

LODGING INDUSTRY TRENDS 2015



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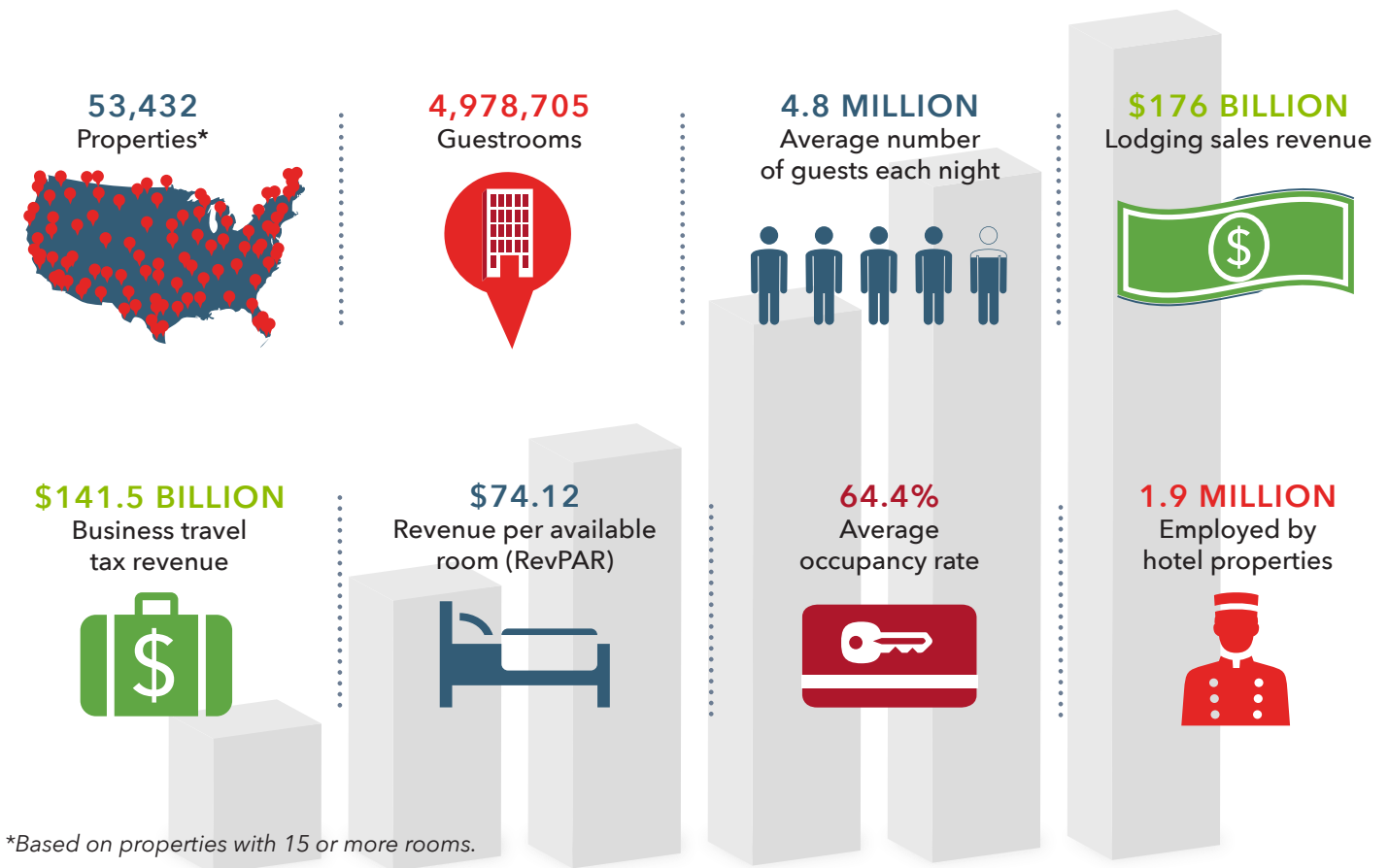
The lodging industry is boosting economic growth, marking five years of consecutive job creation. The latest trends reinforce the industry's ability to create good-paying jobs, grow communities and promote tourism and travel across the United States.

