

## 2009 Q1 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 2009. [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 3.7% YTD through Q1 2009, compared to the same 3-month period of 2008. The number of rooms available (room supply) grew by 3.7% through Q1 2009, 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 \$98.64 to \$98.70 per room, up 0.1% from the same 3-month period of 2008. Room revenues, which are tied to room demand and room rates, have decreased by 3.7% in 2009. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 48.3%, down 7.2% from the YTD Q1 2008 occupancy rate of 52.0%. This compares to the US average occupancy rate of 51.4% (-10.9% YTD). *Please note that year-to-date figures for Virginia, and the Washington, DC regions especially, were positively impacted by the Presidential Inauguration in January.*

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 (1/01-3/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2009	2008	% Change	% Change	2009	2008	% Change
US	-8.0	3.2	\$ 100.13	\$ 108.46	-7.7	-15.1	51.4	57.7	-10.9
Virginia	-3.7	3.7	\$ 98.70	\$ 98.64	0.1	-3.7	48.3	52.0	-7.2
Washington, DC-MD-VA	1.7	5.0	\$ 161.85	\$ 152.13	6.4	8.2	59.1	61.0	-3.1
Arlington	1.4	0.1	\$ 178.01	\$ 168.42	5.7	7.2	67.2	66.3	1.3
Alexandria	-1.8	4.2	\$ 147.03	\$ 140.16	4.9	3.0	54.6	58.0	-5.8
Fairfax/Tysons Corner	-6.7	0.0	\$ 144.94	\$ 146.40	-1.0	-7.7	56.1	60.2	-6.7
Suburban Virginia Area	-3.2	4.1	\$ 96.16	\$ 99.15	-3.0	-6.2	45.7	49.1	-7.0
I-95 Fredericksburg	0.3	2.2	\$ 77.24	\$ 75.65	2.1	2.4	53.9	55.0	-1.9
Dulles Airport Area	-3.2	5.2	\$ 128.80	\$ 137.61	-6.4	-9.4	61.2	66.5	-8.0
Norfolk-Virginia Beach, VA	-1.3	3.3	\$ 70.50	\$ 72.90	-3.3	-4.5	43.3	45.3	-4.5
Chesapeake/ Suffolk	6.4	23.0	\$ 67.80	\$ 70.59	-4.0	2.2	47.8	55.2	-13.5
Newport News/Hampton	15.6	8.2	\$ 64.97	\$ 65.13	-0.2	15.3	53.8	50.3	6.8
Norfolk/ Portsmouth	-6.6	-6.3	\$ 79.82	\$ 79.20	0.8	-5.9	53.0	53.2	-0.3
Virginia Beach	-6.7	0.7	\$ 72.66	\$ 74.78	-2.8	-9.4	45.3	48.9	-7.4
Williamsburg	-15.1	-0.2	\$ 67.30	\$ 74.88	-10.1	-23.7	23.4	27.6	-14.9
Virginia Area	-5.1	3.2	\$ 74.02	\$ 73.64	0.5	-4.6	42.0	45.6	-8.0
Virginia Area (smaller defined area)	-1.8	3.9	\$ 71.23	\$ 71.86	-0.9	-2.7	39.8	42.2	-5.5
Lynchburg MSA	1.5	5.0	\$ 71.98	\$ 70.37	2.3	3.9	46.1	47.6	-3.3
Blacksburg/Wytheville	-7.1	3.2	\$ 69.23	\$ 69.70	-0.7	-7.7	37.7	41.8	-9.9
Staunton/Harrisonburg	-10.1	4.5	\$ 69.09	\$ 67.10	3.0	-7.4	41.5	48.2	-13.9
Roanoke MSA	-9.5	1.0	\$ 77.31	\$ 75.06	3.0	-6.8	43.8	48.9	-10.4
Charlottesville MSA, VA	-8.1	0.0	\$ 91.12	\$ 90.46	0.7	-7.5	52.8	57.5	-8.1
Richmond-Petersburg, VA	-9.4	8.5	\$ 79.66	\$ 81.69	-2.5	-11.7	47.8	57.3	-16.5
Petersburg/Chester	-7.0	11.8	\$ 68.28	\$ 71.41	-4.4	-11.1	48.3	58.1	-16.9
Richmond Downtown/Airport	-9.3	13.2	\$ 98.24	\$ 103.14	-4.8	-13.6	48.6	60.7	-19.9
Richmond North/Glen Allen	-13.2	8.8	\$ 80.38	\$ 79.36	1.3	-12.1	44.3	55.6	-20.3
Richmond West/Midlothian	-2.1	-6.7	\$ 68.09	\$ 71.00	-4.1	-6.1	58.3	55.5	5.0
Bristol-Kingsport MSA	-4.9	1.3	\$ 80.38	\$ 80.53	-0.2	-5.1	39.2	41.8	-6.1

Source: Smith Travel Research - 2009

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