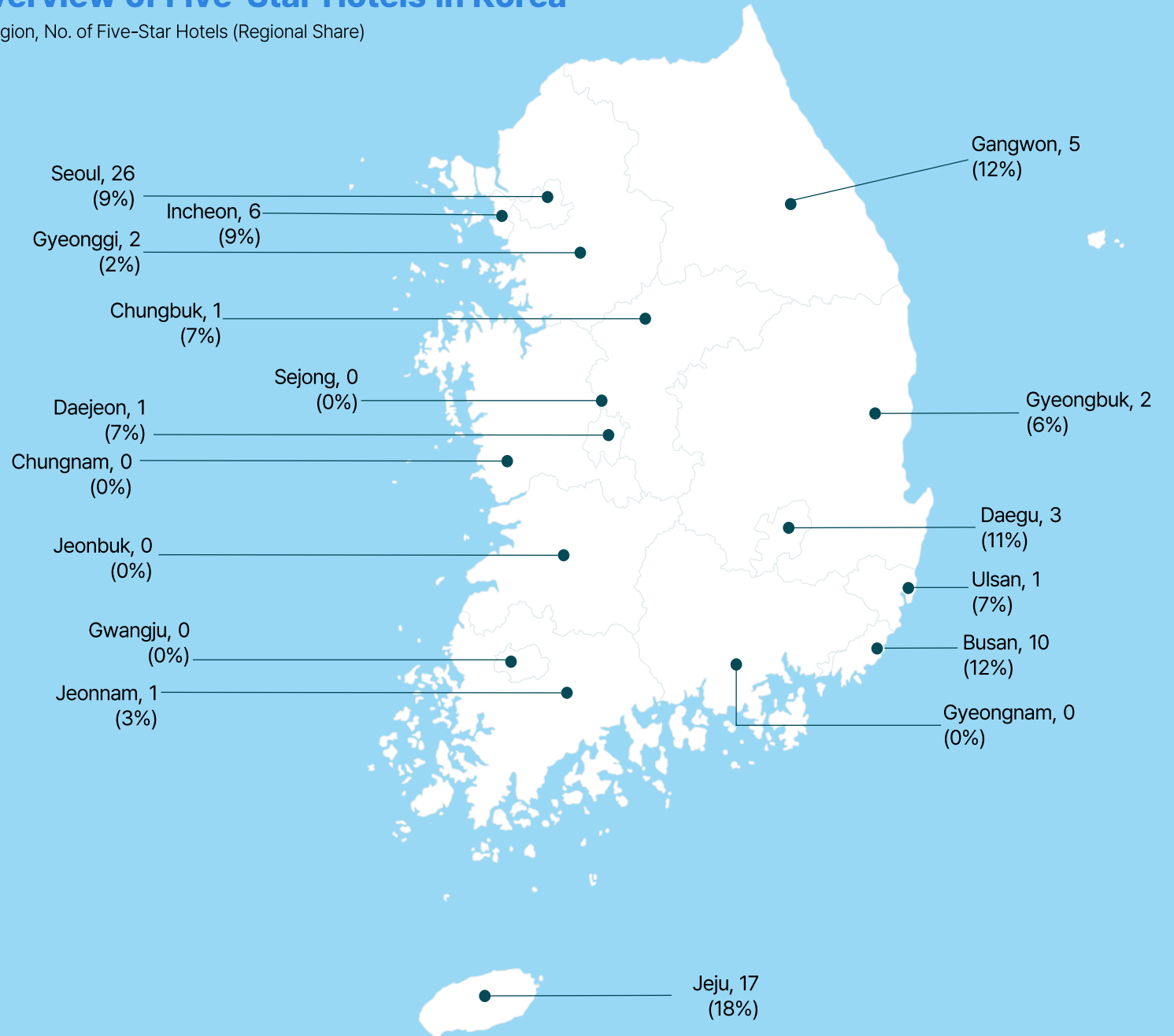
As of November 2025, there are a total of 75 five-star hotels nationwide, with approximately 70% concentrated in Seoul, Busan, and Jeju. The remaining 30% are partially distributed across regions such as Incheon, Gangwon, and Daegu, while no five-star hotels are present in Sejong, Gwangju, Chungnam, Jeonbuk, or Gyeongnam.

Meanwhile, although the APEC Leaders' Meeting concluded on November 1, 2025, and was hosted in Gyeongju, Gyeongbuk, the city had only two five-star hotels—Hilton and Lahan. As a result, competition for guestroom reservations among visiting delegations intensified, and some delegates were reportedly accommodated at hotels located outside the Gyeongju area.

Source: Korea Tourism Association, Jeju Tourism Association
* Tourist Hotels (as of Nov 10, 2025)

Overview of Five-Star Hotels in Korea

* Region, No. of Five-Star Hotels (Regional Share)



Key Planned Hotels

- As of November 2025, Seoul has 26 five-star hotels, one more than the city's 25 administrative districts (gu). This level of supply is insufficient to fully accommodate rising inbound demand and demand from high-net-worth individuals (HNWIs) seeking high-end experiences.
- Amid this shortage, a number of five-star (luxury) hotels are expected to be delivered around 2030, driven by the redevelopment of existing hotels and mixed-use development projects.
- Several brands often referred to as "six-" or "seven-star" hotels are planning their first entries into Korea, including Aman and Maison Delano in Gangnam-gu, Mandarin Oriental in Jung-gu, and Rosewood in Yongsan-gu. In addition, The Ritz-Carlton, which exited the Korean market in 2016, is expected to re-enter through Aegis's IOTA Seoul project.
- The planned entry of these global luxury brands represents more than a simple increase in supply and could provide an opportunity for Seoul to enhance its status as a hub for luxury hotels in Asia.

