

# DESTINATION LEVEL RESERVATIONS ACTIVITY SUMMARY

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## north lake tahoe

Destination: North Lake Tahoe

Period: Bookings as of Nov 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 1,719 Units (DestiMetrics Census\*) and 53.2% of 3,229 total units in the North Lake Tahoe destination (Destination Census\*\*)

**MARKET OVERVIEW:** As November comes to an end the first month of the 2021/22 winter season is now in the books. Marked by limited snowfall across the Mountain West, anecdotally the month has been a slow start to the current ski season with respect to skier days. Meteorologists have called it a megadrought, and the pressing La Nina weather pattern is pushing storm systems further into the Pacific Northwest and Canada, fueling catastrophic flooding. But weather is fickle, and many good seasons have had a dry or warm start, only to pick up in late December or January, so we'll keep our eyes to the skies. The lack of cold weather and precipitation aren't the only matters for concern depressing early season business. While key economic indicators had trended to the positive and new COVID-19 cases had decreased last month, indicators were more mixed in November, leaving room for uncertainty moving into the core holiday season. The Consumer Confidence Index (CCI) declined 2.1 percent in November from the prior month to 109.5 points (1985=100), reducing the index to levels last noted in March 2020. Lynn Franco, Senior Director of Economic Indicators at The Conference Board said, "Concerns about rising prices—and, to a lesser degree, the Delta variant—were the primary drivers of the slight decline in confidence... both confidence and spending will likely face headwinds from rising prices and a potential resurgence of COVID-19 in the coming months." As CCI decreased month-over-month the US economy also experienced a slowing of job growth compared to months prior. In November, 210,000 new jobs were created, well below analysts' expectations of 573,000, yet unemployment decreased from 4.6 to 4.2 percent, its lowest level since March 2020. The Leisure and Hospitality industry continues to struggle with job recovery as just 23,000 new jobs were created in November, and leaving the industry understaffed by nearly 1.3 million jobs. While Main Street economic indicators experienced a decline from last month, Wall Street also felt the pinch. The Dow Jones Industrial Average (DJIA) experienced a decrease from last month's close, down -3.7 percent or -1,335.84 points to close the month at 34,483.72 points as investors signaled concern over employment, inflation, and a possible winter surge of COVID-19 cases. On that note, the 7-day average of new cases increased from 74,976 on November 1 to 82,919 on November 30, an increase of 10.6 percent. As the weather cools and people move indoors to congregate, an uptick in case load has been projected and should come as no surprise. The emergence of the new Omicron variant is a wildcard that is not yet fully understood, and industry leaders should remain attentive to news regarding this development as ordinances, mandates, and other public health policy tools may be set in motion in the coming weeks to slow the spread. Locally, North Lake Tahoe occupancy was up +13.6 percent in November versus 2020, accompanied by a decrease in rate of -12.1 percent. North Lake Tahoe occupancy for the past six months (June - November) was up +16.9 percent compared to the same period last year, accompanied with an increase in rate of +6.4 percent. Bookings taken in November for arrival in November were down -81.8 percent compared to bookings taken in November 2020 (not shown).

		2021	2020	Year over Year % Diff
<b>a. Last Month Performance: Current YTD vs. Previous YTD</b>				
Occupancy Rates during last month (November, 2021) were (13.6%) compared to the same period last year (November, 2021), while Average Daily Rate was also (-12.1%).	Occupancy (November) :	30.3%	26.7%	13.6%
	ADR (November) :	\$298	\$338	-12.1%
<b>b. Next Month Performance: Current YTD vs. Previous YTD</b>				
Occupancy Rates for next month (December, 2021) are up (81.9%) compared to the same period last year, while Average Daily Rate is down (-3.5%).	Occupancy (December) :	50.1%	27.5%	81.9%
	ADR (December) :	\$548	\$568	-3.5%
<b>c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD</b>				
Occupancy Rates for the previous 6 months (June - November) are up (16.9%) compared to the same period last year, while Average Daily Rate is also up (6.4%).	Occ - 6 Month Historic	46.1%	39.4%	16.9%
	ADR - 6 Month Historic	\$429	\$404	6.4%
<b>d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD</b>				
Occupancy Rates for the upcoming 6 months (December - May) are up (89.8%) compared to the same period last year, while Average Daily Rate is also up (9.8%).	Occ % - 6 Month Future	27.3%	14.4%	89.8%
	ADR - 6 Month Future	\$465	\$423	9.8%
<b>e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Nov. 30, 2021 vs. Previous Year</b>				
Rooms Booked during last month (November, 2021) compared to Rooms Booked during the same period last year (November, 2021) for all arrival dates are up by (72.6%).	Booking Pace (November):	5.6%	3.2%	72.6%

**LOOKING FORWARD:** With the typically variable, but almost always slower-than-we-want month of November behind us, mountain destinations now ramp up into the holidays and the start in earnest of the 2021/22 season. While warm and unusually dry conditions prevail across most western resorts, bookings for all months December through April are up versus not only last year, but also the 2019/20 season 2 years ago, and the all-time record 2018/19 season prior to that. Early bookings have laid a strong foundation that provide an excellent buffer should conditions remain unchanged, and revenue at this point is up 126.0, 42.7, and 42.8 percent versus each of those three years, respectively. Mountain resorts, having followed climate science, have made significant investments in snow-making capabilities, helping mitigate lower natural snowfall, and opening more terrain than Mother Nature will currently allow. And we can count more than a few seasons in the past 20 years where November and early December have been worrisome, only to experience a strong pattern reversal and good natural snow, so we'll wait it out in anticipation. Equally unpredictable are the impacts of COVID-19 and the economy, both of which are acting as wildcards. The emergence of the Omicron Variant is causing concern, though a cold weather Delta surge remains the primary focus as caseloads continue to climb, and we are yet to see any post-Thanksgiving surge ahead of Christmas travel. On the Omicron front, there are simply too many unknowns, and the news is shifting; for the time being, it appears to be less threatening than its Delta counterpart, but the scientific community is far from certainty and consensus, and we can expect some confusion in the weeks ahead as the data are sorted. Omicron has also had an economic impact, with most analysts lowering their expectations for economic growth through Q2 of 2022, which is likely to soften consumer confidence and may suppress financial markets. How it plays out on the employment market, particularly for the travel industry, is anyone's guess, as the most recent jobs report (see above) is just one example of confusing and non-directional indicators. However, as we've seen over the past 20 months, mountain destinations have a strong advantage over their cruise and urban counterparts. Consumers continue to be drawn to resorts determined to find space, fresh air, and recreation. Add in new, lower pricing and the pent-up demand from enthusiasts looking for unrestricted access to mountains this year, and it may well play out that limited snow is less important in 2021/22 than in years past. Time will tell..... Locally, North Lake Tahoe on-the-books occupancy for December 2021 is up +81.9 percent compared to 2020, accompanied with a decrease in rate of -3.5 percent. Occupancy on-the-books for the upcoming six months (December - May) is up +89.8 percent compared to the same period last year, with an increase in rate of +9.8 percent. North Lake Tahoe bookings taken in November for arrival November - April are up +72.6 percent compared to the same period last year.

<b>For more information:</b>		
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