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Hospitality and leisure is the fastest growing sector of employment in Philadelphia, with jobs up 23% since 2010 and up 59% since 1990. Major public and private investments made in the Pennsylvania Convention Center, tourism and cultural attractions, and hotels and restaurants, have paid dividends not only in expanded employment opportunities for Philadelphia residents, but also in the animation of Center City and the diversification of downtown land use.

In 2016, the Pennsylvania Convention Center hosted 19 conventions and trade shows and three gate shows of 2,000 attendees or more, pushing attendance to 1,100,000. Hotel occupancy peaked at 97.6% during the Democratic National Convention (DNC) and, according to CBRE Hotels, boosted revenue per available room in the third quarter 19.2% higher than the same period in 2015. Twenty-three conventions and trade shows of 2,000 or more are slated for 2017 with the Philadelphia Convention & Visitors Bureau projecting up to \$660 million in Convention Center-related business for 2017. The spring 2017 NFL Draft and the fall Army-Navy Game will bring a total of 267,000 attendees to the city.

Leisure room nights totaled 1,006,000 in 2016, an increase of 53% from 2007 levels. Leisure travel now accounts for 32% of the downtown's occupied hotel room nights, surpassing the commercial share at 30% and almost equal to the demand generated by group and convention business (33%). Saturday night remains the busiest night of the week at Center City hotels, with the occupancy rate hitting 87.9%. The impact of the DNC and increased leisure travel brought more than 5 million visitors to Independence National Historical Park in 2016, up from 4.3 million during the previous year.

Together, conventions, trade shows and leisure travel pushed Center City's 2016 hotel occupancy rate to a modern-day record of 78%, with a total of 3.2 million occupied hotel room nights. The average daily room rate (ADR) for Center City reached \$191, topping pre-recession levels. Adjusting for inflation, however, ADR actually declined, as limited demand from business travelers, the highest rate payers, reflected very limited office-sector growth and the limited number of major corporate headquarters in the city.

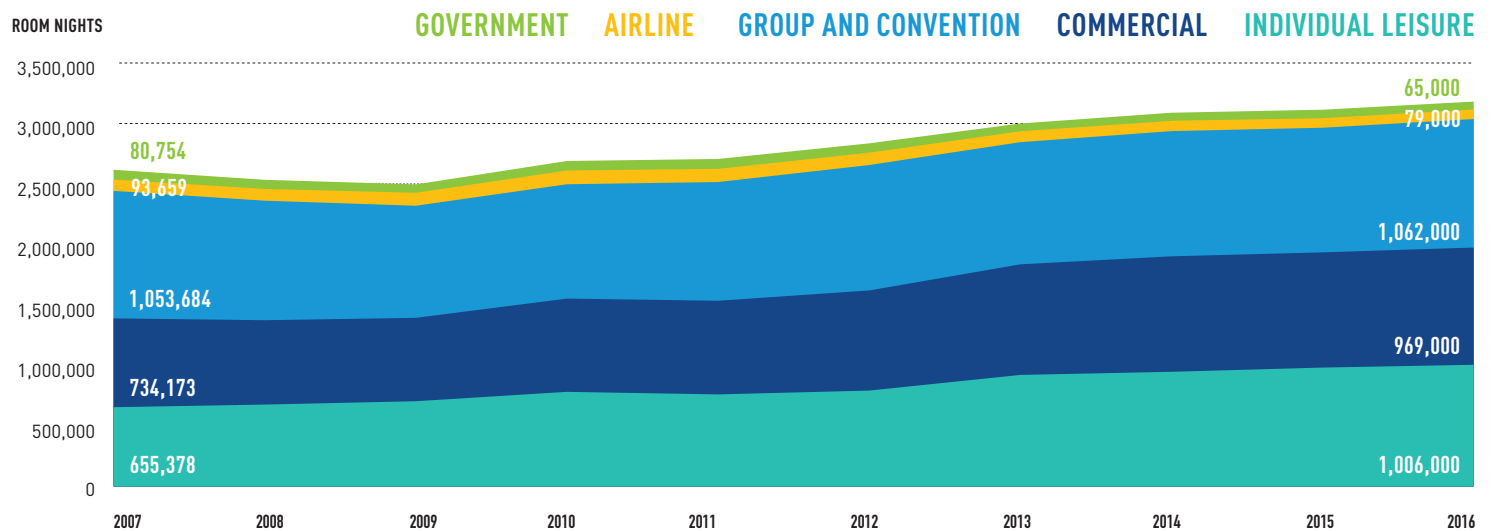
Still, 12 hotel projects that are underway or proposed will bring the downtown room supply to more than 13,000. These include the Four Seasons, Cambria Hotel & Suites, Aloft Hotel, Fairfield Inn and Suites and W Hotel and Element by Westin — all currently under construction — as well as the planned Kimpton, Hyatt Centric, SLS LUX, Hyde and Marriott AC. The Divine Lorraine, a residential/mixed-use project currently under redevelopment, will also include a boutique hotel with 46 rooms.

