

Significant Highlights: October 2007

Property Manager Survey

Occupancy Rates

- **Participating Palm Beach County (PBC) property managers reported an average occupancy rate of 59.6% for October 2007, this is comparable with October 2006 (62.0%).**
 - **273,342 room nights** , on average, were occupied in October 2007, 4,579 fewer than in October 2006 (277,921).**
- **The highest average occupancy rate in October 2007 was reported by the Central region of the County (63.1%), while properties in the Northern region claimed the lowest average occupancy rate (52.2%). Among properties in the Southern region, the average occupancy rate was 60.8%.**
 - Properties in the Northern (52.2%) and Southern (60.8%) regions reported decreases in average occupancy rates of 4.9 and 2.9 percentage points, respectively, compared to October 2006 (57.1% and 63.7%, respectively).
 - Central region average occupancy rates in October 2007 (63.1%) were comparable to those reported in October 2006 (62.7%).
- **Compared to October 2006, the average occupancy rate declined among smaller and larger properties alike. Smaller properties (50-100 rooms) reported a decrease of 8.2 percentage points (from 57.9% in October 2006 to 49.7% in October 2007) while larger properties (101+ rooms) reported a less significant decrease of 1.3 percentage points (from 62.6% in 2006 to 61.3% in 2007).**
 - In October 2007, among larger properties, the average occupancy rate in hotels with 220-500 rooms (63.7%) was on par with that reported in October 2006 (62.9%), whereas the average occupancy rate for properties with 101-219 rooms decreased by 1.8 percentage points (from 62.6% in October 2006 to 60.8% in October 2007).
- According to responding hotel managers, 5.2% of PBC hotel guests in October 2007 were travelling internationally.
 - Property Managers from the Southern region continued to report the highest percentage of international guests, 6.1% in October 2007 (compared to 4.4% in the Central region and 4.0% in the Northern region).
- **In October 2007, leisure travelers accounted for 34.8% of surveyed hotels' occupancy, while business travelers occupied 32.7% of occupied room nights at Palm Beach County hotels. The remaining room nights (32.5%) were occupied by convention/group travelers. This is comparable with that seen in October 2006 (34.1% leisure, 39.2% business and 26.7% convention/group).**
- There has been a 4.1 percentage point increase in terms of room nights occupied by convention/group visitors in designated convention hotels in October 2007 (37.9%) compared to October 2006 (33.8%).
- ** Properties well below 50 rooms are only included in room count and total inventory.

Significant Highlights: October 2007

Property Manager Survey (continued)

Average Daily Room Rate (ADR)

- **The average daily room rate (ADR) in October 2007, according to surveyed managers was \$132.74, representing an 8.8% increase over October 2006 (\$122.04).**
 - Smaller (50-100 rooms) and larger properties (101+ rooms) reported ADR increases in October 2007 as compared to October 2006. Smaller properties reported an increase of 4.6% (from \$113.02 to \$118.24) and larger properties reported an increase of 9.7% compared to one year ago (from \$123.49 to \$135.52).
 - Hotels with 220-500 rooms reported a higher average ADR in October 2007 (\$155.01) than in October 2006 (\$124.80, a 24.2% increase). Hotels with 101-219 rooms remained at parity (from \$91.27 to \$91.65).
- Most often, the ADR reported by hotel managers is based on retail plus wholesale rates (80.7%).

Bookings via Third Party Websites

- **Surveyed property managers stated that, on average 14.4% of October 2007 bookings were sold via third party websites (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.). This is comparable to that reported in October 2006 (14.0%).**

Future Business Outlook

- **One-half of participating property managers predict an increase in room revenues for November 2007 and December 2007 compared to the same months last year (50.1%; 25.0% - Group/Individual Business, 24.7% Individual Vacation). Thirty-nine point six percent of surveyed managers expect a decrease (51.8% - Group/Individual Business, 47.0% Individual Vacation) and 10.3% expect no change (23.2% - Group/Individual Business, 28.3% Individual Vacation).***
- Property managers who expect an increase in room revenues compared to November and December of last year, predict an average increase of 6.0% (7.5% - Group/Individual Business, 8.0% Individual Vacation).*
- Property managers who expect a decrease in room revenues compared to November and December of last year, predict an average decrease of 9.4% (8.1% - Group/Individual Business, 7.7% Individual Vacation).*

