



WYNDHAM CDO CHIP OHLSSON'S **5 DEVELOPMENT TRENDS TO WATCH**

Emerging trends, new technologies and cutting-edge management

strategies have the hotel industry in a constant state of evolution.

It can be hard to determine which trends are flashes in the pan

and which are here to stay, so Wyndham's chief development officer for North America,

Chip Ohlsson, broke down the five he sees having lasting impacts on the industry.

1 PRIORITIZING PARTNERSHIPS. "Hoteliers are more focused than ever on making and building long-term relationships, and that's fantastic. Brands that drive returns should come with partnerships that play the long game," Ohlsson says. "It's not always about who has the best deal terms—it's about who can help drive the greatest return on investment (ROI) for a hotel. Having a partner with a long history of building relationships reassures developers they're trustworthy. That's why we put so much into supporting the hoteliers working with us, creating opportunities to grow their businesses, build their legacies and become fixtures in our Wyndham family."

2 LEVERAGING SCALE. There's power in numbers, Ohlsson says. "In today's marketplace, large hospitality companies have more sway than solo hoteliers and brands, affording owners many benefits, like reduced technology system costs, improved negotiations with online travel agencies (OTAs) and increased buying power with suppliers. Having brands backed by a large company like Wyndham, with more hotels than any other franchisor, gives owners peace of mind."

3 OPTING FOR EXPERIENCE. Ohlsson notes, people are prioritizing experiences over material goods, and travel tops the list. "Many next-gen travelers are seeking quality experiences at value price points, where name recognition is more important than ever. A Wyndham survey found 43 percent of people 'feel better' about a brand endorsed by a parent company," he says. "We have long understood this trend, and in 2018, we added the 'by Wyndham' endorsement to our 20-brand portfolio. It's proving successful in key ways, like significant lifts in online searches for our brands."

4 BANKING ON NEW CONSTRUCTION. "As we wait to see what the next stage of the cycle has in store, lenders are showing a preference for low-capital, high-return new construction projects," Ohlsson adds. "Our offerings are designed to be efficient to build and operate, regardless of the state of the cycle. We're continually exploring ways to lower development costs, drive returns and optimize efficiencies for owners without sacrificing style and design principles. And as of the second quarter 2019 close, 74 percent of Wyndham's global pipeline is new construction."

5 INVESTING IN SUBURBAN DEVELOPMENT. "Taking advantage of attractive cap rates in suburban areas is a smart and lucrative approach for developers, and we continue seeing growth and future promise in those neighborhoods," Ohlsson says. "Travel is everywhere, but we see an especially tremendous development opportunity in the Midwest, and in secondary and tertiary markets along the highway—we'll continue to have a leading presence there."