

2024 STATE OF THE COUNTY

Presented by the Carbon Chamber & Economic Development Corporation

Tourism in Carbon County

CHRIS BARRETT

POCONO MOUNTAIN VISITORS BUREAU

 **CARBON CHAMBER**
& Economic Development

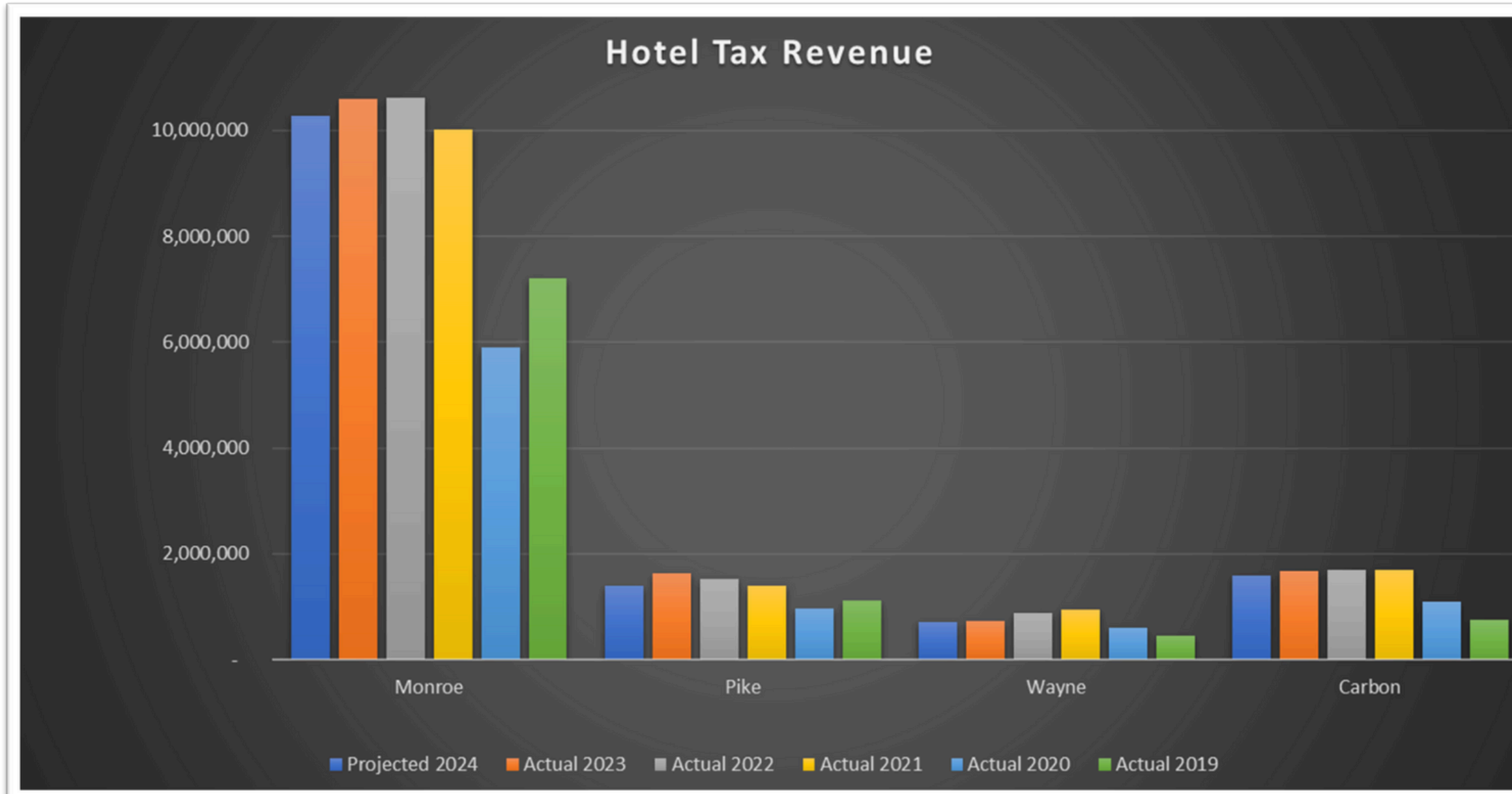
 **The Chamber**
GREATER LEHIGH VALLEY CHAMBER OF COMMERCE

THE NUMBERS

- We Host over 30 Million Guests Yearly...3,300,000 Guests Visit Carbon Annually (11% of the total)
- \$5.1 Billion Annually in Economic Benefit for the Local Economy
- Employ 35,000 Individuals Directly
- Provides almost 64% of the labor income for the Pocono Mountains
- Generates \$899 Million in Federal, State and Local Taxes
- Without the Hospitality Industry each Resident would pay \$1,500 more yearly in Federal, State and Local Taxes



TALE OF THE TAPE ... HOTEL TAX GROWTH



Q1&2 2024 PMVB ACTUAL HOTEL TAX COLLECTED

	Actual Q1&2 2024	Actual Q1&2 2023	% Var	Updated Scenario	% Var
Monroe	5,074,181	5,173,115	-2%	5,047,600	1%
Pike	625,629	704,892	-11.2%	689,700	-9%
Wayne	334,297	318,086	5%	288,000	16%
Carbon	779,846	723,940	8%	708,570	10%
	6,813,953	6,920,033	-2%	6,733,870	1%

- Monroe experiencing a slight decline from prior year.
- Wayne & Carbon are showing growth for the first half of year.
- Pike slightly decrease due to Q1&Q2 from reporting issues.

* Numbers represented are net of admin fees retained by the counties and funds returned or restricted for county awards.



