



2010 Year End Report

Strategic tourism marketing and policy decisions depend on accurate, consistent tracking of business indicators such as lodging statistics, attraction and welcome center visitation, transportation statistics and more. The intent of the North Carolina Travel Tracker is to provide up-to-date and relevant tourism indicators for both the state and individual regions within the state. With data from the Travel Tracker, program areas and industry partners can strategically plan, implement and evaluate processes and programs.

The following report analyzes a variety of tourism indicators by 1) State, 2) the three geographic marketing regions (coastal, piedmont and mountain), and for some indicators 3) the seven economic development regions. As well as providing a review of the current state of business, the report provides a year-to-date analysis and comparisons to previous years where applicable.

With regards to the lodging data found in this report; while virtually every chain in the United States provides Smith Travel Research (STR) with data on almost all of their properties, there are still some hotels that don't submit data. However, every year STR examines listings and directories for information on hotels that don't provide data. STR calls each hotel in the 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 on nearby hotels with similar price levels.

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Section 1: 2010 Statewide Tourism Indicator Analysis

Chart 1 –Hotel/Motel Occupancy in North Carolina

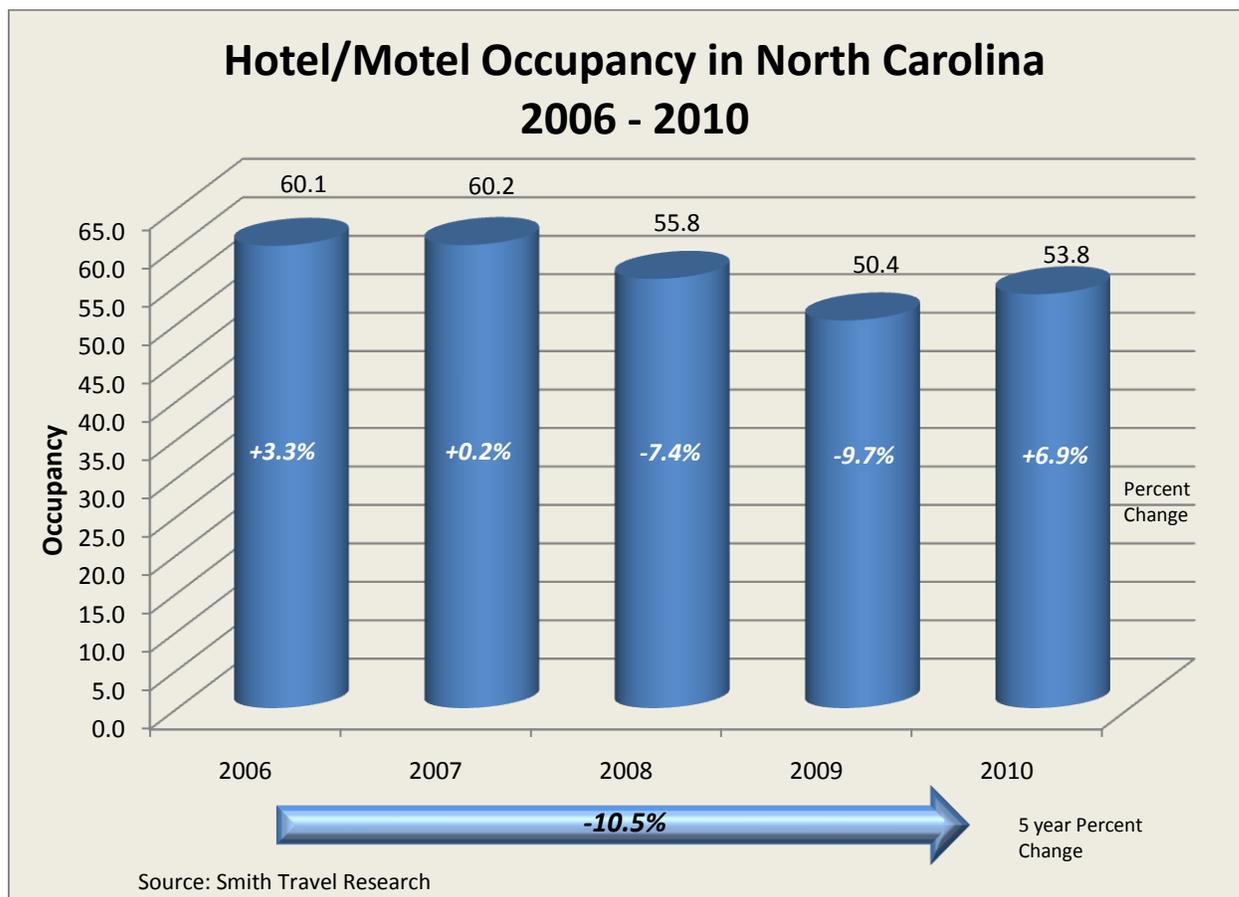


Chart 1 provides a comparison over a four year period to show the trend of occupancy. Occupancy in 2010 increased almost seven percent from 2009, though still not yet back to 2008 levels. *Occupancy at the national level increased 5.7 percent in 2010.*

Chart 2 – Hotel/Motel Average Daily Room Rate in North Carolina

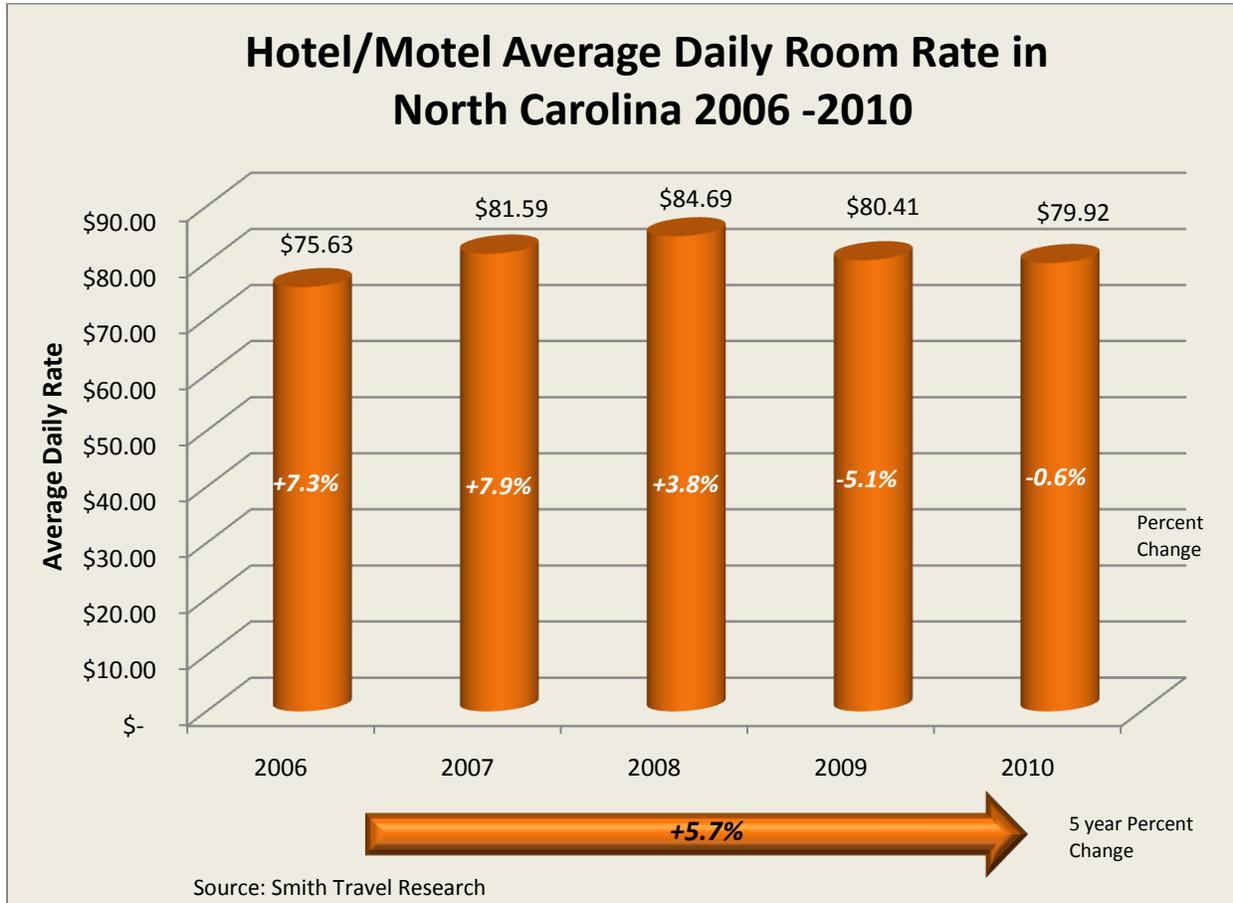
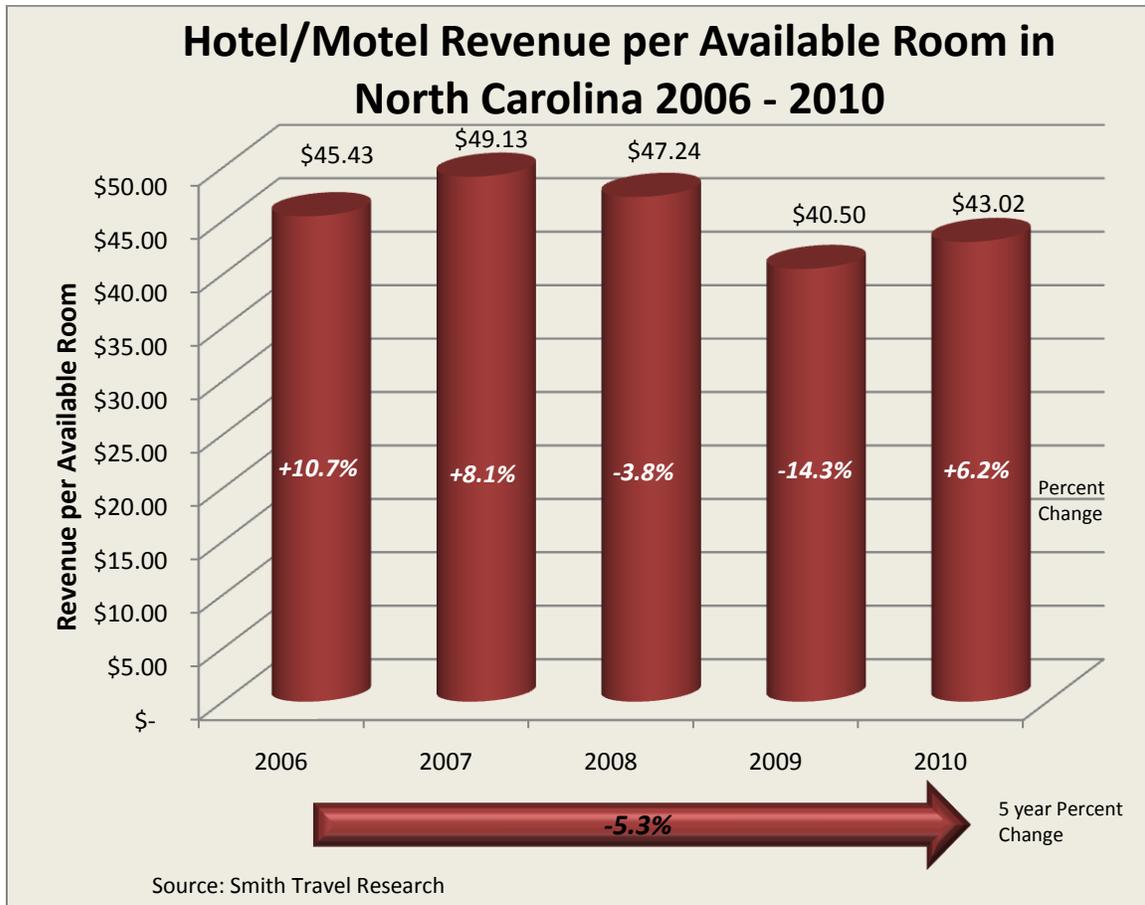


