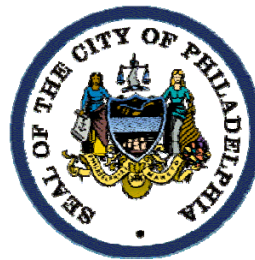


Commission Fact Sheet

- ~ Item:** Update on Center City Hotel Developments
- ~ Parties at Interest:** Philadelphia City Planning Commission
- ~ Purpose:** Update and inform the Planning Commission members concerning hotel developments that are under construction, approved and proposed in response to the construction of the Pennsylvania Convention Center, the National Constitution Center and other tourism-related venues.
- ~ Additional Information:** The lodging market's performance in Philadelphia from the year 1982 to 1994 was essentially flat. However, since the construction of the Pennsylvania Convention Center, there has been significant improvement in the City's capability to host visitors.
- Between the years 1995 and 2001, approximately 4000 new hotel rooms were added to the inventory of rooms that the City already had, bringing the total of hotel rooms in the City to nearly 10,700.
- The City continues to add new rooms to this inventory.
- Currently, there are 3 hotels under construction totaling 521 rooms. In addition, there are 5 hotels with a combined total of 843 rooms that have been proposed and approved. 1364 new rooms will result in the next few years.
- The Philadelphia Industrial Development Corporation believes that with the expansion of the Pennsylvania Convention Center (nearly doubling the size of the existing Convention Center) and other destination venues that the City offers, there should be a demand for more than 1100 more rooms.
- Currently, hotels that are in the range of 200-300 rooms are being proposed, so-called "boutique hotels."
- Overall, the environment for hotel construction in Philadelphia is very positive and will continue to be so in the future.
- ~ For information only.**



Philadelphia City Planning Commission Meeting



April 29 2008

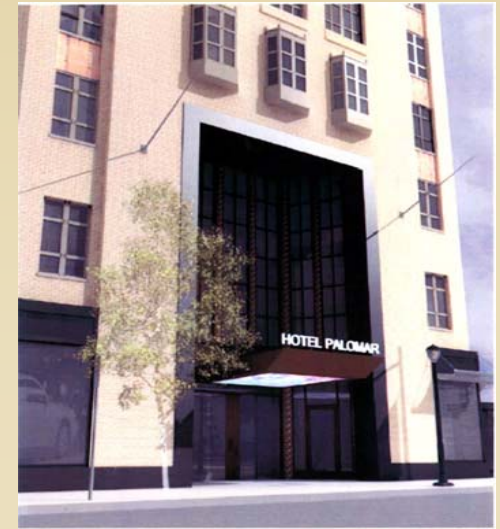
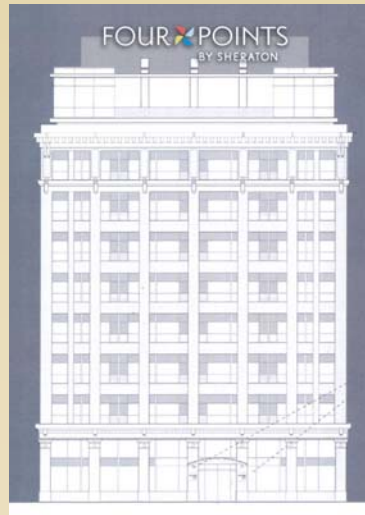
PCPC
Philadelphia City Planning Commission

Executive Director's Update



Information Only:

