

DESTINATION LEVEL RESERVATIONS ACTIVITY SUMMARY

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north lake tahoe

Destination: North Lake Tahoe

Period: Bookings as of May 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: May marks the start of the summer season for our Mountain West destinations, and while expectations last year at this time were grim and ambiguous, Summer 2021 is potentially setting up to surpass historic performance records set 2 years ago. Following good foundational summer bookings in April, bookings made in May helped further gains versus 2019 as occupancy for summer 2021 now stands slightly up +1.6 percent vs Summer of 2019. At the same time, Average Daily Rate (ADR) is showing large improvements, up +30.7 percent versus 2019. While the Mountain West is just getting started with summer, the Southeast is now halfway through theirs, and continues to experience gains in both occupancy and rate. Bookings made in May for arrival May through August are driving overperformances in excess of +20.0 percent for both occupancy and rate compared to the historic highs of Summer 2019. As the United States moves into the warmer summer months and the percentage of fully vaccinated people continues to climb, daily new cases as reported by the Center for Disease Control (CDC) have dropped to lows last seen at the onset of the pandemic in March of 2020. On May 1st, 48,523 new cases were reported. By May 31st that number had declined to only 9,169, a drop of -81.1 percent. As the public health situation has improved over the past month, the economic recovery effort is also moving in the right direction. Unemployment improved in May as job creation made a comeback from the disappointing numbers reported in April. In May, the US added 559,000 new jobs, an increase of 110.2 percent over last month and the national unemployment rate fell from 6.1 to 5.8 percent. However, job creation fell short of expectations by about 120,000 and much of the decline in the unemployment rate can be attributed to workforce attrition as many job seekers stopped looking for work. The Consumer Confidence Index (CCI) experienced a very slight decrease compared to last month, down -0.3 percent to 117.2 points (1985=100), though the index remains up compared to the 2020 monthly average and suppliers have the advantage as consumers re-engage. Lynn Franco, Senior Director of Economic Indicators at The Conference Board, said, "Overall, consumers remain optimistic, and confidence should remain resilient in the short term, as vaccination rates climb, COVID-19 cases decline further, and the economy fully reopens." On financial markets, the Dow Jones Industrial Average (DJIA) continues to be the most visible component of economic recovery as yet another historic high was reached by the close of May. An increase of +1.9 percent or +650.45 points from last month set the DJIA at a close of 34,529.45 points, a year-over-year gain of +36.0 percent compared to May of 2020. As financial markets continue to grow, those with investments in the market see direct gains, while increases in stock prices lead to corporate valuation increases, which may also help to fund hiring and recovery efforts. As COVID-19 infection rates plunge, and events and business open up for almost full occupancy without restriction, economic recovery will be driven in large part by pent-up demand across industries as consumers get back to those things they missed over the past 16 months. With early signs pointing towards large improvements in bookings and rate across travel regions, the hospitality industry is primed to be on the forefront of the economic recovery effort. Locally, North Lake Tahoe occupancy was up +4,314.2 percent in May versus 2020, accompanied by an increase in rate of +507.7 percent. North Lake Tahoe occupancy for the past six months (December - May) was up +24.5 percent compared to the same period last year, accompanied with a decrease in rate of -14.4 percent. Bookings taken in May for arrival in May were up an undefined percent compared to bookings taken in May 2020, since percent change is undefined when comparing a positive number with an initial negative number (not shown).

		2021	2020	Year over Year % Diff
a. Last Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates during last month (May, 2021) were (4314.2%) compared to the same period last year (May, 2020), while Average Daily Rate was also (507.7%).	Occupancy (May) :	30.7%	0.7%	4314.2%
	ADR (May) :	\$277	\$46	507.7%
b. Next Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates for next month (June, 2021) are up (278.3%) compared to the same period last year, while Average Daily Rate is down (-4.5%).	Occupancy (June) :	49.4%	13.1%	278.3%
	ADR (June) :	\$419	\$439	-4.5%
c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the previous 6 months (December - May) are up (24.5%) compared to the same period last year, while Average Daily Rate is down (-14.4%).	Occ - 6 Month Historic	39.6%	31.8%	24.5%
	ADR - 6 Month Historic	\$369	\$431	-14.4%
d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the upcoming 6 months (June - November) are up (103.0%) compared to the same period last year, while Average Daily Rate is also up (5.4%).	Occ % - 6 Month Future	35.1%	17.3%	103.0%
	ADR - 6 Month Future	\$426	\$404	5.4%
e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: May, 31, 2021 vs. Previous Year				
Rooms Booked during last month (May, 2021) compared to Rooms Booked during the same period last year (May, 2020) for all arrival dates are up by Undefined	Booking Pace (May):	6.0%	-1.6%	Undefined

LOOKING FORWARD: Destination travel at both Mountain West and Southeast resorts is in high gear as both regions head into the busiest months of their warm-weather seasons. Economic strength and surging pent-up consumer demand are combining with a new sense of safety as vaccination rates climb and incidents of disease decline to send occupancy, room rate, and revenue projections into pre-pandemic record territory. The first significant date on the radar with dramatic gain potential will be the 4th of July holiday, which the White House has called out as a target date for 70 percent immunization nationally. And while the country is likely to miss that goal as hesitancy creeps into the numbers and the pace of vaccinations slows, the Sunday holiday will extend that weekend and the bookings for arrival on and around the date are very strong nationally versus both 2020 and 2019. Meanwhile, we anticipate that early numbers for the balance of July through September will remain very high, with revenue remaining in record territory driven by dramatic rate gains. However, there are a few concerns, including the 70 percent herd immunity target; failure to reach that number may result in hesitancy for inbound international travelers, an audience the industry needs to get back in front of, and raises the prospects for resurgences as weather cools in the fall, something the Centers for Disease Control is currently working to model. Economically, overall growth projections have been increased both domestically and globally, though that growth will be lopsided towards the wealthier, immunized world, and we're likely to see consumer confidence regain its pre-pandemic heights above 120 points. On the cautious side are employment, with some 5 million jobs still missing since February 2020, which in turn puts less discretionary money into the system, and inflation, which will be short-lived but may slow the pace of consumer spend once pent-up demand is satisfied. And, on that note, when the demand wave for the pent up demand will exhaust itself is difficult to predict, but the current surges aren't sustainable and all sectors of the economy should expect a slowing of pace in the 60 to 90 days to-come. Locally, North Lake Tahoe on-the-books occupancy for June 2021 is up +278.3 percent compared to 2020, accompanied with a decrease in rate of -4.5 percent. Occupancy on-the-books for the upcoming six months (June - November) is up +103.0 percent compared to the same period last year, with an increase in rate of +5.4 percent. North Lake Tahoe bookings taken in May for arrival May - October 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:			
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