

Executive Summary

Year-end 2022

Hotel Occupancy 56.5% YOY % Chg ▲ 37.8%	Hotel Average Daily Rate \$214.62 YOY % Chg ▲ 20.0%	Hotel Revenue per Available Room \$121.35 YOY % Chg ▲ 65.3%	Hotel Supply 5.1M YOY % Chg ▲ 6.6%	Hotel Room Nights Sold 2.9M YOY % Chg ▲ 46.9%	Hotel Room Revenue \$618.1M YOY % Chg ▲ 76.2%
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Key Takeaways

Year-end 2022

- 1 After a slow start to 2022 with Omicron impacting Q1 demand, hotel demand picked up steam throughout the year and reached 2.9M room nights sold in 2022 – nearly a doubling over prior year.
- 2 The increased demand was a good mix of growth in all key segments (group, leisure, and corporate) with leisure closing out the year just short of 1M room nights followed by group who – at 900k room nights – nearly tripled 2021 demand.
- 3 Average daily rate (ADR) continued to grow as well, hitting \$215 this year – a 20% above prior year and well above growth of inflation (+6.5% YOY).
- 4 As a result of increased demand and ADR, room revenue reached \$618M this year – up 76.2% over prior year, recovering to 13.4% below the 2019 benchmark.
- 5 Despite the additional demand, leisure & hospitality jobs ended the year at 70.4k – an 8.3% increase over 2021, but 9.2% below 2019 levels.

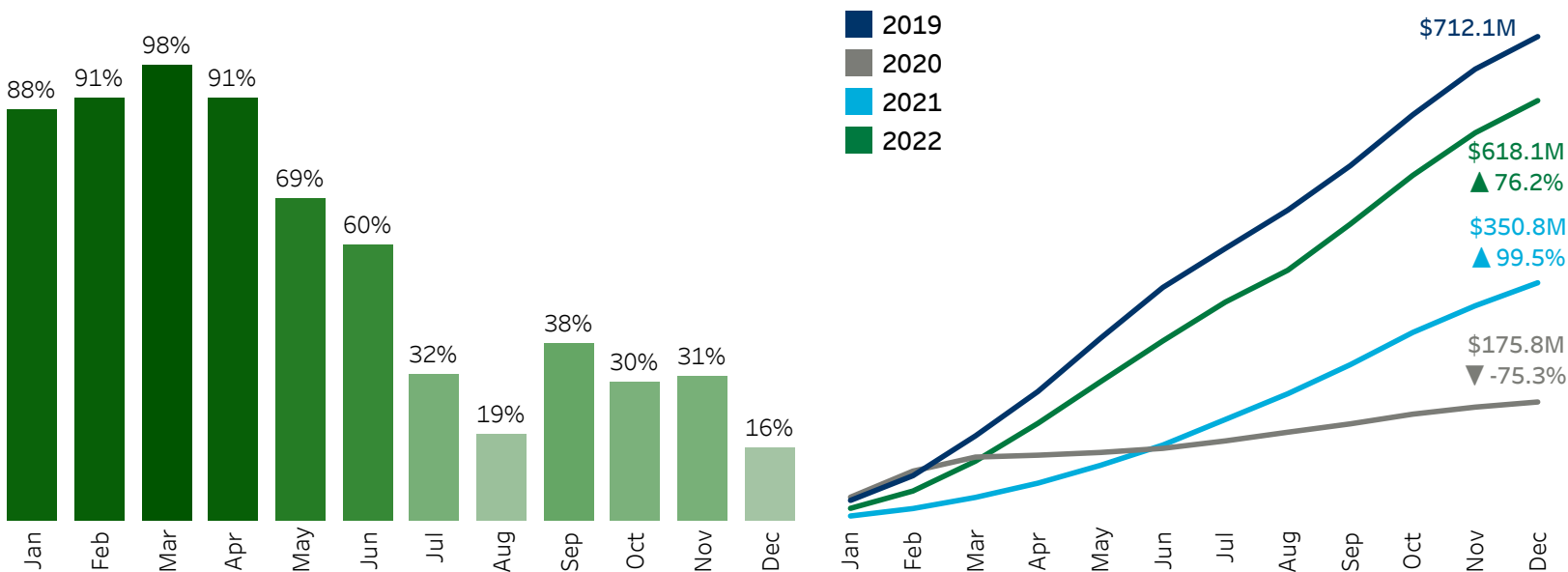
Key Metrics

December, 2022 Employment trends and leading indicators for travel



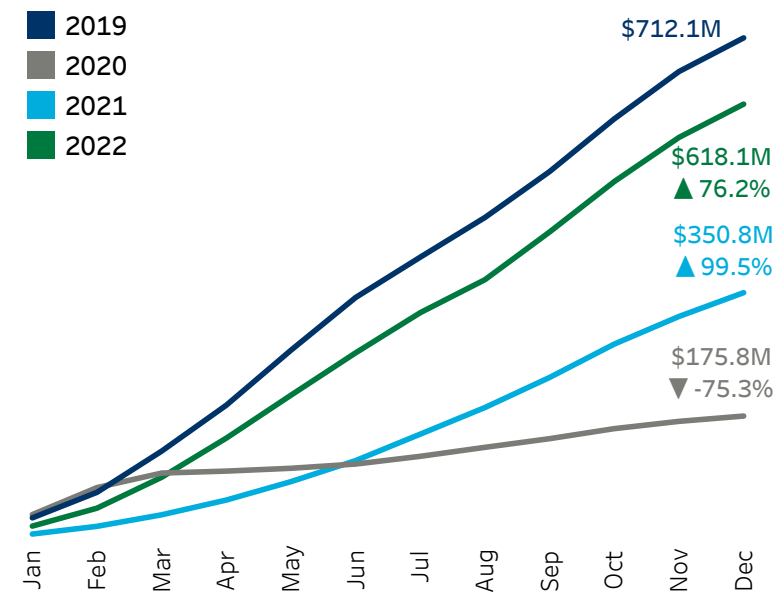
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending December, 2022



