



# TRAVEL INDUSTRY RECOVERY BRIEFING

## Top Industry Updates and Observations: September 24, 2021

- On Monday, September 20, [the White House announced](#) it would ease entry restrictions on international air travel for vaccinated individuals starting in early November. This is a major turning point in the resumption of global travel and it will open the door to visitation from many of Seattle's key international source markets. However, on the same day, [it was announced](#) that current land border restrictions preventing non-essential travel from Canada and Mexico were extended until October 21.
- To protect customers and workers, preserve hospital capacity, and help prevent business closures, [Seattle and King County announced](#) they will require verification of full vaccination status or a negative COVID-19 test to enter outdoor public events of 500 or more people and indoor entertainment and recreational establishments and events such as live music, performing arts, gyms, restaurants, and bars. This is effective October 25 and applies to all indoor meetings and events regardless of size.
- Following a peak in July at 65.5% occupancy, Downtown Seattle ran 59.6% in August. For the collective period from June-August, Downtown Seattle's occupancy was 59.1%—nearly 10 points higher than Portland and Vancouver and over 15 points higher than San Francisco for this same period. Downtown ADR hit a monthly high in August for pandemic-era, reaching \$201. Demand has continued to decline slightly into September, hitting 54.6% for the week ending September 18. Labor Day weekend was a bright spot thus far in September, when Downtown hit 87.8% occupancy on Saturday, September 4, the highest single day during the pandemic-era. King County occupancy was 64.5% in August, following a peak of 67.9% in July.
- For the remainder of 2021, there are seven remaining meetings/conventions at the Washington State Convention Center. Visit Seattle is forecasting 65% attendance as compared to what was originally booked. Additional forecast information by quarter is available in the briefing.
- Concerns related to the Delta variant coupled with traditional softening in seasonal demand have driven air travel volumes down the last five weeks. The week of September 12, an average of 41,200 daily passengers were processed by TSA at SEA Airport (-30% as compared to the same week in 2019). This is down from an average of 51,300 daily passengers in early August (which was the highest pandemic-era weekly volume). A similar downward trend is being seen nationally.
- [Major League Baseball officially announced](#) that Seattle will serve as host city for the 2023 All-Star Game. Hosting this iconic event serves as a central piece of our region's recovery efforts and ushers Seattle back to its rightful place as a premier global destination for live events. This opportunity is a result of the Seattle Mariners' willingness and commitment to play a vital role in our region's recovery. Visit Seattle looks forward to working closely with the Mariners, Major League Baseball, and the Seattle Sports Commission to make our entire region proud.

- By using the voices of locals, Visit Seattle is able to share an authentic perspective of the Emerald City. We created the [I Know A Place campaign](#) in February, inviting visitors near and far to experience what Seattle looks like in real time. Earlier this month, we launched the first video of the series featuring Seattle Chef Shota Nakajima of Taku as he hosted his friend—and fellow Top Chef contestant—Chef Sara Haumann from Portland. This is the first of many videos that highlight Seattle influentials giving a sneak peek into their Seattle favorites. The cross channel campaign is focused in Los Angeles, San Francisco, Portland, Anchorage, and Spokane and can be seen on billboards, online and social.

