

VIDEO

Leisure Travel Sector Fully Recovers in Austin

But Top-Line Performance Metrics Held Back by Lack of Large Events



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Transient occupancy, driven primarily by leisure visitors, reached the highest level ever in [Austin, Texas](#). But top-line performance metrics, such as occupancy and average daily rate, remain below pre-pandemic levels.

Austin relies heavily on large events, and the timeline for full recovery will depend on the return of conventions and festivals, as well as business travelers. For example, annual music, film and interactive media conference South by Southwest was virtual this year, which negatively impacted March hotel performance compared to previous years. But the Austin City Limits Music Festival is scheduled to take place in-person in October, which should have a positive effect on area hotels.

Another factor that will impact the recovery timeline is new hotel supply. Austin has added at least 2,000 new rooms each year since 2017, but nearly 4,000 rooms are scheduled to open this year. This will add 8% of existing supply to the market, more than double the national average.

A trophy-caliber transaction took place in Austin a couple months ago when the Hyatt Regency Austin [sold for \\$161 million](#). But it wasn't the only full-service hotel to trade so far this year. The Omni Austin Hotel at Southpark also [sold as part of a portfolio](#) of five Omni Hotels across Texas and Florida.



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