



Swapping Recipes 2026 State of the Lodging Industry

Anthony Anton, President & CEO of Washington Hospitality Association

May 27, 2026



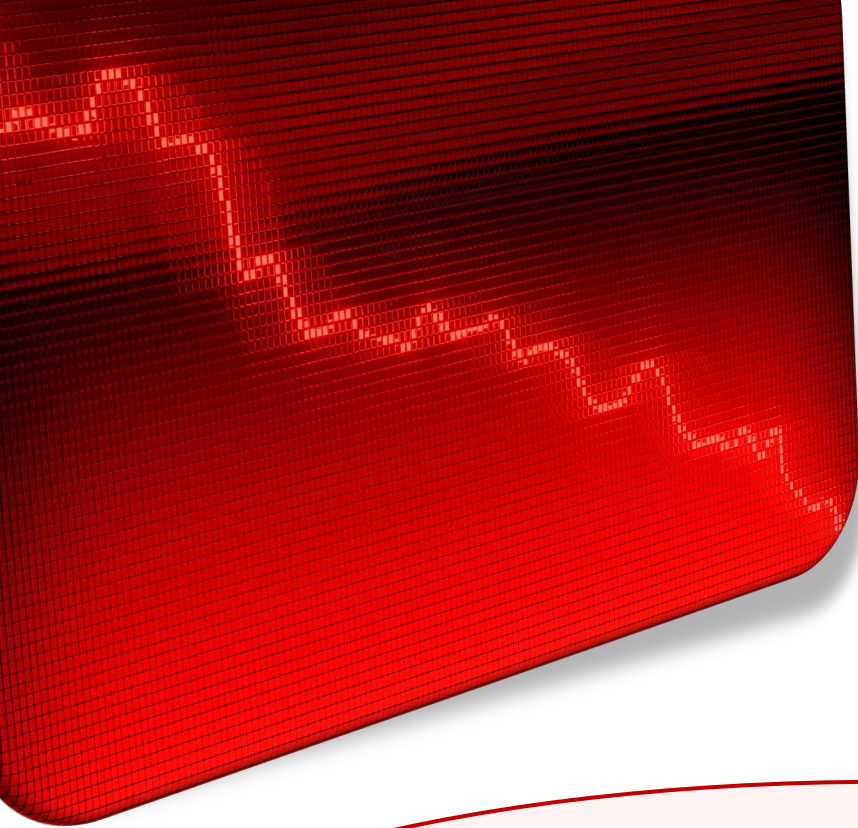
Washington
Hospitality
Association



2026 CEO Roundtables

34 Meetings

280 Hospitality Operators



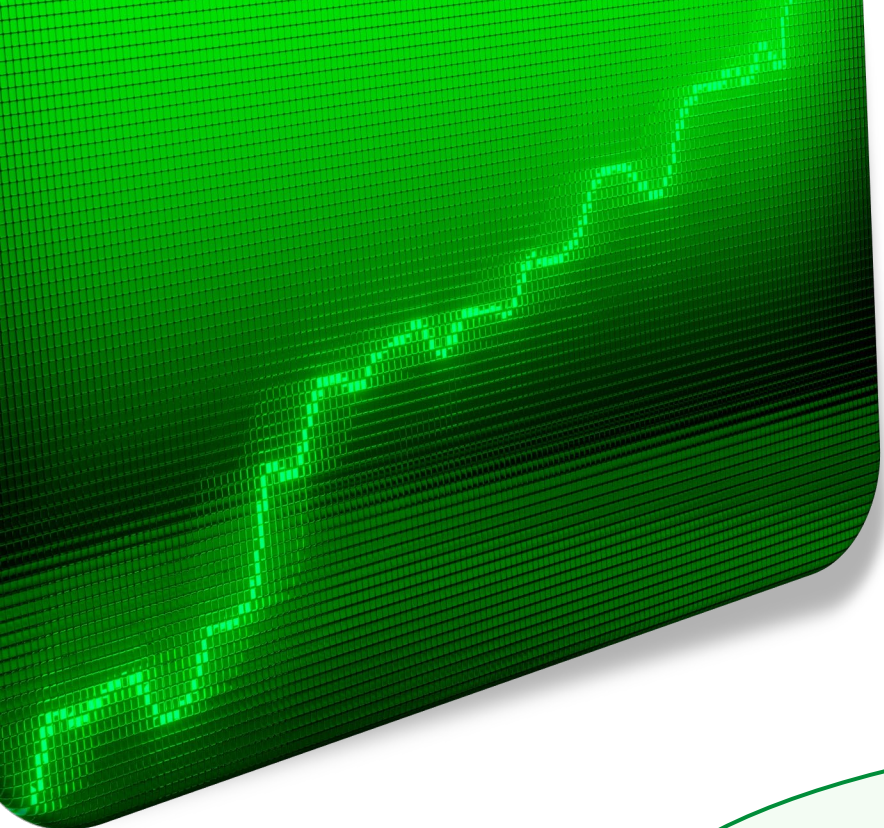
Current State of Hospitality Industry

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



A Recipe for Disaster

FROM
SERVES

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8 million

PREP TIME 3 years
DIFFICULTY Hard



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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ADR is lagging

cases

actives



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
+19.2%

Open insights



Los Angeles, CA

DEMAND YOY
+31.4%

ADR YOY
+4.3%

Open insights



San Francisco-Oakland-San Jose, CA

DEMAND YOY
+31.8%

