LAS VEGAS—My Place Hotels of America LLC’s second annual owner’s conference, held here at Caesars Palace, focused on the company’s growth and planned expansion.

Reflecting its Vegas surroundings, the theme of the conference was “We’re On a Roll,” referencing the company’s growth this past year. Terry Kline, EVP, franchise development, updated attendees on My Place’s progress. “In 2015, we had just 11 properties open in five states,” he said. “We now have 23 properties with operations in 10 states. Our pipeline is deep and growing. We expect 10-12 more My Place hotels in seven additional states by the end of the year.”

President and COO Ryan Rivett echoed Kline’s enthusiasm, and reinforced My Place’s ethos: “The fundamentals of the hotel business are still alive. Clean, comfortable and friendly is still really all you need. We’ve held true to those fundamentals, and My Place is defined by the underserved niche it has quickly come to lead.”

Rivett elaborated on how this works, describing a typical hotel submarket with two or three upscale and mid-scale competitors and half a dozen economy competitors. “The upscale guys have 360 rooms available and, generally speaking, they’re renting 72%, or 260 rooms. The economy segment has 350 rooms, and they’re renting 67% or, on average, 235 rooms a night,” he explained, noting that the ADR for the first group is about $109 and the latter is $67. “I see some opportunity there. My Place typically has 64 rooms and, if we want to run 75%, we need to rent 48 rooms. What does that mean? All I need to do is capture 4% of the high-end group’s existing demand, and 7% of the [economy] hotels,” he said.

Rivett noted that, when developing, it’s also important to take into account future demand. “What you want to see is long-term, sustained community growth. Where will that demand be five years from now or seven years from now?” he said.

One area that My Place has seen success, said Rivett, is repeat business. “[59% of our business has been] repeat business over the last 12 months,” he reported. “That niche, said Rivett, is the space between “legacy economy brands reaching the end of their lifecycle and midscale brands overtaking the economy space and calling themselves lower-midscale. It’s the area between hotels that are new, nice and expensive, and the hotels that are old, outdated and a little undervalued.”

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HB ON THE SCENE

My Place doubles in size

By Nicole Carlino
Senior Associate Editor

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