



New York City Travel

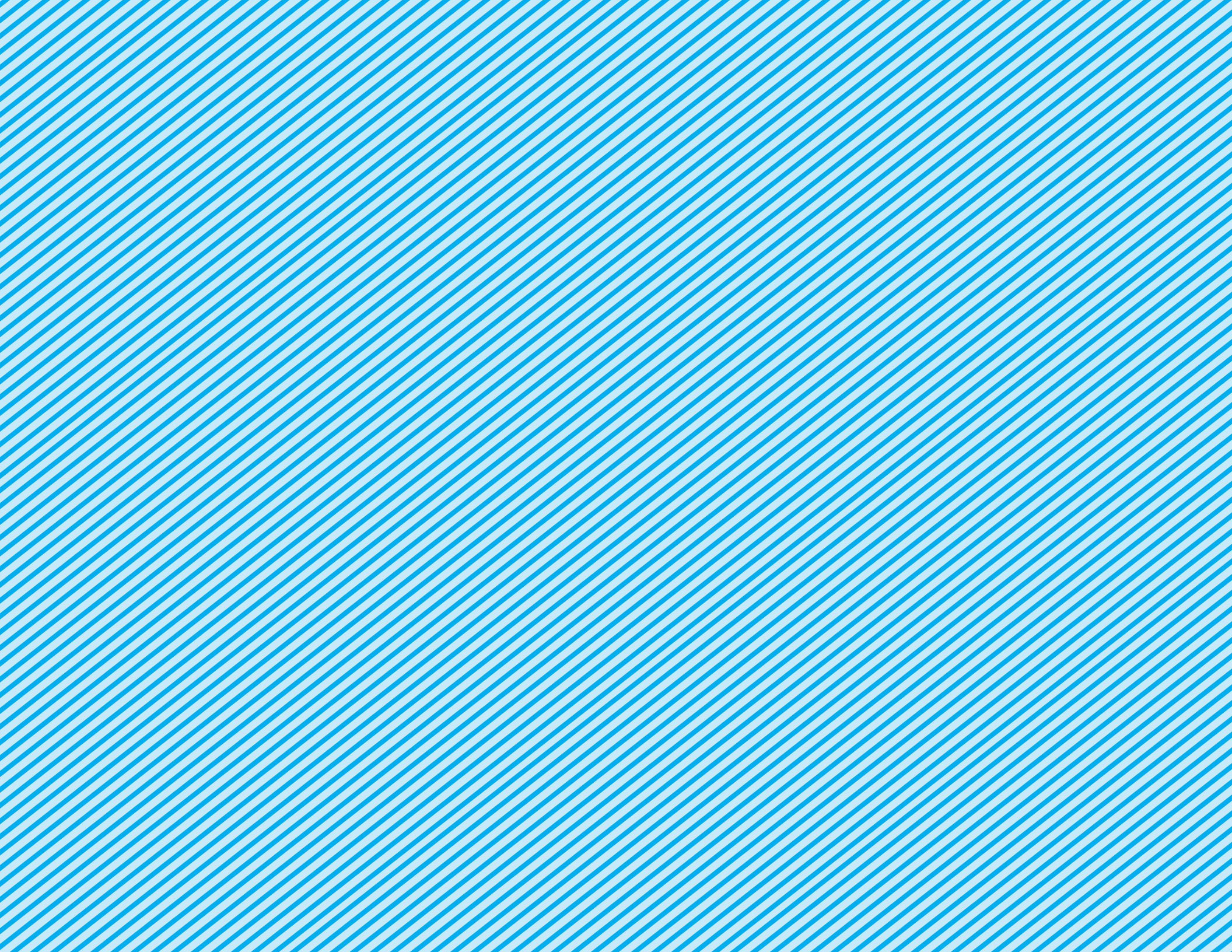


Midyear Report

September 2014



NYC
& Company



NYC & Company is delighted to present our first midyear report on the state of the City's travel and tourism industry.

We expect 2014 performance to join the roster of record-breaking years that the City's businesses and cultural organizations have enjoyed since 2010. To better understand what is happening, who is visiting, where they are going and what they are doing, and just how valuable this economic activity is for the City, this report provides a visual exploration of some of our most requested statistics—all in one place.

Each page in this report takes a look at the history and dynamic of the different visitors and segments that make us the country's top city destination. With more visitors, more international visitors from more places, more spending and the most dynamic hotel-investment pipeline in the country, New York City remains the world leader in global tourism.

The New York City travel and tourism industry is robust, diverse and growing. We attract visitors, business and investment from all over the world. We host more international visitors than any other US destination—by a wide margin—and our domestic market of business travelers and tourists, people visiting friends or family, or discovering New York City for the very first time is second to none in scope and economic impact.

In 2013 the City hosted 54.3 million visitors motivated by endless choices of things to do and places to see in the City. They visited the beaches of Staten Island, Queens or Brooklyn and the parks, gardens and cultural attractions in the Bronx. They explored the dining and culinary treats that New Yorkers know can be found in every neighborhood of Manhattan and beyond, while millions of them—27 million to be exact—visited museums and historical sites or saw a live performance on Broadway, Off-Off-Broadway or even in parking lots and parks. New York City remains the shopping destination that people never stop talking about or exploring. And now they can stay in hotels in every borough. At the end of the year, all this activity supported over 348,000 good jobs. The combined spending of these trips into the five boroughs rose to almost \$39 billion and generated over \$3.5 billion in city tax revenues.

As we look to the end of 2014 and into next year, we find many reasons to be optimistic about the City's position in the very competitive travel and tourism industry worldwide.

Growth brings with it challenges, and NYC & Company continues to find creative and effective ways to market the City across the globe to keep us top of mind, easy to access and full of the activities and places visitors want to experience. We look forward to working with our nearly 2,000 members, our partners in business and the City of New York to keep this industry and the city strong.

Sincerely,

Emily Rafferty

Chair, NYC & Company
President, The Metropolitan Museum of Art

Fred Dixon

President & CEO
NYC & Company

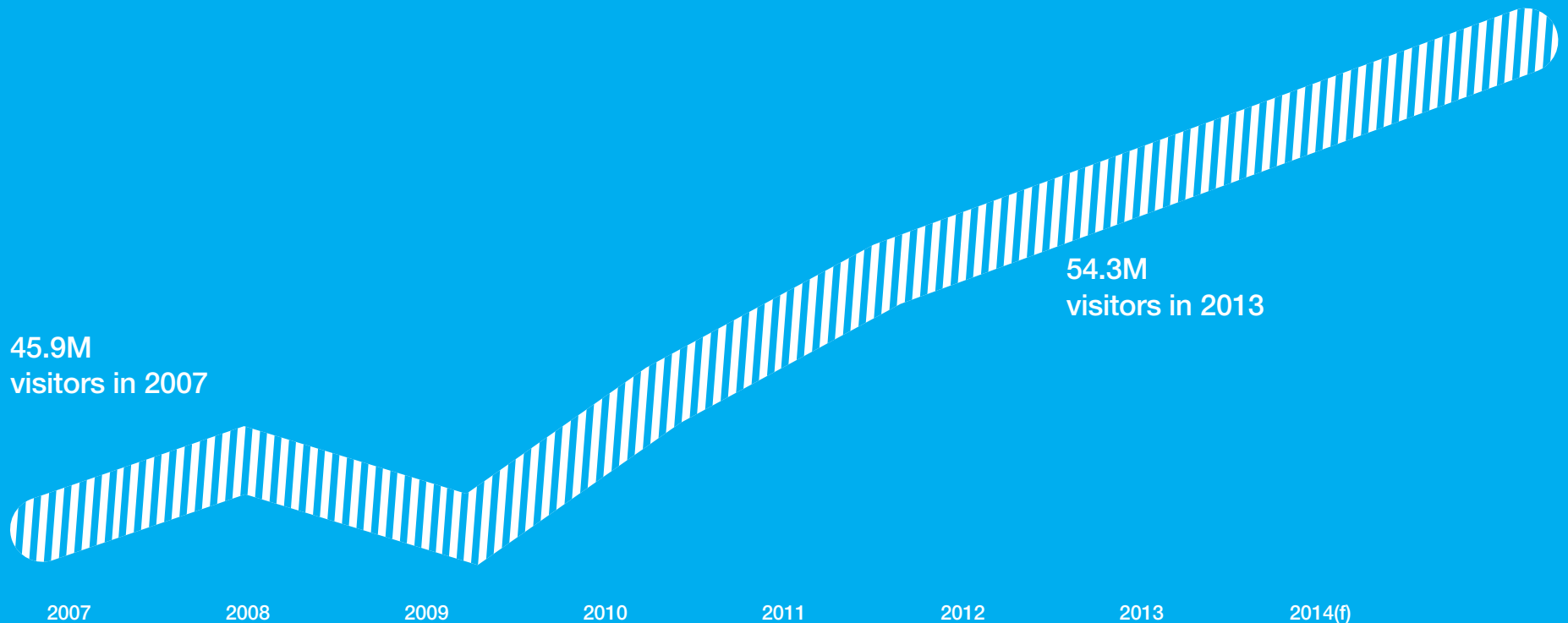
New York City is the number one big city destination in the United States, with record-breaking performance five years running.

Travel from all segments has been growing since the economic recovery began in Q4 2009. With the market on pace to break another new record in 2014, the City's hotels, restaurants, cultural attractions, shops and businesses all benefit.

Looking to 2015, the City is well positioned in global markets to sustain and increase domestic and international visitation.

A record-breaking year for New York City's travel industry! By the end of the year NYC is expected to welcome 55.8 million visitors.

55.8M
visitors in 2014(f)



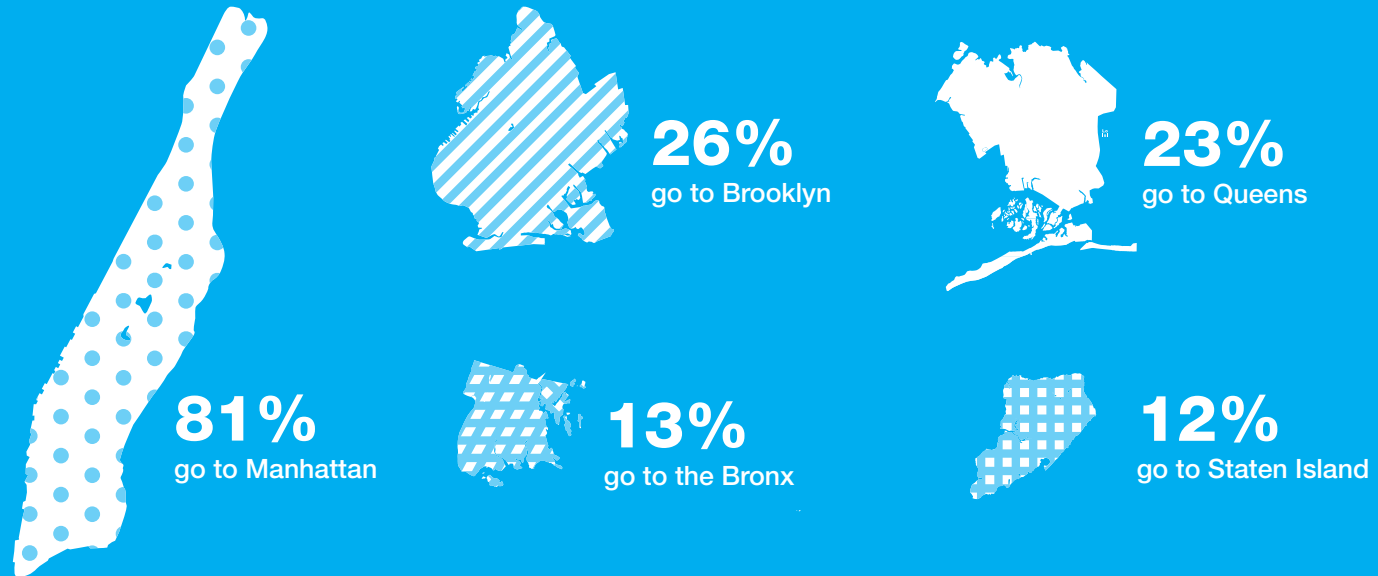
All five boroughs benefit from NYC's travel and tourism industry.

