



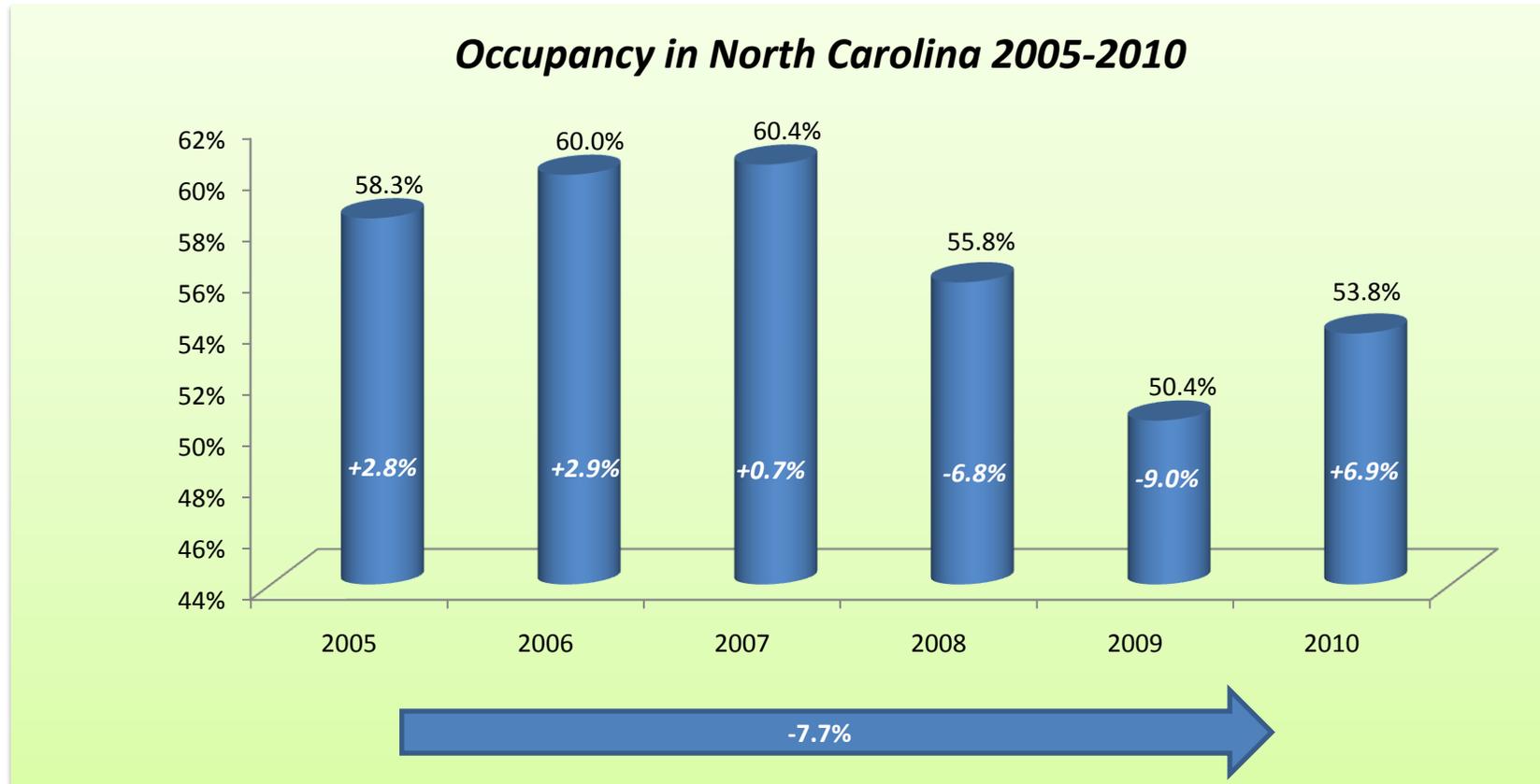
# **2010 North Carolina Lodging Report**

**A Publication of the North Carolina Division of  
Tourism, Film and Sports Development**

**January 2011**

## 2010 North Carolina Lodging Report

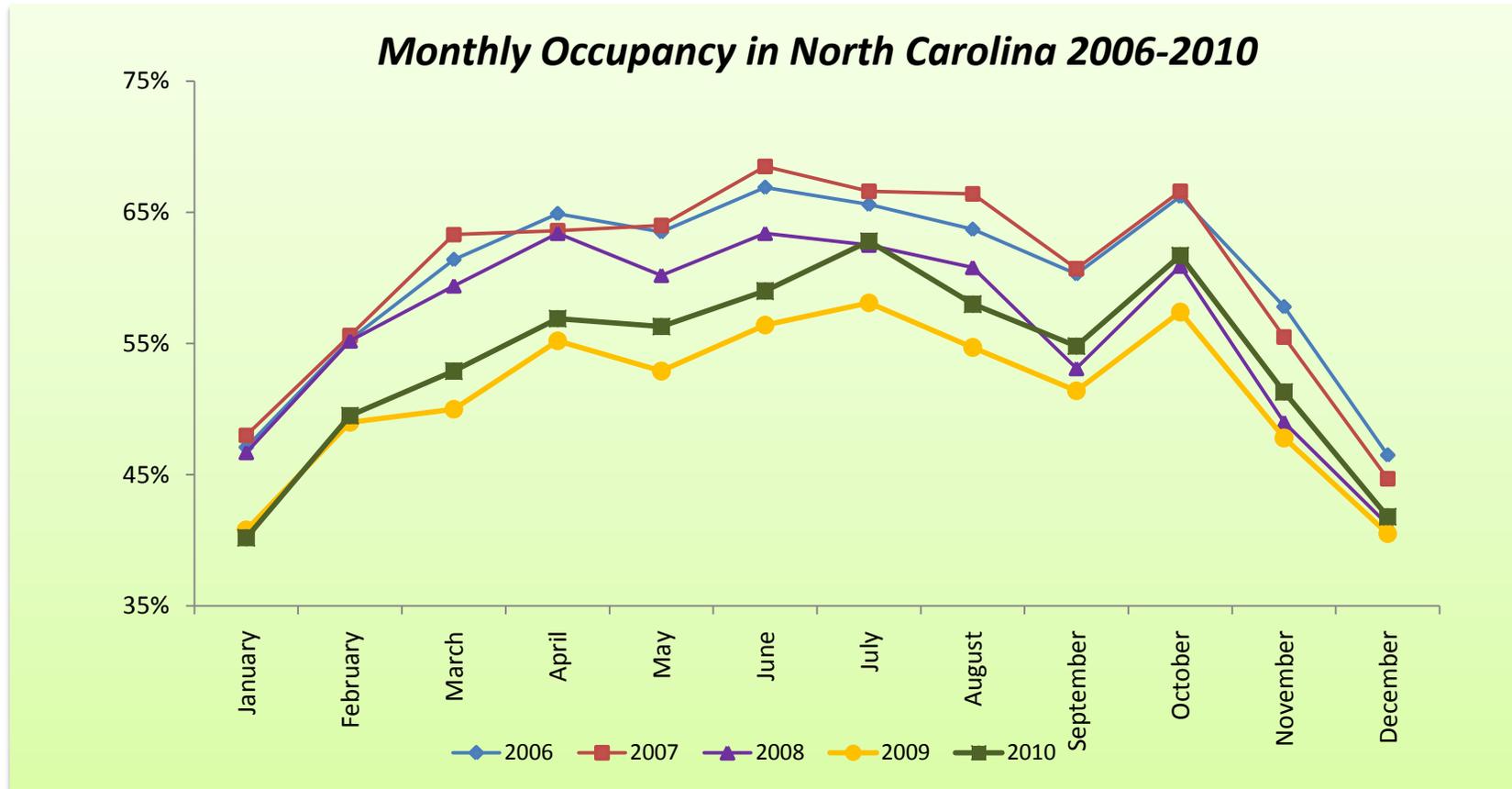
- Year-end 2010 hotel/motel **occupancy** was up 6.9% statewide from 2009. This represents a decrease of -7.7% since 2005, though the rate of growth for one single year (+6.9%) was the largest seen since recording began.
  - The US **occupancy** was up 5.7% from 2009.



