



Foreword

Our insights and perspectives on the Hotels Industry

By Anthony Hunt

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The hospitality industry stands at a pivotal moment. It is shaped by shifting traveller expectations, environmental concerns, technological disruption and evolving investment strategies. The hotel sector must now redefine itself - not only in how it operates, but in how it connects, innovates and grows.

This report explores the Edge of Hospitality in 2026: where boutique hotels meet private equity appetite, where heritage buildings are reborn as immersive destinations and where AI and sustainability are no longer buzzwords but operational priorities.

From the rise of branded residences to the strategic power of hotel branding, this report examines the forces reshaping

the guest experience economy and the commercial frameworks underpinning it.

Across these chapters, divided into four key themes, you will find insights from industry leaders, operators, investors and advisers, each offering a unique perspective on the opportunities and challenges ahead.

We celebrate not only the resilience that has sustained the sector, but the creativity, ambition and adaptability that will define its future.

We hope the insights to follow will help you embrace and navigate change, inspire hospitality businesses to push boundaries and deliver meaningful experiences to the guests of tomorrow.

Anthony Hunt, Head of Hotels at Howard Kennedy.

Welcome to The Edge of Hospitality.

EVOLVE
Exploring economic trends, boutique hotel investment and the re-purposing of heritage buildings.

DISRUPT
Examining the impact of technology, AI and private equity on hotel operations and guest experience.

GROW
Analysing generational shifts, branding strategies and the implications of the Employment Rights Bill.

EXPAND
Investigating the changing role of real estate, sustainability and the future of hotel spaces.



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EVOLVE

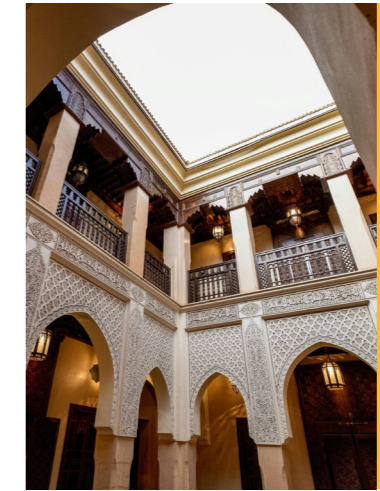


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Boutique Hotels :

Is private
equity taking
centre stage?



By
Ben Filmer and
Stephanie Brigg.

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As the world emerged from the various lockdowns of Covid, there was a boom in holiday traffic as holidaymakers took 'revenge holidays' seeking to take back the holiday they had missed out on across those years. In more recent years, traveller numbers have stabilised while still offering real opportunities for growth despite challenging broader economic conditions.

As Savills noted '2024 saw a seven year high for hotel transaction volumes'. Although the market has slowed since that peak, single-asset transactions now account for a greater share. This indicates a stabilisation of the market and renewed interest in standalone assets, particularly boutique hotels.

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The trend towards such acquisitions is reflective of the spend by holidaymakers as those with stronger occupancy and repeat custom drive a better bottom line for investors leading to higher private equity interest.

Why Boutique Hotels

While large chain hotels are seeing steady results, the modern traveller is turning more and more to boutique and luxury hotels in search of the 'total experience'. Boutique and luxury hotels tend to offer a more bespoke, personalised and immersive experience often offering a more unique stay than the large scale cookie cutter approach of chain hotels.

This chimes with the demands of holidaymakers. Millennials and Gen-Z holidaymakers are often

seeking a more authentic experience which is often better catered for by the boutique hotel than at large chain hotels. Instead of the mass breakfast buffet they are opting for an artisanal pastry with a locally sourced coffee. Instead of the lounge by the pool, it's the local

"There is a marked growth in opportunities for those seeking to convert existing property spaces into hotels"

culinary experience that is sought after.

But it isn't just the younger generations driving the boom. Often those outside these generations have greater disposable income and are looking for a more comprehensive and luxurious experience than may be available within the traditional hotel experience.

Or for the conscientious traveller, the appeal of a boutique hotel can be more easily marketed as the ethical, environmental and socially responsible small player in a world dominated by the mass produced global market.

Similarly, the boutique industry has benefited from changes in the nature of the modern working world as they cater effectively to global nomads. As the number of these globe trotting workers increases, there is a greater demand for personalised spaces where individuals can work but which also offer a real sense of community, openness and individuality.

The Changing Face of the Boutique Industry

The boutique sector also includes a growing number of businesses who are identifying opportunities to repurpose and redevelop

existing property or even taking on the opportunity to create a new experience where previously there was none.

There is a marked growth in opportunities for those seeking to convert existing property spaces into hotels which is seen in the increasing reclamation across Europe of old office space which is becoming micro living units or hotels.

Similarly in our ever connected world there are real opportunities for those offering the 'off-grid' experience. The humble tent is not enough for all tourists with glamping and 'eco-stays' becoming ever more prominent.

Investment

With the various opportunities for growth within the boutique industry as well as the broad definition of what classes as 'boutique' it is easy to see the rationale for investment by private equity. However, in a challenging market, there is a real demand from private equity to see strength of return but also quality within the team operating the hotel to ensure a return on value.



Redefining Luxury Hospitality:

Insights
from Sekoya
Communications

EVOLVE

Victorian Henson, Founder and Managing Partner of Sekoya Communications, and **Sophia Wilson**, Managing Partner, sit down with Anthony Hunt to discuss how luxury travel is evolving for high-net-worth (HNW) and ultra-high-net-worth (UHNW) guests.

Once defined by opulence and grandeur, luxury hospitality now centres on authentic, personalised experiences that create lasting memories. From cultural immersion and multi-generational flexibility to the rise of blended business-leisure travel, expectations are shifting rapidly. In this conversation, they explore how hotels can adapt, differentiate in a crowded market, and prepare for emerging trends such as generational wealth transfer and AI-driven trip planning.

What are HNW / UHNW travellers currently prioritising when choosing luxury hotels, and how have these expectations evolved in recent years?

VH: It's a combination of elements, but the biggest shift is towards experiences. Increasingly, guests want experiential opportunities when travelling. In the past, luxury was more about glitz and glamour – chandeliers, opulent design and comfort, which are still important

– but now experiences take centre stage.

Yes, experiences in the sense of creating memories guests can take home, relive and share. They want unique, rare moments – things they've never done or seen before. Alongside that, ease of access has become essential. Time is limited, everyone is constantly connected and working, so when people travel, they want things to be done seamlessly for them.

SW: Expectations are higher across hospitality, and hotels need to show they can cater at the very highest level. Service and personalisation, which have always been important, matter even more now in a world that's increasingly automated. Guests want authentic, personal touches. For example, one of our guests mentioned they were excited to watch Eurovision. When they returned from dinner, their butler had already set it up on the television – a small detail, but it transformed the experience. That's

the difference between standard luxury and true HNW/UHNW-level service.

How do you see the role of personalised experiences shaping the future of luxury hospitality, especially for discerning guests?

VH: Personalisation has always been part of luxury hospitality, but it is increasingly important in a world that is becoming more digital and automated. Discerning guests expect those small but meaningful touches that show the hotel understands them.

SW: Exactly – personalisation doesn't have to be flashy. It's often in the small, thoughtful details that anticipate needs and make a stay memorable. These experiences distinguish a property as genuinely luxury. The Eurovision example shows how small, personalised gestures elevate the entire experience and create lasting loyalty.

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Are luxury travellers seeking more local, immersive food experiences or is there still strong demand for globally recognised fine dining?

VH: There is growing demand for cultural immersion across every aspect of the stay, including food. Travellers increasingly want to experience authentic local flavours and traditions as part of their journey.

SW: Yes, and this ties into the trend towards experiences. Guests want food to be part of that – whether through local tours, cooking with chefs, or dining in places tourists wouldn't normally find. That doesn't mean fine dining is disappearing; globally recognised restaurants are still valued. But increasingly, what excites guests is the chance to discover something rare, rooted in the destination, and worth retelling when they return home.

How are luxury hotels adapting to meet the needs of multi-generational families, and what does a truly exceptional family experience look like across all age groups?

VH: Flexibility is the key. Hotels need to provide spaces and experiences that work for all ages, without one group disturbing another.

SW: Yes, for example, if some guests are working during their stay, while others are there for pure leisure, a luxury hotel needs to balance that seamlessly. The best properties create zones and experiences tailored to different groups – children, teenagers, parents, grandparents – so everyone has a fulfilling stay. This flexibility across generations is now a core part of the luxury experience.

With the rise of blended travel (business + leisure), how are hotels evolving their offerings to cater to professionals who also seek high-end relaxation and cultural immersion?

VH: High-end relaxation and cultural immersion are a growing priority, even for those travelling partly for work.

SW: Exactly – since COVID, we've seen more people working from hotels, so reliable high-speed Wi-Fi and the latest technology are

essential. But it's about balance: guests want to be able to work effectively and enjoy immersive cultural or wellness experiences. Many hotels are offering curated cultural activities, art tours, or authentic local encounters alongside cutting-edge spas, gyms and memberships. It's that complete 360° experience – the ability to blend work with meaningful leisure – that defines modern luxury.

How can Sekoya Communications help hotels differentiate themselves in a crowded luxury market, especially when targeting niche segments?

VH: Knowledge is key. Know your market and streamline your communications to the right audiences. Competition is fierce, so hotels must cut through the noise.

As an agency, we immerse ourselves in our clients' brand values so we can tailor PR strategies to their business objectives. Differentiation comes from identifying their unique selling points – what makes them truly special – and aligning that with the evolving media landscape.



The role of PR has evolved. It's not just about promoting and consulting on comms strategies – it is also finding the stories that are going to enhance a campaign, by being creative through storytelling or through strong brand collaborations and partnerships

SW: Post-COVID, communications are shifting faster than ever. It's not just about staying relevant but also inventing and leading trends. Another factor is the generational wealth transfer that's under way. Future HNW/UHNW travellers will have different values and expectations, so part of our work is helping clients future-proof their brand to connect with this next generation.

What emerging trends or innovations do you believe will redefine luxury hospitality in the next 5 years and how should hotels prepare to stay ahead?

SW: If I had to sum it up in one word: exclusivity. Guests want to feel welcome, safe and comfortable – almost like a "home away from home." Personalisation and human touch are crucial, even as AI and digital tools grow in importance. These elements make guests return, not just visit once.

Two major shifts are coming:

1. Communications: The way hotels reach clients will change dramatically. People are already turning to AI rather than Google for planning trips and itineraries. Hotels need to adapt now, learning how to connect with clients through these new channels.

