

[News](#)

Slight Growth Still Projected for U.S. Hotels in 2026

CoStar and Tourism Economics made minor adjustments to their hotel forecast this week during the Americas Lodging Investment Summit.



by [Michael J. Shapiro](#)
January 28, 2026



Photo Credit: Adobe Stock

[CoStar](#) and [Tourism Economics](#) made small adjustments to previous projections in their first 2026-'27 U.S. hotel forecast of the year. The analysts released their latest update this week at the [Americas Lodging Investment Summit](#) in Los Angeles.

Projected occupancy, average daily rate and revenue per available room each were upgraded for 2026 by 0.1 percentage points from the previous forecast from late 2025. Demand was actually reduced by 0.1 percentage points, but the upticks in the other three metrics come thanks to a 0.2 percentage-point reduction in supply growth.

"We expect top-line performance to strengthen in the second half of the year, although growth will remain moderate and concentrated among higher-tier hotels," said STR president [Amanda Hite](#). The growth will continue to affect the group-friendly properties planners are likely to use most.

Reasons for hotelier optimism

World Cup host markets and their surrounding areas are expected to show notable gains this summer, Hite continued. "In addition, calendar shifts will provide a lift, especially as we move past the elevated comparables from the 2024 hurricane-affected markets," Hite added.

There is likewise some optimism around travel and the economy. "We expect a more supportive backdrop for U.S. travel in 2026," said [Aran Ryan](#), director of industry studies with Tourism Economics. "While a softer job market weighs on younger and lower-wage households, real wage gains and household wealth should keep consumer spending resilient. Business investment will broaden beyond AI, as borrowing costs ease and tax incentives support new projects."

Tourism Economics analysts also expect the global love of sports and travel to counteract current geopolitical tensions. "International travel faces near-term headwinds but will likely see a gradual rebound as global demand strengthens and the World Cup boosts summer arrivals," Ryan added.

Looking ahead, growth is expected to ramp up further in 2027 — although the projected 1.4 percent RevPAR growth still lags considerably behind the long-term average growth rate of 3 percent.



U.S. Hotel Forecast

YoY – year over year (% change)

	2025 Actual	2026 Forecast	2027 Forecast
Supply (YoY)	+0.7%	+0.7%	+0.9%
Demand (YoY)	-0.5%	+0.4%	+1.0%
Occupancy	62.3%	62.1%	62.2%
ADR (YoY)	+0.9%	+1.0%	+1.3%
RevPAR (YoY)	-0.3%	+0.6%	+1.4%