

Daily Herald BUSINESS LEDGER

Sections

The Business Resource for Suburban Chicago

Subscribe

Search



Hospitality updated: 5/12/2016 4:31 PM

Hospitality and tourism leaders optimistic about upcoming year



Barrington-based EventScape said it is seeing return business making the same events larger and for more attendees.

COURTESY OF INTERNATIONAL HOUSEWARES ASSOCIATION

**Barr
sam
COU**



Kim Mikus

With area hotels and convention centers undergoing renovations, event bookings strong and the start of the summer tourism season, suburban hospitality leaders are optimistic about the year ahead.

"Our hotels are reinvesting heavily. Many are going through remodels," said Dave Parulo, president of Meet Chicago Northwest. Properties seeing upgrades or renovations include the Renaissance Schaumburg Convention Center Hotel, Westin Chicago Northwest in Itasca, Embassy Suites Schaumburg, Eaglewood Resort and Spa, DoubleTree by Hilton Wood Dale and the Holiday Inn Express in Arlington Heights. The Donald E. Stephens Convention Center in Rosemont is also undergoing a \$2.1 million renovation.

And looking ahead to the summer months, tourism experts say that moderate, but steady wage growth is converging with lower gas prices to support leisure trips.

"Traditionally, our strongest months at our hotels are July and August due to leisure travelers followed by September and October when business travel peaks," said Maureen Riedy, president of Visit Lake County.

She said they are gearing up for a strong summer season fueled by Six Flags along with outdoor recreational experiences and festivals in Lake County.

In looking at hotel stays for the first quarter, area experts say the first quarter has been soft.

TR Mandigo & Co., a hotel consulting firm in Elmhurst, said, while it's not going to be a major catastrophe like 2009, we can expect to see occupancy rates drop this year.

"We are seeing corporate caution in the business travel sector due to economic and political uncertainty," Riedy said. "But domestic leisure travel is expected to be up slightly, which is encouraging since Lake County is both a business and leisure destination," she said.

Other experts agree. While business travel has been off, family travel has increased, because more family events like weddings and reunions have been booked at suburban hotels, said Robert Habeeb, president and CEO of First Hospitality in Rosemont agreed. "Leisure so far has been strong and we're looking toward a solid summer," Habeeb said.

Meanwhile, the best performing market was near O'Hare International Airport, said TR Mandigo Director Ted Mandigo. While it was down in 2014, it is poised to outperform downtown Chicago because of less expensive room rates and fewer new hotels opening that would compete with the current hotels.

"This market is heavily biased toward airline traffic and lives or dies with the success of O'Hare, with a secondary market of conventions and business meetings," Mandigo said.

What to expect

The long-term outlook for the O'Hare region would be a slight decrease in room occupancy, since Mandigo expects Rosemont will seek to build hotels in the next five years.

"Possible sites include the Rosemont entertainment complex, the new rental car complex, and possibly the international terminal area," Mandigo said. "Because the area is relatively strong and relatively close to downtown, it is possible other developers may join suit."

In DuPage County, Mandigo said it has recovered more slowly than the O'Hare market. But DuPage saw its best year in 2015 with occupancies at 65.5 percent. The market saw 96 hotels grow to 109 hotels, then drop to 101 in recent years. For example, the Le Meridian opened in the former Renaissance, and the Drake Oak Brook opened after a long process.

What customers want

Mary Ann Kenmotsu, director of catering and conferences services for the [Hilton Chicago/Oak Brook Hills Resort & Conference Center \(http://www.oakbrookhillsresortchicago.com/\)](http://www.oakbrookhillsresortchicago.com/), said meetings and events are picking up for the rest of the year.

And what these guests want is changing. She said those events are expecting Wi-Fi, larger bandwidth and more social media, where guests can register for meeting and conferences online.

They want plasma screens, LCD projectors and wireless technology to control lights, microphones and other devices. Guests are also asking for healthier and locally sustainable foods, and are eliminating the cookies and brownies as afternoon snacks during meetings, she said.

Ann Marie Arzt, president of Barrington-based [EventScape Inc. \(http://www.eventscapeinc.com/\)](http://www.eventscapeinc.com/), which coordinates special events, agrees that customers are asking for more technology and healthier foods. Most of all, she is seeing a lot of return business and those events are getting bigger with more attendees.

"It's becoming more difficult to get a date for some events," she said.

- Business Writer Anna Marie Kukec contributed to this report.