

BOUTIQUE HOTEL INVESTMENT CONFERENCE | BY B.L.L.A

Highlights from the [Boutique Hotel Investment Conference](#) – 2016 Edition

Last week over 350 hoteliers, investors, and owners descended on the Florence Gould Hall in New York, NY to hear more than 50 speakers including perceptive keynotes, panelists, team presentations and insights into the Boutique and Lifestyle Lodging Industry. This was the fourth annual investment conference event put on by the [Boutique & Lifestyle Lodging Association](#) (BLLA) spearheaded by Founder and CEO, [Frances Kiradjian](#).



The impressive lineup of speakers kicked off with a Keynote from the Editor-in-Chief of [Condé Nast Traveler](#), Pilar Guzman. She touched on what makes a “hotel design you want to steal” and how the hotels that do this well “*create fantasies of who we want to be and become the stages for our fantasies.*”



She also addressed the unique market of millennials. **78% of millennials are choosing to place value on experiences over things.** Her main point was that “*Taste and experience (aka being in the know) is now the new luxury*” and hotels are “*leading the way as role models for an aspirational lifestyle and informing who millennials want to be and what kind of lifestyle they want to lead.*”

Up Next, the All Star Media Panel took the stage moderated by Florence Quinn, President & Founder of [Quinn PR](#). Panelists included Jason Clampet (Co-Founder of

[Skift](#)), David Eisen (Editor-in-Chief of [Hotel Management Magazine](#)), Stephanie Ricca (Editor-in-Chief of [HotelNewsNow](#)), Mary Scoviak (Executive Editor of [Boutique Design](#)), Stacy Shoemaker Rauen (Editor in Chief of [Hospitality Design](#)) and Megan Sullivan (Editor of [Lodging Magazine](#)).

Topics discussed included: The best way to stay on top of hotel news and trends, (aggregating news found on social media was the primary way with a focus on “**giving your reader what they need**”) Millennials, (“Don’t make millennials your hyper-focus but **don’t be complacent** either keep innovating and staying on top of the trends”) Focus on design/styling, (“**Photography is KEY**. The reason many of the hotels that don’t make it into our publications is due to the poor quality images. Try to **convey the experience and tailor your pitches to each individual publication.**”) and whether or not Airbnb is a threat. (“They are just another competitor in the landscape” and “The big lesson though is how they **connect with consumers** and how boutique hotels can mirror that.”)



After that, Mark VanStekelenburg (Senior Vice President at [PKF Consulting](#)) presented the Boutique Hotel Investment Landscape (a review of the new [BLLA study](#).) In a nutshell, the **reasons to be happy** are high occupancy, inflation and interest rates are low, wages are increasing, and profits are continuing to grow. **Concerns are** that the supply growth accelerating, inflation/interest rates may be going up, wages are increasing, and expense growth accelerating. This entire study will be released in the Fall so you can look forward to seeing the full breakdown in its entirety then.

A representative group of the BLLA Advisory Board also briefly presented a short overview of what special projects the association is working on. The group consisted of John Keeling ([Valencia Group](#)), Marjorie Feltus-Hawkins ([FH Design](#)), Patrick Mullinix (Signature Inns) and Paula Argento ([Argento Hospitality Group](#)). The session was moderated by Rika Lisslo of JF Capital Advisors.



Attendees then enjoyed a delicious French cheese and networking break. Many of the attendees made great connections while savoring the high end snack and attention to detail.



After the break, we dove right back in to a Team Presentation of the DNA of a Boutique Brand. Sarah Evans (Partner, [J Public Relations](#)) moderated and the others on the panel were: Caroline MacDonald (Vice President, [Rosewood Hotels & Resorts](#)) Daniel Hostettler (President & Managing Director, [Ocean House](#) & [Relais & Chateaux North America](#)) Mark Keiser (Sr. Vice President & Chief Development Officer, The SH Group, [1 Hotels](#) and [Baccarat Hotels](#)) David Kuperberg (Chief Development Officer, [Dream Hotel Group](#)) and Thomas Prins (Partner, [Gemstone Hotels & Resorts](#)).



Key takeaways were that social media is crucial to customer acquisition in this day and age, the millennial focus is more about the mindset than the age bracket, maintaining a high standard of service while maintaining margins is based on leading the market in rates, and focusing on the unique elements of each of their properties is a huge key to their successes.

