

2020 North Carolina Lodging Report

A Publication of Visit North Carolina

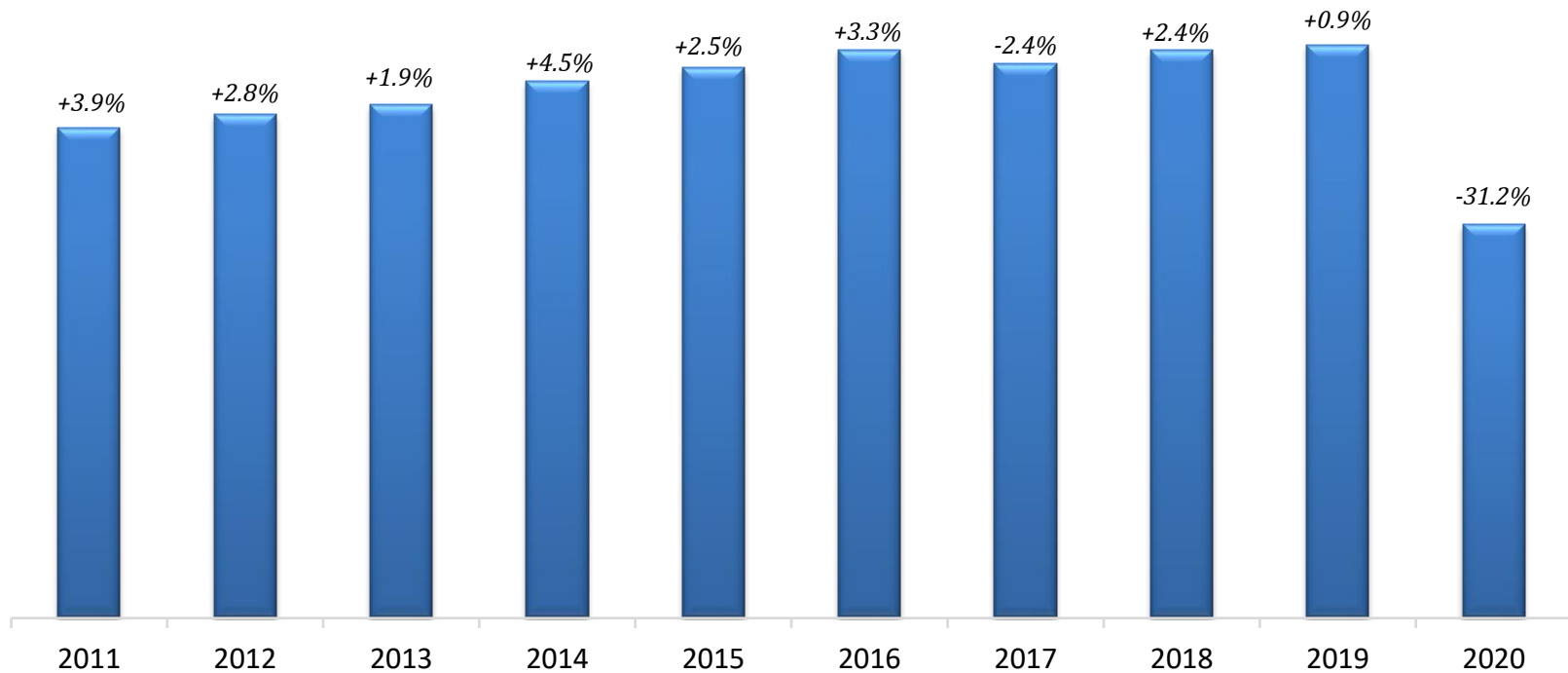


2020 North Carolina Lodging Report

- This report provides trend data on commercial lodging properties in North Carolina using proprietary data through contract with STR.
- While the data presented does not represent total lodging in the state, it is estimated that commercial lodging revenues represent approximately 72 percent of taxable lodging sales statewide. Individual regions proportion of commercial to total may differ.
- Regional data provided represents the NC Department of Commerce prosperity zones.
- See page 27 for STR methodology.

- Year-end 2020 hotel/motel **occupancy** (45.0) was down 31.2% statewide from 2019.

Occupancy in North Carolina 2011-2020

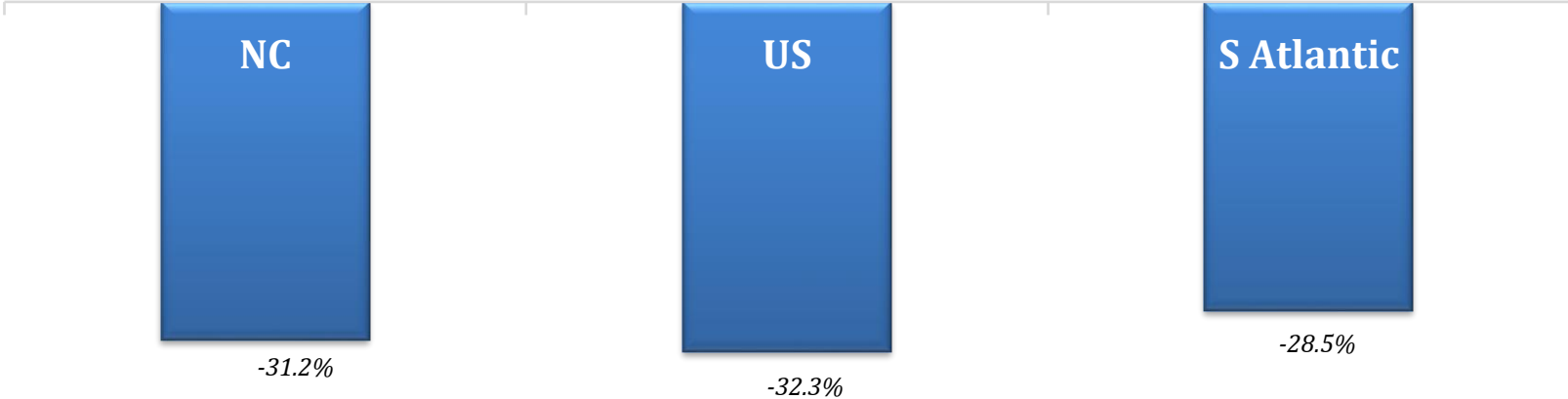


STR, 2021

**Occupancy – Rooms sold divided by rooms available.*

- From 2019 to 2020, U.S. **occupancy** was down slightly more than North Carolina or the South Atlantic region.

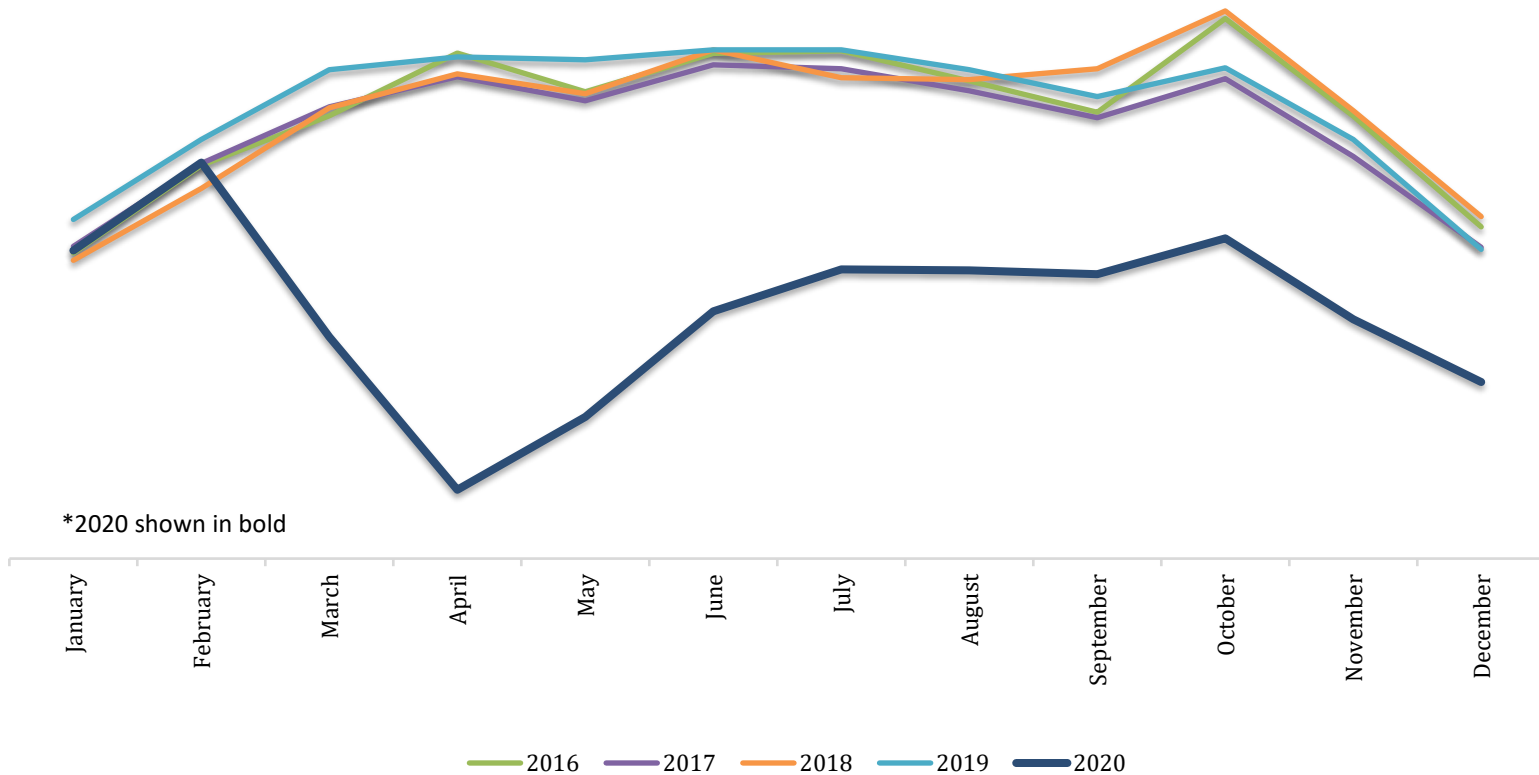
**North Carolina Occupancy
Compared to US and South Atlantic Region
2019-2020**



STR, 2021
**Occupancy – Rooms sold divided by rooms available.*

- In 2020, October showed the highest pandemic hotel/motel **occupancy** with 52 percent occupancy, down 25 percent from October of 2019 and less than pre-pandemic 60 percent occupancy in February 2020.

