



Washington DC's 2006 Visitor Statistics

Methodology

Data collected via *DIRECTIONS*® managed by D.K. Shifflet & Associates

- ⊕ In partnership with Travel Industry Association of America (TIA)

Ongoing monthly panel of U.S. households

- ⊕ More than half million households
- ⊕ Panel representative to the U.S. population
- ⊕ Combination of mail and online sample
- ⊕ More than 75,000 respondents each year
- ⊕ *Travel definition*: an overnight-trip or any day-trip greater than 50 miles one-way from home (self-reported)

Data supplied to Global Insight and combined with economic data to project future visitation and calculate the impact of visitor spending for Washington, DC

Note: all data refers to domestic visitation, unless otherwise noted

In 2005, WCTC began tracking visitation to the city of Washington, DC instead of visitation to the Washington, DC region to better reflect spending and tax benefits to the District of Columbia



DC is the 6th Most Visited U.S. Market Among Domestic Visitors



Destination	2006 Rank
Las Vegas	1
Los Angeles	2
Orlando	3
New York City	4
Chicago	5
Washington, DC (metro)	6
Atlanta	7
San Diego	8
Houston	8
Dallas	10

Forbes Traveler analyzed visitation numbers (excluding day-trips) from cities' convention and visitors bureaus and Smith Travel Research hotel rooms sold for the year 2006. Cities were defined by their Metropolitan Statistical Areas (MSAs).

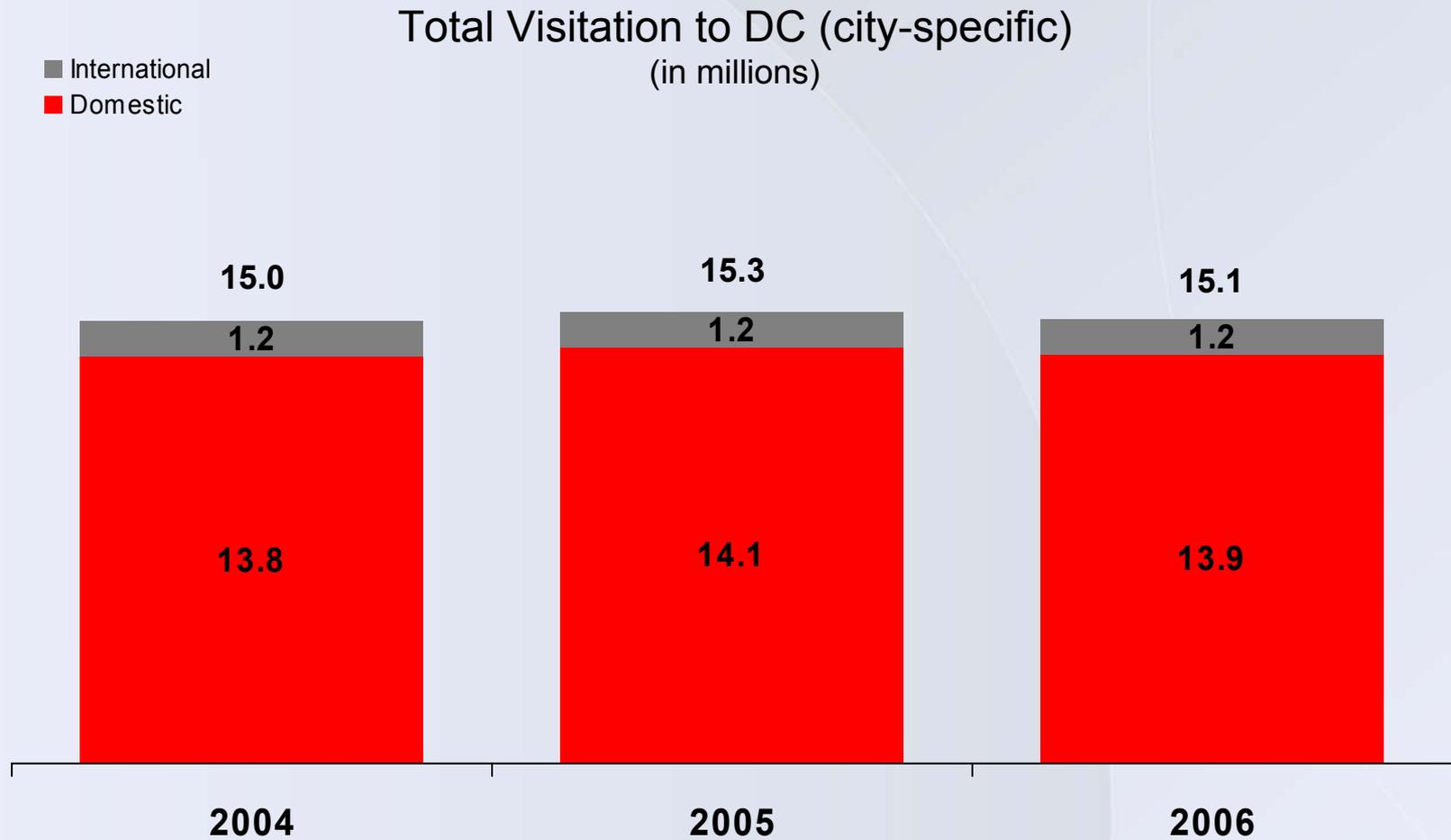
DC is the 8th Most Visited U.S. Market Among Overseas Visitors



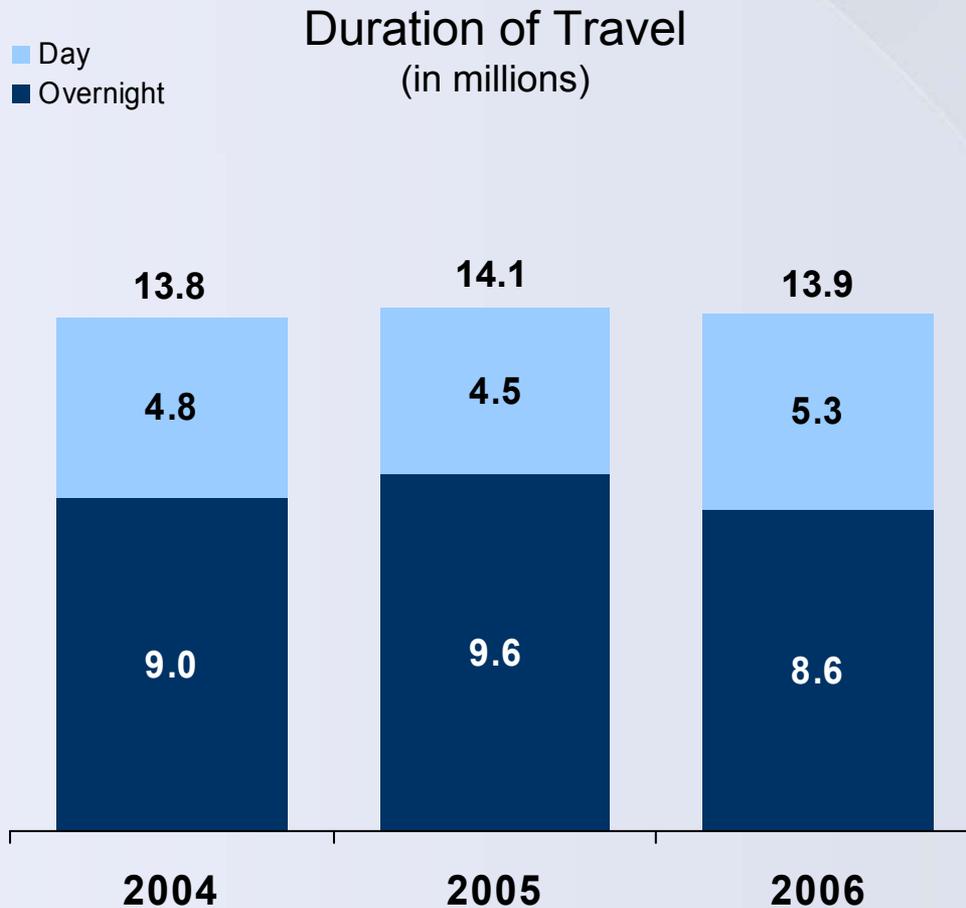
Destination	2004 Rank	2005 Rank	2006 Rank
New York City	1	1	1
Los Angeles	2	2	2
San Francisco	5	3	3
Orlando	4	5	3
Miami	3	4	5
Oahu/Honolulu	6	6	6
Las Vegas	7	7	7
Washington, DC (metro)	8	8	8
Chicago	9	9	8
Boston	10	10	10

DC has remained in the same position since OTTI began tracking in 1998, however other cities have changed their rank order over time