Key Planned Hotels

District	Project Title	Hotel Name (Tentative)	Hotel Operator	Number of Rooms	Developer	Construction Commencement	Completion Date (Estimated)
Gangnam	Prima Hotel Site Development	Aman Seoul	Aman	52	Shinsegae Property	2025	2030
	Le Méridien Seoul Site Mixed-use Development	-	-	208	Nexplan, Hyundai E&C	-	-
	Samseong-dong GBC Development	HGBC	-	-	Hyundai Motor Group	-	-
	Ramada Hotel Site Development	Maison Delano Seoul	Accor	81	-	-	-
Seocho	The-K Hotel Site Redevelopment	-	-	-	IGIS Asset Management	2026	-
	The Riverside Hotel Redevelopment	-	-	-	Gauplan	2027	2030
	Banpo Palace Hotel Site Mixed-use Development	-	-	494	Starlord Asset Management	2028	2031
Jung	IOTA Seoul Development	Ritz-Carlton Seoul	Marriott International	220	IGIS Asset Management	2026	2031
	Seoul Station Northern Area Development	Mandarin Oriental Seoul	Mandarin Oriental	128	Hanwha Group	2024	2029
	Paradise Jangchung-dong Hotel Development	Paradise Jangchung-dong Hotel	Paradise	200	Paradise Group	2025	2028
Seongdong	Ttukseom District 4 Development	-	-	604	Booyoung Group	2019(On Hold)	-
	Seoul Forest Sampyo Site Development	-	-	-	Sampyo Industrial	2026	-
Yongsan	UN Command Site Mixed-use Development	Rosewood Seoul	Rosewood	250	Eleven Construction	2023	2027
	Yongsan Electronics Land Site Development	Marriott Sheraton Seoul	Marriott International	265	SYS Holdings (An affiliate of KISWIRE)	2026	2029
Songpa	Jamsil Sports-MICE Complex Development	-	-	900	Hanwha Consortium	2026	-

Source RSQUARE
 ※Subject to change

Mandarin Oriental



The iconic “golden fan” logo represents the 1985 merger of The Mandarin Hotel and The Oriental Hotel, symbolizing a blend of Eastern hospitality and Western luxury.

Source Mandarin Oriental

- Mandarin Oriental, founded in 1963 with the opening of The Mandarin, Hong Kong, is a luxury hotel and resort group that grew from its roots in Hong Kong. The brand is positioned around a modern interpretation of traditional Asian hospitality, delivered to contemporary luxury standards.
- Alongside Aman and One&Only, Mandarin Oriental is widely regarded as one of the world’s leading luxury hotel brands. It delivers top-tier guest experiences across both facilities and service, including features such as in-room check-in and 24-hour butler service.
- The group also places a strong emphasis on culinary experiences. It operates Michelin-starred restaurants across 18 properties, including several restaurants awarded the highest three-star rating. As of 2025, the group’s Michelin stars total 28.
- As of November 2025, Mandarin Oriental operates 45 hotels globally. In Korea, it is expected to open its first hotel in 2030 as part of a mixed-use development in the Seoul Station North Area, in partnership with Hanwha. This entry is expected to intensify competition in Seoul’s five-star hotel market.



Aman

- Aman is regarded as a benchmark in ultra-luxury hotels and resorts. Derived from the Sanskrit word meaning “peace,” the brand is known for pursuing complete tranquility and seclusion away from everyday life.
- Aman Resorts are distinguished by locality-driven architecture that reflects each destination’s natural, historical, and cultural context, with designs closely aligned to local identity.
- The brand is also known for highly personalized service, anticipating guest needs in advance. It maintains a loyal customer base known as “Aman junkies” and leverages accumulated guest data to deliver bespoke experiences.
- Aman is positioned at the top end of the price spectrum. Resort stays often exceed KRW 10 million per night, while even standard rooms typically exceed KRW 1 million per night. As of November 2025, the Aman Suite at Aman New York is listed at USD 17,000 per night (approximately KRW 25 million).
- In Korea, Aman is expected to debut its first property through the redevelopment of the former Cheongdam Prima Hotel site, led by Shinsegae Property, with completion targeted for 2030. The project is expected to reflect Seoul’s local character and cultural context.



Rooms,
Aman New York



Pool,
Amanjena



Amanpuri

Expansion of Hotel Supply in Seoul

- The Seoul Metropolitan Government released a public notice for district unit plans covering 68 areas across the city (November 6–20, 2025). The core measure is the designation of “Tourist Accommodation Special Zones,” under which the floor area ratio (FAR) can be increased by more than 200% for the development of hotels rated three-star or higher.
- The purpose of this policy is to expand tourism infrastructure in response to the rapid growth in inbound tourism demand.
- Of the 68 designated areas:
 - 1) Nine areas with structurally high tourism demand, including the Myeongdong Tourism Special Zone, are designated on a permanent basis
 - 2) Fifty-nine areas located in major commercial districts and transit-accessible locations are designated on a temporary basis, requiring a building permit application within three years from the official designation date
- The FAR incentive is capped at a maximum increase of 30%, and projects involving the redevelopment of existing motels into tourist accommodation are eligible for the full incentive.
- In addition, within the Tourist Accommodation Special Zones, further regulatory relaxations may apply with respect to building coverage ratio, building height, and maximum development scale. (However, relaxations for building coverage and building height cannot be applied simultaneously, except in cases where existing motels are converted into tourist accommodation, in which case overlapping incentives may be granted subject to regulatory consultation.)

