



The Charlotte

BAROMETER

Report



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National & International Business & Convention

FORECASTERS EXPECT DEMAND TO PICK UP IN 2010

In advance of January's American Lodging Investment Summit, *Hotel News Now* carried quotes on the 2010 domestic lodging outlook from **PricewaterhouseCoopers**, **Smith Travel Research** and **PKF Hospitality Research**.

Scott Berman of PwC said "Demand will be stronger in first-quarter 2010. We're confident based on the economic forecasting that demand will see an uptick in room nights." That said corporate transient is expected to be slow going. Mark Lomanno of STR says rate recovery will be the last to turn. "It will not be nearly as bad as 2009, but the bad habits the Industry developed from a pricing standpoint will linger." PKF's Mark Woodworth submits the following: "It would be hard to imagine that anybody involved with the domestic lodging industry wouldn't be feeling more optimistic today than a few months ago."

NASHVILLE COUNCIL APPROVES MUSIC CITY CENTER

USAE relays that the Nashville Metro Council overwhelmingly voted on January 19th to build a new \$585 million downtown convention center. Construction on the Music City Center, scheduled to open in early 2013, will start in 60 to 90 days.

RESTAURANT GROUP PROJECTS FLAT 2010

The National Restaurant Association projects industry sales to get up to \$580 billion in 2010 says **USAE**. That is a 2.5% increase over 2009 sales numbers. When adjusted for inflation, 2010 is expected to essentially be a flat year.

Local Perspective

CHARLOTTE AREA LODGING – DECEMBER SMITH TRAVEL RESEARCH

Charlotte area **occupancy** was 43.4% for December, down 3.6% compared to December 2008. For the year, Charlotte area occupancy came in at 52.2%, down 13.2% compared to 2008. 2009's occupancy level is comparable to what we experienced in 2003 (52.1%) By comparison, 2009 occupancy fell 8.7% in the US and fell 9% in NC compared to 2008.

Charlotte area **average daily rate** (ADR) was \$70.88 for December, down 11.6% compared to December 2008. For the year, Charlotte area ADR finished at \$79.19, down 8.5% compared to 2008. 2009's ADR level is comparable to 2007 (\$82.84). 2006 finished at \$74.64. By comparison, 2009 ADR fell 8.8% in the US and fell 5.6% in NC compared to 2008.

Charlotte area **revenue per available room** (RevPAR) was \$30.77 for December, down 14.6% from December 2008. For the year, Charlotte area RevPAR finished at \$41.34, down 20.6% compared to 2008. 2009's RevPAR level is comparable to 2005 (\$40.43). By comparison, 2009 RevPAR fell 16.7% in the US and fell 14.1% in NC compared to 2008.

Charlotte area **room demand** increased 1.4% in December compared to December 2008. That's the second consecutive month of demand growth in the market, the first time that has occurred since September and October of 2007. For the year, Charlotte area room demand fell 9.4% compared to 2008. By comparison US room demand fell 5.8% and NC room demand fell 6.4% compared to 2008.

For the year, Charlotte area **room supply** grew at 4.4%, compared to a 3.2% rate of increase for the US and a 2.9% rate of growth for NC. That's the most Charlotte area room supply has grown since 2001 (8%). 2002 supply increased 2.4%. We now have approximately 11.4 million rooms available in the metro area on an annual basis.

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS

Mecklenburg County **6% regular occupancy tax collections** total \$9.6 million fiscal year to date, a 16% decline from the same period last fiscal year.

Mecklenburg County **2% NASCAR Hall of Fame occupancy tax collections** total \$3.2 million fiscal year to date, also a 16% drop from the same period last fiscal year.

Mecklenburg County **1% prepared food & beverage tax collections** total \$9.3 million fiscal year to date, an 8% decline from the same period last fiscal year.

National Leisure & Tourism

TRAVELERS' USE OF THE INTERNET

The **US Travel Association** has updated their *Travelers' Use of the Internet* study for 2009. The percentage of American adults using the Internet increased from 73% in September 2007 to 79% in April 2009, resulting in an estimated 182 million Internet users or an increase of 10 million in less than two years. The percentage of US adult Internet users

who took a trip of 50 miles or more, one-way from home or that included an overnight stay in the past year increased from 71% in 2007 to nearly 74% in 2009. That translates into a market of approximately 135 million online business and leisure travelers. The more widespread adoption of the Internet indicates that the gap in coverage is becoming increasingly narrow.

