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Alexandria

Spring 2016 Hotels Outlook

May 13, 2016

Alexandria Hotel Association/Visit Alexandria

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National Trends

- Occupancy, ADR, RevPAR at or near all-time highs
- 2.2 billion person-trips in 2015 (+4.1%)
- \$814 billion in direct domestic travel spending in 2015 (+2.7%)
- \$133 billion in direct inbound international travel spending in 2015 (-2.0%)
- 74.9 million international arrivals to U.S. in 2014 (+0.2%)
- Spending on lodging rose 7.3%
- 24.9% of traveler spending was on food services

Source: US Travel Association, Smith Travel Research

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12MMA: Decelerating Occ / ADR Growth Rates



		<u>% Change</u>
• Room Supply		1.3%
• Room Demand		2.2%
• Occupancy	65.4%	0.9%
• A.D.R.	\$121	4.1%
• RevPAR	\$79	5.0%
• Room Revenue		6.3%

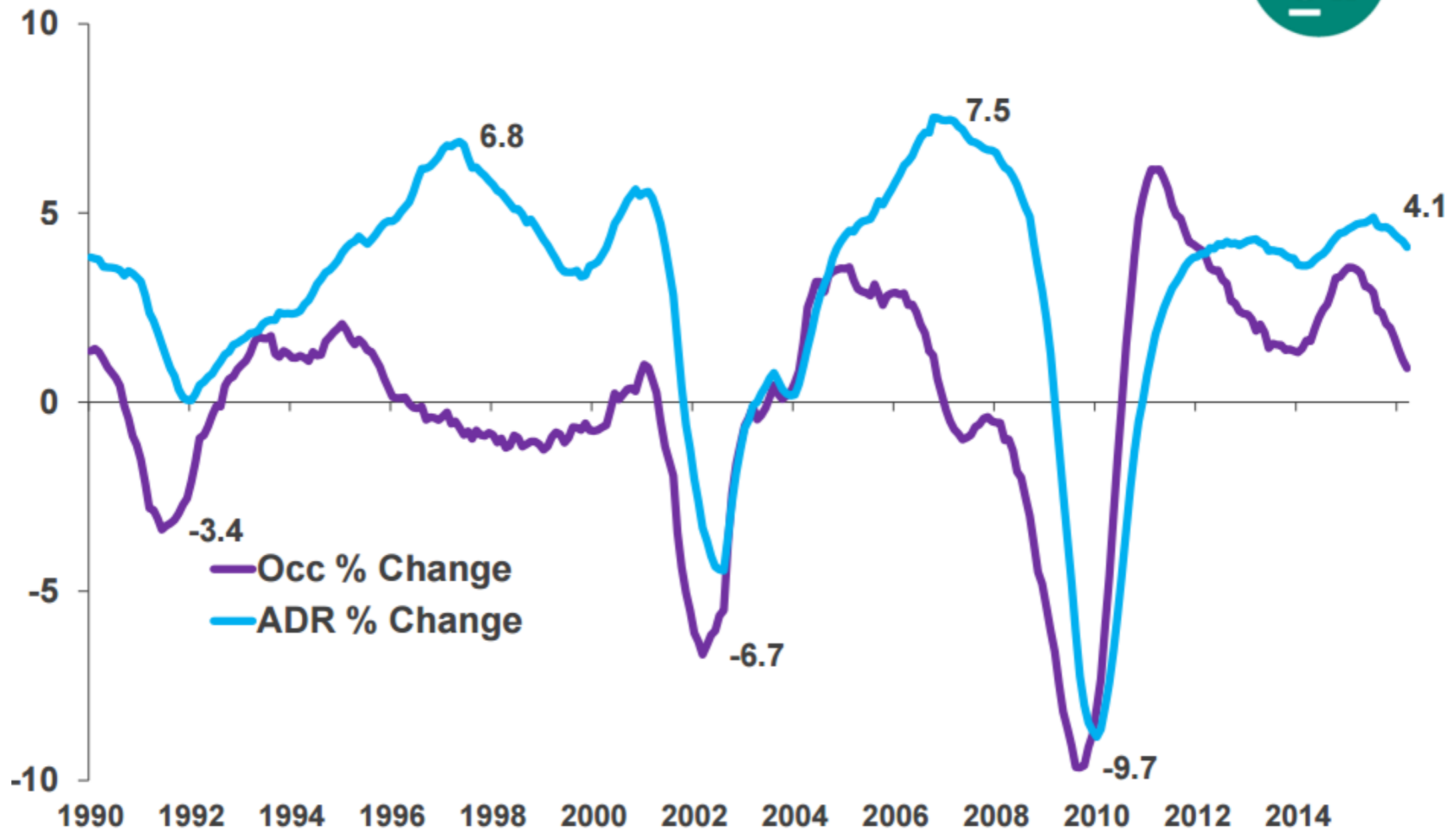
March 2016 12 Month Moving Average, Total U.S. Results

Source: Smith Travel Research

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ADR Growth Softer. Occ Growth Decelerating Rapidly.



