

2005 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 first quarter of 2005. [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 2.3% YTD through Q2 2005, compared to the same 6-month period of 2004. The number of rooms available (room supply) grew by 2.1% through Q2 2005, 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 from \$82.77 to \$88.21 per room, up 6.6% from Q2 2004. Room revenues, which are tied to room demand and room rates, have increased by 9.0% in 2005. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 62.0%, up 0.2% from the YTD Q2 2004 occupancy rate of 61.9%. This compares to the US average occupancy rate of 62.2% (+2.8% 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 % Change	Room Supply % Change	Average Room Rates (1/01-6/30)			Room Revenue % Change	Occupancy Percent %		
			2005	2004	% Change		2005	2004	% Change
US	3.3%	0.5%	\$ 90.45	\$ 86.32	4.8%	8.3%	62.2%	60.5%	2.8%
Virginia	2.3%	2.1%	\$ 88.21	\$ 82.77	6.6%	9.0%	62.0%	61.9%	0.2%
Washington DC-MD-VA	3.0%	1.8%	\$132.80	\$119.42	11.2%	14.5%	73.1%	72.3%	1.1%
Arlington	0.9%	-0.7%	\$141.85	\$128.30	10.6%	11.5%	76.4%	75.2%	1.6%
Alexandria	4.2%	-1.1%	\$111.58	\$105.82	5.4%	9.8%	75.1%	71.4%	5.2%
Fairfax/Tysons Corner	-1.6%	-4.1%	\$126.71	\$111.60	13.5%	11.7%	77.9%	75.9%	2.6%
Suburban VA Area	1.6%	1.1%	\$ 86.44	\$ 80.80	7.0%	8.7%	60.7%	60.4%	0.5%
I-95 Fredericksburg	7.0%	8.3%	\$ 65.93	\$ 62.49	5.5%	13.0%	68.7%	69.5%	-1.2%
Dulles Airport Area	5.7%	10.2%	\$125.60	\$107.31	17.0%	23.7%	76.5%	79.8%	-4.1%
Norfolk - VA Beach	0.4%	4.2%	\$ 76.77	\$ 74.62	2.9%	3.3%	57.3%	59.5%	-3.7%
Chesapeake / Portsmouth	1.5%	10.2%	\$ 67.23	\$ 65.75	2.3%	3.8%	69.7%	75.7%	-7.9%
Newport News / Hampton	-0.1%	3.5%	\$ 64.52	\$ 61.60	4.7%	4.7%	64.8%	67.1%	-3.4%
Norfolk City	1.1%	4.4%	\$ 74.36	\$ 71.64	3.8%	4.9%	64.2%	66.4%	-3.3%
Virginia Beach City	0.6%	1.2%	\$ 85.29	\$ 83.49	2.2%	2.8%	57.7%	58.0%	-0.5%
Williamsburg	-0.8%	5.8%	\$ 84.03	\$ 81.96	2.5%	1.7%	43.1%	46.0%	-6.3%
Virginia Area	3.3%	0.7%	\$ 64.64	\$ 63.31	2.1%	5.4%	53.7%	52.3%	2.7%
Virginia Area (smaller defined area)	3.7%	1.7%	\$ 63.08	\$ 62.22	1.4%	5.2%	51.9%	50.9%	2.0%
Lynchburg MSA	1.3%	0.0%	\$ 62.02	\$ 60.56	2.4%	3.7%	49.5%	48.9%	1.2%
Blacksburg/Wytheville	1.2%	-1.6%	\$ 59.80	\$ 58.31	2.6%	3.8%	48.5%	47.1%	3.0%
Staunton/Harrisonburg	4.6%	-0.3%	\$ 60.49	\$ 59.56	1.6%	6.2%	57.4%	54.7%	4.9%
Roanoke MSA	2.8%	1.2%	\$ 64.31	\$ 61.51	4.6%	7.5%	52.6%	51.7%	1.7%
Charlottesville MSA	3.7%	0.0%	\$ 81.50	\$ 80.24	1.6%	5.3%	69.9%	67.4%	3.7%
Richmond - Petersburg	2.7%	1.1%	\$ 70.21	\$ 67.63	3.8%	6.6%	60.3%	59.3%	1.7%
Petersburg/Chester	8.4%	3.4%	\$ 59.02	\$ 58.59	0.7%	9.2%	55.8%	53.3%	4.7%
Richmond Downtown/Airport	5.3%	-0.7%	\$ 84.35	\$ 83.36	1.2%	6.5%	66.4%	62.6%	6.1%
Richmond North/Glen Allen	0.4%	1.6%	\$ 71.69	\$ 66.77	7.4%	7.7%	58.1%	58.8%	-1.2%
Richmond West/Midlothian	-2.3%	-1.3%	\$ 59.37	\$ 57.96	2.4%	0.0%	64.8%	65.5%	-1.1%
Johnson City - Bristol, TN-VA	1.0%	1.7%	\$ 65.25	\$ 62.83	3.9%	4.9%	45.9%	46.2%	-0.6%

Source: Smith Travel Research - 2005

For more information please contact Will Simmons, VTC Research Director at: wsimmons@virginia.org or (804)371-8218