



The Charlotte

BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

JANUARY 2007

National & International Business & Convention

BUSINESS TRAVEL WILL COST MORE IN 2007

Since business travel began to emerge in 2004 from its post-9/11 slump, the cost of keeping road warriors on the move has been going up sharply. That trend is likely to continue in 2007.

According to the recently issued annual *American Express Global Business Travel Forecast*, the cost of the average domestic business trip is expected to rise 4.5%, or \$46, in 2007. And the total cost of the average international business trip is expected to rise 4.6%, or \$180, says the report, which looks at the three big spending categories: planes, cars and hotels. "Keeping executives on the road while holding budgets in check will be a challenge for organizations in 2007," says American Express Vice President Mike Streit.

For the fifth consecutive year, strong business travel demand will drive hotel prices higher in 2007. Average daily rates in the USA could rise by as much as 8% over this year in upscale and luxury hotels, American Express predicts. Increases at midprice hotels are expected to be more moderate, ranging from 3% to 6%.

What other forecasters see for next year:

- **PKF Hospitality Research** also sees a rate increase for 2007, up 4.9% from this year. But that growth rate would be lower than the 8.3% increase in 2006 and the 8% increase in 2005. Demand isn't suddenly drying up, PKF's Mark Woodworth says. "But customers are saying, 'I just can't afford to keep paying that much.'"
- **Smith Travel Research** estimates average room rates will be \$103 in 2007, up from \$97 in 2006 and \$91 in 2005.

Local Perspective

CHARLOTTE AREA LODGING PERFORMANCE

Occupancy

November 2006 occupancy in the Charlotte market hit 64.3%, a 7.2% increase over November 2005. November's 64.3% is the best November the market has had since 1996 (63.2%). Year to date occupancy stands at 65.4% for the Charlotte market, up 7% from this time last year. By comparison, North Carolina occupancy has grown 3.2% year to date to reach 61.3% for the year. Occupancy in the United States has grown just 0.6% year to date and stands at 64.6% for the year.

Average Daily Rate

November 2006 average daily rate reached \$75.37 in the Charlotte market, up 12.7% over November 2005. That marks the highest average daily rate for the month of November on record. Year to date ADR stands at \$74.84 for the market, up 11.7% from this time last year. ADR in NC and the US have grown 7.3% and 7.0% respectively year to date. Year to date ADR in NC is \$76.02 and in the US it's \$97.35.

Revenue Per Available Room

Revenue per available room hit \$48.47 for the Charlotte market in November, a 20.8% improvement over November 2005. This also marks the best November RevPAR on record for the market. Year to date RevPAR is \$48.98, up 19.6% from the same period last year. NC RevPAR has increased 10.8% to \$46.60 for the year while US RevPAR has grown 7.7% to \$62.90 for the year.

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS

Including the NASCAR 2%, **Mecklenburg County Occupancy tax collections** total \$13,064,826 fiscal year to date through November. That represents a 47% rise over the same period last year. Excluding the 2% NASCAR collections which total \$3,265,220 fiscal year to date, occupancy tax collections still outpace last year by 10% (\$9,799,606 vs. \$8,884,111).

Mecklenburg County Prepared Food & Beverage tax collections total \$7,796,354 fiscal year to date, a 7% increase over the same period last year.

National Leisure & Tourism

MARKETERS PUSHING "MANCATIONS"

From the latest **Marketing & Tourism Trends...**

In simpler times, men who wanted to get away in the exclusive company of their gender might don camouflage and take off for the woods, seek out a fishing hole or hit the golf course.

Afterward, maybe they'd drink beer, belch with abandon and tell off-color stories in the easy

fraternity of guydom. But that was before marketing became high art.

To hear it from PR types, the guy's getaway is no longer just a getaway. It's now a "mancation." And marketers are jumping on the concept like linemen sacking a quarterback. Offerings range from a Rat Pack-channeling \$49,000 long-weekend blowout in Las Vegas to a \$499 "Tough Guys" spa outing in Key West with optional \$75 "We'll Never Tell" full back wax to driving a race car, shooting wild boar and sparring in the boxing ring.

The mancation may or may not be one of the hottest trends in travel, as the publicists breathlessly claim. But the nomenclature caught on last summer when Vince Vaughn uttered the word in the movie *The Break-Up*. Larry Meadows, a software company product manager in Tampa, believes he may have coined the term when a group of longtime guy pals were at a 2002 wedding, and one of their wives suggested the men get together more often.

