

Significant Highlights: January 2008

Property Manager Survey

Occupancy Rates

- **According to participating Palm Beach County (PBC) hotel managers, the average occupancy rate for PBC hotels in January 2008 was 73.0%. This is comparable to January 2007 (73.8%).**
 - **An average of 330,149 room nights** were occupied in January 2008, 4,899 fewer than in January 2007 (335,048).**
- **Properties in the Northern and Central regions of PBC reported occupancy rates comparable to each other during January 2008 (Northern – 76.3% and Central – 76.0%), while properties in the Southern region reported a lower average occupancy rate (68.1%).**
 - Compared to January 2007, the average occupancy rate increased among properties in the Northern region (by 10.6 percentage points, from 65.7% to 76.3%), decreased among properties in the Southern region (by 8.3 percentage points, from 76.4% to 68.1%), and remained about the same among properties in the Central region (75.2% in 2007 and 76.0% in 2008).
- **In terms of hotel size, hotel managers from smaller properties (50-100 rooms) reported a decrease in the average occupancy rate of 4.9 percentage points (from 73.9% in 2007 to 69.0% in 2008), while managers from larger properties (101+ rooms) reported minimal change (0.5 percentage points) in the average occupancy rate in January 2008 compared to January 2007 (73.7% in 2007 and 73.2% 2008).**
 - Among larger properties, hotels with 101-219 rooms reported an average occupancy rate of 72.8% (comparable to January 2007, 72.4%), while hotels with 220-500 rooms reported an average occupancy rate of 74.3% (a 2.1 percentage point decline from January 2007, 76.4%).
- According to the hotel managers who responded, the average percentage of international guests staying at PBC hotels in January 2008 was 5.4%.
 - Among smaller hotels (50-100 rooms), the percentage of international guests, based on the hotel managers who responded, was 4.4%, while among larger properties (101+ rooms) it was 5.3%.
 - Based on the hotel managers who responded, hotels in the Southern region continued to report the highest percentage of international guests in January 2008 (9.2% compared to 3.4% in the Northern region and 4.2% in the Central region).
- **Surveyed property managers claimed that in January 2008, PBC room nights were occupied by more leisure visitors (42.2%) than business (25.4%) and convention/group travelers (32.4%).**
 - As seen last month, compared to January 2007, there were increases in the percentage of leisure and convention/group travelers (leisure travelers - from 39.1% to 42.2%, up 3.1 percentage points and convention/group travelers - from 28.7% to 32.4%, up 3.7 percentage points) resulting, once again, in a decrease in the percentage of business travelers (from 32.2% to 25.4%, down 6.8 percentage points).
- The percentage of room nights occupied by convention/group visitors in designated convention hotels in January 2008 (37.0%) increased compared to the same time last year (34.1%, a 2.9 percentage point increase).

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

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Property Manager Survey (continued)

Average Daily Room Rate (ADR)

- **In January 2008, surveyed property managers reported an average daily room rate (ADR) of \$222.37 – a 19.1% increase compared to January 2007 (\$186.67).**
 - Compared to January 2007, there were increases in ADR in both smaller (50-100 rooms) and larger properties (101+ rooms). Smaller properties reported an increase of 15.1% (from \$186.22 to \$214.39), while larger properties had an increase of 20.5% in ADR (from \$186.73 to \$224.97).
 - Among larger properties, hotels with 101-219 rooms reported an ADR of \$165.55 (a 29.3% increase compared to January 2007, \$128.05), while those with 220-500 rooms reported an ADR of \$238.40 (an increase of 29.5% from January 2007, \$184.04).
- Almost eight-in-ten property managers reported that in January 2008 the ADR was based on retail plus wholesale rates (77.6%).

Bookings via Third Party Websites

- **Surveyed property managers claimed that in January 2008 14.2% of hotel rooms were booked via a third party website (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.), a 2.3 percentage point increase compared to the prior year (11.9% in January 2007).**
 - Smaller properties (50-100 rooms) reported a considerably greater percentage of hotel rooms being booked via a third party website (21.7%, a 4.4 percentage point increase from January 2007, 17.3%) than larger properties (101+ rooms, 9.5% which is comparable to January 2007, 10.2%).