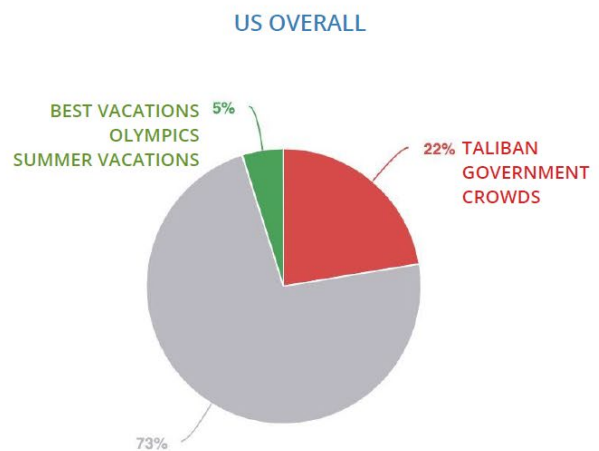
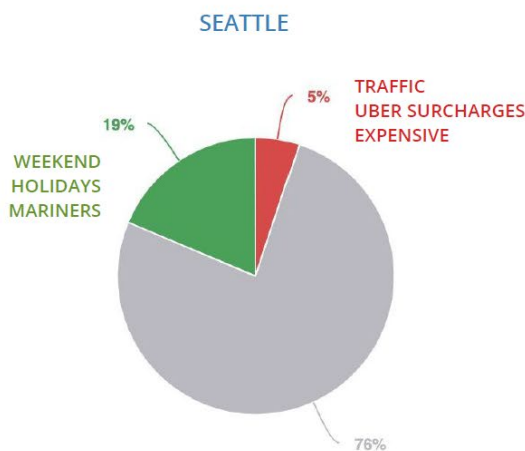
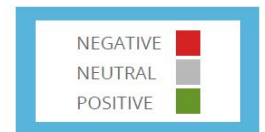
## Consumer Sentiment

### Visit Seattle Social Media Sentiment (Sparkloft Media; August 2021)

Sparkloft Media is a social first creative agency, contracted by Visit Seattle. Sparkloft has developed a proprietary social listening process that goes beyond standard positive, negative, and neutral sentiment analysis. Their reporting captures all publicly available conversations across Facebook, Instagram, Twitter, YouTube, TripAdvisor, Tubmlr, review sites, blogs and forums relating to global travel, domestic travel, and Seattle-specific travel. A summary of their analysis for August 2021 is below and you can [access the full report here](#).

- Volume of conversations around domestic travel intent increases significantly.** August 2021 volumes, on average, were up 50% as compared to the same month in 2020. Where driving and road trips dominated the conversation in August 2020, trips and flying became a high priority for people in August 2021.
- Conversations with travel intent focused on Seattle were far more positive than conversations broadly focused on the U.S. (as pictured below).** Seattle’s rate of positive sentiment (19%) far outweighed that of the U.S. (5%). Similarly, Seattle’s negative share of sentiment (5%) was far better than the U.S. (22%).
- When evaluating Seattle conversation from national markets, volume increased 124% year-over-year.** Seattle also saw a larger share of positive conversation (15% versus 12%) and a smaller share of negative conversation (9% versus 21%).

## CONVERSATIONS WITH TRAVEL INTENT



## Update on American Travel in the Period of Coronavirus (**Destination Analysts; September 20**)

Each week, Destination Analysts surveys 1,200+ American travelers about their thoughts, feelings, perceptions and behaviors surrounding travel in the wake of the coronavirus pandemic. Below is data collected September 15-17th.

