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# **Hotels and the Impact of Tourism**

**April 27, 2015**

**Agenda Alexandria**



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## City Hotel (1792)





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## Green's Mansion House Hotel (1848)



\*Courtesy NVRPA

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**The Challenge**



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## Regional Economic Challenges

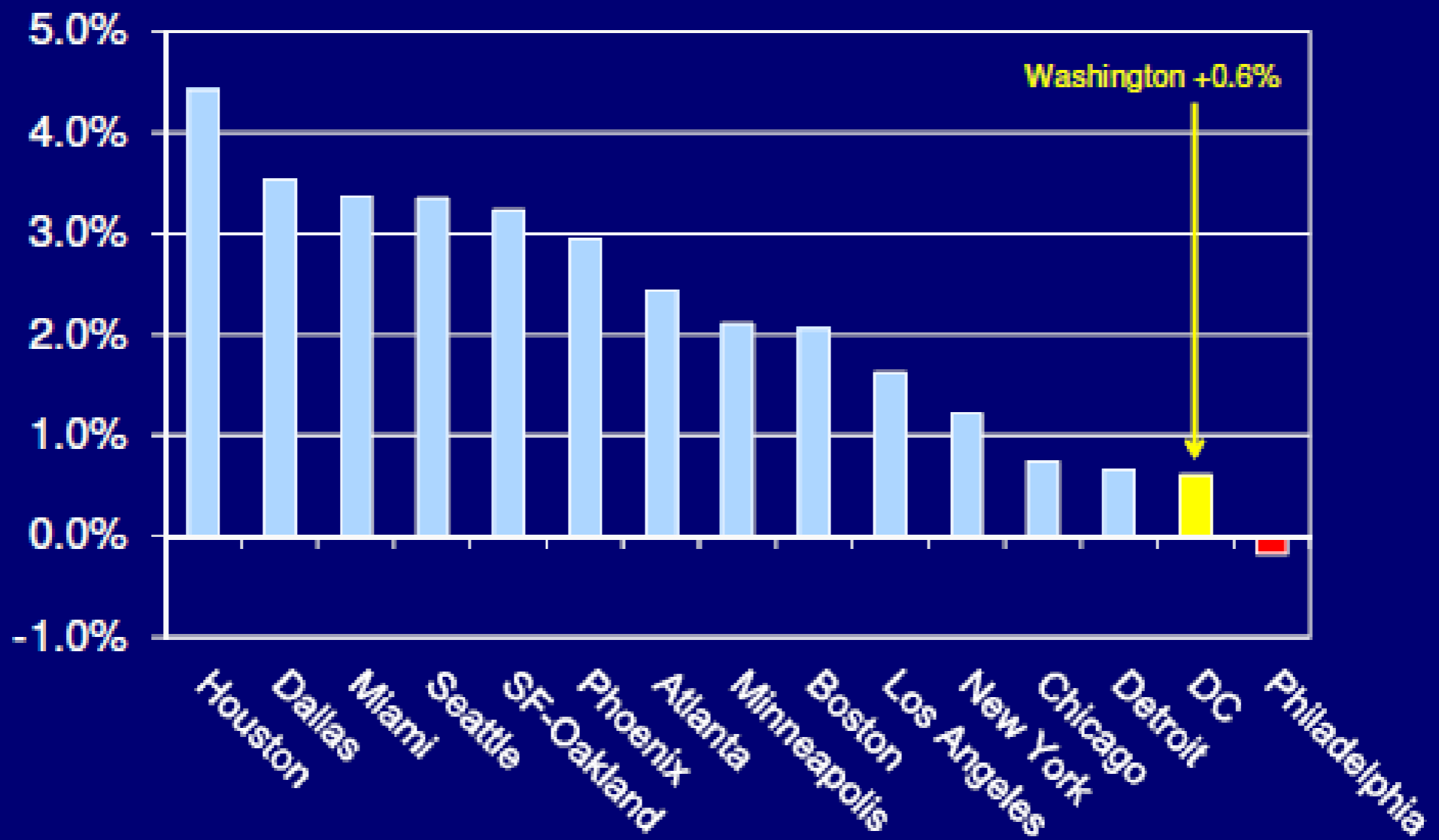
- Federal outlays declined \$13.3 billion (-16.1%) from 2010-2013
- 21,800 fewer federal jobs in the region
- Need to diversify economy



