

Significant Highlights: April 2007

Property Manager Survey

Occupancy Rates

- **According to participating Palm Beach County (PBC) hotel property managers, the average occupancy rate for PBC hotels in April 2007 was 73.8%. This is comparable to April 2006 (73.6%).**
- **The average occupancy rate for the weekends within the month of April was 73.1%, while the average occupancy rate for the weekdays was 74.0%*. Occupancy rates on weekends and weekdays were comparable partially due to the fact that some hotels have higher occupancy rates during the week (such as convention hotels) while others have higher occupancy rates during the weekends (such as resorts and vacation hotels) in turn, balancing the results.**
 - **An average of 336,329 room nights** were occupied in April 2007, 7,227 more than in April 2006 (329,102).**
- **In April 2007, hotels in all three regions of Palm Beach County reported comparable average occupancy rates (Northern, 73.9%, Central 73.9% and Southern, 73.7%).**
- **In terms of hotel size, smaller properties (50-100 rooms) reported a decrease in the average occupancy rate of 9.3 percentage points (from 75.3% in April 2006 to 66.0% in April 2007), while larger properties (101+ rooms) reported an average occupancy rate comparable with the occupancy rate reported in April 2006 (73.3% in 2006 and 75.0% in 2007).**
 - **Among larger properties, hotels with 101-219 rooms had an increase of 4.4 percentage points in average occupancy rate (from 69.8% in April 2006 to 74.2% in April 2007), while hotels with 220-500 rooms reported a slight decrease in the average occupancy rate of 3.5 percentage points (from 79.1% in April 2006 to 75.6% April 2007).**
- **Based on the hotel managers who responded, the percentage of international guests staying at Palm Beach County hotels in April 2007 was 4.1%.**
 - **Smaller hotels reported a higher percentage of international guests (8.9%) than larger hotels (3.4%).**
 - **In April 2007, hotels in the Northern region reported that 5.9% of their guests were international, while hotels in the Southern and Central regions reported that 5.5% and 2.9% of their guests, respectively, came from foreign countries.**
- **Hotel property managers reported that in April 2007 hotel rooms were almost equally occupied by leisure travelers (35.0%), business travelers (34.0%) and convention/group travelers (31.0%).**
- **In properties designated as convention hotels, the percentage of room nights occupied by convention/group travelers in April 2007 (32.9%) was at parity with April 2006 (34.0%).**

* Caution: only 18 Property Managers answered this question.

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

Significant Highlights: April 2007

Property Manager Survey (Continued)

Average Daily Room Rate (ADR)

- **The average daily room rate (ADR) for participating Palm Beach County hotels in April 2007 was \$177.15. This is at parity with April 2006 (\$175).**
 - Compared to April 2006, smaller properties (50-100 rooms) had an increase in ADR of 9.2% (from \$136.75 to \$149.31). The ADR among larger properties (101+ rooms) in April 2007 (\$180.92) was comparable with the ADR reported by larger properties in April 2006 (\$180.93).
 - Among larger properties, hotels with 101-219 rooms reported a decrease in ADR of 4.3% (from \$120.47 in 2006 to \$115.30 in 2007), while hotels with 220-500 rooms reported an increase in ADR of 4.3% compared to April 2006 (from \$187.97 in 2006 to \$196.13 in 2007).
- **Three-quarters of responding hotel property managers (75.2%) claimed that the ADR reported in April 2007 was based on retail plus wholesale rates while the remaining quarter affirmed that the ADR was based on retail rates only (24.8%).**

Bookings via Third Party Websites

- **April 2007 surveyed property managers reported that 12.2% of hotel rooms were sold via a third party website (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.). This is comparable with April 2006 (11.4%).**
 - Compared to April 2006, there was a considerable increase in the percentage of rooms sold via third party websites among smaller properties (50-100 rooms, from 10.8% to 26.4%, a 15.6 percentage point increase).

