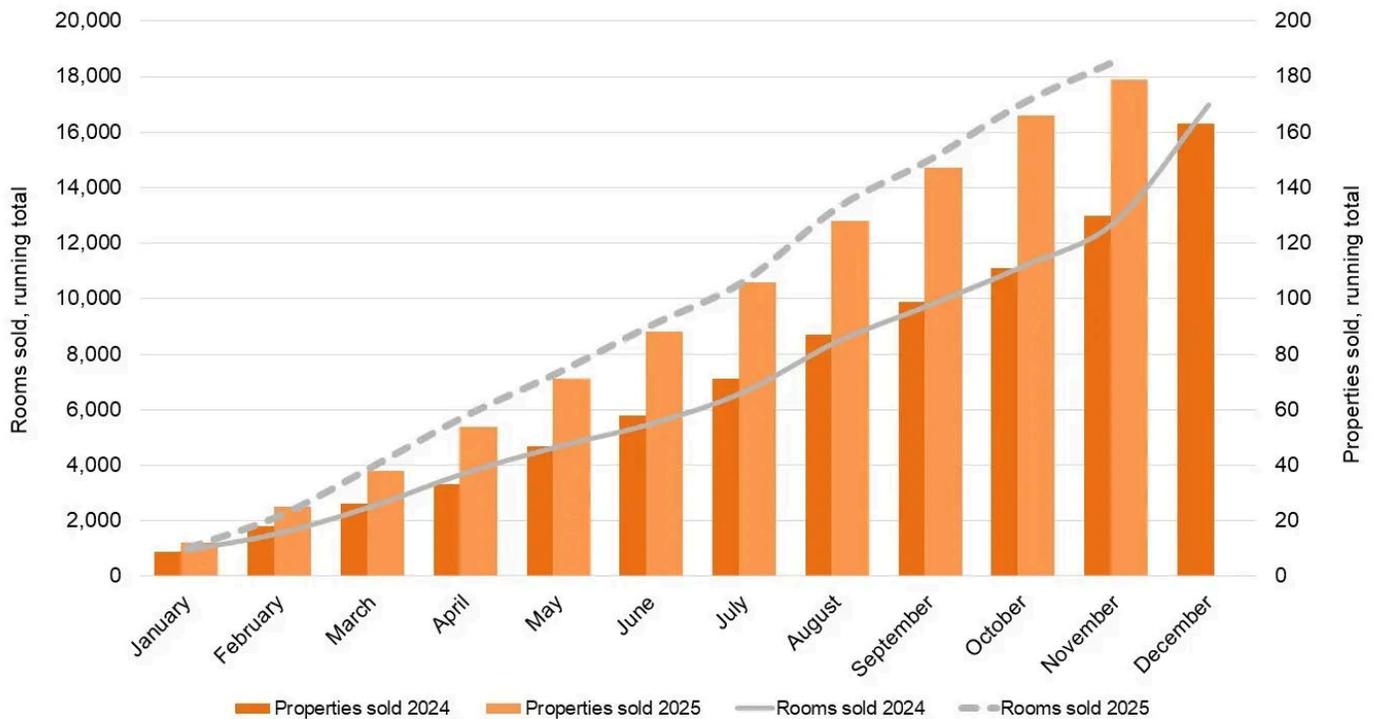# Texas hotel sales stay in motion

Midscale properties drive volume in buyer-led market

Room sales rise across five major Texas hotel markets

Properties sold 2024 ■   Properties sold 2025 ■   Rooms sold 2024 ──   Rooms sold 2025 ╌╌

Hotel markets are: Austin, Dallas, Fort Worth-Arlington, Houston, and San Antonio
Source: CoStar, November 2025

CoStar™

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Hotel sales across Texas' major hotel markets — Austin, Dallas, Fort Worth-Arlington, Houston and San Antonio — reflects a market that has settled into a cautious yet steady rhythm through 2025.

Texas is a nondisclosure state, limiting full visibility into deal specifics, including most sales figures, but available data provides a picture of the transaction flow, property scale and buyer landscape.

Number of sales

Hotel sales across Texas have slowed from the record-setting pace of 2022 but remain solid compared with recent years. As of November, Houston leads the state in the number of properties sold, with 64 transactions year to date, up from 51 during the same period in 2024. While last year closed at 68 deals, Houston is on track to match or exceed that benchmark.

Dallas follows with 47 transactions, improving on 37 through November last year and already equaling its annual total for 2024. Fort Worth-Arlington has posted 18 deals, ahead of both the 12 recorded through November 2024 and last year's full-year count of 15.

San Antonio stands out with 34 transactions so far, a sharp increase from 20 during the same period last year and well above its 2024 total of 22. This surge highlights a renewed interest in the market among investors. Overall, while statewide activity has cooled from peak levels in 2022, Texas remains a competitive landscape for hotel investment. With one month left in the year, additional closings could push several markets beyond last year's performance.

Hotel scale breakdown

Midtier class scale assets have dominated the 2025 sales landscape. Upper-midscale properties account for a significant share in Houston, while upscale hotels have gained traction in Dallas and the Fort Worth-Arlington area. Austin transactions shifted toward midscale and upscale chain scales, signaling broader investor interest beyond premium segments. Independent chain-scale hotels continue to be a notable presence, particularly in San Antonio and Houston. Luxury and upper-upscale trades remain scarce statewide, reflecting selective buyer strategies and limited availability.

Number of room transactions

Hotel transaction activity surged this year, and year-to-date figures through November highlight just how strong the market has been. Across Texas' five major hotel markets, the number of rooms changing hands reached 18,577, up 45% from 12,794 during the same period last year and already 9% higher than the 2024 annual total. Houston led the way with 6,501 rooms sold compared with 4,206 in November 2024, while Dallas climbed to 5,588 from 4,003. San Antonio advanced to 3,017 rooms, up from 2,285, and Fort Worth-Arlington more than doubled its volume to 1,526 from 895. Austin also posted gains, rising to 1,945 rooms from 1,405. With one month still to go, 2025 is on track to set a new benchmark for hotel investment in Texas.

Transaction landscape

The slowdown from the surge in 2022 reflects a period of higher borrowing costs, shifting fiscal policy and economic softness, leading to tighter lending standards that limit leverage for value-add plays for buyers. The prospects for a rebound are increasing as interest rates show signs of stabilization.

Activity remains centered on midtier and independent properties, with disclosed volumes subdued yet consistent. Texas hotel sales in 2025 indicate a pragmatic market recalibration, showing early signs of renewed investor interest. If financing conditions continue to stabilize and confidence strengthens, these signals could evolve into broader momentum as the year progresses.

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