

EARNINGS

Wyndham, hit by travel pullback, reduces full-year projections

Hotel brand company saw 5% drop in rooms revenue in third quarter and now projects up to 3% decline for 2025



The Comwell Hvide Hus Aalborg, Dolce by Wyndham opened in Denmark in August. (Wyndham Hotels & Resorts)

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Hotel key performance metrics were markedly down in the third quarter for [Wyndham Hotels & Resorts](#) as the broader travel industry faces a monthslong slowdown.

Wyndham officials reduced their full-year 2025 expectations after a 5% year-over-year decline in revenue per available room for the third quarter. U.S. RevPAR also fell 5%, fueled by a 300-basis-point drop in occupancy and a 2% drop in average daily rate.

Wyndham officials said underperformance in California, Florida and Texas as a large reason for softness in the U.S.

International RevPAR dropped 2% in the quarter on a constant-currency basis.

Wyndham is now projecting a 2% to 3% drop in RevPAR for the full-year, down from prior expectations that ranged from 1% growth to a 2% drop.

During the company's earnings call Thursday morning, President and CEO Geoff Ballotti said digging into deeper metrics shows some signs of hope for the lower-end segments Wyndham is heavily concentrated in.

"We are seeing nothing structural that concerns us in any leading indicators that we look at daily," he said. "Our booking lead times are up 2% compared to prior year. Our lengths of stay are consistent with last year, and that's something that if we thought something structural was happening would not be the case. Our cancellation rates have actually improved over last year by 160 basis points. So with those indicators, we feel good."

If there's any advantage higher-end hotels have in the current environment, it's holding on to more pricing power, Ballotti said.

"Upscale hotels are able to price more aggressively to inflation than the lower chain scales where the guest is obviously more price-sensitive," he said.

Amid the soft performance metrics, Wyndham officials put an added focus on its rooms growth figures, highlighting the fact system-wide rooms and the company's development pipeline both grew 4% year over year.

Ballotti said the company has seen positive movement in the pace of new deals signed.

"Despite a challenging macro environment, we delivered a 21% increase in room openings, signed 24% more deals in the quarter and grew our global pipeline by 4%," he said.

In total, Wyndham now has 855,400 hotel rooms globally with 503,400 rooms in the U.S. The company's development pipeline now consists of 2,180 hotels with 257,000 rooms, more than half of which is outside the U.S.

Key openings for the quarter include several international properties like the Wyndham Grand Costa del Sol Lima Airport in Callao, Peru; the Wyndham Grand Yichang Riverside in Yichang, China; Hotel Traveline Downtown Singapore, Trademark Collection by Wyndham in Singapore; and the Comwell Hvide Hus Aalborg, Dolce by Wyndham in Aalborg, Denmark.

The company also [launched a new economy lifestyle extension](#) to its Dazzler by Wyndham soft brand called Dazzler Select by Wyndham. The first property, the 173-room [Magic Moment Resort & Kids Club](#), is already open and operating in Kissimmee, Florida.

Subscription platform

Just ahead of the company's earnings call, Wyndham launched a new subscription platform through its loyalty program Wyndham Rewards called Wyndham Rewards Insider.

The program is structured as a \$95 annual fee to travelers that provides them immediate gold-level status benefits along with savings and perks with partners for air travel, car rentals, cruises and experiences. The program also includes a

partnership with Ticketmaster to earn and redeem points on concerts and other live events.

Ballotti said he expects this program to find a unique niche in the travel industry.

"The subscription economy is absolutely booming, and hotel loyalty travel subscriptions are really in their infancy," he said. "Of those that have something like this in the hotel space, they're limited to select brands or hotel-only benefits. But at \$95 a year, we expect the savings for the average Wyndham Rewards member to cover the fee after just one trip, plus members earn a free night."

Third-quarter performance

Despite the room revenue headwinds, Wyndham grew both net income and adjusted earnings before interest, taxes, depreciation and amortization [in the quarter](#).

Net income was up 3% year over year to a total of \$105 million. Adjusted EBITDA was up 2% to \$213 million. The company did slightly reduce its full-year projections for both of those metrics along with fee-related revenues.

Net revenue for the quarters came in at \$382 million for the third quarter, down from \$396 million in the same period of 2024.

As of press time, Wyndham stock was trading at \$75.57 a share, down 24.3% year to date. The New York Stock Exchange composite was up 13.5% for the same period.

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