Management companies had a good 2014, like the rest of the hospitality industry, and are looking forward to a productive 2015. According to this year's *Green Book* respondents, management companies in 2013 saw an increase in the average gross annual revenue, jumping from $202.2 million to $214.5 million. (It should be noted that the median shows a slight decrease in gross annual revenue from $91.1 million to $90 million.)

According to respondents, management companies also operated an average of 34.6 properties, up from the number of properties managed in 2012, which was 32.9. (Of course, the median for both years remains the same at 20.) However, calculating by both mean and median, the total number of rooms managed has increased. In 2012, the mean was 5,187 and the median was 2,643. This year, respondents reported that this had increased in 2013 to a mean of 5,462 and a median of 2,735.

33 The number of spots R.A. Rauch & Associates moved up from last year to this year (102 to 69)...the largest jump in the rankings

Most of the companies in last year's top 10 list remain the same, though there were some newcomers. Crescent Hotels & Resorts slipped into the eighth spot, up from 11 last year. Meanwhile, Aimbridge Hospitality, which had been ranked sixth, moved into the top five with a fifth-place ranking. In related news, both Driftwood Hospitality Management (ranked 24) and Real Hospitality Group (ranked 25) grabbed spots in the top 25, up from 27 and 28 last year, respectively.

The largest jump from last year comes from R.A. Rauch & Associates, which ties Hotel Managers Group, LLC and Pacific Inns LLC for the 69th spot. Last year, the company placed 102. R.A. Rauch & Associates increased its properties managed by 14, which led to a $50-million jump in gross annual revenues.

HRI Lodging LLC also made a significant 25-spot jump, going from 74th last year to 49th this year. The company increased its number of properties managed by 10, which resulted in a $53.9-million rise in gross annual revenue.

—Nicole Carlino

"This is possibly the strongest hospitality environment... The current supply/demand dynamic still has some runway through '15, [but] hospitality fundamentals... will eventually correct the (beneficial) imbalance. A challenge is the increased competition for deals, and the unfortunate reality of market forces beginning to play a leading role ahead of fundamentals in some underwriting."

—Mitch Patel
Vision Hospitality Group, Inc.

"The 2015 outlook for the industry is very positive. RevPAR growth should be in the 4-6% range in 2015, leading to continued NOI increases... [But] one of the key challenges is the proliferation of intermediaries. Google and Amazon are either entering or rumored to be in the hotel retail space and trying to muscle out the incumbent OTAs. These tech giants have a lot of financial muscle and bargaining power. Our industry needs to be vigilant to keep control of our inventory and pricing decisions. The entry of these new players can be beneficial if we recognize their value propositions and use these channels for dates that we need to fill the rooms.

—Aik Hong Tan
Greenwood Hospitality Group

"Demand continues to increase as the economy strengthens and, since the supply pipeline has been repressed, it has allowed hotels to increase ADR to record highs in most markets. The downside is that development activity has started to increase, which will inevitably result in both occupancy and ADR stress... 2015 is likely to be another good year.

—Rick Takach
Vesta Hospitality

"While many markets have reached or exceeded prior peak occupancy levels, group occupancy and ADR still have room to grow. Corporate and consumer confidence are on increasingly solid ground, and the economic outlook reflects continued moderate growth, but with some acceleration. Economic growth is more widespread with laggard sectors (manufacturing, construction and government) beginning to show expansion. International demand is a meaningful area of opportunity. As most of it is concentrated in key gateway markets along the coasts, the challenge is capturing this guest in nontraditional markets."

—Jamie Sabatier
Destination Hotels & Resorts

"With an economy that is starting to hit on most cylinders, a good balance between supply and demand and all-time high occupancy levels, we expect 2015 to be a great year for the industry. The biggest opportunity would be to capitalize on those expected high occupancy levels and maximize ADR growth to offset the rising costs of doing business. Continuing to recruit and hire talented team members is a critical component of our success. Maintaining strong relationships with our employees, owners, brand partners and peers is as important as ever."

—Chris Russell
Pillar Hotels & Resorts