

# Buckhead hoteliers optimistic about market

By Leslie Williams Johnson

CONTRIBUTING WRITER

The Buckhead hotel market has seen much better days, but industry insiders are optimistic that the worst is over.

"I think it's definitely bottomed out, and [the economy] is on its way up," said Mit Amin, owner of the Beverly Hills Inn and chairman of the **Buckhead Hotel Council**.

Amin said Buckhead hotels overall experienced at least a seven-point gain in occupancy in the first quarter of 2010 compared with the fourth quarter of last year.

Along with all the amenities that the area is known for — upscale shopping, dining, etc. — progress on Buckhead's beautification project is also giving it a boost, Amin said.

At The Mansion on Peachtree,

Managing Director Luigi Romaniello said occupancy in the first quarter was about 70 percent, and its weekends are nearly sold out with people seeking a one-stop-shop experience of Buckhead's shopping options and the 127-room hotel's full-service spa, restaurant and bar. "Buckhead, it is a destination itself," Romaniello said. "There is a certain energy about it."

Simon Rusconi, general manager of the 151-room St. Regis Atlanta in Buckhead, said he's seeing an uptick in last-minute group bookings — those that are made within a month or two instead of four or five months in advance, as some companies find money in their budgets to schedule meetings and events.

Compared to last year's figures for the hotel industry, the testimonials about

recent developments offer hope for the market's immediate future.

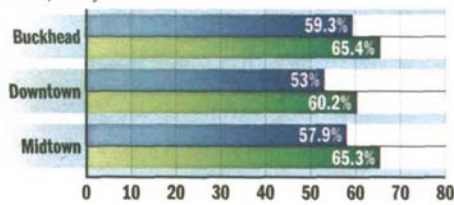
Occupancy in 2009 for the 24 hotel properties in Buckhead was 59.3 percent, down from 65.4 percent in 2008, according to **PKF Hospitality Research** and **Smith Travel Research**. The average daily rate last year was \$133.73, compared with \$153.77 in 2008, a drop of 13 percent.

Adding to 2009's overall hotel industry trials was news of issues facing specific properties.

The Mansion at Peachtree, for example,

## Overall hotel performance

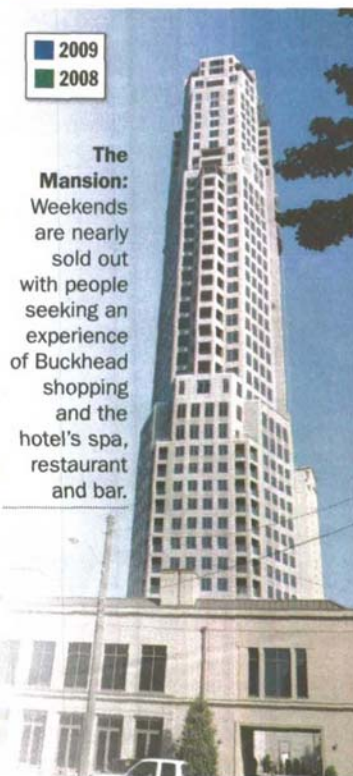
### Occupancy



### Average daily rate



### Revenue per available room



**The Mansion:** Weekends are nearly sold out with people seeking an experience of Buckhead shopping and the hotel's spa, restaurant and bar.



**Amin**  
Buckhead  
Hotel Council

Sources: PKF Hospitality Research, Smith Travel Research

was sold in a foreclosure auction earlier this year for \$66.1 million. Now, the Mansion is back up for grabs for \$80 million.

The Mansion has 45 luxury condominiums. But — as with most residential sales efforts as the economy began its descent — financing came to a virtual halt.

While The Mansion on Peachtree's foreclosure got attention, Romaniello said operation of the hotel was unscathed.

In the beginning, "there was concern about the foreclosure, but all it was for us was a change in ownership," he said. "For the hotel, it was like business as usual for us."

Amin said The Mansion's predicament wasn't viewed as a harbinger of bad fortune for Buckhead's hotel market.

"It had nothing to do with the [Mansion's] hotel," he said.

Buckhead's hotel performance last year was in line with other

decreases felt in nearby markets.

Occupancy for all downtown Atlanta hotels was 53 percent in 2009, down from 60.2 percent in 2008, according to PKF Hospitality Research and Smith Travel Research. Midtown hotels' occupancy in 2009 was at 57.9 percent; it was at 65.3 percent in 2008, PKF/Smith data shows.

As the economic upheaval dragged on, the St. Regis Atlanta opened last year and recently celebrated its first anniversary.

Rusconi, the general manager, said staying innovative is the key to attracting guests and remaining fresh as the economy crawls out of the doldrums.

One of the St. Regis Atlanta's efforts included a partnership with Woodford Reserve Distillery in Kentucky to create the hotel's own bourbon brand to commemorate its first year.

This past winter, the St. Regis had an ice skating rink that Rusconi said was a success. The hotel would like to bring the rink back for the 2010 winter season. "I think

people are hungry to see something different," he said. "They want to spend some money ... and they want to move forward."

Other hotels also have tried to stay on top of their game in various ways.

At Amin's Beverly Hills Inn, a new coat of paint has brought new life to the 18-room hotel; at the Mansion, the Rosewood Escapes package, a stay that includes complimentary breakfast for two, and the "Business Bundle" package were introduced and well-received, Romaniello said. "We've been creating packages that are more value-oriented rather than being extravagant," he said.

While new offerings, deals and makeovers are appealing and necessary, Amin said there's one simple gesture that costs nothing but can help put guests at ease, especially in worrisome financial times. "We smile," he said. "It makes all the difference."

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