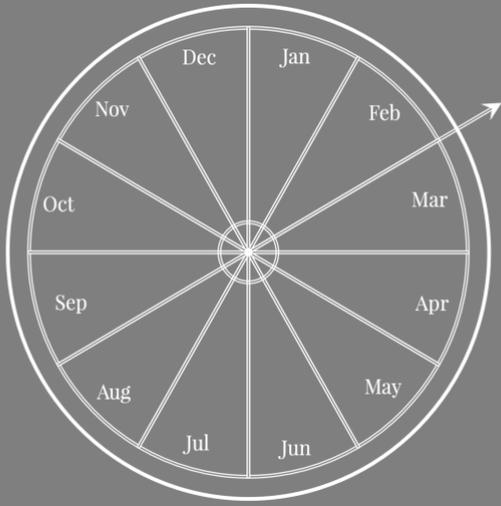


# B



## Volume 59: Winter 2026



### Notes

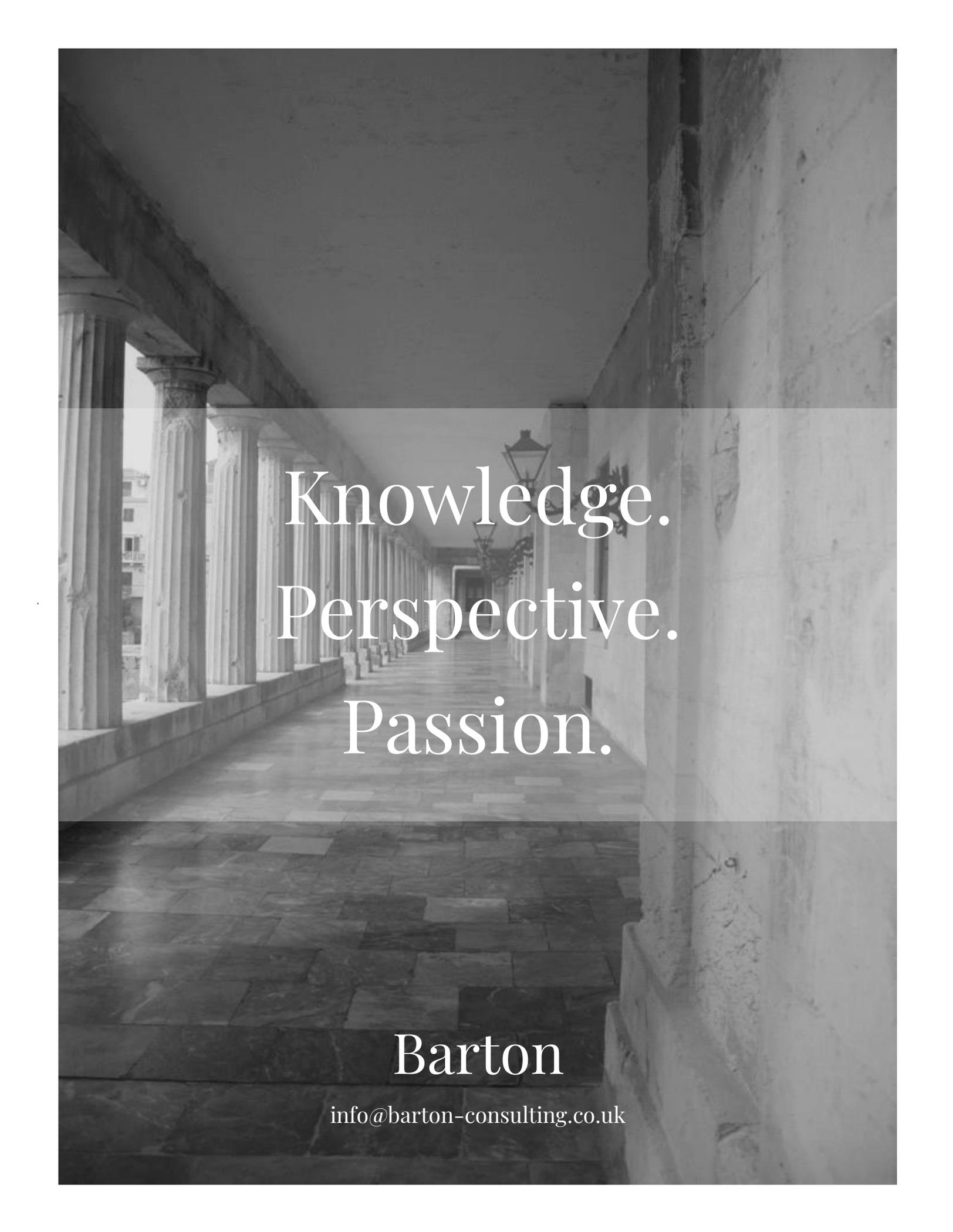
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# THE FRAGILITY

# OF BEING SPECIAL

The luxury hotel industry is like “that damn Hansel.” It’s so hot right now.

