

5 Things to Know

5 things to know: 12 June 2018

12 JUNE 2018 9:39 AM

From the desks of the Hotel News Now editorial staff:

- IHG launches new upscale brand, Voco
- LaSalle shareholder HG Vora backs Pebblebrook's offer
- HNN's roundup of global analysis
- Fed must decide how to handle low unemployment
- US consumer prices rose again in May



By the HNN editorial staff

1

IHG launches new upscale brand, Voco: InterContinental Hotels Group unveiled [its newest upscale brand, Voco](#), according to a news release. The brand will grow through conversion opportunities.

IHG will focus on growing the brand in Europe, the Middle East, Africa and Asia first before bringing it to the Americas and Greater China, the release states, and it already has its first signing in Australia: the Watermark Hotel & Spa Gold Coast in Surfers Paradise. The company aims for incremental growth with a goal of 200 properties in urban and leisure markets over the next 10 years.

"The Voco brand promises guests an experience that is reliably different, brought to life through a bold, distinctive identity, informal service style and thoughtful touches along the guest journey," IHG CEO Keith Barr said in the release.

2

LaSalle shareholder HG Vora backs Pebblebrook's offer: [Hedge fund HG Vora Capital Management](#), the third-largest shareholder of LaSalle Hotel Properties, called [Pebblebrook's revised offer](#) superior to Blackstone's offer, Reuters reports. The hedge fund owns a 9.1% stake in the company after increasing its stake over the past few months.

HG Vora Capital has appealed to LaSalle's board in the past to negotiate with Pebblebrook over its past merger offers. LaSalle announced it had entered into [an all-cash agreement](#) to be acquired by Blackstone for \$33.50 per share.

3

HNN's roundup of global analysis: Hotel News Now has published a series of articles over the past six months analyzing obstacles and demand drivers in [several international markets](#), writes HNN's Robert McCune.

The roundup includes news stories by HNN's Terence Baker as well as analytical pieces by [STR's](#) Jan Freitag and Jesper Palmqvist. STR is the parent company of HNN.

4

Fed must decide how to handle low unemployment: The Federal Reserve is facing an issue it has only faced twice before in the last 50 years: [low U.S. unemployment](#), The Wall Street Journal reports. The unemployment rate has only fallen below 3.8%—where it stands now—during the late 1960s and again for a month in 2000.

One of the questions the Fed will have to answer is whether a job market with low unemployment can bring in people who are not currently working and increase the workforce participation rate, the newspaper reports. This would allow the economy to use these unused resources and grow safely, which means the Fed could raise interest rates slowly. If people outside of the job market aren't ready to enter, the Fed could take a more aggressive approach with interest rate increases.

The consequence of the wrong choice: another recession.

5

US consumer prices rose again in May: [U.S. consumer prices rose in May](#), which The Wall Street Journal calls "a further sign price pressures in the economy are solidifying." The consumer-price index grew by 0.2% during the month, according to the U.S. Department of Labor, and core prices also increased by 0.2%.

The cost for lodging away from home, an underlying shelter index, grew by 2.9%, the newspaper reports, which was the largest increase in this measure since last summer.

"Prices rose 2.8% last month from the prior year, the strongest reading since February 2012, when inflation was 2.9%," the newspaper reports.

Compiled by Bryan Wroten.