

2015 North Carolina Lodging Report

A Publication of Visit North Carolina



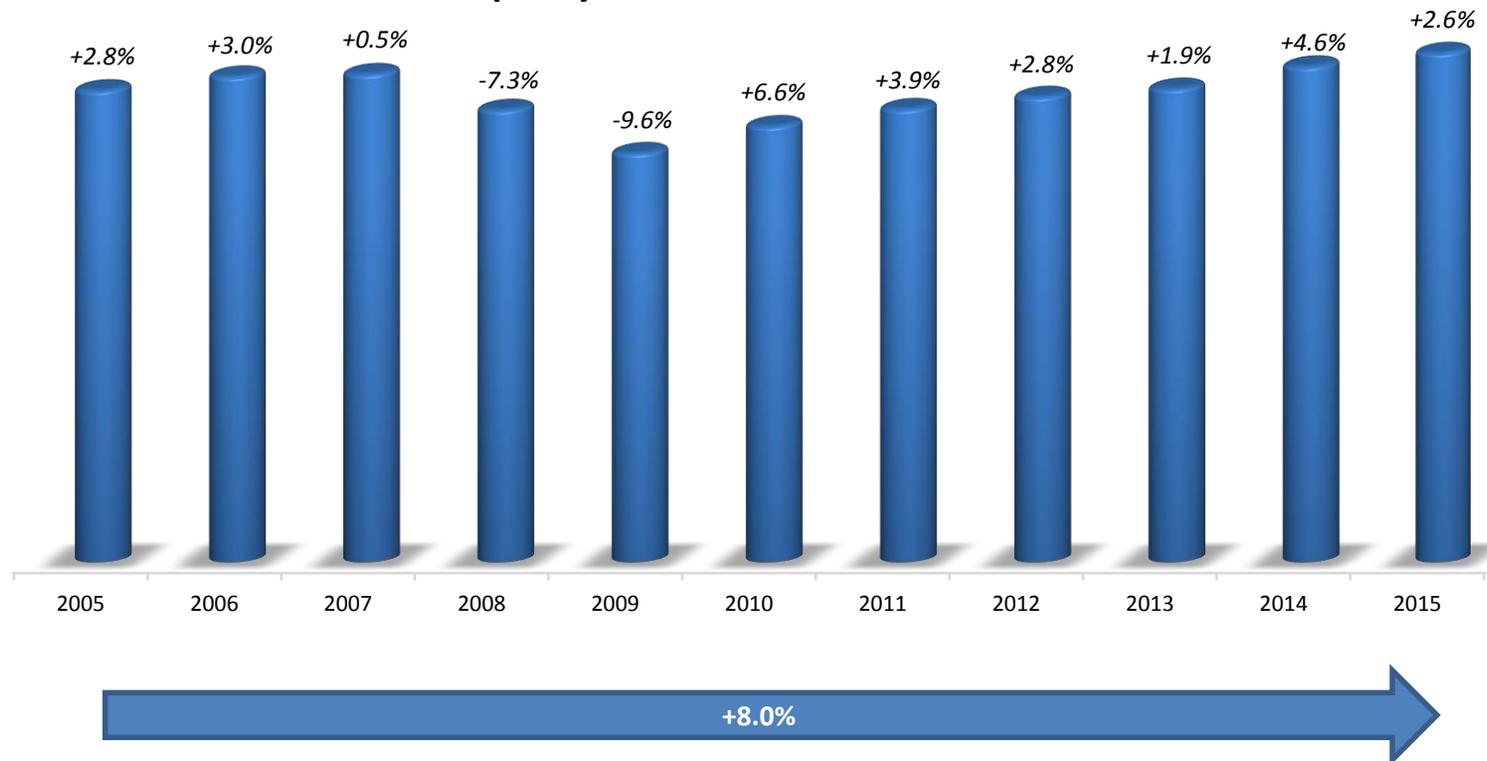
NORTH CAROLINA

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2015 North Carolina Lodging Report

- Year-end 2015 hotel/motel **occupancy** (62.9) was up 2.6% statewide from 2014 and represents record level occupancy, topping last year's record. Occupancy rates statewide have grown nearly seventeen percent in the last five years.
 - The US **occupancy** was up 1.7% and South Atlantic states **occupancy** was up 2.6% from 2014.

