

# Significant Highlights: April 2006

## Property Manager Survey Occupancy Rates

Participating Palm Beach County (PBC) hotel property managers reported an average occupancy rate of 73.6% in April 2006. This represents a decline of 5.5 percentage points compared to April 2005 (79.1%).

- An average of 329,102 room nights\*\* were occupied in April 2006 – 17,261 fewer than the average number of room nights occupied in April 2005 (346,363).
- The average occupancy rate in April 2006 was highest among properties in the Northern region of PBC (77.2%). Properties in the Southern region reported an occupancy rate of 73.7%, and those in the Central region reported an occupancy rate of 71.3%.
  - While the occupancy rate among properties in the Northern region in April 2006 (77.2%) was comparable to April 2005 (78.8%), the occupancy rate among properties in the Southern and Central regions decreased by 4.5 and 9.0 percentage points, respectively (from 78.2% to 73.7% in the Southern region and from 80.3% to 71.3% in the Central region).
- The average occupancy rate among smaller properties (50-100 rooms) in April 2006 (75.3%) increased by 4.3 percentage points compared to April 2005 (71.0%). Among larger properties (101+ rooms), the average occupancy rate decreased by 7.2 percentage points compared to the previous year (from 80.5% in April 2005 to 73.3% in April 2006).
  - Among larger properties, occupancy rates decreased among properties with 101-219 rooms (from 80.7% in April 2005 to 69.8% in April 2006, down 10.9 percentage points), as well as among properties with 220-500 rooms (from 81.3% in April 2005 to 79.1% in April 2006 – down 2.2 percentage points).
- According to hotel managers who responded, in April 2006, 2.4% of hotel guests were international visitors. Smaller properties reported that international visitors represented 2.8% of their occupancy, while larger properties reported that guests from countries other than the U.S. made up 2.0% of hotel guests.
  - Based on the hotels that responded, hotels from the Southern region reported the highest percentage of international guests, at 2.9%, followed by hotels in the Central region at 2.5%. Hotels in the Northern region reported that 1.1% of their guests were international.
- In April 2006, 38.2% of PBC room nights were occupied by leisure travelers, 32.2% were occupied by business travelers and 29.6% were occupied by convention/ group travelers.
- The percentage of room nights occupied by convention/group travelers in properties designated as convention hotels was 34.0%. This is at parity with the same month last year (36.9%).

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

# Significant Highlights: April 2006

## Property Manager Survey (Continued)

### Average Daily Room Rate (ADR)

- **According to surveyed property managers, the average daily room rate (ADR) for participating Palm Beach County hotels in April 2006 was \$175.00 – a decrease of 3.0% compared to April 2005 (\$180.44).**
  - As seen last month, both smaller (50-100 rooms) and larger properties (101+ rooms) reported a decrease in ADR compared to April 2005. Smaller properties reported a decrease of 9.5% (from \$151.14 to \$136.75) and larger properties reported a decrease of 2.3% (from \$185.11 in April 2005 to \$180.93 in April 2006).
  - Among larger properties, hotels with 101-219 rooms reported a decrease in ADR of 17.2% (from \$145.46 in 2005 to \$120.47 in 2006), while hotels with 220-500 rooms reported an increase in ADR of 3.1% compared to April 2005 (from \$182.29 in 2005 to \$187.97 in 2006).
- Most participating hotel property managers reported that the ADR was based on retail plus wholesale rates (79.1%).

### Bookings via Third Party Websites

- **In April 2006, property managers reported that 11.4% of hotel rooms were booked via a third party website (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.). This is the same as in April 2005.**
  - The percentages of rooms booked via third party website among smaller (50-100 rooms) and larger properties (100 + rooms) were comparable (10.8% among smaller properties and 11.0% among larger properties).
  - Compared to April 2005, the percentage of rooms booked via a third party website among smaller properties decreased by 8.1 percentage points (from 18.9% to 10.8%).

