

Sept. 24, 2021

The State of Dallas Tourism

VISIT  DALLAS



PRESENTATION AGENDA

1. Dallas Tourism Overview
2. Recovery
3. Questions

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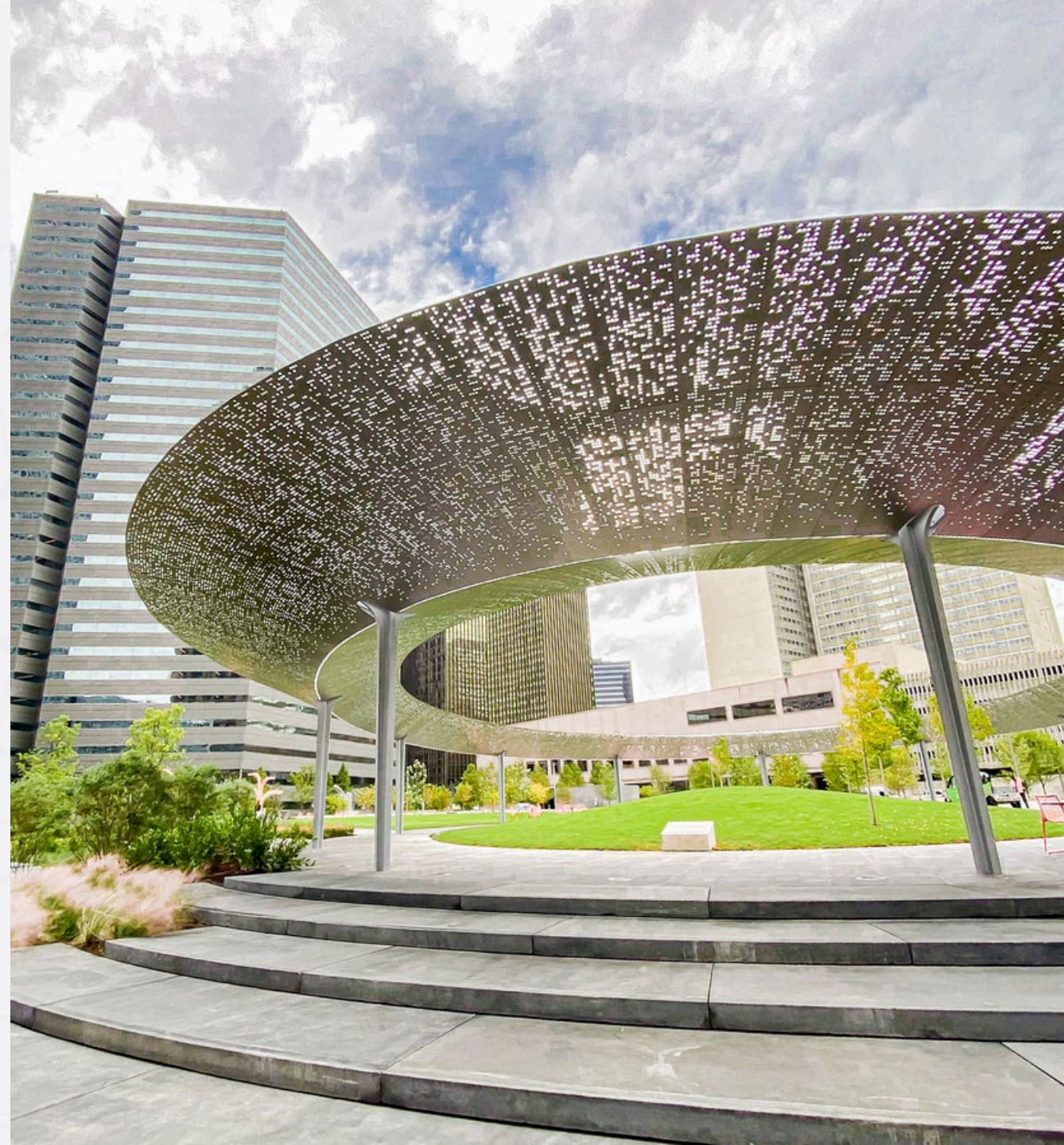
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DALLAS TOURISM OVERVIEW

TOURISM INDUSTRY

- The industry brings people to the destination, and they invest in our local economy.
- A community must compete with every other destination for its share of the world's attention and investment, and those communities who fail to compete will be left behind.
- Creates an economic pipeline by building better destinations, creating stronger communities, and attracting talent and investment.





**Visitors spend
\$5.3 billion in
Dallas.**

DALLAS IMPACT

- **Economic Engine**

Visitors spend more than \$5.3 billion each year in Dallas, creating jobs, taxes and revenue in hospitality-related industries. Dallas welcomed approximately 160,000 daily visitors.

- **Job Creation**

Before the pandemic, the hospitality industry directly supported more than 65,000 jobs in Dallas. Jobs funded by tourism grew by more than one-third over the past seven years. Tourism is the eighth-largest employer in Dallas.

- **Tax Benefits**

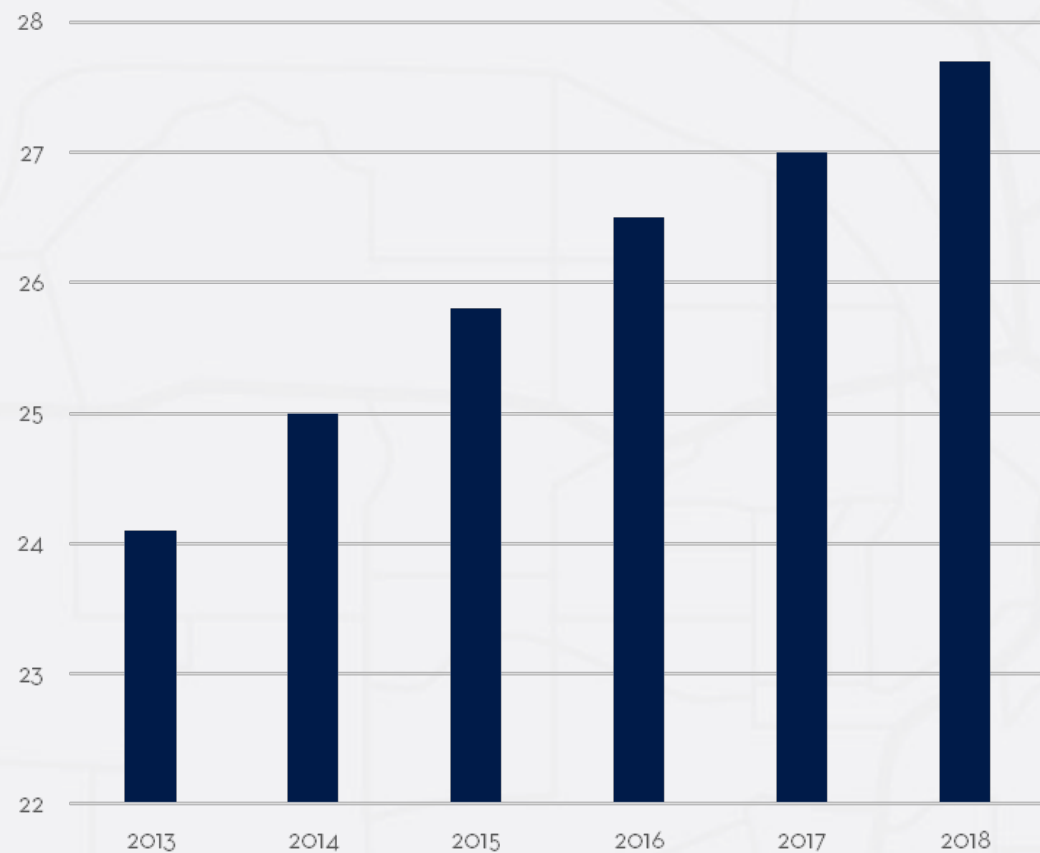
Traveler spending contributes significant tax revenue to both state and local governments, helping offset the average tax and fee burden for Dallas households by \$1,221 annually.



