The Charlotte BAROMETER Report

An Official Publication of the Charlotte Regional Visitors Authority

CRVA Charlotte Regional Visitors Authority

FEBRUARY 2011

National & International Business & Convention

FUTUREWATCH 2011

FutureWatch 2011, sponsored by the MPI foundation and IMEX, reflects optimism for the meetings industry in the coming year. Fifty-eight percent of respondents say that the number of meetings will increase this year. In all, planners expect 8% growth in the number of meetings being planned by organizations. Budgets will also be on the rise with 18% expecting a "significant" increase, while another 39% foresee a "slight increase". In all, planners a 5% increase in their average spend per meeting in 2011.

Local Perspective

CHARLOTTE AREA LODGING – DECEMBER SMITH TRAVEL RESEARCH

Charlotte area **occupancy** was 46.2% in December, a 7.6% rise from December 2009. That's the 12th consecutive monthly improvement in occupancy for the destination. For 2010, Charlotte area occupancy was 57.2%, up 11.1% over 2009. By comparison, occupancy rose 5.7% for the US in 2010 (57.6), 6.9% in NC (53.8) and 6.8% in the Top 25 markets (63.8).

With 459,474 rooms sold during the month, Charlotte area **room demand** rose 9.1% in December compared to December 2009. That's the 14th consecutive monthly improvement in demand for the destination. For 2010, 6.7 million rooms were sold in our market, an increase of 14.2% over 2009. By comparison, room demand rose 7.7% in the US, 9.3% in NC and 8.7% in the Top 25 markets.

Charlotte area **average daily rate** (ADR) was $77.14 in December, up 4.4% from December 2009. That's the 6th straight month of rate improvements in our market. For 2010, ADR was $80.66 for the Charlotte area, down 0.4% from 2009. By comparison, during 2010 rate dropped 0.1% in the US ($98.08), fell 0.6% in NC ($79.92) but rose slightly at 0.4% in the Top 25 markets ($118.42).

Charlotte area **revenue per available room** (RevPAR) was $35.67 in December, up 12.4% over December 2009. That's the 11th consecutive month of RevPAR increases in the destination. For 2010, RevPAR was $46.11 in the market, up 10.6% from 2009. By comparison, 2010 RevPAR grew 5.5% in the US ($56.47), 6.2% in NC ($43.02) and 7.2% in the top 25 markets ($75.54).

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY11 THROUGH DECEMBER

Mecklenburg County **6% regular occupancy tax collections** total $11.5 million through the first half of FY11, up 19% from the same time last fiscal year.

Mecklenburg County **2% NASCAR occupancy tax collections** total $3.8 million through the first half of FY11, also up 19% from the same time last fiscal year.

Mecklenburg County 1**% prepared food & beverage tax collections** total $10.1 million through the first half of FY11, up 9% from the same time last fiscal year.

National Leisure & Tourism

NATIONAL RESTAURANT ASSOCIATION RESAURANT PERFORMANCE INDEX

The National Restaurant Association's Restaurant Performance Index (RPI) stood at 101.0 in December, up 1.1% from its November level. December marked the third time in the last four months that the RPI stood above 100, which signifies expansion in the index of key industry indicators. The RPI's gain was driven by expanding same-store sales and customer traffic levels as well as growing optimism among restaurant operators. The RPI is constructed so that the health of the restaurant industry is measured in relation to a steady-state level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, and index values below 100 represent a period of contraction for key industry indicators. The RPI consists of two components, the Current Situation Index and the Expectations Index.

2011 RESTAURANT INDUSTRY FORECAST

The 2011 **Restaurant Industry Forecast** projects an industry sales increase of 3.6% over 2010 sales, which equals 1.1% in real (inflation-adjusted) terms. Quick service restaurants are projected to post sales of $167.7 billion this year, a gain of 3.3% over 2010. Sales at full-service restaurants are projected to reach $194.6 billion in 2011, an increase of 3.1% in current dollars over 2010. Among the 50 states, *North Carolina is expected to post the strongest sales growth in 2011 at 4.2% (industry sales are projected at $14.1 billion),* followed by Idaho ($1.8 billion) and Virginia ($12.8 billion) at 4.0%. Forecast to post growth at 3.9%: Colorado ($8.6 billion), Florida ($30.1 billion), Maryland ($9.4 billion) and Texas ($36.7 billion). In the states, the restaurant industries in Texas and Florida will show the strongest job growth over the next 10 years at roughly 17%, followed by Arizona and Alabama at roughly 16%.

