TOURISM ECONOMICS

AN OXFORD ECONOMICS COMPANY

Monterey County Custom Forecast

May 2025

Prepared for:

See Monterey

Context

See Monterey engaged Tourism Economics to prepare a custom forecast of key lodging indicators for Monterey County, CA.

This forecast relies on:

- Monthly STR hotel data through April 2025;
- Monthly CoStar Monterey/Salinas submarket data by hotel chain scale through April 2025;
- See Monterey's TID collections revenue;
- Economic forecasts prepared by Oxford Economics, parent company of Tourism Economics; and,
- Assumptions on the future path of the tourism sector in the context of economic trends.

Due to standard forecast variability, future hotel performance may vary from the estimates presented in this forecast.

Forecast Summary

- **Monterey County room revenue is expected to grow 3.7% in 2025 and grow 3.5% in 2026.**
- We've lowered our US outlook on the economy and travel due to domestic uncertainty and declines in international inbound as a result of the policies/rhetoric of the current administration.
- However, Monterey County is expected to be fairly insulated from the negative impacts. Luxury hotels continue to outperform across the US and 22% of Monterey rooms are classified as luxury (6% of US rooms are classified as luxury).
- Savings and travel intentions continue to be concentrated among wealthier households within the forecasted period.

Forecast Summary

Monterey County, CA+

	2019	2020	2021	2022	2023	2024	2025	2026
Levels								
Supply (millions)	4.37	4.29	4.43	4.49	4.53	4.57	4.56	4.66
Demand (millions)	3.16	2.01	2.76	3.08	3.00	3.05	3.13	3.18
Occupancy	72.4%	46.8%	62.2%	68.6%	66.2%	66.9%	68.5%	68.3%
ADR	$229.21	$178.49	$259.06	$267.69	$266.71	$267.77	$271.15	$276.17
ADR, Real	$229.21	$176.42	$245.44	$238.39	$229.03	$224.40	$219.57	$219.72
RevPAR	$165.87	$83.51	$161.20	$183.68	$176.45	$179.11	$185.79	$188.52
RevPAR, Real	$165.87	$82.55	$152.72	$163.58	$151.52	$150.10	$150.45	$149.99
Room Revenue (millions)	$724.9	$358.0	$714.9	$824.0	$799.6	$817.8	$847.9	$877.7
Growth								
Supply		-1.9%	3.4%	1.2%	1.0%	0.8%	-0.1%	2.0%
Demand		-36.6%	37.6%	11.6%	-2.6%	1.9%	2.4%	1.6%
Occupancy		-35.3%	33.0%	10.3%	-3.6%	1.1%	2.4%	-0.4%
ADR		-22.1%	45.1%	3.3%	-0.4%	0.4%	1.3%	1.9%
RevPAR		-49.7%	93.0%	13.9%	-3.9%	1.5%	3.7%	1.5%
Room Revenue		-50.6%	99.7%	15.3%	-3.0%	2.3%	3.7%	3.5%
Relative to 2019		-50.6%	-1.4%	13.7%	10.3%	12.8%	17.0%	21.1%

Source: STR, Tourism Economics

US Economy Assumptions

Economic Assumptions

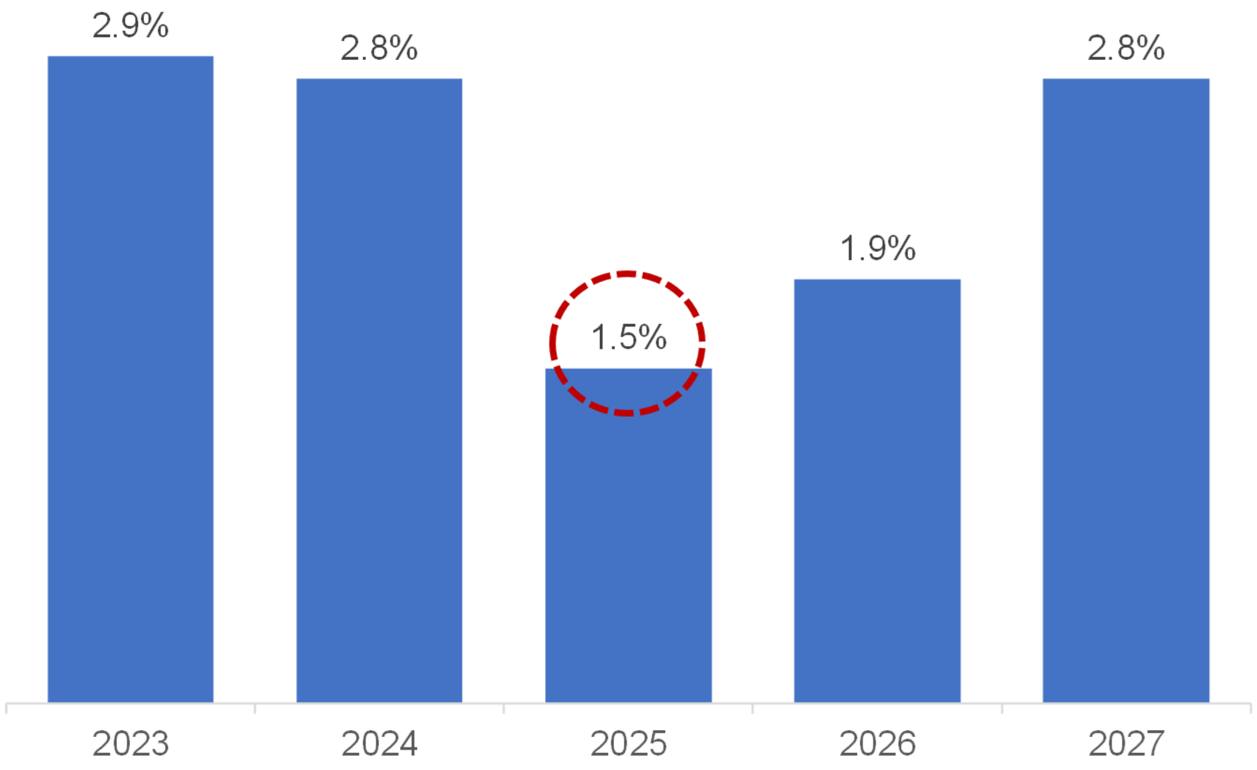
- Economic assumptions are based on Oxford Economics' May 2025 US Outlook and Tariff Monitor (both released May 12, 2025). GDP and inflation forecasts were updated using the US Research Briefing (released May 21, 2025).
- Compared to last month, we have slightly increased our GDP growth forecasts for the US by 0.1ppt to 1.3% in 2025 and 1.7% in 2026. The economy will still grow noticeably below its potential growth rate as it digests tariffs, supply-chain stress, tighter financial market conditions, and surging policy uncertainty. Recession risks will be elevated between now and early next year. The economy is expected to be markedly stronger in 2026, as a result of deregulation, fiscal stimulus, and less policy uncertainty.
- We currently think the overall US effective tariff rate will average 18% in 2025 and settle at 15% in the long run. However, our estimates assume no trade diversion toward lower-tariffed countries, so factoring in the likely rerouting of imports suggests the US effective tariff will end up even lower, at about 9%. The May baseline forecast was completed before the US and China agreed to lower tariffs for 90 days.
- We've lowered our forecast for inflation over the next couple of months because of the downward pressure from lower global energy prices, demand destruction, and idiosyncratic factors. Tariffs are still inflationary, and there are signs that consumer goods prices have begun to adjust recently to reflect the new tariff reality. This is evident in wholesale prices for used vehicles, which rose by nearly 2% in April, following months of declines. That will feed through to retail prices within a few months. The impact of higher inflation this year will still be noticeable and weigh on real disposable income and consumer spending.
- We expect the Federal Reserve will focus on inflation to ensure inflation expectations are anchored and that they don't duplicate their error in misreading inflation after the pandemic. We forecast one 25bps rate cut this year and a cumulative 125bps of cuts in 2026.
- Economic policy uncertainty has surged and will remain elevated for the foreseeable future, which will be a drag on business investment, particularly on equipment and structures, and private hiring. In our view, the greatest economic uncertainty revolves around trade policy (tariffs), rather than the potential fiscal, immigration, and regulatory measures.

US Economy Assumptions

GDP

US Real GDP

$ annualized



Source: Oxford Economics

- Compared to last month, we have slightly increased our GDP growth forecasts for the US to 1.5% in 2025 and 1.9% in 2026.
- The economy is vulnerable and has little margin for error.
- Recession risks will be elevated between now and early next year.
- The economy will improve next year, supported by tax cuts/extensions and the fading effects of tariffs on inflation and real disposable income.

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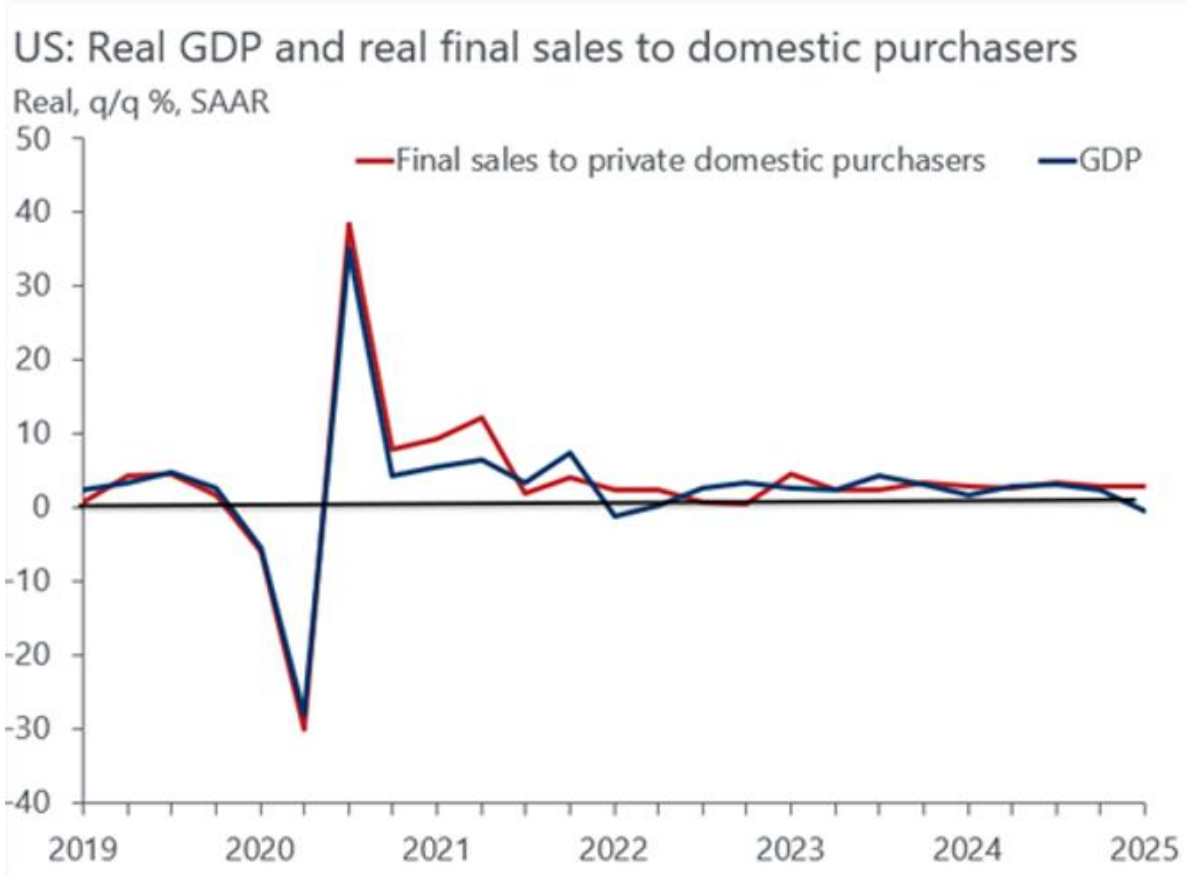
US Economy Assumptions

GDP

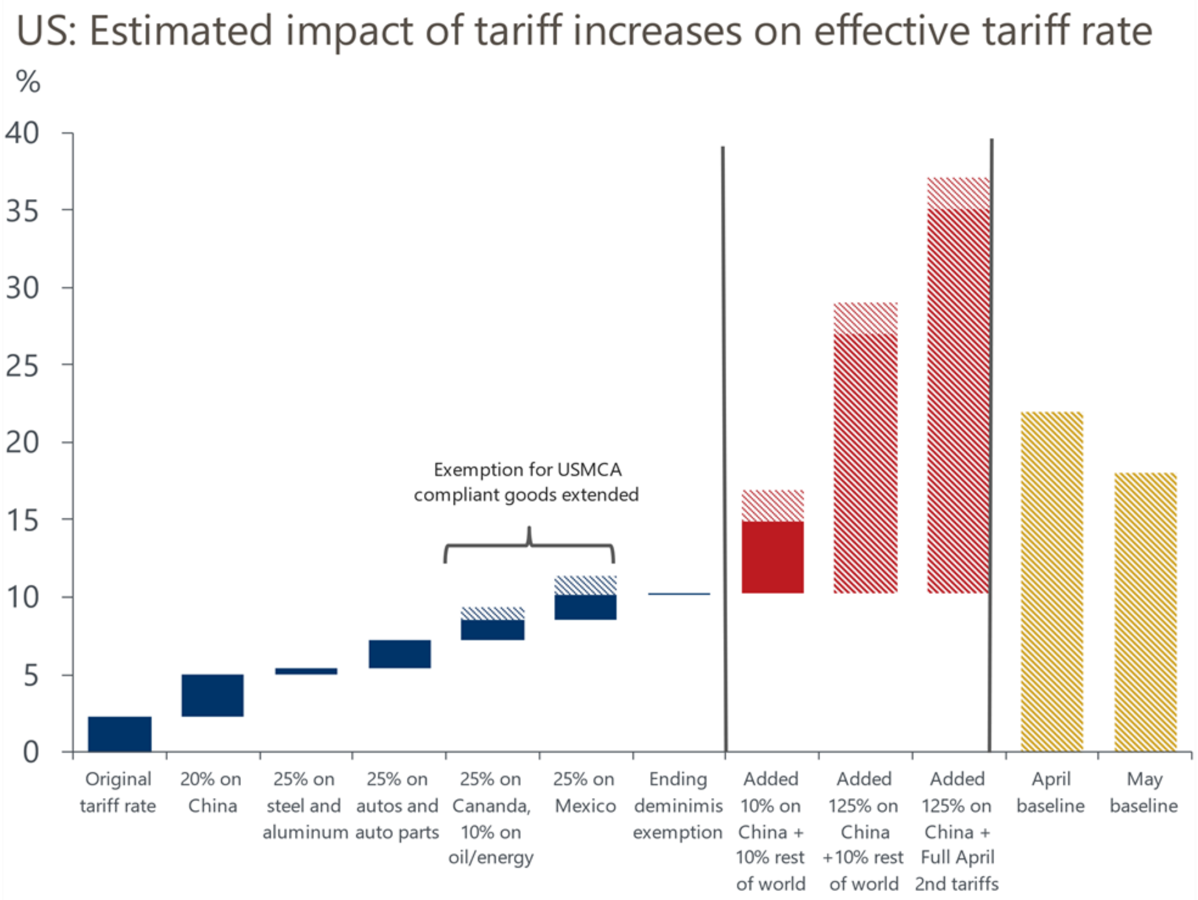


Source: Oxford Economics/Haver Analytics

- Real GDP slipped in Q1, and while a decline during an expansion is unusual, it's not unheard of, and the economy isn't in a recession. Imports were an enormous drag on Q1 GDP, and the composition of growth shifts the balance of risks to our forecast for growth in Q2 and Q3 to the downside.
- GDP is backward-looking, but there was some good news as real final sales to private domestic purchasers, the engine of the economy, posted a trend-like 3% annualized gain in Q1.
- This will be tested as the economy is now being hit by several shocks, including tariffs, supply-chain stress, tighter financial market conditions, and greater uncertainty.

