

# October 2018 Monthly Lodging Report – (STR)

## Statewide

- NC hotel/motel **occupancy** increased 9.9% statewide in October 2018 from October 2017 (two-year change, +1.0%).
  - US **occupancy** increased 0.8% in October 2018 from October 2017 (two-year change, +2.2%).
  - South Atlantic states **occupancy** decreased 0.5% in October 2018 from October 2017 (two-year change, +1.3%).
- October 2018 **room rates (ADR)** in North Carolina were up 3.5% (two-year change, +6.0%).
  - **Room rates** in the US increased 2.7% from October 2017 (two-year change, +5.3%).
  - **Room rates** in the South Atlantic states increased 1.0% from October 2017 (two-year change, +5.1%)
- Statewide, **RevPAR** was up 13.7% from October of 2017 (two-year change, +7.0%).
  - US **RevPAR** increased 3.5% from October 2017 (two-year change, +7.6%).
  - South Atlantic **RevPAR** increased 0.6% from October 2016 (two-year change, +6.5%).
- **Room Supply** increased by 0.9% in the state from October 2017 to October 2018 (two-year change +3.4%).
  - US **room supply** increased 2.0% in October 2018 (two-year change, +3.7%).
  - South Atlantic **room supply** was up 2.2% from October 2017 to October 2018 (two-year change, +3.4%).
- **Room Demand** increased 10.9% in the state from October 2017 to October 2018 (two-year change +4.4%).
  - **Room demand** in the US increased 2.8% in October 2018 from October 2017 (two-year change, +6.0%).
  - **Room demand** in the South Atlantic increased 1.7% in October 2017 from October 2016 (two-year change, +4.8%).
- North Carolina **room revenues** increased 14.8% in October 2018 (two-year change +10.7%).
  - **Room revenues** in the US increased 5.6% from October 2017 to October 2018 (two-year change, +11.6%).
  - **Room revenues** in the South Atlantic increased 2.8% from October 2017 to October 2018 (two-year change, +10.1%).

## Regional

- Six of the regions posted gains in **occupancy** rates in October 2018 from 2017, particularly the regions most affected by Hurricane Florence. However, continued supply growth both regionally and statewide continue to affect occupancy. Two-year percent change can be found in parentheses.
  - Western Region -2.8% (-7.9%)      ○ Piedmont Triad Region +2.9% (-2.5%)      ○ Northeast Region +18.0% (+4.1%)
  - Northwest Region -3.5% (-7.5%)      ○ North Central Region +11.7% (+0.4%)      ○ Southeast Region +32.7% (+24.8%)
  - Southwest Region +5.6% (-1.1%)      ○ Sandhills Region +30.3% (+2.9%)
- Seven of the eight zones experienced increased **ADR** in October 2018 from October 2017, particularly in the Southeast and Sandhills regions. Two-year percent change can be found in parentheses.
  - Western Region +2.6% (+3.4%)      ○ Piedmont Triad Region -1.3% (+2.6%)      ○ Northeast Region +5.1% (+10.3%)
  - Northwest Region +2.0% (+0.7%)      ○ North Central Region +3.0% (+7.5%)      ○ Southeast Region +19.0% (+22.3%)
  - Southwest Region +3.8% (+3.7%)      ○ Sandhills Region +11.0% (+10.3%)
- **RevPAR** was up in six of the regions for October 2018 from October 2017, many of the increases presumed to be related to hurricane occupancy. Two-year percent changes can be found in parentheses.
  - Western Region -0.3% (-4.7%)      ○ Piedmont Triad Region +1.6% (+0.1%)      ○ Northeast Region +24.0% (+14.9%)
  - Northwest Region -1.6% (-6.9%)      ○ North Central Region +15.0% (+7.9%)      ○ Southeast Region +57.9% (+52.7%)
  - Southwest Region +9.7% (+2.6%)      ○ Sandhills Region +44.7% (+13.6%)
- **Room Supply** was up in six of the eight regions of the state in October 2018 from October 2017. Due to the hurricane, room inventory decreases in the Southeast Region were evident. Two-year percent changes can be found in parentheses.
  - Western Region +2.8% (+5.8%)      ○ Piedmont Triad Region +0.4% (+1.3%)      ○ Northeast Region +0.5% (+1.3%)
  - Northwest Region 0.0% (-1.7%)      ○ North Central Region +2.0% (+5.9%)      ○ Southeast Region -8.4% (-7.7%)
  - Southwest Region +3.5% (+7.7%)      ○ Sandhills Region +1.8% (+4.7%)
- **Room Demand** was up in six of the regions for October 2018 from 2017, with the Sandhills Region leading the state in demand growth with nearly thirty-three percent growth. It is presumed that the high increase is partially explained by evacuees from Hurricane Florence. The Southeast Region also had extremely high growth with nearly twenty-two percent. The two-year change for each region is shown in parentheses.
  - Western Region -0.1% (-2.5%)      ○ Piedmont Triad Region +3.3% (-1.2%)      ○ Northeast Region +18.7% (+5.5%)
  - Northwest Region -3.5% (-9.0%)      ○ North Central Region +14.0% (+6.3%)      ○ Southeast Region +21.6% (+15.2%)
  - Southwest Region +9.3% (+6.6%)      ○ Sandhills Region +32.7% (+7.8%)
- **Room Revenues** were up in seven of the prosperity zones of the state for October 2018 from 2017. The Sandhills, Southeast and Northeast regions had more than twenty percent growth, all presumed to have been affected by displaced persons from the hurricane. Two-year change shows positive revenue growth for each of the regions (in parentheses).
  - Western Region +2.4% (+0.8%)      ○ Piedmont Triad Region +2.0% (+1.3%)      ○ Northeast Region +24.7% (+16.4%)
  - Northwest Region -1.6% (-8.4%)      ○ North Central Region +17.3% (+14.2%)      ○ Southeast Region +44.7% (+40.9%)
  - Southwest Region +13.5% (+10.5%)      ○ Sandhills Region +47.4% (+18.9%)

