



The Charlotte

BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

FEBRUARY 2007

National & International Business & Convention

U.S. LODGING FORECAST

PricewaterhouseCoopers' latest *Hospitality Directions* foresees U.S. hotel occupancy stagnating in 2007 while average daily rate and revenue per available room continue to rise grow. U.S. occupancy is expected to dip slightly from 63.4% in 2006 to 63.3% in 2007.

However, during 2007 average daily rate and revenue per available room will both improve 5.8% compared to 2006. For the U.S., 2007 average daily rate is expected to reach 102.91, up from 97.24 during 2006. Revenue per available room is forecast to hit \$65.18 nation-wide in 2007, up from \$61.62 in 2006.

FUTUREWATCH 2007

The latest FutureWatch study from **Meeting Professionals International** finds sustained industry growth for the coming year. Association and corporate planners expect the number of meeting held by their organizations to increase by 18% and 7% respectively. Meeting budgets are expected to increase by 21% for associations and 18% for corporations and planners expect to see more attendees at meetings. Seventy-three percent of respondents expect hotel rates to increase in 2007, with the average amount of increase expected to be 8%. U.S. planners will hold 35% of meetings at city hotels, followed by resort hotels (30%), airport & suburban hotels (10%), conference centers & universities (8%) and convention centers (8%).

PHOCUSWRIGHT'S GROUPS AND MEETINGS: MARKET OPPORTUNITY REDEFINED

Companies seeking the next big travel opportunity need to explore the groups and meetings arena, according to a new report published by **PhoCusWright Inc.** This marketplace, valued at over US\$164 billion in the U.S. alone, is one of the next frontiers and key competitive areas for e-commerce and one of the last major revenue streams to move online. The U.S. groups and meetings marketplace is projected to reach \$175 billion by 2008, with travel (air, hotel, car rental, ground transportation, cruise and tour) representing 54% of the total. Non-travel expenses (e.g., meeting rooms, catering, audio/visual equipment) represent the remaining 46%. By 2008, 41% of all groups and meetings travel revenue, or \$39 billion, will be booked online. But the online opportunity will be even greater for small leisure gatherings (under nine rooms), a segment which has fallen outside of the traditional "group" definition. This segment, which includes family reunions, weddings and religious groups, will have online penetration of 53% by 2008, nearly three times the rate of larger leisure groups.

Local Perspective

CHARLOTTE AREA LODGING PERFORMANCE

Charlotte area hotel **occupancy** averaged 64.4% for 2006, a 6.8% increase from 2005 and the highest area-wide hotel occupancy since 1996 (65.4%). Charlotte's year-end occupancy was better than the NC and the US averages. 2006 year end occupancy was 60.1% for NC 63.4% for the US.

Total hotel **rooms sold** during 2006 increased 5.4% over 2005. For the year, 6,972,538 hotel rooms were sold, establishing a new record for the Charlotte area. Charlotte's % change in rooms sold for the year surpassed the NC and US averages. During 2006, rooms sold increased 3.3% in NC and 1.1% for the US.

Average daily rate for Charlotte area hotels improved 11.4% reaching \$74.64 for 2006, the best year-end ADR on record. Charlotte's ADR gained ground in 2006, but still lags the NC and US averages. ADR was \$75.63 for NC and \$97.31 for the US in 2006.

Revenue per available room improved 18.9% during 2006, ending the year at \$48.03. That is the best year-end RevPAR on record. Charlotte's year-end RevPAR beat the NC average, but trails the US average by nearly \$14. 2006 RevPAR was \$45.43 for NC but was \$61.69 for the US

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS

Through the first six months of Fiscal Year 2007, Mecklenburg County **occupancy tax collections** total \$15,076,364, a 46% increase over the same period last year. The NASCAR 2% portion of the occupancy tax has generated \$3,770,032 of this fiscal year to date total. Excluding the NASCAR 2%, year to date occupancy tax collections have risen 9.5% over the same period last year. Mecklenburg County **prepared food & beverage tax collections** total \$9,561,583 through the first six months of FY07, an 8% improvement from the same period last year.

National Leisure & Tourism

TRAVEL TRENDS TO WATCH IN 2007

Yesawich, Pepperdine, Brown & Russell predicts travel trends for the coming year.

