New England Inns & Resorts Association Spring Marketing Series

Lodging Trends 2026

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PINNACLE ADVISORY GROUP

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U.S. Lodging Market 2025

	2024	2025	% Change
Occupancy	63.1%	62.3%	-1.2%
ADR	$159	$161	+0.9%
RevPAR	$100	$100	-0.3%

Source: CoStar

- **RevPAR declined modestly:** Decline without a recession, signaling the end of post-pandemic tailwinds

- **K-Shape Economy:** Performance diverged sharply, with luxury and experience-driven segments outperforming while midscale and lower-tier softened

- **Disciplined Demand:** Shorter booking windows, increased price sensitivity, and selective spending

- **Weakened International Visitation:** Creating a structural headwind for U.S. leisure markets

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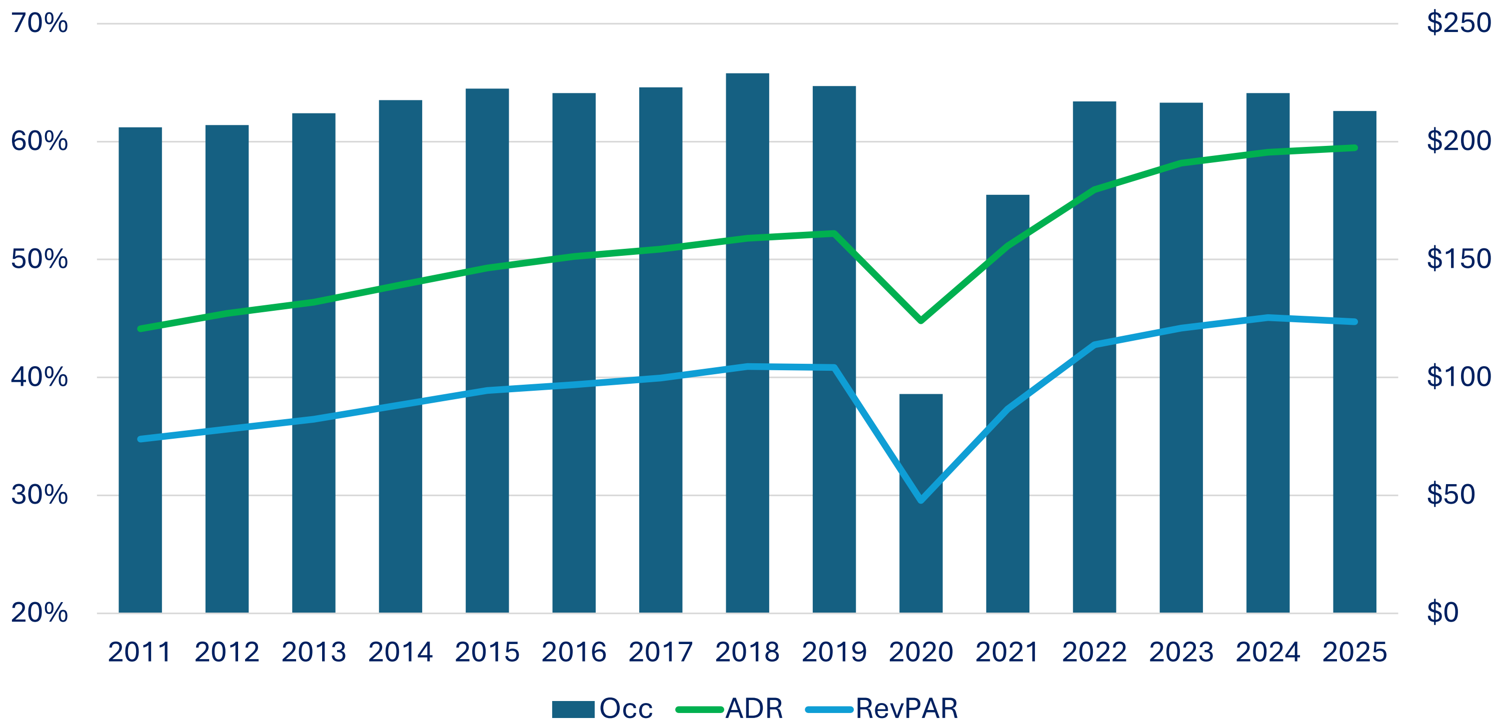
U.S. Lodging Market Q1 2026

