MARKET REPORT

Upgrading Downtown Memphis for Modern Convention Attendees

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Memphis has struggled following the pandemic, which resulted in a loss of demand and business for hotels in the market. In response, the City of Memphis has initiated a significant revitalization effort to strengthen the Downtown core and reinvent Memphis as a major destination in the United States.



The Transformation of the Renasant Convention Center

In 2018, Memphis' Renasant Convention Center closed for a major modernization renovation totaling $230 million. In an effort to attract a wider business base for the convention center and remain competitive among other major U.S. convention hubs, the dated facility was overhauled to change its footprint and take advantage of its premier location along the Mississippi River. The renovation also addressed the need for a more flexible meeting product. One of the center's key spaces is the 118,000-square-foot column-free exhibit hall, which is the largest of its kind in the region and can be divided into three separate spaces. Moreover, 46 additional meeting and breakout rooms offer attendees and planners ample options and modern tech amenities. Since its official opening in 2021, the facility has been routinely recognized as one of the premier venues in the nation.

Even though its reopening during the pandemic in 2021 affected its initial reintroduction to the market, the Renasant Convention Center reported an economic impact of $60 million for the 2022/23 fiscal year, which was the best financial year in its history. Management of the convention center continues to make strides to attract more corporate business to supplement the SMERFE demand base that currently dominates the facility.

Local officials report that the largest factor holding back further growth is the lack of suitable hotels to accommodate large groups within Downtown Memphis. The convention center is situated approximately one mile north of the Downtown core. While several new, high-quality, full-service hotels have been added in the core of downtown, the area directly surrounding the convention center lacks suitable complimentary amenities. As a result, significant strides have been made to upgrade and expand the area's upscale hotel supply and target further development along the corridor between North Downtown and Central Downtown.

Downtown Revival: Modernizing Downtown Memphis Hotels

The Peabody Memphis underwent a renovation of all 464 guestrooms that was completed in September 2025 at a total cost of $18 million. The project refreshed the softgoods and bathrooms, solidifying the Peabody's position as one of the top luxury hotels in the city. The historic property was brought up to modern luxury standards, which should drive demand and facilitate further occupancy and ADR growth. This renovation is part of a larger $130-million City-led and -funded initiative that aims to redevelop and preserve the hotel over the next 30 years.

Moreover, the City of Memphis closed on its purchase of the Sheraton hotel in November 2025. With over 600 rooms, it is the largest hotel in the city. It serves as a major anchor for group business in the city, as it is directly connected via an enclosed skywalk to the recently renovated Renasant Convention Center; however, the hotel is in notably dated condition with significant deferred maintenance. Collectively, these factors have limited Memphis's ability to compete nationally, resulting in the loss of large-scale events.

In response to these challenges, the City has prioritized a comprehensive redevelopment of the former Sheraton. The property has been renamed the Memphis Riverline Hotel and is currently undergoing renovations, slated to be completed by 2029. Prior to the City's acquisition, guests and meeting planners reported that the property's inadequate room and business offerings and its limited onsite dining hours were key deterrents for booking conventions or large group meetings with the Sheraton and convention center. The renovation is anticipated to address these issues by replacing almost all the furniture in the hotel, remodeling and upgrading the guestrooms and public spaces, expanding the meeting and ballroom space, and adding a 4,000-square-foot restaurant and bar and an onsite Starbucks. Ultimately, the City plans to rebrand the property as a Marriott.

A Promising Outlook for Downtown Memphis

Although the hotel industry in the Greater Memphis area has struggled to return to pre-pandemic norms, recent trends downtown warrant a more positive outlook. While some transient hotel demand in the non-downtown-core areas of Memphis has been lost to surrounding markets, such as Southaven in Mississippi, Downtown Memphis realized a notable uptick in occupancy year-to-date through February 2026 in comparison to YTD February 2025, according to the Downtown Memphis Commission. Moreover, Memphis Tourism recently reported that although tourism to the city dropped significantly in 2023 and 2024, it rebounded in late 2025 and has continued to grow thus far into 2026.

Furthermore, Downtown Memphis is in the process of undergoing a massive transformation over the next decade that aims to reinvent the city. Announced in December 2025, a $9.4-billion mixed-use development named Neural Nexus aims

to reshape Downtown Memphis. The project is expected to include a new cloud computing center, 700 residential units, an 800-room hotel, and expansive retail options. Multiple other major projects throughout the city have also been announced or are in varying stages of development, as a record-breaking $23.7 billion in capital investment was reportedly made in Memphis throughout 2025.

With a revamped state-of-the-art convention center, new and renovated hotel supply, and a strong pipeline of economic development, the Downtown Memphis market offers a promising investment opportunity for current and potential hotel stakeholders.

At HVS, we turn market intelligence into strategic insight. With deep expertise in the Memphis market and an extensive in-house database, we provide tailored guidance on everything from feasibility analysis and market projections to operational benchmarking and redevelopment planning. If you have questions, ideas, proposals, or opportunities you'd like to explore for this market, we invite you to connect with Rutger Marks of our Central-South regional team.