

Other Reports

STR: US hotel revenues surpassed \$200 billion in 2017

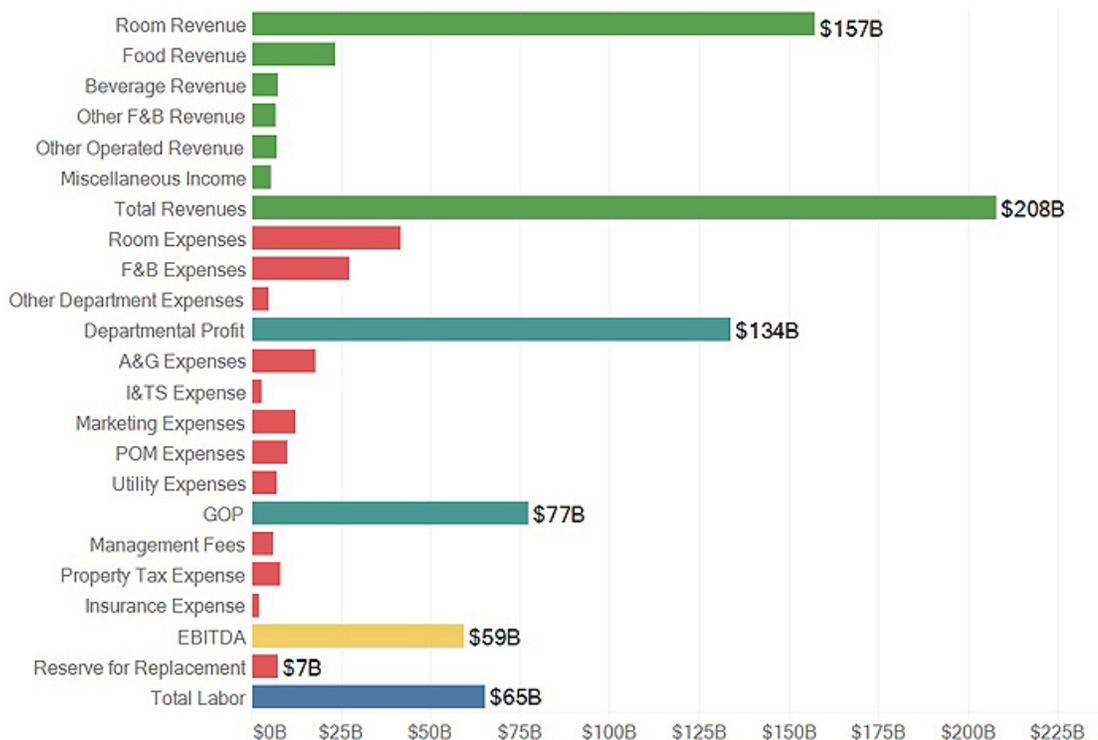
16 MAY 2018 8:37 AM

U.S. hotel industry revenue exceeded approximately \$208 billion in 2017, which is an increase of \$10 billion from 2016.

By HNN Newswire

BROOMFIELD, Colorado—Results from STR’s 2018 HOST Almanac indicate that U.S. hotel industry revenues topped an estimated \$208 billion in 2017, which was an increase of \$10 billion from 2016. The total revenue figure and a total industrywide house profit of \$77 billion were each all-time highs for the industry.

U.S. Lodging Industry Revenues and Profits



Source: STR 2017 Modeled HOST P&L data, HOST Almanac

STR’s HOST (Hotel Operating Statistics) P&L program compiles data from more than 9,000 hotels annually. Those properties comprise 1.9 million rooms globally.

“The industry reached a milestone by exceeding \$200 billion in total revenue last year,” said Joseph Rael, STR’s director of financial performance. “However, while revenue is still growing, expenses grew at a higher rate for the second year in a row. As a result, profit margins have declined somewhat.”

Same-Store Analysis

STR analyzed same-store growth rates for the more than 5,200 U.S. hotels that participated in the HOST program in both 2017 and 2016. Among those hotels, gross operating profits (GOP) increased 1.0% on 1.9% total revenue growth.

