



**VIRGINIA HOTEL PERFORMANCE  
PULSE CHECK**

**NOVEMBER 2024  
VA-1 GOVERNOR'S TOURISM SUMMIT**

# VIRGINIA'S HOTEL INDUSTRY AS A TRAFFIC LIGHT



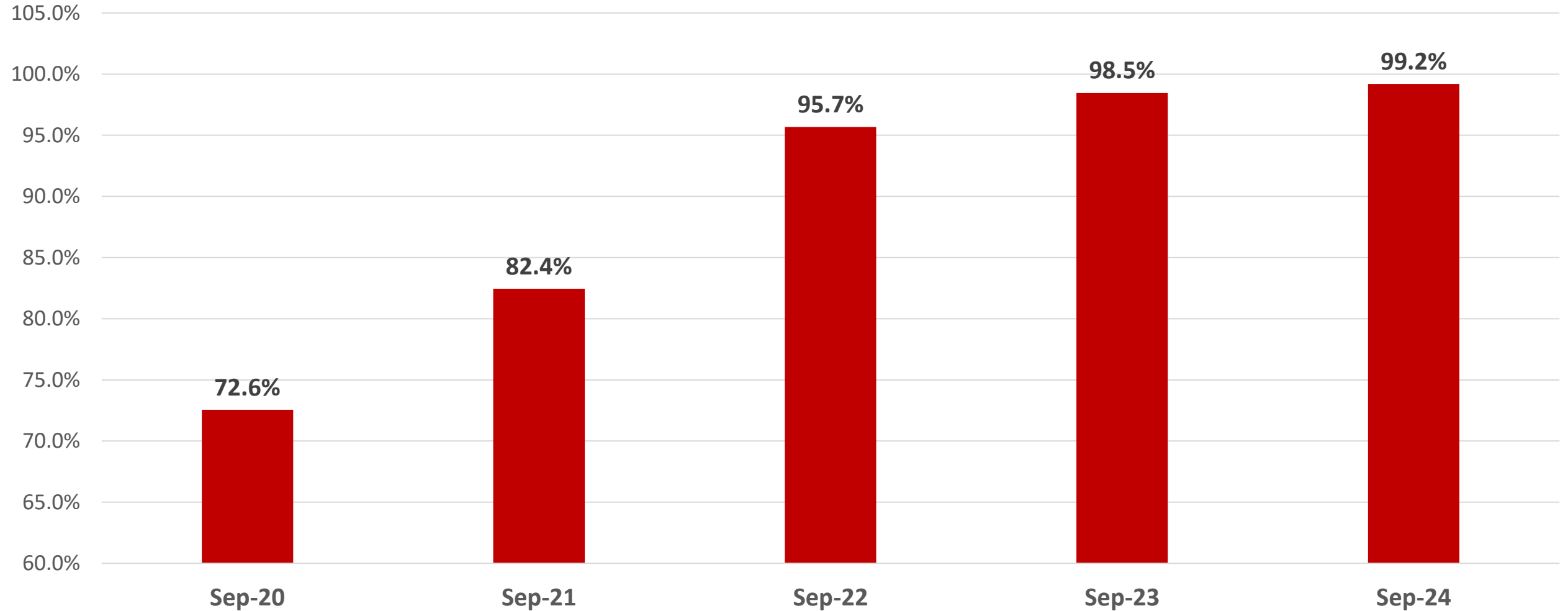
***PRICING IS A HEADWIND TO FURTHER LEISURE TRAVEL GROWTH AMONG BUDGET-CONSCIOUS CONSUMERS***

