



The Charlotte

BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

MARCH 2007

National & International Business & Convention

RISING BUSINESS TRAVEL COSTS

Business travel costs are expected to surge to all-time highs in 2007, as **American Express** predicts a 13 percent year-over-year increase in domestic airfares, and **Smith Travel Research** estimates the average hotel room rate will surge to \$103 in

2007 - up more than 11% since 2005. To address the issues impacting business travel costs, the **National Business Travel Association (NBTA)** recently held discussions on how businesses and business travelers can more efficiently cope with rising costs.

Some steps businesses will utilize over the coming year to mitigate rising travel costs are:

- Strengthening compliance with corporate travel policies
- Increasing the use of preferred online tools for booking travel
- Reducing the number of preferred suppliers, thus leveraging increased volume to secure better prices
- Booking fewer luxury hotels in favor of mid-scale properties

According to the **NBTA's 2007 Business Travel Forecast**, nearly 68% of survey respondents expect their companies' travelers to take more trips in 2007 compared to 2006. Given rising travel costs, companies will be smart about managing their travel spending habits this year.

Local Perspective

CHARLOTTE AREA LODGING PERFORMANCE

According to **Smith Travel Research**, January occupancy in the Charlotte MSA was 55%, a 2.6% increase over January 2006. Average daily rate was \$77.24 for the month of January, a 9.5% improvement over January 2006. Revenue per available room reached \$42.48 in the market during January, a 12.4% rise compared to

January 2006.

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS

Through the first seven months of fiscal year 2007, occupancy tax collections total \$17,358,317- a 48% rise over the same period last fiscal year.

NASCAR 2% year to date occupancy tax collections have contributed \$4,340,040 to that total. Excluding the NASCAR 2% portion, fiscal year 2007 year to date collections outpace the same period of fiscal year 2006 by 11%.

Fiscal year 2007 prepared food & beverage tax collections total \$11,024,010 to date- an 8% improvement over the same period in fiscal year 2006.

National Leisure & Tourism

TWO OUT OF THREE WILL RESEARCH AND MAKE A TRAVEL TRANSACTION ONLINE

A recent **Burst Media** study found that two-thirds (66.9%) of respondents who will use the Internet to help plan their upcoming travel will conduct travel research as well as make an online travel transaction – while 33.1% will use the web solely as an

information resource.

As household income (HHI) increases so does the likelihood that a respondent will use the Internet to conduct both travel research and travel transactions. In fact, 72.3% of respondents reporting HHI of \$75,000-\$99,999, and 79.7% reporting HHI of \$100,000 or more will conduct online travel research as well as travel transactions for their upcoming travel. However, this practice is not simply limited to the higher HHI levels. Internet use for travel research and travel transactions is prevalent across all HHI levels. For respondents reporting HHI of less than \$35,000, 57.6% will go online for a combination of travel research and purchase. That percentage rises to 59.2% for HHI levels from \$35,000-\$49,999 and to 65.2% for HHI levels in the \$50,000-\$74,999 range.

The Economy

GROSS DOMESTIC PRODUCT: FOURTH QUARTER 2006

Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 2.2 percent in the fourth quarter of 2006, according to preliminary estimates released by the **Bureau of**

Economic Analysis. In the third quarter, real GDP increased 2.0 percent.

Real GDP increased 3.3 percent in 2006 (that is, from the 2005 annual level to the 2006 annual level), compared with an increase of 3.2 percent in 2005.

Media Coverage

VOCUS PR ACTIVITY

During the month of February 2007, **Vocus** tracked 923 media hits on key words provided by the CRVA. By source, 34% of media results related to the CIAA, 22% to NASCAR Hall of Fame, 18% to Charlotte Convention Center, 15% to Cricket Arena, and 4% to the CRVA. The majority, 55%, of these news items were picked up outside

of the 22 county Charlotte DMA. By medium, 37% occurred on broadcast media, 36% in newspapers and 11% in electronic media.

