

State of the US Hotel Industry

Unpacking Key Performance Drivers

May 2025



Michael Stathokostopoulos
Senior Director, Hospitality Analytics
mstathokostopoulos@costar.com

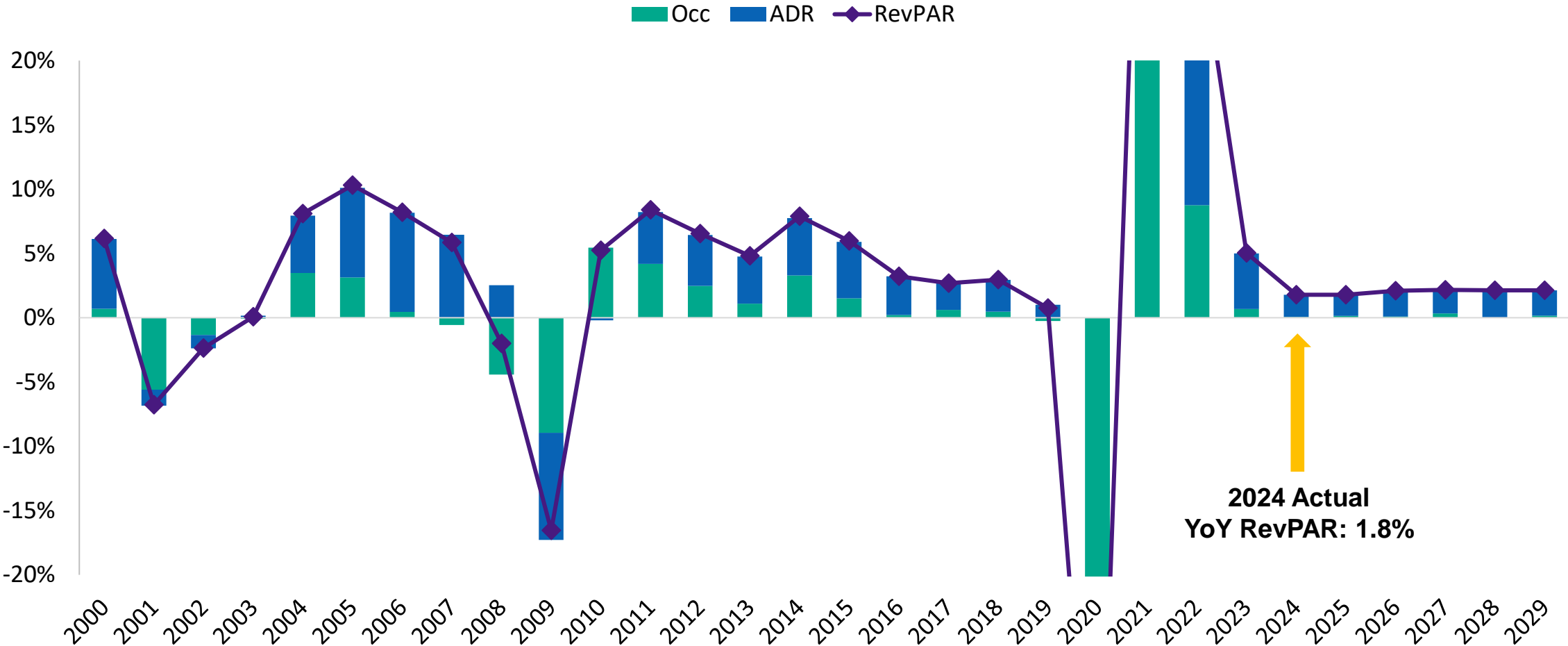
US forecast remains at 1.8% RevPAR in 2025 – for now...

US forecast YoY percentages, Occupancy level value

Metric	2024 (actual)	2025 (forecast)	2026 (forecast)
Supply (YoY)	+0.5%	+0.9%	+1.3%
Demand (YoY)	+0.6%	+1.1%	+1.4%
Occupancy	63.0%	63.1%	63.1%
ADR (YoY)	+1.7%	+1.6%	+2.0%
RevPAR (YoY)	+1.8%	+1.8%	+2.1%

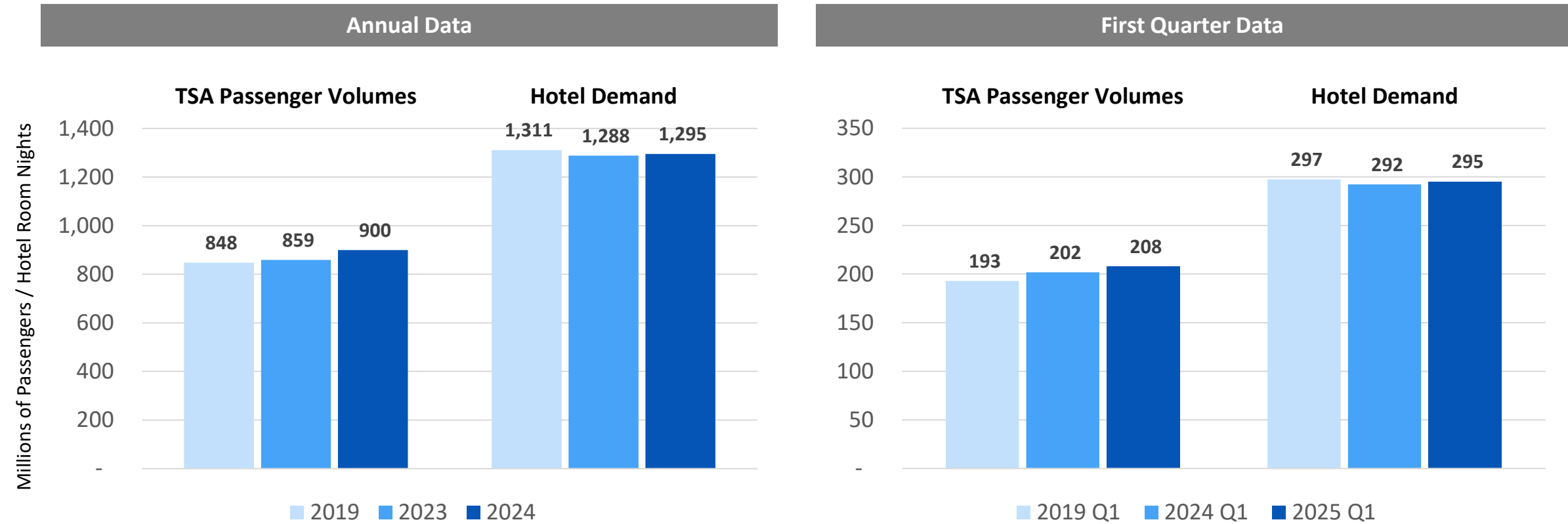
ADR-driven RevPAR growth... as historically common