Chart 2 provides a comparison over a four year period to show the trend of average daily room rate (ADR) in the state. From 2006 through 2008, ADR had steady increases statewide. However, 2009 ADR decreased over 5 percent (though still above 2006 rates), and in 2010 decreased again very slightly by 0.6%. *ADR at the national level was down 0.1 percent in 2010 from 2009.*

Chart 3 – Hotel/Motel Revenue per Available Room in North Carolina



In Chart 3 an analysis of Revenue per Available Room (RevPAR) is provided. RevPAR is an industry term that describes the revenue that a hotel earns on the basis of just the rooms available for a given night. In other words, rooms not available either due to renovation or other reasons are not included in this equation. Mathematically, RevPAR can be determined dividing total room revenue by rooms available (occupancy times average room rate will closely approximate RevPAR). As with previous charts, Chart 3 shows a comparison over a four year period to show the trend of RevPAR in the state. In 2010 RevPar was up over six percent from 2009, though still below 2006 RevPAR. *RevPAR at the national level was up 5.5 percent in 2010 from 2009.*

Chart 4 – Hotel/Motel Room Demand in North Carolina



Chart 4 depicts hotel/motel demand from 2006 through 2010. Demand is the number of rooms sold excluding complimentary rooms. Room Demand for 2010 was up over nine percent from 2009 and one percent over 2008. *Room Demand at the national level saw an increase of 7.7 percent change in 2010 from the previous year.*

Chart 5 – North Carolina Lodging Statistics Monthly Percent Change 2008 – 2010

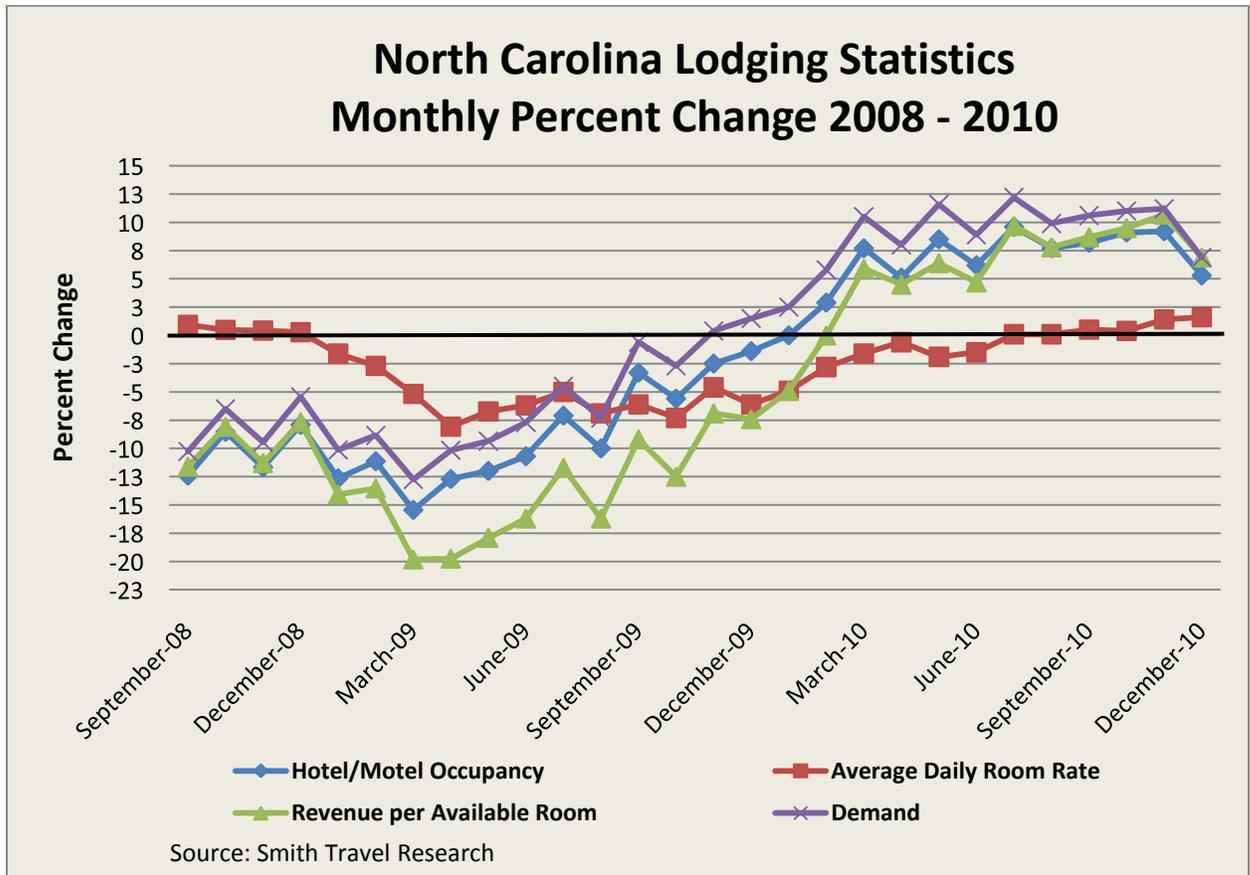


Chart 5 provides a monthly percent change for the four major lodging indicators. The chart allows for a 27 month trend-line analysis that clearly depicts that the major indicators are in recovery. Most indicators dropped to negative percent change in January 2009, and began to rebound a year later. While ADR was the last to drop, it is also the slowest to recover.

Chart 6 – Statewide Visitation to Attractions

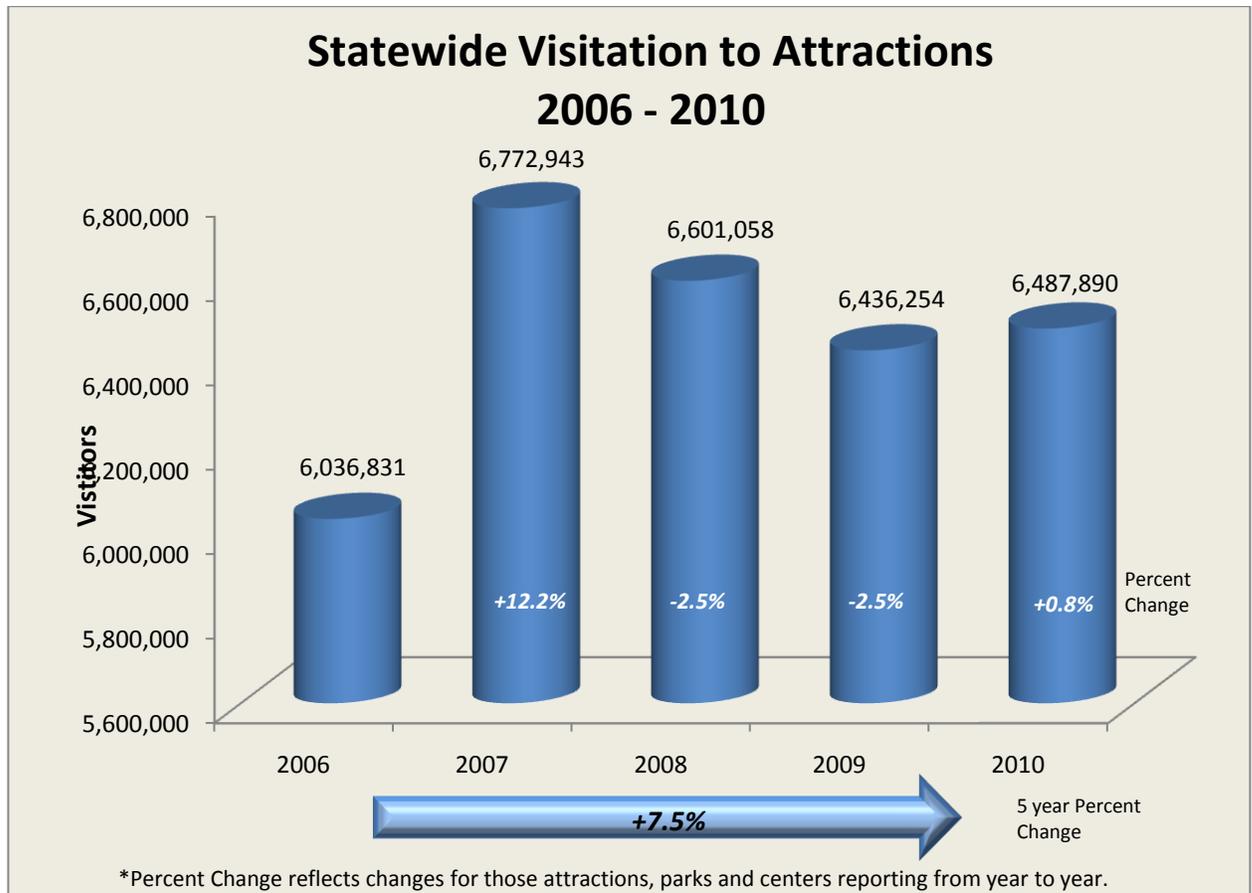


Chart 6 provides a status of the attractions industry in North Carolina for the last four years. The numbers represent only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis, particularly when tracking percent change. Missing values for attractions who regularly report are not included in percent change calculations.

