

# HOTELS IN BOSTON

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# OUTLINE

- **About the BRA and Research Division**
- **Hotels background**
- **Industry characteristics**
  - > Hotel types
  - > Occupancy rate
  - > Average daily rate
- **Neighborhood distribution**
- **Economic impact**

# ABOUT THE BRA AND THE RESEARCH DIVISION

# BOSTON REDEVELOPMENT AUTHORITY

- **The BRA is the urban planning and economic development agency for the City of Boston.**
- **The BRA guides physical, social, and economic change in Boston's neighborhoods and its downtown to shape a more prosperous, sustainable, and beautiful city for all.**

[www.bostonredevelopmentauthority.org](http://www.bostonredevelopmentauthority.org)



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# THE BRA RESEARCH DIVISION

- **Mission:** Strive to understand the current environment of the City to produce quality research and targeted information that will inform and benefit the residents and business of Boston.
- **Role:** Compile and analyze current, historical, and comparative data on the City of Boston. Conducts research on Boston's economy, population, and commercial markets for the BRA, City of Boston, and related organizations.

[www.braresearch.org](http://www.braresearch.org)



# RECENT RESEARCH

## 2013 Economy Report



## Neighborhood Business Patterns

## Boston's Neighborhood Business Patterns

Boston Redevelopment Authority  
Research Division  
August 2014



# RECENT RESEARCH

## Boston in Context



### Boston in Context: *Neighborhoods*

2007-2011 American Community Survey  
2010 Census

Prepared By:  
Boston Redevelopment  
Authority  
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Mark Melnik  
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## The Largest Employers in the City of Boston

### The Largest Employers in the City of Boston

November 2013

Produced by the Research Division  
Alvaro Lima, Director of Research  
Mark Melnik  
John Taylor, Tufts University Intern, Summer/Fall 2013  
Dan Berez, UCLA Intern, Summer 2013

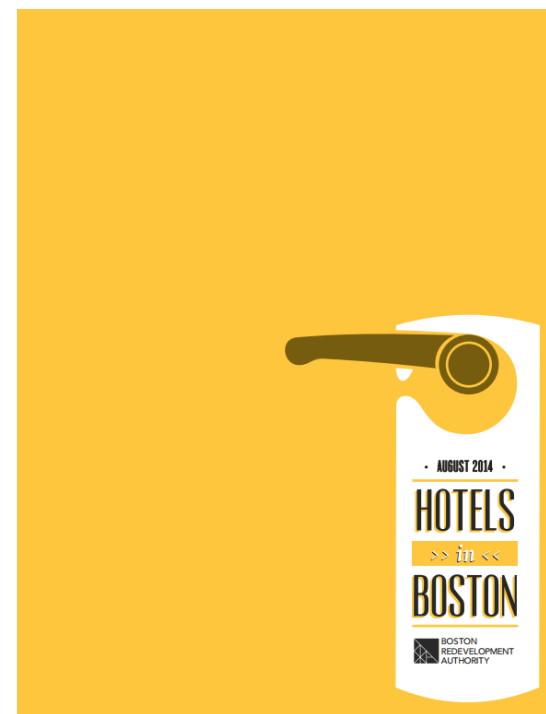


# HOTELS IN BOSTON



# BOSTON ATTRACTS MORE THAN 12 MILLION VISITORS EVERY YEAR.

- **One of the top 25 hotel markets in the U.S.<sup>2</sup>**
  - > 73 hotels
  - > 19,012 rooms
- **In 2013<sup>3</sup>:**
  - > Occupancy rate: 80.3%
  - > RevPAR (revenue per available room\*): \$179.75