U.S., KPI % chg. YoY, 2024 actual, 2025F-2029F



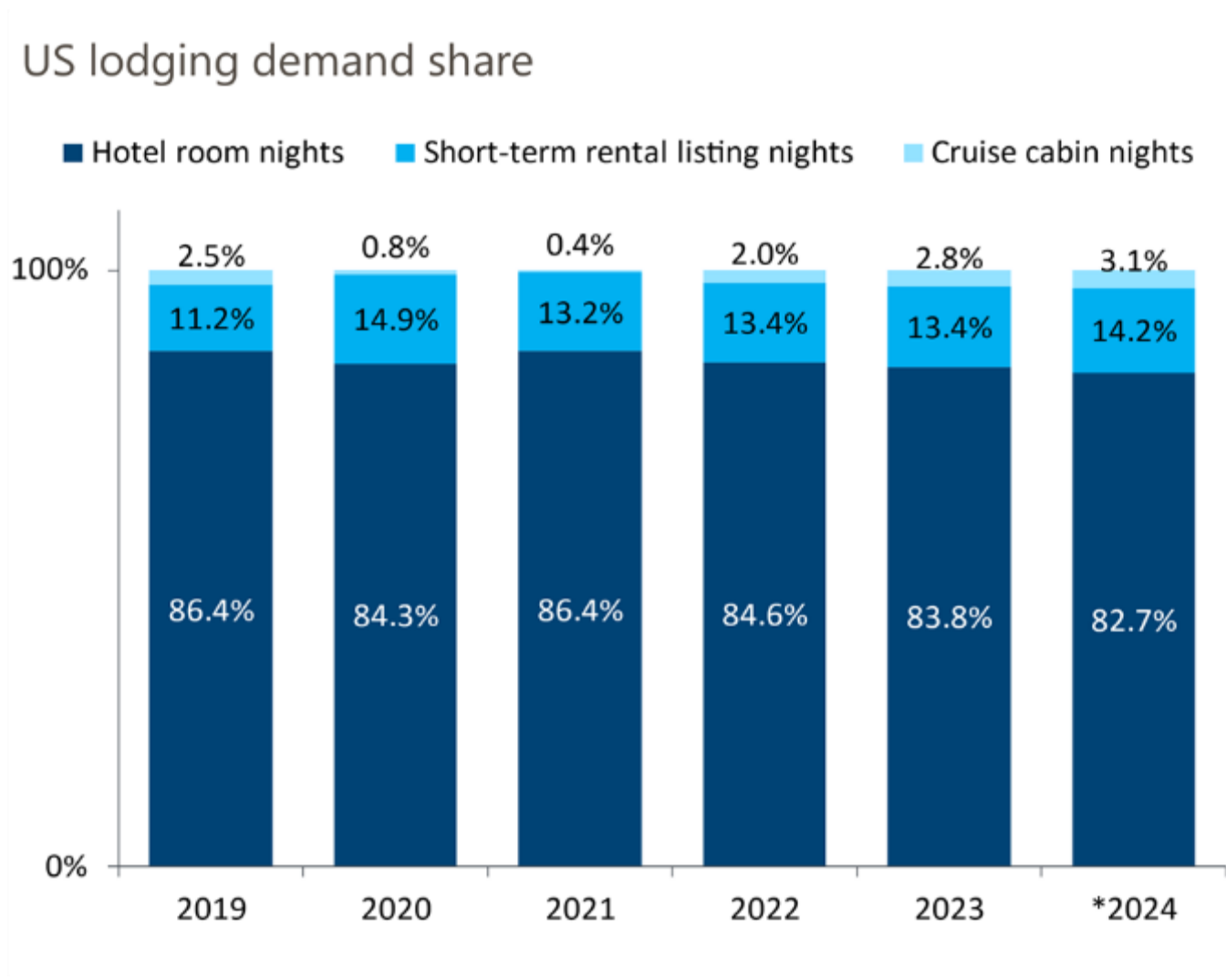
Record levels of TSA throughput

U.S. TSA airport screenings (millions) / Hotel demand room nights (millions)



*Numbers adjusted for leap years
Source: <https://www.tsa.gov/travel/passenger-volumes>

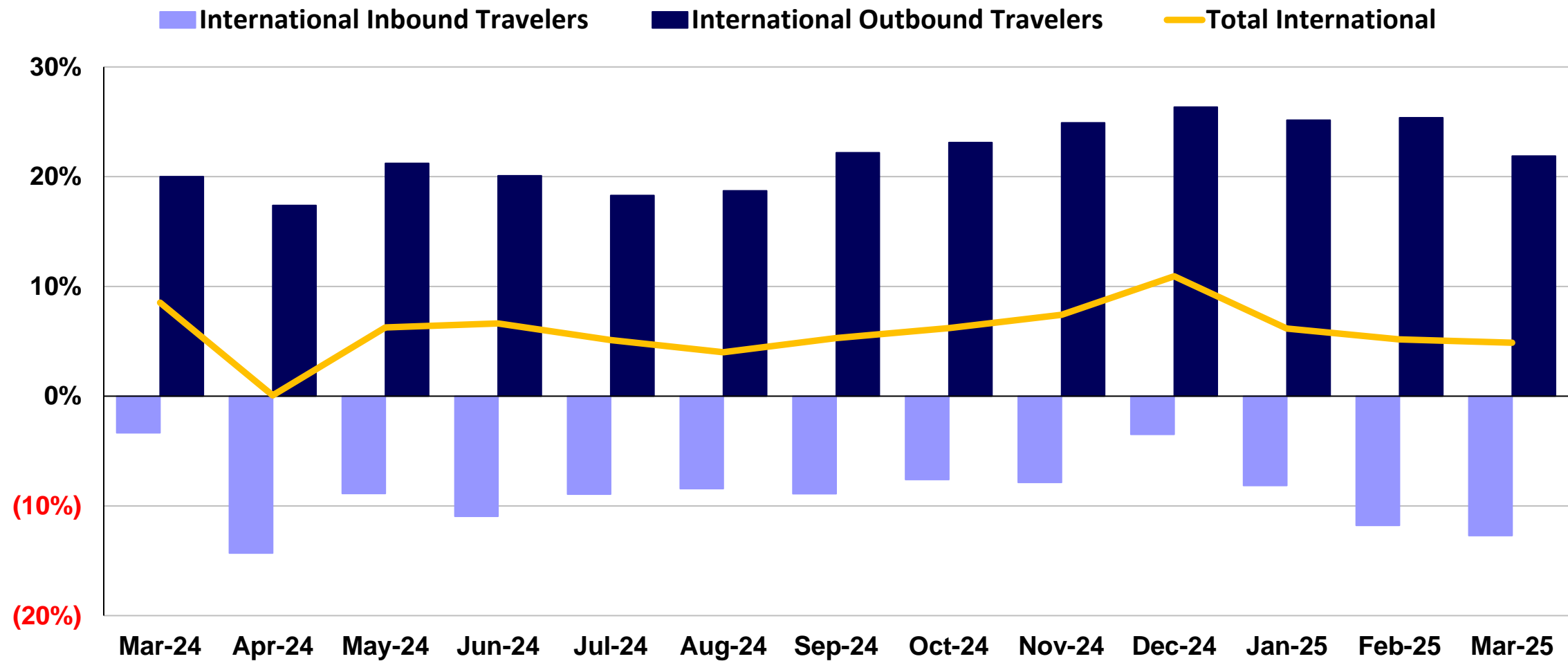
Short-term rentals and cruising are gaining share