Monthly Occupancy in North Carolina 2016-2020



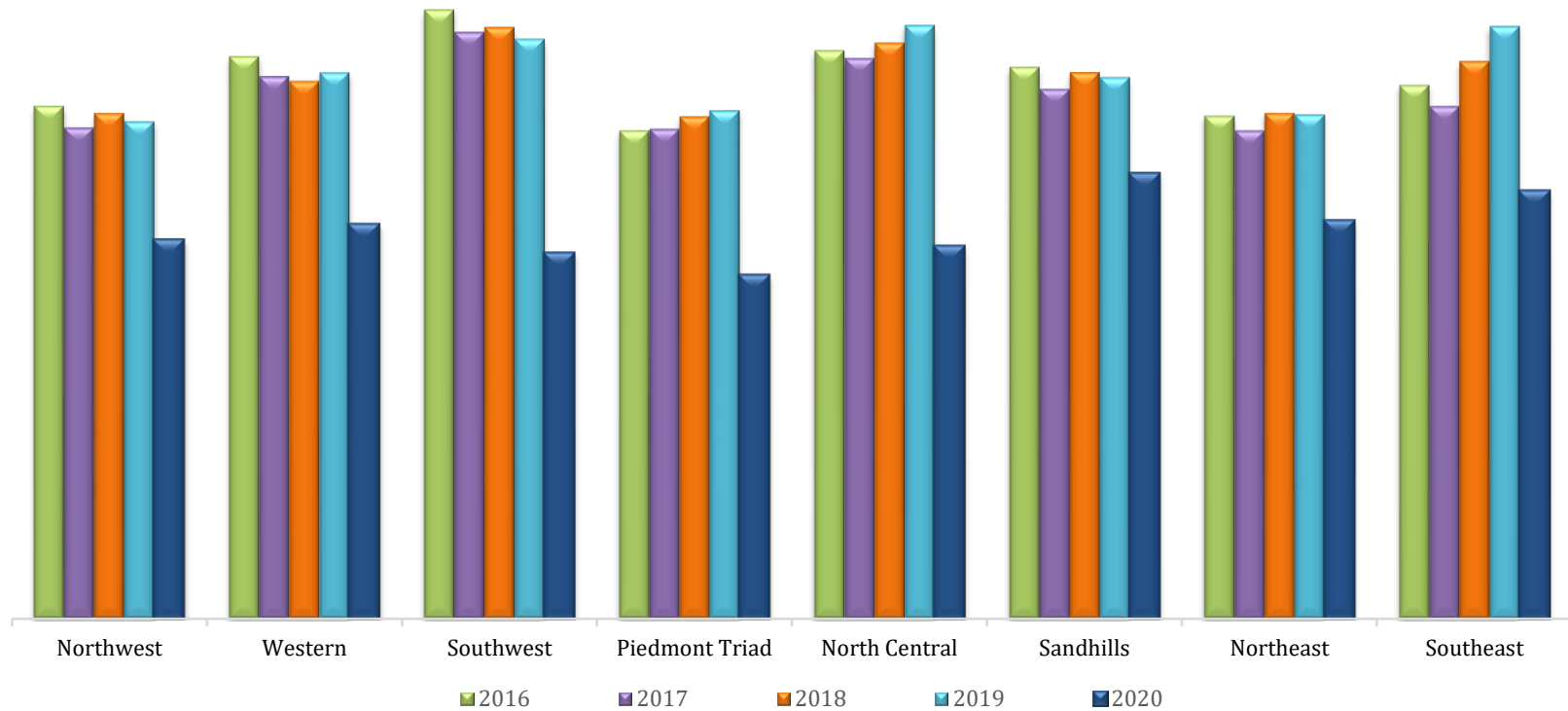
*2020 shown in bold

STR, 2021

*Occupancy – Rooms sold divided by rooms available.

- Regionally, the Sandhills Region had the smallest occupancy decrease of the regions at 18 percent, followed by the Northeast Region with a 21 percent decrease. The Southwest Region (including Charlotte) had the largest decrease in occupancy from 2019 to 2020 with a nearly 37 percent decrease.

Regional Occupancy in North Carolina 2016-2020



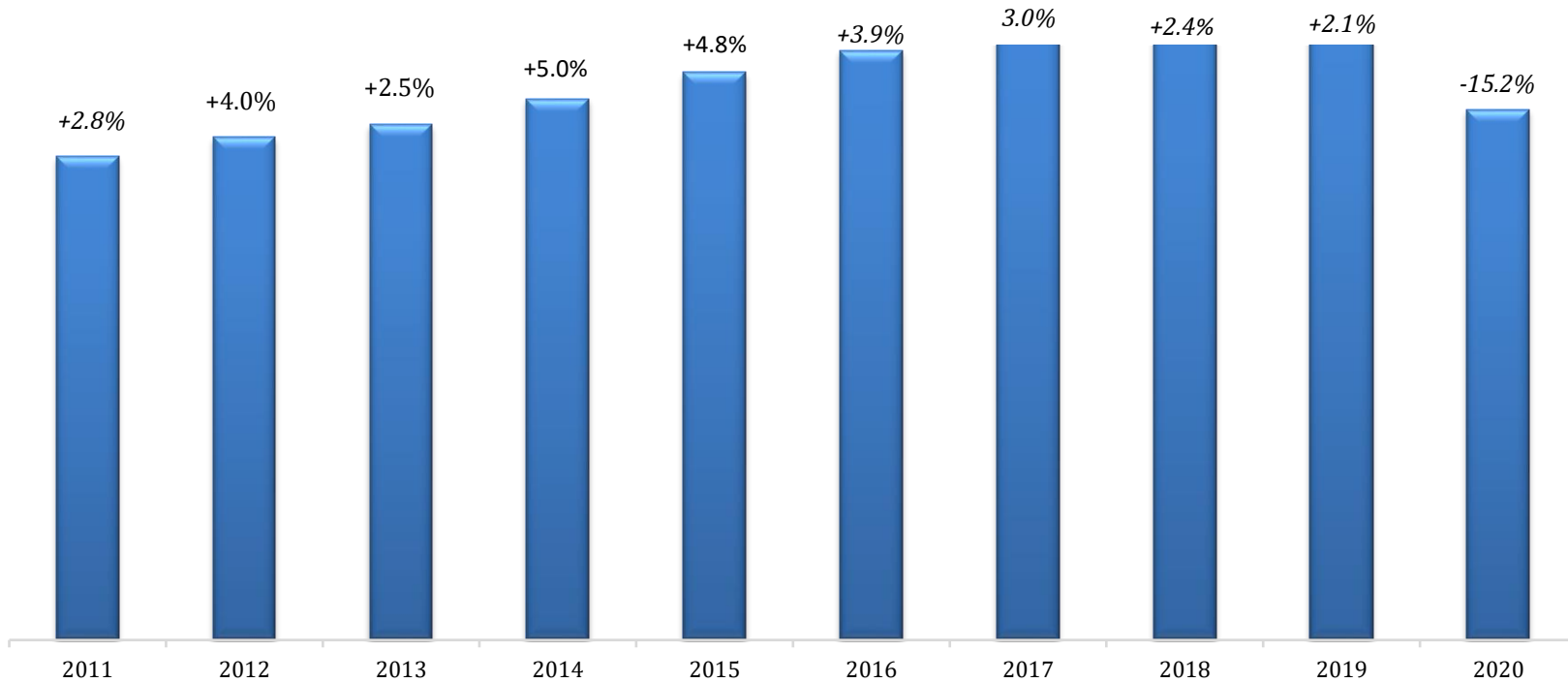
2020	-23.5%	-27.0%	-36.9%	-32.4%	-37.1%	-17.8%	-20.8%	-27.6%
2019	-1.6%	1.6%	-2.0%	1.2%	3.0%	-0.9%	-0.3%	6.3%
2018	2.8%	-1.0%	0.8%	2.4%	2.6%	3.0%	3.5%	8.7%
2017	-4.1%	-3.3%	-3.5%	0.5%	-1.2%	-3.8%	-2.7%	-3.8%
2016	8.9%	2.7%	2.1%	3.5%	1.7%	5.0%	4.8%	5.3%

STR, 2021

*Occupancy – Rooms sold divided by rooms available.

- The 2020 **average room rate (ADR)** in North Carolina (\$89.26) was down more than fifteen percent from 2019. The drop in rate brought the annual average to just below the 2014 average of \$91.10.

Average Daily Room Rates (ADR) in North Carolina 2011-2020

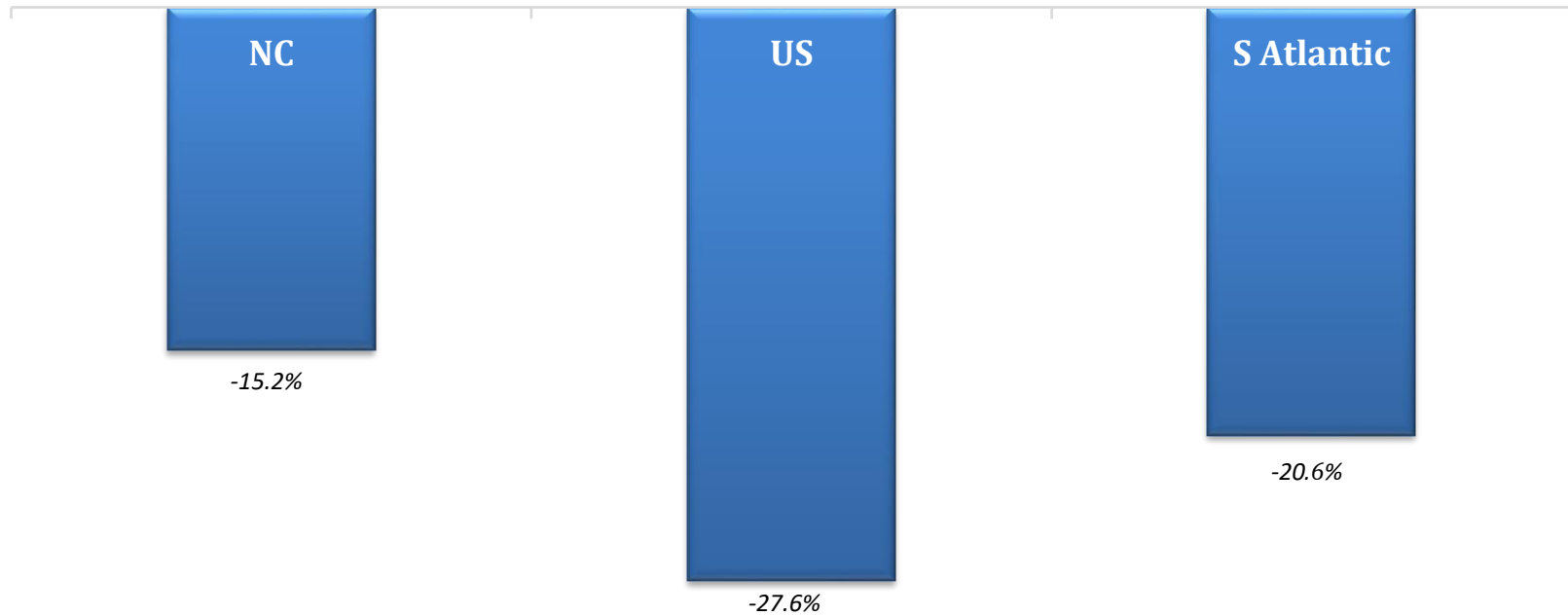


STR, 2021

*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

- The U.S. **ADR** was down 27.6 percent from 2019 and **ADR** in the South Atlantic states was down 20.6 percent, as compared to North Carolina's decrease of 16.5 percent.

