

DESTINATION LEVEL RESERVATIONS ACTIVITY SUMMARY

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north lake tahoe

Destination: North Lake Tahoe

Period: Bookings as of Jun 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: The summer season for our Mountain West destinations is now two months in and showing uncommonly strong rate gains over the pre-pandemic summer of 2019. Seasonal Average Daily Rate (ADR) is up +31.5 percent, or roughly \$100, higher than 2019 at this time, while occupancy on-the-books is at 38.0 percent, up +7.1 percent from 2019. Consumers aren't just planning for future months either, as bookings made in June for arrival in June boosted occupancy to within one percent of June 2019, a 33.7 percent increase in booking pace compared to bookings made in the month for the month in 2019. Meanwhile in the Southeast, the busy summer season is now more than halfway through, with impressive occupancy and ADR gains over 2019 of +17.0 percent and +29.0 percent, respectively. A seasonal threat to tourism in the region is the now-present hurricane season, which has the potential to disrupt travel both locally and regionally, though no present threat exists. Nationwide, the increased presence of the Delta variant of COVID-19 has the potential to interrupt economic recovery and tourism in the coming months. Regardless, travelers seem less concerned with the potential spread as bookings continue to climb through the fall months, the period in which the variant is expected to make an impact of some sort. According to data recorded by the Center for Disease Control (CDC) daily new COVID-19 cases increased +92.2 percent, from 8,633 cases on June 1st to 16,589 on June 30th. While the percent increase for the month is certainly high, the last time daily new cases were this low was late March of 2020. Key metrics for the US economy continue to show growth or relative strength, led largely by labor market changes. In June, the US added +850,000 new jobs, surpassing economists' expectations and unemployment increased to 5.9 percent due to an increasing number of workers joining the search for employment. Hiring in the hospitality sector continues to surge and led the way in job gain for the month, adding +343,000 jobs, a significant gain to the hardest-hit industry. However, the sector remains at a decreased level of total employment, down -2.2 million employees compared to pre-pandemic levels, while managers struggle to fill open positions despite quality incentives. The Consumer Confidence Index (CCI) increased +6.1 percent from May to 127.3 (1985=100), the highest level since the onset of the pandemic. Lynn Franco, Senior Director of Economic Indicators at The Conference Board said, "While short-term inflation expectations increased, this had little impact on consumers' confidence or purchasing intentions... Vacation intentions also rose, reflecting a continued increase in spending on services." One metric that did decrease slightly was the Dow Jones Industrial Average (DJIA), down a very slight -0.08 percent or -26.94 points from May, to close the month at 34,502.51 points. While a decrease in DJIA does decrease portfolio values and corporate valuation, the decrease in June is minute, and the index remains at a historically elevated level. As economic indicators continue to point towards increased activity, consumers are doing their part by planning and booking trips to their favorite destinations with little concern that public health policy intervention or economic digression will interfere. Locally, North Lake Tahoe occupancy was up +105.0 percent in June versus 2020, accompanied by an increase in rate of +17.1 percent. North Lake Tahoe occupancy for the past six months (January - June) was up +59.8 percent compared to the same period last year, accompanied with a decrease in rate of -3.8 percent. Bookings taken in June for arrival in June were down -54.1 percent compared to bookings taken in June 2020 (not shown).

		2021	2020	Year over Year % Diff
a. Last Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates during last month (June, 2021) were (105.0%) compared to the same period last year (June, 2020), while Average Daily Rate was also (17.1%).	Occupancy (June) :	56.0%	27.3%	105.0%
	ADR (June) :	\$451	\$385	17.1%
b. Next Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates for next month (July, 2021) are up (66.9%) compared to the same period last year, while Average Daily Rate is also up (0.6%).	Occupancy (July) :	67.2%	40.3%	66.9%
	ADR (July) :	\$536	\$532	0.6%
c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the previous 6 months (January - June) are up (59.8%) compared to the same period last year, while Average Daily Rate is down (-3.8%).	Occ - 6 Month Historic	45.4%	28.4%	59.8%
	ADR - 6 Month Historic	\$381	\$396	-3.8%
d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the upcoming 6 months (July - December) are up (92.5%) compared to the same period last year, while Average Daily Rate is also up (0.1%).	Occ % - 6 Month Future	35.6%	18.5%	92.5%
	ADR - 6 Month Future	\$437	\$437	0.1%
e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Jun. 30, 2021 vs. Previous Year				
Rooms Booked during last month (June, 2021) compared to Rooms Booked during the same period last year (June, 2020) for all arrival dates are up by Undefined	Booking Pace (June):	7.4%	4.6%	61.0%

LOOKING FORWARD: We look ahead to the peak months of summer in both the Western Mountain and Southeast Beach resorts with an air of levity, with both regions dramatically overperforming last year at this time (as expected) and resetting the record high-bars of 2019 (not-so-expected). With consumers returning to the marketplace, their pockets lined with record savings, and COVID-19 on the retreat, lodging performance metrics for the months ahead – most notably room rate – are creating revenue opportunities that accountants only dream of... Until now. It is clear that, barring some economic or public health disaster, both regions will remain on a slightly diminished but still record-setting pace for the balance of the season and carry that momentum into fall and early winter. However, there are some regional, national, and global concerns that we're keeping an eye on. In the Western Mountains, the threat of wildfire, a common concern this time of year, is exacerbated by 100-year droughts from Colorado to the West Coast. Meanwhile in the Southeast, five named storms by the first week of July indicate a busy hurricane season ahead, though like wildfires, it remains only a concern until if and when something actually happens. Nationally, economic conditions are extremely good, but a lack of employees may stifle fulfillment of demand, and inflation may well slow consumer spending if the current rate of 5.4 percent doesn't soften over the coming few months. However, we remain bullish on overall conditions, will watch the wildcards carefully, but expect records, already being set, will continue to raise destination travel metrics to new levels in the months ahead. Locally, North Lake Tahoe on-the-books occupancy for July 2021 is up +66.9 percent compared to 2020, accompanied with an increase in rate of +0.6 percent. Occupancy on-the-books for the upcoming six months (July - December) is up +92.5 percent compared to the same period last year, with an increase in rate of +0.1 percent. North Lake Tahoe bookings taken in June for arrival June - November are up +61.0 percent compared to the same period last year.

For more information:

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