

INTERIM REPORT DECEMBER 2023



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CONVENTION CITIES INDEX

New data tracks changes in site-selection factors for major convention cities across the U.S. and around the world.



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# CONVENTION CITIES INDEX INTERIM REPORT

Hotel costs and airlift are stabilizing, while safety scores around the world are on the rise, per the latest edition of this site-selection guide for convention planners.

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**N**early four years after the world shut down due to Covid and prognosticators declared a “new normal,” 2023 appears to have been a year where the meetings industry returned to something resembling the “old normal.”

Hotel room-rate fluctuations have moderated since Northstar Meetings Group's June 2023 Convention Cities Index. Airlines are also normalizing schedule changes, and safety is stabilizing worldwide, according to data tracked and analyzed in the December 2023 Convention Cities Index Interim Report.

Updated biannually, the CCI is the meetings industry's preeminent guide for helping planners improve their site-selection process for citywide events. A weighted ranking system is used to determine the top 25 U.S. cities and top 25 global cities, chosen for their ability to host large conventions. Planners around the world use the CCI to evaluate potential host cities based on the most pertinent site-selection factors.

The first and only of its kind, the CCI is compiled using an in-depth methodology and extensive research on six evaluation categories, including 1) the amount of indoor exhibit space at each city's largest con-

vention center, 2) number of hotel rooms within 15 minutes walking distance of the convention center, 3) average cost of a hotel room, 4) travel time (without traffic) from the nearest major international airport to the convention center, 5) number of direct flights per month and 6) the city's safety level for travelers. Note: Some cities have more than one convention center that meets the exhibit-space criteria (see charts at the end for details). The CCI data for these cities includes the total exhibit space, all nearby hotels and the average travel time from all eligible convention centers to the nearest international airport.

The December 2023 CCI Interim Report includes updated data on room rates, safety scores and monthly flights. Average room rates were sourced from Business Travel News' 2023 Q3 Corporate Travel Index. Flights per month were sourced from Cirium, an aviation analytics provider, which collects data from more than 2,000 sources, including airlines, airports and regulators. All direct flights into the area's airports were considered. Safety scores were provided by GeoSure, an app that synthesizes data from several sources, such as the CDC and the World Health Organization. Among factors considered: health

and medical concerns, daytime/nighttime safety, LGBTQ+ safety, women's safety, theft, and basic freedoms. On a scale of 1 to 100, the higher the number, the safer the destination.

All CCI data points will be refreshed again in June. Comparing the latest CCI to previous editions allows planners to gather a historical view of the data and consequent changes in convention city competitiveness.

For meeting planners, attendees and the industry that serves them, this CCI Interim Report reveals a return to a more predictable prepandemic supply-and-demand marketplace. Findings include:

- » Hotel prices among U.S. CCI cities dropped an average of 0.6 percent in the past six months, versus a 7 percent increase across the global CCI destinations.
- » The total number of monthly flights decreased by 2 percent in the United States and 3 percent on the global index.
- » Safety scores have been on the rise, with an average increase of 10 percent among U.S. cities and 5 percent for global destinations.

Changes in city rankings were less significant in this edition of the CCI, suggesting factors like hotel rates and airlift are

stabilizing. This is reflected in the fact that among the global CCI destinations, only one city dropped out of the top 10 list from June to December 2023. In addition, only three cities moved more than three spots up or down the list.

Shanghai and Shenzhen, China, held onto their No. 1 and No. 2 spots from the June 2023 index, while Frankfurt, Germany, nudged out Guangzhou, China, for third place. Meanwhile, Hanover, Germany, moved into the 10th spot on the index.

For the top 10 U.S. convention cities, the same destinations occupied the top spots, and only one city, Phoenix, moved more than two spots, from 10th to 7th on the list.

Atlanta, Chicago and Orlando, perennial top-five destinations in the CCI, took the top three spots in the December 2023 Interim Report. Orlando bumped Dallas from the third spot.

### WHAT SHIFTED, AND WHY

» **Boston** dropped nine spots to #23 due to a 26 percent rise in lodging rates and a 14 percent decrease in monthly flights, even though its safety score improved 7 percent.

» **Phoenix** took 7th place, moving up three spots as Sky Harbor Airport added 11 percent more monthly flights, and the city's safety score increased measurably.

» **New Orleans** took the 14th spot, rising seven spots from June 2023, the result of a much-improved safety score and an average nightly room rate that dipped below \$200.