North Carolina ADR Growth Compared to US and South Atlantic Region 2019-2020

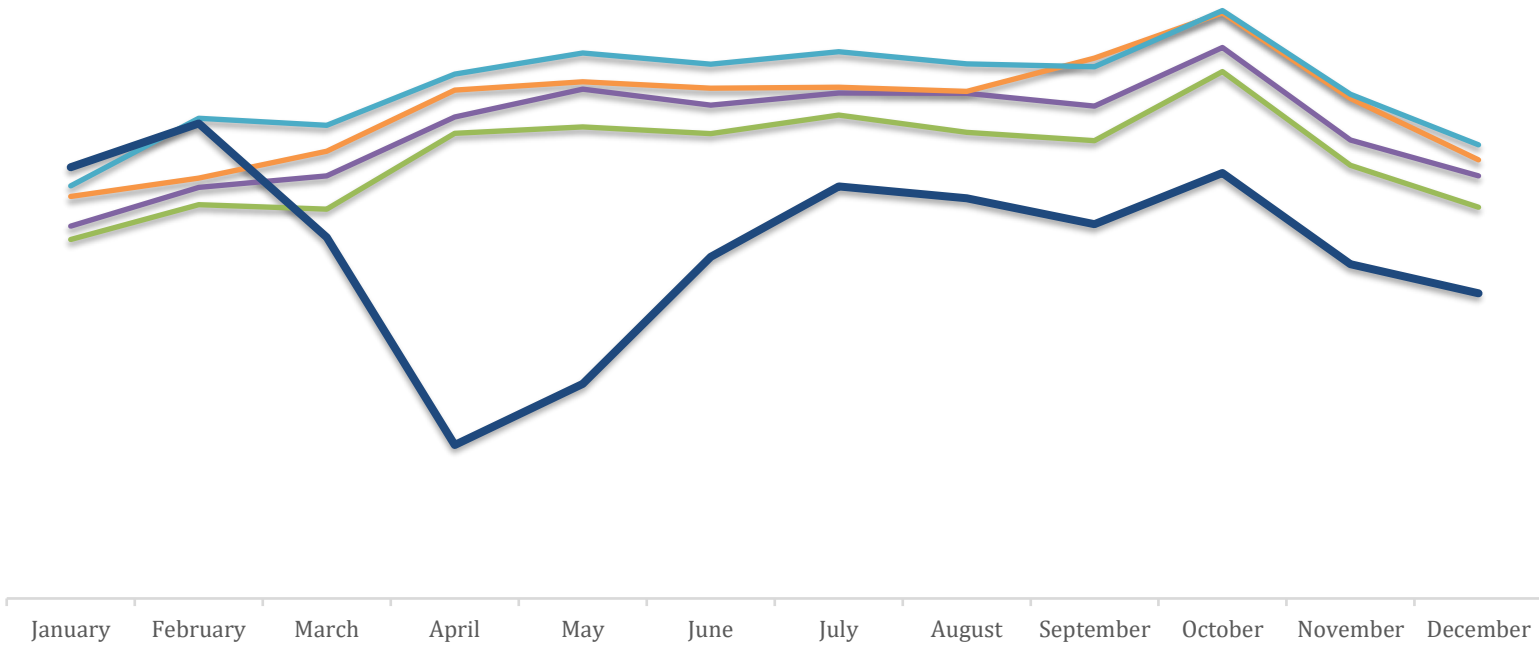


STR, 2021

*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

- **Room rates (ADR)** in North Carolina have increased since the lows of the early pandemic but are still significantly lower than pre-pandemic rates.

Monthly ADR in North Carolina 2016-2020



*2020 shown in bold

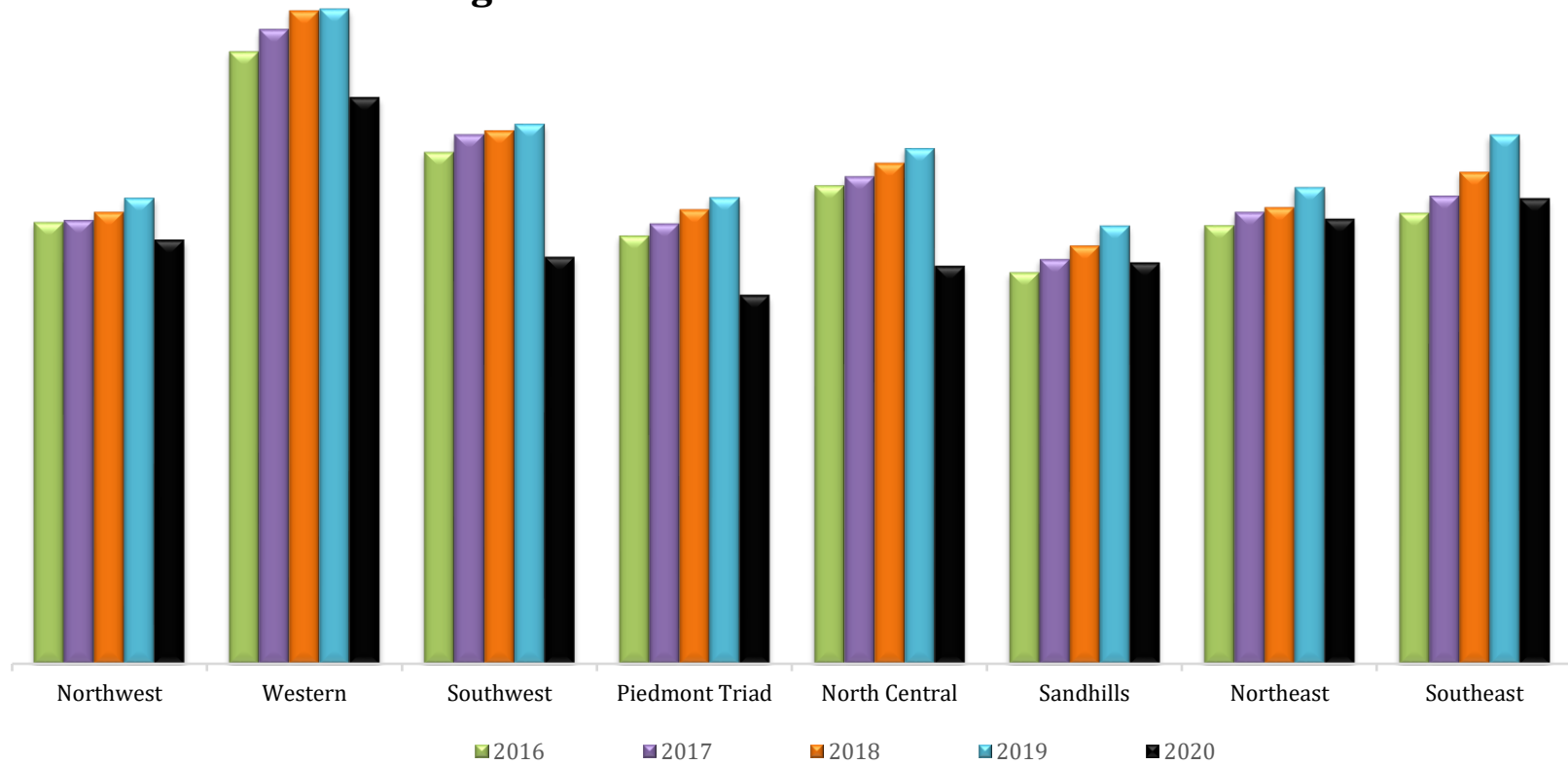
— 2016 — 2017 — 2018 — 2019 — 2020

STR, 2021

*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

- Regionally the Northeast Region experienced the smallest decrease in average room rates with a 5.7 percent decrease, followed by the Northwest Region with an 8.7 percent decrease. The Southwest Region had the largest decline in rates with a 24 percent decrease.

Regional ADR in North Carolina 2016-2020



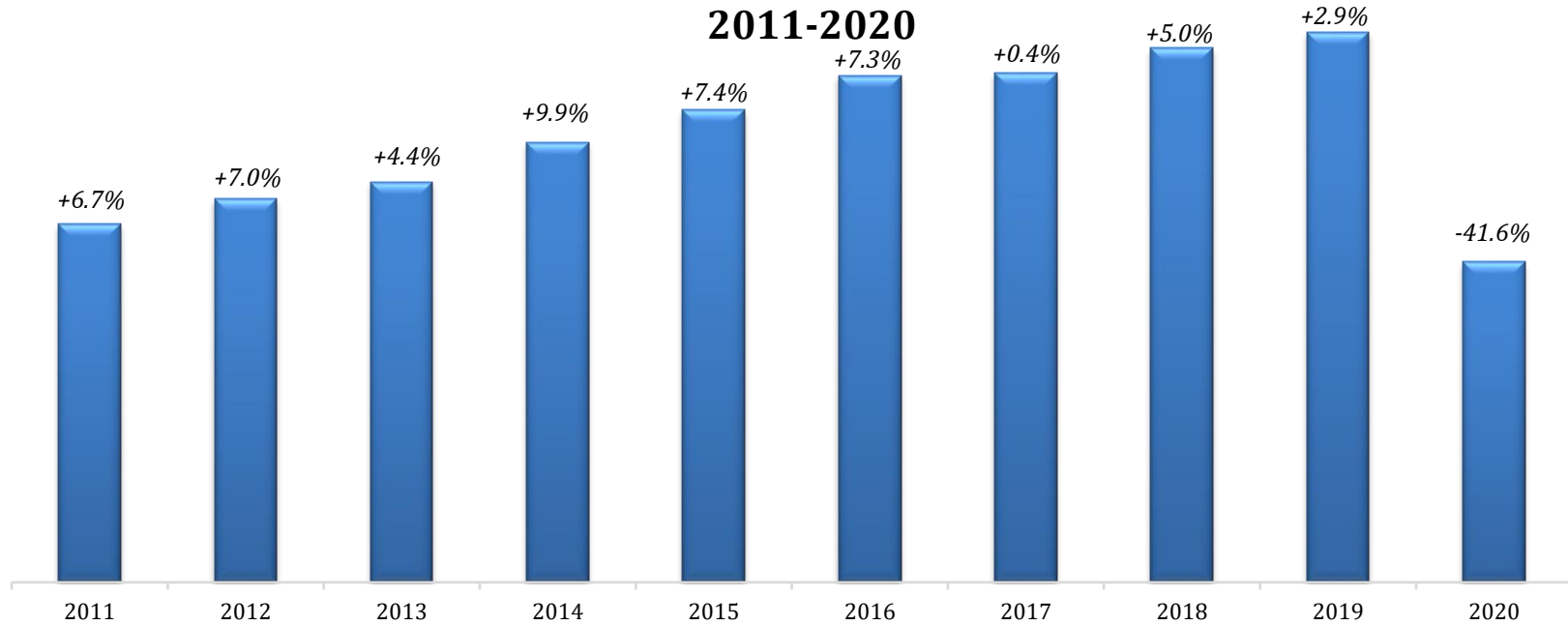
2020	-8.7%	-13.3%	-24.4%	-20.1%	-22.7%	-8.2%	-5.7%	-10.3%
2019	+2.7%	+0.05%	+1.0%	+1.6%	+2.5%	+3.8%	+1.9%	+5.3%
2018	+1.9%	+3.0%	+0.9%	+3.3%	+2.9%	+3.5%	+1.1%	+5.2%
2017	+0.5%	+3.5%	+3.4%	+2.8%	+1.8%	+3.4%	+3.0%	+3.7%
2016	+6.9%	+7.0%	+4.4%	+0.6%	+3.9%	+3.0%	+3.2%	+2.5%

STR, 2021

*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

- Statewide, Revenue Per Available Room (**RevPAR**) (\$41.06) was down nearly 42 percent in 2020 from 2019. 2020 RevPAR was just below the levels of 2014 RevPAR.

