

**2025**

# HOTEL ECONOMIC FORECAST LUNCH MEETING

2020

2025

**SEPTEMBER 4, 2024**

11:15AM-1:30PM

EMBASSY SUITES BY HILTON SAN DIEGO LA JOLLA



SAN DIEGO COUNTY  
**LODGING**  
ASSOCIATION

# Welcome

## Brad Baer

SDCLA Chair

General Manager of

Wyndham San Diego Bayside



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SAN DIEGO LA JOLLA



# Opening Comments

Gary London

Senior Principal  
London Moeder Advisors



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# Panel Discussion

Gary London

\*MODERATOR\*

Senior Principal

London Moeder Advisors



SAN DIEGO COUNTY  
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## Presentation Materials







## Nathan Kelly

*Director of Research  
San Diego Tourism Authority*



## Robert Rauch, CHA

*CEO of R.A. Rauch & Associates Inc.  
Faculty Associate, Arizona State University  
"The Hotel Guru"*



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# FY 25 Hotel Economic Forecast

## September 4, 2024

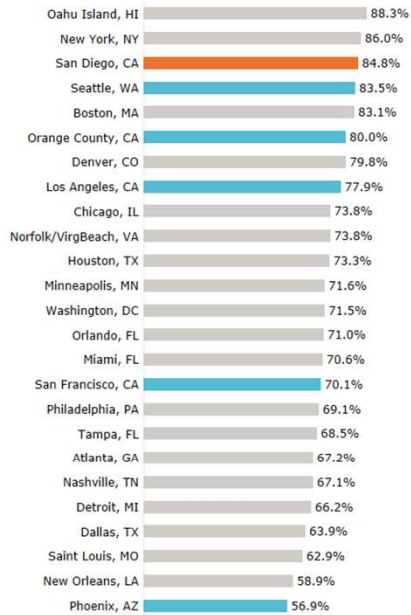




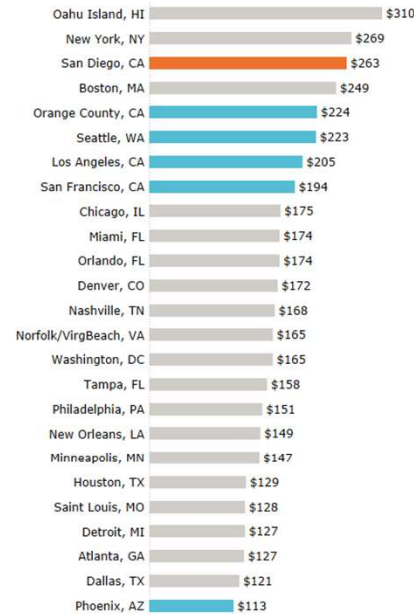
## STR Lodging Performance Snapshot July 2024



### Top 25 Markets Occupancy



### Top 25 Markets ADR



### Top 25 Markets RevPAR



## San Diego July 2024 Performance

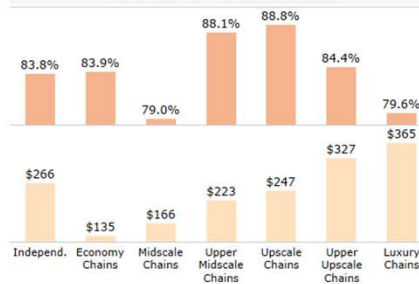
### Tourism Marketing District Regions for July 2024

	% Occupancy	ADR	RevPAR	RN Supply	RN Demand
San Diego, CA	84.8%	\$263	\$223	2.0M	1.7M
City of San Diego	85.7%	\$268	\$229	1.2M	1.1M
Downtown	84.2%	\$286	\$241	461.1K	388.4K
Pt. Loma - Airport	88.8%	\$236	\$209	140.6K	124.9K
Mission Valley	85.9%	\$207	\$177	241.9K	207.8K
Mission Bay	87.3%	\$365	\$319	98.2K	85.7K
La Jolla Coastal	85.1%	\$422	\$359	56.3K	47.9K
UTC	86.4%	\$267	\$230	128.9K	111.3K
I-15 Corridor	85.6%	\$216	\$185	56.4K	48.3K