It’s not simply that money pours into luxury hotel projects faster than the concrete that forms them, it’s also that luxury hotels are outperforming the rest of the hospitality market.

Luxury and ultra-luxury hotels are faring better than upscale, midscale and economy segments. Whilst this is undoubtedly driven by High Net Worth (HNW) travellers in the main, luxury hotels also benefit from aspirational travellers, who may only be occasional guests but are far larger in number: the draw of genuine luxury is powerful for youthful “lifemaxxers” who use Instagram and TikTok and wish to touch the rarest of life’s blooms.

Through much of last year, luxury hotels posted year-to-date Revenue per Available Room (RevPAR) growth of around 5.3%, with the Average Daily Rate (ADR) up around 5%. The RevPAR for lower end hotels, by contrast, declined around -1.8%. Forecasts for 2026 are also strong and current insights suggest RevPAR increases of 5-10% for luxury properties.

Luxury openings are also accelerating. There are promising pipelines in a multitude of regions. Global hotel construction has hit record highs, with luxury seeing historic project counts: an estimated 1,328 projects with 252,544 upcoming rooms, reflecting the continued

boom and investor confidence in the sector. As much of the personal luxury goods sector languishes, consumer dollars are still being spent on luxury and ultra-luxury tourism.

Luxury hotels inhabit a special place because they are, well, just that. Special places. The rest of *hotellerie* is commodified, cold and forgettable. The vast mass of these cookie-cutter places are never beloved, unless they happen to be a quirky family-owned 3 star. No one takes selfies in the lobby of a Hilton Garden Inn. No one goes to have a celebration anniversary lunch at a Courtyard by Marriott. They aren’t special places - and to be fair, that’s not really their strategy.

Their strategy is to put people in beds, and those people (whether they like it or not) are not there for the ‘experience’ of the property. They’re there because they have to be there. The tired and bedraggled business traveller who’d rather be at home; the budget-conscious tourist who can’t throw money at hotel rooms; the luxury non-believers who view such expenditure on “just a place to sleep” as silly. Budget hotels suit such people in the way that luxury hotels do not suit them: they can’t (or won’t) pay for the experience and for many, the experience is meaningless anyway.

And so luxury hotels are special because the people who stay in them *find* them special. The specialness of them entirely depends on the guest interpretation. Which leads to one of the major issues with the increasing number of luxury hotel properties: true luxury should

**“...A luxury goods brand can provide a 20-minute store interaction that impresses the customer: not easy but not requiring of days or weeks of continuous consideration. The longer a luxury customer interacts, the greater the risk of disappointment...”**

always be hard to find and hard to replicate. It should also feel authentic and have an individual identity. This is as true of a luxury holdall or a watch as it is of a hotel. Luxury is an emotional idea.

The added complication for luxury hotels or experiences rather than luxury goods is that they need to provide a sustained experience and not merely a superficial one. A luxury goods brand can provide a 20-minute store interaction that impresses the customer: not easy but not requiring of days or weeks of continuous consideration. The longer a luxury customer interacts, the greater the risk of disappointment.

The pre-arrival, the welcome, the stay, the facilities, the staff interactions, the admin, the recommendations – they all must work, and they all need to be consistent. Running a luxury hotel is not a picnic.

And yet, increasingly, it seems as if luxury *hotellerie* is drifting towards a commodified model where, in maybe a decade, only a handful of corporations will own almost every luxury hotel brand on the planet. M&A in the sector over the years has seen behemoths swallow up boutique, quirky brands (e.g. Hilton swallowing NoMad) – and pretend nothing will change. More M&A will come, and more pretence of “business as usual.”

Why is this an issue? Because corporate incentives do not always align with the quirks of a truly luxury delivery.