Sources for this Publication

- American Express
- Burst Media
- Mecklenburg County Tax Office
- National Business Travel Association
- Smith Travel Research
- The TAP Report
- The Conference Board
- US Department of Labor
- US Bureau of Economic Analysis
- Visit Charlotte/CRVA
- Vocus

*Mike Applegate, Dir. of Research, CRVA
Mike.applegate@crva.com*

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HOSPITALITY INDUSTRY STATISTICAL REPORT

February 2007

Charlotte MSA Lodging Production

	Charlotte MSA	North Carolina	Competitive Set	United States	Top 25
January 2007 Occupancy %	55.0	48.5	51.2	52.8	59.8
January 2007 ADR \$	77.24	72.57	88.19	99.55	120.25
January 2007 RevPAR \$	42.48	35.16	45.67	52.59	71.96
January 2007 Rooms Sold/% Chg	1.5	3.5	2.4	-0.4	-0.6
January 2007 Rooms Avail/% Chg	-1.1	0.8	1.5	1.0	0.7
2007 YTD Occupancy %	55.0	48.5	51.2	52.8	59.8
2007 YTD ADR \$	77.24	72.57	88.19	99.55	120.25
2007 YTD RevPAR \$	42.48	35.16	45.67	52.59	71.96
2007 YTD Rooms Sold/% Chg	1.5	3.5	2.4	-0.4	-0.6
2007 YTD Rooms Available/% Chg	-1.1	0.8	1.5	1.0	0.7

Sourced by Smith Travel Research-Stats lag by one month

Charlotte Douglas International Airport Aviation Production

	Month of January	2007 YTD	YTD% Chg from 2006
Passenger Enplanements	1,230,147	1,230,147	20%
Passenger Deplanements	1,229,045	1,229,045	19%

Sourced by Charlotte Douglas International Airport-Stats lag by one month

Visit Charlotte Definite Room Night Production

	Month of February	Change from February 2006	FY 2007 YTD	YTD Chg (%) from FY06
Total Room Night Production	49,587	3,953	241,673	48,557 (25%)
Delegate/Organizer Spending ¹	\$23,958,520	\$7,661,350	\$129,678,867	\$4,535,093 (4%)
Number of Definite Bookings	61	2	207	-3 (-1%)
Average Size of Definite Bookings	813	40	1,168	248 (27%)
Total Attendance	106,500	42,152	401,240	109,330 (37%)

Visit Charlotte Lead Room Night Production

	Month of February	Change from February 2006	FY 2007 YTD	YTD Chg (%) from FY06
Total Room Night Production	78,451	-29,889	934,048	-23,963 (-3%)
Number of Lead Bookings	73	0	556	33 (6%)
Avg Size of Lead Bookings	1,075	-409	1,680	-152 (-8%)

Visit Charlotte Housing Bureau Production

	Month of February	FY 2007 YTD	YTD% Chg from FY06
Total Reservations Produced	1,281	15,477	62%
Total Room Nights Produced	4,086	42,834	35%

Visit Charlotte Leisure Tourism Production

	Month of February	FY 2007 YTD	YTD % Chg from FY06
Advertising Inquiry Labels	630	5,356	-24%
Visitor Center Walk-In Traffic	2,019	21,509	8%
Call Center Inquiries	976	8,091	-9%
Web OVG Requests ²	3,241	18,092	51%
Emails/Letters/Faxes	67	556	-36%
Total Visitor Inquiries	6,933	53,604	10%
Web Site Visitors	174,767	1,207,920	80%

