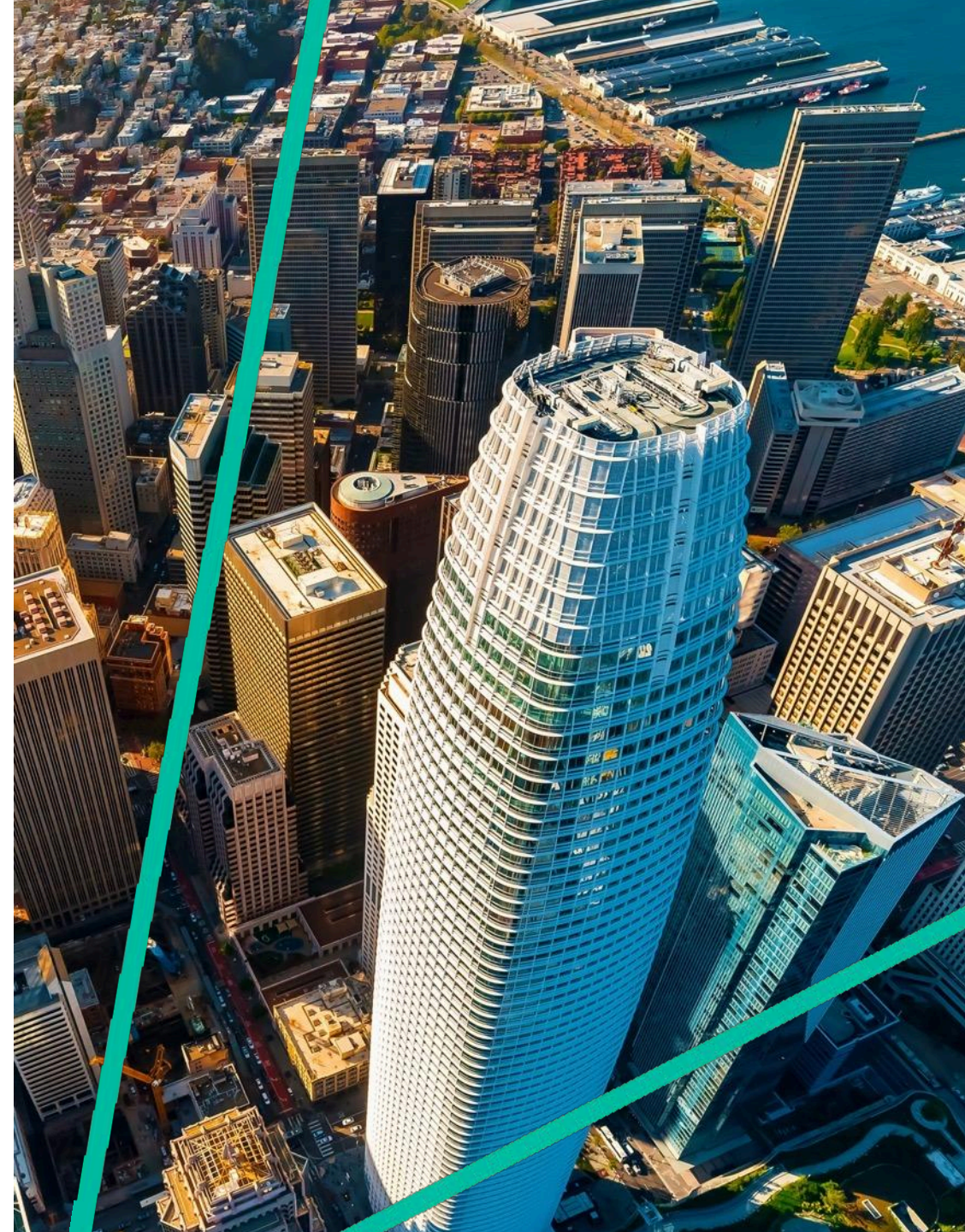




Current hotel trends and the outlook

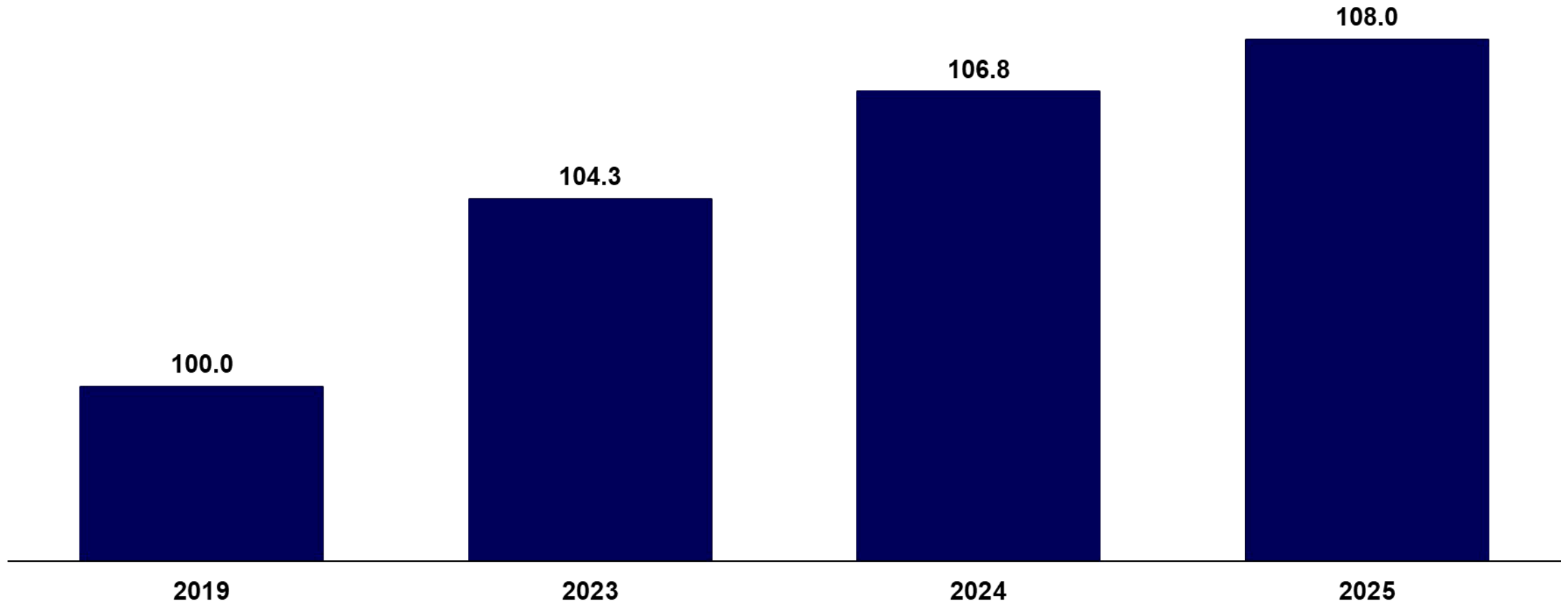
Isaac Collazo

January 2026



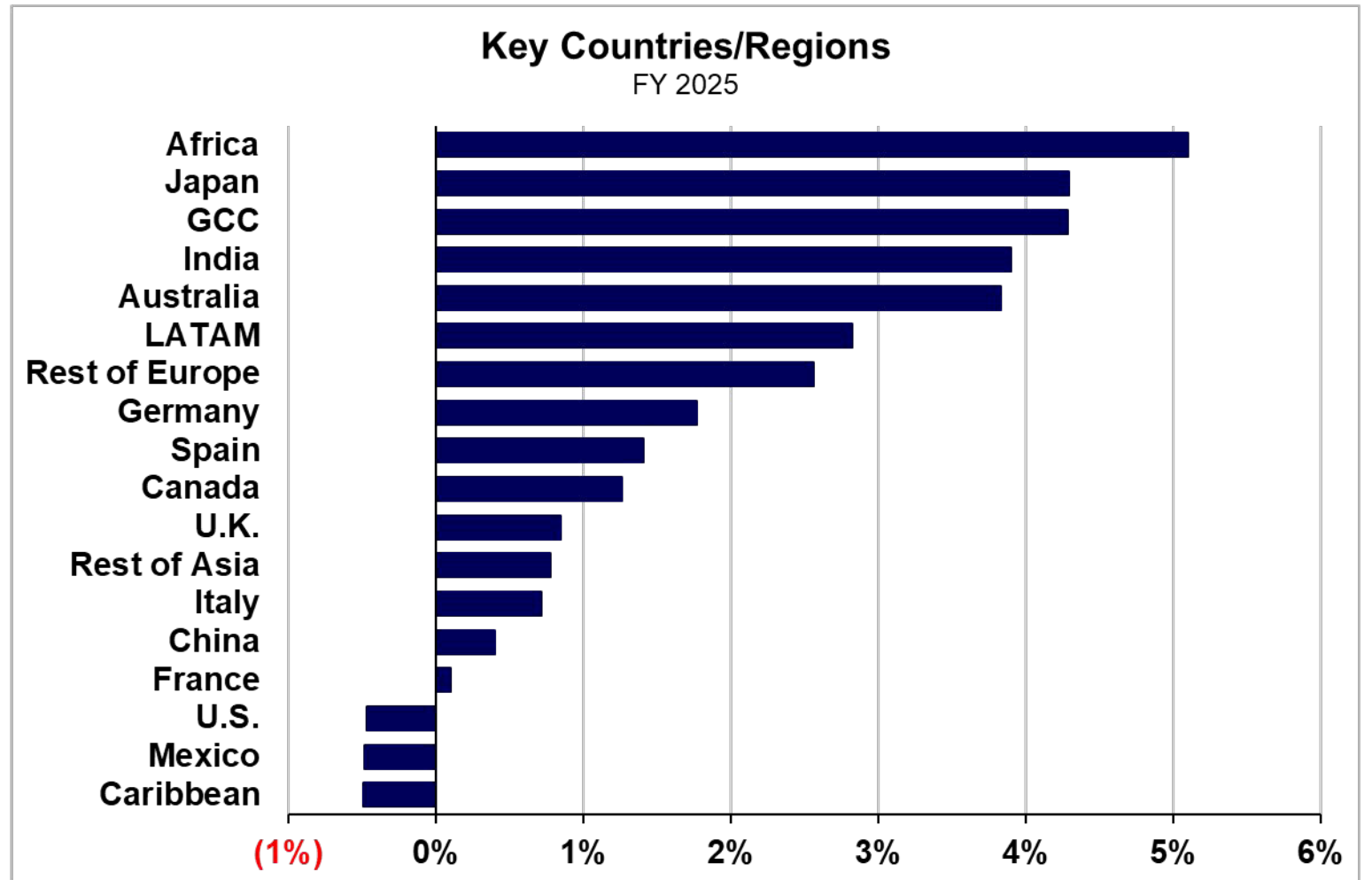
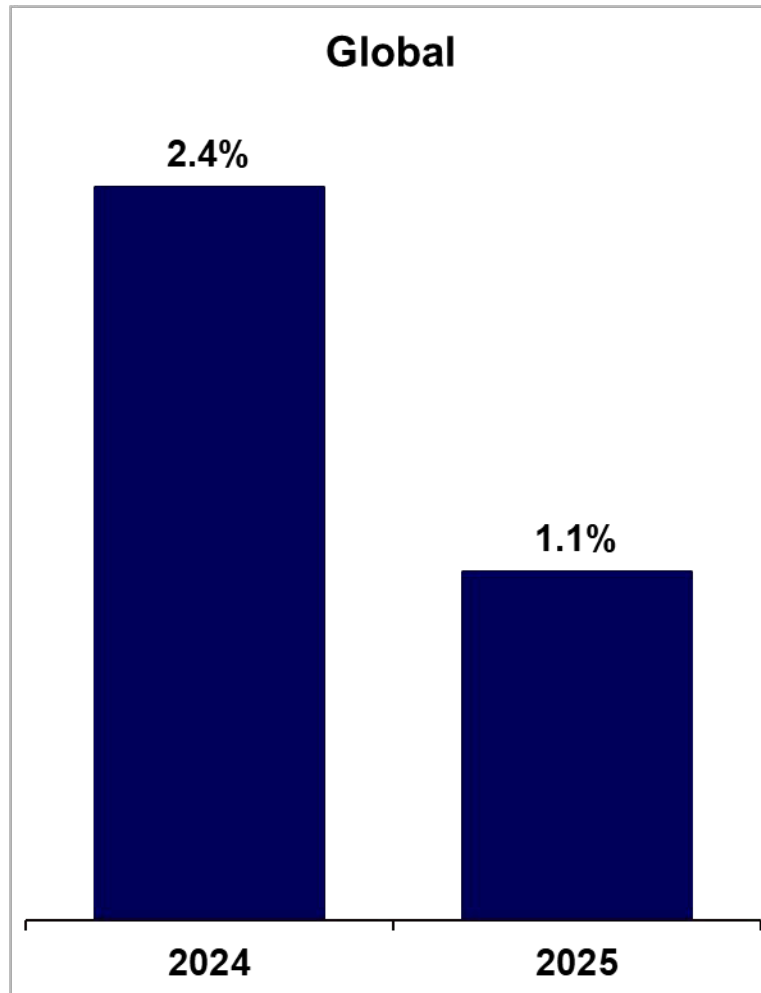
Demand for hotel rooms stronger than ever

Global room demand indexed to 2019



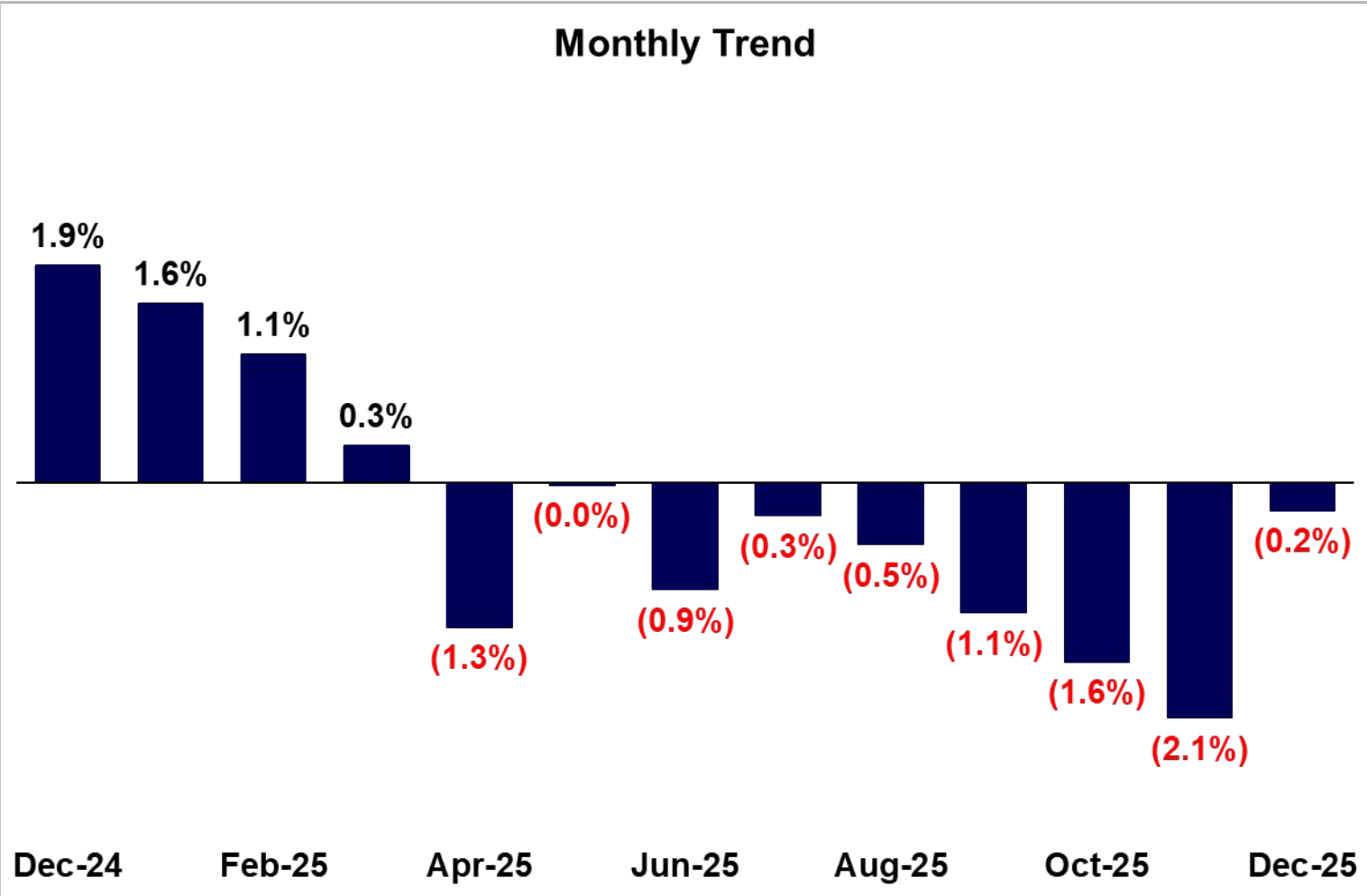
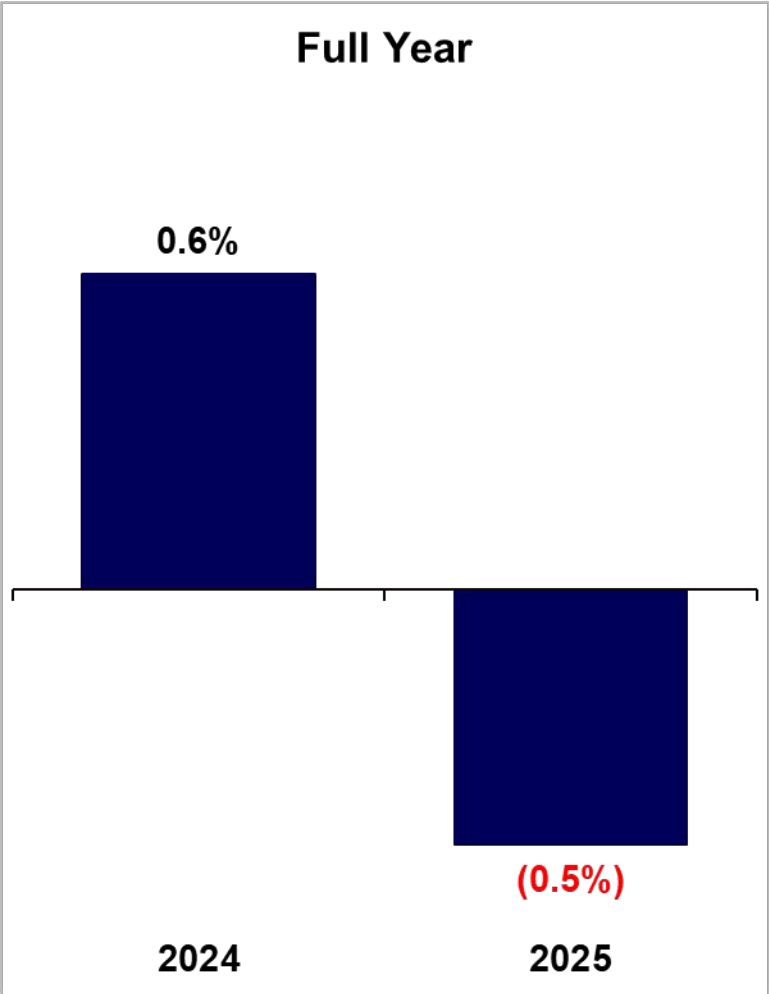
However, room demand growth slowed

Room demand change, year over year



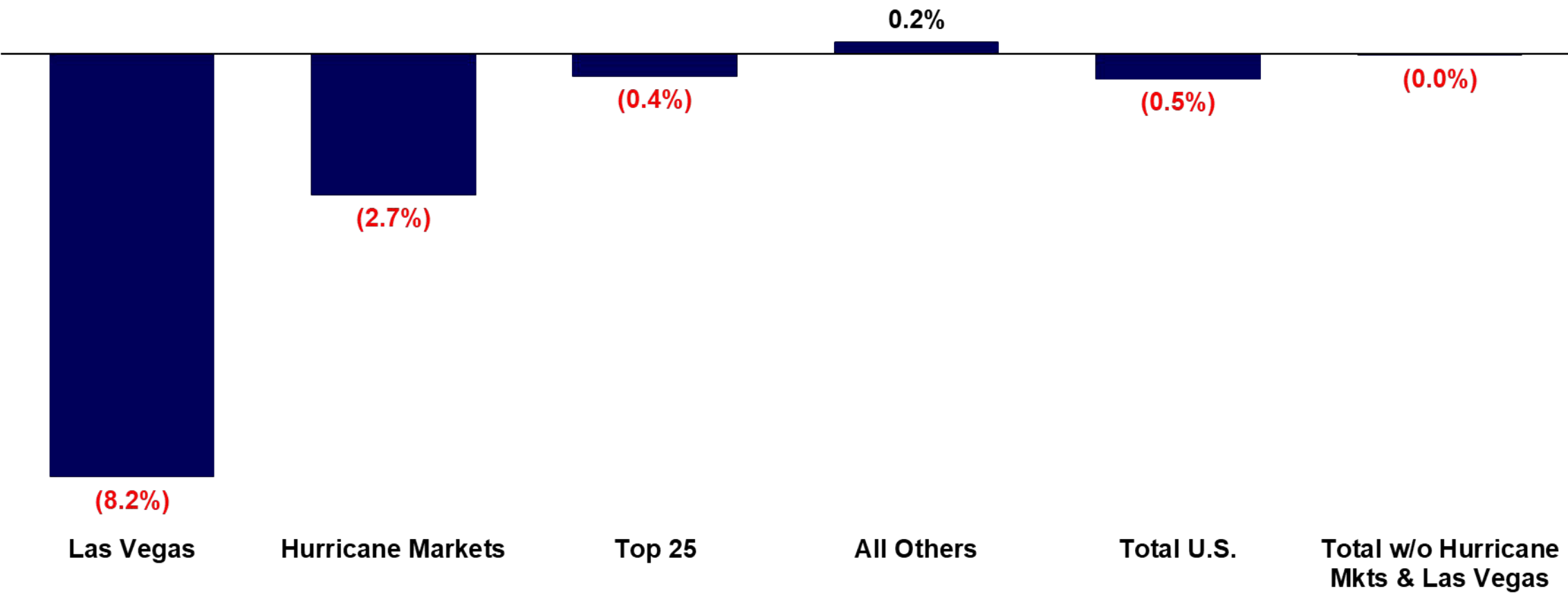
Room demand fell in the U.S.

