

# PHILADELPHIA REGION LODGING FORECAST August 2022

Prepared for:  
Visit Philadelphia and  
Philadelphia Convention & Visitors Bureau  
August 22, 2022



[WWW.TOURISMECONOMICS.COM](http://WWW.TOURISMECONOMICS.COM)

# CONTEXT

Visit Philadelphia and the Philadelphia Convention & Visitors Bureau engaged Tourism Economics to prepare a custom forecast of key indicators for selected local sub-markets. The analysis relies on:

- historical data developed in Tourism Economics' prior research on the Philadelphia area tourism economy;
- monthly STR hotel data through July 2022 and daily Center City and Philadelphia County results through August 13, 2022;
- economic forecasts prepared by Oxford Economics, parent company of Tourism Economics; and,
- assumptions on the future path of tourism sector recovery.

Aspects of the travel sector and the broader economy have made strong recoveries in the context of the Covid-19 pandemic.

However, there remains uncertainty around aspects of disease containment and suppression measures in future periods, the economic recovery, and the timeline for a full return of business transient, group, and international travel.

Due to these assumptions, and standard forecast variability, future hotel performance may vary from the estimates presented in this forecast.

# FORECAST SUMMARY

## Relative to prior Philadelphia analysis in May 2022

- Overall, this updated Philadelphia forecast shows room revenue for Center City in 2022 is expected to recover to 14.8% below 2019 level (compared to 12.8% below in the prior forecast) and recover in 2023 to 3.9% above 2019 (compared to 6.0% above in the prior forecast).
- The economy is battling headwinds of high inflation, aggressive Fed tightening, financial market volatility, and weakening global demand. Our US GDP forecast has been reduced notably. However, the baseline forecast continues to assume US growth slows but the economy avoids a recession.
- We assume that Covid-19 is endemic as we proceed through 2022 but recedes as a major cause of death. We also assume future variants do not represent substantial changes.
- Our outlook for group business is largely consistent with the prior forecast. We continue to assume there will be further improvement in group activity as the year proceeds.
- The largest change to the forecast is a downward revision to demand estimates and a slight upward revision to future ADR estimates. While demand in Q2 was close to the prior forecast, demand in July and the beginning of August is trending below the prior forecast. This recent performance, and the reduced economic outlook, has tempered the pace of demand recovery assumed in the forecast. However, the outlook for ADR is slightly stronger, as recent ADR levels are trending ahead of the prior forecast. Stronger trends in hotel pricing nationally, and labor constraints, supports this slight upward revision to forecast ADR.

# KEY FINDINGS

# US RECOVERY ASSUMPTIONS

## Economic assumptions

- Economic assumptions are based on Oxford Economics' August 2022 US Outlook (released August 10).
- The economy is battling headwinds of high inflation, aggressive Fed tightening, financial market volatility, and weakening global demand. These challenges are eroding business and consumer confidence and will suppress hiring and economic activity into 2023. While we continue to see a pathway to a softish landing, it's admittedly narrowing.
- The GDP contraction in Q2 was worse than expected and marked the second quarter of negative growth. However, we doubt the US economy is in a recession given the labor market strength. But the weakening in domestic demand confirms the economy is rapidly downshifting amid stubbornly high inflation and aggressive Fed tightening.
- We expect real GDP will grow 1.7% in 2022 (as compared to 3.1% in our May forecast report based on the April US macroeconomic outlook) and slowing further to 1.0% in 2023 (compared to 2.0%). The Federal Reserve is acting aggressively to increase interest rates and slow the economy sufficiently to ease inflationary pressures.
- Consumers were still spending at a solid clip in June, but only to keep up with sharply higher prices. Nominal personal outlays climbed 1.1% relative to May amid rising inflation, while the savings rate fell to its lowest level since August 2009. Despite feeling increasingly pessimistic, we expect the US consumer will continue to spend in the coming months, albeit at a modest pace.
- The July employment report painted a very bright picture of the labor market, with employment growing by an impressive 528,000, the unemployment rate falling to a pre-pandemic low of 3.5%, and hourly wages rising strongly. However, we believe hiring will moderate again in the second half of 2022 as companies face higher costs, reduced demand, and lower profitability.
- We expect inflation to remain persistently high through the second half of 2022. We expect CPI growth of 8.1% this year, and 3.3% next year, before slowing to 1.8% in 2024.

# US RECOVERY ASSUMPTIONS

## Group demand recovery: US

- Positive factors contributing to the recovery of group demand:
  - Pent-up demand (postponed events, desire to reconnect)
  - Importance of meetings to organizations such as associations (primary revenue source, required organizational duties), and importance of a physical exhibit floor to trade shows
  - Potential to host some events in modified formats (e.g., hybrid, reduced attendance)
  - Flexibility on the part of venues and hotel facilities seeking to facilitate professionally managed events where safe and legally permitted
  - Lower health risks associated with certain types of group events, such as youth sports
  - Many events are already scheduled for 2022
- Impediments to the recovery of group demand:
  - Event and travel restrictions related to disease containment
  - Risk aversion by participants
  - Corporate travel policies and legal considerations that restrict travel
  - International travel policies
  - Economic uncertainty and budget constraints (particularly exhibitors and participants)
  - Uncertain planning horizons
  - Dislocation in airlift
  - Potential for hybrid events to reduce physical attendance levels during transition period

# US RECOVERY ASSUMPTIONS

## Leisure demand recovery: US

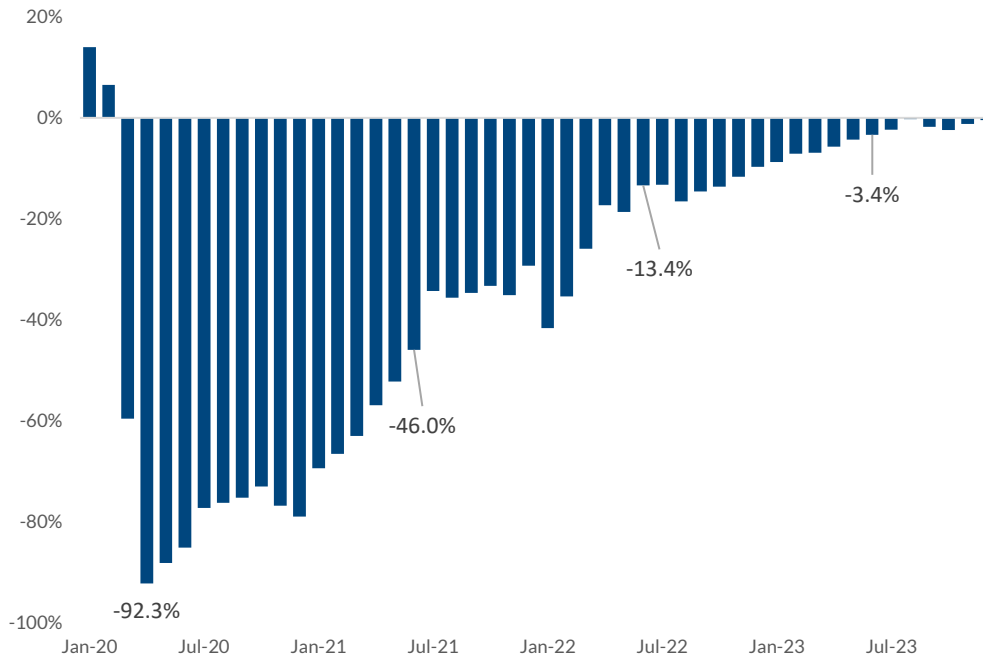
- Positive factors contributing to the recovery of leisure demand:
  - Pent-up demand (postponed vacations, desire to reconnect, cabin fever, vacation-time banked, traditional plans for seasonal trips)
  - Successful vaccination programs that make safe, effective vaccines widely available
  - Improved consumer confidence
  - Household balance sheets (accumulated savings, increased net worth due to housing and financial asset gains)
  - Importance of higher-income (less negatively impacted) households to travel activity
  - Increased flexibility offered by work-from-home
- Impediments to the recovery of leisure demand:
  - Uncertainty in planning future travel (safety, restrictions), lag between planning and travel
  - Destination and travel restrictions related to disease containment (dining and event restrictions)
  - Risk aversion by participants
  - Capacity limitations (peak demand for certain months, holidays, weekends, in certain destination types)
  - Job uncertainty, limited availability of time-off to travel
  - Dislocation in airlift, international travel policies