Total U.S., ADR & OCC % Change, 12 MMA 1/1990 – 03/2016

Source: Smith Travel Research

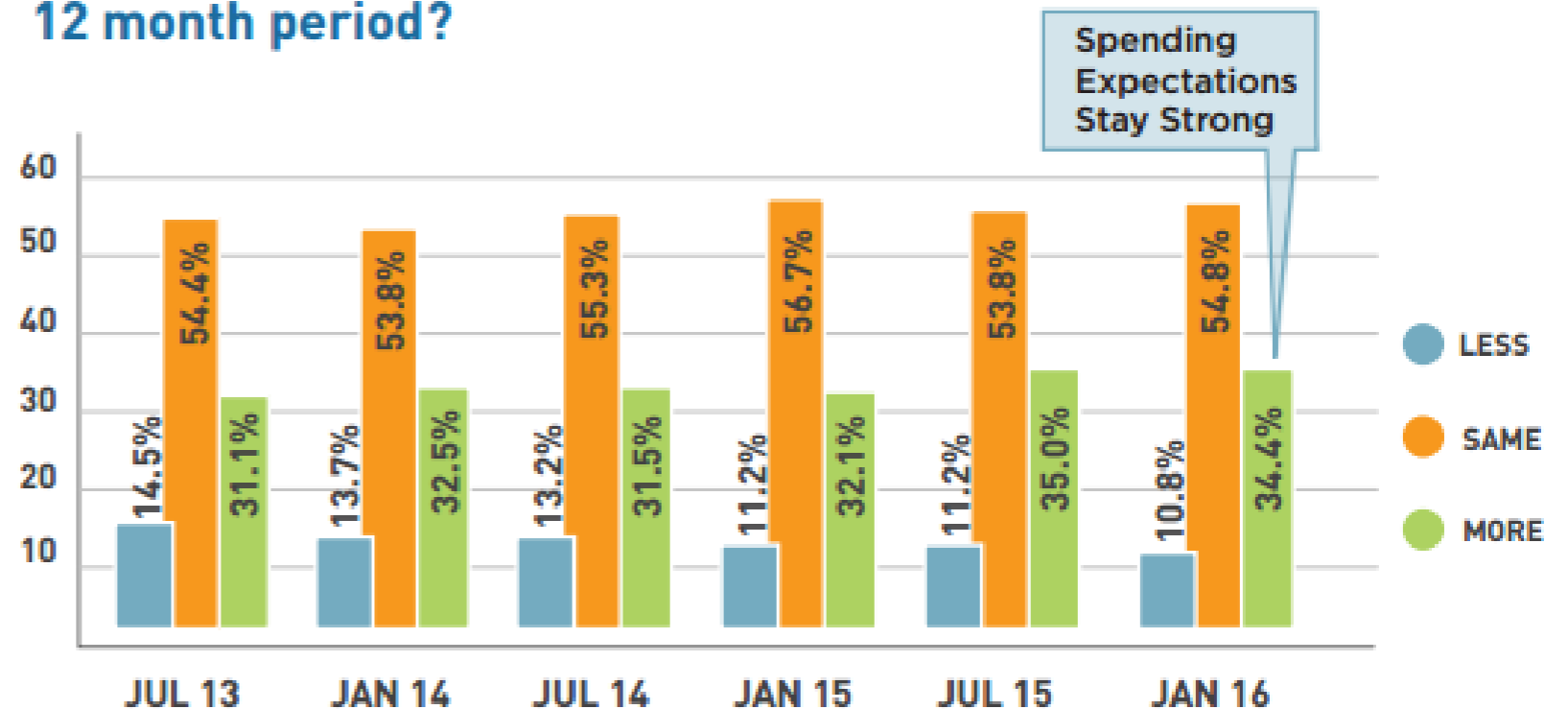


Tourism: A Growth Industry

Traveler Intentions

- Only 10.8% say they will spend less on leisure travel than last year
- Expected leisure travel budget +7%
- Southeast, urban dwellers, and millennials most likely to increase travel this year

Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?



