

Taking a Deep Dive into Buncombe County's Lodging Industry

**Chris Cavanaugh
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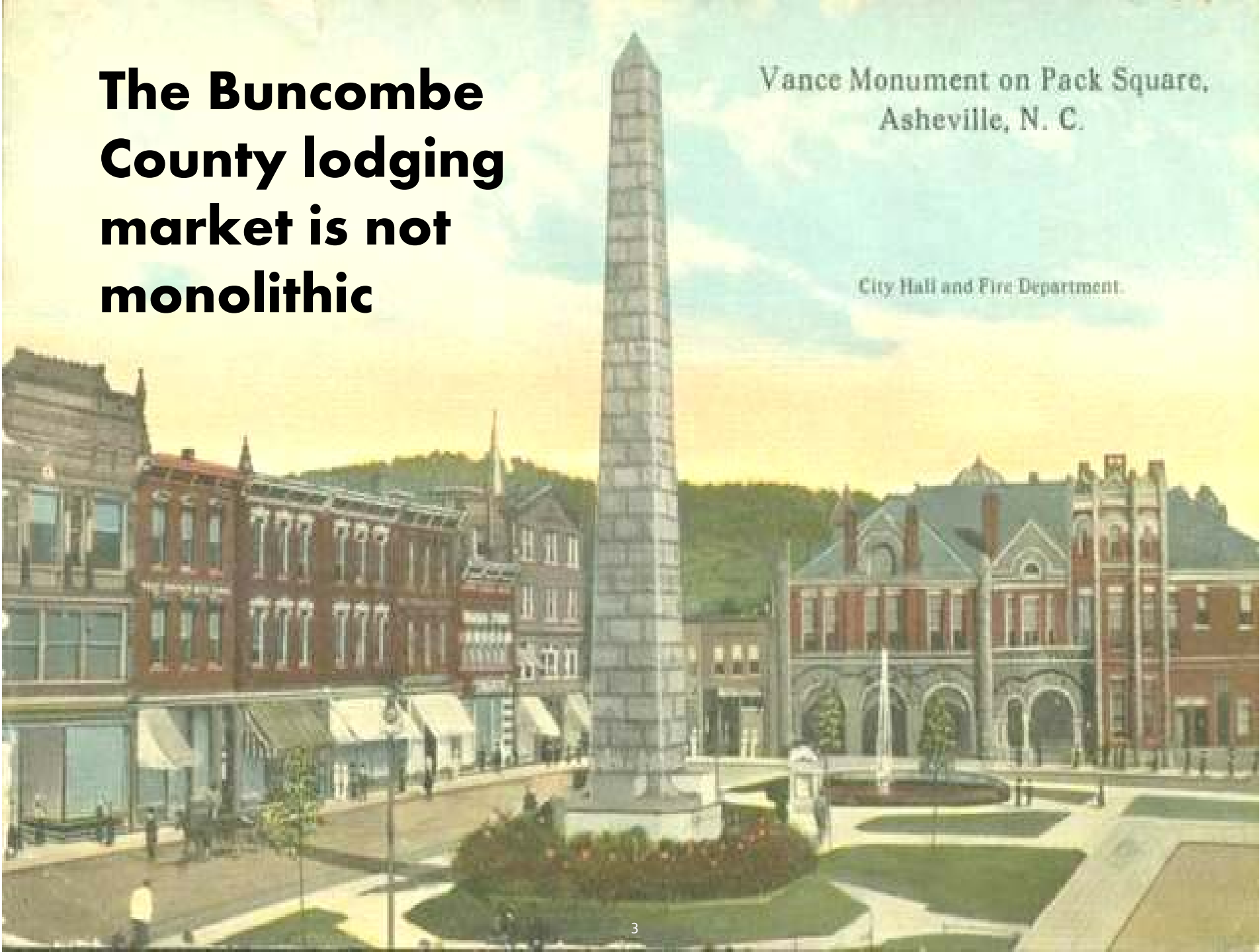
Three Important Notes

- All the data in this presentation is publicly available.
- This is not intended to be an exhaustive presentation.
- I can't predict the future.