U.S. room demand change, year over year



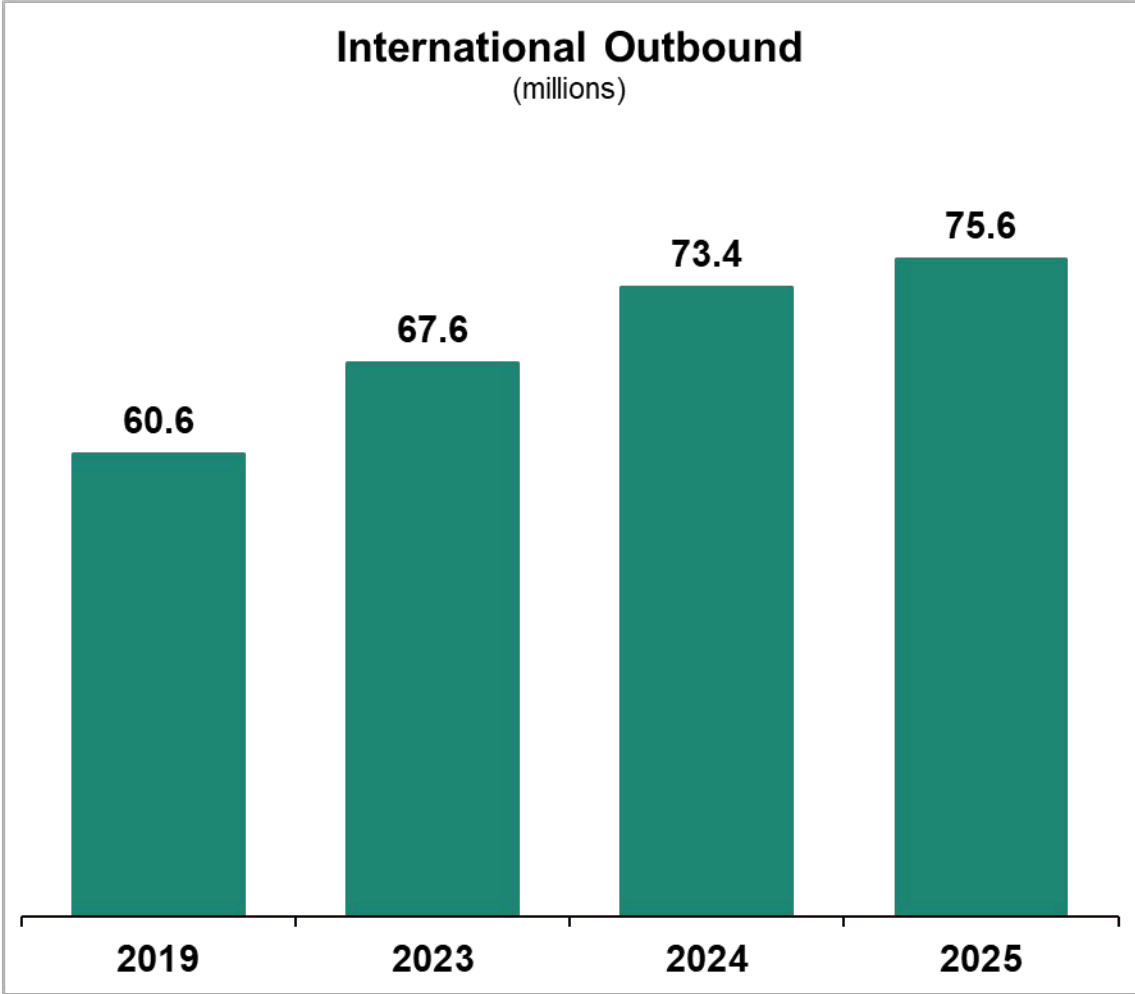
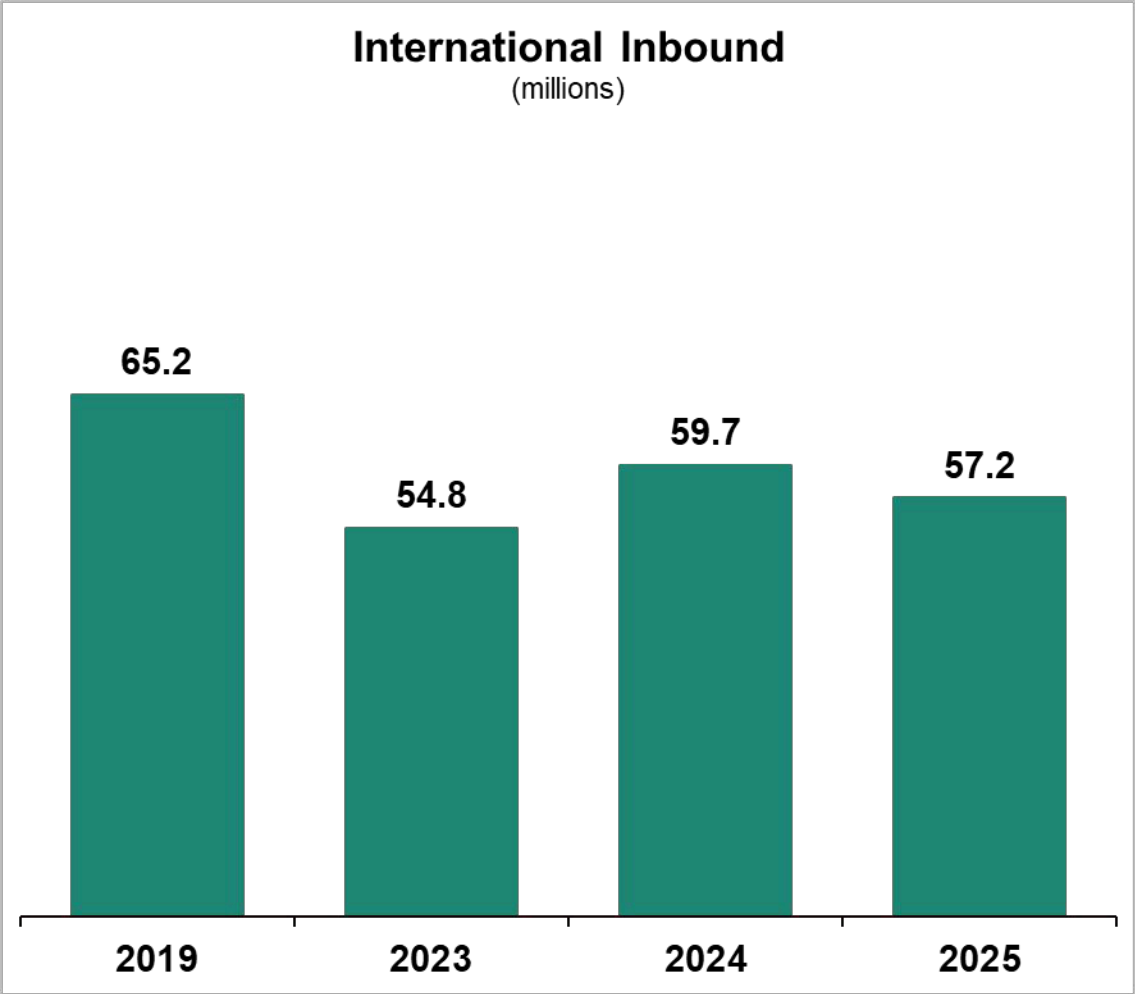
Las Vegas & Hurricane markets mostly responsible for demand decrease

U.S. room demand change, year over year, FY 2025



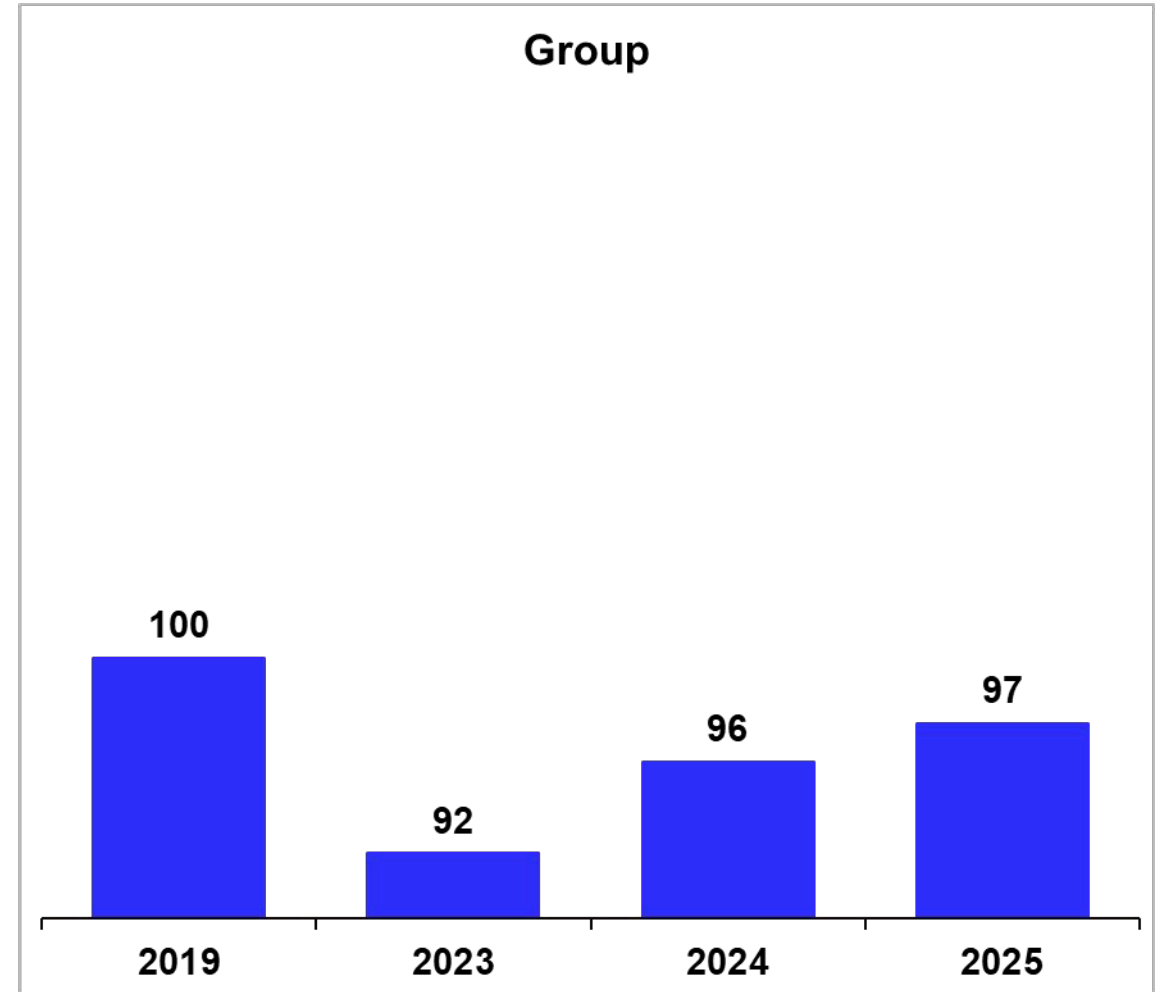
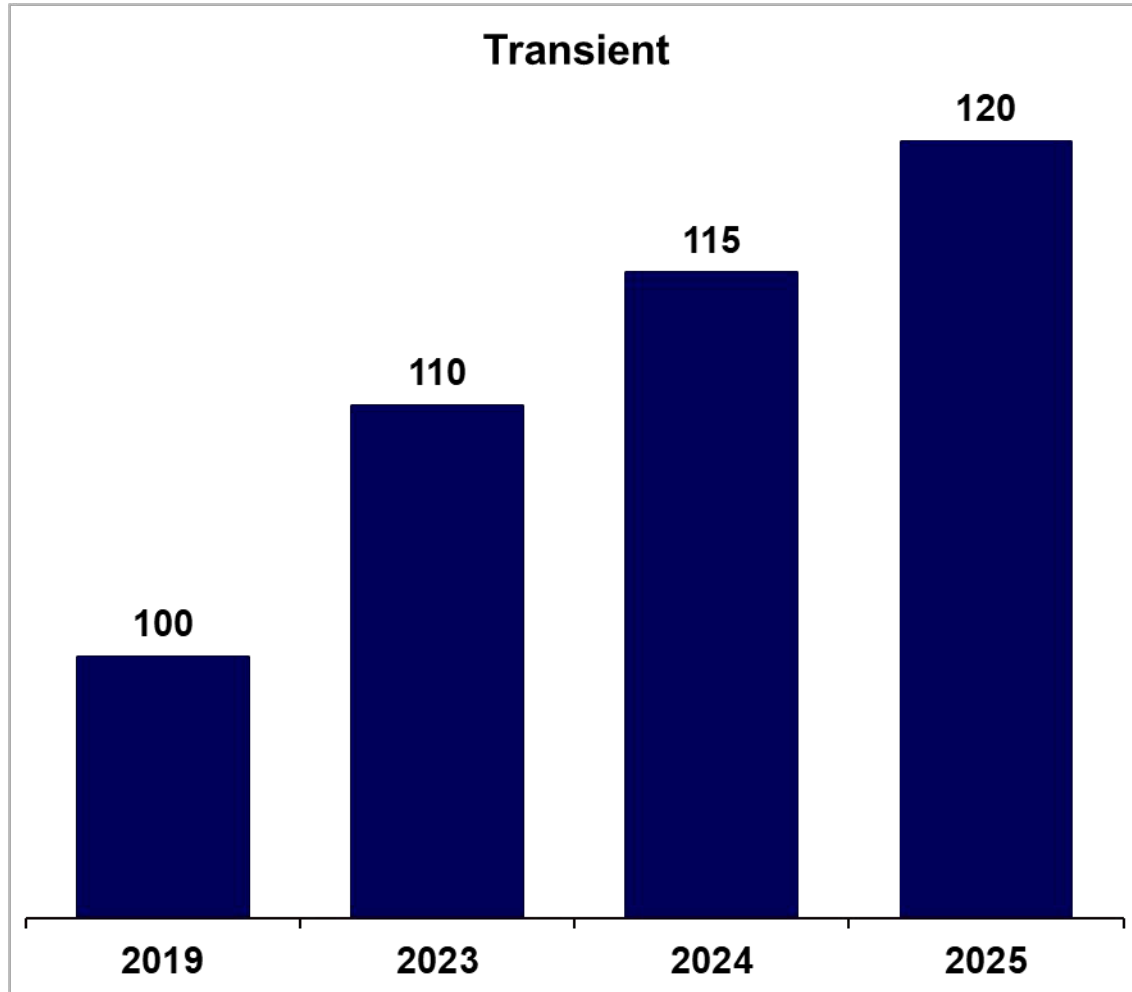
Inbound U.S. arrivals declined; outbound travel rose

U.S. international air inbound and outbound



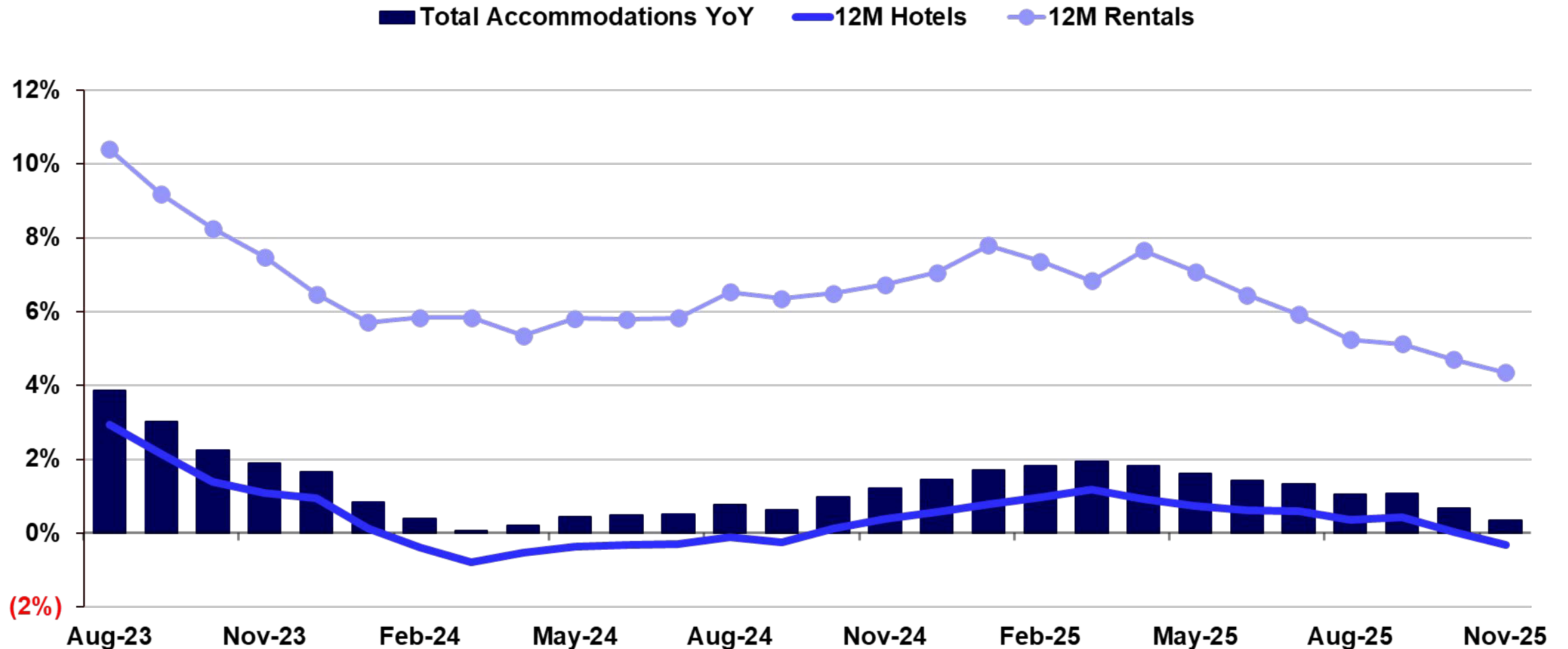
Transient demand driving room demand growth

Global room demand, Luxury & Upper Upscale hotels, November YTD, indexed to 2019



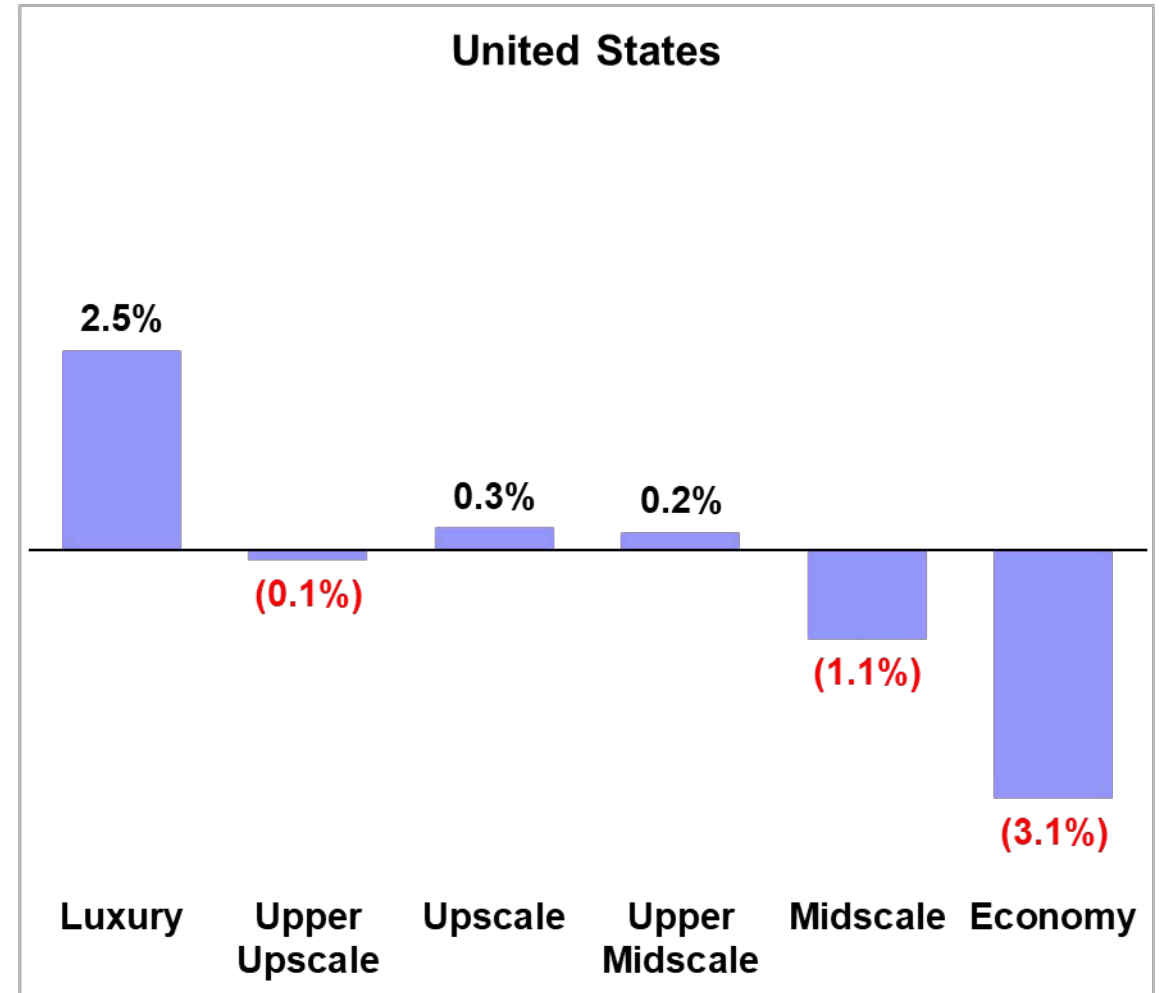
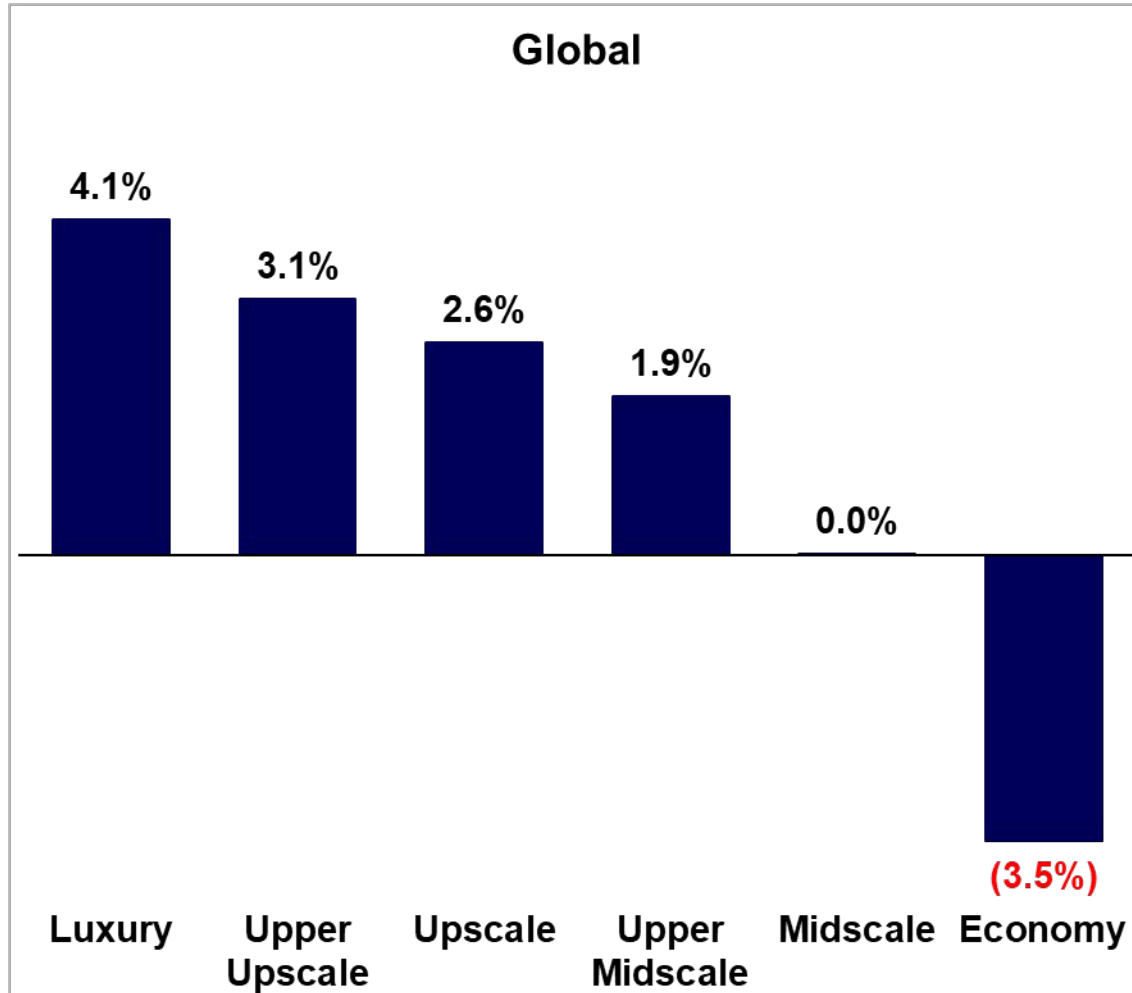
Short-term rentals gaining ground on traditional hotels

