



The Charlotte

BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

JULY 2010

National & International Business & Convention

JUNE TRAVEL INDUSTRY INDICATORS

Travel industry analyst James Cammisa, editor of *Travel Industry Indicators*, sees overall domestic trip demand for the year increasing 4.8%, recapturing about 80% of the 5.8% lost in 2009. In his latest newsletter, Cammisa also shares economic updates and how they may impact consumer and business travel for the remainder of the year.

Though GDP projections for 2010 look to be a 3% increase, that will largely come from first half stimulus and business inventory restocking. Second half GDP growth will be softer at 2%. Cammisa says the weak job market is inhibiting consumer spending with data showing consumers evenly split between spending, saving and paying down debt which is likely to temper travel spending.

As for business, 2010 corporate profits should see a 20% gain this year getting back to pre-recession levels. This bodes well for business travel in the coming months, though companies have learned a lot in the past two years about controlling travel costs—a trend that may persist.

Local Perspective

CHARLOTTE AREA LODGING – MAY SMITH TRAVEL RESEARCH

Charlotte area occupancy for the month of May was 61.2%, up 15.2% from May 2009. That's the best monthly occupancy we've seen in the market since October 2008 (62.8%) and marks two straight months of 60% plus occupancy, which has not occurred in Charlotte since July and August of 2008 (62.2% and 61.6% respectively). The 15.2% increase in occupancy for

May is the best monthly increase in the market since December 2005 (17.7%).

Charlotte market **occupancy** was 61.2% in May, up 15.2% from May 2009. Year to date, occupancy is 57.1% in Charlotte, up 10.2% from the same period last year. By comparison, occupancy is 54.7% year to date in the US (up 3.9%) and 51.3% in May in NC (up 5.1%).

Charlotte market **average daily rate** (ADR) was \$82.15 in May, down 2.3% from May 2009. Year to date, ADR is \$79.39 in Charlotte, down 3.8% from the same period last year. By comparison, ADR is \$96.91 in the US year to date (down 2.7%) and \$77.34 in NC year to date (down 2.5%).

Charlotte market **revenue per available room** (RevPAR) was \$50.26 in May, up 12.6% from May 2009. That's the largest monthly change in RevPAR in the market since April 2008 (14%). Year to date, RevPAR is \$45.29 in Charlotte, up 6.1% from the same period last year. By comparison, RevPAR is \$52.99 in the US year to date (up 1.1%) and \$39.67 in NC year to date (up 2.5%).

Room **demand** in the Charlotte market rose 18.7% in May compared to May of 2009. That's the best monthly change in demand in the market since December 2002 (24.5%). Year to date, room demand is up 14.3% in Charlotte. By comparison, room demand has risen 6.5% in the US year to date and 8% in NC year to date.

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY10 THROUGH MAY

Mecklenburg County **6% regular occupancy tax collections** total \$19.5 million for FY10 through May, down 3% from the same period last fiscal year.

Mecklenburg County **2% NASCAR Hall of Fame tax collections** total \$6.4 million for FY10 through May, also down 3% from the same period last fiscal year.

Mecklenburg County **1% prepared food & beverage tax collections** total \$18.4 million for FY10 through May, up 1% from the same period last fiscal year.

National Leisure & Tourism

PROJECTED JULY 4TH TRAVEL

The **American Automobile Association (AAA)** projected the number of Americans traveling this Fourth of July holiday weekend will increase 17.1% from 2009, with approximately 34.9 million travelers taking a trip at least 50 miles away from home. Last year, 29.8 million Americans traveled during the same period. The 2010 Fourth of July holiday travel period is defined as Thursday, July 1 to Monday, July 5.

The average distance traveled by Americans this Fourth of July holiday weekend (617 miles) is forecast to be approximately the same as one year ago (614 miles). Median spending is estimated to be \$644 this Fourth of July, nearly \$50 less than last year when median spending was estimated at \$693. Fifty-eight percent of Americans will spend time with friends and relatives over the holiday.

Economy

CONSUMER CONFIDENCE

The **Conference Board Consumer Confidence Index[®]** which had been on the rise for three consecutive months, declined sharply in June. The Index now stands at 52.9, down from 62.7 in May. The Present Situation Index decreased to 25.5 from 29.8. The Expectations Index declined to 71.2 from 84.6 last month.

