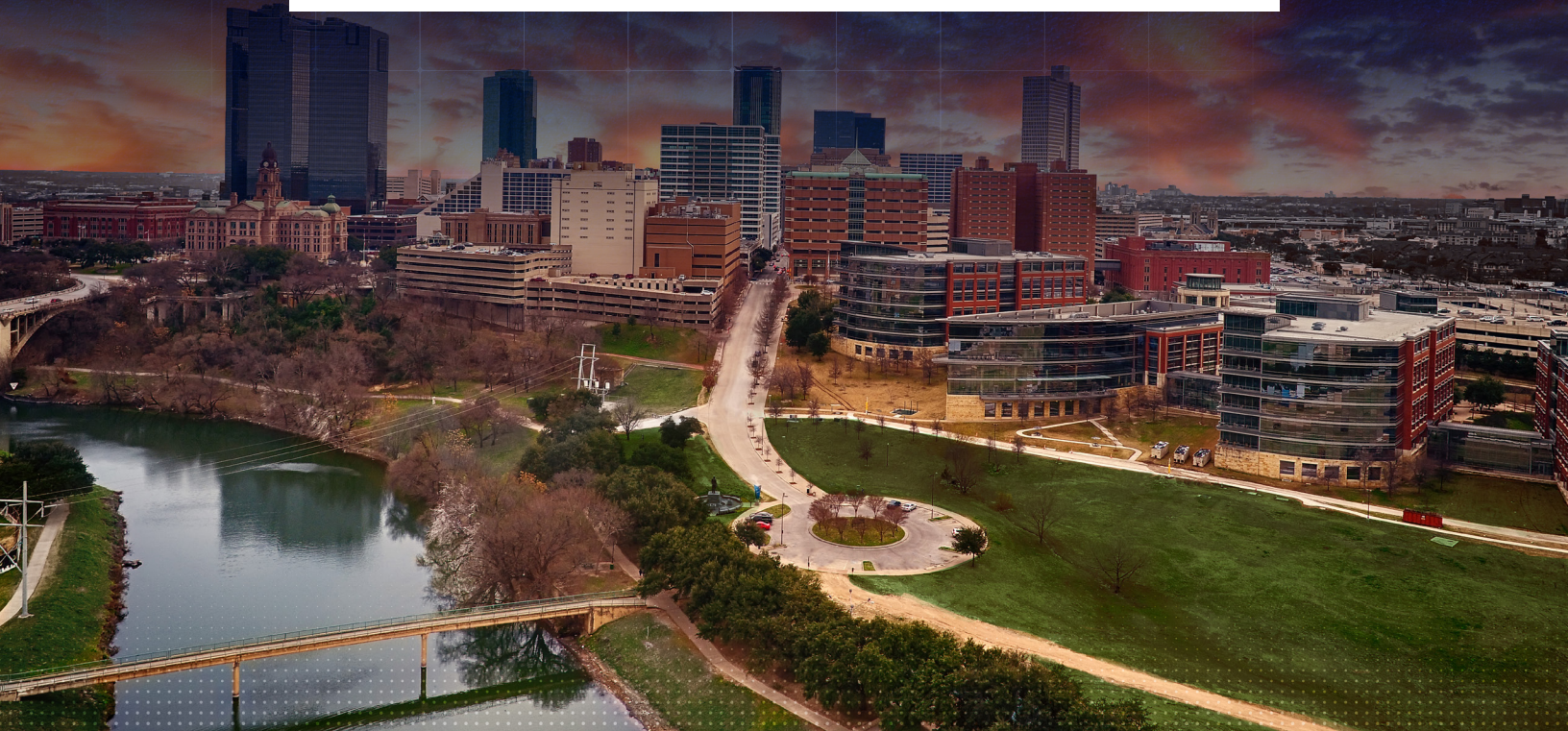




**MATTHEWS**<sup>™</sup>  
REAL ESTATE INVESTMENT SERVICES

# MARKET REPORT

**HOSPITALITY | DALLAS & FORT WORTH, TX**





## MARKET OVERVIEW

Dallas' business hub and tourist popularity have resulted in solid hospitality performance, including ADR and RevPAR. Dallas attracts a diverse range of travelers, including business and leisure. Historically, hotel supply has been limited in Dallas, providing opportunities for [hotel investments](#). In the meantime, strong group promotion and recovering corporate travel demand will continue to drive growth in Dallas throughout 2024.