There was an almost four percent increase in attraction visitation from 2009 to 2010, and figures topped 2008 levels. It should be noted that in 2006 the Pine Knoll Shores Aquarium was closed for renovations, affecting annual visitation that year.

Chart 7 – Statewide Visitation to Attractions Monthly History 2006 – 2010

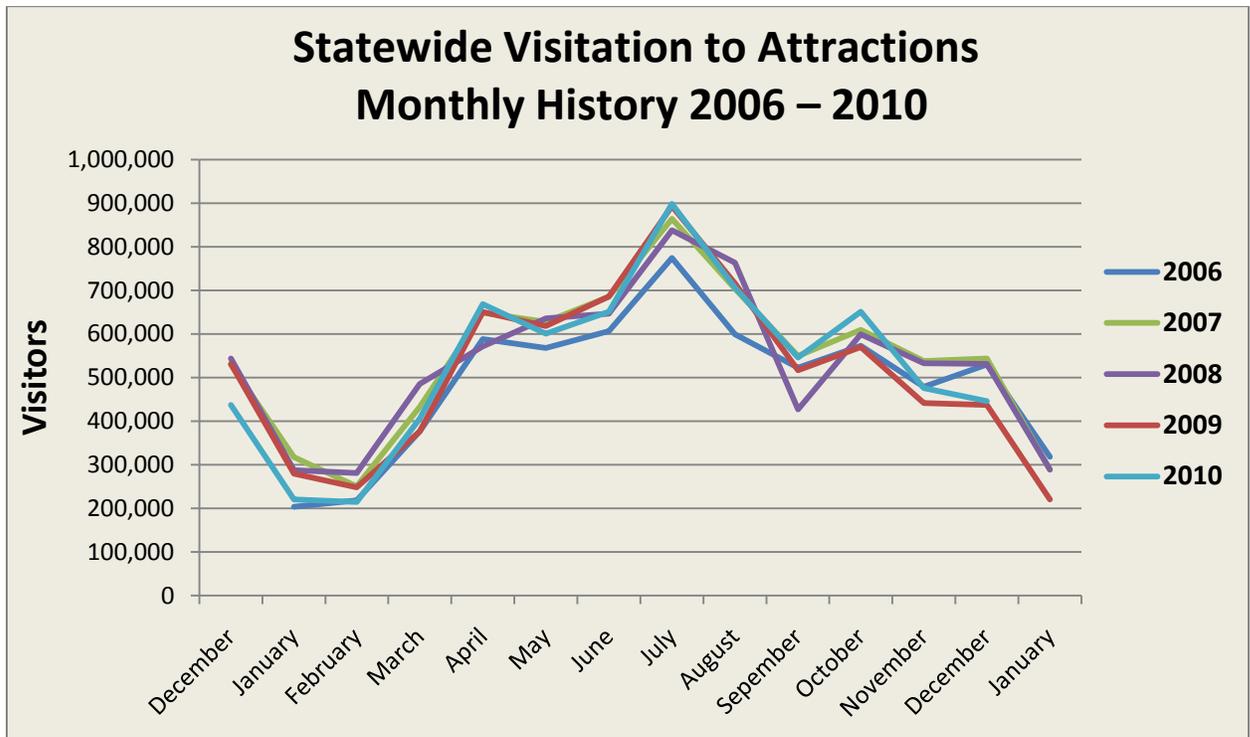


Chart 7 shows a monthly trend of attraction visitation for each of the last five years. This chart allows for a view of the ebb and flow of monthly attraction attendance, while also providing a look at how attendance compares to the same month of the previous years. Not surprisingly, the summer months see higher visitation numbers at statewide attractions. However, it is helpful to view how visitation is allocated by month for strategic planning purposes.

Again, the numbers represent only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis.

Inclement weather in the winter of 2010 held attendance down through February, but a strong summer and fall helped the year finish strong with an almost four percent increase in attendance from 2009.

Chart 8 – State Welcome Center and Local Visitor Center Attendance

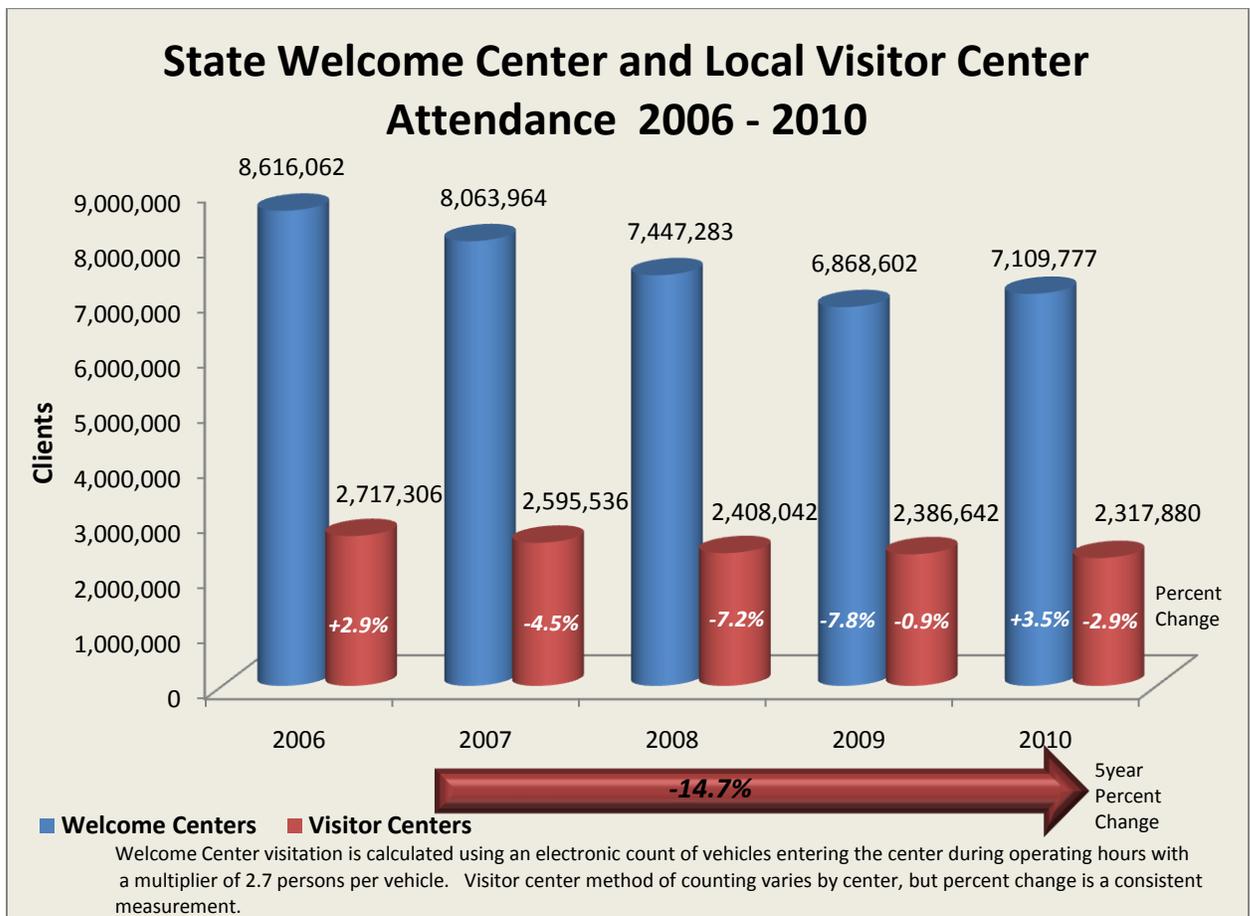


Chart 8 provides annual visitation statistics for State Welcome Centers, as well as Local Visitor Centers throughout North Carolina. It should be noted that while there is a percent change indicated for welcome centers for 2007-2008 and 2008-2009, 2008 was the first year a percent change could accurately be provided. The NCDOT spent several years changing the counting mechanism at the state welcome centers making comparisons between years inaccurate from the time the DOT began installation until December 2008. Therefore, previous years' percent changes are not included in this particular chart.

