

# Visit Loudoun 2016 Lodging Market Research

Prepared for:

*Visit*  
**LOUDOUN**

- Lodging Market Research & Analysis

Study Conducted:  
November – December 2016

Final Report Submitted:  
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# Visit Loudoun

## 2016 Lodging Market Analysis

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### Summary & Observations:

- Loudoun County currently has **33 hotel/motel lodging properties with 5,374 rooms** that were included in the YSI study.
- New lodging property development in Loudoun County: a Home2 Suites Dulles Airport with 124 rooms is scheduled to open late May, 2017.
- **Overall, transient travel was reported as the highest market segment driving 65% of room nights in Loudoun County lodging in 2016.** The majority of the transient travel was reported as business transient accounting for an average of 43% of overall occupancy, while the leisure transient reported an average of 17% of room nights sold and other was 5%. Group/conference/meeting was reported as the 2<sup>nd</sup> highest market segment at 35%.
- Loudoun County's lodging **occupancy was on a positive trend 2010 – 2016 with a slight decline in 2013 for both Dulles/Hwy-7 and Leesburg properties.** Data for 2016 shows continued growth with nearly every month reporting higher demand when compared to the same month in the previous year. January, 2016 was the only month YTD to report below 60% occupancy. Job well done by Visit Loudoun and their lodging partners to drive room demand throughout the entire year.
- **April, May, June and July typically record the highest occupancy levels;** November through February show lower lodging room demand.
- **Mid-week nights (Tuesday and Wednesday) reported the highest occupancy in Dulles/Hwy-7 properties while weekend nights recorded the highest occupancy for Leesburg properties.** Sunday nights are slowest year-round which is typical of most lodging markets.



### Loudoun County, VA Lodging Study Methodology

Young Strategies, Inc. (YSI) conducted a survey of the hotel/motel properties located in Loudoun County, Virginia as part of a lodging market analysis commissioned by Visit Loudoun. A short questionnaire was sent to the Visit Loudoun database of Loudoun County hotel/motel lodging properties to estimate the following key metrics projected for the full calendar year 2016: percentage of occupancy driven by 9 market segments and annual occupancy. Hoteliers were also asked to provide ranking of market segments currently being driven by the hotel's group sales force, top leisure feeder markets and top booking sources. The survey contained two open-ended questions allowing hoteliers to share any noted changes/shifts in room demand as well as future sales/marketing suggestions for Visit Loudoun. Lodging surveys were collected from November through December, 2016.

Visit Loudoun provided YSI with a list of hotel/motel lodging properties in Loudoun County, VA. A total of **33 hotel/motel properties with approximately 5,374 rooms were actively collecting lodging tax at the time of the YSI lodging study and thus received the lodging survey.** Note: The Salamander Resort & Spa (opened Sept'13, 168 rooms) is not included in this lodging market research. Due to its unique classification by STR (the only luxury class property in the Loudoun County market) and unique pricing structure, this property is considered an outlier in this analysis. Thus, all Loudoun County room inventory tables and graphs throughout this report do not reflect the 168 rooms of the Salamander Resort & Spa. Additionally, all lodging properties in Loudoun County with less than 20 rooms (Bed & Breakfast/Inns) were not included in this study.

A total of **26 hotel/motel properties representing 4,702 rooms participated** in the survey, representing an overall hotel/motel **response rate of 87.5%**. This response rate is excellent and one of the highest achieved in similar YSI research studies conducted throughout the U.S. Thus, the data contained in this report is considered to be a highly predictive sample of the overall market based on the geographic distribution.

### Loudoun County Hotel/Motel Lodging Survey Response by Geographic Area

Previous studies conducted for Visit Loudoun have identified geographically segmented areas within the Loudoun County lodging market. These areas are identified in the table below as Dulles, Highway 7 and Leesburg. The table outlines the total number of lodging rooms, total number of rooms that responded to the YSI 2016 Lodging Survey and the percentage of response in each of the geographically segmented areas.

2016 Hotel/Motel Lodging Inventory	2016 Dulles Properties	2016 HWY 7 Properties	2016 Leesburg Properties	Total Hotel/Motel Inventory
Total rooms	2,961	1,839	574	5,374
% of inventory	55.1%	34.2%	10.7%	100.0%
Total response	2,565	1,644	493	4,702
% of response	86.6%	89.4%	85.9%	87.5%

The charts and tables on the following pages outline the overall findings from the lodging properties that responded to the YSI survey. YSI estimates a margin of error (+/- 3-5%). Note: YSI team members have conducted lodging market analysis for Visit Loudoun over the last decade. Prior reports are available for comparison.