Future Business Outlook

- **In April 2007, the percentage of managers who expect an increase in room revenue for May 2007 and June 2007 as compared to May 2006 and June 2006 was comparable to the percentage of managers who predict a decrease (44.4% decrease, 43.3% increase). The percentage of managers who anticipate no change is 12.3%**
 - Property managers who expect an increase in room revenues compared to May and June of last year, predict an average increase of 4.4%.
 - Property managers who expect a decrease in room revenues compared to May and June of last year, predict an average decrease of 7.4%.
- **When asked about their predictions for July 2007 and August 2007 compared to the same months in the previous year, one-half of surveyed managers expect a decrease in room revenue (50.2%), while 30.5% foresee increases. Those who predict no change comprise 19.3% of surveyed property managers.**
 - Property managers who expect an increase in room revenues compared to July and August of last year, predict an average increase of 6.1%.
 - Property managers who expect a decrease in room revenues compared to July and August of last year, predict an average decrease of 7.1%.

Significant Highlights: April 2007

Hotel Visitor Study

Characteristics of Stay

- **The average party size* of hotel guests visiting Palm Beach County (PBC) in April 2007 was 2.3, 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

- **In April 2007, the percentage of business travelers (conference/convention/business meeting) declined by 12.0 percentage points compared to April 2006 (from 59.2% to 47.2%), while the percentage of leisure travelers increased by 7.6 percentage points (from 36.4% to 44.0%).**
 - Among business travelers, the percentage of those visiting Palm Beach County to attend a business meeting decreased by 9.2 percentage points compared to the same time last year (from 52.0% in 2006 to 42.8% in 2007).
- **When asked who made the decision about the trip to Palm Beach County, the most frequent answers were 'Head of Household/Other adult' (47.6%) and 'Employer' (46.3%).**
- Surveyed visitors selected Palm Beach County over other destinations usually because of a work-related trip (46.9%), to visit friends/relatives (23.0%) or because of a previous visit (15.1%).
 - Coupled with the decrease in business travel in April 2007 compared to April 2006, a noticeable decrease occurred in the percentage of hotel guests mentioning 'work related trip' as the reason for choosing PBC over other destinations compared to April 2006 (down 11.3 percentage points from 58.2% to 46.9%),
- Just over one-half of April 2007 surveyed hotel guests reported that they planned their trip to PBC one month or less in advance (51.1%) – a 7.4 percentage point decrease compared to April 2006 (58.5%).

Booking a Trip to Palm Beach County

- **In April 2007, use of a Travel Agent to book a trip to PBC has increased slightly (by 3.0 percentage points) compared to April 2006 (from 24.7% to 27.7%)**
- **Use of the Internet as a trip-planning tool was comparable to last year (50.4% in April 2006 and 49.8% in April 2007).**
 - Among those who used the Internet to plan their trip to PBC, 76.7% used it to book hotel rooms, 68.3% reserved airfare, and 45.0% used it to make rental car arrangements.
 - Compared to April 2007, the percentage of those who used the Internet to book hotel rooms increased considerably, from 60.3% in April 2006 to 76.7% in April 2007 (a 16.4 percentage point increase), while the percentage of those who used it to book airfare declined by 11.9 percentage points (from 80.2% in April 2006 to 68.3% in April 2007).

* 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 2007

Hotel Visitor Study (Continued)

Booking a Trip to Palm Beach County (Continued)

- Among those who used the Internet to book hotel rooms, 42.5% booked their rooms directly at hotels' websites (an increase of 11.9 percentage points compared to April 2006, 30.6%).
- Overall, 8.9% of surveyed visitors claimed that their trip was part of a package (that may have included airfare, lodging, meals, rental car, etc) – a 5.1 percentage point decrease from 2006 (14.0%).

