

# Indus Hotels' COO on Columbus dual-brand hotel

The \$38-million Aloft-Element combination project seeks to appeal to multiple types of guests



**Indus Hotels has plans to construct** a dual-brand Aloft and Element hotel in a suburb of Columbus, Ohio. Completion is scheduled for 2017.

**By Bruce Serlen**  
CONTRIBUTING EDITOR

**COLUMBUS, OHIO** – Of the 14 properties that Indus Hotels owns and operates, has under development or has under contract, eight are in the Greater Columbus area, where the company is headquartered. “So it’s fair to say we have a deep knowledge of the market,” according to COO Alan Assaf.

However, that knowledge base will be tested in new ways, especially when it comes to demand generators, with Indus Hotels’ latest project, its first dual-brand development, which will include two Starwood Hotels & Resorts Worldwide brands: a 145-room Aloft and a 114-room Element. Estimated to cost \$38 million, the project is expected to open in 2017.

“We gave a considerable amount of thought to whether we wanted to build a traditional, single-brand hotel on this site or whether we would be smarter going with two brands in one building,” Assaf said. “With two brands, we could appeal to guests looking for two different types of lodging.”

The site in question is located

in the Columbus suburb of Grandview Heights and is part of a 100-acre mixed-use development called Grandview Yard that includes residential, retail, office and restaurant components in addition to lodging.

Ohio State University (OSU), which is close to the hotel site, will be one of the major demand generators. Nationwide Mutual Insurance Co., which has committed to moving 3,000 employees to Grandview Yard from downtown Columbus, will be another.

## WHY THE DUAL-BRAND ROUTE?

“Being able to incorporate two different industry segments in one building is key to what makes dual-brand projects successful,” said Brian McGuinness, SVP of Starwood’s specialty select brands. “That, plus all the operating efficiencies that come with it.”

When it came to choosing complementary brands from

within the Starwood portfolio, upper-end select-service Aloft and extended-stay Element made the most sense, Assaf explained.

The Aloft brand’s reputation as hip and trendy and Element’s environment-friendly positioning also made them attractive choices.

“Ohio State attracts a significant amount of leisure business through the year, including on the weekends, considering the success of its Buckeyes football, basketball and baseball programs,” Assaf said. “In addition, [the university] generates other kinds of travel to the university, both transient and extended-stay,” he added. “Nationwide Insurance and other companies with offices in Grandview Yard, for their part, also generate both transient and extended-stay bookings.”

The Aloft and Element properties in Grandview Yard are the first Starwood properties to enter the Indus Hotels portfolio, which See **Dual-brand hotels** | Page 80

## PITTSBURGH

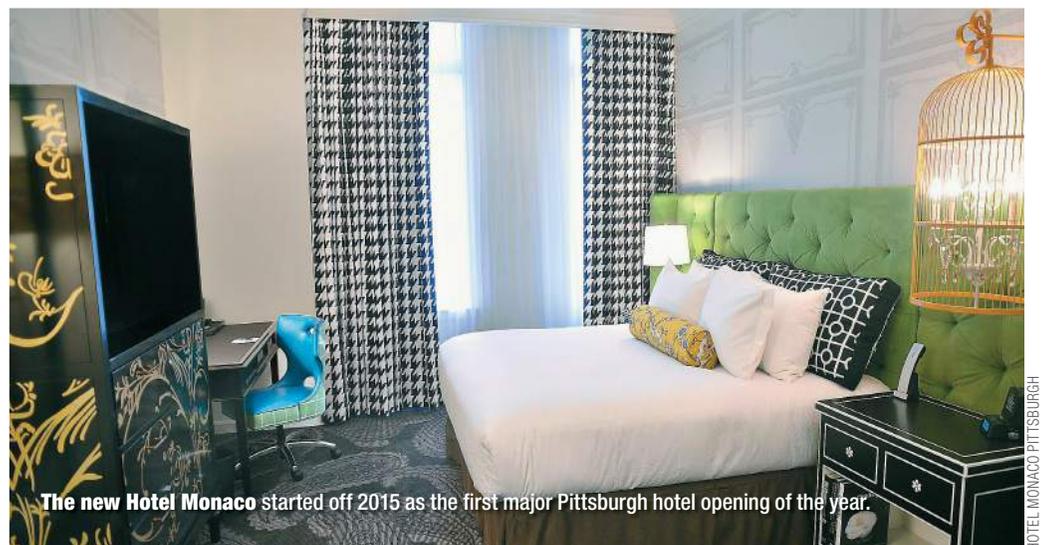
# Development picks up in the Steel City

### WHAT'S GOING ON

According to STR, Pittsburgh is seeing its first positive year-ending occupancy numbers in two years, rising 2.9 percent to 68 percent from December 2013 to December 2014. Additionally, the Steel City’s average daily rate reached \$116.21, a modest 3.2 percent over 2013, while revenue per available room rose 6.2 percent to \$78.98. The city’s supply increased 1.3 percent to 9,048,999 rooms, while demand jumped 4.3 percent to 6,149,982 rooms, a large increase over 2013’s drop of 0.05 percent. Overall, revenue for Pittsburgh was up 7.6 percent, reaching \$714.6 million by the end of 2014.