Source: STR, AirDNA, CLIA/Tourism Economics, *Full-year forecast as of Nov 2024

Inbound travel below 2019; outbound very strong

U.S. international inbound/outbound, indexed to 2019

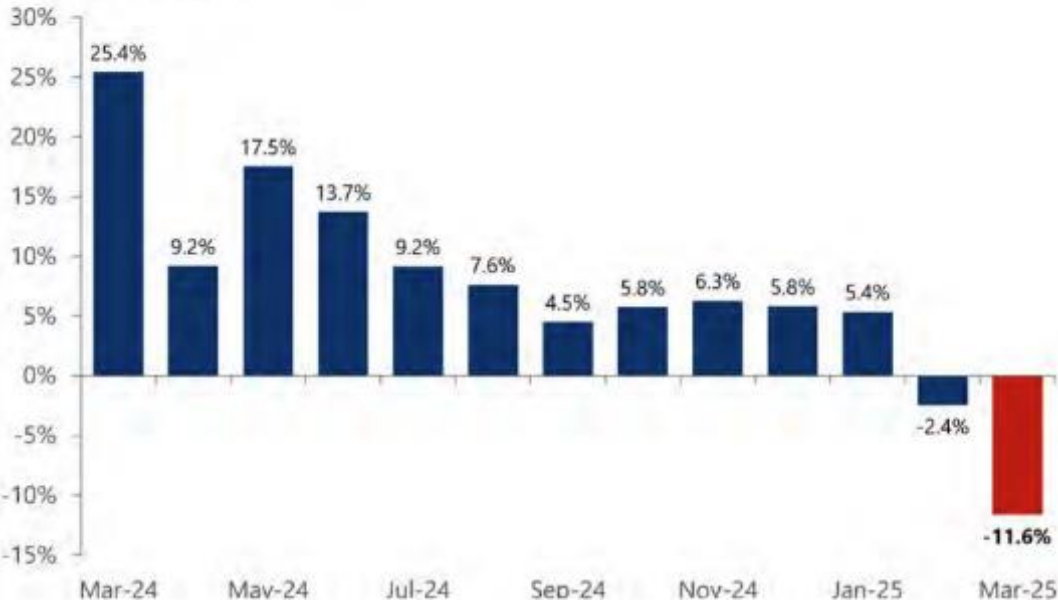


Source: <https://www.trade.gov/us-international-air-travel-statistics-i-92-data>

Overseas travel showed first sign of weakness in March

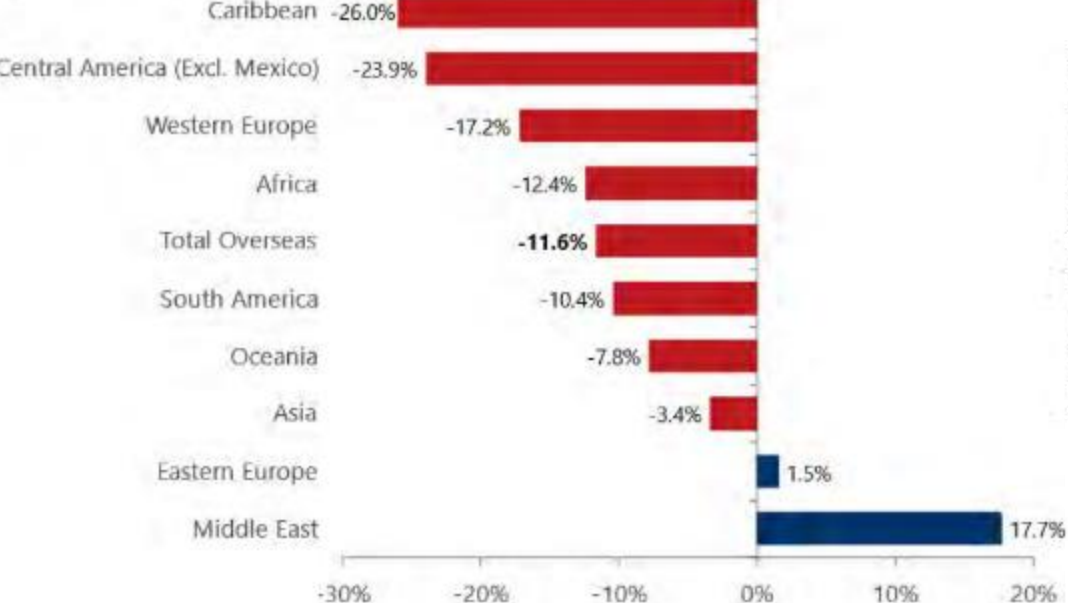
Overseas visitor arrivals to the US

Year-over-year change



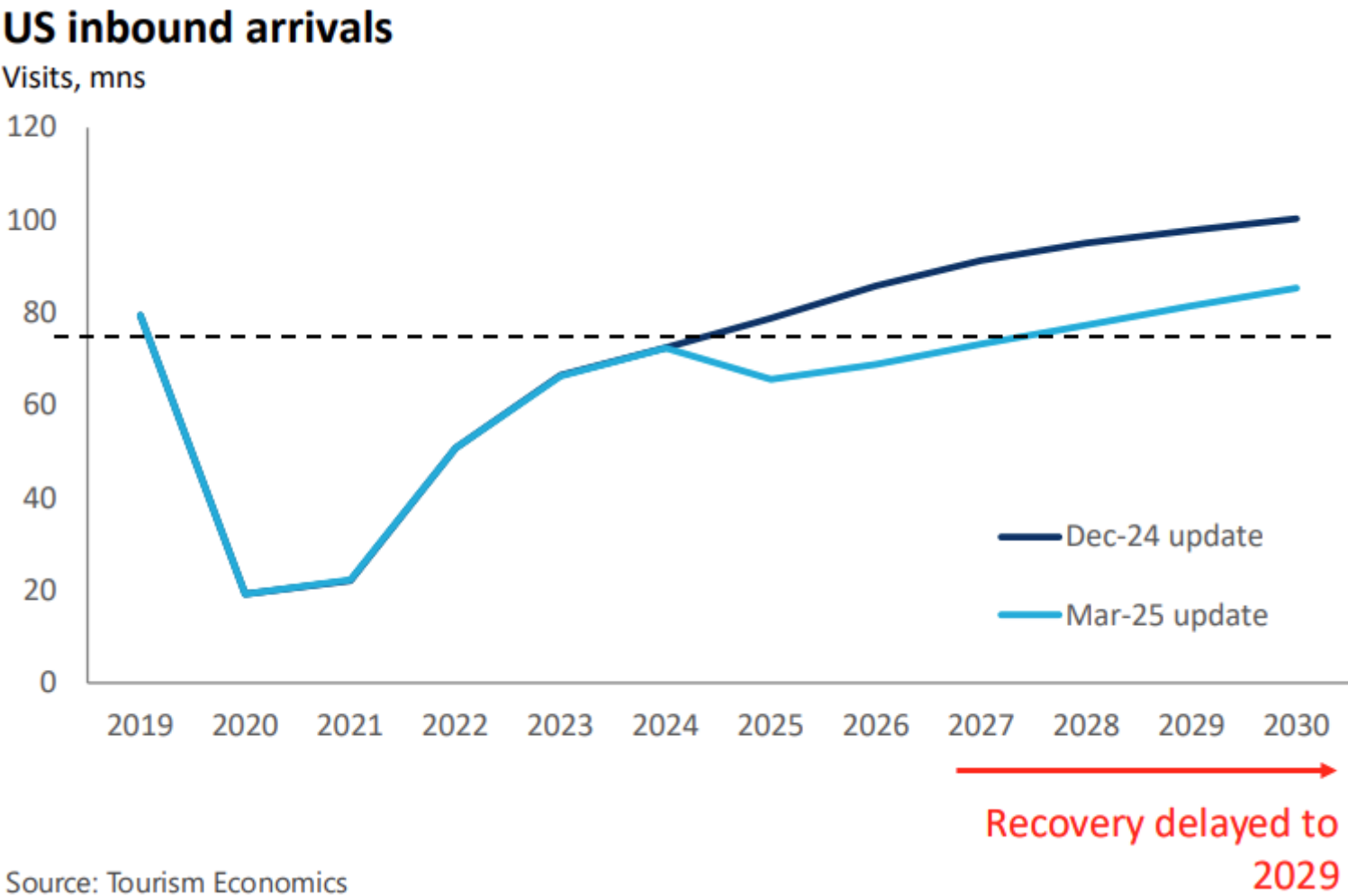
Overseas visitor arrivals to the US by global region