\*Source: GMU Center for Regional Analysis



## Job Change in the 15 Largest Metropolitan Areas: Nov 2013 – Nov 2014

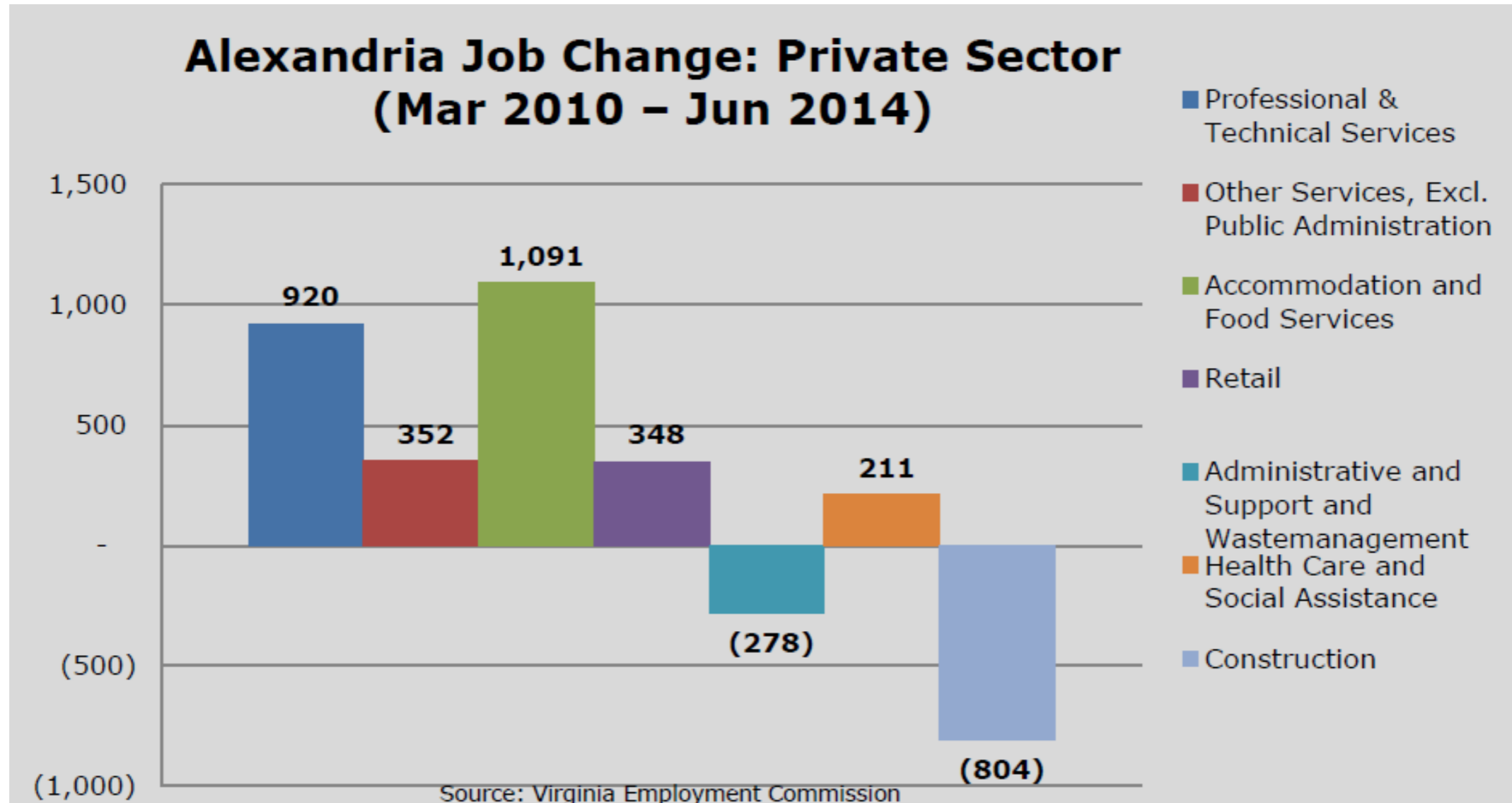


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

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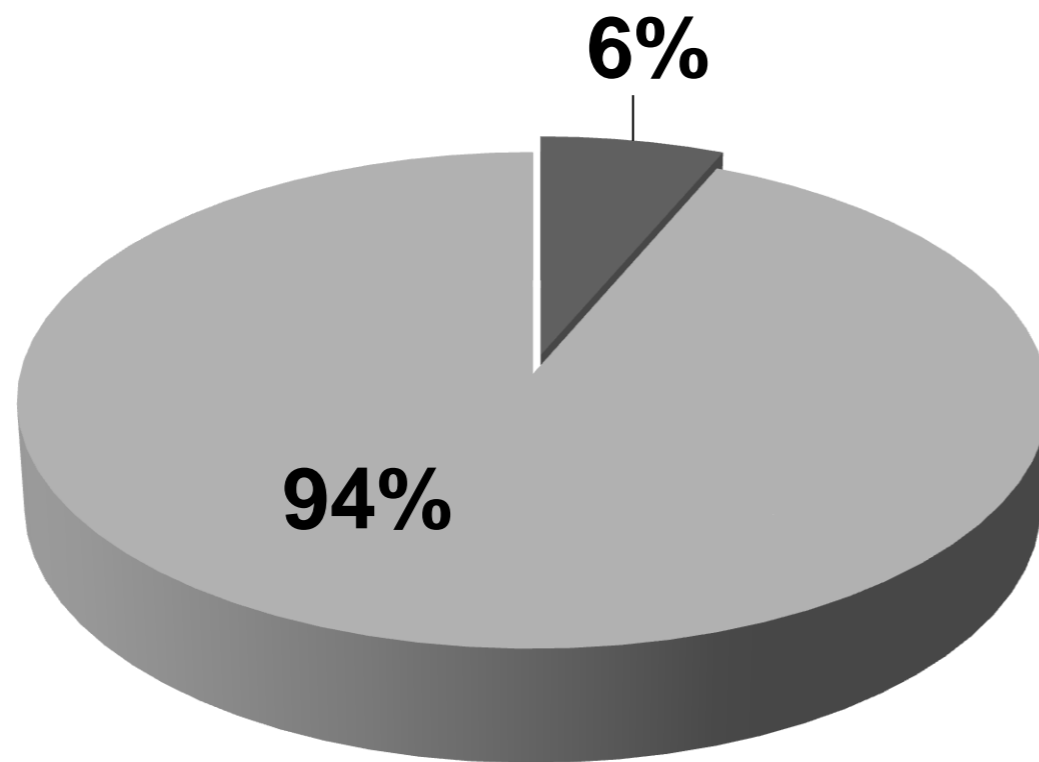
## 60% of Private Sector Job Creation (2010-2014) in Hospitality and Retail