Update on Center City Hotel Development



Center City Lodging Market

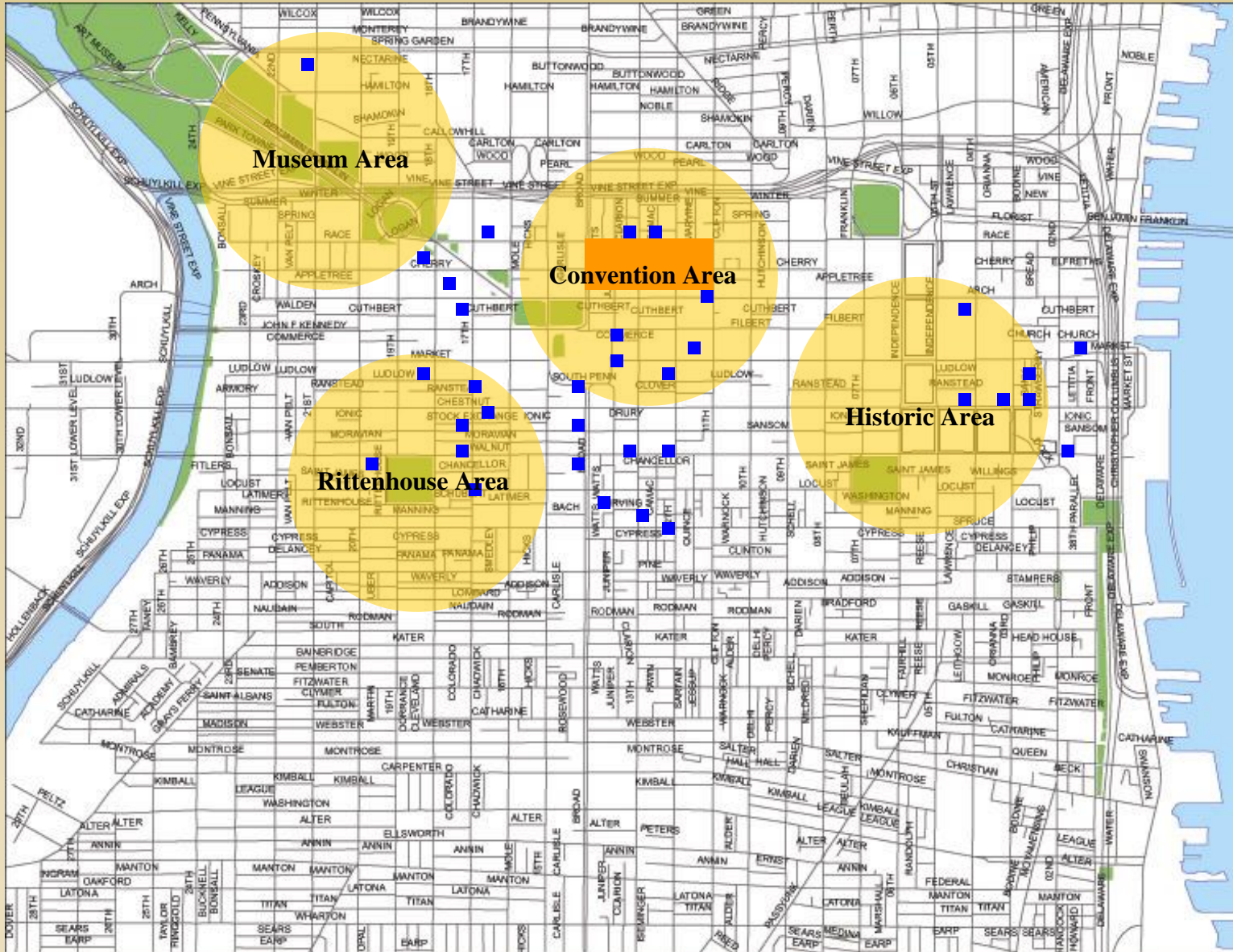
CENTER-CITY PHILADELPHIA LODGING MARKET HISTORICAL PERFORMANCE 1982 THROUGH 2006										
Year	Hotel Supply			Hotel Demand		Occu- pancy	Average Rate		RevPAR	
	Daily	Annual	Percent Change	Annual	Percent Change		Amount	Percent Change	Amount	Percent Change
1982	5,381	1,964,065		1,257,002		64.0%	\$55.00		\$35.20	
1983	6,126	2,235,990	13.8%	1,319,234	5.0%	59.0	61.00	10.9%	35.99	2.2%
1984	6,135	2,245,410	0.4	1,279,884	-3.0	57.0	63.00	3.3	35.91	-0.2
1985	6,061	2,212,265	-1.5	1,283,114	0.3	58.0	65.00	3.2	37.70	5.0
1986	5,954	2,173,210	-1.8	1,347,390	5.0	62.0	68.00	4.6	42.16	11.8
1987	4,730	1,726,450	-20.6	1,260,309	-6.5	73.0	80.00	17.6	58.40	38.5
1988	4,900	1,793,400	3.9	1,291,248	2.5	72.0	84.00	5.0	60.48	3.6
1989	5,056	1,845,440	2.9	1,273,354	-1.4	69.0	90.00	7.1	62.10	2.7
1990	5,273	1,924,645	4.3	1,231,773	-3.3	64.0	92.00	2.2	58.88	-5.2
1991	5,677	2,072,105	7.7	1,222,542	-0.7	59.0	90.00	-2.2	53.10	-9.8
