

Global hotel pulse: Americas news

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In this week's roundup of news from the Americas region: A look at June data; California development update; Interstate's new culture; and more.



By the HNN editorial staff

Hotel News Now each week features a news roundup from a different region of the world. Today's review covers the Americas.

June data shows U.S. hotels' rocket is losing fuel

Year-over-year monthly [revenue per available room decreased in the U.S. for the second time this cycle](#) as slowing room demand growth could signal the hotel industry's spaceship is re-entering a downturn's orbit, writes Jan Freitag, SVP, lodging insights, [STR](#), the parent company of Hotel News Now.

RevPAR during June fell by 0.4% and room demand only increased 0.6%, the lowest rise this year and the third-lowest in the past 18 months.

"Yes, June room demand (118 million rooms sold) is a new June high, but the industry only sold 700,000 more rooms than a year ago, a very poor showing after selling over 2 million more rooms in each of the prior months," Freitag writes.

5 things to know about California hotel development

Within the first half of 2019, [California saw a record pace of new hotel construction](#), with Marriott International-branded hotels leading in number of new rooms and hotels in the under construction phase, writes Hotel News Now's Danielle Hess, according to Atlas Hospitality Group's 2019 Mid-Year California Hotel Development Survey.

According to the survey, 36 hotels opened in the first six months of 2019, and new hotels under construction increased 28% as the number of new rooms under construction rose 25%. Alan Reay, president of Atlas, said Marriott is the No. 1 choice for developers in California for new hotel product. A total of 71 Marriott-branded hotels and 11,200 rooms were under construction during this time.

"The vast majority is that higher-end limited service," he said. "The exception to that is the huge volume of full-service product that we are seeing in the downtown Los Angeles market, which really is leading all of California in terms of hotel development."

A look at Interstate Hotels & Resorts' new culture

Interstate Hotels & Resorts, which has about 35,000 employees and manages hotels across the globe, [puts its people first in efforts to strengthen company culture](#). Speaking with HNN's Bryan Wroten during a recent visit to Interstate's headquarters, President and CEO Mike Deitemeyer said he came to the company two years ago with a mission to bring passion and energy.

The first step for him was reaching out to the 35,000 employees at the company's hotels around the world to interact with them as much as he could. However, that wasn't an easy task.

"Deitemeyer and his team went on a road show, visiting 75 hotels over a series of months to talk to hourly employees. They held cocktail receptions to have longer, more in-depth conversations with managers, to reconnect with them and show them how important they are to the company's success," Wroten writes.

Q2 performance

U.S.: In the second quarter of 2019, hotels in the U.S. reported mostly positive results in the three key performance metrics. Occupancy was mostly flat (-0.1% to 70), but a 1.2% lift in average daily rate to \$133.01 pushed revenue per available room up 1.1% to \$93.17, according to data from [STR](#).

Canada: During the same period, the Canadian hotel industry also reported mostly positive year-over-year results. Occupancy dipped 0.4% to 68.3%, but a 2.6% increase in ADR to 167.71 Canadian dollars (\$127.52) lifted RevPAR up 2.1% to CA\$114.52 (\$87.08).

Mexico: Mexico's hotel industry reported negative year-over-year performance results during the quarter. Occupancy dipped 3.1% to 61.8% while ADR also dropped 3.1% to 2,182.69 Mexican pesos (\$114.81) and RevPAR declined 6.1% to 1,349.50 pesos (\$70.98).

Central/South America: Hotels in Central and South America recorded mixed year-over-year results during Q2, data from STR shows. Occupancy rose 2.4% to 56.4%, but ADR plummeted 42.9% to \$94.48, pulling RevPAR down 41.5% to \$53.28.

Deals, developments, people on the move

- AC Hotels announced in June the opening of its first hotel in Jamaica with the AC Hotel Kingston, Jamaica, featuring 219 guestrooms.
- Radisson announced the opening of the 180-key Radisson Hotel Sunnyvale – Silicon Valley. It was previously a Country Inn & Suites. The hotel is owned by Hospitality Properties Trust.
- Officials of a joint venture comprising of Wexford Lodging Advisors and Trinity Private Equity group announced the acquisition of the 398-room Marriott Kansas City Overland Park, no sale price was disclosed. The JV will invest \$17 million to upgrade the property. Davidson Hotels & Resorts will manage the hotel.
- Sofitel Los Angeles at Beverly Hills hired Aidan Demarest as director of nightlife.
- LXR Hotels & Resorts, a luxury collection brand under Hilton that officially launched in December 2018, announced its first property in the Americas with 65-key Zemi Beach House Hotel & Spa in Anguilla. Set to open in November, it will be owned, operated and managed by the Goldstein Family of New York.
- In other Hilton news, Hampton has signed a franchise agreement with Argenway to introduce the brand in Argentina with the Hampton by Hilton Rosario. The hotel is slated to open in 2023.
- The 140-key Hyatt Centric Campestre Leon opened in Mexico in late July. This is the Hyatt Centric brand's first entry into Mexico.