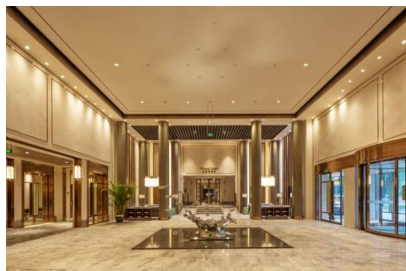


EVOLVING THE LUXURY HOSPITALITY SECTOR - KEY ASPECTS



According to JLL Hotels & Hospitality Group's report, the luxury hospitality industry is expected to grow and transform. These are the top trends in the evolution of the luxury hospitality sector.

The growth of global wealth is driving luxury travel to new heights. The super-rich generate approximately 36% of global travel spending and nearly 70% of luxury travel spending. With the rise in global wealth, luxury travel is expected to increase.

Global luxury hotel rates rise as demand increases. Luxury hotels have benefited from the accelerating demand for luxury travel. With virtually all travel restrictions worldwide lifted and demand for luxury travel growing, luxury hotel rates are expected to remain high throughout 2023 as investors and operators seek to maximize profitability.

Luxury hotels represent a growing share of the global hotel supply. By 2033, 1.7 million luxury hotel rooms will be available worldwide, representing 7.6% of the total hotel supply. The supply and demand for luxury hotels are expected to continue to grow over the next ten years.

The growth of discrete wealth has led to the emergence of ultra-luxury hotels. Over the next ten years, 46,000 new ultra-luxury hotel rooms will open worldwide. As the number of ultra-high-net-worth individuals increases, the number of ultra-luxury hotels is expected to grow.

Institutional investors favor luxury hotels, supported by rising yields. Single-asset luxury hotel liquidity will exceed \$10 billion in 2021 and 2022 for the first time since 2015. As international travel resumes, luxury hotels are expected to continue attracting high investment levels, particularly in major cities.

Luxury hotels can transform travel destinations. Luxury tourism is booming, with hotels and resorts opening in Costa Rica, Madrid, and the Maldives. As the luxury hotel market evolves, hotels will likely continue to seek differentiation and offer unique and more personalized experiences. This will showcase the best of the destination.

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