1992	5,428	1,986,648	-4.1	1,271,455	4.0	64.0	90.00	0.0	57.60	8.5
1993	5,613	2,048,745	3.1	1,331,684	4.7	65.0	91.00	1.1	59.15	2.7
1994	5,548	2,025,020	-1.2	1,357,842	2.0	67.1	96.00	5.5	64.37	8.8
1995	6,565	2,396,225	18.3	1,641,710	20.9	68.5	104.00	8.3	71.25	10.7
1996	6,677	2,443,762	2.0	1,762,629	8.0	73.0	117.00	12.5	85.36	19.8
1997	6,513	2,445,566	0.1	1,794,180	0.6	73.4	123.96	5.9	90.94	6.5
1998	6,728	2,455,868	0.4	1,756,151	-2.1	71.5	134.85	8.8	96.43	6.0
1999	7,869	2,872,191	17.0	1,957,715	11.5	68.2	136.63	1.3	93.13	-3.4
2000	9,805	3,588,718	24.9	2,282,052	16.6	63.6	141.42	3.5	89.93	-3.4
2001	10,654	3,888,544	8.4	2,340,381	2.6	60.2	134.06	-5.2	80.69	-10.3
2002	10,690	3,901,953	0.3	2,575,154	10.0	66.0	138.58	3.4	91.46	13.4
2003	10,685	3,876,688	-0.6	2,569,626	-0.2	66.4	136.14	-0.1	88.41	-5.5
2004	10,428	3,816,648	-1.4	2,702,880	5.2	70.8	133.44	2.5	94.48	9.3
2005	10,268	3,747,848	-1.8	2,715,262	0.5	72.4	144.93	8.6	104.93	11.1
2006	9,840	3,591,491	-4.2	2,641,637	-2.7	73.6	155.80	7.5	114.67	9.3
CAG: '82-'06			2.5%		3.1%			4.4%		5.1%
'95-'06			3.7%		4.4%			3.7%		4.4%




