New York State Comptroller
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The Hotel Industry in New York City

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Prepared by the Office of the State Deputy Comptroller for the City of New York

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Overview

The New York City hotel market provides a critical service for a major global tourism destination.[1] Historically, New York State's hotel market is the fourth-largest in the nation, behind California, Texas and Florida.[2] The New York City hotel industry experienced strong growth in the decade preceding 2020 but was hit very hard by the pandemic. The hotel industry has since recovered and has remained resilient as visitors have returned in recent years. However, the composition of visitors to the City has changed, which has implications for hotel demand.

The City's hotel market has been a leader of post-pandemic recovery among the nation's largest hotel markets.[3] The New York City hotel industry ranked highest in the nation for hotel occupancy, room rates, and revenue per available room (RevPAR) in 2025. Hotel demand is supported by domestic and international visitors which, prior to the pandemic, had reached a record 66.6 million visitors, a figure that has steadily climbed back toward in recent years (see OSC's initial and updated analysis of the tourism industry).[4] New York City has historically welcomed more international visitors than any other U.S. hotel market due to its cultural attractions and geopolitical institutions.

Still, domestic visitors have led the recent recovery, as international visitors continue to lag as geopolitical disruptions, federal trade and immigration policies have slowed their full, anticipated recovery over the past 18 months. These visitors tend to spend more than domestic visitors and a full recovery is reliant on these international visitors returning. The pandemic also hurt hotel supply, with rooms going offline and hotels shuttering; some supply has also been used to house homeless residents and asylum seekers since 2020. Supply has strengthened in recent years: in 2026, the New York City hotel industry is expected to lead the nation with 4,852 rooms in the pipeline.

Despite relatively strong hotel demand, risks to the overall growth of the hotel industry remain. Overcoming these risks remains a key priority, as hotel employment reached 45,325 in 2025, still down 12.9 percent from 2019. A majority of the hotel workforce lives in New York City and it is one of the City's most demographically diverse industries, with 63 percent of workers being foreign-born, the highest share among City industries. Consequently, the hotel workforce has been pressured by federal immigration policies.

The hotel industry remains vulnerable to changes in domestic and international economic conditions and recent geopolitical events have continued to hinder a full recovery in international visitors, which were initially anticipated to reach pre-pandemic levels by 2025. However, major events and the expansion of entertainment activities in the City are likely to support continued hotel demand in the near-term, fueling the hotel industry's prospects and maintaining the City's leadership among national tourism markets.

Key Findings

- **In 2025, New York City welcomed 65 million visitors (52.4 million domestic; 12.5 million international), nearly two times the level in 2020, but about 2.4 percent below 2019.**
- **The recovery of tourism has been led by domestic and leisure visitors with domestic visitors reaching 98.7 percent of 2019 levels in 2025, compared to 92.6 percent for international visitors in the same year.**
- **In 2025, the number of average monthly active hotel rooms was 124,000, up 1.9 percent from 2024 (121,700).**
- **In 2025, the City hotel market had 1,003 hotel establishments, an increase of 11.2 percent from 2020.**
- **In 2026, for the second consecutive year, New York City is projected to lead the nation in new hotel construction.**
- **The City hotel pipeline currently has 24 hotel projects in active development with 5,778 rooms through 2028, down significantly from the 15,777 rooms under construction in 2020.**
- **In 2025, New York City hotel occupancy was 84.1 percent; average daily room (ADR) rate was $333.71; RevPAR was $280.71.**
- **In 2025, the City hotel RevPAR was $280.71, an increase of 4.5 percent from 2024; in comparison , RevPAR declined nationally in 2025 for the first time since 2020.**
- **Compared to 2019, both ADR and RevPAR were higher in 2025, but adjusted for inflation they were lower than 2019 levels. Hotel occupancy is still lower in 2025 compared to 2019 levels.**
- **New York City has led the nation with the highest hotel occupancy rate for three consecutive years, but the rate remains below its own pre-pandemic level.**
- **In 2020, during the pandemic, City hotel employment declined 41.9 percent from 2019, with Manhattan losing the most jobs among the five boroughs. In 2025, City hotel employment had not fully recovered and was still down 12.9 percent from 2019.**
- **In 2024, nearly 81 percent of hotel workers lived in New York City with 47.2 percent of hotel workers living in Brooklyn and Queens.**
- **In 2024, about 20 percent of hotel workers in the City had no high school (HS) diploma, which is the second-highest share for an industry, behind construction workers (24.6 percent).**
- **In 2024, room attendants made up the largest share (29.2 percent) of occupations in the New York City hotel industry, around the same as in 2019 (29.7 percent).**
- **Visitors spent an estimated $13.9 billion on lodging in 2025, higher than the $11.9 billion spent by visitors in 2019.**
- **The hotel industry contributed $2.4 billion in tax revenue to the City in fiscal year (FY) 2025, up more than 11.9 percent from fiscal year 2019.**

Strong Hotel Demand Fueled by Domestic Leisure Visitors

Visitors to New York City drive hotel demand and are vital to the industry's growth. The City experienced very strong growth in tourism in the decade from 2010 to 2019, leading to an increase in the supply of rooms and the number of firms and employees in the industry. In 2019, New York City welcomed a record 66.6 million visitors (53.1 million domestic; 13.5 million international). (See OSC's [Tourism Sector Dashboard for details](). [5]) New York City total visitors declined 66.5 percent year over year in 2020 to 22.3 million due to the pandemic and related travel restrictions and business closures.[5] International and business visitors were the most significantly affected, while domestic and leisure travelers, which make up a larger share of total visitors, saw a larger total decline.

