

## Preferred picks up Luxe Collection hotels

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Preferred Hotels & Resorts is stepping in where Luxe Collection is leaving off.

Los Angeles-based Luxe Collection told its independent hotel members in mid-September that it was ending its representation of them. Preferred is offering 18 of those properties interim distribution services through Sabre Hospitality for a period of time at the hotels' prior terms through Luxe, as long as the hotels meet certain standards and agree to other terms set forth by Preferred.

Luxe's decision to end representation involved several factors, including worldwide lockdown due to COVID-19 and the "cost versus profit associated with a management-intensive operation," Aron Harkham, president of Luxe Hotels, told HOTELS.

So far, 18 former Luxe properties in the U.S. and Europe have expressed interest in signing the extension agreement with Newport Beach, California-based Preferred. Other independent hotels represented by Luxe have pursued other routes or are interested in technology-only agreements with Sabre because they didn't meet Preferred's brand standards, a Preferred spokeswoman said.

"Preferred reviewed the list of Luxe's independent hotel members and identified those that would or could meet its brand criteria and be eligible for one of its five collections," the spokeswoman said. "Preferred offered to continue hotels' existing terms and services that been agreed upon previously with Luxe until such time as the parties determined if a membership relationship with Preferred Hotels & Resorts was mutually achievable or desirable." Other specifics regarding terms are confidential, she said.

"We made the decision to discontinue our representation company," Harkham said. "We're going to continue working on the Luxe brand and servicing our own properties," he added; those include properties in Los Angeles and New York City.

Sabre, which counts both Preferred and Luxe as technology clients, asked Preferred to add services and brand affiliation part of a bridge agreement that would allow the hotels to maintain continuity in their markets.

The tech company "put us in touch with the Preferred team, who are going to continue to support many of the hotels we've worked with for many years," Harkham said. "They're a fantastic team, and we're glad the transition was executed with as little challenge to our member hotels as possible."

According to the Preferred spokeswoman, the goal is to reach a long-term, brand-level agreement with the 18 hotels it has identified.

"Our ultimate goal is to make a temporary accommodation to protect the long-term independent status of as many hotels as possible," she said.