

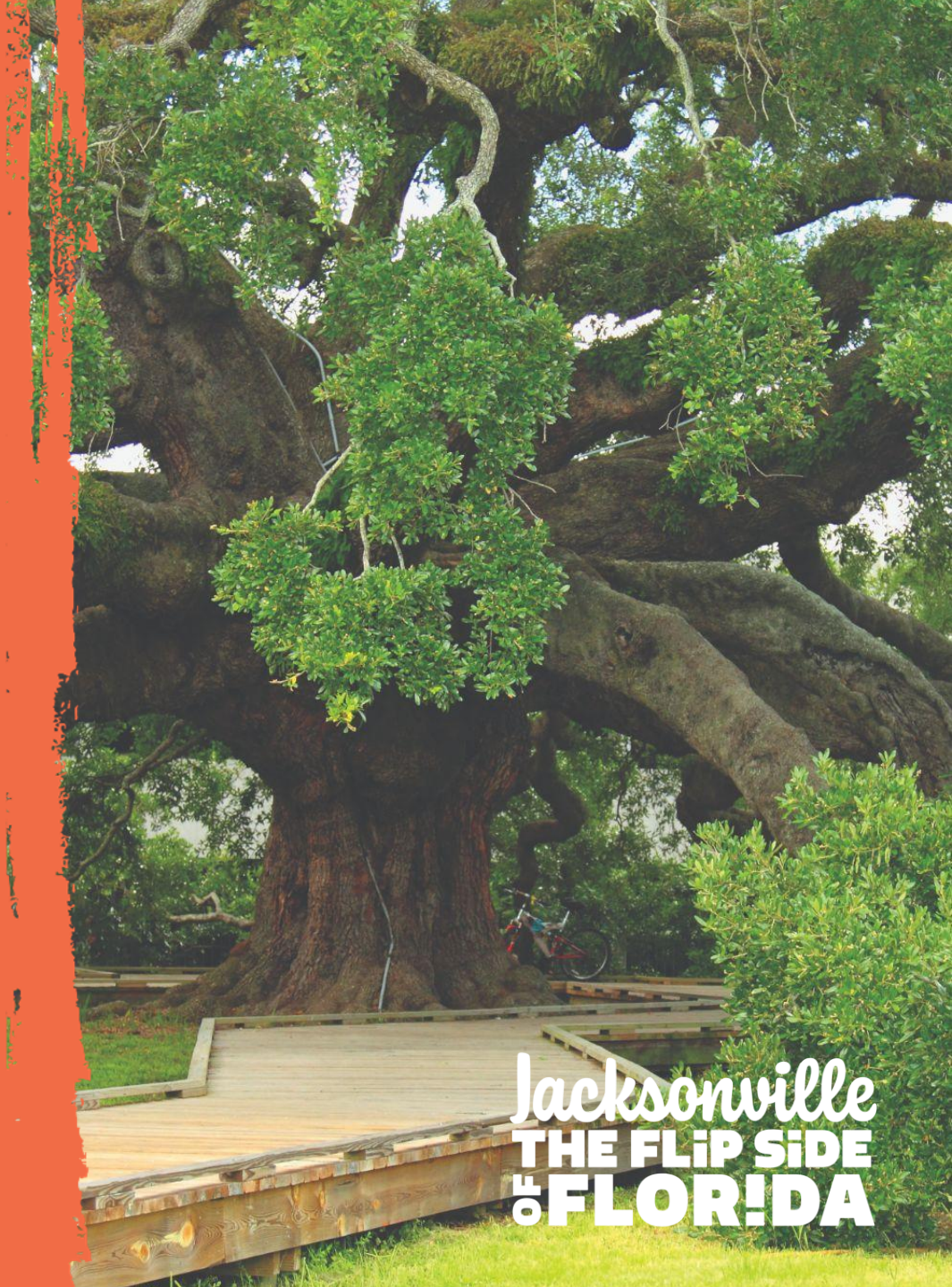
# Tourism Updates

## March 2024



# How's Tourism Doing in 2024?

- “The industry is stabilizing. For 2024, we expect this trend to continue stabilizing on profit margins slightly lower than we were in 2019,” Laura Resco, director of hotel intelligence at HotStats.
- With a moderate increase expected for total revenue, the labor market will continue to press profit margins along with a return to normal guest service standards and moderate inflation, Resco said.
- As budgets of many corporations across the country remain flat, clients are faced with making tradeoffs such as inviting fewer guests, planning events with shorter durations, and scaling back experiences. Source: HVS