Economy

ECONOMISTS SEE SLOW RECOVERY TAKING HOLD

Associated Press ran the latest industry survey from the **National Association for Business Economics** (NABE) which shows that capital spending plans continue to brighten as credit markets loosen slightly. Of the 75 NABE members from private sector and industry trade associations interviewed for the survey, all said they are making business decisions

with an eye toward positive economic growth in 2010. Sixty-one percent of survey respondents believe real GDP will expand by more than 2% in 2010 — up from 45% of respondents in October.

FOURTH QUARTER 2009 GDP- ADVANCED ESTIMATE

The **U.S. Bureau of Economic Analysis (BEA)** said in their advanced estimate that real gross domestic product (GDP) -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 5.7% in the fourth quarter of 2009,

CRVA Media Coverage

JANUARY VOCUS

During January, **Vocus** tracked 859 news results on key words provided by the CRVA. By category, NASCAR Hall of Fame led the way with 23% of the mentions, followed by Charlotte Attractions (14%), Charlotte Sports (13%) Charlotte *in general* (12%) and Charlotte Tourism (5%). By media, 30% occurred via Online News & Business sites,

followed by Online Consumer sites (17%), Newspapers (14%), Wire Service (13%) and Television Programs (10%). A total of 72% of January's news items took place outside the Charlotte area.

Sources for this Publication

- Associated Press
- Hotel News Now
- Mecklenburg County Tax Office
- Smith Travel Research
- The Conference Board
- The TAP Report
- USAE
- US Bureau of Economic Analysis
- US Department of Labor
- US Travel Association
- Visit Charlotte/CRVA
- Vocus

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HOSPITALITY INDUSTRY STATISTICAL REPORT

January 2009

Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
December 2009 Occupancy %	43.4	40.5	43.2	44.2	51.4
% Change	-3.6	-1.4	0.6	-1.9	0.3
December 2009 ADR \$	70.88	71.93	80.80	93.73	114.87
% Change	-11.6	-6.1	-6.5	-6	-8.6
December 2009 RevPAR \$	30.77	29.13	35.28	41.46	59.09
% Change	-14.8	-7.4	-5.9	-7.8	-8.3
2009 YTD Occupancy %	52.2	51.2	54.7	55.1	60.2
% Change	-13.2	-9	-7.6	-8.7	-8.3
2009 YTD ADR \$	79.19	79.65	89.14	97.51	117.44
% Change	-8.5	-5.6	-7.3	-8.8	-11.7
2009 YTD RevPAR \$	41.34	40.80	49.15	53.71	70.65
% Change	-20.6	-14.1	-14.3	-16.7	-19

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 December 08	2009 YTD	YTD % Chg from 08
Passenger Enplanements	1,407,825	0%	17,357,993	-1%
Passenger Deplanements	1,396,235	-1%	17,381,027	-1%

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

Visit Charlotte Definite Room Night Production

	Month of January	Change from January 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	48,725	45,201	213,545	49,928 (31%)
Visitor Economic Development (\$)	34,211,234	30,405,164	172,069,074	65,688,264 (62%)
Number of Definite Bookings	55	45	173	31 (22%)
Average Size of Definite Bookings	886	534	1,234	82 (7%)
Total Attendance	115,987	103,842	435,708	277,878 (176%)
Convention Center GSF Booked	0	0	9,820,000	7,180,000 (-42%)

Visit Charlotte Lead Room Night Production

	Month of January	Change from January 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	126,828	40,875	677,632	187,166 (38%)
Number of Lead Bookings	109	34	379	9 (2%)
Average Size of Lead Bookings	1,164	18	1,788	462 (35%)

Visit Charlotte Housing Bureau Production

	Month of January	FY 2010 YTD	YTD% Chg from FY09
Total Reservations Produced	474	2,631	-68%
Total Room Nights Produced	1,472	2,929	-89%

Visit Charlotte Leisure Tourism Production

	Month of January	FY 2010 YTD	YTD % Chg from FY09
Ad Inquiries (+Travelocity clicks, etc.)	2,783	129,723	Up 17X
Visitor Center Walk-In Traffic	1,485	16,671	-22%
Call Center Inquiries	447	3,536	-13%
Web Site Official Visitors Guide Requests (& views)	1,731	16,932	85%
Emails/Letters/Faxes	33	183	-59%
Total Visitor Inquiries	6,479	167,045	292%
Visit Charlotte Web Site Visitors (Google)	84,780	613,453	19.9%
Motor Coach Group Bookings (Passengers)	50	2,562	Not applicable

