

# Luxury Hotel Market Needs Extra Care

Hotel leaders Eric Prevette, Carlos Lopes and Teresa Holden launch Luxury Hotel Advisors to help guide luxury operators through these unprecedented market conditions.

By Kelsi Maree Borland | March 26, 2021

The luxury hotel market has been among the most adversely affected real estate asset classes, but there are limited options for luxury operators to respond to the crisis. Hotel leaders **Eric Prevette**, **Carlos Lopes** and **Teresa Holden** are aiming to fill that void. The trio has launched **Luxury Hotel Advisors** to help guide leaders through these unprecedented market conditions. The boutique firm will provide asset management, acquisition, disposition and marketing guidance.

“Clearly the pandemic was a factor in our decision to launch,” Prevette tells GlobeSt.com. “We do see the luxury segment that will need greater assistance than other segments. Typically, their investments are higher and their operating costs are higher. This is a stressful time for the industry, but for the luxury segment in particular.”

Lopes adds that the luxury sector has a long recovery road ahead, and will need to make changes to respond to the new market conditions. “We felt that the luxury segment was underrepresented. We don’t see that we will return to pre-pandemic occupancy until 2022 or 2023, so we are focusing our services on advisory,” he tells GlobeSt.com.

Already, the new firm has assembled a team of leading hotel executives to serve on the firm’s board, and plans to open offices in Los Angeles, Dallas, New York and Miami. The firm plans to provide tailored services and draft strategic plans for operators to respond appropriately to the market challenges, which can vary between properties. “Depending on the hotel or the market that we are in, there are a number of options available, and they have to be looked at very carefully,”

says Prevette. “There are operational changes that need to be examined. There is technology integration to reduce labor costs, or maintenance issues that need to be carefully examined. He adds that some strategies might include reducing eating spaces for properties with several dining options, re-configuring amenities or even adopting residential spaces or long-term stay residences at some properties.

The pandemic has yet to end, and some of these strategies will take a careful approach. How to respond to a crisis that is ongoing, and more importantly how much capital should you expend will be key questions for the firm’s clients. For LHA’s leaders, the answers to those questions hinge on the return of travel segments. “The question that we are wrestling with to some extent is how permanent are the changes that companies are making to their travel,” says Prevette. “Some of the indication that we are getting is that companies are comfortable with zoom calls and other report work may be come permanent. Companies don’t see the need for corporate travel the way that they had.”

The firm’s principals have deep experience in management, ownership, operation, marketing, brand development and international hotel acquisitions with a client roster that includes Four Seasons Hotels & Resorts, Rosewood Hotels & Resorts, RockResorts, Bel Air Hotel Company, Cap Juluca Resort, and Grand- Hôtel du Cap-Ferrat.

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