



# Swapping Recipes 2026 State of the Lodging Industry

*Anthony Anton, President & CEO of Washington Hospitality Association*

*May 27, 2026*



Washington  
Hospitality  
Association

THANK YOU





# Join the Washington Hospitality Association Today

Make a difference for your business—and our industry.

## **OUR MISSION**

*Champion the hospitality industry and its workforce in  
Washington state*

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# Upcoming Webinars

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## Tuesday, June 2



WEBINAR

ROCKE | LAW

## Navigating High-Risk Leave Policies

with **ROCKE LAW**

Learn how to reduce legal risk and strengthen your leave policies with practical guidance from experienced attorneys.



**RONALD TANG**  
ATTORNEY | ROCKE LAW

**AARON ROCKE**  
ATTORNEY | ROCKE LAW

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[wahospitality.org/advisory-network](http://wahospitality.org/advisory-network)

**\$3,900**  
value

**30-minute complimentary consultations**  
on all our expert advisor topics

- Employment law
- Human resources
- Music licensing
- Lease negotiation
- Lodging operations
- Marketing & advertising
- Tip pooling
- And more!

# Housekeeping

- ✓ We are recording
- ✓ Recording and slide deck will be made available later today
- ✓ Please use the Q&A feature
- ✓ Polling questions





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# 2026 CEO Roundtables

34 Meetings

280 Hospitality Operators



# Current State of Hospitality Industry

70%

*“We will only tread water even when the economy recovers.”*

*“The industry is broken.”*



# Current State of Hospitality Industry

## 2%

*“The industry is doing well.”*

# A Recipe for Disaster

**FROM** Anthony  
**SERVES** 8 million

**PREP TIME** 3 years  
**DIFFICULTY** Hard



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# A Recipe for Disaster

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**PREP TIME** 3 years  
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Tourist demand down

Convention demand down

ADR is lagging

Rising expenses

One industry, two perspectives

Refinancing crossroads

Generational changes reshaping demand

Dysfunctional relationship with government

# Tourism Decline

Posted on May 5, 2026 | In [Industry News](#), [News Releases](#)



## NEW TOURISM REPORT INDICATES SLOWING VISITATION FOR STATE OF WASHINGTON

*More Day Trips, Less Overnight Stays and International Arrivals Amid Global Political and Economic Headwinds*

Canadian tourism ↓ 26%

International visits ↓ 16.5%

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**DEMAND YOY**  
**-4.3%**

**ADR YOY**  
**+6.7%**

Open insights →

# World Cup Perspective

United States · 12 cities

Download United States report



New York, NY

DEMAND YOY  
**+41.8%**

ADR YOY  
**+10.2%**

Open insights →



Los Angeles, CA

DEMAND YOY  
**+31.4%**

ADR YOY  
**+4.3%**

Open insights →



San Francisco-Oakland-San Jose, CA

DEMAND YOY  
**+31.0%**

ADR YOY  
**+3.9%**

Open insights →



Miami-Ft. Lauderdale, FL

DEMAND YOY  
**+34.7%**

ADR YOY  
**+7.9%**

Open insights →



Boston, MA-Manchester, NH

DEMAND YOY  
**+32.6%**

ADR YOY  
**+2.6%**

Open insights →



Seattle-Tacoma, WA

DEMAND YOY  
**-4.3%**

ADR YOY  
**+6.7%**

Open insights →



Dallas-Ft. Worth, TX

DEMAND YOY  
**+71.5%**

ADR YOY  
**+7.9%**

Open insights →



Atlanta, GA

DEMAND YOY  
**+60.7%**

ADR YOY  
**+4.6%**

Open insights →



Houston, TX

DEMAND YOY  
**+79.8%**

ADR YOY  
**+5.5%**

Open insights →



Philadelphia, PA

DEMAND YOY  
**+50.6%**

ADR YOY  
**+5.2%**

Open insights →



Kansas City, MO

DEMAND YOY  
**+42.9%**

ADR YOY  
**-1.0%**

Open insights →

**All Host Cities Combined**

DEMAND YOY  
**-**

ADR YOY  
**+7.3%**

Open insights →

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## Convention Slowdown 2024 vs. 2025 (Seattle)