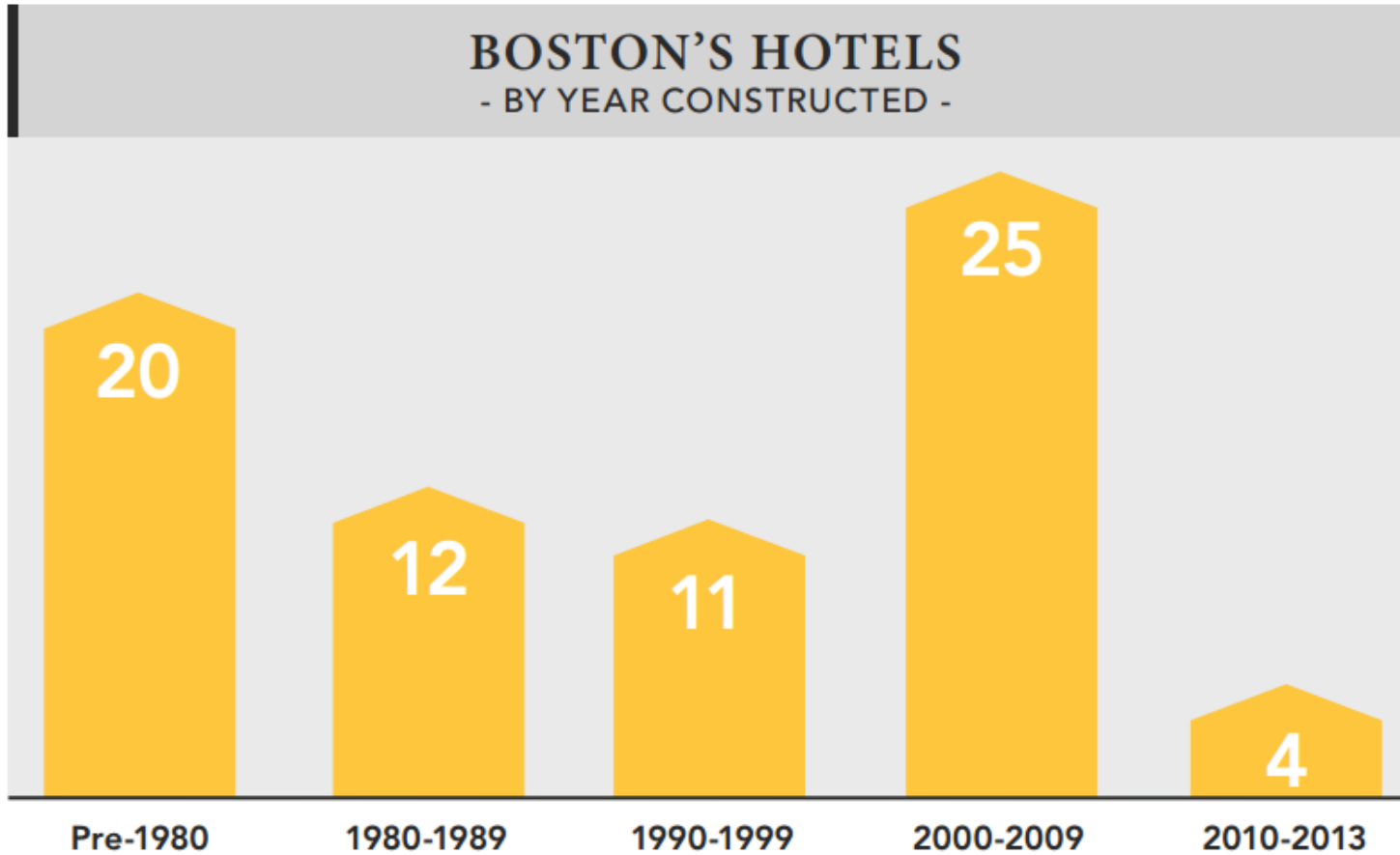
1. Note: 12 million visitors every year is from: <http://www.cityofboston.gov/visitors/>. Last visited September 2014.

2. According to Smith Travel Research, STA Monthly Hotel Review, U.S. Hotel Industry Performance for the Month of December 2013, Volume 13, Issue M12. STR defines "Boston" as the Boston metropolitan area.

3. Boston City's occupancy rate and RevPAR were cited from the Pinnacle Perspective Boston Monthly Report, December 2013. The sample areas in the report are Airport/Seaport, Back Bay, Cambridge, Downtown, and South Boston. The Research Division excluded Cambridge and recalculated occupancy rates and RevPAR for the areas that represent the City of Boston.

\* Note: RevPAR is short for "revenue per available room." It is calculated by multiplying a hotel's average daily room rate (ADS) by its occupancy rate.