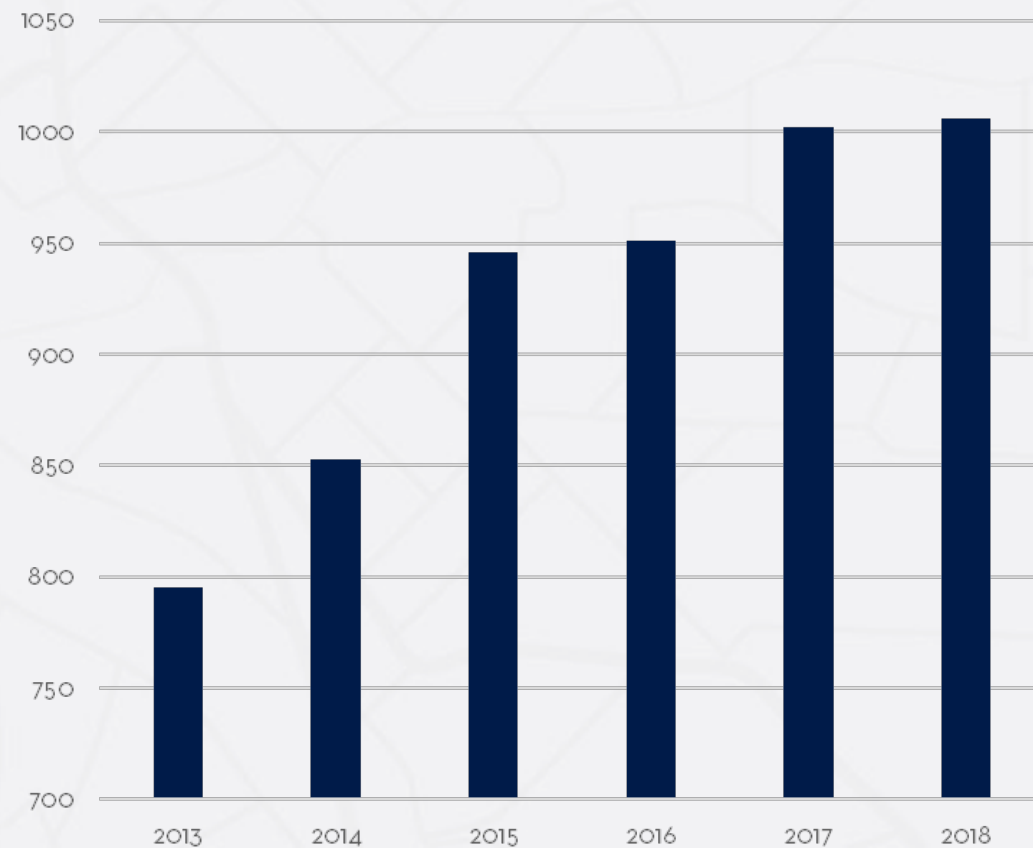
VISITATION

FIVE-YEAR UPWARD TREND

Annual Visitors



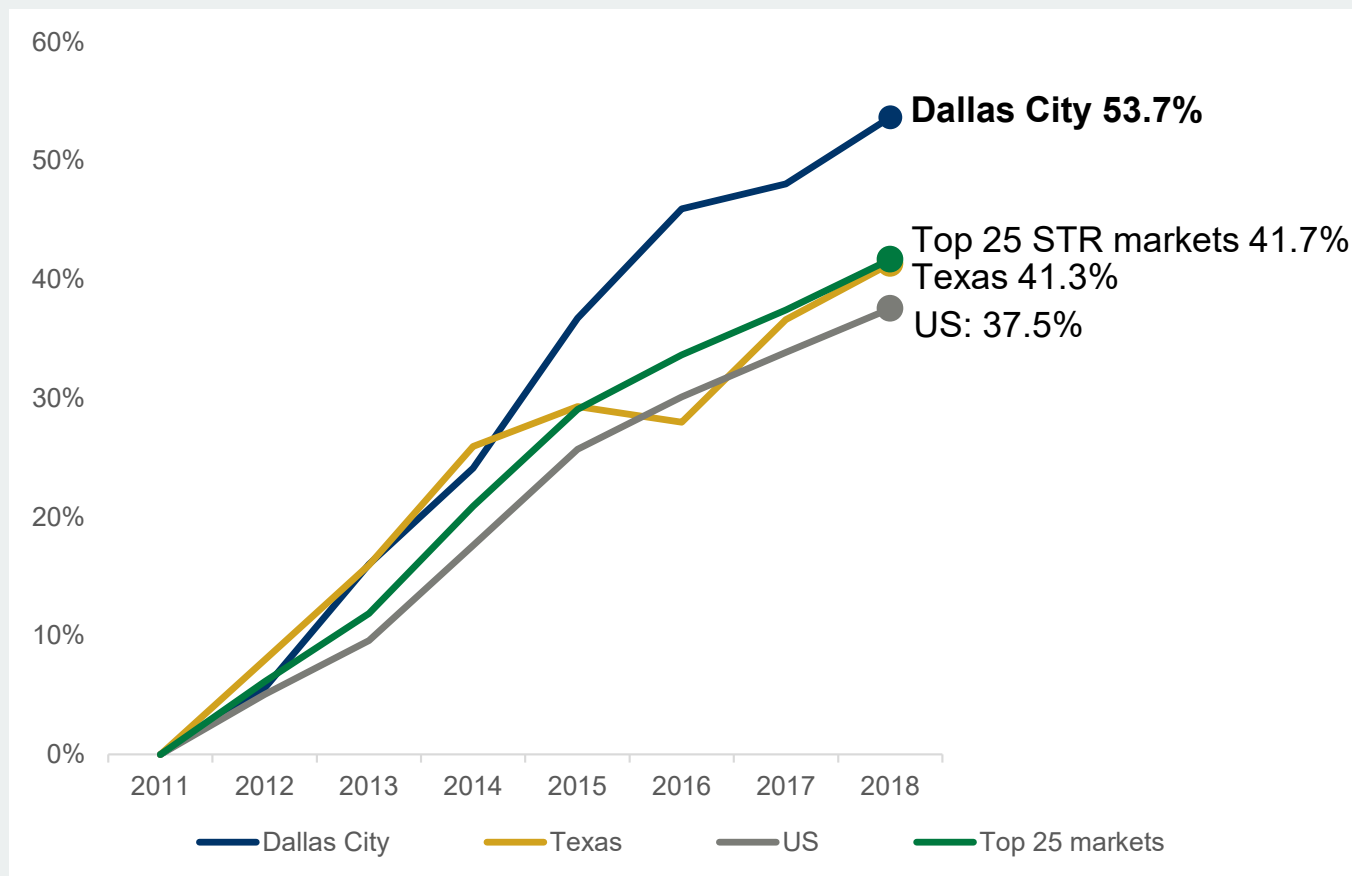
Room Revenue



DALLAS, A CITY OF GROWTH

Hotel room revenue

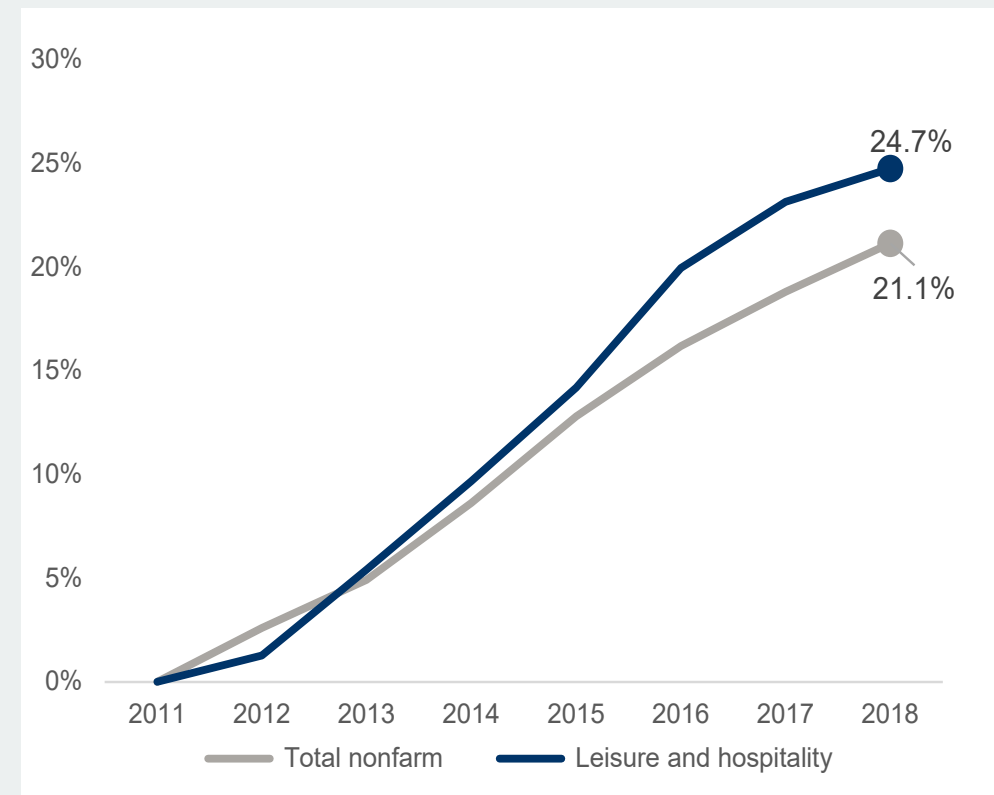
Real, cumulative growth since 2011