- X Occupancy -1.8%
- X ADR -1.0%
- X RevPAR -2.7%

*“I’m not going around saying the sky is falling, but I want people to be aware that we’re in a fragile position.”*

*- Jennifer LeMaster, CEO Seattle Convention Center*

ADR: Average Daily Rate

RevPar: Revenue per Available Room



Source: CoStar, Hospitality Market Report: Seattle, WA, USA; Seattle Times: Seattle Convention Center’s attendance is up, so why is it ‘fragile’? Feb. 1, 2026



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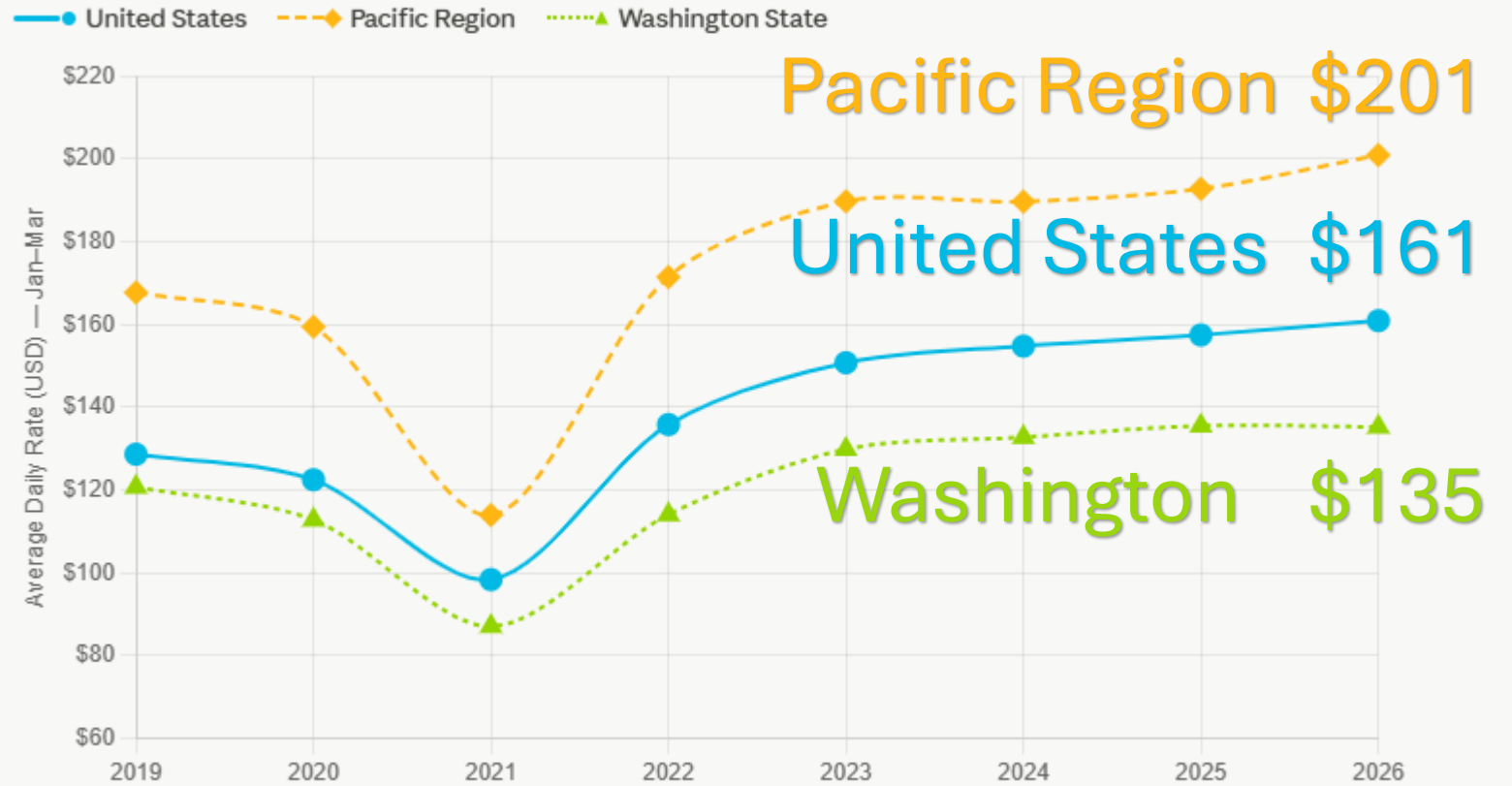
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# Average Daily Rate (Q1 comparisons)