U.S. hotels and short-term rentals, year-over-year change, 12-month moving total



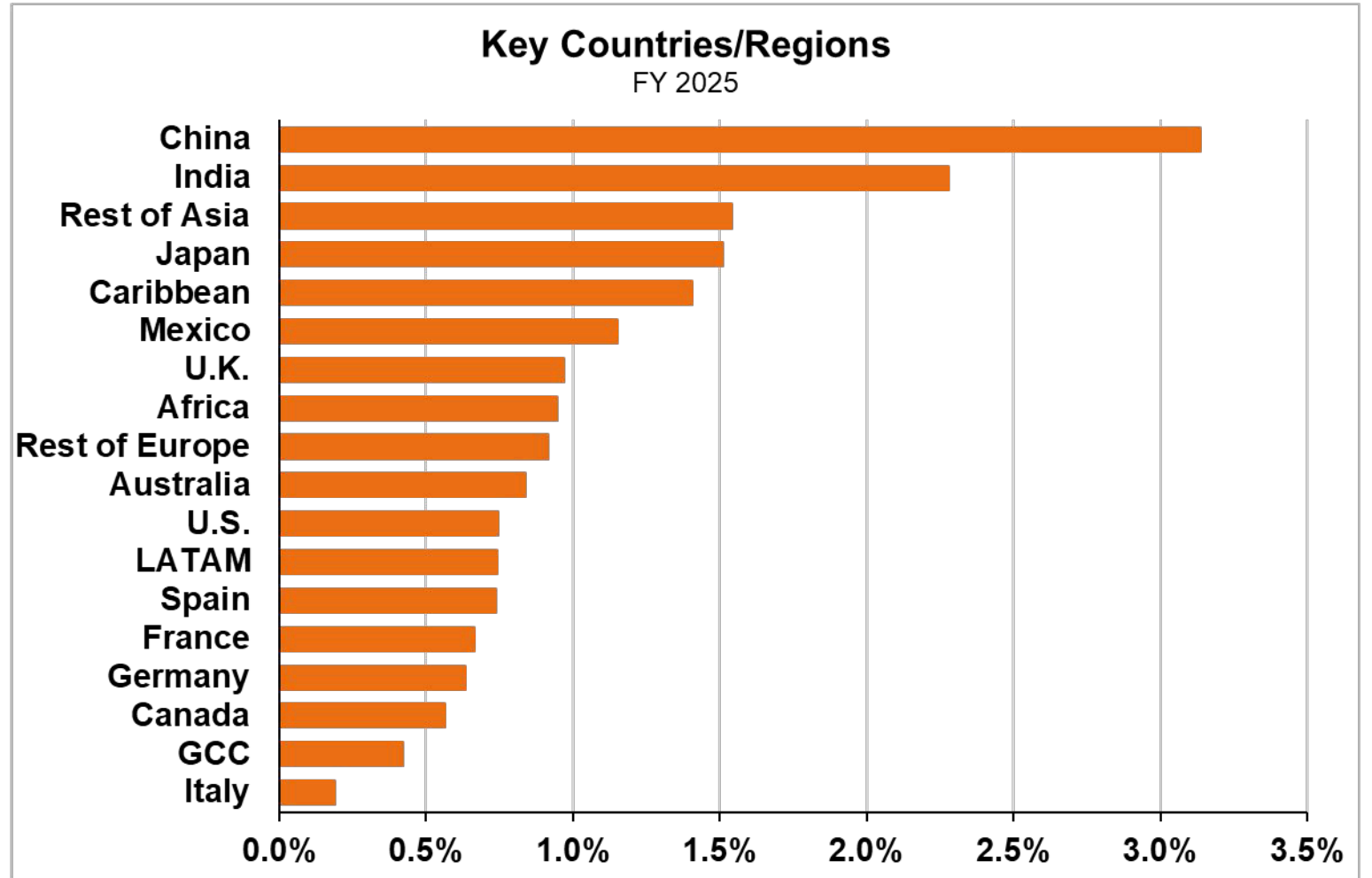
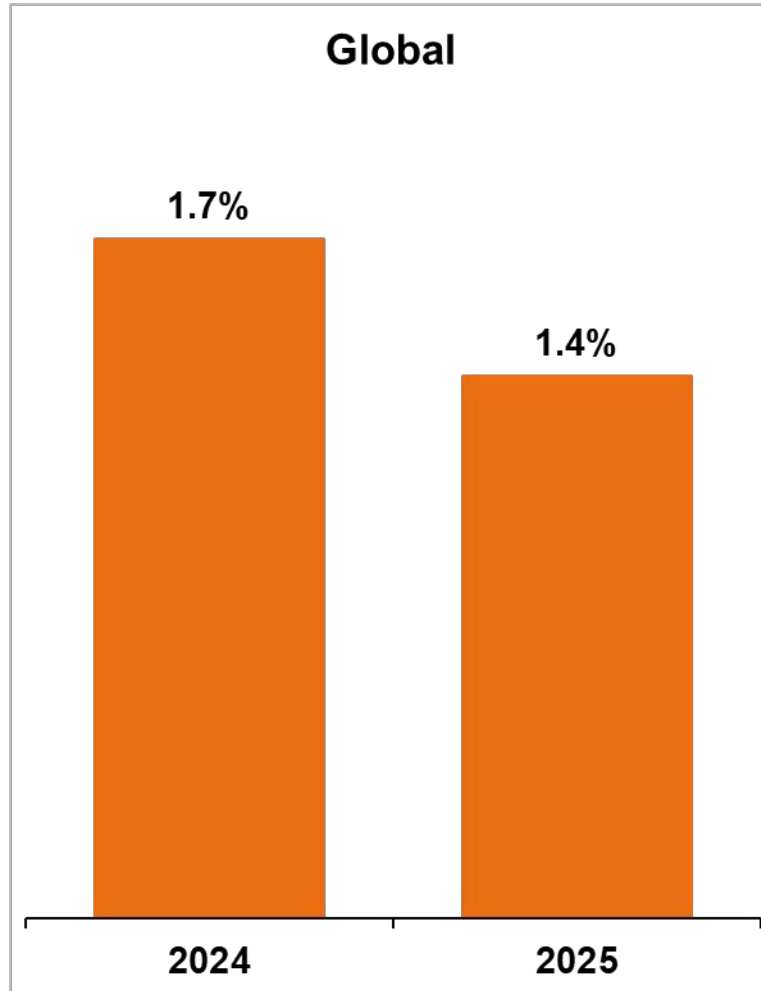
Highest demand increase in upscale hotels

Room demand change, year over year, FY 2025



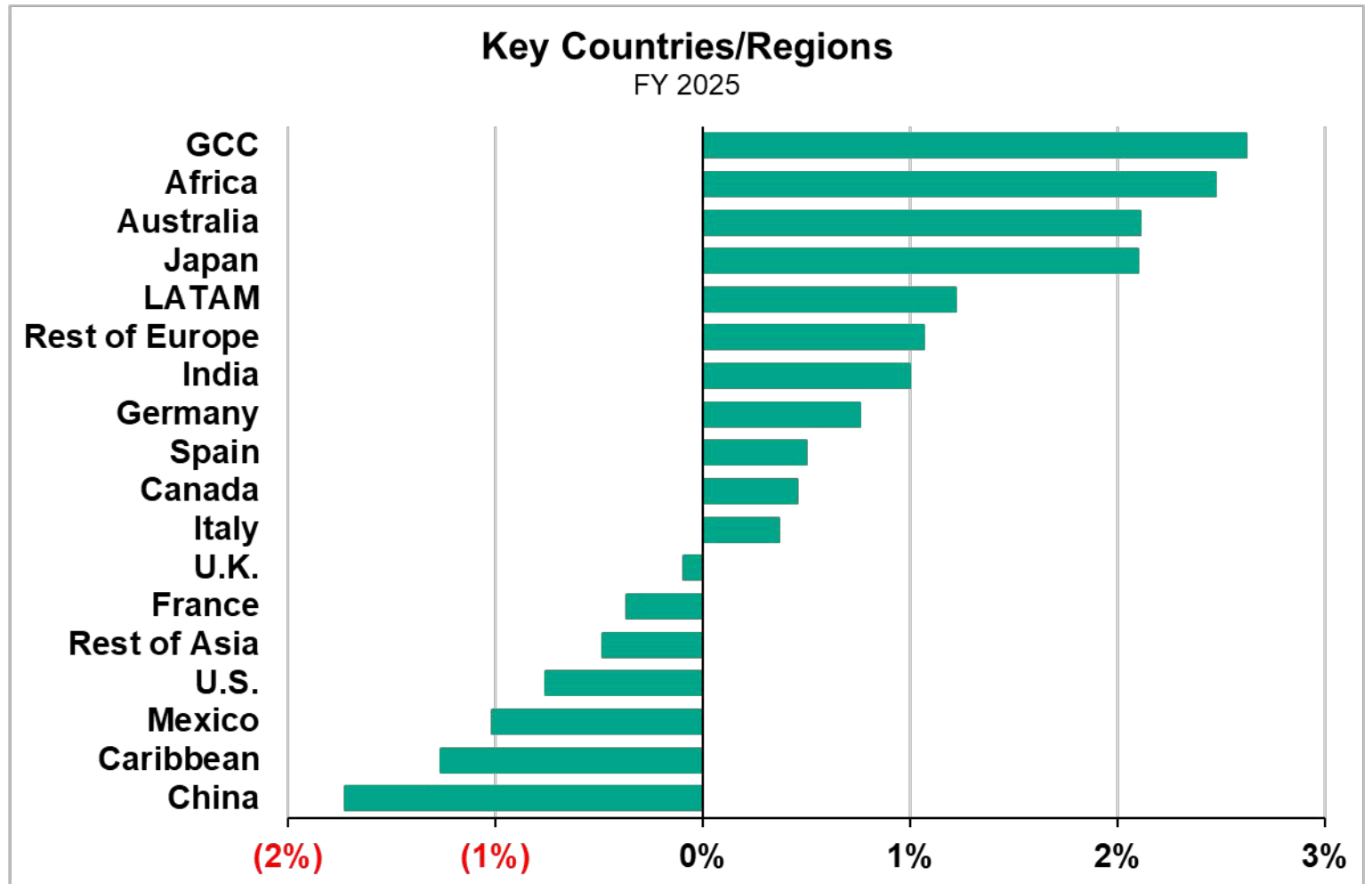
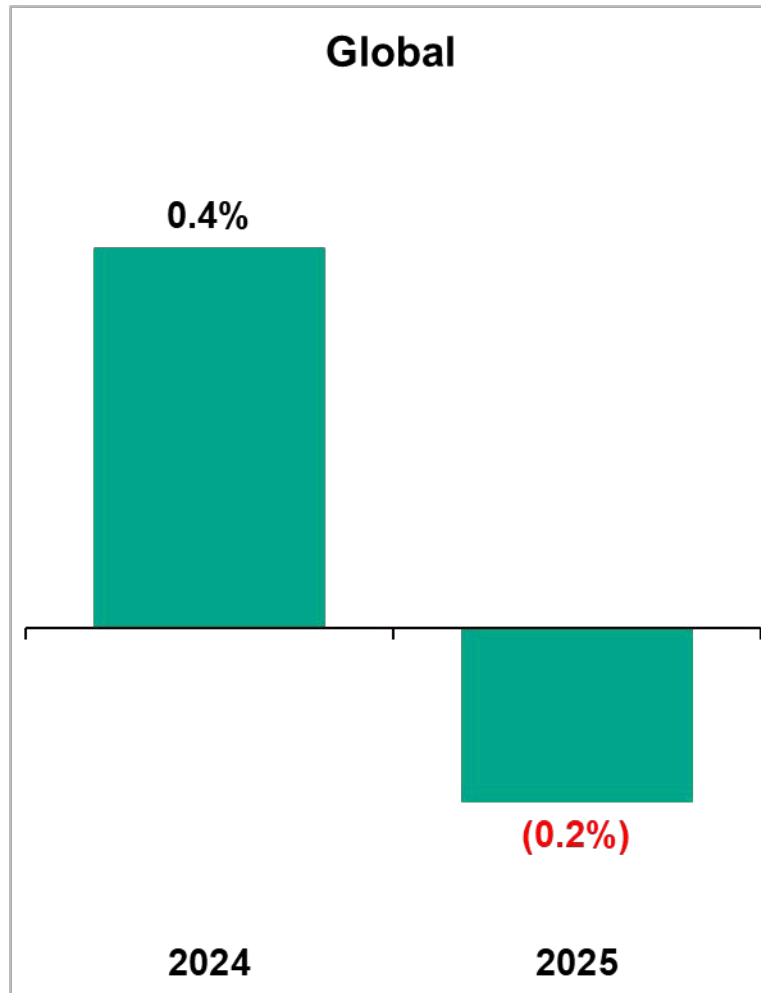
Room supply up modestly

Room supply change, year over year



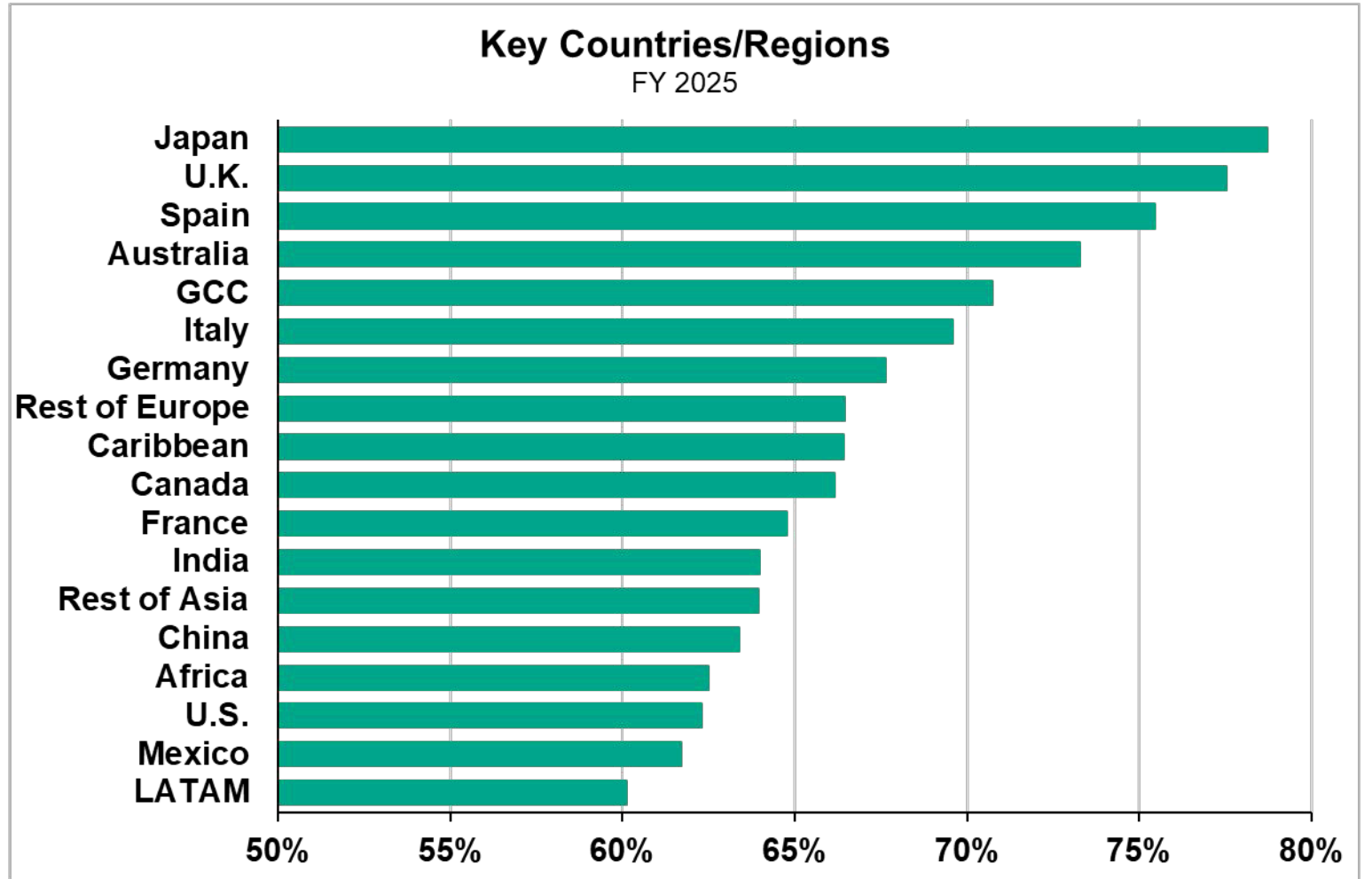
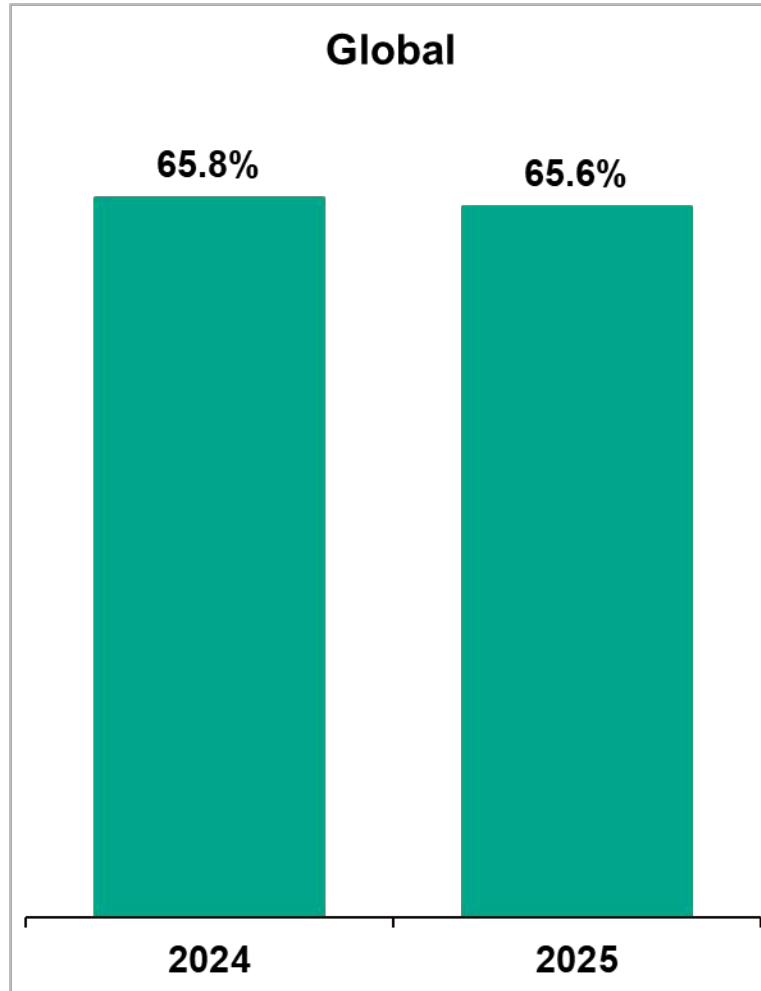
Occupancy remains steady amid decreasing demand and rising supply

