

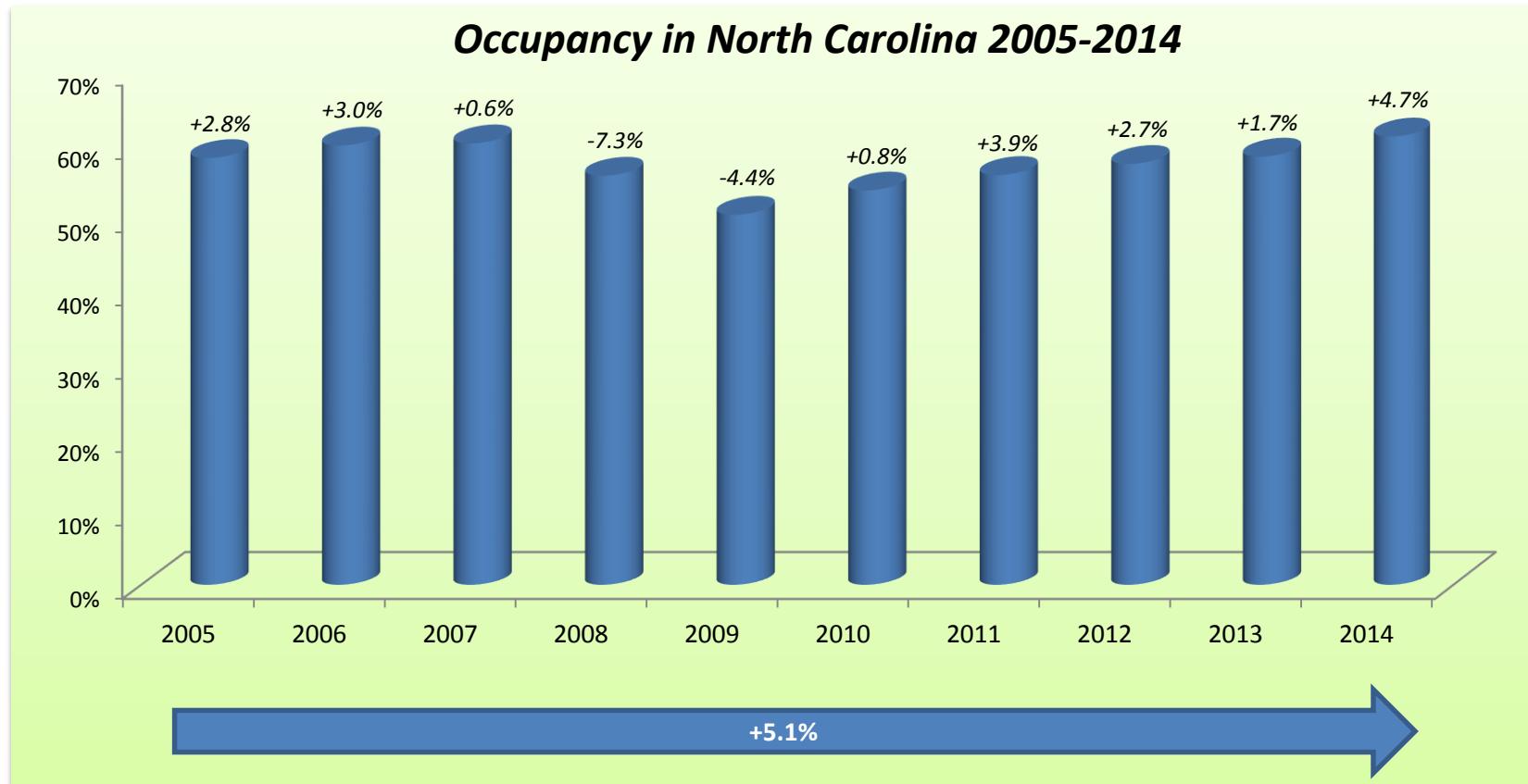
2014 North Carolina Lodging Report

A Publication of Visit North Carolina

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2014 North Carolina Lodging Report

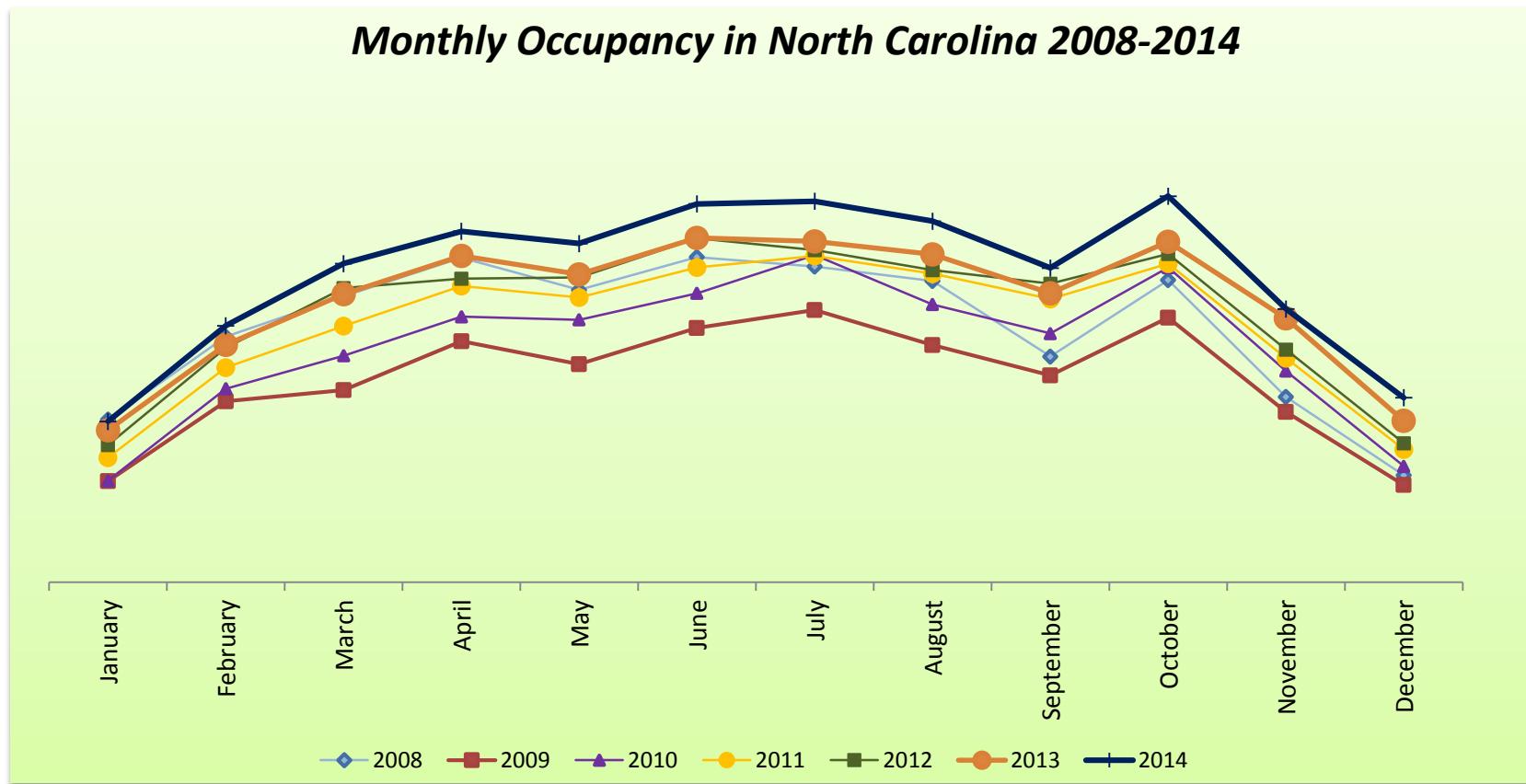
- Year-end 2014 hotel/motel **occupancy** (61.1) was up 4.7% statewide from 2013 and represents record level occupancy, topping the previous record from 2007. Occupancy rates statewide have grown more than twenty-one percent in the last five years.
 - The US **occupancy** was up 3.6% and South Atlantic states **occupancy** was up 4.8% from 2013.



