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Concord's 'contrarian' ways spurs its growth

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ATLANTA—Mark Laport views himself as a contrarian. While other hotel developers and owners were struggling to secure the necessary financing to build or acquire new projects last year, the president and CEO of Concord Hospitality revisited the company's long-standing relationships in familiar markets across the country. The result? Twelve new properties opened in 2009.

"Our company has always kind of thought collectively as a contrarian," Laport said during an interview at the 22nd annual Hunter Hotel Investment Conference.

Mark Laport
Chairman and CEO
Concord Hospitality

- *Read HotelNewsNow.com's complete coverage of the 22nd annual Hunter Hotel Investment Conference.*

"We know from experience in other cyclical downturns some of our best hotels were those that we affected or opened when times were tough. We know as the cycle returns and things get better, (we) will be positioned in a superior way against our competitors."

No slowing down

The Raleigh, North Carolina-based company is already off to a great start. In January alone, Concord opened eight new properties spread across six brands. That pace will be hard to sustain, Laport said; the pop in development was the culmination of hard-fought efforts the previous quarter.

Still, the company's expectations for the rest of 2010 are anything but guarded: Laport and his team have set a minimum target of 20-percent growth for the year.

- *Read "Concord plans 20-percent growth in 2010."*

Some of that expansion will continue to come from new builds (including three hotels currently under construction), but the company also is entering into more third-party management agreements.

"We're managing for others, other stakeholders, other owners of hotels have been attracted to us because they've seen our success, they know we know how to operate hotels in a manner that produces profits and produces great results," Laport said.

The team at Concord has its eyes on the distressed market as well. Backed by a US$300-million discretionary fund (part of which was distributed to finance uptick in development during the past six months), the company plans to make a dent on some smaller full-service or select-service hotels.

"We might only put 5 million bucks to work instead of (US)$25 million a large fund would want to put out minimally," Laport said. "That gives us an avenue that I think is not being attacked by the big guys."

The process will be easy going, he said. For one thing, there hasn't been the expected swell in grade-A distressed properties hitting the market. For another, Laport and his team are selective investors.

"We study very closely where market opportunities are, emerging markets, growing markets, close to major universities, close to major medical centers, and we attack," he said.

That pattern of attack led to a five-state footprint during 2009. Generally, the company is spread as far south as Florida, as far north as Pennsylvania and as far west as Texas.

Digging out

Despite Concord's relative success, Laport is aware of the broader ills plaguing the industry.

"We are still at the bottom of the ditch," he said. "The economy is not robust. We're challenged by that, as is every operator in America. We need to see that through."

But recovery might be close. February was the first month during which Concord beat its budget since the onset of the downturn, for example. Full-scale recovery is still further away, Laport said.

"Now, when will it really be back?" he asked? "I think we're probably looking at two to three years out to get back to where perhaps '07 was, which most folks would call the high-water mark."