

## DESTINATION LEVEL RESERVATIONS ACTIVITY SUMMARY

Produced by Inntopia. Presented as a community service by the North Lake Tahoe DestiMetrics subscribing organization



# north lake tahoe

Destination: North Lake Tahoe

Period: Bookings as of Apr 30, 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 1,671 Units ('DestiMetrics Census\*\*') and 51.8% of 3,229 total units in the North Lake Tahoe destination ('Destination Census\*\*')

**MARKET OVERVIEW:** As our Mountain West destinations are wrapping up their second winter season affected by COVID-19, they do so with what can be classified as a win under their belts, while the Southeast destinations continue to experience strong growth as pre-pandemic records are being broken. April marked a continued effort towards recovery in both the economic and travel spheres as economic indicators pressed on towards pre-pandemic levels and April pacing edged just higher than 2019. In the West, the winter season fell short of occupancy attained in 2019 as the season aggregated 43 percent occupancy, down -18.9 percent from pre-pandemic levels. While occupancy dropped, average daily rate held strong at \$399, down just \$5 from Winter season 2018/19, illustrating that while the quantity of consumer decreased, the quality remained roughly the same. In the Southeast, destinations have now completed their second month of the summer season, and are enjoying record-breaking rates and occupancy, both up over 20 percent compared to pre-pandemic levels. As the Southeast has operated with fewer restrictions than most destinations, risk-averse travelers have flocked to the region since their home states started to shutdown or restrict activity. With all upcoming summer months gaining over Summer 2019, the Southeast is primed for a fruitful season. On the health front, Americans continue to get vaccinated at a world-leading pace with 35.1 percent of the total population fully vaccinated and 46.2 percent with at least one dose, according to data provided by the Center for Disease Control (CDC). Combined with a drop in cases noted since mid-winter, state and local governments are lifting restrictions and scheduling returns to "fully open" economies, most of which will occur in July and August. Daily new COVID-19 cases, as provided by the CDC, experienced a large drop in the month of April, with 53,864 daily new cases on April 30, a decline of -28.5 percent from the 75,324 daily average on April 1. In alignment with travel industry and public health news, key economic indicators show ongoing forward progress. The Dow Jones Industrial Average (DJIA) continues to experience growth as the index increased +2.7 percent or +897.45 points to close the month at a record high of 33,879.00. While financial markets continue to grow, those invested in stocks as well as those living off retirement accounts see direct benefit in their increased portfolio valuation. The Consumer Confidence Index (CCI) increased +11.7 percent in April to close the month at 121.7 points (1985=100) marking the highest level the index has achieved since February 2020. Lynn Franco, Senior Director of Economic Indicators at The Conference Board said, "Consumers' assessment of current conditions improved significantly in April, suggesting the economic recovery strengthened further in early Q2". Expectations were high for April's job report as Wall Street analysts predicted 1,000,000 jobs being added to the labor market. However, employers fell dramatically short, adding a mere +266,000 jobs. The national unemployment rate experienced a slight increase from 6.0 to 6.1 percent, rather than the expected decline to 5.8 percent, as hiring managers are dealing with a shortage of available workers. As the labor supply gap widens, economists have become more concerned with the potential reciprocal effects of inflation due to wage increases, in addition to other factors. Though Federal Reserve Chairman Powell has dismissed these concerns as temporary, saying "We can afford to wait to see actual inflation before we raise interest rates". New jobless claims fell to 498,000 for the last week of April, the first week to dip below 500,000 since the start of the pandemic, suggesting an accelerated hiring pace in early May, but remains approximately 300% above normal levels. As economic indicators, travel performance, and changes to public health policy point towards a continued recovery effort, shortcomings in certain aspects of the economy may limit the pace of recovery, and as such, it is important to remember that the situation is still dynamic and should be monitored closely. Locally, North Lake Tahoe occupancy was up +19,041.9 percent in April versus 2020, accompanied by a decrease in rate of -17.1 percent. North Lake Tahoe occupancy for the past six months (November - April) was up +7.0 percent compared to the same period last year, accompanied with a decrease in rate of -6.7 percent. Bookings taken in April for arrival in April were up an undefined percent compared to bookings taken in April 2020, since percent change is undefined when comparing a positive number with an initial negative number (not shown).

