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STR reports U.S. hotel Pipeline for May 2009

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HENDERSONVILLE, TN || The total active U.S. hotel development pipeline includes 4,907 projects with 522,778 rooms, according to the May 2009 STR/TWR/Dodge Construction Pipeline Report released this week. This represents a 22.2-percent decrease in the number of rooms in the total active pipeline compared to May 2008. The total active pipeline data includes projects in the In Construction, Final Planning and Planning stages, but does not include projects in the Pre-Planning stage.



“As the recession continues to drudge along, hotel construction in all scales is showing decline,” said Duane Vinson, vice president of content management for STR. “In sheer numbers the Upscale segment has nearly 9,000 fewer rooms in the In Construction phase now versus a year ago, while the Upper Upscale segment has over 7,000 fewer rooms in the In Construction phase of the active pipeline. The Midscale without Food and Beverage segment, another segment that has come on strong in the last year adding nearly 20,000 new rooms, is posting an In-Construction decline of 10.1 percent. This amounts to approximately 6,000 fewer rooms now being built when compared to last May.”

“One area that we will continue to watch as signs of a recovery emerge is the Pre-Planning activity,” Vinson continued. “You could certainly speculate that developers will be paying close attention to get an early jump once things show any glimmer of improving. This is a pattern that we’ve seen develop rapidly following the last two downturns.”

When looking at the number of rooms in the In Construction phase of the active pipeline, all seven chain-scale segments reported decreases in year-over-year measurements. The Midscale with Food and Beverage segment was the only segment to report a single-digit decrease in the amount of rooms in the In Construction phase, only falling 0.6 percent to 9,201 rooms. Three segments posted year-over-year decreases of more than 20 percent in the number of rooms in the In Construction phase, including the Unaffiliated segment’s 44.7-percent decrease to 24,289 rooms, the Economy segment’s 42.8-percent decrease to 6,441 rooms, and the Upper Upscale segment’s decrease of 30.0 percent to 16,703 rooms.

U.S. Pipeline by chain-scale segment (number of rooms and percent change May 2009 vs. May 2008):

Chain Scale	Existing Supply	% Change	In Construction	% Change	Total Active Pipeline	% Change
Luxury	103,315	+9.1%	6,153	-15.2%	10,616	-20.0%
Upper Upscale	589,019	+4.5%	16,703	-30.0%	32,043	-37.4%
Upscale	480,154	+9.5%	43,130	-17.2%	127,242	-15.4%
Midscale w/ F&B	509,225	-1.2%	9,201	-0.6%	29,065	-11.0%
Midscale w/o F&B	797,725	+7.4%	52,835	-10.1%	157,733	-11.1%
Economy	760,273	+1.2%	6,441	-42.8%	16,242	-52.8%
Unaffiliated	1,505,260	+0.8%	24,289	-44.7%	149,837	-29.5%
Total	4,744,971	+3.1%	158,752	-23.1%	522,778	-22.2%

*Includes those projects in In Construction, Final Planning and Planning phases

About STR/TWR/Dodge Construction Pipeline Report: The Pipeline Report is co-produced by Torto Wheaton Research, Dodge Construction, and dedicated pipeline team at STR. Available as an annual subscription or a local Market Supply Report, the Pipeline Report is a comprehensive look at new hotel development and existing supply in the

U.S. and Canada.

About STR & STR Global: For more than 20 years, Smith Travel Research has been the recognized leader for lodging industry benchmarking and research. Smith Travel Research and STR Global offer monthly, weekly, and daily STAR benchmarking reports to more than 36,000 hotel clients, representing nearly 5 million rooms worldwide. STR is headquartered in Hendersonville, Tennessee, and STR Global is based in London. For more information, visit www.strglobal.com or www.HotelNewsNow.com.

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