# PATH OF RECOVERY

Comparison to 2019 as a base year

## Demand impact

Center City, difference relative to same month in 2019



Source: STR, Tourism Economics

- Demand in July averaged 13.3% below 2019, a substantial improvement relative to March, which was 26.0% below.
- Forecast assumes that the demand gap relative to 2019 incrementally narrows through 2022 and 2023.

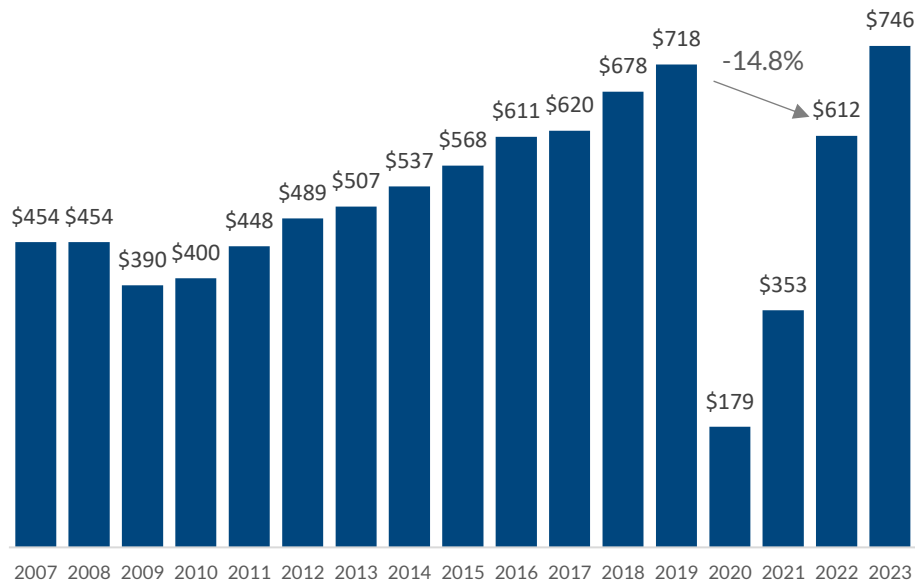


# PATH OF RECOVERY

Comparison to 2019 as a base year

## Room revenue

Center City, in millions



- Room revenue is expected to improve substantially in 2022, but the year overall is expected to average 14.8% below the 2019 level.
- Room revenue in 2023 is expected to average 3.9% above the 2019 level.

Source: STR, Tourism Economics

# SUMMARY TABLE

Annual

## Forecast summary

Center City

	2017	2018	2019	2020	2021	2022	2023	2024
Supply (in millions)	4.3	4.4	4.7	3.7	4.8	5.0	5.1	5.1
Demand (in millions)	3.4	3.5	3.6	1.1	1.9	2.9	3.4	3.6
Occupancy	78.2%	79.7%	76.4%	31.1%	40.8%	57.6%	67.5%	71.0%
ADR	\$184.97	\$191.40	\$201.82	\$156.05	\$181.14	\$210.60	\$217.29	\$224.96
RevPAR	\$144.71	\$152.60	\$154.15	\$48.56	\$73.85	\$121.24	\$146.59	\$159.73
Room revenue (in millions)	\$619.7	\$677.7	\$718.0	\$179.3	\$352.6	\$612.1	\$745.9	\$817.9
<b>Growth</b>								
Supply (in millions)	4.5%	3.7%	4.9%	-20.7%	29.3%	5.7%	0.8%	0.6%
Demand (in millions)	4.9%	5.7%	0.5%	-67.7%	69.4%	49.3%	18.1%	5.9%
Occupancy	0.3%	1.9%	-4.2%	-59.3%	31.0%	41.2%	17.2%	5.2%
ADR	-3.3%	3.5%	5.4%	-22.7%	16.1%	16.3%	3.2%	3.5%
RevPAR	-2.9%	5.5%	1.0%	-68.5%	52.1%	64.2%	20.9%	9.0%
Room revenue (in millions)	1.5%	9.3%	6.0%	-75.0%	96.7%	73.6%	21.9%	9.7%
<i>Difference from 2019 level</i>			0.0%	-75.0%	-50.9%	-14.8%	3.9%	13.9%

Source: STR, Tourism Economics

# COMPARISON TABLE

## Annual

### Forecast comparison

Center City, relative to 2019

	2020	2021	2022	2023	2024
<b>Supply</b>					
Current	-20.7%	2.5%	8.4%	9.2%	9.9%
Prior	-19.8%	4.8%	9.3%	9.6%	10.6%
<b>Demand</b>					
Current	-67.7%	-45.3%	-18.3%	-3.5%	2.2%
Prior	-67.4%	-44.0%	-15.7%	-0.9%	4.0%
<b>Occupancy</b>					
Current	-59.3%	-46.6%	-24.6%	-11.7%	-7.0%
Prior	-59.3%	-46.5%	-22.9%	-9.6%	-6.0%
<b>ADR</b>					
Current	-22.7%	-10.2%	4.4%	7.7%	11.5%
Prior	-22.6%	-10.1%	3.5%	7.0%	10.8%
<b>RevPAR</b>					
Current	-68.5%	-52.1%	-21.3%	-4.9%	3.6%
Prior	-68.5%	-51.9%	-20.2%	-3.3%	4.2%
<b>Room revenue</b>					
Current	-75.0%	-50.9%	-14.8%	3.9%	13.9%
Prior	-74.7%	-49.6%	-12.8%	6.0%	15.2%