DC Attracts More Than 15 Million Visitors Each Year



About Two-Thirds of DC Visitors Stay Overnight

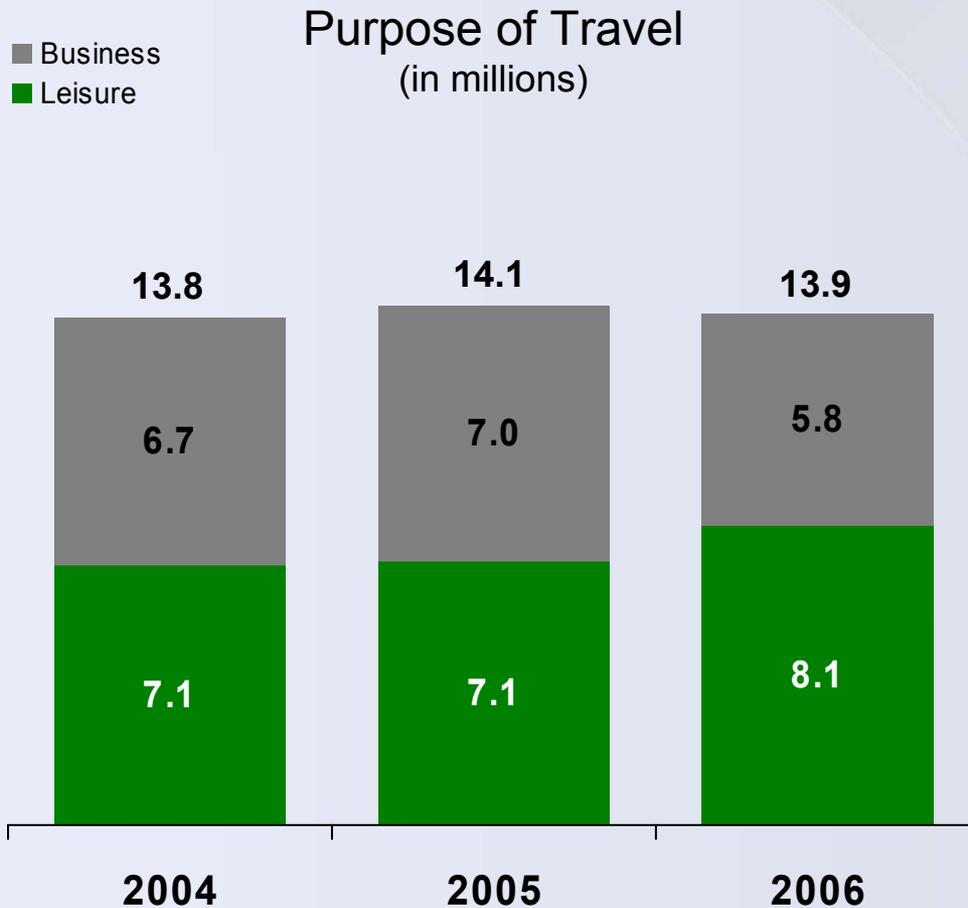


Approximately 2/3rds of all domestic visitors stay overnight

Among those staying overnight, the average length of stay is 3 days (business) and 4 days (leisure)



Leisure Visitation Increased in 2006



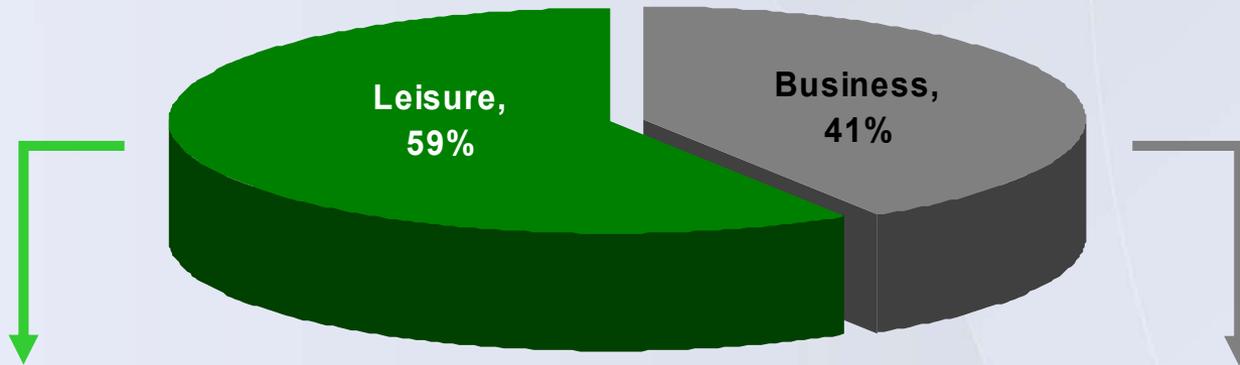
Proportion of leisure visitors increased, but business saw a marked decline in 2006

Approximately 59% of domestic visitors were here for leisure in 2006 (compared to 50% in 2005)



DC Attracting More Leisure Than Business in 2006

Purpose of Travel – Domestic Visitors (13.9 Million)
(2006)



***Among leisure visitors,
primary reason for leisure trip?***

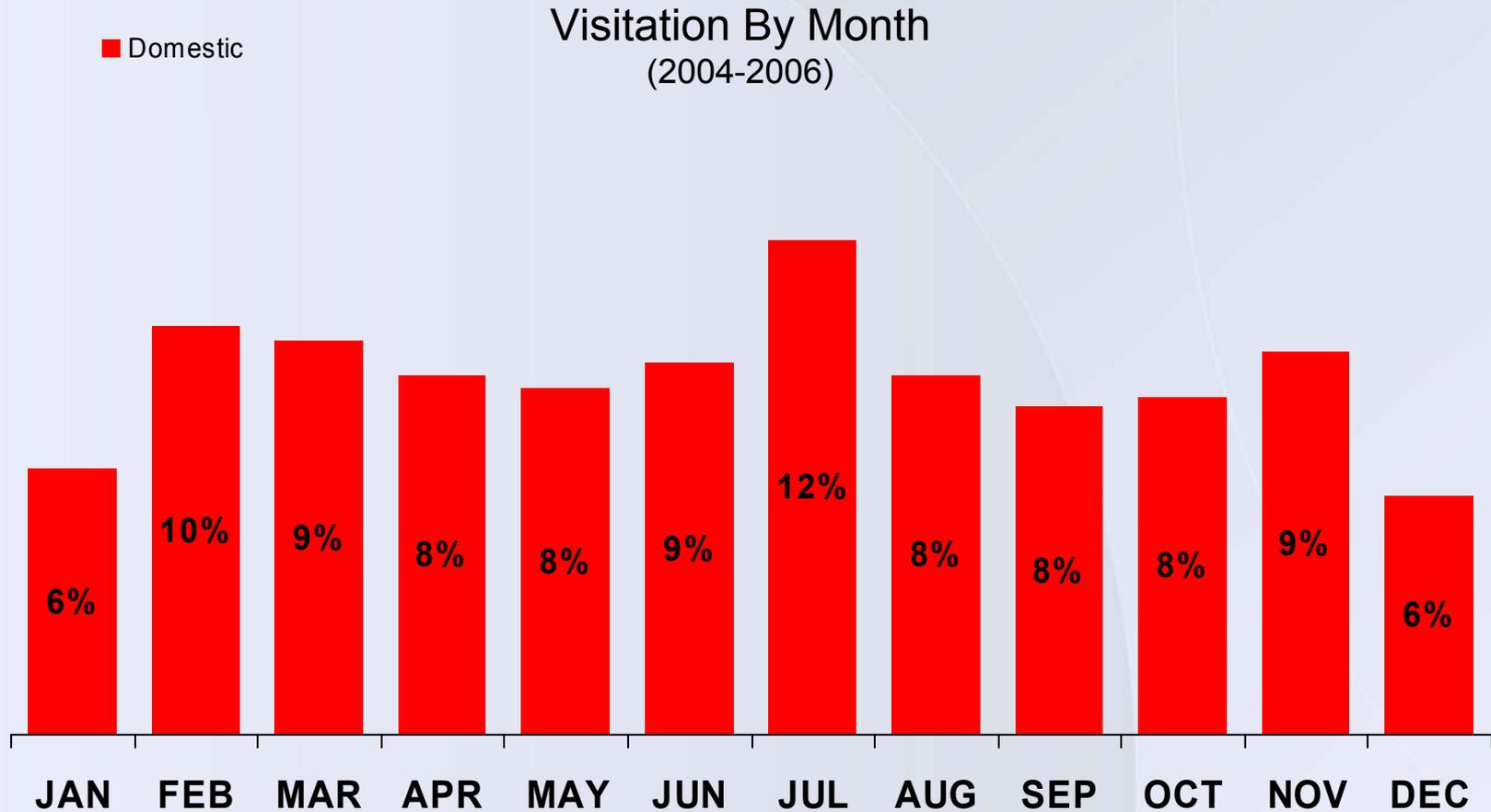
Vacation/getaway weekend	42%
Visit friend or relative	27%
Special event	19%
Other personal reason	12%

***Among business visitors,
primary reason for business trip?***

Convention/group meeting	40%
Government or military	17%
Seminar or training	11%
Other company business	32%