Future Business Outlook

- **In January 2008, surveyed managers had no consensus in terms of their predictions for future business in the next two months, as 39.1% predict a decrease in total room revenues for February and March 2008 compared to the same months last year (39.1% - Group/Individual Business, 47.1% Individual Vacation) and 38.6% predict an increase (43.5% - Group/Individual Business, 26.9% Individual Vacation. Twenty two point four percent expect no change (17.4% - Group/Individual Business, 26.0% Individual Vacation).**
 - Property managers who expect an increase in room revenues compared to February and March of last year predict an average increase of 11.9% (10.2% Group/Individual Business, 8.5% Individual Vacation).*
 - Property managers who expect a decrease in room revenues compared to February and March of last year predict an average decrease of 8.3% (8.3% Group/Individual Business and Individual Vacation).*

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

Significant Highlights: January 2008

Property Manager Survey (continued)

Future Business Outlook (Continued)

- **When asked about their predictions for April and May compared to the same months in the previous year, 41.4% of surveyed managers expect an increase in room revenue (45.2% Group/Individual Business, 25.1% Individual Vacation), while 35.6% foresee decreases (29.4% Group/Individual Business, 46.9% Individual Vacation). Those who predict no change comprise 23.0% of surveyed property managers (25.4% Group/Individual Business, 27.9% Individual Vacation).**
 - Property managers who expect an increase in room revenues compared to April and May of last year predict an average increase of 10.7% (10.9% Group/Individual Business, 6.1% Individual Vacation).
 - Property managers who expect a decrease in room revenues compared to April and May of last year expect an average decrease of 5.5% (8.2% Group/Individual Business, 7.7% Individual Vacation).

Market Focus

- **In January 2008 surveyed hotel managers continued to report that they are focusing mostly on the Florida Leisure Drive Market (81.8%) and Florida Business Drive Market (65.3%) in terms of marketing, advertising and promotion.**
 - In terms of geographic region, most hotels in the Southern region are focusing on the Florida Leisure Drive Market (81.3%) and Amateur Sports Events (68.8%); the majority of hotels in the Central region are concentrating on both the Florida Leisure and Business Drive Market (81.3% each); Northern region properties are focusing primarily on Weddings (100%) and the Florida Leisure and Business Drive Markets (85.7% each).
 - Hotel managers from smaller properties (50-100 rooms) reported that the Florida Leisure Drive Market (72.7%), Weddings (54.5%) and Amateur Sports Events (54.5%) are the markets they are mostly concentrating on at this time, while larger hotels tend to focus on the Florida Leisure and Business Drive Markets.
- **January 2008 surveyed managers each reported different needs regarding market areas that could receive support from the CVB. "More focus on city wide events" was mentioned by two surveyed managers as an area in need of assistance from the Sports Commission. Full lists can be found on page 19.**

Significant Highlights: January 2008

Hotel Visitor Study

Characteristics of Stay

- **The mean party size* of surveyed hotel guests visiting Palm Beach County (PBC) in January 2008 was 1.8, the average number of nights occupied in PBC hotels was 3.1, and the mean number of rooms in use per night* was 1.3.**

Planning the Trip to Palm Beach County

- **In January 2008, three-quarters of surveyed hotel guests stated they were business travelers (conference/convention/business meeting, 75.0%), mainly in town for a business meeting (57.2%). The remaining one-quarter of surveyed hotel guests cited they were vacationers (24.2%).**
 - More business travelers and fewer leisure travelers journeyed to Palm Beach County during the current month compared to this same month last year (business travelers – increased by 16.4 percentage points from 58.6% in January 2007 to 75.0% in January 2008, leisure travelers – decreased by 10.2 percentage points from 34.4% in January 2007 to 24.2% in January 2008).
- **When asked who the decision maker was concerning the trip to Palm Beach County more than seven-in-ten visitors (71.0%) cited ‘Employer’ in January 2008. The next most frequently mentioned response was ‘Head of Household/Other Adult’ (23.3%).**
 - ‘Employer’ as the decision maker has increased by 16.5 percentage points (from 54.5% to 71.0%), while ‘Head of household/other adult’ decreased by 15.7 percentage points (from 39.0% to 23.3%) relative to January 2007.
- **‘Work-related trip’ as the main reason for selecting Palm Beach County as opposed to other destinations (71.1%) , was reported by the majority of PBC visitors in January 2008.**
 - Due to the increase in business travel, ‘work related trip’ as a reason for selecting PBC increased compared to January 2007 by 12.7 percentage points (from 58.4% to 71.1%).
- **In January 2008, more than one-half of surveyed hotel guests could be regarded as short term planners because they planned the trip to PBC one month or less in advance (54.1%). This is down 1.4 percentage points from the same month last year (55.5%).**