**The Buncombe
County lodging
market is not
monolithic**

Vance Monument on Pack Square,
Asheville, N. C.

City Hall and Fire Department.



How many hotels are there in Buncombe County?

Total Number of Accommodations in Buncombe County

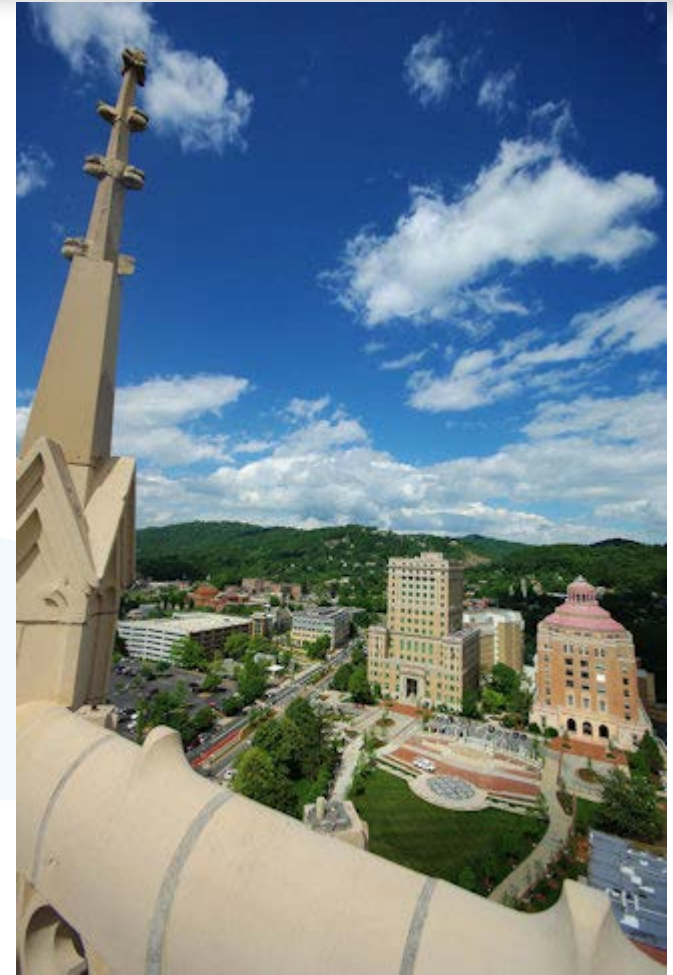


How many hotels are there in Buncombe County?