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# US Forecast

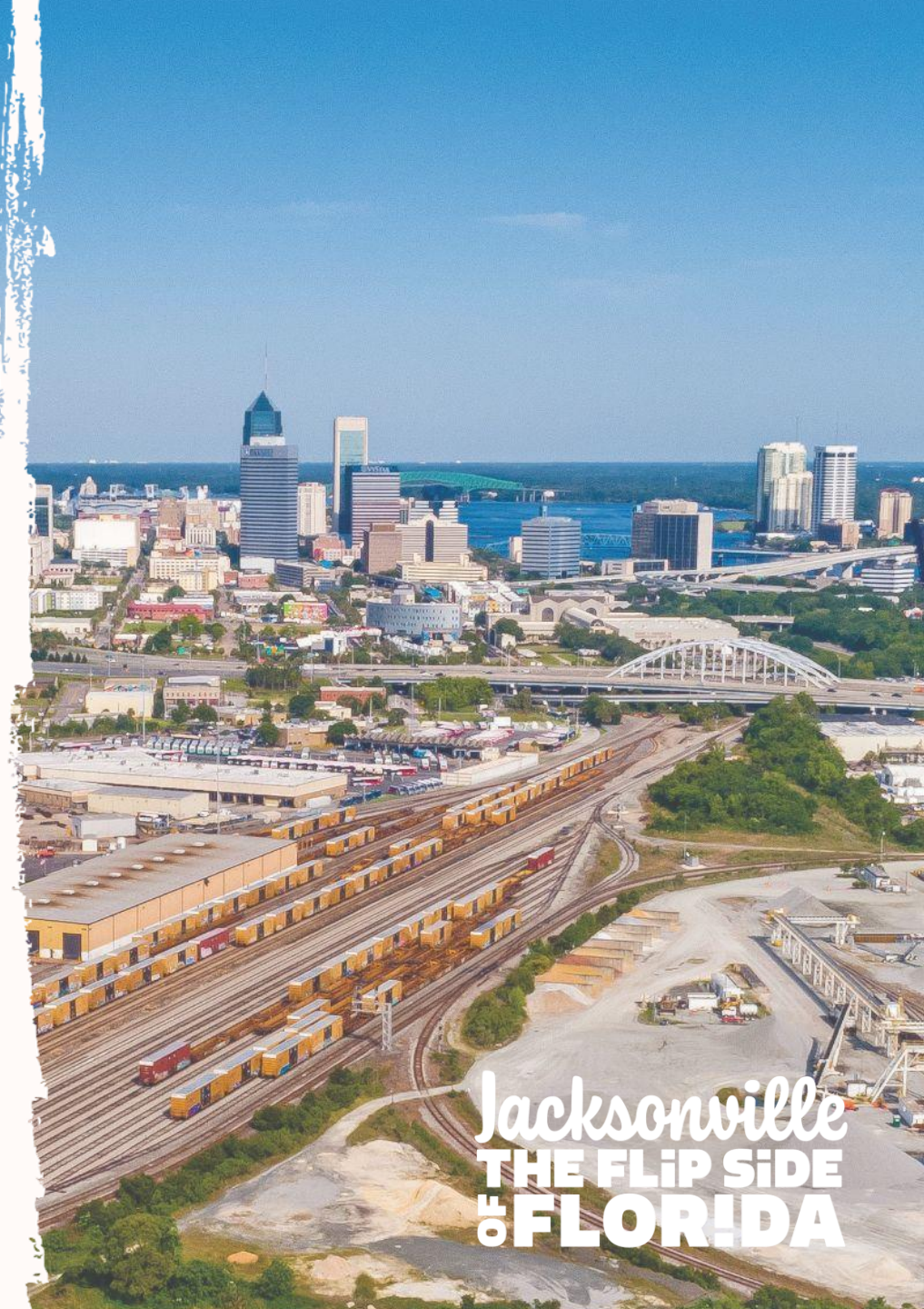
## Moderate RevPAR growth expected

U.S. hotel industry forecast

Metric	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast
Occupancy	63.0%	63.6%	64.0%	64.1%
ADR Change	4.3%	3.1%	2.8%	3.1%
RevPAR Change	4.9%	4.1%	3.5%	3.2%
Real RevPAR Change from 2019	-5.0%	-3.5%	-2.1%	-1.0%

STR and Tourism Economics revised the growth projections for the remainder of 2024, 2025 and 2026.

“U.S. ADR and RevPAR reached record highs in 2023 with solid travel fundamentals and a big year for group business underpinning performance,” said Amanda Hite, STR president. “We expect to see continued growth as fundamentals remain more favorable for the travel economy. The indicator that is especially important is the low unemployment rate among college-educated individuals, those most likely to travel for business and leisure.”



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# Recent Comments from Industry Experts for 2024

- “ADR growth is expected to pace above inflation for the foreseeable future” - Amanda Hite, president of STR
- “Business Travel is expected to increase, though muted, as employees continue to return to offices.” Ryan Meliker, co-founder, president and CEO of Lodging Analytics Research & Consulting. Meliker said “the numbers look good for 2024 overall, and convention booking pace is up on a year-over-year basis. That’s encouraging, especially considering that the pace was down 11% year over year for 2024 in June”, he said.
- “Most of U.S. hotel RevPAR growth has come via direct channels, particularly brand.com, which is a good sign for the industry”, Kalibri Labs co-founder and CEO Cindy Estis Green said. “Surprisingly, the OTA business has not been a runaway train in any way, which a lot of people were concerned about,” she said. “Much of that is due to loyalty programs given that loyalty contribution is at an all-time high. Fifty-three percent of overall industry room nights have been driven by loyalty members.”