	Q1 2024	Q1 2025	% Change
Occupancy	58.4%	59.2%	+1.4%
ADR	$158	$162	+2.4%
RevPAR	$92	$96	+3.8%

Source: CoStar

- **Q1 2026 Rebound:** RevPAR up 3.8% and March accelerating to nearly 6% growth
- **Recovery was Uneven:** Led by urban and group-driven markets while leisure-heavy markets lagged
- **Continued Limited Supply Growth:** Modest demand improvement translates into stronger RevPAR

New England Lodging Market



Source: CoStar

2025

+0.6% Supply

-1.8% Demand

-1.5 pts Occ

+1.0% ADR

-1.4% RevPAR

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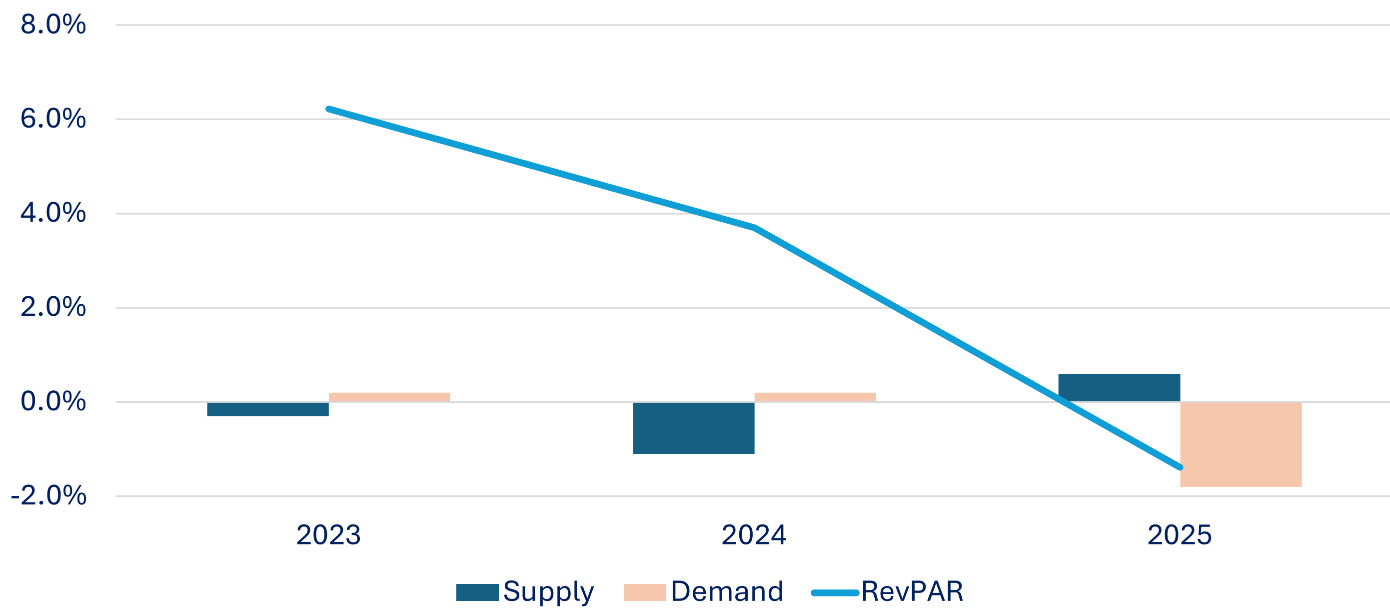
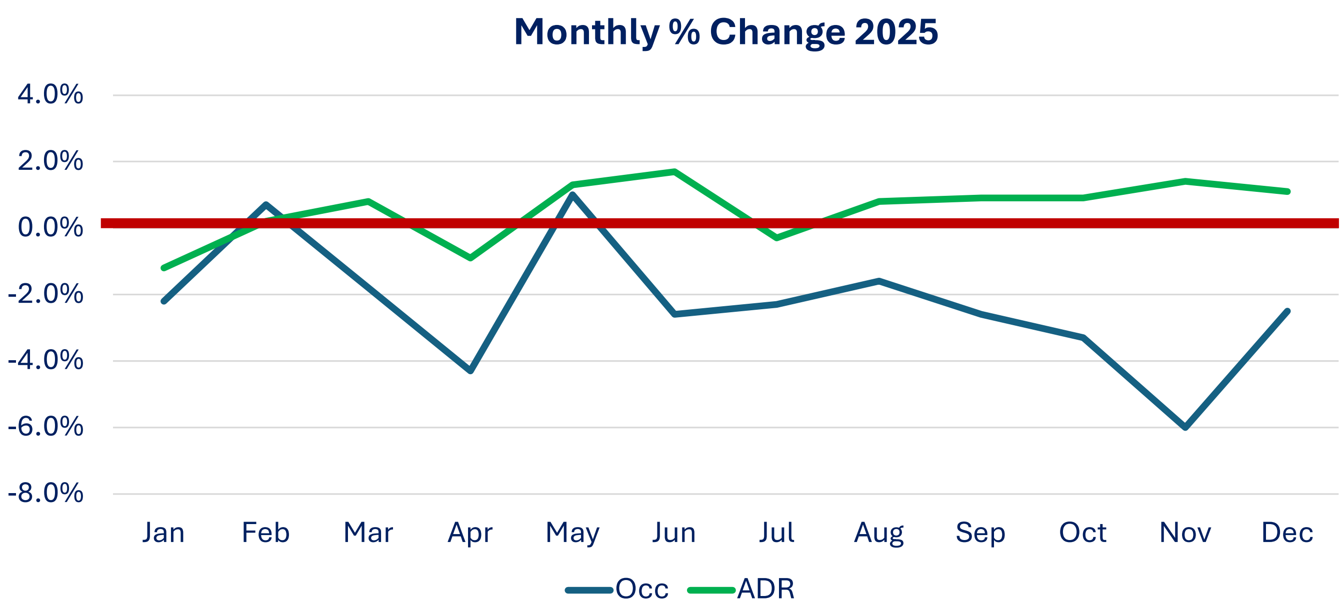
New England Lodging Market