Year-over-year change



Source: National Travel and Tourism Office

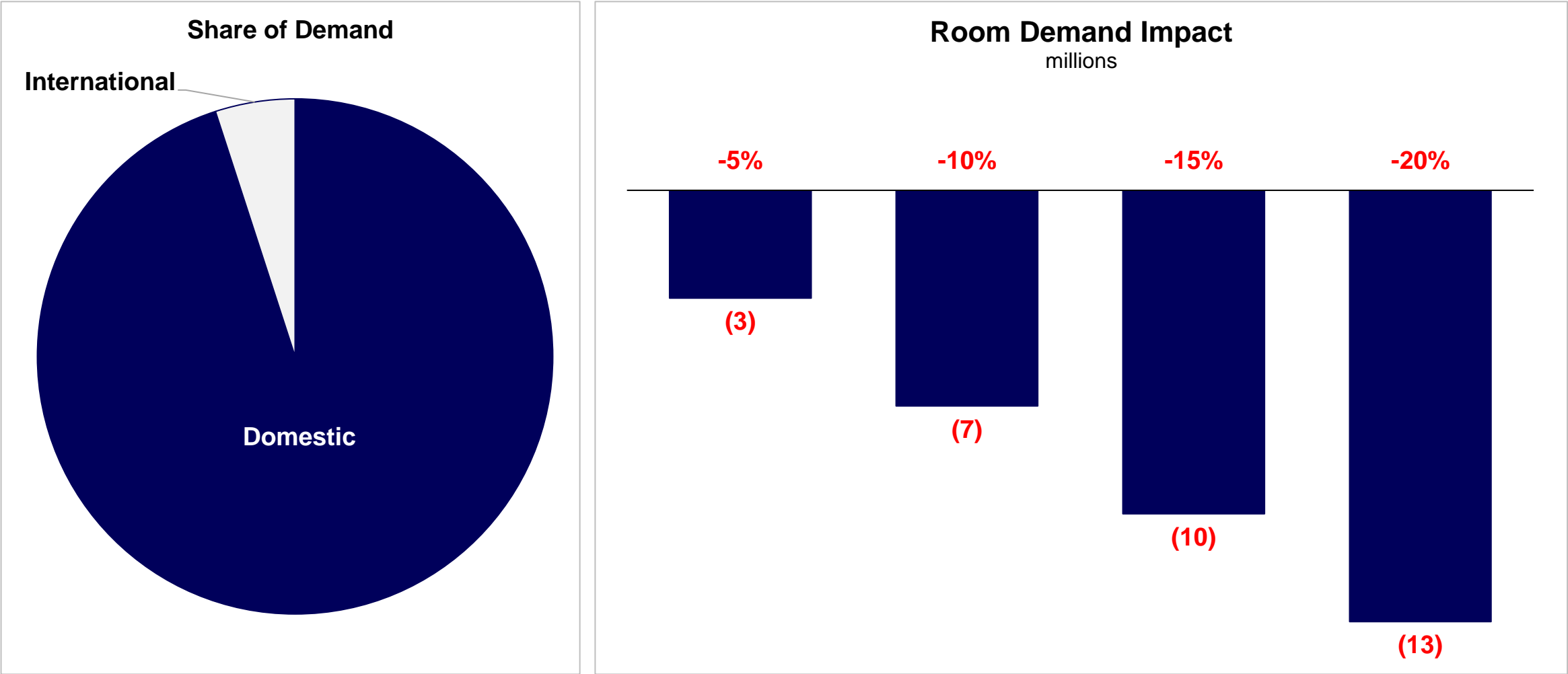
US inbound arrivals recovery delayed to 2029



Source: Tourism Economics

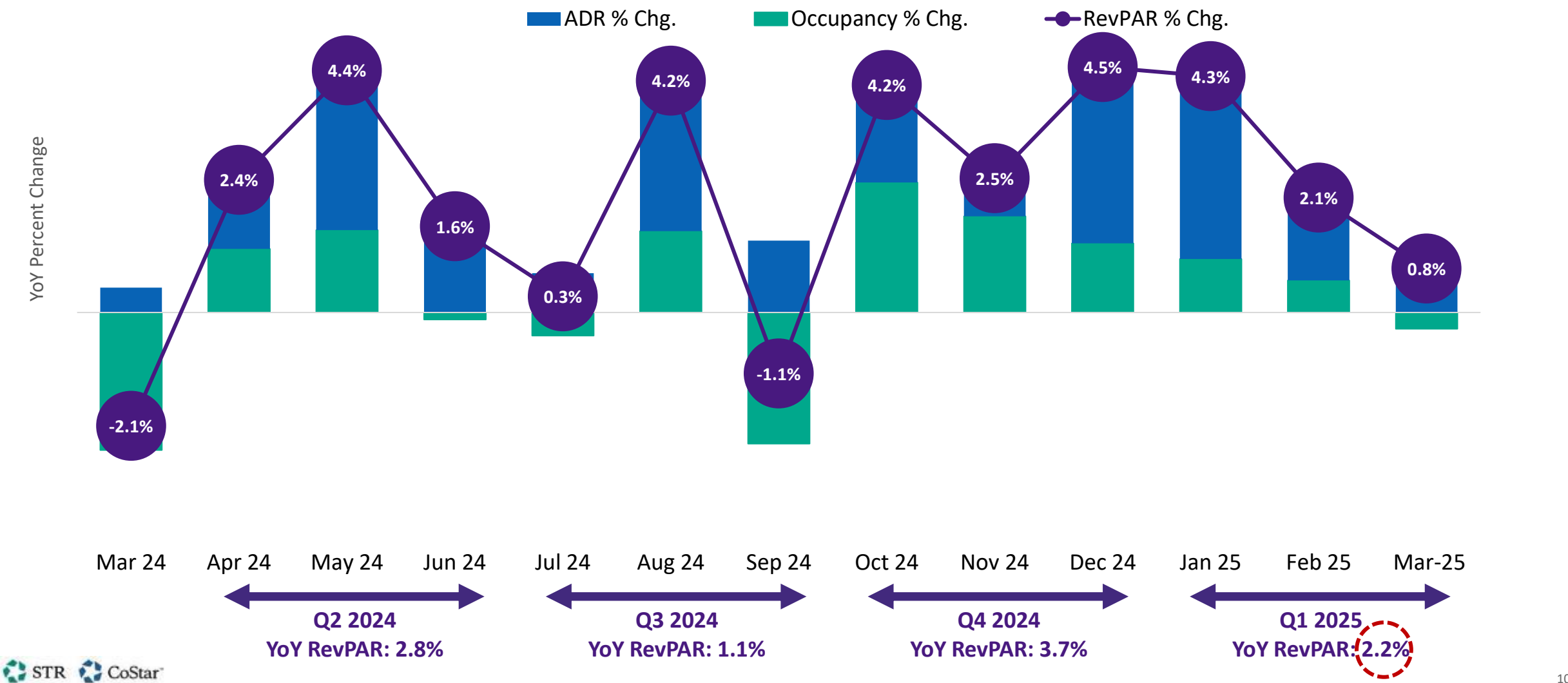
Potential inbound hotel impact on hotel industry

U.S. demand, assumes international inbound represents 5% of total room nights



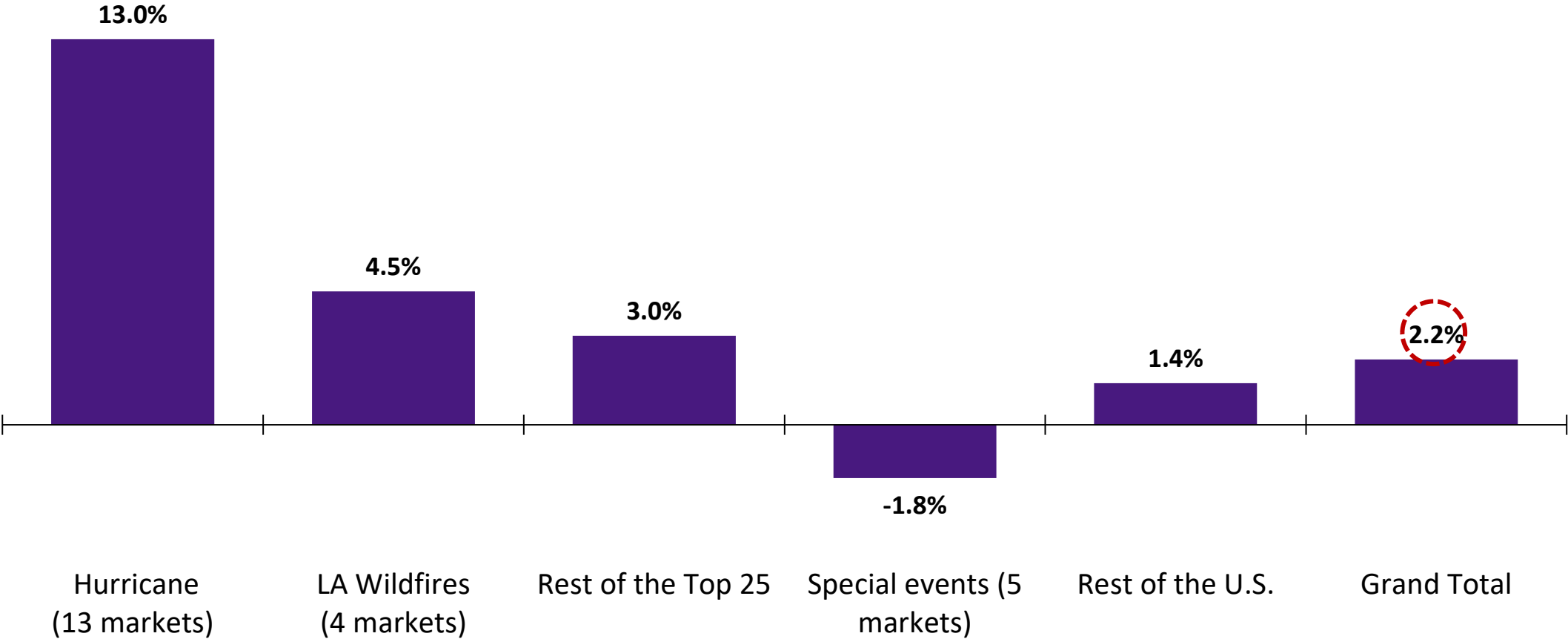
Respectable Q1 performance driven by solid January and February

