

HOTELS, TOURISM & CONVENTIONS

ANOTHER RECORD YEAR

The 30 hotels in the DowntownDC BID with their 11,202 hotel rooms set an operating performance record in 2017 for the third consecutive year. It was also the fifth consecutive year for record hotel revenues in DowntownDC.

Hotels in the BID in 2017 had the highest Revenue Per Available Room (RevPAR) for hotels in DC and in the region. DowntownDC hotels generate 41% of the city's hotel room sales taxes.



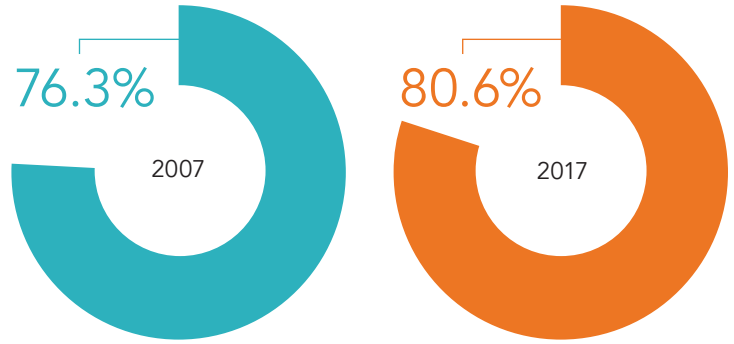
**DOWNTOWNDC
GENERATES 41%
OF THE CITY'S HOTEL
ROOM SALES TAXES**



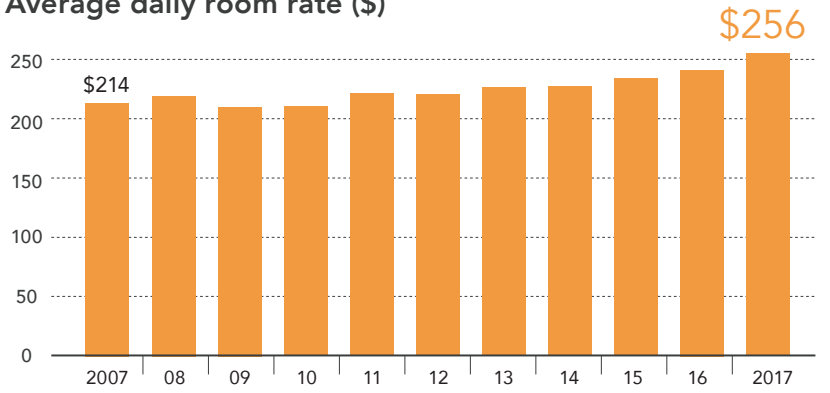


DOWNTOWNDC HOTEL PERFORMANCE, 2007-2017

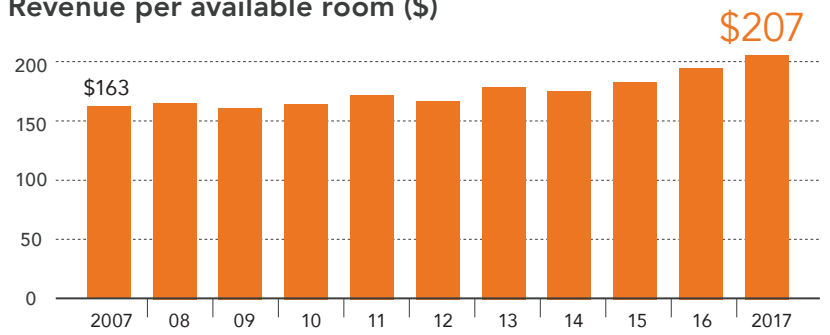
Occupancy



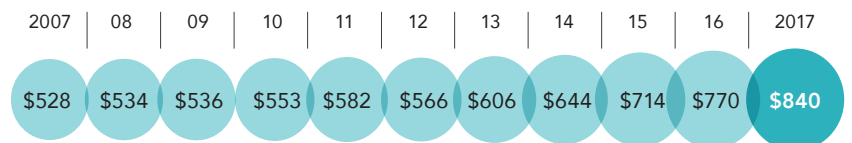
Average daily room rate (\$)