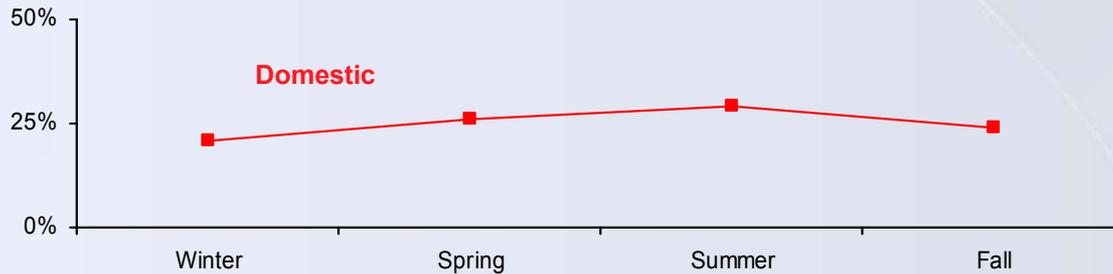


Visitation Relatively Stable, Except for Dip in January and December

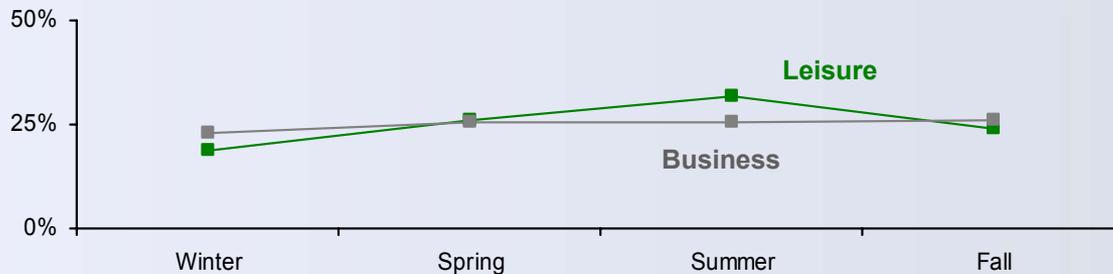


Slightly More Visitors in Spring and Summer

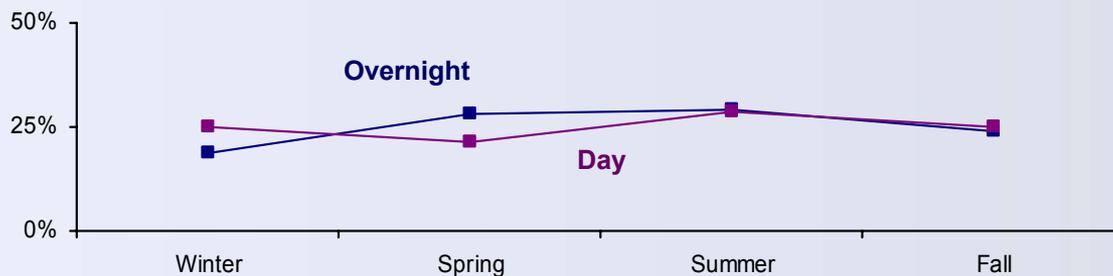
Visitation By Season & Segment (2004-2006)



Slight lift in total visitation between March and August



Leisure travel peaks in the summer months

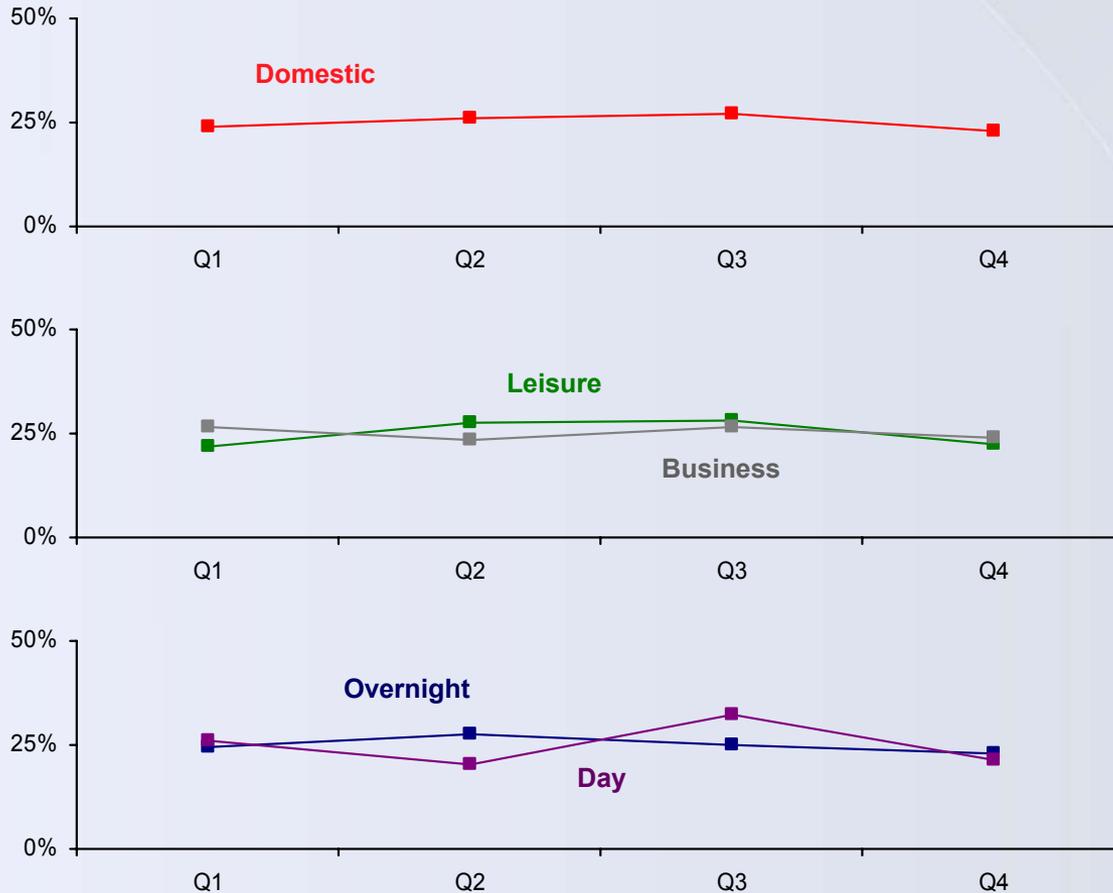


Overnight travel lowest during winter months (includes both hotel and non-hotel stays)



Domestic Visitation Flat by Quarter

Visitation By Quarter & Segment (2004-2006)



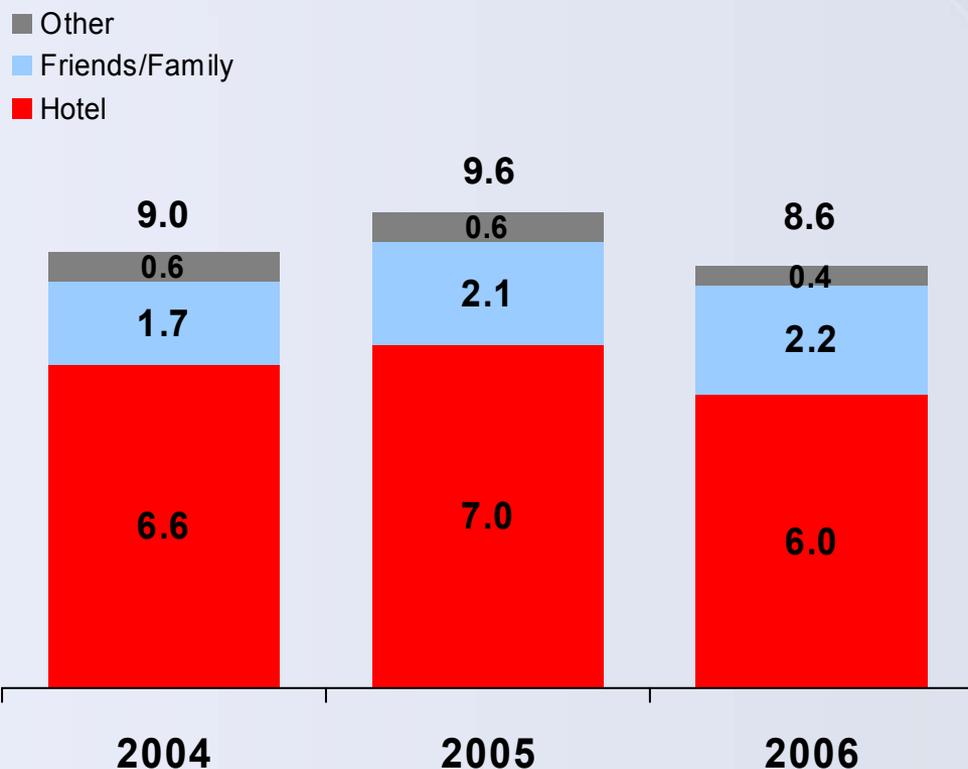
Slight lift in Q2 and Q3 for leisure

Day visitation most volatile by quarter, with peak during Q3 (July through September)



