



# Massachusetts Lodging Association Outlook 2023

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Milt Herbert, Executive Director of the Boston Convention Marketing Center  
August 24, 2022

- Hotel Room Nights
- Economic Impact
- Hotel Room Nights



# ***Thank You to Our Hotel Partners***

***We cannot accomplish Convention Center performance without this Partnership!***



# What does the Convention Center calendar look like in 2023? *Signature* BOSTON™

*(Estimated actualized)*

- 476,844 room nights (BCEC)
- 209,661 room nights (Hynes)
- 8,220 room nights (short-term & counting)
- 694,725 room nights
- And counting (we still have leads for 2023)



# How does this compare to history?

*(Estimated actualized)*

- 476,844 room nights (BCEC 2023)
- 484,252 room nights (BCEC 2018, highest ever)
- 209,661 room nights (Hynes 2023) vs. 262,496 room nights (Hynes 2017)
- Hynes not being sold for most of the past 2-3 years



# Economic Development Legislation?

## *(Hynes Status)*

- Pending legislation to evaluate retaining the Hynes for the future with a due date to complete the study of 12/31/2023.
- The Hynes has capital investment requirements even if it is to be retained as a convention facility.
- Major components such as the electrical system, the HVAC, etc. need replacement.
- The Hynes will need to close to make the repairs.
- The magnitude of repairs will also trigger the current building code for facilities of this type which will result in other work being needed to be completed.
- The MCCA is currently evaluating the risk factors of keeping the facility open for an unknown period without putting a client in jeopardy.



# Economic Development Legislation?

## *(BCEC Status)*

- Proposal to add flexible space to the south end of the BCEC to include a second ballroom of 75,000 square feet and 23,000 square feet of meeting space at Level 2 of the existing building.
- The BCEC needs a second ballroom (and a larger one to accommodate customer demands).
- Forecast for this addition is to increase room night generation by 124,000 – 158,000 room nights.
- BCEC is operating at the top of industry performance at 70+%. We can do a better mix of business with the expansion.



# Why is the Convention Center business strong coming out of the pandemic?

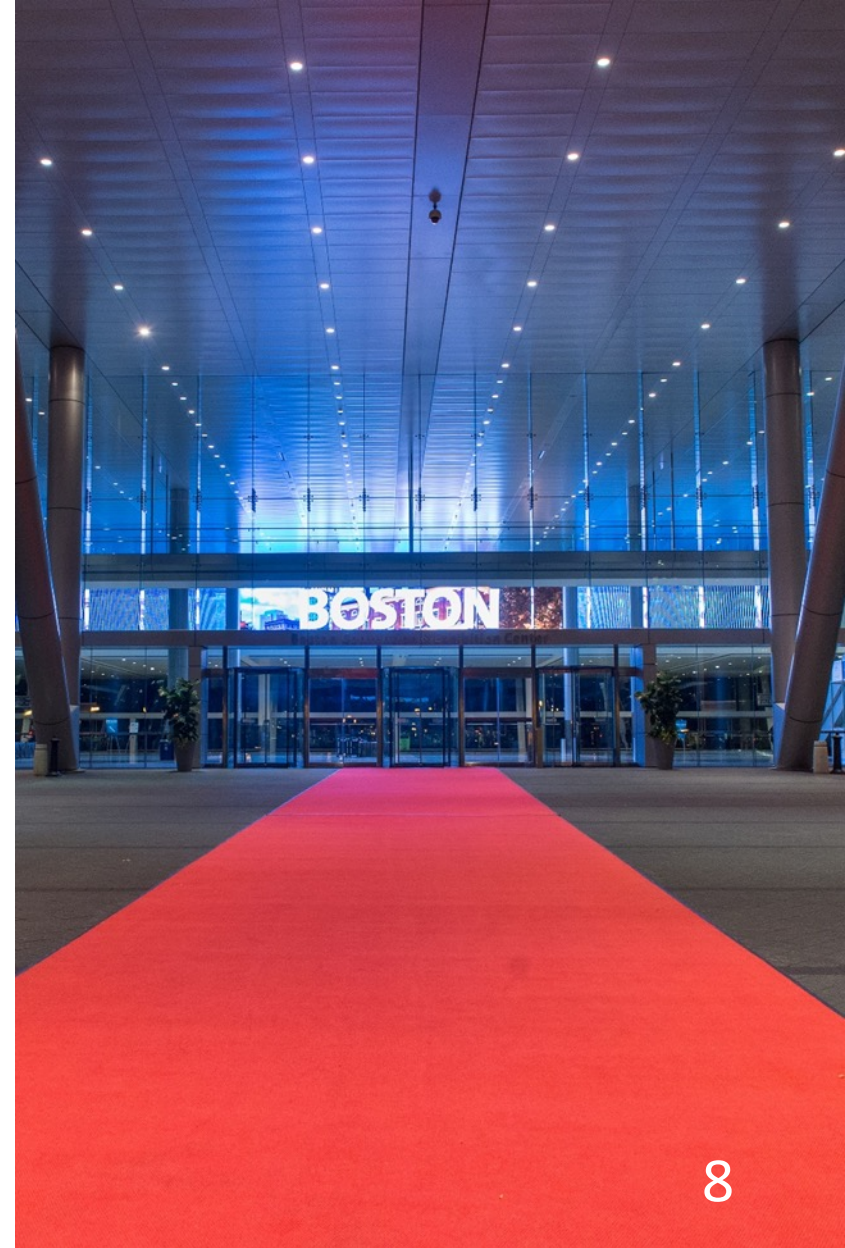
- 70% of convention center business is from associations, which are reliable and predictable.
- Demand for Boston for convention - scale customers is very strong.
- Practice of requiring contracts for committed space with associated room nights puts guarantees on the books that the business will be there.
- The booking calendar for the BCEC for prime months is currently 2029 - 2034 (and beyond).
- We are still booking space in non-prime dates for the years 2025 - 2030.





