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Growing Boutique Hotel Market Requires Pizzazz, Practicality

The boutique hotel market has grown significantly during the past decade. But these properties frequently require management regimens as singular as their architecture—a concept Tecton Hospitality Management Inc. has made an important part of its business plan.

Desires Hotels, the company's boutique hotel division, doubled in



Increasing The Water Club's Internet presence helped increase the hotel's occupancy.

size in 2005 to eight properties and will manage the newly opened, 110-room Glenn Hotel in Atlanta as well as its first boutique hotel in New York City, Hotel LaMela, set to open in the theater district this summer.

Hotel

Desires' president, J. Raul Leal, said the keys to managing these unique properties are healthy doses of pizzazz and practicality. The general manager of a boutique property needs to be more visible than the manager of a typically branded hotel.

"At a boutique hotel, guests are looking for more intimate service, more personal service," Leal said. "The manager has to be more of a host and be more in front of the public." And while a branded hotel may play standard-issue Muzak in its common areas, the music choice is key to creating a distinctive mood at a boutique property, he explained.

But practical issues are also important. "We found that too many rooms in these hotels weren't functional," Leal

said, adding that the Desires management teams make sure the fundamentals, such as rooms that are well lit with functional desks to serve business travelers, are in place. High-speed Internet access is also imperative.

Another key to placing a boutique hotel on the path toward profitability is establishing a strong Internet presence. Despite *Conde Nast Traveler's* praise of The Water Club's unique design in 2003, the boutique hotel in Puerto Rico was "all style and no substance" when Tecton took over management in 2002, according to Leal. Company representatives contacted online distributors to confirm that the hotel was positioned properly and priced in alignment with its Web site. Also, Tecton purchased positioning on third-party booking sites so the hotel would appear near the top of search results for certain key words.

Leal said these procedures helped boost occupancy in 90 days from 50 to 80 percent, where it remains today.

—Eugene Gilligan