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PHILADELPHIA HOTELS HIT RECORD OCCUPANCY IN 2018

Year-End Center City Numbers Show Strong Average Daily Rates & Demand Outpacing Supply

PHILADELPHIA, January 29, 2019 – 2018 was a record-breaking year for the hospitality industry in Philadelphia. Today the City of Philadelphia, in conjunction with the Philadelphia Convention and Visitors Bureau (PHLCVB), VISIT PHILADELPHIA® and the Greater Philadelphia Hotel Association, announced Center City hotels achieved record occupancy (79.6%) and increases in average daily rate (up 3% from 2017) and revenue (up 9% from 2017). These record numbers come in a year when three new Philadelphia hotels opened, adding to the city's supply of available rooms. (*Data source: STR*)

“Domestic and international leisure visitors, group and convention attendees, and business travelers together fill our hotel rooms all year long,” said City of Philadelphia Mayor Jim Kenney. “This crucial mix helps keep our tourism industry strong and growing year after year.”

2018 Center City Hotel Highlights:

- **Record Occupancy:** Fifth year in a row for record occupancy—79.6%—at Center City hotels.
 - Saturday night remained the busiest night of the week, with average occupancy at a record 91%.
- **Room Nights Sold:** 5.6% increase in hotel room nights sold over 2017—that's 186,000 additional room nights for a total of 3.5 million sold in 2018.
- **Average Daily Rate (ADR):** 3.4% increase in ADR to \$191, up from \$185 in 2017 and matching the record set in 2016, when Philadelphia hosted the Democratic National Convention.
 - Tuesday night achieved the highest ADR—a record \$203.
- **Revenue:** 9.2% increase in hotel revenue, up from \$618 million in 2017 to \$675 million in 2018, thanks to higher rates and higher demand throughout the year.

“Philadelphia's tourism success can be felt throughout our economy,” said Ed Grose, executive director, Greater Philadelphia Hotel Association. “2018 saw higher average occupancy and ADR every day of the week compared to 2017. All of our hospitality partners worked together to achieve these great results that generate taxes, support job growth and spur economic development in Philadelphia.”

Demand Growth Continues Outpacing Supply Growth:

In 2018, Center City hotel demand—or the amount of room nights sold—grew 5.6%, with an additional 186,000 room nights sold in 2018 compared to 2017. The 5.6% year-over-year increase is the largest growth in demand in the past seven years. Meanwhile, supply—or the number of total rooms available in

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Center City—saw a 3.7% increase over last year from the addition of 402 rooms that came from the openings of the Fairfield Inn & Suites Philadelphia Downtown/Center City, Cambria Hotel Philadelphia Downtown Center City and Roost East Market.

The bottom line: demand and rates stayed strong through 2018, even while supply increased.

Stronger Pricing:

ADR is up too. In 2018, the average rate for Center City hotels was \$191—a 3.4% increase over 2017's \$185. In 2018, ADR grew every quarter over the prior year. Tuesday nights held the highest ADR in 2018. The year's ADR is even slightly higher than the 2016 record, when rates saw a boost from the 2016 Democratic National Convention.

Day-of-the-Week Performance:

Hotel performance has grown every night of the week. From January through December 2018, every day of the week had higher average occupancy and higher ADR compared to every day of the week in 2017.

Data Source: STR

About the PHLCVB:

The Philadelphia Convention and Visitors Bureau (**PHLCVB**) creates positive economic impact across the Philadelphia region, driving job growth, and promoting the health and vibrancy of our hospitality industry by marketing the destination and the Pennsylvania Convention Center, and attracting overnight visitors. Our work engages our local community, as well as culturally and ethnically diverse regional, national and international convention, sporting event and tourism customers.

About VISIT PHILADELPHIA:

VISIT PHILADELPHIA is our name and our mission. As the region's official tourism marketing agency, we build Greater Philadelphia's image, drive visitation and boost the economy.

On Greater Philadelphia's official visitor website and blog, visitphilly.com and uwishunu.com, visitors can explore things to do, upcoming events, themed itineraries and hotel packages. Compelling photography and videos, interactive maps and detailed visitor information make the sites effective trip-planning tools. Along with Visit Philly social media channels, the online platforms communicate directly with consumers. Travelers can also call and stop into the Independence Visitor Center for additional information and tickets.

About GPHA:

The Greater Philadelphia Hotel Association (GPHA) is a trade association representing more than 90 hotels throughout the Philadelphia 5-county area. In addition to our hotel members, we also have over 150

Allied Members, a diverse group of companies and related industry partners who do business with hotels. Our hotel members employ over 14,000 residents and have over 30,000 guestrooms.