VISIT CHARLOTTE DEFINITE BOOKINGS

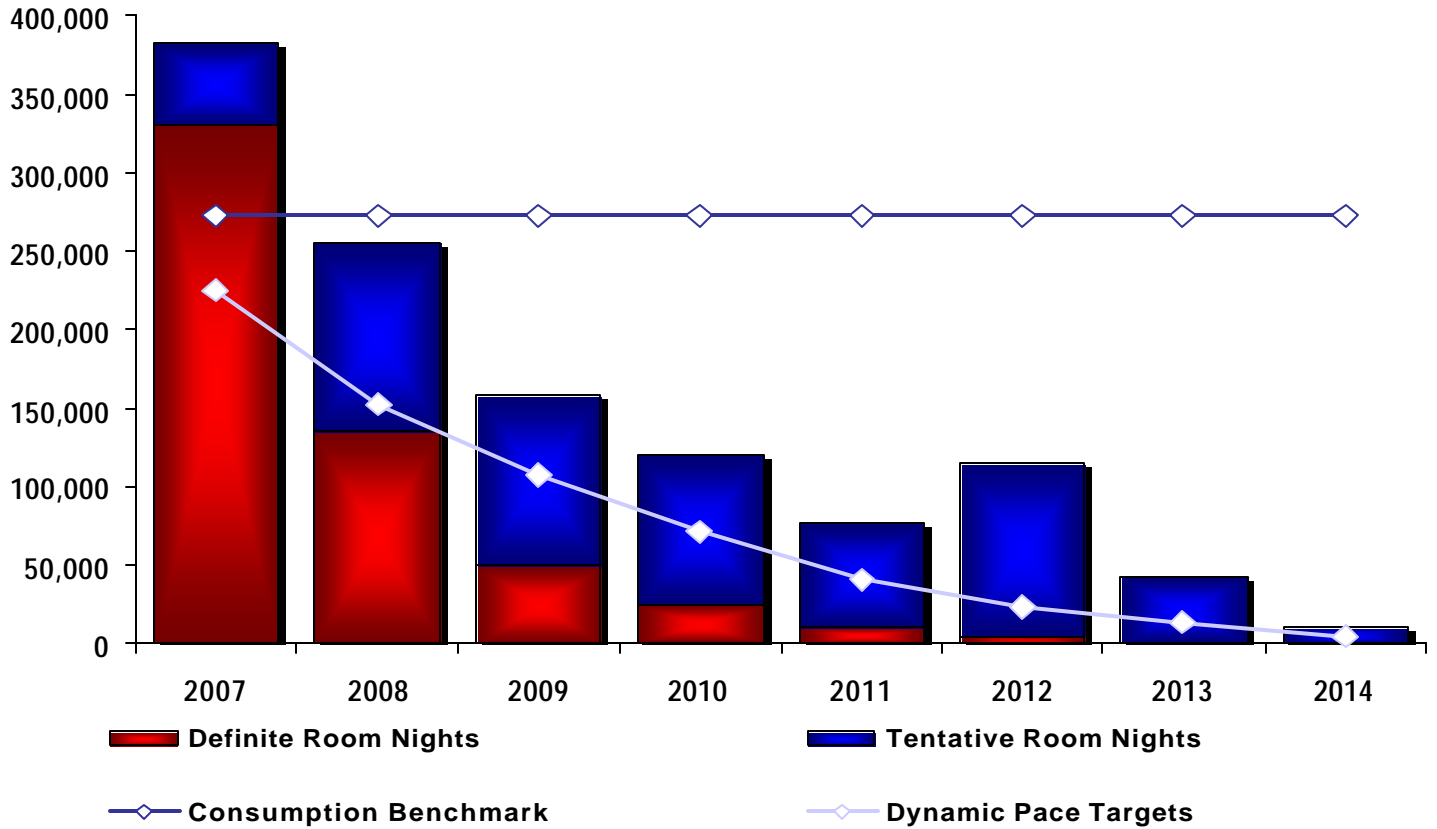
February 2007

Charlotte Convention Center						
Group Name	Meeting Type	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending¹
U.S. Fencing Association ®	Assembly	2/08	4	2,880	2,500	\$986,000
NC Manufactured Housing Inst. ®	Tradeshaw	9/08	2	866	5,000	\$1,472,000
Total				3,746	7,500	\$2,458,000

