CBRE

Hotel Occupancy & RevPAR Continue to Decline

▼ **-1.3%**
Demand

▲ **0.8%**
Supply

▼ **-1.2%**
Occupancy

▲ **1.0%**
ADR

▼ **-1.1%**
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 decreased by 1.2% year-over-year in Q4, as supply growth of 0.8% outpaced a 1.3% decline in demand.

– Revenue per available room (RevPAR) fell by 1.1% despite a 1% increase in the average daily rate (ADR).

– Occupancy rates for all location types remained below 2019 levels. Interstate locations were the closest to pre-pandemic levels at 99%, while urban locations were at 93%.

– San Francisco had the strongest year-over-year RevPAR growth in the nation at 25% in Q4, driven by robust convention business.

– Tampa and Sarasota were the weakest growth markets year-over-year in Q4 due to outsized hurricane-driven demand in Q4 2024.

Figure 1
Nominal & real RevPAR levels vs. 2019

- Nominal RevPAR fell by 1% year-over-year in Q4, while real (inflation-adjusted) RevPAR declined by 3.9% due to a 2.7% inflation rate.

- Real RevPAR was at 94% of 2019 levels in Q4.

% of 2019

119%

94%
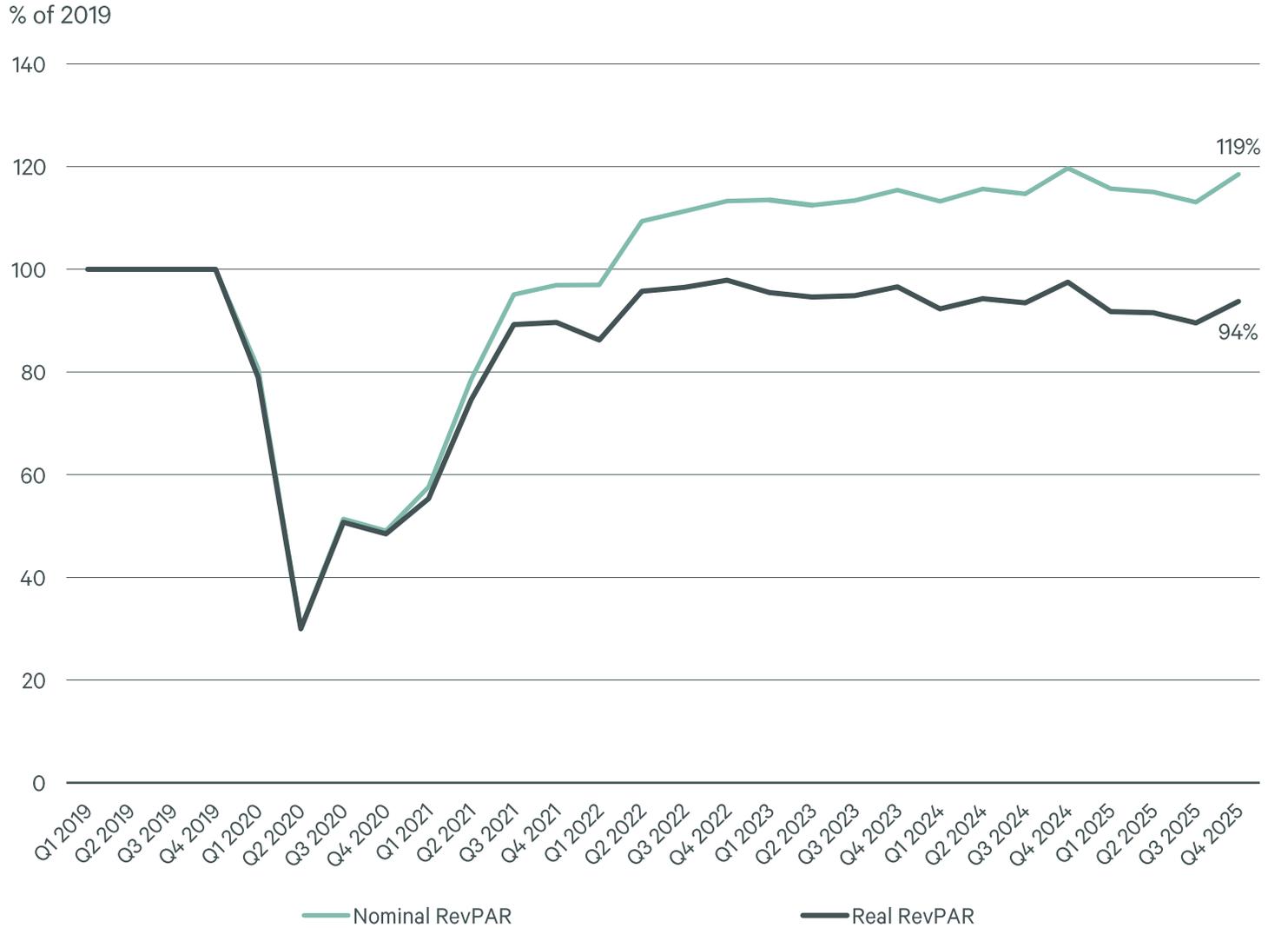
Source: CoStar, CBRE Hotel Research, U.S. Bureau of Labor Statistics, Q4 2025.

