



# New Data: Most of the Hotel Industry In Recession or Depression

Roughly half of hotel markets, representing 72% of hotel rooms in the country, are still in a recession or depression, meaning revenue is still down at least 20% compared to 2019 levels. This shows that the majority of the hotel industry has a long road to recovery.

## Recession/Depression Markets Compared to Recovery/Peak Markets

Some hotels markets in the United States have been significantly more impacted by the COVID-19 pandemic.

**According to STR, there are 108 hotel markets in a recession or depression that continue to experience the greatest negative pandemic-related impacts.** These markets generate a disproportionately huge number of jobs, revenue and taxes.

	2020	2021
<b>Losses relative to 2019</b>		
Room revenue (in billions): US	(\$83.7)	(\$51.2)
Recession/depression markets	(\$73.5)	(\$50.9)
Recovery/peak markets	(\$10.2)	(\$0.3)
Employment (in thousands): US	(630)	(546)
Recession/depression markets	(631)	(536)
Recovery/peak markets	1	(10)

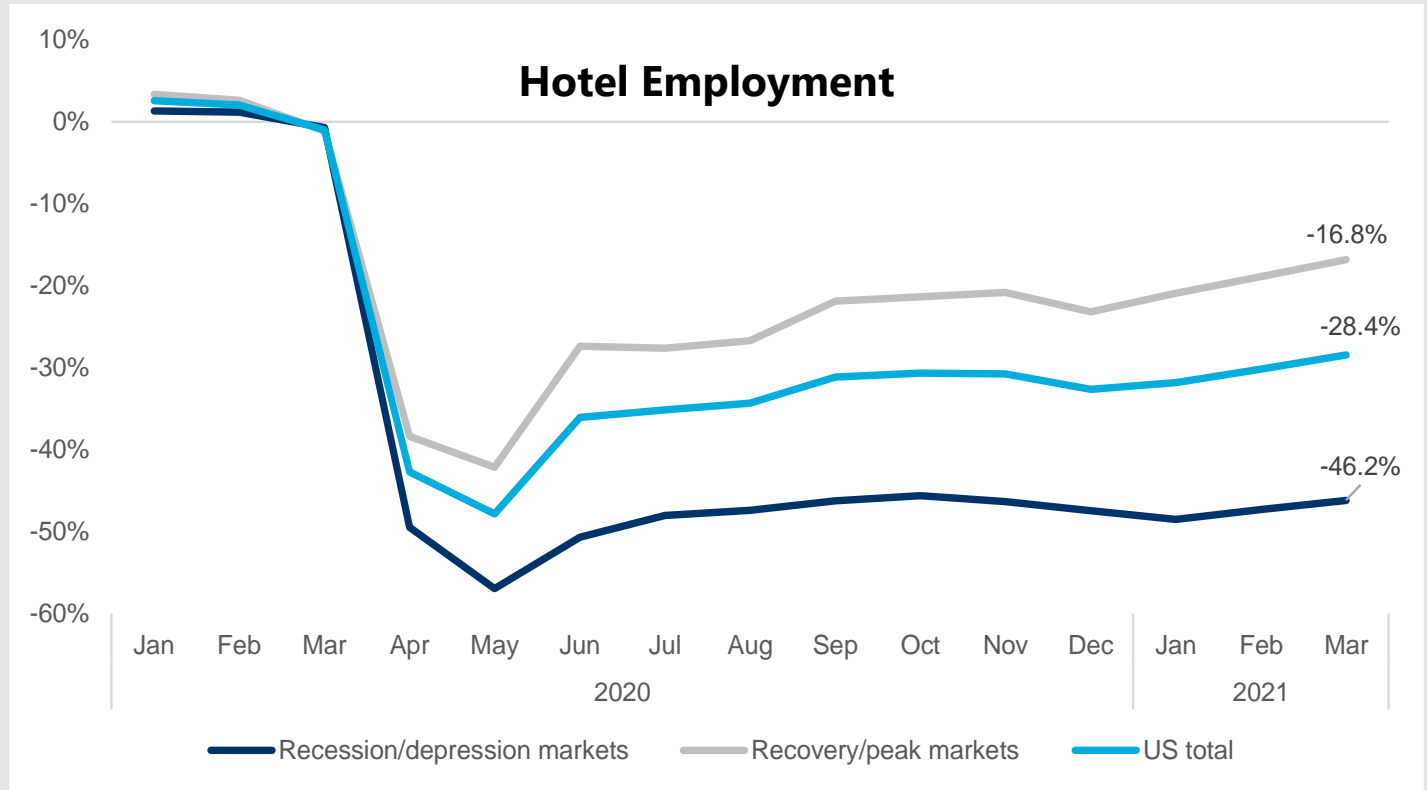
Source: STR; Oxford Economics

## Recession/Depression Markets

<p>Roughly half of hotel markets, <b>72% of hotel rooms</b> in the country, are still in a recession or depression, meaning revenue is still <b>down at least 20% compared to 2019 levels.</b></p>	<p>These markets <b>generated 80% of pre-pandemic revenue</b> and represented nearly <b>75% of all room night demand.</b></p>	<p>Recession/depression markets are projected to be down nearly <b>30% in room revenue for 2021</b>, representing a <b>loss of approximately \$51 billion</b> in room revenue.</p>	<p>In comparison, the remaining recovery/peak markets will be at <b>roughly pre-pandemic occupancy levels.</b></p>
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# Hotel Employment in Recession/Depression Markets Compared to Recovery/Peak Markets

Relative to 2019



Note: Based on accommodation sector employment.

Source: STR; Oxford Economics

## Employment Impact

**75% of pre-pandemic employment** was in markets that are still in recession/depression territory.

Data shows that the hotel industry can anticipate an average of **536,000 fewer hotel jobs** in recession/depression markets than in 2019.

Job loss expectations in these markets represent **virtually all job loss anticipated for the entire US hotel industry** (546,000 jobs, relative to 2019 levels).

Employment will recover in other markets, but denser cities and destinations that employ the majority of the hotel industry will continue to suffer.

STR classified markets based on recent performance relative to 2019 and found that 108 markets qualify as “recession/depression” markets based on April year-to-date performance, indicating that these markets had not yet recovered to 80% of 2019 RevPAR. In these recession/depression markets, room revenue was -44.1% in March 2021 relative to 2019, as compared to -2.5% in recovery/peak markets.