Each borough—Brooklyn, the Bronx, Manhattan, Queens and Staten Island—offers its own unique experiences in dining, shopping, arts, culture, sight-seeing and more.

Visitation to the Bronx and Staten Island have shown double-digit growth compared to 2012.

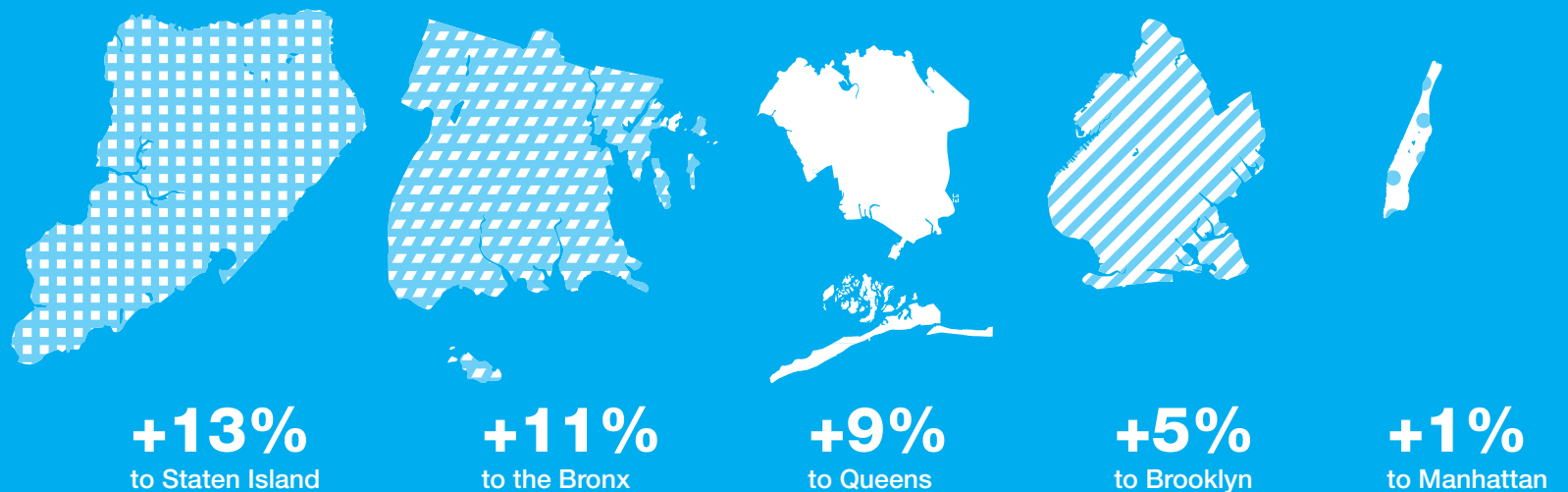
Where in NYC do visitors go?*

Share of all borough visits



How fast are borough visits increasing?

2013 compared to 2012



*Percentages do not add up to 100 because people visit multiple places in NYC.

Who is coming domestically?

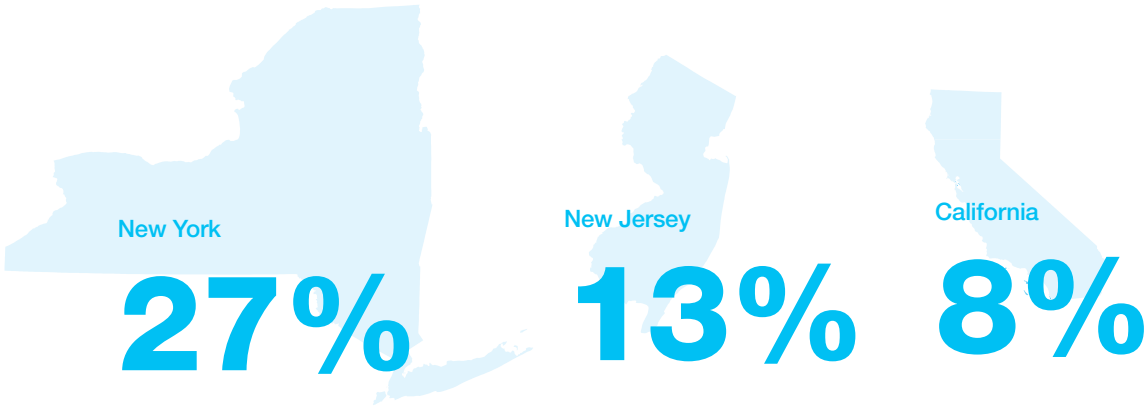
43.9M

domestic visitors in 2014(f)

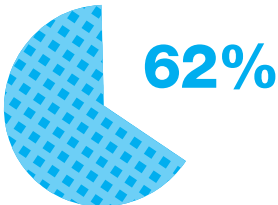
37.1M domestic
visitors in 2007

42.9M domestic
visitors in 2013

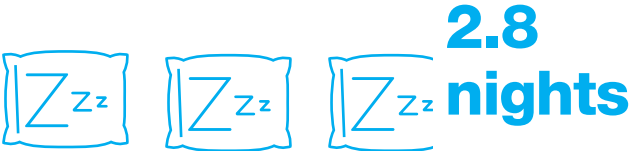
Top markets



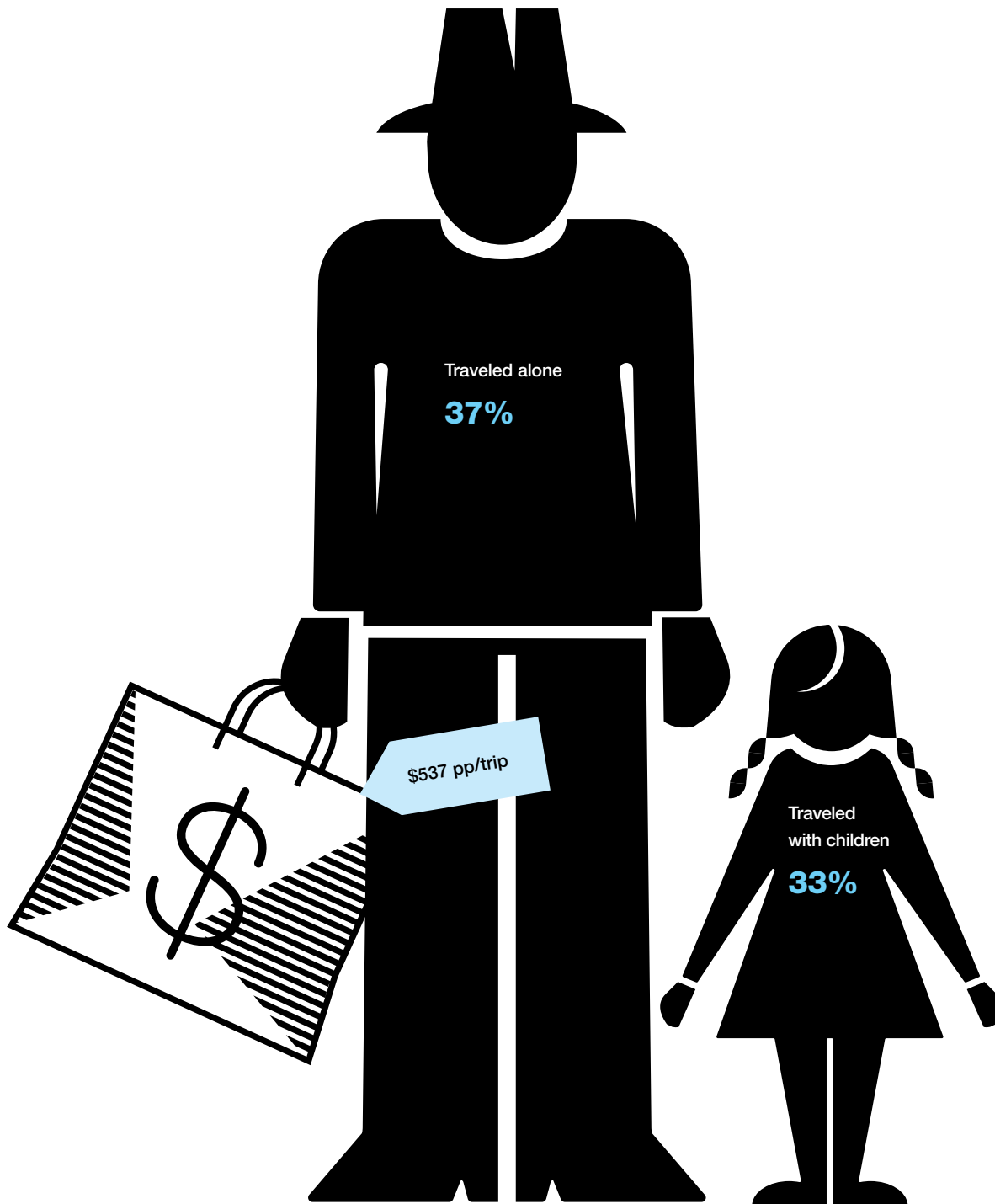
Stayed at a hotel:



Average overnight stay:

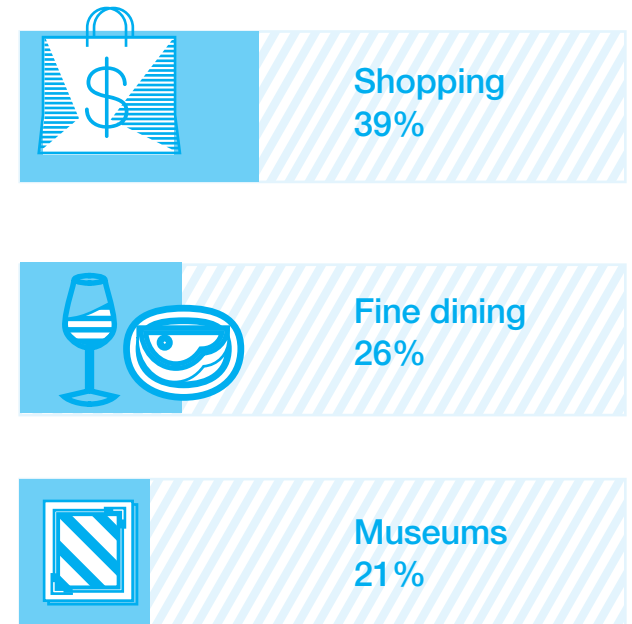


Average party size	2.7 ppl
Day-trippers	48%
Traveled for leisure	77%
Traveled for business	23%
Average HHI	\$71,700
Average age	38



