

## 2008 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 fourth 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 2.8% YTD through Q4 2008, compared to the same 12-month period of 2007. The number of rooms available (room supply) grew by 2.7% through Q4 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 \$100.04 to \$102.69 per room, up 2.6% from the same 12-month period of 2007. Room revenues, which are tied to room demand and room rates, have decreased by 0.2% in 2008. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 58.3%, down 6.0% from the YTD Q4 2007 occupancy rate of 62.0%. This compares to the US average occupancy rate of 60.4% (-4.2% 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	2008	2007	% Change	% Change	2008	2007	% Change
US	-1.6	2.7	\$ 106.55	\$ 104.04	2.4	0.7	60.4	63.1	-4.2
Virginia	-2.8	3.5	\$ 102.69	\$ 100.04	2.6	-0.2	58.3	62.0	-6.0
Washington, DC-MD-VA	1.9	3.8	\$ 153.31	\$ 149.93	2.3	4.2	67.1	68.3	-1.8
Arlington	-0.6	1.6	\$ 168.59	\$ 162.49	3.8	3.1	73.1	74.7	-2.1
Alexandria	3.5	5.7	\$ 141.08	\$ 131.67	7.1	10.9	64.8	66.2	-2.1
Fairfax/Tysons Corner	-1.6	0.0	\$ 140.83	\$ 142.94	-1.5	-3.1	67.4	68.5	-1.6
Suburban Virginia Area	0.3	4.7	\$ 100.70	\$ 100.69	0.0	0.3	56.3	58.7	-4.2
I-95 Fredericksburg	0.9	5.6	\$ 79.84	\$ 75.68	5.5	6.5	59.8	62.5	-4.4
Dulles Airport Area	3.6	6.1	\$ 132.31	\$ 136.76	-3.3	0.2	69.7	71.4	-2.4
Norfolk-Virginia Beach, VA	-5.7	3.3	\$ 88.63	\$ 88.03	0.7	-5.0	55.1	60.3	-8.7
Chesapeake/ Suffolk	-6.4	12.3	\$ 75.17	\$ 74.47	0.9	-5.6	59.5	71.4	-16.7
Newport News/Hampton	0.0	5.2	\$ 68.12	\$ 68.20	-0.1	-0.1	57.9	60.9	-4.9
Norfolk/ Portsmouth	-5.4	1.1	\$ 86.52	\$ 85.74	0.9	-4.5	59.2	63.3	-6.4
Virginia Beach	-3.6	3.6	\$ 107.13	\$ 103.88	3.1	-0.6	58.9	63.3	-6.9
Williamsburg	-14.1	-0.7	\$ 90.69	\$ 92.95	-2.4	-16.2	43.3	50.0	-13.5
Virginia Area	-4.0	2.7	\$ 79.99	\$ 76.98	3.9	-0.3	52.3	55.9	-6.6
Virginia Area (smaller defined area)	-4.4	3.8	\$ 78.47	\$ 76.46	2.6	-1.9	49.2	53.4	-7.9
Lynchburg MSA	-0.8	4.1	\$ 74.62	\$ 69.81	6.9	6.0	51.7	54.3	-4.7
Blacksburg/Wytheville	-5.8	5.0	\$ 74.82	\$ 71.25	5.0	-1.1	48.8	54.4	-10.3
Staunton/Harrisonburg	-4.9	1.5	\$ 73.12	\$ 69.82	4.7	-0.4	55.1	58.8	-6.3
Roanoke MSA	-2.1	-0.4	\$ 78.30	\$ 74.39	5.3	3.1	54.6	55.6	-1.7
Charlottesville MSA, VA	-4.4	0.0	\$ 103.68	\$ 99.95	3.7	-0.8	65.3	68.3	-4.4
Richmond-Petersburg, VA	-4.8	4.2	\$ 82.47	\$ 79.95	3.2	-1.8	57.3	62.7	-8.7
Petersburg/Chester	-2.2	12.3	\$ 72.18	\$ 68.04	6.1	3.7	54.3	62.4	-13.0
Richmond Downtown/Airport	-4.6	1.1	\$ 103.12	\$ 101.18	1.9	-2.8	60.8	64.5	-5.6
Richmond North/Glen Allen	-6.2	3.9	\$ 81.25	\$ 79.23	2.6	-3.8	55.8	61.9	-9.7
Richmond West/Midlothian	-5.6	-4.5	\$ 70.19	\$ 67.77	3.6	-2.3	62.3	63.0	-1.2
Bristol-Kingsport MSA	-4.8	1.9	\$ 75.40	\$ 72.52	4.0	-1.0	47.5	50.9	-6.5

Source: Smith Travel Research - 2008

For more information please contact Sean McCarthy, VTC Research Director at: [smccarthy@virginia.org](mailto:smccarthy@virginia.org) or (804) 545-5549