Economy

BLUE CHIP ECONOMIC INDICATORS 2011 & 2012 FORECASTS

The table below contains the 2011 and 2012 forecasts, according to **Blue Chip Economic Indicators**,

	2011F	2012F
Real GDP	+3.1%	+3.2
CPI	+1.7%	+1.9%
Corporate Profits	+5.7%	+7.2%
Disposable Personal Income	+2.7%	+2.5%
Unemployment Rate	9.4%	+8.7%

Media

JANUARY 2011 VOCUS

During January, **Vocus** identified 2,021 news items on keywords tracked by CRVA. The top five categories for the month were: NASCAR Hall of Fame with 52% of the mentions followed by Democratic National Convention, (10%), Charlotte Hotels (8%), Charlotte Attractions (6%) and Charlotte Convention Center (5%). The top five media outlets for the month were online, consumer sites with 40% of the news clips followed by online news & business sites (25%), television programs (12%), newspapers (9%) and cable/satellite – network/station (4%). Nearly three quarters (74%) of January's hits occurred outside of the Charlotte area.

Sources for this Publication

- **Associated Press**
- **Blue Chip Economic Indicators**
- **Mecklenburg County Tax Office**
- **National Restaurant Association**
- **Restaurant Industry Forecast**
- **Smith Travel Research**
- **The Conference Board**
- **The TAP Report**
- **Travel Smart News**
- **US Department of Labor**
- **Visit Charlotte/CRVA**
- **Vocus**

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Inside This Report

HOSPITALITY INDUSTRY STATISTICAL REPORT
January 2011

Charlotte Market Lodging Production					
	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
December 2010 Occupancy %	48.2	41.8	44.4	46.0	53.9
% Change	7.6	5.3	5.1	5.4	5.6
December 2010 ADR $	77.14	74.20	80.22	96.22	118.82
% Change	4.4	1.6	-0.3	1.9	2.7
December 2010 RevPAR $	35.67	31.00	35.92	44.23	63.99
% Change	12.4	6.9	4.8	7.4	8.4
2010 YTD Occupancy %	57.2	53.8	56.9	57.6	63.8
% Change	11.1	6.9	6.2	5.7	6.8
2010 YTD ADR $	80.66	79.92	86.90	98.08	118.42
% Change	-0.4	-0.6	-2.1	-0.1	0.4
2010 YTD RevPAR $	46.11	43.02	49.80	56.47	75.54
% Change	10.6	6.2	3.9	5.5	7.2

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. 09	2010 YTD	YTD % Chg from 09
Passenger Enplanements	1,600,584	14	19,096,963	11
Passenger Deplanements	1,593,212	14	19,157	11

Source: Charlotte Douglas International Airport-Stats lag by one month244

Visit Charlotte Definite Room Night Production				
	Month of January	Change from January 2010	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	7,871	-40,854	241,105	27,560 (13%)
Visitor Economic Development ($)	4,538,796	-29,672,438	163,360,366	-8,708,708 (-5%)
Number of Definite Bookings	22	-33	146	-27 (-16%)
Average Size of Definite Bookings	358	-528	1,651	417 (34%)
Total Attendance	7,642	-108,345	332,055	-103,653 (-24%)
Convention Center GSF Booked	840,000	840,000	12,660,000	2,840,000 (29%)

Visit Charlotte Lead Room Night Production				
	Month of January	Change from January 2010	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	93,088	-33,740	547,566	-130,066 (-19%)
Number of Lead Bookings	88	-21	403	24 (6%)
Average Size of Lead Bookings	1,058	-106	1,359	-429 (-24%)

Visit Charlotte Housing Bureau Production			
	Month of January	FY 2011 YTD	YTD% Chg from FY10
Total Reservations Produced	754	5,602	113%
Total Room Nights Produced	3,655	19,880	579%

Visit Charlotte Leisure Tourism Production			
	Month of January	FY 2011 YTD	YTD % Chg from FY10
Ad Inquiries (+Travelocity clicks, etc.)	9,140	139,044	7.2%
Visitor Center Walk-In Traffic	1,969	23,560	41.3%
Call Center Inquiries	456	3,365	-4.8%
Web Site Official Visitors Guide Requests (+ views)	3,669	11,035	-34.8%
Emails/Letters/Faxes	22	150	-18.0%
Total Visitor Inquiries	**13,995**	**177,154**	**6.1%**
Visit Charlotte Web Site Visitors (Google)	**85,574**	**606,352**	**-1.6%**
Motor Coach Group Bookings (Passengers)	0	2,969	15.9%

