

# PHILADELPHIA REGION LODGING FORECAST November 2022

Prepared for:  
Visit Philadelphia and  
Philadelphia Convention & Visitors Bureau  
November 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 September 2022 and daily Center City and Philadelphia County results through November 5, 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 economic conditions, 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 August 2022

- Overall, this updated Philadelphia forecast shows room revenue for Center City in 2022 is expected to recover to 12.8% below its 2019 level (compared to 14.8% below in the prior forecast, and the same as 12.8% below in the May forecast) and recover in 2023 to 3.9% above 2019 (compared to 3.9% above in the prior forecast, and 6.0% above in the May forecast).
- While the prior forecast assumed the US economy would slow but avoid a recession, the baseline outlook now assumes a mild recession occurs next year.
- The recession will be caused by the Fed's aggressive tightening cycle and the drag from tighter financial market conditions. Higher borrowing costs will also weigh on corporate profits, hiring, and business investment. The consumer will feel the effects of an increase in unemployment and a reduction in excess savings.
- While recessions typically cause a reduction in lodging demand, we anticipate the rebuilding of business travel and the ongoing prioritization of leisure travel will support continued national lodging demand growth next year. Specifically, in Philadelphia Center City, we expected demand will increase approximately 15.3% in 2023 overall, with the annual growth rate benefiting in particular from easy comparisons to the first quarter of 2022, which remained heavily impacted by pandemic effects.
- Our outlook for group business has been reduced relative to the prior forecast on the assumption that a mild recession will delay the full recovery of group activity. We continue to assume there will be further improvement in group activity through 2023 and 2024, but that even in 2024, group room nights will be slightly below 2019 levels.
- Similar to the prior forecast update, the reduced outlook for demand growth has been offset by a stronger outlook on ADR, resulting in only a moderate change in expected room revenue.

# KEY FINDINGS

# US RECOVERY ASSUMPTIONS

## Economic assumptions

- Economic assumptions are based on Oxford Economics' November 2022 US Outlook (released November 9).
- The baseline outlook now anticipates the US will experience a mild recession in 2023. The recession will be caused by the Fed's aggressive tightening cycle and the drag from tighter financial market conditions. Higher borrowing costs will also weigh on corporate profits, hiring, and business investment. The consumer will feel the effects of an increase in unemployment and a reduction in excess savings.
- Growth in US consumer prices will remain uncomfortably high. The anticipated goods disinflation is occurring, but it has not been sufficient to offset the increase in core services inflation, particularly rents. Rental inflation is adding the most to CPI inflation since the early 1990s and it hasn't peaked yet.
- The labor market is holding up for now but is poised to weaken. We expect the unemployment rate will increase from 3.6% in the fourth quarter of 2022 to 4.8% in the fourth quarter of 2023.
- We expect real GDP will grow 1.8% in 2022 (as compared to 1.7% in our August forecast report), before contracting -0.4% in 2023 (compared to 1.0% growth) and resuming growth of 1.4% in 2024.
- While household finances remain healthy, weakening employment gains amid tighter financial conditions means consumer spending will struggle in 2023. As a result, activity is expected to slow, and we see the economy entering a mild recession in the first half of 2023. The recession is anticipated to be mild because there are no glaring imbalances in the economy's balance sheet.
- We expect inflation to slow gradually. We expect CPI growth of 8.1% this year (consistent with the 8.1% estimate in our August forecast report), and 4.9% next year (compared to 3.3%), before slowing to 2.4% in 2024 (compared to 1.8%).

# 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

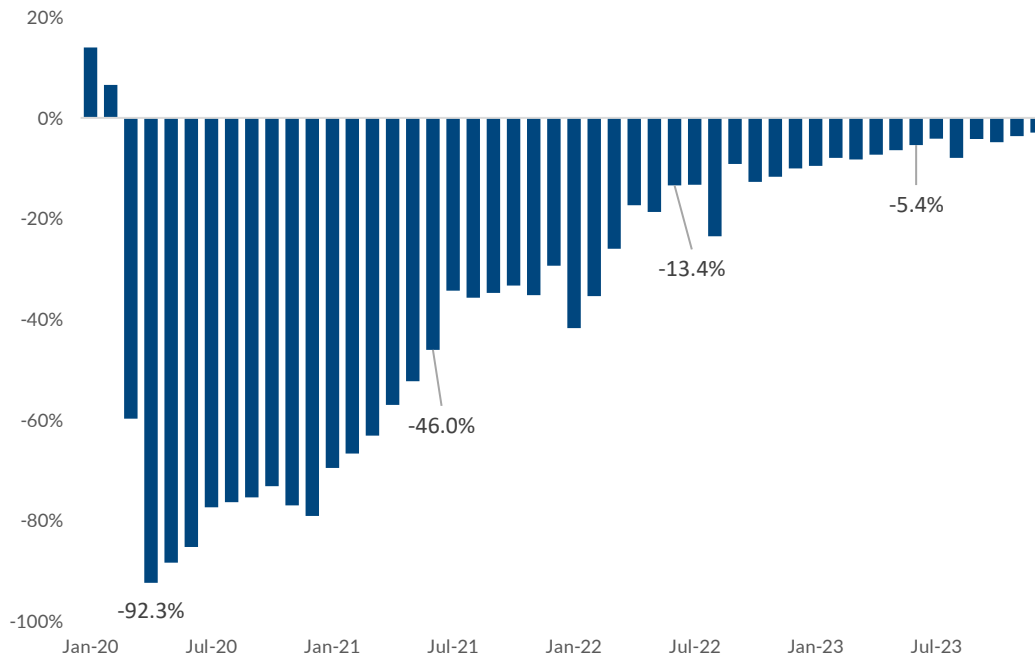
- Positive factors contributing to the recovery of leisure demand:
  - Pent-up demand (postponed vacations, desire to reconnect, cabin fever, vacation-time banked, traditional plans for seasonal trips)
  - Successful vaccination programs that make safe, effective vaccines widely available
  - Improved 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

