

2026

# LAKE TAHOE/TRUCKEE

## REGIONAL LODGING TREND REPORT



TRANSITION AND INNOVATION IN A CHANGING DESTINATION



# TAHOE

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# TAHOE OVERVIEW

The 2024 Lake Tahoe/Truckee Regional Lodging Trend Report updates the Tahoe Tourism Impact Model through 2024. SMG Consulting and Triple Point Strategic Consulting created the model to measure the size and scope of the Lake Tahoe and Truckee region's tourism economy and to track its underlying dynamics as they change. This report provides tourism industry leaders, public agencies, and residents with insights into how the region's tourism economy is evolving as the post-pandemic surge stabilizes.

This report focuses on overnight lodging performance and therefore includes only overnight visitors who contribute to Transient Occupancy Tax (TOT). The Lake Tahoe and Truckee region (also referred to in this report as the Lake Tahoe Basin) continues to operate in a high-rate, moderate-occupancy scenario. The sharp average daily rate (ADR) growth and record-breaking revenues of the immediate post-COVID years have given way to slower, more incremental changes. In 2024, the market showed modest improvement after a soft 2023: room supply expanded slightly, demand recovered, and nominal revenues grew even as ADRs edged down.

## ABOUT THE TOURISM IMPACT MODEL

The model was developed using government data sources and extensive visitor survey data. Specific data sources include monthly tax records from Placer County, Washoe County, the Town of Truckee, the City of South Lake Tahoe, El Dorado County, and Douglas County. The current version incorporates 7 years of time-series tax and lodging performance data from 2018 through the end of 2024, the most recent available for full-year comparisons. The model is designed to be easily updated. All visitors are accounted for, including friends and family, campers, vacation homeowners, and day visitors. For more information, contact Carl Ribaldo at [carl@smgonline.net](mailto:carl@smgonline.net).

## Executive Summary SITUATION SUMMARY

The 2024 results indicate that the post-COVID boom has clearly transitioned into a more mature phase of the tourism cycle. The region is no longer seeing outsized rate growth or record-breaking occupancies. Instead, it is operating in a new equilibrium where rates remain high by historical standards; occupancy remains structurally lower than before 2020; and small shifts in demand, seasonality, and the visitor mix significantly influence monthly performance.

### STRATEGIC IMPLICATIONS

Quality over volume emphasis. With occupancy still below pre-pandemic norms, the region continues to rely on higher-spending visitors to sustain revenues. Volume-oriented businesses, particularly those dependent on a high volume of in-destination transactions (restaurants, retailers, activities), must continue to adapt their product offerings, staffing, and pricing to increase revenue per guest.

### GROWING PRICE SENSITIVITY

The slight decline in ADR in 2024, following several years of rapid increases, suggests that rate resistance is becoming more pronounced. Travelers facing persistent inflation and higher interest rates appear more selective—shortening stays, trading down in product type, or shifting to off-peak periods.

### OPERATIONAL AND COST PRESSURE

Even with modest revenue growth, lodging operators and tourism-dependent businesses continue to face rising labor, utilities, insurance, and capital costs. Recruiting and retaining staff remains challenging, and wage growth needed to attract workers may outpace nominal revenue growth, keeping margins tight.

### FISCAL PLANNING AND RISK MANAGEMENT

For public agencies, the combination of plateauing taxable room revenue and slower TOT growth underscores the need for cautious budgeting and scenario planning. While 2024 brought relief after a weak 2023, the data do not point to a return to the rapid revenue expansion of 2021–2022.

### VISITOR EXPERIENCE AND SUSTAINABILITY

With the region relying on higher yields per visitor rather than sheer volume, experience quality and environmental stewardship become even more important. Visitors paying higher rates are more sensitive to congestion, service levels, and perceived value, while communities remain acutely focused on environmental and housing impacts.

#### TRANSITION AND INNOVATION IN A CHANGING DESTINATION



## Key Takeaways

### STABILIZATION AFTER A DOWN YEAR

The region's lodging economy stabilized and improved modestly in 2024 after a down year in 2023. Occupancy and revenue per available room (RevPAR) ticked up, while ADR softened slightly from its peak, suggesting the market is finding a new balance.

### A DURABLE SHIFT TO LOWER OCCUPANCY AND HIGHER RATES

Compared with the pre-pandemic period, the destination remains in a lower-occupancy, higher-rate equilibrium. This structural change appears durable through at least 2024 and should be assumed in forward-looking planning.

### STRONG TOT REVENUES DESPITE SLOWING GROWTH

TOT collections continue to perform well in nominal terms, ending 2024 about 40 percent above 2018—but the pace of growth has clearly slowed relative to the immediate post-COVID years.

