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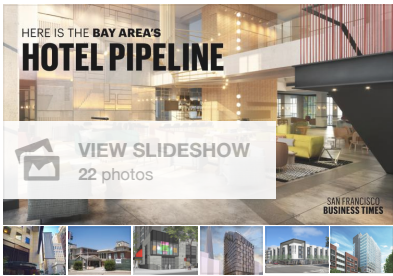
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New additions, big renovations set to shake up S.F. hotel market



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By Katie Burke – Staff Reporter, San Francisco Business Times
Aug 26, 2019, 1:56pm PDT **Updated** Aug 26, 2019, 5:52pm EDT

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San Francisco's hotel market is gearing up for another round of changes thanks to new and proposed developments, upgrades and additions.

Over the past few months alone, plans for more than half a dozen new properties have been announced.

According to [CBRE](#) Hotels, about 20 new San Francisco hotel developments are somewhere in the development process. More than 1,445 rooms are currently under construction, and an additional 3,400 rooms are in planning.

Across the greater Bay Area, nearly 50 hotels are under construction or currently in the planning stage. Combined, they would deliver more than 7,200 rooms to the metropolitan statistical area and would account for more than 13.5 percent of the current market, according

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to CBRE Hotels and data from hotel analyst STR. Of those properties, more than 30 would be classified as upper-priced.

Since the beginning of the year, three openings have added more than 600 hotel rooms to the city's supply: the Hyatt Place on Third Street, the Virgin Hotel in SoMa and Mid-Market's Yotel.

Between now and the end of 2021, at least seven new properties will open between the San Francisco International Airport to the south and Fisherman's Wharf to the north.

Even with the new additions, CBRE Hotels expects the increased room supply won't be enough to meet rising demand throughout the Bay Area. In San Francisco, specifically, average daily rates are forecasted to rise between 6 percent and 8 percent through the remainder of 2019. For 2020 and 2021, CBRE estimates average rates to rise by as much as 6 percent and 3 percent, respectively.

Those anticipated rate hikes would be a welcome change for the city's existing roster of hotels after an unexpectedly slow start to the year.

"There has been up and down demand for higher-end, lifestyle hotels and a general weakness in comp sets," said Bob Sassani, the general manager of the new Virgin Hotels. "They have not been enjoying as strong of a season for conventions yet, but once those conventions come in, we can capitalize on those higher rates."

Over the next few months, that increase will likely come from one of two factors: the city's annual "October Crush" – San Francisco's busiest convention period thanks to Salesforce's Dreamforce and Oracle's OpenWorld – or increased demand from next month's Chase Center unveiling.

Kevin Carroll, executive director of the [Hotel Council of San Francisco](#), said hotels throughout the region are eager for the opening of the [Golden State Warriors' arena](#). With limited options in the Mission Bay neighborhood, demand is expected to spill into surrounding areas during games, concerts and other arena events.

Flip through the slideshow for a look at what's to come for the Bay Area's hotel market.

THE LIST

Largest Hotels in San Francisco

Ranked by Number of guest rooms

Rank	Business Name	Number Of Guest Rooms
1	Hilton San Francisco Union Square	1,921.00
2	San Francisco Marriott Marquis	1,500.00
3	The Westin St. Francis San Francisco on Union Square	1,195.00
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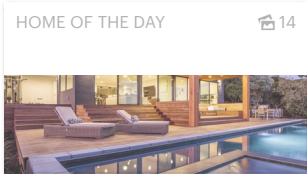
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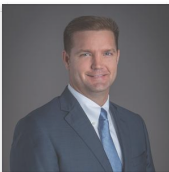
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