MARKET REPORT

HVS U.S. Market Pulse: September 2026

SEPTEMBER 30, 2026

Our forecast is anticipating a strong fall meeting and convention season, following very solid summer performance. ADR is the star of the show this year, with a robust stock market and a propensity for booking more luxury and upper-upscale stays lifting the overall average well beyond initial expectations. Other factors currently impacting our industry include youth sports and staffing challenges.

We've seen ups and downs in recent weeks with RevPAR changes as we deal with a Labor Day shift in year-over-year comparisons and move out of the busy summer season and into the fall months. The latest weekly trends as of the writing of this article reflect strong net September performance even with the holiday timing, with RevPAR growth of just over 10% for the first half of the month. We are anticipating a relatively healthy fall travel season, with corporate transient and meeting indicators for October through Thanksgiving looking relatively favorable. December is likely to be a steady month for demand as well. A slight moderation in ADR growth is anticipated for next year, without the World Cup lift benefiting the industry, but overall occupancy and RevPAR growth should remain healthy.

Our current U.S. forecast is as follows.

HVS Forecast for U.S. Hotel Metrics Through 2029

	Occupancy	ADR	% Chg	RevPAR	% Chg
2024 (Actual)	63.1 %	$159	2.0 %	$100	2.1 %
2025 (Actual)	62.3	161	0.9	100	-0.3
2026	**63.2**	**166**	**3.5**	**105**	**5.0**
2027	**63.4**	**170**	**2.5**	**108**	**2.8**
2028	**63.7**	**175**	**3.0**	**112**	**3.5**
2029	**63.9**	**181**	**3.0**	**115**	**3.3**

Source: HVS (Forecast), STR/CoStar (Historical)

If you regularly traveled through airports this summer, it is likely you passed a traveling team in uniform, if not two, three, or five teams. I certainly took notice, and most general managers I have spoken with commented on the importance of their youth sports bookings. According to the Sports & Fitness Industry Association, the popularity of team sports continues to rise. While rising inflation is affecting our overall cost of living, parents are still prioritizing spending for youth sports activities, and the trend does not appear to be waning. This sector was an important contributor to the rise of summer performance across U.S. lodging markets. And now that the fall semester is in full swing, the rising popularity of collegiate sports will certainly help lift fall RevPAR as well.

In past editions of this article series, I have commented on the shift stateside for vacation travel, which was another factor contributing to the summer rise in RevPAR. Budgets that may have been initially set aside for international trips easily accommodated rising upper-upscale and luxury rates at resorts nationwide. This also balanced the ongoing reduction of inbound international travel, particularly from Canada.

Another common thread through my property interviews is line-level staffing challenges, particularly in departments that benefited from a strong pool of immigrant applicants in the past. Times have changed, and owners are leaning into new strategies to keep these positions staffed. Among the approaches yielding the best results are more competitive compensation and benefits and a greater reliance on outsourcing.

On the compensation and benefits side, managers are offering more full-time positions with benefits, instead of part-time ones, for line-level positions. This has raised costs, but if done in tandem with efficiency efforts (and the use of contract labor elsewhere in the hotel), it can be close to a wash. Secondly, a significant trend in 2026 is leaning into the use of contract labor, as these third-party companies use focused strategies to recruit and retain staff that a single hotel just cannot employ. The use of contract labor can reduce operating costs for the property, as management can use more or less labor depending on occupancy and booked events.

I was inspecting a full-service property this month and learned of a commercial robotic vacuum unit used to clean the hotel's public spaces during (mostly) evening/night hours. Guestroom hallways, lobby areas, food and beverage outlets, and meeting rooms and foyers were all cleaned by these units. There was an initial cost for their purchase and programming, but when finding staff to handle the public-area cleaning was virtually impossible, it was a necessary investment and one that management was satisfied with.

HVS offers the HVS MarketCast if you require an occupancy and ADR forecast for a specific market or submarket. Please reach out to me to learn more.

Hotel transaction activity has improved this year, as rising RevPAR and a narrowing gap between buyer and seller expectations are bringing more deals to the closing table. According to MCSI Real Capital Analytics, almost 1,000 hotels sold in the first half of the year, reflecting a nearly 14% rise when compared to the first half of 2025, at an average 8.2% cap rate on deals where a cap rate was reported. The average price per key was $137,000 for the first half of 2026, almost

equal to the average for the first half of 2025. Deal volume is shaping up well for Q3, albeit at a slightly higher 8.4% cap rate for the quarter to date through mid-September, with a $142,000 average price per key.

Source: MSCI Real Capital Analytics (Closed U.S. Hotel Transactions)

Despite the headlines and recent Fed interest rate hike, we remain busier than ever at HVS. Buyers and sellers are increasingly realistic about completing deals and understanding that these financing and deal-making realities are likely to be in place for a while. Moreover, coming off a solid summer of RevPAR growth, T12 operating statements are looking healthy and are sparking significant activity on the refinancing front. We will keep monitoring how the fall travel season plays out, and we look forward to another strong year in 2027.

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Behind HVS Americas is a 35-member senior leadership team of seasoned hospitality consultants with deep expertise across the industry. With professionals based in more than 40 cities from Buenos Aires to Montreal, we bring both local market knowledge and a comprehensive view of the Americas. As the year progresses, we are closely monitoring hotel trends and committed to helping our clients make informed, confident decisions.