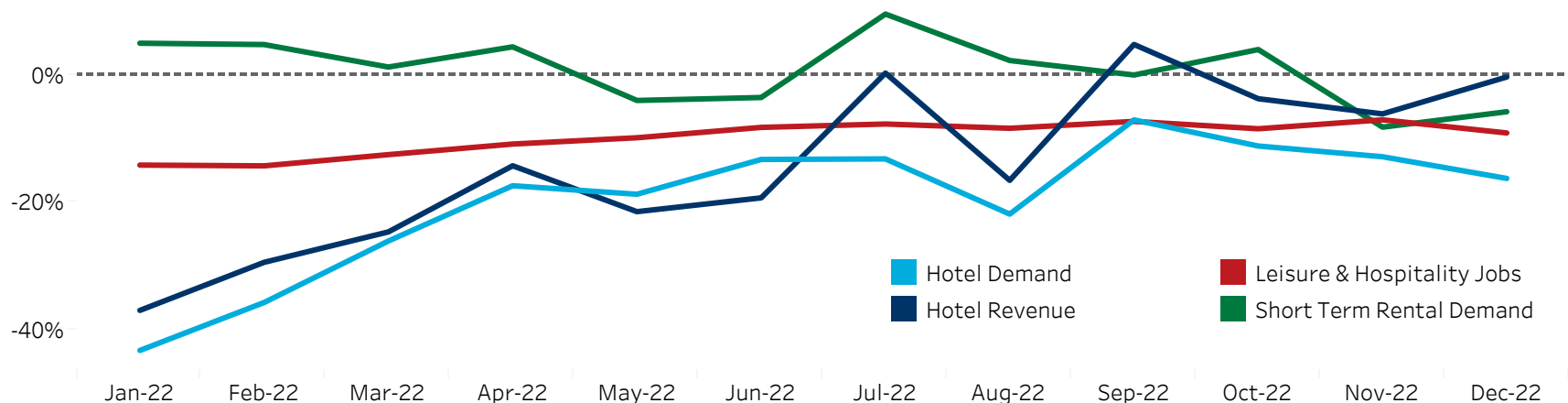
Hotel Room Revenue YTD

Running total and % change YOY



Recovery Indicators

% change relative to same month in 2019



Executive Summary

January, 2023

Month January, 2023

Hotel Occupancy			Hotel Average Daily Rate			Hotel Revenue per Available Room			Hotel Supply			Hotel Room Nights Sold			Hotel Room Revenue		
45.4%			\$181.17			\$82.26			436.4K			198.1K			\$35.9M		
MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD
▼ -7.4%	▲ 61.1%	▲ 61.1%	▼ -17.1%	▲ 9.9%	▲ 9.9%	▼ -23.2%	▲ 77.1%	▲ 77.1%	▼ -1.0%	▲ 2.9%	▲ 2.9%	▼ -8.3%	▲ 65.8%	▲ 65.8%	▼ -24.0%	▲ 82.3%	▲ 82.3%

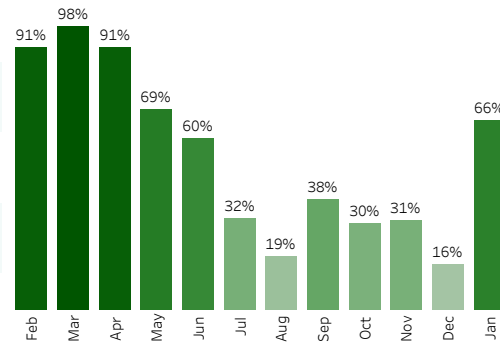
Insights

January, 2023 Key takeaways

- Center City Philadelphia hotels sold 197.9K rooms in January 2023, a 65.9% increase over the same month in 2022. Although lagging January 2019 by 5.1%, this month's performance marks the closest CC Philadelphia hotels have come to 2019 room demand benchmarks.
- Average rate for CC Philadelphia hotels was \$181, a 9.9% increase over the same month last year and a 20.4% increase over January 2019. This is a continuation of a pattern started in July 2022 of rates remaining well over 2019 benchmarks despite room demand falling short of the volumes seen pre-pandemic.
- PHLCVB's website experienced a 27.0% YOY increase in sessions in January. While several sections of the website contributed to growth, the blog stood out this month with 60.8% of total sessions landing on a blog-related page. At 43.8K sessions in January starting on a post, the blog attracted 45.9% more sessions to the website than it did in January 2022.
- Job performance across the US exceeded expectations in January with the economy adding 517K jobs, while the unemployment rate remained low at 3.4%. Leisure and hospitality continues to fuel job growth, with 25% of total US job growth sourced from the industry.
- The US inflation rate sped up in January, with overall CPI up 6.4% compared to a year ago. Despite this, inflation has slowed from its 9.1% peak in June 2022, and is expected to continue to slow throughout the coming months.

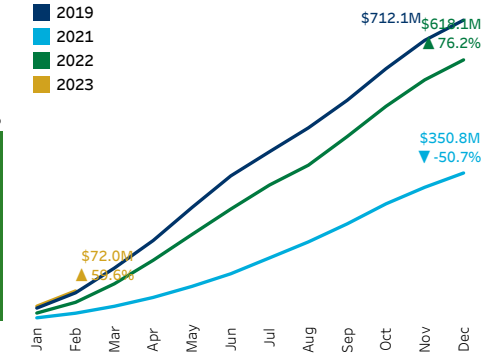
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending January, 2023



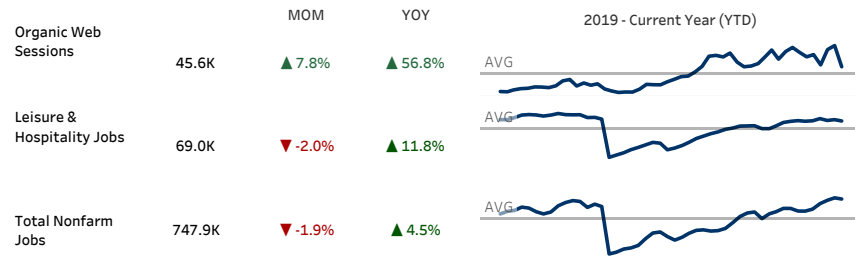
Hotel Room Revenue YTD

Running total and % change YOY



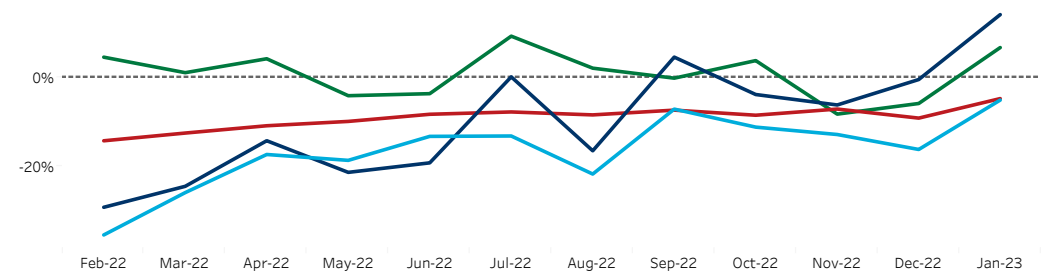
Key Metrics

January, 2023 Employment trends and leading indicators for travel



Recovery Indicators

% change relative to same month in 2019



Source: STR (Phila Center City), Google Analytics, AirDNA, and Bureau of Labor Statistics (Philadelphia City geography)

SYMPHONY TOURISM ECONOMICS

Executive Summary

February, 2023

Month February, 2023

Hotel Occupancy			Hotel Average Daily Rate			Hotel Revenue per Available Room			Hotel Supply			Hotel Room Nights Sold			Hotel Room Revenue		
48.7%			\$187.95			\$91.56			394.4K			192.1K			\$36.1M		
MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD
▲ 7.3%	▲ 23.4%	▲ 40.4%	▲ 3.7%	▲ 9.0%	▲ 9.2%	▲ 11.3%	▲ 34.5%	▲ 53.2%	▲ 0.1%	▲ 5.5%	▲ 4.1%	▼ -3.0%	▲ 30.3%	▲ 46.2%	▲ 0.6%	▲ 42.0%	▲ 59.6%

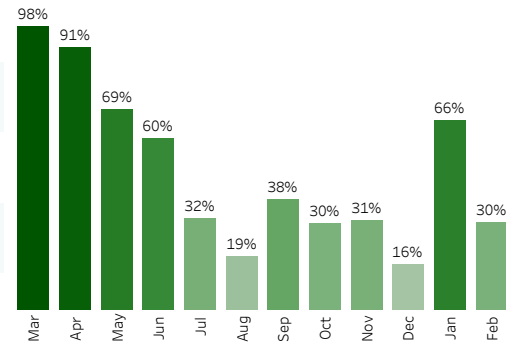
Insights

February, 2023 Key takeaways

- While Oxford Economics does not associate the recent bank failures with a systemic risk to the broader economy, a mild recession is still predicted to occur in the second half of 2023 representing a 1% loss in GDP.
- Food services and drinking places accounted for 22.5% of total job growth in the United States during the month of February. Despite these gains, Leisure and hospitality as a whole remained below its pre-pandemic level (February 2020) by 2.4%.
- Hotel performance for Center City in February led room nights sold to 192.1K, up 30.3% YOY but 15.7% down from February 2019. Given supply growth (+12.2% vs. 2019), RevPAR of \$92 was down relative to 2019 by 11.2%.
- ADR of \$188 was 9% ahead of last year and 18.2% ahead of 2019 ADR, leading room revenue to \$36.1M, significantly ahead of the previous year by 42% and level with February 2019 revenue.
- Organic web sessions were 28.5K for the month, down 37.5% MOM and 8.2% below the previous year. Of those sessions, the top landing section was "Blog" (73%), and the top landing page was "Free and Budget Friendly" (12.7%).

