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COVID-19's impact on tourism, events & hospitality - by Thomas Jensen

December 11, 2020 - Spotlights

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The 2020 New England Appraisers Expo's Commercial Program held on December 10th featured representatives from the Massachusetts Convention Center Authority, the soon-to-open Omni Boston Hotel at the Seaport, COJE Management Group Corp. restaurant organization, and Newmark Boston's restaurant leasing platform. Panelists discussed the current state of the region's tourism, events, and hospitality markets. The panelists also provided insight into the future beyond the current impact of COVID-19.

David Gibbons, executive director of the Massachusetts Convention Center Authority, discussed current and projected operations at the Boston Convention & Exhibition Center, the John B. Hynes Veterans Memorial Convention Center, and the MassMutual Center in Springfield. Gibbons also discussed the pending closure of the Hynes and transfer of business to the BCEC.

Mike Jorgensen, managing director of the Omni Boston Hotel at the Seaport, discussed the planned mid 2021 opening for the 1,054-room Omni property across from the Boston Convention & Exhibition Center. Gibbons also discussed the projected opening date and bookings timeline and coordination of events with the abutting BCEC.

Christopher Jamison is CEO of COJE Management Group Corp., the restaurant organization that operates Lolita Cocina & Tequila Bar, Ruka Restobar, Yvonne's, Mariel, and Underground. COJE Management will also be opening a venue at the soon-to-open Omni Boston Hotel at the Seaport. Jamison discussed challenges facing the restaurant industry during the COVID-19 pandemic and the path forward.

Jonathan Martin, managing director at Newmark, is responsible for the Boston office's restaurant leasing platform. In this capacity, he currently represents some of the premier local restaurant groups in the region. Martin provided insight into current restaurant lease negotiations in the age of the COVID-19 pandemic as well as future projections for the industry.

I was the moderator for this discussion panel.

COVID-19's impact on the hospitality industry has struck a blow to industries across the world, but perhaps none so badly hit as hospitality and travel. The virus is still uncontained and fragmented government responses as well as uncertainty and fear has led to a near standstill in travel. This widespread fear has led to event and hotel cancellations. With the closure of seasonal outdoor dining in the Boston area, restaurants are faced with shifting business entirely to takeout and delivery. During the summer months, restaurant organizations in the region reported a decline in gross sales ranging from 25% to 75%.

The impact to demand for hospitality is varied even among hotels, air and cruise lines, and restaurants. With both business and leisure travelers having canceled trips and not scheduling any for the near future, hotels and airlines are operating at a fraction of capacity. Restaurants are now shifting to online orders, which had represented only a fraction of order volume prior to COVID-19. These orders have now become the primary revenue driver as business shifts entirely off-premises.

For hospitality workers, the situation is even worse. Those still going to work face a daily threat of sickness and watch firsthand as their workplaces teeter on the brink of collapse.

The 2020 New England Appraisers Expo's panelists provided current insight into the region's tourism, events, and hospitality markets as well as a glimpse into the future beyond the current impact of the COVID-19 pandemic.

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