### Group/Transient - Upscale+



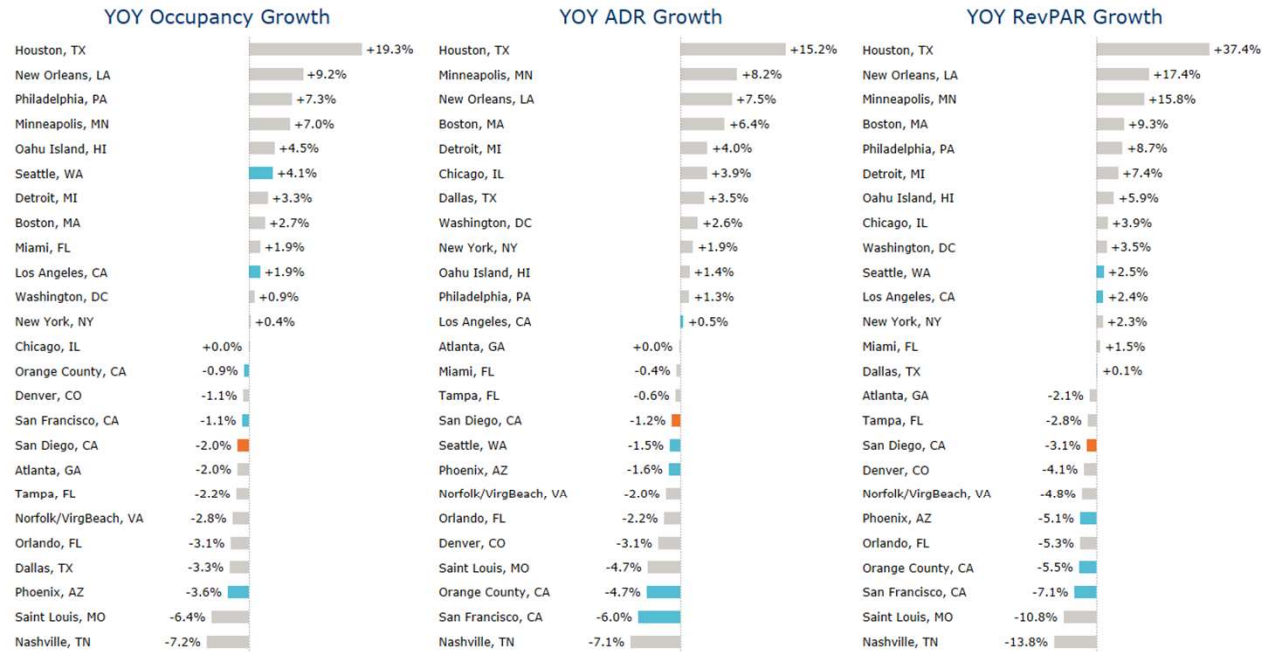
### Hotel Chain Scale Performance



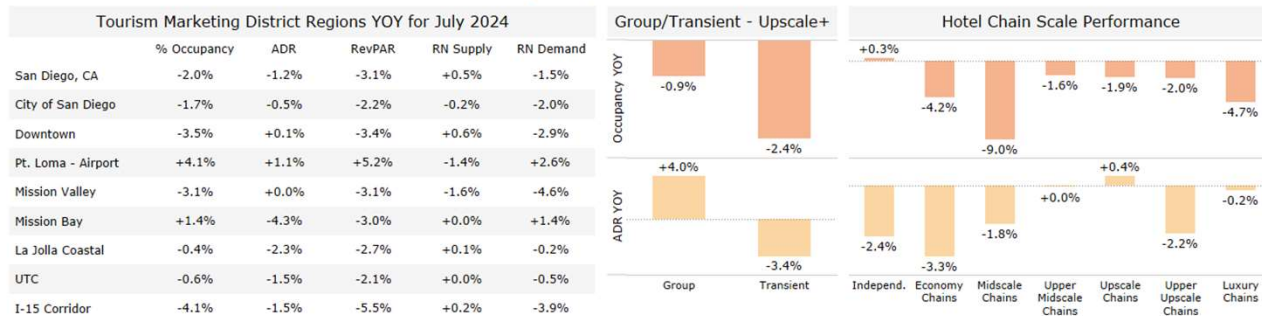
Source: STR

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## STR Lodging Performance Snapshot July 2024 YOY Growth



