

Growing Omaha market sees need for more full-service

13 SEPTEMBER 2017 7:19 AM

Omaha, Nebraska, is developing as a growing convention market and entertainment hub, both of which are aided by the addition of a full-service Marriott downtown.



By [Danielle Hess](#)

dhess@hotelnewsnow.com

[@HNN_Danielle](#)

OMAHA, Nebraska—With a new entertainment district, growing convention business and a few sporting events on the books, developers are seeing opportunity for new hotels in Omaha.

The new 333-room Omaha Marriott Downtown at the Capitol District opened as the focal point of the city's new entertainment hub on 8 August.

The hotel is attached to luxury apartments and a parking garage, and two more buildings will open as part of the project this fall and next year, according to Mike Moylan, principal at Shamrock Development, the company behind the project.

Chad Sorensen, managing director and EVP at CHMWarnick, said the development of the [Marriott Capitol District](#) was driven by opportunity in the marketplace.

"The project, it's more than just a hotel; it's truly the new anchor of downtown Omaha," he said. "Other developers have also seen that opportunity and followed the Capitol District lead a bit, so we've seen a number of select-service and focused-service hotels that have been developed during this cycle."

There's also a Hilton in the market, Sorensen said, adding that the new Marriott and the existing Hilton really benefit from the convention center.

The CenturyLink Center Omaha Convention Center and Arena has only been around for 15 years, so the city is still establishing itself as a convention market, said Keith Backsen, executive director and president of Visit Omaha.

“We’re fortunate to see a connected hotel to start with, the 600-room Hilton, but as we continue to go after bigger business, there’s increasing demand for more than just one full-service hotel, either connected or adjacent to the convention center,” he said.

Five Fortune 1000 companies are based in Omaha, Backsen said, and the city hosts events such as the College World Series every year. Omaha also will host the Olympic swim trials in 2020, which brings in group and corporate business to hotels.

As of July 2017, there were 626 rooms in six projects in final planning in Omaha, 585 rooms in three projects in construction and 465 rooms in four projects in final planning, according to data from [STR](#), Hotel News Now’s parent company.

The market also reported a 3.5% increase in occupancy to 70.8% for the month of July, a 4.8% decrease in average daily rate to \$94.52 and a 1.4% decline in revenue per available room to \$66.89.

A need for full-service

Moylan said [Shamrock](#) took on the Marriott project because Omaha’s downtown, as an area with a growing convention business, was in need of a full-service hotel.

“Omaha is a unique area. ... When we were researching putting in this hotel, we found out that there is a lack of full-service hotel rooms in Omaha,” he said, “and we figured that out because we have four (Fortune 500) companies based here in Omaha, and another four or five Fortune 1000 companies ... all of which bring in national and international travelers, who were finding that they could not find full-service hotel rooms.”

Sorensen added that the area needs more full-service hotels to support other types of activities, such as arts and cultural events, and he sees opportunities for independent hotels in that space.

“I think there is a need for full-service product, primarily in the independent/boutique space, I think that’s really where the largest gap exists,” he said. “There’s really some amazing cultural (and) arts experiences in Omaha, and I think that opportunity exists to complete those experiences through the development of the right type of lodging product.”

Steve Hilton, GM at the Omaha Marriott, said the property mix in Omaha is unique because there are mostly select-service hotels.

“This market is deserving of an advanced property for this marketplace (the Capitol District Marriott), and I think it speaks to how well Omaha is (growing) ... and what the demand is for being a central hub for a social venue, but also a central hub for travel nationally and internationally to stay here,” he said.

Visitors

From 2014 to 2016, Omaha’s visitors numbers jumped from 11.9 million visitors to 12.3 million visitors, data from Visit Omaha shows.

Sorensen said Omaha has a good mix of leisure and business guests.

“There’s a really good balance of business travelers, culture lovers and sports fans that helps the market balance weekdays and weekends,” he said. “I think that’s rare in a market of this size, and I think that’s a real competitive advantage when looking to attract visitors in the peak and off-peak.”

Backsen added that Omaha draws in transient-leisure business by marketing itself as a weekend getaway to people in other nearby markets.