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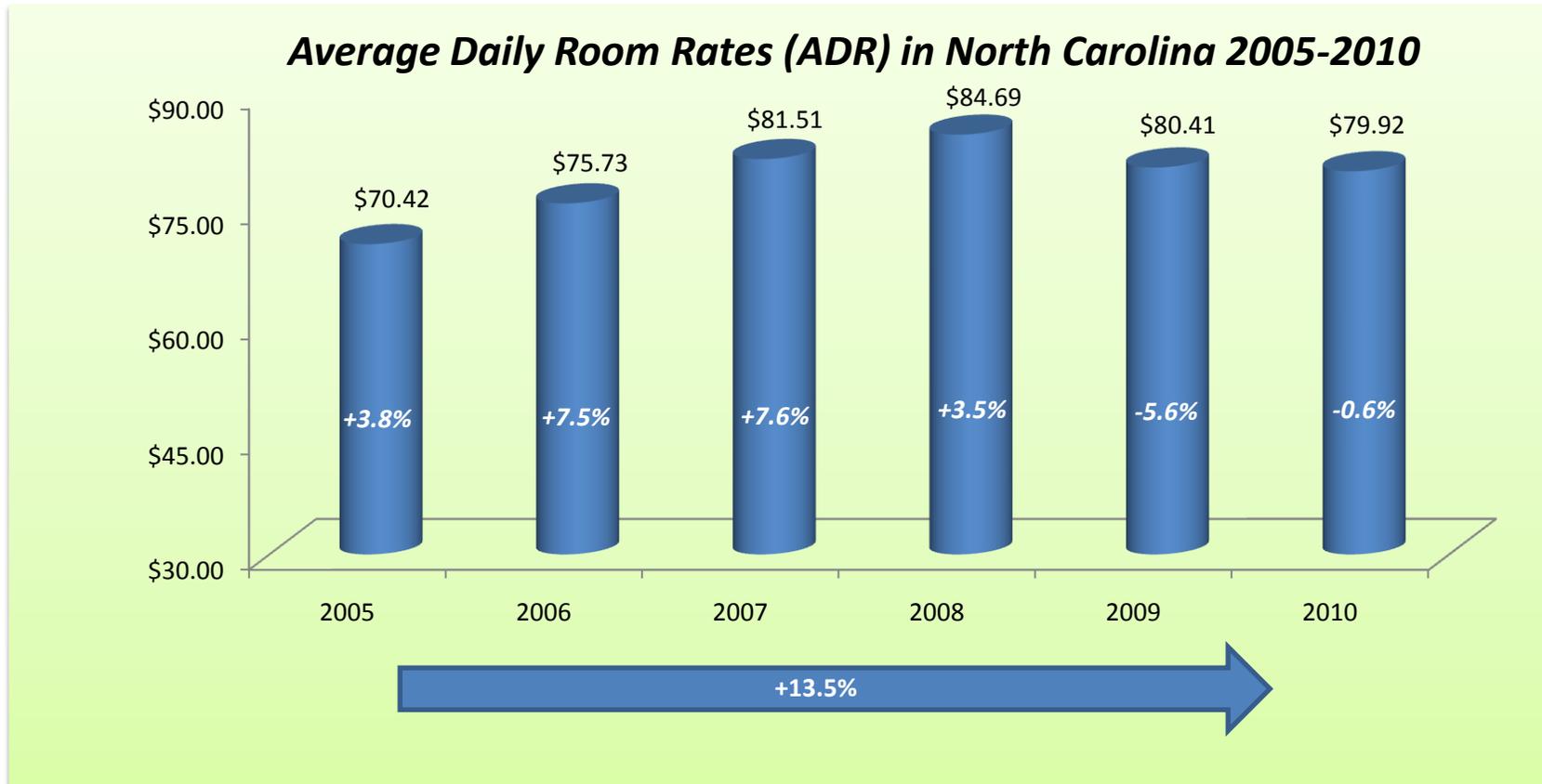
*\*Occupancy – Rooms sold divided by rooms available.*

- In 2010 monthly hotel/motel **occupancy** followed the same general trend as in recent years. Historically, statewide occupancy is always higher during the summer months and October. Growth was slow during the first quarter, and the gap between 2010 and previous years prior to 2009 was substantially larger than typical. However, as the year progressed, occupancy rate growth showed much more improvement, particularly during the fourth quarter where rates were higher than those in 2008. Anecdotal information from neighboring states confirms similar trend lines for them.



