



The Charlotte

# BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

## FEBRUARY 2009

### National & International Business & Convention

#### FALLING ECONOMY TO SHARPLY EFFECT 2009 LODGING PERFORMANCE

**PricewaterhouseCoopers** (PwC) recently revised their lodging forecasts to reflect expected gross domestic product (GDP) contractions of 5.8% and 3.5% for the fourth quarter of 2008 and first quarter of 2009 respectively. According to PwC, 2009 U.S. occupancy will fall 3.9 percentage points, down to 56.5%, due to year over year demand declines in the first three quarters of the year. This demand slowdown will reduce U.S. average daily rate by 5.2%,

down to \$101.05, for 2009. Given the declines in both occupancy and ADR, revenue per available room (RevPAR) for 2009 is forecasted to fall 11.2%, down to \$57.13, nationally.

#### FUTURE WATCH 2009

The *FutureWatch 2009* study, a comparative outlook on the global business of meetings and events, has been released by **Meeting Professionals International** in partnership with American Express. Several of the key findings: Meeting planners anticipate a 9% decrease in the number of meetings their organizations will hold in 2009; Suppliers expect a 9% decrease in the number of meetings their organizations will support; For 2009, organizations have already cancelled an average of 3.4 meetings, representing 7% of all scheduled activity; The overall relationship between planners and suppliers is becoming a buyer's market, where planners can expect to negotiate more generous concessions, incentives, rates, and other provisions.

### Local Perspective

#### CHARLOTTE AREA LODGING – DECEMBER SMITH TRAVEL RESEARCH

The Charlotte lodging market finished 2008 with 4.8% ADR growth, but with falling occupancy (-8.3%), RevPAR ultimately finished down 3.9% compared to last year. That's the first year to year decline in RevPAR since 2003.

December **occupancy** in the market was 45%, down 9.9% from last December. For the year, occupancy was 60.2%, down 8.3% compared to last year. Year end occupancy was 60.4% in the US (down 4.2%) and 56.3% in NC (down 6.7%)

December **average daily rate** (ADR) was \$80.29 in the Charlotte market, up 3.4% from December 2007. For the year, ADR was \$86.92, up 4.8% over last year. That marks the 6<sup>th</sup> straight year for rate growth. Year end ADR was \$106.55 in the US (up 2.4%) and \$84.34 in NC (up 3.5%).

Charlotte market **revenue per available room** (RevPAR) for December came in at \$36.14, down 6.8% compared to last December. For the year, RevPAR was \$52.30, down 3.9% from last year. Year end RevPAR was \$64.37 in the US (down 1.9%) and \$47.52 in NC (down 3.4%).

#### MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS

FY09 **Mecklenburg County 6% occupancy tax collections** total \$11.5 million year to date through December, an 11% decline from the same period last year. NASCAR Hall of Fame **2% occupancy tax collections** total \$3.8 million year to date, also down 11% from last year. Mecklenburg County's **1% prepared food & beverage tax collections** are \$10.1 million fiscal year to date which is down 1% from the same time last year.

## National Leisure & Tourism

### CAROLINA PUBLISHING TOP NC MUSEUMS & HISTORIC SITES

With a total of 665,609 visitors, Discovery Place cracked the top 5 in **Carolina Publishing Associates'** annual survey of North Carolina's most visited museums and historic sites. Just four statewide museums and/or historic venues tallied more visitors in 2008: Biltmore Estate (1,070,900 visitors), NC Zoo (764,637), NC Museum of Natural Sciences (760,186) and Fort Macon State Park (703,120). The only other Charlotte area site placing in the top 25 was the NC Auto Racing Hall of fame in Mooresville which hosted 195,000 visitors in 2008.

## Economy

### FOURTH QUARTER 2008 GROSS DOMESTIC PRODUCT

According to advance estimates released by the **Bureau of Economic Analysis**, real gross domestic product (GDP) decreased at an annual rate of 3.8 % in the fourth quarter of 2008. GDP also contracted in the third quarter by 0.5%. The fourth quarter decrease was primarily

reflected in exports, personal consumption expenditures, equipment and software, and residential fixed investment. The Associated Press reports that the 3.8% fall is the worst quarterly decline since the 6.8% drop in the first quarter of 1982.

### CONSUMER CONFIDENCE

**The Conference Board** said its Consumer Confidence Index edged down to 37.7 from a revised 38.6 in December, lower than the reading of 39 that economists had expected. In recent months the index has hit its lowest troughs since it began in 1967, and is hovering at less than half its level of January 2007, when it was 87.3.

