

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

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Minnesota lodging experienced growth in room supply and demand, but declines in four metrics during the first half of 2019. The modest lodging boost provided by the NCAA Men's Final Four in April was not enough to compensate for the stronger negative impact of the 2018 Super Bowl on 2019 year-over-year comparisons. The year started with big early declines for most metrics, then shifted to growth for all metrics in March and April before moderating in May and June. Statewide room supply growth remained strong throughout the first half of 2019. Two sets of graphs, with links below, show changes in Minnesota's lodging metrics for the first half of 2019 and monthly for the last 12 months.

[First Half 2019 Lodging Performance Changes for Minnesota, the U.S., the Region and Minnesota Areas](#) – Four of Minnesota's six lodging metrics saw negative growth during the first half of 2019. The declines were modest, in comparison with double-digit first quarter declines that were substantially impacted by last year's Super Bowl. Second half changes included declines in occupancy (-1.4%), average daily room rates (-2.3%), revenue per available room (i.e., RevPAR, -3.7%) and revenue (-1.2%). Statewide first half demand growth was positive (1.1%), as was room supply growth (2.6%). Room supply growth was concentrated in and around Minneapolis (i.e., including Minneapolis north and Minneapolis south areas), as well as in the St. Cloud/I-94 corridor and southern Minnesota, exclusive of Rochester and Mankato.

With the exception of room supply growth, the U.S. and the seven-state West North Central U.S. region saw stronger first half 2019 lodging growth than Minnesota for the remaining five metrics. Greater Minnesota first half growth exceeded metro area growth for all lodging metrics except supply. Among Minnesota's 11 distinct market areas (i.e., five in the metro and six in greater Minnesota), each of the five metro areas displayed impacts of Super Bowl LII in first half 2019 declines in occupancy and all revenue-related metrics. Three southern Minnesota areas were the only areas that saw first half RevPAR growth. Among greater Minnesota areas, Mankato experienced the strongest first half growth in four metrics and Duluth experienced the weakest first half growth in four metrics..

Year-over-year first half changes in Minnesota lodging metrics (i.e., 2019 compared with 2018) and 2018 compared with 2017 (in parentheses) were:

- Occupancy -1.4% change for 2018 (3.4% for 2018)
- Room supply 2.6% (2.1%)
- Demand 1.1% (5.6%)
- Revenue -1.2% (12.7%)
- Room rate -2.3% (6.8%)
- Revenue per available room (RevPAR) -3.7% (10.4%)

[Month-by-Month Lodging Performance for Minnesota](#) – The first half of 2019 included big Super Bowl-related dips in January and February lodging metrics. Most metrics bounced back in March, aided by a calendar shift for Easter, and spiked in April when the NCAA Men’s Final Four landed in Minneapolis. May and June saw relatively weaker growth in most metrics. Prior to that, the last six months of 2018 saw relatively stable and mostly positive lodging performance, including especially strong growth in October before the year ended with weaker growth in November and December. Strong room supply growth over the last 12 months has kept occupancy rates in check, and posed revenue-related challenges for properties that are reluctant to raise rates in areas with expanded room supply. Statewide supply growth peaked at 3.5% in November 2018, then spiked again for a single month at 3.2% in May 2019.

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

[First Half 2019 Lodging Performance Changes for Minnesota, the U.S., the Region and Minnesota Areas](#)

[Month-by-Month Lodging Performance for Minnesota](#)

Detailed June and year-to-date lodging metrics for Minnesota 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.)