

## 2007 Q4 Lodging Report

The Research Section of the VTC has contracted with Smith Travel Research (STR), a leading lodging industry research company, to provide monthly and annual lodging data for the state of Virginia. The following report provides an analysis for the state and various pre-defined regions through the third quarter of 2007. [Note: STR's pre-defined regions are not the same as VTC's travel guide regions; however, they provide a level of detail that allows for near complete coverage of the state]

There are five major areas of analysis contained in this report:

- 1) Room Demand – Reflects the percent change in the number of rooms sold
- 2) Room Supply – Reflects the percent change in the number of rooms available
- 3) Room Rates – Reflects the average cost per room
- 4) Room Revenue – Reflects the percent change in the amount of revenue collected
- 5) Occupancy Percent – Reflects the percentage of rooms occupied

### Statewide Analysis

Lodging room demand was up 1.4% YTD through Q4 2007, compared to the same 12-month period of 2006. The number of rooms available (room supply) grew by 1.3% through Q4 2007, reflecting an increase in building or expansion of new rooms around the state. Average room rates (prices per room rented) for the state as a whole have increased from \$95.69 to \$99.88 per room, up 4.4% from Q4 2006. Room revenues, which are tied to room demand and room rates, have increased by 5.8% in 2007. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 62.1%, even with the YTD Q4 2006 occupancy rate of 62.1%. This compares to the US average occupancy rate of 63.2% (-0.2% YTD).

The following table details the above 5 areas of analysis for the US, Virginia and various segments around the state. Sub-segments are also included within several of the larger segments. For example, the larger Washington DC Segment is broken down into Arlington, Alexandria, Fairfax, Suburban VA, I-95 Fredericksburg, and Dulles Airport sub-segments.

Segment	Room Demand	Room Supply	Average Room Rates (1/01-12/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2007	2006	% Change	% Change	2007	2006	% Change
US	1.2	1.4	\$ 103.64	\$ 97.89	5.9	7.2	63.2	63.3	-0.2
Virginia	1.4	1.3	\$ 99.88	\$ 95.69	4.4	5.8	62.1	62.1	0.0
Washington DC-MD-VA	1.4	1.1	\$ 149.10	\$ 141.54	5.3	6.8	68.5	68.3	0.3
Arlington	3.1	1.1	\$ 161.49	\$ 154.90	4.3	7.5	74.8	73.3	2.0
Alexandria	-1.2	-0.1	\$ 131.30	\$ 125.77	4.4	3.1	66.9	67.6	-1.0
Fairfax/Tysons Comer	1.0	0.6	\$ 142.81	\$ 139.04	2.7	3.7	68.8	68.5	0.4
Suburban VA Area	-0.1	1.4	\$ 100.08	\$ 94.12	6.3	6.2	59.1	60.0	-1.5
I-95 Fredericksburg	-0.6	3.8	\$ 75.91	\$ 70.95	7.0	6.3	62.6	65.4	-4.3
Dulles Airport Area	1.6	3.8	\$ 135.76	\$ 134.35	1.0	2.6	71.4	73.0	-2.2
Norfolk - VA Beach	3.6	1.4	\$ 88.59	\$ 85.01	4.2	8.0	60.3	59.0	2.2
Chesapeake / Portsmouth	1.8	1.7	\$ 76.40	\$ 74.48	2.6	4.4	69.7	69.6	0.1
Newport News / Hampton	6.8	5.1	\$ 68.20	\$ 67.20	1.5	8.3	61.0	60.1	1.5
Norfolk City	-4.2	-0.4	\$ 85.85	\$ 81.07	5.9	1.5	63.4	65.9	-3.8
Virginia Beach City	4.5	1.1	\$ 104.27	\$ 99.31	5.0	9.7	63.2	61.2	3.3
Williamsburg	6.2	-0.4	\$ 94.91	\$ 90.71	4.6	11.1	50.0	46.9	6.6
Virginia Area	-1.4	1.9	\$ 76.20	\$ 72.56	5.0	3.5	56.0	57.9	-3.3
Virginia Area (smaller defined area)	-1.4	2.2	\$ 75.67	\$ 72.99	3.7	2.2	53.4	55.4	-3.6
Lynchburg MSA	-4.0	0.0	\$ 68.72	\$ 64.50	6.5	2.3	53.9	56.1	-3.9
Blacksburg/Wytheville	-3.5	1.1	\$ 71.26	\$ 66.39	7.3	3.6	54.5	57.1	-4.6
Staunton/Harrisonburg	-0.7	3.6	\$ 69.79	\$ 66.20	5.4	4.7	58.8	61.4	-4.2
Roanoke MSA	-1.6	-1.3	\$ 74.22	\$ 71.67	3.6	1.9	55.6	55.8	-0.4
Charlottesville MSA	1.6	5.9	\$ 96.54	\$ 90.21	7.0	8.7	68.8	71.7	-4.0
Richmond - Petersburg	3.6	-0.1	\$ 80.03	\$ 75.59	5.9	9.7	62.7	60.4	3.8
Petersburg/Chester	8.9	0.8	\$ 67.86	\$ 63.99	6.0	15.5	62.2	57.6	8.0
Richmond Downtown/Airport	2.2	0.4	\$ 101.82	\$ 94.70	7.5	9.9	64.6	63.5	1.7
Richmond North/Glen Allen	3.0	-0.8	\$ 79.19	\$ 75.41	5.0	8.2	61.9	59.7	3.7
Richmond West/Midlothian	-0.8	-0.6	\$ 67.46	\$ 63.53	6.2	5.4	62.9	63.0	-0.2
Bristol-Kingsport MSA	1.3	-1.1	\$ 72.62	\$ 69.42	4.6	5.9	51.2	50.0	2.4

Source: Smith Travel Research - 2007

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