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

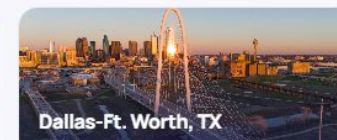


Seattle-Tacoma, WA

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
+69.7%

ADR YOY
+4.6%

Open insights



Houston, TX

DEMAND YOY
+79.8%

ADR YOY
+5.5%

Open insights



Philadelphia, PA

DEMAND YOY
+59.6%

ADR YOY
+5.2%

Open insights

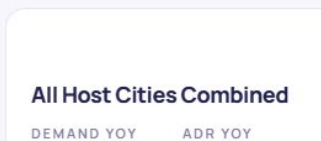


Kansas City, MO

DEMAND YOY
+42.9%

ADR YOY
-1.8%

Open insights



All Host Cities Combined

DEMAND YOY
-

ADR YOY
+7.3%

Open insights



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Source: Sojern, World Cup 2026 Travel Index

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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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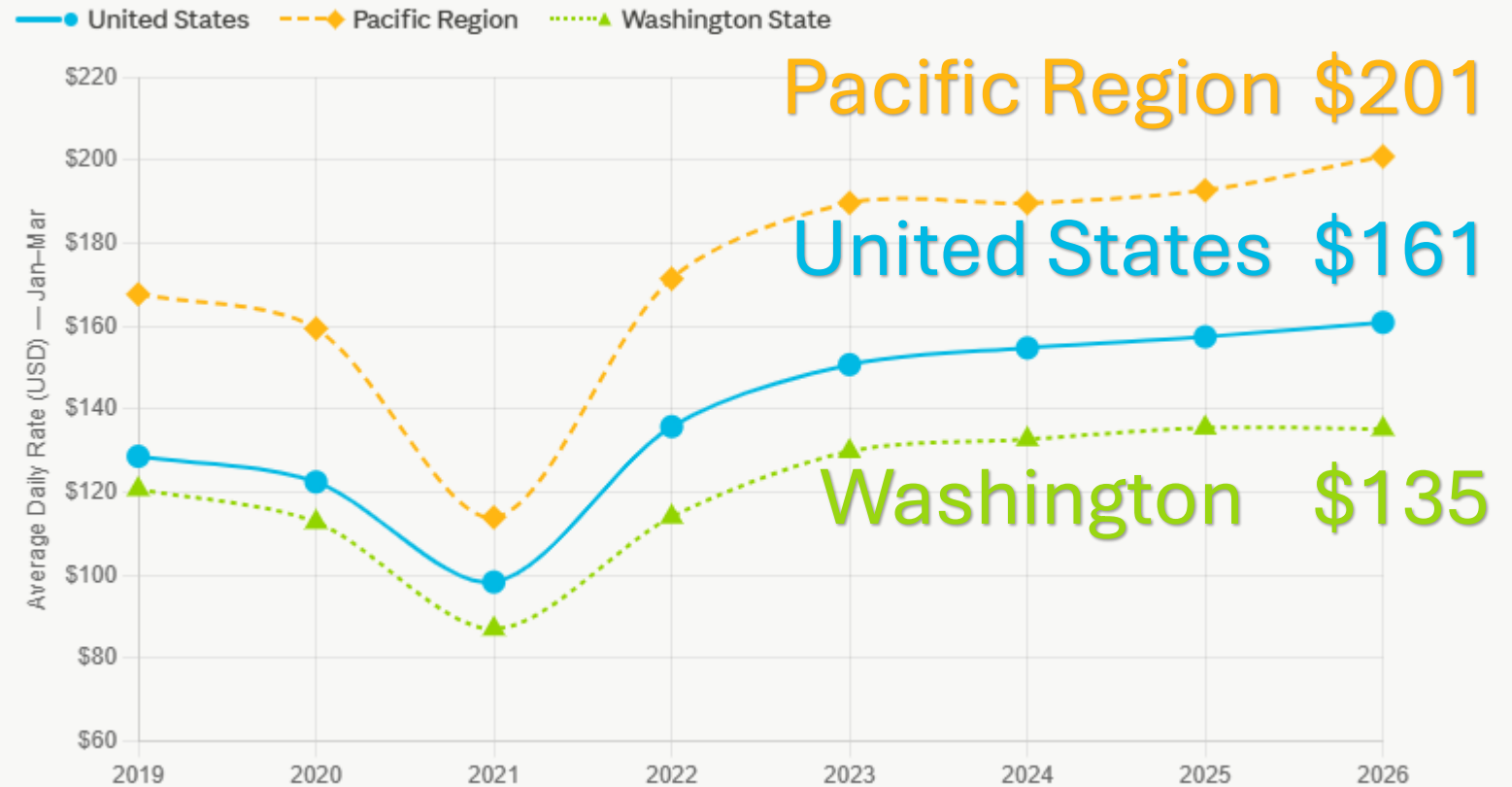
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ADR: Average Daily Rate