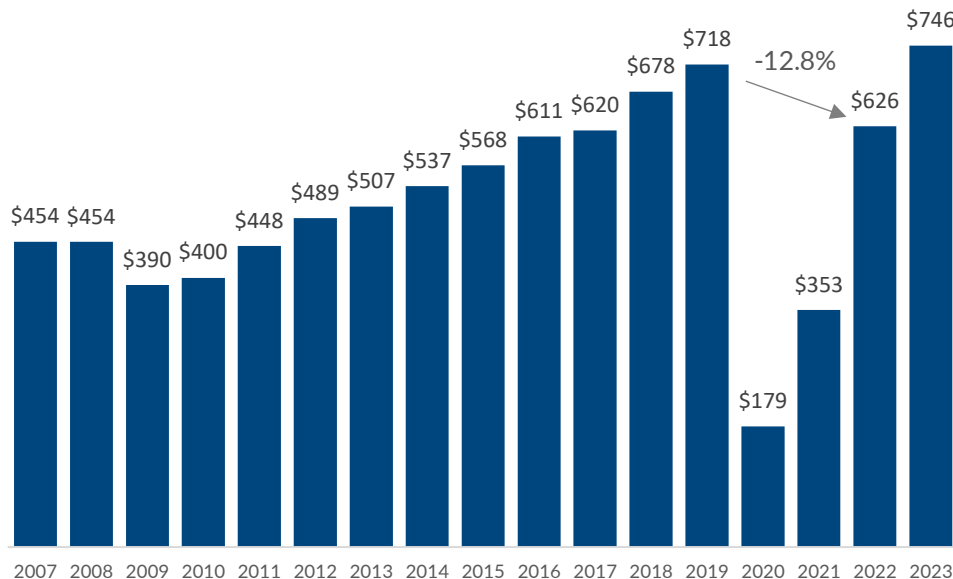
- Demand in September averaged 9.2% below 2019, an improvement relative to July and August, which were 13.3% and 23.5% below respectively.
- Forecast assumes that the demand gap relative to 2019 incrementally narrows through 2023.

# PATH OF RECOVERY

Comparison to 2019 as a base year

## Room revenue

Center City, in millions



- Room revenue in 2022 has improved substantially, but is still expected to average 12.8% 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	5.1	5.2	5.2
Demand (in millions)	3.4	3.5	3.6	1.1	1.9	2.9	3.3	3.5
Occupancy	78.2%	79.7%	76.4%	31.1%	40.8%	57.1%	64.6%	67.7%
ADR	\$184.97	\$191.40	\$201.82	\$156.05	\$181.14	\$215.59	\$222.85	\$229.67
RevPAR	\$144.71	\$152.60	\$154.15	\$48.56	\$73.84	\$123.03	\$143.93	\$155.39
Room revenue (in millions)	\$619.7	\$677.7	\$718.0	\$179.3	\$352.6	\$626.0	\$746.1	\$811.9
<b>Growth</b>								
Supply (in millions)	4.5%	3.7%	4.9%	-20.7%	29.3%	6.6%	1.9%	0.8%
Demand (in millions)	4.9%	5.7%	0.5%	-67.7%	69.4%	49.2%	15.3%	5.6%
Occupancy	0.3%	1.9%	-4.2%	-59.3%	31.0%	40.0%	13.2%	4.8%
ADR	-3.3%	3.5%	5.4%	-22.7%	16.1%	19.0%	3.4%	3.1%
RevPAR	-2.9%	5.5%	1.0%	-68.5%	52.1%	66.6%	17.0%	8.0%
Room revenue (in millions)	1.5%	9.3%	6.0%	-75.0%	96.6%	77.6%	19.2%	8.8%
<b>Difference from 2019 level</b>			0.0%	-75.0%	-50.9%	-12.8%	3.9%	13.1%

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%	9.2%	11.3%	12.2%
Prior	-20.7%	2.5%	8.4%	9.2%	9.9%
<b>Demand</b>					
Current	-67.7%	-45.3%	-18.4%	-5.9%	-0.6%
Prior	-67.7%	-45.3%	-18.3%	-3.5%	2.2%
<b>Occupancy</b>					
Current	-59.3%	-46.6%	-25.3%	-15.4%	-11.4%
Prior	-59.3%	-46.6%	-24.6%	-11.7%	-7.0%
<b>ADR</b>					
Current	-22.7%	-10.2%	6.8%	10.4%	13.8%
Prior	-22.7%	-10.2%	4.4%	7.7%	11.5%
<b>RevPAR</b>					
Current	-68.5%	-52.1%	-20.2%	-6.6%	0.8%
Prior	-68.5%	-52.1%	-21.3%	-4.9%	3.6%
<b>Room revenue</b>					
Current	-75.0%	-50.9%	-12.8%	3.9%	13.1%
Prior	-75.0%	-50.9%	-14.8%	3.9%	13.9%