Meanwhile, Fort Worth's strong leisure demand, driven by the DFW airport, sporting events, and concerts, has positively impacted the market. Fort Worth is a primary destination for the surrounding submarkets because of the influx of new residents, increased corporate relocations, and anticipated increases for group travel due to the new Loews Arlington Hotel and Arlington Convention Center.

## DALLAS

**68.8%**  
OCCUPANCY

**\$127.29**  
ADR

**\$83.76**  
REVPAR

**36.1M**  
SUPPLY

**23.8M**  
DEMAND

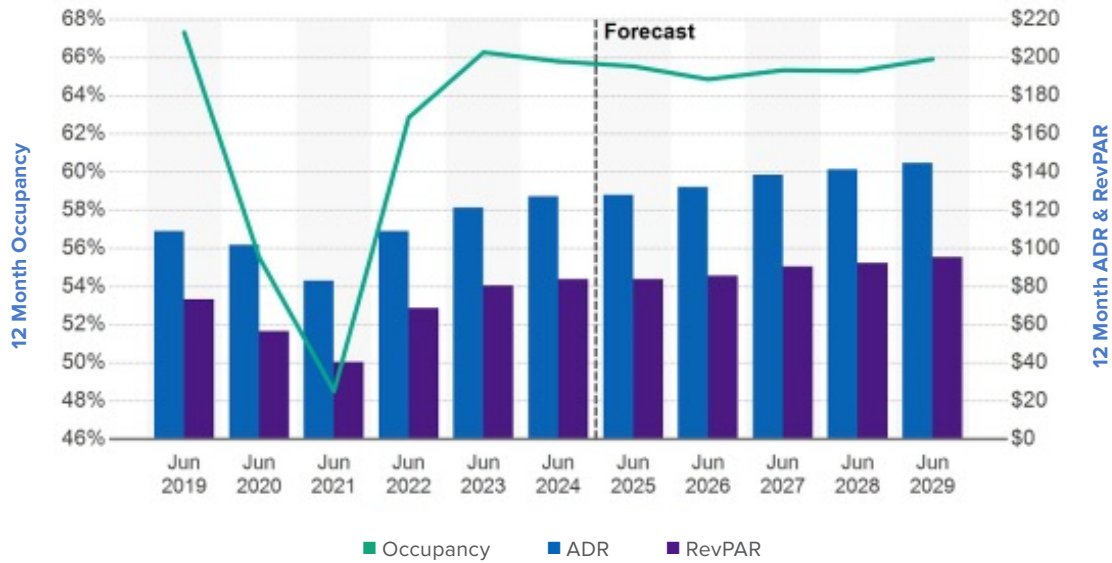
Last 12 Months | Source: CoStar Group

## MARKET PERFORMANCE

The Dallas hotel market had a solid performance through Q3 2024, but has seen some performance fundamentals drop since Q2 2023. ADR has reached \$128, and RevPAR is \$89. As of Q3 2024, RevPAR declined by 3.6% compared to the same period in 2023, likely due to normalizing travel patterns from the surges experienced in 2022 and Q1 2023. Occupancy has been slow to recover due to the increase in hotel supply over the last five years. Room supply has reached 36.2 million as of Q1 2024, a 1.4% increase from 2023 levels. Meanwhile, demand has declined by 0.7% compared to supply growth of 0.8%. Despite a minor decline, demand has made considerable strides toward reaching benchmarks due to increased demand from the group segment traveling for conferences and conventions. As of Q3 2024, 4,000 rooms are under construction, and an additional 3,000 are in the final planning stage.