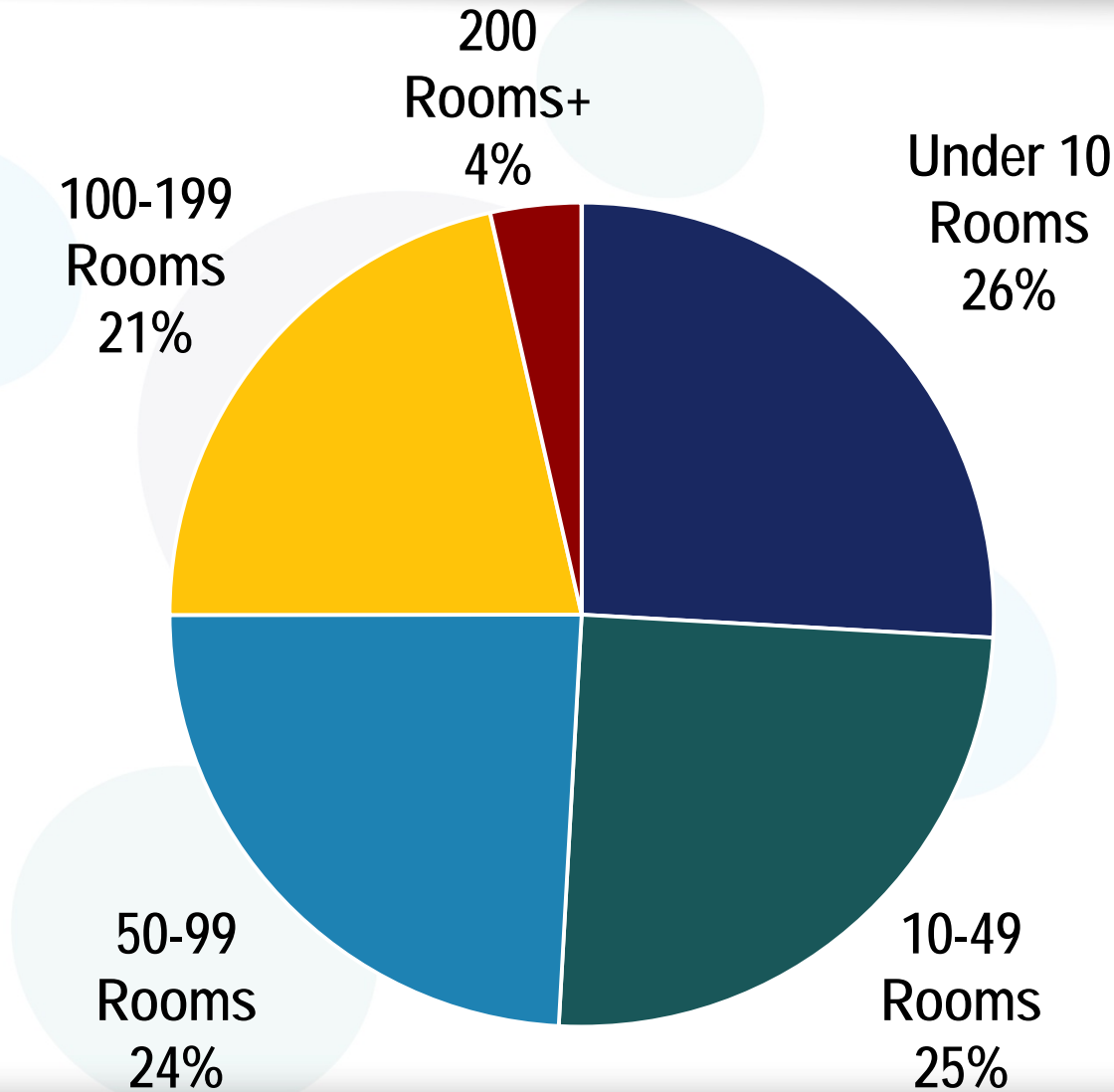
2013 Bureau of Labor Statistics:
101 “traveler accommodations”

February 2015 ExploreAsheville.com:
111 hotels, motels, resorts, B&Bs

Neither figure includes religious conference centers, RV parks, cabins, campgrounds, home rentals, or sofas.