Smith Travel Research, 2011

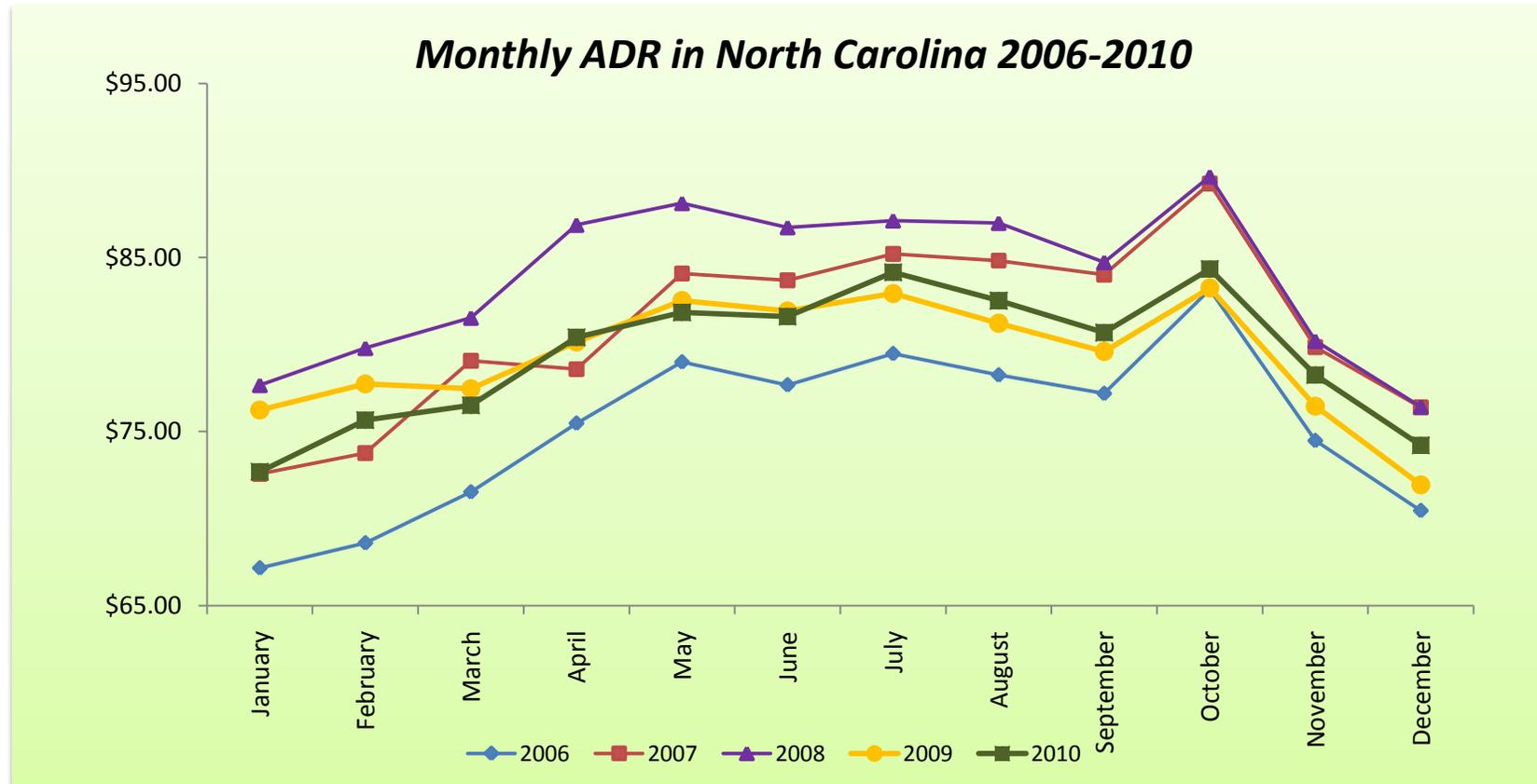
- 2010 **room rates (ADR)** in North Carolina were down -0.6% from 2009. **Room rates** have decreased -5.6% over the last two years, but are still +13.5% above 2005 rates.
  - The US **ADR** was down -0.1% from 2009.



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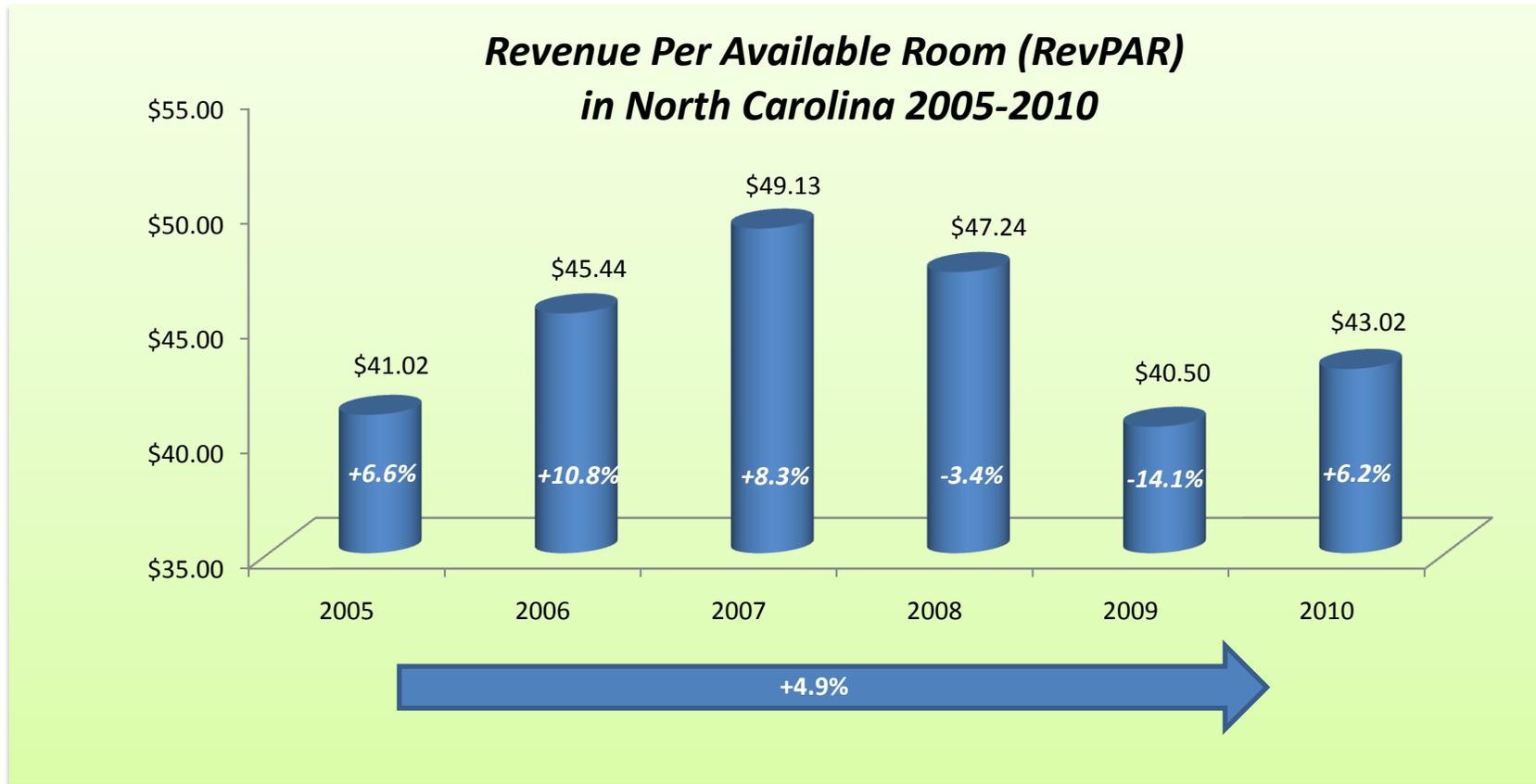
\*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