Occupancy in North Carolina 2005-2015

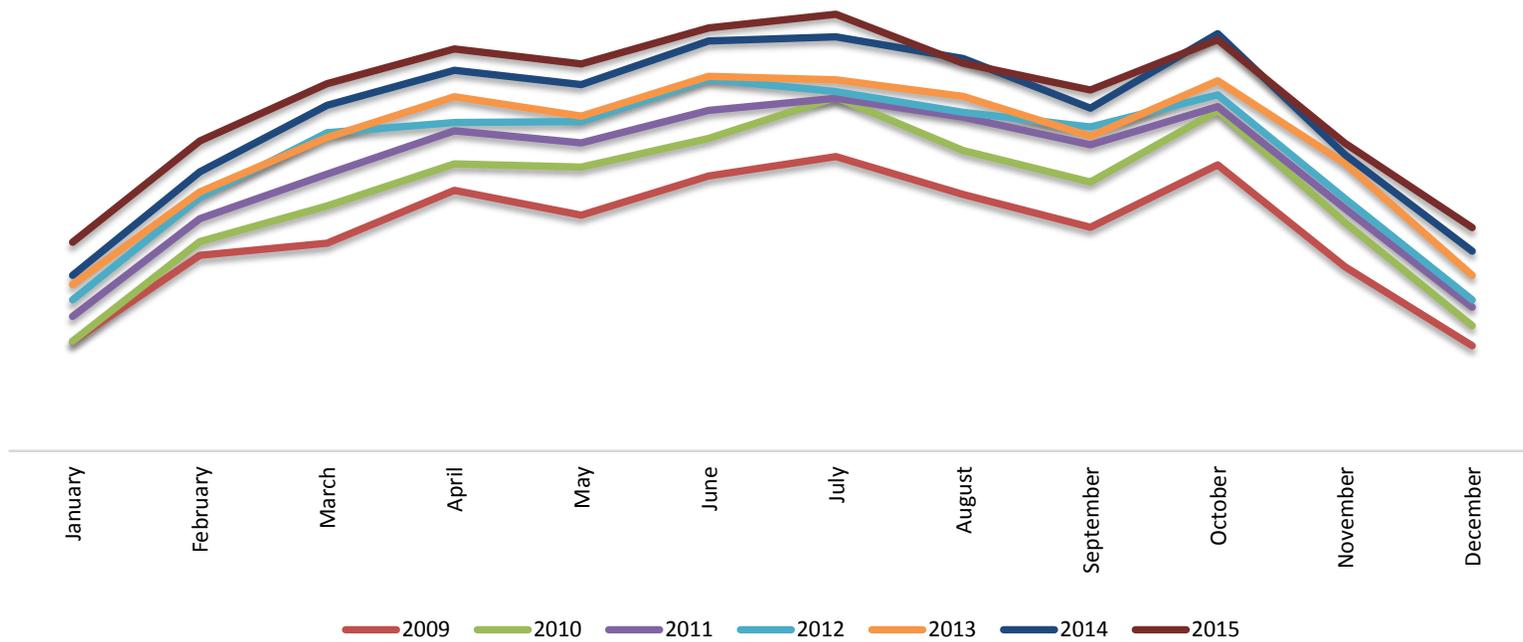


Smith Travel Research, 2016

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

- In 2015 monthly hotel/motel **occupancy** followed the same general trend as in recent years, and all but two months showed growth from 2014. Only August and October were slightly behind 2014 occupancy levels. Historically, statewide occupancy is always higher during the summer months and October, and 2015 was no different. Ten months of 2015 experienced the highest occupancy on record.

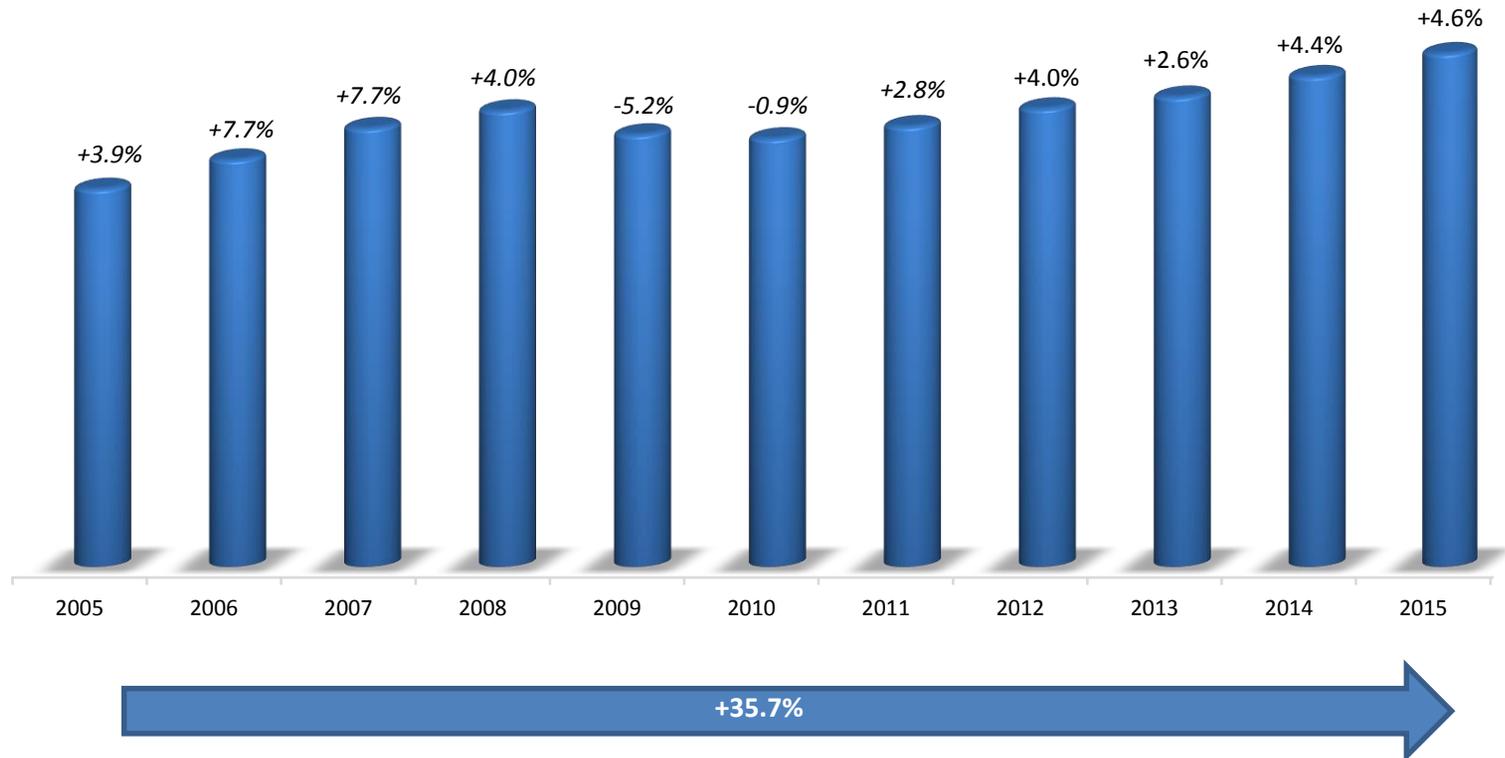
Monthly Occupancy in North Carolina 2009-2015



Smith Travel Research, 2016

- The 2015 **average room rate (ADR)** in North Carolina (\$95.30) was up 4.6% from 2014, topping last year's record high ADR for the state, and the largest year-over-year growth since 2007. **Room rates** have increased twenty percent since 2010.
 - The US **ADR** was up 4.4% from 2014. **ADR** in the South Atlantic states was up 5.0% from 2014.

