



The Charlotte

BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

JUNE 2010

National & International Business & Convention

CB RICHARD ELLIS CHARLOTTE HOTEL OUTLOOK

According to the most recent quarterly analysis by **CB Richard Ellis (CBRE)**, the Charlotte hotel market will see steady improvement throughout the forecast period, returning to pre-recession (2008) performance levels in 2013.

Year	Occupancy	ADR	RevPAR	RevPAR % Change
2010	55.6%	\$77.94	\$43.31	1.4%
2011	57.6%	\$78.34	\$45.16	4.3%
2012	59.4%	\$81.21	\$48.21	6.8%
2013	60.2%	\$84.46	\$50.83	5.4%
2014	60.3%	\$87.25	\$52.57	3.4%
2015	59.9%	\$89.46	\$53.62	2.0%

Local Perspective

CHARLOTTE AREA LODGING – APRIL SMITH TRAVEL RESEARCH

Charlotte market occupancy reached 60.7% in April, the first time we have surpassed 60% occupancy in any month since October of 2008 (62.8%). With April's 11.6% growth, year over year occupancy has now increased in four consecutive months and in five of the last six.

April 2010 **occupancy** was 60.7% in the Charlotte market, up 11.6% from April 2009. Year to date occupancy is 56% in the Charlotte market, up 8.9% from the same period last year. By comparison, occupancy has grown 3% in the US, 4.1% in NC and 5.2% in the Top 25 markets so far this year.

April 2010 **average daily rate (ADR)** was \$80.52 in the Charlotte market, down just 0.4% from April 2009. Year to date ADR is \$78.58 in the Charlotte market, down 4.2% from the same period last year. By comparison, ADR has fallen 3.4% in the US, fallen 2.7% in NC and fallen 4.5% in the Top 25 markets so far this year.

April 2010 **revenue per available room (RevPAR)** was \$48.88 in the Charlotte market, up 11.2% from April 2009. Year to date RevPAR is \$44.00 in the Charlotte market, up 4.3% from the same period last year. By comparison, RevPAR has dropped 0.6% in the US, increased 1.3% in NC and risen 0.5% in the Top 25 markets so far this year.

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY10 THROUGH APRIL

Mecklenburg County **6% occupancy tax collections** stand at \$17.3 million fiscal year to date, down 4% from the same period last year.

Mecklenburg County **2% NASCAR Hall of Fame tax collections** stand at \$5.7 million fiscal year to date, also down 4% from the same period last year.

Mecklenburg County **1% prepared food & beverage tax collections** stand at \$16.5 million fiscal year to date, up 1% from the same period last year.

National Leisure & Tourism

SUMMER LEISURE TRAVEL NOT DETERRED

Family vacationers are proceeding full speed ahead despite the economic downturn, according to the latest **American Express Spending & Saving Tracker Survey**. More than half of those surveyed are planning a vacation this summer. More than two-thirds among the affluent audience also plan a trip, as well as 83% of young professionals.

Parents, however, are planning more than summer vacations, as 58% are ready to arrange summer activities for their children and plan to spend an average of \$600 per child. "The summer vacation, and particularly, the family vacation is alive and well this year," said Audrey Hendley, vice president of American Express Travel. "People are passionate about travel, and frequently we find that they would rather find creative ways to reduce the cost of their trip rather than do without it altogether."

The most popular trips after family outings: Couples trips (26%); Trips with friends such as "girlfriend getaways" and "mancations" (10%); A "staycation"—intending to enjoy time off and attractions near home (11%); Experiential or adventure vacations such as a culinary retreat or hiking trip (7%); Educational vacations (4%).

Reasons why those people staying home are avoiding a vacation: Almost half said they had not saved the money. One quarter said they planned to spend their money somewhere else. Only 8% said they didn't have the time to either plan or take a vacation this year. The vast majority or 80% said they had a strategy to reduce the cost of their summer vacations, with the largest percentage citing driving instead of flying to their destinations.

Economy

NATIONAL ASSOCIATION FOR BUSINESS ECONOMICS

The **National Association for Business Economics** panel of forecasters boosted its expectations for growth in 2010 to 3.2% real gross domestic product, up from 3.1% in its February outlook. It also pegged the 2011 growth rate at 3.2%.

Household spending, while still lagging the overall economy, is still expected to grow significantly this year. The forecasters attribute part of that to consumers being less thrifty, with the saving rate for 2010 seen dropping to 3.4% from the 4.6% they predicted just three months ago. Business investment also is expected to fuel the recovery. The economists expect higher operating rates and rising corporate profits boosting companies' spending on equipment and software, while retailers restock inventory. Unemployment is forecast to decline to 9.4% by year's end and 8.5% by the end of 2011.