Source Seoul Metropolitan Government

FAR Framework for Tourist Accommodation Development

1) Areas where zoning was designated or amended prior to July 1, 2000

Category	For Tourist Accommodation Development			
	Base FAR	Permitted FAR	Maximum FAR	
			Tourist Accommodation	Remarks
Neighborhood Commercial Zone	Up to 600% (500%)	Up to 600% (500%)	Up to 780% (650%)	Up to 2× the statutory FAR
General Commercial Zone	Up to 800% (600%)	Up to 800% (600%)	Up to 1,040% (780%)	Up to 2× the statutory FAR

* Note Figures in parentheses apply to central Seoul.

2) Areas Rezoned to Higher-FAR Use Districts after July 1, 2000

Category	For the development of tourist accommodation facilities			
	Base FAR	Permitted FAR	Maximum FAR	
			Tourist Accommodation	Provide Public Facilities
Type 3 General Residential → General Commercial	Up to 250%	Up to 610%	Up to 850%	Up to 1,040%
General Residential → General Commercial	Up to 300%	Up to 630%	Up to 870%	Up to 1,040%
Semi-Residential → General Commercial	Up to 400%	Up to 660%	Up to 900%	Up to 1,040%
General Commercial → Central Commercial	Up to 600%	Up to 800%	Up to 1,040%	Up to 2× the statutory FAR

Development Incentives within Tourist Accommodation Special Zones

Applicable Area	Regulatory relaxations	Scope of relaxation
Tourist Accommodation Special Zone	Building Coverage Ratio (BCR)	Within the limits permitted under Article 46(4) of the Enforcement Decree of the National Land Planning and Utilization Act
	Building Height	Up to 1.3× the maximum height determined under the district unit plan
	Maximum Development Scale	No maximum development scale limit as determined under the district unit plan

Hotel Demand

Tourist Hotels in Seoul

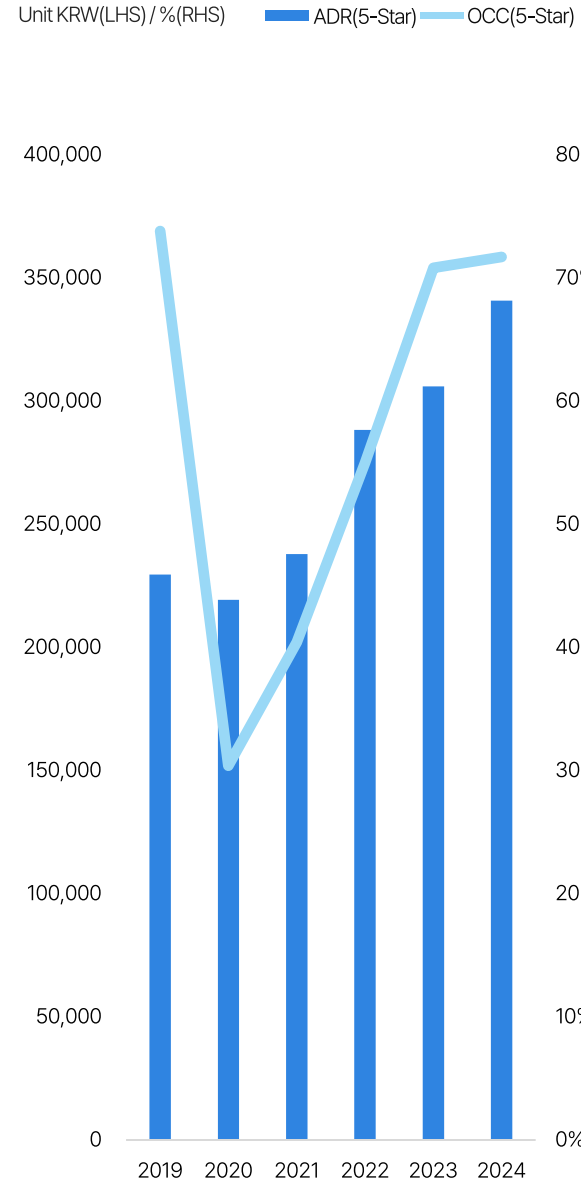
Five-Star Hotels

- Seoul's five-star hotel ADR declined temporarily in 2020 due to the impact of the pandemic but rebounded rapidly from 2021 onward, reaching an all-time high of KRW 340,000 in 2024.
- OCC bottomed out in 2020 and shifted into a clear recovery phase from 2022, stabilizing at around 70% in 2023–2024.

