

# October 2019 Monthly Lodging Report (Smith Travel Research)

## Statewide

- NC hotel/motel **occupancy** decreased 7.2% October in October 2019 from October 2018 (two-year change, +2.2%)
  - US **occupancy** was down 0.8% in October 2019 from October 2018 (two-year change, -0.2%).
  - South Atlantic states **occupancy** decreased 2.5% in October 2019 from October 2018 (two-year change, -2.9%).
- October 2019 **room rates (ADR)** in North Carolina were up 0.2% (two-year change, +3.7%).
  - **Room rates** in the US decreased 0.5% from October 2018 (two-year change, +2.3%).
  - **Room rates** in the South Atlantic states increased 1.1% from October 2018 (two-year change, +2.2%)
- Statewide, **RevPAR** was down 7.0% from October of 2018 (two-year change, +5.9%).
  - US **RevPAR** decreased 1.2% from October 2018 (two-year change, +2.1%).
  - South Atlantic **RevPAR** decreased 1.4% from October 2018 (two-year change, -0.8%).
- **Room Supply** increased by 2.1% in the state from October 2018 to October 2019 (two-year change +2.9%).
  - US **room supply** increased 2.1% in October 2019 (two-year change, +4.1%).
  - South Atlantic **room supply** was up 2.2% from October 2018 to October 2019 (two-year change, +4.0%).
- **Room Demand** decreased 5.3% in the state from October 2018 to October 2019 (two-year change +5.2%).
  - **Room demand** in the US increased 1.3% in October 2019 from October 2018 (two-year change, +3.9%).
  - **Room demand** in the South Atlantic decreased 0.3% in October 2019 from October 2018 (two-year change, +1.0%).
- North Carolina **room revenues** decreased 5.1% in October 2019 (two-year change +9.0%).
  - **Room revenues** in the US increased 0.8% from October 2018 to October 2019 (two-year change, 6.3%).
  - **Room revenues** in the South Atlantic increased 0.8% from October 2018 to October 2019 (two-year change, +3.2%).