Forecasters have scaled back their expectations for the housing growth after setbacks to the setback earlier this year. But 65% of survey respondents said last year's lows in home sales and home prices will not be retested. Inflation is expected to remain low in the near term, in line with the outlook from Federal Reserve Chairman Ben Bernanke and his colleagues. But panelists showed increasing concern about higher inflation over the next five years. The survey of 46 professional forecasters was taken April 27 to May 7.

Media

MAY 2010 VOCUS

During May, **Vocus** tracked 3,312 news items on key words provided by the CRVA. By category 69% focused on the NASCAR Hall of Fame followed by Charlotte Convention Center (13%), Charlotte Events (5%) and Charlotte – in general (3%). By media 39% of May's mentions appeared via Online/Consumer sites followed by Television Programs (23%), Online/News & Business sites (18%), Newspapers (8%) and Cable/Satellite – Networks/Stations (5%). A total of 84% of May's media hits occurred outside the Charlotte region.

Sources for this Publication

- American Express
- CB Richard Ellis
- Mecklenburg County Tax Office
- National Association for Business Economics
- Smith Travel Research
- The TAP Report
- 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

May 2010

Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
April 2010 Occupancy %	60.7	57.0	59.9	58.4	65.6
% Change	11.6	5.1	6.9	4.7	5.2
April 2010 ADR \$	80.52	79.80	90.55	97.72	119.27
% Change	-0.4	-0.6	-1.1	-1.2	-0.9
April 2010 RevPAR \$	48.88	45.48	54.59	57.06	78.25
% Change	11.2	4.5	5.8	3.5	4.3
2010YTD Occupancy %	56.0	49.9	53.8	53.6	61.0
% Change	8.9	4.1	4.4	3.0	5.2
2010 YTD ADR \$	78.58	76.09	87.73	96.73	115.66
% Change	-4.2	-2.7	-4.2	-3.4	-4.5
2010 YTD RevPAR \$	44.00	38.00	47.57	51.82	70.59
% Change	4.3	1.3	0.1	-0.6	0.5

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 April	% Chg from April 09	2010 YTD	YTD % Chg from 09
Passenger Enplanements	1,543,111	3%	5,722,087	3%
Passenger Deplanements	1,548,382	3%	5,746,720	3%

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

Visit Charlotte Definite Room Night Production

	Month of May	Change from May 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	30,656	7,840	303,453	9,815 (3%)
Visitor Economic Development (\$)	23,862,008	6,227,328	228,295,062	19,746,390 (9%)
Number of Definite Bookings	19	5	297	-30 (-9%)
Average Size of Definite Bookings	1,613	-17	1,022	124 (14%)
Total Attendance	41,026	28,531	598,271	144,495 (32%)
Convention Center GSF Booked	1,630,000	-1,290,000	12,710,000	-8,980,000 (-41%)

Visit Charlotte Lead Room Night Production

	Month of May	Change from May 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	93,161	-33,407	1,134,553	256,190 (29%)
Number of Lead Bookings	61	2	640	-34 (-5%)
Average Size of Lead Bookings	1,527	-618	1,773	470 (36%)

Visit Charlotte Housing Bureau Production

	Month of May	FY 2010 YTD	YTD% Chg from FY09
Total Reservations Produced	517	5,389	-56%
Total Room Nights Produced	2,367	12,255	-70%

Visit Charlotte Leisure Tourism Production

	Month of May	FY 2010 YTD	YTD % Chg from FY09
Ad Inquiries (+Travelocity clicks, etc.)	5,603	149,121	221%
Visitor Center Walk-In Traffic	3,005	27,771	-15%
Call Center Inquiries	636	5,916	-7%
Web Site Official Visitors Guide Requests (& views)	1,611	24,495	7%
Emails/Letters/Faxes	46	327	-53%
Total Visitor Inquiries	10,901	207,630	90%
Visit Charlotte Web Site Visitors (Google)	96,182	957,052	8.1%
Motor Coach Group Bookings (Passengers)	885	4,556	N/A

