

## 2008 Q3 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 2008. [Note: STR's pre-defined regions do not correspond to political boundaries in all cases; however, they do provide a level of detail that allows for near complete coverage of the state. You may view a map and explanation of STR's pre-defined regions here: <http://www.vatc.org/research/ExplanationofVirginiaRegions.doc>]

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 Q3 2008, compared to the same 9-month period of 2007. The number of rooms available (room supply) grew by 3.2% through Q3 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 \$100.31 to \$103.68 per room, up 3.4% from the same 9-month period of 2007. Room revenues, which are tied to room demand and room rates, have increased by 0.9% in 2008. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 61.1%, down 5.4% from the YTD Q3 2007 occupancy rate of 64.6%. This compares to the US average occupancy rate of 62.9% (-3.0% 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 (1/01-9/30)			Room Revenue	Occupancy Percent		
	% Change	% Change	2008	2007	% Change	% Change	2008	2007	% Change
US	-0.6	2.5	\$ 107.41	\$ 103.59	3.7	3.1	62.9	64.9	-3.0
Virginia	-2.4	3.2	\$ 103.68	\$ 100.31	3.4	0.9	61.1	64.6	-5.4
Washington, DC-MD-VA	2.6	3.7	\$ 152.63	\$ 148.11	3.1	5.7	69.7	70.5	-1.2
Arlington	0.2	1.9	\$ 167.17	\$ 160.34	4.3	4.5	75.9	77.2	-1.7
Alexandria	3.5	5.0	\$ 140.49	\$ 130.24	7.9	11.6	67.8	68.8	-1.5
Fairfax/Tysons Corner	-0.7	0.0	\$ 142.00	\$ 142.90	-0.6	-1.3	69.5	70.0	-0.7
Suburban Virginia Area	1.4	4.5	\$ 100.28	\$ 100.09	0.2	1.6	58.8	60.5	-3.0
I-95 Fredericksburg	1.1	7.0	\$ 80.27	\$ 75.43	6.4	7.5	62.5	66.2	-5.5
Dulles Airport Area	6.0	7.4	\$ 133.60	\$ 136.16	-1.9	4.0	72.4	73.3	-1.3
Norfolk-Virginia Beach, VA	-5.5	3.0	\$ 92.47	\$ 91.44	1.1	-4.4	59.0	64.3	-8.2
Chesapeake/ Suffolk	-8.4	9.3	\$ 77.04	\$ 75.37	2.2	-6.4	63.7	76.0	-16.2
Newport News/Hampton	-0.3	3.9	\$ 69.38	\$ 69.36	0.0	-0.2	60.7	63.3	-4.0
Norfolk/ Portsmouth	-3.6	2.1	\$ 87.35	\$ 87.11	0.3	-3.4	62.9	66.6	-5.6
Virginia Beach	-3.0	3.7	\$ 114.08	\$ 110.41	3.3	0.2	64.2	68.6	-6.5
Williamsburg	-13.6	-0.6	\$ 94.01	\$ 95.54	-1.6	-15.0	46.8	53.8	-13.1
Virginia Area	-3.8	2.5	\$ 79.50	\$ 76.30	4.2	0.2	54.1	57.6	-6.2
Virginia Area (smaller defined area)	-3.4	3.5	\$ 78.29	\$ 75.63	3.5	0.0	51.2	54.9	-6.7
Lynchburg MSA	-3.2	3.8	\$ 73.22	\$ 69.40	5.5	2.1	52.6	56.4	-6.8
Blacksburg/Wytheville	-5.6	5.6	\$ 74.48	\$ 70.98	4.9	-1.0	50.7	56.7	-10.6
Staunton/Harrisonburg	-4.7	0.8	\$ 72.32	\$ 69.60	3.9	-1.0	56.7	59.9	-5.5
Roanoke MSA	-2.7	-0.9	\$ 77.65	\$ 73.32	5.9	3.1	55.9	56.9	-1.8
Charlottesville MSA, VA	-4.6	0.0	\$ 102.69	\$ 98.98	3.7	-1.0	67.7	70.9	-4.6
Richmond-Petersburg, VA	-5.0	2.6	\$ 83.28	\$ 79.91	4.2	-1.0	60.4	65.3	-7.4
Petersburg/Chester	-5.0	8.4	\$ 72.46	\$ 67.60	7.2	1.8	57.6	65.7	-12.4
Richmond Downtown/Airport	-3.6	0.0	\$ 104.12	\$ 100.59	3.5	-0.2	63.7	66.1	-3.6
Richmond North/Glen Allen	-5.5	2.8	\$ 82.09	\$ 79.82	2.9	-2.8	59.6	64.9	-8.1
Richmond West/Midlothian	-5.7	-3.8	\$ 71.17	\$ 67.86	4.9	-1.1	63.6	64.9	-2.0
Bristol-Kingsport MSA	-3.9	1.9	\$ 77.26	\$ 73.90	4.6	0.5	49.4	52.3	-5.7

Source: Smith Travel Research - 2008

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