## CRVA Media Coverage

### JANUARY 2009 MEDIA COVERAGE- VOCUS

During January, **Vocus** tracked 291 news items on keywords provided by the CRVA. By category, NASCAR Hall of Fame led the way with 24% of all mentions. Other topics mentioned most frequently were Charlotte Attractions (23%), Charlotte Events (21%), Charlotte Hotels (9%) and Charlotte Convention Center (8%). By type, half of all January's

news items were categorized as Print Features (50%), followed by Broadcast Brief Mentions (21%), Print Brief Mentions (18%) and Broadcast Features (11%). The majority, 55%, of January's media hits occurred outside of the local Charlotte area.

### Sources for this Publication

- Carolina Publishing Associates
- Mecklenburg County Tax Office
- Meeting Professionals International
- Pricewaterhousecoopers
- Smith Travel Research
- The Conference Board
- The TAP Report
- Travel Industry Association
- US Bureau of Economic Analysis
- US Department of Labor
- Visit Charlotte/CRVA
- Vocus

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### 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)
- Occupancy Tax Collections (p. 9)
- Prepared F&B Tax Collections and The Economy (p. 10)

# HOSPITALITY INDUSTRY STATISTICAL REPORT

## January 2009

### Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
December 2008 Occupancy %	45.0	41.2	42.9	45.3	51.4
% Change	-9.9	-7.8	-6.4	-6.8	-6.1
December 2008 ADR \$	80.29	76.42	86.38	99.42	125.50
% Change	3.4	0.0	-2.3	-3.2	-4.0
December 2008 RevPAR \$	36.14	31.52	37.34	44.99	64.50
% Change	-6.8	-7.8	-8.6	-8.7	-9.9
2008 YTD Occupancy %	60.2	56.3	59.2	60.4	65.7
% Change	-8.3	-6.7	-5.0	-4.2	-3.8
2008 YTD ADR \$	86.92	84.34	96.19	106.55	133.82
% Change	4.8	3.5	2.3	2.4	2.8
2008 YTD RevPAR \$	52.30	47.52	57.26	64.37	87.20
% Change	-3.9	-3.4	-2.7	-1.9	-1.1

Source: Smith Travel Research-Stats lag by one month

Comp Set includes: Tampa, Atlanta, Indianapolis, Baltimore, Minneapolis, St. Louis, Greensboro, Raleigh, Cincinnati, Columbus, Philadelphia, Pittsburgh and Nashville

### Charlotte Douglas International Airport Aviation Production

	Month of December	% Chg from Dec 07	2008 YTD	YTD % Chg from 07
Passenger Enplanements	1,411,435	8%	17,357,993	5%
Passenger Deplanements	1,403,423	7%	17,381,027	5%

Source: Charlotte Douglas International Airport-Stats lag by one month

### Visit Charlotte Definite Room Night Production

	Month of January	Change from January 2008	FY 2009 YTD	YTD Chg (%) from FY08
Total Room Night Production	3,524	-12,146	163,617	6,324 (4%)
Delegate/Organizer Spending (\$)	3,806,070	-5,054,068	106,380,810	16,615,884 (19%)
Number of Definite Bookings	10	-11	142	4 (3%)
Average Size of Definite Bookings	352	-394	1,152	12 (1%)
Total Attendance	12,145	3,799	157,830	-155 (-0.1%)

### Visit Charlotte Lead Room Night Production

	Month of January	Change from January 2008	FY 2009 YTD	YTD Chg (%) from FY09
Total Room Night Production	86,065	-6,869	490,578	-223,453 (-31%)
Number of Lead Bookings	75	-54	370	-93 (-20%)
Average Size of Lead Bookings	1,148	428	1,326	-216 (-14%)

### Visit Charlotte Housing Bureau Production

	Month of January	FY 2009 YTD	YTD% Chg from FY08
Total Reservations Produced	960	8,142	143%
Total Room Nights Produced	3,067	27,711	183%

### Visit Charlotte Leisure Tourism Production

	Month of January	FY 2009 YTD	YTD % Chg from FY08
Advertising Inquiries (including Travelocity clicks)	3,159	7,200	-3%
Visitor Center Walk-In Traffic	1,937	21,443	10%
Call Center Inquiries	485	4,068	-23%
Web Site Official Visitors Guide Requests (& views)	2,979	9,150	-34%
Emails/Letters/Faxes	87	446	-25%
Total Visitor Inquiries	<b>7,160</b>	<b>42,577</b>	<b>-9%</b>
Visit Charlotte Web Site Visitors (Google)	<b>81,062</b>	<b>511,508</b>	<b>-17%</b>

Notes: Website transition from [www.visitcharlotte.com](http://www.visitcharlotte.com) to [www.charlottesgotalot.com](http://www.charlottesgotalot.com) began in August 2008