### San Diego July 2024 Performance YOY



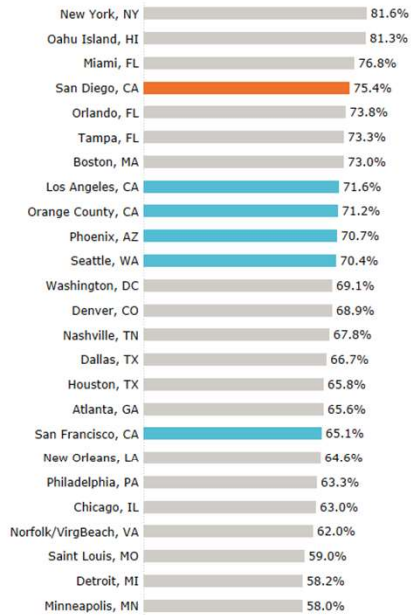
Source: STR

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## STR Lodging Performance Snapshot CYTD July 2024



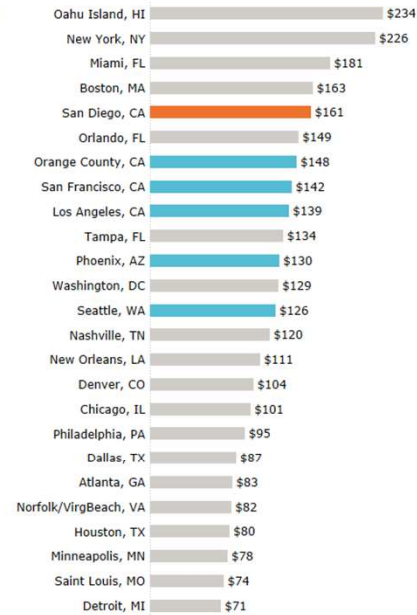
### Top 25 Markets Occupancy



### Top 25 Markets ADR



### Top 25 Markets RevPAR



## San Diego CTYD July 2024 Performance

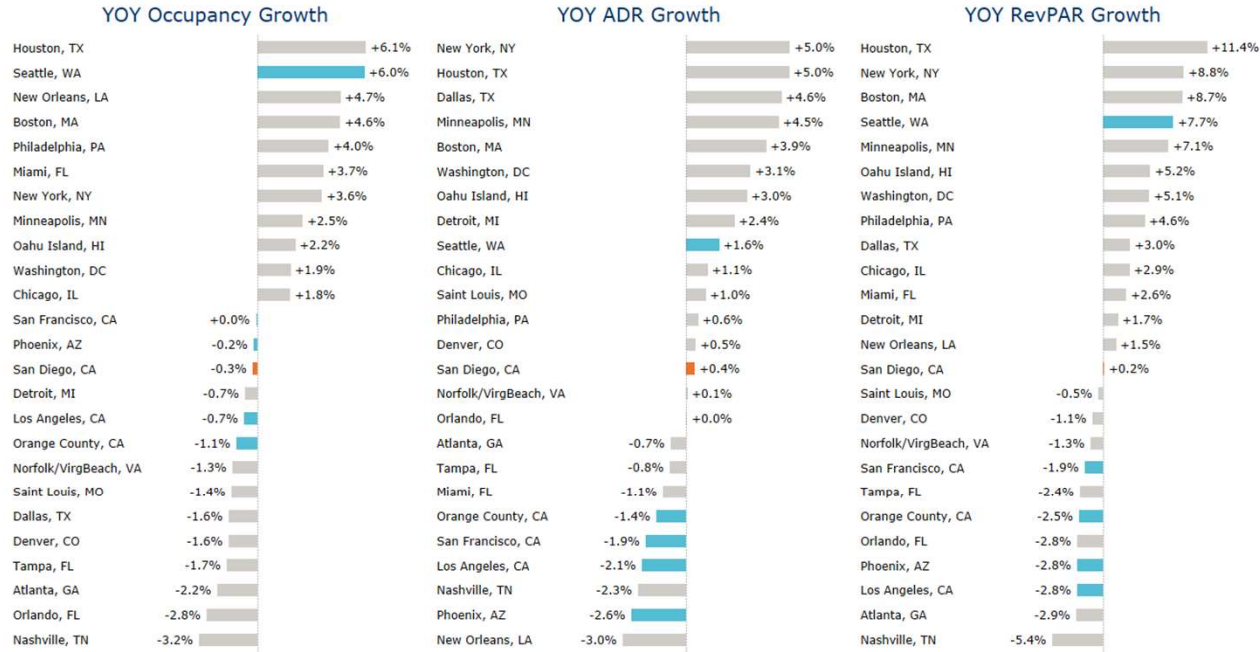


Source: STR

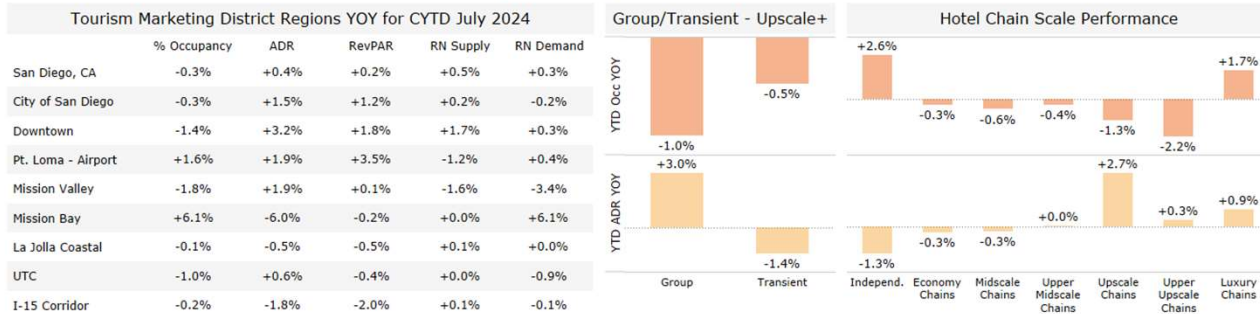
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## STR Lodging Performance Snapshot CYTD July 2024 YOY Growth



### San Diego CYTD July 2024 Performance YOY



Source: STR

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# San Diego, CA Market Share Among the Custom Competitive Set

## San Diego, CA Share of Total Hotel KPIs Among the Custom Comp. Set

Calendar Year-to-Date (January - July 2024)



## Top Markets by Hotel Key Performance Indicators

Calendar Year-to-Date (January - July 2024), Among Custom Comp. Set