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# Alexandria Jobs



- Supported by Tourism
- All other jobs

*Each 1.0 percentage point increase in the share of visitor economy jobs corresponds to total job growth over a nine year period that is 3.0 percentage points stronger.*

Sources: Virginia Tourism Corporation, *2013 Economic Impact of Domestic Travel*; Oxford Economics, *Destination Promotion: An Engine of Economic Development*



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**State of the Hotel Market**

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## **Hotels That Have Closed**

**Hawthorne Suites – 184 rooms**

**Washington Suites – 219 rooms**

**Holiday Inn Eisenhower – 197 rooms**

*Assessed value of hotel property:*

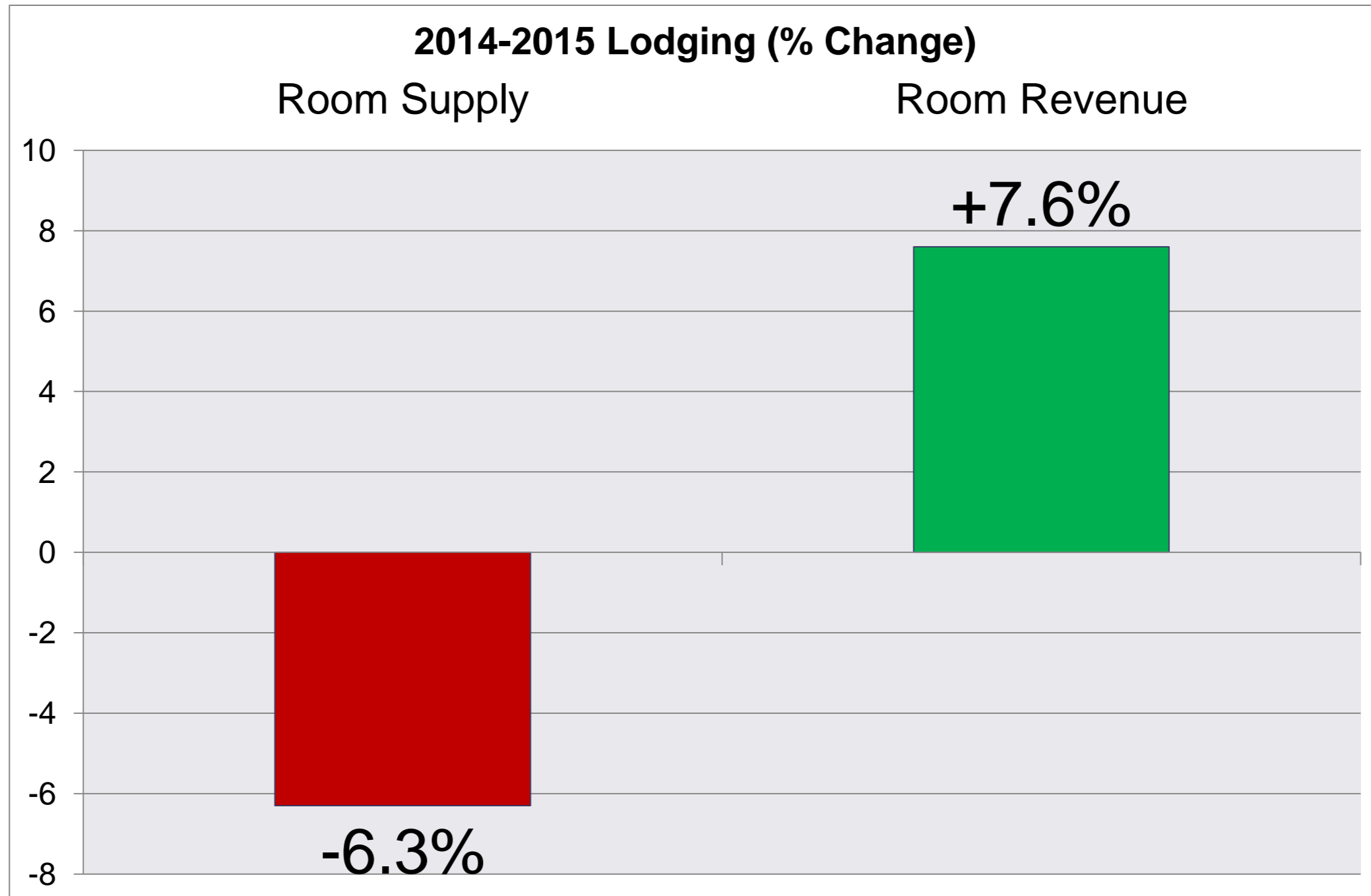
*-13% in 2014*



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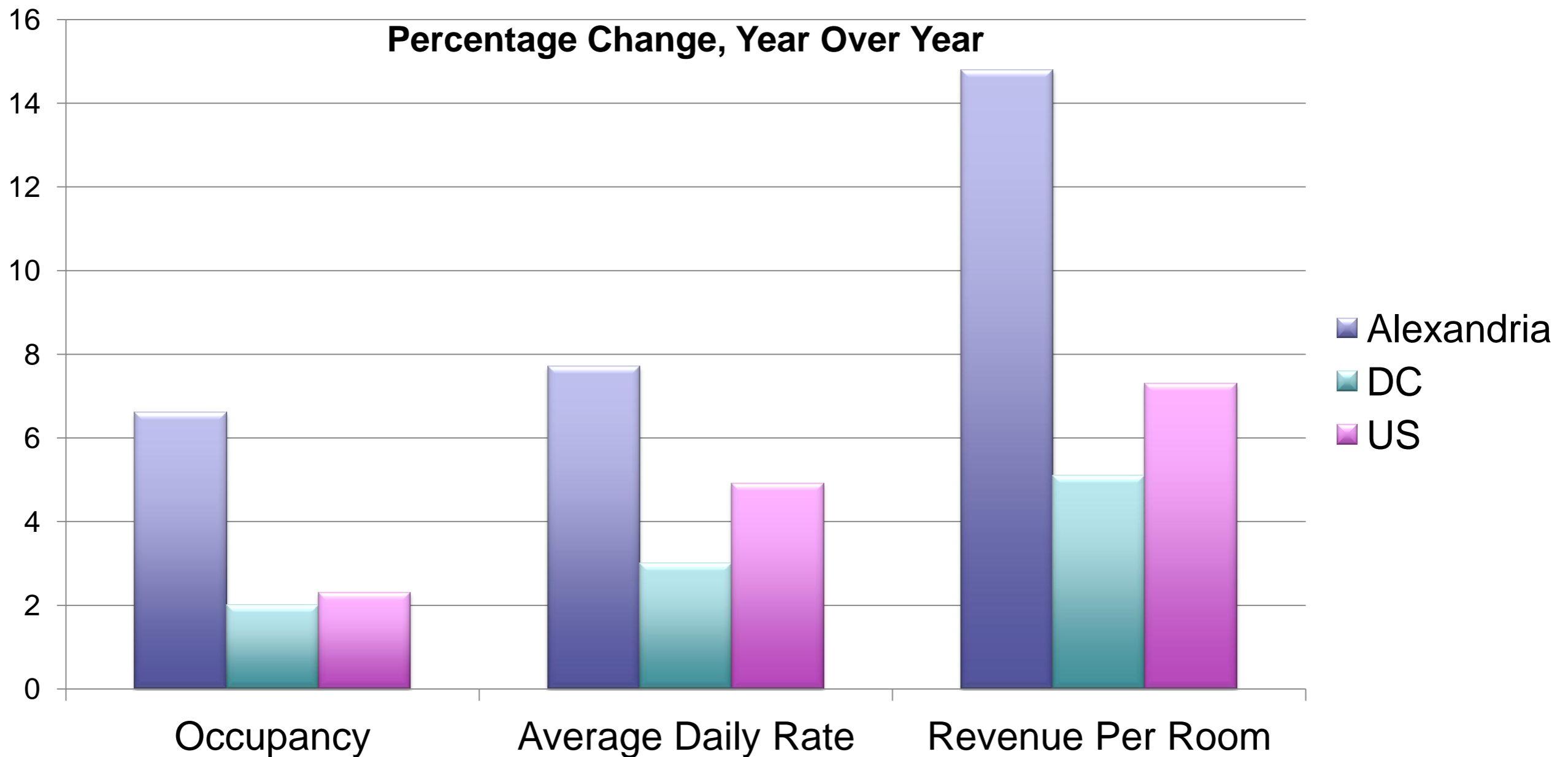
# Lodging Revenue Rising, Despite Loss of Rooms



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# Current Lodging Performance



Source: Smith Travel Research; DC and Alexandria data July 2014-March 2015; US data March 2015 12 month moving average



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## On the upswing: Hotel openings

