

# 2023 Hotel Performance Outlook for Denver

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With occupancy nearing the 70% mark and ADR levels approximately 4% above 2019 levels, the Denver lodging market achieved a RevPAR level in 2022 that was approximately \$5 below 2019 levels. In line with the top 25 major metropolitan areas in the U.S., ADR has led the way in the recovery, with occupancy remaining below prior peaks.

Compared to the overall statistics for the top 25 major metropolitan areas, Denver has recovered more from an occupancy perspective but less from an ADR perspective. For the major markets, ADR is up \$15 from 2019, on average, while Denver's ADR only increased \$5. As a result of slower ADR growth, RevPAR continues to lag 2019 levels in Denver, while the composite of the 25 major metropolitan areas reflects a full RevPAR recovery to 2019 levels.

This somewhat delayed recovery could be attributed to several factors specific to the city:

- Increased supply
- More limited luxury supply compared to other major markets, which is the segment that experienced some of the strongest rate growth in 2022
- More competitive ADR positionings, as hoteliers focus on establishing a stronger demand base given lower group and corporate travel levels

Nonetheless, the overall outlook is generally positive for 2023 given the city's diverse demand base, strong and increasing tourism levels, and the expansion of the convention center.

HVS has forecast occupancy for this market to increase to the low 70s in 2023, approximately 2.5 points above 2019. Rate growth has been forecast at 5% in 2023, which is on par with our national forecast. These growth rates are expected to result in a 2023 RevPAR for Denver above 2019 levels.

For more information, or to discuss your specific project, please feel free to contact **Katy Black, MAI**, at (970) 305-2229 or [\[email protected\]](#).

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## Summary

This article provides an outlook for the Denver hotel market.

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### About **Katy Black, MAI**



Katy Black, MAI, is the Managing Director and Leader of the consulting and valuation practice of the Denver office. She is an appraisal and consulting expert in the lodging markets throughout the Western U.S. Since joining HVS in 2013, Katy has gained diverse experience spanning limited-service motels, city-center hotels, luxury assets, golf resorts, and mixed-use developments, as well as resort-residential and rental-management programs. She specializes in high-end, complex resorts and has provided valuation and consulting services for gaming assets and large hotel portfolios. In addition, Katy has worked extensively on unique lodging properties, such as glamping resorts, casino hotels, hostels, and waterpark resorts. Katy graduated from the University of Delaware with an honors BS in Hotel, Restaurant, and Institutional Management. She also earned an MS in Accounting from the University of Akron. She is a state-certified general appraiser and a Designated Member of the Appraisal Institute (MAI). Contact Katy at (970) 305-2229 or [\[email protected\]](#).