

Shaner capitalizing on unbranded Europe

Partnerships in Italy and Greece are expected to drive at least a dozen branded developments in the near term.

Plato Ghinos, president, Shaner Hotel Group, is taking advantage of what he and his colleagues call a lack of quality, branded product in Italy and Greece. With four hotels open, three signed and a few more in the pipeline, the State College, Pennsylvania, owner-operator of some 60 hotels is investing about €55 million (US\$61 million) and could grow to between 12 and 15 hotels in those markets in the next three to five years, according to Ghinos.

Ghinos cites Shaner Italia division's Renaissance Tuscany Il Ciocco Resort & Spa in Bargo, Italy, and how they turned it into from an 80% domestic to an 80% international market by renovating and branding the property. "You really open up the systems, and we have people from every continent visiting," he says. "Especially the Asian market, they have that expectation set for branded properties. That has been our experience in Italy and Greece — that's the niche and that's the opportunity."

Through October, Shaner had opened the Academia of Athens under Marriott International's Autograph Collection, as well as a Moxy-branded hotel in Patras, Greece, with more Moxy deals in the works, Ghinos says. Additionally, it is developing from the ground up another Autograph Collection in the Peloponnese and a Marriott Tribute Portfolio soft brand in Athens (scheduled to open in 2021 and 2022, respectively). They are working in Greece with local partner, CS Hospitality, Athens.

Shaner, which has a predominantly U.S.-based, select-service portfolio, is also converting an existing Cyprus resort to a Tribute and under Shaner

Italia refurbishing the Grand Lucca Universe in Lucca, Tuscany, Italy, and converting it to an Autograph Collection. Its local partner in Italy is the Emarcucci Family from Tuscany. "We are learning from them how to make money in food and we are teaching them how to make money in the rooms," Ghinos explains.

The project in Lucca, one of the few cities left in Italy that is surrounded by a wall, has been especially challenging to complete and not without its share of surprises along the way. Scheduled to open in May 2020, the project is a complete refurbishment of a palace built in the 10th century. Permitting took about five years to complete, and more recently while cleaning the basement the team found Roman ruins of an even older house. After first overcoming panic and finally getting the governmental green light to move ahead, the developers decided to convert the basement space

into a wine cellar complete with some of the newly discovered antiquities.

Among the other challenges for Shaner is operating a smaller group of hotels from a U.S. base. To that end, Ghinos says his local partnerships are key and ownership stakes are no more than 50%. On the ground in Italy, Shaner has an operational managing director, corporate sales team and a legal advisory group. "We have a huge accounting team because all of the accounting systems, both in Italy and Greece, have different P&Ls... And obviously, being a Marriott franchise we have to meet their standards."

However, Shaner is able to run revenue management, social media and other functions from its State College headquarters. "Really, with those functions it doesn't matter where you are physically located," Ghinos says. "To be honest with you, that's our biggest advantage."

By Jeff Weinstein, editor in chief



Shaner Hotel Group President Plato Ghinos is developing a 12- to 15-hotel platform in Europe.