***VIRGINIA IS STILL OUTPERFORMING THE BROADER UNITED STATES EVEN WITH NORMALIZING GROWTH***

***WEEKDAY DEMAND AND GROUP TRAVEL ARE SOURCES OF STRENGTH FOR VIRGINIA***

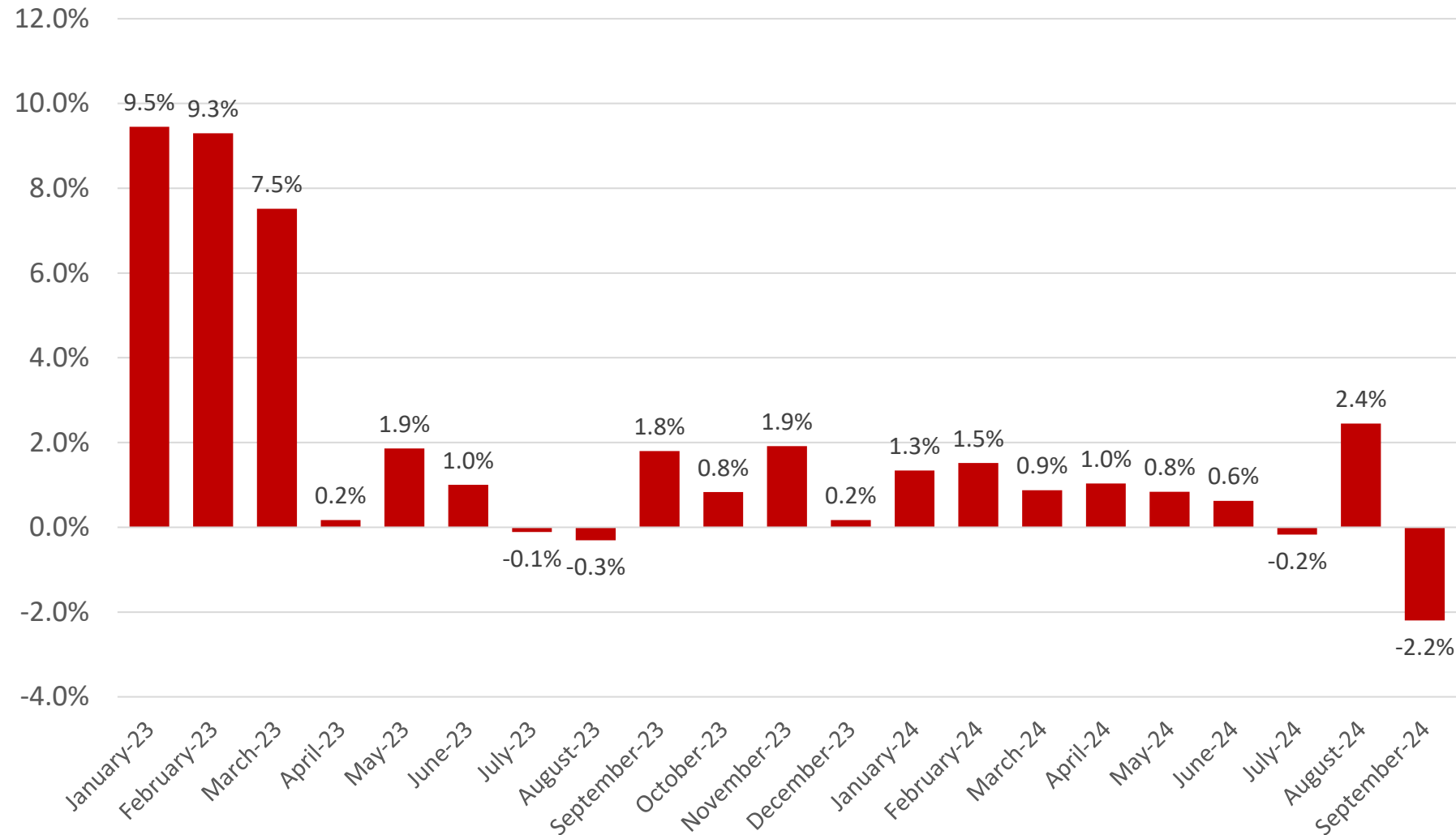
# HOTEL DEMAND IS FLIRTING WITH 2019 LEVELS