Family travel (adults with children) will continue to grow at a faster rate than all other forms of leisure travel, as both parents and grandparents continue to look at travel as one way in which to reunite families in a contemporary world that is increasingly dominated by the

demands of work even if only for a few days;

The new lifestyle hotel brands such as NYLO, ALOFT, etc. will continue to gain both exposure and popularity among the next generation of travelers (the Millennials), as well as more mature travelers who wish to look, act and feel like Millennials;

Interest in spa-going will continue to grow as more consumers seek ways to manage the mounting stress in their lives (thereby igniting the next generation of spa development in commercial hotels);

Most importantly, barring the impact of any catastrophic political, economic, social or terrorist event in the months ahead, 2007 should be another year for the record books.

The Economy

JANUARY CONSUMER SENTIMENT JUMPS TO A 3-YEAR HIGH

The preliminary January reading on sentiment by the **Reuters/University of Michigan Surveys of Consumers** rose to 98.0 from 91.7 at the end of December. This was the highest since 103.80 in January 2004 and well above the 92.5 median forecast of analysts polled by Reuters.

Media Coverage

VOCUS PR ACTIVITY

During January, **Vocus** tracked 999 news items on key words provided by the CRVA. Sixty percent of these items occurred outside the Charlotte DMA and 48% occurred outside the state of NC. By category, 54% were on NASCAR, 17% on Charlotte Convention Center, 9% on Ovens Auditorium, 8% on Cricket Arena, 3% on CRVA and 1% on Visit Charlotte. By type, 45%

took place on broadcast, 32% in newspapers and 15% in electronic media.

Sources for this Publication

- Mecklenburg County Tax Office
- Meeting Professionals International
- PhocusWright
- PricewaterhouseCoopers
- Reuters/University of Michigan
- Smith Travel Research
- The TAP Report
- The Conference Board
- Travel Industry Association
- US Department of Labor
- Visit Charlotte/CRVA
- Vocus
- Yesawich, Pepperdine, Brown & Russell

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HOSPITALITY INDUSTRY STATISTICAL REPORT

January 2007

Charlotte MSA Lodging Production

	Charlotte MSA	North Carolina	Competitive Set	United States	Top 25
December 2006 Occupancy %	52.3	46.6	48.6	50.2	56.6
December 2006 ADR \$	71.96	70.34	83.14	95.92	120.42
December 2006 RevPAR \$	37.62	32.79	40.73	48.11	68.15
December 2006 Rooms Sold/% Chg	-0.7	1.5	3.9	0.0	0.5
December 2006 Rooms Avail/% Chg	-2.4	0.2	1.6	1.2	0.9
2006 YTD Occupancy %	64.4	60.1	62.8	63.4	68.7
2006 YTD ADR \$	74.64	75.63	88.43	97.31	119.18
2006 YTD RevPAR \$	48.03	45.43	55.90	61.69	81.82
2006 YTD Rooms Sold/% Chg	5.4	3.3	1.8	1.1	0.4
2006 YTD Rooms Available/% Chg	-1.3	0.1	0.6	0.6	0.4

Sourced by Smith Travel Research-Stats lag by one month

Charlotte Douglas International Airport Aviation Production

	Month of December	2006 YTD	YTD% Chg from 2005
Passenger Enplanements	1,254,475	14,828,149	5%
Passenger Deplanements	1,254,019	14,865,800	5%

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

Visit Charlotte Definite Room Night Production

	Month of January	Change from January 2006	FY 2007 YTD	YTD Chg (%) from FY06
Total Room Night Production	29,488	23,881	192,086	44,604 (30%)
Delegate/Organizer Spending ¹	\$9,865,400	\$6,175,505	\$105,720,347	-\$3,126,257 (-3%)
Number of Definite Bookings	36	10	146	-5 (-3%)
Average Size of Definite Bookings	819	603	1,315	338 (35%)
Total Attendance	31,924	8,479	294,740	67,178 (30%)