More than 6 Million Hotel Users in 2006

Location of Overnight Stays
(in millions)



In 2006, 74% of overnight visitors stayed in a hotel

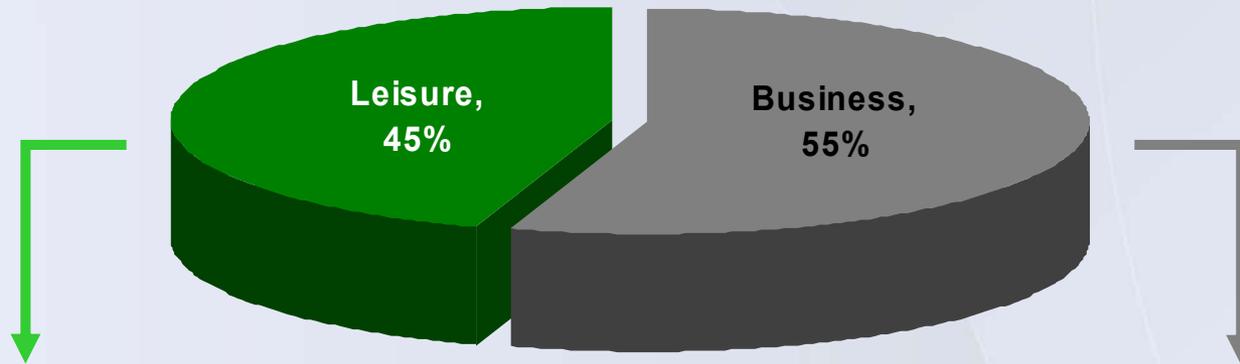
On average, DC hosts approximately 6.5 million hotel visitors each year

There were 6.8 million hotel rooms sold in 2006 (Smith Travel)



Hotel Business Skews Toward Business

Purpose of Travel – Hotel Visitors (6.0 Million)
(2006)



***Among leisure visitors,
primary reason for leisure trip?***

Vacation/getaway weekend	57%
Visit friend or relative	25%
Special event	12%
Other personal reason	6%

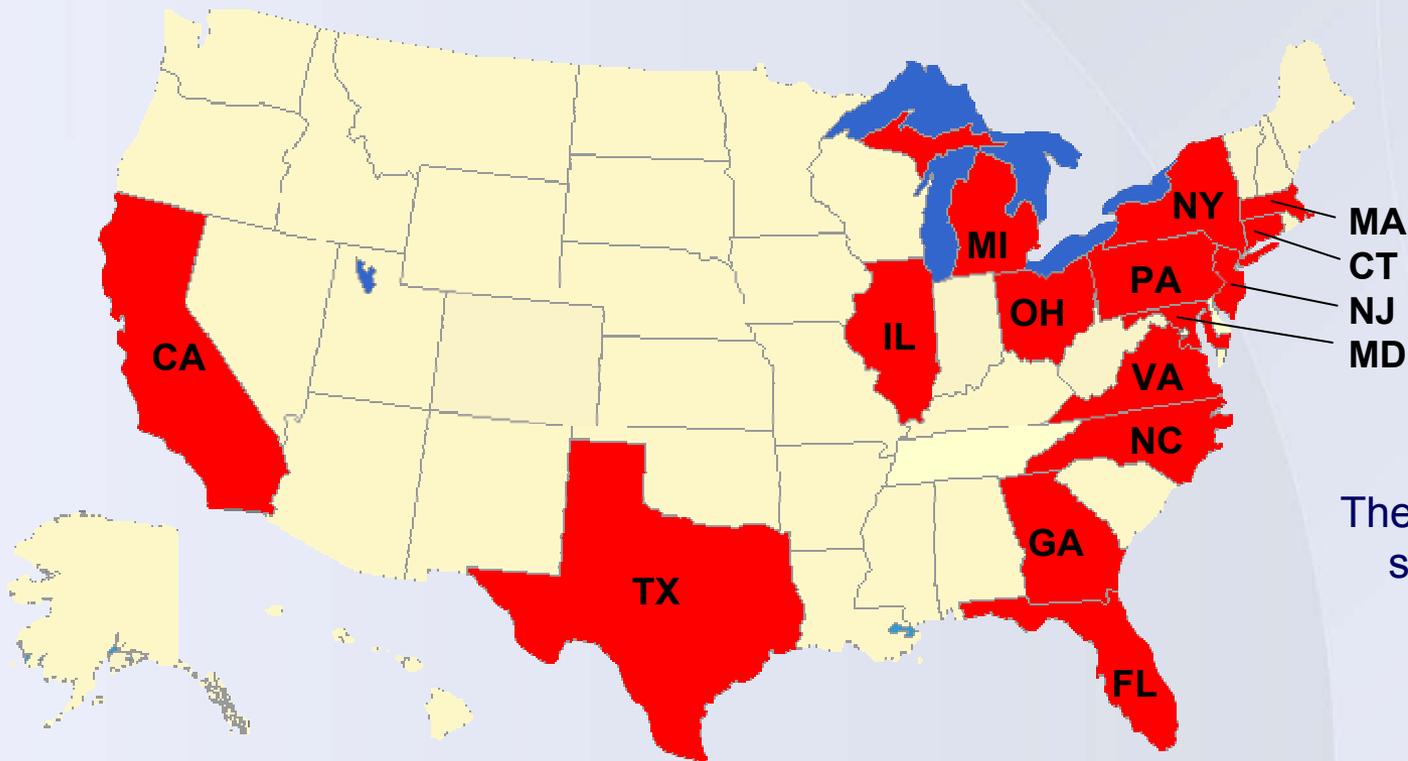
***Among business visitors,
primary reason for business trip?***

Convention/group meeting	36%
Government or military	22%
Seminar or training	13%
Other company business	29%



15 Feeder States Supply 83% of All Visitors to the District

DC Visitors State of Origin – All Visitors
(2004-2006)



These same states supply...

- ▶ 86% of leisure
- ▶ 79% of business
- ▶ 91% of day
- ▶ 78% of overnight



New York, Philadelphia and DC are Top Feeder Markets for Business and Leisure

DC Visitors DMA of Origin – By Segment
(2004-2006)



Rank	All	Business	Leisure	Overnight	Day	Overnight Leisure
1	New York City	New York City	New York City	New York City	Washington, DC	New York City
2	Washington, DC	Washington, DC	Washington, DC	Philadelphia	Philadelphia	Philadelphia
3	Philadelphia	Philadelphia	Philadelphia	Atlanta	Baltimore	Boston
4	Baltimore	Atlanta	Richmond	Los Angeles	Richmond	Los Angeles
5	Richmond	Baltimore	Baltimore	Boston	New York City	Pittsburgh
6	Atlanta	Boston	Pittsburgh	Chicago	Harrisburg, PA	Washington, DC
7	Los Angeles	Los Angeles	Raleigh-Durham	Raleigh-Durham	Harrisonburg, VA	Raleigh-Durham
8	Boston	Dallas-Ft Worth	Boston	Washington, DC	Raleigh-Durham	Chicago
9	Raleigh-Durham	Raleigh-Durham	Los Angeles	Pittsburgh	Greenville, NC	Tampa
10	Pittsburgh	Chicago	Tampa	San Francisco	Pittsburgh	Atlanta

*Washington, DC includes surrounding counties; Boston includes Manchester, NH; Cleveland includes Akron; Greenville, NC includes New Bern and Washington, NC; Harrisburg, PA includes Lancaster, Lebanon, and York; Richmond includes Petersburg; Tampa includes St. Petersburg and Sarasota

Cities with Greatest Proportion of DC Leisure Visitors per Population are in Region and Florida



