Hotel ADR & RevPAR Continue to Rise

▲ 1.7%	▲ 0.4%	▲ 0.8%	▲ 4.4%	▲ 5.7%
Demand	Supply	Occupancy	ADR	RevPAR

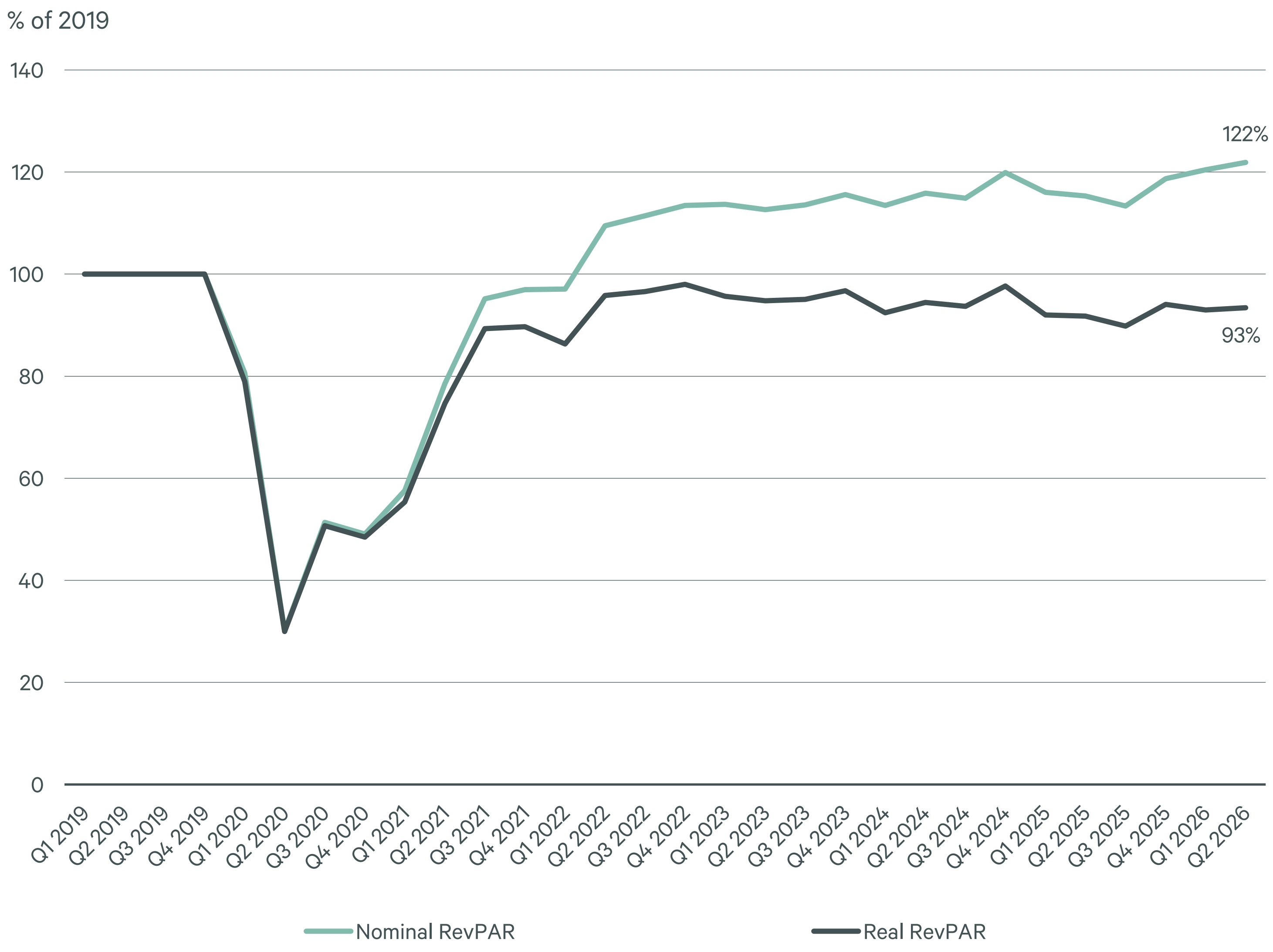
Percentages are year-over-year growth rates.
Arrows indicate change in year-over-year growth rates from those of the same quarter in the previous year.
Source: CoStar.

Executive Summary

- Overall hotel occupancy increased by 0.8% year-over-year in Q2, as demand growth of 1.7% outpaced a 0.4% supply increase.
- The average daily rate (ADR) rose by 4.4%, driving a 5.7% increase in revenue per available room (RevPAR).
- Job openings per hotel declined to 14 in May, down by 13% year-over-year and by 8% from 2019 levels.
- Occupancy rates remained below 2019 levels for all location types. Resort locations remained the weakest at 5.4 percentage points below their pre-pandemic 2019 occupancy rate of 98.2%.
- Memphis was the top market for RevPAR growth in Q2, with a 20% year-over-year increase driven by strong occupancy gains.
- Only four markets had year-over-year RevPAR declines in Q2, led by Savannah with a 2% drop.