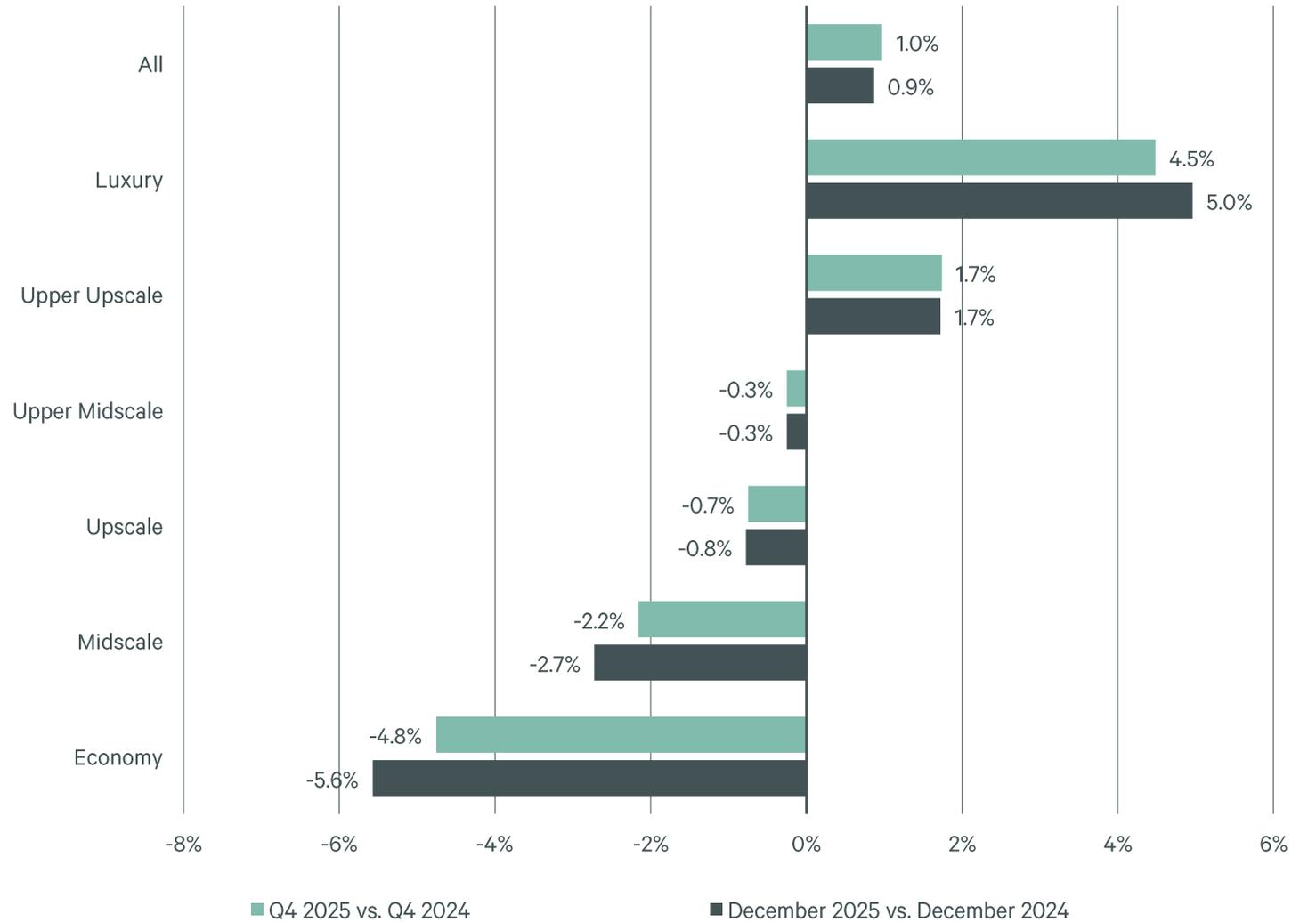## Figure 2
Occupancy indexed to 2019 by location type