Center City Lodging Market

Demand Levels (1982 to 2006)

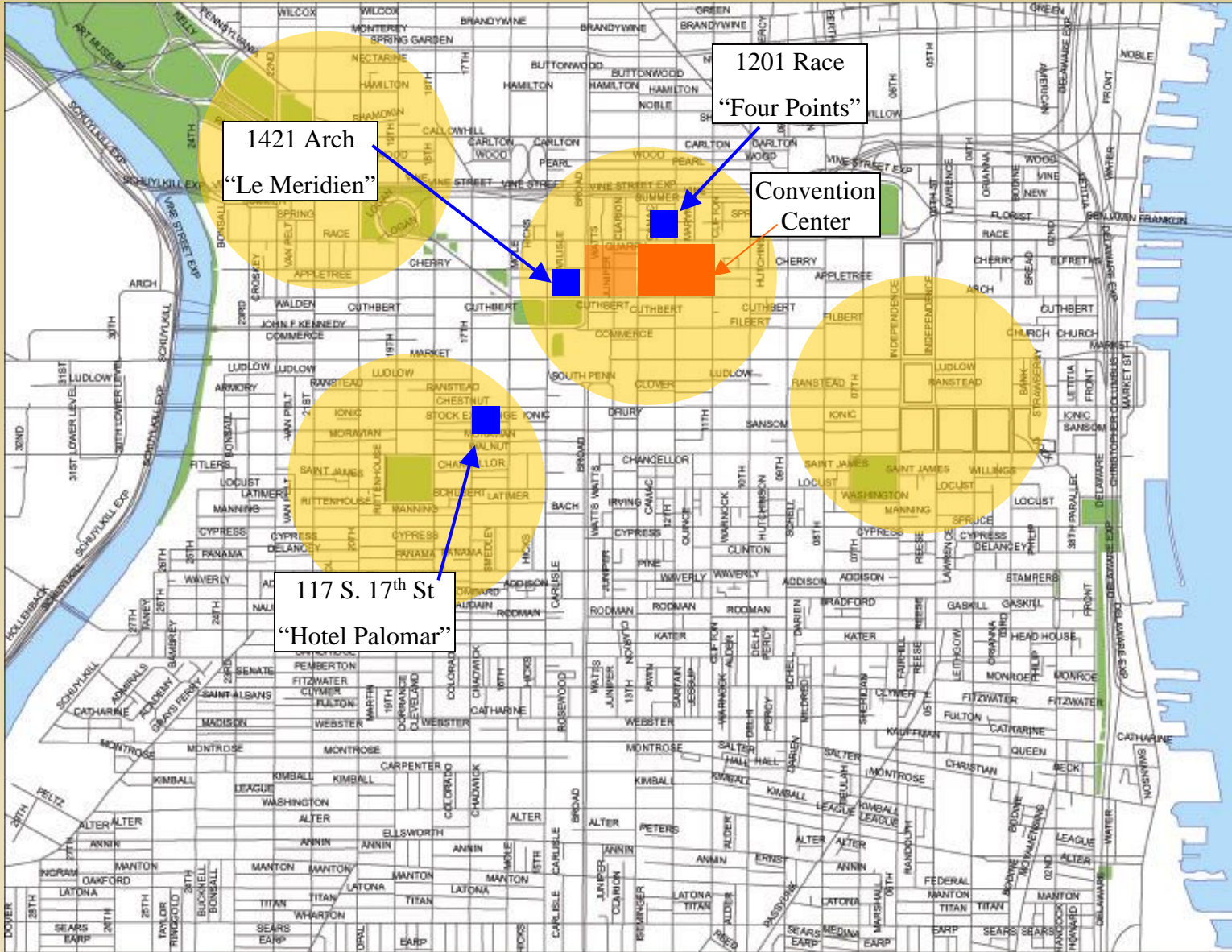
- Overall demand up by 110%
- Commercial segment demand up by 60%
- Convention and Group segment demand up by 100%