Visit Charlotte Lead Room Night Production

	Month of January	Change from January 2006	FY 2007 YTD	YTD Chg (%) from FY06
Total Room Night Production	139,360	-5,166	855,597	5,926 (0.7%)
Number of Lead Bookings	114	-7	483	33 (7%)
Avg Size of Lead Bookings	1,222	-129	1,771	-117 (6%)

Visit Charlotte Housing Bureau Production

	Month of January	FY 2007 YTD	YTD% Chg from FY06
Total Reservations Produced	2,304	11,391	52%
Total Room Nights Produced	7,349	38,748	54%

Visit Charlotte Leisure Tourism Production

	Month of January	FY 2007 YTD	YTD % Chg from FY06
Advertising Inquiry Labels	1,170	4,726	-22%
Visitor Center Walk-In Traffic	2,115	19,490	8%
Call Center Inquiries	1,148	7,115	-10%
Web OVG Requests ²	3,545	14,851	55%
Emails/Letters/Faxes	69	489	-33%
Total Visitor Inquiries	8,047	46,671	10%
Web Site Visitors	176,845	1,033,153	88%

VISIT CHARLOTTE DEFINITE BOOKINGS

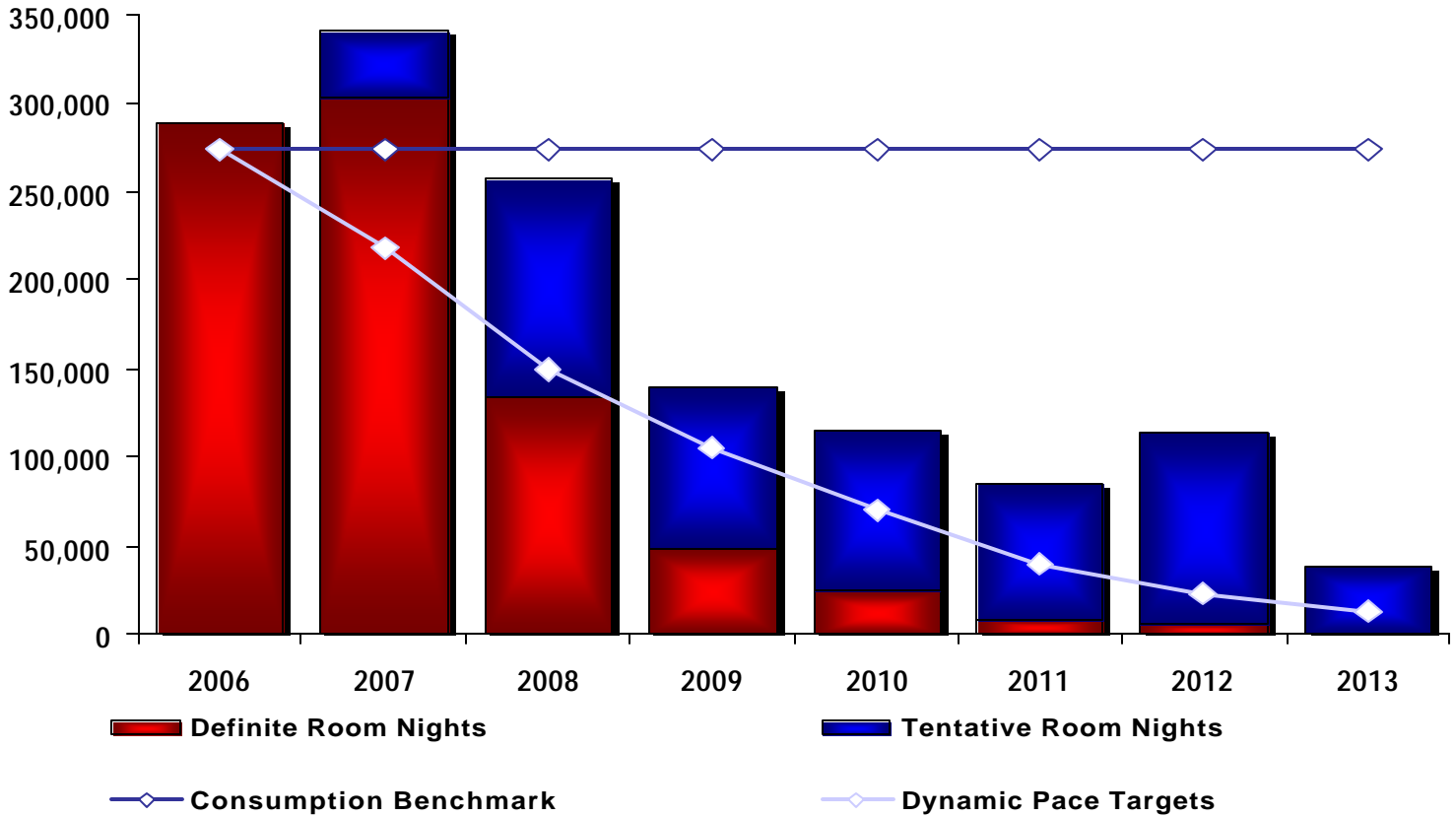
January 2007

Charlotte Convention Center						
Group Name	Meeting Type	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending¹