Figure 1
Nominal & real RevPAR levels vs. 2019

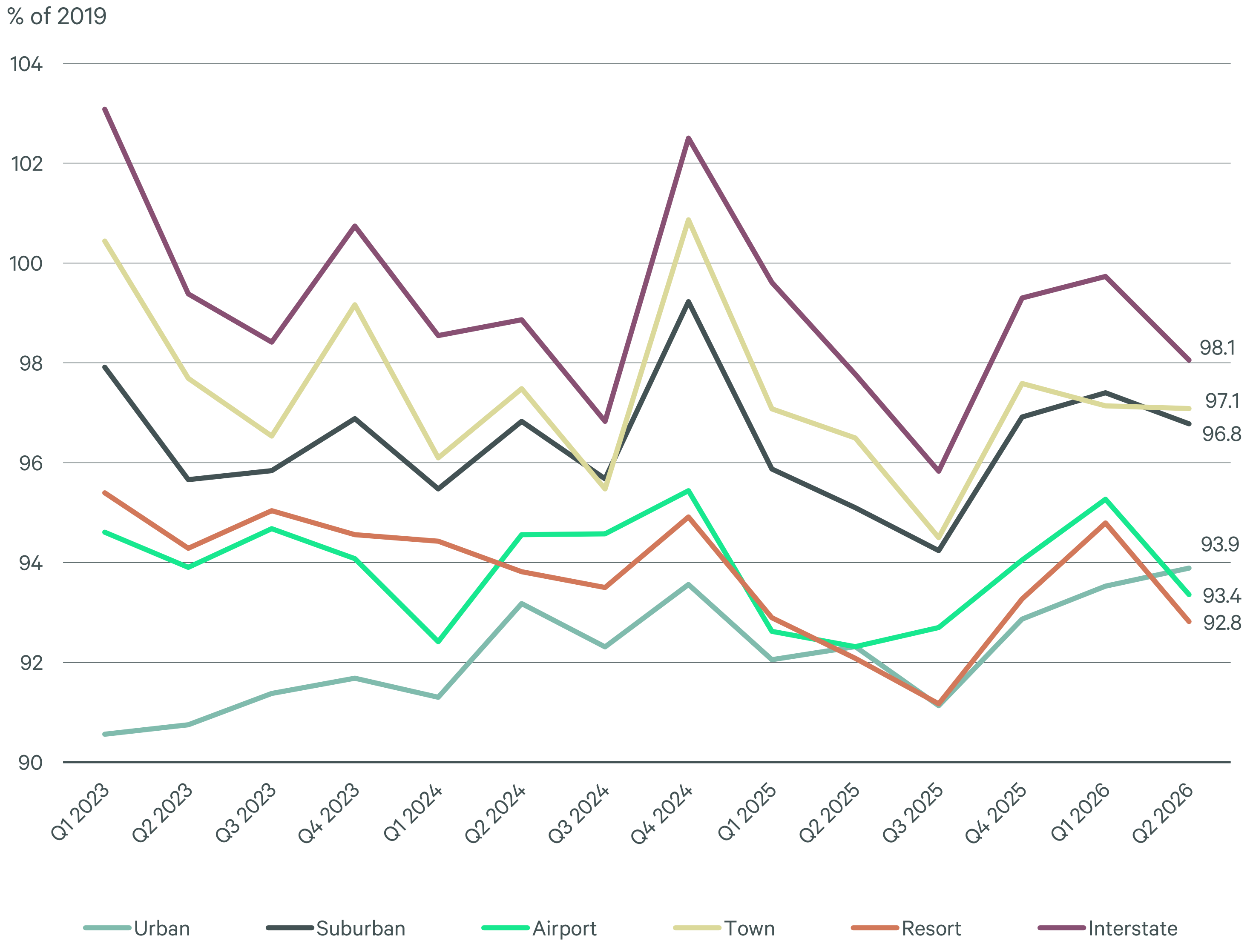
- Nominal RevPAR rose by 5.7% year-over-year in Q2, while real (inflation-adjusted) RevPAR increased by 1.8% due to a 3.8% inflation rate.
- Real RevPAR was 6.6% below 2019 levels in Q2.



Source: CBRE Hotels Research, CoStar, U.S. Bureau of Labor Statistics, Q2 2026.

