

# Hotel Performance Outlook for Denver: Growth Picking up through 2026

October 1, 2024 / By Katy Black, MAI



For Denver hotels, the first five months of 2024 were somewhat volatile, with March declines being offset by April gains. This trend can be partially attributed to Easter falling in March this year. After two months of RevPAR declines in Denver in June and July, August was a stellar month for the city's hotels, with the RevPAR increase nearing 10%. However, the declines in June and July resulted in little growth for the city in the summer of 2024, as overall RevPAR growth through August is less than 0.5%.



No significant changes in the fourth quarter will likely result in little to no RevPAR growth in Denver from 2023 to 2024. This nominal growth is coupled with a lack of net supply changes in 2023 or 2024, as any new supply has been offset by hotel closures. Additional factors for 2024 include normalizing leisure demand, renovations at hotels throughout the market, the continued impacts of new supply that opened in 2021 and 2022, and softer corporate travel patterns due to some economic uncertainty during the election year.

With top-line revenues remaining flat, rising costs for payroll, supplies, property taxes, utilities, and insurance are cutting into hotel profitability levels throughout the city. When will revenue growth resume for the hotel industry in Denver? Here is our current outlook for lodging trends in the Denver Metro area.

Hoteliers will likely keep rate growth at a minimum until occupancy levels are up one to two more points, and a permanent shift in corporate demand given the reduced travel trends and work-from-home policies will likely prevent a full recovery to pre-COVID levels. Nevertheless, an expanded and renovated convention center, the new **National Western Center**, and development at and surrounding the airport should all support resumed growth for Denver hotel metrics in 2025.

Given these factors, we would anticipate occupancy gains of 1.5% in 2025 and 1.0% in 2026, with rate growth staying near the 1.5% mark in 2025 and increasing to 2.0% in 2026. This pace would put RevPAR growth near 3.0% in 2025 and 2026.

## Summary

This piece discusses recent trends and our outlook for the Denver hotel market for the next two years, with modest growth expected to resume in 2025.

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Hotel Operations

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Denver Colorado

United States North America

	2025	2026
Occupancy	1.5% ↑	1.0% ↑
ADR	1.5% ↑	2.0% ↑
RevPAR	3.0% ↑	3.0% ↑

Source: HVS

Our strategic positioning within local markets empowers us to conduct primary interviews with key market participants. This approach ensures we obtain real-time insights and current data for each market we operate in. For more information about the Denver market or for help making informed investment decisions that align with your goals and risk tolerance, please **contact Katy Black**.

### About **Katy Black, MAI**



Katy Black, MAI, is the Managing Director and Leader of the consulting and valuation practice of the Denver office. She is an appraisal and consulting expert in the lodging markets throughout the Western U.S. Since joining HVS in 2013, Katy has gained diverse experience spanning limited-service motels, city-center hotels, luxury assets, golf resorts, and mixed-use developments, as well as resort-residential and rental-management programs. She specializes in high-end, complex resorts and has provided valuation and consulting services for gaming assets and large hotel portfolios. In addition, Katy has worked extensively on unique lodging properties, such as glamping resorts, casino hotels, hostels, and waterpark resorts. Katy graduated from the University of Delaware with an honors BS in Hotel, Restaurant, and Institutional Management. She also earned an MS in Accounting from the University of Akron. She is a state-certified general appraiser and a Designated Member of the Appraisal Institute (MAI). Contact Katy at (970) 305-2229 or [\[email protected\]](#).