- Overnight visitation has been increasing even faster than day trips and now **accounts for 52% of all domestic trips to NYC.**
- Over **three-quarters** are leisure travelers.
- Almost half of our domestic visitors come from our **top three state feeder markets.**

Top activities

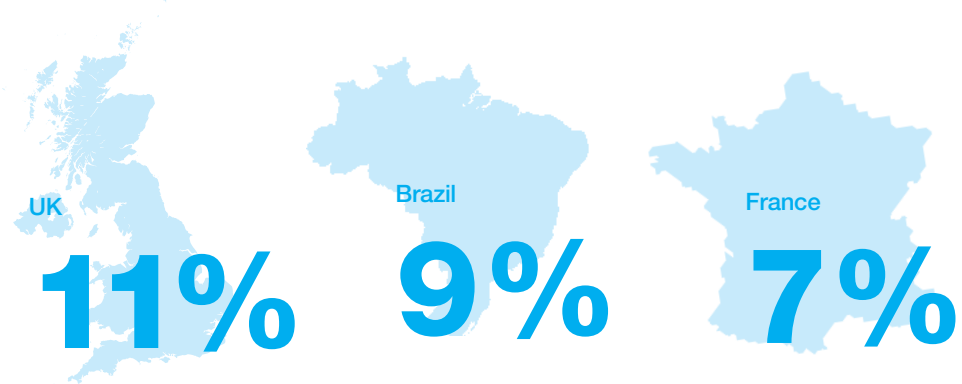


Who is coming from overseas?

Excludes Canada and Mexico

Average party size	1.6 ppl
Traveled alone	56%
Traveled with spouse/partner	23%
Traveled with children	9%
Average HHI	\$90,700
Average age	37

Top markets by % share

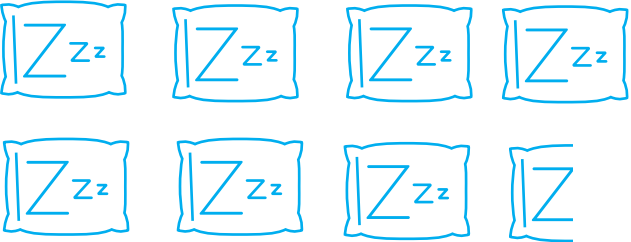


Stayed at a hotel:



Average overnight stay:

7.6 nights

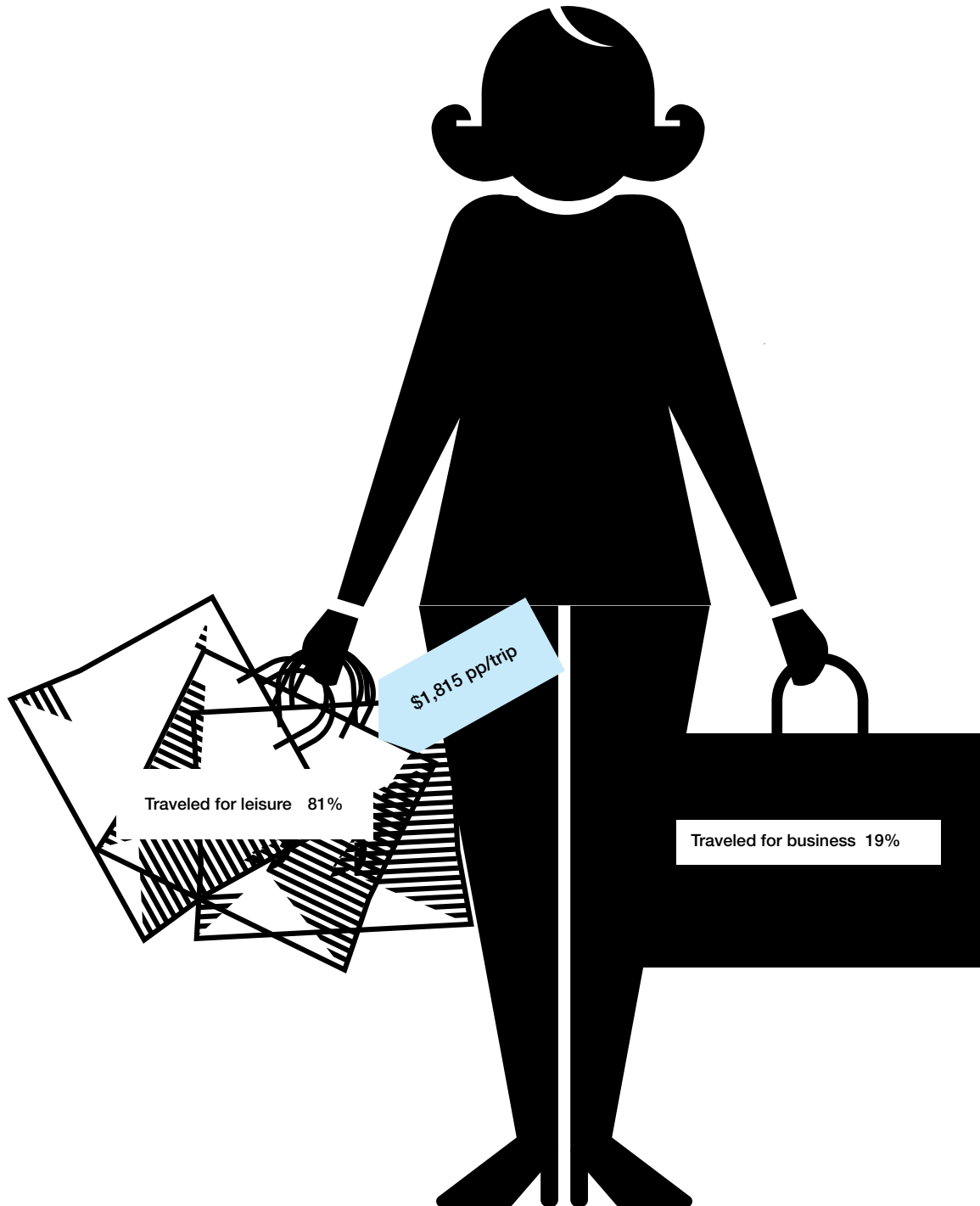


10.3M

Overseas visitors in 2014(f)

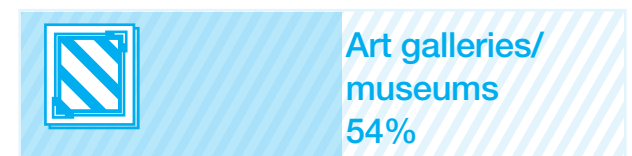
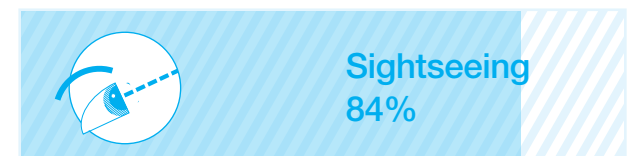
7.6M
overseas visitors
in 2007

9.9M
overseas visitors
in 2013

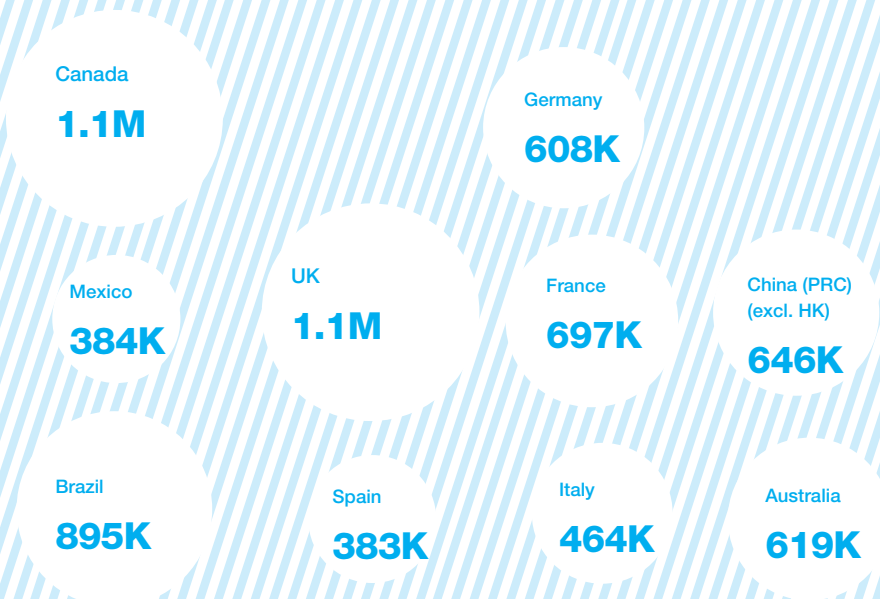


- **New York City is the country's number one international destination.** One in three overseas visitors to the United States visits New York City.
- **No other destination can boast this level of international travel,** either in numbers or diversity of origin markets.
- **Our core markets keep growing** (UK, Holland, France, for example), while emerging markets register double digit annual increases.

