

Hoteliers join management business

By Mandy Miles Key West Citizen

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MANDY MILES/The Citizen Meisel Holdings, which owns and operates Santa Maria Suites, H2O Suites and the Southwinds Motel has launched a new company that will manage other hotels on the island.

A family of longtime Key West hotel owners has expanded its scope and joined the hotel management business.

For more than 25 years, Meisel Holdings, Inc., now comprised of the father-son team of Joel and Marc Meisel, has owned and operated a commercial real estate portfolio that includes marinas, mobile home parks, parking lots, office space and certainly, hotels.

In Key West, the family company owns and operates three successful downtown hotels: Santa Maria Suites, Southwinds Motel and H2O Suites.

“In 2015, we formed a new entity called Meisel Holdings Managed Services to take over all of our hotel operations,” Marc Meisel said. “We, meaning Meisel Holdings Managed Services, are now extending our hotel management services to other hotel owners and asset managers in Key West and around the country.”

The Meisels know better than many of today’s corporate hotel owners that owning a hotel is one thing, but managing a successful hotel is quite another. And in many cases today, the real estate investment trusts that have been buying up hotel properties for the past decade or so, are legally barred from managing the hotels that the trust owns.

“After the market crashed, there was a huge worldwide surge in REITs buying up hospitality properties, and we saw a ton of that down here,” said Jodi Weinhofer, president of the Lodging Association of the Florida Keys and Key West. “And by law, REITs are required to keep the management of their investment property at arm’s length.”

That’s where management companies come in, Weinhofer said, naming companies such as Remington and Highgate that currently manage several Key West hotels.

“The Meisels are certainly not the first to start managing properties other than their own, but they’re smart to do it,” she said. “Once you already have all the systems in place to make your own properties a success, then it makes perfect sense to do it for other people and properties. If you can do it for one, you can do it for five, and there’s an economy of scale that comes into play.”

Weinhofer said the trend of corporate ownership and management is often invisible to consumers, but destination managers like Key West often feel the impacts, “because you’re no longer dealing with an individual owner that’s invested in the community, but rather a group of investors, so getting a gift certificate becomes like pulling teeth, although some of our companies here in town give their managers leeway to support various events and community efforts in a small town like Key West, where we depend on the generosity of property owners.”

Weinhofer added that corporate ownership has really changed the hospitality industry in the past decade or so, but she was encouraged to know that the family-owned company like Meisel Holdings, with such a long history of hotel ownership in Key West, is entering the market.

“Our unique position of being both owners of hotels, marinas and other commercial properties combined with our extensive management background provides us with a very different outlook and management style — one that has proven to be effective from both a customer experience and a profitability standpoint and I now want to bring that service to other hotel owners in Key West,” Marc Meisel said.

“We have seen success at all of the Key West properties we currently own and operate,” he said, adding that Santa Maria Suites was just named the No. 6 hotel in the USA by TripAdvisor. H20 Suites rose quickly in the TripAdvisor rankings to the No. 1 hotel in the Florida Keys and the No. 1 hotel in Key West. And finally, the company brought the budget-friendly motel, the Southwinds, from the bottom of the rankings in TripAdvisor when they took it over, to its current 22nd position.

“Joel Meisel, who once owned the Casa Marina, is a giant in the hotel business,” Weinhofer said. “He certainly knows the industry and he knows Key West. So while they’re certainly not the first to expand into management, they’re smart to do it and it makes perfect sense.”

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