



Tourism & Hospitality

Sacramento Hotels' Revenues

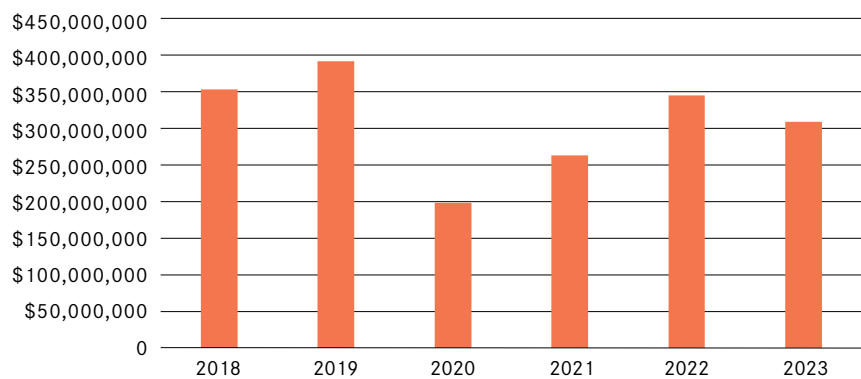
The following estimates for 2023 are based on the summary statistics for four zones provided by the Sacramento Convention & Visitors Bureau (Downtown, Point West, Natomas, and Outlying hotels) as of the end of October 2023.

Based on statistics for the first 10 months, 2023 is likely to show a decline of 10.3% in Sacramento hotels' revenues compared to 2022. This is still higher than in 2020 and 2021 (17.4 percent and 56.2 percent higher, respectively).

The pre-COVID level of hotel revenues achieved in 2019 remains the highest on record (21 percent higher than in 2023, based on statistics for the first ten months).

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Figure 1
Sacramento Hotel Revenues
(first 10 months of the year)



Source: Visit Sacramento

Occupancy Rates

Different dynamics are observed regarding hotels' occupancy rates. In 2023, rates were improved compared not only to 2020 and 2021 (8.2 and 8.0 percent, respectively), but also compared to 2022 (3.8 percent). However, it is still substantially lower than in the pre-COVID years of 2019 and 2018 (a decrease of 8.5 and 7.7 percent, respectively).

Among the three segments of hotel guests (transient, group, and contract travelers) the contract segment experienced the most substantial occupancy rate increase in 2023 (10.5 percent in 2023 compared to 6.4 percent in 2022). The group segment also demonstrated an increase (16.5 percent in 2023 compared to 13.3 percent in 2022). Despite the overall occupancy rate increase, these rates are still lower than in pre-COVID years (see Figure 2).

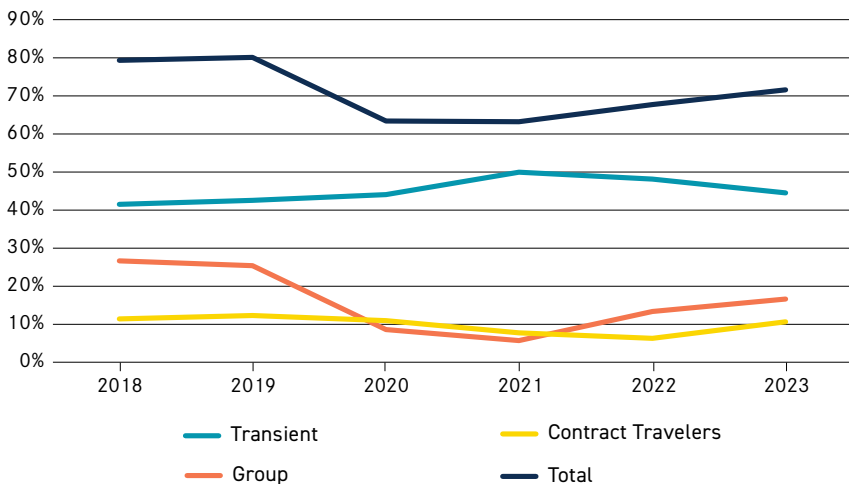
Pricing Trends

The Average Daily Rate (ADR) for Sacramento hotels decreased somewhat in 2023 (\$134.5 compared to \$143.6 in 2022). This is also lower than in the pre-COVID years of 2019 and 2018; (\$140.0 and \$134.3, respectively).

The Revenue Per Available Room (RevPAR) indicator demonstrates a trend that is similar to that of total revenue: an increase compared to the COVID years (\$91.1 in 2023 compared to \$74.5 and \$70.3 in 2021 and 2020, respectively) and a decline compared to 2022 (\$98.0) as well as to the pre-COVID 2019 and 2018 (\$112.5 and \$107, respectively).

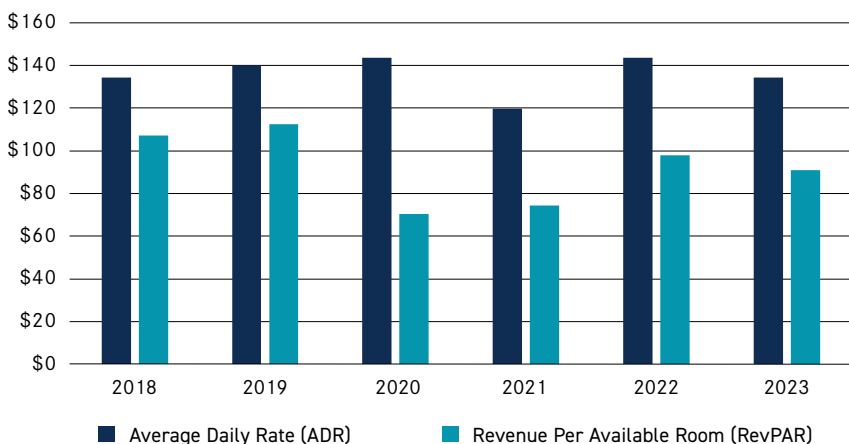
Among the three segments of hotel guests (transient, group, and contract travelers) the contract segment experienced the most substantial occupancy rate increase in 2023.

Figure 2
Sacramento Hotel Occupancy (%)



Source: Visit Sacramento

Figure 3
Sacramento Hotels Average Daily Rate and Revenue Per Available Room



Source: Visit Sacramento