

Hospitality

A Foundation in Midtown

An Interview with David Chase,
Managing Director, Omni Berkshire Place



The Omni Berkshire Place 17th floor terrace sundeck

EDITORS' NOTE David Chase has worked in the hospitality industry for over 25 years, beginning his career at The Ritz-Carlton San Francisco. After relocating to the east coast and working in Boston, he settled in New York to open the first W Hotel in New York City. Since then, Chase has held management positions at prestigious hotels such as the St. Regis, The Ritz-Carlton, as General Manager of Trump SoHo, and, most recently, as the General Manager of The New York Palace.



David Chase

PROPERTY BRIEF Conveniently located on 52nd Street between Madison and 5th Avenue in the heart of Manhattan, Omni Berkshire Place (omnihotels.com) is near Central Park, Times Square, Rockefeller Center and Radio City Music Hall. Guestrooms and suites were designed with the feel of an Upper East Side residential townhome, while keeping them spacious and larger than most Manhattan accommodations. The property boasts 398 luxury guestrooms including 45 suites; a 17th floor terrace sundeck overlooking midtown Manhattan; 24-hour in-room dining; state-of-the-art fitness center; 7,000 square feet of function space and a 24-hour business center.

Where do you see the New York City hotel market today and how hard is it to find growth in this environment?

Growth has been very difficult. We're in our third year of the market retracting a little. All we can do is try to fine tune the segments within our hotel. We're very group-centric and we handle corporate travel and weekend leisure.

It's weekend leisure where we have to work the hardest because that is the segment where people can choose to go anywhere in town. For the group and corporate, we still have the traditional geographic areas of New York City that travelers are loyal to.

We have secured those customers but we're fighting hard for other pieces of business.

Is the Omni brand well understood?

Omni is a North American brand and we have 61 hotels and very loyal guests. We have a program called Omni Select Guests and half of our customers are members of this.

We're in the right cities, like Chicago, L.A., Boston and D.C., so guests can travel to any of

these places and stay with us. We're not, however, a 6,000-hotel company like Marriott, so it's a different level of saturation in New York, but being in our current location for 22 years, and Berkshire Place having been an operating hotel in this location for 90 years, means we have established an incredible foundation in Midtown.

Are you happy with the product today and do you anticipate changes on the horizon?

We're in the middle of the time-frame from our last major renovation until we'll need another but, over the next 12 months, we'll be doing a room refresh. We're also doing some wonderful things in a few months as we are renovating a new specialty suite called The Apartment, which is a one-bedroom space with a kitchen, dining room and two terraces. It will be one of our premier suites for long stays as well as providing an opportunity to hold events there.

We are also refreshing our Rodgers & Hammerstein suite, which has a gigantic wrap-around terrace on the 21st floor. We just completed renovation of our ballroom and meeting space on the second floor. In addition, we're within the first year of the renovation of our restaurant and private dining rooms.

Given all these renovations, we're very interested in garnering new events and meetings.

How important has it been to build the right team at the management level?

We have built an incredible executive team and middle management leadership team that has been stabilized for over a year and is reflected in our customer service scores and our ability to deliver consistently. My biggest pride since I've been here has been the stabilization of that leadership team.

Is the relationship with Bob's Steak & Chop House a key component to providing the full guest experience?

To remain a luxury hotel in this location in Manhattan, we continue to offer room service and a three-meal restaurant. Transitioning to Bob's Steak House has given our guests a much more refined dining environment.

It's an expense that we incur to run the F&B at a luxury level, but the customers that are loyal to Omni expect a nice restaurant. Some hotels have gone to grab-and-go, but we're here to offer a full service option.

How much of an impact has Airbnb had on the industry?

The industry has done a good job in trying to hold them accountable for ensuring their practices are legal.

I've evolved to realize that on weekends, when I'm competing with more limited-service hotels in other parts of the city, the hotel customer is considering Airbnb versus a limited-service hotel. Those customers dilute the demand for those hotels when we are all competing for the same customer on weekends.

It's not well defined enough that one hotel can determine that they got hurt from this trend, but it's all part of a supply problem we have in New York City.

As a New York hotelier, how much has your experience helped when adapting to the changes the city has experienced?

Having overall New York City experience is very important because there are many customers who participate in all corners of the city. Having relationships at the highest levels and knowing the corporations for many years helps, because I know what is happening.

There are also micromarkets so we need to know neighborhoods. I find it interesting that there are new neighborhoods developing currently, like Hudson Yards.

At some point, with more new product coming on, does oversupply concern you?

It concerns me because it hasn't allowed us to have rate growth. We're still filling these hotels at high 80 percent occupancy levels, which is shocking. We're all bullish on New York and the world is bullish on traveling to New York and that hasn't changed.

If there was less supply, we could increase rates, but it's not dragging us down.

Do you find that young people coming out of hotel school today feel this industry still offers a great career?

We've had our struggles with growth in New York over the past few years, but there are still a ton of great jobs in New York City for those who don't want to sit in an office for their careers. This industry provides an incredible customer-facing career that allows one to interact and gain business acumen as well as pursue an interesting industry.

Our jobs are not being replaced with computers – this job is always going to need human beings to interact with customers and deliver services, so it's a reliable career path. ●