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NATIONAL TRENDS



YOY GROWTH: CONTINUES, BUT SLOWING

U.S. Travel Indicators July 2024 & YTD

 TOURISM ECONOMICS



Travel Spending*
(Tourism Economics)
\$115.8B
↗ +1.6%
July vs. Previous Year

↗ +2.3%
YTD vs. Previous Year



Air Passengers
(TSA)
↗ +5.2%
July vs. Previous Year

↗ +6.8%
YTD vs. Previous Year



Overseas Arrivals
(NTTO)
↗ +9.2%
July vs. Previous Year

↗ +16.7%
YTD vs. Previous Year



Hotel Demand
(STR)
--
July vs. Previous Year

↗ +0.1%
YTD vs. Previous Year



Short-term Rental Demand
(AIRDNA)
↗ +8.7%
July vs. Previous Year

↗ +7.8%
YTD vs. Previous Year

Travel Spending*
(Tourism Economics)
\$115.8B
↗ +9.8%
July vs. 2019

↗ +10.2%
YTD vs. 2019

Air Passengers
(TSA)
↗ +6.6%
July vs. 2019

↗ +6.9%
YTD vs. 2019

Overseas Arrivals
(NTTO)
↘ -14.4%
July vs. 2019

↘ -14.8%
YTD vs. 2019

Hotel Demand
(STR)
↘ -3.5%
July vs. 2019

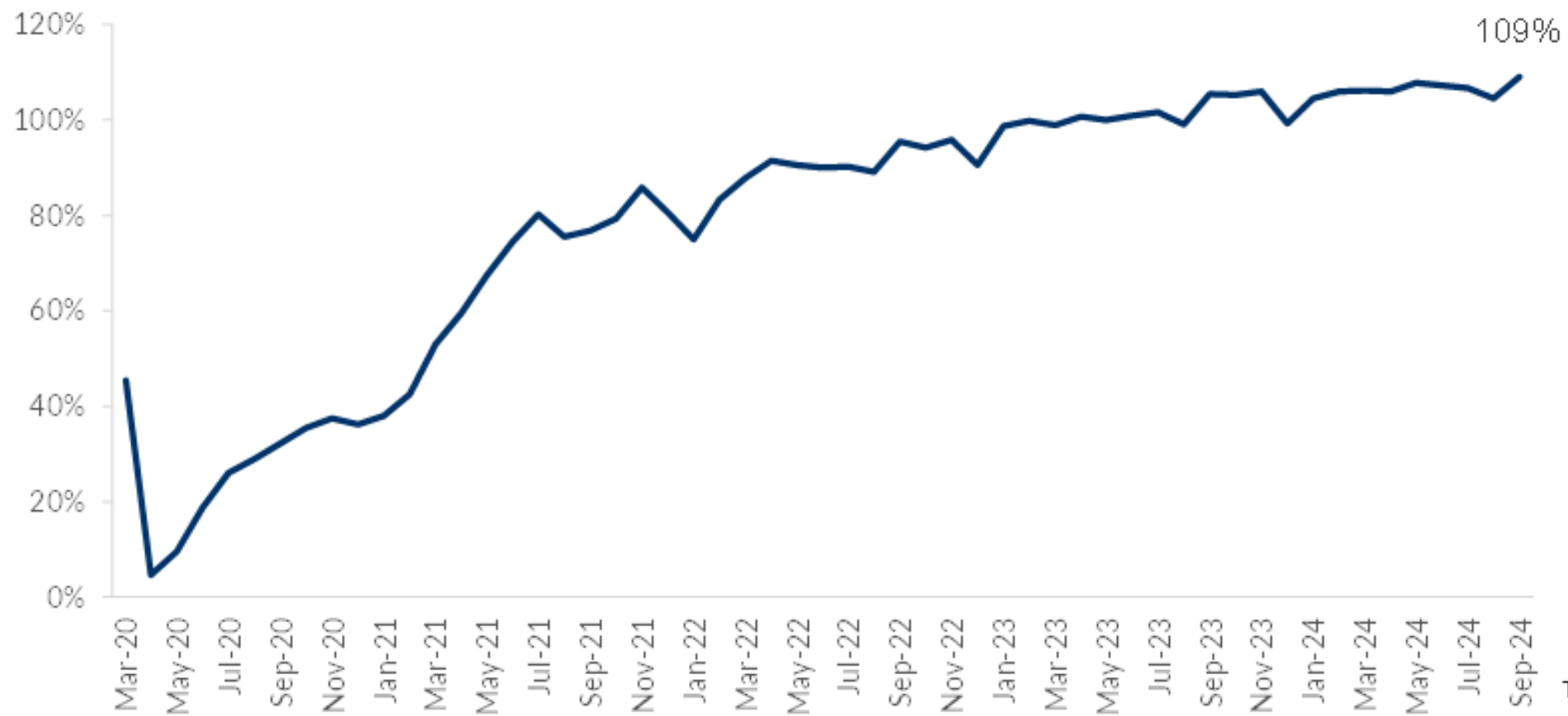
↘ -1.5%
YTD vs. 2019

Short-term Rental Demand
(AIRDNA)
↗ +31.8%
July vs. 2019

↗ +33.5%
YTD vs. 2019

AIR TRAVEL: DEMAND CONTINUES TO STRENGTHEN

US Air Passenger Volume
% of 2019 level



+6.3% vs. 2019 YTD
+2.6% vs. 2023 YTD

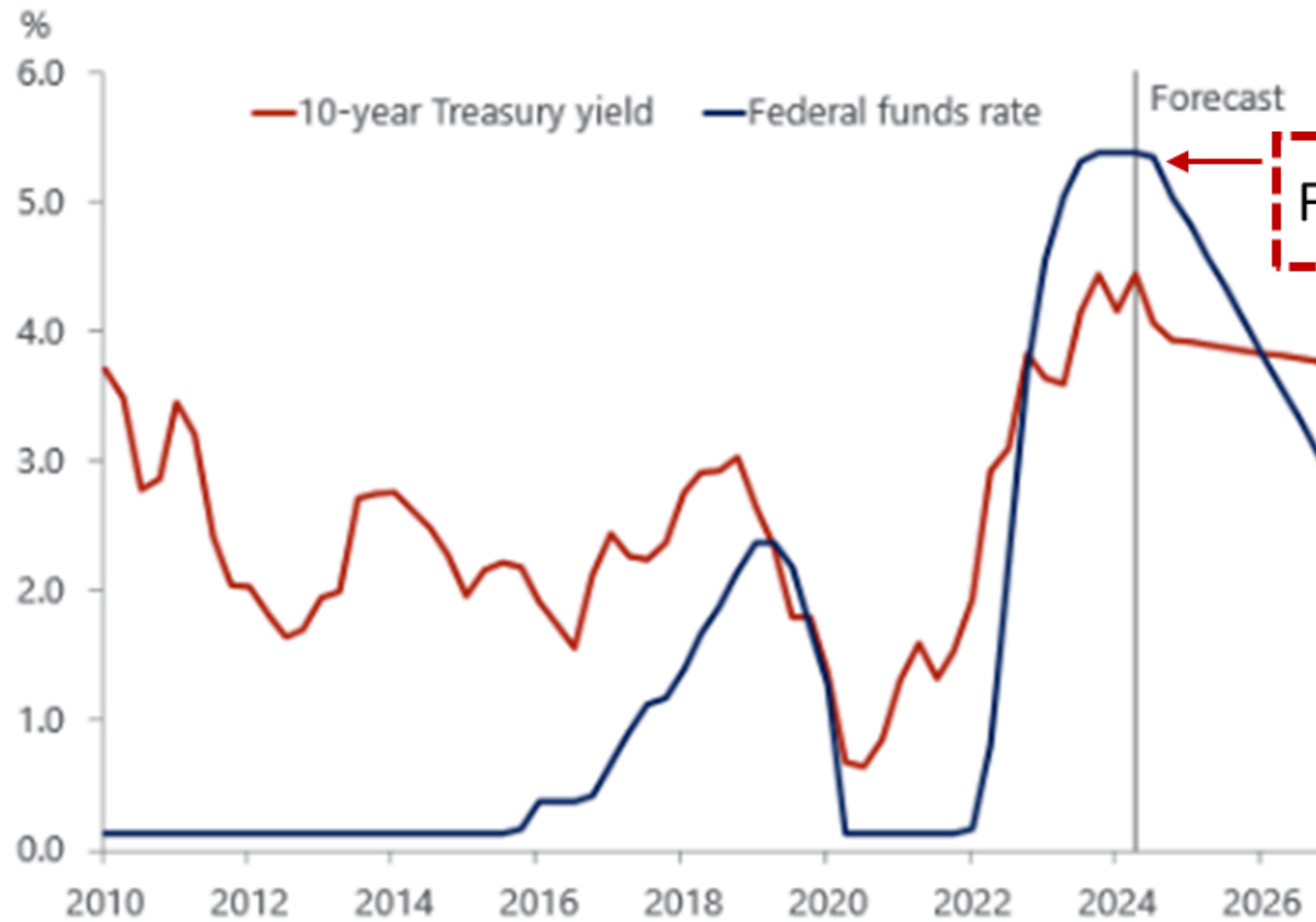
Through 9/22

Source: TSA



INFLATION MOMENTUM IS NEAR WHERE THE FED WANTS IT = EXPECTED CUTS IN THE FEDERAL FUNDS RATE

US: Interest rates



Fed Funds at 5.33%

The Fed has kept its policy rate at the highest level in over a decade, aiming to stave off persistent inflation.

***** as of 9/18 – rate cut by 50 basis points to about 4.9%**

Source: Oxford Economics/Haver Analytics

TOURISM ECONOMICS

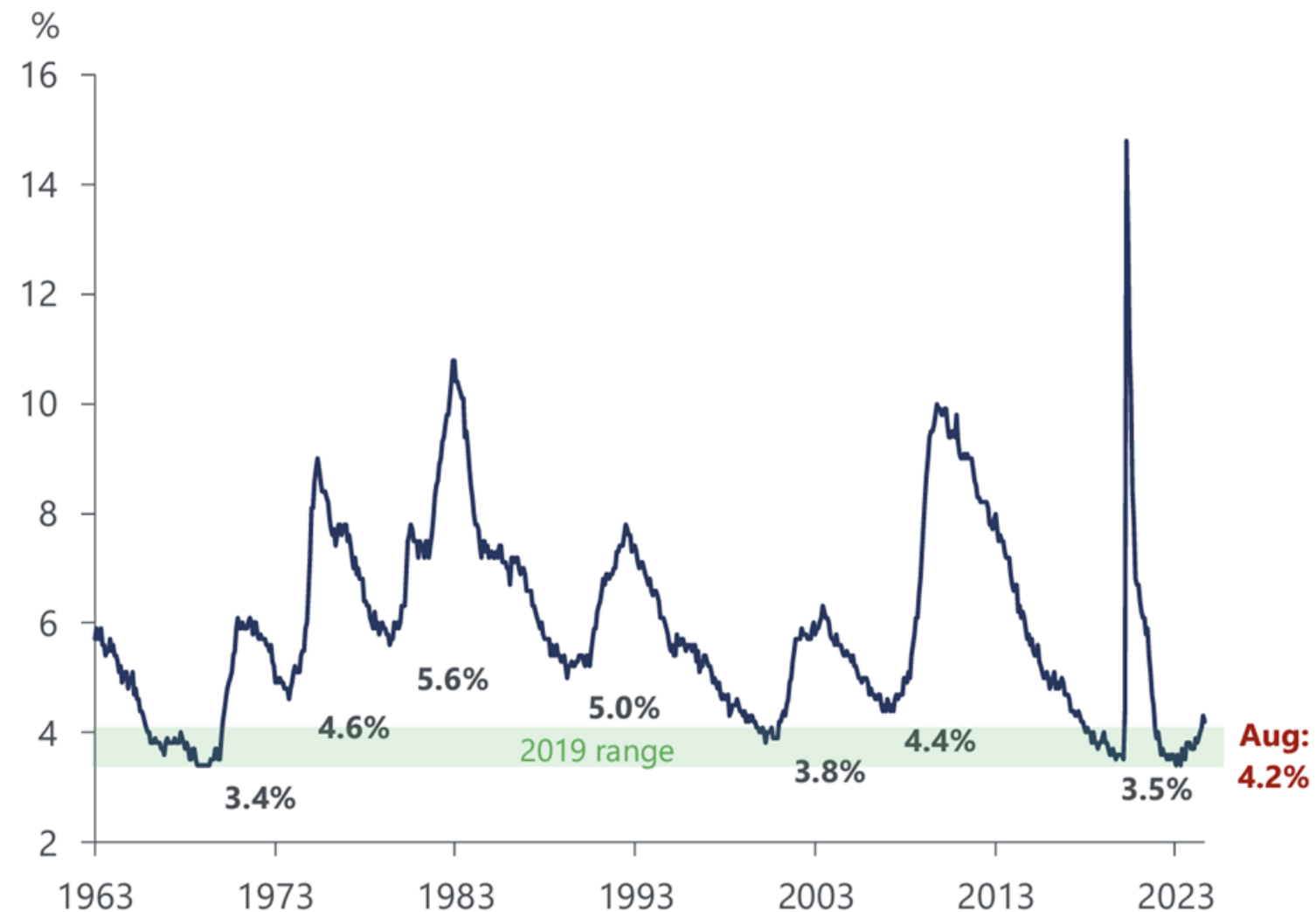
POCONO MOUNTAINS VISITORS BUREAU

CARBON CHAMBER & Economic Development

The Chamber GREATER LEHIGH VALLEY CHAMBER OF COMMERCE

RESULTING IN SLIGHTLY HIGHER UNEMPLOYMENT, BUT AVOIDING RECESSION

US: U-3 unemployment rate



Source: Oxford Economics/Haver Analytics

- Unemployment rate rose May-July before declining slightly in August
- Increase due to higher Labor Force Participation rate