Visitor Expenditures

- **Visitors' per party average expenditure in April 2007 was \$1,713 – \$260 (13.2%) less than visitors surveyed in April 2006 (\$1,973)**.**
 - Compared to April 2006, increases were seen in 'Restaurant/Bar' (up 27.2%) and 'Entertainment/Recreation' (up 53.5%), while decreases were seen in 'Lodging' (down 23.9%), 'Gifts/Shopping' (down 27.2%) and Local Travel (down 26.6%).
 - Hotel guests reported spending \$745 per person, on average, representing a \$152 (16.9%) decrease from April 2006 (\$897).
- **Leisure travelers spent, on average, \$2,160 per party (a 19.7% decrease from April 2006, \$2,691), while business travelers reported spending, on average, \$1,245 per party (a 13.4% decrease from April 2006, \$1,437).**

Characteristics of Visitors

- During April 2007, most surveyed visitors self-described as White/Caucasian (93.6%) and between the ages of 35 and 54 (52.7%).
- Most surveyed visitors had professional/managerial jobs (62.5%) and household incomes of \$100,000 or more (71.9%).
- In April 2007, one-half of surveyed visitors were traveling with adult family members/friends (49.6%, an increase of 8.5 percentage points compared to April 2006, 41.1%).

Travel Details

- Palm Beach County was the main destination of 87.3% of surveyed visitors.
- Twenty point three percent of surveyed visitors were visiting Palm Beach County for the first time.
- Compared to April 2006, the percentage of visitors traveling by airplane to come to PBC decreased by 8.0 percentage points (from 84.7% in April 2006 to 76.7% in April 2007).
- Domestic travelers comprised 90.0% of surveyed visitors.

** 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 2007

Hotel Visitor Study (Continued)

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **April 2007 surveyed visitors most often mentioned ‘Climate/weather’ (46.6%) as the aspect of their visit to PBC that they liked best. Other frequently mentioned aspects were ‘beautiful area’ (9.5%) and ‘beaches/ocean’ (9.0%).**
- **‘Traffic/bad drivers’ (35.3%) and ‘expensive’ (9.8%) were the aspects of the county that visitors liked least.**
 - Compared to last year, the percentage of those who mentioned ‘humidity/poor weather’ decreased substantially, by 10.0 percentage points (from 15.9% in April 2006 to 5.9% in April 2007).
- Visitors most often reported that a ‘longer stay’ (26.6%), ‘better weather’ (7.6%) and ‘less business more partying/more free time’ (7.6%) would make their next trip to PBC better.

Activity Participation

- **In April 2007, almost all surveyed visitors enjoyed eating at area restaurants (94.8%). Other frequently mentioned activities were going to the beach (37.3%), shopping (36.5%), and swimming (20.2%).**

Return Visits

- **Eighty-three point seven percent of surveyed guests have plans to visit Palm Beach County again, one-third (32.7%) plan to return within the next three months.**
 - Four point one percent of surveyed hotels guests reported that they have no plans to return to Palm Beach County. The most frequently mentioned reasons for not returning were ‘I am going to other places/I like changing destinations’ (3 respondents) and ‘Too expensive’ (2 respondents).

Influence of Rising Costs

- When asked if the rising costs of transportation would affect their decision to come to Palm Beach County, 58.9% of surveyed guests reported that they would not consider changing their plans based on higher fuel costs (rated 1 or 2 on a 5-point scale where 5 indicated a strong consideration and 1 indicated no consideration at all). This is at parity with April 2006 (59.5%). The percentage of those who might consider changing their plans (rated 4 or 5 on a 5-point scale) remained constant from April 2006 to April 2007 (9.3% each).
- More than one-half of surveyed visitors reported that the general increase in travel costs would not influence their decision whether or not to visit Palm Beach County (56.6%, rated 1 or 2 on a 5-point scale where 5 indicated a strong consideration and 1 indicated no consideration at all). The percentage of those who would change their plans due to higher travel costs was 9.4% (rated 4 or 5).