### GROWING IMPORTANCE OF YIELD PER VISITOR

To sustain economic and fiscal benefits with fewer room nights sold than before COVID-19, the region must continue to emphasize higher yields per visitor rather than relying primarily on volume growth. This can be accomplished through pricing, experience design, product mix, and market targeting.

### ESSENTIAL COLLABORATION IN THE NEW PHASE

Continued coordination among destination marketing organizations, local governments, and business stakeholders will be essential to manage visitor flows, protect environmental assets, and maintain a high-quality visitor and resident experience in this new phase of the tourism cycle.

## Preview of 2025

Although we do not have a full year of 2025 data, a preview of available data indicates strong lodging performance, with both occupancy and ADR increases during the previous winter and summer. We expect double-digit revenue and TOT growth for the year. We will report the complete picture later this year.

For more information on this report or additional strategy and analytic services, contact Carl Ribaldo at [carl@smgonline.net](mailto:carl@smgonline.net).

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## A Destination in Transition

At first glance, Lake Tahoe's lodging performance is unremarkable: lodging revenues are largely flat and occupancy remains below pre-pandemic levels. But beneath these topline indicators, the destination is undergoing a significant transition. What appears static in aggregate data is, in reality, a dynamic reshaping of the local economy, visitor mix, and business landscape.

As higher rates have offset lower occupancy, the destination has shifted from a volume-driven tourism model to one that relies more heavily on yield per visitor. This structural change has altered how visitors behave in-market. Shorter stays, more selective spending, and greater sensitivity to perceived value are placing pressure on businesses that once depended on steady, high-volume foot traffic. Restaurants, retailers, and activity providers increasingly feel the gap between lodging performance and in-destination spending.

While this trend is happening throughout the region, the contrast is evident in South Lake Tahoe: Denny's restaurant, a 44-year mainstay, has closed, while Tahoe Bagel Company—just 75 yards away—thrives with a wide range of options, often with higher prices targeted to a more selective visitor base.

At the same time, the business ecosystem itself is evolving. Longstanding, volume-oriented businesses are closing or consolidating, while new enterprises emerge with different cost structures, concepts, and target customers. This churn is not a sign of decline,

but of adaptation: the destination is recalibrating to a new economic reality shaped by higher operating costs, labor constraints, changing consumer expectations, and environmental and community considerations.

These transitions carry important implications. Economic resilience increasingly depends on fewer, higher-quality visits rather than sheer growth in visitation. The success of the destination is now more closely tied to experience quality, seasonality management, and the alignment between visitor demand and community capacity. Public agencies

face a similar adjustment, as flat or slowly growing tax revenues require more disciplined fiscal planning, prioritization, and cross-sector collaboration. Ultimately, the destination is not stagnating; it is evolving. The current period represents a shift from recovery to recalibration, from expansion to refinement. How effectively the destination manages this transition—by supporting business adaptation, reinforcing experience value, and aligning tourism with broader community goals—will determine whether this new equilibrium becomes a foundation for long-term vitality or a constraint on future opportunity.

## Implications for Local Businesses in a Destination in Transition

**A destination operating in a lower-occupancy, higher-rate environment presents a different set of policy challenges than one focused on growth or recovery. Flat lodging revenues and reduced occupancy should not be interpreted as stagnation; rather, they signal a structural shift that requires policy frameworks to evolve alongside the marketplace.**

### 1. ASSUME SLOWER REVENUE GROWTH IN FISCAL PLANNING

With the TOT and lodging revenues no longer on a rapid upward trajectory, policymakers must move away from assumptions of automatic revenue growth. Conservative budgeting, multi-year forecasting, and scenario planning become essential. Public agencies should plan for volatility driven by seasonality, weather, and economic cycles, recognizing that even small changes in demand can have outsized fiscal impacts in a lower-occupancy environment.

### 2. ADDRESS BUSINESS CHURN IN ECONOMIC DEVELOPMENT POLICY

The ongoing cycle of business closures and new openings reflects adaptation, not failure. However, this churn creates gaps in services, employment instability, and uneven economic benefits. Policymakers should focus on reducing barriers for new and transitioning businesses through permitting reform, flexible zoning, temporary use policies, and targeted small-business support, while recognizing that not all legacy business models will remain viable in the new tourism economy.

### 3. PRIORITIZE WORKFORCE AND HOUSING SOLUTIONS

Lower occupancy paired with high rates does not reduce workforce needs; in many cases, it intensifies them. Businesses face rising labor costs and recruitment challenges while employees struggle with housing affordability and seasonal income instability. Policy responses must integrate tourism, housing, transportation, and workforce strategies rather than treating them as separate issues. Without intervention, labor constraints will continue to limit service quality and business viability.

