

An aerial night view of a city skyline, likely Chicago, with numerous skyscrapers illuminated. The sky is a deep blue with some clouds. A semi-transparent grid of binary code (0s and 1s) is overlaid on the left side of the image. The title text is in large, white, sans-serif font.

# Hospitality data trends 2023: The opportunities ahead

A 2023 and forward-looking comparative analysis of global hotel & short-term rental booking trends

**aMADEUS**

# Report introduction

Hospitality trends for NORAM, LATAM, and EMEA

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# Research findings: Double digit growth in global hospitality industry for Q4, with Europe leading the way

## Introduction

Amadeus Demand360® data shows that hoteliers around the world can head into the final three months of the year with a positive outlook. Traveler numbers are continuing to build, **occupancy rates are strong** in most markets and revenue per available room (RevPAR) continues to rise across the key regions examined in this report: NORAM, EMEA and LATAM.

These key indicators are fueling confidence and investment in the hospitality sector. Statista finds a total of 1,842 hotels opened in 2022, a figure the researchers forecast will grow to 2,480 global hotel openings in 2023 and 2,707 in 2024.

### Europe is leading the way.

For the first time, EMEA is set to lead the US in terms of occupancy and RevPAR. France in particular is seeing significant peaks in RevPAR and occupancy. Key cultural hotspots – including Florence, Rome and Athens – have seen strong occupancy over the summer, with more to come heading into the cooler months.

With the Rugby World Cup taking place in France and Beyoncé creating headlines with the Renaissance World Tour – data reveals that **cultural, sporting and music events can be a major driver of bookings**. Hoteliers should keep an eye on what is around the corner when it comes to anticipating demand.

As experienced during the pandemic, market conditions and the appetite for travel can change very quickly, so watching the data closely is important. The following pages outline some of these areas of focus.

# Key trends summary

## Standout hospitality insights in 2023

### Hotel and short-term rental bookings demonstrate strength of recovery

As we look at the progress through 2023, the key data points are as follows:

- **Overall Condition:** With economic challenges worldwide, data from Amadeus' Demand360® and partner Key Data shows that hotel and short-term rental providers are holding up well and trending around 10% ahead of 2022.
- **Looking Ahead:** 2023 Q4 worldwide on-the-books reservations are ahead of 2022 by 11% based on bookings made during the same time last year. EMEA on-the-books occupancy for Q4 is currently tracking at 14% ahead of 2022 levels.
- **RevPAR:** RevPAR has grown around 17% in 2023 in comparison to rates achieved in 2022.
- **Group Business:** In group travel, data shows that 2023 bookings have almost completely closed the gap to 2019, with trends indicating that hoteliers will be in a stronger position entering 2024 than they were in January 2023.
- **Leading Indicators:** Short-term rental bookings are made further in advance than hotels and can provide context of shifting market dynamics.



# Global hospitality data trends

2023: The year to date - with forward looking insights

# Global hotel occupancy: Amadeus data reveals a strong 2023 led by EMEA

## Key trends for 2023 year to date

Hotel occupancy worldwide from January to August 2023 inclusive is around 10% higher on average over this period than in 2022. Amadeus' Demand360® data shows that the sector is continuing to stabilize and is becoming more predictable as bookings start to consistently follow historical trends and patterns.

## A look ahead: insights for Q4 2023

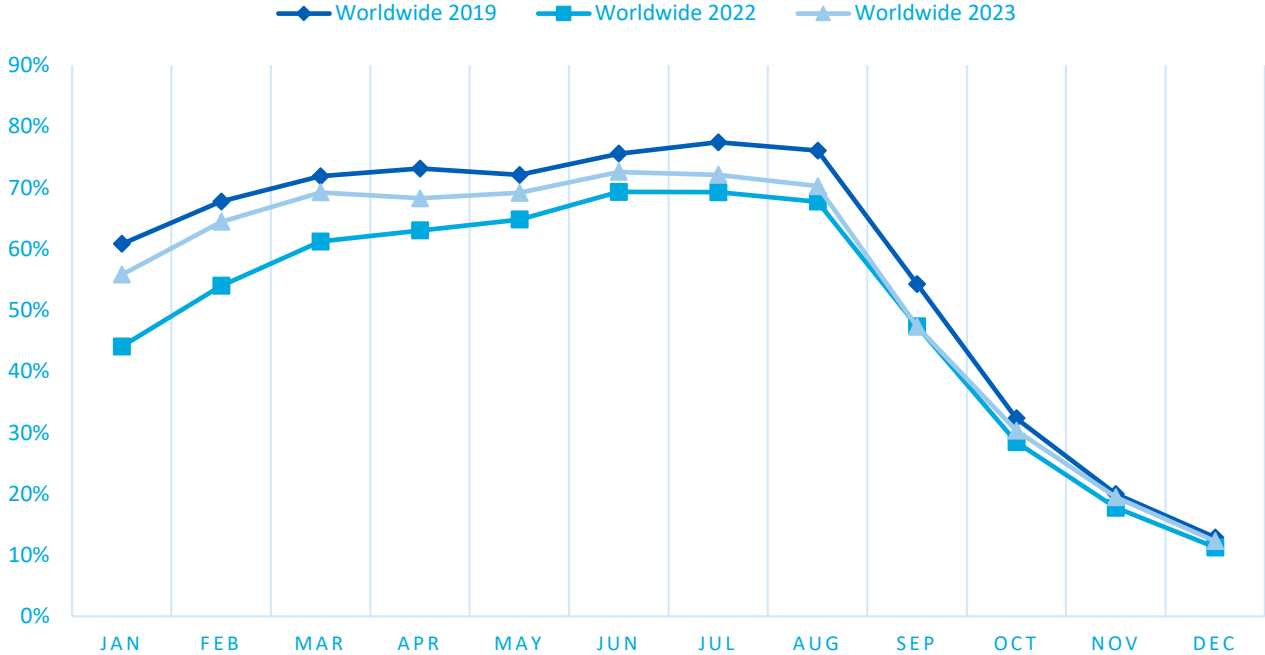
Forward-looking, on-the-books hotel occupancy data provides a positive outlook for Q4. The data shows that worldwide, 2023 currently has around 11% more bookings than had been made at this point in 2022.

Regionally, EMEA and NORAM are slightly ahead of the worldwide average hotel occupancy per month in Q4. EMEA in particular has on-the-books reservations for Q4 that put the region around 20% ahead of the worldwide occupancy average from October to December 2023 and is currently tracking at 14% ahead of 2022 levels.

