



The Charlotte

# BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

## MARCH 2010

### National & International Business & Convention

#### BUSINESS TRAVEL EXPECTED TO MATCH, SURPASS 2009 LEVELS

**Marketing & Tourism Trends** reported a poll of 227 travel experts by **Travel Leaders Franchise Group** showing that nearly 40% thought booking levels should be similar to 2009, while 28% expected them to be better. Only 12% predicted bookings would decrease.

More than a third of the experts questioned in the Travel Leaders poll said they had 11% or more bookings in first or business class, and 53% indicated between one and ten percent of their clients were traveling "up front."

Business travelers were booking domestic travel two weeks or less before their departure date for domestic travel and one to three week international business, according to the poll. Most tourists traveling internationally book their flights eight weeks or more before their departure.

### Local Perspective

#### CHARLOTTE AREA LODGING – JANUARY SMITH TRAVEL RESEARCH

January was the third consecutive month of room demand increases here in the Charlotte Market. That is the longest such streak since August – October 2007. In two out of the last three months, occupancy has also improved over previous year levels.

**Occupancy** in the Charlotte Market was 45.3% for January, up 0.9% from January 2009. By comparison, occupancy was 45.1% in the US (-0.4%) and 40.2% in NC (0.0%).

**Average daily rate (ADR)** in the Charlotte Market was \$73.69 for January, down 9.1% from January 2009. By comparison, ADR was \$93.93 for the US (-7.1%) and \$72.07 in NC (-5.7%).

**Revenue per available room (RevPAR)** was \$33.35 in the Charlotte market for January, down 8.3% from January 2009. By comparison, RevPAR was \$42.35 in the US (-7.4%) and \$28.98 in NC (-5.7%).

**Room supply** grew at 4.6% in the Charlotte Market in January, while **room demand** grew 5.5%.

#### MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY10 THROUGH JANUARY

Mecklenburg County **6% regular occupancy tax collections** total \$11.3 million fiscal year to date, a 13% decline from the same period last fiscal year.

Mecklenburg County **2% NASCAR Hall of Fame occupancy tax collections** total \$3.7 million fiscal year to date, also a 13% drop from the same period last fiscal year.

Mecklenburg County **1% prepared food & beverage tax collections** total \$11.3 million fiscal year to date, a 3%% decline from the same period last fiscal year.

## National Leisure & Tourism

### US TRAVEL INDUSTRY TO ADD 90,000 JOBS IN 2010

The **U.S. Travel Association** projects that modest 2010 increases in leisure, business and international inbound travel will enable the industry to add nearly 90,000 American jobs. In 2010, leisure travel is expected to rise 2%, business travel is projected to increase by 2.5% and international inbound travel will increase by 3%. These job gains come on the heels of 400,000 combined travel industry job losses in 2008 and 2009.

Domestic leisure travel is expected to increase 2% in 2010, with a corresponding increase in leisure travel spending of nearly 5%. Domestic business travel volume will grow 2.5% next year and business travel spending will increase 4%.

International inbound travel will increase nearly 3% in 2010; however, growth in overseas travel (excluding Canada and Mexico) will remain stable at about 1%. Overseas travel visitation in 2010 will remain below 2000 levels (23.5 million versus 26 million, respectively). The concern about the lack of substantial growth next year from this market is that overseas travelers contribute significantly more to the U.S. economy, spending an average of \$4,500 per person, per trip compared to about \$900 per person, per trip for Canadian and Mexican travelers.

## Economy

### FOURTH QUARTER 2009 GDP, PRELIMINARY ESTIMATE

According to the **Associated Press**, the economy rocketed ahead at a 5.9% pace in the final quarter of 2009, stronger than initially estimated. But the growth spurt isn't expected to carry over into this year.

The fresh reading on the nation's economic standing, released by the **Commerce Department**, was better than the government's initial estimate a month ago of 5.7% growth. It would mark the strongest showing in six years.

Forecasters at the **National Association for Business Economics** predict the economy will expand at only a 3% pace in the first quarter of this year. The next two quarters should log similar growth, they predict. Unlike past rebounds driven by the spending of shoppers, this one is hinging more on spending by businesses and foreigners. Businesses boosted spending on equipment and software at a sizzling 18.2% pace, the fastest in nine years. Foreigners snapped up U.S.-made goods and services, which propelled exports to grow at a 22.4% pace, the most in 13 years.