## Regional

- Only the Western Region posted gains in **occupancy** rates in October 2019 from 2018. The decreases in the other regions, and the high decreases in the Southeast and Sandhills regions, can be linked to the impact of hurricanes the last several years.
  - Western Region +2.5% (-0.3%)      ○ Piedmont Triad Region -3.1% (-0.2%)      ○ Northeast Region -10.8% (+5.5%)
  - Northwest Region -0.4% (-3.9%)      ○ North Central Region -4.5% (+6.8%)      ○ Southeast Region -17.9% (+10.7%)
  - Southwest Region -6.9% (-1.8%)      ○ Sandhills Region -23.2% (+0.4%)
- Five of the eight zones experienced increased **ADR** in October 2019 from October 2018. The Piedmont Triad Region led the state in ADR growth in October with nearly three percent growth. Two-year percent change can be found in parentheses.
  - Western Region +1.4% (+3.7%)      ○ Piedmont Triad Region +2.8% (+1.5%)      ○ Northeast Region -2.1% (+2.6%)
  - Northwest Region +0.6% (+2.6%)      ○ North Central Region +1.6% (+4.6%)      ○ Southeast Region -5.7% (+12.0%)
  - Southwest Region -3.2% (+0.8%)      ○ Sandhills Region +1.3% (+12.5%)
- **RevPAR** was up in two of the regions in October 2019 from October 2018. Large RevPAR decreases in the Southeast and Sandhills regions are a result of occupancy changes due to storm impacts.
  - Western Region +4.0% (+3.4%)      ○ Piedmont Triad Region -0.4% (+1.3%)      ○ Northeast Region -12.7% (+8.2%)
  - Northwest Region +0.2% (-1.4%)      ○ North Central Region -3.0% (+11.7%)      ○ Southeast Region -22.6% (+24.1%)
  - Southwest Region -10.0% (-1.1%)      ○ Sandhills Region -22.2% (+12.9%)
- **Room Supply** was up in each of the eight regions of the state in October 2019 from October 2018, particularly in the Sandhills, Southwest and Piedmont Triad regions with more than two percent growth. While the Southeast Region is up six percent from last October, this is due to rooms being lost as a result of Hurricane Florence in September of 2018. Supply in this region is still down more than four percent from before the hurricane.
  - Western Region +0.5% (+3.2%)      ○ Piedmont Triad Region +2.2% (+2.6%)      ○ Northeast Region +1.5% (+2.0%)
  - Northwest Region +1.2% (+1.2%)      ○ North Central Region +1.0% (+3.0%)      ○ Southeast Region +6.0% (-4.4%)
  - Southwest Region +2.4% (+6.1%)      ○ Sandhills Region +2.6% (+4.8%)
- **Room Demand** was up in only the Western and Northwest regions in October 2019 from 2018. The Sandhills Region demand was down more than twenty percent in October. However, this is a result of high demand in both 2017 and 2018 with hurricane evacuees. As with occupancy, most regions were down as a result of the increase in demand in 2018 due to evacuees from the hurricanes. The two-year change for each region is shown in parentheses.
  - Western Region +3.1% (+2.9%)      ○ Piedmont Triad Region -1.0% (+2.3%)      ○ Northeast Region -9.5% (+7.6%)
  - Northwest Region +0.8% (-2.8%)      ○ North Central Region -3.6% (+10.0%)      ○ Southeast Region -13.0% (+5.9%)
  - Southwest Region -4.7% (+4.2%)      ○ Sandhills Region -21.2% (+5.2%)
- **Room Revenues** were up in three of the prosperity zones of the state for October 2019 from 2018, with the Western Region posting more than four percent growth from last October.
  - Western Region +4.5% (+6.7%)      ○ Piedmont Triad Region +1.8% (+3.9%)      ○ Northeast Region -11.4% (+10.4%)
  - Northwest Region +1.4% (-0.2%)      ○ North Central Region -2.1% (+15.1%)      ○ Southeast Region -18.0% (+18.6%)
  - Southwest Region -7.8% (+4.9%)      ○ Sandhills Region -20.1% (+18.4%)

# Year-To-Date (through October 2019) Lodging Report

## Statewide & Competitive State Comparison

- Hotel/motel **occupancy** is up 2.2% statewide YTD (through October) 2019 (two-year change, +4.0%).
  - The US **occupancy** is down 0.1% in 2019 from 2018 (two-year change, +0.5%).
  - The South Atlantic states **occupancy** is down 0.4% in 2019 from 2018 (two-year change, -0.4%).
- YTD **room rates (ADR)** in North Carolina are up 2.1% (two-year change, +4.5%).
  - The US **ADR** is up 0.9% in 2019 from 2018 (two-year change, +3.5%).
  - The South Atlantic states **ADR** is up 1.5% in 2019 from 2018 (two-year change, +4.0%).
- Statewide, **RevPAR** is up 4.4% year-to-date (two-year change +8.6%).
  - Nationally, **RevPAR** is also up 0.8% in 2019 from 2018 (two-year change, +3.9%).
  - The South Atlantic states **RevPAR** is up 1.1% in 2019 from 2018 (two-year change, +3.8%).
- **Room Supply** is up 0.7% in the state year-to-date (two-year change, +2.9%).
  - Nationally, **room supply** is also up 2.0% in 2019 from 2018 (two-year change, +3.5%).
  - The South Atlantic states **room supply** is up 2.0% in 2019 from 2018 (two-year change, +3.4%).
- **Room Demand** is up 2.9% in the state year-to-date (two-year change, +7.0%).
  - Nationally, **room demand** is also up 1.9% in 2019 from 2018 (two-year change, +3.9%).
  - The South Atlantic states **room demand** is up 1.5% in 2019 from 2018 (two-year change, +3.0%).
- North Carolina **room revenues** are up 5.1% year-to date (two-year change, +11.8%).
  - Nationally, **room revenues** are also up 2.8% in 2019 from 2018 (two-year change, +7.5%).
  - The South Atlantic states **room revenues** are up 3.1% in 2019 from 2018 (two-year change, +7.2%).