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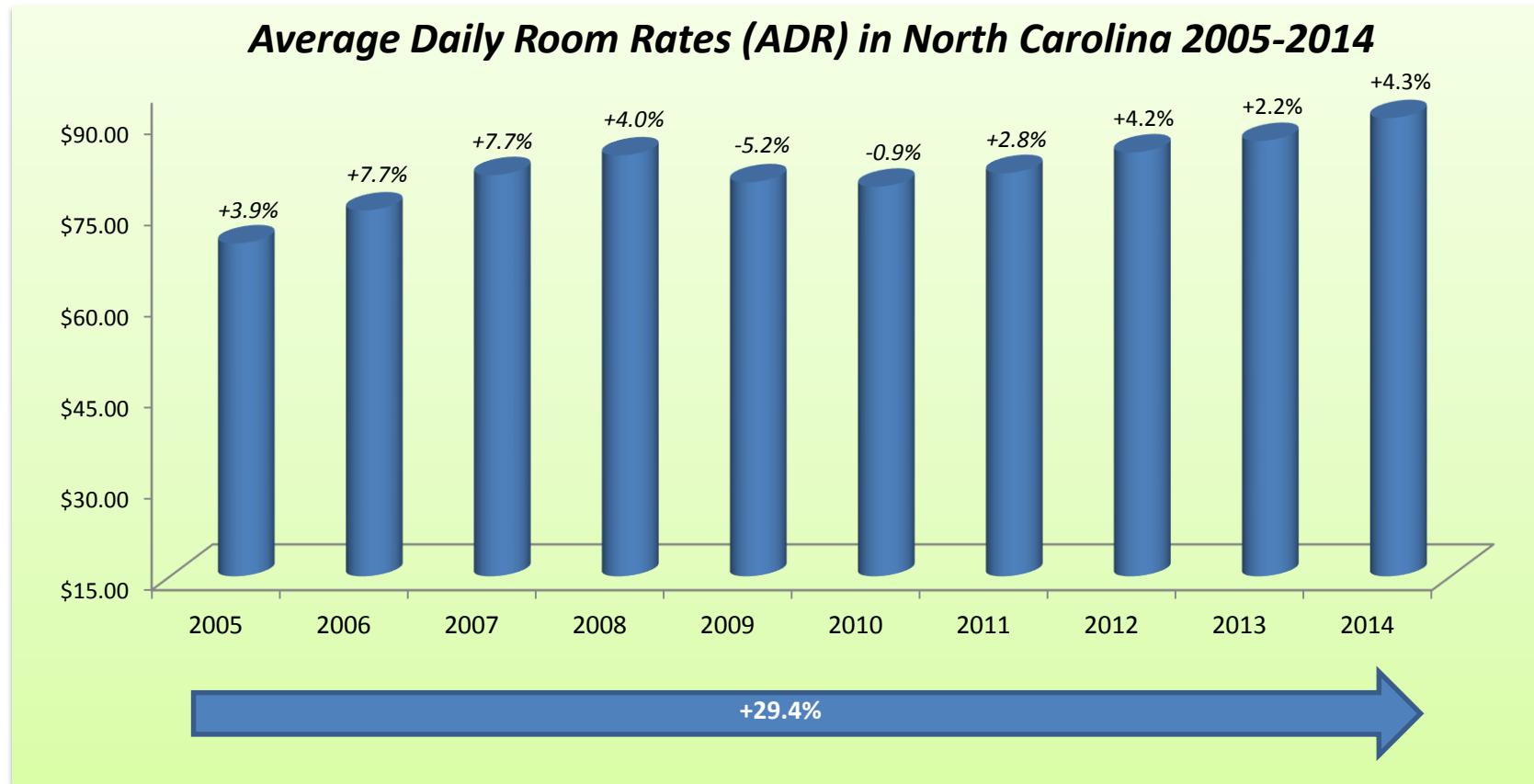
*Occupancy – Rooms sold divided by rooms available.

- In 2014 monthly hotel/motel **occupancy** followed the same general trend as in recent years, and each month showed growth from 2013. Historically, statewide occupancy is always higher during the summer months and October, and 2014 was no different. Six months of 2014 experienced the highest occupancy on record and seven months of 2014 had occupancy growth of more than 5 percent.



