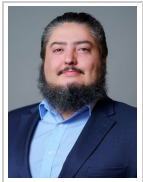


On Track for Recovery in Indianapolis

September 27, 2022 / By Brian Arevalo

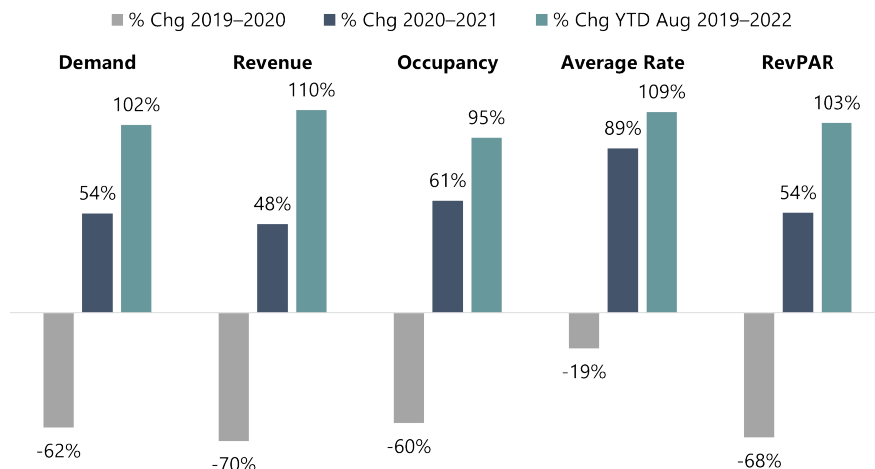


Following a record-breaking year in 2019, the hospitality sector in Indianapolis experienced a devastating blow in 2020 because of the COVID-19 pandemic. Downtown Indianapolis was particularly hard hit due to its heavy reliance on citywide conventions, sporting events, and other events to fill hotel rooms. However, as restrictions were lifted and leisure travel, in particular, began to rebound, the market saw improvement in 2021. While occupancy levels remained well below 2019 levels, average rate increased significantly, resulting in healthy

RevPAR growth. This rate growth was driven largely by the opening of the **Bottleworks Hotel** in late 2020 and the **Hotel Indy, a Tribute Portfolio Hotel** in October 2021.

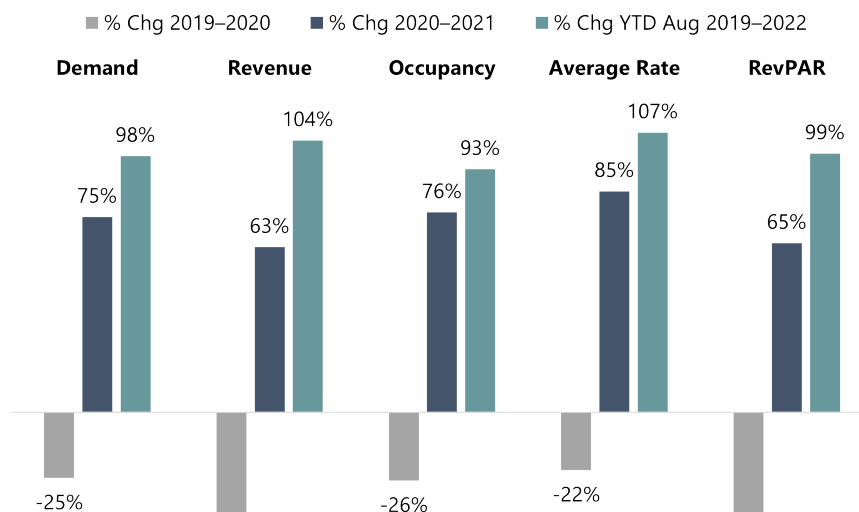
The tables below illustrate the changes in lodging metrics for the Downtown Indianapolis and Non-Downtown/Marion County markets since 2019.

Changes in Downtown Indianapolis Metrics



Source: Visit Indy

Changes in Non-Downtown/Marion County Metrics



Summary

Following the devastating effects of the COVID-19 pandemic on Indianapolis's hospitality and tourism industries, a recovery is well underway, led by leisure demand generated by the city's sporting and entertainment events and the return of meeting and group demand.