THE ECONOMY IS TRANSITIONING TO SUSTAINABLE GROWTH

US: GDP Forecast
% annualized



Source: Oxford Economics July 2024 forecast

GDP growth will slow to 2.0%.
Avoiding recession with a successful “soft-landing”

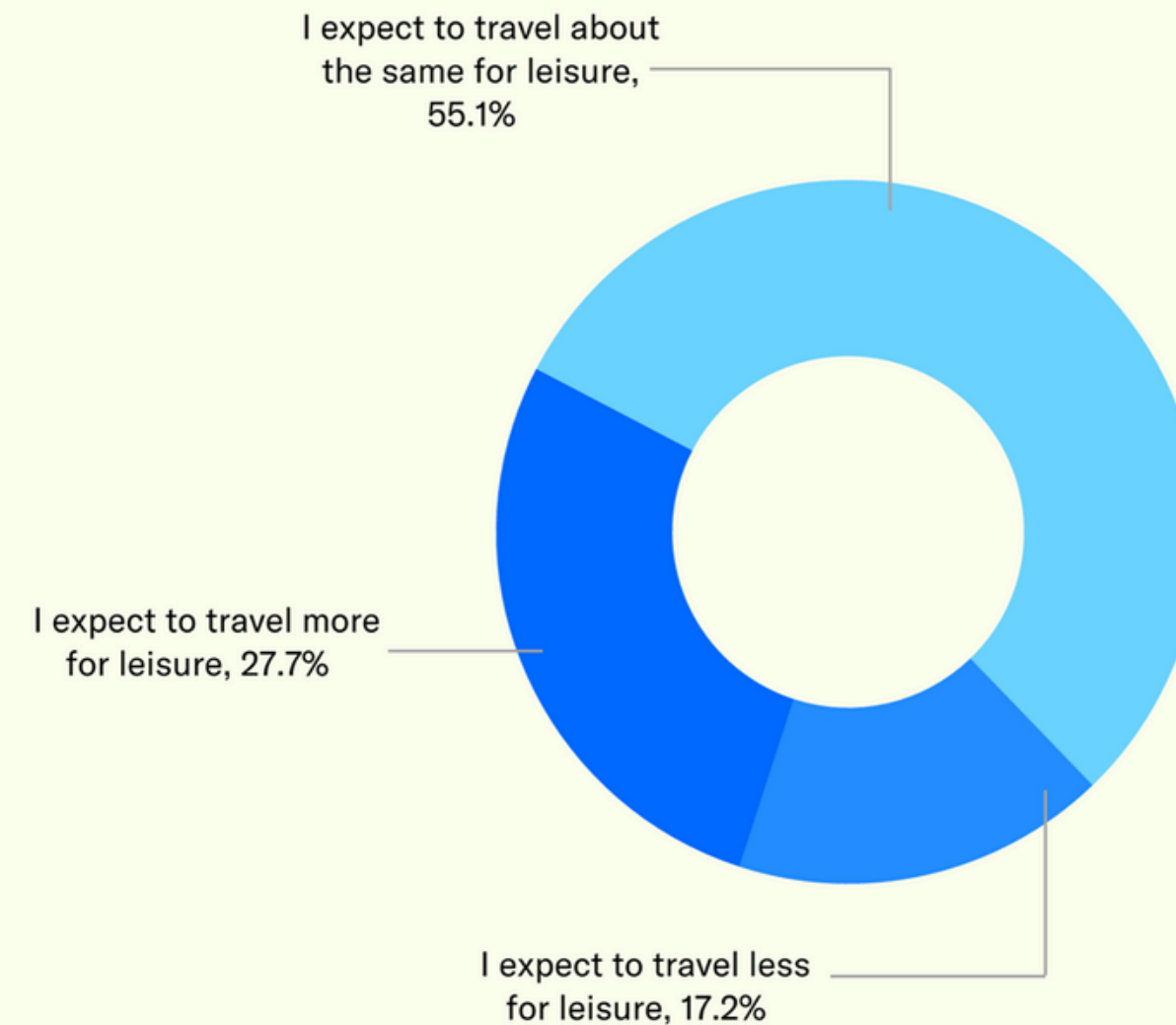
Real consumer spending growth is expected to be stable at 2.1% in 2024 and 2025



EXPECTATIONS FOR TRAVEL: NEXT 12 MONTHS

Question:

In the NEXT 12 MONTHS, do you expect to travel more or less for leisure than you did in the most recent 12-month period? (Select one)



Future Partners

(Base: All respondents, 4,026 completed surveys. Data collected August 16-25, 2024.)

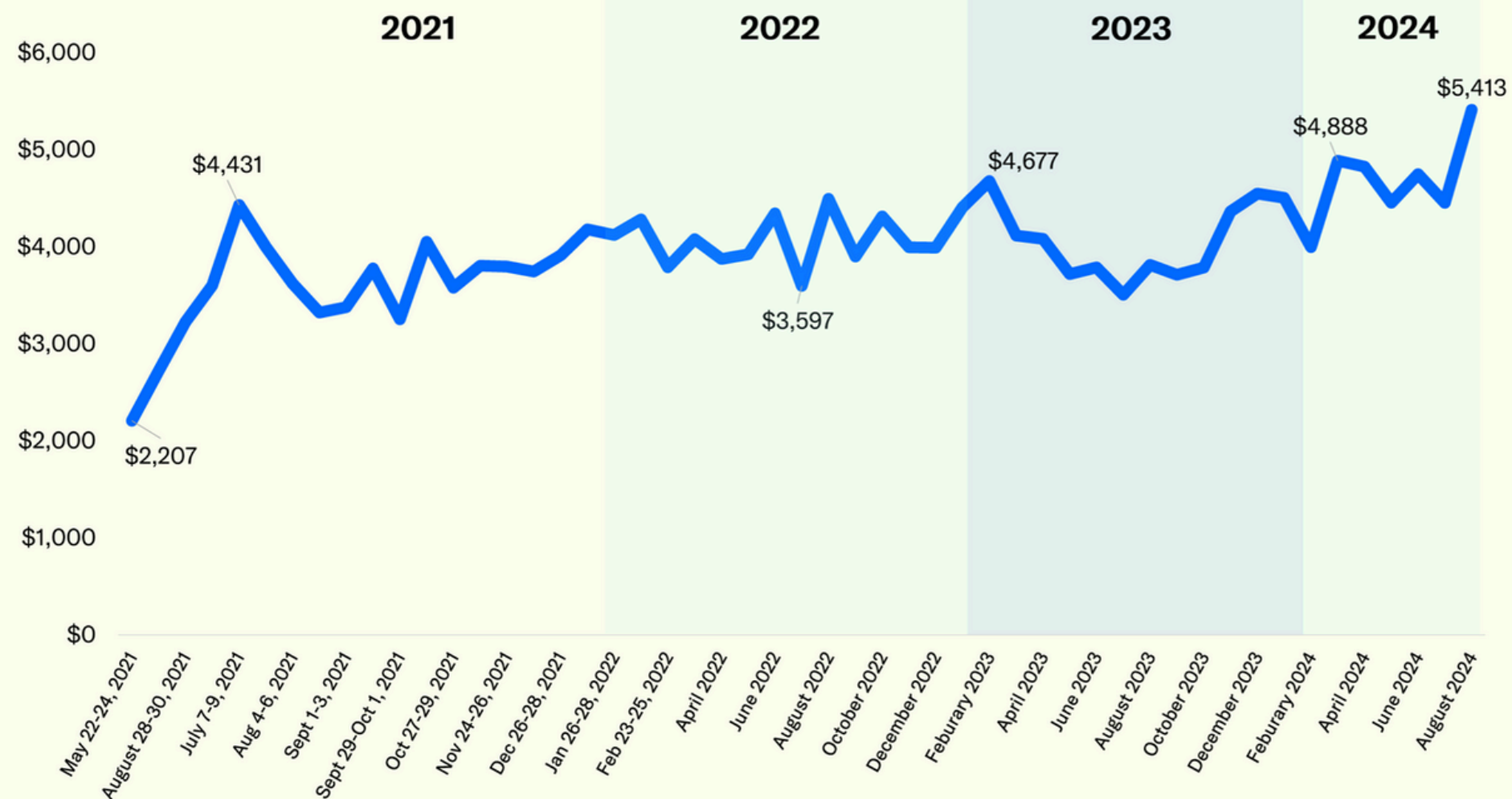


MAXIMUM TRAVEL SPENDING: NEXT 12 MONTHS

Question:

How much IN TOTAL is the maximum you will spend on leisure travel (including airfare, accommodations and all other trip related spending) during the NEXT 12 MONTHS?

