

# Seattle hotels poised to challenge revenue record

## Growth expected to rank higher than national average in 2025

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Seattle's strong leisure travel demand is expected to continue in 2025 with events like the FIFA Club World Cup and the completion of Waterfront Park. The local hotel industry is expanding to accommodate the growing travel appetite.

But a prolonged trade war with Canada over tariffs from the Trump administration could undercut that growth, as Canadian leaders have asked their constituents to avoid travel to the U.S.

It's already been a busy spring for hotel openings. The former Pan Pacific Hotel in South Lake Union recently reopened under new management as 1 Seattle Hotel with 153 rooms. A Residence Inn near the Northgate light rail station was scheduled to open in April with 167 rooms. Later this spring developer Urban Villages plans to open its boutique 120-room Hotel Westlund in Pioneer Square. The project is one of the biggest active investments in the historic neighborhood.

On the Eastside, the InterContinental Bellevue at the Avenue, part of the \$1 billion-plus Avenue Bellevue mixed-use project, opened in July. The Somm Hotel & Spa at 14485 Redmond-Woodin-

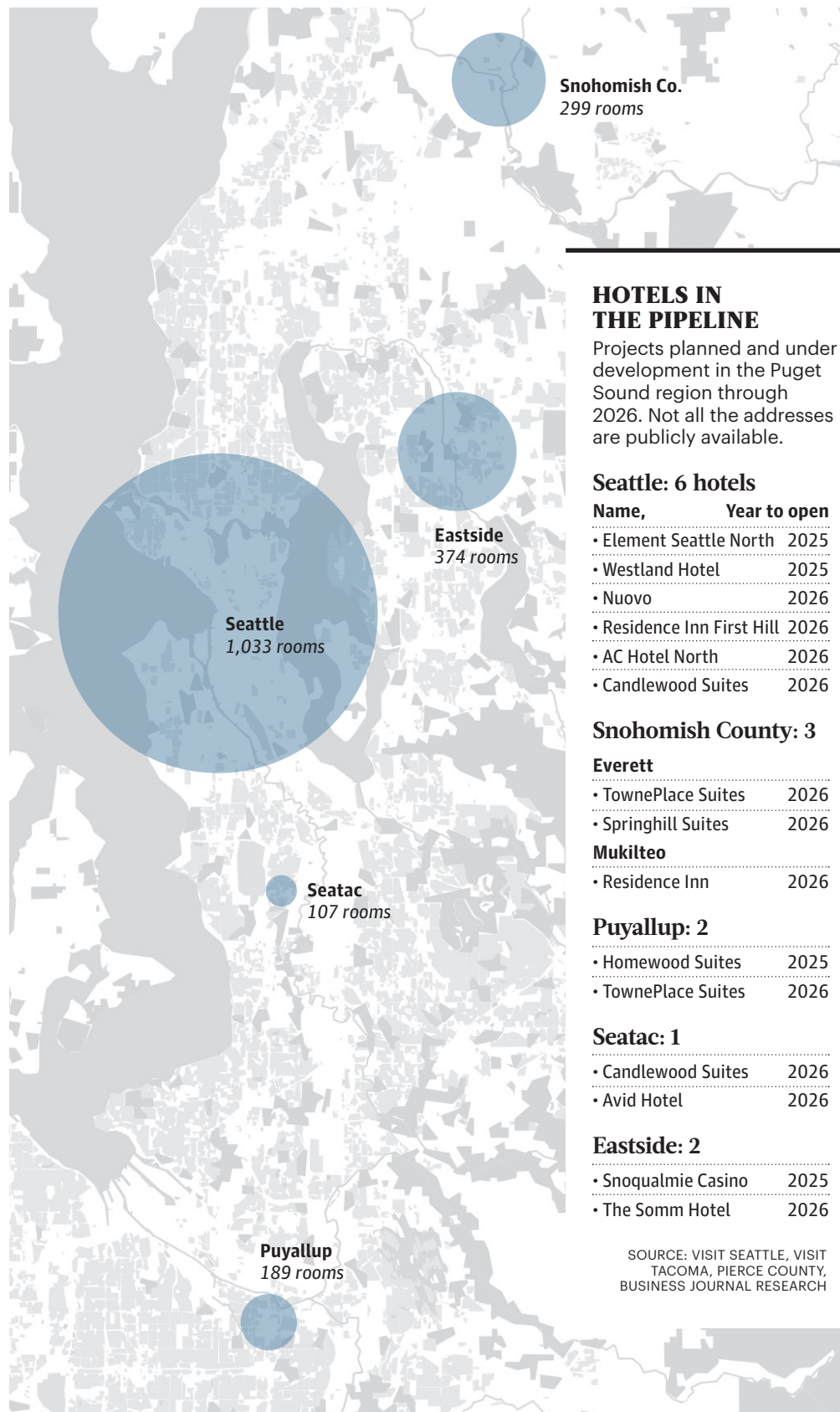
ville Road NE is expected to open in July. The 164-room hotel is one of the anchors of the Harvest development from Wood Mountain LLC.

