

Significant Highlights

Property Manager Survey

Occupancy Rates

- **The average occupancy rate reported by participating Palm Beach County (PBC) hotels in November 2007 was 65.6%, a 3.4 percentage point decrease compared to the same month last year (69.0%).**
 - **In November 2007, an average of 286,244 room nights** were occupied, 13,078 fewer than in November 2006 (299,322).**
- **In terms of geographic area, the average occupancy rate was 66.4% among hotels in the Southern region, 65.2% among properties in the Central region and 64.4% among properties in the Northern region.**
 - Compared to November 2006, all regions reported decreases in occupancy rates; the largest decrease being among properties in the Central region (from 71.1% in November 2006 to 65.2% in November 2007, a 5.9 percentage point decrease).
- **The average occupancy rate decreased among smaller as well as larger properties compared to this same month last year. Among smaller properties (50-100 rooms) the average occupancy rate decreased by 6.7 percentage points (from 67.6% in 2006 to 60.9% in 2007), while among larger properties (101+ rooms) the average occupancy rate decreased by 3.3 percentage points (from 69.5% in 2006 to 66.2% in 2007).**
 - The average occupancy rate among the largest properties, hotels with 220-500 rooms, in November 2007 was 67.9% which is comparable to November 2006 (69.6%), whereas the average occupancy rate in properties with 101-219 rooms decreased by 4.1 percentage points (from 69.8% in November 2006 to 65.7% in November 2007).
- **In November 2007, the percentage of international hotel guests staying in Palm Beach County hotels, based on the hotel managers that responded, was 7.2%.**
 - Smaller hotels reported that 16.1% of their guests were traveling internationally, while larger properties reported that international guests made up 5.8% of their occupancy
 - Hotel managers from the Southern region who responded claimed that 13.9% of their guests were traveling internationally. Hotels from the Central and Northern regions reported that 4.7% and 2.4% of their guests, respectively, came from foreign countries.
- **More PBC room nights were occupied by leisure travelers (40.9%) than business travelers (29.6%) in November 2007, as reported by surveyed property managers. Convention/group travelers made up 29.5% of PBC room nights.**
 - Compared to November 2006, there were increases in the percentage of vacationers and convention/group travelers (vacationers - from 36.9% to 40.9%, up 4.0 percentage points and convention/group travelers - from 26.7% to 29.5%, up 2.8 percentage points), resulting in a decrease in the percentage of business travelers (from 36.4% to 29.6%, down 6.8 percentage points).
- **In November 2007, hotels designated as convention properties had 35.0% of their rooms occupied, which is comparable to November 2006 (34.9%).**

** Properties well below 50 rooms are only included in room count and total inventory

Significant Highlights

Property Manager Survey (continued)

Average Daily Room Rate (ADR)

- **In November 2007, the average daily room rate (ADR) for participating Palm Beach County hotels was \$146.15, representing an increase of 11.4% compared to November 2006 (\$131.16).**
 - Compared to this time last year, both smaller (50-100 rooms) and larger properties (101+ rooms) reported increases in ADR in November 2007. Smaller properties reported an increase of 15.1% (from \$115.85 to \$133.36) and larger properties reported an increase of 11.0% compared to the prior year (from \$133.62 to \$148.28).
 - Among larger properties, hotels with 101-219 rooms reported an increase in ADR of 4.7% (from \$91.55 in 2006 to \$95.85 in 2007) and hotels with 220-500 rooms reported an increase in ADR of 27.3% (from \$132.36 in November 2006 to \$168.43 in November 2007).
- **Nearly three-quarters (73.6%) of property managers reported that the ADR in November 2007 was based on retail plus wholesale rates.**

Bookings via Third Party Websites

- **According to participating property managers, an average of 11.8% of hotel rooms were booked via third party websites (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.) in November 2007, a 2.5 percentage point decrease compared to November 2006 (14.3%).**
 - In November 2007, there was a decrease in the percentage of rooms sold via third party websites among smaller properties (50-100 rooms, from 34.0% to 12.7%, a 21.3 percentage point decrease). Among larger properties (101+ rooms), the percentage of rooms sold via third party websites was 3.3 percentage points higher than in November 2006 (7.7% in 2006 and 11.0% in 2007).

