

Starwood on the Brink of its 900th Hotel as Growth Accelerates

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With 500 Hotels and 120,000 New Rooms in the Pipeline, Starwood to Expand Around the Globe

Starwood Hotels & Resorts Worldwide, Inc. (NYSE: HOT) anticipates another year of extraordinary growth in 2008, building on the company's record-setting success in 2007. Early this year Starwood will mark a milestone with the opening of its 900th hotel, and expects to increase its portfolio by 50% over the next five years, driven by aggressive global expansion across all its brands and the unprecedented growth of its two new brands, Aloft and Element, which both expect to open their first hotels this year.

Starwood's active pipeline includes 500 hotels and 120,000 rooms. Approximately half of Starwood's new hotels are expected to open outside of North America, reflecting the company's impressive growth in dynamic international markets. The global hotel giant expects to add 80 - 100 hotels to its portfolio this year, up more than 50% from the number it opened in 2007.

'Starwood continues to win more than our fair share of new hotel projects globally and when we open our 900th hotel that will certainly highlight the company's terrific growth trajectory,' said Raymond 'Rip' Gellein, President, Global Development Group. 'Our lifestyle brands and noted innovations have struck a chord with the development community as they believe this leads to increased loyalty as well as robust returns. In 2008 we expect healthy expansion as our newest brands in the select service category continue to gain traction and our established upper upscale and luxury brands expand in markets where we are currently underpenetrated.'

China, India and Middle East Experiencing Explosive Growth

Starwood continues to grow at a breathtaking rate in Asia Pacific, with plans to increase its portfolio by more than 70% this year. Fueling this growth spurt is Starwood's remarkable pace in China, driven by the surge in development of Starwood's select service brands and the increased exposure of the company's upper upscale and luxury brands in the region.

Of Starwood's 70 hotels under development in Asia Pacific, more than half are in China, where it's expected to double its portfolio by 2011. The Sheraton and Four Points by Sheraton brands lead the growth in this region. In addition to the 36 hotels Starwood currently operates in China, Starwood has more than 40 new properties waiting to open.

Starwood is also experiencing prolific growth in India. Building on its current portfolio of 20 properties, Starwood has 10 more waiting to open in vibrant technology hubs such as Hyderabad, Pune, Chennai and Bangalore. Westin and Aloft are particularly hot in India right now - in the past few months, Westin signed deals for five new properties, and Aloft executed deals for three new properties.

Europe, the Middle East and Africa will continue to experience significant growth with over ten new hotels expected to open this year and close to 50 scheduled to open by 2012. More specifically, Starwood is expanding in key Middle Eastern markets such as UAE, Bahrain, and Qatar, where currently there are 20 operating hotels and another ten in the pipeline.

Starwood expects steady growth in underpenetrated markets this year in North America, with over 50 new properties expected to open. Contributing to Starwood's robust expansion in the United States and Canada is the upcoming opening of the first Aloft and Element hotels. Starwood, however, continues to enjoy strong growth in its existing core brands, with Westin, Sheraton and W making up over half of the North American pipeline.

In Latin America, Starwood's portfolio consists of 53 properties, and the company expects to add eight more this year in the region.

Starwood Leads Luxury Brand Segment

Boasting the world's largest and fastest-growing portfolio of luxury hotels, Starwood leads the luxury brand segment with one of the hottest pipelines in the industry, including 50 properties awaiting opening. W hotels marks a growth milestone in 2008 with agreements in place to triple its portfolio to more than 60 exciting locations around the world. Beginning as a North American urban brand just ten years ago, W has transformed into a global lifestyle authority with hotels, residences and retreats in the world's most exhilarating urban and resort destinations from Verbier to Vieques, South Beach to St. Petersburg, and Atlanta to Athens. Embraced by the development community, W Hotels represents the ultimate expression of contemporary luxury and is like no other product in the markets where it is now opening hotels.

Recognized around the world for its emphasis on traditional luxury, the St. Regis brand starts the year with a record pipeline and plans to expand its footprint in both urban and emerging destinations with new properties expected to open in Mardavall, Bali, Mexico City and Punta Mita.

Bringing guests the best in indigenous luxury, The Luxury Collection brand offers the second largest collection of luxury hotels in the world. Aligning its one-of-a-kind properties with the power of the Starwood system, The Luxury Collection offers unique, authentic experiences tailor-made for the global explorer in the world's best hotels, palaces and castles. The prestigious brand expects to open new properties this year in markets including Washington, D.C., Mauritius, Beverly Hills and Portugal.

Developers in HOT Pursuit of Starwood's Upper Upscale Brands

Sought after by the industry's top developers, Starwood's upper upscale brands continue to be the ones to beat. A perpetual leader in its category in Asia, Europe and the Middle East, Sheraton has launched a bold new plan to reposition itself in North America, with planned renovations and upgrades to existing hotels resulting in 50,000 new or renovated rooms by 2009 in North America alone. Enhancing the guest experience with a new energetic lobby design, stylish new guest room design and a host of innovative products, the revitalized brand expects to add 60 new hotels in the next 2-1/2 years in high-profile U.S. cities including Dallas, Phoenix and Baltimore. Now one of the fastest growing brands in China, Sheraton is adding new hotels in Guangdong Province and Zhejiang Province, while expanding presence throughout Asia Pacific in markets including Taiwan and Macao - the Las Vegas of Asia.

With its history of innovative products and services, Westin continues to be a leader in the upper upscale category, increasing its pipeline of new hotels by 54% in the past three years. Having recently reached a milestone by opening its 150th hotel, Westin expects to have 210 hotels by 2010, including in Beijing, New Delhi, Dubai and Munich.

Targeted to the 'creative guest,' Le Méridien brand has continued to experience strong RevPar gains following its highly successful integration into the Starwood network. With significant room to grow particularly in Asia Pacific and North America, Le Meridien's active pipeline consists of 25 hotels internationally including 15 in North America. There is strong opportunity to expand this European brand in North America.

Select-service Brands Propel Starwood's Pipeline

With two new brands, Aloft and Element, and a revitalized Four Points by Sheraton brand, Starwood's select service portfolio is a key driver of the company's future growth. Select Service was a new opportunity for Starwood vis a vis its competitors, but today with three distinct brands and open markets worldwide, Starwood offers developers a host of fresh options.

Boasting the healthiest pipeline in its history, Four Points by Sheraton is rapidly expanding in key international markets including China.

Aloft and Element, Starwood's newest brands, are experiencing unprecedented growth, due to intense developer demand. With well over 100 hotels in their combined pipeline, Aloft and Element are expected to each open their first 20 hotels by the end of 2008. The majority of both brands are new build properties.

A vision of W, Aloft has earned the distinction as the fastest-growing select service brand in its launch year. Developers have eagerly embraced Aloft, confident that its design, services and pricing will appeal to youthful-minded travelers across the globe. Aloft is targeting proven markets throughout North America and dynamic international cities such as Bangalore, Bangkok and Brussels.

Inspired by Westin, Element establishes Starwood in the previously untapped extended stay category. Emphasizing smart design, clever use of space and natural touches, Element is focusing its early development efforts on proven markets in North America including urban centers, corporate business parks, airports, resorts and lifestyle centers, with an international rollout to follow.

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