Source: STR, Tourism Economics

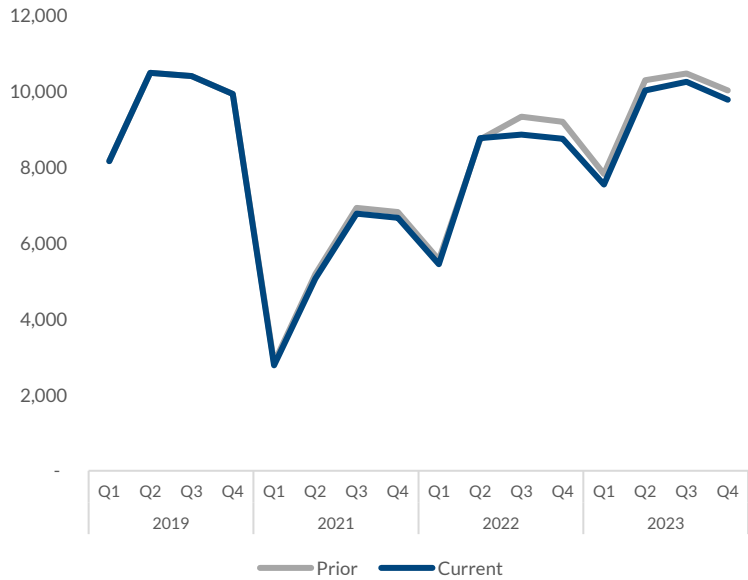
- Overall, 2022 Q2 performance was mixed relative to the prior forecast. Occupancy improved to 63.2% (compared to 62.4% in prior forecast), and ADR improved to 2.5% below 2019 (compared to 1.9%).
- Our outlook for demand recovery is weaker, but the stronger than expected ADR gains in Philadelphia in July and the beginning of August, has slightly raised our expectations for ADR levels.
- The result is a room revenue forecast in 2022 that is slightly weaker than the prior forecast (-14.8% relative to 2019, as compared to -12.8% in the prior forecast).

# COMPARISON GRAPHS

Quarterly

## Forecast comparison: Demand

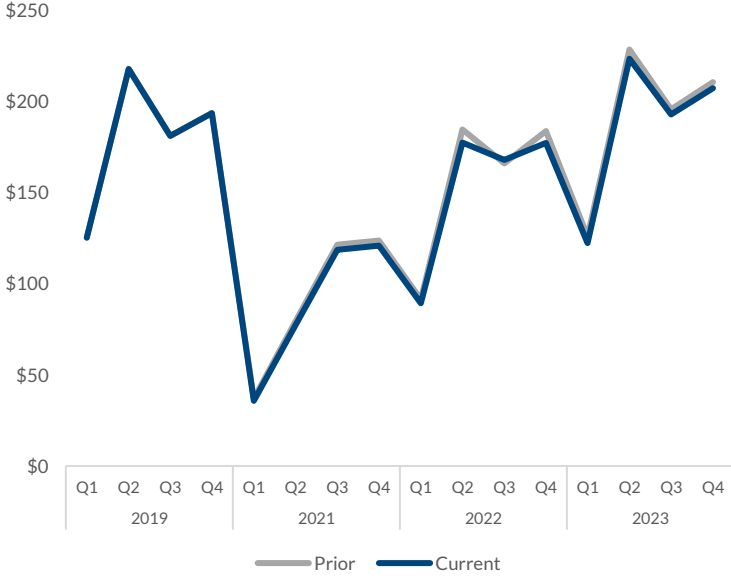
Center City, daily room nights, quarterly frequency



Source: STR; Tourism Economics

## Forecast comparison: Room revenue

Center City, daily room revenue, in millions, quarterly frequency



Source: STR; Tourism Economics

# FISCAL YEAR TABLE

## PHLCVB

### Monthly room revenue: PHLCVB relevant to fiscal year

Room revenue, Philadelphia County (STR)						
Month	Current forecast	Prior forecast	Difference	Percent difference	Ratio	Calculated amount
Jun-21	\$41,014,698	\$41,765,569	-\$750,871	-1.8%	2.03%	\$832,598
Jul-21	49,963,882	50,894,995	-931,113	-1.8%	2.03%	1,014,267
Aug-21	50,565,857	51,546,081	-980,224	-1.9%	2.03%	1,026,487
Sep-21	55,860,366	56,909,148	-1,048,782	-1.8%	2.03%	1,133,965
Oct-21	61,389,173	62,526,708	-1,137,535	-1.8%	2.03%	1,246,200
Nov-21	50,493,146	51,408,407	-915,261	-1.8%	2.03%	1,025,011
Dec-21	42,807,508	43,617,400	-809,892	-1.9%	2.03%	868,992
Jan-22	27,625,613	28,126,713	-501,100	-1.8%	2.03%	560,800
Feb-22	33,729,957	34,371,960	-642,003	-1.9%	2.03%	684,718
Mar-22	55,378,641	56,312,159	-933,518	-1.7%	2.03%	1,124,186
Apr-22	68,770,177	67,360,159	1,410,018	2.1%	2.03%	1,396,035
May-22	75,343,064	82,118,807	-6,775,743	-8.3%	2.03%	1,529,464
<b>Total</b>	<b>\$612,942,081</b>	<b>\$626,958,105</b>	<b>-\$14,016,024</b>	<b>-2.2%</b>	<b>2.03%</b>	<b>\$12,442,724</b>
Jun-22	\$75,593,939	\$80,921,591	-\$5,327,651	-6.6%	2.03%	\$1,534,557
Jul-22	70,967,503	65,694,769	5,272,734	8.0%	2.03%	1,440,640
Aug-22	65,090,347	67,809,286	-2,718,939	-4.0%	2.03%	1,321,334
Sep-22	70,944,765	74,683,742	-3,738,976	-5.0%	2.03%	1,440,179
Oct-22	81,392,150	85,751,510	-4,359,360	-5.1%	2.03%	1,652,261
Nov-22	75,180,761	79,331,605	-4,150,844	-5.2%	2.03%	1,526,169
Dec-22	57,197,967	59,852,946	-2,654,979	-4.4%	2.03%	1,161,119
Jan-23	39,161,032	40,252,489	-1,091,457	-2.7%	2.03%	794,969
Feb-23	45,826,119	47,078,954	-1,252,835	-2.7%	2.03%	930,270
Mar-23	71,758,116	73,253,812	-1,495,696	-2.0%	2.03%	1,456,690
Apr-23	81,285,259	82,505,706	-1,220,447	-1.5%	2.03%	1,650,091
May-23	99,041,280	100,767,612	-1,726,332	-1.7%	2.03%	2,010,538
<b>Total</b>	<b>\$833,439,239</b>	<b>\$857,904,022</b>	<b>-\$24,464,783</b>	<b>-2.9%</b>	<b>2.03%</b>	<b>\$16,918,817</b>

Note: PHLCVB fiscal year is July to June, and is therefore impacted by room revenue in June to May.

