

2007 Q2 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 second 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 2.0% YTD through Q2 2007, compared to the same 6-month period of 2006. The number of rooms available (room supply) grew by 1.3% through Q2 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 \$94.89 to \$98.90 per room, up 4.2% from Q2 2006. Room revenues, which are tied to room demand and room rates, have increased by 6.3% in 2007. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 62.7%, up 0.7% from the YTD Q2 2006 occupancy rate of 62.3%. This compares to the US average occupancy rate of 63.2% (-0.2% 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 (1/01-6/30)			Room Revenue	Occupancy Percent		
	% Change	% Change	2007	2006	% Change	% Change	2007	2006	% Change
US	0.9	1.1	\$ 102.95	\$ 97.50	5.7	6.7	63.2	63.4	-0.2
Virginia	2.0	1.3	\$ 98.90	\$ 94.89	4.2	6.3	62.7	62.3	0.7
Washington DC-MD-VA	1.1	1.1	\$ 151.59	\$ 145.06	4.5	5.7	71.0	70.9	0.0
Arlington	0.9	1.2	\$ 164.12	\$ 158.87	3.3	4.2	77.4	77.7	-0.4
Alexandria	-2.3	0.4	\$ 131.45	\$ 128.01	2.7	0.3	70.1	72.1	-2.8
Fairfax/Tysons Corner	1.9	1.1	\$ 144.51	\$ 141.00	2.5	4.4	71.0	70.5	0.7
Suburban VA Area	1.4	2.4	\$ 100.87	\$ 91.89	9.8	11.4	58.2	58.7	-0.9
I-95 Fredericksburg	-0.1	0.3	\$ 74.74	\$ 70.32	6.3	6.2	66.5	66.8	-0.4
Dulles Airport Area	1.8	2.9	\$ 136.85	\$ 135.53	1.0	2.8	73.6	74.4	-1.1
Norfolk - VA Beach	4.2	1.7	\$ 83.79	\$ 79.25	5.7	10.2	60.0	58.6	2.4
Chesapeake / Portsmouth	6.9	3.8	\$ 74.19	\$ 70.06	5.9	13.2	74.9	72.8	2.9
Newport News / Hampton	4.8	9.1	\$ 68.71	\$ 66.55	3.2	8.2	60.3	62.8	-4.0
Norfolk City	-3.6	-2.3	\$ 84.95	\$ 77.24	10.0	6.0	65.0	65.9	-1.4
Virginia Beach City	4.8	0.0	\$ 92.39	\$ 86.41	6.9	12.1	62.2	59.3	4.9
Williamsburg	6.6	-0.4	\$ 92.47	\$ 89.83	2.9	9.7	47.1	44.0	7.0
Virginia Area	0.1	2.0	\$ 73.75	\$ 69.72	5.8	5.9	55.1	56.1	-1.8
Virginia Area (smaller defined area)	-0.9	1.1	\$ 72.46	\$ 69.33	4.5	3.6	52.0	53.1	-2.1
Lynchburg MSA	-3.3	0.0	\$ 68.63	\$ 63.88	7.4	3.9	54.1	55.9	-3.2
Blacksburg/Wytheville	0.5	0.3	\$ 67.63	\$ 62.93	7.5	8.0	53.3	53.1	0.4
Staunton/Harrisonburg	1.8	4.5	\$ 67.87	\$ 64.58	5.1	6.9	57.8	59.4	-2.7
Roanoke MSA	1.6	1.5	\$ 72.90	\$ 69.29	5.2	6.9	54.7	54.6	0.2
Charlottesville MSA	2.1	8.1	\$ 93.97	\$ 86.89	8.1	10.4	69.6	73.6	-5.4
Richmond - Petersburg	4.6	-0.1	\$ 79.14	\$ 75.16	5.3	10.1	64.1	61.3	4.6
Petersburg/Chester	9.6	2.4	\$ 66.09	\$ 63.44	4.2	14.2	64.1	59.8	7.2
Richmond Downtown/Airport	2.8	-0.4	\$ 100.63	\$ 94.06	7.0	10.0	66.3	64.2	3.3
Richmond North/Glen Allen	5.2	-0.9	\$ 78.94	\$ 75.35	4.8	10.2	63.0	59.3	6.2
Richmond West/Midlothian	-2.7	-1.2	\$ 66.79	\$ 63.02	6.0	3.1	64.2	65.2	-1.5
Johnson City - Bristol, TN-VA	2.7	-1.0	\$ 71.22	\$ 68.68	3.7	6.5	49.0	47.3	3.6

Source: Smith Travel Research - 2007

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