

## 5 QUESTIONS WITH ...

## Bruce Ford

Lodging Econometrics' director of development talks South America hotel growth and New England Patriots' football.

As director of development for Portsmouth, N.H.-based Lodging Econometrics, Bruce Ford is a source for hotel development and real estate sales information. Ford is responsible for the growth of Lodging Econometrics and is on the road much of the year to meet with home office marketing teams and field staff. We caught up with Ford at HD Boutique 2011 in Miami, where he expounded on hotel development during recessionary times and what it will take for his beloved New England Patriots to make it back to the Super Bowl.

**1 HM: The recession took its toll on hotel development. With fears of a double-dip recession, how will it continue to affect development from the owner and operator perspective?**

**BF:** The double dip is a common term people like to use when there's a significant amount of uncertainty. The lending environment is uncertain; the overall banking environment is uncertain; and if you look at Bank of America laying off 30,000 people—it's just a big number and there are going to be a lot of changes in how banking is done. At this point, [banks] want to lend on things where income can be capitalized, and that's the thing that's hurting new construction. It's going to be a couple of years before you're going to see income be able to capitalize and at this point it's deemed a risky investment.

**2 HM: South America, particularly Brazil, is getting a lot of attention from hotel developers. What's going on there and what's the opportunity?**

**BF:** What you're going to see in Brazil is that every public hotel company that has a brand wants to be there. They don't have enough hotels there, they

want more hotels there, they want to build out their chain down there and there just really hasn't been a substantial amount of opportunity for American businesses to come there before. The barriers have been high and the taxes are incredible. However, if Brazil is really going to become a globalized destination, they're going to need to bring the world in on real estate investments. It took China a lot of years to be able to do that, and its going to take Brazil some years to be able to do that, but obviously the International Olympic Committee as well as FIFA think they'll do it. We're seeing the pipeline go up, it's something to the effect of 20-25 percent per year and they're continuing to see that grow.

**3 HM: Right now, are China and India more fertile grounds for development?**

**BF:** They're the easiest to finance at this point. The Chinese government is putting a lot of money and a lot of push into seeing more real estate developed in some of these outer provinces, and they're funding it.



**4 HM: Conversions versus new builds: What are developers/operators focused on?**

**BF:** Conversions allow you to have an existing piece of real estate and you don't have to start from the beginning. An investor is able to pick it up at a discount, finish it and recapitalize it to open it as a new hotel.

**5 HM: Hotels are your livelihood, but New England Patriots football is your passion. What will it take for them to win the Super Bowl this year?**

**BF:** Stay less injured than the competition, keep Tom Brady on his feet and perform in the playoffs. We haven't won a playoff game since the AFC Championship in 2007. We can be as great as we want in the regular season, but we've got to do it up in January.

—David Eisen

## RECOVERY

## Tips for managing your local market

Message to hoteliers: Focus on rate management, competition and tech upgrades

By C. Elliott Mest  
ASSOCIATE EDITOR

**NATIONAL REPORT**—TravelClick's recent webinar on the challenges facing the hotel industry intended to relieve some of the fears operators may have, assuring listeners that current numbers in the industry haven't reflected the concern shared by many.

"In light of all the noise you hear on the news, the numbers we see in the hotel industry do not support [fears of loss]," said Kristi White, director of demand distribution marketing for TravelClick.

The discussion, headed by White and John Hach, SVP of global product management at TravelClick, emphasized the need for hoteliers to take advantage of market intelligence tools when establishing rates.

"If you don't have a business intelligence tool, get one," White said.

Another concept for hoteliers to consider when trying to maximize gains is the importance of the local market in comparison to the global market.

When speaking about the drop in occupancy for areas such as

Shanghai, which experienced a recent 13-point drop, White said it was important to consider events like Shanghai's World Expo, which will end Oct. 31 after drawing in about 72 million people.

Other markets that are losing occupancy have been warned against dropping rates. "You have to manage yourself," Hach said. "Don't respond to market softness and competitive rate movement if you are still pulling in good numbers."

→ **3.2 percent**

Committed occupancy is up 3.2 percent over July 2010.

Source: TravelClick

## TECHNOLOGY FOCUS

Hach also urged operators to update and properly

manage their web presence.

"Hoteliers [have been known to] spend 12 million [euros] on a renovation and only 1,000 on a website," he said.

He also stressed the importance of tablet presence.

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MONTAGE LAGUNA BEACH, BLAKE MARVIN

# hotel MANAGEMENT

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