Revenue Per Available Room (RevPAR) in North Carolina 2011-2020

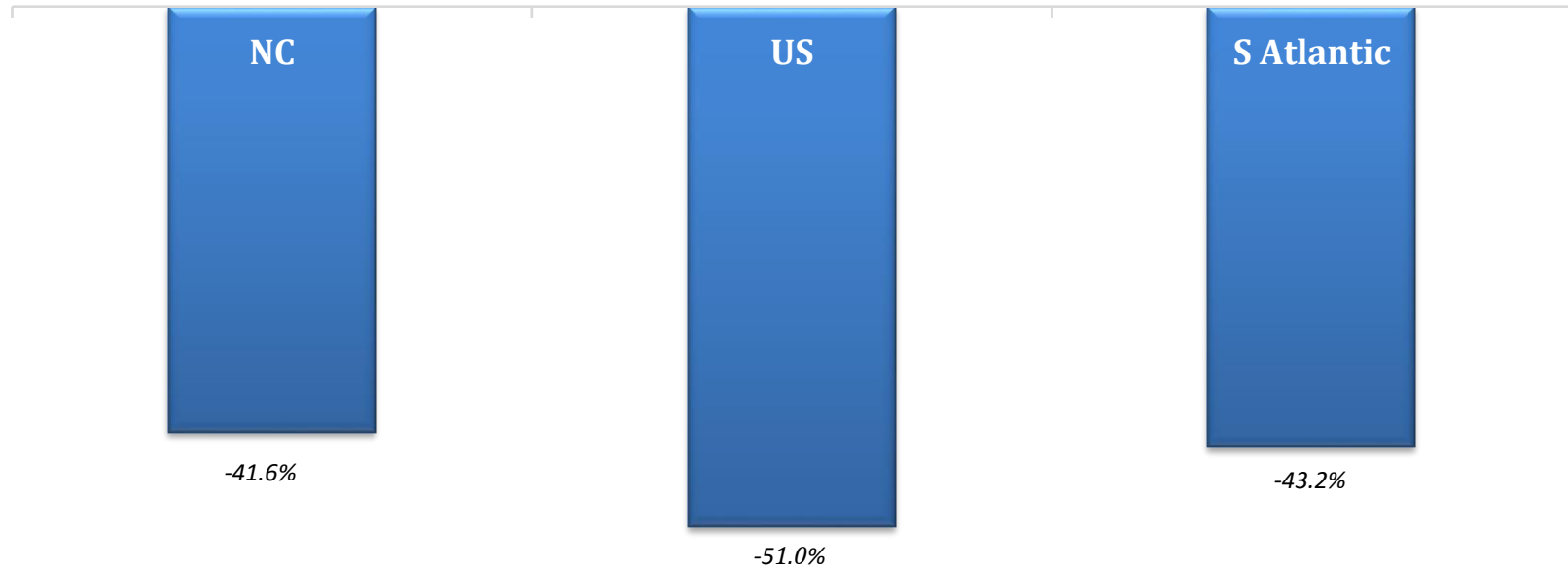


STR, 2021

*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- RevPAR decline, while extreme, in North Carolina was slightly less than that seen in the U.S. on average and the South Atlantic.

North Carolina RevPAR Growth Compared to US and South Atlantic Region 2019-2020

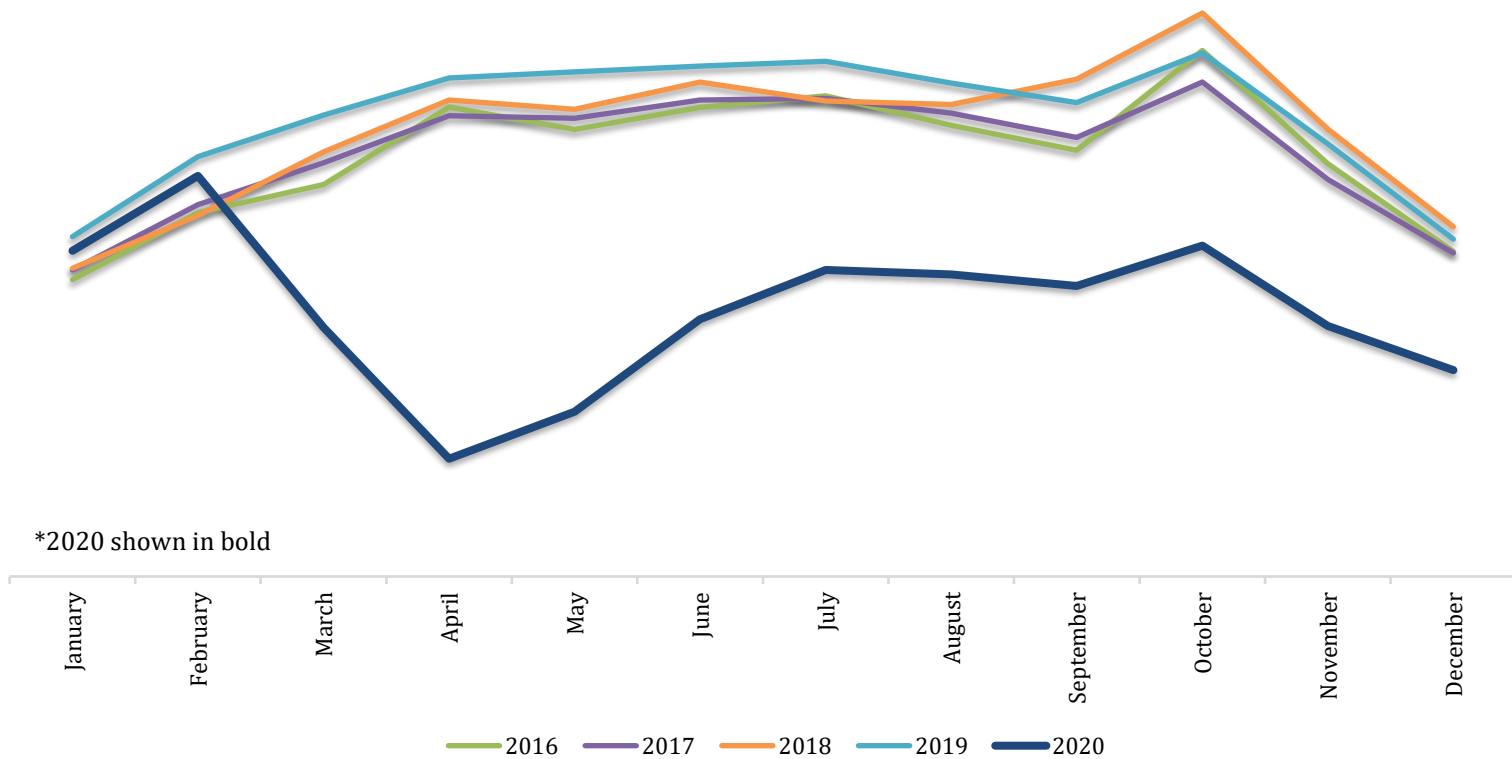


STR, 2021

*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- As with other indicators, revenue per available room (**RevPAR**) dropped significantly in 2020 with the pandemic high being in October at just over \$50.

Monthly Revenue Per Available Room (RevPAR) in North Carolina 2016-2020



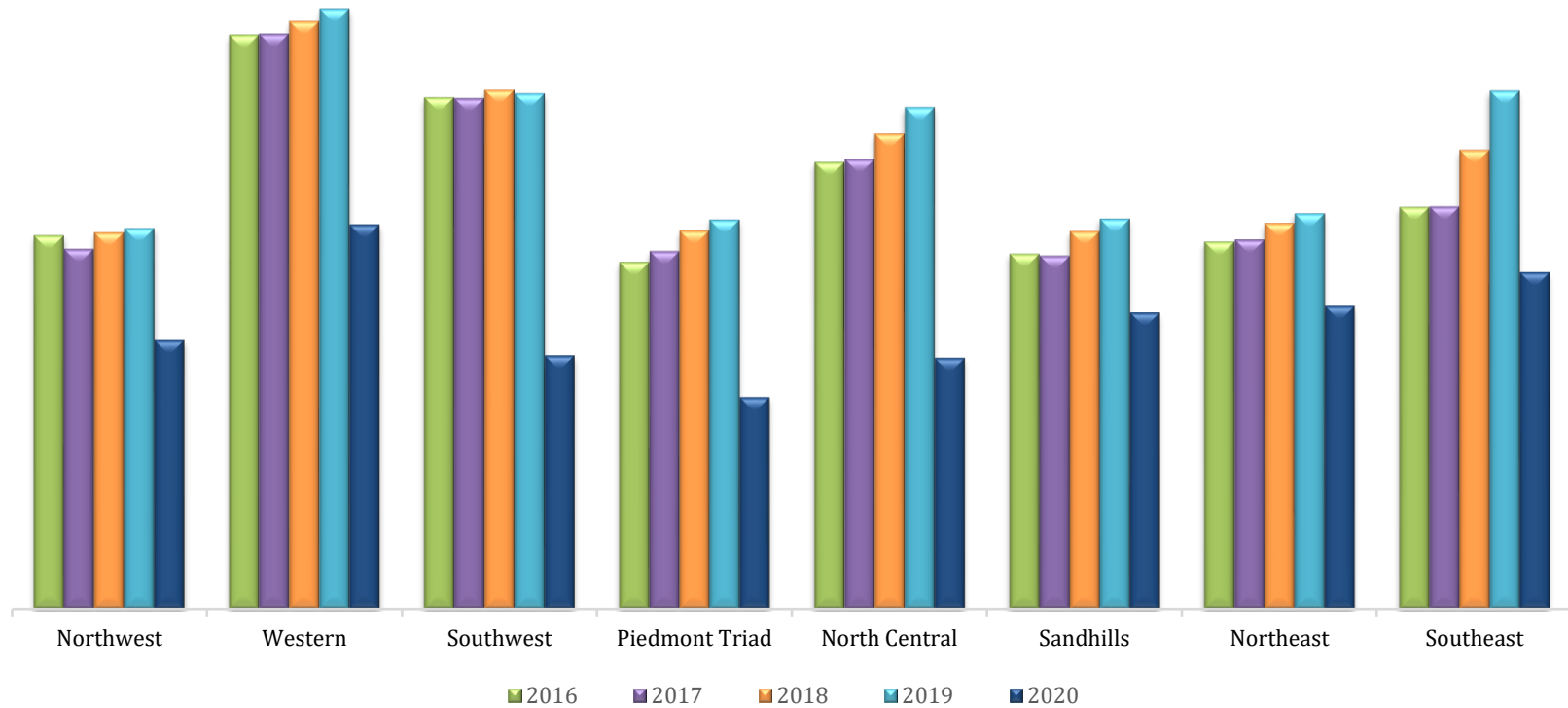
*2020 shown in bold

STR, 2021

*RevPAR - Revenue Per Available Room - Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- RevPAR in each region in 2020 was down significantly, particularly in the Southwest and North Central regions with a more than 50 percent decrease in each.

