

AHLA'S 2022 STATE OF THE HOTEL INDUSTRY REPORT
Talking Points

AHLA'S New State of the Industry Report confirms the hotel industry's recovery will be slow and uneven. Full recovery is still several years away.

- Hotel occupancy rates and room revenue are projected to approach 2019 levels
 - Hotel occupancy is projected to increase to an average of 63.4% in 2022
 - Occupancy was 66% in 2019, 40% in 2020, and 57.6% in 2021
 - Room revenue is expected to reach \$168.4 billion this year, within 1% of 2019 (\$169B)
 - Room revenue was just \$85.7B in 2020 and rose to \$141.6B in 2021
 - Hotels lost a collective \$111.8 billion in room revenue alone during 2020 and 2021
- The outlook for ancillary revenue, which includes food & beverage and meeting space, is less optimistic
 - Ancillary revenue was estimated at \$48 billion annually before the pandemic
 - Only 58% of meetings and events are projected to return in 2022
- The full effects of Omicron are not yet known, and future variants will create volatility in both the return of leisure and business travel, and tens of billions of dollars connected to meetings and events spending

Leisure travel will continue to drive the recovery, transforming how hotels operate to satisfy their guests.

- The pandemic has spawned a new wave of travelers, including bleisure travelers and digital nomads, and they have different needs and expectations than traditional business travelers
- Leisure travel is expected to return to 2019 levels, and this summer may be one of the strongest ever
- Business travel is still expected to be down from 2019 levels.
 - In 2019, business travelers made up 52.5% of industry room revenue; in 2022, it is projected to represent just 43.6%
 - Business travel is expected to remain down more than 20% for much of the year
- Bleisure travel—that is, blending business and leisure travel—has exploded during the pandemic
 - One 2021 study of global business travelers found 89% wanted to add a private holiday to their business trips in the next 12 months
- The growth of leisure and bleisure travel represent a shift for our industry, and we will continue evolving to meet the needs of these “new” travelers
- Technology will be even more critical to a property's success to meet the needs of guests and employees, both today and in the future

Like many industries, hotels have been facing a major workforce shortage which could impact recovery.

- By the end of 2022, hotels are expected to employ 2.19 million people (direct)—down 166,000 or 7% compared to 2019
- The AHLA Foundation launched a new national, multi-channel ad campaign to help fill the hundreds of thousands of open jobs in the industry
- “The Hotel Industry: A Place to Stay” aims to help job seekers discover the 200+ career pathways and many perks that the industry offers, including competitive wages, benefits, flexible schedules, and travel opportunities