Figure 2
Occupancy indexed to 2019 by location type

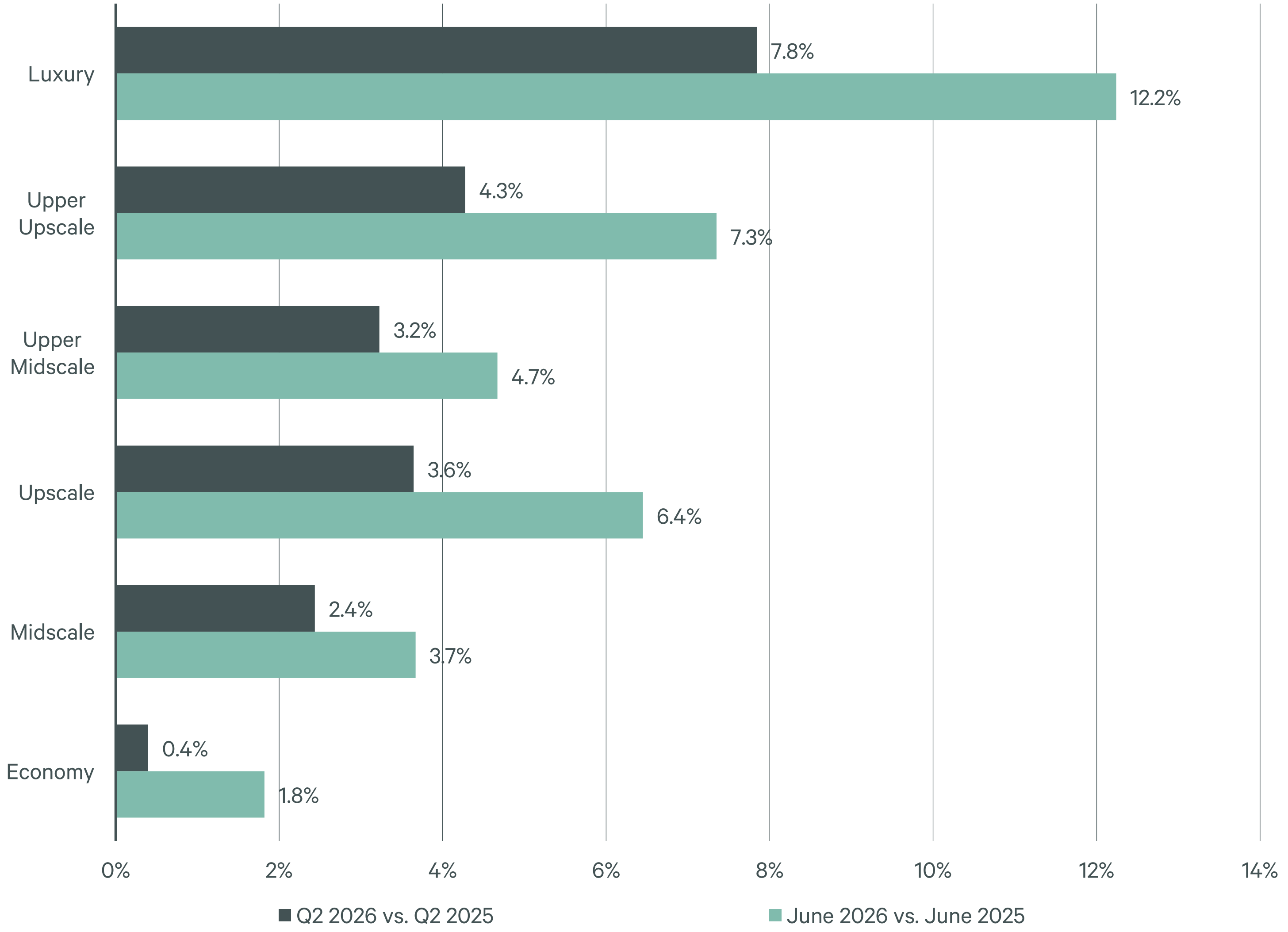
- Occupancy rates for all location types increased year-over-year in Q2. Urban locations had the largest increase of 1.2 percentage points.
- Occupancy rates for all location types remained below Q2 2019 levels. Resort locations were the furthest below at 5.4 percentage points, while interstate locations were the closest to recovery at 1.2 percentage points below.



Source: CBRE Hotels Research, CoStar, Q2 2026.