Source: CoStar

New England Lodging Market



Total
-2.4% Demand
+0.7% ADR

Transient
-1.6% Demand
+0.3% ADR

Group
-5.7% Demand
+1.8% ADR

Source: CoStar

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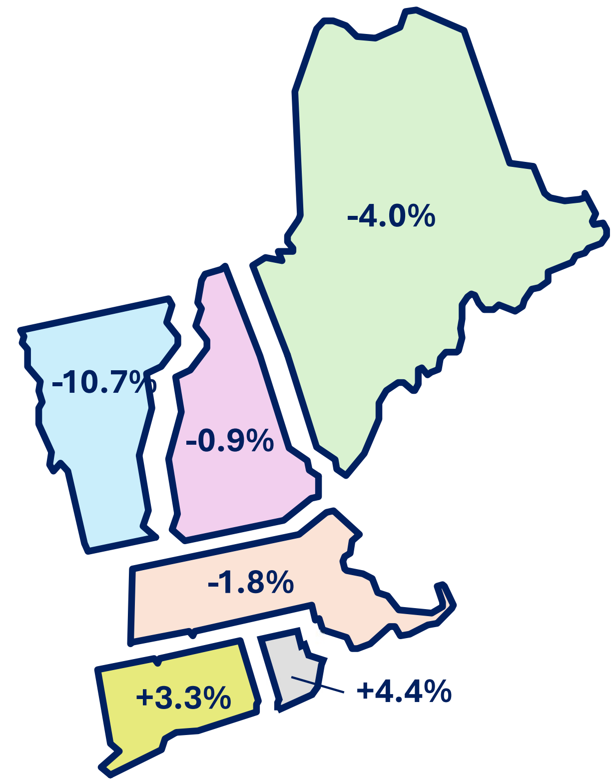
State by State 2025