Revenue per available room (\$)



Room revenues (millions)



Source: Smith Travel Research

REVENUE PER AVAILABLE ROOM NIGHT COMPARISON

Year	DowntownDC	Compared to DC Region			Compared to Large City Downtown Hotels		
		Rest of DC	Bethesda/ Rockville	Alexandria/ Arlington	New York City	Boston/ San Francisco	Chicago/ Denver/ Houston/ Los Angeles/ Seattle
2012	\$168	\$144	\$90	\$105	\$240	\$162	\$128
2013	\$180	\$148	\$89	\$100	\$249	\$179	\$135
2014	\$176	\$153	\$92	\$106	\$255	\$200	\$146
2015	\$184	\$158	\$91	\$113	\$248	\$212	\$153
2016	\$196	\$164	\$96	\$116	\$242	\$216	\$154
2017	\$207	\$171	\$101	\$118	\$241	\$213	\$156

Source: Smith Travel Research

IN 2017 DOWNTOWNDC HOTELS HAD THE HIGHEST REVENUE PER AVAILABLE ROOM (REVPAR) IN DC AND THE REGION

DOWNTOWNDC HOTELS SET NEW HOTEL ROOM REVENUE RECORDS FOR THE 5TH YEAR

The rest of the District also experienced record hotel performance in 2017: it was the fifth consecutive year of record hotel operating performance in DC and the fifth year of record hotel room sales. Hotel performance in DC and DowntownDC in 2017 was boosted in January by the Presidential Inauguration and the Women's March – 48% of the 2017 increase in DowntownDC hotel room revenues was due to the January 2017 increase.

The DowntownDC BID's record-setting hotel performance was the result of strong demand from business travelers, convention attendees and tourists visiting the National Mall or enjoying DowntownDC's many well-known restaurants, lively theatres, interesting museums and exciting entertainment venues, especially the Capital One Arena.

STRONG HOTEL DEVELOPMENT PIPELINE

Three hotels were under construction in the DowntownDC BID at the end of 2017: the 375-room Conrad Washington DC at CityCenterDC by Hines, the 209-room Eaton Hotel by Langham Hospitality Group, and the 200-room Moxy Hotel by Douglas Development. Property Group Partners was also developing plans to build a 200-220 room hotel as part of its Capitol Crossing project scheduled to break ground in 2020.

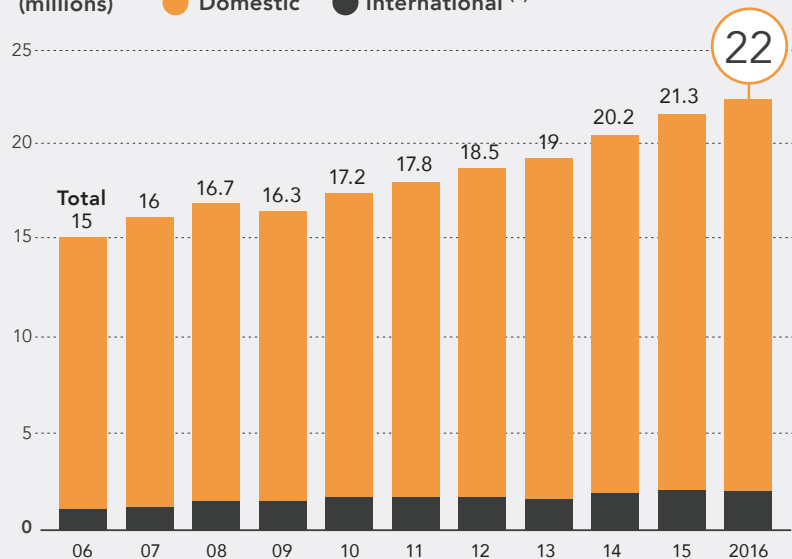
Just outside the borders of the DowntownDC BID, two hotels were under construction in early 2018: a 310-room Courtyard by Marriott and a 190-room Residence Inn by Capstone Partners and Quadrangle Development Corp. at 9th and L streets as part of their Columbia Place development. Four hotels were also planned in Mount Vernon Triangle with approximately 500 rooms.

