

December 2018 Monthly Lodging Report – (Smith Travel Research)

Statewide

- NC hotel/motel **occupancy** increased 6.2% statewide in December 2018 from December 2017 (two-year change, +1.9%).
 - US **occupancy** increased 0.1% in December 2018 from December 2017 (two-year change, +2.4%).
 - South Atlantic states **occupancy** decreased 0.5% in December 2018 from December 2017 (two-year change, +1.7%).
- December 2018 **room rates (ADR)** in North Carolina were up 1.9% (two-year change, +5.7%).
 - **Room rates** in the US increased 1.8% from December 2017 (two-year change, +4.2%).
 - **Room rates** in the South Atlantic states increased 1.6% from December 2017 (two-year change, +7.6%)
- Statewide, **RevPAR** was up 8.1% from December of 2017 (two-year change, +7.7%).
 - US **RevPAR** increased 1.9% from December 2017 (two-year change, +6.7%).
 - South Atlantic **RevPAR** increased 1.1% from December 2016 (two-year change, +9.5%).
- **Room Supply** increased by 0.3% in the state from December 2017 to December 2018 (two-year change +3.3%).
 - US **room supply** increased 2.0% in December 2018 (two-year change, +3.7%).
 - South Atlantic **room supply** was up 2.1% from December 2017 to December 2018 (two-year change, +3.4%).
- **Room Demand** increased 6.5% in the state from December 2017 to December 2018 (two-year change +5.3%).
 - **Room demand** in the US increased 2.1% in December 2018 from December 2017 (two-year change, +6.1%).
 - **Room demand** in the South Atlantic increased 1.6% in December 2017 from December 2016 (two-year change, +5.1%).
- North Carolina **room revenues** increased 8.5% in December 2018 (two-year change +11.3%).
 - **Room revenues** in the US increased 3.9% from December 2017 to December 2018 (two-year change, +10.6%).
 - **Room revenues** in the South Atlantic increased 3.2% from December 2017 to December 2018 (two-year change, +13.2%).

Regional

- Six of the regions posted gains in **occupancy** rates in December 2018 from 2017. The Southeast Region continues to have extremely high occupancy growth, presumably as a result of Hurricane Florence recovery efforts. Continued supply growth continues to affect occupancy both regionally and statewide. Two-year percent change can be found in parentheses.
 - Western Region -3.8% (-0.8%) ○ Piedmont Triad Region +11.0% (+9.6%) ○ Northeast Region +4.3% (-7.2%)
 - Northwest Region +5.3% (+7.0%) ○ North Central Region +5.1% (-0.7%) ○ Southeast Region +44.6% (+29.4%)
 - Southwest Region -1.5% (-0.6%) ○ Sandhills Region +7.6% (-13.3%)
- Six of the eight zones experienced increased **ADR** in December 2018 from December 2017, particularly in the Southeast, Sandhills and Piedmont Triad regions. Two-year percent change can be found in parentheses.
 - Western Region 0.0% (+4.0%) ○ Piedmont Triad Region +5.7% (+8.7%) ○ Northeast Region +3.9% (+4.5%)
 - Northwest Region +1.3% (+2.9%) ○ North Central Region +2.4% (+4.5%) ○ Southeast Region +16.9% (+17.4%)
 - Southwest Region -0.7% (+3.4%) ○ Sandhills Region +6.6% (+4.1%)
- **RevPAR** was up in six of the regions for December 2018 from December 2017, some of the increases presumed to be related to hurricane occupancy. Two-year percent changes can be found in parentheses.
 - Western Region -3.8% (+3.2%) ○ Piedmont Triad Region +17.3% (+19.1%) ○ Northeast Region +8.4% (-3.0%)
 - Northwest Region +6.6% (+10.1%) ○ North Central Region +7.6% (+3.7%) ○ Southeast Region +69.1% (+51.9%)
 - Southwest Region -2.2% (+2.8%) ○ Sandhills Region +14.6% (-9.8%)
- **Room Supply** was up in six of the eight regions of the state in December 2018 from December 2017. Due to the hurricane, room inventory decreases in the Southeast Region were evident, but supply continues to growth at a steady pace in most of the other regions. Two-year percent changes can be found in parentheses.
 - Western Region +1.6% (+6.7%) ○ Piedmont Triad Region +0.7% (+1.5%) ○ Northeast Region +0.1% (+0.9%)
 - Northwest Region 0.0% (-0.6%) ○ North Central Region +1.4% (+6.5%) ○ Southeast Region -11.4% (-9.2%)
 - Southwest Region +2.7% (+6.6%) ○ Sandhills Region +3.1% (+4.2%)
- **Room Demand** was up in seven of the regions for December 2018 from 2017, with the Southeast Region leading the state in demand growth with twenty-eight percent growth. It is presumed that the high increase is partially explained by recovery efforts from Hurricane Florence. The two-year change for each region is shown in parentheses.
 - Western Region -2.2% (+5.9%) ○ Piedmont Triad Region +11.7% (+11.3%) ○ Northeast Region +4.4% (-6.4%)
 - Northwest Region +5.2% (+6.3%) ○ North Central Region +6.6% (+5.7%) ○ Southeast Region +28.2% (+17.4%)
 - Southwest Region +1.1% (+6.0%) ○ Sandhills Region +10.9% (-9.7%)
- **Room Revenues** were up in seven of the prosperity zones of the state for December 2018 from 2017. The Southeast Region had nearly fifty percent growth from last year, presumably much from hurricane recovery efforts. The Piedmont and Sandhills regions also had substantial revenue growth with more than eighteen percent growth each. Two-year change shows positive revenue growth for each of the regions (in parentheses).
 - Western Region -2.3% (+10.1%) ○ Piedmont Triad Region +18.1% (+21.0%) ○ Northeast Region +8.5% (-2.2%)
 - Northwest Region +6.6% (+9.4%) ○ North Central Region +9.1% (+10.4%) ○ Southeast Region +49.9% (+37.9%)
 - Southwest Region +0.4% (+9.5%) ○ Sandhills Region +18.2% (-6.0%)

