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New England closes Q3 2022 with 110 projects and 12,269 rooms in its hotel construction pipeline - by JP Ford

January 20, 2023 - Front Section



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As seen in the Q3 2022 U.S. Hotel Construction Pipeline Trend Report from Lodging Econometrics (LE), the total New England hotel construction pipeline at the end of the third quarter stands at 110 projects/12,269 rooms. New construction project counts in the region are down 2% by projects and 4% by rooms year-over-year (YOY), compared to 2021's year-end totals of 112 projects/12,741 rooms. Massachusetts leads the region with the most hotel projects in the pipeline at Q3, with 52 projects/6,126 rooms, accounting for 47% of new construction projects in New England's total pipeline. Connecticut follows Mass., with 23 projects/2,367 rooms, then New Hampshire with 14 projects/1,768 rooms, Maine with 10 projects/872 rooms, Vermont with 7 projects/694 rooms, and, finally, Rhode Island with 4 projects/442 rooms. (See Chart 1)

At the end of Q3 '22, New England had 22 projects/2,256 rooms under construction, 32 projects/3,771 rooms scheduled to start in the next 12 months, and another 56 projects/6,242 rooms in early planning. Not surprisingly, Mass. leads in all three stages of the pipeline and accounts for 32% of the projects under construction, 38% of the projects scheduled to start in the next 12 months, and 59% of the projects in early planning for the region.

Throughout New England there were a total of nine hotels, accounting for 975 rooms, that opened in the first three quarters of 2022. Four of these new openings were in Mass., with the Boston market accounting for three of the four of the state's total opens. Maine had three hotels open through Q3, and Conn. and N.H. each opened one new hotel throughout the first three quarters of 2022. LE analysts forecast 13 projects, accounting for 1,417 rooms, to open across the New England region in 2022, and another 14 projects, accounting for 1,290 rooms, are expected to open in 2023.

Hotel renovation and conversion activity YOY is up in New England at the end of Q3 2022, with 63 hotels/7,837 rooms reported to be in the renovation or conversion pipeline. Mass. has 18 hotels/2,692 rooms, Conn. follows with 18 hotels/2,285 rooms, then Maine with 10 hotels/770 rooms under renovation or conversion. New Hampshire has eight hotels/795 rooms under renovation or conversion at the Q3 close, R.I. follows with five hotels/877 rooms, then Vermont with four hotels/418 rooms. (See Chart 2).

Franchise companies, in the New England states, with the largest project counts in the construction pipeline, at Q3 2022, are Hilton with 34 projects/3,489 rooms, Marriott International with 19 projects/2,169 rooms, and InterContinental Hotels Group (IHG) with six projects/551 rooms. These three companies account for 54% of the total projects in the region's construction pipeline at the end of 2022's third quarter.

The leading brands in New England for each of these franchise companies are Home2 Suites by Hilton with 16 projects/1,704 rooms, IHG's Holiday Inn Express brand with five projects/425 rooms, and Marriott's Residence Inn brand with four projects/517 rooms.

In 2022, there have been a reported 28 hotels/4,359 rooms sold in New England with an average selling price per room (ASPR) of \$179,253. Massachusetts had the highest number of total hotel sales, with 14 hotels selling for an ASPR of \$216,632.

The Wequassett Resort and Golf Club, affiliated with Preferred Hotels & Resorts, topped the charts for the highest ASPR of any hotel sold in New England as of Q3 2022, selling in May for an ASPR of \$850,000. In June, Gurney's Newport Resort & Marina in Newport, R.I. sold for the second highest ASPR in New England at \$677,043. Following Gurney's Newport Resort & Marina is the Courtyard by Marriott Boston Brookline, Mass. which sold in August for an ASPR of \$342,561.

For more information on the New England hotel construction and development pipeline or hotel transactions in New England, or any individual market in the U.S., or any global market, country, or region contact Lodging Econometrics.

Lodging Econometrics (LE) is one of the leading providers of global hotel development intelligence, decision-maker contacts, and unparalleled customer service.

Combining 40 plus years of industry experience, a real-time pulse on market trends, and extensive knowledge of key decision- makers, LE delivers actionable business development programs for hotel franchise companies looking to accelerate their brand growth, hotel ownership and management companies seeking to expand their portfolios, and lodging vendors/suppliers looking to increase their sales.

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Ford leads all the strategic sales initiatives globally for Lodging Econometrics. He is an industry-leading real estate advisory specialist with 35 years of experience providing business development, acquisition, and disposition services.

Ford serves as a trusted advisor to franchise companies looking to identify branding opportunities; ownership and management groups looking to add real estate assets and management contracts to their portfolios; lodging industry vendors seeking to increase product distribution and Wall Street analysts interested in evaluating hotel development, hotel sales transaction trends, and assessing investment potential in hotel companies and markets. He is also knowledgeable about tourism trends and the impact of macroeconomic trends on the lodging industry.

Ford chairs the committee responsible for gathering nominations and selecting the finalists for the Americas Lodging Investment Summit (ALIS) "Development of the Year" awards, which recognizes the most outstanding achievement in hotel construction and design in the country. Ford is also a committee member of the Caribbean Hotel and Resort Investment Summit (CHRIS), which selects the "Development of the Year Award" in the Caribbean. He is also a speaker at various hotel industry events and conferences and regularly contributes to several lodging real estate publications.

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