

# Nick Massad Interview

## AMERICAN LIBERTY HOSPITALITY

BY RAY HANKAMER



**RN:** Nick, you and I met back in the '80s when we were trying our best to weather the Oil Depression and the horrible hotel slump. I never thought to ask you: How did you first come to be in the hotel industry?

**Nick:** I cooked, waited tables, and worked night audit in hotels in high school and college. I heard about the UH Hilton School of Hotel & Restaurant Management about that time. I moved to Houston, graduated from the Hilton School, and was hired as Food and Beverage Manager at a Sheraton hotel, and was promoted to General Manager there in 1975.

**RN:** When did you first go out on your own? What were your first developments?

**Nick:** The owner of American Liberty Hospitality sold the business to me in 1990, twenty-eight years ago. We began managing hotels for others, and then began to acquire hotels. In 1999 we built our first hotel from ground up, Cypress Bend, a golf resort in central Louisiana.

**RN:** I know one of your hugely successful hotels is the Hilton Garden Inn on Sage in the Galleria. Wasn't it one of the first Garden Inns to be built? I know you have always been active and have been a big donor of time and money to the UH Hilton School. When did your first relationship with Hilton as a franchisee begin?



**Nick:** Yes, the Hilton Galleria Garden Inn was one of the first, and it ramped up to break even in only five months, faster than any other hotel we have built. It continues to be very successful, and it was our first hotel under any Hilton brand. The UH Hilton School changed my life and I had always hoped to do business with the Hilton brand. In 2007 our family made a large donation to the college, which was used to build the Massad Family Library and Hospitality Industry Archives, the only one of its kind in the world.

**RN:** Can you give us a run-down of the existing Houston hotels and brands in your portfolio, and was there any one which was especially challenging to develop?



**Nick:** In 2010 we began developing hotels in the Houston CBD, including the Embassy Suites, the Sam Houston Hotel, and the Hampton Inn-Homewood Suites. The Embassy Suites next to Discovery Green, with 262 suites, was especially challenging, because it was on a tiny site of 17,500 SF. Our Houston architects Mitchell Carlson Stone 'shoe-spooned' the hotel onto the site and it was so accepted by the traveling public that it has won Hilton's "Connie Award" three times, the highest honor within the Hilton system, named after the founder, Conrad Hilton.

**RN:** You have a bunch of new developments in the pipeline, including in the Medical Center and the Galleria.



Can you give us an early peek at what is on the drawing board?

**Nick:** Following the success of our dual branded Hampton Inn and Homewood Suites in downtown Houston, we plan to break ground on two new dual brands: one in the Galleria and one in the Texas Medical Center. Combining two hotels within one building is more efficient to build and to operate, since the concept combines two distinctly different hotel products to the traveler-i.e. a regular room and an extended stay room.

**RN:** Some hotel developer-owners are just asset flippers, but operations are the heart of our industry. The most successful developers love operations instead of thinking of them as a necessary evil. I know you are a family company. Do you have a family member coming up through the ranks?

**Nick:** You are right-hotels are part real estate and part an operating business, and without a good operator, the ground and building have less value. We are operators at the core. We build for the long hold, selling 5-10 years following stabilization, or longer if a hotel becomes a legacy asset. Vicki and I have three children and they all have active roles in our corporate development and operations teams. We are thrilled that our children all want to follow us in the business, and...all three are graduates of the University of Houston!