

Significant Highlights: April 2009

Property Manager Survey

Occupancy Rates

- **In April 2009, the average occupancy rate according to participating Palm Beach County (PBC) hotel managers was 63.8%; 5.7 percentage points lower than in April 2008 (69.5%).**
 - **286,571 room nights* were occupied in April 2009; 20,283 fewer than in April 2008 (306,854).**
- **The highest average occupancy rate was reported by properties in the Northern region of Palm Beach County (67.7%) and the lowest by properties in the Southern region (61.1%). The average occupancy rate among properties in the Central region was 65.3%.**
 - In April 2009, properties in all three regions of PBC experienced decreases in average occupancy rates compared to April 2008 (Southern - by 6.7 percentage points, from 67.8% to 61.1%; Central – by 6.3 percentage points, from 71.6% to 65.3%; Northern – by 1.6 percentage points, from 69.3% to 67.7%),
- **Both smaller (50-100 rooms) and larger properties (101+ rooms) reported decreases in average occupancy rates compared to this time last year. Among smaller properties the average occupancy rate decreased by 4.4 percentage points (from 58.6% to 54.2%), while among larger properties it decreased by 5.6 percentage points (from 71.5% to 65.9%).**
 - Among larger properties, average occupancy at hotels with 220-500 rooms remained at parity with this time last year (75.6% in April 2008 and 73.9% in April 2009). Hotels with 101-219 rooms saw a decrease in the average occupancy rate of 3.6 percentage points (from 67.6% in April 2008 to 64.0% in April 2009).
- **Overall, international guests comprised 8.4% of PBC hotels' occupancy in April 2009, based on hotel managers who responded.**
 - Smaller hotels (50-100 rooms) reported that 28.6% of their guests were international travelers, while larger properties (101+ rooms) stated that 4.8% of their guests came from abroad. Of note, several smaller hotels (Residence Inn – West Palm Beach, Towneplace Suites, Hotel Biba, etc.) reported high percentages of international guests.
 - According to hotel managers who responded in April 2009, hotels in the Southern region received the highest percentage of international guests (10.4%, compared to 8.7% among hotels in the Central region and 3.1% among hotels in the Northern region).
- **In April 2009, vacationers occupied the largest percentage of room nights in Palm Beach County (42.0%), representing an increase of 6.2 percentage points from April 2008 (35.8%). Business travelers and convention/group travelers occupied 32.1% and 25.9% of April 2009 hotel room nights, respectively.**
- Properties considered convention hotels had, on average, 27.2% of their room nights occupied by convention/group visitors, which is 7.0 percentage points lower than April 2008 (34.2%).

* Caution: Low response rate among properties with 50-100 rooms (25.8%)

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

Significant Highlights: April 2009

Property Manager Survey (continued)

Average Daily Room Rate (ADR)

- **The average daily room rate (ADR) for participating Palm Beach County hotels in April 2009 was \$163.83 - a 10.3% decrease from April 2008 (\$182.72).**
 - According to surveyed managers, the ADR decreased among both smaller (50-100 rooms)* and larger properties (101+ rooms) in April 2009 when compared to April 2008. Smaller properties saw a decrease of 21.8% (from \$168.43 to \$131.64) and larger properties saw a decrease of 8.9% compared to the prior year (from \$186.10 to \$169.45).
 - Among larger hotels, properties with 101-219 rooms reported a decrease in ADR of 4.6% (from \$128.76 in April 2008 to \$122.80 in April 2009) and hotels with 220-500 rooms reported a decrease in ADR of 11.9% (from \$194.41 in April 2008 to \$171.27 in April 2009).
- Approximately seven-in-ten of hotel managers stated that the ADR reported in April 2009 was calculated based on retail plus wholesale rates (69.0%).

Bookings via Third Party Websites

- **In April 2009, the percentage of hotel rooms sold via third party websites (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.) increased by 10.0 percentage points (from 12.2% in April 2008 to 22.2% in April 2009).**
 - The percentage of hotel rooms in smaller properties (50-100 rooms)* booked via third party website in April 2009 increased by 20.3 percentage points when compared to April of last year (from 12.5% in 2008 to 32.8% in 2009). The percentage of hotel rooms booked via a third party website increased by 4.5 percentage points among larger properties (101+ rooms) (from 11.0% in 2008 to 15.5% in 2009).

Future Business Outlook

- **Most responding property managers surveyed in April 2009 foresee a decrease in room revenues for May and June 2009 (85.3%; 80.4% Group/Individual Business, 80.4% Individual Vacation) as compared to May and June 2008. Two point four percent of property managers foresee an increase in total revenue for May and June 2009 as compared to May and June 2008 (5.5% Group/Individual Business, 3.6% Individual Vacation), while 12.4% expect no change (14.1% Group/Individual Business, 16.0% Individual Vacation).****
 - Property managers who expect an increase in room revenues compared to May and June of last year predict an average increase of 5.0%*** (5.0%*** among Group/Individual Business, 26.8%*** Individual Vacation).**
 - Property managers who predict a decrease in room revenues compared to May and June of last year predict an average decrease of 19.5% (20.8% Group/Individual Business, 17.3% Individual Vacation).**

* Caution: Low response rate among properties with 50-100 rooms (25.8%).