	Occ	ADR	RevPAR	
CT	+0.6%	+2.6%	+3.3%	*Most Improved*
ME	-5.3%	+1.3%	-4.0%	*Structural Headwinds*
MA	-2.7%	+0.9%	-1.8%	*Fading Leader*
NH	-0.7%	-0.2%	-0.9%	*Flat & Fragile*
RI	-0.2%	+4.6%	+4.4%	*Top Performer*
VT	-7.2%	-3.7%	-10.7%	*Most Pressure*

Source: CoStar



RevPAR Change (2025)

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New England Lodging: Q1 2026

	Q1 2024	Q1 2025	% Change
Occupancy	52.9%	51.9%	-2.0%
ADR	$151	$152	0.6%
RevPAR	$80	$79	-1.3%

- **Regional factors drove Q1 softness**
- **Winter demand underperformed**
- **Calendar shifts and Canadian visitation added pressure**

Source: CoStar

Forces Shaping 2026

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- Demand is more selective and must be earned
- New England’s strength is also its exposure
- Supply constraints continue to support rate
- International demand remains a headwind
- STRs are capturing peak leisure demand
- Seasonality continues to drive volatility
- Margin pressure is building

Market Snapshot: Cape Cod & Islands

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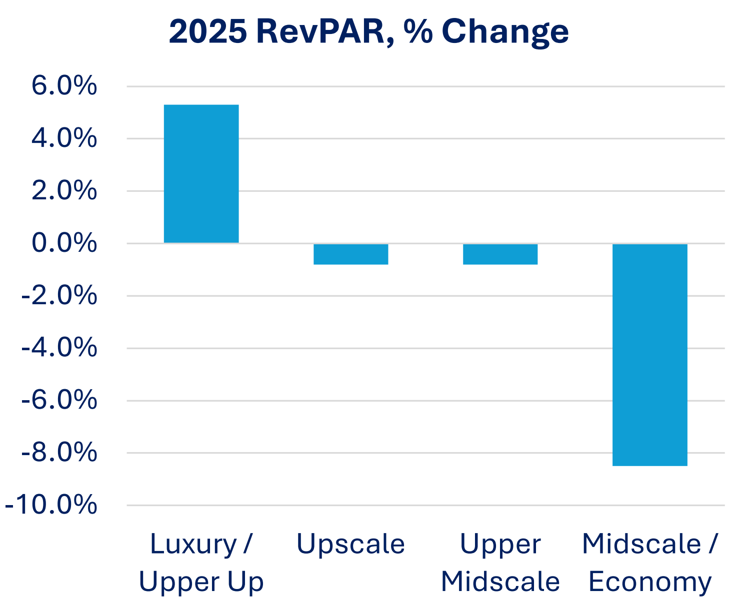
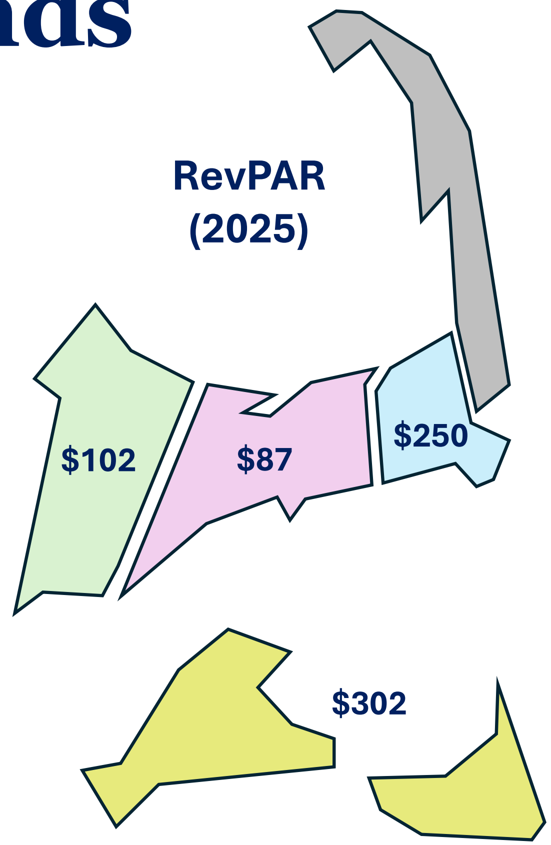
- Peak season remains exceptionally strong
- Luxury demand continues to outpace the broader market
- Guest behavior is shifting, not weakening
- Shoulder season is the key opportunity
- Weather remains the biggest variable
- International demand is mixed but evolving
- Tight supply environment supports pricing power