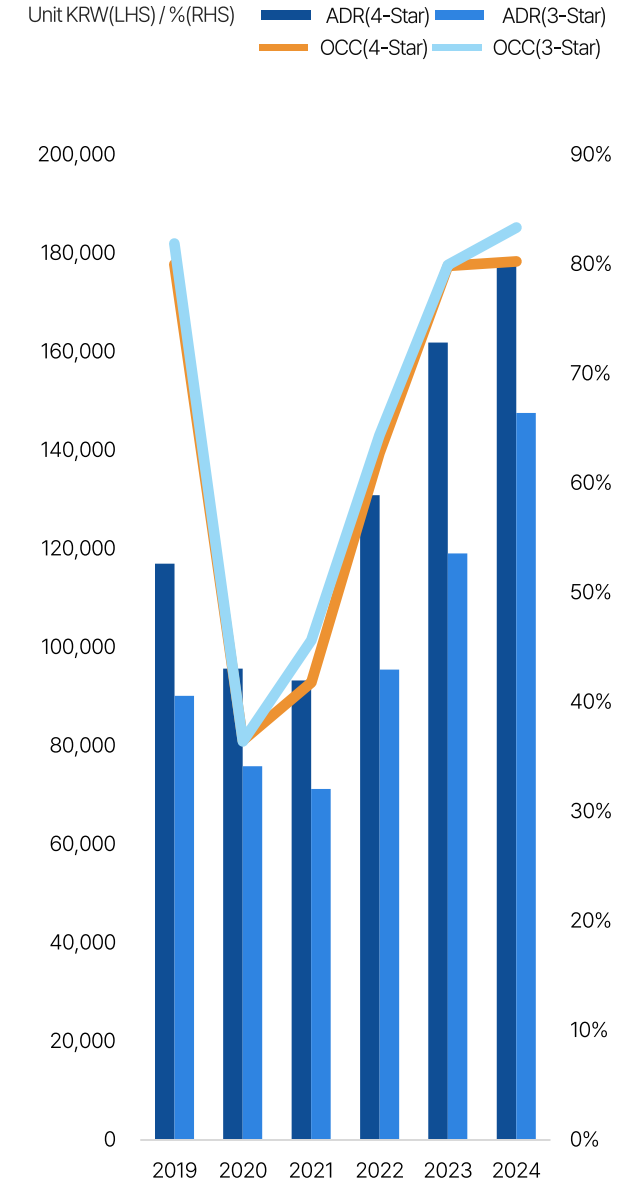
Three- and Four-Star Hotels

- ADR for three- and four-star hotels in Seoul dropped sharply in 2020 following the pandemic shock but entered a recovery phase in 2021–2022, continuing to rise through 2023–2024 on the back of demand normalization and reaching record-high levels, similar to the five-star segment.
- OCC also shows a steady improvement trajectory after bottoming out in 2020, moving broadly in line with ADR and reaching around 80% in 2024 for both three- and four-star hotels.

ADR & OCC Trends for 5-Star Hotels in Seoul



ADR & OCC Trends for 3, 4-Star Hotels in Seoul



Sources Korea Hotel Association, Style Loft

Tourist Hotels in Busan

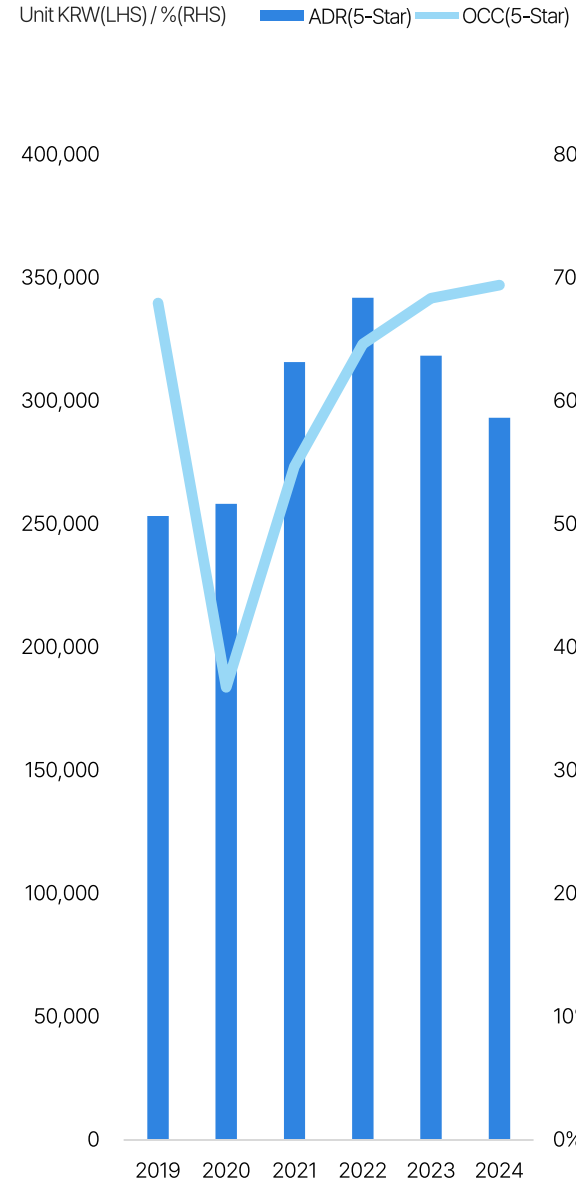
Five-Star Hotels

- ADR for five-star hotels in Busan was relatively resilient in 2020, showing limited impact from the pandemic, and rose sharply in 2021–2022, peaking in 2022.
- In 2023–2024, ADR moderated somewhat due to a slowdown in domestic tourism, but it remains well above pre-pandemic levels.
- OCC, unlike ADR, has shown a steady upward trajectory since bottoming out in 2020 and reached a recent high in 2024.