The District set a tourism visitation record in 2016 (the latest year for which data is available) with 22 million visitors, an increase of 3.3% over 2015. Overseas visitors (not including Canada and Mexico) accounted for 2 million visitors in 2016, down slightly from a record total in 2015. The city's 2.09 million overseas visitors in 2016 ranked DC No. 8 in the nation behind New York City, Miami, Los Angeles, Orlando, Las Vegas, San Francisco and Hawaii.



VISITORS TO DC ⁽¹⁾

(millions) ● Domestic ● International ⁽²⁾



(1) Visitor Data is released as follows: Domestic visitation in May/June of each year for the prior year and international visitation in August of each year for the prior year.

(2) International visitors does not include visitors from Canada or Mexico.

Source: Destination DC, D.K Shifflet & Associates: Travel Market Insights, National Travel and Tourism Office, and International Trade Administration, U.S. Department of Commerce.

DC HAD RECORD VISITORS IN 2016

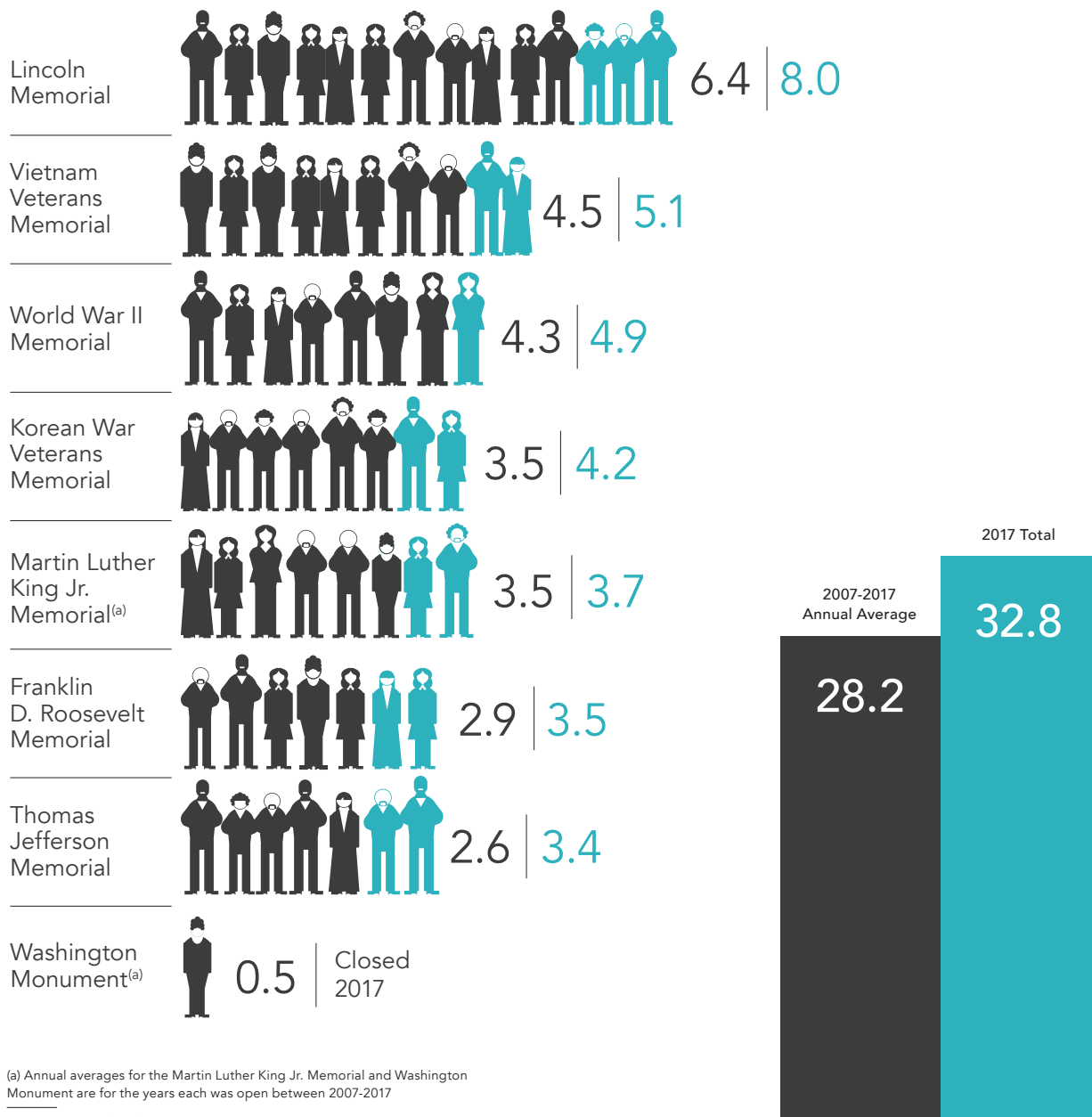
ANNUAL VISITORS TO NATIONAL MALL MEMORIALS AND MUSEUMS

MEMORIALS

● Annual Average (2007-2017)

● 2017 Total

(millions)



(a) Annual averages for the Martin Luther King Jr. Memorial and Washington Monument are for the years each was open between 2007-2017