In addition to above site changes, information enhancements and Visitor Guide availability electronically, are also resulting in fewer online requests for print version

## VISIT CHARLOTTE DEFINITE BOOKINGS January 2008

### Charlotte Convention Center

Group Name	Meeting Type	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending (\$)
Not Applicable						
<b>Total</b>						

### Conference Sales

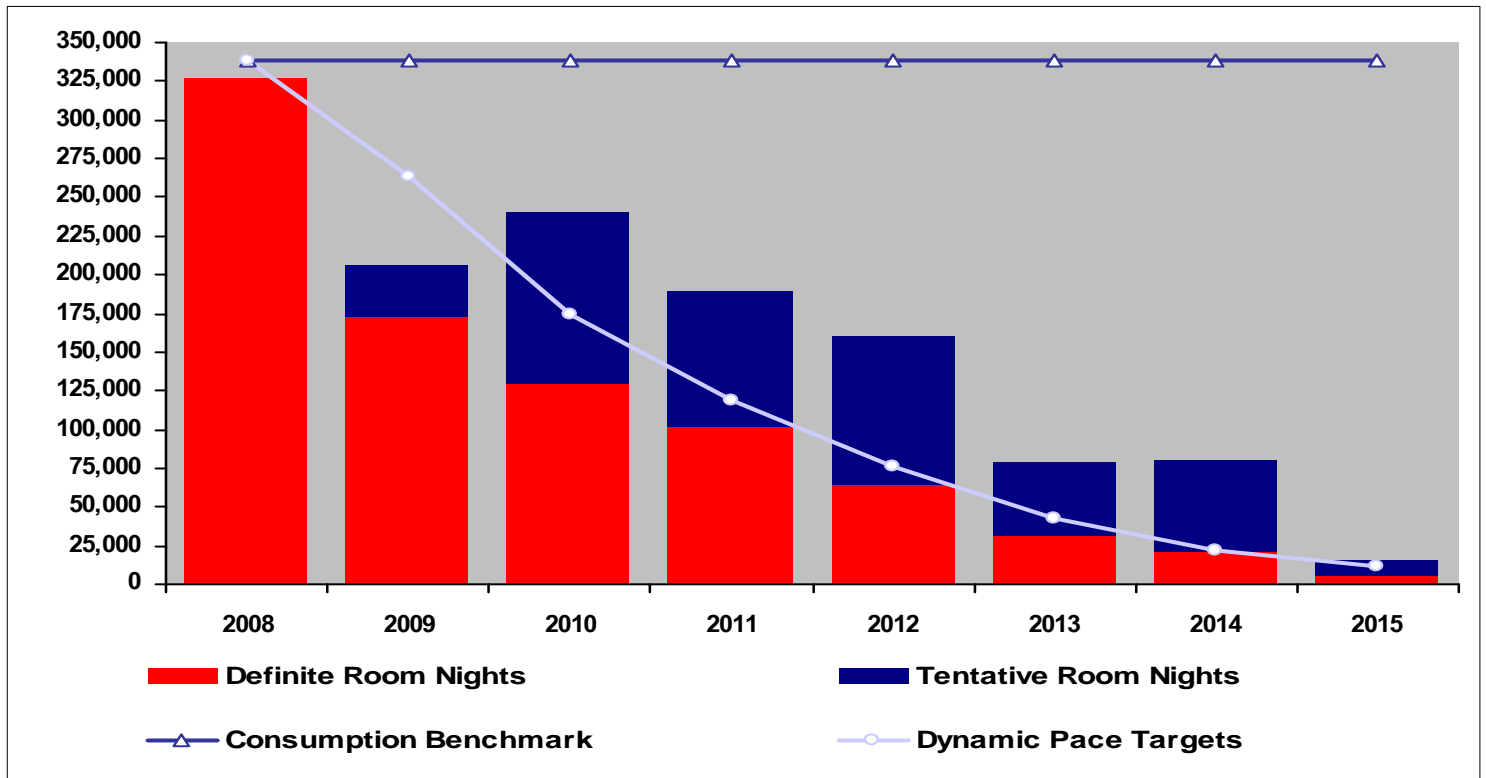
Group Name	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending (\$)
Southern Highlands Group	Jan 2009	2	48	30	18,840
Men at the Cross	Jan 2009	2	44	8,000	2,144,000
TEAM Charlotte Swimming ®	Jan 2009	2	50	200	53,600
Charlotte Soccer Club ®	Feb 2009	2	1,600	2,000	536,000
Carolina Youth Rugby ®	Mar 2009	2	225	500	134,000
Educational Services Inc.	Mar 2009	2	48	30	18,840
TEAM Charlotte Swimming ®	Apr 2009	5	984	1,000	670,000
Management Success ®	Apr 2009	2	31	50	31,400
Coal Trading Association	Jun 2009	1	29	35	10,990
Doncaster	Jun 2009	2	483	300	188,400
<b>Total</b>			<b>3,524</b>	<b>12,145</b>	<b>3,806,070</b>
<b>GRAND TOTAL</b>			<b>3,524</b>	<b>12,145</b>	<b>3,806,070</b>