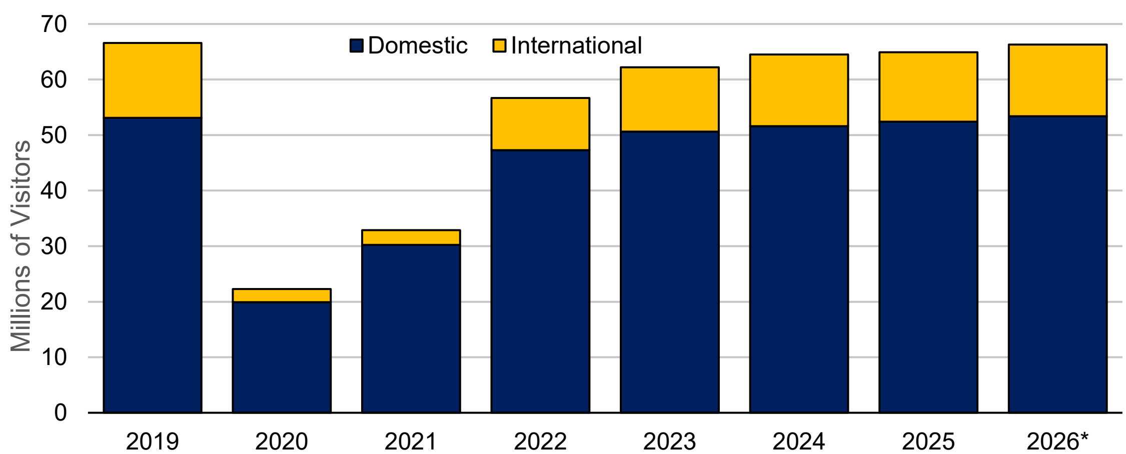
Domestic Travelers Lead the Recovery

The recovery of tourism has been led by domestic and leisure visitors. In 2025, New York City welcomed 65 million visitors (52.4 million domestic; 12.5 million international), nearly two times the level in 2020, but about 2.6 percent below 2019 (see Figure 1).[6] Domestic visitors reached 98.7 percent of 2019 levels in 2025, compared to 92.6 percent for international visitors in the same year. Concerningly, the number of international visitors dropped from 2024, a trend that affected international visitations nationwide as more stringent border policies were enacted by the federal government.

Among the top tourist cities in the U.S., New York consistently ranks the highest for international visitors.[7] In 2025, New York City received around 19 percent of total international visitors to the United States. International visitors take on added importance for hotels and for tourism spending, as they spend an average of 2.7 nights ($627 per night) while visiting New York City,

FIGURE 1

New York City Visitors by Type



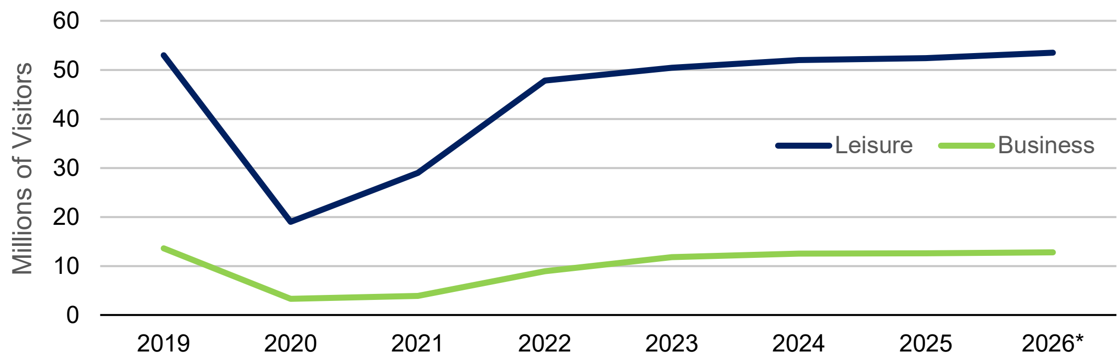
Sources: New York City Tourism + Conventions; CoStar Inc; OSC analysis *Estimate compared to 6.5 nights and $325 per night spent visiting the United States overall.[8] New York City enplanements (passenger boardings of airplanes) at both JFK and LaGuardia recovered to 2019 levels by 2023 and grew 2.6 percent year over year in 2024.[9] Leisure visitors to the City recovered 98.9 percent from 2019 to 2025 while business travelers lagged behind, recovering 92.6 percent during the same period.

Leisure Travel Has Returned Faster than Business Travel

Business travel has also returned more slowly than leisure travel as greater use of technology has fostered virtual work.[10] Leisure visitors in 2026 are expected to fully recover and exceed 2019 levels, while business visitors are expected to remain nearly 6 percent below those levels (see Figure 2).

FIGURE 2

New York City Leisure and Business Visitors



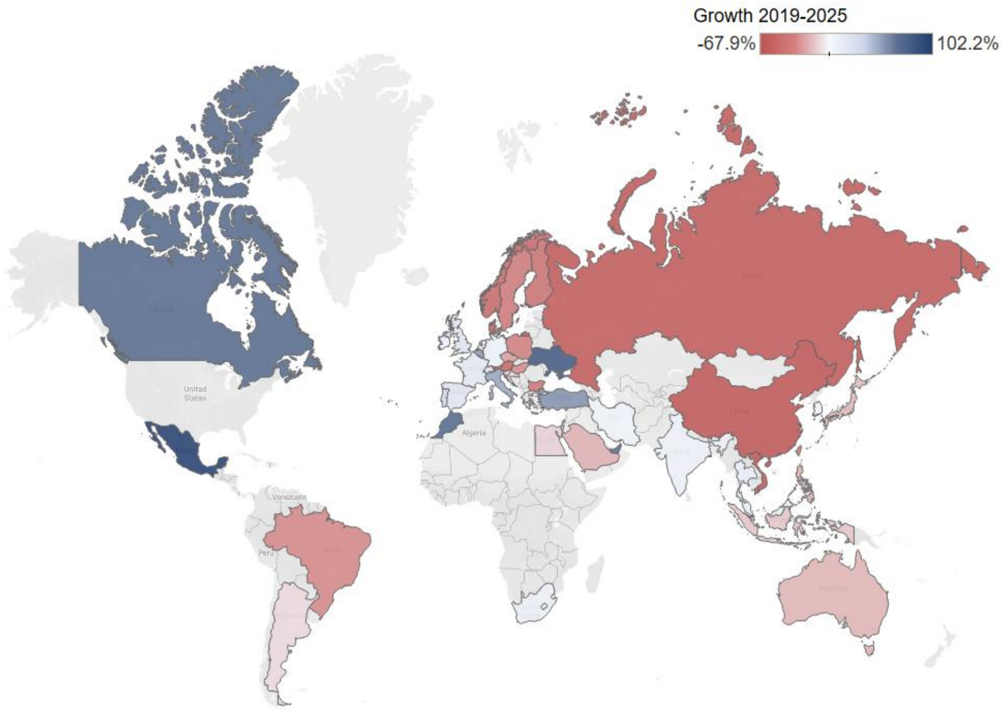
Sources: New York City Tourism + Conventions; OSC analysis *Estimate