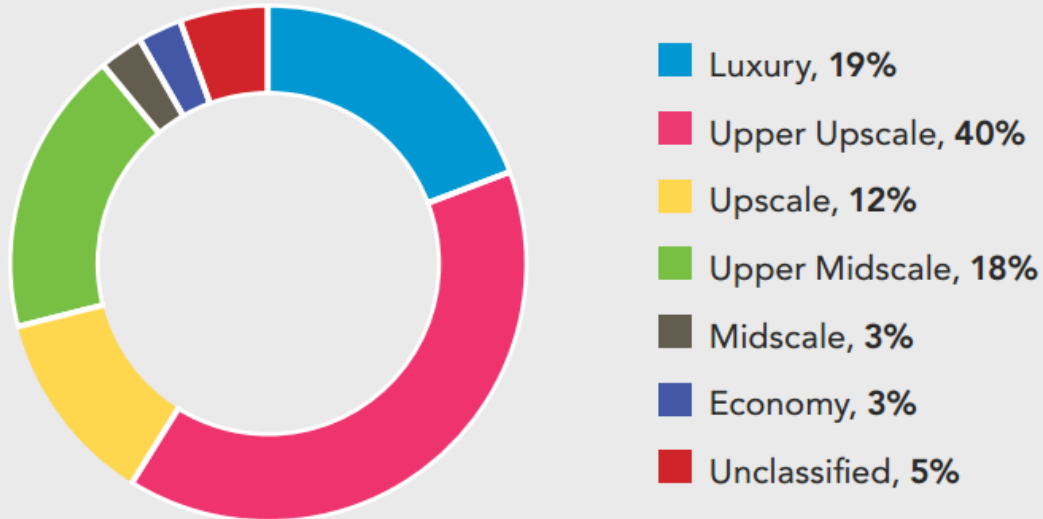
# YEARS CONSTRUCTED



Sources: Smith Traveler Research (STR), Trend Report, 2013; Boston Redevelopment Authority (BRA), *Hotels: A Comprehensive Report on the Past, Present, & Future of Boston Hotel Industry*, BRA Report #511, 1997. Note: Constitution Inn opening date was unavailable.