Regional RevPAR in North Carolina 2016-2020

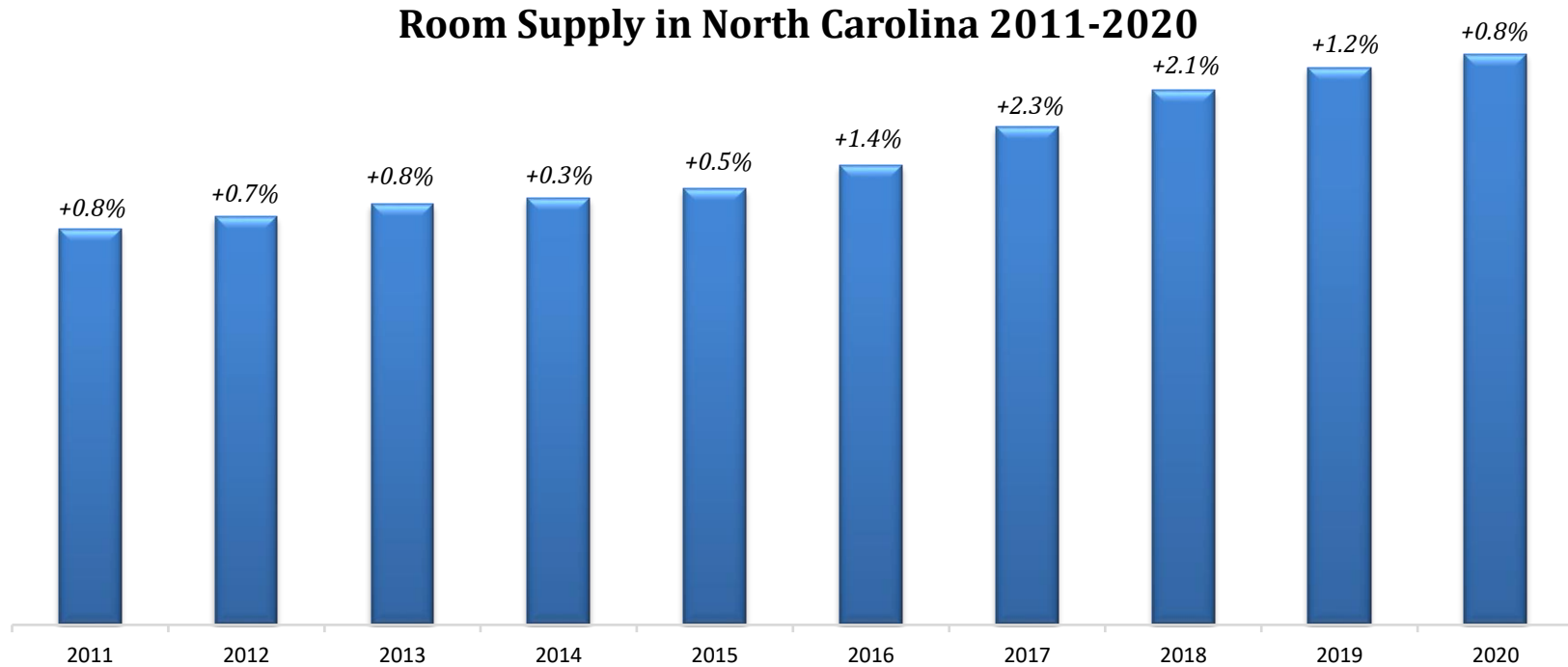


2020	-29.2%	-35.2%	-50.5%	-45.4%	-50.0%	-23.8%	-23.8%	-34.2%
2019	+1.1%	+2.0%	-0.9%	+3.0%	+5.5%	+3.2%	+2.5%	+12.7%
2018	+4.7%	+2.3%	+1.7%	+5.8%	+5.7%	+7.1%	+4.6%	+14.2%
2017	-3.8%	+0.1%	-0.3%	+3.0%	+0.6%	-0.7%	+0.4%	0.0%
2016	+16.4%	+9.9%	+6.5%	+4.4%	+5.8%	+8.2%	+7.2%	+7.6%

STR, 2021

*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- 2020 **Room Supply** was up 0.8 percent statewide from 2019. **Room supply** in 2020 was at its highest on record for North Carolina with more than 57.8 million room nights available for the year.

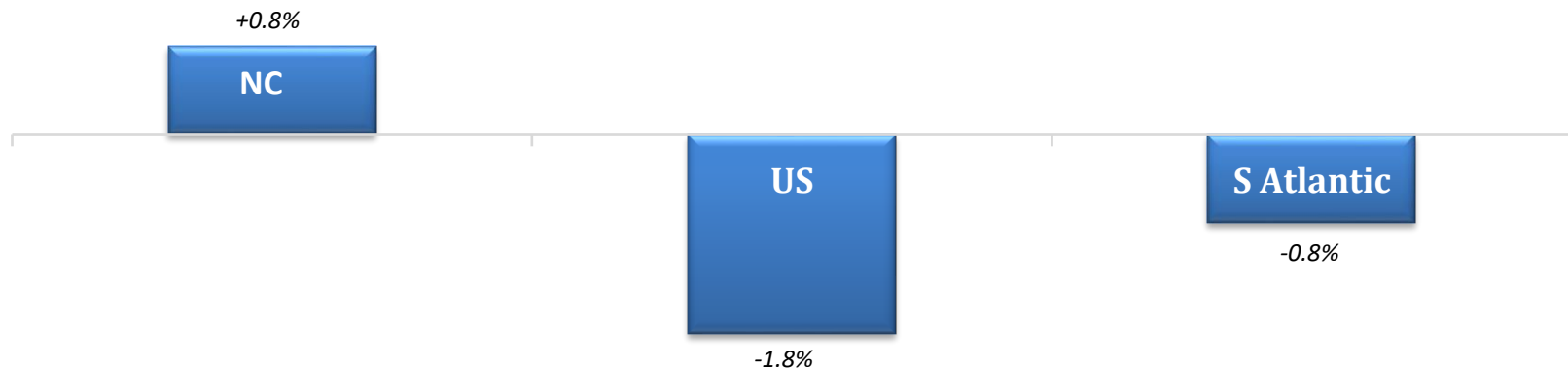


STR, 2021

*Room Supply – The number of rooms times the number of days in the period.

- North Carolina **room supply** growth slowed in 2019 with just less than one percent growth, while national **room supply** was down nearly 2.0%. **Room supply** was down 0.8% from 2019 to 2020 in the South Atlantic region.

North Carolina Room Supply Growth Compared to US and South Atlantic Region 2019-2020

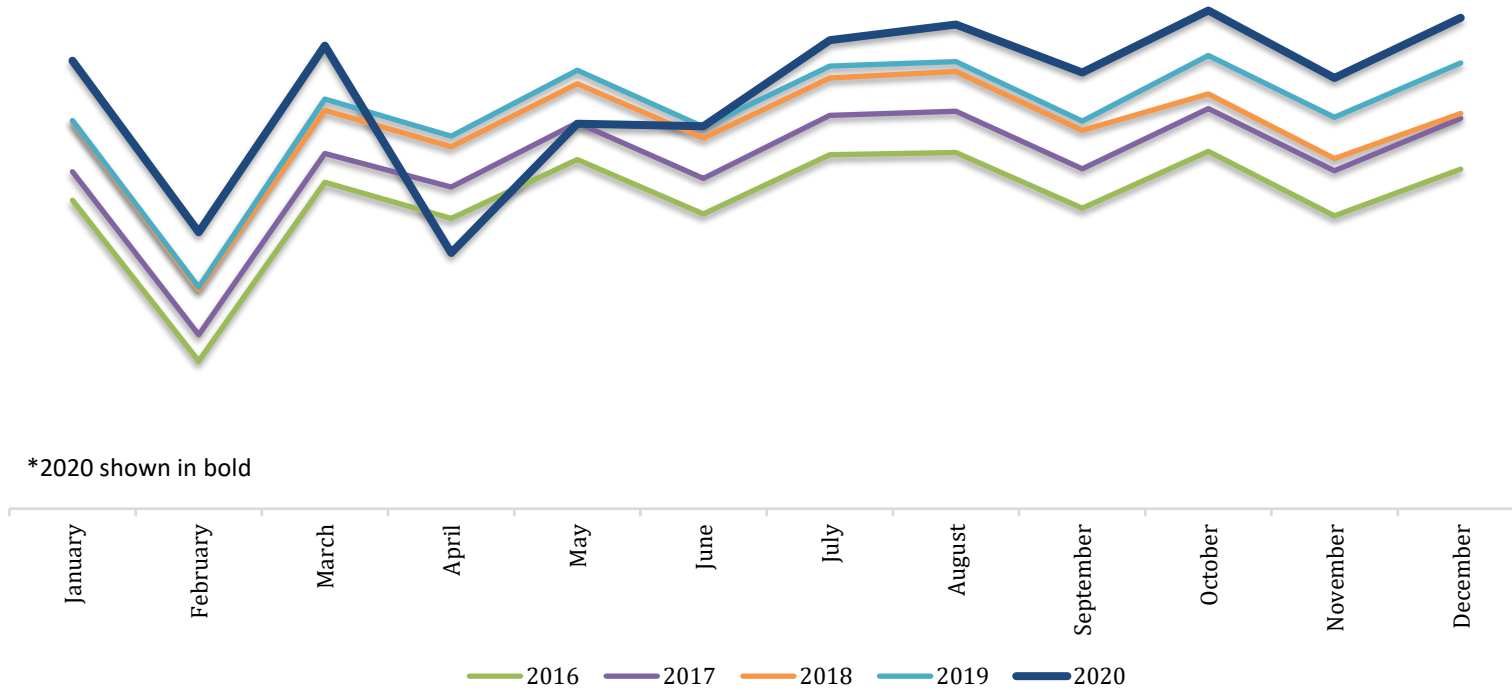


STR, 2021

*Room Supply – The number of rooms times the number of days in the period.

- **Room Supply** in 2020 ended the year slightly up from 2019 after the temporary closures of properties in the spring.

Monthly Room Supply in North Carolina 2016-2020

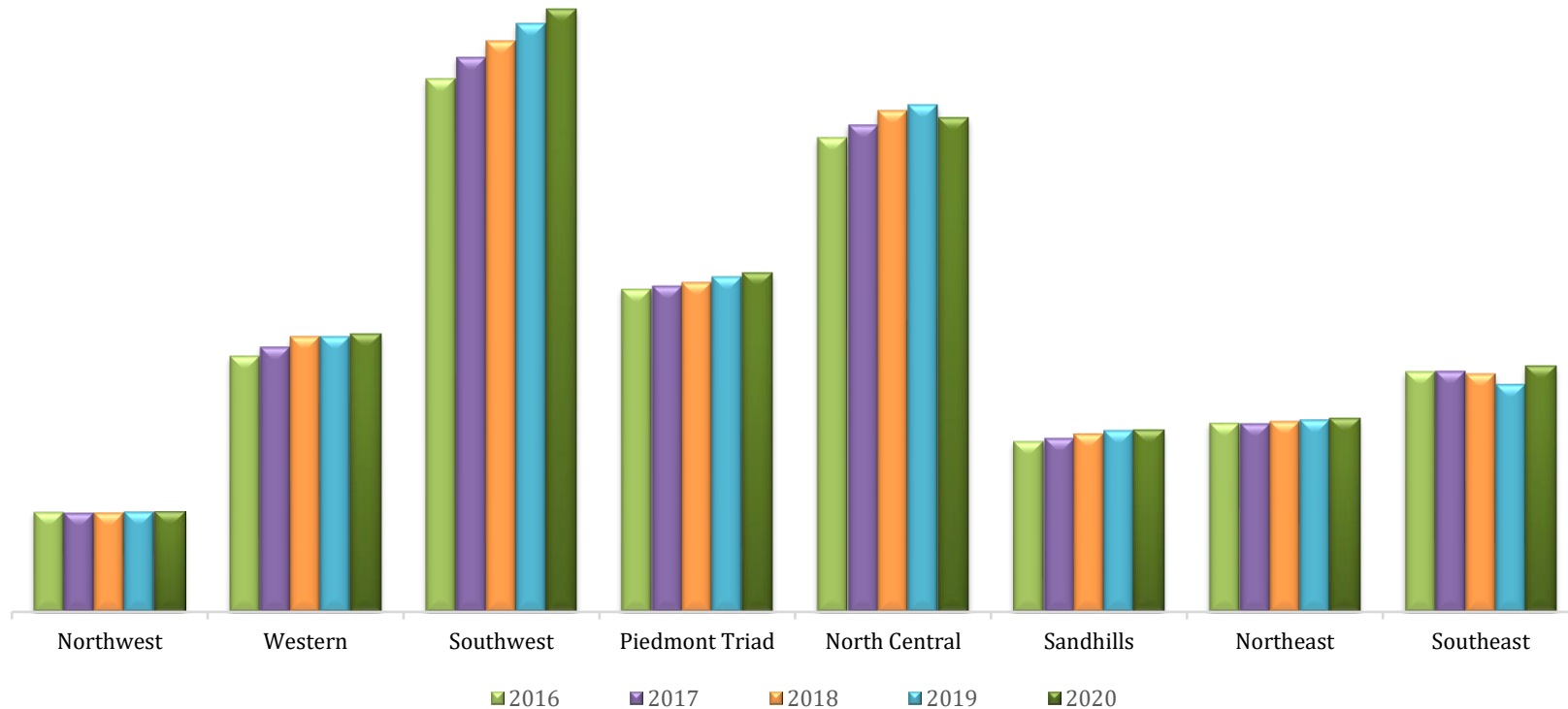


STR, 2021

*Room Supply - The number of rooms times the number of days in the period.