- **After an anxious period, feelings of normalcy and optimism are starting to return.** Those pessimistic about the pandemic's course over the next month is at 38.9%, a significant drop from September 6th when it hit 51.2%. Meanwhile, optimism bounced up to 30.2% from 23.7%. Younger travelers remain more optimistic, as do those that reside in the Western and Southern U.S.
- **More Americans are now marketable for travel.** The percent of Americans highly open to travel inspiration grew to 65.0% from 58.4% in the last two weeks. In addition, there is moderate growth across the many traveler segments we track in our travel marketability index, suggesting we may be entering a more sustained positive period.
- **Americans appear to be increasingly pushing off the early Fall leisure trips they planned to later this year.** In fact, those who say they have at least tentative plans to take overnight trips in September (10.0% now, down from 22.8% the week of August 30th) and October (24.8%, down from 28.1%) have fallen while planned overnight trips for December has ticked up (23.9%, up from 21.2% two weeks ago). Similarly, plans to take leisure day trips in September (11.7%, down from 21.0%) and October (22.6%, down from 25.0%) have dropped while plans for leisure day trips in November (26.1%, up from 19.9%) and December (21.4%, up from 18.3%) have increased.
- **As has been the case throughout the pandemic, the majority of travelers support regulations proposed to enhance traveler safety.** Mask requirements (where appropriate) continue to be popular with the majority (67.8%) of American travelers. By nearly a 4-to-1 ratio, far more travelers support the reintroduction of masking requirements when necessary than oppose it. Vaccine mandates for indoor activities are also approved of by the majority of the traveling public. Nearly 60% say they "support" or "strongly support" such regulations in their home communities.
- **From NFL games to the office, travelers largely give the thumbs up to vaccine requirements.** The recent announcement that the Occupational Safety and Health Administration (OSHA) is creating a rule that would require companies with at least 100 workers to mandate COVID-19 vaccination or weekly testing for their employees before they can come to work is also supported by most travelers. 61.9% of travelers support such a rule, compared to 24.8% in opposition. On the heels of some NFL teams requiring vaccination for fans to attend games, we asked American travelers if professional football teams should require in-person attendees to have full vaccination or a recent negative test. 66.1% expressed support, while only 17.0% opposed this.

## **National Meetings and Conventions (Washington State Convention Center)**

A total of 90 citywide conventions previously booked at the Washington State Convention Center—representing \$655 million in lost economic impact—have cancelled due to COVID-19 or related restrictions.

From the previous report (7/28/21), five cancellations have been received, and two rebookings confirmed. Refer to [Visit Seattle's WSCC COVID-19 Cancellations Overview](#) for cancellations, rebookings, and groups planning to hold meetings.

- There is one cancellation that is confidential at this time while the group goes through necessary processes including alerting attendees.
- Of the 90 cancelled groups, 12 are repeat annual programs. Of the 78 remaining, we have offered future meeting dates to 74 groups. 25 of those are rebooked, and the balance is what we are working to rebook. Many organizations are risk adverse or unsure of size/scope of their future meetings.

Below is a summary of WSCC group business attendance forecast, comparing current attendance projections to how meetings were originally booked. These forecasts are updated monthly as many groups have not made contractual

adjustments to their original booked metrics and they continue to change. We use the specific group knowledge and current industry trends for projections on attendance and rooms usage.

