

## 2006 Q4 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 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 0.8% YTD through 2006, compared to the same 12-month period of 2005. The number of rooms available (room supply) grew by 1.7% through Q4 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 \$90.00 to \$95.31 per room, up 5.9% from 2005. Room revenues, which are tied to room demand and room rates, have increased by 6.7% in 2006. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 62.1%, down 1.0% from the YTD 2005 occupancy rate of 62.7%. This compares to the US average occupancy rate of 63.4% (+0.5% 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 (1/01-12/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2006	2005	% Change	% Change	2006	2005	% Change
US	1.1%	0.6%	\$ 97.31	\$ 90.95	7.0%	8.1%	63.4%	63.1%	0.5%
Virginia	0.8%	1.7%	\$ 95.31	\$ 90.00	5.9%	6.7%	62.1%	62.7%	-1.0%
Washington DC-MD-VA	-2.3%	1.9%	\$ 141.01	\$ 131.51	7.2%	4.7%	68.4%	71.3%	-4.1%
Arlington	-3.3%	-1.4%	\$155.18	\$140.26	10.6%	6.9%	73.1%	74.5%	-1.9%
Alexandria	-7.1%	0.1%	\$124.73	\$113.97	9.4%	1.6%	67.7%	72.9%	-7.1%
Fairfax/Tysons Corner	-2.8%	7.1%	\$139.05	\$127.05	9.4%	6.4%	68.6%	75.6%	-9.3%
Suburban VA Area	0.0%	1.8%	\$94.92	\$89.31	6.3%	6.3%	60.1%	61.2%	-1.8%
I-95 Fredericksburg	-1.4%	1.4%	\$70.80	\$67.19	5.4%	3.9%	65.3%	67.1%	-2.7%
Dulles Airport Area	2.5%	4.4%	\$134.29	\$126.23	6.4%	9.1%	73.0%	74.3%	-1.7%
Norfolk - VA Beach	2.7%	2.5%	\$84.17	\$81.84	2.8%	5.6%	59.3%	59.2%	0.2%
Chesapeake / Portsmouth	7.9%	6.6%	\$74.71	\$69.13	8.1%	16.6%	69.4%	68.6%	1.2%
Newport News / Hampton	3.3%	9.7%	\$66.91	\$64.70	3.4%	6.8%	60.1%	63.8%	-5.8%
Norfolk City	-1.2%	-3.4%	\$78.97	\$76.11	3.8%	2.5%	66.3%	64.8%	2.3%
Virginia Beach City	2.9%	1.5%	\$99.23	\$95.96	3.4%	6.4%	61.3%	60.4%	1.5%
Williamsburg	1.2%	0.3%	\$88.20	\$89.39	-1.3%	-0.1%	47.7%	47.3%	0.8%
Virginia Area	3.3%	0.9%	\$72.31	\$68.63	5.4%	8.8%	57.9%	56.6%	2.3%
Virginia Area (smaller defined area)	1.9%	0.5%	\$73.02	\$69.93	4.4%	6.4%	55.4%	54.7%	1.3%
Lynchburg MSA	11.7%	0.0%	\$64.54	\$61.71	4.6%	16.8%	57.2%	51.2%	11.7%
Blacksburg/Wytheville	7.4%	-0.3%	\$65.54	\$62.57	4.7%	12.5%	56.9%	52.8%	7.8%
Staunton/Harrisonburg	4.2%	3.0%	\$66.11	\$62.30	6.1%	10.5%	61.3%	60.6%	1.2%
Roanoke MSA	0.8%	1.4%	\$70.56	\$65.32	8.0%	8.9%	56.0%	56.3%	-0.5%
Charlottesville MSA	2.8%	2.0%	\$90.32	\$84.61	6.7%	9.7%	71.6%	71.1%	0.7%
Richmond - Petersburg	1.1%	0.9%	\$75.55	\$70.44	7.3%	8.5%	60.5%	60.4%	0.2%
Petersburg/Chester	3.8%	0.9%	\$64.12	\$59.99	6.9%	10.9%	58.1%	56.4%	3.0%
Richmond Downtown/Airport	-4.0%	-1.3%	\$94.67	\$84.91	11.5%	7.0%	63.5%	65.3%	-2.8%
Richmond North/Glen Allen	4.2%	2.3%	\$75.33	\$71.34	5.6%	10.0%	59.7%	58.7%	1.7%
Richmond West/Midlothian	-3.1%	0.0%	\$63.94	\$60.19	6.2%	3.0%	62.8%	64.8%	-3.1%
Johnson City - Bristol, TN-VA	6.0%	2.3%	\$69.66	\$66.28	5.1%	11.4%	50.5%	48.7%	3.7%

Source: Smith Travel Research - 2006

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