- Leisure segment demand up by 200%

Existing Hotels in Center City



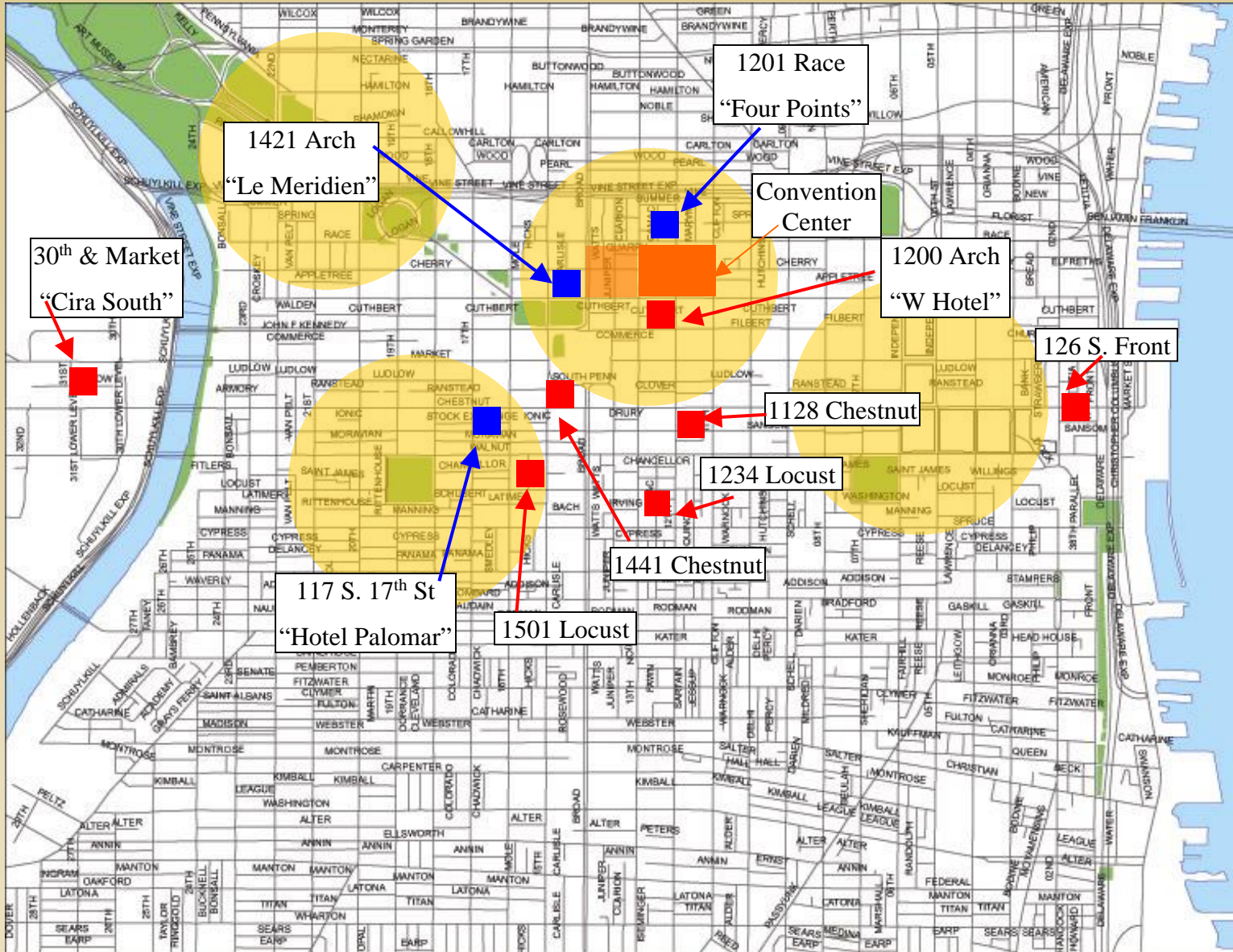
-  10 minute walk radius
-  Convention Center
-  Existing Hotels