# FISCAL YEAR TABLE

## Visit Philly

### Monthly room revenue: Visit Philly fiscal year

Month	Room revenue, Philadelphia County (STR)			Percent difference	Ratio	Calculated amount
	Current forecast	Prior forecast	Difference			
Sep-21	\$55,860,366	\$56,909,148	-\$1,048,782	-1.8%	1.53%	\$854,664
Oct-21	61,389,173	62,526,708	-1,137,535	-1.8%	1.53%	939,254
Nov-21	50,493,146	51,408,407	-915,261	-1.8%	1.53%	772,545
Dec-21	42,807,508	43,617,400	-809,892	-1.9%	1.53%	654,955
Jan-22	27,625,613	28,126,713	-501,100	-1.8%	1.53%	422,672
Feb-22	33,729,957	34,371,960	-642,003	-1.9%	1.53%	516,068
Mar-22	55,378,641	56,312,159	-933,518	-1.7%	1.53%	847,293
Apr-22	68,770,177	67,360,159	1,410,018	2.1%	1.53%	1,052,184
May-22	75,343,064	82,118,807	-6,775,743	-8.3%	1.53%	1,152,749
Jun-22	75,593,939	80,921,591	-5,327,651	-6.6%	1.53%	1,156,587
Jul-22	70,967,503	65,694,769	5,272,734	8.0%	1.53%	1,085,803
Aug-22	65,090,347	67,809,286	-2,718,939	-4.0%	1.53%	995,882
<b>Total</b>	<b>\$683,049,433</b>	<b>\$697,177,105</b>	<b>-\$14,127,673</b>	<b>-2.0%</b>	<b>1.53%</b>	<b>\$10,450,656</b>
Sep-22	\$70,944,765	\$74,683,742	-\$3,738,976	-5.0%	1.53%	\$1,085,455
Oct-22	81,392,150	85,751,510	-4,359,360	-5.1%	1.53%	1,245,300
Nov-22	75,180,761	79,331,605	-4,150,844	-5.2%	1.53%	1,150,266
Dec-22	57,197,967	59,852,946	-2,654,979	-4.4%	1.53%	875,129
Jan-23	39,161,032	40,252,489	-1,091,457	-2.7%	1.53%	599,164
Feb-23	45,826,119	47,078,954	-1,252,835	-2.7%	1.53%	701,140
Mar-23	71,758,116	73,253,812	-1,495,696	-2.0%	1.53%	1,097,899
Apr-23	81,285,259	82,505,706	-1,220,447	-1.5%	1.53%	1,243,664
May-23	99,041,280	100,767,612	-1,726,332	-1.7%	1.53%	1,515,332
Jun-23	96,394,392	98,877,735	-2,483,343	-2.5%	1.53%	1,474,834
Jul-23	75,649,718	77,809,254	-2,159,537	-2.8%	1.53%	1,157,441
Aug-23	77,075,819	78,556,072	-1,480,253	-1.9%	1.53%	1,179,260
<b>Total</b>	<b>\$870,907,379</b>	<b>\$898,721,438</b>	<b>-\$27,814,059</b>	<b>-3.1%</b>	<b>1.53%</b>	<b>\$13,324,883</b>

Note: Visit Philly fiscal year is October to September, and is therefore impacted by room revenue in September to August.

# CENTER CITY DETAILS

# MONTHLY IMPACT

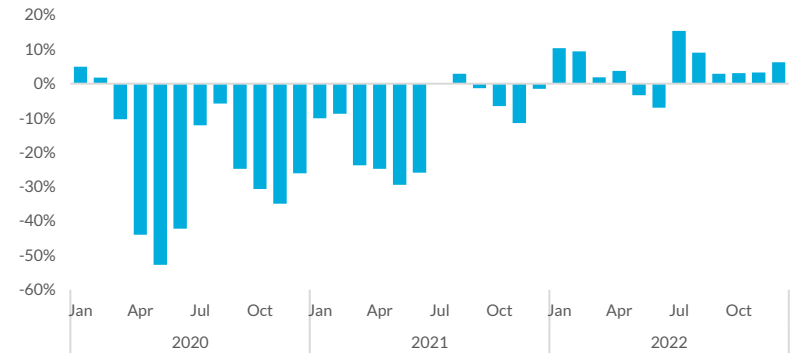
## Center City

Difference relative to same month in 2019, Center City

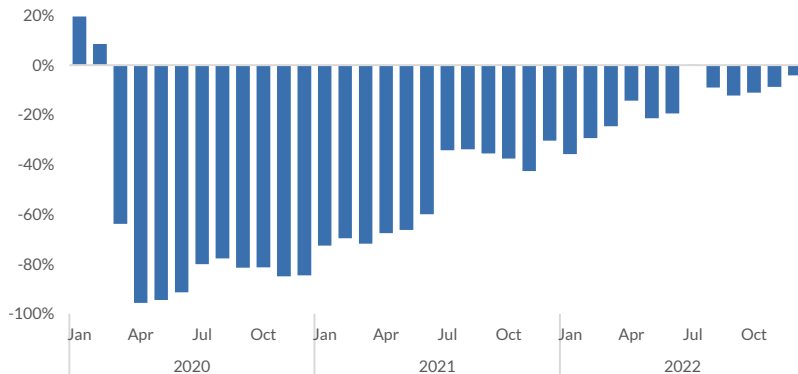
### Demand



### ADR



### Room revenue



Source: STR; Tourism Economics

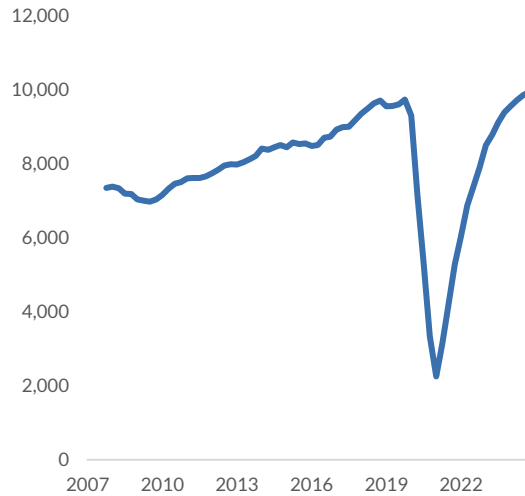


# LONG TERM PERSPECTIVE

## Center City

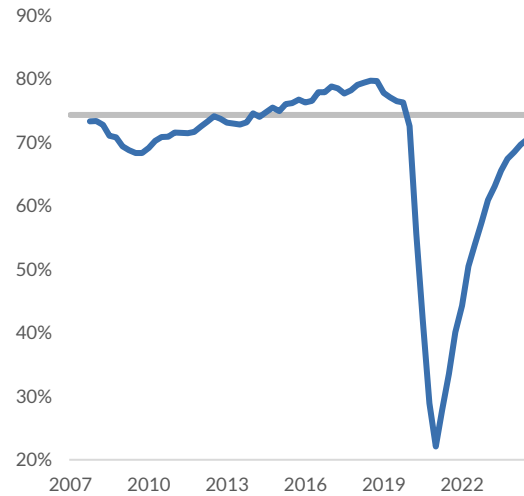
### Demand, Center City

Average daily, seasonally adjusted



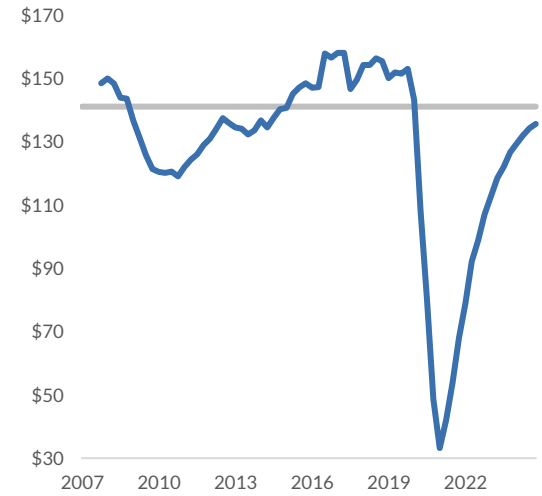
### Occupancy, Center City

Twelve-month average



### RevPAR, real, Center City

Twelve-month average



Note: Graphs extend through the end of 2024.

