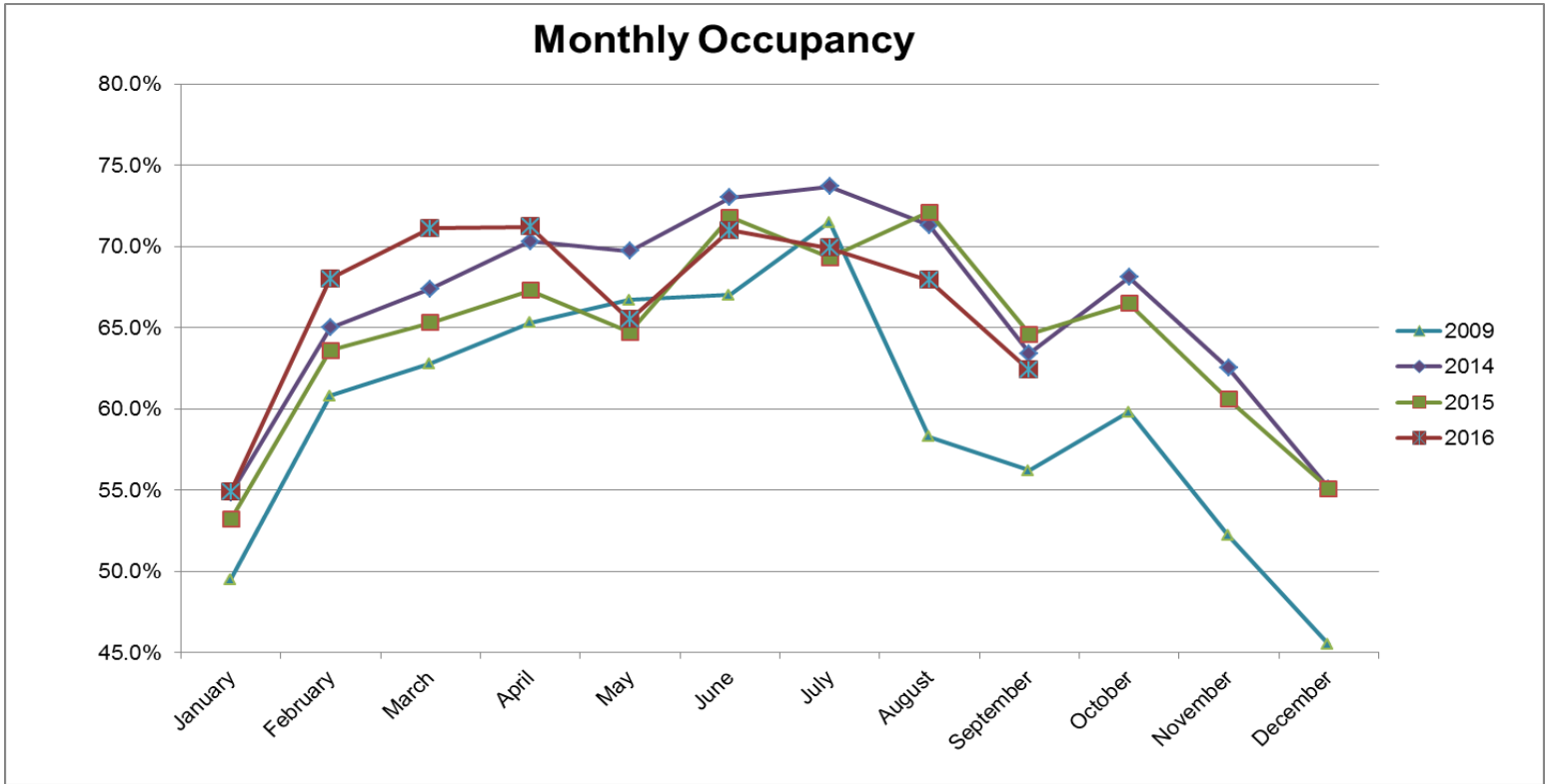
