2016 North Carolina Lodging Report

A Publication of Visit North Carolina
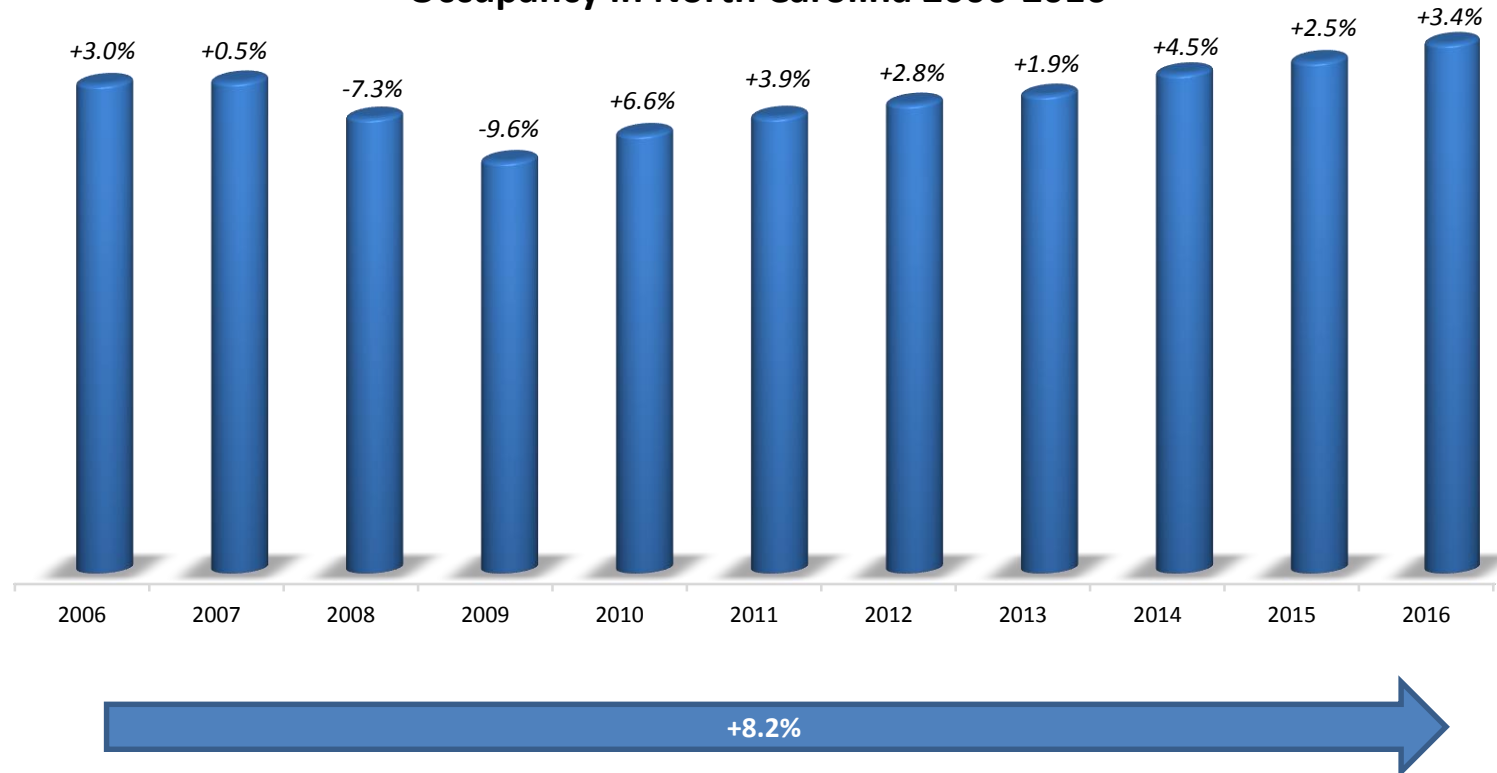
2016 North Carolina Lodging Report

- Year-end 2016 hotel/motel **occupancy** (64.9) was up 3.4% statewide from 2015 and represents record level occupancy, topping last year's record. Occupancy rates statewide have grown sixteen percent in the last five years.
  - The US **occupancy** was up 0.1% and South Atlantic states **occupancy** was up 1.1% from 2015.

Occupancy in North Carolina 2006-2016

| Year	Change
2006	+3.0%
2007	+0.5%
2008	-7.3%
2009	-9.6%
2010	+6.6%
2011	+3.9%
2012	+2.8%
2013	+1.9%
2014	+4.5%
2015	+2.5%
2016	+3.4%