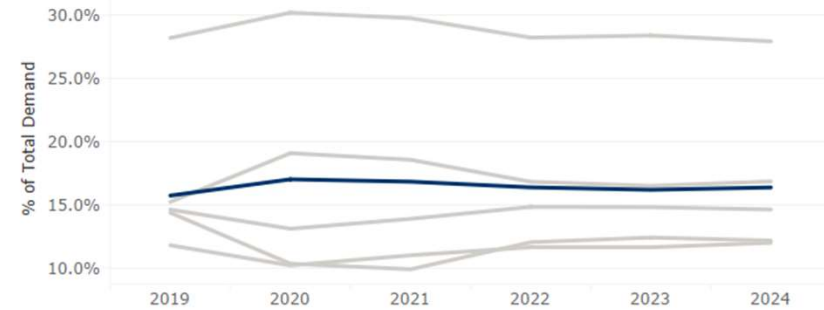


## Demand Index

101  
100  
106  
100  
92  
99

## Share of Demand by Year

Shares Among the Custom Comp. Set, Calendar Year-to-Date vs. Prior Years



## Growth-Share Matrix

Share of Demand Relative to Share of Hotel Room Supply, Calendar Year-to-Date (January - July 2024)



## Hotel Performance Summary

San Diego, CA | July 2024



	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
	84.8%	\$263.18	\$223.12	2.0M	1.7M	\$446.5M
Change vs. Previous Year	▼ -2.0%	▼ -1.2%	▼ -3.1%	▲ 0.5%	▼ -1.5%	▼ -2.7%
YTD Calendar Year	75.4%	\$214.25	\$161.47	13.7M	10.3M	\$2.2B
YTD Change vs. Previous Year	▼ -0.3%	▲ 0.4%	▲ 0.2%	▲ 0.5%	▲ 0.3%	▲ 0.7%

### July 2024 Day-of-Week Performance vs. Previous Year

San Diego, CA

	Occupancy	ADR	RevPAR
Weekday	81.6% -3.1% YOY	\$249.52 -0.8% YOY	\$203.57 -3.9% YOY
Weekend	93.7% +0.8% YOY	\$298.96 -0.3% YOY	\$280.10 +0.5% YOY