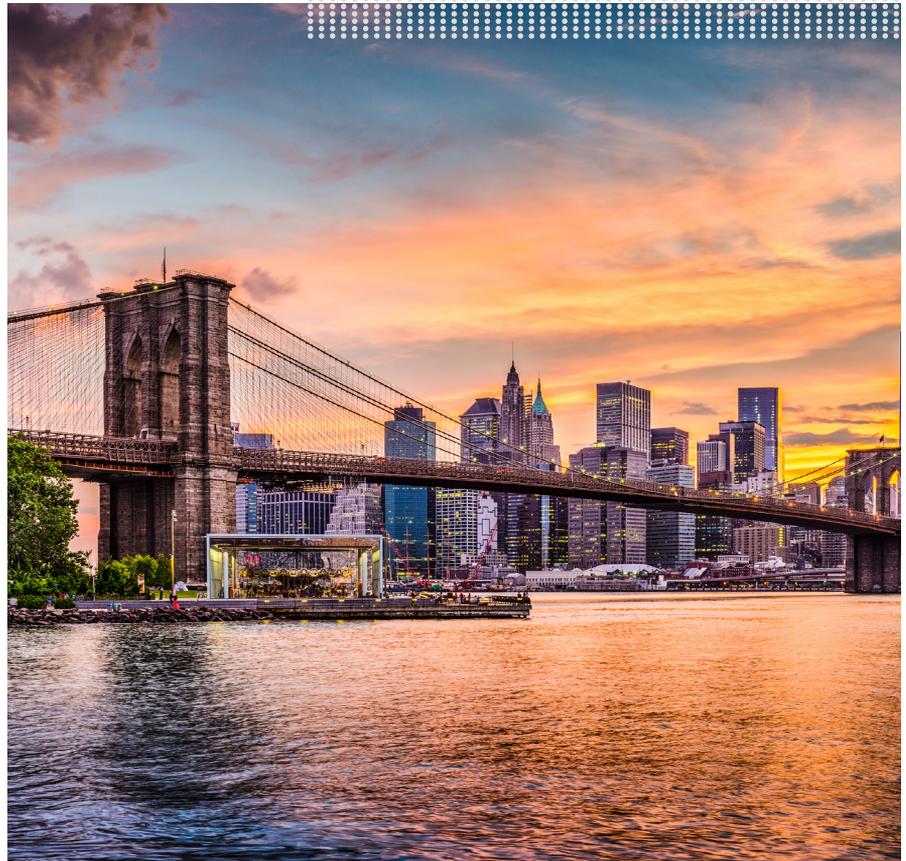
» **Miami Beach** moved up six spots, to 17th place, experiencing a 14 percent rise in monthly flights, improved safety score and a 23 percent drop in lodging rates.

### KEY GLOBAL CHANGES

» **Dubai** was one of the biggest movers, rising four spots to #12, based on a 9 percent jump in monthly flights and a large drop in nightly room rates.

» **Singapore** moved up three spots due to a 12 percent increase in monthly flights and earning the highest safety score of all CCI cities.

» **Cologne, Germany**, dropped three spots



**New York has the most expensive room rates at \$425, nearly double the U.S. CCI average of \$235 per night.**

as hotel prices increased 11 percent and its monthly airlift dipped.

» **Milan** dropped five spots as its nightly room rates increased and airlift growth slowed.

### HOTEL COSTS ARE MODERATING

One area of improvement for event planners in the December 2023 CCI is in lodging rates. After several years of sticker-shock increases, hotel prices are either dropping, or holding below the levels that were seen immediately after the world began to reopen in early 2022.

The average U.S. CCI room rate settled at \$235 per night in this index, while the global CCI rate came in at \$179. In the United States, only four cities — Boston, Denver, San Francisco and Salt Lake City — showed nightly room-rate growth of more than 10 percent, an indication of lodging-price moderation. In fact, the average nightly room rate dropped 1 percent among the U.S. top 10, and six cities from the top 25 had double-digit rate declines.

“On a macro level, rates are moderating; however, there are significant differences by property type and locale,” said Robert Cole, senior research analyst of lodging and leisure travel at Phocuswright, a travel industry research authority and sister division of Northstar Meetings Group. “In some markets they have plateaued at historically high levels but continue to see upward spikes during high-demand periods,” he added, while major hotels in urban destinations also are experiencing a measure of pricing power.

Cole believes that if the economy can avoid a recession, U.S. travel demand should remain strong domestically, which could aid hoteliers further in holding or increasing room rates.

Globally, the story is different, mostly led by rate increases in China, a response to the country's reopening to travel domestically and internationally. Among the top 10 global CCI destinations, average hotel rates were up 11 percent, with cities in China and Spain carrying most of those increases.



