MARKET REPORT

BLLA 2026 Boutique Hotel Owners Conference Takeaways: Lessons for Luxury Hospitality

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This year's BLLA Boutique Hotel Owners Conference centered on wonder: how independent hotels can stand apart through distinctive guest experiences, food and beverage, art, community, and storytelling in an industry drifting toward sameness. My session added the numbers behind it, as healthy rate growth and limited new supply support the outlook, while rising operating costs continue to pressure profitability.

The Westlake Village Inn in Westlake Village, California, was home to some of the most candid conversations in independent hospitality this week, as the Boutique & Luxury Lodging Association (BLLA) brought together owners, operators, developers, investors, and creatives for its 17th annual Boutique Hotel Owners Conference on October 19 and 20. This year's theme, "The Age of Wonder," made the case that, in an industry drifting toward sameness, a distinctive guest experience is a business strategy that can be designed, budgeted for, and measured.

I presented the Market Industry Report on the second morning, and I opened by asking a simple question: is your rate growth actually reaching the bottom line? The top-line story is encouraging. Small, boutique, independent hotels have nearly closed the occupancy gap with luxury and now command a rate premium, buyers are paying strong prices per key, and lenders are increasingly willing to finance independents with irreplaceable locations, proven operators, and committed sponsors. Very little new supply is on the way, which protects existing hotels. The challenge is turning that strength into profit.

For owners working on that right now, there are a few places to start: revisit your parking and resort fee strategy,

scrutinize departmental expenses line by line, and treat property tax assessments and insurance renewals as negotiations rather than givens. Small gains on each of those lines add up quickly when rate is already strong. We did not have time to open the floor for questions, but the conversation does not have to end there. I am always available to talk through your market, your margins, or a project still on the drawing board.

What I Learned

Most of my conversations came back to the guest. Luxury travelers seem less interested in being impressed and more interested in feeling something real: the farm behind the menu, the people who run the place, a town that feels lived in. Independent properties are built for that. It is hard for a large brand to replicate, and the owners I met who lean into it are the ones holding rate.

I also heard a lot about what all of this costs. Creating an experience people talk about takes real money, whether that is a restaurant worth the drive, a membership program that builds loyalty, retail that actually sells, or an art collection that gives the hotel its personality. From my perspective, those investments are worth making when they are tied to the numbers early. They pay off in rate, length of stay, repeat stays, and, eventually, the hotel's value when it sells.

AI is changing how guests find hotels, and one bad moment on social media can follow a property for a long time. Even so, this business still runs on people, and the most useful part of my two days was the connections: new faces, candid conversations, and a few introductions I expect will lead to future opportunities. BLLA deserves credit for making that easy. The conference is kept small on purpose, and the format leaves plenty of room for real discussion. For anyone involved in the ownership, development, or operation of an independent boutique or luxury hotel, this event is well worth the time.

Where HVS Fits

Most people know HVS for appraisals, and valuation is an important part of what we do—but only a small piece of our work in the industry. Our Consulting & Valuation team also supports owners and developers with market and feasibility studies long before a project reaches the lender. HVS Asset Management helps owners protect margin and hold operators accountable. Our Brokerage & Advisory team helps when it is time to sell, recapitalize, or bring in a partner. HVS Design and Executive Search help with the spaces themselves and the leaders who run them. We want to be the call you make early, when you are testing an idea, questioning a budget, or trying to understand what your market will support, not only when a lender requires a report.

If you were in Westlake Village this week, thank you for the conversations. If you were not, we would welcome the chance to start one. We extend our sincere thanks to the BLLA team for an exceptional two days and for inviting HVS to share our perspective.