2. Wealth transfer: For the first time, we'll see women with equal spending power, alongside a younger generation with different values. This demographic are more experience-driven, more socially and culturally conscious, and a higher percentage are neurodivergent. Luxury brands will need to evolve their strategies and offerings to resonate with this next generation of clients.



Heritage to Hotel: Transforming Historic Buildings into Hospitality Spaces

By
Michael Weissman

The repurposing of historic buildings into hospitality spaces is increasingly trending as a form of development. There are opportunities in this area and several distinct advantages of this model have become apparent, as well as some key challenges.

Re-imagining historic buildings while retaining their original character often sparks revitalisation. This can involve innovative technologies, materials and systems that improve building performance. Owners and developers can improve a project's sustainability credentials by re-using existing structures and fabric – reducing the upfront embodied carbon impact. These projects can also contribute to the circular economy and sustainable built environment, through re-use, recycling and reducing waste.

Increased construction costs are making repurposing more commercially attractive too. Starting with an existing building, as opposed to demolishing and constructing

from scratch, can lead to significant cost savings. High quality materials may already exist in the building as well as the right floor plates, ceiling heights and other useful elements. These can all contribute value, ultimately driving higher room rates.

Financial viability, however, is analysed on a project-by-project basis and challenges remain. Reconfigurations are often necessary and these projects can require painstaking restoration, specialist skills and complex work. Unexpected issues can arise during the construction phase and then quickly lead to additional costs to the extent the risks are not mitigated against or properly managed. For example, issues around mechanical and electrical and structural engineering,

the need to renovate to the latest standards for modern buildings, fire and safety regulations, or compliance with strict heritage preservation requirements.

Branding can be boosted by the often unique and distinguishing aspects of historic buildings and the stories and authenticity that live within them. Existing architectural, design and bespoke features, for instance, can be incorporated into the overall look and feel of a development. Characterful spaces, converted successfully, tend to add excitement and interest to the guest experience. These characteristics hold a clear appeal, but seamless integration with heritage – truly blending old and new – can be a complicated endeavour.



In addition to the project brief, the development of a clearly defined brand strategy and brand standards (with built-in flexibility) early in the process can help with this, but these need to be managed and monitored throughout the project lifecycle.

Planning, use and zoning requirements and property title should be reviewed and fully understood as early as possible in the process. Use restrictions can come into play where historic uses of the building were pre-envisaged long ago. Aesthetic requirements, such as for example signage being in keeping with a building's appearance, can take time and cost to implement fully. Choosing the right people to make up the contractor and consultant team will be key. Engaging a heritage consultant as well as a planning consultant should be considered. Collaboration should generally be embedded in the planning, design and construction phases.

It is also important for developers to consider and select the most appropriate procurement route and agree suitable pricing, payment regimes and risk allocation with the construction team. Clients should scrutinise design and construction contract documentation. Hotel opening dates, being heavily influenced by seasonality, can put substantial pressure on the

construction programme. Pre-completion and completion dates and liquidated damages for delay should be set accordingly. Protection and clarification will be needed to allow for unforeseen events, cost and time reliefs and to address responsibilities, deliverables and liabilities. The interactions with other relevant agreements are significant - such as hotel management agreements, financing agreements, property agreements, shareholders agreements and brand licensing and marketing agreements to name but a few.

Design and construction should be sensitive to heritage and cultural aspects. Façade preservation is a good example of the issues that developers can encounter. Heritage buildings are often located in densely populated urban areas, making construction more difficult. Preserving a building's façade can be far from straightforward and may entail structural integrity monitoring. Construction work along with scaffolding or steelwork and hoarding can also bring with it a need to widen the site boundary. In the context of a busy construction site this can present significant challenges for access and logistics and contractors may have to work in tight and restricted spaces. Minimising disruption is important and adjacent structures and the nearby environment as well as pedestrians should all be considered. Facades

that cannot be retained may be sensitively dismantled for rebuilding elsewhere - the contractual risk allocation for loss or damage while this is being done should be clearly agreed.

The inclusion of performance incentives or KPIs in relation to quality and performance can improve project outcomes, but again should be calibrated and documented appropriately. Roles and responsibilities should be clearly set out and allocated. Because of the risks of cost overrun and delays on these complex projects, clear and timely communication is needed with the project team.

In conclusion, owners and developers should carefully consider the pros and cons of this type of development. While there are challenges to evaluate - and balance will be needed between modern standards and preservation and re-use - successfully repurposing historic, often iconic buildings offers a clear path to redefining, revitalising and re-imagining sites and their surrounding environment and creating unique new hospitality destinations.

“Design and construction should be sensitive to heritage and cultural aspects”



**In conversation
with Carine
Bonnejean**

**Managing
Director of
Hotels at
Christie & Co**

EVOLVE

As Managing Director of Hotels at Christie & Co, Carine Bonnejean has unique insights into the hotel transactional market across the UK and Europe. Here, she shares her thoughts on how the landscape has changed during her 20-year career at Christie & Co, what role AI, technology and sustainability will have in the future for hotels, and the biggest challenges and opportunities that they face.

How has the hotel acquisition market changed since you first joined Christie & Co?

The hotel market has changed significantly, in both perception and the way it is structured. Today hotels are seen as operational real estate, and they've become more mainstream. The perception of the risk and reward of owning a hotel has changed to match this. People are not as averse to the risk offered by hotels and instead see the benefits of owning them. Awareness of the market is better too, so we have clients who are seeking in-depth expert advice, because they already have a strong base knowledge of the sector. We've also seen significant shifts in the way that real estate operations are structured and how they interact with each other, through management contracts, franchise agreements or hybrid leases, which have led to owners and operators becoming more creative in how they work together. This has pushed operators to

evolve, but I think this structural shift has been beneficial to everyone.

Where are you seeing the biggest market activity and what are the key drivers behind this?

The UK has historically always been the backbone of the European hotel market in terms of transactions, and that's been the case for over a decade, bar 2023 following the mini-budget. We've also seen the rise of other markets too, including France, Spain and Italy in particular. This has been led partly by the fact that KPIs and performance have been quite strong and the opportunities offered by this market in terms of fragmentation, under representation of brands and repositioning opportunities. Investors are more comfortable with the concept of seasonality, particularly since COVID, and therefore are not as risk-averse as they used to be as they can see the upside it can also deliver.

What role do you think new technology and AI will play in the hotel acquisition market in the future?

If we think about acquisition in itself, it goes back to how the market has evolved and how it's still evolving today. In the past, the market was quite opaque, so a lot of the data was with brokers and valuers. But now, thanks to technology, data is MORE widely available to support business decisions. How you decrypt the data and leverage it to inform your strategy will be essential. We sell hundreds of hotels every year so we have a wealth of data to leverage through technology to best serve our clients going forward.

How important are sustainability credentials when it comes to selling a hotel today?

It's been a slow burn but it's becoming increasingly important. For key cities and institutional

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investors, sustainability has been on their roadmap for a long time, because there are fund requirements. On the financing side, sustainability is also top of the agenda for lenders. Additionally, sustainability has become more and more important for customers, and as such, operators have to embrace customer demands to remain competitive. Of course, the reality of making any hotel

balancing exercise of what makes sense for the planet versus what makes sense from a business perspective. The theory is that if you have green credentials, your hotel will have a higher value and command a so-called “green premium”, but it’s not been fully proven yet. Once we have greater comparable evidence, we will be able to quantify better this premium.

their space to an office occupier, so that people can work from a hotel, rather than working from home. Companies can now rent hotel spaces for several weeks so that office workers can spend time together. I think the way that hotel rooms are designed will change too. We’ve seen a lot more pod-type designs, for example, and even some with in-built gym walls and a personal training schedule. We’re also seeing international markets, like India, travelling more, while at the same time the West is starting to travel in a greener way, so staying in places for longer, and trying to access them via trains rather than planes.

What are the current strategies of hotel groups to grapple with the economic crisis?

Automation is the key word. We are seeing more hotels where processes are automated and unstaffed. For example, check-in can be arranged without the need for an employee, and there are fewer 24-hour reception desks or overnight service. In terms of sustainability, it’s also becoming more common to limit room servicing which also positive impacts the bottom line. There’s been a move towards converting other real estate into hotels, even if it’s just a few rooms, or better optimising every inch of space in your property particularly during daytime when hotels tend to be less occupied.

What are some of the long-term trends you expect to see in the next decade for the hotel market?

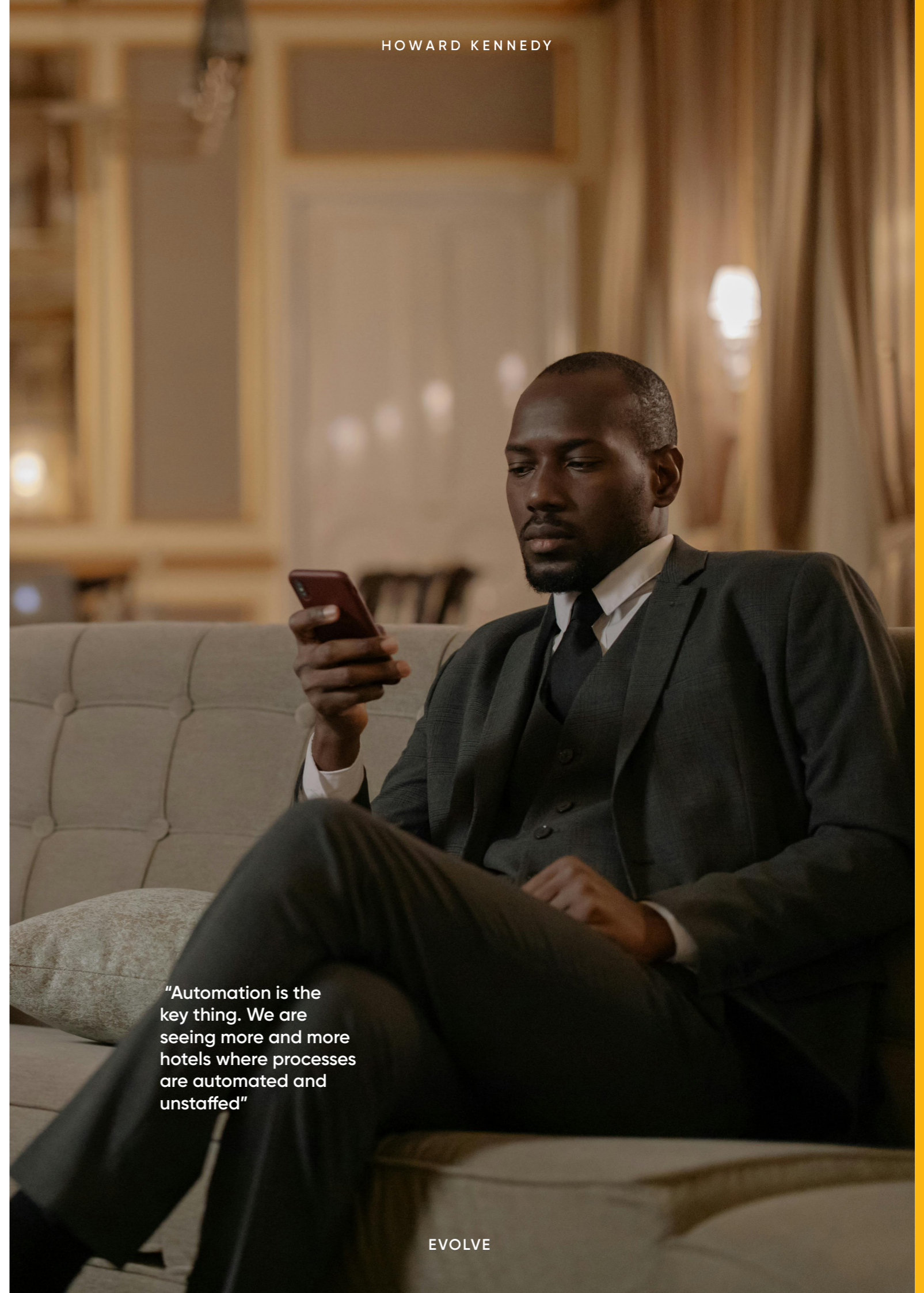
I think the way that hotels are defined is probably going to evolve. It’s something we’re doing a piece of research on at the moment. For example, one hotel group has recently rented out

