



For Immediate Release

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HO, HO, HO—OR HO HUM? (Mountain lodging properties make tentative but steady increases compared to last season)

Denver, Colo., Dec. 17, 2009— Reservations for mountain lodging properties as of Nov. 30 through the end of the season revealed the second month of growth compared to last year according to the monthly report compiled by the Mountain Travel Research Program (MTRiP).^{*} Overall occupancy rose but still remains behind last year at this time and lodging rates have declined.

“Occupancies rose but rates dropped, so this month’s data offers something for optimists and pessimists,” says Ralf Garrison, director of MTRiP.

The report also revealed that reservations taken in November for arrival anytime in November through April are currently up an aggregate of 27.9 percent ahead of last year, but the six-month outlook is still 3.5 percent behind last year.

“The good news is that this is the second month of positive reservation activity, a trend that appears to be continuing into December, said Garrison. “The bad news is that the increase in occupancy is coming at the expense of rate, which has continued to drop. The robust demand from previous years has not returned and resorts are working hard to move the occupancy needle upward by attracting guests with lower rates.”

MTRiP’s internal analysis of reservations taken in November included some noteworthy patterns.

“February’s absolute change in on-the-books occupancy increased 2.1 percent during November and it has caught up with last year. We also see that January is following the same pattern,” explained Tom Foley, MTRiP research analyst. “December and March are historically the high demand months and they are filling up more slowly, suggesting that consumers remain price sensitive.

Garrison also emphasized that, “this season is playing out on a stage with anemic economic indicators but those indicators are considerably less volatile than last season at this time.”

The Consumer Confidence Index (CCI) increased 1.6 percent in November to 49.5 points, but in the past 12 months has declined seven times and increased five times—reflecting consumers ongoing uncertainty about the economy. Additionally, consumers increased spending 1.1 percent in November-

almost double the 0.6 percent increase that was forecast by the U.S. Commerce Department. However, that increase may be more related to an increase in inflation rather than actual increased spending. The Dow Jones Industrial Average (DJIA) was up 5.6 percent during November for the sixth consecutive month of growth—partially due to positive third quarter figures for the Gross Domestic Product (GDP) and a moderate decrease in unemployment. Finally, the Travel Price Index (TPI) remained unchanged in October from September (most recent data available) as prices have declined or remained unchanged since July, providing travelers with an incentive to travel.

December reservations are currently down 3.7 percent compared to last December and December rates are down 9.1 percent compared to December 2008. While advance bookings for arrival in January and February led the positive pace in prior months, the trend appears to be spreading across each of the advance booking months (December–April) and is supported by the short-lead bookings that improved November occupancy.

“Consumers and resorts seem to be settling into a new normal—a situation where consumers have less discretionary dollars, but recognize that this is a buyers’ market and have shifted their spending from conspicuous consumption to cautious consumption,” observed Garrison. “Consumers can be enticed to book reservations and take trips, but the resorts are having to compete with offers that represent their best values.”

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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.