Older hotels are responding with rebranding and renovations. The Hyatt at the Bellevue completed an \$8 million renovation in 2016, while the Hilton Philadelphia at Penn's Landing is undergoing a two-year, \$15-million, property-wide redesign. The Independence Visitor Center is investing \$15 million in a renovation that will enlarge the gift shop and terrace overlooking the Mall. In the historic district, the Museum of the American Revolution opened in early April 2017.



33,665
JOBS ARE PROVIDED
 BY CENTER CITY RESTAURANTS,
 HOTELS, CULTURAL AND
 ENTERTAINMENT DESTINATIONS.

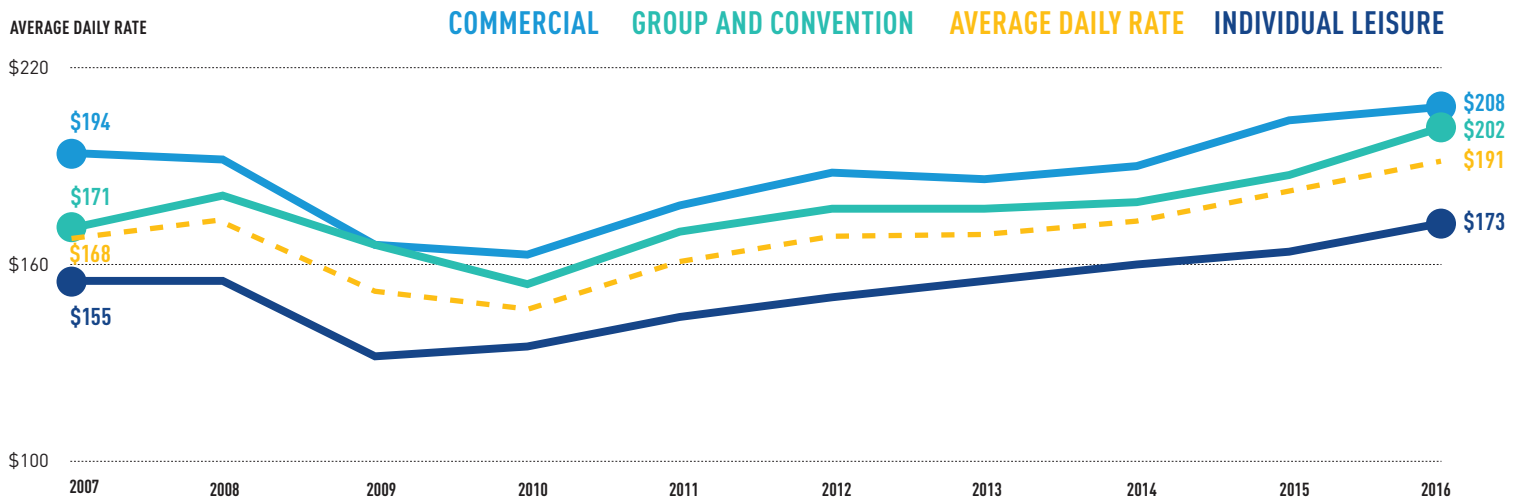
OCCUPIED CENTER CITY HOTEL ROOMS BY PURPOSE OF TRIP