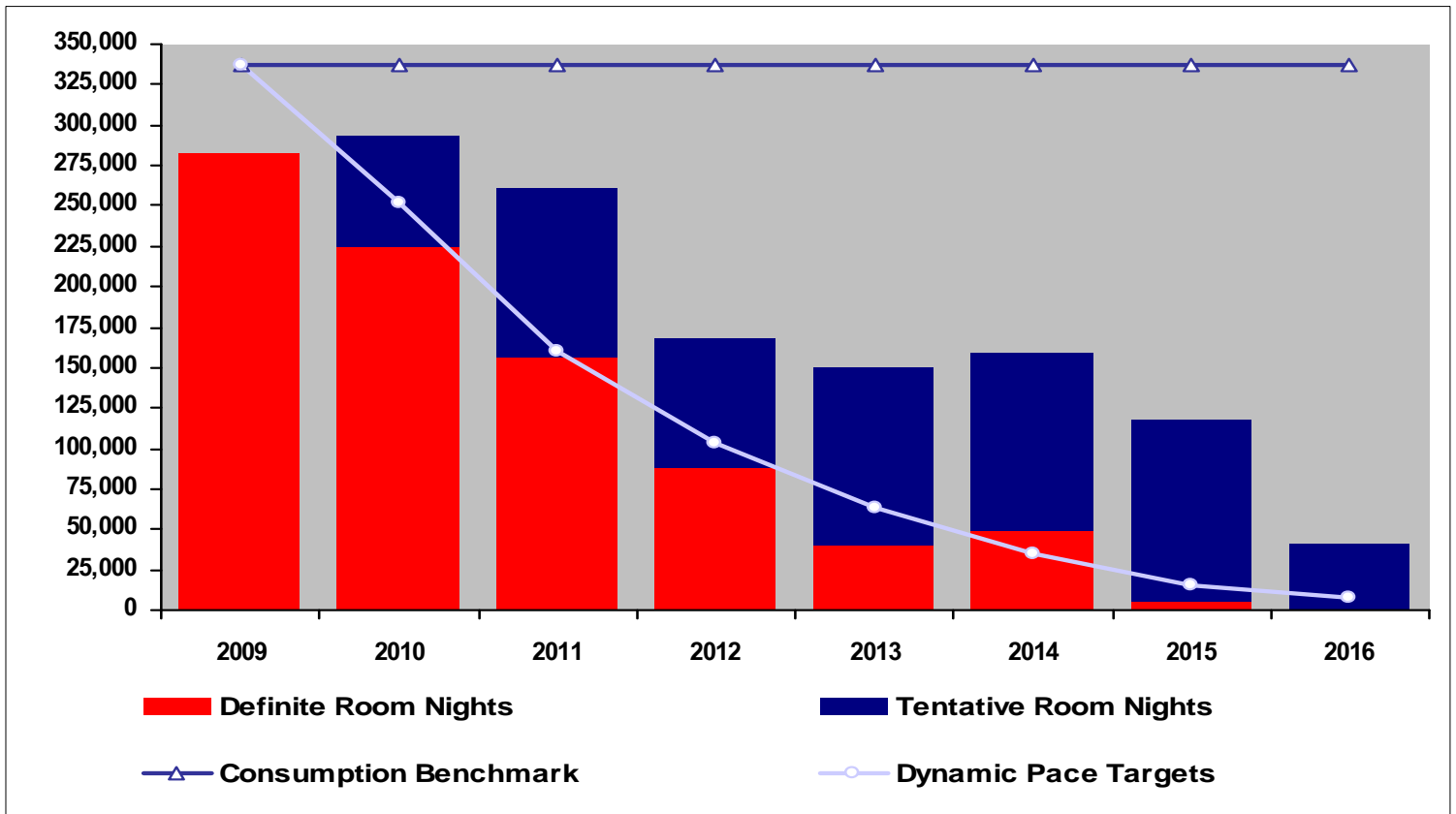
DEFINITE BOOKINGS January 2009

Charlotte Convention Center							
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. (\$)
Great Clips, Inc. (Meeting Space)	Meeting	Sep 2010	1	0	273	400	125,600
Total					273	400	125,600

