

Minnesota Lodging Revenues Fall 2007 (September – November)

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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February 2008

1.0 INTRODUCTION

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

For the fall season of 2007, a total of 664 lodging properties were selected to participate in the survey – all of which were successfully contacted to complete a telephone interview. While 31% of the properties contacted provided no information, 67% provided complete information and 2% provided partial information such as occupancy figures, but no average daily rate or vice versa.

This report is the second 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 fall 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.

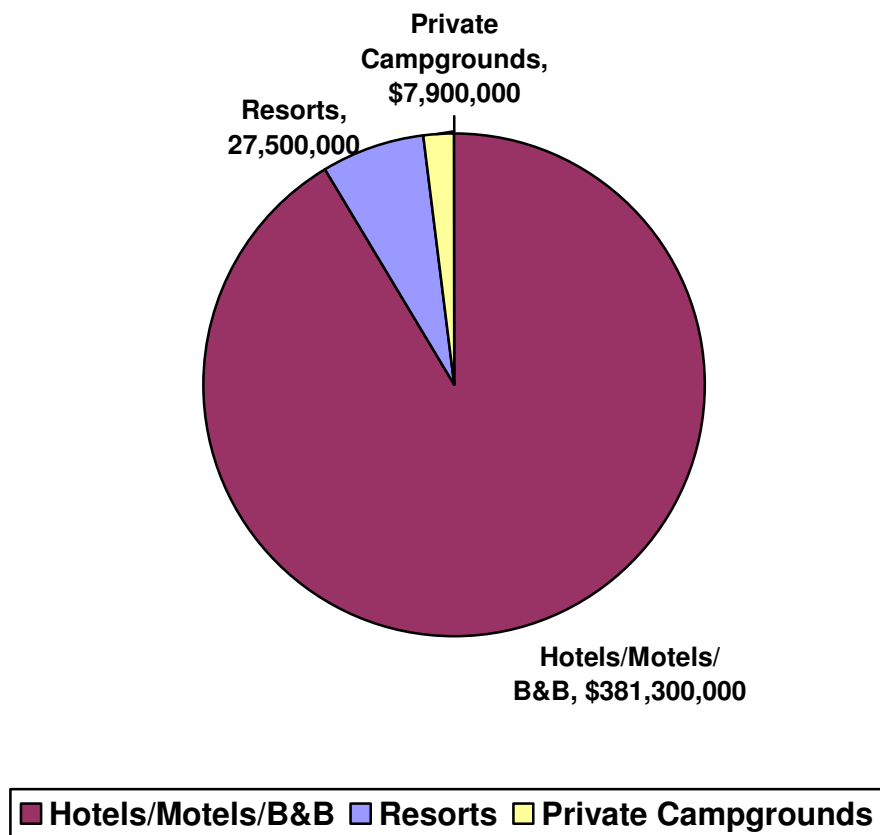
2.0 THE ESTIMATES

Lodging Revenues

Fall lodging revenues were estimated at \$417 million, excluding revenue from those in public campgrounds.

Most of the lodging revenues for the fall of 2007 were attributable to guests staying in hotels/motels/B&Bs. Of the \$417 million, 92% were from travelers staying in hotels/motels/B&Bs (\$381 million), while 7% were from travelers staying in resorts (\$28 million). Finally, 2% of lodging revenues were from travelers staying in private campgrounds (\$8 million).

Total Revenues: \$417,000,000



Occupancy

The highest average occupancy reported in the fall season was from hotels/motels/B&Bs at 64%. Occupancy was substantially lower at resorts (34%) and private campgrounds (30%).

Type	Available Room-nights	Occupied Room-nights	Occupancy
Hotels/Motels/B&Bs	5,830,883	3,738,310	64%
Resorts	574,583	197,370	34%
Private Campgrounds	1,114,308	338,375	30%

Average Daily Rates

The highest average daily rates in the fall season were reported by resorts (\$128.87) and hotels/motels/B&Bs (\$103.62). As expected, private campgrounds had the lowest average daily rates (\$22.12).

Type	Rate
Hotels/Motels/B&Bs	\$103.62
Resorts	\$128.87
Private Campgrounds	\$22.12

Caveats

As noted in the Introduction, the fall 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.

During the course of the 2007–2008 study, Davidson-Peterson Associates will attempt to contact all properties in the inventory database to, at a minimum, verify that the property is still in business and update the property size and open/close schedule accordingly. By the end of the 2007-2008 study, the lodging inventory update will be complete, and therefore, the universe used to project lodging estimates for the 12-month study period will be more accurate than that of the preliminary seasonal lodging revenue reports.

For the same reason, the lodging estimates presented in this report should not be compared to those presented in the (preliminary) fall 2005 Minnesota Lodging Revenues report – both represent only initial indicators for the time period reported.