# SUMMARY TABLE

## Annual

### Forecast summary: Annual

	Center City						
	Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.	
<b>Levels</b>							
2016	11,224	8,751	78.0%	191.19	149.06	610.7	
2017	11,733	9,179	78.2%	184.97	144.71	619.7	
2018	12,166	9,700	79.7%	191.40	152.60	677.7	
2019	12,761	9,747	76.4%	201.82	154.15	718.0	
2020	10,115	3,148	31.1%	156.05	48.56	179.3	
2021	13,081	5,333	40.8%	181.14	73.85	352.6	
2022	13,832	7,963	57.6%	210.60	121.24	612.1	
2023	13,940	9,404	67.5%	217.29	146.59	745.9	
2024	14,028	9,961	71.0%	224.96	159.73	817.9	
<b>Growth</b>							
2017	4.5%	4.9%	0.3%	-3.3%	-2.9%	1.5%	
2018	3.7%	5.7%	1.9%	3.5%	5.5%	9.3%	
2019	4.9%	0.5%	-4.2%	5.4%	1.0%	6.0%	
2020	-20.7%	-67.7%	-59.3%	-22.7%	-68.5%	-75.0%	
2021	29.3%	69.4%	31.0%	16.1%	52.1%	96.7%	
2022	5.7%	49.3%	41.2%	16.3%	64.2%	73.6%	
2023	0.8%	18.1%	17.2%	3.2%	20.9%	21.9%	
2024	0.6%	5.9%	5.2%	3.5%	9.0%	9.7%	
<b>Relative to 2019</b>							
2020	-20.7%	-67.7%	-59.3%	-22.7%	-68.5%	<b>-75.0%</b>	
2021	2.5%	-45.3%	-46.6%	-10.2%	-52.1%	<b>-50.9%</b>	
2022	8.4%	-18.3%	-24.6%	4.4%	-21.3%	<b>-14.8%</b>	
2023	9.2%	-3.5%	-11.7%	7.7%	-4.9%	<b>3.9%</b>	
2024	9.9%	2.2%	-7.0%	11.5%	3.6%	<b>13.9%</b>	

Note: Room revenue in millions.

# SUMMARY TABLE

## Quarterly

### Forecast summary: Quarterly

	Center City					
	Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Levels</b>						
2019 Q1	12,450	8,155	65.5%	\$170.78	\$111.86	\$125.3
Q2	12,623	10,484	83.1%	\$228.33	\$189.64	\$217.8
Q3	12,854	10,400	80.9%	\$189.39	\$153.23	\$181.2
Q4	13,110	9,923	75.7%	\$212.09	\$160.52	\$193.6
2021 Q1	11,903	2,775	23.3%	\$143.68	\$33.50	\$35.9
Q2	13,149	5,062	38.5%	\$167.69	\$64.55	\$77.2
Q3	13,577	6,770	49.9%	\$190.37	\$94.93	\$118.6
Q4	13,671	6,667	48.8%	\$197.12	\$96.13	\$120.9
2022 Q1	13,585	5,442	40.1%	\$182.54	\$73.12	\$89.4
Q2	13,859	8,759	63.2%	\$222.56	\$140.67	\$177.4
Q3	13,939	8,858	63.5%	\$206.21	\$131.04	\$168.0
Q4	13,939	8,745	62.7%	\$220.27	\$138.20	\$177.2
2023 Q1	13,939	7,543	54.1%	\$180.16	\$97.49	\$122.3
Q2	13,939	10,016	71.9%	\$245.21	\$176.19	\$223.5
Q3	13,939	10,248	73.5%	\$204.53	\$150.37	\$192.8
Q4	13,942	9,777	70.1%	\$230.38	\$161.56	\$207.2
<b>Growth</b>						
2021 Q1	-9.1%	-58.1%	-53.9%	-11.9%	-59.4%	-63.1%
Q2	67.5%	323.2%	152.7%	35.3%	241.9%	472.6%
Q3	50.1%	175.3%	83.4%	17.9%	116.2%	224.5%
Q4	30.1%	181.5%	116.3%	33.9%	189.7%	277.0%
2022 Q1	14.1%	96.1%	71.8%	27.0%	118.3%	149.2%
Q2	5.4%	73.0%	64.2%	32.7%	117.9%	129.7%
Q3	2.7%	30.8%	27.4%	8.3%	38.0%	41.7%
Q4	2.0%	31.2%	28.7%	11.7%	43.8%	46.6%
2023 Q1	2.6%	38.6%	35.1%	-1.3%	33.3%	36.8%
Q2	0.6%	14.3%	13.7%	10.2%	25.3%	26.0%
Q3	0.0%	15.7%	15.7%	-0.8%	14.8%	14.8%
Q4	0.0%	11.8%	11.8%	4.6%	16.9%	16.9%

Note: Room revenue in millions.

### Forecast summary: Quarterly

	Center City					
	Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Relative to 2019</b>						
2021 Q1	-4.4%	-66.0%	-64.4%	-15.9%	-70.1%	-71.4%
Q2	4.2%	-51.7%	-53.7%	-26.6%	-66.0%	-64.5%
Q3	5.6%	-34.9%	-38.4%	0.5%	-38.0%	-34.6%
Q4	4.3%	-32.8%	-35.6%	-7.1%	-40.1%	-37.6%
2022 Q1	9.1%	-33.3%	-38.8%	6.9%	-34.6%	-28.7%
Q2	9.8%	-16.5%	-23.9%	-2.5%	-25.8%	-18.6%
Q3	8.4%	-14.8%	-21.5%	8.9%	-14.5%	-7.3%
Q4	6.3%	-11.9%	-17.1%	3.9%	-13.9%	-8.5%
2023 Q1	12.0%	-7.5%	-17.4%	5.5%	-12.8%	-2.4%
Q2	10.4%	-4.5%	-13.5%	7.4%	-7.1%	2.6%
Q3	8.4%	-1.5%	-9.1%	8.0%	-1.9%	6.4%
Q4	6.3%	-1.5%	-7.4%	8.6%	0.6%	7.0%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly levels

Levels	Center City					
	Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
2022 Jan	13,667	3,821	28.0%	\$167.11	\$46.72	\$19.8
Feb	13,335	5,237	39.3%	\$174.50	\$68.53	\$25.6
Mar	13,728	7,249	52.8%	\$195.91	\$103.44	\$44.0
Apr	13,734	8,589	62.5%	\$216.73	\$135.54	\$55.8
May	13,902	8,432	60.7%	\$234.32	\$142.13	\$61.3
Jun	13,939	9,268	66.5%	\$216.92	\$144.23	\$60.3
Jul	13,939	8,936	64.1%	\$207.02	\$132.71	\$57.3
Aug	13,939	8,699	62.4%	\$193.79	\$120.94	\$52.3
Sep	13,939	8,940	64.1%	\$217.87	\$139.74	\$58.4
Oct	13,939	9,431	67.7%	\$232.14	\$157.07	\$67.9
Nov	13,939	9,164	65.7%	\$227.43	\$149.52	\$62.5
Dec	13,939	7,655	54.9%	\$197.36	\$108.39	\$46.8
2023 Jan	13,939	5,983	42.9%	\$157.83	\$67.74	\$29.3
Feb	13,939	7,532	54.0%	\$167.70	\$90.62	\$35.4
Mar	13,939	9,114	65.4%	\$204.12	\$133.46	\$57.7
Apr	13,939	9,794	70.3%	\$223.87	\$157.29	\$65.8
May	13,939	9,918	71.2%	\$260.87	\$185.61	\$80.2
Jun	13,939	10,340	74.2%	\$249.89	\$185.37	\$77.5
Jul	13,939	10,061	72.2%	\$192.53	\$138.97	\$60.0
Aug	13,939	10,400	74.6%	\$193.79	\$144.59	\$62.5
Sep	13,939	10,283	73.8%	\$227.89	\$168.12	\$70.3
Oct	13,939	10,658	76.5%	\$242.82	\$185.67	\$80.2
Nov	13,939	10,249	73.5%	\$237.90	\$174.92	\$73.1
Dec	13,949	8,439	60.5%	\$205.84	\$124.54	\$53.9

Note: Room revenue in millions.

