

Significant Highlights: November 2005

Property Manager Survey

Occupancy Rates

- In November 2005, the average occupancy rate reported by participating Palm Beach County (PBC) hotels was 82.3%, a 1.5 percentage point increase compared to the same month last year (80.8%).
 - An average of 354,697 room nights** were occupied in November 2005 – 2,975 more than the average of room nights occupied in November 2004 (351,722).
- Properties in the Northern Region of Palm Beach County reported the highest occupancy rate (87.9%), an increase of 4.7 percentage points compared to November 2004 (83.2%). Both the Southern and the Central regions reported occupancy rates of 81.2% in November 2005.
- Smaller hotels (50-10 rooms) reported an occupancy rate of 84.0% (an increase of 2.0 percentage points compared to November 2004, 82.0%) while larger hotels (101+ rooms) reported occupancy at 82.1% (comparable to November 2004, 80.6%).
 - Among larger properties, the occupancy rate in hotels with 220-500 rooms increased by 4.1 percentage points (from 80.0% in November 2004 to 84.1% in November 2005) whereas occupancy rates in properties with 101-219 rooms were comparable to occupancy rates reported in November 2004 (84.1% in November 2004 and 84.2% in November 2005).
- Among properties who reported the percentage of international guests in November 2005, 1.8% of guests were from other countries. Smaller hotels reported that 0.3% of their guests were international while larger properties reported that international guests made up 2.0% of their occupancy.
 - Among larger properties who responded, those with 101-219 rooms and those with 220-500 rooms reported that 2.1% and 1.4% of their guests came from foreign countries, respectively.
 - In November 2005, hotels from the Southern and Northern regions who answered this question claimed that 1.5% of their occupancy was composed of international guests. Hotels from the Central region claimed that 2.1% of their guests came from foreign countries.
- According to surveyed property managers, in November 2005 31.2% of PBC room nights were occupied by leisure travelers, 35.3% were occupied by business travelers and 33.5% by convention/group visitors.
 - Compared to November 2004, the percentage of vacationers decreased by 3.2 percentage points (from 34.4% to 31.2%) while the percentage of convention group visitors increased by 3.5 percentage points (from 30.0% to 33.5%). The percentage of business travelers remained about the same (35.1% in 2004 and 35.3% in 2005).
- Properties designated as convention hotels had 39.5% of their rooms occupied by convention/group travelers. This is at parity with November 2004 (40.2%).

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

Significant Highlights: November 2005

Property Manager Survey (Continued)

Hurricane Impact

- When asked about Hurricane Wilma's impact, 85.2% of surveyed property managers affirmed that the hurricane impacted reservations in November 2005. The impact was considered positive by 70.8% of surveyed managers and negative by 29.2%.
 - Most surveyed managers across all three regions reported that the impact of the hurricane on reservations was positive.

Average Daily Room Rate (ADR)

- The average daily room rate (ADR) for participating Palm Beach County hotels in November 2005 was \$145.99, representing an increase of 6.6% compared to November 2004 (\$136.95).
 - As seen last month, smaller properties (50-100 rooms) continued to report a decrease in ADR (from \$131.75 in November 2004 to \$119.69 in November 2005, a 9.2% decrease). Larger properties (101+ rooms) reported an increase in ADR of 9.2% compared to the prior year (from \$138.33 in November 2004 to \$151.09 in November 2005).
 - Among larger properties, hotels with 101-219 rooms reported an increase in ADR of 13.6% (from \$107.96 in 2004 to \$122.69 in 2005) while hotels with 220-500 rooms reported an increase in ADR of 7.9% compared to November 2004 (from \$136.48 in 2004 to \$147.22 in 2005).
- Twenty two point two percent of surveyed property managers reported that the ADR is based on retail rates only, while 77.8% stated that the ADR is based on Retail plus Wholesale rates.

