

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 Nov 30, 2022

Executive Summary - Year over Year Variance and Analysis

Data based on a sample of up to 10 properties in the North Lake Tahoe destination, representing up to 1,504 Units ('DestiMetrics Census'*) and 46.6% of 3,229 total units in the North Lake Tahoe destination ('Destination Census'**)

MARKET OVERVIEW: With the close of November, the first month of our 2022/23 winter season is in the bank. Early snowfall across the Mountain West has piqued consumers' interest and generated moderately strong net new bookings, though they slightly underperform those made last year at this time when historically high booking levels were recorded for November and December, finishing down -3.3 percent. Economic forces have kept the pace of recovery from sustaining during 2022, especially when comparing to those record-setting bookings of 2021. Economic indicators for the month are mixed with the Dow Jones Industrial Average (DJIA) up in November on mostly positive inflation and Federal Reserve policy news, gaining +5.7 percent or +1,856.8 points from last month to close at 34,589.8 points. The job market was also strong in November, with 263,000 new jobs created, exceeding analysts' expectations and defying the Fed's efforts to slow employment markets. The national unemployment rate remained unchanged at 3.7 percent. Contrary to the DJIA, the Consumer Confidence Index (CCI) recorded a decline of -2.0 percent bringing the index to 100.2 points (1985=100) in November. This is the second consecutive decline in CCI as consumers express both long- and short-term concerns about the economy. Lynn Franco, Senior Director of Economic Indicators at The Conference Board said, "Consumer confidence declined again in November, most likely prompted by the recent rise in gas prices... (meanwhile) consumers' expectations regarding the short-term outlook remained gloomy". As December comes into view there are both positives and negatives to consider moving forward. On the consumer side, booking pace shows a decline versus last year, and paired with slowing consumer confidence, the market appears to have a set up that fosters a further decline in booking activity. On the other hand, positive metrics like financial market strength, and unpredictable, yet strong, snowfall could be enough to provide financial grounding to those invested in or living off stock portfolios. And in the end, the historic record shows us that strong snowfall will consistently boost booking activity, so we'll continue to watch the skies as well as markets. Locally, North Lake Tahoe occupancy was up +25.7 percent in November versus 2021, accompanied by a rate that is even with last year's. North Lake Tahoe occupancy for the past six months (June - November) is up +14.6 percent compared to the same period last year, accompanied with a rate that is down -0.5 percent compared to last year. Bookings taken in November for arrival in November were up +111.7 percent compared to bookings taken in November 2021 (not shown).

		2022/23	2021/22	Year over Year % Diff
a. Last Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates during last month (November, 2022) were up (25.7%) compared to the same period last year (November, 2021), while Average Daily Rate was also up (0.0%).	Occupancy (November) :	35.6%	28.3%	25.7%
	ADR (November) :	\$257	\$257	0.0%
b. Next Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates for next month (December, 2022) are down (-13.3%) compared to the same period last year, while Average Daily Rate is up (2.4%).	Occupancy (December) :	40.9%	47.2%	-13.3%
	ADR (December) :	\$499	\$487	2.4%
c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the previous 6 months (June - November) are up (14.6%) compared to the same period last year, while Average Daily Rate is down (-0.5%).	Occ - 6 Month Historic	53.0%	46.3%	14.6%
	ADR - 6 Month Historic	\$435	\$437	-0.5%
d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the upcoming 6 months (December - May) are down (-3.0%) compared to the same period last year, while Average Daily Rate is up (6.8%).	Occ % - 6 Month Future	25.7%	26.5%	-3.0%
	ADR - 6 Month Future	\$421	\$394	6.8%
e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Nov. 30, 2022 vs. Previous Year				
Rooms Booked during last month (November, 2022) compared to Rooms Booked during the same period last year (November, 2021) for all arrival dates are up by "(13.5%).	Booking Pace (November):	6.7%	5.9%	13.5%

LOOKING FORWARD: With a declining booking pace and economic uncertainty, we move into the peak of the holidays and depths of the winter season with a bit more uncertainty than we'd like. Booking pace that has been a thorn in mountain communities' collective side since January 2022 remains fickle, responding to softening economic conditions and more limited spending options as interest rates continue upward. What appears clear at this point is that December will be down versus last year's record occupancy and RevPAR, though room rate for the month will finish up, helping offset booking declines. The balance of the season is too early to decide, but last year's soft booking pace that began in January will give 2022/23 an opportunity to make up for recently soft volume this year. The wildcards at-play are threefold: 1) consumers will have a lot to say in the coming weeks as higher interest rates and declining confidence likely slow spending, 2) the trifecta of a heavy flu season, RSV, and surging COVID-19 cases, while seemingly more 'acceptable' to the public, may hold back those on the fence, and 3) snow. The great differentiator is weather. As we point out above, the historic record is clear that good snow not only can but will offset even the softest economic conditions, and we're off to a good start. So, do a snow dance, watch consumer confidence for softness, and be nimble to keep the taps running. Locally, North Lake Tahoe on-the-books occupancy for December 2022 is down -13.3 percent compared to 2021, accompanied with an increase in rate of +2.4 percent. Occupancy on-the-books for the upcoming six months (December - May) is down -3.0 percent compared to the same period last year, with an increase in rate of +6.8 percent. North Lake Tahoe bookings taken in November for arrival November - April are up +13.5 percent compared to the same period last year.

For more information:		<small>INNTOPIA</small> DestiMetrics
North Lake Tahoe Contact Info:	Bart Peterson, Director of Sales Amber Burke, Director of Marketing	Bart@GoTahoe.com Amber@GoTahoeNorth.com info@DestiMetrics.com www.GoTahoeNorth.com www.DestiMetrics.com
Inntopia Contact Information:		www.DestiMetrics.com