

Vacancy

A hospitality boom hits the Fresno metropolitan area.

By Sanford Nax / The Fresno Bee

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Fresno's two newest hotels open next door to each other Feb. 15, which isn't as crazy as it sounds.

Homewood Suites and SpringHill Suites are opening similar-sized hotels at Fresno Street and Herndon Avenue. The same franchisee operates both inns, which share a common driveway.

The new hotels add almost 240 rooms in a metropolitan area in the midst of a hospitality boom. Two more hotels are under construction near Shaw and Helm avenues in Clovis, the former Hilton in downtown Fresno is being remade into a Holiday Inn that could open in March and plans call for new lodging in northwest Fresno and at Campus Pointe near California State University, Fresno.

Hotel analyst Roger Story said while the addition of SpringHill Suites and Homewood Suites adds to the competition around Kaiser Medical Center, the region can support more.

The average occupancy rate in Fresno is about 61%, a figure that doesn't really hold much meaning because the levels vary from hotel to hotel, Story said.

"That figure runs from 25% to 95%," he said. He also said that name-brand inns typically carry higher occupancy rates -- typically 75% to 85%.

He cited a Holiday Inn Express at Shaw Avenue and Highway 99 that he is selling. That inn averages 83% full.

Story said the Fresno metropolitan area, which has about 6,000 hotel rooms, can accommodate 1,000 more before existing hotels are squeezed significantly. New hotels are planned in Fowler, Kingsburg and Madera, adding more heat.

The impact of a slowing economy also could cause a downturn in the hospitality industry in 2009 and 2010, Story said, and delay projects not yet financed.

"The first 500 rooms will make it a little competitive," he said. "The next 500 will make it very competitive. The key question is: 'Will they overbuild?'"

The hotels that open Feb. 15 -- a Marriott and a Hilton -- cater to different audiences in what has become a heavily niched industry. In fact, SpringHill Suites, a Marriott brand, joins a Courtyard by Marriott, TownPlace Suites and Residence Inn in the same neighborhood.

"It made sense for another Marriott product," said Jason Quigley, general manager of the new 118-room SpringHill Suites.

That's because SpringHill caters to a slightly different clientele, primarily people born after 1965. "It's for Gen Xers and Gen Yers who enjoy travel," Quigley said. "They come in a day early and stay a day late and enjoy the city. This hotel has more liveliness and energy to it."

Walls are painted blue and yellow, and generous helpings of artwork help convey that lively feeling.

A few steps out the front door is the entrance to Homewood Suites, a Hilton hotel also operated by Quigley's employer, OTO Hospitality of South Carolina. Homewood targets a different demographic -- people who stay for extended periods, usually five days or longer.

They could be business people on temporary projects, players and families in town for tournaments, families relocating from elsewhere and households displaced by fires or another disaster, said Jay Koury, general manager of the new 119-room Homewood Suites.

Each Homewood Suites room has a full kitchen with black granite countertops and a supply of pots, pans and place settings. Each room has a 32-inch liquid crystal display flat screen television (SpringHill has similar TVs), curved shower rods, ceiling fan and dishwasher.

The hotel has a half basketball court, barbecues, pool and offers complimentary grocery shopping.

Koury said he doesn't worry about stepping into a neighborhood with existing hotels. "The hotel industry has been on the upswing for many years. There also is population growth and corporate growth," he said.

Quigley added: "There is a huge need for hotels in Fresno. There is more demand than hotels." SpringHill already has 500 reservations and 25 groups booked, he said.

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MARK CROSSE / THE FRESNO BEE

The patio and pool area of SpringHill Suites, the newest hotel in Fresno that is scheduled to open late next week.



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The kitchen/living room area of SpringHill Suites. Hotel analysts say the Fresno metropolitan area, currently at 6,000 hotel rooms, can accommodate 1,000 more before existing hotels are squeezed significantly.