Chart 9 – Statewide National and State Park Visitation

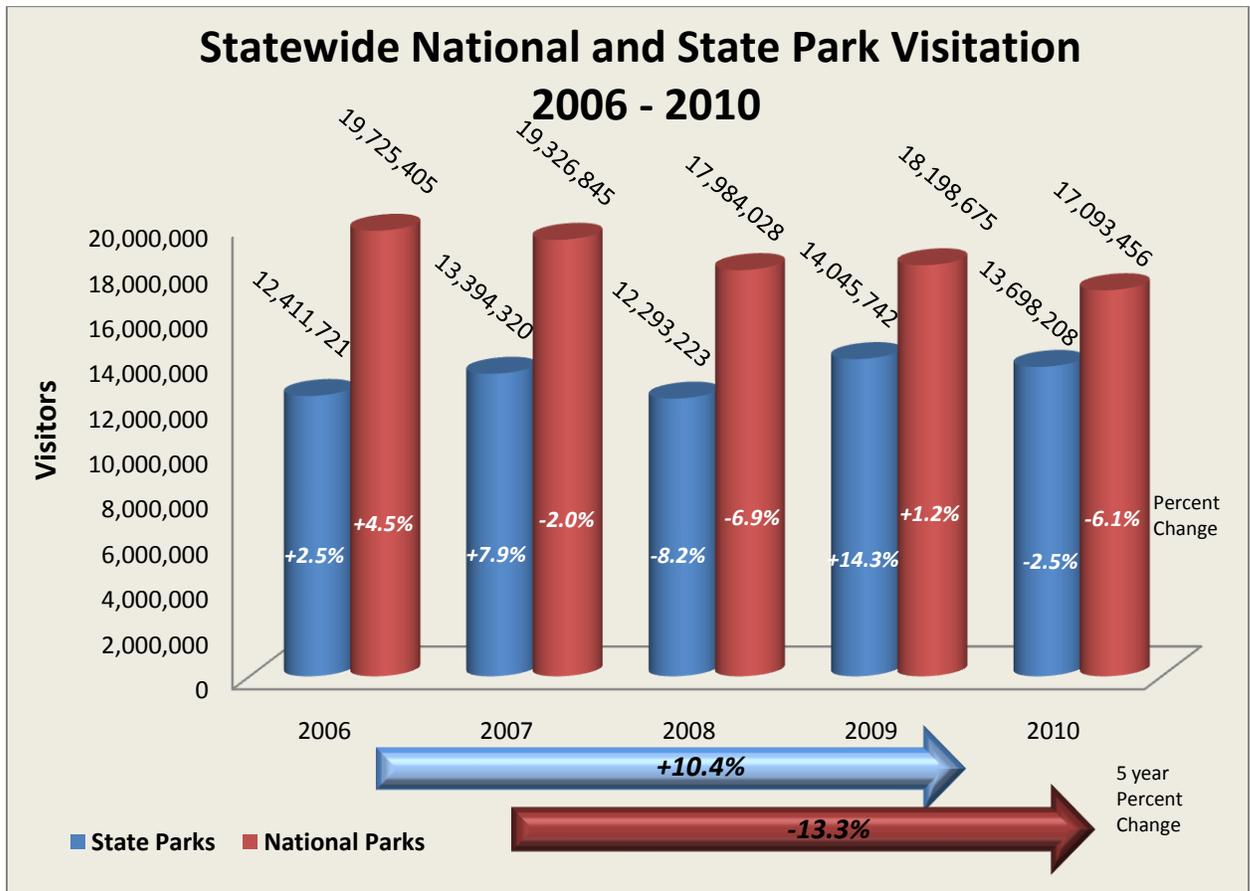
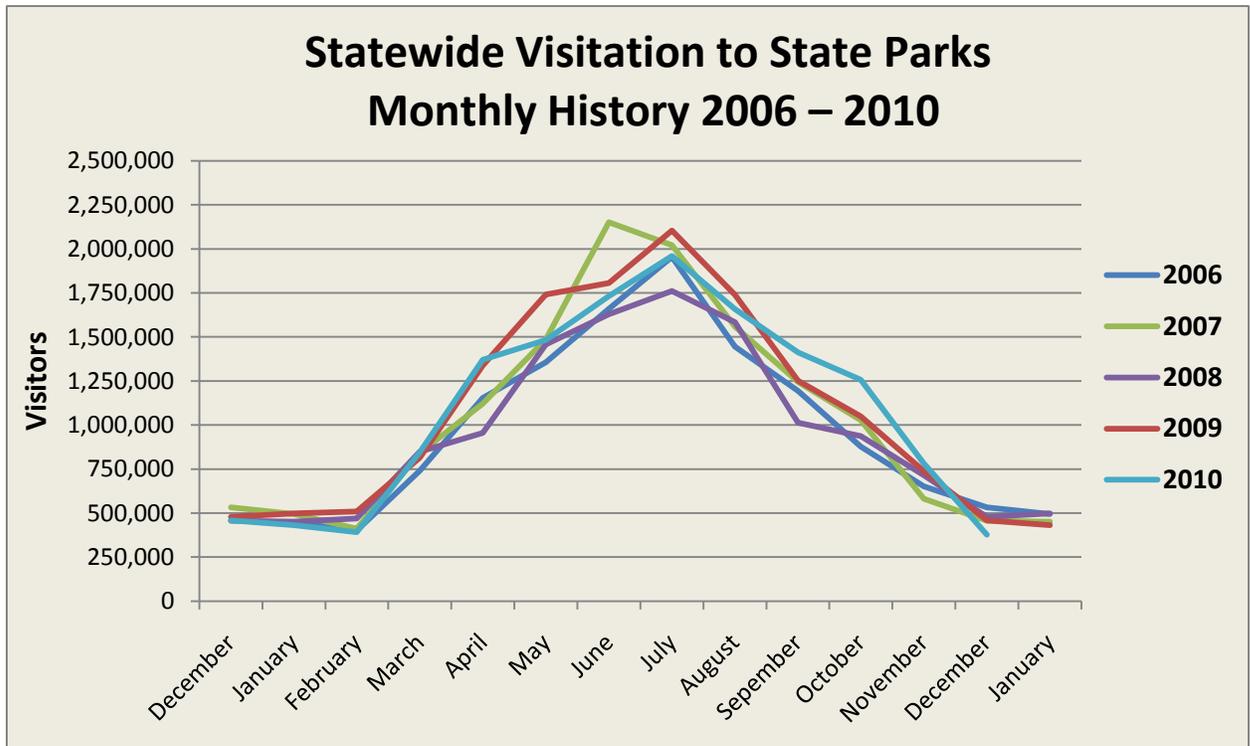


Chart 9 depicts visitation to state and national parks in North Carolina for the last five years. Both state and national parks experienced decreases in 2009 from 2008, primarily due to the winter weather experienced in January and February of 2010. State park attendance had seen such a surge in 2009, that even with the decrease of 2.5% in 2010, figures are still eleven percent above 2008 and two percent above 2007.

Chart 10 – Statewide Visitation to State Parks Monthly History 2006 – 2010



Similar to Chart 7, Charts 10 and 11 provide a monthly trend of state and national park visitation for each of the last four years. These charts help monitor the flow of monthly attraction attendance, while also providing a look at how attendance compares to the same month of the previous years. It is important to note that there are many extraneous variables that can affect visitation at attractions, and particularly at outdoor attractions. Weather, temperature and holidays are variables that should be noted when viewing unusual highs or lows in attendance.