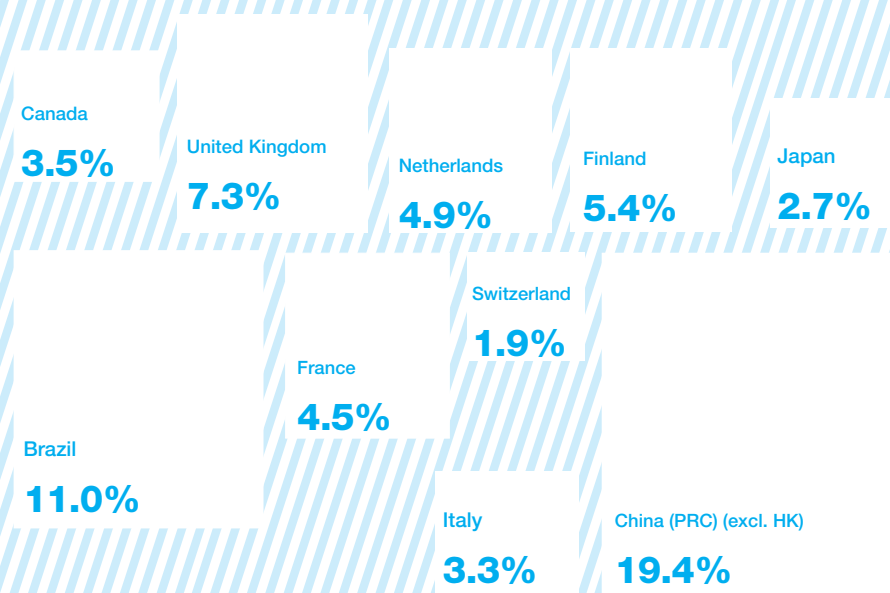
Top activities



Top international markets by visitation to NYC

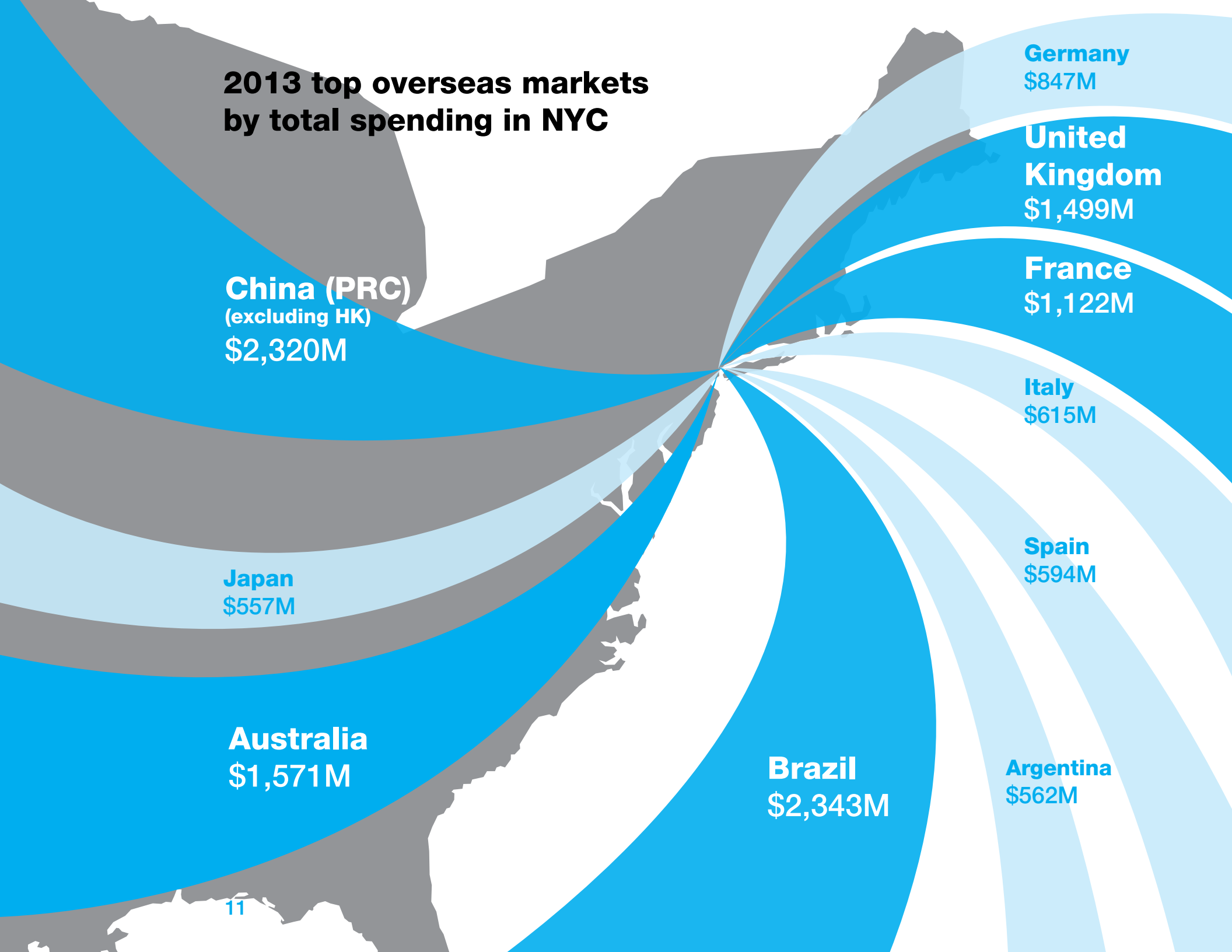


Top international markets by Y/Y growth (%)

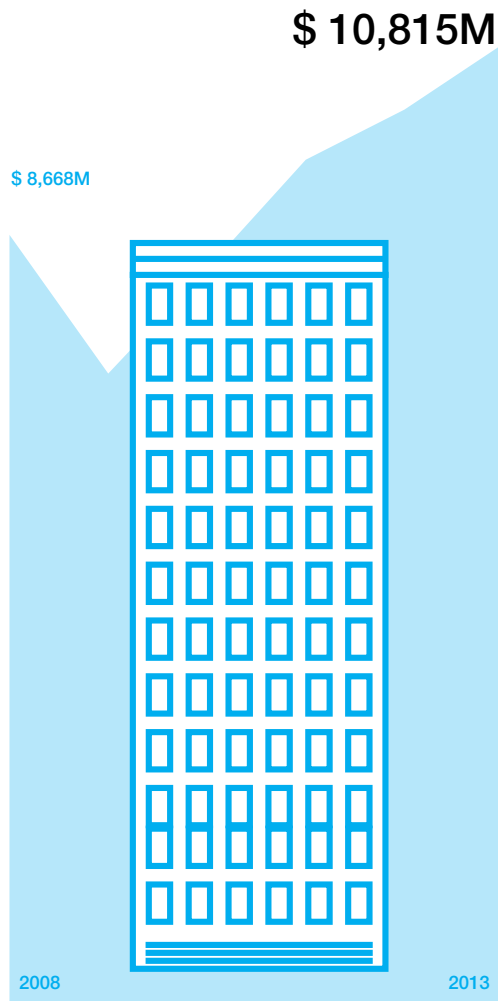


- The top 10 markets account for over 60 percent of all international visitors, with the UK and Canada at the top, followed by Brazil, France and China.
- Emerging and developing markets such as Brazil, China and Australia are now the top spenders—over \$6 billion annually—almost one-third of all international spending in the City.

2013 top overseas markets by total spending in NYC



Where do visitors spend their money in NYC?



Hotel

7% 2012/2013 growth



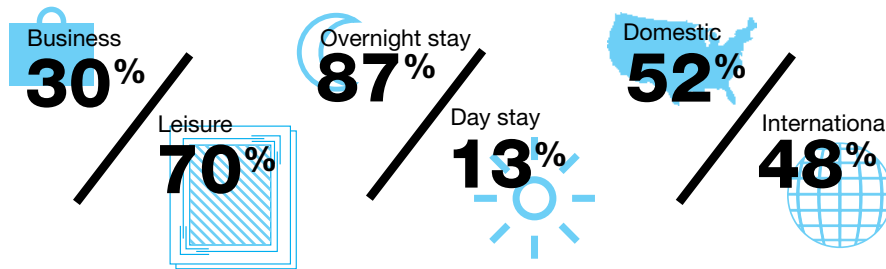
Retail

6% 2012/2013 growth

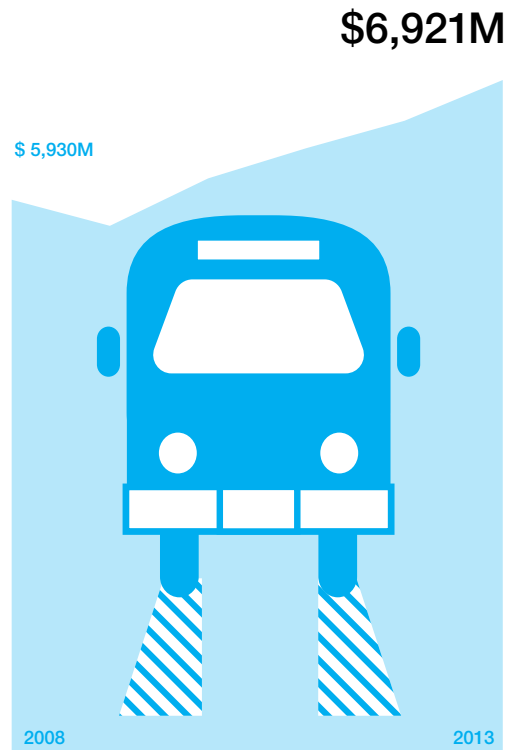


Food and beverages

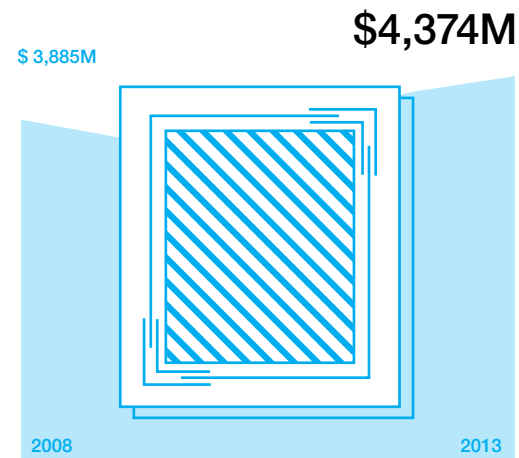
6% 2012/2013 growth



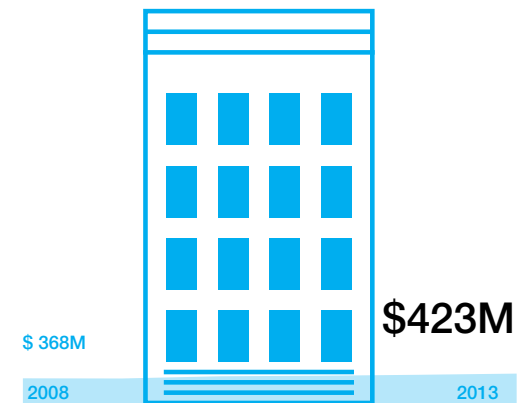
- Spending increases were strongest in the **lodging and dining sectors**.
- Nearly 70% of all visitor spending come from **leisure trips**.
- Almost half of all visitor spending is generated by **international travelers**.