+8.2%

STR, 2017

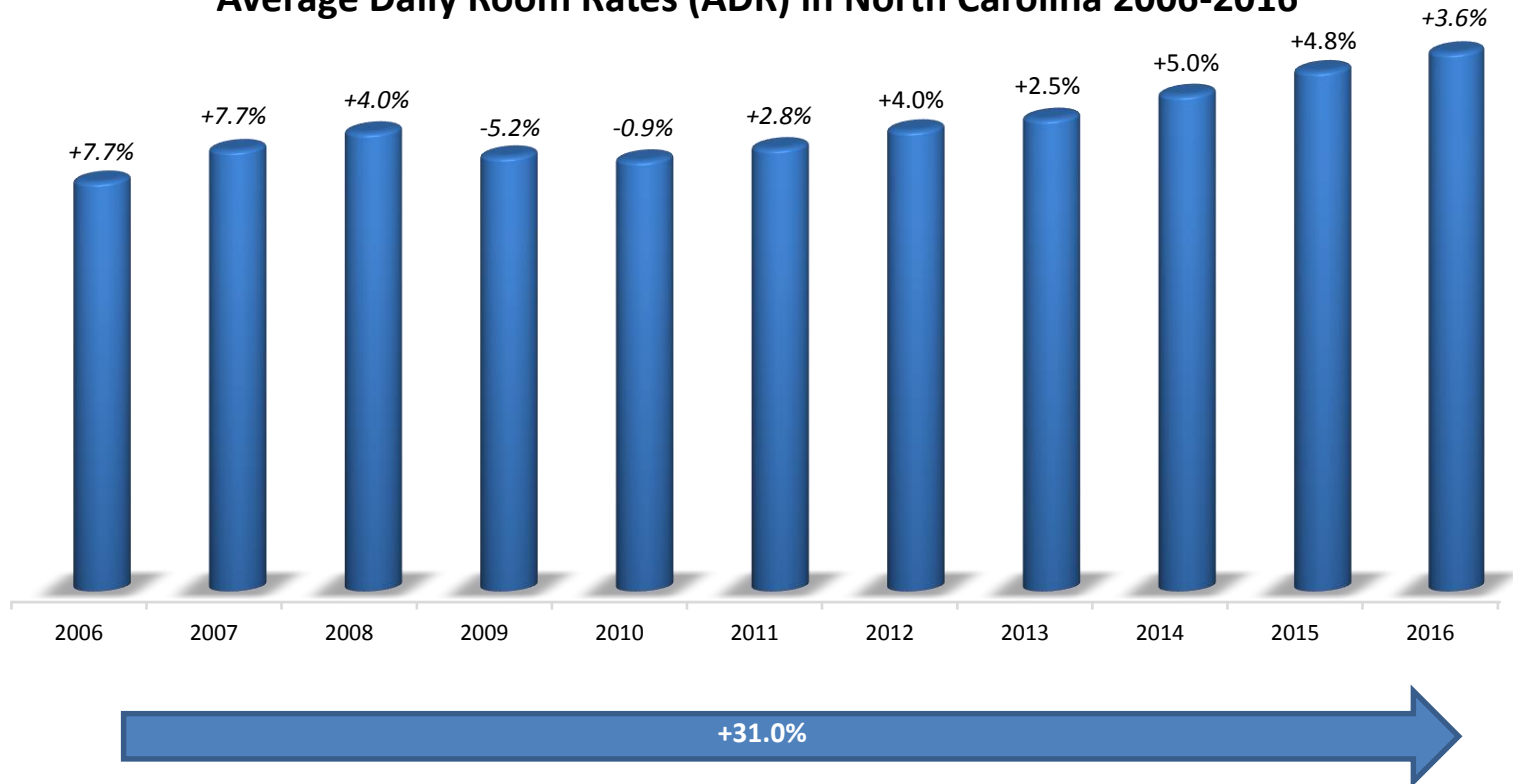*Occupancy – Rooms sold divided by rooms available.*

- In 2016, monthly hotel/motel **occupancy** followed the same general trend as in recent years, yet each month in 2016 showed growth from 2015, particularly the fall months. Historically, statewide occupancy is always higher during the summer months and October, and 2015 was no different. Each month of 2016 experienced the highest occupancy on record.

Monthly Occupancy in North Carolina 2009-2016

Legend: 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016

STR, 2017
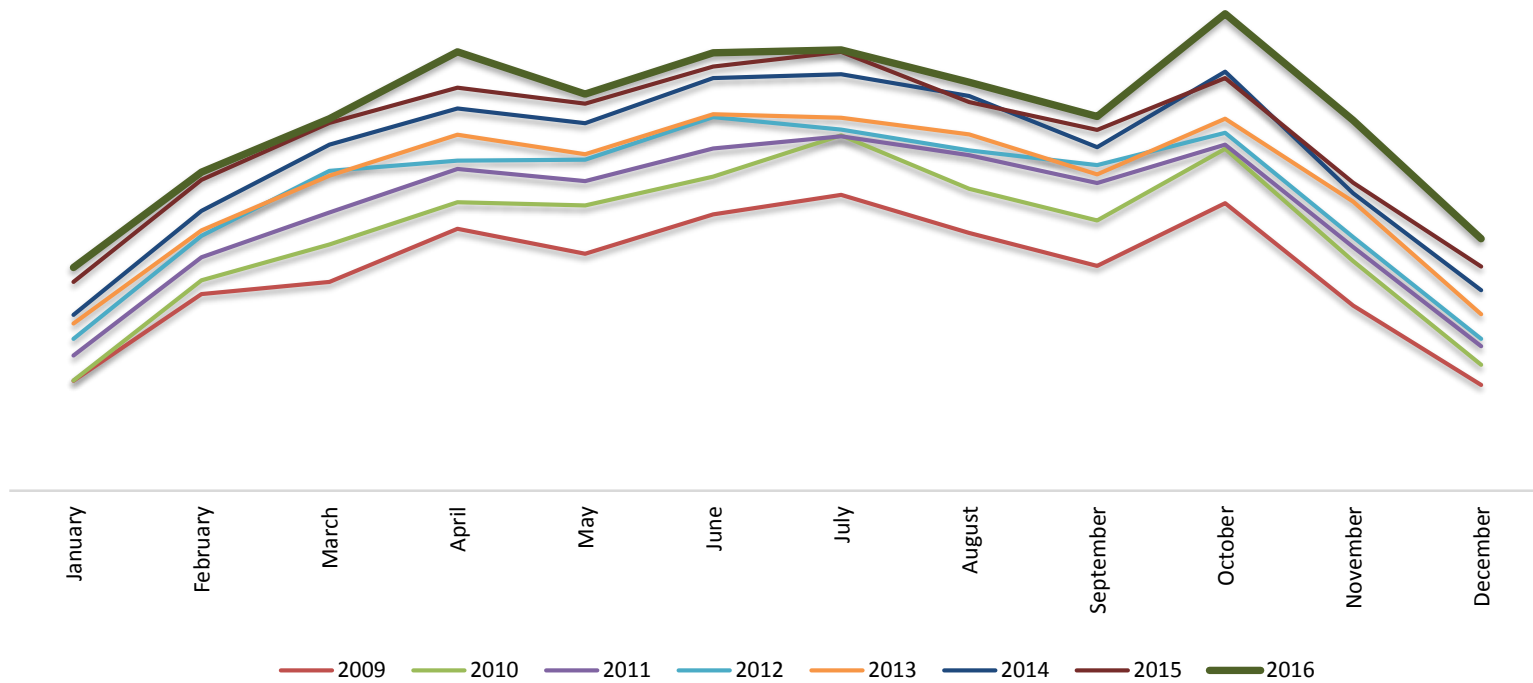
- The 2016 **average room rate (ADR)** in North Carolina ($98.88) was up 3.6% from 2015, topping last year's record high ADR for the state. Average **room rates** have increased twenty-two percent over the last five years.
  - The US **ADR** was up 3.1% from 2015. **ADR** in the South Atlantic states was up 2.7% from 2015.