### Future Business Outlook

- **According to 38.6% of surveyed property managers, room revenues in May and June 2006 are expected to increase compared to room revenues in May and June 2005. Another 34.8% believe that room revenues will decrease, while 26.6% expect room revenues in May and June 2006 to be comparable to those in May and June 2005.**
  - Property managers who expected an increase in room revenues compared to May and June of last year predicted an average increase of 10.9%.
  - Property managers who predicted a decrease in room revenues compared to May and June of last year predicted an average decrease of 14.7%

# Significant Highlights: April 2006

## Hotel Visitor Study

### Characteristics of Stay

- **In April 2006, the average party size\* of surveyed Palm Beach County (PBC) hotel guests was 2.2, the average number of nights stayed in Palm Beach County hotels was 3.9, and the average number of rooms occupied per night\* was 1.3.**

### Planning the Trip to Palm Beach County

- **When asked about the reason for the trip to Palm Beach County, 59.2% of surveyed guests reported being on a business trip (conference/convention/business meeting) while 36.4% were on a leisure trip.**
- Employers were indicated as the decision makers regarding the trip to PBC by 58.5% of surveyed guests. This represents an increase of 12.7 percentage points compared to April 2005 (45.8%).
- A 'work related trip' was the most frequently mentioned reason for selecting Palm Beach County over other destinations (58.2%) in April 2006. Visitors also frequently mentioned 'Visit friends/relatives' (23.6%), 'Previous visit' (11.8%) and 'Weather' (11.8%).
  - Compared to April of last year, sizeable decreases occurred in the percentage of hotel guests who mentioned visiting PBC because of 'Friends/Relatives recommendation' (from 12.8% to 5.1%, a 7.7 percentage point decrease) and because of a 'Special Event' (from 16.2% to 4.2% a 12.0 percentage point decline).
- In April 2006, surveyed visitors were more likely to have planned their trip one month or less in advance (58.5%) than guests surveyed in April 2005 (44.8%)
- The majority of surveyed hotel visitors affirmed that Palm Beach County was their main destination (88.4%). This represents a 3.8 percentage point decrease compared to the same time last year (92.2%).
- The percentage of first time visitors to PBC decreased in April 2006 (22.4%) by 9.4 percentage points as compared to April 2005 (31.8%).

### Booking a Trip to Palm Beach County

- **While usage of a Travel Agent to book a trip to PBC in April 2006 (24.7%) remained at parity with April 2005 (25.7%), usage of the Internet as a trip planning tool has increased by 3.5 percentage points (from 46.9% in 2005 to 50.4% in 2006).**

\* 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: April 2006

## Hotel Visitor Study (Continued)

### Booking a Trip to Palm Beach County (Continued)

- Among April 2006 hotel guests who used the Internet as a trip planning tool, it was used most often to reserve airfare (80.2%), hotel accommodations (60.3%), and/or for car rental reservations (50.4%).
- After constant decreases compared to the same months last year, in April 2006 the percentage of those who used the Internet to rent a car increased by 9.5 percentage points (from 40.9% in April 2005 to 50.4% in April 2006). On the other hand, the percentage of those who used the Internet to book hotel rooms decreased by 9.7 percentage points (from 70.0% in April 2005 to 60.3% in April 2006).
- Usage of hotel websites directly to book rooms online decreased by 7.5 percentage points compared to April 2005 (from 38.1% to 30.6%), but is still the most frequently mentioned online resource for booking hotel accommodations.
- Fourteen percent of surveyed visitors claimed that their trip was part of a package (that may have included airfare, lodging, meal, rental car, etc) – a decrease of 2.1 percentage points compared to April 2005 (16.1%).