Sports & Leisure Spending DKS&A 2007 Charlotte Update (attendance x \$134 x # days)

Convention & Conference Spending DMAI ExPact Study (attendance x \$314 x # days)

® Repeat Business

## Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 1/1/09) Trends Analysis Projections, LLC

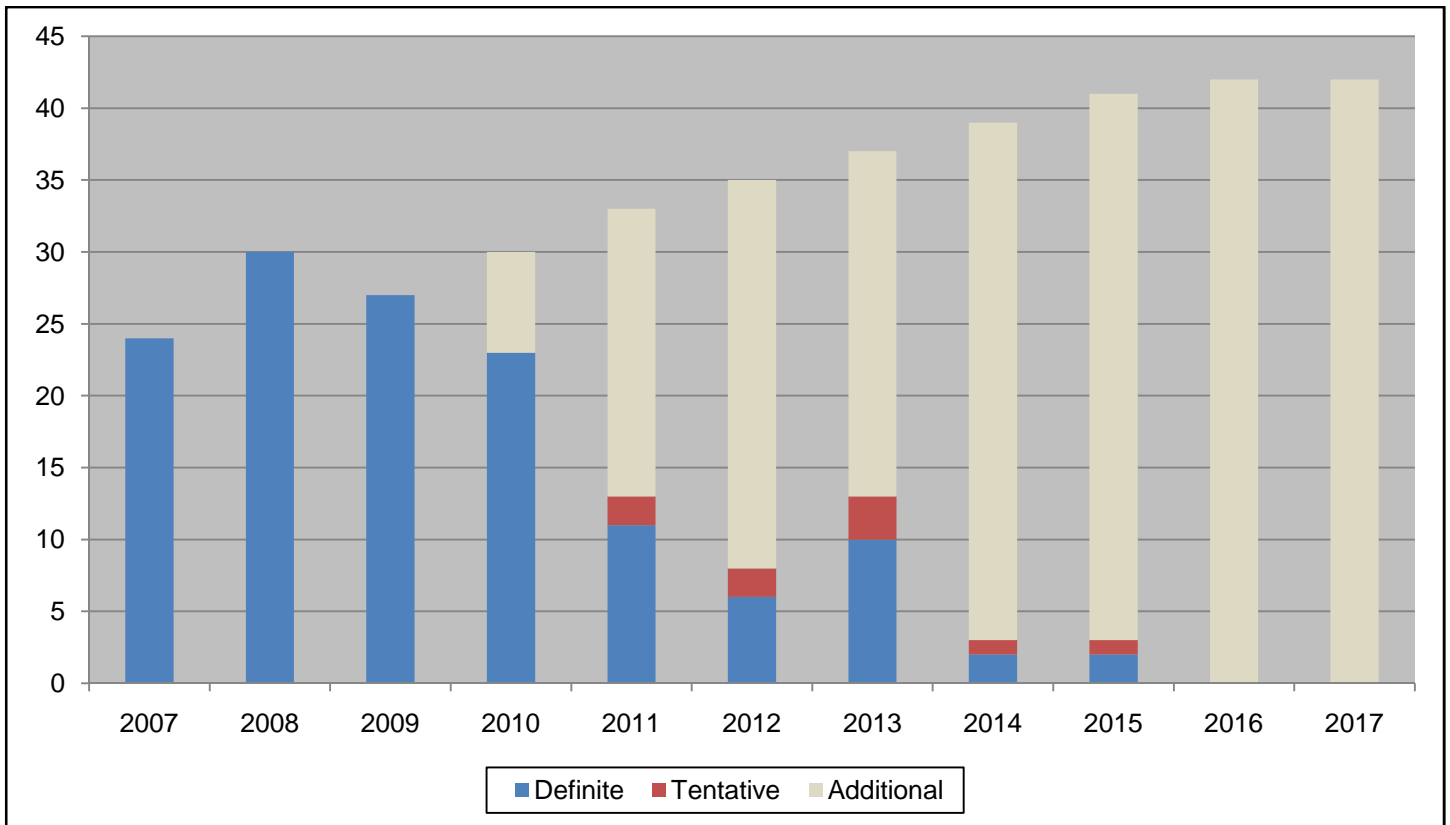


## Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 1/1/09) Trends Analysis Projections, LLC