Figure 3
ADR change vs. 2025 by chain scale

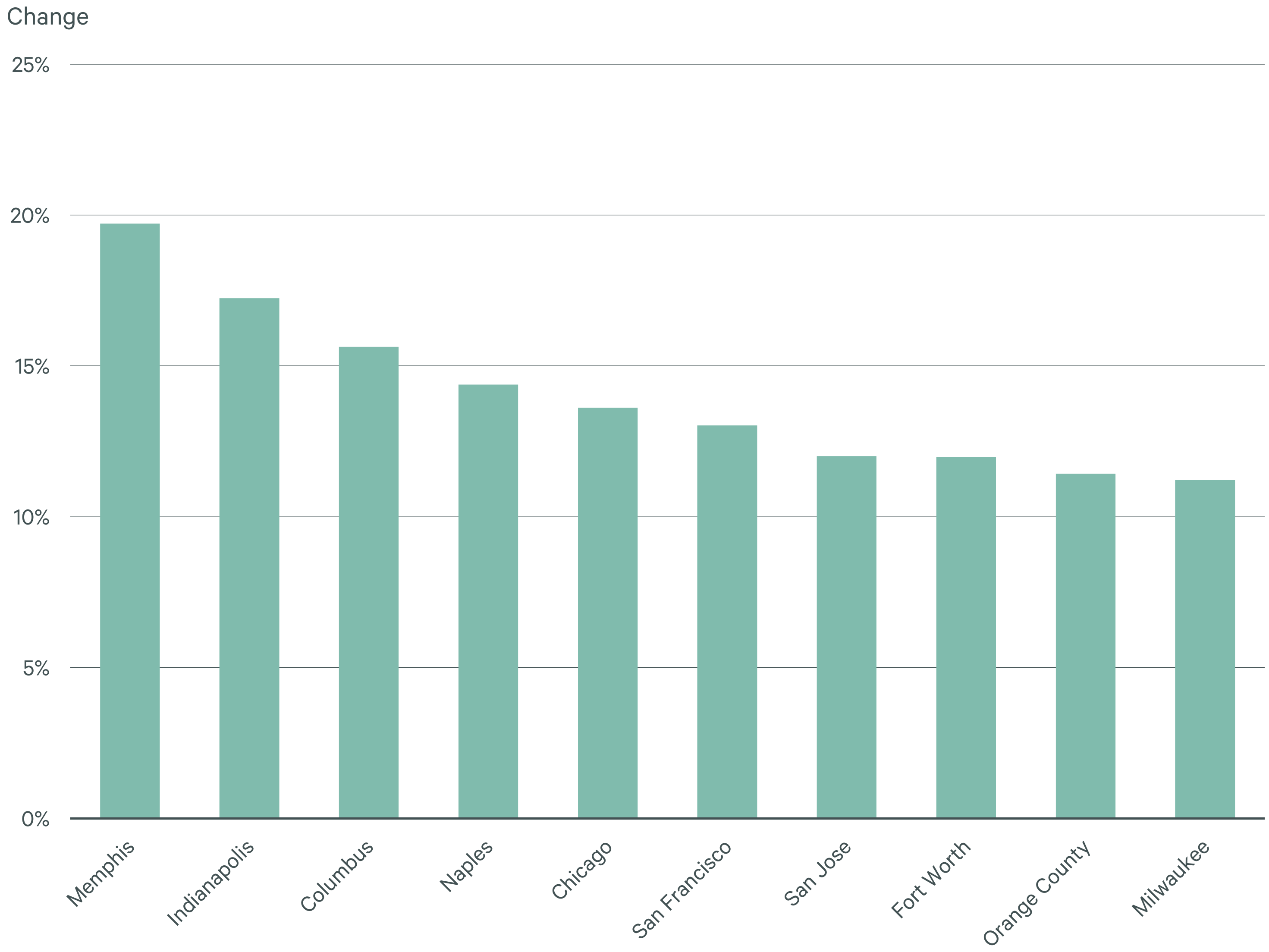
- ADR increased by 4.4% year-over-year in Q2.
- Luxury chains led ADR growth, up by 7.8% year-over-year. ADR increased for all chain scales, with economy posting the weakest growth at 0.4%.



Source: CBRE Hotels Research, CoStar, Q2 2026.