Source: STR; BEA; Tourism Economics

Employment: Dallas County

Growth since 2011

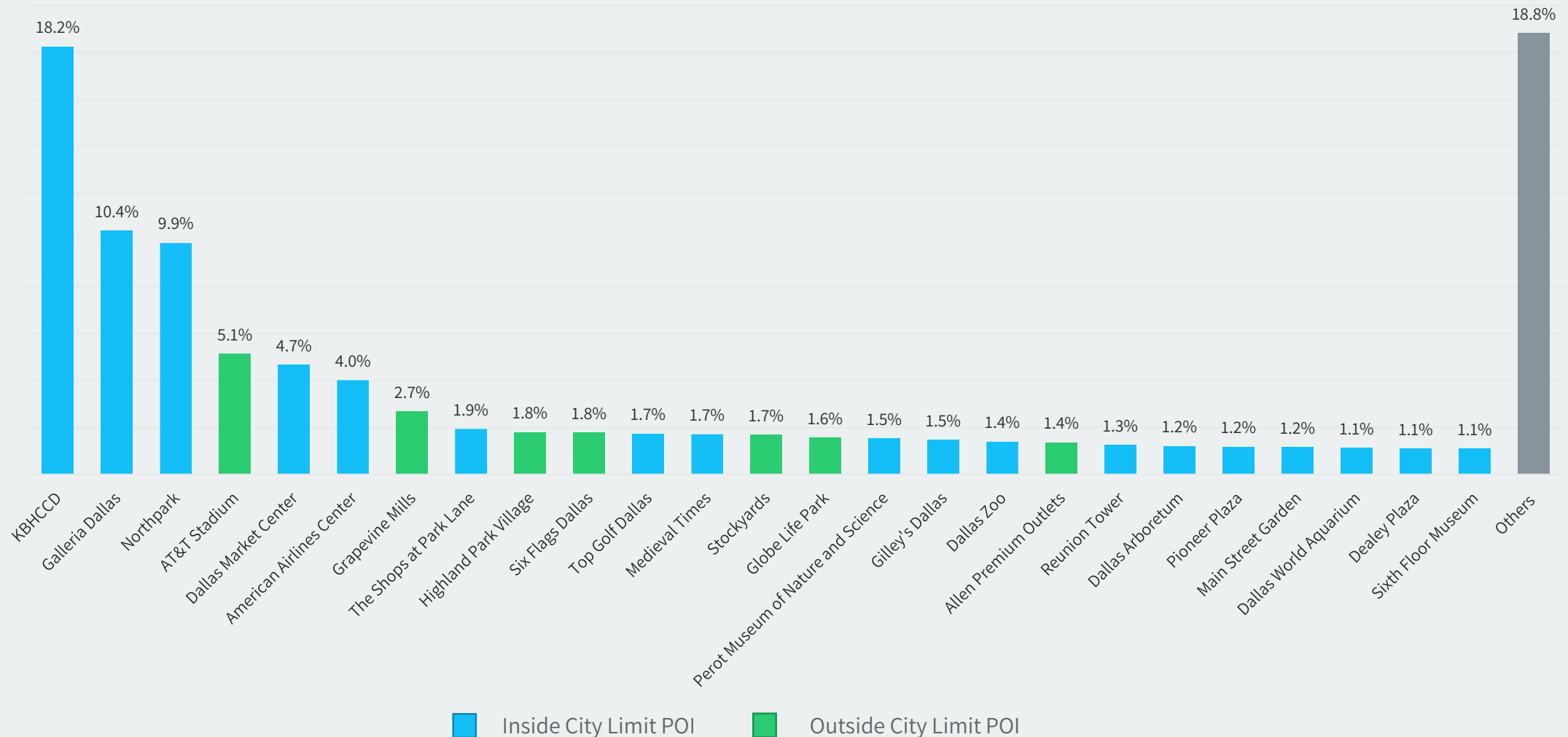


Note: Leisure and hospitality includes arts, entertainment and recreation (NAICS sector 71) and accommodations and food service (72).

