

Minnesota Lodging Revenues Summer 2007 (June – August)

Preliminary Report

Prepared for:

Explore Minnesota Tourism
State of Minnesota



UNIVERSITY OF MINNESOTA



and

**Minnesota Arrowhead Association
Minnesota Heartland Tourism Association
Southern Minnesota Tourism Association
Metro Tourism Committee**

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1.0 INTRODUCTION

The purpose of this report is to summarize the lodging revenues, occupancy, and average daily rates for summer 2007 (June, July, and August) in Minnesota. To arrive at the estimated accommodations revenue, information was gathered from a sample of Minnesota's lodging industry.

For the summer season of 2007, a total of 684 interview attempts by telephone yielded 681 properties where a successful contact was made. While 23% of the properties contacted provided no information, 73% provided complete information and 4% provided partial information such as occupancy figures, but no average daily rate or vice versa.

This report is the first of three seasonal lodging revenue reports that will be incorporated into an annual economic impact report following the spring season of 2008. A similar series of traveler profile reports are also provided and precede each seasonal lodging revenue report by about a month.

At the end of the study, results provided in all of the seasonal reports will be combined with results for the spring season of 2008 and additional survey data collected to estimate state, regional, and county level economic impacts, as well as provide detailed state and regional visitor profile information balanced by region and season.

No information from public campgrounds, including state and national parks, was included in this report. Information from public campgrounds will be collected by Explore Minnesota Tourism at the end of the study period and incorporated into the final economic impact report. Also, state and local taxes were included in the lodging revenue estimates as well as the estimated average daily rates.

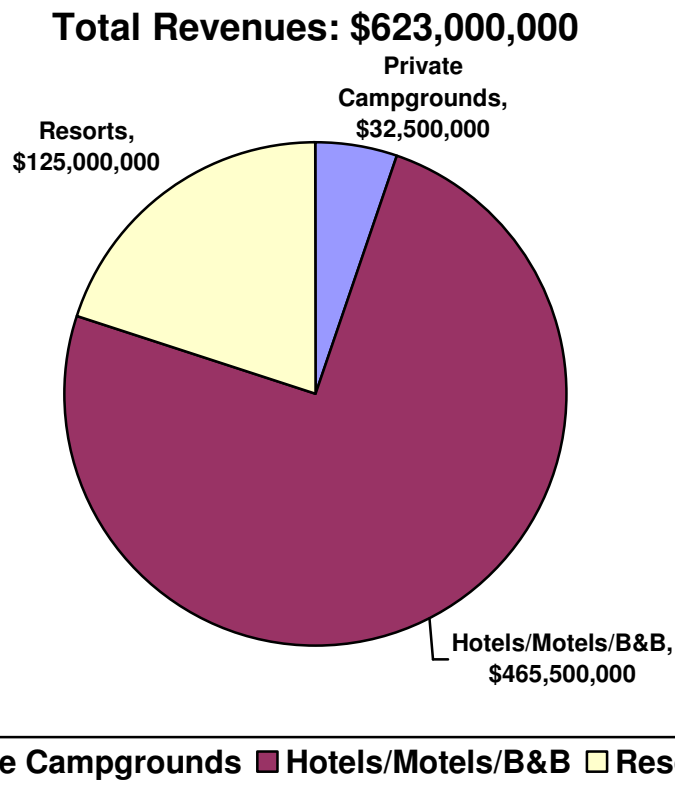
Finally, these estimates are for preliminary purposes only and should be viewed as a barometer of summer 2007. The estimates will change when all data has been collected for the year, including public campgrounds, and when we have added any new properties to the roster or removed properties no longer in business. These adjustments will be made at the end of spring 2008.

2.0 THE ESTIMATES

Lodging Revenues

Summer lodging revenues were estimated at \$623 million, excluding revenue from those in public campgrounds.

Most of the lodging revenues for the summer of 2007 were attributable to guests staying in hotels/motels/B&Bs. Of the \$623 million, 75% were from travelers staying in hotels/motels/B&Bs (\$466 million), while 20% were from travelers staying in resorts (\$125 million). Finally, 5% of lodging revenues were from travelers staying in private campgrounds (\$33 million).



Occupancy

The highest average occupancy reported in the summer season was from resorts at 80%, followed closely by hotels/motels/B&Bs (76%), and private campgrounds (56%).

Type	Available Room-nights	Occupied Room-nights	Occupancy
Resorts	833,450	664,872	80%
Hotels/Motels/B&Bs	5,841,115	4,443,465	76%
Private Campgrounds	2,337,511	1,317,193	56%

Average Daily Rates

The highest average daily rates in the summer season were reported by resorts (\$198.42) and hotels/motels/B&Bs (\$106.60). As expected, private campgrounds had the lowest average daily rates (\$25.05).

Type	Rate
Resorts	\$198.42
Hotels/Motels/B&Bs	\$106.60
Private Campgrounds	\$25.05

Caveats

As noted in the Introduction, the summer lodging estimates presented in this report should be considered preliminary, and will be updated in the final economic impact report covering June 2007 through May 2008. Also, the lodging estimates presented in this report should not be compared to those presented in the (preliminary) summer 2005 Minnesota Lodging Revenues report.

At the time that the summer 2005 Minnesota Lodging Revenues report was produced, there were a number of properties in the lodging database that had incomplete or inaccurate size information, or were later determined to be out of business. For private campgrounds in particular, these discrepancies led to an overstatement in the number of campground sites available and the resulting (preliminary) estimated revenue generated for the summer 2005 period.

During the course of the 2005–2006 study, Davidson-Peterson Associates attempted to contact all properties in the inventory database to, at a minimum, verify that the property was still in business and update the property size and open/close schedule accordingly. By the end of the 2005-2006 study, the lodging inventory update was complete, and therefore, the universe used to project lodging estimates for the 12-month study period was more accurate.