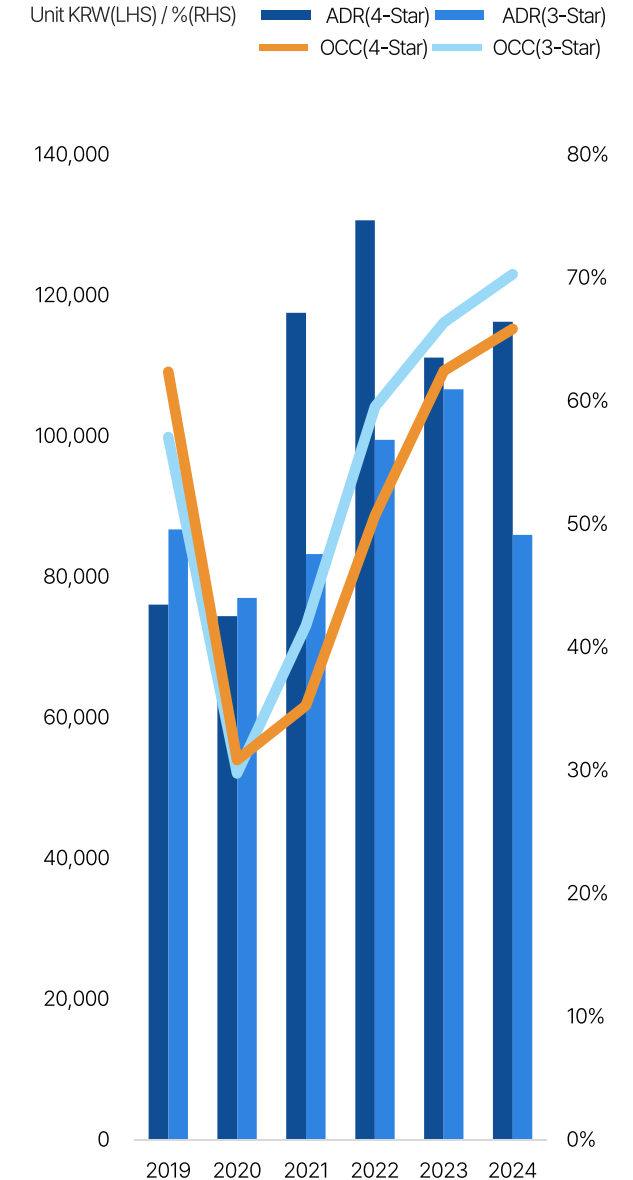
Three- and Four-Star Hotels

- ADR for three- and four-star hotels declined modestly in 2020 but rebounded strongly in 2021–2022, supported by rising domestic travel demand.
- In 2023–2024, growing inbound and domestic tourism lifted ADR for four-star hotels above pre-pandemic levels, while three-star hotels experienced a sharp year-on-year decline in 2024 amid intensified competition with the four-star segment.
- OCC has improved consistently since 2020, with both segments reaching their highest levels in 2024.

ADR & OCC Trends for 5-Star Hotels in Busan



ADR & OCC Trends for 3, 4-Star Hotels in Busan



Sources Korea Hotel Association, Style Loft
The rise in five-star ADR in 2021 was likely supported by the 2020 openings of Grand Josun Busan and Signiel Busan.