**MORE SAFE, MORE SECURE**

It’s no understatement to say that safety across the world has dramatically changed since the pandemic began to lift in late 2022, and travel accelerated early into 2023. According to the World Health Organization, the number of weekly Covid cases reported in 2023 was less than previous years for every major region tracked — the only exception is the Western Pacific. In addition, the latest data from the Federal Bureau of Investigation shows violent crime in the U.S. has fallen 8 percent over the past year. These factors are likely driving forces behind improved safety scores in the latest CCI index.

The average safety score for the 25 top global CCI cities currently sits at 78.04, a noteworthy increase from 74.4 in June 2023 and 73.72 in December 2022. In the United States, the average safety score rose to 69.64 in this report, compared with 63.08 and 62.88 in the June 2023 and December 2022 reports, respectively.

On the international front, Singapore had the highest safety rating at 95 points, followed by Barcelona and Madrid, which

both scored a rating of 86. Cities that saw significant safety gains include Paris and Bangkok. The City of Lights saw its safety score jump 12 percent from 73 to 82, while Thailand’s capital saw an 11 percent increase from 62 to 69.

In the United States, Phoenix and San Diego tied for the highest safety rating of 79. Meanwhile, St. Louis, Atlanta and San Francisco experienced the strongest safety score gains among the domestic CCI cities. Their safety ratings rose 18, 17 and 15 percent, respectively, over the past six months.

**AIR ACCESS IS CRITICAL**

While lower hotel rates and stronger security can make a destination more attractive, even great advances in these scores can be dampened by a city’s lack of competitive air capacity. Meanwhile, easy airlift access can raise a destination’s ranking for meetings.

Miami Beach is a perfect example of that. Airlift has consistently risen there over the last two editions of the CCI, helping it move up six spots in the December edition. Since

June 2023, airlift rose 14 percent. Similarly, Phoenix airlift increased 11 percent since the June 2023 CCI.

The average monthly flights for all 25 top U.S. cities in this CCI was 14,652. However, the top 10 cities had a monthly average of 22,513, helping them maintain higher CCI positions.

Globally, airlift has been a mixed bag, with Frankfurt and Paris both experiencing a 9 percent decrease in monthly flights, while some cities gained, such as Dubai and Shanghai, which increased airlift 9 and 10 percent, respectively.

**WHAT DOES THE FUTURE HOLD?**

For pricing, Phocuswright’s Cole believes that in 2024, “especially during traditional high-demand periods, planners should expect higher prices, with maybe a slightly lower increase than they experienced last year.”

Also, attendees will be less able to undercut group rates by searching online, Cole said. “Major brands appear to be doing a better job of enforcing rate parity across distribution channels, with fewer deeply discounted outlier rates popping up on metasearch channels.”

Finally, Cole said, a “number of major hotel groups, ‘inspired’ by regulatory scrutiny and litigation, are now providing options to display total pricing inclusive of taxes and fees — which will be welcomed by consumers, as it has long been a key source of frustration.”

Safety and air capacity are less easy to predict. Covid and crime rates are constantly fluctuating. Controversial legislation that restricts the rights of women and LGBTQ+ groups also can impact overall safety scores.

In terms of airlift, seat capacity is fairly close to prepandemic levels across the board. Airports Council International believes airlines will reach a milestone for global passenger traffic recovery in 2024, forecasting 9.4 billion passengers, surpassing the 9.2 billion who flew in 2019.



**Destinations in Asia and Europe ranked the highest for safety, led by Singapore, which earned 92 out of 100 possible points.**