Future Business Outlook

- **In November 2007, over one-half of participating property managers foresee an increase in room revenues for December 2007 and January 2008 compared to the same months last year (56.0%, 42.6% Group/Individual Business, 32.4% Individual Vacation). Thirty percent (30.3%) of surveyed managers expect a decrease (45.4% Group/Individual Business, 45.6% Individual Vacation) and 13.7% expect no change (12.0% Group/Individual Business, 22.0% Individual Vacation).***
 - Property managers who expect an increase in room revenues compared to December and January of last year predict an average increase of 4.8% (12.2% Group/Individual Business, 5.3% Individual Vacation).*
 - Property managers who expect a decrease in room revenues compared to December and January of last year predict an average decrease of 8.9% (8.7% Group/Individual Business, 10.4% Individual Vacation).*

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

Significant Highlights

Property Manager Survey (continued)

Future Business Outlook (Continued)

- **Almost fifty percent (48.3%) of surveyed managers foresee an increase in total room revenue when asked about their predictions for February and March 2008, (46.3% Group/Individual Business, 37.5% Individual Vacation). A decrease is expected by 34.8% of surveyed hotel managers (33.5% Group/Individual Business, 39.4% Individual Vacation) and no change is expected by 17.0% of surveyed managers (20.2% Group/Individual Business, 23.1% Individual Vacation).**
 - Property managers who expect an increase in room revenues compared to February and March of last year predict an average increase of 6.4% (6.4% Group/Individual Business, 5.5% Individual Vacation).
 - Property managers who expect a decrease in room revenues compared to February and March of last year expect an average decrease of 9.7% (9.9% Group/Individual Business, 10.0% Individual Vacation).

Market Focus

- **Surveyed hotel managers in November 2007 stated they are focusing primarily on the Florida Leisure Drive Market (77.5%) and Florida Business Drive Market (63.7%) in terms of marketing, advertising and promotion.**
 - Northern region properties focus equally on the Florida Leisure Drive Market, Florida Association Market, Weddings and Convention - South (all 100%).
 - In terms of hotel size, all hotel managers from properties with 220-500 rooms who responded to this question reported that the Florida Leisure Drive Market, Florida Business Drive Market and Weddings received primary focus (all 100%).
- **Regarding market areas in need of assistance from the CVB and the Sports Commission, there was no consistency in terms of response; in other words, participating property managers cited varying needs in November 2007. Full list can be found on page 19.**

Significant Highlights

Hotel Visitor Study

Characteristics of Stay

- **In November 2007, the average party size* of surveyed hotel guests visiting Palm Beach County (PBC) was 1.8, the average number of nights stayed in PBC hotels was 3.1, and the average number of rooms occupied per night* was 1.4.**

Planning the Trip to Palm Beach County

- **In November 2007, most hotel guests surveyed stated they were business travelers (conference/convention/business meeting, 68.5%), mainly in town for a business meeting (58.3%). Vacationers comprised 26.8% of surveyed hotel guests.**
 - Fewer business travelers and more leisure travelers visited Palm Beach County during the current month as compared to one year ago (business travelers – decreased 8.3 percentage points from 76.8% in November 2006 to 68.5% in November 2007, leisure travelers – increased 10.4 percentage points from 16.4% in November 2006 to 26.8% in November 2007).
- **Almost two-thirds of visitors (61.7%) cited ‘Employer’ when asked who made the decision about the trip to Palm Beach County. ‘Head of Household/Other Adult’ was the next most frequently mentioned response with one-third of visitors mentioning such (33.0%).**
 - Compared to this same month last year, ‘Head of household/other adult’ as the decision maker has increased by 7.3 percentage points (from 25.7% to 33.0%), while ‘Employer’ decreased by 9.5 percentage points (from 71.2% to 61.7%).
- **Surveyed visitors mentioned ‘work-related trip’ (68.6%) as their main reason for selecting Palm Beach County versus other destinations. The second most frequently cited reason was to ‘visit friends/relatives’ (18.6%).**
 - As expected, due to the decrease in business travel, ‘work related trip’ as a reason for selecting PBC decreased compared to November 2006 by 4.6 percentage points (from 73.2% to 68.6%).
- **More than half of November 2007 surveyed hotel guests were short term planners in that they planned the trip to PBC one month or less in advance (58.3%). This is down three percentage points from the same month last year (61.3%).**