Bookings via Third Party Websites

- According to participating property managers, in November 2005, 9.6% of their bookings were sold via a third party website (such as Travelocity, hotels.com, Orbitz, Expedia, Hotwire, etc.) – this is comparable to November 2004 (10.5%).
 - Smaller properties (50-100 rooms) reported that 15.0% of their November 2005 reservations were made through a third party website, while larger properties (101+ rooms) reported that 6.9% of their November 2005 bookings were reserved this way.

Future Business Outlook

- In November 2005, seven-in-ten (70.6%) participating property managers anticipated an increase in room revenues for December 2005 and January 2006 compared to the same time last year. Another 18.0% expected a decrease, and the remaining 11.4% predicted no change.
 - Property managers who expected an increase in room revenues compared to December and January of last year, predicted an average increase of 10.3%.
 - Property managers who expected a decrease in room revenues compared to December and January of last year predicted an average decrease of 6.3%.

Significant Highlights: November 2005

Hotel Visitor Study

Characteristics of Stay

- The average party size* of hotel guests visiting Palm Beach County (PBC) in November 2005 was 2.2, 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 November 2005, the percentage of business travelers (conference/convention /business meeting) declined by 16.5 percentage points compared to November 2004 (from 68.5% to 52.0%) while the percentage of leisure travelers increased by 12.0 percentage points (from 24.5% to 36.5%).
 - Among business travelers, the percentage of those visiting Palm Beach County to attend a business meeting decreased by 11.9 percentage points compared to the same time last year (from 59.9% in 2004 to 48.0% in 2005).
- One-half (50.7%) of surveyed guests reported that their employer made the decision about the trip to Palm Beach County – an 8.5 percentage point decrease compared to November 2004 (59.2%).
- Visitors selected Palm Beach County over other destinations usually because of a work-related trip (50.7%), to visit friends/relatives (25.5%) or because of a previous visit (9.9%).
 - Compared to November 2005, the largest decreases occurred in hotel guests mentioning ‘work related trip’ (down 15.5 percentage points from 66.2% to 50.7%), ‘Friends/Relatives recommendation’ (down 9.9 percentage points, from 12.3% to 2.4%), ‘special event’ (decreased by 6.1 percentage points, from 13.4% to 7.3%) and ‘other Internet sources’ (decreased by 4.0 percentage points, from 4.7% to 0.7%).
 - The largest increase occurred in the percentage of guests mentioning ‘Visit friends/Relatives’ (25.5%) which increased by 6.7 percentage points compared to November 2005 (18.8%).
- Just over one-half (51.3%) of November 2005 surveyed hotel guests reported that they planned their trip to PBC one month or less in advance – a 5.9 percentage point decrease compared to November 2004 (57.2%).
- Palm Beach County was the main destination for 89.5% of surveyed visitors.
- First time visitors made up 22.3% of interviewed guests in November 2005. This is at parity with November 2004 (23.4%).

* 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: November 2005

Hotel Visitor Study (Continued)

Booking a Trip to Palm Beach County

- Both the percentage of those who used a travel agency to book their trip to PBC (22.1%) and the percentage of those who used the Internet to book any part of the trip to PBC (47.8%) were at parity with November of last year (23.0% travel agency, 47.1% Internet).
 - Among those who used the Internet to plan their trip to PBC, 81.2% used it to reserve airfare, 56.8% to book hotel rooms and 50.2% to rent a car (a 2.2 percentage point increase compared to November 2004).
 - Among those who booked hotel rooms online, 30.4% used hotel websites, an increase of 3.7 percentage points compared to 2004 (26.7%).
 - Overall, 9.3% of surveyed visitors claimed that their trip was part of a package (that may have included airfare, lodging, meal, rental car, etc) – a 3.2 percentage point increase from 2004 (6.1%).

Visitor Expenditures

- Palm Beach County visitors reported spending an average of \$1,601* per party in November 2005 – \$245 (18.1%) more than visitors surveyed in November 2004 (\$1,356).
 - Compared to November 2004, decreases were seen in ‘Restaurant/Bar’ (20.6%) and ‘Local Travel’ (11.3%).
 - Hotel guests reported spending \$728 per person, on average, representing a \$50 (7.4%) increase from November 2004 (\$678).
- Leisure travelers spent more per party (\$1,800) than business travelers (\$1,354). However, business travelers spent more per person (\$797) than leisure travelers (\$667).

