The Charlotte
BAROMETER
Report

CRVA
Charlotte Regional Visitors Authority

An Official Publication of the Charlotte Regional Visitors Authority

APRIL 2011

National & International Business & Convention

CONVENE MEETINGS MARKET SURVEY

According to ***Convene***'s 2011 meetings market survey, nearly half (46%) of respondents expect 2011 attendance will increase over 2010. The same amount (46%) expect attendance in the coming year will stay the same. Only 8% expect a decrease, less than half the number of respondents who expected attendance to slide in 2010. As far as exhibitor sales go, two-thirds of survey respondents (64%) expect the number of 2011 exhibitors to stay the same. Nearly one-third (29%) expect the number of exhibitors to grow in 2011. Just 7% anticipate a decrease in the number of exhibitors in 2011 fewer than half the number that thought there would be a decrease in 2010.

The most common expenses meeting planners incur in running their largest event are (average % of budget): food & beverage (32%), audio-visual (15%), registration-housing (8%), staff travel & accommodations (8%), decorator/labor (8%), speakers & entertainment (7%), marketing/promotion (7%), space rental (6%), destination management (2%), security (2%), insurance (2%) and other (4%).

Local Perspective

CHARLOTTE AREA LODGING – FEBRUARY SMITH TRAVEL RESEARCH

February occupancy surpassed 60% in the Charlotte area for the first time in two years. February also marks 16th straight month of Charlotte area demand increases.

February **occupancy** was 60.8% in the Charlotte market, up 3.4% from February 2010. Charlotte area occupancy has risen in 14 consecutive months. Year to date, area occupancy is 54.6%, up 5.4% from the same period last year. By comparison, year to date occupancy has also increased 5.4% in the US and in NC; year to date occupancy is up 5.6% in the Top 25.

Charlotte area room **demand** grew 5.4% in February, for a total of 547,879 rooms sold during the month, establishing a new record total for February. February marks the 16th consecutive month the area has experienced demand increases. Year to date, Charlotte area room demand has increased 7.2% from the same period last year. By comparison, year to date demand has grown 6.5% in the US, 7% in NC and 6.8% in the Top 25.

Charlotte market **average daily rate** (ADR) was $83.55 in February, up 1.4% from February 2010. That's the 8th straight month of rising rates in Charlotte. Year to date, Charlotte average rate is $81.72, up 3% from the same period last year. By comparison, year to date ADR has risen 2.7% in the US, 2% in NC and 3.7% in the Top 25.

Charlotte market **revenue per available room** (RevPAR) was $50.78 for February, up 4.9% from February 2010. RevPAR has improved in the market for 13th consecutive months. Year to date, RevPAR is $44.64 in Charlotte, up 8.6% from the same period last year. By comparison, year to date RevPAR is up 8.3% in the US, 7.6% in NC and 9.5% in the Top 25.

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY11 THROUGH FEBRUARY

Mecklenburg County **6% regular occupancy tax collections** total $15.2 million fiscal year to date through February, a 15% increase from the same period last fiscal year.

Mecklenburg County **2% NASCAR Hall of Fame tax collections** total $5.1 million fiscal year to date through February, also a 15% increase from the same period last year.

Mecklenburg County **1% prepared food & beverage tax collections** total $13.6 million fiscal year to date through February, a 6% increase from the same period last year.

National Leisure & Tourism

US TRAVEL ASSOCIATION TRAVEL SENTIMENT INDEX

The **US Travel Association**'s Traveler Sentiment Index™ (TSI) soared to its highest level since April 2007 in February and now stands at 95.2, up 9.2% from October 2010, and at its highest point since April 2007. Travel Horizons™ revealed a substantial increase in the "affordability of travel" index, suggesting that consumers are increasingly more positive about their ability to afford to travel than just three months ago.

The February survey also showed that 59% of U.S. adults intend to take a leisure trip between now and July 2011, up from 56% last February. An estimated 138 million U.S. adults now expect to take at least one leisure trip between now and July, while 24% (55 million) have already decided not to travel for leisure purposes. The remaining 40 million U.S. adults, however, have yet to decide whether or not to take a leisure trip during the next six months, creating an opportunity for destinations to entice this large block of "undecided's" to travel to their destinations.

Economy

US TRAVEL & TOURISM SPENDING GREW IN 4TH QUARTER

According to the **US Bureau of Economic Analysis**, real spending on travel and tourism increased at an annual rate of 2.5% in the fourth quarter of 2010, following an increase of 8.6% in the third quarter of 2010. By comparison, real gross domestic product (GDP) increased 2.8% in the fourth quarter, after increasing 2.6%in the third quarter. Overall growth in prices for travel and tourism goods and services accelerated increasing 3.4% in the fourth quarter of 2010 following a 0.2% increase in the third quarter. The slowdown in real spending on tourism mainly reflected a deceleration in international air transportation, primarily due to a strong upturn in prices and a slowdown in revenue; airlines imposed higher surcharges to recover increased fuel costs. Real travel and tourism spending turned up in 2010, increasing 3.4% after two consecutive years of decline. Overall price growth for travel and tourism goods and services increased 3.9% in 2010 after a decrease of 4.3% in 2009.