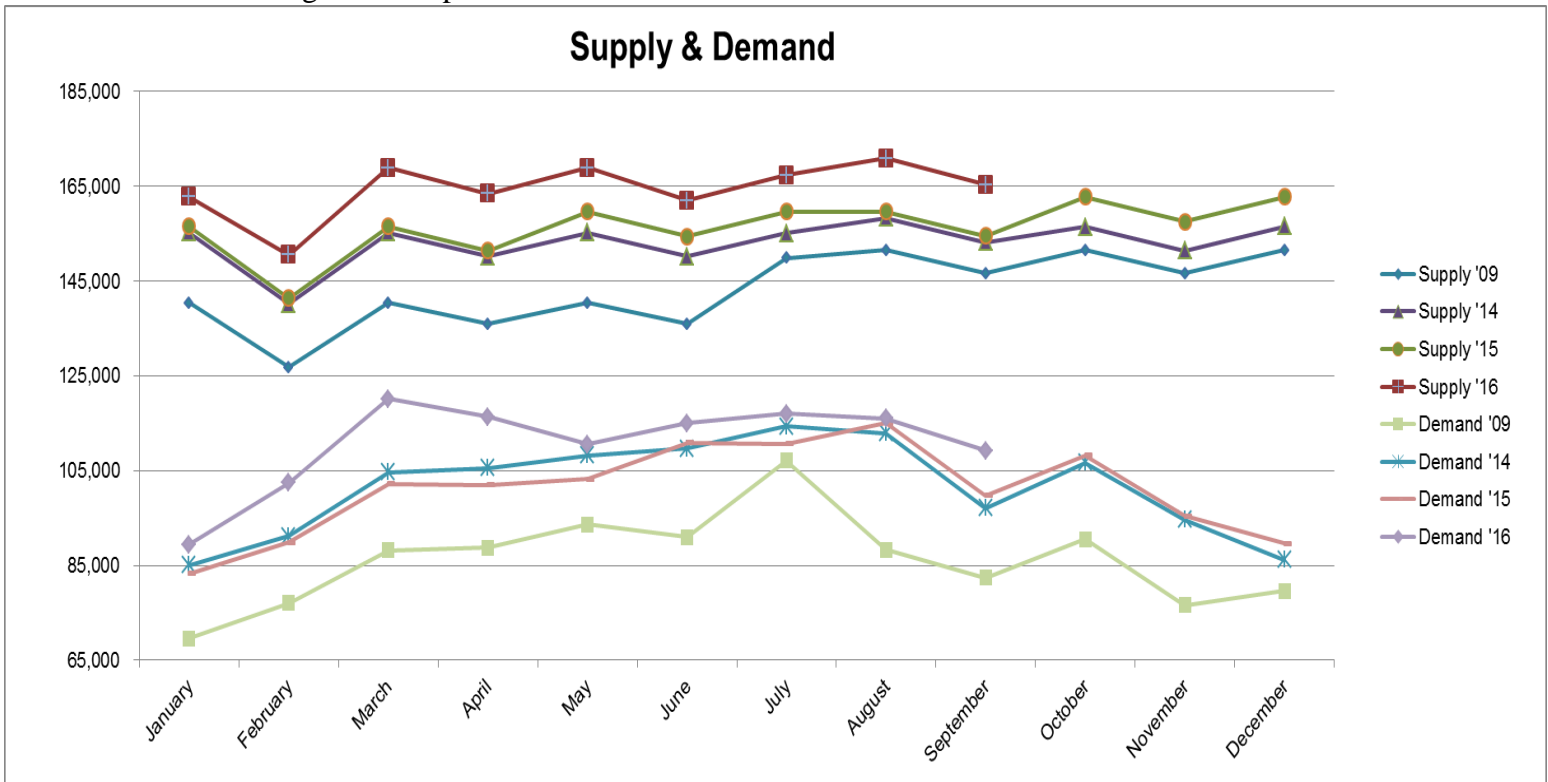