Smith Travel Research, 2015

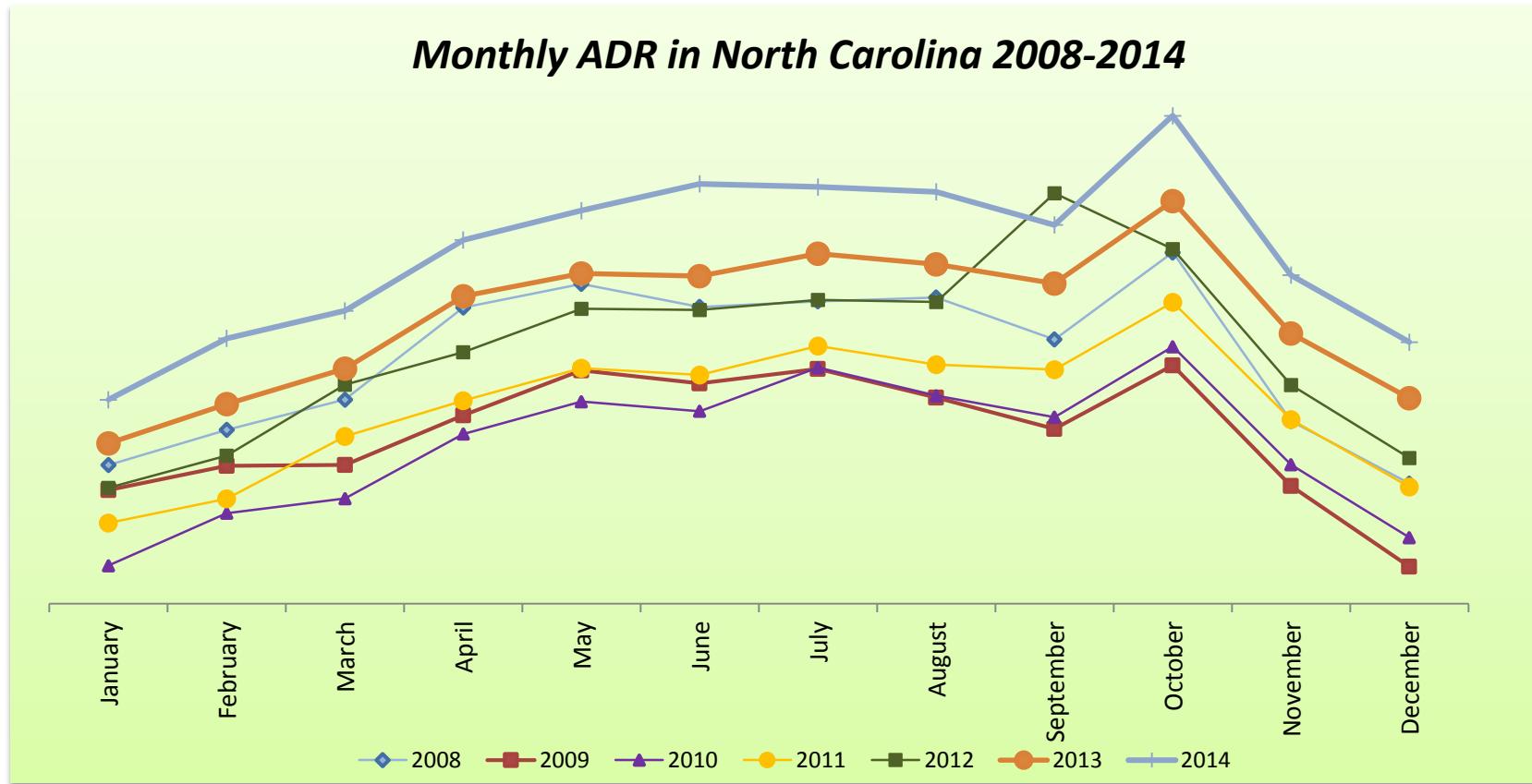
- The 2014 **average room rate (ADR)** in North Carolina (\$90.32) was up 4.3% from 2013, topping last year's record high ADR for the state, and the largest year-over-year growth since 2007. **Room rates** have increased fourteen percent since 2010.
 - The US ADR was up 4.6% from 2013. ADR in the South Atlantic states was up 4.3% from 2013.



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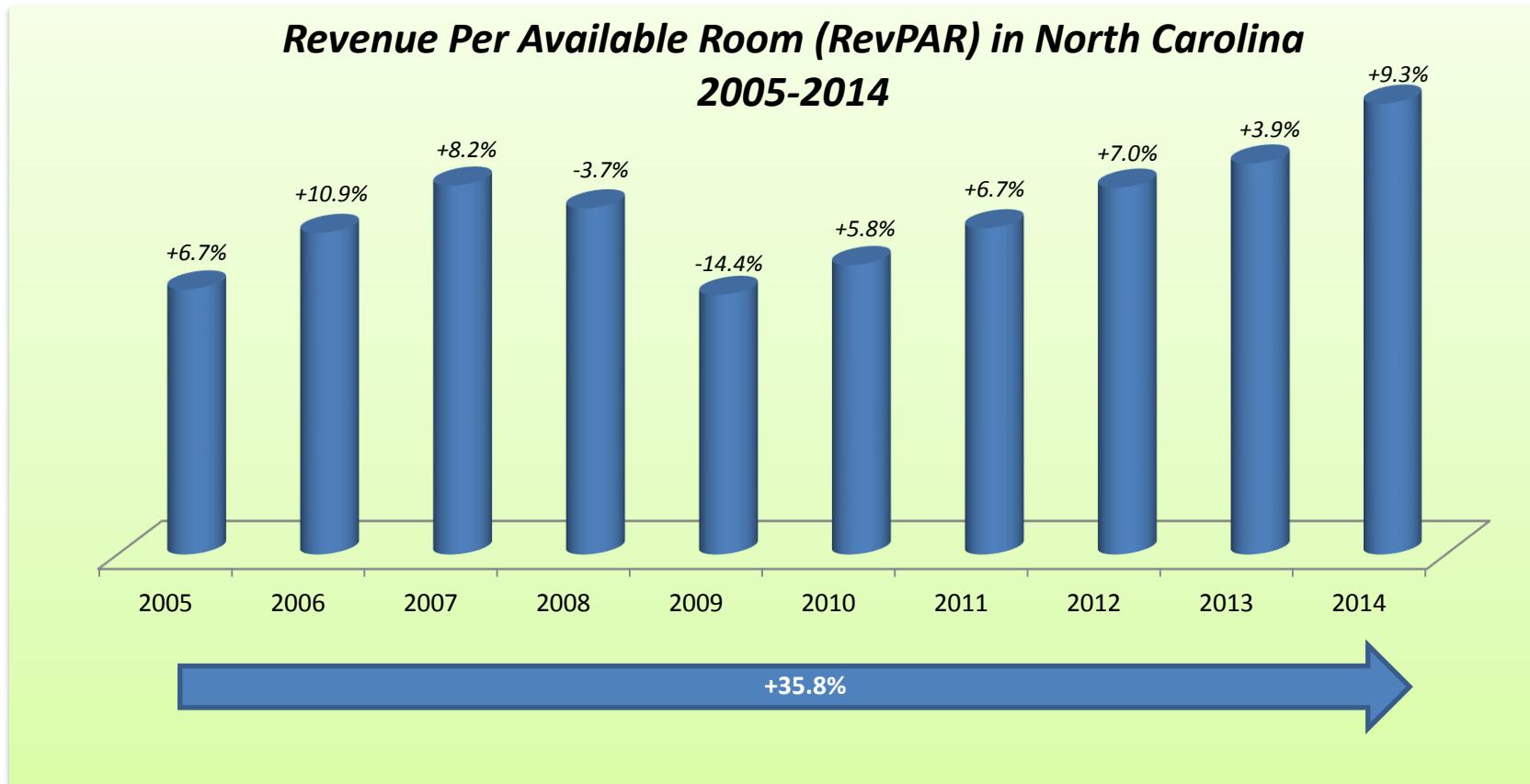
*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

