

Conference

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Hunter Day Two: Labor remains a concern for hoteliers

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Editors recap the second day of the Hunter Hotel Conference with takeaways, quotables and more highlights from the event.



Pat Pacioni, president and CEO of Choice Hotels International (left) and John Murray, president, CEO and Managing trustee of Hospitality Properties Trust (right) participate in the "View from the top" panel on Tuesday at the Hunter Hotel Conference. (Photo: Stephanie Nizza)

By the HNN editorial staff
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ATLANTA—The conversation at the second day of the 31st annual Hunter Hotel Conference remained on labor issues in the hotel industry.

The day started out with CEOs on the "A view from the top" panel talking about the importance of hiring the right people, training them and creating a good company culture to give those employees incentive to stay and grow with the company.

Other topics such as innovative technologies, creating brands that meet the needs of the consumer and the importance of paying attention to other issues such as growing supply and Airbnb, came up during sessions throughout the day.

Day Two recap video

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Photos of the day



Board members of the Castell Project stand with Hilton's Dianna Vaughan (4th from left), as Vaughan presents a check to the organization's Ladder Up fundraising initiative. From left: Daly Gray's Chris Daly, HVMG's Mary Beth Cutshall, Hilton's Bill Fortier, Hilton's Dianna Vaughan, Castell Project's Peggy Berg, Panther Ridge Partners' Kirk Kinsell, and Legacy Ventures' Eve Moore. (Photo: Stephanie Ricca)



Tom Baltimore Jr., chairman of the board, president and CEO, Park Hotels & Resorts, received the 10th annual Hunter Conference award for excellence & inspiration on Thursday. (Photo: Jeff Higley)

Quotes of the day



"Our people can find another paycheck easily. We need to develop a purpose for them ... (and) build a culture..."

--*Elie Maalouf, CEO, Americas, InterContinental Hotels Group, speaking on the need to hire and retain talent.*

"You can't take net RevPAR to the bank. You can take NOI to the bank."

--*John Murray, president and CEO, Hospitality Properties Trust*

"Raising wages isn't going to fix it. As long as the government keeps pushing minimum wage, you're not going to be able to build a culture in your company of a path of employment."

--*Robert Burg, president and COO, Aimbridge Hospitality, on the topic of solutions for labor issues in the U.S. hotel industry.*

"If you view your management company as just an expense, you've got the wrong management company in place."

--*Brad Rahinsky, President and CEO, Hotel Equities, on the relationship between hotel owners and their management companies.*

Tweet of the day



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"More focus now on the cost of acquisition on the group side..shifting the pendulum on sales deployment to be sure owners aren't paying twice for inbound business and refocusing teams on prospecting." Larry Trabulsi, Asset Managers panel @HunterHotelConf. #HunterHotelConference

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Slide of the day

US Pipeline: I/C Rooms Increases Very Manageable



<u>Phase</u>	<u>2019</u>	<u>2018</u>	<u>% Change</u>
In Construction	197	193	2.1%
Final Planning	197	212	-7.2%
Planning	264	184	43.3%
Under Contract	658	589	11.7%

*Total US Pipeline, by Phase, '000s Rooms, February 2019 and 2018

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Editors' takeaways



2019 won't go down in history as the year of the transaction, but judging from the conversations held during the 31st annual Hunter Hotel Conference, it's going to be a busy time frame for hotel buyers and sellers.



Whether on stage, during the networking sessions or impromptu hallway dialogues, hotel owners, developers and operators talked about the options for buying and selling hotel assets. Surely there were deals done and seeds planted for others.

As has been the case for what seems like forever, sellers are being aggressive on the pricing side for assets and potential buyers are skittish to pony up the capital. Even mega private equity firms such as The Blackstone Group are being cautious when it comes to deals. Scott Trebilco, Blackstone's managing director, told attendees that it's hard for his company to find compelling deals even though it recently closed its 19th investment fund and has billions available to acquire assets from all real estate classes.

The bottom line is that there are many deal discussions taking place and some will get done. It seems as though many long-term owners are renovating their hotels. John Murray of Hospitality Properties Trust said his company has focused on that instead of acquiring properties over the past few years. Owners looking to flip hotels sooner than later seem to be holding off on renovations as they're saving the value-add opportunities for the new owners.

That, more than anything, will eventually help drive transaction volume.

--Jeff Higley, Content strategist

@jeffhigley1 (<https://twitter.com/jeffhigley1>)



It's always interesting to hear hotel developers and management companies talk about their specific company strategies, and see how those line up with (or diverge from) the bigger-picture industry trends we see. Over the past two days at the Hunter Conference, I've heard more and more companies talk about developing outside of major Top 25 cities. Part of that is certainly a function of where we are in the cycle, as well as land costs, but many of them talk about the growth of demand drivers in non-Top 25 urban cores. It's exciting to see

interesting hotels, great restaurants and rooftop bars make their way to cities other than New York and Chicago.

As I talk to different companies, I hear more and more about dual- and tri-branded hotels, and modular construction growing in importance. Now's the time when owners want every efficiency of scale and operations they can get, and we're seeing savvy hoteliers jump on this trend.

--Stephanie Ricca, Editor-in-chief

@HNN_Steph (https://twitter.com/HNN_Steph)



The hotel industry historically has been known for lagging behind other industries when it comes to innovations in technology, but it seems like that could be changing from conversations at the conference.

Pat Pacious, president and CEO of Choice Hotels International, said on the "A view from the top" panel that he believes technology could help the industry drive down some of the costs of running a hotel.

"Machine learning and AI is not some dream," he said, adding that his company is working on innovations to help front-desk employees know more about the guest.

In a few years, maybe the hotel industry will become a leader in tech ahead of some of the other industries, such as airlines.

--Danielle Hess, Reporter

@HNN_Danielle (https://twitter.com/HNN_Danielle)



With any new brand launch, inevitably the question is asked as to whether there are too many brands. InterContinental Hotels Group CEO of the Americas Elie Maalouf dismissed that idea during "A view from the top," which was part of Thursday morning's general session.

"This is the only industry I've been in where people ask, 'Are there too many products?'" Maalouf said, adding that the consumers and hotel owners are the ones who decide when a brand doesn't fit where they

want to stay or what they want to build.

Similarly, during the "Owning and operating boutique hotels" panel, Vision Hospitality Group

