Smith Travel Research Year-End 2008 Lodging Report

- Year-end 2008 hotel/motel occupancy was down -6.7% statewide from 2007. This represents a decrease of -3.4% since 2005.
  - The US occupancy was down -4.2% from 2007.

![Occupancy in North Carolina 2005-2008](image)

Smith Travel Research, 2008

*Occupancy – Rooms sold divided by rooms available.*
2008 room rates (ADR) in North Carolina were up +3.5% from 2007. Room rates have increased +11.4% over the last two years, and +19.8% since 2005.

- The US ADR was up +2.4% from 2007.

*ADR (Average Daily Rate) – Room revenue divided by rooms sold.*
Statewide, Revenue Per Available Room (RevPAR) was down -3.4% from 2007. Due to the tremendous growth in room rates over the last several years, even with softening occupancy levels, RevPAR increased +4.6% over the last two years and +15.8% since 2005.

- Nationally, RevPAR was down -1.9%.

![Revenue Per Available Room (RevPAR) in North Carolina 2005-2008](image)

Smith Travel Research, 2008

*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)*
2008 Room Supply was up +1.9% in the state from 2007. Room supply has increased +2.5% since 2005, leading to some of the decrease in occupancy over that time period.
  o (No figures are available nationally for room supply.)

*Room Supply – The number of rooms times the number of days in the period.
- 2008 Room Demand was down -4.9% in the state. Since 2005, room demand has decreased -0.9%.
  - (No figures are available nationally for room demand.)

Room Demand in North Carolina 2005-2008

Smith Travel Research, 2008

*Room Demand – The number of rooms sold (excludes complimentary rooms).
- North Carolina room revenues were down -1.5% in 2008 from 2007. Room revenues in North Carolina have increased +7.5% since 2006 and +18.7% since 2005. This is due in large part to the increased ADR over the same time period.
  - (No figures are available nationally for room revenues.)

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**Room Revenues in North Carolina 2005-2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Room Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1,994,624,809</td>
</tr>
<tr>
<td>2006</td>
<td>2,202,481,202</td>
</tr>
<tr>
<td>2007</td>
<td>2,404,967,126</td>
</tr>
<tr>
<td>2008</td>
<td>2,367,853,197</td>
</tr>
</tbody>
</table>

+5.2%  +10.4%  +9.2%  -1.5%

Smith Travel Research, 2008

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