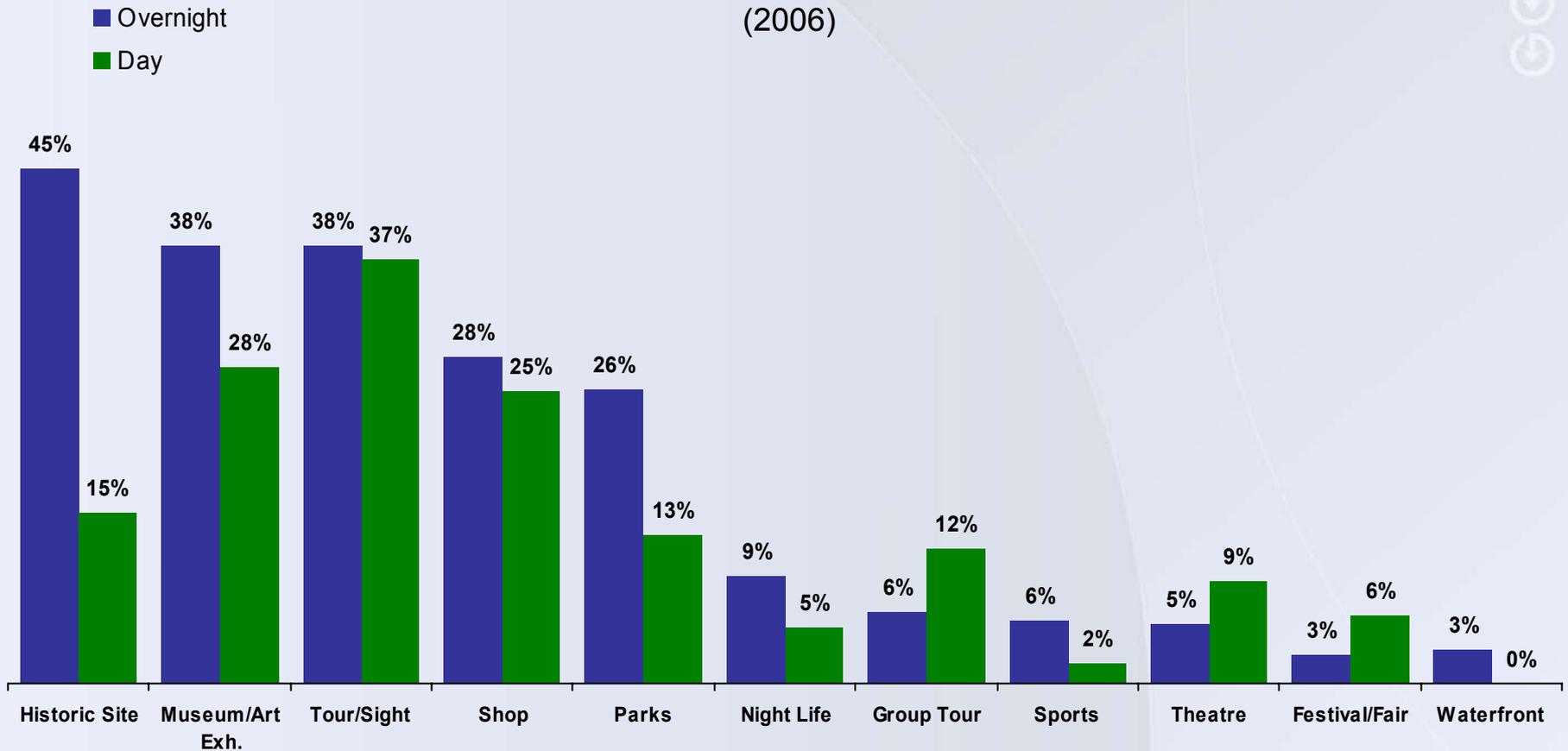
Top 25 Penetrated Cities – Leisure Visitors (By MSA/MD, 2005-2006)

- Maine: Portland
- Massachusetts: Cambridge
- New York: Buffalo, Nassau/Suffolk, Syracuse
- New Jersey: Camden, Edison
- Pennsylvania: Philadelphia, Pittsburgh, York
- Delaware: Wilmington
- Maryland: Baltimore, Bethesda, Hagerstown
- DC: Washington
- Virginia: Harrisonburg, Lynchburg, Richmond, Virginia Beach/Norfolk
- Kentucky: Louisville
- North Carolina: Charlotte, Durham, Raleigh
- Florida: Palm Beach/Titusville, West Palm Beach

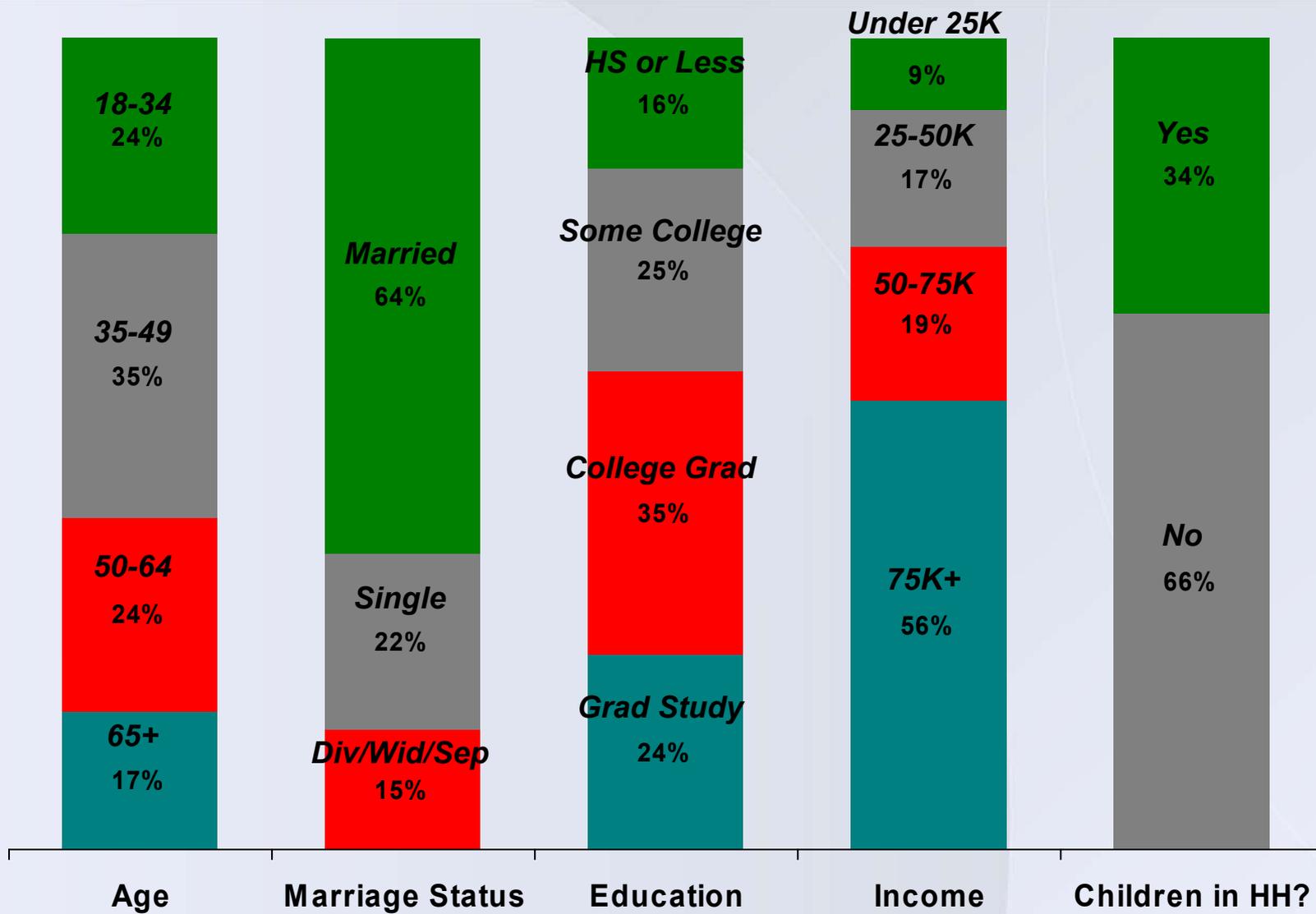
Source: DK Shifflet DIRECTIONS® includes both day and overnight; penetration=number of visitors/population

