

Luxury Travel

# The Trump SoHo Hotel Was Struggling to Survive. Then It Dropped Its Name

After removing its association with the president and rebranding as the Dominick, the downtown Manhattan tower has become a hot commodity.

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By [Nikki Ekstein](#)

February 27, 2019, 4:00 AM EST

At midnight on Dec. 20, 2017, the Trump SoHo New York faded into the history books. But the lights never turned off and the doors never closed. Instead, the David Rockwell-designed hotel—which commands some of the most impressive views in the city—took on a new name. When its guests woke up on Dec. 21, they became the first patrons of the Dominick.

In the year since the hotel's rechristening, not much has changed. While at the spa you can now get a Detox & Glow facial from skin-care line Babor, instead of the former offering, Ivanka's Choice, the lobby still bears the Trump SoHo's signature travertine-and-gold aesthetic. The main restaurant, which closed long ago because of slow business, remains shuttered, and the ultraspacious rooms have maintained their custom Fendi furnishings and tufted-leather headboards. Even the staff has mostly remained in place.

But business has done a full 180. At a time when New York's luxury and upper-upscale hotels are flagging—with demand, revenues, and occupancy all stagnant or slowing, according to data from

research firm STR—the Dominick’s revenue per available room, or revpar, rose more than 20 percent from a year earlier, recovering fully from a prolonged slump. The hotel’s average nightly rate shot up \$51, or 20 percent, compared with a citywide average increase of just 2 percent among its competitors. And the 391-room, 46-story hotel booked 7,000 more room nights in 2018 than in 2017.

## What’s in a Name?



The rooms at the Dominick needed no significant upgrades from their Trump SoHo days. *Source: The Dominick*

“Often times, changing your name alone is not the answer to turning around your business,” says Gesina Gudehus-Wittern, director of IpsosStrategy3, a branding consulting firm. If something is wrong with the product itself, changing what you call it won’t make a difference, she says. The Mondrian SoHo, a competitor to the Dominick, for example, has continued to sell at below-market rates after going bankrupt and then being sold and rebranded as NoMo SoHo.

“But if the challenge is in the name itself—if it no longer plays the role it was intended to play and has become a liability instead,” she says, “the solution can be as simple as that.”

Gudehus-Wittern says she thinks that’s the case with the Dominick. “No matter what your stance, one thing almost everyone certainly wants to take a vacation from is politics,” she says. “If you’re in town on business and billing a client, you want to leave politics out of the equation. And if Trump’s perspectives don’t align with your own, you don’t want to show yourself on social

media at a hotel that bears his name.” Red, blue, indifferent—every demographic, she says, has an easy excuse to stay anywhere other than a hotel bearing the Trump name.



The soaring building was once known as the Trump SoHo. *Source: The Dominick*

True to her point, the product itself was never problematic. The ex-Trump SoHo may be faulted for being slightly soulless, but its rooms are among the largest and best-priced among the hotel’s competitive set, its sky-high city views stretch in every direction (thanks to some exploited loopholes in zoning regulations), and it offers a condo-like experience in a well-connected corner of lower Manhattan.

“If you’re looking for something spacious downtown where you can feel comfortable for a full week, it’s the perfect hotel,” says Jack Ezon, founder and managing partner of high-end travel company Embark.

The perfect hotel with an imperfect name, that is. “Seven out of eight times people would say, ‘I’m not staying at a Trump Hotel’ when I suggested it,” Ezon says. LeBron James was one such guest; NBA players once loved the hotel for its extra-long beds, but the then-star of the Cleveland Cavaliers prominently refused to stay there with his teammates.

Now, Ezon says, former naysayers are back to booking the Dominick’s presidential suite: “Change the name on the door, and boom.”



Representatives from the Trump Organization didn't immediately respond to a request for comment.



