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**Contact:**

Joe Garvey

Public Affairs Specialist

Old Dominion University

Office: 757-683-6479

[jgarvey@odu.edu](mailto:jgarvey@odu.edu)

## **ODU's Dragas Center for Economic Analysis and Policy: Hotel Industry in Virginia and Hampton Roads showing Improvement**

*Hotel revenues are down 58% and rooms sold are down 42% from the same period in 2019.*

**Norfolk, VA** – July 1, 2020) – Newly released data from STR, a global firm that provides insights into the hospitality industry, shows hotel revenues decreased by 58% and rooms sold declined by 42% in Virginia for the week of June 21-27 when compared to the same period in 2019. The Average Daily Rate (ADR) paid for hotel rooms dropped 26% to \$90.98. Revenue Per Available Room (RevPAR), an industry standard of the health of the lodging sector, fell to \$41.63, a 56% decline.

Hotel revenues and rooms sold have declined in every major market in Virginia. Compared to the same week in 2019, revenues fell 77% in the Virginia portion of the Washington, D.C., market, 60% in the Charlottesville market and 40% in the Hampton Roads market. During the week of June 14-20, revenues had fallen by 81% in the Virginia portion of the Washington, D.C., market, 66% in the Charlottesville market and 49% in the Hampton Roads market.

Rooms sold during the latest week fell by 63% in the Virginia portion of the Washington market, 49% in the Charlottesville market and 26% in the Hampton Roads market. Virginia Beach market fared better than other submarkets in Hampton Roads; rooms sold declined by only 13%.

Within the Hampton Roads market, hotel revenue fell 80% in Williamsburg, 44% in Newport News/Hampton, 41% in Norfolk/Portsmouth, and 36% in Chesapeake/Suffolk. Virginia Beach fared the best with a decline of 25%. Rooms sold declined in each

submarket as well due to decreased demand. Rooms sold fell by 66% in Williamsburg, followed by Norfolk/Portsmouth (25%), Newport News/Hampton (19%), and Chesapeake/Suffolk (18%). Over the last four weeks, the Williamsburg market has continued to perform the worst. Occupancy has declined by 67%, ADR by 42% and RevPAR by 81%. Williamsburg also led in declining room revenues and rooms sold; these were down by 83% and 71%, respectively.

“We have seen slight improvement in room revenues as well as in rooms sold this week over the last week,” 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 31%, ADR by 23% and RevPAR by 47%. 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 2.2% for the week of June 21 compared to the first week of March. Available rooms declined by 11.9% in Williamsburg and 1.9% 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. 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 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.