Media

JUNE 2010 VOCUS

During June, **Vocus** tracked 459 news items on key words identified by CRVA. By category, 40% of June's media hits were for the NASCAR Hall of Fame, followed by CRVA (24%), Charlotte Attractions (9%), Charlotte Tourism and Time Warner Cable Arena (5% each). By origin market, 61% of June's media occurred outside the Charlotte area and 50% took place outside of North Carolina. By media type, 32% of June's coverage appeared via online consumer web sites, followed by television programs (21%), online news and business web sites (20%), newspapers (8%) and wire service (4%).

Sources for this Publication

- AAA
- Mecklenburg County Tax Office
- Smith Travel Research
- The Conference Board
- The TAP Report
- Travel Industry Indicators
- Travel Industry Wire
- US Department of Labor
- Visit Charlotte/CRVA
- Vocus

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

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

June 2010

Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
May 2010 Occupancy %	61.2	56.5	60.0	58.9	65.2
% Change	15.2	8.5	9.0	7.1	8.9
May 2010 ADR \$	82.15	81.54	88.84	97.50	119.55
% Change	-2.3	-1.8	-2.2	0.0	1.1
May 2010 RevPAR \$	50.26	46.04	53.85	57.47	77.90
% Change	12.6	6.6	6.5	7.1	10.0
2010YTD Occupancy %	57.1	51.3	55.1	54.7	61.9
% Change	10.2	5.1	5.4	3.9	6.0
2010 YTD ADR \$	79.37	77.34	88.06	96.91	116.49
% Change	-3.8	-2.5	-3.8	-2.7	-3.3
2010 YTD RevPAR \$	45.29	39.67	48.86	52.99	72.08
% Change	6.1	2.5	1.4	1.1	2.5

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 May	% Chg from May 09	2010 YTD	YTD % Chg from 09
Passenger Enplanements	1,649,688	9%	7,371,775	4%
Passenger Deplanements	1,651,889	9%	7,398,609	4%

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

Visit Charlotte Definite Room Night Production

	Month of June	Change from June 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	51,176	3,179	354,629	12,994 (4%)
Visitor Economic Development (\$)	20,394,300	-19,006,480	248,689,362	739,910 (0.2%)
Number of Definite Bookings	17	-7	314	-37 (-11%)
Average Size of Definite Bookings	3,010	1,010	1,129	156 (16%)
Total Attendance	16,285	-30,170	614,556	114,325 (23%)
Convention Center GSF Booked	640,000	-4,800,000	13,350,000	-13,780,000 (-51%)

Visit Charlotte Lead Room Night Production

	Month of June	Change from June 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	47,602	-12,618	1,197,701	259,118 (28%)
Number of Lead Bookings	44	-3	684	-37 (-5%)
Average Size of Lead Bookings	1,082	-199	1,751	449 (34%)

Visit Charlotte Housing Bureau Production

	Month of June	FY 2010 YTD	YTD% Chg from FY09
Total Reservations Produced	491	5,880	-51%
Total Room Nights Produced	1,566	13,821	-66%

Visit Charlotte Leisure Tourism Production

	Month of June	FY 2010 YTD	YTD % Chg from FY09
Ad Inquiries (+Travelocity clicks, etc.)	2,975	152,096	175%
Visitor Center Walk-In Traffic	3,158	30,929	-12%
Call Center Inquiries	659	6,575	-7%
Web Site Official Visitors Guide Requests (& views)	1,694	26,189	-2%
Emails/Letters/Faxes	39	366	-54%
Total Visitor Inquiries	8,525	216,155	73%
Visit Charlotte Web Site Visitors (Google)	94,113	1,051,165	7%
Motor Coach Group Bookings (Passengers)	605	5,161	N/A