Average Daily Room Rates (ADR) in North Carolina 2005-2015

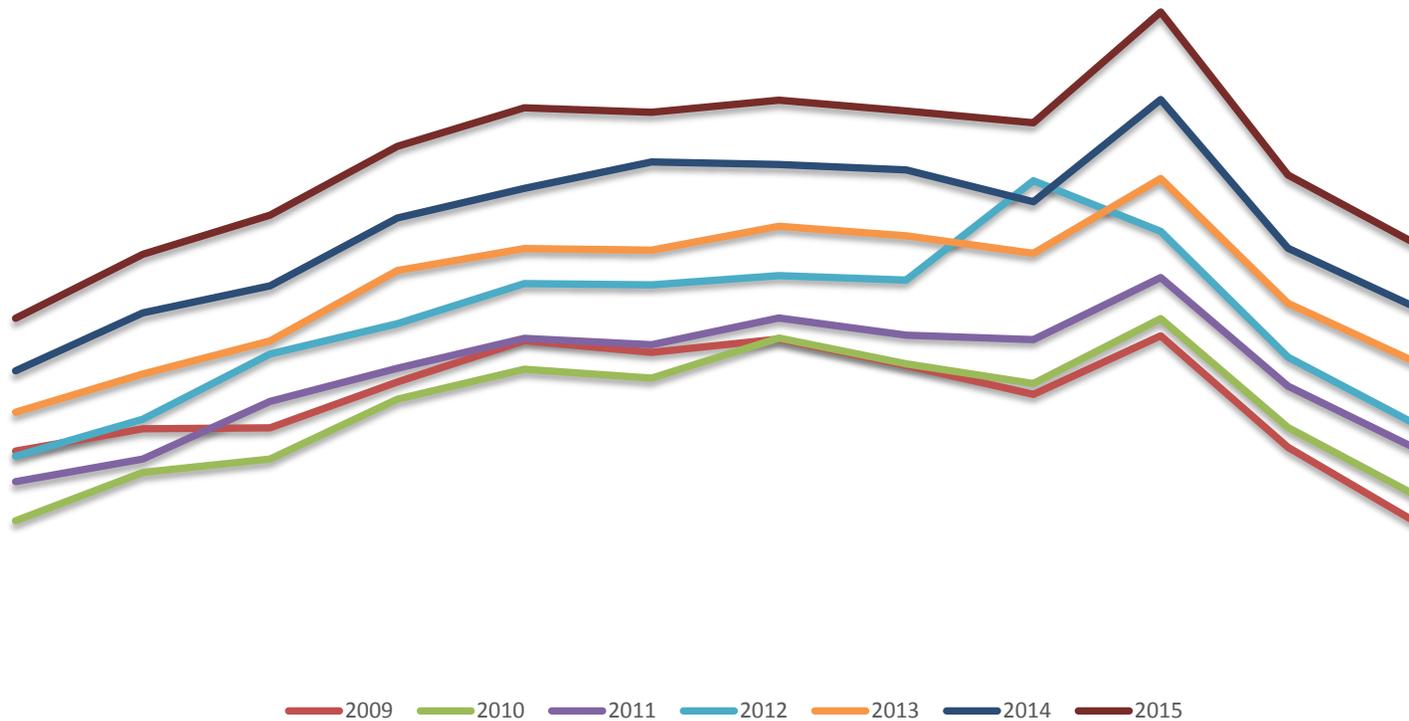


Smith Travel Research, 2016

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

- **Room rates (ADR)** in North Carolina in 2015 were the highest on record, topping even last year's record high. Each month of 2015 set a record high ADR for that particular month. October's ADR was the highest monthly figure for 2014, topping \$100 (\$103.99) for the first time.

