

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

*Hampton Roads continues to have the highest weekly occupancy rate among the nation's top 25 markets since the week of June 21-27.*

**Norfolk, VA** – (September 23, 2020) – Newly released data from STR, a global firm that provides insights into the hospitality industry, show hotel revenues decreased by 52% and rooms sold declined by 33% in Virginia for the week of Sept. 13-19 when compared to the same period in 2019. The Average Daily Rate (ADR) paid for hotel rooms dropped 27% to \$88.27. Revenue Per Available Room (RevPAR), an industry standard of the health of the lodging sector, fell to \$42.41, a 52% decline.

The hotel industry in Hampton Roads continues to achieve the highest occupancy rate among the top 25 markets in the nation for the current week as well as since the week of June 21-27. Looking at the last four weeks, the occupancy rate in Hampton Roads was 56.4% for the current week and 59.0% since the week of Aug. 23-29.

However, RevPAR in Hampton Roads (\$50.72) was in fourth place for the current week behind Los Angeles (\$69.89), San Diego (\$69.50) and Anaheim (\$56.58). Hampton Roads also ranked fourth in RevPAR for the last four weeks with an average of \$59.88. San Diego had the highest RevPAR (\$74.12) followed by Los Angeles (\$72.89) and Anaheim (\$60.84).

Compared to the same week in 2019, revenues fell 72% in the Virginia portion of the Washington, D.C., market, 49% in the Charlottesville market and 23% in the Hampton Roads market. During the week of Sept. 6-12, revenues fell by 72% in the Virginia portion of the Washington, D.C., market, 53% in the Charlottesville market and 12% in the Hampton Roads market.

Rooms sold during the latest week fell by 54% in the Virginia portion of the Washington market, 34% in the Charlottesville market and 14% in the Hampton Roads market. The Newport News/Hampton market fared better than other submarkets in Hampton Roads; rooms sold decreased by 6.7%.

Within the Hampton Roads market, hotel revenue fell 48% in Williamsburg, 35% in Norfolk/Portsmouth, 18% in Newport News/Hampton, 13% in Chesapeake/Suffolk and 12% in Virginia Beach. Rooms sold fell by 38% in Williamsburg, 21% in Norfolk/Portsmouth, 8% in Virginia Beach and 7% in Chesapeake/Suffolk. Over the last four weeks, the Williamsburg market has continued to perform the worst. Occupancy has declined by 38%, ADR by 20% and RevPAR by 51%. Williamsburg also led in declining room revenues and rooms sold; these were down by 51% and 39%, respectively.

"Performance of the hotels in Hampton Roads during this week was in general worse than last week," said Professor Vinod Agarwal of the Dragas Center. "One of the main reasons is the end of the summer tourist season and fewer leisure travelers visiting Hampton Roads."

The occupancy rate of hotels in Hampton Roads for the past four weeks when compared with the same period in 2019 declined by 11%, ADR by 6% and RevPAR by 16%.

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**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)