NORAM is currently set to be 5% ahead of the worldwide average. LATAM traditionally sits slightly behind worldwide occupancy trends but has improved 6% on bookings made at this point in 2022.

# Global hotel occupancy data

TOTAL HOTEL OCCUPANCY



Source: Amadeus' Demand360 as of 1 September 2023

**Note:** The majority (around 40%) of hotel bookings are made in the 0-7 day booking window, which is why occupancies drop off the further we look ahead. The current and forward-looking occupancy percentages from Amadeus Demand360® are on-the-books data representing actual rooms sold.

## Spotlight on data:

- From January to August 2023, hotel occupancy has been an average of 68% per month. This is around 10% ahead of 2022 at the same point (62% average monthly occupancy).
- June 2023 saw occupancy hit a high so far this year at 73%, which is an increase of 5% on June 2022.
- In Q4 2023, on-the-books hotel occupancy worldwide so far averages 21%.
- Regionally, the forward-looking averages for the last quarter of this year are so far recorded as:
  - 21% in NORAM
  - 25% in EMEA
  - 17% in LATAM



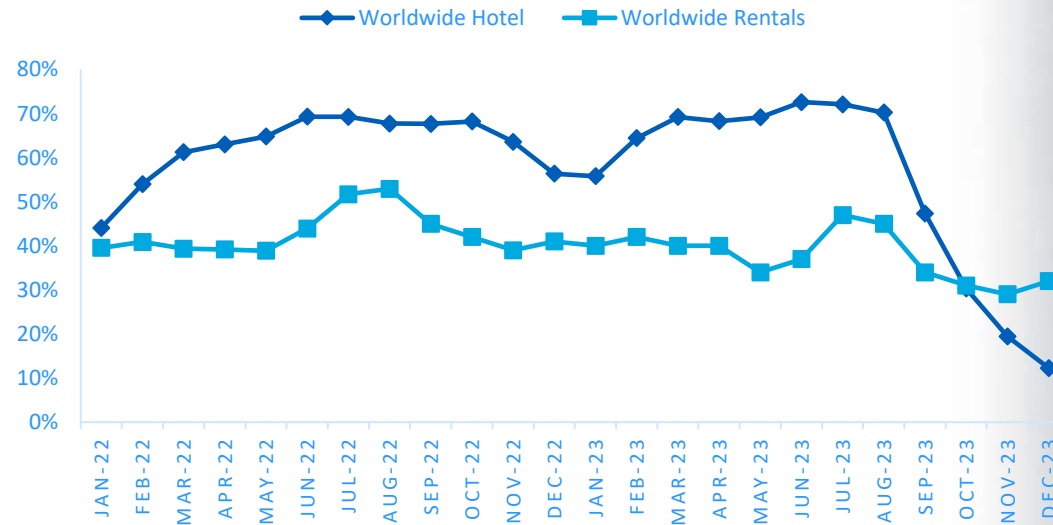
# Global short-term rental data

## Key trends

Short-term rental providers cover accommodation such as room rentals, house rentals and holiday homes. These tend to be booked further in advance than traditional hotels and are therefore a good indicator of appetite to travel across the whole sector.

Occupancy data shows short-term rental numbers in 2023 have maintained 2022 performance. Looking at the booking trends, we can see short-term rentals following similar patterns and trends to the hotel segment, demonstrating consistency of traveler behavior.

## HOTEL + SHORT-TERM RENTAL WORLDWIDE OCCUPANCY



Source: Amadeus' Demand360 and Key Data as of 1 September 2023

## Spotlight on data:

- Global occupancy in short-term rentals from January 2023 to August 2023 has been an average of 41% occupancy per month.
- Short-term rentals have so far recorded the highest occupancy in July 2023 (47%).
- Typically, both hotel and short-term rental accommodation types follow roughly similar patterns of demand over the year. Both experience their peaks in summer.

# Group travel: Increasing with good prospects for 2024

## Key trends for 2023

Group travel is important for hoteliers as it tends to be booked further in advance and provides a strong financial foundation.

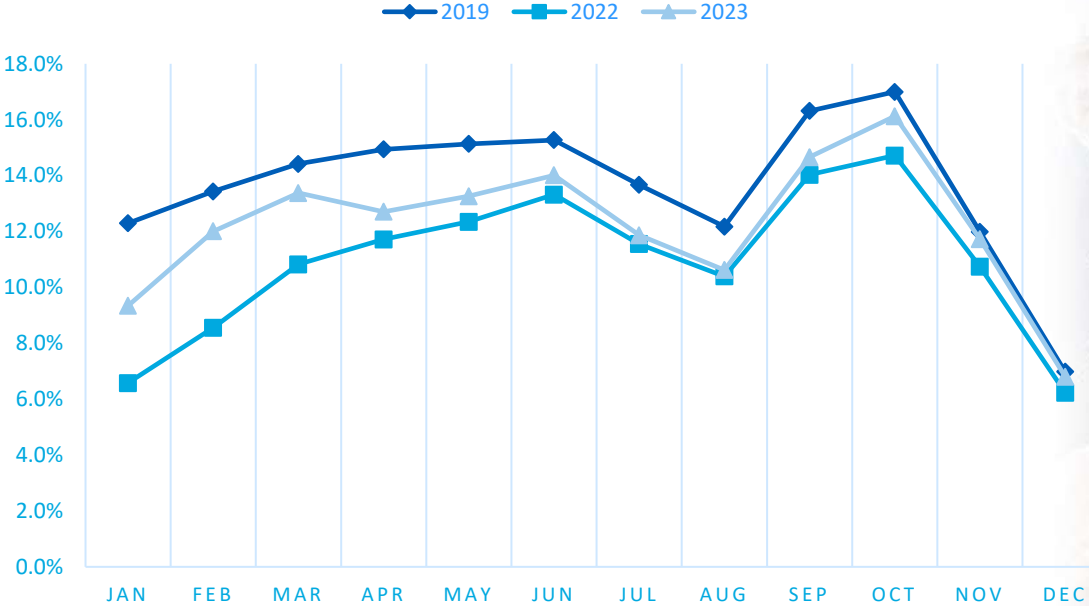
There are more groups traveling in 2023 than we saw in 2022 and the data shows that group bookings are just 17% behind 2019 over the course of 2023. Worldwide, group occupancy in hotels is now an average of 12% per month year to date. The peak month in 2023 to date has been June, where worldwide group occupancy was 14%.

