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Hard Rock Hotel in Waikiki?

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Hard Rock International is seeking to expand in Hawai'i with its music-themed brand of luxury hotels — four-star boutique properties with a rock 'n' roll flair.

The company more known for its Hard Rock Cafe restaurants has been discussing possible hotel acquisitions or management deals in Waikiki, including one involving the Yacht Harbor tower of the Renaissance Ilikai Waikiki Hotel being bought by local developer Brian Anderson.

The company has yet to ink any definitive deal, according to people familiar with the Hard Rock Hotel effort.

But if successful, the endeavor would establish the first big-name theme hotel in the state and one of the hottest growing brands in high-energy, high-end vacation accommodations.

"It's a fun place," said F. Kevin Aucello, hotel division director for local real estate firm CB Richard Ellis Hawai'i Inc. "It'll be a good draw for people looking for a hip, young visitor experience."

Victoria Martinez, a spokeswoman for Hard Rock in New York, said the company is looking at a number of development opportunities throughout the world, but as a rule does not comment on pending deals.

Hard Rock has parlayed its music-related brand beyond its core of 121 Hard Rock Cafes into the hotel business by emphasizing more than memorabilia.

Live music is a regular feature at Hard Rock Hotels. Room designs reflect a rock "attitude." The hotels typically also feature upscale restaurants such as Nobu, spas, meeting rooms and elaborate pools with underwater sound systems.

Retail stores selling Hard Rock-branded merchandise are a given. Casinos and Hard Rock Cafes are part of some, but not all, Hard Rock Hotels.

Hard Rock International, a subsidiary of London-based The Rank Group Plc, entered the hotel business in 1995 when it opened the Hard Rock Hotel Las Vegas.

Expansion initially developed slowly, with a second Hard Rock Hotel in Bali in 1998, followed by two more in 2001 in Orlando, Fla., and Pattaya, Thailand.

In 2003 under a more aggressive effort to extend Hard Rock's hotel brand, the company formed a 50-50 joint venture to develop, manage and franchise Hard Rock Hotels with Sol Meliá SA, a Spanish company with more than 350 hotels mostly in Europe.

Since then, Hard Rock opened three hotels in Chicago; Tampa, Fla.; and Hollywood, Fla. Four more are planned in Colorado, Mississippi, New York and San Diego, and another in Madrid, Spain.

"Our goal in 2006 is to continue to expand the Hard Rock brand with unique, new properties — including urban hotel and destination resorts," Trevor Horwell, Hard Rock Hotel vice president, said in a statement this month announcing the Colorado deal.

Aucello of CB Richard Ellis said Hard Rock would serve hip, upscale travelers in Waikiki, a market niche mostly left to the 50-room W Honolulu-Diamond Head hotel.

"I think that market has been underserved," Aucello said. "(A Hard Rock Hotel) would be a great product. It'll do well."

Some local hotel industry experts note that Waikiki could be a difficult market for Hard Rock to enter, given limited opportunities to develop or acquire and remodel a well-located hotel.

Other observers familiar with the company's effort said Hard Rock is very intent on expanding its brand to the popular urban Hawai'i resort where visitor counts and room rates are booming.

Two strategies Hard Rock has used in its more recent hotel deals have been renovating and rebranding existing hotels, and developing new hotels for sale by the unit to individual buyers.

In Hawai'i, Anderson and other developers have been leading the trend of acquiring existing hotels for renovation and resale by the unit as so-called condotel conversions.

More than one person familiar with Anderson's effort to buy part of the Ilikai said the developer has discussed a deal with Hard Rock but not reached an agreement. The sources asked not to be identified to avoid damaging business relationships.

Anderson last month struck a tentative deal to buy about 700 hotel units and some common areas in the Ilikai, which is composed of the smaller Yacht

HARD ROCK'S HOTEL BUSINESS	
Location	Year Opened
Las Vegas	1995
Bali	1998
Orlando, Fla.	2001
Thailand	2001
Chicago	2004
Tampa, Fla.	2004
Hollywood, Fla.	2004
Hotels planned or under development in Biloxi, Miss.; Copper Mountain Resort, Colo.; New York; San Diego; and Madrid, Spain.	

Harbor tower with 358 hotel rooms and the main Y-shaped Ilikai Apartment Building high-rise with roughly 575 condominiums, 345 hotel units and 80 time-share units.

Patrick O'Neill, Anderson's project consultant on the Ilikai purchase, said final decisions have not been made on what will become of the hotel operations being bought if a purchase is completed as expected next month.

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