DEFINITE BOOKINGS

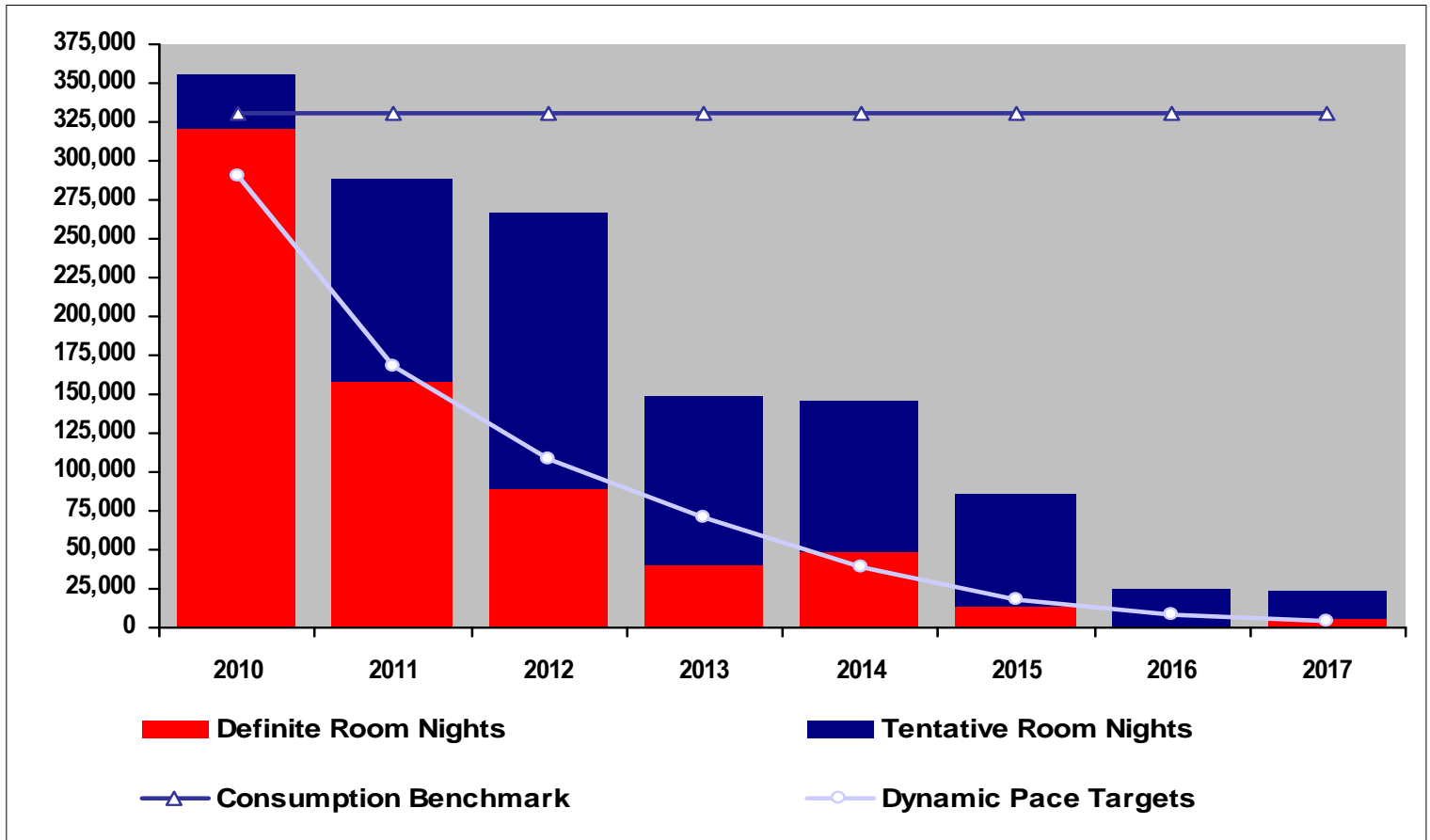
May 2010

Charlotte Convention Center							
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. (\$)
American Phytopathological Society ®	Convention	Aug 2010	4	250,000	3,470	1,000	1,256,000
Vance Publishing Corporation	Tradeshow	Feb 2011	3	400,000	1,075	3,000	2,826,000
US Institute for Theatre Technology	Convention	Mar 2011	5	980,000	4,360	4,000	6,280,000
Total				1,630,000	8,905	8,000	10,362,000

