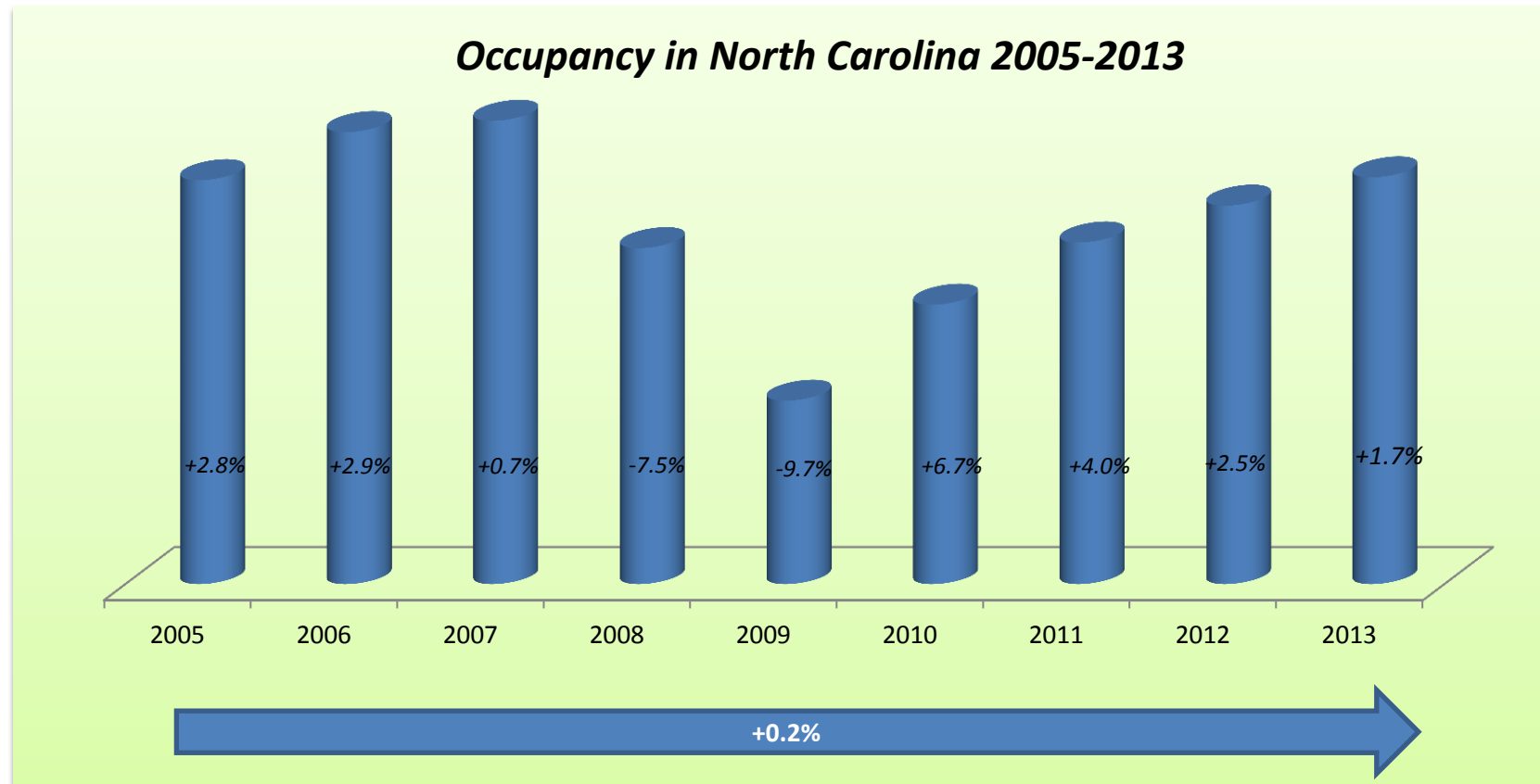NORTH CAROLINA
Department of Commerce

2013 North Carolina Lodging Report

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

January 2014
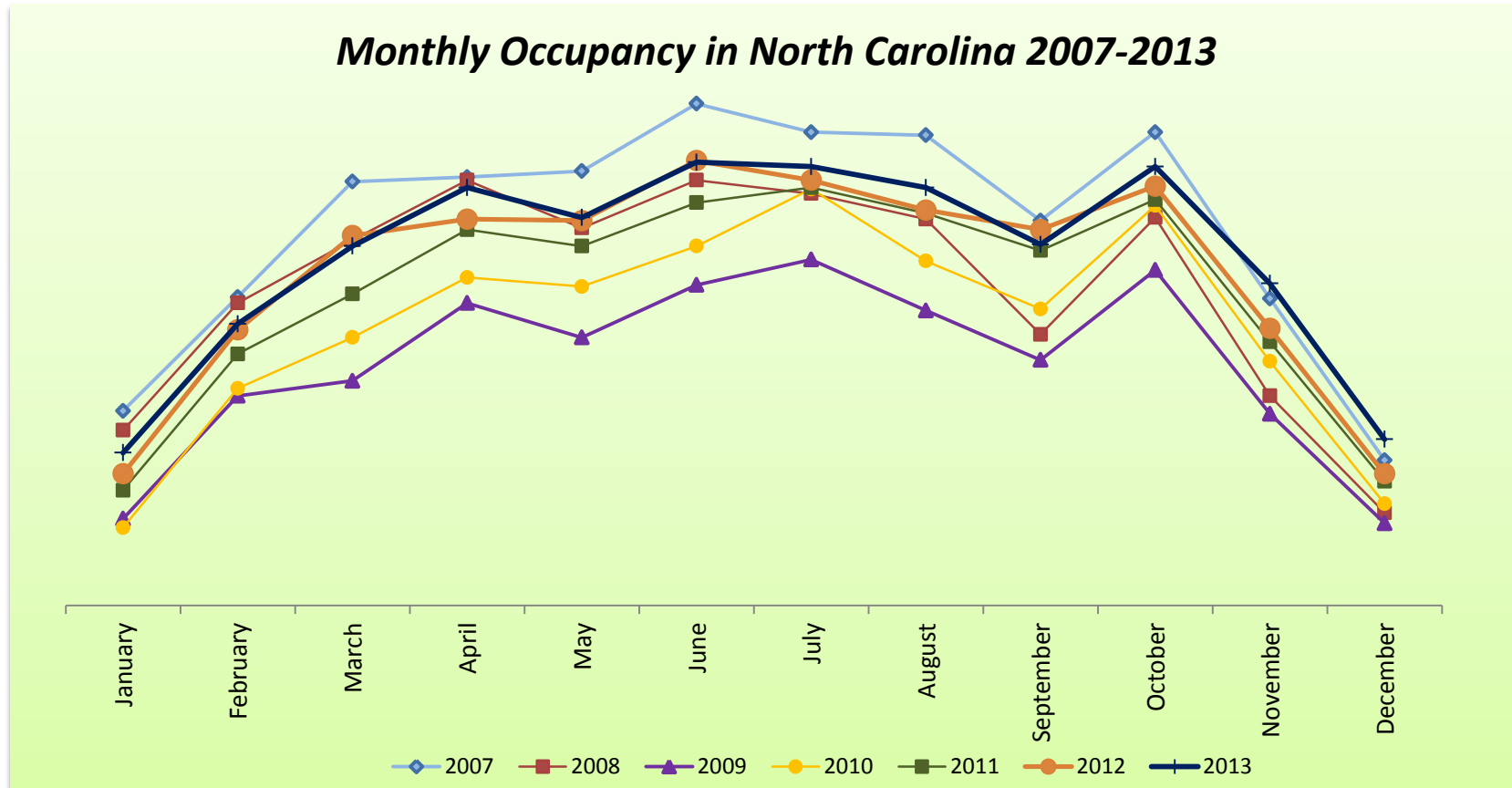
2013 North Carolina Lodging Report