Transportation
5% 2012/2013 growth



Arts & entertainment
4% 2012/2013 growth



Second home
3.2% 2012/2013 growth

**The NYC visitor economy expanded
6% in 2013, reaching**

**\$38.8
billion**
in the local economy

Overall spending has been rising

**6.2% per year in
the last 10 years**

**More than
348,000 jobs**

were sustained by visitor activity with a
total income of \$20.6 billion in 2013

**Travel-related jobs
grew 2.6% in 2013,**

faster than NYC overall job growth of 2.1%

NYC collected a total of \$3.5 billion and
NY State another \$1.6 billion. Adding paid
federal taxes equals

**\$9.7 billion
in 2013**

Tourism taxes are spent on city services,
relieving household tax burdens by

**\$1,640 each in
taxes saved**

**Generating an
economic impact of**

**\$57.3
billion**
across all five
boroughs

The Bronx

\$744M = 6% more jobs (y/y)

Manhattan

**\$31,240M =
2% more jobs** (y/y)

Brooklyn

\$1,741M = 8% more jobs (y/y)

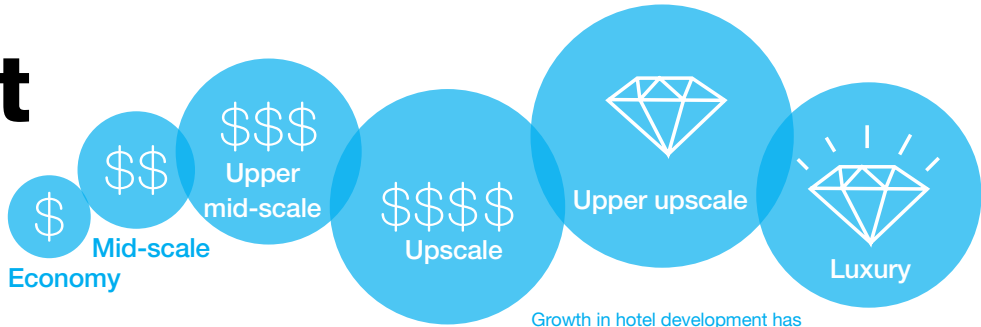
Staten Island

\$299M = 4% more jobs (y/y)

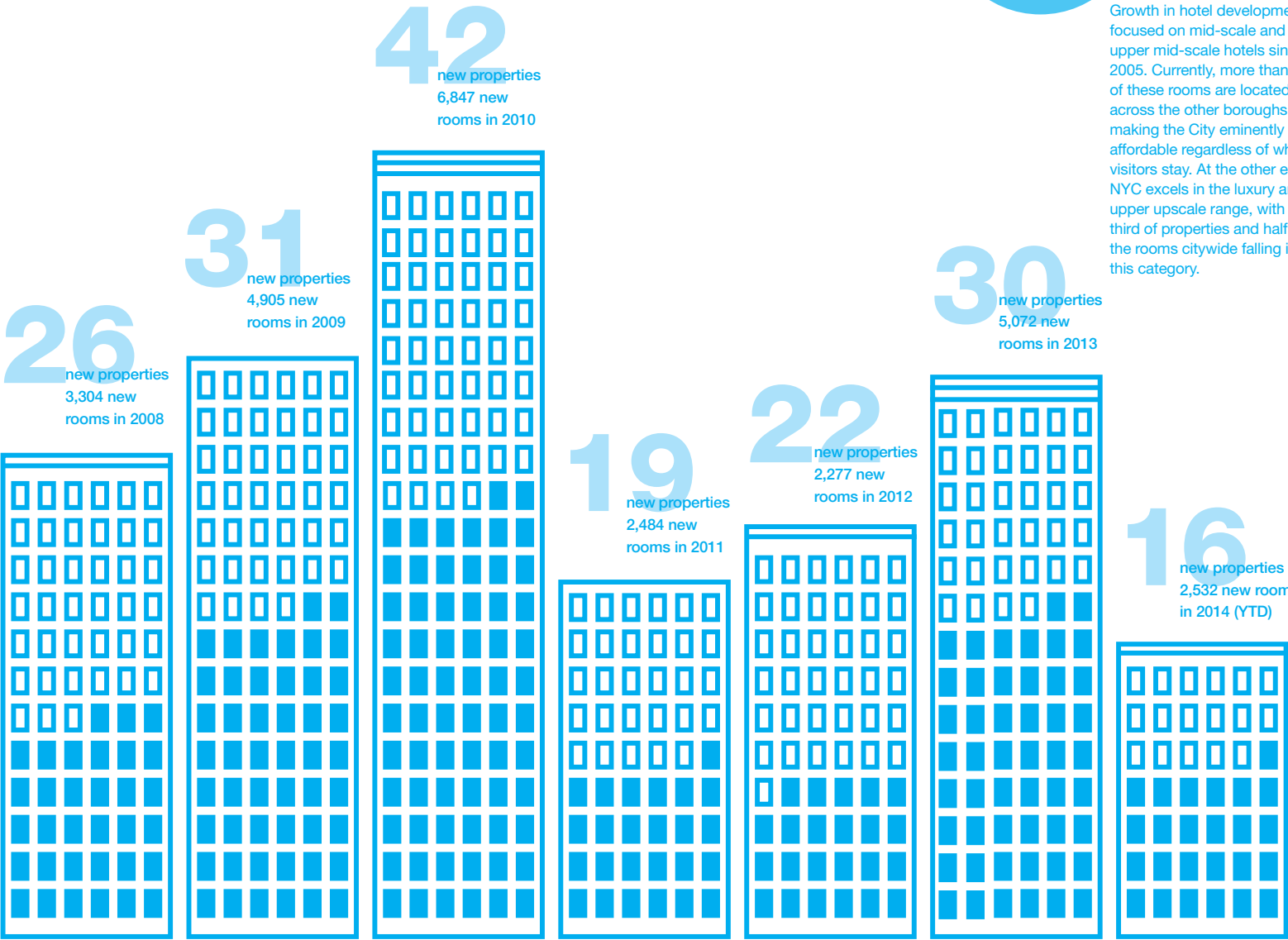
Queens

\$4,763M = 1% more jobs (y/y)

Hotel development

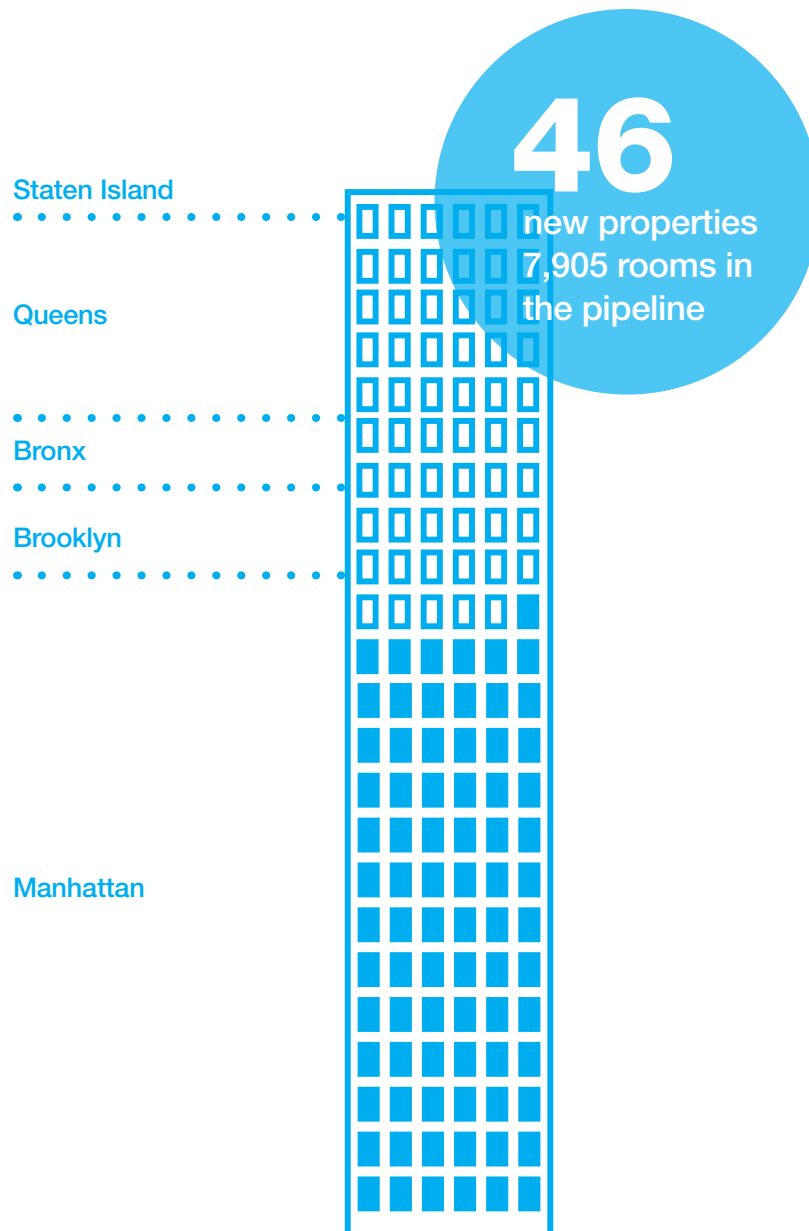


Growth in hotel development has focused on mid-scale and upper mid-scale hotels since 2005. Currently, more than 52% of these rooms are located across the other boroughs, making the City eminently affordable regardless of where visitors stay. At the other end, NYC excels in the luxury and upper upscale range, with one-third of properties and half of the rooms citywide falling into this category.



■ = 100 Net new rooms

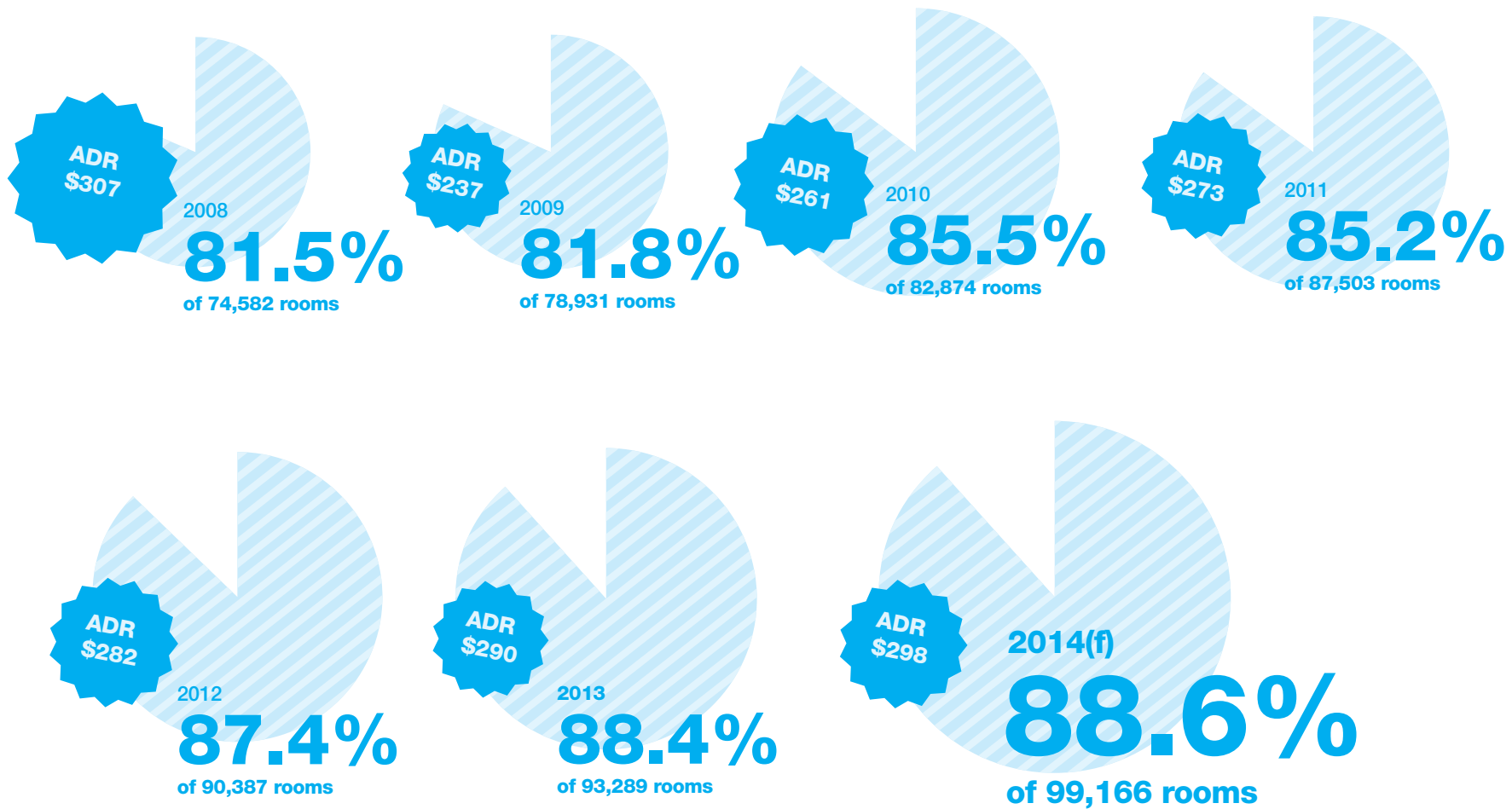
Where is development happening?



