The Charlotte
BAROMETER
Report

CRVA Charlotte Regional Visitors Authority

An Official Publication of the Charlotte Regional Visitors Authority

NOVEMBER 2010

National & International Business & Convention

2010 & 2011 LODGING OUTLOOK – SMITH TRAVEL RESEARCH

Smith Travel Research presented their national outlook for the remainder of 2010 and for 2011 at the US Travel Association Marketing Outlook Forum taking place in October at Caesar's Palace in Las Vegas, NV. The following table shows their forecasts for year over year percent change in the following lodging indicators.

Metric	2010 Year End (% Change)	2011 Year End (% Change)
Supply	2.2%	1.1%
Demand	6.6%	2.5%
Occupancy	4.4%	1.4%
Average Daily Rate	-0.1%	3.9%
Revenue per Available Room	4.3%	5.3%

Local Perspective

CHARLOTTE AREA LODGING – SEPTEMBER SMITH TRAVEL RESEARCH

Charlotte area average daily rate (ADR) rose 3.6% in September, making it the *3rd* consecutive month of improvement. That hasn't happened in the market since July – September 2008.

Charlotte area **occupancy** was 57.7% in September, up 12.7% from September 2009. September marked the 9th consecutive month of year over year occupancy improvements- not seen since 2007. Year to date, occupancy is 58.2% in Charlotte, up 12% from the same period last year. By comparison, year to date occupancy is 58.9% in the US (+5.2%) and 54.6% in NC (+6.5%).

Charlotte area **room demand** rose 15.4% in September compared to September 2009. Year to date, room demand has risen 15.7% in Charlotte compared to the same period last year. By comparison, year to date room demand is up 7.5% in the US and 9.2% in NC.

Charlotte area **average daily rate** (ADR) was $80.16 in September, up 3.6% from September 2009. September marked the 3rd consecutive month of year over year ADR improvements- not seen since 2008. Year to date, ADR is $78.56 in Charlotte, down 1.9% from the same period last year. By comparison, year to date ADR is $97.89 in the US (-0.7%) and $79.48 in NC (-1.4%).

Charlotte area **revenue per available room** (RevPAR) was $46.26 in September, up 16.8% from September 2009. September marked the 8th consecutive month of year over year RevPAR improvements- again not seen since 2007. Year to date, RevPAR is $45.75 in Charlotte, up 9.8% from the same period last year. By comparison, year to date RevPAR is $57.70 in the US (+4.5%) and $43.39 in NC (+5%).

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY11 THROUGH SEPTEMBER

Mecklenburg County **6% occupancy tax collections** total $5.5 million through the first three months of fiscal 2011, up 24% from the same period last fiscal year.

Mecklenburg County **2% NASCAR occupancy tax collections** total $1.8 million through the first three months of fiscal 2011, up 24% from the same period last fiscal year.

Mecklenburg County **1% prepared food & beverage tax collections** total $4.7 million through the first three months of fiscal 2011, up 5% from the same period last fiscal year.

National Leisure & Tourism

2010 AND 2011 TRAVEL OUTLOOK – US TRAVEL ASSOCIATION

At last month's Marketing Outlook Forum, the **US Travel Association** presented their national travel forecasts for 2010 and 2011. The table below shows the percentage change forecast compared to the previous year.

Metric	2010 Year End (% Change)	2011 Year End (% Change)
Domestic Leisure	2.8%	1.6%
Domestic Business	4.2%	2.6%
International Inbound	8.0%	3.7%
Domestic Spending	7.2%	4.5%
International Spending	7.9%	10.0%

Economy

ECONOMY'S EFFECT ON TRAVEL

Oxford Economics spoke to the effects they believe the overall economy will have on travel in the coming year. For air travel, it is a mixed bag with business outperforming leisure and regional travel outperforming national travel. Airlines will continue with pricing increases rather than adding back the capacity that has been cut over the past several years. For lodging, room demand is already back. More rooms have been sold nationally over the past four months than any other such period in history. When analyzing unemployment, it is important to note that from 2007-2010 the unemployment level for workers with high school degrees or less is 15%, whereas the unemployment level for workers with some college and more is 5%. The types of households we target for travel have held up much better in this downturn than the "average". There is a big upside for international travel in the coming decade. In 2006, the % of international spending of all US visitor spending was 15%. By 2020, that percentage is expected to grow to 24%. Lastly, we are in a growth industry. In 1950, 1.5% of all US household consumption was on travel. In 2010, that percentage will have grown to 3%. Though travel might moderate, it does not stop and great potential still exists in increased household spend on travel from international markets.

