

## **ODU's Dragas Center for Economic Analysis and Policy: Hotel Industry in Virginia and Hampton Roads Continues to Improve**

*Hotel revenues are down 66% and rooms sold are down 50% from the same period in 2019.*

Norfolk, VA – (June 3, 2020) – Newly released data from STR, a global firm that provides insights into the hospitality industry, shows hotel revenues decreased by 66% and rooms sold declined by 50% in Virginia for the week of May 24-30 when compared to the same period in 2019. The Average Daily Rate (ADR) paid for hotel rooms dropped 32% to \$75.41. Revenue Per Available Room (RevPAR), an industry standard of the health of the lodging sector, fell to \$26.17, a 63% decline.

Hotel revenues and rooms sold have declined in every major market in Virginia, and these decreases are getting smaller. Compared to the same week in 2019, revenues fell 79% in the Virginia portion of the Washington, D.C., market, 73% in the Charlottesville market and 58% in the Hampton Roads market. During the week of May 17-23, revenues had fallen by 86% in the Virginia portion of the Washington, D.C., market, 77% in the Charlottesville market and 64% in the Hampton Roads market.

Rooms sold during the latest week fell by 67% in the Virginia portion of the Washington market, 58% in the Charlottesville market and 37% in the Hampton Roads market. The Chesapeake/Suffolk and Newport News/Hampton submarkets continue to fare better than other submarkets in Hampton Roads, as they primarily rely on business travelers. In these two markets rooms sold declined by 17% and 22% respectively.

Within the Hampton Roads market, hotel revenue fell 87% in Williamsburg, 59% in Virginia Beach, 51% in Norfolk/Portsmouth and 40% in Newport News/Hampton. Chesapeake/Suffolk fared the best with a decline of 34%. Rooms sold declined in each submarket as well due to falling demand. Rooms sold fell by 75% in Williamsburg, followed by Virginia Beach (36%) and Norfolk/Portsmouth (34%). Rooms sold declined in all other submarkets by at least 16% from the same week in 2019. Over the last four weeks, the Williamsburg market has continued to perform the worst. Occupancy has declined by 74%, ADR by 50% and RevPAR by 87%. Williamsburg also led in declining room revenues and rooms sold; these declined by 90% and 79%, respectively.

“We have seen slight improvement in room revenues as well as in rooms sold over the last two weeks,” said Professor Vinod Agarwal of the Dragas Center. “We should brace ourselves for a continued slow rebound as the nation and the Commonwealth 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 42%, ADR by 36% and RevPAR by 63%. 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 4.4% for the week of May 24 compared to the first week of March. Available rooms declined by 19.2% in Williamsburg, 3.3% in Newport News /Hampton and 2.6% in Norfolk/Portsmouth.

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.