Hotel Demand versus 2019 Levels  
Rolling-12 Month Index Versus 2019



# DEMAND GROWTH HAS NORMALIZED OVER THE LAST 18 MONTHS

## Hotel Demand – Year over Year Growth

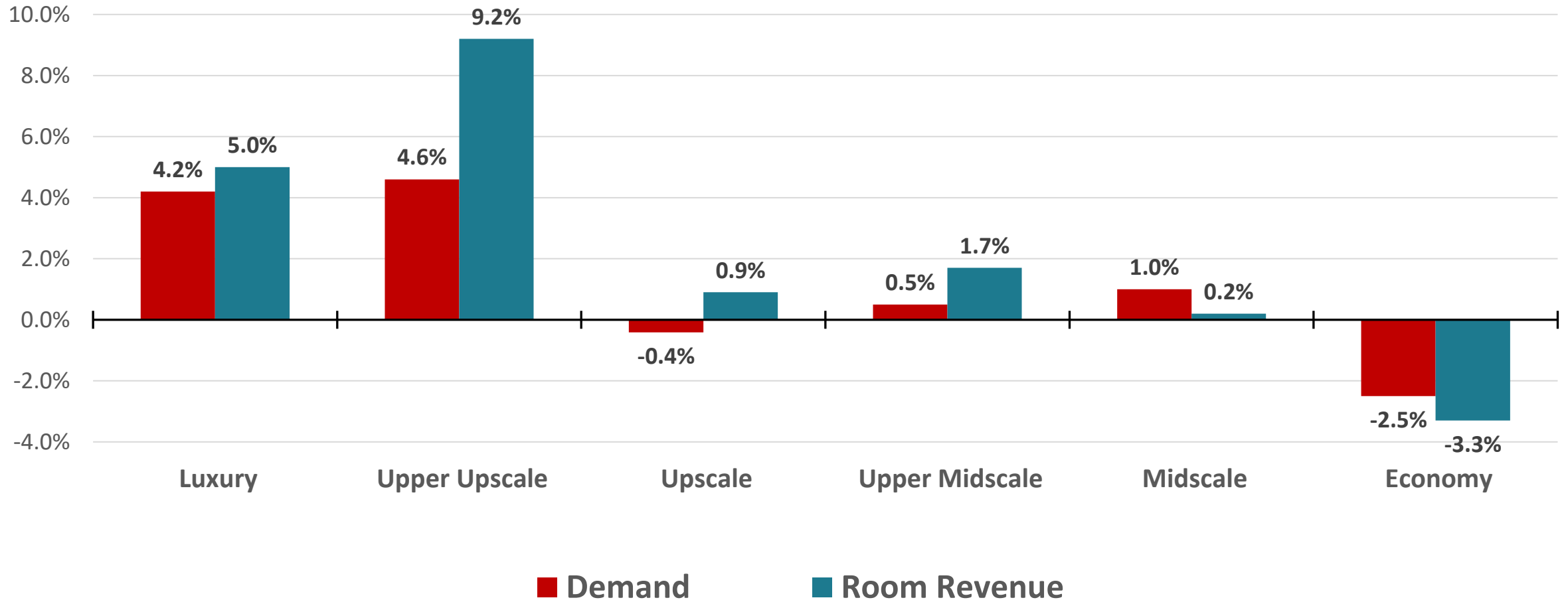


### Impacting September:

- September 2024 had one less weekend, and an extra Sunday + Monday compared to 2023.
- August 2024 included an extra weekend compared to prior year.
- October is looking great – we had Occupancy growth both on weekdays and weekends.