### Loudoun Lodging Inventory

Visit Loudoun provided YSI with a list of hotel/motel lodging properties located in Loudoun County. Properties are listed in chronological order by open date.

2016 Hotel/Motel Lodging Inventory	Open Date	Rooms
<b>Dulles = 55.1% of hotel/motel inventory</b>	<b>20 properties</b>	<b>2,961</b>
Marriott Washington Dulles Airport	Apr-70	368
Holiday Inn Washington Dulles	Sep-72	297
Best Western Dulles	Apr-87	122
Fairfield Inn & Suites Dulles Airport	Jan-97	104
Extended Stay America (formerly Homestead Studio Suites)	Aug-98	101
TownePlace Suites by Marriott Dulles	Aug-98	94
Country Inn & Suites	Dec-99	59
Comfort Inn & Suites	Mar-01	104
Candlewood Suites	Oct-04	121
Suburban Extended Stay	Dec-04	132
Homewood Suites Dulles North	Feb-05	90
Embassy Suites	Mar-05	154
Residence Inn Dulles	Apr-06	151
Springhill Suites Dulles	Jan-07	158
Hampton Inn Dulles Airport	Oct-07	170
Hyatt House Sterling	Oct-07	162
aLoft	Dec-08	136
Hilton Garden Inn	Jan-09	135
Springhill Suites Ashburn Dulles North	Oct-09	132
Doubletree Dulles Airport	Apr-10	171

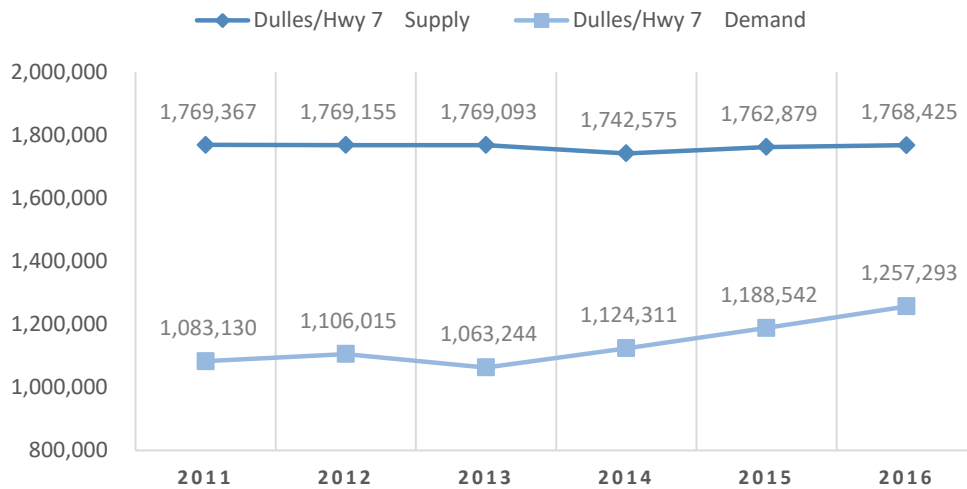
2016 Hotel/Motel Lodging Inventory	Open Date	Rooms
<b>Highway 7 = 34.2% of hotel/motel inventory</b>	<b>7 properties</b>	<b>1,839</b>
National Conference Center	Jul-97	915
Lansdowne Resort	Mar-91	296
Hawthorn Suites	Jan-98	94
Extended Stay America	Jul-98	101
Hyatt Place Dulles North	Apr-99	134
Hampton Inn Dulles Cascades	Nov-00	152
Courtyard by Marriott Dulles Town Center	Mar-01	147
<b>Leesburg = 10.7% of hotel/motel inventory</b>	<b>6 properties</b>	<b>574</b>
Clarion Inn (Formerly Holiday Inn Leesburg at Carradoc Hall)	May-86	122
Days Inn Leesburg	Jul-86	81
Best Western Leesburg	Apr-86	99
Comfort Suites at Prosperity Center	Dec-00	80
Hampton Inn & Suites Leesburg	Nov-02	101
Homewood Suites Leesburg	Sep-09	91
<b>33 TOTAL PROPERTIES</b>	<b>TOTAL RMS</b>	<b>5,374</b>

\*As previously noted, the Salamander Resort & Spa (opened Sept'13, 168 rooms) is not included in this YSI lodging market research, as well as all B&B/Inn properties with 20 rooms or less.