— Occupancy rates for all location types declined year-over-year in Q4. Town and interstate occupancy rates fell the most by 3.2% each, while urban locations had the smallest decrease of 0.7%.

— Occupancy rates for all location types remained below Q4 2019 levels, ranging from interstate locations at 99.3% to urban locations at 92.9%.

% of 2019

Source: CBRE Hotels Research, CoStar, Q4 2025.
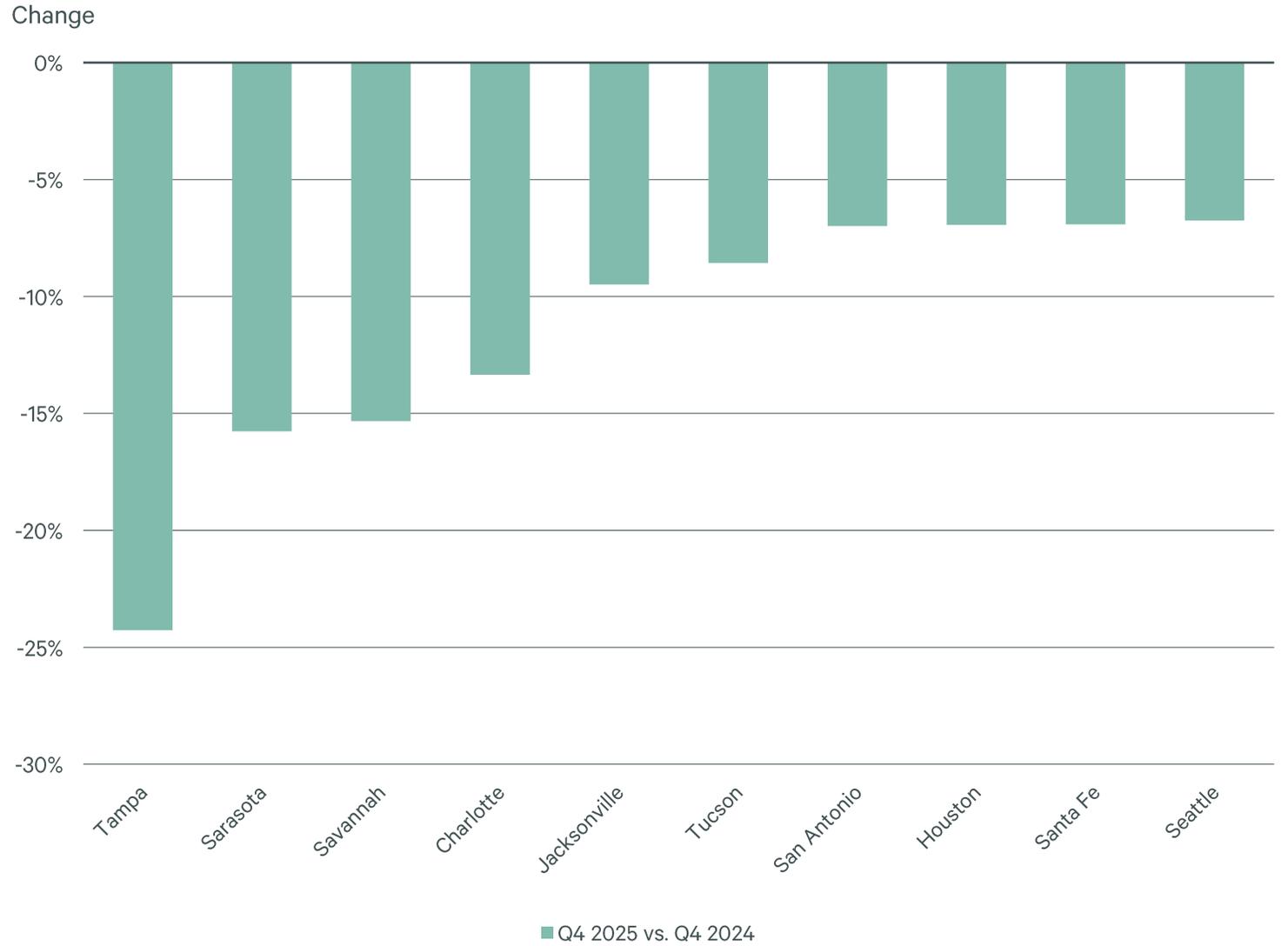
Figure 3
ADR change vs. 2024 by chain scale

