

2010 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 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 4.5% YTD through Q2 2010, compared to the same 6-month period of 2009. The number of rooms available (room supply) grew by 3.2% 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 \$99.70 to \$96.12 per room, down 3.6% from the same 6-month period of 2009. Room revenues, which are tied to room demand and room rates, have increased by 0.8% in 2010. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 55.1%, up 1.3% from the YTD Q2 2009 occupancy rate of 54.4%. This compares to the US average occupancy rate of 56.4% (up 4.4% 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	2010	2009	% Change	% Change	2010	2009	% Change
US	7.0	2.5	\$ 97.18	\$ 99.17	-2.0	4.9	56.4	54.0	4.4
Virginia	4.5	3.2	\$ 96.12	\$ 99.70	-3.6	0.8	55.1	54.4	1.3
Washington, DC-MD-VA	6.1	3.6	\$ 147.59	\$ 154.59	-4.5	1.3	68.3	66.7	2.4
Arlington	4.0	3.2	\$ 169.53	\$ 172.71	-1.8	2.1	75.8	75.2	0.8
Alexandria	9.6	3.8	\$ 137.95	\$ 142.59	-3.3	6.0	68.4	64.8	5.6
Fairfax/Tysons Corner	7.3	2.0	\$ 126.27	\$ 135.31	-6.7	0.2	68.4	65.0	5.2
Suburban Virginia Area	-2.2	4.0	\$ 88.26	\$ 95.35	-7.4	-9.5	49.4	52.6	-6.0
I-95 Fredericksburg	5.6	3.7	\$ 78.78	\$ 79.22	-0.6	5.0	60.7	59.6	1.9
Dulles Airport Area	15.3	7.2	\$ 104.27	\$ 119.52	-12.8	0.6	72.8	67.7	7.5
Norfolk-Virginia Beach, VA	-1.3	1.7	\$ 78.38	\$ 80.14	-2.2	-3.5	49.6	51.1	-2.9
Chesapeake/ Suffolk	10.3	5.7	\$ 66.21	\$ 70.01	-5.4	4.3	54.9	52.6	4.4
Newport News/Hampton	-6.8	0.0	\$ 63.64	\$ 67.76	-6.1	-12.5	54.3	58.2	-6.8
Norfolk/ Portsmouth	-2.4	1.7	\$ 79.98	\$ 84.22	-5.0	-7.4	53.7	56.0	-4.1
Virginia Beach	-1.8	1.0	\$ 94.32	\$ 91.51	3.1	1.2	53.4	54.9	-2.7
Williamsburg	-1.0	1.8	\$ 78.07	\$ 80.92	-3.5	-4.5	35.4	36.5	-2.8
Virginia Area	2.4	2.2	\$ 77.73	\$ 77.74	0.0	2.4	47.7	47.6	0.3
Virginia Area (smaller defined area)	1.4	3.3	\$ 73.81	\$ 73.39	0.6	1.9	44.1	44.9	-1.9
Lynchburg MSA	-3.0	-5.6	\$ 76.14	\$ 74.29	2.5	-0.6	53.0	51.6	2.8
Blacksburg/Wytheville	2.4	3.1	\$ 72.10	\$ 72.13	0.0	2.3	44.1	44.4	-0.7
Staunton/Harrisonburg	3.6	2.6	\$ 73.50	\$ 73.36	0.2	3.8	49.5	49.0	1.0
Roanoke MSA	4.6	2.8	\$ 76.87	\$ 78.82	-2.5	2.1	48.4	47.5	1.8
Charlottesville MSA, VA	6.4	0.0	\$ 103.24	\$ 105.12	-1.8	4.5	64.5	60.6	6.4
Richmond-Petersburg, VA	9.5	5.8	\$ 75.08	\$ 80.01	-6.2	2.8	50.9	49.1	3.5
Petersburg/Chester	10.9	3.2	\$ 67.25	\$ 69.78	-3.6	6.8	54.2	50.4	7.4
Richmond Downtown/Airport	12.0	4.2	\$ 91.40	\$ 98.20	-6.9	4.2	52.7	49.1	7.5
Richmond North/Glen Allen	8.8	7.7	\$ 74.18	\$ 79.89	-7.2	1.0	46.7	46.2	1.1
Richmond West/Midlothian	4.6	8.1	\$ 63.46	\$ 68.52	-7.4	-3.1	55.7	57.6	-3.3
Bristol-Kingsport MSA	7.1	4.4	\$ 74.63	\$ 74.51	0.2	7.2	44.4	43.4	2.5

Source: Smith Travel Research - 2010

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