Conference Sales					
Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. (\$)
Dean Foods	Jan 2010	1	21	100	31,400
Cogentrix Energy, LLC	Feb 2010	3	87	27	25,434
Henry County Chamber of Commerce	Feb 2010	1	36	50	15,700
Rockwell Laser Industries, Inc.	Feb 2010	4	40	20	25,120
Crystal Carolina Sports (41 events for 2010)	2010	2.1 avg.	44,190	108,000	30,391,200
Christian Cheerleaders of America	Mar 2010	3	1,891	2,800	1,125,600
Foster's Wine Estates	Mar 2010	1	37	2,500	785,000
Industrial Designers Society of America	Apr 2010	2	135	300	188,400
National Council of La Raza	Apr 2010	4	230	60	75,360
ProStep Marketing	Apr 2010	2	170	150	94,200
Tar Heel Tracers	May 2010	1	15	30	9,420
North Carolina American Planning Association	Oct 2011	2	300	450	282,600
The Moles	Jun 2012	3	575	400	376,800
Beta Theta Pi	Jul 2013	3	725	700	659,400
Total			48,452	115,587	34,085,634
GRAND TOTAL			48,725	115,987	34,211,234

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 1/1/10) Trends Analysis Projections, LLC

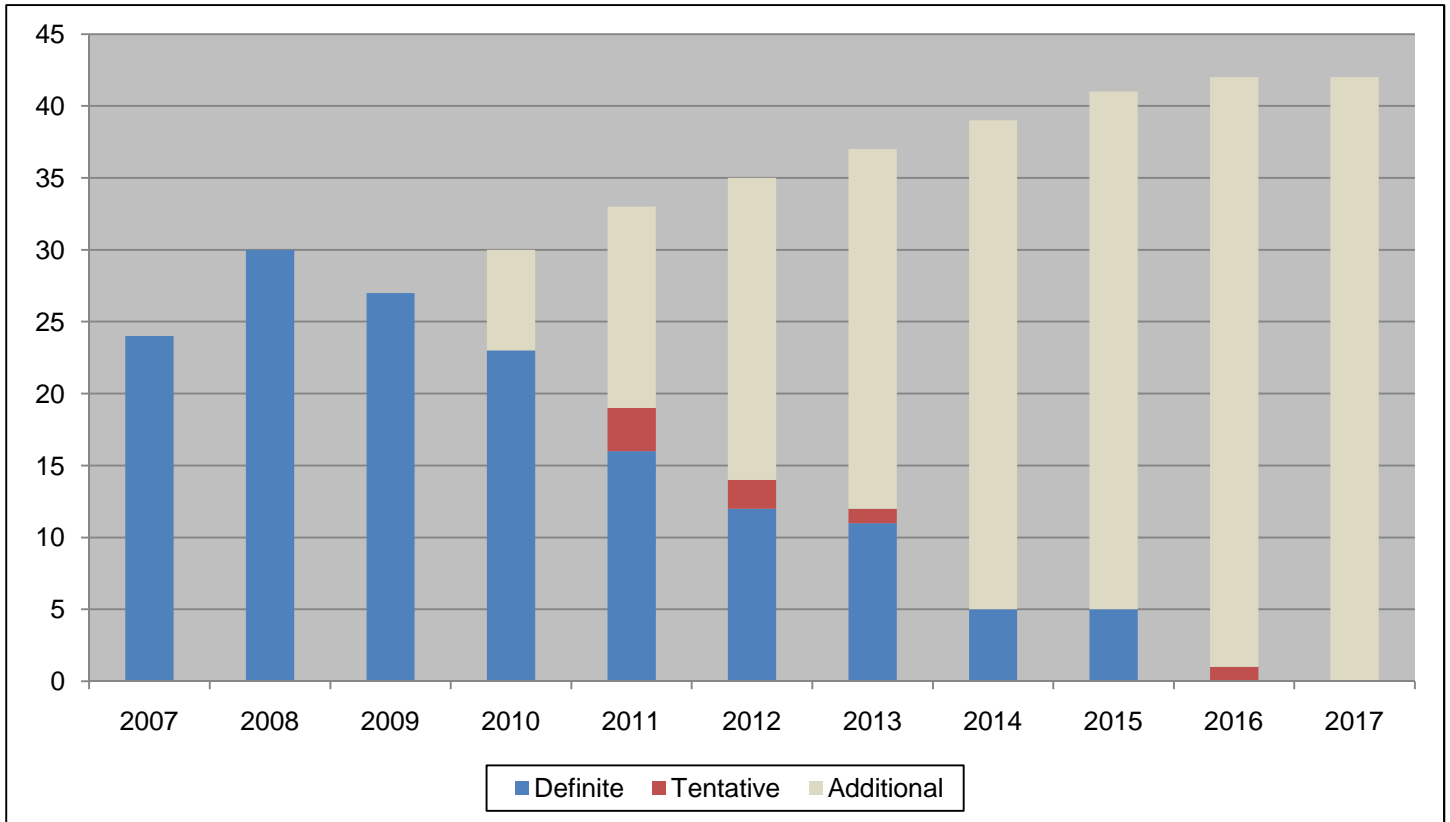


Eight Year Dynamic Room Night Pace Report (As of 1/1/10) Trends Analysis Projections, LLC