DEFINITE BOOKINGS
January 2011

Charlotte Convention Center

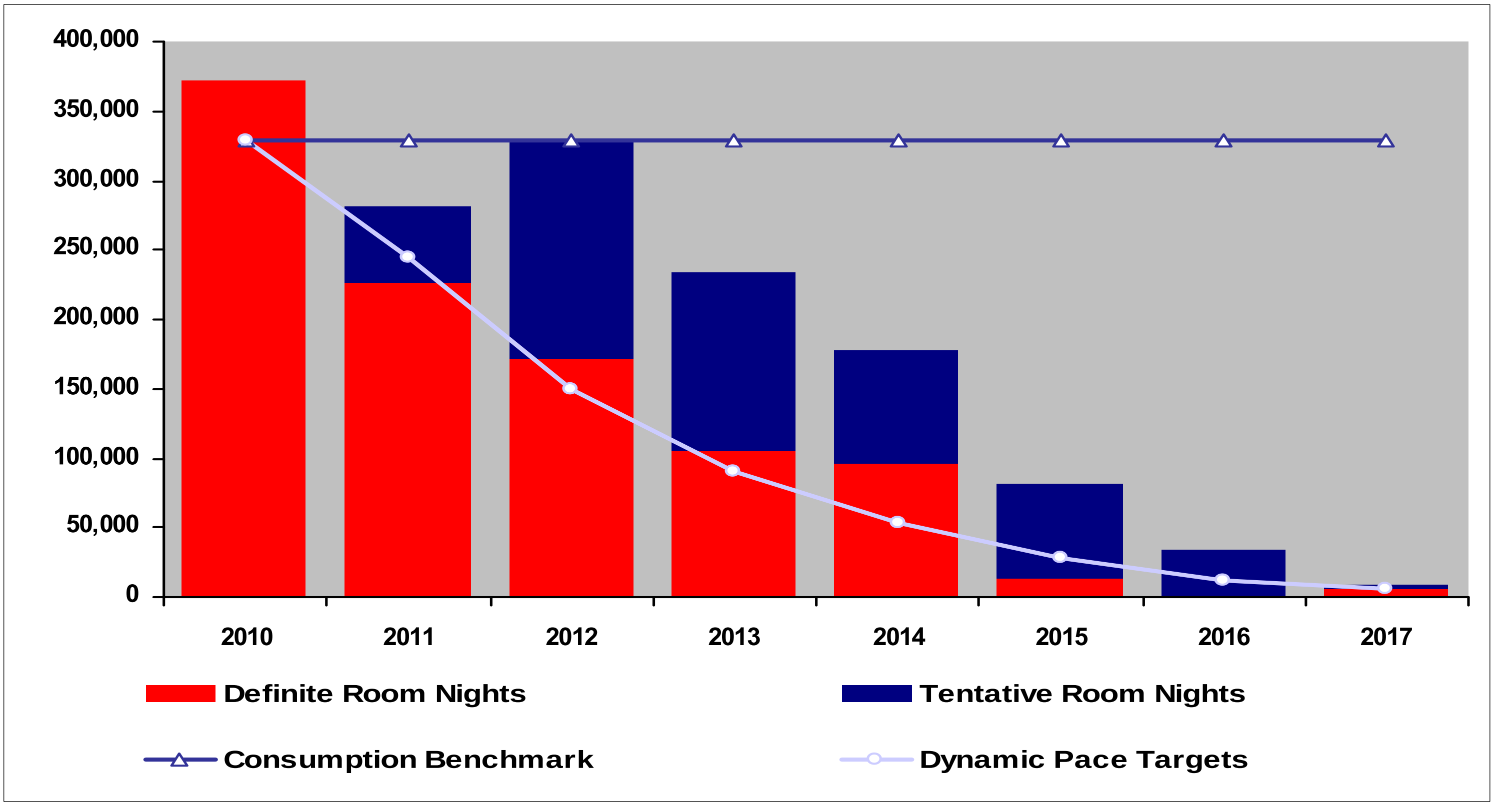
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. ($)
Inman News	Meeting	5/11	1	0	40	400	125,600
Assisted Living Federation of America	Convention	5/13	3	840,000	3,492	1,900	1,789,800
Total				**840,000**	**3,532**	**2,300**	**1,915,400**

Conference Sales

Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. ($)
OneSource Landscape & Golf	1/11	2	2	6	3,768
AREVA Company ®	1/11	1	124	300	94,200
Association for Supervision and Curriculum Development	1/11	3	250	200	188,400
Bluegrass Mountain Swimming Conference	2/11	3	1,086	2,000	804,000
Institute for Medical Education & Research	2/11	1	5	100	31,400
American Iron & Steel Institute ®	2/11	2	103	55	34,540
American College of Emergency Physicians ®	3/11	1	28	28	8,792
Travel Trade Shows ®	3/11	1	10	75	23,550
New South Swimming ®	3/11	3	825	1,000	402,000
Southern Shows, Inc.	4/11	2	69	50	31,400
IMAGINE Software	4/11	2	130	150	94,200
High Note Trips	4/11	2	50	75	47,100
Savannah River Nuclear Solutions	5/11	4	275	80	100,480
Prevention Research Institute, Inc.	6/11	2	22	40	25,120
United States Probation Office ®	6/11	3	700	253	238,326
Bennett – Ingram Family Reunion	6/11	2	20	70	43,960
North Carolina Urban Forest Council	9/11	2	80	160	100,480
Tip Technologies, Inc.	9/11	3	360	120	113,040
Blue Cross and Blue Shield of North Carolina Foundation	10/11	2	100	180	113,040
National Beta Club	11/11	2	100	200	125,600
Total			**4,339**	**5,342**	**2,623,396**
GRAND TOTAL			**7,871**	**7,642**	**4,538,796**