### 4. SHIFT FROM VOLUME MANAGEMENT TO VALUE MANAGEMENT

In a yield-driven destination, policy success is less about attracting more visitors and more about shaping when, how, and why visitors come. Policymakers should prioritize tools to continue to manage peak demand, encourage shoulder-season visitation, and support higher-value experiences aligned with community and environmental goals. Infrastructure investments, event policy, and public-space management should reflect this shift.

### 5. ALIGN POLICY WITH COMMUNITY EXPECTATIONS AND THE SOCIAL CONTRACT

As visitors pay higher prices, resident scrutiny of tourism's impacts intensifies. Policymakers must actively manage the social contract between residents and visitors by ensuring that tourism revenues visibly support community priorities, including infrastructure, environmental protection, public services, and quality of life. Transparency in how tourism dollars are reinvested becomes critical to maintaining public trust.

### 6. STRENGTHEN INTERAGENCY COORDINATION

The challenges of a transitioning destination cut across agencies and organizations, including economic development, planning, housing, transportation, environmental services, and tourism. Siloed decision-making increases risk and inefficiency. Policymakers should strengthen coordination mechanisms, shared data frameworks, and joint strategy development to ensure policies reinforce rather than undermine one another.

### 7. BUILD LONG-TERM RESILIENCE THROUGH STRATEGIC CHOICE, NOT MOMENTUM

Perhaps most importantly, policymakers can no longer rely on momentum or past success. The destination's future competitiveness will be shaped by deliberate choices about scale, experience quality, environmental limits, and economic diversity. The question is no longer how to grow tourism, but how tourism fits within a broader vision of community vitality and resilience.

TRANSITION AND INNOVATION IN A CHANGING DESTINATION





## Part 1: Lodging Performance in 2024

After a slightly down year in 2023, the market recovered in 2024. Room supply and demand both increased, occupancy ticked up, and revenue performance improved slightly in nominal terms. The performance metrics are as follows:

- Room nights available increased 1.5 percent.
- Room nights sold increased 3.4 percent.
- Average annual occupancy rose from 36.9 percent in 2023 to 37.6 percent in 2024, a gain of roughly 1.9 percent on a proportional basis (about 0.7 percentage points).
- The ADR declined slightly, from \$235.80 in 2023 to \$234.42 in 2024, a decrease of 0.6 percent.
- RevPAR increased modestly from \$86.94 in 2023 to \$88.08 in 2024, an increase of 1.3 percent.

- Total taxable room revenue grew to \$652 million in 2024, up 2.8 percent from 2023.
- TOT collections grew by a greater amount, increasing 4.1 percent to \$75 million in 2024.
- In short, 2024 brought a small but meaningful recovery in room nights and RevPAR following the 2023 slowdown, while ADR eased slightly from its prior peak.

Our previous report discussed the pandemic's profound impact on the Lake Tahoe Basin, in which occupancy declined and was offset by higher ADR. Figure 1 shows the relatively modest changes that occurred in 2024 following the more significant transformation that occurred earlier in the decade.

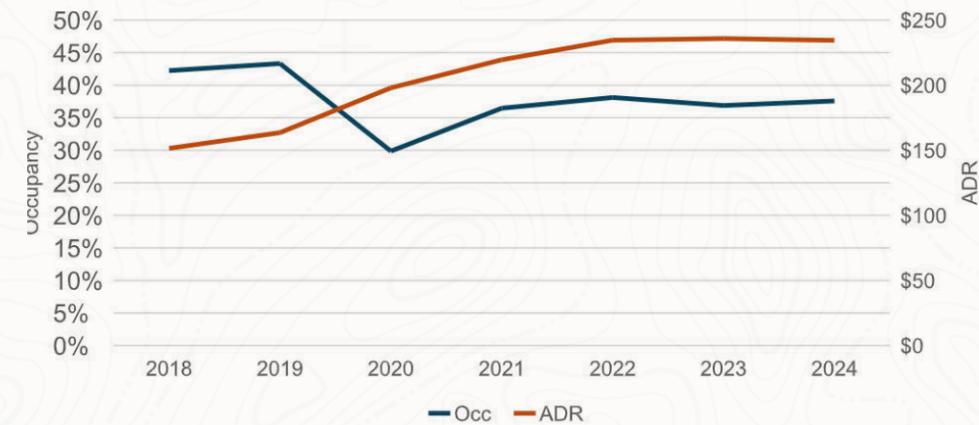


Figure 1: Lake Tahoe Basin Occupancy and ADR Trends

As a result of flat occupancy and ADR, lodging revenue and the resulting TOT revenue have remained relatively flat since 2022. As shown in Figure 2, after reaching \$75 million in 2022, TOT revenue has remained at that level for 3 years.