# COMPOSITION

## BOSTON'S HOTELS - COMPOSITION -

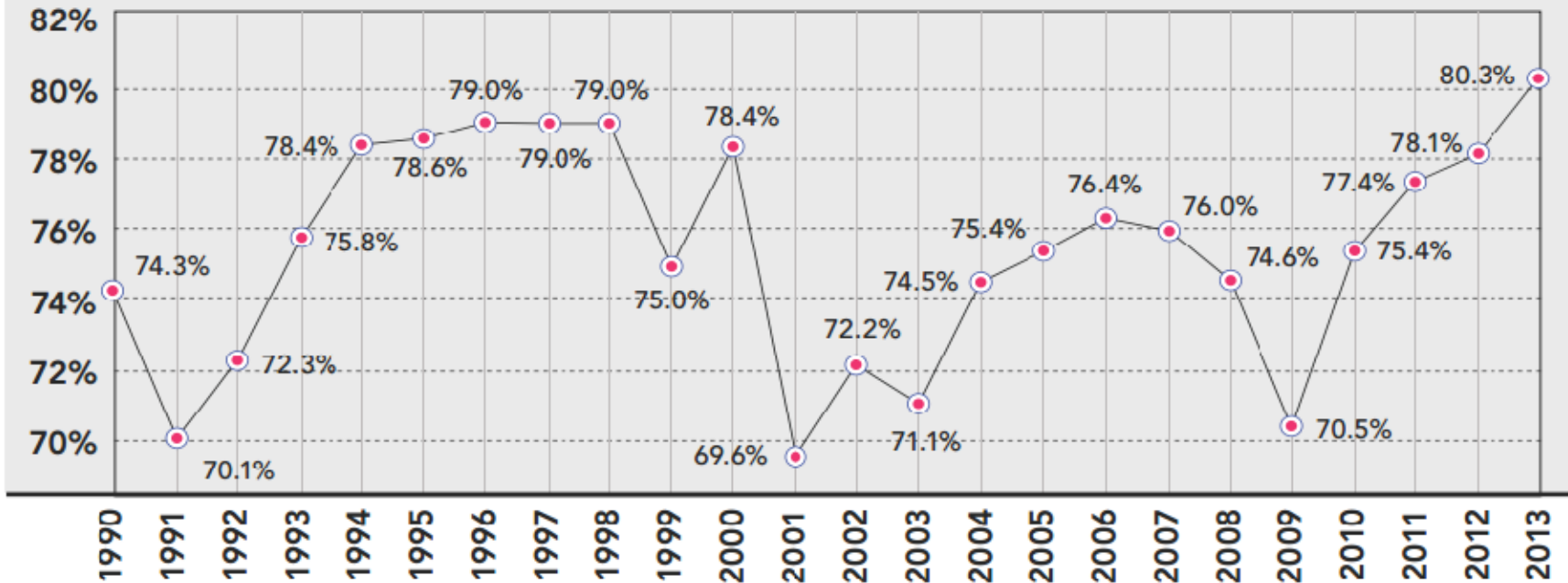


Source: Smith Travel Research (STR), Trend Report, 2013

Note: These groupings are based on STR's chain scale segments. These segments are grouped based on average room rates. For example, hotels within the top 15% average room rates are grouped as Luxury Scale; the middle 30% are Midscale; the bottom 20% are Economy Scale.