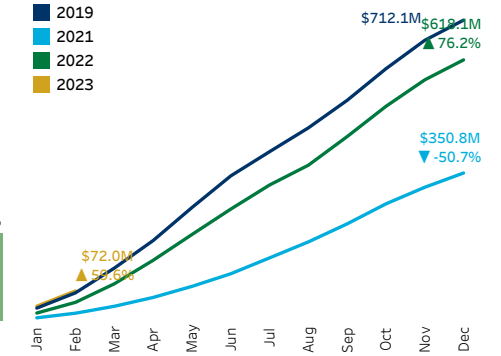
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending February, 2023



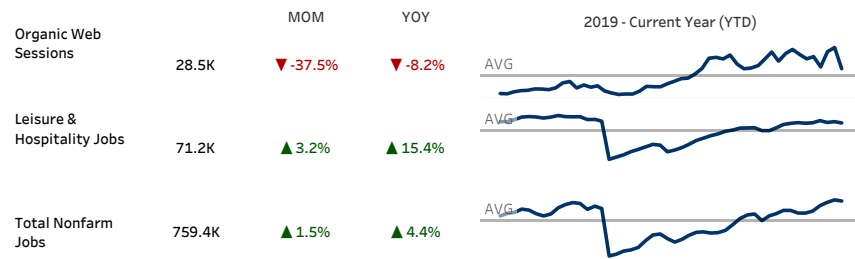
Hotel Room Revenue YTD

Running total and % change YOY



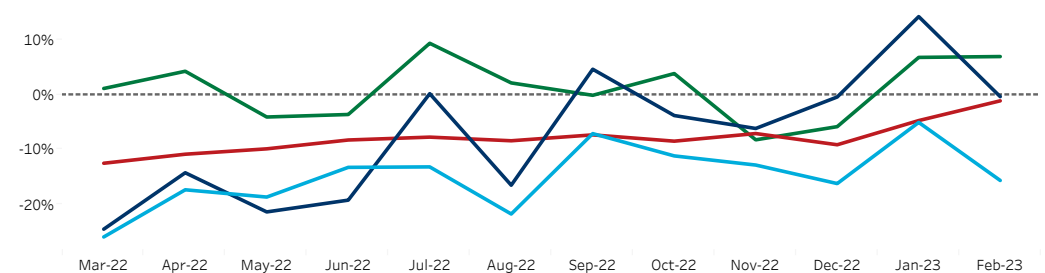
Key Metrics

February, 2023 Employment trends and leading indicators for travel



Recovery Indicators

% change relative to same month in 2019



Source: STR (Phila Center City), Google Analytics, AirDNA, and Bureau of Labor Statistics (Philadelphia City geography)

SYMPHONY TOURISM ECONOMICS

Executive Summary

March, 2023

Month March, 2023

Hotel Occupancy			Hotel Average Daily Rate			Hotel Revenue per Available Room			Hotel Supply			Hotel Room Nights Sold			Hotel Room Revenue		
59.5%			\$205.15			\$122.15			436.7K			260.0K			\$53.3M		
MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD	MOM	YOY	YTD
▲ 22.2%	▲ 12.4%	▲ 27.5%	▲ 9.2%	▲ 5.6%	▲ 6.8%	▲ 33.5%	▲ 18.8%	▲ 36.1%	▲ 0.0%	▲ 2.5%	▲ 3.6%	▲ 35.3%	▲ 15.3%	▲ 32.0%	▲ 47.8%	▲ 21.8%	▲ 41.0%

Insights

March, 2023 Key takeaways

- Philadelphia Center City hotel demand in March reached 260K nights, up 15.3% from last year, and 14.4% behind 2019 levels. This was an increase in recovery vs. 2019 of 2ppt from last month, with demand down 16% relative to 2019.
- Given a lesser increase in supply from last year (+2.5%) than that of demand (+15.3%), occupancy of 59.5% was ahead of last year by 12.4%. In combination with greater ADR (+5.6%), room revenue reached \$53.3M, up 21.8%.
- Organic web sessions in March grew 3.5% from last month, but were 18.3% behind last year. In-market sessions from Philadelphia represented 18.8% of organic sessions, with "blog" as the most popular landing section at 68.3%.
- Inflation remains a key source of US consumer unease, as prices register 6% higher than one year ago, equivalent to average households spending an additional \$400/month to buy the same goods and services as last year.
- The US unemployment rate remains at its lowest level in the past 50 years, pulling a 3.5% unemployment rate for March. Gains to total nonfarm jobs (+236K) were lower than the average monthly gain of the past six months (+334K).

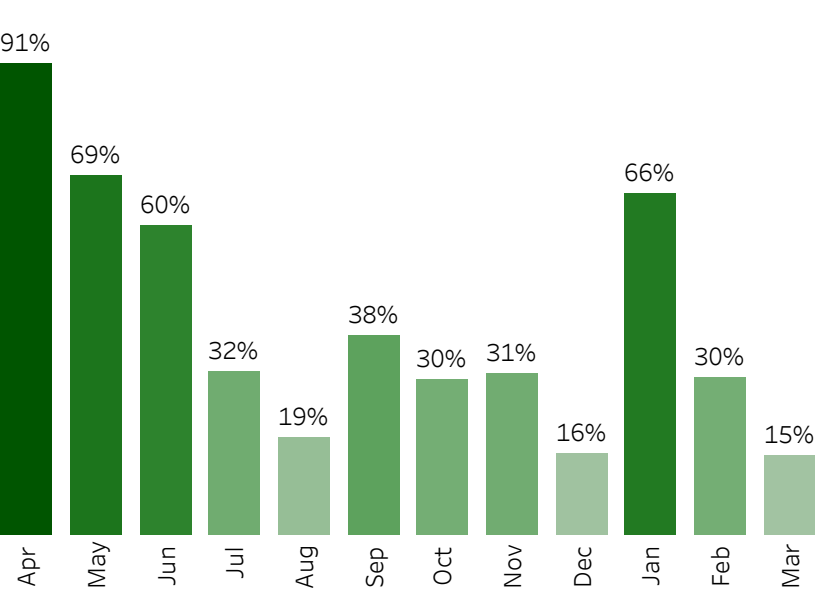
Key Metrics

March, 2023 Employment trends and leading indicators for travel

		MOM	YOY	2019 - Current Year (YTD)
Organic Web Sessions	29.5K	▲ 3.5%	▼ -18.3%	
Leisure & Hospitality Jobs	73.6K	▲ 3.5%	▲ 13.6%	
Total Nonfarm Jobs	763.3K	▲ 0.6%	▲ 4.2%	