U.S., KPI % change YoY



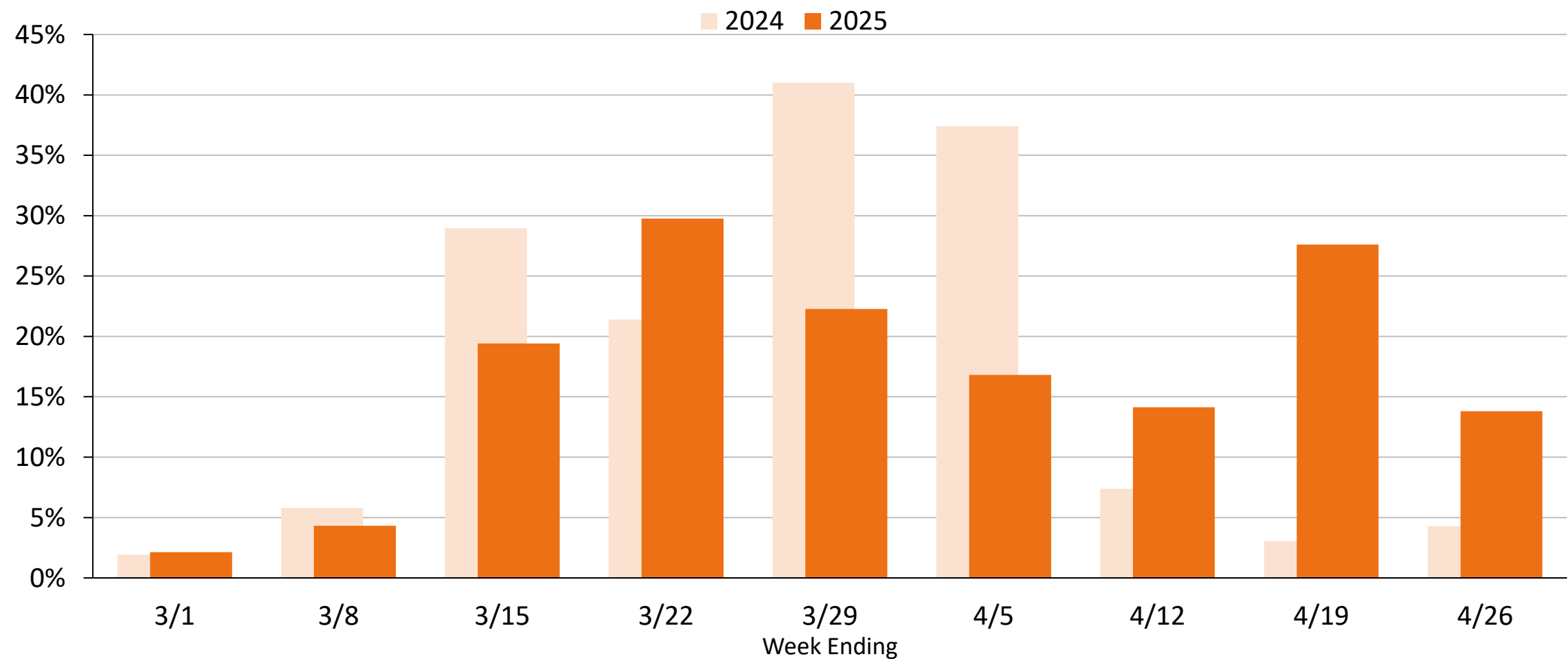
Mix of impacts from natural disasters and event market shifts

U.S., RevPAR % change YoY, Q1 2025



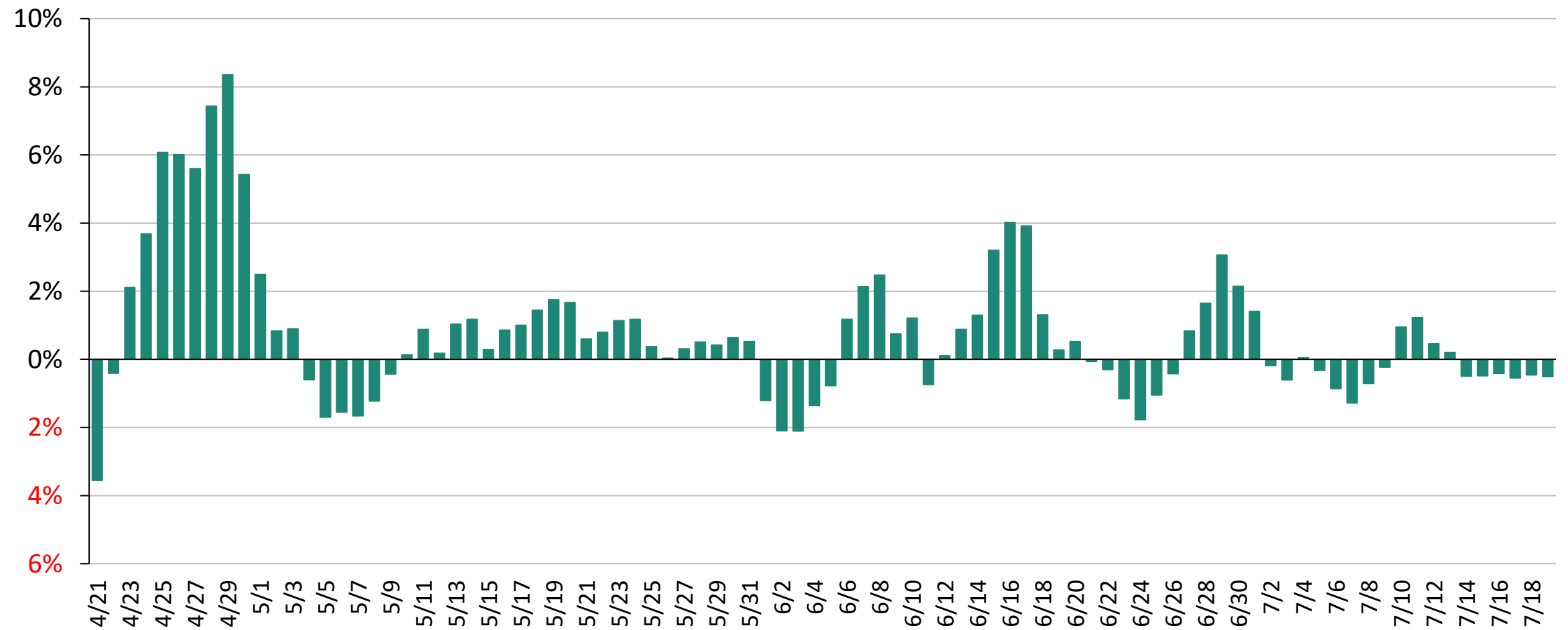
Muted performance in March impacted by later spring break