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

***Caution: Extremely low response rate among property managers foreseeing an increase

Significant Highlights: April 2009

Property Manager Survey (continued)

Future Business Outlook (Continued)

1. **When asked about their predictions for July and August 2009 compared to the same months in the previous year, 82.1% of surveyed managers stated that they expect a decrease in room revenue (74.9% Group/Individual Business, 79.7% Individual Vacation), while 2.4% foresee an increase (2.3% Group/Individual Business, 3.6% Individual Vacation). Fifteen point five percent of property managers predict no change in total room revenue (22.8% Group/Individual Business, 16.7% Individual Vacation).**
 - Property managers who expect an increase in room revenues compared to July and August 2008 predict an average increase of 5.0% (5.0%* Group/Individual Business, 18.6%* Individual Vacation)**.
 - Property managers who expect a decrease in room revenues compared to July and August 2008 expect an average decrease of 19.5% (23.7% Group/Individual Business, 16.6% Individual Vacation)**.

Market Focus

- **In April 2009, three-quarters of surveyed property managers stated that they are focusing on the Florida Leisure Drive Market in terms of marketing, advertising and promotion.**
 - Properties in the Northern region stated that their main focus is equally on the Florida Leisure and Business Drive Markets (each were stated as a primary area of focus by 100.0% of surveyed managers in that region).
 - The top three focus areas for responding hotel managers from larger properties (101+ rooms) were the Florida Leisure Drive Market (76.9%), Amateur Sports Events (69.2), and the Florida Business Drive Market (64.0%). The top three focus areas for responding hotel managers from smaller properties were the Florida Leisure and Business Drive Markets and Weddings (77.8% each).
 - **When hotel managers were asked about their greatest challenges for 2009, responses related to the economy were most often reported. The full, detailed list of challenges can be found on page 20.**

*Caution: Extremely low response rate among property managers foreseeing an increase

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

Significant Highlights: April 2009

Hotel Visitor Study

Characteristics of Stay

- **In April 2009, the average party size* of surveyed hotel guests traveling to Palm Beach County (PBC) was 1.9. The mean number of nights visitors stayed in hotels in PBC was 3.6. The average number of rooms occupied per night* was 1.2.**

Planning the Trip to Palm Beach County

- **Approximately one-half of guests surveyed at Palm Beach County hotels (52.5%) claimed that they were traveling for business (conference/convention/business meeting), mainly for a business meeting (48.8%). Vacation/pleasure was cited by four-in-ten (41.8%) surveyed guests as the reason for the trip to PBC.**
 - The number of guests traveling for business in April 2009 was at parity with the same month last year (53.9% in April 2008 and 52.5% in April 2009). The percentage of visitors traveling for vacation/pleasure was also at parity compared to last year (40.9% in April 2008 and 41.8% in April 2009).
- **Among surveyed hotel visitors, one-half (49.1%) stated that their 'Employer' made the decision to travel to Palm Beach County. A slightly lower percentage (43.1%) cited the 'Head of Household/Other Adult' as the one who made the decision.**
 - 'Head of Household/Other Adult' as the decision maker increased by 3.2 percentage points (from 39.9% in April 2008 to 43.1% in April 2009) while 'Employer' as decision maker remained at parity with April 2008 (49.0% in April 2008 and 49.1% in April 2009).
- **In April 2009, one-half of surveyed hotel visitors chose Palm Beach County over other destinations primarily because of a 'Work Related Trip' (50.7%), which is at parity with last year (52.9%).**
 - Other popular reasons include: 'Visit Friends/Relatives' (23.8%), 'Previous Visit' (18.3%), and 'Weather' (13.2%). 'Special Event' decreased by 9.2 percentage points (from 12.6% in April 2008 to 3.4% in April 2009).
- **Six-in-ten participating hotel guests planned their trip to PBC one month or less in advance (60.1%); this is a 12.2 percentage increase from April 2008 (47.9%).**

* Starting in February 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: April 2009

Hotel Visitor Study (continued)

