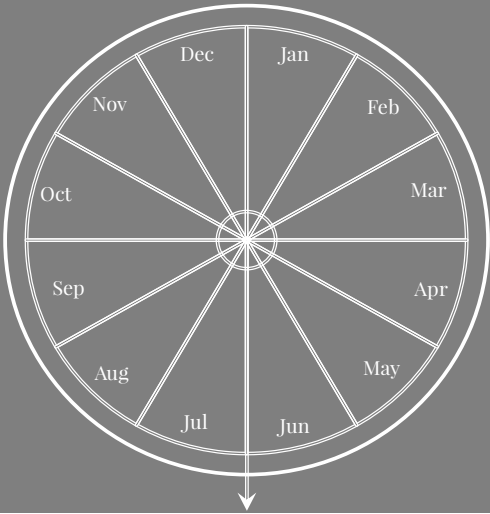


# B



Volume 22:  
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## Notes

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# June 2021

Variant is the word of June. Just as Israel and Denmark shed mask wearing – one of the last symbols of the pandemic – the Delta variant started pushing its way through the population. Israel has now reimposed the requirement to wear masks indoors and Denmark reported Delta infections caught by travelling football fans at Euro 2020. Thus, the vast majority of countries remain cowering behind their own border gates, fearful of existing undiscovered COVID-19 variants. Whilst the domestic commercial machines are now whistling once again in the post-COVID age, the tools of internationality – planes, travel, tourism – are still stuck in it.

The global vaccination program, which was once declared as our route out, has been compromised by misinformation, unequal procurement and question marks over its efficacy against virus variants. Even fully vaccinated adults are being asked to quarantine on arrival in foreign countries, begging the question from the frustrated travel industry: when would it ever be safe to travel?

Even in border-strict Australia, the variant has appeared and compromised their Zero COVID strategy, which was reliant on Australians staying within the country with inward travel

minimal and extremely tightly controlled. All this points to some uncomfortable truths. Firstly, that global travel will take years to return to normal, given the risks to importing variants. Secondly, that border controls might not be the answer to eradicating the virus, given that it has impacted over 200 countries worldwide. And finally, that governments are going to have to admit more often and with more force – even in highly vaccinated countries – that the virus is here to stay and we have to live with it and, yes, even travel with it.

In the meantime, domestic travel is the agenda for the summer in most northern hemisphere countries. However, for countries with a greater demand than supply (particularly in luxury hospitality), many are set to be disappointed. We touch on this point in this month's piece about the luxury British country house hotel – most of which are fully booked throughout this summer and early September.

Barton will be two-years old in July. It has naturally been a challenging period to blossom in, but the business has been fortunate in having so many excellent clients who recognise the value that Barton brings. Thanks to all those who have helped get us here.



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# A FUTURE IN

# THE COUNTRY

The luxury country house hotel is one of the great icons of British hospitality. To guests both domestic and international, a stay in a grand manor house in the rolling hills of the UK countryside is as familiar and reassuring as a night at Claridge's.

This familiarity harks back to the late Victorian and early Edwardian period, when wealthy tycoons endeavoured to make themselves more like landed aristocracy by purchasing large country estates and inviting hordes of guests from all over the world to take part in shooting weekends and decadent garden parties. Unlike the grand houses owned by the rather less wealthy upper-class, these industrialists' houses were fitted out with electricity and proper plumbing – true luxuries at the time – and an army of staff was on hand to cater to guests' every whim.

The guest list for one of these weekends was an exotic cocktail: old-money Barons & Earls; famous actors and actresses of the stage; noted society beauties and dandies; political figures and statesmen; sports stars, writers and artists. Sometimes these guests knew each other, but most of the time they didn't – and that was part of the fun for the host, seeing the sparks fly between the old and new.

To all intents and purposes, these establishments were much more like hotels than houses. Some of them became notorious for louche behaviour, others for hosting international luminaries such as Charlie Chaplin and Winston Churchill. Though the First World War dented the trend, they remained popular for the London-dwelling smart set throughout the inter-war era and their ideal was implanted firmly in the minds of aspirational, middle-class Britons, well after the end of their heyday.

This ideal is one of the reasons for the success of the National Trust, which set up the Country Houses Committee in 1936 which allowed private owners – typically the penniless aristocracy – to escape estate duty and the upkeep by transferring the house to the Trust. This scheme permitted the former owners to live on the estate, but to allow public access – although, they could not stay.

From this, the appetite for the 'country house stay' grew, and an alternative route to the National Trust – hospitality – was explored by many owners. However, delivering a genuinely luxurious experience on an estate in a large stately home – with an already expensive upkeep – was not a surefire financial success. As houses, these estates had

“...go beyond a couple of hours drive from London and the concept of the luxury country house hotel largely evaporates – with very few exceptions. The imbalance of the UK is evident everywhere ...”

enormous running costs, which were paid for by the owner’s income from the estate. As many of these buildings are old, leaky and poorly insulated, they are ruinously expensive to maintain. Private owners just about covered these costs with income and loans; but to make them *profitable* is a Herculean task.

This explains why – despite there being so many stately homes and former private estates in Britain – comparatively few are used as country house hotels. The problem is one of proximity. There are around six or seven *genuinely luxurious* five-star country house hotels in the UK. All of them are within a two hour drive from London. That’s not a coincidence. London – with its wealthy population and attraction for international arrivals – provides the lion’s share (and then some) for £500+ a night hotels in the UK.