Percent of school population on vacation



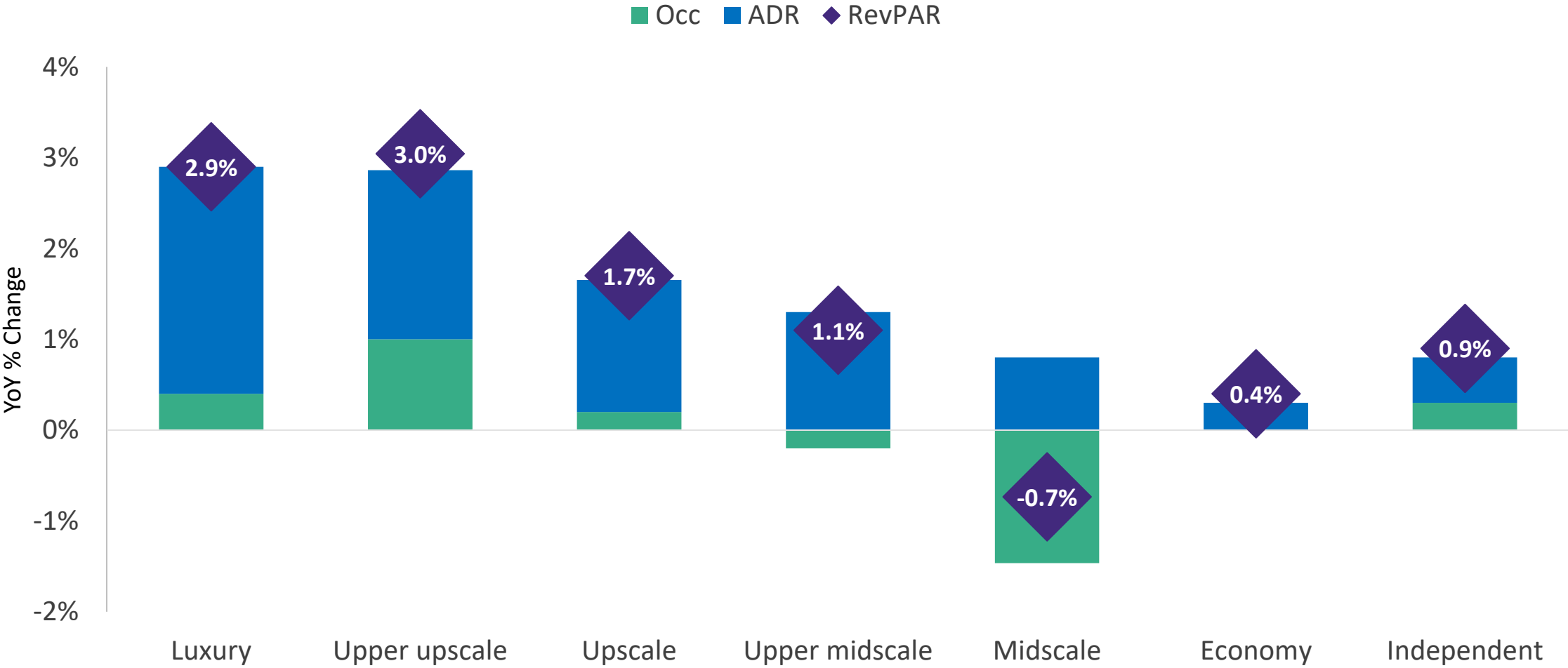
Forward bookings still mostly positive

U.S. Top 25 Markets, occupancy on the books



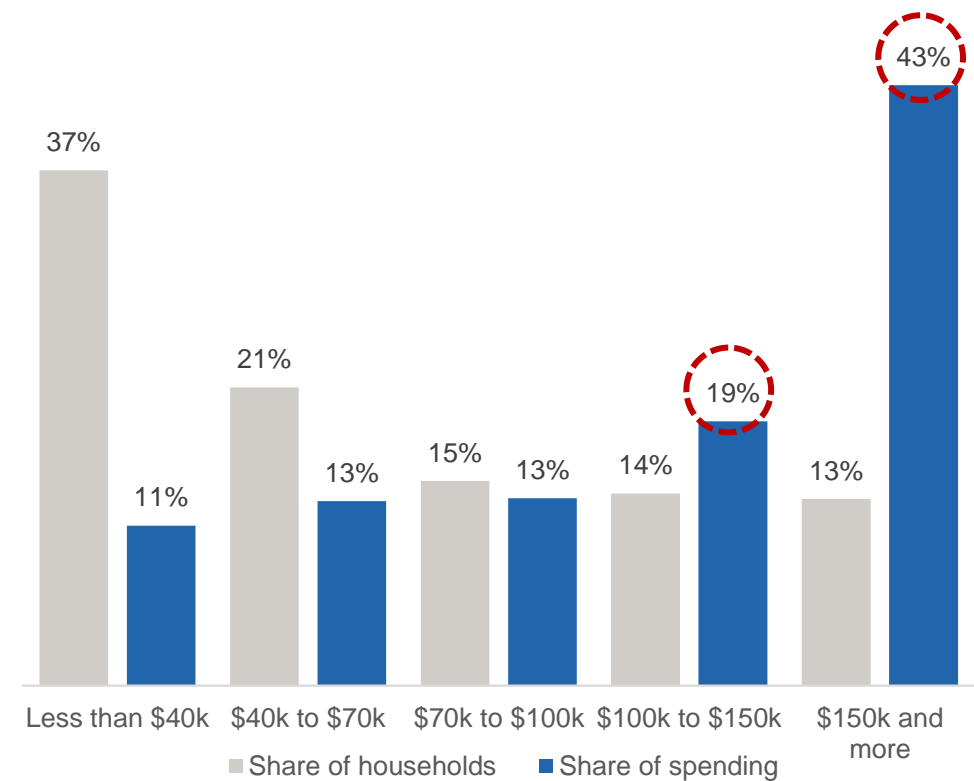
2025: Chains continue to reflect split in consumer types