## A look ahead: insights for Q4 2023

In 2023, group travel will hit a high in October where group occupancy is currently 16%.

In Q4 the gap has nearly closed on 2019 and signs are that hoteliers will be in a stronger position to rely on group travel entering 2024 than they were in January 2023.

WORLDWIDE GROUP OCCUPANCY



Source: Amadeus' Demand360 as of 1 September 2023

## Spotlight on data:

- From January to August inclusive, worldwide group occupancy has been an average of 12%.
- This compares to 2022 group occupancy average of 11% over the same period.
- On-the-books occupancy for Q4 2023 October and November is 16% and 12% respectively.



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# Overall global RevPAR is steadily increasing - with France leading

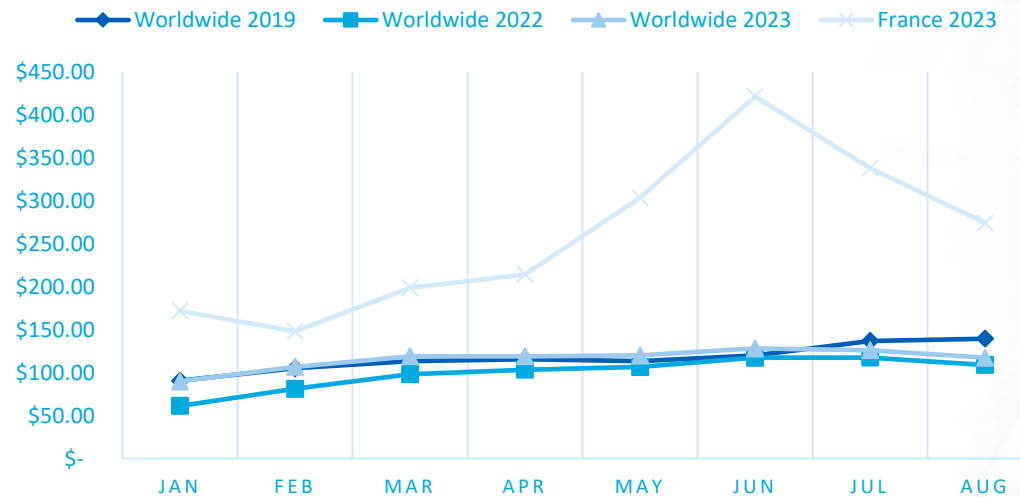
## RevPAR is growing

Worldwide revenue per available room (RevPAR) which is a calculation based on occupancy and room rates, has grown significantly for the hotel sector from 2022 to 2023, supported predominantly by higher average daily rates (ADR). So far this year, average worldwide RevPAR has reached the same level as we were seeing recorded pre-pandemic in 2019 at the same point in time and is around 17% ahead of the average RevPAR seen in 2022.

## Increases seen in EMEA: A spotlight on France

Some European countries are realizing particularly strong RevPAR. So far in 2023, France is seeing 123% over the average worldwide revenue per hotel room. In June 2023, French hotel RevPAR was \$422 which is 220% more revenue than was achieved per room in the US for the same month. Overall Europe has had a strong year realizing RevPAR around 16% above the worldwide average over the course of 2023. The average NORAM RevPAR has held steady at 3% ahead of the worldwide average.

## WORLDWIDE HOTEL REVPAR + FRANCE



Source: Amadeus' Demand360 as of 1 September 2023

## Spotlight on data:

- Worldwide, the average RevPAR recorded so far in 2023 is \$116. This compares to an average of \$99 in 2022 and \$117 pre-pandemic in 2019 at the same point in time. We can see the following regional variances:
  - NORAM: high of \$133 in June; low of \$91 in January
  - EMEA: high of \$166 in June; low of \$97 in January
  - LATAM: high of \$107 in March; low of \$80 in August