- Room supply was up in four of the eight regions in 2020, particularly in the Southeast Region (+6.4%). The Southeast Region increase was primarily due to hurricane related closures in 2019.

Regional Room Supply in North Carolina 2016-2020



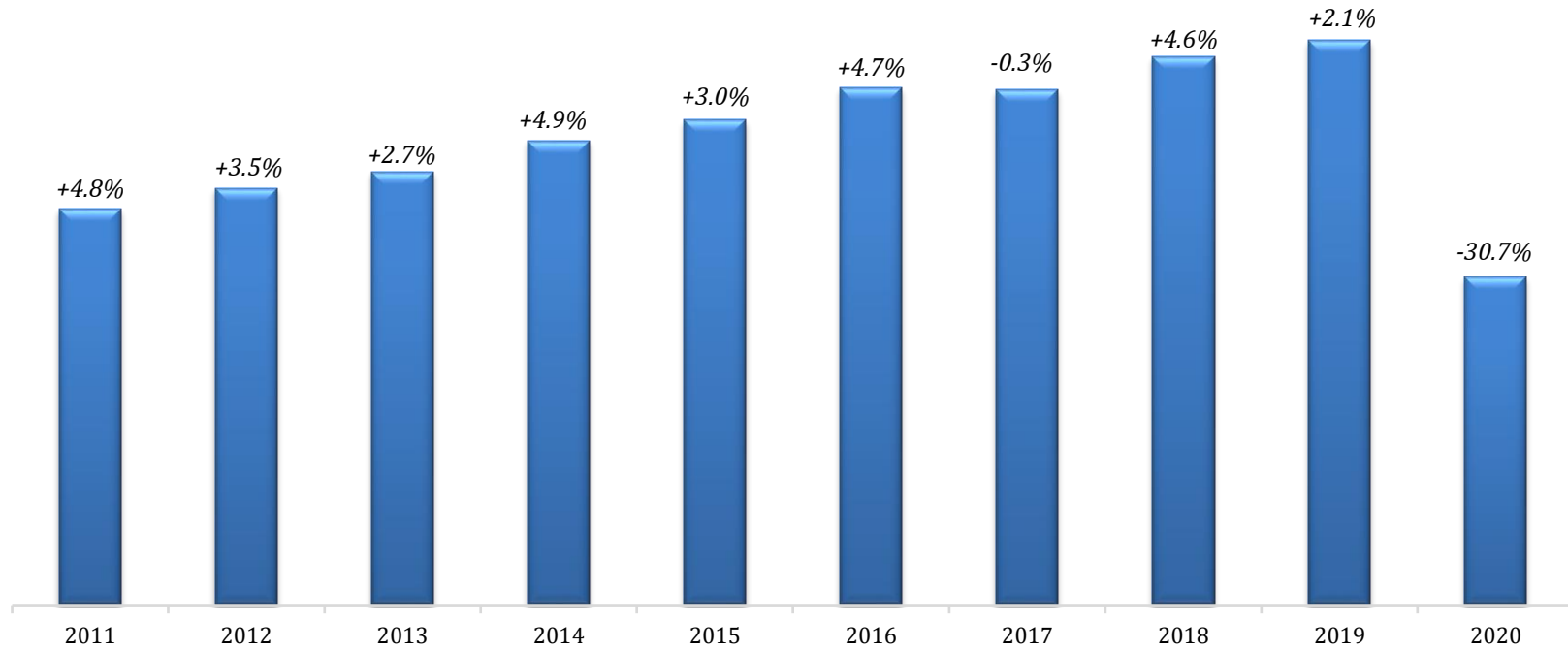
2020	-0.8%	-0.4%	2.0%	1.0%	-2.1%	0.0%	0.2%	6.4%
2019	+1.1%	0.0%	+3.0%	+1.7%	+1.2%	+2.0%	+0.7%	-4.4%
2018	-0.3%	+3.8%	+2.9%	+0.9%	+2.9%	+2.3%	+1.1%	-1.2%
2017	-0.5%	+3.6%	+4.1%	+1.1%	+2.7%	+2.0%	-0.2%	+0.3%
2016	-0.1%	+3.6%	+1.0%	+1.4%	+2.7%	-0.2%	-1.5%	+1.0%

STR, 2021

*Room Supply – The number of rooms times the number of days in the period.

- **2020 Room Demand** was down 30.7 percent in the state, dropping to below 2010 levels of demand statewide.

Room Demand in North Carolina 2011-2020

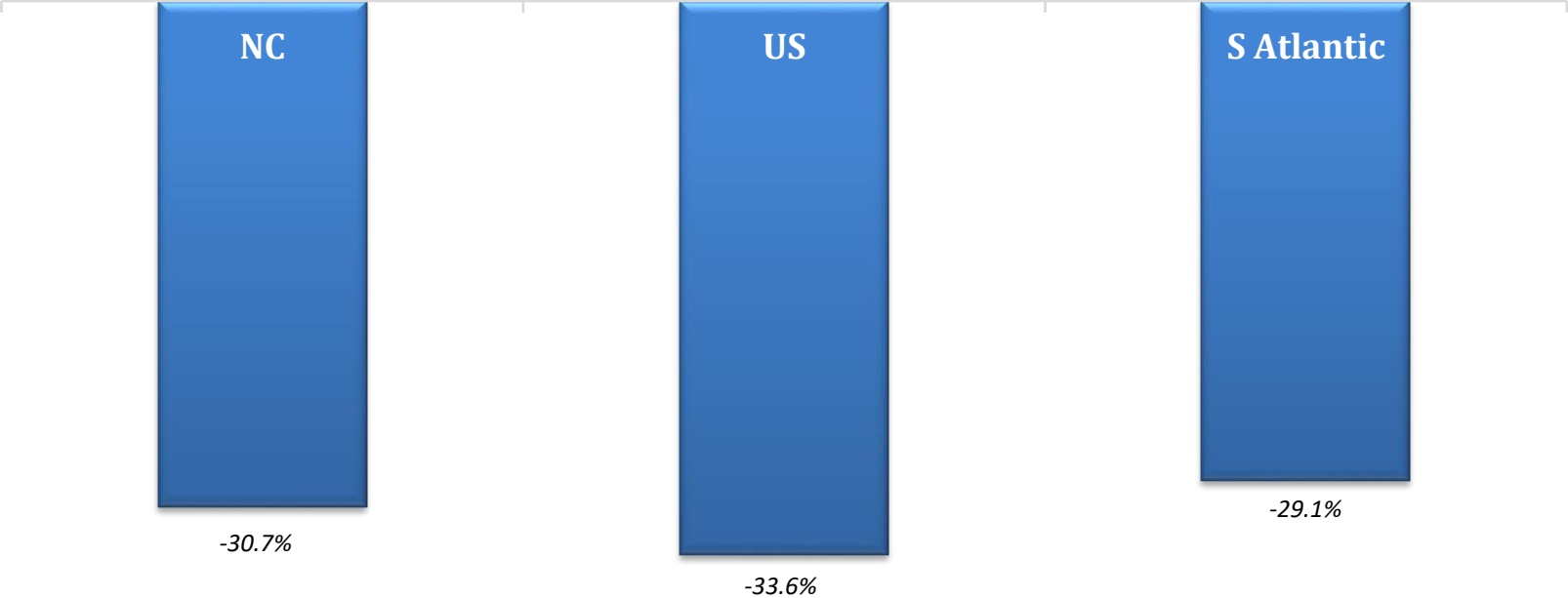


STR, 2021

*Room Demand – The number of rooms sold (excludes complimentary rooms).

- North Carolina **room demand** decline of 30.7 percent was similar to that of the South Atlantic region.

North Carolina Room Demand Growth Compared to US and South Atlantic Region 2019-2020

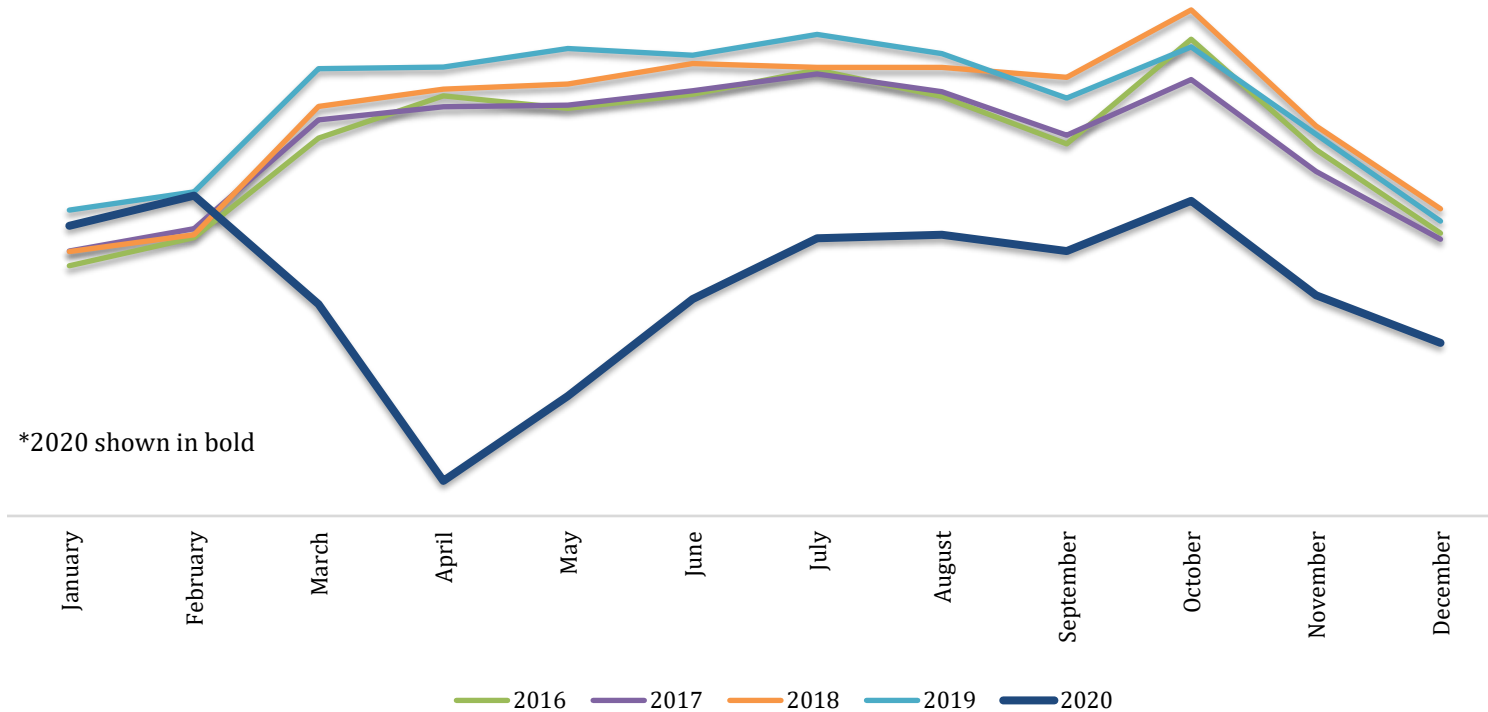


STR, 2021

*Room Demand – The number of rooms sold (excludes complimentary rooms).

