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## Hoteliers position new Homewood in Plano

Hotel to feature 108 suites, meeting space

Dallas Business Journal - July 27, 2001 by [Lisa Tanner](#) Staff Writer

PLANO -- Lewisville-based Magnolia Development plans to break ground within two months on a \$10 million Homewood Suites hotel near the northeast corner of Jupiter Road and State Highway 190.

The four-story hotel, Homewood Suites Hotel by Hilton Technology Crossroads, will include 108 suites as well as meeting space, said Matthew Newton, director of development for Magnolia Lodging, which will manage the property.

The upscale hotel will open in August or September next year.

"It will be one of the nicest of its type, with granite countertops and other upgrades," Newton said.

The 90,000-square-foot hotel will be owned by a limited partnership that includes principals of privately owned Magnolia Lodging. First State Bank of Texas is providing financing for the project.

Other Magnolia Lodging properties in the Metroplex include two Homewood Suites hotels, a Hilton Garden Inn in Addison and an AmeriSuites in Grapevine. The company aims to open one hotel each year.

The company was drawn to the area by business activity in East Plano, including the nearby Plano Technology Center, Newton said. The hotel will be located across S.H. 190 from Cisco System Inc.'s campus and other players in Richardson's Telecom Corridor.

Despite current concerns about the downturn in the tech sector, company officials believe the market will rebound and position the hotel for future growth.

Not everyone, however, believes the new hotel's location is ideally suited.

"They may be going into that market prematurely," said John Keeling, senior vice president of PKF Consulting in Houston.

The Richardson and Plano submarkets are two of the hardest hit in the Metroplex, which is facing declining occupancy rates almost across the board, Keeling said.

Operators in the Plano and Richardson submarkets are facing an increased supply of hotel rooms as well as decreased spending by technology and other companies, Keeling said.

For May, the most recent figures available, PKF research showed occupancy rates in the Plano market fell to 61.2% this year from 73.8% in the same period last year. Rates were much the same in the Richardson market, where occupancy dropped to 59.9% from 72.8% in May 2000.

Contact DBJ writer Lisa Tanner at [ltanner@bizjournals.com](mailto:ltanner@bizjournals.com) or (214) 706-7117.

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