## CRVA Media Coverage

### FEBRUARY VOCUS

During February, **Vocus** identified 308 news items relating to key words tracked by the CRVA. By category, 32% were on Charlotte Sports, followed by Charlotte Convention Center (26%), NASCAR Hall of Fame (17%), Time Warner Cable Arena (8%) and Charlotte Attractions (5%). By media, 35% took place via Online, Consumer sites followed by Online,

News & Business sites (28%), Newspapers (14%), Television Programs (8%) and Cable/Satellite – Network/Station (6%). A total of 59% of February's media hits occurred outside the Charlotte area.

### Sources for this Publication

- Associated Press
- *Marketing & Tourism Trends*
- Mecklenburg County Tax Office
- National Assoc. for Business Economics
- Smith Travel Research
- The Conference Board
- The TAP Report
- US Department of Commerce
- 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

- 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

## February 2010

### Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
January 2010 Occupancy %	45.3	40.2	44.2	45.1	52.7
% Change	0.9	0.0	0.5	-0.4	2.5
January 2010 ADR \$	73.69	72.07	83.56	93.93	110.91
% Change	-9.1	-5.7	-7.9	-7.1	-10.1
January 2010 RevPAR \$	33.35	28.98	37.26	42.35	58.43
% Change	-8.3	-5.7	-7.4	-7.4	-7.9
2010 YTD Occupancy %	45.3	40.2	44.2	45.1	52.7
% Change	0.9	0.0	0.5	-0.4	2.5
2010 YTD ADR \$	73.69	72.07	83.56	93.93	110.91
% Change	-9.1	-5.7	-7.9	-7.1	-10.1
2010 YTD RevPAR \$	33.35	28.98	37.26	42.35	58.43
% Change	-8.3	-5.7	-7.4	-7.4	-7.9

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 January	% Chg from January 09	2010 YTD	YTD % Chg from 09
Passenger Enplanements	Unavailable	Unavailable	Unavailable	Unavailable
Passenger Deplanements	Unavailable	Unavailable	Unavailable	Unavailable

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

### Visit Charlotte Definite Room Night Production

	Month of February	Change from February 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	30,609	-56,673	244,154	-6,764 (-2.7%)
Visitor Economic Development (\$)	18,458,680	-51,828,478	190,527,754	13,859,786 (7.8%)
Number of Definite Bookings	47	-71	220	-40 (-15%)
Average Size of Definite Bookings	651	-88	1,110	-145 (-15%)
Total Attendance	64,290	-188,487	499,998	89,391 (21.8%)
Convention Center GSF Booked	500,000	-670,000	9,780,000	-13,950,696 (-35.5%)

### Visit Charlotte Lead Room Night Production

	Month of February	Change from February 2009	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	87,456	-49,628	765,088	137,538 (21.9%)
Number of Lead Bookings	92	-63	471	-54 (-10.3%)
Average Size of Lead Bookings	951	67	1,624	429 (35.9%)

### Visit Charlotte Housing Bureau Production

	Month of February	FY 2010 YTD	YTD% Chg from FY09
Total Reservations Produced	1,033	3,664	-61%
Total Room Nights Produced	3,208	6,137	-80%

### Visit Charlotte Leisure Tourism Production

	Month of February	FY 2010 YTD	YTD % Chg from FY09
Ad Inquiries (+Travelocity clicks, etc.)	2,521	132,224	728%
Visitor Center Walk-In Traffic	1,294	17,965	-24%
Call Center Inquiries	443	3,979	-14%
Web Site Official Visitors Guide Requests (& views)	2,080	19,012	55%
Emails/Letters/Faxes	13	196	-164%
Total Visitor Inquiries	<b>6,351</b>	<b>173,396</b>	<b>204%</b>
Visit Charlotte Web Site Visitors (Google)	<b>84,324</b>	<b>697,777</b>	<b>17%</b>
Motor Coach Group Bookings (Passengers)	<b>143</b>	<b>2,705</b>	NA