▪ * Based on those responding for each (total, group/individual business, individual vacation)

Significant Highlights: October 2007

Property Manager Survey (continued)

Future Business Outlook (Continued)

- **When asked about their predictions for January and February 2008, about forty percent of surveyed managers foresee an increase in total room revenue (40.4%; 37.4% - Group/Individual Business, 29.8% Individual Vacation). Those who expect a decrease made up 36.7% of surveyed hotel managers (41.3% - Group/Individual Business, 39.8% Individual Vacation) while those expecting no change represented 22.9% of surveyed managers (21.3% - Group/Individual Business, 30.4% Individual Vacation).**
 - Property managers who expect an increase in room revenues compared to January and February of 2007, predict an average increase of 8.8% (8.0% - Group/Individual Business, 8.3% Individual Vacation).
 - Property managers who expect a decrease in room revenues compared to January and February 2007, expect an average decrease of 7.9% (6.7% - Group/Individual Business, 6.8% Individual Vacation).

Market Focus

- **Overall, when it comes to marketing, advertising and promotion, surveyed hotel managers in October 2007 stated that they are focusing primarily on the Florida Business Drive Market (65.5%), Weddings (59.8%) and Florida Leisure Drive Market (57.7%).**
 - Properties in the Southern region have equal focus on both the Florida Leisure Drive Market and on the Florida Business Drive Market (both 70.6%).
 - In terms of hotel size, all hotel managers from properties with 50-100 rooms who responded to this question, reported that their primary focus is on the Florida Business Drive Market and Weddings (both 100%). Sixty-six percent reported that they are also focusing on the Florida Association Market (66.7%).
- **October 2007 surveyed managers cited different needs regarding market areas that could receive support from the CVB and the Sports Commission. Full list can be found on page 19.**

Significant Highlights: October 2007

Hotel Visitor Study

Characteristics of Stay

- **The average party size* of hotel guests visiting Palm Beach County (PBC) in October 2007 was 1.7, the average number of nights stayed in Palm Beach County hotels was 2.8, and the average number of rooms occupied per night* was 1.2.**

Planning the Trip to Palm Beach County

- **In October 2007, business travel to Palm Beach County (conference/convention/ business meeting) declined by 12.7 percentage points compared to October 2006 (from 75.6% to 62.9%), while leisure travel increased by 13.2 percentage points (from 17.6% to 30.8%).**
 - Among business travelers, the percentage of those visiting Palm Beach County to attend a conference/convention decreased by 7.9 percentage points compared to the same time last year (from 11.5% in 2006 to 3.6% in 2007).
- **When asked who made the decision about the trip to Palm Beach County, three-in-five visitors cited their 'Employer' (59.8%). Another frequently mentioned response was 'Head of Household/Other Adult' (34.2%).**
 - Compared to October 2006, 'Head of household/other adult' as the decision maker has increased by 7.2 percentage points (from 27.0% to 34.2%), while 'Employer' decreased by 7.9 percentage points (from 67.7% to 59.8%).
- Surveyed visitors selected Palm Beach County over other destinations usually because of a work-related trip (60.8%) and/or to visit friends/relatives (21.7%).
 - As expected due to the decrease in business travel, 'work related trip' as a reason for selecting PBC has decreased compared to October 2006 by 11.6 percentage points (from 72.4% to 60.8%).
 - More than six-in-ten October 2007 surveyed hotel guests reported that they planned the trip to PBC one month or less in advance (62.0%). This is at parity with the same month last year (63.6%).

Booking a Trip to Palm Beach County

- **In October 2007, use of a Travel Agent to book a trip to PBC decreased compared to October 2006 (from 29.1% to 24.2%, down 4.9 percentage points), while use of the Internet to book any part of the trip increased considerably (from 38.0% to 49.9%, up 11.9 percentage points).**
 - Among those who used the Internet to plan their trip to PBC, 75.7% used it to book hotel rooms, 64.0% reserved airfare, and 40.4% used it to make rental car arrangements.
 - Use of the Internet to book hotel rooms increased noticeably in October 2007 (75.7%) compared to October 2006 (68.0%, a 7.7 percentage point increase).
- * Starting in January 2002, if 'party size' is greater than 8 or if 'number of rooms occupied' is greater than 3, then data within 'party size' and 'number of rooms occupied' is excluded from analysis, reflective of meetings/conferences rather than individual travel parties.