Conference Sales					
Group Name	Event Date	Days	Total Room Nights	Attendance	Delegate/ Organizer Spending¹
US Specialty Sports Association ®	2007 Tournaments- 38	2 per	35,940	38,000	\$7,493,600
National Softball Association ®	2007 Tournaments- 13	2.3 per	1,568	55,600	\$9,781,120
General Electric ®	3/07	2	16	250	265,000
FLW Outdoors	4/07	6	5,610	3,000	1,774,800
Society of Cable Telecommunications Engineers ®	5/07	2	25	75	172,000
Stowe Family Reunion	7/07	2	60	400	155,000
Couples for Christ Global Mission Foundation	8/07	2	600	700	463,000
The Lending Tree	9/07	3	900	400	492,000
Money Transmitter Regulators Association	10/07	3	390	250	382,000
RBC Dain Rauscher	11/07	2	460	225	244,000
American Peanut Council	12/07	3	272	100	278,000
Total			45,841	99,000	\$21,500,520
GRAND TOTAL			49,587	106,500	\$23,958,520

® Repeat Business

Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 2/1/07) Trends Analysis Projections, LLC

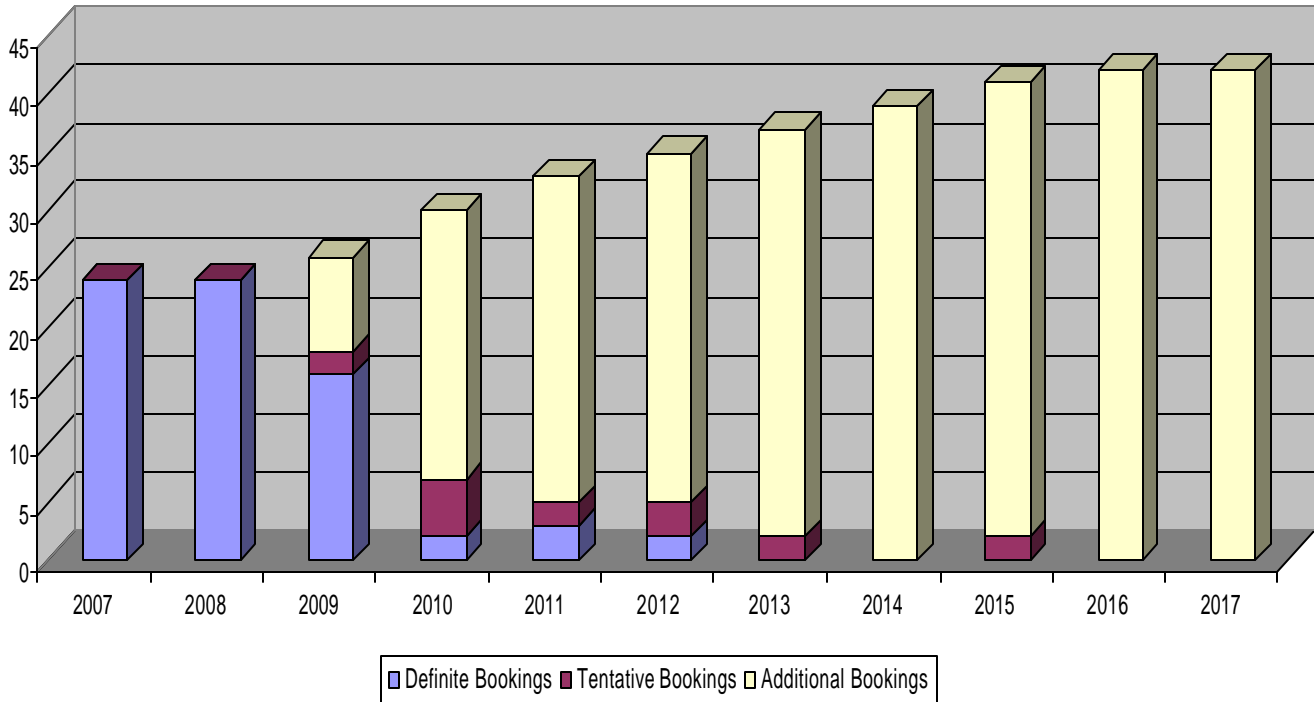


Visit Charlotte Eight Year Dynamic Room Night Pace Report (As of 2/1/07) Trends Analysis Projections, LLC

Blue = target, Black = present standing, Green = ahead of pace, Red = behind pace