US Economy Assumptions

Tariffs

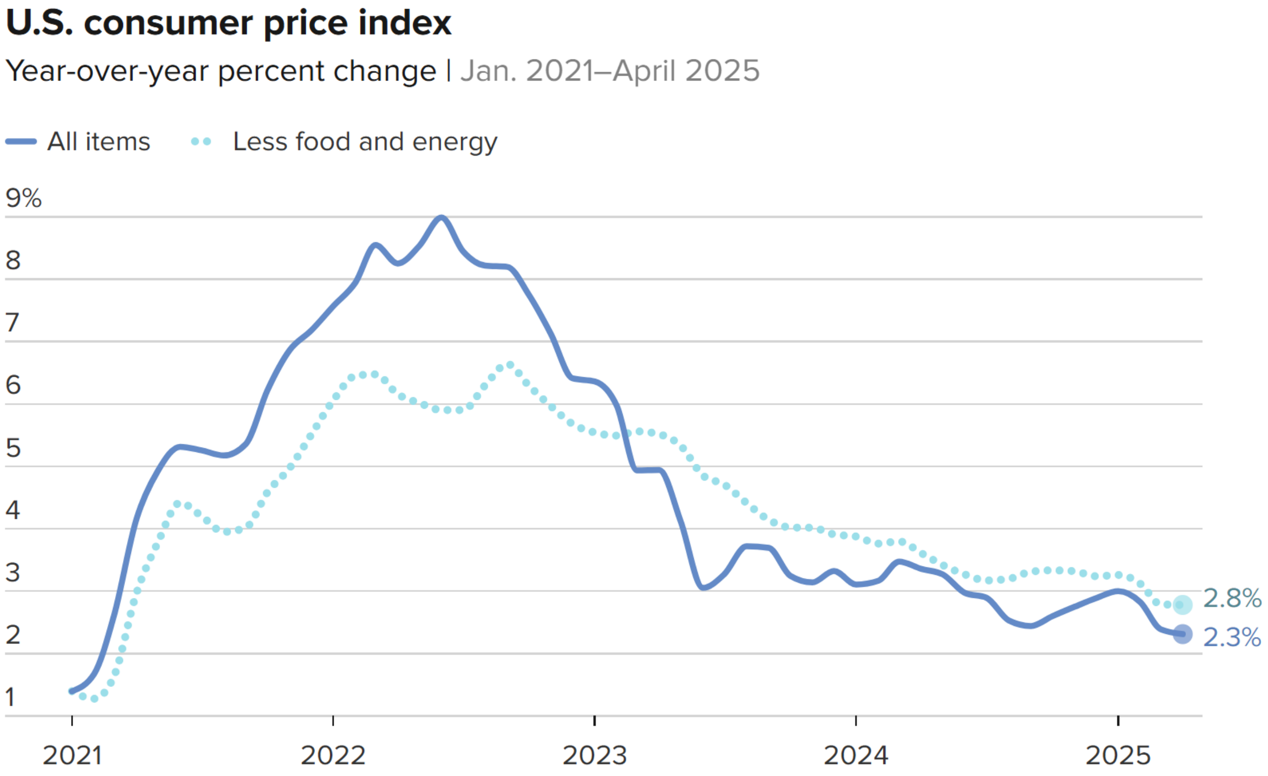


Source: Oxford Economics/USA Trade Online

- The latest tariffs on China, including the 90-day pause, will bring the US effective tariff rate down to 15%.
- Under our prior assumptions, we did not think we would see a substantial easing of tariffs between the US and China until the beginning of 2026. While the pause will expire August 10, it increases the odds that a permanent de-escalation is reached this year.

US Economy Assumptions

CPI

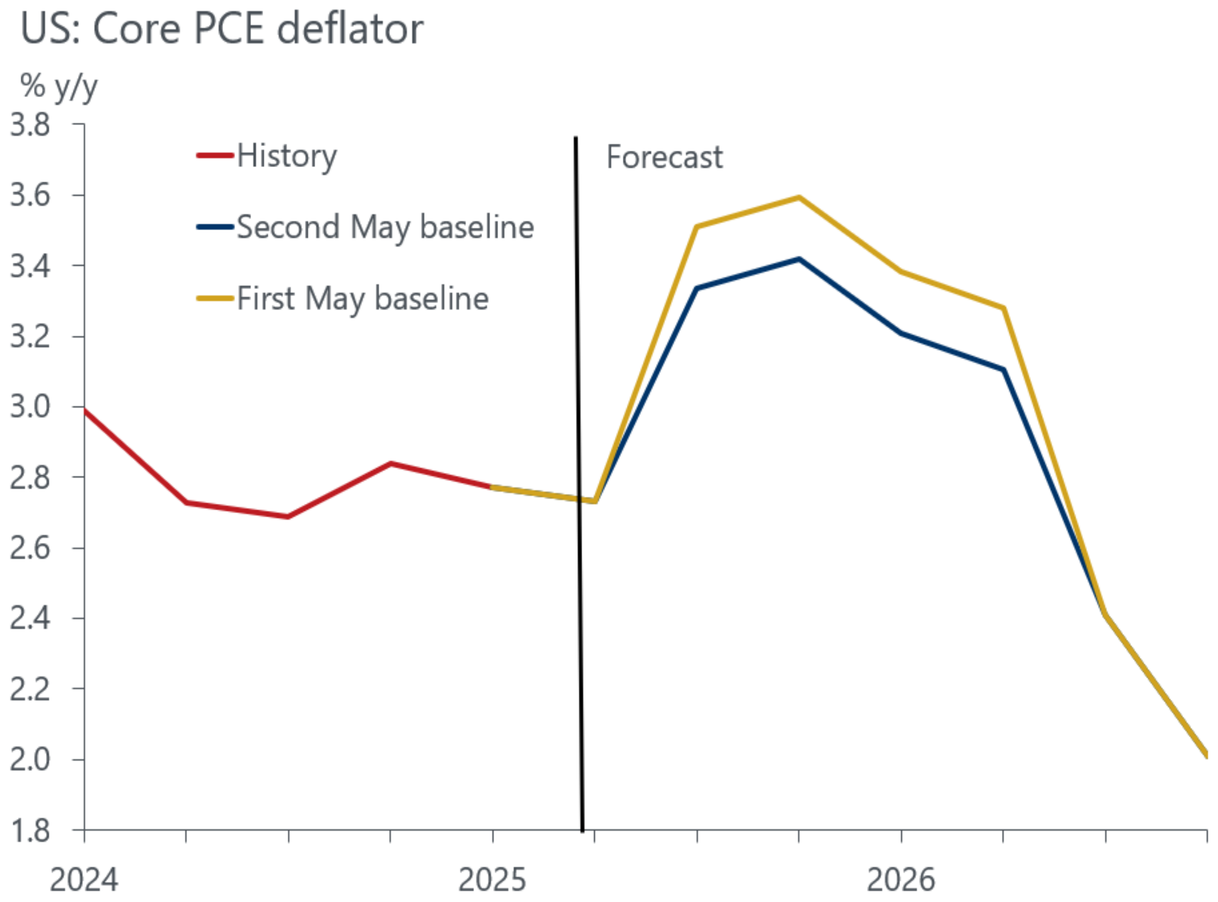


Source: CNBC/Bureau of Labor Statistics

- Inflation has been cooling this year, with the CPI down to 2.3% in April.
- The price of eggs fell sharply in April, and the large declines in equity markets will take 0.1ppt off PCE prices in April and May through lower portfolio management fees.

US Economy Assumptions

CPI Outlook



Source: Oxford Economics/Haver Analytics

- Higher inflation this year will be noticeable and weigh on real disposable income and consumers' spending.
- The Oxford Economics Global Economic Model (GEM) suggests roughly two-thirds of the rise in tariffs will end up being passed on to consumers in the form of higher prices, with most of the pass-through feeding through relatively quickly.

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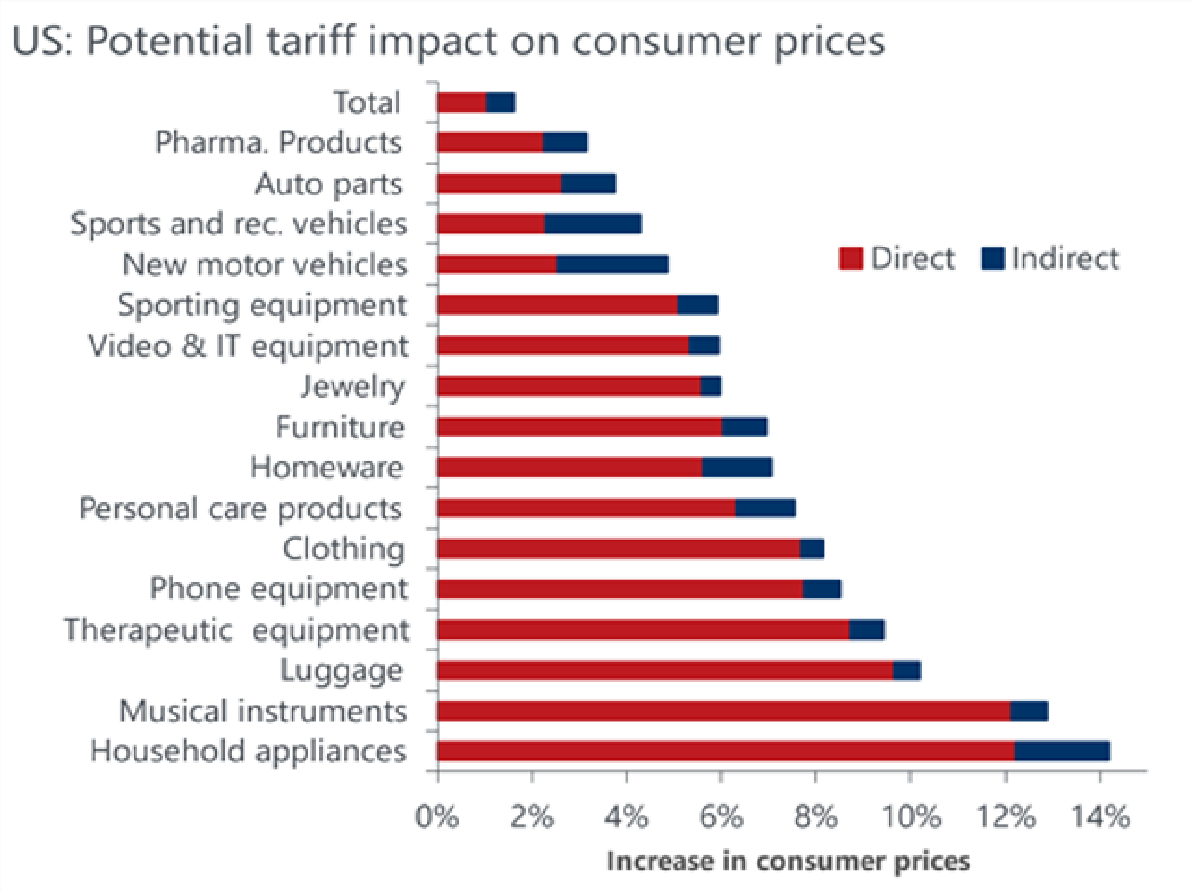
US Economy Assumptions

CPI Outlook

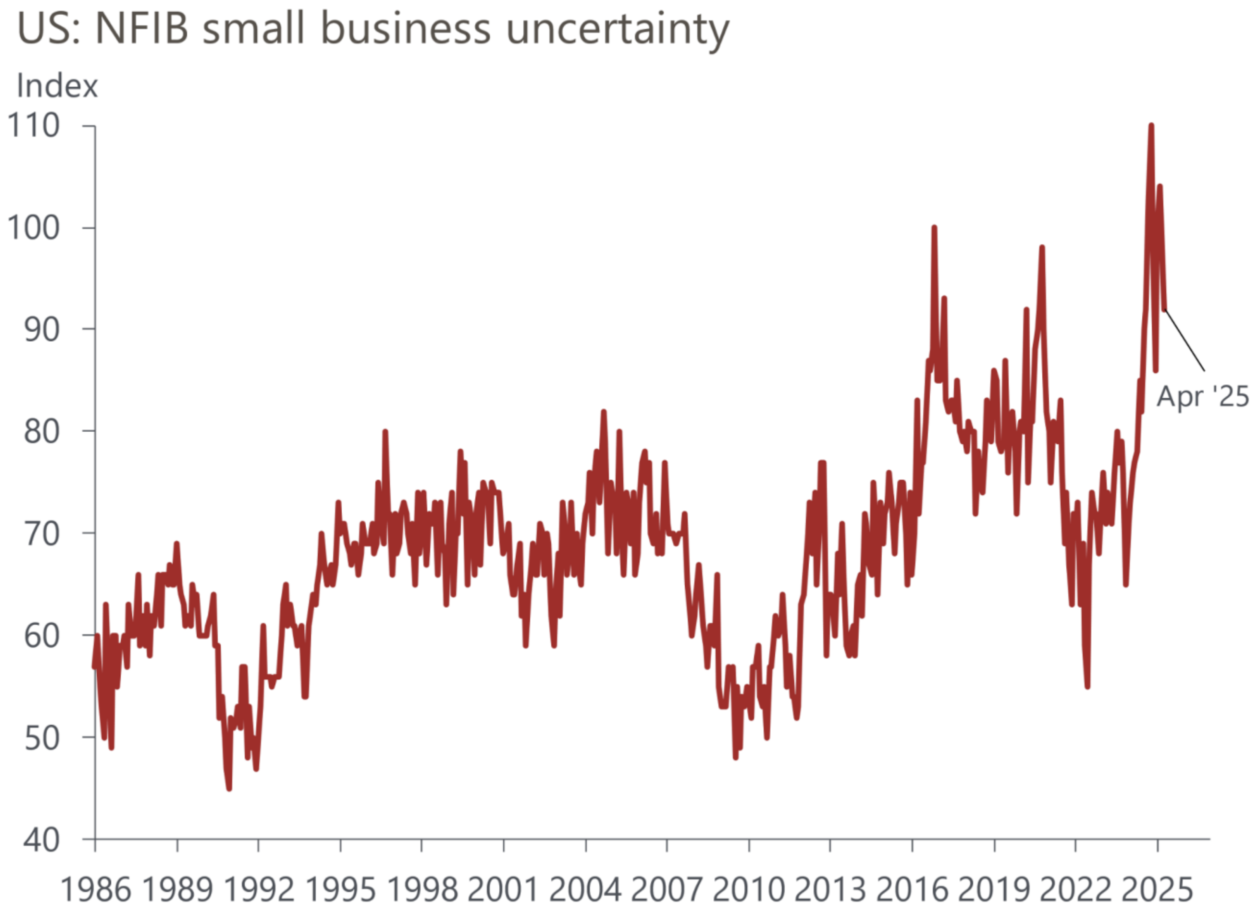


Source: Oxford Economics

- Some goods will see far larger increases, partly because tariffs are too large to absorb in the margins.

