



The Charlotte

BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

DECEMBER 2010

National & International Business & Convention

PWC 2011 LODGING OUTLOOK

In their most recent *Hospitality Directions*, **PricewaterhouseCoopers** (PwC) anticipates stronger US occupancy and average daily rate gains in 2011 than previously forecast. After rising 5.7% to 57.7% in 2010, occupancy is expected to grow another 2.5% in 2011 to 59.2%. Average daily rate, which will drop 0.1% in 2010 to \$97.93 nationally, will grow to \$102.58 for 2011, an increase of 4.8%.

Given the increases expected in both occupancy and rate, revenue per available room (RevPAR) is forecast to grow 7.4% in 2011, its largest annual gain since the 7.8% growth posted in 2006.

Local Perspective

CHARLOTTE AREA LODGING – OCTOBER SMITH TRAVEL RESEARCH

Charlotte area hotels had their best month of 2010 during October with Average Daily Rate and Revenue per Available Room each reaching highs for the year.

Charlotte area hotel **occupancy** was 61.1% in October, a 9.7% increase from October 2009. October marks the 10th consecutive month in which occupancy has risen from the previous year, the longest streak since 2005/2006. Year to date Charlotte area occupancy is 58.5%, up 11.7% from the same time last year. By comparison, year to date occupancy is 59.2% in the US (up 5.4%), 55.3% in NC (up 6.8%) and 65.1% in the Top 25 markets (up 6.7%).

Charlotte area hotel **average daily rate (ADR)** was \$83.48 in October, up 1.1% from October 2009. October's rate was the best for 2010 and the area's highest since May 2009 (\$83.69). October marks the 4th straight month of ADR increases from the previous year. Year to date, Charlotte area ADR is \$79.13, down 1.6% from the same time last year. By comparison, year to date ADR is \$98.22 in the US (-0.5%), \$80.00 in NC (-1.2%) and \$118.03 in the Top 25 markets (-0.2%).

Charlotte area hotel **revenue per available room (RevPAR)** was \$51.04 in October, up 10.8% from October 2009. October's RevPAR was the best of 2010 and the highest in the market since October 2008 (\$58.14). October marks the 9th straight month of RevPAR improvements from the previous year. Year to date, Charlotte RevPAR is \$46.31, up 10% from the same period last year. By comparison, year to date RevPAR is \$58.13 in the US (up 4.9%), \$44.26 in NC (up 5.5%) and \$76.87 in the Top 25 markets (up 6.5%).

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY11 THROUGH OCTOBER

Mecklenburg County 6% regular occupancy tax collections total \$8.2 million fiscal year to date, a 24% increase from the same period last year.

Mecklenburg County 2% NASCAR Hall of fame tax collections total \$2.8 million fiscal year to date, also a 24% increase from the same period last year.

Mecklenburg County 1% prepared food & beverage tax collections total 7.0 million fiscal year to date, a 9% increase from the same period last year.

National Leisure & Tourism

MARKET METRIX HOSPITALITY INDEX – 3RD QUARTER 2010

According to **Market Metrix**, and their ongoing interviews with 35,000 consumers, meeting and event satisfaction with hotels improved slightly in the third quarter (+0.4 to 82.1), while scores for meetings and events taking place at casinos improved dramatically, up more than 2 points (+2.4 to 83.0).

The top scoring brands among hotels were: Mandarin Oriental (90.0, Luxury), Kimpton Hotels (90.6, Upper Upscale), Outrigger Hotels & Resorts (92.3, Upscale), Holiday Inn SunSpree Resorts (84.9, Midscale w/ F&B), Drury Inns (90.3, Midscale w/o F&B) and Microtel Inns & Suites (84.0, Economy).

Top scorers in the casino segment during the third quarter were: Mohegan Sun (89.9, Upscale Casino) and South Point Hotel Casino Spa (89.3, Casino).

The research goes on to say that “meeting and event customers at casinos were especially pleased with the improved food and beverage served at their events (+4.4 to 84.5), which is a key driver of repeat business for this segment.”

In addition to hotels and casinos, Market Metrix also measures consumer satisfaction with travel websites, airlines, car rental companies and timeshares.

Economy

CONSUMER CONFIDENCE INDEX

The Conference Board Consumer Confidence Index®, which had improved in October, increased further in November. The Index now stands at 54.1, up from 49.9 in October. The Present Situation Index rose to 24.0 from 23.5. The Expectations Index increased to 74.2 from 67.5 last month.

