

The Main Street Hotel, A Threshold Achievement.

Hotels for Tourists and Businesses.

Character towns have places for people to spend the night: hotels, inns and B&Bs. Small town tourism is a growing economic fact. Hotels are the threshold “proof of concept” that the “Boomers” are traveling; looking for small cities and towns as they travel the country. Tourists and business travelers are finding small cities and hotel investors are paying attention.

Tourism. Small cities and towns have increasingly nice and authentic amenities of interest to visitors along with restaurants, parks, trails, museums, theaters and shopping on a nice street. Many small cities also do a great job with festivals: celebrating their founding, sports and historical events, music festivals, theater productions and book fairs.

The draw-back for many small towns with big events is that the day-trippers have nowhere to stay and therefore, they leave town when the prime spending hours appear. Hotels provide accommodations that enable people to stay later in the evening, enjoy dinner, wake up in town for continued enjoyment and spending. Hotels characterize successful visitor-towns.

Business Traffic. Start-up tech businesses are growing in small cities. They need lodging.

Market Agglomeration. Hotel feasibility in small cities relies on the sum of visiting friends and family, tourists, business customers and vendors, investors and suppliers.



Palatka FL downtown, a national “flag” in a small city.



Naples FL main street.



Dahlonega GA downtown.

Local Developers/Investors.

The experience of many small cities and towns trying to land their first hotel is that the large national hotel chains are not interested unless there is some very special local attribute. The large chains are not risk takers in pioneering new markets, especially small markets, but things are changing. Five elements help land the first hotel in a small market: a local developer, a regional flag if nationals hesitate, the hotel's internet presence on the visitor center's websites, city incentives and market support.

The first key is to find a local developer who knows the local market and will take the risk. Second, accept a regional management company, or "flag". Third, provide the hotel a strong internet presence on the city's and the visitor center's websites to enable it to compete with a national chain's reservation system. Fourth, provide city incentives for development fees and permit processing. Fifth, initially, give market support to the vision-consistent pioneer hotelier who took the chance and went first.

Hotel Feasibility Study, Step 1 when Planning a New Hotel or Resort

In over ten years of helping hotels to open and remodel successfully, we have seen time and again at **Xotels** that feasibility study are indispensable. We have also seen how many would-be hoteliers simply assume that their vision will succeed, without conducting any notable research on building a hotel business that will be consistently profitable and competitive.

The Key Steps of an Effective Hotel Feasibility Study

1. Location analysis
2. Total costs calculation
3. Local hotel supply and demand investigation
4. Room rates and year-round occupancy levels
5. Establishing and projecting hotel revenue sources
6. Hotel feasibility study projected ROI

Hotel Feasibility Study - The Final Word

As you can see, a hotel feasibility study gives you and all interested stakeholders such as other investors a much clearer picture regarding the costs involved. A feasibility study is largely seen as an indispensable step for all serious hotel proposals with the business plan for success.

Source: <https://www.xotels.com/en/hotel-management/hotel-feasibility-study>



A regional "flag" in a small town, Tavares FL.



Small historic hotels work, Winter Garden FL.

Conclusions.

Small cities and towns in unique and authentic places attract visitors and businesses to main street. A hotel investment is corroboration that the small town tourism and economic development markets are alive and well along a character main street...a strong proof of concept.

The first hotel in a small city usually depends on a local entrepreneur to “pioneer” the market. Once successful, small city main street hotels become more popular with the national chains. City support with fees, infrastructure, parking and entitlements for “pioneers” with new and refurbished hotels is a good public investment.



A boutique hotel in a small city, Mill Valley CA.

Smaller Cities Are the New Hot Spots for Boutique Hotels

26 July 2017 by [Karla Pope](#)

THESE WALLS CAN TALK

Move over big cities, secondary markets are quickly becoming the new hot spots for boutique hotels. More and more, travelers are moving away from cookie-cutter experiences, opting for more unique hotel accommodations. Hoteliers are taking advantage of this uptick in interest, with boutique hotels popping up in big cities around the world. But now, smaller areas are getting in on the fun.

According to [Tourism Economics](#), a company that analyzes travel trends, a quarter of all hotel rooms under construction in the U.S. are found in boutique hotels. And those numbers are steadily [growing](#) in smaller parts of the country too.

Small business boutiques have become a mainstream of the hotel industry.

“It’s become a phenomenon over the last five years,” says Aran Ryan, director of lodging analytics at Tourism Economics.

Why the emergence? It’s twofold: For developers and hoteliers, it’s cost-effective to set up shop in up-and-coming areas that aren’t overcrowded or overpriced. For travelers, hotels in second-tier destinations provide places where they can create authentic, memorable experiences with exceptional amenities.

“Small business boutiques have become a mainstream of the hotel industry,” says Bruce Baltin, managing director at CBRE Hotels’ Consulting. “They appeal to certain psychographics of travelers. And these travelers go to small cities, as well as major cities.”

BIG BRAND, SMALLER SCALE

Sure, there are plenty of independent hotels filling the void in smaller markets. However, many popular chains are answering the calls of travelers’ expanding desires for more intimate experiences by rolling out collections or soft brands to accommodate their niche needs.

Source: <https://blueprint.cbre.com/smaller-cities-are-the-new-hot-spots-for-boutique-hotels/>