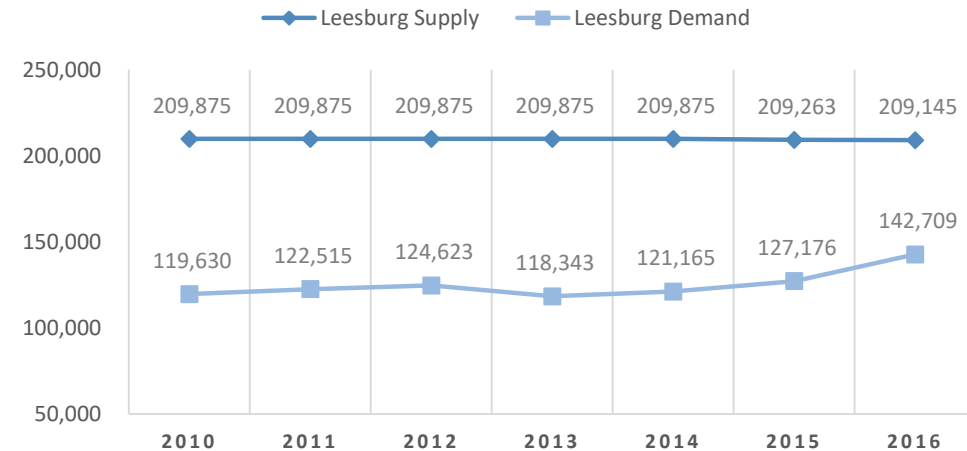
### Loudoun County, VA STR Data Analysis

Young Strategies, Inc. purchased lodging data from STR in the form of 6-year trend reports for the hotel/motel properties located in two geographically segmented areas of Loudoun County: Dulles/Highway-7 and Leesburg. The STR data was purchased in Dec. 2016 and reflects primarily chain-affiliated hotel/motel properties. All tables and charts shown on the following pages have been created from the data provided in the STR reports.

#### DULLES/HWY 7 SUPPLY VS DEMAND



#### LEESBURG SUPPLY VS DEMAND



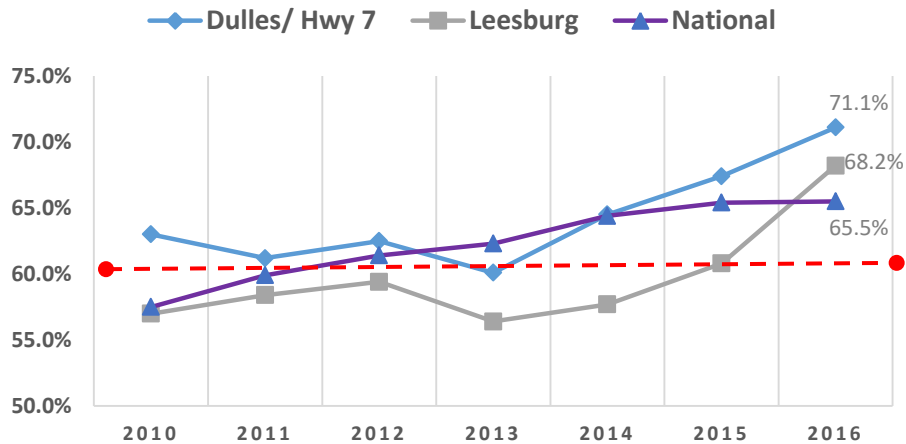
Supply vs Demand Trend 2010 - 2016						
Year	Dulles/Hwy-7 Supply	Dulles/Hwy-7 Demand	Dull/Hwy % Chg Demand	Leesburg Supply	Leesburg Demand	Leesburg % Chg Demand
2010	1,754,130	1,104,269	~	209,875	119,630	~
2011	1,769,367	1,083,130	-1.9%	209,875	122,515	2.4%
2012	1,769,155	1,106,015	2.1%	209,875	124,623	1.7%
2013	1,769,093	1,063,244	-3.9%	209,875	118,343	-5.0%
2014	1,742,575	1,124,311	5.7%	209,875	121,165	2.4%
2015	1,762,879	1,188,542	5.7%	209,263	127,176	5.0%
2016	1,768,425	1,257,293	5.8%	209,145	142,709	12.2%

#### Observations:

As illustrated in the graphs and table above, room supply has remained consistent with very little change over the last six years in both geographically segmented areas of Loudoun County. Fluctuations in room supply can be attributed to properties taking rooms in and out of inventory for renovations and improvements. New lodging development is in the pipeline with a Home2 Suites (124 rooms) currently under construction and scheduled to open in May, 2017.