## Regional

- **Occupancy** is up year-to-date in six of the eight regions (through October). The Southeast Region still has large growth in occupancy due primarily to supply decreases due to the hurricane last fall. For the two-year period, occupancy is up in seven regions (in parentheses).
  - Western Region +2.1% (+1.5%)      ○ Piedmont Triad Region +2.4% (+4.0%)      ○ Northeast Region +1.0% (+3.8%)
  - Northwest Region -0.8% (+1.9%)      ○ North Central Region +3.7% (+5.8%)      ○ Southeast Region +13.0% (+17.2%)
  - Southwest Region -1.9% (-1.0%)      ○ Sandhills Region +1.1% (+2.9%)
- **ADR** in seven of the eight prosperity zones is up year-to-date through October. The Southeast Region ADR is up more than six percent year-to-date through October.
  - Western Region -0.9% (+2.0%)      ○ Piedmont Triad Region +1.9% (+4.8%)      ○ Northeast Region +2.3% (+3.2%)
  - Northwest Region +2.6% (+4.4%)      ○ North Central Region +2.5% (+5.6%)      ○ Southeast Region +6.6% (+10.4%)
  - Southwest Region +1.3% (+2.4%)      ○ Sandhills Region +4.3% (+8.0%)
- **RevPAR** is up year-to-date in seven of the eight prosperity zones of the state.
  - Western Region +1.3% (+3.5%)      ○ Piedmont Triad Region +4.3% (+9.0%)      ○ Northeast Region +3.3% (+7.1%)
  - Northwest Region +1.8% (+6.3%)      ○ North Central Region +6.3% (+11.7%)      ○ Southeast Region +20.5% (+29.4%)
  - Southwest Region -0.7% (+1.4%)      ○ Sandhills Region +5.4% (+11.2%)
- **Room Supply** is up in six of the prosperity zones year-to-date through October, particularly in the Southwest Region. The Southwest Region room supply is up nearly six percent over the last two years.
  - Western Region -0.1% (+4.0%)      ○ Piedmont Triad Region +1.5% (+2.5%)      ○ Northeast Region +0.5% (+1.7%)
  - Northwest Region +1.0% (+0.7%)      ○ North Central Region +1.3% (+4.4%)      ○ Southeast Region -6.9% (-6.2%)
  - Southwest Region +2.9% (+5.9%)      ○ Sandhills Region +1.9% (+4.2%)
- **Room Demand** is up each of the prosperity zones of the state year-to-date through October. The Southeast Region demand is up five percent, in part due to hurricane recovery efforts. The North Central Region demand is also up more than five percent.
  - Western Region +2.0% (+5.6%)      ○ Piedmont Triad Region +3.9% (+6.5%)      ○ Northeast Region +1.5% (+5.5%)
  - Northwest Region +0.2% (+2.6%)      ○ North Central Region +5.1% (+10.5%)      ○ Southeast Region +5.2% (+10.0%)
  - Southwest Region +0.9% (+4.9%)      ○ Sandhills Region +3.0% (+7.3%)
- **Room Revenues** are up in each of the prosperity zones year-to-date through October. Revenues in the Southeast Region are up twelve percent, followed by the North Central, Sandhills and Piedmont Triad regions.
  - Western Region +1.2% (+7.7%)      ○ Piedmont Triad Region +5.9% (+11.7%)      ○ Northeast Region +3.8% (+8.9%)
  - Northwest Region +2.8% (+7.0%)      ○ North Central Region +7.8% (+16.7%)      ○ Southeast Region +12.1% (+21.4%)
  - Southwest Region +2.2% (+7.3%)      ○ Sandhills Region +7.5% (+15.8%)

## 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