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New England closes Q1 2024 with 134 projects and 15,492 rooms in its hotel construction pipeline - by JP Ford

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As seen in the Q1 2024 U.S. Hotel Construction Pipeline Trend Report from Lodging Econometrics (LE), the total New England hotel construction pipeline at the end of the first quarter stands at 134 projects/15,492 rooms. New construction project counts in the region are up 17% by projects and 21% by rooms year-over-year (YOY), compared to 2023's first quarter totals of 115 projects/12,812 rooms. Massachusetts leads the region with the most hotel projects in the pipeline at Q1, with 54 projects/6,994 rooms, accounting for 40% of new construction projects and 45% of new construction rooms in New England's total pipeline.

Connecticut follows Massachusetts, with 25 projects/2,917 rooms, then Maine with 24 projects/2,057 rooms, New Hampshire with 15 projects/1,796 rooms, Vermont with 10 projects/1,055 rooms, and, finally, Rhode Island with 6 projects/673 rooms. (See Chart 1)

At the end of Q1 2024, New England had 30 projects/3,279 rooms under construction, 30 projects/3,197 rooms scheduled to start construction in the next 12 months, and another 74 projects/9,016 rooms in early planning. Early planning means those projects that are more than twelve months away from starting construction. Not surprisingly, Massachusetts leads in two of the three stages of the pipeline and accounts for 43% of the projects under construction, 27% of the projects scheduled to start in the next 12 months, and 45% of the projects in early planning for the region.

Throughout New England there was one hotel, accounting for 95 rooms, that opened in the first quarter of 2024. This new opening was in Maine. LE analysts forecast 17 additional projects, accounting for 1,711 rooms, to open across the New England region in 2024, and another 18 projects, accounting for 1,973 rooms, are expected to open in 2025.

Unlike the rest of the country, hotel renovation and conversion activity YOY is down in New England at the end of Q1 2024, with 76 hotels/8,000 rooms reported to be in the renovation or conversion pipeline. Massachusetts has 24 hotels/3,328 rooms, Connecticut follows with 21 hotels/2,259 rooms, then Maine with 14 hotels/808 rooms under renovation or conversion. New Hampshire has 8 hotels/642 rooms under renovation or conversion at the Q1 close, Vermont follows with 5 hotels/462 rooms, then Rhode Island with 4 hotels/501 rooms. (See Chart 2)

Franchise companies, in the New England states, with the largest project counts in the construction pipeline, at Q1 2024, are Hilton Worldwide, Marriott International, and IHG Hotels & Resorts. These three franchise companies account for 53% of the total projects in the region's construction pipeline at the end of 2024's first quarter.

The leading brands in New England for each of these franchise companies are Home2 Suites by Hilton, Marriott's Residence Inn brand, and IHG's Holiday Inn Express brand.

In 2024, there have been 2 hotels/138 rooms sold in New England with reported selling prices and an average selling price per room (ASPR) of \$383,889. These hotels sold in Massachusetts and Connecticut.

For more information on the hotel development pipeline or hotel transactions in New England, or any individual market in the U.S., global city, country, or region: contact LE 603.431.8740, ext. 0025, or info@lodgingeconometrics.com.

Lodging Econometrics is one of the leading providers of global hotel development intelligence, decision-maker contacts, and unparalleled customer service. Combining 40+ years of lodging 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 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.

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. Ford is also a speaker at various hotel industry events and conferences and regularly contributes to several lodging real estate publications.

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