While room demand fluctuated over the 4-year period 2010 – 2013; room demand has been on a positive trendline over the last three years, 2014 – 2016.

## ANNUAL OCCUPANCY TREND



## Annual Occupancy Trend 2010 - 2016

Year	Dulles/Hwy 7	% of Chg	Leesburg	% of Chg	National	% of Chg
2010	63.0%	~	57.0%	~	57.5%	~
2011	61.2%	-2.8%	58.4%	2.4%	59.9%	4.2%
2012	62.5%	2.1%	59.4%	1.7%	61.4%	2.5%
2013	60.1%	-3.9%	56.4%	-5.0%	62.3%	1.5%
2014	64.5%	7.4%	57.7%	2.4%	64.4%	3.3%
2015	67.4%	4.5%	60.8%	5.3%	65.4%	1.6%
2016	71.1%	5.5%	68.2%	12.3%	65.5%	0.2%

## US Hotels – Key Performance Indicators

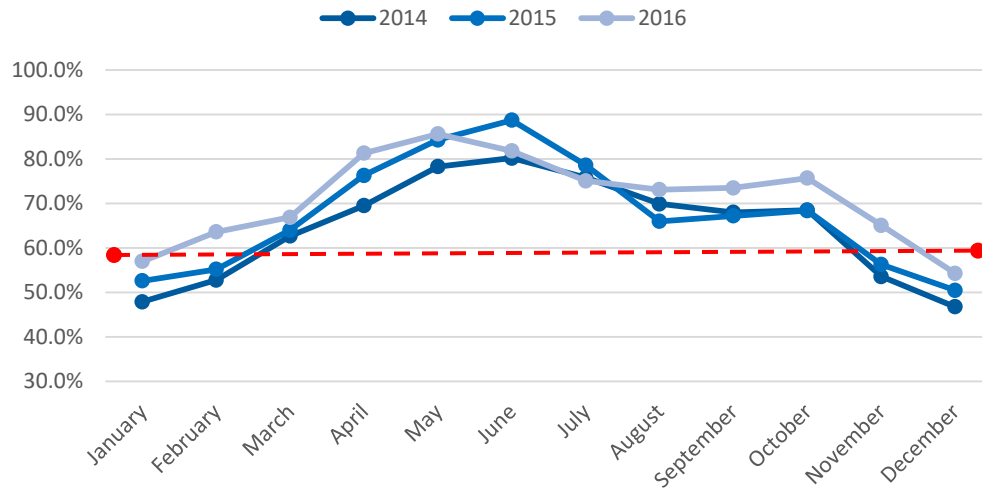
Year	Occupancy	% of Change	ADR	% of Change	RevPAR	Change
2012	61.4%	~	\$106.08	~	\$64.98	~
2013	62.3%	1.5%	\$110.35	3.9%	\$68.69	5.4%
2014	64.4%	3.6%	\$115.32	4.6%	\$74.28	8.3%
2015	65.4%	1.6%	\$120.29	4.3%	\$78.67	5.9%
2016	65.5%	0.2%	\$123.97	3.1%	\$81.19	3.2%

## Observations:

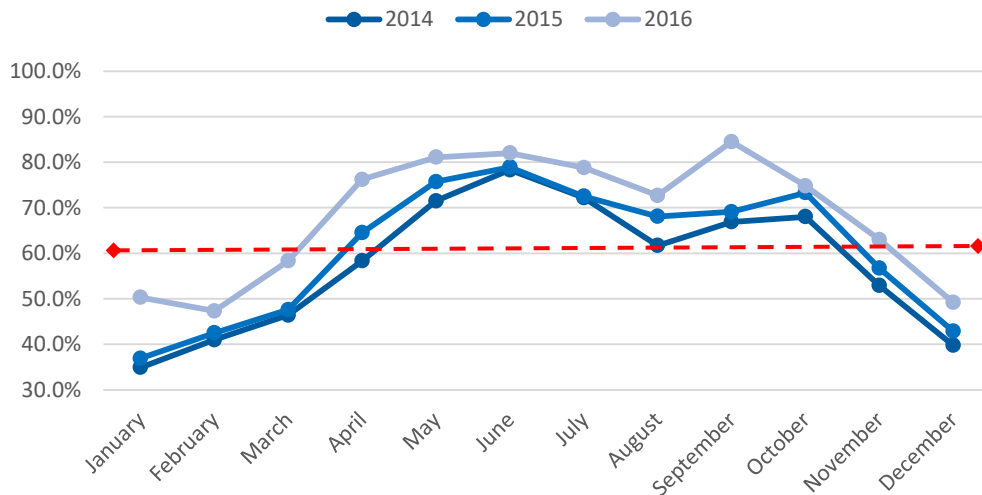
- As shown in the table and graph above, both Dulles/Hwy-7 and Leesburg's lodging occupancy has been on a positive trend over the last 3-years. Dulles/Hwy-7 outperformed National levels over the last 7-years with the exception of a slight dip in 2013. Likewise, Leesburg has also been on an upward trend since 2013 and surpassed National occupancy in 2016.
- Reviewing the US Hotel Industry – key performance indicators in both tables, one can see the significant growth in both geographic areas of Loudoun County compared to National occupancy.
- Since 2013, overall growth in ADR was reported as 9.4% in Dulles/Hwy-7 and 4.6% in Leesburg, while National ADR growth outpaced Loudoun County at 12.3%.

