



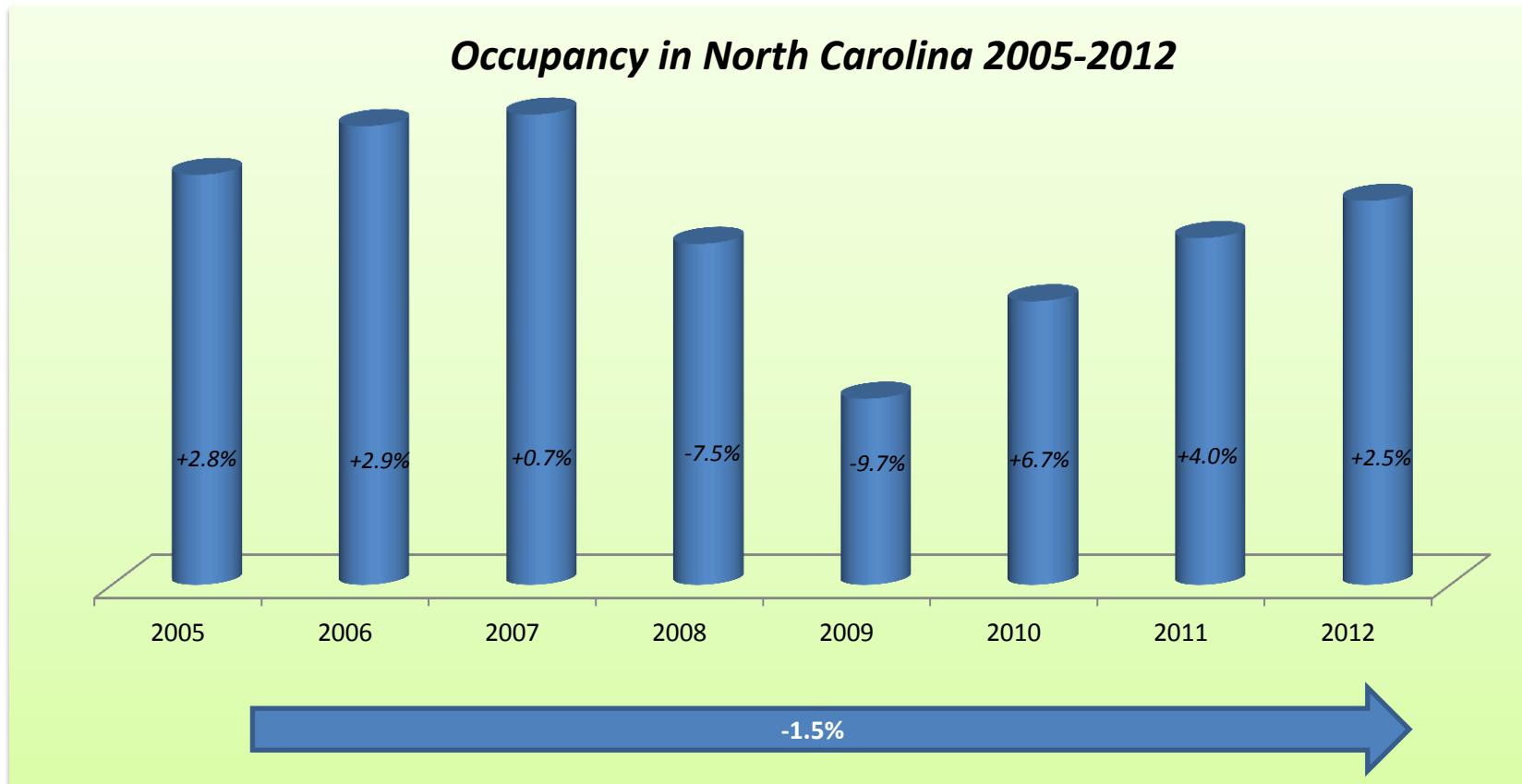
2012 North Carolina Lodging Report

**A Publication of the North Carolina Division of
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January 2013

2012 North Carolina Lodging Report

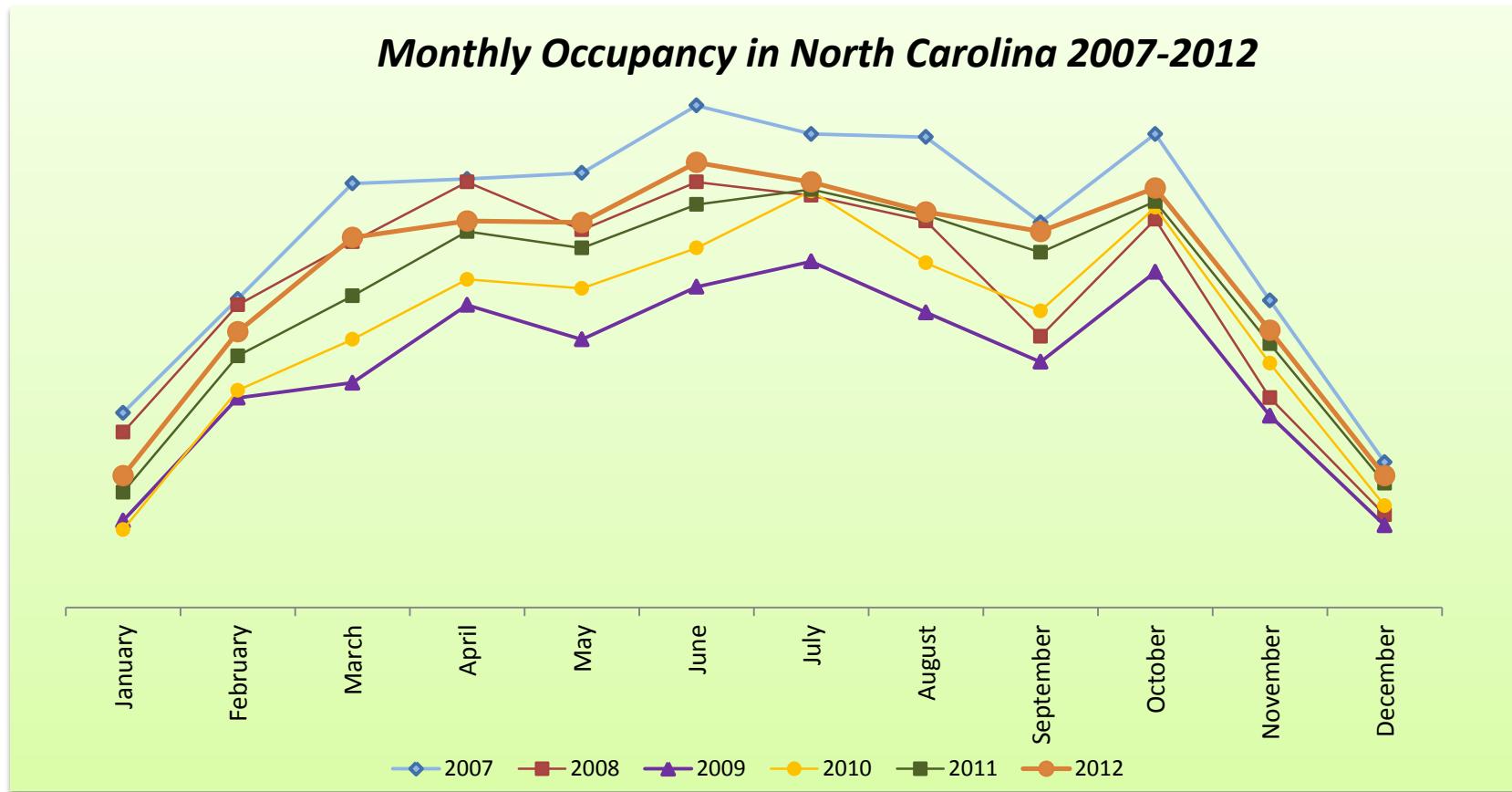
- Year-end 2012 hotel/motel **occupancy** was up 2.5% statewide from 2011. This represents a nearly fourteen percent increase over the last three years, and slightly above 2008 occupancy. Though still down about five percent from the peak in 2007, the last three years have significantly lessened the gap.
 - The US **occupancy** and South Atlantic states **occupancy** were also up 2.5% from 2011.



