

# New Orleans

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# CHECKING IN

## LOCAL HOTEL GROWTH IS BOOMING

BY KATHY FINN

**F**or people who live in New Orleans, it can be difficult to keep up with the inventory of accommodations available for those who come for short visits. It is particularly unlikely in an environment where local lodging is expanding rapidly.

The chances are, for instance, that few locals noticed when a stylish new boutique called the Henry Howard Hotel opened in the Garden District.

The hotel holds just 18 rooms in a renovated structure that retains features of the 1860s townhouse-style mansion built by 19th century New Orleans architect Henry Howard. Its Greek revival touches include Corinthian columns, a double gallery and walk-through windows, and its Prytania Street location puts guests in the midst of a historic district that features many similarly endowed buildings.

Several miles away, another new hotel is also making its debut. The MOXY New Orleans, opening on O'Keefe Avenue just off Canal Street, is one of the first U.S. locations of the hip European hotel line. Like a few

other recent entrants on the scene, such as the new Ace Hotel New Orleans that stands nearby, the MOXY caters to young travelers, with inviting common areas, self-service features and free Wi-Fi.

Hotel analysts say some 5,000 hotel rooms are either under construction or on the drawing boards in and around New Orleans. Demand is driving the activity.

More than 9.5 million people visited New Orleans in 2014, according to figures compiled by the University of New Orleans Hospitality Research Center. It was a 2.6 percent rise over the previous year.

Total tourism spending also rose, jumping 5 percent to \$6.8 billion, a local record.

Local hotel occupancies in 2014 surpassed all previous peaks and have held steady since then. A report from global hospitality consultant HVS indicates that local occupancies are well above U.S. averages.

Strength in the market has analysts predicting that New Orleans demand will hold up even as some other regions decline.

“Unlike many other markets, which are expected to experience occupancy declines as new supply opens over the next several years, occupancy in New Orleans is expected to stabilize through 2018, even with the introduction of new hotels,” according to an article by hospitality publisher Hotel Management, which cited an HVS report.

New Orleans has rebounded smartly from the punch its hotels took from the hurricane and flood of 2005. After a period of wondering whether new development in the city would be feasible, the industry returned to New Orleans with a vengeance, producing a veritable renaissance in hotel development.

HVS indicates that greater New Orleans, with 252 hotel properties and more than 37,000 rooms, ended 2015 with as many hotel rooms as it had in early '05. And the activity won't slow anytime soon.

Interest in the New Orleans market among hotel investors remains high, which means hotel purchases continue to make market news. One of