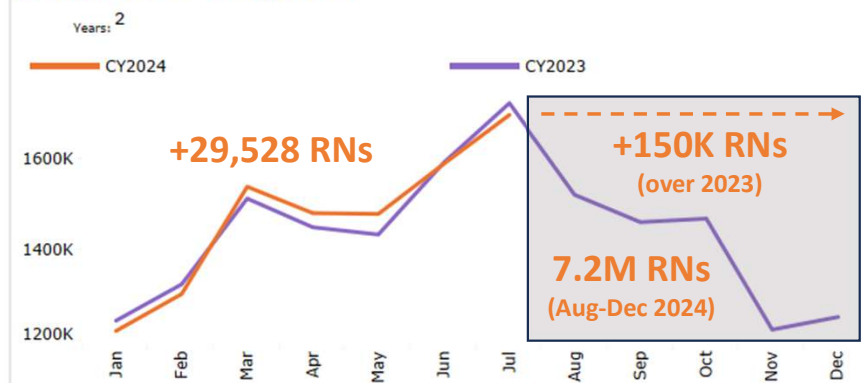
### Hotel Performance by Week

San Diego, CA

	Occupancy	ADR	RevPAR
30-Jun	80.3%	\$244.59	\$196.36
07-Jul	79.2%	\$238.00	\$188.40
14-Jul	92.3%	\$280.47	\$258.93
21-Jul	88.2%	\$294.80	\$260.06
28-Jul	85.8%	\$254.45	\$218.36

Source: STR

### Demand YOY Comparison



### Demand Long Term Trend



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# Hotel Forecast:

## San Diego, CA - Total Segment Summary



### Indicator Levels

	2023	2024	2025	2026	2027
Occupancy	73.4%	73.7%	74.3%	74.9%	74.8%
ADR	\$210	\$212	\$214	\$218	\$222
Rev PAR	\$154	\$156	\$159	\$163	\$166
Supply	23.48M	23.64M	24.12M	24.65M	25.14M
Demand	17.24M	17.42M	17.93M	18.46M	18.80M
Revenue	\$3,618.6M	\$3,686.7M	\$3,836.4M	\$4,021.9M	\$4,179.0M

### % Change vs. Previous Year

	2023	2024	2025	2026	2027
Occupancy	1.2%	0.3%	0.9%	0.8%	-0.2%
ADR	2.4%	0.8%	1.1%	1.8%	2.0%
RevPAR	3.7%	1.2%	2.0%	2.6%	1.9%
Supply	0.0%	0.7%	2.0%	2.2%	2.0%
Demand	1.2%	1.0%	2.9%	3.0%	1.8%
Revenue	3.6%	1.9%	4.1%	4.8%	3.9%

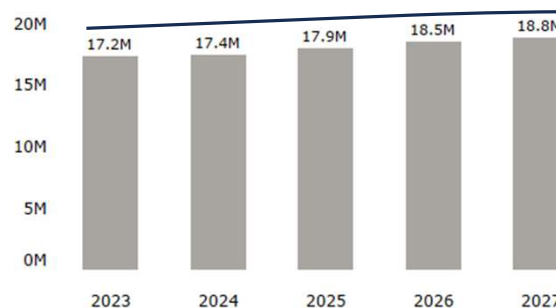
### % Change vs. 2019

	2023	2024	2025	2026	2027
Occupancy	-4.0%	-3.7%	-2.9%	-2.1%	-2.3%
ADR	26.6%	27.7%	29.1%	31.5%	34.2%
RevPAR	21.6%	23.0%	25.4%	28.7%	31.1%
Supply	-1.3%	-0.6%	1.5%	3.7%	5.7%
Demand	-5.2%	-4.2%	-1.4%	1.5%	3.3%
Revenue	20.0%	22.3%	27.2%	33.4%	38.6%

