

Significant Highlights: November 2006

Property Manager Survey

Occupancy Rates

- **In November 2006, the average occupancy rate of participating Palm Beach County hotels was 69.0%, a 13.3 percentage point decrease compared to November 2005 (82.3%).**
 - **The substantial decrease in occupancy rates in November 2006 (69.0%) compared to November 2005 (82.3%) can be partially attributed to Hurricane Wilma in November 2005. The hurricane positively impacted hotel bookings increasing occupancy rates during that month.**
 - **An average of 299,322 room nights** were occupied during November 2006, 55,375 fewer than in November 2005 (354,697).**
- **Properties in the Central region of Palm Beach County reported the highest average occupancy rate of the three regions with 71.1%. Properties in the Southern region reported an occupancy rate of 68.6%, and those in the Northern region reported an occupancy rate of 66.0%.**
 - **Compared to November 2006, average occupancy rates decreased noticeably among properties in all three regions of PBC (Northern - by 21.9 percentage points, from 87.9% to 66.0%; Central – by 10.1 percentage points, from 81.2% to 71.1%; Southern – by 12.6 percentage points, from 81.2% to 68.6%),**
- **Average occupancy rates in November 2006 have also decreased among smaller (50-100 rooms) and larger properties (101+ rooms). Smaller properties reported a decrease of 16.4 percentage points (from 84.0% to 67.6%) and larger properties reported a decrease of 12.6 percentage points (from 82.1% to 69.5%).**
- **According to the hotel managers who responded, the average percentage of international guests staying at PBC hotels in November 2006 was 3.1%.**
 - **Among smaller hotels, the percentage of international guests, based on the hotel managers who responded, was 6.2%, while among larger properties it was 2.8%.**
 - **Hotel managers from the Central region who responded claimed that 3.9% of their occupancy was composed of international guests. Hotels from the Southern and Northern regions reported that 1.9% and 1.4% of their guests, respectively, came from foreign countries.**
- **In November 2006, surveyed property managers reported hotel rooms being occupied almost equally by leisure travelers (36.9%) and business travelers (36.4%). Convention/group travelers represented 26.7% of PBC occupied room nights.**
 - **Compared to one year ago, there were increases in the percentage of vacationers (from 31.2% to 36.9%, up 5.7 percentage points) and decreases in the percentage of Convention/group travelers (from 33.5% to 26.7%, down 6.8 percentage points). The percentage of business travelers was comparable to last year (35.3% and 36.4%).**
- **The percentage of room nights occupied by convention/group visitors in designated convention hotels in November 2006 was 34.9%, a 4.6 percentage point decrease from November 2005 (39.5%).**

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

Significant Highlights: November 2006

Property Manager Survey (Continued)

Average Daily Room Rate (ADR)

- **In November 2006, surveyed hotel managers reported an average daily room rate (ADR) of \$131.16 – 10.2% lower than the ADR reported in November 2005 (\$145.99).**
 - Compared to November 2005, both smaller (50-100 rooms) and larger (101 + rooms) properties reported decreases in ADR. Smaller properties reported a 3.2% decrease (from \$119.69 to \$115.85), while larger properties reported a decrease in ADR of 11.6% (from \$151.09 to \$133.62).
 - Among larger properties, hotels with 101-219 rooms reported a decrease of 25.4% in ADR (from \$122.69 in 2005 to \$91.55 in 2006), while hotels with 220-500 rooms reported a 10.1% decrease in ADR compared to November 2005 (from \$147.22 to \$132.16).
- **Fifty three point four percent of participating property managers reported that the ADR in November 2006 was based on retail plus wholesale rates, while 46.6% stated that the ADR was based on retail rates only.**

Bookings via Third Party Websites

- **When asked what percentage of bookings were sold via a third party website (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.), surveyed PBC property managers reported that 14.3% of November 2006 bookings were sold this way. This represents a 4.7 percentage point increase compared to November 2005 (9.6%).**
 - Compared to one year ago, there was a noticeable increase in the percentage of rooms sold via third party websites among smaller properties (50-100 rooms, from 15.0% to 34.0%). Among larger properties (101+ rooms), the percentage of rooms sold via third party websites was comparable with November 2005 (6.9% in 2005 and 7.7% in 2006).