Smith Travel Research, 2013

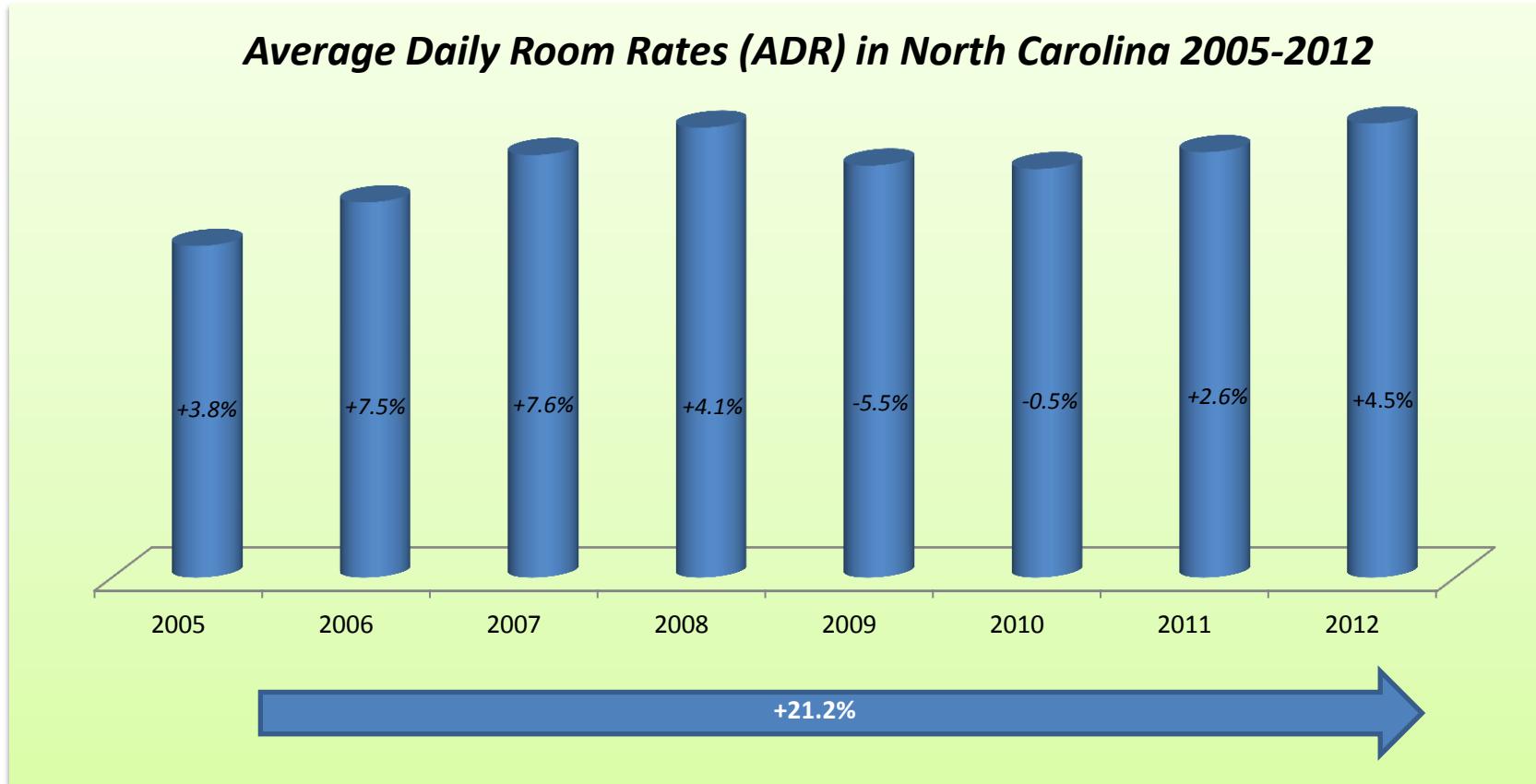
*Occupancy – Rooms sold divided by rooms available.

- In 2012 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. Nine months of 2012 experienced the highest occupancy since 2007. Growth was stronger during the spring, summer and early fall, and slowed a bit in late fall/early winter. Information from neighboring states confirms similar trend lines for them, as well as nationwide estimates.



