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# Reed Smith's Global Hospitality Newsletter – May 2026 | First Edition

ReedSmith

## 29+

Hospitality lawyers

Global service with established teams in leading hospitality markets, including **Abu Dhabi, Dubai, London, Los Angeles, Miami, Munich, New York, Paris, and Singapore.**

## 192+

active Hospitality matters to date in 2026.



As always, our Hospitality practice group is committed to keeping our clients and colleagues at the forefront of the trends, challenges, and opportunities shaping this dynamic sector.

With so much change underway, our Hospitality practice group has been closely analyzing the legal and commercial issues that matter most to our clients. In this edition, we provide an update on the global hospitality market, examine key industry trends and the outlook for 2026, and introduce Reed Smith's Global Hospitality team and its recent activity. We invite you to explore our insights and reach out with any questions.

# Market observations and outlook



The global hospitality industry enters 2026 with stronger demand and liquidity, but a more selective and uneven growth profile. International tourist arrivals surpassed pre-pandemic levels in 2025 and global hotel transaction volume rose to \$65 billion, 22% above its 2023 trough. In the U.S. alone, travel spending is forecast to reach \$1.37 trillion in 2026. However, this recovery is tempered by pressures that are increasingly shaping both operating performance and investment appetite, including cautious consumer behavior, elevated operating costs, uneven inbound travel recovery and geopolitical disruption.

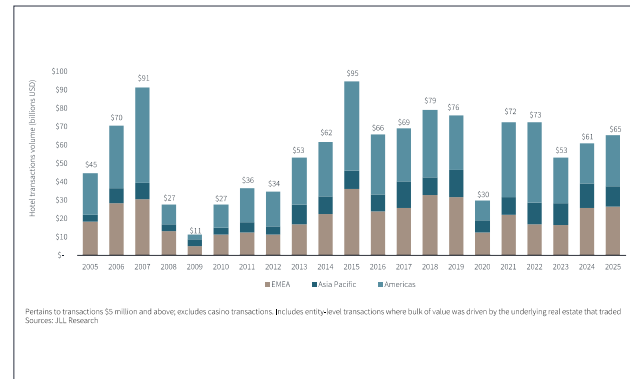
Capital is nevertheless returning where investors see scale, resilience, and clear revenue growth. According to KPMG, travel, leisure and hospitality deal value increased 83% year-on-year in 2025 despite a modest fall in deal count, and the UK, Southern Europe and selected APAC markets, such as Japan, are set to be key areas of investor focus for 2026.

Looking ahead, the sector's opportunity set is likely to be defined by a balance between cyclical caution and structural reinvention. Major events such as the 2026 FIFA World Cup are expected to support demand, while constrained supply continues to underpin existing assets in many mature markets. Operators are increasingly turning to technology, asset-light models, loyalty, personalization and disciplined capex to protect margins and deepen guest relationships.

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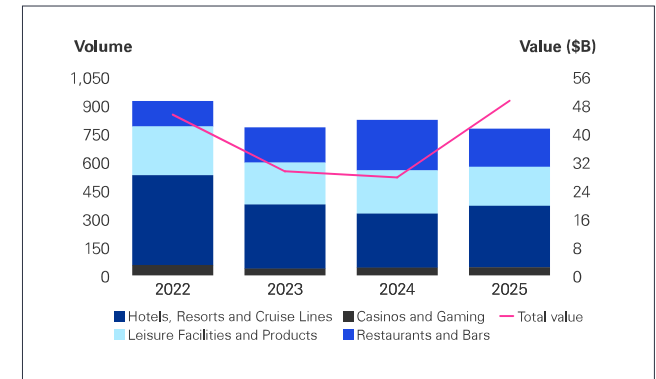
-KPMG