In all, the global real estate and research firm CBRE predicts Seattle hotel revenues to grow 2.7% this year compared to 2024, higher than the national average of 2%. It would also mark a record high for revenue per available room, a key industry metric. Hoteliers, however, continue to face rising costs that are hampering profit margins.

In Seattle, multiple hoteliers told the Business Journal that it's too early to see any impacts of the trade war, but they are closely monitoring traffic from the border. In 2023, Canadian travelers made up nearly 5% of all visitors to Seattle, with more than 1.6 million Canadians coming to the city and spending an estimated \$555 million, according to Visit Seattle. Both the number of visitors and their spending are expected to have increased in 2024.

"In Seattle, we place great value on the special and important relationship we've long held with our Canadian neighbors," Visit Seattle CEO Tammy Canavan said in a statement last month. "We hope Canadians will continue to let us welcome them with open arms."

Additionally, the looming threat of a recession may prompt companies to again pull back on corporate travel. CBRE's report says additional tariffs and a decision to curb interest rate cuts could stymie the development of additional hotels.



### HOTELS IN THE PIPELINE

Projects planned and under development in the Puget Sound region through 2026. Not all the addresses are publicly available.

#### Seattle: 6 hotels

Name	Year to open
• Element Seattle North	2025
• Westland Hotel	2025
• Nuovo	2026
• Residence Inn First Hill	2026
• AC Hotel North	2026
• Candlewood Suites	2026

#### Snohomish County: 3

Everett	
• TownePlace Suites	2026
• Springhill Suites	2026

Mukilteo	
• Residence Inn	2026

#### Puyallup: 2

• Homewood Suites	2025
• TownePlace Suites	2026

#### Seatac: 1

• Candlewood Suites	2026
• Avid Hotel	2026

#### Eastside: 2

• Snoqualmie Casino	2025
• The Somm Hotel	2026

SOURCE: VISIT SEATTLE, VISIT TACOMA, PIERCE COUNTY, BUSINESS JOURNAL RESEARCH

### OCCUPANCY RATES FOR SEATTLE-AREA HOTELS

While 2024 occupancy rates surpassed pre-pandemic visits in the summer months, on an annual basis they were still estimated to be lower than 2019 levels.

Year	Occupancy rate	Average daily rate	Annual revenue	Rooms sold	
2024		72.8%	\$236.95	\$956M	4,036,437
2023		68.8%	\$233.72	\$898M	3,842,262
2022		64.5%	\$209.68	\$780M	3,525,436
2021		43.0%	\$155.60	\$374M	2,226,329
2020		24.8%	\$137.25	\$183M	1,174,000
2019		79.8%	\$209.89	\$839M	4,188,490

SOURCE: VISIT SEATTLE