Conference Sales					
Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. (\$)
Oakley Big Bass Tour	May 2010	2	140	450	120,600
Charlotte Soccer Academy ®	May 2010	2	1,440	3,000	804,000
Holiday Retirement ®	May – Oct 2010	152	2,671	56	2,672,768
The Custom Coach	May 2010	2	90	200	53,600
Beckman Coulter, Inc.	Jun 2010	1	55	80	25,120
North Carolina HOG, Inc.	Jun 2010	3	5,000	3,500	3,297,000
Charlotte Soccer Academy ®	Jun 2010	2	240	6,000	1,608,000
Charlotte Soccer Academy ®	Aug 2010	2	3,600	4,000	1,072,000
Charlotte Soccer Academy ®	Aug 2010	2	3,600	4,000	1,072,000
American Society of Interior Designers ®	Sep 2010	3	90	150	141,300
Department of Homeland Security ®	Sep 2010	12	504	40	150,720
National Assoc. of the Remodeling Industry	Oct 2010	3	240	100	94,200
Charlotte Soccer Academy ®	Nov 2010	2	1,440	3,000	804,000
Charlotte Soccer Academy ®	Feb 2011	2	2,400	7,500	2,010,000
Kenneth Copeland Ministries	Apr 2011	1	210	800	251,200
Meeting Professionals International Carolinas Chapter ®	July 2011	1	85	150	47,100
Total			21,751	33,026	13,500,008
GRAND TOTAL			30,656	41,026	23,862,008

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 5/1/10) Trends Analysis Projections, LLC

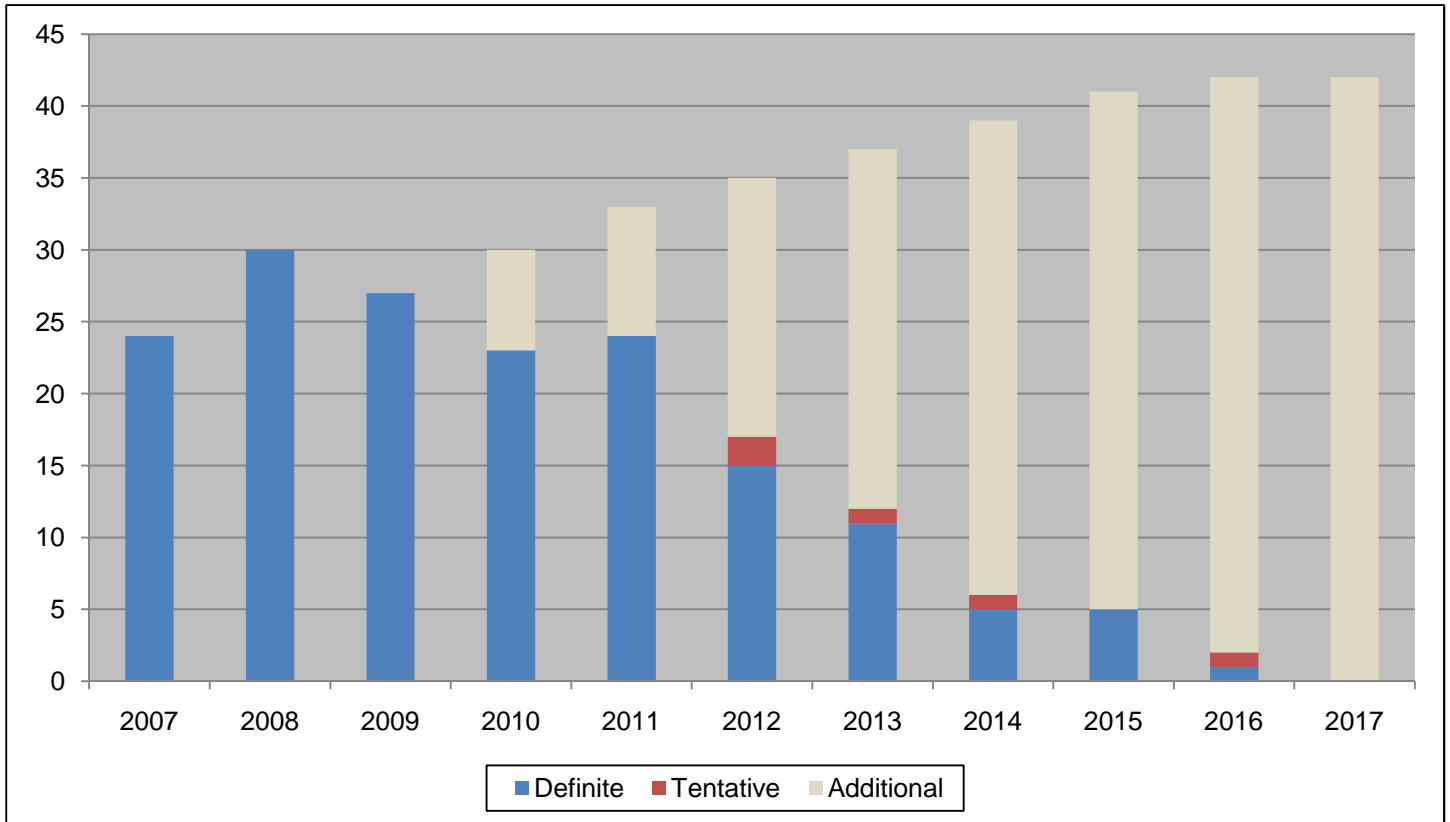


Eight Year Dynamic Room Night Pace Report (As of 5/1/10) Trends Analysis Projections, LLC