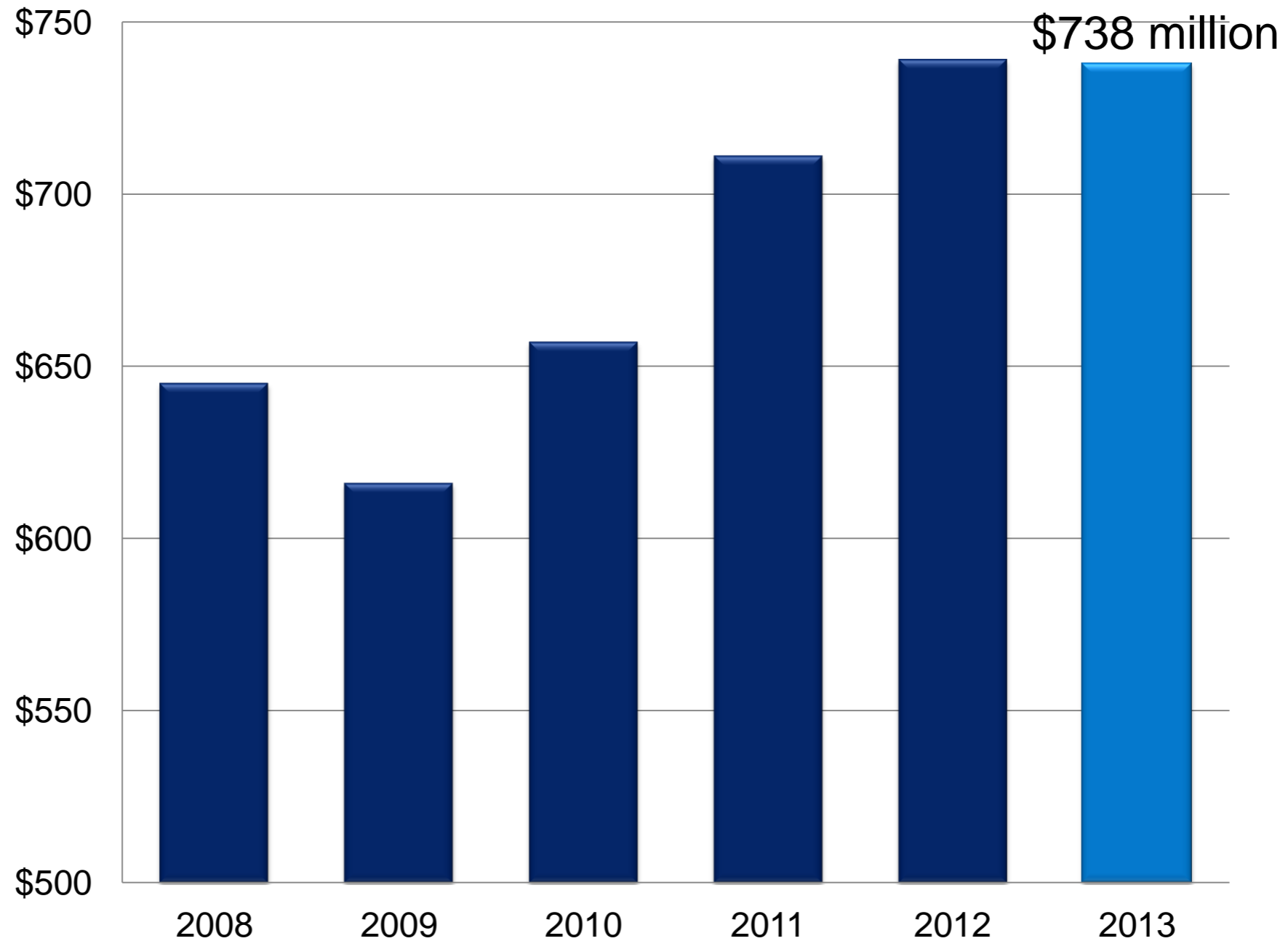
- **Hilton Garden Inn** on Prince St – 109 rooms. Opened March 2015.
- **Hotel Indigo** – 121 rooms – 220 S Union St on waterfront. Opening 2016.
- **2017 and Beyond** *potential development*
  - Robinson Terminal North development on Waterfront
  - Braddock Road Metro
  - Carlyle Plaza Two (Eisenhower Ave)
  - Holiday Inn Eisenhower Replacement (659 rooms)
  - Potomac Yard
  - Landmark Mall



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# Visitor Spending in Alexandria (millions \$)