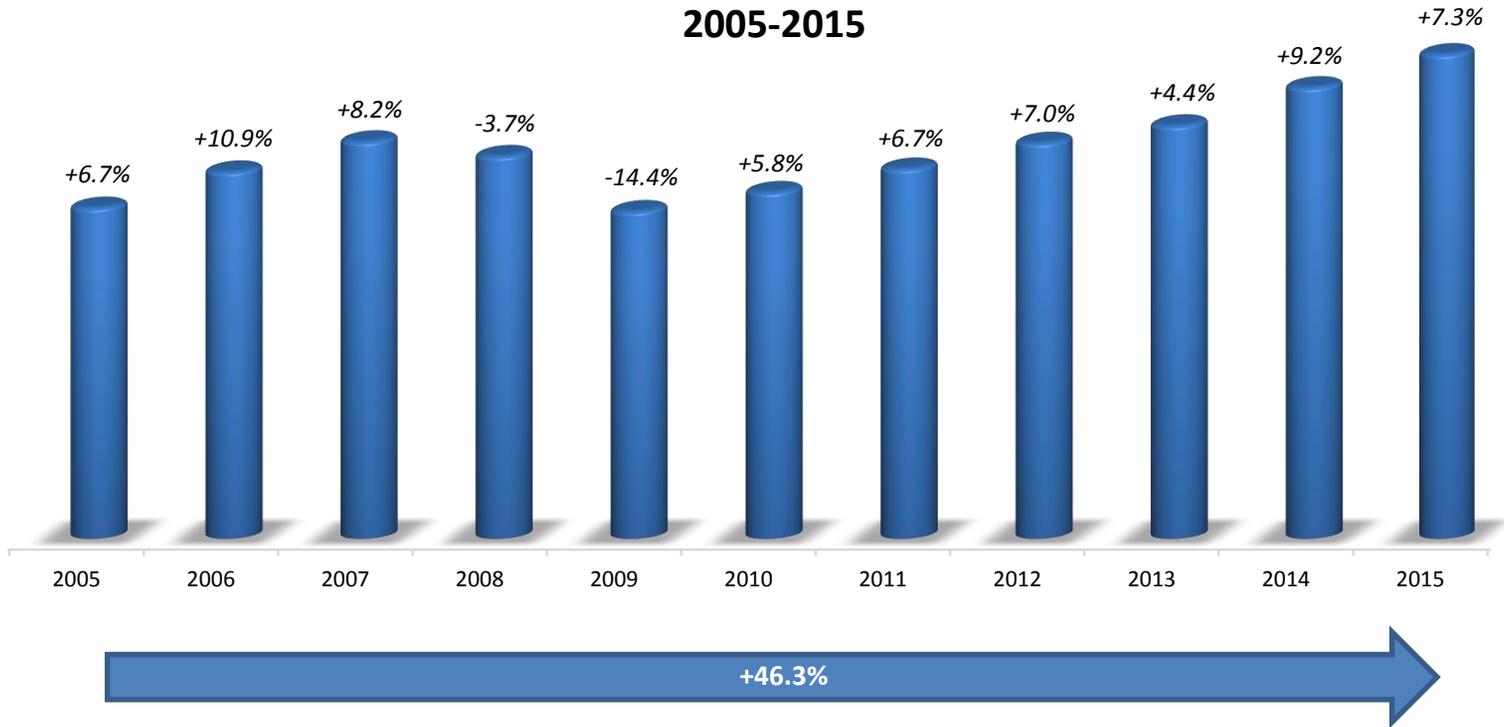
Monthly ADR in North Carolina 2009-2015



Smith Travel Research, 2016

- Statewide, Revenue Per Available Room (**RevPAR**) (\$59.93) was up 7.3% in 2015 from 2014, surpassing the record set last year. **RevPAR** has increased nearly forty percent in the last five years.
 - Nationally, **RevPAR** was up 6.3% from 2014. South Atlantic states **RevPAR** was up 7.8% from 2014.

Revenue Per Available Room (RevPAR) in North Carolina 2005-2015

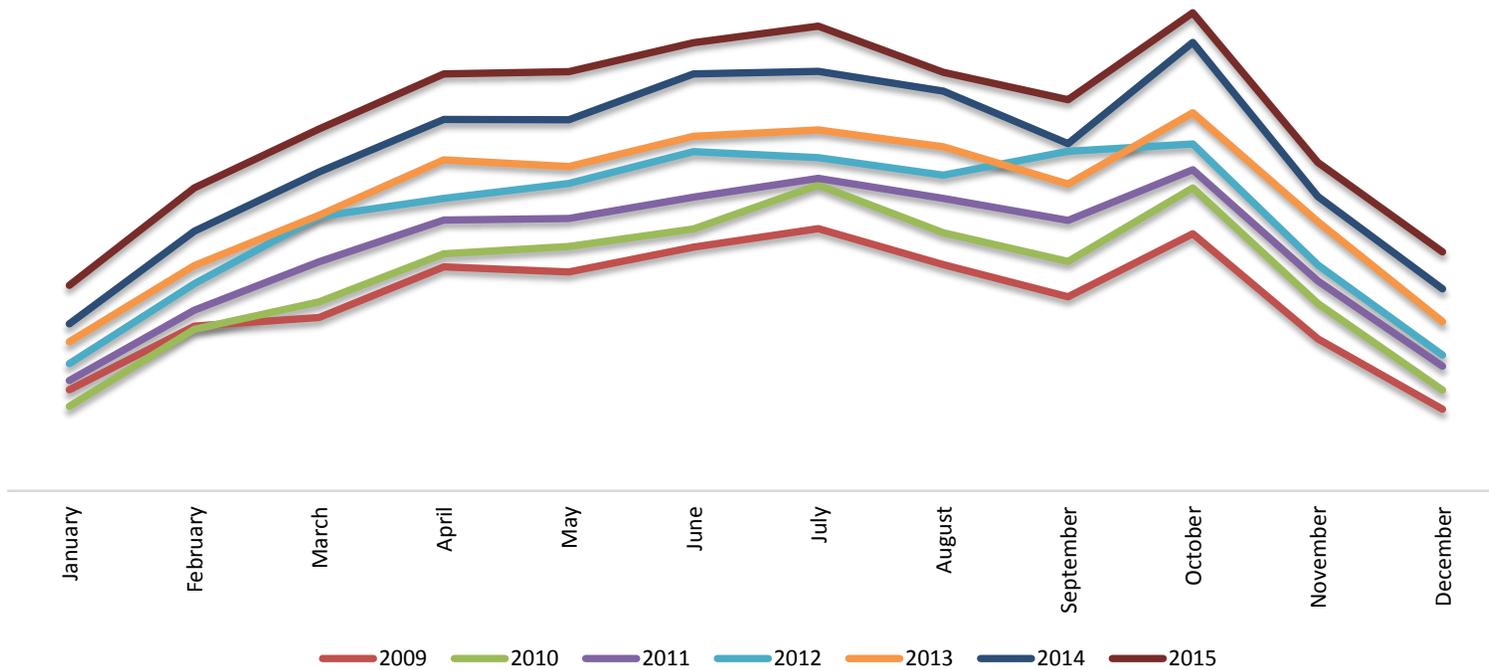


Smith Travel Research, 2016

*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**) achieved a new record high in 2015. Statewide RevPAR increased each month from 2014 and each month set a new record. October had the largest RevPAR at more than \$71, followed by July with nearly \$70.