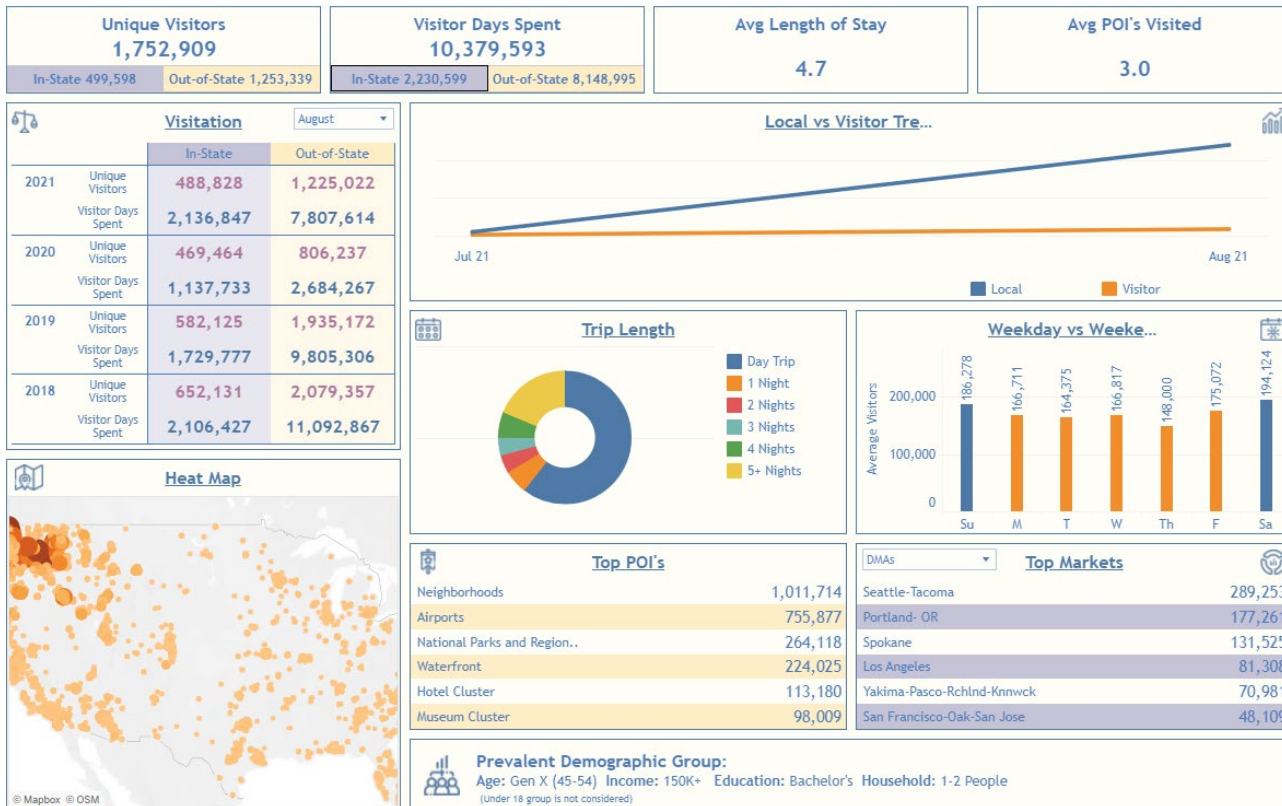
Quarter	Total Groups	Adjusted Groups	Forecast % of Original Booked Attendance
Q4 2021	7	5	65%
Q1 2022	8	2	57%
Q2 2022	10	2	76%
Q3 2022	6	0	68%
Q4 2022	10	0	87%

## Traveler Trends for Seattle/King County Market

### Visitation Analysis Dashboard (Datafy; August 2021)

Visit Seattle partners with Datafy to analyze and understand spending and other behavioral travel patterns at the community level. This big data analytics tool enables Visit Seattle to make data-driven marketing decisions and also yields important travel and spending trends, which we are now making available to our partners. Below are insights from August 2021.

- **While a majority of overall visits to Seattle have been day trips (60%), the average length of stay is a very strong 4.7 nights.** To that end, 5+ nights is the largest share of overnight stays at 18%.
- **Aside from local visitation from the Seattle-Tacoma market, top source markets included Portland, Spokane, Los Angeles, Yakima and San Francisco.** Given recent uncertainty associated with the Delta variant, local/regional tourism trends are continuing, with traditional fly markets across the country lagging.
- **The most prevalent demographic is Gen X (age 45-54) with an average income of \$150k or above.**
- **Weekends continue to lead visitation, primarily fueled by local/regional visitor market, whereas mid-week is softest.** The return of business meetings and conventions, especially those at WSCC, should provide a boost to mid-week visitation and hotel occupancy.



## Hotel Market Performance (STR: August Monthly and Month-to-Date)

In the month of August, Downtown Seattle's demand declined slightly as compared to July, while ADR rose to exceed \$200 for the month for the first time since October 2019. King County also declined slightly in demand from July to August, however, ADR rose enough to see an increase in RevPAR to just under \$100.

Downtown Seattle	August	July
Occupancy	59.6%	65.5%
ADR	\$201	\$195
RevPAR	\$120	\$128

King County	August	July
Occupancy	64.5%	67.9%
ADR	\$158	\$152
RevPAR	\$99	\$98

In reviewing summer (June-August) results collectively, Seattle comes out ahead when compared with our closest peers on the West Coast across all metrics.