The Economy

CONSUMER CONFIDENCE INDEX IMPROVES IN DECEMBER

The Conference Board Consumer Confidence Index, which was virtually unchanged in November, improved in December. The Index now stands at 109.0 (1985=100), up from 105.3 in November. The Present Situation Index increased to 129.9 from 125.4. The Expectations Index improved to 95.1 from 91.9 last month.

Media Coverage

VOCUS PR ACTIVITY

During the month of December, **Vocus** tracked 658 Charlotte-related news results on key words provided by the CRVA. By source these news items referenced the NASCAR Hall of Fame (50%), Charlotte Convention Center (14%), Ovens Auditorium (13%), CRVA (9%), Cricket Arena (5%), U.S. National Whitewater Center (4%) and Visit Charlotte (3%). Fifty-

seven percent of all news items occurred outside of the Charlotte area and appeared in newspapers (49%), via broadcast media (24%) and via electronic media (18%).

Sources for this Publication

- American Express
- comScore Networks
- eMarketer's
- Jupiter Research
- Marketing & Tourism Trends
- Mecklenburg County Tax Office
- PKF Hospitality Research
- Smith Travel Research
- The TAP Report
- The Conference Board
- Travel Industry Association
- US Department of Commerce
- US Department of Labor
- Visit Charlotte/CRVA
- Vocus

Inside This Report

- Barometer Summary (p. 1&2)
- Hospitality Industry Statistical Report (p. 3)
- Definite Bookings (p. 4)
- Pace Report (p. 5)
- Charlotte Convention Center Tradeshow & Convention Booking Outlook (p. 6)
- Hospitality Industry Sales Activities (p. 7)
- Lost Business Report (p. 8)
- Prepared F&B and Occupancy Tax Collections (p. 9)
- The Economy (p. 10)

*Compiled & Edited by Mike Applegate,
Director of Research, CRVA
Mike.applegate@crva.com*

HOSPITALITY INDUSTRY STATISTICAL REPORT

December 2006

Charlotte MSA Lodging Production

	Charlotte MSA	North Carolina	Competitive Set	United States	Top 25
November 2006 Occupancy %	64.3	57.6	59.8	58.6	64.9
November 2006 ADR \$	75.37	74.52	88.83	97.94	125.10
November 2006 RevPAR \$	48.47	42.94	53.53	57.40	81.25
November 2006 Rooms Sold/% Chg	4.6	2.3	1.6	-0.9	-1.8
November 2006 Rooms Avail/% Chg	-2.4	0.0	1.5	1.3	1.0
2006 YTD Occupancy %	65.4	61.3	64.1	64.6	69.8
2006 YTD ADR \$	74.84	76.02	88.77	97.35	118.99
2006 YTD RevPAR \$	48.98	46.60	57.29	62.90	83.02
2006 YTD Rooms Sold/% Chg	5.8	3.3	1.7	1.2	0.5
2006 YTD Rooms Available/% Chg	-1.2	0.0	0.6	0.6	0.4

Sourced by Smith Travel Research-Stats lag by one month

Charlotte Douglas International Airport Aviation Production

	Month of November	2006 YTD	YTD% Chg from 2005
Passenger Enplanements	1,282,768	13,571,674	5%
Passenger Deplanements	1,282,076	13,611,781	5%

Sourced by Charlotte Douglas International Airport-Stats lag by one month

Visit Charlotte Definite Room Night Production

	Month of December	Change from December 2005	FY 2007 YTD	YTD Chg (%) from FY06
Total Room Night Production	47,667	6,820	162,598	20,723 (15%)
Delegate/Organizer Spending ¹	\$30,753,997	-\$1,688,595	\$95,854,947	-\$9,301,762 (-9%)
Number of Definite Bookings	27	-6	110	-15 (-12%)
Average Size of Definite Bookings	1,765	527	1,478	343 (30%)
Total Attendance	79,416	31,647	262,816	58,699 (29%)

Visit Charlotte Lead Room Night Production

	Month of December	Change from December 2005	FY 2007 YTD	YTD Chg (%) from FY06
Total Room Night Production	63,929	-4,871	716,237	11,092 (16%)
Number of Lead Bookings	47	-13	369	26 (8%)
Avg Size of Lead Bookings	1,360	213	1,941	-115 (-6%)

Visit Charlotte Housing Bureau Production

	Month of December	FY 2007 YTD	YTD% Chg from FY06
Total Reservations Produced	1,427	9,087	82%
Total Room Nights Produced	4,552	31,399	63%