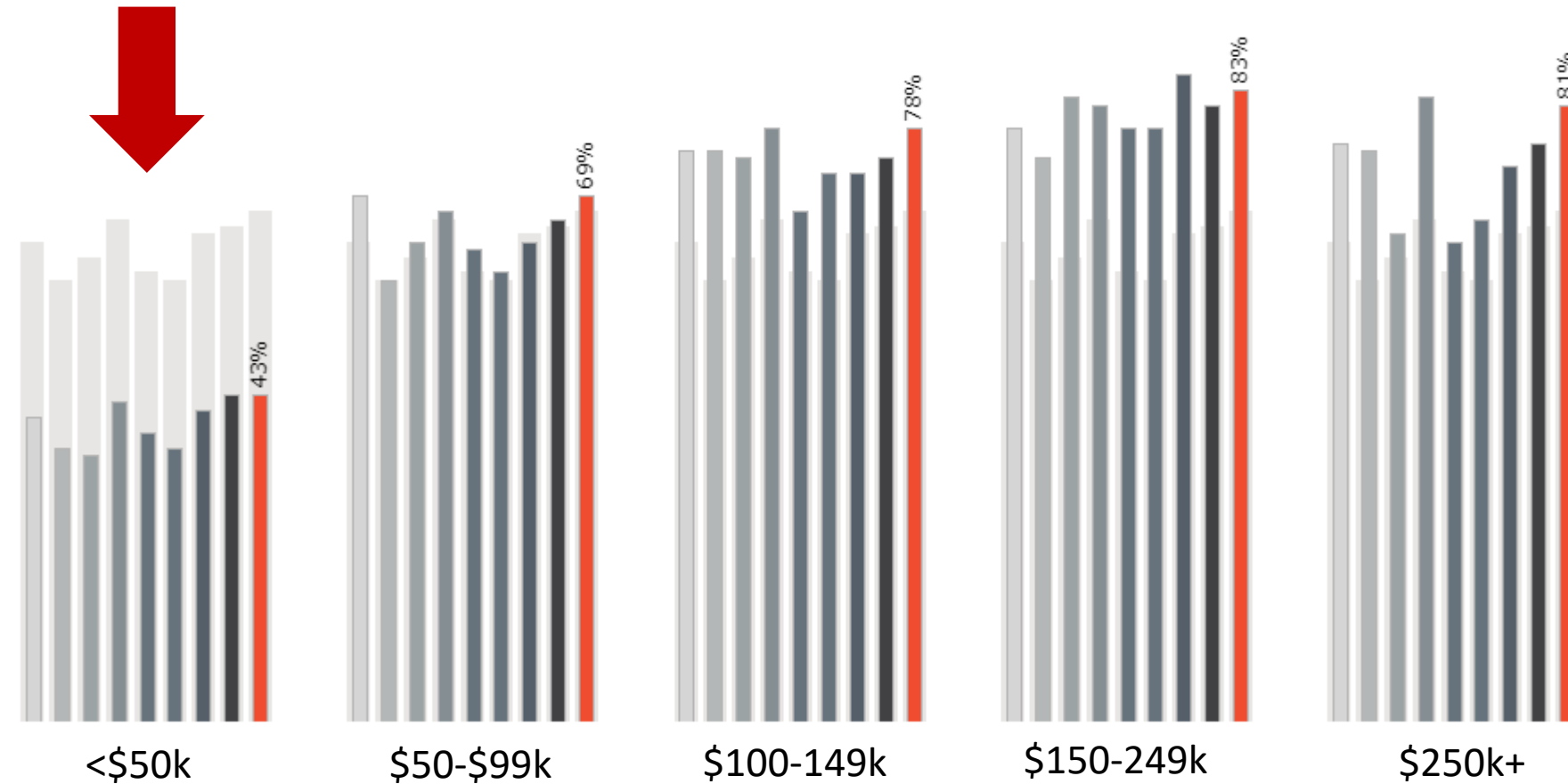
# OUR RED LIGHT: HOTEL PERFORMANCE IS BIFURCATED ACROSS SEGMENTS

Virginia Performance by Class Scale  
YTD September 2024 Versus 2023



# BUDGET-CONSCIOUS HOUSEHOLDS HAVE SEEN A DROP IN TRAVEL INTENTIONS

Planning Leisure Travel Within the Next 6 Months  
% of American Consumers



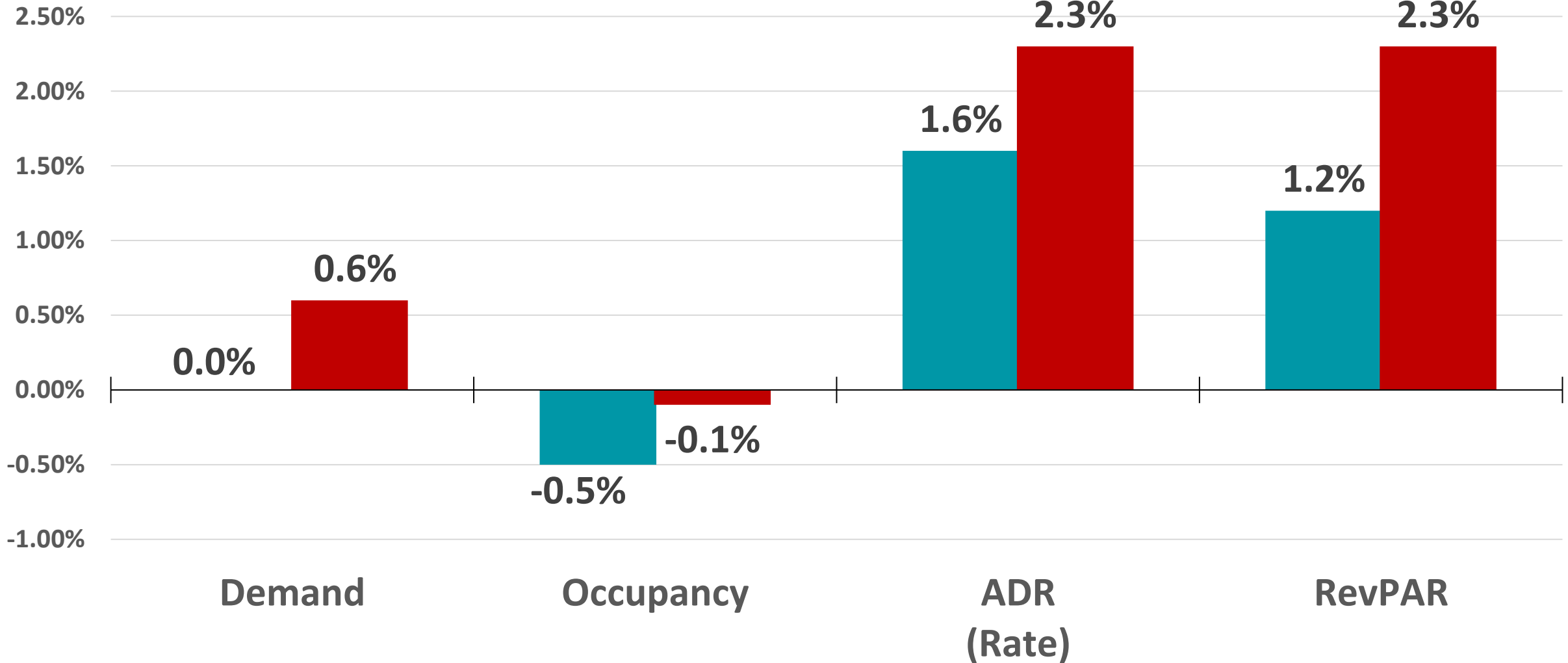
- Since mid-2023, travel intentions have dropped off for households making under \$50K.
- Conversely, travel demand for households earning over \$100K has risen and remained high.