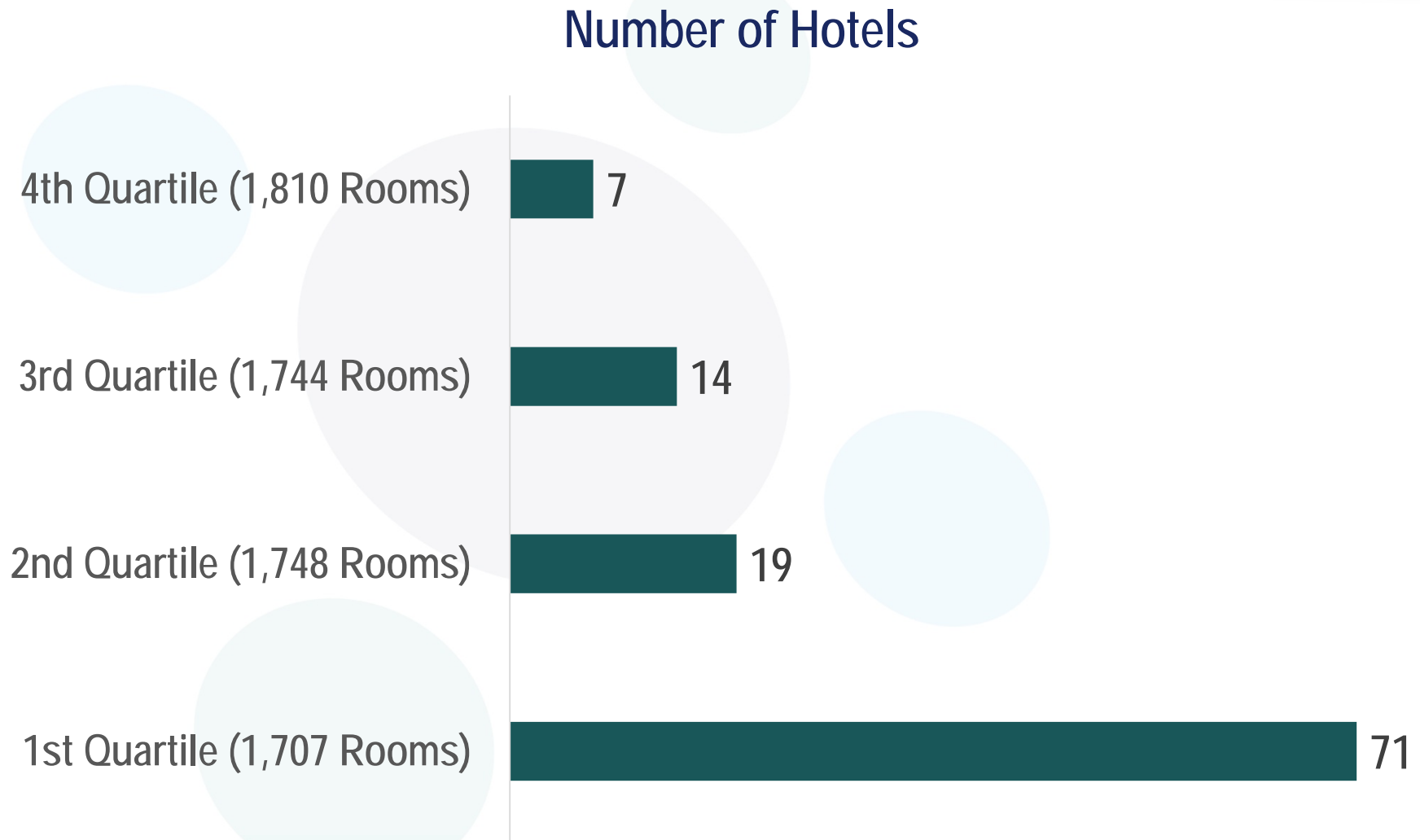


Over Half of Buncombe County Hotels Have Fewer than 50 Rooms



Distribution
of Hotels by
Number of
Rooms

...But 7 Properties Account for a Quarter of All Rooms



Most Hotels in Buncombe County are Small Businesses

\$217 million in hotel sales in Buncombe County in CY2013

101 properties (BLS: Traveler Accommodations, 2013)

