

## 2008 Q2 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 first quarter of 2008. [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 down 2.4% YTD through Q2 2008, compared to the same 6-month period of 2007. The number of rooms available (room supply) grew by 3.0% through Q2 2008, 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 \$98.97 to \$103.40 per room, up 4.5% from Q2 2007. Room revenues, which are tied to room demand and room rates, have increased by 2.0% in 2008. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 59.4%, down 5.2% from the YTD Q2 2007 occupancy rate of 62.6%. This compares to the US average occupancy rate of 61.4% (-2.6% 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 (1/01-6/30)			Room Revenue	Occupancy Percent		
	% Change	% Change	2008	2007	% Change	% Change	2008	2007	% Change
US	-0.3	2.3	\$ 107.64	\$ 103.29	4.2	3.9	61.4	63.1	-2.6
Virginia	-2.4	3.0	\$ 103.40	\$ 98.97	4.5	2.0	59.4	62.6	-5.2
Washington, DC-MD-VA	1.7	3.3	\$ 157.68	\$ 152.45	3.4	5.2	69.7	70.8	-1.5
Arlington	-0.5	2.0	\$ 174.43	\$ 165.82	5.2	4.7	75.6	77.5	-2.5
Alexandria	2.3	4.3	\$ 143.72	\$ 131.62	9.2	11.8	68.6	69.9	-1.8
Fairfax/Tysons Corner	-1.8	0.0	\$ 145.79	\$ 144.62	0.8	-1.1	69.7	71.0	-1.8
Suburban Virginia Area	2.8	3.2	\$ 100.57	\$ 100.12	0.4	3.3	57.3	57.5	-0.3
I-95 Fredericksburg	2.8	8.6	\$ 79.91	\$ 74.47	7.3	10.3	62.8	66.3	-5.3
Dulles Airport Area	6.4	8.1	\$ 137.51	\$ 137.06	0.3	6.8	72.3	73.5	-1.6
Norfolk-Virginia Beach, VA	-6.2	2.8	\$ 84.84	\$ 83.26	1.9	-4.4	54.6	59.9	-8.8
Chesapeake/ Suffolk	-12.8	8.5	\$ 74.97	\$ 72.07	4.0	-9.3	62.0	77.1	-19.6
Newport News/Hampton	-0.5	3.1	\$ 69.42	\$ 68.65	1.1	0.7	58.2	60.3	-3.4
Norfolk/ Portsmouth	-5.3	2.5	\$ 85.19	\$ 84.64	0.6	-4.7	60.4	65.3	-7.6
Virginia Beach	-3.4	3.8	\$ 96.05	\$ 92.23	4.1	0.6	58.0	62.3	-7.0
Williamsburg	-12.9	-0.9	\$ 89.58	\$ 90.44	-1.0	-13.7	40.8	46.4	-12.1
Virginia Area	-3.1	2.3	\$ 77.77	\$ 74.20	4.8	1.6	52.1	55.0	-5.3
Virginia Area (smaller defined area)	-2.1	3.8	\$ 75.76	\$ 72.57	4.4	2.2	49.0	52.0	-5.7
Lynchburg MSA	-3.5	2.6	\$ 71.93	\$ 69.41	3.6	0.0	51.4	54.7	-6.0
Blacksburg/Wytheville	-6.2	5.3	\$ 71.62	\$ 67.72	5.8	-0.8	47.4	53.2	-10.9
Staunton/Harrisonburg	-3.5	0.9	\$ 71.66	\$ 67.89	5.6	1.8	55.3	57.8	-4.4
Roanoke MSA	-1.8	-1.8	\$ 76.89	\$ 72.84	5.6	3.7	54.4	54.4	0.0
Charlottesville MSA, VA	-4.6	0.0	\$ 101.82	\$ 97.18	4.8	0.0	65.9	69.1	-4.6
Richmond-Petersburg, VA	-4.8	1.5	\$ 83.35	\$ 79.17	5.3	0.2	60.1	64.1	-6.3
Petersburg/Chester	-4.3	4.7	\$ 72.55	\$ 66.53	9.1	4.4	58.5	64.0	-8.6
Richmond Downtown/Airport	-3.8	0.0	\$ 104.95	\$ 100.04	4.9	0.9	63.6	66.1	-3.8
Richmond North/Glen Allen	-5.0	1.8	\$ 81.39	\$ 78.92	3.1	-2.1	58.8	63.1	-6.7
Richmond West/Midlothian	-6.7	-2.3	\$ 71.76	\$ 67.29	6.6	-0.6	61.5	64.5	-4.6
Bristol-Kingsport MSA	0.3	1.9	\$ 75.07	\$ 71.12	5.5	5.8	47.4	48.1	-1.6

Source: Smith Travel Research - 2008

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