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 1/1/11) Trends Analysis Projections, LLC

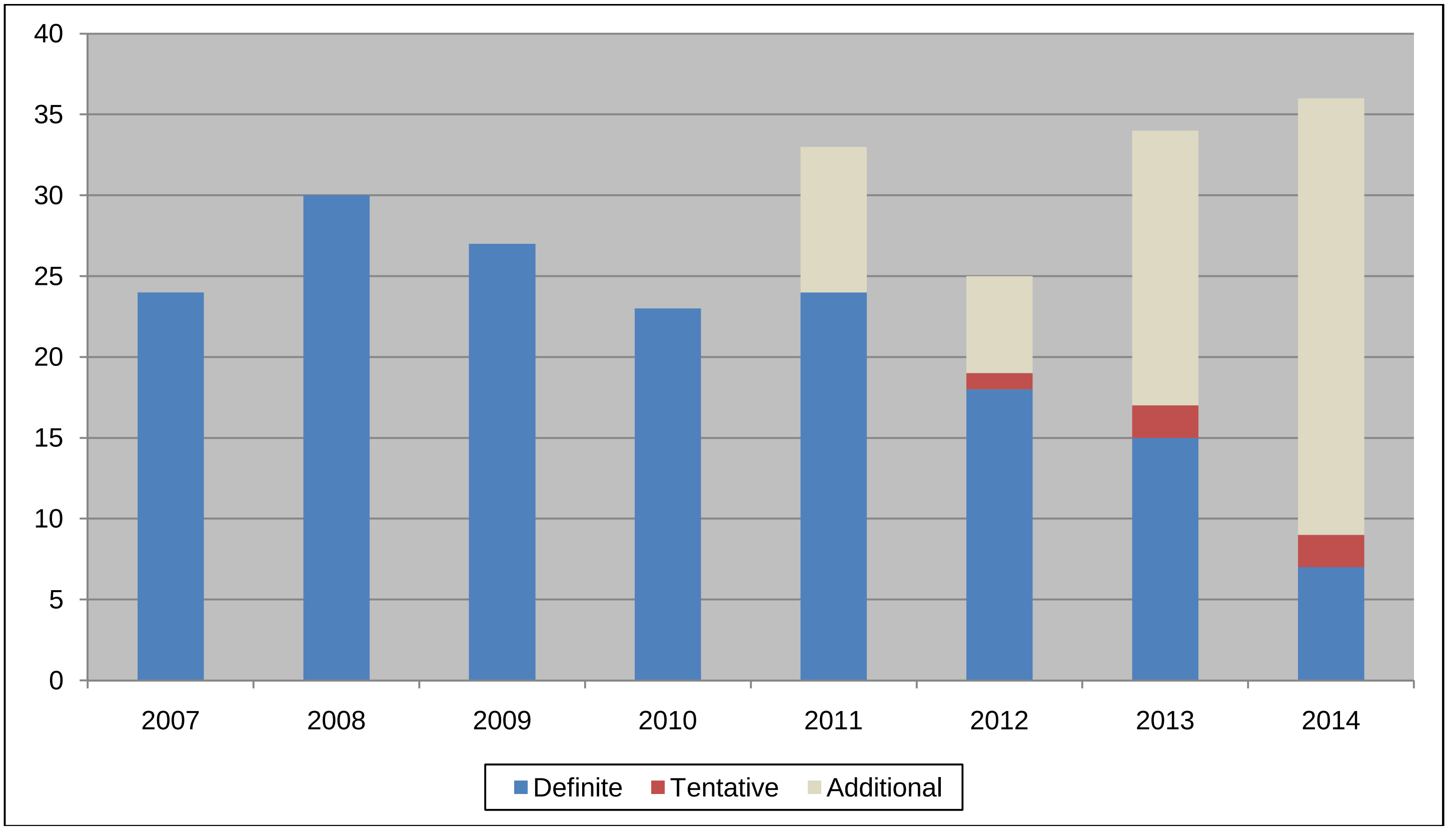


Eight Year Dynamic Room Night Pace Report
(As of 1/1/11) Trends Analysis Projections, LLC