	2007	2008	2009	2010	2011	2012	2013	2014	Total
Definite Room Nights	330,703	134,768	48,761	24,363	10,193	5,060	0	0	533,848
Pace Target	224,327	151,731	107,362	71,137	39,887	23,698	13,199	4,917	636,257
Variance	106,376	(16,963)	(16,963)	(46,774)	(29,694)	(18,638)	(13,199)	(4,917)	(82,409)
Pace Percentage	147%	89%	45%	34%	26%	21%	0%	0%	87%
Tentative Room Nights	51,930	119,756	109,053	96,542	65,947	109,534	41,617	9,563	603,969
Target Consumption	272,568	272,568	272,568	272,568	272,568	272,568	272,568	272,568	2,180,544

Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 3/8/07)



Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 3/8/07)

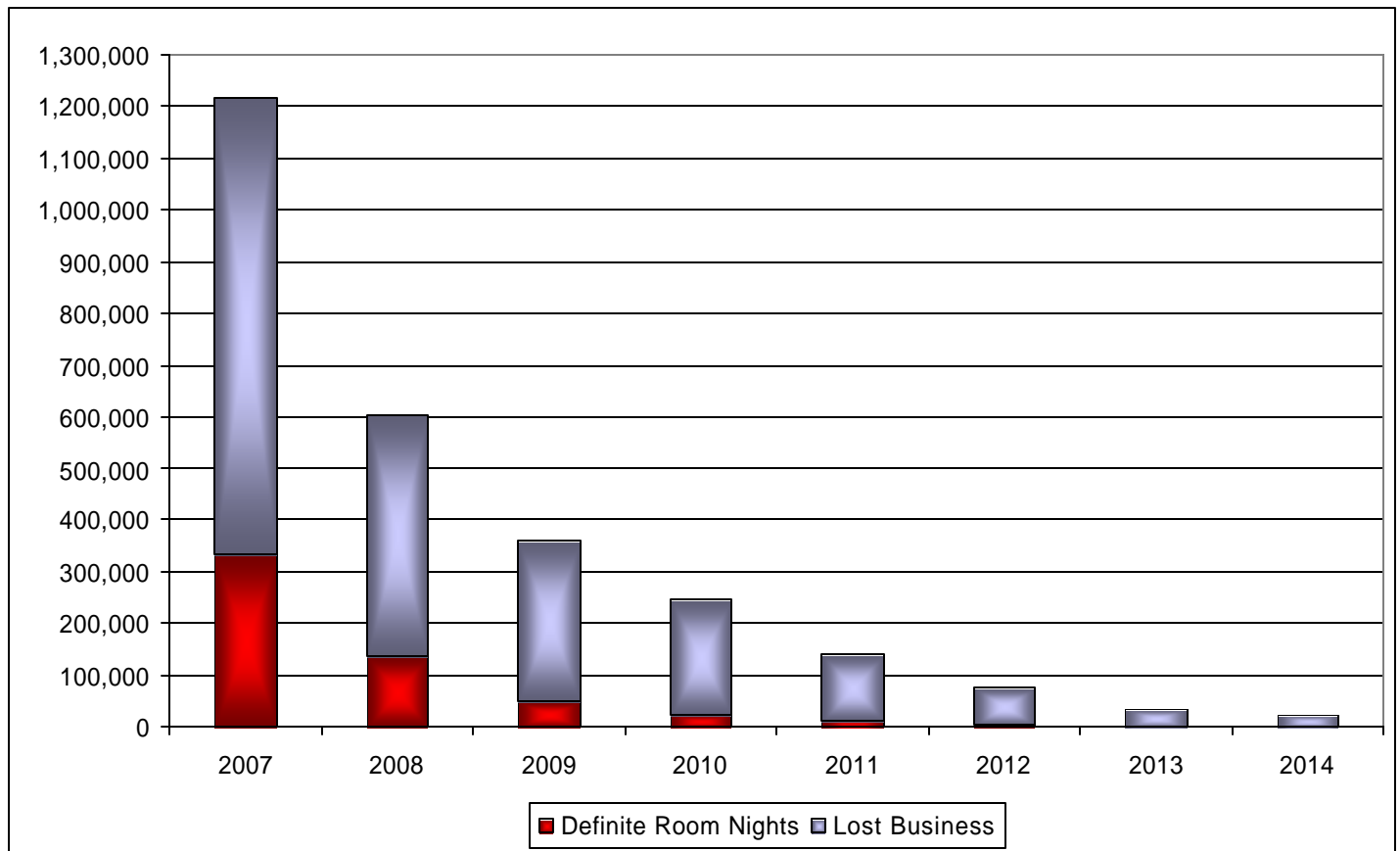
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Definite Bookings	24	24	16	2	3	2	0	0	0	0	0
Tentative Bookings	0	0	2	5	2	3	2	0	2	0	0
Subtotal	24	24	18	7	5	5	2	0	2	0	0
Definite Target	20	21	26	30	33	35	37	39	41	42	42