Market	Occupancy	ADR	RevPAR
Downtown Seattle	59.1%	\$189	\$112
Portland CBD	50.2%	\$158	\$79
Vancouver Downtown	48.5%	\$175	\$85
San Francisco Market St	42.9%	\$161	\$69

The following includes results across the region by subset through September 18. Occupancy has declined from the peak summer performance, primarily through softer mid-week results. ADR remains elevated across the region.

### September MTD Results

Area	Occupancy	ADR	RevPAR
Seattle Downtown	58.0%	\$198	\$115
Seattle Convention Center Core	53.6%	\$187	\$100
Seattle Center/South Lake Union	62.2%	\$162	\$101
Bellevue/Eastside	49.4%	\$152	\$75
SeaTac Area	65.5%	\$123	\$81
King County	61.2%	\$153	\$94

For the U.S., July also represented peak results during 2021. While ADR did not decline as severely in August, demand dropped, especially in areas of the country that were impacted heavily by the recent Covid surges (major markets in Florida and Texas).

Total U.S.	August	July
Occupancy	63.2%	69.6%
ADR	\$138	\$143
RevPAR	\$87	\$100

### September MTD Results

Area	Occupancy	ADR	RevPAR
Total US	62.6%	\$133	\$94
Top 25 Markets	61.0%	\$147	\$89
Urban Hotels	58.7%	\$173	\$101



## **Short-Term Rental Performance (AllTheRooms)**

Across the city, July and August saw similar occupancy (lower 60%) of Airbnb units as in these same months in 2019. However, available unit inventory remains depressed from 2019 levels. 81,211 units were available in August 2021—a 47% decline to August 2019 that saw 154,400 available units in Seattle.

The below chart includes occupied and available units by month, occupancy by month, as well as the change in both occupied and available units to prior year.

	January-June	July	August	YTD
Occupied Units	208,448	47,069	48,947	304,464
Available Units	408,452	75,751	81,211	637,414
Occupancy %	43.4%	62.1%	60.3%	47.8%
Occ Units vs PY	-6%	+14%	+2%	-2%
Avail Units vs PY	-40%	-33%	-27%	-37%

## **Cruise Industry**

- As of Friday, September 24, there are 17 departures remaining in the condensed [2021 Alaska cruise season](#). With no cancellations and no significant COVID-19 related setbacks, the season has been hugely successful.
- [Industry observers](#) continue to suggest that demand for the 2022 Alaska cruise season could outpace that of 2019 and produce record-level passenger volumes.
- Senator Lisa Murkowski of Alaska has [introduced legislation](#) to provide a permanent exemption from the Passenger Vessel Services Act (PVSA) for cruises between the Lower 48 and Alaska. The legislation would permanently exempt Alaska cruises carrying more than 1,000 passengers from the PVSA.
- The Port of Seattle maintains a page focused on [COVID-19 updates related to the 2021 cruise season](#).

## **Airline Industry**

- For the week of September 12-18, SEA served an average of 41,200 daily departing passengers, down from 43,600 the week prior. Volumes are down 30% as compared to the same week in 2019.
- Concerns related to the Delta variant coupled with traditional softening in seasonal demand have driven air travel volumes down the last five weeks. Results from the week of September 12-18 are down from an average of 51,300 daily passengers in early August (which was the highest pandemic-era weekly volume). A similar downward trend is being seen nationally.
- Several airlines have made recent announcements regarding the resumption of existing routes or the launch of new ones:
  - Delta Air Lines will resume its Paris/Seattle service as of September 24 (2x weekly)
  - Air France will resume its Paris/Seattle service as of November 8 (3x weekly)
  - American Airlines has delayed the launch of its Bangalore/Seattle service until January 4, 2022 (daily)
- Access [SEA Airport's weekly dashboard](#) of airport activity for more information.
- Detailed air service impact and updates available upon request.

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