Average Daily Room Rates (ADR) in North Carolina 2006-2016

| Year	Change
2006	+7.7%
2007	+7.7%
2008	+4.0%
2009	-5.2%
2010	-0.9%
2011	+2.8%
2012	+4.0%
2013	+2.5%
2014	+5.0%
2015	+4.8%
2016	+3.6%

+31.0%

STR, 2017

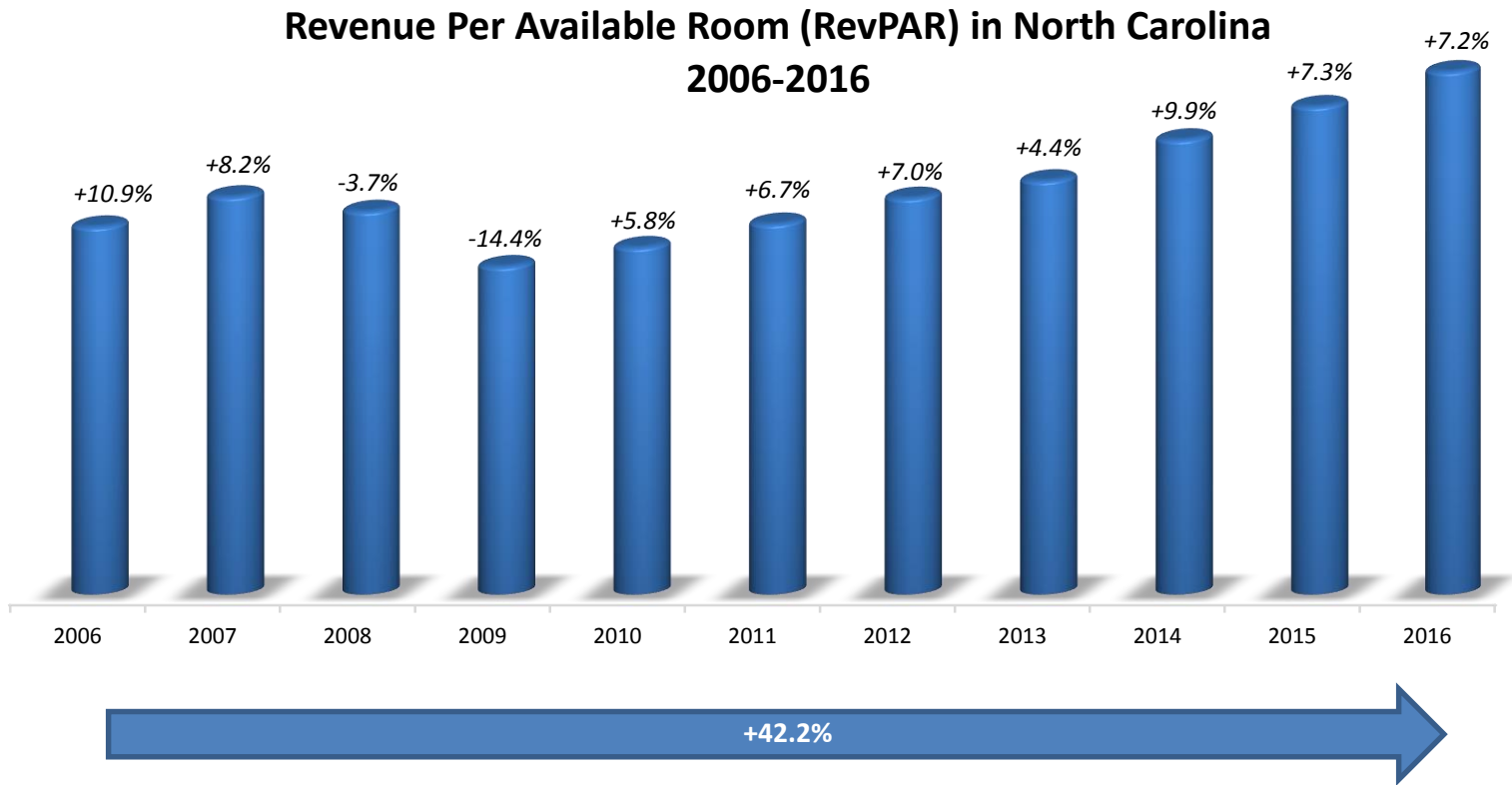*ADR (Average Daily Rate) – Room revenue divided by rooms sold.

- **Room rates (ADR)** in North Carolina in 2016 were the highest on record, topping even last year's record high. Each month of 2016 set a record high ADR for that particular month. October's ADR was the highest monthly figure for 2015, topping $108.