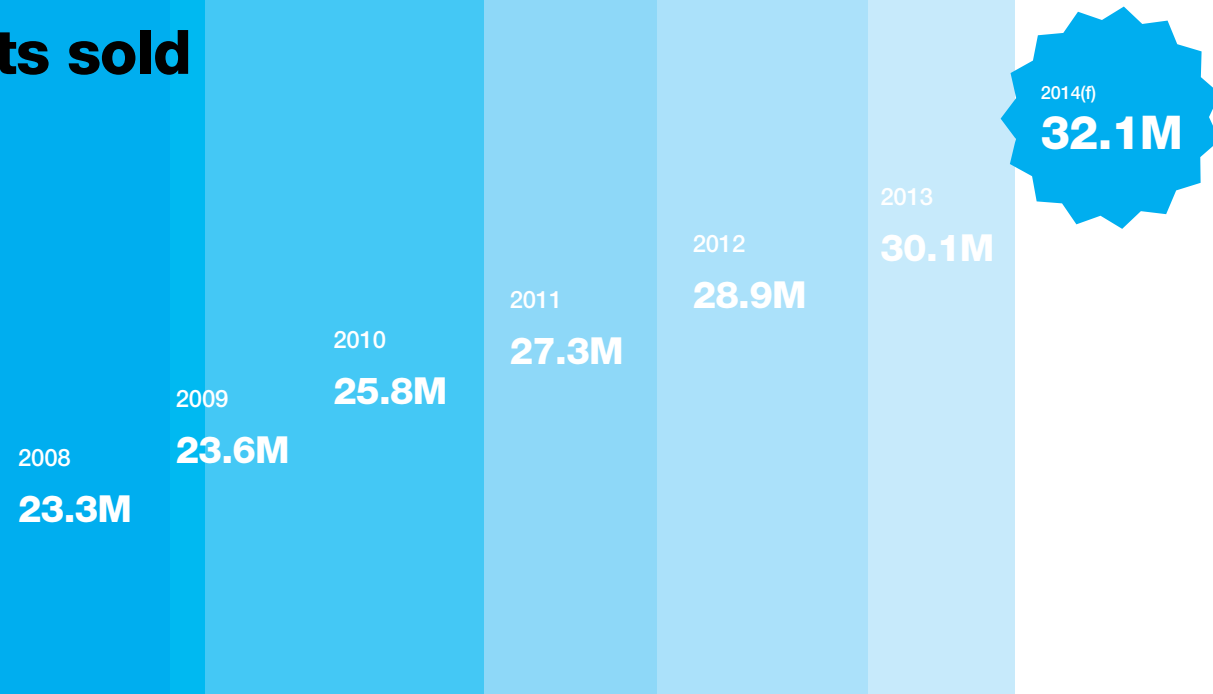
- **The hotel pipeline in NYC is the most active in the US**, bringing on new developments from economy to luxury and across all five boroughs.
- **Hotel property inventory is up 75%** since 2007, a gain of 232 properties in seven years.
- **37% of new property development is in the borough pipeline**, accounting for 52% of all the new rooms.
- Borough hotels and select service brands contributed to the addition of 35,000 new rooms citywide, **a 47% net gain**.

NYC hotel performance

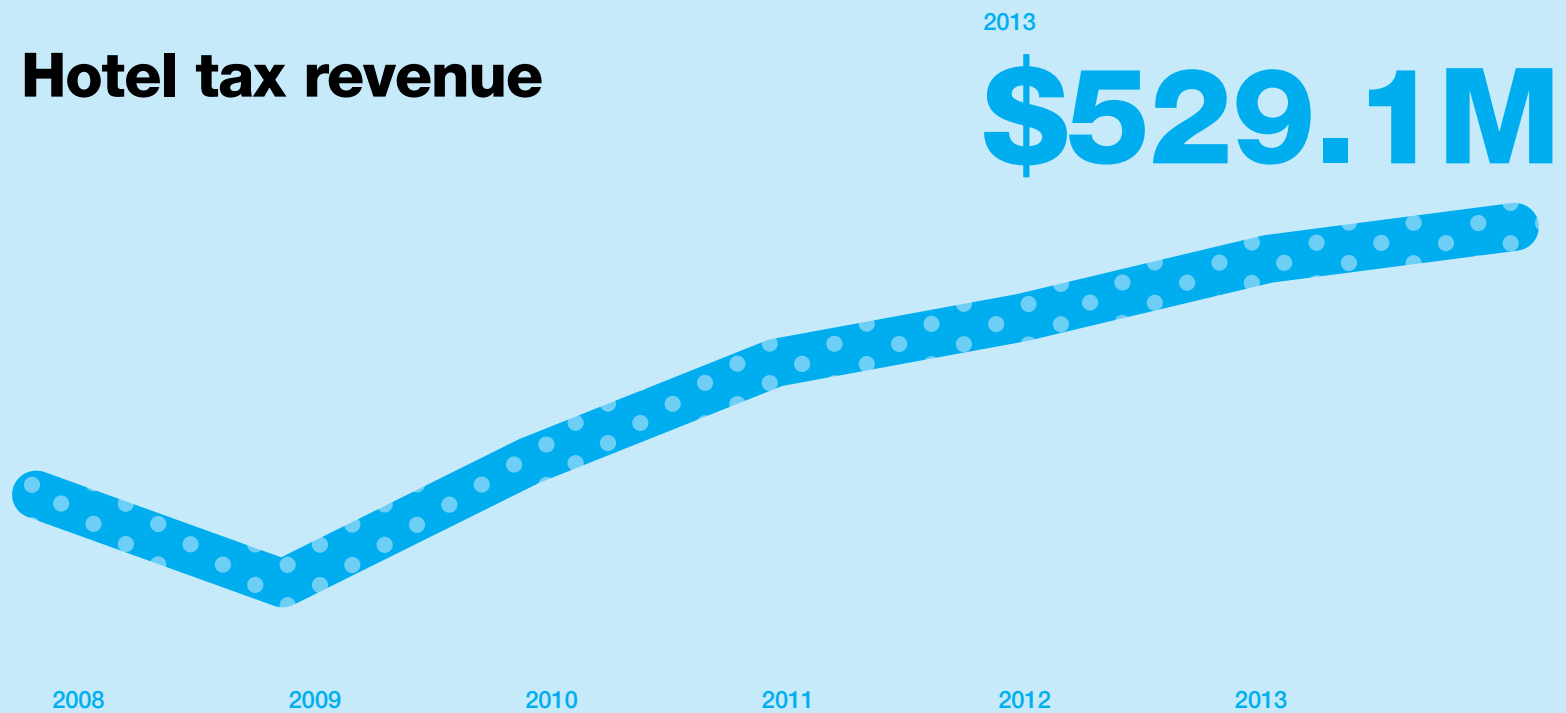
Occupancy rate (%), ADR and supply



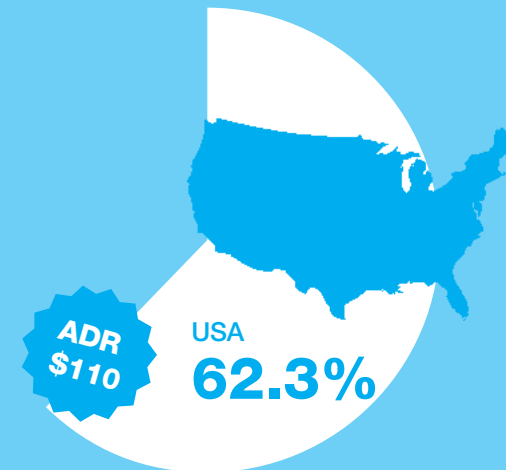
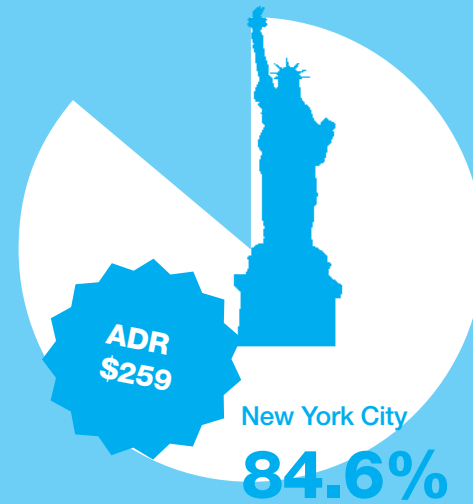
Hotel room-nights sold

