



2018

GEORGETOWN HOTEL MARKET REPORT

This annual market report includes information about the performance of the Georgetown hotel market, including occupancy, average daily rates, and revenue, as well as activity and investments in the Georgetown hospitality experience.

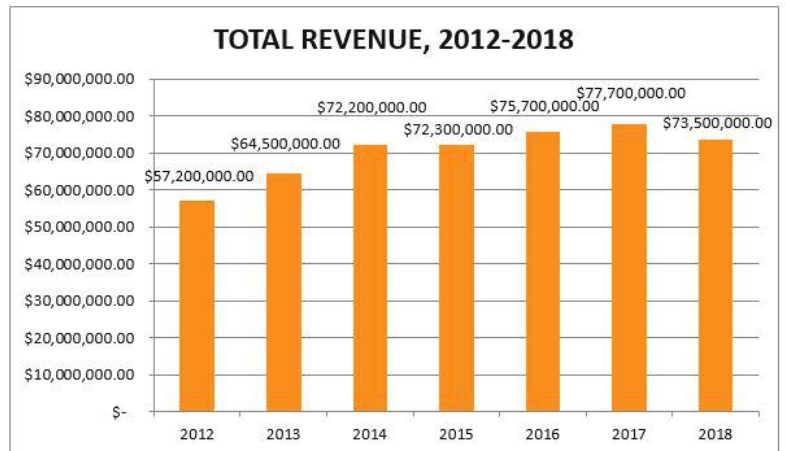
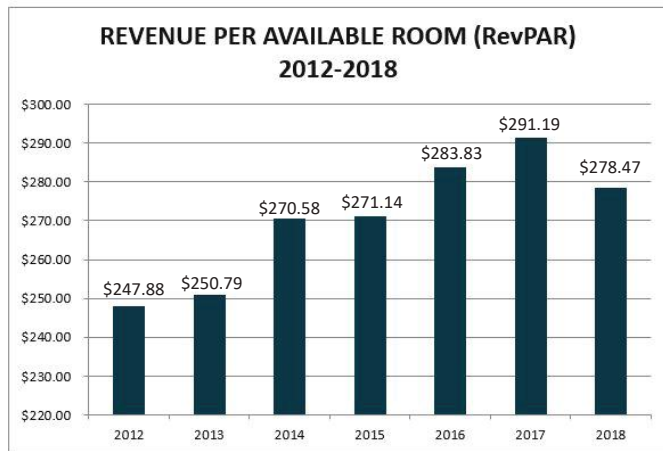
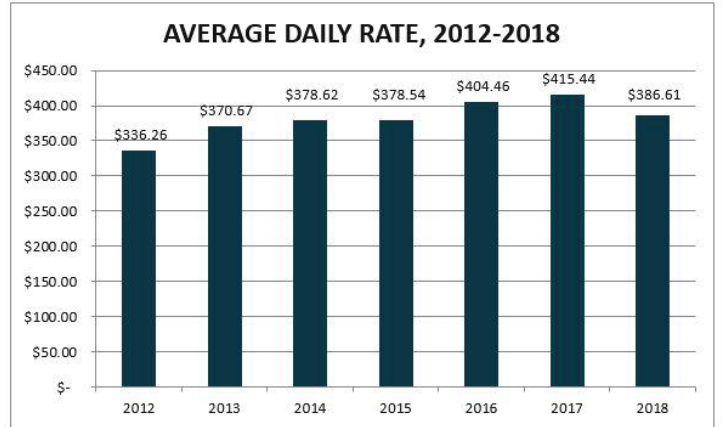
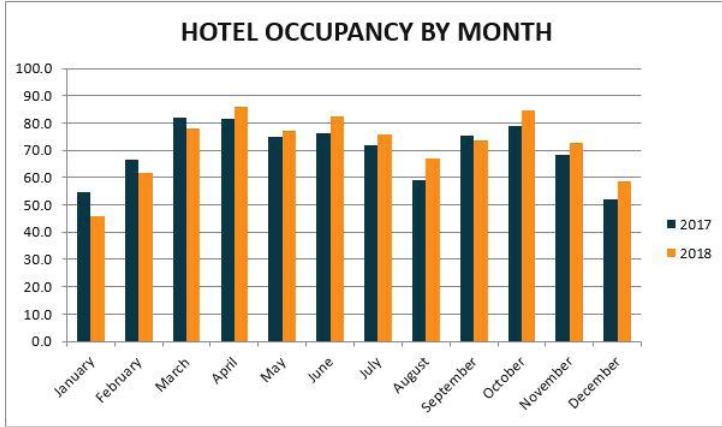
2018 MARKET HIGHLIGHTS