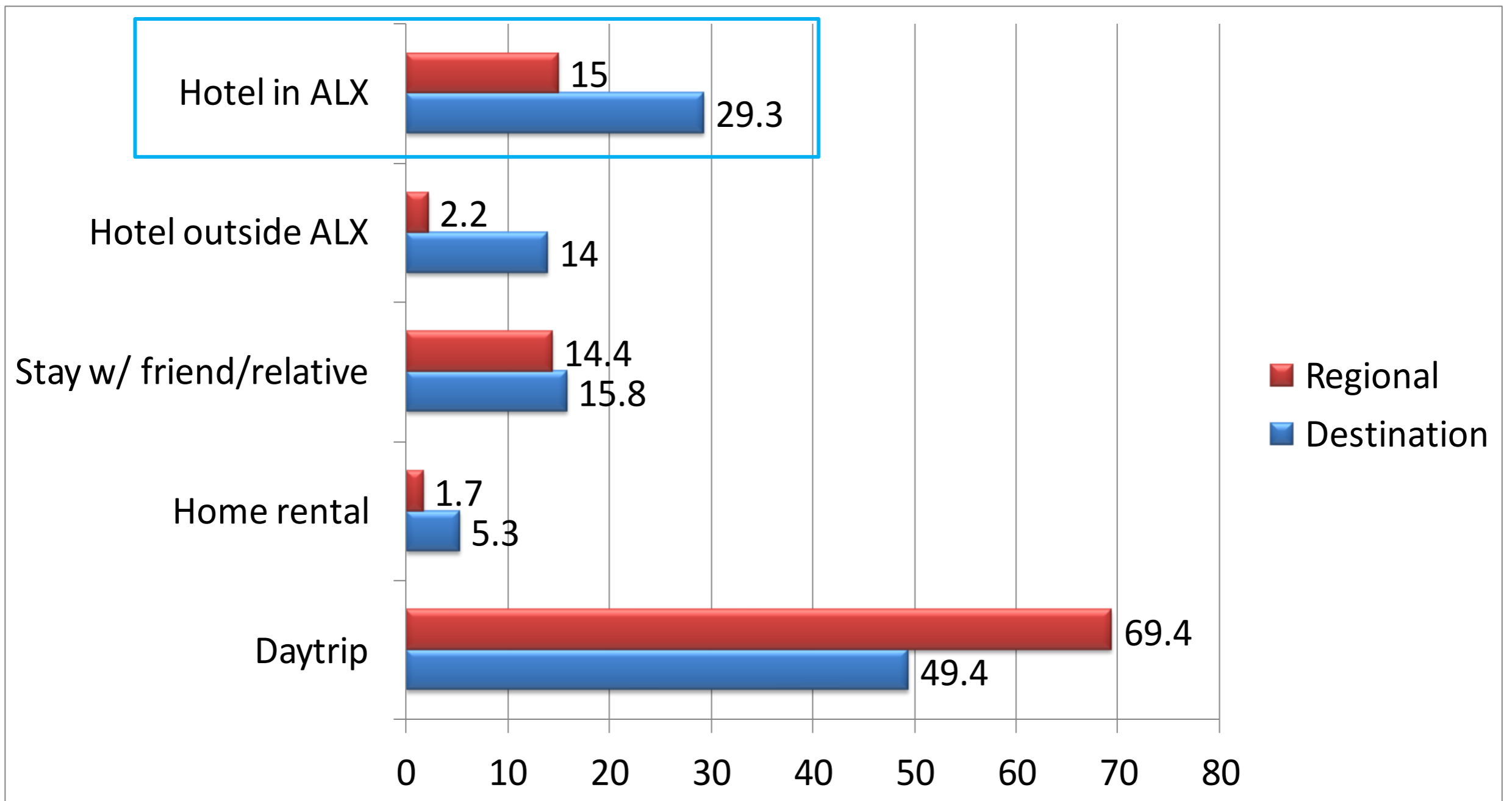




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# Place of Stay of Alexandria Visitors