Figure 4
Top 10 markets for year-over-year RevPAR growth in Q2

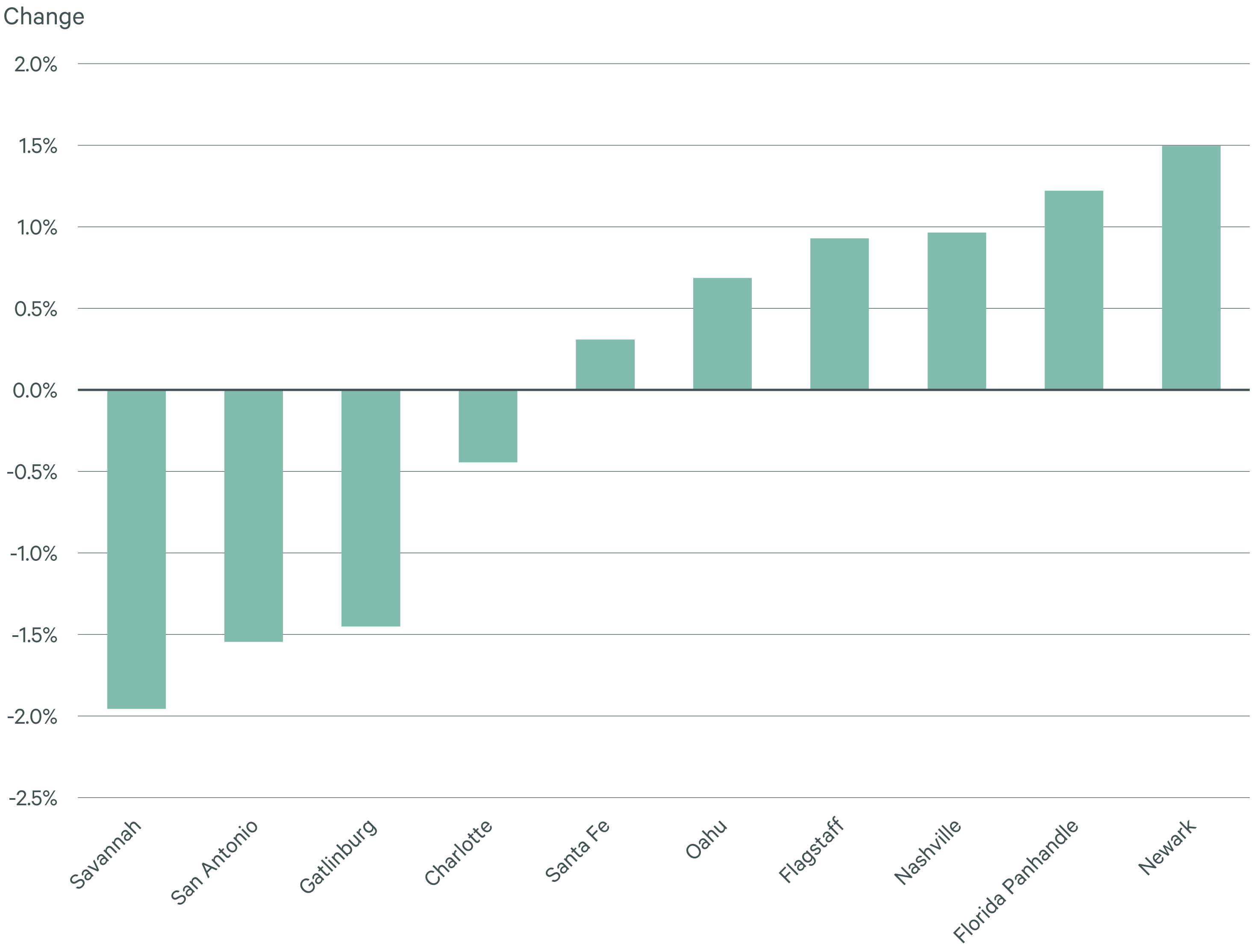
- Memphis led the nation in RevPAR growth at 20%, driven by a 14% increase in occupancy. The market's ADR also rose by 4.6%.
- Other top markets for RevPAR growth ranged from Indianapolis (17%) to Milwaukee (11%).



Source: CBRE Hotels Research, CoStar, Q2 2026.

Figure 5
Bottom 10 markets for year-over-year RevPAR growth in Q2

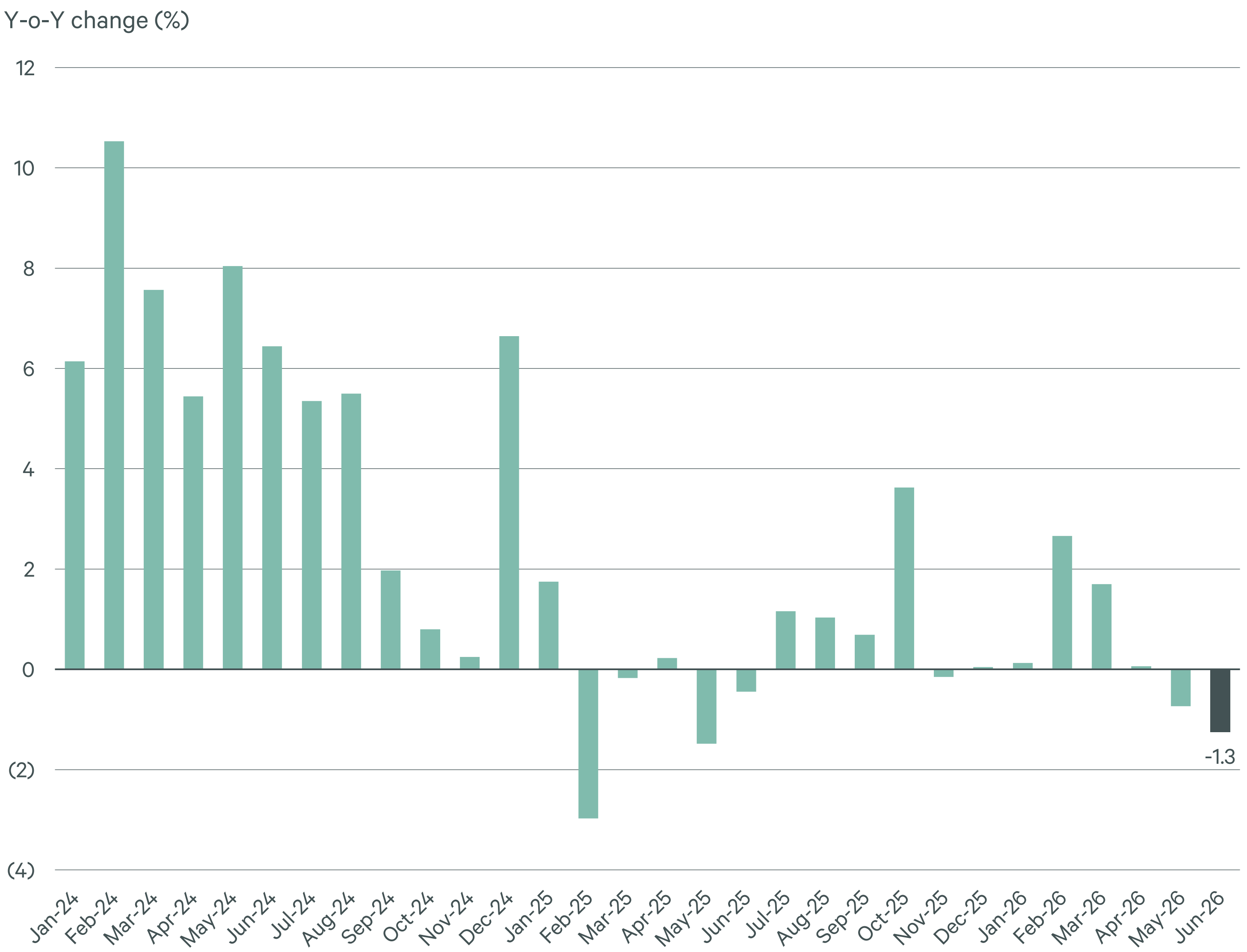
- Only four markets had year-over-year RevPAR declines in Q2. Savannah had the largest decline of 2% due to a 3.8% decrease in occupancy, though its ADR rose by 1.9%.
- The remaining bottom markets were largely unchanged, ranging from San Antonio (-1.5%) to Newark (+1.5%).