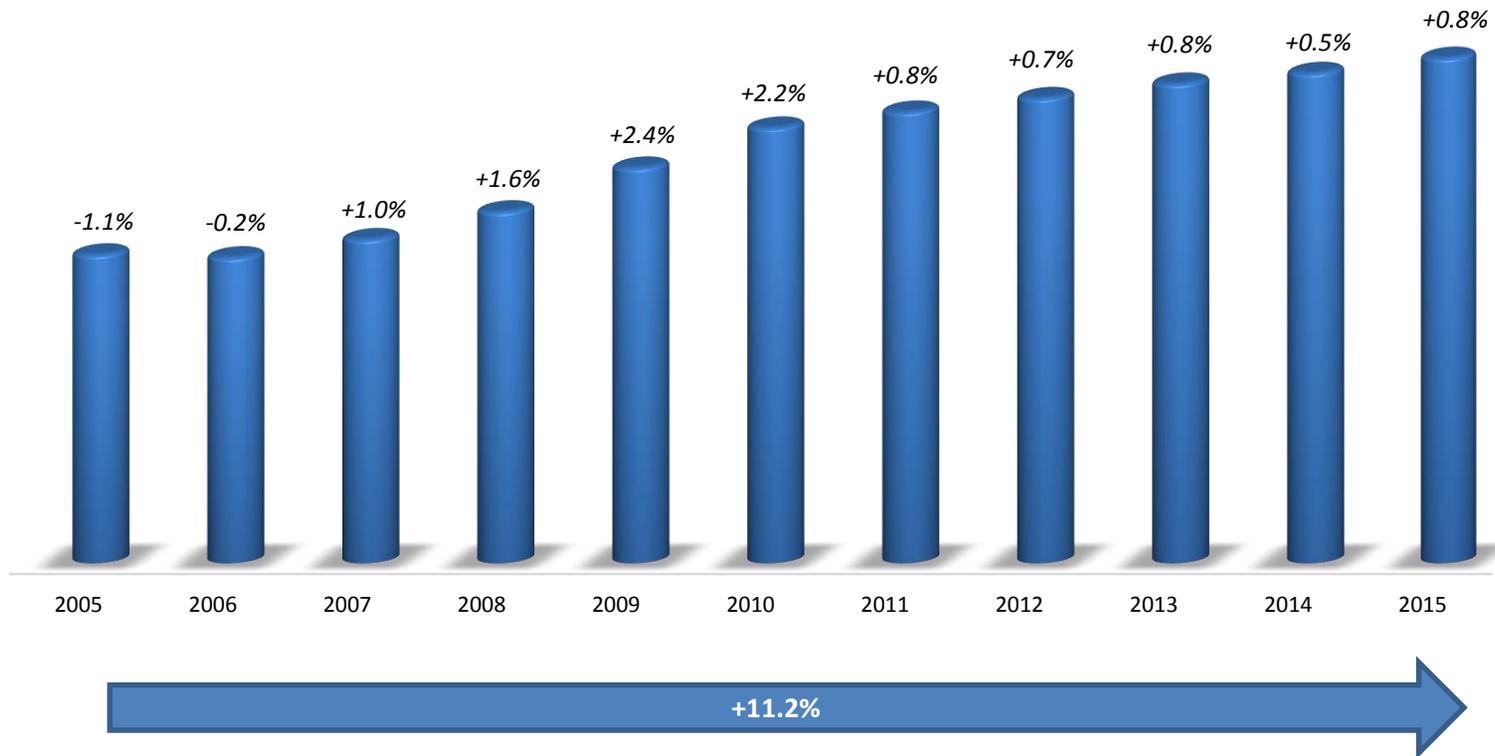
Monthly Revenue Per Available Room (RevPAR) in North Carolina 2009-2015



Smith Travel Research, 2016

- 2015 **Room Supply** was up 0.8% in the state from 2014. **Room supply** has increased nearly four percent in the last five years. Room supply in 2014 was at its highest on record for North Carolina with nearly 54 million room nights available for the year.
 - Nationally, **room supply** was up 1.1%. **Room supply** was up 0.9% from 2014 to 2015 in the South Atlantic region.