### Forecast summary: Monthly growth

Year-over-year growth	Center City					
	Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
2022 Jan	25.3%	91.2%	52.5%	22.7%	87.2%	134.6%
Feb	7.3%	93.7%	80.6%	20.0%	116.6%	132.4%
Mar	10.5%	100.5%	81.4%	33.6%	142.4%	167.9%
Apr	8.4%	92.2%	77.4%	37.9%	144.6%	165.1%
May	3.9%	70.5%	64.1%	36.9%	124.7%	133.3%
Jun	4.1%	60.5%	54.1%	25.6%	93.5%	101.5%
Jul	4.1%	32.0%	26.8%	15.2%	46.0%	52.1%
Aug	1.9%	29.7%	27.3%	6.0%	35.0%	37.5%
Sep	2.0%	30.8%	28.2%	4.3%	33.7%	36.3%
Oct	2.0%	29.4%	26.9%	10.2%	39.9%	42.7%
Nov	2.0%	36.2%	33.6%	16.6%	55.8%	58.9%
Dec	2.0%	27.8%	25.4%	7.8%	35.2%	37.8%
2023 Jan	2.0%	56.6%	53.5%	-5.6%	45.0%	47.9%
Feb	4.5%	43.8%	37.6%	-3.9%	32.2%	38.2%
Mar	1.5%	25.7%	23.8%	4.2%	29.0%	31.0%
Apr	1.5%	14.0%	12.3%	3.3%	16.1%	17.8%
May	0.3%	17.6%	17.3%	11.3%	30.6%	30.9%
Jun	0.0%	11.6%	11.6%	15.2%	28.5%	28.5%
Jul	0.0%	12.6%	12.6%	-7.0%	4.7%	4.7%
Aug	0.0%	19.5%	19.5%	0.0%	19.5%	19.5%
Sep	0.0%	15.0%	15.0%	4.6%	20.3%	20.3%
Oct	0.0%	13.0%	13.0%	4.6%	18.2%	18.2%
Nov	0.0%	11.8%	11.8%	4.6%	17.0%	17.0%
Dec	0.1%	10.2%	10.2%	4.3%	14.9%	15.0%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly relative to 2019

		Center City					
		Supply,	Demand				Room
Relative to 2019		daily	daily	Occ.	ADR	RevPAR	rev.
2022	Jan	11.4%	-41.7%	-47.7%	10.3%	-42.3%	-35.7%
	Feb	6.3%	-35.4%	-39.2%	9.5%	-33.5%	-29.3%
	Mar	9.4%	-26.0%	-32.4%	1.9%	-31.1%	-24.6%
	Apr	8.8%	-17.3%	-24.0%	3.8%	-21.1%	-14.2%
	May	10.1%	-18.7%	-26.2%	-3.4%	-28.6%	-21.4%
	Jun	10.4%	-13.4%	-21.6%	-6.9%	-27.0%	-19.4%
	Jul	10.4%	-13.3%	-21.5%	15.4%	-9.4%	0.1%
	Aug	8.5%	-16.6%	-23.1%	9.1%	-16.1%	-9.0%
	Sep	6.4%	-14.6%	-19.7%	2.9%	-17.4%	-12.1%
	Oct	6.3%	-13.7%	-18.8%	3.1%	-16.3%	-11.0%
	Nov	6.3%	-11.7%	-16.9%	3.3%	-14.2%	-8.8%
	Dec	6.3%	-9.7%	-15.1%	6.3%	-9.7%	-4.0%
2023	Jan	13.6%	-8.8%	-19.7%	4.2%	-16.3%	-4.9%
	Feb	11.1%	-7.1%	-16.4%	5.2%	-12.0%	-2.3%
	Mar	11.1%	-6.9%	-16.3%	6.2%	-11.1%	-1.2%
	Apr	10.4%	-5.7%	-14.6%	7.2%	-8.5%	1.0%
	May	10.4%	-4.3%	-13.4%	7.6%	-6.8%	2.9%
	Jun	10.4%	-3.4%	-12.5%	7.2%	-6.2%	3.6%
	Jul	10.4%	-2.4%	-11.6%	7.4%	-5.1%	4.8%
	Aug	8.5%	-0.3%	-8.1%	9.1%	0.3%	8.8%
	Sep	6.4%	-1.8%	-7.7%	7.6%	-0.6%	5.7%
	Oct	6.3%	-2.5%	-8.3%	7.8%	-1.1%	5.2%
	Nov	6.3%	-1.2%	-7.1%	8.1%	0.4%	6.7%
	Dec	6.4%	-0.5%	-6.5%	10.9%	3.7%	10.3%

# SEGMENTATION

## Annual demand segmentation

Center City

	2019	2020	2021	2022	2023
<b>Hotel room night demand (in thousands)</b>					
<b>Total</b>	3,557.7	1,149.0	1,946.6	2,906.4	3,432.6
Business transient	1,156.9	413	617	888.0	1,076.4
Leisure transient	1,119.9	473	888	1,015.2	1,130.7
Group	1,134.6	193	367	873.3	1,082.4
Contract	146.3	70	75	129.9	143.2
<b>Growth (year-over-year)</b>					
<b>Total</b>		-67.7%	69.4%	49.3%	18.1%
Business transient		-64.3%	49.4%	44.0%	21.2%
Leisure transient		-57.7%	87.6%	14.4%	11.4%
Group		-83.0%	89.7%	138.2%	23.9%
Contract		-52.4%	8.4%	72.3%	10.2%
<b>Impact relative to 2019</b>					
<b>Total</b>		-67.7%	-45.3%	-18.3%	-3.5%
Business transient		-64.3%	-46.7%	-23.2%	-7.0%
Leisure transient		-57.7%	-20.7%	-9.4%	1.0%
Group		-83.0%	-67.7%	-23.0%	-4.6%
Contract		-52.4%	-48.5%	-11.2%	-2.1%
<b>Leisure</b>					
<b>Share of transient</b>	<b>49.2%</b>	<b>53.4%</b>	<b>59.0%</b>	<b>53.3%</b>	<b>51.2%</b>
Share of total	31.5%	41.2%	45.6%	34.9%	32.9%
<b>Segmentation</b>					
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%
Business transient	32.5%	35.9%	31.7%	30.6%	31.4%
Leisure transient	31.5%	41.2%	45.6%	34.9%	32.9%
Group	31.9%	16.8%	18.8%	30.0%	31.5%
Contract	4.1%	6.1%	3.9%	4.5%	4.2%