Source: Bureau of Economic Analysis; Tourism Economics

Which individual points of interest do Dallas hotel visitors visit inside and outside of the Dallas city limits? (2019)

Shown: Cross Visitation Share (top 25)



COVID-19 IMPACT

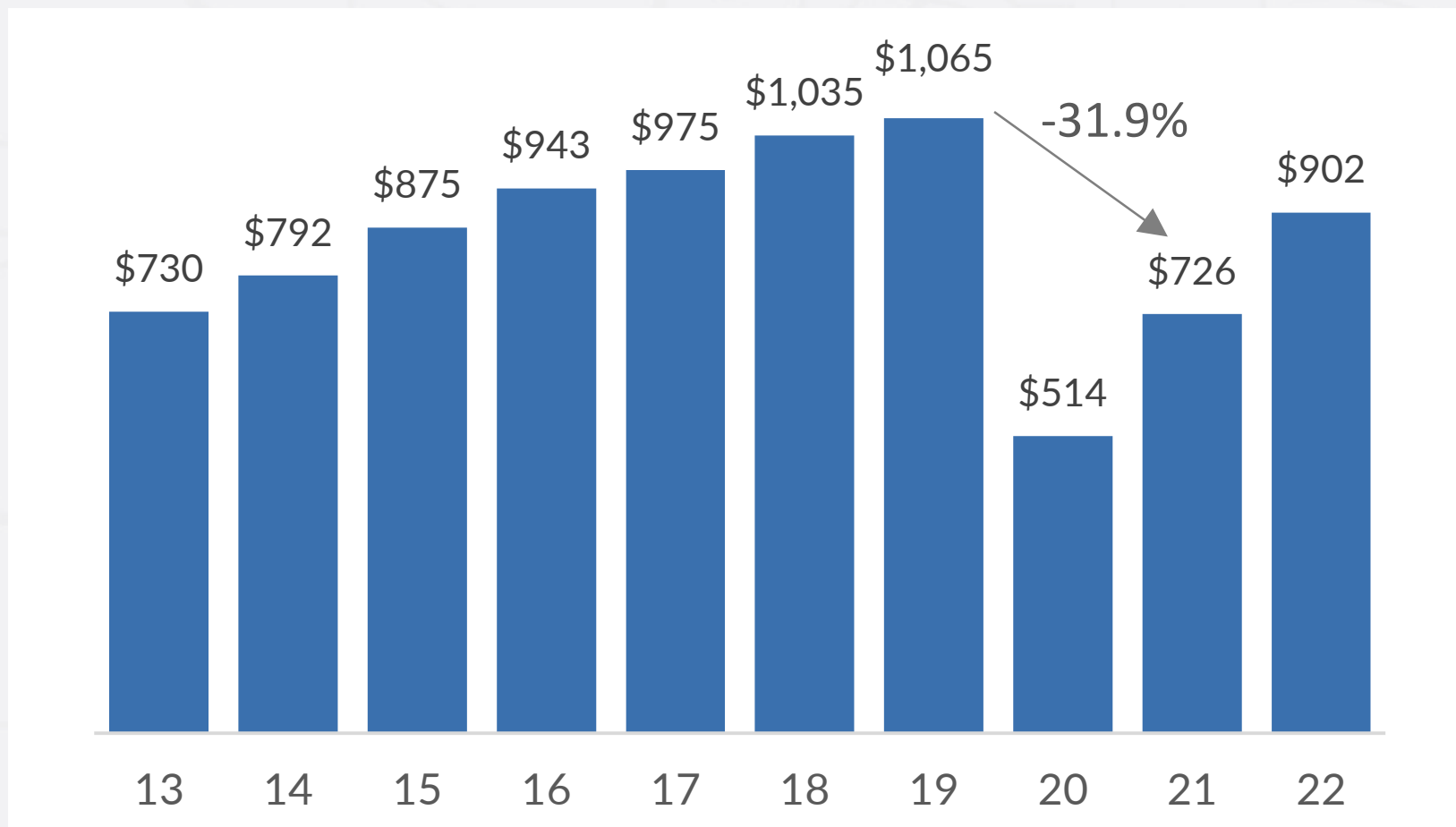
In April 2020, Dallas' hotel revenues bottomed out at **\$12.7 million** and our occupancy rates were **21.7%**. Compare this to **\$99.5 million** or **73.7%** in April 2019, and it is very easy to say our industry was decimated.

From March 2020 until March 2021, VisitDallas lost **584** convention bookings, resulting in **\$986.5 million** lost in economic impact and **\$609.9 million** in direct spend. Sadly, this loss directly correlates with the over **6,000** temporarily or permanently lost jobs within the hospitality sector.



COVID-19

REVENUES



Source: STR (room revenue history); Tourism Economics (forecast)



