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## **ODU's Dragas Center for Economic Analysis and Policy Forecasts Decline in Hotel Revenues in Hampton Roads**

*Latest data show hotel occupancy rates have fallen by more than 56% and revenues are down 70% from the same period in 2019.*

**Norfolk, VA** – April 1, 2020 – Newly released data from STR, a global firm that provides insights into the hospitality industry, shows hotel occupancy rates fell 63% in Virginia for the week of March 22-28 when compared to the same period in 2019. The Average Daily Rate paid for hotel rooms dropped to \$75.19, a 33% decline. Revenue Per Available Room (RevPAR), an industry standard of the health of the lodging sector, fell to \$19.32, a 75.4% decline compared to same week in 2019.

Hotel occupancy is down at least 36% in every major market in the Commonwealth. Compared to the same week in 2019, occupancy fell 72.1% in the Virginia portion of the Washington, D.C., market, 72% in the Charlottesville market and 56.5% in the Norfolk/Virginia Beach market. RevPAR fell by 82% in the Virginia portion of the Washington market, 79.5% in the Charlottesville market and 70.1% in the Norfolk/Virginia Beach market.

Within the Norfolk/Virginia Beach market, occupancy fell 79.1% in Williamsburg, 62.3% in Virginia Beach, 54.8% in Norfolk/Portsmouth, 50.4% in Hampton and 40.7% in Newport News. Chesapeake fared the best with a decline of only 36% from the same week in 2019. RevPAR declined in each submarket as hoteliers lowered rates in an attempt to combat falling demand. RevPAR fell by 88.3% in Williamsburg, followed by Virginia Beach (74.9%) and Norfolk (67.6%). RevPAR declined in all other submarkets by at least 48% from the same week in 2019.

The rapid declines in occupancy and RevPAR are likely to continue in the coming weeks as self-distancing measures take hold across the United States. With the governor's shelter-in-place order announced this week, we project that occupancy rates in the Norfolk/Virginia Beach market will fall from the reported 28.8% in the latest report to below 15% in the coming weeks. If the shelter-in-place order remains in effect until June, we expect a long recovery for the lodging sector in the region.

**About the Dragas Center for Economic Analysis and Policy:**

The Dragas Center for Economic Analysis and Policy in the Strome College of Business at Old Dominion University undertakes a wide range of economic, demographic, transportation and defense-oriented studies. For two decades, the Center and its predecessors have produced the highly regarded State of the Region Report for Hampton Roads and economic forecasts for the region. If you would like more information about this topic, please contact Robert M. McNab or Vinod Agarwal. McNab can be reached at 831-917-2455 or email at [rmcnab@odu.edu](mailto:rmcnab@odu.edu). Agarwal can be reached at 757-287-5619 or email [vagarwal@odu.edu](mailto:vagarwal@odu.edu)

**About Old Dominion University:**

Old Dominion University is Virginia's entrepreneurial-minded doctoral research university with more than 24,000 students, rigorous academics, an energetic residential community and initiatives that contribute \$2.6 billion annually to the Commonwealth's economy.