Maximum I would spend on leisure travel (next 12 months): _____



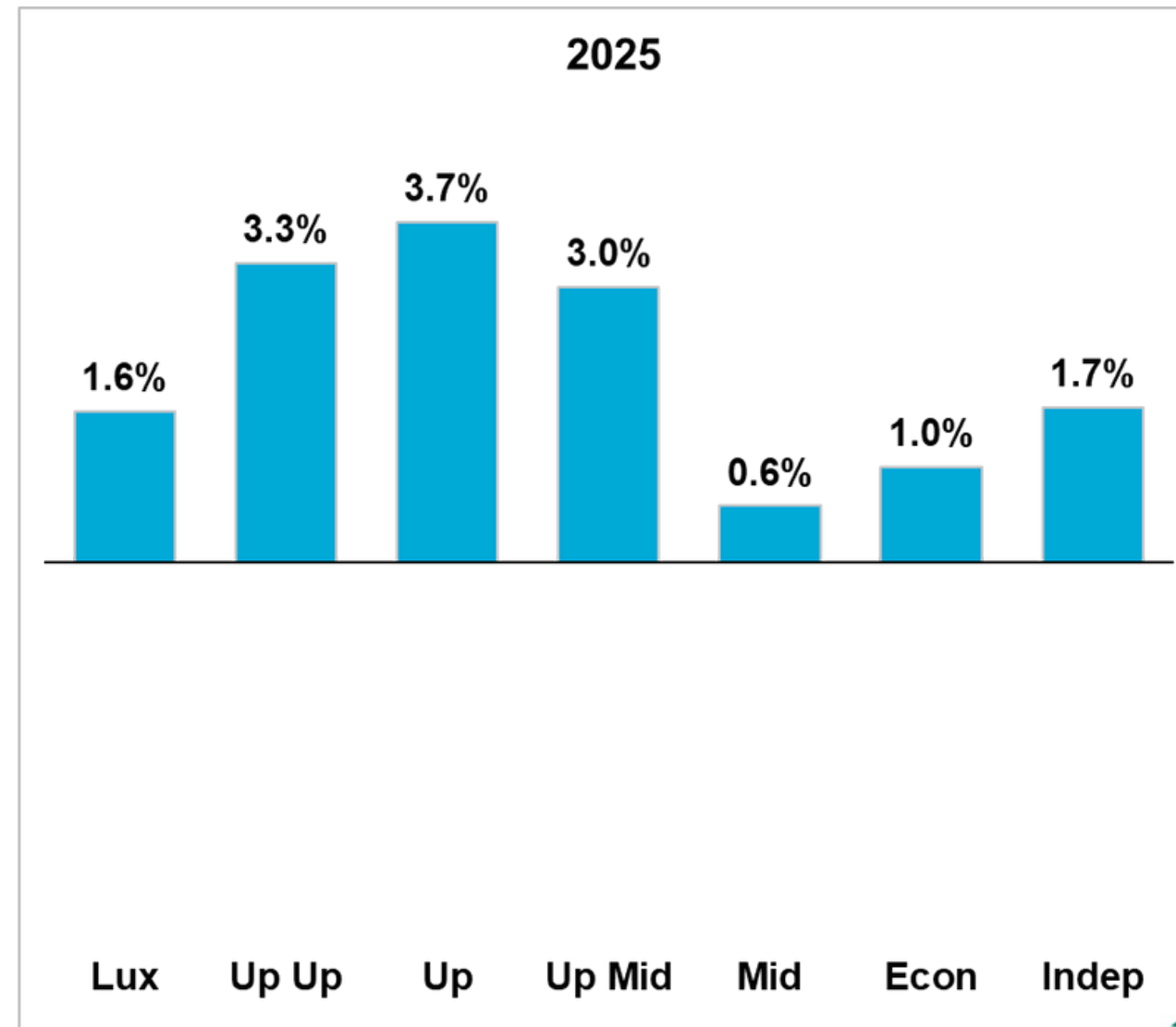
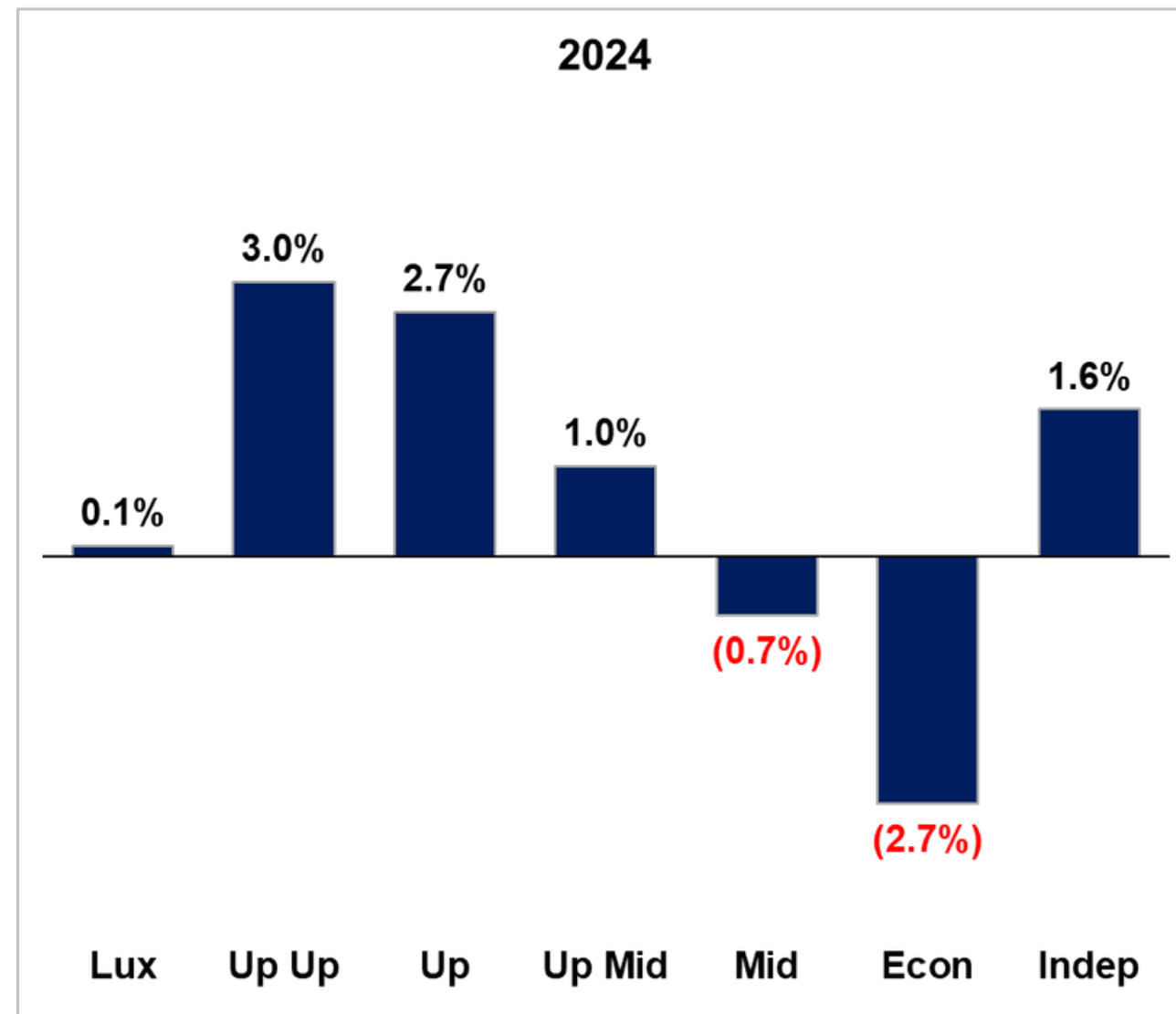
Future Partners

(Base: All respondents, 1,200+ completed surveys each wave in 2021. 4,000+ completed surveys each wave in 2022-2024.)



U.S. PERFORMANCE WEIGHTED TO UPPER-PRICED HOTELS

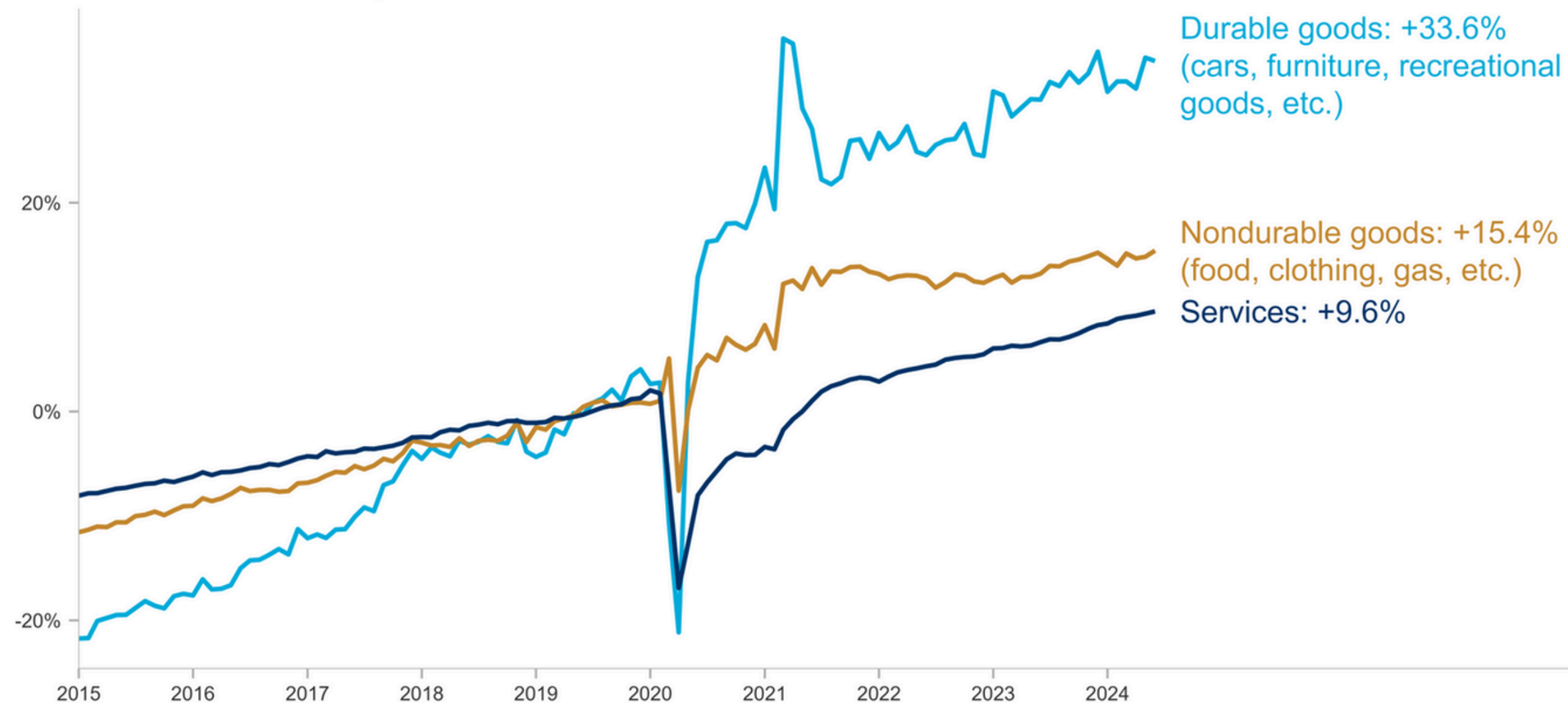
U.S. chain scale RevPAR YoY change, August 2024



