

2005 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 2005. [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 per available room
5. Occupancy Percent – Reflects the percentage of rooms occupied.

Statewide Analysis

Lodging room demand was up 2.5% YTD through Q1 2005, compared to the same period of 2004. The number of rooms available (room supply) grew by 2.2% through Q1 2005, 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 \$77.24 to \$83.08 per room, up 7.6% from Q1 2004. Room revenues, which are tied to room demand and room rates, have increased by 10.3% in 2005. Occupancy rates, which reflect changes in both the supply and demand for rooms, averaged 54.2%, up 0.2% from the YTD Q1 2004 occupancy rate of 54.1%. This compares to the US average occupancy rate of 58.4% (+2.8% 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	2005	2004	% Change	% Change	2005	2004	% Change
US	3.5%	0.6%	\$ 90.25	\$ 86.64	4.2%	7.8%	58.4%	56.8%	2.8%
Virginia	2.5%	2.2%	\$ 83.08	\$ 77.24	7.6%	10.3%	54.2%	54.1%	0.2%
Washington DC-MD-VA	4.0%	1.9%	\$130.37	\$116.02	12.4%	16.9%	65.5%	64.2%	2.0%
Arlington	0.1%	-0.7%	\$140.45	\$125.73	11.7%	11.8%	67.2%	66.6%	0.9%
Alexandria	8.4%	-1.1%	\$108.51	\$102.29	6.1%	15.0%	66.3%	60.5%	9.6%
Fairfax/Tysons Corner	3.1%	-4.1%	\$123.09	\$110.26	11.6%	15.1%	73.1%	68.0%	7.5%
Suburban VA Area	0.0%	1.3%	\$ 80.95	\$ 77.19	4.9%	4.9%	51.4%	52.1%	-1.3%
I-95 Fredericksburg	7.6%	9.2%	\$ 62.20	\$ 58.75	5.9%	14.0%	60.9%	61.8%	-1.5%
Dulles Airport Area	2.5%	8.7%	\$123.59	\$105.29	17.4%	20.3%	71.3%	75.6%	-5.7%
Norfolk - VA Beach	-0.5%	4.6%	\$ 62.81	\$ 58.81	6.8%	6.3%	48.1%	50.5%	-4.8%
Chesapeake / Portsmouth	0.7%	9.3%	\$ 59.20	\$ 56.16	5.4%	6.2%	66.2%	71.8%	-7.8%
Newport News / Hampton	-4.8%	4.7%	\$ 57.92	\$ 52.87	9.6%	4.3%	57.3%	62.9%	-8.9%
Norfolk City	-0.9%	5.4%	\$ 64.74	\$ 62.55	3.5%	2.6%	59.2%	63.0%	-6.0%
Virginia Beach City	1.5%	1.0%	\$ 61.83	\$ 59.17	4.5%	6.0%	47.2%	47.0%	0.4%
Williamsburg	1.1%	6.6%	\$ 72.23	\$ 64.55	11.9%	13.1%	29.5%	31.1%	-5.1%
Virginia Area	3.6%	0.7%	\$ 60.62	\$ 59.66	1.6%	5.2%	45.3%	44.0%	3.0%
Virginia Area (smaller defined area)	3.5%	1.9%	\$ 59.49	\$ 58.64	1.4%	5.0%	43.3%	42.6%	1.6%
Lynchburg MSA	5.1%	0.0%	\$ 59.48	\$ 58.70	1.3%	6.5%	42.8%	40.7%	5.2%
Blacksburg/Wytheville	1.2%	-2.5%	\$ 56.27	\$ 56.48	-0.4%	0.8%	40.5%	39.1%	3.6%
Staunton/Harrisonburg	6.4%	0.0%	\$ 56.22	\$ 55.67	1.0%	7.5%	48.0%	45.1%	6.4%
Roanoke MSA	1.9%	1.2%	\$ 61.70	\$ 59.01	4.6%	6.6%	45.0%	44.6%	0.9%
Charlottesville MSA	4.2%	0.0%	\$ 72.46	\$ 71.74	1.0%	5.3%	60.6%	58.1%	4.3%
Richmond - Petersburg	3.0%	1.3%	\$ 67.85	\$ 65.49	3.6%	6.7%	55.6%	54.6%	1.8%
Petersburg/Chester	4.2%	3.5%	\$ 56.55	\$ 56.95	-0.7%	3.4%	49.2%	48.9%	0.6%
Richmond Downtown/Airport	6.4%	-1.4%	\$ 81.09	\$ 81.26	-0.2%	6.2%	63.8%	59.1%	8.0%
Richmond North/Glen Allen	3.2%	2.3%	\$ 69.42	\$ 63.99	8.5%	12.0%	53.8%	53.3%	0.9%
Richmond West/Midlothian	-4.6%	-1.3%	\$ 56.76	\$ 56.20	1.0%	-3.6%	59.0%	61.1%	-3.4%
Johnson City - Bristol, TN-VA	0.1%	2.1%	\$ 61.12	\$ 66.87	-8.6%	-8.5%	39.5%	40.3%	-2.0%
Source: Smith Travel Research - 2005									

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