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	320,755	158,203	89,215	40,780	48,833	13,483	0	5,937	677,206
Pace Target	290,518	168,208	108,331	70,465	38,705	18,616	8,564	3,868	707,275
Variance	30,237	(10,005)	(19,116)	(29,685)	10,128	(5,133)	(8,564)	2,069	(30,069)
Pace Percentage	110%	94%	82%	58%	126%	72%	0%	153%	96%
Tentative Room Nights	34,853	131,275	177,692	108,419	96,769	72,444	24,967	17,114	663,533
Consumption Benchmark	330,805	330,805	330,805	330,805	330,805	330,805	330,805	330,805	2,646,440
Peer Set Pace Percentage	103%	86%	72%	89%	85%	146%	132%	171%	94%

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

Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 6/1/10)



Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 6/1/10)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Definite Bookings	24	30	27	23	24	15	11	5	5	1	0
Tentative Bookings	0	0	0	0	0	2	1	1	0	1	0
Subtotal	24	30	27	23	24	17	12	6	5	2	0
Definite Target	20	21	26	30	33	35	37	39	41	42	42
Variance	4	9	1	-7	-9	-18	-25	-33	-36	-40	-42

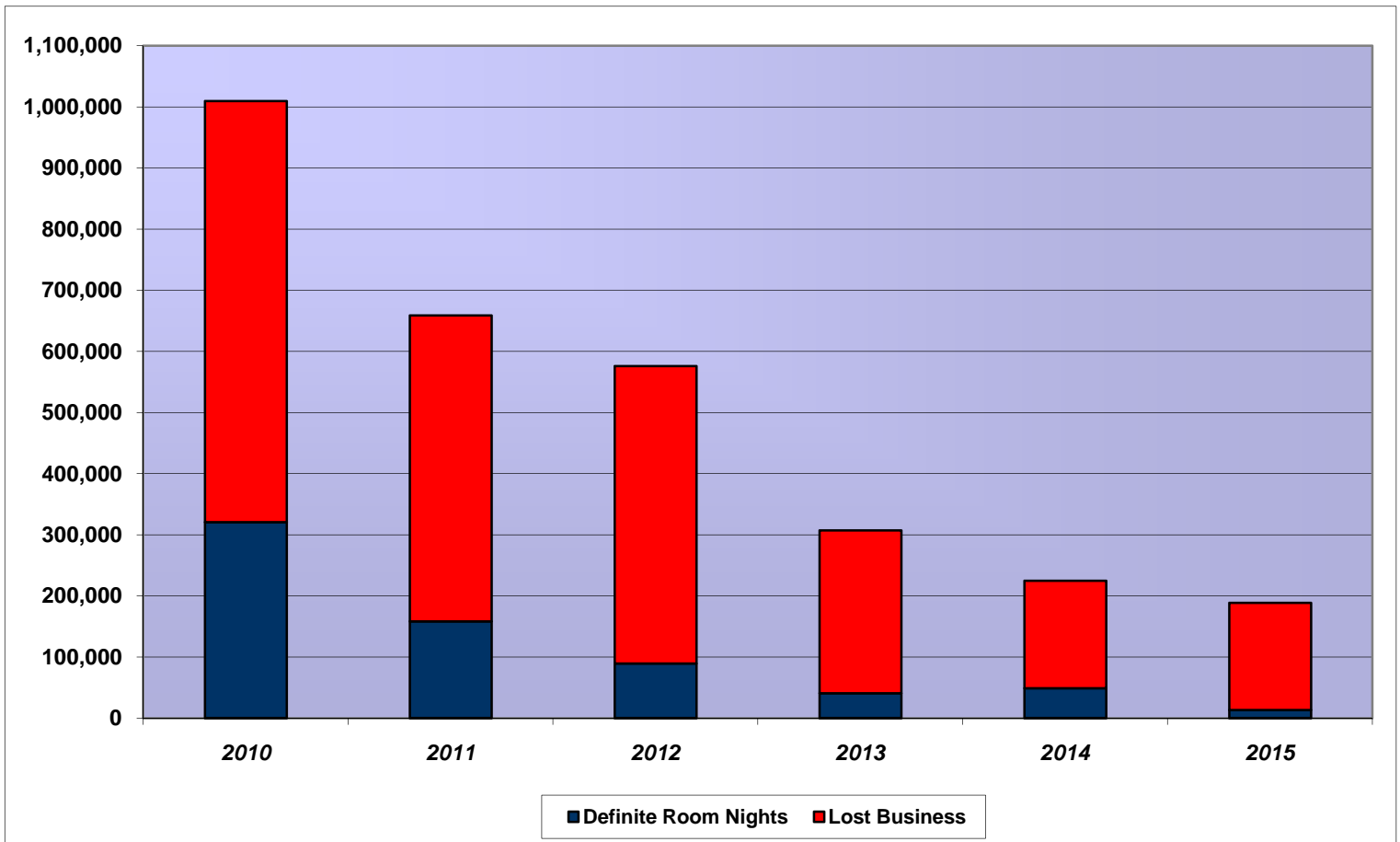
HOSPITALITY INDUSTRY SALES ACTIVITIES

May 2010

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
American Association of Motor Vehicle Administrators (6/11)	Hotel	1,605	350
International Association of Campus Law Enforcement (6/11)	CCC	2,291	500
National Association of Free Will Baptists (7/11)	CCC	4,580	7,000
TENTATIVES			
Association of Millwork Distributors (10/10)	CCC	1,495	500
Affiliated Distributors (4/12)	Hotel	510	350
Lightsource Conference (6/12)	Hotel	1,870	800
American Association for Cancer Research (TBD)	TBD	TBD	TBD
OTHER			
NASCAR Hall of Fame Group Tour FAM	NHOF	TBD	TBD
PIT Stop I-77 Welcome Center	TBD	TBD	TBD

Trade Shows & Events (attended by staff)	
Event Name	Location
Association Executives of North Carolina	Carthage, NC
Conference Direct	Atlanta, GA
North Carolina Amateur Sports Board	Greensboro, NC
North Carolina Restaurant & Lodging Association	Charlotte, NC
North Carolina Travel Industry Council Board	Raleigh, NC
Passkey Users Conference	Baltimore, MD
Professional Convention Management Association – Foundation Dinner	Washington, DC
Springtime Expo	Washington, DC

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 5/1/10) Trends Analysis Projections, LLC

