

Significant Highlights

Property Manager Survey

Occupancy Rates

- **According to contributing Palm Beach County (PBC) hotels in April 2008, the average occupancy rate was 69.5%, a 4.3 percentage point decrease compared to April 2007 (73.8%).**
 - **In April 2008 an average of 306,854 room nights** were occupied, 29,475 fewer than April 2007 (336,329).**
- **Property managers in the Central region of Palm Beach County claimed the highest average occupancy rate (71.6%). The lowest average occupancy was reported by property managers in the Southern region (67.8%). Property managers in the Northern region declared an average occupancy rate of 69.3%.**
 - In April 2008, property managers in all three regions of PBC stated a decrease in average occupancy rates relative to April 2007 (Southern - by 5.9 percentage points, from 73.7% to 67.8%; Northern – by 4.6 percentage points, from 73.9% to 69.3%; Central – by 2.3 percentage points, from 73.9% to 71.6%),
- **A decrease in average occupancy rates was experienced by both smaller (50-100 rooms) and larger properties (101+ rooms). Among smaller properties the average occupancy rate decreased by 7.4 percentage points (from 66.0% to 58.6%) and among larger properties it decreased by 3.5 percentage points (from 75.0% to 71.5%).**
 - Among larger properties, hotels with 101-219 rooms experienced a decrease of 6.6 percentage points in the average occupancy rate (from 74.2% in April 2007 to 67.6% in April 2008). Hotels with 220-500 rooms witnessed no change in the average occupancy rate compared to the same month last year (both 75.6%).
- **Based on those hotel managers who responded, in April 2008, 4.3% of PBC hotels' occupancy consisted of international guests.**
 - Property managers of smaller hotels (50-100 rooms) cited that 4.8% of their guests were international travelers, while managers of larger properties (101+ rooms) reported that 4.0% of their guests traveled from abroad.
 - According to those hotel managers who responded in April 2008, hotels in the Southern region received the highest percentage of international guests at 4.7% (relative to 4.4% among hotels in the Central region and 3.2% among hotels in the Northern region).
- **In April 2008, more than one-third of the room nights in Palm Beach County were occupied by vacationers (35.8%), which is comparable to April 2007 (35.0%). Business travelers and convention/group travelers dwelled in 33.5% and 30.7% of April hotel room nights, respectively.**
- Properties considered convention hotels had, on average, 34.2% of their room nights occupied by convention/group visitors, which is an increase of 1.3 percentage points relative to April 2007 (32.9%).

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

Significant Highlights

Property Manager Survey (continued)

Average Daily Room Rate (ADR)

- **In April 2008, the average daily room rate (ADR) for contributing Palm Beach County hotels was \$182.72 - a 3.1% increase from April 2007 (\$177.15).**
 - As cited by responding surveyed managers in April 2008, the ADR increased among both smaller (50-100 rooms)* and larger properties (101+ rooms) compared to April 2007. Smaller properties experienced an increase of 12.8% (from \$149.31 to \$168.43) and larger properties witnessed an increase of 2.9% compared to the past year (from \$180.92 to \$186.10).
 - In April, responding survey managers of larger hotels (properties with 101-219 rooms) claimed an increase in ADR of 11.7% (from \$115.30 in 2007 to \$128.76 in 2008), while hotels with 220-500 rooms were at parity with the same month last year (a decrease in ADR of 0.9%, from \$196.13 in 2007 to \$194.41 in 2008).
- In April 2008, more than three-quarters of hotel managers stated that the ADR cited was calculated based on retail plus wholesale rates (76.6%).

Bookings via Third Party Websites

- **In April 2008, the percentage of hotel rooms sold via third party websites (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.) remained the same relative to April 2007 (both 12.2%).**
 - In April 2008, among smaller properties (50-100 rooms), the percentage of hotel rooms booked via a third party website decreased compared to April of the prior year (from 26.4% to 12.5%), while larger properties (101+ rooms) saw a 2.8 percentage point increase relative to April 2007 (from 8.2% to 11.0%).