In 2025, leisure travelers made up around 81 percent of total visitors, up from 80 percent in 2019, leaving business travel making up 19 percent of total visitors.[11] Accommodation spending by visitors from international countries has been negatively affected by the continued lag in recovery and change in composition of visitors by country.

Visitor spending on hotel accommodation in New York City accounts for roughly 25 percent of total visitor spending.[12] In 2025, direct visitor spending in New York City was $55.6 billion, higher than the $47.4 billion spent in 2019.[13] In 2025, international visitor spending declined 1.3 percent from 2024.[14] In 2019, visitors from China spent the most ($3,008 per visitor) in New York City.[15] As of 2025, based on preliminary estimates, visitors from the United Kingdom spent the most (estimated $2,004 per visitor) in New York City. Since the pandemic, spending from countries has gradually recovered (see Figure 3).

FIGURE 3

New York City International Visitor Spending Growth Recovery, 2019 to 2025



Note: 2025 data is a preliminary estimate.
Sources: Tourism Economics; OSC analysis

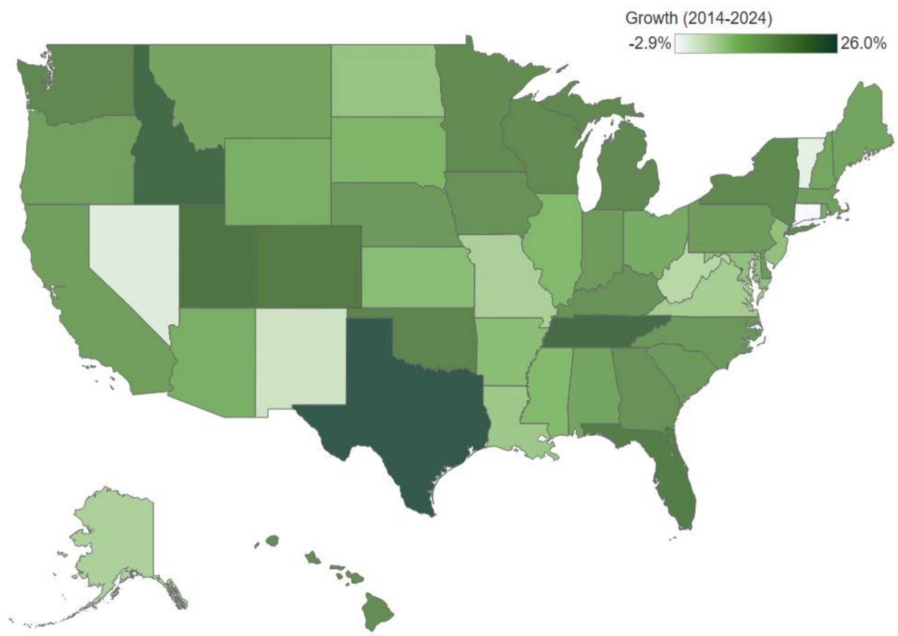
As of 2025, most of western Europe and all of North America visitor spending have recovered to pre-pandemic levels in the City. Mexico and Canada visitor spending has returned to pre-pandemic levels and continues to grow, although the number of Canadian visitors is down 19.4 percent from 2019, partly due to ongoing geopolitical friction with the U.S. Visitors from Mexico are up 13.1 percent from 2019 to 2025, although growth slowed to 1.8 percent from 2024 to 2025, partly due to stricter U.S. immigration enforcement. Most of Eastern Europe and Asia's visitor spending has not fully recovered to pre-pandemic levels.

New York City Hotel Supply Rising to Meet Strong Demand

The supply of hotel rooms in the New York City hotel industry is rising to meet the strong demand from domestic leisure visitors. From 2014 to 2024, New York hotel room inventory grew 16.7 percent to reach 245,291, higher than the nation's growth (13.6 percent; see Figure 4). In 2024, New York State was the fourth-largest hotel market by hotel rooms (245,291) behind Florida (498,655), Texas (531,721), and California (571,794).

FIGURE 4

Hotel Room Inventory Growth by State



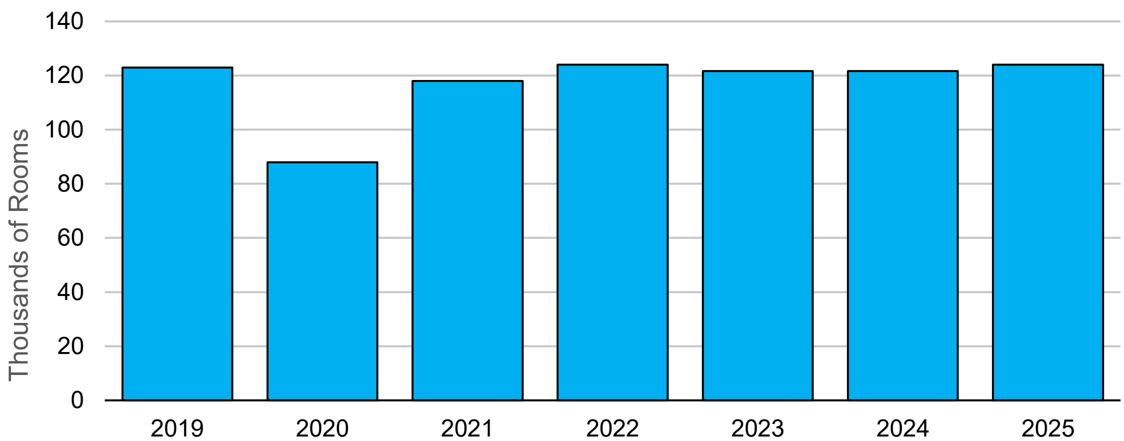
Sources: American Hotel & Lodging Association (AHLA) Hotel Industry by the Numbers; OSC analysis

