

2004 Annual 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 fourth quarter of 2004. [Note: STR's pre-defined regions are not the same as VTC's travel guide regions; however, they provide a level of detail that allows for near complete coverage of the state]

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 per available room
- 5) Occupancy Percent – Reflects the percentage of rooms occupied.

Statewide Analysis

Lodging room demand was up 3.0% YTD through Q4 2004, compared to the same period of 2003. The number of rooms available (room supply) grew by 1.4% through Q4 2004, 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 slightly from \$80.26 to \$84.32 per room, an increase of 5.1% from Q4 2003. Room revenues, which are tied to room demand and room rates, have increased by 8.2% in 2004. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 62.1%, up 1.6% from the YTD Q4 2003 occupancy rate of 61.1%. This compares to the US average occupancy rate of 61.3% (+3.7% 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 (1/01-12/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2004	2003	% Change	% Change	2004	2003	% Change
US	4.6%	1.0%	\$ 86.41	\$ 83.11	4.0%	8.8%	61.3%	59.1%	3.7%
Virginia	3.0%	1.4%	\$ 84.32	\$ 80.26	5.1%	8.2%	62.1%	61.1%	1.6%
Washington DC-MD-VA	7.9%	1.5%	\$118.59	\$110.85	7.0%	15.5%	70.6%	66.4%	6.3%
Arlington	7.6%	0.1%	\$127.15	\$121.52	4.6%	12.5%	73.1%	68.0%	7.5%
Alexandria	13.7%	2.8%	\$105.41	\$100.27	5.1%	19.5%	70.0%	63.3%	10.6%
Fairfax/Tysons Corner	8.9%	-0.3%	\$111.63	\$103.34	8.0%	17.7%	75.4%	69.0%	9.3%
Suburban VA Area	11.3%	2.7%	\$ 82.44	\$ 78.20	5.4%	17.3%	60.3%	55.7%	8.3%
I-95 Fredericksburg	6.1%	5.5%	\$ 63.51	\$ 60.83	4.4%	10.8%	67.4%	67.0%	0.6%
Dulles Airport Area	10.6%	0.9%	\$109.10	\$100.35	8.7%	20.3%	78.0%	71.1%	9.7%
Norfolk - VA Beach	-2.6%	1.4%	\$ 81.30	\$ 79.38	2.4%	-0.3%	60.2%	62.7%	-4.0%
Chesapeake / Portsmouth	1.6%	5.6%	\$ 69.03	\$ 65.78	4.9%	6.6%	73.1%	75.9%	-3.7%
Newport News / Hampton	-0.4%	4.2%	\$ 64.43	\$ 63.32	1.8%	1.3%	64.7%	67.7%	-4.4%
Norfolk City	-0.5%	3.2%	\$ 74.20	\$ 72.68	2.1%	1.6%	66.4%	68.9%	-3.6%
Virginia Beach City	-2.3%	1.9%	\$ 95.23	\$ 92.39	3.1%	0.7%	59.7%	62.3%	-4.2%
Williamsburg	-8.6%	-3.3%	\$ 88.57	\$ 86.66	2.2%	-6.6%	49.1%	51.9%	-5.4%
Virginia Area	0.1%	0.9%	\$ 64.15	\$ 62.46	2.7%	2.9%	54.9%	55.3%	-0.7%
Virginia Area (smaller defined area)	-0.6%	1.6%	\$ 62.54	\$ 60.43	3.5%	2.8%	53.8%	55.0%	-2.2%
Lynchburg MSA	0.1%	2.7%	\$ 60.92	\$ 58.97	3.3%	3.4%	50.8%	52.2%	-2.7%
Blacksburg/Wytheville	-2.7%	0.3%	\$ 60.83	\$ 58.99	3.1%	0.3%	50.3%	51.9%	-3.1%
Staunton/Harrisonburg	2.3%	0.4%	\$ 60.31	\$ 59.73	1.0%	3.3%	57.2%	56.1%	2.0%
Roanoke MSA	1.9%	0.1%	\$ 62.44	\$ 61.22	2.0%	3.9%	53.6%	52.6%	1.9%
Charlottesville MSA	1.6%	-1.1%	\$ 82.13	\$ 80.95	1.5%	3.1%	69.7%	67.8%	2.8%
Richmond - Petersburg	1.3%	0.6%	\$ 68.04	\$ 65.78	3.4%	4.8%	58.4%	58.0%	0.7%
Petersburg/Chester	-3.3%	-0.8%	\$ 59.84	\$ 58.59	2.1%	-1.2%	49.9%	51.2%	-2.5%
Richmond Downtown/Airport	3.8%	-0.7%	\$ 82.21	\$ 80.08	2.7%	6.6%	63.4%	60.6%	4.6%
Richmond North/Glen Allen	0.6%	1.5%	\$ 67.11	\$ 64.09	4.7%	5.3%	58.7%	59.3%	-1.0%
Richmond West/Midlothian	6.0%	2.2%	\$ 59.01	\$ 57.99	1.8%	7.8%	63.8%	61.5%	3.7%
Johnson City - Bristol, TN-VA	2.0%	3.3%	\$ 63.46	\$ 60.78	4.4%	6.5%	48.0%	48.6%	-1.2%
Source: Smith Travel Research - 2004									

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