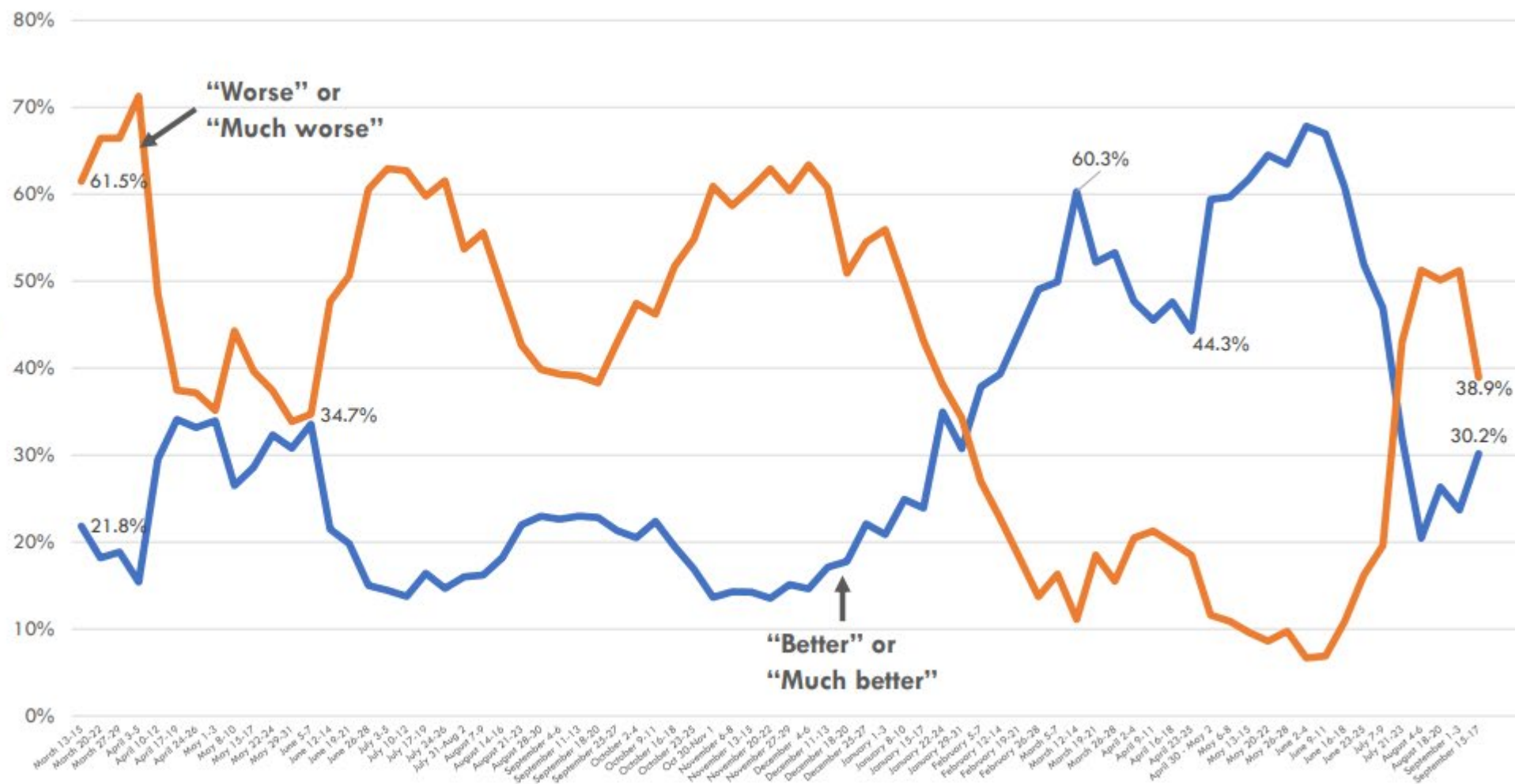
DALLAS TOURISM RECOVERY

CORONAVIRUS FUTURE EXPECTATIONS

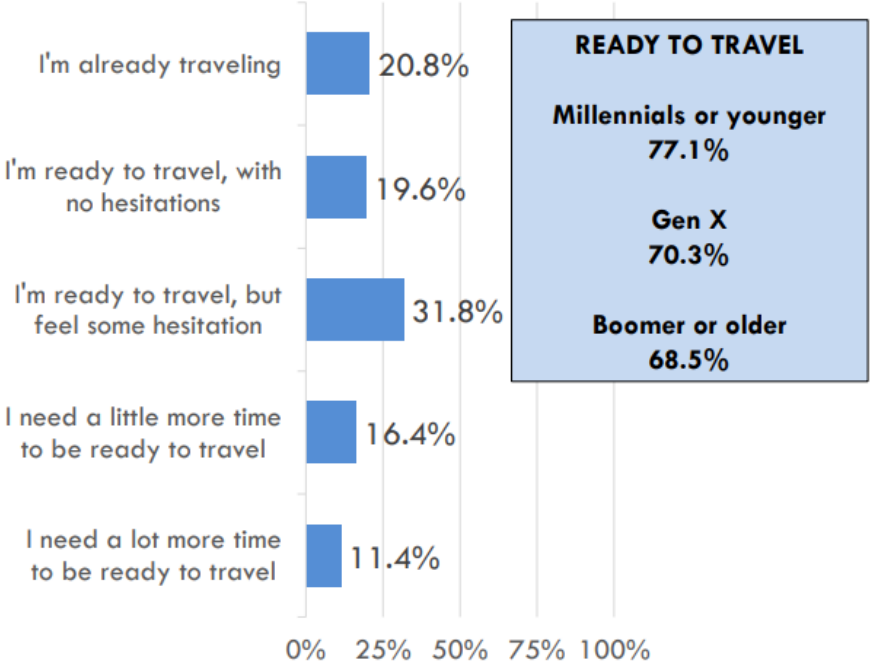
Question: In the NEXT MONTH, how (if at all) do you expect the severity of the coronavirus situation in the United States to change?

In the next month the coronavirus situation will get _____

(Base: Waves 1-74. All respondents, 1,200+ completed surveys each wave.)

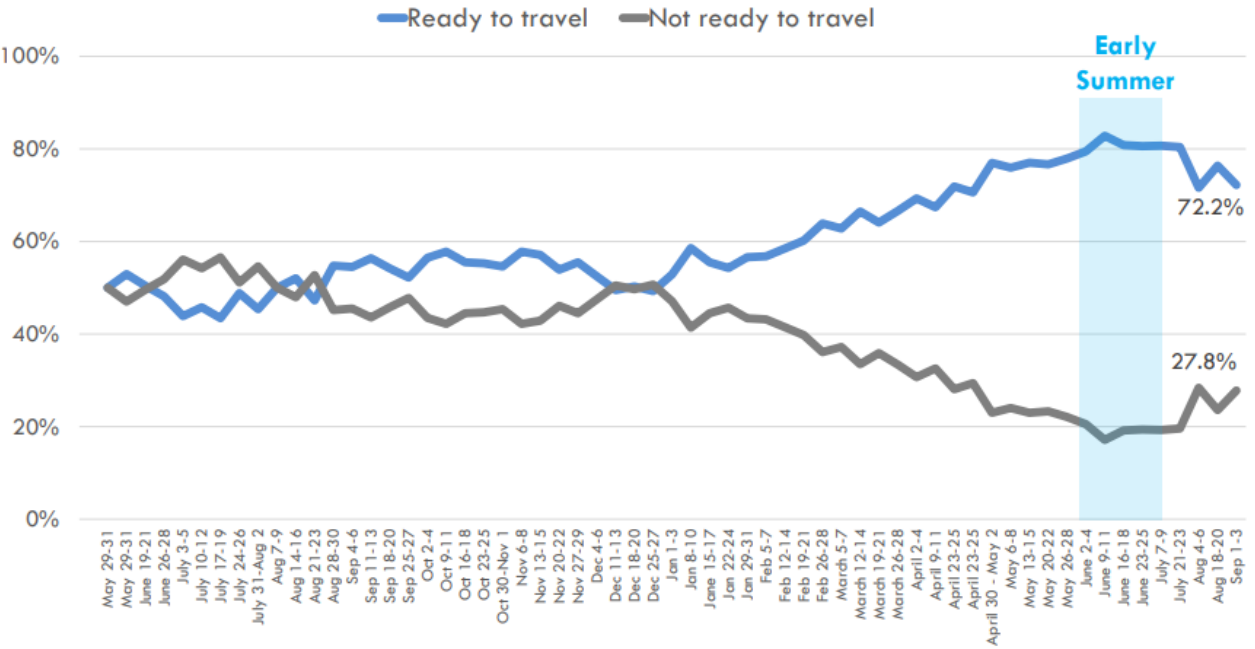


TRAVEL READINESS



(Base: Waves 12-13 and 15-73. All respondents, 1,200+ completed surveys each wave.)