* 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 2008

Hotel Visitor Study (continued)

Booking a Trip to Palm Beach County

- **When booking a trip to Palm Beach County, 24.9% of surveyed hotel guests used a Travel Agent in January 2008. This represents a 1.3 percentage point decrease compared to January 2007 (26.2%).**
- **Use of the Internet as a trip planning tool also decreased (by 1.6 percentage points) from 44.9% in 2007 to 43.3% in 2008.**
 - Among those who used the Internet to plan their trip to PBC, 61.5% used it to book airfare, 55.8% reserved hotel rooms, and 32.8% used it in order to reserve a rental car.
 - In January 2008, use of the Internet to book airfare (61.5%) decreased considerably compared to January 2007 (77.6%, a 16.1 percentage point decrease).
 - Three point six percent of January 2008 surveyed hotel visitors cited their trip was part of a package (that may have included airfare, lodging, meals, rental car, etc). This represents a 1.4 percentage point decrease from January 2007 (5.0%).

Visitor Expenditures

- **An average of \$1,628 per party was spent by visitors in January 2008 - \$159 (10.8%) more than visitors surveyed in January 2007 (\$1,469)**.**
 - Compared to January 2007, increases occurred in all spending categories except 'Entertainment/Recreation' (down 50.0% from \$50 to \$25). 'Gifts/Shopping' and 'Restaurant/bar' garnered the greatest increases compared to January 2007 (15.7% and 14.5%, respectively).
 - In January 2008 surveyed hotel guests spent an average of \$904 per person, representing a 29.3% (\$205) increase from January 2007 (\$699).
- **In January 2008, Leisure travelers' per party average expenditures decreased by 14.1% (from \$2,103 in January 2007 to \$1,806 in January 2008). Business travelers' per party average expenditures increased by 45.8% (from \$1,102 in January 2007 to \$1,607 in January 2008).**

Characteristics of Visitors

- In January 2008, the majority of visitors described themselves as White/Caucasian (91.3%) and between the ages of 35 and 54 (57.2%).
- More than six-in-ten surveyed hotel visitors claimed they held professional/managerial jobs (64.5%) and more than three-quarters stated a household income of \$100,000 or more (76.7%).
- Three-quarters of leisure visitors traveled with adult family members or friends (75.0%). Almost half of business travelers traveled alone (49.4%).

** 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 2008

Hotel Visitor Study (continued)

Travel Details

- Palm Beach County was the main destination for nearly ninety percent of surveyed visitors in January 2008 (89.8%). Twenty-nine point three percent of visitors reported they were first time visitors to Palm Beach County.
- In January 2008 the most common mode of transportation utilized by surveyed visitors to travel to PBC was once again airplane (88.6%).
- Approximately ninety-one percent of surveyed hotel visitors traveled domestically (90.5%, a 1.7 percentage point increase from January 2007, 88.8%).

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- Once again 'Climate/weather' was mentioned most often (53.0%), followed by 'Beaches/ocean' (7.5%) and 'Beautiful area' (5.4%) as a few of the many facets visitors liked most regarding Palm Beach County in January 2008.
- The three most often mentioned features disliked by Palm Beach County visitors in January 2008 were the 'Traffic/bad drivers' (41.3%), 'Humidity/poor weather' (8.8%) and the fact that it was 'Expensive' (8.0%).
- In January 2008, surveyed visitors most frequently mentioned that 'Come with friends/family' (14.1%), 'Longer stay' (13.4%) and 'Improve traffic/Finish construction on I-95' (11.7%) would make their next visit to Palm Beach County better.

Activity Participation

- As in January 2007, nearly all of the surveyed guests visiting Palm Beach County in January 2008 ate at restaurants in the area (95.3%). Other activities guests enjoyed while visiting Palm Beach County included shopping (34.0%), going to the beach (24.4%), golf/ tennis (15.0%) and going to bars/nightclubs (10.2%).

Return Visits

- **More than eighty percent of guests plan to visit Palm Beach County again (84.1%), which is a decrease of 4.0% from January 2007 (88.1%).**
 - Three percent of Palm Beach County guests reported they will not return to Palm Beach County for reasons which include prefer other destinations (two respondents out of eight), too crowded and no business commitments in the area (both 1 respondent out of 8).