Center City Hotel Development



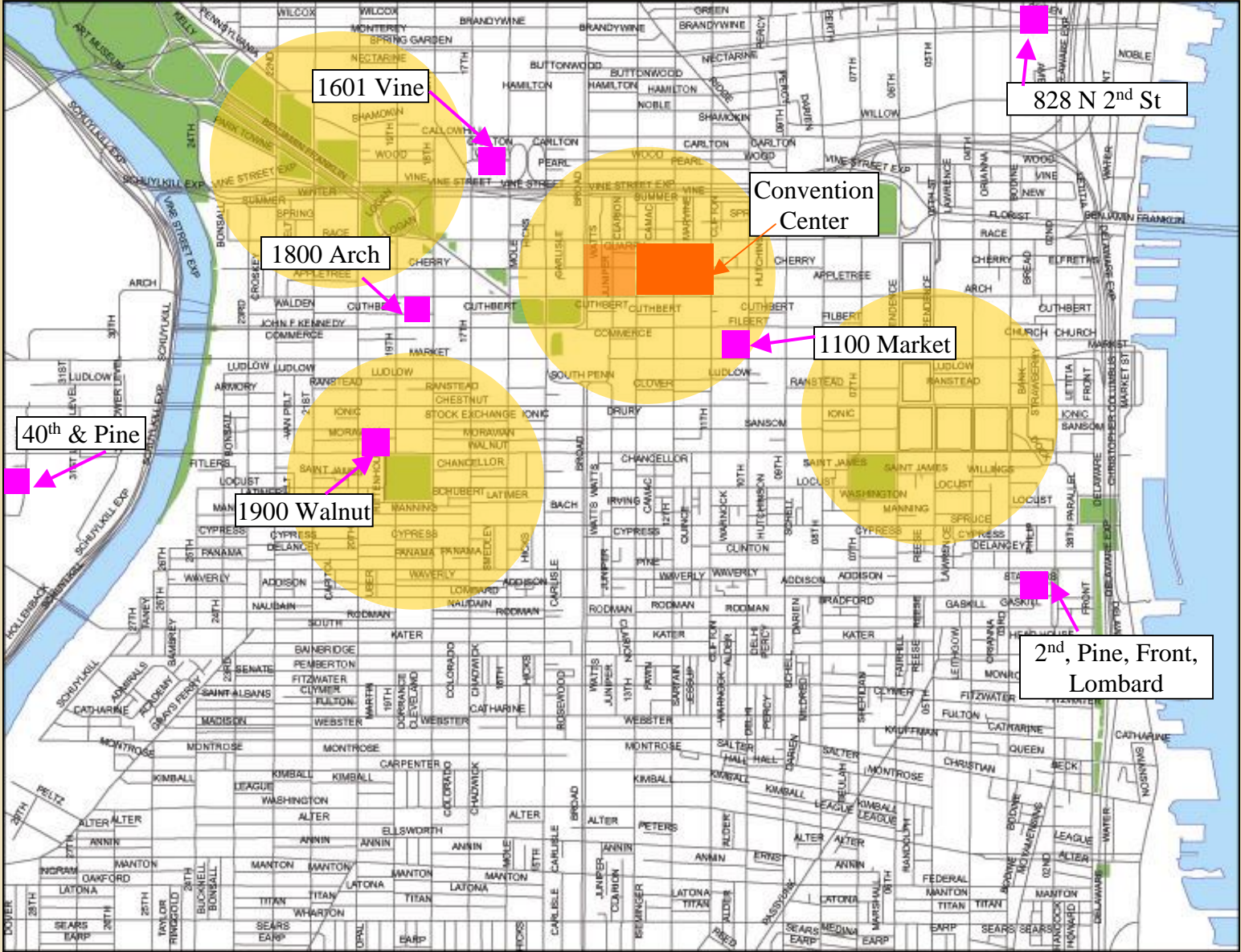
Under Construction
521 rooms

Center City Hotel Development



- Under Construction
 - Approved
- 521 rooms
- 843 rooms

Center City Emerging Hotel Projects

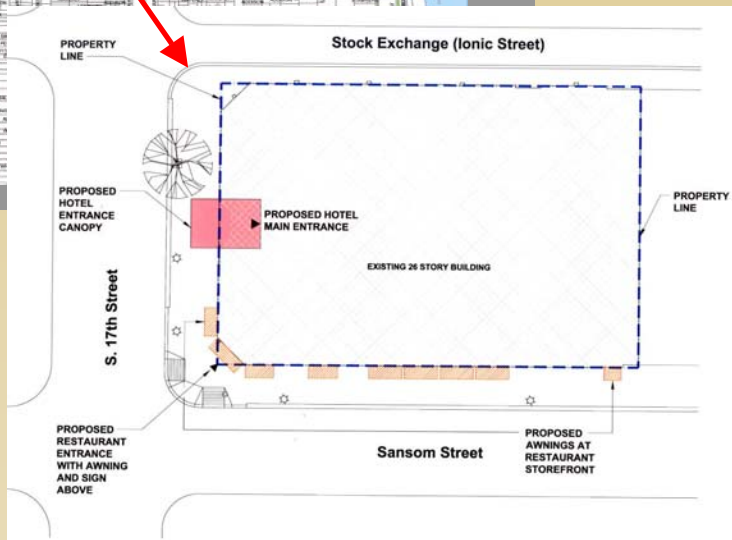
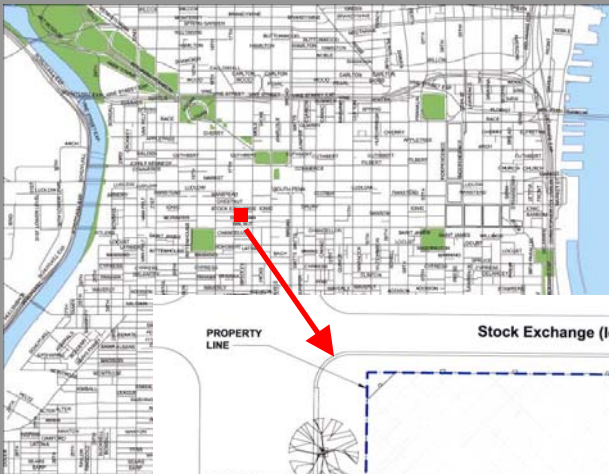


Emerging Hotel Projects

Key Development Trends

- Choice within a variety of Center City districts
- Proximity to public transit
- Adaptive reuse and infill potential
- High end hotels by celebrated designers
- Hotels within mixed-use developments
- Sustainable building practices