## OCCUPANCY, ADR & REVPAR

Source: CoStar Group



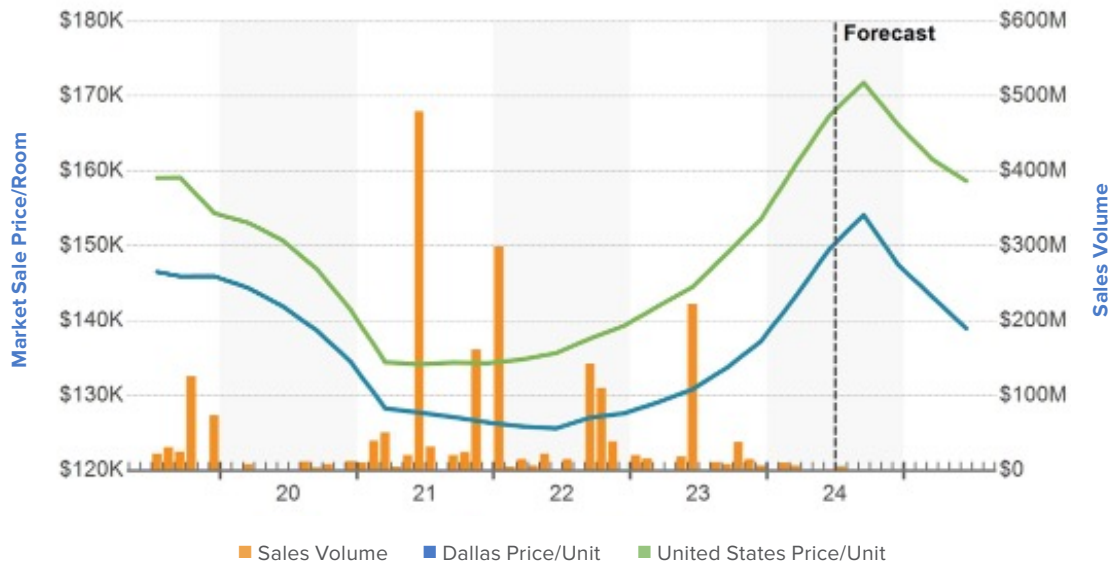
## SALES

Hotel sales have declined by about half from the previous year's transactions. In the past 12 months, hotel sales volume was \$101 million, much lower than the three-year average of \$570 million. Due to Texas being a non-disclosure state, the total sales volume for hotel sales in Dallas cannot be disclosed. However, notable trades last year include the sale of the Marriott Dallas/Fort Worth Westlake hotel in September 2023 and the luxury Virgin Hotels Dallas in June 2023, both for undisclosed prices.

In the past five years, 56% of buyers were private, while institutional buyers accounted for 30% of total sales volume. Investors are keeping a close eye on properties with maturing loans. As of Q3 2024, 41 Dallas hotel properties with active CMBS loans are due to mature in one year, which could spur an increase in trade activity in the market with expected interest rate decreases and more stable lending.