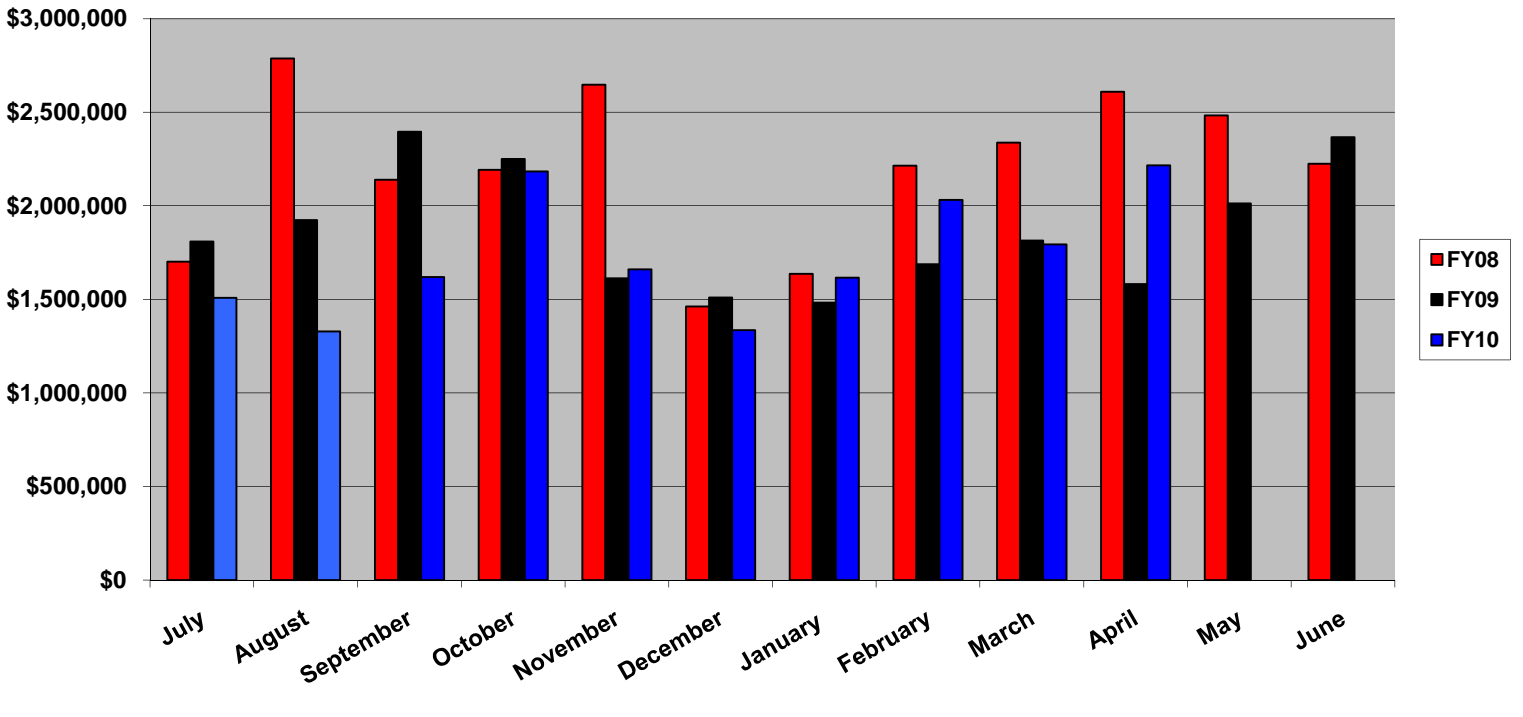


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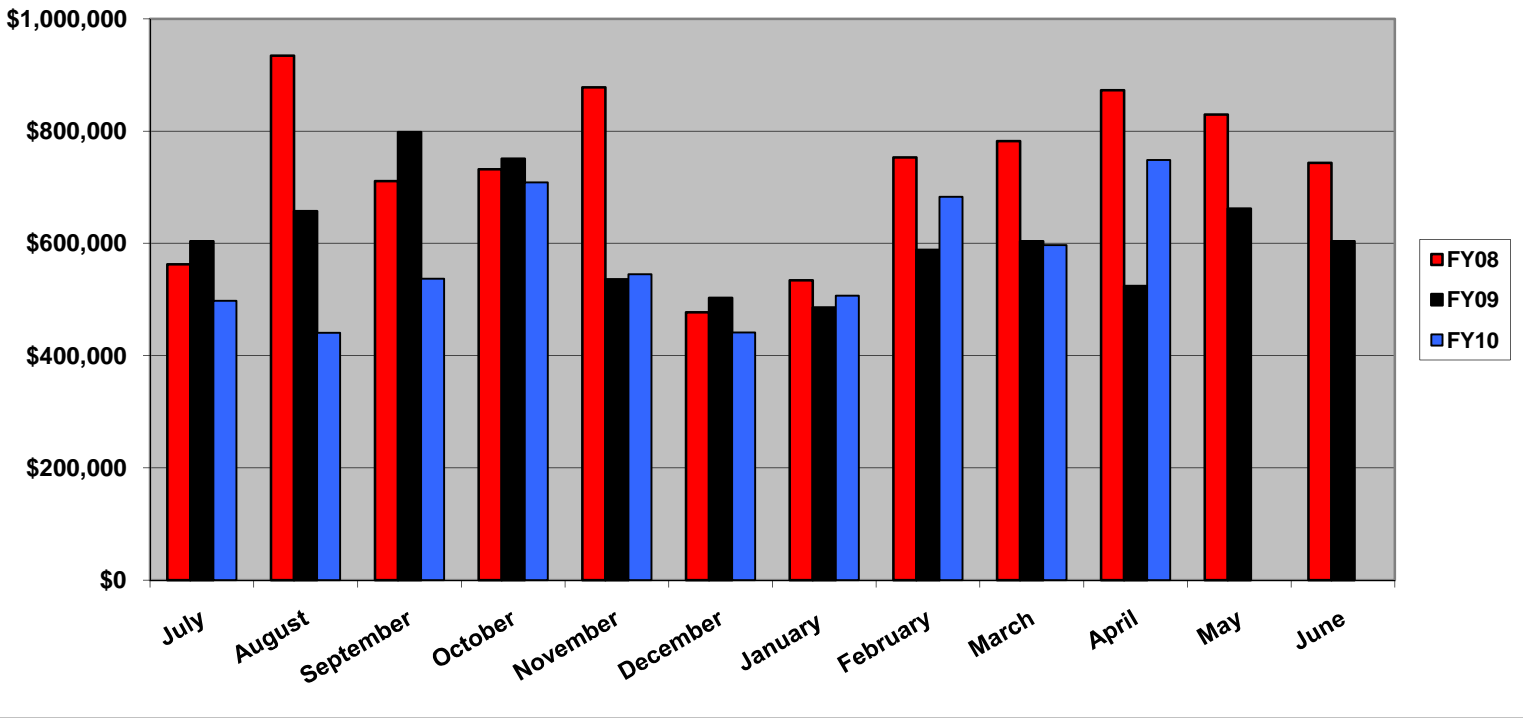
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Pace Percentage	110%	94%	82%	58%	126%	72%	0%	153%	96%
Total Demand Room Nights	1,009,543	658,649	576,114	307,170	224,626	188,645	80,114	37,350	3,082,211
Lost Room Nights	688,788	500,446	486,899	266,390	175,793	175,162	80,114	31,413	2,405,005
Conversion Percentage	32%	24%	15%	13%	22%	7%	0%	16%	22%
Peer Set Conversion Percentage	26%	20%	15%	19%	19%	25%	30%	20%	21%