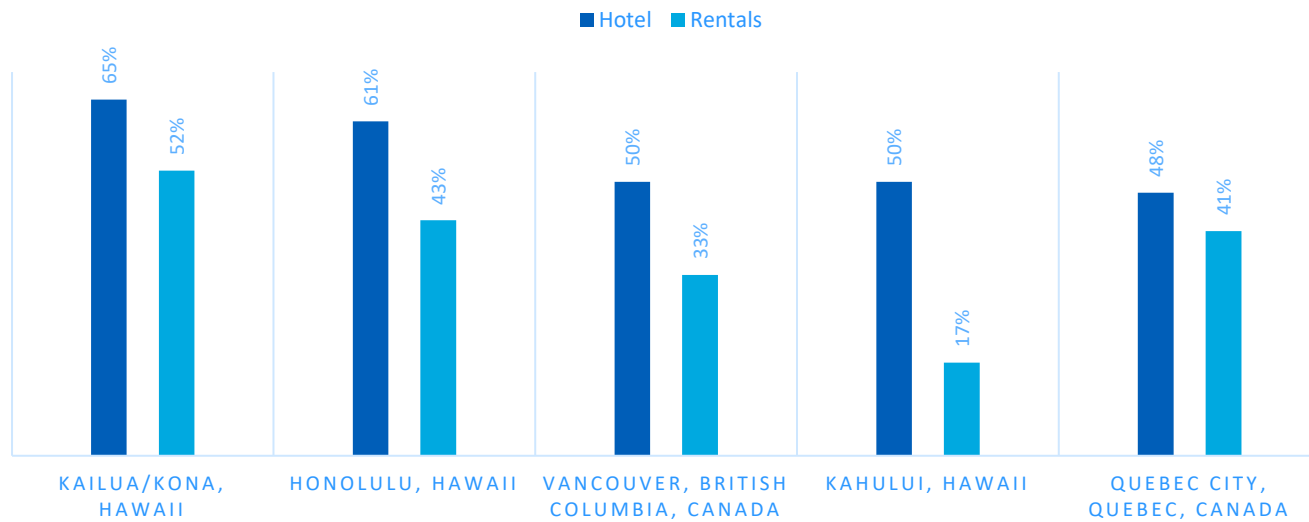
# Top markets across each region

Looking at performance heading into Q4 2023



# NORAM Top Markets

## NORAM TOP MARKETS | SEP - NOV 2023



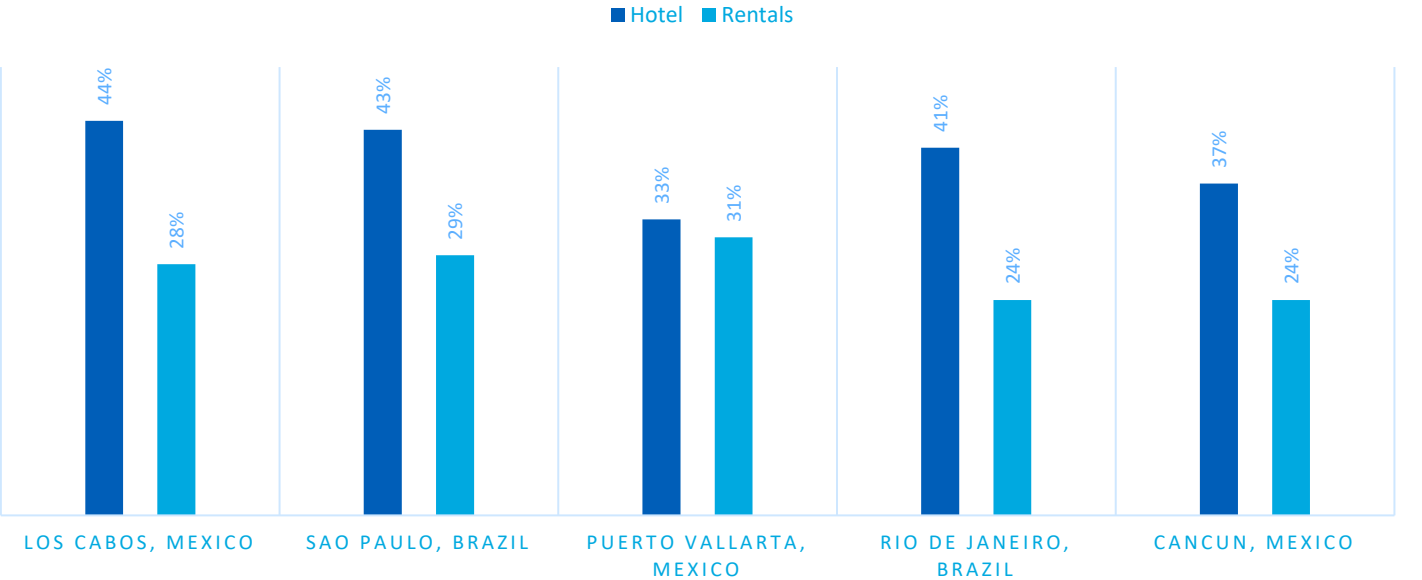
Source: Amadeus' Demand360 and Key Data as of 1 September 2023

- Hawaii is tracking in the top 5 markets for NORAM heading into Q4. With the recent wildfires in Maui there has been discussion around the need for tourism in the area to help with financial recovery while also being considerate of rebuilding the region.
- NORAM on-the-books occupancy for Q4 is currently tracking at 5% ahead of 2022 levels.



# LATAM Top Markets

## LATAM TOP MARKETS | SEP-NOV 2023

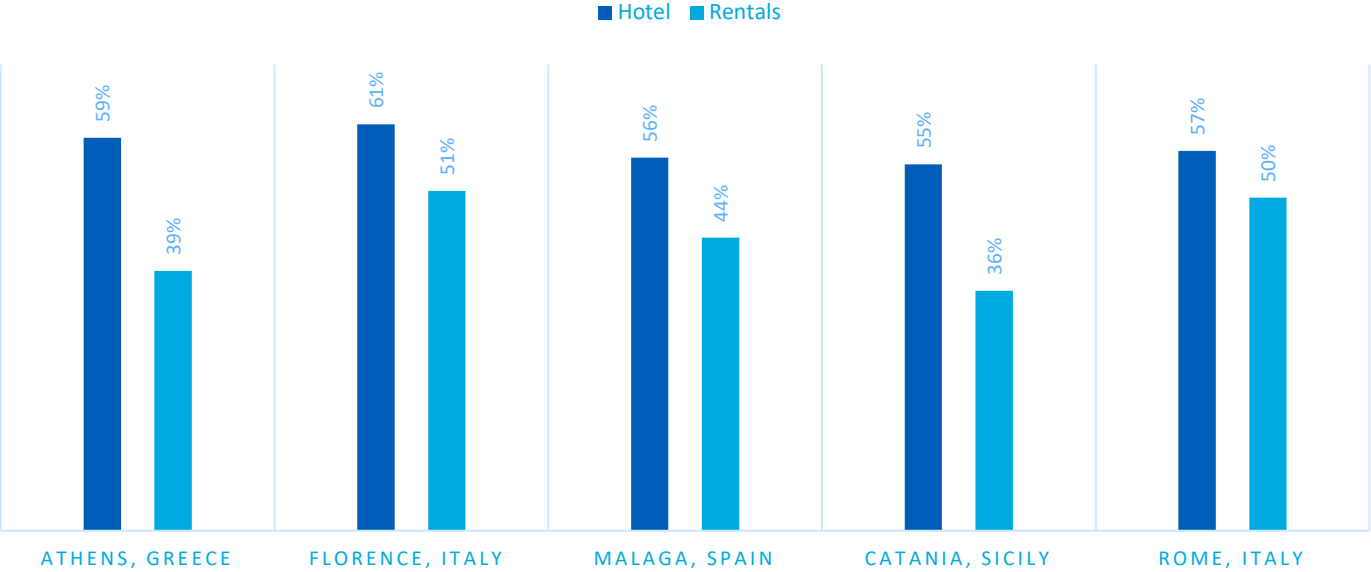


Source: Amadeus' Demand360 and Key Data as of 1 September 2023

- Los Cabos, Mexico and Sao Paulo, Brazil are tracking high in hotel occupancy at 44% and 43% respectively, as the market sees increases in domestic tourism across the region.
- LATAM on-the-books occupancy for Q4 is currently tracking at 6% ahead of 2022 levels.