Chart 11 – Statewide Visitation to National Parks Monthly History 2006 – 2010

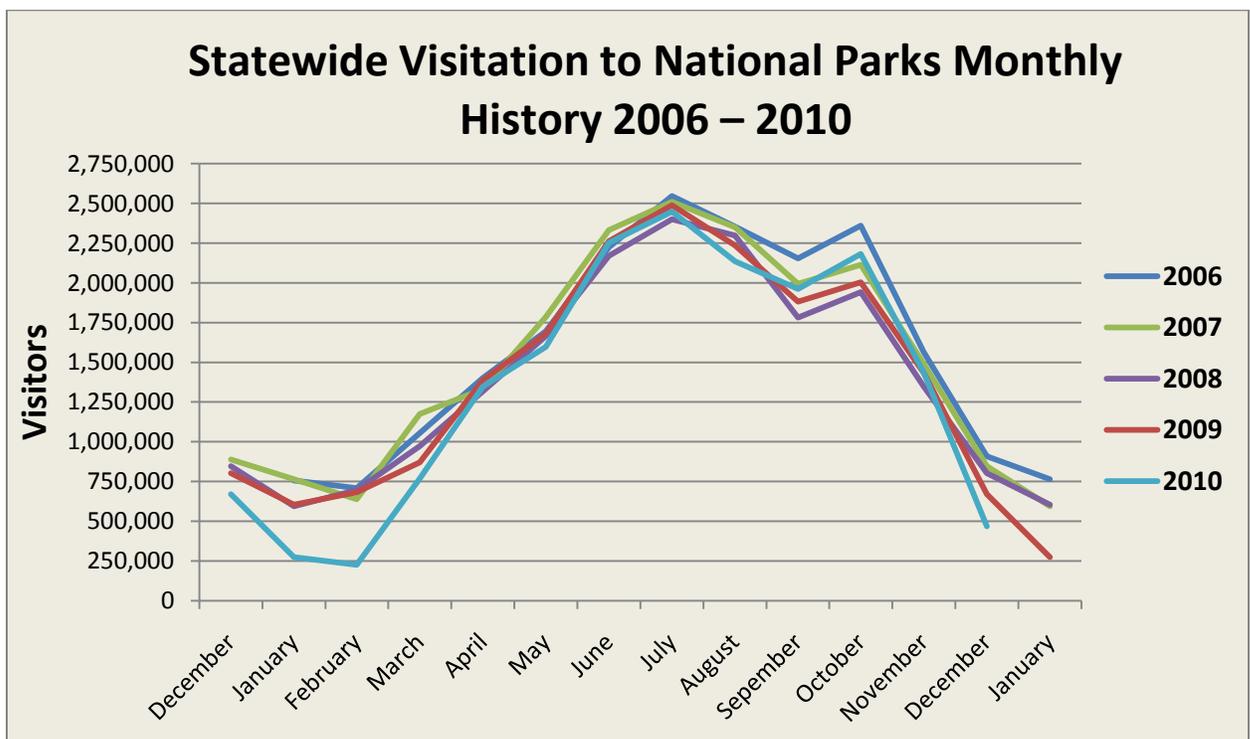


Chart 12 – Statewide Airport Arrivals and Departures

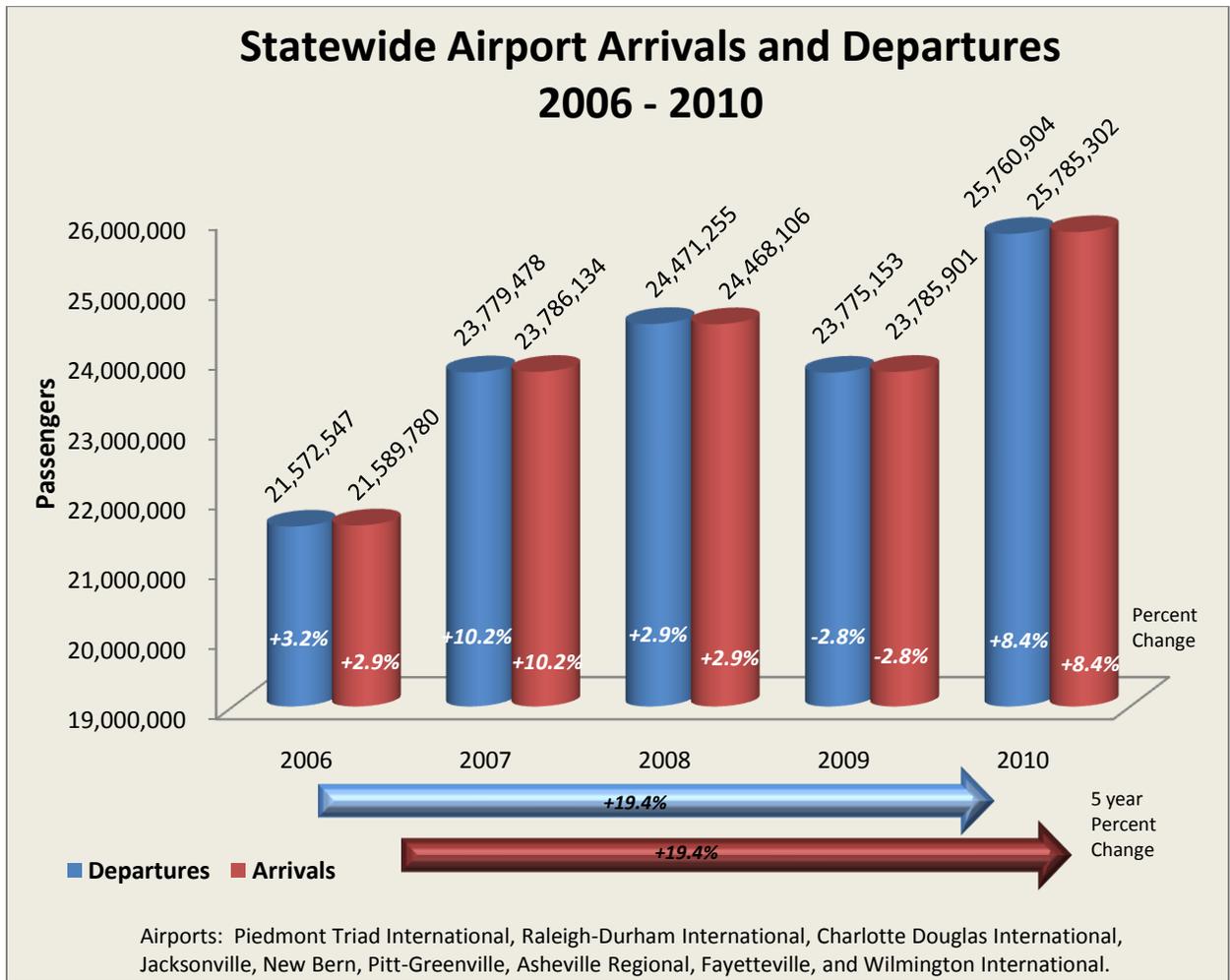


Chart 12 shows annual airport arrivals and departures for each of the previous four years. The 2010 arrivals and departures data showed strong improvement from 2009. In the last five years, air arrivals have increased nearly twenty percent statewide.

Chart 13 – Lower Atlantic Average Monthly Retail Gas Prices for Unleaded

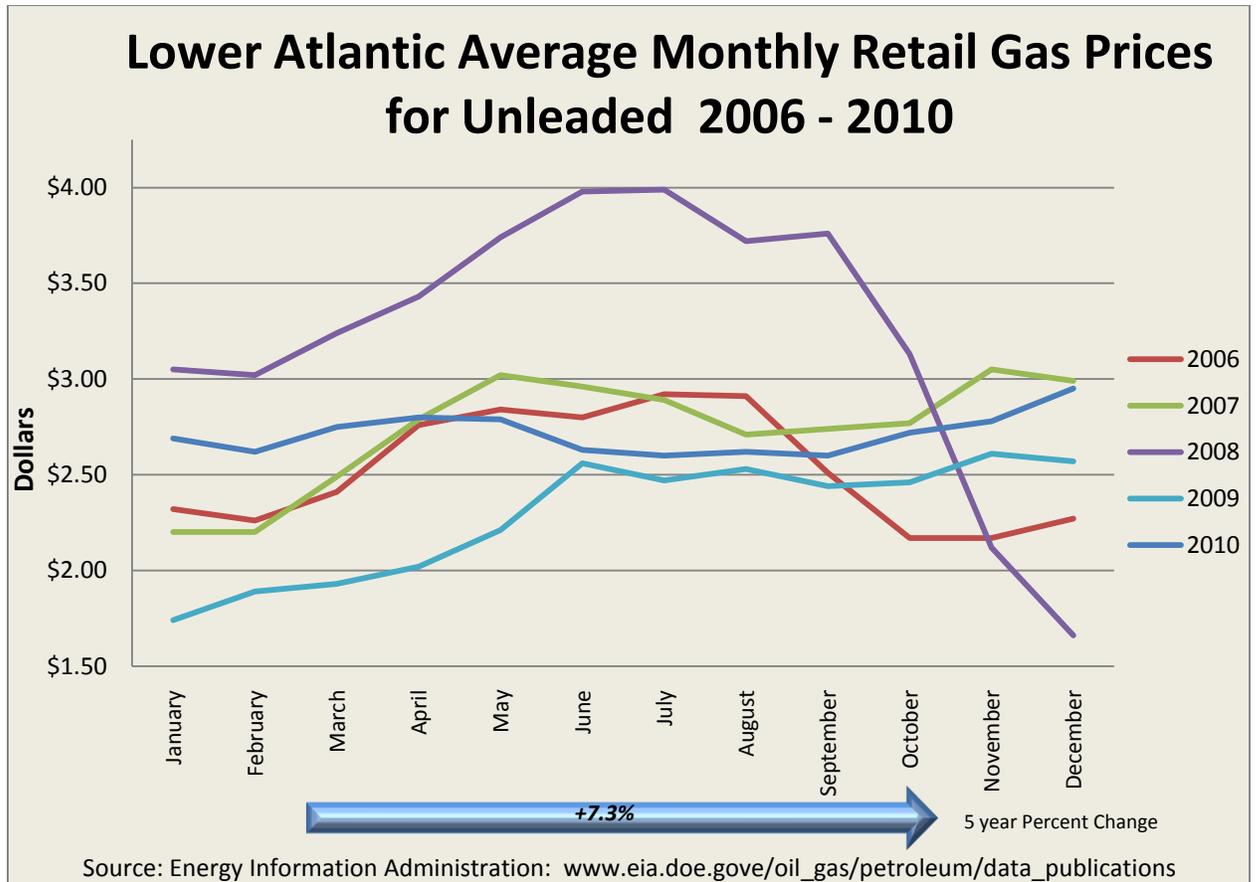


Chart 13 provides the monthly average price per gallon of unleaded gasoline for 2006 through 2010. The data provided above, when compared with other indicators such as attraction attendance and visitor spending data, can be very helpful in the analysis of general travel trends. As an annual average, fuel prices in 2010 were almost twenty percent higher than in 2009, though still lower than 2008.

Chart 14 – North Carolina Average Temperature and Total Precipitation

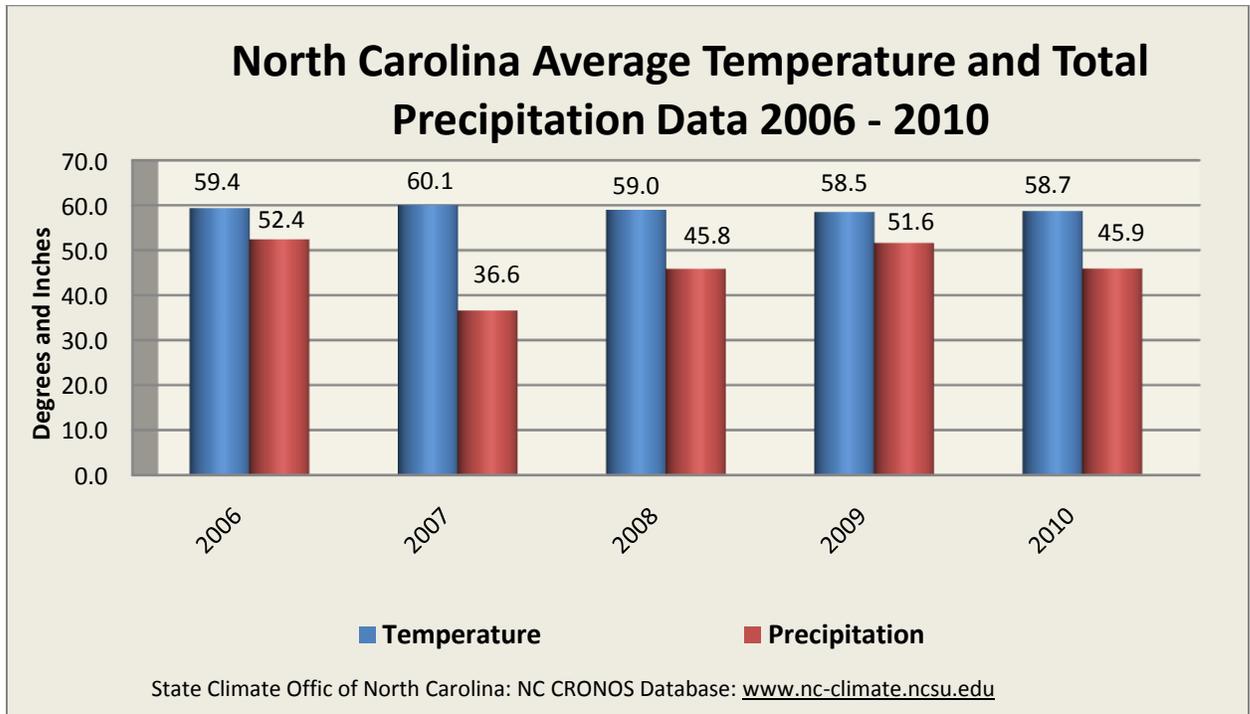


Chart 14 provides annual indicators of average air temperature and total precipitation. Though annual data of this sort does not change very much from year to year, the data, when analyzed together with gas price data and other tourism indicators, can be valuable in determining possible reasons for significant increases and/or decreases in indicators. For instance, greater than normal precipitation during a particular month can often help explain decreases in attendance at outdoor attractions. 2010 had about 5 inches less rain than in 2009, and the same average annual temperature.

Section 2 – Geographic Marketing Region (Coastal/Piedmont/Mountain) Tourism Indicator Analysis