Characteristics of Visitors

- During November 2005, visitors most often described themselves as White/Caucasian (94.6%) and between the ages of 35 and 54 (53.3%).
- Most visitors to PBC in November 2005 had professional/managerial jobs (64.0%, an increase of 12.0 percentage points compared to 2004) and 73.2% claimed to have household incomes of \$100,000 or more (an increase of 15.6 percentage points compared to November 2004, 57.6%).
- Compared to November 2004, the percentage of visitors traveling by airplane to come to PBC increased by 8.2 percentage points (from 78.6% in November 2004 to 86.8% in November 2005). Eighty six percent of surveyed visitors were traveling domestically.

* Starting in October 2005, Side Trips were excluded from computation of visitors' expenditures (no longer asked on survey).

Significant Highlights: November 2005

Hotel Visitor Study (Continued)

Attitudes toward Palm Beach County – Likes/Dislikes About Trip

- ‘Climate/weather’ continued to be the aspect of the trip to PBC that visitors liked best (47.2%), at parity with November 2004 (48.3%).
 - The largest percentage point increase was seen in visitors mentioning ‘visiting family/friends’ (from 2.1% in 2004 to 6.7% in 2005, a 4.6 percentage point increase) while the largest decrease was seen in visitors mentioning ‘beautiful area’ (from 8.3% in 2004 to 4.9% in 2005, a 3.4 percentage point decrease).
- When asked what they liked least about their trip to PBC, November 2005 visitors most often mentioned ‘traffic/bad drivers’ (33.9%), followed by ‘humidity/poor weather’ (21.7%).
 - Noticeable increases occurred in visitors mentioning ‘humidity/poor weather’ (from 11.5% to 21.7%, a 10.2 percentage point increase), ‘hotel’ (from 1.8% to 5.0%, a 3.2 percentage point increase) and ‘hurricane damage’ (from 0.0% in 2004 to 3.3% in 2005).
 - Noticeable decreases occurred in the percentage of visitors who mentioned ‘road construction’ (from 5.8% to 1.5%, a 4.3 percentage point decline) and ‘too crowded’ (from 5.3% to 0.9%, a 4.4 percentage point decline).
- Visitors most often reported that better weather (14.5%), coming during vacation time (13.4%) and a longer stay (12.9%) would make their next trip to PBC better.

Characteristics of the Visit

- In November 2005, almost all surveyed visitors enjoyed eating at area restaurants (94.6%). Other frequently mentioned activities were shopping (38.9%), going to the beach (21.1%) and swimming* (17.4%).
 - Compared to November of last year, notable decreases in activity participation occurred in hotel guests mentioning going to the beach (from 33.7% to 21.1% – a 12.6 percentage point decrease) and going to bars/nightclubs (from 16.8% to 10.4% - a 6.4 percentage point decrease).
- When asked if they plan to return to PBC, 78.1% of surveyed visitor answered ‘yes’. This is at parity with November 2004 (77.9%).
 - Among those visitors who plan to return to PBC, 67.9% plan to do so within the next year; 38.2% plan on returning within the next three months.
- Visitors were usually traveling with adult family members/friends (46.3%, a 13.1 percentage point increase compared to November 2004, 33.2%). Almost one-quarter (22.6%) were traveling with business associates, and 28.3% were traveling alone.
- The rising cost of transportation would not affect the decision to come to Palm Beach County among 59.0% of surveyed guests (rated 1 or 2 on a 5-point scale where 5 indicated a strong consideration and 1 indicated no consideration at all). Just over one-in-ten (11.3%) might consider changing their plans (rated 4 or 5 on a 5-point scale).

* November 2004 data represents combined data from the old closed-end answers: ‘boating/fishing/diving’ and ‘other water activities’.