What do you think the challenges and opportunities will be?

I think we’re going to see a lot of opportunities to adjust business models in response to the changing ways that customers use hotels. There’s a lot of talk right now about the 24-hour impact of a hotel and the fact that it is mostly used from six at night until eight in the morning, and how it can be better used between those times. I think the biggest challenge is going to be for people to be able to adapt and evolve quick enough, whether that’s due to time or financial constraints. Our sector presents great opportunities and potential for transformation. We are seeing buyer appetite at all levels of the market for acquisition opportunities, both domestically and internationally, and compared to other sectors like offices or retail which have fundamental demand changes, we need a bedroom to sleep in.

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sustainable takes time and investment. If you’re looking at privately-owned hotels, that have not been invested in, it’s about educating them as to the importance of it. For many, it’s a



“Automation is the key thing. We are seeing more and more hotels where processes are automated and unstaffed”

DISRUPT



Disrupt: Examining the impact of technology, AI and private equity on hotel operations and guest experience.

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Tech & AI in hotel operations. Sustainability: rise in eco hotels

By
Jeremy Slater,
COO at Bob W

DISRUPT

After spending a week at Bob W Kaarti during the annual startup event SLUSH in Helsinki, Alex Watt and Matthew Lamb got more than just a place to stay – they got a glimpse into the future of hospitality.

Between startup pitches and late-night karaoke, Alex and Matthew met CEO Niko Karstikko and experienced a brand built for the grown-up Airbnb generation: tech-led, design-driven, and globally ambitious.

Ahead of Howard Kennedy's return to Bob W and SLUSH in November, we sat down with COO Jeremy Slater to unpack Bob W's journey, its edge and what's next for the future of travel.

Bob W stands for 'Best of Both Worlds'. What inspired that concept, and how does it reflect the needs of a generation that's grown up with Airbnb?

It started in the 2010s, when Airbnb was becoming ubiquitous, and not just a niche platform. Enterprising hosts started to realise that they

could do this on a widespread basis, with a lot of 'stock' on Airbnb. Nico, one of our founders, was very much your traditional Airbnb host, and he took great pride in messaging his guests, sending them recommendations, that sort of thing. So he decided he wanted to do that at scale, incorporating his learnings from his previous life working in the hotel industry (their standards, operational systems, consistency etc). He wanted it to be the best of both worlds – literally – the hosted experience of Airbnb, and the consistency and standards of a Hilton or a Marriott. Bob W is an apart-hotel model powered by technology: reducing the number of people on the ground in the buildings and actually removing the front desk entirely, giving guests the self-sufficient autonomous experience. They check in with a pin code,

they're entirely self-catered, but there are lots of little touches to remind them that Bob W is their host and that they're not on their own.

Bob W is described as a tech-enabled hospitality business. What does that mean in practice and how does it shape your operations and guest experience?

The simplest way to think of this is that we're using technology to improve the guest experience, while also making it cheaper for us to run hotels. It allows us to compete with the likes of the Hiltons, the Marriotts etc on pricing. The challenge we have is using technology while also keeping it feeling like a hosted experience. We're currently rolling out Bob W's newest team member, which is an AI Bot which is responding

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to guests in the first instance. This can be used for things that don't require human nuance. So, for example, where the luggage room is, or if you can check in early or not. But it's vital that the Bot not only has our tone of voice, but also that a human is one click away, in case the question does demand more thought, like recommendations or complaints.

With 45 buildings across 18 cities and 10 countries, you have been scaling at incredible pace! What have been the biggest lessons in scaling across diverse markets and how do you maintain brand consistency while staying locally authentic?

The biggest challenge is ensuring a personalised guest experience. The second biggest is scaling rapidly in an industry – operational real estate – that historically does not scale fast. Real estate is a slow-moving industry, from negotiating the lease to opening doors, that whole process can be really challenging to do quickly. We've been able to do it because we've been quite nimble and flexible with our landlords. Our model is just to fill the space with as many usable rooms and apartments as possible, with digital pin pads on the doors

– that's it. No F & B, no swimming pools or pointlessly large marble lobbies. The simplicity of our floor plate and our business model has enabled landlords to work with us and execute quickly. We have a blueprint for all the different finishing touches that go into a Bob W building, like the ironmongery or the joinery, but we also do a design concept that nods to the local neighbourhood in some way, whether it's sourcing local artworks or furniture, but we're not having to rewrite the playbook every time. We also have the same things in the rooms – what we like to call our critical non-essentials, so adaptors, chargers, reusable water bottles, yoga mats, things like that.

Finland now represents only a tenth of your business. How do you approach risk management and market selection in a volatile hospitality landscape?

The short answer is that we have an amazing team that spends a lot of time on feasibility and looking at new markets and making sure that we're not cannibalising our existing stock. When we look at new deals outside of our existing markets, that's where we need to be really selective with the

buildings we take. The costs of entering new markets is significant, so we have to have a very structured underwriting process before we enter markets.

Bob W aims to 'create change' rather than just participate in it. What traditional hospitality models are you challenging, and what does disruption look like from your perspective?

The main way that we are different from traditional Airbnbs or hotels is that you don't need to worry about not being able to access your keys in a lockbox – it's all accessible via a pin pad. And even if we are competing on a micro level with hotels, if someone is looking for more space, or a kitchenette,



“We've got some exciting new launches. We are doubling down on Germany, opening in Dortmund and Stuttgart, with more buildings in Munich too”

they will choose us. But we're taking a lot of learnings from our competitors too. While we're never going to be able to compete with somewhere like the Four Seasons, we can incorporate some of their key entrance experiences into our welcome. So if you've stayed with us before, you'll get a message saying, 'welcome back, we can't wait to host you again', just as you might at the reception desk of the hotel if you're a repeat visitor.

How do you balance automation and digital services with the human touch that guests still crave?

It's a really fine balance. Obviously, we automate some communications – so once they've booked we will send a booking confirmation, and once they've checked in, they'll get a Whatsapp saying we can't wait to host you, here are the details of your check in. But we don't overload them with comms. We keep it to the bare essentials, and so that they know how to contact us. Then when they do get in touch, we have

very ambitious response times. If there isn't a front desk or a landline phone in your room, we need to make sure that they are getting an even quicker response than they would usually. We aim for Bob W to get you an answer within 10 minutes of a Whatsapp. If your room is too hot or the oven isn't working, the last thing you want is an automated message saying we'll get back to you in 72 hours.

Can you tell us what's next for Bob W, either in terms of product innovation, new markets, or partnerships?

We've got some exciting new launches. We are doubling down on Germany, opening in Dortmund and Stuttgart, with more buildings in Munich too. We are always looking for new locations to open, both in existing markets and new markets within Europe. On the product innovation side, we are training the Bob W bot, and we are also rolling out mass personalisation at scale. So for example, using your Whatsapp name, recognising if you've stayed with us before, and giving useful recommendations. So for example, we'll message you to say, "it's rainy today in Finland, make sure you bring an umbrella." Or, 'we know that you love the

Stoopwafel that we give guests in Amsterdam, so we've left you four'.

And looking more broadly, how do you see the hotel industry evolving over the next five years—and what role will Bob W play in shaping that future?

The real hospitality of people serving other people isn't going anywhere. I think people will become more demanding with how responsive we are, how we deal with their stay, and the level of service we provide for them. Expectations will get higher, because guests will become savvy to the fact that all hotels are leveraging technology in some way or another. With the awareness that this will reduce costs, the expectation from guests will be a higher level of service and value for money. That's a core fundamental of any service industry, and I don't think that it's going anywhere, even with AI taking over the world.

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In conversation with Ronen Nissenbaum

CEO, development at Fattal Hotels

By
Anthony Hunt

From culture to technology, Ronen Nissenbaum explains what makes hotels thrive in competitive markets.

As CEO for the UK, Ireland, Benelux, Spain, Portugal and US development at Fattal Hotels, Ronen Nissenbaum is shaping one of Europe's most fast-moving hospitality portfolios, home to brands such as Leonardo, NYX and the quietly glamorous Herods.

With new Hotels from Ireland to Barcelona Ronen is steering the groups Western European area through a moment where lifestyle, locality and loyalty are being rewritten all at once.

In a sit-down conversation with Anthony Hunt, Head of Hotels at Howard Kennedy, he shares how Fattal plans to win not just market share, but hearts and what the next generation of luxury-leaning travellers really expect when the lobby doors slide open.

From a regional challenger to one of the most talked-about

hotel groups in Europe, what is driving that momentum? Is it daring decisions, lucky timing, or something in the culture?

It's the culture. That's probably the strongest reason for our success. Our owner and CEO, David Fattal, is incredibly assertive about development. Over the last 25 years, his track record has given people confidence in deal certainty when working with us. If we say we're interested in a property, brokers and sellers know we'll follow through. That reputation for reliability has been consistent for decades. If David says something, he does it—and that consistency builds trust.

