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Presentation

Boutique Hotel Transaction Patterns

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TRANSACTIONS

Today, we'll explore the dynamic investment landscape of independent boutique hotels in 2023, focusing on key transaction patterns that define this unique market.

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WHAT IS A BOUTIQUE HOTEL?

- No more than 200 rooms
- Not affiliated with one of the major chains

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WHAT'S NEXT FOR THE NICHE

We are going back to our roots.

There's a place for everyone at the table.

However, it's time to respect each other's lane.

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SOME NUMBERS

70% of millennial travelers are looking for local and authentic travel experiences

80% of global travelers will more likely book an accommodation knowing it is eco-friendly

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45% of hoteliers believe mobile technology is a critical investment for enhancing the guest experience

Experiential travel is expected to grow at an annual rate of 17.8% leading up to 2027





OVERVIEW OF TRANSACTIONS IN 2023

- Rise in Mergers and Acquisitions (M&A)
- Increasing investments from non-traditional sources
- Expansion into secondary and tertiary markets

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MERGERS & ACQUISITIONS

Key Trend: There is a slight uptick in M&A as investors seek unique properties.

Statistic: Transaction volumes in M&A increased by approximately 15% from last year.

Implication: Indicates a healthy interest in boutique properties with strong individual branding.

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NON TRADITIONAL INVESTMENT SOURCES

Key Trend: 20% of investments came from high-net-worth individuals and family offices.

Highlight: These investors are drawn to the personalized nature of boutique hotels.

Implication: Shows a diversification in the investor pool and investment strategy.



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FOCUS ON SECONDARY & TERTIARY MARKETS

Key Trend: 30% of transactions occurred in less saturated secondary and tertiary cities.

Highlight: Lower entry costs and rising popularity among travelers.

Implication: Significant potential for growth and higher returns.

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REFINANCING & SUSTAINABILITY

Key Trends:

Refinancing accounted for 25% of transactions, driven by fluctuating interest rates.

Investments in technology and sustainability made up 10% of total investments.

Highlight: Focus on stabilizing operations and enhancing guest experiences.

Implication: Critical for long-term sustainability and meeting evolving consumer expectations.





RENOVATIONS & REPOSITIONING

Key Trend: 15% of investment focused on renovations to meet changing consumer tastes.

Highlight: Efforts aimed at creating personalized and culturally integrated experiences.

Implication: Enhances property appeal and guest satisfaction.



THE TRANSACTION PATTERNS IN
2023 REFLECT A ROBUST,
EVOLVING BOUTIQUE HOTEL
MARKET WITH DIVERSE
INVESTMENT AVENUES.

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