- Room rates (ADR)** in North Carolina in 2010 remained below the 2009 levels for the first half of the year, though inched above last year's rates beginning in July. Though still below 2007 and 2008 rates, the gap closed in 2010, particularly during the fourth quarter.



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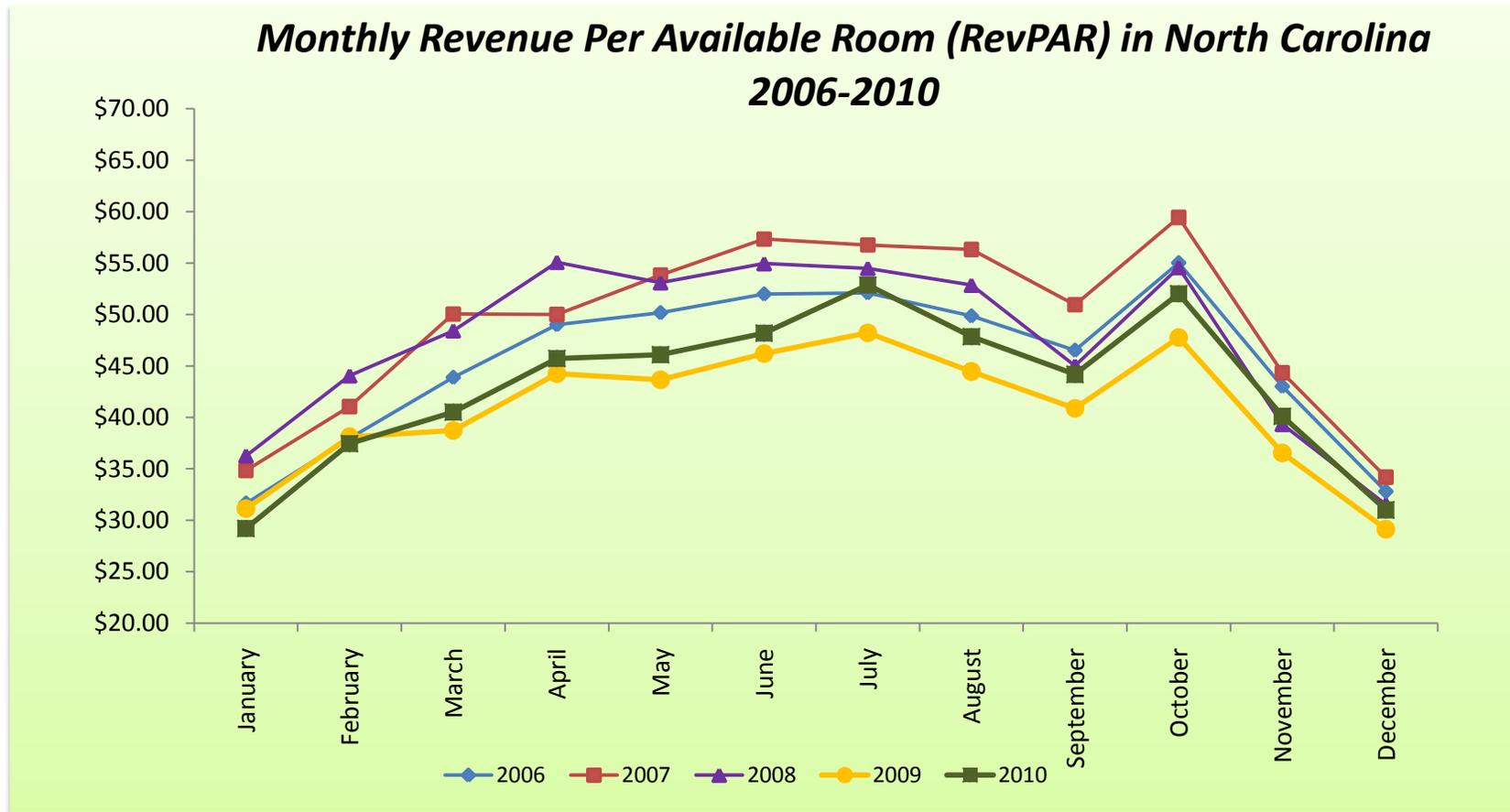
- Statewide, Revenue Per Available Room (**RevPAR**) was up 6.2% from 2009. **RevPAR** decreased -8.9% over the last two years, but are up +4.9% since 2005.
  - Nationally, **RevPAR** was up 5.5% from 2009.