Media

OCTOBER 2010 VOCUS

During the month of October, **Vocus** identified 2,885 news items on key words tracked by CRVA. By category, 78% focused on the NASCAR Hall of Fame, followed by Charlotte Convention Center (4%), Charlotte Attractions (3%), CRVA (3%) and Charlotte Hotels (1%). By media, 41% of October's hits occurred via Online, Consumer sites, followed by Online News & Business sites (20%), Television Programs (13%), Newspapers (12%) and Cable/Satellite – Network/Station (5%). A total of 88% of October's news items appeared outside the Charlotte DMA.

Sources for this Publication

- **Mecklenburg County Tax Office**
- **Oxford Economics**
- **Smith Travel Research**
- **The Conference Board**
- **The TAP Report**
- **US Bureau of Economic Analysis**
- **US Department of Labor**
- **US Travel Association**
- **Visit Charlotte/CRVA**
- **Vocus**

Michael Applegate, CDME
Director of Research, CRVA
michael.applegate@crva.com

Inside This Report

HOSPITALITY INDUSTRY STATISTICAL REPORT
October 2010

Charlotte Market Lodging Production					
	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
September 2010 Occupancy %	57.7	54.8	60.2	59.9	64.3
% Change	12.7	8.1	7.1	6.7	7.6
.6September 2010 ADR $	80.16	80.56	88.27	99.31	123.68
% Change	3.6	0.6	-0.5	2.0	3.7
September 2010 RevPAR $	46.26	44.16	53.80	59.49	79.55
% Change	16.8	8.8	6.5	8.8	11.6
2010 YTD Occupancy %	58.2	54.6	58.8	58.9	64.8
% Change	12.0	6.5	6.1	5.2	6.7
2010 YTD ADR $	78.56	79.48	87.84	97.89	116.93
% Change	-1.9	-1.4	-2.6	-0.7	-0.4
2010 YTD RevPAR $	45.75	43.39	52.01	57.70	75.79
% Change	9.8	5.0	3.4	4.5	6.3

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 September	% Chg from Sept. 09	2010 YTD	YTD % Chg from 09
Passenger Enplanements	1,618,866	21%	14,126,563	9%
Passenger Deplanements	1,618,484	21%	14,174,845	9%

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

Visit Charlotte Definite Room Night Production				
	Month of October	Change from October 2009	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	17,975	-34,287	75,791	-30,063 (-28%)
Visitor Economic Development ($)	14,939,218	-51,268,422	83,454,700	-23,082,482 (-22%)
Number of Definite Bookings	15	1	83	9 (12%)
Average Size of Definite Bookings	1,198	-2,535	913	-517 (-36%)
Total Attendance	44,557	-170,148	188,661	-90,988 (-33%)
Convention Center GSF Booked	400,000	200,000	6,340,000	-140,000(-2%)

Visit Charlotte Lead Room Night Production				
	Month of October	Change from October 2009	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	46,270	-35,957	369,209	-31,348 (-8%)
Number of Lead Bookings	56	-1	210	18 (9%)
Average Size of Lead Bookings	826	-617	1,758	-328 (-16%)

Visit Charlotte Housing Bureau Production			
	Month of October	FY 2011 YTD	YTD% Chg from FY10
Total Reservations Produced	954	3,587	113%
Total Room Nights Produced	2,526	10,914	109%

Visit Charlotte Leisure Tourism Production			
	Month of October	FY 2011 YTD	YTD % Chg from FY10
Ad Inquiries (+Travelocity clicks, etc.)	2,407	7,843	-93%
Visitor Center Walk-In Traffic	4,280	14,831	34%
Call Center Inquiries	489	2,167	-8%
Web Site Official Visitors Guide Requests (& views)	1,044	5,592	-53%
Emails/Letters/Faxes	13	85	-23%
Total Visitor Inquiries	**8,233**	**30,518**	**-79%**
Visit Charlotte Web Site Visitors (Google)	**87,488**	**353,442**	**-8%**
Motor Coach Group Bookings (Passengers)	1,082	2,121	49%

