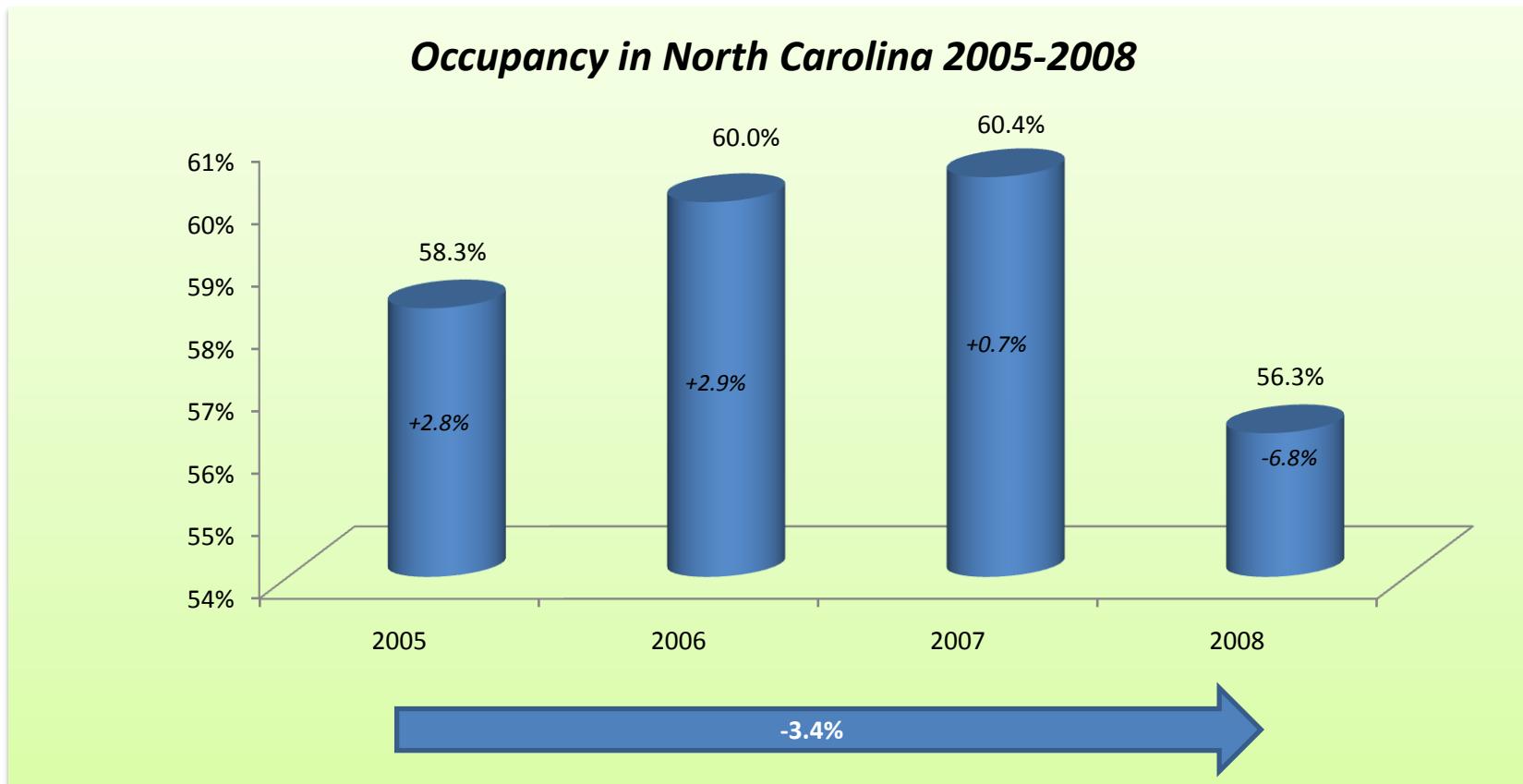


Smith Travel Research Year-End 2008 Lodging Report

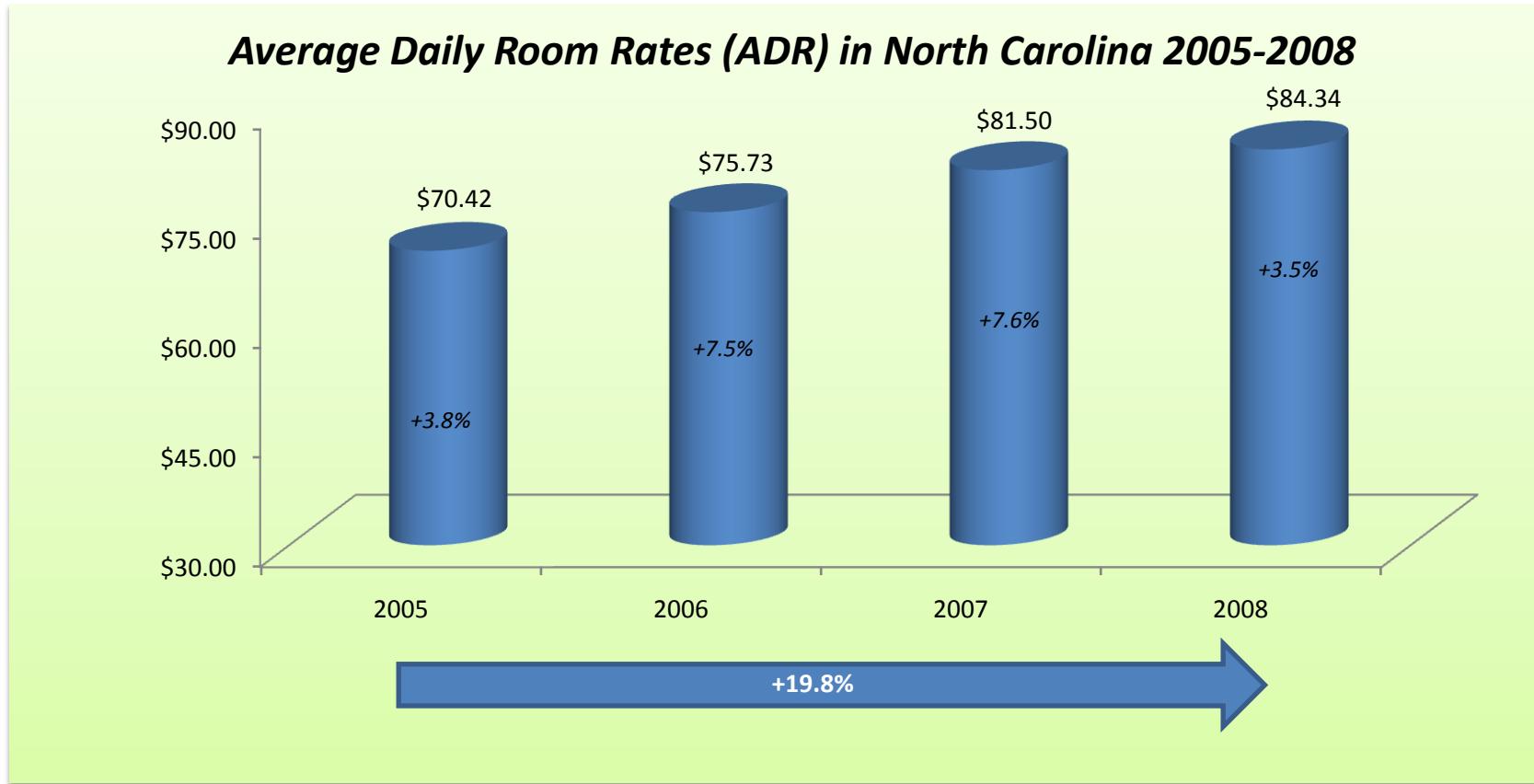
- Year-end 2008 hotel/motel **occupancy** was down -6.7% statewide from 2007. This represents a decrease of -3.4% since 2005.
 - The US **occupancy** was down -4.2% from 2007.