Source: "State of the American Traveler" January 2016 Report, Destination Analysts

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Tourism: A Growth Industry

National Consumer Trends

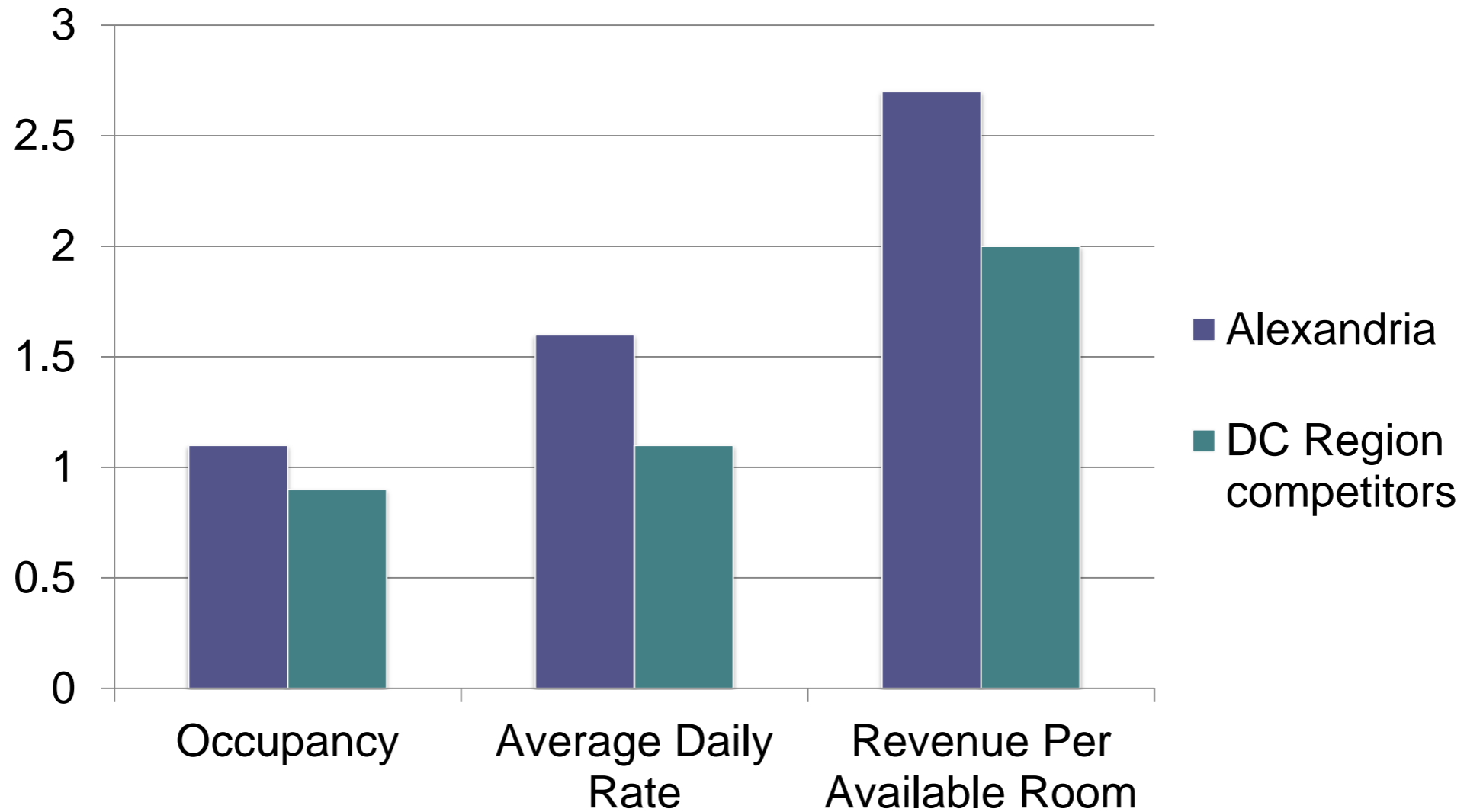
- Concerns about gas prices continue to fall, but concerns about financial condition and airline prices ticked up a bit
- Washington DC is 7th most desired US destination for 2016
- Travelers using more sources than ever when planning trips; friends and family, print, social media, DMOs, review sites, blogs, user generated content, etc.
- 50% increase in those using online video to help plan trips

Source: "State of the American Traveler" January
2016 Report, Destination Analysts

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Lodging Performance (% change year over year)



Source: Smith Travel Research date July 2015-March 2016 vs. previous year; DC Region competitors include Arlington Co., Fairfax Co., DC, and Prince George's Co.

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Total United States

Key Performance Indicator Outlook (% Change vs. Prior Year)
2016 - 2017



Outlook			
	2015 ACTUAL	2016 Forecast	2017 Forecast
Supply	1.1%	1.7%	1.9%
Demand	2.2%	2.3%	2.1%
Occupancy	1.7%	0.6%	0.2%
ADR	4.4%	4.4%	4.3%
RevPAR	6.2%	5.0%	4.5%

Last Fall's
RevPAR
Forecast:
2015: 6.8%
2016: 6.0%

Thank you!

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