- Year-end 2013 hotel/motel **occupancy** was up 1.7% statewide from 2012. This represents a nine percent increase from 2009. Though still down about three percent from the peak in 2007, the last several years have significantly lessened the gap.
  - The US **occupancy** was up 1.5% and South Atlantic states **occupancy** was up 1.9% from 2012.

Occupancy in North Carolina 2005-2013

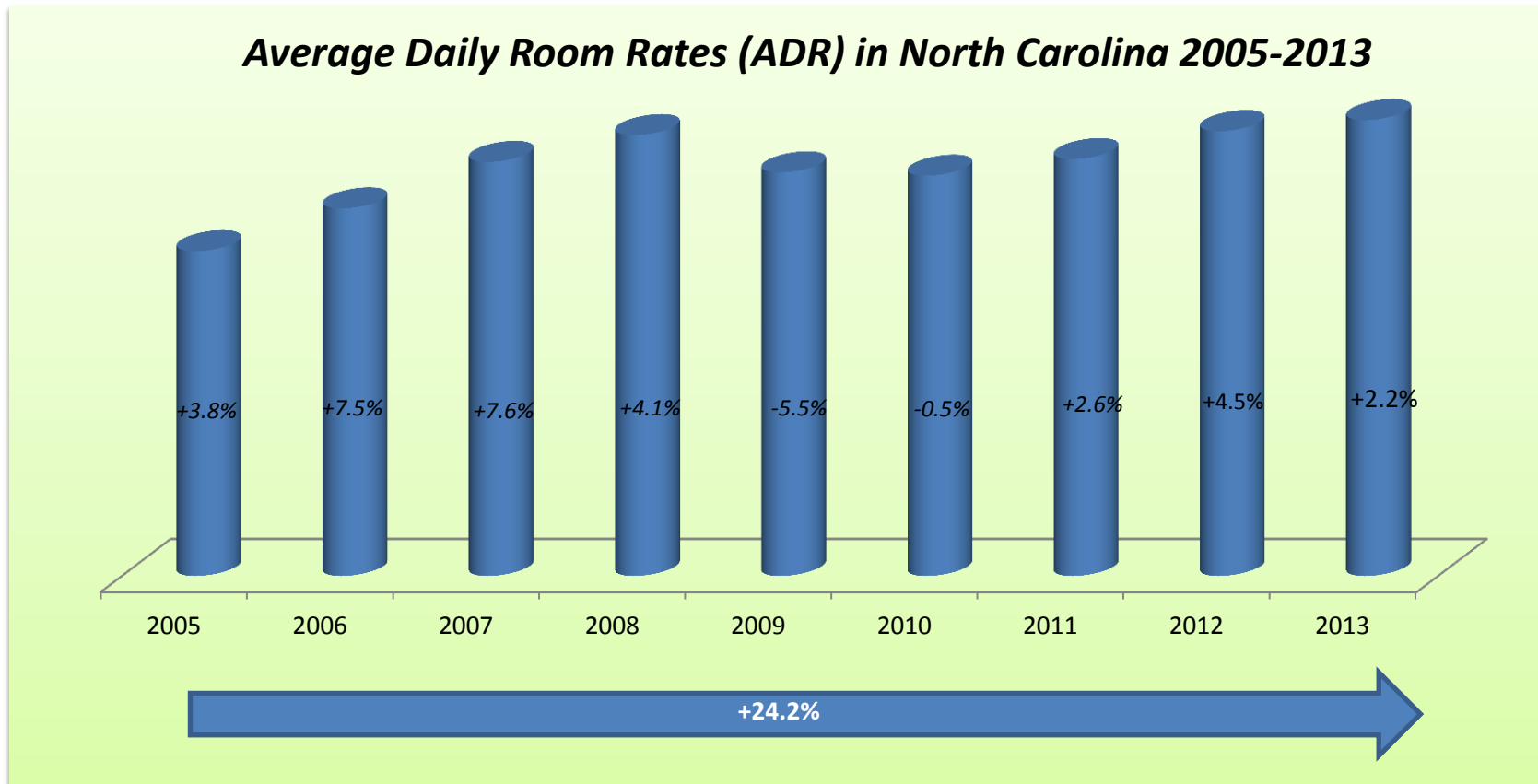| 2005	2006	2007	2008	2009	2010	2011	2012	2013
+2.8%	+2.9%	+0.7%	-7.5%	-9.7%	+6.7%	+4.0%	+2.5%	+1.7%

+0.2%

Smith Travel Research, 2014

Occupancy – Rooms sold divided by rooms available.

- In 2013 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. Ten months of 2013 experienced the highest occupancy since 2007. Growth was stronger during the second half of the year – an average of 2.5% - with occupancy growth of more than five percent in both November and December. Information from neighboring states confirms similar trend lines for them, as well as nationwide estimates.