# OCCUPANCY RATE BY YEAR

## OCCUPANCY RATE - PERCENTAGE BY YEAR -

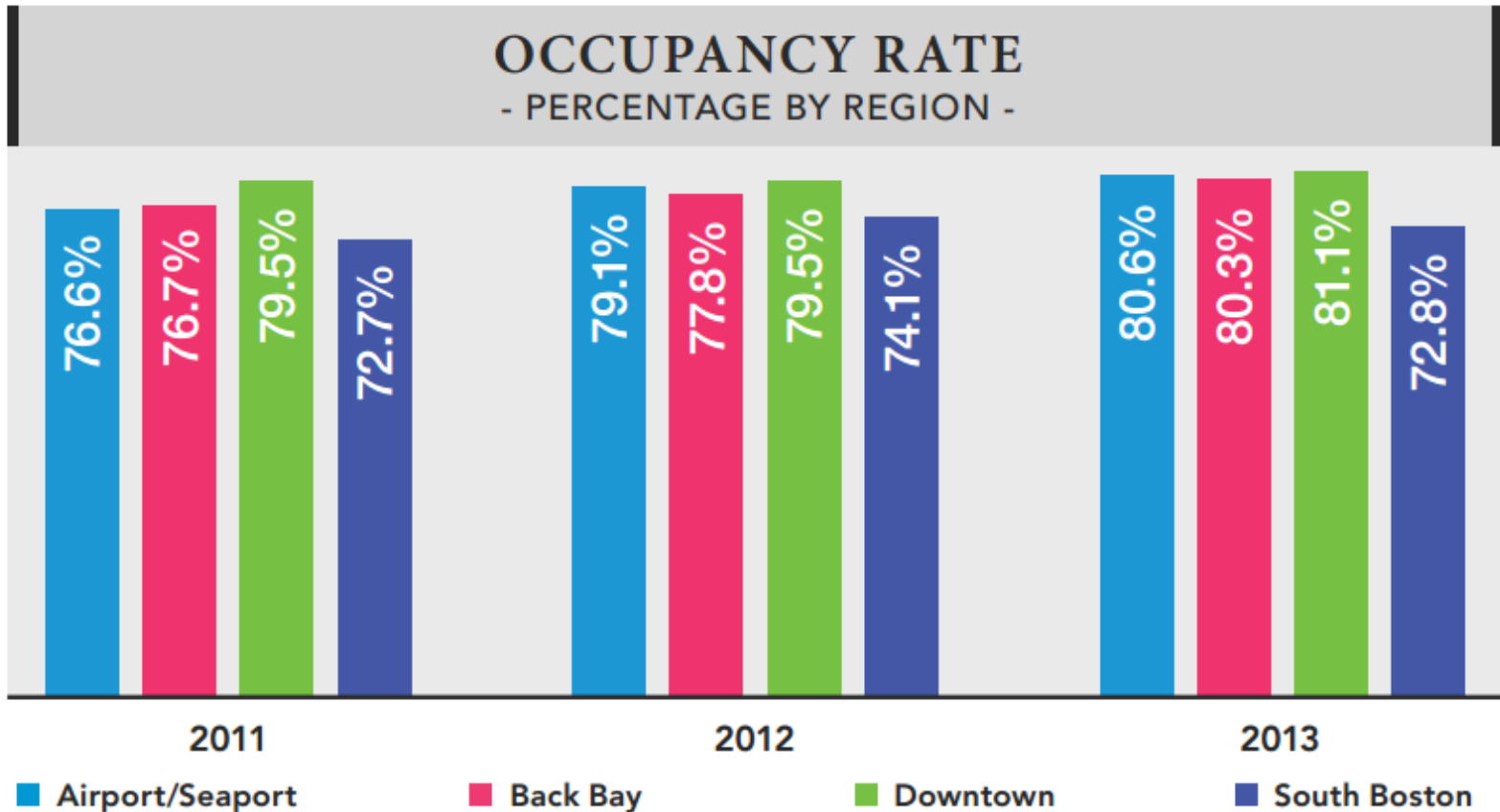


Source: Pinnacle Advisory Group, 1990-2013



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# OCCUPANCY RATE BY AREAS OF BOSTON

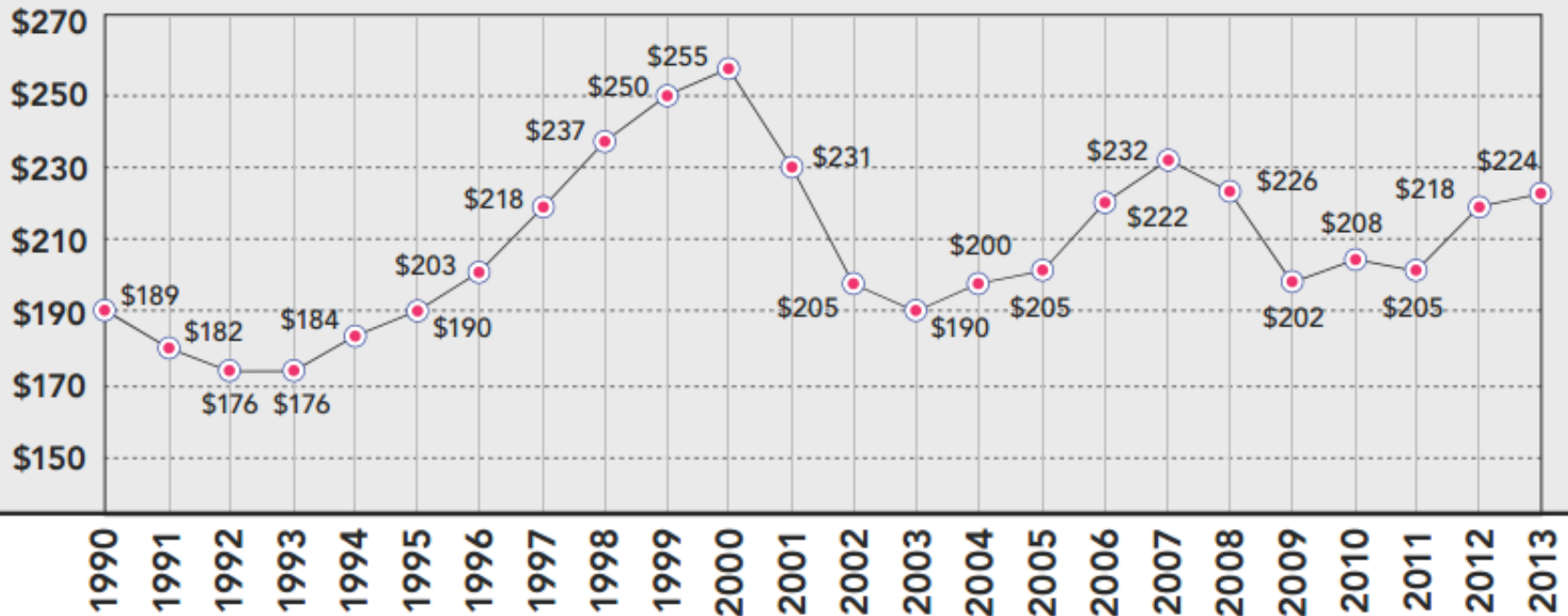


Source: Pinnacle Advisory Group, Pinnacle Perspective Boston Monthly Report, 2011-2013



