

## Forecasts

# 2020 US forecast upgraded; recovery unlikely until 2024

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STR and Tourism Economics slightly upgraded the final 2020 U.S. hotel forecast but the forecast for 2021 remains functionally unchanged and full RevPAR recovery is unlikely until 2024.

By HNN Newswire

HENDERSONVILLE, Tennessee—With leisure demand stronger than anticipated in the fall, [STR](#) and [Tourism Economics](#) slightly upgraded the final 2020 U.S. hotel forecast just released during the virtual [NYU Hospitality Conference](#). Regardless of the short-term upgrade, the forecast for 2021 remains functionally unchanged and full recovery in revenue per available room (RevPAR) is unlikely until 2024.

“Even with the encouraging vaccine news of this week, this pandemic and the subsequent economic impact will continue to limit hotel demand generators into the second half of next year,” said Amanda Hite, president of STR. “Business demand won’t return at a substantial level until caseloads are better contained, and in the meantime, recovery is going to be primarily driven by lower-tier hotels in the leisure-driven markets with outdoor offerings.”

“The economy has entered a slower stage of recovery, and COVID-19 will continue to shape travel conditions in coming quarters,” said Adam Sacks, president of Tourism Economics. “Assuming substantial progress is made against the virus in the first half of 2021, we anticipate travel demand will rebound strongly in the second half.”

STR and Tourism Economics project the industry will recapture 80% of demand by the end of 2021, although RevPAR will be 34.2% lower than in 2019. Average daily rate (ADR) and revenue will follow a slower recovery timeline, putting the industry on pace for full demand recovery at the end of 2023 and a return to pre-pandemic RevPAR levels by the close of 2024.

## U.S. Forecast

Key Performance Indicators  
2019 – 2020F – 2021F



Metric	2019 Actual	2020 Forecast	2021 Forecast
Occupancy *	66.0%	42.2%	52.2%
ADR	\$131.22	\$103.65	\$109.21
RevPAR *	\$86.67	\$43.76	\$57.03

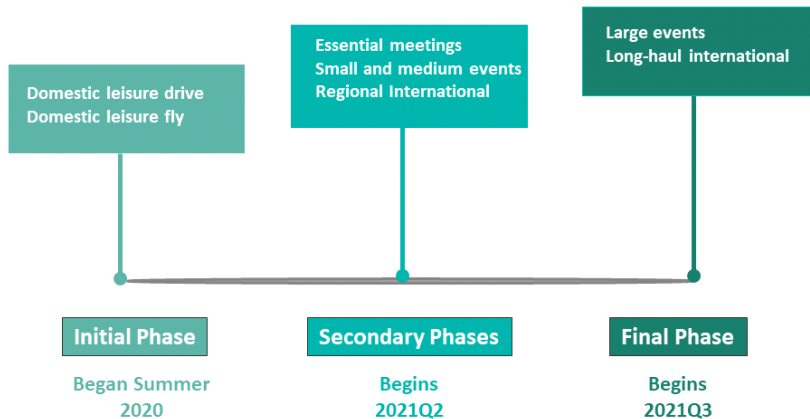
-34.2%

\*Reflects Total-Room-Inventory (TRI) methodology, which assumes no temporary hotel closures.

Source: STR  
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# U.S Anatomy of Travel Recovery

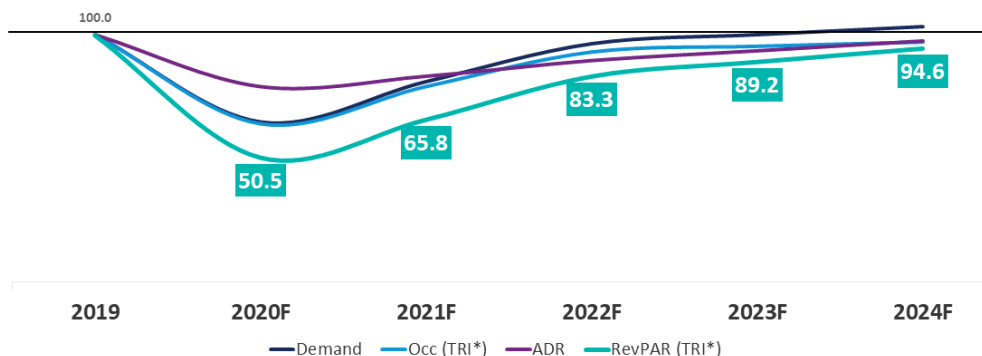
2020 – 2021



Source: STR, 2020 @ CoStar Realty Information, Inc.

# U.S. Forecast: COVID-19 Recovery Scenario

Indexed to end of 2019  
2019 – 2024F



\*Reflects Total-Room-Inventory (TRI) methodology, which assumes no temporary hotel closures.

Source: STR, 2020 @ CoStar Realty Information, Inc.

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STR provides premium data benchmarking, analytics and marketplace insights for global hospitality sectors. Founded in 1985, STR maintains a presence in 15 countries with a corporate North American headquarters in Hendersonville, Tennessee, an international headquarters in London, and an Asia Pacific headquarters in Singapore. STR was acquired in October 2019 by CoStar Group, Inc. (NASDAQ: CSGP), the leading provider of commercial real estate information, analytics and online marketplaces. For more information, please visit [str.com](http://str.com) and [costargroup.com](http://costargroup.com).

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