	2008	2009	2010	2011	2012	2013	2014	2015	Total
Charlotte Definite Room Nights	327,057	173,012	129,744	102,004	64,846	30,969	20,090	5,330	853,052
Pace Target	338,212	263,209	174,196	119,464	76,414	42,408	21,772	11,294	1,046,969
Variance	(11,155)	(90,197)	(44,452)	(17,460)	(11,568)	(11,439)	(1,682)	(5,964)	(193,917)
Pace Percentage	97%	66%	74%	85%	85%	73%	92%	47%	81%
Tentative Room Nights	0	33,039	110,501	88,123	94,922	47,603	59,626	9,975	443,789
Consumption Benchmark	338,213	338,213	338,213	338,213	338,213	338,213	338,213	338,213	2,705,704
Peer Set Pace Percentage	101%	101%	89%	82%	72%	66%	75%	226%	93%

Peer Set Data includes Charlotte, Baltimore, Louisville, Pittsburgh and Tampa

Charlotte Convention Center  
 Tradeshow & Convention Booking Outlook  
 (As of 2/3/09)



Charlotte Convention Center  
 Tradeshow & Convention Booking Outlook  
 (As of 2/3/09)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Definite Bookings</b>	24	30	27	23	11	6	10	2	2	0	0
<b>Tentative Bookings</b>	0	0	0	0	2	2	3	1	1	0	0
<b>Subtotal</b>	24	30	27	23	13	8	13	3	3	0	0
<b>Definite Target</b>	20	21	26	30	33	35	37	39	41	42	42