Says Lynn Franco, Director of The Conference Board Consumer Research Center: “Consumer confidence is now at its highest level in five months, a welcome sign as we enter the holiday season. Consumers’ assessment of the current state of the economy and job market, while only slightly better than last month, suggests the economy is still expanding, albeit slowly. Expectations, the main driver of this month’s increase in confidence, are now at the highest level since May (Exp. Index, 84.6). Hopefully, the improvement in consumers’ mood will continue in the months ahead.”

Media

NOVEMBER 2010 VOCUS

During the month of November, **Vocus** identified 1,313 news items on key words provided by the CRVA. By category, the top five news makers were: Time Warner Cable Arena (20%), NASCAR Hall of Fame (19%), CRVA (9%), Charlotte Sports (5%) and Charlotte Convention

Center (4%). By media, the top five communications tools were: Online, Consumer sites (44%), followed by Online News & Business sites (18%), Wire Service (14%), Television Programs (10%) and Newspapers (6%). A total of 84% of November’s media hits occurred outside of the Charlotte area.

Sources for this Publication

- Market Metrix
- Mecklenburg County Tax Office
- PricewaterhouseCoopers
- Smith Travel Research
- The Conference Board
- The TAP Report
- US Department of Labor
- Visit Charlotte/CRVA
- Vocus

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HOSPITALITY INDUSTRY STATISTICAL REPORT

November 2010

Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
October 2010 Occupancy %	61.1	61.8	63.7	61.3	67.9
% Change	9.7	9.1	6.5	6.9	6.4
October 2010 ADR \$	83.48	84.07	91.32	100.89	127.23
% Change	1.1	0.4	0.1	1.2	1.6
October 2010 RevPAR \$	51.04	81.92	58.62	61.89	86.39
% Change	10.8	9.5	6.7	8.2	8.1
2010 YTD Occupancy %	58.5	55.3	59.3	59.2	65.1
% Change	11.7	6.8	6.1	5.4	6.7
2010 YTD ADR \$	79.13	80.00	88.25	98.22	118.03
% Change	-1.6	-1.2	-2.3	-0.5	-0.2
2010 YTD RevPAR \$	46.31	44.25	52.70	58.13	76.87
% Change	10.0	5.5	3.7	4.9	6.5

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 October	% Chg from Oct. 09	2010 YTD	YTD % Chg from 09
Passenger Enplanements	1,694,866	15%	15,821,429	9%
Passenger Deplanements	1,703,673	15%	15,878,518	9%

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

Visit Charlotte Definite Room Night Production

	Month of November	Change from November 2009	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	147,076	134,860	222,867	104,797 (89%)
Visitor Economic Development (\$)	67,420,120	62,280,690	150,874,820	39,198,208 (35%)
Number of Definite Bookings	22	9	105	18 (21%)
Average Size of Definite Bookings	6,685	5,745	2,123	766 (56%)
Total Attendance	126,262	117,597	314,923	26,619 (9%)
Convention Center GSF Booked	4,560,000	4,560,000	10,900,000	4,420,000 (68%)

Visit Charlotte Lead Room Night Production

	Month of November	Change from November 2009	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	48,590	-64,244	417,799	-95,592 (-19%)
Number of Lead Bookings	61	15	271	33 (14%)
Average Size of Lead Bookings	797	-1,656	1,542	-615 (-29%)

Visit Charlotte Housing Bureau Production

	Month of November	FY 2011 YTD	YTD% Chg from FY10
Total Reservations Produced	560	4,147	122%
Total Room Nights Produced	2,380	13,294	130%

Visit Charlotte Leisure Tourism Production

	Month of November	FY 2011 YTD	YTD % Chg from FY10
Ad Inquiries (+Travelocity clicks, etc.)	868	8,711	-93%
Visitor Center Walk-In Traffic	3,257	18,088	37%
Call Center Inquiries	365	2,532	-8%
Web Site Official Visitors Guide Requests (& views)	838	6,430	-53%
Emails/Letters/Faxes	25	110	-16%
Total Visitor Inquiries	5,353	35,871	-76%
Visit Charlotte Web Site Visitors (Google)	94,052	447,494	-2%
Motor Coach Group Bookings (Passengers)	Unavailable	Unavailable	Unavailable