Tourist Hotels in Jeju

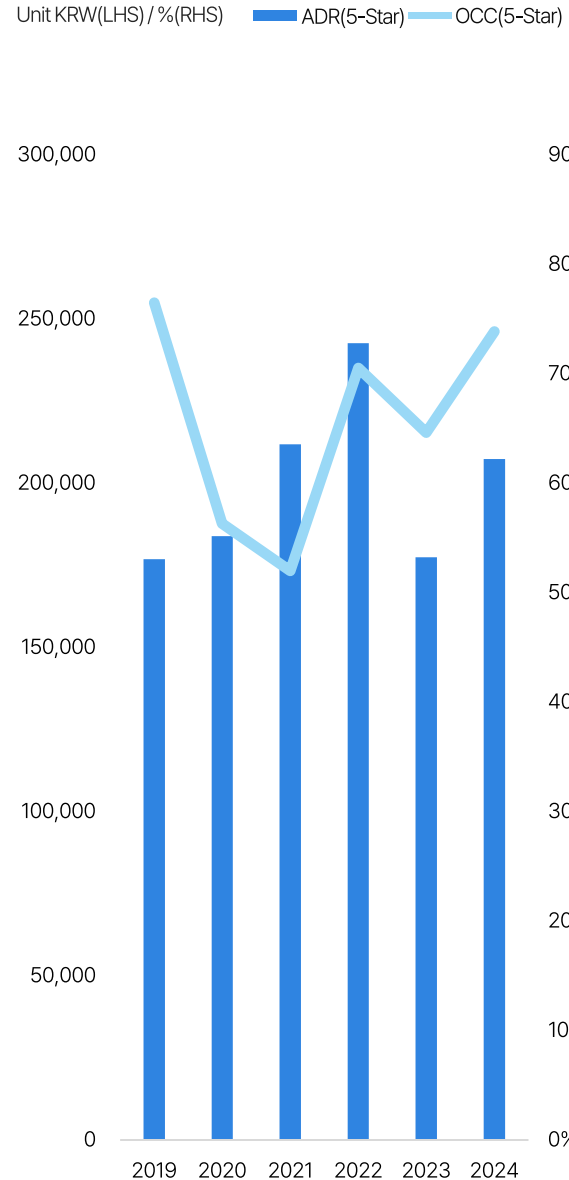
Five-Star Hotels

- ADR for five-star hotels in Jeju declined in 2020 due to the pandemic but rose sharply in 2021–2022, driven by a surge in domestic travel demand, reaching a peak in 2022.
- In 2023, ADR fell sharply amid weakening domestic tourism and intensified competition among five-star hotels, but rebounded in 2024 alongside the recovery in international arrivals.
- OCC has remained on a broad recovery trajectory since bottoming out in 2021, increasing to around 74% in 2024, indicating a normalization of the Jeju tourism market.

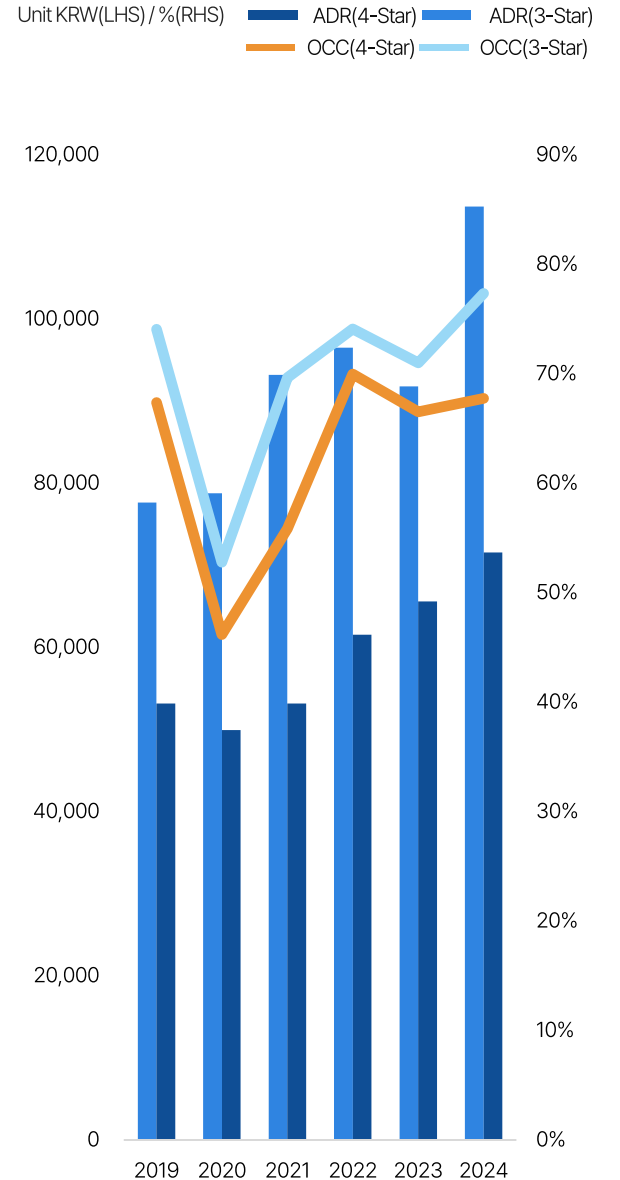
Three- and Four-Star Hotels

- ADR for three- and four-star hotels recorded a clear upward trend in 2021–2022, supported by the recovery in domestic travel demand following the pandemic.
- In 2023, ADR for four-star hotels saw some moderation due to softer peak-season demand, but rebounded strongly in 2024, while ADR for three-star hotels has continued to rise steadily.
- OCC has improved broadly since the 2020 trough, with four-star occupancy approaching 80% in 2024 and three-star occupancy recovering to around 70%, reflecting a normalization of demand in Jeju’s midscale hotel segment.