Source: STR annual US Hotel - KPI's, reported annually in STR Hotel News Now.

## DULLES/HWY-7 MONTHLY OCCUPANCY TREND



## LEESBURG MONTHLY OCCUPANCY TREND



### Dulles/Hwy-7 Monthly Occupancy Trend

Month	2014	2015	2016
January	47.9%	52.6%	57.0%
February	52.8%	55.2%	63.6%
March	62.7%	64.0%	66.9%
April	69.5%	76.3%	81.3%
May	78.3%	84.3%	85.6%
June	80.2%	88.7%	81.8%
July	75.8%	78.6%	75.1%
August	69.9%	66.0%	73.1%
September	68.0%	67.2%	73.5%
October	68.5%	68.4%	75.7%
November	53.6%	56.3%	65.1%
December	46.8%	50.5%	54.3%

### Leesburg Monthly Occupancy Trend

	2014	2015	2016
January	34.9%	36.9%	50.3%
February	41.0%	42.5%	47.3%
March	46.4%	47.6%	58.3%
April	58.3%	64.5%	76.2%
May	71.5%	75.7%	81.1%
June	78.3%	78.9%	82.0%
July	72.2%	72.5%	78.8%
August	61.7%	68.1%	72.7%
September	66.9%	69.1%	84.5%
October	68.0%	73.3%	74.8%
November	52.9%	56.7%	63.0%
December	39.8%	42.9%	49.2%

### Observations:

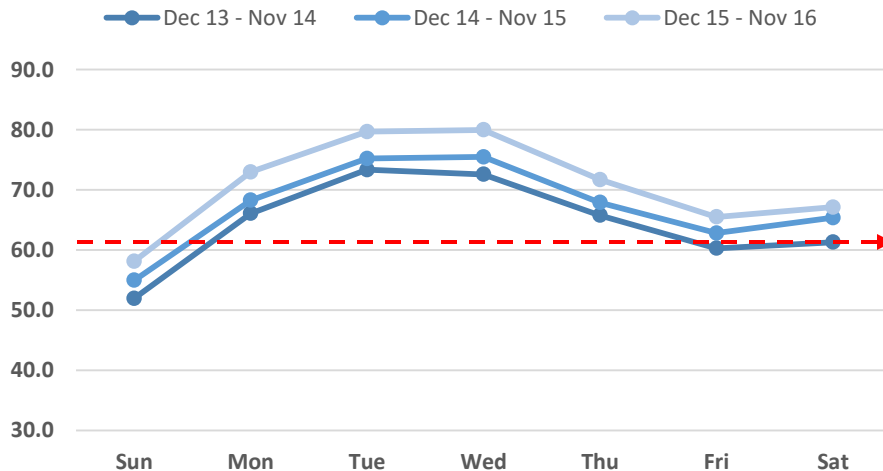
- Loudoun County lodging reports at or above the critical 60% mark for the majority of the year in both Dulles/Hwy-7 and Leesburg properties. Only 2 months in Dulles/Hwy-7 and 4 months in the Leesburg properties reporting below the 60% mark.

- Occupancy percentages are reported in the 70% - 80% beginning in April and continuing through October. Slower periods are Nov - Feb but that said, still performing well.