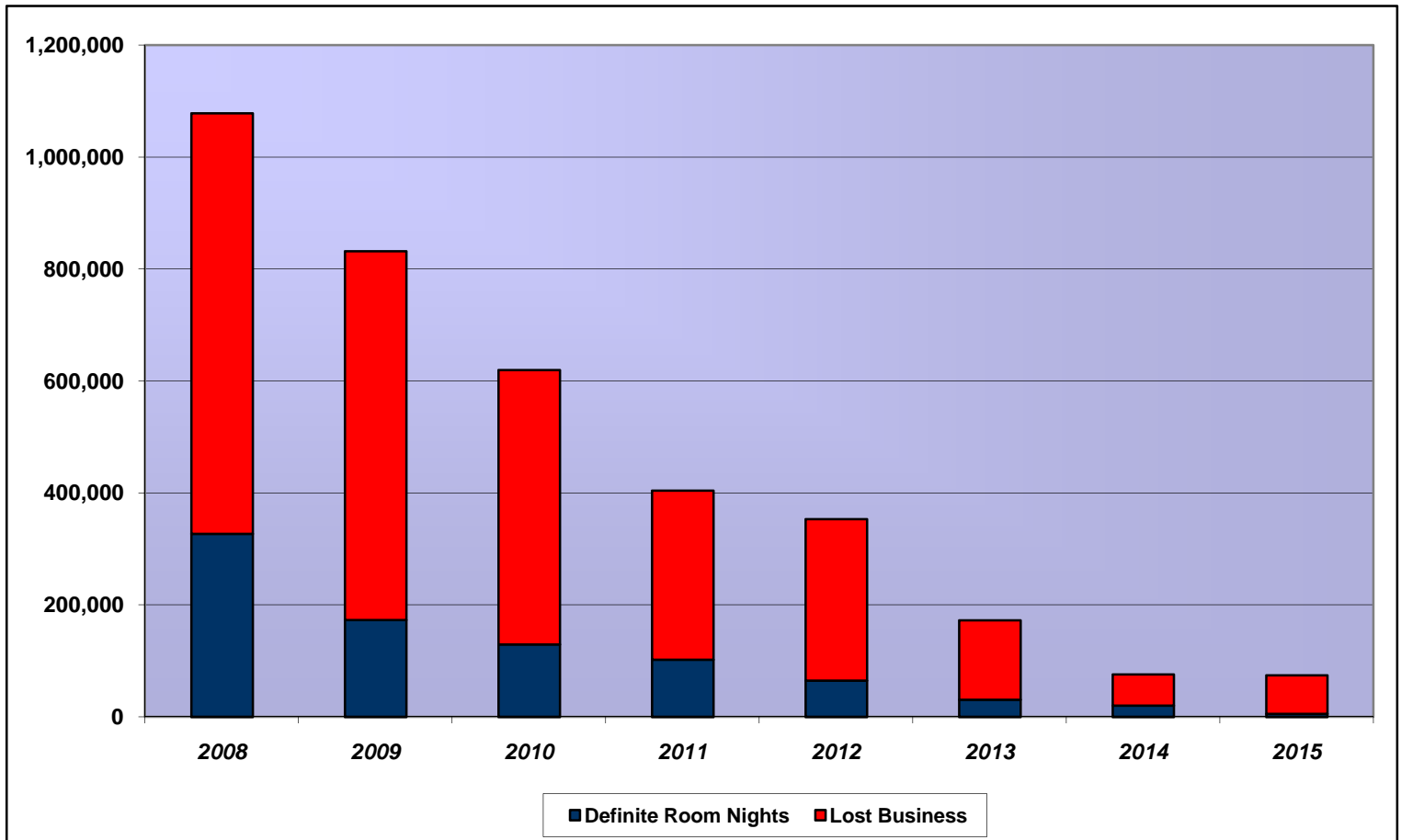
# VISIT CHARLOTTE HOSPITALITY INDUSTRY SALES ACTIVITIES

## January 2008

<b>Site Visits</b>			
<b>Group Name</b>	<b>Venue</b>	<b>Total Room Nights</b>	<b>Total Attendance</b>
<b>DEFINITES</b>			
Not Applicable			
<b>TENTATIVES</b>			
North Carolina Community Colleges (Apr 2009)	Hotel	60	116
North Carolina Counseling Association (Feb 2010, Nov 2011)	Hotel	160	400
Southeast Region Wound, Ostomy & Continence Nurses (Sep 2010)	Hotel	490	275
The National Organization of Mother of Twins Club (Jul 2012)	Hotel	777	350
Association of Equipment Manufacturers (Feb 2013, 2015)	CCC	3,391	6,000

<b>Trade Shows &amp; Events</b>	
<b>Event Name</b>	<b>Location</b>
American Bus Association Marketplace	Charlotte, NC
Atlanta Media Tour	Charlotte, NC
Carolinas Chapter of Hospitality Sales & Marketing Association International	Charlotte, NC
Carolinas Chapter of Meeting Professionals International	Columbia, SC
National Soccer Coaches Association of America	St. Louis, MO
Professional Convention Management Association Annual Meeting	New Orleans, LA
Religious Conference Management Association World Conference	Grand Rapids, MI
Southwest Showcase	Austin, TX
US Lacrosse	Baltimore, MD

## Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 1/1/09)Trends Analysis Projections, LLC



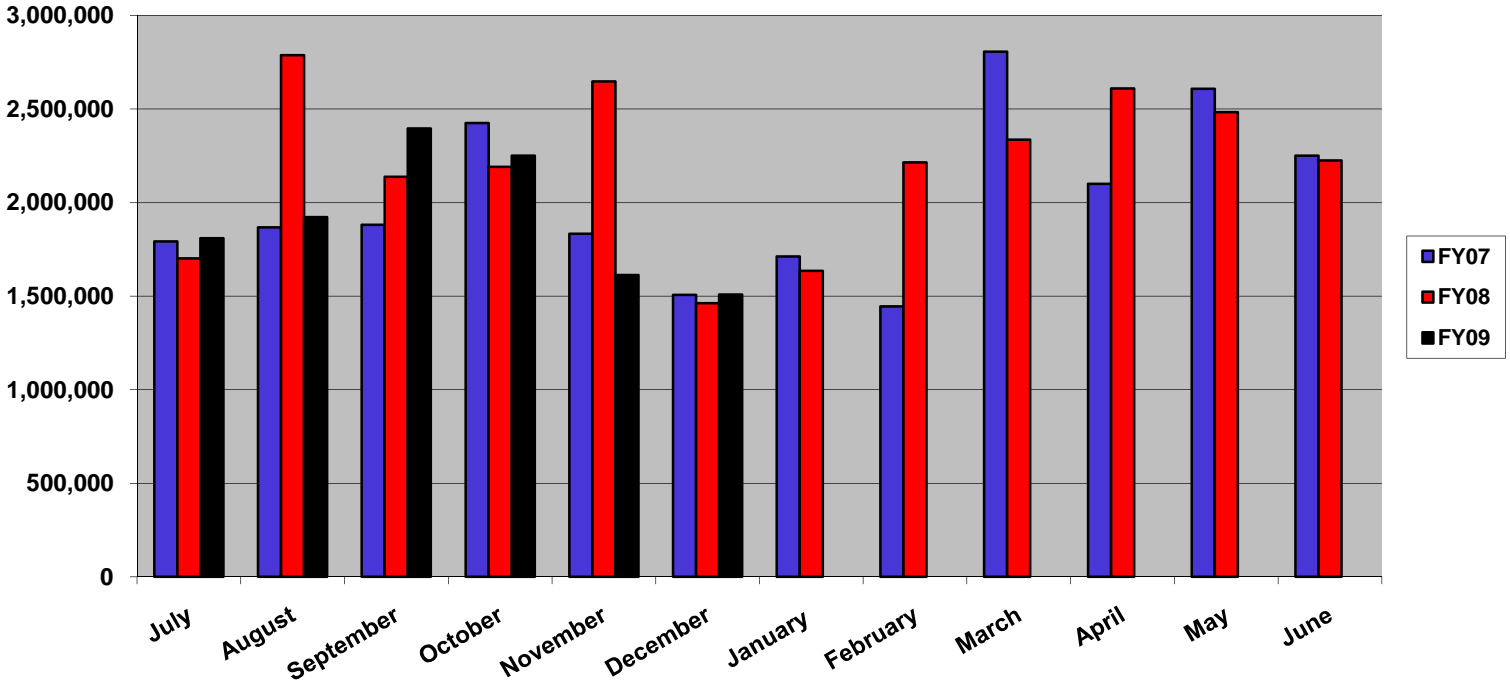
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Pace Target	338,212	263,209	174,196	119,464	76,414	42,408	21,772	11,294	1,046,969
Pace Percentage	97%	66%	74%	85%	85%	73%	92%	47%	81%
Total Demand Room Nights	1,078,461	832,037	619,918	404,158	353,285	172,510	75,967	74,226	3,610,562
Lost Room Nights	751,404	659,025	490,174	302,154	288,439	141,541	55,877	68,896	2,757,510
Conversion Percentage	30%	21%	21%	25%	18%	18%	26%	7%	24%
Peer Set Conversion Percentage	25%	25%	21%	19%	16%	15%	16%	27%	22%