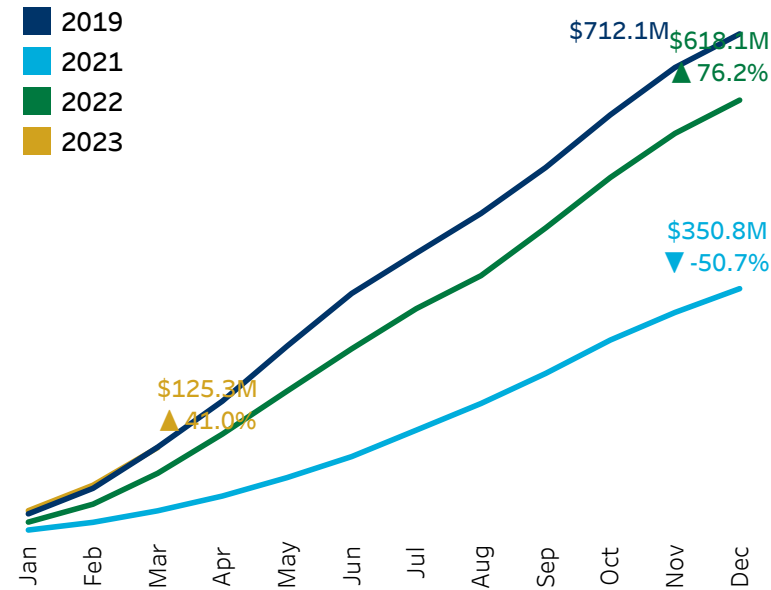
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending March, 2023



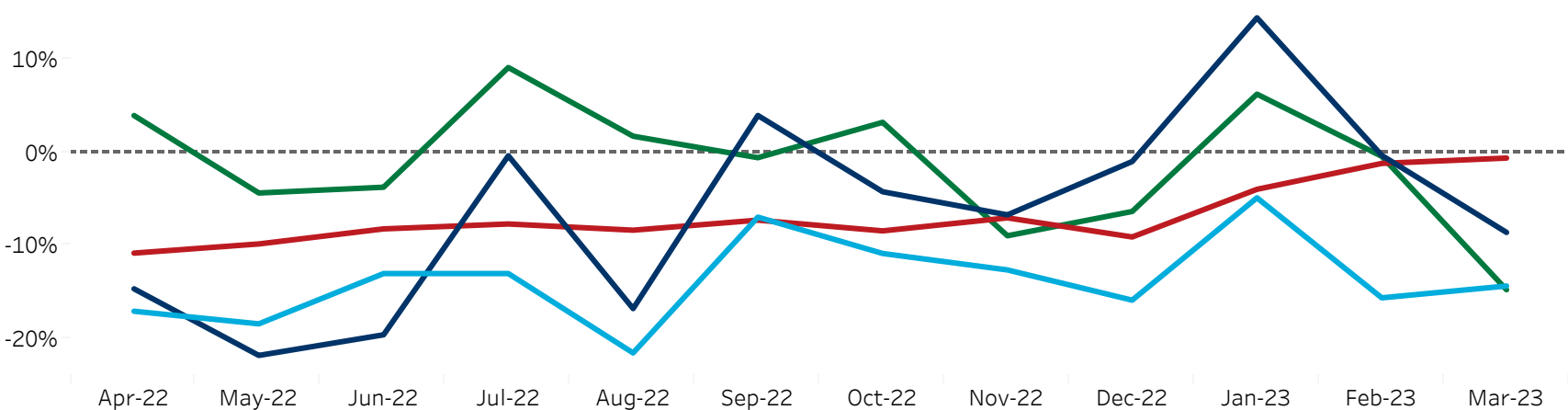
Hotel Room Revenue YTD

Running total and % change YOY



Recovery Indicators

% change relative to same month in 2019



Executive Summary

April, 2023

Month April, 2023

Hotel Occupancy		Hotel Average Daily Rate		Hotel Revenue per Available Room		Hotel Supply		Hotel Room Nights Sold		Hotel Room Revenue	
62.3%		\$209.29		\$130.38		423.4K		263.7K		\$55.2M	
YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD
▼ -0.6%	▲ 17.8%	▼ -2.6%	▲ 2.7%	▼ -3.2%	▲ 20.9%	▲ 2.7%	▲ 3.3%	▲ 2.0%	▲ 21.7%	▼ -0.6%	▲ 24.9%

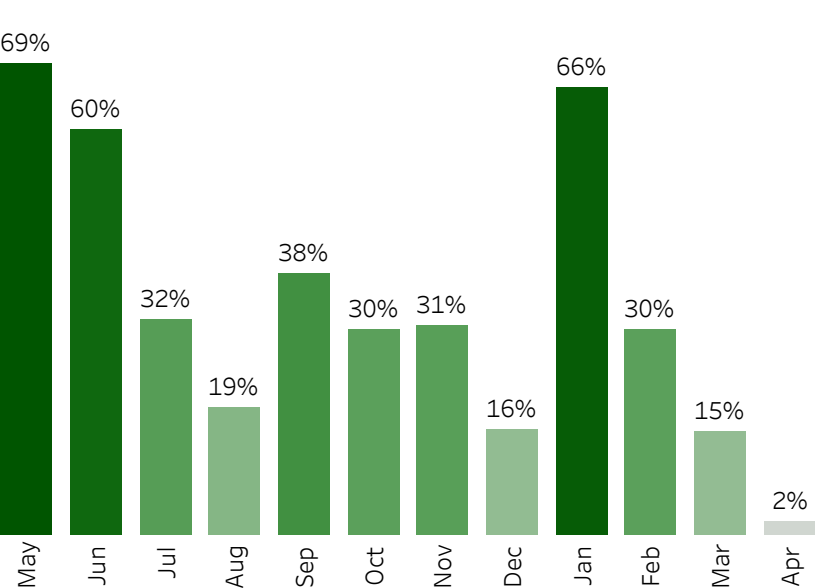
Insights

April, 2023 Key takeaways

- Center City hotels in April accumulated 263.7K room nights, ahead of last year by 2%, but remaining behind 2019 levels by 15%. A decrease in ADR (\$209) of 2.6% contributed to room revenue of \$55.2M dropping slightly from last year by 0.6%.
- Short term rental demand likewise remained below 2019 levels, down 19%, but improved slightly compared to recovery as of last month (-21%). Revenue of \$8.6M was behind April 2019 revenue levels of \$9.4M, and additionally behind last year's \$11M.
- Leisure and hospitality jobs within the city were 76.3K, up 11.1% from job levels one year ago, experiencing faster growth from last year than total nonfarm jobs (+3.7%). However, L&H employment remained plateaued behind 2019 levels, down 1%.
- Although Oxford Economics continues to predict a recession in the second half of 2023, effects are expected to be mild and unemployment projected to only reach 5% (Current rate, April 2023 = 3.4%).
- Gains to leisure and hospitality jobs nationally in April were 81% attributable to food service and drinking places. Despite increases, the pace of jobs added for the month (+31K) was slower than the average gains in the last 6 months (+73K).

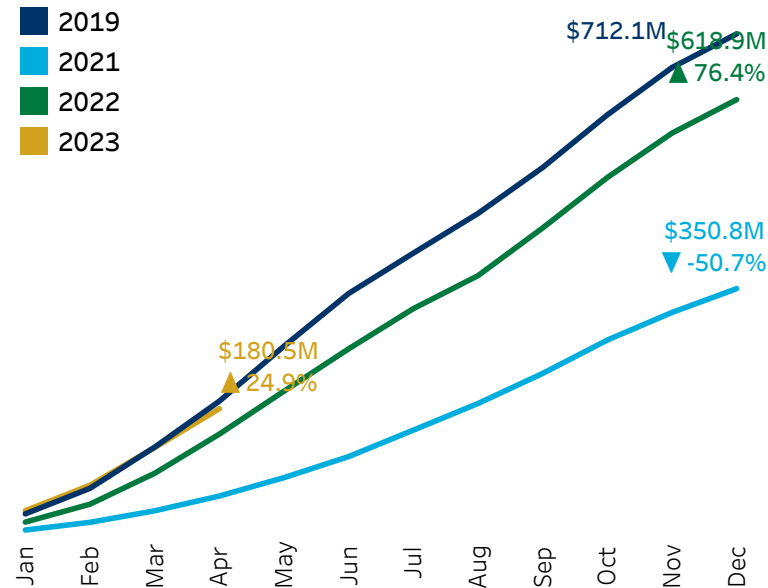
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending April, 2023