Quarter of Survey

2022 Q3 2022 Q4 2023 Q1 2023 Q2 2023 Q3 2023 Q4 2024 Q1 2024 Q2 2024 Q3

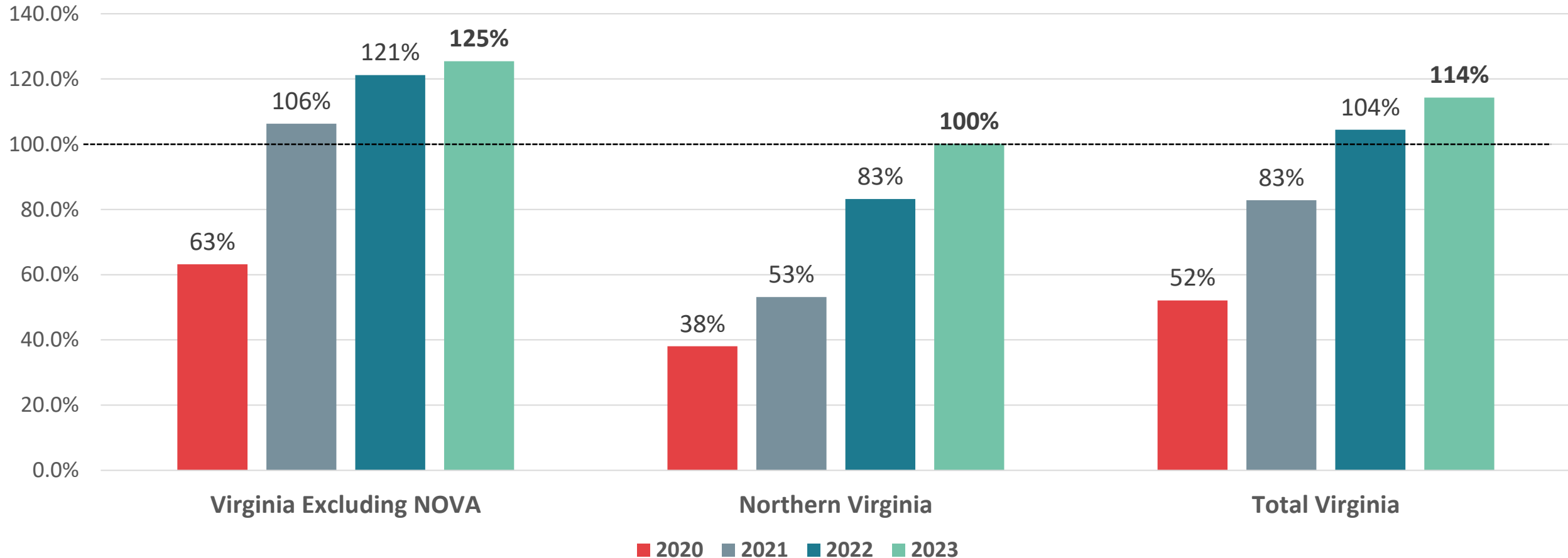
# OUR YELLOW LIGHT: VIRGINIA IS OUTPERFORMING THE NATION OVERALL THROUGH SEPTEMBER

■ Total US ■ Virginia



# NORTHERN VIRGINIA IS MEANINGFULLY CONTRIBUTING TO OVERALL SPENDING GROWTH

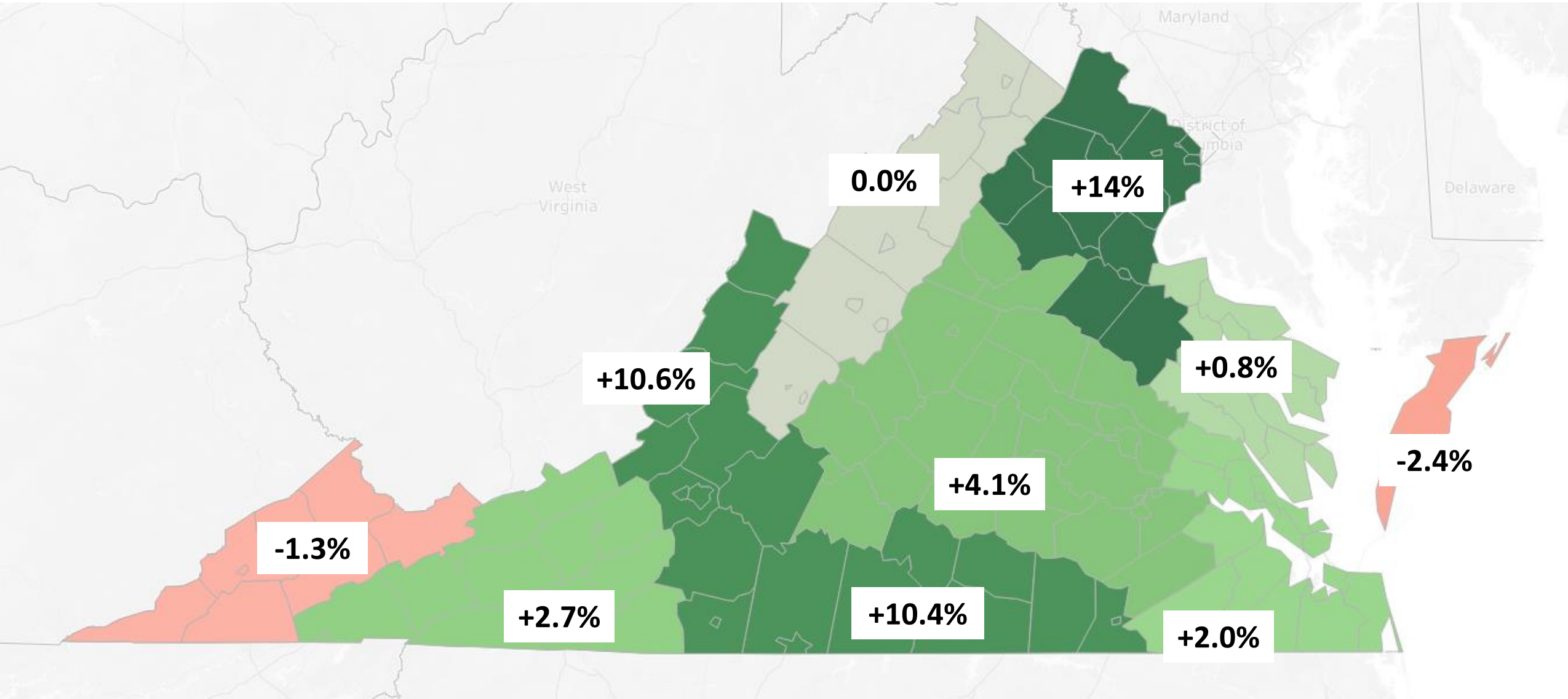
Hotel Revenue  
Level Recovered versus 2019  
Percent of Total





