

Significant Highlights: July 2008

Property Manager Survey

Occupancy Rates

- **In July 2008, the average occupancy rate reported by participating Palm Beach County (PBC) hotel managers was 60.3%, at parity with July 2007 (59.8%).**
 - An average of 274,830 room nights** were occupied throughout July 2008, which is at parity with July 2007 (274,325).
 - **Properties in all three geographic regions experienced comparable occupancy rates in July 2008 (61.7% - North, 61.0% - South, 59.0% - Central).**
 - In July 2008, properties in the Southern region of PBC saw an increase in their average occupancy rate compared to July 2007 (by 3.6 percentage points, from 57.4% to 61.0%).
 - Central region properties in PBC experienced a 2.6 percentage point decrease in their average occupancy rate in July 2008 compared to July 2007 (from 61.6% to 59.0%).
 - The average occupancy rate of properties in the Northern region of PBC remained at parity with July 2007 (61.2% in 2007 and 61.7% in 2008).
 - **Relative to July 2007, managers of smaller properties (50-100 rooms) reported a decrease in their average occupancy rate by 8.3 percentage points (from 54.3% to 46.0%)*. However, the average occupancy rate among larger properties (101+ rooms) increased by 2.3 percentage points compared to July 2007 (60.6% in July 2007 and 62.9% in July 2008).**
 - Among hotel managers of larger properties, 101-219 and 220-500 rooms, the average occupancy rates remained at parity compared to the same month last year (58.6% in July 2007 and 57.1% in July 2008 among those with 101-219 rooms, 66.2% in July 2007 and 66.9% in July 2008 among those with 220-500 rooms).
 - **Based on those hotel managers who responded, 7.0% of hotel guests in July 2008 were international.**
 - Smaller hotels reported a greater percentage of international hotel guests than larger hotels; property managers of smaller hotels (50-100 rooms) cited that 18.2% of their guests were international travelers and managers of larger properties (101+ rooms) reported that 5.6% of their guests traveled from abroad (7.1% among those with 101-219 rooms, 5.6% among those with 220-500 rooms).
 - According to hotel managers who responded in July 2008, hotels in the Southern region received the largest percentage of international guests, at 9.7% (compared to 5.1% among hotels in the Northern region and 5.5% among hotels in the Central region).
 - **In July 2008, business travelers occupied the greatest percentage of room nights in Palm Beach County (38.8%), which is 6.7 percentage points higher than July 2007 (32.1%). Conversely, leisure travelers occupied 34.1% of room nights in Palm Beach County, which is 8.1 percentage points lower than July 2007 (42.2%). Convention/group travelers occupied 27.2% of July hotel room nights, which is at parity with the same month last year (25.7%).**
 - Properties considered convention hotels had, on average, 31.2% of their room nights occupied by convention/group visitors, which is 2.5 percentage points higher than July 2007 (28.7%).
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- * Caution: Low response rate among properties with 50-100 rooms (29.4%)
 - ** Properties well below 50 rooms are only included in room count and total inventory.

Significant Highlights: July 2008

Property Manager Survey (continued)

Average Daily Room Rate (ADR)

- **In July 2008, the average daily room rate (ADR) among participating Palm Beach County hotels was \$129.74 - a 20.2% increase from July 2007 (\$107.90).**
 - Responding property managers in July 2008 reported increases in their ADR among smaller (50-100 rooms)* and larger properties (101+ rooms) compared to July 2007. Smaller properties experienced an increase of 21.8% (from \$93.76 to \$114.23) and larger properties experienced an increase of 19.8% (from \$110.61 to \$132.56) relative to the past year.
 - Among the larger hotels, participating managers of hotels with 101-219 rooms reported an increase in ADR of 9.6% (from \$85.59 in July 2007 to \$93.80 in July 2008) and hotels with 220-500 rooms reported an increase in ADR of 33.4% (from \$121.27 in July 2007 to \$161.76 in July 2008).
- More than eight-in-ten hotel managers stated that the ADR was calculated based on retail plus wholesale rates (82.6%) in July 2008.