Your portfolio ranges from cool urban Nyx hotels to refined properties like Herods. How do you stop a collection of hotels from feeling like a pick-and-mix of brands and make it cohesive?

Compared to big players like Marriott or Hilton with 40 brands, we only have five or six. Our core brand is Leonardo, which includes Leonardo, Leonardo Boutique, Royal Leonardo, and Limited Edition by Leonardo for five-star properties. Nyx is our lifestyle brand, similar to CitizenM or Kimpton. In Israel, we have additional brands like Herods and Magic Palace due to market size, but in Europe, it's primarily Leonardo, Nyx, and Master (our serviced apartments). Each brand is clearly differentiated by market segment, so there's little confusion. Even in cities where we have multiple hotels, like Munich or London, we work hard to keep the brands distinct.

Hotels today are judged as much on atmosphere as on thread count. Where does the "soul" of a great hotel come from—design, people, or something harder to define?

Culture. Design and concept matter, but the guest experience is created by the team. Friendly, happy staff make the biggest difference. Leadership sets the tone, if the CEO is humane and caring, that culture permeates through regional managers, GMs, and staff. We hire carefully to maintain that culture

I often say, "The fish stinks from the head." If leadership is toxic, that trickles down. But if leadership is warm and respectful, that spreads too. Guests constantly tell us, "Everyone was so friendly and smiling." That's not luck—it's drilled into our culture. Great people can even compensate for

a tired product. A smile at reception can turn a mediocre stay into a memorable one.

Expanding into cities with plenty of hotel options, how can Fattal still surprise seasoned travellers?

We measure success against the market using fair share and Revenue Generation Index (RGI). If we're 10% of the market, we aim for at least 10% of demand—but we consistently achieve 10–15% above that. In London, for example, our five hotels outperform major brands like Hilton and Marriott. Last year, we were 10–15%

locally, ensuring teams reflect their region while staying true to our values.

ahead of big names like Accor and InterContinental. That performance gives us confidence to compete and improve properties we acquire.

We don't rely on "feelings" – we rely on STR reports and hard data. If a hotel is underperforming, we know how far we can take it because we've done it before.

Modern travellers want tech efficiency and human warmth. Where's the sweet spot between digital convenience and personal connection?

Technology shouldn't replace people; it should make interactions more efficient. Automating check-in, payments, and back-office tasks frees staff to spend quality time with guests. The real luxury is choice – guests should decide whether they want full human interaction or a seamless digital experience.

Think of airports: sometimes you want to skip the desk and go straight to the gate; other times you want help. Hotels should offer the same flexibility. If you want to order a drink via an app and have a robot deliver it, great. If you want a concierge to recommend the best theatre, that option should be there too.

Sustainability is becoming a luxury marker. Beyond reusable bottles and green pledges, what should hotels do?

Sustainability isn't a luxury – it's essential. Like Wi-Fi, it's gone from "nice to have" to "must have." Our approach focuses on three pillars:

1. Measurement & Accreditation: Quantify carbon footprint, reduce it, and gain recognised certifications like Green Key.

2. Legislation & Accountability: Align with legal requirements and set KPIs for each hotel, linking them to bonuses.

3. Communication: Share progress internally and externally – customers and corporate partners demand transparency in RFPs and on websites. We incentivise behaviour by making sustainability part of performance metrics and bonus programmes. And we communicate our ESG commitments clearly to guests and corporate clients.

You've worked across the US, Asia, Israel, and Europe. Which cultural traits would you bring into every Fattal property?

• US: Professionalism, efficiency, and friendliness – even if it feels scripted, it makes guests feel seen. I used to think "Have a nice day" was less

authentic than desired, but it lifts your mood. I'd rather some form of friendliness rather than none at all.

• Europe: Rich cultural heritage and localisation – our hotels reflect their country's identity. Breakfast in Spain is authentic Spanish; in Holland, Dutch. Guests should never wake up wondering where they are.

• Israel: Warmth and exceptional food culture. Our breakfasts often include 10 cheeses, yogurts and fresh salads because that's what the Middle Eastern guests expect – and others love it too.

• Asia: Humility in service. In Thailand and Singapore and the rest of Asia, serving is a source of pride. That humility and servile culture is rare elsewhere and creates a unique personal guest experience.

If we meet again in five years, what will surprise us most about the hotel industry, and what do you hope Fattal will be remembered for?

Hospitality is thousands of years old –the basics won't change. Technology and automation will advance, but human interaction will remain irreplaceable. Expect

"The real luxury is choice – guests should decide whether they want full human interaction or a seamless digital experience."

more branded hotels and fewer independents, plus greater use of AI and robotics for back-office tasks.

Supply growth is historically low while demand rises, so the outlook is positive. Even with economic uncertainty, fundamentals are strong. I hope Fattal is remembered for delivering exceptional experiences through culture, efficiency, and warmth from the heart – not just technology. The lasting memories come from human interactions – a genuine smile, a chef teaching your kids to cook or a GM taking you on a morning hike. Robots can't replace that, at least not in the coming decade.

**In conversation
with Hugh
Taylor OBE**

**Chief Executive
of Michels &
Taylor**

Hugh Taylor OBE is the Chief Executive and one of the co-founders of Michels & Taylor, a hotel management company, investor support business and advisory company, working with some of the most well-known hotel brands in the world.

He has over 30 years of experience working within the hotel industry and was awarded an OBE for his services to tourism and hospitality. Here, Anthony Hunt sits down with Hugh Taylor OBE to discuss how the hotel industry has changed since founding M&T, how hotels are reacting to rising costs and sustainability demands, and what the future might hold for the sector at large.

Since setting up Michels & Taylor over 15 years ago, how has the hotel industry changed?

The industry has changed dramatically. If you go back further, say to the late 1980s and 1990s, major hotel companies like Hilton and Marriott typically owned and operated their hotels outright. They carried the capital burden, controlled

the operations, and retained all profits. That model started to shift in the early 2000s, when companies began franchising and selling off assets. For example, Hilton divested billions of pounds' worth of hotels and transitioned into a brand-led company.

Today, global hotel companies own very few properties themselves – Hilton, for example, only owns a handful out of more than 5,000. Their focus is no longer real estate, but brand licensing, reservation systems, loyalty programmes and management or franchise fees.

As a result, the real clients of hotel companies are no longer guests alone, but the owners themselves, who are investors ranging from private equity firms and hedge funds

to family offices and individual proprietors. Many of these investors don't operate the hotels themselves; they rely on brand partnerships and often outsource day-to-day management to white-label operators like us.

Over the last 15 years, this model has proliferated in the UK and Europe. Franchising combined with third-party management has become the most popular structure because it gives owners more control, improves the pool of potential buyers when selling an asset and provides flexibility compared to traditional long-term management agreements with global hotel companies.

Another major shift has been brand expansion. When I was at Hilton,

there were just two brands: Hilton and Conrad. Now Hilton has more than 20 brands, covering every segment of the market - from budget and limited-service to lifestyle, luxury and everything in between. Marriott, IHG, and others have followed the same path. This proliferation of brands has allowed global hotel companies to expand aggressively into new markets and capture demand across all tiers of hospitality.

You manage the portfolios of some of the biggest hotel brands including Hilton and Marriott, how do you tailor your hotel management approach across branded versus independent properties?

From a management perspective, branded hotels benefit from global distribution systems, brand recognition, sales and marketing resources, and structured operational support. These can significantly boost occupancy, especially on the rooms side. However, the cost of putting a "flag on the door" is high - not only in franchise and management fees, but also in meeting brand standards, supplier restrictions and operational requirements.

Independent hotels, by contrast, must create their own distribution channels and presence in the market. While they lack the global reach of a brand, they gain full flexibility and control. Many independents remain so because the additional costs of branding would outweigh the revenue uplift. Ultimately, the decision depends on whether the brand's systems and reach justify the cost for a given property.

How do you balance the need for profitability with

sustainability goals, especially in light of rising utility costs and ESG expectations?

Rising energy costs have been a huge challenge. For example, I know of one hotel whose annual energy bill jumped from £300,000 pre-Covid to £1.2 million, effectively wiping out its profit. Sustainability measures, however, are both socially responsible and commercially beneficial. Guests increasingly value them, and over the long term, sustainable energy management reduces costs. While upfront investment can be high, efficiency gains make it worthwhile.

You recently launched an EV charging network across your hotel portfolio, how do you see this helping to drive growth?

There is no question that hotels need to be better prepared for the growth of EV. Our guests are asking for it all the time. The lack of nationwide charging points creates anxiety for travellers, so hotels offering reliable charging facilities meet a real need. This enhances guest satisfaction and keeps our properties competitive as EV adoption grows.

What role does technology play in helping to streamline operations and enhance guest experience?

When I started in this industry, it was the pre-Internet era, so you can imagine how much change I've

seen. Technology has transformed hospitality - from online distribution to digital check-in and QR code room service. There are a whole load of things it brings to the party and makes easier. It improves efficiency and the guest journey, but it also requires constant investment. The thing I'm looking most closely at is AI. IT spend is relentless; as soon as you implement one system, another comes along. While it delivers significant benefits, technology remains one of the heaviest ongoing capital burdens for hotels.

What specific innovations or strategies has Michels & Taylor adopted to stay ahead in a post-pandemic, inflation-sensitive market?

There are lots of things we've done to recognise this new world. As you point out, the costs of operating a hotel have significantly increased since Covid. We're seeing many hotels in the mid-market that are being significantly squeezed by budgets. That's where profitability becomes a major problem. The government's decisions on National Insurance and minimum wage increases have been hugely unhelpful too. So, we've introduced multiple operational efficiencies. For example, replacing traditional room service with QR code ordering, moving to refillable dispensers instead of individual toiletries, and reducing

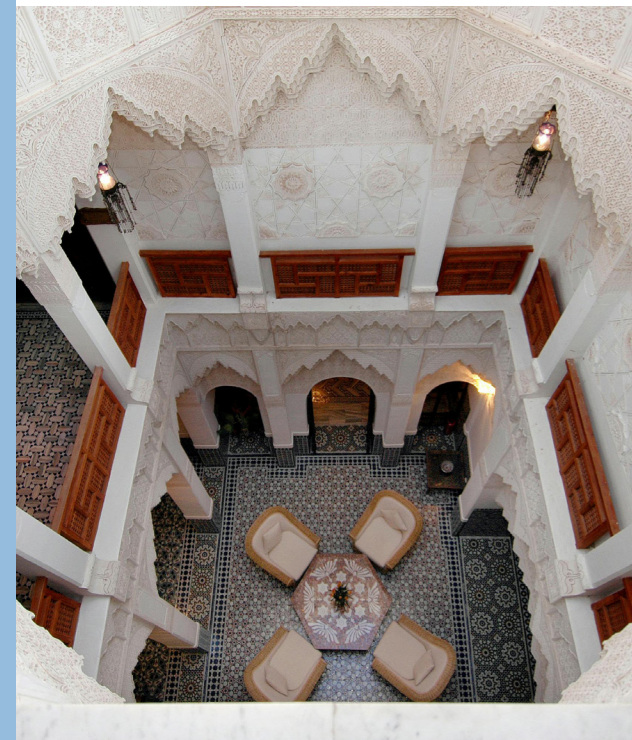
staffing levels where appropriate. In some hotels, such as the Hampton by Hilton in London, we've replaced minibars with convenient "grab-and-go" pantries, which are easier to manage and more profitable. These measures help us balance guest expectations with rising operating costs.