Monthly Occupancy in North Carolina 2007-2013
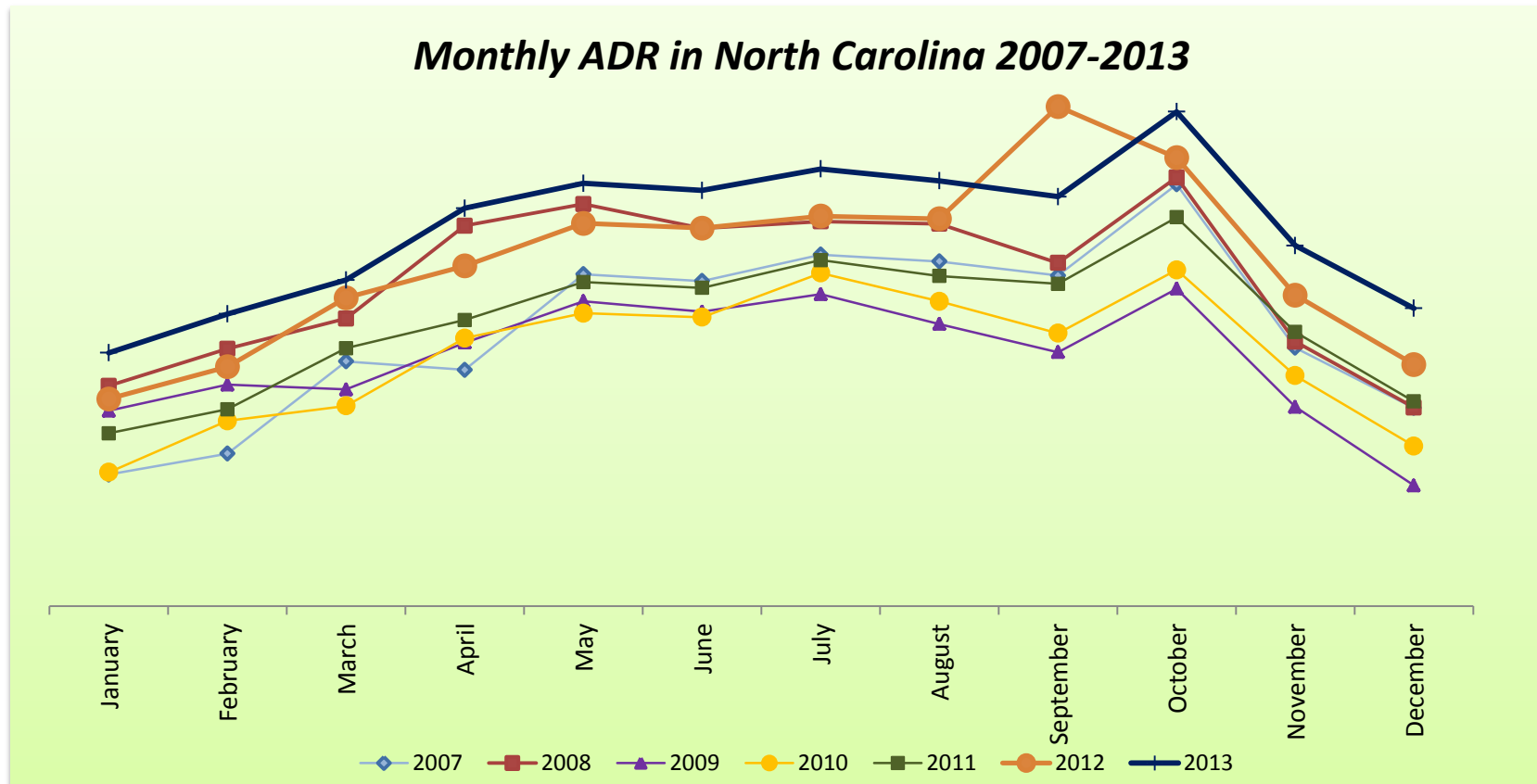

Smith Travel Research, 2014

- 2013 **room rates (ADR)** in North Carolina were up 2.2% from 2012, topping last year's record high ADR for the state. **Room rates** have increased nearly seven percent over the last two years and more than twenty-four percent since 2005.
  - The US **ADR** was up 3.9% from 2012. **ADR** in the South Atlantic states was up 3.0% from 2012.

Average Daily Room Rates (ADR) in North Carolina 2005-2013

2005	2006	2007	2008	2009	2010	2011	2012	2013
+3.8%	+7.5%	+7.6%	+4.1%	-5.5%	-0.5%	+2.6%	+4.5%	+2.2%