ADR & OCC Trends for 5-Star Hotels in Jeju



ADR & OCC Trends for 3, 4-Star Hotels in Jeju

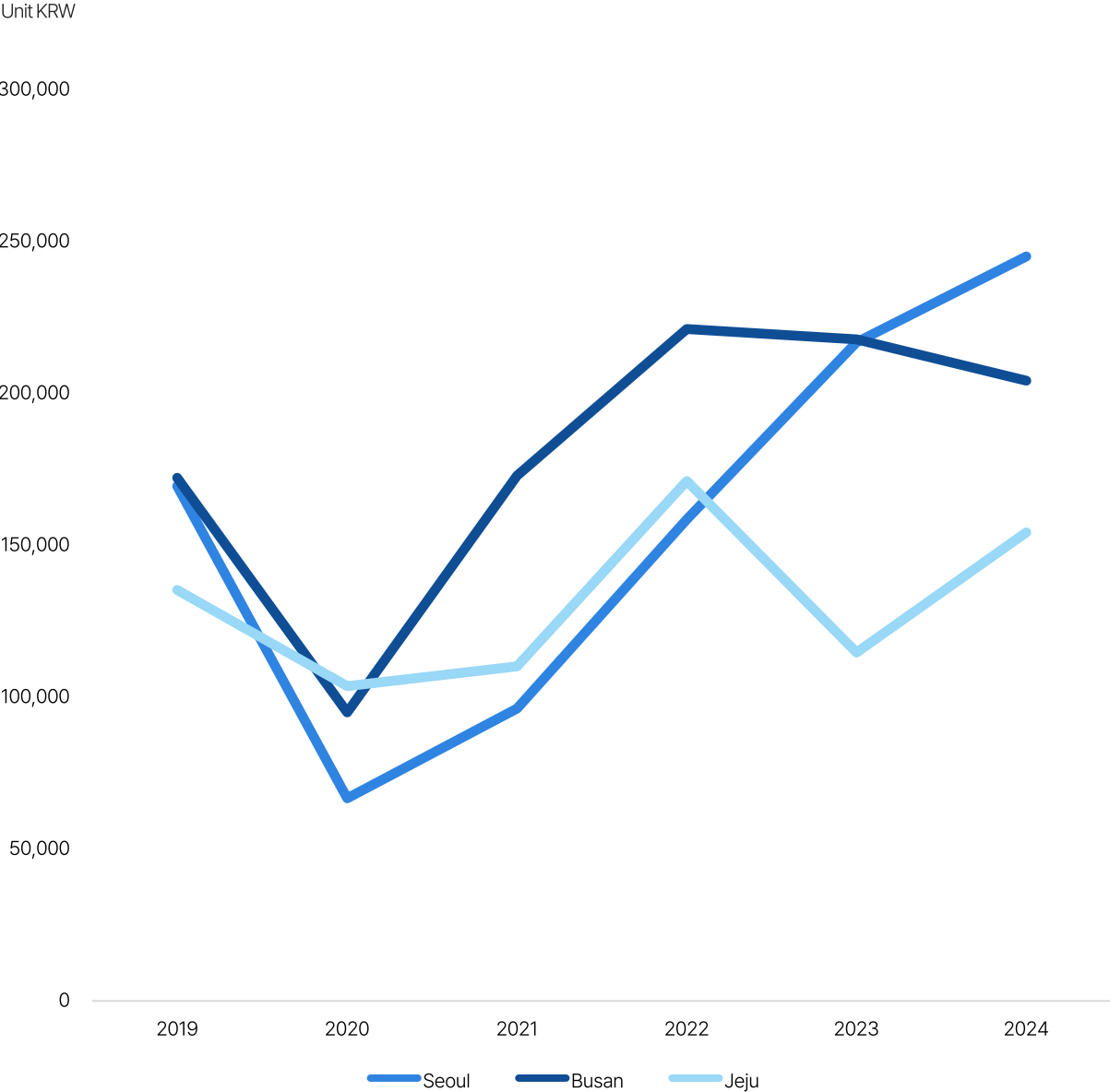


Sources Korea Hotel Association, Style Loft

RevPAR Trends for Five-Star Hotels by Region

- RevPAR for five-star hotels in Seoul plunged in 2020 due to the pandemic but recovered rapidly from 2021 onward, reaching a new record high of approximately KRW 245,000 in 2024.
- In Busan, RevPAR peaked in 2022 and entered a phase of gradual moderation in 2023–2024 amid rising supply and intensifying competition.
- In Jeju, RevPAR rebounded in 2022, driven primarily by domestic tourism, softened temporarily in 2023, and rose again in 2024, resulting in relatively higher volatility.
- Overall, Seoul appears to have entered a phase of structural profitability improvement, while Busan and Jeju remain more exposed to domestic travel cycles, leading to a widening profitability gap across regions.

RevPAR for Five-Star Hotels by Region



Sources Korea Hotel Association, Style Loft

Hotel Trend in 2025

Hotel and Co-Living

- In Seoul, acquisitions of tourist hotels for conversion into co-living assets have been observed with increasing frequency.
- As overseas investors' interest in Korea's rental housing market continues to grow, hotels are no longer viewed solely as short-stay accommodation for tourists but are increasingly being considered as an alternative platform for mid- to long-term residential use.
- This trend has been further reinforced by the housing market stabilization measures announced on October 15, 2025, under which the property tax aggregation exemption for private rental housing operators was removed, strengthening the relative attractiveness of converting tourist accommodation — which is not subject to comprehensive real estate holding tax — into co-living assets.

Post-October 15 Regulatory Landscape by Building Type

Source: Ministry of Land, Infrastructure and Transport (MOLIT)
 1) In cases where unsold officetels are acquired and repositioned into co-living use

Building Type	LTV 0% Restriction in Regulated Areas	Eligibility for Property Tax Aggregation Exemption
Housing (Apartments, Urban Living Housing)	Applicable	Not eligible
Quasi-housing (Officetels)	Not applicable ¹⁾	Not eligible
Accommodation (Hotels)	Not applicable	Eligible

The October 15 housing market measures removed most of the key incentives for rental housing operators, effectively halting co-living investment based on officetels following the abolition of the comprehensive real estate holding tax aggregation exemption.

As a result, converting tourist accommodation, which remains outside the scope of the tax, into co-living is emerging as the primary alternative, with related investment reviews increasing in the market.

