

Q&A: Hotelier Hans van Wees brings attention to the plight of the hospitality industry

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Hans Van Wees, general manager of Hotel Vermont, in Burlington. Photo by Glenn Russell/VTDigger

Hans van Wees is general manager of the Hotel Vermont in downtown Burlington. Along with other hotel owners and managers around the state, van Wees has joined a new coalition of lodging owners who have struggled to find a way forward after months of pandemic-related closures and sharply reduced guest counts.

Van Wees was born and raised in the Netherlands and was introduced to Vermont when he got a job at the Trapp Family Lodge in Stowe, where he worked from 1995 to 2008. He started working with Hotel Vermont's owners in 2011, and the 125-room hotel opened in 2013.

This spring, as the state ordered pandemic-related business shutdowns, van Wees, like his peers around the state, applied for grants and started strategizing about how to keep the business afloat with few or no customers.

Lodging establishments have been hit particularly hard in the pandemic, partly because of the state's [travel map](#), which for months has limited who can visit Vermont without quarantine. Right now, nobody from out of state can visit without quarantining before — if they drive — or after they arrive.

Lodging properties also have high fixed costs, such as utilities, property taxes and mortgages, whether they have customers or not. A dozen or so lodging properties — including Basin Harbor in Vergennes, Woodstock Inn and Resort, Rabbit Hill Inn in Waterford, Stoweflake Mountain Resort and Spa, Jay Peak Resort, and the Inn at Manchester — joined forces through the Vermont Lodging Coalition Project to focus lawmakers' attention on the problems faced by the hospitality industry and to direct more state-administered federal funding to their sector. The group hired the lobbying firm DRM and lists more than 80 Vermont lodging properties as contributors.

Van Wees talked with VTDigger about the experiences of lodging companies since they were allowed to [start reopening](#) at the end of May, at first on a very limited basis.

VTDigger. How have things been going for the industry since the summer began?

Hans Van Wees: We opened under pretty strict travel restrictions. We saw a little bit of interest on the July 4 weekend, and then it sort of petered out, so we ran at about a 25% occupancy. I think that's what the hotel industry saw around the state, with a slow start to the summer.

By August, I think travelers started to realize summer was going to end and this pandemic had stopped their plans from going overseas or on long-distance travel, and some of these main feeder markets — Boston, New York, Connecticut — started to feel like they needed to go on vacation. So we saw a sudden spike in demand. At that time, we were restricted by the 50% occupancy limit, and by this travel map that was not really expanding either.

The industry ended up between 40% and 50% occupancy for the month of August versus what would have been a 90% occupancy month normally. Pricing in the market was somewhat depressed; hotels were, I think, underselling themselves.

The restaurants were still feeling slow traffic, except for those who were serving outdoors. In September, that leisure traveler started to disappear. September is a month where we rely on a lot of group travel. That had been canceled. The college students were returning, but by that time, the travel map had gotten so much smaller that the parents were only allowed to drop their child off and isolate in their room and get the hell out the next morning. We saw they would come in, go to their room, and we wouldn't see them anymore until the next day, and then they were gone.

The governor in mid-September allowed 100% occupancy in hotels. But we had very little audience to call on. That went on through October and November.

There needs to be some collaboration between the New England states, and probably New York, where we figure out together what is a safe way to allow travel between our states. We have enough knowledge now on how this virus spreads that we can find a way through this that is safe for the Vermont public, safe for travelers, and safe for our team members.

VTD: How did the coalition form?

HVW: Early on in the pandemic, the governor instituted a [Restart Vermont task force](#) with hotels, restaurants, wedding venues and other attractions. I was recruited to be on the committee that would help develop lodging-sector opening protocols with five or six other innkeepers.

We developed guidelines that would have allowed us to start operating again with capacity restrictions, and then go to 100% capacity by July, but those steps were never taken. We had developed all these safety protocols that exceeded CDC guidelines and American Hotel and Lodging Association Guidelines, but we weren't allowed to open up.

So, this same group slowly grew into an advocacy arm. By the time August came around, we had reached out to a number of innkeepers around the state, and we raised some money and hired DRM to help us with our advocacy.

VTD: Did you know what you needed to do?

HVW: We were starting to find out. The first thing we did, before we had DRM on board, when we saw our industry was going to continue to operate under heavy restrictions, was we called a meeting with the governor. We said, "We appreciate you want to keep the state safe; we have the same goals here. We have great protocols in place, and we are convinced we can do this safely. But if you keep these travel restrictions this tight, you have to realize our industry is going to hurt to a level that has never been seen before, that is disproportionate to any other sector."

By that time, we had already seen 70% of our workforce laid off. Our industry was disproportionately affected from a revenue perspective, and characterized by high fixed expenses. We're in the top 5% of property taxpayers in some towns. We needed a rescue package.

He said, "You're right, but as a state we don't have the financial resources to provide you with the help you need ... but we are going to do our best." Then that, followed by regular conversations with the Agency of Commerce and Commissioner Mike Pieciak (of the state Department of Financial Regulation, which has handled Covid-19 modeling for the state) about how the travel restrictions affect us, was an education.

It took a few months to have people understand the drivers of our industry, and the impact on this sector, and what it was doing to jobs in our state.

VTD: What kind of lodging businesses make up the coalition?

