

NASHVILLE

LIFESTYLES

THE *Neighborhoods*

ISSUE

6 HOT AREAS
TO KNOW **NOW**



**NO
VACANCY**

HOW OUR
HOTEL INDUSTRY
IS ABOUT
TO EXPLODE

PAGE 60

**SPRING
FASHION**

*Fun Trends for
Party Season*

PAGE 74

OPEN DOOR POLICY

Nashville's dearth of hotel rooms is a work in progress.

BY MARGARET LITTMAN



In case you haven't heard, it's become almost as hard to get a decent hotel room in Music City as it is to get a record deal.

In January, Nashville reached a milestone: 60 straight months of year-over-year record increases in the number of hotel rooms sold and hotel taxes collected. According to research by Hendersonville-based hotel data tracking firm STR, no other top 50 destination city in the country has ever reached 60 consecutive months of this kind of growth.

But people who've tried to book a hotel room in town lately didn't need those official stats to know that change is in the air. Reports of standard rooms topping \$400 or \$500 are not unusual. One midtown hotel chain charges a nonrefundable rate of \$600 per night during popular events like CMA Fest and Vanderbilt parents' weekends.

When Wisconsin resident Laura Lowe found out she was coming to the Medical Group Management Association conference last October, she planned to extend her work trip to include some leisure time and use it as an opportunity to finally explore Nashville with her husband. But Lowe found only one hotel room available—for \$450 a night. She struck out on Airbnb, too, and ended up neither adding extra time to her stay nor bringing her husband.

Thanks to the recently built convention center and brand new, well, almost everything else—baseball stadium, amphitheater, restaurants, bars, shops—it's no surprise that tons of people want to come here. Hotel chains and real estate developers have certainly noticed: According to the Nashville Convention and Visitors Corporation (NCVC), as of December 2015, there were 7,185 new hotel rooms in various stages of development (see "More Rooms at the Inns" sidebar). Only 1,600 of those, though, are actually currently under construction.

"Just because [a hotel chain might] announce doesn't mean they will happen," concedes NCVC president Butch Spyridon. Nor should they, he adds. Just as a city doesn't want hotel rooms that are priced constantly out of reach, a city doesn't want rooms to go empty or hotels to not be able to cover their overhead costs.

With most projects more than a year out to completion, the hotel room shortage will continue throughout 2016. >>

GET NOTICED.

Advertise with *Nashville Lifestyles* magazine & be in front of the most affluent audience in Middle Tennessee.

NASHVILLE
LIFESTYLES.COM

For more information, email us at INFO@NASHVILLELIFESTYLES.COM or call direct at 615-259-3636



INSPIRED LIVING CLOSER THAN YOU THINK

With new homes rising in the trees, Você offers a one-of-a-kind blend of country serenity and downtown proximity.

- New Homes from \$1 million
- Breathtaking wooded homesites with incredible views
- Premier location near Richland Country Club and Radnor Lake

Você
inspired by nature

**PHASE TWO IS
NOW UNDERWAY!**

Exclusively Offered by Oak Street Group of Benchmark Realty, LLC.
Brianna Morant, Roshare Norman
615.657.9805
Benchmark Realty, LLC, 615.432.2919
Oakstreetrealestategroup.com

5570 GRANNY WHITE PIKE
VOCENASHVILLE.COM

In general, says Spyridon, a city should have a cross-section of hotels that run the gamut from 4- to 5-star and 3.5- to 4-star properties, higher-end small boutiques (like Nashville's upcoming 21c Museum and Kimpton hotels), and larger hotels that cater to convention-goers. The mix should also include limited-service hotels, which don't have a restaurant onsite. Typically, limited-service hotels charge lower rates because they offer less and have lower overhead costs. As visitors have flocked to Nashville, prices across the board have risen, meaning people have been paying full-service rates even at limited-service properties.

Nashville is studying how cities like New Orleans have managed hotel room growth, with limited-service and other affordable options farther out from city centers. As hotel rooms in Rutherford County increase in number, says Spyridon, we don't want to hear a "giant sucking sound" of visitors being pulled away to establishments outside Davidson County. "We have to make sure the new normal looks really good," he adds.

Corporate businesses book hotel space about three to five years in advance and ideally should account for 42 percent of hotel bookings, according to Spyridon. Those room rates may be lower than the one-off leisure traveler's, but it is guaranteed business for the hotels.

Nashville is in the top 15 convention destinations (it was number nine in 2015), and while part of that stems from the debut of the Music City Center, Spyridon says Gaylord Opryland has continued to have its convention space fully booked as well. That number is realistically "as high as we can go" in terms of conventions, he adds, given that cities like Orlando and Chicago will always be bigger draws for conventions.

And while it is a free enterprise system, the city's team, which includes the NCVV, works with developers to try to bring the right hotels into the mix. For example, Spyridon says, the Westin on Clark Place, near the Music City Center, increased the number of rooms in its plan from under 400 to 450 plus additional meeting space.

