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Hotel Business®

VOLUME 25 NO. 21 DECEMBER 15, 2016

HOTELBUSINESS.COM

Ten to Watch

Watermark Capital Partners' Michael Medzigian is one of our picks for 2017

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TEN TO WATCH 2017

Michael Medzigian

Watermark Capital Partners, LLC

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Associate Editor

Recalling his initiation into hospitality, Michael Medzigian, chairman and managing partner at Watermark Capital Partners, LLC, shared with *Hotel Business*: “If you went back to the very beginning, you would have found me in a kitchen washing dishes—a very hot kitchen.”

After graduating from Cornell, he entered the management training program at Marriott International, Inc. “Since that time, I have been involved with over \$15 billion of lodging and other real estate investments,” Medzigian noted. “In that kitchen and later in that training program, I could not have had any idea what opportunities this dynamic industry can present, nor could I have imagined the potential power of desire and hard work.”

Fast forward to 2016, and it was “another good year for Watermark Capital,” Medzigian said. On behalf of Carey Watermark Investors (CWI 1) and Carey Watermark Investors 2 (CWI 2), Watermark Capital Partners, as the subadvisor of both REITs, continued to handle and manage both investment and asset management activity, employing a “value-added approach to investing by targeting opportunities in the lodging market that can benefit from the unique strategic, operational and capital markets capabilities brought to bear by [its] team, as well as [its] culture of focused execution,” according to the executive.

“We have remained one of the most active hotel buyers in the industry, having invested more than \$1.9 billion on behalf of CWI 1 and CWI 2 since early 2015,” he said.

CWI 2 acquired five properties in 2016: the 384-room Seattle Marriott Bellevue in Washington; the 154-room Le Méridien Arlington in Virginia; the 304-room Renaissance Atlanta Midtown Hotel in Georgia; and the 510-room San Jose Marriott and 372-room San Diego Marriott La Jolla in California.

“Our Watermark Capital team takes an extremely disciplined approach to

acquisitions, focusing on higher-quality urban and resort properties in markets we believe exhibit attributes that promote long-term stability and growth,” Medzigian said.

REITs are facing a number of challenges in today’s economy, “ranging from technological disrupters, labor-related and other cost pressures, and risks associated with new competitive supply.” Obstacles aren’t always only birthing complications in business, however; sometimes they produce unforeseen opportunities down the line.

“We work closely with our brand partners, operators and industry associations to mitigate many of these risks, and new supply can be self-correcting as debt markets become more constrained as is the case in the current environment,” he said.

Advancement resulting from favorable circumstances can be a great boon to an industry’s growth potential. “I like the progress as well as the opportunities that we are seeing on many of these fronts, and we can’t lose sight of the fact that when we talk of things like technological disrupters, our industry, associates and customers also benefit tremendously from myriad technology developments,” Medzigian said.

He believes the upcoming year, as close as it is, will provide Watermark Capital with additional prospects in the U.S. lodging market, which has “experienced six years of very strong growth,” despite the country operating under new leadership come January.

“While none of us can predict beyond speculation the near-term or longer-term impact of recent political events on the broader economy and, in turn, the U.S. lodging market, I’m constructive regarding our industry, and I believe that Watermark Capital will continue to identify attractive opportunity in this space,” Medzigian said.

Defining responsibilities keeps a leader in check; it assists an executive with shifting focus to what’s important to the overall health of the organization. For Medzigian, those duties include managing the expectations of investors and the team under him that, in his words,



“works each day, truly tirelessly” for those financing the company’s trusts.

“I work to give them the tools they need to succeed and to keep them thinking about how to innovate, differentiate and create value,” Medzigian said, expanding on how he perceives himself as a leader in his role. “I believe that in order to do that effectively, I need to be active and give back to our industry to promote our collective goals.”

And he does just that. Medzigian serves on the board of the AHLA and owner advisory boards with his firm’s brand partners, as a leader in industry organizations like the Urban Land Institute, and as a judge at various industry design competitions to help identify emerging talent.

Committed to his alma mater, he continues to train future leaders in the hospitality industry by serving on the Cornell University Council, the Dean’s Advisory Board for the Cornell School of Hotel Administration, the Cornell Center for Real Estate Finance Industry as a founding member, and the Hotel Society as a member.

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“It may sound like a cliché, but if you are blessed enough to truly love what you do it doesn’t feel like work,” he said. “I am lucky enough to be able to honestly say that I am one of those people, and that I get energized each day from my work.” **HB**