Source: CBRE Hotels Research, CoStar, Q2 2026.

Figure 6
Airline passenger volume remains above 2019 levels

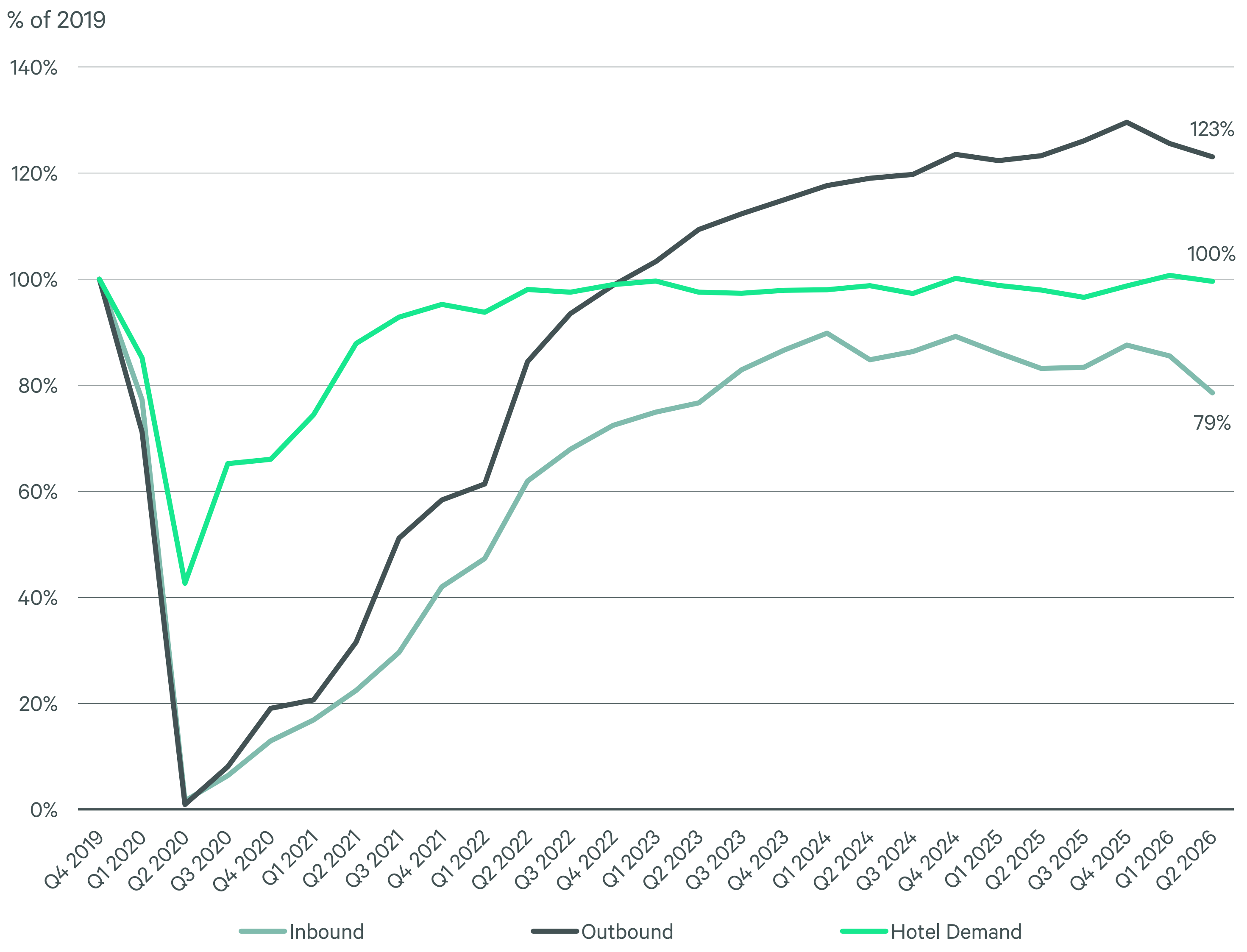
– Passenger volume decreased by 1% year-over-year in Q2 but remained 6% above the Q2 2019 level.