DEFINITE BOOKINGS

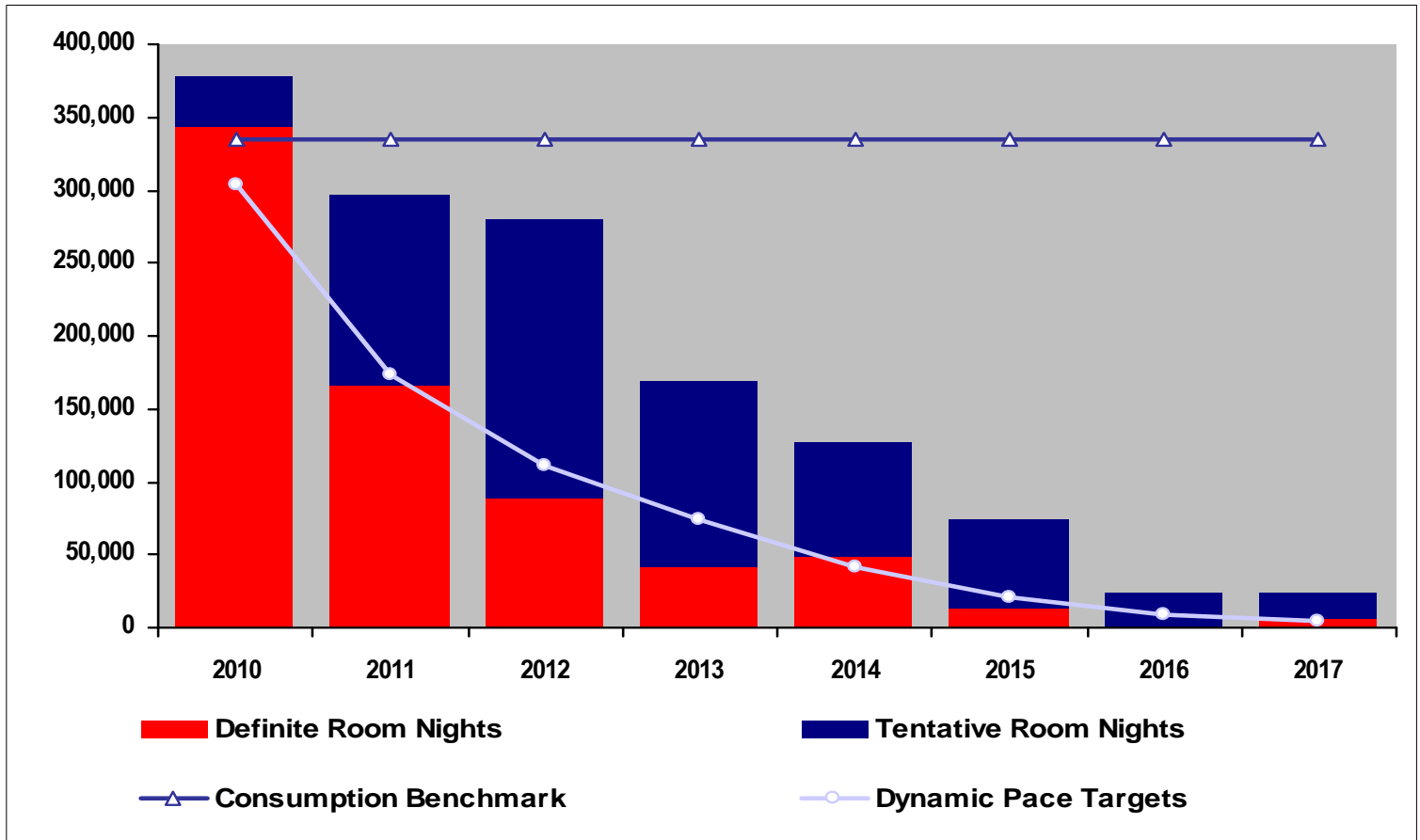
June 2010

Charlotte Convention Center							
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. (\$)
Assoc. of Millwork Distributors	Convention	Oct 2010	3	480,000	1,262	500	471,000
Automotive Recyclers Assoc. ®	Convention	Oct 2011	4	160,000	1,600	600	753,600
Total				640,000	2,862	1,100	1,224,600

Conference Sales					
Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. (\$)
NASA Langley Research Center	May 2010	3	39	15	14,130
Pearson	Jun 2010	57	285	165	2,953,170
US Department of Energy ®	Jul 2010	5	644	300	471,000
NC Licensed Home Inspector Association	Aug 2010	1	15	100	31,400
National Women's Political Caucus	Aug 2010	2	16	20	12,560
Southeastern Electric Exchange, Inc. ®	Oct 2010	3	100	50	47,100
ACN, Inc. ®	Feb 2011	3	11,500	4,000	3,768,000
Carolina Recycling Association	Dec 2010	2	150	150	94,200
Destination Marketing Association of NC ®	Feb 2011	1	20	40	12,560
Omega Phi Alpha	Jul 2011	4	100	90	113,040
Assoc. of Traffic Safety Info. Professionals	July 2011	4	965	300	376,800
ACN, Inc. ®	Sep 2011	3	11,500	4,000	3,768,000
Eastern Family Econ. & Res. Mgmt. Assoc.	Feb 2012	2	60	80	50,240
ACN, Inc. ®	Feb 2012	3	11,500	4,000	3,768,000
ACN, Inc. ®	Sep 2012	3	11,500	4,000	3,768,000
<i>Cancellation (Lee-Gibson Reunion)</i>	<i>Jun 2010</i>	<i>2</i>	<i>-80</i>	<i>-125</i>	<i>-78,500</i>
Total			48,314	15,185	19,169,700
GRAND TOTAL			51,176	16,285	20,394,300