Source: CBRE Hotels - Provided by Philadelphia Convention & Visitors Bureau

3.18 MILLION TOTAL OCCUPIED ROOM NIGHTS IN 2016

AVERAGE DAILY ROOM RATE FOR CENTER CITY HOTELS



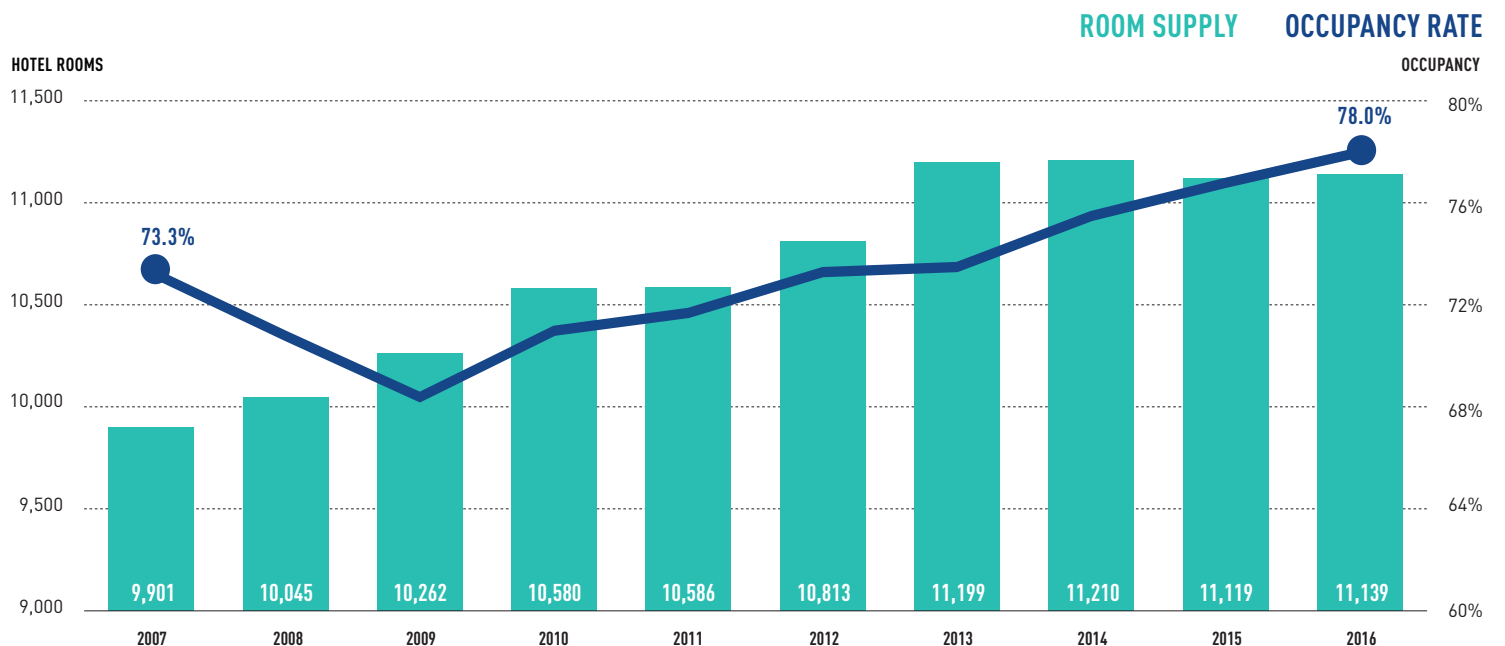
Source: STR, Inc. and CBRE Hotels - Provided by Philadelphia Convention & Visitors Bureau



11,139 HOTEL ROOMS

ACHIEVED A 78% OCCUPANCY RATE IN 2016.