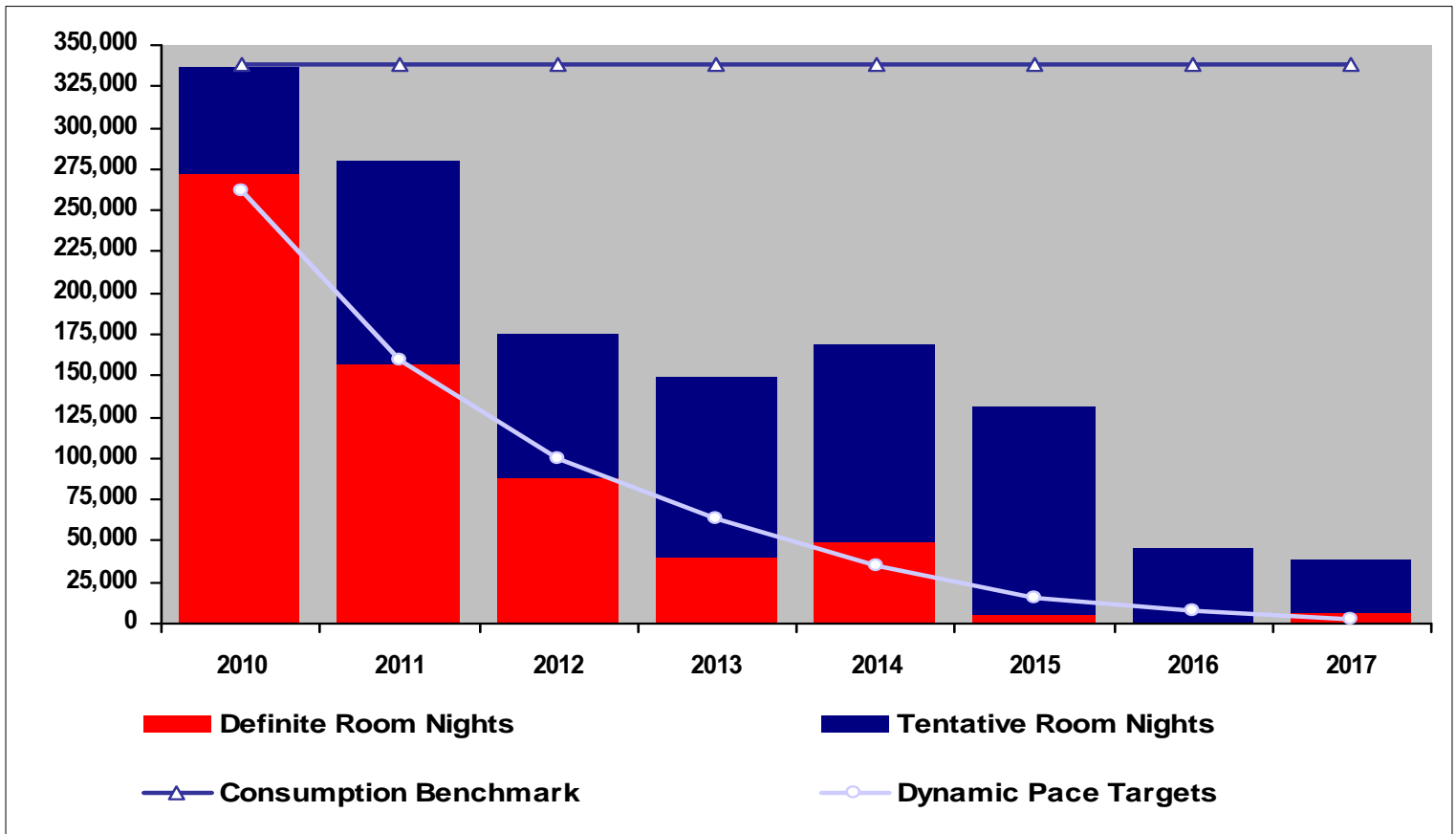
## DEFINITE BOOKINGS February 2010

Charlotte Convention Center							
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. (\$)
Solution Tree (Meeting Space) ®	Meeting	Sep 2010	2	0	281	125	78,500
NC Home Builders ®	Tradeshaw	Sep 2010	2	500,000	676	325	204,100
<b>Total</b>				<b>500,000</b>	<b>957</b>	<b>450</b>	<b>282,600</b>

Conference Sales						
Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. (\$)	
Charlotte Tennis Association ®	2 events	3 avg	383	1,000	402,000	
FLW Outdoors ®	Mar 2010	6	3,675	700	562,800	
Hill Family	Mar 2010	1	10	35	10,990	
NC Pest Management Association	Mar 2010	1	10	25	7,850	
New South Swimming	3 events	2 avg	1,095	2,635	706,180	
Nexstar	Mar 2010	2	20	40	25,120	
The Institute of Internal Auditors	Mar 2010	2	15	150	94,200	
Top Gun Sports ®	26 events	2 avg	20,610	46,410	12,437,880	
Soccer United Marketing	Mar 2010	3	188	300	120,600	
Universal Spirit ®	Mar 2010	1	540	4,500	603,000	
Omega Psi Phi Fraternity ®	Apr 2010	2	92	25	15,700	
NC Federation of Young Republicans	May 2010	2	22	120	75,360	
Softball Nation ®	2 events	2 avg	986	6,700	1,795,600	
Sullivan Family	Jul 2010	3	35	50	47,100	
3N Entertainment ®	Aug 2010	2	600	900	565,200	
Association of College and University Housing ®	Oct 2010	9	1,361	250	706,500	
<b>Total</b>			<b>29,652</b>	<b>63,840</b>	<b>18,176,080</b>	
<b>GRAND TOTAL</b>			<b>30,609</b>	<b>64,290</b>	<b>18,458,680</b>	