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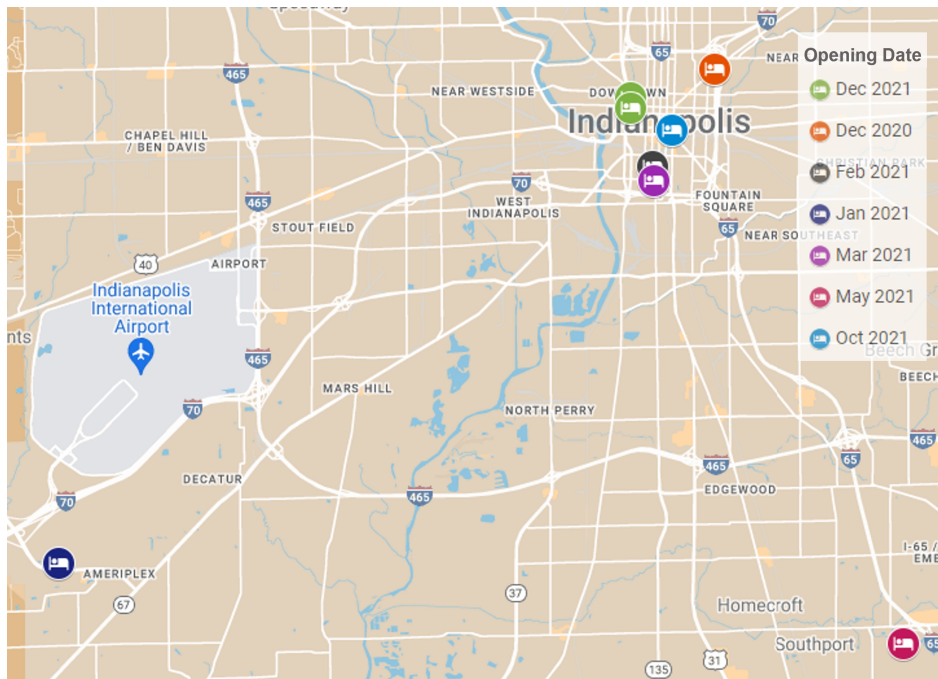
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Source: Visit Indy

Indianapolis is on track for an even stronger recovery in 2022, bolstered by strong leisure demand and increased meeting and group demand. Some events that have generated significant room nights this year include the **Indianapolis 500**, **NCAA March Madness**, and the 2022 College Football National Championship game. Most notably, the Indianapolis 500 was held without capacity limitations for the first time since 2019. More than 325,000 people attended the race, making it the highest-attended single-day sporting event in the world since the beginning of the COVID-19 pandemic.

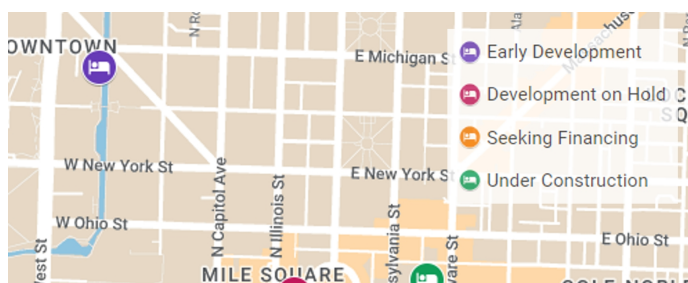
Increasing demand levels should help the market absorb the new supply that was introduced throughout 2021, and this new supply should also help hoteliers continue to push rate growth. The following map shows the new supply that has opened since December 2020.



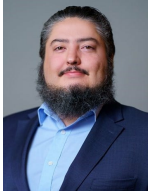
Source: HVS, BuildCentral, City of Indianapolis

The supply pipeline has slowed, with no new projects expected to open in 2022; however, several notable projects are either already under construction or expected to break ground in the near future, including the 800-room **Signia by Hilton** hotel, which is being developed by **Kite Realty Group** in conjunction with the expansion of the **Indianapolis Convention Center**. According to *Inside Indiana Business*, Kite is expected to complete all pre-construction and financing work by the end of this year. The hotel and convention center addition should open in early 2026; a later phase is anticipated to include a 600-room **Hilton**-branded hotel adjacent to the Signia. Multiple major conventions, including the **American Dental Association** and **GenCon**, have committed to the city, contingent upon the completion of the expansion and opening of the Signia.

The following map shows the proposed new supply in various stages of development.



About **Brian Arevalo**



Brian Arevalo, Managing Director with HVS, is the leader of the HVS Chicago office. Brian earned his masters degree from The University of Texas at Austin's McCombs School of Business. Brian's prior work in hospitality includes roles in hotel operations and corporate finance. In addition to work in Chicago, he contributes to and helps manage engagements throughout the Midwest, including markets such as Indianapolis, Columbus/Dayton, Cincinnati, and Louisville, among many others. Contact Brian at (817) 680-7666 or [\[email protected\]](#).