Year-To-Date (through December 2018) Lodging Report

Statewide & Competitive State Comparison

- Hotel/motel **occupancy** is up 2.4% statewide YTD (through December) 2018 (two-year change, 0.0%).
 - The US **occupancy** is up 0.5% in 2018 from 2017 (two-year change, +1.5%).
 - The South Atlantic states **occupancy** is up 0.1% in 2018 from 2017 (two-year change, +1.3%).
- YTD **room rates (ADR)** in North Carolina are up 2.4% (two-year change, +5.4%).
 - The US **ADR** is up 2.4% in 2018 from 2017 (two-year change, +4.7%).
 - The South Atlantic states **ADR** is up 2.3% in 2018 from 2017 (two-year change, +5.4%).
- Statewide, **RevPAR** is up 4.9% year-to-date (two-year change +5.5%).
 - Nationally, **RevPAR** is up 2.9% in 2018 from 2017 (two-year change, +6.3%).
 - The South Atlantic states **RevPAR** is up 2.4% in 2018 from 2017 (two-year change, +6.7%).
- **Room Supply** is up 2.0% in the state year-to-date (two-year change, +4.2%).
 - 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 1.8% in 2018 from 2017 (two-year change, +3.3%).
- **Room Demand** is up 4.5% in the state year-to-date (two-year change, +4.3%).
 - Nationally, **room demand** is up 2.5% in 2018 from 2017 (two-year change, +5.7%).
 - The South Atlantic states **room demand** is up 1.8% in 2018 from 2017 (two-year change, +4.6%).
- North Carolina **room revenues** are up 7.0% year-to date (two-year change, +9.9%).
 - Nationally, **room revenues** are up 5.0% in 2018 from 2017 (two-year change, +10.6%).
 - The South Atlantic states **room revenues** are up 4.2% in 2017 from 2016 (two-year change, +10.2%).

Regional

- **Occupancy** is up year-to-date (through December) in seven of the eight regions. For the two-year period, occupancy is up in four regions (in parentheses).
 - Western Region -0.9% (-3.7%)
 - Piedmont Triad Region +2.4% (+2.9%)
 - Northeast Region +3.5% (+0.7%)
 - Northwest Region +2.9% (-1.5%)
 - North Central Region +2.7% (+1.4%)
 - Southeast Region +8.6% (+4.5%)
 - Southwest Region +0.7% (-2.7%)
 - Sandhills Region +3.0% (-1.0%)
- **ADR** in each of the eight prosperity zones is up year-to-date through December.
 - Western Region +2.5% (+5.8%)
 - Piedmont Triad Region +3.3% (+5.9%)
 - Northeast Region +1.2% (+4.3%)
 - Northwest Region +1.7% (+2.0%)
 - North Central Region +3.0% (+4.8%)
 - Southeast Region +4.9% (+9.1%)
 - Southwest Region +0.9% (+4.4%)
 - Sandhills Region +4.0% (+7.4%)
- **RevPAR** is up year-to-date in each of the eight prosperity zones of the state.
 - Western Region +1.5% (+1.9%)
 - Piedmont Triad Region +5.8% (+9.0%)
 - Northeast Region +4.7% (+5.0%)
 - Northwest Region +4.6% (+0.4%)
 - North Central Region +5.8% (+6.3%)
 - Southeast Region +14.0% (+13.9%)
 - Southwest Region +1.6% (+1.6%)
 - Sandhills Region +7.1% (+6.3%)
- **Room Supply** is up in six of the prosperity zones year-to-date through December, 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 +3.8% (+7.4%)
 - Piedmont Triad Region +0.9% (+1.8%)
 - Northeast Region +1.0% (+1.1%)
 - Northwest Region -0.3% (-0.3%)
 - North Central Region +2.9% (+5.6%)
 - Southeast Region -1.1% (-0.9%)
 - Southwest Region +2.9% (+7.1%)
 - Sandhills Region +2.3% (+4.5%)
- **Room Demand** is up each of the prosperity zones of the state year-to-date through December. The Southeast Region demand is up more than seven percent, the North Central Region demand is up more than five percent, and demand in the Sandhills Region is up more than five percent. For the two-year period, room demand is up in seven of the eight regions (in parentheses).
 - Western Region +2.9% (+3.4%)
 - Piedmont Triad Region +3.4% (+4.8%)
 - Northeast Region +4.5% (+1.7%)
 - Northwest Region +2.6% (-1.8%)
 - North Central Region +5.6% (+7.2%)
 - Southeast Region +7.5% (+3.6%)
 - Southwest Region +3.5% (+4.3%)
 - Sandhills Region +5.4% (+3.4%)
- **Room Revenues** are up in each of the prosperity zones year-to-date through December. Revenues in the Southeast Region are up nearly thirteen percent, while revenues in the Sandhills Region are up nearly ten percent.
 - Western Region +5.7% (+9.4%)
 - Piedmont Triad Region +6.8% (+11.0%)
 - Northeast Region +5.7% (+6.1%)
 - Northwest Region +4.4% (+0.1%)
 - North Central Region +8.9% (+12.3%)
 - Southeast Region +12.8% (+13.0%)
 - Southwest Region +4.5% (+8.9%)
 - Sandhills Region +9.6% (+11.1%)

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