+24.2%
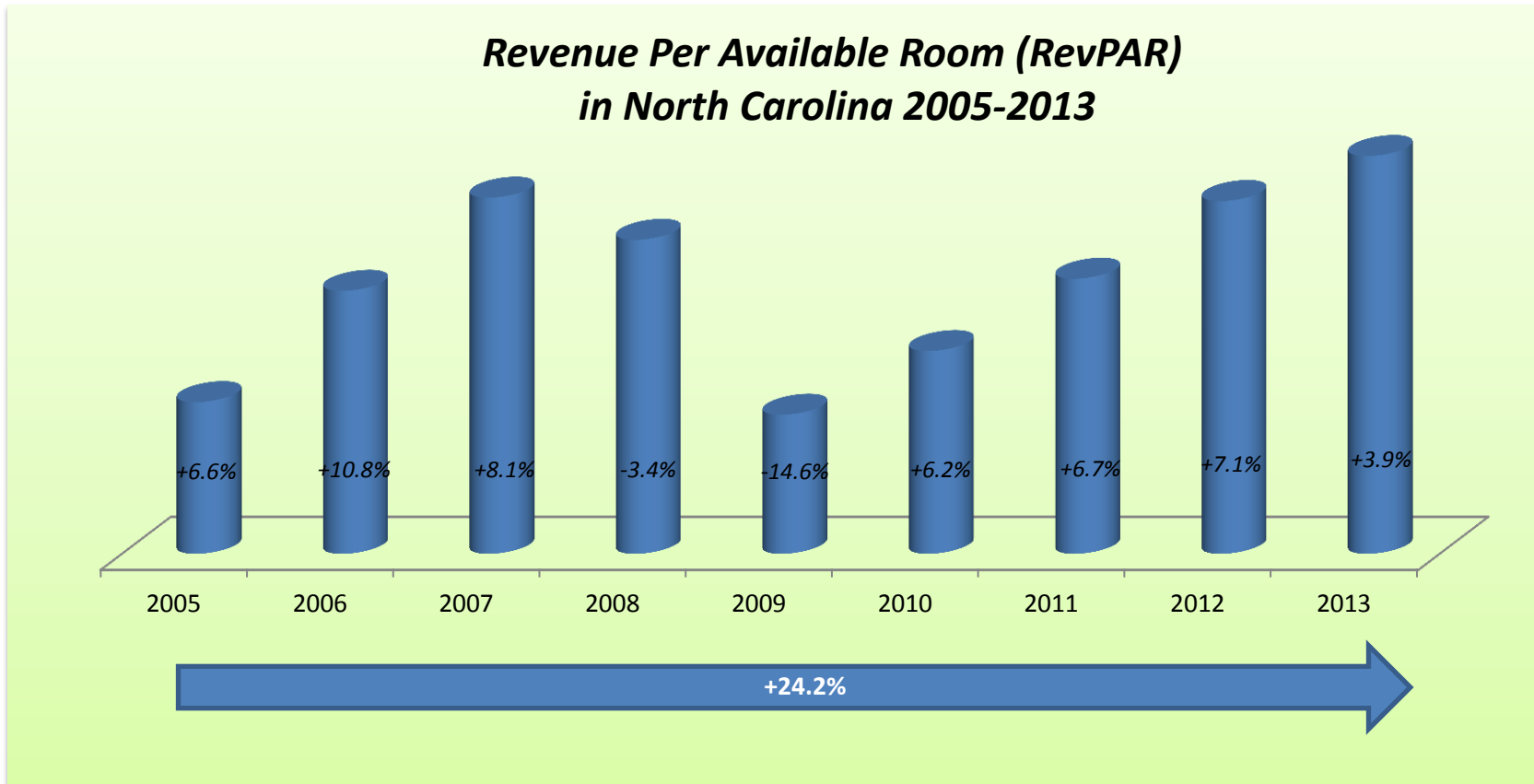
Smith Travel Research, 2014

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

Room rates (ADR) in North Carolina in 2013 were the highest on record, topping even last year's record high. With the exception of September, which was adjusting back to post-DNC September rates, each month of 2013 set a record high ADR for that particular month. February and December rates were four percent higher than 2012 rates, and posted the highest year over year growth.

Monthly ADR in North Carolina 2007-2013

January | February | March | April | May | June | July | August | September | October | November | December

2007 2008 2009 2010 2011 2012 2013
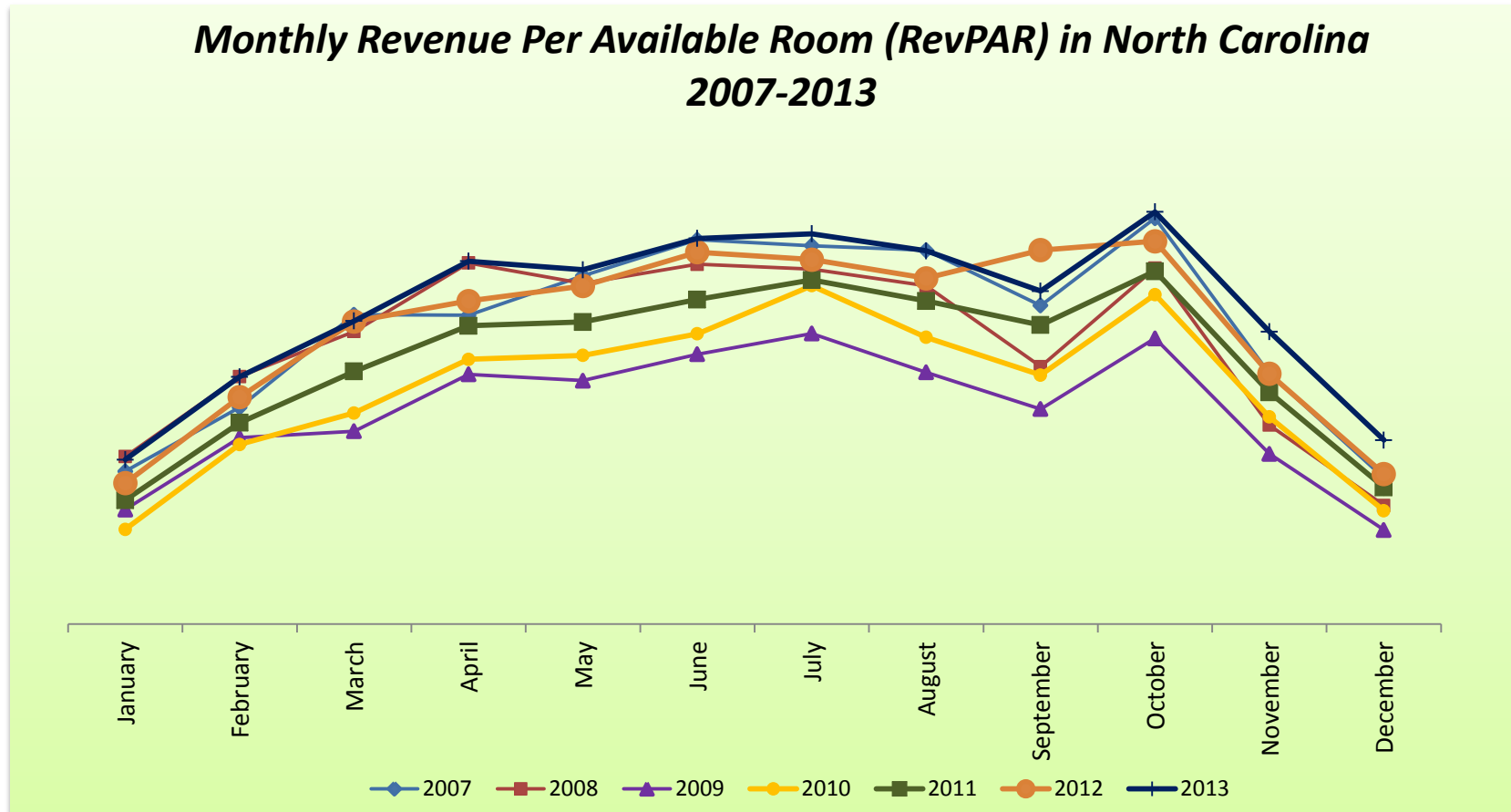
Smith Travel Research, 2014

- Statewide, Revenue Per Available Room **(RevPAR)** was up 3.9% from 2012, surpassing the peak set in 2007. **RevPAR** has increased more than eighteen percent in the last three years.
    - ○ Nationally, **RevPAR** was up 5.4% from 2012. South Atlantic states **RevPAR** was up 5.0% from 2012.