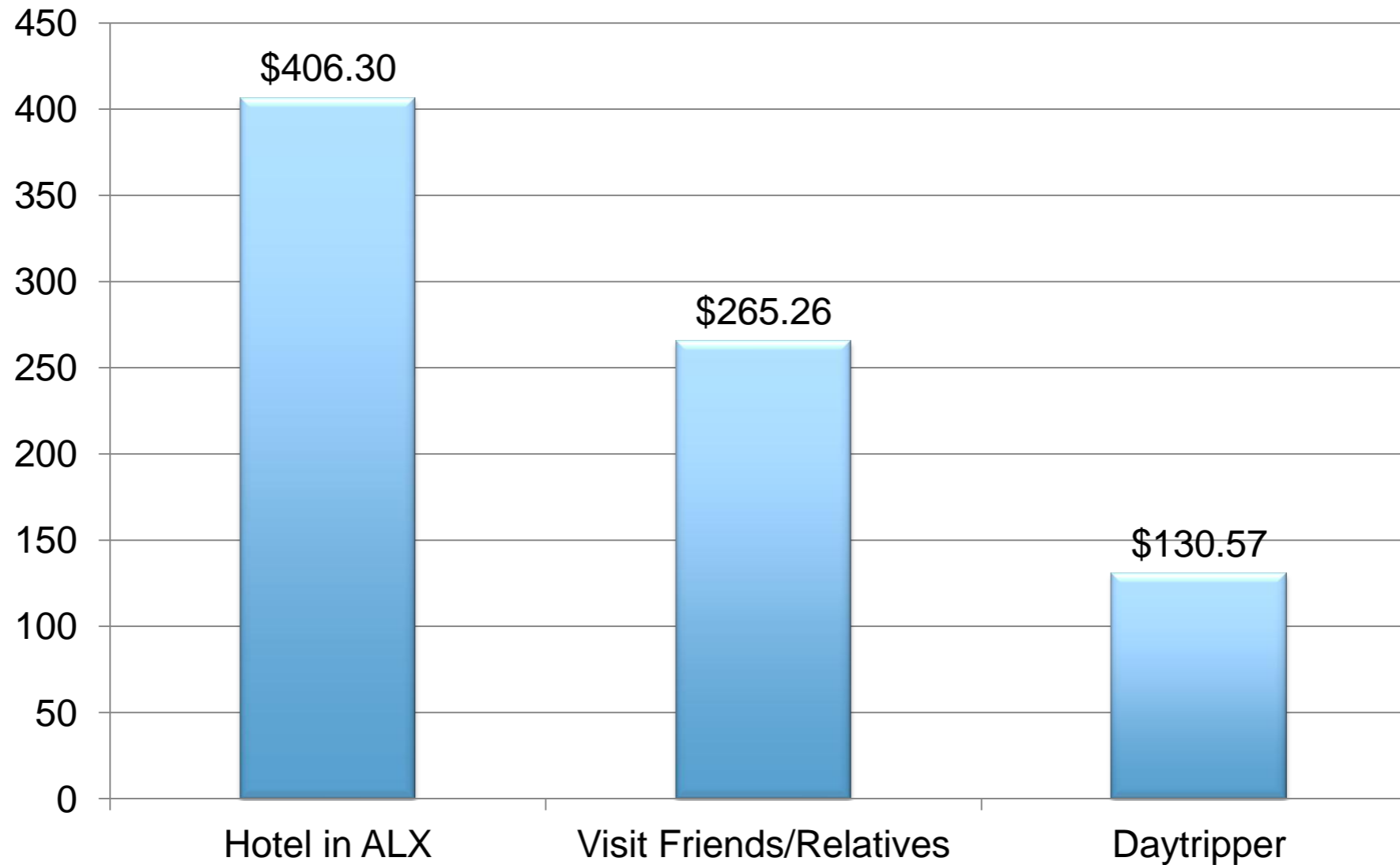


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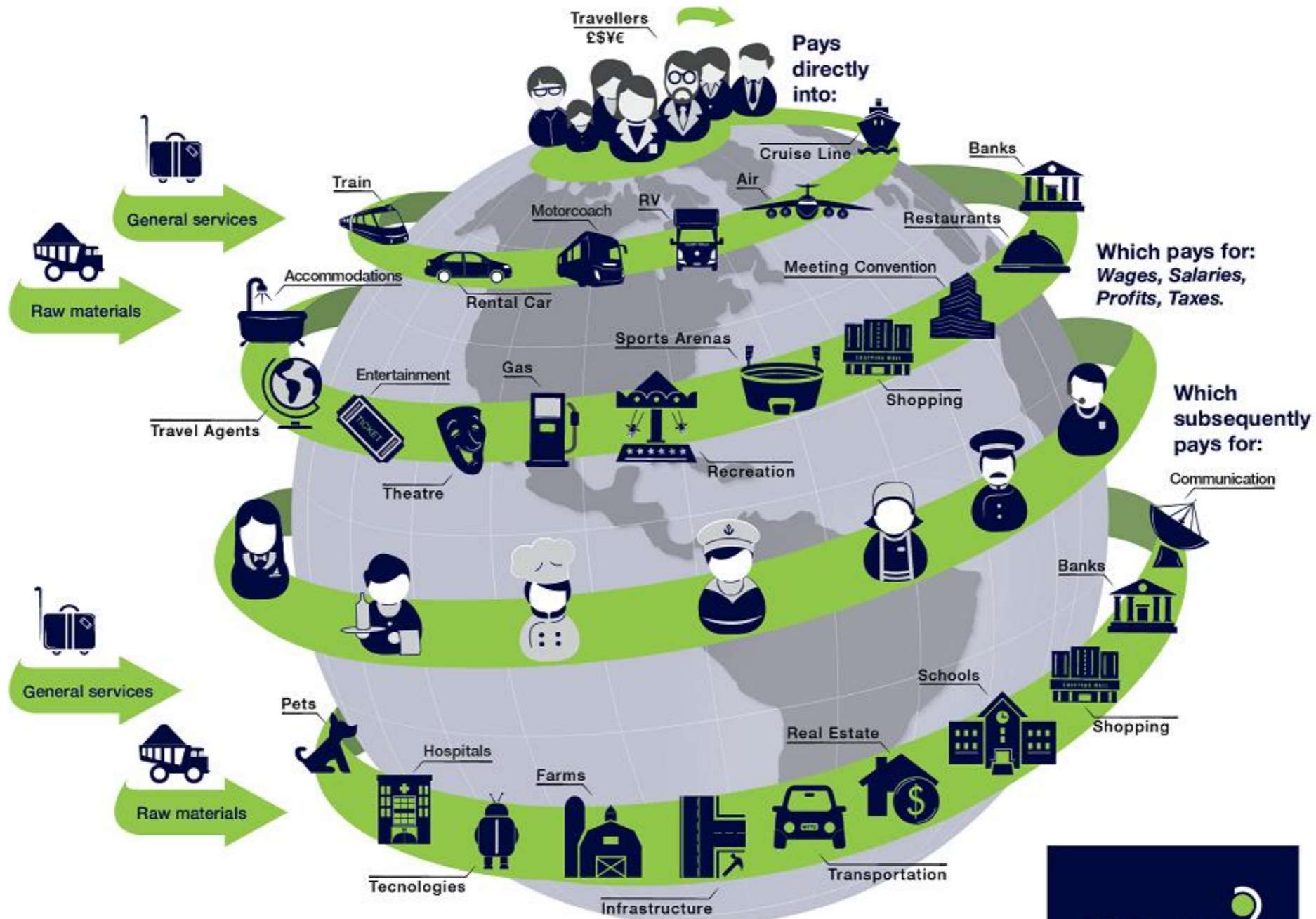
# Visitor Spending by Accommodation

