

Significant Highlights: January 2007

Property Manager Survey

Occupancy Rates

- **The average occupancy rate reported by participating Palm Beach County (PBC) hotels in January 2007 was 73.8%, a 5.9 percentage point decrease compared to the same month last year (79.7%).**
 - **An average of 335,048 room nights** were occupied during January 2007, 36,521 fewer than in January 2006 (371,569).**
- **Properties in the Central and Southern regions of PBC reported occupancy rates in January 2007 comparable to each other (Central – 75.2% and Southern – 76.4%), while properties in the Northern region reported a lower average occupancy rate (65.7%).**
 - Properties in the Northern and Southern regions reported noticeable decreases in average occupancy rate compared to January 2006 (Northern - from 80.3% in January 2006 to 65.7% in January 2007, a 14.6 percentage point decline and Southern – from 82.1% to 76.4%, a 5.7 percentage point decrease).
 - The average occupancy rate among properties in the Central region had a slight decrease of 1.7 percentage points (from 76.9% in 2006 to 75.2% in 2007).
- **Compared to January 2006, the average occupancy rate decreased among both smaller and larger properties. Among smaller properties (50-100 rooms) occupancy rates decreased by 9.5 percentage points (from 83.4% in 2006 to 73.9% in 2007), while among larger properties (101+ rooms) the average occupancy rate decreased by 5.3 percentage points (from 79.0% in 2006 to 73.7% in 2007)**
- According to the hotel managers who responded, the percentage of international hotel guests in January 2007 was 2.9%.
 - Smaller hotels (50-100 rooms) reported that 6.7% of their guests were international visitors, while larger properties (101+ rooms) reported that 2.7% of their guests were from countries other than the U.S.
 - Hotel managers from the Southern region who responded claimed that 5.2% of their guests were traveling internationally. Hotels from the Central and Northern regions reported that 2.6% and 1.9% of their guests, respectively, came from foreign countries.
- **In January 2007, surveyed property managers claimed that 39.1% of PBC room nights were occupied by leisure travelers, 32.2% were occupied by business travelers and 28.7% were occupied by convention/group visitors.**
 - The percentage of room nights occupied by leisure travelers increased compared to January 2006 (by 3.0 percentage points, from 36.1% in January 2006 to 39.1% in January 2007), while the percentage of business travelers decreased (by 3.1 percentage points, from 35.3% to 32.2%). The percentage of convention/group visitors (28.7%) is comparable to January 2006 (28.6%).
- The percentage of room nights occupied by convention/group travelers in properties designated as convention hotels in January 2007 (34.1%) is comparable to January 2006 (34.8%).

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

Significant Highlights: January 2007

Property Manager Survey (continued)

Average Daily Room Rate (ADR)

- **In January 2007, the average daily room rate (ADR) for participating Palm Beach County hotels was \$186.67. This is comparable with the ADR reported in January 2006 (\$185.46).**
 - Compared to January 2006, smaller properties (50-100 rooms) had an increase in ADR of 24.5% (from \$149.56 to \$186.22), while larger properties (101+ rooms) reported a decrease in ADR of 3.1% (from \$192.61 to \$186.73).
 - Among larger properties, hotels with 101-219 rooms reported a decrease in ADR of 3.4% (from \$132.60 in 2006 to \$128.05 in 2007), while hotels with 220-500 rooms reported a decrease in ADR of 9.3% (from \$202.83 in January 2006 to \$184.04 in January 2007).
- Two-thirds of participating property managers (67.7%) stated that January 2007 ADR was based on retail plus wholesale rates.

Bookings via Third Party Websites

- **According to participating property managers, an average of 11.9% of hotel rooms were booked via a third party website (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.) in January 2007; this is comparable with January 2006 (11.6%).**
 - Smaller properties (50-100 rooms) reported more hotel rooms being booked via a third party website (17.3%) than larger properties (101+ rooms) (10.2%).

Future Business Outlook

- **Most participating property managers anticipate an increase in room revenues for February 2007 and March 2007 compared to the same time last year (57.0%). Thirty eight percent expect a decrease and only 5.0% predict no change.**
 - Property managers who expect an increase in room revenues compared to February and March of last year, predict an average increase of 10.0%.
 - Property managers who expect a decrease in room revenues compared to February and March of last year, predict an average decrease of 9.1%.

Significant Highlights: January 2007

Hotel Visitor Study

Characteristics of Stay

- **The average party size* of Palm Beach County (PBC) hotel guests surveyed in January 2007 was 2.1. The average number of nights stayed in Palm Beach County hotels was 3.3, and the average number of rooms occupied per night* was 1.3.**

Planning the Trip to Palm Beach County

- **As the percentage of business travelers (conference/convention/business meeting) increased in January 2007 compared to January 2006 (by 7.8 percentage points, from 50.8% to 58.6%), the percentage of vacationers decreased (by 7.6 percentage points, from 42.0% to 34.4%).**
- In January 2007, 54.5% of surveyed visitors reported that their employer was the decision maker concerning their trip to Palm Beach County.
- **When asked why they selected Palm Beach County over other destinations, 58.4% of surveyed visitors said that it was due to a work related trip (a 5.7 percentage point increase from January 2006, 52.7%).**
 - Other frequently mentioned reasons for selecting PBC over other destinations were 'visit friends/relatives' (18.2%), 'previous visit' (14.6%) and/or 'weather' (11.7%).
- Most January 2007 surveyed hotel guests were short-term planners (planned their trip one month or less in advance – 55.5%).
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- During January 2007, 20.7% of surveyed hotel guests affirmed that they were first time visitors to Palm Beach County, which represents a decrease of 5.7 percentage points compared to the same month last year (26.4%).