A penthouse suite at the Dominick includes a pool table. *Source: The Dominick*

## New Advantages

Other factors could certainly be contributing to the Dominick's spike in business. For one, one of its few neighboring competitors, The James, is in a state of flux after being acquired by new ownership in late 2017 and awaits a rebranding later this year. And while the Dominick technically is now an independent hotel, which can be a challenge for marketing, rather than part of a known brand, it's gained a distribution stream through its partnership with Preferred Hotels. "Stripping away big-box connotations of any kind and creating an indie appeal can be a boon in the hotel industry," Gudehus-Wittern says.

The hotel's new general manager, Dant Hirsch, has a track record of opening flashy resorts (Faena Miami Beach, Princeville Resort, Como Parrot Cay) and is well liked among the travel agent set, which certainly doesn't hurt, either. His goals, he says, have been more about repositioning than relaunching, focusing first on rejoining influential industry associations such as Virtuoso and American Express that can drive big business, and then carrying out a subtle room refresh and rethinking food and beverage.

“We want to get the hotel back to feeling like it’s brand new,” he says, “but since it’s only eight years old and the design is still relevant, it’s more about restoring normal wear and tear and finding the right restaurant and bar concepts.”

Even with all these gains, the hotel’s owner, CIM Group, is weighing a possible sale, which means Hirsch continues to have his work cut out for him. His plan to build business with locals should help. By June there should be a full lineup of new food and beverage options, including one dining venue that he says will be “on par with any of the great restaurants in SoHo,” as well as a sushi bar by the rooftop pool.



The pool deck at the Dominick will soon be home to a sushi bar. *Source: The Dominick*

## A Global Trend

The Dominick isn’t an isolated case. A similar narrative has played out in Toronto, where the Trump Hotel signage was taken down on July 18, 2017. Now the hotel is taking reservations as a gleaming St. Regis, one of Marriott’s most luxurious brands. While the property has declined to share statistics on how its business has changed after the renaming, general manager Tim Terceira says he’s seen incremental increases in room rates, which he attributes to the St. Regis brand affiliation, and a positive trend line for revpar.

More noticeable, perhaps, is a return to the hotel of the city’s creative elite, particularly during the Toronto International Film Festival.



“The film industry has already made their decisions about where they’re willing to stay and not stay in Toronto, and there was certainly a change here,” he says, referring to the moment when the hotel changed its name. “Now that we’ve made the narrative fully focused on St. Regis, we’ve been able to gain the confidence of the [film] studios.”



The ex-Trump Toronto has been fully renovated and operates as the city's first St. Regis. *Source: St. Regis Toronto*

Substantiating that claim is data from System2, a quantitative analysis firm, that tracked foot traffic at the St. Regis and Dominick hotels in the months immediately before and after their renaming. In both cases, the Trump hotels were underperforming relative to their rivals. Within two months of getting a new name, the hotels had become competitive again.

The hotels in New York and Toronto have retained their original owners, both of whom had to pay fees to terminate their licensing deal with the Trump Organization.

The only other Trump hotel to be rebranded since the 2016 election, now the JW Marriott Panama City, declined to comment for this story, though its owners celebrated the renaming vociferously. Meanwhile, the Trump Organization said earlier this month that it was walking away from more than a dozen hotel deals, including the development of two new brands that would have been called Scion and American Idea.



Contrast this with Washington, D.C., where politics is everything. The Trump International Hotel there has proved to be a remarkable success, so popular with Republicans and foreign officials that it's become the subject of two legal cases involving potential violations of the emoluments clause in the Constitution.