Hotel Room Revenue YTD

Running total and % change YOY



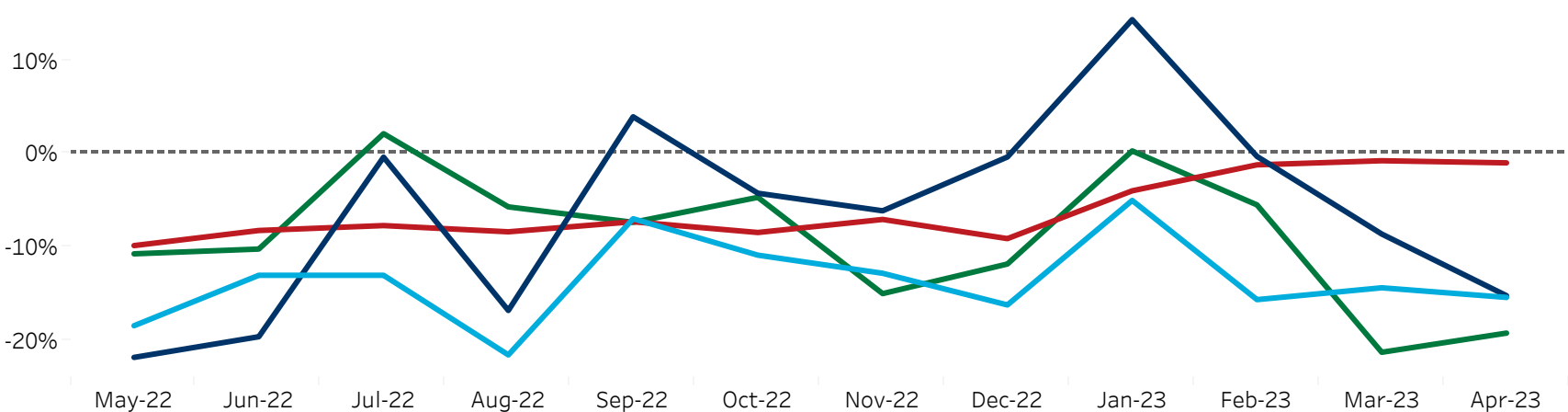
Key Metrics

April, 2023 Employment trends and leading indicators for travel

		MOM	YOY	2019 - Current Year (YTD)
Organic Web Sessions	29.1K	▼ -1.4%	▼ -30.8%	AVG
Leisure & Hospitality Jobs	76.3K	▲ 3.8%	▲ 11.1%	AVG
Total Nonfarm Jobs	767.9K	▲ 0.6%	▲ 3.7%	AVG

Recovery Indicators

% change relative to same month in 2019



Executive Summary

May, 2023

Month May, 2023

Hotel Occupancy		Hotel Average Daily Rate		Hotel Revenue per Available Room		Hotel Supply		Hotel Room Nights Sold		Hotel Room Revenue	
67.8%		\$249.99		\$169.45		438.8K		297.5K		\$74.4M	
YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD
▲ 11.5%	▲ 16.1%	▲ 7.6%	▲ 3.8%	▲ 20.0%	▲ 20.5%	▲ 1.7%	▲ 3.0%	▲ 13.5%	▲ 19.5%	▲ 22.1%	▲ 24.1%

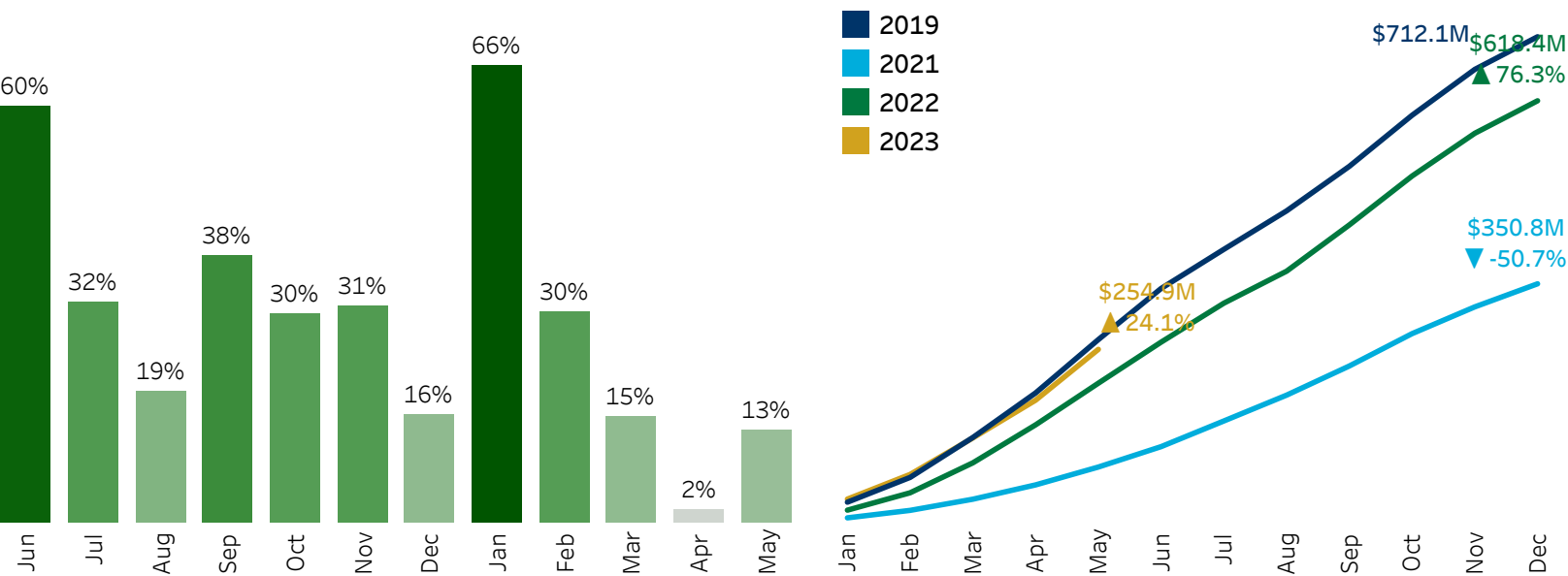
Insights

May, 2023 Key takeaways

- Philadelphia Center City hotel occupancy in May reached 67.8%, an increase of 11.5% from the previous year as demand pulled ahead of 2022 levels, up 13.5%. This was a combination of both group (+8.8%) and transient (+6.7%) growth in nights.
- Among the comp set, Boston occupancy was highest at 84.5%, ahead of last year by 7.3% due to growth in demand and lower supply. Philadelphia occupancy was ahead of Baltimore (67.1%), Miami (65.2%), Atlanta (64.2%), and San Francisco (62.5%).
- Leisure and hospitality jobs were 9.7% ahead of last year employment counts, at 76.8K jobs. Despite this, jobs remained plateaued just below 2019 levels for the fourth month in a row, down 1%,
- US hotel performance held competitive with the previous year - occupancy was just below May 2022 (-0.2%), while ADR and RevPAR for the US were both ahead by +3.8% and +3.7%, respectively.
- Headline inflation across the US managed to fall below 5% for the first time in two years (relative to the previous year) - however, targeted 2% inflation is not expected to be reached in the near future.