Visit Charlotte Leisure Tourism Production

	Month of December	FY 2007 YTD	YTD % Chg from FY06
Advertising Inquiry Labels	605	3,556	-32%
Visitor Center Walk-In Traffic	2,225	17,375	6%
Call Center Inquiries	678	5,967	-12%
Web OVG Requests ²	1,308	11,414	61%
Emails/Letters/Faxes	37	420	-26%
Total Visitor Inquiries	4,853	38,732	7%
Web Site Visitors	134,475	856,308	88%

VISIT CHARLOTTE DEFINITE BOOKINGS

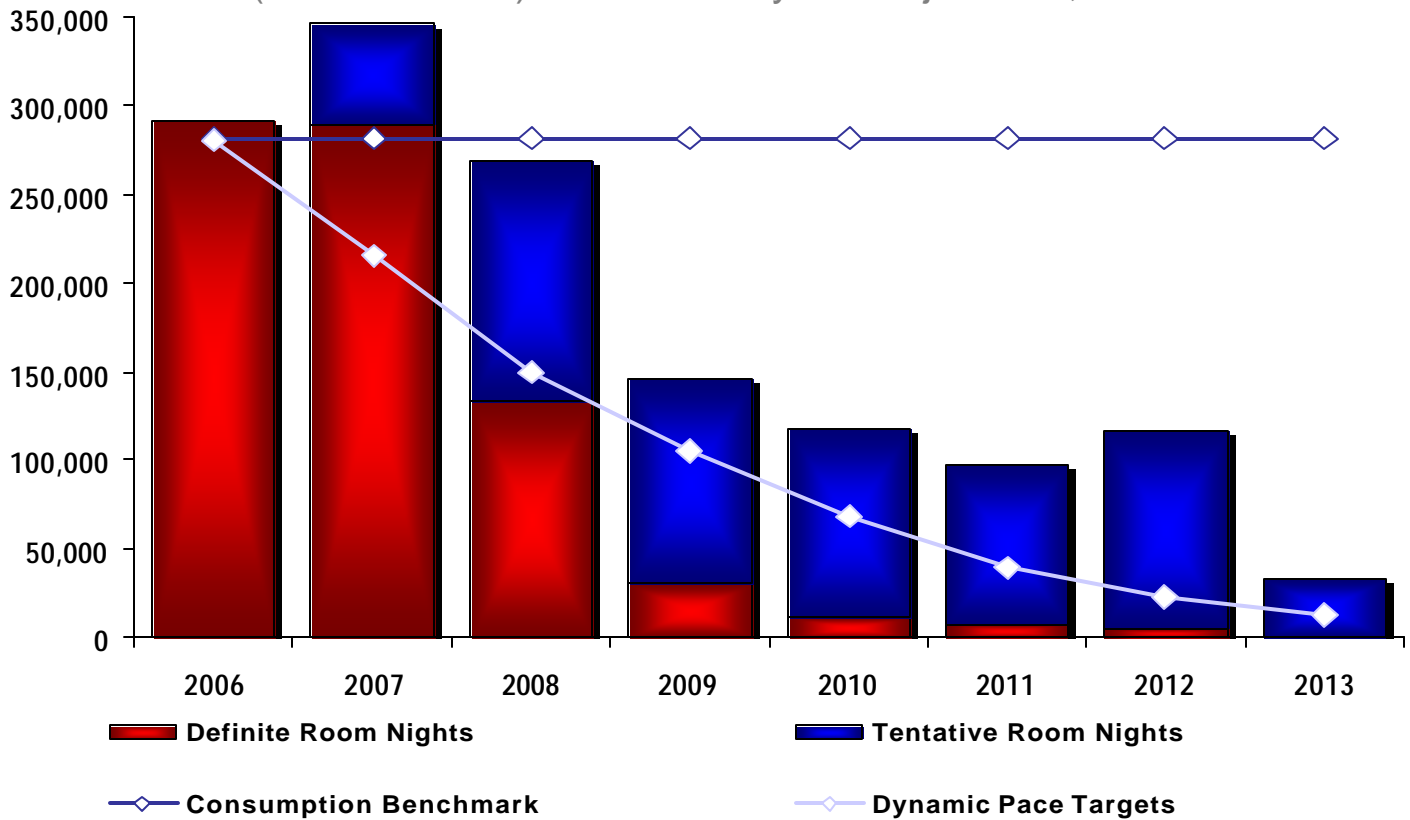
December 2006

Charlotte Convention Center						
Group Name	Meeting Type	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending¹
Institute for Supply Management – CV Inc.	Meeting	4/07	3	3,600	1,000	\$967,000
NC Home Builders Association ®	Tradeshaw	9/07	2	651	300	\$177,000
American Counseling Association	Convention	3/09	4	5,094	3,500	\$3,629,000
National Intramural-Recreational Sports Association ®	Convention	3/09	4	3,755	2,200	\$2,437,000
Society for Imaging Informatics in Medicine	Convention	5/09	3	4,524	3,000	\$2,369,000
Independent Jewelers Association	Convention	7/09	5	4,629	1,500	\$1,944,000
National Rifle Association ®	Convention	5/10	5	8,560	48,000	\$10,300,000
American Society for Microbiology	Convention	11/10	4	4,225	2,600	\$2,793,000
Total				35,038	62,100	\$24,616,000

Conference Sales					
Group Name	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending¹
Mecklenburg Aquatic Club ®	12/06	2	606	600	\$70,000
Marine Corps Mobilization Command	12/06	2	27	400	\$326,000
Mecklenburg Aquatic Club ®	1/07	2	646	600	\$70,000
NASCAR	1/07	3	465	250	\$386,000
Nuclear Energy Institute	1/07	2	200	150	\$209,000
Atlantic Canada Opportunities Agency	2/07	4	36	16	\$195,000
Mecklenburg Aquatic Club ®	2/07	2	1,551	400	\$46,666
Mecklenburg Aquatic Club ®	3/07	3	2,049	1,000	\$174,999
Mecklenburg Aquatic Club ®	3/07	2	296	500	\$58,333
Schweser	4/07	3	30	195	\$265,000
Clinical Automated Office Solutions	5/07	5	100	20	\$359,000
Mecklenburg Aquatic Club ®	5/07	2	382	400	\$46,666
National Organization of Black County Officials	5/07	4	385	300	\$556,000
Mecklenburg Aquatic Club ®	5/07	4	2,063	1,630	\$380,333
Housing Education and Research Association	10/07	3	135	80	\$263,000
Goodguys Rod and Custom Association ®	10/07	2	1,760	10,000	\$986,000
Southern Association of Student Employment Administrators	6/08	3	115	75	\$529,000
National Association of Agricultural Educators	11/08	4	1,143	400	\$661,000
National College Newspaper Business & Advertising Managers, Inc.	3/09	4	640	300	\$556,000
Total			12,629	17,316	\$6,137,997
GRAND TOTAL			47,667	79,416	\$30,753,997

® Repeat Business

Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 12/1/06) Trends Analysis Projections, LLC