Monthly ADR in North Carolina 2009-2016

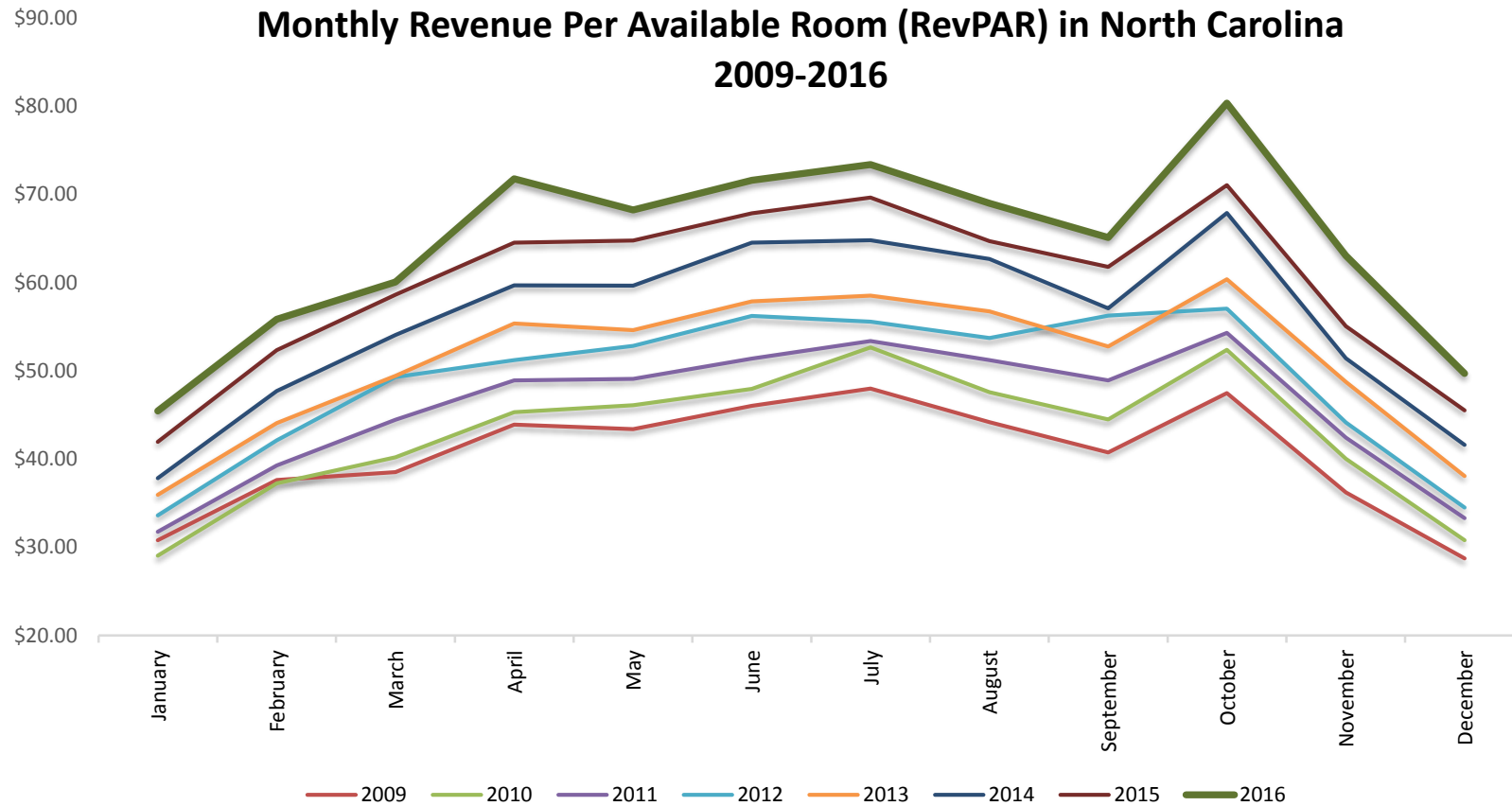2009   2010   2011   2012   2013   2014   2015   2016
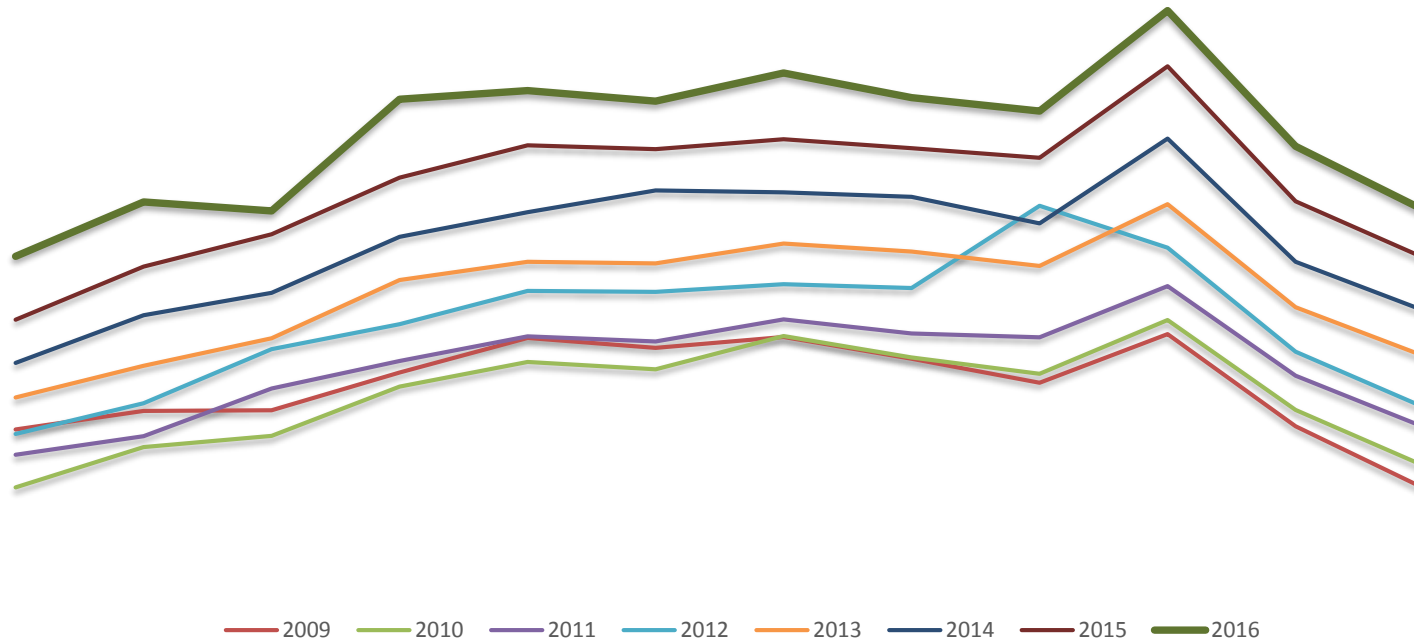
STR, 2017

- Statewide, Revenue Per Available Room **(RevPAR)** ($64.47) was up 7.2% in 2016 from 2015, surpassing the record set last year. **RevPAR** has increased forty-one percent in the last five years.
  - Nationally, **RevPAR** was up 3.2% from 2015. South Atlantic states **RevPAR** was up 3.8% from 2015.