Looking ahead, what do you see as the next major disruption in the hotel industry, and how are you preparing for it?

I think our industry has been battered in recent years, first through Covid, and then through the rising cost of energy, and now the government's budget raid on National Insurance and payroll. It's so difficult to operate efficient hotels that make profit today.

Beyond technology and sustainability, another potential disruption could come from the government's handling of asylum hotels. Around 35,000 UK hotel rooms are currently occupied by asylum seekers. If those return to the open market suddenly, it will flood supply and push down rates, especially in areas like Heathrow. Some hotels may even struggle to reopen due to cost burdens. This could reshape parts of the industry.

"Franchising combined with third-party management has become the most popular structure because it gives owners more control"





Grow: Examine the influence of generational preferences, sustainability impact on consumer behaviour and hotel growth, and the importance of effective people management ahead of significant employment law changes.

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In conversation with Jenny Naylor

Managing Director of Brand Atlas

After cutting her teeth advising some of the world's most prestigious luxury hotel brands – including Only&Only Resorts and Atlantis The Palm – Jenny Naylor joined Brand Atlas, a platform dedicated to branded living.

Brand Atlas showcases branded residences around the globe, but also connects developers and brands with the industry's top suppliers across the board. As Managing Director of Advisory at Brand Atlas, Jenny has a unique perspective into the world of branded residences, a booming sector that is seeing rapid growth globally. Here she shares her insights with Anthony Hunt on the popularity of branded residences, advice for developers entering new markets, and what the future holds for this fast-evolving industry.

You have worked with some of the world's most famous luxury hotels. How has that helped inform your strategy at Brand Atlas?

I've been part of the launch teams for a number of iconic brands and projects from launching One&Only Resorts, Atlantis The Palm in Dubai, Four Seasons Private Residences in London, and more recently The OWO with Raffles' first UK hotel and

branded residences. Working on these developments taught me that whilst every project is unique, the core challenges and questions tend to be the same every time. Brands and developers are always asking: How do we uphold the brand's standards? Who are the best architects and designers for this project? What amenities and services will truly wow our hotel guests and residence homeowners? How do we differentiate ourselves? Having been on both the brand side and the developer side of projects, I understand how crucial it is to get the right expertise in place and to anticipate these recurring themes early. At Brand Atlas, I've applied those lessons to how the business operates and services our clients. We're essentially a global marketplace for branded living – listing all the branded residences for sale worldwide and serving as a who's who of the best suppliers and partners in the industry. I saw first-hand that everyone in this sector is trying to work with the top talent in

architecture, design, marketing and operations, so our platform brings all those players together in one place. Now, as head of the Advisory division, the strategy is to leverage this hands-on experience to guide clients through the process, whether advising on embedding a brand's DNA, design details or service delivery. In many ways, becoming part of the team building Brand Atlas has felt like the natural next step for me.

Why are branded residences becoming more popular among hotel brands?

Branded residences have exploded in popularity because they offer a win-win-win for developers, hotel brands, and buyers. From a developer's perspective, pairing residences with a hotel can significantly improve a project's financial viability. Selling luxury apartments or villas off-plan (often years before the hotel opens) provides a strong revenue stream upfront – in some cases the capital from residence

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pre-sales can fund a large portion of the construction costs. This means developers don't have to rely as much on expensive bank financing, and the risk of the overall development is reduced. In short, a residential component can bring in cash flow early and often at a high premium, which makes building the hotel component far more feasible.

For hotel brands, entering the residential space is a natural extension of their business and customer relationships. These brands have spent decades earning guest loyalty through exceptional service – so offering a chance to live that lifestyle full-time is the next step, deepening the brand's connection with its most affluent clientele. Imagine a Raffles hotel guest who loves the experience; there's a good chance they'd be interested in a Raffles-branded home as well. In fact, a large share of buyers of branded residences are people who first experienced the brand as hotel guests. By purchasing a residence, they're essentially buying into a trusted, turnkey lifestyle – it's the ultimate expression of brand loyalty. For the hotel operator, this also provides a new revenue stream (through management fees and/or licensing fees) and a way to keep their top customers within their ecosystem. Residential development is now seen as a key strategy for growth for many hotel brands, amplifying their brand presence in key locations, and diversify-

ing their portfolio. Another factor is that branded residences help maximise the use of hotel amenities. Instead of having a luxury hotel that might be busy only in peak season, you have residents living next door (or above) who are using the restaurants, spa, and facilities 365 days a year. This drives additional revenue for the hotel and creates a lively atmosphere. It also creates a built-in community of brand ambassadors – those homeowners are likely to dine in the hotel, use the concierge, and spread the word about the brand's services.

And finally, from the buyer's perspective, they get the assurance of a known brand's standards in everything from design quality to service; there's a sense of security and trust when buying into a brand you recognise – especially in foreign markets or for off-plan purchases. They also enjoy exclusive perks: many hotel-branded residences offer owners VIP treatment, such as access to the hotel's facilities, preferential rates at other properties in the brand's portfolio, or special services like in-residence dining, housekeeping, and concierge. This level of service and convenience is hard to replicate in a standalone luxury residence with no hotel attached.

Roughly four out of five branded residence schemes worldwide are led by hotel brands – they were the

pioneers in this space and continue to dominate because the model works so well for all parties involved.

What do you think are some of the biggest trends in the so-called guest experience economy, and how are you advising your clients in trying to meet them?

In branded residences, the “guest experience economy” translates to what residents experience day-to-day – it's about offering services and amenities that make living there a continually engaging experience and there are several big trends that are shaping these expectations.

1. We're seeing a surge in demand for recreational amenities like racquet sports, and fitness offerings beyond the standard gym. For instance, padel tennis and pickleball are extremely popular right now. One smart approach I've seen is to create multi-purpose courts – as done at the Chelsea Barracks development in London – where a single court can digitally transform between tennis, basketball, five-

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a-side etc., without needing extra space. This kind of versatility allows residents with different interests to feel catered to, and the development isn't cluttered with half-used facilities. My advice to clients is to prioritise flexible spaces like this and programme them well as it's the active programming that creates a vibrant living experience.

2. Post-pandemic, people are far more conscious of health and well-being. The trend now is towards comprehensive wellness centres, and programmes that support a healthy lifestyle. A great example is at the One&Only One Za'abeel in Dubai, where they partnered with Swiss brand La Prairie to create a fully-fledged wellness clinic accessible to residents and hotel guests. We're talking about services like medical check-ups, bespoke nutrition plans, rejuvenation therapies – a level above the typical spa offering. Some branded residences are integrating spaces like meditation gardens, outdoor exercise decks, and longevity or bihacking amenities (I've seen some projects include cryotherapy chambers and IV drip lounges, for example). However, it's important for developers considering this route to build genuine wellness into the project's DNA – use biophilic design elements, ensure plenty of natural light, maybe incorporate wellness technology like air and water purification. Secondly, partner with credible wellness providers if you can, because expertise is key. It's about authentic wellness offerings that will actually be used and appreciated, not just a long list of amenities.

In the experience economy, one size does not fit all. Residents now expect that the amenities and

services in their building speak to their lifestyle or needs. Developers should really think about their target buyer profile and curate the experience for them. For example, if your primary buyers are young families, then features like a safe children's play area, a games room or mini-cinema for family movie nights, and child-friendly swimming pools will add huge value. On the other hand, if you're targeting jet-setting entrepreneurs or retirees, maybe focus on a private co-working lounge, a library, or a golf simulation room. The idea is not to cram in every possible amenity, but to choose the ones that resonate. Ultra-high-net-worth buyers have seen it all – they can tell when a developer just checked a box by adding a fancy-sounding facility that doesn't actually make sense for the property. Sometimes less is more if it's done well.

3. Another trend is the pace at which lifestyle trends change. Today it might be all about pickleball, tomorrow it could be something else. You don't actually have to decide immediately every single detail of an amenity for a building that will open in five years. We often leave some spaces somewhat adaptable – for example, plan a generic multi-function room or open-air terrace that can be outfitted closer to completion once you see what residents are clamouring for. Perhaps that space becomes an art studio if there's demand, or a kids' coding lab, or whatever new trend is peaking. The key is, build

“Hotel branding is also increasingly being used to attract a broader and younger demographic, extending beyond traditional hotel residents”



the infrastructure (good broadband for a future e-sports room, plumbing and drainage for a potential medical suite, etc.) but don't lock yourself into a concept too early. This flexibility is a huge advantage in meeting the guest experience trends, because it allows the project to pivot to whatever is the next big thing rather than being stuck with, say, a squash court that

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no one uses 10 years from now. In crowded markets like Miami or Dubai – where nearly every new luxury development has a big brand name on it – I stress that just having a famous brand isn't enough to guarantee success anymore. The projects need to differentiate themselves through thoughtful

both offer residences in Dubai now; the one that will stand out is the one that perhaps offers something unique like a residents-only beach club, or a calendar of curated events (wine tastings, cultural talks, wellness retreats, etc.) for residents. Those experiential extras create a sense of community and lifestyle that goes beyond the physical apartment.

If you execute on a few key lifestyle trends really well, your development will fascinate buyers much more than if you try to be everything to everyone and do it poorly.

What are the key considerations for buyers thinking about investing into residences?

My first piece of advice to any buyer would be to be cognisant of the fact that you can never know exactly what a development will ultimately look like – a lot of the time the CGI renderings are just a guide, and things can change. Designs can evolve during construction, materials might change due to availability or cost savings, and that lush private garden in the master plan might end up looking quite different in reality. Secondly, make sure to know how long the brand's commitment to the residences is – we're seeing a lot of shorter commitments, sometimes

just 10-12 years, which isn't actually a long time if it's a long-term investment for you.