- Monthly demand for commercial lodging hit a record low in April of 2020 and is slowly increasing, but is still not to pre-pandemic levels of February.

Monthly Room Demand in North Carolina 2016-2020

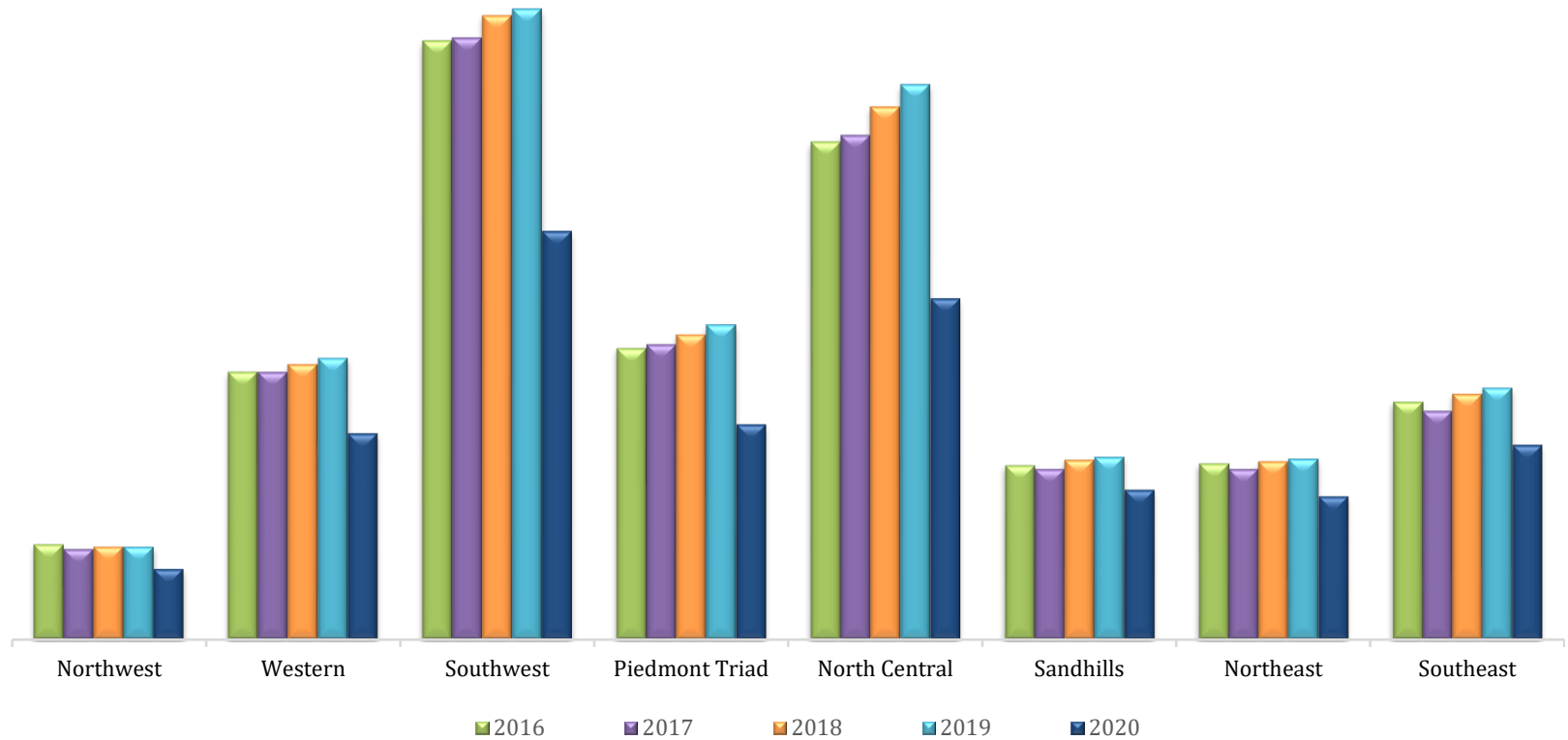


STR, 2021

*Room Demand - The number of rooms sold (excludes complimentary rooms).

- Room demand declines were significant statewide. Relative to the other regions, the Sandhills Region had the smallest decrease at nearly 18 percent while the North Central Region had a decrease of more than 38 percent in demand.

Regional Room Demand in North Carolina 2016-2020

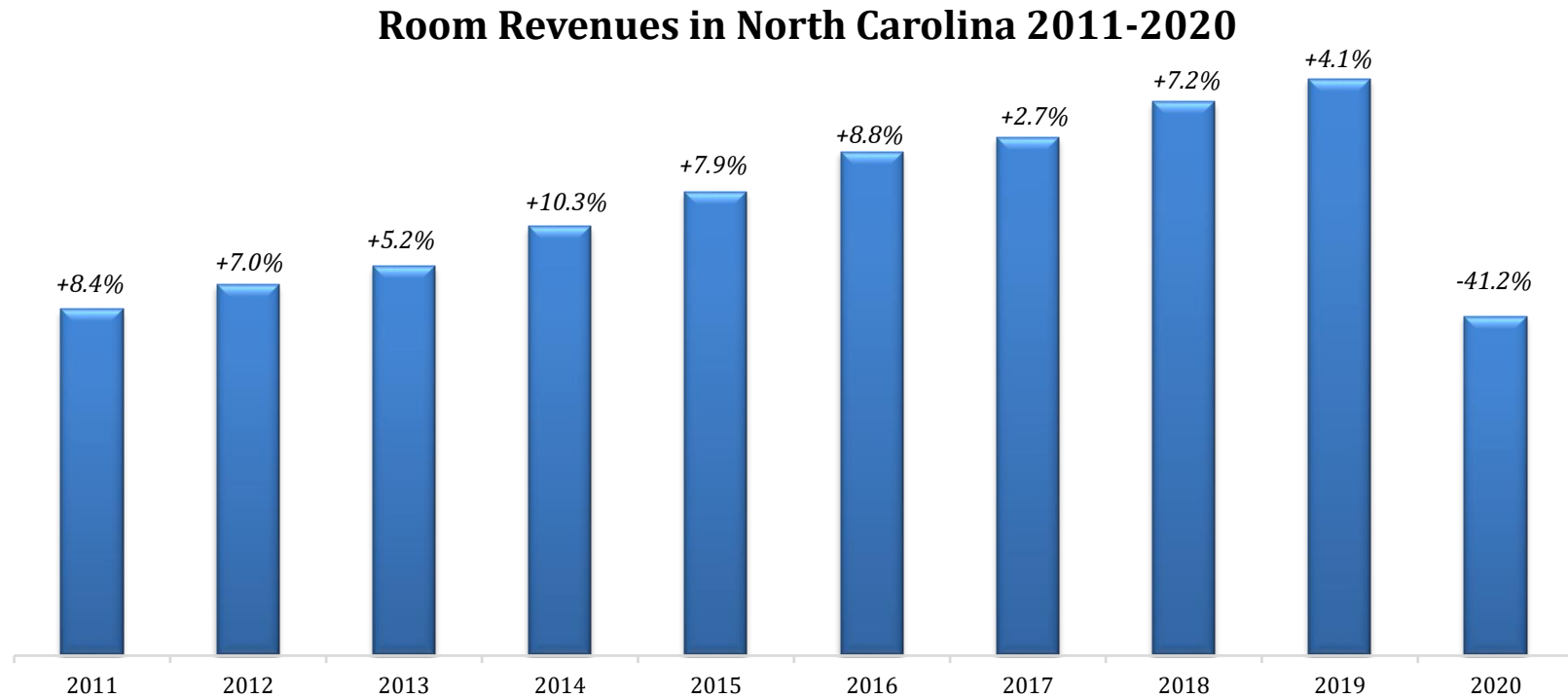


2020	-24.3%	-27.2%	-35.5%	-31.7%	-38.4%	-17.7%	-20.8%	-23.0%
2019	-0.2%	+2.0%	+1.0%	+3.1%	+4.1%	+1.4%	+1.2%	+2.2%
2018	+2.6%	+3.0%	+3.7%	+3.4%	+5.6%	+5.4%	+4.5%	+7.4%
2017	-4.7%	+0.1%	+0.5%	+1.5%	+1.4%	-2.0%	-2.9%	-3.6%
2016	+8.8%	+6.5%	+3.1%	+5.0%	+4.5%	+4.8%	+3.1%	+6.4%

STR, 2021

*Room Demand – The number of rooms sold (excludes complimentary rooms).

- North Carolina commercial **room revenues** were down 41 percent in 2020 dropping to \$2.4 billion or 2011 levels of revenue.

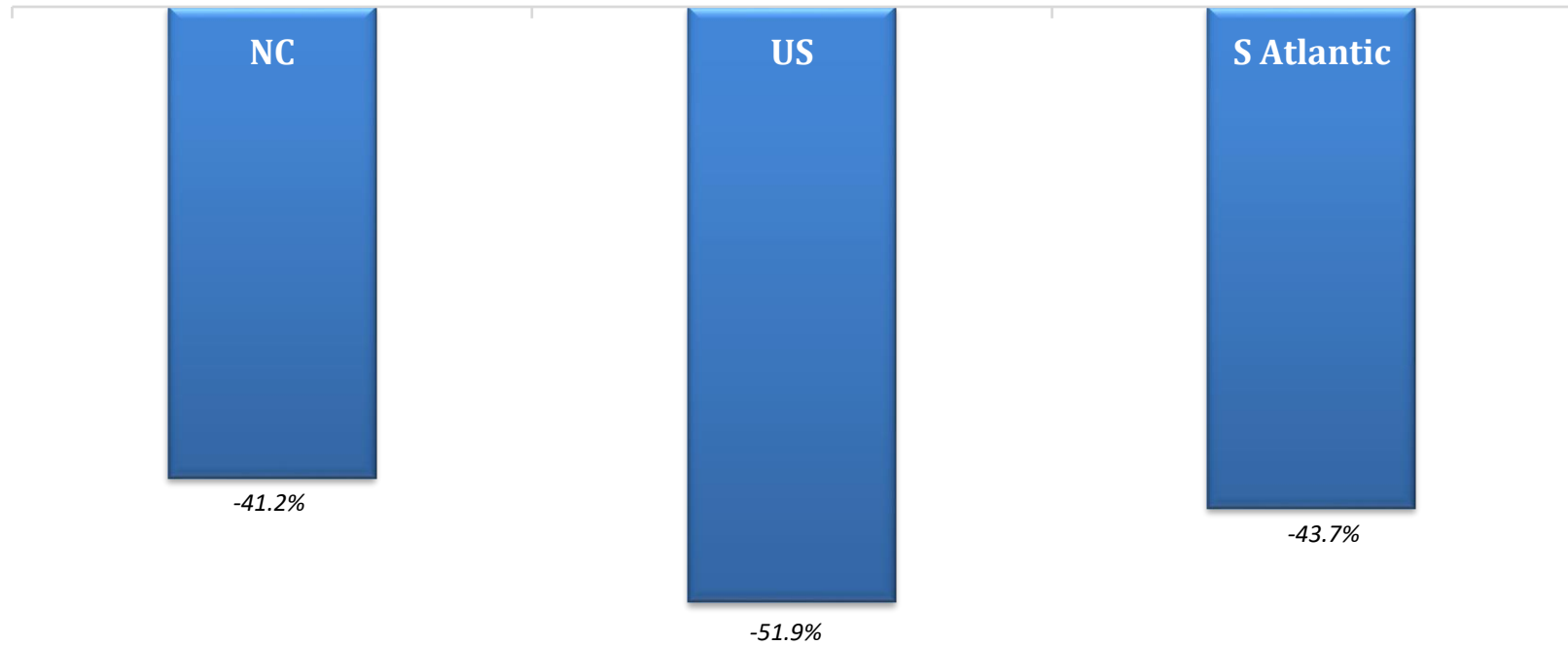


STR, 2021

*Room Revenue – Total room revenue generated from the sale or rental of rooms.

