

## Summer Travel Outlook

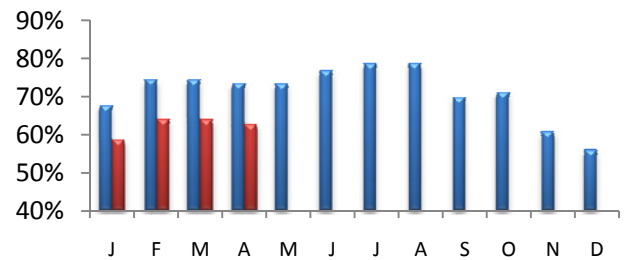
With summer just around the corner, forecasts for the summer travel season are mixed but there are encouraging signs that consumers intend to travel, albeit differently. Not surprisingly, the U.S. Travel Association is forecasting a 2.2% decline in domestic leisure travel this summer as compared to last year. The Air Transport Association is projecting a 7% decrease in air travel this summer. The expected decline in air travel could be an indicator that summer travel may be closer to home. For more details: <http://transportation.house.gov/hearings/hearingDetail.aspx?NewsID=907>

Despite these projections travelers still intend to travel this summer, according to the travel horizons survey conducted in April 2009. 54 percent of American households are planning to take at least one leisure trip in the summer months compared to 50 percent at the same time last year. While Americans are still watching their travel budgets and other discretionary spending, more than half (51 percent) of these leisure travelers expect to spend the same amount on their 2009 summer vacations. For the full story: <http://www.tia.org/pressmedia/pressrec.asp?Item=968>

Not only are travelers planning in advance, they are shopping more this year before making summer travel plans. According to TNS Media, the first quarter of 2009 online hotel shopper volumes surged to an all-time high of 24.5 million monthly shoppers, outpacing the seasonally-strong third quarters of 2008 and 2007. In Q1 2009, aggregate hotel shopping bounced back growing a healthy 13% from the previous year. Emeka Ajene of TNS Media says, "If travel sellers put together the right combination of price and product, consumer demand will be there to snap it up."

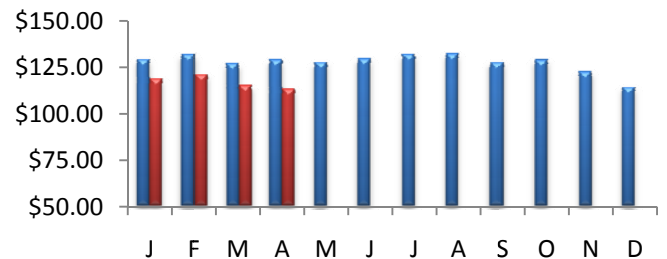
### Countywide Hotel Occupancy

April's occupancy measured 62.8%, a decrease of -14.6% from last April's mark of 73.5%. The average occupancy for the top 25 markets was down -11%. Overall, US occupancy was also down for the month -11.1%.



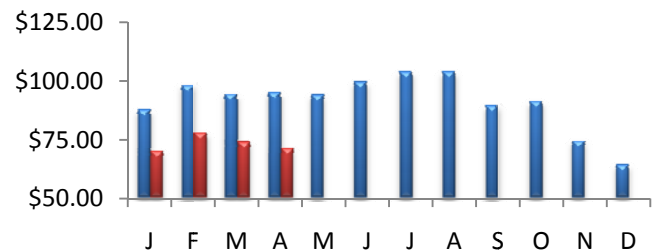
### Average Daily Room Rate (ADR)

In April, county ADR went down by -12.8% over 2008 to reach \$113.18. The monthly change in room rates in the top 25 markets was -12.7%. US rates were down -9.4% for the month.



### Revenue Per Available Room (RevPAR)

LA County RevPAR for the month of April was down -25.5% and finished the month at \$71.05. The RevPAR growth in the top 25 markets was down -22.3% for the month. The overall U.S RevPAR was down -19.5% for the month.



Legend:



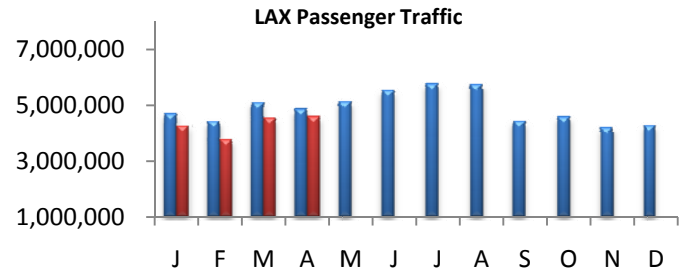
2008



2009

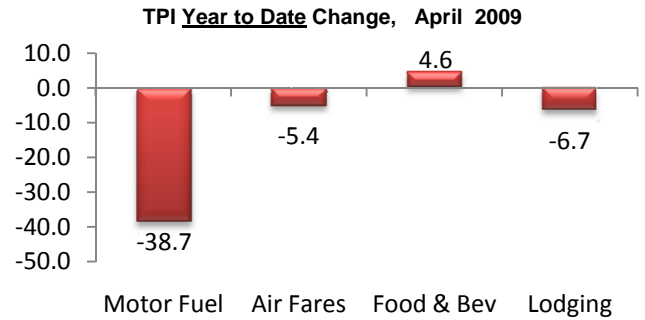
## Airport Passenger Traffic

4.6 million Passengers passed through the gates of LAX in April, a decrease of -6.2% vs. last year. The domestic traffic at LAX dropped by -4.5%, while international traffic dropped by -10.8%. Passenger traffic at LA Ontario International also dropped year over year by 23.5% in April. The domestic traffic at LA/ONT was down by -23.9%, while surprising, the international traffic was up +30% compare to last year.



## U.S. Travel Price Index

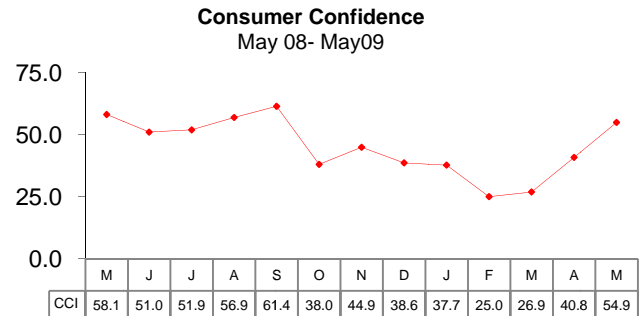
The TPI measured 8. percent lower in April than it did during the same month in 2008. Motor fuel prices were dropped down by -39.8% year over year, with airline fares dropped -9.2%. Food & beverage prices were up by 4.5% in April and lodging prices were down at -6.5%. The year-to-date changes (%) for four major tourism sectors are shown in the graph at the right.



## U.S. Consumer Confidence

There was a sharp increase in consumer confidence index for the month of May. According to conference board, the confidence index reached 54.9pts in May, gaining +14.1 pts compare to April's confidence index of 40.8 pts. So far, this is the highest level of consumer confidence index reported in past eight months.

Lynn Franco, Director of The Conference Board Consumer Research Center further elaborated, "Continued gains in the Present Situation Index indicate that current conditions have moderately improved, and growth in the second quarter is likely to be less negative than in the first. Looking ahead, consumers are considerably less pessimistic than they were earlier this year, and expectations are that business conditions, the labor market and incomes will improve in the coming months. While confidence is still weak by historical standards, as far as consumers are concerned, the worst is now behind us."



Legend:



2008



2009