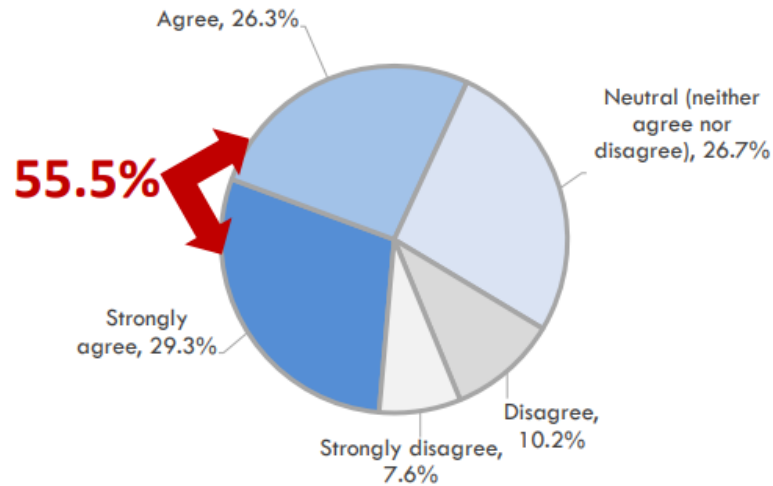
Historical data



AVOIDING CONVENTIONS & CONFERENCES

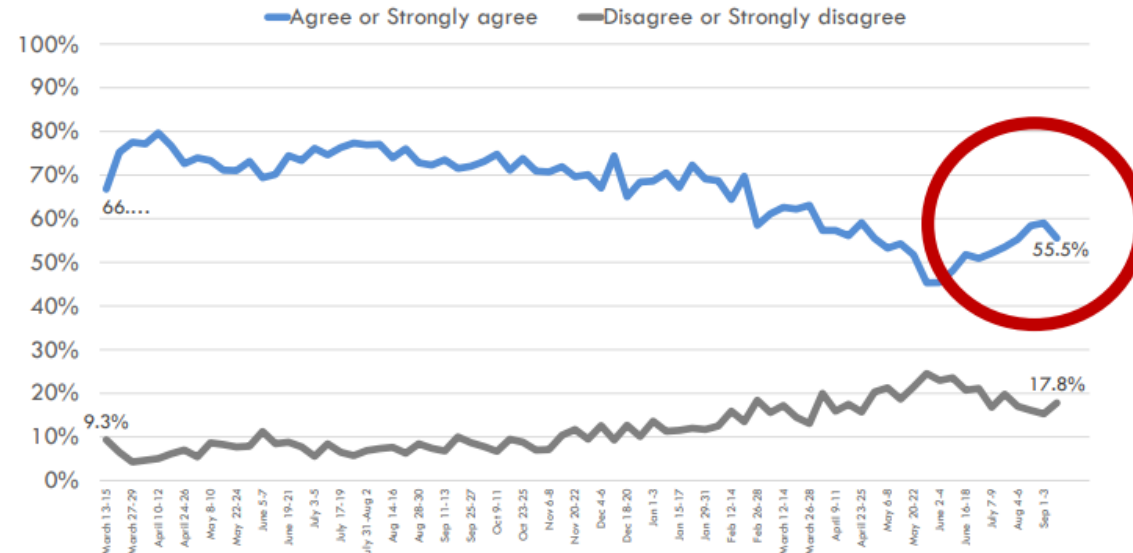
How much do you agree with the following statement?

Statement: I will be unlikely to attend any conferences or conventions until the coronavirus situation is resolved.

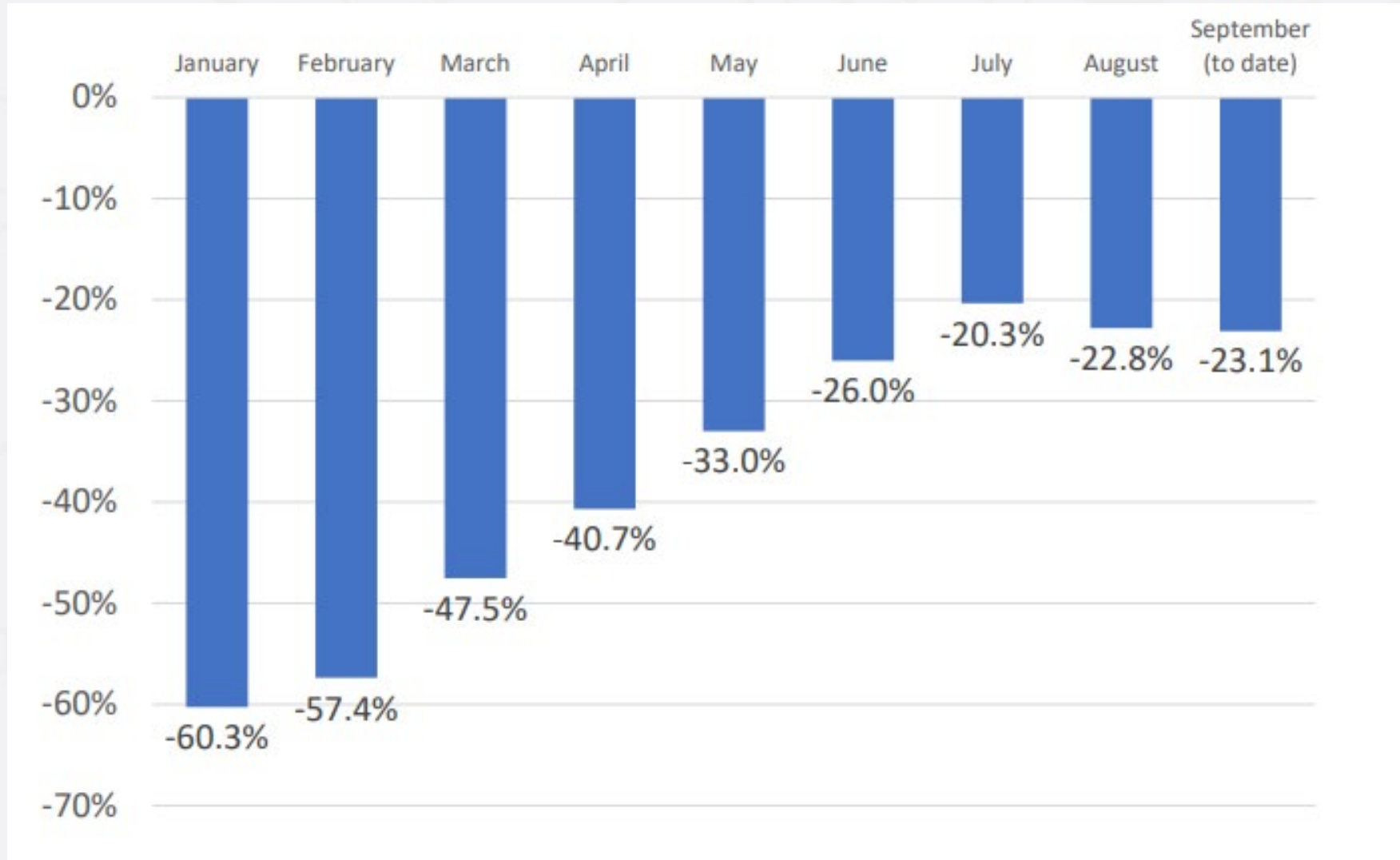


(Base: Waves 1-74. All respondents, 1,200+ completed surveys each wave.)

Historical data



TSA Traveler Throughput (2019 vs 2121)



COVID-19

RECOVERY

Leisure leads the way to recovery. Americans' willingness to travel has not decreased during the recent increase in cases, with over half of all travelers currently indicating they are ready to travel.

Occupancy and hotel demand will recover in about **2 years**, but as average room rates will lag, full recovery will not be realized for **more than 5 years**.

OCCUPANCY RATES

2019 Occupancy = 68.1%

2020 Occupancy = 41.5%

2021 Occupancy = 54.6%

2022 Projected Occupancy = 61.0%

LABOR DAY WEEKEND

Leisure travel continues to remain high. Dallas hotel revenue performance over Labor Day weekend serves as a strong indicator.