— ADR increased by 1.0% year-over-year in Q4.

— Luxury chains had the greatest ADR growth, up by 4.5% year-over-year. ADR declined year-over-year for lower-priced hotels, including upscale (-0.7%), midscale (-2.2%) and economy (-4.8%).

Legend: ■ Q4 2025 vs. Q4 2024   ■ December 2025 vs. December 2024

Data values:
- All: 1.0% / 0.9%
- Luxury: 4.5% / 5.0%
- Upper Upscale: 1.7% / 1.7%
- Upper Midscale: -0.3% / -0.3%
- Upscale: -0.7% / -0.8%
- Midscale: -2.2% / -2.7%
- Economy: -4.8% / -5.6%

Source: CBRE Hotels Research, CoStar, Q4 2025.

Figure 5
## Bottom 10 markets for year-over-year RevPAR growth

– Outsized RevPAR growth driven by hurricane-relief efforts in Q4 2024 resulted in year-over-year declines for Tampa (-24%) and Sarasota (-16%).

– Other top markets for RevPAR declines ranged from Savannah (-15%) to Seattle (-7%).

Change

Legend: ■ Q4 2025 vs. Q4 2024

Source: CBRE Hotels Research, CoStar, Q4 2025.

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

— Robust convention business drove a 25% gain in Q4 RevPAR for San Francisco, the highest in the nation.

— Other top markets for RevPAR growth ranged from West Palm Beach (8%) to Orlando (4%).