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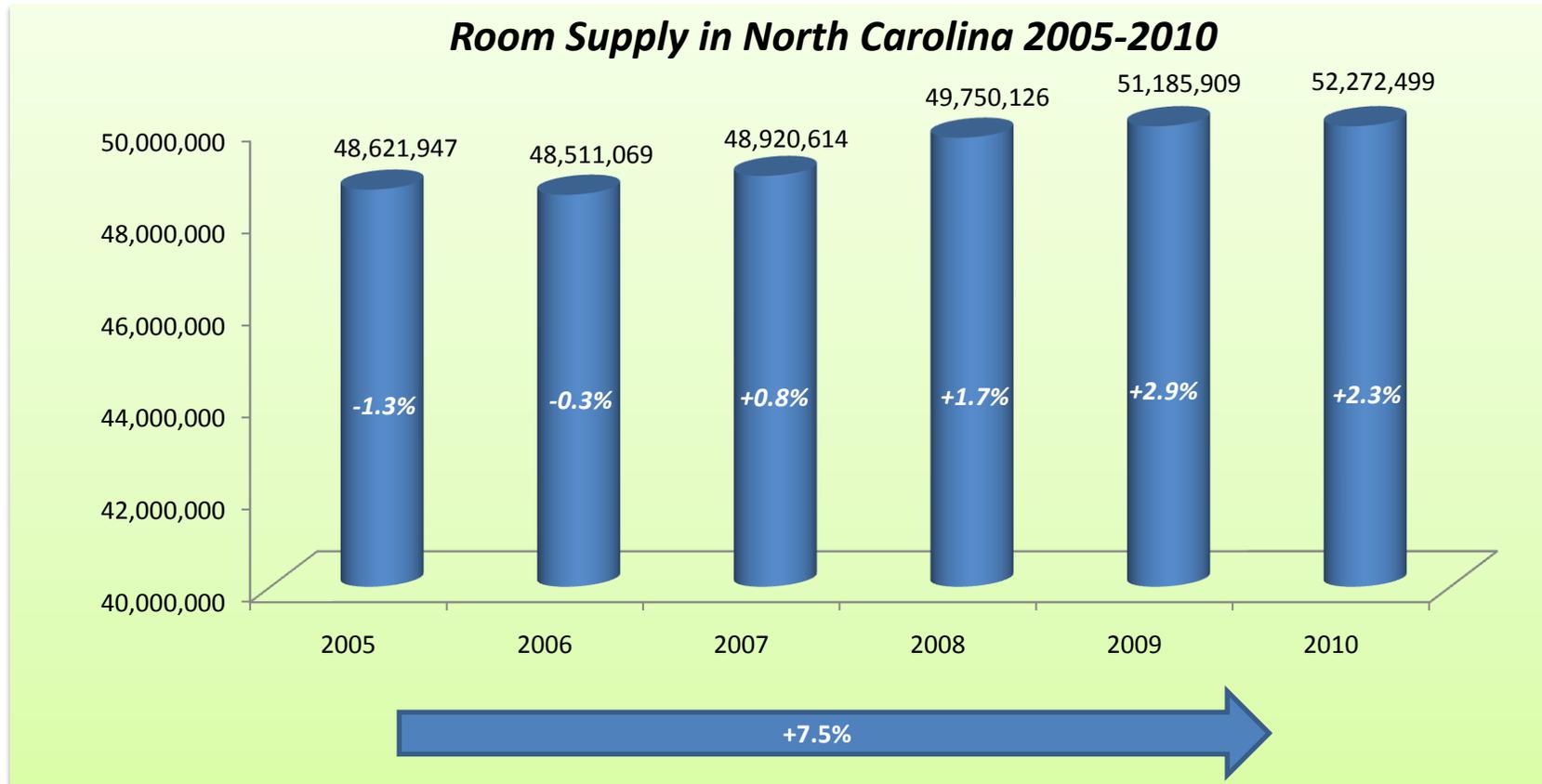
\*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- After February, statewide monthly Revenue per Available Room (**RevPAR**) was above 2009, however still lags behind 2007 and most months of 2008.



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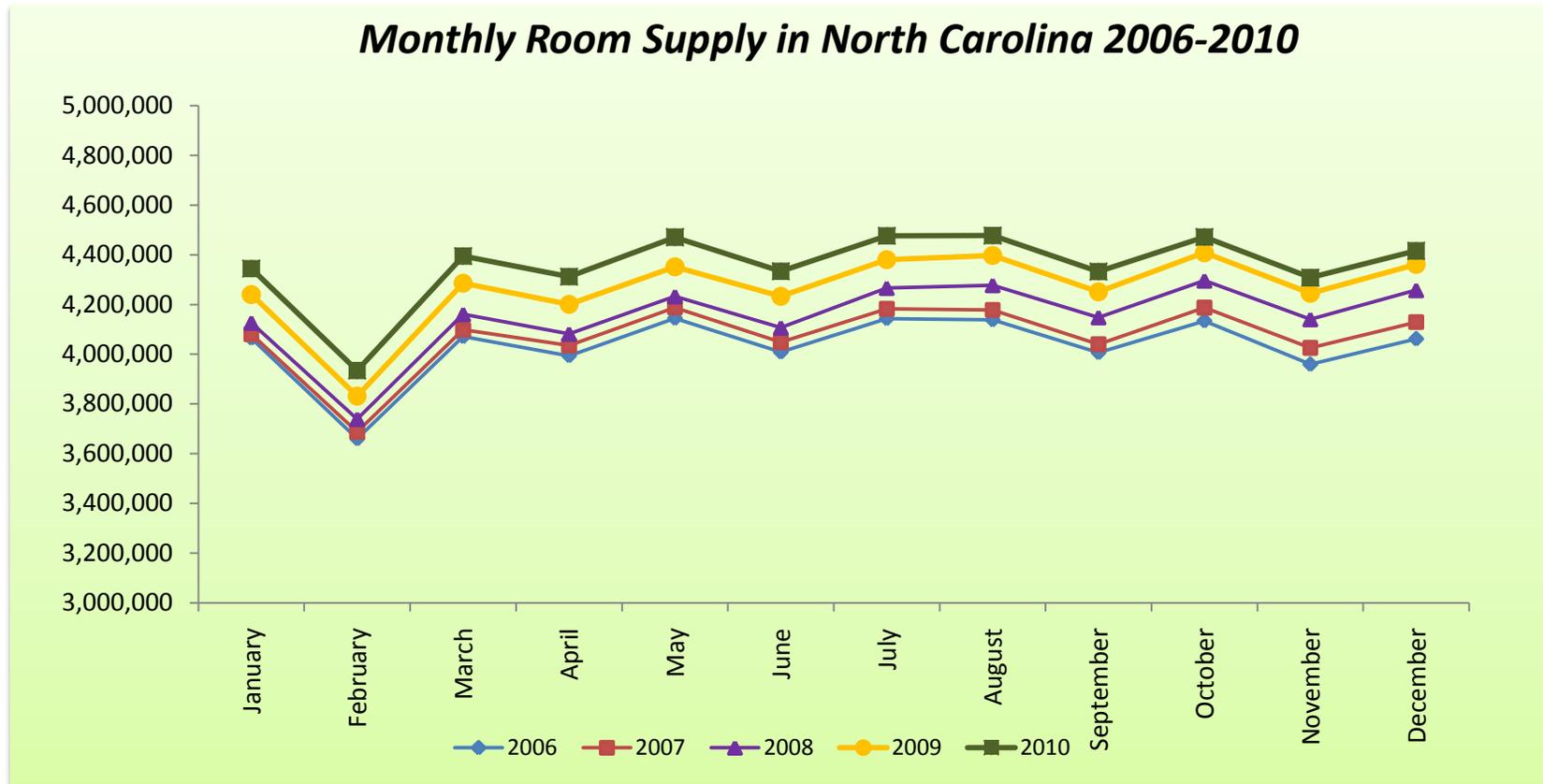
- 2010 **Room Supply** was up 2.3% in the state from 2009. **Room supply** has increased 7.5% since 2005, in small part leading to some of the decrease in occupancy over that time period.
  - Nationally, **room supply** was up 2.0%.



