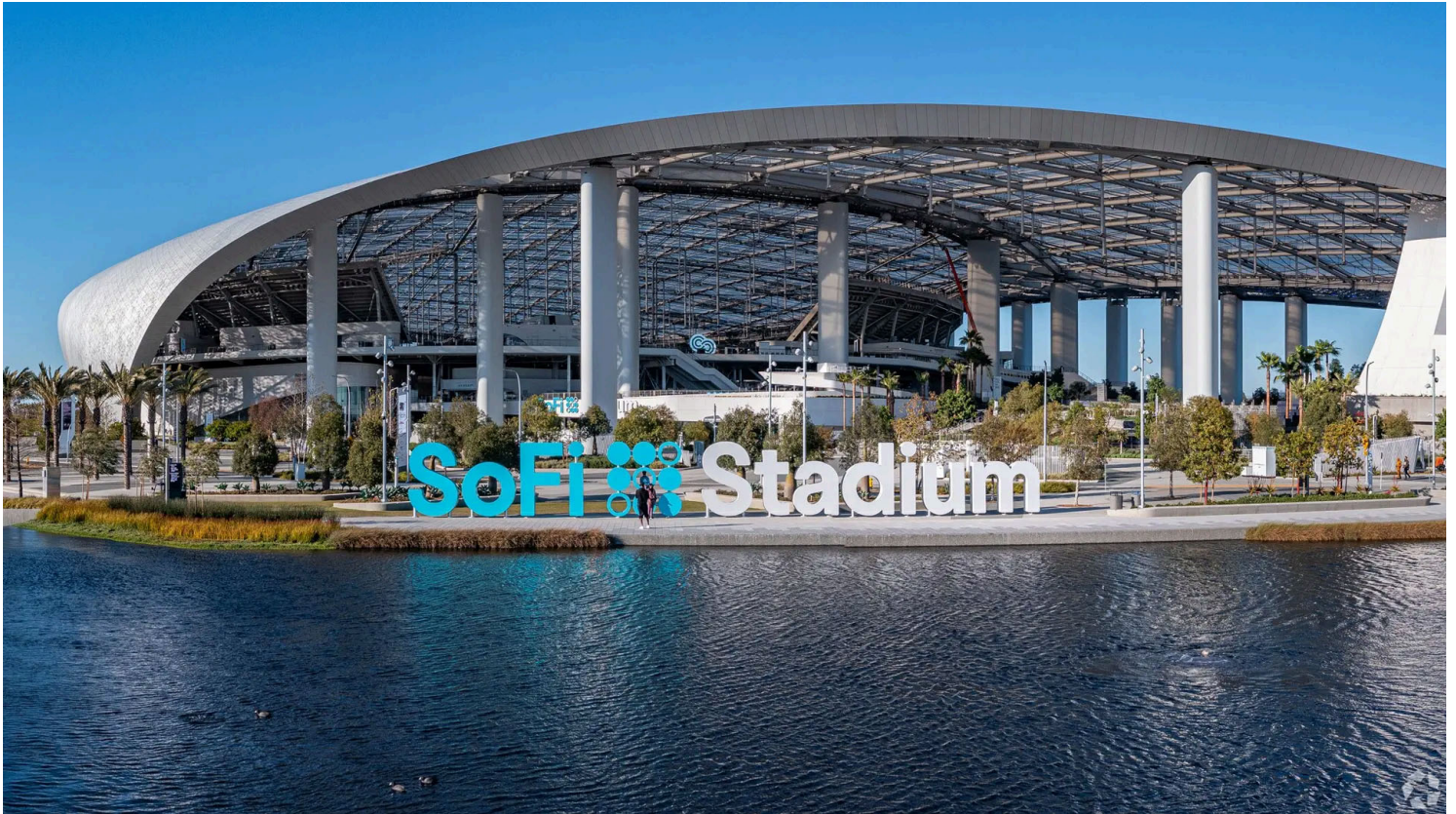


# US hoteliers set expectations for 2026 World Cup demand, pricing power

Outlook tempered due to displaced group travel



Los Angeles has a leg up on other host markets awaiting the draw release on Dec. 5, as it has already been announced that it will play host to two group matches for the U.S. national team, including its opener. (CoStar)

By **Trevor Simpson**

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The hype surrounding FIFA World Cup 26 is palpable. It's the biggest iteration of the tournament in its near 100-year history, and it will be spread out between 16 North American markets.

While hotel average daily rates are expected to surge in those markets — and their submarkets — overall demand expectations are relatively tempered due to concerns about length of stay, group and business displacement, and international travel. There will be more clarity once the draw is announced on Dec. 5, which will determine where each team will play its group stage matches.