Change

■ Q4 2025 vs. Q4 2024
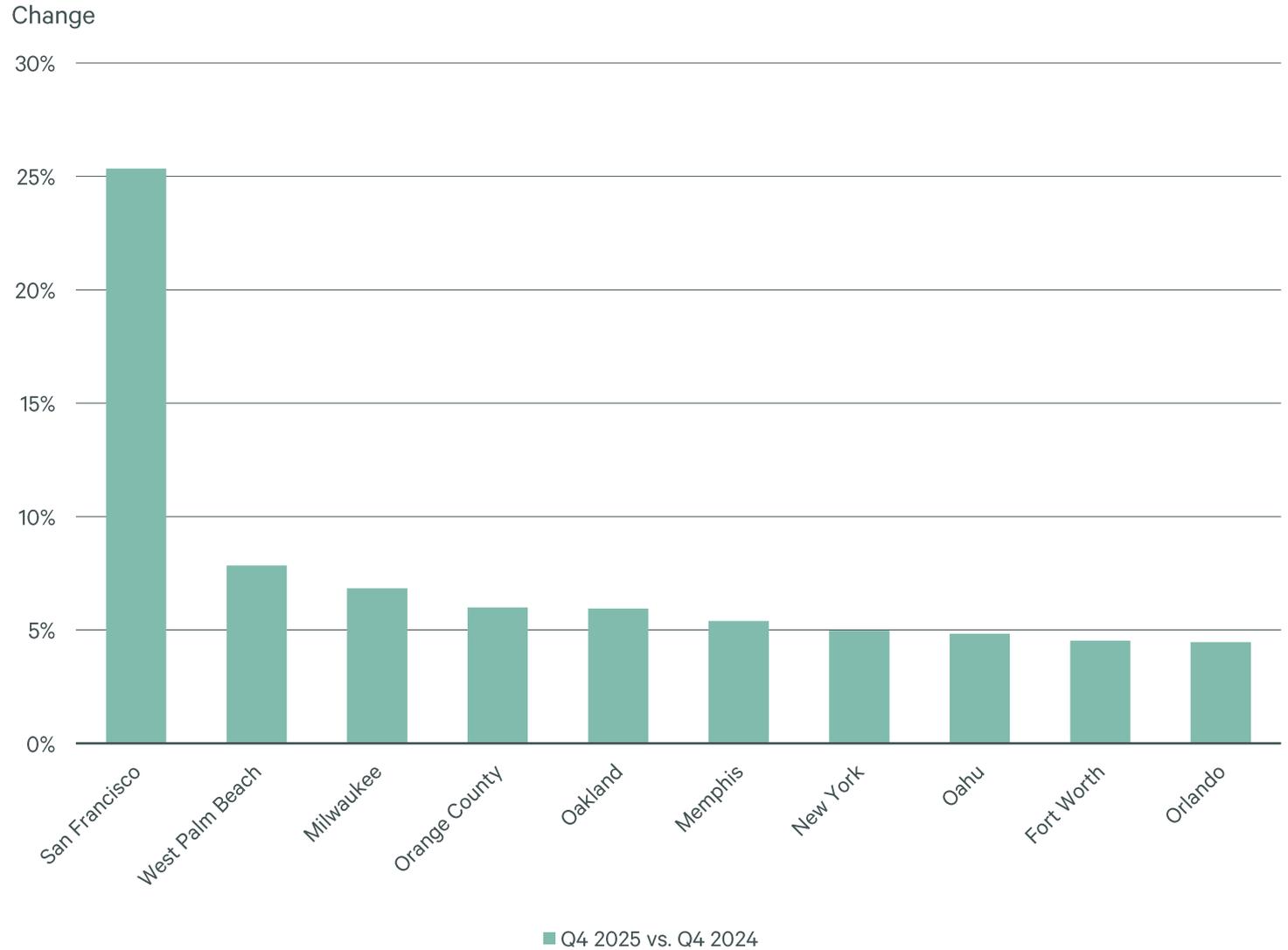
Source: CBRE Hotels Research, CoStar, Q4 2025.

Figure 6
Airline passenger volume increases

- Average daily airline passenger counts increased by 3.6% year-over-year in October, fell by 0.2% in November and were unchanged in December.

- Passenger volume in Q4 was 7% above the Q4 2019 level.

Y-o-Y change (%)

