

# DEMAND FOR ULTRA-LUXURY ACCOMMODATIONS IS ON THE RISE



The data unmistakably show the global strength of luxury tourism: the number of hotels worldwide with room rates exceeding a thousand euros has tripled since 2019. This growth is a testament to the thriving luxury sector and the increasing number of high-net-worth travelers, dispelling any doubts about the industry's robustness.

The study does not cover smaller luxury hotels or other accommodations, such as lodges in the African savannah or boutique bed and breakfasts in rural Europe. Therefore, hotels priced over a thousand euros are much higher.

**The trend of hotels charging four-digit average daily rates, the ultra-luxury accommodations, is rising globally.** Since 2019, the number of hotels in that price range has tripled in the Americas and Europe and more than doubled in Asia Pacific, the Middle East, and Africa.

This trend reflects the growing presence of high-end hotel brands and the increasing global demand for luxury travel, painting a promising picture for the industry's future.

Five of the ten countries that have increased their hotel portfolio by more than a thousand euros since 2019 are in Europe. According to experts, countries such as Italy and France have been able to capitalize on the strong desire of American tourists to travel to Europe in 2023 and 2024, encouraged by the strength of the US dollar. Switzerland, the United Kingdom, and Spain are also on the list of destinations that attract tourists with high purchasing power, particularly from the Middle East. In recent years, these countries have expanded their offer of ultra-luxury accommodations.

In the United States, the number of hotels charging more than a thousand euros has almost quadrupled in the last four years, increasing from 22 in 2019 to 80 this year.

According to a March article in The Times, luxury five-star hotel stays with four-figure bills are becoming increasingly common. The article cited several examples in London, noting that many Brits have been surprised that the latest five-star hotels have starting prices in the thousands. For instance, the Raffles at the OWO near Downing Street, which offers 120 rooms and nine restaurants, costs from £1,100 a night for a double room with accommodation only. Similarly, at the Peninsula London in the Belgravia neighborhood, the starting price is £1,300 per night.

A recent study by Virtuoso, a network of luxury travel agencies, revealed that luxury hotels were 85% more expensive this summer than in 2019. The luxury sector is experiencing remarkable growth, surpassing all other segments in the upcoming months in Spain, the UK, France, Germany, the Netherlands, the US, and the UAE.

In today's world, **spending \$1,000 a night on an entry-level room in most big cities has become normal.** This doesn't even include the cost of a five-star stay in a popular tourist destination such as the Amalfi Coast or the south of France.

Looking ahead, experts predict that hotels will keep increasing their average annual rates due to two trends. Firstly, hotels will continue to capitalize on the demand for their high-end offer. Secondly, new properties will continue to be built to appeal to this affluent audience. There is luxury, and then there is ultra-luxury. There are no limits to ultra-luxury accommodations.

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