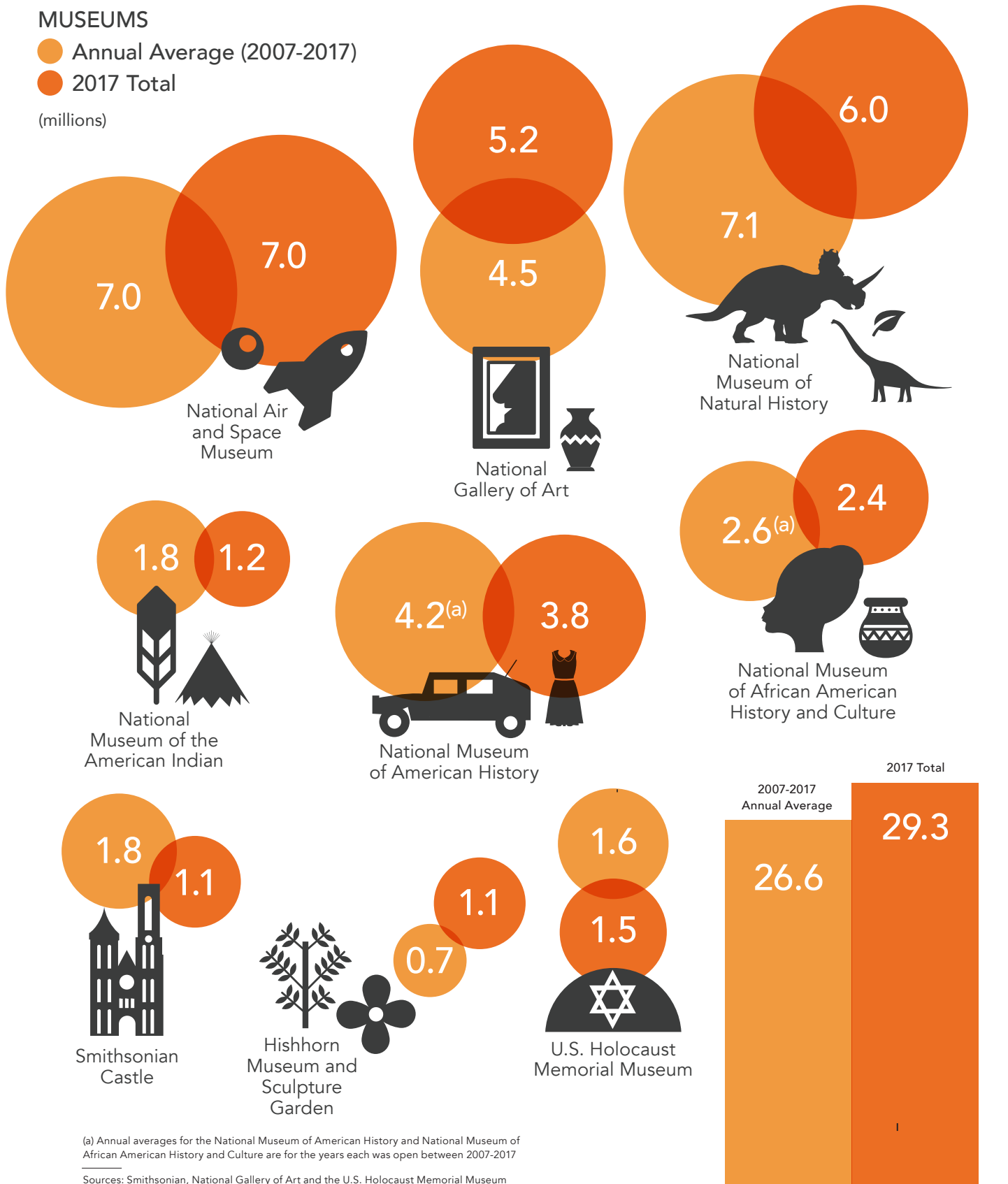
Sources: National Park Service

MUSEUMS

● Annual Average (2007-2017)

● 2017 Total

(millions)



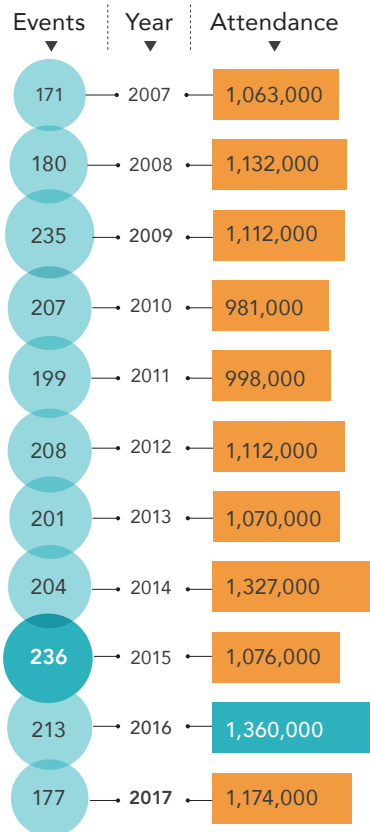
(a) Annual averages for the National Museum of American History and National Museum of African American History and Culture are for the years each was open between 2007-2017

Sources: Smithsonian, National Gallery of Art and the U.S. Holocaust Memorial Museum

CONVENTION CENTER IMPACT

The Walter E. Washington Convention Center continued to be a major driver of both DowntownDC visitor activity and hotel room occupancy in 2017. The Convention Center hosted 177 events for 1.2 million attendees. Destination DC's booked hotel rooms accounted for 13.6% of DowntownDC hotel demand in 2017, which helped DowntownDC's hotel performance remain highest in the region and fourth in the country after New York City, San Francisco and Boston.

