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North American Hoteliers Prepare for Strong Q1 with Healthy Rate and Occupancy Gains

Hotel Performance Encouraging Heading into 2017

NEW YORK – January 4, 2017 – North American hoteliers are eager to ring in the New Year, according to new data from TravelClick’s December 2016 North American Hospitality Review (NAHR). All travel segments are experiencing healthy rate and occupancy gains year-over-year, with occupancy increasing 5.0 percent and average daily rates (ADR) increasing 3.2 percent in the first quarter of 2017.

The last quarter of 2016 shows positive, but tepid, growth across the board, with the group and transient leisure segments experiencing strong revenue per available room (RevPAR) growth at 2.8 percent and 3.3 percent, respectively.

“The last two quarters of 2016 have been challenging for North American hoteliers as we have seen inconsistent reservation pace and sporadic business demand,” said John Hach, TravelClick’s senior industry analyst. “However, over the last two months, we are seeing a material improvement on both transient and group bookings that indicate that North America hospitality will be off to a much brighter start in 2017.”

Twelve-Month Outlook (December 2016 – November 2017)

For the next 12 months (December 2016 – November 2017), transient bookings are up 4.0 percent year-over-year, and ADR for this segment is up 2.7 percent. When broken down further, the transient leisure (discount, qualified and wholesale) segment is showing occupancy gains of 2.8 percent with ADR gains of 3.0 percent. The transient business (negotiated and retail) segment is up 4.1 percent, and ADR is up 2.0 percent. Lastly, group bookings are up 2.8 percent in committed room nights over the same time last year, and ADR is up 2.4 percent.

“Hoteliers continue to operate in a very complex, dynamic climate where new technologies, economic factors and geopolitical news can directly impact sales,” added Hach. “As a result, it’s more important than ever for hoteliers to focus on their local markets to drive growth through rate and occupancy strategies, as ADR and committed occupancy* are both up in the New Year.”

Fourth Quarter 2016			
	ADR	Reserved Occupancy	RevPAR
All Travel Segments	+ 1.3%	+ 0.8%	+ 2.2%
Group Only	+ 2.0%	+ 0.6%	+ 2.8%
Transient Only Business + Leisure	+ 1.0%	+ 0.9%	+ 2.0%
Transient Business	+ 1.2%	- 2.0%	- 0.8%
Transient Leisure	+ 1.0%	+ 2.3%	+ 3.3%

First Quarter 2017		
	ADR	Committed Occupancy*
All Travel Segments	+ 3.2%	+ 5.0%
Group Only	+ 1.6%	+ 5.0%
Transient Only Business + Leisure	+ 3.9%	+ 5.0%
Transient Business	+ 4.5%	+ 2.0%
Transient Leisure	+ 3.8%	+ 4.9%

The December NAHR looks at group sales commitments and individual reservations in the 25 major North American markets for hotel stays that are booked by December 1, 2016, from the period of December 2016 to November 2017.

**Committed Occupancy – (Transient rooms reserved + group rooms committed) / capacity
The fourth quarter combines data from October and November and forward-looking data from December.*

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