In 2026, the New York City hotel market is projected to open 4,852 rooms, the most in the nation and the second consecutive year where it led the nation in expected new hotel openings.[16] The City hotel pipeline currently has 24 hotel projects with 5,778 rooms in active development through 2028.[17] The City hotel pipeline has experienced a decline in active construction from 2020 when 15,777 rooms were under construction to the current 5,778 rooms through 2028.[18]

More than half of rooms in the State are located in New York City. In 2025, the average number of monthly active hotel rooms in the City was 124,000, up 1.9 percent from 2024 (121,700), exceeding 2019 levels after a decline in inventory during the pandemic. As of January 2020, New York City had over 127,000 rooms, but by October 2020, over 37,000 rooms went offline. About 10 percent would close permanently by the end of the year, leaving only 88,000 active rooms.[19] Current room inventory is also impacted by approximately 16,000 rooms that were available to be used as emergency shelters for homeless at the onset of the pandemic and asylum seekers beginning in 2022 (see Figure 5; see OSC's June 2026 report for additional details).[20]

FIGURE 5

New York City Hotel Inventory



Sources: New York City Tourism + Conventions; CoStar Inc; OSC analysis

While the number of active rooms has fluctuated since the pandemic, the number of hotels has steadily grown. In 2025, the City hotel market had 1,003 hotels, which increased 11.2 percent from 2020 (see Figure 6). Manhattan, which had the greatest number of hotels (597) in 2025 among the five boroughs, experienced the slowest growth from 2020 to 2025. Staten Island was the only borough to decline during this period and the Bronx saw the strongest growth. City hotel construction has increased in the outer boroughs over the years as costs rise and sites for development are available.[21] Many of the 16,000 rooms being used for emergency shelters are in the outer boroughs.

FIGURE 6

New York City Hotel Establishments

Borough	2019	2020	2025	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
Bronx	31	32	52	3.2%	62.5%	67.7%
Manhattan	567	577	597	1.8%	3.5%	5.3%
Brooklyn	115	117	147	1.7%	25.6%	27.8%
Queens	160	164	197	2.5%	20.1%	23.1%
Staten Island	11	12	10	9.1%	-16.7%	-9.1%
New York City	883	902	1,003	2.2%	11.2%	13.6%
New York State	2,835	2,829	2,959	-0.2%	4.6%	4.4%

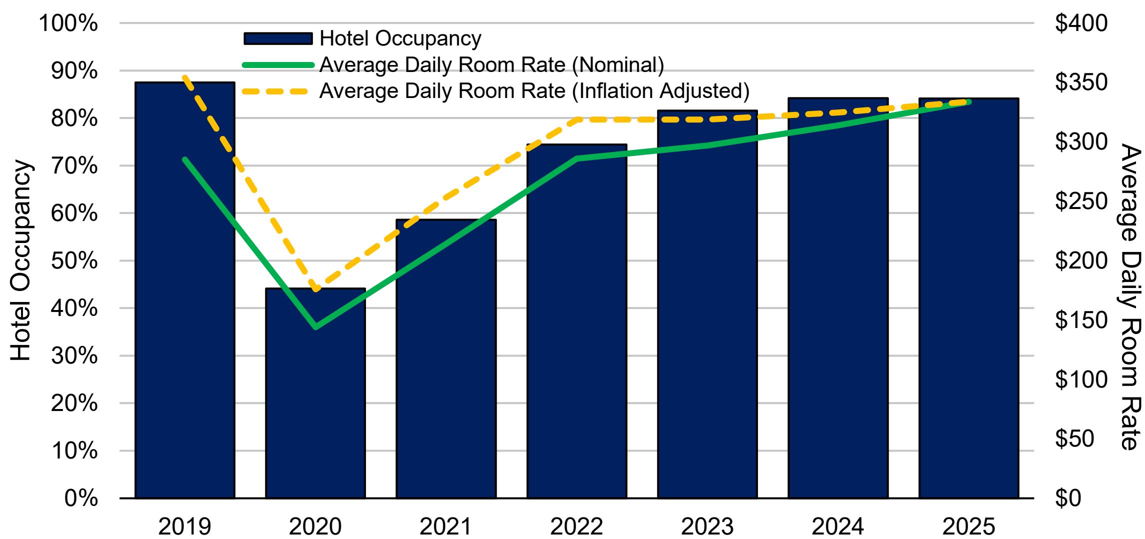
Sources: NYS Department of Labor QCEW; OSC analysis

Strong Hotel Demand Boosts Performance Metrics

New York City has consistently ranked at the top of the 25 largest U.S. hotel markets based on a variety of operational and financial performance metrics including occupancy, average daily room rate (ADR) and RevPAR. In 2025, New York City hotel occupancy reached 84.1 percent, slightly less than 2024 (84.2 percent) and still down from 87.5 percent in 2019 (see Figure 7).[22] Still, the City's hotel industry has had the highest hotel occupancy in the nation for three consecutive years and has rebounded from the pandemic low of 44.1 percent in 2020.[23,24] In 2025, City hotels sold 38.1 million room nights, 2 percent higher than in 2024 but still down 1.8 percent from 2019 (38.8 million room nights).[25]

FIGURE 7

New York City Hotel Occupancy and Average Daily Room Rate



Sources: New York City Tourism + Conventions; CoStar Inc; OSC analysis

Hotel occupancy in 2025 in the City reveals the highest quality hotels supported the strong occupancy rates. Luxury hotel occupancy was 82.2 percent (up 1 percent from 2024); upscale hotel occupancy was 87.5 percent (flat from 2024); and midscale hotel occupancy was 76.7 percent (down 7 percent from 2024).[26] Midscale hotels have been used more for emergency shelters and are more often subject to conversion.