Travel Industry Shows	Convention	4/07	3	957	1,000	\$1,286,000
Building Industry Consulting Service International (BICSI)	Meeting	5/11	4	2,165	1,000	\$953,000
Total				3,122	2,000	\$2,239,000

Conference Sales					
Group Name	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending¹
General Baptist State Convention	1/19-1/20/07	1	15	20	\$46,000
Houghton Mifflin Company ®	2/4-2/7/07	3	36	14	\$217,000
UNC Charlotte Rugby Club ®	2/16-2/18/07	2	182	300	\$58,800
National Hemophilia Foundation	5/3-5/6/07	2	88	35	\$151,000
Dare Mighty Things, Inc.	5/15-5/17/07	2	40	30	\$150,000
NCAA ® Div. II Track & Field Championships	5/22-5/27/07	5	2,230	3,000	\$1,470,000
American Association for Respiratory Care	9/28-9/30/07	2	130	100	\$190,000
National Nurses in Business Association	10/19-10/22/07	2	20	75	\$179,000
Amateur Athletic Union ® (26 events)	2007 season	n/a	23,625	26,350	\$5,164,600
Total			26,366	29,924	\$7,626,400
GRAND TOTAL			29,488	31,924	\$9,865,400

® Repeat Business

Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 1/1/07) Trends Analysis Projections, LLC