Market Snapshot: Cape Cod & Islands





2026 Forecast

Slight increase to occupancies

Islands and Lower Cape to continue above inflationary rate growth of 5-6%

Upper and Mid Cape to see moderate rate growth of 2-3%

Source: CoStar

Market Snapshot: Bar Harbor, Maine

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- Peak season is fully compressed and highly predictable
- Longer length of stay supports peak performance
- September is now a meaningful third month
- Rate growth is the primary performance lever
- Limited Canadian exposure relative to northern markets
- No new supply, but improving product quality
- Shoulder season remains volatile and weather-driven

Market Snapshot: Bar Harbor, Maine

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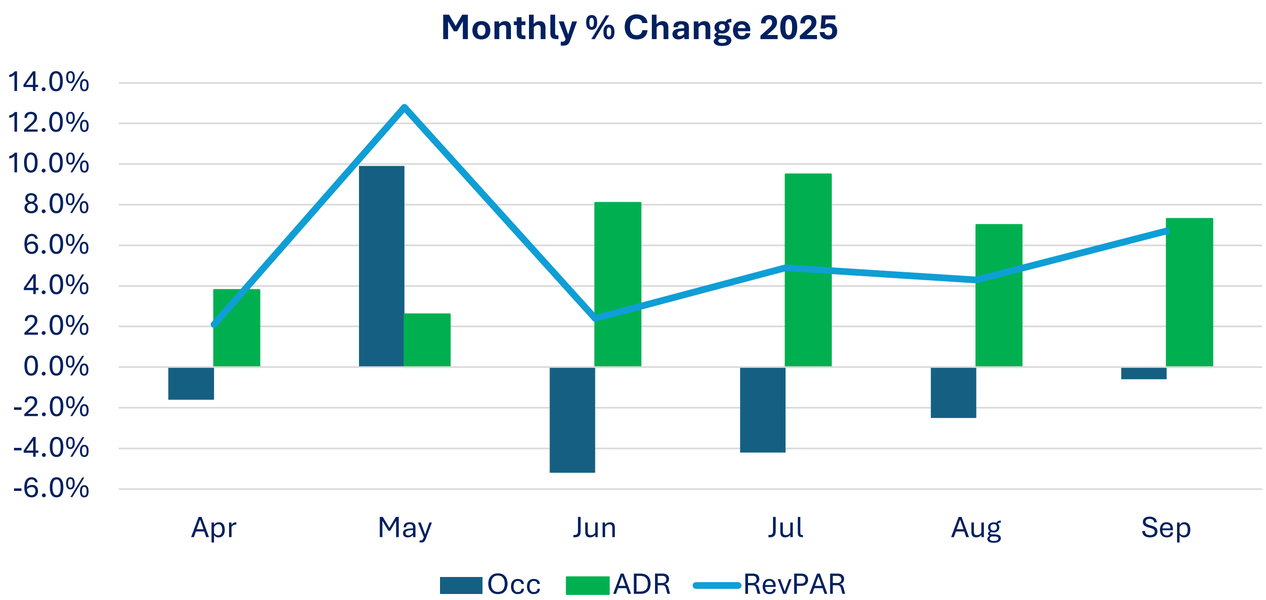

