

# Albuquerque Hotels Bolstered by Market Expansion and Urban Development

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In the years that followed the COVID-19 pandemic, the market experienced a gradual recovery, with ADR rebounding faster than demand due to strong pricing strategies and resilient leisure travel. By 2023, rooms revenue surpassed pre-pandemic levels despite hotel room-night demand remaining below the 2019 figure. In 2024, demand and occupancy remained relatively flat, with weaker convention-related travel. Despite softness in the citywide group segment, leisure and business travel have recorded steady growth over the

last few years, fueled by increasing tourism, strategic investments in infrastructure, and the city's ongoing efforts to enhance its appeal as a hub for both leisure and business travelers.



Looking ahead, Albuquerque is expected to experience stronger demand growth, supported by new hotel openings, an expanding events pipeline, and the completion of major infrastructure projects like the **Albuquerque International Sunport** renovation. Continued recovery in the commercial and group segments, paired with the city's evolving cultural and entertainment offerings, should foster occupancy and ADR growth in the coming years.

## Submarket Performance Overview

Below are some key indicators for the Albuquerque lodging market.

- Citywide meeting room-nights are slowly rebounding, with 2025 through 2027 each pacing ahead of the previous year. However, this demand segment may not fully recover for several more years.
- Albuquerque's Downtown and Airport submarkets have experienced the strongest occupancy recovery post-pandemic than any other submarkets, registering in the low 60s for Downtown and mid-70s for the Airport market in 2024. However, we note that the Uptown market has experienced the most recent new supply, which has negatively affected that submarket's occupancy levels, now hovering in the mid-60s.
- Average rates have increased significantly in the greater market, driven by changes in the government

### Summary

Albuquerque is experiencing dynamic growth, as its rich cultural history is blended with modern developments, such as airport upgrades and hotel openings or renovations. These factors are helping to reshape the local hospitality market.

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per-diem rate and an influx of higher-rated leisure demand over the last few years. Downtown has remained relatively stable in the last year, while the Uptown market has continued to experience slightly above-inflationary growth given the influx of higher-rated new supply in the submarket.

- RevPAR has grown in each submarket across Albuquerque since 2019: Downtown by roughly 8%, Uptown by roughly 12%, Airport by roughly 11%, and North Corridor by roughly 14%.

## New Hotel Supply

Recent hotel openings and renovations of existing assets are influencing Albuquerque's hospitality landscape. Among these, several key projects stand out:

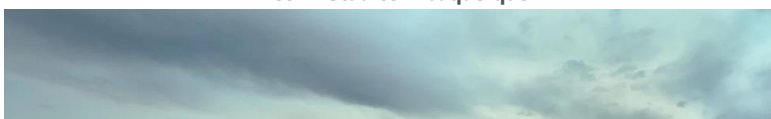
- The **Home2 Suites by Hilton Albuquerque Airport** officially opened in February 2024. This four-story, 108-room hotel is located only minutes from the Albuquerque International Sunport.
- A new 150-room, dual-branded **TownePlace Suites** and **Fairfield Inn & Suites by Marriott** property opened in Albuquerque's Uptown area in July 2024. This development is located adjacent to the **Winrock Town Center**, one of Albuquerque's premier outdoor luxury shopping centers. Future development plans for Winrock Town Center include additional hospitality, office, and residential offerings, which will support this dual-branded hotel.
- The **Element by Westin Albuquerque Uptown**, located in the nearby **ABQ Uptown** shopping center, officially opened in August 2024. This seven-story, 126-room hotel is the first Element by Westin property in New Mexico. The hotel's rooftop bar, **Volare**, offers handcrafted cocktails, local beers, and outdoor games and is popular among guests and locals alike.
- The **Hilton Garden Inn Albuquerque Uptown** recently underwent a \$6.5-million renovation that was completed in February 2025. The project included contemporary room designs with enhanced workspaces, an updated restaurant concept, a modernized lobby, and improved public areas, including an expanded fitness center, a new bar and lounge, and upgraded meeting facilities.
- The **Hotel Andaluz, Curio Collection by Hilton**, underwent a renovation of its food and beverage facilities, CHAR and G. Toti, which were unveiled in March 2025.

## Infrastructure Growth

As Albuquerque continues to evolve, significant improvements are also being made to the city's transportation infrastructure, with the Albuquerque International Sunport undergoing a major \$87-million renovation. The "**Dream of Flight**" renovation project aims to elevate the overall airport experience with a 50% **Transportation Security Administration (TSA)** checkpoint expansion, modernized TSA screening area, new dining options, and behind-the-scenes infrastructure improvements. This project was substantially completed by the end of 2024, with new food and beverage outlets opening into 2025. We expect this project to enhance the traveler experience, resulting in an increase of overnight stays, repeat visits, and a particular boost in business and group travel. Although this project will primarily benefit airport-adjacent hotels, it aligns with citywide growth and will drive year-round visitation and the longer-term development of the market.