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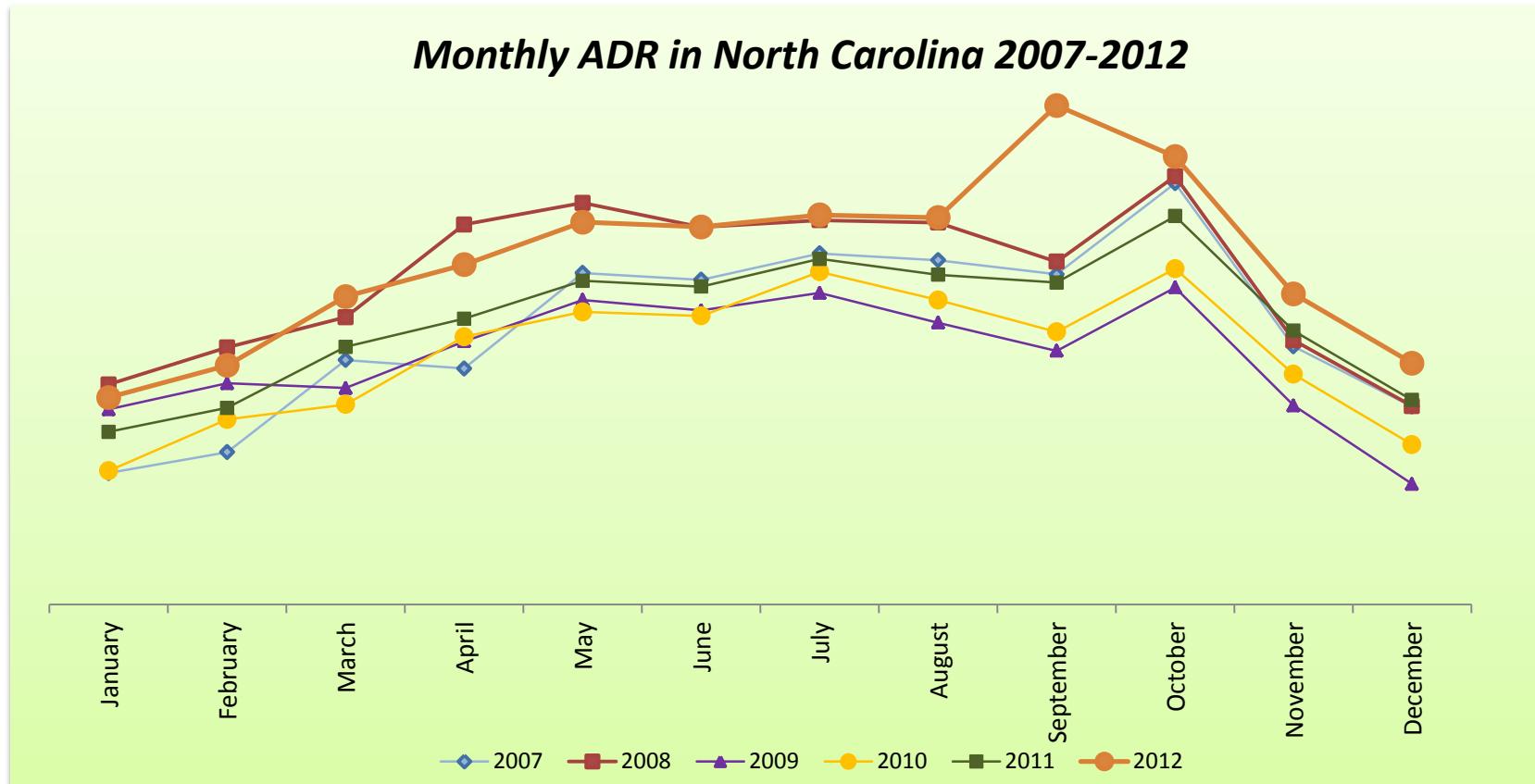
- 2012 **room rates (ADR)** in North Carolina were up 4.5% from 2011, just topping the 2008 average rate to be the highest on record. **Room rates** have increased seven percent over the last two years.
 - The US **ADR** was up 4.2% from 2011. **ADR** in the South Atlantic states was up 3.1% from 2011.



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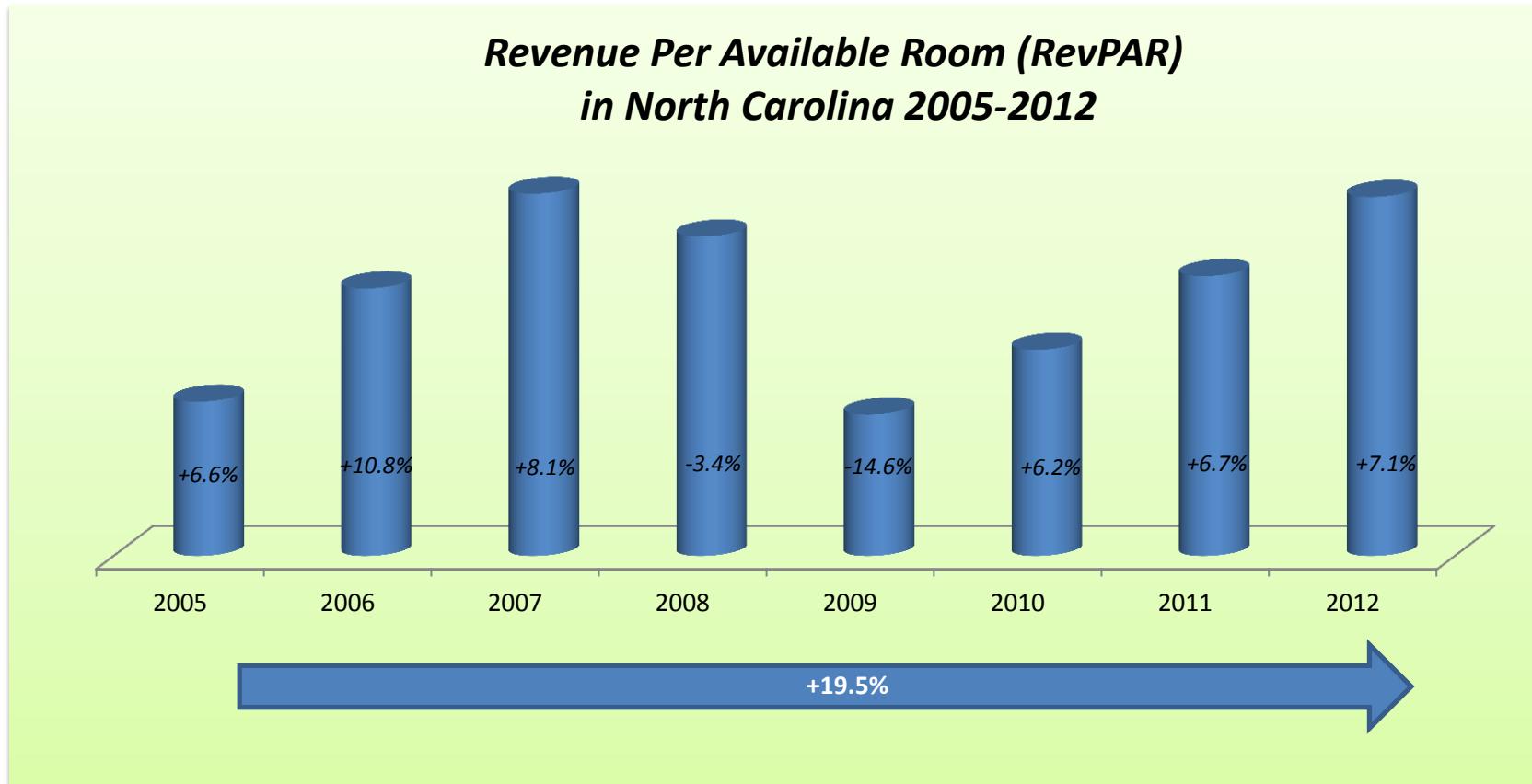
*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