ADR: Average Daily Rate

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## Expenses > Inflation

*“Crisis levels”*

*“No near-term relief in sight.”*

*“Across the board.”*

**POLL**

Business  
Insurance

Property, Operations &  
Maintenance

111%



23%

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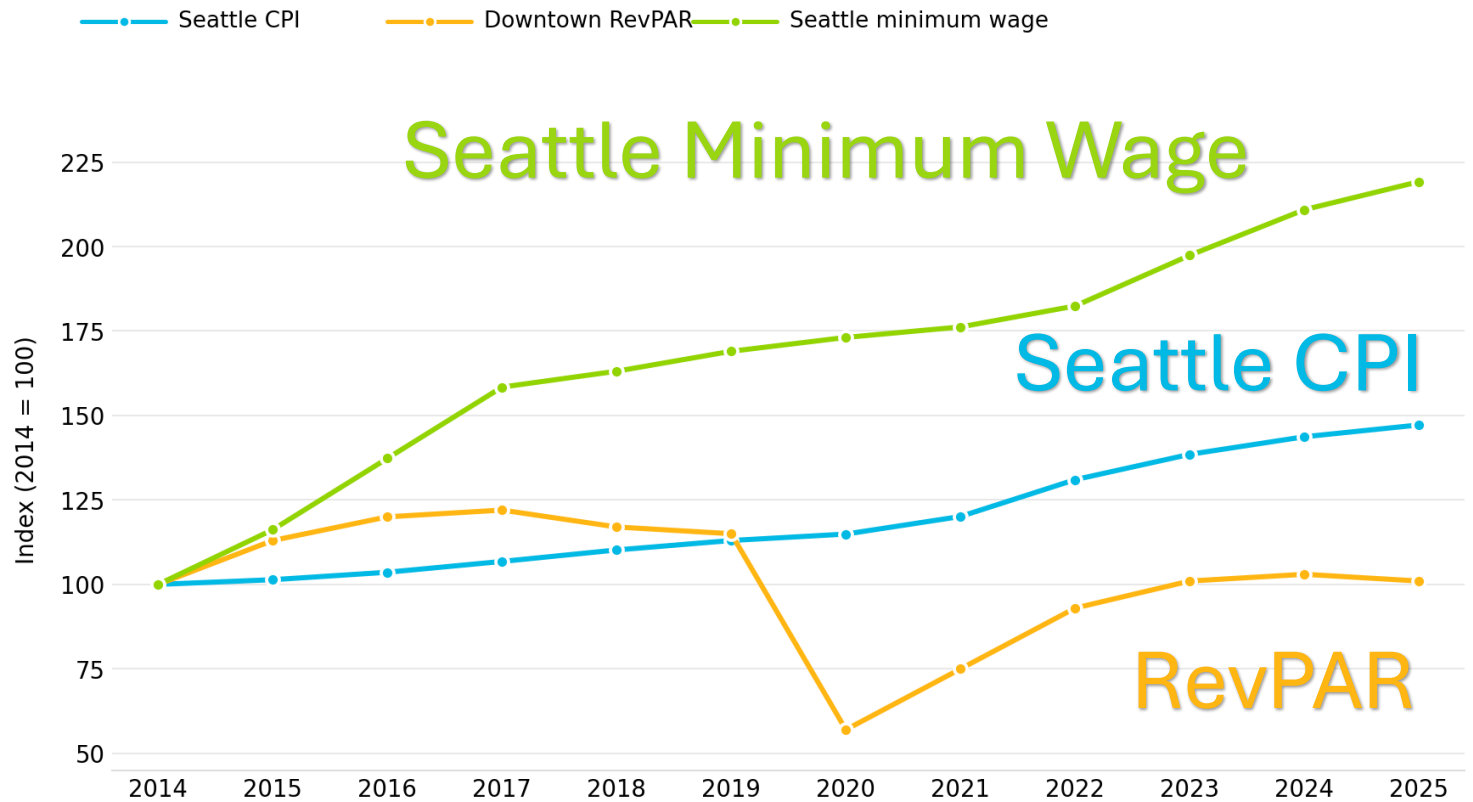
Dysfunctional relationship with government

RevPar: Revenue per Available Room

# Expenses > Inflation

## CPI vs downtown RevPAR vs minimum wage

Seattle, 2014-2025 · Indexed to 2014 = 100. Minimum wage growth has significantly outpaced both inflation and hotel revenue performance, especially after 2020.