- **Room rates (ADR)** in North Carolina in 2014 were the highest on record, topping even last year's record high. With the exception of September, each month of 2014 set a record high ADR for that particular month. The September 2012 high ADR can be attributed to the DNC convention held in Charlotte that year. October's ADR was the highest monthly figure for 2014, reaching nearly \$100 on average.



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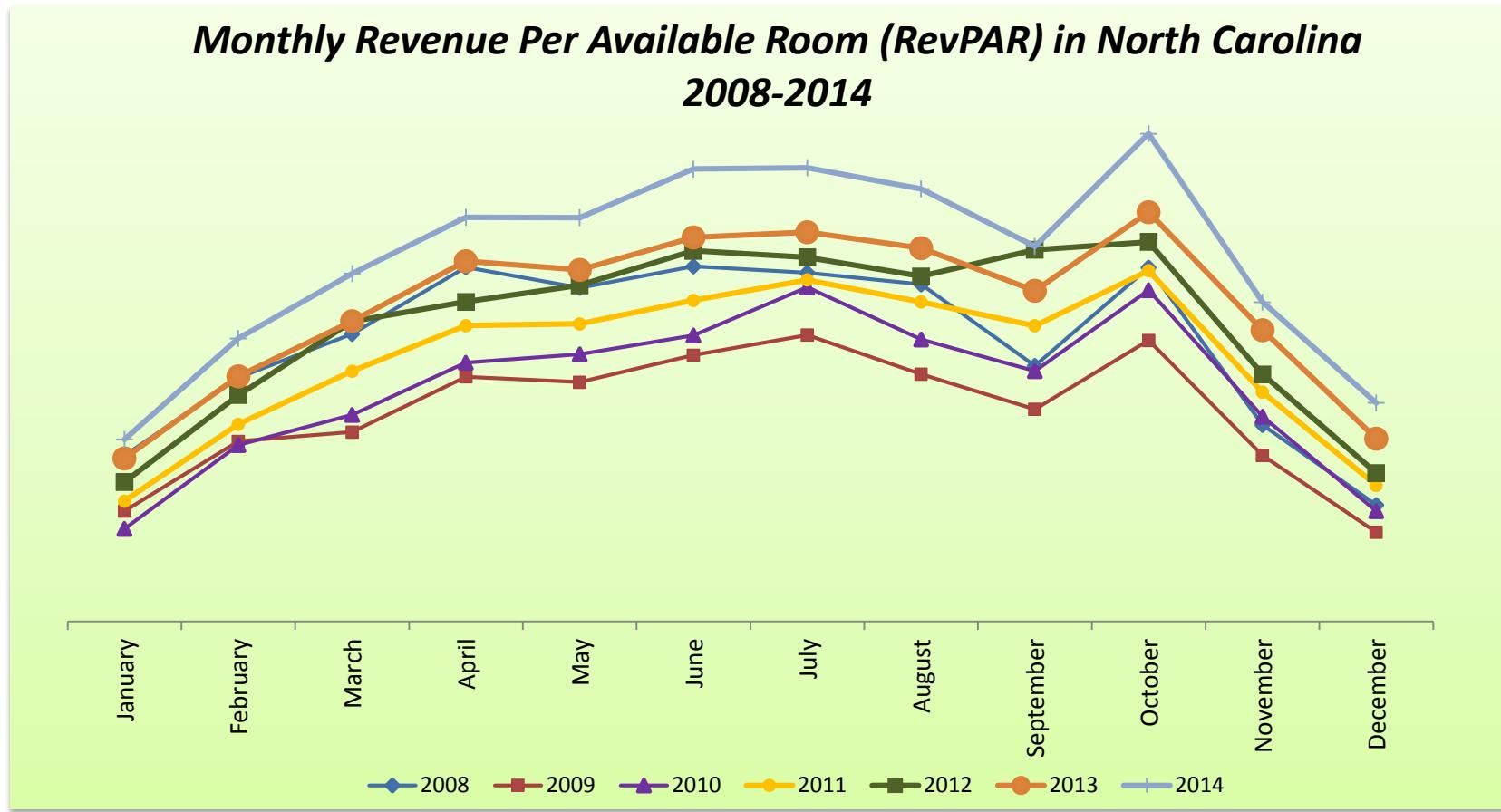
- Statewide, Revenue Per Available Room (**RevPAR**) (\$55.51) was up 9.3% in 2014 from 2013, surpassing the record set last year. **RevPAR** has increased more than thirty-seven percent in the last five years. RevPAR growth in 2014 was the largest growth for this indicator since 2006.
 - Nationally, **RevPAR** was up 8.3% from 2013. South Atlantic states **RevPAR** was up 9.3% from 2013.