US Economy Assumptions

Business Uncertainty

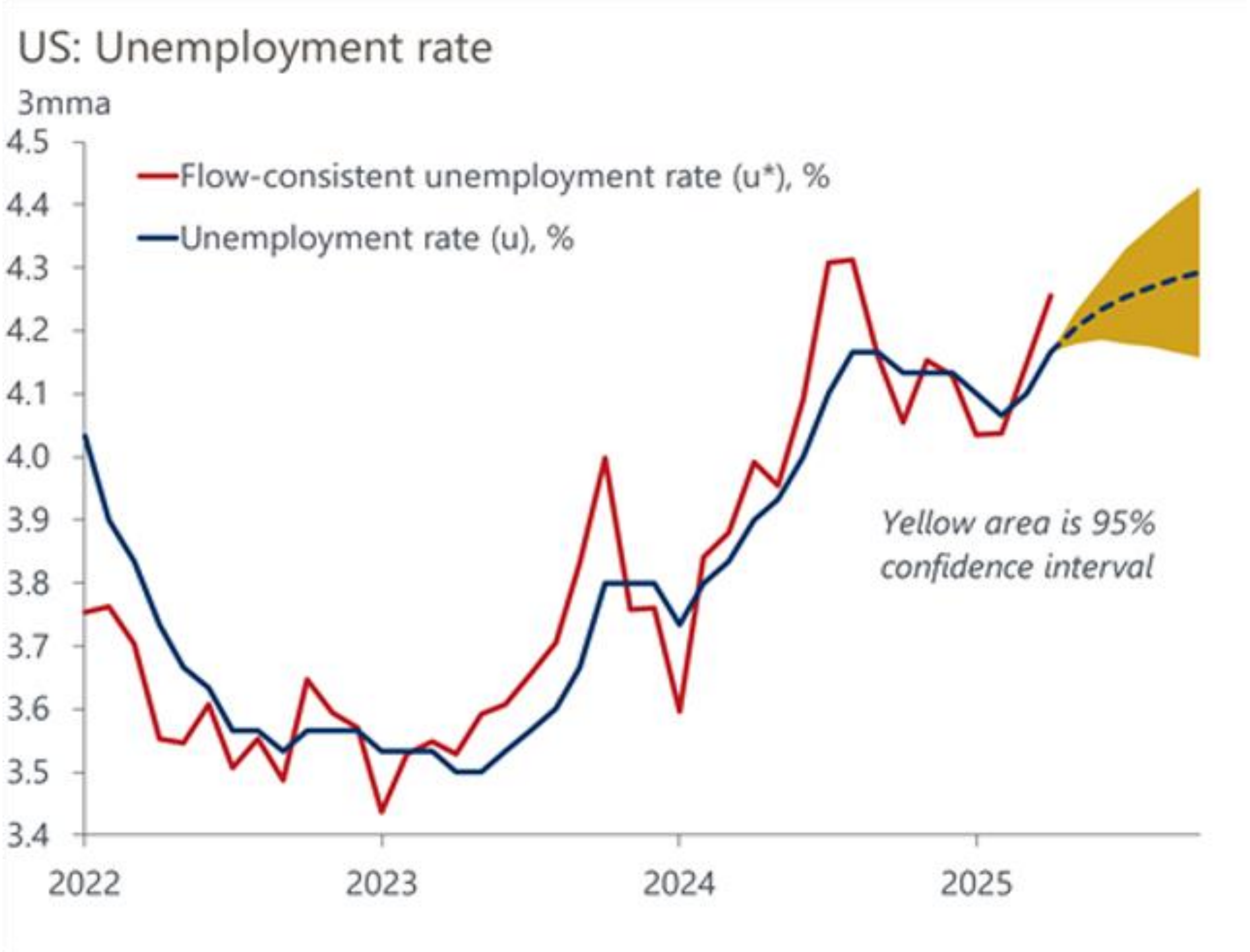


Source: Oxford Economics/NFIB

- Economic policy uncertainty has surged and will remain elevated for the foreseeable future, which will be a drag on business investment, particularly on equipment and structures, and private hiring.
- Uncertainty is suffocating for the US economy, but we haven't incorporated a larger drag into our forecast.
- The risks remain large and weighted toward uncertainty being a larger near-term drag on business investment.

US Economy Assumptions

Unemployment



- We expect the unemployment rate will average 4.7% in Q4 this year.

Source: Oxford Economics

US Demand Assumptions

Leisure demand activity: US

- Positive factors contributing to leisure demand activity:
  - Strong leisure travel intentions among higher-income households
  - Income growth will sustain some spending growth
  - Americans trading international for domestic travel as they believe they will be less welcome in other countries due to recent tariff policy decisions
- Impediments to leisure demand activity:
  - Low-income households spending more of their budgets on essentials than on discretionary purchases
  - Tariff uncertainty
  - Inflation weighing on real disposable incomes

Group demand activity: US

- Positive factors contributing to group demand activity:
  - Corporate profit margins remain strong
  - Higher spending levels from expected personal and business tax cut extensions
- Impediments to group demand activity:
  - Tariff uncertainty

US Demand Assumptions

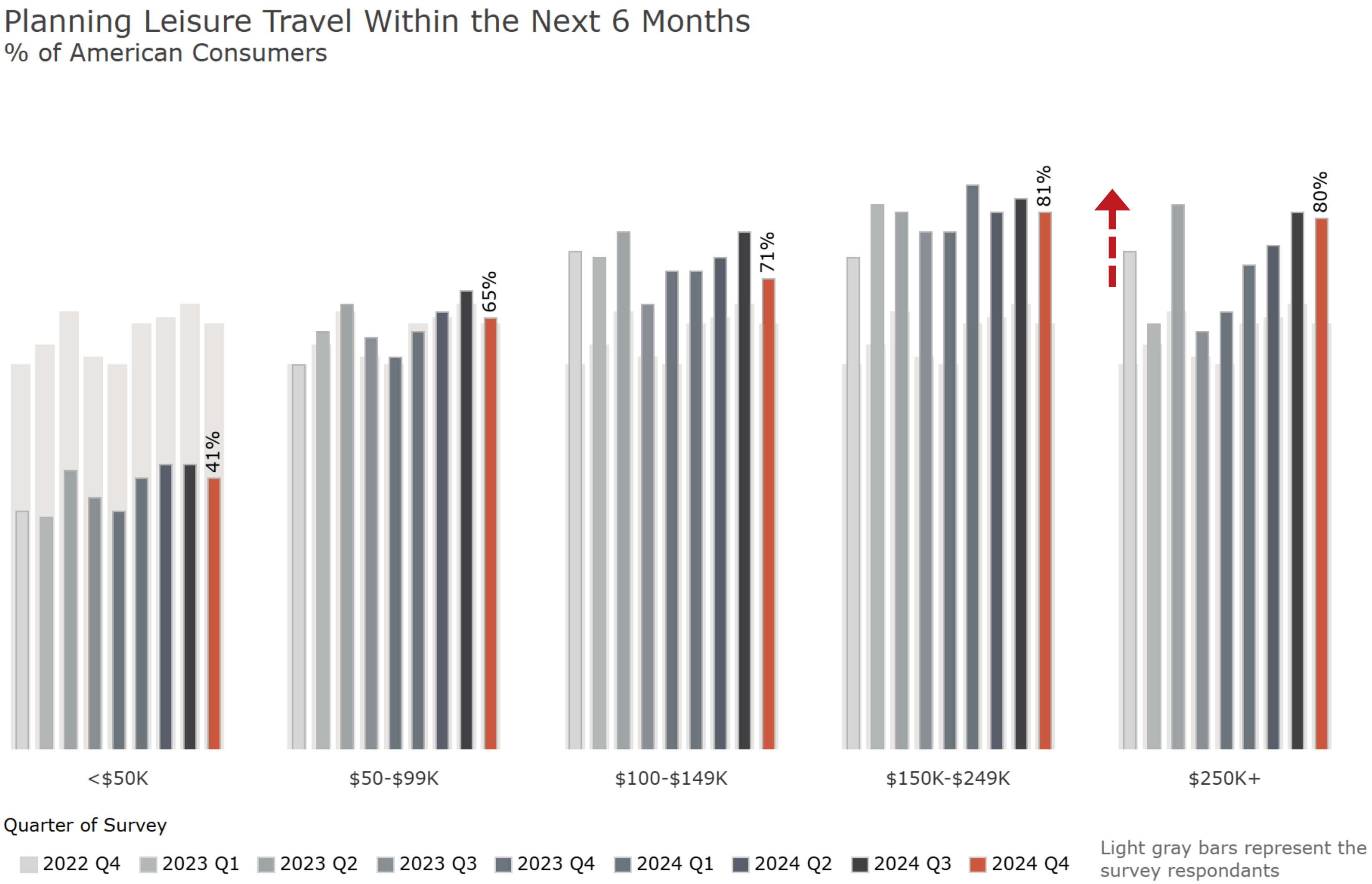
Business travel demand activity: US

- Positive factors contributing to business demand activity:
  - Corporate profit margins remain strong
  - Higher spending from expected personal and business tax cut extensions
- Impediments to business demand activity:
  - Tariff uncertainty having a negative impact on business investment, including spending on travel

International inbound demand activity: US

- Positive factors contributing to international inbound demand activity:
  - Continuing recovery from the pandemic
- Impediments to international inbound demand activity:
  - Negative sentiment toward the current administration's rhetoric and trade policies against trade partners
  - Negative sentiment regarding the withdrawal of support for Ukraine
  - Economic effects from the recent tariffs, with possible recessions in both Canada and Mexico
  - Foreign exchange headwinds as the exchange rate between the US and Canadian dollar remains relatively strong, despite some recent softening in the US dollar.

US Demand Assumptions

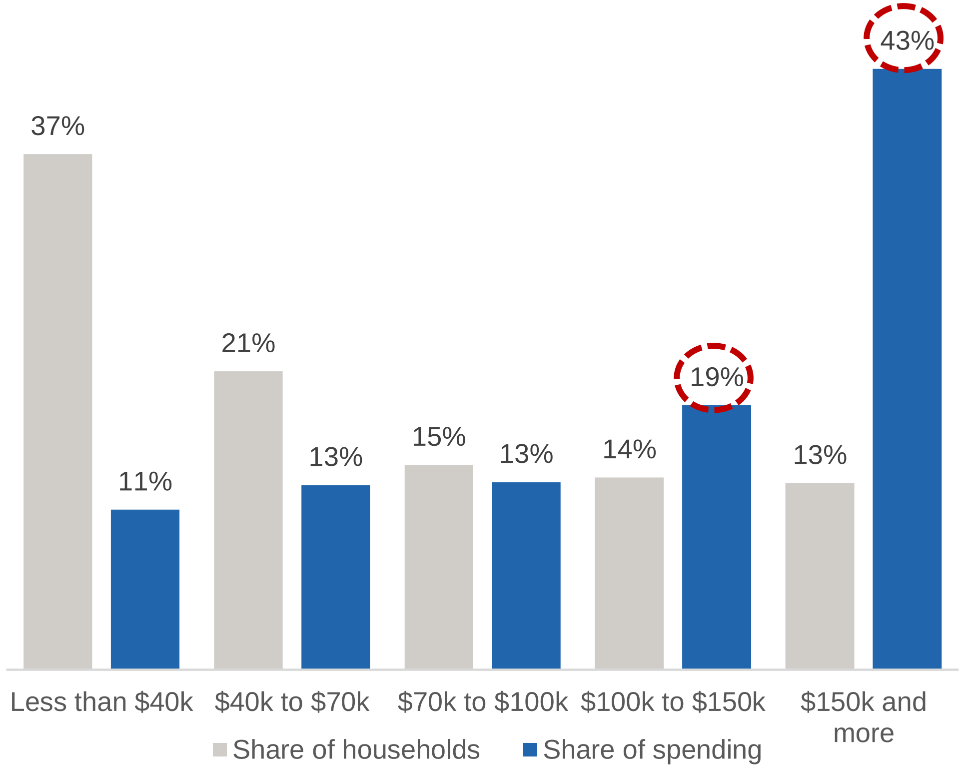


- Leisure travel intentions in the short term are expected to be resilient for high-income earners.