Additionally, **Netflix** has had a significant impact on Albuquerque's film industry with its recent expansion within the Mesa del Sol mixed-use community. The original 28-acre studio site, acquired in 2018, has increased to 108 acres and includes four new soundstages, three mills, and several support buildings. This expansion is expected to help boost Netflix's film and television production and elevate Albuquerque's position as a major media hub. According to local officials, Netflix's \$2-billion investment is projected to generate significant economic benefits for the Albuquerque economy and create thousands of employment opportunities for local New Mexicans. Albuquerque remains one of the most active film production hubs outside of California, supporting sustained occupancy in core hotel submarkets, particularly the Airport and Downtown submarkets.

Netflix Studios Albuquerque





Source: **Netflix**

Furthermore, **Meta** (formerly Facebook) has continued expansion of its \$1-billion Los Lunas data center campus, with six new buildings and significant job creation both directly and through renewable energy projects in Torrance County. In early 2025, a two-building expansion was announced, representing an \$800-million investment set for completion over a three-year period. These developments are creating thousands of tech and energy-sector jobs, thereby supporting hotel and short-term lodging demand from visiting professionals and contractors.

Albuquerque is poised for a transformative shift as these new developments reshape the city's hospitality and travel landscapes. These strategic investments are set to significantly enhance Albuquerque's appeal to both travelers and businesses, signaling a bright future for the city's hospitality industry.

## Traditional Event Pipeline

Albuquerque's rich history is showcased through major events, many of which take place at the 236-acre New Mexico State Fairgrounds, drawing significant crowds and fueling strong demand for local hotels.

The **New Mexico State Fair**, the largest in the state, is held annually in September. In 2024, the event drew a record-breaking 518,000 attendees. Similarly strong turnout is expected for the 2025 fair, scheduled for September 4 to 14.

Held each October, the **Albuquerque International Balloon Fiesta** remains the largest balloon festival in the country. After surpassing pre-pandemic attendance records in 2023 with nearly 950,000 visitors, the 2024 event followed closely behind with nearly 840,000 attendees, generating an estimated \$216 million in total economic impact, including \$127 million in direct spending, according to the **Forward Analytics 2024 Economic Impact Study** released by the Albuquerque International Balloon Fiesta Organization. Overnight accommodations led all spending categories, with \$45.5 million, followed by retail purchases and food and beverage sales. The 2025 Fiesta is slated for October 4 to 12 and will remain a major driver of tourism and hotel demand, benefiting local businesses and the Albuquerque hospitality industry.

The **Gathering of Nations**, held in late April, is North America's largest powwow, bringing together 100,000+ attendees and 3,000 performers from Indigenous communities across the continent. The 2025 event is expected to maintain the historically strong attendance and deliver a notable economic boost to the region.

Beyond these large-scale signature events, Albuquerque hosts a diverse calendar of smaller festivals and cultural activities year-round, providing a steady stream of leisure demand and reinforcing the city's appeal as a dynamic hospitality market.

## Conclusion

Albuquerque's hospitality market is expected to continue its demand recovery, driven by new hotel developments, major infrastructure investments, and a robust calendar of cultural events. These factors will position the city as an increasingly attractive destination for both leisure and business travelers.

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## Sources

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Zabada Abouelhana, a Senior Director with the firm, oversees the Mountain West region. During her time at HVS, Zabada has performed hundreds of hotel valuation and consulting projects across 28 states and several countries. She has experience in a wide range of hotel asset types, including limited-service hotels, full-service hotels, complex luxury resorts, historic properties, and mixed-use assets, in a variety of market types, such as rural, airport, suburban, downtown, and national park-adjacent. Zabada holds a certified general appraisal license. Contact Zabada at +1 (314) 280-2017

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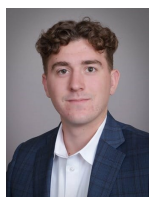
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Jack Burke is a Manager with the HVS Denver Consulting and Valuation practice. He graduated with a Master of Science in Hospitality Management from the Conrad N. Hilton College of Global Hospitality Leadership at the University of Houston. While studying at the University of Houston, he developed a passion for problem-solving and crafting unforgettable guest experiences. Prior to joining HVS in 2023, Jack held positions with some of the largest hotel companies in the world, including Marriott International, Station Casinos, and Caesar's Entertainment. Jack has completed the

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### About **Trey Osadchey**



Trey Osadchey is a consulting and valuation Manager with the HVS Phoenix office. He graduated from Michigan State University in May 2022 with a Bachelor of Arts in Hospitality Business. While studying at Michigan State University, he held several leadership positions in his fraternity and participated in a study abroad program in Barcelona focusing on leadership and cultural inclusivity. Preceding his arrival to HVS in 2022, Trey completed a rotational internship with Four Seasons Jackson Hole in each food and beverage outlet. His prior hospitality experience includes luxury hotel and restaurant operations. Contact Trey at +1 (314) 857-8344 or [email protected].