Average Daily Rate (Q1 comparisons)



Q1 average ADR. Source: STR / CoStar. Pacific Region includes AK, CA, HI, OR, and WA.



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Source: STR/CoStar

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Expenses > Inflation

“Crisis levels”

“No near-term relief in sight.”

“Across the board.”



Business
Insurance

Property, Operations &
Maintenance

111%



23%

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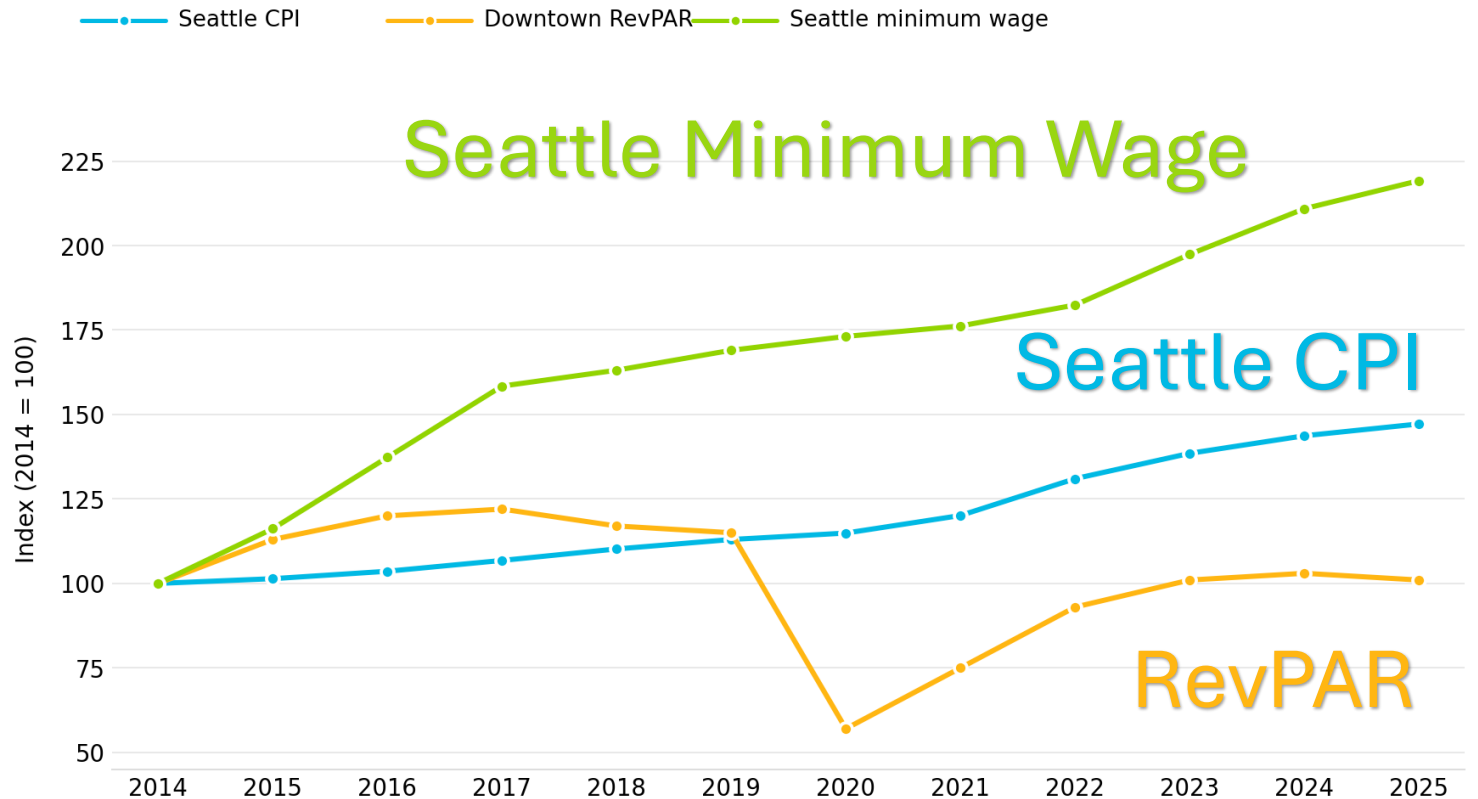
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RevPar: Revenue per Available Room