|  |                        | Year over Year |              |                  |
|--|------------------------|----------------|--------------|------------------|
|  |                        | 2021           | 2020         | % Diff           |
| <b>a. Last Month Performance: Current YTD vs. Previous YTD</b>   |                        |                |              |                  |
| Occupancy Rates during last month (April, 2021) were (19041.9%) compared to the same period last year (April, 2020), while Average Daily Rate was also (-17.1%). | Occupancy (April) :    | <b>41.3%</b>   | <b>0.2%</b>  | <b>19041.9%</b>  |
|  | ADR (April) :          | <b>\$288</b>   | <b>\$348</b> | <b>-17.1%</b>    |
| <b>b. Next Month Performance: Current YTD vs. Previous YTD</b>   |                        |                |              |                  |
| Occupancy Rates for next month (May, 2021) are up (1658.5%) compared to the same period last year, while Average Daily Rate is down (-24.9%).                    | Occupancy (May) :      | <b>22.1%</b>   | <b>1.3%</b>  | <b>1658.5%</b>   |
|  | ADR (May) :            | <b>\$274</b>   | <b>\$365</b> | <b>-24.9%</b>    |
| <b>c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD</b>  |                        |                |              |                  |
| Occupancy Rates for the previous 6 months (November - April) are up (7.0%) compared to the same period last year, while Average Daily Rate is down (-6.7%).      | Occ - 6 Month Historic | <b>38.8%</b>   | <b>36.3%</b> | <b>7.0%</b>      |
|  | ADR - 6 Month Historic | <b>\$376</b>   | <b>\$403</b> | <b>-6.7%</b>     |
| <b>d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD</b>  |                        |                |              |                  |
| Occupancy Rates for the upcoming 6 months (May - October) are up (82.1%) compared to the same period last year, while Average Daily Rate is also up (15.5%).     | Occ % - 6 Month Future | <b>32.6%</b>   | <b>17.9%</b> | <b>82.1%</b>     |
|  | ADR - 6 Month Future   | <b>\$423</b>   | <b>\$366</b> | <b>15.5%</b>     |
| <b>e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Apr. 30, 2021 vs. Previous Year</b>   |                        |                |              |                  |
| Rooms Booked during last month (April, 2021) compared to Rooms Booked during the same period last year (April, 2020) for all arrival dates are up by Undefined   | Booking Pace (April):  | <b>10.0%</b>   | <b>-3.7%</b> | <b>Undefined</b> |

**LOOKING FORWARD:** Destination resorts are booming in recent weeks, with the West emerging from a mixed winter season into a very strong early summer, and the Southeast building on momentum that has barely let up since August 2020. Though employers let down the side a bit, adding just 216,000 jobs last month, financial markets are overcoming hiccups and continuing to trend upward, with consumers following suit. All this has translated to strong rate momentum for the months ahead, with both regions setting up for record room rates, even from this early date, assuming the current trends continue. Issues that may slow pace over the coming months are increases in fuel prices, which will give rise to higher prices across the consumer spectrum, and the consequence of any actions that the Federal Reserve might take to slow inflation such as increasing interest rates, though this is unlikely before 2023. Overall, conditions are ripe for a dramatically different summer 2021 than 2020, and it may well come to pass that the challenge will be sustaining record performance in the long term. Locally, North Lake Tahoe on-the-books occupancy for May 2021 is up +1658.5 percent compared to 2020, accompanied with a decrease in rate of -24.9 percent. Occupancy on-the-books for the upcoming six months (May - October) is up +82.1 percent compared to the same period last year, with an increase in rate of +15.5 percent. North Lake Tahoe bookings taken in April for arrival April - September 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.

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| <b>For more information:</b>   |                                  |  |
| North Lake Tahoe Contact Info: | Sarah Winters, Director of Sales | <a href="mailto:Sarah@gotahoenorth.com">Sarah@gotahoenorth.com</a><br><a href="http://www.nltra.org">www.nltra.org</a>             |
| Inntopia Contact Information:  |                                  | <a href="mailto:info@DestiMetrics.com">info@DestiMetrics.com</a><br><a href="http://www.DestiMetrics.com">www.DestiMetrics.com</a> |