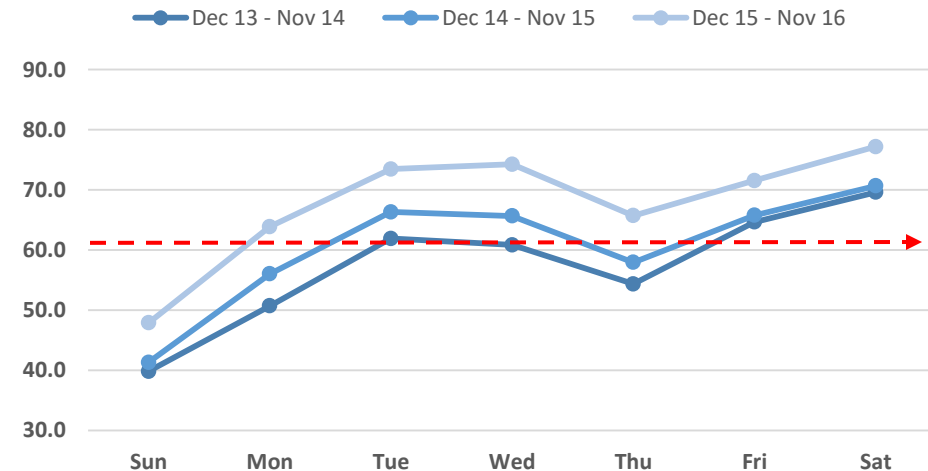
Day Of The Week Three Year Occupancy (%) - Dulles/Hwy-7							
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Dec 13 - Nov 14	51.9	66.1	73.4	72.6	65.8	60.3	61.3
Dec 14 - Nov 15	54.9	68.3	75.2	75.5	67.9	62.8	65.4
Dec 15 - Nov 16	58.1	73.0	79.7	80.0	71.7	65.5	67.1
<b>Total 3 Yr</b>	<b>55.0</b>	<b>69.1</b>	<b>76.1</b>	<b>76.0</b>	<b>68.5</b>	<b>62.9</b>	<b>64.6</b>

Day Of The Week Three Year Occupancy (%) - Leesburg							
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Dec 13 - Nov 14	39.8	50.7	61.9	60.8	54.3	64.7	69.6
Dec 14 - Nov 15	41.3	56.0	66.3	65.6	57.9	65.8	70.6
Dec 15 - Nov 16	47.9	63.9	73.5	74.3	65.7	71.5	77.2
<b>Total 3 Yr</b>	<b>43.0</b>	<b>56.8</b>	<b>67.3</b>	<b>66.9</b>	<b>59.3</b>	<b>67.3</b>	<b>72.5</b>

DULLES/HWY-7 DAY OF THE WEEK OCCUPANCY



LEESBURG DAY OF THE WEEK OCCUPANCY



### Observations:

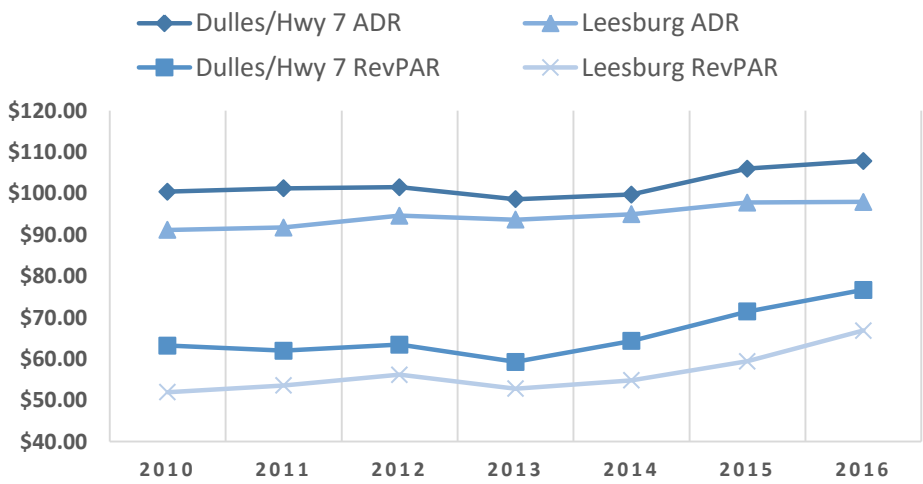
- Data shows Tuesday and Wednesday nights running highest occupancy for the week for Dulles/Hwy-7 properties, while Saturday nights followed closely by Friday and Tuesday nights reporting highest occupancy for Leesburg properties. It is important to note all nights with the exception of Sunday performing above the crucial 60% occupancy mark in both Dulles/Hwy-7 and Leesburg.
- Sunday nights are reported as lowest occupancy for the week which is typical in most destinations.
- This data is very reflective of the market segmentation data collected in the YSI survey whereas business transient and group/conference/meeting reported approximately 70% of occupancy for Dulles/Hwy-7 while Leesburg properties reported 26% of occupancy in weddings/reunions/family events, 20% in transient leisure and 19% for corporate groups.