Media

MARCH 2011 VOCUS

During March 2011 Vocus identified 6,344 news items on key words tracked by the CRVA. By category, the top five were: Time Warner Cable Arena (18%), Democratic National Convention (8%), NASCAR Hall of Fame (7%), Charlotte Tourism (7%) and Charlotte Sports (5%). By media, 49% of March's news clips were picked up by Online Consumer sites, followed by Online News & Business sites (27%), Television Program (7%), Newspaper (7%) and Community Newspaper (2%). A total of 87% of March's media hits took place outside of the Charlotte Region.

Sources for this Publication

- **Convene**
- **Mecklenburg County Tax Office**
- **Smith Travel Research**
- **The Conference Board**
- **The TAP Report**
- **US Bureau of Economic Analysis**
- **US Department of Labor**
- **US Travel Association**
- **Visit Charlotte/CRVA**
- **Vocus**

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Inside This Report

HOSPITALITY INDUSTRY STATISTICAL REPORT
March 2011

Charlotte Market Lodging Production					
	Charlotte Market	**North Carolina**	**Competitive Set**	**United States**	**Top 25**
February 2011 Occupancy %	60.8	51.9	55.0	55.7	63.3
% Change	3.4	4.8	4.3	5.2	5.8
February 2011 ADR $	83.55	76.47	86.75	98.95	118.04
% Change	1.4	1.0	1.1	2.5	3.9
February 2011 RevPAR $	50.78	39.71	48.02	55.15	74.67
% Change	4.9	5.8	5.4	7.9	10.0
2011 YTD Occupancy %	54.6	47.1	51.0	51.5	59.2
% Change	5.4	5.4	5.7	5.4	5.6
2011 YTD ADR $	81.72	75.83	86.33	97.99	116.38
% Change	3.0	2.0	1.8	2.7	3.7
2011 YTD RevPAR $	44.64	35.75	44.36	50.41	68.99
% Change	8.6	7.6	7.6	8.3	9.5

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 February	**% Chg from Feb '10**	**2011 YTD**	**YTD % Chg from '10**
Passenger Enplanements	1,412,548	9%	2,866,807	9%
Passenger Deplanements	1,411,878	9%	2,884,316	9%

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

Visit Charlotte Definite Room Night Production				
	Month of March	**Change from March 2010**	**FY 2011 YTD**	**YTD Chg (%) from FY10**
Total Room Night Production	12,531	-11,656	414,533	146,192 (54.5%)
Visitor Economic Development ($)	8,796,420	-1,883,450	307,968,718	105,761,094 (52.3%)
Number of Definite Bookings	33	-9	296	34 (13.0%)
Average Size of Definite Bookings	380	-196	1,400	376 (36.7%)
Total Attendance	27,050	-27,560	620,638	66,028 (11.9%)
Convention Center GSF Booked	120,000	-1,180,000	15,020,000	3,940,000 (35.6%)

Visit Charlotte Lead Room Night Production				
	Month of March	**Change from March 2010**	**FY 2011 YTD**	**YTD Chg (%) from FY10**
Total Room Night Production	108,529	17,694	778,346	-77,577 (-9.1%)
Number of Lead Bookings	70	13	617	89 (16.9%)
Average Size of Lead Bookings	1,550	-44	1,262	-359 (-22.1%)

Visit Charlotte Housing Bureau Production			
	Month of March	**FY 2011 YTD**	**YTD% Chg from FY10**
Total Reservations Produced	1,389	7,968	73.7%
Total Room Nights Produced	6,480	32,200	257.7%

Visit Charlotte Leisure Tourism Promotion & Production			
	Month of March	**FY 2011 YTD**	**YTD % Chg from FY10**
Advertising Impressions	4,307,100	49,610,474	N/A
Visit Charlotte Web Site Visitors (Google)	96,293	789,672	0.9%
Motor Coach Group Bookings (Passengers)	485	3,767	15.4%