Source: CBRE Hotels Research, Transportation Security Administration, June 2026.

Figure 7
Inbound & outbound international travelers vs. 2019

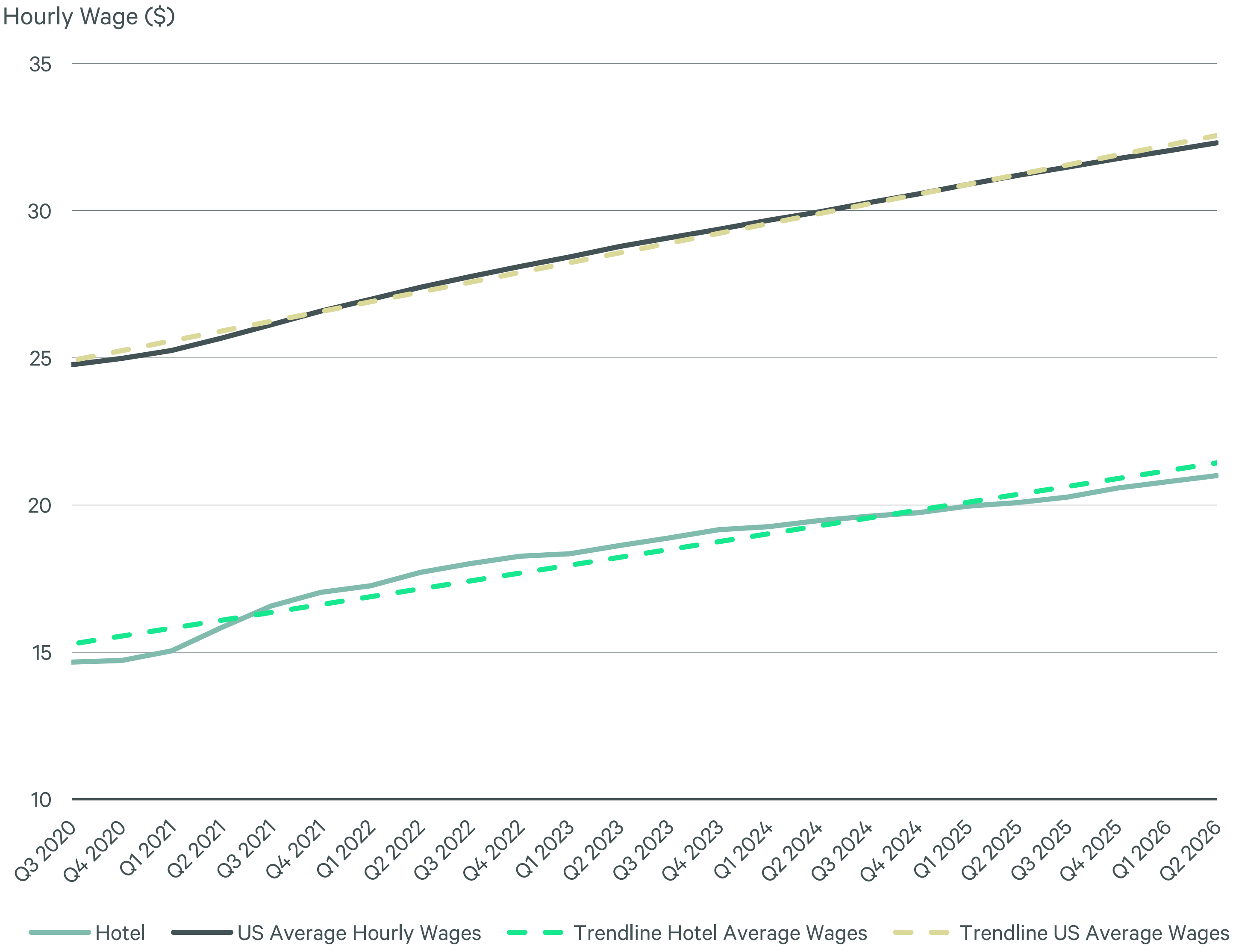
- Inbound international visitation fell by 5.5% year-over-year in Q2 and remained at 79% of 2019 levels, while outbound international travel volume fell by 0.2% in Q2 but was still above 2019 levels by 123%.