0.0%
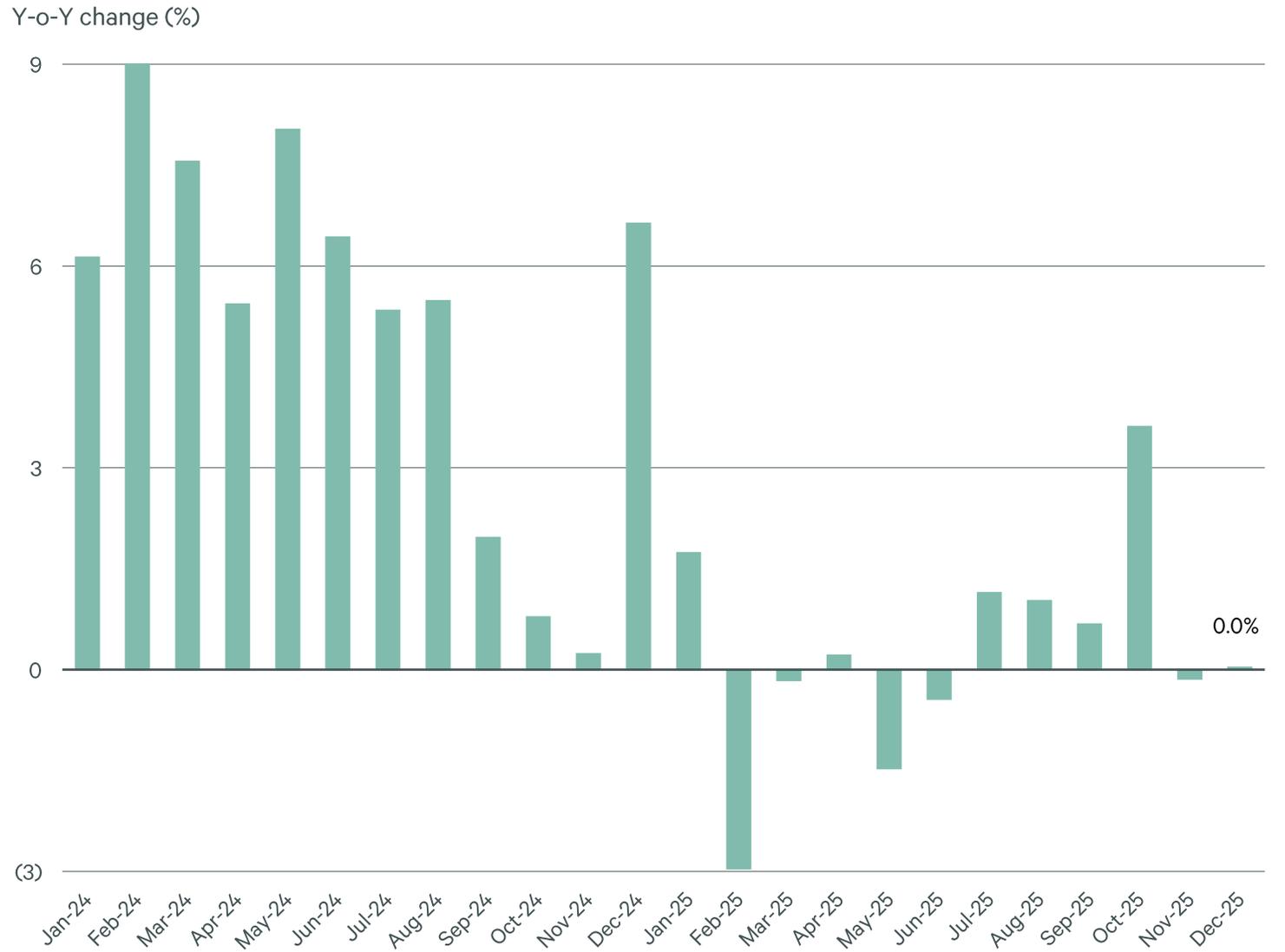
Source: CBRE Hotels Research, Transportation Security Administration, December 2025.

