Mixed opinions on whether groups still deliver

HIT advisory board sounds off on 2026 perceived performance strengths and weaknesses – from group to BT and leisure transient.

NATIONAL REPORT – After multiple 2026 forecasts have suggested economic uncertainty will create a softer travel environment, where will owners find upside performance in 2026? Will it be strength F&B, group, small meetings, ability to drive rate in the luxury space?

Analysts at Truist Securities recently wrote that the transient segment will likely see the most growth in 2026, whereas the group segment will be the weakest with occupancy down low-single digits year-over-year and ADRs up low-single digits. At the moment, transient customer RevPAR looks to be up low-to-mid single digits for 2026 and reflecting the continuation of bifurcation/k-shaped trends, the upper-end will be closer to up mid-single digits year-over-year with the more mass-market customer closer to up low-single digits.

Hotel Investment Today asked its advisory board members for their takes on perceived strength in performance for 2026 because self-help can only go so far.

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Sean Hehir, managing partner, Trinity Investments
"We anticipate the strongest customer-segment growth from group and business transient – group will remain the primary engine of topline and profitability gains, supported by improved booking pace, shorter lead times, and stronger meeting planner confidence.

"Business transient is projected to show continued recovery as corporate travel budgets stabilize- leisure transient will remain an important contributor, though growth is expected to be more moderated.

"With tighter compression from group, we expect to yield out lower-rated discounted leisure and strengthen ADR across peak periods."

Maki Nakamura Bara, president, co-founder, The Chartres Lodging Group
"In terms of rate segment, the luxury segment is doing the best. While RevPAR slightly declined overall in 2025, the luxury segment is increasing and is expected to increase sightly again in 2026. This makes sense given that the wealthy have not been as negatively impacted by current economic conditions while the middle class and lower have struggled the most.

"The group segment seems to be doing well. Our group bookings, particularly at larger group-oriented hotels, have remained strong, while corporate demand growth has been slow. Leisure has tapered off, partly because the pandemic-era/post-pandemic leisure travel is over. But this segment is also impacted by a decline in in-bound international travel, which is caused by both the current political environment (most impacted are gateway cities that have traditionally enjoyed international visitation) as well as the strong U.S. dollar relative to other currencies (glaring example is Hawaii with the Japanese traveler)."

"We may experience some softness in group demand from events that typically would have booked in 2025 for 2026 but didn't convert due to economic and geopolitical uncertainty. However, booking windows continue to shorten, and given that trend, we still anticipate group growth overall and allowing for rate lift." - Eric Jacobs

Eric Jacobs, chief global growth officer, Aimbridge Hospitality
"We may experience some softness in group demand from events that typically would have booked in 2025 for 2026 but didn't convert due to economic and geopolitical uncertainty. However, booking windows continue to shorten, and given that trend, we still anticipate group growth overall and allowing for rate lift. World Cup-related travel should help accelerate inbound international demand, though some regions may remain cautious about travel to the U.S. Additionally, revenue tied to alternative meetings and events—those that happen outside traditional hotel ballrooms—remains strong."

Ben Rafter, CEO, Hotel Equities

"There won't be any rate compression. The only thing working for us there is the fact that there isn't a lot of new supply coming into most markets. I think small group and business transient will show more strength in 2026. World Cup will be okay but not as great as everyone is hoping and beyond that leisure will be flat."

David McCaslin, co-founder, CapStar Advisors

"The greatest increase in 2026 will be from leisure. In a more K-shaped economy, wage gains will grow faster than inflation and drive the economy segment and I believe the stock market gains will help drive the luxury market. I am a bull for 2026 financial growth."

David Duncan, president and CEO, First Hospitality

"We're seeing good pick-up in small groups and believe that will continue. We remain confident in F&B performance as we have a strong restaurant and bar division that continues to outperform - driven by our competitive advantage than broader market trends."

Glyn Aeppel, founder, president, CEO, Glencove Capital

"There will be strength in all aspects – but the strength of the operator will be critical to maximize these growth opportunities, especially the ability to access and secure the corporate and leisure business at solid rates."

Philip "Flip" Maritz, managing director Broadreach Capital Partners, co-founder, Maritz, Wolff & Co.

"The 'winners' will show best growth: luxury leisure, big tech and AI on group and business transient."

Adi Bhoopathy, managing principal, head of Capital Markets, Noble Investment Group

"We remain optimistic about growth in 2026. Many major forecasting companies are adjusting their 2026 forecasts slightly downward, albeit still positive, and varying from market to market. But there is the continued tailwind of consumer desire to pursue experiences over goods, growth in the traveling demographics, major events like FIFA across the U.S., and then coming off a disrupted 2025 as the base year."

- By Jeffrey Weinstein | January 13, 2026