



The Charlotte

BAROMETER

Report



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National & International Business & Convention

PHOCUSWRIGHT'S U.S. ONLINE TRAVEL OVERVIEW

PhoCusWright's U.S. Online Travel Overview suggests that economic recovery will likely be slow, bringing only incremental improvements over the next several years. As a result, they project very modest growth of 1% for the total travel market in 2010, as consumers and corporations gradually increase their travel spending.

Online travel will continue to benefit from its positioning as a discount and distressed-inventory channel amid soft overall demand and a weak pricing environment for travel suppliers, especially hotels. Online travel will grow 5% in 2010, far outpacing the total market

MEETINGS NET 2010: LOOKING AHEAD

A recent article/survey on **MeetingsNet** looks ahead at the meetings industry for 2010. Their bottom line: you may hear the recession is over, but you won't feel it anytime soon. However, they do go on to say that the outlook changes dramatically depending upon market segment. The hardest hit of course were financial, housing, the incentive market and corporations receiving TARP funds. Those doing better are the direct selling industry, which is booming as unemployed and underemployed workers strive to replace or supplement lost income. The green/clean-energy segment is also a winner, fueled by the American Recovery and Reinvestment Act. Biotech has also remained strong through the recession.

The article goes on to say that where years ago we used to think shorter lead times were a temporary condition, they are now the standard way of doing business for most meeting planners responding to their survey.

Local Perspective

CHARLOTTE AREA LODGING – NOVEMBER SMITH TRAVEL RESEARCH

In November 2009 both room demand and occupancy in the Charlotte market were higher than in November 2008.

Charlotte area **occupancy** was 52.6% in November, **up 5.6%** compared to November 2008. Year to date, Charlotte market occupancy is 53%, down 13.9% from the same time last year. By comparison, year to date occupancy is off 9.1% in the US (56.1%) and down 9.5% in the state of NC (52.2%).

With 501,993 rooms sold in the Charlotte area for the month, **demand rose 11.7%** compared to November 2008. Year to date, however, room demand in the Charlotte market is down 10.2% compared to the same period last year. By comparison, year to date demand has fallen 6.2% in the US and is down 6.9% in the state of NC.

Charlotte area **average daily rate** (ADR) was \$76.76 in November, down 5.3% from November 2008. Year to date, Charlotte market ADR is \$79.84, down 8.2% from the same period last year. By comparison, YTD ADR is off 9% in the US (\$97.77) and down 5.6% in the state of NC (\$80.21).

Charlotte area **revenue per available room** (RevPAR) was \$40.40 for November, **flat** compared to \$40.39 for November 2008. Year to date, Charlotte market RevPAR is \$42.34, down 21% from the same period last year. By comparison, year to date RevPAR is down 17.3% in the US (\$54.85) and down 14.5% in the state of NC (\$41.89).

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS

Mecklenburg County **6% regular occupancy tax collections** total \$8.3 million fiscal year to date, a 17% decline from the same period last fiscal year.

Mecklenburg County **2% NASCAR Hall of Fame occupancy tax collections** total \$2.7 million fiscal year to date, also a 17% drop from the same period last fiscal year.

Mecklenburg County **1% prepared food & beverage tax collections** total \$7.8 million fiscal year to date, a 6% decline from the same period last fiscal year.

National Leisure & Tourism

2010 TRAVEL TRENDS

According to a recent *Travel Horizons* survey done by the **US Travel Association** and **Ypartnership**, drive vacations, mid-priced hotels, low cost carriers, all-inclusive resorts, packaged vacations, and cruises are all hot themes in travel. On the other hand, luxury hotels and resorts, first class air fares and five-star dining are not.

Even though recent GDP numbers reflect a positive trajectory and job losses have abated, American consumers have adopted more conservative spending patterns and now maintain the highest savings rate observed in the past eight years. However, the study confirms that Americans still view vacations as a birthright. One encouraging shift in travelers' sentiment involves anticipated length of leisure trips, with only half now planning to "stay fewer nights" (down from two-thirds a year ago). "The survey results suggest that demand for leisure travel services is likely to remain stable throughout the year ahead, but 2010 will be another year of suppliers battling for market share," according to the report.

Perceived "value" will remain king, and leisure travel service marketers will have to demonstrate even greater creativity with respect to their pricing and promotional strategies in order to attract their fair share, the report goes on.

Economy

BEA TOURISM SATELLITE ACCOUNTS – 3RD QUARTER

According to the **US Bureau of Economic Analysis**, real spending on travel and tourism increased at an annual rate of 6.4% in the third quarter of 2009 after increasing 0.2% in the second quarter.