Revenue Per Available Room (RevPAR) in North Carolina 2005-2013

Year	Change
2005	+6.6%
2006	+10.8%
2007	+8.1%
2008	-3.4%
2009	-14.6%
2010	+6.2%
2011	+6.7%
2012	+7.1%
2013	+3.9%

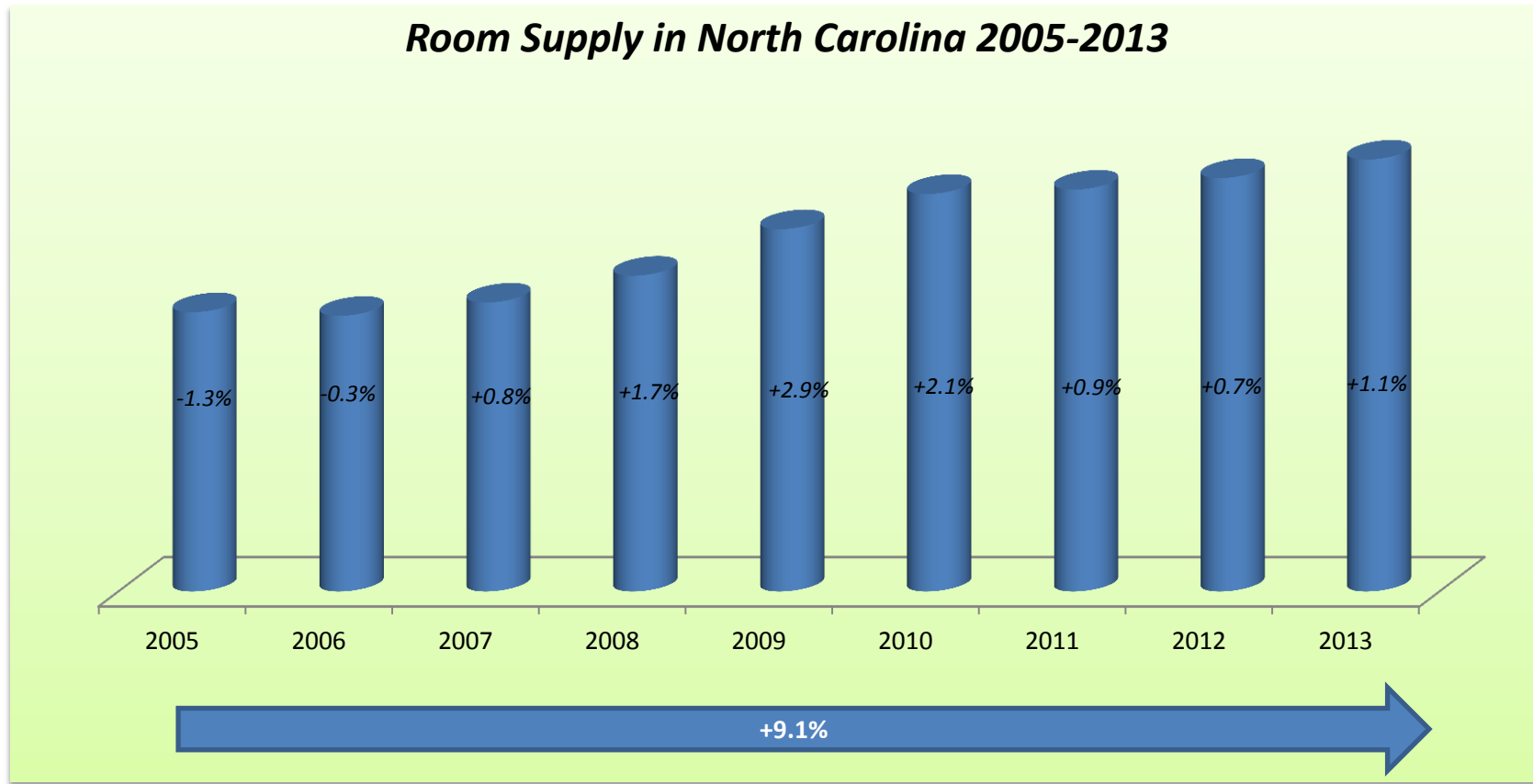**+24.2%**

Smith Travel Research, 2014

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

- Revenue per Available Room **(RevPAR)** achieved a new record high in 2013. Statewide monthly RevPAR increased each month from 2012, with the exception of September. As with ADR, RevPAR was at a record in September 2012, due in part to the increased room rates as a result of the DNC in Charlotte that year. 2013 September RevPAR was still nearly seven percent higher than September 2011 RevPAR.

Monthly Revenue Per Available Room (RevPAR) in North Carolina 2007-2013

Legend: 2007, 2008, 2009, 2010, 2011, 2012, 2013
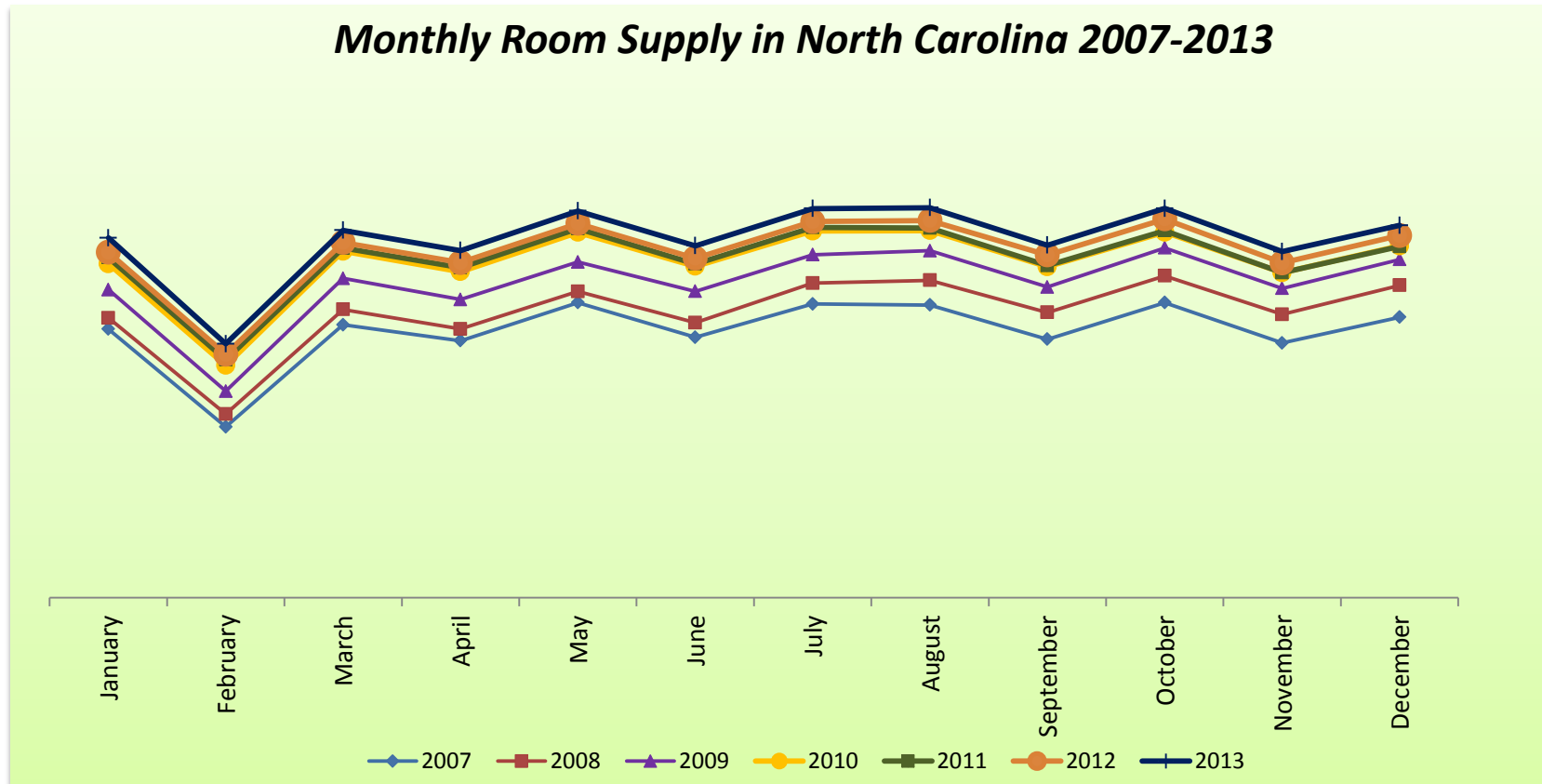
Smith Travel Research, 2014

