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Inside Real Estate

First Hospitality First To Build Hyatt Place

BY CHRISTOPHER OSTROWSKI

It's been only about a year since Hyatt Place was born out of what had been the AmeriSuites brand, and yet the opening of the first converted Hyatt Place took place in Lombard, IL, just last month. Already serving to overshadow that brand milestone, however, is Hyatt Place-related news out of Mishawaka, IN, where the first new-build and franchised Hyatt Place is expected to break ground this month. While the two events accidentally steal the spotlight from one another, they both invariably stand as evidence that unlike many of the other new brands introduced to the industry within the past two years, Hyatt Place is well on its way toward widespread consumer recognition.

Responsible for the latest brand milestone is Rosemont, IL-based First Hospitality Group, which will develop, own and operate the to-be-built, 123-key Hyatt Place. The project is expected to be completed in August 2007 and, according to Robert Habeeb, president of FHG, pricing is tentatively expected to be in the \$100,000-per-key range, which equates to a total of \$12.3 million.

Like all Hyatt Places, the new property will feature a contemporary décor; an open central gathering area with registration kiosks, a coffee and wine café and a dining area; Hyatt Grand Beds; 42-inch plasma televisions; complimentary wireless high-speed Internet access; and a free breakfast buffet.

Such features as these plus the brand's perceived direction helped convince FHG to construct a new Hyatt Place, Habeeb said. "When Hyatt decided to purchase AmeriSuites and convert it to Hyatt Place we were intrigued, and the more we looked at



ABOVE: Robert Habeeb
First Hospitality Group

RIGHT: First Hospitality Group is building what will be the first ground-up Hyatt Place in Mishawaka, IN.



the sketches and talked to Hyatt about the brand, the more we thought it had real possibilities and wanted to try it out.

"It seems very well thought out," he continued. "We're impressed by the amount of research Hyatt put into the prototype. It has significant attributes that Generation X will find appealing. And it also seems to be a little bit more mainstream than Aloft, which we think is a positive here in the transitional period between the baby boomers and Generation X. From reception through the guestrooms, everything is reengineered and breaking the paradigm of the industry over the past 30 to 40 years."

Of course, this development project could easily have been associated with another brand because FHG had the land parcel in Mishawaka under contract when it spoke with Hyatt about Hyatt Place. Once the two companies spoke, however, Hyatt Place

seemed like a "natural fit," Habeeb said.

"The site adapts very easily to the Hyatt Place prototype," Habeeb explained. "There were some minor reengineering challenges, but nothing out of the ordinary. Whenever you're the first in anything you have to expect some level of reinvention. So this development process has been slower than we hoped, but we're buttoning up everything now."

The market surrounding the site is promising, Habeeb further noted, because of its proximity to Notre Dame University and the College Football Hall of Fame in South Bend, IN.

Habeeb is also bullish on the prospect of working with Hyatt Place in other ventures that could include new developments and conversions. In fact, he said that FHG has already identified a few development sites where Hyatt Place could be suitable.