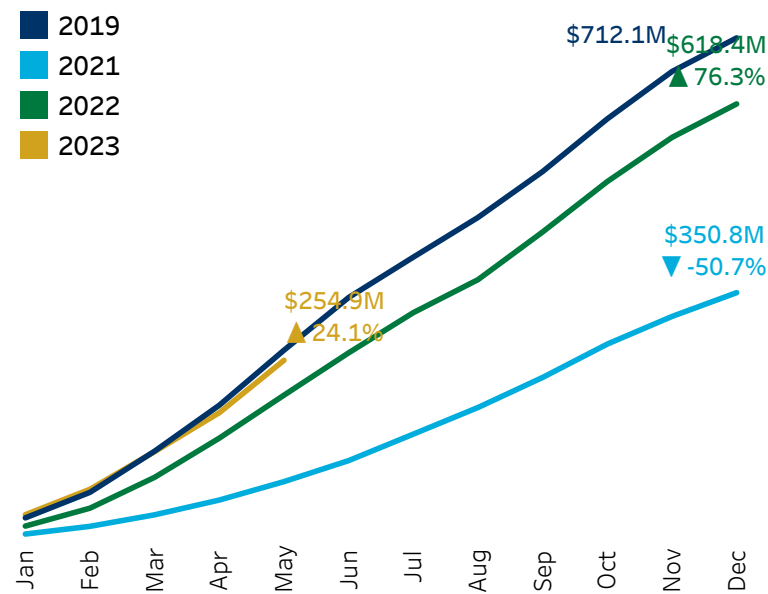
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending May, 2023



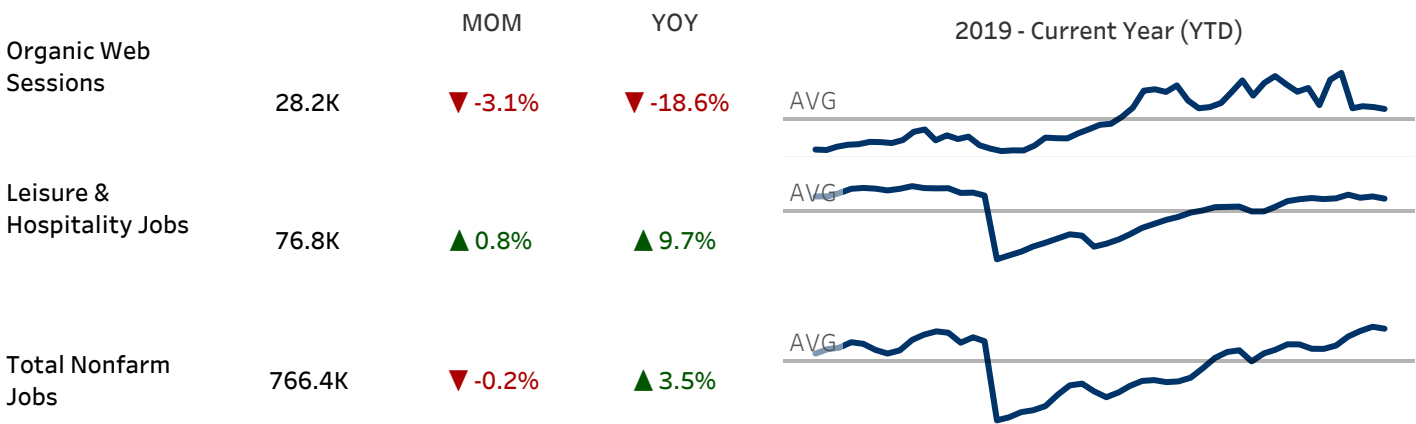
Hotel Room Revenue YTD

Running total and % change YOY



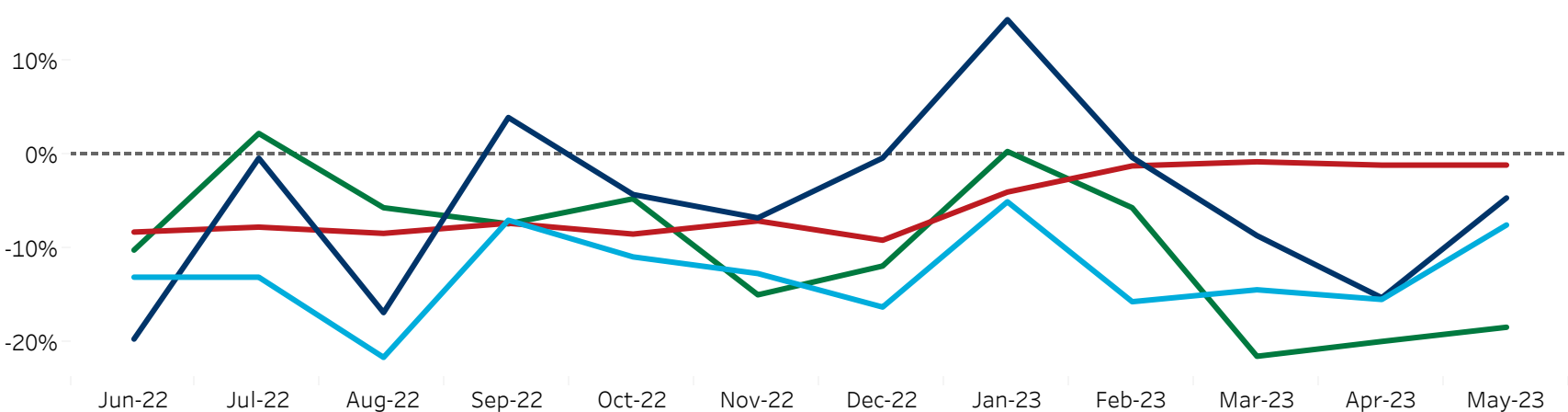
Key Metrics

May, 2023 Employment trends and leading indicators for travel



Recovery Indicators

% change relative to same month in 2019



Executive Summary

June, 2023

Month June, 2023

Hotel Occupancy		Hotel Average Daily Rate		Hotel Revenue per Available Room		Hotel Supply		Hotel Room Nights Sold		Hotel Room Revenue	
72.9%		\$238.85		\$174.08		424.7K		309.5K		\$73.9M	
YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD
▲ 9.5%	▲ 14.6%	▲ 10.9%	▲ 5.2%	▲ 21.4%	▲ 20.6%	▲ 1.4%	▲ 2.7%	▲ 11.0%	▲ 17.7%	▲ 23.1%	▲ 23.9%