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 6/1/10) Trends Analysis Projections, LLC

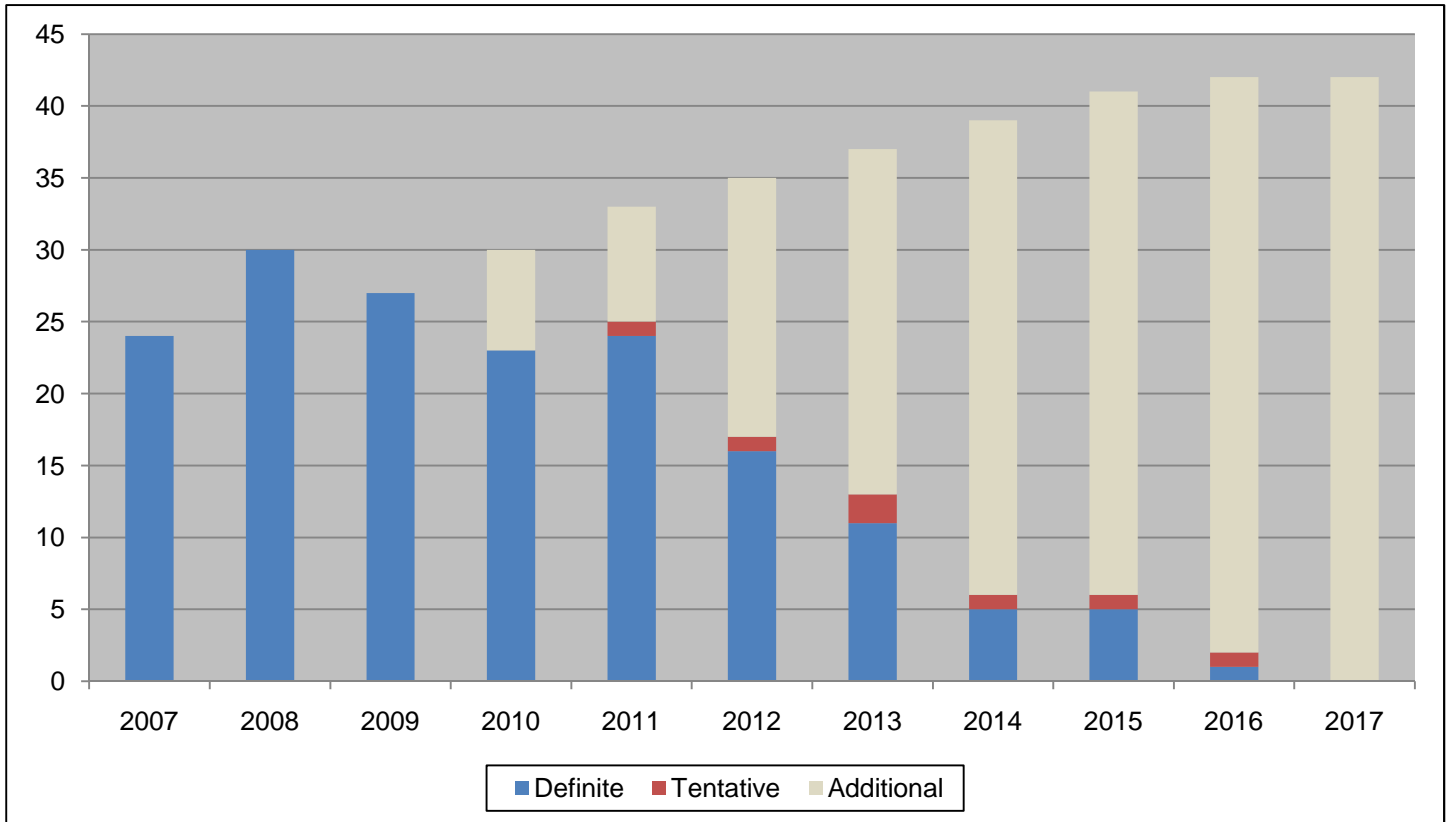


Eight Year Dynamic Room Night Pace Report (As of 6/1/10) Trends Analysis Projections, LLC

