Charleston Lodging in 2009 by the Numbers

Bing Pan, Ph.D.
Head of Research, Office of Tourism Analysis
Department of Hospitality and Tourism Management
College of Charleston, USA
bingpan@gmail.com

Generous support from
the Charleston Area Convention and Visitors Bureau
Average Occupancy in 2009, Charleston County

64.0%
-8.0% from 2008
Average ADR in 2009, Charleston County

$113.04

-6.2% from 2008
A-Tax Jan to Oct, 2009, Charleston County

$4.3M
-8.0% from same period, 2008
Admission Tax, Jan to Nov, 2009, Charleston County

$2.4M

+5.7% from same period, 2008
Occupancy Comparison of Four Areas, Charleston County

<table>
<thead>
<tr>
<th>Area</th>
<th>Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peninsula Area</td>
<td>70%</td>
</tr>
<tr>
<td>West Ashley</td>
<td>60%</td>
</tr>
<tr>
<td>North Charleston</td>
<td>50%</td>
</tr>
<tr>
<td>East of the Cooper</td>
<td>40%</td>
</tr>
</tbody>
</table>
ADR Comparison of Four Areas, Charleston County

Peninsula Area: $140
West Ashley: $60
North Charleston: $40
East of the Cooper: $100

Graph showing ADR comparison with percentages ranging from 0% to -10%.
Monthly Occupancy of Four Areas, Charleston County

- Peninsula Area
- West Ashley
- North Charleston
- East of the Cooper

Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  

0%   | 10%  | 20%  | 30%  | 40%  | 50%  | 60%  | 70%  | 80%  | 90%  | 100% | 110%
Peninsula Area
West Ashley
North Charleston
East of the Cooper
Weekly ADR of Four Areas, Charleston County

- Peninsula Area
- West Ashley
- North Charleston
- East of the Cooper

Events:
- Bridge Run
- Citadel – Furman (Parents Day)
- Homecoming
- Miss SC

Events:
- F & W
- SEWE
- Miss SC
- Homecoming

Date Range:
- 01/04/11 to 12/25/11

Data Source:
- College of Charleston
- Office of Tourism Analysis
Comparing to other areas, 2009

ADR
Occupancy

United States  South Atlantic  South Carolina  Savannah, GA  Myrtle Beach, SC*  Hilton Head/Beaufort  Myrtle Beach North Area  Myrtle Beach & South  Pennisula Area  West Ashley  North Charleston  East of Cooper

$0  $20  $40  $60  $80  $100  $120  $140

0%  10%  20%  30%  40%  50%  60%  70%  80%
Looking Back

- For the first 9 months of 2009, overall domestic travel was down 3.8%;
- Leisure travel has performed better than other types of travel but is still down 2.7%;
- Domestic business travel has been much worse, declining 7.5% YTD so far, with larger declines in the meetings sector than in transient business travel.

--- U.S. Travel Association (USTA), Oct, 2009
The Future

- The lodging industry is at the bottom of the market cycle...While demand may increase as soon as the first quarter of 2010, ADR and RevPAR are unlikely to enter positive territory until Q4 of 2010.
  -- Mark Woodworth, PKF Hospitality Research, Oct, 2009

- RevPAR could take until 2012 to recover in certain segments such as the groups, meetings and conventions market.
  --- Marketing Outlook Forum, Oct, 2009
The Future

- Nationally, ADR will decline 8.8% in 2009; will continue to drop 1.8% in 2010; occupancy will increase 1% in 2010.
- “Anybody who suggests that the industry has come back is not correct.”
- Hotel reservations have picked in Nov and Dec, 2009.

-- Scott Berman, PricewaterhouseCoopers, Dec, 2009
The Future

• For every dollar invested in business travel, businesses experience an average $12.50 in increased revenue and $3.80 in new profits.
• “Not all spending cuts are smart cuts.”

--- Oxford Economics and USTA Study, Jan, 2010
The Future

- Domestic leisure travel is expected to increase 2% in 2010;
- Leisure travel spending will increase 5%;
- Domestic business travel volume will grow 2.5%;
- Business travel spending will increase 4%;
- International inbound travel will increase 3.0% in 2010.

-- Dr. Suzanne Cook, U.S. Travel Association, Jan, 2010
The Future

- The travel market will increase slightly in 2010, but the recovery of ADR and RevPar will take a longer time;
- Special economic time and guests’ changing spending patterns require smart packaging, smart marketing, and closer collaborations between stakeholders to promote the whole destination;
- Use social media; offer better value for the money; team up with events; work closely with the CVB on packaging.

-- Dr. Bing Pan, Office of Tourism Analysis, Jan 20, 2010
Data Sources

- Office of Tourism Analysis
- Smith Travel Research
- South Carolina Department of Park, Recreation, & Tourism
- South Carolina Department of Revenue
- New York Times
- HotelNewsNow.com
Acknowledgements

Perrin Lawson and Helen Hill
The Charleston Area Convention and Visitors Bureau
Thank You and Questions

Dr. Bing Pan, bingpan@gmail.com, Facebook, Twitter, LinkedIn