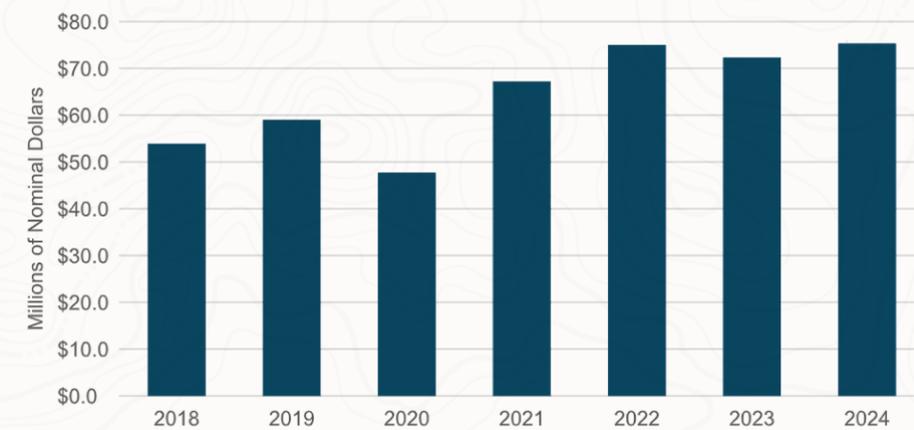


Figure 2: Lake Tahoe Basin Annual TOT Revenue

## Part 2: Seasonal Comparisons 2018-2024

Our last report looked at the pandemic's impact on an annual basis. This report takes a deeper look on a seasonal basis.

Figure 3 shows the Basin's monthly occupancy and ADR in 2018. July occupancy was 61 percent with an ADR of \$185, which generated TOT revenue of \$8.7 million. August occupancy reached 55 percent and June and September were 47 and 48 percent, respectively.

December occupancy was 38 percent with an ADR of \$215, generating TOT revenue of \$5.5 million. The other winter months of January through March averaged 40 percent occupancy and \$148 ADR. Average TOT revenue in these months was \$4.0 million.

The spring and fall shoulder seasons (April-May and October-November) just exceeded 30 percent occupancy with lower ADRs.

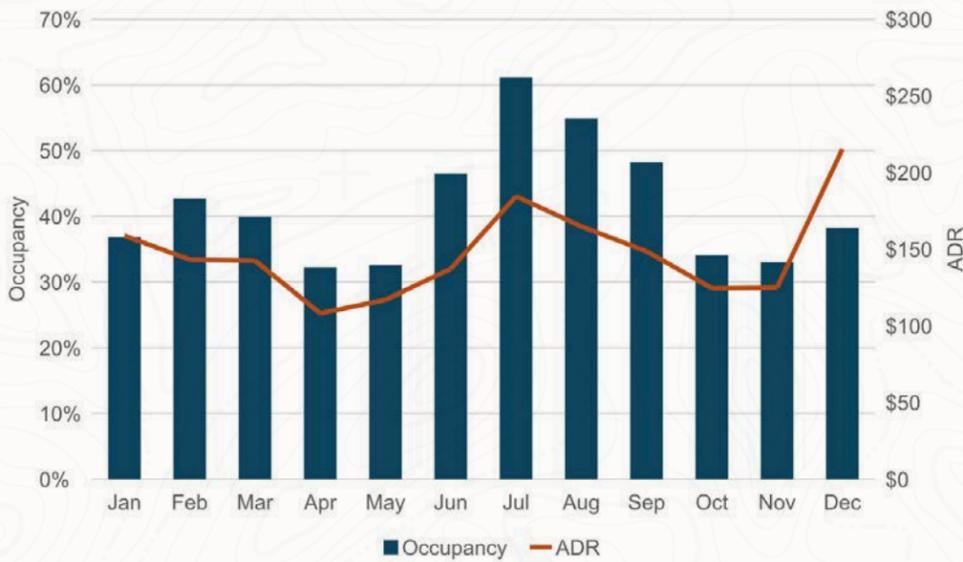


Figure 3. Lake Tahoe Basin Monthly Occupancy and ADR in 2018

Fast-forward to 2024, and the picture is much different. Figure 4 shows the Basin's monthly occupancy and ADR in 2024, with Y-axes matching Figure 3 for direct comparison.

In 2024, July occupancy was 48 percent, with an ADR of \$244, resulting in TOT revenue of \$10.5 million. August and September occupancies were 48 and 45 percent, respectively. August ADR reached \$266, just a dollar short of the peak of \$267 in December, while September was \$228.