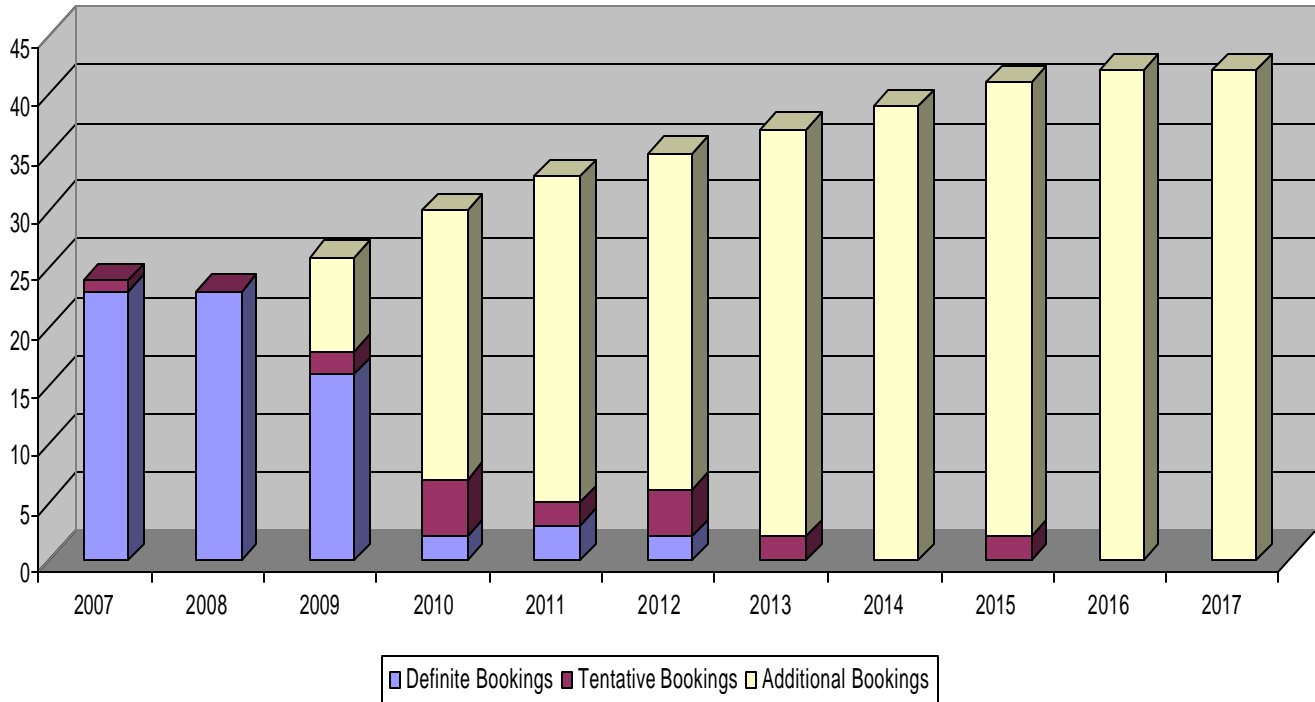


Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 1/1/07) Trends Analysis Projections, LLC

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

	2006	2007	2008	2009	2010	2011	2012	2013	Total
Definite Room Nights	289,551	303,410	134,768	48,761	24,363	8,028	5,060	0	813,941
Pace Target	273,365	217,685	149,961	105,441	69,264	38,295	23,215	12,439	890,295
Variance	16,186	85,725	(15,193)	(56,680)	(44,901)	(30,897)	(18,155)	(12,439)	(76,354)
Pace Percentage	106%	139%	90%	46%	35%	21%	22%	0%	91%
Tentative Room Nights	0	38,295	122,507	91,212	90,442	76,855	109,534	37,942	566,787
target consumption	273,365	273,365	273,365	273,365	273,365	273,365	273,365	273,365	2,186,920

Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 2/6/07)



Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 2/6/07)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Definite Bookings	23	23	16	2	3	2	0	0	0	0	0
Tentative Bookings	1	0	2	5	2	4	2	0	2	0	0
Subtotal	24	23	18	7	5	6	2	0	2	0	0
Target	20	21	26	30	33	35	37	39	41	42	42