Room Supply in North Carolina 2005-2015

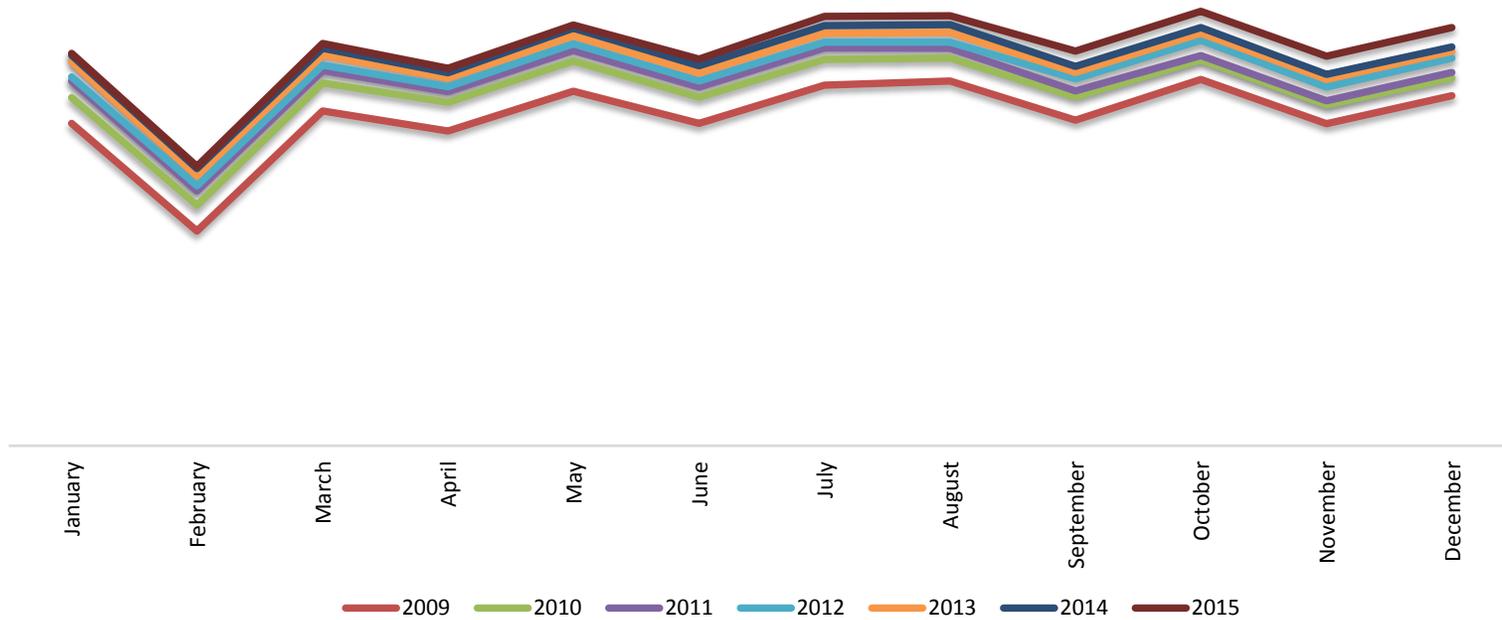


Smith Travel Research, 2016

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

- **Room Supply** in 2014 followed the same trend line as last year, showing slow, yet consistent growth throughout the year. Supply growth increased as the year progressed, with December room supply growth at 1.6 percent from 2014.

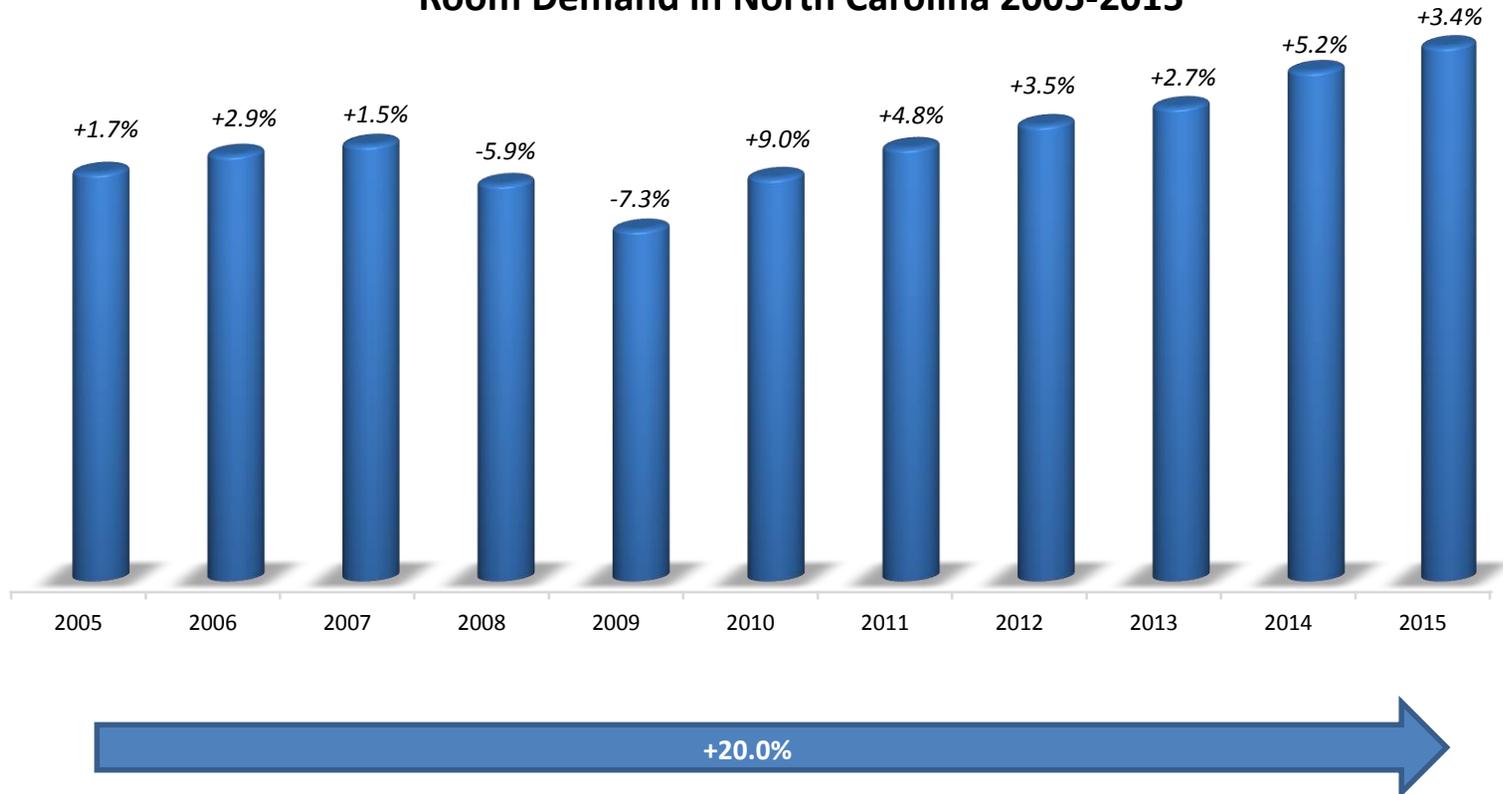
Monthly Room Supply in North Carolina 2009-2015



Smith Travel Research, 2016

- 2015 **Room Demand** was up 3.4% in the state, and again surpassed the previous year's record demand to reach a new record for lodging demand in North Carolina. Nearly 34 million room nights were sold in 2015. Since 2005, **room demand** is up twenty percent (and up 21 percent in the last five years).
 - **Room demand** was up 2.9% nationally and up 3.5% in the South Atlantic region from 2014 to 2015.