Source: MMGY Portrait of American Travelers

US Demand Assumptions

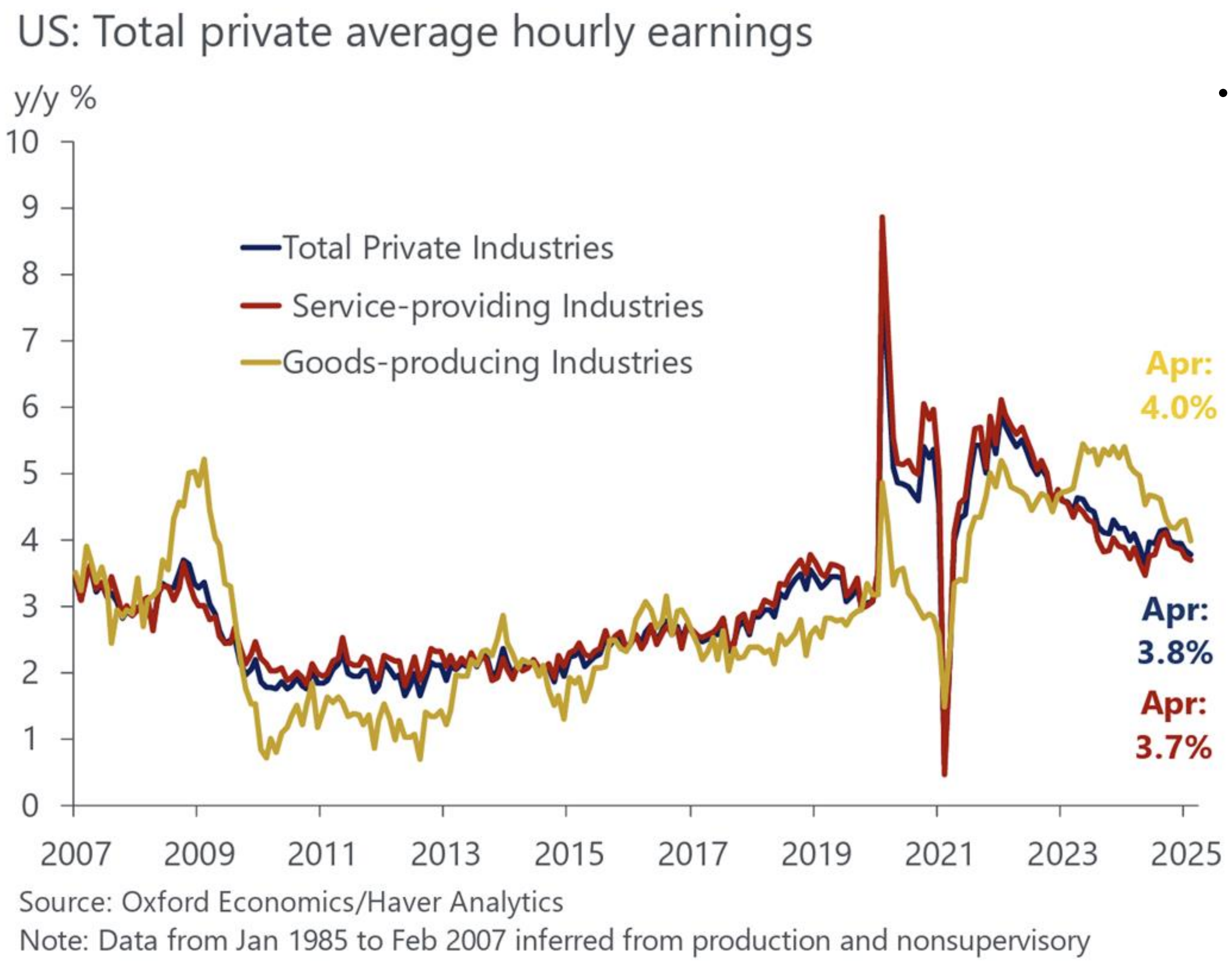
Lodging spending by household income
Leisure travel



Note: Based on three-year average through 2020.
Source: BLS, Tourism Economics

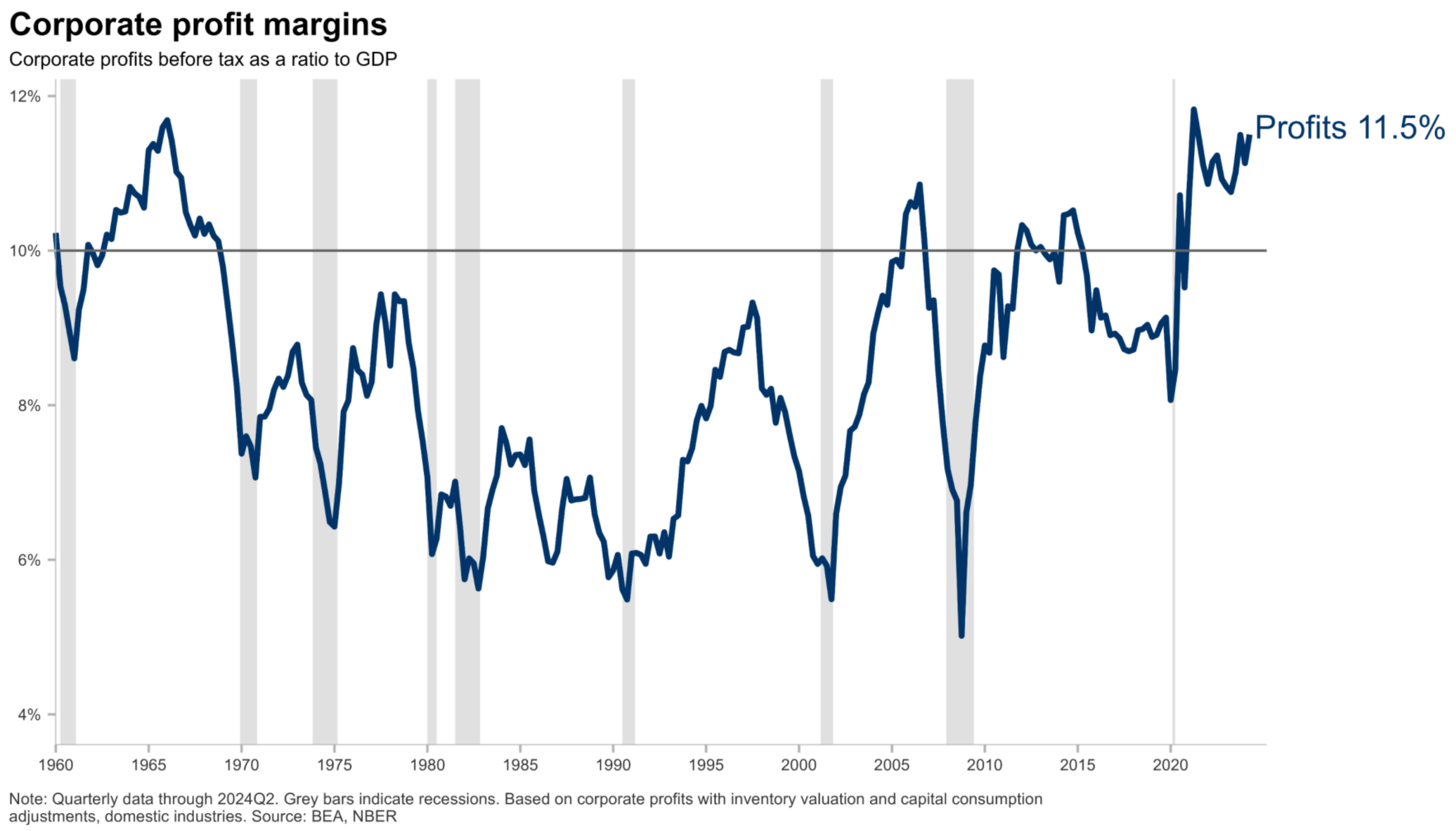
- Households that earn more than $100k account for more than 60% of lodging spending.

US Demand Assumptions



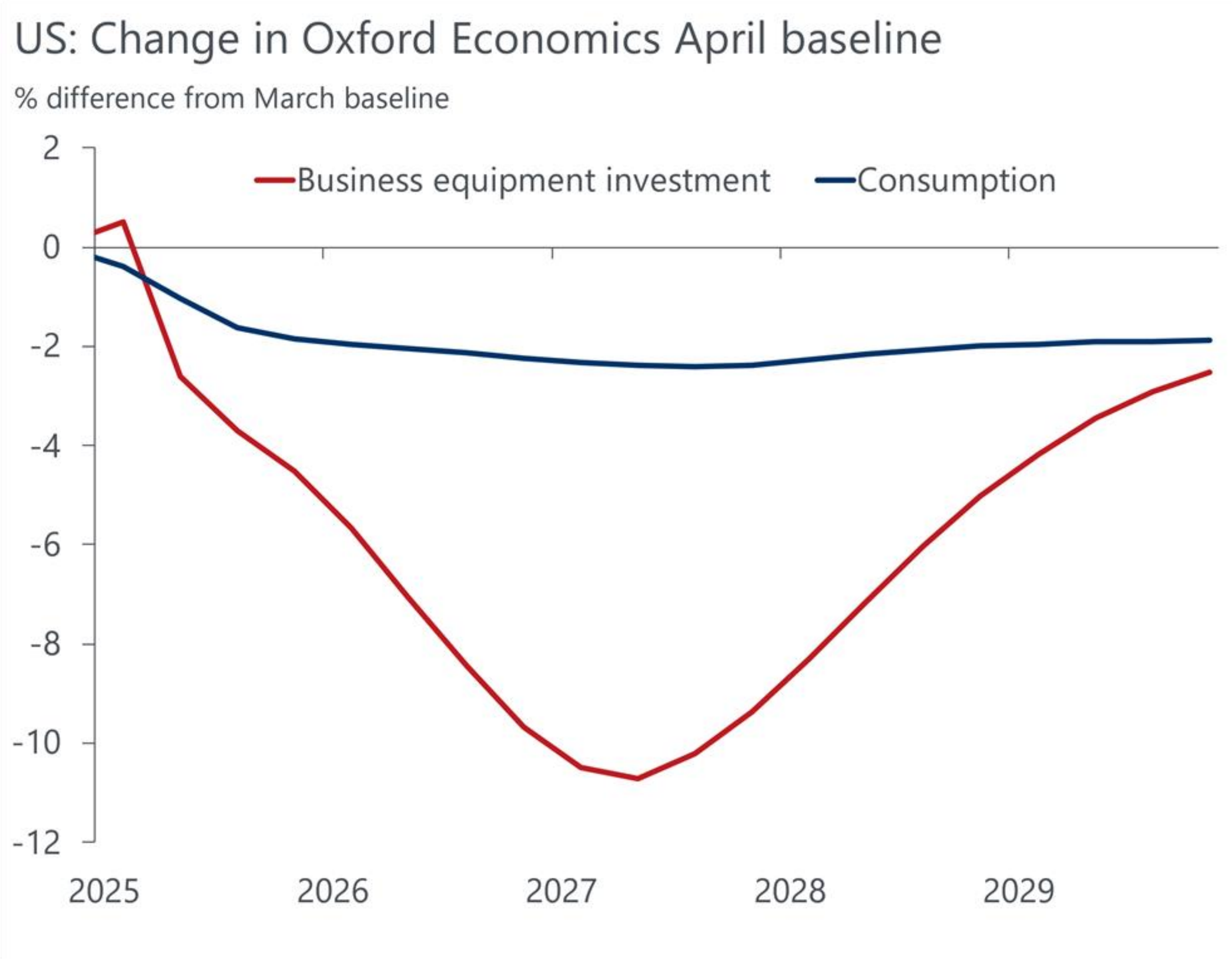
- Although year-over-year income growth will sustain some spending growth, higher inflation will weigh on real disposable incomes.

US Demand Assumptions



- Corporate profit margins remain strong

US Demand Assumptions



Source: Oxford Economics

- Although profits remain strong, capital spending by firms is held back by trade policy uncertainty and the threat of higher prices and interest rates.
- Declining business investment not only means less spending on equipment and structures, but also on travel.

US Demand Assumptions

US Room Demand

By chain scale, quarterly

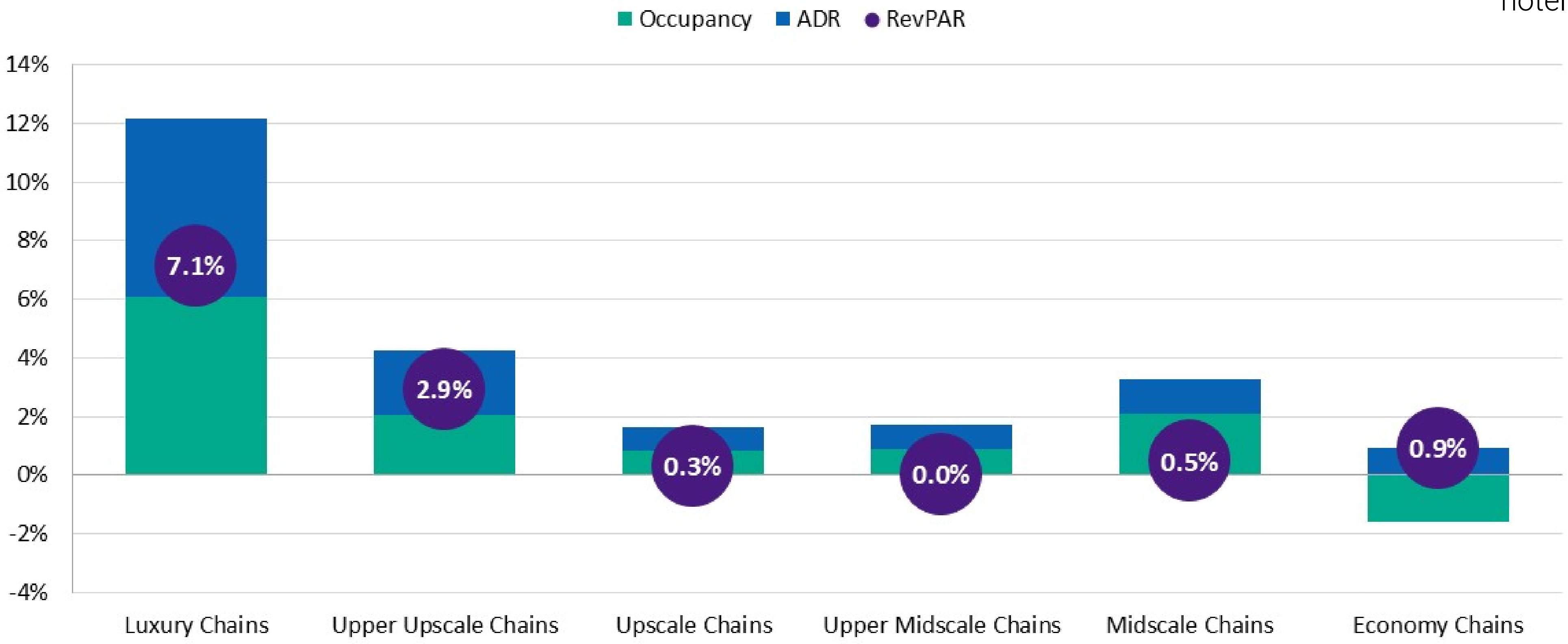
	Total	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Independent
Year-over-year growth								
2023 Q1	6.3%	20.4%	22.2%	10.7%	6.1%	0.1%	-5.1%	2.5%
2023 Q2	-0.5%	1.4%	4.4%	2.9%	1.4%	-2.1%	-6.6%	-3.8%
2023 Q3	-0.3%	3.9%	3.9%	2.8%	0.9%	-1.7%	-5.2%	-2.9%
2023 Q4	-1.2%	6.2%	3.2%	1.4%	-0.4%	-3.7%	-5.1%	-4.0%
2024 Q1	-1.4%	9.3%	3.1%	0.0%	-0.8%	-4.2%	-4.7%	-4.1%
2024 Q2	1.3%	11.6%	4.5%	2.5%	2.2%	0.7%	-1.6%	-1.6%
2024 Q3	0.0%	9.7%	3.0%	1.0%	0.9%	-0.3%	-2.8%	-2.7%
2024 Q4	2.2%	9.8%	3.1%	3.1%	3.8%	4.0%	0.6%	-1.0%
Relative to 2019								
2023 Q1	-0.2%	-6.5%	-2.6%	7.4%	9.0%	3.9%	-8.3%	-7.4%
2023 Q2	-2.3%	-5.1%	-2.0%	5.7%	5.8%	-1.2%	-10.8%	-9.7%
2023 Q3	-2.5%	-5.3%	-1.3%	5.1%	5.7%	-1.9%	-11.6%	-9.6%
2023 Q4	-2.0%	-2.4%	-1.6%	4.0%	6.1%	-1.6%	-9.8%	-9.0%
2024 Q1	-1.5%	2.2%	0.5%	7.5%	8.1%	-0.5%	-12.6%	-11.1%
2024 Q2	-1.0%	5.9%	2.4%	8.3%	8.1%	-0.6%	-12.2%	-11.1%
2024 Q3	-2.6%	3.9%	1.7%	6.2%	6.6%	-2.2%	-14.0%	-12.0%
2024 Q4	0.2%	7.2%	1.4%	7.2%	10.1%	2.3%	-9.2%	-9.9%

Source: STR, Tourism Economics

- Higher-end hotel demand continues to grow over 2019 levels, while lower-end hotel demand declines/stagnates at or below 2019 levels.
- This bifurcation in demand is primarily a result of supply changes and the bifurcation between high-income and low-income spending levels.