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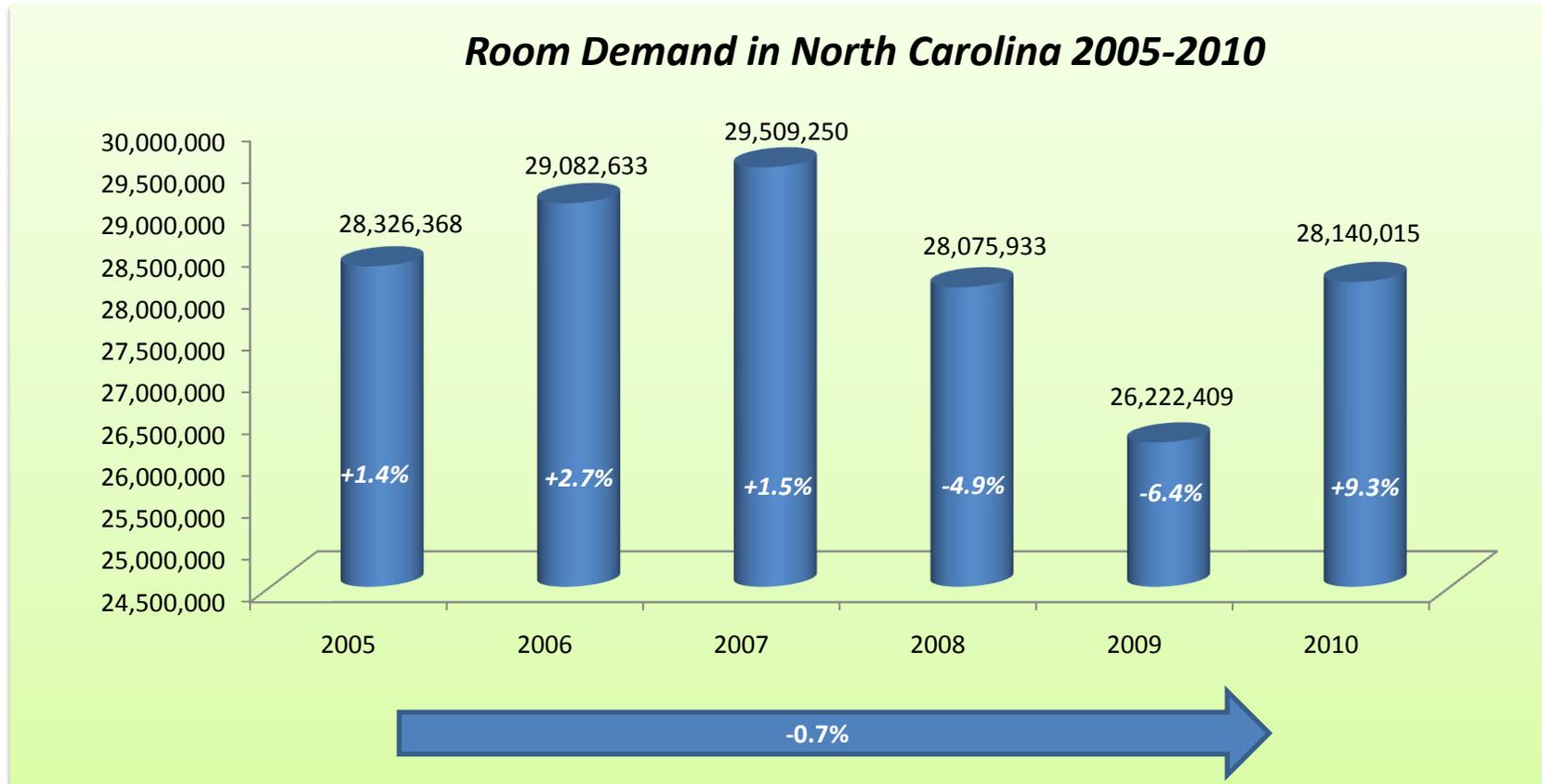
\*Room Supply – The number of rooms times the number of days in the period.

- **Room Supply** in 2010 followed the same trend line and increased at close to the same rate as last year.