Future Business Outlook

- **In November 2006, 41.7% of participating property managers anticipated an increase in room revenues for December 2006 and January 2007 compared to December 2005 and January 2006. Thirty four point seven percent expected a decrease, while 23.6% predicted no change.**
 - Property managers who predicted an increase in room revenues compared to December 2005 and January 2006 expected an average increase of 9.2%.
 - Property managers who predicted a decrease in room revenues compared to December 2005 and January 2006 expected an average decrease of 5.0%.

Significant Highlights: November 2006

Hotel Visitor Study

Characteristics of Stay

- **The average party size* of surveyed guests visiting Palm Beach County (PBC) in November 2006 was 1.9. The average number of nights stayed in Palm Beach County hotels was 3.6, and the average number of rooms occupied per night* was 1.4.**

Planning the Trip to Palm Beach County

- **In November 2006, 76.8% of surveyed hotel guests claimed to be in Palm Beach County as business travelers (conference/convention/business meeting), usually in town for a business meeting (65.7%). The percentage of vacationers was 16.4%.**
 - Compared to one year ago, the percentage of business travelers increased by 24.8 percentage points (from 52.0% in 2005 to 76.8% in 2006), while the percentage of leisure travelers declined by 20.1 percentage points (from 36.5% to 16.4%).
- The decision to come to Palm Beach County in November 2006 was most often made by visitors' employers (71.2%), a 20.5 percentage point increase compared to November 2005 (50.7%). Conversely, the frequency with which decisions were made by the head of household/other adult has decreased by 16.6 percentage points (from 42.3% in November 2005 to 25.7% in November 2006).
- **As expected, considering the percentage of business travelers, most surveyed visitors (73.2%) reported selecting Palm Beach County over other destinations because of a work related trip (a 22.5 percentage point increase compared to November 2005, 50.7%).**
 - Visitors also frequently mentioned selecting PBC over other destinations because they were visiting friends/relatives (9.8%, a 15.7 percentage point decrease from November 2005, 25.5%) and/or because of a previous visit (8.9%, comparable with last year, 9.9%).
 - More than three-in-five surveyed guests (61.3%) were short-term planners (planned their trip to PBC one month or less in advance). This represents a 10.0 percentage point increase compared to November of last year (51.3%).
 - The vast majority of surveyed visitors stated that Palm Beach County was their main destination (93.4%); with 22.8% claiming to be first time visitors.

Booking a Trip to Palm Beach County

- **In November 2006, use of a travel agent to book the trip to PBC increased by 5.2 percentage points compared to November 2005 (from 22.1% to 27.3%), while use of the Internet in planning visitors' trip decreased by 2.3 percentage points (from 47.8% in 2005 to 45.5% in 2006).**
 - Those who used the Internet when planning their trip to PBC tended to do so primarily to reserve hotel rooms (73.8%), airfare (70.0%) and/or car rentals (44.9%).

* 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: November 2006

Hotel Visitor Study (Continued)

Booking a Trip to Palm Beach County (Continued)

- As seen in the previous month, compared to one year ago, decreases occurred in the percentage of those who used the Internet to book airfares (from 81.2% to 70.0%, down 11.2 percentage points) and car rentals (from 50.2% to 44.9%, down 5.3 percentage points). Online hotel bookings, however, continued to increase considerably going from 56.8% in November 2005 to 73.8% in November 2006 (a 17.0 percentage point increase).
- Among those who used the Internet to book hotel rooms, 44.2% booked their rooms directly through hotel websites (an increase of 13.8 percentage points compared to November 2005, 30.4%).
- In November 2006, 9.5% of surveyed visitors reported that their trip was part of a package (that may have included airfare, lodging, meal, rental car, etc) – this is about the same as in November 2005 (9.3%).