Smith Travel Research, 2008

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

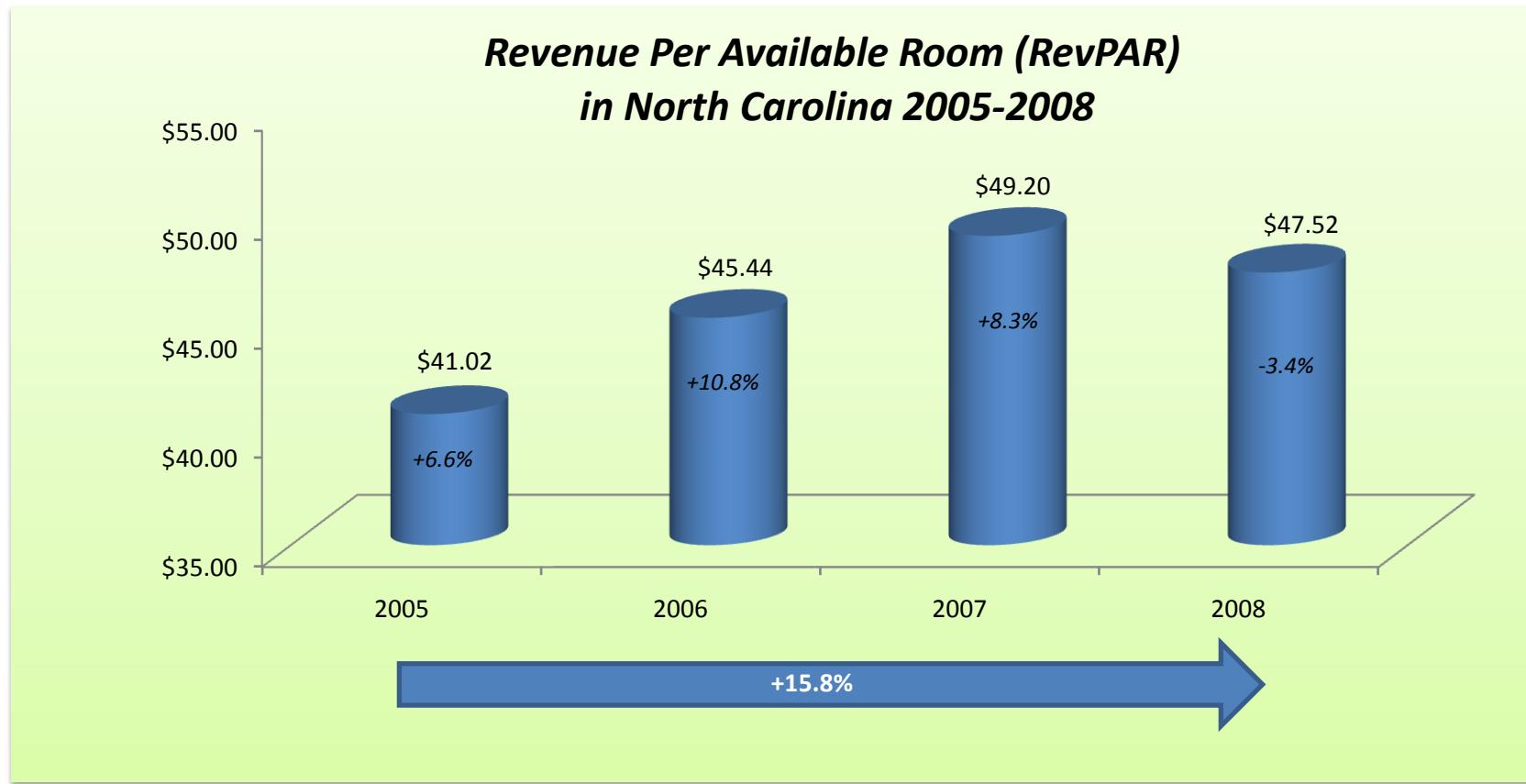
- 2008 room rates (ADR) in North Carolina were up +3.5% from 2007. Room rates have increased +11.4% over the last two years, and +19.8% since 2005.
 - The US ADR was up +2.4% from 2007.