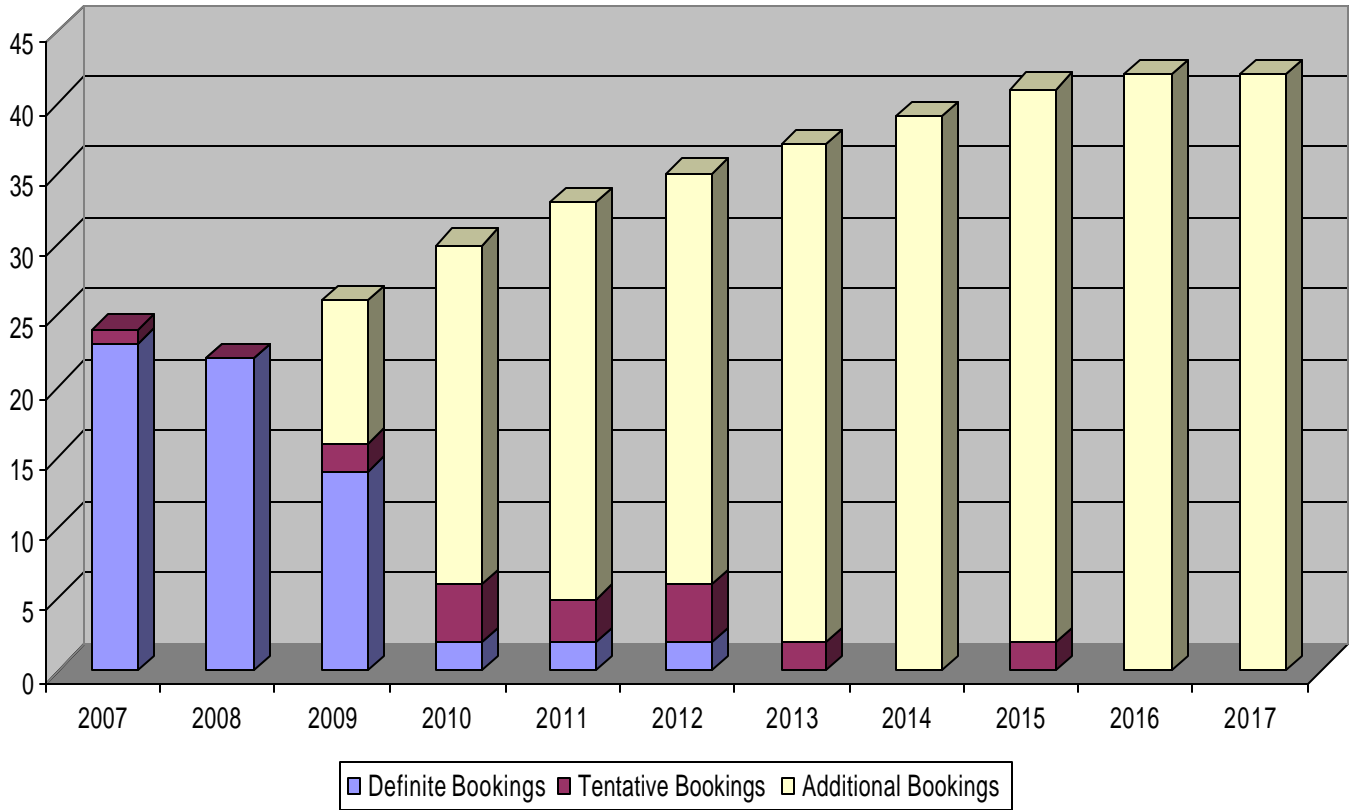


Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 12/1/06) Trends Analysis Projections, LLC

Blue = target, Black = present standing, Green = ahead of pace, Red = behind pace

	2006	2007	2008	2009	2010	2011	2012	2013	Total
Definite Room Nights	291,078	289,307	133,510	30,119	11,578	8,028	5,060	0	768,860
Pace Target	280,679	215,206	149,539	105,155	68,876	39,402	23,402	12,179	894,431
Variance	10,399	74,101	(16,029)	(75,036)	(57,289)	(31,374)	(18,342)	(12,179)	(125,751)
Pace Percentage	104%	134%	89%	29%	17%	20%	22%	0%	86%
Tentative Room Nights	646	57,250	135,017	115,448	106,692	89,959	111,095	33,192	649,299
Target Consumption	281,080	281,080	281,080	281,080	281,080	281,080	281,080	281,080	2,248,640

Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 1/4/07)



Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 1/4/07)