Room rates (ADR) in North Carolina in 2012 were the highest on record (+0.5% over the previous high in 2008). In particular, September rates, as a result of the Democratic National Convention, increased four percent statewide (38% in the Carolinas Region). Late fall/early winter saw the highest room rates on record for those particular months.



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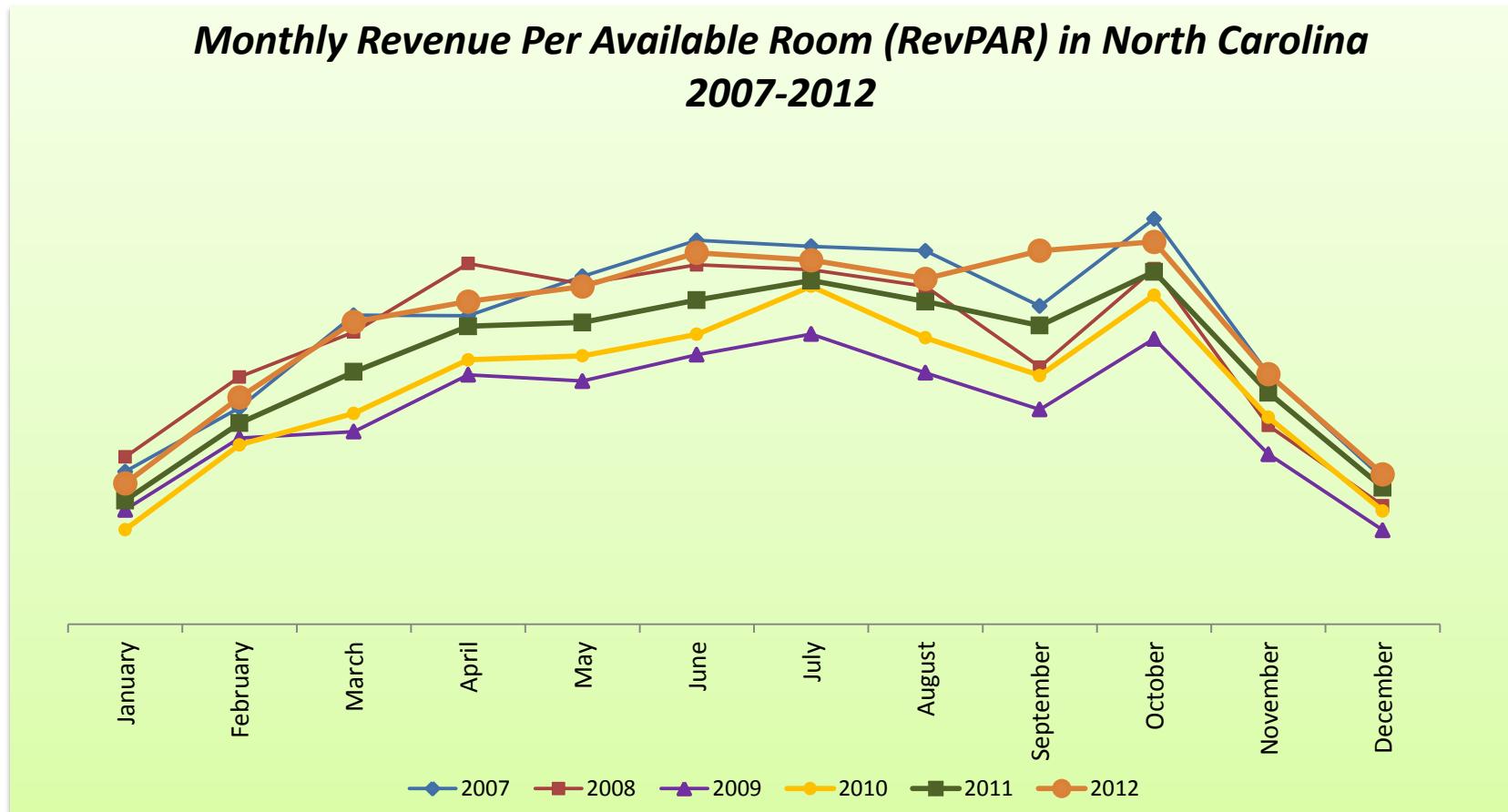
- Statewide, Revenue Per Available Room (**RevPAR**) was up 7.1% from 2011, nearly reaching the peak set in 2007. **RevPAR** has increased over twenty percent in the last three years.
 - Nationally, **RevPAR** was up 6.8% from 2011. South Atlantic states **RevPAR** was up 5.7% from 2011.