- + The occupancy rate in Georgetown was 71.9%, up from 70.2% in 2018.ⁱ
- + Average Daily Rate (ADR), Revenue per Available Room (RevPAR), and Total Revenue declined in 2018. ADR was down 6.9%, RevPAR 4.4%, and total revenue 5.4%.ⁱⁱ Citywide numbers are not yet available, but Georgetown ADR and RevPAR are typically well above the citywide average.
- + The Rosewood, Washington, DC began a major renovation of the hotel in October:
 - The lobby, restaurant, and common spaces are all undergoing renovation
 - CUT by Wolfgang Puck will replace The Grill Room restaurant
 - The Rosewood is also renovating six townhouses on 31st Street and South Street as new guest rooms
- + 1310 Kitchen & Bar opened in the former Daily Grill space at the Georgetown Inn, providing a new restaurant for the hotel and the Wisconsin Avenue corridor.
- + Thor Equities paused construction on the former Latham Hotel site at 3000 M Street, delaying the delivery of a new hotel to the market.



GEORGETOWN HOTEL MARKET FUNDAMENTALS (2018)

Hotels	Hotel Rooms	Occupancy	Average Daily Rate (ADR)	Revenue Per Available Room (RevPAR)	Total Revenue
6	731	71.9%	\$386.61	\$278.47	\$73,500,000



OUTLOOK FOR GEORGETOWN

Without the inauguration in 2018, or an event of a similar size to the Women’s March, the decline in ADR and RevPAR is not unexpected. ADR and RevPAR typically peak every four years during the inaugural cycle. Despite the year over year declines, ADR and RevPAR remained above average for the last ten years. Across the city, occupancy, ADR, and RevPAR were also down through the first six months of the year, meaning that Georgetown hotels are following larger market trends.ⁱⁱⁱ

The outlook for the District’s hospitality market is positive overall. Destination DC reported that 22.8 million visitors traveled to Washington, DC in 2017 (the latest year for which data are available), a 3.6% increase over 2016 and the eighth consecutive year of record visitation. Of that total, 20.8 million visitors were domestic travelers, a 4.2% increase over 2016, and two million visitors were international travelers, a 9% increase over 2016.^{iv}

Growth in visitor travel and the overall health of the local economy are also driving development of new hotels. More visitors to the city are good for Georgetown hotels, but new hotels do present competition for Georgetown, particularly hotels in the upscale and luxury class that are in growing mixed-use neighborhoods. Overall, 18 new hotels are in the pipeline, delivering nearly 4,000 new hotel rooms to the city.^v The Line Hotel opened in Adams Morgan at the end of 2017 and includes several restaurants and experiences that serve hotel guests as well as local customers. Eaton Workshop, a Hong Kong-based hospitality brand with a progressive social vision, opened in Downtown in 2018, and includes a coffee shop, co-working space, speakeasy, library,

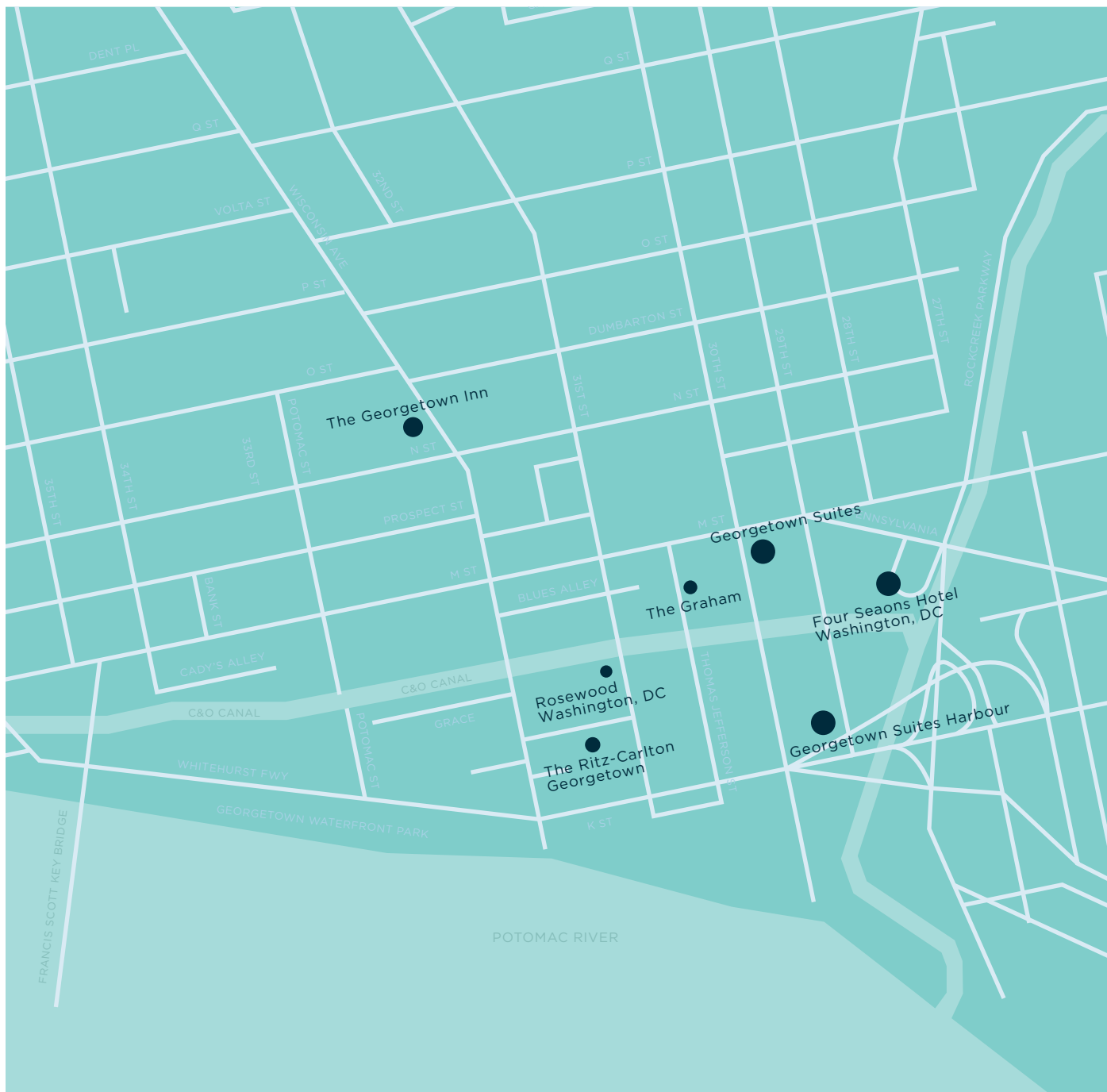
wellness center, and more.^{vi} The Conrad, a luxury hotel from Hilton, opened in CityCenter in early 2019. These hotels are catering to luxury business and leisure travelers—some of whom are Georgetown hotel customers—but they also evoke a lifestyle, experience, and design that are attractive to younger customers.

