

2006 Q1 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 2006. [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 Q1 2006, compared to the same 3-month period of 2005. The number of rooms available (room supply) grew by 2.0% through Q1 2006, 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 \$83.44 to \$88.87 per room, up 6.5% from Q1 2005. Room revenues, which are tied to room demand and room rates, have increased by 9.6% in 2006. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 54.7%, up 0.7% from the YTD Q1 2005 occupancy rate of 54.3%. This compares to the US average occupancy rate of 60.1% (+3.1% 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 (1/01-3/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2006	2005	% Change	% Change	2006	2005	% Change
US	3.5	0.4	\$ 96.09	\$ 90.23	6.5	10.2	60.1	58.3	3.1
Virginia	2.9	2.0	\$ 88.87	\$ 83.44	6.5	9.6	54.7	54.3	0.7
Washington DC-MD-VA	-2.5	1.6	\$ 139.83	\$ 130.52	7.1	4.4	62.8	65.5	-4.1
Arlington	-1.6	-2.8	\$ 156.15	\$ 140.36	11.2	9.5	68.1	67.3	1.2
Alexandria	-5.8	0.0	\$ 122.24	\$ 109.98	11.1	4.7	62.6	66.4	-5.7
Fairfax/Tysons Corner	-7.3	7.0	\$ 140.89	\$ 123.10	14.5	6.1	63.4	73.1	-13.3
Suburban VA Area	1.1	1.0	\$ 89.17	\$ 81.43	9.5	10.8	51.5	51.4	0.2
I-95 Fredericksburg	-1.4	2.8	\$ 65.81	\$ 62.14	5.9	4.4	58.5	61.0	-4.1
Dulles Airport Area	0.3	5.4	\$ 134.30	\$ 123.66	8.6	9.0	67.9	71.3	-4.8
Norfolk - VA Beach	6.8	3.7	\$ 63.93	\$ 62.38	2.5	9.4	49.6	48.2	2.9
Chesapeake / Portsmouth	13.5	8.2	\$ 61.41	\$ 59.16	3.8	17.9	69.2	66.0	4.8
Newport News / Hampton	7.6	7.5	\$ 58.96	\$ 57.88	1.9	9.6	57.4	57.3	0.2
Norfolk City	7.0	-0.6	\$ 66.83	\$ 65.32	2.3	9.5	62.6	58.2	7.6
Virginia Beach City	9.8	2.7	\$ 64.26	\$ 60.72	5.8	16.2	50.6	47.4	6.8
Williamsburg	-6.9	2.7	\$ 70.13	\$ 71.36	-1.7	-8.5	26.7	29.4	-9.2
Virginia Area	9.0	1.0	\$ 65.16	\$ 61.81	5.4	14.9	48.6	45.0	8.0
Virginia Area (smaller defined area)	7.8	1.6	\$ 64.30	\$ 62.23	3.3	11.4	45.3	42.6	6.3
Lynchburg MSA	17.1	0.0	\$ 62.49	\$ 59.62	4.8	22.7	49.6	42.3	17.3
Blacksburg/Wytheville	13.2	0.4	\$ 59.59	\$ 56.43	5.6	19.6	45.6	40.4	12.9
Staunton/Harrisonburg	6.6	1.3	\$ 59.97	\$ 56.26	6.6	13.6	50.6	48.1	5.2
Roanoke MSA	9.4	0.5	\$ 67.24	\$ 61.22	9.8	20.1	49.2	45.3	8.6
Charlottesville MSA	6.6	0.0	\$ 77.76	\$ 72.79	6.8	13.9	64.7	60.7	6.6
Richmond - Petersburg	3.5	1.0	\$ 72.49	\$ 67.70	7.1	10.8	57.2	55.8	2.5
Petersburg/Chester	12.7	-0.2	\$ 61.75	\$ 56.81	8.7	22.4	55.9	49.5	12.9
Richmond Downtown/Airport	-4.3	-0.1	\$ 91.00	\$ 81.16	12.1	7.4	61.0	63.6	-4.1
Richmond North/Glen Allen	2.5	2.5	\$ 72.12	\$ 68.93	4.6	7.3	54.2	54.2	0.0
Richmond West/Midlothian	6.5	0.0	\$ 61.18	\$ 56.76	7.8	14.8	62.8	59.0	6.4
Johnson City - Bristol, TN-VA	7.3	1.5	\$ 72.83	\$ 60.72	19.9	28.7	41.5	39.2	5.9

Source: Smith Travel Research - 2006

For more information please contact Will Simmons, VTC Research Director at: wsimmons@virginia.org or (804) 545-5548