DEFINITE BOOKINGS
March 2011

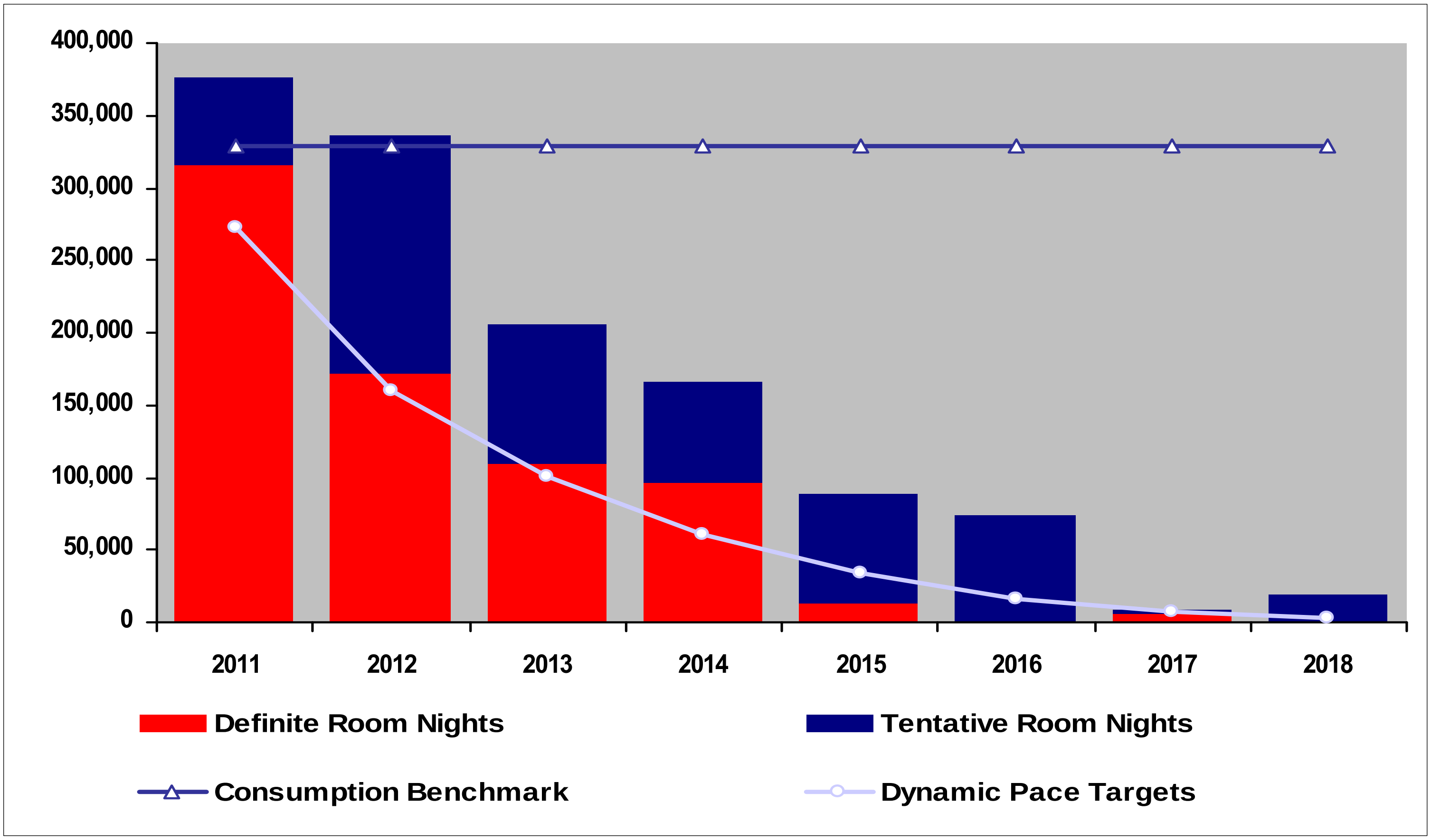
Charlotte Convention Center							
Group Name	**Meeting Type**	**Event Date**	**Days**	**Exhibit Gross Sq Ft**	**Total Room Nights**	**Attend**	**Visitor Econ. Dev. ($)**
Mack Trucks Inc. ®	Meeting	Jun 11	1	40,000	76	75	23,550
Event Marketing Services ®	Consumer	Nov 11	2	80,000	3,030	10,000	1,340,000
Total				**120,000**	**3,106**	**10,075**	**1,363,550**

Conference Sales					
Group Name	**Event Date**	**Days**	**Total Room Nights**	**Attendance**	**Visitor Econ. Dev. ($)**
W.H. Gill & Associates Inc.	Mar 11	2	65	30	18,840
Visit Charlotte – CRVA Lead Training	Mar 11	1	N/A	80	N/A
BASS/ESPN Outdoors ®	Mar 11	4	1,160	3,000	1,608,000
North Carolina National Softball Association – 7 events ®	Various	2 avg.	658	4,000	1,072,000
Football Club Carolina Alliance	Apr 11	2	66	400	107,200
Council of Chief State School Officers	May 11	3	424	175	164,850
The University of Arizona	May 11	3	105	30	28,260
Winder & Samiljan Wedding	May 11	3	50	60	56,520
Wells Fargo ®	May 11	1	415	2,000	628,000
North Carolina AAU Gymnastics	Jun 11	2	200	1,250	335,000
Council of Great City Schools Client Family Reunion	Jul 11	3	64	100	94,200
South Park Youth Association	Jul 11	5	735	500	335,000
Dawson, Walker, Smith, Brown Family Reunion	Aug 11	2	66	75	47,100
HME News/United Publications	Sep 11	2	210	200	125,600
Airline Transport Association	Sep 11	4	425	150	188,400
United States Environmental Protection Agency	Nov 11	4	990	550	690,800
Cincinnati Insurance Company	Feb 12	1	170	450	141,300
Jenkins – Drummond Family Reunion	Aug 12	2	90	150	94,200
The Washington Center	Aug 12	8	1,205	275	690,800
Society for Music Theory	Oct 12	3	593	400	376,800
Total			**9,425**	**16,975**	**7,432,870**
GRAND TOTAL			**12,531**	**27,050**	**8,796,420**