U.S. 2025 forecast



Higher-income households account for over 60% of hotel spending

Lodging spending by household income
Leisure travel

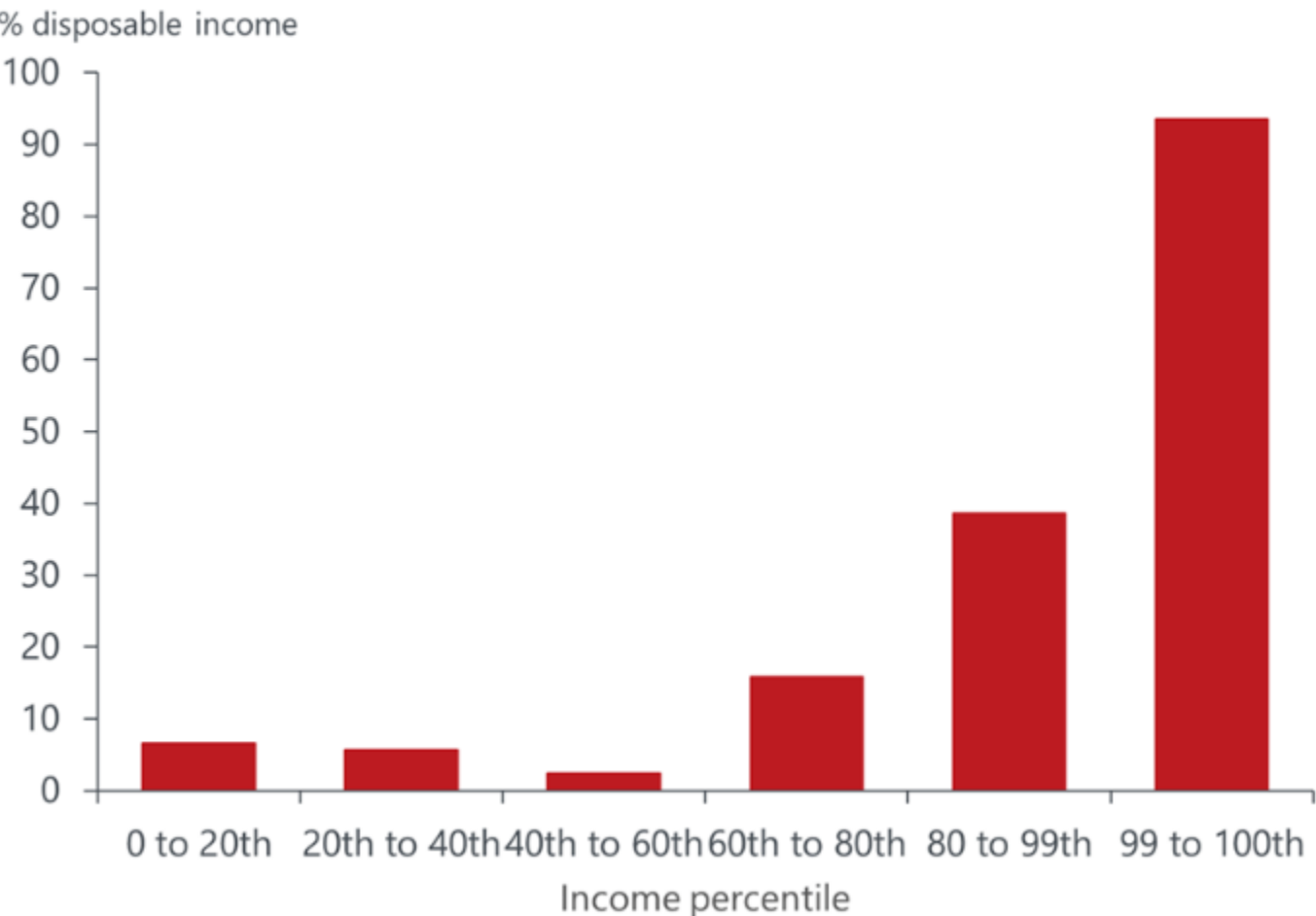


Note: Based on three-year average through 2020.
Source: BLS, Tourism Economics

Source: STR, AirDNA, CLIA/Tourism Economics, *Full-year forecast as of Nov 2024

Large gains in net worth among higher income groups

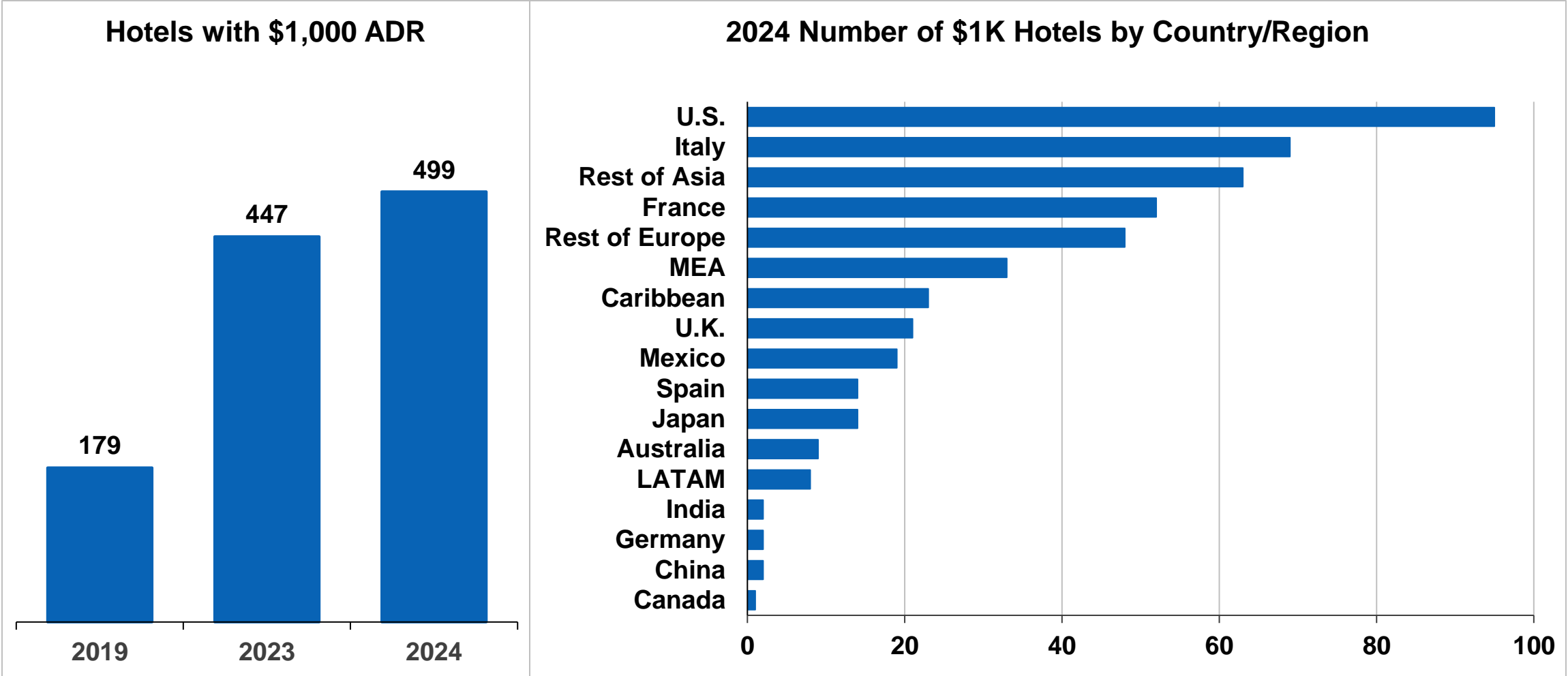
US: Change in household net worth Q4 2023 - Q4 2024