DEFINITE BOOKINGS

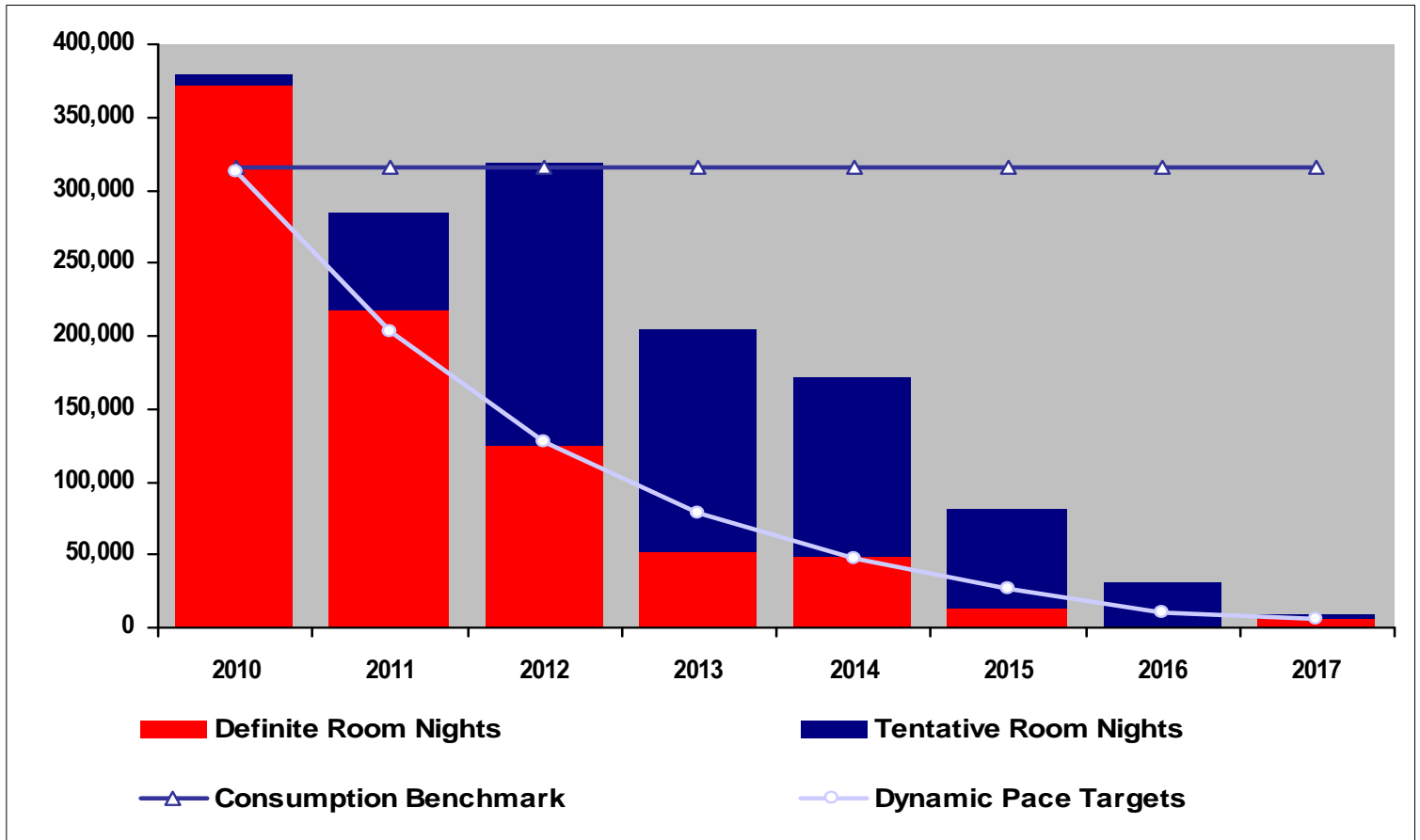
November 2010

Charlotte Convention Center							
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. (\$)
CIAA ®	Consumer	2/12	4	1,520,000	46,858	40,000	21,440,000
CIAA ®	Consumer	2/13	4	1,520,000	46,858	40,000	21,440,000
CIAA ®	Consumer	2/14	4	1,520,000	46,858	40,000	21,440,000
Total				4,560,000	140,574	120,000	64,320,000

Conference Sales					
Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. (\$)
Wells Fargo Home Mortgage	11/10	3	120	50	141,300
North Carolina Chamber	11/10	1	20	150	47,100
Pioneer Surgical Technology	12/10	1	-	40	12,560
Army Corps of Engineers	12/10	4	259	90	113,040
Stewart Title Guaranty Company	1/11	2	60	30	18,840
Omega Psi Phi Fraternity, Inc. ®	1/11	3	575	500	471,000
TEAM Charlotte Swimming ®	2/11	2	62	100	26,800
Pyrotek, Inc.	2/11	5	210	42	65,940
North Carolina Black Leadership Caucus	2/11	1	50	250	78,500
Office of the Comptroller of the Currency ®	2/11	1	27	110	34,540
McDowell & Nickerson Wedding	3/11	2	30	100	62,800
Carolina Youth Rugby Club ®	3/11	2	238	800	214,400
TEAM Charlotte Swimming ®	3/11	3	1,139	1,000	402,000
Southern Consortium of University Public Service Organizations	4/11	2	50	100	62,800
Stairway Manufacturer's Association	4/11	3	134	50	47,100
SwimMac Carolinas ®	5/11	3	1,620	1,300	522,600
SwimMac Carolinas ®	7/11	3	1,054	1,000	402,000
North Carolina Public Health Association	9/11	3	470	400	376,800
Total			6,493	6,262	3,100,120
GRAND TOTAL			140,574	126,262	67,420,120