Jonathan Falik, (CEO, [JF Capital Advisors](#)) then took the audience through a New York Market Snapshot with Dan Lesser (President & CEO, [LW Hospitality Advisors](#)) and a Debt Market Briefing from Kevin Davis (Executive Vice President, [Jones Lang LaSalle](#))



Niki Leondakis (CEO, [Commune Hotels + Resorts](#)) and Jamie Sabatier (President, [Destination Hotels](#)) discussed Deals and Competition. Key takeaways were: today everyone is a competitor – everyone says the same thing but the key is **how are they executing**. Differentiate by knowing who your customer is, being very targeted in your approach and focusing on **how is it going to make them feel being a part of your experience**. Understanding the customer’s emotions and then delivering on that service experience is incredibly important. Secondly the food and restaurateur is a huge way of connecting with the locals to complement the brand experience. But it really starts with who’s your customer. **Differentiation comes from truly understanding your guest.**



After an incredible lunch sponsored by [WUJI](#), the conference continued with investment highlights panel with Stan Hartling (CEO, [The Hartling Group](#)) Adam Maisel, (Vice President of Acquisitions & Development, [GFI Hospitality](#)) David Orowitz, (Senior V.P. Development and Acquisitions, [The Trump Organization](#)) Michael Tall, President & COO, [Charlestowne Hotels](#)). Topics included How are investors navigating the landscape, what are the emerging markets for new investments, and the biggest threats to boutique and lifestyle lodging. (“Biggest threats to boutiques are us as an investment industry not performing and then we loose faith in that market.”)





A panel focused on the food and beverage market included executives from [cb5 Hospitality](#), [Gerber Group](#), [Powerstrip Design](#), [LDV Hospitality](#), [Kimpton Hotels & Restaurants](#), [Commune Hotels & Resorts](#), and [Ace Hotels](#).

They emphasized the role of the food and beverage sector by focusing on common spaces, building community by appealing to locals, embrace the community and traditions and therein provide a stellar guest experience.



The Equity Panel was Moderated by Jonathan Falik, (CEO, [JF Capital Advisors](#)) and the panelists were Dan Flannery, (Sr. VP/Managing Director, [EDITION Hotels](#)) Marty Newburger (Partner, [KSL](#)) Mike Depatie, (Managing General Partner, [KHP Capital Partners](#)) Matt Livian, (Sr. VP & CIO, [Sydell Group](#)). They discussed the key questions such as how to you position your deal to attract equity or be appealing to future buyers, what are the attractive geographic markets, and what equity investors are active players in the boutique hotel segment. The main takeaway was that investors are 95% institutional, they split the profits 80/20 and are generally looking for 5-7 year investment horizon (if not longer) looking to get an 18-20% return with 2x their capital back.

One of the favorite panels of the day was the leadership panel with Michael Achenbaum, (CEO, [Gansevoort Hotel Group](#)) Ben Seidel, (Founder, President & CEO, [REAL Hospitality](#)) Patrick Denihan, (CEO, [Denihan Investments](#)) Gerald Barad, (Co-Owner, [Triumph Hotels](#)) and Bill Walshe, (CEO, [Viceroy Hotels](#))



They focused on their roles as leadership and how it guided their individual properties to success. They all touched on the focus of reinventing themselves/their product while still maintaining the brand vision and focus. Michael Achenbaum also mentioned “There’s an irony of talking about Airbnb as a disruptor when the boutique and luxury lodging industry was once a disruptor themselves. Then we grew up and put governance on ourselves. We have to disrupt ourselves and remember how much fun it was and go back to focusing on that.”

The day finished out strong with an interview of Ian Schrager (Chairman & CEO, Ian Schrager Company) by Vanessa Yurkevich (Digital Correspondent at CNN Money)



Ian Schrager is the 69-year-old hotelier behind [Marriott’s Edition Hotels](#), and also the co-founder of the groundbreaking [Morgans Hotel](#), which is one of the iconic hotels that helped lead the boutique hotel movement all the way back in 1984. He spoke on topics such as Donald Trump, Airbnb, and the real definition of boutique. He said “Boutique “has nothing to do with size, it has to do with having a single focus, an attitude, product distinction, creating an elevated experience. It’s not trying to be a generic commodity to satisfy all people. There’s a singular focus.” Stay tuned for more in depth recaps on individual keynote and panel topics coming out over the next couple weeks!