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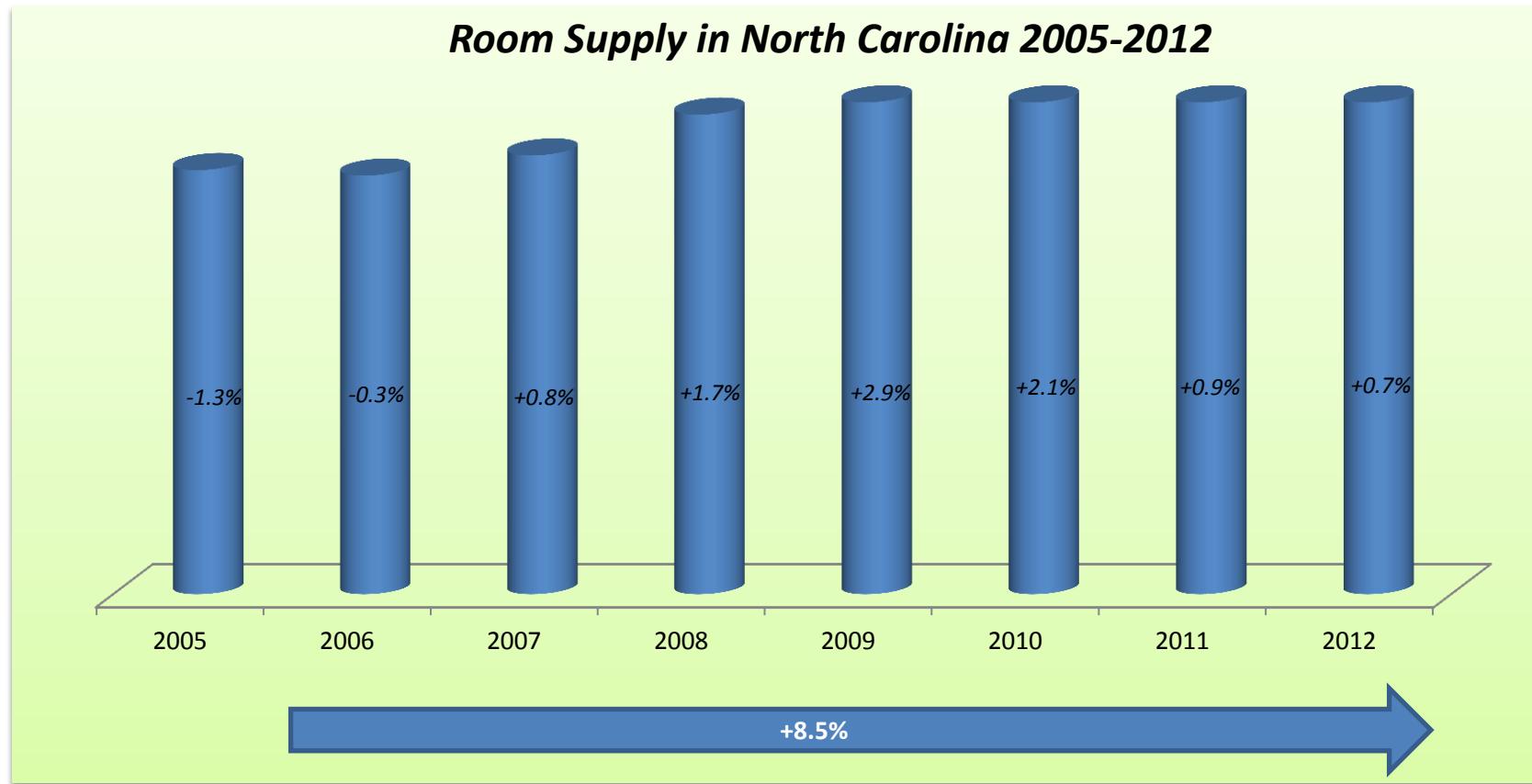
*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- 2012 statewide monthly Revenue per Available Room (**RevPAR**) increased each month from 2011, particularly late spring, summer and early fall. As with ADR, RevPAR was at a record in September, due in part to the increased room rates as a result of the DNC in Charlotte.



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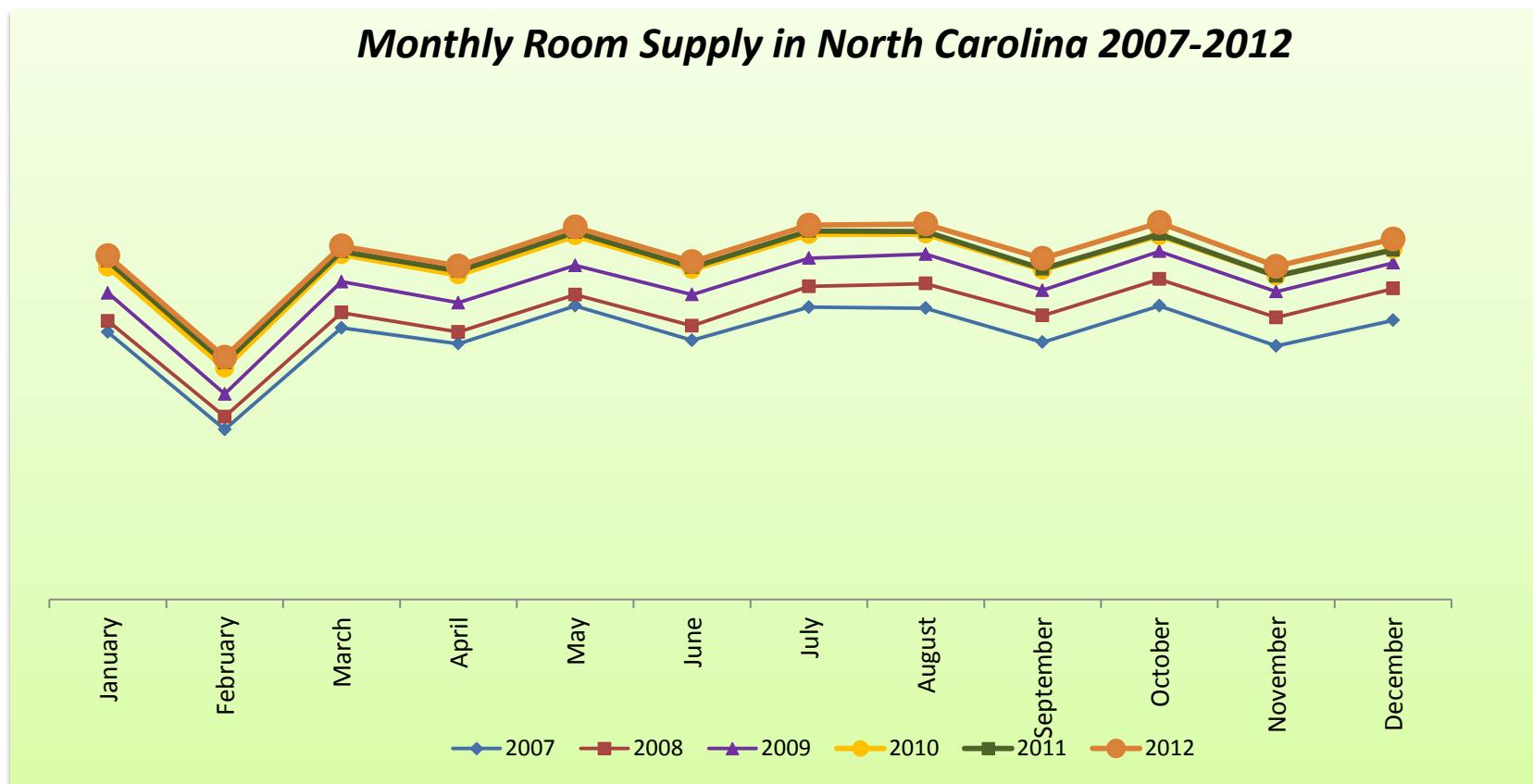
- 2012 **Room Supply** was up 0.7% in the state from 2011. **Room supply** has increased 8.5% since 2005, in small part leading to some of the decrease in occupancy over that time period. Room supply in 2012 is at its highest on record for North Carolina with nearly 53 million room nights available for the year.
 - Nationally, **room supply** was up 0.5%. **Room supply** was flat from 2011 to 2012 in the South Atlantic region overall.



