

## **ODU's Dragas Center for Economic Analysis and Policy: Hotel Industry in Virginia and Hampton Roads Should See Some Improvement in Coming Weeks**

*Hotel revenues are down 78% and rooms sold are down 60% from the same period in 2019.*

Norfolk, VA – (May 20, 2020) – Newly released data from STR, a global firm that provides insights into the hospitality industry, shows hotel revenues decreased by 78% and rooms sold declined by 60% in Virginia for the week of May 10-16 when compared to the same period in 2019. The Average Daily Rate (ADR) paid for hotel rooms dropped 45% to \$71.66. Revenue Per Available Room (RevPAR), an industry standard of the health of the lodging sector, fell to \$23.09, a 76% decline.

Hotel revenues and rooms sold have declined in every major market in Virginia, and we expect these declines to get smaller in the coming weeks. Compared to the same week in 2019, revenues fell 87% in the Virginia portion of the Washington, D.C., market, 86% in the Charlottesville market and 67% in the Hampton Roads market. Rooms sold fell by 74% in the Virginia portion of the Washington market, 65% in the Charlottesville market and 48% in the Hampton Roads market. The Chesapeake/Suffolk and Newport News/Hampton submarkets appear to be faring better than other submarkets in Hampton Roads, as they primarily rely on business travelers. In these two markets hotel revenues declined by 48% and 53%, respectively.

Within the Hampton Roads market, hotel revenue fell 89% in Williamsburg, 70% in Virginia Beach, 67% in Norfolk/Portsmouth and 53% in Newport News/Hampton. Chesapeake/Suffolk fared the best with a decline of 48%. Rooms sold declined in each submarket as well due to falling demand. Rooms sold fell by 79% in Williamsburg, followed by Virginia Beach (52%) and Norfolk (51%). Rooms sold declined in all other submarkets by at least 30% from the same week in 2019. Over the last four weeks, the Williamsburg market has performed the worst. Occupancy has declined by 78%, ADR by 54% and RevPAR by 90%. Williamsburg also led the pack in declining room revenues and rooms sold; these declined by 92% and 83%, respectively.

“We expect to see an improvement in room revenues as well as in rooms sold over the coming weeks,” said Professor Vinod Agarwal of the Dragas Center. “We should brace ourselves for a slower rebound as the nation largely reopens from COVID-19, however. It will take time for business and leisure travelers 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 50%, ADR by 42% and RevPAR by 71%. 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 6.5% for the week of May 10 compared to the first week of March. Available rooms declined by 21.3% in Williamsburg, 3.3% in Virginia Beach and 3.0% in Newport News /Hampton.

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. McNabor 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 at [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.