- **Room revenue** declines in North Carolina were just short of declines at the national and regional levels.

North Carolina Room Revenue Growth Compared to US and South Atlantic Region 2019-2020

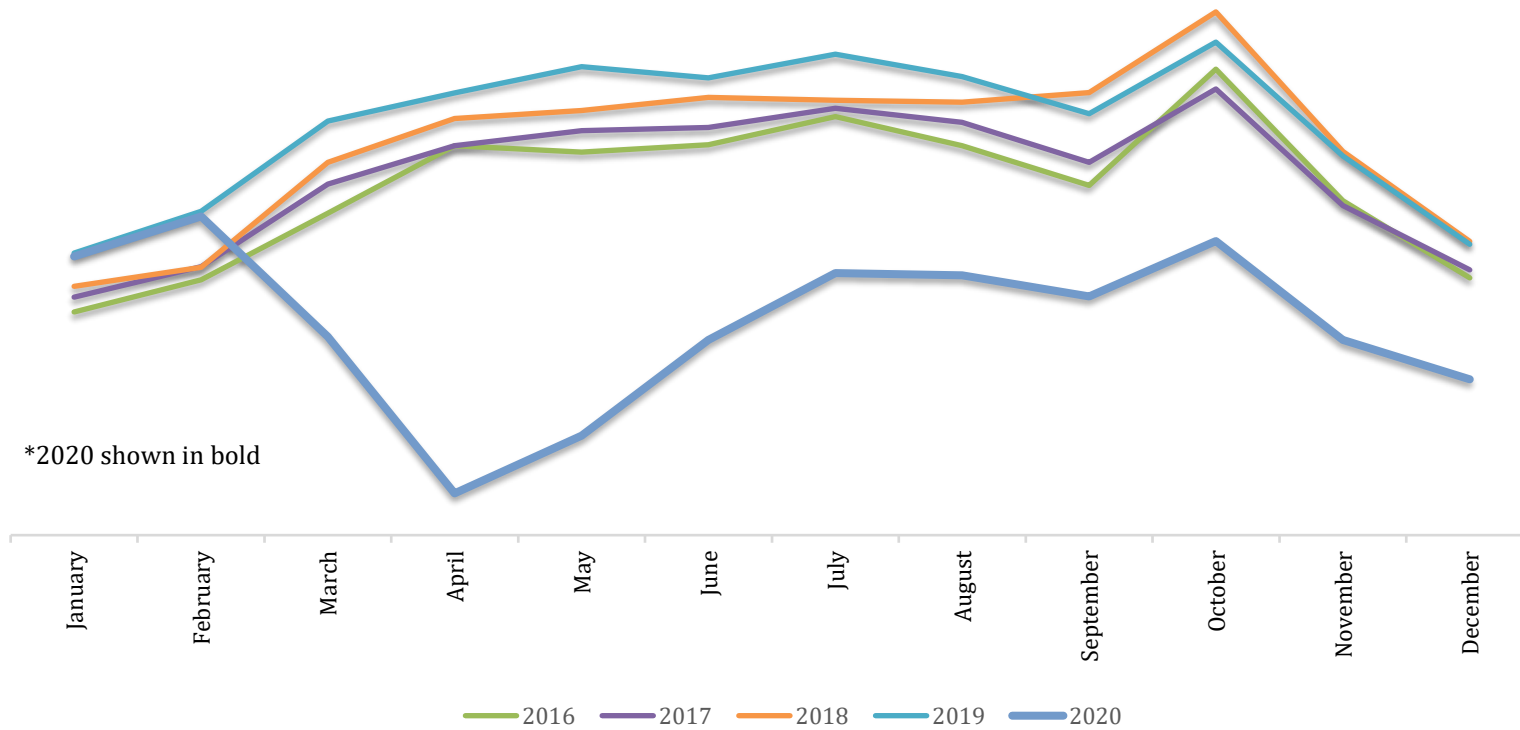


STR, 2021

*Room Revenue – Total room revenue generated from the sale or rental of rooms.

- Monthly revenues peaked in October after the worst of the pandemic in the spring, but were still significantly below previous years' fall seasons.

Monthly Room Revenues in North Carolina 2016-2020

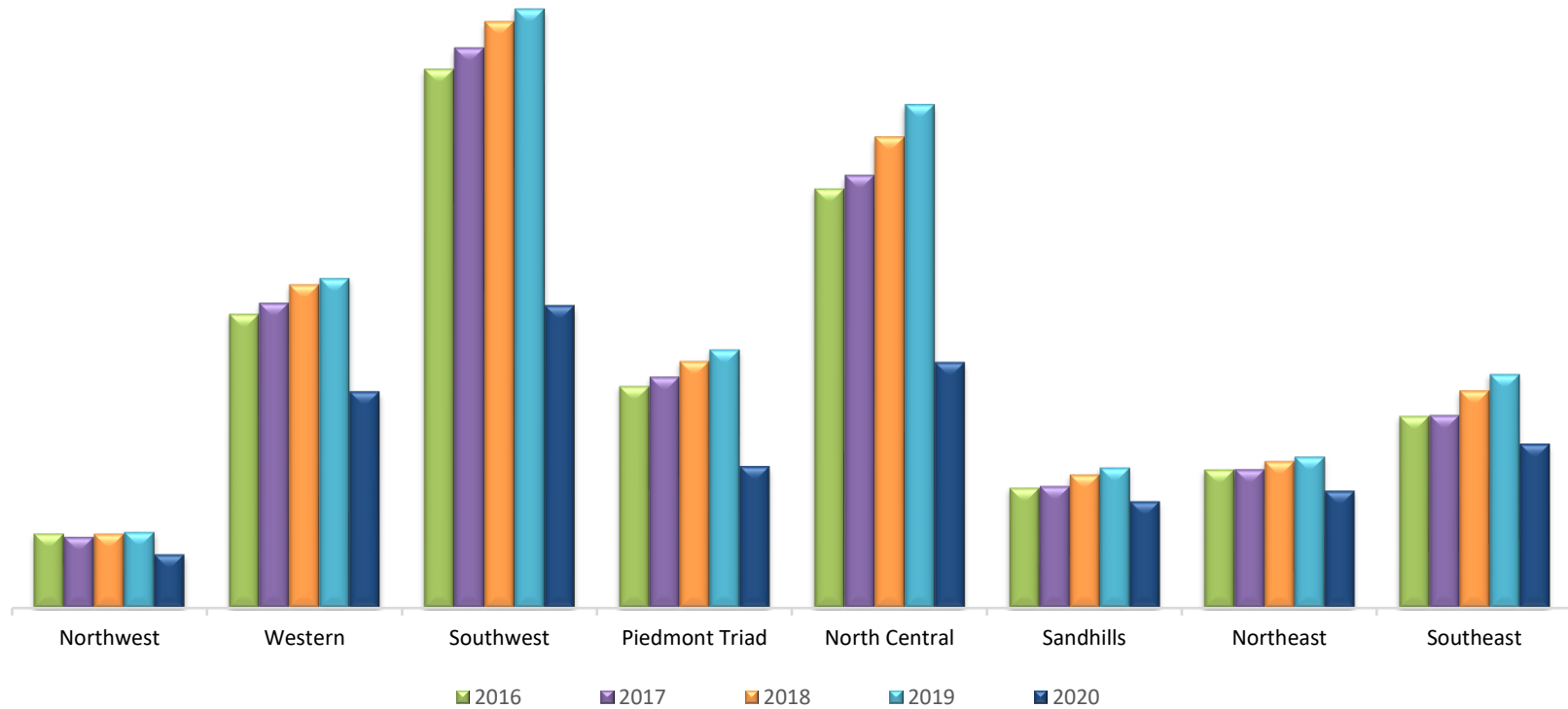


STR, 2021

*Room Revenue – Total room revenue generated from the sale or rental of rooms.

- The eastern and western regions fared somewhat better than the Southwest, Piedmont Triad and North Central regions in revenue declines in 2020, though all regions saw significant decreases in revenues.

Regional Room Revenues in North Carolina 2016-2020



2020	-29.6%	-34.4%	-49.5%	-44.9%	-51.0%	-23.8%	-23.4%	-29.8%
2019	+2.2%	+2.0%	+2.1%	+4.7%	+6.8%	+5.2%	+3.2%	+7.7%
2018	+4.5%	+6.0%	+4.7%	+6.7%	+8.8%	+9.6%	+5.8%	+12.7%
2017	-4.4%	+3.6%	+3.9%	+4.1%	+3.2%	+1.2%	+0.1%	+0.2%
2016	+16.3%	+13.9%	+7.6%	+5.9%	+8.7%	+8.0%	+5.3%	+8.6%

STR, 2021

*Room Revenue – Total room revenue generated from the sale or rental of rooms.

STR Methodology

While virtually every chain in the United States provides STR with data on almost all of their properties, there are still some hotels that don't submit data. However, every year STR examines guidebook listings and hotel directories for information on hotels that don't provide data. STR calls each hotel in their database every year to obtain "published" rates for multiple categories. Based on this information all hotels are grouped - those that report data and those that don't - into groupings based off of price level and geographic proximity. They then estimate the non-respondents based off of nearby hotels with similar price levels.

Glossary

ADR (Average Daily Rate)

Room revenue divided by rooms sold.

Affiliation Date

Date the property affiliated with current chain/flag

Census (Properties and Rooms)

The number of properties and rooms that exist (universe)

Change in Rooms

Indicator of whether or not an individual hotel has had added or deleted rooms.

Exchange Rate

The factor used to convert revenue from U.S. Dollars to the local currency.

The exchange rate data is obtained from Oanda.com. Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Demand (Rooms Sold)

The number of rooms sold (excludes complimentary rooms).

Full Historical TREND

Data on selected properties or segments starting in 1987.

Occupancy

Rooms sold divided by rooms available.

Open Date

Date the property opened

Percent Change

Amount of growth, up, flat, or down from the same period last year (month, ytd, three months, twelve months). Calculated as $((TY-LY)/LY) * "100"$.

Revenue (Room Revenue)

Total room revenue generated from the sale or rental of rooms.

RevPAR - Revenue Per Available Room

Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR).

Sample % (Rooms)

The % of rooms STR receives data from. Calculated as $(\text{Sample Rooms}/\text{Census Rooms}) * "100"$.

Standard Historical TREND

Data on selected properties or segments starting in 1997.

STR Code

Smith Travel Research's proprietary numbering system. Each hotel in the lodging census has a unique STR code.

Supply (Rooms Available)

The number of rooms times the number of days in the period.

Twelve Month Moving Average

The value of any given month is computed by taking the value of that month and the values of the eleven preceding months, adding them together and dividing by twelve.

Year to Date

Average or sum of values starting January 1 of the given year.