



For Immediate Release

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SUMMER RESERVATIONS (AND BEYOND) FOR MOUNTAIN DESTINATIONS INCHING UP (Steady increases in mountain visits despite weak economic indicators)

Denver, Colo., July 19, 2010—What began as a sluggish summer start for mountain travel destinations across the western United States is looking increasingly like a relatively strong season according to the latest report released by the Mountain Travel Research Program (MTRiP)* in its monthly Mountain Marketing Briefing. Occupancy for June was down 2.5 percent but on the books occupancy for July as of June 30 is up 9.9 percent compared to the same period in 2009. And more significantly, advance reservations for the six-month period from July through December is currently up 7.5 percent compared to the same time period last year while average daily rate (ADR) is up 2.5 percent.

“Despite a slow beginning in May and an anemic June, strength in summer reservations is showing up with increases in both occupancy and nightly rate during July and August,” said Ralf Garrison, author of the monthly report. “Right now, the autumn months look promising but less consistent and there is a lot of variation in the strength of reservations between western resort destinations during the fall months,” he added.

The positive trend had been indicated but was uncertain because of recent negative economic news including a decline of 15.6 percent in the Consumer Confidence Index (CCI)—the first decline since February. Retail sales fell in June for the second consecutive month, raising concerns that economic recovery will slow in the second half of 2010. This news was buffered by reports of increased sales at general merchandise stores such as Walmart as well as increases in specialty clothing and appliance stores.

“The decline in consumer confidence is tied to concerns about the big economic picture and labor markets since both performed poorly in June,” observed Tom Foley, MTRiP research analyst. “This is the third time since February 2009 that a sharp decline has followed three or more consecutive months of increases but we’ve noted that each cycle results in a higher close than the previous one. This ‘two steps forward, one step back’ pattern seems to be keeping consumer confidence at a static rate—only 3.6 points higher than a year ago (49.3) and still well below a healthy Index of 85–100,” he added.

Although late or last minute booking trends continue to persist, the Brief noted that overall pacing

of reservations appears to be picking up with reservations taken in June for arrival sometime between June and November increasing 7.4 percent compared to reservations taken in June 2009. Currently, arrivals in June, July, and September are up while arrivals in August, October, and November have declined.

“After two years of almost constant downward pressure, this show of strength in both occupancy and rate is an encouraging sign for mountain destinations and the best performance we’ve seen in several years,” said Garrison.

*Data is derived from a sample of 265 property management companies in 15 mountain destination communities, representing 24,000 rooms across Colorado, Utah, California, and Oregon and may not reflect the entire mountain destination travel industry.