MARKET REPORT

Resilience on Display: Chicago Tourism Gains Momentum

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Chicago's tourism rebound strengthened in 2025, with hotel demand rising despite global headwinds. Leisure demand grew 4.6%, offsetting softer group business, while airports posted record traffic and major capital investment. Convention activity remains robust, and limited new hotel supply favors existing assets, supporting a resilient outlook for investors and operators.

Chicago has experienced a notable resurgence in tourism, reflecting the city's resilience in overcoming headwinds. Despite the political and economic factors affecting global travel, Chicago's hotel demand recorded year-over-year growth in 2025. This reflects a pattern of continued improvement following a rather tumultuous period of uncertainty post-pandemic.

Hospitality and tourism remain vital sectors of the city's economy. Based on the most recent economic impact analysis published by Choose Chicago, the city welcomed an estimated 55.3 million visitors who had $20.9 billion in economic impact for 2024. Both metrics grew 7.0% from the prior year. The nearly 1,900 conventions and meetings hosted in the city contributed approximately $3 billion in economic impact.

While Chicago has traditionally relied on events as a key component of its hospitality industry, strong leisure demand has bolstered the most recent successes. In 2025, demand grew by 2.3% compared to 2024. This growth was primarily driven by a 4.6% increase in the leisure segment, as group demand declined.

According to the Chicago Department of Aviation (CDA), 2025 was a landmark year for Chicago O'Hare International

Airport. The facility recorded nearly 85 million passengers for the year, reflecting an almost 6.0% increase year-over-year. The record-breaking year was driven by the addition of new routes and significant progress with ongoing capital improvements. According to data published by the CDA, the year-end numbers indicate growth in both domestic and international travel, which is particularly notable given the global travel challenges at the onset of 2025. In August 2025, a groundbreaking ceremony was held for the construction of the new Concourse D, a $1.3-billion investment, which is expected to be completed by 2028. Similarly, Midway International Airport started a $47-million project in June 2025 to improve runway and safety systems.

At the heart of the conventions and meetings ecosystem is McCormick Place, the largest convention center in North America, offering over 2.6 million square feet of exhibition space. The convention center has a robust calendar of events for 2026, including major annual and biennial events, such as the Chicago Auto Show, last held in February 2026. Notable upcoming events for the year include the National Restaurant Association Show in mid-May 2026 and KeHe Holiday Show in June 2026. These national events draw tens of thousands of visitors to Chicago.

The hotel development pipeline in Downtown Chicago has remained relatively stagnant in recent years, with the addition of only five hotels since 2023, per CoStar data. Most notably, the St. Regis opened with 192 rooms in 2023, and Hotel Riu Plaza opened in 2024 with 390 rooms. The 500-room Bally's Chicago is the only hotel currently under construction, slated to be completed by the spring of 2027. The limited new supply bodes well for existing hotels, giving them an advantage compared to other major markets with significant new supply.

In 2025, for the ninth year in a row, Chicago was named the Best Big City in the United States by *Conde Nast Traveler*. This accolade supports the city's profile as an attractive destination among both domestic and international travelers, with something to offer every visitor and resident in its over 200 neighborhoods. The mix of demand between leisure and group allows the city to remain well-positioned despite macro challenges.

At HVS, we turn data into powerful insights that drive your success. Our unique approach leverages primary, in-market interviews to capture real-time insights straight from local communities. If you are seeking to better understand the trajectory of the Chicago market, contact Brian Arevalo or Emeldina Paratusic for additional insights and discussion. And to stay ahead of the evolving dynamics of any major market on a quarterly basis, consider HVS MarketCast as a valuable forecasting tool. This tailored, five-year forecast provides annual projections for occupancy, ADR, and RevPAR and is designed to equip teams with the market-specific data and forward-looking insights needed to support planning, optimize performance, and maximize profitability in major markets like Chicago.