Room nights sold and the supply of rooms also fuel the ADR. In 2025, City hotel ADR reached a record $333.71 per room, a 4.7 percent year-over-year increase and up 17.2 percent from 2019. Adjusted for inflation, the ADR is still below 2019 ($354) levels, however. In 2019, the City ADR was $285 per room and dropped 49.5 percent year over year to $144 per room in 2020.[27]

As occupancy and the ADR rise for hotels, RevPAR grows as well. In 2025, City hotel RevPAR was $280.71, up 4.5 percent from 2024. In contrast, nationwide RevPAR declined in 2025 for the first time since 2020.[28] In 2019, City RevPAR was $249.38 but declined to $63.50 in 2020.

Despite Strong Hotel Demand, Employment Has Not Yet Recovered

City employment in the industry has grown more slowly than the return in visitors and other hotel industry demand metrics. By 2025, City hotel employment grew 60.8 percent from 2020 to reach 45,325, but remained 12.9 percent below 2019. The recovery has been uneven, as the Bronx, Brooklyn and Queens have fully recovered to 2019 levels, but Manhattan, the largest market, has not. New York City hotel employment averaged 52,047 workers in 2019 (see Figure 8).[29]

FIGURE 8
New York City Hotel Employment

Borough	2019	2020	2025	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
Bronx	470	467	630	-0.6%	34.9%	34.0%
Manhattan	45,594	23,463	38,080	-48.5%	62.3%	-16.5%
Brooklyn	2.249	1,609	2,458	-28.5%	52.8%	9.3%
Queens	3,364	2,458	3,851	-26.9%	56.7%	14.5%
Staten Island	370	190	307	-48.6%	61.6%	-17.0%
New York City	52,047	28,186	45,325	-45.8%	60.8%	-12.9%
New York State	98,248	57,060	84,892	-41.9%	48.8%	-13.6%

Sources: NYS Department of Labor QCEW; OSC analysis

The return of employment in Manhattan remains critical for a full recovery. Manhattan had the most hotel workers (87.6 percent) among the five boroughs at 45,594 in 2019. Over half (53 percent) of hotel employment in New York State in 2019 were City hotel workers.

Average Salaries

By 2025, New York City hotel average salaries grew 24.8 percent from 2019 to reach $86,588. All boroughs saw at least 18 percent growth in average salaries, with citywide being 24.8 percent, and Queens hotel workers seeing the highest growth (66.8 percent) among boroughs. Manhattan hotel workers still had the highest average salary ($91,879) among the five

FIGURE 9
New York City Hotel Average Salaries

Borough	2019	2020	2025	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
Bronx	$30,120	$31,505	$37,932	4.6%	20.4%	25.9%
Manhattan	$73,587	$76,853	$91,879	4.4%	19.6%	24.9%
Brooklyn	$46,001	$44,993	$60,259	-2.2%	33.9%	31.0%
Queens	$37,990	$39,766	$63,370	4,7%	59.4%	66.8%
Staten Island	$27,106	$28,737	$31,942	6.0%	11.2%	17.8%
New York City	$69,371	$70,727	$86,588	2.0%	22.4%	24.8%
New York State	$51,316	$51,085	$66,348	-0.4%	29.9%	29.3%

Sources: NYS Department of Labor; OSC analysis

boroughs in 2025. Adjusted for inflation, New York City hotel average salaries are above 2019 levels, driven by Queens and Brooklyn (see Figure 9).

In May 2026, the Hotel and Gaming Trades Council, a union that represents around 27,000 hotel workers in New York City, reached an eight-year contract agreement with the Hotel Association of New York City (HANYC), which represents 250 hotels. The contract agreement will include wage increases of 50 percent as well as increases to worker benefits.[30]

Workforce Characteristics

In 2024, 81 percent of City hotel workers lived in New York City with 47.2 percent of hotel workers living in Brooklyn and Queens.[31] Since 2019, a majority (63 percent) of City hotel workers have been foreign-born, which is the largest share of foreign-born workers in any City industry with the City's construction industry share (60 percent) coming in second (see OSC's report on foreign-born in the workforce of New York City).

Hispanic workers made up the largest share (35 percent) of City hotel workers. Among City hotel workers, 80 percent had a HS diploma or higher whereas 20 percent had no HS diploma, which is the second-highest share behind construction workers (24.6 percent). Over three-fourths of hotel jobs are full-time and two-fifths of hotel jobs are filled by female workers.

In 2024, room attendants made up the largest share (29.2 percent) of occupations in the New York City hotel industry, similar to the 2019 share (29.7 percent; see Figure 10).

The top five hotel occupations are similar for both 2019 and 2024, although the ranking is different due to fewer workers in 2024 than in 2019. Although room attendants make up the largest share, they earn the fourth-lowest average salary ($49,887) among hotel industry workers. First-line supervisors of food preparation and serving workers earned the highest average salary ($157,287) while laborers and freight, stock, and material movers earned the lowest average salary ($40,036) among the top 10 hotel occupations in 2024.