Smith Travel Research, 2008

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

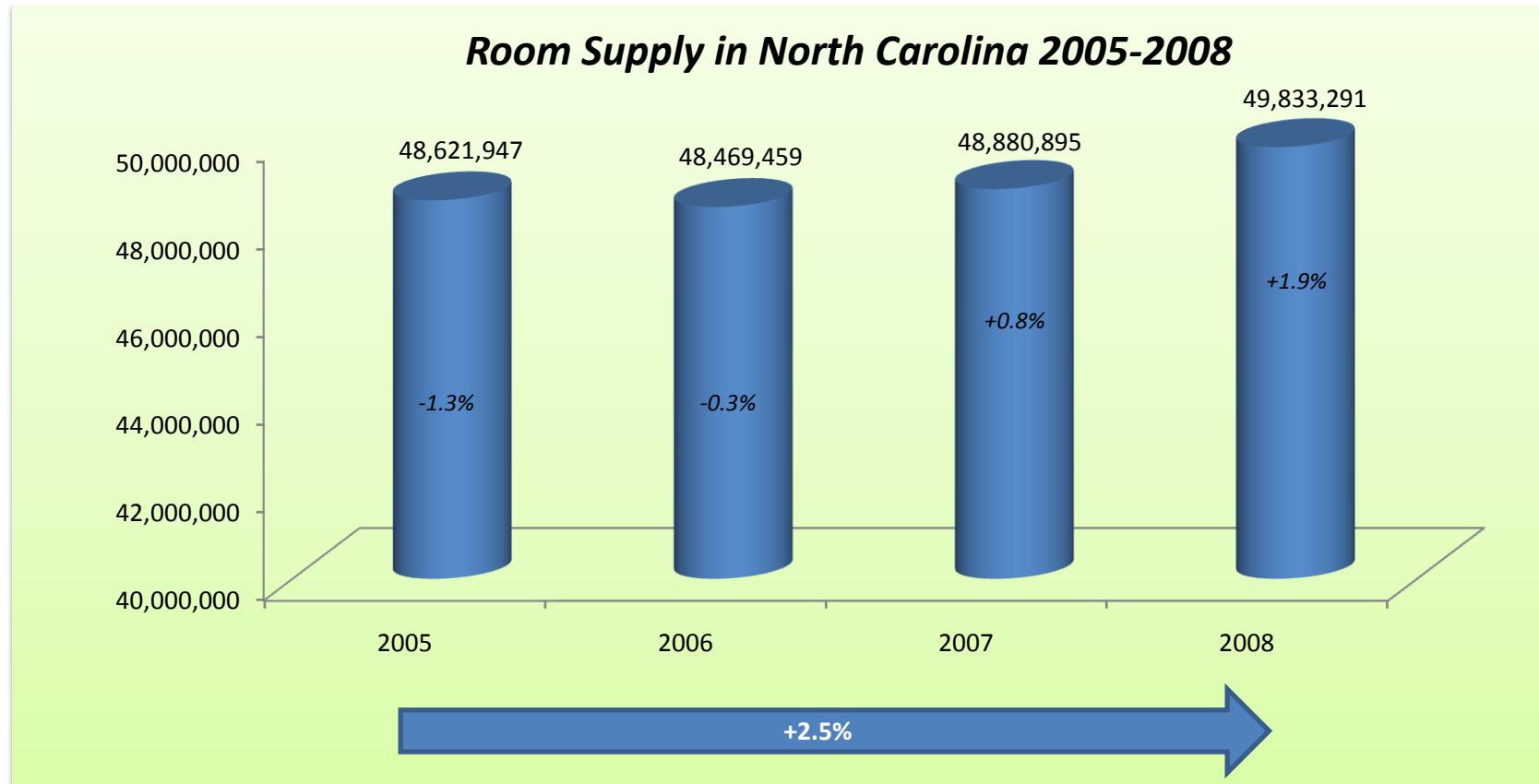
- Statewide, Revenue Per Available Room (**RevPAR**) was down -3.4% from 2007. Due to the tremendous growth in room rates over the last several years, even with softening occupancy levels, **RevPAR** increased +4.6% over the last two years and +15.8% since 2005.
 - Nationally, **RevPAR** was down -1.9%.



