

Hotel Industry Executives Upbeat at Hotel Investment Conference

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Hans W.R. Kennedy Receives First International Hotelier Global Citizen Award

More than a record 400 hoteliers from around the world gathered in Rome to discuss the global hotel outlook and seek transactions at the fifth annual International Hotel Conference held here recently.

In addition, Hans W.R. Kennedy, president and CEO of the Golden Tulip Hospitality Group, received the inaugural International Hotelier Global Citizen award. Kennedy, a citizen of the Netherlands, received the award based on the impact of his more than 20 years in the hospitality industry, and his equally significant humanitarian contributions to elder care and the European food-service market. A grant of \5,000 was donated by conference organizers to Vrijwilligers Palliatieve Terminale Zorg, a Dutch hospice organization and Kennedy's preferred charity.

The mood was upbeat, according to Morris Lasky and Mary Lou Koys, conference co-chairmen. 'The high level of optimism was tempered slightly by concerns over the recent credit crunch in the U.S., but overall, the outlook for the global hotel industry was quite positive.'

Marvin Rust, global managing partner-hospitality, Deloitte & Touche LLP, set the tone of the meeting in the opening session, noting that fundamentals were good, with all regions of the globe forecasted to post positive growth in 2007.

Patrick Ford, president of Lodging Econometrics, echoed the optimism by pointing out that European construction was progressing at a robust pace, with a record 292 hotels predicted to open in 2008. 'The timing of this expansion is ideal because all of the region's capital cities have experienced strong hotel occupancies, with many enjoying double-digit, year-over-year room rate increases in 2006 and again in 2007, which are strong indicators of a continued shortage of guestrooms in many markets.'

Commenting on the current state of global hotel development, Ford said that developers will find conditions a bit different than this past spring. Lenders may become more scarce and head for the sidelines, which could translate into longer timelines to complete projects, higher interest rates and a requirement to put more cash into development projects. As a result, developers may be forced to find other partners to get their projects done. 'Projects for 2008 and the first half of 2009 will get completed,' Ford said. 'Fifty-two percent of projects in the European pipeline are under construction and will open. Those that are scheduled to start in the next 12 months may be pushed back, and we will see some cancellations. This will be offset by a continued flow of new projects into the pipeline.'

In addition to deal-making and assessing the overall outlook, two issues surfaced that were of particular interest to attendees: environmental or 'green hotel' issues and a severe shortage of a qualified hotel workforce. 'We are doing an absolutely poor job of recruiting and finding good people,' said Paul McManus, president and CEO of The Leading Hotels of the World, Ltd. 'We need to help fund education.'

Giorgio Boscolo, CEO of Boscolo Group SpA, added, 'We need to make the hotel industry more sexy. Students today are not willing to put in long apprenticeships and are being lured to other industries.'

'Gen Y students are much less patient,' said Scott Woroch, executive vice president, business development, Four Seasons Hotels & Resorts. 'We have to sell the global economy as an opportunity.'

International Hotelier Global Citizen Award winner Kennedy has been with the Golden Tulip Hospitality Group for 24 years and has been president and CEO since 2002. During his tenure, he initiated a management buy-out and converted Golden Tulip Hotels, Inns & Resorts to a successful international brand company. A constant innovator, Kennedy recently partnered Golden Tulip with IKEA to provide all hotel accommodations for the IKEA Concept Center in Delft, The Netherlands.

'This award is especially gratifying because it focuses on the need for hoteliers to also be good corporate citizens and make a positive impact on society,' Kennedy said. 'The grant of \5,000 will go a long way, as most of the people who work for the organization are volunteers.'

Kennedy also serves on the advisory boards of the We Care Foundation, a charity focused on increasing social responsibility in The Netherlands, and the European Food Services Network, a group that supports European food distributors. In 2005, Kennedy conducted research at the request of the Dutch secretary of health to assess the quality of care in Dutch nursing homes and provide improvement strategies based on models used by the hospitality industry. Kennedy graduated from the Hotel School at The Hague.

The International Hotel Conference is the premier annual gathering of senior level hospitality executives, including owners, operators, brands, leading institutions, bankers, architects/designers, attorneys, brokers and other members of the hotel and related communities.

Information about the International Hotel Conference may be found at the event's Web site www.internationalhotelconference.com, or by contacting the conference organizer, Morris Lasky at mlasky@aol.com.

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