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 2/1/10) Trends Analysis Projections, LLC

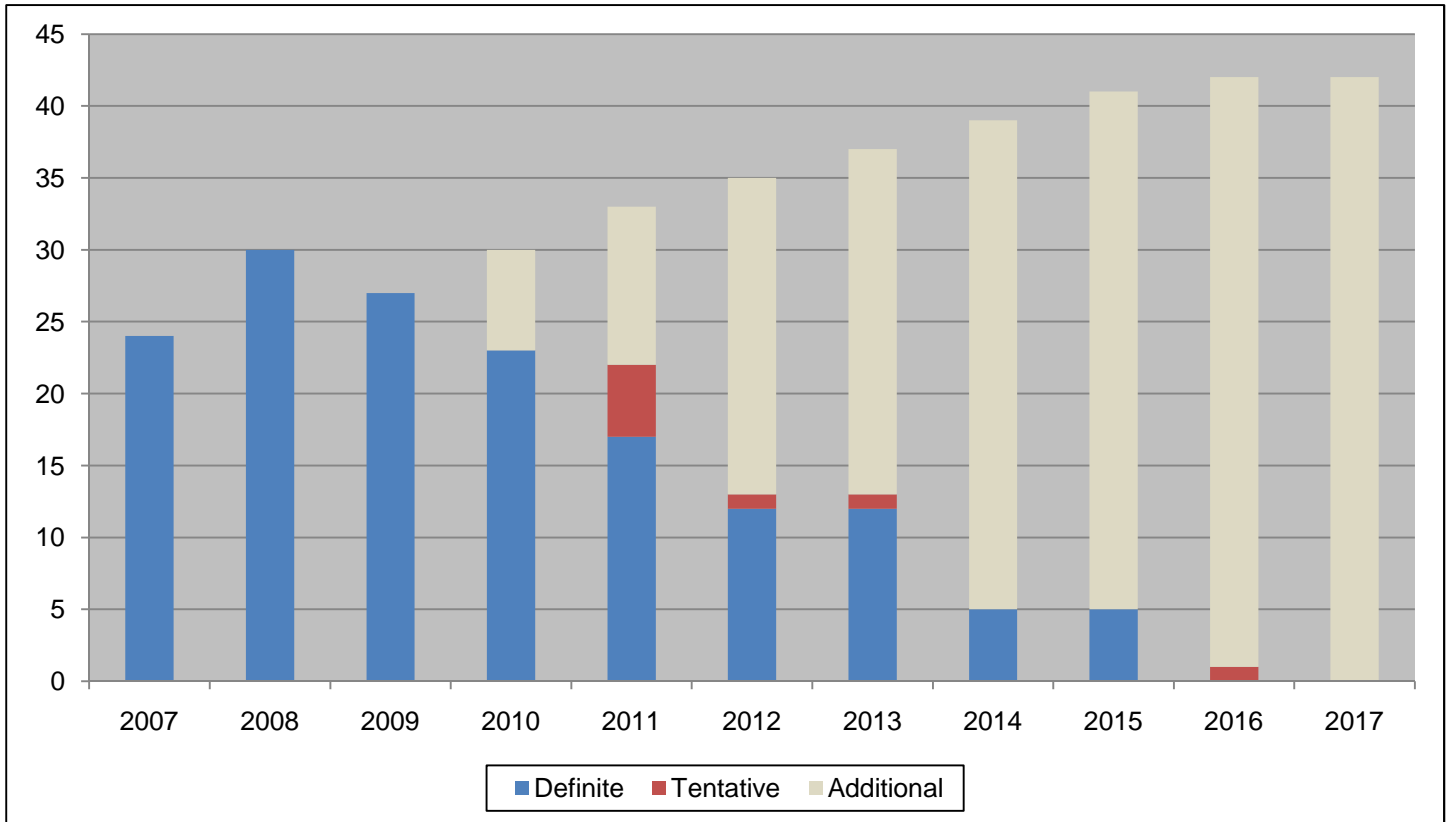


## Eight Year Dynamic Room Night Pace Report (As of 2/1/10) Trends Analysis Projections, LLC

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	272,439	156,688	87,881	40,780	48,833	5,330	0	5,937	617,888
Pace Target	262,020	159,756	100,461	64,061	34,617	15,397	7,426	2,320	646,058
Variance	(53,510)	(26,249)	(3,274)	(16,002)	(22,892)	13,366	(9,788)	(8,005)	(126,354)
Pace Percentage	104%	98%	87%	64%	141%	35%	0%	256%	96%
Tentative Room Nights	65,010	123,507	87,451	108,054	119,581	126,150	44,828	32,456	707,037
Consumption Benchmark	338,055	338,055	338,055	338,055	338,055	338,055	338,055	338,055	2,704,440
Peer Set Pace Percentage	100%	86%	74%	88%	89%	152%	144%	228%	94%