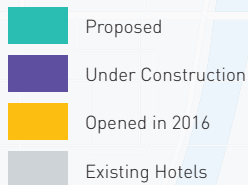
AVAILABILITY AND OCCUPANCY OF CENTER CITY HOTEL ROOMS



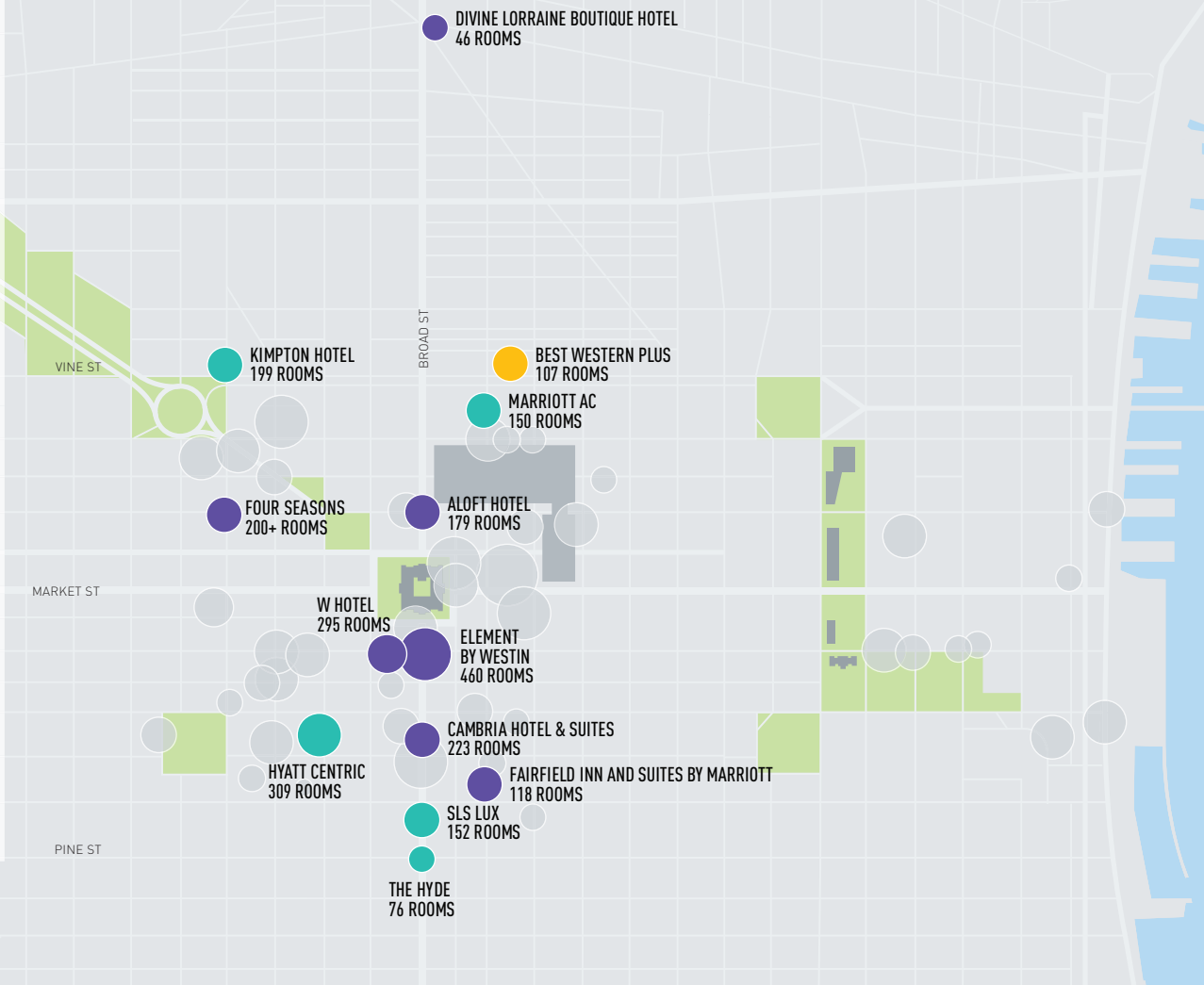
Source: STR, Inc. - Provided by Philadelphia Convention & Visitors Bureau

HOTEL DEVELOPMENTS IN CENTER CITY, 2016

ROOMS:



Source: Visit Philadelphia; Center City District



MAJOR CITIES: AVERAGE DAILY ROOM AND OCCUPANCY RATE COMPARISON

CITY	OCCUPANCY RATE	AVG DAILY ROOM RATE
Manhattan	81%	\$257
Boston	81%	\$251
Washington, D.C.	78%	\$224
Philadelphia	78%	\$191
Chicago	75%	\$205
Baltimore	67%	\$162
Atlanta	72%	\$155

Source: STR, Inc. - Provided by Philadelphia Convention & Visitors Bureau

WITH STRONG OFFICE SECTOR GROWTH,
DEMAND FROM BUSINESS
TRAVELERS WILL INCREASE
AVERAGE DAILY ROOM RATES,
MAKING IT EASIER TO FINANCE
NEW HOTELS.

INTERNATIONAL VISITORS TO THE PHILADELPHIA FIVE-COUNTY REGION BY COUNTRY, 2015

- 17% UNITED KINGDOM
- 10% GERMANY
- 9% CHINA
- 8% INDIA
- 5% FRANCE
- 4% ITALY
- 3% SOUTH KOREA
- 3% SPAIN
- 3% BRAZIL
- 2% NETHERLANDS
- 36% ALL OTHER



Source: Tourism Economics Global Cities Travel - Provided by the Philadelphia Convention & Visitors Bureau

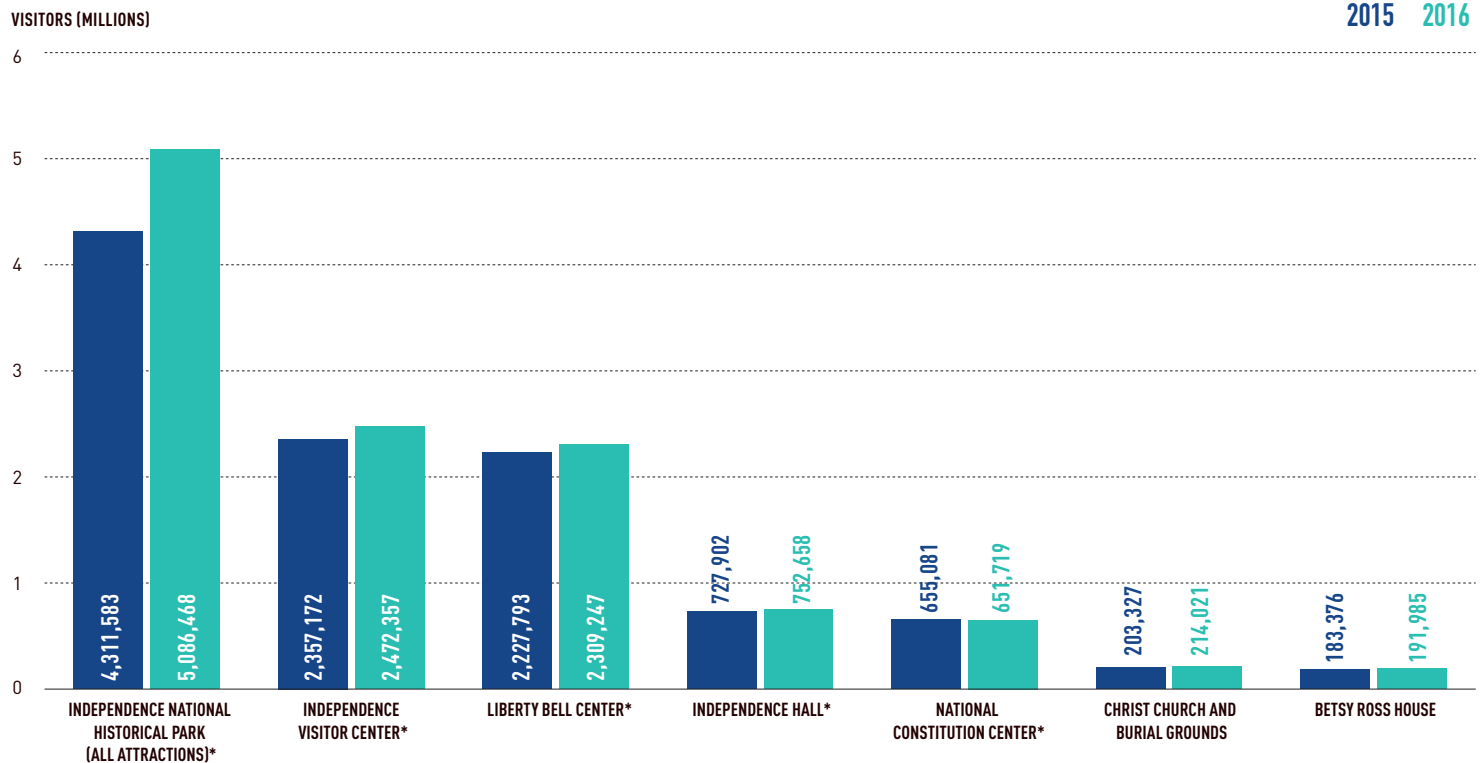
THE UNITED KINGDOM, GERMANY, CHINA AND INDIA ACCOUNT FOR

