

http://chronicle.augusta.com/stories/2009/03/15/bus_514599.shtml

Area hotels are not ailing in downturn

By Donnie Fetter and LaTina Emerson| Staff Writers

Augusta Chronicle

Sunday, March 15, 2009

A.K. Gulati will open a Howard Johnson hotel on Jimmie Dyess Parkway in less than a week. A month ago, he opened a Hawthorn Suites on the parkway near Fort Gordon.

"Every year, there have been a couple of new hotels coming in, and they have all been doing reasonably well," he said. "The overall demand in this area has been steady."

Hotels in Columbia County maintained a 67 percent occupancy rate last year, said county Convention and Visitors Bureau Executive Director Beda Johnson.

"That's an incredible number, especially in this economy," she said. "It means that we're not suffering even a little bit."

The 2008 occupancy rate for Augusta hotels was 56.7 percent, down 5.5 percent from the year before, according to data compiled by STR Global, a London firm specializing in examining hotel-performance trends.

Barry White, the president and CEO of the Augusta Convention and Visitors Bureau, would like to see the rate go higher but said that it is a product of increased competition.

"Existing hotels may lose some business to the new hotels. Our existing hotels have to think smart and work smart to keep their existing customers, as well as go after the new clients," Mr. White said.

Jugal Purohit, a managing partner at several local hotels, explained that Richmond County's occupancy rate was an average of all hotels. That includes new and old hotels and brand-name and "mom-and-pop" locations.

"Our hotels are all brand names. Last year, we were doing pretty much 64 to 65 percent," Mr. Purohit said. His hotels include Staybridge Suites, Garden City Inn, Ramada Inn, Days Inn and Suites, and Country Inn and Suites.

Others in the state are not faring as well.

The metro Atlanta area's hotel occupancy rate was 58.8 percent last year. In January, the rate fell to 48.4 percent, said Monique Saulny, a research analyst for the Atlanta Convention and Visitors Bureau.

"Atlanta is taking a huge hit right now because people are not going up there on the weekends and spending as much money as they were," said Columbia County's Ms. Johnson.

Savannah, which depends heavily on tourists, is also suffering, she said.

With no beaches, large tourist attractions or major sporting events beyond the Masters Tournament, the Augusta area has less to offer and therefore less to lose, Ms. Johnson said.

"It's because we didn't have too much growth, but just enough growth to keep up with the need," she said.

The steadiness of Columbia County's occupancy rates is, in part, linked to the presence of highway construction workers, Ms. Johnson said, but she doubts those workers had a significant impact on the numbers.

Metro Augusta CVB spokeswoman Jennifer Bowen believes the same holds true for Richmond County.

Augusta hotel operators expect little or no decline in Masters visitors this year, Ms. Johnson said.

"They have a few drops from normal corporate clients canceling, but they've picked up other folks in the interim," she said.

Mr. Purohit said: "For the Masters, all the hotels are pretty much booked more than 90 percent average as of right now. Some hotels are pretty much jam-packed and some are about 85 percent."

Last year, three new hotels opened in Augusta. Mr. White said four hotels are under construction or opening soon in Richmond County: Comfort Suites on Riverwest Drive, Fairfield Inn on Gordon Highway, La Quinta Inn on Gordon Highway and Sheraton on Stevens Creek Road.

Mr. Purohit is getting ready to build a Four Points by Sheraton on Sherwood Drive.

"New hotels are going to generate pretty much the same kind of revenue, whereas old hotels have slowdowns and a little bit of a tough time to sell the room for a premium price. Newer hotels can demand the same kind of money they've been demanding for the last two or three years," Mr. Purohit said. Most of his hotels are less than 3 years old.

He said brand-name hotels bring in loyal customers. Newport Group is opening a Sheraton on Stevens Creek Road in June.

"Augusta is a very strong market for hotels. It's a fairly safe market. We're very comfortable with the market, though we're going to have some rough times ahead of us, that we're in better shape here in Augusta than a lot of other places," said Marty Matfess, the vice president of operations for Newport Group and the general manager of DoubleTree Hotel Augusta.

As to whether the local market is overbuilt, Mr. White said that he must "put trust in the developers of the hotels to do their research and due diligence before they build a property in this area."

Reach Donnie Fetter at (706) 868-1222, ext. 115, or donnie.fetter@augustachronicle.com.

Reach LaTina Emerson at (706) 823-3227 or latina.emerson@augustachronicle.com.

BY THE NUMBERS

5,100 Hotel rooms in Richmond County

864 Hotel rooms in Columbia County

4 Hotels under construction in Richmond County

1 Hotel under construction in Columbia County

From the Sunday, March 15, 2009 edition of the Augusta Chronicle