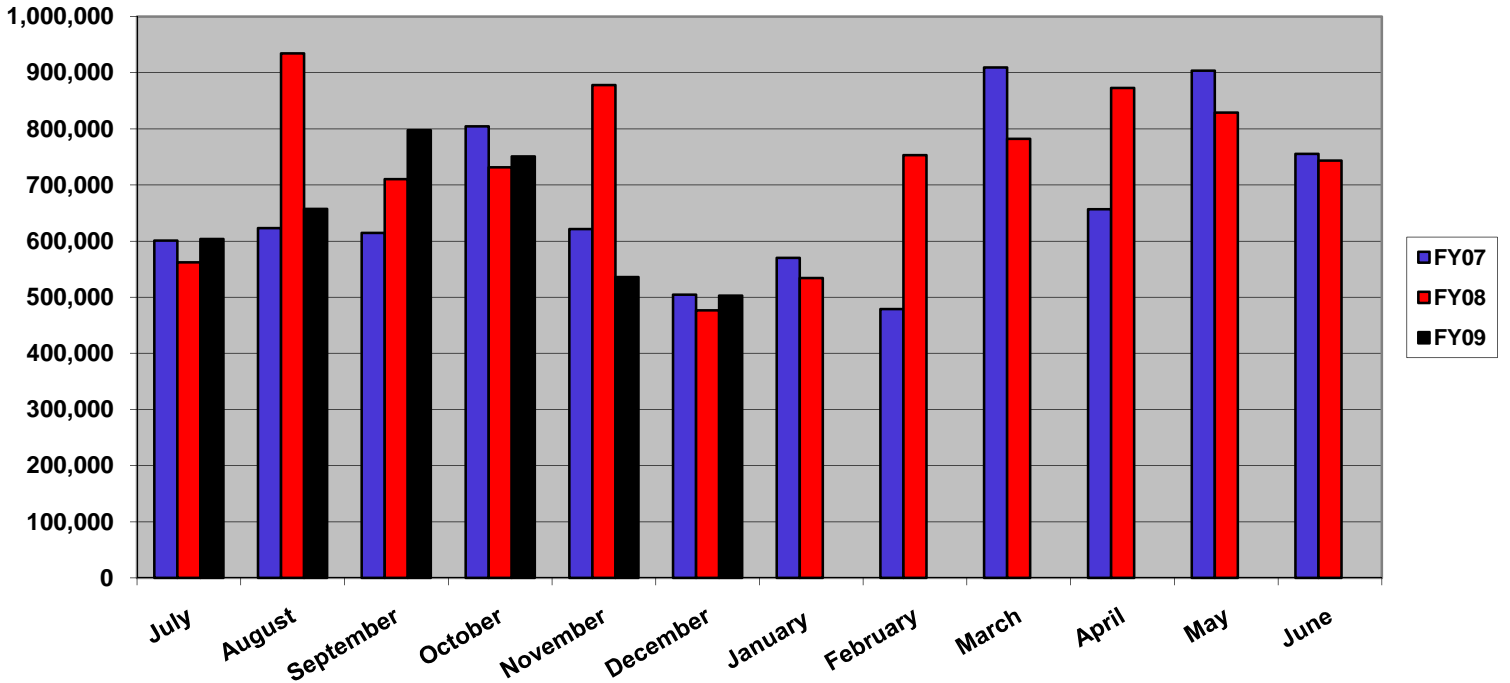
Peer Set Data includes Charlotte, Baltimore, Louisville, Pittsburgh and Tampa