Room Demand in North Carolina 2005-2015

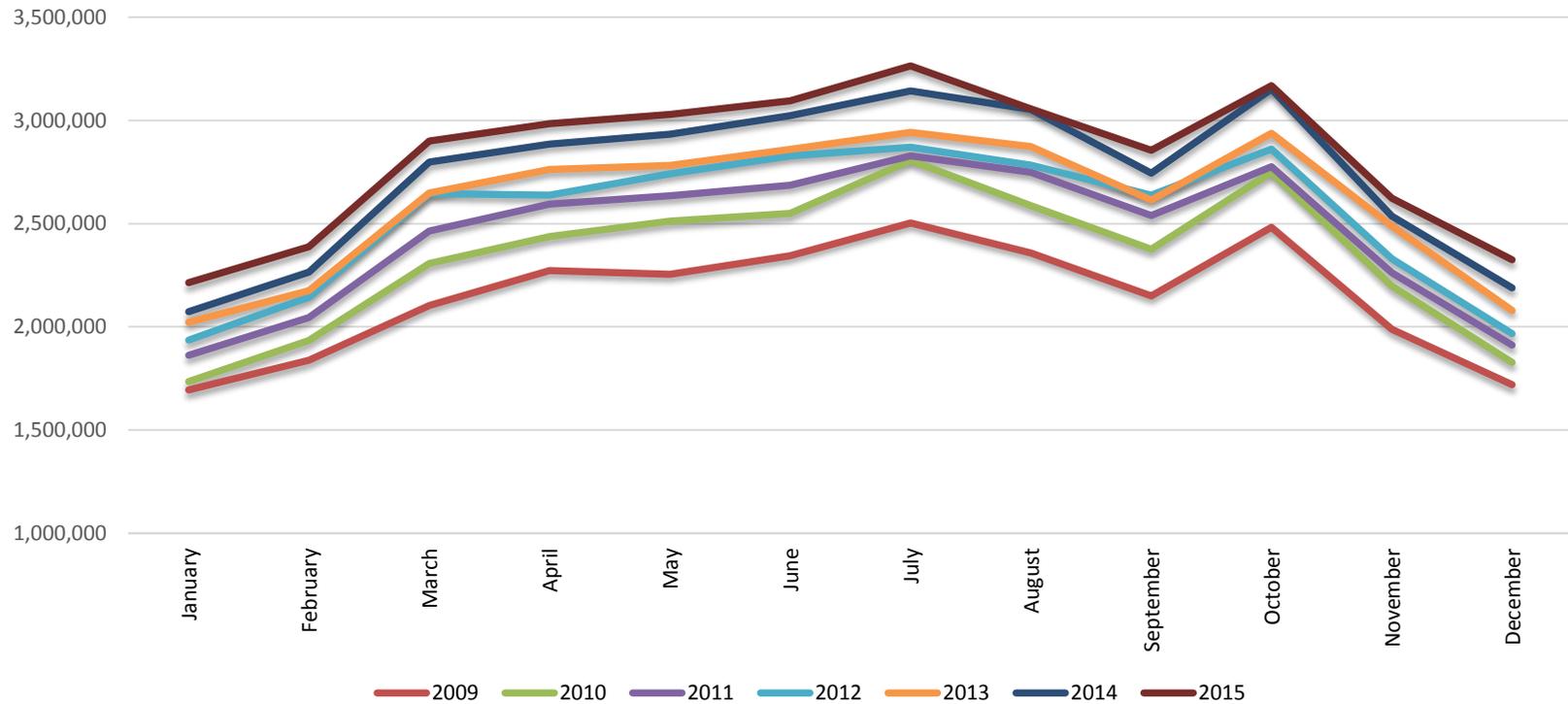


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*Room Demand – The number of rooms sold (excludes complimentary rooms).

- Every month in 2015 showed increased statewide **Room Demand** from 2014 and each month set a new record in room demand. Due to an increased supply in rooms over the last several years, demand has fared somewhat better than occupancy; meaning that while there are more overnight stays in paid accommodations (demand) in the state, there are also more rooms to fill than in previous years.

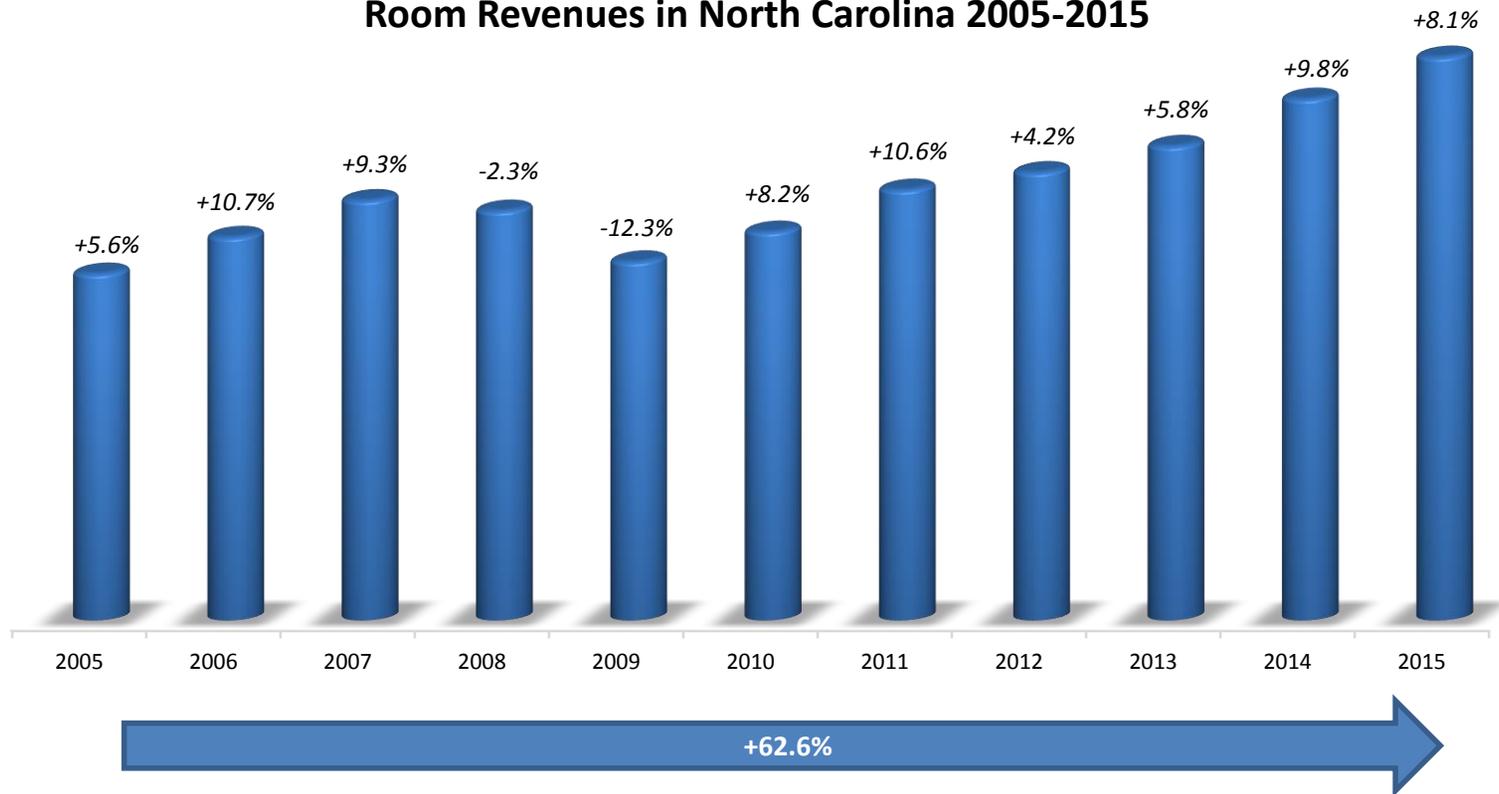
Monthly Room Demand in North Carolina 2009-2015