Source: STR, Tourism Economics

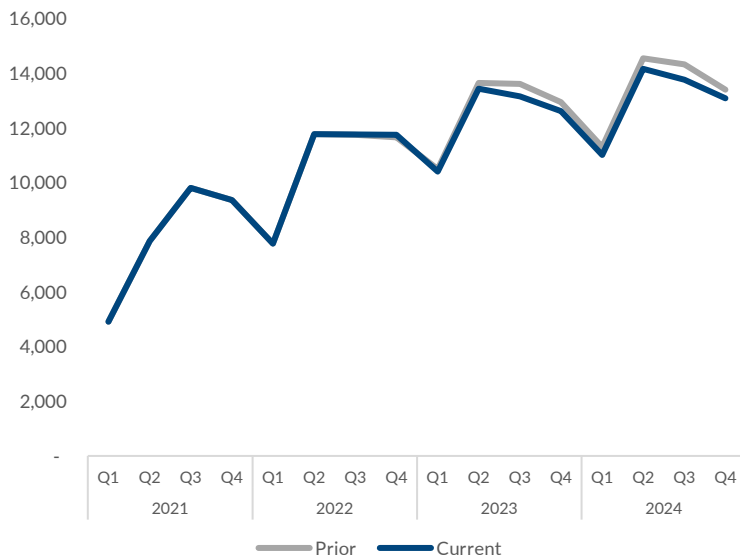
- Our outlook for the demand recovery is weaker in the August forecast as a result of the reduced economic outlook as well as weaker than expected demand in Q3. However, our outlook for ADR is stronger as a result of recent performance and continued national inflation.
- The result is a room revenue forecast in 2023 that is stable with the prior forecast at 3.9%.

# COMPARISON GRAPHS

Quarterly

## Forecast comparison: Demand

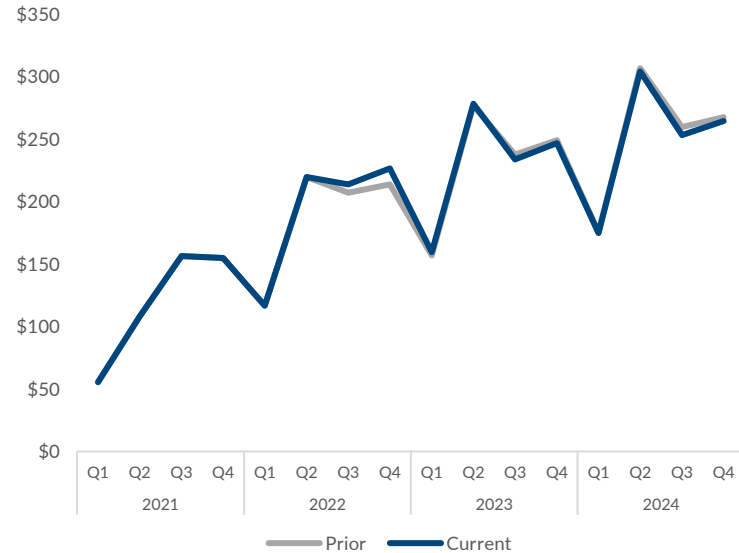
Philadelphia County, daily room nights, quarterly frequency



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

## Room revenue, Philadelphia County (STR)

Month	Current forecast	Prior forecast	Difference	Percent difference	Ratio	Calculated amount
Jun-22	\$75,593,939	\$75,593,939	\$0	0.0%	2.03%	\$1,534,557
Jul-22	70,967,503	70,967,503	0	0.0%	2.03%	1,440,640
Aug-22	60,371,889	65,090,347	-4,718,458	-7.2%	2.03%	1,225,549
Sep-22	82,349,751	70,944,765	11,404,986	16.1%	2.03%	1,671,700
Oct-22	88,536,312	81,392,150	7,144,162	8.8%	2.03%	1,797,287
Nov-22	78,784,269	75,180,761	3,603,508	4.8%	2.03%	1,599,321
Dec-22	59,109,604	57,197,967	1,911,636	3.3%	2.03%	1,199,925
Jan-23	39,965,262	39,161,032	804,230	2.1%	2.03%	811,295
Feb-23	46,741,377	45,826,119	915,258	2.0%	2.03%	948,850
Mar-23	72,750,433	71,758,116	992,317	1.4%	2.03%	1,476,834
Apr-23	82,238,600	81,285,259	953,341	1.2%	2.03%	1,669,444
May-23	99,953,642	99,041,280	912,362	0.9%	2.03%	2,029,059
<b>Total</b>	<b>\$857,362,580</b>	<b>\$833,439,239</b>	<b>\$23,923,341</b>	<b>2.9%</b>	<b>2.03%</b>	<b>\$17,404,460</b>
Jun-23	\$96,007,045	\$96,394,392	-\$387,347	-0.4%	2.03%	\$1,948,943
Jul-23	76,078,797	75,649,718	429,079	0.6%	2.03%	1,544,400
Aug-23	73,202,385	77,075,819	-3,873,434	-5.0%	2.03%	1,486,008
Sep-23	84,298,022	84,783,308	-485,286	-0.6%	2.03%	1,711,250
Oct-23	95,102,374	95,817,258	-714,884	-0.7%	2.03%	1,930,578
Nov-23	86,996,970	87,522,186	-525,215	-0.6%	2.03%	1,766,038
Dec-23	64,623,659	65,576,009	-952,350	-1.5%	2.03%	1,311,860
Jan-24	43,880,701	44,120,426	-239,725	-0.5%	2.03%	890,778
Feb-24	51,020,966	51,035,034	-14,068	0.0%	2.03%	1,035,726
Mar-24	79,786,854	80,122,290	-335,436	-0.4%	2.03%	1,619,673
Apr-24	89,918,557	89,717,381	201,175	0.2%	2.03%	1,825,347
May-24	109,113,525	109,874,184	-760,659	-0.7%	2.03%	2,215,005
<b>Total</b>	<b>\$950,029,856</b>	<b>\$957,688,006</b>	<b>-\$7,658,150</b>	<b>-0.8%</b>	<b>2.03%</b>	<b>\$19,285,606</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