FIGURE 10

Top 10 Hotel Occupations in New York City in 2024

Rank	Occupation	Workers	Share	Average Salary
1	Room Attendants	10,908	29.2%	$49,887
2	Front Desk Clerks	3,236	8.7%	$43,687
3	Building Cleaners	2,110	5.6%	$46,604
4	Lodging Managers	2,076	5.6%	$68,852
5	Cooks	1,827	4.9%	$56,927
6	Bell Persons and Concierges	1,372	3.7%	$67,819
7	Servers	1,288	3.4%	$94,818
8	First-Line Supervisors of Food Preparers and Servers	1,010	2.7%	$157,287
9	Laborers and Freight, Stock, and Material Movers	854	2.3%	$40,036
10	First-Line Supervisors, Housekeeping and Janitorial	726	1.9%	$57,409
	Total	37,393	100%	$61,757

Notes: Includes union and nonunion workers, who can be City residents and commuters.
Sources: NYS Department of Labor; OSC analysis

City Comparison

New York City hotel employment lags in recovery along with a majority of the top 10 cities (80 percent) and the nation. In 2025, U.S. hotel employment was still down 11.9 percent from 2019 levels which is similar to the City's 12.9 percent decline from 2019 to 2025 (see Figure 11).

FIGURE 11
Hotel Employment in the Top 10 Cities and the Nation

City	2019	2020	2025	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
Las Vegas	163,175	105,964	144,984	-35.1%	36.8%	-11.1%
Orlando	58,138	37,038	59,687	-36.3%	61.2%	2.7%
Los Angeles	49,489	30,796	46,667	-37.8%	51.5%	-5.7%
New York City	52,047	28,186	45,325	-45.8%	60.8%	-12.9%
San Diego	38,547	19,001	30,326	-50.7%	59.6%	-21.3%
Miami	32,482	19,214	29,318	-40.8%	52.6%	-9.7%
Phoenix	25,211	18,033	26,444	-28.5%	46.6%	4.9%
Chicago	30,743	16,133	26,300	-47.5%	63.0%	-14.5%
Anaheim	25,972	15,987	24,575	-38.4%	53.7%	-5.4%
Atlantic City	26,551	16,098	21,700	-39.4%	34.8%	-18.3%
United States	2,077,044	1,334,233	1,830,336	-35.8%	37.2%	-11.9%

Notes: Cities are county equivalents.
Sources: U.S. Bureau of Labor Statistics QCEW; NYS Department of Labor QCEW; OSC analysis

Among the top 10 cities, only in Phoenix and Orlando did employment recover to pre-pandemic levels by 2025. New York City experienced the third-largest decline (45.8 percent) from 2019 to 2020 behind Chicago (47.5 percent) and San Diego (50.7 percent); however, New York City had over one-third more hotel employees than San Diego and Chicago in 2019. The City also consistently had the highest average hotel salary from 2019 to 2025 (see Figure 12).

FIGURE 12

Hotel Average Salaries in the Top 10 Cities and the Nation by Hotel Employment

City	2019	2020	2025	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
New York City	$73,585	$70,727	$86,588	-3.9%	22.4%	17.7%
Chicago	$44,335	$40,937	$62,178	-7.7%	51.9%	40.2%
Los Angeles	$72,510	$39,990	$58,938	-44.8%	47.4%	-18.7%
Miami	$61,765	$40,869	$56,757	-33.8%	38.9%	-8.1%
Las Vegas	$70,770	$42,809	$55,610	-39.5%	29.9%	-21.4%
Anaheim	$39,262	$40,727	$53,950	3.7%	32.5%	37.4%
San Diego	$69,371	$37,108	$53,297	-46.5%	43.6%	-23.2%
Orlando	$69,126	$33,521	$50,950	-51.5%	52.0%	-26.3%
Phoenix	$57,983	$34,752	$50,066	-40.1%	43.9%	-13.8%
Atlantic City	$37,489	$39,492	$49,690	5.3%	25.8%	32.5%
United States	$104,012	$35,724	$45,681	-65.7%	27.9%	-56.1%

Notes: Cities are county equivalents.
Sources: U.S. Bureau of Labor Statistics QCEW; NYS Department of Labor QCEW; OSC analysis

In 2025, the average salary in New York City’s hotel industry ($86,588) was almost double the U.S. average hotel salary ($45,681). While New York City’s hotel average salary has grown 17.7 percent from 2019 to 2025, the U.S. hotel average salary is still down 56.1 percent for the same period.

In 2025, the City had the second-highest number of hotel establishments (1,003) in the nation behind Los Angeles (1,353; see Figure 13).

FIGURE 13

Hotel Establishments in the Top 10 Cities and the Nation

City	2019	2020	2025	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
Los Angeles	1,240	1,261	1,353	1.7%	7.3%	9.1%
New York City	883	902	1,003	2.2%	11.2%	13.6%
Miami	576	605	663	5.0%	9.6%	15.1%
Anaheim	513	533	599	3.9%	12.4%	16.8%
San Diego	531	536	550	0.9%	2.6%	3.6%
Phoenix	441	455	541	3.2%	18.9%	22.7%
Chicago	518	512	530	-1.2%	3.5%	2.3%
Orlando	347	352	428	1.4%	21.6%	23.3%
Las Vegas	324	325	319	0.3%	-1.8%	-1.5%
Atlantic City	109	114	101	4.6%	-11.4%	-7.3%
United States	62,845	63,386	67,651	0.9%	6.7%	7.6%

Notes: Cities are county equivalents.
Sources: U.S. Bureau of Labor Statistics QCEW; NYS Department of Labor QCEW; OSC analysis

City’s Policy Choices Impact Hotel Market

Several policy decisions have had an impact on the supply and demand. On May 18, 2021, Mayor de Blasio signed an executive order eliminating the 5.875 percent hotel occupancy room rate tax for a three-month period from June 1, 2021, to August 31, 2021, to help tourism recover from the pandemic in the summer months and help boost the hotel industry recovery as well.[32]

In addition, starting in the spring of 2022, the City experienced a surge of asylum seekers coming into the City and had to expand emergency shelter contracts with HANYC to accommodate the influx of people.[33] This contract supported some vulnerable and previously closed hotels by providing a steady income source to operate emergency shelters for homeless and asylum seekers. In January 2025, the City had renewed a contract with HANYC for $929 million to house homeless and asylum seekers in hotels through July 2026 but there is an option to renew for another three years which the City exercised in March 2026 pending oversight approval.[34]