Source: STR; Tourism Economics

# SEGMENTATION

## Quarterly

### Quarterly demand segmentation

Center City

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
<b>Hotel room night demand (in thousands)</b>												
Total	250	461	623	613	490	797	815	805	679	911	943	899
Business transient	85	153	190	189	160	245	235	248	241	275	289	271
Leisure transient	127	224	278	258	187	249	296	282	223	258	341	308
Group	27	69	134	137	115	269	249	241	181	343	274	284
Contract	11	15	21	29	27	34	35	33	33	35	39	37
<b>Growth (year-over-year)</b>												
Total	-58%	323%	175%	181%	96%	73%	31%	31%	39%	14%	16%	12%
Business transient	-63%	274%	146%	176%	88%	61%	23%	31%	51%	12%	23%	9%
Leisure transient	-36%	378%	135%	139%	47%	11%	6%	9%	19%	4%	15%	9%
Group	-81%	800%	642%	426%	325%	290%	86%	76%	57%	28%	10%	18%
Contract	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%
<b>Impact relative to 2019</b>												
Total	-66%	-52%	-35%	-33%	-33%	-16%	-15%	-12%	-7%	-4%	-1%	-1%
Business transient	-68%	-49%	-38%	-34%	-40%	-18%	-23%	-13%	-10%	-8%	-5%	-5%
Leisure transient	-45%	-12%	-16%	-15%	-18%	-3%	-10%	-7%	-3%	1%	3%	1%
Group	-87%	-81%	-52%	-52%	-43%	-26%	-11%	-16%	-10%	-6%	-2%	-1%
Contract	-69%	-57%	-47%	-22%	-21%	-4%	-10%	-10%	-5%	-1%	-2%	-1%
<b>Leisure</b>												
Share of transient	60%	59%	59%	58%	54%	50%	56%	53%	48%	48%	54%	53%
Share of total	51%	49%	45%	42%	38%	31%	36%	35%	33%	28%	36%	34%

Source: STR; Tourism Economics

# PHILADELPHIA COUNTY DETAILS



# SUMMARY TABLE

## Annual

### Forecast summary: Annual

	Philadelphia County					
	Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Levels</b>						
2019	17,096	13,063	76.4%	184.78	141.19	881.0
2020	14,364	5,155	35.9%	135.62	48.67	255.2
2021	17,536	8,008	45.7%	162.31	74.12	474.4
2022	18,218	10,752	59.0%	192.94	113.87	757.2
2023	18,424	12,687	68.9%	198.65	136.79	919.9
2024	18,601	13,407	72.1%	206.13	148.57	1,008.7
<b>Growth</b>						
2020	-16.0%	-60.5%	-53.0%	-26.6%	-65.5%	-71.0%
2021	22.1%	55.4%	27.3%	19.7%	52.3%	85.9%
2022	3.9%	34.3%	29.2%	18.9%	53.6%	59.6%
2023	1.1%	18.0%	16.7%	3.0%	20.1%	21.5%
2024	1.0%	5.7%	4.7%	3.8%	8.6%	9.7%
<b>Relative to 2019</b>						
2020	-16.0%	-60.5%	-53.0%	-26.6%	-65.5%	<b>-71.0%</b>
2021	2.6%	-38.7%	-40.2%	-12.2%	-47.5%	<b>-46.1%</b>
2022	6.6%	-17.7%	-22.8%	4.4%	-19.3%	<b>-14.1%</b>
2023	7.8%	-2.9%	-9.9%	7.5%	-3.1%	<b>4.4%</b>
2024	8.8%	2.6%	-5.7%	11.6%	5.2%	<b>14.5%</b>

Note: Room revenue in millions. TRI refers to total room inventory (excludes temporary closures)

# SUMMARY TABLE

## Quarterly

### Forecast summary: Quarterly

		Philadelphia County					
		Supply,	Demand				Room
		daily	daily	Occ.	ADR	RevPAR	rev.
<b>Levels</b>							
2019	Q1	16,984	11,224	66.1%	\$157.33	\$103.97	\$158.9
	Q2	17,054	14,188	83.2%	\$207.98	\$173.02	\$268.5
	Q3	17,091	13,768	80.6%	\$175.62	\$141.47	\$222.4
	Q4	17,250	13,045	75.6%	\$192.58	\$145.63	\$231.1
2021	Q1	16,358	4,916	30.1%	\$125.39	\$37.68	\$55.5
	Q2	17,604	7,871	44.7%	\$150.61	\$67.34	\$107.9
	Q3	18,032	9,808	54.4%	\$173.31	\$94.27	\$156.4
	Q4	18,126	9,369	51.7%	\$179.46	\$92.76	\$154.7
2022	Q1	17,910	7,773	43.4%	\$166.87	\$72.42	\$116.7
	Q2	18,184	11,774	64.7%	\$205.07	\$132.78	\$219.7
	Q3	18,386	11,751	63.9%	\$191.48	\$122.38	\$207.0
	Q4	18,386	11,658	63.4%	\$199.32	\$126.38	\$213.8
2023	Q1	18,386	10,505	57.1%	\$165.79	\$94.73	\$156.7
	Q2	18,406	13,645	74.1%	\$222.85	\$165.21	\$276.7
	Q3	18,436	13,614	73.8%	\$189.63	\$140.03	\$237.5
	Q4	18,469	12,945	70.1%	\$209.00	\$146.50	\$248.9
<b>Growth</b>							
2021	Q1	-5.1%	-45.6%	-42.7%	-16.0%	-51.9%	-54.4%
	Q2	46.7%	219.9%	118.1%	37.4%	199.7%	339.6%
	Q3	34.7%	104.6%	51.8%	28.7%	95.4%	163.2%
	Q4	21.9%	114.0%	75.6%	45.5%	155.4%	211.3%
2022	Q1	9.5%	58.1%	44.4%	33.1%	92.2%	110.4%
	Q2	3.3%	49.6%	44.8%	36.2%	97.2%	103.7%
	Q3	2.0%	19.8%	17.5%	10.5%	29.8%	32.4%
	Q4	1.4%	24.4%	22.7%	11.1%	36.2%	38.2%
2023	Q1	2.7%	35.2%	31.7%	-0.6%	30.8%	34.3%
	Q2	1.2%	15.9%	14.5%	8.7%	24.4%	25.9%
	Q3	0.3%	15.9%	15.5%	-1.0%	14.4%	14.7%
	Q4	0.4%	11.0%	10.5%	4.9%	15.9%	16.4%

Note: Room revenue in millions.

### Forecast summary: Quarterly

		Philadelphia County					
		Supply,	Demand				Room
		daily	daily	Occ.	ADR	RevPAR	rev.
<b>Relative to 2019</b>							
2021	Q1	-3.7%	-56.2%	-54.5%	-20.3%	-63.8%	-65.1%
	Q2	3.2%	-44.5%	-46.3%	-27.6%	-61.1%	-59.8%
	Q3	5.5%	-28.8%	-32.5%	-1.3%	-33.4%	-29.7%
	Q4	5.1%	-28.2%	-31.6%	-6.8%	-36.3%	-33.1%
2022	Q1	5.5%	-30.7%	-34.3%	6.1%	-30.3%	-26.5%
	Q2	6.6%	-17.0%	-22.2%	-1.4%	-23.3%	-18.2%
	Q3	7.6%	-14.6%	-20.7%	9.0%	-13.5%	-6.9%
	Q4	6.6%	-10.6%	-16.2%	3.5%	-13.2%	-7.5%
2023	Q1	8.3%	-6.4%	-13.5%	5.4%	-8.9%	-1.4%
	Q2	7.9%	-3.8%	-10.9%	7.1%	-4.5%	3.1%
	Q3	7.9%	-1.1%	-8.3%	8.0%	-1.0%	6.8%
	Q4	7.1%	-0.8%	-7.3%	8.5%	0.6%	7.7%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly levels