I'd also look at the scarcity factor: is this the only branded residence by this brand in the location, or are there five more in the pipeline? Supply can affect value. Is it a perpetual licensing agreement, or could the brand withdraw after say 10 or 15 years? Consider how this might impact resale value if at some point you'll be looking to sell.

It's also important to understand how much involvement the brand will have. In the best cases, the hotel or brand is fully committed to the development and you as an owner have access to a number of inclusive and a la carte services. But in other cases, the brand's involvement might just be a marketing association, a 'name above the door' scenario. For example, is there dedicated residential staff trained by the brand? In the case of an adjacent hotel, do owners get to use the hotel's pool, spa, kids club etc and are those fully shared or only at certain times? Are there other perks related to the brand? Who is actually managing the property day to day, as this may not always be the brand? If the air conditioning breaks or you need a leaky tap fixed, is there an on-site team that handles this as part of the service? In many hotel-branded residences, the hotel's engineering and house-keeping teams are available to residence owners (often for a fee). In other branded residences, especially those that are standalone, the developer might hire a third-party management firm so it's important

to know what service standards are contractually promised. Then there's the resident's service charge to consider too, as branded residences typically come with higher ongoing costs than a non-branded residence. These fees cover upkeep of the amenities, staffing and possibly an allocation for the hotel services you can use. Get a clear picture of what those fees are, what they include, and if there are any fee escalation clauses as it can become a significant expense down the road for a long-term investor.

In short, ask the right questions about the brand agreement, management and costs. Branded residences can be a tremendous investment and provide an incredible lifestyle but you want to make sure the reality matches the dream.

How do branded residences ensure they retain their brand DNA in their operations and service delivery?

This is great question, because delivering on the brand promise day in and day out is where some projects fall short. The brand DNA includes everything the brand's customers associate with the brand – quality of materials, design style, service delivery, even the staff uniform styling. These all combine to ensure

a residence truly feels like an extension of the brand. Brands need to set non-negotiable brand standards early and make sure that these are clear in their contracts from the very start with developers, because it's incredibly difficult to negotiate this retrospectively. For design, this might dictate the type of finishes, approved interior designers or architects and any signature elements that must be respected. For service, it could be specific services for residents, training requirements or staffing ratios. The residences should be co-created by the brand and developer, with the brand's design and technical teams involved throughout the project. Sometimes developers might come to a brand mid-way through construction and decide a luxury brand might add cachet. In these scenarios, brands should carefully assess if they can still imbue their brand's DNA into the project. If major decisions on layout, amenity spaces and so on have already been set in stone, it's challenging for brands to add their signature touches without these appearing superficial. I've worked on creating Look Books with clients which act as practical

“Branded residences can be a tremendous investment and provide an incredible lifestyle”

brand bible, so that developers understand how the brand can be interpreted in a real estate space and create a clear roadmap to follow. When the residences are completed, who's going to operate them? If the residences are attached to a hotel, the hotel's operational team will typically be directly executing the brand service standards which works well. But in cases where the residences are standalone (with no hotel attached) or where a non-hospitality brand (say fashion or automotive) is lending its name, the day-to-day management might fall to a third party. To retain brand DNA, that third party absolutely has to be aligned with the brand's ethos. The brand needs to be included in selecting the operating partner and then provide ongoing training and annual audits, even if the brand itself is not physically on site. Some hotel operators, such as Accor, have set up Accor One Living at corporate level to support

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experience-driven features and impeccable service. For instance, two different luxury hotel brands might



all branded residences globally, ensuring consistency of service delivery and ensuring owners feel integrated with the brand through loyalty programmes and recognition. If a loyal brand client walks into a branded residence, they should instantly sense the brand's presence. Achieving this requires effort at every touchpoint, but get it right, and you protect the brand's equity and ensure the residents' experience matches their often high expectations.

For your clients looking to expand into new markets, what is your advice and how does this differ based on location?

Expanding into new markets has its challenges. For developers looking to expand into for example Mumbai, or Kuala Lumpur or Phnom Penh, many ultra-luxury brands need price points that might not be achievable in these locations. So developers need to manage their expectations in terms of which brands they can attract for emerging locations – an upper-up-scale partner can still lift value if it aligns with local spending power. For most luxury brands there is more

risk attached to launching in an emerging market – it's a much harder sell for the developer. On the flipside, in somewhere like Miami, New York, Dubai or London, if you have a great location, brands will be fighting to work with you, and the challenge then is which brand best fits the project, already has a loyal following and how will it help differentiate the development? In new markets, developers will need to educate the market on why these residences cost more (service, standards, lifestyle) and be clear on local buyer preferences – do they want large family spaces and entertaining rooms or quiet wellness and security? Developers also need to ensure that they de-risk early: have funding secured before they start a project in a new market – it's a risky strategy to rely on off-plan sales alone. It's important for the brands too – you don't want the developer announcing a new branded residence before construction has commenced, and then it faces lots of hurdles before it's built.

“Sustainability isn't a nice-to-have anymore; it's essential. Buyers are more knowledgeable and asking more questions about energy use, environmental impact and long-term compliance”

Ultimately, in any new market, you still need the right location, right brand, solid capital, and a good cultural fit to have a strong chance of success.

How important do you think it is for your clients to be sustainable in order to grow in 2025-2026?

Sustainability isn't a nice-to-have anymore; it's essential. Buyers are more knowledgeable and asking more questions about energy use, environmental impact and long-term compliance. They don't want to be investing in a project that isn't going to be compliant in a few years' time, because it will affect the re-sale price of their investment. It also dovetails with wellness. Things like advanced air filtration, low-VOC materials, biophilic design, and circadian lighting aren't gimmicks—they make homes feel better to live in and often lower running costs – and appeal to buyers. From the brand side, if the brand has sustainability commitments, the residences have to mirror them

so brands are building these into licensing agreements because ESG now shows up in investor reporting. So my advice is simple: treat sustainability as non-negotiable. Build it into the brief—efficient climate control, responsible materials, water and waste strategies, EV infrastructure—and tell the story clearly to buyers. Luxury is shifting toward “smart, responsible luxury,” and many will choose (and pay a

premium for) the greener option.

What do you think will be some of the most significant challenges and opportunities for managed luxury residences in the next few years?

I think buyers are going to become savvier and more questioning about a development, particularly in terms of the servicing and the operations of them post completion. They'll judge on service depth, levels of personalisation and consistency. That's hard to deliver at scale. In places where there is a proliferation of branded residences, like Dubai or Miami, there could be a risk of oversupply and brand dilution unless projects truly differentiate. Operations are another pressure point. These assets are expensive to run – 24/7 staffing, security, pristine amenities, on tap services – and owners will push back if fees climb without clear value.

Ageing stock will also test brands with older residences needing refreshing to stay on-brand. On the upside, I think that we will start to see more standalone schemes: all the five-star service, none of the hotel churn, with cleaner economics. Standalone schemes (ie with no

hotel attached) currently represent 21 percent of the market, but I think this will rise to between 30-40 percent. Expect more non-hotel brands (fashion, automotive, wellness, sports) to enter the market, pairing with operators who can deliver on hospitality and service. The oversaturation in markets like Dubai and Miami might reach boiling point, while growth markets like India, Vietnam, The Philippines and Thailand will emerge as new hot spots. According to Savills, growth in the branded sector is 180 percent in the last decade. That's an enormous growth in real estate terms. The winners will be the teams that keep the brand promise alive every day, differentiate with authentic lifestyle experiences and run efficient operations which protect the brand and future proof the development.



Checking in on the Employment Rights Bill: the implications for hotels

This article and information regarding the Employment Rights Bill reflects the position as at 02/12/25.

By
Jane Amphlett and
Annie Long



"Forward-thinking operators can also use the transformation as an opportunity to improve employee engagement and gain a competitive edge"

The UK's Employment Bill is expected to receive Royal Assent in winter 2025. It introduces a suite of reforms that will significantly impact how hotels grow, retain and manage their workforce. It introduces a new set of rights for workers which will reshape the approach to workforce engagement in the hotel sector, where flexibility, agency staff and variable hours are common.

There will be a phased implementation of the changes over the next two years. The Bill will bring compliance challenges and, with fundamental changes to their employment practices and procedures required, hoteliers need to begin preparing now to reduce the compliance risks. Forward-thinking operators can also use the transformation as an opportunity to improve employee engagement and gain a competitive edge.

The key changes impacting hotels

1. Guaranteed Hours

One of the most disruptive changes for the hotel sector will be the requirement to offer guaranteed hours to qualifying workers and agency workers to reflect the hours that they have worked over a (likely 12-week) reference period. This means that even short-term staff may soon be entitled to more stable contractual arrangements. This is likely to come into force in 2027, and hotel operators can prepare by auditing their zero-hours, "low hours" (although this is yet to be defined) and agency contracts to ensure they meet the guaranteed

hours requirements. Under the proposed changes they will need to be able to monitor working patterns more closely and be prepared to formalise arrangements. The Bill may make it more challenging for hotels that rely on the seasonal use of zero hours workers. This is not something which appears to have been adequately addressed in the proposals to date. Employers will also be required to provide reasonable notice of shifts and any changes or cancellations or will need to pay compensation. Hotel operators should review their rostering system and payroll processes to ensure they are able to comply.

2. Flexible working

Employers will, as currently, still be able to refuse flexible working requests on specified business grounds but, if the Bill is passed, any refusal will need to be reasonable. An employer will need to explain the reason for any refusal and why they consider it to be reasonable. For a sector where shift work is commonplace, it may offer an opportunity to gain a competitive edge in recruitment and retention for those who can creatively accommodate

flexible working throughout the organisation through job shares, split shifts or hybrid roles.

3. Statutory sick pay (SSP) and family leave

The Bill proposes to reform SSP, including removing the lower earnings limit (currently £123 per week) for eligibility for SSP and making it available from the first sick day (removing the current three-day waiting period). These changes are expected to come into force in April 2026 and will increase costs for hotel operators, particularly in respect of lower paid or part-time hotel staff who may previously not have qualified for SSP. Employees will also be granted paternity leave, parental leave and bereavement leave (extending the right beyond the current parental bereavement leave) from day one of employment.

4. Harassment

The proactive duty to take reasonable steps to prevent sexual harassment (which came into force on 26 October 2024) will be converted to a duty to take 'all reasonable steps'. Employers will also be liable

for acts of harassment by third parties (not just sexual harassment) against their staff in the course of their employment, unless they took all reasonable steps to prevent the harassment.