However, go beyond a couple of hours drive from London and the concept of the luxury country house hotel largely evaporates – with very few exceptions. The imbalance of the UK is evident everywhere.

With the COVID-19 pandemic still wreaking havoc for the travel industry, domestic luxury tourism has been red hot for months, with many hotels sold out (even during the week) throughout the summer. So why aren’t there more luxury hotels to cater for this demand? Well, for one thing this sudden demand is not normal. If there were no restrictions on travel, it’s unlikely that the HNW families of the UK would be staying put and holidaying down the road in a Jacobethan luxury hotel. This is artificial demand, created by temporary legislation. Holidaying in the UK is, for most domestic wealthy travellers, a backup choice.

However, the pandemic is likely to deliver a far more long-term impact: remote and home working. The Government’s intent on this is clear, if alarming, as it was announced recently that relevant civil service employees would only be required in the office four days a month. The push for remote working is most popular amongst senior employees with families and long commutes, and overall employee well-being has shot to the top of their concerns.

The main problem for employers and businesses is that un Governed remote working is messy, even if it just about works. There’s little mentoring, there’s a lot of Zoom calls and we don’t yet know the impact of a lack of office environment – the good, the bad and the ugly – on progression and productivity.

Perhaps there’s a middle ground. Imagine, if you will, a luxury country house hotel four hours from London, with elegant but discreet WeWork-esque office spaces attached and rented out to companies for local-living remote-working employees. There are fitness facilities on-site for employee wellbeing. The kitchens provide food for breakfast and lunch. Business meetings take place in the grandeur of the hotel’s spaces, and if a client should need to, they can stay the night. On Fridays, the site reverts to a luxury hotel and spa, welcoming guests to stay for the weekend – a state in which it remains until Monday lunchtime. For employers, it is a relatively cost effective way to keep an eye on employees and foster a more familiar office environment. For employees, it means not having to work from home but work *near* home, in a more enriching environment. And for hotel entrepreneurs, it represents guaranteed mid-week income, all year round. Perhaps there may be a way for all of us to have our country house cake – and eat it too.

# Sector updates



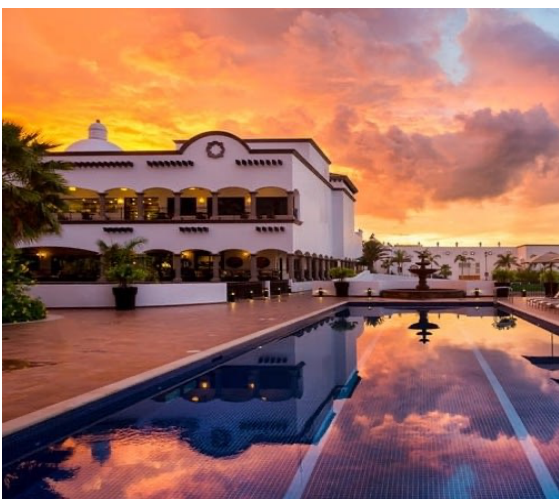
*Image: Explora Journeys*

A few months ago, we announced that MSC was launching a new luxury cruise brand which, at the time, didn't have a name. A few weeks ago, this name was announced as **Explora Journeys**. The brand will comprise four luxury ships built by Fincantieri and scheduled for delivery in 2023, 2024, 2025 and 2026. Explora I will feature a promenade deck with indoor and outdoor whirlpool baths, a pool with a retractable glass roof and more than 2,500 square metres of outdoor decks with three outdoor pools and 64 private cabanas. If that peculiar brand name seems familiar, there's a reason. It is the same as Explora Hotels in South America which, crucially, appears to have no connection at all to Explora Journeys. Hmm. In Barton's view, this one seems like a lawsuit waiting to happen. Destinations for Explora Journeys cruises will include Reykjavik, Saint Tropez & Bordeaux.

**Ferrari** has launched its first in-house fashion collection, offering fans of the brand and its supercars a touch of "couture" within a contemporary clothing range. The collection is the first step in Ferrari's brand extension strategy as it moves beyond the car business to serious lifestyle categories. The designs were the vision of former Armani designer, Rocco Iannone, who was clear about the purpose of the collection, saying "we want to attract young people and women." The price points are bona fide luxury, with t-shirts at €200 and coats at €3,000. It is a business that, to Barton's surprise, Ferrari hopes will yield at least 10% of total profit within a decade. Ambitious? Certainly. However, ambition is clearly central to its forward strategy as there are further plans for Ferrari to open a restaurant in Maranello, run by Michelin-starred chef Massimo Bottura.



*Image: Ferrari*



*Image: Registry Collection Hotels*

**Wyndham Hotels & Resorts** recently launched a new luxury hotel 'collection' brand called Registry Collection Hotels, which, Wyndham states, will give a more independent feel to the properties. The first hotel to be part of the Registry Collection is the Grand Residences Riviera Cancun in Mexico, one of the Leading Hotels of the World. Further properties are in development, largely in Latin America and the Caribbean, however, they also have their sights on Europe, the Middle East, Africa and North America. The soft brand approach, according to Wyndham, was inspired by "a growing number of independent luxury hotels owners seeking out proven and established partners to help them recover from the challenges of the global pandemic." Barton notes there may still be some work to do on the rather generic channels for Registry Collection if it is to match up to the stated "independent luxury" vision.