

# 2025: The year that started with optimism and ended with caution for hoteliers

Operators say outperforming competitors still key



President Donald Trump holds up a copy of a 2025 National Trade Estimate Report as he speaks at the White House on April 2, 2025, in Washington, D.C. Touting the event as "Liberation Day," Trump announced tariffs targeting goods imported to the U.S. (Getty Images)

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"Cautious optimism" is among the most common cliches heard across the hotel industry every year, but still an apt description of how many hoteliers felt at the start of 2025.

But as the year progressed, more and more of that optimism faded due to increasing and persistent headwinds such as tariffs and macroeconomic issues, leaving hoteliers with a year full of caution.

"First of all, we're all optimists, right?" said Michael Lipson, CEO and Chairman of Access Point Financial. "So we thought '25 would be better than '24. It was and is as an industry and at the company level. I think some of us thought it would go faster, but obviously we have to listen to the global events and the national events. Nobody knew back then what things like Liberation Day would mean and other considerations."

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Mary Beth Cutshall, chief growth officer for Vision Hospitality Group, confirmed that indeed "cautious optimism" was her primary feeling to start the year.

"I entered 2025 cautiously optimistic with the potential uncertainty, not really clear how it would play out, and I would say the theme as the year went on was that lack of clarity and continuous disruption and challenges that we had to navigate, whether it would be the tariffs, various impacts to different demand segments, markets, that sort of thing," she said. "A bit of an unexpected year from that perspective."

Ryan Bosch, principal at Arriba Capital, agreed that "cautious optimism" is a term that mostly wore out its welcome in 2025.

"For us on the capital market side, we've been cautiously optimistic for the last 36 months," he said. "So like everybody else, that's how I felt coming into the year. I think by February tariff announcements kind of threw the year off course. And from there, it was much of the same that we saw in '24."

But while a weakened demand environment put a cap on overall performance, hotel operators almost universally said there were still opportunities to shine through the course of the year, particularly when judged on a relative basis.

Michael Woodward, executive vice president and chief growth officer for HVMG, said while the year has been significantly more challenging than many hoped, there were still opportunities to outperform competitors, focusing on metrics like growing market share and net new revenues.

"Obviously you got to really focus on the middle lines and all that, your expenses, but there's a lot of those uncontrollables on the expenses," he said. "You can't control utility costs. You can't control your labor costs around you with what people are trying to steal your employees and all that. But you know, it starts with the top line. And if you can win your market and you operate with an owner mentality, everyone wins and everybody's happy."

Cutshall agreed that handling the challenges of the year can help set certain companies apart.

"It reminds me of sailing, tacking on the water and trying to navigate the best that you can," she said. "And I really do think being nimble and adaptive have been very important skills this year."

Richard Lou, CEO of Palette Hotels, said despite the headwinds, he looks back at 2025 positively because of the opportunity it presented hotel managers.

"I'm going to mostly remember the dynamic ways that the industry has shifted, whether it's through the changing consumer landscape, the integration of AI into the business, as well as the evolving business model that I think the entire industry has been pushed into," he said. "Those are the dynamics that has made it really interesting."

My Place Hotels of America Chief Operating Officer and Chief Legal Officer Matthew Campbell has a similar viewpoint for the year, noting he takes pride in the resilience he saw both from the industry at-large and his company specifically.

"I'll look back [on 2025] and say, 'Hey, we were resilient because we stayed true to who we are, and that's certainly driving the property success in 2025, 2026 and beyond," he said.

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