Room revenue, Philadelphia County (STR)

Month	Current forecast	Prior forecast	Difference	Percent difference	Ratio	Calculated amount
Sep-22	\$82,349,751	\$70,944,765	\$11,404,986	16.1%	1.53%	\$1,259,951
Oct-22	88,536,312	81,392,150	7,144,162	8.8%	1.53%	1,354,606
Nov-22	78,784,269	75,180,761	3,603,508	4.8%	1.53%	1,205,399
Dec-22	59,109,604	57,197,967	1,911,636	3.3%	1.53%	904,377
Jan-23	39,965,262	39,161,032	804,230	2.1%	1.53%	611,469
Feb-23	46,741,377	45,826,119	915,258	2.0%	1.53%	715,143
Mar-23	72,750,433	71,758,116	992,317	1.4%	1.53%	1,113,082
Apr-23	82,238,600	81,285,259	953,341	1.2%	1.53%	1,258,251
May-23	99,953,642	99,041,280	912,362	0.9%	1.53%	1,529,291
Jun-23	96,007,045	96,394,392	-387,347	-0.4%	1.53%	1,468,908
Jul-23	76,078,797	75,649,718	429,079	0.6%	1.53%	1,164,006
Aug-23	73,202,385	77,075,819	-3,873,434	-5.0%	1.53%	1,119,996
<b>Total</b>	<b>\$895,717,476</b>	<b>\$870,907,379</b>	<b>\$24,810,097</b>	<b>2.8%</b>	<b>1.53%</b>	<b>\$13,704,477</b>
Sep-23	\$84,298,022	\$84,783,308	-\$485,286	-0.6%	1.53%	\$1,289,760
Oct-23	95,102,374	95,817,258	-714,884	-0.7%	1.53%	1,455,066
Nov-23	86,996,970	87,522,186	-525,215	-0.6%	1.53%	1,331,054
Dec-23	64,623,659	65,576,009	-952,350	-1.5%	1.53%	988,742
Jan-24	43,880,701	44,120,426	-239,725	-0.5%	1.53%	671,375
Feb-24	51,020,966	51,035,034	-14,068	0.0%	1.53%	780,621
Mar-24	79,786,854	80,122,290	-335,436	-0.4%	1.53%	1,220,739
Apr-24	89,918,557	89,717,381	201,175	0.2%	1.53%	1,375,754
May-24	109,113,525	109,874,184	-760,659	-0.7%	1.53%	1,669,437
Jun-24	105,015,128	106,977,788	-1,962,660	-1.8%	1.53%	1,606,731
Jul-24	82,443,451	82,790,476	-347,025	-0.4%	1.53%	1,261,385
Aug-24	79,311,540	84,121,892	-4,810,352	-5.7%	1.53%	1,213,467
<b>Total</b>	<b>\$971,511,748</b>	<b>\$982,458,234</b>	<b>-\$10,946,485</b>	<b>-1.1%</b>	<b>1.53%</b>	<b>\$14,864,130</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

