

2009 YTD 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 2009. [Note: STR's pre-defined regions do not correspond to political boundaries in all cases; however, they do provide a level of detail that allows for near complete coverage of the state. You may view a map and explanation of STR's pre-defined regions here: <http://www.vatc.org/research/ExplanationofVirginiaRegions.doc>]

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 down 1.7% YTD through 2009, compared to the same 12-month period of 2008. The number of rooms available (room supply) grew by 4.3% in 2009, 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 decreased from \$102.67 to \$97.09 per room, down 5.4% from the same 12-month period of 2008. Room revenues, which are tied to room demand and room rates, decreased 7.1% in 2009. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 55.0%, down 5.8% from the YTD 2008 occupancy rate of 58.3%. This compares to the US average occupancy rate of 55.1% (-8.7% 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 | 2009 | 2008 | % Change | % Change | 2009 | 2008 | % Change |
| US | -5.8 | 3.2 | \$ 97.51 | \$ 106.96 | -8.8 | -14.1 | 55.1 | 60.3 | -8.7 |
| Virginia | -1.7 | 4.3 | \$ 97.09 | \$ 102.67 | -5.4 | -7.1 | 55.0 | 58.3 | -5.8 |
| Washington, DC-MD-VA | 0.8 | 4.2 | \$ 144.93 | \$ 153.26 | -5.4 | -4.7 | 64.9 | 67.0 | -3.2 |
| Arlington | -1.0 | 1.0 | \$ 163.85 | \$ 168.31 | -2.6 | -3.6 | 71.7 | 73.1 | -1.9 |
| Alexandria | 1.4 | 4.6 | \$ 135.44 | \$ 141.08 | -4.0 | -2.7 | 62.8 | 64.8 | -3.1 |
| Fairfax/Tysons Corner | -4.4 | 0.4 | \$ 127.81 | \$ 140.89 | -9.3 | -13.3 | 64.0 | 67.3 | -4.8 |
| Suburban Virginia Area | -5.0 | 4.0 | \$ 92.50 | \$ 100.95 | -8.4 | -13.0 | 51.3 | 56.2 | -8.7 |
| I-95 Fredericksburg | 1.8 | 4.4 | \$ 78.42 | \$ 79.80 | -1.7 | 0.1 | 58.3 | 59.8 | -2.5 |
| Dulles Airport Area | 2.5 | 7.3 | \$ 112.20 | \$ 131.87 | -14.9 | -12.8 | 66.5 | 69.6 | -4.5 |
| Norfolk-Virginia Beach, VA | 0.4 | 3.8 | \$ 83.60 | \$ 88.32 | -5.3 | -5.0 | 53.2 | 55.0 | -3.3 |
| Chesapeake/ Suffolk | 12.0 | 20.9 | \$ 69.06 | \$ 74.79 | -7.7 | 3.4 | 55.2 | 59.6 | -7.4 |
| Newport News/Hampton | 4.4 | 4.8 | \$ 66.02 | \$ 68.26 | -3.3 | 1.0 | 57.7 | 57.9 | -0.4 |
| Norfolk/ Portsmouth | -6.5 | -0.6 | \$ 84.30 | \$ 86.38 | -2.4 | -8.7 | 55.9 | 59.4 | -5.9 |
| Virginia Beach | -0.3 | 1.1 | \$ 102.89 | \$ 106.76 | -3.6 | -3.9 | 57.9 | 58.7 | -1.4 |
| Williamsburg | -4.9 | 0.8 | \$ 81.86 | \$ 90.27 | -9.3 | -13.8 | 40.8 | 43.3 | -5.7 |
| Virginia Area | -1.9 | 3.2 | \$ 78.97 | \$ 80.47 | -1.9 | -3.8 | 49.7 | 52.3 | -5.0 |
| Virginia Area (smaller defined area) | -1.2 | 3.6 | \$ 75.70 | \$ 78.58 | -3.7 | -4.8 | 47.1 | 49.4 | -4.6 |
| Lynchburg MSA | 6.8 | 5.1 | \$ 74.51 | \$ 74.69 | -0.2 | 6.5 | 52.5 | 51.7 | 1.6 |
| Blacksburg/Wytheville | 0.7 | 2.9 | \$ 74.34 | \$ 74.92 | -0.8 | -0.1 | 47.7 | 48.8 | -2.1 |
| Staunton/Harrisonburg | -5.2 | 4.5 | \$ 73.83 | \$ 73.82 | 0.0 | -5.2 | 50.1 | 55.2 | -9.3 |
| Roanoke MSA | -7.0 | 2.5 | \$ 78.00 | \$ 78.54 | -0.7 | -7.6 | 49.9 | 55.0 | -9.3 |
| Charlottesville MSA, VA | -2.8 | 0.0 | \$ 106.04 | \$ 106.30 | -0.2 | -3.0 | 62.6 | 64.4 | -2.8 |
| Richmond-Petersburg, VA | -7.9 | 8.8 | \$ 77.26 | \$ 82.26 | -6.1 | -13.5 | 48.8 | 57.7 | -15.4 |
| Petersburg/Chester | -3.8 | 5.7 | \$ 68.00 | \$ 72.06 | -5.6 | -9.3 | 50.8 | 55.9 | -9.1 |
| Richmond Downtown/Airport | -5.7 | 18.0 | \$ 94.27 | \$ 102.63 | -8.1 | -13.4 | 48.5 | 60.7 | -20.1 |
| Richmond North/Glen Allen | -10.7 | 8.7 | \$ 77.19 | \$ 81.20 | -4.9 | -15.1 | 45.9 | 55.9 | -17.8 |
| Richmond West/Midlothian | -10.9 | -0.5 | \$ 65.75 | \$ 70.16 | -6.3 | -16.5 | 55.7 | 62.2 | -10.4 |
| Bristol-Kingsport MSA | -1.6 | 2.2 | \$ 75.07 | \$ 75.59 | -0.7 | -2.3 | 45.8 | 47.6 | -3.7 |

Source: Smith Travel Research - 2009

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