Complying with these duties presents challenges in the hotel sector where staff work around the clock and are in regular contact with guests. Whilst regulations will set out what constitutes "all reasonable steps", hotel operators should undertake a risk assessment and take steps to address the risks identified which might include introducing guest conduct policies, refreshing and undertaking regular staff training, incident reporting mechanisms and visible signage to deter inappropriate behaviour. Late amendments to the Bill provide that a confidentiality clause (whether in a settlement agreement or employment contract), also commonly referred to as an NDA, preventing workers from disclosing information or making allegations about harassment, discrimination or an employer's handling of such allegations will be void. Regulations will introduce exemptions to this, such as if the agreement is requested by the worker. The public disclosure of harassment and discrimination could impact stakeholder confidence and the recruitment, retention and engagement of staff. Hotel operators will need to disseminate to staff the preventative steps identified from their risk assessment, update internal guidance and systems and enhance and strengthen their procedures and processes, particularly relating to internal investigations. Hotels which foster a

transparent and safe working culture will also benefit from reduced worker turnover and absenteeism and enhanced productivity.

5. Tipping reforms

The Bill proposes further reforms in tipping practices, ensuring transparency and fairness in how tips are distributed. It will introduce requirements for employers to consult on and to review tips policies.

6. Unfair dismissal

At the end of November 2025, in a U-turn, the Government announced that it is abandoning its manifesto commitment to make unfair dismissal a Day 1 right. Instead, the current 2-year qualifying period will be replaced with a 6-month qualifying period. Whilst this will mean fewer changes to existing practices, hotel operators will need to ensure that their probation periods align with this qualifying period and that they have active performance assessment processes in place during the initial 6 month-period. The Government has also announced that it will lift the cap on compensation for unfair dismissal which is currently capped at the lower of 52 weeks' pay or £118,223. Although the Government has not confirmed which cap it intends to lift, commentary from individuals involved in discussions with the Government suggests that it is the 52 weeks' pay cap that it intends to remove, which will increase the scope for lower-paid employees to argue that they should be compensated for a longer period of

loss. This will impact the hotel sector, making settlement of some claims harder. This and the Government's recently announced proposals to ban or limit non-compete restrictions will be acutely felt in the sector in a difficult recruitment climate.

7. Fire and replace

Under the Government's proposals, it will be automatically unfair for an employer to dismiss employees in order to replace them with non-employees (i.e. contractors) performing the same work (unless the reason for the dismissal is that the employer's need for work has diminished). This means it will be automatically unfair for an employer to shift to using self-employed staff simply because they are cheaper.

Looking ahead

Hotel operators should start preparing now. The Government has commenced consultation on some of the proposals and will consult on many of the other proposals between now and implementation and the changes will come into force between April 2026 and the end of 2027. The Bill, whilst challenging and disruptive, may present an opportunity for those hotel operators who stay ahead of the changes, and who are able to position themselves as employers of choice in a competitive and dynamic sector.

"Hotel operators will need to tighten onboarding, training and performance management processes"

The Power of Hotel Branding

By
Stephanie Brigg and
Pete Hopton

GROW

Hotel branding is no longer confined to logos or luxury aesthetics – it is a dynamic, multi-layered strategy that touches every aspect of the guest and employee experience.

Hotel branding used to be a marketing exercise. But today, it is a strategic endeavour shaped by a complex web of legal and commercial considerations. As collaborations between hotels and fashion, lifestyle and cultural brands become more ambitious, the underlying arrangements are increasingly multifaceted, spanning intellectual property rights, licensing structures, exclusivity provisions, brand integrity controls and long-term strategic alignment.

And these arrangements are not merely contractual. They are commercial frameworks that must be carefully structured to reflect the parties' ambitions, protect brand equity and enable sustainable growth. That's why involving legal teams early in the process helps surface and clarify key commercial issues, many of which span legal and operational domains, and ensures that stakeholders agree on the fundamentals before diving into the details of the agreements.

Strategic value of hotel branding collaborations

In the dynamic and competitive hospitality landscape, hotel branding is more than just a visual identity – it's a strategic tool that shapes guest perceptions, cultivates loyalty, and builds long-term growth. A strong brand creates a distinct identity, communicating a hotel's values and service standards and unique experiences.

Strong hotel brands also attract strategic partnerships and marketing opportunities, enabling a hotel to expand its reach and influence. The last few years have seen hotels and fashion houses come together to forge powerful branding strategies. These collaborations blend hospitality with high-end design, offering guests immersive lifestyle experiences. From branded suites and spas, to pop-up shops and in-room shopping, fashion partnerships bring a sense of exclusivity and glamour that is resonating with modern travellers. Fashion houses such as Armani, Bulgari and

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Louis Vuitton have also entered the hospitality market. According to a recent Deloitte report, experiential luxury, including fashion-branded hotel stays, is projected to capture over 35% of the global luxury market by 2030.

Marriott International's W Hotels and Edition branded hotels have

highly shareable on social media, attracting influencers and the style-conscious.

Guests and non-guests can experience the holiday vibe through "resortcore", the growing trend of merging luxury hotel brands with fashion style statements. The Ritz Paris has developed multiple collections with the brand Frame, featuring clothing and lifestyle items with the hotel's logo and the collaboration of The Carlyle (a Rosewood Hotel) and Olivia von Halle resulted in a limited edition pyjama and eye-mask collection inspired by the hotel.

Beyond fashion: operational innovation and experiential branding

Alliances can also unlock new revenue opportunities. CitizenM's partnership with WeZoo, for example, has transformed underutilised hotel spaces into

embraced fashion week tie-ins and capsule collection launches. This alignment with cutting edge, high-end fashion supports the brands' luxury lifestyle credentials. These events generate valuable, mutual marketing opportunities; they are

bookable venues for events, co-working and creative gatherings. This flexible use of 'dead' space reflects a shift in how hotels are monetising their assets. Loyalty platforms like Guestbook are also innovating in this space, offering

cashback and rewards for direct bookings, thereby driving customer retention and creating alternative income streams.

Mid-range and top-end budget hotels are increasingly turning to brand partnerships to elevate their offerings and attract new demographics. IHG's Holiday Inn Express attracted media attention in the US when it teamed up with designer Mr Eatwell to promote their signature pancakes with the launch of a breakfast inspired custom streetwear collection of "Pancakesuits" as a 'thank you' to their guests.

These partnerships are not limited to the fashion world. Hotel brands like Aloft and Moxy (Marriot) are delivering memorable experiences collaborating with music streaming platforms and emerging local artists to bring live performances to hotel lobbies, transforming them into vibrant social hubs for travellers and the local community. These enhanced customer experiences can foster an emotional and lasting connection with a brand. In addition to boosting brand awareness in new markets, these events have the potential to increase occupancy in urban locations, drive repeat bookings among younger demographics and enhance ancillary spend through bar sales and branded merchandise.

Commercial levers and operational alignment

Hotel branding is also increasingly being used to attract a broader and younger demographic, extending beyond traditional

hotel residents. By aligning with cultural movements and lifestyle trends – and harnessing the power of social media platforms such as TikTok and Instagram – hotels are positioning themselves as culturally relevant social spaces. These platforms are not just promotional tools but integral to brand strategy, enabling hotels to collaborate with lifestyle and travel influencers who curate and share aspirational content. Through influencer-hosted pop-ups and immersive installations, hotels are becoming destinations in their own right, with visually-led experiences designed to be shared and re-shared online. This amplification effect helps hotels build brand affinity, drive engagement and embed themselves within the cultural landscape of younger travellers. While this approach can carry the risk of aligning too closely with transient trends, the impact depends on the brand's identity – classic brands with entrenched values may need to tread carefully, whereas agile, trend-led brands are often expected to evolve with cultural movements.

As hotels build brand affinity among younger, digitally engaged audiences through social media and influencer-led experiences, the commercial impact of branding becomes increasingly evident. Strong brand recognition supports premium pricing. Guests are often willing to pay more for a brand they associate with quality, consistency and prestige. Whether it is the promise of a luxury experience or the assurance of reliable service, a well-established brand can justify higher rates and

drive profitability. In a competitive market, branding is not just about aesthetics – it is a strategic asset that influences perception, behaviour, and business outcomes.

Consumer willingness to pay a premium is increasingly tied not just to perceived quality, but to alignment with personal values. Sustainability and environmental awareness are no longer optional – they are central to decision-making. Hotels that integrate green travel initiatives, reduce waste and promote ethical sourcing are not only meeting regulatory expectations but also building trust and loyalty. Branding that authentically communicates these values can differentiate a hotel in a crowded market and resonate deeply with eco-conscious travellers.

Future-proofing brand partnerships

As hotel branding continues to evolve into a multifaceted commercial and cultural asset, the legal frameworks underpinning these strategies become increasingly critical. For developers of hotels and branded residences, partnering with brand owners to secure the right affiliations involves navigating complex and often highly nuanced agreements. These arrangements demand careful attention to licensing terms, exclusivity provisions, brand presentation controls and long-term rights management.

Trade mark protection sits at the heart of this, safeguarding the distinctiveness and integrity of a hotel's identity across jurisdictions

"Guests are often willing to pay more for a brand they associate with quality, consistency and prestige"

and platforms. For brand owners, monetising a brand through hospitality collaborations requires more than market appeal – it demands a well-defined and enforceable brand identity. A robust trade mark portfolio is essential to protect that identity, support licensing strategies and unlock long-term commercial value.

To fully leverage the power of branding in hospitality, stakeholders must approach collaborations with both creative vision and strategic foresight. Legal advisors are not just there to draft documents – they play a pivotal role in shaping the commercial structure, identifying risks and aligning legal protections with business goals. For brand owners in particular, monetising a brand through hospitality partnerships requires a clearly defined and enforceable identity, supported by a robust trade mark portfolio. Whether you are a hotel developer, brand owner, or advisor, now is the time to revisit your branding strategy, assess your IP protections, and explore new partnership opportunities that support long-term growth.



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Expand: Investigating the changing role of real estate, sustainability and the future of hotel spaces.

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**In conversation
with Dimitris
Manikis**

**President EMEA
at Wyndham
Hotels & Resorts**

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Dimitris Manikis joins Anthony Hunt for a candid exchange on Wyndham's bold expansion, the new era of travel, and how technology, sustainability, and individuality are reshaping hospitality across EMEA. Expect sharp insights, future-facing trends, and a glimpse into what's next for one of the world's largest hotel groups.

Wyndham's footprint across EMEA has grown steadily over the past few years. What do you see as the biggest catalysts driving expansion in Europe right now and which markets are showing the most energy?