## SALES VOLUME & MARKET SALE PRICE PER UNIT

Source: CoStar Group





# FORT WORTH

**66.2%**  
OCCUPANCY

**\$132.58**  
ADR

**\$87.82**  
REVPAR

**14.9M**  
SUPPLY

**9.8M**  
DEMAND

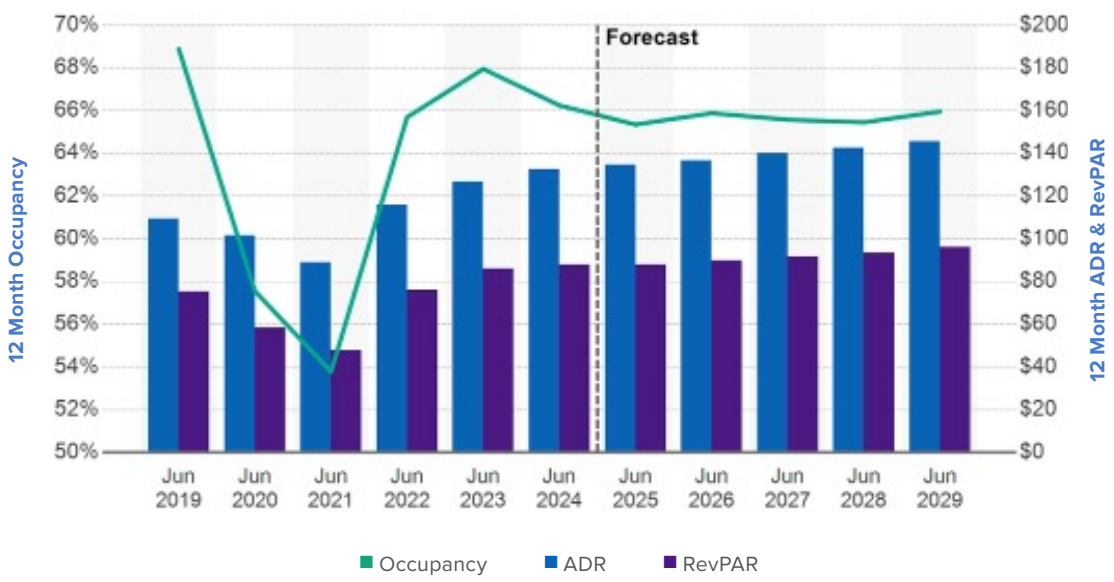
Last 12 Months | Source: CoStar Group

## MARKET PERFORMANCE

The hotel market in Fort Worth, Texas has seen some fundamental declines as of Q3 2024. ADR is \$132.58 and RevPAR is \$87.82. RevPAR declined by 2.2% compared to the same period last year; however, it is forecast to grow by 2% by the end of 2024. The decrease in RevPAR is primarily due to a 0.3% drop in occupancy, which offset ADR's increase of 2.5%; still, this number is projected to grow by 2.7% by the end of the year. Meanwhile, demand is expected to help occupancy by 3% this year. Despite the slow start to 2024, hotel performance is expected to improve at more moderate growth levels as the year progresses. The market currently has 21 hotels under construction, adding 2,200 rooms by 2026. Seven of those properties are expected to deliver 950 rooms in 2024.

### OCCUPANCY, ADR & REVPAR

Source: CoStar Group



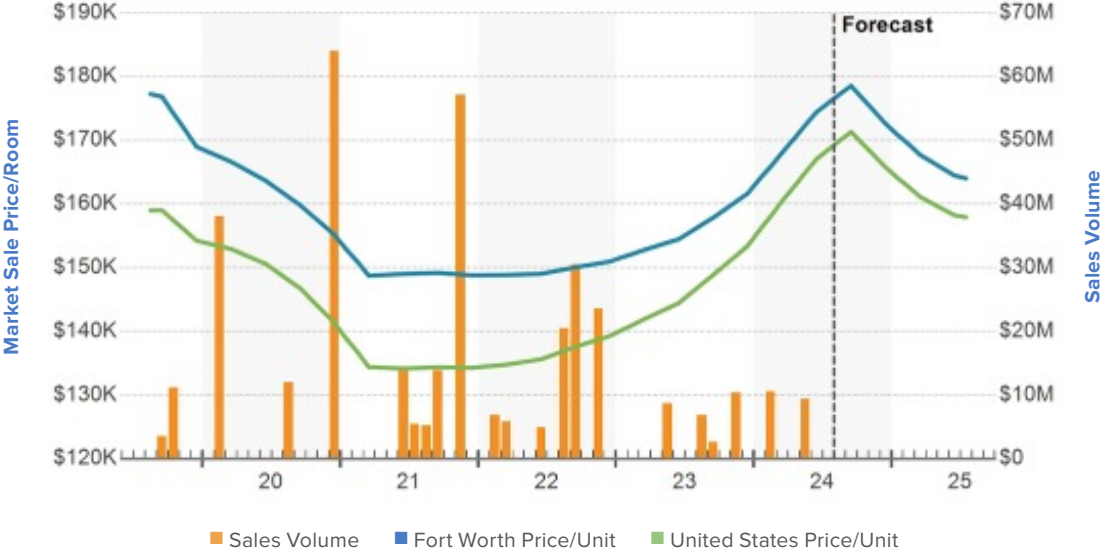


# SALES

Hotel investment activity has slowed but is still in line with national trends. So far, there have been \$37 million in hotel sales in 2024, compared to the three-year annual sales volume average of \$78.5 million. Last year, there were 21 hotel sales; however, in 2024, there has only been one sale, the 100-room Aloft Hotel.

## SALES VOLUME & MARKET SALE PRICE PER UNIT

Source: CoStar Group



*For more information,  
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