In 2024, the City Council passed Local Law 104 (the “Safe Hotels Act”) to protect public safety and worker protections, requiring hotel operators to adhere to requirements of licensing, sufficient staffing, safety protocols, and be subject to civil penalties for violating license conditions.[35] The law restricts hotels with over 100 rooms to use subcontractors to fill hotel “core” employee roles such as front desk operations, housekeeping and door staff.[36] The law will likely affect nonunion hotels which make up the majority (74 percent) of City hotels and use subcontractors to fill hotel job vacancies. Most union hotels are in Manhattan whereas 95 percent of outer borough hotels are nonunion.[37]

The number of asylum seekers that entered the City’s shelter system since the spring of 2022 reached more than 244,569, with over 27,404 still in the City’s care as of June 2026 — a majority of whom are being housed in the City shelter system which includes some hotels.[38] As of May 2026, the City, through its contract with HANYC, pays on average $159 per hotel room for hotel emergency shelters. Many of these hotels had previously closed or remained offline due to the pandemic, with many being economy or mid-scale class hotels and located in the outer boroughs.[39]

The emergence of Airbnb and short-term rentals had been a challenging issue for the hotel industry in the past, as many of these short-term competitors had an advantage because they did not incur the same regulatory, investment and operating costs as traditional hotels.[40] However, recent policies and regulations have curbed the presence of short-term rentals. In 2023, the City passed legislation (Local Law 18) that imposes stricter requirements and safety measurements for number of occupants allowed, enforcement, and owner and host company responsibilities.[41,42] The number of New York City listings has declined since the implementation of Local Law 18, while across the river in New Jersey listings saw a surge because of the new law.[43] As the presence of short-term rentals, especially for Airbnb, has dwindled since Local Law 18’s implementation, hotel occupancy and rates remain high. The City also enacted a rule to eliminate hidden fees from hotel charges in New York City earlier this year.[44]

Economic and Tax Impacts

The hotel industry is an integral part of the larger tourism industry, which accounted for 282,019 jobs in New York City in 2025.[45] Hotel industry employment represents around 16.1 percent of tourism employment. New York City tourism economic impact in 2025 totaled $84.7 billion.

OSC estimates (utilizing the IMPLAN model and inputs provided by OSC) that the hotel industry generated an economic impact to New York City of $10.3 billion in 2024. The number of tourism jobs in the City declined 0.4 percent from 2019 to 2025 whereas the number of hotel jobs declined 12.9 percent for the same period.

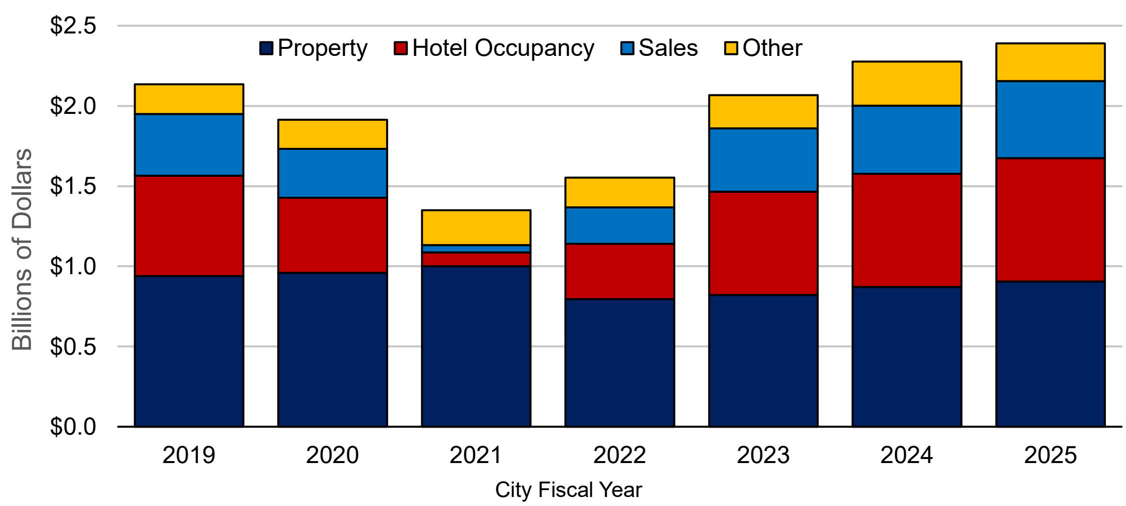
In 2025, the hotel industry opened six hotels with 992 rooms and currently has 24 hotel projects in active development through 2028, accounting for 5,778 rooms.[46] Visitors to New York City in 2025 spent $55.6 billion with hotel lodging making up $13.9 billion (around 25 percent) which is higher than the $11.9 billion in 2019.[47]

New York City collected $2.4 billion in tax revenue from the hotel industry in FY 2025 (see Figure 14), which recovered to pre-pandemic levels in FY 2024. Property taxes accounted for the largest share (38 percent). Collections totaled $905 million in FY 2025, still 3.6 percent below FY 2019 ($939 million) collections. Collections remain lower than pre-pandemic levels, likely driven by pandemic-related effects that caused many hotels to shutter with some now being used for emergency shelters or permanently shuttered and converted to residential or other commercial use.[48]

The hotel occupancy tax generated $770 million in FY 2025, an increase of 23.1 percent from FY 2019. Among the five boroughs in New York City, Manhattan has 75 percent of the tax liability

FIGURE 14

Taxes Received by New York City From the Hotel Industry



Sources: NYC Comptroller; NYC Department of Finance; NYS Department of Taxation and Finance; U.S. Bureau of Labor Statistics; U.S. Census Bureau; OSC analysis share, larger than its share of the hotel market. Hotel room rentals and other hotel sales (e.g., room service charges) in the City are subject to City sales tax; OSC estimates that the City collected $479 million in FY 2025 in sales taxes from hotels, almost 25 percent more than in FY 2019. Hotel occupancy and sales taxes both recovered by FY 2023 as visitors returned. Other taxes (which include personal income taxes on workers' pay, business taxes, and real estate transaction taxes) collected by the hotel industry totaled $235 million in FY 2025 (see OSC's report on the New York City hotel industry for more historical and methodological details).[49]

Taxable Sales Comparison

A further breakout of taxable sales (sales and purchases which are subject to sales tax), which is reported in a State Tax Year (STY) from March through February, for the broader New York City accommodation and food services shows that traveler accommodation sales grew 25.6 percent in STY 2025-2026 from STY 2019-2020 (see Figure 15).

