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Pandemic

Almost two-thirds (65%) of hotels remain at or below 50 percent occupancy, which is below the threshold at which most hotels can break even and pay debt.

Sep. 02, 2020



With millions of hotel employees still furloughed or laid off and travel demand lagging far behind normal levels, the American Hotel & Lodging Association (AHLA)

has released an [analysis](#) on the economic and human struggle of the hotel industry

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38 percent saying they are likely to travel by the end of the year.

- Urban hotels are suffering the most and facing collapse with cripplingly low occupancies of 38 percent, significantly below the national average.
- COVID-19 has left hotels in major cities across the country struggling to stay in business, resulting in massive job loss and dramatically reducing state and local tax revenue for 2020 and beyond.

Chip Rogers, president and CEO of AHLA, said the prolonged economic impact of the pandemic has taken an incredible toll on the hotel industry, with no sign of a recovery in sight.

“While hotels have seen an uptick in demand during the summer compared to where we were in April, occupancy rates are nowhere near where they were a year ago. Thousands of hotels can’t afford to pay their mortgages and are facing the possibility of foreclosure and closing their doors permanently,” said Rogers.

“We are incredibly worried about the fall and what the drop in demand will mean for the industry and the millions of employees we have been unable to bring back. The job loss will be devastating to our industry, our communities, and the overall American economy. We need urgent, bipartisan action from Congress now.”

As a result of the sharp and sustained drop in travel demand, industry leaders say hotels are now facing the harsh reality of deciding whether to close their doors permanently. Hoteliers are urging Congress to move swiftly to help the industry through a targeted extension of the Paycheck Protection Program, establishing a commercial mortgage backed securities market relief fund, and making structural changes to the Main Street Lending Facility to ensure hotel companies can access the program.

“Our industry is in crisis. Thousands of hotels are in jeopardy of closing forever, and

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