* 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

Hotel Visitor Study (continued)

Booking a Trip to Palm Beach County

- **More visitors decided to use a Travel Agent as well as the Internet to book any part of their trip to PBC compared to November 2006 (Travel Agent - from 27.3% to 32.7%, an increase of 5.4 percentage points, and Internet - from 45.5% to 48.6%, up 3.1 percentage points).**
 - Among those who used the Internet to plan their trip to PBC, 77.4% used it to book hotel rooms, 70.1% reserved airfare, and 38.6% used it to make rental car arrangements.
 - In November 2007, use of the Internet to book car rentals (38.6%) decreased noticeably compared to November 2006 (44.9%, a 6.3 percentage point decrease).
 - Only 3.4% of November 2007 surveyed visitors stated that their trip was part of a package (that may have included airfare, lodging, meals, rental car, etc). This was a 6.1 percentage point decrease from November 2006 (9.5%).

Visitor Expenditures

- **In November 2007, visitors spent an average of \$1,308 per party – \$128 (8.9%) less than visitors surveyed in November 2006 (\$1,436)**.**
 - Compared to November 2006, decreases occurred in all spending categories ('Lodging' - by 8.1%, 'Restaurant/Bar' – by 1.4%, 'Gifts/Shopping' – by 2.8%, 'Entertainment/Recreation' – by 22.2%, and 'Local Travel' – by 31.0%).
 - November 2007 hotel guests spent \$727 per person, on average, representing a 3.8% (\$29) decrease from November 2006 (\$756).
- **Both Leisure and Business travelers' per party average expenditures decreased in November 2007 (23.3% and 9.7%, respectively). Leisure traveler per party average expenditures declined from \$2,341 in November 2006 to \$1,795 in November 2007 and business traveler per party average expenditures decreased from \$1,218 in November 2006 to \$1,100 in November 2007.**

Characteristics of Visitors

- The majority of visitors during November 2007 described themselves as White/Caucasian (93.6%) and between the ages of 35 and 54 (55.8%).
- Sixty percent of surveyed visitors stated they had professional/managerial jobs (60.2%) and approximately two-thirds claimed household incomes of \$100,000 or more (64.7%).
- Most leisure visitors traveled with adult family members or friends (81.3%). More than half of business travelers traveled alone (51.5%).

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

Significant Highlights

Hotel Visitor Study (continued)

Travel Details

- The majority of November 2007 visitors cited Palm Beach County as their main destination (91.8%), with 27.6% stating they were first time visitors.
- Airplane was the most frequent mode of transportation of surveyed visitors who visited PBC in November 2007 (80.8%); almost ninety percent were domestic travelers (89.9%, a 3.5 percentage point decrease from November 2006, 93.4%).

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- Among the many aspects visitors liked regarding Palm Beach County in November 2007, 'Climate/weather' continued to be the most frequent mention (47.9%), followed by 'beaches/ocean' (12.7%) and 'Beautiful area' (8.2%).
- 'Traffic/bad drivers' (39.8%) and 'humidity/poor weather' (8.8%) were the two most frequently mentioned aspects disliked by Palm Beach County visitors in November 2007.
- November 2007 surveyed visitors most frequently mentioned that 'Longer stay' (17.0%), 'Less business, more partying/more free time/more down time' (13.5%) and 'Improve traffic/Finish construction on I-95' (11.8%) would make their next trip to Palm Beach County better.

Activity Participation

- On par with November 2006, nearly all surveyed guests visiting Palm Beach County in November 2007 ate at area restaurants (94.3%). Shopping (27.4%), going to the beach (20.5%), visiting downtown West Palm Beach attractions/City Place (13.4%), going to bars/nightclubs (12.2%), and swimming (10.1%) were other activities enjoyed by Palm Beach County guests.

Return Visits

- **Over eighty percent of guests plan to visit Palm Beach County again (82.5%), which is an increase of 2.6% from November 2006 (79.9%).**
 - Too far (two respondents out of eight), no business commitments in the area and too expensive (both 1 respondent out of 8) were reasons why Palm Beach County guests claimed they will not return to Palm Beach County (3.3%).