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

## Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 3/2/10)



## Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 3/2/10)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Definite Bookings</b>	24	30	27	23	17	12	12	5	5	0	0
<b>Tentative Bookings</b>	0	0	0	0	5	1	1	0	0	1	0
<b>Subtotal</b>	24	30	27	23	22	13	13	5	5	1	0
<b>Definite Target</b>	20	21	26	30	33	35	37	39	41	42	42
<b>Variance</b>	4	9	1	-7	-11	-22	-24	-34	-36	-41	-42

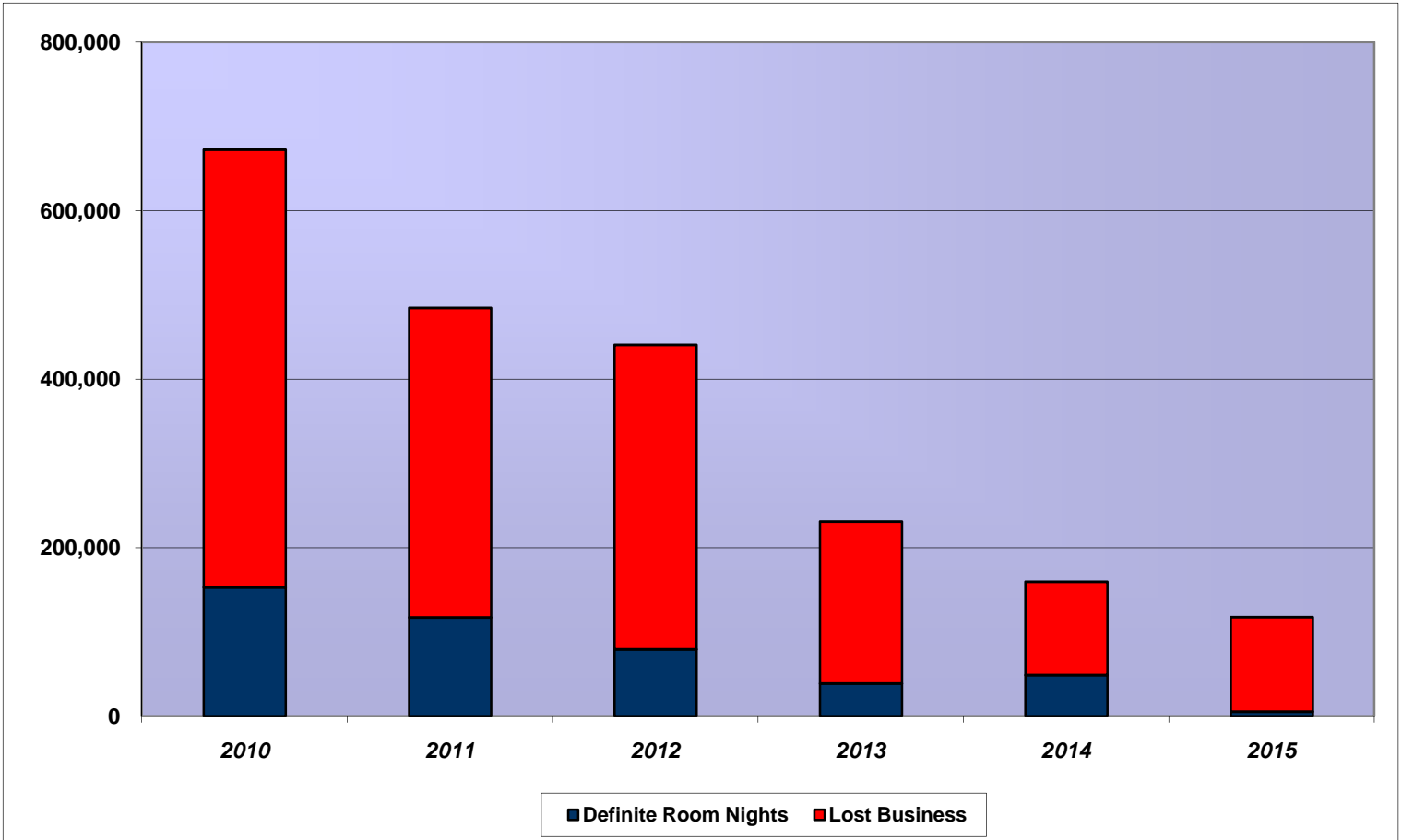
# HOSPITALITY INDUSTRY SALES ACTIVITIES

## February 2010

<b>Site Visits</b>			
<b>Group Name</b>	<b>Venue</b>	<b>Total Room Nights</b>	<b>Total Attendance</b>
<b>DEFINITES</b>			
American Coatings Show (April 2010)	CCC	15,920	5,600
Church of God in Christ (July 2010)	CCC	9,500	12,000
International Code Council (October 2010)	CCC	8,853	1,500
International Economic Development Council (September 2011)	CCC	2,360	2,000
<b>TENTATIVES</b>			
General Services Administration (August 2010)	Hotel	1,010	250
NC Association of Municipal Clerks (January 2011)	Hotel	300	160
Church of Our Lord Jesus Christ (July 2011)	CCC	3,031	7,000
Barbershop Harmony Society (June 2014)	CCC	15,650	11,000
Diversified Consultants (TBD)	TBD	TBD	TBD
USFN (TBD)	TBD	TBD	TBD

<b>Trade Shows &amp; Events (attended by staff)</b>	
<b>Event Name</b>	<b>Location</b>
Destination Showcase	Washington, DC
Informex	San Francisco, CA
Meeting Professionals International – Georgia Chapter	Atlanta, GA
Precast Concrete Association	Phoenix, AZ
Successful Meetings	Atlanta, GA

## Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 3/1/10) Trends Analysis Projections, LLC