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

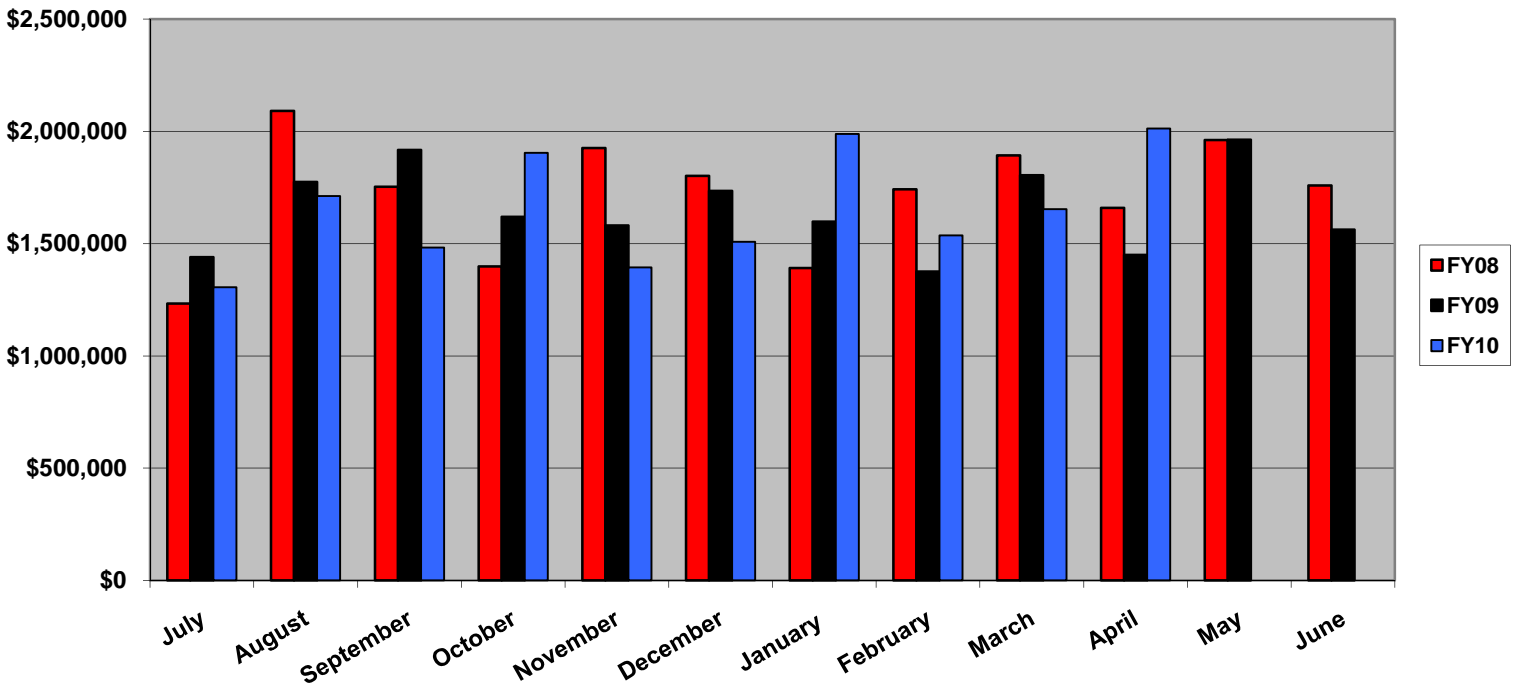
6% OCCUPANCY TAX COLLECTIONS



2% NASCAR HOF TAX COLLECTIONS



1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS



THE ECONOMY
April 2010

	2009	2010	% Change
Consumer Confidence Index	40.8	57.9	41.9%
Consumer Price Index (CPI)	213.240	218.009	2.2%
Unemployment Rate			
- National	8.9%	9.9%	11.2%
- State	10.7%	10.8%	0.9%
- Local	11.1%	11.1%	0%