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

$8,796,420 spending generates $13,370,342 in local tourism economic impact, sustains 89 jobs and results in $369,165 in state & local tax collections

Eight Year Dynamic Room Night Pace Report
(As of 3/1/11) Trends Analysis Projections, LLC

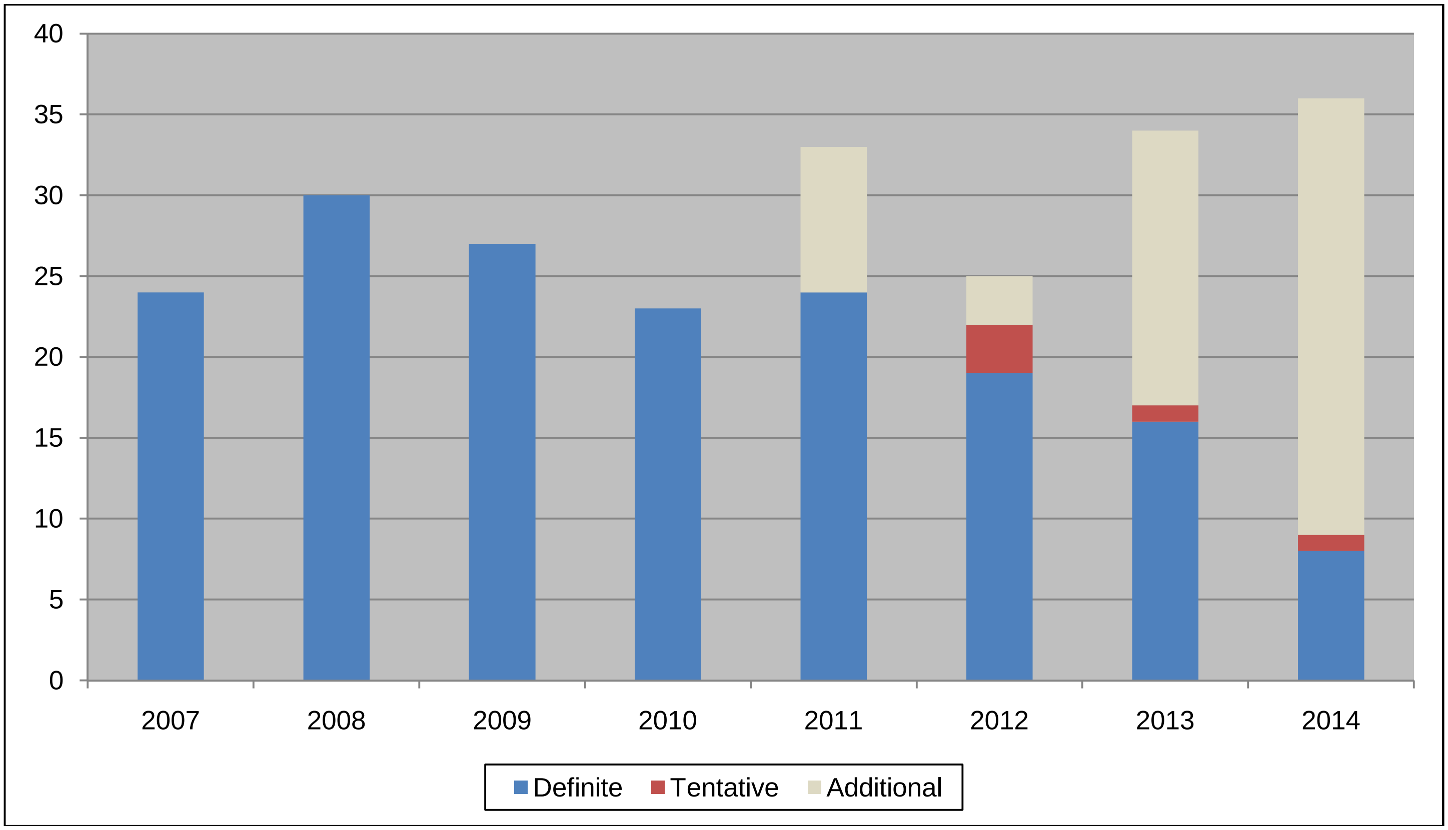


Eight Year Dynamic Room Night Pace Report
(As of 3/1/11) Trends Analysis Projections, LLC

