Minnesota’s 2019 Lodging Changes Reflect 2018 Super Bowl Impacts

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Minnesota experienced growth in only three of six lodging metrics during 2019, reflecting the lingering drag of the 2018 Super Bowl event on 2019 annual growth. The impacts can be seen in statewide lodging change metrics, but were more pronounced for the Minneapolis-St. Paul metro area. The year started with sharp declines during the first quarter that were followed by sporadic but overall net positive growth in all metrics over the remainder of the year. Two sets of graphs, with links below, show changes in Minnesota’s lodging metrics for the year and monthly for each month of the year.

2019 Lodging Performance Changes for Minnesota, the U.S., the Region and Minnesota Areas – Minnesota saw positive annual growth in three of six lodging metrics and declines in three metrics during 2019, compared with 2018. Annual supply growth (2.6%) outpaced demand growth (1.6%), resulting in a decline in occupancy (-1.0%). Meanwhile, flat year-over-year room rates led to revenue growing at the same rate as demand (1.6%) and revenue per available room (i.e., RevPAR) declining at the same rate as occupancy (i.e., -1.0%). With the exception of room supply, all of these annual changes were negatively impacted by the 2018 Super Bowl.

Minnesota’s 2019 annual lodging growth was weaker than that of the U.S. and the region (i.e., the seven-state West North Central U.S.) for five of six metrics, with the exception being room supply. Year-over-year comparisons reflect the disproportionate impact of last year’s Super Bowl on 2019 change metrics for the metro, with most metro areas showing annual declines for multiple metrics. Metro area annual growth was weaker than greater Minnesota growth for four lodging metrics, with the exceptions being supply and demand. Bloomington was the only metro area with positive 2019 annual change for all metrics. Among Minnesota’s 11 distinct market areas (i.e., five in the metro and six in greater Minnesota), Bloomington joined five of the six greater Minnesota areas as the only Minnesota areas that experienced annual RevPAR growth. While seven of the state’s 11 areas saw occupancy declines, only two (Duluth and St. Cloud) also experienced demand declines. In the other five areas, positive demand growth was outpaced by stronger supply growth.

Annual 2019 changes in Minnesota lodging metrics (i.e., compared with 2018) and 2018 compared with 2017 (in parentheses) were:

- Occupancy -1.0% change for 2019 (1.5% for 2018)
- Room supply 2.6% (2.6%)
- Demand 1.6% (4.1%)
- Revenue 1.6% (8.4%)
- Room rate 0.0% (4.2%)
- Revenue per available room (RevPAR) -1.0% (5.7%)
Month-by-Month Lodging Performance for Minnesota – A month-by-month breakdown of Minnesota’s 2019 lodging changes included big Super Bowl-related dips in January and February, a return to positive growth in March and a spike in April when the NCAA Men’s Final Four landed in Minneapolis. May and June saw relatively weak growth in most metrics, followed by strong growth in July that moderated in August and September before descending to negative growth for most metrics in October. Relatively weak growth in November and December closed out the year. All six lodging metrics saw positive statewide growth during April and each month of the third quarter. Strong room supply growth throughout 2019, at 2.4% or higher during each month, has kept room rates and other metrics in check.

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

2019 Lodging Performance Changes for Minnesota, the U.S., the Region and Minnesota Areas

2019 Month-by-Month Lodging Performance for Minnesota

Detailed December and year-to-date lodging metrics for the U.S., Minnesota and Minnesota areas can be viewed online for a limited time on the Research Reports page, under STR Lodging Performance Metrics. (Note: The most current available monthly lodging metrics are replaced by data for the subsequent month when they are provided by STR.)

Previous Quarterly Lodging Performance Reports

Minnesota’s Third Quarter 2019 Lodging Performance Was All Positives

Minnesota’s First Half 2019 Lodging Performance Got a Final Four Boost

Minnesota’s First Quarter 2019 Lodging Performance Reflected 2018 Super Bowl

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