Smith Travel Research, 2016

- North Carolina **room revenues** were up 8.1% in 2015 from 2014, for the first time topping \$3 billion (\$3.23B). Statewide **room revenues** have increased nearly 63 percent since 2005 and 45 percent in the last five years. This is due to both a healthy increase in demand and ADR growth statewide.
 - **Room revenues** were up 7.4% nationally and up 8.8% in the South Atlantic states from 2014 to 2015.

Room Revenues in North Carolina 2005-2015

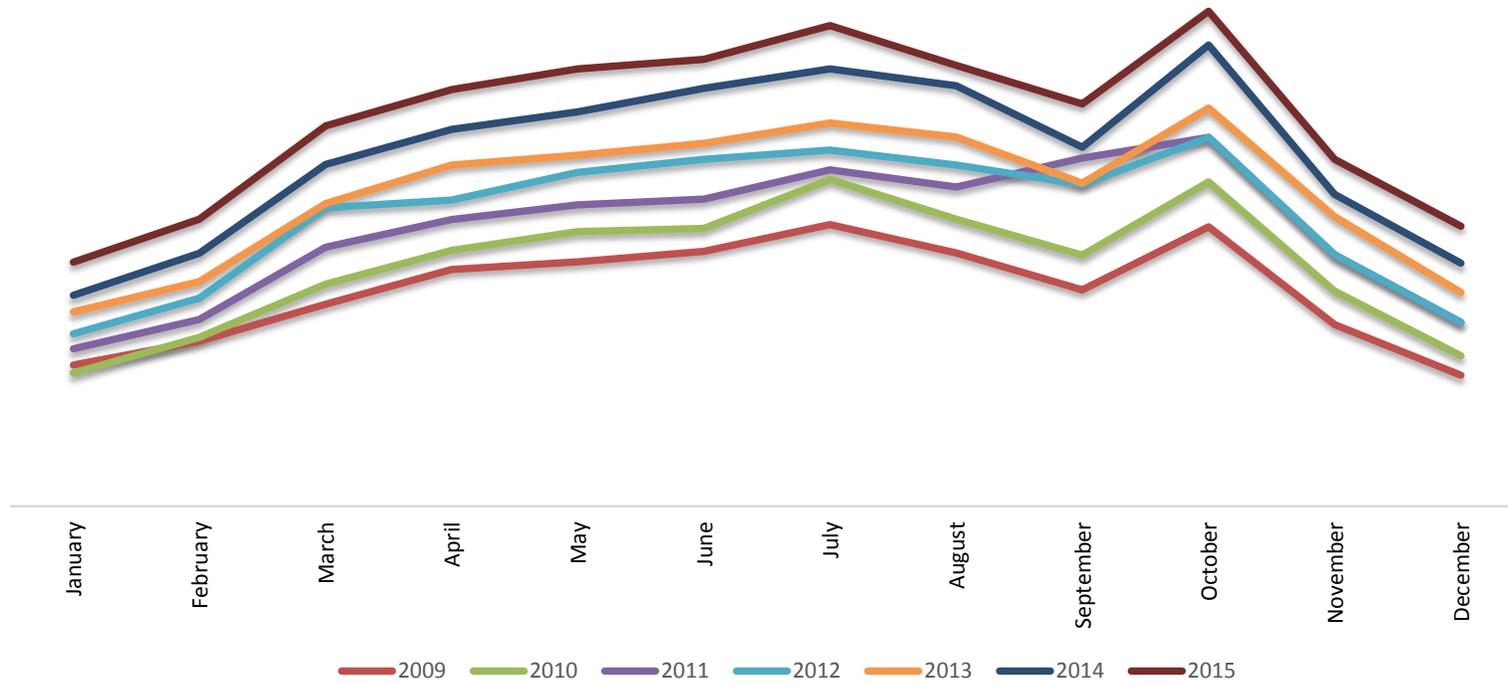


Smith Travel Research, 2016

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

- Each month in 2015 posted record **room revenues**. January and December 2015 posted double digit revenue growth, while February and September each had nearly ten percent growth.

Monthly Room Revenues in North Carolina 2009-2015



Smith Travel Research, 2016

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.