HOSPITALITY INDUSTRY SALES ACTIVITIES February 2007

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
American Association of Laboratory Animal Science (10/07)	Convention Center	9,700	4,000
TENTATIVES			
Association of Junior Leagues International (2/08)	Hotel	192	200
Independent Welding Distributors (5/09)	Convention Center	1,386	500
Alpha Phi Alpha Fraternity (7/10)	Convention Center	4,500	2,500
American Chemistry Council (9/10)	Convention Center	2,595	1,200
Unitarian Universalist Association (6/11)	Convention Center	9,550	4,500
American Society of Plumbing Engineers (10/12)	Convention Center	4,566	6,000
Women of the Evangelical Lutheran Church in America (7/14)	Convention Center	6,023	3,000
Borzai Dog Show	TBD	TBD	TBD

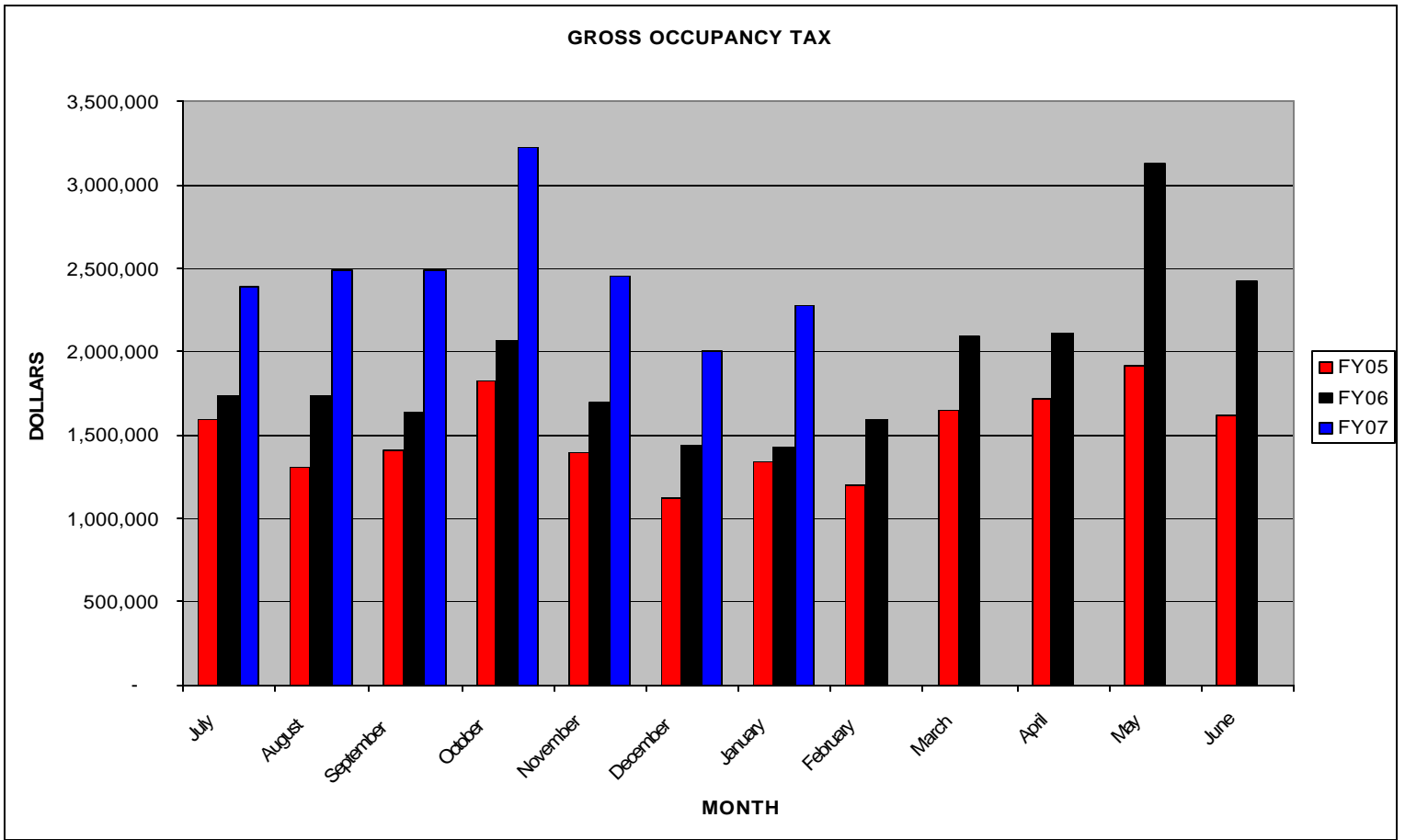
Trade Shows & Events	
Event Name	Location
Association for Convention Marketing Executives	Washington, DC
Awesome Adventures Travel Show Shoot	Charlotte, NC
Bank Travel Conference	Jacksonville, FL
Destination Marketing Association International	Washington, DC
Destination Showcase	Washington, DC
Heartland USA Travel Writers Media Tour	Charlotte, NC
Hospitality Sales & Marketing Association International	Charlotte, NC
Meeting Professionals International Carolinas Chapter Board Retreat	Greer, SC
Meeting Professionals International Education Conference	New Orleans, LA
Southeast Marketplace Tradeshow	Atlanta, GA
Visit NC Canadian Sales Mission	Toronto, Montreal CANADA

Visit Charlotte Pace vs. Demand Comparison – Lost Business
(As of 2/1/07) Trends Analysis Projections, LLC