Revenue Per Available Room (RevPAR) in North Carolina 2006-2016
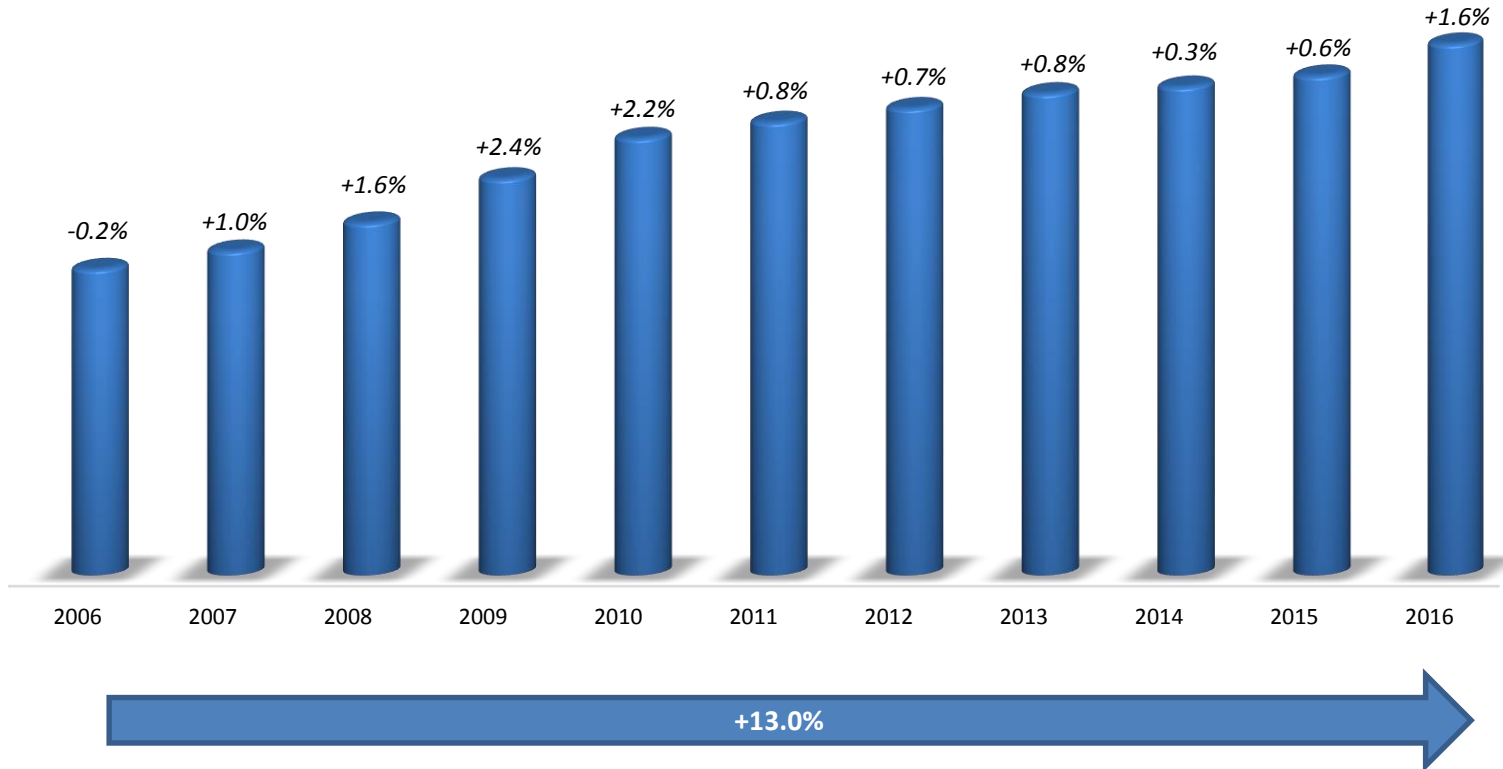

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*RevPAR – Revenue Per Available Room – Room revenue divided by rooms available (occupancy times average room rate will closely approximate RevPAR)

- As with other indicators, revenue per available room **(RevPAR)** achieved a new record high in 2016. Statewide RevPAR increased each month from 2015 and each month set a new record. October had the largest RevPAR at more than $80, followed by July with more than $73.

Monthly Revenue Per Available Room (RevPAR) in North Carolina 2009-2016

Legend: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016

STR, 2017

- 2016 **Room Supply** was up 1.6% statewide from 2015, the largest increase since 2010. **Room supply** has increased four percent in the last five years. **Room supply** in 2016 was at its highest on record for North Carolina with more than 54.5 million room nights available for the year.
  - Nationally, **room supply** was also up 1.6%. **Room supply** was up 1.3% from 2015 to 2016 in the South Atlantic region.

Room Supply in North Carolina 2006-2016

| Year	Change
2006	-0.2%
2007	+1.0%
2008	+1.6%
2009	+2.4%
2010	+2.2%
2011	+0.8%
2012	+0.7%
2013	+0.8%
2014	+0.3%
2015	+0.6%
2016	+1.6%

