

Salamander Resort encouraged by bookings two months from opening

By: Rebecca Cooper – July 1, 2013

The Salamander Resort & Spa in Middleburg was a flurry of activity on a recent afternoon as dozens of workers prepared for the Aug. 29 opening, painting trim, hanging chandeliers, installing flooring — and, amid all the buzz, giving tours to potential meeting clients.

Those group meeting clients will be key to the success of the resort, which delayed its opening more than two years due to the economic downturn. "The economy in the luxury market has come back significantly since '09," Salamander President Prem Devadas told me during the recent tour. (Full disclosure: Salamander is the new sponsor of Top Shelf.)

Salamander is targeting the high-end meetings market — think board meetings and association conferences — for group sales. The 168-room hotel has a 22,000 square-foot spa, a 2,000 square-foot presidential suite, a 5,000-square-foot grand ballroom and an equestrian facility that can house 22 horses.

Despite Devadas' confidence, the incentive travel market — which includes corporate meetings — has bounced back more slowly than the transient travel market, points out Nikhil Bhalla, vice president of equity research at FBR & Co. Bhalla said Smith Travel Research data show transient travel was up 8.2 percent from last year at the end of May, compared to 3.4 percent for incentive travel during the same period.

"D.C. is being hurt by a lot of issues right now, and sequestration is just one of them," Bhalla said. "For this kind of a resort, it would have to be incentive-type travel, and the problem is that there's less and less of that business right now."

Devadas sees reasons to be encouraged, however.

"The proof is in the strength of booking at rates at about the level we had in the peaks of 2007," Devadas said of the luxury hospitality market. Although the company would not divulge its booking goals, he said that more than 50 percent of its group booking goal has been met — either by groups that have signed a contract or those in the contracting process.

"We have large numbers of groups that want to be among the first, so we have a tremendous book of business for the first three months," he said.

Among those groups who have booked meetings are the New York Stock Exchange, the CATO Institute and Cartier, according to Salamander.

"It's not just how much we've booked but the quality of group," Devadas said.

Luxury meetings bookings can range anywhere from 10 attendees to 150, but "our sweet spot is those meetings that have between 35 and 75 people," Devadas said. The average room rate for the Salamander will be in the "mid-\$400s," although the resort will do discounted group rates.

The focus on corporate meetings also helps spread the resort's business throughout the week, Devadas said.

"Middleburg already attracts a lot of people on the weekends. Most of the corporate groups hold their meetings during the week," he said. "So being able to bring that caliber group during the week is going to be tremendous for the shop owners and businesses nearby."

The resort also appointed its general manager last week, naming Trey Matheu, most recently the general manager of the Ocean Beach Club/Oceanaire Resort in Virginia Beach, to the post.