Occupancy percentage point change, year over year



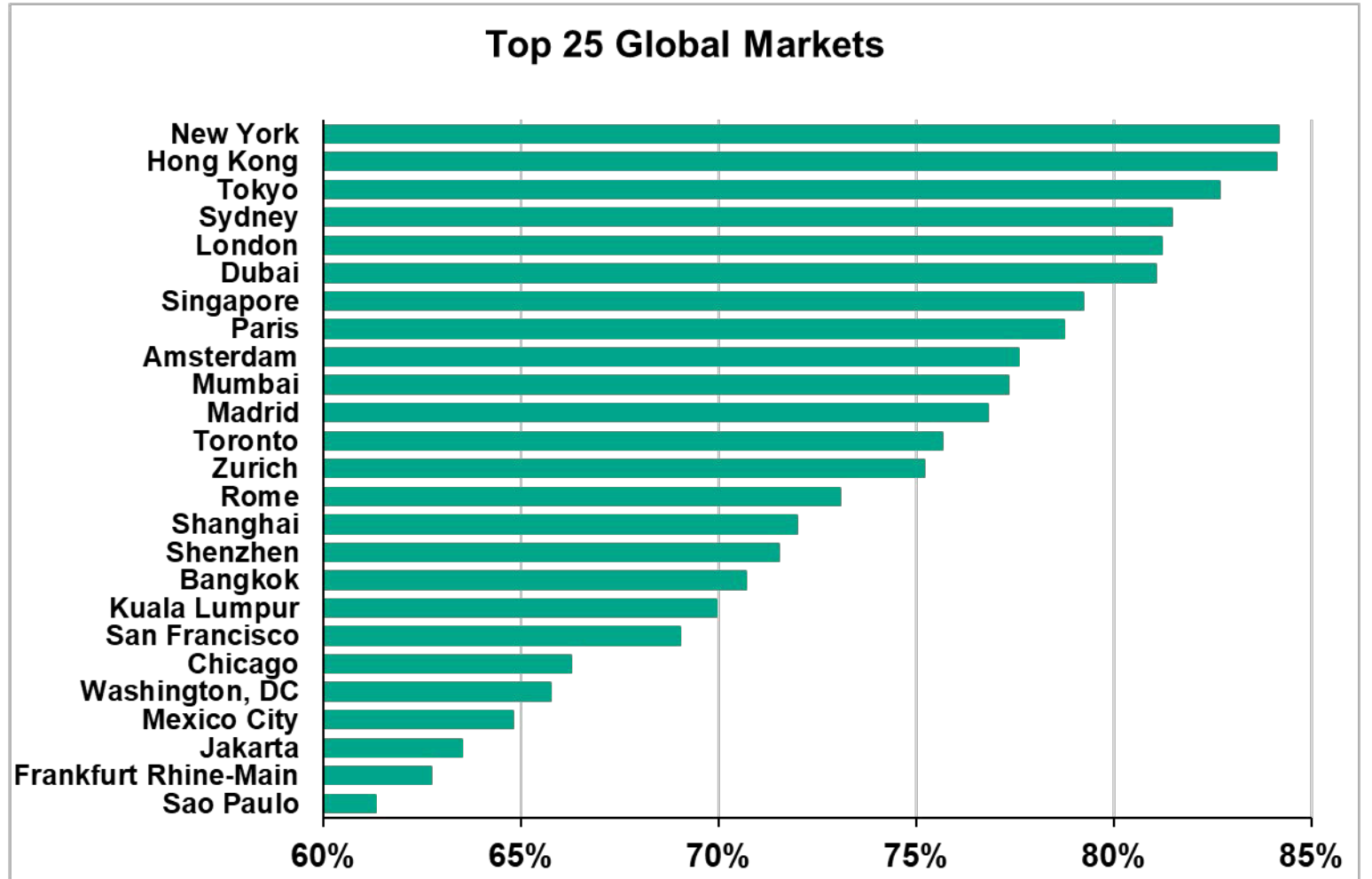
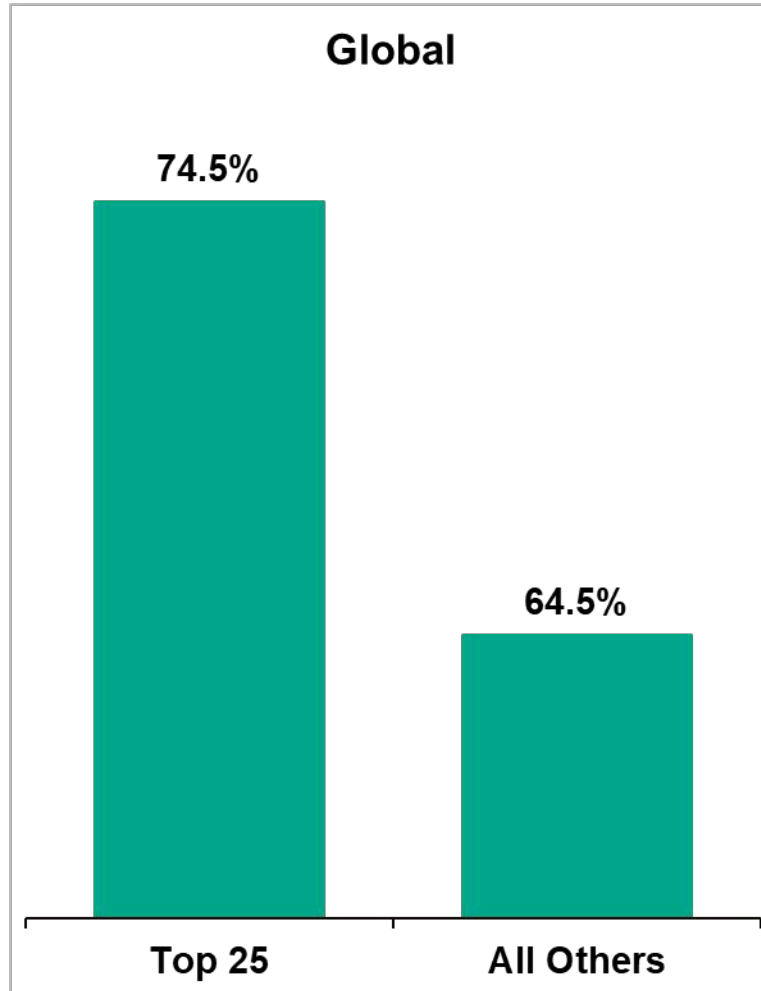
High occupancy levels in numerous locations worldwide

Occupancy



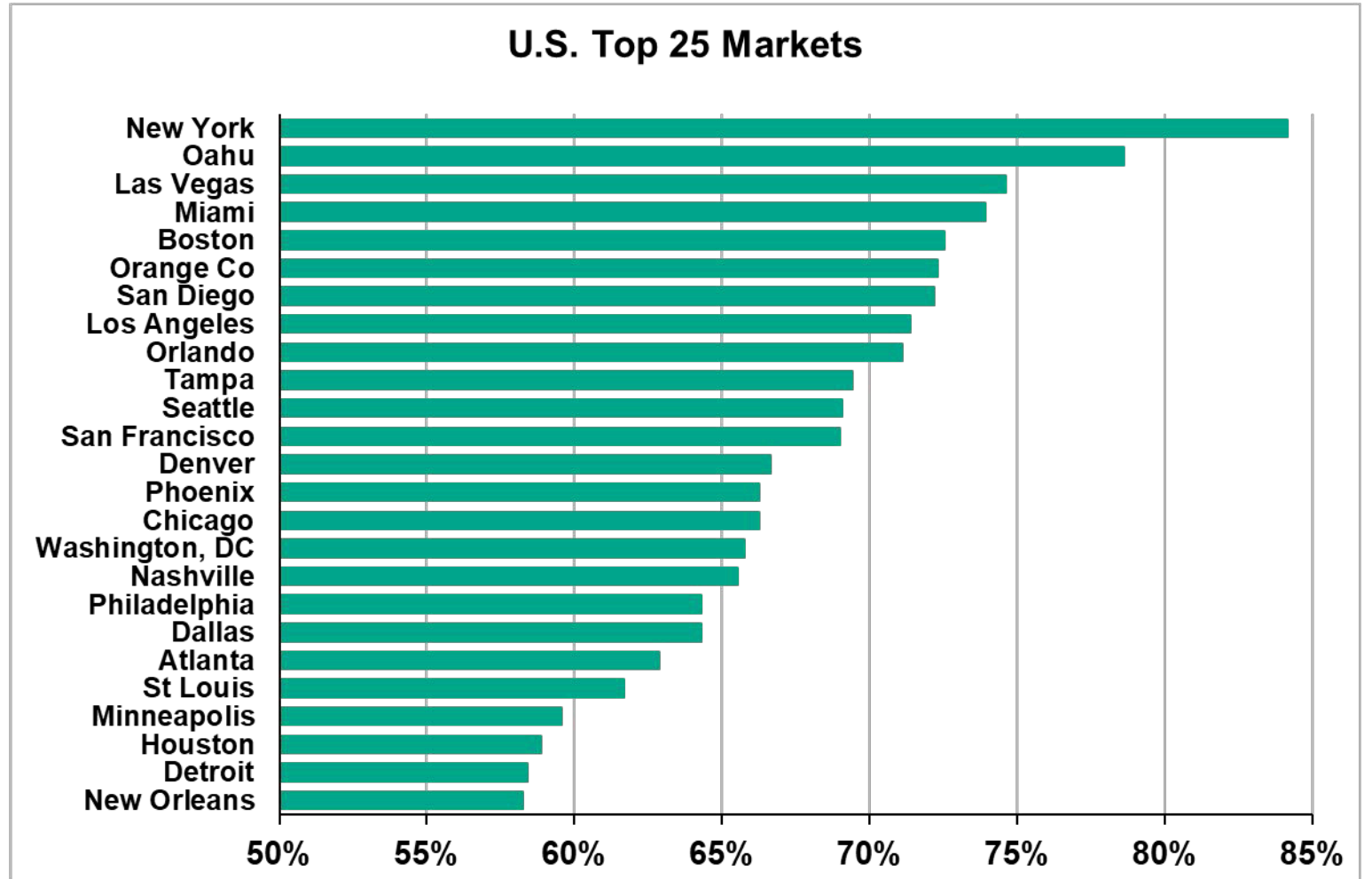
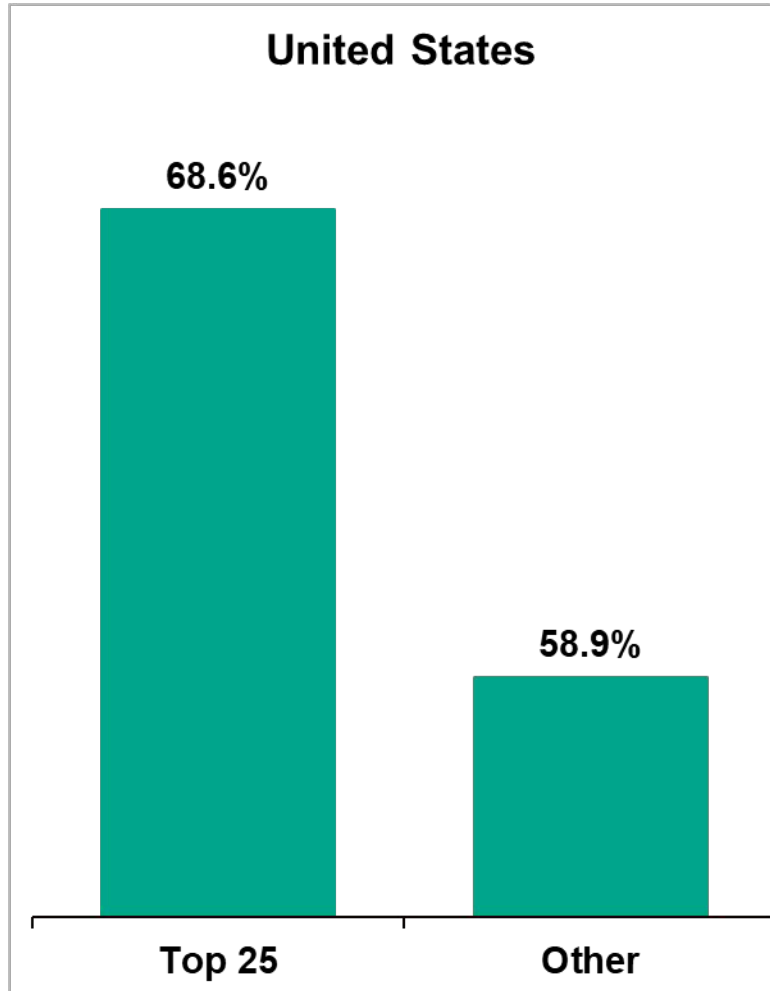
Rooms can be hard to find in several major cities

Occupancy FY 2025



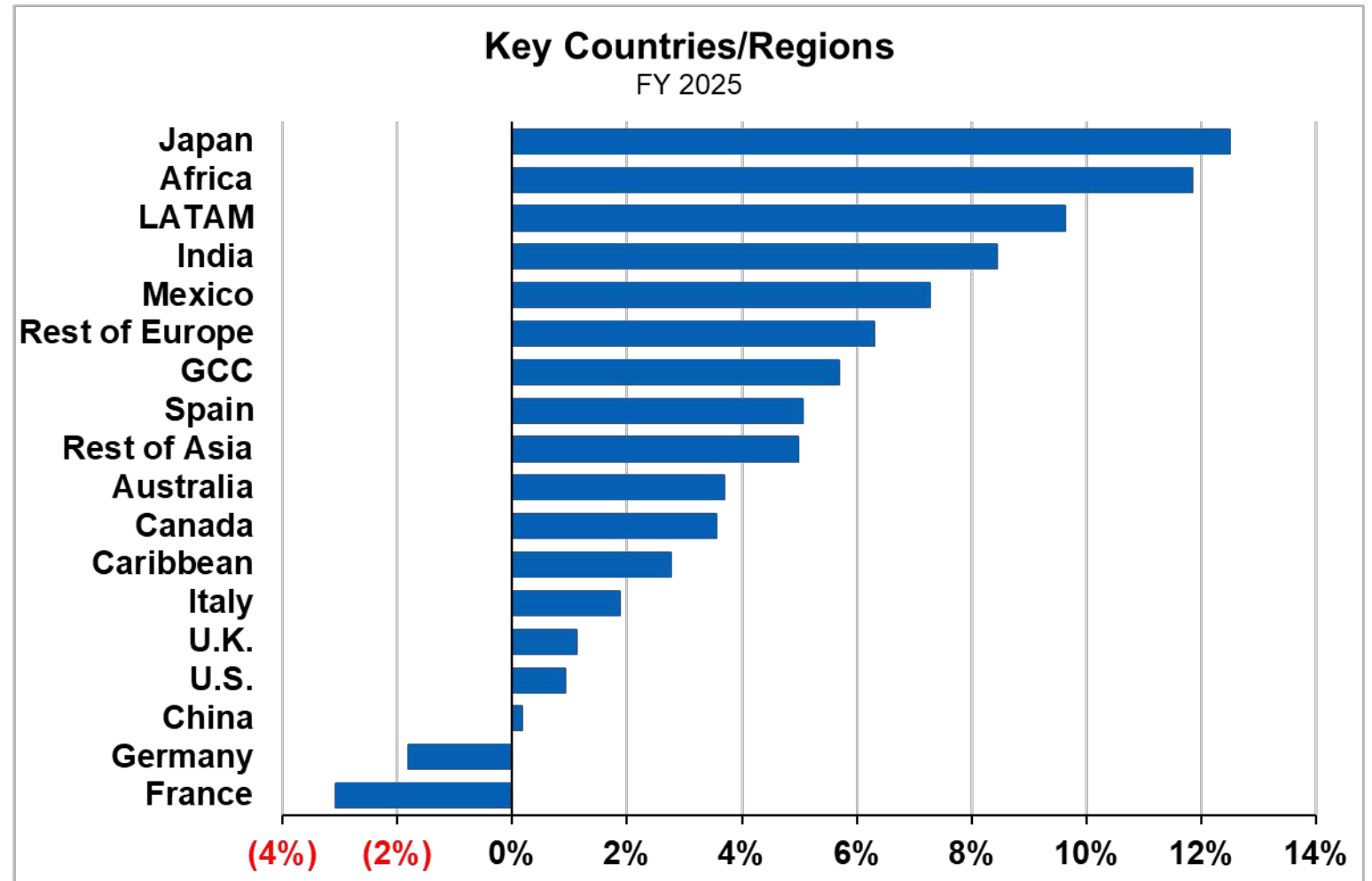
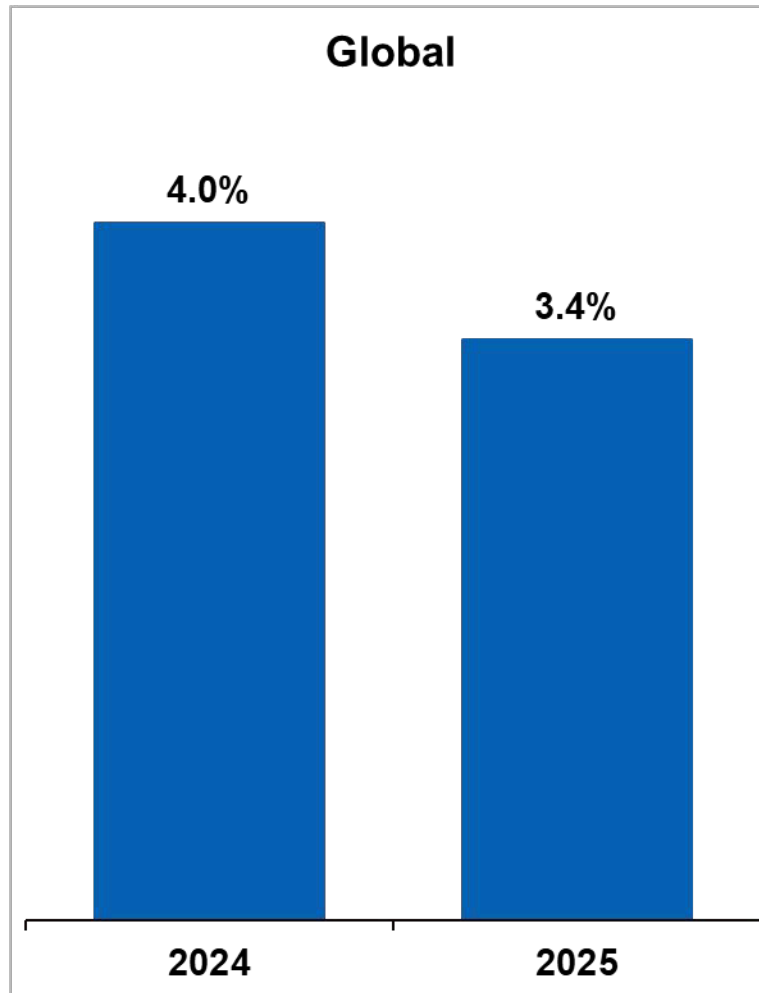
Demand down in U.S. Top 25, but occupancy stays strong

Occupancy, FY 2025



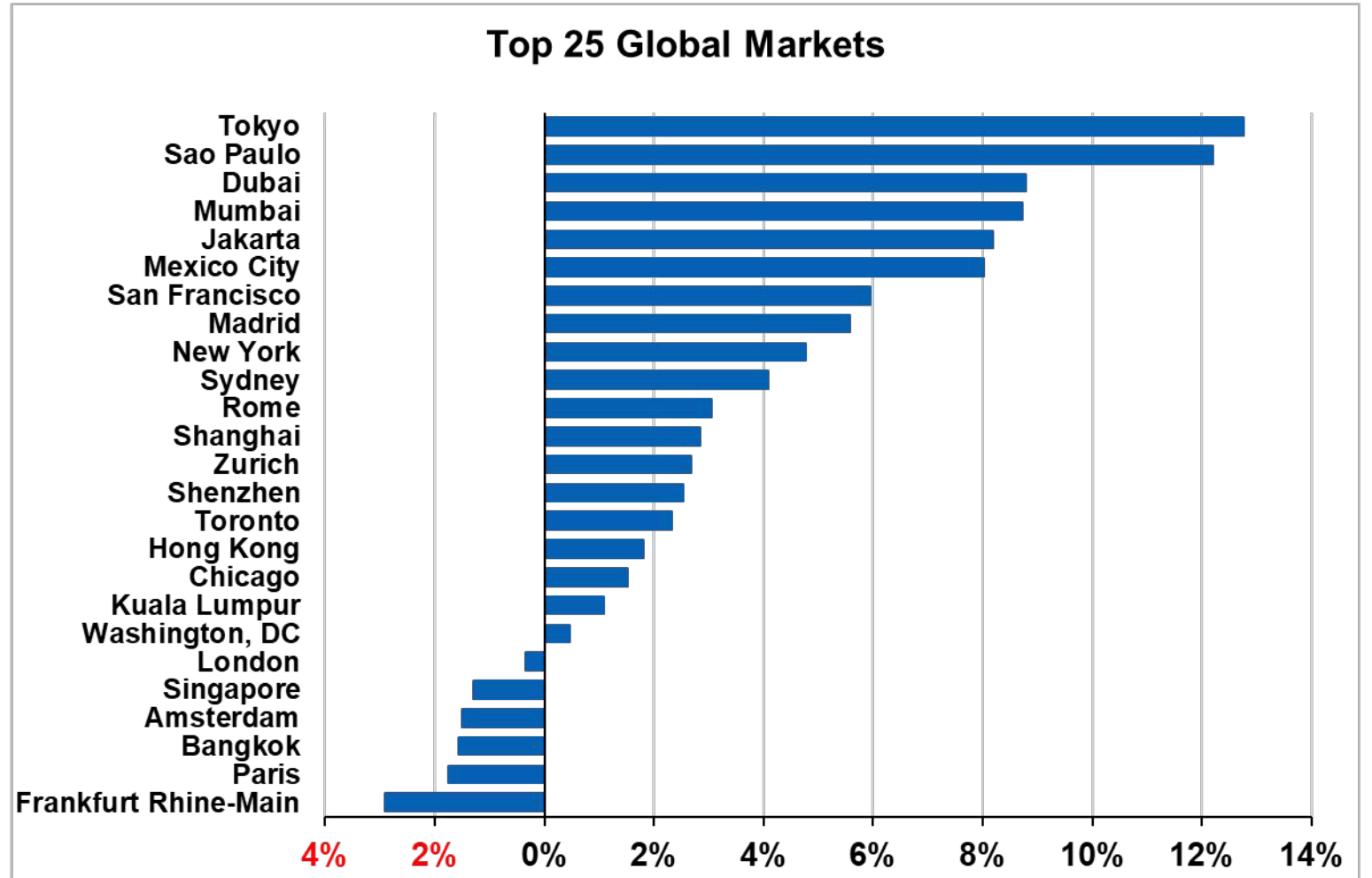
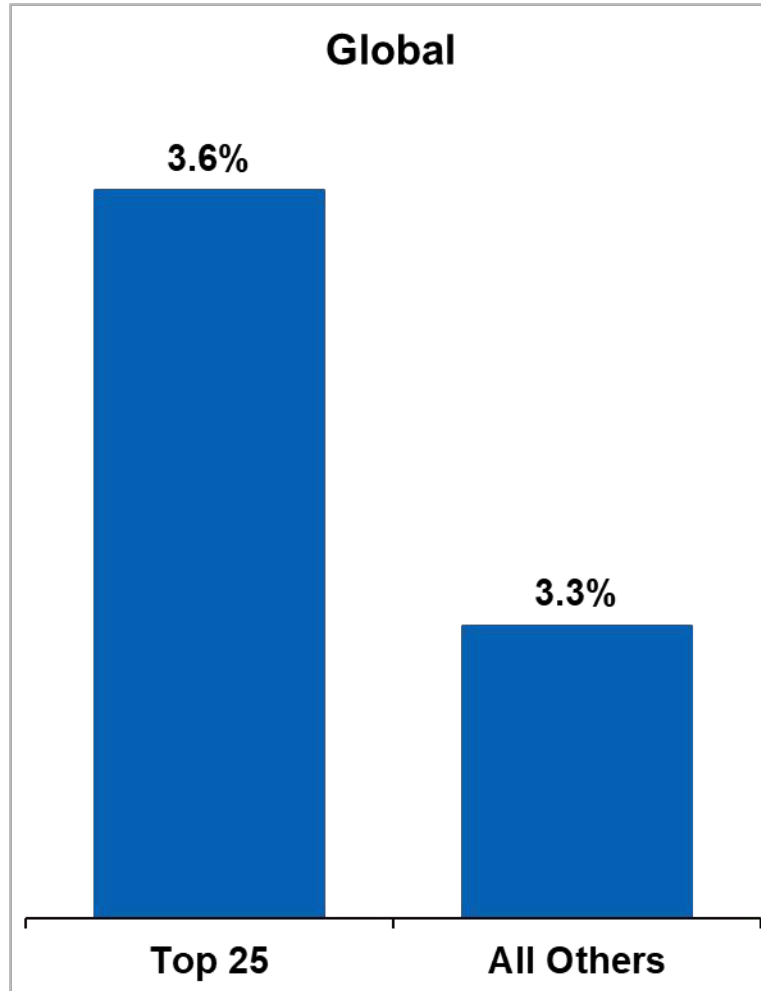
Rates continued to increase, but growth slowed

