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

Release Date: May 7, 2019

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Minnesota experienced declines in five of six lodging metrics during the first quarter of 2019. It is no surprise that the positive impacts of the Super Bowl VII event in early February 2018 translated into negatives, by comparison, in the first quarter of 2019. This was especially the case for the Minneapolis-St. Paul metro area. The year started with big declines for most metrics in January and February, before turning to modest growth for all metrics in March. Statewide room supply growth remained steady and positive throughout the quarter. Two sets of graphs, with links below, show changes in Minnesota’s lodging metrics for the first quarter of 2019 and monthly for the last 12 months.

First Quarter 2019 Lodging Performance Changes for Minnesota, the U.S., the Region and Minnesota Areas – Five of Minnesota’s six lodging metrics saw negative growth during the first quarter of 2019, compared with the first quarter of 2018. The biggest declines were in the three revenue-related metrics of revenue per available room (i.e., RevPAR, -12.5%), revenue (-10.4%) and average daily room rates (-10.1%). Statewide first quarter demand growth was just short of flat (-0.3%). However, occupancy declined more substantially (-2.7%), attributable in part to 2.5% room supply growth – the only metric to show positive statewide first quarter growth. Room supply growth was distributed throughout the metro area, as well as in the St. Cloud/I-94 corridor and southern Minnesota area, exclusive of Rochester and Mankato.

With the exception of room supply growth, first quarter 2019 U.S. and regional (i.e., the seven-state West North Central U.S.) lodging performance exceeded Minnesota’s, with stronger growth for the remaining five metrics. Greater Minnesota first quarter growth exceeded Metro area growth for the same five lodging metrics, i.e., all except supply growth. Among Minnesota’s 11 distinct market areas (i.e., five in the metro and six in greater Minnesota), the metro’s Minneapolis area (i.e., ground zero for Super Bowl VII) saw the biggest declines overall, while the three southern Minnesota areas saw the most growth overall.

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

- Occupancy -2.7% change for 2019 (3.6% for 2018)
- Room supply 2.5% (2.2%)
- Demand -0.3% (5.9%)
- Revenue -10.4% (18.7%)
- Room rate -10.1% (12.1%)
- Revenue per available room (RevPAR) -12.5% (16.2%)
Month-by-Month Lodging Performance for Minnesota – Super Bowl-related January and February dips are hard to miss on graphs of change in Minnesota’s monthly lodging metrics, with supply growth being the exception. Most metrics bounced back in March, aided by a calendar shift for Easter to a later April date in 2019. Travel is subdued for a few days leading up to Easter. By comparison, the last nine months of 2018 portray relatively stable and mostly positive growth, though the year ended with soft November and December lodging performance. Monthly occupancy and RevPAR growth during the second half of 2018 were negatively impacted as room supply growth ticked up each month, prior to leveling off around 2.5% during the first quarter of 2019. 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):

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

Month-by-Month Lodging Performance for Minnesota

Detailed March 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.)