= \$2.15 million revenue per property

Most Hotels in Buncombe County are Small, Locally-Owned Businesses

SBA Standard for Small Businesses, By Annual Receipts

Hotels and Motels:
\$32.5 million

Bed and Breakfasts:
\$7.5 million

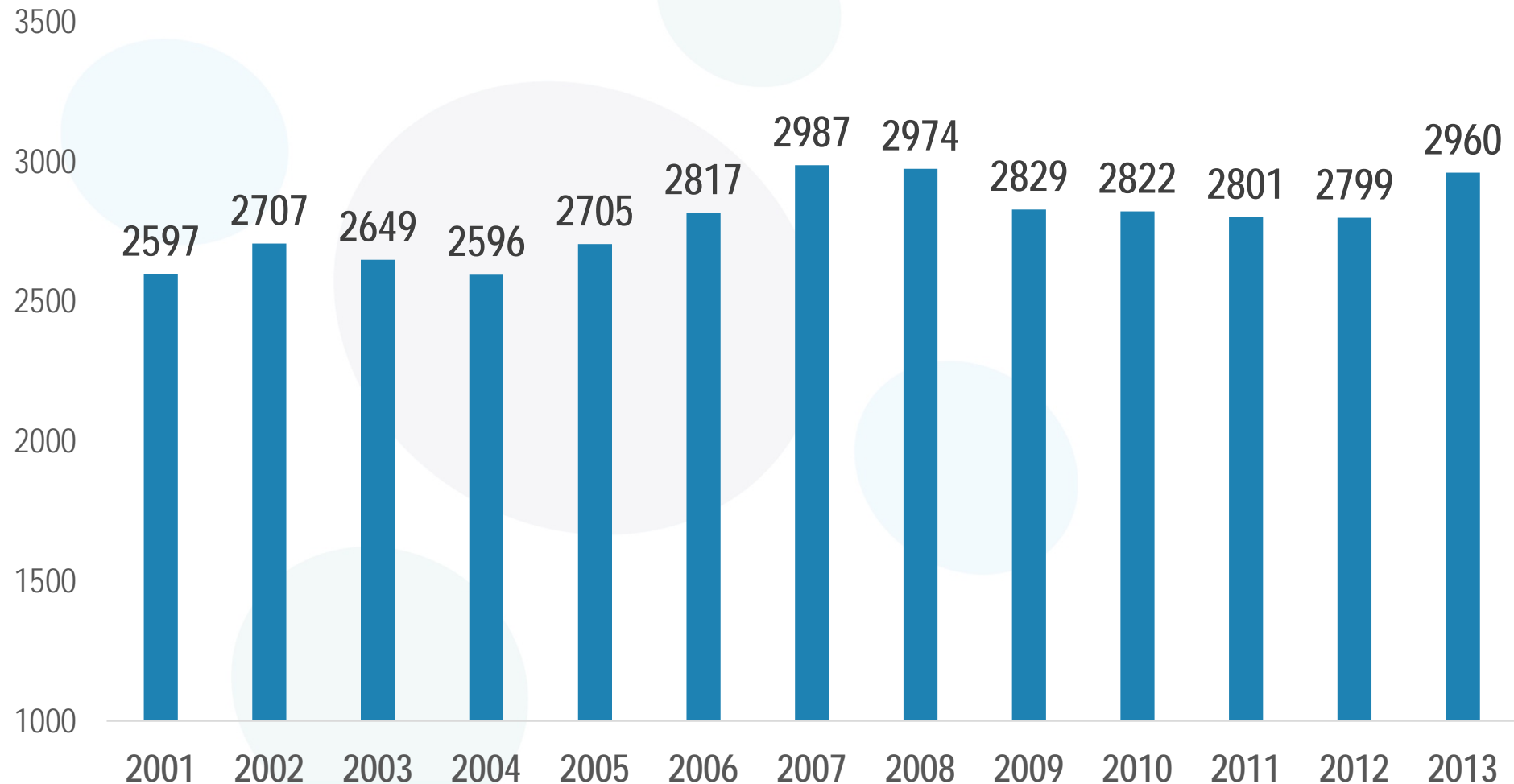




**Buncombe
County hotel
wages are
increasing at
a rate greater
than inflation
and other
industries**

How many employees are there in Buncombe County hotels?

Total Number of Employees in Buncombe County Hotels



Growth in hotel wages has outpaced the average rate of growth for all area employers

Category	% Change, 2004-13	Avg. Annual Growth Rate %
Traveler Accommodations	25.7	2.6
All Buncombe County Employers	21.8	2.2
All Non-Government Employers in Buncombe County	22.0	2.2
<i>Inflation (US)</i>	23.3	2.3

Growth in area hotel wages has outpaced both NC and total U.S. over the last 10 years

Location	% Change, 2004-13	Avg. Annual Growth Rate %
Buncombe County	25.7	2.6
Mecklenburg County	17.7	1.8
Total North Carolina	21.0	2.1
Charleston County (SC)	23.1	2.3
Beaufort County (SC)	13.1	1.4
Sevier County (TN)	36.7	3.5
Total U.S.	22.7	2.3
<i>Inflation (US)</i>	23.3	2.3