December 2024 occupancy was only 30 percent, but ADR reached \$267, resulting in TOT revenue of \$5.1 million, down from \$5.5 million in December 2018. Adjusting the December 2024 TOT revenue for inflation to 2018 dollars yields \$4.0 million, a decline of 22 percent in real terms.

The other winter months of January through March averaged 37.3 percent occupancy, only 3 percentage points less than in 2018. However, ADR increased to an average of \$245. The average TOT revenue in these months was \$6.1 million. Adjusting for inflation to 2018 dollars gives an average monthly TOT of \$4.8 million, representing 20 percent real growth.



Figure 4. Lake Tahoe Basin Monthly Occupancy and ADR in 2024

Figure 5 compares monthly occupancy in 2024 with 2018. April is the only month in which occupancy increased. The peak months of July and December experienced the largest decreases in occupancy, down 21 and 22 percent, respectively.

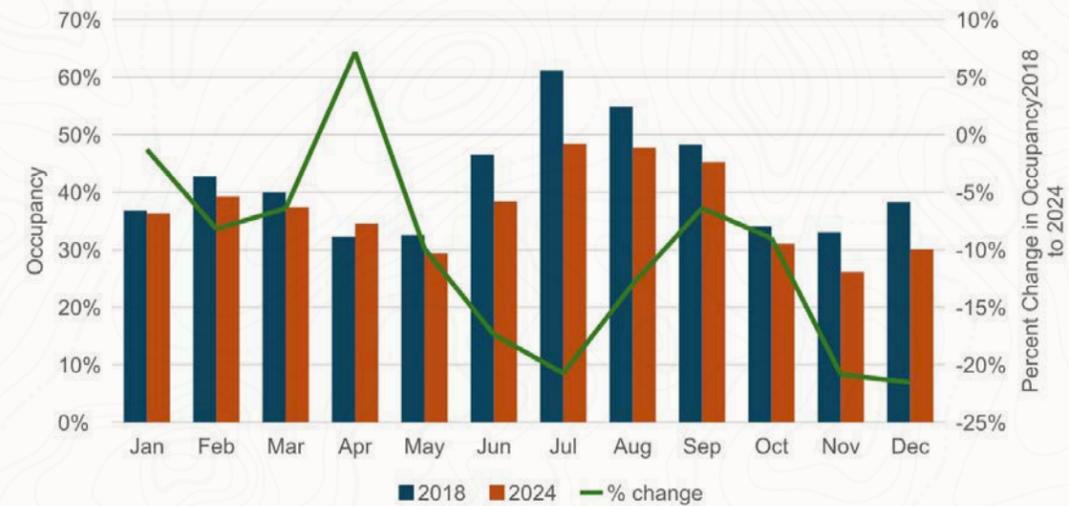


Figure 5. Lake Tahoe Basin Monthly Occupancy Comparison 2018 and 2024



# Part 3: Trend Analysis

## OCCUPANCY TREND

Figure 7 shows the monthly occupancy trend. The higher pre-pandemic occupancy levels are evident. Peak summer months have experienced the greatest post-pandemic decline. Perhaps more importantly, the peak summer months have continued to decline, albeit more gradually, since 2021.



Figure 7. Lake Tahoe Basin Paid Lodging Occupancy (2018–2024)

Figure 6 compares monthly ADR in 2024 to 2018. Corresponding to the largest decreases in occupancy, the peak months of July and December experienced the lowest ADR growth (32 and 24 percent, respectively), basically just keeping up with inflation. In the other 10 months of the year, ADR increased 65 percent on average.



Figure 6. Lake Tahoe Basin Monthly ADR Comparison 2018 and 2024

Figure 8 examines the Basin's occupancy during the years 2022 to 2024 in greater detail. From a longer-term perspective, these years appear flat. However, Figure 8 shows a downward trend over many months, including July and February.



Figure 8. Lake Tahoe Basin Paid Lodging Occupancy (2022–2024)

## ADR TREND

Figure 9 shows the monthly ADR trend. ADR was relatively flat leading up to the pandemic, which brought on 2 years of steady ADR growth. For the 3 years from 2022 through 2024, ADR returned to a relatively flat range.