44%

OF ALL INTERNATIONAL TRAVELERS TO PHILADELPHIA IN 2015.



ATTENDANCE AT ATTRACTIONS ON INDEPENDENCE MALL, 2015-2016



*Note: Attendance for Independence National Historical Park is an estimate of the number of unique visitors to the Park and does not represent the sum of all visits to individual Park attractions.

Source: CBRE Hotels - Provided by Independence Visitor Center Corporation

**LARGEST CONVENTIONS, TRADE AND GATE SHOWS;
OTHER MAJOR PUBLIC EVENTS, 2016**

CONVENTION & TRADE SHOWS	ATTENDANCE
*Democratic National Convention	40,000
Philadelphia Marathon	32,000
African Methodist Episcopal Church	30,000
Rock & Roll Half Marathon	24,000
2016 Northeast Qualifier Volleyball	20,500
American Association for Clinical Chemistry, Inc.	20,000
American Institute of Architects	16,000
ACN, Inc.	15,000
Brewers Association	13,500
American Chemical Society	12,000
American Speech-Language-Hearing Association	11,000
Society of Cable Telecommunications Engineers, Inc.	10,000
Society of Women Engineers	10,000
DIA	7,000
American Political Science Association	7,000
National Funeral Directors Association	6,000
Urban Land Institute	3,200
CoreNet Global	2,010
Special Libraries Association	2,000

*Pre-Convention Estimates

Source: Philadelphia Convention & Visitors Bureau

GATE SHOWS	ATTENDANCE
Auto Show	246,000
Flower Show	249,000
ComicCon	35,000

Source: Pennsylvania Convention Center

**2016 TOTAL CONVENTION
CENTER ATTENDANCE:
1,100,000**

**LARGEST CONVENTIONS, TRADE AND GATE SHOWS;
OTHER MAJOR PUBLIC EVENTS, ANTICIPATED
FOR 2017**

CONVENTION & TRADE SHOWS	ATTENDANCE
2017 NFL Draft	200,000
Army-Navy Game	67,000
Philadelphia Marathon	30,000
LIGHTFAIR International	23,000
Rock & Roll Half Marathon	23,000
2017 Northeast Qualifier Volleyball	17,000
International Association of Chiefs of Police	14,000
Risk and Insurance Management Society, Inc.	12,000
American Water Works Association, Inc.	12,000
National Black MBA Association, Inc.	12,000
The American Society for Cell Biology	9,000
American Osteopathic Association	8,000
American Association of Nurse Practitioners	7,250
Modern Language Association	7,200
EDUCAUSE	7,000
PMMI- The Association for Packaging and Processing Technologies	5,000
American Occupational Therapy Association	5,000
UBM, LLC	5,000
Association for Middle Level Education	4,500
National Association of Elementary School Principals	3,000
Out and Equal	3,000
NeighborWorks America	2,200
Bayada Home Health Care	2,130
AVID Center	1,800

Source: Philadelphia Convention & Visitors Bureau

**ANTICIPATED CONVENTION
CENTER ATTENDANCE FOR 2017:
1,075,000**

Source: Pennsylvania Convention Center