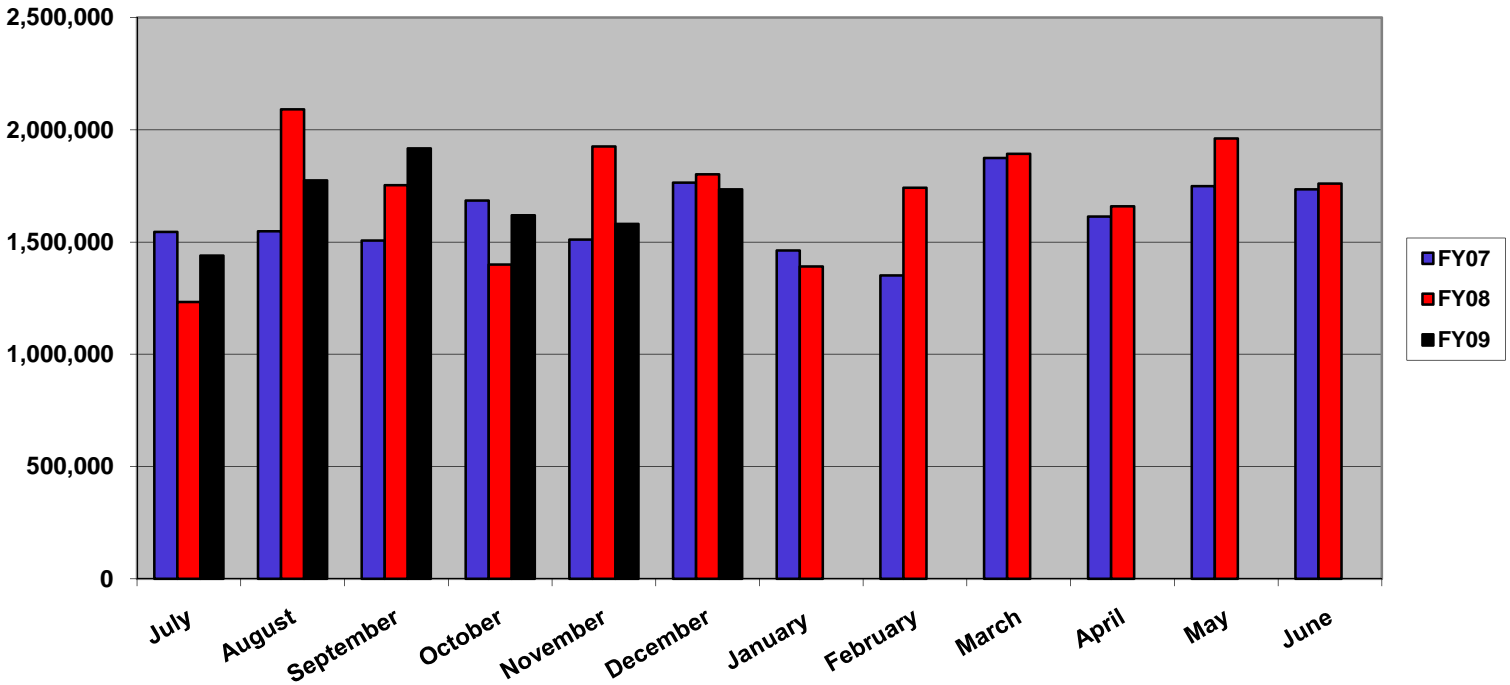
6% OCCUPANCY TAX COLLECTIONS



2% NASCAR HOF TAX COLLECTIONS



**1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS**



**THE ECONOMY**  
**December 2008**

	<b>2007</b>	<b>2008</b>	<b>% Change</b>
Consumer Confidence Index	90.6	38.6	-57.4%
Consumer Price Index (CPI)	210.018	210,228	0.1%
Unemployment Rate			
- National	4.9%	7.2%	46.9%
- State	4.7%	8.7%	85.1%
- Local	4.8%	8.9%	85.4%