### Visitor Expenditures

- **In April 2006, surveyed visitors reported spending an average of \$1,973\* per party – \$110 (5.9%) more than visitors reported spending in April 2005 (\$1,863).**
  - Compared to April 2005, there were increases in lodging (up 42.2%) and local travel (up 27.0%) expenditures (per party). Surveyed hotel guests' expenditures for all other categories decreased (restaurant/bar down 5.1%, gift/shopping down 47.7% and entertainment/recreation down 62.2%).
  - Hotel guests' per person (\$897) and per person/day expenditures (\$230) in April 2006 are comparable to April 2005 (\$887 per person and \$233 per person/day).
- **Leisure travelers continue to spend noticeably more per party (\$2,691) than business travelers (\$1,437).**
  - while leisure travelers expenditure (per party) increased in April 2006 by 10.4% compared to April 2005 (from \$2,437 to \$2,691), business travelers' expenditure (per party) was comparable to the same time last year (\$1,416 and \$1,437).

### Characteristics of Visitors

- Visitors to PBC were mostly White/Caucasian (92.9%), between the ages of 35 and 64 (75.1%) and with Professional/Managerial jobs (65.2%, a 12.8 percentage point increase compared to April 2005).
- Two-thirds of surveyed guests (66.9%) claimed to have household incomes of \$100,000 or more (a 6.0 percentage point decrease compared to April 2005, 72.9%).
- Eighty four point seven percent of surveyed visitors traveled by airplane to come to PBC, a 6.8 percentage point increase compared to one year ago (77.9%). The vast majority of surveyed guests were traveling domestically (92.3%).

\* Starting in October 2005, 'Side Trips' were excluded from computation of visitors expenditures (no longer asked on survey).

# Significant Highlights: April 2006

## Hotel Visitor Study (Continued)

### Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **'Climate/weather' (44.6%) continued to be the aspect of the trip to Palm Beach County that visitors liked the most.**
- **In terms of dislikes, April 2006 surveyed guests indicated that 'Traffic/bad drivers' (39.2%) followed by 'Humidity/poor weather' (15.9%) were the aspects of their trip to PBC that they liked least.**
- **When asked what could make their next trip to PBC better, April 2006 surveyed guests most often cited a longer stay (20.2%), better weather (16.7%), traffic improvements (11.9%) and coming during vacation time/time off work (10.7%).**

### Characteristics of the Visit

- **Almost all surveyed visitors reported eating at area restaurants during their visit to PBC in April 2006 (93.4%). Other popular activities enjoyed by hotel guests were shopping (34.9%), going to the beach (33.6%) and swimming (27.1%).**
  - Among the most popular activities enjoyed by surveyed guests, the greatest decline in activity participation occurred in the percentage of hotel guests who mentioned going shopping (from 43.0% in April 2005 to 34.9% in April 2006 – an 8.1 percentage point decline), while the greatest increase occurred in the percentage of guests who mentioned swimming (from 10.7%\* in April 2005 to 27.1% in April 2006 – up 16.4 percentage points).
- **Eight-in-ten surveyed guests plan to return to PBC for a future visit (80.3%). This is comparable to April 2005 (79.8%).**
  - Among those who plan to return to PBC, the majority plans to do so within the next year (64.5%), 31.0% within the next three months.
- The percentage of surveyed guests traveling with adult family members or friends in April 2006 (41.1%) decreased by 9.3 percentage points compared to April 2005 (50.4%), while the percentage of those traveling with business associates increased by 8.4 percentage points (from 16.6% in April 2005 to 25.0% in April 2006).
- Approximately six-in-ten surveyed visitors (59.5%) affirmed that the rising cost of transportation would not affect their decision to visit Palm Beach County (rated 1 or 2 on a 5-point scale where 5 indicated a strong consideration and 1 indicated no consideration at all). Nine point three percent of guests reported that the increase in fuel costs would have an impact on their decision whether or not to visit PBC (rated 4 or 5 on a 5-point scale).

\* April 2005 data represents combined data from the old closed-end answers: 'boating/fishing/diving' and 'other water activities'.