Smith Travel Research, 2008

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

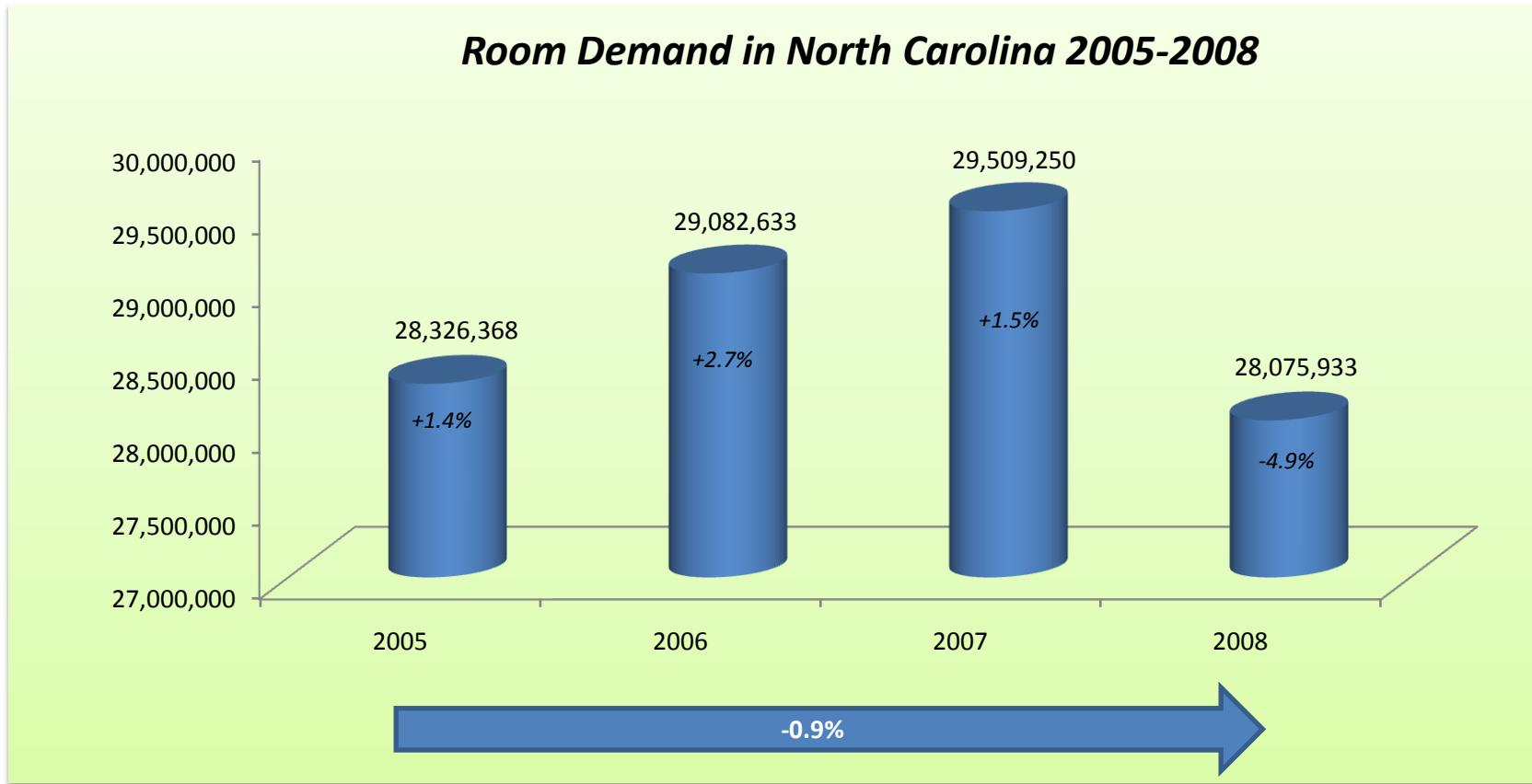
- 2008 **Room Supply** was up +1.9% in the state from 2007. **Room supply** has increased +2.5% since 2005, leading to some of the decrease in occupancy over that time period.
 - (No figures are available nationally for room supply.)