- 2013 **Room Supply** was up 1.1% in the state from 2012. **Room supply** has increased 9.1% since 2005, in part leading to the lack of growth in occupancy over that time period. Room supply in 2013 is at its highest on record for North Carolina with more than 53 million room nights available for the year.
  - Nationally, **room supply** was up 0.7%. **Room supply** was up 0.3% from 2012 to 2013 in the South Atlantic region.

Room Supply in North Carolina 2005-2013

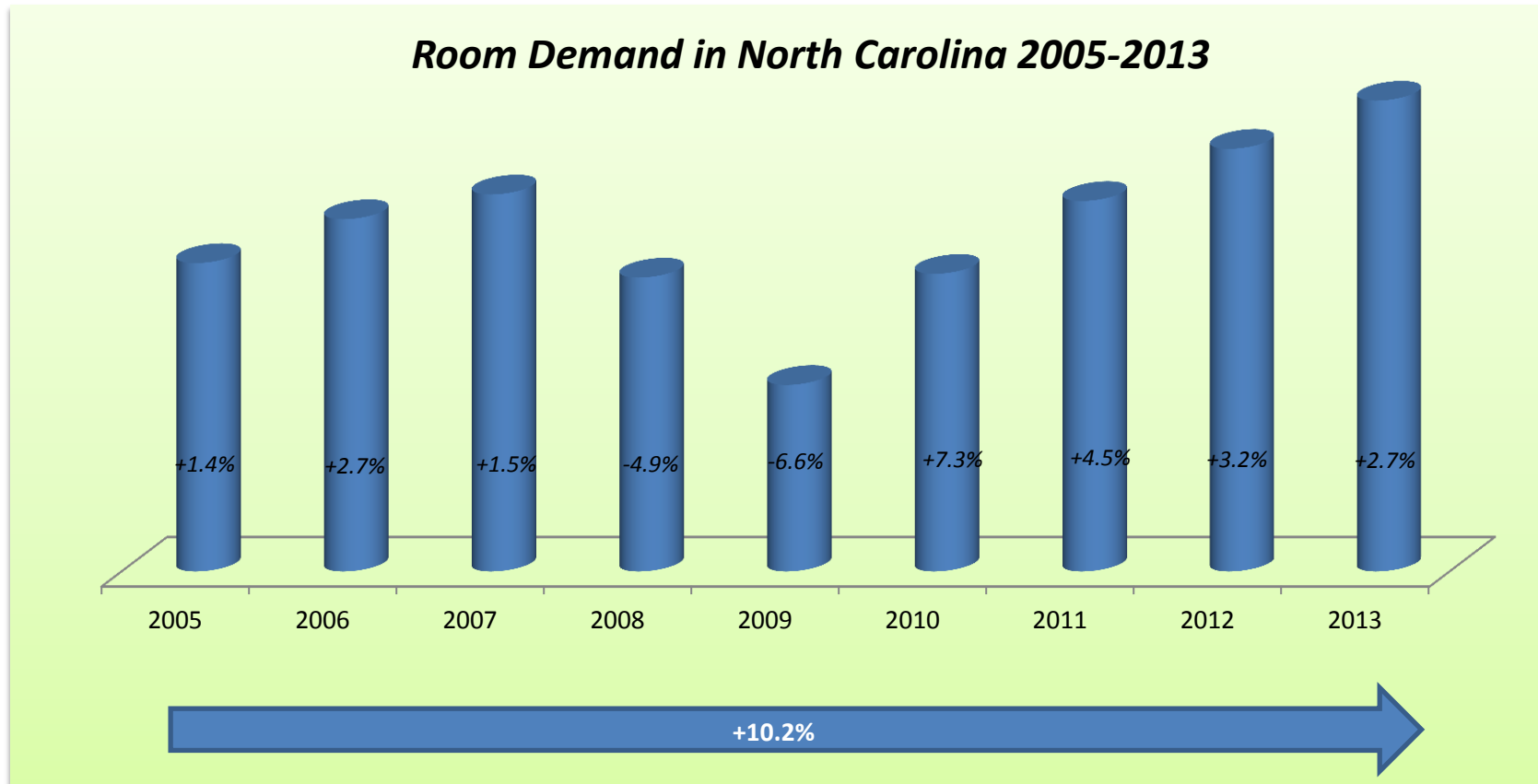| Year	Value
2005	-1.3%
2006	-0.3%
2007	+0.8%
2008	+1.7%
2009	+2.9%
2010	+2.1%
2011	+0.9%
2012	+0.7%
2013	+1.1%

+9.1%

Smith Travel Research, 2014

*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 consistent growth throughout the year.