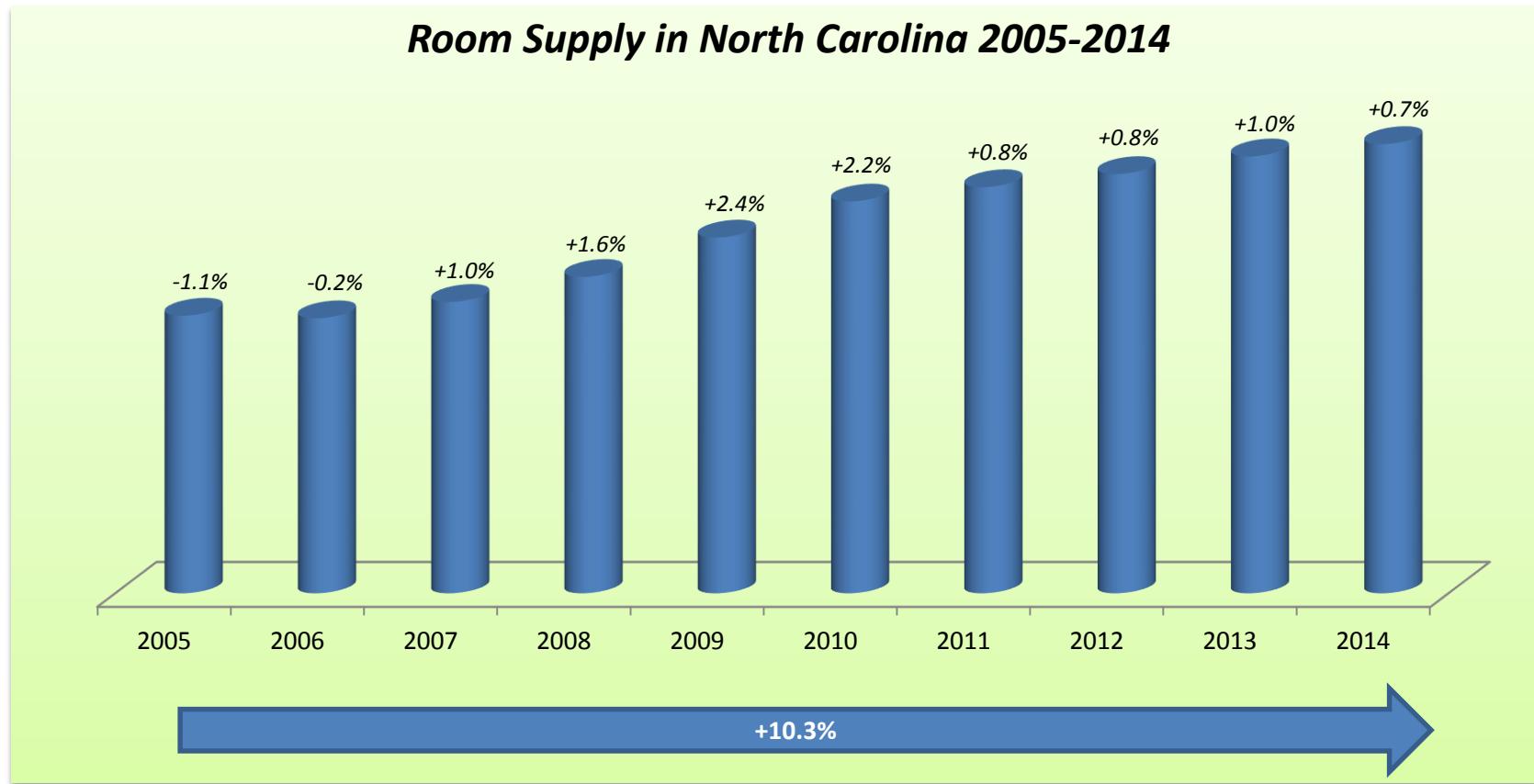
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*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- As with other indicators, revenue per available room (**RevPAR**) achieved a new record high in 2014. Statewide RevPAR increased each month from 2013 and each month set a new record. Even September surpassed September 2012 which had set the previous record partially due to the DNC convention that year. Four months in 2014 experienced double-digit growth in RevPAR and October 2014 RevPAR increased nearly thirteen percent from 2013.



