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The winter storm effect: How does hotel occupancy and average daily rate react to winter storms?

Hotel demand tends to follow a similar pattern in each major blizzard

Carnival flags wave in the wind as snow covers the French Quarter during a snow storm on January 21, 2025 in New Orleans. (Getty Images)

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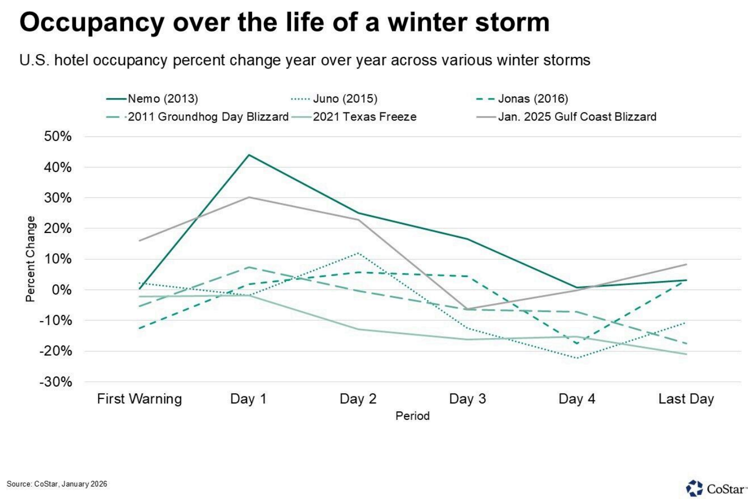
January 16, 2026 | 8:58 AM

Winter storms can shut down power, block roads and halt travel. But what does that mean for U.S. hotel performance from the first warning to the storm's peak and eventual recovery?

A clear pattern of hotel performance emerges in historical major weather events. This analysis will consider a series of Northeast U.S. storms — Nemo in 2013, Juno in 2015, and Jonas in 2016 — the Groundhog Day Blizzard of 2011 that buried everything from Texas to the Great Lakes, and southern surprises such as the Texas freeze of 2021 and the rare Gulf Coast blizzard of January 2025.



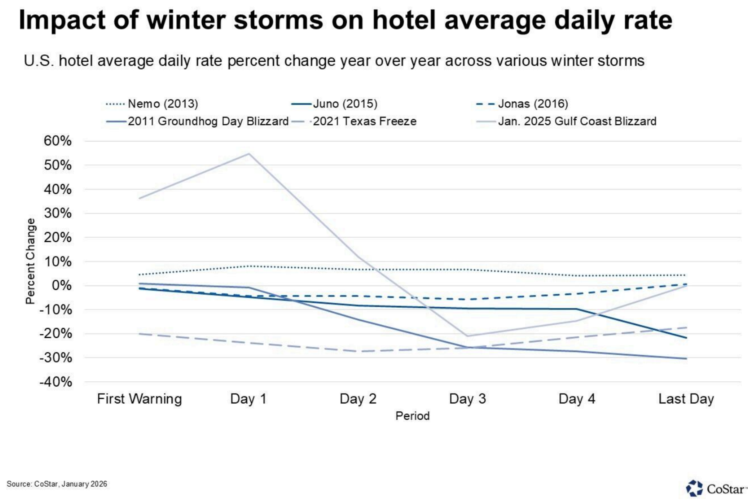
From the moment winter storm warnings are issued, hotel occupancy begins to climb. It typically peaks during the first few days of the storm.

Juno, for example, included about two days of heavy snow, and by day three, people who were stuck in their local city began to leave, causing occupancy to drop sharply. By day four, cities hit hardest were no longer desirable destinations — they were dealing with travel bans, blocked roads and grounded flights.

This pattern repeats across every storm studied: an initial surge in hotel occupancy when warnings go out, followed by a steep decline as once-stranded guests head home. Recovery usually takes three to four days after the lowest point, giving time for snow to melt, plows to clear roads, and cities to repair and reopen for travelers.

Hotel average daily rate tells a different story. When a state declares a natural disaster or state of emergency, anti–price gouging laws take effect. This constrains the ability to adjust rates to match the surge in hotel demand, even as demand spikes due to power outages, broken plumbing and damaged homes.

Across most winter storms, ADR sits at a negative and consistent line throughout the event, except for the Gulf Coast blizzard of 2025. In that case, the state of emergency wasn't declared until day two, so ADR initially held steady before dropping sharply and then following occupancy downward. By the last day, ADR begins to recover as restrictions lift.



Forecasting the impact of winter storms on hotel occupancy is tricky. Across these six record-breaking events, the same rhythm appears: early gains when warnings hit, then sharp declines as the storm peaks and travel grinds to a halt. Quantifying the exact effect is hard, but one thing is clear, occupancy rises early, then falls fast when movement stops. Meanwhile, ADR remains constrained, shaped by emergency statutes and anti-gouging laws.

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