

# 2004 Midyear 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 Q2 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 7.1% YTD through Q2 2004, compared to the same period of 2003. The number of rooms available (room supply) grew by 1.0% through Q2 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 \$79.06 to \$82.95 per room, an increase of 4.9% from Q2 2003. Room revenues, which are tied to room demand, room supply and room rates, increased by 12.3%. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 61.8%, up 6.0% from the Q2 2003 occupancy rate of 58.3%. This compares to the US average occupancy rate of 60.5% (+4.3% 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 % Change	Room Supply % Change	Average Room Rates (1/01-6/30)			Room Revenue % Change	Occupancy Percent		
			2004	2003	% Change		2004	2003	% Change
US	5.5%	1.2%	\$ 86.48	\$ 83.38	3.7%	8.2%	60.5%	58.0%	4.3%
<b>Virginia</b>	<b>7.1%</b>	<b>1.0%</b>	<b>\$ 82.95</b>	<b>\$ 79.06</b>	<b>4.9%</b>	<b>12.3%</b>	<b>61.8%</b>	<b>58.3%</b>	<b>6.0%</b>
Washington DC-MD-VA	10.6%	1.4%	\$119.61	\$113.41	5.5%	15.1%	72.5%	66.4%	9.2%
Arlington	9.7%	0.5%	\$128.51	\$124.13	3.5%	13.6%	75.0%	68.8%	9.0%
Alexandria	18.2%	3.5%	\$105.90	\$100.90	5.0%	24.1%	71.5%	62.6%	14.2%
Fairfax/Tysons Corner	11.9%	0.0%	\$111.62	\$102.96	8.4%	21.3%	75.9%	67.8%	11.9%
Suburban VA Area	17.0%	2.6%	\$ 81.84	\$ 77.53	5.6%	23.5%	60.8%	53.3%	14.1%
I-95 Fredericksburg	6.7%	2.3%	\$ 62.27	\$ 59.93	3.9%	10.9%	69.4%	66.5%	4.4%
Dulles Airport Area	15.8%	0.0%	\$107.17	\$ 99.87	7.3%	24.2%	79.8%	68.9%	15.8%
Norfolk - VA Beach	2.9%	0.4%	\$ 75.71	\$ 74.20	2.0%	5.0%	59.5%	58.0%	2.6%
Chesapeake / Portsmouth	2.6%	2.8%	\$ 67.00	\$ 61.69	8.6%	11.4%	74.3%	74.4%	-0.1%
Newport News / Hampton	6.1%	3.1%	\$ 63.06	\$ 62.66	0.6%	6.8%	66.9%	65.0%	2.9%
Norfolk City	1.8%	0.9%	\$ 71.81	\$ 69.67	3.1%	5.0%	66.9%	66.3%	0.9%
Virginia Beach City	4.3%	2.5%	\$ 84.32	\$ 81.94	2.9%	7.4%	58.0%	57.0%	1.8%
Williamsburg	-1.0%	-4.9%	\$ 83.39	\$ 84.74	-1.6%	-2.6%	46.1%	44.3%	4.1%
Virginia Area	1.3%	0.8%	\$ 62.68	\$ 61.05	2.7%	4.0%	52.3%	52.1%	0.4%
Virginia Area (smaller defined area)	0.5%	1.4%	\$ 60.75	\$ 58.25	4.3%	4.8%	50.9%	51.4%	-1.0%
Lynchburg MSA	2.4%	4.3%	\$ 60.44	\$ 59.91	0.9%	3.3%	48.8%	42.5%	14.8%
Blacksburg/Wytheville	-0.9%	1.1%	\$ 57.97	\$ 56.32	2.9%	2.1%	47.4%	48.3%	-1.9%
Staunton/Harrisonburg	4.7%	1.1%	\$ 59.70	\$ 58.75	1.6%	6.4%	55.0%	53.1%	3.6%
Roanoke MSA	3.6%	-1.3%	\$ 61.43	\$ 60.68	1.2%	4.9%	51.5%	49.1%	4.9%
Charlottesville MSA	-0.8%	-2.2%	\$ 80.81	\$ 79.82	1.2%	0.4%	67.2%	66.2%	1.5%
Richmond - Petersburg	8.3%	0.8%	\$ 67.79	\$ 65.37	3.7%	12.3%	59.0%	54.9%	7.5%
Petersburg/Chester	6.4%	0.0%	\$ 59.07	\$ 57.95	1.9%	8.5%	51.8%	48.7%	6.4%
Richmond Downtown/Airport	6.9%	0.1%	\$ 83.33	\$ 80.90	3.0%	10.1%	62.5%	58.5%	6.8%
Richmond North/Glen Allen	6.8%	0.8%	\$ 66.63	\$ 63.06	5.7%	12.8%	59.1%	55.8%	5.9%
Richmond West/Midlothian	18.2%	3.8%	\$ 58.88	\$ 57.05	3.2%	22.0%	65.1%	57.2%	13.8%
Johnson City - Bristol, TN-VA	3.0%	2.4%	\$ 63.04	\$ 59.79	5.4%	8.6%	46.1%	45.8%	0.7%

Source: Smith Travel Research - 2004

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