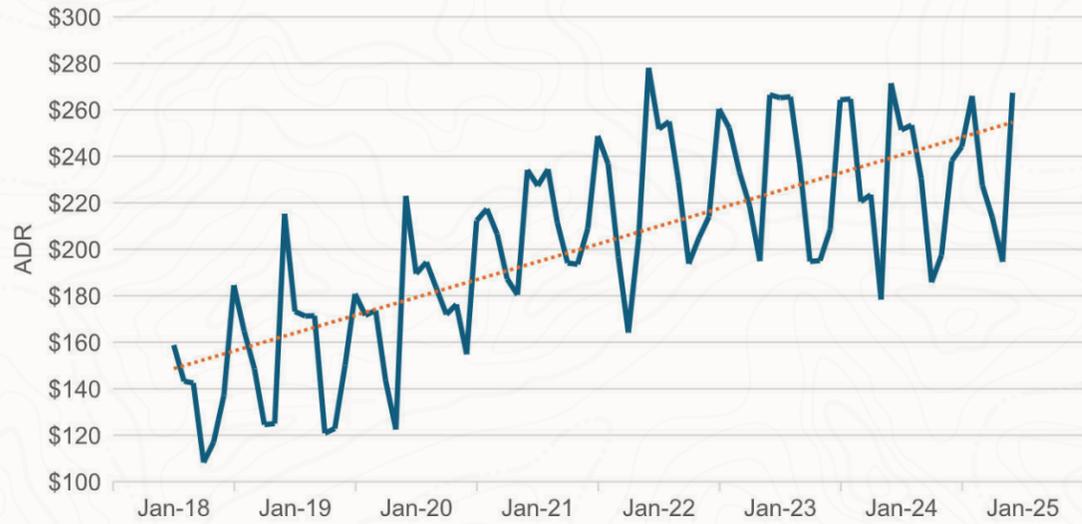


Figure 9. Lake Tahoe Basin ADR (2018–2024)

Figure 10 shows the high degree of consistency in monthly average ADR across the 3 years from 2022 through 2024. Most months remained within a narrow range. The notable exceptions are June and July 2024, when the June ADR (\$238) was almost equal to July (\$244), a significant departure from 2022 through 2023 when the June ADR was substantially lower and the July ADR was higher.

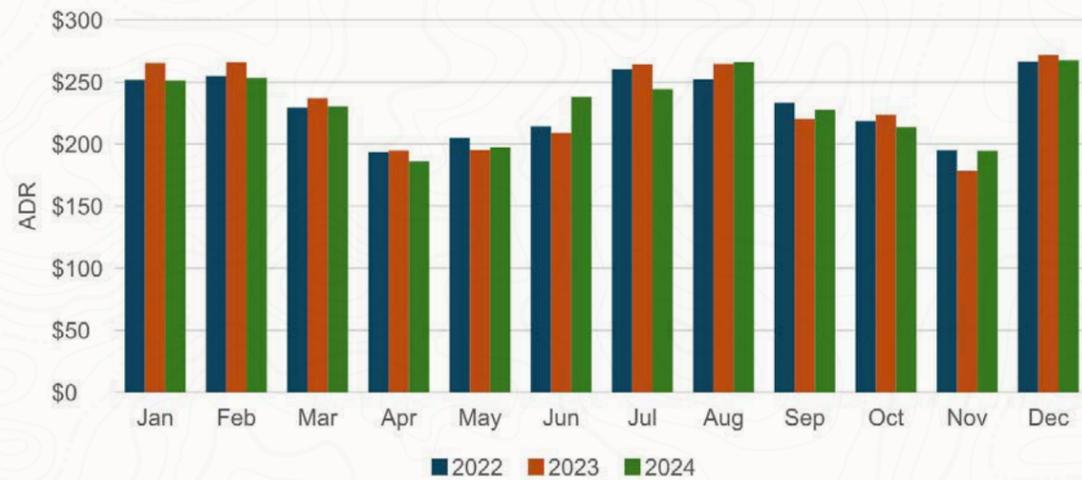


Figure 10. Lake Tahoe Basin ADR (2022–2024)

## REVENUE TREND

Figure 11 shows the Basin's monthly revenue in terms of RevPAR. Notice that prior to the pandemic, peaks in December and March gave the curve a "V" shape during winter months. Following the pandemic, March RevPAR increased to a much higher level giving winter a single peak.