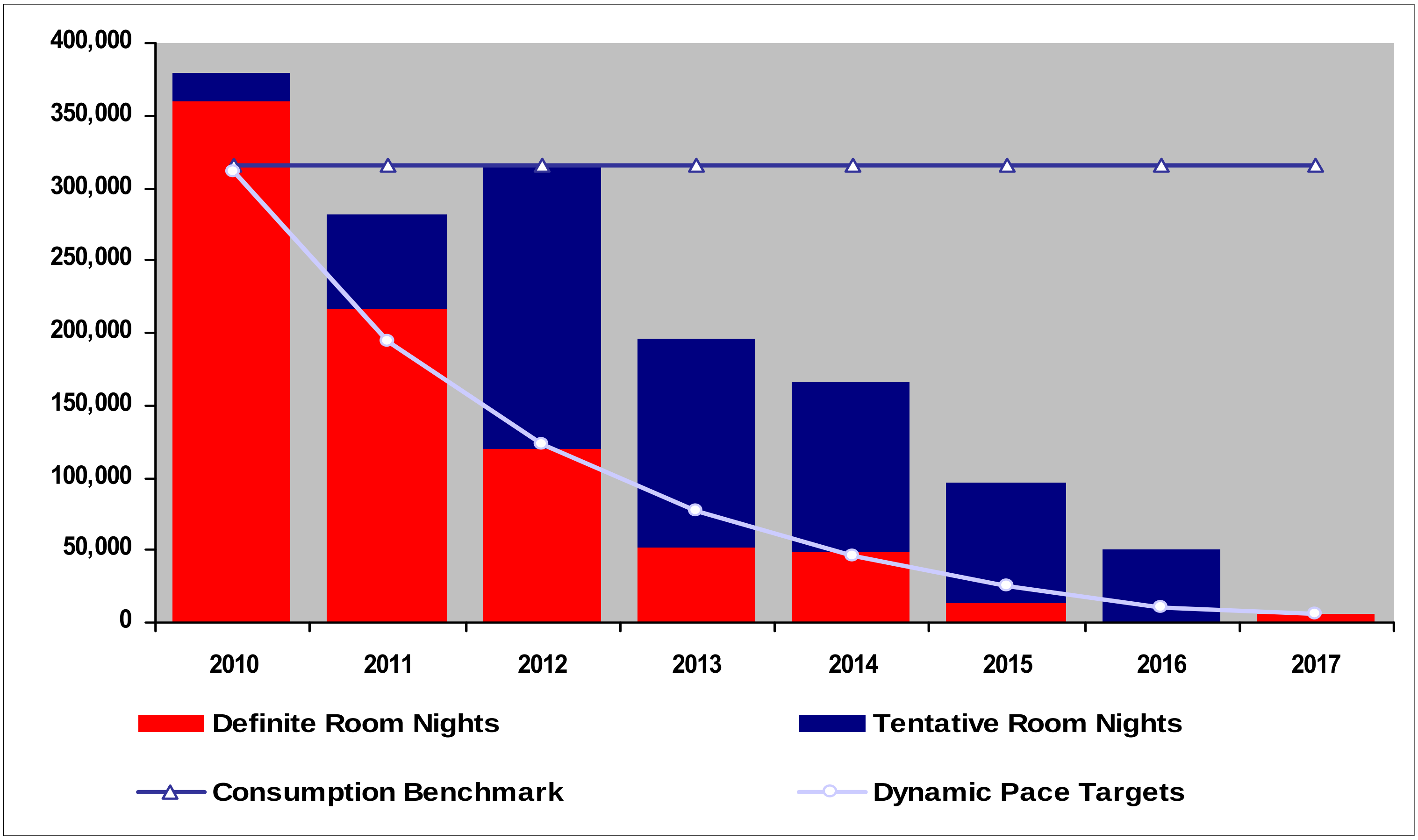
DEFINITE BOOKINGS
October 2010

Charlotte Convention Center							
Group Name	**Meeting Type**	**Event Date**	**Days**	**Exhibit Gross Sq Ft**	**Total Room Nights**	**Attend**	**Visitor Econ. Dev. ($)**
American College of Medical Genetics	Convention	Mar ‘12	4	400,000	3,725	2,000	2,512,000
Total				**400,000**	**3,725**	**2,000**	**2,512,000**

Conference Sales					
Group Name	**Event Date**	**Days**	**Total Room Nights**	**Attendance**	**Visitor Econ. Dev. ($)**
Staub Wedding	Oct ‘10	2	60	300	188,400
ActiveRain	Oct ‘10	2	-	500	314,000
Immune Deficiency Foundation	Nov ‘10	2	-	50	31,400
Elle K Associates	Nov ‘10	1	12	12	3,768
ASTM International	Dec ‘10	1	1	40	12,560
Meineke Car Care Bowl ®	Dec ‘10	2	11,730	40,000	10,720,000
CSX Transportation ®	Feb ‘11	2	580	300	188,400
Life Center Fellowship, Inc. ®	Feb ‘11	2	185	500	314,000
Southeastern Council of Foundations	Mar ‘11	1	45	75	23,550
Health Industry Distributors Association	May ‘11	2	90	60	37,680
Wright-Freeman Family Reunion	Jun ‘11	2	20	70	43,960
Promotional Products Association International	Jul ‘11	3	217	150	141,300
NC Association of County Commissioners ®	Aug ‘11	3	785	300	282,600
RCI, Inc.	Oct ‘11	2	525	200	125,600
Total			**14,250**	**42,557**	**12,427,218**
GRAND TOTAL			**17,975**	**44,557**	**14,939,218**