Firstly, individualism will suffer. Big corporate groups tend to look at the balance sheet first. Being run by accountants might be good for shareholders seeking dividends, but guests will soon bemoan the cookie-cutter furniture, lack of local reflection and commercial greasiness that comes with it. In such a world, interior designers are

chosen for their cold, commercial viability and not their long lunches with the operator and owners, where they wax lyrical about the historic features they need to retain and the need for antiques and art. Suddenly, every luxury hotel interior looks the same and you could be anywhere – from Manchester to Moscow.

Secondly, personality will suffer. The hardest thing to do in luxury hotels is to make guests feel *good*. You can house them in a old palace or a museum and wow them with an enormous room, but if your team lacks a soul or sensitive ability, you've lost them. Good team leaders from the GM down are rare, and it is they that control the culture and the personality of the property they run. The best of these are usually so brilliant at their jobs, they go off and set up on their own, such as the legendary Cesar Ritz. Recruiting suitable people is tough and it takes patience and delicacy: corporates tend to be more short-term and think in less poetic terms than this.

This isn't to say that luxury hotel expansion is unwelcome. Many parts of the world that are crying out for an authentic luxury property will get one in the coming years. Experiences will be elevated as a result. More dreams will be fulfilled. Also, greater competition will fuel excellence. Those who know the industry will know that unchallenged luxury properties tend to lose their way over time, and rest arrogantly on their laurels.

However, luxury travel is important to many consumers of today because it is one of the last true expressions of luxury left for established and wealthy. When the appeal of 'luxury motor cars' or 'luxury goods' has faded for them, travel is often the main (sometimes the only) beneficiary. And though this is not exactly news, younger, upcoming generations are less focused overall on buying 'things' than they are filling their life with experiences. Big groups have to be careful handling this sector: it is considered special for a reason.

# Sector updates



*Image: Reuters*

**Kering** hasn't been having the merriest of times recently, encumbered as it is with luxury wildchild brand Gucci (which we know at Barton can be a star performer, at others, a heavily dependent family delinquent). In its 2025 earnings report, Kering reported that it had closed 133 stores across its portfolio of brands. Gucci accounted for a significant proportion of these, with 25 boutiques of the brand closed, many in the Asia-Pacific region. In 2026, Kering plans another 100 store closures. These closures are targeting underperforming locations, reducing cost and focusing on higher quality retail presence. New Kering CEO Luca de Meo noted that retail expansion had been too aggressive in strong sales periods, in addition to the price increases that alienated many customers. Markets responded positively to signs of Kering's new strategy taking root. Despite sales being down 10% year on year, the recent earnings call was optimistic, with the leadership suggesting stabilisation has happened and 2026 will see a return to growth.

The **Missoni** family are finally exiting their eponymous, stripey luxury fashion brand. Since being founded in 1953 by Ottavio and Rosita Missoni, the house has seen its colourful zig-zags on many a famous face including Diana Ross, Lauren Bacall and Cate Blanchett. It became a staple 'quirky' brand of the jet-set in the 1970s. The Fondo Strategico Italiano (FSI) initially took a 41.2% minority stake in 2018, to help turn around the ailing brand, which had been struggling for years with stagnant growth and family in-fighting since the death of Ottavio in 2013. The FSI are now increasing their stake to 73%, with a new minority partner in Katjes International, who are acquiring the remaining 27%. Barton notes that Katjes has also secured a call option on FSI's shares, which could allow it to potentially increase its stake and become the majority shareholder in the future. Angela and Luca Missoni will also both step back from operational roles with the family's exit from equity.



*Image: Missoni S.p.A*



*Image: Stella McCartney*

Once again, **Stella McCartney** is an independent brand. After the daughter of the famous Beatle launched her sustainability focused (i.e. no leather, no fur) luxury brand in 2001 in collaboration with the now-embattled Kering (see above), she bought back her stake in 2018 to regain independence. However, she clearly had some second thoughts about going it alone in the hyper-competitive world of luxury fashion & accessories, so she sold a minority stake (around 49%) to Kering's great rival, LVMH just months later, in 2019. Now, 7 years on, and it seems Stella has got the itch for solitude once more. In January, Stella herself bought back the minority stake from LVMH (financials undisclosed). The transaction was described in joint statements from both parties as amicable and a "new chapter" for the brand. After all, Barton notes, she continues her role as Global Ambassador on Sustainability for LVMH, advising CEO Bernard Arnault and the executive team, allowing her to influence the broader group while running her own label freely.