

## 2004 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 Q1 2004. [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 Revenues – Reflects the percent change in the amount of revenue collected per available room
- 5) Occupancy Percent – Reflects the percent change in both the supply and demand for rooms

### Statewide Analysis

Lodging room demand was up 9.6% YTD through Q1 2004, compared to the same period of 2003. The number of rooms available (room supply) grew by 0.8% during Q1 2004, reflecting an increase in building or expansion of new rooms around the state. Average room rates (prices per room) for the state as a whole have increased slightly from \$73.84 to \$77.24 per room, an increase of 4.6% from Q1 2003. Room revenues, which are tied to room demand, room supply and room rates, increased by 14.7%. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 53.9%, up 8.7% from the Q1 2003 occupancy rate of 49.6%. This compares to the US average occupancy rate of 56.8% (+4.4% 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	2004	2003	% Change	% Change	2004	2003	% Change
US	5.7%	1.2%	\$ 86.89	\$ 84.29	3.1%	8.9%	56.8%	54.4%	4.4%
<b>Virginia</b>	<b>9.6%</b>	<b>0.8%</b>	<b>\$ 77.24</b>	<b>\$ 73.84</b>	<b>4.6%</b>	<b>14.7%</b>	<b>53.9%</b>	<b>49.6%</b>	<b>8.7%</b>
Washington DC-MD-VA	10.7%	1.2%	\$116.14	\$111.32	4.3%	15.5%	64.5%	59.0%	9.3%
Arlington	9.7%	1.1%	\$126.23	\$122.90	2.7%	12.6%	66.6%	61.4%	8.5%
Alexandria	19.4%	3.5%	\$102.33	\$ 98.03	4.4%	24.6%	60.7%	52.7%	15.2%
Fairfax/Tysons Corner	14.1%	0.0%	\$110.22	\$102.76	7.3%	22.4%	68.1%	59.7%	14.1%
Suburban VA Area	19.9%	2.5%	\$ 77.19	\$ 74.10	4.2%	24.8%	52.5%	44.9%	16.9%
I-95 Fredericksburg	4.0%	1.5%	\$ 58.37	\$ 56.16	3.9%	8.1%	61.8%	60.3%	2.5%
Dulles Airport Area	20.2%	0.0%	\$105.13	\$100.28	4.8%	26.0%	75.6%	62.9%	20.2%
Norfolk - VA Beach	9.1%	-0.3%	\$ 59.58	\$ 58.73	1.4%	10.7%	50.3%	45.9%	9.6%
Chesapeake / Portsmouth	3.5%	0.6%	\$ 56.79	\$ 53.58	6.0%	9.7%	70.2%	68.2%	2.9%
Newport News / Hampton	10.9%	0.7%	\$ 53.88	\$ 55.08	-2.2%	8.5%	62.8%	57.0%	10.2%
Norfolk City	7.5%	0.0%	\$ 62.59	\$ 60.43	3.6%	11.4%	63.3%	58.8%	7.7%
Virginia Beach City	9.7%	2.6%	\$ 59.93	\$ 57.55	4.1%	14.2%	46.8%	43.7%	7.1%
Williamsburg	13.1%	-4.8%	\$ 65.77	\$ 69.24	-5.0%	7.4%	31.0%	26.1%	18.8%
Virginia Area	1.3%	0.8%	\$ 58.45	\$ 56.89	2.7%	4.1%	43.8%	43.6%	0.5%
Virginia Area (smaller defined area)	0.1%	1.6%	\$ 55.79	\$ 53.38	4.5%	4.6%	42.2%	42.8%	-1.4%
Lynchburg MSA	-1.2%	4.3%	\$ 58.70	\$ 58.38	0.5%	-0.6%	40.3%	42.5%	-5.2%
Blacksburg/Wytheville	-0.2%	1.7%	\$ 56.05	\$ 55.09	1.7%	1.5%	39.0%	39.7%	-1.8%
Staunton/Harrisonburg	6.4%	2.1%	\$ 55.77	\$ 54.94	1.5%	8.0%	45.5%	43.7%	4.1%
Roanoke MSA	3.8%	-1.9%	\$ 58.89	\$ 58.07	1.4%	5.2%	44.6%	42.2%	5.7%
Charlottesville MSA	1.0%	-3.3%	\$ 72.52	\$ 71.20	1.9%	2.9%	57.7%	55.2%	4.5%
Richmond - Petersburg	10.9%	0.6%	\$ 65.70	\$ 63.16	4.0%	15.3%	54.4%	49.3%	10.3%
Petersburg/Chester	13.4%	0.0%	\$ 57.73	\$ 55.75	3.6%	17.4%	47.3%	41.7%	13.4%
Richmond Downtown/Airport	9.4%	0.2%	\$ 81.19	\$ 77.81	4.3%	14.2%	59.1%	54.1%	9.2%
Richmond North/Glen Allen	6.8%	0.2%	\$ 63.82	\$ 60.83	4.9%	12.1%	53.6%	50.3%	6.6%
Richmond West/Midlothian	22.1%	3.8%	\$ 57.06	\$ 55.29	3.2%	26.0%	60.9%	51.8%	17.6%
Johnson City - Bristol, TN-VA	0.8%	1.9%	\$ 66.98	\$ 63.20	6.0%	6.8%	40.3%	40.7%	-1.0%
Source: Smith Travel Research - 2004									

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