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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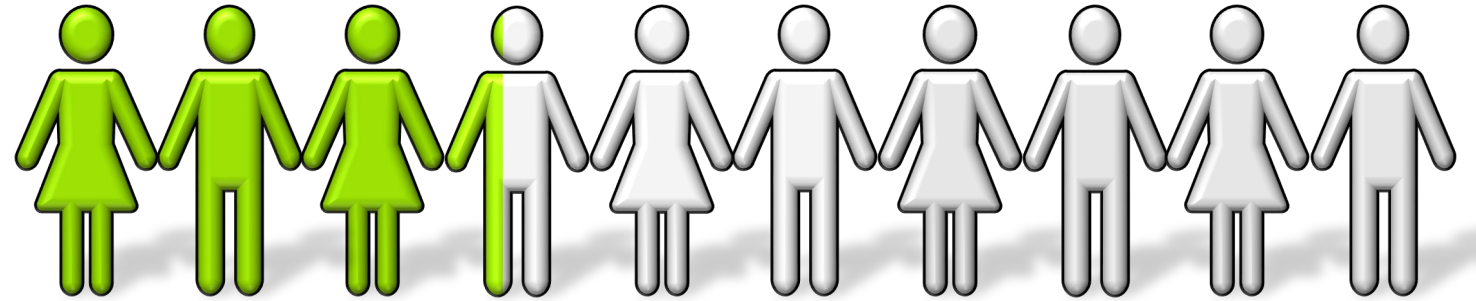
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34%



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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Hopeful



Desperate

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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 5th 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
Washington	\$7.0	\$3,733.8	0.2%	9

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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Source: State of Washington Tourism

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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
customers.”

POLL

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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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Source: American Express Travel, 2026 Global Travel Trends

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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

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8 million

COOK TIME 1 year
DIFFICULTY Hard



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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8 million

COOK TIME 1 year
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For each **\$100** spent on lodging,
hotel guests spend another
\$234 during their trip.

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

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



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Hospitality
Association

Source: AHLA, 2025 Economic Impact Report

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8 million

COOK TIME 1 year
DIFFICULTY Hard



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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COOK TIME 1 year
DIFFICULTY Hard



Launching statewide tourism marketing

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Embracing technology

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Government and Hospitality *We Need a Table for Two*



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DIFFICULTY Hard



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WHAT ELSE??

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FROM

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SERVES

8 million

COOK TIME

1 year

DIFFICULTY

Hard



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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

And more!

HELP!

Questions?

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May 27, 2026



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Swapping Recipes

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**PREP TIME
DIFFICULTY**

3 years
Hard



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**COOK TIME
DIFFICULTY**

1 year
Hard



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