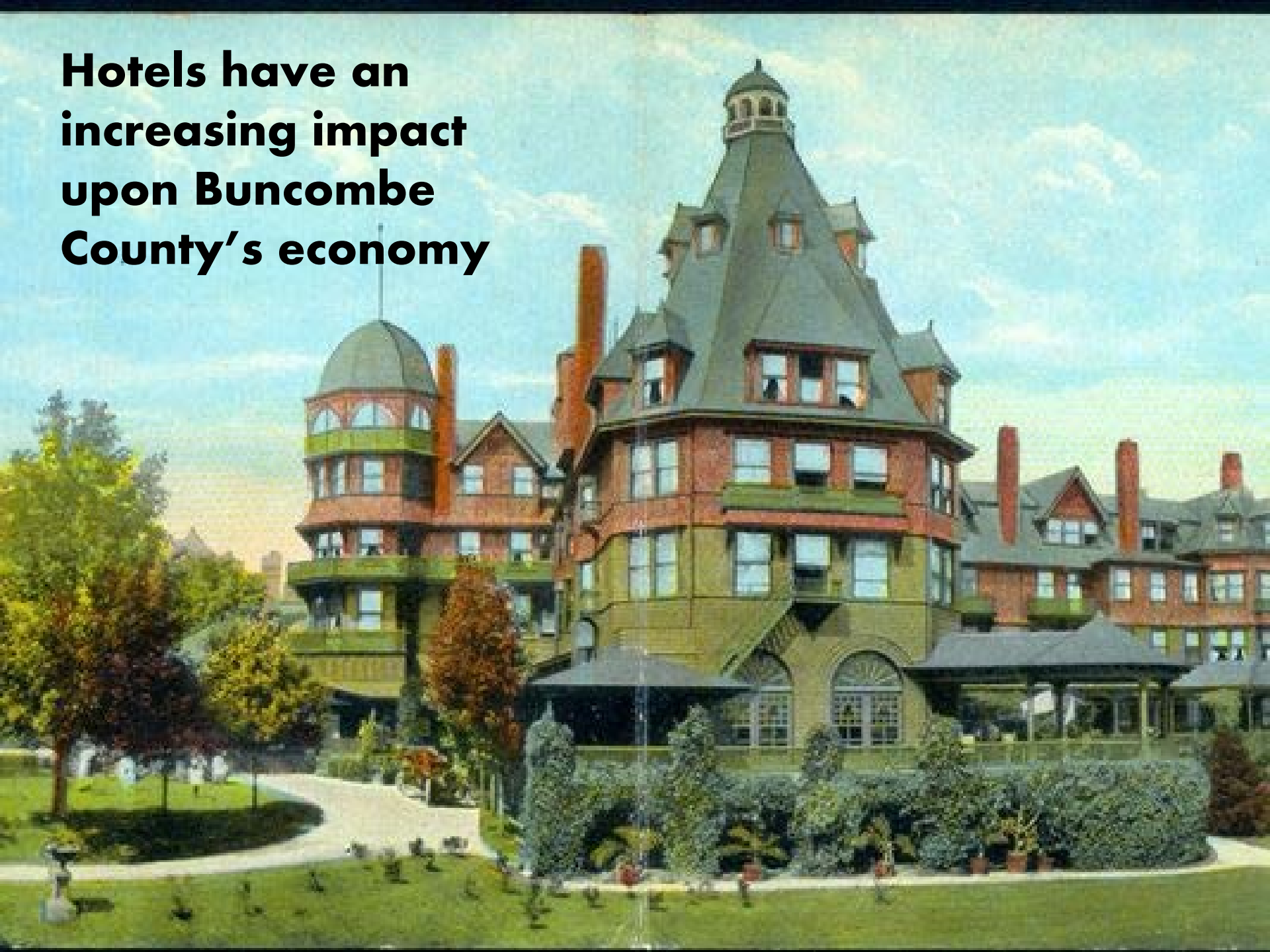
Wages shown are from the BLS and are for a wide variety of positions, including permanent, temporary, seasonal, full-time, and part-time staff.

They represent an annual average and are not inclusive of benefits.