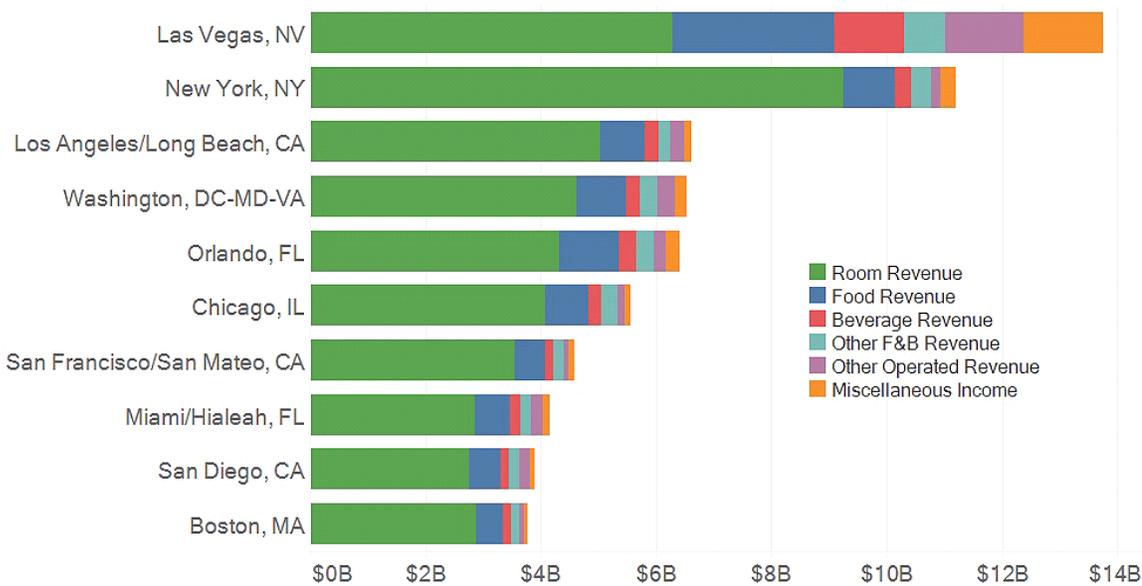
Full-service hotels grew house profit 1.4%, while limited-service properties saw a slight profit decline of 0.2% from levels achieved in 2016. Among the class segments, Luxury hotels achieved the greatest profit increase (+3.1%), while Upscale (-0.3%) and Upper Midscale (-0.3%) each reported a profit decline.

For the fourth year in a row, miscellaneous income led all revenue departments with 8.8% growth. According to Rael, this demonstrates the recent industrywide emphasis on fee-based income. Also in 2017, franchise fees, management fees and property taxes represented some of the largest expense increases, with all three above +4.0%. Utility expenses increased 1.3% after two consecutive years of declines. Total labor costs grew 3.2%, which was below the 4.0% growth levels of 2016 and 2015, but higher than revenue growth for the second straight year.

Top Markets

New to this year’s HOST program, STR developed a model for industry profitability that covered all U.S. hotels. This provided estimated industrywide departmental revenues and expenses as well as individual segments and markets. Based on the model, STR estimated total U.S. F&B revenues of \$38 billion, other department revenues of \$7 billion and miscellaneous income of \$6 billion. Las Vegas led all markets with more than \$13 billion in total revenue (excluding gaming), while New York City ranked second at \$11 billion. Los Angeles, Washington, D.C. and Orlando rounded out the top five with total revenue all in excess of \$6 billion.

Top U.S. Markets for Total Hotel Revenues



North America Media Contacts:

Nick Miner
 Public Relations Manager
 nminer@str.com
 +1 (615) 824-8664 ext. 3305

Haley Luther
 Communications Associate
 hluther@str.com
 +1 (615) 824-8664 ext. 3500

The above is a news release written by a third party. While HNN’s editorial mission is to produce unique content, it occasionally publishes timely, newsworthy news releases to complement in-house reporting efforts. All news releases are clearly marked as such. For questions and clarification, please contact Editor-in-Chief Stephanie Ricca at sricca@hotelnewsnow.com.