# Duval County

## Custom Forecast 2024 (updated)

Occ %	69.9%	0.0%
ADR	\$118.53	1.4%
RevPAR	\$83.01	1.5%

*This forecast assumes two additional properties will open later in the year for 203 rooms.*

*Source: STR*

# New Properties

- Tru by Hilton Jacksonville Airport opened Feb 2024.
- Tru by Hilton Jacksonville Westside opened Mar 2024.
- AC Hotel by Marriott Jacksonville Town Center opened Mar 2024.
- Home2 Suites by Hilton Jacksonville Downtown, opening April 2024.
- TownePlace Suites by Marriott Jacksonville Airport, opening Spring/Summer 2024.



# Additional Comments on 2024



- Business Travel is anticipated to improve, although it is increasingly clear that office occupancy levels will not return to pre-pandemic levels. With hybrid work patterns, the new normal business travel is expected to be concentrated on midweek nights to the detriment of Monday and Thursday nights. Source: HVS
- US Travel Association forecasts international inbound travel to the U.S. and domestic business travel will continue to remain below pre-pandemic levels in 2024. And, while domestic leisure travel continues to grow, the pace is slowing amid higher borrowing costs, tighter credit conditions and the restart of student loan repayments.
- "Business travel is definitely not up," Cindy Estes Green of Kalibri Labs said. "But the small and medium-sized corporate accounts have consistently grown, and they're running 120 percent, 130 percent of 2019."

# Visitors = Local Economic Impact

- The estimated total economic impact of visitors to Duval County in 2022 was **\$3.93 billion**.
- Over **\$531.7 million** of that was taxable hotel room sales resulting in over **\$30.9 million** in bed taxes collected.