Average hotel wages in Buncombe County are the second highest in the state

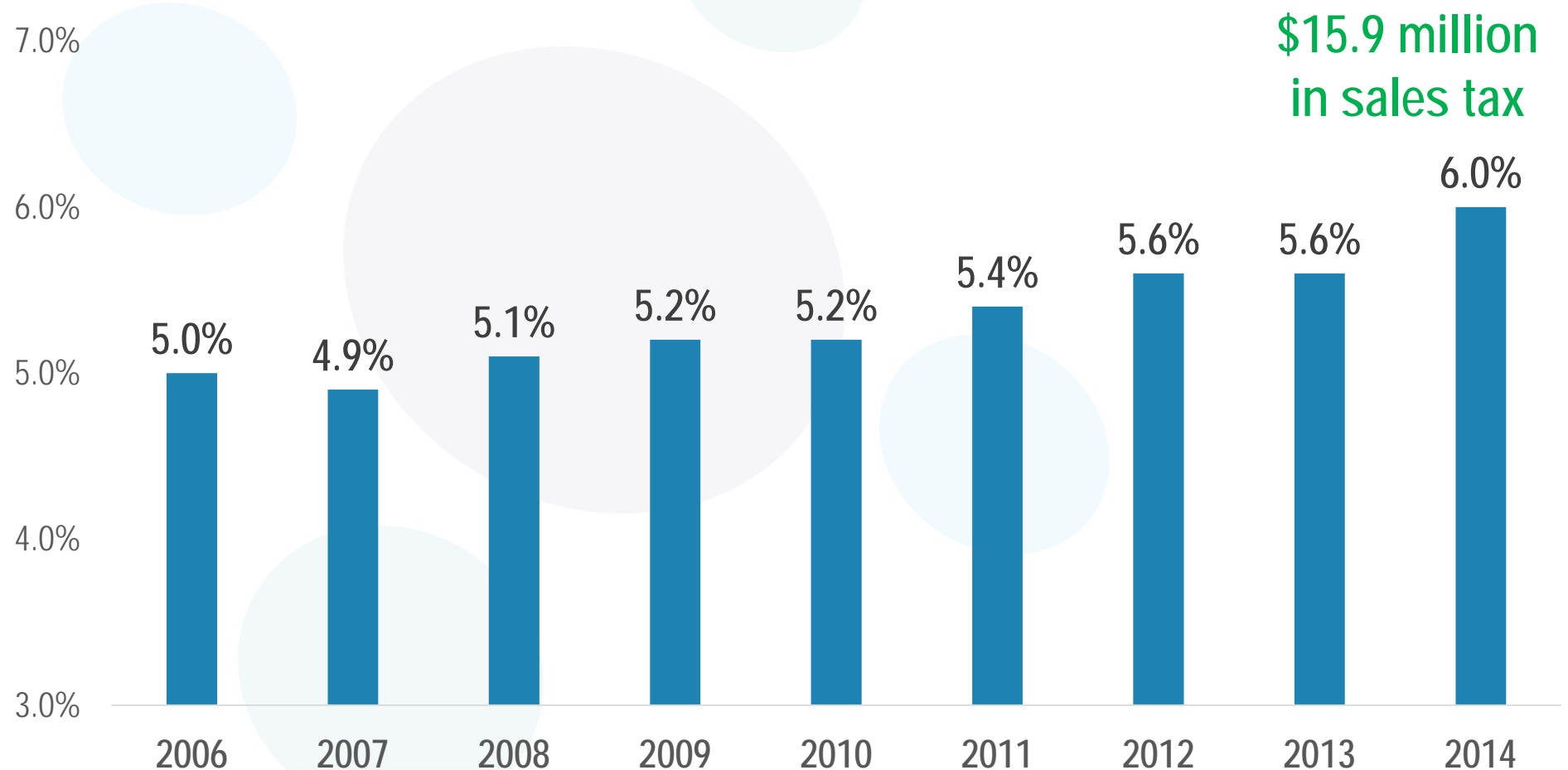
Location	Avg. Wages per Employee (2013)
Hyde County	27,160
Buncombe County	24,033
Orange County	23,586
Mecklenburg County	23,568
Wake County	22,472
Beaufort County (SC)	27,262
Charleston County (SC)	24,799
Sevier County (TN)	24,295
Greenville County (SC)	20,320

