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Need a Hotel Room? 1332 rooms available in Conway.

By Roger Lewis

Does the number 1332 surprise you? When you hear that there are 21 hotels in Conway with an average of 60 rooms per hotel, that number is believable. The range* is from 19 rooms at Stacy Hotel to 102 at Howard Johnson's and 103 at Hilton Garden Inn. Four hotels that have opened since January 2008 are the Country Inn, Fairfield Inn, LaQuinta Inn and Microtel. Another hotel, a new Holiday Inn Express with 87 rooms is under construction. (The current Holiday Inn Express will be renamed.) A new Holiday Inn with 120 rooms is planned to open in 2012 and will be located on Amity Road on the knoll where the Ward Bus Sales was located. By 2012 there will be 23 hotels with 1538 rooms available.

The Hilton Garden Inn claims to be the only full service hotel in Conway that includes a restaurant, room service and meeting rooms. Howard Johnson hotel is the only other hotel with a restaurant but does not offer room service.

The quoted rates for hotel rooms range from \$34 to \$139 per night with an average of \$70. The seven hotels with rates averaging less than \$55 per night are American Best Value Inn, Budget Inn, Continental Motel, Economy Inn, Kings Inn, Motel 6 and Stacy Motel. The Fairfield Inn, Hampton Inn, Hilton Garden Inn and Holiday Inn Express rates range between \$90 and \$139 per night. The remaining 10 hotels range from \$55 to \$89 per night.

Hotel sales recovered during 2010 from a downturn in 2009. A hotel trade journal proclaims 2009 the worst year in hotel occupancy rates since the great depression. Conway hotel sales in 2009 were down \$1.1 million or 6.7% from 2008. The 2010 sales were \$ 17.6 million, up 7.2% over 2009 and just slightly above 2008 sales of \$17.5 million.

Hotels operating for all of 2008 had a \$3.8 million decline in sales for 2010. That business went to the four new hotels making 2008 and 2010 sales about equal. As hotels continue to be built in Conway, it's a matter of cutting the revenue pie into more pieces and shifting revenue from existing hotels to new ones.

Several factors make Conway a good climate for hotels. A central location in the state along Interstate 40 and the junction with Highway 65 north is one factor. Having three colleges in Conway significantly impacts the hotel industry. Many regional conferences, competitions and special events are held at the colleges requiring overnight lodging. Baseball, softball and soccer fields owned by the city and colleges serve for regional competition and playoffs. The impact of the natural gas exploration industry, with needs for temporary housing of workers and representatives serving the industry, has been significant. Together, these factors have increased the demand for lodging in Conway and have encouraged new hotel construction.

The hotel sales data is derived from the 2% Advertising and Promotion Tax (A&P) that is collected on hotel rooms. However, the \$17.6 million in sales is slightly understated. If a room

is rented for more than 30 days, the room is classified as a residence and the 2% A&P tax is not applicable. Companies associated with the gas industry have long term rental contracts with some of the hotels; one of the upper scale Conway hotels has 15 rooms under contract. Just from an informal survey, it is conservatively estimated that \$500 thousand could be added to the \$17.6 million sales when long term residency is included.

Based on 2010 hotel sales revenues, the best months are March through June with June being the highest. July through October are also good months, but November through February are the worst with December being the lowest. There are times that occupancy rate in Conway is at or near 100%, particularly during the peak season when there are special events in Conway. The overall annual occupancy rate is in the 55 to 65 percent range. While for some weekdays the occupancy may be near 100%, there are days like Sunday evening when the occupancy rate falls below 50%.

The conclusion is that the hotel business in Conway is a healthy, growing industry, and it is essential to the tourism business segment of our economy.

The term hotel rather than motel is used throughout this article. The term motel originated to describe a hotel for motorist when automobile travel exploded in the 1950's. Except for few motel chains, the term is passé. The American Hotel-Motel Association removed motel from its name after considerable market research and is now the American Hotel and Lodging Association. The association felt that the term 'lodging' more accurately reflects the large variety of different style hotels including luxury and boutique hotels, suites, inns, budget and extended stay hotels.

**The three rooms at Ward Mansion Bed and Breakfast are not included in the total.*