Sources: Seattle CPI — U.S. Bureau of Labor Statistics · Seattle minimum wage — Seattle Office of Labor Standards · Downtown RevPAR — CoStar / STR

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“The sky is falling!”

Owners



“It’s a challenge but we’ll be fine.”

General Managers

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## Pessimism (Owners)

- ✗ Shrinking profitability
- ✗ Rising debt pressure
- ✗ Driving out local owners
- ✗ Dramatically increasing operating costs



## Optimism (General Managers)

- ✓ Strong occupancy trends
- ✓ Stable RevPAR performance
- ✓ Positive short-term momentum
- ✓ Operational improvements

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## Financial Challenges

As of 2024, **71.4% of maturing loans** were in “**critical stress.**” The properties could not generate sufficient net operating income to meet their debt obligations.

Washington hotels are **disproportionately critically stressed** due to our higher costs.



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## Financial Challenges

- ✗ 30% of hotel/motel loans will come due in 2026.
- ✗ Property values are way down.
- ✗ Interest rates are much higher.
- ✗ **Many facing additional \$300,000 - \$1,000,000+ debt service each year.**
- ✗ And that's only if new financing can be secured.



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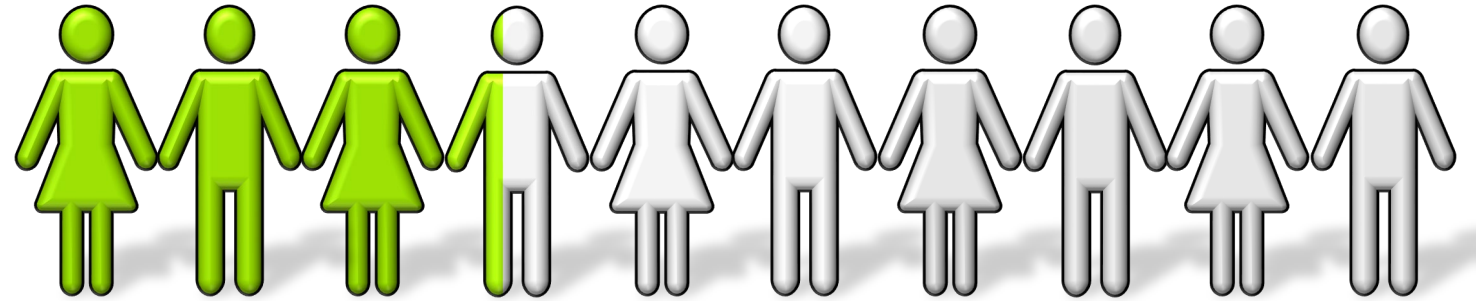
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# 34%



## of Boomers prefer vacation rentals over hotels.



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# 62%



of Gen Z prefer vacation rentals over hotels.

# GENERATION Z



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## Lawsuits



## Regulations



## Crime & safety



## Local mandates

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**POLL**



**Hopeful**



**Desperate**

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# A Recipe for Success

**FROM** Anthony  
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Launch statewide tourism marketing

Embrace AI

Invest in emerging technology

Adapt to generational changes

Examine operational efficiency

Build community engagement

Turn government from an antagonist into a partner

Posted on March 26, 2026 | In [Industry News](#), [News Releases](#)

## WASHINGTON STATE GOVERNOR SIGNS BILL PAVING WAY FOR TOURISM INDUSTRY SELF-SUPPORTED ASSESSMENT



### COMPETITIVE ANALYSIS: OVERVIEW

Washington ranked 5<sup>th</sup> in lodging industry size & last in tourism office funding