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	343,281	166,333	89,215	40,780	48,833	13,483	0	5,937	707,862
Pace Target	303,644	173,940	113,036	73,249	40,824	20,385	9,202	4,388	738,848
Variance	39,637	(7,606)	(23,821)	(32,649)	8,009	(6,902)	(9,202)	1,549	(30,986)
Pace Percentage	113%	96%	79%	56%	120%	66%	0%	135%	96%
Tentative Room Nights	34,981	130,278	190,248	127,529	79,300	61,069	24,186	17,114	664,705
Consumption Benchmark	335,405	335,405	335,405	335,405	335,405	335,405	335,405	335,405	2,683,240
Peer Set Pace Percentage	103%	87%	73%	87%	82%	148%	126%	156%	94%

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

Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 7/1/10)



Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 7/1/10)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Definite Bookings	24	30	27	23	24	16	11	5	5	1	0
Tentative Bookings	0	0	0	0	1	1	2	1	1	1	0
Subtotal	24	30	27	23	25	17	13	6	6	2	0
Definite Target	20	21	26	30	33	35	37	39	41	42	42
Variance	4	9	1	-7	-8	-18	-24	-33	-35	-40	-42

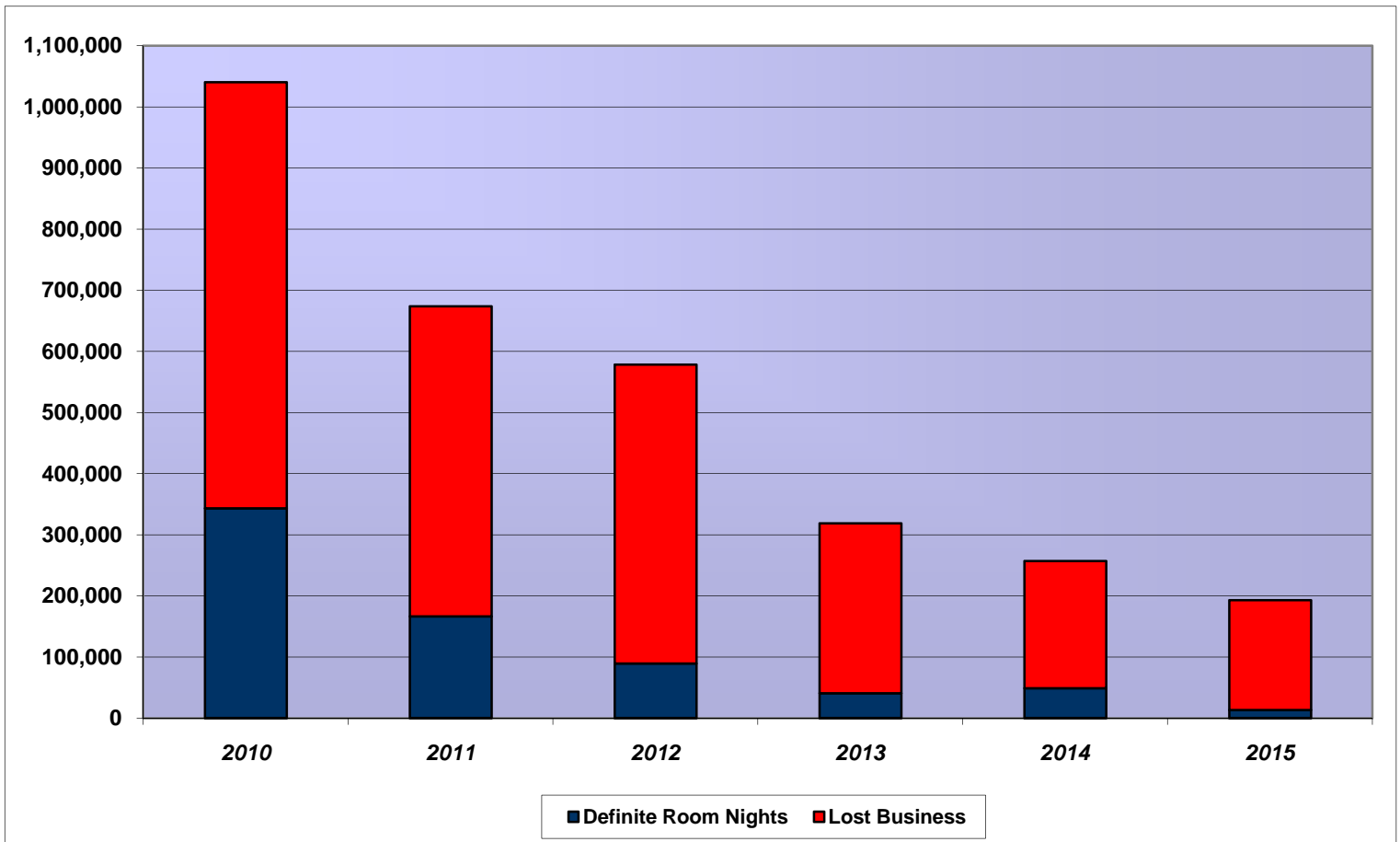
HOSPITALITY INDUSTRY SALES ACTIVITIES

June 2010

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
UBM International Media, Informex (Feb 2011)	CCC	4,999	4,500
TENTATIVES			
Life Center Fellowship (Feb 2011)	Hotel	150	500
National Primitive Baptist Convention (Feb 2011)	Hotel	348	250
Collinson Media (Aug 2011)	CCC	TBD	TBD
Christian Methodist Episcopal Church (Jun 2014)	CCC	10,300	5,000
Women of the Evangelical Lutheran Church in America (Jul 2014)	CCC	6,023	3,000
Conoco Phillips	TBD	TBD	TBD

Trade Shows & Events (attended by staff)	
Event Name	Location
Americans for the Arts	Baltimore, MD
Association Executives of North Carolina Annual Meeting	Concord, NC
Destination Showcase	Chicago, IL
Elks National Convention	Orlando, FL
Georgia Society of Association Executives Annual Meeting	Columbus, GA
Hospitality Sales & Marketing Association International- Carolinas Chapter	Charlotte, NC
North Carolina Amateur Sports Association	Jacksonville, NC
Professional Convention Management Association Quarterly Meeting	Chicago, IL
Professional Convention Management Association Education Conference	Montreal Canada
Red Bull Air Race	Detroit, MI
Sales Mission	United Kingdom
Tap Dance	Branson, MO

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 6/1/10) Trends Analysis Projections, LLC

