

Minnesota's 2018 Lodging Performance Was Shaped by the Super Bowl

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Minnesota experienced growth in all six lodging metrics during 2018, bolstered by the positive impacts of the Super Bowl VII event in early February. Positive impacts from the Super Bowl are hard to miss in 2018 lodging performance metrics, especially for the Minneapolis-St. Paul metro area. The year started with phenomenal first quarter growth that was followed by relatively stable growth throughout the remainder of the year. Room supply growth picked up over the course of the year. Finally, this spoiler alert: Look for downturns in first quarter 2019 lodging metrics, which will use 2018 Super Bowl era lodging metrics as their base of comparison.

[2018 Lodging Performance Changes for Minnesota, the U.S., the Region and Minnesota Areas](#)

All of Minnesota's six lodging metrics saw positive annual growth during 2018, compared with 2017. For each metric, the strength of annual growth was influenced by the Super Bowl. Annual revenue growth of 8.4% and 5.7% growth in revenue per available room (i.e., RevPAR) were supported by 4.1% growth in room demand and 4.2% growth in average daily room rates. Statewide room demand growth exceeded 2.6% room supply growth, resulting in annual occupancy growth of 1.5%. Room supply growth has been concentrated in the metro area and Mankato.

Minnesota's 2018 lodging performance surpassed that of the U.S. and the region (i.e., the seven-state West North Central U.S.), with stronger Minnesota growth for all six metrics. Metro area annual growth exceeded greater Minnesota growth for five lodging metrics, with the exception being occupancy. Among Minnesota's 11 distinct market areas (i.e., five in the metro and six in greater Minnesota), two metro areas (i.e., Minneapolis and Bloomington) and the metro area as a whole saw double-digit annual revenue growth, while Minneapolis was the only area in the state to experience double-digit growth in another metric (i.e., 10.4% RevPAR growth). Two greater Minnesota areas, the Minnesota South Area and the St. Cloud/I-94 Corridor, saw slightly negative demand change for the year.

Annual 2018 changes in Minnesota lodging metrics (i.e., compared with 2017) and 2017 compared with 2016 (in parentheses) were:

- Occupancy 1.5% change for 2018 (-1.0% for 2017)
- Room supply 2.6% (2.0%)
- Demand 4.1% (0.9%)
- Revenue 8.4% (0.5%)
- Room rate 4.2% (-0.5%)

- Revenue per available room (RevPAR) 5.7% (-1.5%)

[Month-by-Month Lodging Performance for Minnesota](#) – Super Bowl-related February spikes are hard to miss on most graphs of change in Minnesota’s monthly lodging metrics, with supply growth being the exception. By comparison, the remainder of 2018 portrays relatively stable, if more modest growth. Focusing on the fourth quarter, strong October growth was followed by weaker growth in November and a modest rebound in December. Along with November, March was the other month that presented a notable exception to generally positive 2018 monthly growth. Monthly occupancy and RevPAR growth during the second half of 2018 were negatively impacted as room supply growth ticked up each month. Prior to the time period shown on the accompanying graph, the Super Bowl’s impact was evident in the strength of an extended stretch of room supply growth that ended a few months before the event. Since then, another year of strong supply growth peaked at 3.5% monthly growth in November 2018.

Click below for accompanying graphs of Minnesota lodging performance (repeats of links from above):

- [2018 Lodging Performance Changes for Minnesota, the U.S., the Region and Minnesota Areas](#)
- [Month-by-Month Lodging Performance for Minnesota](#)

Detailed December and year-to-date lodging metrics for Minnesota can be viewed online for a limited time at [Current STR Lodging Metrics for Minnesota](#). (Note: The most current available monthly lodging metrics are replaced by data for the subsequent month when they are provided by STR.)