

Highlights from the Washington Lodging Association Annual Conference in Stevenson, WA (Oct 10 – 12)

10.15.10 01.07.26

Tuesday morning saw the end of this year's conference held at Skamania Lodge in Stevenson, Washington. As in years past, the conference provided an excellent forum to reconnect with clients and friends in the industry (many of whom were just catching their breaths from the hectic summer season).

After many conversations with owners, operators and consultants in the hallways, I would characterize the mood of this year's attendees as one of healthy skepticism. Actual current operating results combined with the cold dash of reality provided by Port of Seattle Commissioner Bill Bryant and Bret Bertolin of the Washington Economic and Revenue Forecast Council led many to question the comparatively rosy forecast presented by our good friend Chris Krause at Colliers PKF Consulting USA.

According to Bill, the region's ports (Seattle and Tacoma) face three primary threats to their continued national and international competitiveness: the region's failure to maintain adequate transportation corridors to move goods from the ports to Midwestern distribution centers), state and federal taxation and the lack of improvement in high school drop out rates in Washington. Regardless of your political affiliation, Bill provided a compelling explanation about why our region needs to prepare now for growing competition in Canada and other parts of the U.S.

Not surprisingly, Bret's presentation can be summarized as follows: the State's current economic downturn is both larger and longer than ever estimated, even as late as June of this year.

In contrast, Chris provided several reasons for optimism. For example:

- PKF estimates that hoteliers nationally will complete 2010 with a 4.6% increase in REVPAR
- National REVPAR numbers will return to pre-recessionary numbers by 2013
- Income levels nationally will rise 10.8%, 17.9% and 21.7% in 2011, 2012 and 2013 respectively
- Locally, hoteliers will see annual REVPAR increases of 9%, 8.8%, and 7.9% in Seattle for 2011, 2012 and 2013
- Spokane hoteliers will see annual REVPAR increases of 6.4%, 6.2% and 4% in each of those same years
- While most of the immediate REVPAR growth will be the result of increasing demand and occupancy, even ADRs show meaningful growth both locally and nationally in 2011

A complete copy of Chris' presentation can be found [here](#).

Attendees heard additional good news later in the day during Jeff McKee's ([Premier Capital](#)) presentation as part of a panel discussion on post -industry- meltdown strategies and opportunities. According to Jeff, the availability of CMBS financing for existing hotels under somewhat "somewhat" reasonable terms (70% LTV, 250 to 350 basis points over the appropriate index) has increased over the last two months. Let's hope this trend continues so that a normal flow of hotel transactions can return to the Northwest.

On a personal, parting note, I want to congratulate Paul Ishii, the General Manager of the lovely [Mayflower Park Hotel](#) in downtown Seattle, on the end of a tremendous year as the Chair of the Association. Thank you Paul for your leadership, hard work and never ending sense of humor.

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