Average daily rate (ADR) change, year over year, constant USD



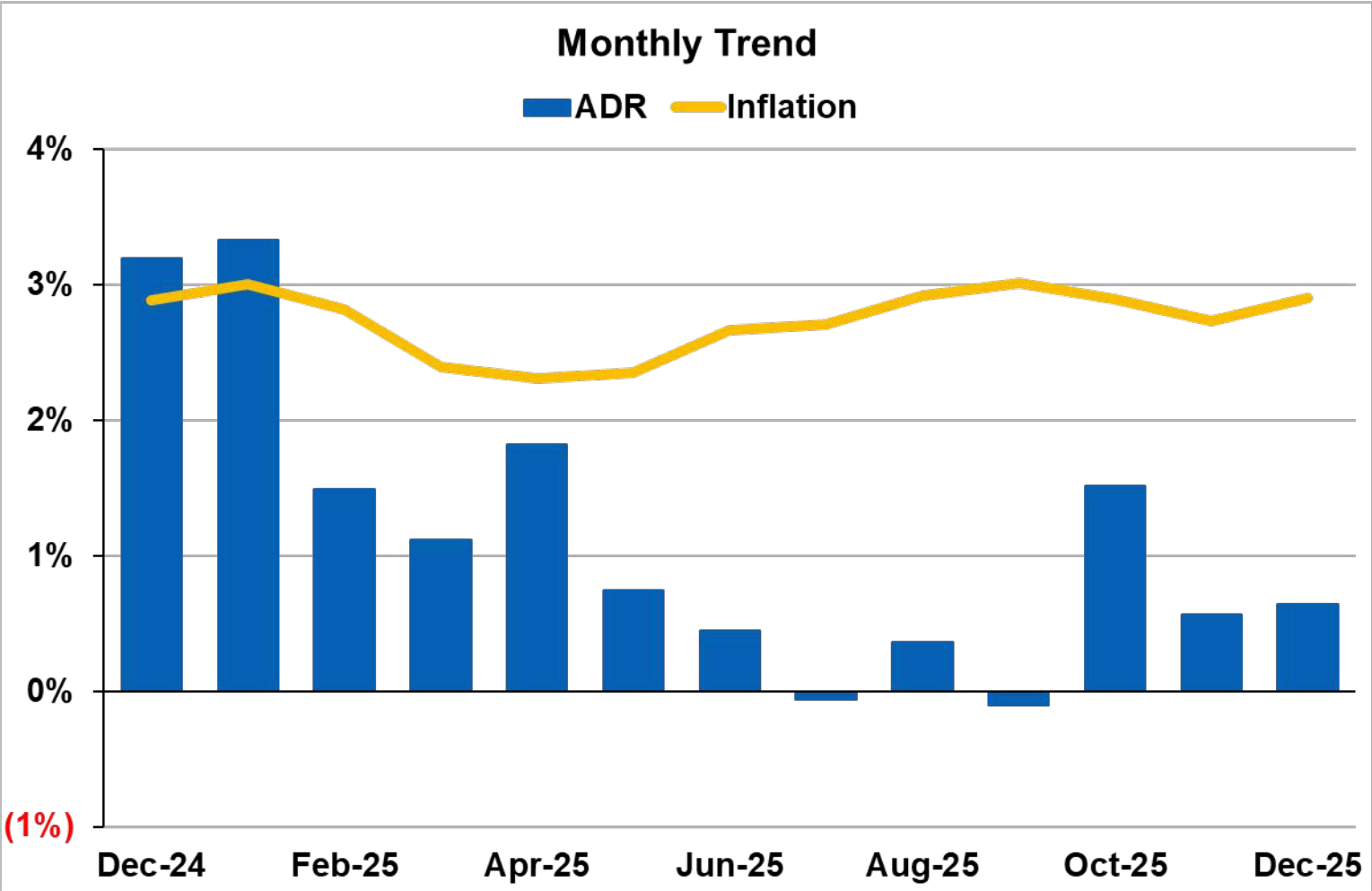
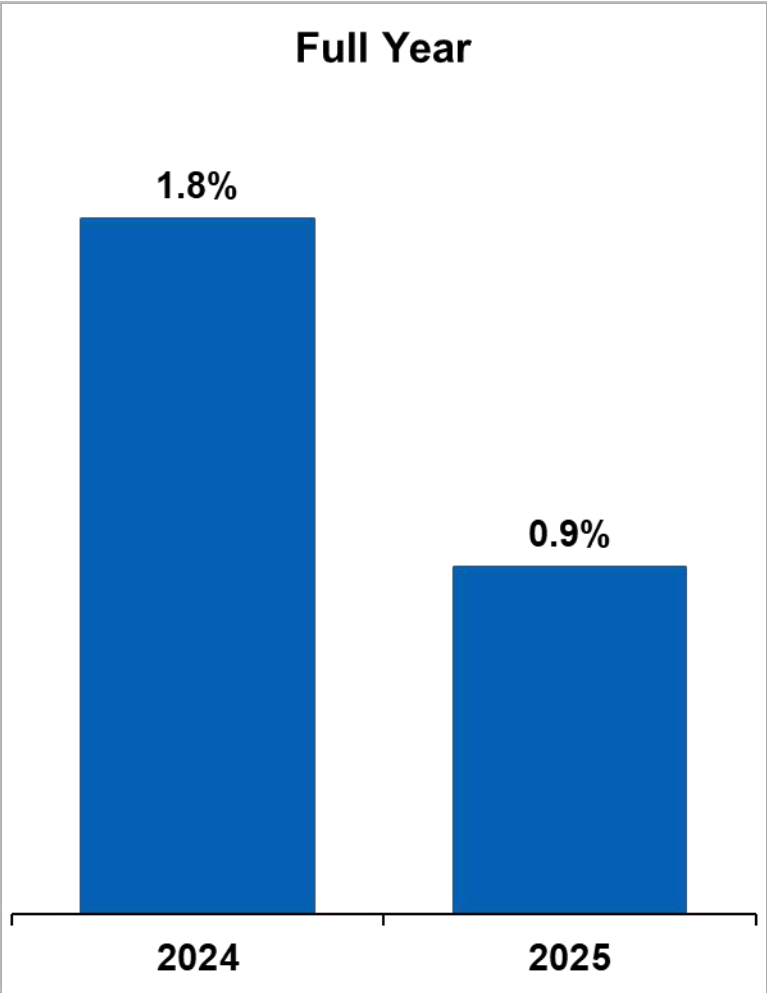
Lots of variance in ADR growth among the primary markets

Average daily rate (ADR) change, FY 2025, year over year, constant USD



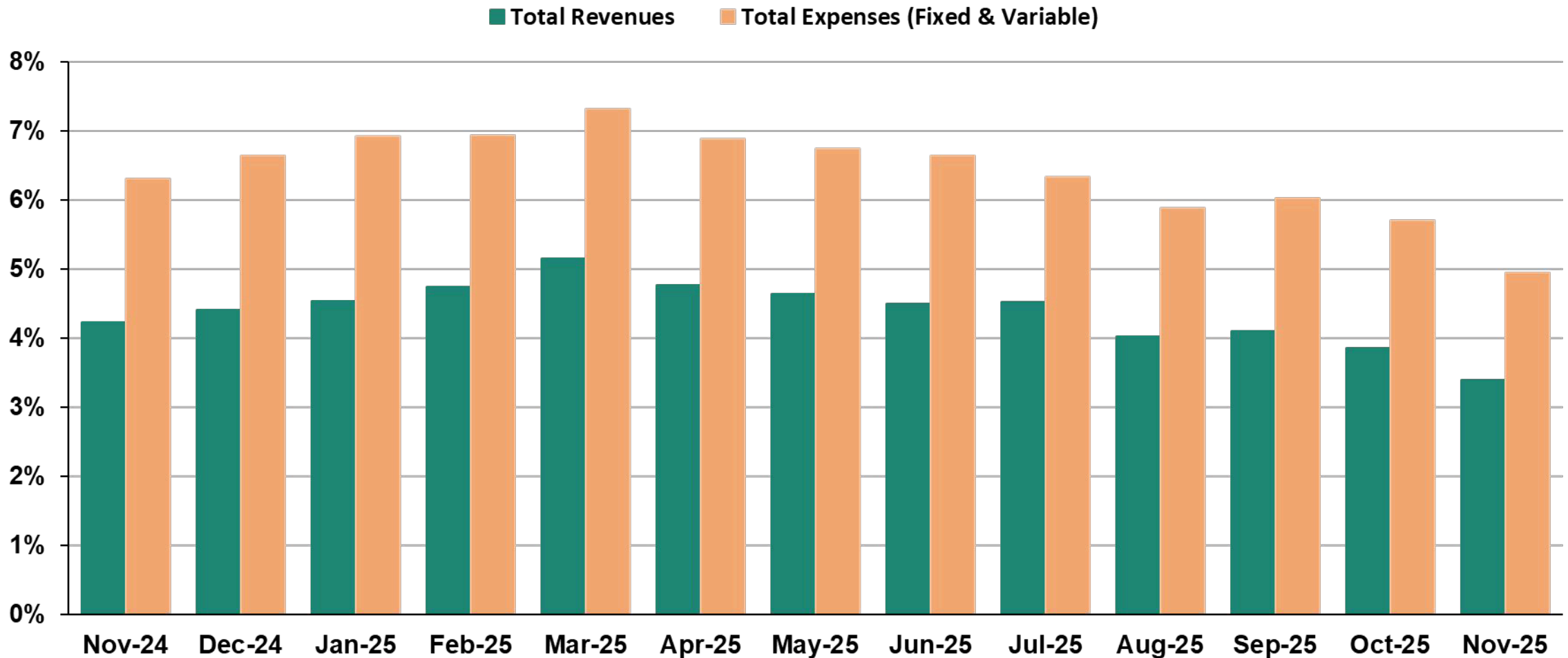
U.S. ADR growth lags inflation rate

U.S. average daily rate (ADR) change



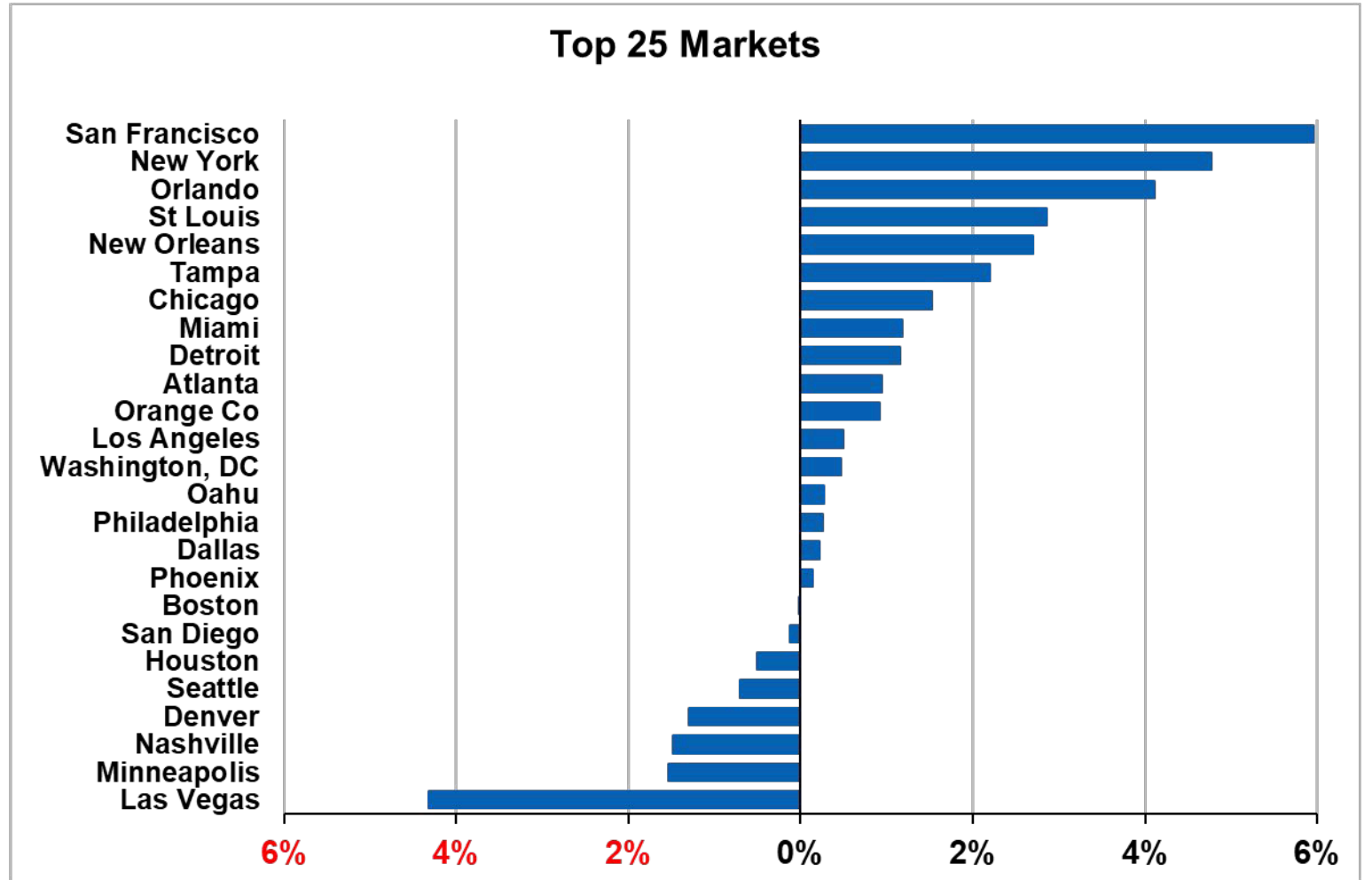
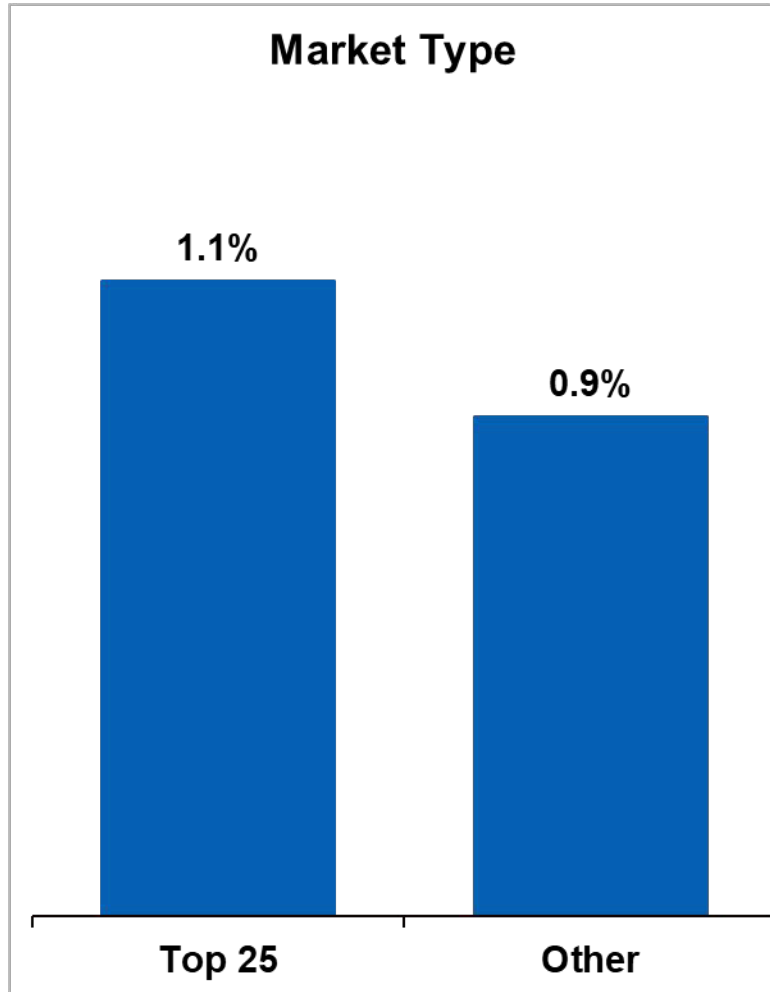
Costs still increasing at a higher rate than revenues

U.S. total revenues and total expenses (less taxes), 12MMA, YoY % change



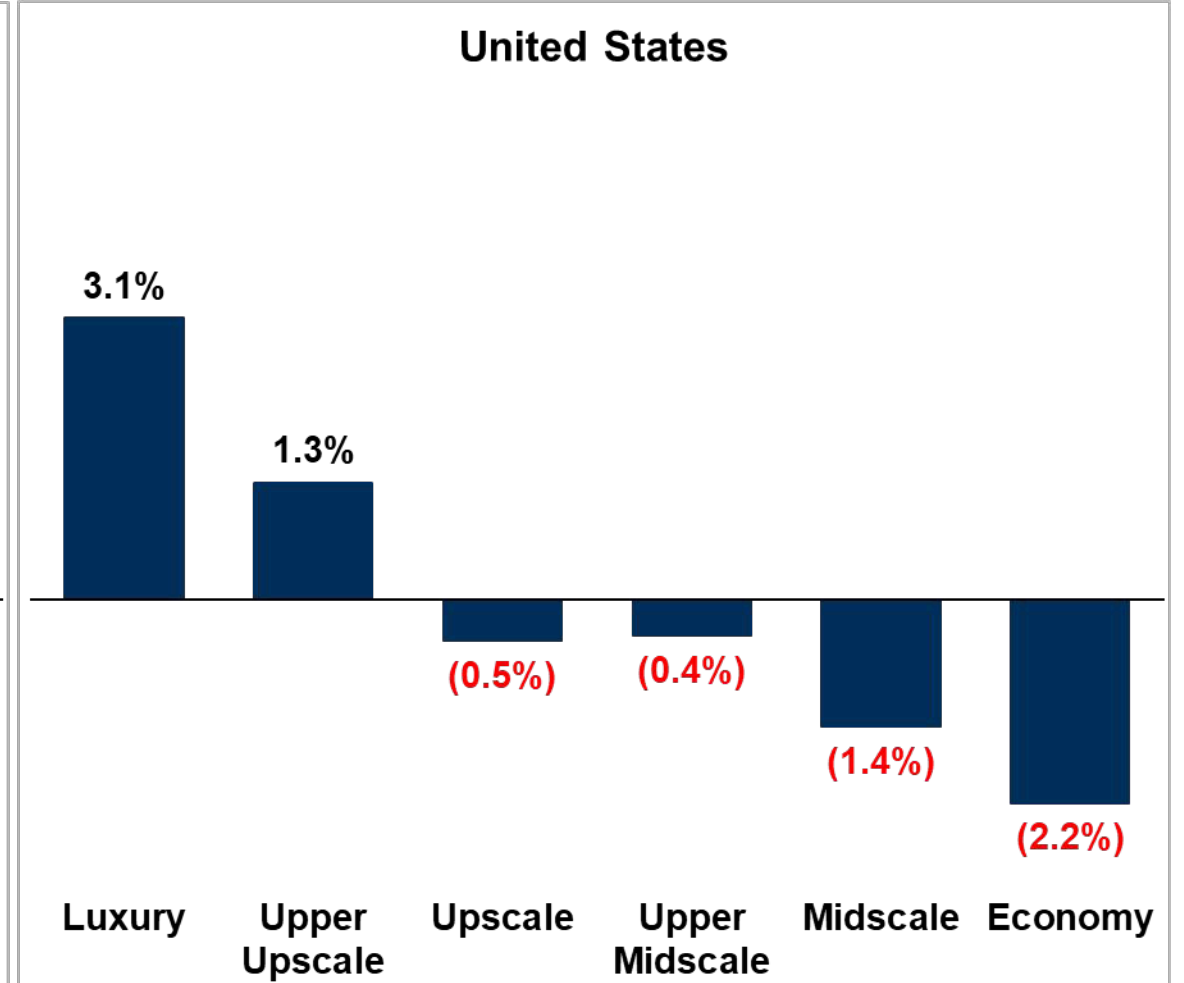
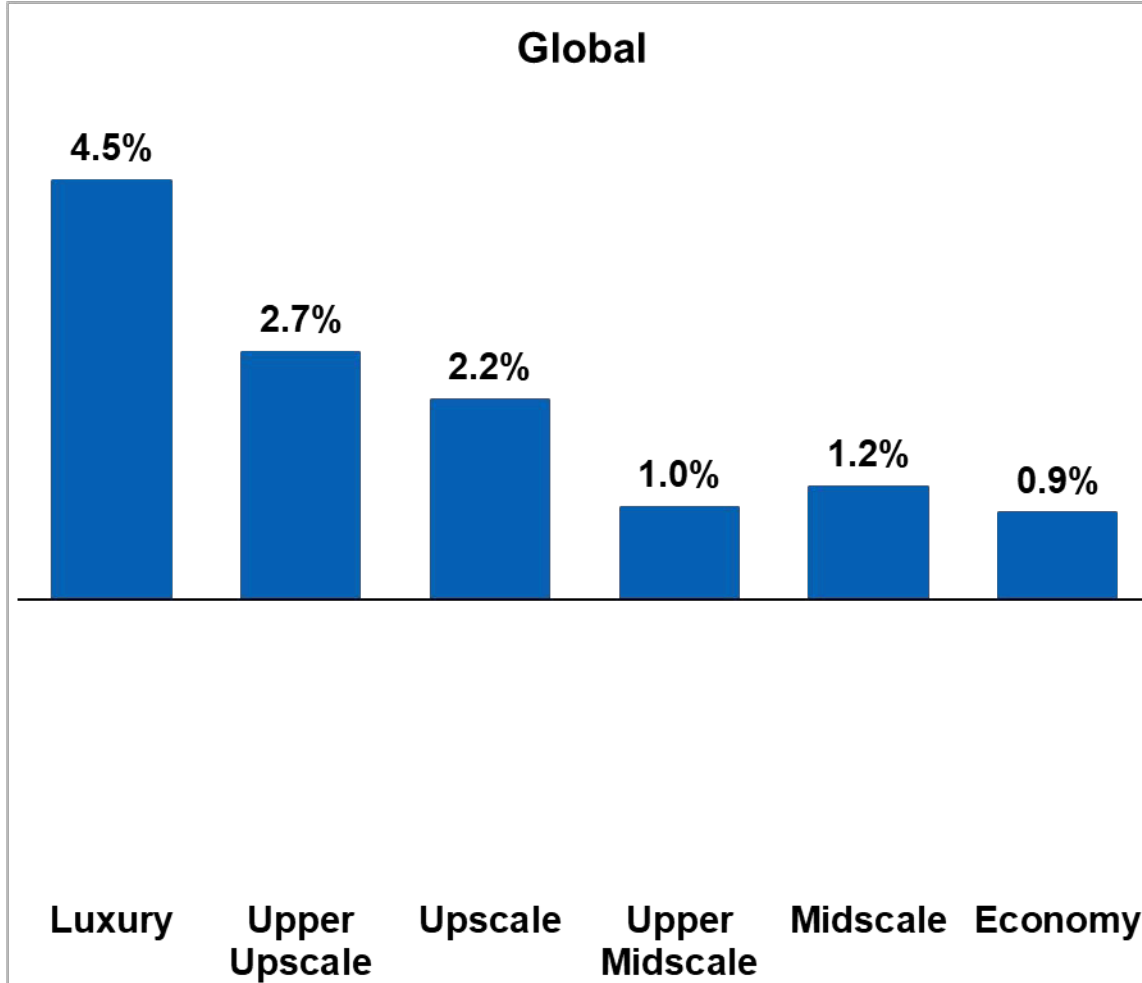
Rate growth challenging in numerous U.S. markets