Bookings via Third Party Websites

- **Responding property managers cited an average of 17.0% of hotel rooms booked via third party websites (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.) in July 2008, a 3.3 percentage point increase relative to July 2007 (13.7%).**
 - In July 2008, among smaller properties (50-100 rooms), the percentage of hotel rooms booked via third party websites remained at parity compared to July of the prior year (from 30.5% to 29.9%), while larger properties (101+ rooms) saw a 3.4 percentage point increase relative to July 2007 (from 7.6% to 11.0%).

Future Business Outlook

- **The majority of responding property managers foresee a decrease in total room revenues for August and September 2008 (70.2%; 64.0% Group/Individual Business, 62.7% Individual Vacation) relative to August and September 2007. Thirteen point eight percent of surveyed managers expect an increase (18.5% Group/Individual Business, 12.9% Individual Vacation), while those who predict no change represent 16.0% of surveyed hotel managers (17.5% Group/Individual Business, 24.4% Individual Vacation).****
 - Property managers who anticipate an increase in room revenues relative to August and September of the prior year expect an average increase of 9.8% (7.4% Group/Individual Business, 5.3% Individual Vacation).**
 - Property managers who expect a decrease in room revenues in relation to August and September of last year estimate an average decrease of 8.8% (8.7% Group/Individual Business, 10.5% Individual Vacation).**

* Caution: Low response rate among properties with 50-100 rooms (29.4%)

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

Significant Highlights: July 2008

Property Manager Survey (continued)

Future Business Outlook (Continued)

- **When asked about their predictions regarding the months of October and November 2008, more than six-in-ten surveyed managers predict a decrease in total room revenue compared to these same months in 2007, (68.8%, 60.6% Group/Individual Business, 65.2% Individual Vacation). An increase is anticipated among 11.5% of surveyed hotel managers (17.0% Group/Individual Business, 11.8% Individual Vacation) and no change is expected among 19.7% of surveyed hotel managers (22.4% Group/Individual Business, 23.0% Individual Vacation).****
 - Property managers who anticipate an increase in room revenues compared to October and November 2007 calculate an average increase of 6.0% (4.2% Group/Individual Business, 4.2% Individual Vacation).**
 - Property managers who foresee a decrease in room revenues relative to October and November 2007 expect an average decrease of 8.1% (8.0% Group/Individual Business, 7.4% Individual Vacation).**

Market Focus

- **In July 2008, seventy-percent of surveyed property managers (70.9%), reported focusing primarily on the Florida Leisure Drive Market in terms of marketing, advertising and promotion.**
 - When it comes to geographic region, more than eighty-percent of participating hotel managers in the Southern region are focusing on Amateur Sports Events (82.4%). More than seven-in-ten responding hotel managers in the Central region are concentrating on the Florida Leisure Drive Market (72.7%). Northern region property managers cite an equal focus on the Florida Association Market, Weddings, and Amateur Sports Events (all 85.7%).
 - All participating hotel managers from smaller properties (50-100 rooms) are focusing on the Florida Leisure Drive Market (100.0%). However, responding hotel managers from larger properties (101+ rooms) claimed that the Amateur Sports Events market is the primary focus in terms of marketing, advertising, and promotion (71.9%).
- **When asked about the greatest challenges for the remainder of 2008, responding hotel managers most often mentioned the economy in general and gaining occupancy. A full, detailed list can be found on page 20.**

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

Significant Highlights: July 2008

Hotel Visitor Study

Characteristics of Stay

- **In July 2008 the average party size* of surveyed hotel guests visiting Palm Beach County (PBC) was 2.2. The average number of nights occupied in PBC hotels was 3.2. The mean number of rooms in use per night* was 1.3.**