Sports & Leisure Spending DKS&A 2007 Charlotte Update (attendance x $134 x # days)
Convention & Conference Spending 2005 DMAI ExPact Study (attendance x $314 x # days)
® Repeat Business

Eight Year Dynamic Room Night Pace Report
(As of 10/1/10) Trends Analysis Projections, LLC

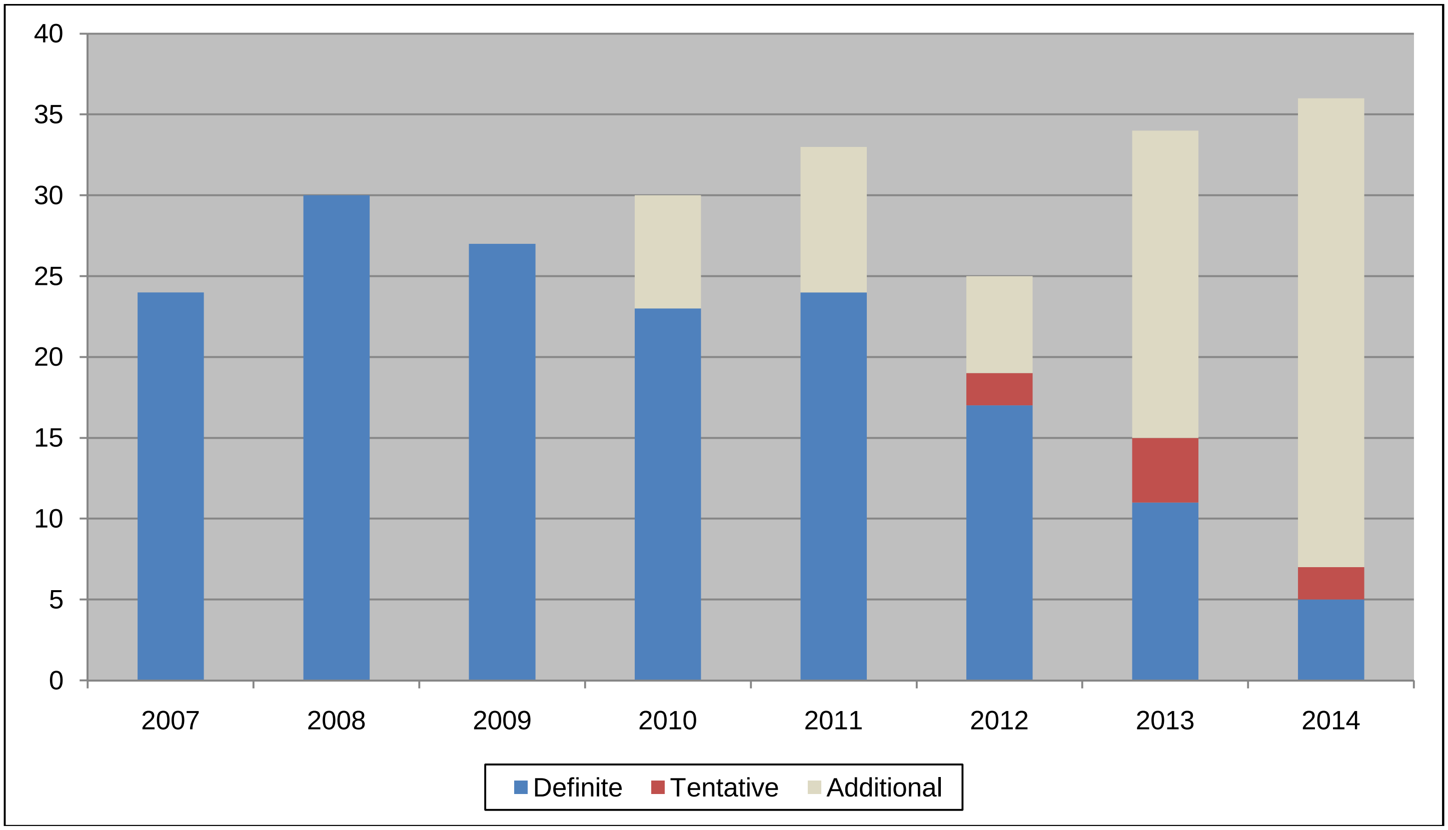


Eight Year Dynamic Room Night Pace Report
(As of 10/1/10) Trends Analysis Projections, LLC

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	360,002	215,754	120,359	51,565	48,833	13,483	0	5,937	815,933
Pace Target	310,594	194,313	123,607	76,569,	45,434	24,826	10,452	5,366	791,161
Pace Percentage	116%	111%	97%	67%	107%	54%	0%	111%	103%
Tentative Room Nights	19,159	65,289	195,886	144,722	117,079	82,404	49,809	0	674,348
Consumption Benchmark	315,378	315,378	315,378	315,378	315,378	315,378	315,378	315,378	2,758,809
Peer Set Pace Percentage	99%	93%	86%	83%	79%	135%	124%	126%	95%