HOSPITALITY INDUSTRY SALES ACTIVITIES January 2007

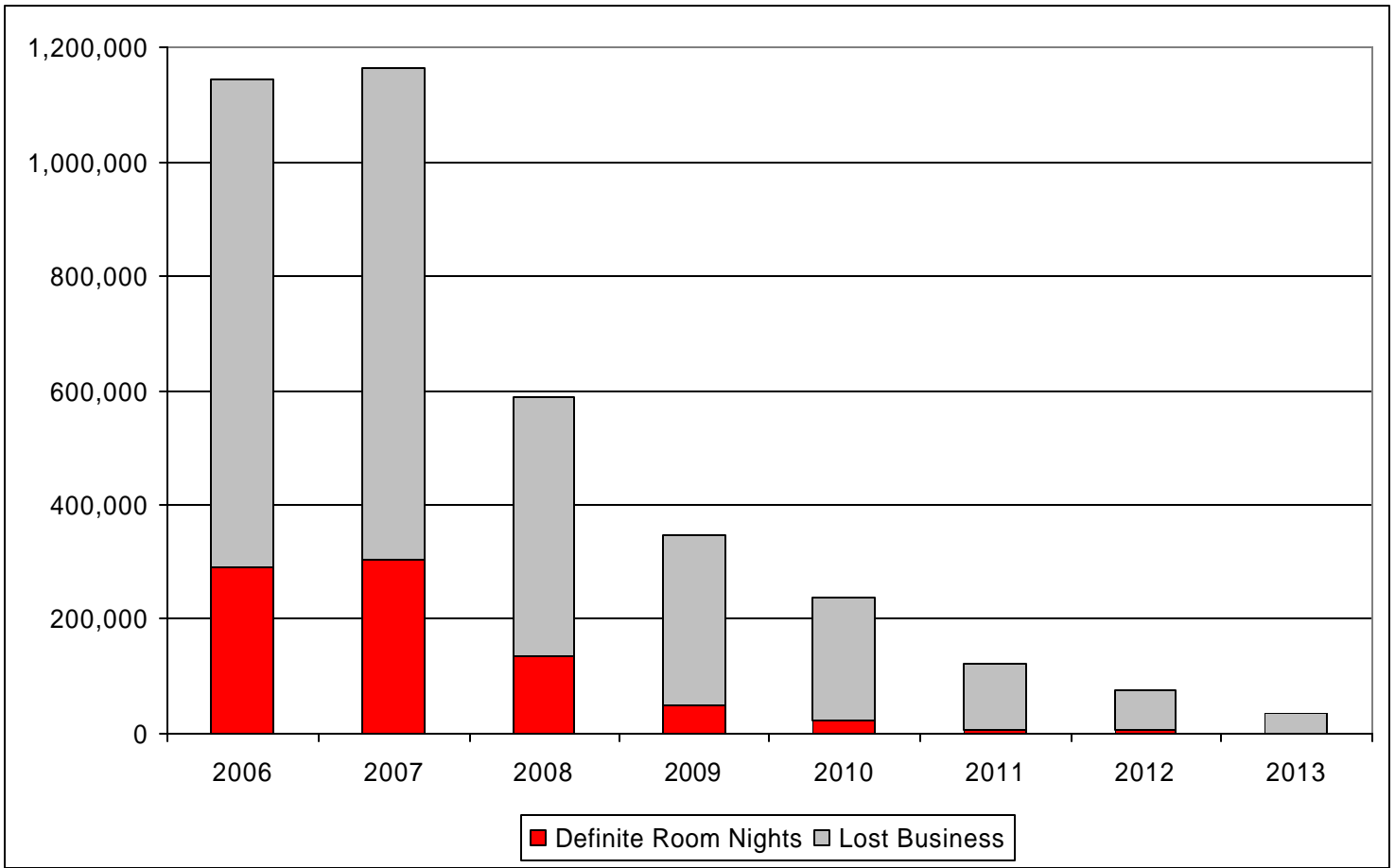
Site Visits

Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
National Roadside Vegetation Management Association (10/07)	Hotel	475	200
TENTATIVES			
Travel Industry Shows (4/07)	CCC Meeting Space	1,000	1,000
RBC Dain Rauscher (11/07)	Hotel	460	225
American Bar Association (4/08)	Hotel	217	225
IBM (4/08)	CCC Meeting Space	405	1,000
Solmonte Hospitality (5/09)	Hotel	600	200