Development Trend: Adaptive Reuse



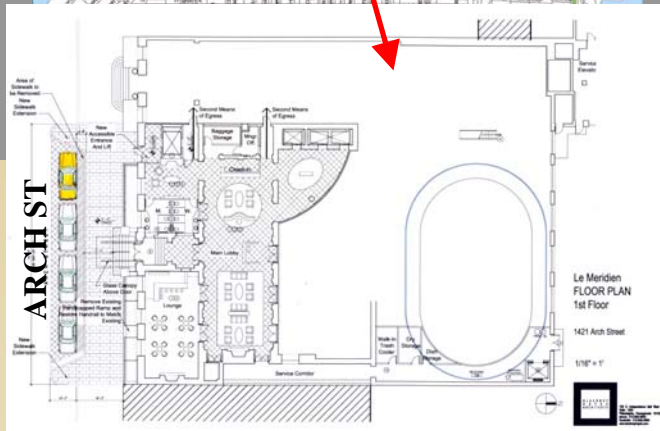
Development: Hotel Palomar

Location: 117 South 17th Street

Approximate Number of Units: 235

Current Status: under construction

Development Trend: Adaptive Reuse



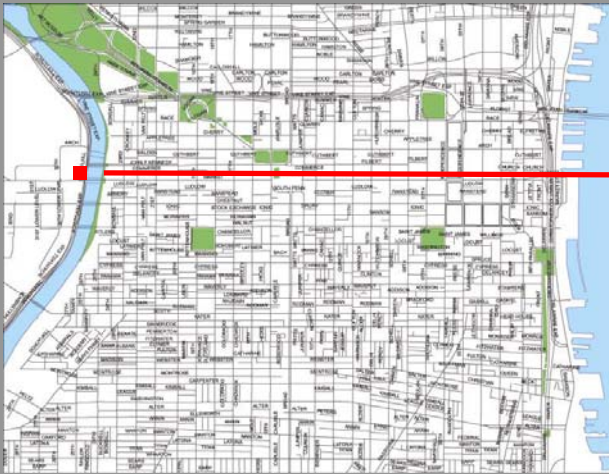
Development: Le Meridien

Location: 1421 Arch Street, previously YMCA

Approximate Number of Units: 202

Current Status: under construction

Development Trend: Close to Public Transit



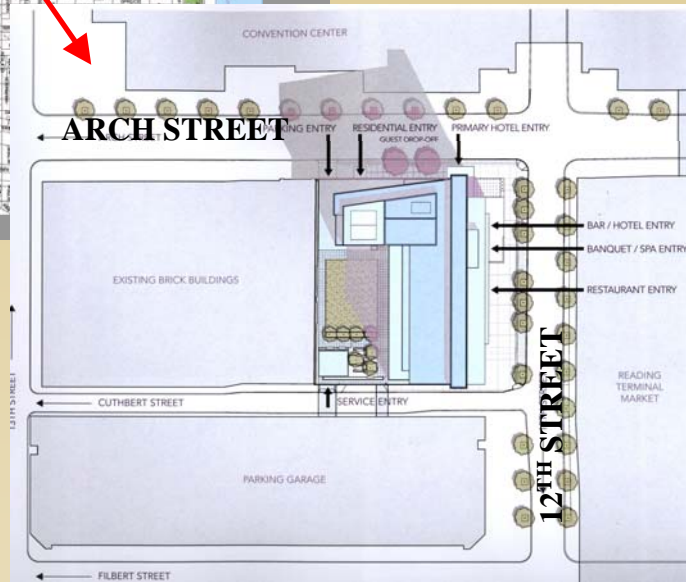
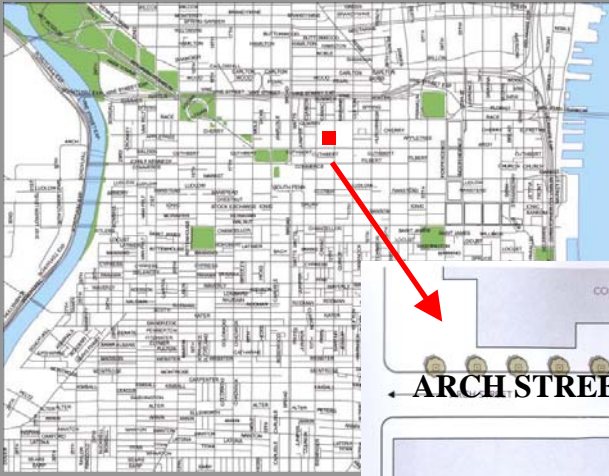
Development: Cira Centre South