2021 Labor Day travel was **56% higher than 2020** and **13% higher than 2019**

Weekend Revenues

2019 = \$ 7,917,962

2020 = \$ 5,738,042

2021 = \$ 8,962,450

VISITDALLAS MEETINGS & EVENTS

458

Events Booked
▼49.1% YOY

300

Avg. Booking Window (days)
▲70.9% YOY

1,033,240

Attendees
▼25.7% YOY

721,657

Booked Room Nights
▲0.5% YOY

750,000

Room Night Goal

94.4%

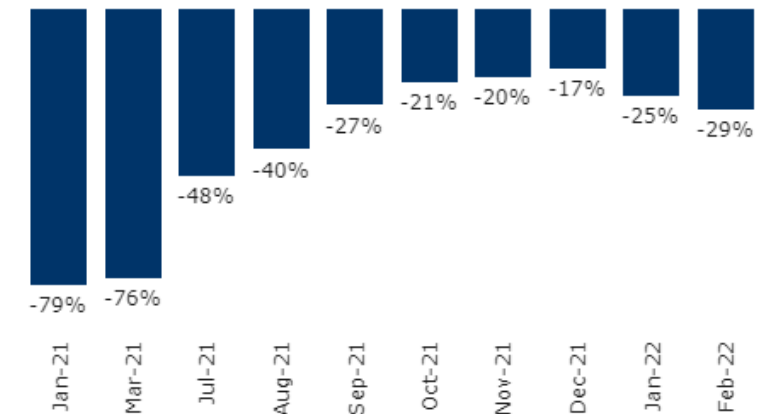
Room Night Goal
▲43.8% ppt YOY

VisitDallas Meetings Definites - 2021



US DMO/CVB Group Room Night Pace

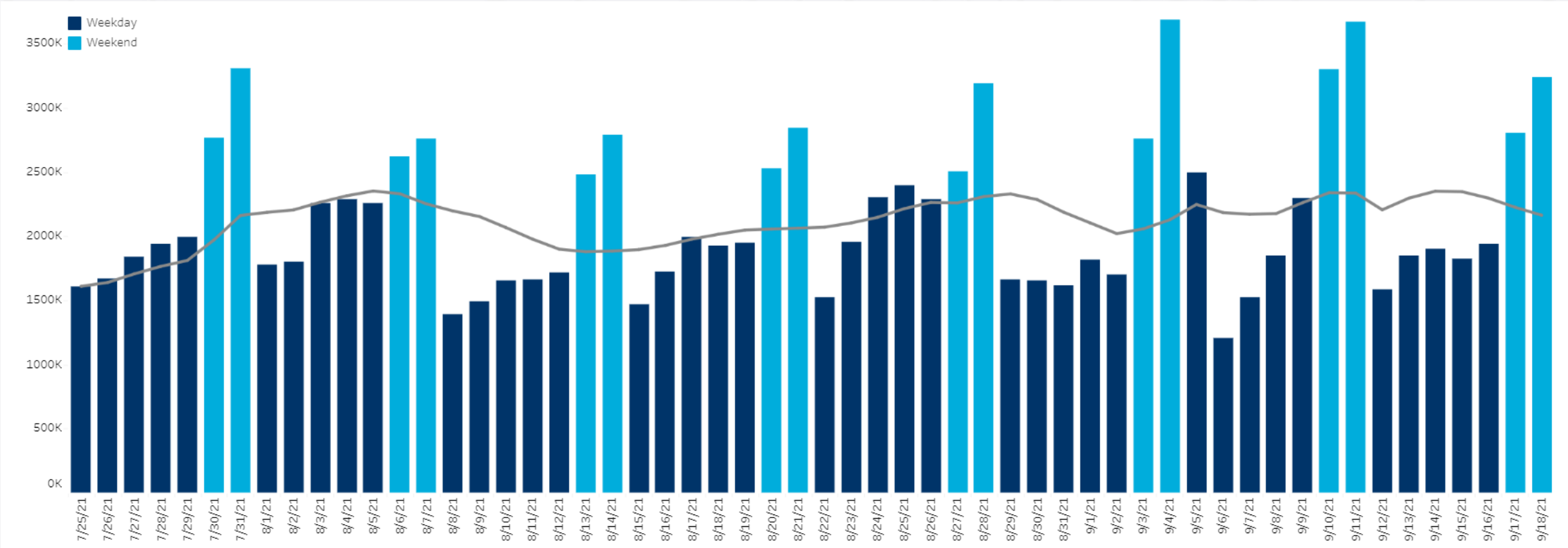
Pace for future dates, relative to the same period in 2019



Source: Simpleview CRM (250+ U.S. DMOs)

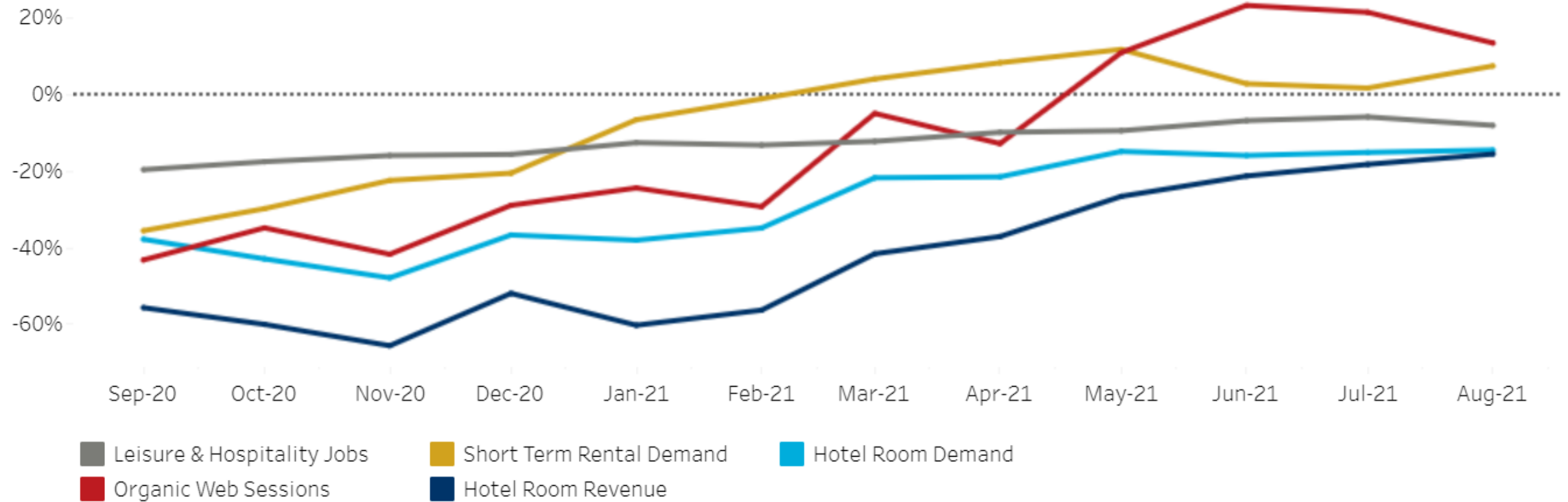


HOTEL REVENUES



RECOVERY INDICATORS

% change relative to same month in 2019



Source: Tourism Economics, AirDNA, STR, Google Analytics, BLS

Lodging Summary

City of Dallas+, July 2021

July 2021 YTD Fiscal Year

Lodging Insights

At 67.5% this month continued a trend of strong-but-cooling YOY increases in aggregated rooms sold. This performance brought fiscal year-to-date (FYTD) aggregated rooms sold on par with FYTD 2020. FYTD occupancy remained down compared to STLY due to aggregated supply outpacing rooms sold. For the first time monthly ADR exceeded 2019 rate; at \$118.63 July 2021 ADR was 83 cents higher than the July 2019 ADR. This helped to narrow both the FYTD ADR and RevPAR performance gaps for the fifth consecutive month.

