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New Jersey hotels lure New York tourists with cheaper rates, skyline views

By Megan K. Scott, Associated Press
Writer

JERSEY CITY — Jersey City and Hoboken offer great views of [Manhattan](#) from across the Hudson River. But [New Yorkers](#) and tourists don't generally consider the two New Jersey cities destinations worth leaving the [Big Apple](#) for — unless they're touring locations connected to *The Sopranos*.

Now both of these cities on the waterfront are home to new luxury hotels, The Westin Jersey City Newport, which opened in January, and the W Hoboken Hotel, which opened in March.

The hotels, 2 miles apart, are hoping to lure business travelers and tourists away from [New York](#) with larger rooms, cheaper rates, views of the Manhattan skyline and access to the city via the convenient 24-hour, \$1.75 PATH train.

But besides opening in the worst recession since the Depression, the hotels face big challenges: Overcoming the not-so-favorable reputations of their locales and attracting out-of-town travelers to what may be unfamiliar terrain.

To be fair, Hoboken — population 39,000 — and Jersey City — population 240,000 — have undergone dramatic changes. Twenty years ago, Hoboken was a "lower income city in need of economic redevelopment," said Bjorn Hanson, associate professor of hospitality and tourism at [New York University](#). It has since been transformed into a popular place to live, with upscale condos, and bars, restaurants and shops along the main drag.

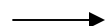
Jersey City had more of a reputation of an industrial city than Hoboken, said Hanson. Now it has a financial center and a development called Newport, with fancy office towers, condos, rental towers, a mall, parks and a marina. The city is not without front-page crime, however: A July shootout left two police officers wounded and two robbery suspects dead.

Construction on the hotels began several years ago, when hotels in Manhattan were so full they were turning tourists away and it wasn't unusual to find Jersey City hotels, such as the [Hyatt](#), [DoubleTree](#) and [Courtyard by Marriott](#), booked. At one time, the Courtyard commanded one of the highest rates in the Courtyard chain, according to Jamie LeFrak, a principal of the LeFrak Organization.

But rates at New York-area hotels are now 26% lower than last summer, according to [Travelocity's](#) senior editor Genevieve Shaw Brown. And while hotel rates in Jersey City can run 25% cheaper than New York, a resourceful traveler can find competitive rates in Manhattan, said Hanson.

For example, The Waldorf Astoria had a promotional rate this summer as low as \$199 a night, the lowest rate in six years, according to Mark Ricci, spokesman for Hilton Northeast US and Canada. Around the same time, W Hoboken rates started at \$229, Westin \$129.

But the Jersey hotels will have to do more than offer cheaper rates, said Jan Freitag of Smith Travel Research.



Business travelers are looking to be close to a meeting — not necessarily for the cheapest stay; leisure travelers are looking for value, which may not mean the lowest rate, but the best bang for the buck, he said.

"So, maybe offer free breakfast, free Wi-Fi, free water, free upgrade, free whatever and keep the rate intact and communicate those special offerings that the guest would have to pay for in other hotels," he said.

Getting the word out is tough. While The Westin and W Hoboken come up in a search of New York and vicinity hotels on Expedia and Travelocity, neither show up on [Priceline](#), according to spokesman Brian Ek. The person would have to search those cities separately, he said.

Ek said North Jersey, with Jersey City, Hoboken and Newark, did appear on Priceline's survey of the 50 most-popular destinations for Independence Day weekend (at No. 34). But that was the first time it had appeared on a most popular destination list for a holiday since August 2008, he said. The ranking was no doubt helped by July 4 fireworks on the Hudson, making Jersey City and Hoboken ideal viewing spots.

Despite the challenges, The Westin and W Hoboken are holding their own.

Counter to current hotel occupancy trends, The Westin's occupancy since opening is about 70%, with demand coming from meetings, airline crews and leisure travelers, according to Robert McIntosh, director of marketing and sales. Occupancy at the W Hoboken is about 60%, mostly business travelers followed by leisure.

The hotels, both part of Starwood Hotels & Resorts Worldwide, are designed to appeal to niche travelers.

The Westin is for the more conservative traveler, with 429 guest rooms, including 14 one- or two-bedroom suites, a Presidential suite, and ample banquet and meeting space, including the largest ballroom in Jersey City. Conventions are booked through 2010, according to McIntosh.

Rooms booked by pharmaceutical, technology and food companies, many of which have New York and New Jersey offices, are making up for the loss in business from financial companies, he said.

The W, built by Ironstate Development, is for a hipper, cooler traveler, with a red 'W' on the 250-foot-high building, serving as a billboard to Manhattan. The hotel, the sixth W in the New York area and the first in New Jersey, has 225 guest rooms, including 23 suites and 40 condos.

Locals hang out at The Chandelier Room, an indoor and outdoor lounge and bar, dine at Zylo, a Tuscan steakhouse, or pamper themselves at Bliss spa.

Eva Ziegler, global brand leader for W Hotels Worldwide, emphasizes that the hotel is not only trying to attract New York destination travelers. The W also wants Hoboken and New Jersey companies and residents. (One special offer is a 15% discount on the rate for New Jersey residents.)

That is key for both properties.

With the decline in Manhattan occupancies and the loss of those turnaways, the hotels have to appeal to more local demand, said Hanson, especially local leisure guests and low-rate contract business, such as airline crews.

Demand isn't expected to rebound until the first quarter of 2010, said Freitag. But when it does, the hotels should be in position to do well as new properties, he said.

"You just have to figure out, 'What can we do to keep this hotel afloat through the next couple of quarters?'" he said. "Because this will get better. The recession will end."



[Enlarge](#)

Starwood Hotels and Resorts
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