+13.0%

STR, 2017

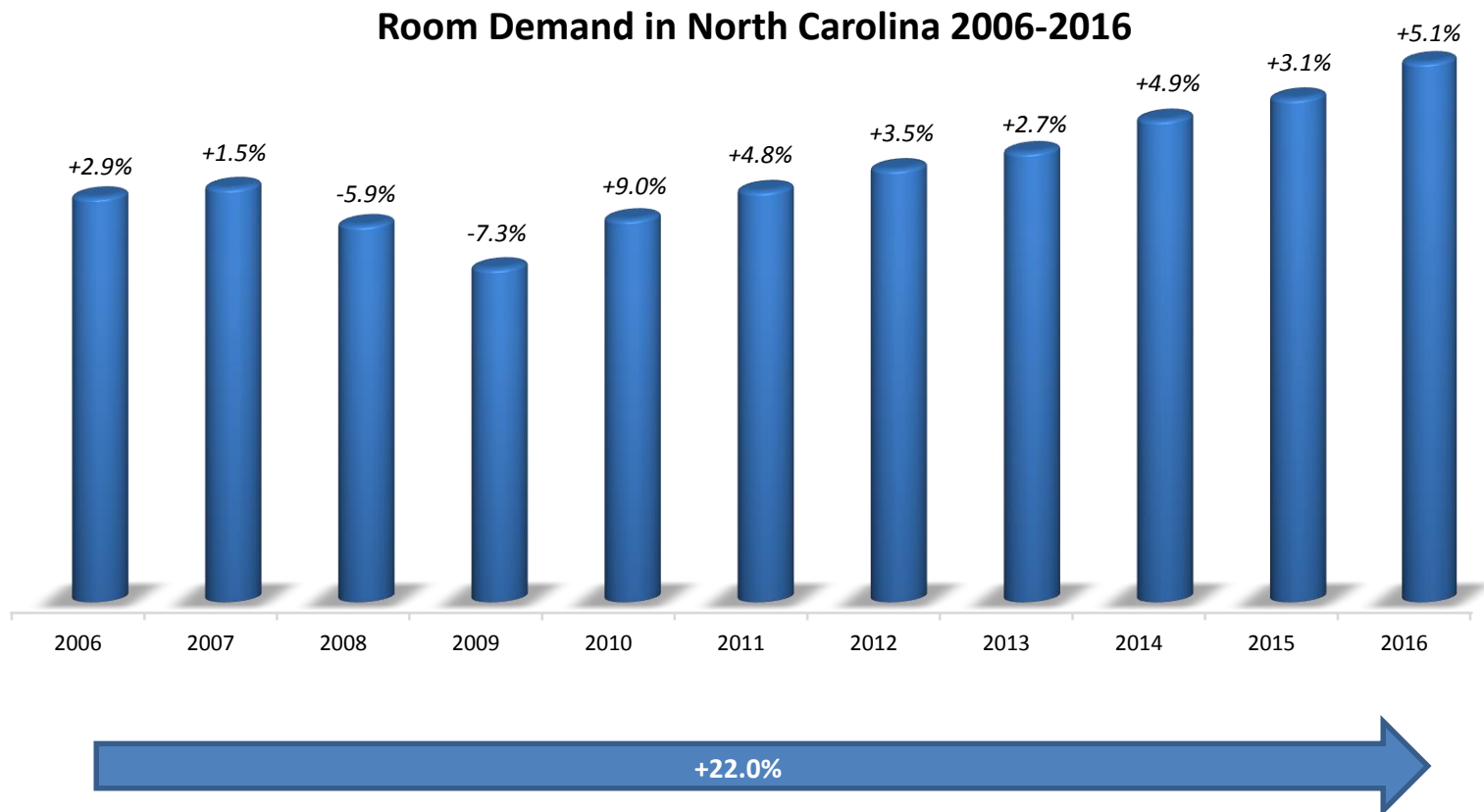*Room Supply – The number of rooms times the number of days in the period.

- **Room Supply** in 2016 followed the same trend line as last year, showing consistent year over year growth each month. Monthly supply growth was no less than two percent for any month in 2016.

Monthly Room Supply in North Carolina 2009-2016
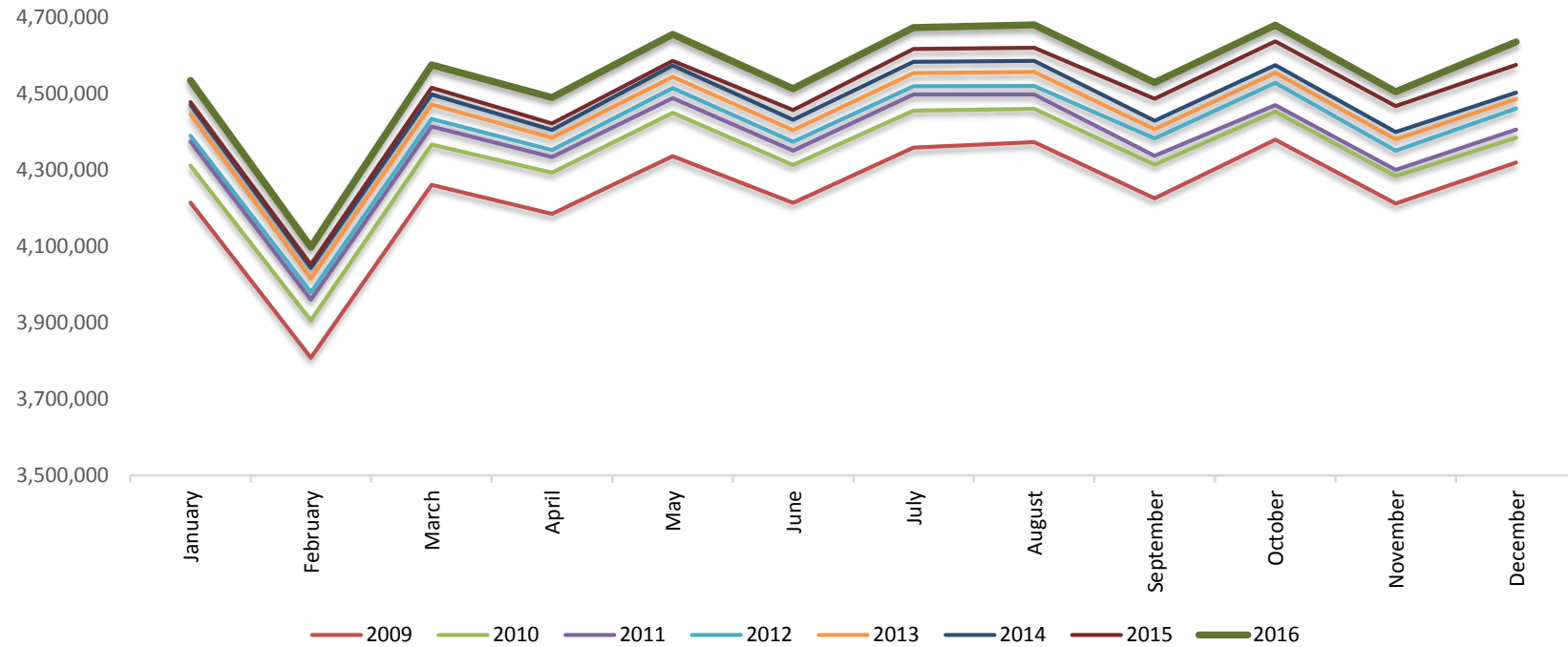
STR, 2017

- 2016 **Room Demand** was up 5.1% in the state, the largest growth in demand in six years, surpassing last year's record demand to reach a new record for lodging demand in North Carolina. More than 35 million room nights were sold in 2016. Since 2006, **room demand** is up twenty-two percent (and up nearly 21 percent in the last five years).
  - **Room demand** was up 1.7% nationally and up 2.3% in the South Atlantic region from 2015 to 2016.