US Demand Assumptions

U.S., % change, YoY, year to date 2025, April 2025



- “Bifurcation” evident in hotel performance

STR CoStar

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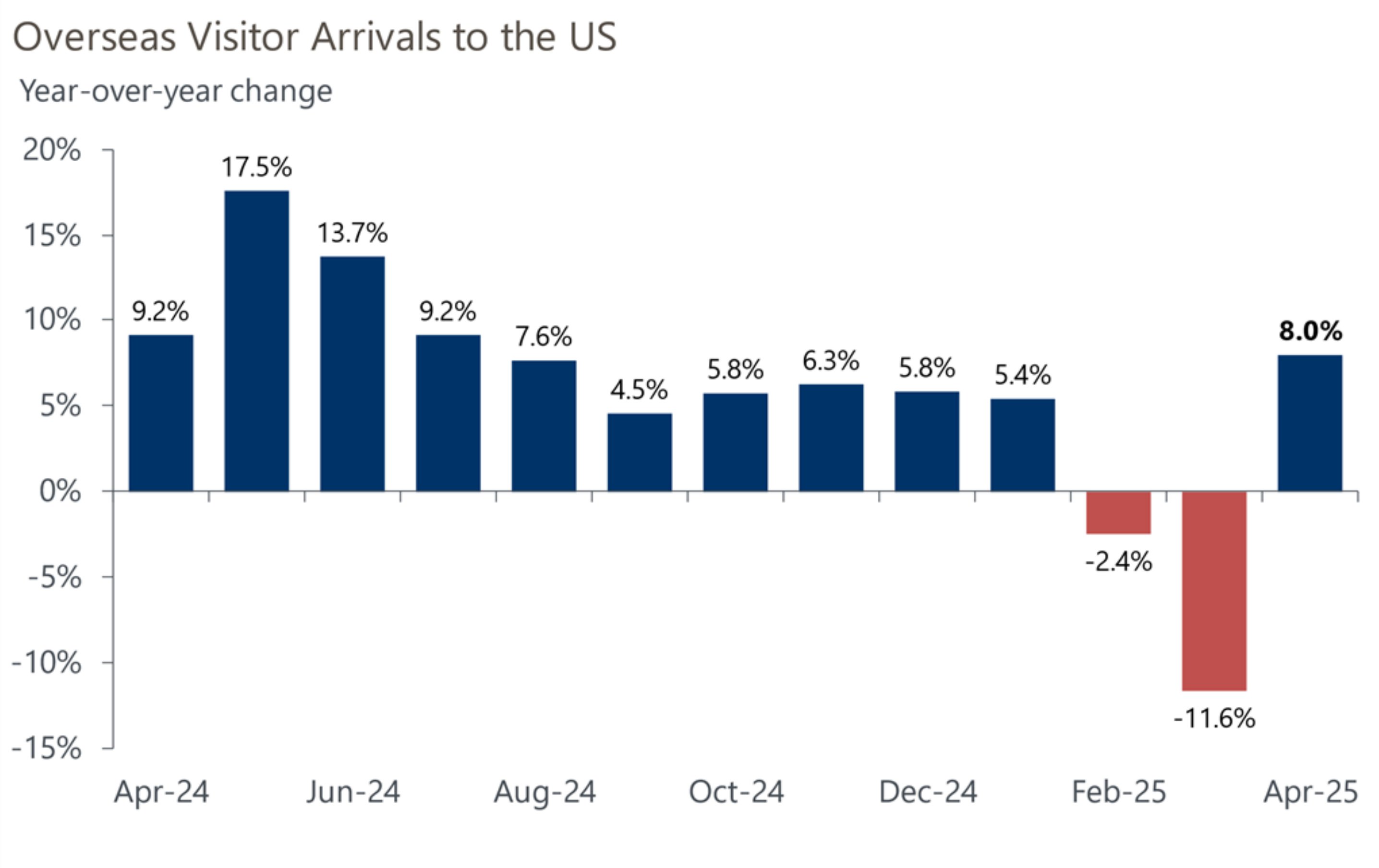
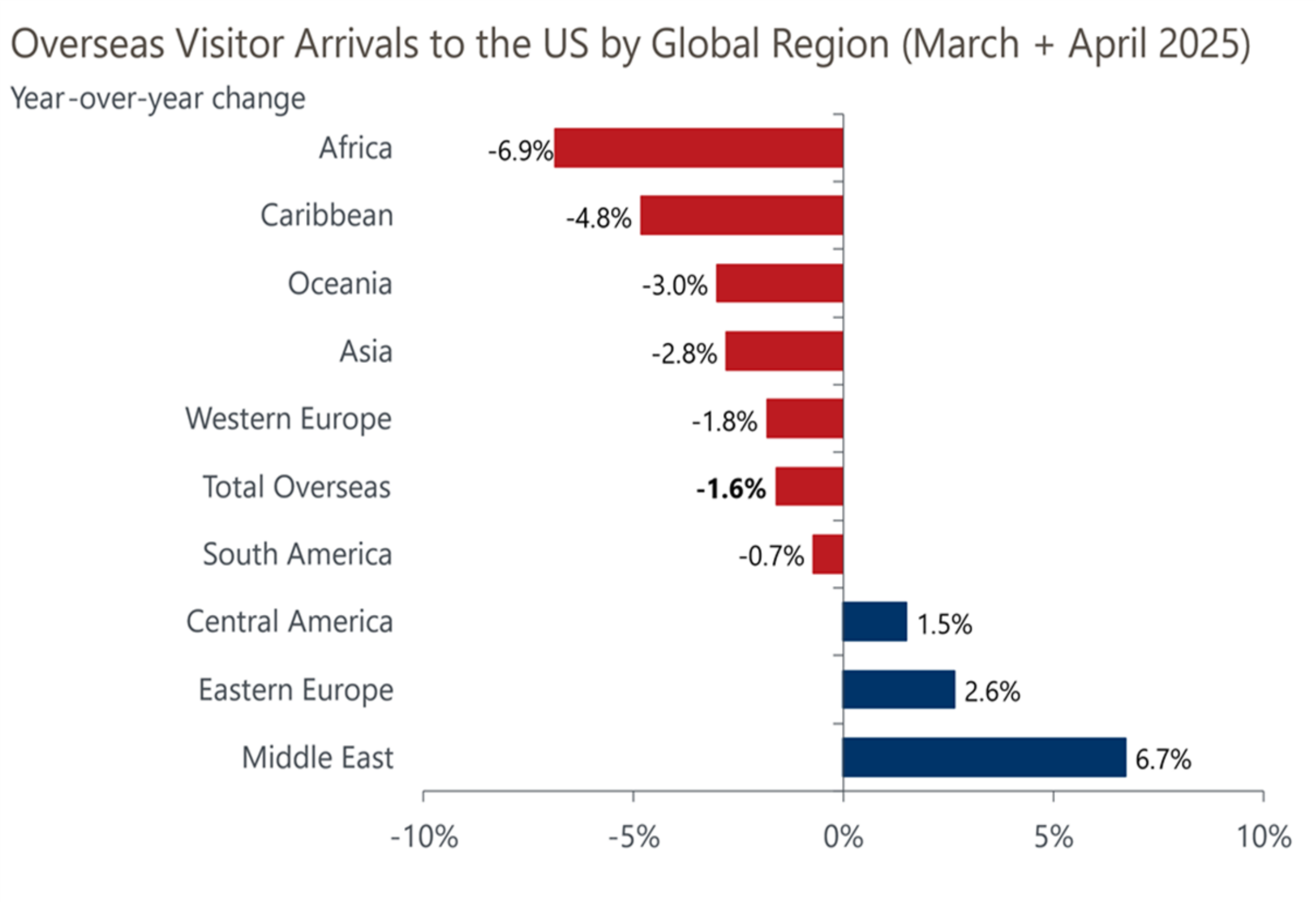
US Demand Assumptions



- The significant decline in March, followed by a gain in April, partly corresponds to the timing of Easter, which occurred in April of 2025, but in March of 2024.

Source: Tourism Economics / Statistics Canada

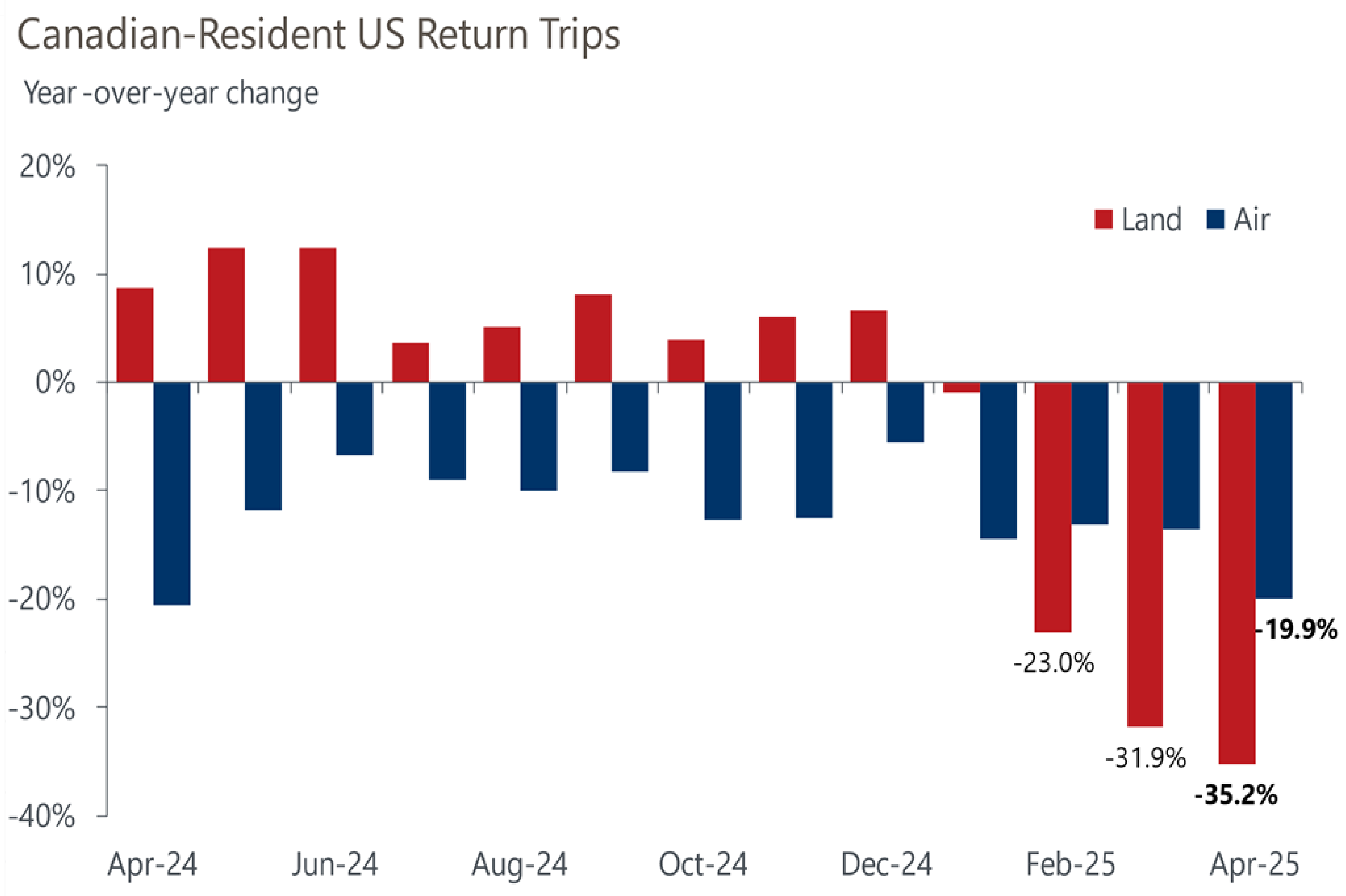
US Demand Assumptions



- Combining March and April helps normalize the results, and on that basis, arrivals were down 1.6% compared to the prior year.