	2009	2010	2011	2012	2013	2014	2015	2016	Total
Charlotte Definite Room Nights	283,260	225,314	156,388	87,306	40,055	48,833	5,330	0	846,486
Pace Target	336,770	251,563	159,662	103,308	62,947	35,467	15,118	8,005	972,840
Variance	(53,510)	(26,249)	(3,274)	(16,002)	(22,892)	13,366	(9,788)	(8,005)	(126,354)
Pace Percentage	84%	90%	98%	85%	64%	138%	35%	0%	87%
Tentative Room Nights	0	67,733	104,994	80,784	110,165	110,516	111,718	41,223	627,133
Consumption Benchmark	336,772	336,772	336,772	336,772	336,772	336,772	336,772	336,772	2,694,176
Peer Set Pace Percentage	99%	97%	86%	75%	86%	90%	154%	145%	94%

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

Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 2/2/10)



Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 2/2/10)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Definite Bookings	24	30	27	23	16	12	11	5	5	0	0
Tentative Bookings	0	0	0	0	3	2	1	0	0	1	0
Subtotal	24	30	27	23	19	14	12	5	5	1	0
Definite Target	20	21	26	30	33	35	37	39	41	42	42

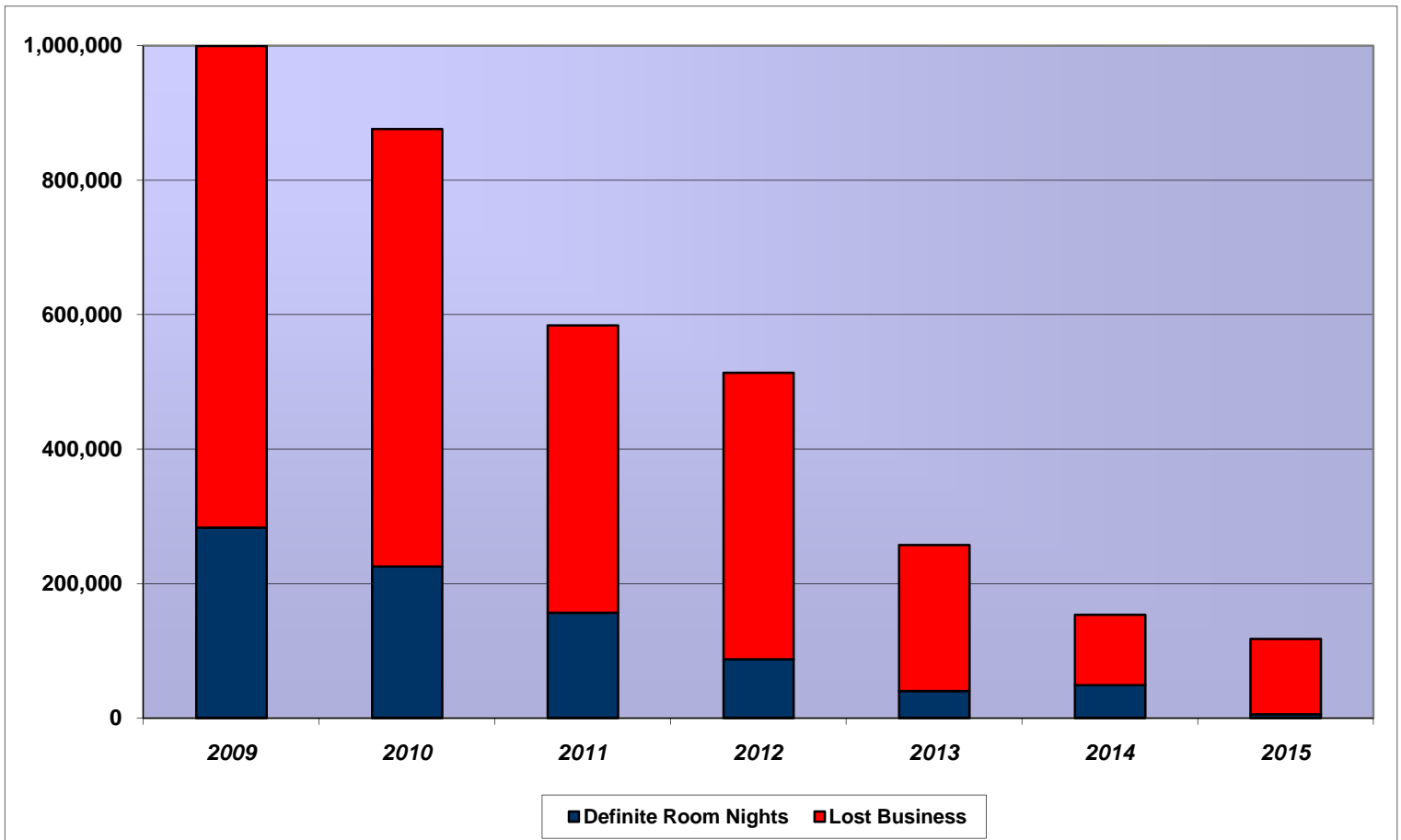
HOSPITALITY INDUSTRY SALES ACTIVITIES

January 2010

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
TENTATIVES			
Soccer United Marketing (March 2010)	P&R Facility	188	300
Duke Energy- Plug-In Conference (April 2011)	CCC	740	700
North American Council for Staff, Program & Organization Development (November 2011)	Hotel	445	250
US Institute for Theatre Technology (March 2013 or 2014)	CCC	4,360	4,000

Trade Shows & Events (attended by staff)	
Event Name	Location
Association for Convention Operations Management, Professional Convention Management Association	Dallas, TX
Destination Marketing Association International	Washington, DC
Meeting Professionals International Chicago Area Chapter	Chicago, IL
National Softball Association Annual Conference	Myrtle Beach, SC
Destination Marketing Organization Partnership Department Visit	Atlanta, GA
Religious Conference Management Association	Ft. Worth, TX