Source: National Travel & Tourism Office.

Figure 8
Hotel wage growth outstrips national average

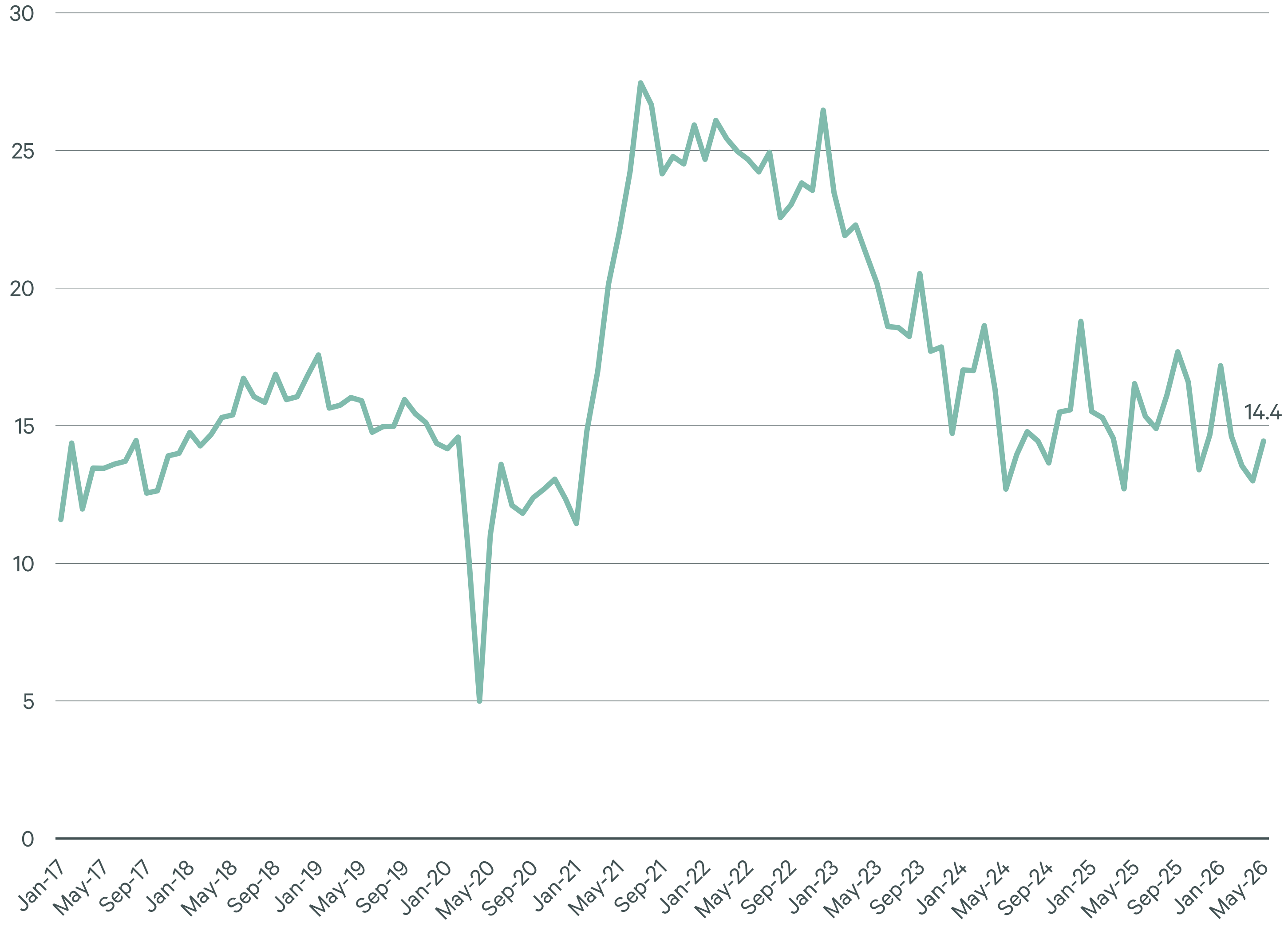
- Hotel wages increased by 4.6% year-over-year in Q2, outpacing national wage growth of 3.6% and inflation of 3.8%.



Source: CBRE Hotels Research, U.S. Bureau of Labor Statistics, Q2 2026.

Figure 9
Job openings per hotel

- Job openings per hotel fell to 14 in May, down by 13% year-over-year and by 8% from 2019 levels.



Source: CBRE Hotels Research, U.S. Bureau of Labor Statistics, CoStar, May 2026.

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