In the last year, there were more jobs and higher wages in our industry: the industry added more than 30,000 new hotel jobs and more than 100,000 new travel-related jobs, resulting in an increase of over \$12 billion in travel-related wages and salaries, up six percent. The pace of hotel development remains robust: the total number of properties grew from some 52,000 properties to 53,432 properties; and rooms grew from some 4.8 million rooms to 4,978,705 rooms, in just one year. The industry also provides billions of dollars to communities across the country. Just this year, hotels generated \$141.5 billion in business travel tax revenue, which is up \$6.5 billion from last year.

Travelers are spending more too. The typical business traveler spends about 3 percent more per night, and the typical leisure traveler spends about 6 percent more per night. Not only has the industry promoted domestic growth, but international travel to the U.S. continues to increase, making the U.S., by far, the top destination for international travel. By 2020, 96.4 million visitors are forecasted to visit, which amounts to an increase of 29 percent over 2014.

AT-A-GLANCE STATISTICAL FIGURES

TRENDING UPWARD



All figures are for year-end 2014. Figures for 2015 will be available in mid-2016.
Sources: U.S. Department of Commerce, International Trade Administration, National Travel & Tourism Office; Bureau of Economic Analysis; Statistics Canada; Banco de Mexico.

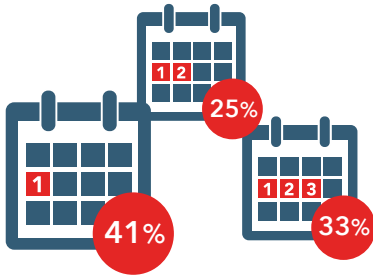
TODAY'S HOTEL GUESTS



40% travel for business

60% travel for leisure

The typical **business** traveler's hotel stay:



**\$280.2
BILLION**

spending
by business
travelers in
2014



Male (63%), age 35-54 (50%)

Employed in a professional or managerial position (56%)

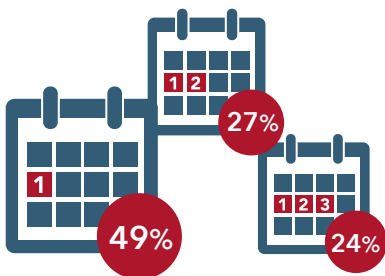
Earning an average yearly household income of \$127,000

Travels alone (78%)

Makes reservations (95%), and

Spends \$147 per room night.

The typical **leisure** traveler's hotel stay:



**\$660.3
BILLION***

spending
by leisure
travelers in
2014



Two adults (57%), ages 35-54 (39%), and 55+ (39%)

Earning an average yearly household income of \$99,000.

Travels by auto (80%)

Makes reservations (93%), and

Spends \$131 per room night.

*Includes domestic and international leisure travelers

2014 PROPERTY/ROOM BREAKDOWN



	Properties*	Rooms†
By Location		
Urban	5,021	781,957
Suburban	17,947	1,779,116
Airport	2,311	316,653
Interstate	7,542	513,075
Resort	3,872	602,015
Small Metro/Town	16,739	985,889

By Rate		
Under \$30	244	24,707
\$30-\$44.99	2,816	224,684
\$45-\$59.99	7,602	493,992
\$60-\$85	14,066	965,815
Over \$85	28,704	3,269,508

By Size		
Under 75 rooms	29,403	1,259,399
75-149 rooms	17,888	1,873,391
150-299 rooms	4,456	891,651
300-500 rooms	1,152	428,714
Over 500 rooms	533	525,550

*Based on a total of 53,432 properties.

†Based on a total of 4,978,705 guestrooms.

Source: STR

AVERAGE ROOM RATE



Source: STR (June 2015)

THE TOURISM INDUSTRY



Tourism Boosts Our Economy

\$141.5 billion - combined tax revenue generated each year by business travel.