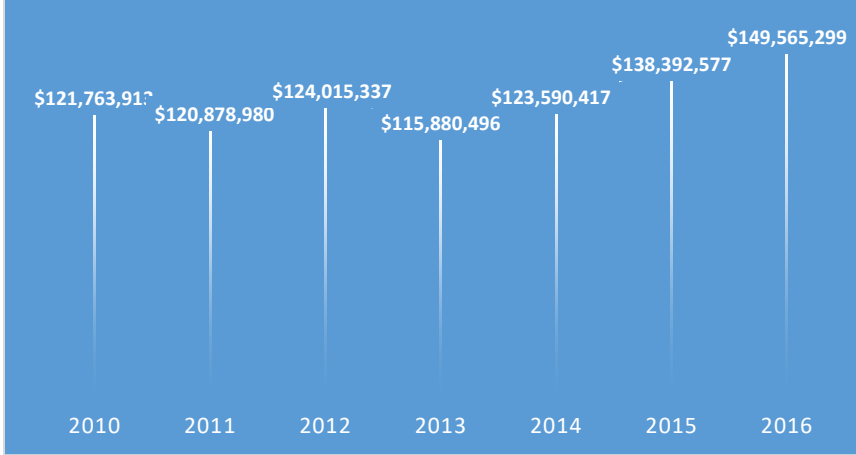
ADR / RevPAR Trend 2010 - 2016						
	Dulles/ Hwy 7 ADR	Dull/Hwy % of Chg ADR	Dulles/ Hwy 7 RevPAR	Leesburg ADR	Leesburg % Chg ADR	Leesburg RevPAR
2010	\$100.39	~	\$63.20	\$91.15	~	\$51.95
2011	\$101.22	0.8%	\$61.97	\$91.74	0.7%	\$53.56
2012	\$101.47	0.2%	\$63.44	\$94.59	3.1%	\$56.17
2013	\$98.57	-2.9%	\$59.24	\$93.61	-1.0%	\$52.79
2014	\$99.69	1.1%	\$64.32	\$94.94	1.4%	\$54.81
2015	\$105.98	6.3%	\$71.45	\$97.75	3.0%	\$59.40
2016	\$107.84	1.8%	\$76.67	\$97.93	0.2%	\$66.82

Revenue Trend 2010 - 2016				
	Dulles/Hwy 7	Leesburg	TOTAL	% of Chg
2010	\$110,860,144	\$10,903,769	\$121,763,913	~
2011	\$109,639,057	\$11,239,923	\$120,878,980	-0.7%
2012	\$112,227,092	\$11,788,245	\$124,015,337	2.6%
2013	\$104,802,173	\$11,078,323	\$115,880,496	-6.6%
2014	\$112,087,249	\$11,503,168	\$123,590,417	6.7%
2015	\$125,961,640	\$12,430,937	\$138,392,577	12.0%
2016	\$135,589,291	\$13,976,008	\$149,565,299	8.1%

### ADR & RevPAR Trend



### LOUDOUN COUNTY REVENUE TREND



### Observations:

- The Loudoun County lodging market experienced fluctuations in revenue generation 2010 – 2013 followed by solid growth 2014 – 2016. Significant increases in room demand in both Dulles/Hwy-7 and Leesburg properties, combined with increases in ADR resulted in an overall growth in room revenues in 2014, 2015 and 2016 by 7%, 12% and 8% respectively.

## Loudoun 2016 Market Segmentation – YSI Hotel Survey

The YSI survey of Loudoun County hoteliers revealed the market segments that are driving overnight visitation within the destination. Corporate and group business are tracked closely by rate codes, while leisure segment data is often collected by the management team at the individual properties.

ALL	Dulles/ Hwy 7	Leesburg	Market Segmentation
<b>100.0%</b>	<b>89.3%</b>	<b>10.7%</b>	<b>% of Loudoun County Hotel/Motel Room Inventory</b>
<b>56.2%</b>	<b>58.2%</b>	<b>38.4%</b>	<b>Total Transient</b>
51.7%	53.6%	34.5%	Transient
4.5%	4.6%	3.9%	Other
<b>43.8%</b>	<b>41.8%</b>	<b>61.6%</b>	<b>Group/Conference/Meeting</b>
12.9%	12.2%	18.9%	Corporate
5.5%	3.4%	25.5%	Wedding/ reunions/ family events
5.3%	5.5%	3.1%	Group tour/ motorcoach
6.0%	6.0%	6.3%	SMERF
3.3%	3.1%	4.5%	Sports
8.2%	8.9%	1.7%	Government
2.6%	2.7%	1.6%	Association



The lodging properties were asked to break down total transient by business and leisure. Out of the 26 hotel surveys received, 81% (21 hoteliers) provided this data. The majority of the transient travel was reported in the business segment versus the leisure travel segment.