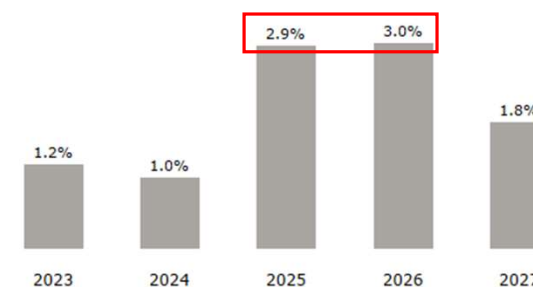
### Room Demand

San Diego, CA - Total Segment

"Flat-ish"

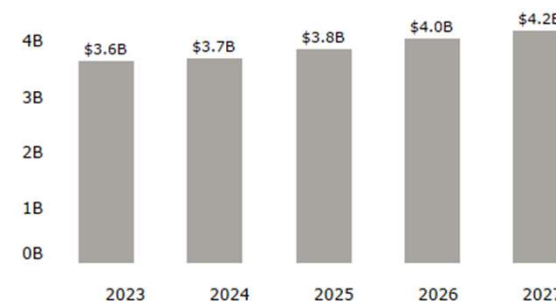


vs. Previous Year

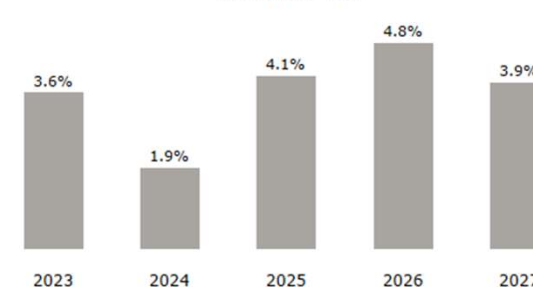


### Room Revenue

San Diego, CA - Total Segment



vs. Previous Year



Sources: STR, Tourism Economics; Forecast as of July 2024

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# Hotel Forecast:

## San Diego, CA - Total Segment - Forecast Comparison



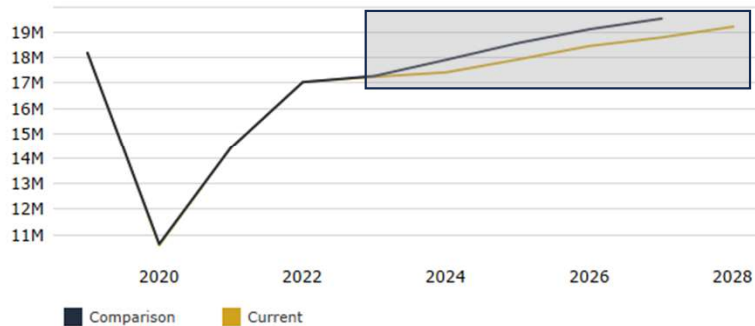
### Annual Comparison: Room Demand

Primary: July 2024; Comparison: October 2023

		2023	2024	2025	2026	2027
Baseline	October 2023	17.3M	17.9M	18.6M	19.1M	19.5M
	July 2024	17.2M	17.4M	17.9M	18.5M	18.8M
	% diff	0%	-3%	-3%	-3%	-4%

### Annual Comparison: Room Demand

Primary: July 2024; Comparison: October 2023



### Annual Comparison: Room Demand

Primary: July 2024; Comparison: October 2023

	October 2023	July 2024	% diff
2019	18.2M	18.2M	0%
2020	10.6M	10.6M	0%
2021	14.4M	14.4M	0%
2022	17.0M	17.0M	0%
2023	17.3M	17.2M	0%
2024	17.9M	17.4M	-3%
2025	18.6M	17.9M	-3%
2026	19.1M	18.5M	-3%
2027	19.5M	18.8M	-4%
2028		19.2M	





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# THANK YOU!

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(619) 557-2824

For additional data, insights, and resources, visit:

[sandiego.org/about/industry-research.aspx](http://sandiego.org/about/industry-research.aspx)

<https://members.sandiego.org/sdta-members/research-and-reports.aspx>

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**Bob Rauch** serves as Chairman of Brick Hospitality. He is an internationally recognized hotelier, educator, author, and speaker with nearly 50 years of hospitality-related management experience.

Bob has been directly involved in developing several San Diego hotels. In addition to being the “hotel guru,” he publishes Hospitality Insights, an electronic newsletter, and is a faculty associate at Arizona State University where he teaches tourism industry entrepreneurship. Brick Hospitality was formed in August, 2023 as an employee-owned company.

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# Questions?



# Thank You!



Contact Information:

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