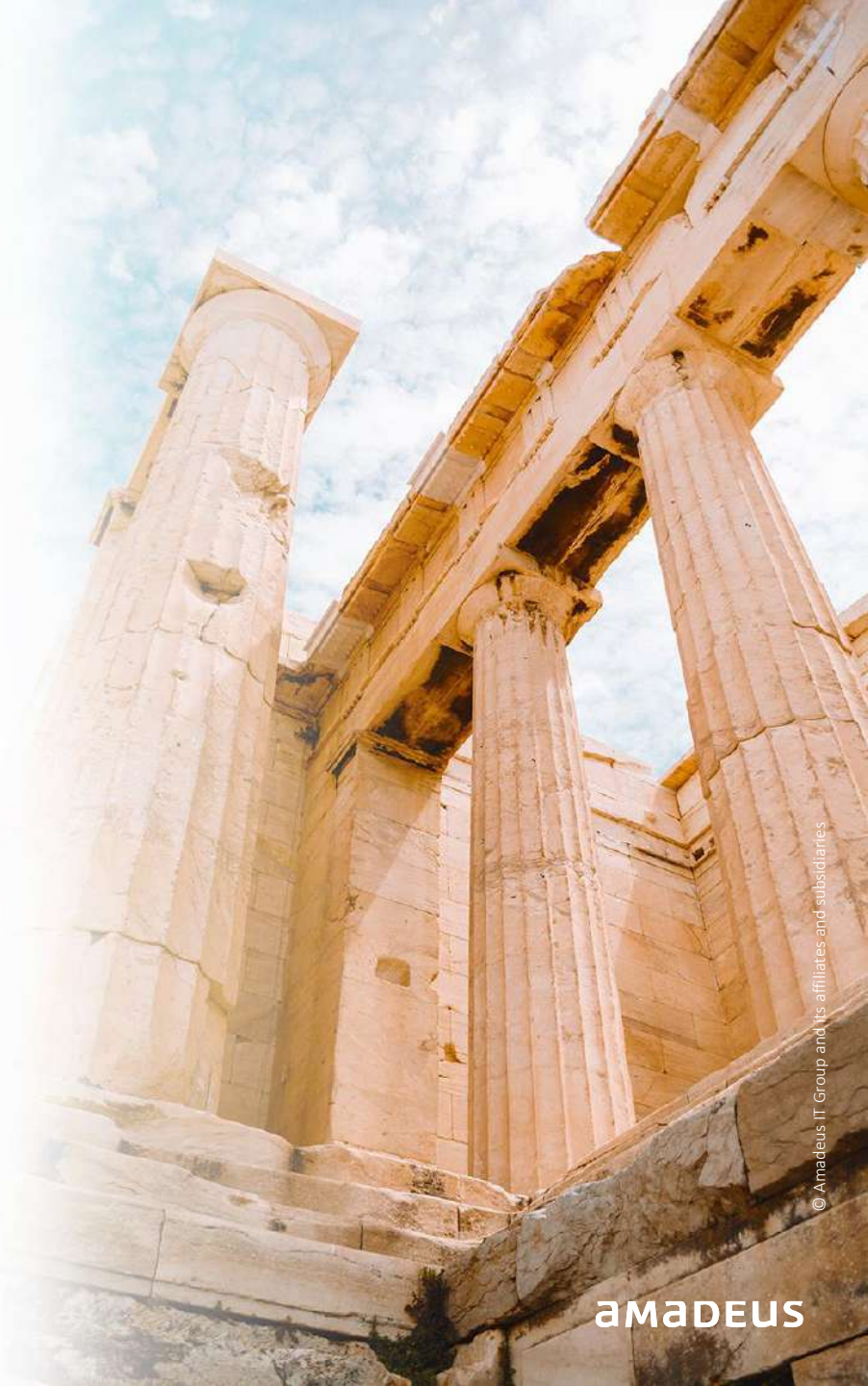
# EMEA Top Markets

EMEA TOP MARKETS | SEP - NOV 2023



Source: Amadeus' Demand360 and Key Data as of 1 September 2023

- Cultural cities are driving high demand in EMEA heading into Q4.
- Italy is set to do well in Europe with three cities in the top five European locations booked from September to November.
- EMEA on-the-books occupancy for Q4 is currently tracking at 14% ahead of 2022 levels.



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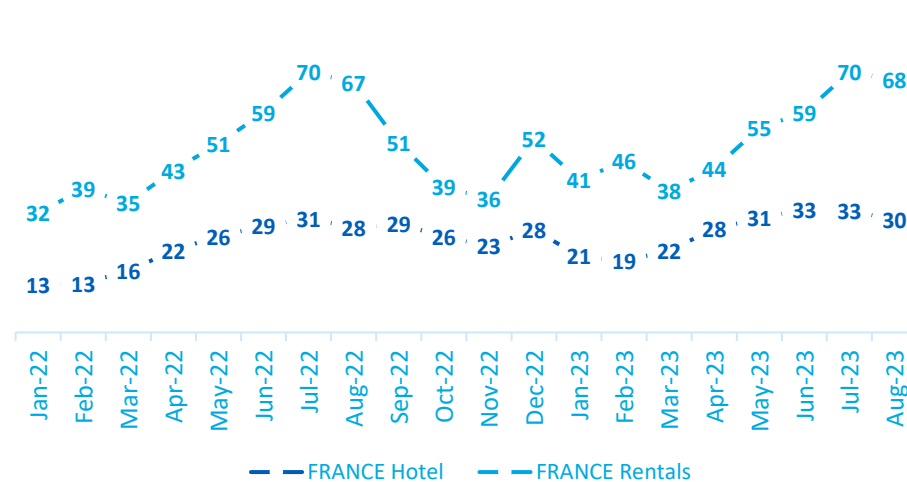
## Spotlight on cultural events

Key events deliver significant increase in demand for host markets

# Rugby World Cup drives demand across France

Case study: Cultural events can significantly boost hospitality economics

## AVERAGE BOOKING LEAD TIME BY DAYS



Source: Amadeus' Demand360 and Key Data as of 1 September 2023

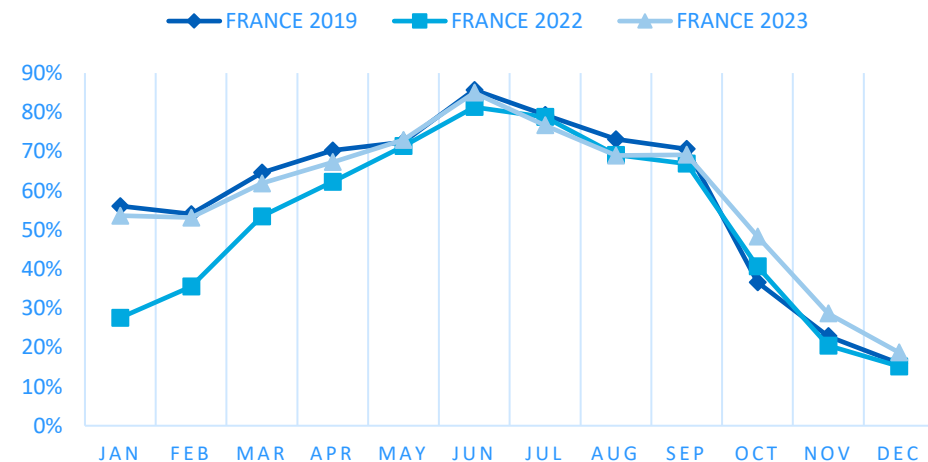
### Spotlight on data:

- On-the-books hotel occupancy data for France as of 1 September 2023 is showing an increase in the host cities for the Rugby World Cup.
- Paris and Nice are up 5% compared to the same period in 2022 and Marseille is up 7%, indicating increased hotel demand during the event.
- Short-term rental booking lead times for August 2023 in France hit 68 days.