**Hotels have an
increasing impact
upon Buncombe
County's economy**



Hotels represent an increasing share of taxable sales in Buncombe County

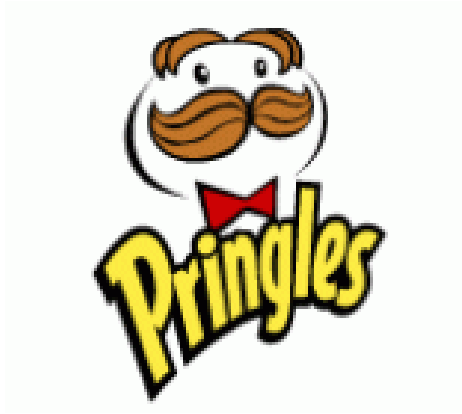
Hotel Share of Taxable Sales in Buncombe County, FY2006-2014





**lululemon
athletica**

\$1.7 Billion



ASHEVILLE

\$1.5 Billion



Timberland 



\$1 Billion



FIVE GUYS
BURGERS and FRIES



Buncombe County visitors generated \$250.1 million in tax revenue in 2012

Tourism-Generated Tax Revenues 2012, Millions	
	Amount
Federal	123.9
Personal Income	29.0
Corporate	18.3
Indirect business	15.0
Social Security	61.6
State	67.6
Personal Income	12.2
Corporate	2.2
Sales	42.2
Social Security	0.6
Other Taxes and Fees	10.4
Local	58.6
Sales	10.4
Lodging	7.7
Property	38.1
Other Taxes and Fees	2.3
TOTAL	250.1

- Tourism-driven state and local tax proceeds of \$126.2 million offset the average household tax burden by **\$1,251 per household**.
- \$58.6 million in local taxes generated by area tourism in 2012.





LANGREN HOTEL, ASHEVILLE, N. C.

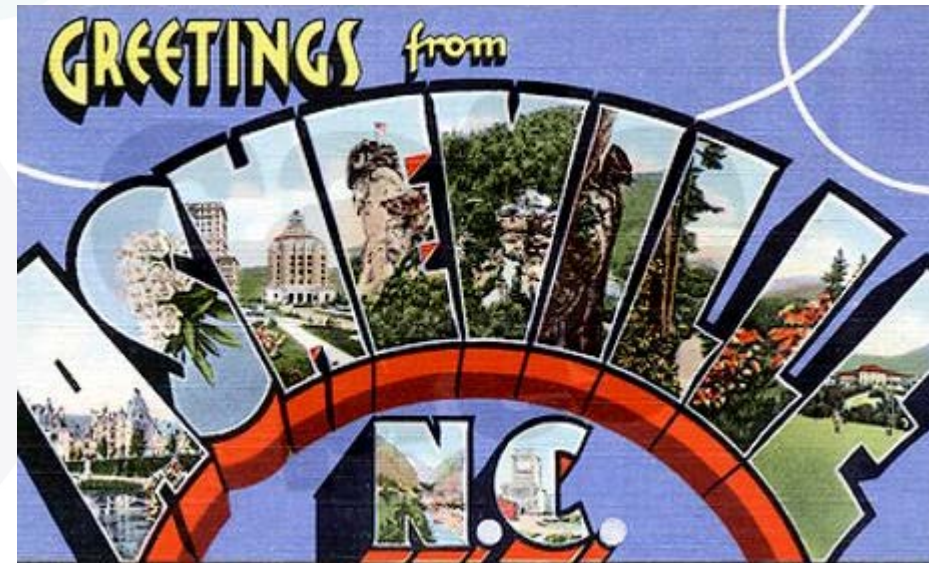
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ASHEVILLE, N. C.

Three Fearless Predictions



Three Fearless Predictions

1. Asheville and Buncombe County are perfectly positioned for continued strong visitation growth.
2. Area hotels will likely face significant competition for talent, and accompanying increases in wages.
3. New area hotels mean more opportunities for career advancement.



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