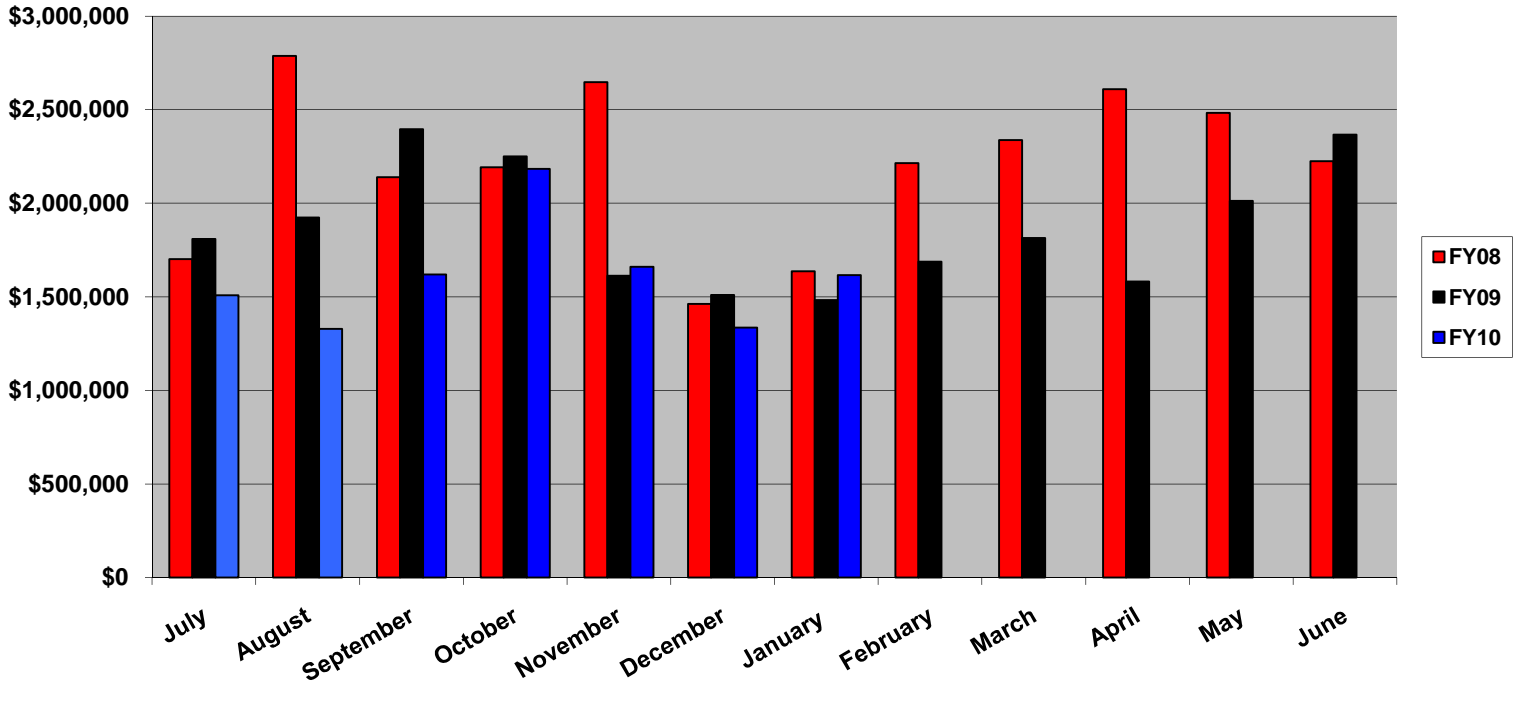


## Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 3/1/10) Trends Analysis Projections, LLC

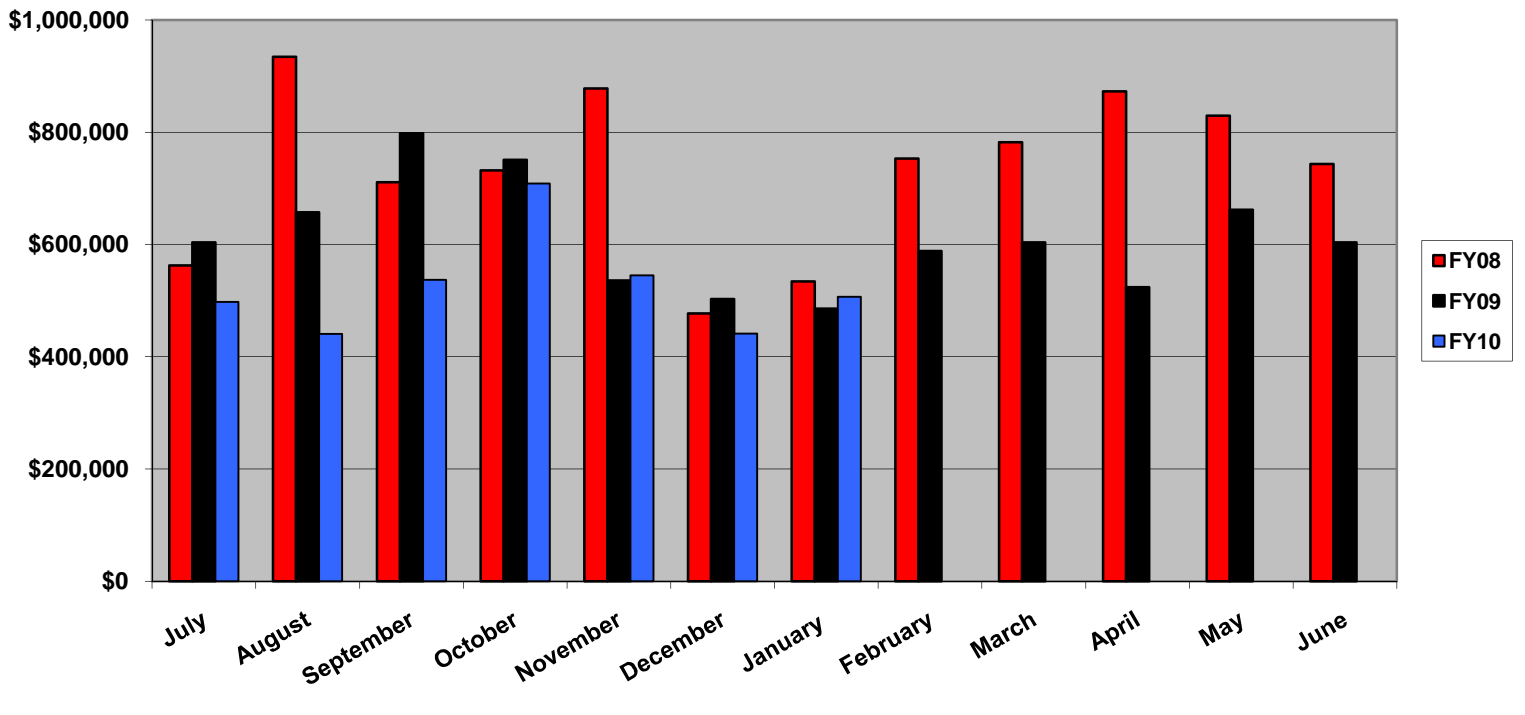
	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	153,092	117,230	79,291	38,705	48,833	5,330	0	5,937	448,418
Pace Target	140,826	110,005	71,117	44,960	26,960	11,462	4,215	714	410,259
Pace Percentage	109%	107%	111%	86%	181%	47%	0%	832%	109%
Total Demand Room Nights	672,446	484,864	440,910	231,084	159,621	117,672	38,891	12,412	2,157,900
Lost Room Nights	519,354	367,634	361,619	192,379	110,788	112,342	38,891	12,412	2,157,900
Conversion Percentage	23%	24%	18%	17%	31%	5%	0%	48%	21%
Peer Set Conversion Percentage	25%	20%	16%	19%	20%	27%	34%	23%	21%