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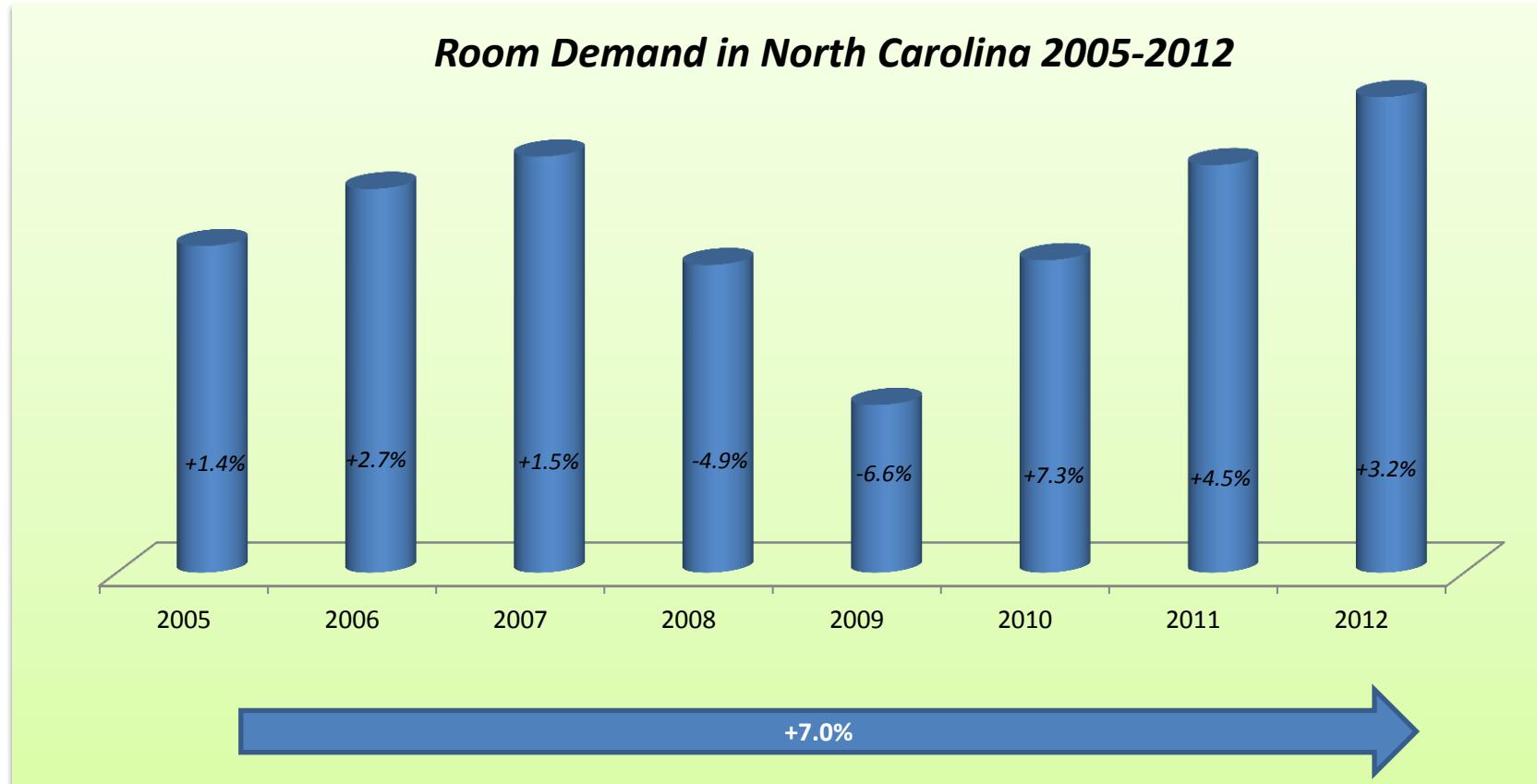
*Room Supply – The number of rooms times the number of days in the period.

- Room Supply in 2012 followed the same trend line as last year, showing more growth in the second half of the year.