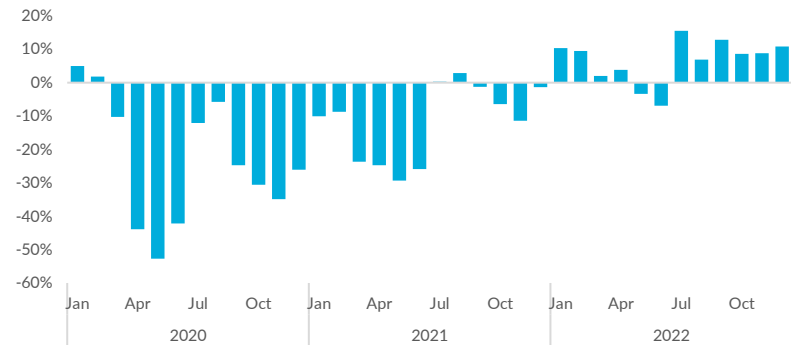
## Center City

Difference relative to same month in 2019, Center City

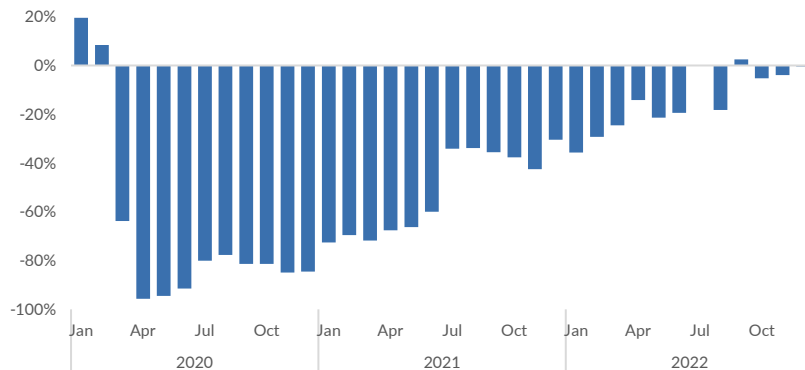
### Demand



### ADR



### Room revenue



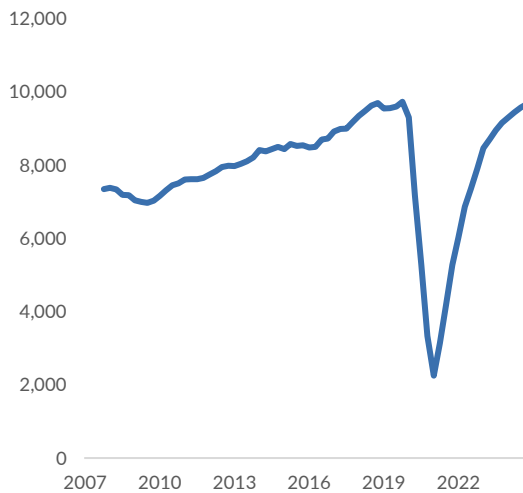
Source: STR; Tourism Economics

# LONG TERM PERSPECTIVE

## Center City

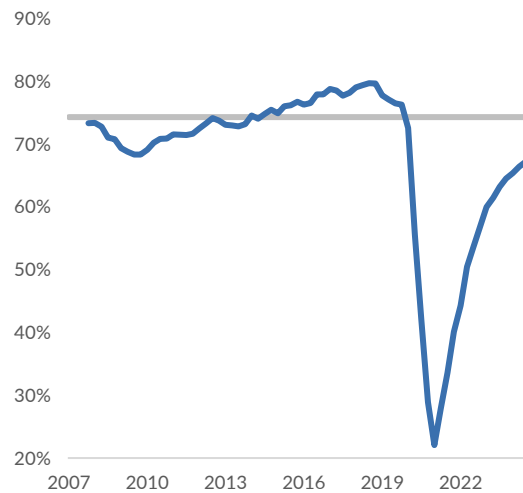
### Demand, Center City

Average daily, seasonally adjusted



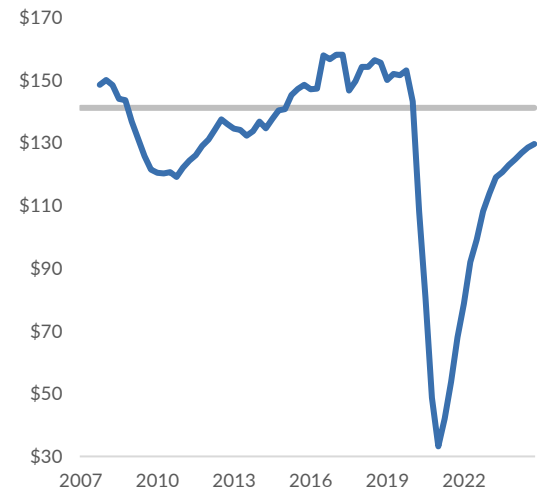
### Occupancy, Center City

Twelve-month average



### RevPAR, real, Center City

Twelve-month average



Note: Graphs extend through the end of 2024.

# SUMMARY TABLE

## Annual

### Forecast summary: Annual

		<u>Center City</u>					
		<u>Supply,</u>	<u>Demand</u>				
		<u>daily</u>	<u>daily</u>	<u>Occ.</u>	<u>ADR</u>	<u>RevPAR</u>	<u>Room rev.</u>
<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	5,332	40.8%	181.14	73.84	352.6
	2022	13,941	7,956	57.1%	215.59	123.03	626.0
	2023	14,202	9,172	64.6%	222.85	143.93	746.1
	2024	14,314	9,685	67.7%	229.67	155.39	811.9
<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%	96.6%
	2022	6.6%	49.2%	40.0%	19.0%	66.6%	77.6%
	2023	1.9%	15.3%	13.2%	3.4%	17.0%	19.2%
	2024	0.8%	5.6%	4.8%	3.1%	8.0%	8.8%
<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	9.2%	-18.4%	-25.3%	6.8%	-20.2%	<b>-12.8%</b>
	2023	11.3%	-5.9%	-15.4%	10.4%	-6.6%	<b>3.9%</b>
	2024	12.2%	-0.6%	-11.4%	13.8%	0.8%	<b>13.1%</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>							
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	6,768	49.8%	\$190.37	\$94.90	\$118.5
	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	14,113	8,801	62.4%	\$213.01	\$132.83	\$172.5
	Q4	14,201	8,775	61.8%	\$231.34	\$142.94	\$186.8
2023	Q1	14,201	7,461	52.5%	\$186.26	\$97.86	\$125.1
	Q2	14,201	9,821	69.2%	\$252.02	\$174.29	\$225.2
	Q3	14,201	9,836	69.3%	\$209.48	\$145.09	\$189.6
	Q4	14,204	9,540	67.2%	\$234.94	\$157.80	\$206.2
2024	Q1	14,241	7,981	56.0%	\$192.02	\$107.62	\$137.9
	Q2	14,286	10,457	73.2%	\$259.83	\$190.19	\$247.3
	Q3	14,337	10,384	72.4%	\$215.98	\$156.43	\$206.3
	Q4	14,391	9,889	68.7%	\$242.21	\$166.43	\$220.4
<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%	175.2%	83.4%	17.9%	116.1%	224.4%
	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	3.9%	30.0%	25.1%	11.9%	40.0%	45.5%
	Q4	3.9%	31.6%	26.7%	17.4%	48.7%	54.5%
2023	Q1	4.5%	37.1%	31.2%	2.0%	33.8%	39.9%
	Q2	2.5%	12.1%	9.4%	13.2%	23.9%	27.0%
	Q3	0.6%	11.8%	11.1%	-1.7%	9.2%	9.9%
	Q4	0.0%	8.7%	8.7%	1.6%	10.4%	10.4%