Overview of Tourist Hotels Converted into Co-Living in Seoul

Source RSQUARE

Area	Asset Name	Star	Keys	Co-Living Start Year	Owner
Seogyo-dong, Mapo-gu	Creator Town Seogyo (formerly Noudit Hongdae)	3	296	2023	D&D Investment
Sinseol-dong, Dondaemun-gu	Mangrove Sinseol	2	311	2021	IGIS AMC
Gwanghui-dong 2-ga, Jung-gu	Mangrove Dongdaemun	2	177	2022	IGIS AMC
Singil-dong, Yeongdeungpo-gu	Celib Yeoui	2	133	2021	(주)Bando
Namhak-dong, Jung-gu	Homes Stay Red Myeondong	3	111	2025	IGIS AMC

Hotel Trend in 2025

Luxury Houses' Entry into the Hotel & Resorts

In recent years, luxury fashion houses such as Fendi, Louis Vuitton, and Christian Louboutin have entered the hotel and resort sector.

In parallel, highly distinctive fashion brands such as Chrome Hearts are also increasingly expanding into the hospitality market.

Luxury fashion houses are entering the hotel sector for a variety of reasons, but at the core is the objective of translating the brand's universe into a physical environment and thereby extending the customer experience.

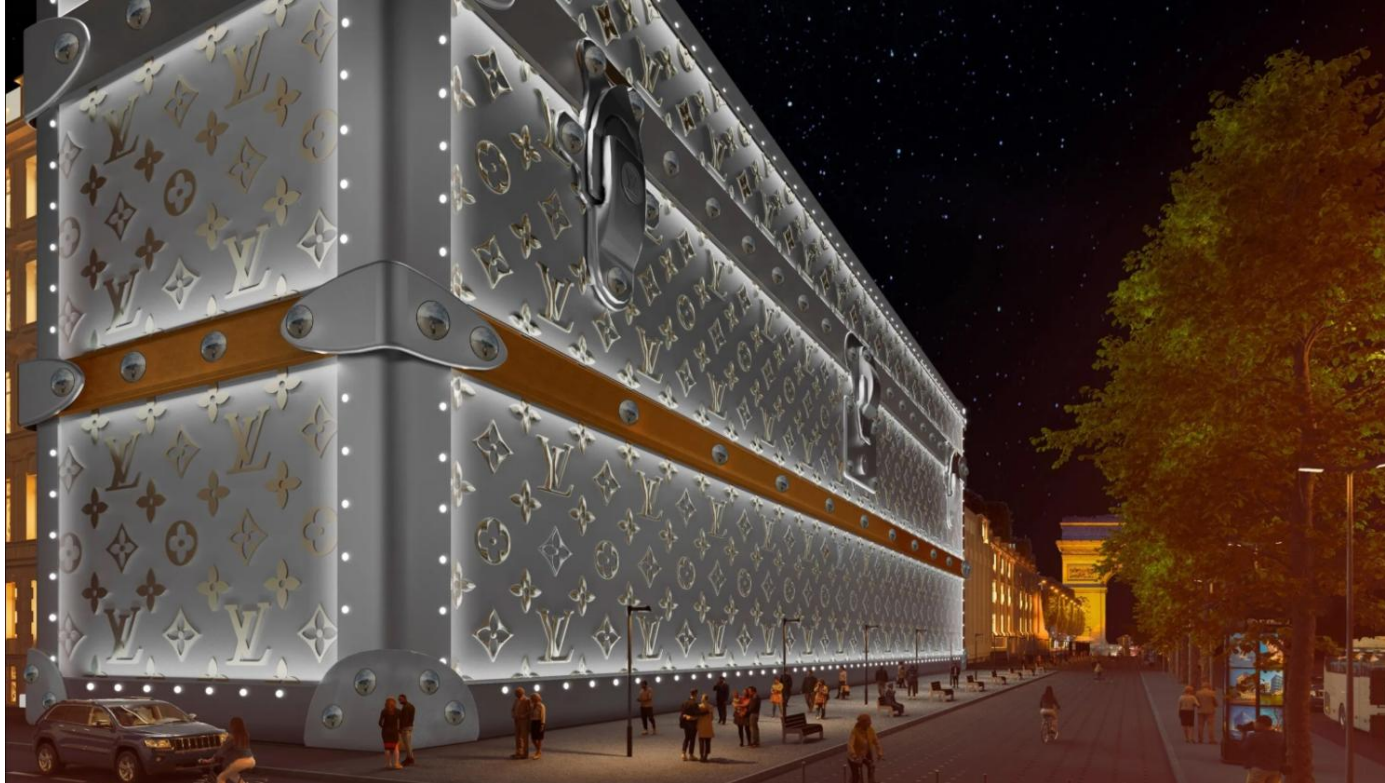
Whereas traditional luxury focused on making consumers aspire to own products, contemporary luxury brands are shifting toward offering layered, immersive experiences that go beyond ownership.

Within this context, hotels and resorts have emerged as a platform through which brands can directly express and deliver their intended lifestyle, positioning hospitality as a key avenue for expansion for luxury houses.

One of LVMH's core brands, Bvlgari, operates Bvlgari Hotels & Resorts through a joint venture entity established with Marriott. Under this structure, Marriott is responsible for hotel operations, while

Bvlgari embeds its brand DNA across interior design, visual identity, and service philosophy, enabling guests to experience the Bvlgari brand in a new, immersive format.

Paris Louis Vuitton Hotel (under construction, with fencing designed in the form of Louis Vuitton trunks)



Source LVMH

Interior of the Bvlgari Hotel Rome



Source LVMH

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