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

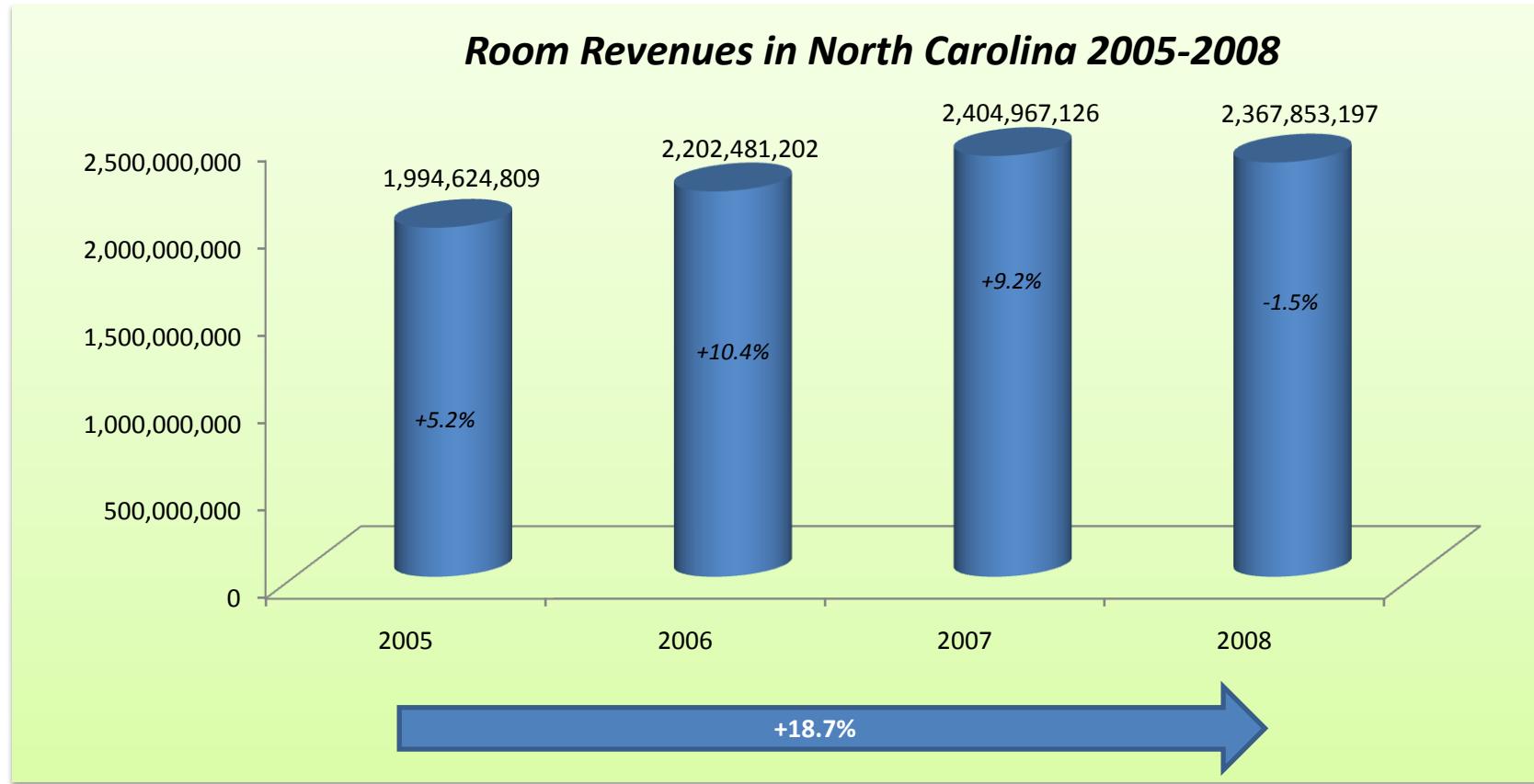
- 2008 Room Demand was down -4.9% in the state. Since 2005, room demand has decreased -0.9%.
 - (No figures are available nationally for room demand.)



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*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.)



Smith Travel Research, 2008

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