Room Demand in North Carolina 2006-2016

|	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	+2.9%	+1.5%	-5.9%	-7.3%	+9.0%	+4.8%	+3.5%	+2.7%	+4.9%	+3.1%	+5.1%

+22.0%

STR, 2017

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

- Every month in 2016 showed increased statewide **room demand** from 2015 and each month set a new record in room demand. 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.

Monthly Room Demand in North Carolina 2009-2016

STR, 2017
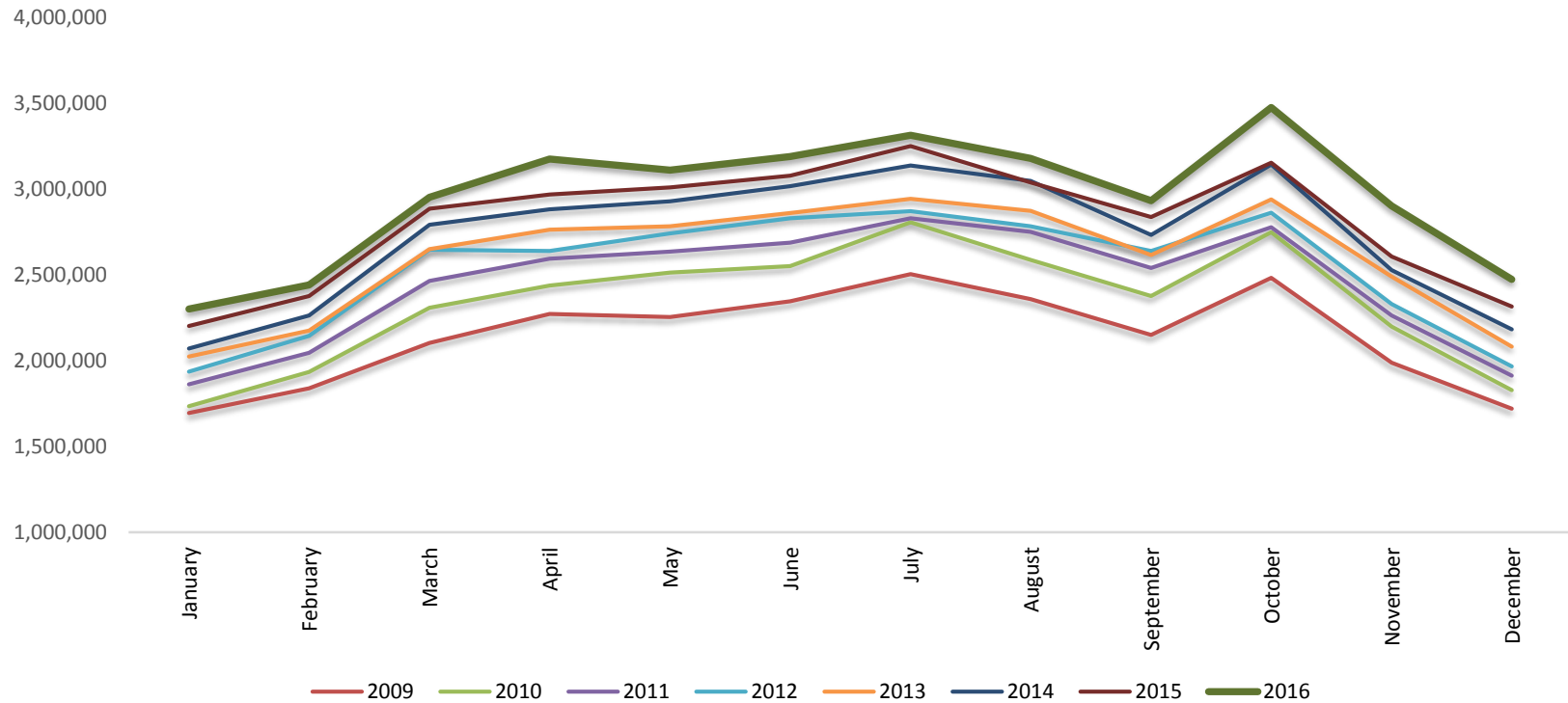
- North Carolina **room revenues** were up 8.9% in 2016 from 2015, topping $3.5 billion. Statewide **room revenues** have increased 60 percent since 2006 and 44 percent in the last five years. This is due to both a healthy increase in demand and ADR growth statewide.
  - o **Room revenues** were up 4.8% nationally and up 5.1% in the South Atlantic states from 2015 to 2016.

