

Hotel Occupancy Hits a High, Office Elevator Use Rises, Consumers Worry About Inflation

What You Need To Know To Start Your Day



An aerial view of Miami Beach hotels and condominiums on Ocean Drive, an area that had the highest hotel occupancy among the largest U.S. tourism markets. (Getty Images)

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Hotel Occupancy Hits a High

U.S. hotels set a new occupancy record for the pandemic last week just ahead of the Memorial Day weekend start of the traditional summer travel season.

Average occupancy rose to 60.3% last week, the highest since March 7, 2020, and up from 59.1% the previous week, according to hotel industry research company STR, which is owned by CoStar Group.

Kelsey Fenerty, senior research analyst with STR, said weekend stats could set more records, and not just for occupancy. Hotels may also begin pushing up summertime rates, Fenerty said.

In addition to occupancy, the average daily rate and revenue per available room reached the best levels of the coronavirus outbreak last week. Revenue per available room reached \$69.69, an increase from \$67.05 the previous week and 26.6% lower than the same week in 2019.

Last week's average daily rate rose to \$166 from \$113.54 and is 13.6% lower than two years ago.

Miami once again was the best area for hotel occupancy among the top 25 U.S. tourist markets tracked by STR with 76% occupancy, better than in 2019. Miami's average daily rate of \$234.34 was the highest among the 25 markets and was better than in 2019.

Office Elevator Use Rises

Elevator use in office buildings has risen to more than half of pre-pandemic levels, another positive sign of stirring life in those properties, according to data from one of the largest elevator makers.

Pulling data from 85,000 elevators around the United States, Atlanta-based TK Elevator said that average use hit 53% in April. The company's data shows that elevator use has been at about half of pre-pandemic levels that were at 100% activity.

Elevator activity dipped significantly in April 2020. It crossed above the 40% mark in June 2020 and stayed at roughly that level until a brief uptick in October before dropping amid a major spike in coronavirus cases. Elevator use started picking up in January.

TK Elevator noted that activity picks up between 7 and 9 a.m. just as it did in 2019. But what the company noticed is less of a traffic bump at lunchtime.

"We can speculate that people coming into the office these days are more likely to bring their own lunch and not travel to surrounding restaurants, cafes and retail for midday errands," the company said in its report. "It's too early to tell if this is a long-term trend or short-term blip on the radar, but it could be a concern for businesses relying on commuters for revenue in the cores of major U.S. cities."

Consumers Worry About Inflation

Most consumers are starting to feel the impact of price increases on everyday goods and services, according to a survey from a mobile shopping app company.

Shopkick, which was founded in 2009, reported that 86% of more than 19,000 consumers it surveyed said they are experiencing an increase on groceries, gas, dining out and clothing. Groceries led the list with 96% of consumers identifying that category specifically.

In the survey, 42% said they would tighten their overall budget slightly, while 41% said they intend to tighten their budgets significantly.

Inflation concerns have grown because of increases in raw materials and commodities such as wheat, corn, lumber and fuel. In April, the consumer price index surged 4.2%, a higher increase than expected. The Federal Reserve Board has said inflation is probably temporary.

On Tuesday, the Conference Board's much-watched consumer confidence survey showed a slight dip in May. Inflation concerns factored into a less upbeat view of income prospects among those surveyed.