	2011	2012	2013	2014	2015	2016	2017	2018	Total
Charlotte Definite Room Nights	315,761	171,812	109,365	95,691	13,483	0	5,937	0	712,049
Pace Target	272,478	160,669	100,020	61,434	33,852	15,730	7,071	2,857	654,111
Pace Percentage	116%	107%	109%	156%	40%	0%	84%	0%	109%
Tentative Room Nights	60,694	163,922	97,186	70,589	74,670	74,270	3,525	18,730	563,586
Consumption Benchmark	328,653	328,653	328,653	328,653	328,653	328,653	328,653	328,653	2,629,224
Peer Set Pace Percentage	98%	89%	90%	88%	125%	111%	94%	240%	96%

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

Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 4/5/11)



Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 4/5/11)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Definite Bookings	24	30	27	23	24	19	16	8
Tentative Bookings	0	0	0	0	0	3	1	1
Subtotal	24	30	27	23	24	22	17	9
Definite Target	20	21	26	30	33	25*	34*	36*
Variance	4	9	1	-7	-9	-3	-17	-27

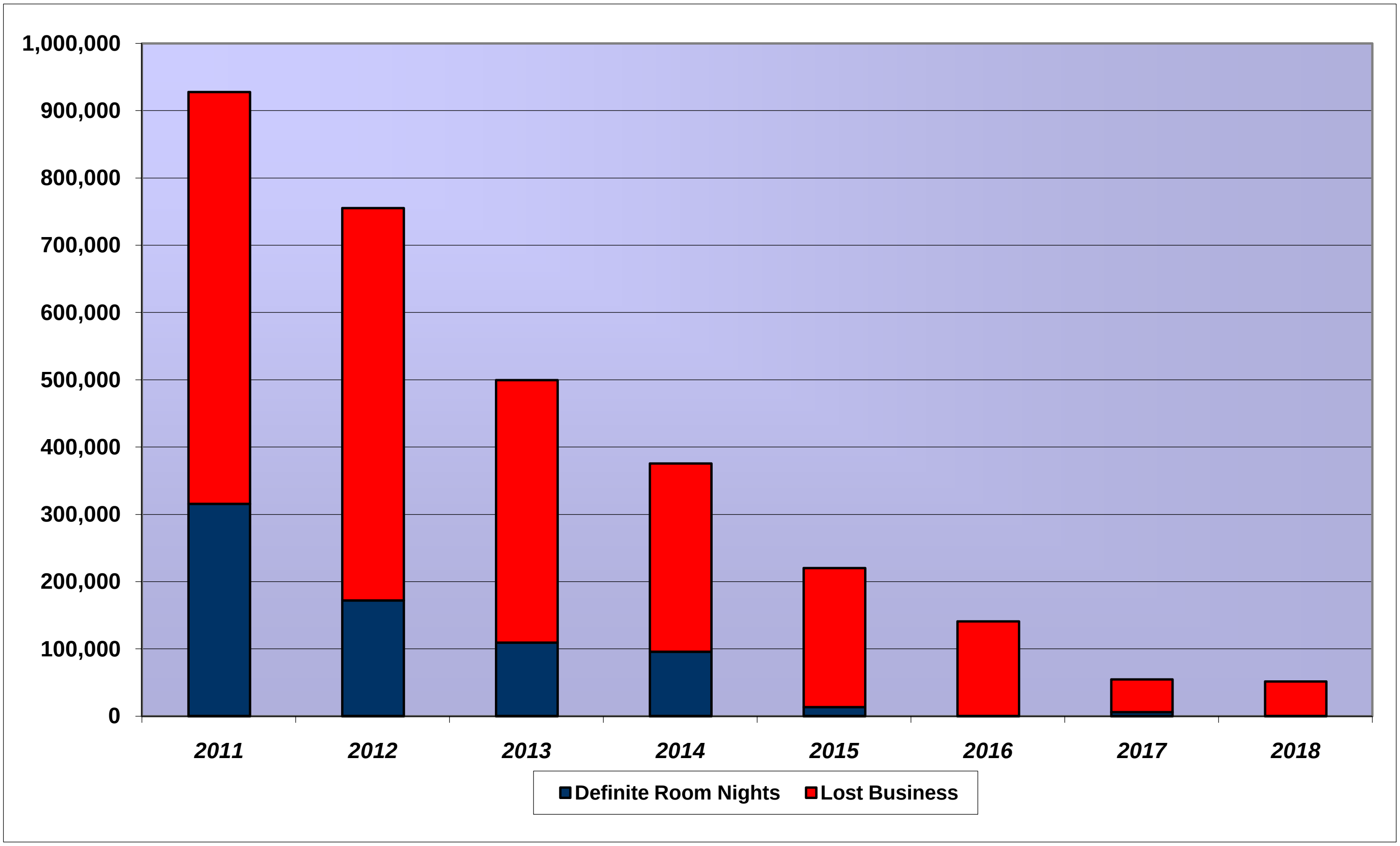
*new goal beginning FY11

HOSPITALITY INDUSTRY SALES ACTIVITIES
March 2011

Site Visits			
Group Name	**Venue**	**Total Room Nights**	**Total Attendance**
DEFINITES			
US Environmental Protection Agency – Energy Star Conference (November, 2011)	Hotel	990	550
Americans for the Arts (November, 2012)	Hotel	870	600
TENTATIVES			
American Association on Intellectual & Developmental Disabilities (May, 2012)	Hotel	755	400
Albert Harris High School Reunion (August, 2012)	Hotel	200	250
American Association of Motor Vehicle Administrators (August, 2012)	CCC	1,987	550
Amateur Athletic Union (TBD)	TBD	TBD	TBD

Trade Shows & Events (attended by staff)	
Event Name	**Location**
Conference Direct	Washington, DC
North Carolina Amateur Sports	Burlington, NC
North Carolina Governor's Conference	Asheville, NC
Meetings Industry Council	Denver, CO
Sales Calls	Philadelphia, PA

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 3/1/11)Trends Analysis Projections, LLC



