This year you get to guess which photo is me! Full beard or sunglasses – either way it appears to be an improvement. As we start focusing on next year, the sense of optimism – which actually seems to be present every year irrespective of actual circumstances – does appear to be a little more justified this year with occupancy and RevPAR increasing in most markets and even ADR rising in many. Happy Holidays!

Note: I’ve been told that the hyperlinks in the paragraphs below work only in the pdf version attached to the email and not in the copy in the body of the email.

STATE OF THE LODGING ECONOMY

However, everyone seems to be backing off earlier very rosy estimates of 2012 and taking a more moderate view of recovery growth in the upcoming 12 months. In an interview in www.hospitalitynet.org on December 2nd the VP of Revenue Generation for Carlson Hotels (Frederic Deschamps) indicates that there is a lot of uncertainty about 2012 (somewhat of an understatement!) due to the up and down nature of the global economy – and that doesn’t even include the ups and downs of the national psyche as we progress toward the elections in November with, perhaps, the longest campaign cycle in the world.

Smith Travel Research (STR) has revised its earlier 2012 forecast down to a 3.9% increase in RevPAR (versus their current estimate of a 7.7% increase in 2011) signaling a softening of their general economic outlook according to a November www.HotelNewsDown.com article. In the same article PwC shows a 7.8% RevPAR gain in 2011 softening to a 6.5% increase in 2012 – a bit better than STR’s estimate. PKF is higher still with a 8.1% increase in 2011 to be followed by 6.2% growth in 2012. All these estimates are based on much smaller occupancy advances and higher gains in ADR when compared to 2011 and assume a further slowdown in supply growth in 2012 in keeping with the current trend.

According to a report from American Express Meetings & Events outlined in Hotels Magazine (www.hotelsmag.com) the meetings market should be looking up in 2012 with 42% of North American planners, 50% of Latin American, 51% of European and 57% of Asian meeting planner respondents see increased activity from their clients. Meetings & Conventions in their December 2011 issue support this - "Overall, 2011 was pretty good, and 2012 should prove to be a little bit better." Note, they said a ‘little bit’ not greatly better.

OPERATIONS

It looks as if 2012 will really be a year of renovations and upgrading as owners use some of the extra cash generated to improve their properties rather than fall back into overstaffing or ignoring expense levels. Some of it is being forced by PIP requirements of the chains that had been somewhat lax. Over the past few years when owners were strapped for cash due to the downturn in business as well as the impact of losing investment value. Hotel Management (www.hotelmanagement.net) published a survey of GM’s in November in which a majority of GM’s indicated that they would be renovating within the next twelve months.

EDUCATION AND INTERNSHIPS

Have managed to fill all the guest speaker positions for the upcoming semester at FIU, but I’m still looking for a “judge” or two for the February 19th presentations of the Management Contract case study by the student teams, please let me know if you are interested. Also, have you considered taking on a student intern for a semester or over the summer. There are always college students looking for learning opportunities (I’ve already been contacted) and the high-school level Academy of Hospitality & Tourism (AOHT) needs to find summer internships for a large number of motivated youngsters. In Miami there are programs at 11 different high schools. If your program is this you can participate in this program. annfields@bdedeschools.net

THE NEW “NORMAL”

The 2010 ADA regulations come into effect on March 15, 2012. Are you ready? Attorney Jim Butler in a recent (12/3/11) blog published by Hotels Magazine online (www.hotelsmag.com) reminds everyone that no one is “grandfathered”. Everyone has to meet the new regulations that cover elements such as: exercise machines, swimming pools, play areas, etc. and the routes necessary to access the facilities. A December 1st article in Hotel Interactive (www.hotelinteractive.com) points out the penalties involved which include the ability of the Department of Justice to impose a civil penalty of $55,000 or the first fine and $110,000 for any subsequent fines. Any you thought the required changes were expensive!

The recent $44 million judgment against Starwood won by Castillo Grand (developer of the former St. Regis now Ritz-Carlton on Fort Lauderdale beach) has a lot of attorneys a bit surprised both because usually the brands have pretty airtight contracts and especially at the size of the judgment. The two parties bickered through the development process and Starwood had four different design teams in the 8-year process and Starwood quit the hotel 18 months after opening. Lodging Hospitality printed a good synopsis on December 2nd at http://blog.online.com/front-desk.