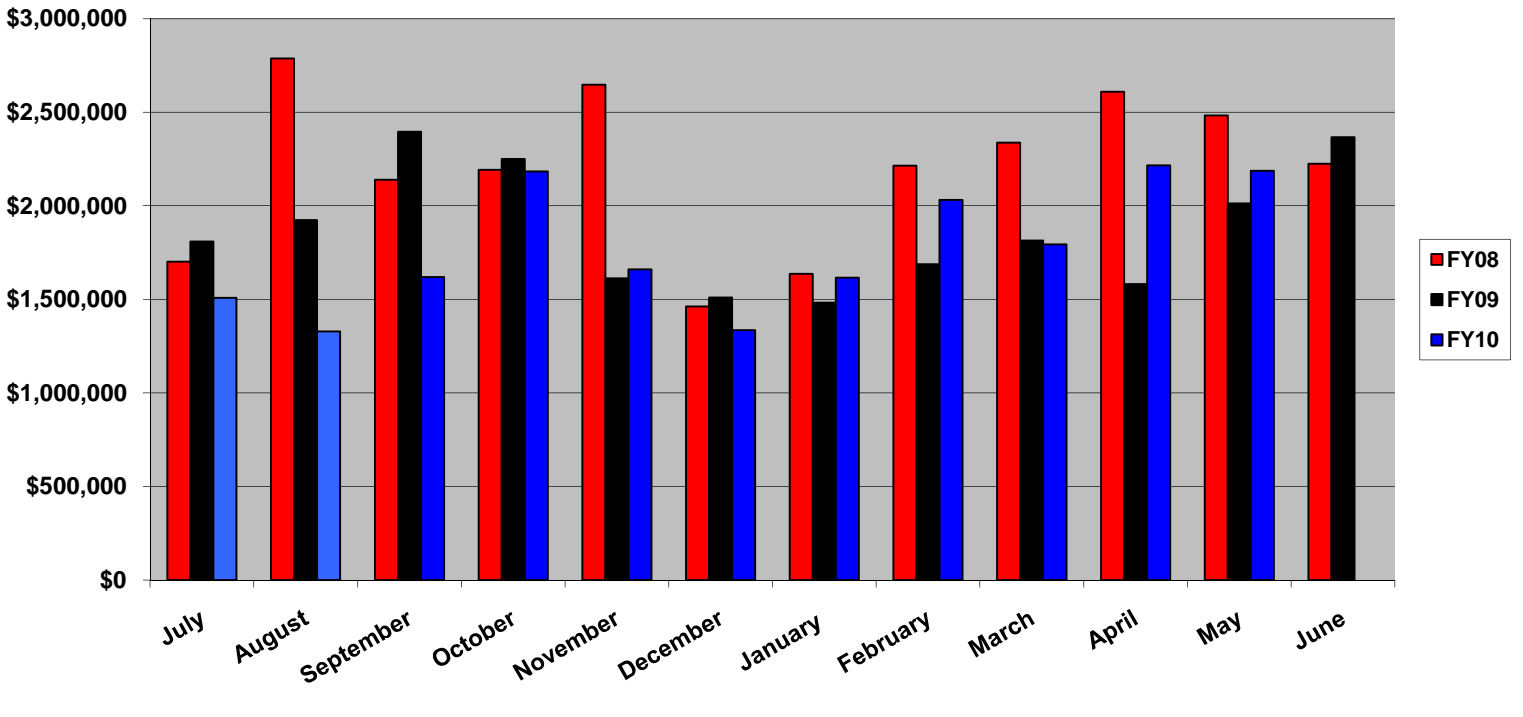


Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 6/1/10) Trends Analysis Projections, LLC

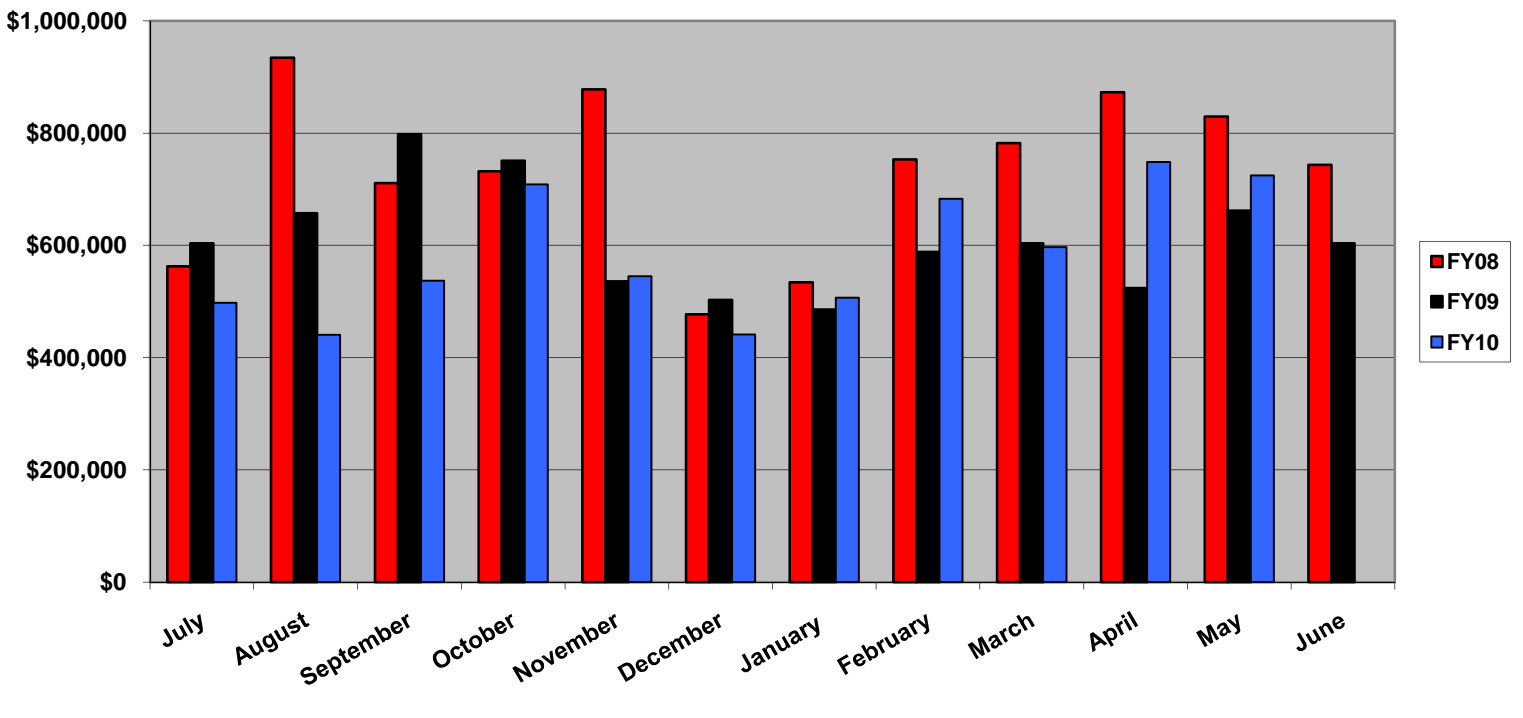
	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	342,281	166,333	89,215	40,780	48,833	13,483	0	5,937	707,862
Pace Target	303,644	173,940	113,036	73,429	40,824	20,385	9,202	4,388	738,848
Pace Percentage	113%	96%	79%	56%	120%	66%	0%	135%	96%
Total Demand Room Nights	1,040,078	673,810	578,331	318,614	257,120	192,845	88,070	37,350	3,186,218
Lost Room Nights	696,797	507,477	489,116	277,834	208,287	179,362	88,070	31,413	2,478,356
Conversion Percentage	33%	25%	15%	13%	19%	7%	0%	16%	22%
Peer Set Conversion Percentage	26%	20%	15%	19%	18%	25%	27%	19%	21%