Planning the Trip to Palm Beach County

- **In July 2008, one-half of surveyed hotel guests (49.9%) were in Palm Beach County as business travelers (conference/convention/business meeting), mainly in town for a business meeting (44.8%). More than four-in-ten surveyed guests were vacationers (43.8%).**
 - Fewer business travelers and more leisure travelers visited Palm Beach County during July 2008 compared to July 2007 (business travelers – decreased by 1.8 percentage points from 51.7% in July 2007 to 49.9% in July 2008, leisure travelers – increased by 8.8 percentage points from 35.0% in July 2007 to 43.8% in July 2008).
 - Compared to the same month last year the percentage of people who traveled to PBC for a sporting event decreased by 7.4 percentage points (from 8.2% in July 2007 to 0.8% in July 2008).
- **In July 2008, when asked who made the decision to travel to Palm Beach County, more than four-in-ten mentioned ‘Employer’ and/or ‘Head of Household/Other Adult’ (47.3% and 42.1%, respectively).**
 - Mentions of ‘Employer’ and ‘Head of Household/Other adult’ as the decision makers in July of this year increased relative to the same month last year (‘Employer’ - by 1.6 percentage points, from 45.7% to 47.3% and ‘Head of Household/Other adult’ – by 3.4 percentage points, from 38.7% to 42.1%).
- **One-half of surveyed visitors declared ‘Work-Related Trip’ as their primary reason for visiting Palm Beach versus other destinations (49.9%).**
 - ‘Visit Friends/Relatives’ (24.2%), ‘Previous Visit’ (11.5%) and ‘Beaches’ (8.2%) were other frequently mentioned reasons for visiting Palm Beach County rather than other destinations.
 - The four most frequently mentioned reasons for selecting PBC versus other destinations all increased compared to July of last year (‘Work Related Trip’ by 3.0 percentage points, ‘Visit Friends/Relatives’ by 6.4 percentage points, ‘Previous Visit’ by 4.9 percentage points and ‘Beaches’ by 1.5 percentage points).
- **More than two-thirds of surveyed guests planned the trip to PBC one month or less in advance (67.2%), a 6.8 percentage point increase from July 2007 (60.4%).**

* 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: July 2008

Hotel Visitor Study (continued)

Booking a Trip to Palm Beach County

- **In July 2008, more surveyed visitors utilized the services of a Travel Agent compared to July 2007 (an increase of 8.2 percentage points, from 17.1% to 25.3%). However, use of the Internet to organize the trip decreased in July 2008 relative to July 2007 (by 1.5 percentage points, from 52.2% in 2007 to 50.7% in 2008).**
 - Among those who utilized the Internet to arrange their trip to PBC, more than eighty-percent (83.4%) used it to book hotel rooms, sixty-percent (59.9%) reserved airfare, and more than forty-percent (42.9%) used it to reserve a rental car.
 - In July 2008, use of the Internet to make rental car and hotel reservations increased relative to July 2007 (car rental – by 13.8 percentage points, from 29.1% to 42.9%, hotel reservations – by 8.0 percentage points, from 75.4% to 83.4%).
 - Only 3.9% of surveyed visitors in July 2008 stated their trip was part of a package (that may have included airfare, lodging, meals, rental car, etc), which was at parity with July 2007 (2.6%).

Visitor Expenditures

- **An average of \$1,104 per party was spent by visitors in July 2008 - \$163 (12.9%) less than visitors surveyed in July 2007 (\$1,267)**.**
 - 'Lodging' and 'Restaurant/Bar' were the spending categories that experienced the largest percentage point decreases relative to July 2007 (16.5% and 14.7%, respectively).
 - Surveyed hotel guests spent an average of \$502 per person in July 2008, representing a \$49 (8.9%) decrease from July 2007 (\$551).
- **In July 2008, leisure and business travelers' per party average expenditures decreased by 12.9% and 12.7%, respectively. Leisure travelers' per party average expenditure decreased from \$1,380 in July 2007 to \$1,202 in July 2008 and business travelers' per party average expenditure decreased from \$1,129 in July 2007 to \$986 in July 2008.**

Characteristics of Visitors

- In July 2008, the majority of visitors described themselves as White/Caucasian (89.8%) and between the ages of 35 and 54 (52.1%).
- More than six-in-ten hotel visitors surveyed reported working in professional/managerial jobs (61.0%).
- Among those PBC visitors who were surveyed, more than six-in-ten claimed a household income of \$100,000 or more (63.5%).
- More than eighty-percent of leisure visitors traveled with adult family members or friends (82.7%), while more than one-half of business travelers traveled alone (51.9%).