Many Visitors Take Advantage of DC's Cultural Opportunities

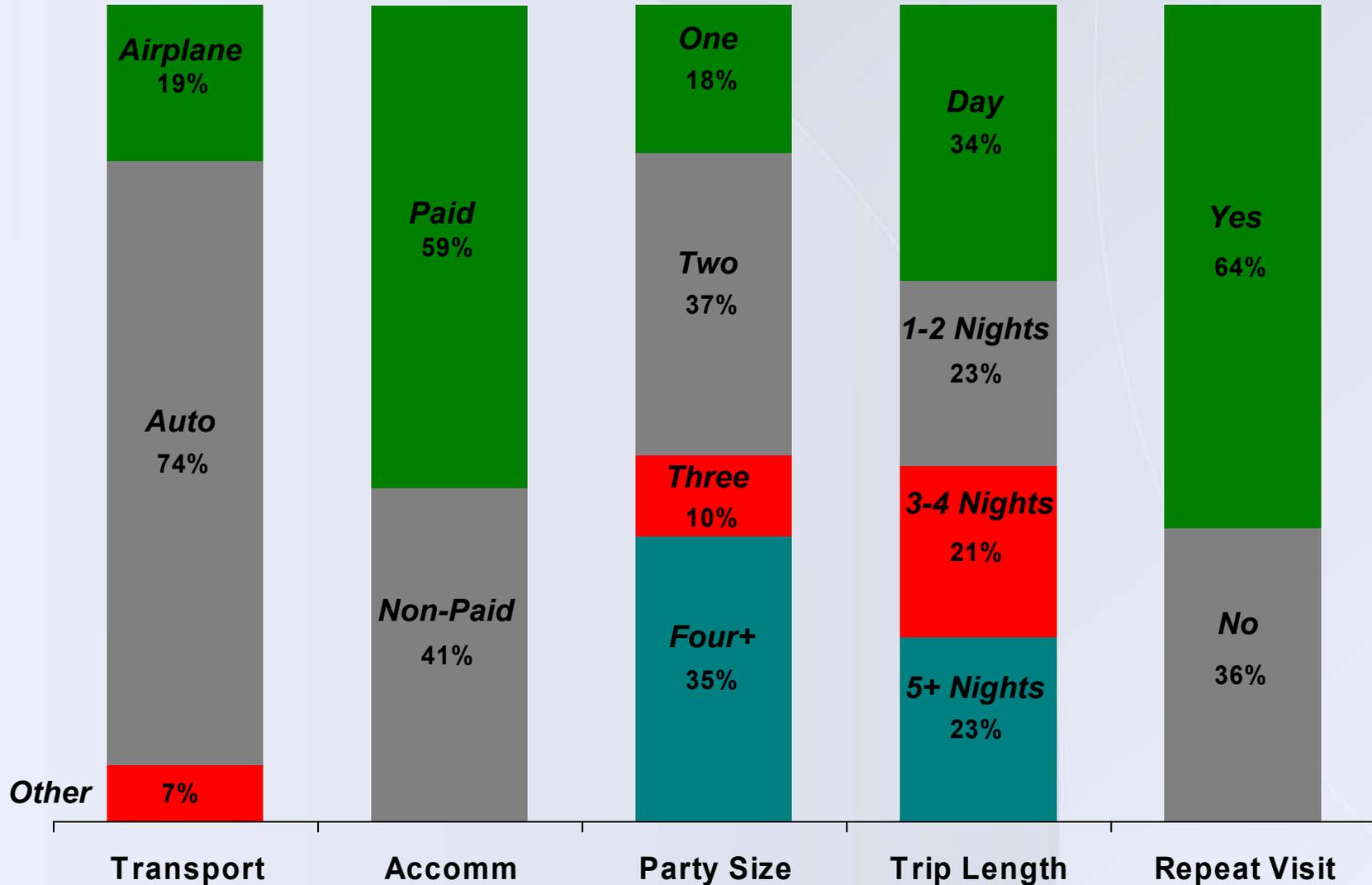
Leisure Activities By Day and Overnight Travel (2006)



Demographic Breakdown of DC Leisure Visitors, 2004-2006



Visitation Characteristics of DC Leisure Visitors, 2004-2006



DC Leisure Visitors are Generally...

Characteristic	DC Leisure Visitors	Competitive Set	US Leisure Visitors
Older <i>% Aged 50+</i>	41%	33%	34%
More Highly Educated <i>% College grad+</i>	59%	47%	35%
Greater Incomes <i>% 75K+</i>	56%	52%	38%
No Children in HH%	66%	62%	56%
More Likely to Fly	19%	15%	8%
Pay for Accommodation	59%	51%	48%
Smaller Party Sizes <i>% 3+ Party Size</i>	45%	51%	56%
Longer Stays <i>% Stay 3+ Nights</i>	44%	30%	30%
Less Likely Repeat Visitors <i>% in past 3 years</i>	64%	74%	74%

* Primary competitors: Baltimore, Boston, Chicago, New York City, Philadelphia
All U.S.: top 200 city-destinations as defined by Shifflet

Visitors Score DC High on Satisfaction

Percent Rated “Excellent” for Satisfaction (All Visitors)

Destination	2005	2006
Washington, DC	69%	68%
Primary Competitors	67%	67%
All Middle-Atlantic	59%	61%
All U.S.	59%	60%

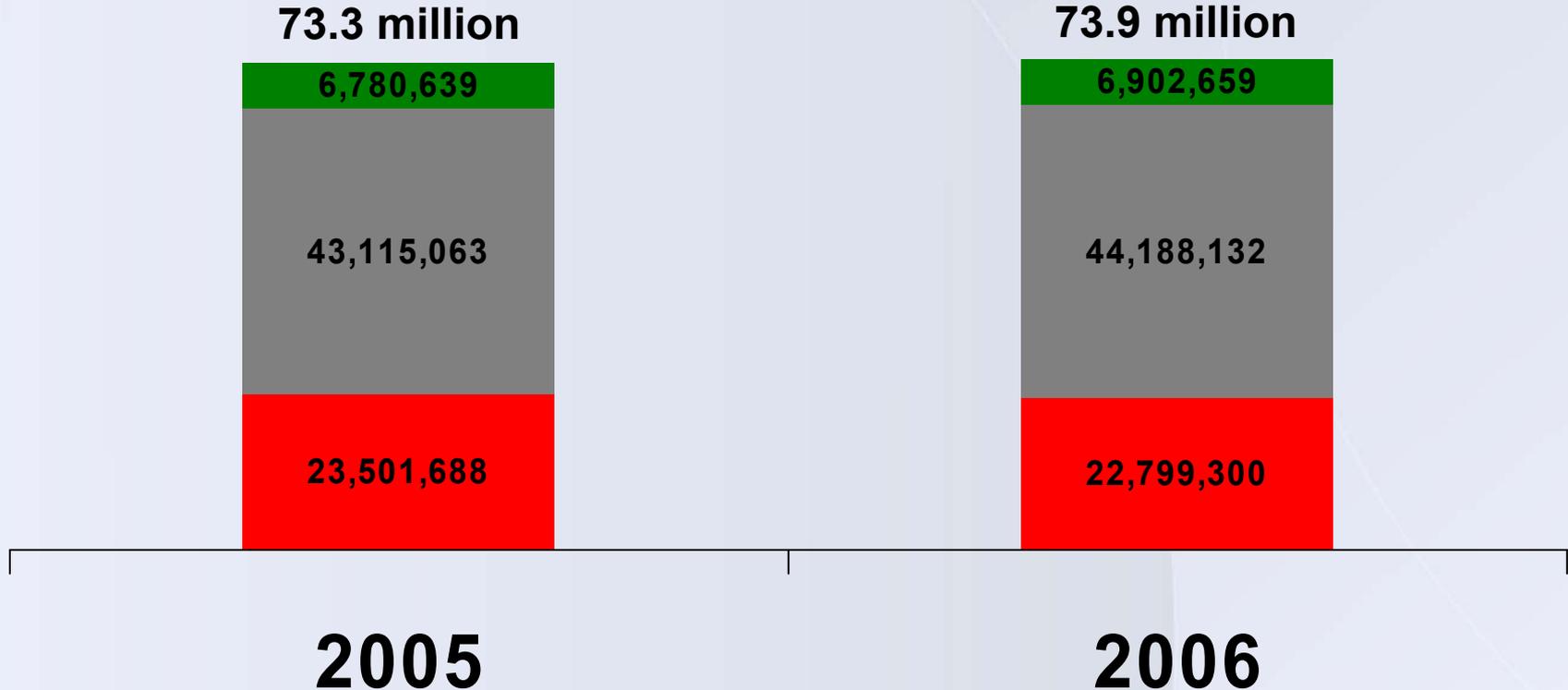
Little change from 2005 for all groups

* Primary competitors: Baltimore, Boston, Chicago, New York City, Philadelphia
Middle-Atlantic: top 200 city-destinations in DC, DE, MD, NJ, NY, PA, VA
All U.S.: top 200 city-destinations as defined by Shifflet
Excellent=top 3 box on 10-point scale