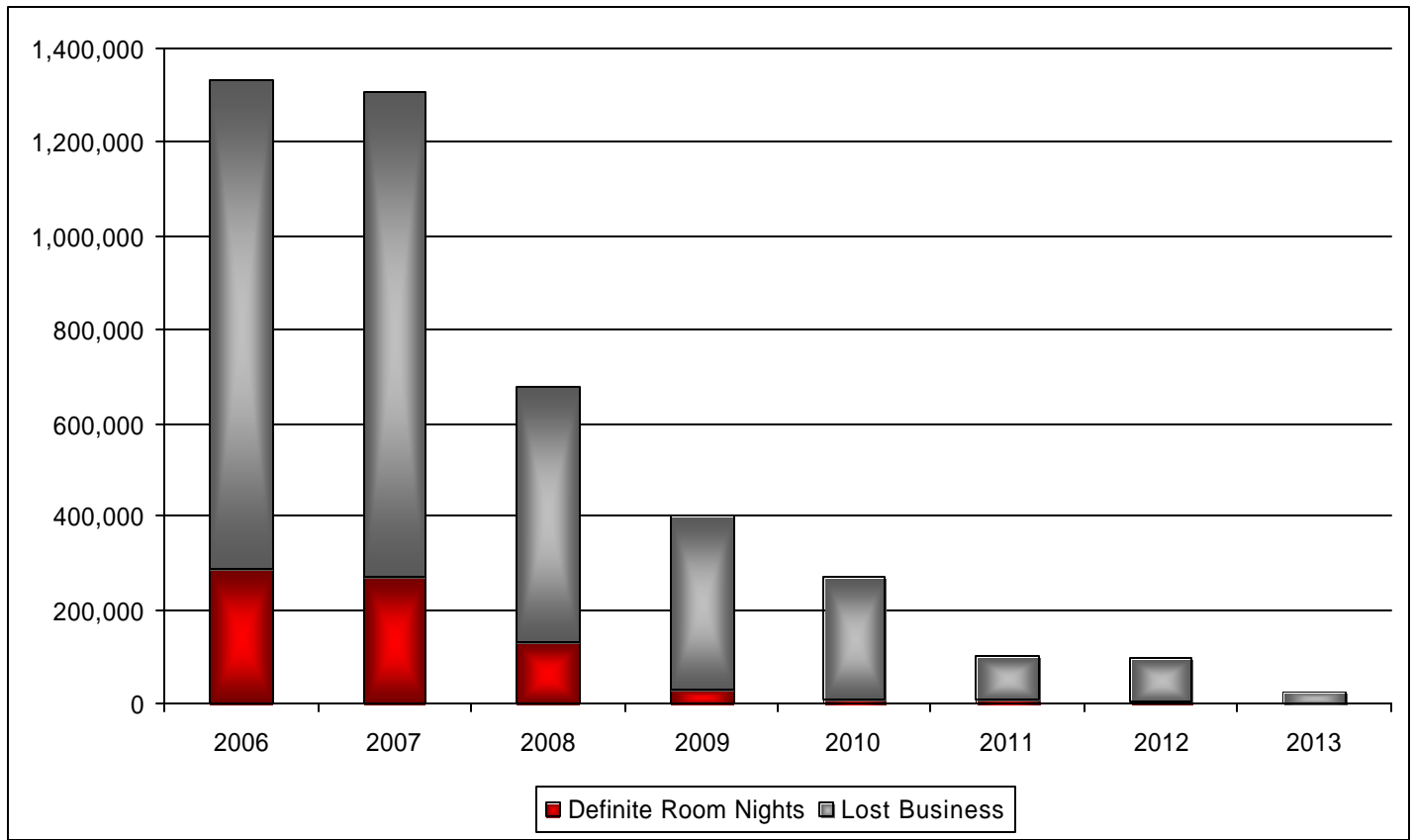
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Definite Bookings	23	22	14	2	2	2	0	0	0	0	0
Tentative Bookings	1	0	2	4	3	4	2	0	2	0	0
Subtotal	24	22	16	6	5	6	2	0	2	0	0
Target	20	21	26	30	33	35	37	39	41	42	42

HOSPITALITY INDUSTRY SALES ACTIVITIES December 2006

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
American Association for Laboratory Animal Science	CCC	9,700	4,000
Panera Bread	CCC	7,061	2,500
Society of Toxicology	CCC	13,500	4,000
Spirent Communications	Hotel	1,743	400
TENTATIVES			
AAU Cheerleading	TBD	TBD	TBD
American Water Works	Hotel	1,272	700
International Event Services	CCC	1,046	900
Learning Disabilities Association of America	TBD	TBD	TBD
Magnet Schools of America	CCC Meeting Space	3,275	900
National Association of Black Female Executives in Music & Entertainment	Hotel	285	500
OTHER			
Association for the Study of African American Life & History	N/A	N/A	N/A