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 11/1/10) Trends Analysis Projections, LLC

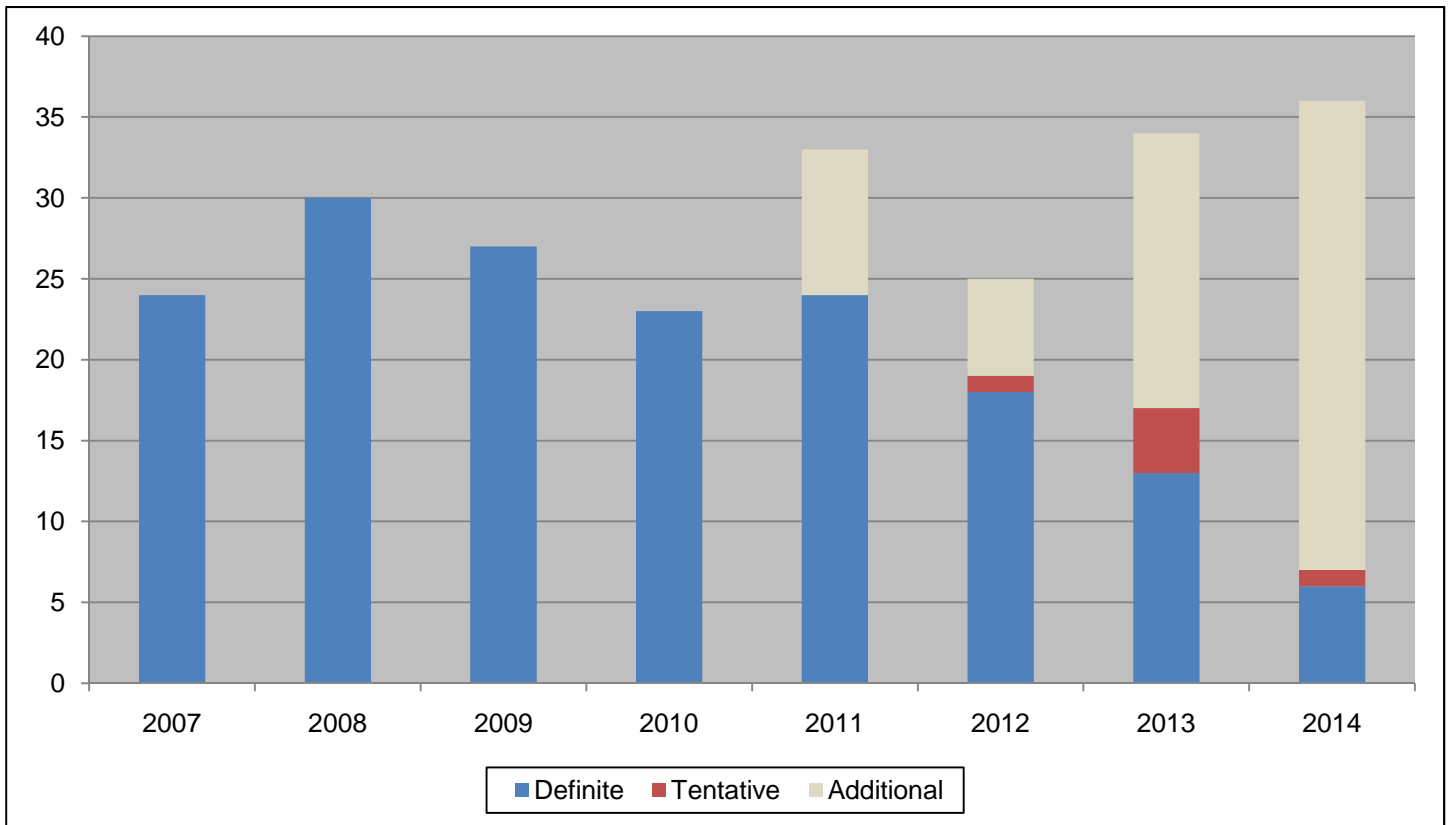


Eight Year Dynamic Room Night Pace Report (As of 11/1/10) Trends Analysis Projections, LLC

