

A Bright Future for Downtown Kissimmee's Hotel Market

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In response to population growth, ongoing city-led projects, and a persistent lodging gap downtown that often forces visitors to stay in adjacent markets, Kissimmee is primed for new hotel development. Currently, four hotel proposals for downtown sites are currently under review by the city, with additional lodging development possible in other parts of the city.

Kissimmee's Hotel Landscape: What's Here and What's Coming

The city of Kissimmee currently features a notable concentration of lodging establishments along West Vine Street/U.S. Highway 192. However, these are primarily independent, budget and economy hotels that cater to both local and transient travelers. The nearest full-service hotel is the Embassy Suites by Hilton Orlando Lake Buena Vista South, located approximately six miles northwest of downtown. The downtown area currently lacks limited-, select-, and full-service hotels.

In the absence of higher-end accommodations, visitors often seek short-term rentals such as Airbnbs. However, according to Experience Kissimmee officials, these options are also relatively limited within the downtown area, which then pushes travelers to neighboring markets such as Celebration, Lake Nona, and Lake Buena Vista. In some cases, Kissimmee visitors even choose lodging in or near Orlando, where a full array of hotel options is readily available.

Developers have taken notice of this “lodging gap,” as the city received four hotel proposals in the spring of 2025 for two sites: the Toho Square Parking Garage site and a site adjacent to the Kissimmee Civic Center. Two proposals were submitted for each site, with the proposed hotel products ranging from a 113-room extended-stay hotel with ground-floor retail to a 300-room hotel featuring 20,000 square feet of meeting space and a renovation of the Civic Center. Local officials are currently reviewing the proposals and negotiating with the developers, with a final selection for each site expected later this year.

Present Catalysts, Development Pipeline, and Growth Outlook

This heightened interest in development is no coincidence. The market is expanding, and the major industry trends, recent developments, and existing demand generators currently driving growth and attracting investment in Kissimmee are summarized below.

NeoCity

Located just a short drive from Downtown Kissimmee, NeoCity is a planned 500-acre technology district poised to become a high-tech hub for advanced manufacturing. The campus is planned to be gradually developed over 50 years. Thus far, several major milestones have been reached, including the completion of The OC and Neovation Way and the expansion of NeoCity Academy. According to the NeoCity Master Plan, the district is projected to generate approximately 26,900 to 34,300 direct jobs once fully complete.

From a hotelier’s perspective, the demand created by NeoCity is anticipated to have a significant, long-term, gradual impact commensurate with the scale and timeline of the project. As the district reaches completion, it is expected to bring thousands of annual visitors to the area, including developers, contractors, and professionals relocating or traveling for work, training, education, or seminars at NeoCity facilities. Given the limited hotel availability in the downtown district, introducing an upscale hotel in nearby Downtown Kissimmee would strategically support the city’s growing population and meet the anticipated demand from major developments like NeoCity.

Transportation

The Kissimmee Gateway Airport, a general public aviation facility located just west of downtown, features two runways that support a range of aviation operations, including flight training schools such as Orlando Flight Training and Stallion 51, as well as carriers like Skyway Enterprises. Though modest in size, the airport is well positioned for continued growth, fueled by developments such as three new hangars developed by Sheltair in 2024. Additional projects pending approval include Cirrus Aircraft’s proposed expansion and a planned development from Kissimmee Place Development Group Inc.

Kissimmee also benefits from a SunRail station at the Intermodal Transportation Center, located less than a mile south of downtown. The SunRail extends along a 61-mile corridor from DeLand on the north end to Poinciana on the south end. According to representatives from Experience Kissimmee, efforts are underway to connect the Kissimmee SunRail station with the Brightline station in Orlando, which extends south to Miami. This rail expansion would enhance regional connectivity, and these developments should create opportunities for increased visitation.

Medical Centers

Two major hospitals, HCA Florida Osceola Hospital and AdventHealth Kissimmee, are located in the downtown Kissimmee area. They continue to grow, as evidenced by a \$12.3-million expansion completed by AdventHealth Kissimmee in 2024. The hospitals generate steady lodging demand from regional and local patients, visiting family members, traveling medical professionals, and attendees of hospital seminars and meetings. Currently, the limited lodging options available nearby often force these visitors to seek accommodations in surrounding markets, highlighting a need for additional hotel rooms in the downtown submarket.

Event Venues & Attractions

Osceola Heritage Park, a 200-acre entertainment and event complex located about two miles northeast of Downtown Kissimmee, serves as a major regional destination for concerts, sporting events, conventions, fairs, and expos, bringing thousands of regional visitors a year. In 2024, Osceola County announced "Project Next," a nearly \$1-billion redevelopment plan at the park to expand sports venues and add additional facilities, such as team headquarters, housing, hotels, retail, and dining. Osceola Heritage Park, along with the nine-field Austin-Tindall Sports Complex located roughly eight miles northeast of downtown, help drive significant group and leisure demand to the market.

According to Experience Kissimmee officials, the demand generated by these large-scale sporting and event venues is currently dispersed across the broader regional hotel market due to limited nearby accommodations. Expanding the hotel supply through Project Next and new developments in the downtown area would help meet the region's rising demand for accommodations, including the thousands of annual visitors attending events at Osceola Heritage Park, the Austin-Tindall Sports Complex, and the Kissimmee Civic Center, which functions as the downtown area's convention center.

Conclusion

Given the lack of nationally branded limited- to full-service accommodations in Downtown Kissimmee, combined with current demand levels and anticipated developments, the downtown hospitality submarket is well-positioned to benefit from new lodging supply. Based on current trends and projected growth, Kissimmee has a promising future, and we look forward to seeing how the city evolves.

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Sources

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