

2004 3rd Quarter 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 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 4.7% YTD through Q3 2004, compared to the same period of 2003. The number of rooms available (room supply) grew by 1.3% through Q3 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 \$81.34 to \$85.06 per room, an increase of 4.6% from Q3 2003. Room revenues, which are tied to room demand and room rates, increased by 9.5%. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 64.2%, up 3.4% from the Q3 2003 occupancy rate of 62.1%. This compares to the US average occupancy rate of 62.7% (+3.6% 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 (Year-to-date September 2004)			Room Revenue	Occupancy Percent (Year-to-date September 2004)		
	% Change	% Change	2004	2003	% Change	% Change	2004	2003	% Change
US	4.8%	1.1%	\$ 86.41	\$ 83.33	3.7%	8.7%	62.7%	60.5%	3.6%
Virginia	4.7%	1.3%	\$ 85.06	\$ 81.34	4.6%	9.5%	64.2%	62.1%	3.4%
Washington DC-MD-VA	8.9%	1.4%	\$117.60	\$110.88	6.1%	15.5%	72.7%	67.7%	7.4%
Arlington	8.9%	0.4%	\$126.51	\$121.49	4.1%	13.4%	75.4%	69.5%	8.5%
Alexandria	16.1%	3.4%	\$105.27	\$100.59	4.7%	21.5%	72.0%	64.1%	12.3%
Fairfax/Tysons Corner	10.0%	0.0%	\$111.33	\$102.97	8.1%	19.0%	76.5%	69.5%	10.1%
Suburban VA Area	13.2%	2.7%	\$ 82.71	\$ 78.21	5.8%	19.8%	62.3%	56.5%	10.3%
I-95 Fredericksburg	6.7%	3.9%	\$ 63.86	\$ 61.41	4.0%	11.0%	70.7%	68.8%	2.8%
Dulles Airport Area	12.8%	0.0%	\$107.97	\$ 99.89	8.1%	21.9%	80.5%	71.3%	12.9%
Norfolk - VA Beach	0.2%	0.8%	\$ 84.75	\$ 83.57	1.4%	1.7%	63.6%	63.9%	-0.5%
Chesapeake / Portsmouth	3.8%	5.0%	\$ 71.30	\$ 66.61	7.0%	11.1%	75.4%	76.2%	-1.0%
Newport News / Hampton	4.3%	4.1%	\$ 65.80	\$ 65.13	1.0%	5.4%	67.7%	67.6%	0.1%
Norfolk City	1.5%	2.4%	\$ 76.39	\$ 74.19	3.0%	4.5%	69.2%	69.9%	-1.0%
Virginia Beach City	1.4%	2.1%	\$102.40	\$100.49	1.9%	3.3%	64.4%	64.8%	-0.6%
Williamsburg	-7.2%	-4.9%	\$ 88.58	\$ 89.74	-1.3%	-8.4%	51.7%	53.0%	-2.5%
Virginia Area	0.0%	0.9%	\$ 63.86	\$ 62.22	2.6%	2.6%	56.0%	56.5%	-0.9%
Virginia Area (smaller defined area)	-0.9%	1.5%	\$ 62.55	\$ 60.39	3.6%	2.6%	55.1%	56.4%	-2.3%
Lynchburg MSA	1.0%	3.7%	\$ 60.89	\$ 59.15	2.9%	4.0%	51.9%	53.3%	-2.6%
Blacksburg/Wytheville	-3.1%	0.7%	\$ 60.31	\$ 58.74	2.7%	-0.5%	51.3%	53.3%	-3.8%
Staunton/Harrisonburg	2.2%	0.6%	\$ 59.90	\$ 59.12	1.3%	3.5%	58.0%	57.1%	1.6%
Roanoke MSA	2.2%	-0.5%	\$ 61.75	\$ 60.98	1.3%	3.5%	54.3%	52.9%	2.6%
Charlottesville MSA	0.9%	-1.5%	\$ 81.41	\$ 80.03	1.7%	2.7%	71.0%	69.3%	2.5%
Richmond - Petersburg	4.3%	1.7%	\$ 68.38	\$ 66.09	3.5%	8.0%	60.0%	58.5%	2.6%
Petersburg/Chester	3.6%	3.0%	\$ 59.83	\$ 59.06	1.3%	4.9%	52.1%	51.8%	0.6%
Richmond Downtown/Airport	4.1%	0.0%	\$ 82.79	\$ 80.33	3.1%	7.3%	63.4%	60.9%	4.1%
Richmond North/Glen Allen	2.6%	1.3%	\$ 67.73	\$ 64.38	5.2%	7.9%	61.0%	60.2%	1.3%
Richmond West/Midlothian	11.4%	3.4%	\$ 59.69	\$ 58.18	2.6%	14.3%	65.4%	60.7%	7.7%
Johnson City - Bristol, TN-VA	1.5%	2.9%	\$ 64.84	\$ 61.79	4.9%	6.5%	49.4%	50.1%	-1.4%
Source: Smith - Travel Research									

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