- Business transient was reported in a range of 10% to 65%. The average for business transient was reported as 43%.
- Leisure transient was reported in a range of 7% to 25%. The average for leisure transient was reported as 17%.

\*2016 data provided by 25 properties representing 70.5% of the room inventory. 2016 lodging response increased by 7 additional properties over 2014.



### Observations:

- Transient travel was reported highest at 60% occupancy overall. Dulles/Hwy-7 reporting 53% and Leesburg at 35%.
- The majority of the transient segment was reported as business travel with the average reported as 43% while leisure reported at an average of 17%.
- Loudoun County is a Group/Conference/Meeting destination with 35% of occupied rooms driven by corporate, weddings/reunions/family events, group tour/motorcoach, SMERF, team sports, government and association. Corporate was the largest group segment at 9%.
- STR data supported these findings with Saturday nights running highest occupancy, followed closely by Tuesday, Wednesday and Friday nights.
- “Other” accounted for the remaining 5% of room nights sold. This consisted of airline rates, construction and weather related.

### Loudoun County Hotel/Motels – Group Sales Priorities

Hoteliers were asked to share in rank order (ranking segments from 1 to 8 in highest priority) the priorities of their individual hotel’s group sales efforts. Twenty-four properties responded to this question, twenty in Dulles/Hwy 7 and four in Leesburg. Thus, results were also compiled by geographic area and these results are also shown in the table below with top rankings highlighted in blue for each area.

Further analysis reveals variances among the priorities of hotels depending on geographic segmentation and STR classification (upper midscale, midscale, etc.). Therefore, Visit Loudoun group sales should continue to coordinate sales efforts with those properties hosting groups in Loudoun County.

Market Segment	Rankings Score		
	ALL	DULLES / HWY 7	LEESBURG
Corporate	1.08	1.00	1.50
Weddings	4.24	4.53	3.00
Leisure	4.52	4.59	4.25
Government	4.55	4.22	6.00
SMERF	4.67	4.60	5.00
Sports	5.09	5.26	4.25
Group Tour / Motorcoach	5.30	5.47	4.50
Association	5.71	5.29	7.50

### Leisure Feeder Markets

Hoteliers were asked to rank the top four leisure feeder markets for their hotel/motel property. The markets are ranked by the total number of responses by hoteliers. Loudoun County’s top leisure feeder markets continue to be reported as the metro cities of Philadelphia, Richmond, Baltimore, New York and Pittsburgh (compared to prior year’s reports). Most of the cities listed outside of the metro-DC are within a four to six hour drive market.

Top Ranked Leisure Feeder Markets	# of Responses
1. Philadelphia, PA (180 miles)	9
2. Richmond, VA (140 miles)	7
3. Baltimore, MD (83 miles)	6
4. New York, NY (267 miles)	6
5. Pittsburgh, PA (230 miles)	4
6. Ashburn	3
7. Dulles	3
8. Sterling	3

### Room Booking Sources

The YSI survey of Loudoun County lodging properties asked the hoteliers to put in rank order the following list of room booking sources. Twenty-four properties responded and clearly identified their hotel website and central reservation office as the top sources for reservations. The lodging properties do not rely on third party sources (OTA's) for large quantities of bookings. This data confirms national research data that indicates that travelers tend to shop on OTAs and buy on brand specific sites.

Loudoun County Lodging Top Ranked Booking Sources	Rank Order	Rank Average	# of Responses
Hotel's website	1	1.58	24
Central reservation office	2	2.43	23
Expedia	3	3.13	23
Other	4	5.64	11
Hotels.com	5	5.95	21
Priceline	6	6.26	19
Orbitz	7	6.45	20
Travelocity	8	6.50	20
Hotwire.com	9	8.15	20
Trip Advisor	10	8.18	17
Kayak	11	9.33	18
Travel Zoo	12	10.50	16
Airline Websites	13	11.13	16

#### Other:

- Booking.com (2)
- Calling directly to the hotel
- C-vent
- GDS
- Group reservations by way of Hilton Personalized Group Web Page
- Other websites
- Return loyalty guests
- Sales effort

