

# 2005 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 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 2.8% YTD for 2005 compared to 2004. The number of rooms available (room supply) grew by 2.0% through Q4 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 \$84.46 to \$89.79 per room, up 6.3% from Q4 2005. Room revenues, which are tied to room demand and room rates, have increased by 9.3% in 2005. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 62.7%, up 0.8% from the YTD Q4 2005 occupancy rate of 62.2%. This compares to the US average occupancy rate of 63.1% (+2.9% 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 (1/01-12/31)			Room Revenue % Change	Occupancy Percent % Change		
			2005	2004	% Change		2005	2004	% Change
US	3.3%	0.4%	\$ 90.84	\$ 86.24	5.3%	8.8%	63.1%	61.3%	2.9%
Virginia	2.8%	2.0%	\$ 89.79	\$ 84.46	6.3%	9.3%	62.7%	62.2%	0.8%
Washington DC-MD-VA	2.9%	1.8%	\$131.36	\$118.51	10.8%	14.0%	71.4%	70.6%	1.1%
Arlington	1.2%	-0.6%	\$140.17	\$127.05	10.3%	11.7%	74.5%	73.1%	1.9%
Alexandria	2.9%	-0.9%	\$111.40	\$105.36	5.7%	8.8%	72.7%	70.0%	3.9%
Fairfax/Tysons Corner	-2.4%	-2.6%	\$126.89	\$111.60	13.7%	11.0%	75.6%	75.4%	0.3%
Suburban VA Area	2.1%	0.9%	\$ 88.56	\$ 82.29	7.6%	9.9%	61.2%	60.5%	1.2%
I-95 Fredericksburg	5.4%	5.9%	\$ 67.21	\$ 63.50	5.8%	11.6%	67.1%	67.4%	-0.4%
Dulles Airport Area	5.1%	10.2%	\$126.18	\$109.10	15.7%	21.5%	74.3%	78.0%	-4.7%
Norfolk - VA Beach	2.5%	4.6%	\$ 81.91	\$ 79.79	2.7%	5.2%	59.1%	60.3%	-2.0%
Chesapeake / Portsmouth	2.5%	10.5%	\$ 69.13	\$ 67.97	1.7%	4.2%	68.7%	74.0%	-7.2%
Newport News / Hampton	2.3%	4.5%	\$ 64.95	\$ 62.90	3.3%	5.7%	64.0%	65.3%	-2.0%
Norfolk City	1.6%	3.9%	\$ 76.02	\$ 74.18	2.5%	4.2%	64.9%	66.3%	-2.1%
Virginia Beach City	2.8%	1.8%	\$ 96.11	\$ 93.52	2.8%	5.7%	60.2%	59.6%	1.0%
Williamsburg	2.6%	5.8%	\$ 89.26	\$ 87.06	2.5%	5.2%	47.0%	48.5%	-3.1%
Virginia Area	4.0%	0.6%	\$ 68.42	\$ 66.64	2.7%	6.7%	56.5%	54.7%	3.3%
Virginia Area (smaller defined area)	4.2%	1.5%	\$ 69.57	\$ 68.22	2.0%	6.2%	54.5%	53.1%	2.6%
Lynchburg MSA	1.5%	0.0%	\$ 62.15	\$ 60.89	2.1%	3.7%	51.6%	50.8%	1.6%
Blacksburg/Wytheville	3.9%	-1.1%	\$ 62.61	\$ 60.96	2.7%	6.7%	52.9%	50.3%	5.2%
Staunton/Harrisonburg	5.2%	-0.5%	\$ 62.31	\$ 60.23	3.5%	8.8%	60.7%	57.4%	5.7%
Roanoke MSA	5.0%	0.6%	\$ 65.40	\$ 62.44	4.7%	10.0%	56.1%	53.8%	4.3%
Charlottesville MSA	2.0%	0.0%	\$ 84.18	\$ 81.91	2.8%	4.9%	71.2%	69.7%	2.2%
Richmond - Petersburg	2.8%	0.5%	\$ 70.50	\$ 67.53	4.4%	7.3%	60.5%	59.1%	2.4%
Petersburg/Chester	11.6%	2.1%	\$ 60.15	\$ 59.23	1.6%	13.3%	56.6%	51.8%	9.3%
Richmond Downtown/Airport	3.0%	-0.3%	\$ 84.86	\$ 82.24	3.2%	6.2%	65.4%	63.3%	3.3%
Richmond North/Glen Allen	-0.1%	0.4%	\$ 71.39	\$ 66.95	6.6%	6.6%	58.7%	58.9%	-0.3%
Richmond West/Midlothian	-1.4%	-0.6%	\$ 60.24	\$ 57.27	5.2%	3.7%	64.8%	65.3%	-0.8%
Johnson City - Bristol, TN-VA	3.2%	1.5%	\$ 66.18	\$ 63.42	4.4%	7.7%	48.8%	48.0%	1.7%

Source: Smith Travel Research - 2005

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