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	372,184	226,191	171,812	105,873	95,691	13,483	0	5,937	991,171
Pace Target	328,185	244,003	150,149	90,451	53,356	28,599	12,015	6,015	912,773
Pace Percentage	113%	93%	114%	117%	179%	47%	0%	99%	109%
Tentative Room Nights	0	55,899	155,472	127,875	81,757	67,968	33,520	3,525	526,016
Consumption Benchmark	328,185	328,185	328,185	328,185	328,185	328,185	328,185	328,185	2,625,480
Peer Set Pace Percentage	100%	94%	91%	91%	94%	135%	120%	109%	98%

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

Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 2/2/11)



Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 2/2/11)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Definite Bookings	24	30	27	23	24	18	15	7
Tentative Bookings	0	0	0	0	0	1	2	2
Subtotal	24	30	27	23	24	19	17	9
Definite Target	20	21	26	30	33	25*	34*	36*
Variance	4	9	1	-7	-9	-6	-17	-27

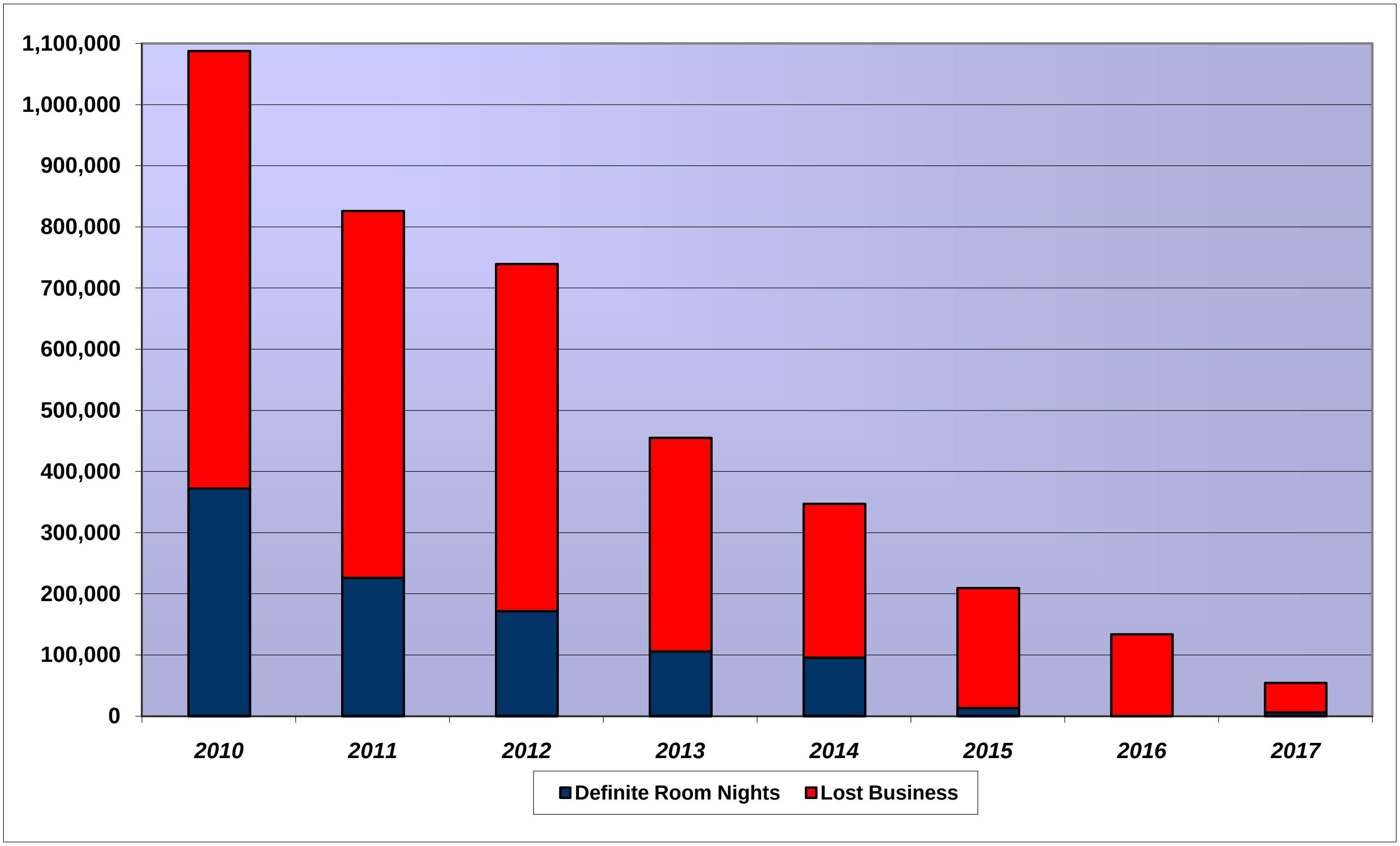
*new goal beginning FY11

HOSPITALITY INDUSTRY SALES ACTIVITIES
January 2011

Site Visits			
Group Name	**Venue**	**Total Room Nights**	**Total Attendance**
DEFINITES			
NAFA Fleet Management Association (April, 2011)	CCC	5,780	2,500
TENTATIVES			
HME News Publications (September, 2011)	Hotel	215	200
Coca Cola Collectors' Club (July, 2013)	Hotel	1,383	600

