

Columbus, Ohio: A Bright Spot for Midwestern Hotels

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The greater Columbus region is the top metro area in the Midwest in terms of GDP, population, and job growth. Contributing to this economic growth are legacy industries and sectors such as finance and insurance, along with education, retail, and health care.

More recently, Columbus has emerged as the leading tech hub of the Midwest. In 2022, **Intel Corporation**, one of the world's largest semiconductor manufacturers, began construction on a \$20-billion manufacturing facility in New Albany, just outside of Columbus. This development has attracted other related companies that are expected to support this operation, further solidifying Columbus as the Silicon Valley of the Midwest.

Other emerging industries in the Columbus region include electric vehicle manufacturing and life sciences. **Honda** and **LG Energy Solution** broke ground in early 2023 on a **joint venture EV battery plant in central Ohio**. The \$3.5-billion investment is expected to be completed by the end of 2024. Within the life-science sector, companies such as **Amgen** and **FarmLite** have expanded operations in the region as well.



This economic growth has led to a robust recovery for the local hospitality sector. Since the fall of 2022, demand in Columbus has consistently surpassed pre-pandemic levels. ADR throughout the Columbus market has also experienced notable growth following the pandemic, primarily driven by high levels of leisure demand. Meeting and group demand has been strong, particularly within the CBD, while midweek transient demand is lagging as companies maintain a hybrid work model.

However, since 2019, over 120 hotels (totaling approximately 3,400 hotel rooms) have opened within 25 miles of Downtown Columbus. This substantial increase in supply has resulted in depressed occupancy, which remains below 2019 levels for the market. Similar regional markets, such as Pittsburgh, Detroit, Chicago, Cincinnati, Cleveland, and Indianapolis, have also not yet reached 2019 occupancy levels. Nonetheless, RevPAR for Columbus is expected to return to pre-pandemic levels in 2024 as hotel demand continues to grow and the new supply is absorbed by the market.

Our work within local markets empowers us to conduct primary interviews with key market participants. This approach ensures we obtain real-time insights and current data for each market we operate in. For more information about the Columbus market or for help making informed investment decisions that align with your goals and risk tolerance, please **contact Brandon Leversee**, your HVS Midwest hospitality expert.

Summary

The diverse array of employers throughout the Columbus region has contributed to the growth of the local economy post-pandemic. This economic growth has bolstered the local hospitality market with expectation of continued growth in the near term.

1 Comments

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