Significant Highlights: October 2007

Hotel Visitor Study (continued)

Booking a Trip to Palm Beach County (Continued)

- Use of the Internet to book airfare, however, decreased in October 2007 (64.0%) compared to October 2006 (70.2%, a 6.2 percentage point increase).
- Among those who booked hotel rooms online, 30.1% booked their rooms directly at hotel websites. Other websites frequently used included: Travelocity (8.7%), Priceline (7.4%) and Expedia (7.0%).
- Four point seven percent of surveyed visitors claimed that their trip to PBC was part of a package (that may have included airfare, lodging, meal, rental car, etc).

Visitor Expenditures

- **Visitors' per party average expenditure in October 2007 was \$977 – \$77 (7.3%) less than visitors surveyed in October 2006 (\$1,054)**.**
 - Compared to October 2006, decreases were seen in 'Lodging' (from \$580 in 2006 to \$521 in 2007, a 10.2% decrease), 'Gifts/Shopping' and (from \$84 in 2006 to \$50 in 2007, a 40.5% decrease) 'Entertainment/Recreation', (from \$25 in 2006 to \$17 in 2007, a 32.0% decrease).
 - Hotel guests claimed to have spent \$575 per person, on average, representing a 9.1% (\$48) increase from October 2006 (\$527).
- **Leisure travelers per party expenditures decreased by 23.2% (from \$1,450 in October 2006 to \$1,114 in October 2007), while business travelers per party expenditures was comparable with October 2006 (\$937 in 2006 and \$927 in 2007).**

Characteristics of Visitors

- During October 2007, most surveyed visitors self-described as White/Caucasian (88.7%) and between the ages of 35 and 54 (59.2%).
- One-half of surveyed visitors had professional/managerial jobs (50.5%) and 58.8% had household incomes of \$100,000 or more.
- More than seven-in-ten leisure visitors were traveling with adult family members or friends (72.7%). Six-in-ten business travelers were traveling alone (59.8%, up 16.9 percentage points compared to October 2006, 42.9%).
 - Business travelers were less likely to travel with business associates in October 2007 (30.4%) than they were in October 2006 (43.8% , a 13.4 percentage point decline).

** Results may not be directly comparable to same month, prior year, due to availability of specific hotels at which interviewing was conducted.

Significant Highlights: October 2007

Hotel Visitor Study (continued)

Travel Details

- Palm Beach County was the main destination for 91.9% of surveyed visitors.
- Twenty seven point seven percent of surveyed visitors were visiting Palm Beach County for the first time.
- Seven-in-ten surveyed visitors traveled by airplane to come to PBC in October 2007 (69.9%); more than nine-in-ten were domestic travelers (91.5%, a 4.4 percentage point decrease from October 2006, 95.9%).

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **Even though mentioned less often than in October 2006 (40.7%), ‘Climate/weather’ continued to be the aspect of the trip to PBC that visitors liked best in October 2007 (33.3%, a 7.4 percentage point decline), followed by ‘beaches/ocean’ (15.6%) and ‘Nice People’ (7.4%).**
- **The two most frequently mentioned aspects of Palm Beach County visitors disliked were ‘traffic/bad drivers’ (26.6%), and ‘humidity/poor weather’ (24.8%).**
 - Citing of ‘Traffic/Bad Drivers’ decreased in October 2007 compared to the same month last year (by 18.2 percentage points, from 44.8% in 2006 to 26.6% in 2007), while citing of ‘humidity/poor weather’ increased (by 10.9 percentage points, from 13.9% to 24.8%).
- October 2007, surveyed visitors most frequently mentioned that ‘Longer stay’ (21.4%), ‘Better Weather’ (15.9%) and ‘To come during vacation time/Time off work’ (9.2%) would make their next trip to Palm Beach County better.

Activity Participation

- **On par with last year, nearly all surveyed guests visiting Palm Beach County in October 2007 ate at area restaurants (93.4%). Other popular activities enjoyed by surveyed visitors were shopping (27.3%), going to the beach (24.3%), swimming (12.8%) and going to bars/nightclubs (12.4%).**

Return Visits

- **More than eight-in-ten surveyed guests plan to visit Palm Beach County again (82.7%). This is comparable with October 2006 (83.9%).**
 - Those who claimed they will not return to Palm Beach County (2.9%), most frequently mentioned that they would not visit again because they have no business commitments in the area (four respondents out of seven).