

Europe Luxury Hotel Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Hotels, Accommodation & Resorts (Hospitality & Tourism)
> **Source:** https://www.mordorintelligence.com/industry-reports/europe-luxury-hotel-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 33.01 billion
Projected Forecast (2031)	USD 33.01 billion
Growth Rate (CAGR)	8.73 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

! [Major players in Europe Luxury Hotel industry] (images/chart_2.png)

! [Europe Luxury Hotel Market (2025 - 2030)] (images/chart_3.png)

! [Europe Luxury Hotel Market: Market Share by Room Type, 2025] (images/chart_4.png)

! [Europe Luxury Hotel Market: Market Share by Service Type, 2025] (images/chart_5.png)

! [Europe Luxury Hotel Market Concentration] (images/chart_6.png)

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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period | 2021 - 2031 |
Forecast Data Period | 2026 - 2031 |
Base Year Market Size (2025) | USD 30.36 Billion |
Market Size (2026) | USD 33.01 Billion |
Market Size (2031) | USD 50.18 Billion |
Growth Rate (2026 - 2031) | 8.73 % |
Market Concentration | Low |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Europe Luxury Hotel Market Analysis by Mordor Intelligence
The Europe Luxury Hotel Market size is expected to grow from USD 30.36 billion in 2025 to USD 33.01 billion in 2026 and is forecast to reach USD 50.18 billion by 2031 at 8.73% CAGR over 2026-2031.

The growth outpaces general lodging segments and positions the European luxury hotel market as one of the continent's fastest-advancing travel niches. Market performance benefits from expanding global wealth, with ultra-high-net-worth individuals surpassing 625,000 and controlling USD 30 trillion in assets in 2023, creating reliable demand for premium hospitality experiences that directly support rate integrity and occupancy resilience within the European luxury hotel market. Elevated pricing power is already visible, as Spain achieved an 11.50% RevPAR jump to USD 137.90 in 2024 while suite-focused properties in London and Paris have nightly averages well above EUR 1,000 (USD 1,165.70), underscoring how the European luxury hotel market monetizes exclusivity by matching robust demand with differentiated product mixes[1]Cushman & Wakefield, "Spanish hotel revenue per available room grows by 11.50% in 2024," [cushmanwakefield.com](https://www.cushmanwakefield.com).

Key Report Takeaways

- * By room type, Suites led with 42.86% of the Europe luxury hotel market size in 2025, while Villas / Bungalows posted the highest projected 7.93% CAGR through 2031.
- * By booking channel, online travel agencies captured 55.63% of the Europe luxury hotel market size in 2025, whereas direct booking recorded the fastest 12.85% CAGR to 2031.
- * By service type, Resorts dominated with 48.92% of the Europe luxury hotel market size in 2025; Wellness Resorts are forecast to expand at a 9.94% CAGR over the outlook period.
- * By geography, Germany accounted for 20.10% of the Europe luxury hotel market size in 2025, yet Spain is projected to grow at a leading 7.17% CAGR between 2026 and 2031.

Key Market Trends

Europe Luxury Hotel Market Trends and Insights Drivers Impact Analysis*

Driver	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Luxury-travel rebound driven by UHNWI wealth expansion	+2.1%	United Kingdom, Germany, France	Medium term (2-4 years)
Experiential "bleisure" demand among Gen Y & Gen Z travelers	+1.8%	APAC core with spill-over to Western Europe	Short term (≤ 2 years)
EU-wide relaxation of visa-free short-stay rules	+0.9%	UK and Schengen states, early traction in Spain and Italy	Long term (≥ 4 years)
Asset-light management contracts accelerating pipeline conversions	+1.4%	North America and Europe, emerging adoption in BENELUX and Nordics	Medium term (2-4 years)
ESG-linked hotel financing lowering cost of capital	+0.7%	EU core markets, regulatory push via EU Taxonomy	Long term (≥ 4 years)
Data-driven dynamic pricing platforms boosting RevPAR	+1.2%	Early adoption in Germany, United Kingdom, Spain	Short term (≤ 2 years)