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

Significant Highlights: July 2008

Hotel Visitor Study (continued)

Travel Details

- In July 2008, PBC was the main destination for 89.0% of surveyed hotel guests, which was at parity with July 2007 (90.0%).
- There were more repeat visitors in July 2008 (78.1%) than there were in July 2007 (72.6%), a 5.5 percentage point increase.
- Airplanes continued to be the most popular mode of transportation used by visitors to get to PBC (67.4%, a 6.3 percentage point increase compared to last year, 61.1%).
- More than ninety-percent of July 2008 surveyed visitors were domestic travelers (91.1%) this is at parity with July 2007 (91.3%).

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- **In July 2008, 'Climate/Weather' (26.0%) and 'Beaches/Ocean' (17.8%) were the top mentions provided by surveyed hotel guests when asked what they liked best about their trip to Palm Beach County.**
 - Citing of 'Climate/Weather' increased relative to July 2007 (by 3.9 percentage points, from 22.1% in July 2007 to 26.0% in July 2008), while 'Beaches/Ocean' remained at parity with July 2007 (18.1%).
- **The most often cited features disliked by PBC visitors in July 2008 were 'Humidity/Poor Weather' (30.8%) and 'Traffic/Bad Drivers' (23.0%).**
 - Mentions of 'Humidity/Poor Weather' and 'Traffic/Bad Drivers' were at parity with this same month last year (32.7% and 22.6%, respectively).

Activity Participation

- In July 2008, more than nine-in-ten surveyed visitors dined at area restaurants while they were visiting Palm Beach County (91.5%). Going to the beach (34.6%), shopping (31.4%) and/or swimming (23.3%) were among other popular activities guests enjoyed while in PBC.
- Among those activities currently available in PBC, the top activities surveyed hotel visitors often stated they did on a recent trip that they wished they could have done while staying in PBC included golfing (17.4%) and going to the beach (12.4%). Among those activities not currently included in PBC, 5.3% of surveyed hotel visitors mentioned going to amusement parks/riding roller coasters.

Return Visits

- **More than eighty-percent of surveyed hotel guests in July 2008 plan to visit PBC again (84.8%). Only 4.5% report they do not plan to return to Palm Beach County.**
- Three respondents did not provide a reason as to why they will or will not visit PBC again. 'No business' (3 respondents), 'Too far' (2 respondents), 'Family moving away' (2 respondents) and 'Don't like Palm Beach' (1 respondent) were other answers mentioned as reasons for not returning to Palm Beach County.

Significant Highlights: July 2008

Hotel Visitor Study (continued)

Vacation/Leisure Visitor Questions

- In July 2008, more than two-thirds of surveyed leisure visitors stated that their last vacation was domestic travel (68.9%). Cities in Florida (27.3%) and in the Southeast (excluding Florida) (15.5%) are the top domestic mentions.
- Among those vacationers surveyed who claimed that their last vacation was outside of the United States, more than one-in-ten stated a locale either in Latin America/Caribbean (13.6%) or Europe (10.8%).
- One-quarter of surveyed leisure visitors cited a destination in Florida as part of their consideration set when planning a visit to PBC (24.7%).
- Most surveyed leisure visitors claimed that PBC is about the same as their most recent vacation destination in terms of all of the following: being great for museums and other cultural activities (67.1%), being appreciated as a tourist or visitor (65.3%), being great for historical sights and places (58.8%), being a good value (58.3%), being able to always find a new place to see or a new thing to do (58.2%), being great for discovering nature-based activities/ecotourism (57.4%) and being a great place to go again and again (55.6%). Notably, there was no dimension for which the majority of surveyed visitors felt that PBC was much better than previously visited vacation destinations.