



TravelClick™

The TravelClick Perspective

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2011 - The Year in Review

The past year was one of stable but moderate growth, following the turbulent two years that preceded it. The primary performance measures (occupancy, average daily rate (ADR), and revenue per available room (RevPAR)) posted year-over-year growth across both the group and the transient segments. Pricing power started to return, especially in the transient segment, with ADR being the primary driver to RevPAR growth by year end.

In the group segment, year-over-year ADR growth turned positive in early 2011, after two years of negative group ADR growth. Stronger overall occupancy and higher retail rates set the stage for group ADR recovery. But perhaps more importantly, group contracts negotiated during the depths of the 2009 downturn finally worked their way through the system, and created less of a drag on group ADR.









Business travel customers continued to drive transient segment growth in 2011. Business demand, consisting of customers buying negotiated and retail rates, grew by 6.6% year-over-year. Business segment ADR was strong as well, growing by 3.0%. This ADR growth was led by the rise in retail rates. Retail ADR grew 4.0%. Negotiated ADR grew by 2.2%. Higher retail pricing has set the stage for more growth in negotiated pricing in 2012.

The transient leisure segment did not grow in 2011. Occupancy growth was actually slightly negative at -0.4%. Transient leisure ADR improved, however, up 4.1%. Leisure growth was likely affected by multiple factors. This overall demand strength led to higher retail pricing, raising leisure (discounted) pricing as well. This meant that there were fewer deals available to the most price-sensitive leisure guests. Finally, the economic malaise or at least uncertainty felt by 'main street' likely had the most effect on demand in the leisure segment.



*Tim Hart
Executive Vice President
Enterprise Services*

2011 Performance Recap

	Room Nights	ADR	RevPar
Total	+2.8% 	+3.3% 	+6.2% 
Group	+2.2% 	+2.1% 	+4.4% 
Transient	+3.0% 	+3.8% 	+6.9% 

2012 Outlook

The demand outlook heading into 2012 is quite strong. Committed occupancy, which represents group commitments (blocks) and transient reservations on the books, is up by 5.3% over this same time last year. Group commitments are driving this growth, with the group segment up by 5.4%. Group commitments are up over same time last year in every month of 2012. Group demand is especially strong in the second half of the year, up by 8.0% and 10.9% in Q3 and Q4 2012, respectively. New group sales over the past month have also been strong, up by 6.2% over the comparable period last year.

The transient segment is also starting off the year on a positive note. Transient reservations on the books for 2012 are up by 4.8% over the same time last year. Transient business demand continues to be strong, up by 3.9%. However, transient leisure demand, flat in 2011, is currently up 5.8%. While it is too early to project the overall leisure outlook for 2012, since most of this booking activity is for stays in the first quarter, it is nevertheless encouraging to see such strength in this segment as we start the new year.

With all segments of demand now contributing to occupancy growth, and with rate recovery well underway, we look forward to another year of positive occupancy, ADR and RevPAR growth in 2012. Regaining the ground lost during the downturn has been a long journey, and more remains. But a strong 2012 could get us much closer to seeing ADR and RevPAR return to pre-recession levels.

Performance Summary

The chart below shows the year-over-year position by market of committed occupancy, reserved occupancy, ADR and RevPAR, based on business on the books for the future 12 months. Committed occupancy is group blocks plus transient reservations. Reserved occupancy, ADR and RevPAR are based only on reservations (group pickup and transient reservations). Shades of green indicate performance better than the market average. Shades of orange/red indicate performance worse than the market average.

	Committed Occ	Reserved Occ	Reserved ADR	Reserved RevPAR
Atlanta	1.9%	-3.6%	2.2%	-1.5%
Boston	8.4%	2.4%	7.4%	10.0%
Charlotte	49.2%	34.5%	0.9%	35.8%
Chicago	13.0%	8.5%	2.0%	10.7%
Dallas	-6.2%	-2.6%	-4.8%	-7.3%
Denver	-1.1%	4.6%	-9.9%	-5.8%
Detroit	13.4%	3.0%	9.0%	12.3%
Honolulu	-9.3%	13.8%	15.9%	31.8%
Houston	8.8%	2.4%	1.8%	4.2%
Indianapolis	7.6%	-7.1%	8.3%	0.6%
Los Angeles	6.1%	2.3%	-2.6%	-0.4%
Miami	9.7%	12.2%	5.8%	18.6%
Minneapolis St Paul	-6.1%	1.0%	0.4%	1.4%
New York	6.8%	9.4%	2.0%	11.6%
Orlando	9.9%	12.2%	6.6%	19.6%
Philadelphia	9.2%	3.7%	7.5%	11.4%
Phoenix	-0.2%	-7.6%	-3.1%	-10.4%
San Antonio	5.8%	0.8%	-13.0%	-12.4%
San Diego	10.7%	1.7%	-2.1%	-0.5%
San Francisco	8.1%	-2.0%	7.1%	5.0%
Seattle	8.8%	4.8%	-4.6%	0.0%
St Louis	4.8%	6.3%	6.5%	13.2%
Tampa	10.9%	4.3%	0.6%	5.0%
Toronto	3.0%	3.3%	2.8%	6.3%
Washington DC	-2.6%	-8.6%	7.0%	-2.2%
Grand Total	5.3%	3.2%	2.7%	6.0%

About TravelClick

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Information in this newsletter covers the top 25 markets in North America and is based on data supplied by brands participating in TravelClick's MarketVision Demand Position reporting.



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