Hotel rooms flooding Columbia market

By Mike Pitts
mipitts@schiznews.com

Columbia needs for its travel business to get "famously hot," as the town slogan promises. Right now, the area's top hotel owner sees the market as flooded with too many places to stay, and more are coming.

"Too many rooms are coming in, and I'm part of the problem," said Rich Patel, an investor in more than a half-dozen hotels in Columbia, including the new downtown Sheraton in the historic Mcleod Building on Main Street.

Patel's other hotels have shown a downturn in receipts for about a year, with both business and leisure travel slowing. "It's all of it falling off," he said.

Despite the growth, the hotels keep coming. Patel said even if the market changes, the big hotel chains expect franchises like him to follow through on projects. So it can be a choice between adding rooms to a crowded market or being under a breached contract.

Columbia's "room boom" will keep coming said Nicole Smith, director of media relations for the Columbia Convention and Visitors Bureau. Richland and Lexington counties are in the midst of adding 2,700 new hotel rooms in the next 12 months, bringing the total to more than 13,000.

The oversupply seems especially acute in full-service hotels downtown where the Sheraton on Main joins the Marriott and the Hilton Columbia Center, which opened one year ago. Hilton General Manager Tony Tam said business has been "all right" — better, in fact, than expected.

Tam sees leisure travel and special events, such as family reunions or lavish weddings, as a bright spot. New revenue management software and a new "flank," he says, will help the hotel keep up. Business travel he expects to stay the same or even increase, as sales staffs work harder and travel more to keep dollars flowing in.

He said he thinks the area can fill these downtown rooms, and sees the arrival of these big-name hotels as an endorsement of Columbia's core economy.

"Columbia's growing by leaps and bounds," he said. "It's a perfect time for the adjacent convention center to grow, as new events are added to the schedule. Convention business, Patel said, will be key to filling the downtown, full-service rooms. Just getting the same events every year won't be enough, he said. The convention schedule has to keep increasing."

Ric Luber says that the convention center's schedule is filling up nicely. Luber is president and CEO of the Midlands Authority for Conventions, Sports & Tourism, which oversees the facility. He said the center is booked up well for the rest of this year and into 2009. He hopes that the new "Famously Hot" marketing effort will get the attention of convention bookers, who often plan years in advance, and lead to increased bookings in years to come.

Another hindrance Patel sees to the market's growth: not enough airline service into Columbia. Given the woes of the airline industry and the economic slowdown, that problem seems likely to continue. Most airlines are cutting service in 2008, not expanding.

In the longer term, Columbia has the ingredients for growth as a travel and business destination, said Rich Harrill, director of the International Tourism Institute at USC. Folks who come to stay in Columbia's hotels today will be the area's investors and retirees tomorrow, he said.

"There's not a comparable site in the United States with this climate and value" — especially for the wave of retiring baby boomers. For many people who are priced out of Florida and New York, he said, Columbia provides a value-rich option.

The hotel industry doesn't have to worry about a work force as USC's hotel and hospitality programs are well-equipped to train staff for these businesses, and more students are entering the field.

"People are starting to realize that the service sector is expanding," Harrill said. The Columbia hotel growth gives students a chance to work in the industry and see it during its expansion here, he said.

This growth in travel, relocation and retirement can be a major player in South Carolina's 21st century economy, Harrill said.

"Economic development doesn't always have a smokestack."