

# MarketWatch

CityWatch

## For New York City's hotels, it's the most critical time of the year

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With the omicron variant looming, the hospitality industry is facing a festive period like no other

### The struggle to return NYC's hotel industry to its pre-COVID glory

Beyond the owners and stakeholders anxiously waiting for occupancy numbers to rebound to pre-pandemic levels, there are industry players such as hotelAVE, a consultancy made up of former hotel owners, operators, and financial professionals that provides asset management and advisory services to lenders and owners of hospitality assets.

According to hotelAVE, the pandemic caused the permanent closure of more than 12,000 hotel rooms in Manhattan, and it's anticipated that at least 20% of the NYC hotel supply will close permanently due to COVID, mostly in the upscale and luxury segments.

"Despite the pandemic, New York has re-emerged to become the destination it used to be pre-pandemic for both tourism and leisure travel," said hotelAVE Vice President Silvie Cohen. "This fall, NYC started to see more market compression which has allowed properties to yield rates and drive revenue."

The hotel industry hasn't been immune to the staffing issues that have plagued businesses across the city, forcing operators to take a creative approach to retaining current employees while also hiring new staff.

"Hotels have seen success offering different retention incentives as well as hiring bonuses," said hotelAVE's Cohen. "There are also other non-monetary ways to motivate employees, such as providing school supplies for employees' children, which we have seen go a long way."