HVW: Some are tiny. About 70% are really small businesses, the owner-operated inns and B&Bs with from five to 25 rooms. They really are the heart of the lodging industry in Vermont and in New England.

These are the people who have put their personal savings on the line. Their mortgages are in their personal names. Early on, we learned this pandemic was hitting them very, very hard. They had laid off the few people who did work for them, and had started digging into their own personal savings, their pension savings, their college funds for their kids.

It was bad. I remember several conversations that ended up literally in tears.

VTD: Does the fate of the small inns affect others?

HVW: First of all, the industry as a whole has a significant economic impact. For every room we sell, there is a visitor who spends money in restaurants and retail and on attractions and recreation. Small inns are often cornerstones of the community. They pay property taxes, and other businesses often depend on them for their own success.

In New England in general and Vermont especially, the small inns really reflect the diverse character of the state. They are locally owned and operated; these are people who have their heart and soul in their community.

That's not to say that a larger hotel doesn't have that. We employed 100 people before the pandemic and now we have 35, and we have dozens of suppliers, community members who visit the restaurants, and charitable organizations we work with.

In every place, a mix of businesses makes it strong. Larger properties become anchors in the community that then draw in visitors. You have expensive hotels and then the mid-price or economy-price. Not everybody can afford to stay at an expensive hotel.z



Hans Van Wees, general manager of Hotel Vermont, adds a log to the fire in the hotel's lobby in Burlington on Dec. 10. Photo by Glenn Russell/VTDigger

VTD: Hadn't there been some hope for a foliage season of sorts?

HVW: The colors came, but the visitors didn't. They were restricted not by capacity limits but access to the market. The travel map had shrunk so much.

Secondly, it was late; you can't just on the dime turn and have visitors come, particularly for the foliage season. A lot of distant domestic travel and international travel and group travel had canceled.

I remember talking to an inn in the northern part of the state, a high-end inn with a very good clientele, and it was like, "My cancellations are raining down. These people are not allowed to come in."

VTD: The hospitality business has gotten special note when it comes to the Scott administration's business grants program, with \$75 million designated to meet 100% of the unmet need for the lodging properties. Has this made a difference?

HVW: It's a start. The grants are certainly a help. The grants have a cap of \$300,000 and for properties above the cap, the impact was minimal.

As an industry, we appreciate the work the agency and the Legislature and the Joint Fiscal Committee have done to really understand what was going on. Aside from the financial support, I think it was an education for those agencies and legislators to actually get a true insight into how our industry was affected.

Our unmet need for assistance was higher than in any other industry. We are very grateful seeing these grants come to our industry, but I want to make it clear that we're not done. We're in a very dark period right now and we're going to need more help.

Our unemployment job losses are two to three times that of any other sector. I don't know how else to say it, and not to take away from anyone else ... but we're disproportionately affected.

From February to September, the leisure and hospitality industry by far saw the largest job loss. While other industries saw losses as well — construction was high in the beginning as far as job losses — those industries have come back. Our jobs haven't come back yet. We're still down 60% and we fear the 40% that is still working in our industry is under threat now as well.

VTD: Do you hear anyone in the industry say they fear they'll have to close for good?

HVW: I know hospitality businesses that are under threat of closing down, on the lodging and on the restaurant side. If you look around Burlington, there are some restaurants that are closed that you probably won't see open.

We need to see what the next round of federal help is going to be and how that trickles down to Vermont. Our industry clearly needs more. The winter is where it's really going to be hard. We're not even seeing 20% of the

already low levels of business we normally see at this time. Innkeepers around the state call on the money they put away in the summer at this time, but they didn't put money away this summer.

I'm hoping — as travel restrictions start to ease, the vaccine is more widely introduced — in May and June we'll start to see some travel return. Business picking up will be a gradual process, but let's assume by the summer we'll start to see some return to regular business levels and can provide full employment for those folks again. And when we start hiring, I just hope there are people left to work in the industry. Some will have permanently left the state.

VTD: Now that there's a coalition, will it continue to work together after the pandemic?

HVW: Vermont is the only state at this point that does not have a state lodging trade association. The Lodging Coalition — the advocacy arm we have created — has partnered with the Vermont Inns and B&B Association. The Vermont Chamber has also always been a resource for innkeepers to go to, as well as our local chambers around the state.

We've talked to associations in New Hampshire and Maine to really understand how they operate, and we feel there is a long-term need for a trade organization organized this way. It's crazy; look at the number of associations in Vermont. Lodging and restaurants combined is I think the largest employer in the state after the state government, but we don't have a state association to develop our own clear mission and voice. Advocacy is a big part of that, and education is another.

And then there is the whole networking thing. If there's one thing I have enjoyed about this, quote unquote, it's just having conversations with innkeepers again, from a small nine-room inn in Bennington to Jay Peak Resort with 1,000 rooms to a 20-room inn in Manchester.

We've not done a good job educating the administration, the Legislature, and the general public about what our industry does, and the impact we have had in the economy and our community. For that, we need a voice that needs to be clear, empathetic and forward-looking.

VTD: What have you learned from working with your peers?

HVW: I've met this group of very competent, dedicated people who are true professionals. It gives me a renewed love for and confirmation of why I am in this business that I started working in at 16.