

MANAGEMENT COMPANIES

n/a = information was not available
Based on surveys submitted to *Hotel Business*
(U.S. management companies)

Ranked by gross annual revenue (end of 2018)

Company	Gross annual revenue (in millions)		# of properties managed		# of rooms managed		# of third-party managed	ownership stake
	2018	2017	2018	2017	2018	2017		
1. Aimbridge Hospitality	5,000.0	4,800.0	834	706	102,786	93,150	834	81
2. Interstate Hotels & Resorts	4,100.0	3,710.0	481	390	80,172	67,958	481	12
3. Crescent Hotels & Resorts	1,612.9	1,420.0	103	105	28,137	25,728	103	0
4. Pyramid Hotel Group	1,443.1	1,283.6	99	105	25,053	26,153	97	4
5. White Lodging Services Corporation	1,243.0	1,532.0	94	87	19,263	18,330	63	32
6. Atrium Hospitality	1,008.5	596.0	81	47	20,285	12,429	0	82
7. HHM	1,000.0	950.0	115	125	18,000	19,000	105	10
8. Remington	932.4	912.6	86	88	16,918	17,500	86	0
9. Sage Hospitality	931.2	874.3	57	75	12,317	14,648	37	20
10. Island Hospitality Management	854.4	836.3	170	167	21,737	21,376	170	0
11. Davidson Hotels & Resorts	810.0	802.0	38	37	10,852	10,672	38	0
12. Crestline Hotels & Resorts	766.5	733.0	118	114	17,250	16,487	118	0
13. Concord Hospitality Enterprises	670.0	625.0	105	95	15,423	13,454	61	44
TPG Hotels & Resorts	670.0	768.0	57	54	14,327	13,196	57	0
15. PM Hotel Group	596.6	542.0	50	44	9,115	7,900	50	0
16. Dimension Development	583.9	574.9	64	60	11,313	10,711	64	30
17. Benchmark - a Global Hospitality Company	575.4	537.2	48	48	7,092	6,870	48	0
18. CoralTree Hospitality	500.0	n/a	19	n/a	4,486	n/a	19	1
19. OTO Development	486.9	432.0	61	68	9,144	8,903	48	20
20. MCR	476.1	n/a	86	n/a	11,672	n/a	2	84
21. Driftwood Hospitality Management	405.0	357.6	56	48	11,184	9,584	27	29
22. GF Management	385.0	560.0	74	91	11,213	13,141	54	20
23. Hotel Equities	382.0	324.0	119	108	13,179	11,767	103	16
24. Chesapeake Hospitality	332.7	282.5	40	33	8,208	7,408	40	0
25. Noble House Hotels & Resorts	329.0	311.0	17	15	1,630	1,340	8	9
26. Marcus Hotels & Resorts	326.9	308.6	21	20	5,255	5,438	21	8
27. Brighton Management	325.7	317.6	53	44	7,513	7,664	33	20
28. Urgo Hotels & Resorts	310.0	295.0	44	38	6,527	5,577	32	12
29. Hospitality Ventures Management Group	291.8	232.1	44	29	7,480	5,271	44	28
30. Spire Hospitality	284.1	316.9	25	22	5,745	6,338	23	0
31. LBA Hospitality	272.5	229.7	72	70	7,776	7,245	72	0
32. InterMountain Management LLC	269.0	265.0	72	70	7,699	7,161	30	42
33. Marshall Hotels & Resorts	252.1	232.4	63	58	8,364	6,480	63	0
34. Prism Hotels & Resorts	250.0	244.2	35	24	6,308	4,976	35	2
35. HRI Lodging LLC	236.0	206.0	25	26	4,417	4,544	25	15
36. Regency Hotel Management LLC	230.8	198.8	48	39	6,036	5,133	48	0
37. Pacifica Hotels	230.0	200.0	40	35	4,149	3,657	12	28
38. First Hospitality Group	221.9	192.2	36	33	5,315	4,786	13	23
39. Commonwealth Hotels LLC	207.8	196.8	47	43	5,813	5,278	29	18
40. Greenwood Hospitality Group LLC	205.0	215.0	19	21	3,870	4,194	19	3



18 **CoralTree Hospitality**
Englewood, CO

gross annual revenue
(end of '18) **\$500M**

of hotels (end '18) **19**

of rooms (end '18) **4,486**

see full profile on p. 36

MANAGEMENT REPORT

CoralTree Hospitality starts the year off right

By CJ Arlotta
Senior Editor

ENGLEWOOD, CO—For a new company, CoralTree Hospitality is starting 2019 on the right foot.

“Our strategy is to really provide an intimate level of services to our ownership groups, where we can really—principal to principal—work with them as opposed to a larger, more hierarchical organization,” said Thomas Luersen, president, CoralTree Hospitality Group.

Lowe, a national real estate investor, developer and manager, formed CoralTree Hospitality Group, a wholly owned hotel and resort management company, in 2018. The announcement was made in January 2019.