Visitor Expenditures

- **In November 2006, surveyed hotel guests reported spending an average of \$1,436* per party – \$165 (10.3%) less than visitors surveyed in November 2005 (\$1,601)**.**
 - Compared to November 2005, decreases in spending were seen in 'Lodging' (down 18.9%, from \$927 to \$752), 'Gifts/Shopping' (down 17.7%, from \$175 to \$144) and 'Entertainment/Recreation' (down 50.7%, from \$73 to \$36).
 - Increases in spending were seen in 'Restaurant/Bar' (from \$277 in 2005 to \$346 in 2006, a 24.9% increase) and 'Local Travel' (from \$149 in 2005 to \$158 in 2006, a 6% increase).
 - Hotel guests spent an average of \$756 per person, representing a \$28 (3.8%) increase from November 2005 (\$728).
- **Leisure travelers per party expenditures increased by 30.1% compared to November 2005 (from \$1,800 to \$2,341), while business travelers per party expenditures decreased 10.0% compared to the same time last year (from \$1,354 to \$1,218).**

Characteristics of Visitors

- Most visitors to PBC were White/Caucasian (89.6%) and between the ages of 35 and 54 (53.9%).
- More than three-in-five surveyed visitors had professional/managerial jobs (61.3%) and 66.1% claimed to have household incomes of \$100,000 or more (a 7.1 percentage point decrease compared to November 2005, 73.2%).
- The percentage of those traveling by airplane to arrive in Palm Beach County decreased by 16.0 percentage points in November 2006 compared to November 2005 (from 86.8% to 70.8%), while the percentage of those traveling by car increased by 11.4 percentage points (from 21.8% in November 2005 to 33.2% in November 2006).
- More than nine-in-ten visitors were traveling domestically (93.4%) – a 7.4 percentage point increase compared to November 2005 (86.0%).
 - Starting in October 2005, 'Side Trips' were excluded from computation of visitors' expenditures (no longer asked on survey).

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

Significant Highlights: November 2006

Hotel Visitor Study (Continued)

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **November 2006 surveyed visitors most often mentioned 'Climate/weather' (44.8%) followed by 'Beaches/Ocean' (8.3%) as the aspects of their visit to PBC that they liked best.**
- **'Traffic/bad drivers' (40.3%) and 'humidity/poor weather' (12.8%) were the aspects of the county that visitors liked least.**
 - Compared to November 2005, the percentage of surveyed visitors who mentioned 'traffic/bad drivers' increased by 6.4 percentage points (from 33.9% to 40.3%), while the percentage of those who mentioned 'humidity/poor weather' decreased by 8.9 percentage points (from 21.7% in 2005 to 12.8% in 2006).
- In November 2006, surveyed visitors reported that a longer stay (19.9%), coming during vacation time/time off work (14.6%) and traffic improvements (12.7%) would make their next trip to PBC better.

Characteristics of the Visit

- **More than nine-in-ten surveyed guests reported eating at area restaurants while visiting Palm Beach County in October 2006 (95.0%).**
 - Visitors also frequently mentioned 'shopping' (22.9%), 'going to the beach' (17.9%) and 'visiting downtown West Palm Beach Attraction/City Place' (12.4%).
 - Compared to November 2005, a noticeable decrease occurred in the percentage of surveyed visitors who mentioned 'shopping' while visiting PBC (down 16.0 percentage points, from 38.9% to 22.9%).
- **Almost eight-in-ten (79.9%) surveyed visitors plan to return to Palm Beach County for a future visit.**
 - Among those visitors who plan to return to PBC, 74.2% plan to come back within the next year; 42.2% plan on returning within the next three months.
 - Four point seven percent of surveyed hotels guests reported that they do not have plans to return to PBC. The reasons provided by visitors for not returning were 'no business in the area', 'too far', 'too hot', 'no baseball' and "children are too young".
- In November 2006, visitors were usually traveling alone (39.5%, up 11.2 percentage points from November 2005, 28.3%) or with business associates (32.7%, up 10.1 percentage points from November 2005, 22.6%). The percentage of those traveling with family members or friends decreased by 18.8 percentage points compared to last year (from 46.3% to 27.5%).
- During November 2006, most surveyed visitors claimed that the rising cost of transportation, due to rising fuel costs would not affect their decision to visit Palm Beach County again (59.0%, rated 1 or 2 on a 5-point scale where 5 indicated a strong consideration and 1 indicated no consideration at all). Only 7.4% of surveyed visitors would change their plans (rated 4 or 5).
- When asked about the impact of generally increasing travel costs, 56.1% of surveyed hotel guests reported that this would have little to no impact on the decision to travel to Palm Beach County in the future (rated 1 or 2 on a 5-point scale where 5 indicated a strong consideration and 1 indicated no consideration at all). Seven point one percent reported that generally increasing travel costs would have a strong impact on their future travel to PBC (rated 4 or 5).