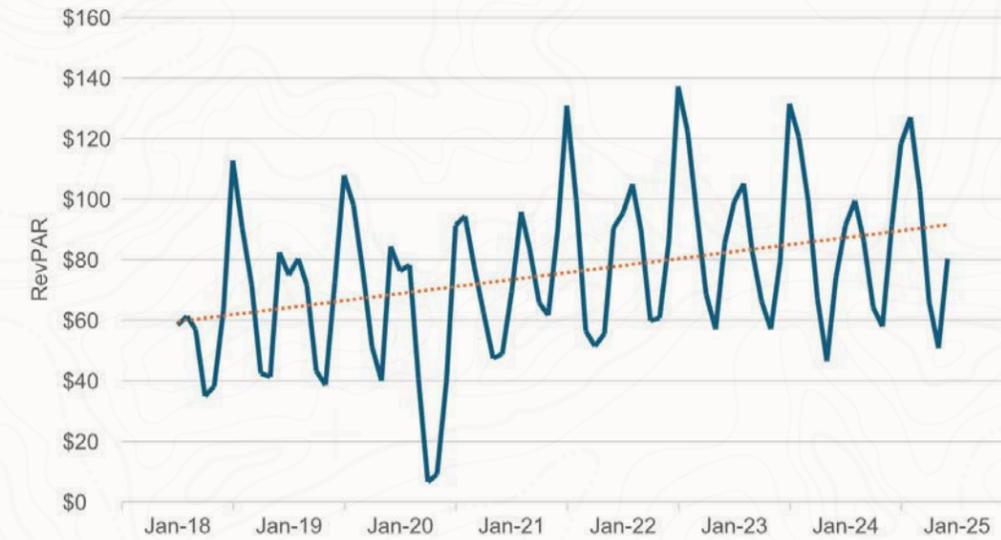


Figure 11. Lake Tahoe Basin RevPAR (2018–2024)

Figure 12 shows monthly variations in RevPAR. Notice that July has been declining while August and September have been increasing.

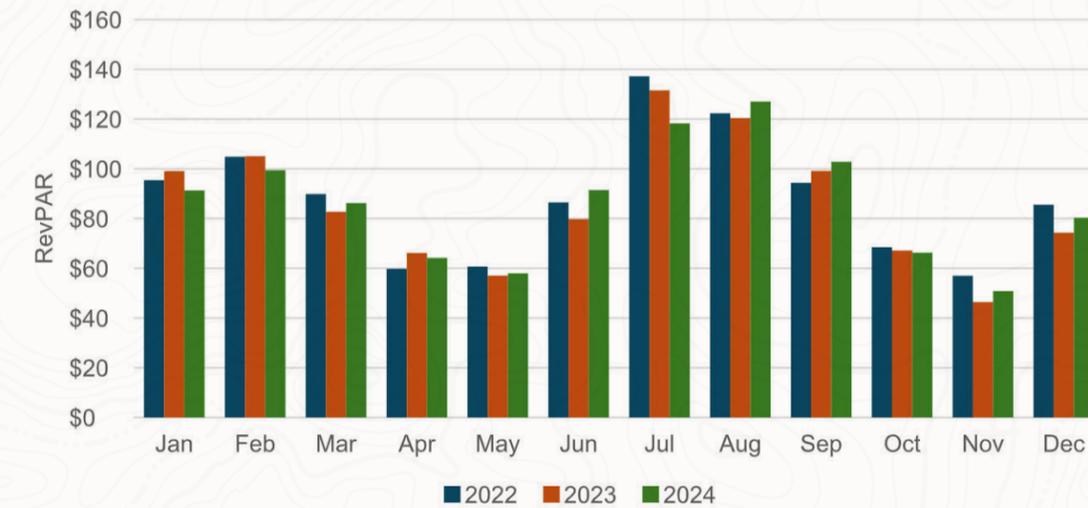


Figure 12. Lake Tahoe Basin RevPAR (2022–2024)

Figure 13 demonstrates the effect of ADR increasing more than enough to offset the decrease in occupancy brought about by the pandemic as TOT grows in spite of falling occupancy.