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%	-38.1%	-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	9.8%	-15.4%	-22.9%	12.5%	-13.3%	-4.8%
	Q4	8.3%	-11.6%	-18.4%	9.1%	-11.0%	-3.5%
2023	Q1	14.1%	-8.5%	-19.8%	9.1%	-12.5%	-0.2%
	Q2	12.5%	-6.3%	-16.7%	10.4%	-8.1%	3.4%
	Q3	10.5%	-5.4%	-14.4%	10.6%	-5.3%	4.6%
	Q4	8.3%	-3.9%	-11.3%	10.8%	-1.7%	6.5%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly levels

		Center City					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Levels</b>							
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	14,201	7,978	56.2%	\$189.85	\$106.65	\$47.0
	Sep	14,201	9,512	67.0%	\$238.90	\$160.01	\$68.2
	Oct	14,201	9,538	67.2%	\$244.40	\$164.15	\$72.3
	Nov	14,201	9,168	64.6%	\$239.42	\$154.56	\$65.8
	Dec	14,201	7,631	53.7%	\$205.61	\$110.49	\$48.6
2023	Jan	14,201	5,932	41.8%	\$163.28	\$68.21	\$30.0
	Feb	14,201	7,463	52.6%	\$173.44	\$91.15	\$36.2
	Mar	14,201	8,988	63.3%	\$211.04	\$133.58	\$58.8
	Apr	14,201	9,636	67.9%	\$231.39	\$157.00	\$66.9
	May	14,201	9,706	68.3%	\$269.60	\$184.26	\$81.1
	Jun	14,201	10,125	71.3%	\$254.23	\$181.26	\$77.2
	Jul	14,201	9,881	69.6%	\$197.71	\$137.56	\$60.6
	Aug	14,201	9,601	67.6%	\$197.64	\$133.62	\$58.8
	Sep	14,201	10,032	70.6%	\$233.17	\$164.72	\$70.2
	Oct	14,201	10,401	73.2%	\$247.82	\$181.50	\$79.9
	Nov	14,201	10,004	70.4%	\$243.25	\$171.36	\$73.0
	Dec	14,211	8,231	57.9%	\$208.90	\$120.99	\$53.3

Note: Room revenue in millions.

### Forecast summary: Monthly growth

		Center City					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Year-over-year growth</b>							
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	3.8%	19.0%	14.6%	3.9%	19.1%	23.6%
	Sep	3.9%	39.2%	34.0%	14.3%	53.2%	59.1%
	Oct	3.9%	30.9%	26.0%	16.1%	46.2%	51.9%
	Nov	3.9%	36.3%	31.2%	22.8%	61.1%	67.3%
	Dec	3.9%	27.4%	22.7%	12.4%	37.8%	43.1%
2023	Jan	3.9%	55.3%	49.4%	-2.3%	46.0%	51.7%
	Feb	6.5%	42.5%	33.8%	-0.6%	33.0%	41.7%
	Mar	3.4%	24.0%	19.9%	7.7%	29.1%	33.6%
	Apr	3.4%	12.2%	8.5%	6.8%	15.8%	19.8%
	May	2.2%	15.1%	12.7%	15.1%	29.6%	32.4%
	Jun	1.9%	9.2%	7.2%	17.2%	25.7%	28.0%
	Jul	1.9%	10.6%	8.5%	-4.5%	3.7%	5.6%
	Aug	0.0%	20.3%	4.1%	25.3%	25.3%	25.3%
	Sep	0.0%	5.5%	5.5%	-2.4%	2.9%	2.9%
	Oct	0.0%	9.0%	9.0%	1.4%	10.6%	10.6%
	Nov	0.0%	9.1%	9.1%	1.6%	10.9%	10.9%
	Dec	0.1%	7.9%	7.8%	1.6%	9.5%	9.6%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly relative to 2019

		Center City					Room rev.
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	
Relative to 2019							
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	10.6%	-23.5%	-30.8%	6.9%	-26.0%	-18.2%
	Sep	8.4%	-9.2%	-16.2%	12.8%	-5.4%	2.5%
	Oct	8.3%	-12.7%	-19.4%	8.5%	-12.5%	-5.2%
	Nov	8.3%	-11.7%	-18.4%	8.7%	-11.3%	-3.9%
	Dec	8.3%	-10.0%	-16.9%	10.7%	-8.0%	-0.3%
2023	Jan	15.7%	-9.5%	-21.8%	7.8%	-15.7%	-2.5%
	Feb	13.2%	-7.9%	-18.7%	8.8%	-11.5%	0.2%
	Mar	13.2%	-8.2%	-18.9%	9.8%	-11.0%	0.8%
	Apr	12.5%	-7.3%	-17.6%	10.8%	-8.7%	2.8%
	May	12.5%	-6.4%	-16.8%	11.2%	-7.5%	4.1%
	Jun	12.5%	-5.4%	-15.9%	9.1%	-8.3%	3.2%
	Jul	12.5%	-4.1%	-14.8%	10.2%	-6.0%	5.7%
	Aug	10.6%	-7.9%	-16.7%	11.3%	-7.4%	2.5%
	Sep	8.4%	-4.2%	-11.6%	10.1%	-2.6%	5.5%
	Oct	8.3%	-4.8%	-12.1%	10.1%	-3.3%	4.8%
	Nov	8.3%	-3.6%	-11.0%	10.5%	-1.7%	6.5%
	Dec	8.4%	-2.9%	-10.4%	12.5%	0.8%	9.2%

