

STR reports U.S. hotel Pipeline for July 2008

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The U.S. hotel development pipeline includes 5,943 hotels with 660,928 rooms according to the July STR/TWR/Dodge Construction Pipeline Report released this week.

This represents a 0.5-percent decrease in rooms over June and an 18.1-percent increase over July 2007. Of the total pipeline, 200,604 rooms are not currently affiliated with a brand or chain.

'The current credit scenario has made it harder to break ground on new hotel projects. We have seen a 'bubble' of projects forming in the Final Planning stage over the course of the year.' commented Duane Vinson, vice president of Smith Travel Research. 'It is still unclear if those projects will be built or if they will be abandoned.'

At the close of July, the number of rooms in the pipeline for each STR Chain Scale is as follows:

U.S. Pipeline by Chain Scale

Number of Rooms & Percent Change (July 2008 vs. July 2007)

Chain Scale	Existing Supply		In Construction		Total Active Pipeline*	
Luxury	84,272	4.6%	6,875	-16.7%	12,732	0.9%
Upper Upscale	573,541	4.0%	22,871	-27.2%	51,766	-9.8%
Upscale	441,436	6.3%	51,164	22.3%	156,476	45.2%
Midscale w/ F&B	517,549	-1.7%	9,549	0.1%	31,961	23.8%
Midscale w/o F&B	752,504	5.7%	58,257	13.8%	175,444	40.3%
Economy	755,928	2.0%	12,289	21.3%	31,945	100.8%
Unaffiliated	1,496,811	1.7%	38,887	-11.6%	200,604	-6.7%
Total	4,622,041	2.7%	199,892	1.8%	660,928	18.1%

*Includes those projects In Construction, Final Planning and Planning phases.

'In a difficult demand environment, a slowdown in the mid to long term construction pipeline will pay dividends for the hotel industry in 2009 and 2010. It now seems clear the industry will avoid the huge supply surge that accompanied the last two building cycles,' added Mark Lomanno, president of Smith Travel Research.

About STR/TWR/Dodge Construction Pipeline Report:

The Pipeline Report is co-produced by Torto Wheaton Research, Dodge Construction, and the dedicated pipeline team at STR. Available as an annual subscription or a local Market Supply Report, the Pipeline Report is a comprehensive look at new hotel development and existing supply in the U.S. and Canada.

About STR & STR Global:

For more than 20 years, Smith Travel Research has been the recognized leader for lodging industry benchmarking and research. Smith Travel Research and STR Global offer monthly, weekly, and daily STAR benchmarking reports to more than 36,000 hotel clients, representing nearly 5 million rooms worldwide. STR is headquartered in Hendersonville, Tenn., and STR Global is based in London. For more information, visit www.smithtravelresearch.com or www.strglobal.com.

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