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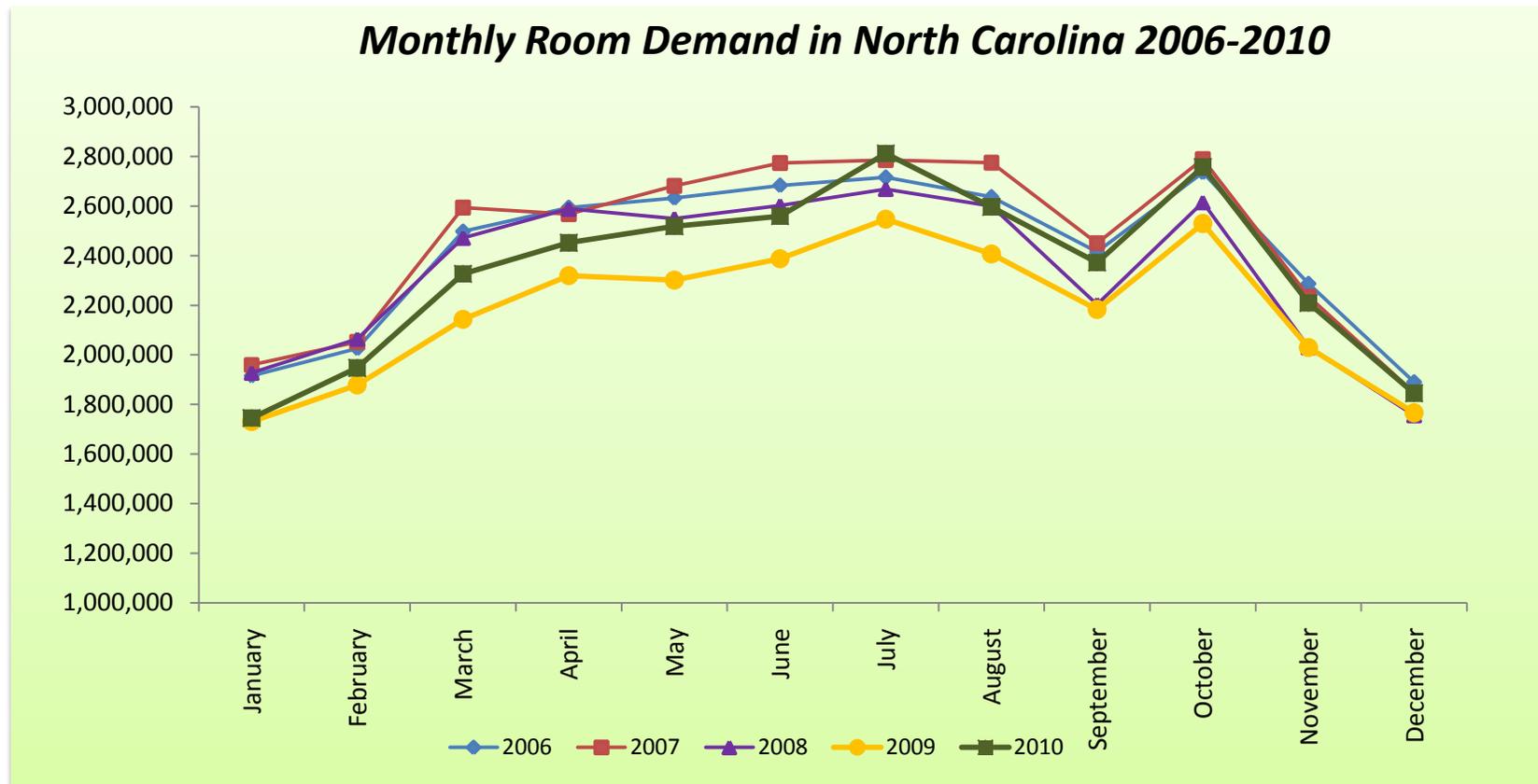
- 2010 **Room Demand** was up 9.3% in the state, and topped 2008 demand slightly. Since 2005, **room demand** is nearly flat (-0.7%), all of the decrease occurring in 2008 and 2009 negating the increases from 2005 through 2007.
  - Nationally, **room demand** was up 7.7%.



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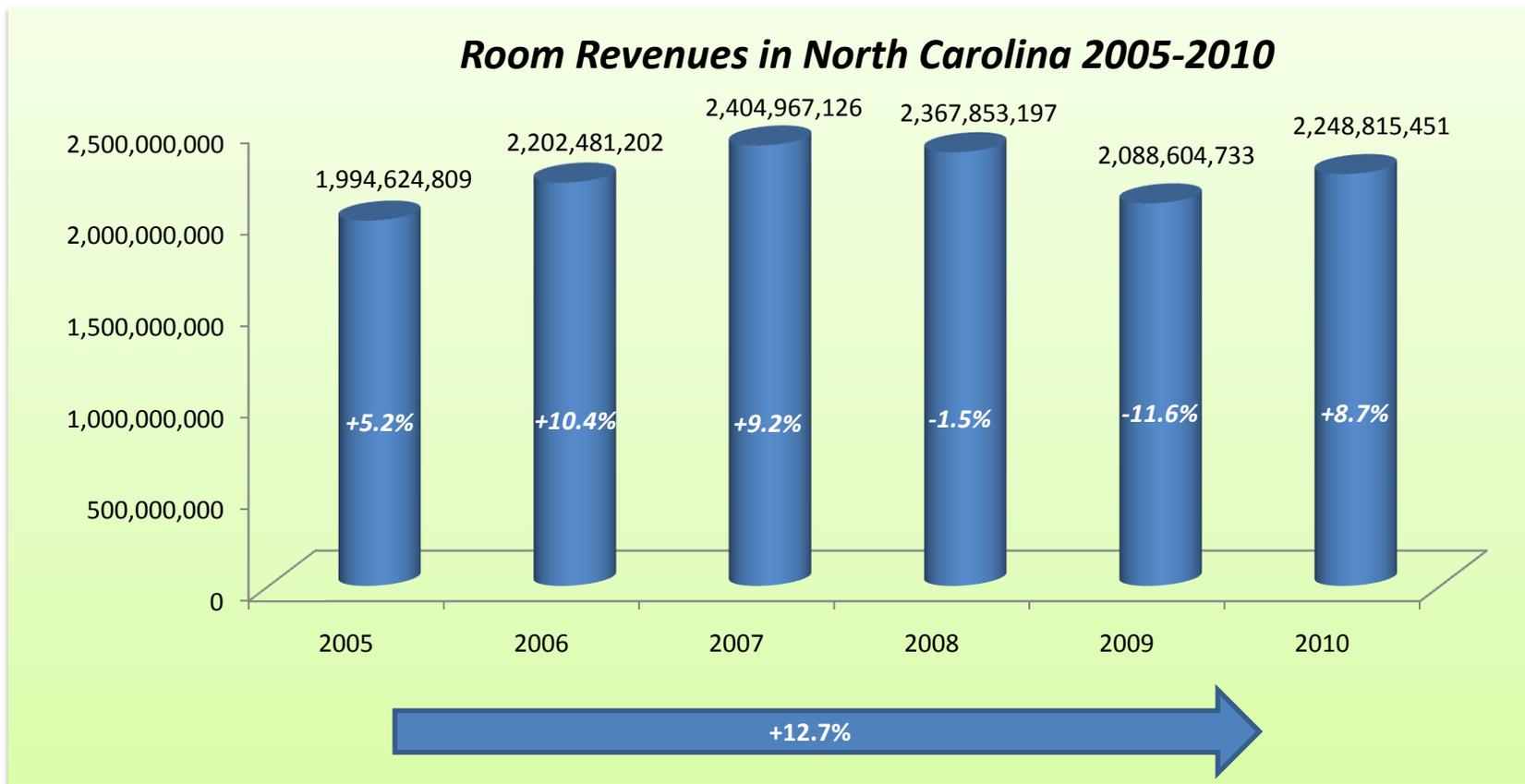
\*Room Demand – The number of rooms sold (excludes complimentary rooms).