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	371,805	218,201	124,084	51,565	48,833	13,483	0	5,937	833,908
Pace Target	312,766	203,059	127,882	78,582	47,443	26,233	10,806	5,571	812,342
Pace Percentage	119%	107%	97%	66%	103%	51%	0%	107%	103%
Tentative Room Nights	19,159	65,289	195,886	144,722	117,079	82,404	49,809	0	674,348
Consumption Benchmark	314,996	314,996	314,996	314,996	314,996	314,996	314,996	314,996	2,519,968
Peer Set Pace Percentage	99%	91%	85%	81%	79%	129%	117%	119%	94%

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

Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 12/2/10)



Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 12/2/10)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Definite Bookings	24	30	27	23	24	18	13	6
Tentative Bookings	0	0	0	0	0	1	4	1
Subtotal	24	30	27	23	24	19	17	7
Definite Target	20	21	26	30	33	25*	34*	36*
Variance	4	9	1	-7	-9	-6	-17	-29

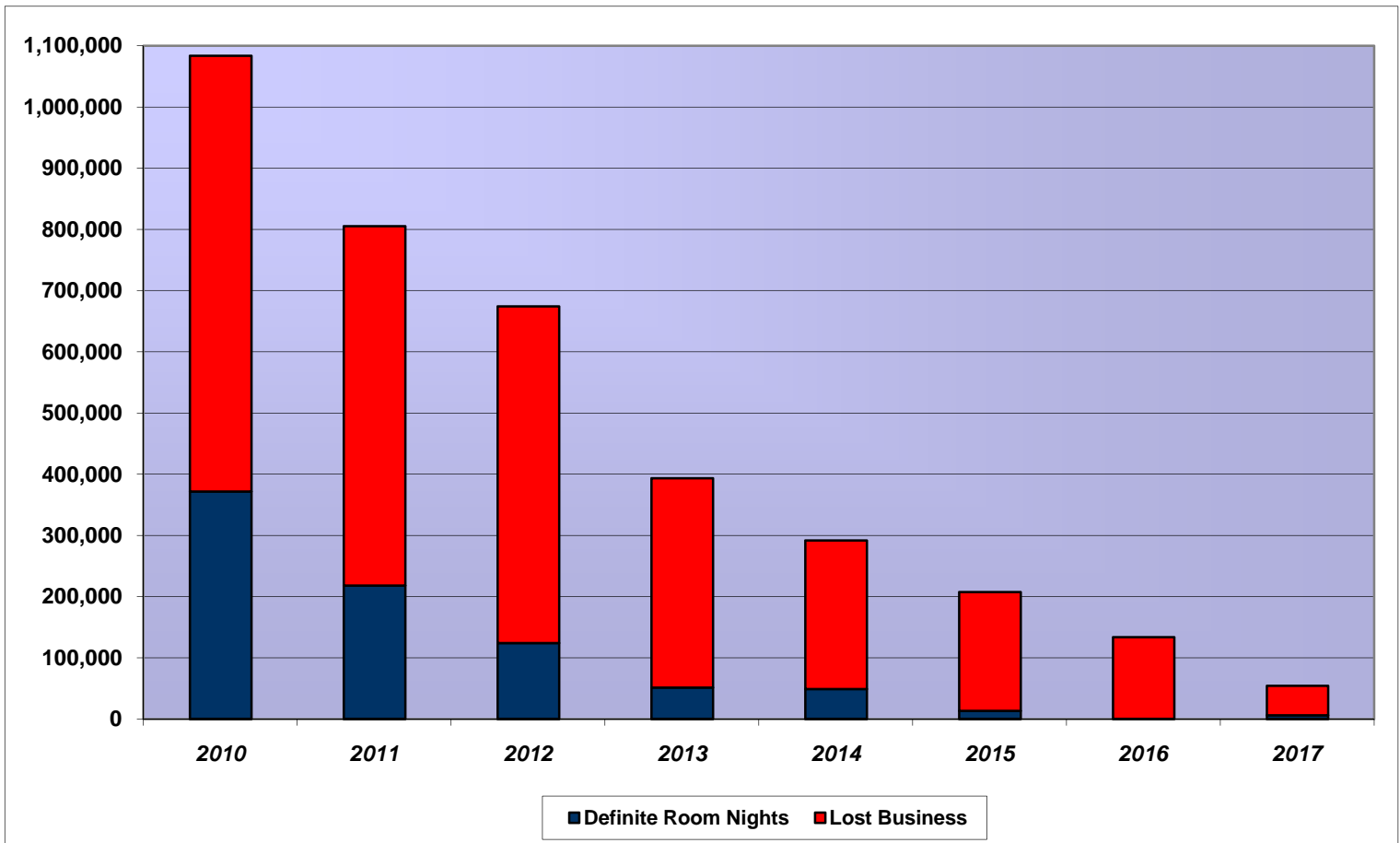
*new goal beginning FY11

HOSPITALITY INDUSTRY SALES ACTIVITIES November 2010

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
N/A	-	-	-
TENTATIVES			
Omega Psi Phi Fraternity (May 2012)	Hotel	450	400
USA Track & Field (June 2012)	UNCC	2,900	4,000
Electron Ion Photo Beam and Nano Fabrication Technology	CCC	1,275	500
National Baptist Convention (August 2013)	CCC	11,825	12,000
State Games of America (August 2013)	CCC	TBD	TBD
Association of Rehabilitation Nurses (September 2013)	CCC	1,980	3,000

Trade Shows & Events (attended by staff)	
Event Name	Location
Association Executives of North Carolina Meeting & Sales Calls	Raleigh, NC
Customer Advisory Board Meeting	Charlotte, NC
Germany Sales Mission	Germany
Kansas City Sales Calls	Kansas City, MO
Meeting Professionals International Carolina Chapter Meeting	Greenville, SC
Meeting Professionals International Minnesota/Wisconsin Chapter Meeting	Minneapolis, MN
National Softball Association Annual Convention	Panama City, FL
North Carolina Travel and Tourism Coalition Board Meeting	Asheville, NC
United States Specialty Sports Association Annual Convention	Daytona Beach, FL

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 11/1/10) Trends Analysis Projections, LLC

