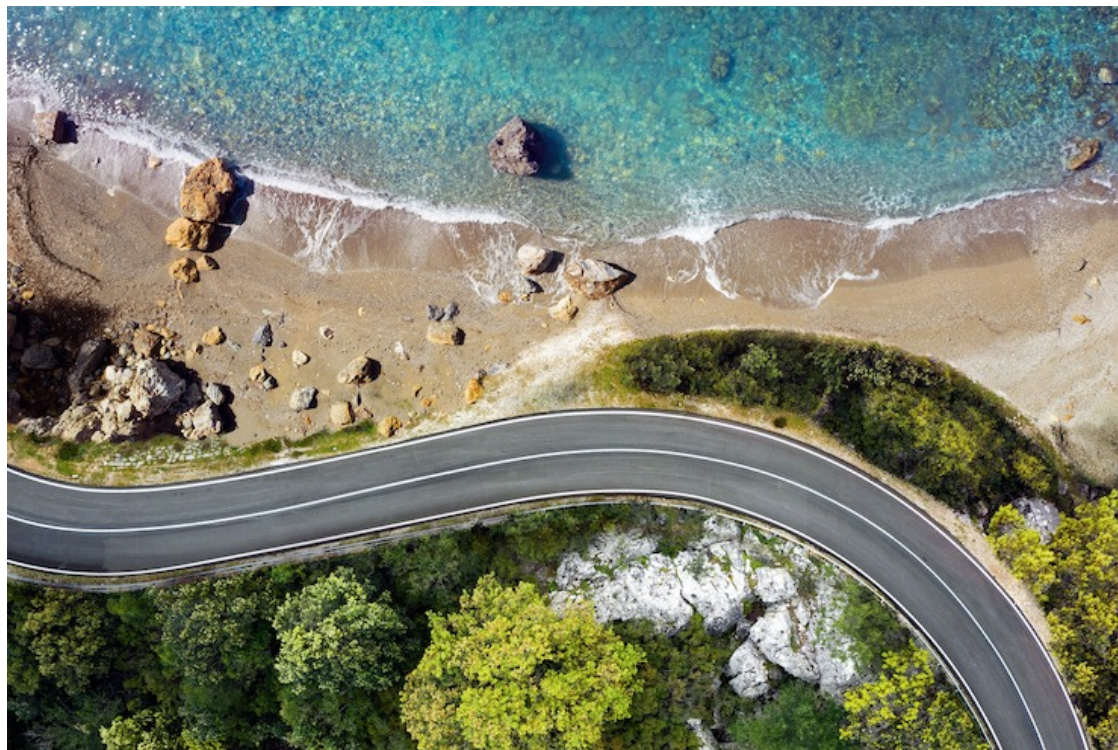


STR: Full Demand Recovery Still Projected for 2023

By **LODGING Staff** - May 11, 2021



ATLANTA — Underpinned by stronger-than-expected demand during Q1 2021, STR and Tourism Economics upgraded the latest U.S. hotel forecast released at the Hunter Hotel Investment Conference. Even with 2021 projections higher, full recovery of demand remains on the same timeline for 2023, while close-to-complete recovery of revenue per available room (RevPAR) is still projected for 2024.

“The next stage of the U.S. travel recovery has commenced,” said Adam Sacks, president of Tourism Economics. “An effective vaccine rollout and generous fiscal stimulus will drive the fastest single-year economic expansion in nearly 40 years. Leisure travel demand is gathering strength with substantial recovery in sight for many markets. However, transient business, group, and international travel face continued headwinds, and a full recovery will take several years.”

“The expectations for the upcoming summer months have been strong for some time, but the year got off to a better start than anticipated as vaccinations expanded and consumers flush with savings felt ready to jump back into the experiences that were put on hold over the past year,” said Amanda Hite, STR president. “As we saw in late March and early April, leisure continues to be the primary source of demand although improving weekday occupancies indicate that some business travel is back in the marketplace. What remains furthest off from meaningful recovery is group business, but there is hope for upward movement in that segment as more events get back on the books. Until that point, big-box hotels and markets heavily reliant on conventions will continue to lag, keeping total industry recovery to 2019 levels in the distance. As we saw in [our latest monthly P&L data release](#), the industry has only recently reached 50 percent of pre-pandemic GOP levels.”

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