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

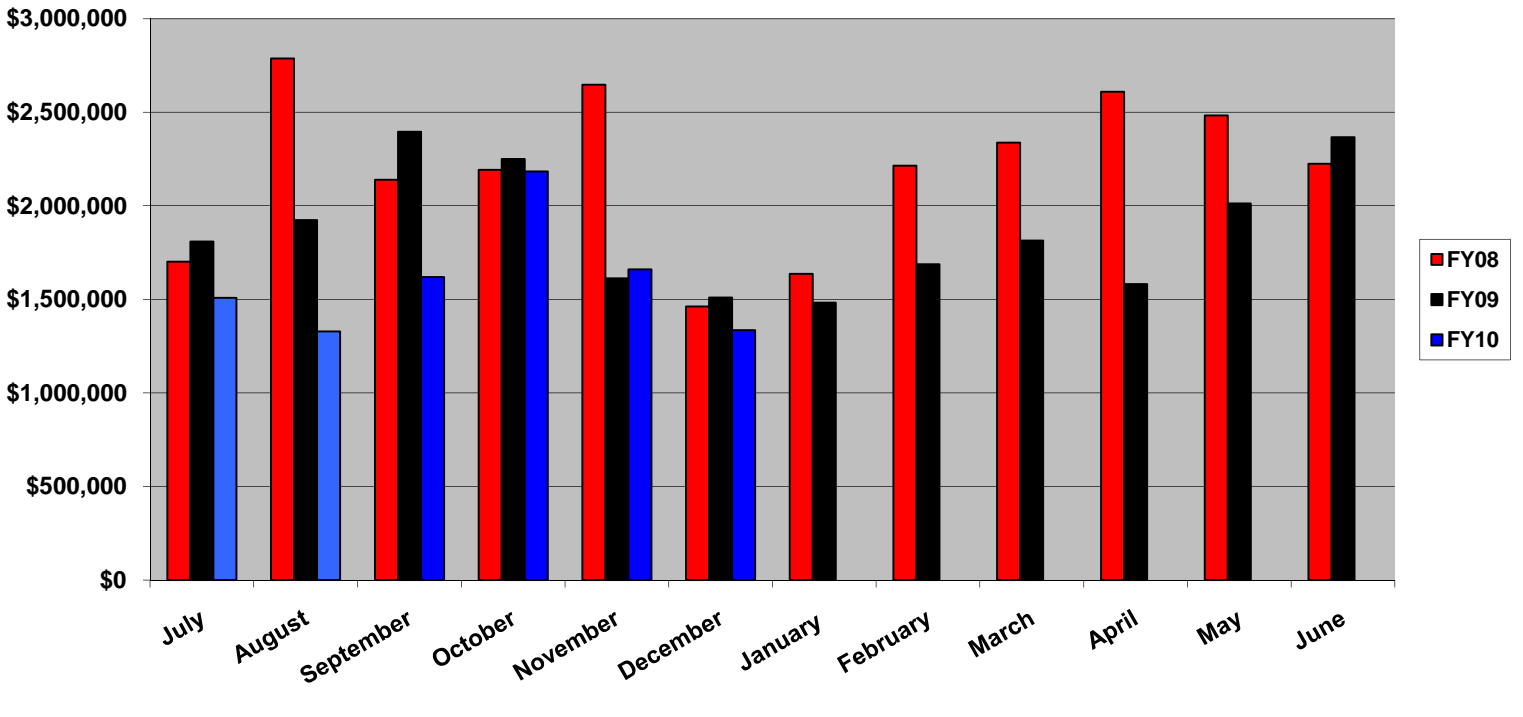


Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 1/1/10) Trends Analysis Projections, LLC

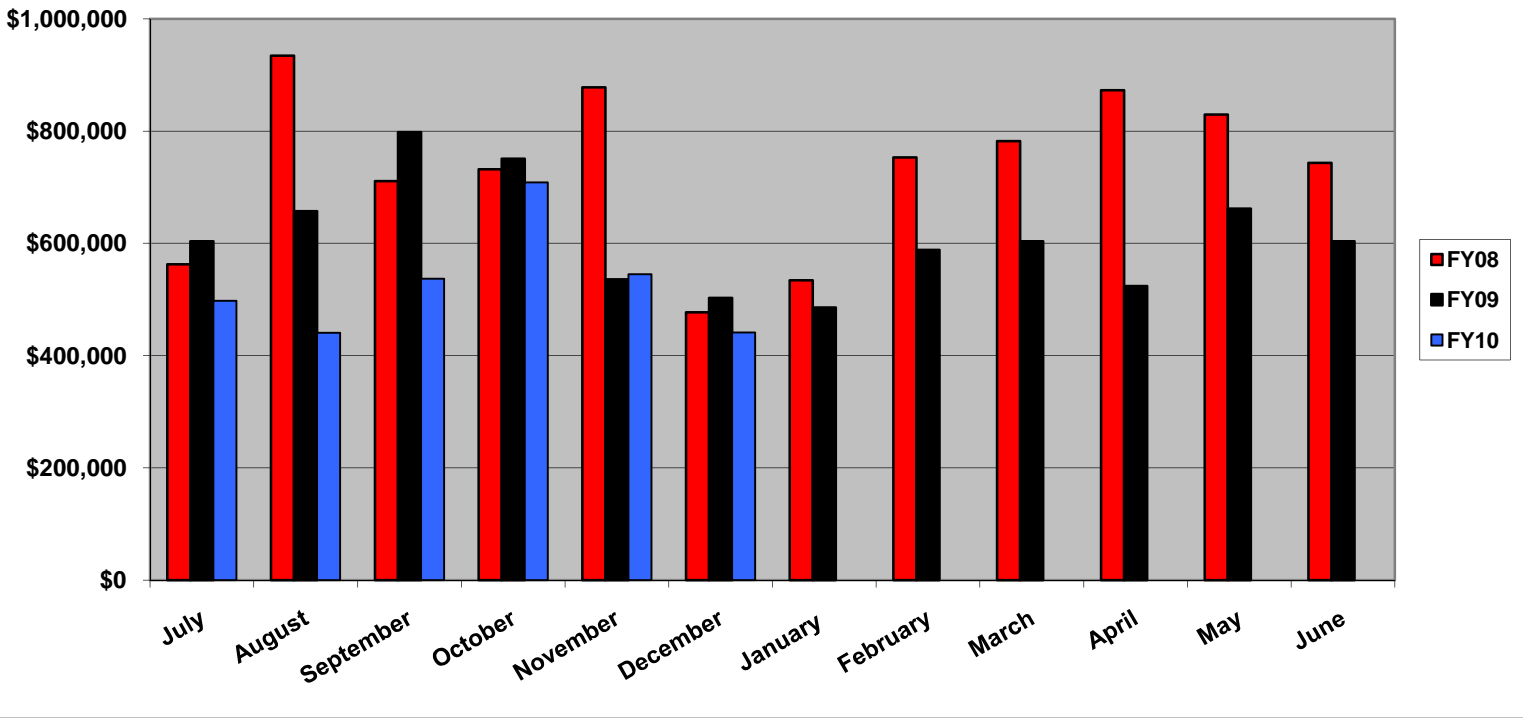
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Pace Percentage	84%	90%	98%	85%	64%	138%	35%	0%	87%
Total Demand Room Nights	999,469	876,100	583,951	513,474	257,102	153,572	117,672	38,891	3,540,231
Lost Room Nights	716,209	650,786	427,563	426,168	217,047	104,739	112,342	38,891	2,693,745
Conversion Percentage	28%	26%	27%	17%	16%	32%	5%	0%	24%
Peer Set Conversion Percentage	27%	24%	21%	16%	19%	20%	28%	33%	23%