U.S. average daily rate (ADR) change, FY 2025



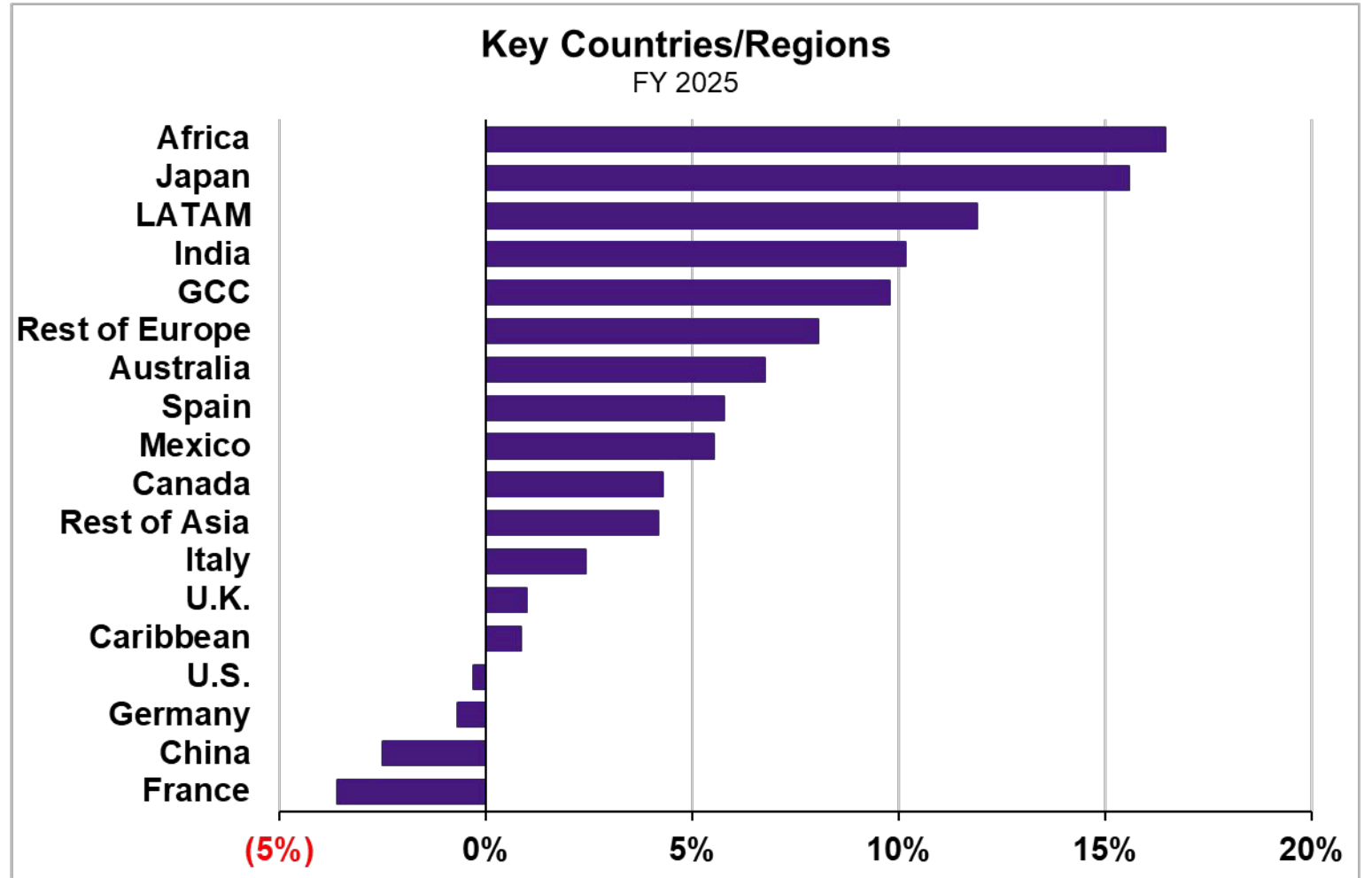
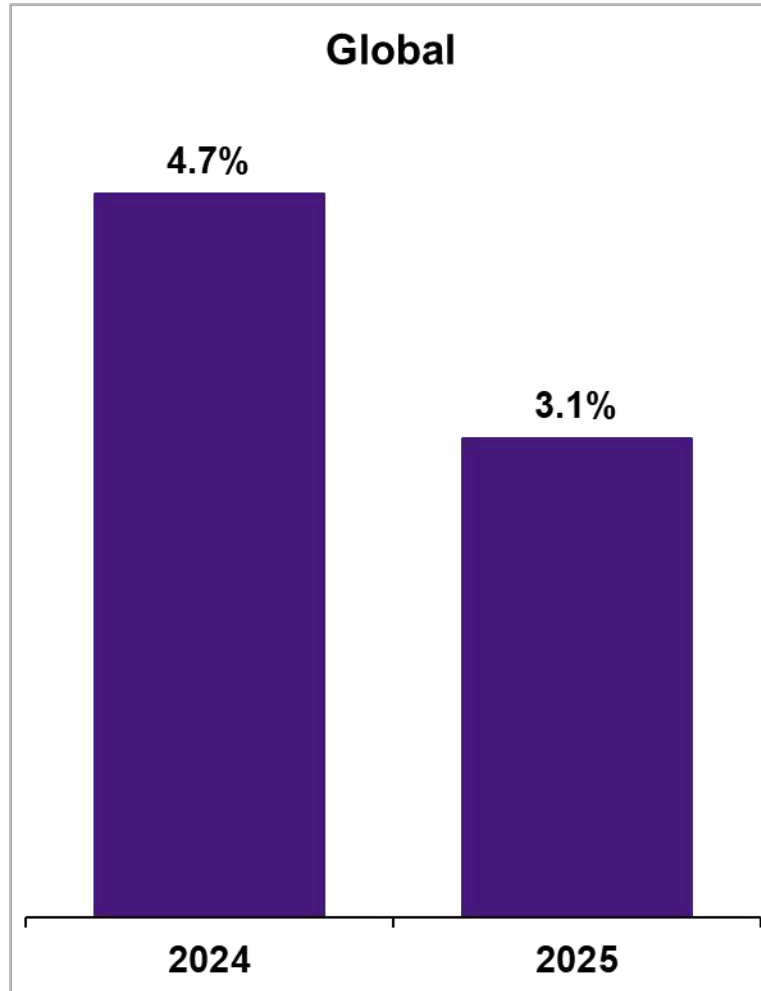
Increase in rates fueled by upscale hotels

Average daily rate (ADR) change, year over year, constant USD, FY 2025



RevPAR propelled by robust expansion beyond the U.S. and China

Revenue per available room (RevPAR), year over year, constant USD



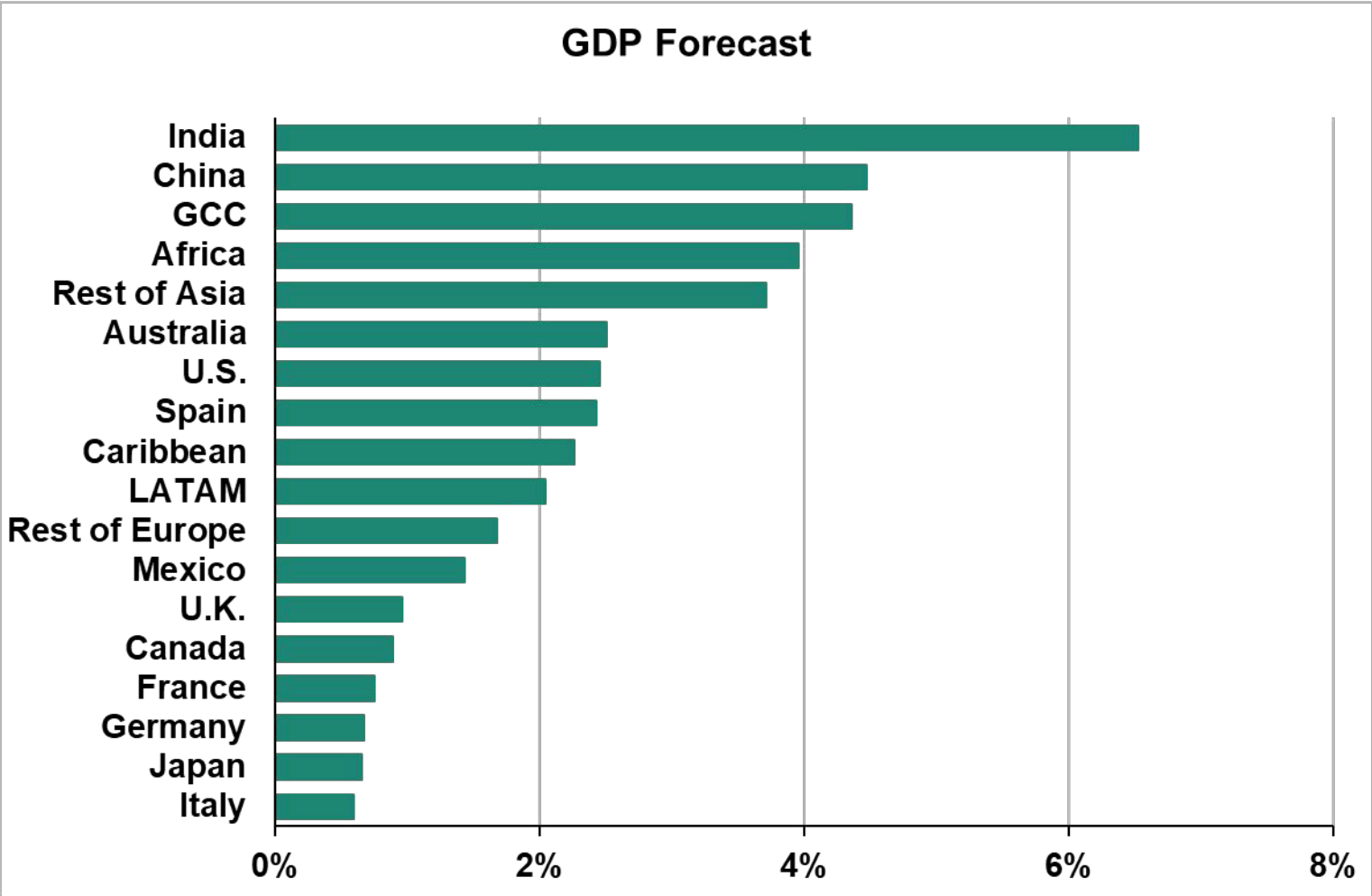
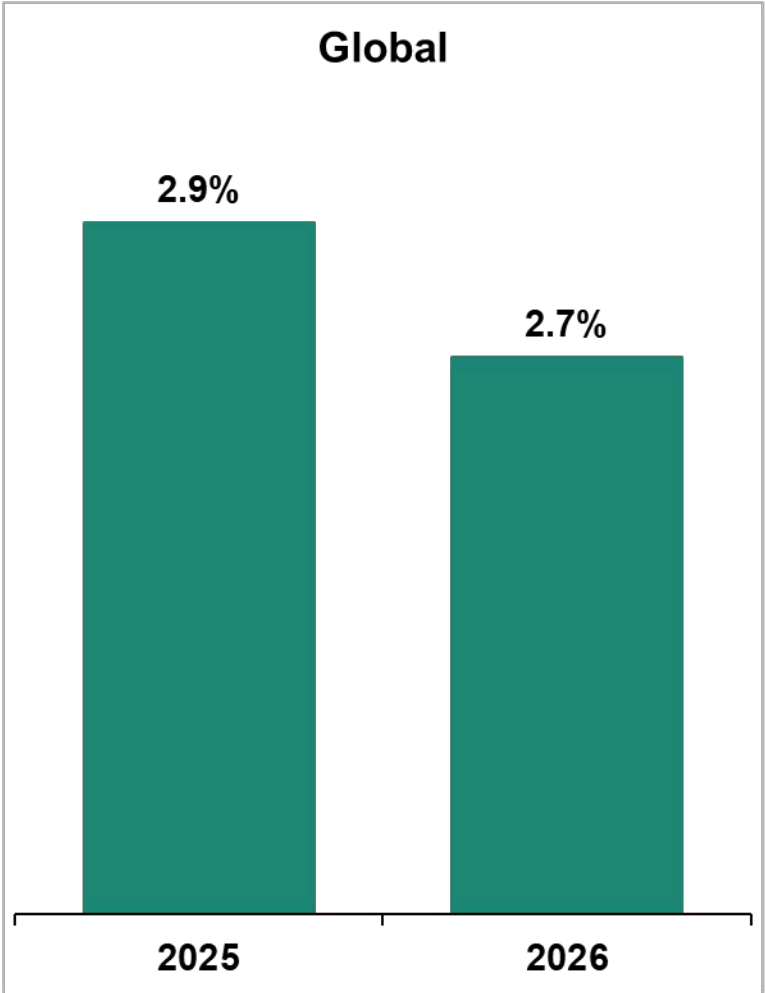


Outlook



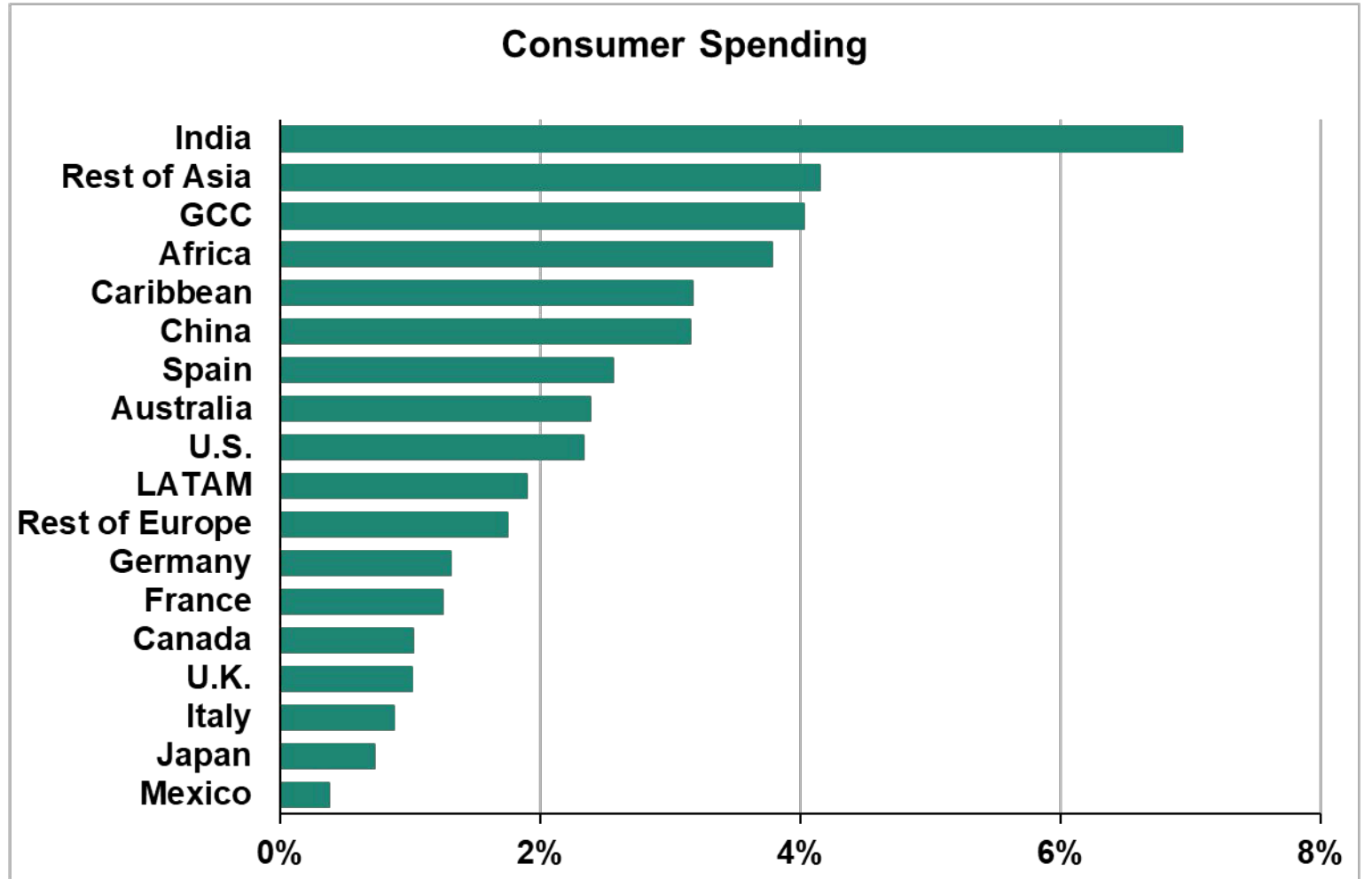
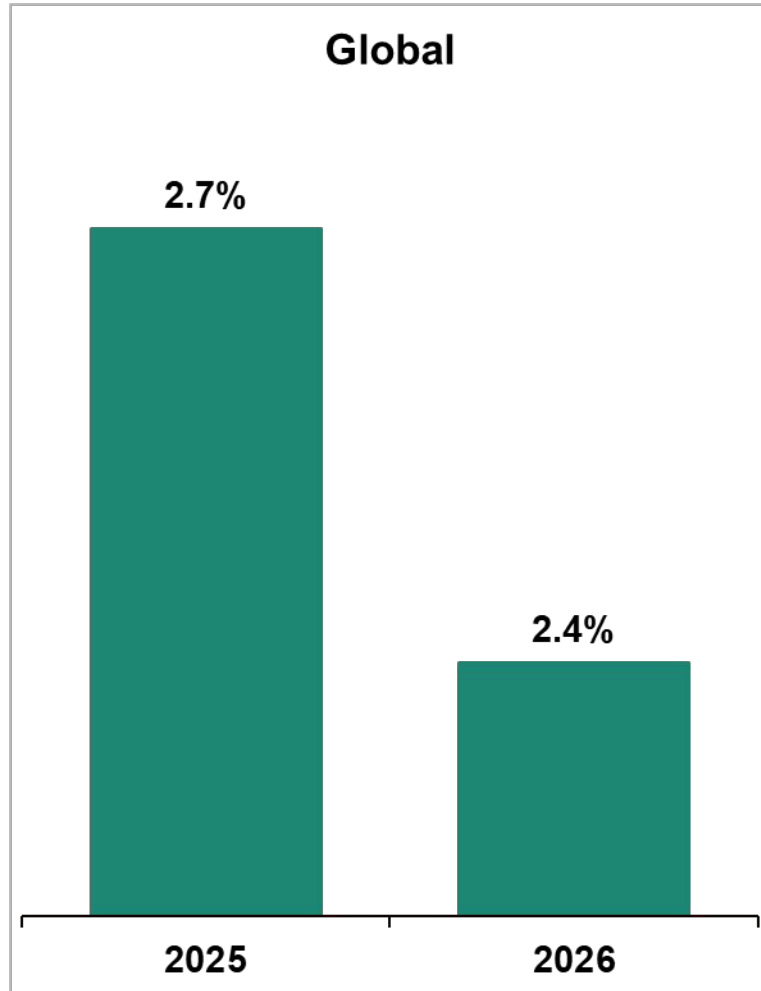
Economic growth to moderate

GDP, year over year change



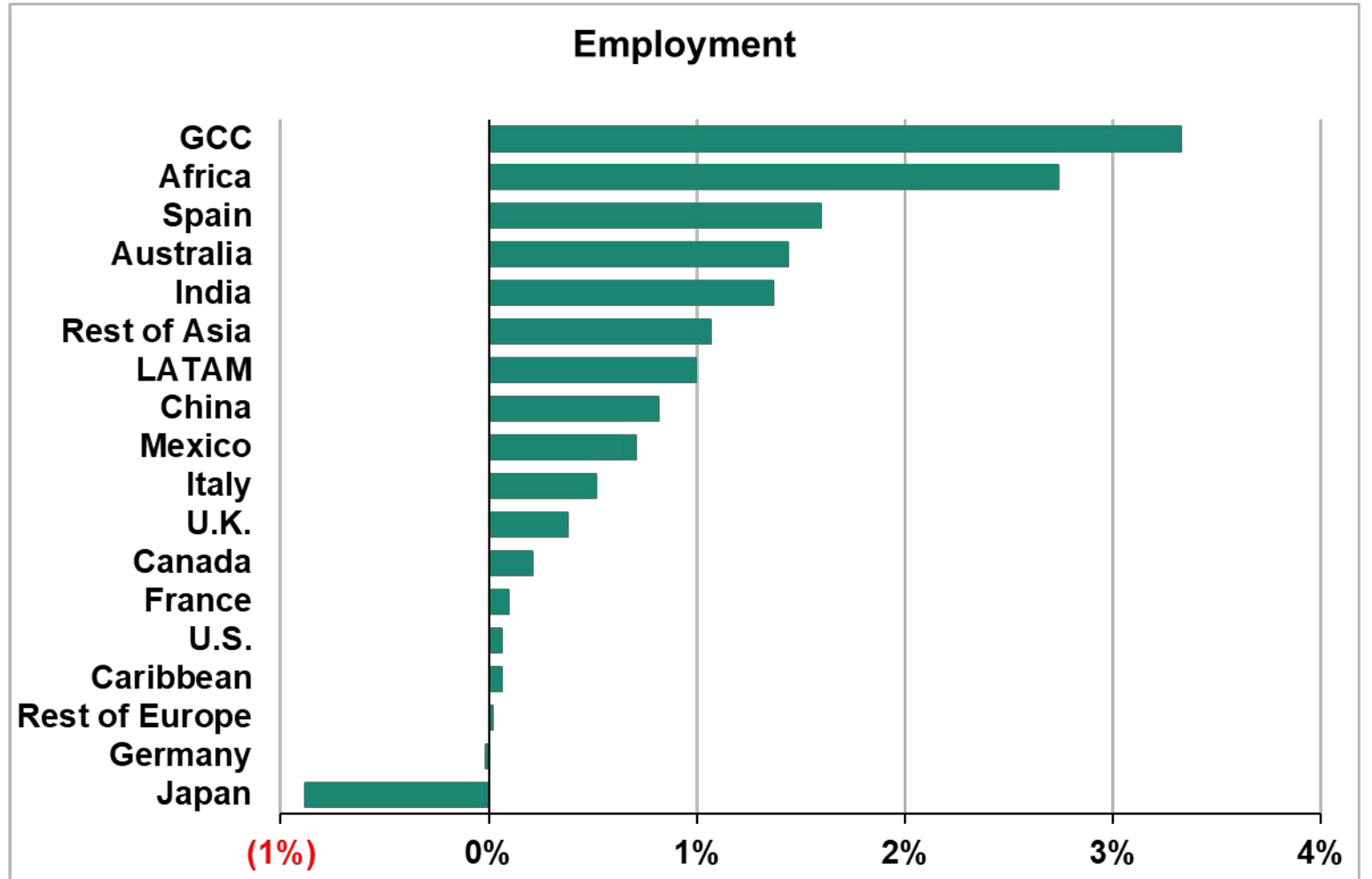
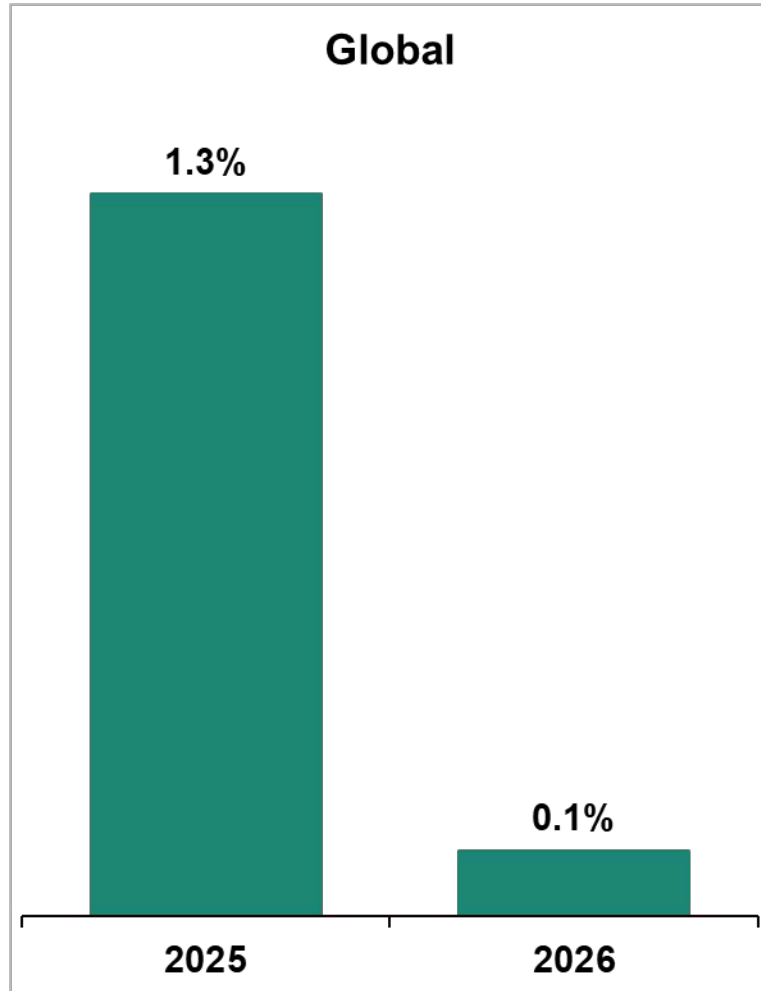
Consumers to spend less