Source: Tourism Economics / National Travel and Tourism Office

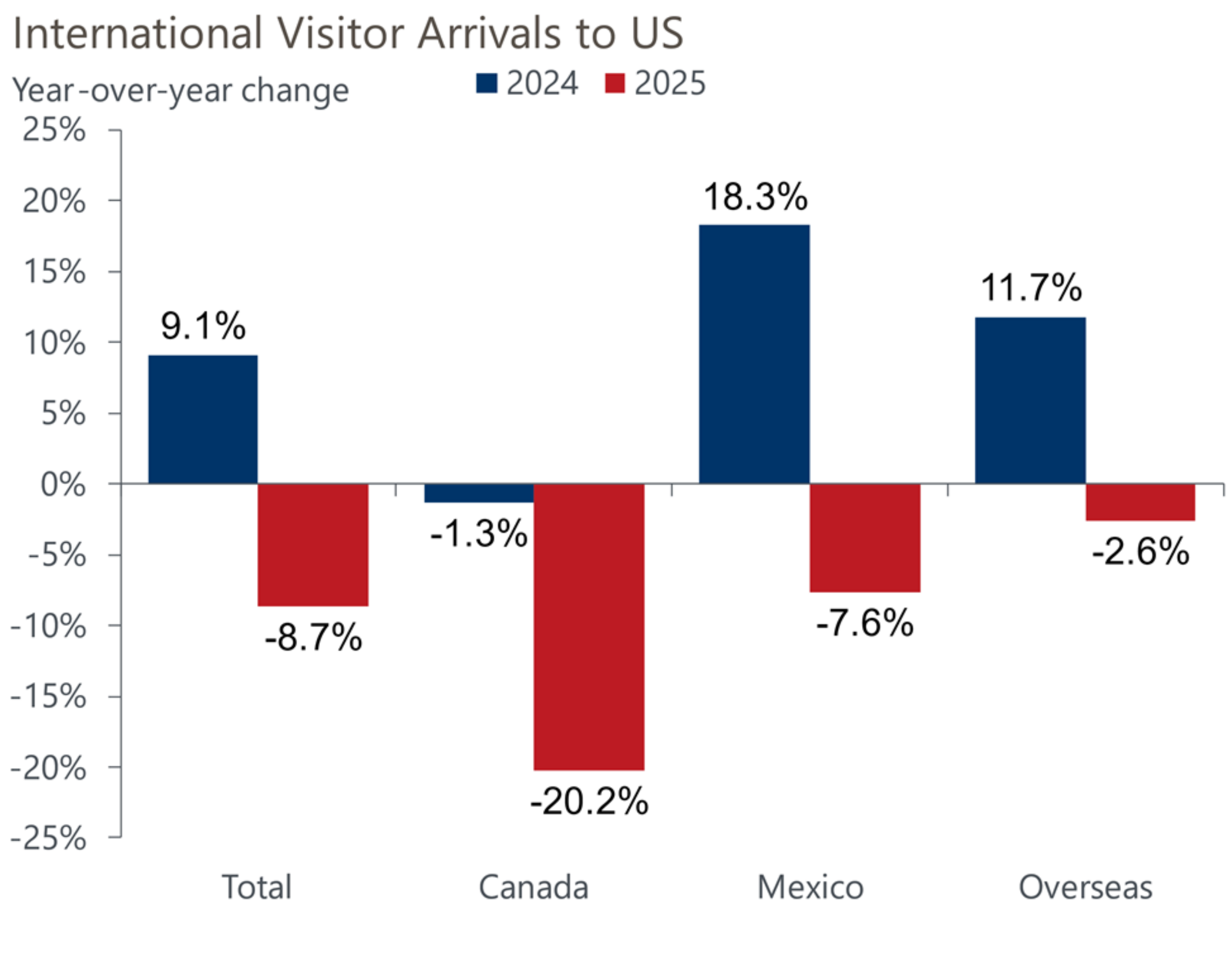
US Demand Assumptions



- The sharpest declines are evident in land travel by Canadian residents. The number of travelers returning to Canada from the US during April fell by more than one-third (35.2%). This measure of returning travelers serves as a good proxy for visitor arrivals to the US, pending the release of US arrivals data.
- Land visitor trips pulled back more severely than air trips because they tend to be shorter, with less planning lead time, and may be more easily substituted by a domestic trip or other leisure activity.

Source: Tourism Economics / Statistics Canada

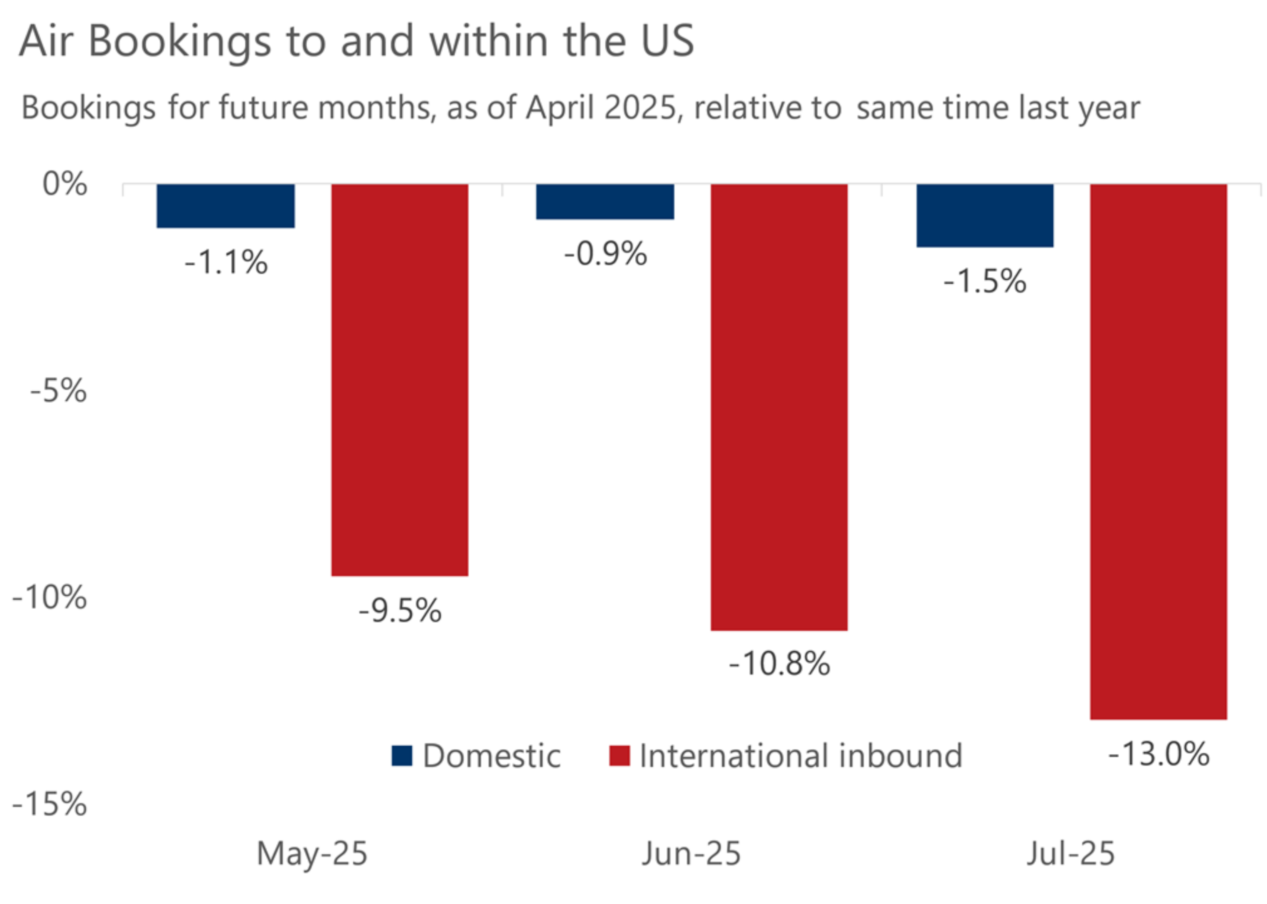
US Demand Assumptions



Source: Tourism Economics / National Travel and Tourism Office

- Sentiment-headwinds are negatively impacting inbound travel.
- We maintain our expectations of an 8.7% decline in US international arrivals for the year overall.

US Demand Assumptions



Source: OAG

- Leading indicators point to sentiment headwinds as we approach the key summer travel season.
- As of April, 10.8% fewer flights have been booked to the US over the next three months (May to July) versus this time last year, signalling a weak outlook for inbound international travel.
- Delayed bookings may account for a share of this gap - as some travelers may still plan to visit - but a portion is likely due to travelers selecting a non-US destination instead or putting off the trip.
- Overseas travelers typically book air travel well ahead, with almost half of surveyed travelers booking at least 60 days before their trip (48%), so it can take time for travel patterns to adjust.

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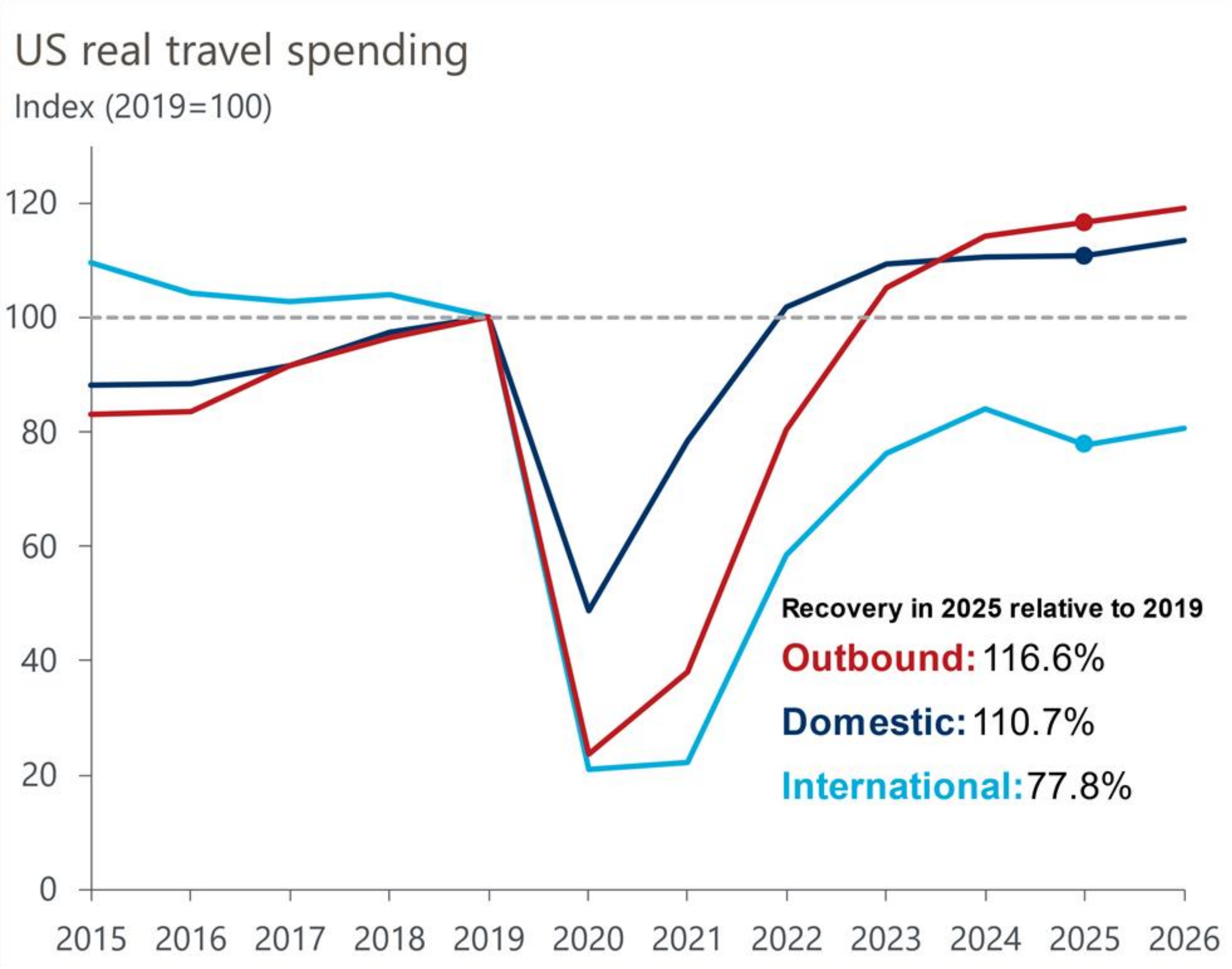
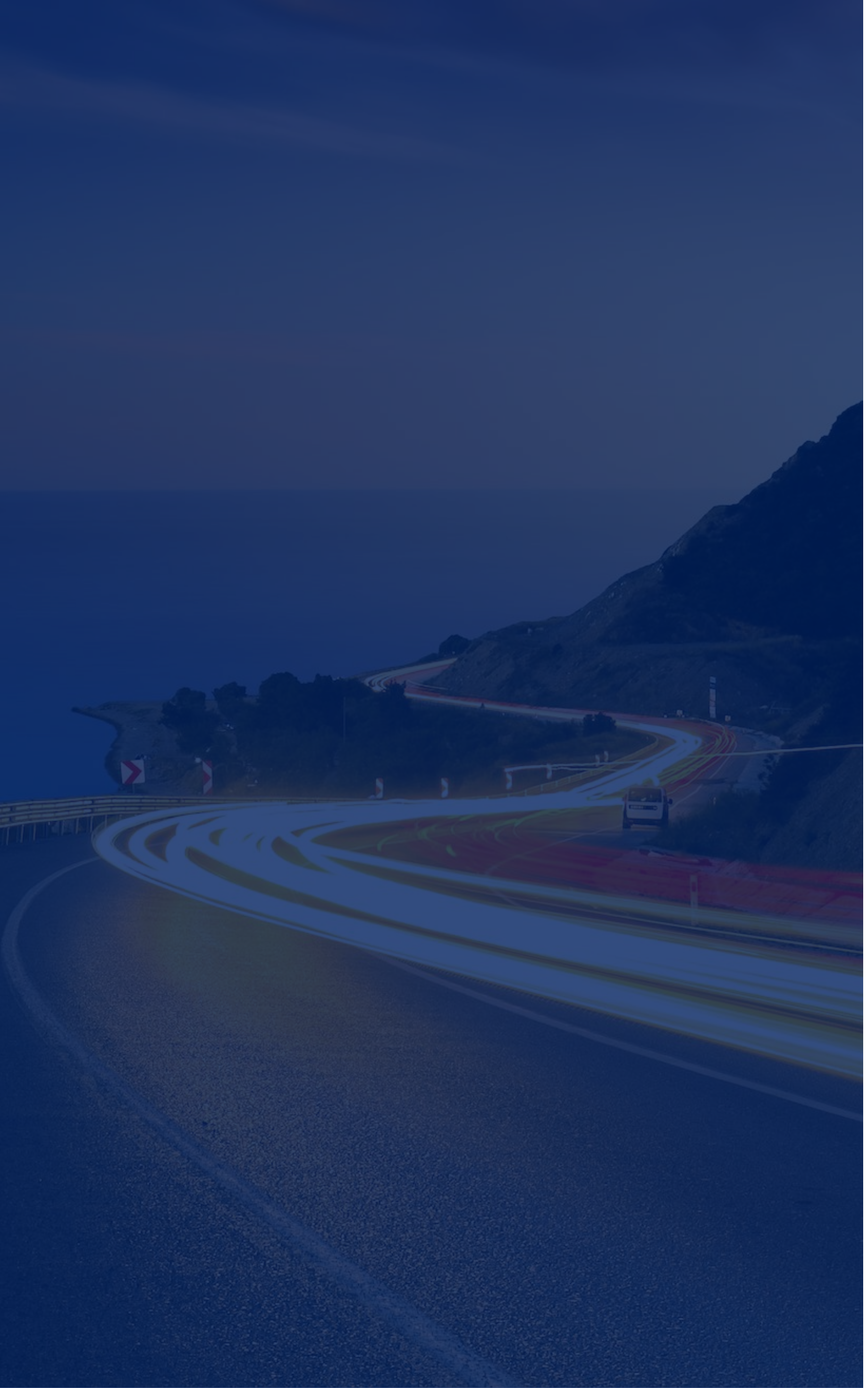
US Demand Assumptions



Source: Tourism Economics

- We expect a significant setback in international inbound travel recovery to the pre-pandemic benchmark.