Despite the rebound, real travel and tourism spending was still below its peak reached in the third quarter of 2007. Travel and tourism prices increased 6.7% in the third quarter after

decreasing 3.7% in quarter two. Transportation was the largest contributor to growth in travel and tourism spending in the third quarter.

CRVA Media Coverage

DECEMBER VOCUS

During December, **Vocus** identified 980 news items on key words tracked by the CRVA. By category, 15% of December's hits were on Charlotte Attractions, followed by Charlotte Sports (14%), NASCAR Hall of Fame (12%), Time Warner Cable Arena (6%) and Charlotte Tourism (5%). By media, 25% of December's hits were via Online News and Business

Sites, followed by TV Programs (21%), Newspapers (15%), Online Consumer Sites (15%) and Cable/Satellite Networks/Stations. More than half (57%) of December's media hits occurred outside the Charlotte area.

Sources for this Publication

- Meetings Net
- Mecklenburg County Tax Office
- PhocusWright
- 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
- Y Partnership

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HOSPITALITY INDUSTRY STATISTICAL REPORT

December 2009

Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
November 2009 Occupancy %	52.6	47.8	50.6	49.5	55.9
% Change	5.6	-2.5	-3.6	-4.3	-2.6
November 2009 ADR \$	76.76	76.47	85.83	93.60	116.62
% Change	-5.3	-4.6	-8.2	-8.3	-10.8
November 2009 RevPAR \$	40.40	36.55	43.85	46.33	65.24
% Change	0.0	-8.9	-11.5	-12.3	-13.2
2009 YTD Occupancy %	53.0	52.2	55.8	56.1	61.0
% Change	-13.9	-9.5	-8.1	-9.1	-8.9
2009 YTD ADR \$	79.84	80.21	89.73	97.77	117.65
% Change	-8.2	-5.6	-7.3	-9.0	-11.9
2009 YTD RevPAR \$	42.34	41.89	50.45	54.85	71.75
% Change	-21.0	-14.5	-14.8	-17.3	-19.7

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 November	% Chg from November 08	2009 YTD	YTD % Chg from 08
Passenger Enplanements	1,357,031	0%	15,838,769	-1%
Passenger Deplanements	1,361,774	0%	15,893,837	-1%

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

Visit Charlotte Definite Room Night Production

	Month of December	Change from December 2008	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	46,750	-11,636	164,820	4,727 (3%)
Visitor Economic Development (\$)	26,181,228	-13,416,068	137,857,840	35,283,100 (34%)
Number of Definite Bookings	31	1	118	-14 (-11%)
Average Size of Definite Bookings	1,508	-438	1,397	184 (15%)
Total Attendance	31,417	-3,440	319,721	174,036 (119%)
Convention Center GSF Booked	2,800,000	-6,550,000	9,280,000	-7,720,000 (-45%)

Visit Charlotte Lead Room Night Production

	Month of December	Change from December 2008	FY 2010 YTD	YTD Chg (%) from FY09
Total Room Night Production	37,413	-8,222	550,804	146,291 (36%)
Number of Lead Bookings	32	-5	270	-25 (-8%)
Average Size of Lead Bookings	1,169	-64	2,040	669 (49%)

Visit Charlotte Housing Bureau Production

	Month of December	FY 2010 YTD	YTD% Chg from FY09
Total Reservations Produced	292	2,157	-233%
Total Room Nights Produced	907	1,457	-94%

Visit Charlotte Leisure Tourism Production

	Month of December	FY 2010 YTD	YTD % Chg from FY09
Ad Inquiries (+Travelocity clicks, etc.)	6,850	126,940	Over 30X Greater
Visitor Center Walk-In Traffic	2,025	15,186	-22%
Call Center Inquiries	340	3,089	-14%
Web Site Official Visitors Guide Requests (& views)	1,597	15,201	146%
Emails/Letters/Faxes	19	150	-58%
Total Visitor Inquiries	10,831	160,566	377%
Visit Charlotte Web Site Visitors (Google)	71,501	528,673	23%
Motor Coach Group Bookings (Passengers)	640	2,512	Not Applicable