Aggregated lodging performance was driven by hotel performance; hotel rooms sold and ADR for July 2021 was on par with June 2021, and this performance helped to narrow the FYTD performance gaps for occupancy, ADR, and RevPAR. Short term rental performance saw moderate MOM increases in both rooms sold and ADR. While FYTD short term rental rooms sold were still down YOY at the end of July, FYTD ADR and RevPAR maintained a distinct lead over FYTD 2020 as average rates increased MOM for the past half year.

Aggregated Lodging Summary

Source: STR & AIRDNA

	Occupancy	ADR	RevPAR	Supply	Room Nights	Room Revenue
	56.5%	\$118.63	\$66.97	1,183.6K	668.3K	\$79.3M
YOY Change	▲ 57.7%	▲ 36.2%	▲ 114.8%	▲ 6.3%	▲ 67.5%	▲ 128.2%
MOM Change	▼ -2.7%	▼ -0.2%	▼ -2.9%	▲ 3.7%	▲ 0.9%	▲ 0.7%
YTD Fiscal Year	47.7%	\$106.53	\$50.86	11,542.4K	5,510.3K	\$587.0M
YOY Change YTD	▼ -4.5%	▼ -10.4%	▼ -14.4%	▲ 4.8%	▲ 0.0%	▼ -10.3%

Hotel Performance

Source: STR

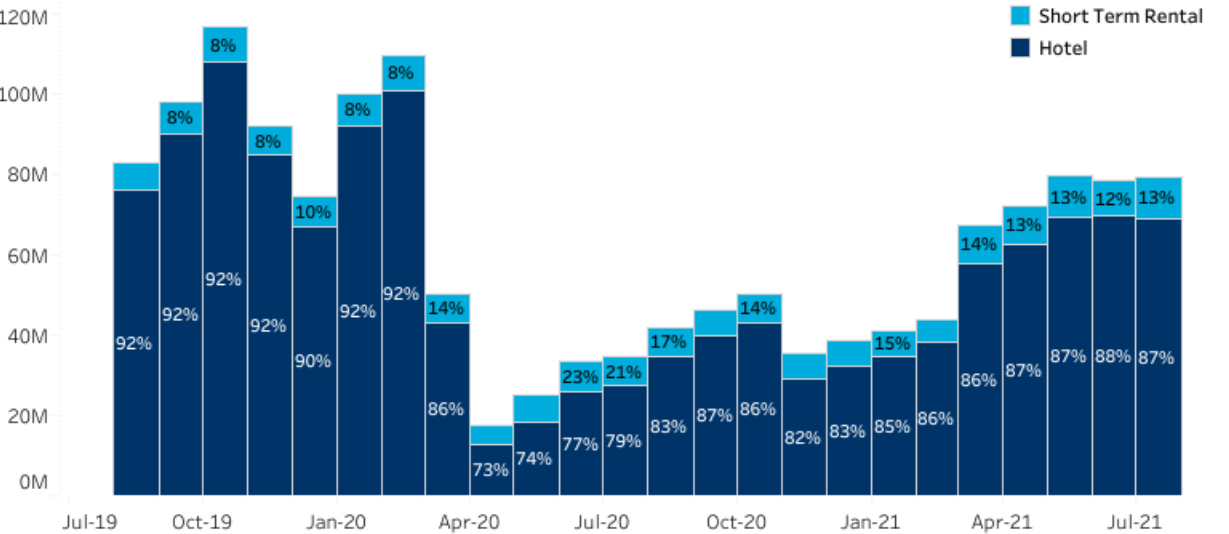
	55.8%	\$111.98	\$62.54	1,101.3K	615.1K	\$68.9M
YOY Change	▲ 64.6%	▲ 45.2%	▲ 139.0%	▲ 5.5%	▲ 73.6%	▲ 152.0%
MOM Change	▼ -2.8%	▼ -1.5%	▼ -4.3%	▲ 3.3%	▲ 0.4%	▼ -1.1%
YTD Fiscal Year	47.0%	\$100.32	\$47.14	10,723.6K	5,038.6K	\$505.5M
YOY Change YTD	▼ -4.8%	▼ -13.3%	▼ -17.5%	▲ 5.6%	▲ 0.5%	▼ -12.9%

Short Term Rental Performance

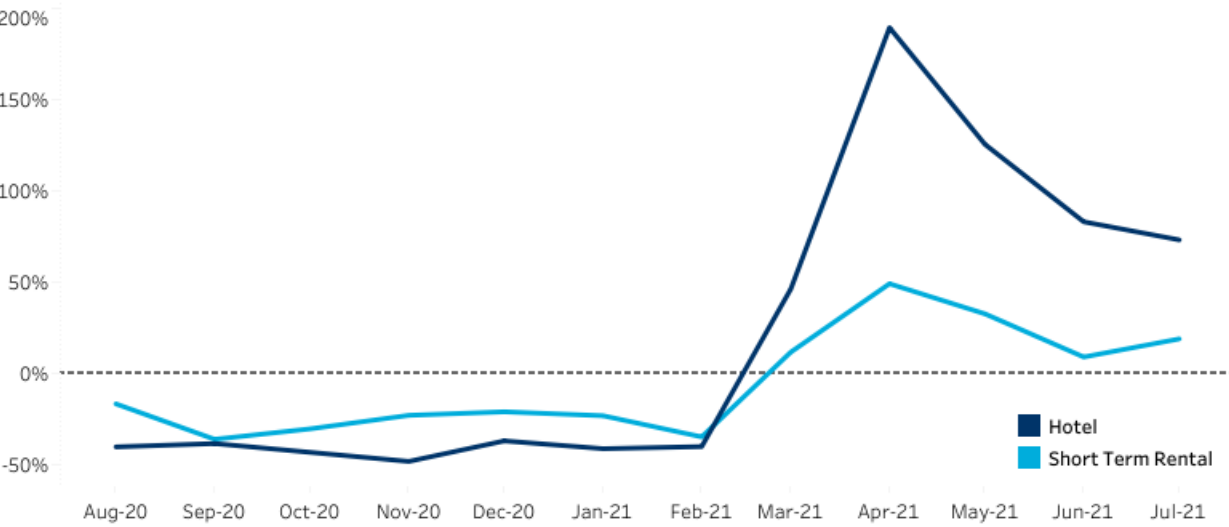
Source: AIRDNA

	64.6%	\$195.50	\$126.29	82.3K	53.2K	\$10.4M
YOY Change	▲ 1.0%	▲ 17.6%	▲ 18.7%	▲ 18.1%	▲ 19.3%	▲ 40.2%
MOM Change	▼ -1.3%	▲ 6.8%	▲ 5.4%	▲ 8.6%	▲ 7.2%	▲ 14.4%
YTD Fiscal Year	57.6%	\$172.83	\$99.57	818.7K	471.7K	\$81.5M
YOY Change YTD	▲ 0.3%	▲ 14.3%	▲ 14.6%	▼ -4.4%	▼ -4.2%	▲ 9.5%

Lodging Revenue and Contribution



Room Nights YOY Change Comparison of Hotel & Short Term Rental



Future Hotel Revenue Forecast Comparison