Lubbock Lodging Analysis September 2016

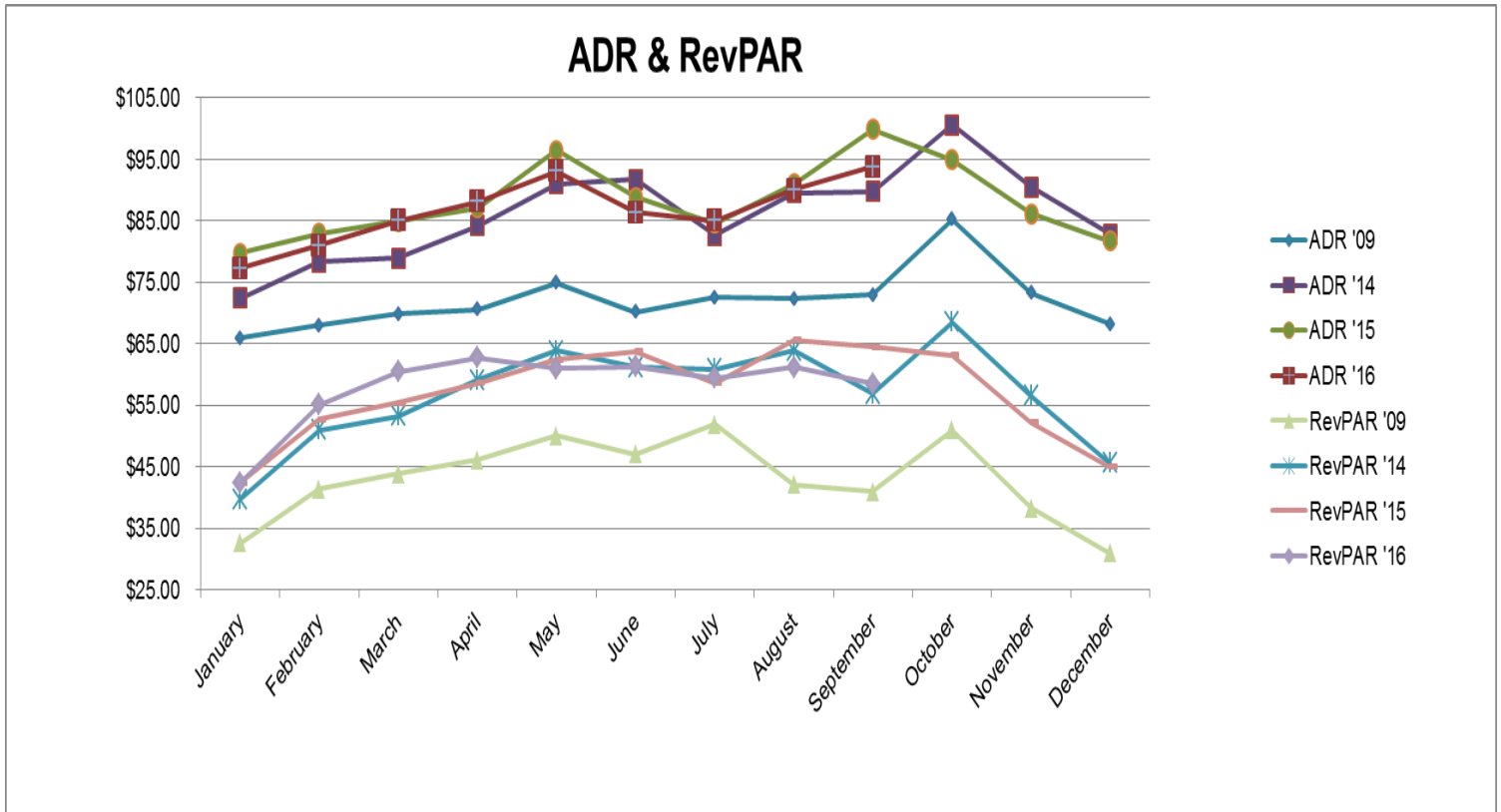
Occupancy for September 2016 decreased 3.3% from September 2015 to 62.4%. Occupancy is a function of supply and demand, and the next chart will help explain the reason for the decrease.



The following chart shows that the Year-to-Date supply of rooms in the market has increased 7.0%. There are currently approximately 800 rooms under construction in Lubbock. Room demand (rooms occupied) increased 3.5% over room demand for September 2015. While demand did not keep up with the growth of supply, it is still increasing and on a positive trend.



The following chart shows the average daily rate (ADR) and RevPAR (REVENUE Per AVAILABLE ROOM) for the market. The chart shows that room rates for September 2016 decreased 6.2% from September 2015 to \$93.75. RevPAR for September 2016 also decreased 9.3% from September 2015 to \$58.50. RevPAR is calculated based on total room revenues divided by all of the rooms in the supply, including the new supply of rooms left vacant.



The final chart below shows that total lodging revenue has decreased 2.9% from September 2015 but is still up 5.6% for calendar year 2016 over calendar year 2015. The trend in total lodging revenue continues to be at record levels and remains very positive.