Booking a Trip to Palm Beach County

- **In January 2007, 26.2% of surveyed guests claimed to have used a Travel Agent to book their trip to PBC, while 44.9% used the Internet as a trip planning tool.**
 - Those who used the Internet to plan the trip to PBC usually used it to reserve airfare (77.6%), hotel rooms (59.0%), and/or car rentals (47.4%).
 - Compared to January 2006, increases occurred in the percentage of those who used the Internet to book accommodations (up 7.8 percentage points, from 51.2% in January 2006 to 59.0% in January 2007) and car rentals (up 8.7 percentage points, from 38.7% in 2006 to 47.4% in 2007).
 - Hotel websites were most frequently used to book rooms online, mentioned by 29.8% of surveyed visitors who booked hotel rooms online.
- The vast majority of January 2007 surveyed visitors reported that their trip was not part of a package (95.0%) – a 6.0 percentage point increase compared to January 2006 (89.0%).

* 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: January 2007

Hotel Visitor Study (continued)

Visitor Expenditures

- **January 2007 surveyed hotel guests spent an average of \$1,469 per party. This represents a decrease of 37.0% (\$863) compared to January 2006 (\$2,332)**.**
 - Compared to January 2006, decreases were seen in all spending categories (lodging – by 35.6%, Restaurant/Bar – by 31.3%, Gifts/Shopping – by 57.7%, Entertainment/Recreation – by 56.9%, and local travel – by 28.9%).
 - Hotel guests surveyed in January 2007 spent, on average, \$699 per person representing a 34.0% (\$361) decrease from January 2006 (\$1,060)**.
- **While leisure travelers spent, on average, \$2,103 per party, business travelers reported spending, on average, \$1,102 per party.**
 - Leisure travelers' per party expenditures decreased 25.3% compared to January 2006 (\$2,815), while business travelers' per party expenditures decreased 38.8% compared to the same time last year (\$1,802).

Characteristics of Visitors

- More than nine-in-ten visitors to Palm Beach County described themselves as White/Caucasian (95.2%) and one-half were between the ages of 35 and 54 (50.6%).
- Most surveyed visitors have professional/managerial jobs (64.4%) and claimed to have household incomes of \$100,000 or greater (73.1%).
- January 2007 visitors were usually traveling with adult family members/friends (40.7%) or alone (35.6%).

Travel Details

- Approximately nine-in-ten surveyed hotel guests reported that Palm Beach County was their main destination (88.4%).
- Nearly eight-in-ten visitors traveled by airplane to come to PBC (79.3%).
- Eighty-eight point eight percent of surveyed visitors were traveling domestically.

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **More than one-half of surveyed visitors reported that 'climate/weather' was the aspect of the trip to PBC they liked best (54.2%, a 12.0 percentage point increase compared to January 2006, 42.2%).**

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

Significant Highlights: January 2007

Hotel Visitor Study (continued)

Attitudes toward Palm Beach County – Likes/Dislikes About Trip (continued)

- **Visitors to PBC during January 2007 most often mentioned ‘traffic/bad drivers’ (42.3%) as the aspect they liked least about the county.**
 - Compared to January 2006, the percentage of surveyed visitors who mentioned ‘traffic/bad drivers’ increased by 4.6 percentage points (from 37.7% in 2006 to 42.3% in 2007), while the percentage of those who mentioned ‘humidity/poor weather’ decreased by 6.7 percentage points (from 18.1% in 2006 to 11.4% in 2007).
- When asked what could make their next trip better, visitors surveyed in January 2007 most often mentioned ‘longer stay’ (20.3%) ‘better weather’ (12.5%) and ‘come with friends/family’ (11.7%).

Activity Participation

- **The most popular activity enjoyed by surveyed visitors while in Palm Beach County was eating at area restaurants (95.3%). Other popular activities were shopping (33.2%) and going to the beach (24.8%).**
 - The greatest decrease in participation compared to January 2006 occurred in the percentage of hotel guests who mentioned playing golf/tennis (from 23.1% in 2006 to 11.5% in 2007, an 11.6 percentage point decrease), followed by going to bars/nightclubs (from 17.7% in 2006 to 11.0% in 2007, a 6.7 percentage point decrease).

Return Visits

The vast majority of surveyed visitors (88.1%) plan to return to Palm Beach County for a future visit (a 7.1 percentage point increase compared to January 2006, 81.0%).

- Among those visitors who plan to visit Palm Beach County again in the future, 68.9% plan to do so within the next year; 30.6% plan on returning within the next three months.
- Among those who have no plans to return to PBC (2.5%), the reasons provided for not coming back were: ‘no business in the area’, ‘not ideal location’, ‘time restrains’ and ‘moving to another country’.

Influence of Rising Costs

- Fifty eight point four percent of surveyed guests affirmed that the rising cost of transportation, due to rising fuel costs, 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). Only 6.5% would consider changing their plans (rated 4 or 5, a 9.5 percentage point decrease compared to January 2006, 16.0%).
- According to 54.6% of surveyed guests, the general increase in travel costs 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). Six point four percent would change their plans (rated 4 or 5).