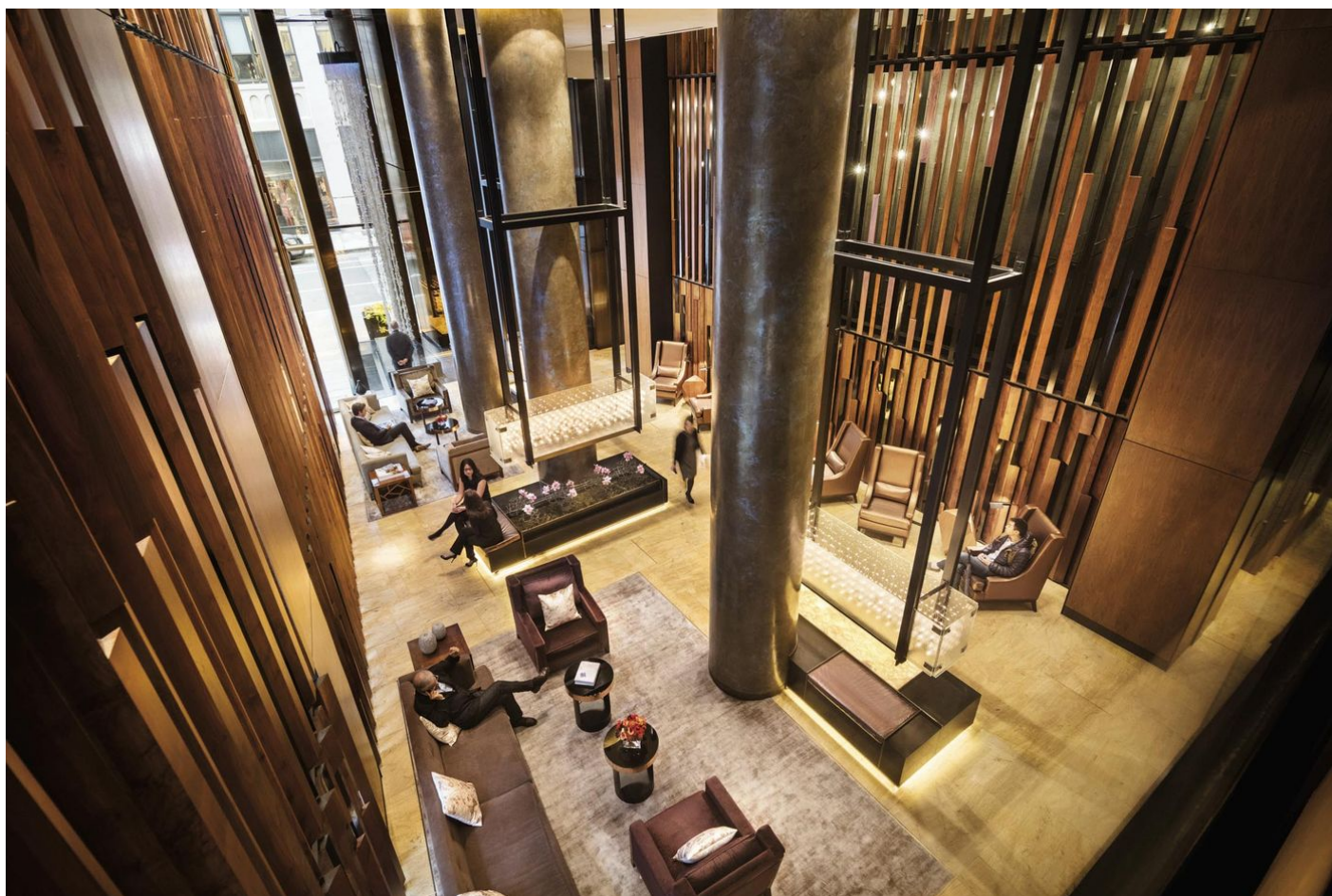
The reimagined lobby of the St. Regis Toronto *Source: St. Regis Toronto*

## Looking Ahead

The “Trump effect” has soured business for hotels more than it has for real estate. In New York, where the company owns almost a dozen buildings, a handful of residential towers have scrubbed themselves clean of the Trump name. The rest are still thriving, says Donna Olshan, president of Manhattan-based Olshan Realty. “Brokers advertise the addresses, not the building names, and at the end of the day, everything comes down to price—bang for buck, dollar per square foot.” That’s an advantage for Trump’s decades-old buildings, she says.

“It’s easier to make a choice based on branding when you’re just deciding where to stay for the weekend,” Olshan says. “And frankly, having a Trump hotel in SoHo just feels like an oxymoron at this point,” considering the demographic interested in staying downtown, she says. “It’s just business, and if anyone can understand that, it would have to be Donald Trump.”





The lobby of the Dominick *Source: The Dominick*

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