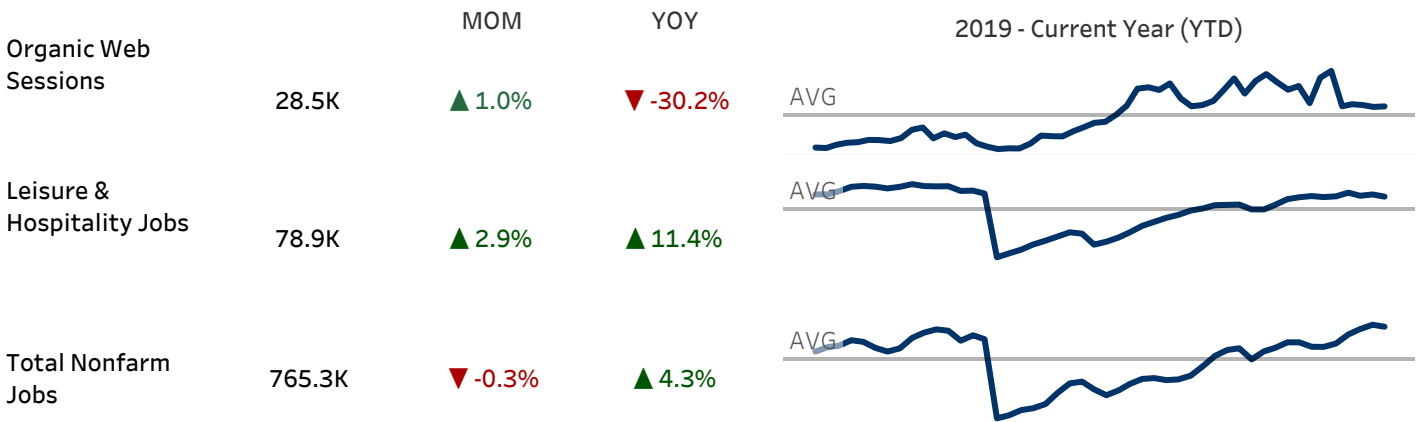
Insights

June, 2023 Key takeaways

- Philadelphia hotels did well in June with an +11% YOY increase in hotel room nights sold easily absorbing the +1.4% YOY increase in supply resulting in a +9.5% gain in occupancy to 72.9%. Growth in hotel room nights sold has been positive for the past 12 months.
- ADR also did well with a +10.9% YOY increase in June to \$238.85. The combined increases in ADR and room nights sold resulted in a +23.1% YOY gain in revenue to \$73.9M for the month.
- Organic web sessions to discoverphl.com were down -30% YOY to 28.5K during the month of June. However, the Paid Search channel grouping generated 11.6% of all traffic, just under 8,000 sessions.
- Despite continuing gains to leisure and hospitality jobs in the US, increases have slowed moving just +21K in June relative to last year. Average gains in 2023 thus far (+43K/month) were half of the average gains seen in 2022 for the same period (+86K).
- Recent weakness in overall US hotel demand during the week ending July 8 (-0.6% YOY, six-week moving average) points to slippage among lower income earners, evident by decreasing economy chain performance relative to 2019 across the US.

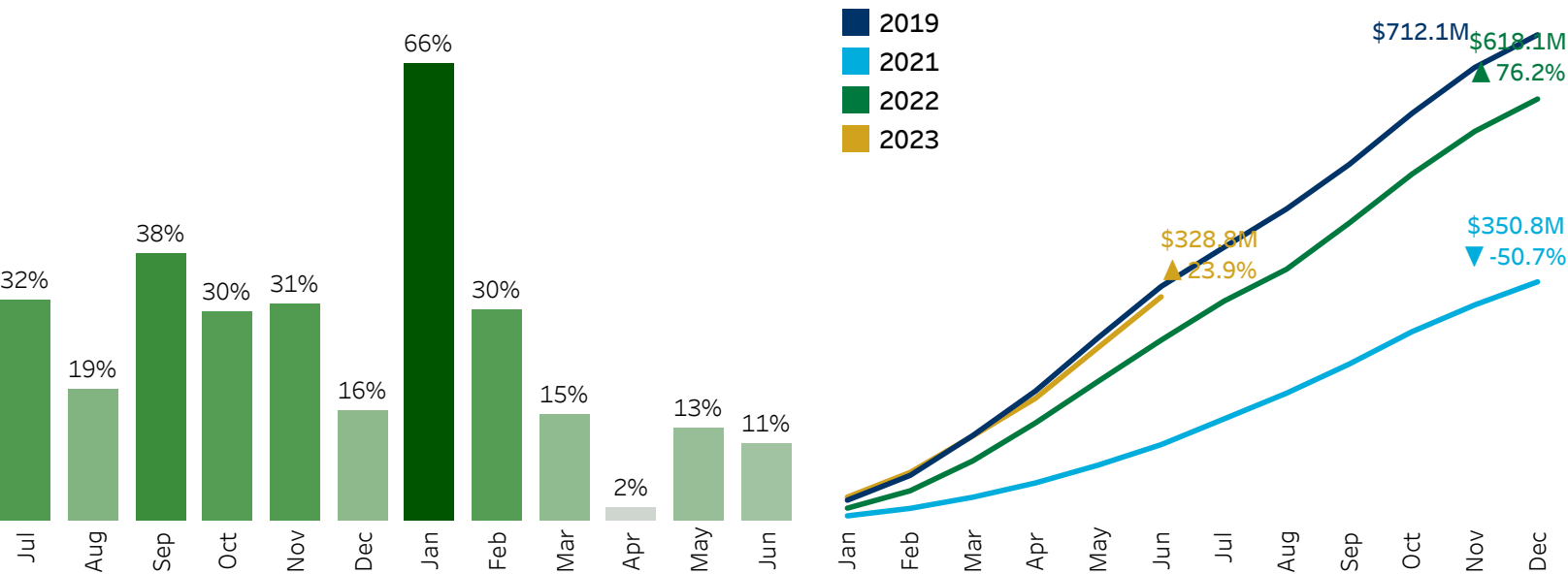
Key Metrics

June, 2023 Employment trends and leading indicators for travel



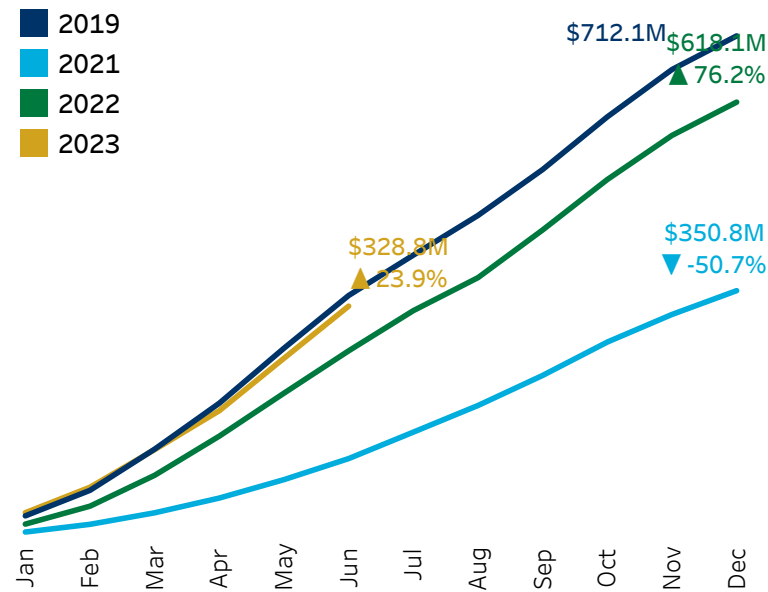
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending June, 2023



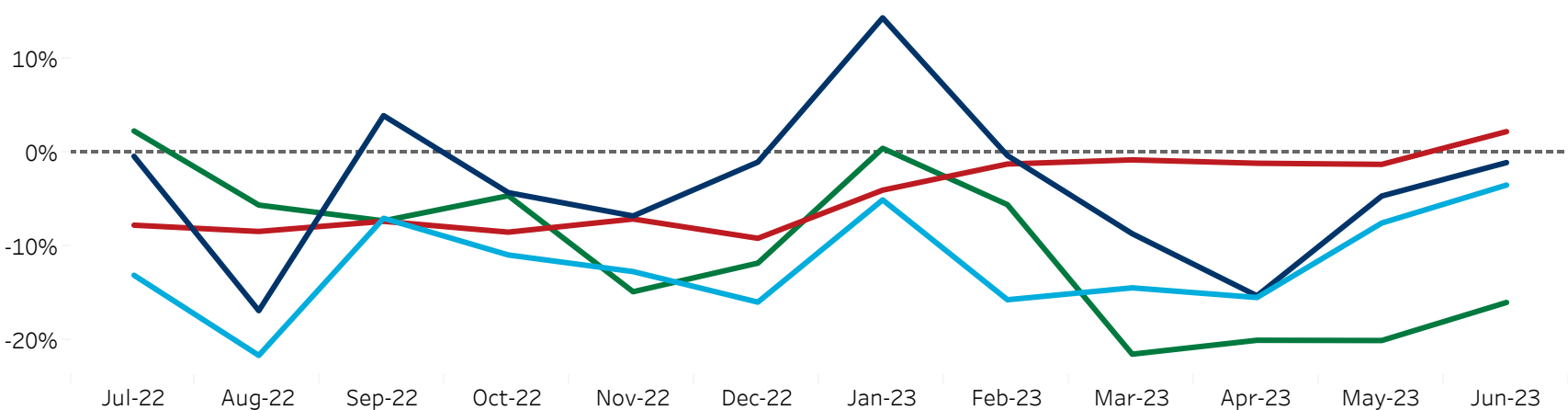
Hotel Room Revenue YTD

Running total and % change YOY



Recovery Indicators

% change relative to same month in 2019



Executive Summary

July, 2023

Month July, 2023

Hotel Occupancy		Hotel Average Daily Rate		Hotel Revenue per Available Room		Hotel Supply		Hotel Room Nights Sold		Hotel Room Revenue	
64.3%		\$200.12		\$128.67		438.8K		282.2K		\$56.5M	
YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD	YOY	YTD
▲ 0.3%	▲ 12.0%	▼ -2.6%	▲ 4.0%	▼ -2.3%	▲ 16.5%	▲ 1.4%	▲ 2.6%	▲ 1.7%	▲ 14.9%	▼ -0.9%	▲ 19.5%