Trade Shows & Events (attended by staff)	
Event Name	**Location**
American Bus Association	Philadelphia, PA
American Football Coaches Association	Dallas, TX
Association for Convention Operations Management	Las Vegas, NV
Meeting Professionals International, Carolinas Chapter	Durham, NC
Potomac Chapter, Meeting Professionals International	Washington, DC
Professional Conference Management Association	Las Vegas, NV
Religious Convention Management Association	Tampa, FL
Tri State Conference	Myrtle Beach, SC
US Lacrosse	Baltimore, MD

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 1/1/11)Trends Analysis Projections, LLC



Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 1/1/11)Trends Analysis Projections, LLC

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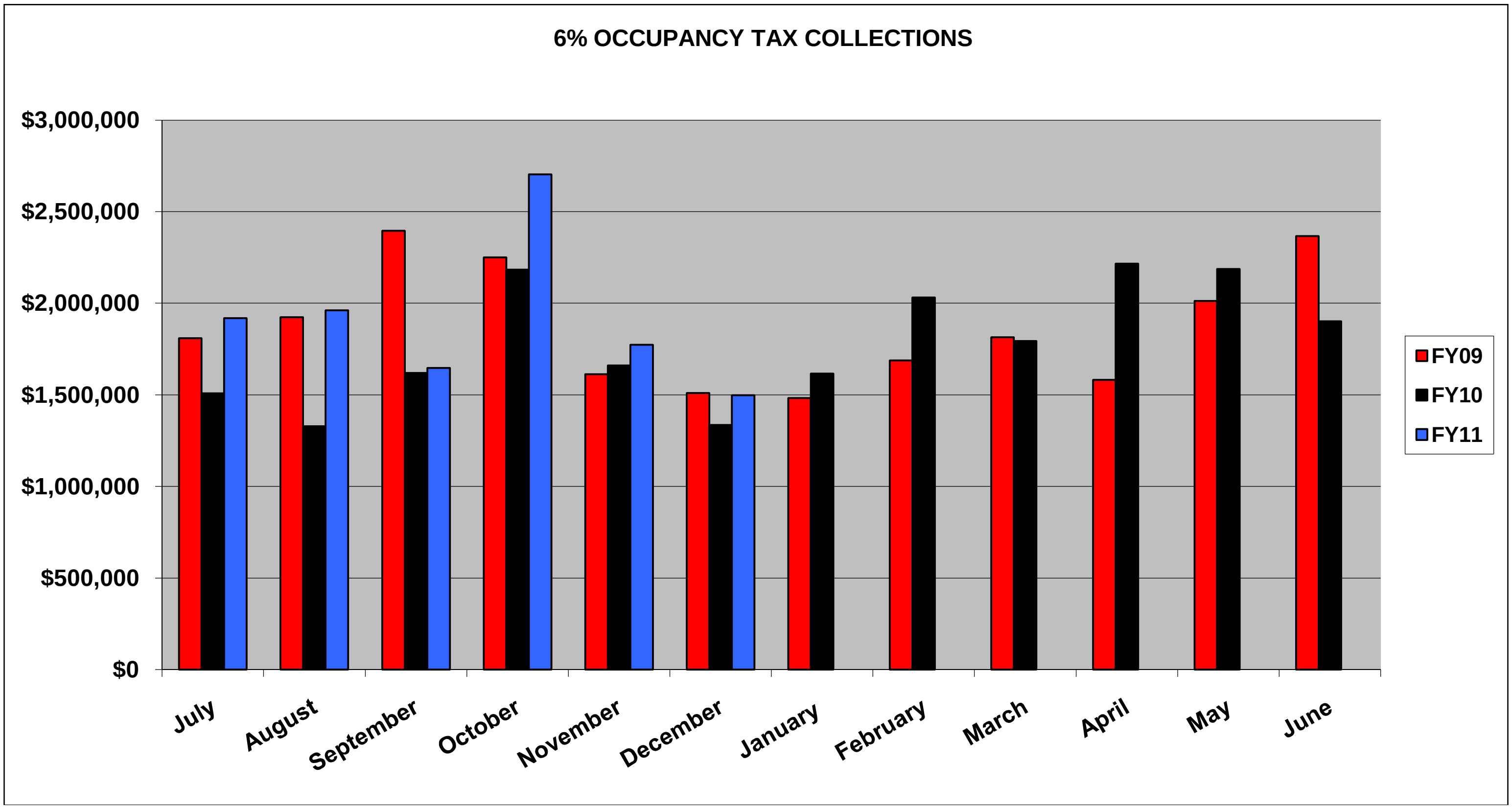
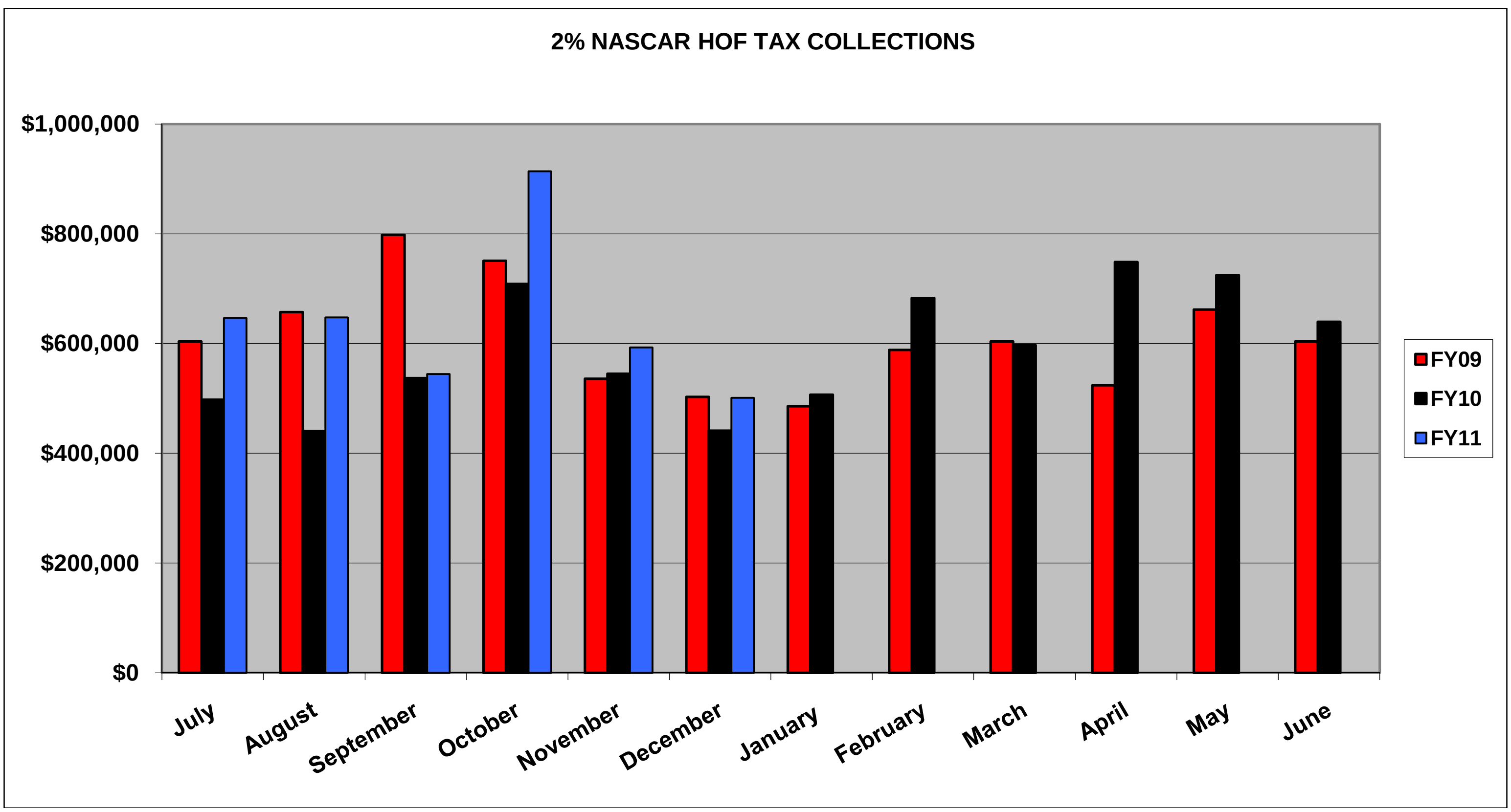
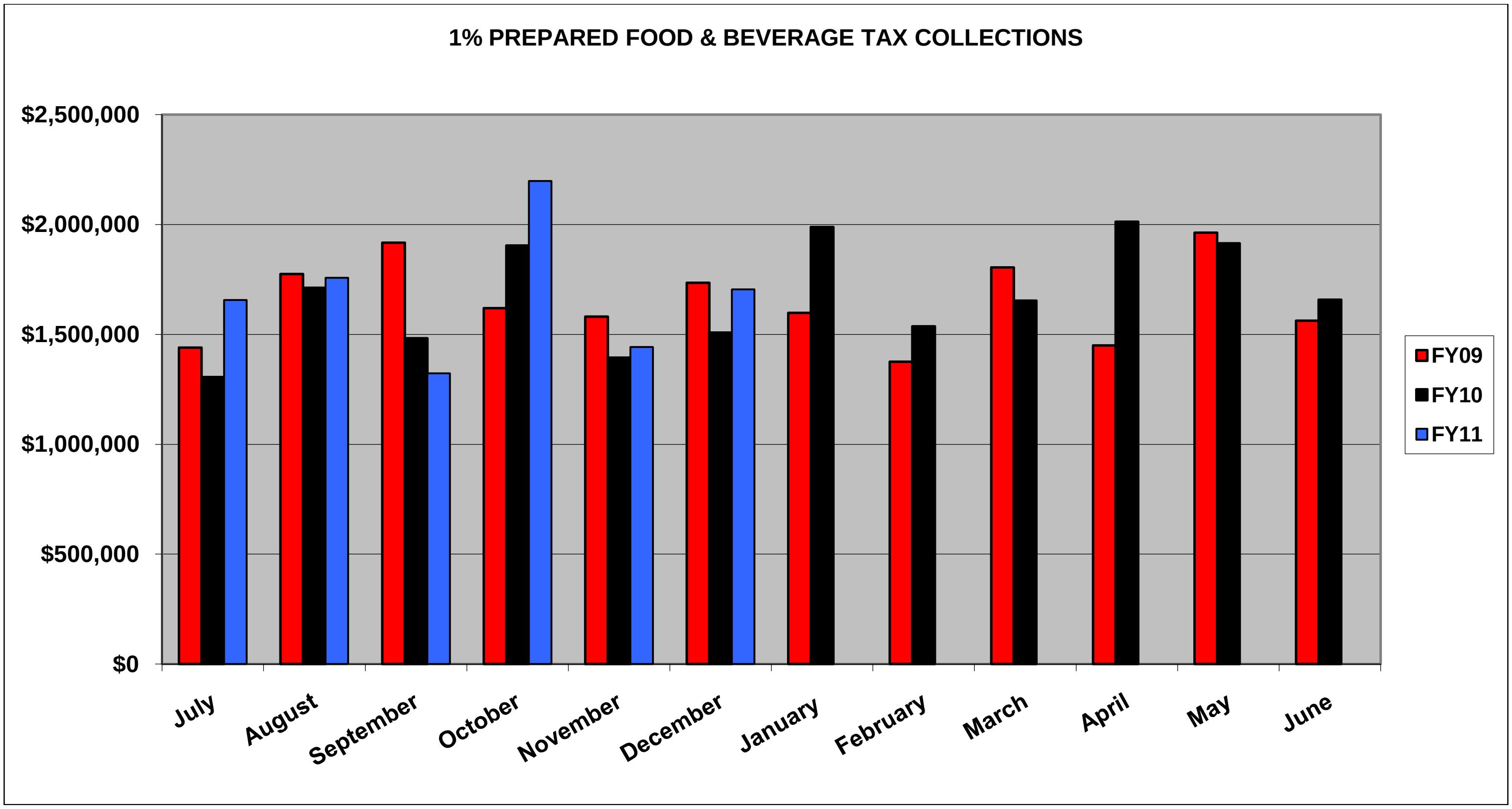
Pace Target	328,185	244,003	150,149	90,451	53,356	28,599	12,015	6,015	912,733
Pace Percentage	113%	93%	114%	117%	179%	47%	0%	99%	109%
Total Demand Room Nights	1,087,491	825,908	739,245	455,031	347,158	209,150	133,548	54,464	3,851,955
Lost Room Nights	715,307	599,717	567,433	349,158	251,467	195,667	133,548	48,527	2,860,824
Conversion Percentage	34%	27%	23%	23%	28%	6%	0%	11%	26%
Peer Set Conversion Percentage	28%	24%	20%	21%	21%	25%	25%	18%	24%

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
December 2010

	2009	2010	% Change
Consumer Confidence Index	52.9	53.3	0.7%
Consumer Price Index (CPI)	215.949	219.179	1.5%
Unemployment Rate			
- National	9.9%	9.4%	-5.1%
- State	10.9%	9.8%	-10.1%
- Local	12.2%	10.7%	-12.3%