# Year-To-Date (through October 2018) Lodging Report

## Statewide & Competitive State Comparison

- Hotel/motel **occupancy** is up 1.6% statewide YTD (through October) 2018 (two-year change, -0.2%).
  - The US **occupancy** is up 0.5% in 2018 from 2017 (two-year change, +1.4%).
  - The South Atlantic states **occupancy** is up 0.1% in 2018 from 2017 (two-year change, +1.2%).
- YTD **room rates (ADR)** in North Carolina are up 2.3% (two-year change, +5.2%).
  - The US **ADR** is up 2.6% in 2018 from 2017 (two-year change, +4.8%).
  - The South Atlantic states **ADR** is up 2.5% in 2018 from 2017 (two-year change, +5.2%).
- Statewide, **RevPAR** is up 3.9% year-to-date (two-year change +5.0%).
  - Nationally, **RevPAR** is also up 3.1% in 2018 from 2017 (two-year change, +6.3%).
  - The South Atlantic states **RevPAR** is up 2.6% in 2018 from 2017 (two-year change, +6.5%).
- **Room Supply** is up 2.2% in the state year-to-date (two-year change, +4.4%).
  - Nationally, **room supply** is also up 2.0% in 2018 from 2017 (two-year change, +4.1%).
  - The South Atlantic states **room supply** is up 1.7% in 2018 from 2017 (two-year change, +3.2%).
- **Room Demand** is up 3.9% in the state year-to-date (two-year change, +4.2%).
  - Nationally, **room demand** is also up 2.5% in 2018 from 2017 (two-year change, +5.6%).
  - The South Atlantic states **room demand** is up 1.8% in 2018 from 2017 (two-year change, +4.5%).
- North Carolina **room revenues** are up 6.2% year-to date (two-year change, +9.6%).
  - Nationally, **room revenues** are also up 5.2% in 2018 from 2017 (two-year change, +10.7%).
  - The South Atlantic states **room revenues** are up 4.4% in 2017 from 2016 (two-year change, +10.0%).