Resident and international travelers in the United States spend an average of **\$2.5 billion a day**, \$105.8 million an hour, \$1.8 million a minute, and \$29,398 a second.

Tourism generates **\$927.9 billion in sales**.

The tourism industry pays **\$141.5 billion** in federal, state, and local taxes.



Lodging and Tourism Create Jobs

1 in every 9 American jobs depend on travel and tourism.

The travel and tourism industry pays **\$221.7 billion** in travel-related wages and salaries and employs **1.89 million hotel property workers**.

Tourism directly supports more than **8 million travel and tourism jobs**.

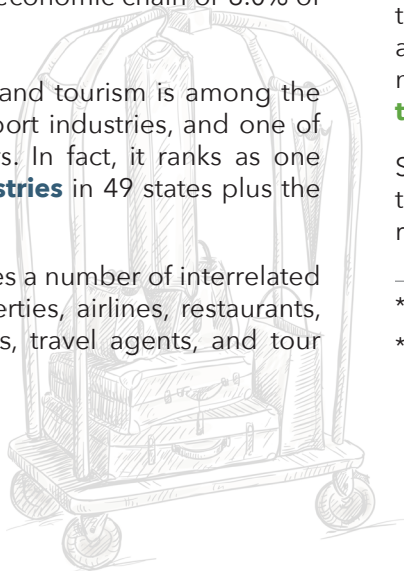


Travel and Tourism Drive Business

\$1.4 trillion - travel revenue generated throughout the economic chain or 8.0% of GDP.

In the United States, travel and tourism is among the nation's largest services export industries, and one of America's largest employers. In fact, it ranks as one of the **top 10 largest industries** in 49 states plus the District of Columbia.

The tourism industry includes a number of interrelated businesses - lodging properties, airlines, restaurants, cruise lines, car rental firms, travel agents, and tour operators, among others.



INTERNATIONAL TRAVEL

The United States receives a larger share of world international tourism receipts than any other country in the world. In 2014, international travelers spent an estimated \$220.6 billion. The U.S. share of 2014 world tourism receipts was at the top (14.2%); well ahead of second-ranked Spain and third-ranked France.

In 2014 international* travelers to the United States increased 6.7% over 2013 to a record 74.8 million. Overseas** arrivals grew by 7.2% to a record 34.5 million. Overseas markets accounted for 46.1% of total arrivals to the U.S. Arrivals from Mexico increased dramatically by 17.3%, while arrivals from Canada saw a slight decrease of 1.7%.

The top 10 countries in terms of U.S. arrivals for 2014 were:

- | | |
|---------------------------------|------------------------------|
| 1. Canada (23.0 million) | 6. China (2.2 million) |
| 2. Mexico (17.3 million) | 7. Germany (2.0 million) |
| 3. United Kingdom (4.0 million) | 8. France (1.6 million) |
| 4. Japan (3.6 million) | 9. South Korea (1.4 million) |
| 5. Brazil (2.3 million) | 10. Australia (1.3 million) |

These 10 countries accounted for **78.5% of U.S. visitors**.

The impact of international travelers on the hotel industry is considerable; **international visitors accounted for 20% of all lodging sales**. In 2014, 26.5 million overseas travelers stayed in a hotel/motel during their U.S. visit. The average length of stay for overseas hotel visitors was 9.7 nights; the average party size was 1.7 travelers. **76.2% of these overseas travelers were repeat visitors**.

Strong growth in international travel to the U.S. is expected to continue through 2020 with an average annual growth rate of 4.3% in the volume of international visitors.

* International includes Canada, Mexico, and overseas.

** Overseas excludes Canada and Mexico.



Serving the hospitality industry for more than a century, the American Hotel & Lodging Association (AH&LA) is the sole national association representing all segments of the 1.9 million-employee U.S. lodging industry, including hotel owners, REITs, chains, franchisees, management companies, independent properties, state hotel associations, and industry suppliers.