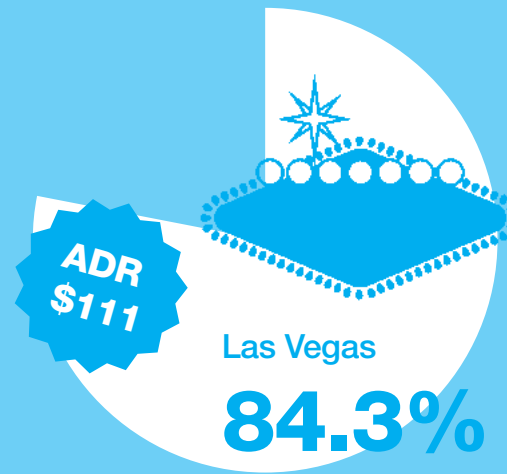
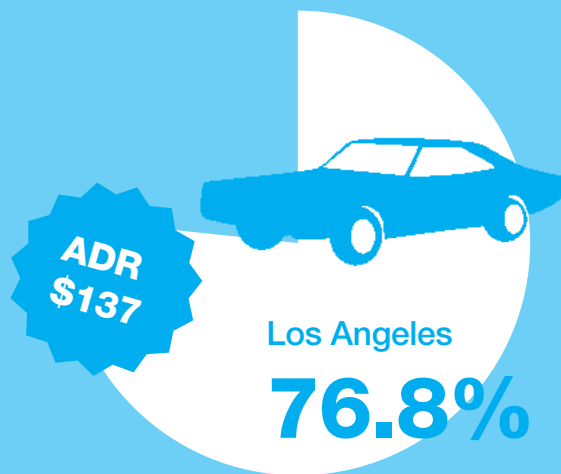
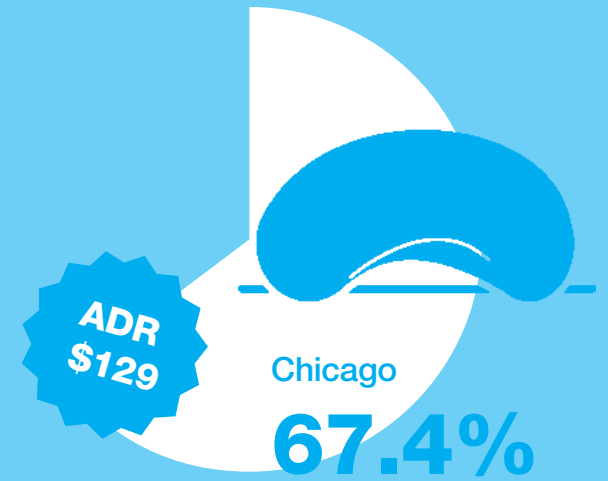
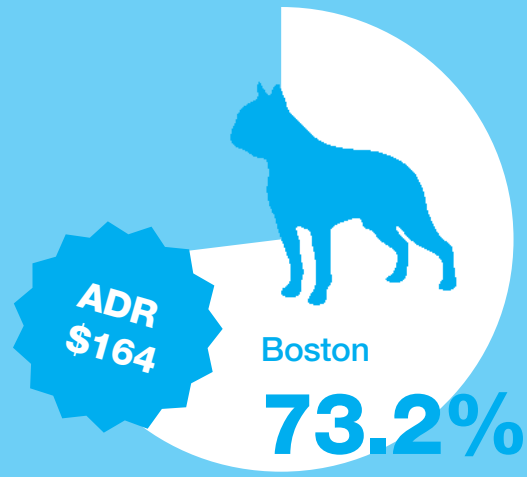
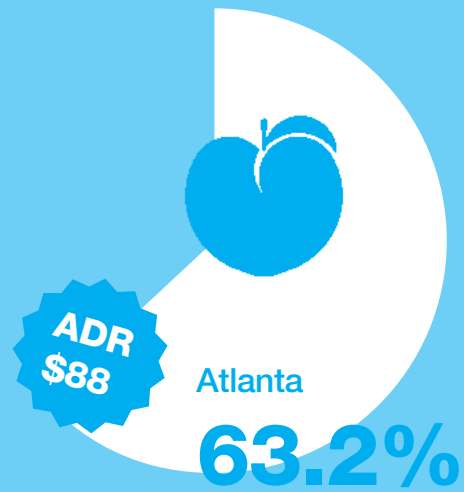


Hotel tax revenue

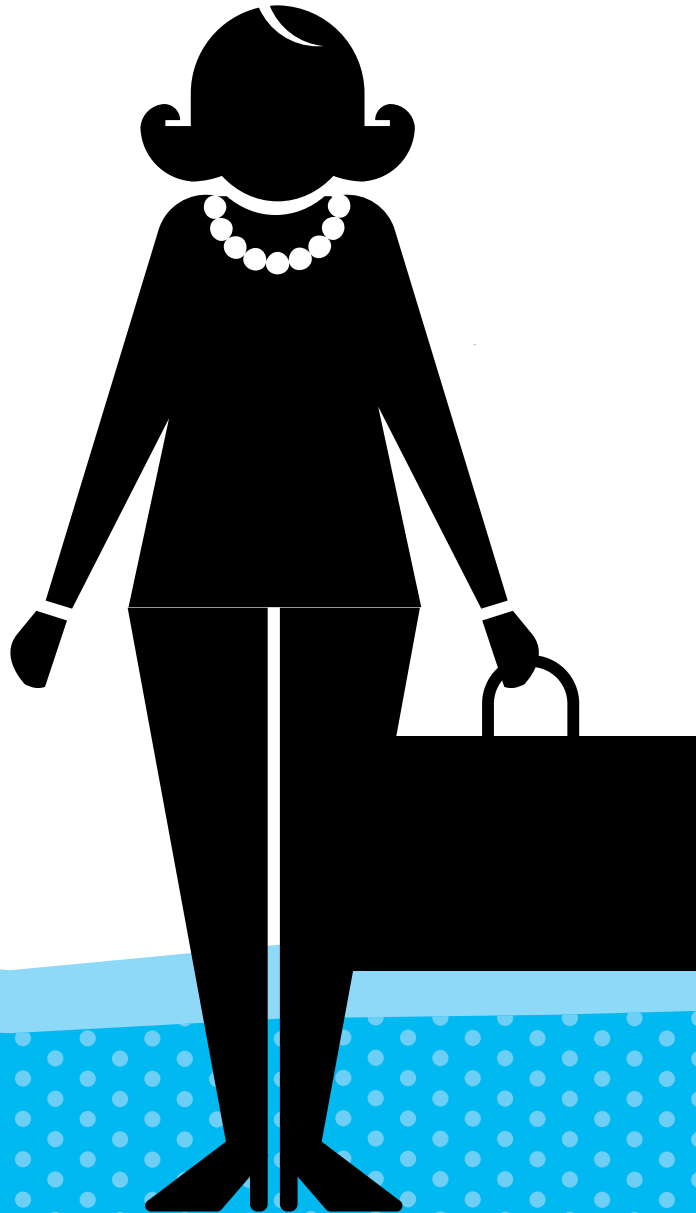


New York City hotels outperform all major US cities in occupancy rates (%) and ADR (\$)





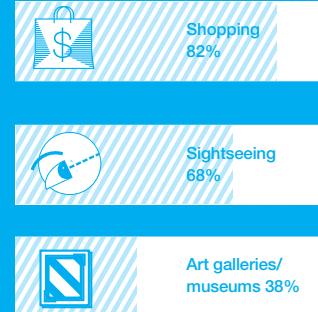
The Business Traveler



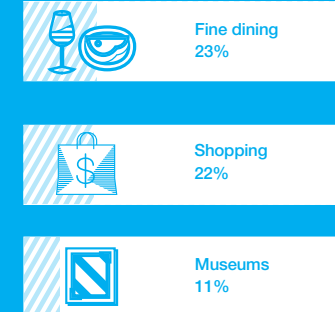
	Overseas*	Domestic
Transient business	63%	45%
Convention/conference/trade show	37%	29%
Average party size	1.3 ppl	2.2 ppl
Traveled alone	79%	63%
Traveled with children	2%	13%
Traveled with spouse/partner	7%	-
Stayed at a hotel	80%	83%
Average overnight stay	5.6 nights	2.8 nights
Average age	40	41
Average spend	\$1,699 pp/trip	\$696 pp/trip
Average HHI	\$106,000	\$87,000

* Doesn't include Canada and Mexico

Top activities for overseas visitors:



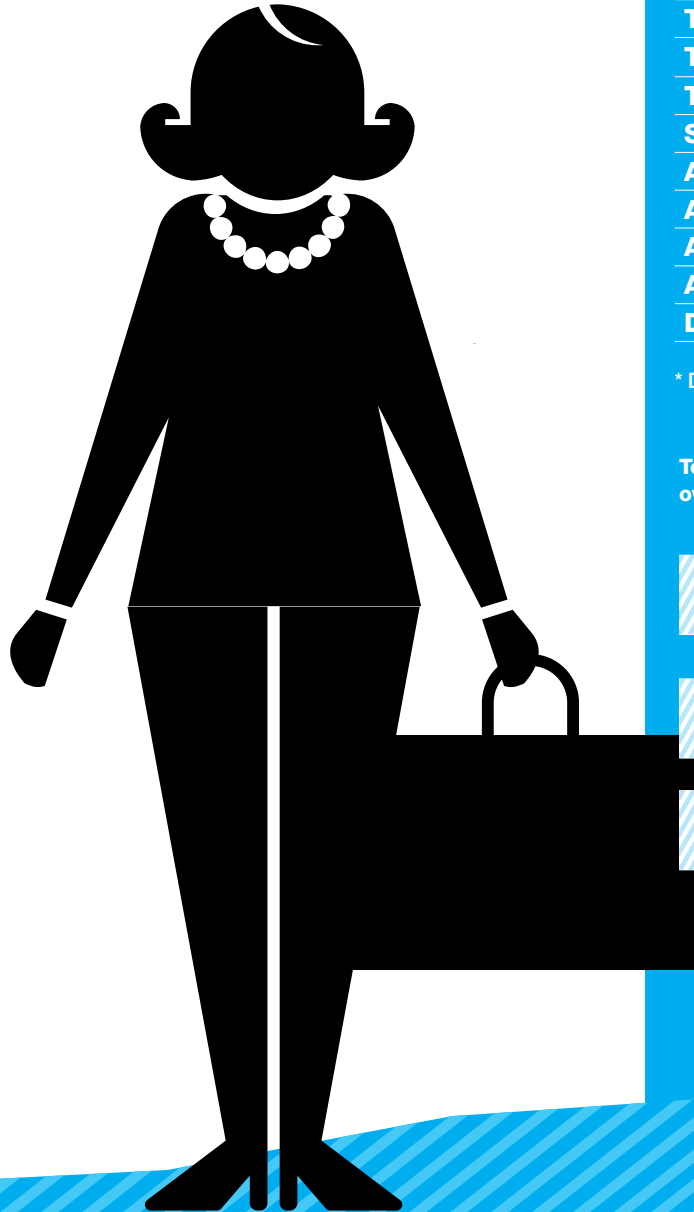
Top activities for domestic visitors:



12M

in 2013
9.8 domestic
2.2 international

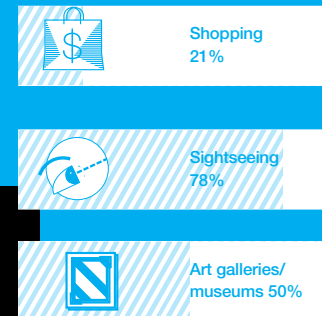
The Delegate Traveler



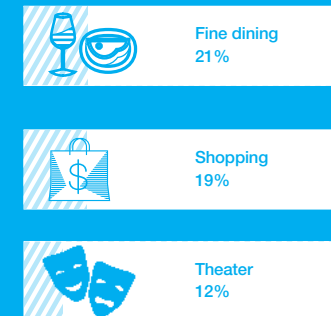
	Overseas*	Domestic
Average party size	1.4 ppl	2.5 ppl
Traveled alone	77%	61%
Traveled with children	3%	12%
Traveled with spouse	10%	-
Stayed at a hotel	79%	88%
Average overnight stay	4.8 nights	2.5 nights
Average age	40	39
Average spend	\$1,549 pp/trip	\$763 pp/trip
Average HHI	\$92,000	\$90,700
Day-trippers	-	35%

* Doesn't include Canada and Mexico

Top activities for overseas visitors:



Top activities for domestic visitors:



