

DESTINATION LEVEL RESERVATIONS ACTIVITY SUMMARY

Produced by Inntopia. Presented as a community service by the North Lake Tahoe DestiMetrics subscribing organization



Destination: North Lake Tahoe

Period: Bookings as of Jul 31, 2018

Executive Summary - Year over Year Variance and Analysis

Data based on a sample of up to 9 properties in the North Lake Tahoe destination, representing up to 1,259 Units ('DestiMetrics Census'*) and 39.0% of 3,229 total units in the North Lake Tahoe destination ('Destination Census'**)

MARKET OVERVIEW: July continued June's trend of wildfires plaguing the west as some quarter-million acres have burned in California alone. According to the USDA Forest Service, as of August 1st, there are 57 uncontained large fires, 11 contained large fires, and 7 new large incidents spread across the West. As we move throughout the summer we expect to see wildfires as a burden to the travel industry. While destruction rages across the west, the domestic economy has been stable for the last month. The Dow Jones Industrial Average experienced a strong 4.2 percent increase over last month, closing the month at 25,345.21 points, a measure almost 16.0 percent ahead of last year's close at this time. The U.S. dollar also increased 1.3 percent in June from May trading, and though this increases domestic consumer purchasing power, it continues to increase the cost of traveling to the United States. Consumer confidence experienced a slight increase for July and ended the month at 127.4 points (1985=100). In July there were 157,000 new jobs created, a measure that missed analysts' estimates of 190,000 jobs. Unemployment edged down 0.1 percent to land at 3.9 percent for the month. Despite trade war concerns and global political relations, the US economy is continuing its trend of steady growth over the past 7 months, though we caution that trade dispute consequences are not expected to materialize for another thirty to ninety days, so we'll reserve our opinion of the economy ahead for the time being. Locally, North Lake Tahoe occupancy was up +5.6 percent in July versus 2017, accompanied with an increase in rate of +1.5 percent. North Lake Tahoe occupancy for the past six months (February-July) was down -0.8 percent compared to the same period last year, accompanied with a decrease in rate of -0.4 percent. Bookings taken in July for arrival in July were up +29.9 percent compared to bookings taken in July 2017 (not shown).

		Year over Year		
		2018/19	2017/18	% Diff
a. Last Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates during last month (July, 2018) were up (5.6%) compared to the same period last year (July, 2017), while Average Daily Rate was also up (1.5%).	Occupancy (July) :	73.6%	69.7%	5.6%
	ADR (July) :	\$405	\$399	1.5%
b. Next Month Performance: Current YTD vs. Previous YTD				
Occupancy Rates for next month (August, 2018) are up (4.4%) compared to the same period last year, while Average Daily Rate is also up (1.2%).	Occupancy (August) :	54.3%	52.1%	4.4%
	ADR (August) :	\$391	\$386	1.2%
c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the previous 6 months (February - July) are down (-0.8%) compared to the same period last year, while Average Daily Rate is also down (-0.4%).	Occ - 6 Month Historic	51.8%	52.2%	-0.8%
	ADR - 6 Month Historic	\$309	\$310	-0.4%
d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD				
Occupancy Rates for the upcoming 6 months (August - January) are up (1.7%) compared to the same period last year, while Average Daily Rate is also up (3.2%).	Occ % - 6 Month Future	21.3%	21.0%	1.7%
	ADR - 6 Month Future	\$333	\$323	3.2%
e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Jul. 31, 2018 vs. Previous Year				
Rooms Booked during last month (July, 2018) compared to Rooms Booked during the same period last year (July, 2017) for all arrival dates are up by (20.8%)	Booking Pace (July):	5.9%	4.9%	20.8%

LOOKING FORWARD The next few months represent uncharted territory from a consumer and financial market point of view. Significant trade disputes with China and Canada, and the ongoing delays around the renegotiation of NAFTA, have created an environment of instability that may manifest as uncertainty among consumers and investors. While financial markets remain undaunted, underlying other economic metrics are some softer-than-hoped data points, with job creation missing the July projection by 37,000 jobs (see above), and the number of consumers expecting the short-term economic outlook to worsen going up. At the same time, consumer prices have edged upward in the past 30 days to their highest level since 2014. Whether these are short-term market fluctuations or hints of something larger to come will only be known over time. A small decline in booking pace at western resorts in July may be a corollary to these economic conditions; we'll watch for patterns that may emerge among consumers, which can impact discretionary spending on destination travel and our client market. Locally, North Lake Tahoe on-the-books occupancy for August 2018 is up 4.4 percent compared to 2017, accompanied with an increase in rate of 1.2 percent. Occupancy on-the-books for the upcoming six months (August-January) is up +1.7 percent compared to the same period last year, with an increase in rate of +3.2 percent. North Lake Tahoe bookings taken in July for arrival July - December are up +20.8 percent compared to the same period last year.

For more information:

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