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TRAVEL AND HOSPITALITY

Marriott's Q1 rebound hints at greater travel recovery

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Leisure travel continues its comeback. Image credit: Marriott Bonvoy

By LUXURY DAILY NEWS SERVICE

Hospitality group Marriott International saw strong global demand in the first quarter of 2022, indicative of the travel industry's continued pandemic recovery.

While revenue per available room (RevPAR) remains below 2019's pre-pandemic levels, occupancy and room rates are showing consistent improvement. Marriott's luxury portfolio, which includes The Ritz-Carlton and St. Regis, saw increases in RevPAR, occupancy and average daily rate.

"Globally, robust demand trends continued in April, and going forward we expect leisure travel to remain strong, business travel to accelerate and cross border travel to gain momentum, supporting solid ADR (average daily rate) performance," said Anthony Capuano, CEO of Marriott International, in a statement.

"While there is currently more volatility in our international regions, assuming no major change in the global economic environment or the behavior of the virus, we are increasingly optimistic that the global RevPAR gap compared to pre-pandemic levels will continue to narrow meaningfully in 2022."

Global growth

For the quarter ended March 31, 2022, Marriott saw RevPAR jump 96.5 percent worldwide year-over-year on a constant dollar basis. Worldwide RevPAR remains 19.4 percent below Q1 2019, however.

Marriott also reported net income of $377 million for Q1 2022, a significant turnaround from a net loss in the same period a year ago.

Marriott continues adding to its luxury footprint. Image courtesy of The St. Regis

Most regions saw significant gains in RevPAR from 2021, except for greater China's 6.2 percent dip due to COVID-19 restrictions. ADR improved across all regions, while the Middle East and Africa is the most recovered in terms of RevPAR, occupancy and ADR.

In the U.S. and Canada, Marriott's luxury brands saw RevPAR climb 122.6 percent y-o-y to $251.55, while ADR increased 22.3 percent y-o-y to $438.90. Occupancy more than doubled, from 25.8 percent in Q1 2021 to 57.3 percent in Q1 2022.

Marriott includes the JW Marriott, The Ritz-Carlton, W Hotels, The Luxury Collection, St. Regis and Edition brands in its luxury category.

The group also added approximately 11,800 rooms globally, including about 5,300 rooms in international markets and more than 2,500 conversion rooms.

"Roughly 80 percent of those conversion rooms were in the high-value upper upscale and luxury tiers," Mr. Capuano said. "For 2022, we still expect gross rooms growth approaching 5 percent and deletions of 1 to 1.5 percent, resulting in anticipated net rooms growth of 3.5 to 4 percent."

Marriott's development pipeline currently includes multiple St. Regis properties, including the St. Regis Goa Resort (see story) and The Residences at The St. Regis Cap Cana (see story).