Source: Oxford Economics/Haver Analytics

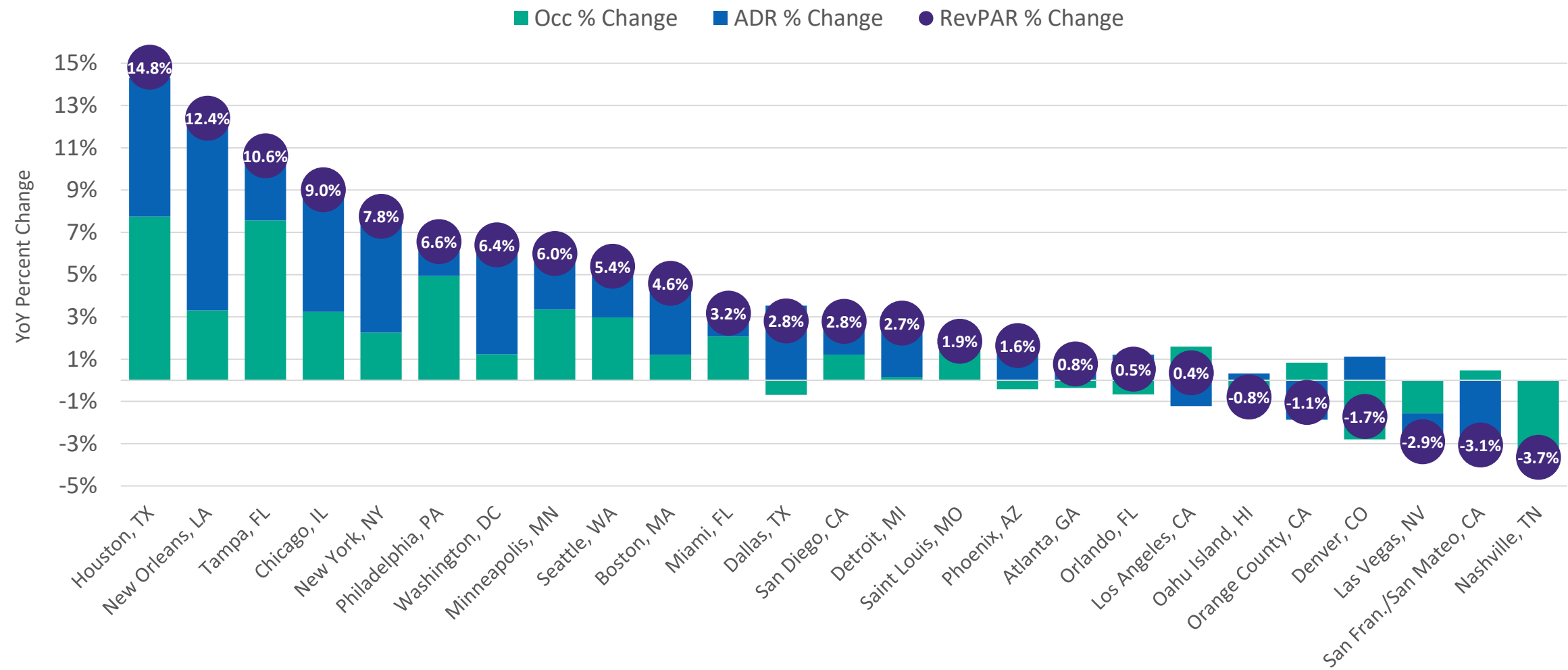
\$1,000 ADR hotels increasing

Number of hotels with an average ADR above \$1,000, reporting hotels



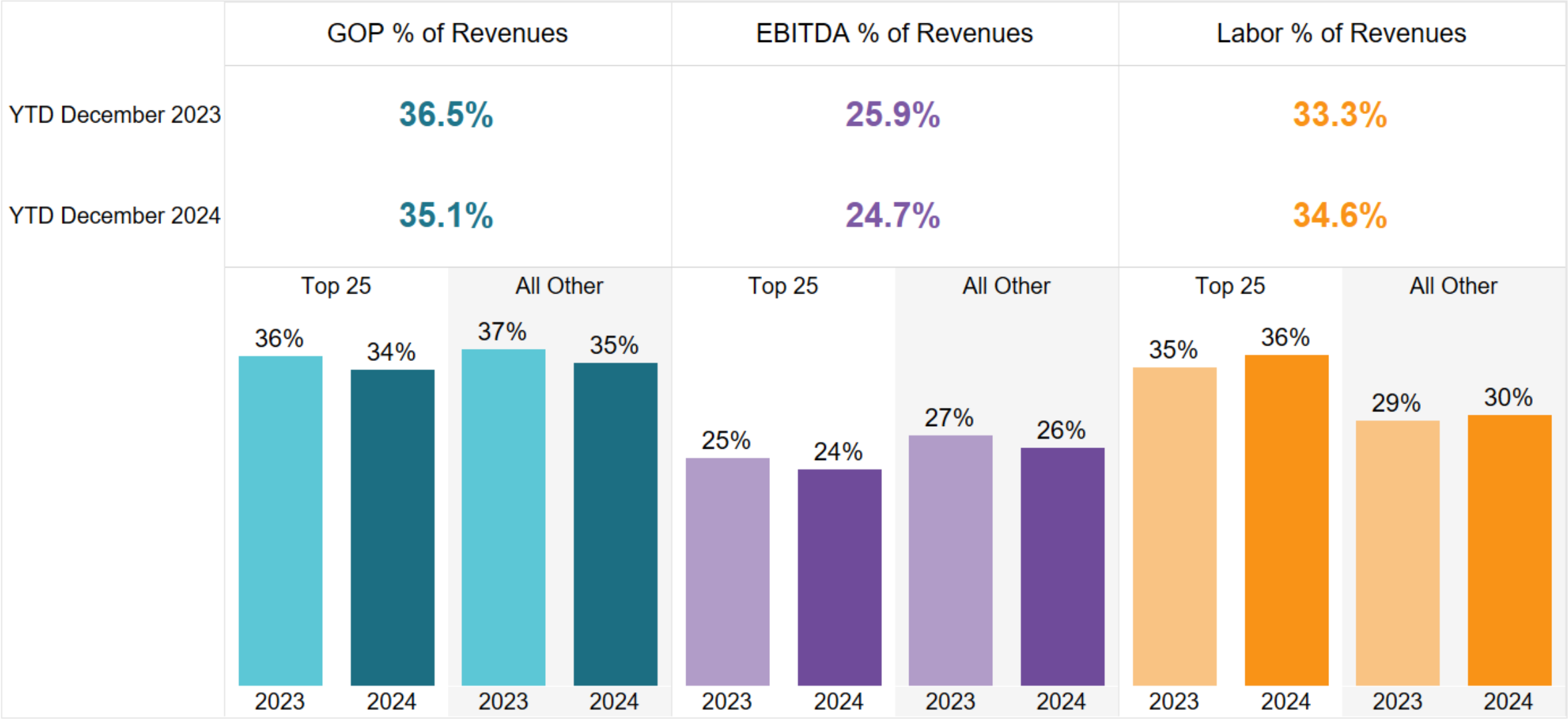
Major urban markets lead growth

RevPAR % change, TTM March 2025



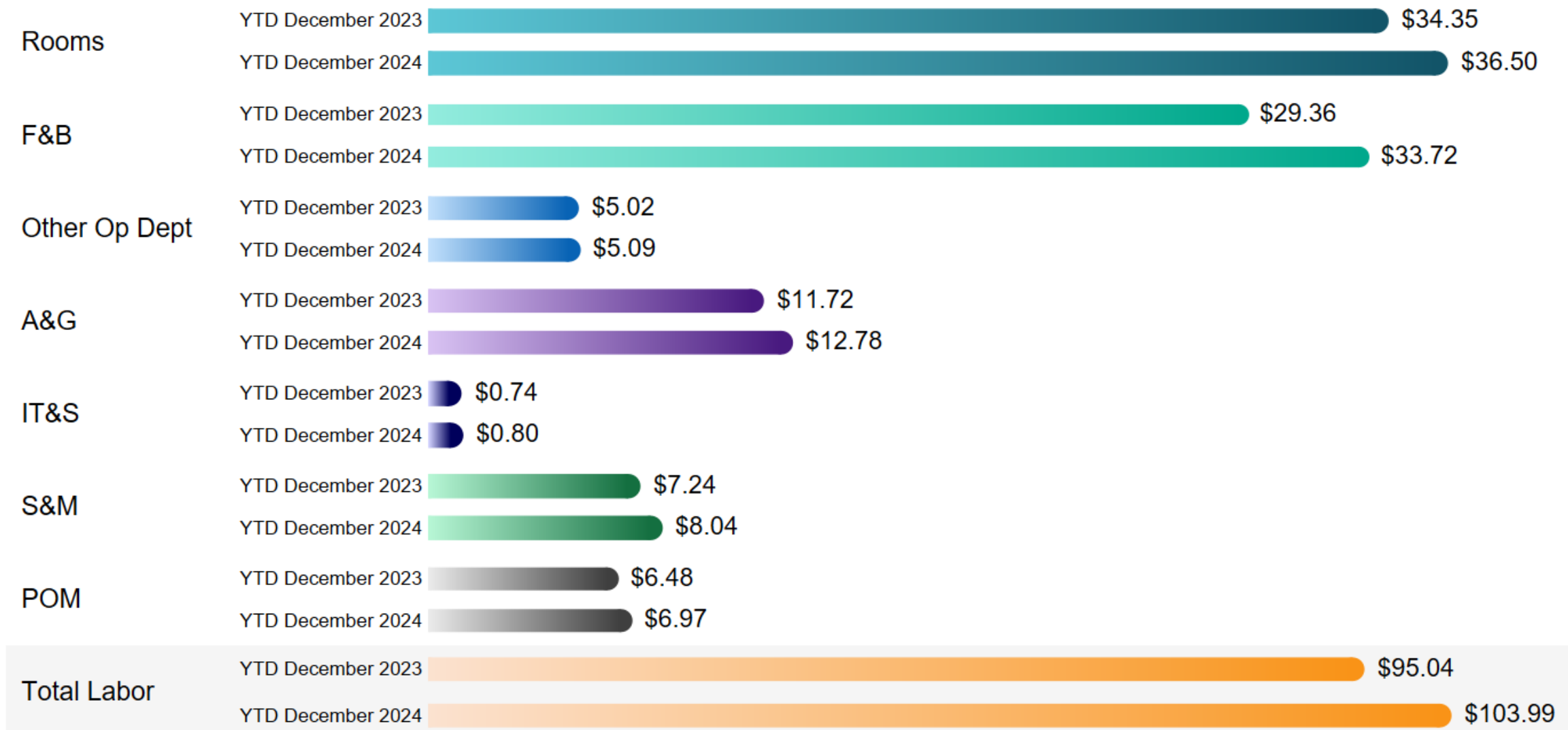
Higher labor costs in top markets has big impact on profit margins

Profit Margins, Total U.S., Top 25 Markets + all other markets, YTD Dec 2024 vs 2023



F&B labor continues to realize the highest growth

Departmental labor costs per occupied room night



Thank You!



Michael Stathokostopoulos
Senior Director, Hospitality Analytics
mstathokostopoulos@costar.com

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