

FOR IMMEDIATE RELEASE

Contact:

Joe Garvey

Public Affairs Specialist

Old Dominion University

Office: 757-683-6479

jgarvey@odu.edu

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

Hotel occupancy in Virginia is down 64% and revenues are down 77% from the same period in 2019.

Norfolk, VA – April 22, 2020 – Newly released data from STR, a global firm that provides insights into the hospitality industry, shows hotel occupancy rates fell 64% in Virginia for the week of April 12-18 when compared to the same period in 2019. The Average Daily Rate (ADR) paid for hotel rooms dropped 36% to \$71.07. Revenue Per Available Room (RevPAR), an industry standard of the health of the lodging sector, fell to \$17.80, a 77% decline.

Hotel occupancy continues to decline in every major market in Virginia. Compared to the same week in 2019, occupancy fell 73% in the Virginia portion of the Washington, D.C., market, 73% in the Charlottesville market and 59% in the Norfolk/Virginia Beach market. RevPAR fell by 82% in the Virginia portion of the Washington market, 84% in the Charlottesville market and 76% in the Norfolk/Virginia Beach market. Chesapeake/Suffolk and Newport News/Hampton submarkets appear to be faring better than any other submarket in Hampton Roads, as they primarily rely on business travelers. In these two markets RevPAR declined by 52% and by 56%, respectively

Within the Norfolk/Virginia Beach market, occupancy fell 85% in Williamsburg, 65% in Virginia Beach, 52% in Norfolk/Portsmouth, 43% in Hampton and 41% in Newport News. Chesapeake fared the best with a decline of only 37%. RevPAR declined in each submarket as hoteliers lowered rates in an attempt to combat falling demand. RevPAR fell by 94% in Williamsburg, followed by Virginia Beach (80%) and Norfolk (68%).

RevPAR declined in all other submarkets by at least 51% from the same week in 2019. Over the last four weeks, the Williamsburg market has performed the worst. Occupancy has declined by 81%, ADR by 51% and RevPAR by 91%.

“We expect that hotel occupancy and revenue will continue to decline over the coming weeks due to COVID-19.” said Professor Vinod Agarwal of the Dragas Center. “We should brace ourselves for a slower rebound as the state and nation reopen from COVID-19. It will take time for business and leisure travel to fill rooms again.”

The occupancy rate of hotels in Hampton Roads for the past four weeks when compared with the same time period in 2019 declined by 58%, ADR by 37% and RevPAR by 73%. Occupancy and RevPAR in Hampton Roads and its submarkets would be even lower if some hotels had not reduced supply of available rooms, which are down in Hampton Roads by 3.1% for the week of April 12 compared to the first week of March. Available rooms declined by 13.6% in Suffolk, 7.3% in Williamsburg and 5.3% in Norfolk.

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. Agarwal can be reached at 757-287-5619 or email 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.