“Our whole company’s foundation is based on values,” he said. “Our values begin with personalization, integrity and customized thinking, meaning we don’t have a one-size-fits-all approach. We’re able to really look at things uniquely as an owner, since we’ve been an owner for so long and see things through that lens.”

Lowe sold its prior hotel management company, Two Roads Hospitality, to Hyatt last year. Hyatt acquired the management agreements for the majority of Two Roads Hospitality’s 85 properties in eight countries. The deal enabled Hyatt to expand its brand presence into 23 new markets.

“I think by the time we get to the end of May, we can see most of that transition completed,” he said. “I think they’ll be a little bit more system integrated. I think the last brand that Hyatt will be transitioning will be Destination, and that will transition more toward the beginning of the third quarter; we’ll continue to assist with that, but for the lion’s share of the transition, CoralTree will be focusing in on its future exclusively by the end of May.”

In 2018, CoralTree Hospitality generated \$500 million in revenue.

The company currently third-party manages 19 properties with 4,486 rooms. CoralTree Hospitality’s portfolio includes independent, branded and soft-branded properties, including

Terranea Resort on the Southern California coast; the El San Juan Hotel in Puerto Rico; Hotel Lincoln in Chicago; and Hotel Talisa, a Luxury Collection Resort, in Vail, CO.

“We’re a decentralized management company,” Luersen said. “We really believe in the power of leadership at the property—that they have the freedom within the framework to lead their business model without being overmanaged and scripted from a corporate standpoint. That’s a really important ingredient for our leadership—autonomy, empowerment and flexibility.”

CoralTree Hospitality only has ownership stake in one property—technically, Lowe owns the property and CoralTree Hospitality manages it.

“If I was foreshadowing the future, I think Lowe will continue to acquire hospitality assets,” he said. “We’re a proven commodity with them in terms of managing, and if I had to speculate today, I would anticipate that somewhere in the range of 25% of CoralTree’s properties will have some level of equity participation by Lowe; the balance of that, in rough numbers, would be third-party management.”

CoralTree Hospitality Group has 3,400 employees nationwide. In addition to Luersen, a 20-year-veteran of Lowe, Destination Hotels and Resorts and Two Roads Hospitality, the management company’s leadership team includes André Fournier, EVP of sales, marketing & revenue, and SVP Robert Mellwig, who are also Lowe shareholders and former executive team members of Two Roads Hospitality and Destination Hotels.

“I think we have a world-class executive team,” Luersen said. “We’ve got an organization that has worked together. We’re privileged as a start-up company to be able to start with a large portfolio, to start with an organization that has worked together for decades at the executive-committee level—to have continuity and ownership of the management company, and then to be able to have the resources to grow

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it immediately with our wherewithal. It’s a really different environment. The leadership team [chose] to be with CoralTree. They see it as a place they can be very successful. It aligns with their own value system.”

As is the case for other hospitality companies, CoralTree Hospitality is feeling the effects of the industry’s labor shortage.

“There’s a war on labor out there, in terms of the hospitality space, and it’s clearly everyone’s objective to be able to attract the best talent and retain the best,” he said. “We do this through providing a forum, so that leadership can really have a voice in the company, work very closely with the principal. We’re now going to be nimble in an intimate organization, where if you’re a general manager at a property, you have a direct pipeline to the leadership team of Lowe and CoralTree; I think leaders want that.”

“We work very hard on retention strategies and culture,” he continued. “We think that the most important thing for the workforce is that they work in an environment that they trust, they feel that they are appreciated and honored, and that there’s career trajectory. Those are the areas we focus in.”

CoralTree Hospitality gives back to the community by doing philanthropic work at the hotel property level. “We don’t want to be transient in a marketplace,” he said. “We want to be fully immersed with knowing the community we’re working within, being good to the community as a corporate citizen and creating an opportunity for the employees of those properties to feel pride about that inclusion; that’s really important.”

Additionally, CoralTree Hospitality wants a diverse culture. “That diversity expresses itself in different types of experiences,” Luersen said. “We want people from different companies. We want people who take those experiences



Thomas Luersen
CoralTree Hospitality Group

and can then be entrepreneurial and apply those and add to them at our business level. I think that’s really important. We want people to come in and not have to adapt themselves to a new conformed structure.”

In March 2019, CoralTree Hospitality Group assumed management of the latest addition to its portfolio: Town and Country in San Diego. The 675-room property is in the midst of a \$90-million renovation to upgrade the guestrooms and convention center, and create new amenities. The property will offer five new F&B outlets—including poolside options around the new resort pool. The renovations to the property are expected to be completed in spring 2020.

“I’m anticipating by the end of 2019, we’ll have a portfolio that will include roughly 15 hotels and resorts,” he said. “I think we will stabilize at that by the end of 2019, and then, in terms of future growth, while our strategy is more about strategic growth than it is about how many properties that we are managing, I’m anticipating that to be in the range of 20-25 properties in the coming two years.” **HB**