DEFINITE BOOKINGS December 2009

Charlotte Convention Center

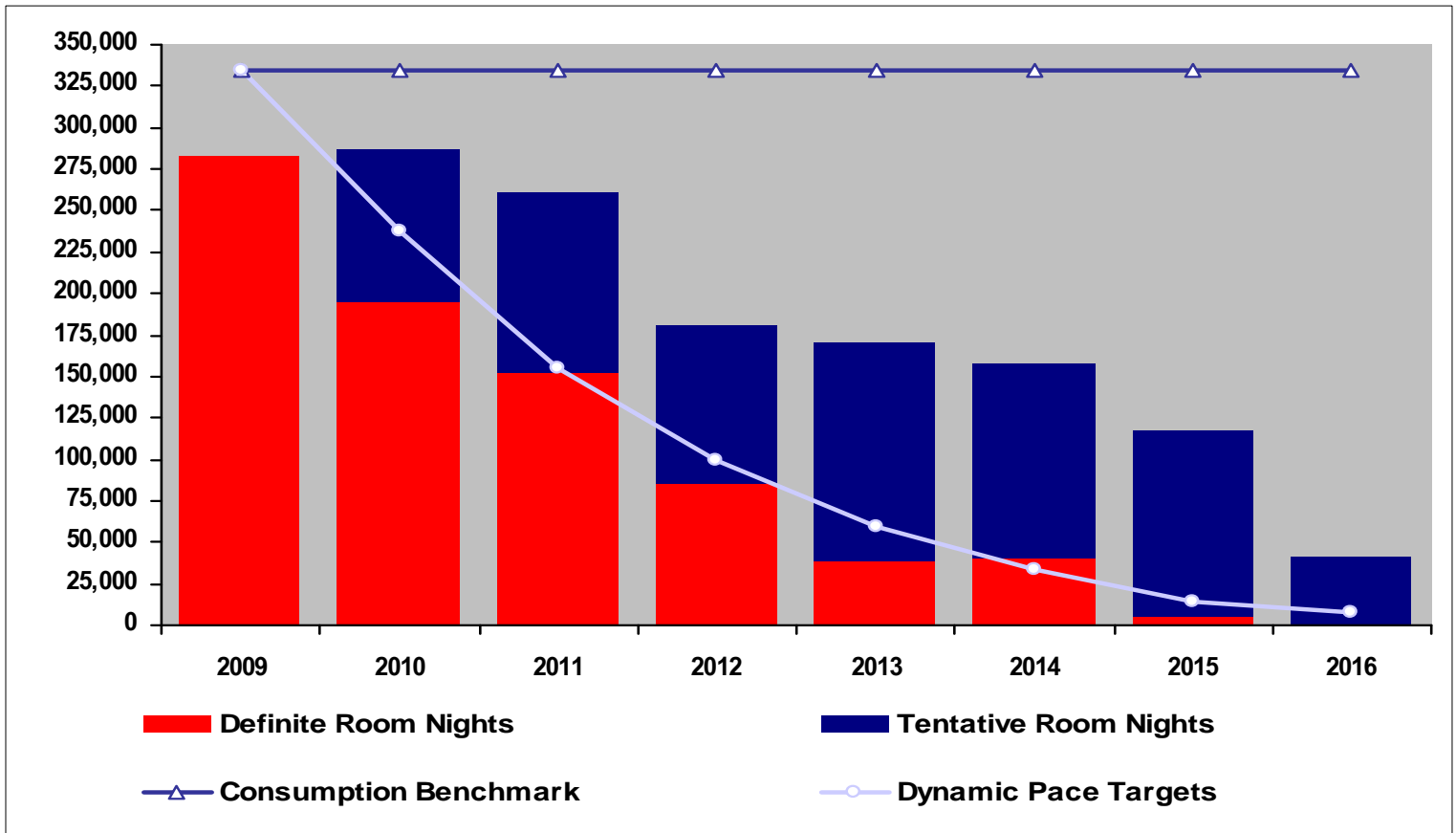
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. (\$)
Schneider Publishing Company	Tradeshow	Oct 2010	4	560,000	3,022	2,000	2,512,000
Mary Kay, Inc. ®	Assembly	Mar 2011	2	0	500	2,000	1,256,000
Mary Kay, Inc. ®	Assembly	Mar 2012	2	0	500	2,000	1,256,000
Applied Superconductivity Conf.	Convention	Aug 2014	5	840,000	5,322	1,800	2,826,000
Specialty Tools & Fasteners	Convention	Nov 2014	4	1,400,000	4,440	4,000	5,024,000
Total				2,800,000	13,784	11,800	12,874,000