Chart 15 – Hotel/Motel Statistics by Geographic Region

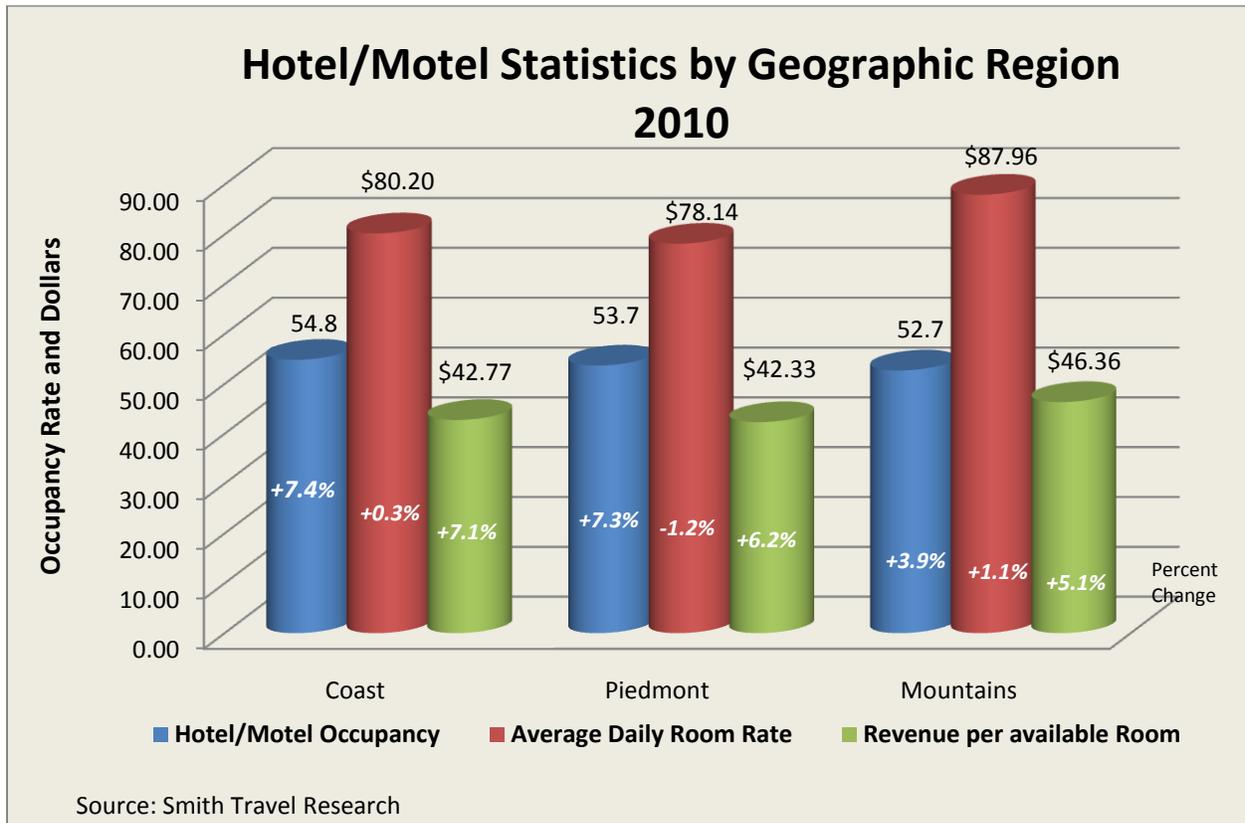


Chart 15 provides a one year comparison in lodging statistics for the three geographic marketing regions of North Carolina. While nearly all leading indicators showed positive growth in the three regions of the state in 2010 (from 2009), the Piedmont Region still lagged in ADR.

Chart 16 – Hotel/Motel Room Demand by Geographic Region

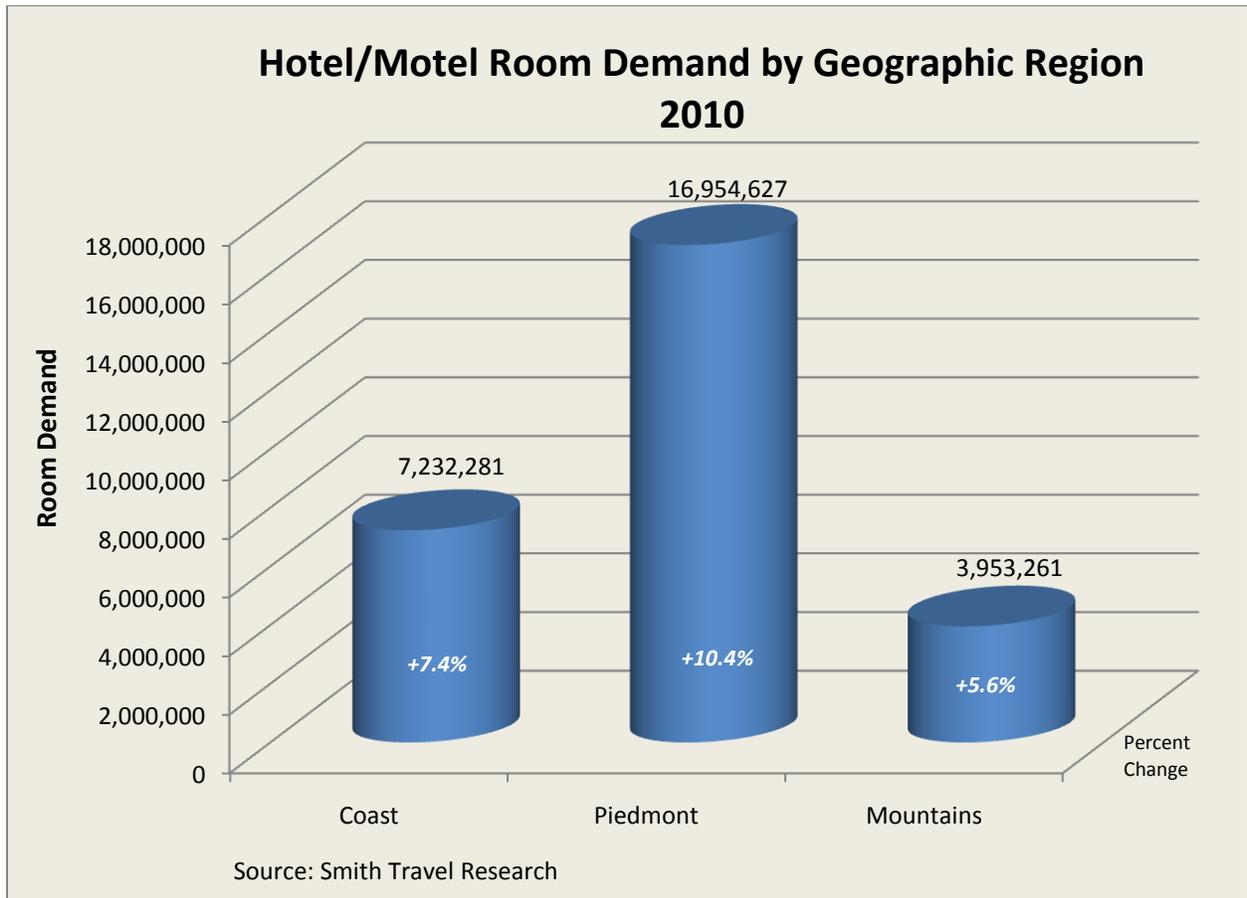


Chart 16 provides hotel/motel demand by geographic region for 2010. Demand differs from occupancy in that it is the total number of rooms sold, not accounting for differences in room supply. All three geographic regions showed strong demand growth from 2009 to 2010.

Chart 17 – Visitation to Attractions and Parks by Geographic Region

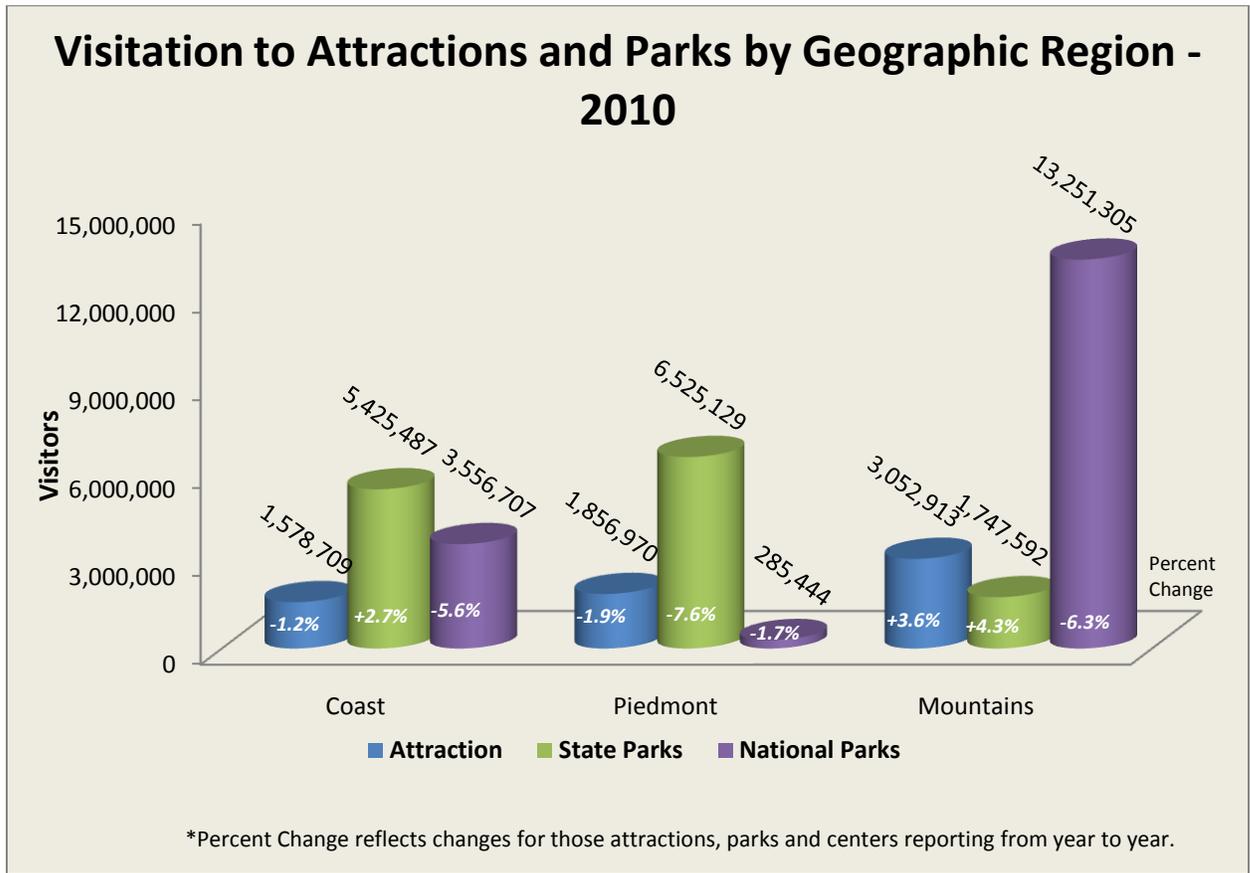


Chart 17 provides a look at the attractions industry in North Carolina in 2010 by geographic region. As with the statewide numbers, the following data represents only a sample of North Carolina attractions that provide their attendance data, and are not intended to be considered a complete list of attractions. However, the wide variation of type and location of the participating attractions allow for a valid aggregate trend analysis on a monthly basis.

While attraction attendance was up overall in the state from 2009 to 2010, the Piedmont Region saw a decrease of 1.9 percent. State park attendance was also down in the Piedmont Region. It should be noted that national park attendance in the Piedmont Region only consists of one park, therefore should be analyzed with caution.