Consumer spending, year over year change



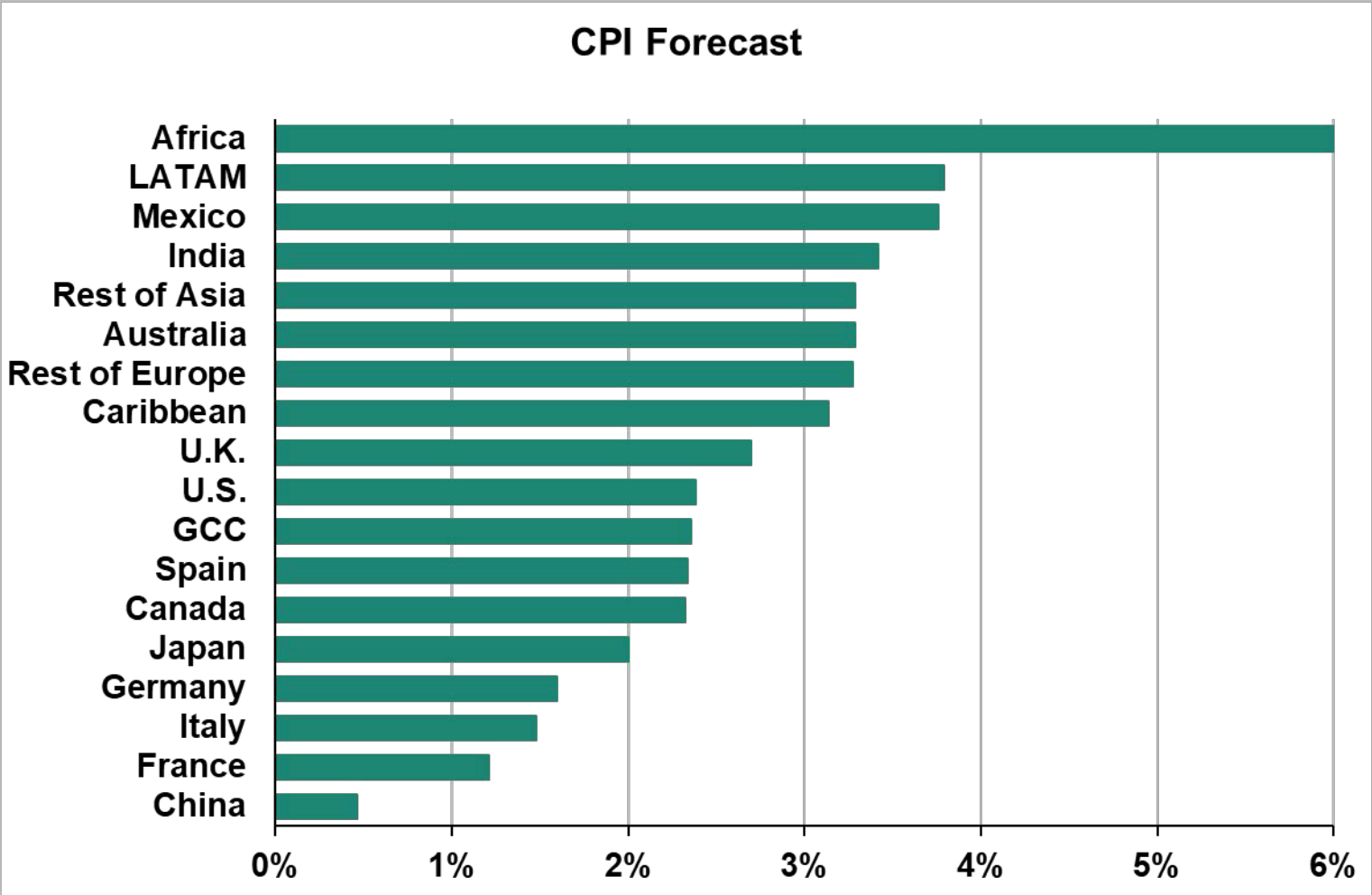
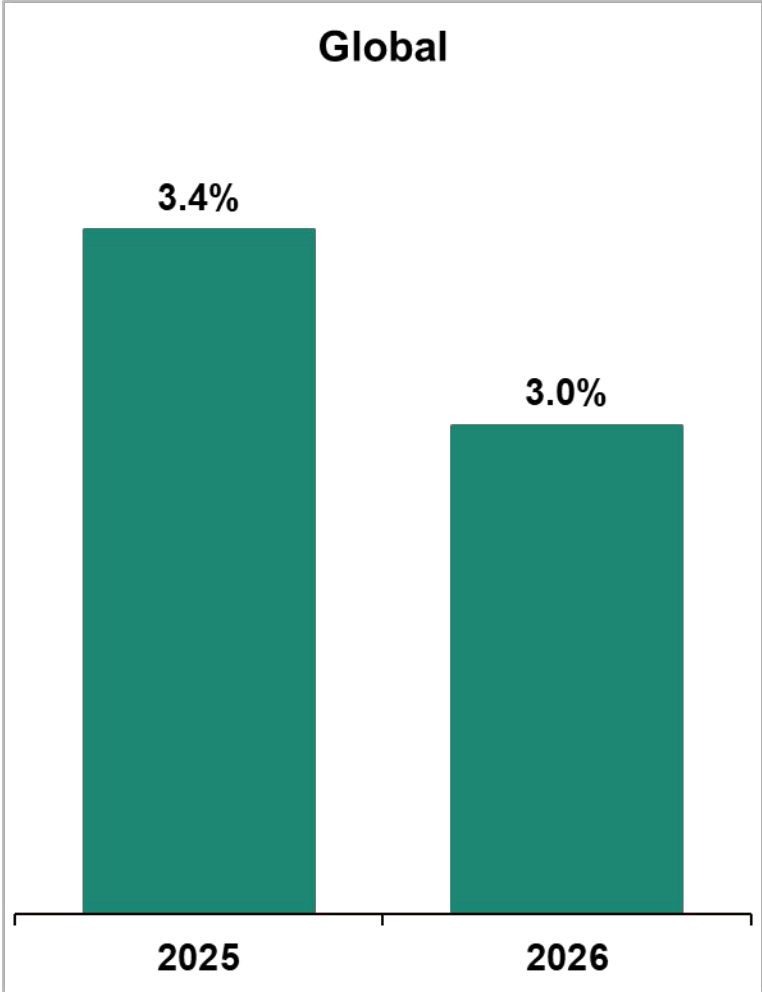
Employment to slow further

Employment, year over year change



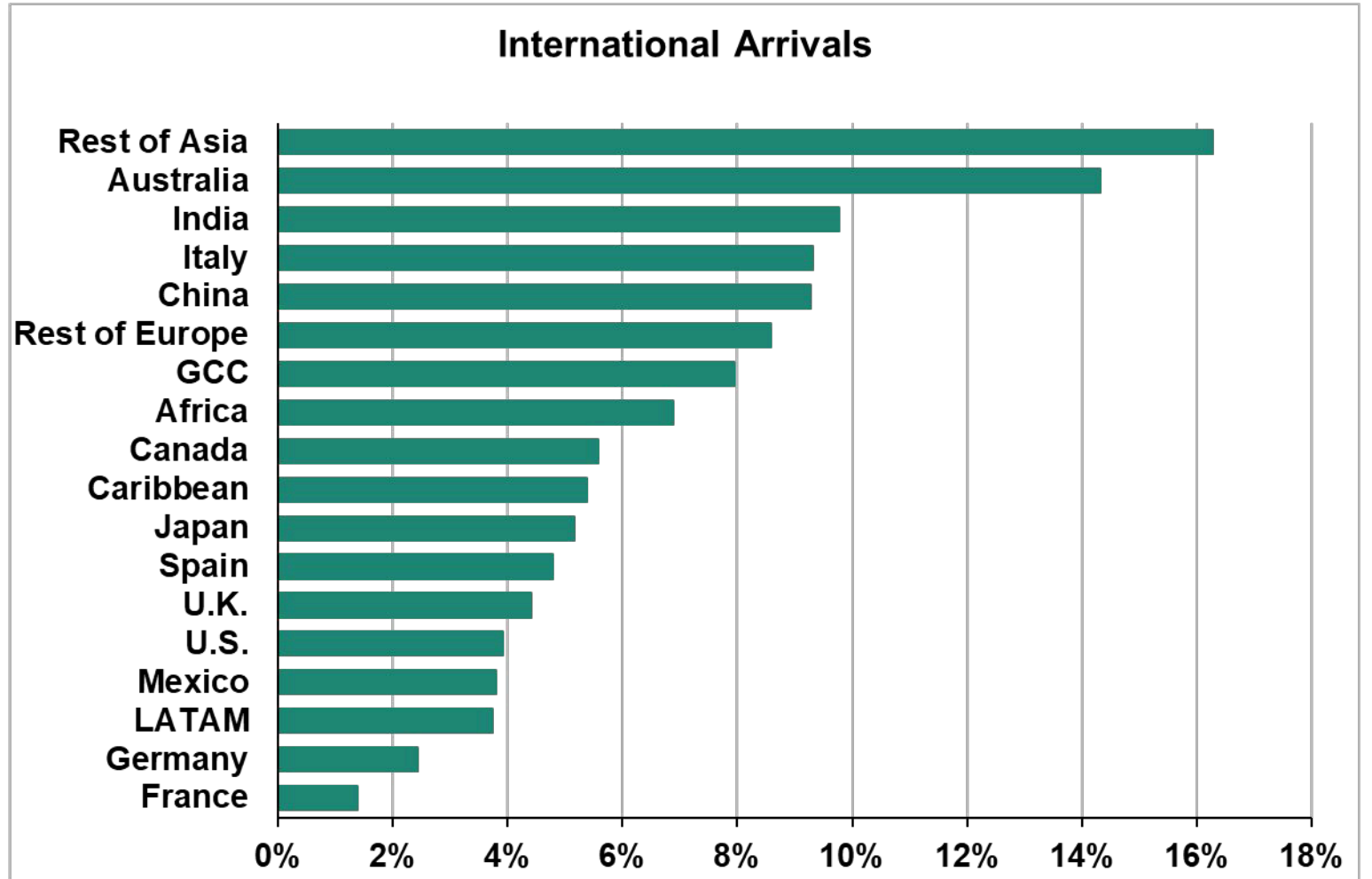
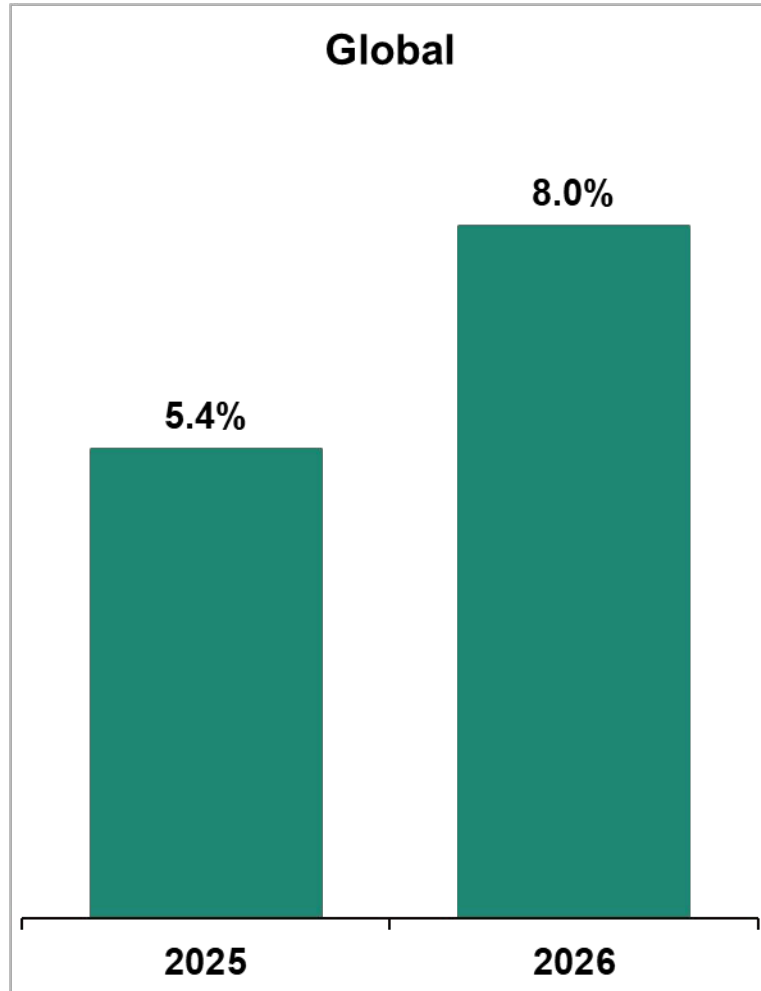
Prices will also continue to rise

CPI, year over year change, excludes Turkey



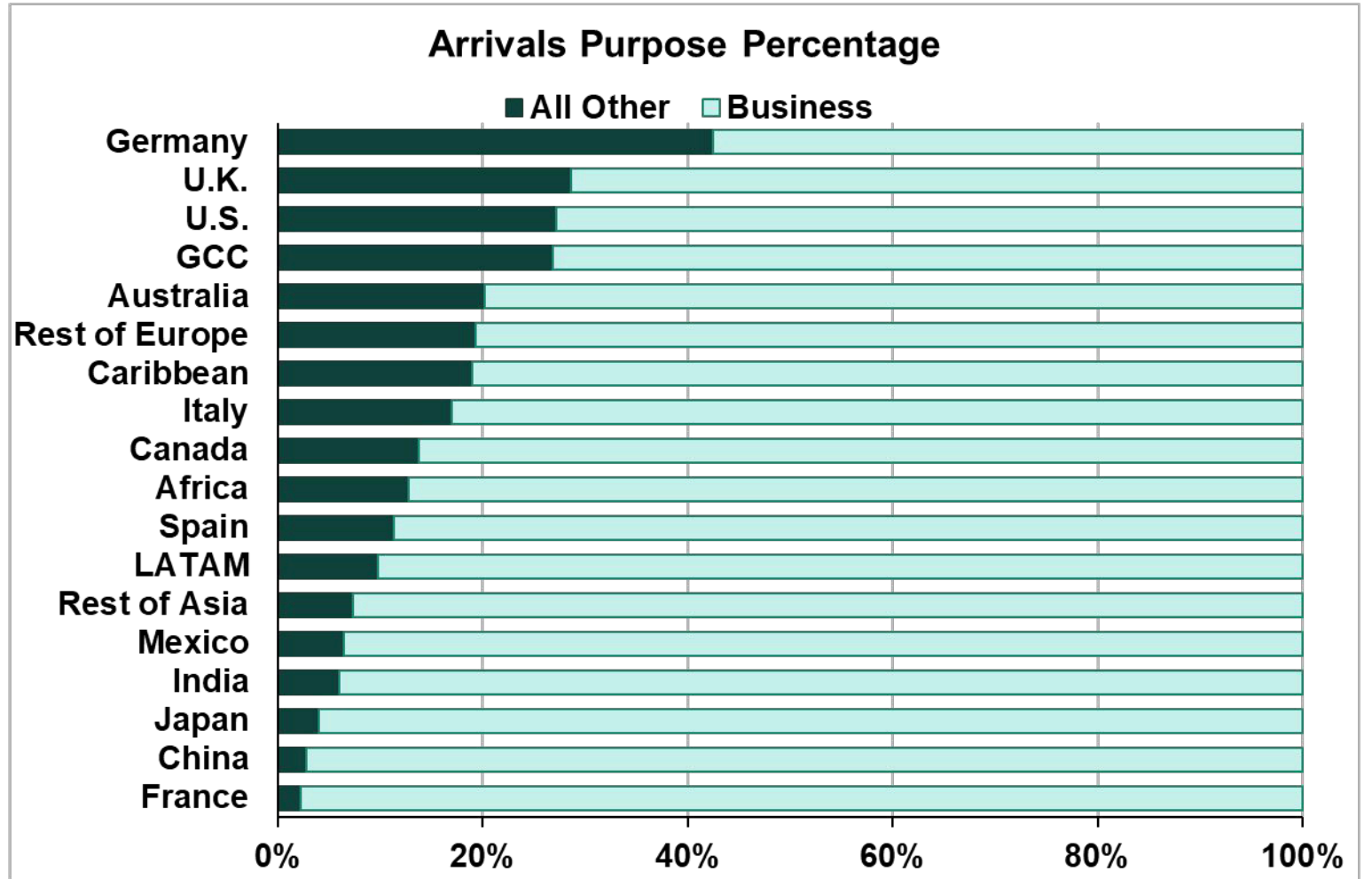
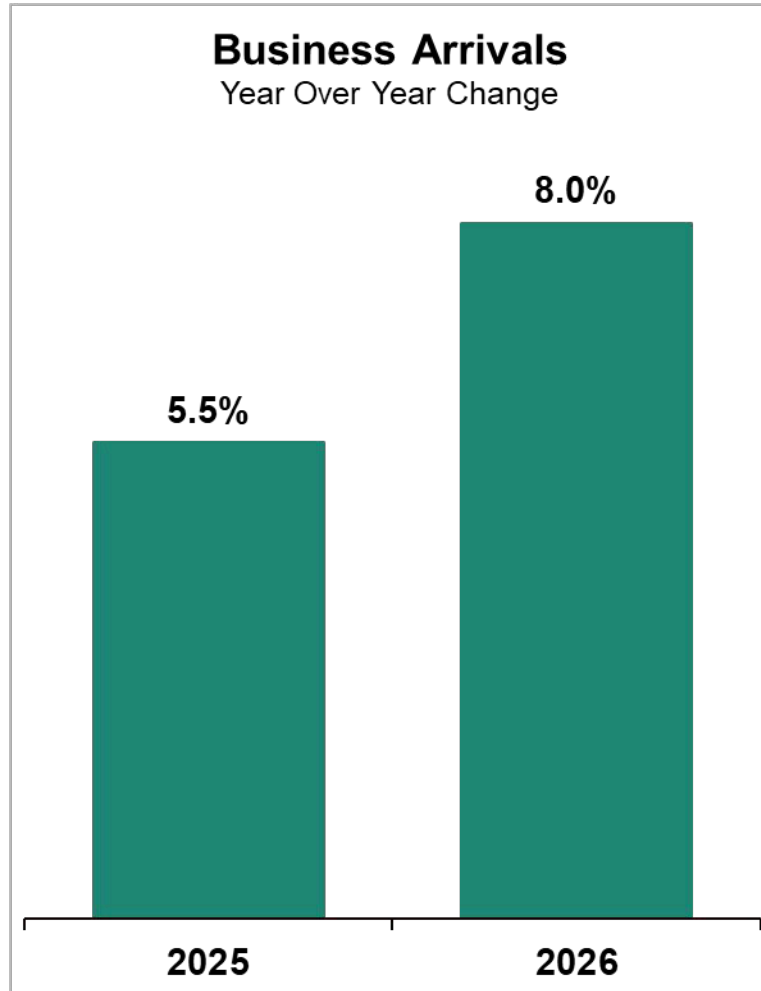
International travel to increase again