Conference Sales

Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. (\$)
North Carolina Providers Council	Jan 2010	2	22	25	15,700
US Department of Defense ®	Jan 2010	3	690	300	282,600
Queen City Corvette Club	Jan 2010	1	10	125	39,250
Charlotte Area Ultimate Association ®	Feb 2010	2	250	600	160,800
Choice Hotels Owners Council	Feb 2010	2	208	100	62,800
National Association of Credit Mgmt. Midwest	Mar 2010	1	22	22	6,908
Team Charlotte Swimming ®	Mar 2010	4	1,008	1,000	536,000
Charlotte Area Ultimate Association ®	Apr 2010	2	200	400	107,200
Southeast Electric Exchange	Apr 2010	3	89	35	32,970
NCAA (Outdoor Track at JCSU) ®	May 2010	6	2,250	1,500	1,206,000
Southeast Electric Exchange	May 2010	3	55	30	28,260
Aloha Tournaments ®	Jun 2010	2	1,260	1,890	506,520
Charlotte Flights Track & Field Club ®	Jun 2010	2	360	1,500	402,000
NC Desert Conference of Shrine Temples & Courts	Jun 2010	3	460	500	471,000
Nuclear Energy Institute	Jun 2010	4	575	250	314,000
Renal Physicians Association	Jun 2010	1	12	50	15,700
McCullough Family Reunion	Jul 2010	3	28	100	94,200
National Society for Nuclear Air Treatment Tech.	Jul 2010	2	205	150	94,200
National Softball Association ®	Jul 2010	6	16,020	6,000	4,824,000
Strickland Family Reunion	Jul 2010	2	60	80	50,240
Victory Ministries International	Jul 2010	3	502	500	471,000
Society of Children's Books Writers & Illustrators	Sep 2010	2	130	160	100,480
InterNET Services Corporation (Bojangles' Col)	Oct 2010	2	3,000	1,400	879,200
InterNET Services Corporation (Bojangles' Col)	Oct 2011	2	3,000	1,400	879,200
Presbyterian Church USA	Apr 2012	3	1,200	500	471,000
Academic Games Leagues of America	Apr 2013	4	1,350	1,000	1,256,000
Total			32,966	19,617	13,307,228
GRAND TOTAL			46,750	31,417	26,181,228

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 12/1/09) Trends Analysis Projections, LLC