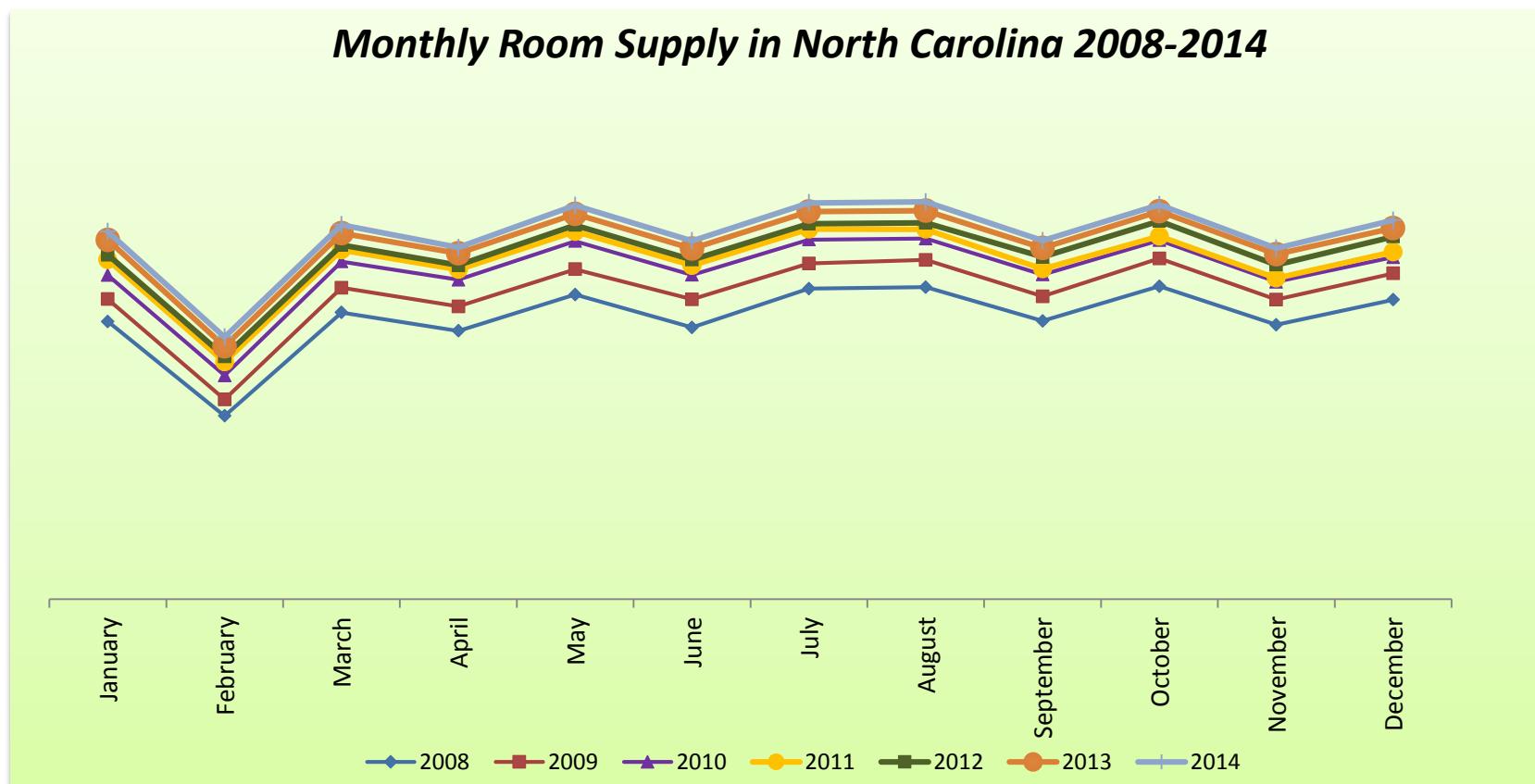
- 2014 **Room Supply** was up 0.7% in the state from 2013. **Room supply** has increased more than six percent in the last five years. Room supply in 2014 was at its highest on record for North Carolina with more than 53 million room nights available for the year.
 - Nationally, **room supply** was up 0.9%. **Room supply** was up 0.6% from 2013 to 2014 in the South Atlantic region.



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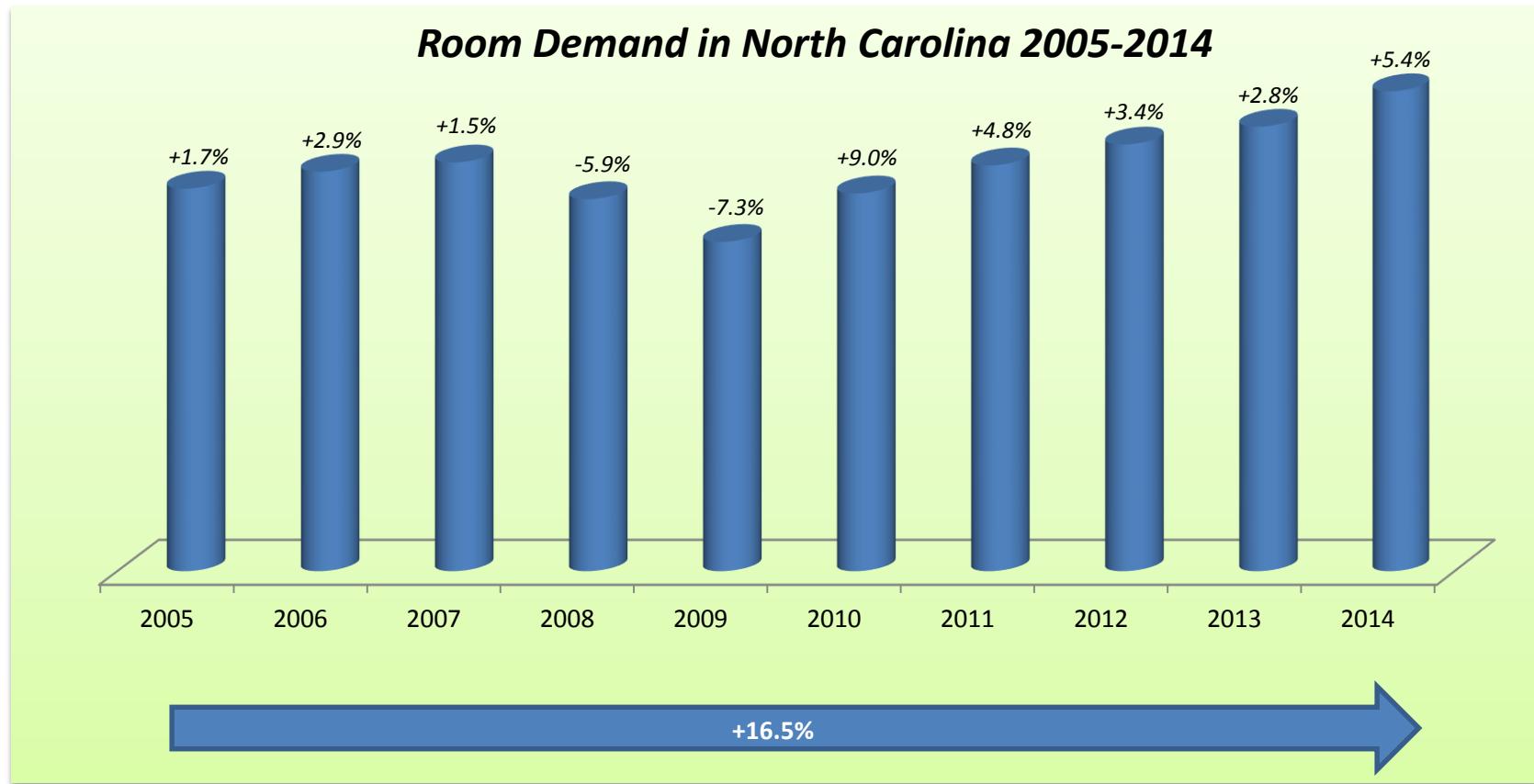
*Room Supply – The number of rooms times the number of days in the period.

- **Room Supply** in 2014 followed the same trend line as last year, showing slow, yet consistent growth throughout the year.