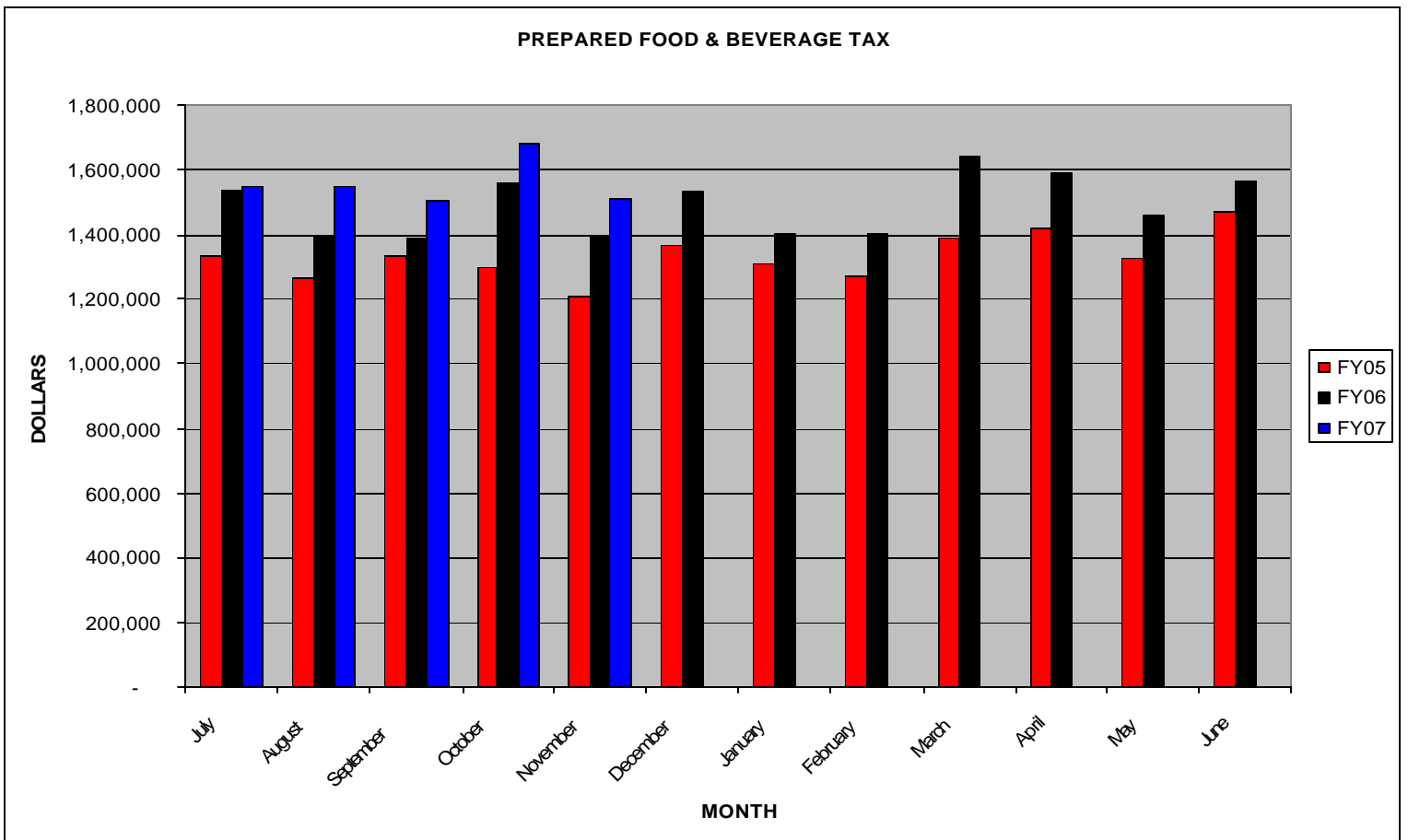
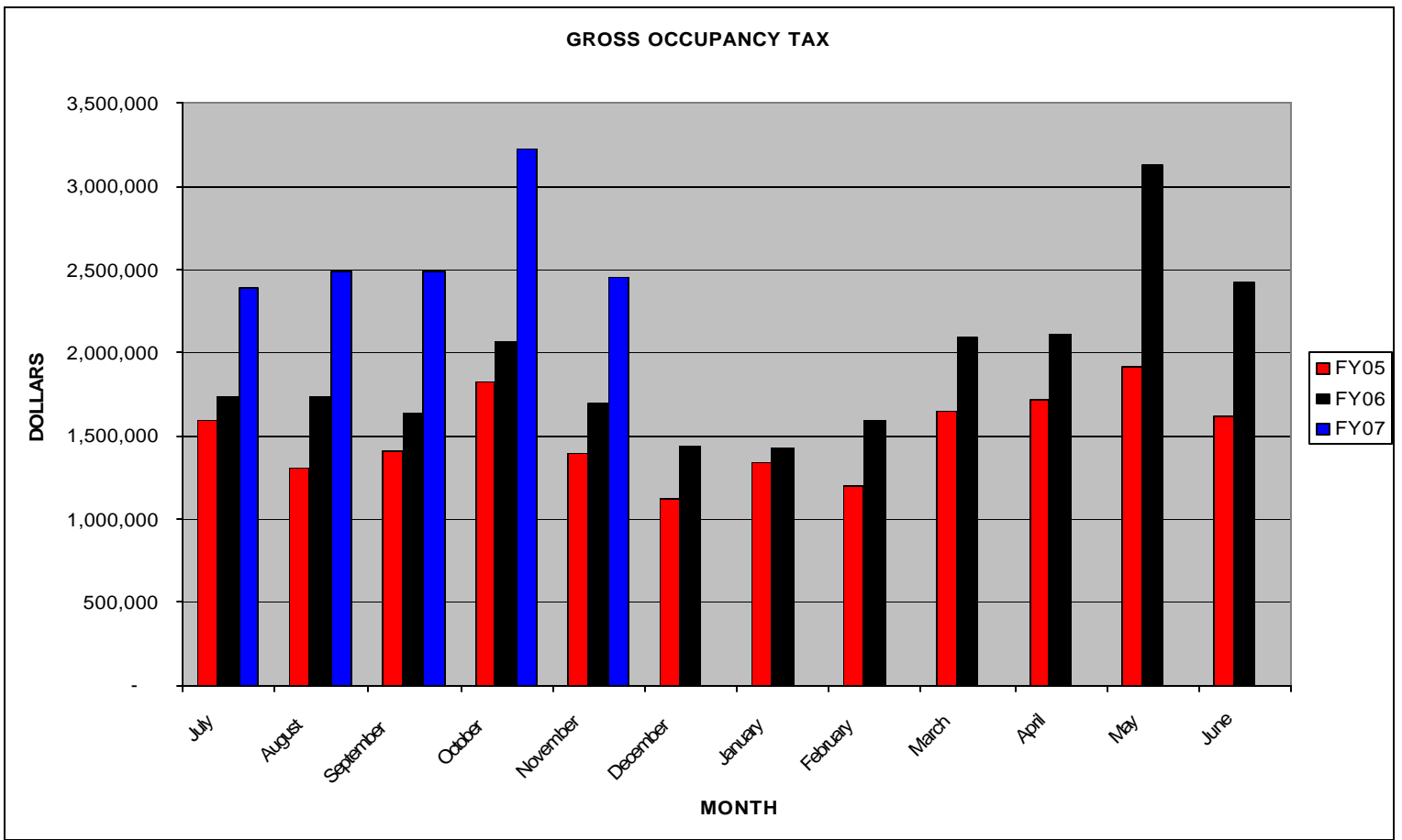
Trade Shows & Events	
Event Name	Location
Association Executives of North Carolina	Raleigh, NC
Customer Advisory Group	Charlotte, NC
Holiday Showcase	Chicago, IL
Hospitality Sales & Marketing Association International – Carolinas Chapter	Charlotte, NC
International Association of Hispanic Meeting Professionals	Atlanta, GA
Meeting Professionals International & Hyland Group	Chicago, IL
North Carolina Amateur Sports	Burlington, NC
North Carolina Association of Convention and Visitor Bureaus	Raleigh, NC
Professional Convention Management Association	Washington, DC
Washington Area Convention Bureau Satellite Offices	Washington, DC