Figure 7
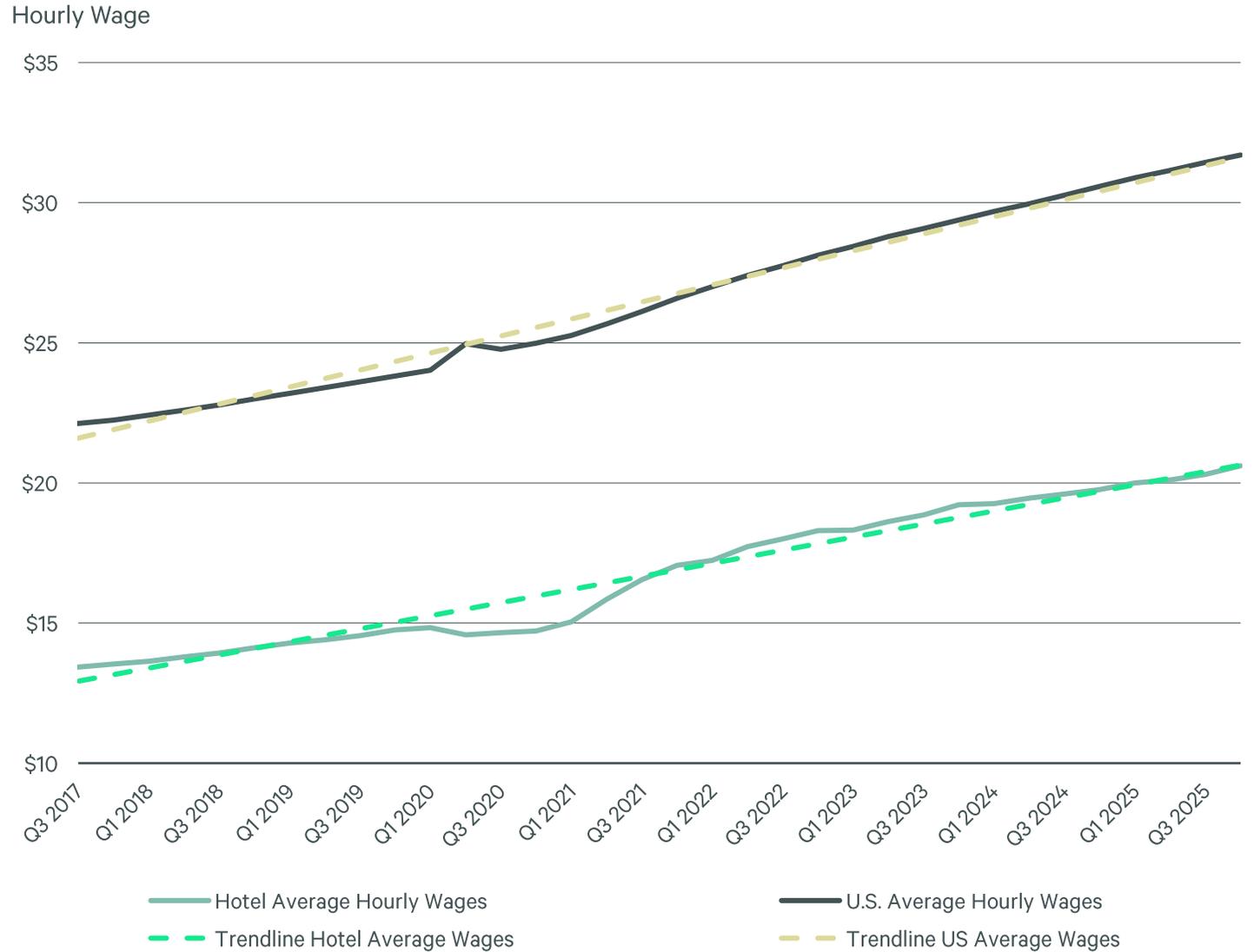## Inbound & outbound international travelers vs. 2019

– Inbound international visitation in Q4 remained at 88% of Q4 2019 levels, while outbound international travel volume reached 130%.