# 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	1,946.4	2,903.8	3,347.8
Business transient	1,156.9	413.0	615.2	883.5	1,061.7
Leisure transient	1,119.9	473.2	889.3	1,004.2	1,095.2
Group	1,134.6	193.2	366.5	882.6	1,045.6
Contract	146.3	69.6	75.4	133.6	145.4
<b>Growth (year-over-year)</b>					
<b>Total</b>		-67.7%	69.4%	49.2%	15.3%
Business transient		-64.3%	49.0%	43.6%	20.2%
Leisure transient		-57.8%	87.9%	12.9%	9.1%
Group		-83.0%	89.7%	140.8%	18.5%
Contract		-52.4%	8.4%	77.2%	8.8%
<b>Impact relative to 2019</b>					
<b>Total</b>		-67.7%	-45.3%	-18.4%	-5.9%
Business transient		-64.3%	-46.8%	-23.6%	-8.2%
Leisure transient		-57.8%	-20.6%	-11.4%	-2.2%
Group		-83.0%	-67.7%	-21.5%	-7.8%
Contract		-52.4%	-48.5%	-8.5%	-0.6%
<b>Leisure</b>					
<b>Share of transient</b>	<b>49.2%</b>	<b>53.4%</b>	<b>59.1%</b>	<b>53.2%</b>	<b>50.8%</b>
Share of total	31.5%	41.2%	45.7%	34.6%	32.7%
<b>Segmentation</b>					
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%
Business transient	32.5%	35.9%	31.6%	30.4%	31.7%
Leisure transient	31.5%	41.2%	45.7%	34.6%	32.7%
Group	31.9%	16.8%	18.8%	30.4%	31.2%
Contract	4.1%	6.1%	3.9%	4.6%	4.3%

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	810	807	672	894	905	878
Business transient	85	153	189	189	160	245	230	248	240	274	283	265
Leisure transient	127	224	279	259	187	249	286	283	220	256	318	301
Group	27	69	133	137	115	269	256	243	178	329	261	276
Contract	11	15	21	29	27	34	39	34	33	35	42	36
<b>Growth (year-over-year)</b>												
Total	-58%	323%	175%	182%	96%	73%	30%	32%	37%	12%	12%	9%
Business transient	-62%	274%	145%	173%	88%	61%	22%	32%	50%	11%	23%	7%
Leisure transient	-36%	378%	135%	140%	47%	11%	2%	9%	18%	3%	11%	6%
Group	-81%	800%	642%	426%	325%	290%	91%	77%	55%	23%	2%	14%
Contract	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%
<b>Impact relative to 2019</b>												
Total	-66%	-52%	-35%	-33%	-33%	-16%	-16%	-12%	-9%	-6%	-5%	-4%
Business transient	-68%	-49%	-38%	-34%	-40%	-18%	-25%	-13%	-10%	-8%	-7%	-7%
Leisure transient	-45%	-12%	-16%	-15%	-19%	-3%	-17%	-7%	-4%	0%	-4%	-1%
Group	-87%	-81%	-52%	-52%	-43%	-26%	-5%	-15%	-12%	-10%	-7%	-4%
Contract	-69%	-57%	-47%	-22%	-21%	-4%	-1%	-9%	-5%	-1%	6%	-3%
<b>Leisure</b>												
Share of transient	60%	59%	60%	58%	54%	50%	55%	53%	48%	48%	53%	53%
Share of total	51%	49%	45%	42%	38%	31%	35%	35%	33%	29%	35%	34%

Source: STR; Tourism Economics

# PHILADELPHIA COUNTY DETAILS

## Annual

## Philadelphia County

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

# SUMMARY TABLE

## Quarterly

### Forecast summary: Quarterly

		Philadelphia County					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Levels</b>							
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	9,806	54.4%	\$173.32	\$94.25	\$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	18,560	11,765	63.4%	\$197.42	\$125.15	\$213.7
	Q4	18,386	11,747	63.9%	\$209.51	\$133.86	\$226.4
2023	Q1	18,386	10,412	56.6%	\$170.17	\$96.36	\$159.5
	Q2	18,386	13,432	73.1%	\$227.60	\$166.28	\$278.2
	Q3	18,389	13,153	71.5%	\$193.03	\$138.06	\$233.6
	Q4	18,419	12,619	68.5%	\$212.53	\$145.60	\$246.7
2024	Q1	18,476	11,011	59.6%	\$176.28	\$105.06	\$174.7
	Q2	18,536	14,161	76.4%	\$235.94	\$180.26	\$304.0
	Q3	18,595	13,768	74.0%	\$199.92	\$148.02	\$253.2
	Q4	18,656	13,087	70.1%	\$219.49	\$153.97	\$264.3
<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%	103.9%	51.3%	28.9%	95.1%	162.8%
	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	2.9%	20.0%	16.6%	13.9%	32.8%	36.7%
	Q4	1.4%	25.4%	23.6%	16.7%	44.3%	46.4%
2023	Q1	2.7%	33.9%	30.5%	2.0%	33.1%	36.6%
	Q2	1.1%	14.1%	12.8%	11.0%	25.2%	26.6%
	Q3	-0.9%	11.8%	12.8%	-2.2%	10.3%	9.3%
	Q4	0.2%	7.4%	7.2%	1.4%	8.8%	9.0%

Note: Room revenue in millions.

