The Brooklyn hotel market is booming.

There are 27 hotels in the development pipeline in Kings County, according to data provided by lodging industry benchmarking services firm STR to Commercial Observer, representing a 37 percent increase from the same time last year. And those 27 hotels comprise 2,378 rooms versus the 2,129 rooms in last year’s hotel pipeline. That’s an 11.6 percent uptick.

Massey Knakal Realty Services hotel sales expert Andy Posil called the investment climate for Brooklyn hotels “frothy,” in a new Brooklyn hotel report.

The contributing factors, he noted in the report, are: “operational performance; demographic fundamentals; and liquid capital markets which are increasingly receptive to hotel product in the current lending environment.”

Demand, or rooms sold, in Brooklyn has been on the rise year-over-year for the last several months ending in July, according to the most recently available data from STR. The same has been the case for the occupancy rate, average daily rate, revenue per available room (RevPAR), supply, demand and revenue.

Lyon Porter, owner of Urban Cowboy as well as a managing director at Town Residential, said he recently opened the Williamsburg bed and breakfast because a lot of the hotels being built won’t be in the market for a year or two and he believes that people are seeking new and unique experiences.

Brooklyn hotels are not just competing with other Kings County hotels. They now rival hotels in downtown Manhattan.
“There’s an interplay between downtown Manhattan and Brooklyn,” Mr. Porter said. He also noted the correlation between the upgrading of residential developments and hotels.

“The majority of Brooklyn hotels were low-cost service providers and a lot of development was like that too,” he said. “[Both are] becoming more luxurious.”

Jason Muss’ Muss Development Group opened the first part of Downtown Brooklyn’s New York Marriott at the Brooklyn Bridge in 1998 and expanded it to 667 rooms in 1998. He said his occupancy and room rates have steadily increased over the years.

“Brooklyn is becoming an international destination,” Mr. Muss said. “Anybody that comes to New York City stops in Brooklyn. I think it’s part of the tour, part of the itinerary.”

At Williamsburg’s McCarren Hotel & Pool, formerly King & Grove Williamsburg, Edward Scheetz of Chelsea Hotels, said the type of hotel guests have shifted from friends and family of local residents to foreign travelers and more corporate accounts since his company bought the hotel in May 2012. “Events are up 100 percent year-over-year,” he said.

For example, the movie *Dawn of the Planets of the Apes* premiered in Williamsburg in July and the after-party was on the Sheltering Sky rooftop bar at the McCarren Hotel.

Andrew Sasson, an associate director at Eastern Consolidated who is co-marketing the International Society for Krishna Consciousness’ U.S. headquarters at 295-309 Schermerhorn Street in Downtown Brooklyn, said three big hotel brands had expressed interest in the site. They wanted it because of the surge in residents and tourists. But, they were priced out as “the highest and best is residential use.” The Hare Krishna movement wants to sell the building, which has 156,000 square feet as of right, for more than $60 million.

Mr. Sasson anticipates the borough becoming more popular for condominium and hotel hybrids as those deals pencil out more favorably for developers than do straight hotels.