- By month, statewide **Room Demand** in 2010 was higher than in 2009, and even topped 2007 levels in July. The fourth quarter provided consistent growth to the indicator, as demand fell in line with demand from 2006 and 2007. Due to an increased supply in rooms over the last several years, demand has fared somewhat better than occupancy; meaning a slightly smaller number of people are filling an even larger number of rooms than in previous years.



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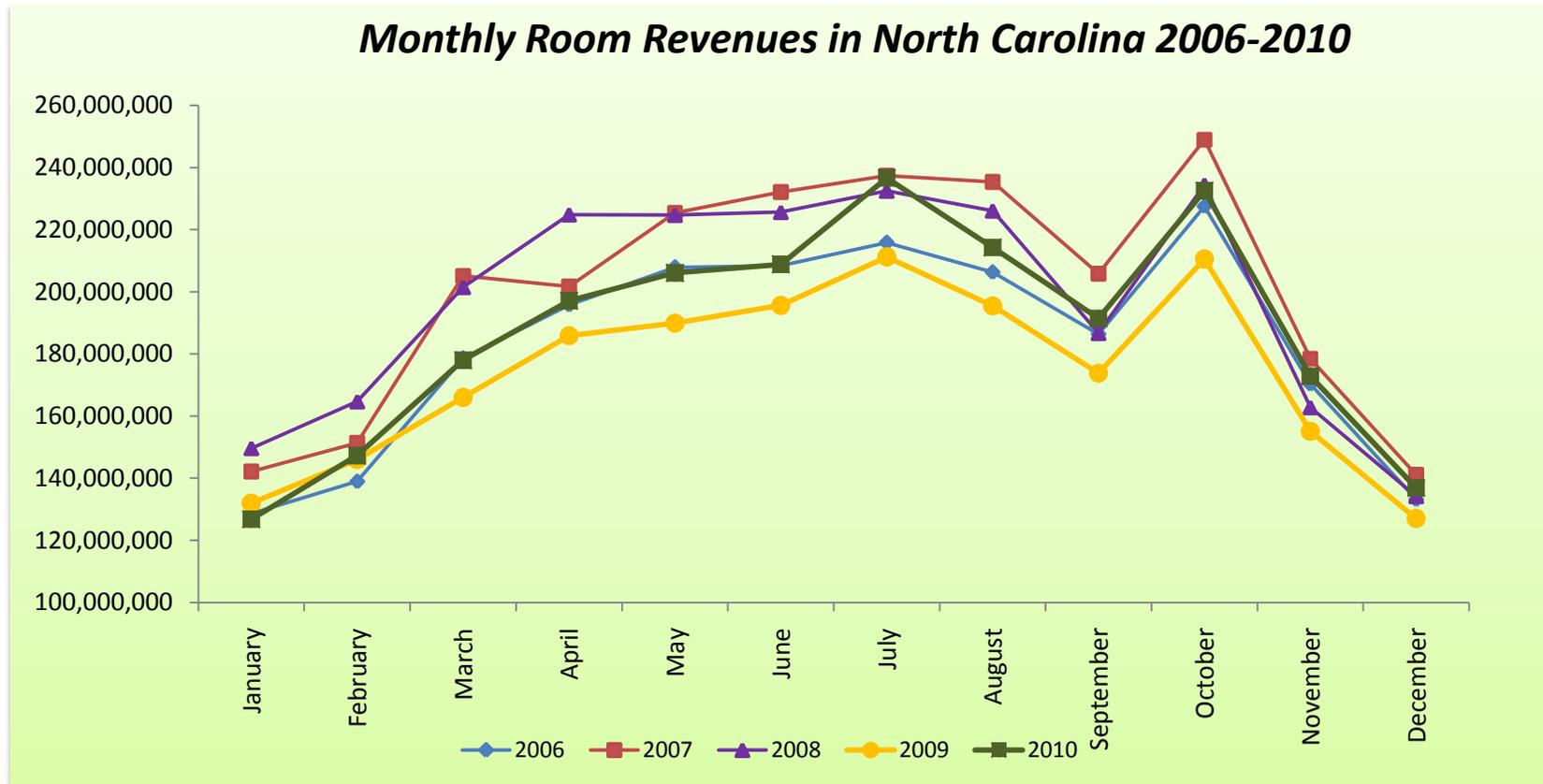
- North Carolina **room revenues** were up 8.7% in 2010 from 2009. While statewide **room revenues** are still six percent below the record set in 2007, overall revenues have increased almost thirteen percent since 2005. This is due in large part to the increased ADR from 2005-2007, and a resurgence in 2010.
  - Nationally, **room revenues** were up 7.6%.



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

- North Carolina **room revenues** in 2010 made up the losses from 2009 (+8.7% from 2009), primarily in the second half of the year. Revenues in July were up to the 2007 levels, and in fairly good standing the rest of the year. This is a sure function of demand, as room rates still lag behind previous years.



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## 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 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 to calculate 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.