

Hotel Leaders Share Industry Insights

HNN Video Interview Series Highlights Opportunities for Growth



By **Sean McCracken**

CoStar News

July 12, 2024 | 8:46 AM



While concerns linger about how much growth is ahead for hotels, hotel executives broadly shared a sense of optimism in recent video interviews with Hotel News Now.

Hotel thought leaders shared insights on the industry and their companies during a series of interviews at the 2024 [NYU International Hospitality Industry Investment Conference](#). Here are some of the highlights from those conversations.

IHG Hotels & Resorts' Americas CEO Jolyon Bulley said [luxury growth is a major focus](#) noting many of the company's high-end brands, like Six Senses have a great presence overseas.

"We're really looking to grow that in the U.S.," he said.

In terms of the broader transactions environment, JLL Hotels & Hospitality's global head of hotels research Zach DeMuth believes there are signs of a ["perfect storm"](#) for deals coming.

He said loan maturities play a roll in that.

"If you do have a loan maturing, if you either can't afford to refi or if it's going to put tremendous stress on the asset, you're likely better off going to market, maybe selling it at 80% of what you would otherwise want," he said. "At least you're able to pay back your loan."

Another industry-wide trend has been an explosion in extended-brands, but Extended Stay America President and CEO Greg Juceam predicted at least some of those brands will [struggle with the operating model](#) in the segment.

"For us, being the first is helpful and having a very long average length of stay that has been proven over time through cycles is something some may be able to replicate, but we believe most will struggle with. And it's particularly important to note that the new brands that are coming in, in many ways are more expensive to build and to operate than our hotels."

Looking more regionally, Outrigger Hospitality Group President and CEO Jeff Wagoner said Hawaii — where his company is based — has seen [a tremendous rebound](#) since the West Maui wildfires, which has been vital for the state's recovery.

"West Maui is open for leisure travel again, and we're really driving or pushing to drive business hard back into the West Maui markets," he said. "It's important from a jobs perspective that we've got occupancy and that we are able to keep all of our employees gainfully employed. And so we're working hard with the Hawaii Tourism Authority, Hawaii Visitors & Convention Bureau to be able to ensure that business comes back strong into the West Maui market."

One of the most recurring complaints among owners at the conference was the increasing inflexibility of hotel brands, but Hyatt Hotels Corp.'s global head of franchise and owner relations Paul Daly said his company wants to buck that trend and [be known for being especially owner-friendly](#).

"We try to be balanced there, right? Because guests expect consistency when they travel and brands have to really represent consistency, but we really do lean into flexibility," he said. "We try and be as flexible as we can as a brand."

While the labor market has shifted a few times since the depths of the COVID-19 pandemic, Waterford Hotel Group Chairman and CEO Len Wolman said labor pressures are still the major focal point for hotel operating companies like his.

He said [being ahead of the curve on recruitment and retention](#) is key.

"How do you keep a culture in your organization that continually gives people the opportunity to fully realize their potential — professionally, personally and financially — and grow within an organization," he said.

While there have been general worries about moderating growth for the hotel industry, First Hospitality President and CEO David Duncan said the [combination of a strong top line with a period of historically low supply growth](#) could continue to fuel the industry.

"You have fundamentally very low supply growth, and as the economy hopefully — knock on wood — holds up, top-line growth looks pretty good," he said. "I think we're in a bit of a golden era of opportunity where a lot of markets have returned to pre-COVID performance levels and really no supply additions to those markets."

TPG Hotels & Resorts President and Chief Operating Officer Ben Perelmuter has seen a pullback in leisure demand early in the summer, but [a more diverse demand mix](#) has helped overcome that.

"If you have a summer destination where there's some meeting space and opportunities to drive midweek group, as well as the leisure component, I think you're going to hit a grand slam this summer," he said.

<https://www.costar.com/article/856915961/hotel-leaders-share-industry-insights>