	DMO Budget	Room Revenue	Budget Share of Revenue	Budget Share Rank
Montana	\$37.5	\$1,109.3	3.4%	1
Oregon	\$38.3	\$2,166.4	1.8%	2
Utah	\$29.6	\$2,134.3	1.4%	3
Idaho	\$10.9	\$834.0	1.3%	4
Arizona	\$44.0	\$4,745.1	0.9%	5
California	\$164.1	\$26,401.7	0.6%	6
Nevada	\$47.3	\$10,263.9	0.5%	7
Colorado	\$20.5	\$5,053.8	0.4%	8
<b>Washington</b>	<b>\$7.0</b>	<b>\$3,733.8</b>	<b>0.2%</b>	<b>9</b>

Source: State of Washington Tourism, U.S. Travel Association, STR

### Anthony's Key Ingredient

*Getting this bill signed by the governor was just the beginning. Now the real work begins and we need all hands on deck to support this effort. Get engaged.*

# 65%

*Hotel Operators Believe This Will Increase Traffic and Revenue*

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# 77%

Lodging operators are using AI tools

# Use Cases

- ✓ P&L Analysis
- ✓ Strategic Planning
- ✓ Revenue Management
- ✓ Reservation Automation
- ✓ Labor Needs Forecasting
- ✓ Marketing & Content Creation
- ✓ Optimized Housekeeping Scheduling
- ✓ Online Review Monitoring & Response
- ✓ Automated Guest Messaging & Concierge
- ✓ Streamline information from multiple data sources



“...enthusiastically  
customer.”



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**STAY TUNED!**



### Anthony's Key Ingredient

*When used correctly, AI can be an extremely powerful tool to implement efficiencies, brainstorm ideas, and improve your bottom line.*

More to come from the association...

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**52%** value the convenience of kiosk-based check-in and check-out.

## Modernize Guests' Experiences

- ✓ Mobile Check-in
- ✓ App-based Requests
- ✓ Digital Communication
- ✓ Faster Interactions
- ✓ Personalized Experiences



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# Operational Technology

## Anthony's Key Ingredient

*Technology is reshaping guest preferences, service delivery, and operational workflows. Invest in the right tech today to meet the demands of tomorrow.*

## Example:

**65%** of hotels report staffing shortages.  
Housekeeping was the number one  
shortage at **38%**.



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## Shifting Travel Preferences

Only **38%** of travelers under 35 believe short-term rentals offer better value than hotels.

**64%** would take a job with fewer benefits if it allowed them more flexibility to travel.

Only **5%** of Gen Z travelers prefer to speak with hotel staff (vs. 20%+ of Boomers).

### Anthony's Key Ingredient

*Unique experiences, social/group travel, local feel, and "Grammable" spaces are ways properties can demonstrate value to younger travelers.*

# GENERATION Z

# A Recipe for Success

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## Operational Efficiency Examples

### Systems integration

**45%** of hotels say fragmented tech prevents a comprehensive view of guests and operations.

### Energy management

An energy management system (EMS) can enhance guest comfort while reducing energy costs by.

**35% to 45%**

### Dynamic scheduling

Labor costs continue to grow, past **50%** now as an industry.

#### Anthony's Key Ingredient

*As costs continue to rise, successful lodging operators will examine every aspect of their operations to find efficiencies no matter how small.*

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- Launching statewide tourism marketing
- Embracing AI
- Embracing technology
- Modernizing guest experiences
- Reconsidering operational efficiency
- Building community engagement
- Turn government from an antagonist into a partner

For each **\$100** spent on lodging, hotel guests spend another **\$234** during their trip.

Washington's hotel industry generates **\$2.4 billion** in wages and salaries for nearly **47,000** jobs.



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**84%**  
Operators who said they want stronger local hospitality communities.

**80%**  
Are willing to personally invest time to help build stronger local hospitality communities.

## Anthony's Key Ingredient

*Strong communities are built on thriving restaurant scenes. Get engaged, connect with other operators, and lend your voice to strengthen your community.*

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# Government and Hospitality *We Need a Table for Two*



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## WHAT ELSE??

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## Advisory Network

Industry experts are a phone call away.

Technology

Operational Efficiencies

PR & Marketing

Business Insurance

Artificial Intelligence

*Contact your Territory Manager today!*

[wahospitality.org/membership/#team](http://wahospitality.org/membership/#team)

And more!

HELP!

# Questions?

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# Swapping Recipes

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### *A Recipe for Disaster*

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