

2009 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 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 2.9% YTD through Q3 2009, compared to the same 9-month period of 2008. The number of rooms available (room supply) grew by 4.2% through Q3 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 \$103.63 to \$98.68 per room, down 4.8% from the same 9-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 57.0%, down 6.8% from the YTD Q3 2008 occupancy rate of 61.2%. This compares to the US average occupancy rate of 62.8% (-9.9% 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	Room Supply	Average Room Rates (1/01-6/30)			Room Revenue	Occupancy Percent		
	% Change	% Change	2009	2008	% Change	% Change	2009	2008	% Change
US	-7.0	3.2	\$ 98.01	\$107.83	-9.1	-15.5	56.6	62.8	-9.9
Virginia	-2.9	4.2	\$ 98.68	\$103.63	-4.8	-7.5	57.0	61.2	-6.8
Washington, DC-MD-VA	0.1	3.9	\$146.15	\$152.61	-4.2	-4.1	67.1	69.6	-3.6
Arlington	-0.9	0.5	\$163.93	\$166.86	-1.8	-2.6	74.8	75.9	-1.4
Alexandria	0.3	4.5	\$136.80	\$140.48	-2.6	-2.3	65.0	67.7	-4.0
Fairfax/Tysons Corner	-5.5	0.0	\$129.74	\$142.08	-8.7	-13.7	65.6	69.4	-5.5
Suburban Virginia Area	-5.0	3.9	\$ 93.09	\$101.25	-8.1	-12.6	53.6	58.6	-8.6
I-95 Fredericksburg	0.3	3.9	\$ 79.21	\$ 80.20	-1.2	-0.9	60.4	62.6	-3.5
Dulles Airport Area	0.0	6.4	\$114.65	\$133.02	-13.8	-13.8	68.0	72.3	-6.0
Norfolk-Virginia Beach, VA	-0.6	4.0	\$ 87.38	\$ 92.14	-5.2	-5.7	56.3	59.0	-4.5
Chesapeake/ Suffolk	9.8	24.3	\$ 71.34	\$ 76.63	-6.9	2.2	56.4	63.9	-11.7
New port New s/Hampton	5.9	6.4	\$ 67.65	\$ 69.53	-2.7	3.0	60.4	60.7	-0.5
Norfolk/ Portsmouth	-8.8	-2.3	\$ 85.45	\$ 87.42	-2.3	-10.9	58.9	63.2	-6.7
Virginia Beach	-0.9	1.2	\$109.68	\$113.57	-3.4	-4.3	62.6	64.0	-2.1
Williamsburg	-6.6	0.3	\$ 84.57	\$ 93.63	-9.7	-15.6	43.4	46.5	-6.9
Virginia Area	-3.1	3.3	\$ 78.80	\$ 80.09	-1.6	-4.6	50.8	54.1	-6.2
Virginia Area (smaller defined area)	-2.6	3.7	\$ 75.56	\$ 78.45	-3.7	-6.2	48.3	51.4	-6.1
Lynchburg MSA	7.7	5.4	\$ 74.21	\$ 74.01	0.3	8.0	53.6	52.4	2.1
Blacksburg/Wytheville	-0.8	2.6	\$ 74.35	\$ 74.57	-0.3	-1.1	48.9	50.6	-3.3
Staunton/Harrisonburg	-6.3	4.9	\$ 73.15	\$ 73.03	0.2	-6.1	50.7	56.7	-10.7
Roanoke MSA	-7.7	2.6	\$ 78.26	\$ 77.88	0.5	-7.2	50.7	56.3	-10.0
Charlottesville MSA, VA	-4.3	0.0	\$105.49	\$105.66	-0.2	-4.4	64.0	66.8	-4.3
Richmond-Petersburg, VA	-9.5	8.9	\$ 78.56	\$ 83.00	-5.4	-14.4	50.6	60.9	-16.9
Petersburg/Chester	-5.5	6.9	\$ 68.70	\$ 72.76	-5.6	-10.8	52.4	59.3	-11.6
Richmond Dow ntown/Airport	-7.5	18.5	\$ 95.89	\$103.40	-7.3	-14.2	49.7	63.6	-21.9
Richmond North/Glen Allen	-12.5	8.5	\$ 78.72	\$ 81.91	-3.9	-15.9	48.1	59.7	-19.3
Richmond West/Midlothian	-11.4	-2.1	\$ 67.20	\$ 71.16	-5.6	-16.3	57.5	63.5	-9.5
Bristol-Kingsport MSA	-3.3	1.4	\$ 77.06	\$ 77.56	-0.7	-4.0	47.0	49.3	-4.7

Source: Smith Travel Research - 2009

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