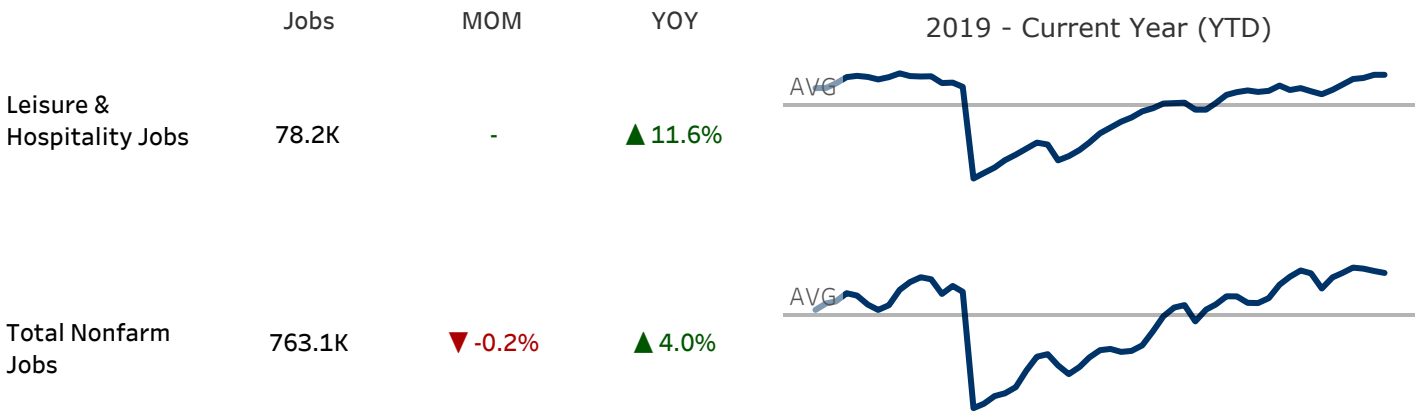
Insights

July, 2023 Key takeaways

- Demand for Center City hotels reached 282.2K room nights during July, a 1.7% YOY increase. This absorbed supply growth in the market to bring occupancy up 0.3% YOY, finishing the month at 64.2%. YTD occupancy (+12%) and demand (+15%) remain well ahead of 2022 levels.
- The average rate for Center City hotels was \$200, down -2.6% YOY. This outpaced demand growth causing total revenue to decline -0.9% YOY. Center City hotels have collected \$385M in revenue during 2023, well above 2022 and almost returning to 2019 YTD levels.
- The Leisure and Hospitality industry accounted for 78.2K jobs in July, an 11.6% gain over last year and 2.9% ahead of 2019 levels. The YOY growth outpaced Total Nonfarm job growth in Philadelphia, which gained 4% over July 2022.
- The US added 187K jobs in July, with just 9% of that growth attributable to leisure and hospitality. The latest job openings report for June measured 1.2 million L&H job openings, down from 1.5 million one year ago, further indicating a leveling out of industry employment growth.
- STR and Tourism Economics recently lowered YOY growth projections for US hotel demand, given a slowdown in midscale and economy performance. Despite inflationary pressures and an expected recession in late 2023, the impact on hotels is expected to be limited.

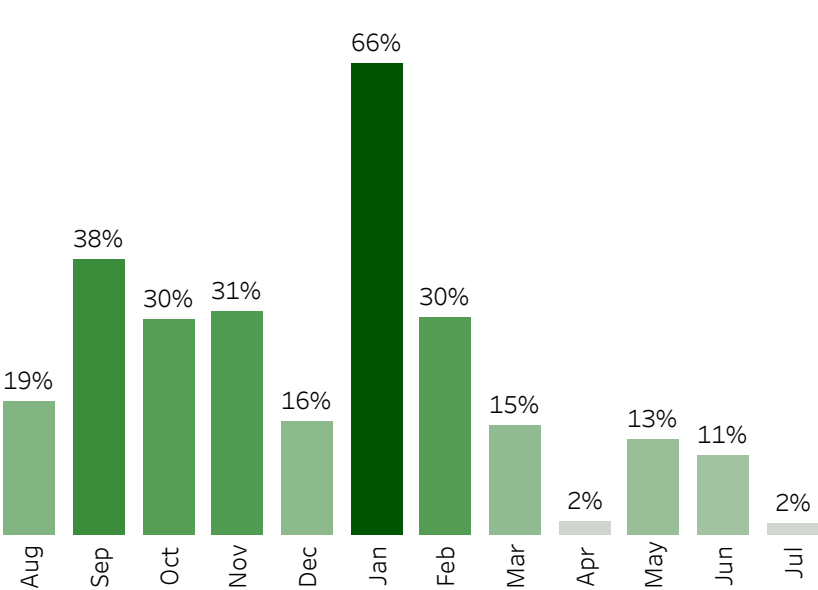
Key Metrics

July, 2023 Employment trends and leading indicators for travel



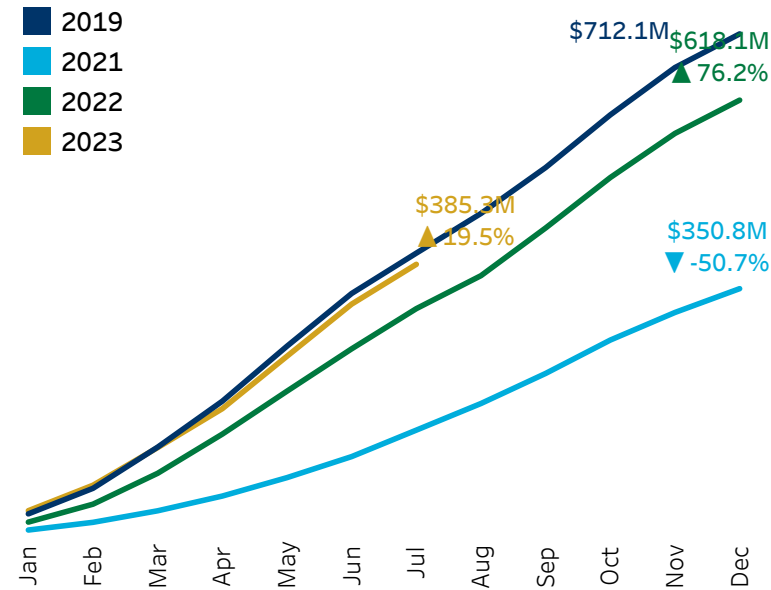
Hotel Room Nights Sold

Prior 12 months YOY % change by month ending July, 2023



Hotel Room Revenue YTD

Running total and % change YOY



Recovery Indicators

% change relative to same month in 2019