### WHAT'S NEXT

Lodging Econometrics reported that, by the end of 2014, Pittsburgh had 221 hotels in operation, accounting for 25,608 rooms. The city has 58 projects in its construction pipeline, which will bring 6,437 additional rooms to the market. Twenty-three of these projects are under construction, and 20 are scheduled to begin construction during the next 12 months. Last year was much more ambitious compared to 2013, when Pittsburgh’s pipeline consisted of only 46 properties (accounting for an estimated 4,900 rooms). This was an increase of approximately 26 percent in projects, outpacing the overall U.S. pipeline, which was up 21 percent year-over-year.



The new Hotel Monaco started off 2015 as the first major Pittsburgh hotel opening of the year.

### PIPELINE SNAPSHOT

- **Hotel Monaco Pittsburgh** (435 6th Ave.; 248 rooms; opened January 2015)
- **Embassy Suites Pittsburgh** (535 Smithfield Street; 229 rooms; scheduled to open Q1 2015)
- **Drury Inn & Suites Pittsburgh** (301 Grand Street; 206 rooms; scheduled to open mid-2016)

→ by the numbers

REVPAR: \$78.98    ADR: \$116.21    OCCUPANCY: 68%

Source: STR, as of December 2014

## Dual-brand hotels

*Continued from page 10*

also includes brands that are part of such multi-brand companies as Hilton Worldwide, Wyndham Hotel Group and InterContinental Hotels Group.

As dual-brand projects have grown more popular in the past few years, developers have experimented with a variety of layouts. Some projects stack one brand on top of the other; others have one brand on each side of a common core that houses the shared amenities like business and fitness centers, a swimming pool, meeting space and a food and beverage outlet.

In some cases, furthermore, the two brands share an entrance but have separate front desks. In other cases, there are separate entrances (though still one building). In rare cases, it's a common entrance and single front desk.

Indus Hotels and its architect, OHM Advisors, opted for separate wings, each with its own

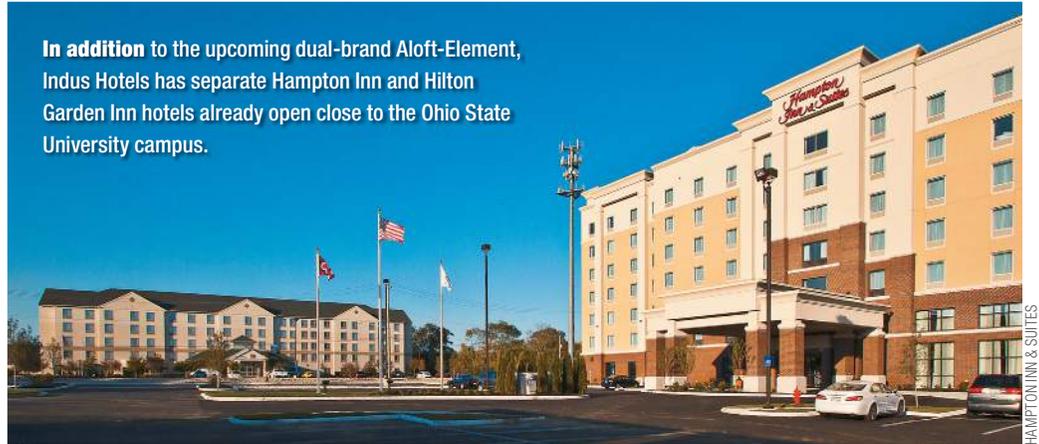
front desk and a common core. The seven-story building will have parking on the first two floors, the two lobbies on the third floor, and guestrooms on the floors above.

"Each brand has its own set of brand standards, which has to be included. So it can be a challenge to accommodate them all in one building. But we think we've succeeded," Assaf said, adding that "where the brand requirements overlap—each requiring a fitness center, for example—one fitness center obviously is sufficient."

One Aloft brand standard turned out to be prominently featured in the Grandview Yard hotel design. "XYZ Bar has proven to be a very popular feature at Aloft properties around the country, attracting attention to the hotel among millennial guests in particular," Assaf said. "As a result, it's going to be dramatically placed front and center above the hotel entrance."

A Columbus-area institution,

**In addition** to the upcoming dual-brand Aloft-Element, Indus Hotels has separate Hampton Inn and Hilton Garden Inn hotels already open close to the Ohio State University campus.



HAMPTON INN & SUITES

the retro Cap City Fine Diner & Bar (one of two in the city) sits across from the site, supplementing the food and beverage options available at the hotel.

Consistent with all dual-brand developments, the Aloft-Element combination comes with a number of efficiencies built into the project. And taking advantage of efficiencies leads to cost savings.

One general manager will be responsible for both hotels. Likewise, one executive committee will be needed, rather than two, and one director of sales will oversee

sales at both brands, making sure that transient sales are directed to the Aloft, while extended-stay business is identified and then finds its way to the Element.

Management also benefits from getting more flexibility when it comes to staffing.

"We're able to cross-train people to be able to work at either of the two brands, depending on occupancy on any given night," Assaf said. Housekeeping would be one such example.

Of Indus Hotels' eight hotels in the Greater Columbus market,

two others are situated near the OSU campus and Grandview Yard. Both are part of Hilton Worldwide, one is a Hilton Garden Inn and the other is a Hampton Inn & Suites. The two are adjacent to one another, but unlike the Aloft and Element, they do not share a single building.

They will be part of the new hotel's competitive set, however. So too will be a Hyatt Place and a SpringHill Suites by Marriott, both constructed in the past few years. **HM**

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