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## **REAL ESTATEPROPERTY REPORT**

## Phoenix Hotels Run Up the Score Amid the Super Bowl With Spike in Room Rates

Revenue per available room for the Super Bowl weekend is expected to be the second-highest on record



A Super Bowl LVII sign in Glendale, Ariz. Hosting the Super Bowl typically boosts an area's hospitality industry. **PHOTO:** CHRISTIAN PETERSEN/GETTY IMAGES

## By Kate King Following

Feb. 13, 2023 7:00 am ET

Phoenix hotel owners won big during Super Bowl LVII.

This year's game, where the Kansas City Chiefs beat the Philadelphia Eagles 38-35, coincided with the southwestern city's busy tourist season and a major golf tournament.

That demand from visiting fans and other tourists pushed revenue per available room to \$419, the second-highest level for a Super Bowl weekend on record, according to estimates from STR. The hotel data and analytics firm has been tracking Super Bowl hotel rates since 2000. Revenue per available room for the week ended Feb. 12, 2022, by comparison, was just over \$167.

Julie Hale, general manager of the Country Inn & Suites Phoenix Airport, said her hotel had only a few rooms left two days before the game and that most guests appeared to support the Kansas City Chiefs.

"They're all psyched," she said. "They're excited, they're having fun."

Many also opened up their wallets to secure a room in a city with limited lodging options. This year, the average four-star hotel was booking for \$1,889 a night as of Feb. 5 in the Phoenix market, which includes Glendale and Scottsdale, according to Kathleen Davis, chief executive of SMRI, a data-analytics firm that has studied Super Bowls since 1995. That was nearly five times the rate of a week earlier.

Certain luxury hotels charged close to \$4,000 a night, according to SMRI. Even a suite at the normally midprice Residence Inn in Glendale, Ariz., the Phoenix suburb where the football stadium is located, was asking more than \$1,000 a night two days before kickoff.

Leisure travel powered a rapid rebound from the pandemic in warm-weather destinations, including Phoenix. The average daily hotel room rate there topped \$180 last month, according to preliminary estimates from STR, a roughly 22% increase over January 2019 even as occupancy hovered below prepandemic levels. Revenue per available room outpaced 2019 for the past 12 months in Phoenix.

The Super Bowl is a reliable boon to the host city's hospitality industry, with hotel owners able to raise rates far above typical levels as visiting fans compete for rooms. In 2020, Miami hotels charged a record \$559 a night during Super Bowl LIV weekend, the last before the pandemic hit, according to STR. The Kansas City Chiefs beat the San Francisco 49ers that year while hotel owners netted \$519 in revenue per available room.

Last year, Los Angeles hotels charged an average \$374 a night as the hometown Rams narrowly defeated the Cincinnati Bengals. Demand for the city's hotels was likely hampered by the fact that one of the competing teams was local and many fans could drive to the game. Occupancy reached 79%, the lowest level since 2019's game in Atlanta, according to STR.

The Phoenix hotel market is much smaller than Los Angeles's, but with 544 hotels and nearly 70,500 rooms it has grown nearly 12% since it last hosted the Super Bowl in 2015. That year, room rates reached \$335 a night while revenue per available room topped \$314, according to STR.

Ms. Hale of the Country Inn & Suites Phoenix Airport said the addition of new hotels since 2015 coupled with the increasing popularity of home rentals gave fans more lodging options this year. Her hotel, located about a 40-minute drive from the stadium, hadn't sold out its rooms even a few hours before kickoff.

Still, the Super Bowl effect was undeniable, with some rooms selling for \$599 a night, Ms. Hale said. Rates typically range from \$175 to \$250 a night on February weekends.

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