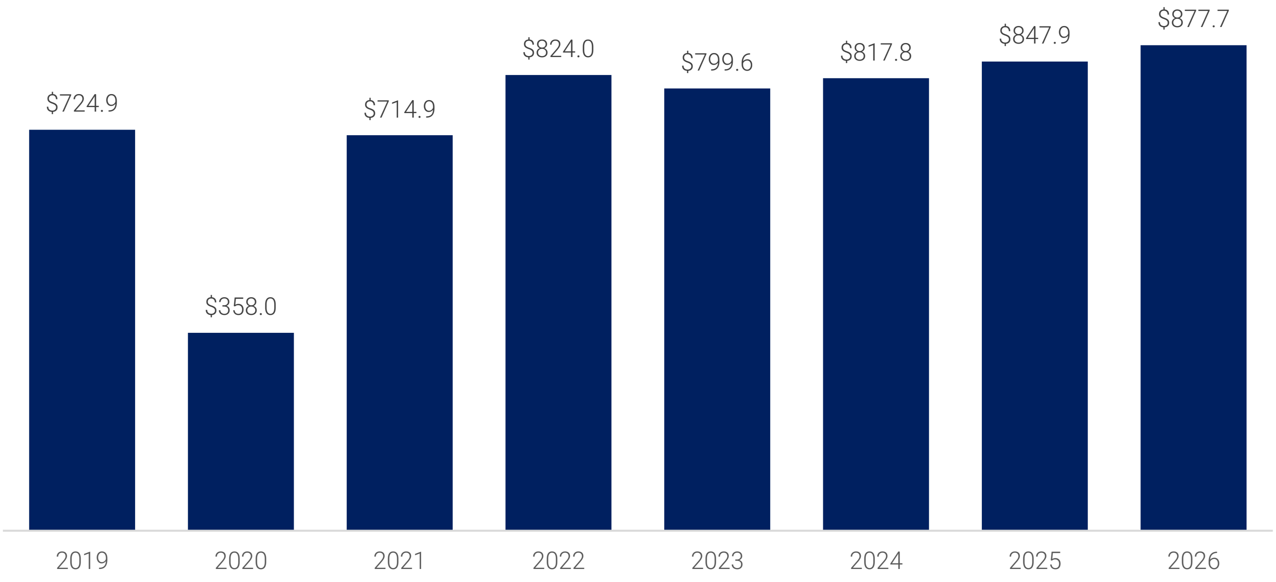


Room Revenue

Annual

Room Revenue: Annual

Monterey County, CA+, in millions

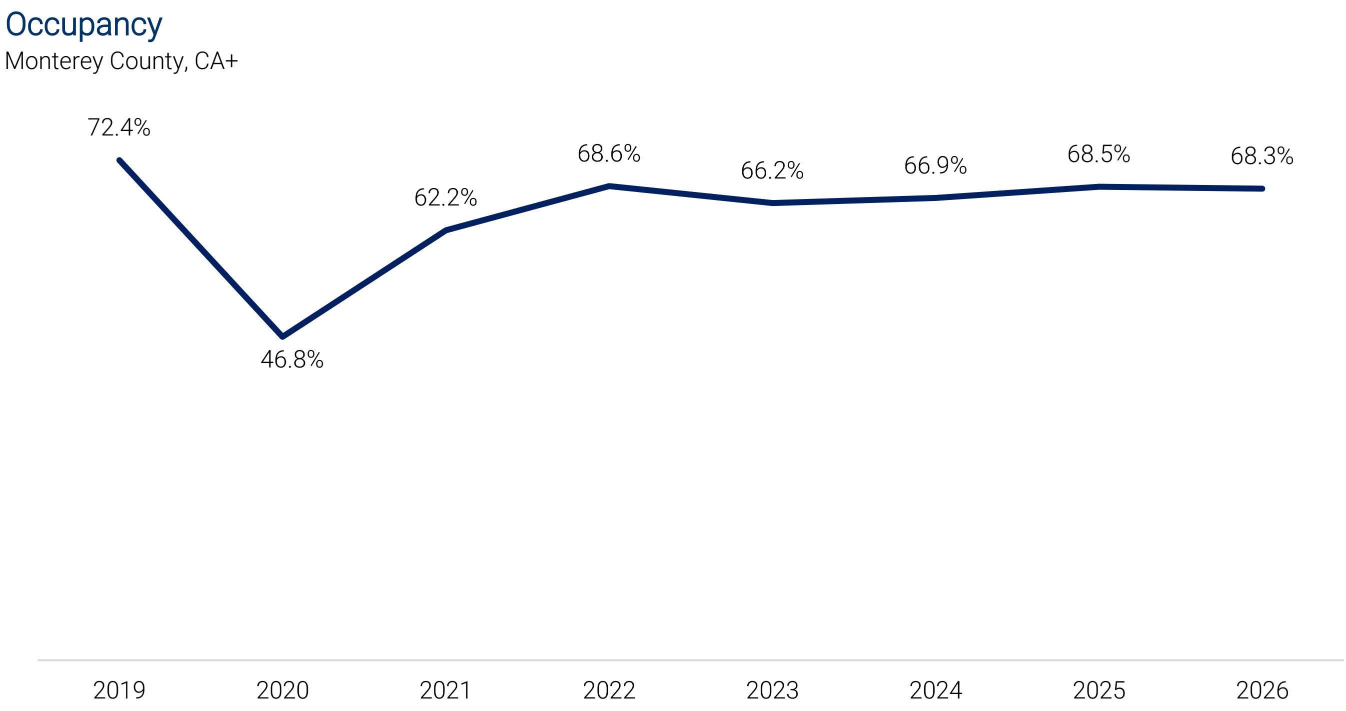


Sources: STR, Tourism Economics

- **2024 room revenue grew 2.3% year-over-year.**
    - Compared to 1.4% growth expected in prior forecast
- **We expect 2025 room revenue to grow 3.7% year-over-year.**
    - Compared to 3.9% growth expected in prior forecast
- **We expect 2026 room revenue to grow 3.5% year-over-year.**

Occupancy

Annual



Source: STR, Tourism Economics

- We expect occupancy to remain relatively consistent throughout the forecast period.

Room Demand by Hotel Class

Annual

Room Demand by Hotel Class

California Central Coast USA - Monterey/Salinas

	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
	Growth						Relative to 2019					
2020	-48.0%	-48.4%	-24.2%	-43.5%	-24.8%	-22.4%	-48.0%	-48.4%	-24.2%	-43.5%	-24.8%	-22.4%
2021	67.3%	51.7%	22.5%	38.4%	23.5%	19.5%	-13.0%	-21.7%	-7.2%	-21.8%	-7.1%	-7.2%
2022	9.7%	16.3%	4.1%	17.2%	2.1%	1.7%	-4.6%	-9.0%	-3.4%	-8.4%	-5.1%	-5.6%
2023	-5.3%	0.4%	-6.9%	5.1%	-1.5%	-7.2%	-9.6%	-8.6%	-10.1%	-3.8%	-6.5%	-12.4%
2024	6.0%	-2.5%	5.6%	6.4%	-0.5%	-1.3%	-4.2%	-10.8%	-5.0%	2.3%	-7.0%	-13.6%
YTD2025	6.2%	14.1%	2.3%	7.9%	5.2%	6.7%	-0.2%	-3.6%	-6.6%	5.7%	-8.2%	-10.3%

Note: CoStar's California Central Coast (USA) - Monterey/Salinas submarket data is nearly equivalent to Monterey County

Source: CoStar, Tourism Economics

- The bifurcation between upper and lower scales was visible in the Monterey/Salinas submarket in 2024.
- This trend is visible at the US level (shown earlier).
- YTD 2025 demand has started off strong across all hotel classes. We expect the upper classes to be resilient in the context of our latest outlook.

MCTID Assessment Revenue

Fiscal Year

- **FY2025 revenue from Monterey County Tourism Improvement District (MCTID) collections is expected to grow 18.5%.**
- Previously we forecasted FY2025 MCTID revenue to grow 11.9% primarily due to timing of the assessment increase. The first three months of FY2024 were still collecting assessments from the prior rates.
- **FY2026 revenue from Monterey County Tourism Improvement District (MCTID) collections is expected to grow 2.1%.**
- We expect MCTID revenue from luxury service hotels to have the most room for growth due to:
  - High performance across the US;
  - High savings concentration among wealthiest households; and,
  - High income travel intentions.

Forecast Table: Fiscal Year MCTID Assessment Revenue

Monterey County, CA+

	Levels: $7.00 Luxury	Levels: $4.50 Full Service	Levels: $1.50 Limited	Levels: Total MCTID Assessment Revenue	Growth: $7.00 Luxury	Growth: $4.50 Full Service	Growth: $1.50 Limited	Growth: Total MCTID Assessment Revenue
2024 July	$84,096	$158,429	$125,183	$367,707	156.0%	122.6%	28.8%	82.7%
Aug	$275,411	$515,592	$407,443	$1,198,446	157.7%	161.1%	70.5%	120.6%
Sep	$106,465	$202,316	$156,381	$465,162	4.7%	5.7%	-9.6%	-0.2%
Oct	$165,614	$321,851	$242,972	$730,437	36.8%	34.8%	36.2%	35.7%
Nov	$265,420	$500,512	$373,420	$1,139,352	-5.2%	-5.8%	-4.7%	-5.3%
Dec	$108,099	$208,181	$150,497	$466,777	-15.3%	-16.4%	-15.0%	-15.7%
2025 Jan	$95,186	$180,331	$131,301	$406,818	21.3%	18.0%	17.8%	18.7%
Feb	$260,005	$513,499	$365,384	$1,138,888	22.6%	22.6%	21.0%	22.1%
Mar	$71,000	$144,032	$105,347	$320,380	16.5%	14.6%	17.3%	15.9%
Apr	$105,046	$211,437	$153,427	$469,910	2.4%	5.5%	6.3%	5.0%
May	$99,842	$172,798	$129,849	$402,489	23.2%	4.8%	5.7%	9.1%
Jun	$278,797	$498,317	$385,872	$1,162,986	8.9%	4.3%	3.7%	5.2%
FY2025 Total	**$1,914,982**	**$3,627,294**	**$2,727,075**	**$8,269,352**	**22.7%**	**20.1%**	**13.7%**	**18.5%**
2025 July	$102,413	$163,555	$128,274	$394,241	21.8%	3.2%	2.5%	7.2%
Aug	$296,187	$526,319	$413,929	$1,236,435	7.5%	2.1%	1.6%	3.2%
Sep	$123,561	$205,081	$157,454	$486,096	16.1%	1.4%	0.7%	4.5%
Oct	$182,231	$324,150	$243,356	$749,737	10.0%	0.7%	0.2%	2.6%
Nov	$283,933	$506,933	$376,333	$1,167,198	7.0%	1.3%	0.8%	2.4%
Dec	$123,593	$207,845	$149,166	$480,603	14.3%	-0.2%	-0.9%	3.0%
2026 Jan	$110,598	$179,743	$129,861	$420,202	16.2%	-0.3%	-1.1%	3.3%
Feb	$267,466	$487,889	$345,481	$1,100,835	2.9%	-5.0%	-5.4%	-3.3%
Mar	$86,692	$144,171	$104,697	$335,561	22.1%	0.1%	-0.6%	4.7%
Apr	$119,075	$208,334	$150,248	$477,657	13.4%	-1.5%	-2.1%	1.6%
May	$102,284	$178,562	$133,711	$414,557	2.4%	3.3%	3.0%	3.0%
Jun	$282,707	$507,743	$391,746	$1,182,196	1.4%	1.9%	1.5%	1.7%
FY2026 Total	**$2,080,739**	**$3,640,323**	**$2,724,256**	**$8,445,318**	**8.7%**	**0.4%**	**-0.1%**	**2.1%**

Note: gray = historical estimates and forecast based on analysis of CoStar's Monterey/Salinas submarket, STR demand across tiers, and MCTID collections trends

Source: STR, Tourism Economics

Forecast Table

Annual

Forecast Table: Annual

Monterey County, CA+

	Supply	Demand	Occ.	ADR	RevPAR	Room Revenue
Levels						
2019	4,370,516	3,162,683	72.4%	$229.21	$165.87	$724,931,033
2020	4,287,125	2,005,933	46.8%	$178.49	$83.51	$358,036,200
2021	4,434,648	2,759,432	62.2%	$259.06	$161.20	$714,868,699
2022	4,486,363	3,078,372	68.6%	$267.69	$183.68	$824,046,586
2023	4,531,834	2,998,072	66.2%	$266.71	$176.45	$799,620,542
2024	4,566,159	3,054,198	66.9%	$267.77	$179.11	$817,823,757
2025	4,563,790	3,127,165	68.5%	$271.15	$185.79	$847,927,272
2026	4,655,690	3,178,145	68.3%	$276.17	$188.52	$877,693,634

	Supply	Demand	Occ.	ADR	RevPAR	Room Revenue
Growth						
2019						
2020	-1.9%	-36.6%	-35.3%	-22.1%	-49.7%	-50.6%
2021	3.4%	37.6%	33.0%	45.1%	93.0%	99.7%
2022	1.2%	11.6%	10.3%	3.3%	13.9%	15.3%
2023	1.0%	-2.6%	-3.6%	-0.4%	-3.9%	-3.0%
2024	0.8%	1.9%	1.1%	0.4%	1.5%	2.3%
2025	-0.1%	2.4%	2.4%	1.3%	3.7%	3.7%
2026	2.0%	1.6%	-0.4%	1.9%	1.5%	3.5%