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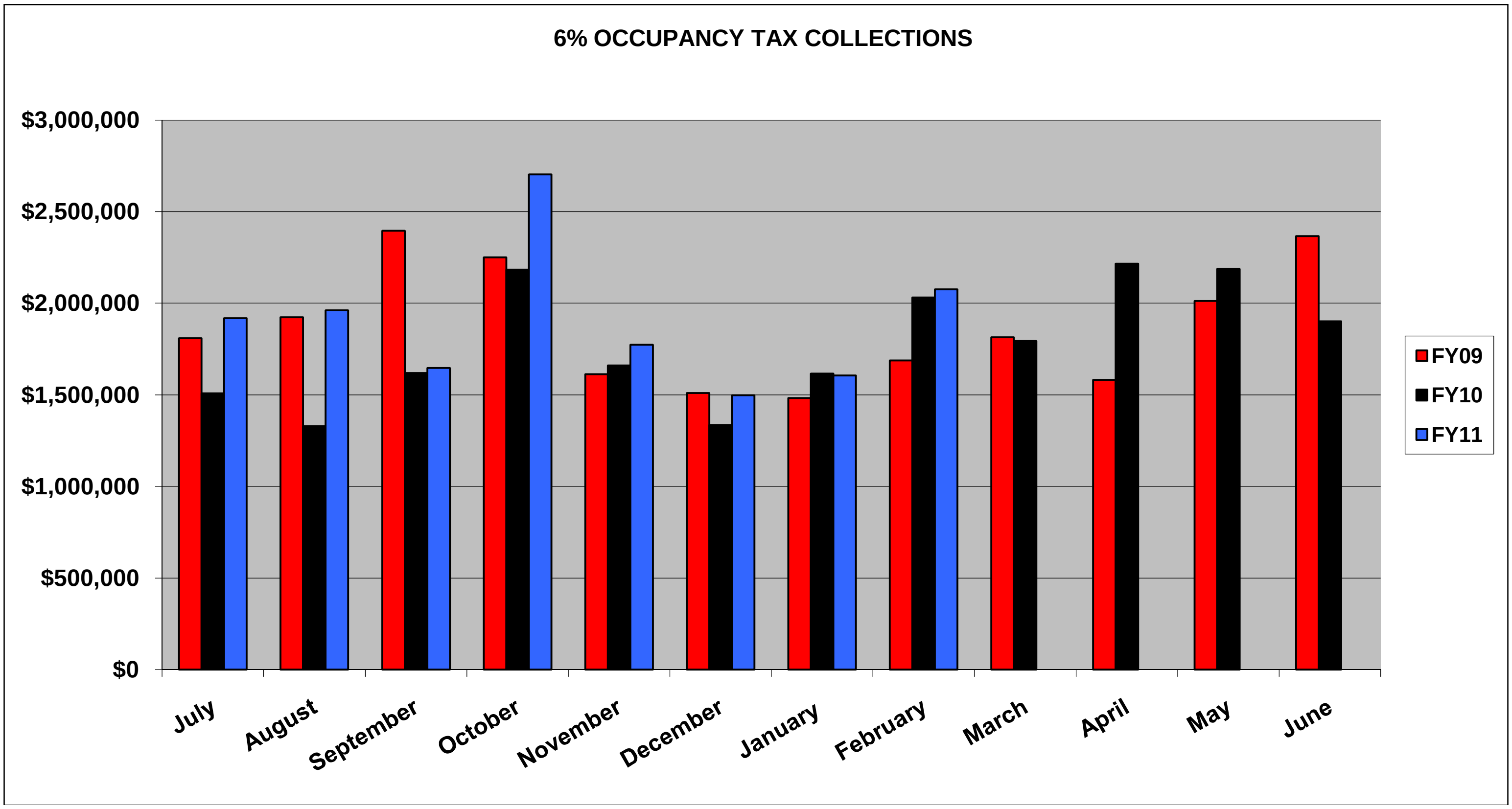
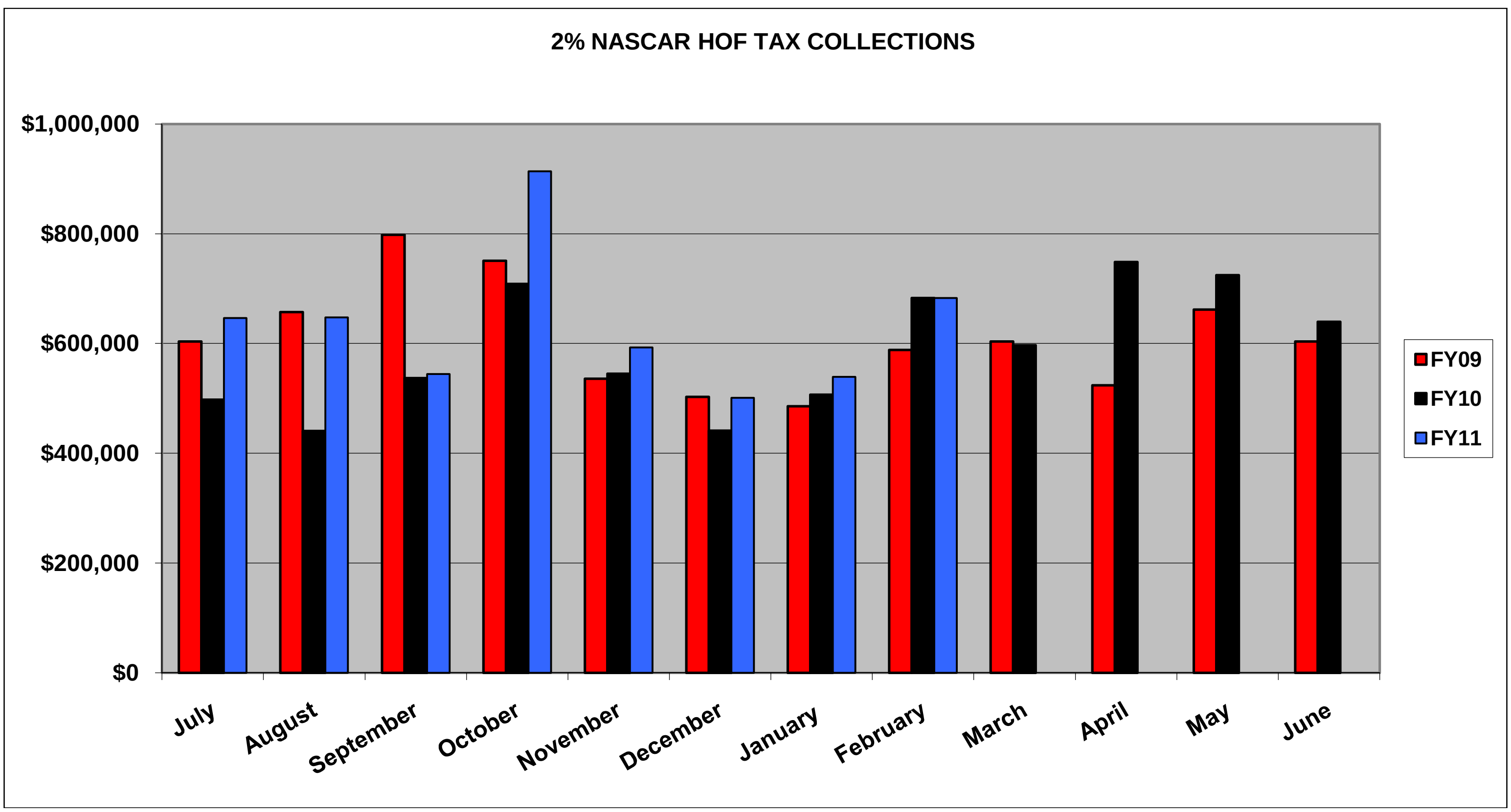
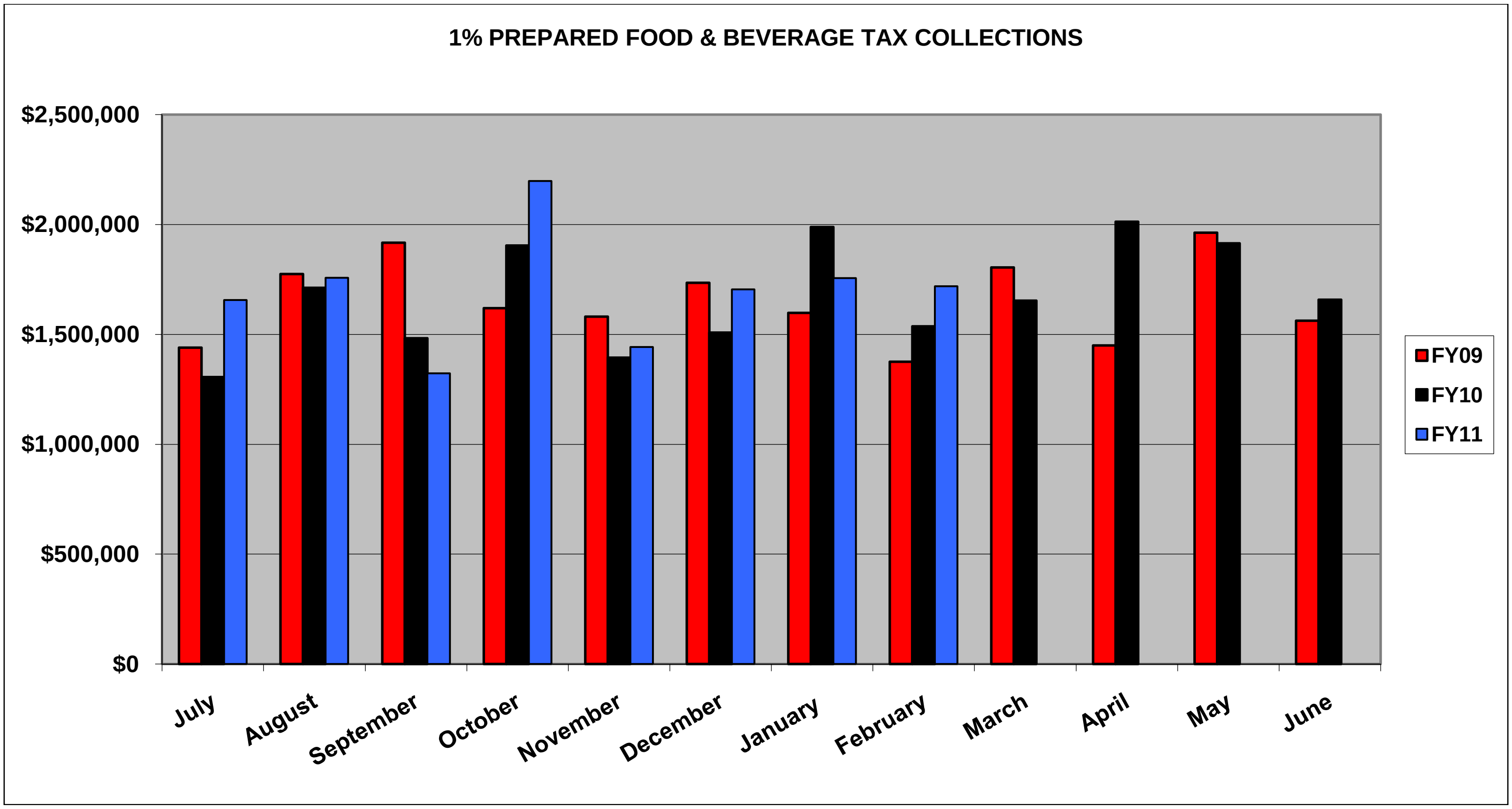
Pace Percentage	116%	107%	109%	156%	40%	0%	84%	0%	109%
Total Demand Room Nights	927,751	755,247	499,521	375,351	220,026	140,924	54,464	51,292	3,024,576
Lost Room Nights	611,990	583,435	390,156	279,660	206,543	140,924	48,527	51,292	2,312,527
Conversion Percentage	44%	18%	18%	11%	6%	0%	14%	0%	31%
Peer Set Conversion Percentage	26%	20%	21%	20%	25%	25%	17%	18%	23%

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


6% OCCUPANCY TAX COLLECTIONS
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
July
August
September
October
November
December
January
February
March
April
May
June
FY09
FY10
FY11


2% NASCAR HOF TAX COLLECTIONS
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
July
August
September
October
November
December
January
February
March
April
May
June
FY09
FY10
FY11



THE ECONOMY
February 2011

	2010	2011	% Change
Consumer Confidence Index	46.4	72.0	55.2%
Consumer Price Index (CPI)	216.741	221.309	2.1%
Unemployment Rate			
- National	9.7%	8.9%	-8.2%
- State	11.4%	9.7%	-14.9%
- Local	12.8%	10.7%	-16.4%