5.9M
delegate travelers in 2013

The Leisure Traveler

42.3M

leisure travelers in 2013

9.2 international

33.1 domestic

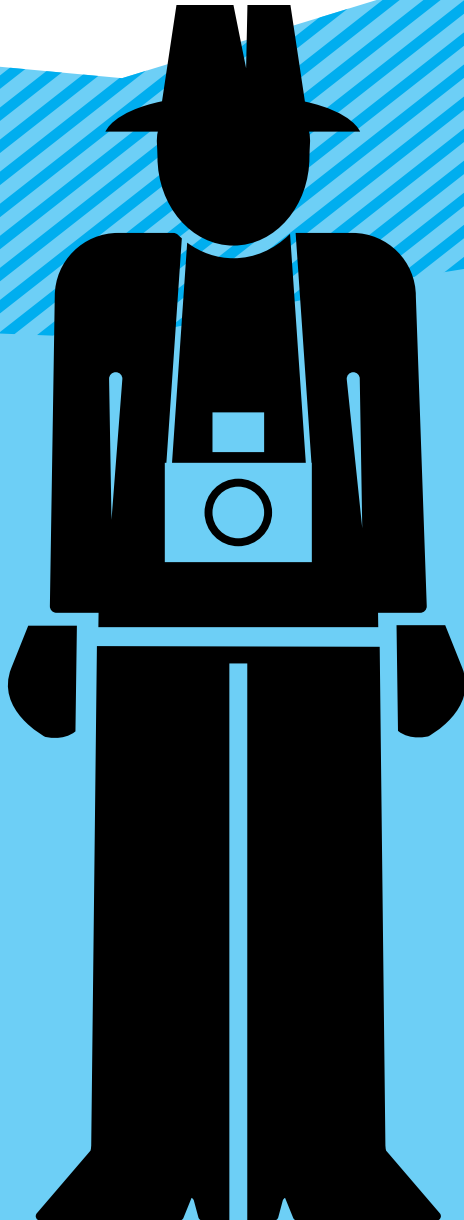
	Overseas*	Domestic
Visiting friends and relatives	19%	34%
Average party size	1.8 ppl	2.8 ppl
Traveled alone	44%	33%
Traveled with children	12%	36%
Traveled with spouse/partner	23%	-
Stayed at a hotel	74%	58%
Average overnight stay	7.3 nights	2.8 nights
Average age	38	38
Average spend	\$1,851 pp/trip	\$520 pp/trip
Average HHI	\$82,300	\$69,300
Day-trippers	-	50%

* Doesn't include Canada and Mexico

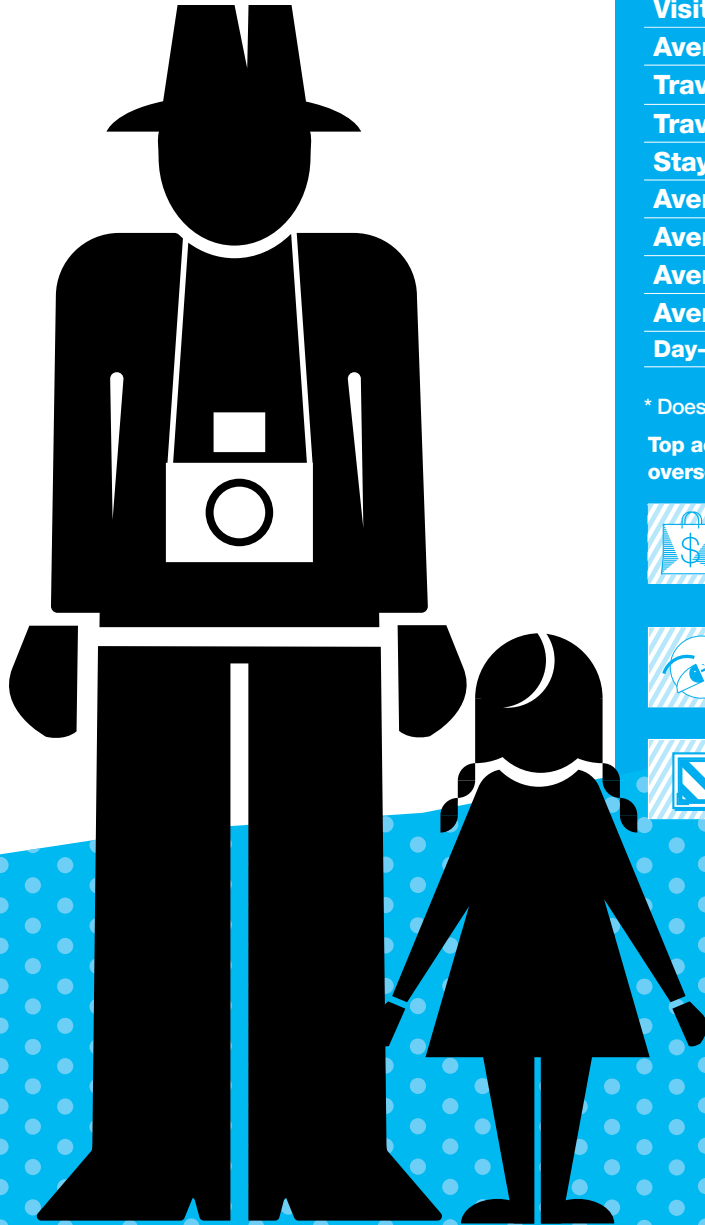
Top activities for overseas visitors:



Top activities for domestic visitors:



The Family Traveler



	Overseas*	Domestic
Leisure travel	92%	95%
Visiting friends & relatives	13%	40%
Average party size	3.3 ppl	4.3 ppl
Traveled with spouse/partner	33%	-
Traveled with family/relatives	95%	-
Stayed at a hotel	79%	62%
Average overnight stay	6.5 nights	2.9 nights
Average age	43	36
Average spend	\$1,496 pp/trip	\$566 pp/trip
Average HHI	\$107,000	\$72,000
Day-trippers	-	38%

* Doesn't include Canada and Mexico

Top activities for overseas visitors:

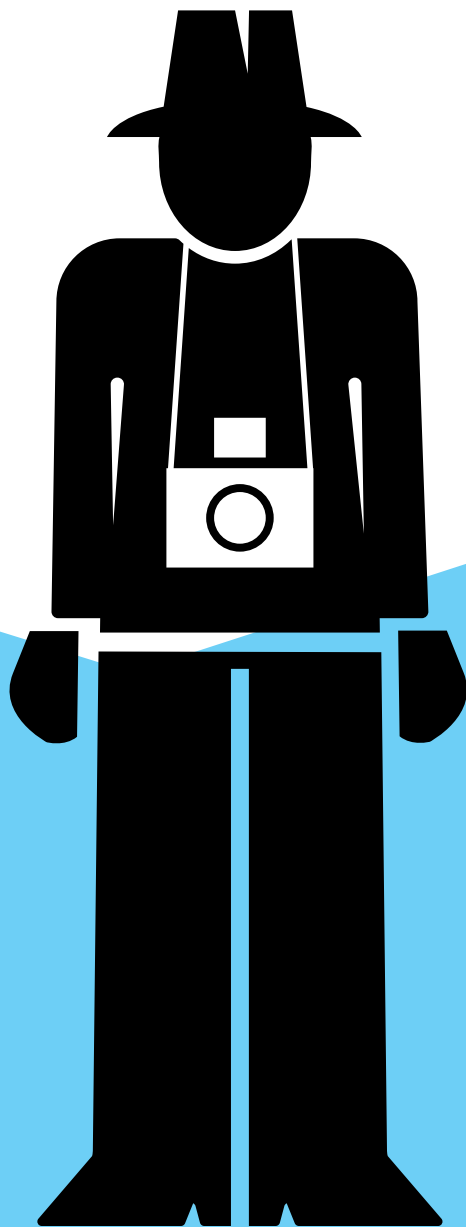


Top activities for domestic visitors:



16.7M
family travelers in 2013

The Cultural Traveler



	Overseas*	Domestic
Leisure travel	85%	93%
Visiting friends & relatives	13%	33%
Average party size	1.7 ppl	3.0 ppl
Traveled alone	48%	28%
Traveled with spouse/ partner	28%	36%
Traveled with children	10%	69%
Stayed at a hotel	75%	83%
Average overnight stay	7.4 nights	3.1 nights
Average age	36	38
Average spend	\$1,899 pp/trip	\$666 pp/trip
Average HHI	\$90,000	\$67,000

* Doesn't include Canada and Mexico

26.8M
cultural travelers in 2013

Top activities for overseas visitors:



Top activities for domestic visitors:



Top 10 Questions

What does NYC & Company do?

NYC & Company is the official destination marketing organization for the City of New York promoting the City through marketing and partnership opportunities that expand travel and tourism activities throughout the five boroughs, drive economic development and promote the positive image of New York City worldwide.

Who is a visitor to New York City?

A visitor is defined as a person who travels 50 miles or more one way from home or spends at least one night in NYC, exclusive of residents, commuters and students.

Where does NYC rank as a visitor destination?

- NYC is the number one big-city destination in the US and the number one spending destination.
- NYC is the number one port of entry for all overseas visitors to the US.
- NYC is the number one overseas visitor destination, capturing one-third of all overseas visitors to the US.
- NYC has the highest annual average hotel occupancy rate (88%) and ADR (\$290) of any major US city.
- NYC is home to the most dynamic new hotel pipeline in the US.

How many people visit New York City?

In 2013, NYC reached record levels of both domestic and international visitors totaling 54.3 million people—42.9 million domestic visitors and 11.4 million international.

Why do people visit New York City?

Three-quarters of visitors are on leisure trips; one-quarter travel for business. Convention, meeting and trade show delegates account for one-third of the business market.

How long do visitors stay in New York City?

On average domestic visitors stay two days, international visitors average seven days.

What do people do when they visit New York City?

The most popular activities are shopping, dining out, visiting historical places, sightseeing, visiting museums and cultural heritage sites, guided tours, theater and concerts, nightlife and dancing, and attending sporting events.

How much do visitors spend in New York City?

Overall direct visitor spending reached \$38.8 billion in 2013 on hotels and lodging (28%), shopping (22%), food and beverage (20%), local transportation (18%) and arts, entertainment and recreation (11%). And the more than 22 million visitors who stay in NYC hotels generated 30.1 million room-nights in 2013 and \$529 million in hotel taxes.

How many jobs does the visitor economy support?

Visitor activity and spending in New York City sustains 348,000 good jobs at businesses and arts organizations located in the five boroughs.

What is the economic impact of the visitor spending in New York City?

Visitor spending across the five boroughs generated an additional economic impact of \$18.5 billion in indirect spending with suppliers and induced local spending by employees. The \$57.3 billion industry generated \$3.5 billion in local tax revenues and \$1.6 billion in NY State taxes. This saves the average NYC household \$1,640 a year in taxes.

This report was prepared by the NYC & Company Research Department incorporating data and analyses from the Survey of International Air Travelers (US Department of Commerce National Travel & Tourism Office), Longwoods Travel USA®, Smith Travel Research, PKF Consulting, VisaVue Travel, and Tourism Economics, an Oxford Economics Company.

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