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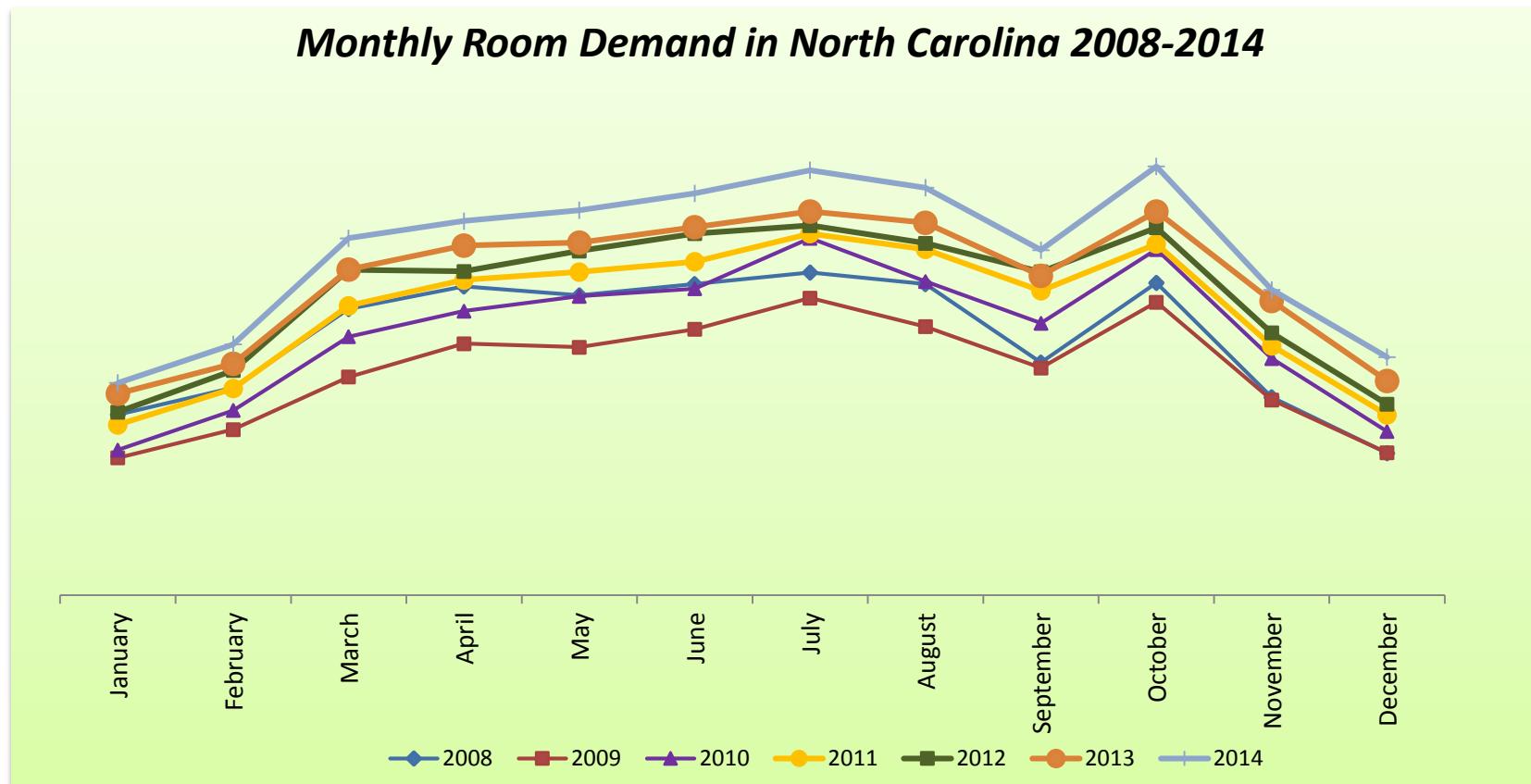
- 2014 **Room Demand** was up 5.4% in the state, and surpassed last year's demand to reach a new record for lodging demand in North Carolina. This was the largest year-over-year growth since 2010. Nearly 33 million room nights were sold in 2014. Since 2005, **room demand** is up more than 16 percent.
 - **Room demand** was up 4.5% nationally and up 5.4% in the South Atlantic region from 2013 to 2014.



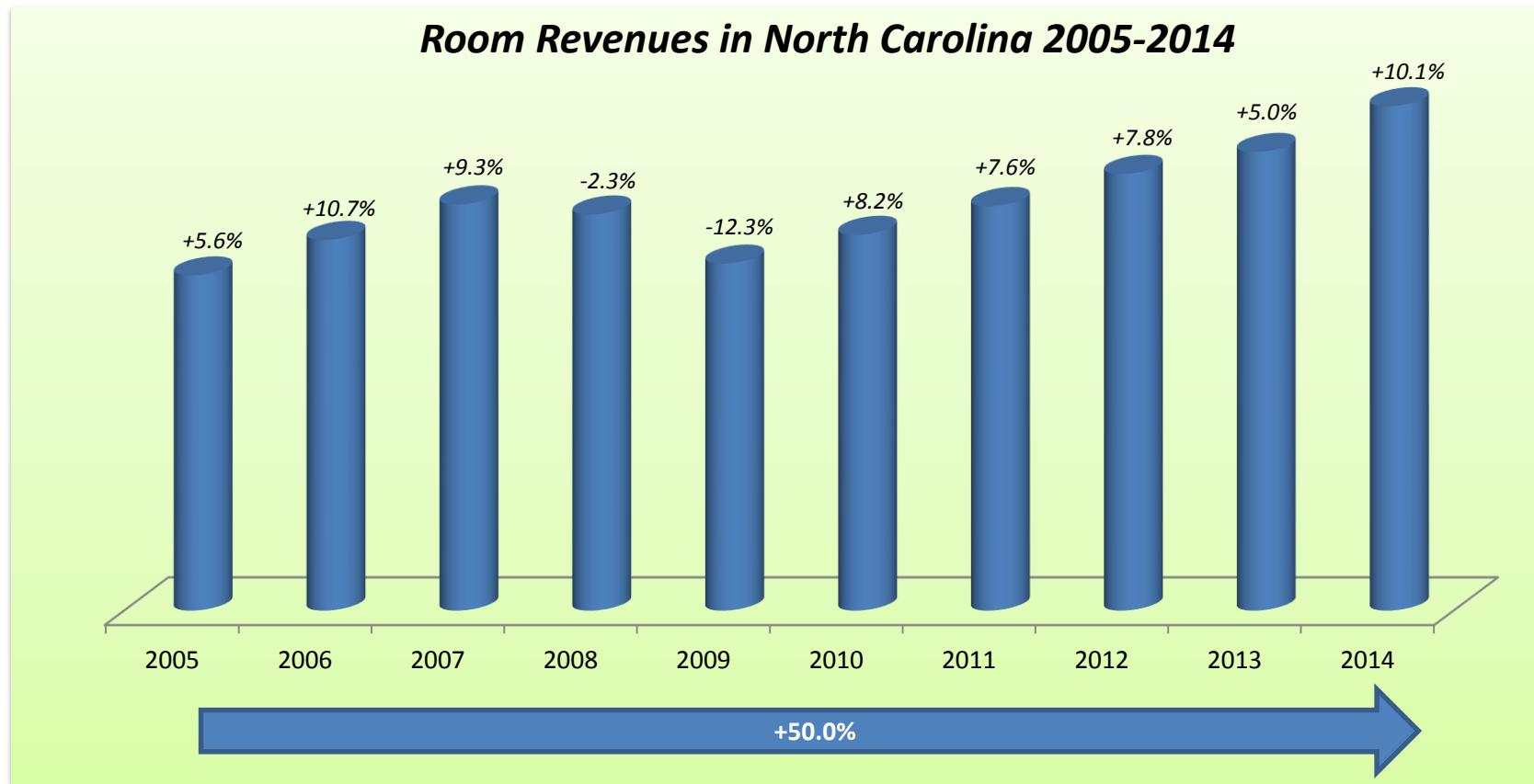
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*Room Demand – The number of rooms sold (excludes complimentary rooms).