Large sporting or cultural events can help to drive occupancy and ultimately RevPAR. Building on an already strong year, we can see that France is on track to finish 2023 ahead of both 2022 and 2019, largely influenced by hosting the Rugby World Cup in September and October.

Average on-the-books hotel occupancy for France in September and October 2023 is up 9% on the same period in 2022.

## TOTAL HOTEL OCCUPANCY



Source: Amadeus' Demand360 as of 1 September 2023

# Sleeping in Seattle: Beyonce powering September hospitality demand in the city

## Case study: Cultural events can significantly boost hospitality economics

Music concerts and festivals have hit the headlines again in 2023 for driving regional tourism significantly. From Taylor Swift and Coldplay to Beyonce, most international capitals have benefitted from stars choosing their cities for their performances.

Beyoncé has driven demand in NORAM with the Renaissance World Tour. In Seattle, the superstar played at Lumen Field on **September 14th** which drove a significant spike in hotel demand.

## Spotlight on data

- Hotel occupancy and average daily rates around the concert show the following activity:
  - September 9-11 hotel occupancy in Seattle was an average of 83%, ADR averaged \$207
  - **September 12-14 occupancy increased to an average of 96%, ADR averaged \$239**
  - September 15-17 occupancy fell back to an average of 82% ADR dropped to \$202
- For September 14th, this is a 36% increase on occupancy seen on the same night in 2022



**Hotel occupancy was boosted by 36% on night of Beyonce's Seattle concert**

Source: Amadeus' Demand360 as of 18 September 2023



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Image: <https://seattleimaxdome.com/lumen-field-concerts/beyonce-seattle/>

# Leading indicators in action

Empowering strategic, data-driven decision making with key travel insights

# Using data as a leading indicator for demand

## Overview

Amadeus and partner Key Data provide unique data insights that can be used as leading indicators of demand for hoteliers and the broader travel industry.

From the time travelers begin to shop and book to the time they arrive at their destination, understanding their behaviors and preferences enables hoteliers to implement effective strategies to win more business. Consider the trends uncovered in the data:

- Notably, most travelers search for and ultimately book their air travel well in advance of their accommodations.
- Travelers staying in short-term rentals tend to book 2-3 times earlier than travelers staying in a hotel.
- Travelers staying in hotels tend to book within 3 weeks of arrival.

With this in mind, if the data is showing a spike in bookings for airfare or short-term rentals, it is a strong indicator that there is appetite for travel and hotel occupancies are likely to follow the same trends.

Similarly, watching air bookings and searches can provide valuable insights into who is looking, who is booking and where they are traveling from. This can be analyzed by hoteliers alongside forward-looking occupancy data to spot a potential influx or dip in incoming guests, and where marketing and pricing strategies are needed to drive demand and revenue.

In the following pages we will explore these concepts with current data from Amadeus and Key Data.



# Short-term rentals provide insight on interest in local accommodation

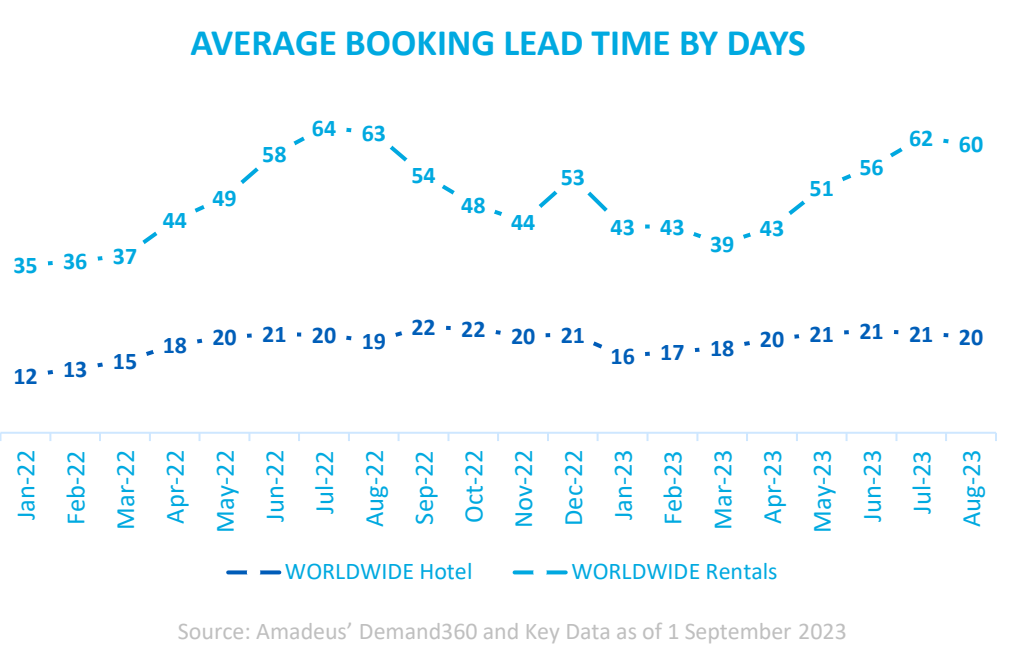
Understanding short-term rental performance informs hoteliers of potential opportunities for demand.

Insights from Key Data show that average booking lead time for short-term rentals in 2022 was 49 days and increased slightly to 50 days in 2023.

By comparison, the average booking lead time seen in Amadeus' Demand360 data for hotels has been 19 days consistently across 2022 and 2023.

These trends indicate that hoteliers can monitor short-term rental bookings in their market to understand potential shifts in hotel reservations in the coming weeks.

