

2010 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 2010. [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 up 2.3% YTD through Q1 2010, compared to the same 3-month period of 2009. The number of rooms available (room supply) grew by 3.9% through Q1 2010, 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 \$99.18 to \$92.03 per room, down 7.2% from the same 3-month period of 2009. Room revenues, which are tied to room demand and room rates, have decreased by 5.1% in 2010. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 47.1%, down 1.5% from the YTD Q1 2009 occupancy rate of 47.8%. This compares to the US average occupancy rate of 51.9% (up 2.3% 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 (1/01-3/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2010	2009	% Change	% Change	2010	2009	% Change
US	5.3	2.9	\$ 96.27	\$ 100.61	-4.3	0.7	51.9	50.8	2.3
Virginia	2.3	3.9	\$ 92.03	\$ 99.18	-7.2	-5.1	47.1	47.8	-1.5
Washington, DC-MD-VA	4.0	3.9	\$ 141.58	\$ 162.07	-12.6	-9.2	59.0	59.0	0.1
Arlington	0.5	3.2	\$ 164.80	\$ 178.69	-7.8	-7.3	65.1	66.9	-2.6
Alexandria	7.6	2.6	\$ 134.97	\$ 147.19	-8.3	-1.3	57.2	54.6	4.8
Fairfax/Tysons Corner	5.1	1.7	\$ 125.04	\$ 145.03	-13.8	-9.4	57.9	56.0	3.3
Suburban Virginia Area	-7.2	4.7	\$ 86.10	\$ 96.42	-10.7	-17.1	41.3	46.7	-11.4
I-95 Fredericksburg	4.9	4.0	\$ 75.42	\$ 77.45	-2.6	2.1	53.8	53.3	0.8
Dulles Airport Area	14.4	8.2	\$ 103.35	\$ 128.77	-19.7	-8.1	64.6	61.1	5.8
Norfolk-Virginia Beach, VA	-3.3	2.5	\$ 68.35	\$ 70.92	-3.6	-6.8	40.2	42.6	-5.7
Chesapeake/ Suffolk	9.8	7.9	\$ 63.81	\$ 67.82	-5.9	3.3	48.2	47.4	1.8
Newport News/Hampton	-7.4	0.0	\$ 60.53	\$ 65.59	-7.7	-14.6	49.3	53.2	-7.4
Norfolk/ Portsmouth	-8.5	4.8	\$ 77.52	\$ 80.39	-3.6	-11.8	45.8	52.4	-12.7
Virginia Beach	-5.6	1.4	\$ 73.29	\$ 72.89	0.6	-5.1	41.2	44.2	-6.9
Williamsburg	2.8	2.0	\$ 66.81	\$ 68.15	-2.0	0.8	23.2	23.0	0.8
Virginia Area	0.9	3.0	\$ 74.16	\$ 74.31	-0.2	0.7	40.7	41.5	-2.0
Virginia Area (smaller defined area)	-2.2	3.4	\$ 71.18	\$ 70.86	0.4	-1.8	37.3	39.5	-5.4
Lynchburg MSA	4.0	4.0	\$ 72.79	\$ 71.94	1.2	5.3	45.9	45.9	0.1
Blacksburg/Wytheville	0.8	3.2	\$ 69.05	\$ 69.55	-0.7	0.1	36.0	36.9	-2.3
Staunton/Harrisonburg	2.7	2.6	\$ 69.65	\$ 69.95	-0.4	2.3	41.1	41.0	0.2
Roanoke MSA	2.0	3.5	\$ 76.02	\$ 77.60	-2.0	0.0	42.9	43.5	-1.4
Charlottesville MSA, VA	7.7	0.0	\$ 92.01	\$ 93.80	-1.9	5.6	55.6	51.7	7.7
Richmond-Petersburg, VA	4.7	7.1	\$ 74.58	\$ 79.95	-6.7	-2.3	46.3	47.4	-2.2
Petersburg/Chester	9.6	4.6	\$ 65.76	\$ 68.74	-4.3	4.8	49.8	47.6	4.7
Richmond Downtown/Airport	10.2	7.6	\$ 92.97	\$ 98.49	-5.6	4.1	49.5	48.4	2.5
Richmond North/Glen Allen	1.6	9.0	\$ 73.23	\$ 80.45	-9.0	-7.5	41.1	44.0	-6.8
Richmond West/Midlothian	-4.8	4.5	\$ 61.95	\$ 68.43	-9.5	-13.9	52.5	57.6	-9.0
Bristol-Kingsport MSA	4.9	4.4	\$ 80.37	\$ 80.44	-0.1	4.8	39.0	38.8	0.5

Source: Smith Travel Research - 2010

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