# Tourism Economics Indicates Challenges and Upsides for the current State of Travel



- Challenges for leisure: slowing economy, softening of the pent-up demand for travel and softening labor market  
Upsides: prioritization of travel in our lives and the reversal of outbound international travel from the US, and potential for shorter, drivable trips
- Domestic Business challenges are stalled investments, decline in corporate profits and cost cutting measurements.  
Upside is the value proposition of in person meetings.
- Challenges for International Business booking in the US: US Dollar remains strong, even with February's fluctuations creating an unfavorable exchange rate, the expected global economy slowdown and prolonged Visa waits (over 400 days average). At the end of 2023, these countries saw longer delays to get Visa approval: India (458 days), Brazil (492 days), Mexico (587 days) and Columbia (886 days). Source Skift.com  
Upside is that the intent to travel and the inspiration from travel is still strong.

# Top 10 Meetings and Leisure Markets DMA\*

## Meetings

	Washington, DC
	Indianapolis, IN
	Jacksonville, FL
	Tallahassee, FL
	Chicago, IL
	Brooklyn, NY
	Minneapolis, MN
	Memphis, TN
	Atlanta, GA
	Albany, OR

## Leisure/Transient

	Orlando, FL
	Atlanta, GA
	Tallahassee, FL
	Tampa, FL
	New York, NY
	Miami, FL
	Savannah, GA
	Washington, DC
	Chicago, IL
	Philadelphia, PA



\*DMA - Designated Market Area

# Visitor Spending per Trip Party

Accommodations	\$412.00
Retail	\$122.00
Food & Nightlife	\$198.00
Attractions & Outdoor Rec	\$215.00
Gas & Service Stations	\$82.00
<b>Total</b>	<b>\$1,029.00</b>

