

STR Releases 2010 Summer Forecast



HENDERSONVILLE, Tennessee -The U.S. hotel industry should expect to see mixed results in the three key performance metrics this summer, according to STR's 2010 summer forecast.

The summer travel season comprises June, July and August. STR predicts summer occupancy will increase 2.2 percent from summer 2009 to 63.1 percent, average daily rate will decrease 1.9 percent to US \$ 95.16, and revenue per available room will end the summer virtually flat with a 0.2-percent increase to US \$ 60.03.

"While demand for hotels this summer will be brisk and will continue to provide positive recovery momentum, rate growth remains a concern," said Brad Garner, VP at STR. "Conditioned and value conscious consumers will not be reaching as deep into their wallets as in previous summer seasons. We anticipate flat to slightly negative rate growth this summer."

During summer 2009 occupancy fell 9.1 percent to 61.7 percent, ADR dropped 9.6 percent to US \$ 97.04, and RevPAR was down 17.8 percent to US \$ 59.90.

Demand is expected to rise 4.4 percent (compared with a 6.2-percent decrease during summer 2009), and supply is predicted to increase 2.1 percent (compared with a 3.2-percent increase during summer 2009).

Revenue for summer 2010 is forecasted to increase 2.3 percent to US \$ 26.9 billion, compared with the 15.2-percent decrease to US \$ 26.3 billion reported for summer 2009.

July 2010 is projected to post the highest occupancy (64.4 percent) and RevPAR (US \$ 61.14) of the three summer months.

About STR

STR provides clients—including hotel operators, developers, financiers, analysts and suppliers to the hotel industry—access to hotel research with regular and custom reports covering North America, Mexico and Caribbean. STR provides a single source of global hotel data covering daily and monthly performance data, forecasts, annual profitability, pipeline and census information. STR founded the STR family of companies and is proudly associated with STR Global, RRC Associates, STR Analytics, and HotelNewsNow.com.

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