Monthly Room Supply in North Carolina 2007-2013

Legend: 2007, 2008, 2009, 2010, 2011, 2012, 2013
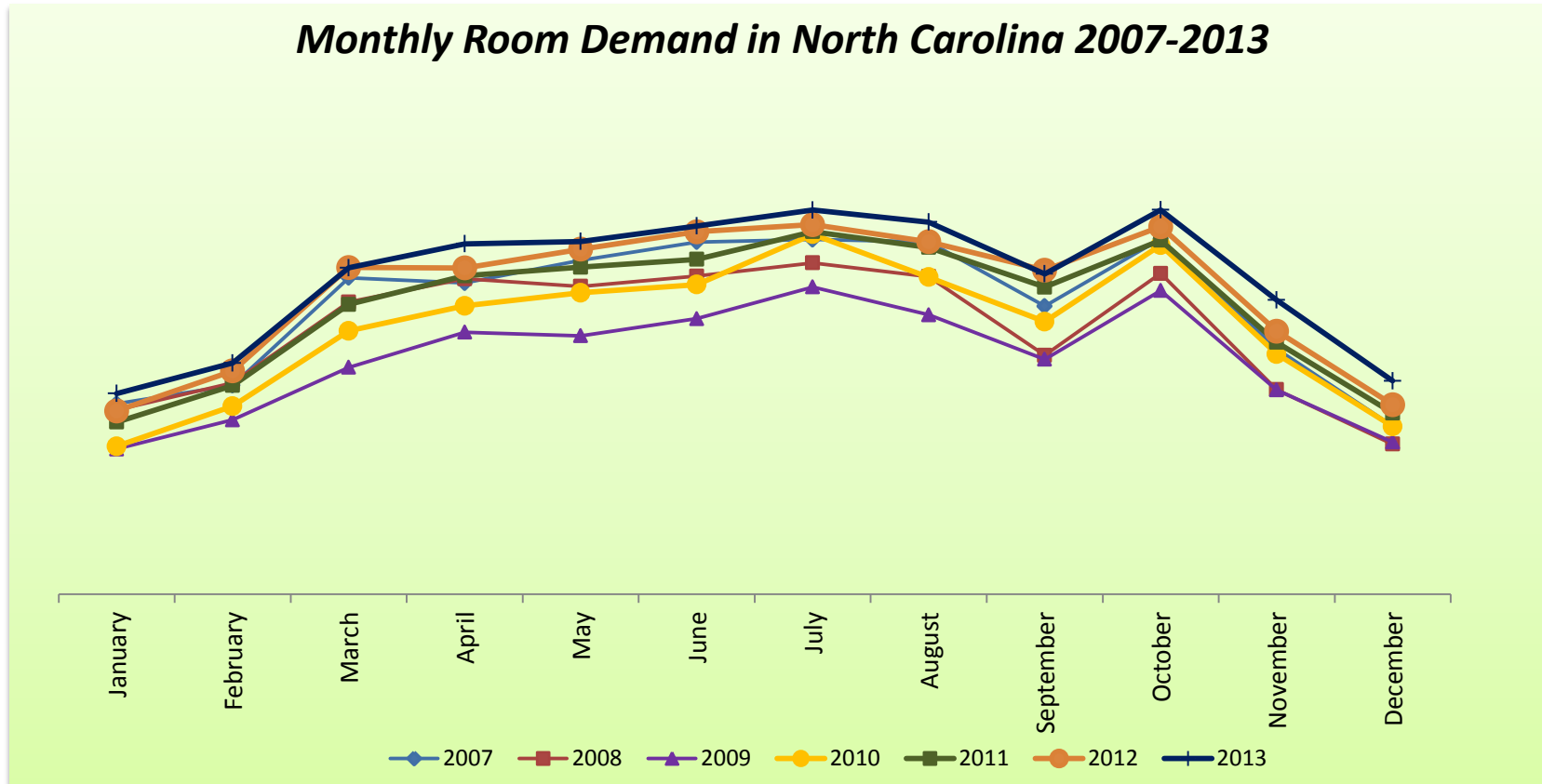
Smith Travel Research, 2014

- 2013 **Room Demand** was up 2.7% in the state, and surpassed last year's demand to reach a new record for lodging demand in North Carolina. More than 31 million room nights were sold in 2013. Since 2005, **room demand** is up more than 10%.
    - o **Room demand** was up 2.2% nationally and up 2.2% in the South Atlantic region from 2012 to 2013.

Room Demand in North Carolina 2005-2013

Year	Value
2005	+1.4%
2006	+2.7%
2007	+1.5%
2008	-4.9%
2009	-6.6%
2010	+7.3%
2011	+4.5%
2012	+3.2%
2013	+2.7%