- Every month in 2014 showed increased statewide **Room Demand** from 2013 and each month set a new record in room demand. July and October, 2014, posted the highest year over year growth with seven percent and eight percent growth respectively. 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.



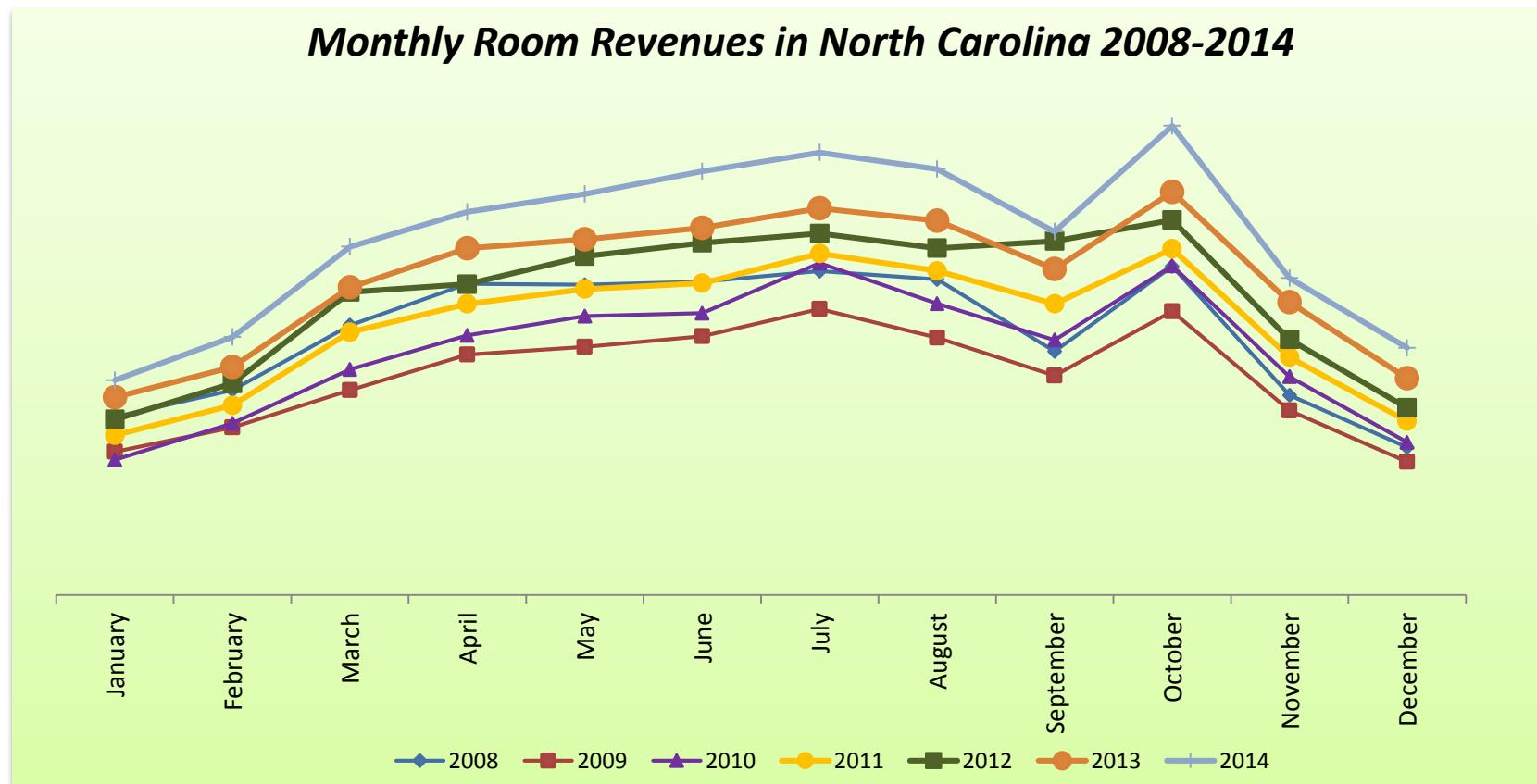
- North Carolina **room revenues** were up 10.1% in 2014 from 2013, reaching nearly \$3 billion and topping the previous high set last year. Statewide **room revenues** have increased 50 percent since 2005. This is both a healthy increase in demand and ADR statewide.
 - **Room revenues** were up 9.2% nationally and up 9.9% in the South Atlantic states from 2013 to 2014.



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

- Each month in 2014 posted record **room revenues**. Seven months of the year (March, May, June, July, August, October and December) posted over ten percent growth in revenues from 2013.



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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.