# AVERAGE DAILY RATE BY YEAR

## BOSTON'S HOTEL AVERAGE DAILY RATE - BY YEAR (IN 2013 USD) -

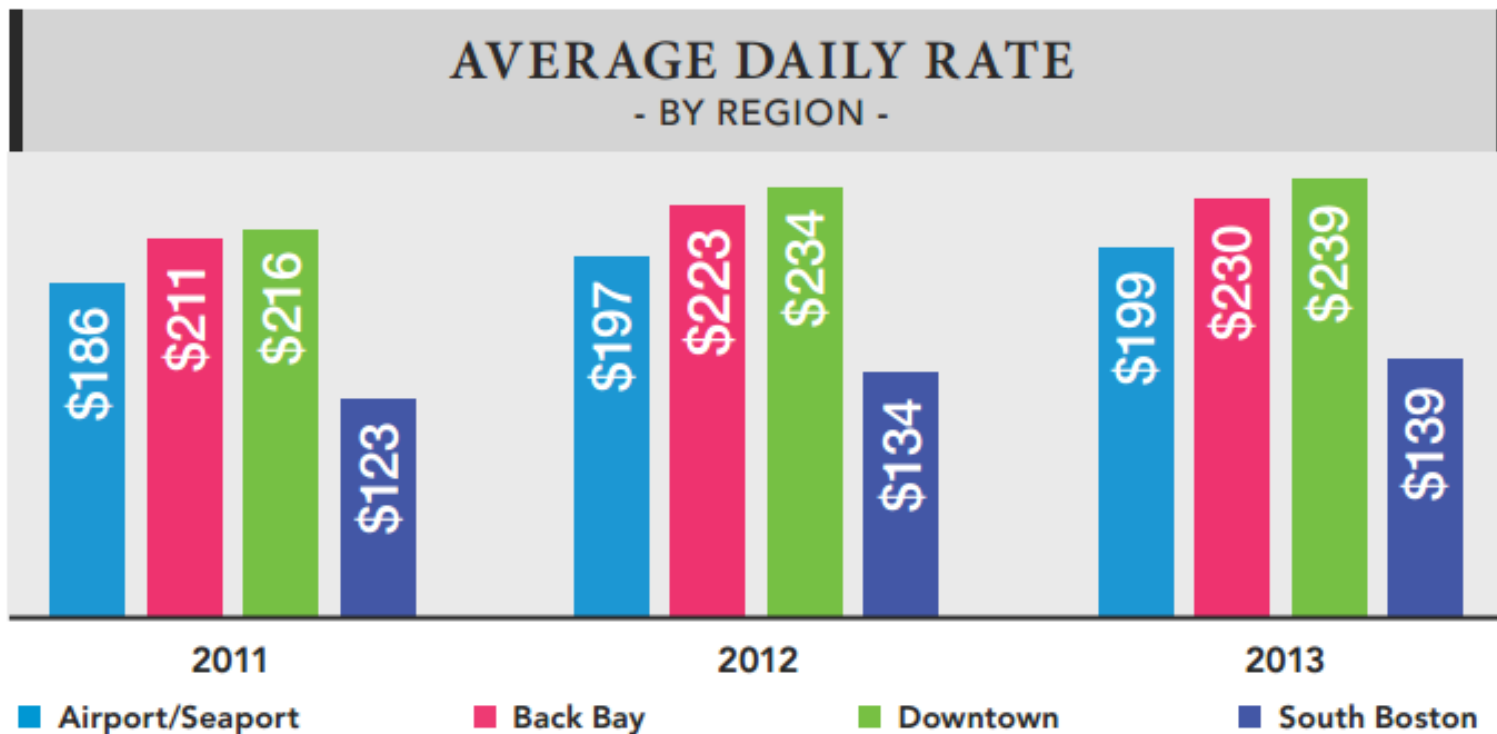


Source: Pinnacle Advisory Group, 1990-2013



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# AVERAGE DAILY RATE BY REGION