Spending per trip



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## Hotels are Critical to Attracting Meetings

- Corporate, Government, Non-profit, Associations, Groups, etc.
- Sales team of 4 at Visit Alexandria handled meetings representing \$5.5 million in actual revenue in Fiscal Year 2014
- Estimated Total Economic Impact of these meetings: \$19.0 million

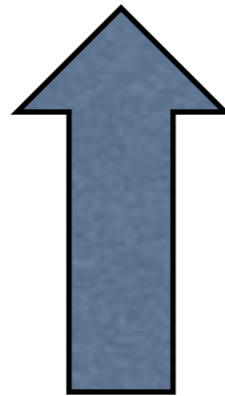


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## **Economic Impact of Tourism**

**\$300 tax savings per household**



**\$24 million in tax revenue generated\***

Source: Virginia Tourism Corporation, *Economic Impact of Domestic Travel*, 2013

\*Data is based on macroeconomic modeling and provides an estimate of receipts, not an accounting of actual taxes and receipts



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## Amenities



*Visitor spending helps support a broader and higher quality set of local amenities than an area could otherwise sustain.*

*\*Courtesy Oxford Economics, Destination Promotion: An Engine of Economic Development*

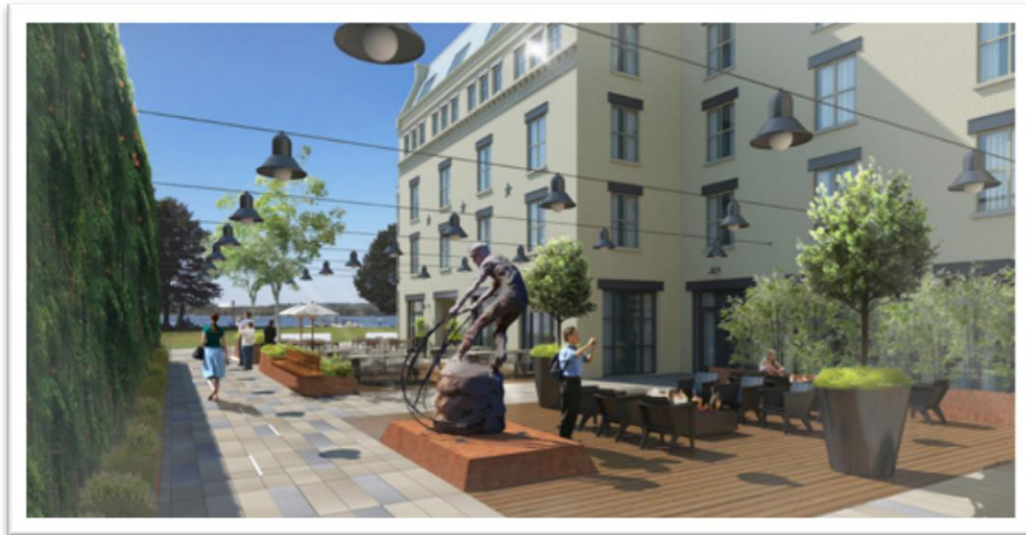


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## Integration With Community

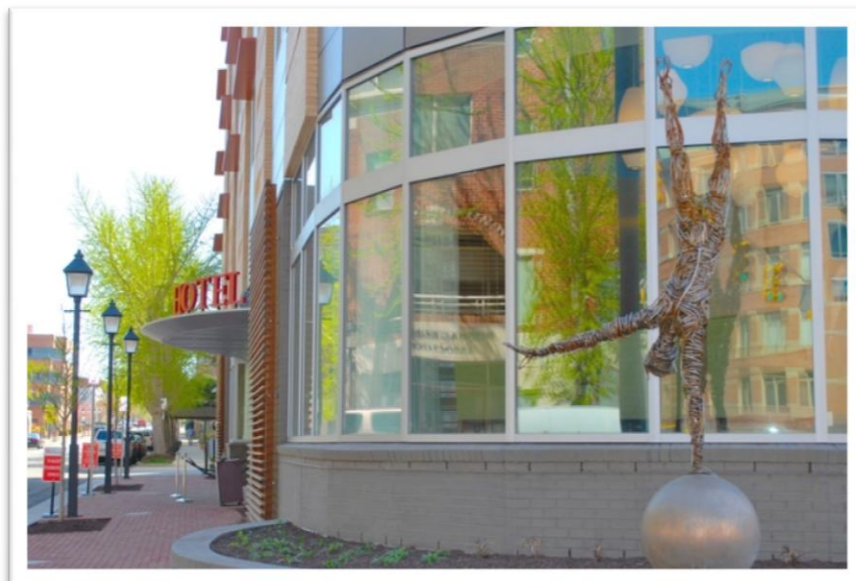
### Hotel Indigo



### Hotel Monaco



### Hilton Garden Inn



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## **The Value of Tourism**

- Generating visitor spending
- Increasing local tax revenue
- Creating jobs
- Enhancing quality of life
- Strengthening local businesses
- Building Alexandria's image and community pride
- Lessening dependence on real estate taxes



**Thank you!**

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**For more stats and info about tourism in  
Alexandria, check out  
[VisitAlexandriaVA.com/research](http://VisitAlexandriaVA.com/research)**