# Visitors = Local Economic Impact

In-State Visitors % of Total

**42.2%**

↗ **9%** | **38.9%**  
change | prev. year

Out-of-State Visitors % of Total

**57.8%**

↘ **-5%** | **61.1%**  
change | prev. year

% of Day Trip Visitors

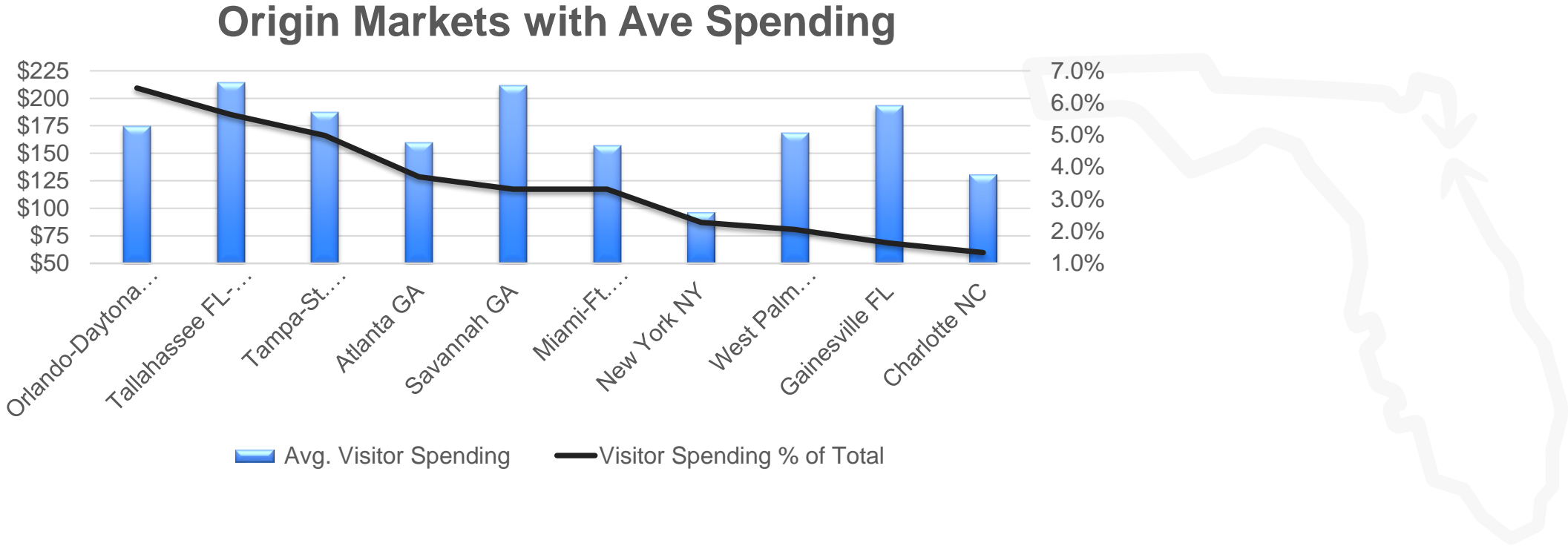
**42.0%**

↗ **41%** | **29.8%**  
change | prev. year



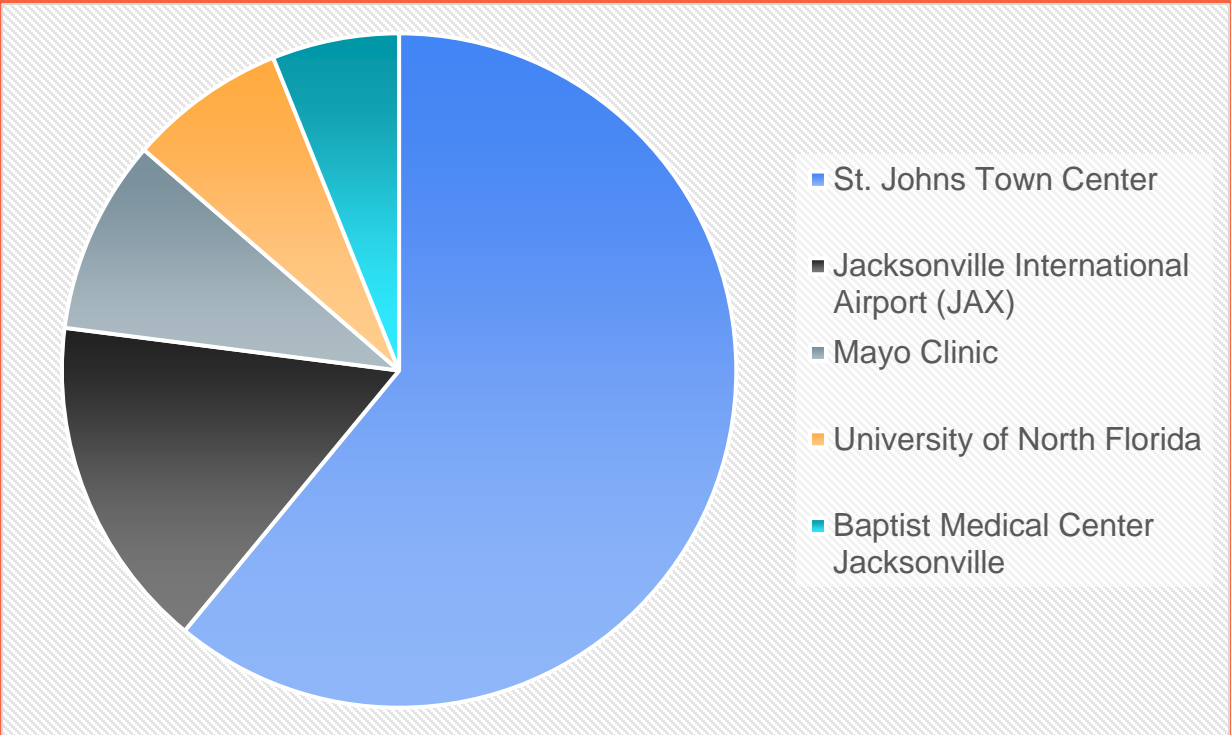
Source: Zartico Geolocation Data

# Top 10 Origin Markets for Spending and volume of Visitors by DMA\*



\*DMA - Designated Market Area This data includes day trip visitors. Source: Zartico/Near/Affinity Solutions

# Top 5 Overall Points of Interest by Visitors



Source: Zartico/Near Data

# Top Attractions Frequented by Visitors

- St. Johns Town Center
- EverBank Stadium
- Jacksonville Beach
- Kathryn Abbey Hanna Park
- The Jacksonville Zoo and Gardens
- Beaches Town Center
- Talbot Island State Parks
- Topgolf Jacksonville
- Atlantic Beach
- Vystar Veterans Memorial Arena