Booking a Trip to Palm Beach County

- **In April 2009, more surveyed travelers booked trips with a travel agent than did so in the same month last year (an increase of 4.1 percentage points from 22.4% in April 2008 to 26.5% in April 2009). Surveyed travelers who used the Internet to book a trip to PBC increased by 19.2 percentage points when compared to the same month last year (from 43.4% in April 2008 to 62.6% in April 2009).**
 - Among surveyed visitors who used the Internet to book all or a part of their trip, over eighty percent (81.6%) used it to make hotel reservations, approximately two-thirds (64.7%) booked airfare and more than one-third (35.3%) made car rental reservations.
 - In April 2009, the percentage of those booking their hotel rooms online increased by 13.2 percentage points (from 68.4% in April 2008 to 81.6% in April 2009). Online car reservations decreased by 9.7 percentage points (from 45.0% in April 2008 to 35.3% in April 2009). Usage of the Internet to reserve airfare decreased by 7.6 percentage points (from 72.3% in April 2008 to 64.7% in April 2009).
 - Among guests who used the Internet to make hotel reservations, hotel websites were used most frequently (28.5%); however, this was 8.5 percentage points lower than in April 2008 (37.0%). Compared to April 2008, Priceline.com had the largest percentage point increase in terms of usage among surveyed guests booking hotel rooms online (up 7.5 percentage points from 2.1% in April 2008 to 9.6% in April 2009.)
 - Only a small percentage of responding visitors in April 2009 (2.8%) claimed that their trip was part of a package (that may have included airfare, lodging, meals, rental car, etc). This is at parity with the same month last year (2.4%).

Visitor Expenditures

- **In April 2009, an average of \$1,458 was spent by surveyed visitors' parties, which was \$227 more (18.4%) when compared to visitors surveyed in the same month last year (\$1,231)**.**
 - Relative to April 2008, spending in all categories increased. 'Restaurant/Bar' and 'Local Travel' had the largest percentage point increases relative to April 2008 ('Restaurant/Bar', up \$159 (54.6%) from \$291 in 2008 to \$450 in 2009, 'Local Travel', up \$52 (54.2%) from \$96 in 2008 to \$148 in 2009).
 - The total expenditures of surveyed hotel guests per person per day increased by \$208 (37.2%), from \$559 in April 2008 to \$767 in April 2009.
- **In April 2009, the average per party expenditures among business travelers increased by 34.3% (\$321), from \$936 in April 2008 to \$1,257 in April 2009.**
 - Of note, several business travelers said they spent large amounts of money (\$1,000 or more per night) taking groups to restaurants.
- **The average per party expenditures within the leisure sector increased by 2.6% (\$43), from \$1,668 in April 2008 to \$1,711 in April 2009.**

Characteristics of Visitors

- More than ninety percent of surveyed visitors in April 2009 classified themselves as White/Caucasian (91.6%).
- More than one-half of responding hotel guests claimed to be between the ages of 35 and 54 (52.3%).
- Among responding PBC visitors, approximately sixty percent held a professional/managerial job (58.6%).
- Approximately one-third of surveyed hotel guests claimed an annual household income of \$100,000 or more (68.4%).
- Among those visitors traveling for pleasure, more than three-quarters traveled with an adult friend or family member (77.9%). This is at parity when compared to the same month last year (79.9%). Nearly six-in-ten business travelers traveled alone (58.5%), which is an increase of 7.6 percentage points relative to April 2008 (50.9%).

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

Significant Highlights: April 2009

Hotel Visitor Study (continued)

Travel Details

- More than nine-in-ten (94.0%) surveyed hotel guests stated that their main destination was Palm Beach County.
- In April 2009, approximately one-quarter (22.9%) of surveyed visitors were on their first trip to PBC, which was a decrease of 9.2 percentage points relative to the same month last year (32.1%).
- In April 2009, 77.8% of all surveyed visitors traveled by air, which was at parity with April 2008 (77.4%).
- Nine-in-ten surveyed hotel guests traveled from within the United States to PBC in April 2009 (90.1%). One-in-ten (9.9%) traveled internationally, which was a 4.1 percentage point increase from April 2008 (5.8%).

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **In April 2009, 'Climate/Weather' was quoted by 41.6% of surveyed guests as being Palm Beach County's greatest quality, as seen in prior months.**
- **The most disliked feature of PBC was 'Traffic/Bad Drivers' (30.5%). 'Humidity/Poor weather' followed as the next most popular response (13.5%).**
 - In April 2009, citing 'Humidity/Poor Weather' as a negative aspect increased by 3.7 percentage points (from 9.8% in April 2008 to 13.5% in April 2009). 'Road Construction' as a negative aspect of PBC decreased by 3.8 percentage points (from 4.6% in April 2008 to 0.8% in April 2009).

Activity Participation

- Nearly all surveyed visitors ate at local restaurants while in Palm Beach County (98.4%). 'Going to the beach' (35.3%), 'Shopping' (32.2%), and 'Swimming' (24.4%) were among other activities in which guests participated during their stay in PBC.
- In April 2009, more guests visited downtown Delray Beach attractions than did so in April 2008 (an increase of 5.9 percentage points, from 4.6% in 2008 to 10.5% in 2009). Fewer guests visited downtown West Palm Beach attractions (a decrease of 5.3 percentage points, from 12.0% in 2008 to 6.7% in 2009).
- The top activities in which hotel visitors participated during a recent trip and which they wished they could have done in Palm Beach County were 'Going to the beach' (11.1%) and 'Golfing' (9.2%), both of which are currently available in PBC.

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