

2007 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 2007. [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
- 5) Occupancy Percent – Reflects the percentage of rooms occupied

Statewide Analysis

Lodging room demand was up 1.2% YTD through Q1 2007, compared to the same 3-month period of 2006. The number of rooms available (room supply) grew by 1.8% through Q1 2007, 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 \$89.46 to \$93.84 per room, up 4.9% from Q1 2006. Room revenues, which are tied to room demand and room rates, have increased by 6.2% in 2007. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 54.4%, down 0.5% from the YTD Q1 2006 occupancy rate of 54.7%. This compares to the US average occupancy rate of 59.5% (-0.9% 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	Room Supply	Average Room Rates (1/01-3/31)			Room Revenue	Occupancy Percent		
	% Change	% Change	2007	2006	% Change	% Change	2007	2006	% Change
US	0.3	1.2	\$ 102.71	\$ 96.78	6.1	6.4	59.5	60.1	-0.9
Virginia	1.2	1.8	\$ 93.84	\$ 89.46	4.9	6.2	54.4	54.7	-0.5
Washington DC-MD-VA	2.1	1.5	\$ 148.10	\$ 140.52	5.4	7.6	63.0	62.6	0.6
Arlington	2.5	2.4	\$ 161.10	\$ 155.56	3.6	6.2	68.6	68.5	0.1
Alexandria	-4.8	0.4	\$ 129.22	\$ 125.18	3.2	-1.7	59.7	62.9	-5.1
Fairfax/Tysons Corner	1.1	2.0	\$ 146.25	\$ 140.74	3.9	5.0	62.1	62.7	-1.0
Suburban VA Area	1.5	3.2	\$ 100.07	\$ 89.45	11.9	13.6	50.5	51.4	-1.8
I-95 Fredericksburg	1.9	-0.1	\$ 69.80	\$ 66.59	4.8	6.8	59.5	58.3	2.1
Dulles Airport Area	2.6	3.8	\$ 137.47	\$ 134.33	2.3	5.0	67.0	67.9	-1.3
Norfolk - VA Beach	0.3	2.3	\$ 68.92	\$ 64.61	6.7	7.0	48.5	49.5	-2.0
Chesapeake / Portsmouth	5.3	5.7	\$ 66.26	\$ 61.17	8.3	14.0	69.1	69.4	-0.4
Newport News / Hampton	1.3	10.4	\$ 62.77	\$ 59.57	5.4	6.7	52.7	57.5	-8.3
Norfolk City	-8.8	-3.3	\$ 77.01	\$ 68.77	12.0	2.2	58.4	61.9	-5.7
Virginia Beach City	1.9	0.8	\$ 70.08	\$ 64.10	9.3	11.4	50.6	50.0	1.2
Williamsburg	0.1	-0.5	\$ 70.52	\$ 72.60	-2.9	-2.8	27.3	27.1	0.7
Virginia Area	-0.2	1.9	\$ 69.23	\$ 65.66	5.4	5.2	47.5	48.5	-2.1
Virginia Area (smaller defined area)	-2.1	0.7	\$ 67.89	\$ 65.30	4.0	1.8	43.8	45.0	-2.7
Lynchburg MSA	1.2	0.0	\$ 65.94	\$ 62.34	5.8	7.0	49.6	49.0	1.2
Blacksburg/Wytheville	0.5	0.5	\$ 64.00	\$ 60.32	6.1	6.6	46.1	46.1	0.0
Staunton/Harrisonburg	1.6	3.5	\$ 62.84	\$ 59.95	4.8	6.5	49.6	50.5	-1.8
Roanoke MSA	-0.6	2.4	\$ 70.95	\$ 67.67	4.8	4.3	47.8	49.2	-2.8
Charlottesville MSA	3.1	8.1	\$ 84.55	\$ 77.08	9.7	13.1	61.8	64.8	-4.6
Richmond - Petersburg	4.9	0.7	\$ 76.51	\$ 72.57	5.4	10.6	59.5	57.1	4.2
Petersburg/Chester	7.6	2.4	\$ 63.69	\$ 61.87	2.9	10.7	58.6	55.8	5.0
Richmond Downtown/Airport	3.0	-0.4	\$ 96.89	\$ 90.86	6.6	9.8	63.1	61.1	3.3
Richmond North/Glen Allen	7.4	0.7	\$ 76.23	\$ 72.22	5.6	13.4	57.7	54.1	6.7
Richmond West/Midlothian	-3.3	0.0	\$ 65.20	\$ 61.25	6.4	2.9	60.8	62.9	-3.3
Johnson City - Bristol, TN-VA	5.5	-0.2	\$ 77.35	\$ 73.66	5.0	10.8	43.9	41.5	5.8

Source: Smith Travel Research - 2007

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