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The Quarterly HVS Industry Statistics Update shows key economic metrics that relate to the hotel industry's recent performance and near-term forecast. The U.S. hotel market achieved 1.5% RevPAR growth for the first quarter of 2019, with economy hotels averaging the highest peak occupancy growth among the six asset classes, while upper-upscale hotels achieved the highest average daily rate (ADR). National RevPAR growth would have only registered 1.1% if San Francisco were to have been excluded from the mix; San Francisco achieved RevPAR growth of 15.9% during the first quarter of 2019, primarily attributed to strong ADR levels. HVS and STR are generally on the same page when it comes to the year-end 2019 RevPAR forecast, expecting growth to register between 2.0% and 2.3% this year. STR recently published its 2020 outlook, which notes continued stability in occupancy and a 2.2% rise in ADR. Moreover, total room supply slated to enter the market in 2019 is forecast to be 4.5% higher than in 2018. According to the Lodging Industry Investment Council (LIIC), participants are nervous about five of the top 25 markets in the U.S., from a buying perspective; however, New Orleans continues to represent opportunities for buyers. Additionally, a majority of the LIIC participants in the survey anticipate a continued increase in hotel valuations for 2019 and do not expect the onset of another recession until 2021. However, according to a survey published by the Wall Street Journal, market participants indicated that another recession could occur as soon as 2020.

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U.S. Market Performance - Q1 2019			
	Occ %	ADR %	RevPAR %
Performance by Class			
Luxury	-0.2 %	0.8 %	0.5 %
Upper Upscale	-1.1	2.1	0.9
Upscale	-0.8	1.1	0.3
Upper Midscale	0.0	1.0	1.0
Midscale	0.4	-0.1	0.3
Economy	2.2	0.0	2.3
<b>U.S.</b>	<b>0.4%</b>	<b>1.1%</b>	<b>1.5%</b>

Source: HVS

U.S. Supply Growth: Top 5 Markets	
Market	Growth %
New York City	11.4%
Dallas	7.4
Los Angeles	5.5
Las Vegas	4.8
Orlando	4.5
Y-O-Y % Increase in Supply	4.5%

Source: STR

2018 Performance and 2019/20 Forecast		
2018 Actual (STR)	% Change	
Occupancy	66.2%	0.5%
Average Rate	\$129.83	2.4
RevPAR	\$85.96	2.9
2019 Forecast		HVS
Occupancy	66.0%	66.2%
Average Rate (% Change)	2.3	2.3
2020 Forecast		STR
Occupancy		66.1%
Average Rate (% Change)		2.2

Source: STR/Tourism Economics, HVS

WSJ Economic Survey - April 2019	
Onset of Next Recession?	% Survey
2020	49.0%
2021	40.4
2022	2.1
2023	6.4
2025	2.1

Source: Wall Street Journal

2019 LIIC Industry Pulse Survey	
<b>Top 5 "Caution" Markets for Buyers</b>	
Norfolk/Virginia Beach	
Nashville	
St. Louis	
New York	
Detroit	
<b>Opportunity Market for Buyers</b>	
New Orleans	
<b>Top 3 Investment Threats</b>	
Low Unemployment (Availability of Labor)	
New Lodging Supply	
Federal and/or State Minimum Wage Hikes	
Valuations Over Next 12 Months	% Survey
Increase up to 5%	40%
Stable	37
Next Projected Recession?	% Survey
2020	25%
2021	43
Not in the Next Four Years	19

Source: Lodging Industry Investment Council (LIIC)

Investment Opportunities
HVS Americas re-launched its Brokerage and Advisory division in 2018. HVS Brokerage in the Americas is seeking talented hotel brokers to join our team. Contact <a href="#">Rod Clough, MAI</a> if you are interested.
View our current listings here:
<a href="https://hvs.com/services/brokerage-and-transaction-advisory/listings">https://hvs.com/services/brokerage-and-transaction-advisory/listings</a>