DURABLE GOODS SPENDING INDICATES CONFIDENCE

Consumer spending

Percent difference relative to 2019, real



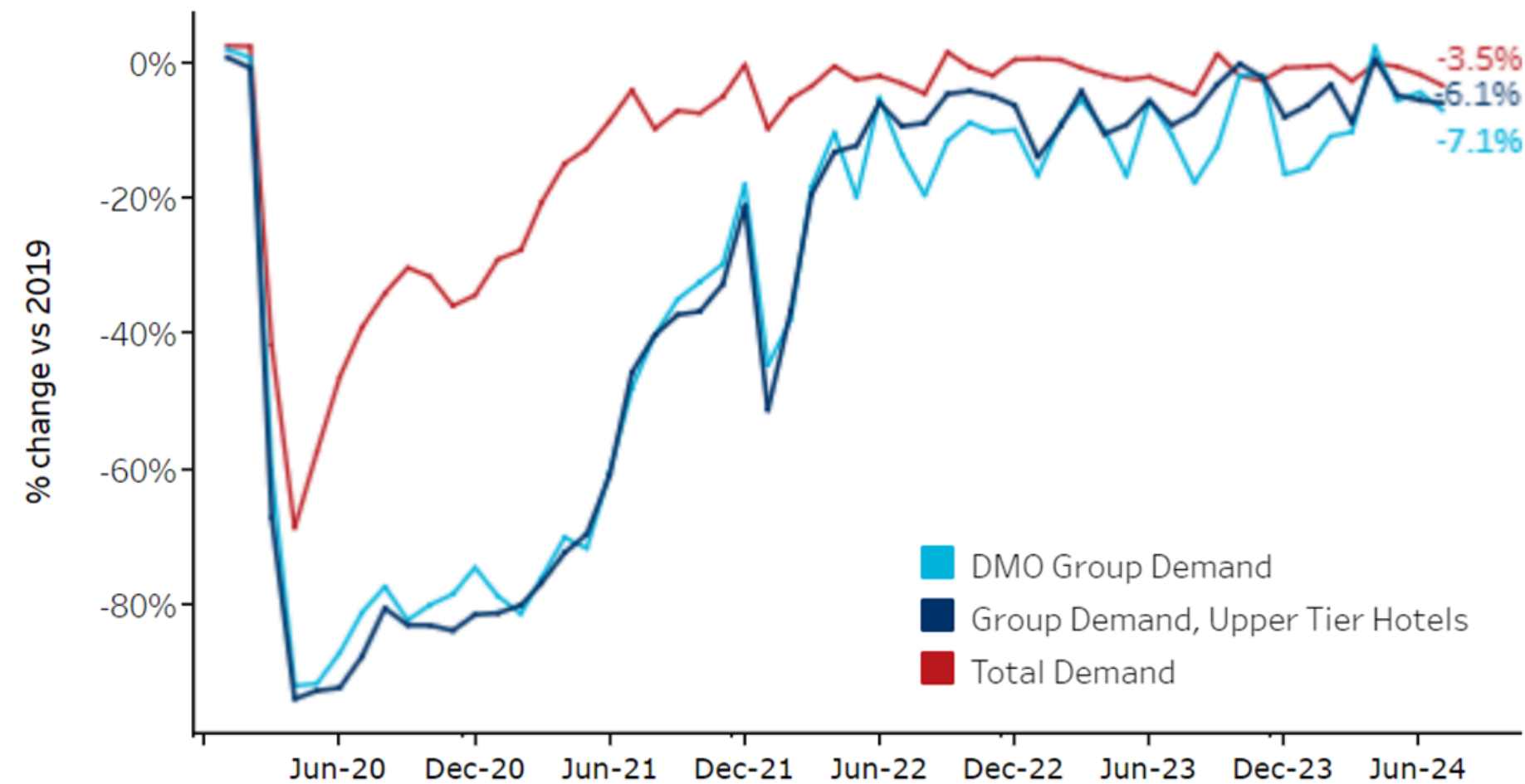
Note: Real. Seasonally adjusted monthly data through June 2024
Source: Bureau of Economic Analysis



GROUP DEMAND STILL IN RECOVERY MODE

Total U.S. Hotel Demand vs Group Demand

Group demand, % change vs 2019

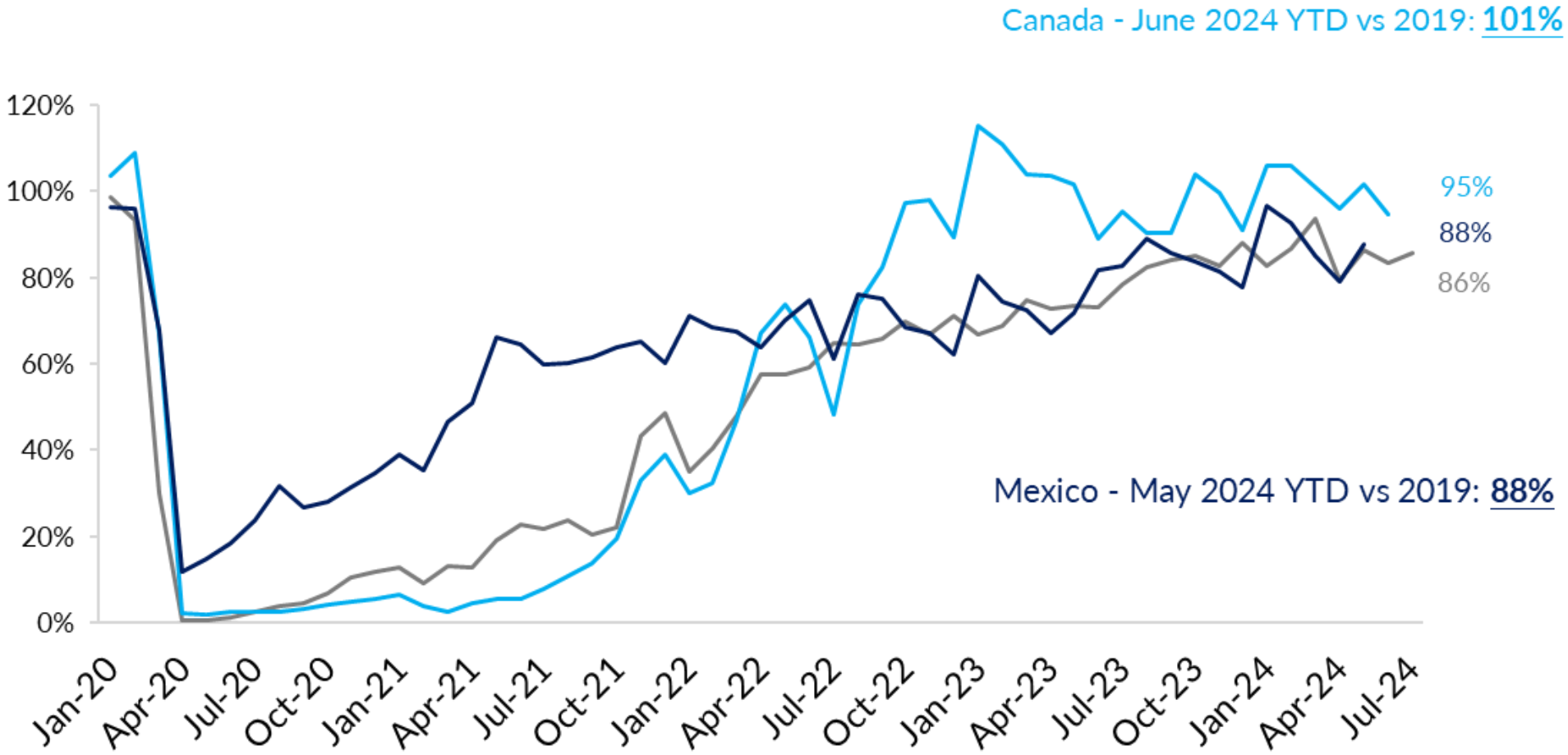


Source: STR (total demand and top-tier group demand), Simpleview CRM (250+ U.S. DMOs)



INBOUND RECOVERY PACE SLOWS BUT REMAINS POSITIVE

US Inbound Travel from North America and Overseas
% relative to same month in 2019