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Jan Freitag, national director of hospitality analytics at CoStar Group, said U.S. hoteliers are mostly optimistic about the potential impact of the World Cup coming to their markets, but the depth of that impact will depend on the teams that come through. Certain teams will bring with them a rabid fanbase that is prepared to spend on hotel accommodations.

According to Tourism Economics' latest "U.S. Travel Outlook" report citing CoStar data, the World Cup is likely to boost hotel revenue per available room in each host market and its corresponding submarkets. The boost in RevPAR will come on the rate side rather than the demand side, Freitag said, since most group business will likely choose to stay away from these markets due to the high booking costs during this time frame.

"If you're a group meeting planner, and you know that the World Cup is in town, you're like, 'Ah, our flight is more expensive, our hotel is more expensive, our restaurant is hard to get into, let's just wait a couple of weeks to have this meeting,'" he said.

Harry Carr, senior vice president of revenue management at Pivot Hotels & Resorts — the lifestyle hotel operating vehicle of Davidson Hospitality Group — agreed with the sentiment that ADR will rise, but demand and length of stay is more of a concern.

"I think that it's going to bring in significant ADR lift around those game days, for sure," he said. "The big question on everybody's mind is, how much occupancy will it bring and will it be for a longer length of stay?"

The current consensus is that hotel performance numbers will look good in three-day windows around each match, but worries of displaced business persist outside of that, Carr said. High rates will rake in revenues just before, during and after matches, but occupancy could crater on the shoulder nights.

The impact of the World Cup will also differ from market to market. Cities such as Dallas and Houston will likely see large year-over-year improvements in demand since they aren't your typical summer destinations, but other host markets may see less of a pronounced spike, Carr said.

While hotel demand is still regarded as a question mark, pricing power is not. Freitag anticipates that luxury properties will see good results from high-spending guests who want to make the most of this moment.

"I would make the argument that this is one of those experiences that people really splurge on. They want to do it right," he said.

### Eyes on December

Prudent hoteliers have already started their planning for the World Cup, but there's only so much planning to be done as everyone awaits the release of the tournament draw on Dec. 5. The location for each individual match has already been released, but until the groups are announced, fans of specific teams won't know where to travel.

"The draw is going to be huge," Carr said. "I think everybody on Dec. 5 is going to be glued to the brackets and finding out which groups countries are in."

There haven't been a ton of forward bookings right now, due in part to hotels in these markets being heavily restricted, Carr said. There's been a trend of these properties placing required lengths of stays of up to five days with rates at double the typical cost.

Once the draw is announced, the expectation is guests will start to pull the trigger and make hotel bookings.

"For transient reservations, nobody's even close to their booking window," Carr said. "When we hit the Dec. 5 draw, people will start trying to figure out if they're willing to go, how long they're willing to go."

A few markets have a head start compared to the others: The three host countries — Mexico, Canada and the United States — will play their three group stage matches in their respective countries. Mexico will play in Mexico City and Guadalajara. Canada will play in Toronto and Vancouver. The United States will play in Los Angeles and Seattle.

Adam Burke, president and CEO of Los Angeles Tourism, said knowing LA will host two U.S. national team matches ahead of the Dec. 5 draw release is advantageous for the market.

"This early confirmation allows us to invite global soccer fans to start their World Cup experience in Los Angeles," he said in an email interview. "It also provides a head start for our hospitality partners to plan fan activations and community events, and the team itself to finalize all logistics, accommodations and training in advance, allowing the players to focus on their on-field strategy."

### International travel

One of the more pressing issues to the U.S. hotel industry of late is the lack of inbound international travel. When CoStar and Tourism Economics downgraded U.S. hotel projections for 2025 and 2026 back in August, U.S. tariff policies and negative rhetoric toward other countries were cited as a big reasons for weaker-than-expected performance.

With the World Cup being a large, global event, it's fair to wonder if demand won't reach its full potential because of angered international travelers.

"The rhetoric from the [presidential] administration against anything non-U.S. is just pretty prevalent," Freitag said. "I think some people will say, 'Look, if I'm from Europe and the next World Cup is in Europe, then maybe I'll sit this one out.'"

While a large portion of international travel won't be blocked, some teams participating in the tournament will be from countries that are not a part of the Visa Waiver Program.

"The countries obviously where visas are much harder to get, or where visas are much more expensive, that will be a significant hindrance for people to join, and their visitation numbers are going to go down," Freitag said.

Carr said he's cautiously optimistic that international travel won't be a headwind.

"I don't think it's going to have a huge impact, and that's just my personal opinion," he said. "When you look at past tournaments and past international demand, there's enough for the experience of the World Cup."

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