# When do customers book their convention space for Boston? *Signature* BOSTON™

- Two-thirds of all contracts for 2023 were signed 6 or more years ago.
- Only 20% are signed inside of a 3-year window and these are typically for non-prime dates.
- Furthest out contract is signed for 2037.



# What has been the room night performance of convention center groups coming out of the pandemic?

- 2022 1st quarter – 50% of as booked
- 2022 2nd quarter – 75% of as booked
- 2022 3rd quarter – 85-90% of as booked
- The trend is moving in the right direction



# What are the risks associated with the convention center book for 2023?

- International access to the U.S. is number one, by far.
- Pent up demand for visas in various countries put those countries at risk for attendance.
- There is also an issue in total attendance and the associated room nights over the lingering impact of COVID-19 and its variations.
- Corporate business could be at risk in the face of a recession or down economy.
- We are NOT experiencing concerns for any customers for cancellations.



# Largest Room Night Events 1<sup>st</sup> Quarter 2023

Event	Month	Building	Room Nights
Massachusetts Dental Society Yankee Dental Congress 2023	January	BCEC	13,657
Diversified Communications Seafood Expo North America / Seafood Processing North America 2023	March	BCEC	15,927
Reed Exhibitions - Penny Arcade Expo East 2023	March	BCEC	16,849
NASPA - Student Affairs Administrators in Higher Education Annual Conference and Placement Exchange 2023	March	BCEC	16,215

# Largest Room Night Events 2<sup>nd</sup> Quarter 2023

Event	Month	Building	Room Nights
American Academy of Neurology Institute Annual Meeting 2023	April	BCEC	31,750
Red Hat Inc. Red Hat Summit 2023	May	BCEC	21,100
Drug Information Association Annual Meeting 2023	June	BCEC	23,867
Biotechnology Innovation Organization International Convention 2023	June	BCEC	29,375

# Largest Room Night Events 3<sup>rd</sup> Quarter 2023

Event	Month	Building	Room Nights
Lions Clubs International Annual Convention 2023	July	BCEC	34,747
Cardinal Health, Inc. Retail Business Conference & Pharmaceutical National Meeting 2023	July	BCEC	14,354
Academy of Management Annual Meeting 2023	August	Hynes	21,550
HubSpot, Inc. Inbound 2023	September	BCEC	12,295

# Largest Room Night Events 4<sup>th</sup> Quarter 2023

Event	Month	Building	Room Nights
International Foundation of Employee Benefit Plans Annual Employee Benefits Conference 2023	October	BCEC	24,910
Infectious Diseases Society of America ID Week 2023	October	BCEC	17,040
American College of Surgeons Annual Clinical Congress 2023	October	BCEC	34,500
American Association for the Study of Liver Diseases The Liver Annual Meeting 2023	November	Hynes	21,030