		Philadelphia County					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
Levels	2022 Jan	17,992	5,819	32.3%	\$153.14	\$49.53	\$27.6
	Feb	17,660	7,574	42.9%	\$159.05	\$68.21	\$33.7
	Mar	18,053	9,906	54.9%	\$180.33	\$98.95	\$55.4
	Apr	18,059	11,523	63.8%	\$198.93	\$126.94	\$68.8
	May	18,227	11,390	62.5%	\$213.38	\$133.34	\$75.3
	Jun	18,264	12,420	68.0%	\$202.88	\$137.97	\$75.6
	Jul	18,386	11,791	64.1%	\$194.16	\$124.51	\$71.0
	Aug	18,386	11,619	63.2%	\$180.71	\$114.20	\$65.1
	Sep	18,386	11,846	64.4%	\$199.63	\$128.62	\$70.9
	Oct	18,386	12,496	68.0%	\$210.11	\$142.80	\$81.4
	Nov	18,386	12,190	66.3%	\$205.58	\$136.30	\$75.2
	Dec	18,386	10,304	56.0%	\$179.06	\$100.35	\$57.2
2023	Jan	18,386	8,582	46.7%	\$147.20	\$68.71	\$39.2
	Feb	18,386	10,489	57.0%	\$156.03	\$89.02	\$45.8
	Mar	18,386	12,443	67.7%	\$186.03	\$125.90	\$71.8
	Apr	18,396	13,304	72.3%	\$203.66	\$147.29	\$81.3
	May	18,406	13,569	73.7%	\$235.45	\$173.58	\$99.0
	Jun	18,416	14,065	76.4%	\$228.44	\$174.48	\$96.4
	Jul	18,426	13,540	73.5%	\$180.23	\$132.44	\$75.6
	Aug	18,436	13,756	74.6%	\$180.74	\$134.86	\$77.1
	Sep	18,446	13,544	73.4%	\$208.66	\$153.21	\$84.8
	Oct	18,456	14,023	76.0%	\$220.41	\$167.47	\$95.8
	Nov	18,466	13,517	73.2%	\$215.83	\$157.99	\$87.5
	Dec	18,484	11,314	61.2%	\$186.98	\$114.44	\$65.6

Note: Room revenue in millions.

### Forecast summary: Monthly growth

		Philadelphia County					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
Year-over-year growth	2022 Jan	17.1%	57.4%	34.4%	30.9%	75.9%	106.0%
	Feb	4.6%	53.7%	46.9%	26.0%	85.2%	93.7%
	Mar	7.0%	61.8%	51.3%	38.8%	110.0%	124.6%
	Apr	5.4%	60.3%	52.0%	42.1%	116.0%	127.8%
	May	2.2%	47.3%	44.2%	39.5%	101.1%	105.5%
	Jun	2.4%	42.8%	39.5%	29.1%	80.0%	84.3%
	Jul	3.1%	21.0%	17.4%	17.4%	37.8%	42.0%
	Aug	1.4%	19.3%	17.7%	7.9%	27.0%	28.7%
	Sep	1.4%	19.1%	17.4%	6.7%	25.2%	27.0%
	Oct	1.4%	20.5%	18.8%	10.0%	30.7%	32.6%
	Nov	1.4%	28.4%	26.6%	15.9%	46.8%	48.9%
	Dec	1.4%	25.0%	23.2%	6.9%	31.7%	33.6%
2023	Jan	2.2%	47.5%	44.3%	-3.9%	38.7%	41.8%
	Feb	4.1%	38.5%	33.0%	-1.9%	30.5%	35.9%
	Mar	1.8%	25.6%	23.3%	3.2%	27.2%	29.6%
	Apr	1.9%	15.5%	13.3%	2.4%	16.0%	18.2%
	May	1.0%	19.1%	18.0%	10.3%	30.2%	31.5%
	Jun	0.8%	13.2%	12.3%	12.6%	26.5%	27.5%
	Jul	0.2%	14.8%	14.6%	-7.2%	6.4%	6.6%
	Aug	0.3%	18.4%	18.1%	0.0%	18.1%	18.4%
	Sep	0.3%	14.3%	14.0%	4.5%	19.1%	19.5%
	Oct	0.4%	12.2%	11.8%	4.9%	17.3%	17.7%
	Nov	0.4%	10.9%	10.4%	5.0%	15.9%	16.4%
	Dec	0.5%	9.8%	9.2%	4.4%	14.0%	14.6%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly relative to 2019

		Philadelphia County					
		Supply,	Demand				Room
		daily	daily	Occ.	ADR	RevPAR	rev.
Relative to 2019							
2022	Jan	5.9%	-37.4%	-40.9%	8.6%	-35.8%	-32.0%
	Feb	4.0%	-32.2%	-34.8%	7.2%	-30.1%	-27.3%
	Mar	6.3%	-25.0%	-29.4%	2.6%	-27.6%	-23.0%
	Apr	5.8%	-17.5%	-22.1%	4.3%	-18.7%	-14.0%
	May	6.8%	-19.2%	-24.3%	-2.7%	-26.4%	-21.4%
	Jun	7.2%	-14.3%	-20.1%	-4.9%	-24.0%	-18.5%
	Jul	7.9%	-14.7%	-20.9%	15.7%	-8.5%	-1.3%
	Aug	8.2%	-15.7%	-22.1%	8.9%	-15.1%	-8.2%
	Sep	6.6%	-13.5%	-18.9%	3.0%	-16.5%	-11.0%
	Oct	6.6%	-12.4%	-17.8%	2.7%	-15.5%	-10.0%
	Nov	6.6%	-10.3%	-15.9%	2.9%	-13.4%	-7.7%
	Dec	6.6%	-8.8%	-14.4%	5.8%	-9.4%	-3.5%
2023	Jan	8.3%	-7.7%	-14.7%	4.4%	-10.9%	-3.6%
	Feb	8.3%	-6.1%	-13.3%	5.2%	-8.8%	-1.2%
	Mar	8.3%	-5.7%	-12.9%	5.9%	-7.8%	-0.2%
	Apr	7.8%	-4.8%	-11.7%	6.8%	-5.7%	1.7%
	May	7.9%	-3.7%	-10.8%	7.4%	-4.2%	3.4%
	Jun	8.1%	-3.0%	-10.3%	7.1%	-3.9%	3.9%
	Jul	8.1%	-2.0%	-9.4%	7.4%	-2.7%	5.2%
	Aug	8.5%	-0.2%	-8.0%	9.0%	0.2%	8.7%
	Sep	7.0%	-1.1%	-7.6%	7.6%	-0.5%	6.4%
	Oct	7.0%	-1.6%	-8.1%	7.8%	-0.9%	6.0%
	Nov	7.0%	-0.6%	-7.1%	8.1%	0.4%	7.4%
	Dec	7.2%	0.1%	-6.5%	10.5%	3.3%	10.7%

# About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality , Quantitative analysis and evidence-based advice. For this, it draws on its own staff of more than 250 professional economists and analysts; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford economics has offices in London, Oxford, Dubai, Philadelphia and Belfast.

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