Note that during peak summer travel, short-term rental booking lead time is three times higher than hotels, giving hoteliers more advanced lead time to understand traveler interest and adapt their marketing strategies accordingly.



This chart illustrates the average number of days between booking and check-in for reservations made each month in hotels and short-term rentals worldwide.

# Where the data intersects – December in the Caribbean

## Case study: Correlating the data

### Spotlight on December 2022

With air bookings made an average of 98 days in advance of travel, hoteliers would have had an indication that December 2022 was showing a high volume of incoming visitors.

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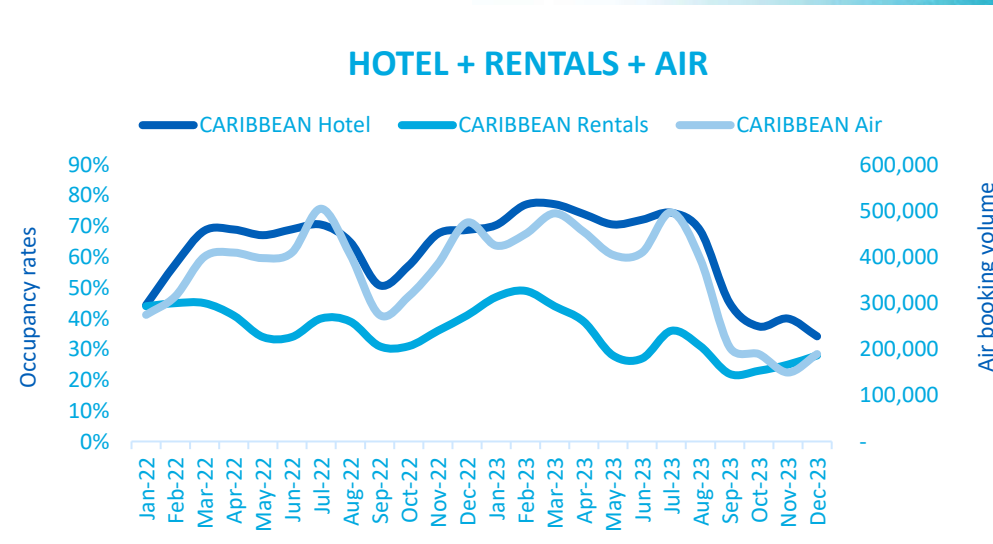
The average lead time for short-term rental bookings in the Caribbean in December 2022 was 71 days

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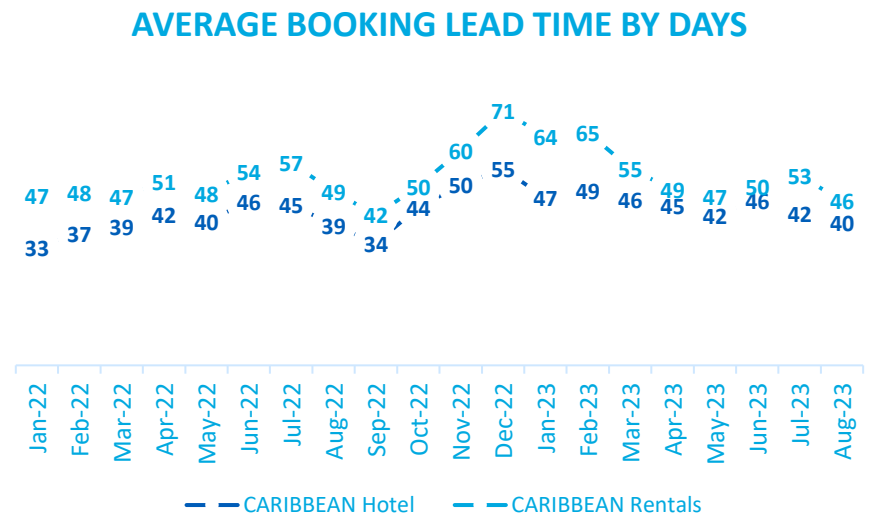
Hotels were on average booked only 55 days in advance in December 2022.

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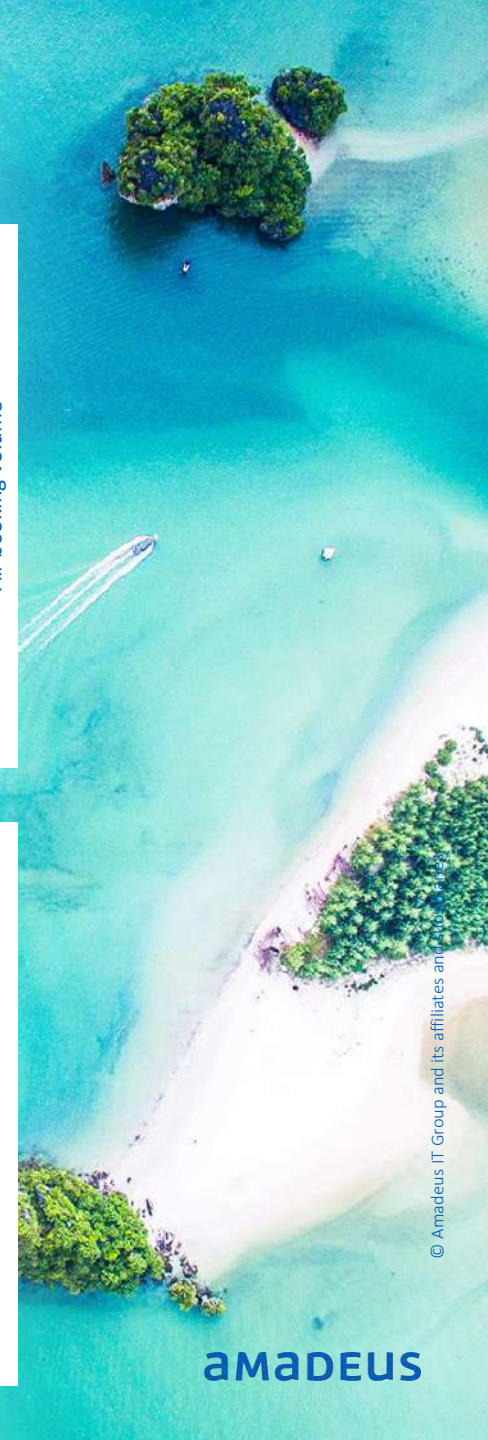
We can see that air bookings, short-term rental and hotel bookings end up broadly mirroring each other. This shows that hoteliers could use air and short-term rental data to identify potential opportunity for demand.