Source: ADIS/ I-94
Note: Lagged data for Canada and Mexico



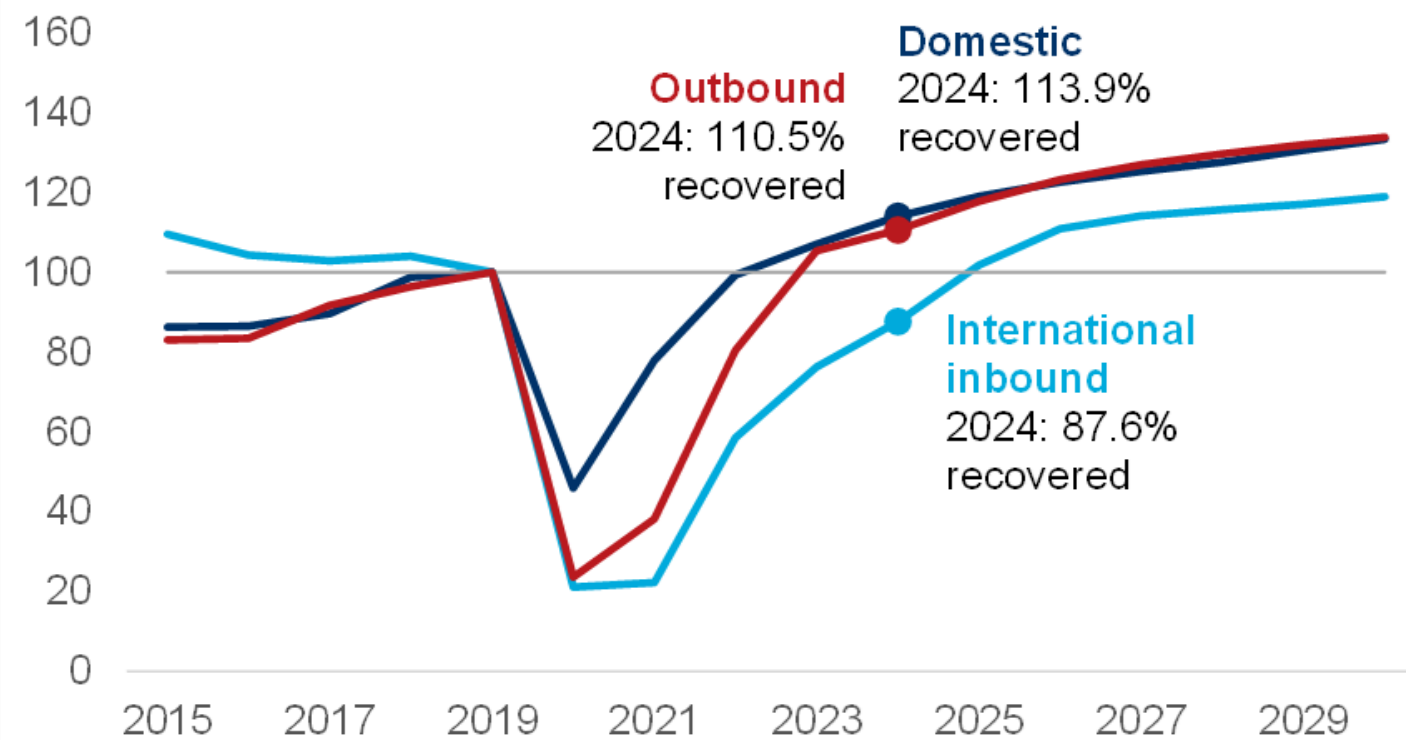
TOURISM DEFICIT PERSISTS, AS US OUTBOUND RECOVERS AHEAD OF INBOUND

US resident spending abroad in 2024 is expected to be 10.5% above 2019 in real terms, compared to 12.4% behind for inbound.

Domestic spending gains are still the largest source of growth, though the pace is slowing.

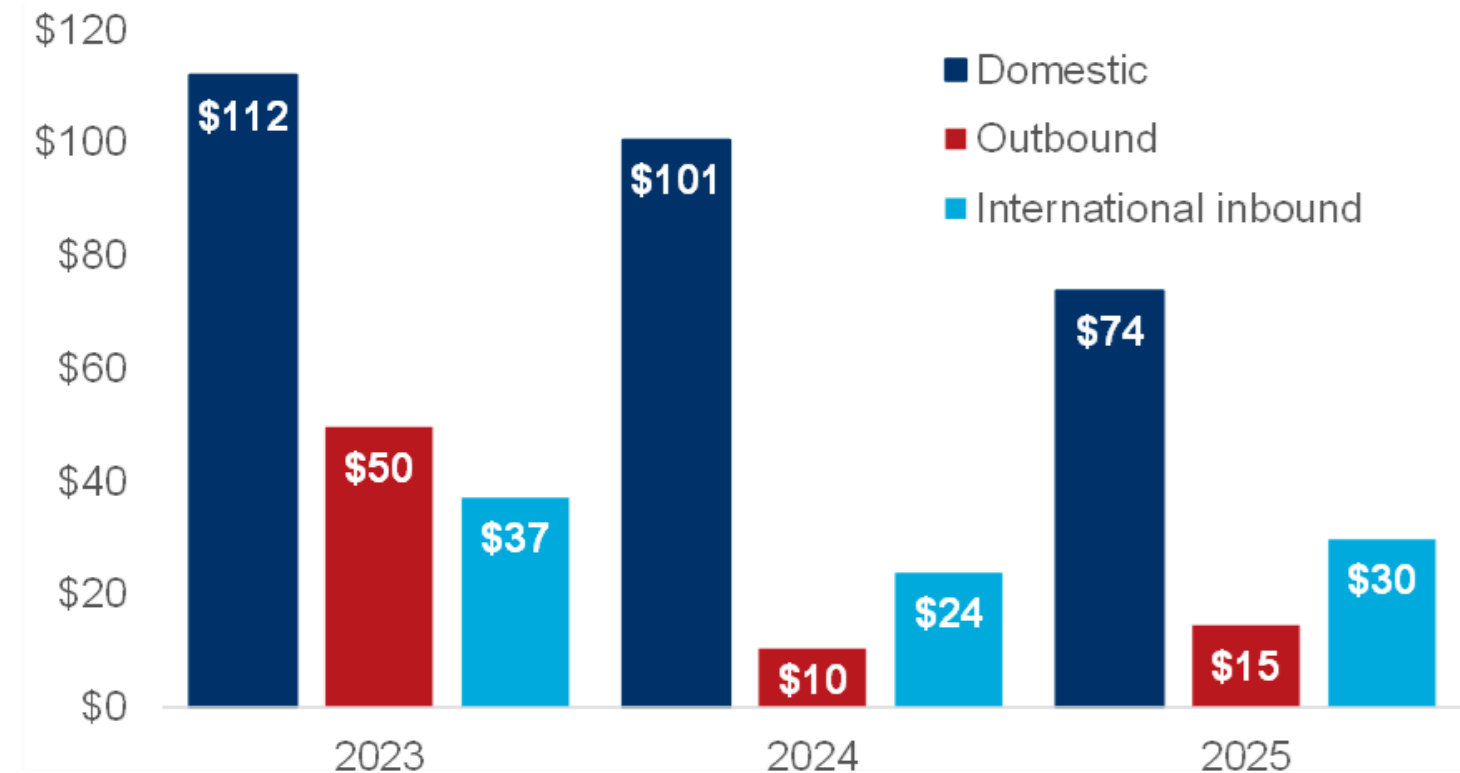
Travel spending within US and US outbound

Index, by origin
2019=100, real



Source: Tourism Economics

Increase each year, by origin
Billions, real, 2023 dollars



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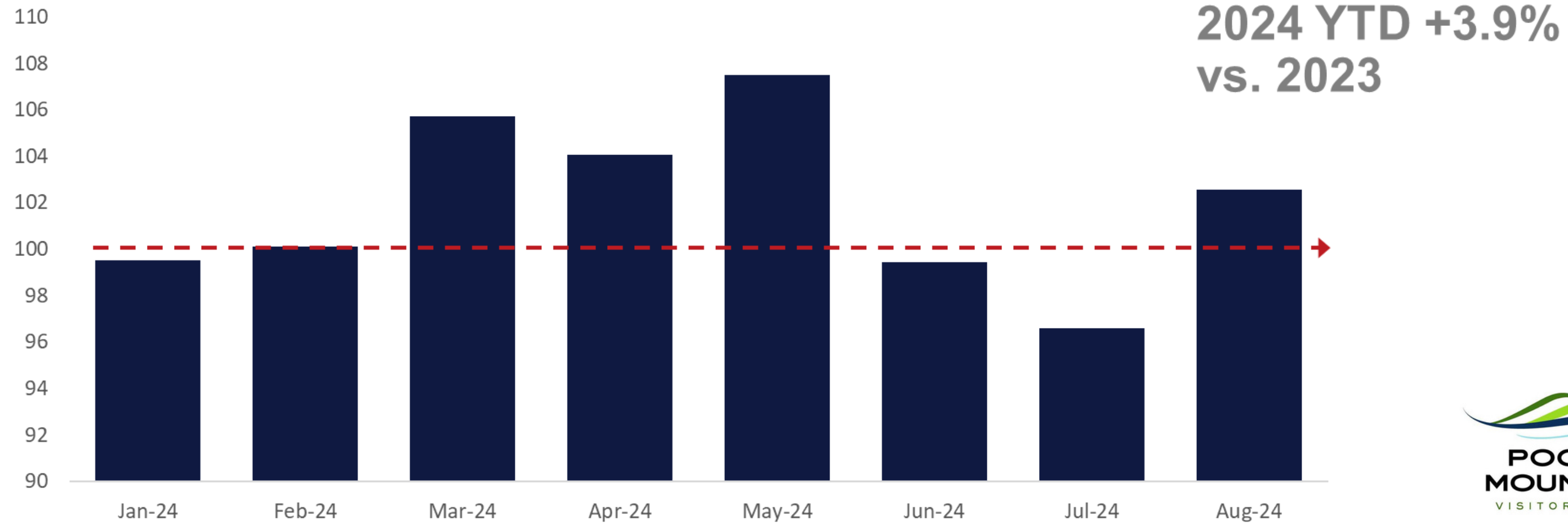
POCONO MOUNTAIN TRENDS