## Regional

- **Occupancy** is up year-to-date (through October) in seven of the eight regions. For the two-year period, occupancy is up in five regions (in parentheses).
  - Western Region -0.8% (-3.7%)      ○ Piedmont Triad Region +1.5% (+2.1%)      ○ Northeast Region +2.8% (+2.0%)
  - Northwest Region +2.7% (-1.5%)      ○ North Central Region +2.0% (+1.6%)      ○ Southeast Region +3.6% (+0.8%)
  - Southwest Region +0.8% (-3.0%)      ○ Sandhills Region +1.7% (+1.0%)
- **ADR** in each of the eight prosperity zones is up year-to-date through October.
  - Western Region +2.6% (+5.6%)      ○ Piedmont Triad Region +2.9% (+5.4%)      ○ Northeast Region +0.8% (+4.0%)
  - Northwest Region +1.6% (+1.9%)      ○ North Central Region +3.0% (+4.7%)      ○ Southeast Region +3.5% (+7.9%)
  - Southwest Region +1.0% (+4.7%)      ○ Sandhills Region +3.5% (+7.5%)
- **RevPAR** is up year-to-date in each of the eight prosperity zones of the state.
  - Western Region +1.8% (+1.6%)      ○ Piedmont Triad Region +4.4% (+7.6%)      ○ Northeast Region +3.7% (+6.1%)
  - Northwest Region +4.4% (+0.4%)      ○ North Central Region +5.1% (+6.4%)      ○ Southeast Region +7.2% (+8.7%)
  - Southwest Region +1.9% (+1.5%)      ○ Sandhills Region +5.3% (+8.6%)
- **Room Supply** is up in seven of the prosperity zones year-to-date through October, particularly in the Western Region. This region's supply of rooms, as well as that in the Southwest Region, has grown more than seven percent in two years.
  - Western Region +4.2% (+7.5%)      ○ Piedmont Triad Region +0.9% (+1.9%)      ○ Northeast Region +1.2% (+1.2%)
  - Northwest Region -0.3% (-0.1%)      ○ North Central Region +3.0% (+5.5%)      ○ Southeast Region +0.9% (+0.9%)
  - Southwest Region +2.9% (+7.1%)      ○ Sandhills Region +1.9% (+4.2%)
- **Room Demand** is up each of the prosperity zones of the state year-to-date through October. The North Central Region demand is up five percent, the Southeast Region demand is up nearly five percent, and demand in the Northeast Region is up four percent. For the two-year period, room demand is up in seven of the eight regions (in parentheses).
  - Western Region +3.4% (+3.5%)      ○ Piedmont Triad Region +2.5% (+4.1%)      ○ Northeast Region +4.0% (+3.2%)
  - Northwest Region +2.4% (-1.7%)      ○ North Central Region +5.1% (+7.2%)      ○ Southeast Region +4.5% (+1.7%)
  - Southwest Region +3.8% (+3.9%)      ○ Sandhills Region +3.7% (+5.3%)
- **Room Revenues** are up in each of the prosperity zones year-to-date through October. Revenues in the North Central and Southeast regions are up eight percent, followed by the Sandhills, Western and Piedmont Triad regions.
  - Western Region +6.1% (+9.3%)      ○ Piedmont Triad Region +5.4% (+9.7%)      ○ Northeast Region +4.9% (+7.3%)
  - Northwest Region +4.0% (+0.3%)      ○ North Central Region +8.2% (+12.3%)      ○ Southeast Region +8.2% (+9.7%)
  - Southwest Region +4.8% (+8.8%)      ○ Sandhills Region +7.3% (+13.2%)

## North Carolina Prosperity Zones

Western Region -	Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, Polk, Rutherford, Swain, Transylvania
Northwest Region -	Alleghany, Ashe, Alexander, Avery, Burke, Caldwell, Catawba, McDowell, Mitchell, Watauga, Wilkes, Yancey
Southwest -	Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, Union
Piedmont-Triad (Central) -	Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, Yadkin
North Central -	Chatham, Durham, Franklin, Granville, Harnett, Johnston, Lee, Orange, Person, Vance, Wake, Warren
Sandhills (South Central) -	Bladen, Columbus, Cumberland, Hoke, Montgomery, Moore, Richmond, Robeson, Sampson, Scotland
Northeast -	Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Edgecombe, Gates, Halifax, Hertford, Hyde, Martin, Nash, Northampton, Pasquotank, Perquimans, Pitt, Tyrrell, Washington, Wilson
Southeast -	Brunswick, Carteret, Craven, Duplin, Greene, Jones, Lenoir, New Hanover, Onslow, Pamlico, Pender, Wayne