For non-business travelers or those looking for a more unique Nashville experience—that doesn't involve booking through Airbnb or VRBO—Philip Welker is sitting on a great idea. A principal at real estate development firm BNA Associates, Welker is hoping to turn the now-vacant 1970s Regions Bank building at 4th Avenue and Union Street into The Fairlane, an independent 72-room boutique hotel with innovative fitness, spa, and dining options, not to mention a breathtaking rooftop deck.



In January, Nashville reached a milestone: 60 straight months of year-over-year record increases in the number of hotel rooms sold and hotel taxes collected. No other top 50 destination city in the country has ever reached 60 consecutive months of this kind of growth.

Since 2012, BNA Associates, which is responsible for the renovation of Knoxville's popular Oliver Hotel, among other projects, has been waiting for financing to turn its Manuel Zeitlin Architects-designed vision into a 70,000-square-foot reality. In the years that Welker has been working on The Fairlane, he says the local hotel market has changed considerably. At first, traditional lenders were wary of spending money in the unproven Nashville market, particularly on a project that didn't have a national hotel chain flag flying above. Now, he says, the pendulum has swung the other way, with some lenders concerned that there soon will be too many hotel rooms in Music City.

Welker is close to inking a deal; once signed, he says, the project will take about a year to complete. The model Fairlane guest room is minimalist but sleek, inspired by the building's retro details, yet still modern and current. Thanks to its small room count and unusual amenities, Welker isn't concerned about the 7,000-plus other hotel rooms currently in the pipeline.

And while the majority of new hotels are downtown, the cranes are supporting construction across the area, from Goodlettsville to Brentwood to MetroCenter and even Music Row.

"The One Music Row address is really what sold us," Virgin Hotels CEO Raul Leal tells

Nashville Lifestyles via e-mail. "We love the proximity to the variety of music studios and it ties [in] perfectly to our plans for the hotel and the neighborhood. The city's powerful music heritage ties into Virgin's music legacy. Nashville has always been one of our target cities since we launched."

Virgin Hotels Nashville, scheduled to open its doors in December 2018, will have some offbeat amenities, including a recording studio. And the Thompson Hotel, slated to open by year's end, will take up another prime chunk of real estate: the block of Pine Street between 11th and 12th avenues.

"It's the culture and atmosphere developing in The Gulch that led us all to believe that Thompson Hotels was the right fit for the neighborhood," says Niki Leondakis, CEO of Commune Hotels & Resorts, via e-mail. "We're honored that ownership chose Thompson Hotels and for the opportunity for our hotel to sit so prominently on this iconic block within The Gulch."

The jumble of factors involved in the city's growing hotel scene—from developers to neighborhoods to all the different types of properties—"is a Rubik's Cube," concludes Spyridon. "And we are feverishly turning the sides to come up with the right combination for Nashville."

MORE ROOMS AT THE INNS

What are all those cranes across the city are working on? Here's a cross-section of projects under construction as well as some in the planning phase that will likely come to fruition, in order of estimated opening date. More hotels are being planned farther away from the city center, including several in Antioch, Goodlettsville, Green Hills, and Bellevue.

HOTEL	TYPE	# OF ROOMS	NEIGHBORHOOD	PROJECTED OPENING
Candlewood Suites MetroCenter	Limited service	99	MetroCenter	August 2016
Fairfield Inn MetroCenter	Limited service	76	MetroCenter	October 2016
Tribute Portfolio by Starwood	Full service	226	Downtown	December 2016
Thompson	Full service	224	The Gulch	December 2016
One Nashville	Limited service	117	Downtown	December 2016
21c Museum Hotel	Full service	124	Downtown	January 2017
Westin	Full service	454	Downtown	January 2017
Residence Inn Opryland	Limited service	125	Opryland	March 2017
Fairfield Inn Airport	Limited service	101	Airport	May 2017
Kimpton	Full service	180	Midtown	May 2017
Marriott (Residence Inn, SpringHill Suites, AC Hotel)	Full and limited service	455	Downtown	June 2017
The Inn at Fontanel (expansion)	Full service	170	Whites Creek	August 2017
Cambria Suites	Full service	262	Downtown	September 2017
JW Marriott	Full service	532	Downtown	December 2017
Holiday Inn Hotel and Suites	Full service	228	Downtown	December 2017
Utopia	Full service	170	Downtown (Printers Alley)	2017
Virgin Hotel	Full service	240	Music Row	December 2018
Joseph Luxury Collection	Full service	300	Downtown	December 2018
The Bobby	Full service	134	Downtown	Unknown
Barkley Lake Inn	Limited service	110	Downtown	Unknown
The Fairlane	Full service	72	Downtown	Unknown
The Bridge (Lark Hotels)	Unknown	40	Downtown	Unknown
Unnamed hotel at the former Nashville site	Unknown	230	Midtown	Unknown
Hard Rock Hotel	Full service	Unknown	Downtown	Unknown

Source: NCVC

Luxury Lives in the Details...



FURNITURE & LIGHTING
SALVAGE FINDS | ART & GIFTS
INTERIOR & EXTERIOR DESIGN

at historic Marathon Village
1200 Clinton Street
Suite 30
Nashville, TN 27203
(615) 988-2180



dluxehome.com



bynumdesign.com