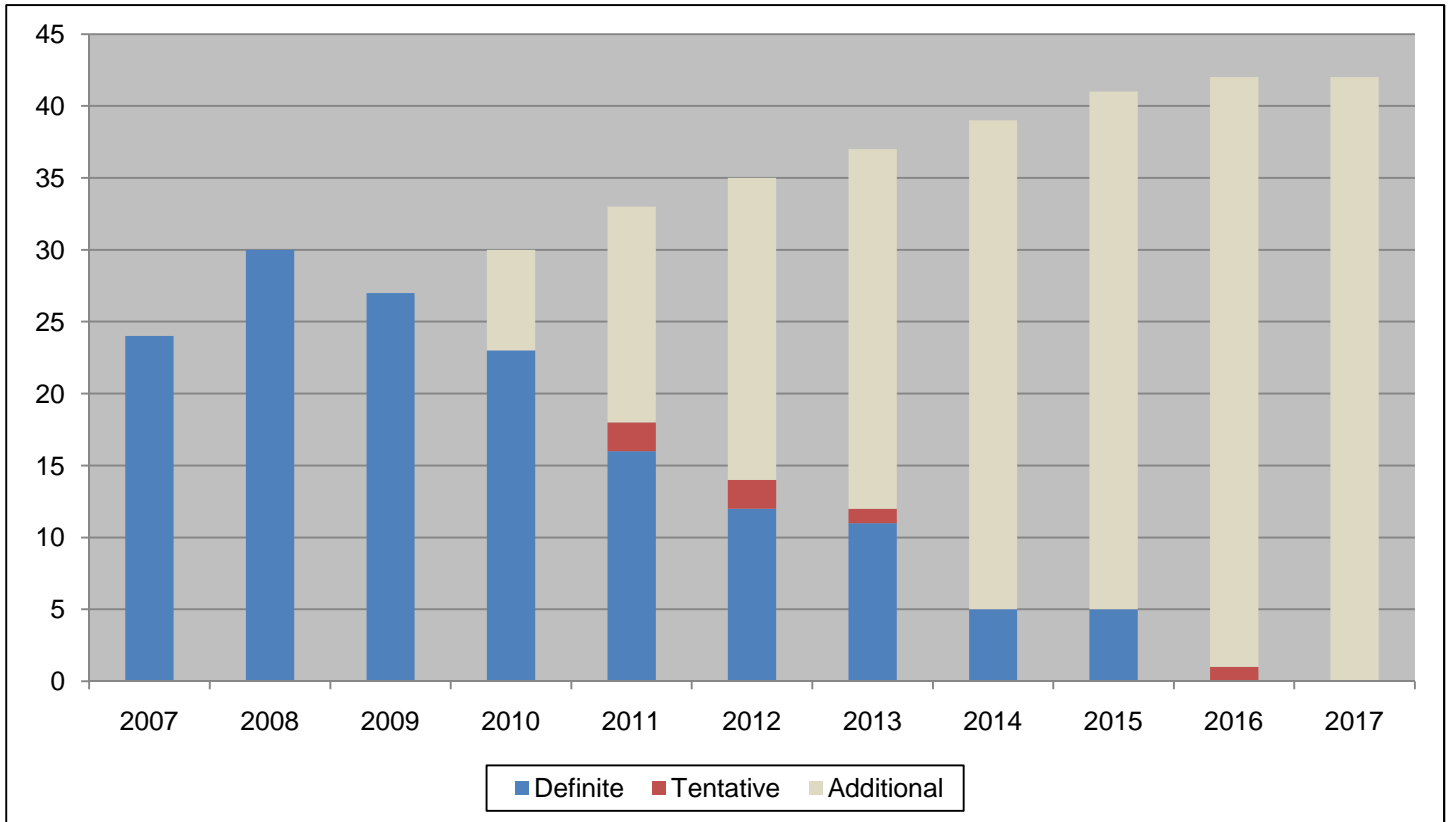


Eight Year Dynamic Room Night Pace Report (As of 12/1/09) Trends Analysis Projections, LLC

	2009	2010	2011	2012	2013	2014	2015	2016	Total
Charlotte Definite Room Nights	283,260	195,261	152,888	85,606	38,705	39,471	5,330	0	800,521
Pace Target	334,268	238,270	155,003	100,075	59,661	33,668	14,317	7,884	943,146
Variance	(51,008)	(43,009)	(2,115)	(14,469)	(20,956)	5,803	(8,987)	(7,884)	(142,625)
Pace Percentage	85%	82%	99%	86%	65%	117%	37%	0%	85%
Tentative Room Nights	0	91,457	107,829	94,861	132,417	117,449	111,718	41,223	696,954
Consumption Benchmark	334,851	334,851	334,851	334,851	334,851	334,851	334,851	334,851	2,678,808
Peer Set Pace Percentage	99%	95%	84%	72%	77%	80%	160%	147%	92%

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

Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 1/4/10)



Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 1/4/10)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Definite Bookings	24	30	27	23	16	12	11	5	5	0	0
Tentative Bookings	0	0	0	0	2	2	1	0	0	1	0
Subtotal	24	30	27	23	18	14	12	5	5	1	0
Definite Target	20	21	26	30	33	35	37	39	41	42	42

