



For Immediate Release

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DOWNSIDE NOW UP IN MOUNTAIN TRAVEL (March Occupancy Posts Solid Gains in Mountain Communities)

Denver, Colo., April 19, 2010 — In some of the most solid results seen in the mountain travel industry during the past 12 months, lodging occupancy was up 9.6 percent in March compared to March 2009. This was the third consecutive month with year-over-year increases in actual occupancy and the fourth month since April 2009 according to the latest data released by the Mountain Travel Research Program (MTRiP).^{*} Results as of Mar. 31 indicate that occupancy at mountain travel destinations officially surpassed last season, but barely – by 1.3 percent. The March data also showed that the average daily rate was down five percent indicating continued rate sensitivity by consumers.

“The March performance is strong on its own and as the third month in a row with an increase in occupancy, these figures indicate that a positive trend has now been established,” said Ralf Garrison, author of the monthly report. “It is now virtually certain that the winter season occupancies will exceed those of 08-09, but our enthusiasm remains cautious since occupancy rates remain fragile and overall revenues continue to lag behind those of last year.”

Improving economic indicators have been credited with the recent upswing in mountain travel. The Consumer Confidence Index (CCI) increased sharply, up 13.1 percent in March, recovering most of February’s losses and settling at 52.5 points but remains unstable.

“The CCI continues to behave erratically and changing direction nearly every month and hasn’t sustained any positive momentum,” observed Tom Foley, MTRiP research analyst. “With the Dow Jones Industrial Average reaching the 11,000 point marker last week, this could be the opportunity for consumers to shift, even moderately, to a more positive perception of the economy,” Foley added.

Another vital indicator is the Travel Price Index (TPI) that tracks travel related costs such as gasoline, airline fuel, and lodging rates. The TPI increased 0.6 percent in February for the second consecutive increase in the Index and the sixth time in the past year. This trend indicates that the TPI is inflating slightly and represents sustained increases in price and a tolerance for these increases by consumers. “It’s interesting to note that the TPI is currently outpacing the national inflation rate by a significant margin,” observed Foley.

Currently, April reservations are down 4.6 percent compared to April 2009 while lodging rates are up 4.2 percent.

The report also showed that for the upcoming six months, occupancy rates remain down 2.8 percent when compared to the same period last year, while rate is holding with an increase of 2.5 percent. These are both improvements from the February report, when occupancy was down 5.6 percent and rate was only up slightly at 0.8 percent. All occupancy “on the books” is up in three of the next six months – July, August and September – by 2.9, 13.1 and 21.8 percent respectively.

Continuing a trend identified in the final months of 2009, reservations taken in March for arrival in March through August are up significantly, 20.5, percent compared to 2009. Bookings made during March 2010 for the upcoming six months were up in five of the six months, with only arrivals in May declining from 2009.

“Now that we are seeing the momentum shifting slowly to the more positive side of the spectrum- in the ski industry, the travel industry and the broader economy- as an industry we can be optimistic about carrying this strength into the summer season,” said Garrison. “And of course, we are already looking ahead to the 2010-11 ski season with cautious optimism.”

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*Data is derived from a sample of 201 property management companies in 15 mountain destination communities, representing 22,000 rooms across Colorado, Utah, California, and British Columbia. Data is representative of a comprehensive cross section of the community and may not reflect the entire mountain destination travel industry.