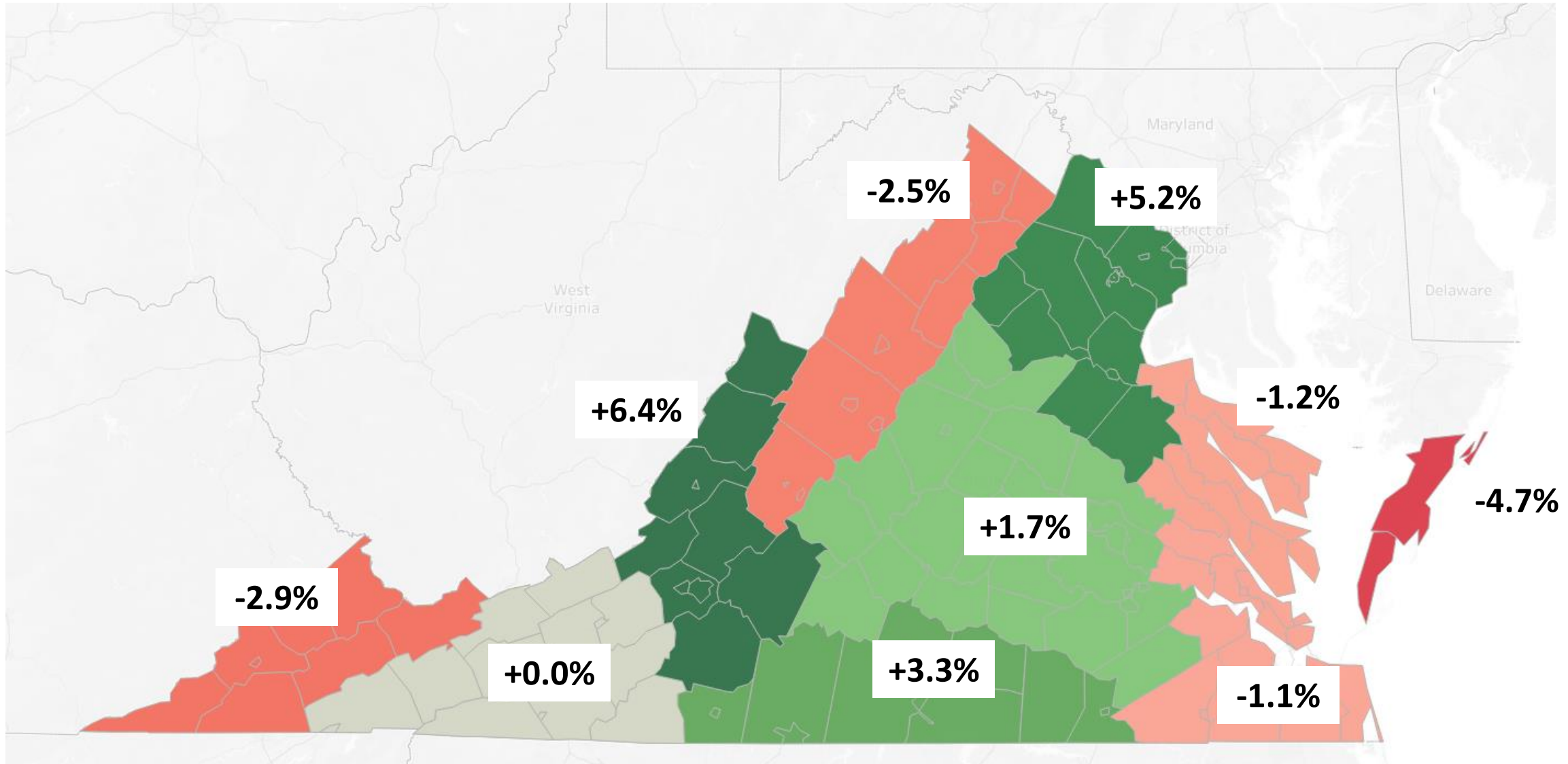
# LEISURE LARGELY HELD UP IN 2023 – WITH A FEW EXCEPTIONS