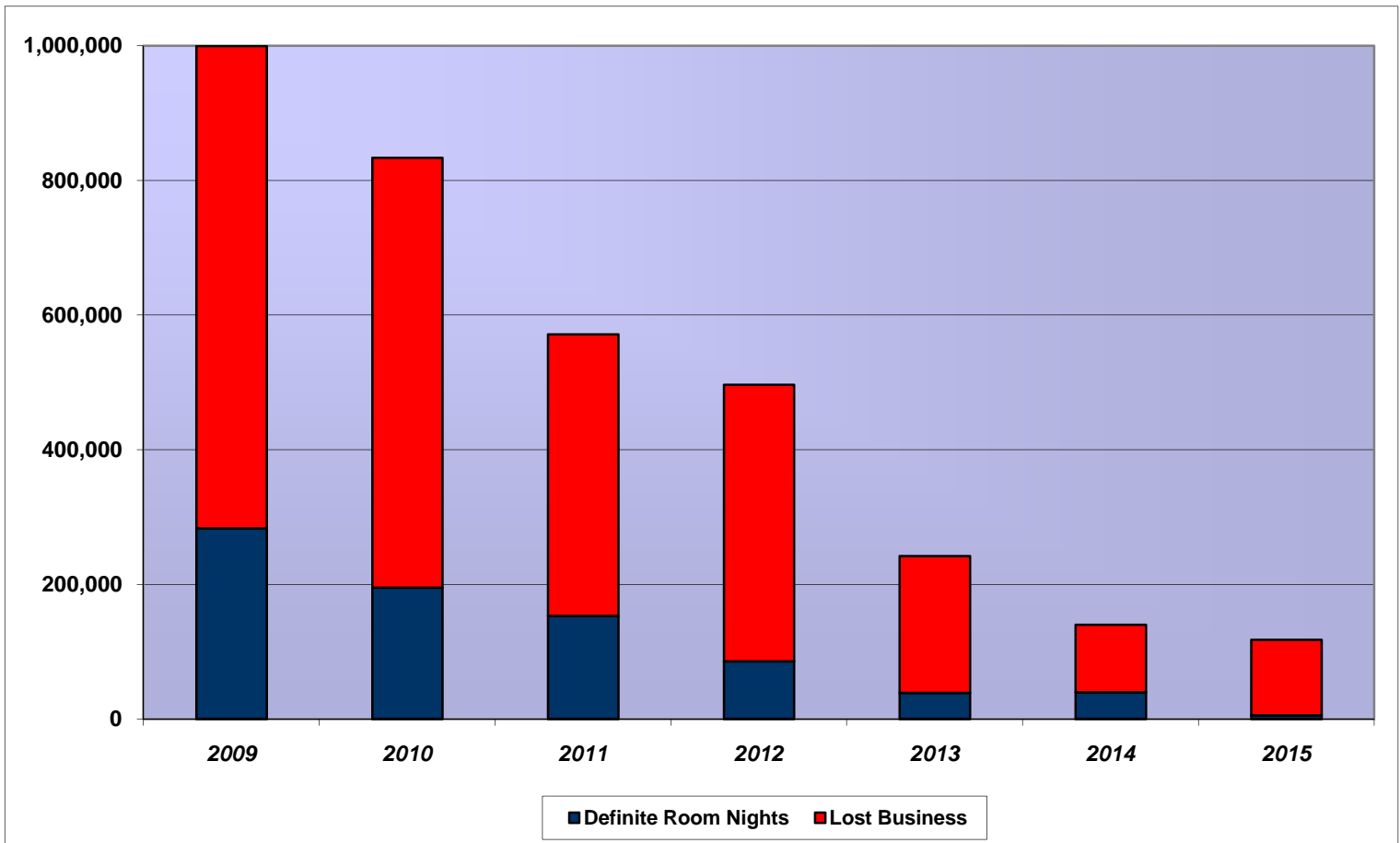
HOSPITALITY INDUSTRY SALES ACTIVITIES

December 2009

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
International Sleep Products (Feb 2010)	CCC	9,195	4,000
National Baptist Congress (Jun 2010)	CCC	5,595	5,000
TENTATIVES			
Henry County Chamber of Commerce (Feb 2010)	Hotel	40	50
Foster's Wine Estates America (Mar 2010)	Hotel	40	2,500
American Society of Interior Designers (Sep 2010)	Hotel	83	150
US Department of Homeland Security (Sep 2010)	Hotel	462	40
Association of College & University Housing Officers Int'l (Oct 2010)	Hotel	1,549	250

Trade Shows & Events (attended by staff)	
Event Name	Location
Association Executives of North Carolina – Tradeshow	Raleigh, NC
Christian Meetings & Conventions	Ft. Mill, SC
Coalition of Black Meeting Planners	Daytona Beach, FL
Holiday Showcase	Chicago, IL
North Carolina Amateur Sports	Fayetteville, NC
NC Division of Film, Tourism & Sports Development – Board Mtg	Raleigh, NC
Performance Racing Show	Orlando, FL
Professional Convention Management Association	Washington, DC
USA Track & Field	Indianapolis, IN

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 12/1/09) Trends Analysis Projections, LLC