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

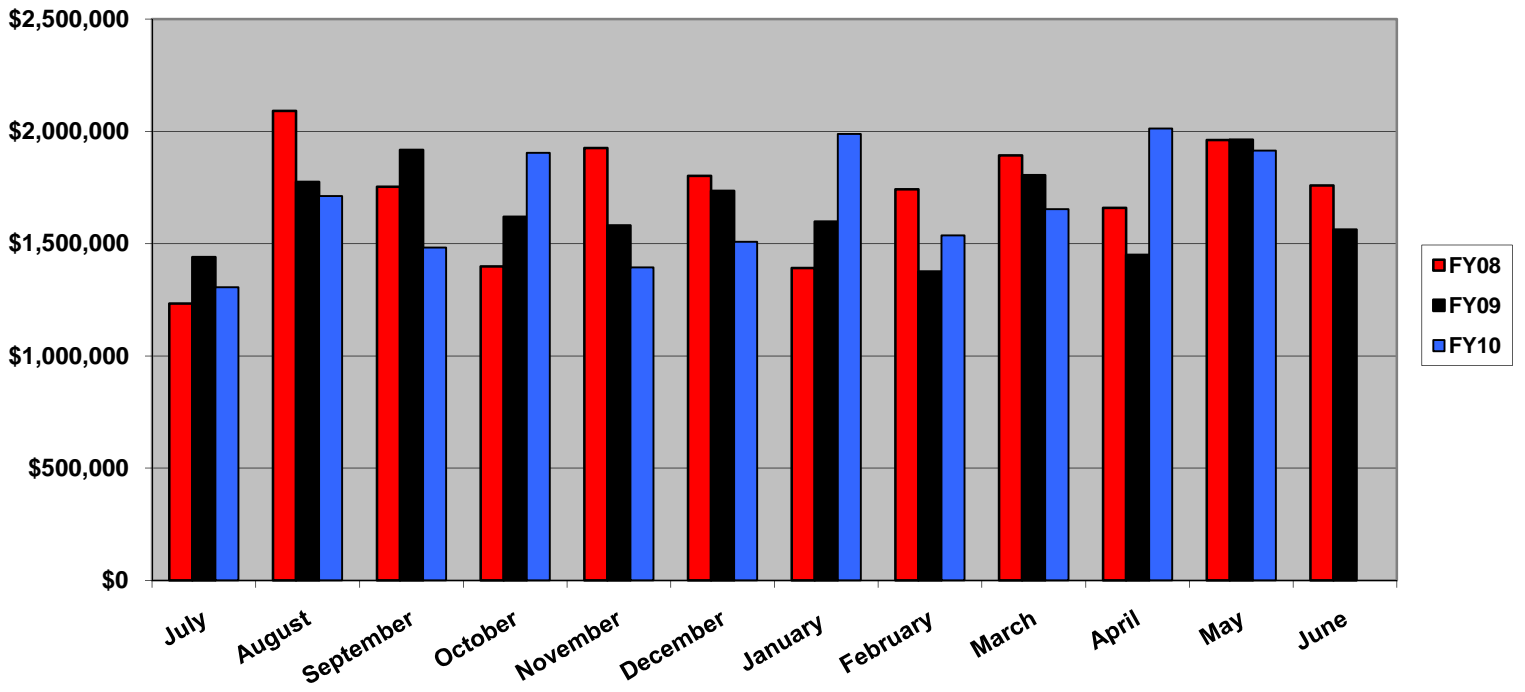
6% OCCUPANCY TAX COLLECTIONS



2% NASCAR HOF TAX COLLECTIONS



1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS



THE ECONOMY
May 2010

	2009	2010	% Change
Consumer Confidence Index	54.9	62.7	14%
Consumer Price Index (CPI)	213.856	218,178	2%
Unemployment Rate			
- National	9.4%	9.7%	3.2%
- State	10.9%	10.3%	-5.5%
- Local	11.7%	10.9%	-6.8%