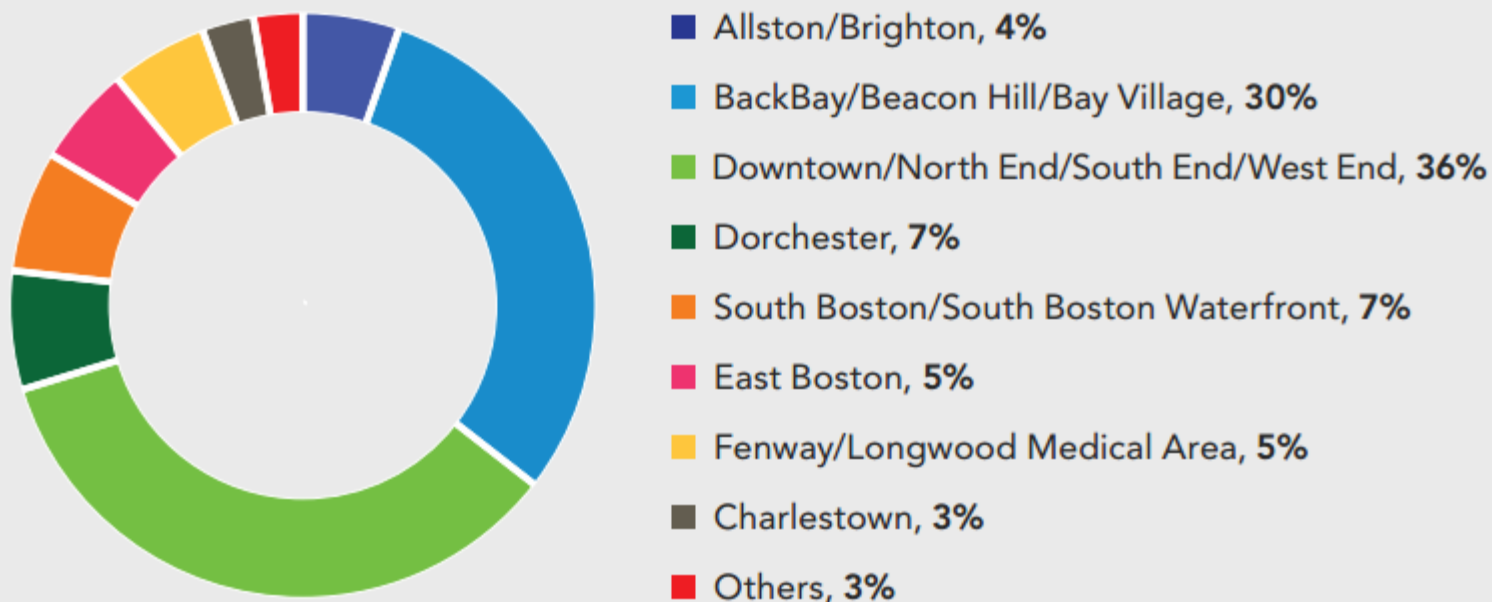


Source: Pinnacle Advisory Group, Pinnacle Perspective Boston Monthly Report, 2011-2013



# HOTELS BY NEIGHBORHOOD

## BOSTON'S HOTELS - BY NEIGHBORHOOD -



Source: City of Boston Licensing Board, 2013, BRA Research Analysis





# ECONOMIC IMPACT: JOBS

- **Jobs in the hotel industry in Boston**
  - > 10,787 direct jobs in Boston
    - > 1.9% of Boston's payroll jobs
    - > 32.4% of Massachusetts' hotel industry employment
  - > 4,904 indirect and induced jobs to other local industries.
- **Salary**
  - > Average annual salary for Boston's hotel employees was \$43,160

Sources: Massachusetts Executive Office of Labor and Workforce Development (DWD), 2014, Employment and Wages Report (ES-202); and Regional Economic Models, Inc. BRA Research Division Analysis.

