

FOR IMMEDIATE RELEASE

January 31, 2023

Contact:

Jaime Martorana, PHLCVB

jaime@discoverphl.com | 215-636-3341

Steph Fanelli for Visit Philadelphia

sfanelli@signature57.com | 484-213-5968

Ed Grose, GPHA

egrose@gpha.us | 215-557-1900

Center City Philadelphia Hotel Performance Continued to Improve in 2022

***2.87 million room nights sold in 2022; total hotel revenue forecasted
to surpass pre-pandemic levels in 2023***

PHILADELPHIA – Center City Philadelphia’s hotel recovery continued in 2022, with all hotel performance categories seeing positive year-over-year improvements as the industry sought to return to pre-pandemic levels. Today, the Philadelphia Convention and Visitors Bureau (PHLCVB), in partnership with VISIT PHILADELPHIA® and the Greater Philadelphia Hotel Association (GPHA), announced increases over 2021 in all hotel metrics: occupancy, average daily rate, revenue per available room, supply and demand and revenue.

2022 Center City Hotel Highlights:

- **Occupancy: 56.4%**, a 38.2% increase over 2021’s 40.8% occupancy
- **Average Daily Rate (ADR): \$216.47**, up 19.2% over \$181.56 ADR in 2021
- **Revenue Per Available Room (RevPAR): \$122.66**, a 65.6% improvement from 2021’s RevPAR at \$74.06
- **Supply: 5.09 million room nights in supply**, a 4.2% increase from 4.88 million in 2021
- **Demand: 2.87 million room nights sold**, up 44.2% from 1.99 million from 2021
- **Revenue: \$622 million**, a 71.9% improvement from 2021’s \$361 million
- **Center City Market Mix:** Of the 2.87 million rooms booked, leisure demand accounted for the most within the hotel market mix at 34.6%. Business and group segments saw similar percentages of demand in Center City, at 30.4% and 30.1% respectively. Amongst the market mix, group hotel demand saw the strongest year-over-year improvement (61% year over year). Contract business, primarily flight crews and long-term stays, accounted for 4.9% of the market mix.

“Last year’s increase in occupancy, revenue and other key metrics means more than just strong business in Center City,” said Gregg Caren, president and CEO of the PHLCVB. “As meeting and conference attendees from the business sector and overseas leisure travelers return and patronize our downtown hotels, it means increased support for the city’s hospitality workers and their families.”

“The positive growth in hotel performance in 2022 offers strong optimism for Philadelphia’s future,” said Angela Val, President and CEO, VISIT PHILADELPHIA. “With the continued return of leisure travel,

we are focused on promoting and positioning Philadelphia as a must-visit, vibrant destination which consistently offers new and unique experiences that brings visitors back again and again.”

“We are encouraged to see Philadelphia’s downtown hotels recuperating as progressively more of our traditional mix of travel, including leisure, business and group, is beginning to stabilize,” said Ed Grose, executive director of GPHA. “Knowing just how hard hotels were hit during the pandemic, we couldn’t be more proud of the efforts that generated these results in support of the hospitality community.”

Philadelphia Center City Hotel Performance						
	Occ	ADR	RevPAR	Supply	Demand	Revenue
2022	56.4%	\$216.47	\$122.66	5,088,600	2,871,600	\$621.6 M
2021	40.8%	\$181.56	\$74.06	4,881,830	1,991,283	\$361.5 M
Difference	15.6%	\$34.91	\$48.60	206,770	880,317	\$260.1 M
% Change	38.2%	19.2%	65.6%	4.2%	44.2%	71.9%
% Change vs 2019	-26.2%	7.3%	-20.4%	10.0%	-18.7%	-12.7%

Source: STR

In 2022, when looking at all of Philadelphia County, hotels ran at 58% average occupancy, up 27% from 2021. Just as in Center City, other key hotel performance metrics saw increases when compared to 2021, including revenue (\$772.8 million, up 63%), average daily rate (\$198.83, up 23%), RevPAR (\$115.52, up 56%), supply (6.69 million rooms, up 4.5%) and demand, which last year reached 3.89 million rooms sold (up 33%).

2023 Philadelphia Tourism Forecast:

Looking ahead, based on projections made by Tourism Economics in November 2022, both Center City Philadelphia and Philadelphia County are anticipated to surpass pre-pandemic hotel revenue in 2023. Center City hotel occupancy is expected to continue to rise towards pre-pandemic levels, reaching just 15% below 2019 performance categories. Growth within the travel sector is expected even though some economic downturns are anticipated.

“Tourism Economics’ baseline outlook anticipates the economy will experience a mild recession this year, characterized by a peak-to-trough decline in GDP of around 1%, and a roughly one percentage point increase in the unemployment rate,” said Adam Sacks, president of Tourism Economics.

“Nevertheless, we expect lodging demand growth in Philadelphia to grow as group events and international travel continue to recover, and households prioritize leisure travel. Hotel rates in Philadelphia will also remain strong, supporting our expectation that hotel room revenue will reach 2019 levels for the year 2023.”

Data Sources: STR, Tourism Economics; all data points are based on the most current information available and may change slightly as new data becomes available.



**GREATER
PHILADELPHIA
HOTEL ASSOCIATION**

**VISIT
PHILADELPHIA®**

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, the Pennsylvania Convention Center, and attracting overnight visitors. The PHLCVB's work engages our partners, the local Philadelphia community as well as culturally and ethnically diverse regional, national and international convention, sporting event and tourism customers. The PHLCVB is also the official tourism promotion agency for the city of Philadelphia globally and is responsible for growing the number of overseas leisure visitors who come to the region each year. To learn more, visit DiscoverPHL.com.

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. 6th & Market Streets, (800) 537-7676

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.