## Room Revenues in North Carolina 2006-2016
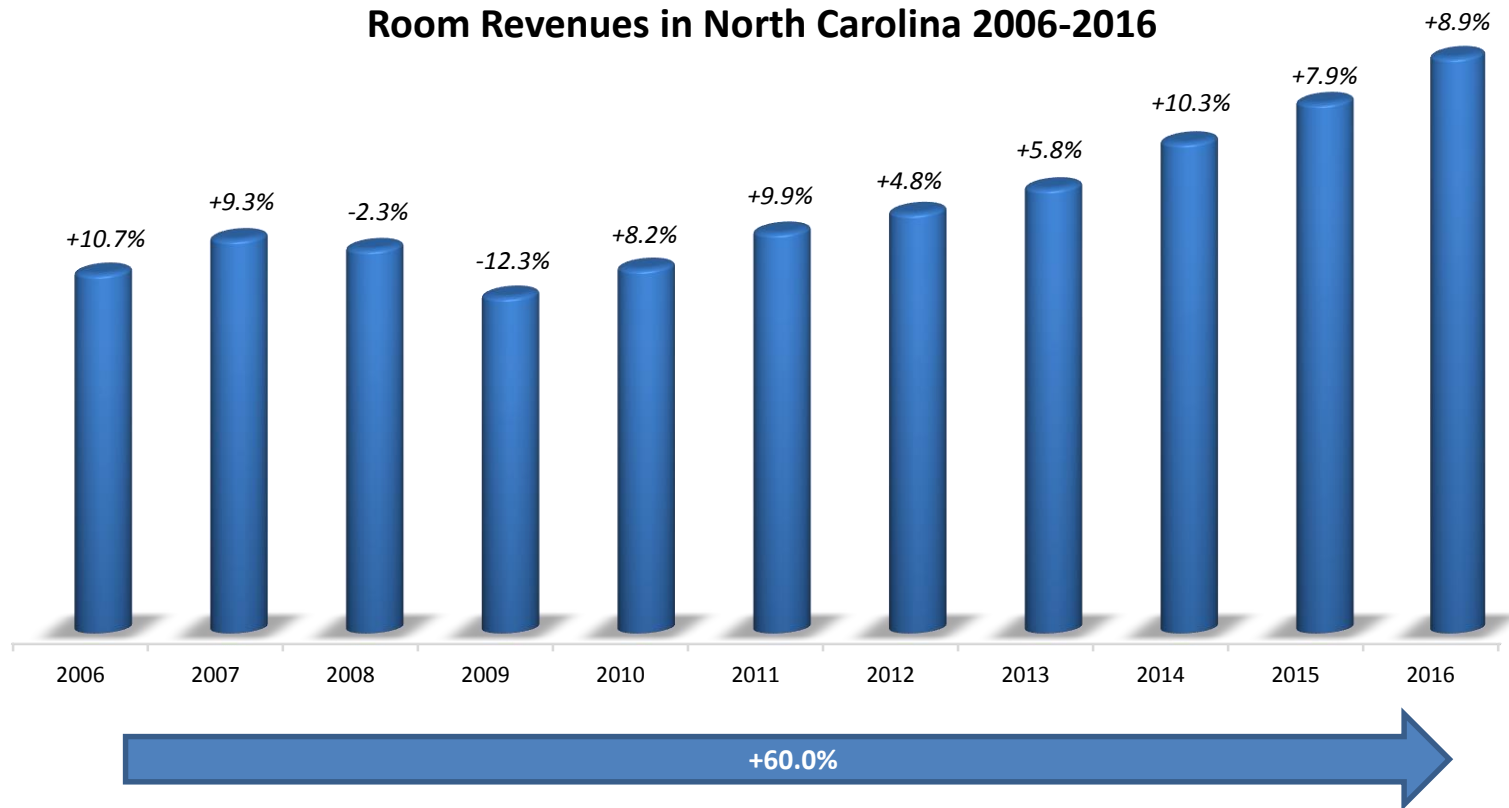
STR, 2017

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

- Each month in 2016 posted record **room revenues**. April, October and November 2016 posted double digit revenue growth, while January and December each had nearly ten percent growth.

Monthly Room Revenues in North Carolina 2009-2016

Legend: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016
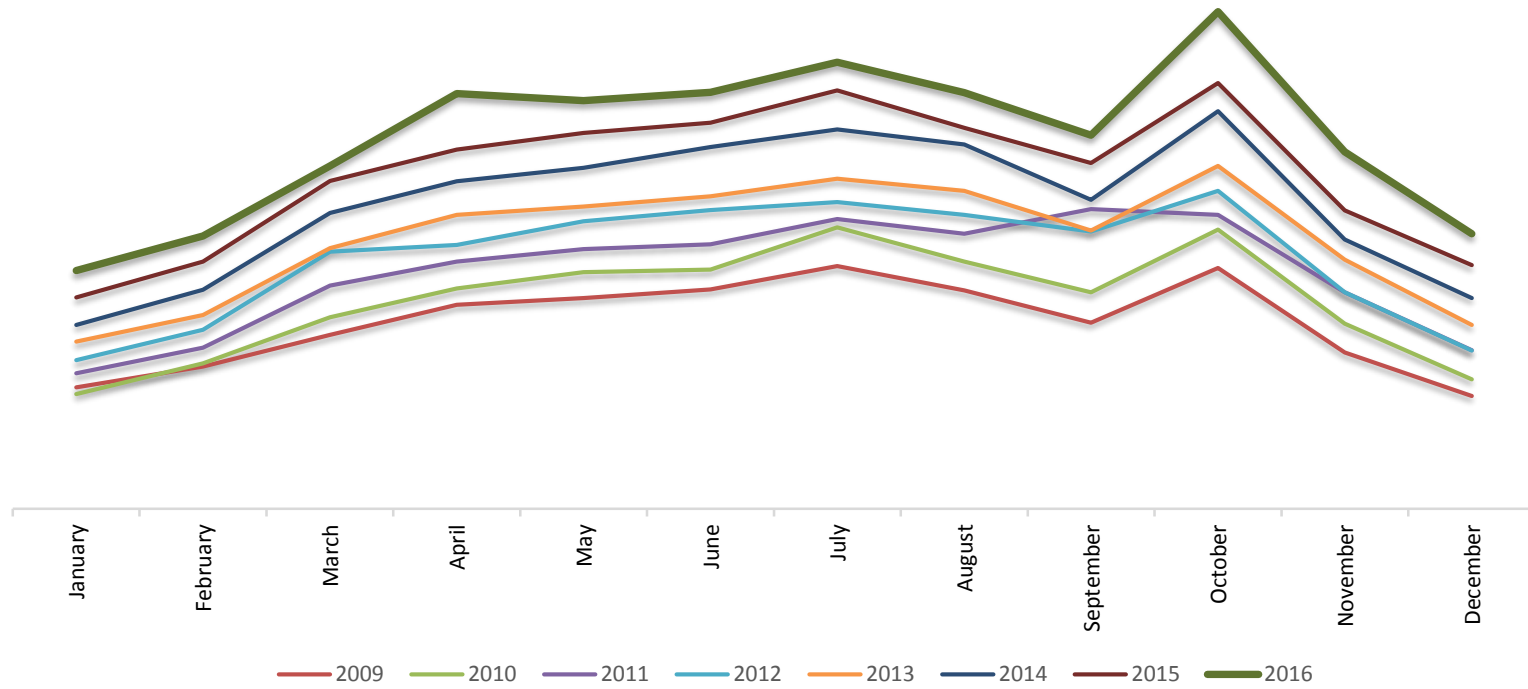
STR, 2017

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.