Visit Charlotte Pace vs. Demand Comparison – Lost Business
 (As of 10/1/06 – updated quarterly)
 Trends Analysis Projections, LLC



Visit Charlotte Pace vs. Demand Comparison – Lost Business
 (As of 10/1/06 – updated quarterly)
 Trends Analysis Projections, LLC

	2006	2007	2008	2009	2010	2011	2012	2013	Total
Definite Room Nights	286,117	271,839	132,771	30,119	9,785	8,028	5,060	0	743,719
Total Demand Room Nights	1,333,603	1,308,732	680,052	399,587	269,702	100,376	95,185	25,915	4,213,152
Lost Room Nights	1,047,486	1,036,893	547,281	369,468	259,917	92,348	90,125	25,915	3,469,433
Conversion Percentage	21%	21%	20%	8%	4%	8%	5%	0%	18%



THE ECONOMY

November 2006

	2005	2006	% Change
Consumer Confidence Index*	98.3	102.9	5%
Consumer Price Index (CPI)**	197.5	201.5	2%
Unemployment Rate			
- National	5.0%	4.5%	-10%
- State	5.1%	4.9%	-4%
- Local	5.0%	4.8%	-4%

* The Consumer Confidence Index is based on a representative sample of 5,000 U.S. households. 1985 = 100

Source: The Conference Board

** The Consumer Price Index is the measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Source: U.S. Dept. of Labor

From pages 3 and 4:

¹Delegate/Organizer Spending derived from Destination Marketing Association International's (DMAI) Direct Spending Calculator,

²Web OVG moved to home page October 2004.

³Leisure Spending equates to \$98.60 per person per day (DK Shifflet & Associates, Charlotte Market, 2004).

⁴Youth Amateur Sports Spending equates to \$350 per party per stay (each visiting athlete represents a party size average of 3) CRVA and **Sports Events** Research

⁵Average of visitor direct spending generated during each of the last four years.

Charlotte Comp Set listed in STR comparisons includes: Tampa, Indianapolis, Baltimore, Minneapolis, St. Louis, Greensboro, Raleigh, Cincinnati, Columbus, Philadelphia, Pittsburgh and Nashville.