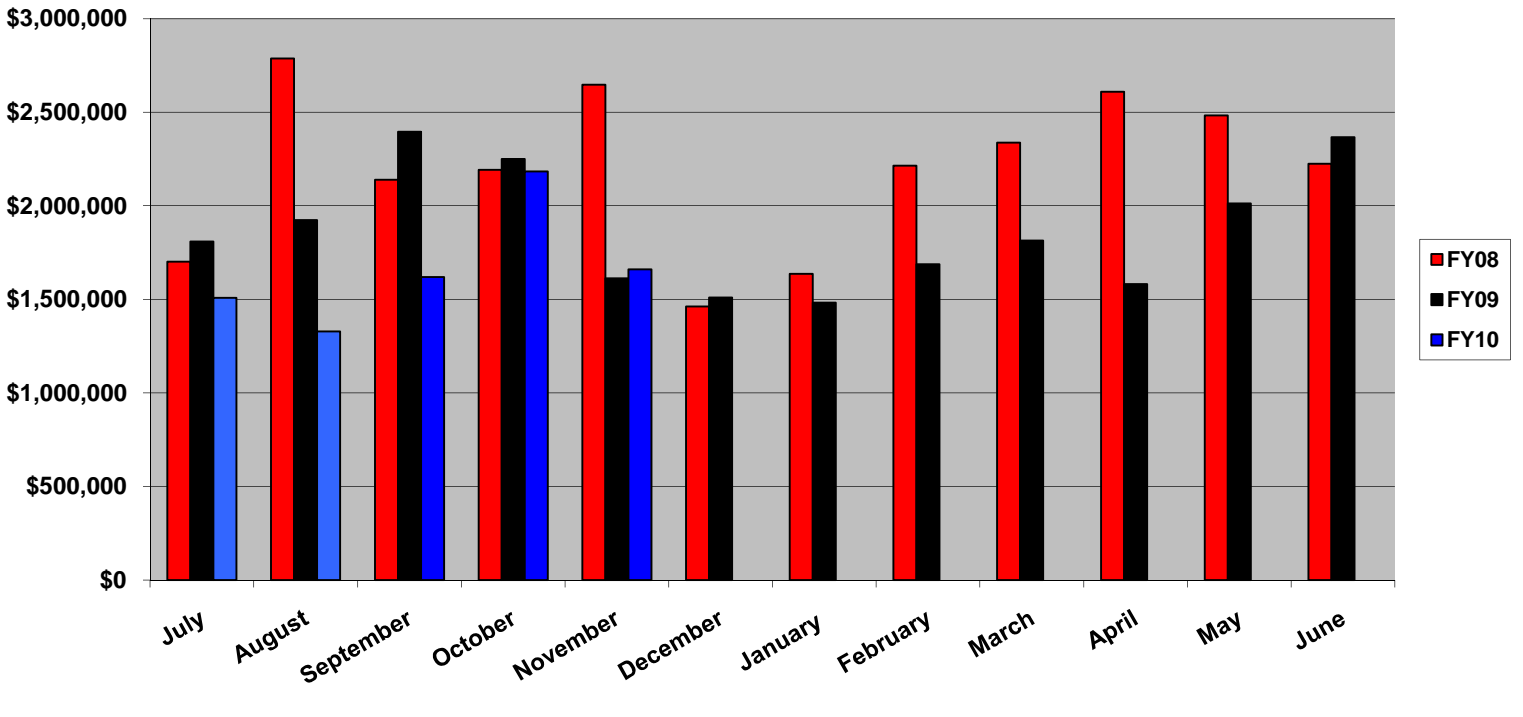


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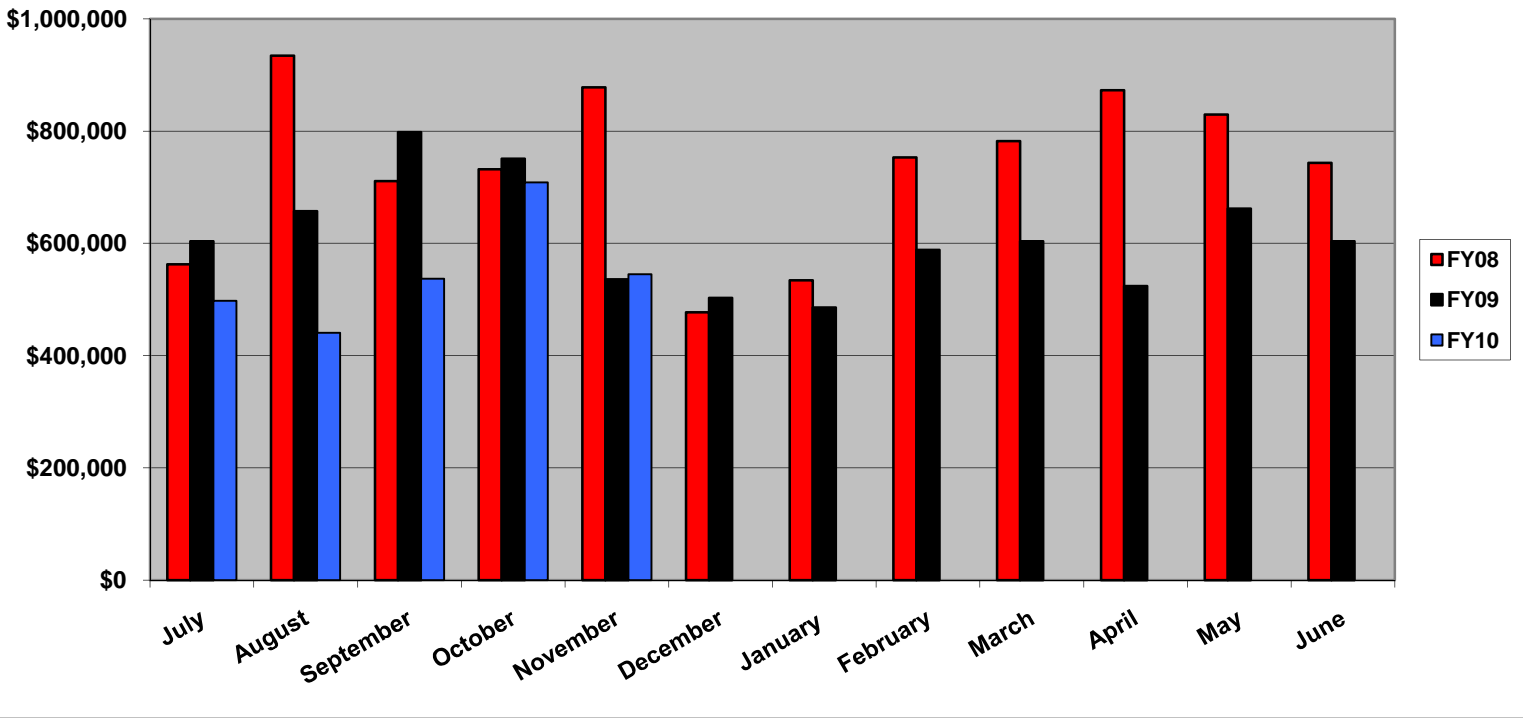
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Pace Percentage	85%	82%	99%	86%	65%	117%	37%	0%	85%
Total Demand Room Nights	999,469	833,602	571,398	496,542	241,805	139,795	117,672	38,891	3,349,174
Lost Room Nights	716,209	638,341	418,510	410,936	203,100	100,324	112,342	38,891	2,638,653
Conversion Percentage	28%	23%	27%	17%	16%	28%	5%	0%	23%
Peer Set Conversion Percentage	27%	23%	20%	16%	17%	18%	28%	33%	22%