Location: 30th & Market Street

Approximate Number of Units: 250

Current Status: approved

Development Trend: High End Boutique Hotels



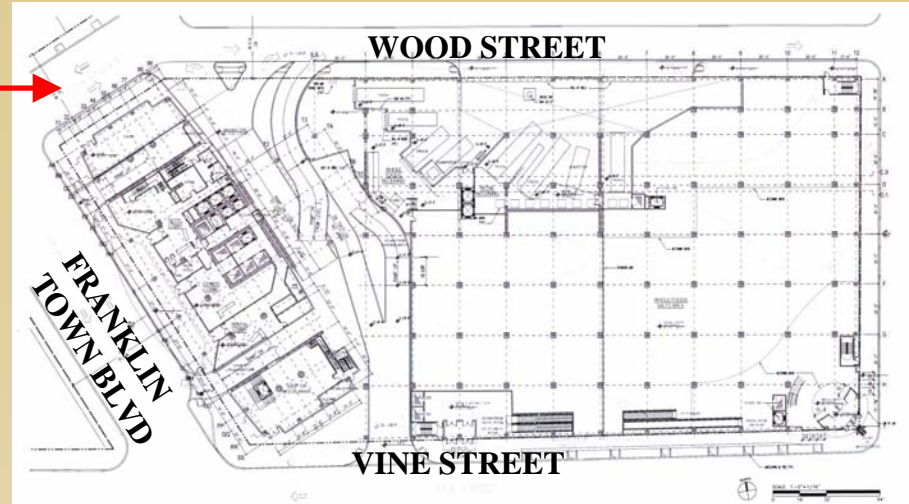
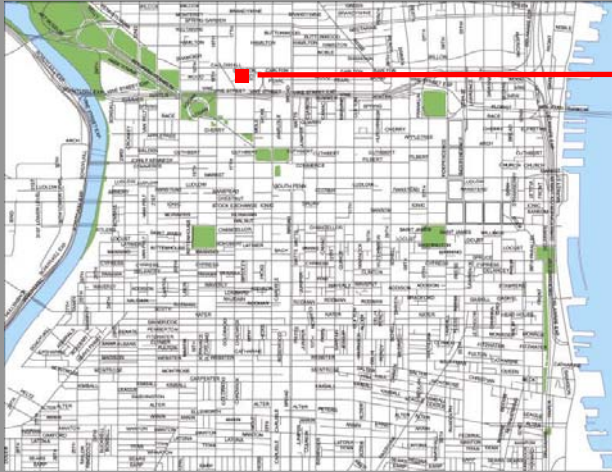
Development: W Hotel

Location: 1200 Arch Street

Approximate Number of Units: 275

Current Status: approved

Development Trend: Mixed-use Hotel



Development: 1601 Vine

Location: 1601 Vine Street

Approximate Number of Units: 250

Current Status: proposed

1601 VINE STREET PHILADELPHIA, PA
(Center City Philadelphia)

- +/- 1.8M SF Urban Mixed Use Development
- +/- 130,000 SF of Retail Space on Two Levels
- Fully Amenitized Development including Quality Retail, Upscale Hotel and Luxury Rental Apartments
- 1,100 total parking spaces will service the residential, hotel and retail components
- Tower One: 250 Room Full Service Hotel and +/- 250 Residential Units
- Tower Two: +/- 300 Residential Units

WHOLE FOODS

USREALTY

For additional information, please contact

Gregory Bianchi Vice President 215-557-9900 x 1141 gbianchi@eusrealty.com	Peter Maggio Sales Associate 215-557-9900 x 1140 pmaggio@eusrealty.com
--	---

© 2014 US Realty, Inc. All rights reserved. Subject to errors, omissions, changes, prior sale or withdrawal from market without notice.

Summary

- Convention Center, Historic, and Business/Office Districts will continue to attract new hotels
- Multi-purpose hotels will be developed near Transit Centers
- Hotels will reuse existing buildings
- Boutique hotels can be a catalyst for creative design
- Hotels will be within mixed-use developments
- Hotels will use sustainable building practices

Information Only:
American Commerce Center