International overnight arrivals, year over year change



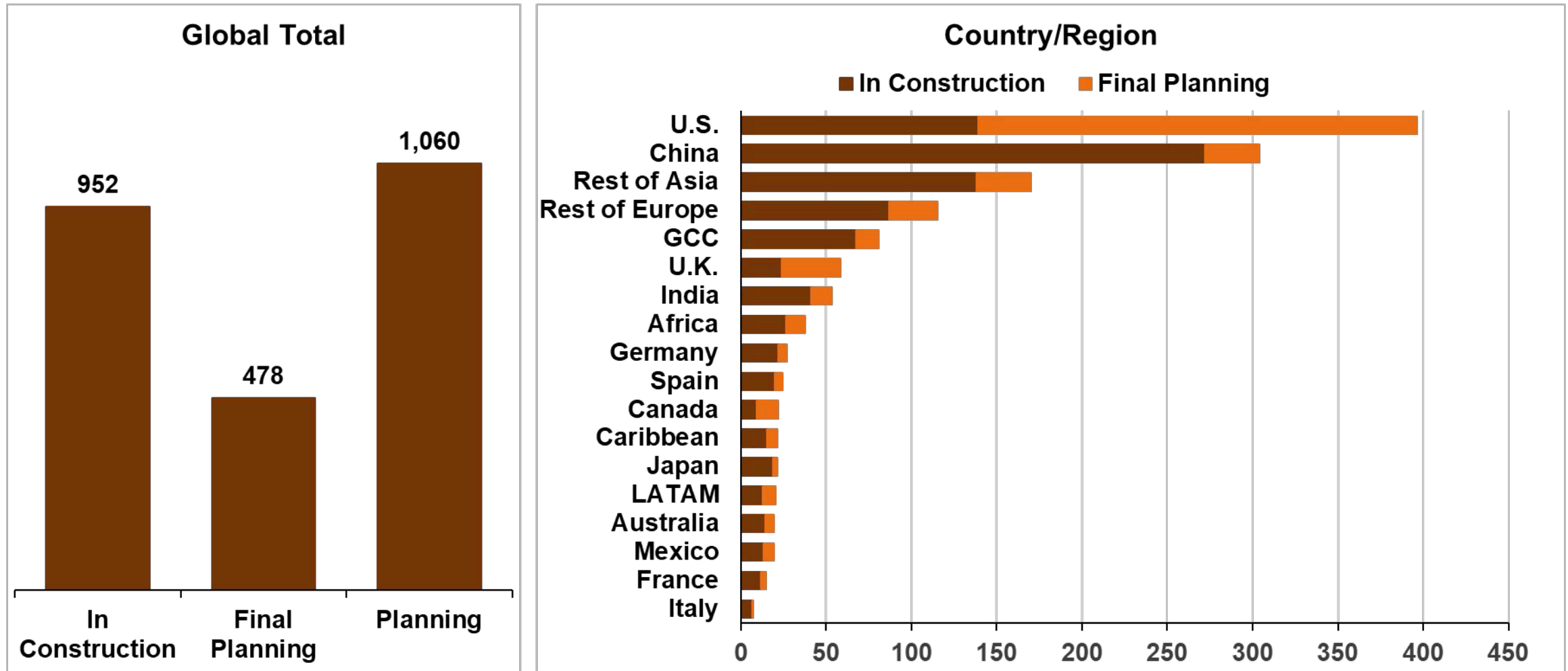
Business travel arrivals to also grow

International business overnight arrivals



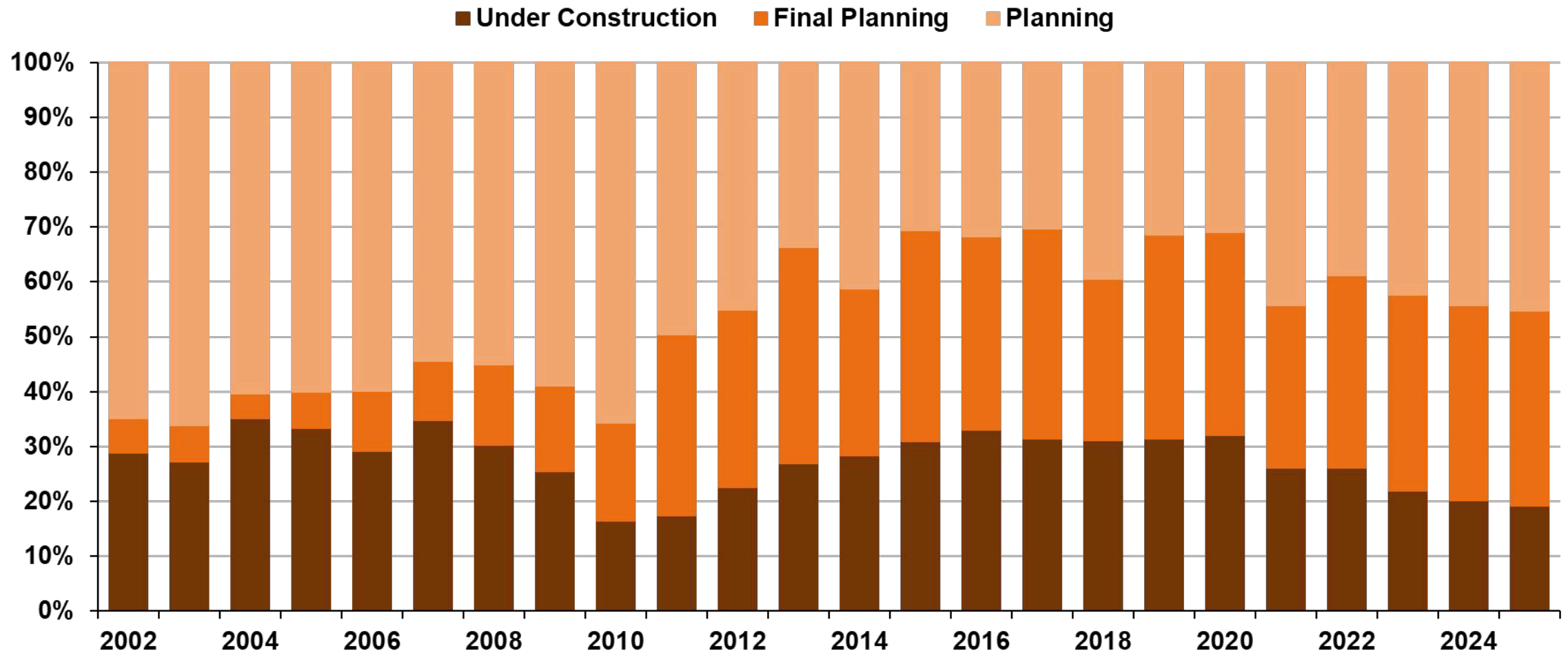
China accounts for one-third of all rooms under construction

Rooms Pipeline (thousands)



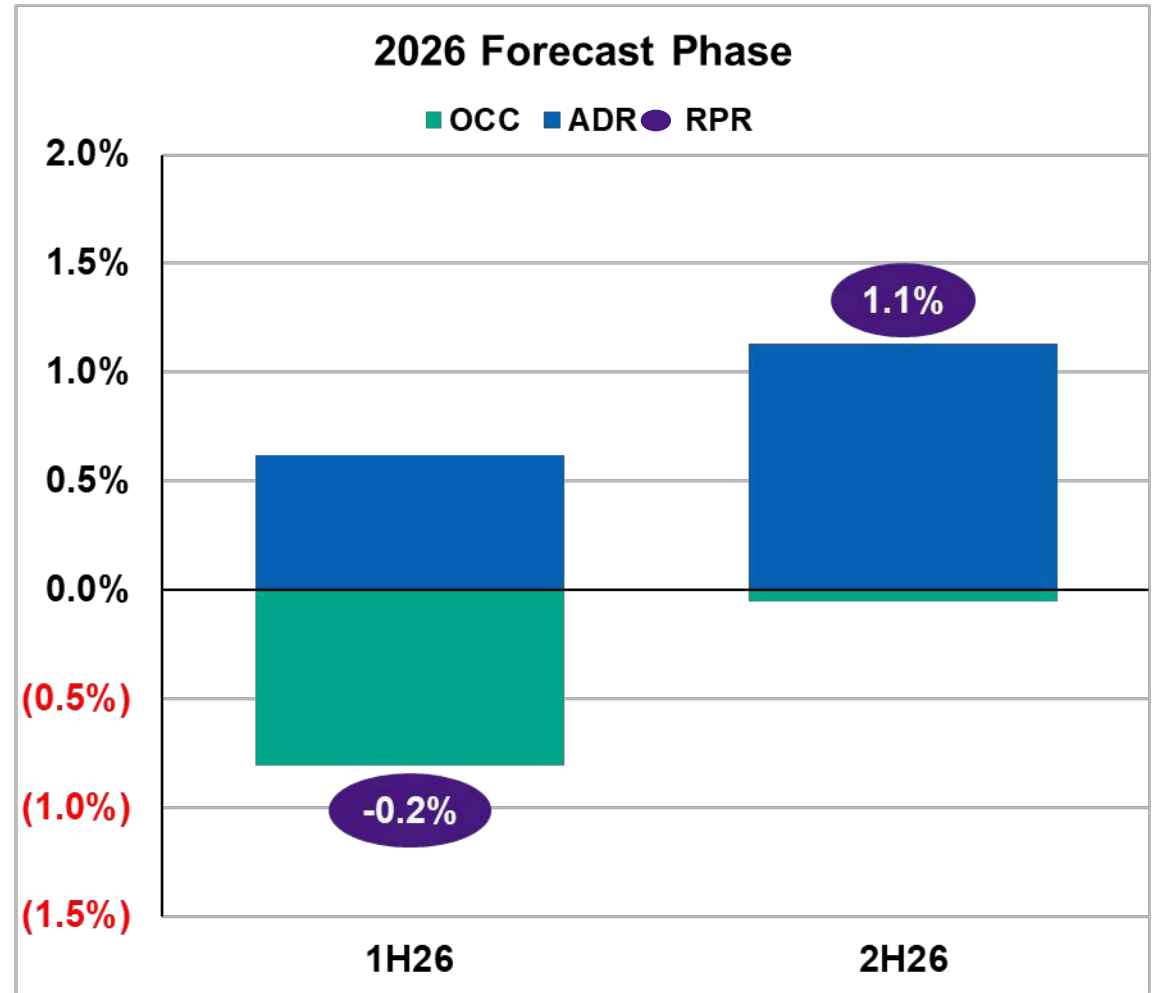
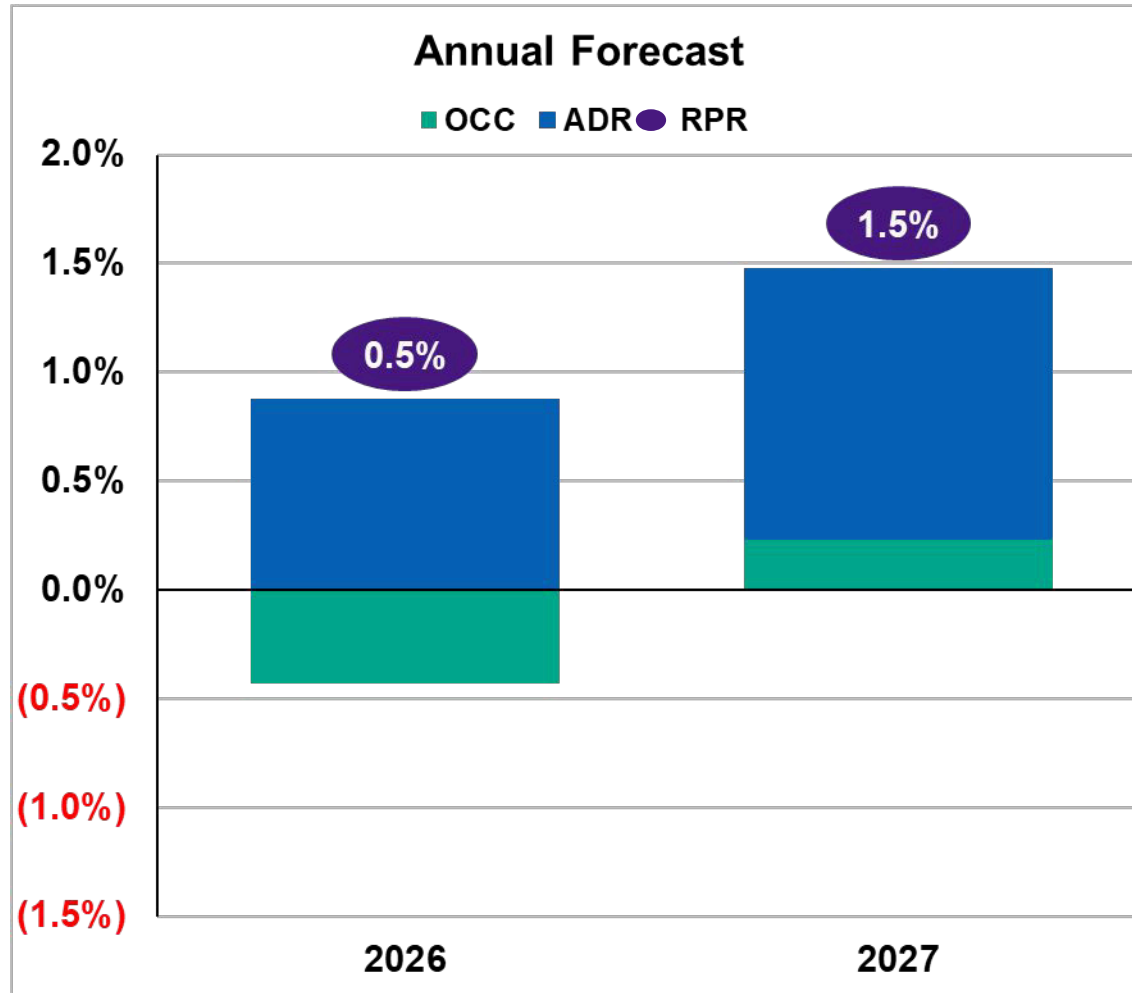
U.S. under construction percentage at a 14-year low

U.S. total pipeline progression, November



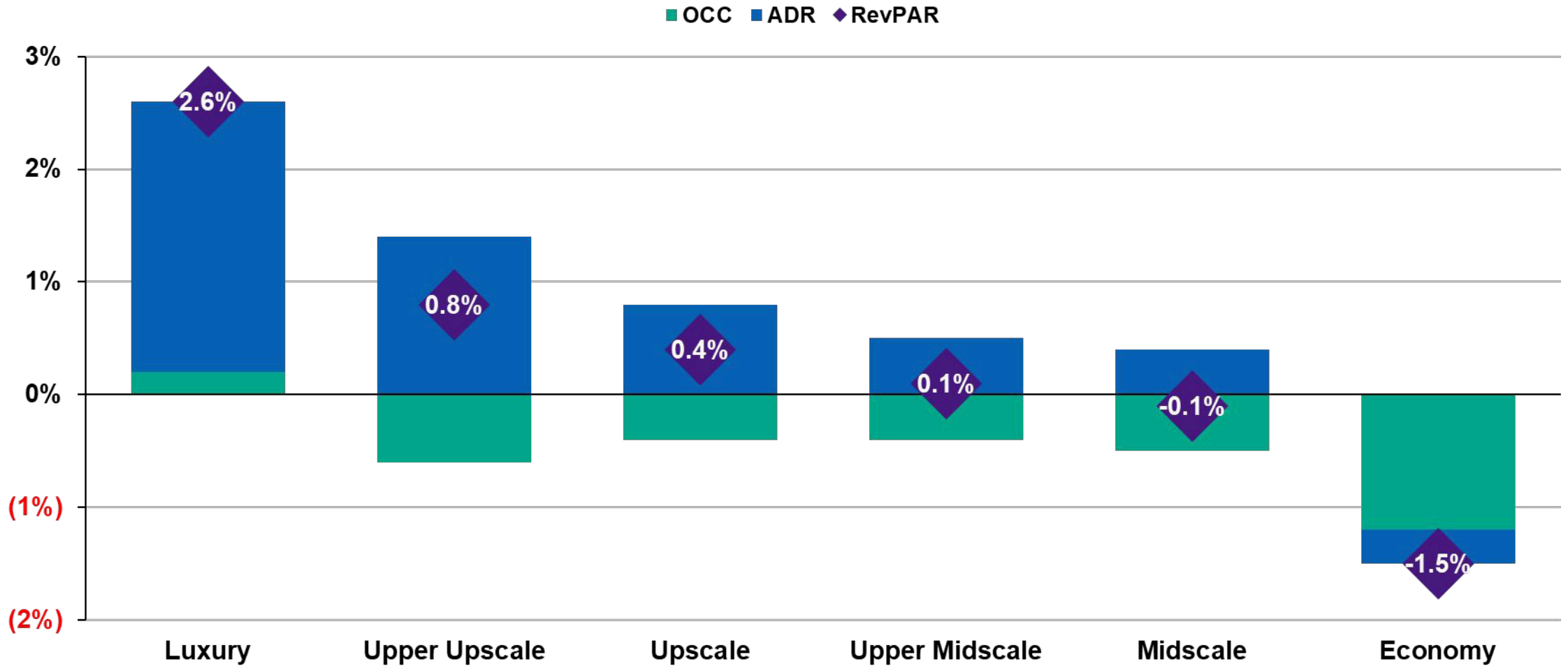
U.S. RevPAR growth expected to resume in 2026

U.S. forecast, November 2025 update



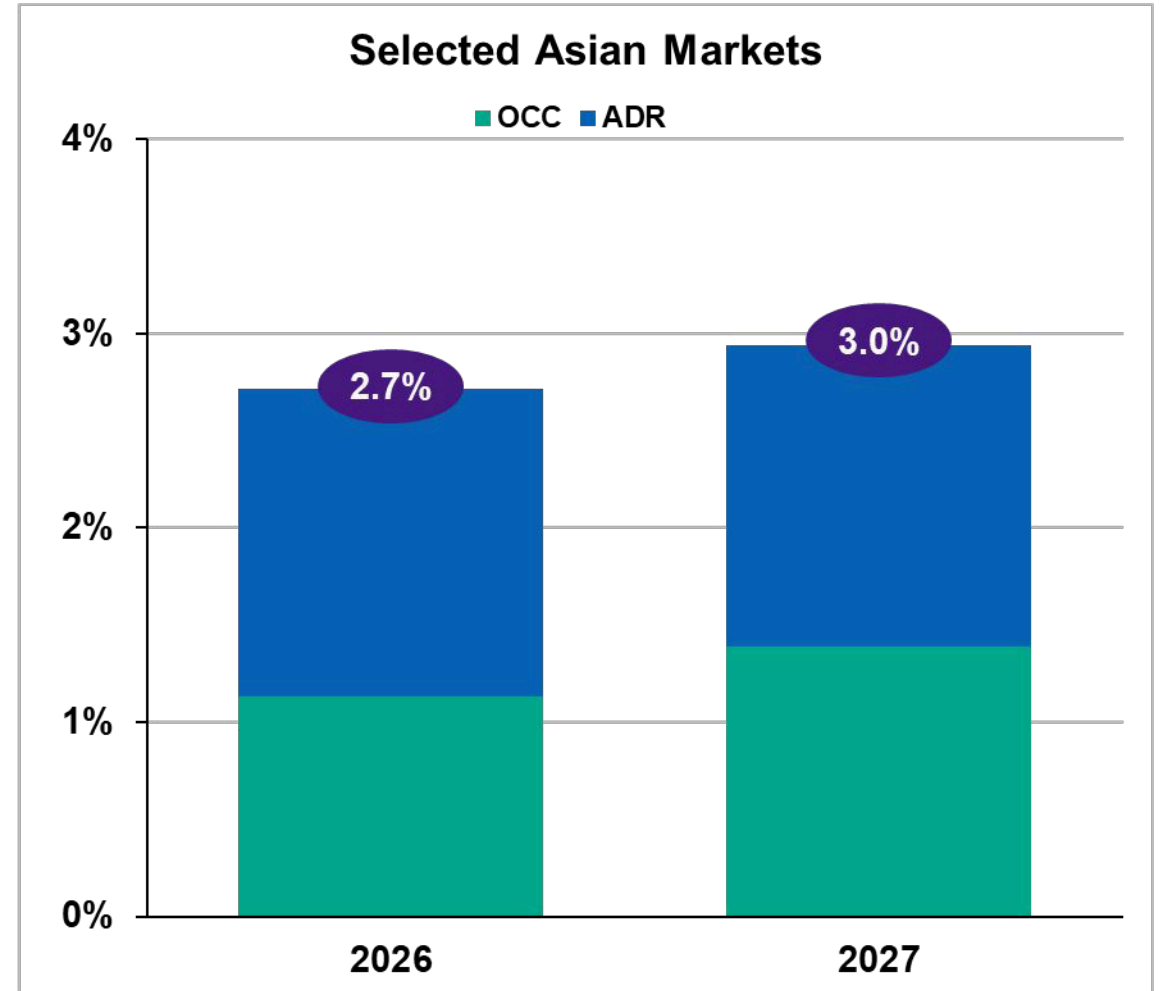
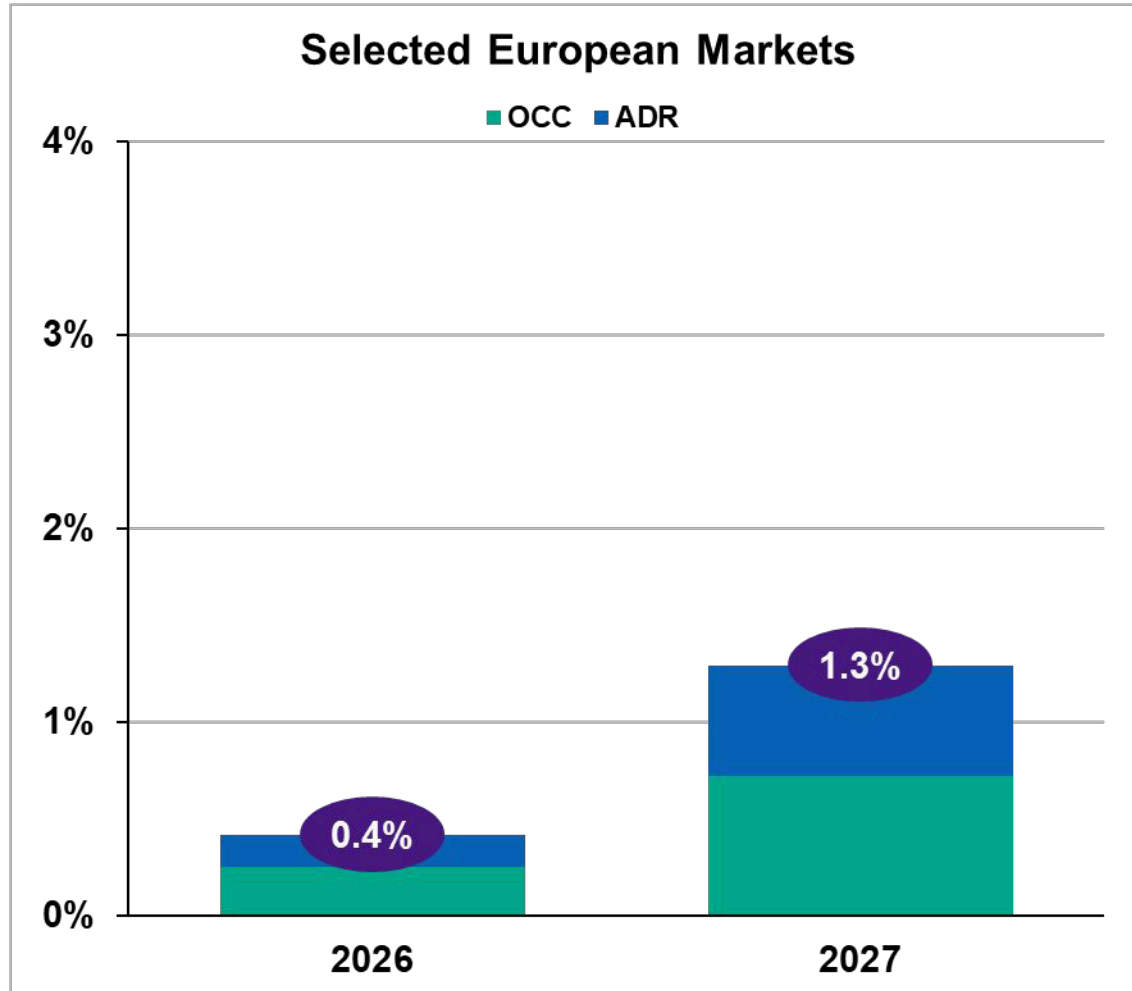
Upper-tier brands to drive U.S. RevPAR growth

U.S. chain scale forecast, November 2025 update



Europe to remain stagnant; Asia continues to advance

Selected rolled-up markets forecast, November 2025 forecast



Key Takeaways

Global industry on solid footing, U.S. not

Elevated uncertainty to remain

Challenging operational environment



Tell Me More
A HOSPITALITY DATA PODCAST





Thank you.

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