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

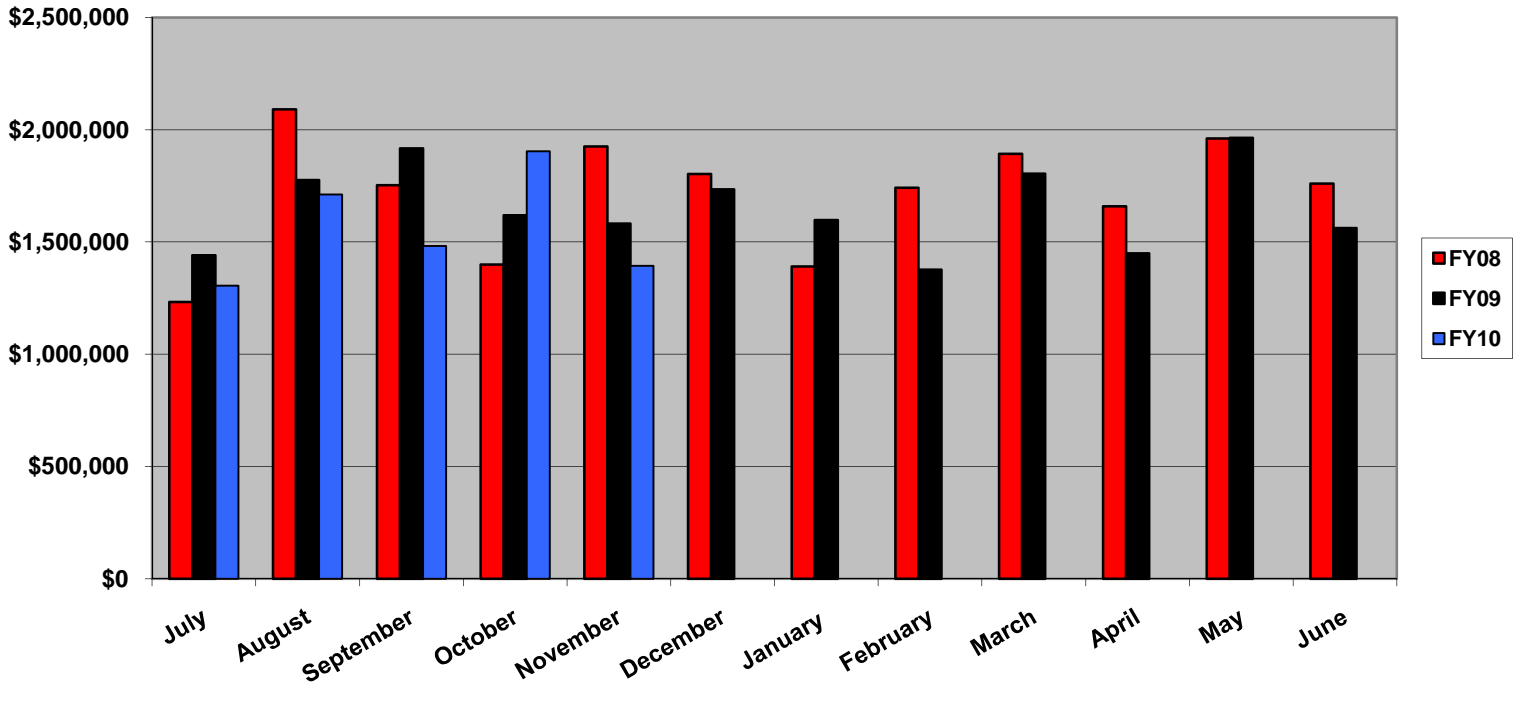
6% OCCUPANCY TAX COLLECTIONS



2% NASCAR HOF TAX COLLECTIONS



1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS



THE ECONOMY
November 2009

	2008	2009	% Change
Consumer Confidence Index	44.9	50.6	12.7%
Consumer Price Index (CPI)	212.425	216.330	1.8%
Unemployment Rate			
- National	6.8%	10%	47.1%
- State	7.5%	10.8%	44.0%
- Local	7.9%	11.8%	49.4%