Chart 18 – State Welcome Center and Local Visitor Center Attendance by Geographic Region

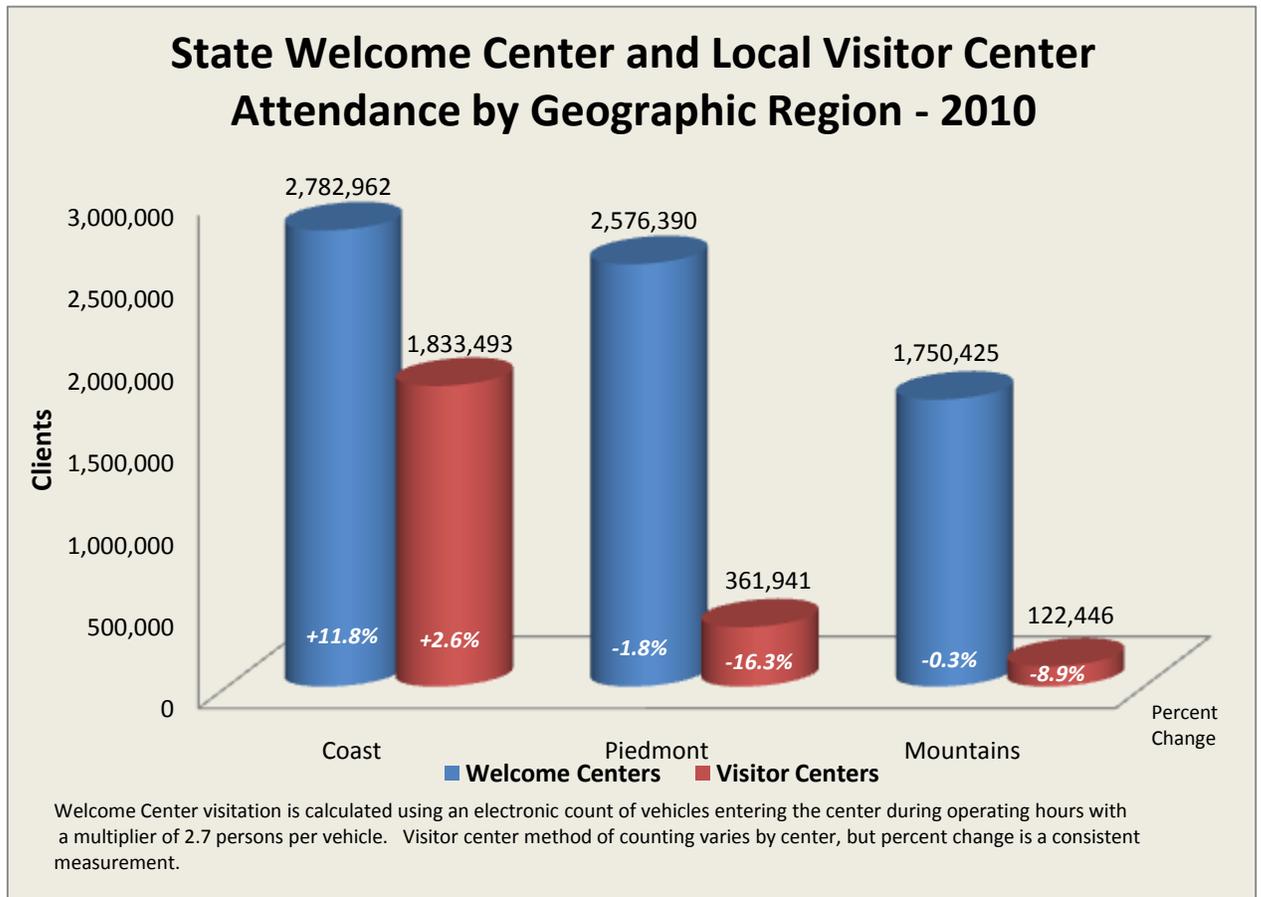


Chart 18 shows welcome center and visitor center attendance by geographic region. The Coastal Region showed increases in welcome center and visitor center numbers in 2010, while the centers in the mountains and piedmont saw decreases. Much of the mountains decrease can be attributed to the rock slide near the NC/TN border that closed the I-40 West Welcome Center.

Chart 19 – Airport Arrivals and Departures by Geographic Region

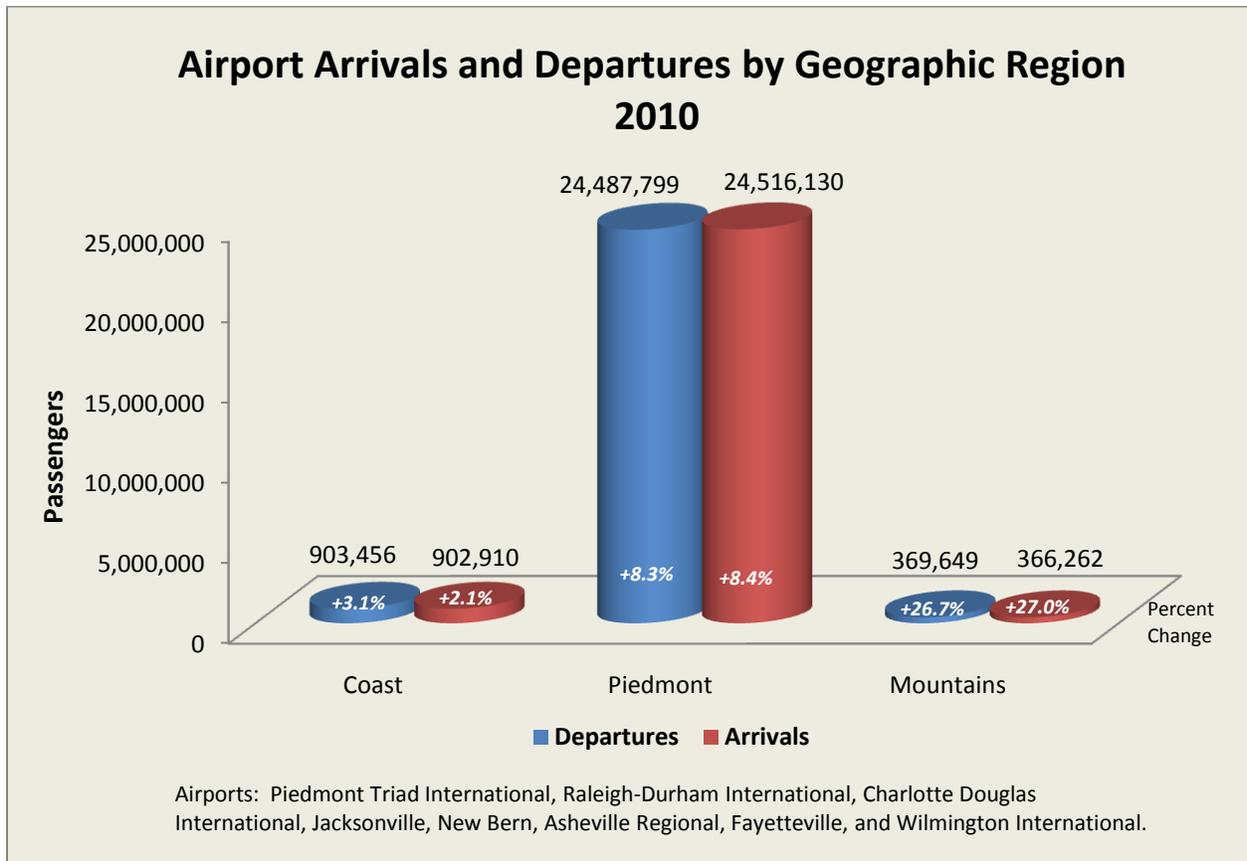


Chart 19 provides a breakdown of air travel statistics by geographic region. While the majority of air traffic is through the Piedmont Region, it is helpful to maintain a trend of other regional airport usage. All three regions showed strong growth in air traffic during 2010, particularly the Mountain Region.

Section 3: Economic Development Region Tourism Indicator Analysis

The seven economic regions include:

- 1 – Northeast (Bertie, Camden, Chowan, Currituck, Gates, Halifax, Hertford, Northampton, Pasquotank, Perquimans, Beaufort, Dare, Hyde, Martin, Tyrrell, Washington).
- 2 – Eastern (Carteret, Craven, Jones, Onslow, Pamlico, Duplin, Edgecombe, Green, Lenoir, Nash, Pitt, Wayne, Wilson).
- 3 – Southeast (Brunswick, Columbus, New Hanover, Pender, Bladen, Cumberland, Hoke, Richmond, Robeson, Sampson, Scotland).
- 4 – Triangle (Franklin, Harnett, Johnston, Vance, Wake, Warren, Chatham, Durham, Granville, Lee, Moore, Orange, Person).
- 5 – Triad (Alamance, Caswell, Guilford, Montgomery, Randolph, Rockingham, Davidson, Davie, Forsyth, Stokes, Surry, Yadkin).
- 6 – Carolinas (Alexander, Catawba, Cleveland, Iredell, Rowan, Anson, Cabarrus, Gaston, Lincoln, Mecklenburg, Stanly, Union).
- 7 – Western (Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes, Yancey).

