

Classification of Hotels

- U.S. lodging industry consists of 46,000 hotels and motels
- AAA Diamond Award:
 - Inspecting and rating the nation's hotels since 1977
 - Less than 2% are 5 Diamond
 - AAA uses descriptive criteria to evaluate the hotels that it rates annually in the United States, Canada, Mexico, and the Caribbean

Types and Locations of Hotels

- **City center:** Meets the needs of the traveling public for business or leisure reasons
- **Resort:** Inclusive and diversified in accommodations
- **Airport:** Guest mix consists of business, group, and leisure travelers; generally in the 200- to 600-room size and are full-service
- **Freeway hotel and motel:** A convenient place to stay, reasonably priced, and with few frills
- **Casino:** Coming into the financial mainstream; casinos make more money from the gaming than from the rooms
- **Convention:** Provides facilities and meets the needs of groups attending and holding conventions

Types and Locations of Hotels

- **Full-Service:** Offers a wide range of facilities, services, and amenities
- **Economy/Budget:** Reasonably sized and furnished rooms without the frills
- **Boutique:** Unique architecture, style, decor, and smaller in size
- **Extended-Stay:** Majority of guests are long term
- **All-Suite Extended-Stay:** Additional space in the form of a lounge and possibly kitchenette
- **Condotel:** Combination of hotel and condominium
- **Mixed-Use:** Hotel that may also have residences
- **Bed & Breakfast:** Accommodations with the owner, who lives on the premises or nearby, providing a clean, attractive accommodation and breakfast

Hotel Development and Ownership

- Franchising and management contracts are the two main driving forces in the development and operation of the hotel business



Franchising

- Began in 1907 by The Ritz Carlton
- A concept that allows a company to use other peoples' money for growth rather than financing
- Franchising is used to rapidly expand businesses
- The franchisee is granted the rights to use trademarks, operating procedures, and other business procedures
- Fees for lodging are generally 3–4% of room revenue

Franchising

- **Benefits to the franchisee:**
 - Standard set of plans
 - National advertising
 - Centralized reservation system
 - Participation in volume discounts
 - Listing in franchisor's directory
 - Lower fee percentage charged by credit card companies
- **Drawbacks to the franchisee:**
 - High fees
 - Central reservation system accounts for about 7–26% of reservations
 - Conformity
 - Must maintain standards

Management Contracts

- Responsible for the hotel industry's rapid boom since the 1970s
- Little or no up-front financing or equity involved
- Provides operational expertise, marketing, and sales clout, often in the form of a centralized reservation system (CRS)
- Allows the hotel company to manage the property for a period of 5, 10, or 20 years
- The company receives a management fee (a percent of gross and/or net operating profit—usually 2–4.5% of gross revenues)

10 Largest Management Companies

Company	Hotels Managed	Hotels
1. Marriott International	934	2,741
2. Accor	525	4,065
3. Extended Stay Hotels	672	672
4. Vantage Hospitality Group	610	610
5. InterContinental Hotels	504	3,606
6. Starwood Hotels and Resorts	378	845
7. Westmont Hospitality Group	360	360
8. Tharaldson Enterprises	349	349
9. Hilton Hotels	332	2,817
10. Société du Louvre (Starwood Capital Group)	321	819

Figure 3-2 • Ten Largest Management Companies.

Hotels and Tourist Accommodation Act, Chp285, 2003

- Hotels and Resort
- Apartments, Condominiums, and Villas
- Guest houses, lodges, and Inns
- Community based tourist establishments
- Campsites
- Live-aboard vessels
- Religious, educational, and research facilities

Hotel's responsibility

- Inform the office of ROH of change of management /owner
- Display all accommodation rates, exclusive of taxes
- Keep book of accounts on premises
- Register all guests
- Maintain minimum standards
- Distribute to the employees all service charge monies collected
- Reapply on a yearly basis
- Ensure payment of accommodation taxes by due date
- Submitting and properly filling out in its entirety the monthly tax returns and guest registration forms Allow the Registrar/representatives to inspect property and conduct audits on all records during reasonable hours

Minimum Standards for Hotels/Resorts

- Building and planning approval from the appropriate authority for permission to build or construct
- License issued under the appropriate authority
- Fire safety precaution approved by the Chief Fire Officer of the Belize Fire Department
- A high degree of general safety and cleanliness in respect of the facility as approved by the Public Health Department
- A copy of common tariff in all rooms
- Environmental clearance shall be obtained from the Department of the Environment. (for all new hotels constructing or coming into operation after the commencement of these Regulations).
- A sign in the reception area specifying the name and type of the establishment, as well as hotel license for the current year. The reception area shall be suitably laid out and shall contain appropriate furnishings, fittings and equipment

Minimum Standards for Condos, Villas, Apartments

- Each bedroom shall have:
 - (a) beds with modern mattresses, clean sheets, pillowcases and bed covers and of comfortable proportions; if single, to be at least 6' long and 2' 6" wide, if double, 6' long and 4' 6" wide;*
 - (b) curtains, blinds or other means of ensuring privacy;*
 - (c) bedside table, cabinet or shelf with shaded light;*
 - (d) dressing table or vanity unit;*
 - (e) a chair;*
 - (f) wardrobe or other provision for hanging clothes; and*
 - (g) adequate ventilation.*