### Forecast summary: Quarterly

		Philadelphia County					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room 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	8.6%	-14.5%	-21.3%	12.4%	-11.5%	-3.9%
	Q4	6.6%	-9.9%	-15.5%	8.8%	-8.1%	-2.0%
2023	Q1	8.3%	-7.2%	-14.3%	8.2%	-7.3%	0.3%
	Q2	7.8%	-5.3%	-12.2%	9.4%	-3.9%	3.6%
	Q3	7.6%	-4.5%	-11.2%	9.9%	-2.4%	5.0%
	Q4	6.8%	-3.3%	-9.4%	10.4%	0.0%	6.8%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly levels

		Philadelphia County					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Levels</b>							
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	18,648	10,922	58.6%	\$178.32	\$104.43	\$60.4
	Sep	18,648	12,611	67.6%	\$217.67	\$147.20	\$82.3
	Oct	18,386	12,782	69.5%	\$223.44	\$155.34	\$88.5
	Nov	18,386	12,194	66.3%	\$215.36	\$142.83	\$78.8
	Dec	18,386	10,280	55.9%	\$185.48	\$103.71	\$59.1
2023	Jan	18,386	8,532	46.4%	\$151.11	\$70.12	\$40.0
	Feb	18,386	10,420	56.7%	\$160.20	\$90.79	\$46.7
	Mar	18,386	12,284	66.8%	\$191.04	\$127.64	\$72.8
	Apr	18,386	13,110	71.3%	\$209.09	\$149.10	\$82.2
	May	18,386	13,357	72.6%	\$241.39	\$175.37	\$100.0
	Jun	18,386	13,832	75.2%	\$231.37	\$174.06	\$96.0
	Jul	18,386	13,342	72.6%	\$183.95	\$133.48	\$76.1
	Aug	18,386	12,907	70.2%	\$182.96	\$128.43	\$73.2
	Sep	18,396	13,213	71.8%	\$212.67	\$152.75	\$84.3
	Oct	18,406	13,682	74.3%	\$224.22	\$166.68	\$95.1
	Nov	18,416	13,185	71.6%	\$219.94	\$157.47	\$87.0
	Dec	18,436	11,007	59.7%	\$189.40	\$113.07	\$64.6

Note: Room revenue in millions.

### Forecast summary: Monthly growth

		Philadelphia County					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room rev.
<b>Year-over-year growth</b>							
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	2.8%	12.2%	9.1%	6.4%	16.1%	19.4%
	Sep	2.9%	26.8%	23.3%	16.3%	43.3%	47.5%
	Oct	1.4%	23.2%	21.5%	17.0%	42.2%	44.2%
	Nov	1.4%	28.5%	26.6%	21.5%	53.8%	56.0%
	Dec	1.4%	24.7%	22.9%	10.8%	36.1%	38.1%
2023	Jan	2.2%	46.6%	43.5%	-1.3%	41.6%	44.7%
	Feb	4.1%	37.6%	32.1%	0.7%	33.1%	38.6%
	Mar	1.8%	24.0%	21.8%	5.9%	29.0%	31.4%
	Apr	1.8%	13.8%	11.8%	5.1%	17.5%	19.6%
	May	0.9%	17.3%	16.3%	13.1%	31.5%	32.7%
	Jun	0.7%	11.4%	10.6%	14.0%	26.2%	27.0%
	Jul	0.0%	13.2%	13.2%	-5.3%	7.2%	7.2%
	Aug	-1.4%	18.2%	19.9%	2.6%	23.0%	21.3%
	Sep	-1.4%	4.8%	6.2%	-2.3%	3.8%	2.4%
	Oct	0.1%	7.0%	6.9%	0.3%	7.3%	7.4%
	Nov	0.2%	8.1%	7.9%	2.1%	10.2%	10.4%
	Dec	0.3%	7.1%	6.8%	2.1%	9.0%	9.3%

# SUMMARY TABLE

## Monthly

### Forecast summary: Monthly relative to 2019

		Philadelphia County					
		Supply, daily	Demand daily	Occ.	ADR	RevPAR	Room 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	9.7%	-20.8%	-27.8%	7.5%	-22.4%	-14.8%
	Sep	8.1%	-7.9%	-14.9%	12.3%	-4.4%	3.3%
	Oct	6.6%	-10.4%	-15.9%	9.2%	-8.1%	-2.1%
	Nov	6.6%	-10.3%	-15.9%	7.8%	-9.3%	-3.3%
	Dec	6.6%	-9.0%	-14.6%	9.6%	-6.4%	-0.2%
2023	Jan	8.3%	-8.2%	-15.2%	7.2%	-9.1%	-1.6%
	Feb	8.3%	-6.7%	-13.8%	8.0%	-6.9%	0.8%
	Mar	8.3%	-7.0%	-14.0%	8.7%	-6.6%	1.2%
	Apr	7.8%	-6.2%	-12.9%	9.7%	-4.5%	2.9%
	May	7.8%	-5.2%	-12.1%	10.1%	-3.2%	4.3%
	Jun	7.9%	-4.6%	-11.6%	8.5%	-4.1%	3.5%
	Jul	7.9%	-3.5%	-10.5%	9.6%	-1.9%	5.8%
	Aug	8.2%	-6.4%	-13.4%	10.3%	-4.5%	3.3%
	Sep	6.7%	-3.6%	-9.6%	9.7%	-0.8%	5.8%
	Oct	6.7%	-4.0%	-10.1%	9.6%	-1.4%	5.2%
	Nov	6.8%	-3.0%	-9.2%	10.1%	0.0%	6.8%
	Dec	6.9%	-2.6%	-8.8%	11.9%	2.1%	9.1%

# 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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