## 2023 Full Year Hotel RevPAR Growth



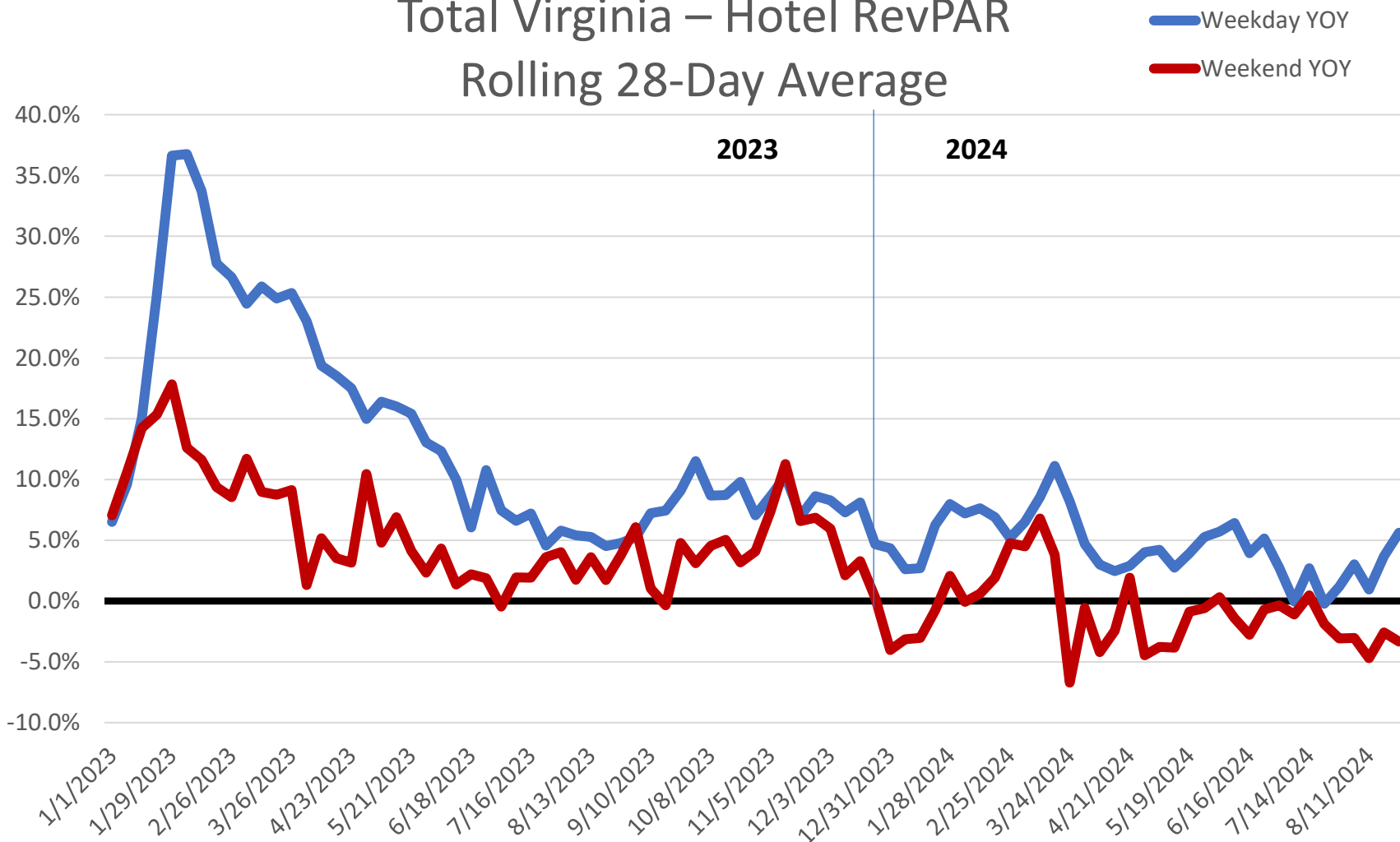
# REGIONAL TRENDS FROM 2023 HAVE DEEPEDED INTO 2024

