

DESTINATION LEVEL RESERVATIONS ACTIVITY SUMMARY
Presented as a community service by the Vail DestiMetrics participants and subscribers



Destination: Vail

TOWN OF VAIL

Period: Bookings as of March 31, 2018

Executive Summary: Vail

Data based on a sample of up to 26 properties in the Vail destination, representing up to 2,438 Units ('DestiMetrics Census'*) and 61.7% of 3,954 total units in the Vail destination ('Destination Census'**)

MARKET OVERVIEW: The DestiMetrics lodging market data for the West reflected growth in both occupancy and rate for March. While the lodging sector performance grew in March, March brought some volatility to financial markets, which may have been partially due to a change in leadership in the Federal Reserve and tariffs on foreign steel and aluminum were announced. Though the implementation of tariffs was in hopes of promoting domestic job growth, jobs created in March did not reach analysts' expectations of 185,000, landing short at 103,000. March marked the 90th consecutive month of job growth, corresponding with unemployment remaining unchanged since October at 4.1 percent, its lowest level since 2000. While year over year wage growth has increased 2.7 percent over the past year, current wage growth figures are still below pre-recession levels. The Dow Jones Industrial Average closed the month of March at 24,103.1 points, marking the second consecutive monthly decline since January's peak of 26,149. U.S. consumer confidence declined in March to 127.7, falling below expectations of 131 (not shown). Locally, Vail Occupancy was down -2.2 percent in March versus 2017, while there was a decrease in rate of -4.3 percent. Vail's aggregate historic six month (October-March) occupancy (not shown) was down -8.7 percent compared to the same period last year accompanied with a decrease in rate of -2.1 percent. Bookings taken in March for arrival in March were up 21.9 percent (not shown).

		2017/18	2016/17	Vail Year over Year % Diff	DestiMetrics Industry Wide Year over Year % Diff
a. Last Month Performance: Current YTD vs. Previous YTD					
Occupancy Rates during last month (March, 2018) were down (-2.2%) compared to the same period last year (March, 2017) , while Average Daily Rate was also down (-4.3%).	Occupancy (March) :	67.2%	68.8%	-2.2%	0.5%
	ADR (March) :	\$605	\$632	-4.3%	1.1%
b. Next Month Performance: Current YTD vs. Previous YTD					
Occupancy Rates for next month (April, 2018) are down (-22.6%) compared to the same period last year, while Average Daily Rate is also down (-2.9%).	Occupancy (April) :	24.8%	32.1%	-22.6%	4.2%
	ADR (April) :	\$280	\$289	-2.9%	-0.9%
c. Future Months' On The Books Performance, May to September: Current YTD vs. Previous YTD					
On the Books Occupancy Rates for May are up (18.6%) compared to the same period last year, while Average Daily Rate for the same period is also up (6.3%).	Occupancy May	14.3%	12.1%	18.6%	15.1%
	ADR May	\$170	\$160	6.3%	6.5%
On the Books Occupancy Rates for June are up (17.1%) compared to the same period last year, while Average Daily Rate for the same period is also up (1.0%).	Occupancy June	35.4%	30.2%	17.1%	12.3%
	ADR June	\$222	\$220	1.0%	2.9%
On the Books Occupancy Rates for July are down (-5.6%) compared to the same period last year, while Average Daily Rate for the same period is up (5.7%).	Occupancy July	31.0%	32.8%	-5.6%	1.2%
	ADR July	\$284	\$268	5.7%	4.7%
On the Books Occupancy Rates for August are up (11.3%) compared to the same period last year, while Average Daily Rate for the same period is also up (6.3%).	Occupancy August	22.7%	20.4%	11.3%	1.6%
	ADR August	\$284	\$267	6.3%	-3.3%
On the Books Occupancy Rates for September are up (4.7%) compared to the same period last year, while Average Daily Rate for the same period is also up (3.7%).	Occupancy September	15.6%	14.9%	4.7%	-1.8%
	ADR September	\$212	\$205	3.7%	1.0%
d. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Mar. 31, 2018 vs. Previous Year					
Rooms Booked during last month (March, 2018) compared to Rooms Booked during the same period last year (March, 2017) for all arrival dates is down by (-13.7%)	Booking Pace (March):	5.7%	6.6%	-13.7%	12.4%

LOOKING FORWARD: The economic outlook for the next eight months is healthy according to the key economic indicators. The most critical indicator is the gross domestic product. The GDP growth rate is expected to remain between the 2 percent to 3 percent ideal range, while inflation remains relatively stable, though that is expected to change as interest rates climb in the coming months. Unemployment is forecasted to remain relatively unchanged near statistical unemployment of 4 percent. However, we caution that both domestic and global trade and politics are highly influential factors in how these metrics perform, and current instability in both of these arenas compels us to be extremely conservative about the ongoing predictability of economic conditions. Currently, the continued positive US economic story is translating into a notable increase in booking pace through June 2018 and based on an aggregate of DestiMetrics west industry wide data, on-the-books occupancy for the upcoming summer season (April - September) is showing a notable seasonal increase of 5.0 percent over the same time last year. Rate has also increased slightly at 1.5 percent compared to the same period last year. Meanwhile, bookings made during March for arrival March – August were up significantly at 11.6 percent compared to the same period last year. After a rocky winter season it appears that lodgers are back in the driver seat and poised for a banner summer season. Locally, Vail on-the-books for April is down -22.6 percent accompanied with a decrease in rate of -2.9 percent compared to this time last year. Year over year occupancy for May is up 18.6 percent. Occupancy for six months on-the-books (April-September) in aggregate has increased 0.4 percent while rate has increased 1.0 percent. Bookings taken in March for arrival March - August were down -13.7 percent.

For more information:

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Vail Calendar of Events

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