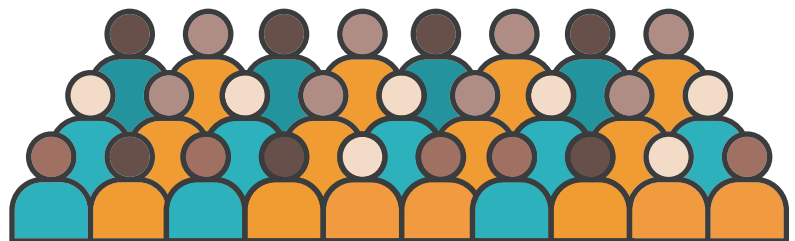
WALTER E. WASHINGTON CONVENTION CENTER ATTENDANCE



Source: Events DC



THE CONVENTION CENTER HOSTED
177 EVENTS FOR
1.2 MILLION ATTENDEES



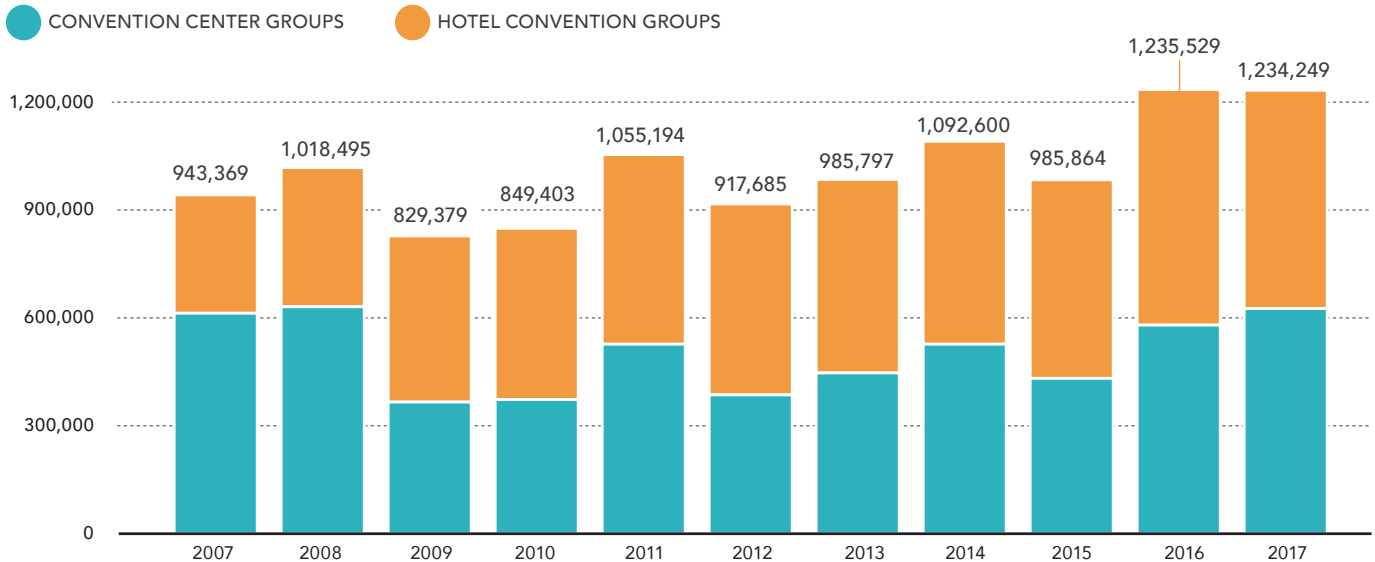


DESTINATION DC'S HOSTING OF THE 2017 IPW CONFERENCE, WHICH BROUGHT 6,400 INTERNATIONAL TOUR OPERATORS, MEDIA AND DOMESTIC HOSPITALITY COMPANIES, IS EXPECTED TO RESULT IN MORE THAN

800,000
ADDITIONAL NEW
INTERNATIONAL
VISITORS

AND \$1.6 BILLION IN VISITOR SPENDING BY 2020 FOR DC, ACCORDING TO ROCKPORT ANALYTICS.

HOTEL ROOM NIGHTS GENERATED BY DESTINATION DC



Source: Destination DC