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

Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 11/3/10)



Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 11/3/10)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Definite Bookings	24	30	27	23	24	17	11	5
Tentative Bookings	0	0	0	0	0	2	4	2
Subtotal	24	30	27	23	24	19	15	7
Definite Target	20	21	26	30	33	25*	34*	36*
Variance	4	9	1	-7	-9	-6	-29	-39

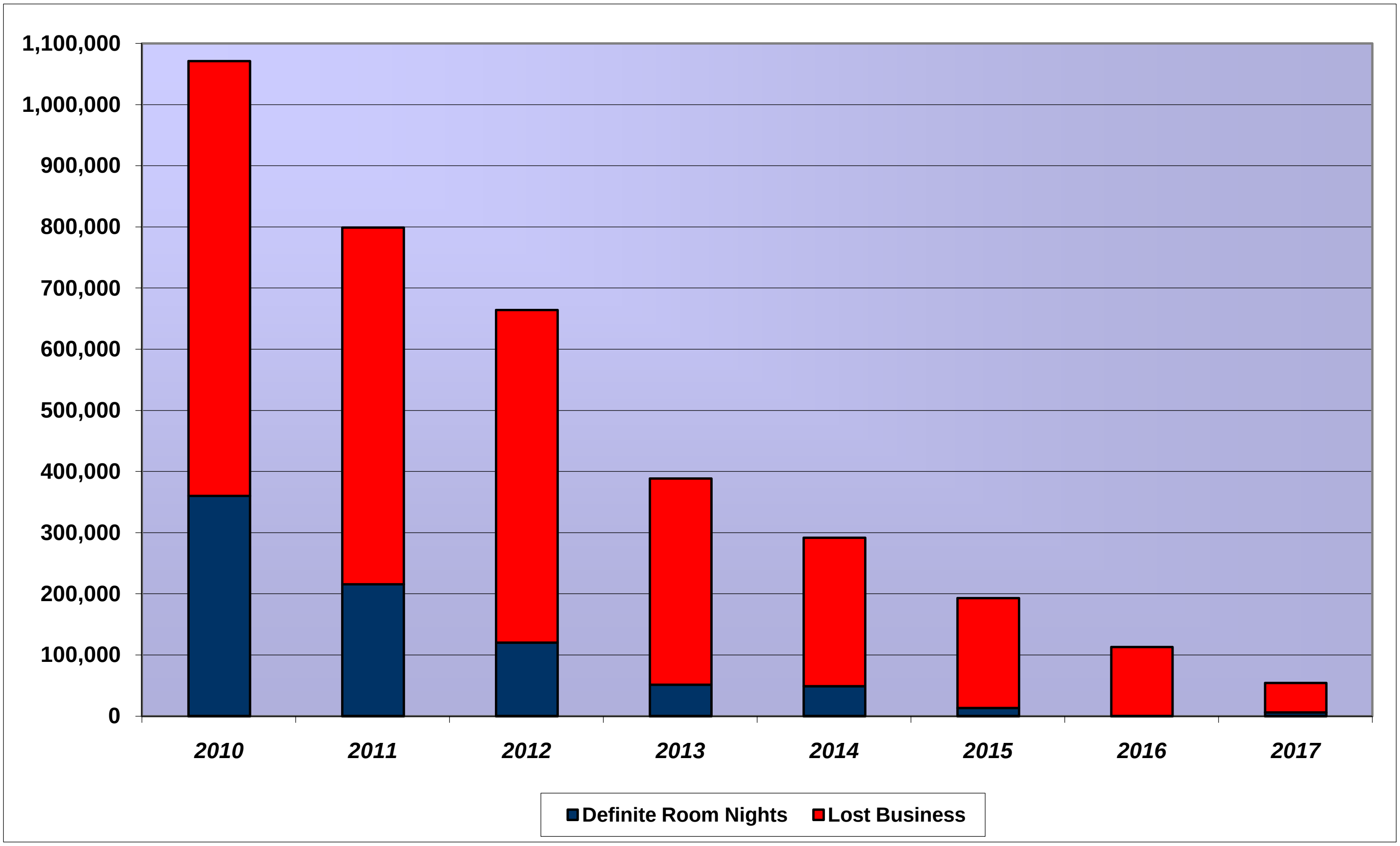
*new goal beginning FY11

HOSPITALITY INDUSTRY SALES ACTIVITIES
October 2010

Site Visits			
Group Name	**Venue**	**Total Room Nights**	**Total Attendance**
DEFINITES			
N/A	-	-	-
TENTATIVES			
North Carolina Black Leadership Caucus (Feb ’11)	Hotel	40	200
Haddon House Corporation (Oct ’11)	CCC	800	400