## Hotel transaction volumes by region



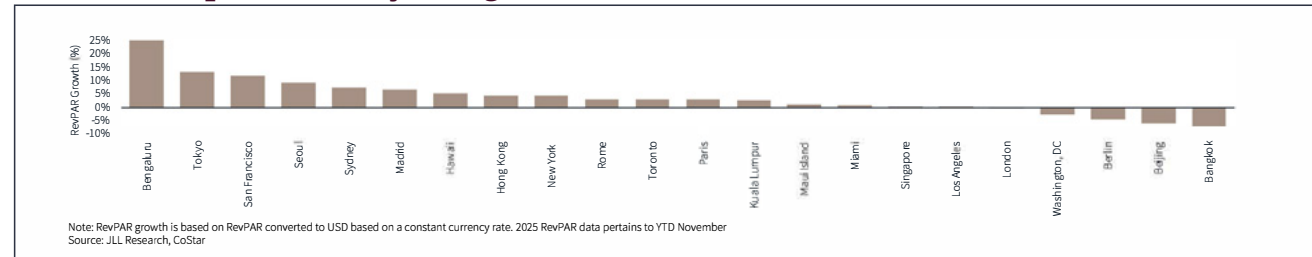
Source: JLL

## Hospitality and leisure deals by subsector



Source: KPMG

## Hotel revenue per availability room growth 2025



Source: JLL

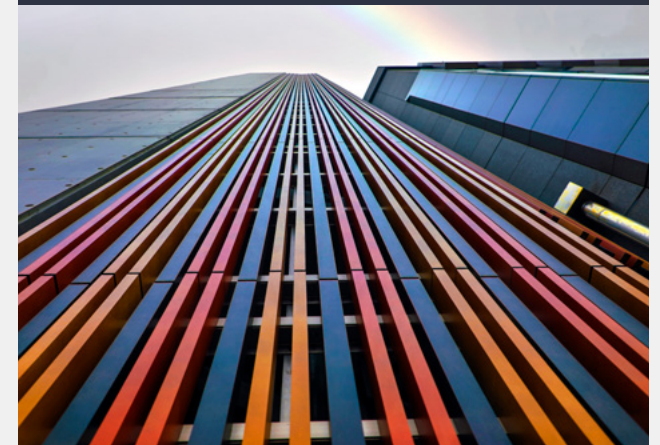
# Our latest deal highlights



- Advised a **hotel developer and investment company** on the acquisition, related financing and joint venture agreements for a luxury boutique hotel in San Diego, California.
- Advised a **luxury international Spanish hotel company** in the first two of four developed and franchised luxury branded condo hotel projects in the United States, in Brickell, Miami and Orlando. The transaction included drafting the brand's U.S. franchise agreement template and negotiating the franchise agreements for each location, as well as review and negotiation of the primary development documents and ancillary association agreements.
- Advised a **banking client** on the financing of a hotel property in Miami.
- Advising a **major property investment group** on all construction aspects of the £165 million redevelopment of a Grade I listed Georgian mansion in Mayfair into a five-star hotel with residential and commercial elements.
- Advising a **major property investment group** on the c.£180 million redevelopment of Admiralty Arch, a Grade I listed historic London landmark, into a luxury hotel under the Waldorf Astoria brand, incorporating an expanded room count, spa and rooftop terrace.
- Advising a **major property investment group** on the c.£150 million redevelopment of a landmark fire and police station in Newcastle into a 93-bedroom luxury boutique hotel, together with the conversion of an adjacent Grade II listed building into a multi-level leisure venue.
- Advised a **major property investment group** on the £170 million+ sale of a Soho development site for boutique hotel development, having acted throughout the asset's lifecycle from acquisition out of receivership through £20 million of preliminary construction works to disposal.
- Advised a **European investment firm** on a £19 million joint venture and refinancing of a hotel portfolio, comprising a hotel in Cambridge, England and a hotel in Glasgow, Scotland.
- Advised a **European investment firm** on the acquisition of a 134-bed Swiss hotel and the simultaneous CHF 36 million refinancing.

## Our thought leadership

- [Checking In: Key Trends Reshaping the Hotel Industry in 2026](#)
- [The Wrong Tax at the Wrong Time: Why the UK Government Must Abandon Its Holiday Tax Proposals](#)
- [Conversions and Adaptive Reuse: Turning Hotels into Senior Housing and Co-living Spaces](#)
- [Why Hospitality Operators Need to Rethink Their Insurance Portfolio in 2026](#)
- [No Damage, No Payout? Rethinking Business Interruption for Modern Hospitality](#)
- [When the System Goes Down: The Tech Insurance Gaps Catching Hospitality Off Guard](#)
- [Beyond Slip-and-Fall: The Operational Risks Your Insurance Might Not Cover](#)



# Events



Connect with us in person at the upcoming NYU IHIF hospitality conference in New York

**NYU IHIF**  
New York Marriott Marquis, NYC  
May 31 – June 2, 2026

## Other events

**ALIS hospitality conference**  
Los Angeles  
January 2026

**EMEA IHIF hospitality conference**  
Berlin  
March 2026

# Meet our Hospitality team

Your key Hospitality contacts



**Jimmy Theodorou**  
Partner  
London



**David Phelps**  
Partner  
Century City

[Meet the full Reed Smith Hospitality team](#)

[View our Hospitality page](#)