FIGURE 15

New York City Accommodation and Food Services Taxable Sales and Purchases

Category (in millions)	2019-2020	2020-2021	2025-2026	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
Drinking Places (Alcoholic Beverages)	$1,439	$295.3	$1,717	-79.5%	481.5%	19.3%
Restaurants and Other Eating Places	$22,853	$9,949	$29,400	-56.5%	195.5%	28.6%
Special Food Services	$2,400	$545.5	$3,658	-77.3%	570.6%	52.5%
Traveler Accommodation	$9,484	$1,028	$11,915	-89.2%	1058.5%	25.6%
All Other	$21.7	$3.4	$35.3	-84.6%	951.4%	62.7%
Total	$36,197	$11,822	$46,725	-67.3%	295.2%	29.1%

Notes: State tax year starts March 1 and ends February 28. RV (Recreational Vehicle) Parks and Recreational Camps and Rooming and Boarding Houses, Dormitories, and Workers' Camps make up the "All Other" category.
Sources: NYS Department of Taxation and Finance; OSC analysis

Traveler accommodation spending within the State shows that New York City suffered the most (down 89.2 percent) from STY 2019-2020 to STY 2020-2021 during the pandemic, and since has also grown the most since 2019 (1058.5 percent growth) from STY 2020-2021 to STY 2025-2026 (see Figure 16). New York City traveler accommodation taxable sales and purchases make up a little over 74 percent of total New York State traveler accommodation taxable sales and purchases.

FIGURE 16

New York State Traveler Accommodation Taxable Sales and Purchases

Region (in millions)	2019-2020	2020-2021	2025-2026	Percent Change, 2019 to 2020	Percent Change, 2020 to 2025	Percent Change, 2019 to 2025
Long Island	$711	$418	$839	-41.2%	100.4%	17.9%
Rest of State	$2,603	$1,183	$3,240	-54.6%	173.9%	24.5%
New York City	$9,484	$1,028	$11,915	-89.2%	1058.5%	25.6%
New York State	$12,769	$2,619	$15,957	-79.5%	509.3%	25.0%

Notes: State tax year starts March 1 and ends February 28; "Rest of State" includes all counties except Nassau, Suffolk, Metropolitan Commuter Transit District (MCTD) sales, and New York City.

Sources: NYS Department of Taxation and Finance; OSC analysis

Outlook

The New York City hotel market has been a national leader in post-pandemic tourism recovery and is in a stronger position than it was a few years ago. However, room supply and demand are still slightly lower today than at their peak. This suggests there is still opportunity for further growth, which could help boost employment in the industry, which remains behind other industry metrics for recovery.

Direct visitor spending reached a record in 2025, but still lags behind the inflation-adjusted pre-pandemic figure. Increased visitations from higher-spending and longer-staying international and business travelers are ultimately needed to bring the City's hotel market to a full recovery. The recovery of these segments has been delayed by federal trade and immigration policy and geopolitical conflict, which remain a risk to the hotel industry's recovery. Recent federal policy-imposed visa restrictions on 75 countries will likely slow down tourism and spending from countries like Brazil — a top spending international visitor in New York City. Further restrictions on international travel to the U.S. could negatively affect direct visitor spending in the future.

Recently updated 2026 forecasts from STR and Tourism Economics for the U.S. hotel industry assume higher occupancy rates, ADR, and RevPAR nationwide, although growth is expected to slow. RevPAR has risen from 0.6 percent year-over-year growth in 2026 in their previous forecast to 2.8 percent year-over-year growth in their latest forecast in 2026.[50] A further breakout of the forecast shows the New York City hotel industry is expected to grow across all metrics from 2026 to 2028 (see Figure 17).

New York City has directly benefited from an unexpected boost this year from the New York Knicks' NBA Championship, and the boost in demand for the FIFA World Cup and America250 celebrations. In the week ending June 13, 2026, among the top 25 U.S. hotel markets, the New York City hotel industry saw the largest year-over-year increases in ADR (17.1 percent; $399.15) and RevPAR (18.9 percent; $358.00).[51]

FIGURE 17
New York City Hotel Industry Forecast Year-Over-Year Growth

	Actual		Forecast		
Hotel Metric	2024	2025	2026	2027	2028
Demand	3.6%	1.7%	1.2%	1.3%	1.7%
Supply	0.4%	1.9%	0.9%	0.9%	0.7%
Occupancy	3.2%	-0.1%	0.3%	0.4%	1.0%
ADR	5.7%	4.7%	4.4%	0.5%	2.0%
RevPAR	9.1%	4.6%	4.8%	0.9%	3.0%

Notes: 2026 to 2028 are forecasts as of June 2026.
Sources: Tourism Economics; CoStar Inc; OSC analysis

The near-term outlook for the industry is that it will remain a leader among national peers, but stay segmented in terms of strength, particularly with leisure travelers continuing to make use of higher-end hotels. The recent approval of three commercial casinos in 2025 in the outer boroughs should provide one source of near-term growth for the hotel industry.[52] The continued focus on the industry from policymakers is likely to support demand and pricing in the industry as well. Continued expansion of leisure activity in the City remains a tailwind for accommodations and should support the local industry's continued status as one of the preeminent tourism markets in the U.S. in the coming years.

Endnotes

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