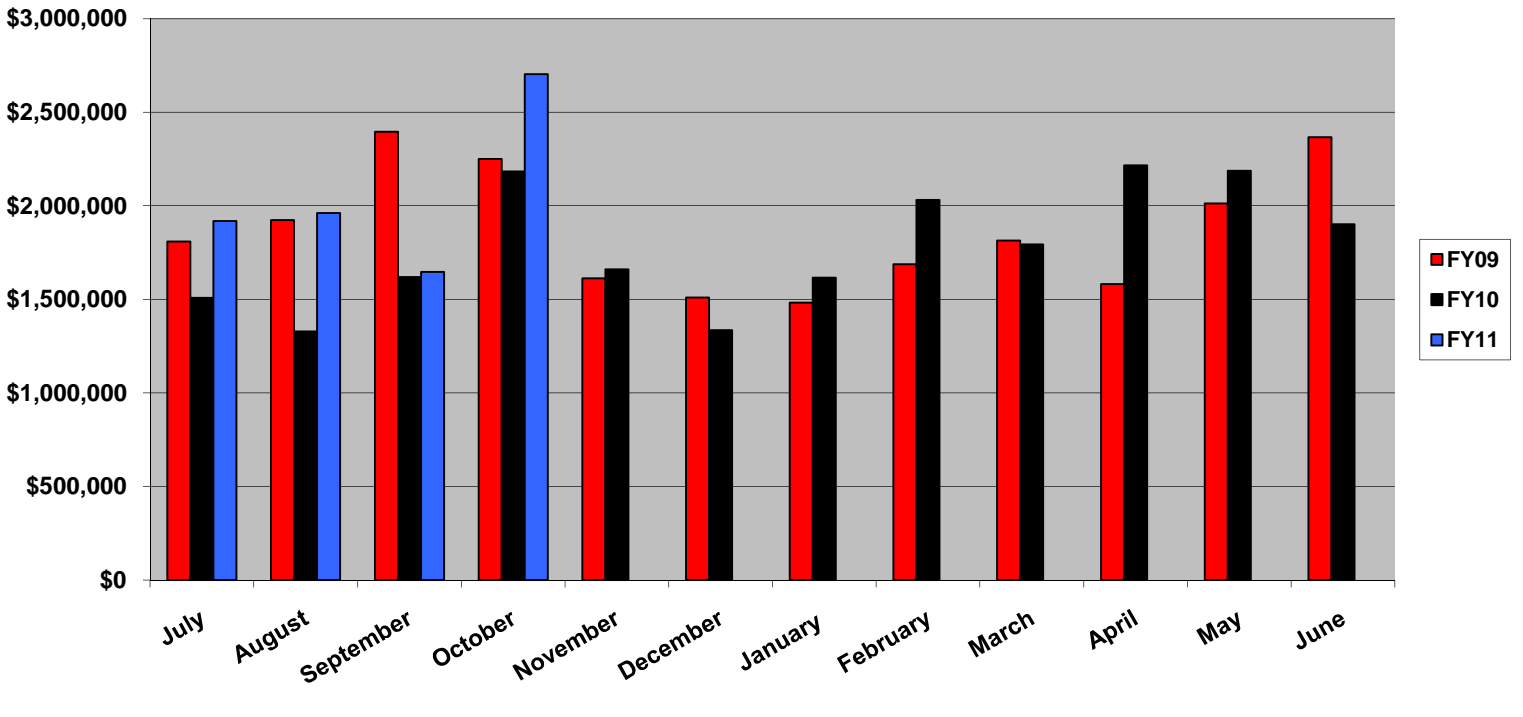


Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 11/1/10) Trends Analysis Projections, LLC

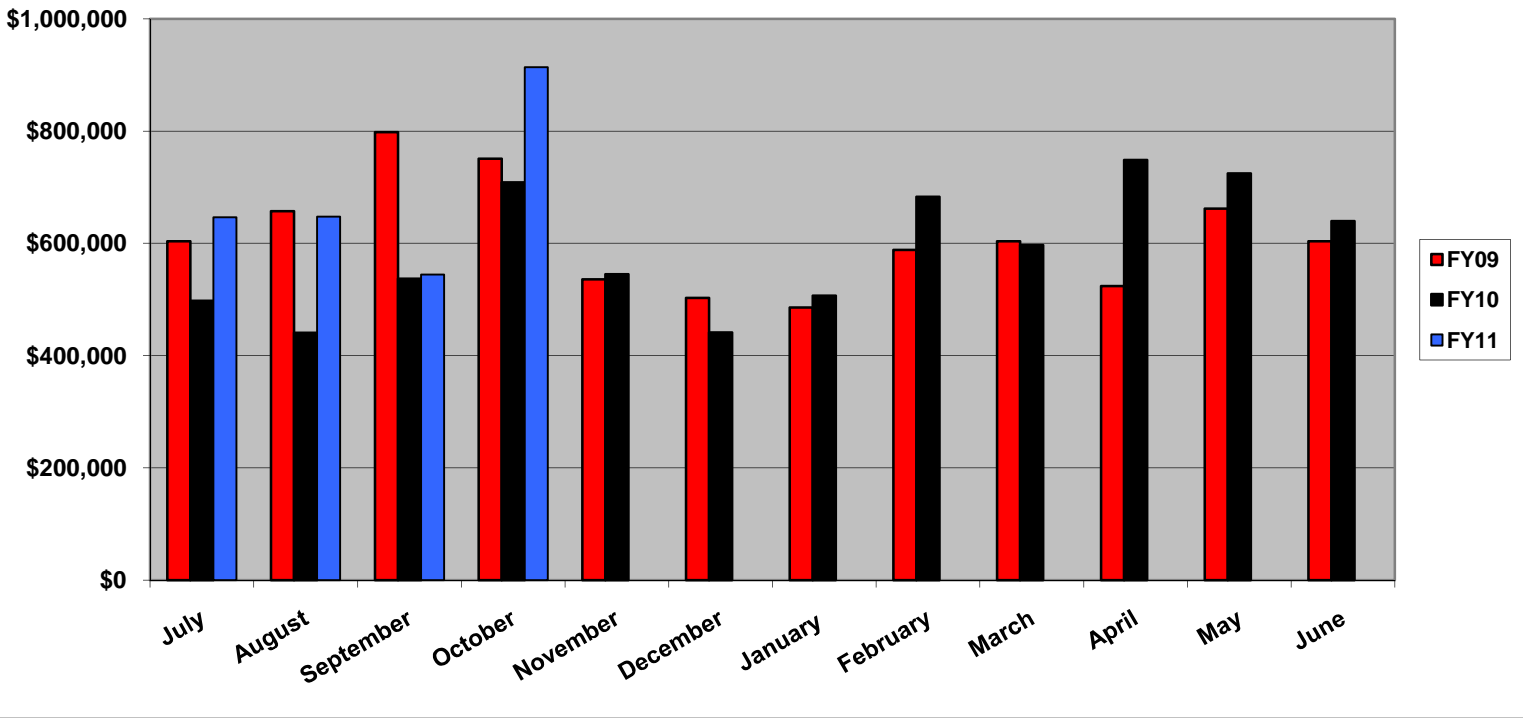
	2010	2011	2012	2013	2014	2015	2016	2017	Total
Charlotte Definite Room Nights	371,805	218,201	124,084	51,565	48,833	13,483	0	5,937	833,908
Pace Target	312,766	203,059	127,882	78,582	47,443	26,233	10,806	5,571	812,342
Pace Percentage	119%	107%	97%	66%	103%	51%	0%	107%	103%
Total Demand Room Nights	1,083,799	805,025	674,230	393,186	291,753	207,441	133,548	54,464	3,643,446
Lost Room Nights	711,994	586,824	550,146	341,621	242,920	193,958	133,548	48,527	2,809,538
Conversion Percentage	34%	27%	18%	13%	17%	6%	0%	11%	23%
Peer Set Conversion Percentage	27%	23%	18%	19%	18%	24%	24%	18%	23%

