

## 2005 Q3 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 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 2.9% YTD through Q3 2005, compared to the same 9-month period of 2004. The number of rooms available (room supply) grew by 2.0% through Q3 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 \$85.17 to \$90.30 per room, up 6.0% from Q3 2004. Room revenues, which are tied to room demand and room rates, have increased by 9.1% in 2005. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 64.9%, up 0.9% from the YTD Q3 2004 occupancy rate of 64.3%. This compares to the US average occupancy rate of 64.5% (+2.7% 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 % Change	Room Supply % Change	Average Room Rates (1/01-9/30)			Room Revenue % Change	Occupancy Percent		
			2005	2004	% Change		2005	2004	% Change
US	3.1%	4.0%	\$ 90.65	\$ 86.26	5.1%	8.4%	64.5%	62.8%	2.7%
Virginia	2.9%	2.0%	\$ 90.30	\$ 85.17	6.0%	9.1%	64.9%	64.3%	0.9%
Washington DC-MD-VA	2.8%	1.8%	\$ 130.27	\$ 117.50	10.9%	14.0%	73.4%	72.7%	1.0%
Arlington	0.7%	-0.7%	\$ 138.73	\$ 126.39	9.8%	10.6%	76.6%	75.5%	1.5%
Alexandria	2.8%	-1.1%	\$ 111.17	\$ 105.30	5.6%	8.5%	74.7%	71.9%	3.9%
Fairfax/Tysons Corner	-2.0%	-3.5%	\$ 126.42	\$ 111.30	13.6%	11.3%	77.6%	76.5%	1.4%
Suburban VA Area	2.4%	0.8%	\$ 88.46	\$ 81.94	8.0%	10.6%	63.4%	62.4%	1.6%
I-95 Fredericksburg	6.1%	7.0%	\$ 67.40	\$ 63.89	5.5%	12.0%	70.2%	70.8%	-0.8%
Dulles Airport Area	5.0%	10.9%	\$ 125.58	\$ 107.98	16.3%	22.2%	76.2%	80.4%	-5.2%
Norfolk - VA Beach	2.1%	4.4%	\$ 85.51	\$ 83.12	2.9%	5.0%	62.3%	63.7%	-2.2%
Chesapeake / Portsmouth	1.7%	10.5%	\$ 71.45	\$ 69.88	2.2%	4.0%	70.8%	76.9%	-7.9%
Newport News / Hampton	1.3%	3.1%	\$ 66.33	\$ 63.93	3.8%	5.1%	67.0%	68.2%	-1.8%
Norfolk City	1.3%	4.3%	\$ 78.26	\$ 76.06	2.9%	4.2%	67.2%	69.2%	-2.9%
Virginia Beach City	2.0%	1.6%	\$ 103.28	\$ 100.29	3.0%	5.0%	64.5%	64.3%	0.3%
Williamsburg	3.8%	5.9%	\$ 90.09	\$ 88.18	2.2%	6.0%	50.5%	51.5%	-1.9%
Virginia Area	4.2%	0.6%	\$ 67.69	\$ 66.35	2.0%	6.3%	57.7%	55.7%	3.6%
Virginia Area (smaller defined area)	4.5%	1.5%	\$ 68.90	\$ 68.10	1.2%	5.8%	55.9%	54.3%	2.9%
Lynchburg MSA	0.4%	0.0%	\$ 61.88	\$ 60.90	1.6%	2.0%	52.1%	51.9%	0.4%
Blacksburg/Wytheville	3.7%	-1.3%	\$ 62.02	\$ 60.46	2.6%	6.4%	53.7%	51.1%	5.1%
Staunton/Harrisonburg	6.9%	-0.4%	\$ 61.42	\$ 59.80	2.7%	9.8%	62.2%	57.9%	7.4%
Roanoke MSA	4.0%	0.8%	\$ 64.65	\$ 61.75	4.7%	8.9%	56.2%	54.5%	3.1%
Charlottesville MSA	2.9%	0.0%	\$ 82.80	\$ 81.47	1.6%	4.6%	73.1%	71.0%	3.0%
Richmond - Petersburg	3.5%	0.6%	\$ 70.66	\$ 68.06	3.8%	7.5%	62.6%	60.9%	2.8%
Petersburg/Chester	10.3%	2.9%	\$ 60.35	\$ 59.80	0.9%	11.3%	58.2%	54.3%	7.2%
Richmond Downtown/Airport	5.8%	-0.5%	\$ 84.16	\$ 82.81	1.6%	7.5%	67.4%	63.4%	6.3%
Richmond North/Glen Allen	0.9%	0.4%	\$ 72.00	\$ 67.58	6.5%	7.5%	61.5%	61.1%	0.7%
Richmond West/Midlothian	-1.8%	-0.8%	\$ 60.23	\$ 58.00	3.8%	2.0%	66.2%	66.8%	-0.9%
Johnson City - Bristol, TN-VA	3.0%	1.6%	\$ 67.53	\$ 64.82	4.2%	7.3%	50.0%	49.3%	1.4%

Source: Smith Travel Research - 2005

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