Chart 20 – Hotel/Motel Statistics by Economic Development Region

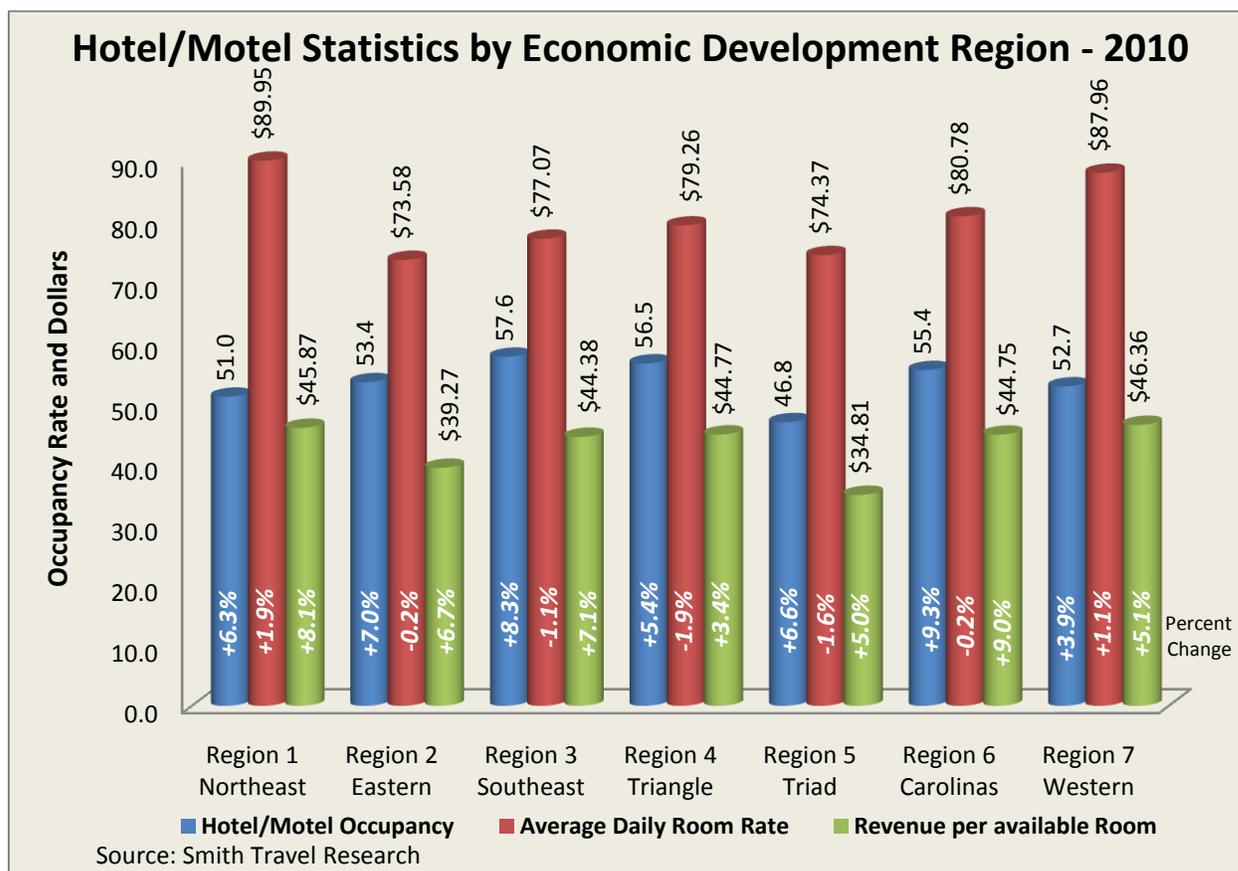


Chart 20 provides lodging indicators for 2010 by economic development region. Also shown are percent changes from 2009. This graph allows individual regions within the state to track indicators specific to their general destinations, while still being able to compare their data to the state data shown in Section 1.

Chart 21 – Hotel/Motel Room Demand by Economic Development Region

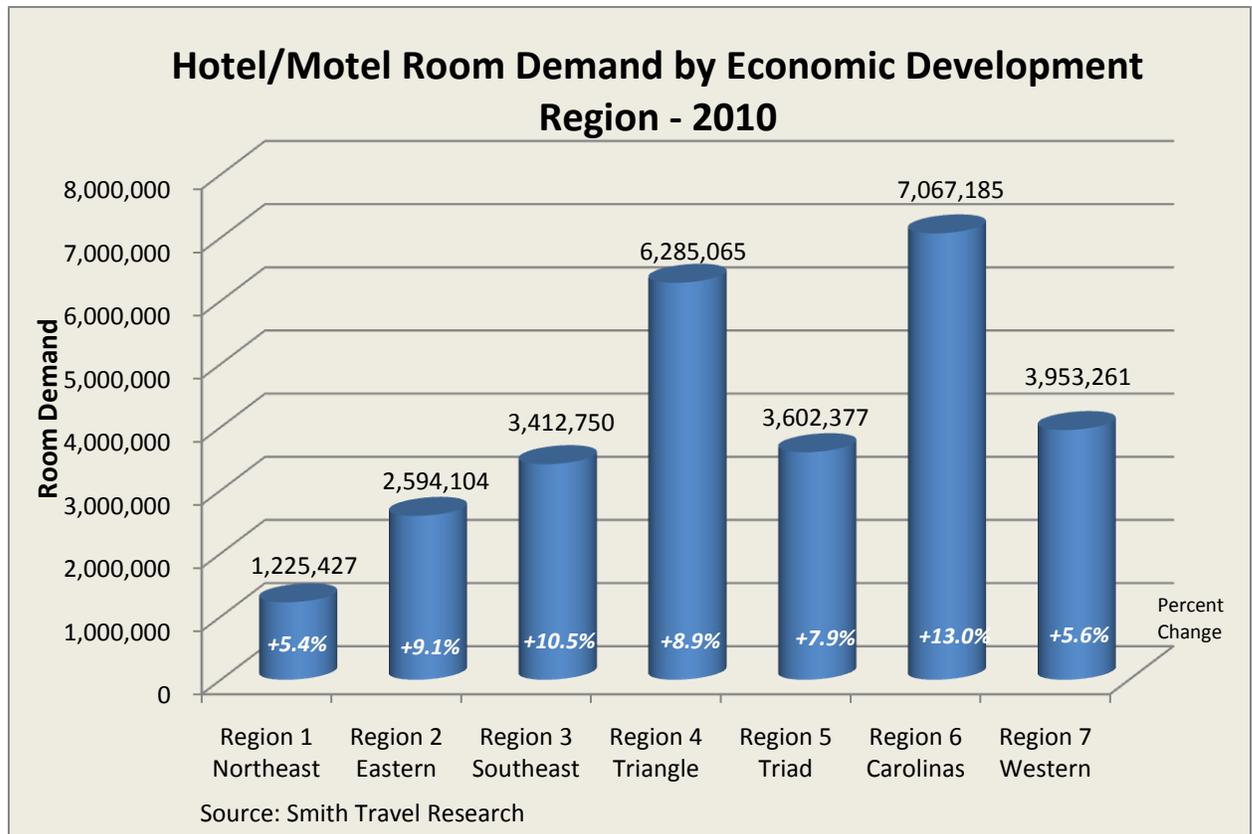


Chart 21 depicts hotel/motel demand for 2010 by economic development region. Demand is the number of rooms sold excluding complimentary rooms. All regions show increased demand from 2009 to 2010. The Carolinas Region had largest gain from 2009 to 2010.

Section 4: National Travel Price Index

The Travel Price Index (TPI) measures the seasonally unadjusted inflation rate of the cost of travel away from home in the United States. The TPI is based on U.S. Department of Labor price data collected for the monthly Consumer Price Index (CPI). The TPI is released monthly and is directly comparable to the CPI.

Variables included in calculating the TPI:

Recreation Services	Food Away from Home	Airline Fares
Food and Beverage	Other Lodging (Include Hotel/Motel)	Intra-city Public Transportation
Alcohol Away From Home	Transportation	Motor Fuel
		Other Intercity Transportation

Chart 22 – National Travel Price Index

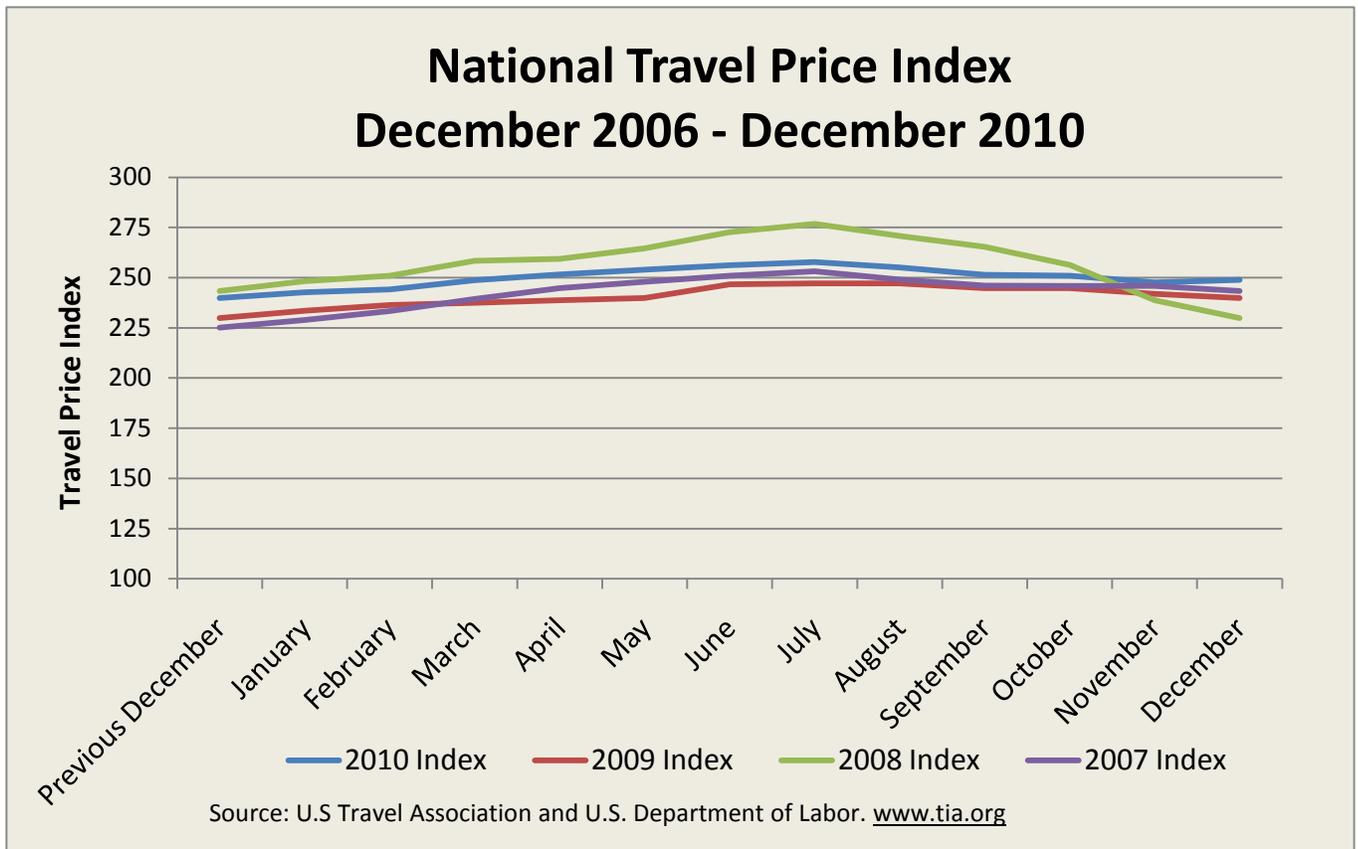


Chart 22 provides a three year trend of the National Travel Price Index (TPI). Steady growth was experienced through mid-2008; however in November 2008, it is clear that as the TPI fell below 2007 levels, the tourism industry began feeling the full effect of the recession. Into 2009, the TPI remained slightly below the 2007 level, though for the last two months of the year peaked above the 2008 index. 2010 showed steady growth, and in October moved above 2008 levels.