U.S. ONLY  
DESTINATION



TOTAL  
EXHIBIT SPACE



TOTAL HOTEL  
ROOMS



AVERAGE  
HOTEL COST



MINUTES  
TO AIRPORT



TOTAL FLIGHTS  
IN DEC. 2023



SAFETY  
SCORE



FINAL  
SCORE

U.S. ONLY DESTINATION	TOTAL EXHIBIT SPACE	TOTAL HOTEL ROOMS	AVERAGE HOTEL COST	MINUTES TO AIRPORT	TOTAL FLIGHTS IN DEC. 2023	SAFETY SCORE	FINAL SCORE
Atlanta *	2,002,000	111,418	\$200.58	13	28,189	69	89.15
Chicago	2,600,000	121,939	\$280.74	12	30,999	69	85.69
Orlando	2,053,820	136,492	\$191.78	12	16,528	71	81.20
Las Vegas *	4,621,222	168,218	\$226.36	6	16,325	73	80.40
Dallas	1,000,000	97,601	\$202.07	20	30,730	65	79.57
Houston *	1,934,383	106,254	\$176.27	24	18,178	63	78.05
Phoenix	584,500	70,026	\$192.04	5	17,214	79	68.31
Denver	584,000	58,250	\$247.41	26	26,573	76	65.78
Rosemont, Ill.	840,000	6,215	\$215.71	3	24,158	67	65.13
Los Angeles	720,000	114,079	\$255.73	20	16,240	75	63.61
New York	850,140	124,883	\$424.95	22	23,173	76	59.03
Anaheim, Calif.	1,013,607	5,343	\$256.58	40	17,728	76	57.20
San Diego, Calif.	615,701	64,352	\$246.37	8	7,930	79	55.99
New Orleans	1,100,000	42,002	\$197.08	16	4,467	65	54.94
Philadelphia	679,000	52,123	\$234.94	12	8,633	72	53.41
Salt Lake City	515,000	25,314	\$193.54	8	9,361	71	51.93
Miami Beach	500,000	21,685	\$181.09	12	9,918	70	51.56
Indianapolis	749,000	35,350	\$169.96	12	3,670	66	50.92
San Antonio	514,000	48,551	\$173.96	9	3,679	71	50.81
Louisville	674,000	23,866	\$194.38	4	2,089	72	49.48
Washington, D.C.	703,000	111,420	\$278.26	30	11,240	60	49.02
Detroit	723,000	47,107	\$229.48	20	10,157	60	48.53
Boston	516,000	61,954	\$373.56	5	11,963	75	46.68
St. Louis	502,000	41,568	\$189.79	14	5,731	59	44.17
San Francisco	599,100	54,718	\$337.73	12	11,422	62	42.50

\* Cities with more than one facility that fit the criteria for indoor exhibit space

† Number of direct flights to the destination in December, U.S. only

✓ The data in these columns have been updated from June 2023

 GLOBAL DESTINATION	 TOTAL EXHIBIT SPACE	 TOTAL HOTEL ROOMS	 AVERAGE HOTEL COST <small>✓</small>	 MINUTES TO AIRPORT	 TOTAL FLIGHTS IN DEC. 2023 <small>✓ †</small>	 SAFETY SCORE <small>✓</small>	 FINAL SCORE <small>✓</small>
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Shanghai *	6,458,346	336,739	\$116.10	18	31,927	74	65.51
Shenzhen, China *	5,435,774	114,093	\$104.46	35	17,541	69	61.62
Frankfurt, Germany	4,305,564	56,618	\$164.59	10	16,259	81	61.14
Guangzhou, China	3,638,201	132,519	\$119.82	40	19,462	78	59.80
Las Vegas *	4,621,222	168,218	\$226.36	6	17,209	73	59.58
Paris *	4,978,793	83,893	\$297.49	19	26,631	82	54.41
Barcelona, Spain	2,583,338	75,162	\$226.51	8	12,367	86	53.07
Madrid	2,583,338	56,907	\$198.55	4	15,331	86	52.46
Kunming, China	3,229,173	31,728	\$107.31	24	14,455	75	51.39
Hanover, Germany	4,224,328	10,556	\$157.34	24	1,159	80	50.01
Chongqing, China	2,152,782	58,010	\$107.31	24	14,170	76	49.87
Dubai	1,051,085	146,717	\$123.32	7	18,328	78	49.83
Dusseldorf, Germany	2,820,144	20,887	\$127.55	8	4,876	79	49.58
Cologne, Germany	3,056,950	20,325	\$163.19	12	2,041	82	48.44
Orlando	2,053,820	136,492	\$191.78	12	18,868	71	48.19
Munich	2,152,782	58,755	\$185.14	24	11,452	85	46.89
Bangkok	1,151,738	105,984	\$119.31	16	22,249	69	46.46
Singapore	1,076,391	73,242	\$233.48	5	14,475	95	45.91
Milan	3,713,549	35,690	\$248.48	24	14,545	75	44.92
Qingdao, China	1,614,586	55,609	\$107.31	30	7,640	75	44.60
Chicago	2,600,000	121,939	\$280.74	12	34,722	69	44.59
Atlanta	1,500,000	111,418	\$200.58	14	31,403	69	43.13
Birmingham, England	1,959,031	20,493	\$158.63	4	2,820	79	42.66
Valencia, Spain	2,475,699	11,030	\$212.53	5	2,634	83	41.13
London	1,076,391	147,124	\$285.29	4	41,253	82	39.96

\* Cities with more than one facility that fit the criteria for indoor exhibit space  
 † Number of direct flights to the destination in December, U.S. and international  
 ✓ The data in these columns have been updated from June 2023