	Supply	Demand	Occ.	ADR	RevPAR	Room Revenue
Relative to 2019						
2019	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2020	-1.9%	-36.6%	-35.3%	-22.1%	-49.7%	-50.6%
2021	1.5%	-12.8%	-14.0%	13.0%	-2.8%	-1.4%
2022	2.7%	-2.7%	-5.2%	16.8%	10.7%	13.7%
2023	3.7%	-5.2%	-8.6%	16.4%	6.4%	10.3%
2024	4.5%	-3.4%	-7.6%	16.8%	8.0%	12.8%
2025	4.4%	-1.1%	-5.3%	18.3%	12.0%	17.0%
2026	6.5%	0.5%	-5.7%	20.5%	13.7%	21.1%

Source: STR, Tourism Economics

Forecast Table

Quarterly

Forecast Table: Quarterly

Monterey County, CA+

Levels

		Supply	Demand	Occ.	ADR	RevPAR	Room revenue
2021	Q1	1,068,416	459,549	43.0%	$161.18	$69.33	$74,068,959
	Q2	1,118,359	740,918	66.3%	$246.78	$163.50	$182,847,272
	Q3	1,123,869	869,887	77.4%	$319.58	$247.36	$278,000,808
	Q4	1,124,004	689,078	61.3%	$261.15	$160.10	$179,951,659
2022	Q1	1,104,965	642,161	58.1%	$219.73	$127.70	$141,104,541
	Q2	1,113,832	840,827	75.5%	$273.45	$206.43	$229,926,849
	Q3	1,134,971	901,454	79.4%	$315.14	$250.30	$284,083,347
	Q4	1,132,595	693,930	61.3%	$243.44	$149.15	$168,931,850
2023	Q1	1,110,187	629,773	56.7%	$213.91	$121.34	$134,712,996
	Q2	1,129,313	801,570	71.0%	$267.81	$190.09	$214,672,271
	Q3	1,146,818	878,869	76.6%	$320.63	$245.71	$281,788,463
	Q4	1,145,516	687,860	60.0%	$244.89	$147.05	$168,446,812
2024	Q1	1,122,483	628,759	56.0%	$217.93	$122.07	$137,026,104
	Q2	1,140,585	805,908	70.7%	$264.77	$187.08	$213,383,061
	Q3	1,151,778	908,129	78.8%	$317.54	$250.37	$288,365,966
	Q4	1,151,313	711,402	61.8%	$251.68	$155.52	$179,048,626
2025	Q1	1,122,618	671,538	59.8%	$218.48	$130.69	$146,716,856
	Q2	1,136,756	836,415	73.6%	$268.36	$197.46	$224,459,987
	Q3	1,152,208	910,766	79.0%	$324.08	$256.17	$295,159,889
	Q4	1,152,208	708,447	61.5%	$256.32	$157.60	$181,590,541
2026	Q1	1,131,930	662,928	58.6%	$223.01	$130.61	$147,842,082
	Q2	1,161,936	856,990	73.8%	$274.34	$202.34	$235,102,631
	Q3	1,180,912	931,435	78.9%	$328.63	$259.20	$306,094,815
	Q4	1,180,912	726,792	61.5%	$259.57	$159.75	$188,654,106

Growth

		Supply	Demand	Occ.	ADR	RevPAR	Room revenue
2021	Q1	-3.6%	-18.3%	-15.3%	-9.0%	-22.9%	-25.7%
	Q2	15.1%	124.7%	95.2%	106.3%	302.7%	363.6%
	Q3	2.4%	36.6%	33.4%	60.8%	114.6%	119.7%
	Q4	1.2%	44.5%	42.7%	34.8%	92.4%	94.7%
2022	Q1	3.4%	39.7%	35.1%	36.3%	84.2%	90.5%
	Q2	-0.4%	13.5%	13.9%	10.8%	26.3%	25.7%
	Q3	1.0%	3.6%	2.6%	-1.4%	1.2%	2.2%
	Q4	0.8%	0.7%	-0.1%	-6.8%	-6.8%	-6.1%
2023	Q1	0.5%	-1.9%	-2.4%	-2.7%	-5.0%	-4.5%
	Q2	1.4%	-4.7%	-6.0%	-2.1%	-7.9%	-6.6%
	Q3	1.0%	-2.5%	-3.5%	1.7%	-1.8%	-0.8%
	Q4	1.1%	-0.9%	-2.0%	0.6%	-1.4%	-0.3%
2024	Q1	1.1%	-0.2%	-1.3%	1.9%	0.6%	1.7%
	Q2	1.0%	0.5%	-0.5%	-1.1%	-1.6%	-0.6%
	Q3	0.4%	3.3%	2.9%	-1.0%	1.9%	2.3%
	Q4	0.5%	3.4%	2.9%	2.8%	5.8%	6.3%
2025	Q1	0.0%	6.8%	6.8%	0.3%	7.1%	7.1%
	Q2	-0.3%	3.8%	4.1%	1.4%	5.5%	5.2%
	Q3	0.0%	0.3%	0.3%	2.1%	2.3%	2.4%
	Q4	0.1%	-0.4%	-0.5%	1.8%	1.3%	1.4%
2026	Q1	0.8%	-1.3%	-2.1%	2.1%	-0.1%	0.8%
	Q2	2.2%	2.5%	0.2%	2.2%	2.5%	4.7%
	Q3	2.5%	2.3%	-0.2%	1.4%	1.2%	3.7%
	Q4	2.5%	2.6%	0.1%	1.3%	1.4%	3.9%

Relative to 2019

		Supply	Demand	Occ.	ADR	RevPAR	Room revenue
2021	Q1	-0.6%	-32.0%	-31.6%	-11.7%	-39.6%	-40.0%
	Q2	2.8%	-12.6%	-14.9%	2.7%	-12.6%	-10.2%
	Q3	2.1%	-3.7%	-5.7%	17.6%	10.9%	13.3%
	Q4	1.6%	-6.4%	-7.8%	26.0%	16.1%	18.0%
2022	Q1	2.8%	-5.0%	-7.6%	20.4%	11.3%	14.4%
	Q2	2.3%	-0.8%	-3.0%	13.8%	10.4%	12.9%
	Q3	3.1%	-0.2%	-3.2%	16.0%	12.2%	15.8%
	Q4	2.4%	-5.7%	-7.9%	17.5%	8.2%	10.7%
2023	Q1	3.3%	-6.8%	-9.8%	17.2%	5.7%	9.2%
	Q2	3.8%	-5.4%	-8.8%	11.5%	1.6%	5.4%
	Q3	4.2%	-2.7%	-6.6%	18.0%	10.2%	14.8%
	Q4	3.5%	-6.5%	-9.7%	18.2%	6.7%	10.4%
2024	Q1	4.4%	-7.0%	-10.9%	19.4%	6.4%	11.1%
	Q2	4.8%	-4.9%	-9.2%	10.2%	0.0%	4.8%
	Q3	4.7%	0.5%	-4.0%	16.9%	12.3%	17.5%
	Q4	4.1%	-3.3%	-7.1%	21.4%	12.8%	17.4%
2025	Q1	4.4%	-0.6%	-4.8%	19.7%	13.9%	18.9%
	Q2	4.4%	-1.3%	-5.5%	11.7%	5.6%	10.2%
	Q3	4.7%	0.8%	-3.7%	19.3%	14.9%	20.3%
	Q4	4.1%	-3.8%	-7.6%	23.7%	14.3%	19.0%
2026	Q1	5.3%	-1.9%	-6.8%	22.2%	13.8%	19.8%
	Q2	6.8%	1.1%	-5.3%	14.2%	8.2%	15.5%
	Q3	7.3%	3.1%	-3.9%	21.0%	16.2%	24.7%
	Q4	6.7%	-1.3%	-7.5%	25.2%	15.9%	23.7%

Source: STR, Tourism Economics

Forecast Table

Monthly

Forecast Table: Monthly

Monterey County, CA+

Levels

		Supply	Demand	Occ.	ADR	RevPAR	Room revenue
2025	Jan	387,655	218,110	56.3%	$210.92	$118.67	$46,003,940
	Feb	348,796	203,593	58.4%	$217.37	$126.88	$44,254,940
	Mar	386,167	249,835	64.7%	$225.98	$146.20	$56,457,976
	Apr	374,280	275,189	73.5%	$248.18	$182.48	$68,297,215
	May	386,756	274,835	71.1%	$273.32	$194.22	$75,117,194
	Jun	375,720	286,391	76.2%	$282.99	$215.71	$81,045,577
	Jul	388,244	325,618	83.9%	$309.76	$259.79	$100,862,972
	Aug	388,244	313,872	80.8%	$370.80	$299.77	$116,383,088
	Sep	375,720	271,275	72.2%	$287.21	$207.37	$77,913,828
	Oct	388,244	270,836	69.8%	$279.35	$194.87	$75,658,030
	Nov	375,720	231,566	61.6%	$260.54	$160.58	$60,331,334
	Dec	388,244	206,045	53.1%	$221.32	$117.45	$45,601,177
2026	Jan	388,244	194,632	50.1%	$207.38	$103.96	$40,363,184
	Feb	352,156	217,339	61.7%	$232.18	$143.30	$50,462,734
	Mar	391,530	250,957	64.1%	$227.20	$145.62	$57,016,164
	Apr	381,240	282,428	74.1%	$252.59	$187.12	$71,338,789
	May	396,366	278,757	70.3%	$277.52	$195.17	$77,359,559
	Jun	384,330	295,805	77.0%	$292.10	$224.82	$86,404,284
	Jul	397,916	333,479	83.8%	$316.23	$265.02	$105,455,229
	Aug	397,916	318,175	80.0%	$375.41	$300.18	$119,446,364
	Sep	385,080	279,781	72.7%	$290.20	$210.85	$81,193,222
	Oct	397,916	277,440	69.7%	$282.38	$196.89	$78,344,732
	Nov	385,080	237,613	61.7%	$264.76	$163.37	$62,909,967
	Dec	397,916	211,739	53.2%	$223.86	$119.12	$47,399,406

Growth

		Supply	Demand	Occ.	ADR	RevPAR	Room revenue
2025	Jan	0.5%	18.0%	17.4%	3.5%	21.6%	22.2%
	Feb	0.1%	5.8%	5.7%	-2.2%	3.4%	3.6%
	Mar	-0.6%	-0.7%	-0.1%	0.4%	0.3%	-0.4%
	Apr	-0.2%	8.7%	8.9%	1.1%	10.0%	9.8%
	May	-0.9%	2.3%	3.2%	1.1%	4.4%	3.5%
	Jun	0.1%	0.8%	0.8%	2.3%	3.1%	3.1%
	Jul	0.0%	0.7%	0.6%	2.3%	3.0%	3.0%
	Aug	0.0%	1.2%	1.1%	1.9%	3.0%	3.0%
	Sep	0.0%	-1.1%	-1.1%	1.7%	0.5%	0.6%
	Oct	0.0%	0.5%	0.5%	1.7%	2.2%	2.2%
	Nov	0.0%	-0.9%	-0.9%	1.8%	0.9%	0.9%
	Dec	0.2%	-1.1%	-1.3%	2.0%	0.6%	0.8%
2026	Jan	0.2%	-10.8%	-10.9%	-1.7%	-12.4%	-12.3%
	Feb	1.0%	6.8%	5.7%	6.8%	12.9%	14.0%
	Mar	1.4%	0.4%	-0.9%	0.5%	-0.4%	1.0%
	Apr	1.9%	2.6%	0.8%	1.8%	2.5%	4.5%
	May	2.5%	1.4%	-1.0%	1.5%	0.5%	3.0%
	Jun	2.3%	3.3%	1.0%	3.2%	4.2%	6.6%
	Jul	2.5%	2.4%	-0.1%	2.1%	2.0%	4.6%
	Aug	2.5%	1.4%	-1.1%	1.2%	0.1%	2.6%
	Sep	2.5%	3.1%	0.6%	1.0%	1.7%	4.2%
	Oct	2.5%	2.4%	-0.1%	1.1%	1.0%	3.6%
	Nov	2.5%	2.6%	0.1%	1.6%	1.7%	4.3%
	Dec	2.5%	2.8%	0.3%	1.1%	1.4%	3.9%

Relative to 2019

		Supply	Demand	Occ.	ADR	RevPAR	Room revenue
2025	Jan	4.5%	4.8%	0.2%	28.1%	28.4%	34.2%
	Feb	4.4%	-5.3%	-9.2%	9.4%	-0.7%	3.6%
	Mar	4.4%	-1.2%	-5.3%	23.1%	16.6%	21.7%
	Apr	4.3%	1.8%	-2.4%	20.5%	17.5%	22.6%
	May	4.3%	-2.7%	-6.8%	23.4%	15.0%	20.0%
	Jun	4.7%	-2.7%	-7.1%	-2.3%	-9.2%	-5.0%
	Jul	4.7%	4.9%	0.2%	19.4%	19.6%	25.2%
	Aug	4.7%	1.6%	-3.0%	22.2%	18.6%	24.1%
	Sep	4.7%	-4.4%	-8.7%	14.7%	4.7%	9.6%
	Oct	4.4%	-5.9%	-9.9%	22.6%	10.4%	15.3%
	Nov	4.4%	-4.2%	-8.3%	25.2%	14.8%	19.9%
	Dec	3.6%	-0.1%	-3.5%	24.6%	20.2%	24.5%
2026	Jan	4.7%	-6.5%	-10.7%	26.0%	12.5%	17.8%
	Feb	5.4%	1.1%	-4.0%	16.9%	12.2%	18.2%
	Mar	5.8%	-0.7%	-6.2%	23.8%	16.2%	22.9%
	Apr	6.2%	4.5%	-1.7%	22.6%	20.5%	28.1%
	May	6.9%	-1.4%	-7.7%	25.2%	15.6%	23.5%
	Jun	7.1%	0.5%	-6.2%	0.8%	-5.4%	1.3%
	Jul	7.3%	7.4%	0.1%	21.9%	22.0%	30.9%
	Aug	7.3%	3.0%	-4.0%	23.7%	18.7%	27.4%
	Sep	7.3%	-1.5%	-8.2%	15.9%	6.4%	14.2%
	Oct	7.0%	-3.6%	-10.0%	23.9%	11.6%	19.4%
	Nov	7.0%	-1.7%	-8.2%	27.3%	16.8%	25.1%
	Dec	6.1%	2.7%	-3.3%	26.0%	21.9%	29.4%

Source: STR, Tourism Economics

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

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