Trade Shows & Events (attended by staff)	
Event Name	**Location**
Amateur Athletic Association Convention	Puerto Rico
Association Forum Event	Chicago, IL
Carolina Vacation Familiarization Tour	Charlotte, NC
Destination Marketing Association International Partnership Shirtsleeves	Washington, DC
Leadership Charlotte	Charlotte, NC
Meeting Professionals International	Chicago, IL
Multicultural Affairs Congress	Philadelphia, PA
North Carolina Welcome Center Familiarization Tour	Charlotte, NC
Ontario Motor Coach Association	Niagara Falls, Ontario, Canada
Professional Convention Management Association Joint Board Meeting	Charlotte, NC
Professional Convention Management Association Masters Series	Washington, DC
Rejuvenate	Louisville, KY
Sales Calls	New York, NY
Sales Mission	Germany
TEAMS Conference	Charlotte, NC

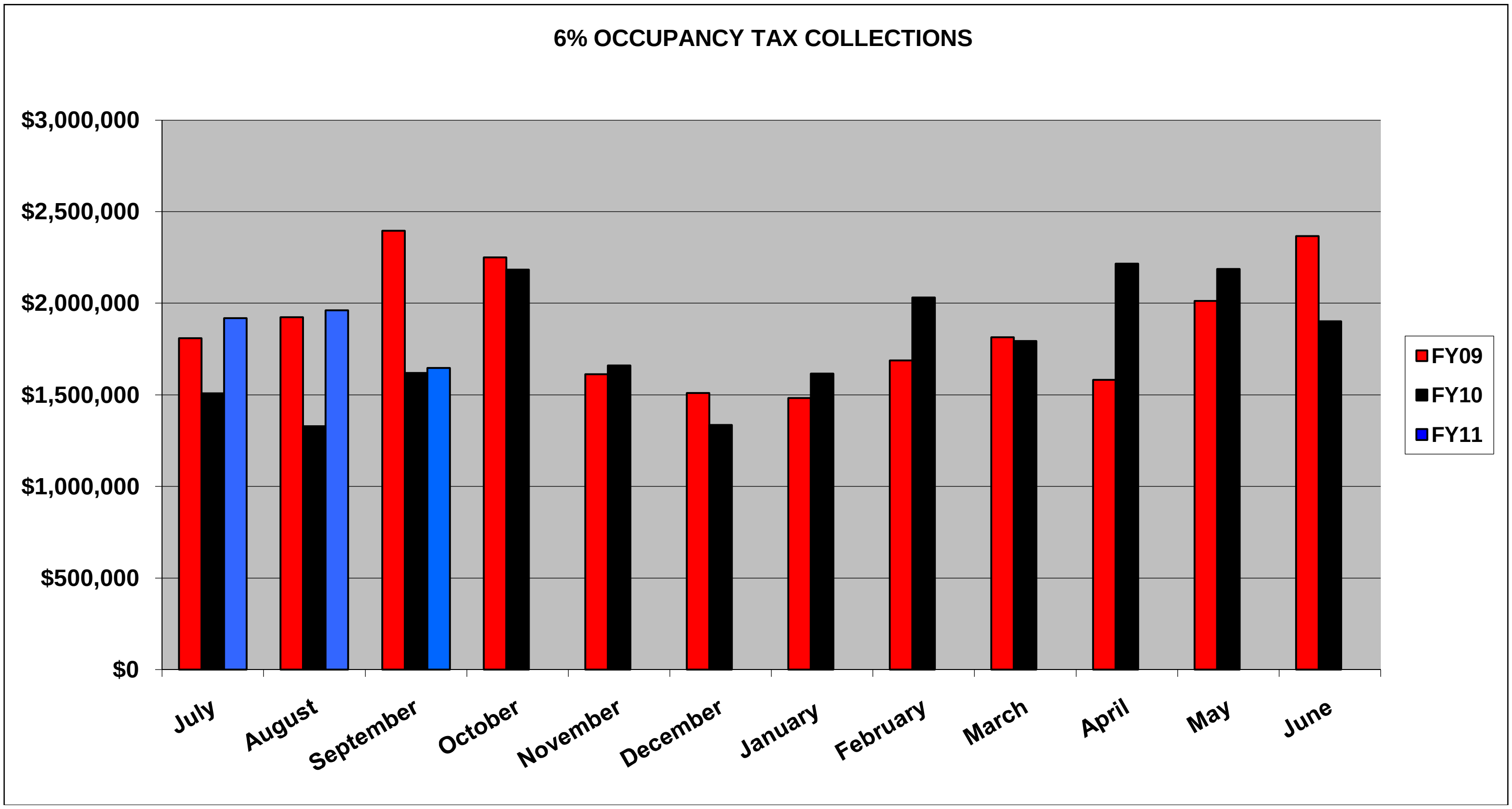
Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 10/1/10)Trends Analysis Projections, LLC

