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Here come the brides! Weddings are leading the way out with hotels - by James O'Connell

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What segment is going to allow hotel owners to dig out of the financial mess that 2020 has left behind? Corporate transient? Nope. Corporate group? Nope. Leisure group...Weddings! The brides are leading the way out with hotels and every company involved with putting on a wedding enjoying a booming business! Leisure group business, with weddings providing its base of room demand is going to enable hotels in seasonal "drive-to" markets to set records for average daily rates and occupancies!

Weddings of every size were canceled across the country in 2020. The vast majority were pushed into 2021. Despite COVID-19, masks, social distancing and a shutdown of fun places to meet, life went on and many new couples decided to get married in 2021! This phenomenon has caused double bookings and a mad scramble for room blocks. Mid to late weekday events are filling the calendar. This demand, combined with a major increase in general leisure transient travel will cause average daily rates to skyrocket. And with stimulus money at hand, people will be paying it.

Rick Deslisle is president of Vinwood Caterers, Ipswich, Mass, one of the largest catering services in New England. He told me 10 years ago; "Don't buy a hotel, build a barn, every bride wants a barn!" He is experiencing a record number of bookings with over 650 weddings reserved in 2021. A significant increase over 2019. 2020 brides-to-be got pushed into 2021. Plus, those 2020 COVID-19 romances that blossomed into blessed events all became jammed together into the 2021 calendar! There are only so many weeks in one year. There are only so many weekends in May, June, July & August. Now it's on to 2022!

Leisure groups are providing a base of business upon which hoteliers can leverage high occupancies into higher average daily rates. They know that the leisure transient segment will be back in great numbers. People are climbing the walls to get out on the road. All the "drive-to" markets are projected to be remarkably busy this spring and summer with couples and families traveling. Try to get a room in Portsmouth, NH in August, mid-week. A quick search on the OTA's shows downtown Portsmouth approaching \$500 per night! I love Portsmouth! I owned a home in Portsmouth. But \$500 bucks on a Thursday night??? WOW! Good for them. The hospitality catastrophe that was the COVID-19 Pandemic, is being replaced by record ADR's and occupancies set up by weddings and function business!

To confirm my assumption I contacted Richard Carroll, director of sales at the Cliff House, Cape Neddick, ME. The hotel has 226 hotel rooms, 25,000 s/f of meeting and function space, a world

class spa and two restaurants. It is literally, just a few feet from the ocean, it is one of the most stunning wedding venues in the country. The resort averages 65 weddings per year. Management must balance groups with transient guests so that they coexist, and each enjoys a great experience. It uses these leisure groups as a base of business in order to leverage room rates for other segments, primarily leisure transient.

The governor of Maine enacted very restrictive policies in 2020 that made it difficult for sales staff to book and for brides to commit to dates. Carroll confided that many 2021 brides with dates looming in May and June did not know what restrictions would still be in place. Many chose to push their weddings into 2022. The restrictions were lifted in March 2021, but by that time, every date was taken. With vaccinations well underway, Carroll sees the second half of 2021 being extraordinarily strong for every hotelier that caters to the leisure sector.

What are these brides doing to help Boston? According to Kristyn Kerkorian, president of K. Kerkorian Events of Boston, "Every venue in Boston for a Saturday in September, October and November 2021 is booked solid. For September, October and November 2021, there may be one or two dates still available." Kerkorian operates at a pace termed "fast frenzy." What is typically available within a three-month window, now takes NINE! Tents, rentals, DJ's, photographers are all booked! It's back to Uncle Harold and his camcorder. Brides must be resilient! On February 25th the governor loosened group restrictions to 100 inside and 150 outside. That was only for traditional venues. It didn't include estates and other non-traditional wedding spots. Those had to stay at a 25-person limit. Then on March 19th, the mayor of Boston reduced those numbers to 60 inside and 100 outside. Tremendous confusion and uncertainty.

What about the rest of Boston? Boston hotels, more than any other market in country have been crushed by COVID. Each of its "Pillars of Demand" were knocked into dust. Boston historically performs in the Top 3 of the Top 25 national hotel markets. Hotel demand was produced by non-cyclical demand generators. Colleges and universities and their 250,000 students arriving at the same time after Labor Day. Parents staying overnight to share in the pleasure of hauling a couch up four flights to a tiny dorm room. The worlds leading hospitals which produce direct and indirect corporate group and transient demand. The talent spun out of these pillars of demand produces international corporate transient demand. Add in the strong non-cyclical leisure transient segment with all things Boston and historic. What everyday commuter to Boston doesn't curse when they turn up State St. and see the first Duck Boat of the season clogging the intersection! But those Duck Boats are stuffed with friendly families from all over the country and abroad! Add Fenway Park and annual events like the Boston Marathon and guestroom demand blossoms. It has always been this way and it will once again come back strong very soon! Couple this with a burdensome development approval process that can take years to execute and expensive union labor contracts, often foisted upon developers by city government and Boston never gets over built. The future is bright!

Many thanks to the brides and grooms that are doing their part to put our hospitality industry back on its feet! With much of the population vaccinated, throw in a couple of Tall Ships and an unrestricted St. Patrick's Day parade, plus a few Bruins and Celtics playoff games and we will be back in business!

James O'Connell is principal, ISHC at HREC Investment Advisors in Boston. Over the past 25 years, O'Connell has earned a reputation for succeeding on the toughest assignments by assembling all of the moving pieces within a transaction that has stretched to both coasts.

He gained his national contact base while advising workout professionals and managing the ORE hotel portfolio of the Bank of New England/RECOLL Management Corp. O'Connell has represented public companies, private equity funds and high net worth individuals across the country and is known for having completed more hotel transactions in the region than any other broker.

O'Connell is a graduate of Massachusetts Maritime Academy.

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