Future Business Outlook

- **The majority of responding property managers in April 2008 anticipate a decrease in room revenues for May and June 2008 (56.1%; 57.4% Group/Individual Business, 64.9% Individual Vacation) relative to May and June 2007. An increase is expected among 30.8% of surveyed managers (23.0% Group/Individual Business, 4.9% Individual Vacation), while 13.0% expect no change (19.6% Group/Individual Business, 30.2% Individual Vacation).****
 - Property managers who anticipate an increase in room revenues relative to May and June of the prior year expect an average increase of 7.5% (9.5% Group/Individual Business, 4.8% Individual Vacation).**
 - Property managers who foresee a decrease in room revenues in relation to May and June of last year calculate an average decrease of 10.3% (12.8% Group/Individual Business, 11.6% Individual Vacation).**

* Please note that the response rate for hotels with 50-100 rooms was low in April (35.1%); the hotels that replied are more upscale with higher rates (i.e. Colony and Brazilian Court Hotels in Palm Beach).

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

Significant Highlights

Property Manager Survey (continued)

Future Business Outlook (Continued)

- **More than one-half (54.9%) of surveyed managers foresee a decrease in total room revenue when asked about their predictions for July and August 2008 compared to these same months in 2007, (56.0% Group/Individual Business, 61.7% Individual Vacation). An increase is anticipated among 27.2% of surveyed hotel managers (23.4% Group/Individual Business, 8.1% Individual Vacation) and no change is expected among 18.0% of surveyed managers (20.6% Group/Individual Business, 30.2% Individual Vacation).****
 - Property managers who anticipate an increase in room revenues compared to July and August 2007 calculate an average increase of 7.6% (12.9% Group/Individual Business, 4.6% Individual Vacation).**
 - Property managers who foresee a decrease in room revenues relative to July and August 2007 expect an average decrease of 10.3% (12.7% Group/Individual Business, 12.1% Individual Vacation).**

Market Focus

- **In April 2008, nearly eight-in-ten surveyed property managers (77.1%), reported focusing primarily on the Florida Leisure Drive Market in terms of marketing, advertising and promotion.**
 - In terms of geographic region, more than three-quarters of the hotel managers in the Southern region are focusing on the Florida Leisure Drive Market (78.9%); more than seven-in-ten Central region hotel managers are concentrating on both the Florida Leisure and Business Drive Market (both 73.3%); Northern region property managers are claiming equal focus on the Florida Leisure Drive Market, the Florida Business Drive Market, Weddings and Amateur Sports Events (all 71.4%).
 - Hotel managers from smaller properties (50-100 rooms) and larger properties (101+ rooms) reported that the Florida Leisure Drive Market is the market they are mainly focusing on at this time (83.3% and 71.4%, respectively).
- **April 2008 surveyed hotel managers reported a variety of needs regarding market areas that could benefit from support from the CVB including a focus on South County. “More south county events” was stated by three reporting managers as an area in need of assistance from the Sports Commission. A full list can be found on page 19.**

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

Significant Highlights

Hotel Visitor Study

Characteristics of Stay

- **The mean party size* of surveyed hotel guests visiting Palm Beach County (PBC) in April 2008 was 2.2. The average number of nights occupied in PBC hotels was 3.1. The mean number of rooms in use per night* was 1.3.**

Planning the Trip to Palm Beach County

- **In April 2008, 53.9% surveyed hotel guests stated they were business travelers (conference/convention/business meeting), primarily in town for a business meeting (48.7%). Forty point nine percent of surveyed hotel guests cited they were vacationers.**
 - There were more business travelers and fewer vacationers visiting Palm Beach County in April 2008 compared to April 2007 (business travelers – increased by 6.7 percentage points from 47.2% in April 2007 to 53.9% in April 2008, vacationers – decreased by 3.1 percentage points from 44.0% in April 2007 to 40.9% in April 2008).
- **When asked who the decision maker was regarding the trip to Palm Beach County approximately one-half of surveyed visitors (49.0%) cited ‘Employer’ in April 2008. ‘Head of Household/Other Adult’ was the next most frequently mentioned response (39.9%).**
 - Citing of ‘Employer’ as the decision maker increased by 2.7 percentage points (from 46.3% to 49.0%), while citing of ‘Head of household/other adult’ decreased by 7.7 percentage points (from 47.6% to 39.9%) compared to April 2007.
- **As cited by PBC visitors surveyed in April 2008, the main reason for selecting Palm Beach County over other destinations was ‘work-related trip’ (52.9%). Other frequently mentioned reasons were ‘Visit friends/relatives’ (28.7%), ‘Special event’ (12.6%) and ‘Previous visit’ (12.0%).**
 - As a result of the increase in business travel, ‘work related trip’ as a reason for selecting PBC increased compared to April 2007 (by 6.0 percentage points, from 46.9% to 52.9%).
- **Compared with April 2007, fewer surveyed guests were short term planners (planned their trip to Palm Beach County one month or less in advance; a 3.2 percentage point decrease, from 51.1% to 47.9%).**