# How about the holidays?

*(Booked over or on the shoulders at the BCEC)*

- BIO (Memorial Day)
- Lions Club International (Independence Day)
- HubSpot (Labor Day)
- Infectious Disease (Columbus Day)

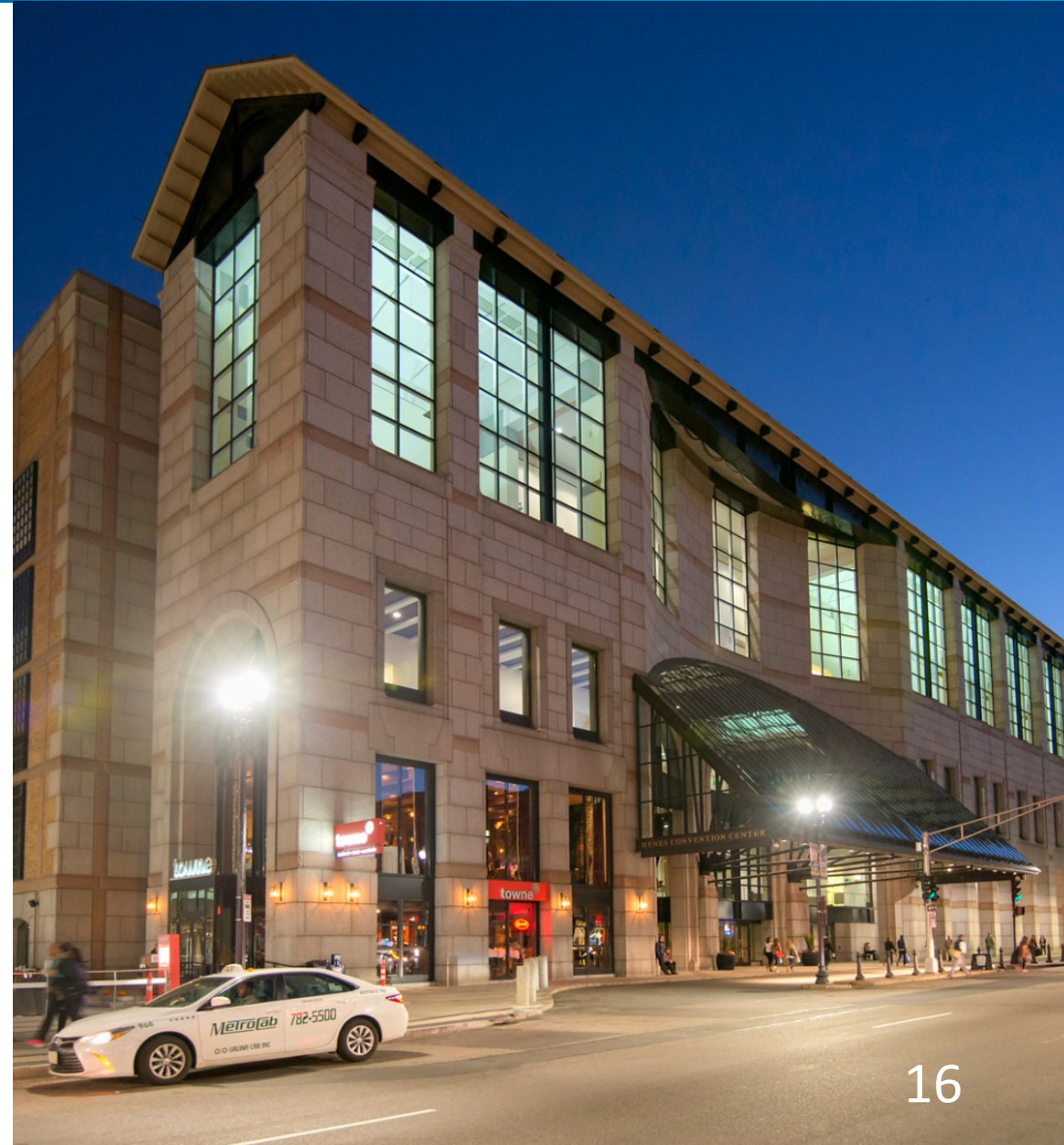




# How about the holidays?

*(Booked over or on the shoulders at the Hynes)*

- Anime (Passover / Easter)
- Liver Disease (Veterans Day)
- Materials Research (Thanksgiving)



# This presentation is about 2023, what does 2024 look like at the BCEC?

- 2023: 476,844 room nights
- 2024: 463,851 room nights (to date)





*Thank you for you time!*

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