

DESTINATION LEVEL RESERVATIONS ACTIVITY SUMMARY

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north lake tahoe

Destination: North Lake Tahoe

Period: Bookings as of Mar 31, 2021

Executive Summary - Year over Year Variance and Analysis

Data based on a sample of up to 12 properties in the North Lake Tahoe destination, representing up to 1,617 Units ('DestiMetrics Census'**) and 50.1% of 3,229 total units in the North Lake Tahoe destination ('Destination Census'**)

MARKET OVERVIEW: March marks one year since COVID-19 caused an unprecedented economic shutdown as stay-at-home orders brought about the grounding of flights, the closure of international borders, and mandated occupancy restrictions (where occupancy was permitted). While March did experience significant growth in daily COVID-19 cases across the US, economic indicators pointed towards a promising economic recovery, creating dynamic tension around whether or not to reopen broader local economies and destination travel. According to data provided by the Center for Disease Control (CDC), there were 50,802 of COVID-19 reported on March 1st, and 69,520 on the 31st, an increase of +18,718 cases, or +36.8 percent. While this growth in cases is worrisome and has the potential to restrict economic activity by way of public health mandates, the 7-day moving average was lower by the 31st than it was on the first day of the month, though only slightly. An ever-growing number of vaccinated people is combining with imminent warmer weather to mitigate the likelihood of an explosive resurgence of cases. Despite the growth in new cases in March, the US economy recorded positive growth in key economic indicators during the month. US employers added 916,000 jobs in March, dramatically exceeding economists' expectations of 675,000, and resulting in a decrease in the unemployment rate from 6.2 to 6.0 percent. The Leisure and Hospitality sector, the hardest hit by COVID-related job loss, led the monthly job gains, adding 280,000 a direct reflection of the adoption of less restricting local health ordinances and an influx of visitors. In an interesting dichotomy, though monthly hiring was overall positive, COVID-19 continues to be negatively impacting employment markets, with weekly Initial Jobless Claims rising significantly. Though claims have slowly lurched downward since the week of January 9th, the last week of March showed a marked increase of 10.6 percent from the prior week as 728,000 claims were filed. While the labor market recovers from a heavy deficit of 7.9 million fewer Americans employed than in February of 2020, it will be important to watch how Initial Jobless Claims reports trend to ensure a healthy recovery. Similar to the job market, the Consumer Confidence Index (CCI) also experienced significant growth last month, increasing 21.3 percent from February to 109.7 points (1985=100), the highest level recorded since March of 2020. Lynn Franco, Senior Director of Economic Indicators at The Conference Board said, "Consumers' assessment of current conditions and their short-term outlook improved significantly, an indication that economic growth is likely to strengthen further in the coming months." Dow Jones Industrial Average (DJIA) also improved in March, gaining 6.6 percent, or 2,049.18 points, to close at a historic high of 32,981.55 points. The DJIA is now almost 10,000 points higher than March 2020's close of 21,917.16 points as Wall Street continues to signal towards expected economic recovery in the coming months. While the historic high achieved in March is quite the feat, it is important to consider that the market has consistently not reflected the realities of Main Street America and has been viewed as inflated at best throughout the pandemic. Regardless of financial market standing, increases in stock valuation leads to portfolio improvements, providing financial stability to those using retirement accounts for everyday expenses, and may also help to fund efforts pointed towards economic recovery. As we are now one year removed from the onset of the pandemic response, the month of March has shown significant progress in the fight against COVID-19. As vaccination rates continue to climb and economic recovery is underway, the travel industry is poised to experience consistent growth matching pent-up demand in the marketplace, barring negative effects from a potential resurgence of COVID-19 infections. Locally, North Lake Tahoe occupancy was up +161.1 percent in March versus 2020, accompanied by a decrease in rate of -1.6 percent. North Lake Tahoe occupancy for the past six months (October - March) was down -10.7 percent compared to the same period last year, accompanied with an increase in rate of +0.9 percent. Bookings taken in March for arrival in March were up an undefined percent compared to bookings taken in February 2020, since percent change is undefined when comparing a positive number with an initial negative number (not shown).

		Year over Year		
		2021	2020	% Diff
a. Last Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates during last month (March, 2021) were (161.1%) compared to the same period last year (March, 2020), while Average Daily Rate was also (-1.6%).	Occupancy (March) :	55.9%	21.4%	161.1%
	ADR (March) :	\$357	\$363	-1.6%
b. Next Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates for next month (April, 2021) are up (1924.6%) compared to the same period last year, while Average Daily Rate is also up (52.4%).	Occupancy (April) :	29.6%	1.5%	1924.6%
	ADR (April) :	\$312	\$205	52.4%
c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the previous 6 months (October - March) are down (-10.7%) compared to the same period last year, while Average Daily Rate is up (0.9%).	Occ - 6 Month Historic	37.8%	42.3%	-10.7%
	ADR - 6 Month Historic	\$378	\$375	0.9%
d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the upcoming 6 months (April - September) are up (43.2%) compared to the same period last year, while Average Daily Rate is also up (18.8%).	Occ % - 6 Month Future	26.6%	18.6%	43.2%
	ADR - 6 Month Future	\$450	\$379	18.8%
e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Mar. 31, 2021 vs. Previous Year				
Rooms Booked during last month (March, 2021) compared to Rooms Booked during the same period last year (March, 2020) for all arrival dates are up by Undefined	Booking Pace (March):	8.8%	-9.0%	Undefined

LOOKING FORWARD: With the winter season in the mountains all-but wrapped up and high season in the southeast just underway, warm weather, vaccinations, and economic recovery are fueling sharp increases in bookings and an extension of lead times, helping to paint a clearer picture of the months ahead than we've had since February 2021. As the ski season in the mountains comes to an end, traveling consumers are turning their attention to warm weather variations on mountain travel and a likely continued focus on 'distance travel' and the great outdoors as we watch booking pace for the spring and early summer months pick up. Likewise, beachgoers are hitting the southeast region in large numbers for spring break, and the volume for the months ahead is supporting ongoing record-setting room rates as pent-up demand makes it into the marketplace. Though infection rates are increasing in many states, and the CDC is justifiably urging a cautious approach to reopening, the vaccination rates in the US are unprecedented and driving economic momentum at the consumer level that is hard to control without imposing a restrictive or slowing approach to reopening. On the positive side of that coin is that same consumerism that creates a health concern creating a travel environment that necessitates employment and job creation, both of which are critical to sustained growth and the economic health of destination travel communities and the industry as a whole... Though we must be cautious about any prediction where a pandemic is concerned, the current outlook for the next ninety days is for increased growth in occupancy and room rate, driving revenue projections dramatically higher than summer 2020, and likely above pre-pandemic levels in 2019. Locally, North Lake Tahoe on-the-books occupancy for April 2021 is up +1924.6 percent compared to 2020, accompanied with an increase in rate of +52.4 percent. Occupancy on-the-books for the upcoming six months (April - September) is up +43.2 percent compared to the same period last year, with an increase in rate of +18.8 percent. North Lake Tahoe bookings taken in March for arrival March - August are up an undefined percent compared to the same period last year, since percent change is undefined when comparing a positive number with an initial negative number.

For more information:		
North Lake Tahoe Contact Info:	Sarah Winters, Director of Sales	Sarah@gotahoenorth.com www.nltra.org
Inntopia Contact Information:		info@DestiMetrics.com www.DestiMetrics.com