* 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

Hotel Visitor Study (continued)

Booking a Trip to Palm Beach County (Continued)

- **In April 2008, use of a Travel Agent among surveyed visitors decreased by 5.3 percentage points relative to April 2007 (from 27.7% to 22.4%).**
- **Use of the Internet as a trip planning tool also decreased in April 2008 compared to April 2007 (by 6.4 percentage points, from 49.8% in 2007 to 43.4% in 2008).**
 - Among those who utilized the Internet to plan their trip to PBC, 72.3% used it to reserve airfare, 68.4% booked hotel rooms, and 45.0% used it to make rental car reservations.
 - In April 2008, the use of the Internet to book hotel rooms (68.4%) decreased noticeably compared to this same month last year (76.7%, an 8.3 percentage point decrease).
 - Only 2.4% of April 2008 surveyed visitors stated that their trip was part of a package (that may have included airfare, lodging, meals, rental car, etc). This was a 6.5 percentage point decrease from April 2007 (8.9%).

Visitor Expenditures

- **An average of \$1,231 per party was spent by visitors in April 2008 - \$492 (28.6%) less than visitors surveyed in April 2007 (\$1,723)**.**
 - Compared to April 2007, decreases occurred in all spending categories. 'Entertainment/Recreation' and 'Restaurant/bar' experienced the largest percentage point decreases compared to April 2007 (75.8% and 38.3%, respectively).
 - In April 2008 surveyed hotel guests spent an average of \$559 per person, representing a 25.4% (\$190) decrease from April 2007 (\$749).
- **In April 2008, both Leisure and Business travelers' per party average expenditures decreased (23.2% and 25.3%, respectively). Leisure travelers' per party average expenditure decreased from \$2,172 in April 2007 to \$1,668 in April 2008 and business travelers' per party average expenditure decreased from \$1,253 in April 2007 to \$936 in April 2008.**

Characteristics of Visitors

- In April 2008, the majority of visitors described themselves as White/Caucasian (88.9%) and between the ages of 35 and 54 (58.0%).
- Approximately two-thirds of surveyed hotel visitors claimed they held professional/ managerial jobs (65.4%) and had a household income of \$100,000 or more (67.0%).
- Eight-in-ten leisure visitors traveled with adult family members or friends (79.9%), while one-half of business travelers traveled alone (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

Hotel Visitor Study (continued)

Travel Details

- More than ninety percent of visitors reported that Palm Beach County was their main destination in April 2008 (92.3%). This represents a 5.0 percentage point increase from this same month last year (87.3%).
- More visitors visited Palm Beach County for the first time in April 2008 (32.1%) than in April 2007 (20.3%), an 11.8 percentage point increase.
- Airplanes continued to be the most frequent mode of transportation used by surveyed visitors to PBC in April 2008 (77.4%).
- More than nine-in-ten surveyed visitors were domestic travelers (94.2%, a 4.2 percentage point increase from April 2007, 90.0%).

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **When asked what they liked best about their trip to Palm Beach County, 45.3% of surveyed guests cited 'Climate/Weather' in April 2008. The next most frequently mentioned response was 'Beaches/ocean' (10.0%) followed by 'Beautiful area/Nice place' (8.6%).**
- The most frequently mentioned aspect disliked by Palm Beach County visitors continued to be 'Traffic/bad drivers' (28.5%).
 - As seen last month, the mention of 'Traffic/bad drivers' declined compared to the same month last year (from 35.3% in April 2007 to 28.5% in April 2008, down 6.8 percentage points).
- The top three items stated by visitors that would make their trip to PBC better next time were a 'longer stay' (23.0%), 'better weather' (18.8%), and/or 'to come during vacation time/time off work' (17.9%).

Activity Participation

- During the trip to Palm Beach County in April 2008 nearly all surveyed visitors ate at area restaurants (97.2%). Other popular activities guests enjoyed while visiting Palm Beach County included going to the beach (35.7%), shopping (29.5%), swimming (25.1%) and/or visiting downtown West Palm Beach attractions/CityPlace (12.0%).

Return Visits

- **Those who plan to visit PBC again comprised 82.3% of April 2008 surveyed guests. Only 6.0% stated they will not return.**
 - Most respondents who claimed they will not visit PBC again did not provide a reason (11 out of 15 respondents). Those who provided a reason for not returning mentioned 'no business in the area' (2 respondents), 'Don't like Palm Beach' (1 respondent), and 'Came only for a funeral' (1 respondent).