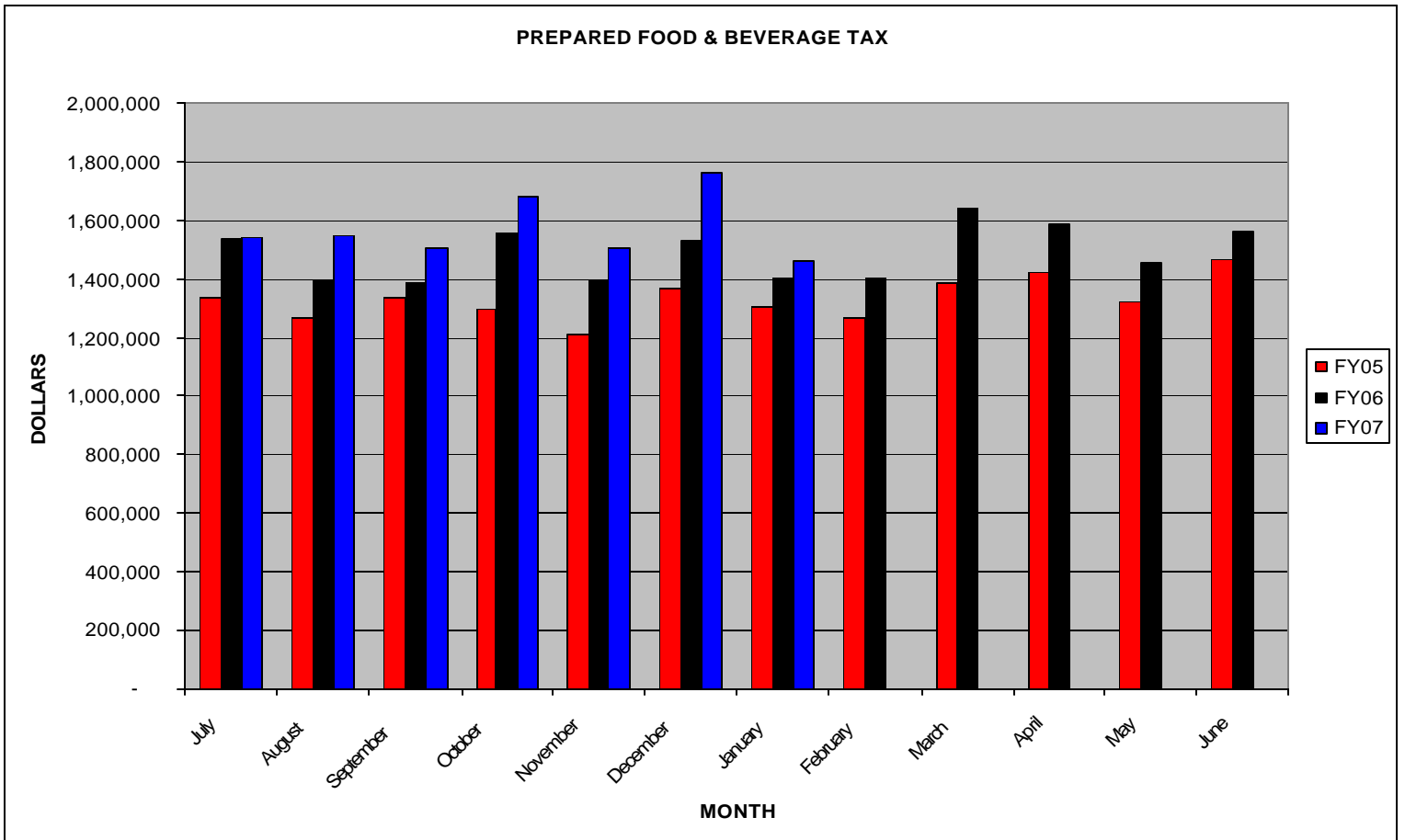


Visit Charlotte Pace vs. Demand Comparison – Lost Business
(As of 2/1/07 – updated quarterly)
Trends Analysis Projections, LLC

	2007	2008	2009	2010	2011	2012	2013	2014	Total
Definite Room Nights	330,703	134,768	48,761	24,363	10,193	5,060	0	0	553,848
Total Demand Room Nights	1,216,123	606,410	360,819	247,034	140,633	77,026	34,971	24,501	2,707,517
Lost Room Nights	885,420	471,642	312,058	222,671	130,440	71,966	34,971	24,501	2,153,669
Conversion Percentage	27%	22%	14%	10%	7%	7%	0%	0%	20%



Gross Occupancy Tax includes NASCAR 2% (instituted May 2006)



THE ECONOMY

January 2007

	2006	2007	% Change
Consumer Confidence Index*	106.8	110.2	3.2%
Consumer Price Index (CPI)**	198.1	202.4	2.1%
Unemployment Rate			
- National	4.7%	4.6%	-2.1%
- State	4.7%	4.6%	-2.1%
- Local	4.6%	Not available	

* The Consumer Confidence Index is based on a representative sample of 5,000 U.S. households. 1985 = 100

Source: The Conference Board

** The Consumer Price Index is the measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Source: U.S. Dept. of Labor

From pages 3 and 4:

¹Delegate/Organizer Spending derived from Destination Marketing Association International's (DMAI) Direct Spending Calculator,

²Leisure Spending equates to \$98.60 per person per day (DK Shifflet & Associates, Charlotte Market, 2004).

Charlotte Comp Set listed in STR comparisons includes: Tampa, Indianapolis, Baltimore, Minneapolis, St. Louis, Greensboro, Raleigh, Cincinnati, Columbus, Philadelphia, Pittsburgh and Nashville.