OCCUPANCY RESULTS COMPARED TO PY

Pocono Mountains Occupancy

% of Prior Year level



Source: STR

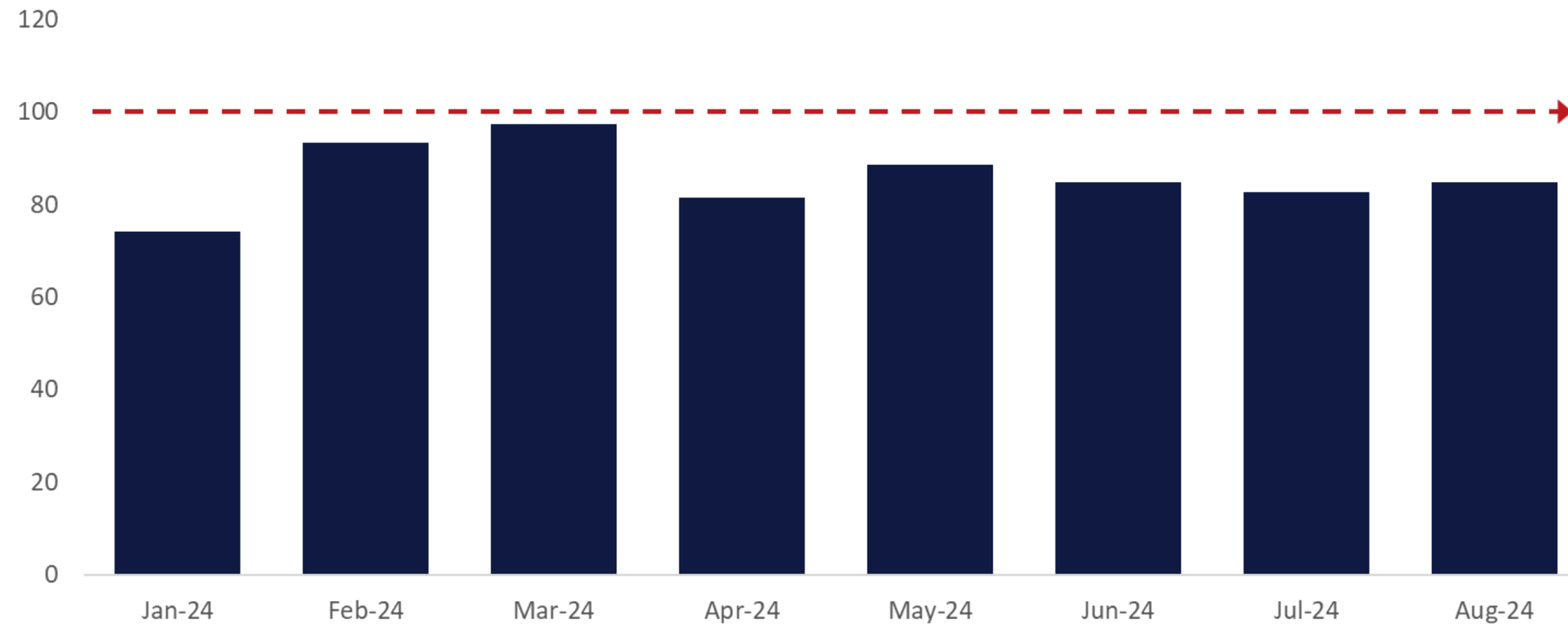


ADR RUNNIG BEHIND PRIOR YEAR IN ALL MONTHS

Pocono Mountains ADR

% of Prior Year level

2024 YTD -13.4%
vs. 2023



Source: STR

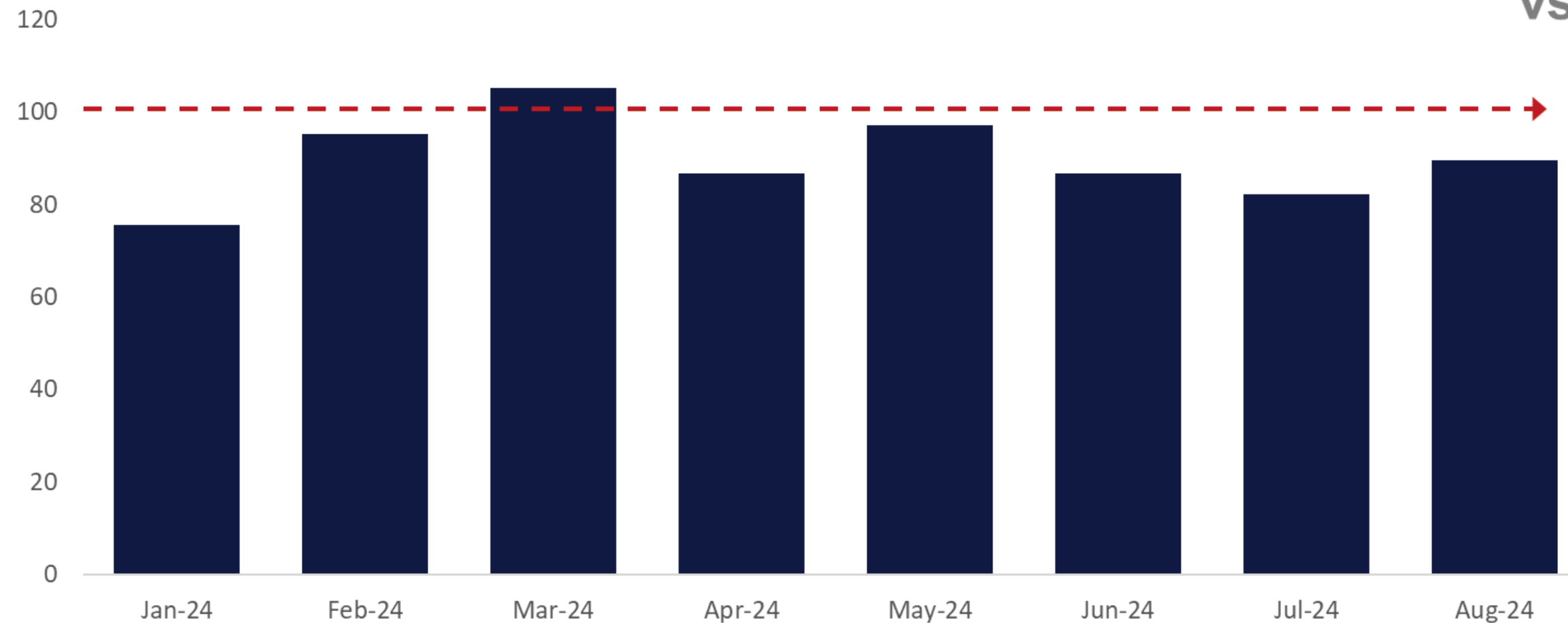


REVPAR RUNNIG BEHIND PY WITH ADR SOFTNESS

Pocono Mountains RevPAR

% of Prior Year level

2024 YTD -10.1%
vs. 2023

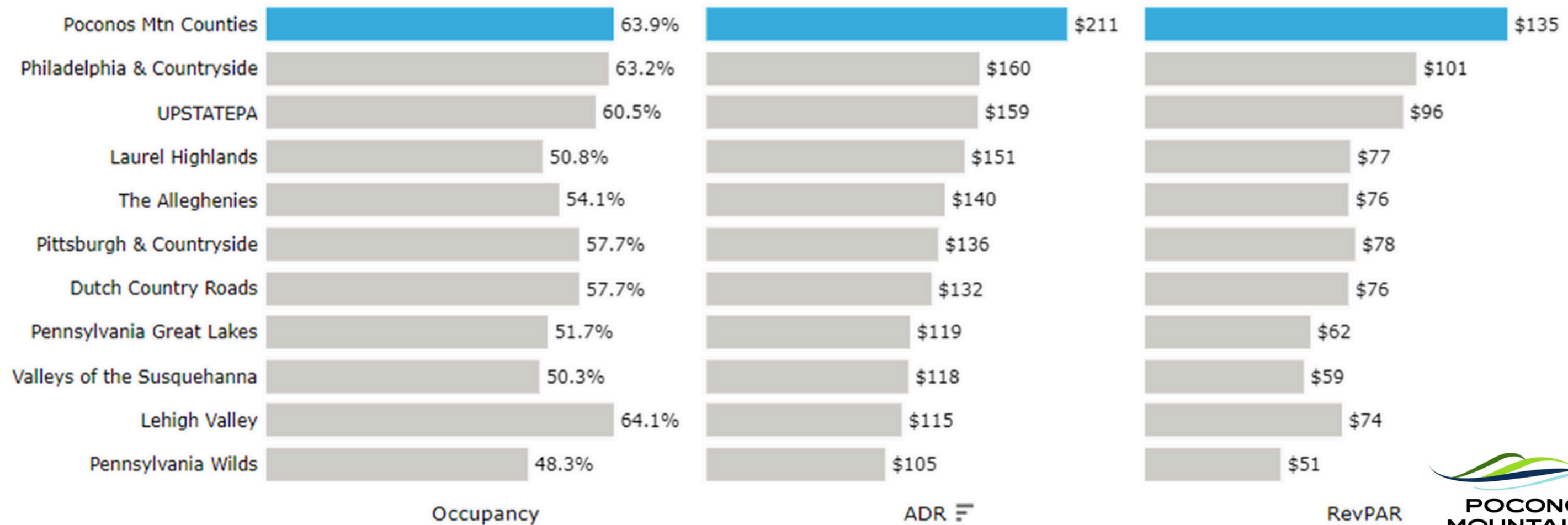


Source: STR



POCONOS HOTELS ADR HIGHEST AMONG PA REGIONS (OCCUPANCY 2ND BEHIND LEHIGH VALLEY)