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

The Europe luxury hotel market is moderately concentrated, with top global operators like Hyatt, Marriott, Hilton, IHG, and Accor controlling a substantial share of branded properties. These large chains benefit from loyalty ecosystems and centralized revenue platforms, which enhance marketing efficiency and customer retention. At the same time, boutique and independent brands continue to thrive by offering hyper-local, culturally immersive experiences. Asset-light strategies dominate, with Hyatt targeting 90% asset-light growth and IHG acquiring Ruby Hotels to boost expansion while freeing capital for technology investments. AI-driven pricing and automation are proving essential, with tech-forward hotels seeing up to 35% higher revenue than peers using static-rate models.

Sustainability is emerging as a key competitive differentiator, with green-certified hotels enjoying a 4.80% valuation premium, according to Cushman & Wakefield. Major chains now incorporate energy monitoring and waste-reduction systems into new builds, while smaller operators use green leases to share retrofit costs and access favorable sustainability-linked loans. Regulatory compliance, especially under GDPR, favors larger brands that can absorb cybersecurity costs across broader portfolios. Boutique hotels manage this through partnerships with specialized vendors, enabling compliance with lower capital expenditure. As ESG standards rise, sustainability is now central to both operational and financial strategy.

Partnerships are reshaping value delivery, particularly through collaborations with experiential travel operators that blend luxury with local authenticity. Gastronomy-led offerings, combining Michelin-star dining with artisan workshops, are helping brands stand out in a saturated market. This strategic focus on experience, technology, and sustainability is redefining competitive advantage. Market leaders are those who can integrate digital innovation with personalized, eco-conscious service. Looking forward, these pillars will be critical in driving continued growth across Europe's luxury hotel segment.

Europe Luxury Hotel Industry Leaders* Marriott International (The Ritz-Carlton, St. Regis)

* Hilton Worldwide (Waldorf Astoria, Conrad)

* Accor S.A. (Raffles, Fairmont, Sofitel Legend)

* Hyatt Hotels Corporation (Park Hyatt, Andaz)

* InterContinental Hotels Group (InterContinental, Kimpton)

* *Disclaimer: Major Players sorted in no particular order

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Scope Methodology P Space

We size the Europe luxury hotel market as the annual revenue earned by luxury-class hotel properties from paid stays and related guest spend that is booked and delivered within Europe.

Scope exclusions: We exclude non-luxury lodging, private short-term rentals, and cruise or airline accommodation that may be bundled with travel packages.

Segmentation Container

* By Room Type* Standard Luxury Room

* Suites

* Villas / Bungalows

* Penthouses & Presidential Suites

- * By Booking Channel* Direct Booking (Brand Website, Call Center)
- * Online Travel Agencies (OTA)
- * Travel Agents / Tour Operators
- * Corporate Contracts
- * By Service Type* Business Hotels
- * Airport Hotels
- * Suite Hotels
- * Resorts
- * Other Service Types
- * By Geography* United Kingdom
- * Germany
- * France
- * Spain
- * Italy
- * BENELUX (Belgium, Netherlands, Luxembourg)
- * NORDICS (Denmark, Finland, Iceland, Norway, Sweden)
- * Rest of Europe

Frequently Asked Questions

How large is the Europe luxury hotel market in 2026 and how fast is it growing?

The market is valued at USD 33.01 billion in 2026 and is set to expand to USD 50.18 billion by 2031 at an 8.73% CAGR.

Which room category generates the most revenue for luxury hotels in Europe?

Suites lead with 42.86% of 2025 revenue, driven by traveler demand for privacy and larger living areas.

Why are direct bookings becoming important for luxury hotels in Europe?

Direct channels grow at a 12.85% CAGR because loyalty programs and targeted offers reduce OTA commissions and enhance profit margins.

Which European country shows the fastest luxury hotel growth through 2031?

Spain posts the highest projected growth with a 7.17% CAGR owing to robust tourism inflows and supportive visa policies.