% of 2019
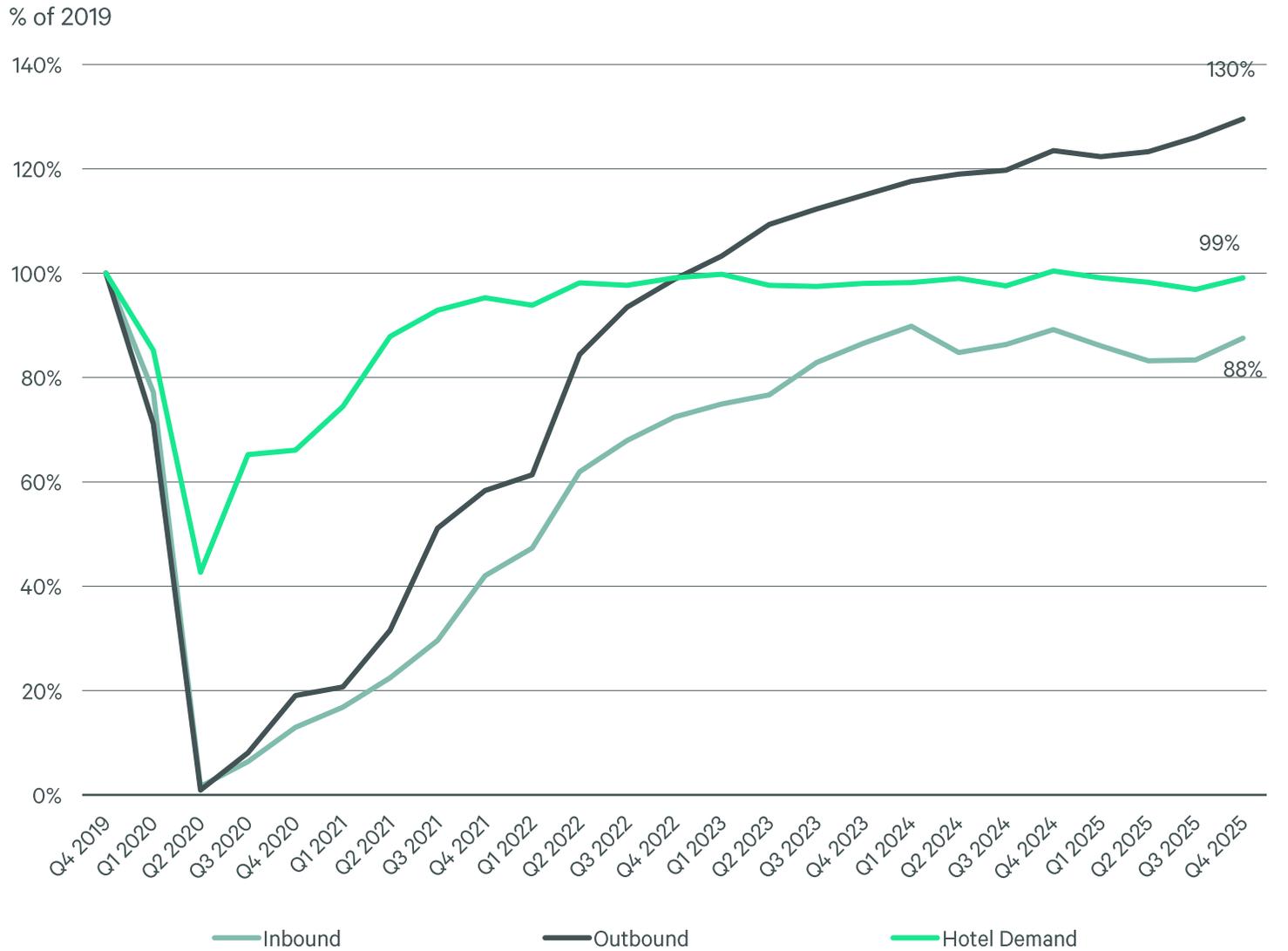
Source: National Travel and Tourism Office.

Figure 8
Hotel wage growth outpaces national average

– Hotel wages rose by 4.3% year-over-year in Q4, outpacing national wage growth of 3.7% and inflation of 2.7%.

Hourly Wage

Legend:
— Hotel Average Hourly Wages
— U.S. Average Hourly Wages
-- Trendline Hotel Average Wages
-- Trendline US Average Wages

Source: CBRE Hotels Research, U.S. Bureau of Labor Statistics, Q4 2025.

Figure 9
Job openings per hotel

– Job openings per hotel fell by 3% year-over-year to 15 in November 2025, well below the high of 28 in July 2021. Hotel job openings were up by 2% from 2019 levels.

Job Openings Per Hotel

Source: CBRE Hotels Research, U.S. Bureau of Labor Statistics, CoStar, November 2025.

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