Jan - Aug 2024, Comp. Markets Hotel KPIs



Source: STR



SHORT TERM RENTALS SEEING YOY GROWTH

	Occ	YOY	ADR	YOY	RevPAR	YOY	Supply	YOY	Demand	YOY	Revenue	YOY
Jan 24	30.3%	-10.7%	\$423	4.7%	\$128	-6.5%	191.2K	1.4%	57.9K	-9.4%	\$24.5M	-5.2%
Feb 24	40.6%	-0.7%	\$405	1.5%	\$164	0.8%	163.2K	4.8%	66.3K	4.1%	\$26.8M	5.6%
Mar 24	28.1%	6.2%	\$385	9.6%	\$108	16.5%	168.8K	--	47.5K	6.2%	\$18.3M	16.4%
Apr 24	33.4%	-12.2%	\$373	7.0%	\$125	-6.1%	132.6K	-4.8%	44.3K	-16.4%	\$16.5M	-10.5%
May 24	38.6%	4.7%	\$379	0.1%	\$147	4.8%	151.2K	2.1%	58.4K	6.9%	\$22.2M	7.0%
Jun 24	43.5%	3.7%	\$398	-2.3%	\$173	1.4%	177.5K	0.1%	77.2K	3.8%	\$30.7M	1.4%
Jul 24	60.7%	1.1%	\$403	-6.8%	\$245	-5.9%	199.0K	3.3%	120.8K	4.4%	\$48.7M	-2.7%
Aug 24	63.4%	10.1%	\$467	11.7%	\$296	23.0%	199.1K	3.4%	126.3K	13.9%	\$58.9M	27.3%

Demand +3.1% YTD
RevPAR +4.4% YTD

Source: AirDNA



3 & 4 BEDROOM+ RENTALS REPRESENT 80% OF MARKET

	Occ	YOY	ADR	YOY	RevPAR	YOY	Total Supply	YOY	Demand	YOY	Revenue	YOY
1 BR	49.0%	▼ -0.4%	\$197	▲ 5.2%	\$96	▲ 4.8%	80.9K	▲ 9.3%	39.6K	▲ 8.9%	\$7.8M	▲ 14.6%
2 BR	45.9%	▲ 1.3%	\$229	▲ 2.1%	\$105	▲ 3.4%	164.3K	▼ -3.8%	75.5K	▼ -2.6%	\$17.3M	▼ -0.5%
3 BR	42.4%	▲ 1.7%	\$317	▲ 0.5%	\$134	▲ 2.2%	547.7K	▼ -1.6%	232.0K	▲ 0.1%	\$73.5M	▲ 0.6%
4 BR+	42.6%	▲ 1.8%	\$595	▲ 2.1%	\$253	▲ 3.9%	581.6K	▲ 5.3%	247.8K	▲ 7.2%	\$147.4M	▲ 9.5%

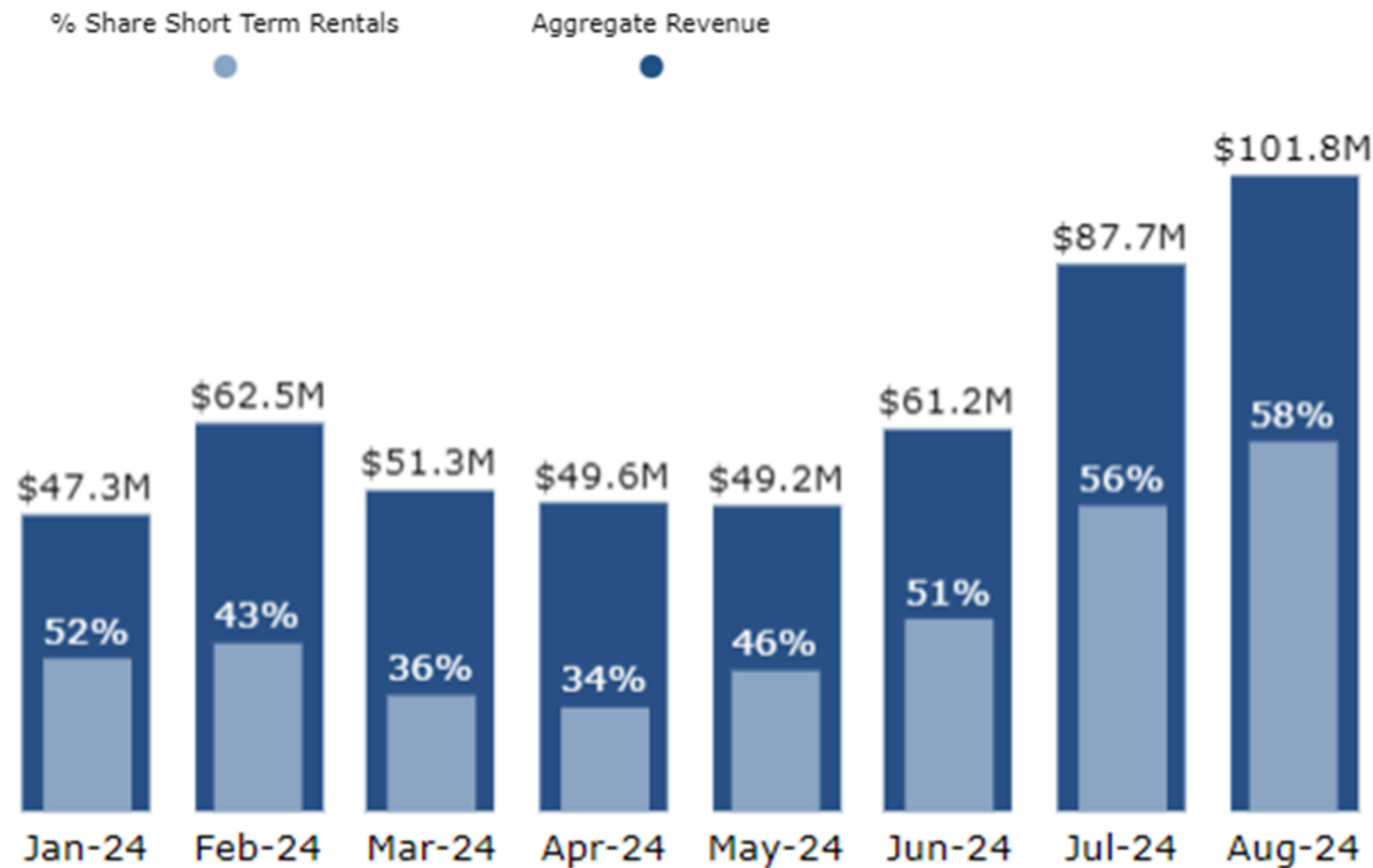
Source: AirDNA



YTD REVENUE ESSENTIALLY 50/50 BETWEEN HOTELS AND SHORT TERM RENTALS

Lodging Revenue & Contribution

Aggregate of Poconos Mtn Counties (Hotels) and Combined Counties (Short Term Rentals)



Combined revenue
\$511M
-4.5% versus PY

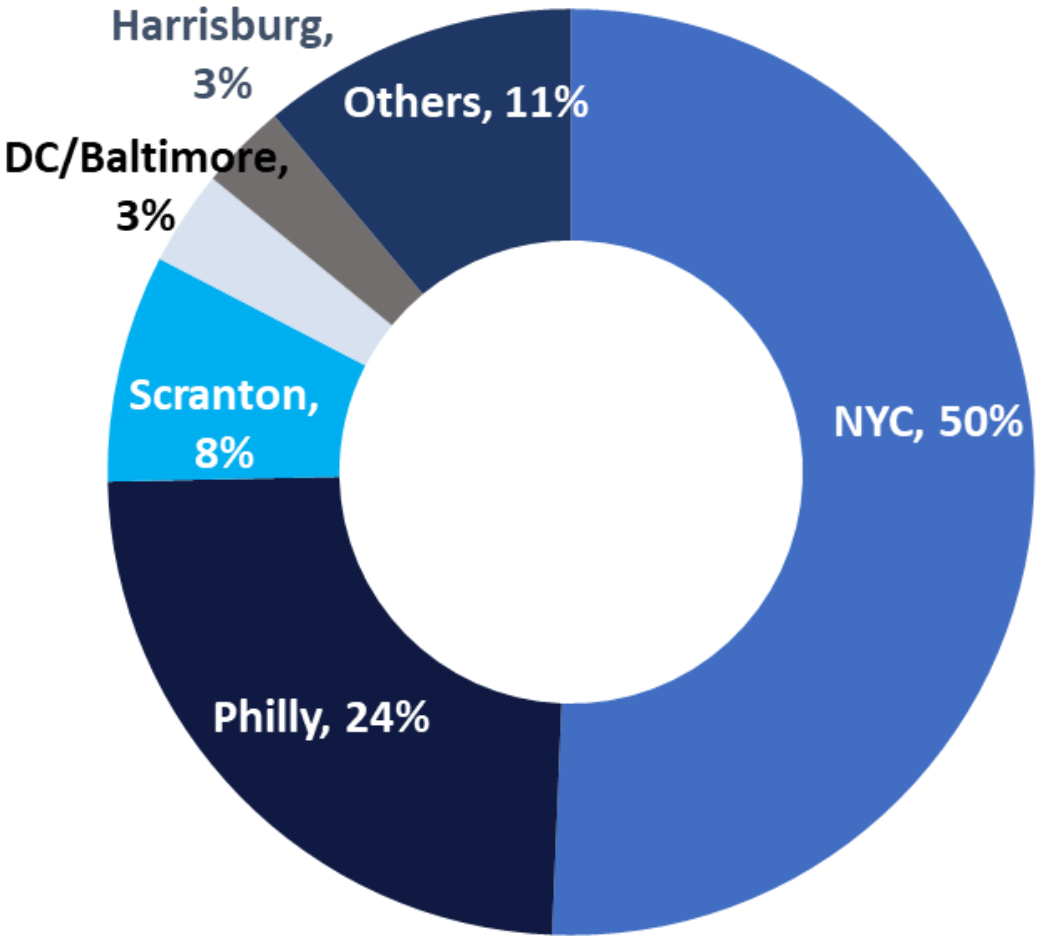
Source: STR & AirDNA



NYC AND PHILADELPHIA METROS COMPRISE 75% OF VISITATION

% of Trips by Origin MSA
August 2024 YTD

- NYC
- Philly
- Scranton
- DC/Baltimore
- Harrisburg
- Others



Source: Arrivalist