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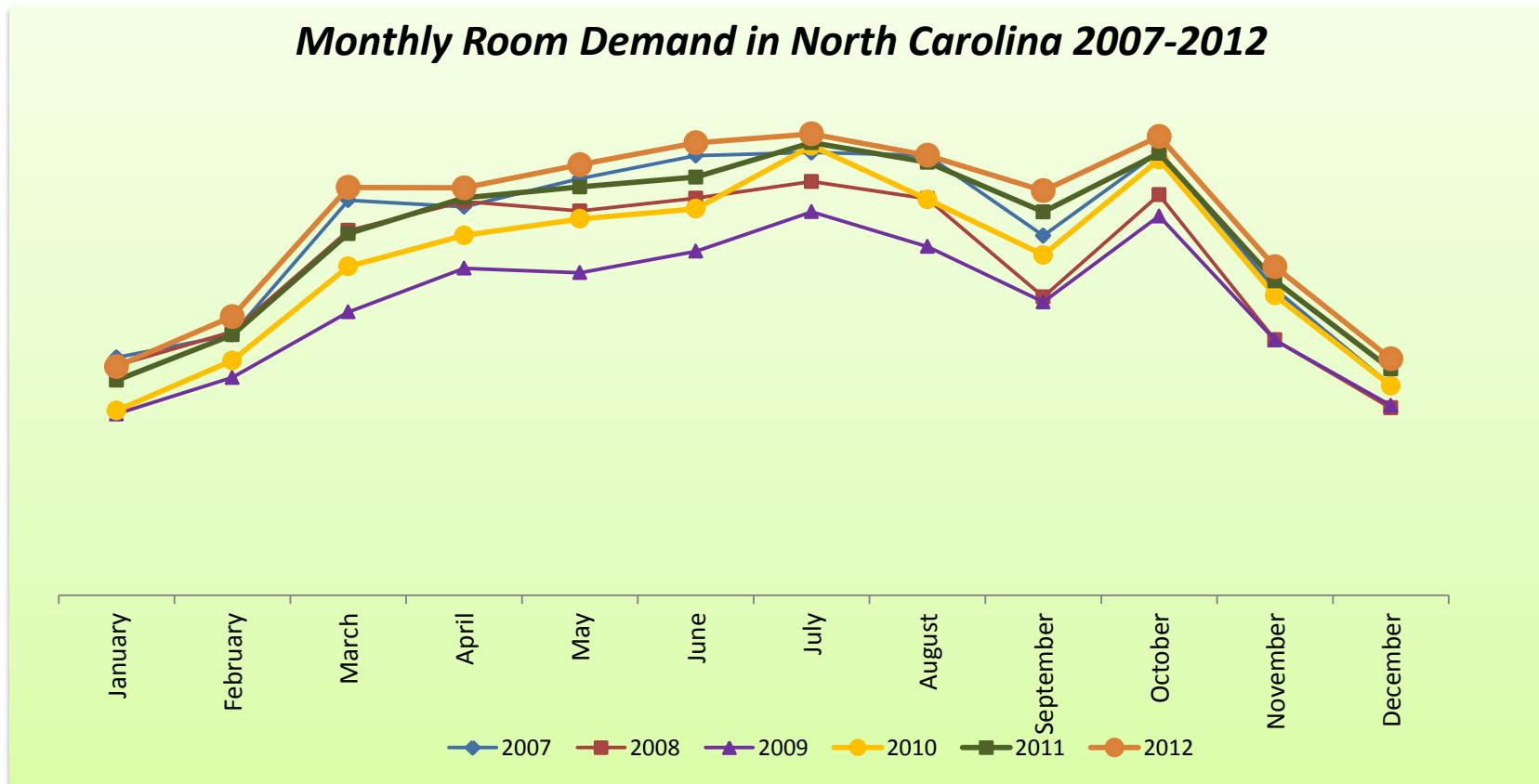
- 2012 **Room Demand** was up 3.2% in the state, and surpassed 2007 demand to reach a new record for lodging demand in North Carolina. More than 30 million room nights were sold in 2012. Since 2005, **room demand** is up 7%.
 - **Room demand** was up 3.0% nationally and up 2.6% in the South Atlantic region from 2011 to 2012



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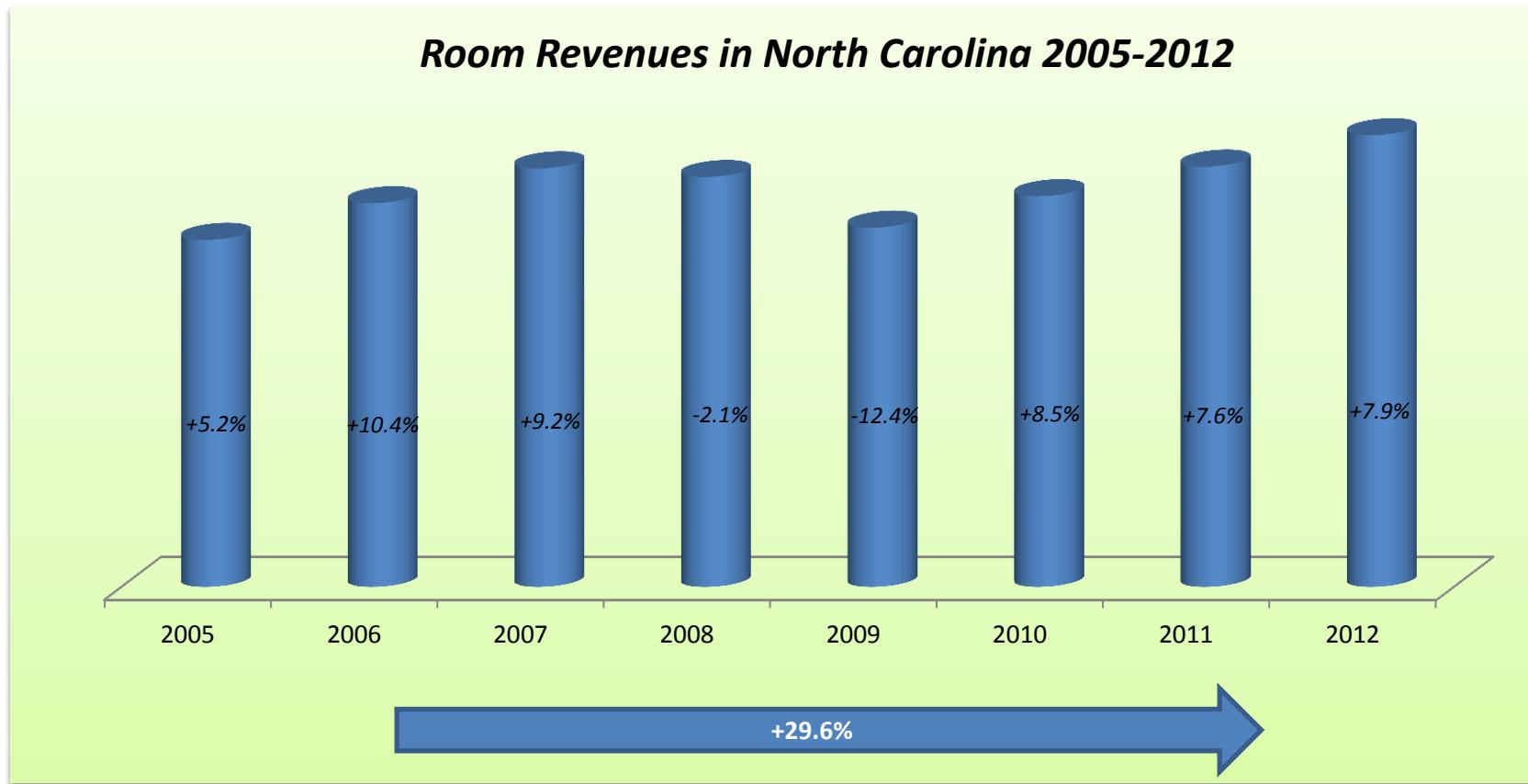
*Room Demand – The number of rooms sold (excludes complimentary rooms).