Trade Shows & Events

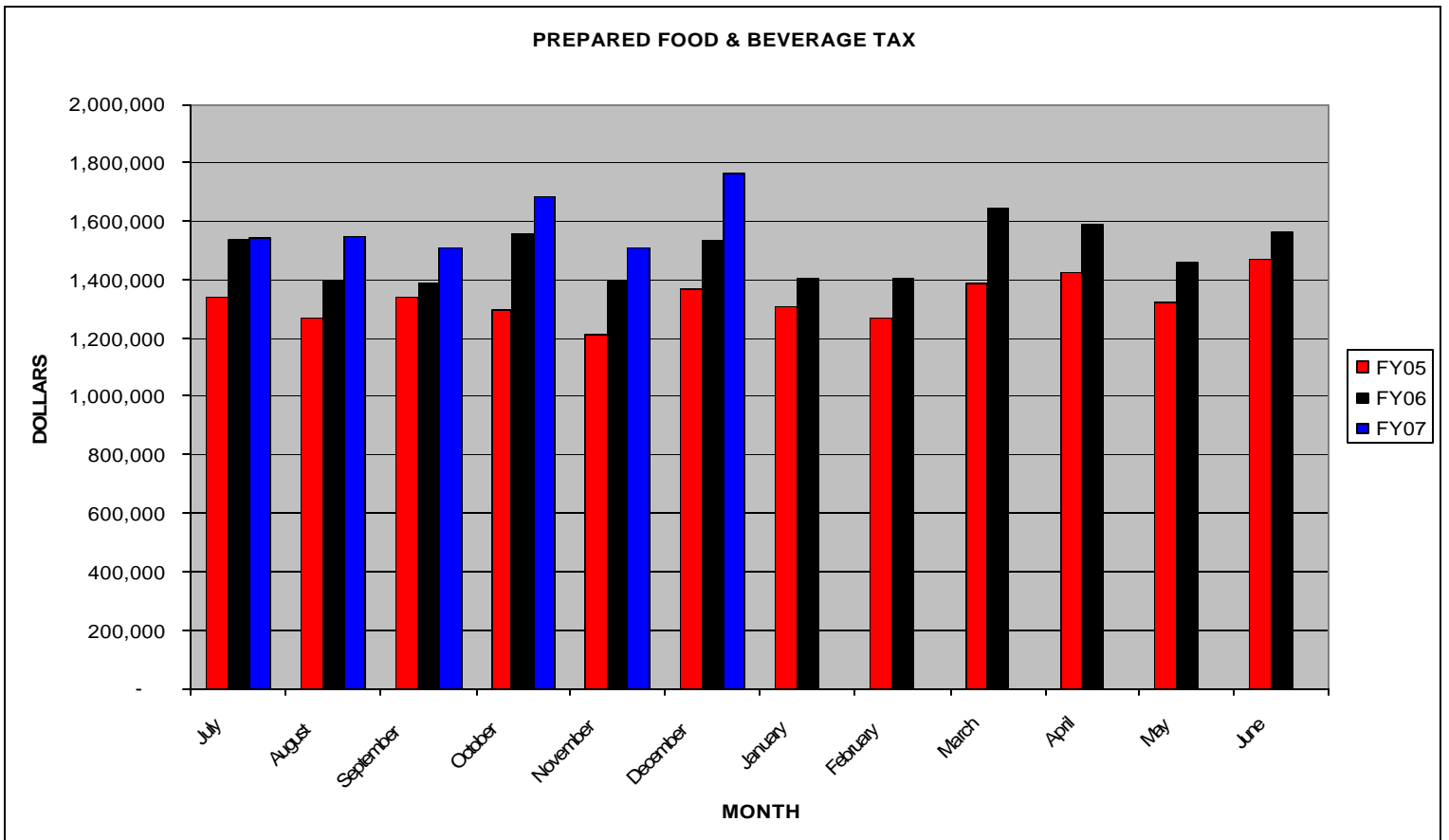
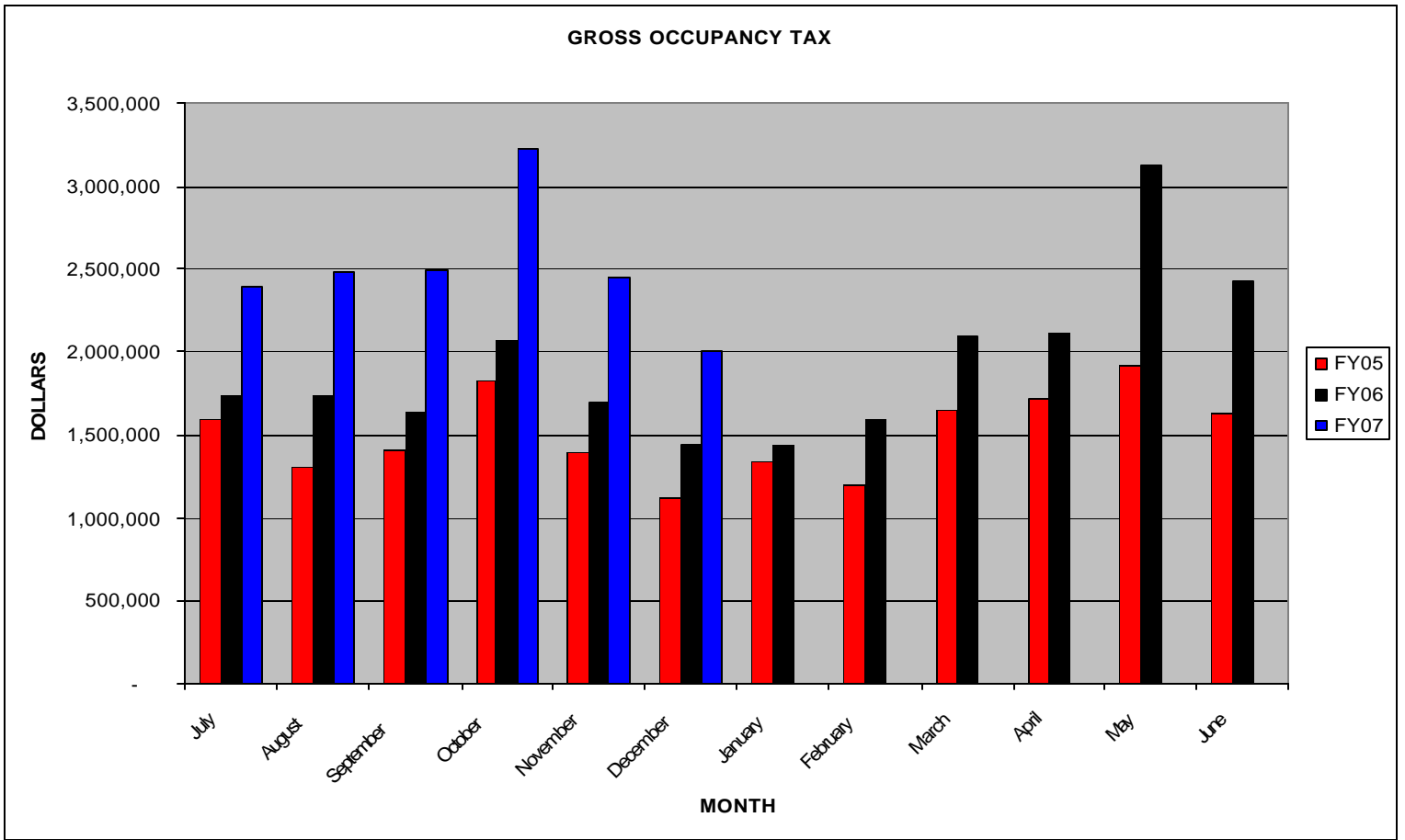
Event Name	Location
American Bus Association Marketplace	Grapevine, TX
American Society of Association Executives	Marco Island, FL
Association for Convention Operations Management / Professional Convention Management Association	Toronto, CANADA
Association Executives of North Carolina	Charlotte, NC
Central Piedmont Community College Hospitality Class Presentation	Charlotte, NC
EDI Tradeshow	Milwaukee, WI
Hospitality Sales & Marketing Association International Carolinas Chapter	Charlotte, NC
Meeting Professionals International Carolinas Chapter	Raleigh, NC
Meeting Professionals International Chicago Area Chapter	Chicago, IL
Meeting Professionals International Professional Education Conference	New Orleans, LA
North Carolina National Softball Association	Myrtle Beach, SC
Religious Conference Management Association	Louisville, KY
Travel Industry Association- 2007 Marketing Outlook (Charlotte) Planning Committee	Washington, DC

Visit Charlotte Pace vs. Demand Comparison – Lost Business
 (As of 1/1/07 – updated quarterly)
 Trends Analysis Projections, LLC



Visit Charlotte Pace vs. Demand Comparison – Lost Business
 (As of 1/1/07 – updated quarterly)
 Trends Analysis Projections, LLC

	2006	2007	2008	2009	2010	2011	2012	2013	Total
Definite Room Nights	289,551	303,410	134,768	48,761	24,363	8,028	5,060	0	813,941
Total Demand Room Nights	1,143,189	1,165,062	589,108	344,875	238,540	121,707	77,026	34,941	3,714,478
Lost Room Nights	853,638	861,652	454,340	296,114	214,177	113,679	71,966	34,941	2,900,537
Conversion Percentage	25%	26%	23%	14%	10%	7%	7%	0%	22%



THE ECONOMY

December 2006

	2005	2006	% Change
Consumer Confidence Index*	103.6	109	5.2%
Consumer Price Index (CPI)**	196.8	201.8	2.5%
Unemployment Rate			
- National	4.9	4.5	-8.2%
- State	5.1	4.9	-3.9%
- Local	4.7	4.6	-2.1%

* 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 or 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.