Source: Amadeus' Demand360 + GDS Airline Booking Data (MIDT) and Key Data as of 1 September 2023



Source: Amadeus' Demand360 and Key Data as of 1 September 2023



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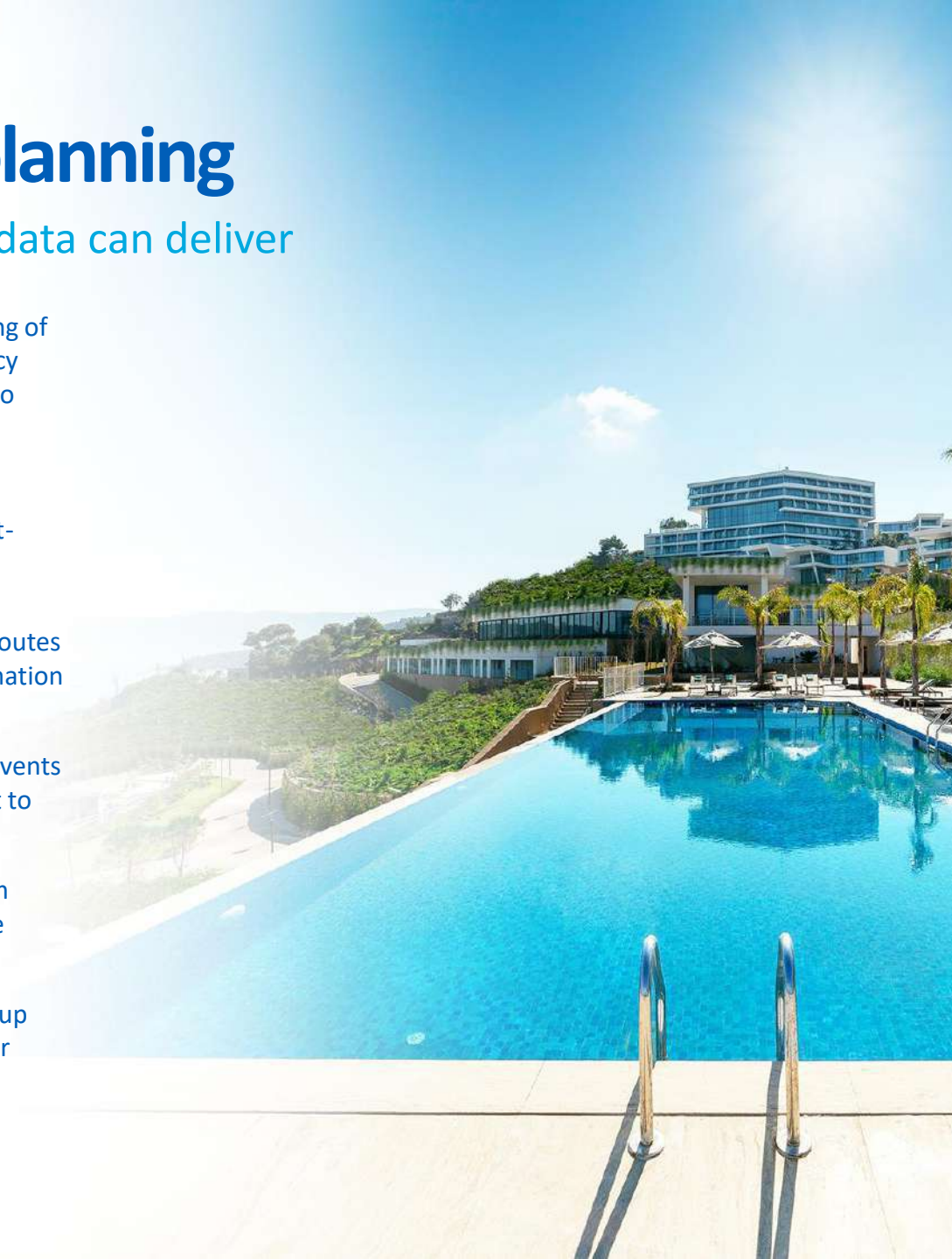
# The inside track for hoteliers

Insights for an effective, data-driven strategy that delivers business results

# Five tips on using data for strategic planning

The inside track for hoteliers on the competitive advantage data can deliver

- 1. Unpack RevPAR and gain performance insights:** Increasing RevPAR requires an understanding of what drives occupancy and where ADR can be maximized. For example, comparing occupancy against current booking lead times provides an idea of when guests are most likely to book so rooms can be priced accordingly.
- 2. Use data to understand future demand:**
  - a) Data shows travelers tend to book flights furthest in advance. Those staying in short-term rentals also tend to book further in advance than hotels. These combined metrics can be good forward-looking indicators of appetite to travel.
  - b) Air traffic analytics can be used to pinpoint traveler trends including most popular routes and origin city. Because air travel is generally booked further in advance, this information can be used to mount highly targeted marketing strategies.
- 3. Watch the calendar:** Look for concerts, big cultural events, and festivals as well as sporting events that could be happening nearby and plan a marketing campaign well in advance of the event to attract the audiences most likely to visit.
- 4. Make full use of data across the hotel:** Accurate, forward-looking data can be used to inform different departments (e.g., finance, housekeeping, operations, events) to understand future demand and plan cashflow, staffing and supplies.
- 5. Maximize reliable group travel:** Data can be used to understand when to prospect more group business to fill remaining space when demand dips, or balance groups with potentially higher value transient leisure guests.



# Data and insights featured in this report

This report draws on several proprietary sources of data collated and managed by Amadeus and Key Data. The report delivers insights into the hospitality booking trends and economics across the world, based on the most comprehensive data sets available. Alongside occupancy, average daily rates and booking lead time data, we have predominantly looked at data from a worldwide perspective, with more detail on NORAM, EMEA and LATAM provided.

**Amadeus' Demand360®** provides hoteliers the deepest level of market occupancy insight, including two years of historical and one year of forward-looking on-the-books data from over 35,000 data providers, enabling users to compare performance against their competitive set, identify new trends, and make the most informed revenue strategy decisions possible. 2019 data is also visible as the benchmark year for recovery.

**Key Data Dashboard Inc.** sources and analyzes the most trusted, real-time vacation rental data available to the industry. They partner with lodging providers in over 500 international markets to pull rate, occupancy, and more data directly from their reservations platforms. The result: accurate, trustworthy data that helps property managers, hoteliers, investors, and DMOs grow their business with the best pricing and marketing decisions.

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