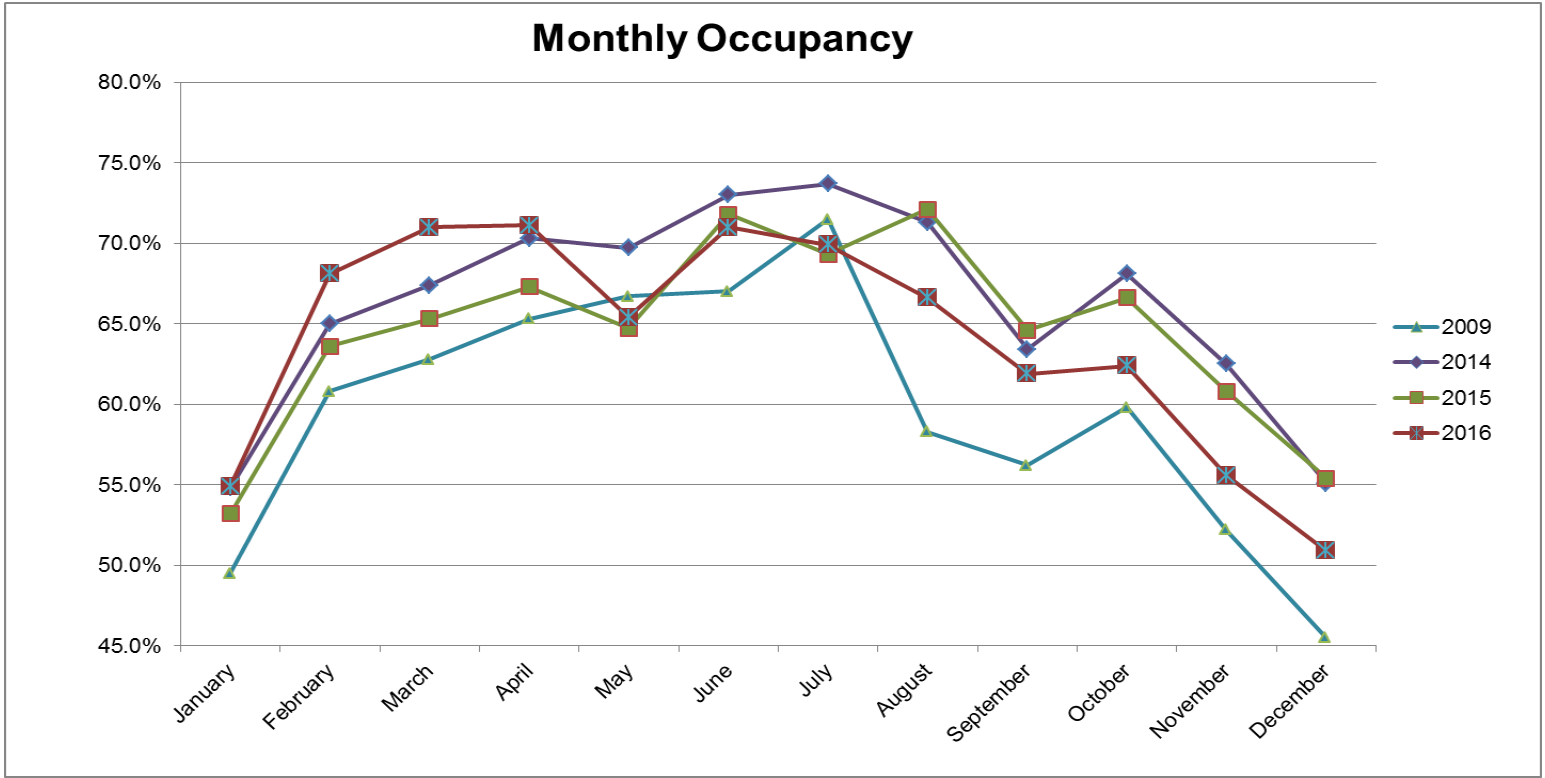
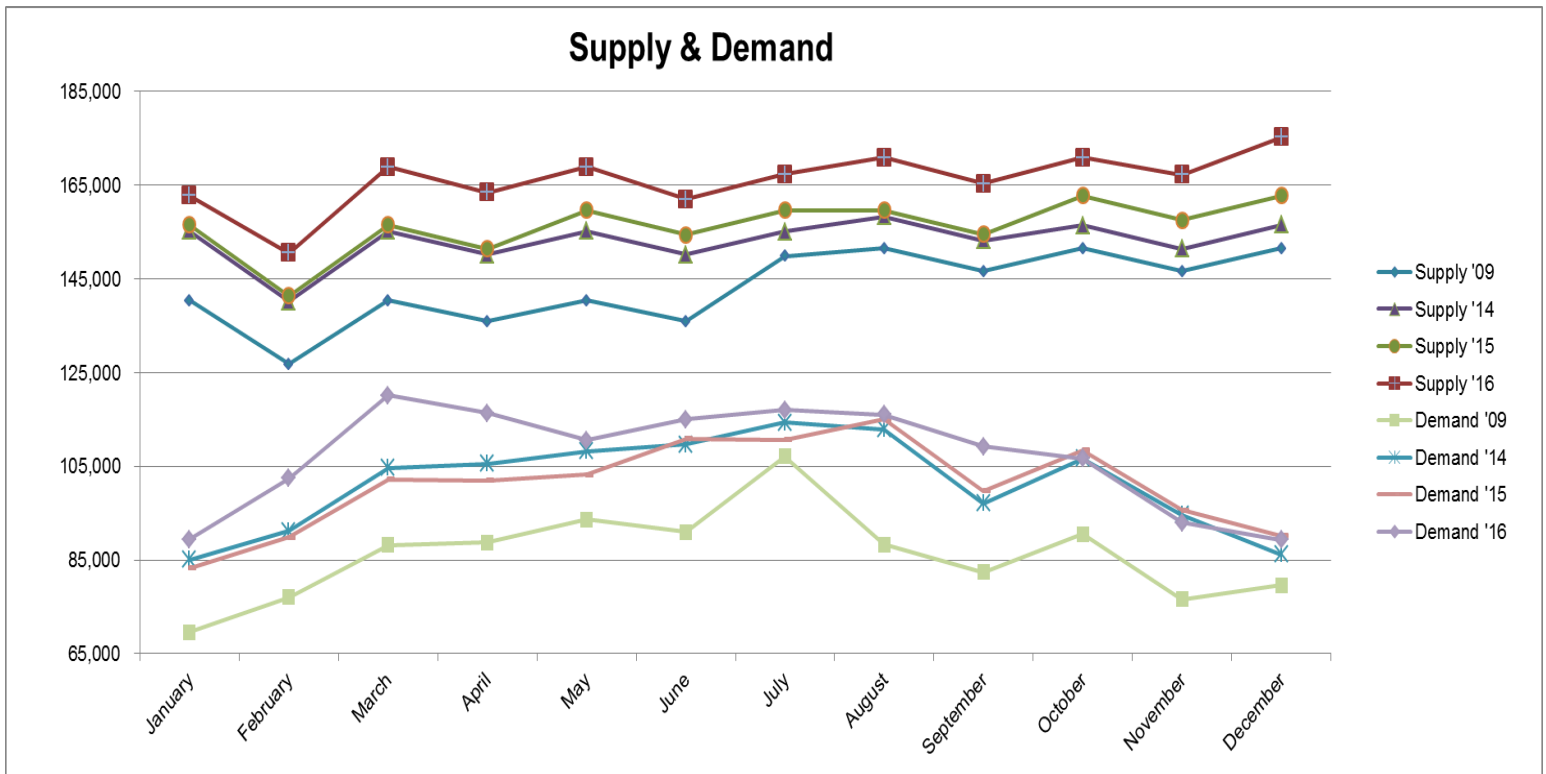


Lubbock Lodging Analysis December 2016

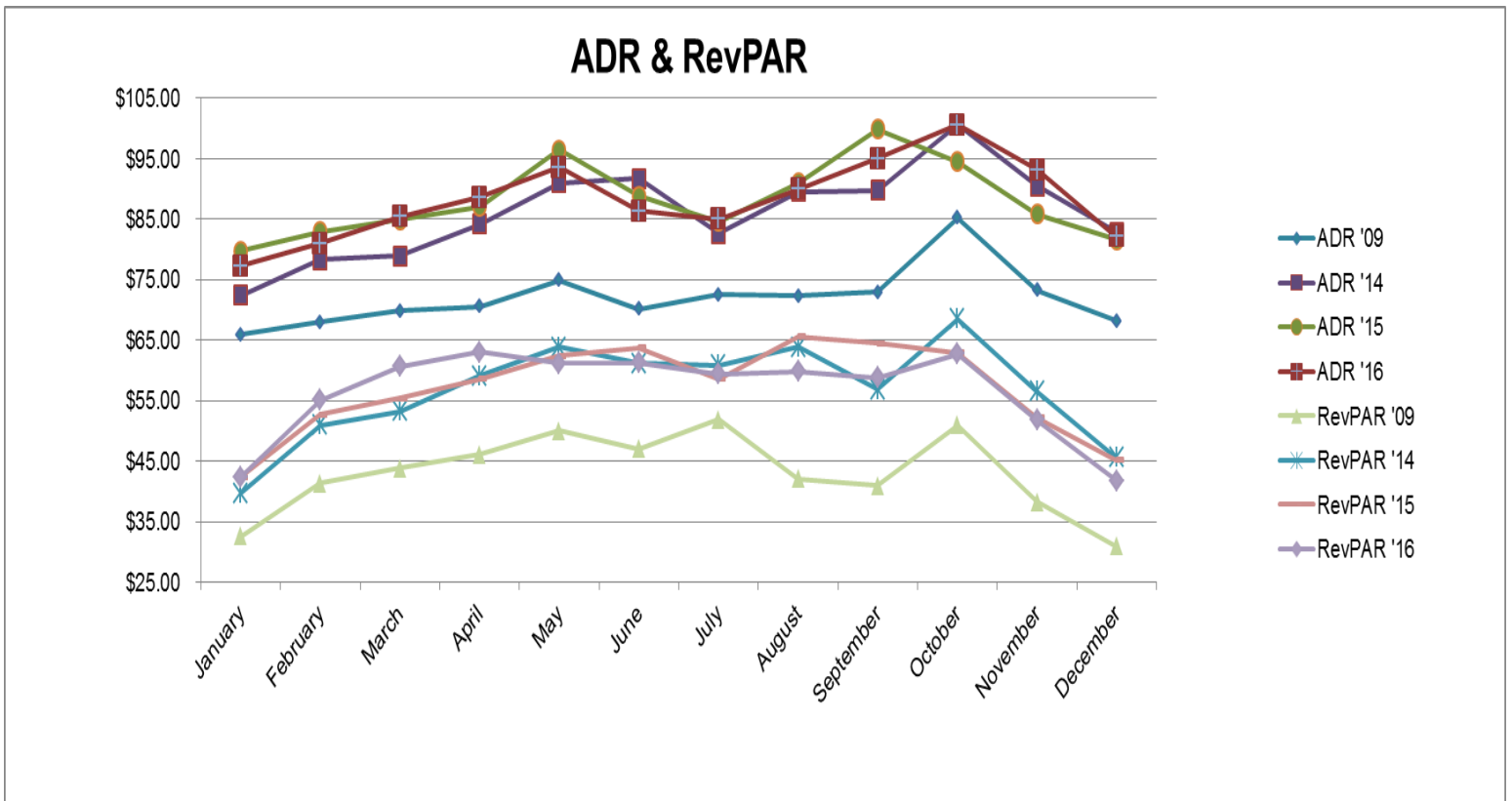
Occupancy for December 2016 decreased 8.1% from December 2015 to 50.9%. Occupancy is a function of supply and demand, and the next chart will help explain the reason for the decrease.



The following chart shows that the Year-to-Date supply of rooms in the market has increased 7.7%. There are currently approximately 600 rooms under construction in Lubbock. Room demand (rooms occupied) decreased 1.0% from room demand for December 2015, but ended 2016 up 5.0%.



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 December 2016 increased 0.6% from December 2015 to \$82.16 and ended 2016 at \$88.31. RevPAR for December 2016 decreased 7.5% from December 2015 to \$41.83 and ended 2016 at \$56.49. 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 0.4% over December 2015 and ended calendar year 2016 up 4.9% over calendar year 2015. The trend in total lodging revenue continues to be at record levels and remains very positive.