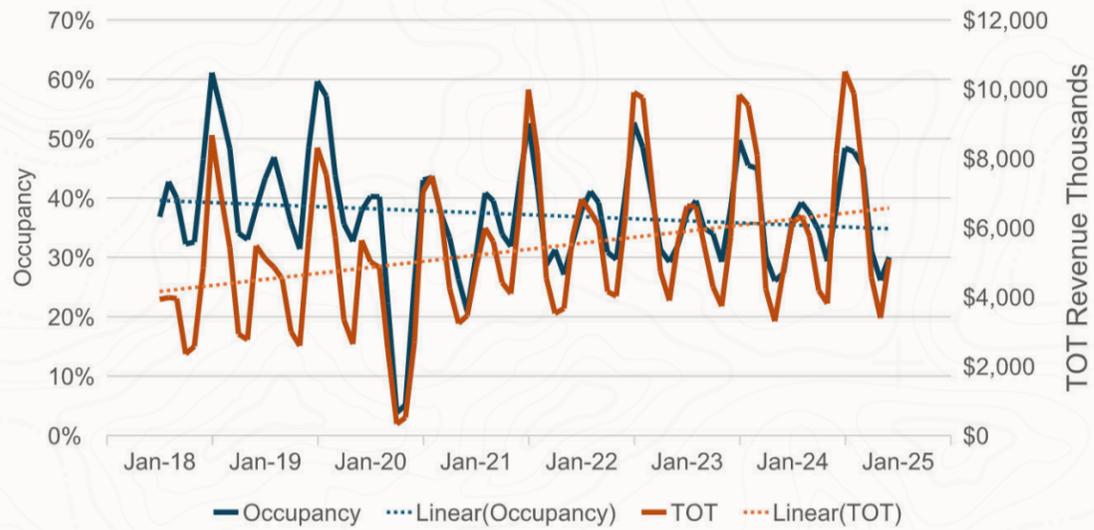


Figure 13. Lake Tahoe Basin Occupancy and TOT Revenue (2018–2024)

Figure 14 shows TOT increased by \$21.4 million (40 percent) from 2018 to 2024 in nominal dollars.

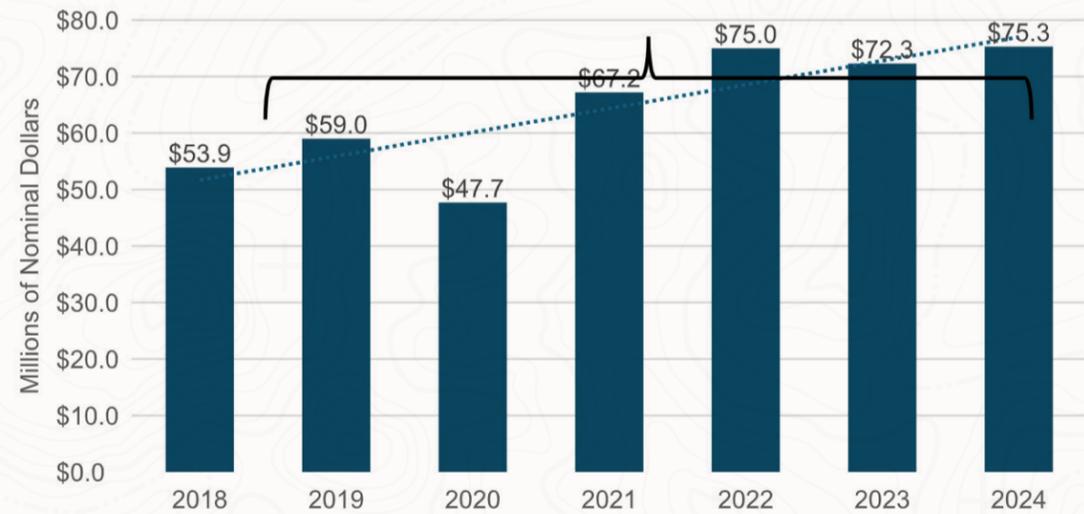


Figure 14: Annual Lake Tahoe Basin TOT Revenue (2018–2024)

## About The Authors



### Carl Ribaldo – Strategist

Carl Ribaldo is a nationally recognized strategist, thought leader, and innovator in tourism, outdoor recreation, and rural economic development. With a consulting portfolio spanning more than 65 destinations across the United States, Carl is known for his expertise in market analysis, destination competitiveness, and organizational change. His work helps CEOs and senior leaders navigate complex strategic challenges and design future-facing destination strategies. Carl serves as Chairman of the El Dorado County Economic Development Committee and Vice Chair of Arts and Culture El Dorado County. He formerly chaired the Tahoe Resource Conservation District.

Carl earned a Bachelor of Science from California State University, Northridge. He earned his Master of Business Administration (MBA) from San Francisco State University’s Graduate School of Business. He has completed certificate programs at Cornell University in Organizational Change Leadership and Dartmouth College in Strategic Thinking.



### Jeff Moffett, Ph.D. – Economist

Jeff Moffett, Ph.D., founded Triple Point Strategic Consulting in 2013 to provide economic analysis, strategic planning, and business development services. Triple Point specializes in developing custom economic and financial models, with focus areas including renewable energy, affordable housing, health assessments, sustainable tourism, and economic development.

Triple Point is active across the western and northeastern United States and Canada, providing modeling for scenario planning, financial forecasting, permitting and approvals, optimal resource allocation, and improved decision-making. Economic impact studies are conducted using the IMPLAN, RIMSII, and proprietary models as necessary. Jeff earned his master’s degree in Econometrics and a doctorate in Applied Statistics at the University of Washington, Seattle, and combines technical sophistication with real-world business insights. His economic models and market strategies have supported a wide range of public and private organizations. Jeff currently resides in Gunnison County, Colorado, where he enjoys mountain life with his family, bringing both personal and professional passion to his work in rural economies.