+10.2%
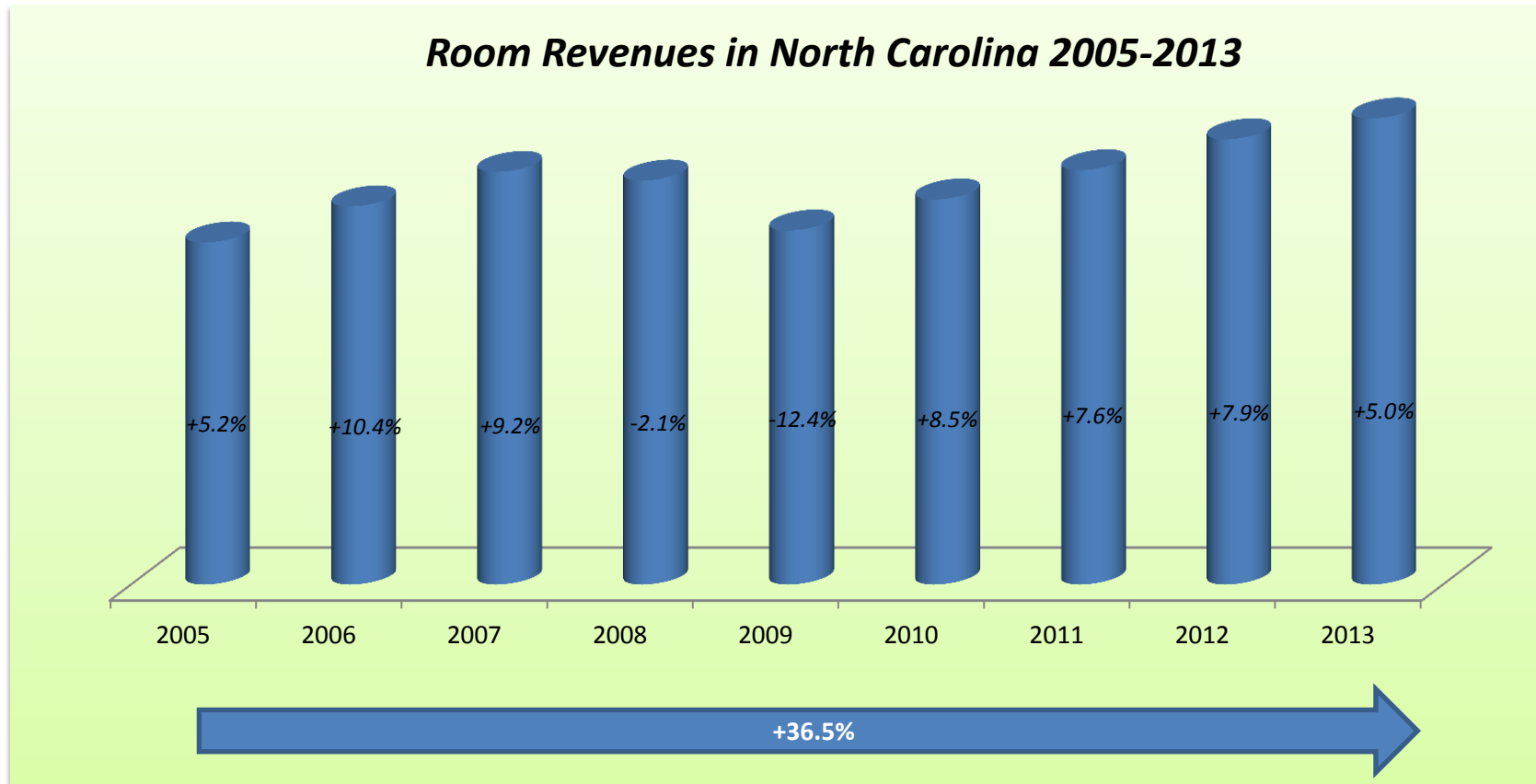
Smith Travel Research, 2014

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

- Nearly every month in 2013 showed increased statewide **Room Demand** from 2012. Ten months of 2013 set records in room demand. November and December, 2013 posted the highest year over year growth with seven percent and six percent growth respectively. 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.

Monthly Room Demand in North Carolina 2007-2013

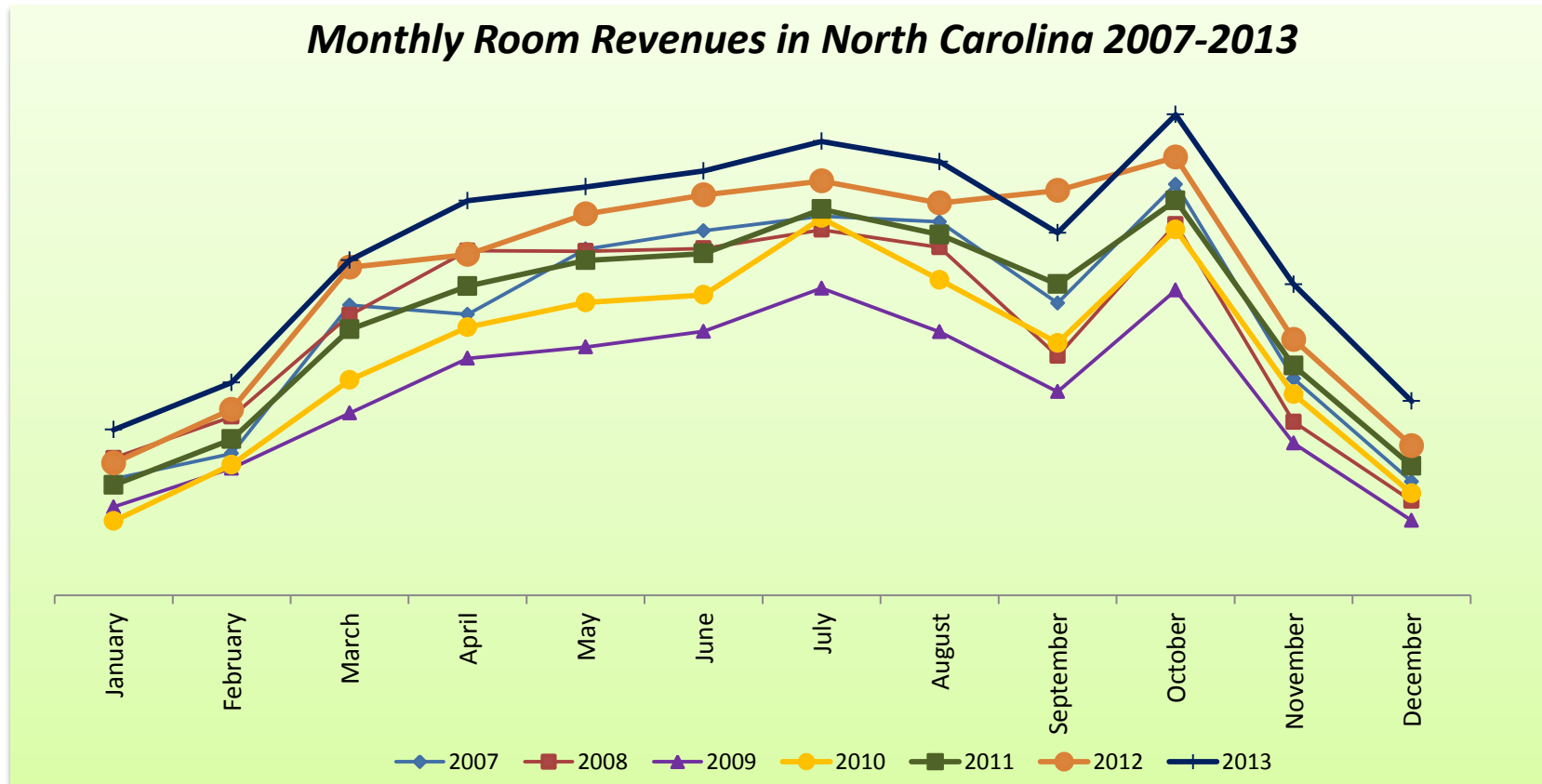Legend: 2007, 2008, 2009, 2010, 2011, 2012, 2013

Smith Travel Research, 2014

- North Carolina **room revenues** were up 5.0% in 2013 from 2012, reaching more than $2.7 billion and topping the previous high set last year. Statewide **room revenues** have increased more than thirty-six percent since 2005. This is due in part to the increased ADR from 2005-2007, and a resurge in 2011. However, demand has also increased over twenty-one percent over the last three years, contributing to the increased revenues as well.
  - Nationally, **room revenues** were up 6.2%. In the South Atlantic states, **room revenues** increased 5.3% from 2012 to 2013.

Room Revenues in North Carolina 2005-2013

Year	Change
2005	+5.2%
2006	+10.4%
2007	+9.2%
2008	-2.1%
2009	-12.4%
2010	+8.5%
2011	+7.6%
2012	+7.9%
2013	+5.0%

+36.5%

Smith Travel Research, 2014

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

- With the exception of September (as a result of the previously noted DNC in Charlotte), each month in 2013 posted record **room revenues**. November and December each posted over ten percent growth in revenues from 2012.

Monthly Room Revenues in North Carolina 2007-2013

Legend: 2007, 2008, 2009, 2010, 2011, 2012, 2013

Smith Travel Research, 2014

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.