

# Hospitality Executives Launch Newport Beach-based Luxury Hotel Advisors

By **Christopher Trela** - March 29, 2021

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The pandemic has taken a severe toll on nearly every business sector, disrupting industries across the country and around the world, causing unprecedented layoffs and closures.

One of the hardest hit segments has been the hospitality industry. Hotels in particular have experienced a severe downturn. According to the American Hotel & Lodging Association's State of the Hotel Industry 2021 report, the hotel industry experienced the most devastating year on record in 2020, resulting in historically low occupancy, massive job loss, and hotel closures across the country.

The report notes that hotels were one of the first industries affected by the pandemic after travel was forced to a virtual halt in early 2020, and it will be one of the last to recover. The impact of COVID-19 on the travel industry so far has been nine times that of 9/11.

So why would a trio of hospitality executives pick this moment in time to launch Luxury Hotel Advisors (LHA), a Newport Beach-based boutique advisory firm that provides a hands-on approach for luxury hotel owners and investors to seek out advisory services including asset management, acquisition, disposition and marketing guidance.



*Eric Prevetie*

"There's no time like the present to launch this business," said Newport Coast resident LK Eric Prevetie, LHA co-founder and principal. "We looked at why now. Clearly COVID-19 is an issue, it has had a terrible impact on hospitality. As a result, we see a greater need to assist owners and investors and lenders with their hotel assets, luxury hotels in particular—they are under considerable pressure, and they have higher operating costs. As we look at the

landscape today, nobody other than ourselves is focusing exclusively in the luxury sector. That is our background, and combined with needs, we think it's very timely to launch this group. We have the team and resources and experience to address the needs that we see out there today. That's what has initiated the timing of our launch."

Between Prevette and the other LHA co-founders and principals, Carlos Lopes and Teresa Holden, they have decades of experience in the luxury hotel sector.

Prevette has successfully repositioned and assisted in the sale of hotel properties valued more than \$500 million and provided valuable asset management and other advisory services to owners and lenders of over 50 luxury hotels in the U.S., Europe, Mexico, the Caribbean and Asia. His extensive experience includes serving as president for the Resort Properties Division of The Irvine Company.



*Carlos Lopes*

Lopes served as Vice President & Managing Director of Hotel Bel-Air and the Palace in New York as well as EVP and COO of Olympus Hospitality, responsible for directing hotel operations, marketing, and branding strategies for eight Rock Resort properties. He also served as Sr. Vice President of Marketing of Four Seasons Hotels, including the Four Seasons in Newport Center prior to it becoming an Irvine Company property, now renamed the Fashion Island Hotel.

Holden has over 20 years of experience as a sales and marketing executive in luxury hospitality and has been affiliated with the Ritz-Carlton Hotel Company, W Hotels, Ian Schrager Hotels and St. Regis Hotels. She was a member of the advisory team that participated in the development and launch of the W Hotel brand. This included the development of brand vernacular, guest touch points and sales presentations that resulted in an extremely high brand recognition.



"We're a boutique firm—the three of us do the bulk of the work," said Lopes.

That work will soon be growing. The American Hotel & Lodging Association report notes that travel is not expected to return to 2019 levels until 2024, although pent-up demand may accelerate recovery. Hotels across the country are focused on creating an environment ready for guests when travel begins to return in 2021.

The report notes that leisure travel is expected to return first, with consumers optimistic about national distribution of a vaccine and their ability to travel again this year. At the same time, business travel—which comprises the largest source of hotel revenue—remains nearly nonexistent, though it is expected to begin its slow return in the second half of the year.

"The leisure travel market, people wanting to get away on holiday, that market is going to come back very quickly, especially in resort destinations and urban markets," said Lopes. "Conference business, conventions, trade shows, sporting events, that will take longer. And hotels that depend on that business will take longer to recover."

"The leisure segment will come back sooner than other business segments, including corporate travel and groups," agreed Prevette. "People have gotten accustomed to working from their homes. Zoom calls have become a way of doing business. We hope with the vaccine being more widely distributed, travel in all segments will come back. We are working with our clients on how to get through this. In some cases it is survival mode. Right now our focus is on how hotels are operating, working with capital structures, and working to negotiate with lenders."

"We specialize at the very top end of the market," said Lopes. "With a luxury hotel, you have to reengineer the property and balance that with expectations of service. If a client is spending \$400 to \$600 a night, you cannot cut back on service. It's a delicate balance. When you operate a property at 75 to 80 percent [occupancy], you have a much larger organization, but when you are operating that same hotel at 40 percent, you have to reengineer how to operate with an effective service team with fewer guests."

Lopes added that luxury hotel owners have to decide what they want to do with their property now. His new company offers solutions in terms of how hotels can structure to cope with the changing times.

"Is this a time to recapitalize, or maybe sell the asset," said Lopes. "We focus on advisory, asset management, acquisition of hotels, disposition of assets—but at the luxury level."

Lopes said most of their company's work is highly confidential with independent investors so he could not disclose specifics of their current projects, but he did reveal that they are representing a luxury hotel in the Caribbean, representing ownerships in West Hollywood and Beverly Hills, an ownership property in Hawaii, and they are working with the owners of a property in Japan.

And while they are not currently working with any OC-based resorts, Prevetie said that the Irvine Company properties in particular have weathered the COVID storm fairly well.

“When I set up the resort property division for Mr. Bren, part of what he wanted to do was bring in house all of his hotel operations,” explained Prevetie. “I negotiated out of the Four Seasons contract to operate in house, and I worked on Pelican Hill Resort. Mr. Bren has resources to build fantastic properties—his portfolio is phenomenal. From a business standpoint, he’s been very smart and intelligent about how he has operated his hospitality during this period.”

Lopes has interesting insights into what motivates an owner or buyer of a luxury hotel.

“What we find is that there is an emotional attachment and prestige associated when you acquire a luxury hotel,” said Lopes. “It enhances one’s community status, there is prestige associated with that and prestige has its merits. Owners and buyers get involved with the hotels and want to be a part of decisions that affect the property. Sometimes they choose to manage these hotels themselves and run them independently as boutique hotels, and put together an experienced management team, but be involved in decision making process because they have an emotional attachment.”

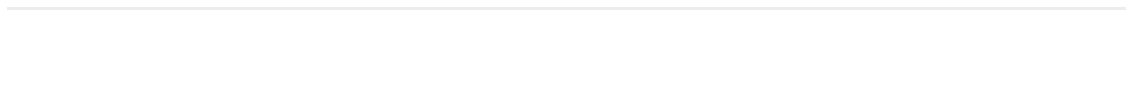
In essence, said Lopes, when an owner has an emotional attachment to a property, they want that property to be an extension of their vision. Most of these owners have traveled the world and have experienced numerous luxury hotels, and that helps create a vision for their own hotel.

“They get personally involved, and rightly so,” stated Lopes. “It’s part of their persona.”

And Luxury Hotel Advisors has become part of the persona of Prevetie, Lopes and Holden.

For more information, visit <https://luxuryhoteladvisors.com>

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