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

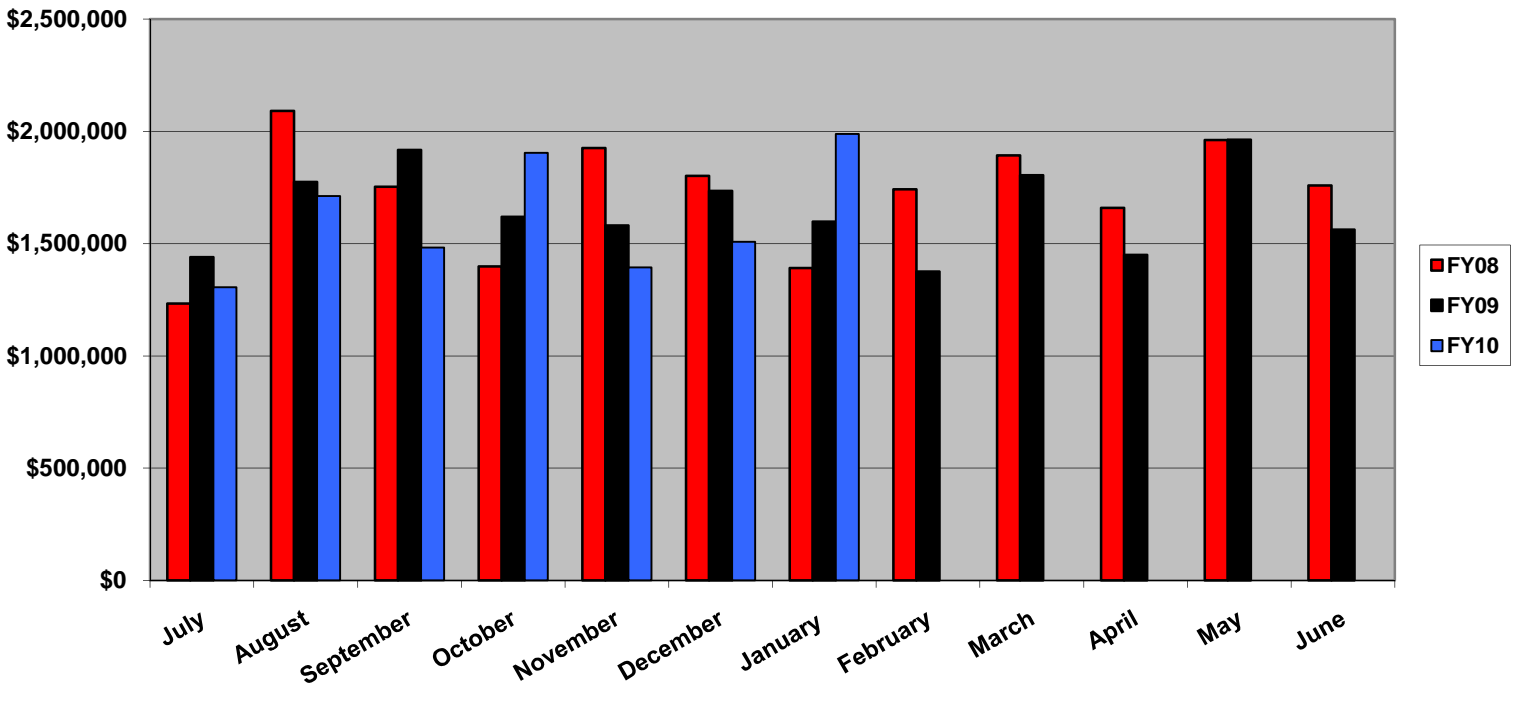
### 6% OCCUPANCY TAX COLLECTIONS



### 2% NASCAR HOF TAX COLLECTIONS



**1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS**



**THE ECONOMY**  
**January 2010**

	<b>2009</b>	<b>2010</b>	<b>% Change</b>
Consumer Confidence Index	37.4	56.5	51%
Consumer Price Index (CPI)	211,143	216.687	2.6%
Unemployment Rate			
- National	7.7%	9.7%	26%
- State	9.7%	Available 3/10/10	NA
- Local	10.5%	Available 3/19/10	NA