## 2024 YTD September Hotel RevPAR Growth



# OUR GREENLIGHT: WEEKDAY PERFORMANCE STATEWIDE IS PUSHING TOTAL REVPAR

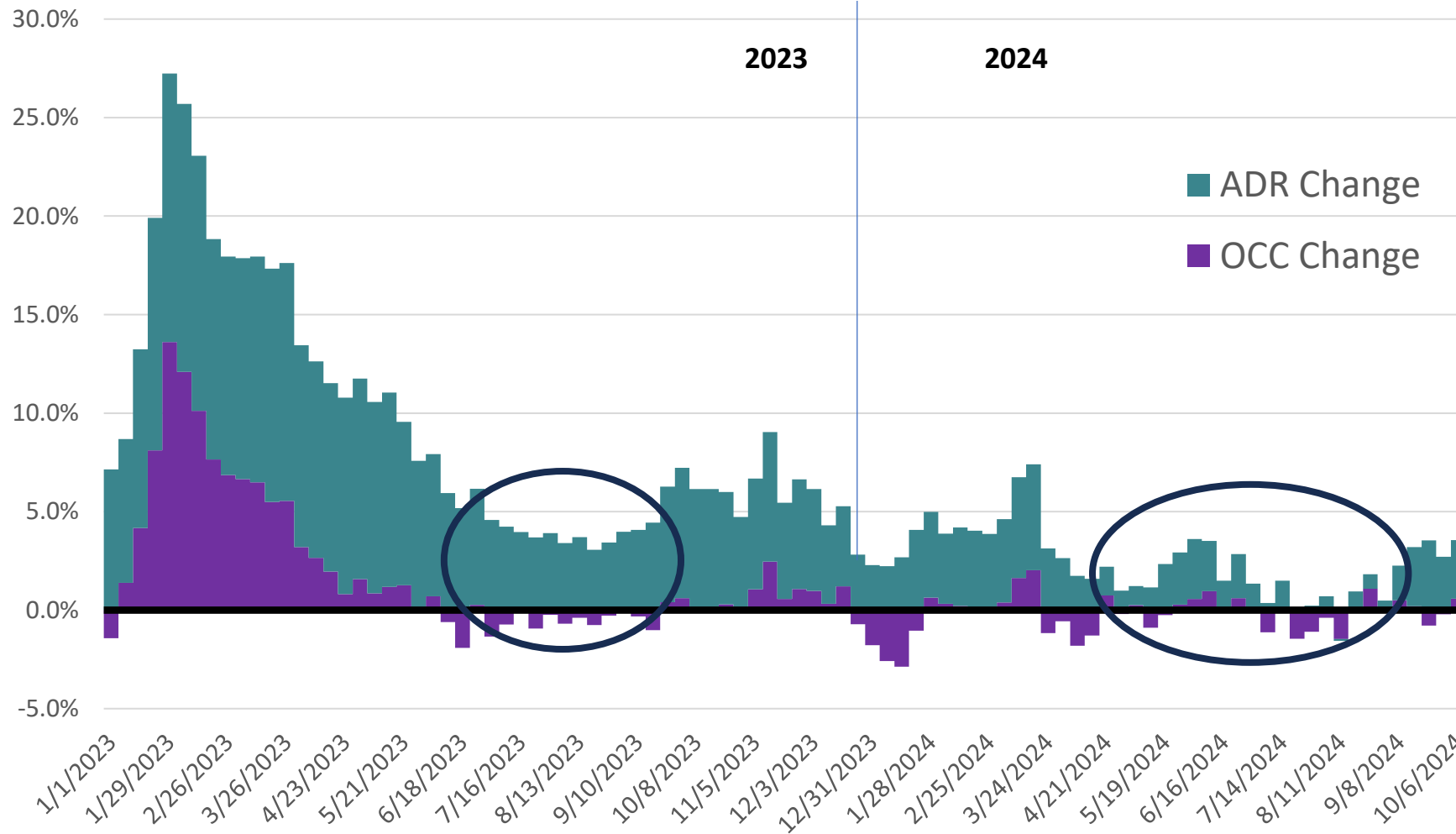
Total Virginia – Hotel RevPAR  
Rolling 28-Day Average



- Statewide, weekend travel patterns have largely been maintaining the same pattern though the second half of 2023.
- Weekday travel is a source of strength and is pushing overall RevPAR – this is the same trend nationally as well, which is delivering a lot of results to the “Top-25 Markets” – keep in mind these markets have had the longest recovery pattern.

# WE ARE SEEING INCREASING PRICE SENSITIVITY AMONG LEISURE TRAVELERS

## Total Virginia – RevPAR Contribution Rolling 28-Day Average



- During peak summer months, the contribution of Rate to total Revenue growth has slowed.
- Pricing gains are coming more in the shoulder and heavy business-travel months rather than from peak season.
- Leisure travelers are looking for value.

# WHILE THE ECONOMY IS EXPECTED TO SLOW MODESTLY, WE ARE STILL GROWING AND AVOIDING A RECESSION

METRIC	2023	2024	2025
TOTAL US GDP	+2.9%	+2.8%	+2.2%
CONSUMER SPENDING	+2.5%	+2.6%	+2.3%
UNEMPLOYMENT RATE	3.6%	4.1%	4.1%
CORE CONSUMER PRICE INDEX - INFLATION	+4.8%	+3.4%	+2.7%

## HILTON EARNINGS CALL Q3 - 2024

**[Group Travel]:** “Booking windows are extending because there’s just not enough supply relative to demand...I think you’re going to see demand growth and pricing growth in the group segment.”

**[Business Transient]:** “I think you’re going to continue to see business transient grind up. Next year we will likely surpass prior peaks of 2019 in terms of demand.”

**[Leisure]:** “You're going to continue to see normalization. What does that mean? That means, I think demand is sort of flat to maybe even down a little bit.”

CEO Chris Nassetta – October 23, 2024

# EXPECT TRENDS FROM 2024 TO CONTINUE INTO 2025



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**THANK YOU!**