

2009 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 second 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 3.9% YTD through Q2 2009, compared to the same 6-month period of 2008. The number of rooms available (room supply) grew by 4.1% through Q2 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 decreased from \$103.21 to \$99.34 per room, down 3.7% from the same 6-month period of 2008. Room revenues, which are tied to room demand and room rates, have decreased by 7.5% in 2009. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 54.9%, down 7.6% from the YTD Q2 2008 occupancy rate of 59.4%. This compares to the US average occupancy rate of 54.6% (-10.9% 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 % Change	Room Supply % Change	Average Room Rates (1/01-6/30)			Room Revenue % Change	Occupancy Percent		
			2009	2008	% Change		2009	2008	% Change
US	-8.0	3.2	\$ 98.66	\$108.10	-8.7	-16.1	54.6	61.3	-10.9
Virginia	-3.9	4.1	\$ 99.34	\$103.21	-3.7	-7.5	54.9	59.4	-7.6
Washington, DC-MD-VA	-0.1	4.0	\$154.34	\$157.81	-2.2	-2.3	66.8	69.6	-3.9
Arlington	-0.1	0.1	\$172.28	\$173.91	-0.9	-1.0	75.4	75.6	-0.2
Alexandria	-1.2	4.1	\$142.44	\$143.72	-0.9	-2.0	65.0	68.5	-5.0
Fairfax/Tysons Corner	-6.1	0.0	\$135.21	\$145.84	-7.3	-13.0	65.1	69.3	-6.1
Suburban Virginia Area	-5.5	4.4	\$ 94.59	\$101.57	-6.9	-12.0	51.8	57.2	-9.5
I-95 Fredericksburg	-1.5	2.9	\$ 79.01	\$ 79.81	-1.0	-2.5	60.2	62.8	-4.3
Dulles Airport Area	-0.3	6.3	\$119.53	\$135.97	-12.1	-12.4	67.8	72.3	-6.2
Norfolk-Virginia Beach, VA	-1.6	3.9	\$ 79.71	\$ 84.38	-5.5	-7.1	51.7	54.6	-5.3
Chesapeake/ Suffolk	6.1	24.6	\$ 70.05	\$ 74.50	-6.0	-0.2	53.0	62.2	-14.8
Newport News/Hampton	8.3	7.1	\$ 67.49	\$ 69.62	-3.1	4.9	58.7	58.1	1.1
Norfolk/ Portsmouth	-9.8	-3.7	\$ 83.75	\$ 85.24	-1.8	-11.4	56.7	60.5	-6.3
Virginia Beach	-2.4	1.3	\$ 90.81	\$ 95.20	-4.6	-6.9	55.6	57.8	-3.7
Williamsburg	-9.5	-0.3	\$ 80.12	\$ 88.79	-9.8	-18.4	36.9	40.7	-9.3
Virginia Area	-4.7	3.1	\$ 77.83	\$ 78.49	-0.8	-5.5	48.1	52.1	-7.6
Virginia Area (smaller defined area)	-4.5	3.5	\$ 73.55	\$ 76.00	-3.2	-7.6	45.4	49.2	-7.7
Lynchburg MSA	7.6	6.2	\$ 74.24	\$ 72.75	2.0	9.8	51.9	51.2	1.4
Blacksburg/Wytheville	-2.1	2.5	\$ 71.72	\$ 71.59	0.2	-1.9	45.1	47.2	-4.5
Staunton/Harrisonburg	-7.3	4.3	\$ 72.99	\$ 72.13	1.2	-6.2	49.2	55.3	-11.1
Roanoke MSA	-10.3	2.3	\$ 78.68	\$ 77.16	2.0	-8.5	48.0	54.8	-12.3
Charlottesville MSA, VA	-5.3	0.0	\$106.01	\$105.71	0.3	-5.1	61.9	65.4	-5.3
Richmond-Petersburg, VA	-10.9	8.9	\$ 79.74	\$ 83.01	-3.9	-14.4	49.6	60.6	-18.2
Petersburg/Chester	-8.0	9.4	\$ 69.34	\$ 72.75	-4.7	-12.3	50.9	60.6	-16.0
Richmond Downtown/Airport	-9.2	16.9	\$ 97.97	\$104.43	-6.2	-14.9	49.3	63.6	-22.4
Richmond North/Glen Allen	-13.9	8.6	\$ 79.83	\$ 81.15	-1.6	-15.3	46.7	58.9	-20.6
Richmond West/Midlothian	-9.9	-4.6	\$ 68.22	\$ 71.61	-4.7	-14.2	58.1	61.6	-5.6
Bristol-Kingsport MSA	-6.9	0.6	\$ 74.38	\$ 75.29	-1.2	-8.0	44.0	47.5	-7.5

Source: Smith Travel Research - 2009

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