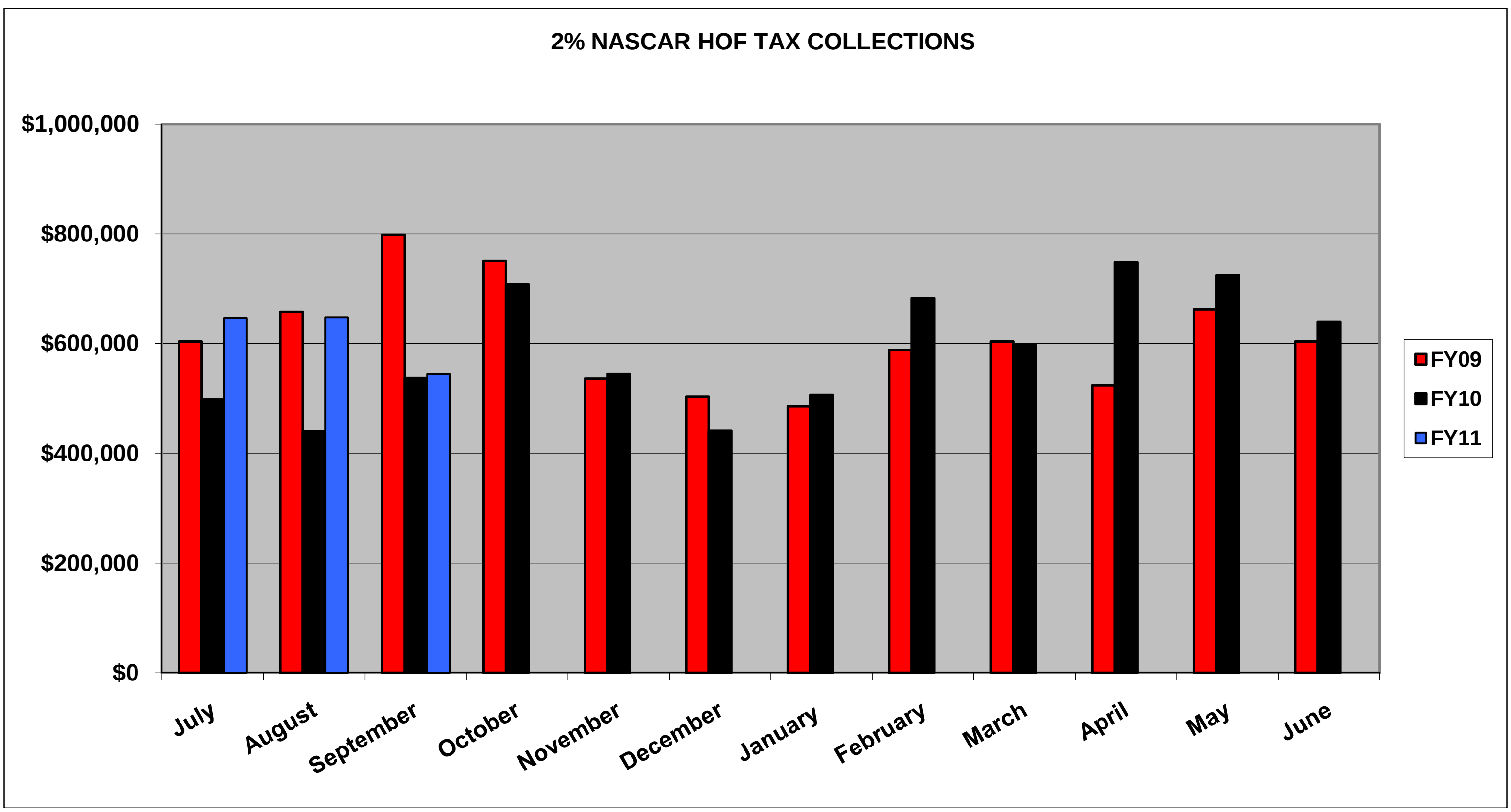


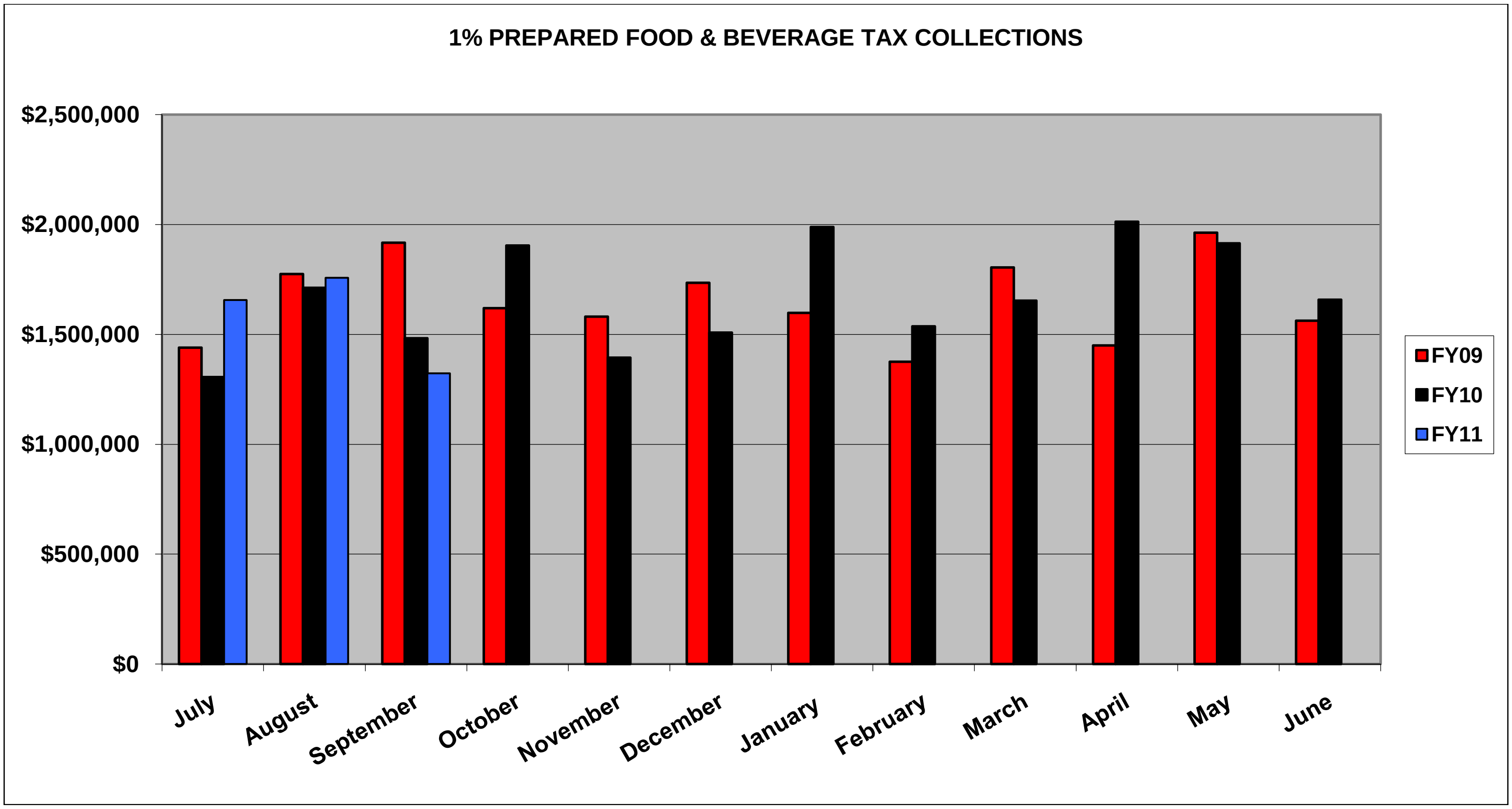
Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 10/1/10)Trends Analysis Projections, LLC

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	360,002	215,754	120,359	51,565	48,833	13,483	0	5,937	815,933
Pace Target	310,594	194,313	123,607	76,569	45,434	24,826	10,452	5,366	791,161
Pace Percentage	116%	111%	97%	67%	107%	54%	0%	111%	103%
Total Demand Room Nights	1,070,852	799,136	664,113	388,459	291,753	192,915	113,050	54,464	3,574,742
Lost Room Nights	710,850	583,382	542,754	336,894	242,920	179,432	113,050	48,527	2,758,809
Conversion Percentage	34%	27%	18%	13%	17%	7%	0%	11%	23%
Peer Set Conversion Percentage	27%	23%	19%	19%	18%	25%	27%	19%	23%

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


6% OCCUPANCY TAX COLLECTIONS
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
July
August
September
October
November
December
January
February
March
April
May
June
FY09
FY10
FY11


2% NASCAR HOF TAX COLLECTIONS
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
July
August
September
October
November
December
January
February
March
April
May
June
FY09
FY10
FY11



THE ECONOMY
September 2010

	2009	2010	% Change
Consumer Confidence Index	53.4	48.6	-8.9%
Consumer Price Index (CPI)	215.969	218.439	1.1%
Unemployment Rate			
- National	9.8%	9.6%	-2.0%
- State	10.9%	9.6%	-11.9%
- Local	11.9%	10.4%	-12.6%