Hotel leaders sound off on inflationary conditions, 2027 expectations for industry

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PHOENIX — With just over 70 days left in 2026, hoteliers are turning their focus to next year and what the future holds for the industry.

Factoring in the continued volatile economic conditions, strengthening hotel and travel demand, and potential return of transactions, industry leaders have mixed views on what to expect for the next year.

Here's what hotel executives said on three mainstage CEO panels during the 2026 Lodging Conference earlier this month.

Keith Pierce, co-CEO, Sonesta International Hotels

"There's a lot of headwinds as we stand here right now, certainly from an interest rate standpoint as well. But that said, the industry has proven to be extremely resilient, and we've worked through the worst. ... But as it stands right now, it does not feel like it's going to be a very smooth 2027."

Robert Webster, Vice Chairman and co-head of National Hotel Partners – East, CBRE Hotels

"I'm very excited about this next cycle. I think we're going to have a significant run up in net asset value. I think it's a great time to buy hotels. Probably one of the best times to buy hotels in my career. My career spans more than 40 years. ... There's no doubt that we've had a massive reset in valuation.

"Transaction volume, by the way, is up 44% through the first half of this year over last year. Last year was 50% of the norm. It's about a $30 billion trading market normally. It was $14 billion last year. We'll probably do $20 billion this year, and so the reason why that transaction volume is increasing is because there is capitulation on the seller side. The buyers are very disciplined, and they should be."

Shai Zelering, Real Estate Group Managing Partner, Brookfield

"I don't think there's loss of conviction (in the hotel market). There's a lack of urgency that looks like lack of conviction. It's been a very good year, both from a transaction perspective and fundamentals. ... You want to take advantage of these times where the larger capital sources are busy with so many other distractions and getting the game. That's why I think that this is the time to really get into the market. You cannot wait for all all clear signs."

Greg Friedman, Managing Principal and CEO, Peachtree Group

"There's not a conviction issue in the marketplace. I think it's more we have an AI issue. There's so much capital flowing to AI, and as it relates to real estate — it's data centers. Data centers are getting the new capital coming into real estate. You know, about a third of the new capital coming into real estate is going to data centers.

"The actual underlying fundamentals are really good. Supply is coming down. The real challenge is dealing with higher-for-longer interest rates and really long-term rates, and how that's impacting refinances with the loan maturities.

"The biggest thing that could help everyone in this room is if we could have a more stable environment as it relates to policies and what's happening. There's a lot of geopolitical challenges, like tariffs — it's been sort of a yo-yo over the last couple years. If we can just get into a more stable environment, I think that would be something."

Jeff Wagoner, President and CEO, Outrigger Hospitality Group

"The conflicts that have been out there — the pandemic that occurred — all of those things created a different demand dynamic in each one of those markets, and we're still seeing that today with the disruption in the Middle East and so forth. It's affecting us with currency issues in some countries ... so I don't know that we're in a normalcy period yet from the demand side."

Greg Juceam, President and CEO, Extended Stay America

"It's wonderful that (revenue per available room) goes up 3%, but it's not so wonderful if expenses are up 4% or 5%. ... You have to look at everything in totality because RevPAR is not the only thing to talk about these days, and you know there's some expenses that are more controllable than others.

"You've got to listen to the customers, and if we're going to be living in a world where interest rates aren't at zero to 1% anymore, something's got to give."

Satya Anand, Group President, US, Canada and the Caribbean & Latin America, Marriott International

"I think what the investment community, brands, the operators will figure out is how do you operate under these circumstances. How do we make sure that the capital that is deployed is deployed in the right way to create maximum value, despite the interest rate being at a little higher at an elevator level. ... I think in the longer run it'll adjust itself, but it is clearly important to make sure that that value creation is ultimately in the center of everything that the investment community thinks about. And how can we, as brands and operators, support it?"

Justin Knight, CEO, Apple Hospitality REIT

"A lot of the investors today that are getting transactions done, and obviously there are exceptions to this, are smaller local owner operators. ... There's still a lot of people who want to get transactions done. ... Urgency is a real (consideration), especially in an environment where things are getting materially better very quickly. I think you still have a little bit of a bid-ask spread between potential buyers and sellers that is yet to be pulling it up."

Joe Berger, President and CEO, BRE Hotels & Resorts

"As we see interest rates steady to rising, it gets to be tough sledding for both the disposition and the acquisition market. Given inflation and where we are today, I don't think anybody sees any relief in sight on interest rates, so it makes makes acquisitions tougher. The one plus in the environment is we've seen very little supply growth in the last, I don't know, six years. It's been under 1%. ... When you think about construction costs today, we're not going to see much additional supply into these markets at all. ... The one plus in this environment is we've got continued strong demand, and I don't think we're really going to see supply entering the markets really anywhere in the near term."

Ryan Rivett, President and CEO, My Place Hotels

"If we continue to to be cognizant of of the labor markets and hold the integrity of the value of the jobs that we provide, and look to build leadership within the teams that we have, whether it's at the hotel plan or at the corporate office, we continue to see a lot of improvement in terms of how our businesses run, the efficiencies of them, the effectiveness of growing customer base and relating to the customers. And so, we're taking a really big focus on our

teams this year, and how we make sure that everybody is feeling balanced and stable as they look forward at their career."

Ayesha Molino, Chief Operating Officer, MGM Resorts International

"Over the long term, as long as there are people, there will be travel, and so everything will normalize over time and come back."

Craig Smith, CEO, Aimbridge Hospitality

"We all predicted a great year two years ago; it was terrible. We predicted a great year last year; it was terrible. We predicted a terrible year this year; it's been great, so it's taken us by surprise. ... So overall, we're sitting in a decent place right now. But the question is, how's next year?"

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