# BOSTON JOBS AND SALARY BY INDUSTRY SECTOR

2012 Employment by Industry	Estimate	%	2012 Average Wage by Industry	Estimate
62 - Health Care and Social Assistance	123,518	21.6%	52 - Finance and Insurance	\$184,288
52 - Finance and Insurance	66,494	11.6%	55 - Management of Companies and Enterprises	\$130,572
54 - Professional and Technical Services	63,919	11.2%	54 - Professional and Technical Services	\$116,948
72 - Accommodation and Food Services	54,566	9.6%	22 - Utilities	\$98,904
<b>721-Accommodation*</b>	<b>10,787</b>	<b>1.9%</b>	23 - Construction	\$95,940
722-Food Services and Drinking Places	43,779	7.7%	53 - Real Estate and Rental and Leasing	\$89,128
61 - Educational Services	49,821	8.7%	31-33 - Manufacturing	\$88,764
92 - Public Administration	37,231	6.5%	51 - Information	\$88,296
44-45 - Retail Trade	27,923	4.9%	42 - Wholesale Trade	\$80,756
56 - Administrative and Waste Services	27,820	4.9%	71 - Arts, Entertainment, and Recreation	\$78,520
48-49 - Transportation and Warehousing	25,369	4.4%	92 - Public Administration	\$76,284
81 - Other Services, Ex. Public Admin	23,991	4.2%	62 - Health Care and Social Assistance	\$70,616
51 - Information	14,576	2.6%	61 - Educational Services	\$64,532
53 - Real Estate and Rental and Leasing	11,413	2.0%	48-49 - Transportation and Warehousing	\$59,436
23 - Construction	10,261	1.8%	56 - Administrative and Waste Services	\$47,996
71 - Arts, Entertainment, and Recreation	8,753	1.5%	11 - Agriculture, Forestry, Fishing & Hunting	\$37,804
31-33 - Manufacturing	8,688	1.5%	81 - Other Services, Ex. Public Admin	\$37,232
42 - Wholesale Trade	7,618	1.3%	44-45 - Retail Trade	\$32,136
55 - Management of Companies and Enterprises	7,029	1.2%	72 - Accommodation and Food Services	\$26,728
22 - Utilities	1,873	0.3%	<b>721-Accommodation*</b>	<b>\$43,160</b>
11 - Agriculture, Forestry, Fishing & Hunting	13	0.0%	722-Food Services and Drinking Places	\$22,672
<b>Total, All Industries</b>	<b>570,888</b>	<b>100.0%</b>	<b>Total, All Industries</b>	<b>\$82,420</b>

\*Note: "721-Accommodation" is a 3-digit NAICS sub-category, which is under the 2-digit NAICS main category "72-Accommodation and Food Service". Hotel Report used "721-Accommodation" to illustrate hotel jobs and salary in Boston.

Sources: Massachusetts Executive Office of Labor and Workforce Development (DWD), 2014, Employment and Wages Report (ES-202); and Regional Economic Models, Inc. BRA Research Division Analysis.

# ECONOMIC IMPACT: EMPLOYERS

## TOP TEN LARGEST EMPLOYERS

- IN BOSTON'S HOTEL INDUSTRY, 2012 -

HOTEL	EMPLOYEES
Westin Copley Place Boston	650
Boston Park Plaza Hotel	600
Four Seasons	520
Sheraton-Boston	500
Boston Harbor Hotel	500
Marriott-Long Wharf	400
Intercontinental	360
Omni-Parker House	360
Fairmont-Copley Plaza	350
Hyatt Regency-Boston	350

Source: InfoUSA 2012, BRA Research Analysis



# ECONOMIC IMPACT: REVENUE

- **In FY13, total sales revenue for Boston hotels was \$1.1 billion.**
  - > Sales generated \$66.1 million in tax revenue for the City of Boston.\*
  - > Sales generated \$93.0 million in tax revenue for Massachusetts.\*
  
- **Boston hotels contributed \$1.2 billion in Gross Regional Product.**

\* Note: City of Boston tax revenue based on 6% City Room Occupancy Excise. State tax revenue based on 5.7% State Room Occupancy Excise and 2.75% Convention Center Financing Fee.  
Sources: "Revenue Estimates and Analysis FY15", City of Boston Department of Revenue,  
[http://www.cityofboston.gov/images\\_documents/04\\_revenue\\_estimates\\_and\\_analysis%5B1%5D\\_tcm3-44075.pdf](http://www.cityofboston.gov/images_documents/04_revenue_estimates_and_analysis%5B1%5D_tcm3-44075.pdf) and Regional Economic Models, Inc. BRA Research Division Analysis.

# LOOKING FORWARD

- **More rooms are still needed.**
- **BRA pipeline:**
  - > 18 hotel projects totaling 3.1 million sq. ft. of space have been approved by BRA Board.
  - > 5 projects are under construction, consisting of 1.4 million sq. ft.
- **Mass. House of Representatives approved \$1.1 billion expansion of the BCEC.**
  - > 2 hotels and at least 1,000 rooms

**THANK YOU.**

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