Total Visitation to DC Area Attractions Flat

Total Visitation

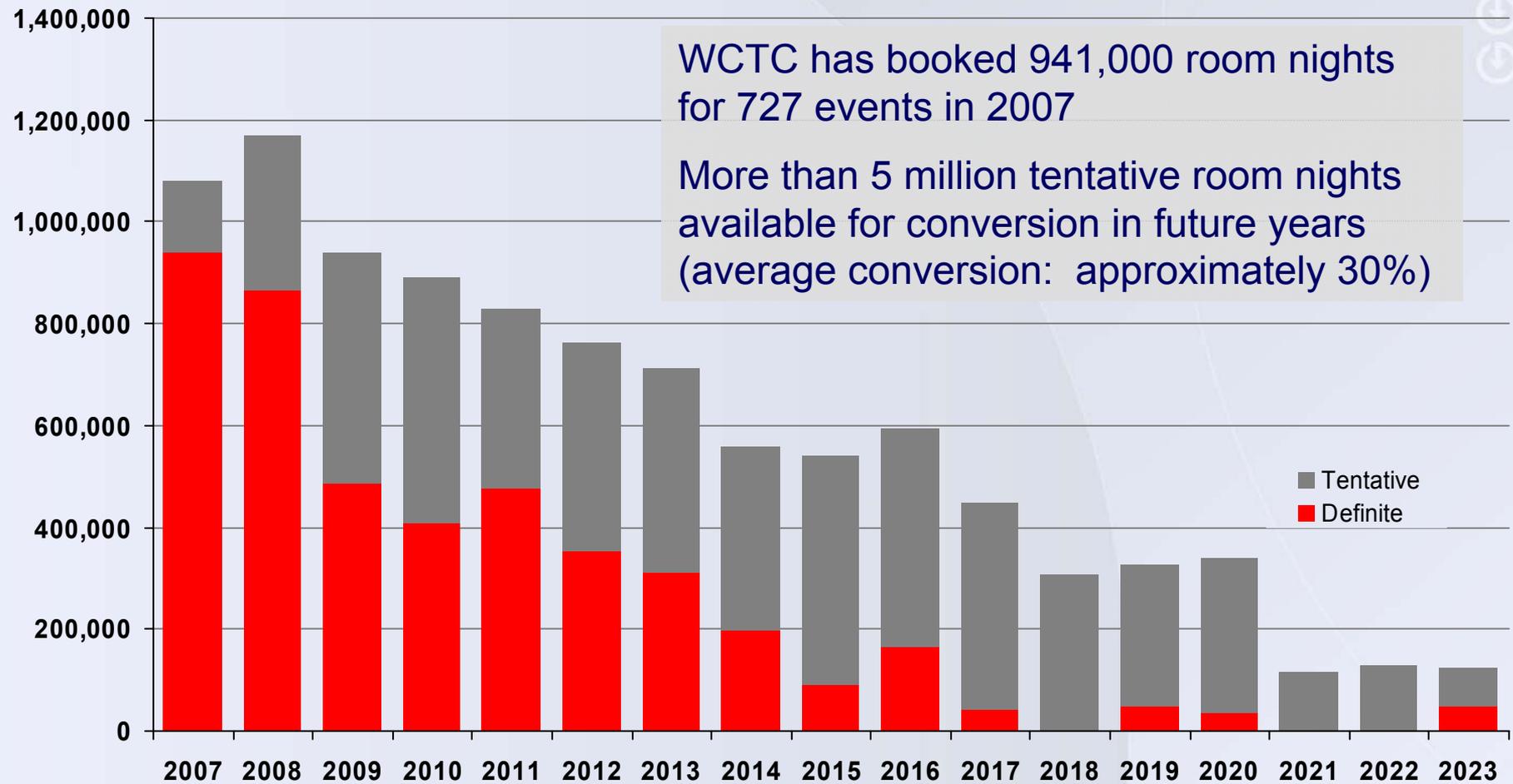
- Other Attractions
- National Park Service (DC area locations)
- Smithsonian (DC area locations)



* Other Attractions include 14 DC area museums, galleries, theatres and sporting venues.

All Meeting Locations Booking Pace

Definite & Tentative Bookings by Calendar Year



Source: WCTC as of August 20, 2007

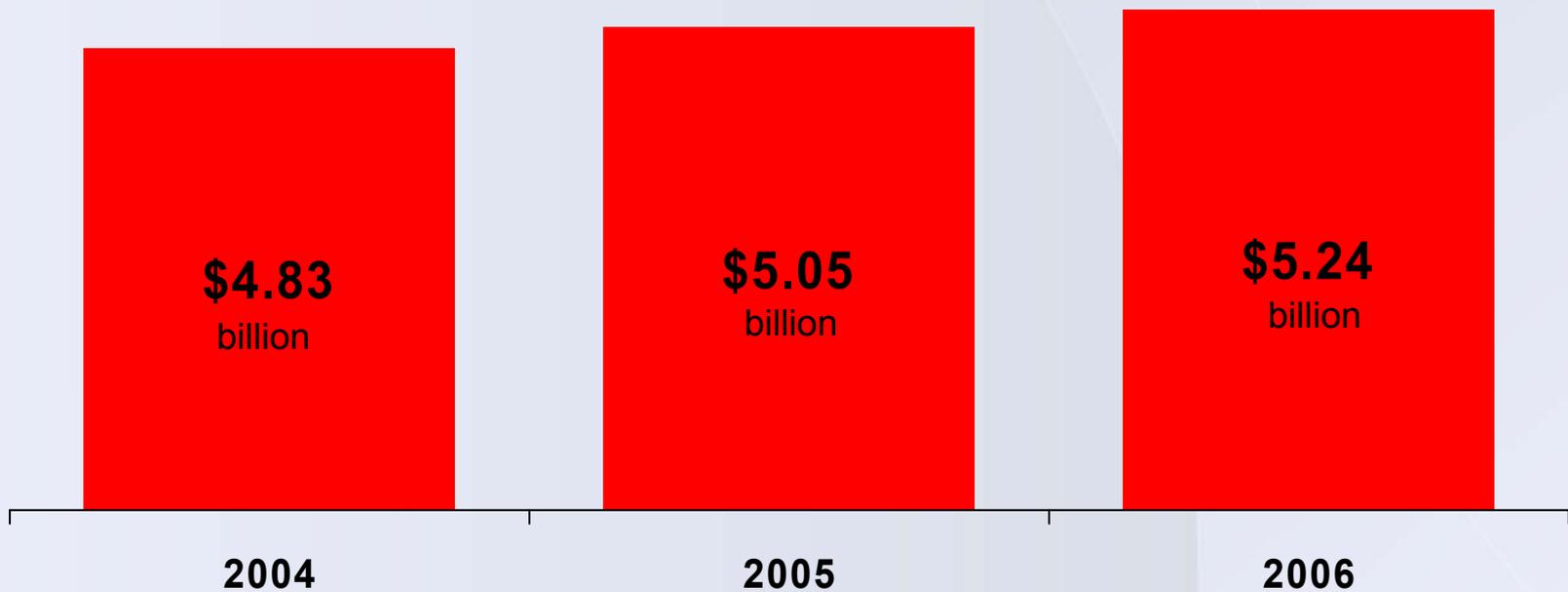
Largest 10 Convention in FY '08 (by Total Room Nights)

Account Name	Meeting Name	Meeting Start Date	Meeting End Date	Total Attend.	Peak Rooms	Room Nights
National Education Association	Annual Meeting	7/1/2008	7/5/2008	17,000	7,822	57,019
American Psychiatric Association	Annual Meeting	5/4/2008	5/8/2008	15,000	8,000	41,360
AARP	National Member Event	9/3/2008	9/6/2008	25,000	8,500	37,230
Alpha Kappa Alpha Sorority	Biennial Boule	7/12/2008	7/18/2008	10,000	5,150	31,419
American College of Physicians Internal Medicine / Doctors for Adults	Annual Convention	5/13/2008	5/17/2008	12,000	6,000	28,140
American Association for Clinical Chemistry	Annual Meeting and Clinical Lab Expo	7/27/2008	7/30/2008	17,000	5,800	25,462
National Association of Realtors	Mid-Year Legislative Meeting and Trade Expo	5/13/2008	5/16/2008	10,000	4,175	19,701
American Public Health Association	Annual Convention	11/4/2007	11/7/2007	14,000	4,500	19,350
Newspaper Association of America	NEXPO	4/11/2008	4/15/2008	3,400	4,000	19,200
Cardiovascular Research Foundation	Transcatheter Cardiovascular Therapeutics Annual Meeting	10/22/2007	10/24/2007	13,000	4,075	17,561

Total Visitor Spending Increases 4%

Includes both domestic and international spending

Visitor Spending
(in \$ billions)



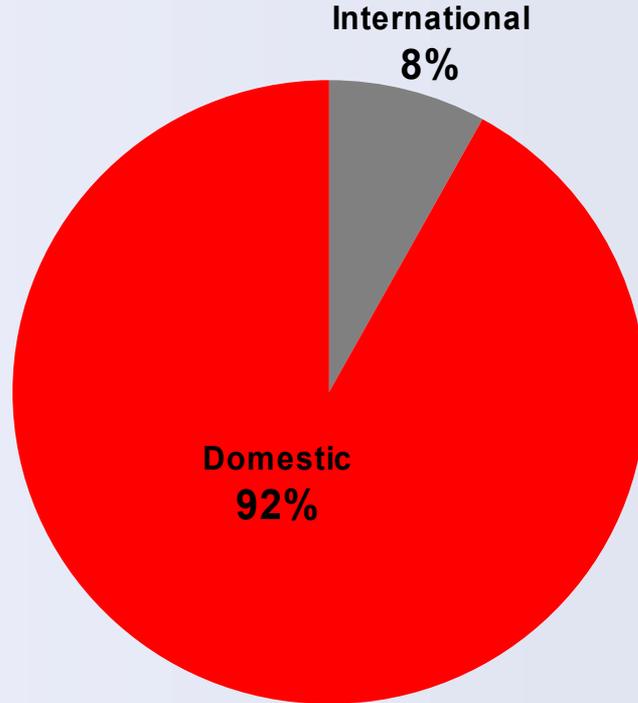
Facts About Tourism Spending

- ⊕ Traveler spending directly supported 60,107 jobs in DC (13.2% of all private jobs)
- ⊕ \$2.58 billion in wages were earned
- ⊕ International spending increased 8% in 2006, totaling more than \$1.4 billion
- ⊕ Domestic spending grew 2%
- ⊕ Business spending accounts for 58% of all spend; leisure accounts for 42% (no change from 2005)
- ⊕ Of every tourism dollar spent in Washington, DC in 2006, 75% stayed local and led directly to Washington, DC's gross metro product
- ⊕ Tourism spending saves all DC households (247,000) an average of \$2,278 in local taxes
- ⊕ Among all US cities, DC metro region generates the 8th greatest total spend