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

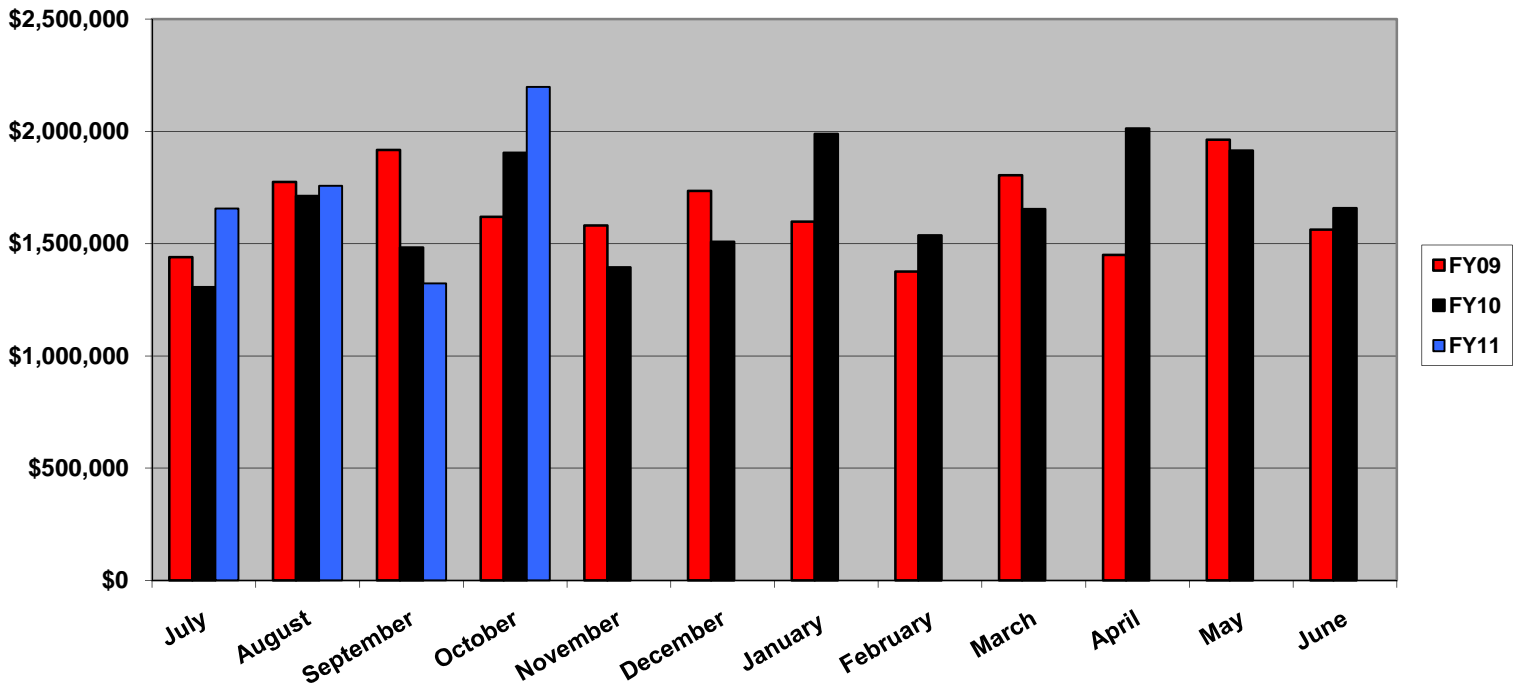
6% OCCUPANCY TAX COLLECTIONS



2% NASCAR HOF TAX COLLECTIONS



1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS



THE ECONOMY
October 2010

	2009	2010	% Change
Consumer Confidence Index	49.5	49.9	0.8%
Consumer Price Index (CPI)	216.177	218.711	1.2%
Unemployment Rate			
- National	10.1	9.6	-5.0%
- State	10.9	9.6	-11.9%
- Local	12.0	Available 12/7/10	Available 12/7/10