We recently surpassed 720 hotels across EMEA and our momentum shows no signs of slowing down. Our growth is fuelled by strong travel demand, trusted brands, our people and an Owner-First™ approach that prioritises partnership and long-term success.

Turkey, India, Germany, and Greece continue to deliver outstanding performance, while we're seeing renewed energy and a strong pipeline across Eastern Europe and the CIS region, particularly Georgia, Romania, and Kazakhstan. Developers are choosing Wyndham for the strength of our brands, the scale of our systems, and the personal relationships that underpin how we do business.

The European traveller is changing fast, with younger guests valuing design, sustainability, and digital ease as much as comfort. How is Wyndham re-shaping its brands to meet those expectations?

Travellers today expect hospitality to be effortless, connected, and meaningful. Across our 25 brands, we are elevating the guest experience through thoughtful design, advanced technology, and authentic local storytelling.

We've invested nearly \$350 million globally in digital transformation, making it easier for guests to search, book, and stay, while empowering our hotel teams to operate more efficiently. At the same time, our brands are introducing fresh, lifestyle-led design prototypes that bring personality and flexibility to every market, from the contemporary new look of Super 8 to the upscale sophistication of Dolce by Wyndham.

Sustainability is integral to this evolution and is guided by our Wyndham Green programme, which embeds responsible practices into every aspect of operations, from energy efficiency to partnerships that support local communities and reduce environmental impact.

You've spoken before about the democratisation of travel. How do you balance scale, thousands of properties, with individuality and authenticity in guest experience?

Democratising travel is about ensuring that great experiences are accessible to all. It is built on accessibility, consistency, and trust, while also celebrating the unique character of every destination. Our brands provide the framework, but our owners bring each hotel to life through local design, culture, and service. That is why we describe Wyndham as a family of independent entrepreneurs united by a shared promise of quality. Whether it is a boutique Trademark Collection property in Cappadocia



or a Ramada in Copenhagen, guests should experience both the reliability of a global brand and the authenticity of a local host.

our owners. We are leveraging data and AI to make smarter, faster decisions, from dynamic pricing and demand forecasting to predictive maintenance. On the guest side, we are focused on creating frictionless stays through mobile check-in, digital keys, and personalised communication powered by the Wyndham Rewards® ecosystem of approximately 121 million members. Underpinning it all is our commitment to using technology responsibly, ensuring that efficiency and convenience never come at the expense of genuine human hospitality.

The sector has become more competitive than ever, from boutique independents to global giants. What gives Wyndham its edge and where do you still see white space to grow?

Our edge lies in scale with purpose. Wyndham combines the reach and resources of a global leader with the agility of a partner-driven organisation.

Our diversified brand portfolio allows us to serve every segment of the market, from economy to upper-upscale, while staying true to our Owner-First™ philosophy. We see significant opportunity in high-growth markets such as Saudi Arabia, Iberia, and India, as well as in the branded residences

and extended-stay sectors, where demand for trusted and flexible living options continues to accelerate. There is also strong momentum in conversions as independent hoteliers look to benefit from the stability and reach that come with joining the Wyndham family.

As the lines between business and leisure blur, what trends are you seeing in how Europeans travel and stay? Is “bleisure” still the future, or has something new taken its place?

Bleisure remains strong, but it’s evolving into something broader, what we call blended travel. People are no longer drawing clear lines between work, wellness, and leisure. They want spaces that allow them to do all three seamlessly.

Our hotels are adapting accordingly, with flexible lobbies, co-working areas, curated dining, and wellness amenities that serve both business and leisure guests. Properties such as Wyndham Grand and TRYP by Wyndham exemplify how design, connectivity, and comfort can come together to support this lifestyle.

Wyndham has made major commitments around sustainability and local impact. What does meaningful progress look like to you?

Meaningful sustainability is measured through action, not just ambition. At Wyndham, we embed

“People are no longer drawing clear lines between work, wellness, and leisure. They want spaces that allow them to do all three seamlessly”

Technology and AI are reshaping every industry. Where does Wyndham see the greatest opportunity for innovation in hospitality, both behind the scenes and front-of-house?

Technology should empower people, not replace them. At Wyndham, innovation is focused on enhancing guest experience and simplifying operations for





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responsible practices into daily operations, from reducing energy use and waste to supporting education, opportunity, and wellbeing in local communities. The Wyndham Green programme provides practical tools and certifications that help hotels measure and improve their environmental impact, making sustainability achievable on a scale.

Ultimately, it's not just good for the planet, it's good business. Guests increasingly choose brands that align with their values, and owners see the benefit through efficiency and long-term cost savings.

Finally, looking ahead five years, what does the next era of hospitality look like? What role do you hope Wyndham will play in defining it?

The future of hospitality will be defined by accessibility,

authenticity, and adaptability. Travellers will continue to seek experiences that feel personal, connected, and sustainable, supported by the reliability of trusted brands. At Wyndham, our mission remains simple: to make hotel travel possible for all. Through our expanding portfolio, our Owner-First™ partnerships, and our growing presence in branded residences and extended stay, we are creating meaningful experiences for our guests while continuing to lead with purpose and create opportunities for people to travel, work, and live better.

“Guests increasingly choose brands that align with their values, and owners see the benefit through efficiency and long-term cost savings”

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From Office Blocks to Boutique Stays: The Next Wave of Hotel Investment



By
Anthony Hunt

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As the world emerged from the various lockdowns of Covid, there was a boom in holiday traffic as holidaymakers took 'revenge holidays' seeking to take back the holiday they had missed out on across those years. In more recent years, traveller numbers have stabilised while still offering real opportunities for growth despite challenging broader economic conditions.

While the market may have slowed since the peak in 2024, there is a greater share of that market

going to single asset transactions showing a general stabilisation of the market but also a return in interest in standalone assets particularly boutique hotels.

The trend towards such acquisitions is reflective of the spend by holidaymakers as those with stronger occupancy and repeat custom drive a better bottom line for investors leading to higher private equity interest.

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Why Boutique Hotels

While large chain hotels are seeing steady results, the modern traveller is turning more and more to boutique and luxury hotels in search of the 'total experience'. Boutique and luxury hotels tend to offer a more bespoke, personalised and immersive experience often offering a more unique stay than the large scale cookie cutter approach of chain hotels.

This chimes with the demands of holidaymakers. Millennials and Gen-Z holidaymakers are often seeking a more authentic experience which is often better catered for by the boutique hotel than at large chain hotels. Instead of the mass breakfast buffet they are opting for an artisanal pastry with a locally sourced coffee. Instead of the lounge by the pool, it's the local culinary experience that is sought after.

But it isn't just the younger generations driving the boom. Often those outside these generations have greater disposable income and are looking for a more comprehensive and luxurious experience than may be available within the traditional hotel experience.

Or for the conscientious traveller, the appeal of a boutique can be more easily marketed showing as the ethical, environmental and

socially responsible small player in a world dominated by the mass produced global market.

Similarly, the boutique industry has benefited from changes in the nature of the modern working world as they cater effectively to global nomads. As the number of these globe trotting workers increases, there is a greater demand for personalised spaces where individuals can work but which also offer a real sense of community, openness and individuality.

The Changing Face of the Boutique Industry

The boutique sector also includes a growing number of businesses who are identifying opportunities to repurpose and redevelop existing property or even taking on the opportunity to create a new experience where previously there was none.

There is a marked growth in opportunities for those seeking to convert existing property spaces into hotels which is seen in the increasing reclamation across Europe of old office space which is becoming micro living units or hotels.

Similarly in our ever connected world there are real opportunities for those offering the 'off-grid' experience. The humble tent

is not enough for all tourists with glamping and 'eco-stays' becoming ever more prominent.

With the various opportunities for growth within the boutique industry as well as the broad definition of what classes as 'boutique' it is easy to see the rationale for investment by private equity. However, in a challenging market, there is a real demand from private equity to see strength of return but also quality within the team operating the hotel to ensure a return on value.

Looking ahead to the next 12 months, boutique hotels are poised to capitalise on evolving traveller preferences and shifting investment strategies. With a growing appetite for authenticity, sustainability, and personalised experiences, the sector is well-positioned to attract both discerning guests and strategic investors.

The continued rise of global nomadism, coupled with the repurposing of urban spaces and the popularity of off-grid retreats, signals a year of innovation and expansion. As boutique hotels transition from niche offerings to mainstream contenders, the focus for investors will be on operational excellence, brand differentiation,

"Boutique hotels are poised to capitalise on evolving traveller preferences and shifting investment strategies"

and the ability to deliver consistent returns in a competitive market.

In a landscape shaped by changing consumer expectations and economic pressures, boutique hotels offer a compelling proposition – delivering personalised, locally inspired stays that appeal to modern travellers and present opportunities for long-term investment. Adapting underutilised real estate, particularly vacant office and retail stores into hotels, is proving an attractive opportunity for owners and developers. These prime, city centre locations present value-add potential for boutique and lifestyle hotels which, as anchors of community and connection, are uniquely positioned to revitalise local areas through placemaking. Here in the UK, Criterion Capital, EQ Group, and Integrity International among others are leading by example.

Eloise Hanson, editor at Boutique Hotel News, notes:

"A number of branded boutique and lifestyle hotels are also transacting at strong values. In London for instance, Ruby Stella (Farringdon) was sold by RE Capital to LaSalle Investment Management for £48 million around eight months after opening. International private equity firms are playing an

increasingly prominent role in these deals too: Trinity Investments, as part of a joint venture, acquired The Standard (King's Cross) from Crosstree for a reported £185 million, while Limestone Capital repositioned the former Nobu in Shoreditch under its Aethos brand. The Reuben Brothers also reflagged their Mondrian hotel (Shoreditch) to Virgin Hotels, highlighting how both private equity, HNWIs and institutional investors are reshaping the city's hotel scene.

"We've also seen a notable increase in the number of rural boutique hotels and coaching inns coming to market; perhaps spurred by the changes in inheritance tax which come into effect from April 2026, where asset sales above the value of £1 million will incur 50 per cent tax relief, down from the previous 100 per cent. This results in an effective 20 per cent inheritance tax on the value above that threshold.

"With these trends taken together, we expect to see continued demand for boutique hotels with further growth ahead."



If you have any questions or comments for the team, or if you would like to learn more about any of the topics covered in this report, please feel free to contact us at Howardkennedy.com or via email at:

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We would also like to express our gratitude to all the contributors who shared their expertise, insights, and experiences with us. Without their valuable input, this report would not have been possible.

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