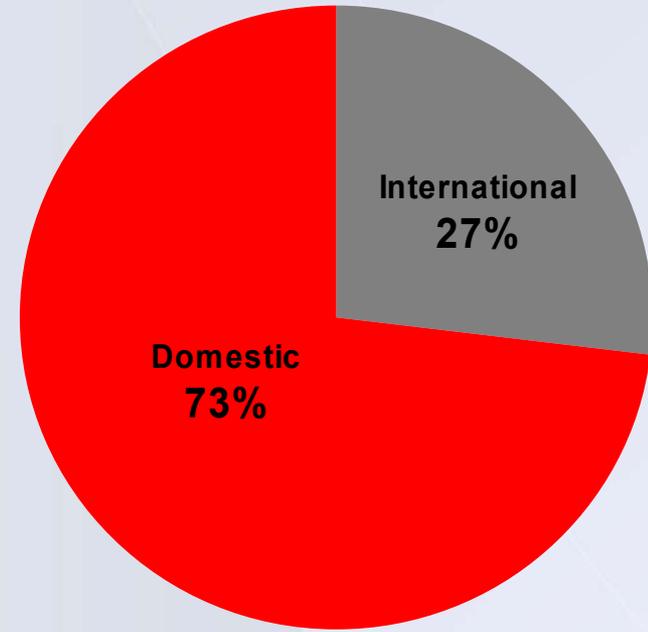


International Market Comprises 8% of Volume, but 27% of Spend

Percent of Visitor Volume
By Origin



Percent of Visitor Spending
By Origin

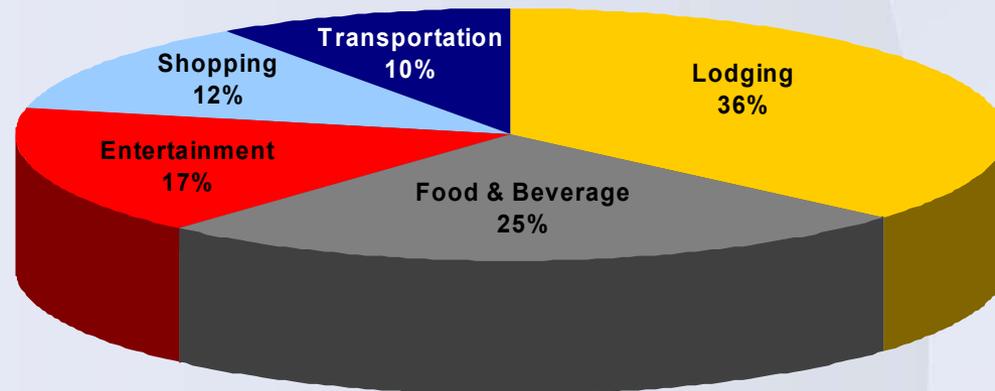


Lodging and Food & Beverage Lead Categories for Tourism Spending

2005 Visitor Spending
(in millions)

Expenditure Category	2005	2006	% Change
Lodging	1,817	1,906	5% ↑
Food & Beverage	1,304	1,326	2% ↑
Entertainment	833	873	5% ↑
Shopping	606	623	3% ↑
Transportation	489	516	6% ↑

Percent of 2006 Total Visitor Spending



Tourism Generated \$899 Million in Total Federal & Local Tax Revenue

Travel & Tourism: Tax Revenue (2006)

Local Tax Revenue (\$)	
Corporate Income	34,223,858
Personal Income	28,580,979
Social Security & Other Taxes	558,911
Hotel Tax	181,800,000
Property Taxes	147,818,306
Excise & Fees	19,476,025
Sales Tax	151,142,570
Restaurant	92,868,427
Retail	48,714,591
Airport	6,995,937
Car Rental	2,563,616
Local Total	563,600,649

Federal Tax Revenue (\$)	
Corporate Income	38,818,246
Personal Income	40,653,156
Excise & Fees	53,102,549
Social Security & Other Taxes	203,011,179
Federal Total	335,585,130

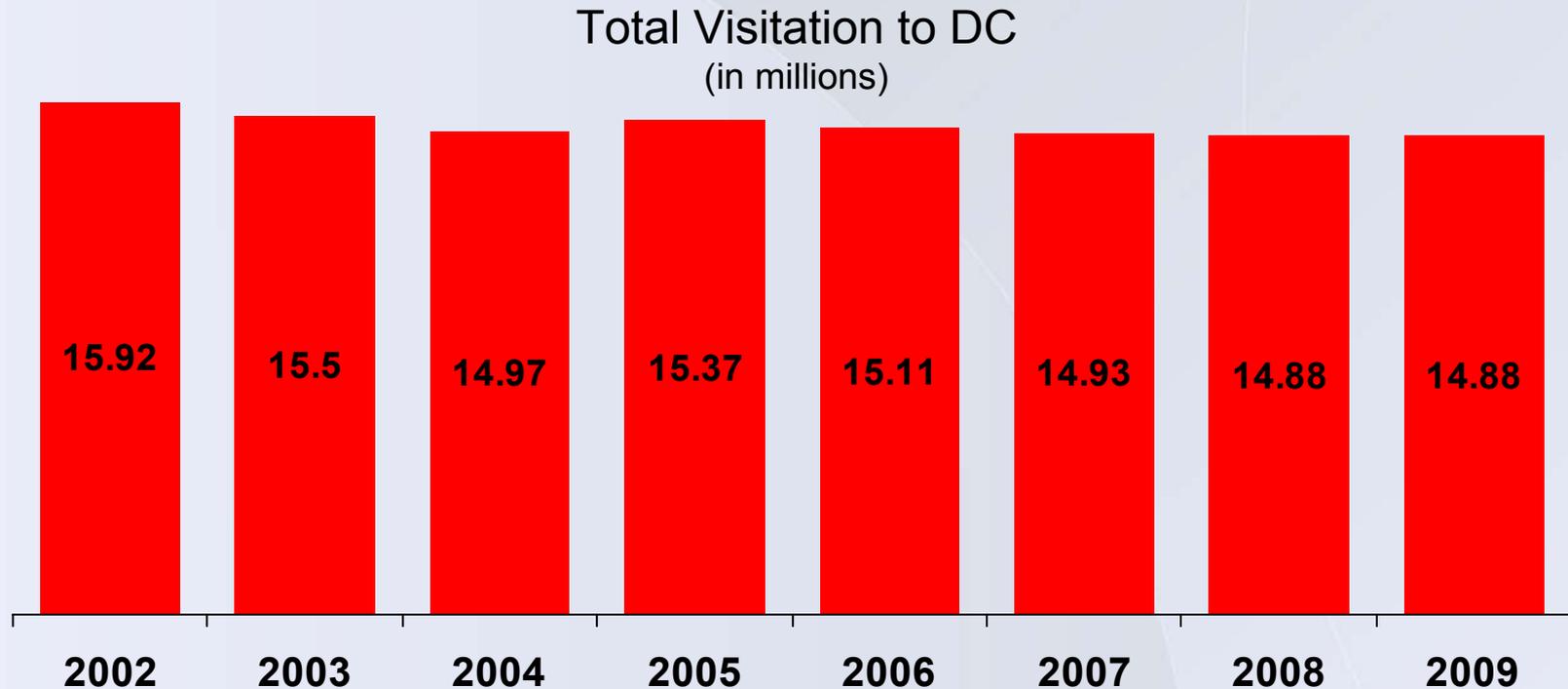
**Local + Federal Total =
\$ 899 million**

Additional Data About 2006

- ⊕ Travel expenditures in US reached \$700 billion (a 7% increase from 2005)
- ⊕ Total airline passengers increased 1%; international passengers increased 7%
- ⊕ US arrivals increased among travelers from Canada (8%), Mexico (6%), South Korea (8%), China (13%) – but decreased among travelers from UK (-4%), Japan (-5%), Germany (-2%) and France (-10%)
- ⊕ 51.1 total international visitors in 2006 and expected to increase to 61.4 million by 2011
- ⊕ US hotel occupancy flat from 2005; ADR increased 7% and RevPar increased 8%
- ⊕ 68 million online travel buyers (47% of adult Internet users)



Visitation Projected to Decline Slightly Through 2008



Why?...

- ✓ Slowing personal income growth, particularly in key DC feeder markets
- ✓ Return to trend after peak in leisure visitation in 2006
- ✓ Corporate profits & cash flow are slowing. Cost scrutiny is on the rise.
- ✓ Travel inflation (*ADRs, Airfare, Gasoline, etc.*) is exacting its toll
- ✓ Competitive destination inroads