- Nearly every month in 2012 showed increased statewide **Room Demand** from 2011, setting records in many months. Winter months were fairly flat, but spring and summer picked up before slowing in late fall. 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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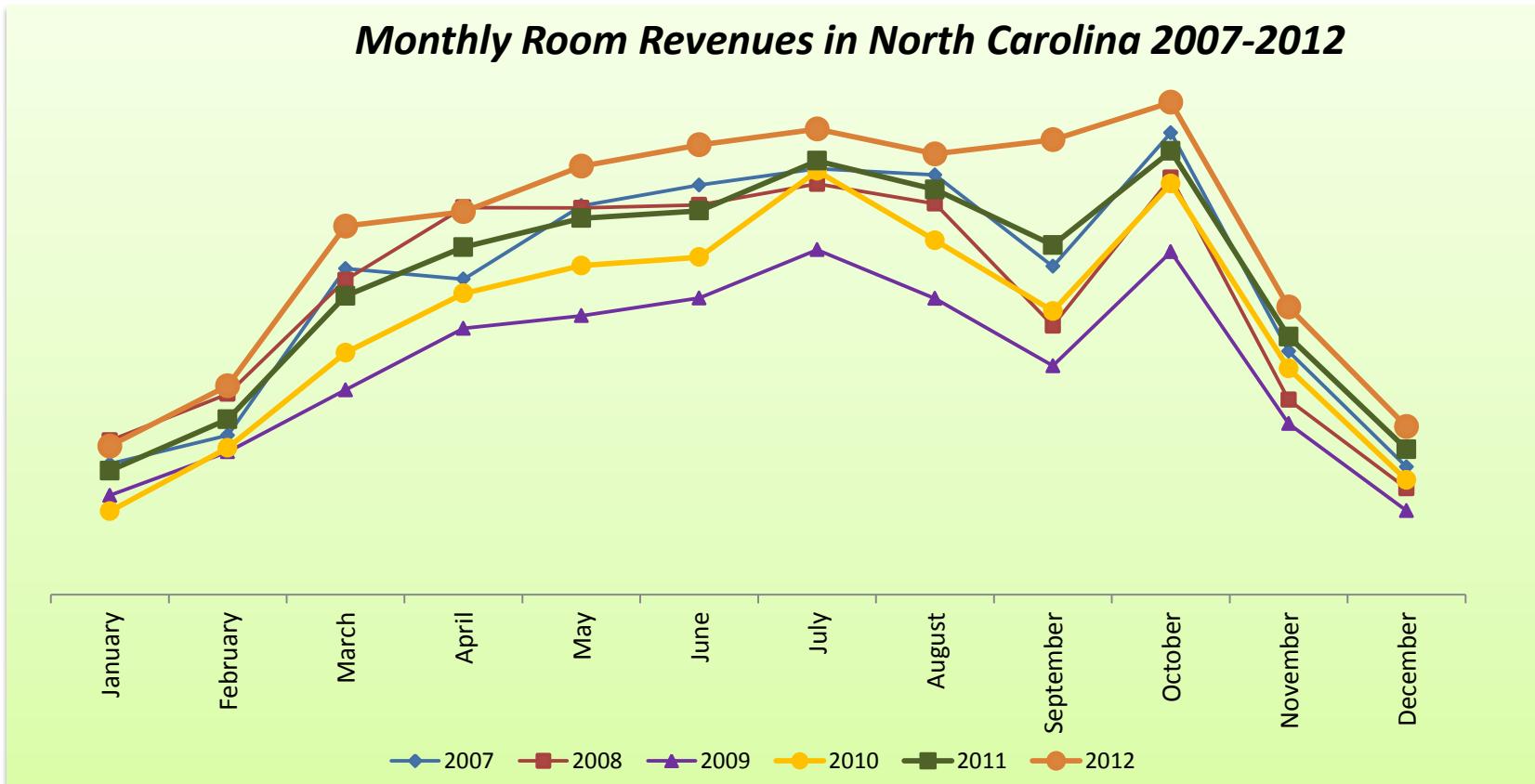
- North Carolina **room revenues** were up 7.9% in 2012 from 2011, reaching nearly \$2.6 billion and topping the previous high set in 2007. Statewide **room revenues** have increased nearly thirty percent since 2005. This is due in part to the increased ADR from 2005-2007, and a resurgence in 2011. However, demand has also increased over fifteen percent over the last three years, contributing to the increased revenues as well.
 - Nationally, **room revenues** were up 7.3%. In the South Atlantic states, **room revenues** increased 5.7% from 2011 to 2012.



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

- North Carolina **room revenues** in 2012 showed very positive increases nearly every month over 2011, particularly during September (as a result of the previously noted DNC in Charlotte). However, May through August and October through December also reported strong growth in revenues.



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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 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 (Sample Rooms/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.