Georgetown hotels have a strong customer base because of the history, character, and experience of Georgetown, as well as proximity to Georgetown University and George Washington University. Some hotels, like the Four Seasons and the Ritz-Carlton, are also popular destinations for celebrities, diplomats, and politicians visiting DC. The hospitality market is broad enough to require a variety of hotel experiences. Georgetown hotels should continue to serve their core customers, but they should also closely monitor changing guest expectations. New hotels are increasingly focused on lifestyle and design, providing experiences beyond traditional amenities and food and beverage options.

In 2019, ADR and RevPAR for Georgetown will not likely increase as they did from 2015 to 2016 and from 2016 to 2017. Rates will likely remain flat or increase slightly as the Rosewood reopens in Georgetown and visitor numbers increase city-wide. The Georgetown BID will continue to create memorable experiences in Georgetown, including public art experiences like Georgetown GLOW, a thriving retail and restaurant market, and major investments in the C&O Canal in partnership with Georgetown Heritage, the National Park Service, and the District government.



GEORGETOWN HOTELS



HOTEL	ADDRESS	# OF ROOMS
Four Seasons Hotel	2800 Pennsylvania Avenue NW	222
Georgetown Suites	1111 30th St NW	221
Georgetown Suites Harbour	1000 29th St NW	(see above)
The Georgetown Inn	1310 Wisconsin Avenue	96
The Ritz-Carlton Georgetown	3100 South Street NW	86
The Graham	1075 Thomas Jefferson Street NW	57
Rosewood Washington, DC	1050 31st Street NW	49 (+6 in pipeline)

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While all data in this report were produced by the BID or gathered from the sources cited, the BID does not guarantee the accuracy of the data presented in this publication. The staff welcomes opportunities and partnerships to refine existing data.

The Georgetown BID area comprises the commercial corridors along Wisconsin Avenue between M Street and R Street; M Street between 27th Street and 37th Street; the commercial areas of Prospect Street; and the commercial areas south of M Street to the Potomac River.

Every year the BID publishes market reports on the Georgetown economy. This report, all prior reports, and other research are available on the BID website at bid.georgetowndc.com.

ENDNOTES:

ⁱ STR, 2019

ⁱⁱ Ibid. The Rosewood, Washington, DC closed in October 2018 for a major renovation and did not report data for Q4 2018. This may have contributed in part to the year over year declines.

ⁱⁱⁱ "D.C. Hotel Performance Down Slightly From Last Year, But Projected to Surge in 2019." Bisnow. August 28, 2018.

^{iv} Destination DC, Washington, DC Visitation and Impact (2017)

^v Ibid

^{vi} "Inside Eaton Workshop—the New Hotel Brand Designed for Social Change." Architectural Digest. October 2, 2018.





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