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

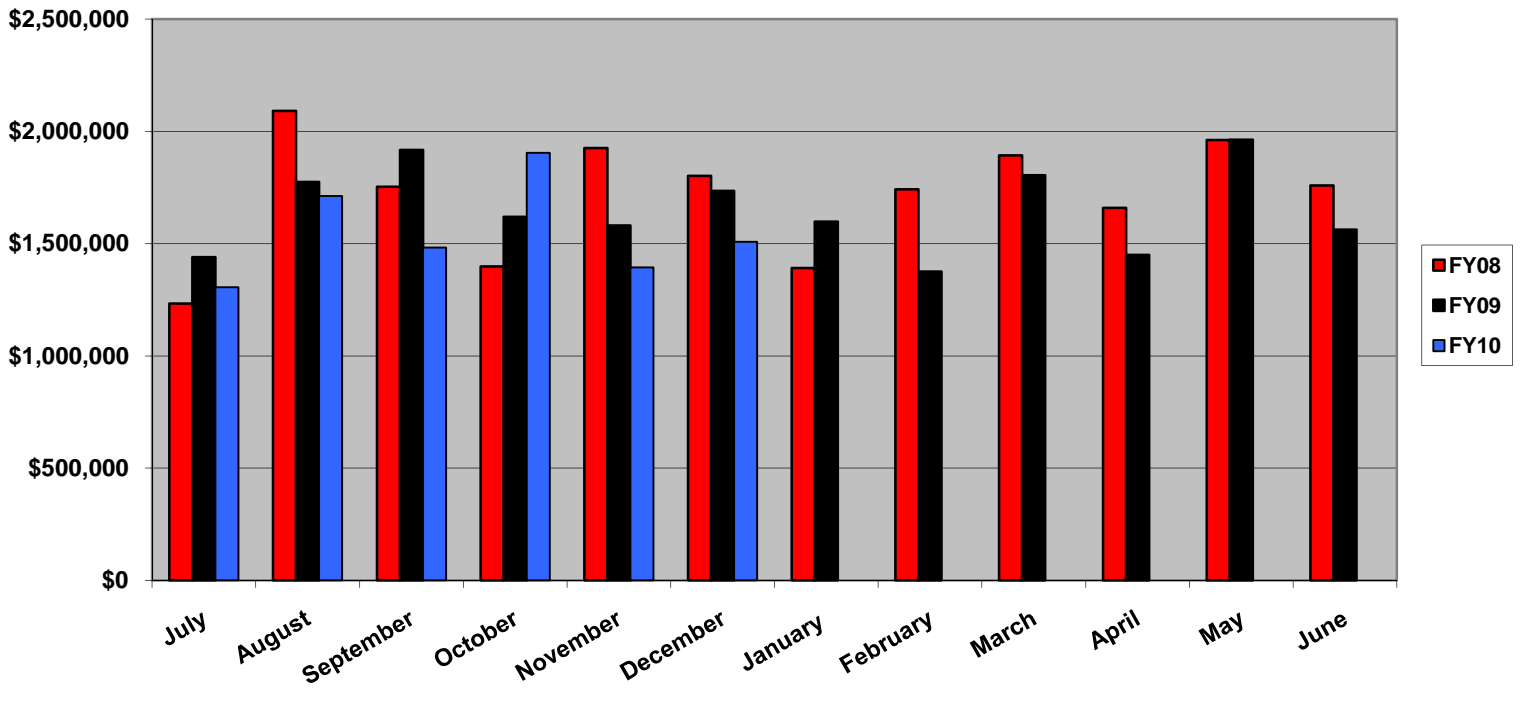
6% OCCUPANCY TAX COLLECTIONS



2% NASCAR HOF TAX COLLECTIONS



1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS



THE ECONOMY
December 2009

	2008	2009	% Change
Consumer Confidence Index	44.9	52.9	17.8%
Consumer Price Index (CPI)	210.228	215.949	2.7%
Unemployment Rate			
- National	7.4%	10.0%	35.1%
- State	8.1%	11.2%	38.3%
- Local	8.7%	12.1%	39.1%