-1.5 pts Occ

+6.8% ADR

+5.2% RevPAR

Source: CoStar

2026 Forecast

Continued trajectory seen in 2025

Stabilized occupancy

Growth in ADR of 4-6%

RevPAR gains of 4-6%

Market Snapshot: Newport, RI

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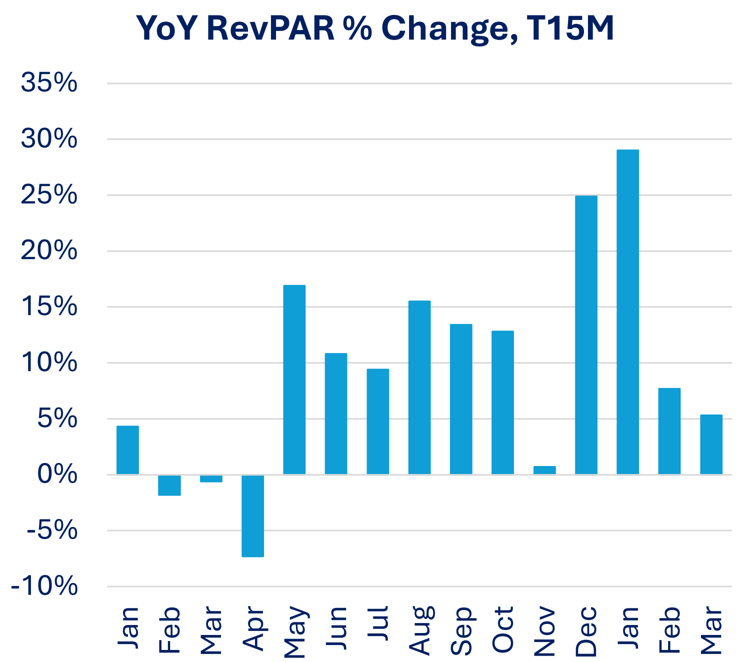
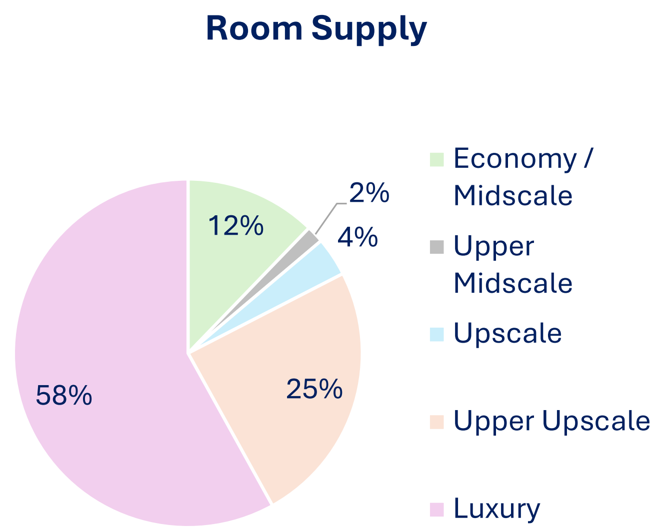
- Newport is the region's strongest performing market
- Luxury segment continues to set the pace
- Major reinvestment is elevating the competitive set
- Events and weddings anchor year-round demand
- Seasonality is narrowing meaningfully
- International demand represents upside
- Supply constraints continue to support rate growth

Market Snapshot: Newport, RI





2026 Forecast

Improved supply

Demand growth, improved occupancy

ADR growth of 5-7%

RevPAR gains of 6-9%

Source: CoStar

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Key Takeaways for 2026

2026 New England Forecast

- **As outlined, market-by-market variations**
- **Overall occupancy: Flat, modest demand growth in line with supply**
- **Overall ADR: +2.0% to 3.0%**
- **Performance will skew higher at the top-end and lag in the mid and lower- tier markets/scales**

2026 Areas of Focus

- **Hold rate**
- **Win the shoulder season**
- **Own your drive market**
- **Protect profitability**

The post-pandemic tailwind is behind us. Broad-based demand is no longer reliable source for performance.

New England is back to being a highly segmented, supply-constrained market where growth will be driven by rate, positioning, and execution.

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Thank you.