

The Hotel Confidence Monitor by TRI Hospitality Consulting – Q3 2009

UK hotel managers increasingly optimistic

UK hotel general managers continue to be increasingly positive about their hotel's trading performance, with growth in optimism for a second successive quarter.

According to the latest Hotel Confidence Monitor by TRI Hospitality Consulting, 51% of respondents are optimistic looking towards the next three months. Since January, the proportion of optimistic respondents has risen dramatically by 23 percentage points.

Of the 113 general managers who responded to the survey, 48% were more optimistic than three months earlier, which stands in marked contrast to the 70% who were less optimistic in January. Pessimism in the hotel industry is declining.

“There appears to be a feeling amongst hoteliers that the worst could be behind us, with an increasing sense of confidence that we are a step nearer to recovery.” said Jonathan Langston, managing director, TRI Hospitality Consulting.

In terms of occupancy performance, 43% of respondents envisage either growth or no change during the current quarter compared to Q3 2008. However, regarding this quarter's average room rate, only two in ten respondents did not project a decline. A similar number (19 per cent) expect to maintain or increase rooms revenue (RevPAR).

Despite continued pressures to cut cost, sales and marketing expenditure remains largely unaffected, with approximately seven out of ten respondents stating an intention to increase or maintain their Q3 marketing budget for 2009 in comparison to 2008.

When the Hotel Confidence Monitor was conducted in July, 50% of hoteliers stated that staffing levels were reduced during Q2 2009. Looking forward the outlook appears more optimistic, with 85% of respondents intending to maintain or increase staffing levels during Q3 2009 in comparison to the previous year.

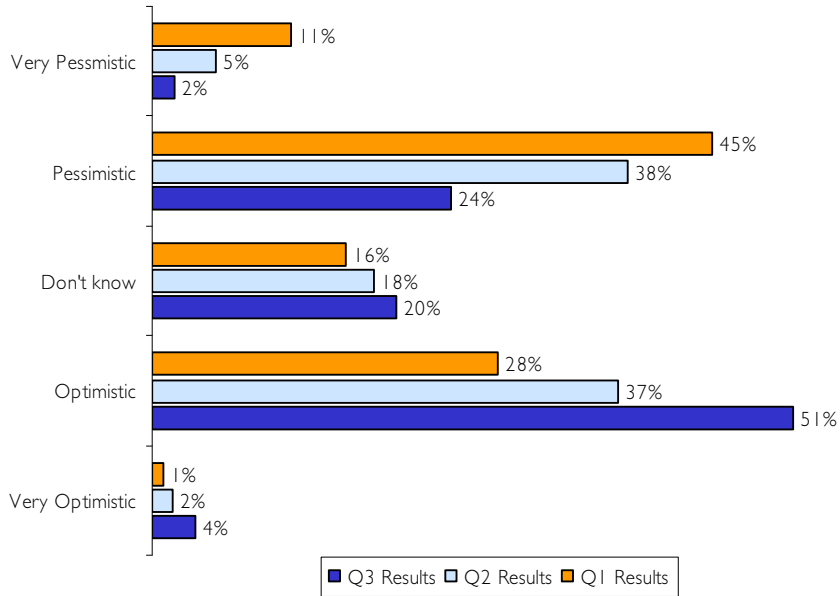
The Hotel Confidence Monitor by TRI Hospitality Consulting was conducted by email, via an online survey, between 21 and 28 July 2009. A total of 113 UK chain hotel general managers responded to the survey. No single geographical region or hotel brand was disproportionately represented. Please refer to the following pages for a full summary of the results and contact details.



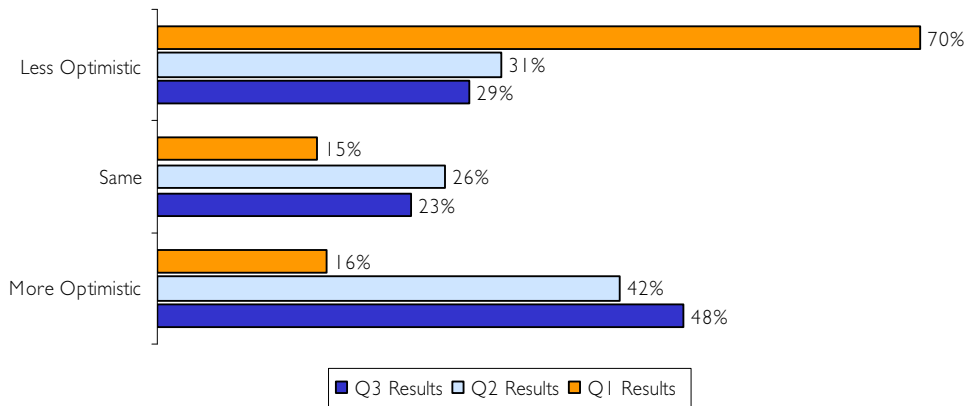
The Hotel Confidence Monitor Results Summary – Q3 2009

Note: Some numbers may not add up due to rounding

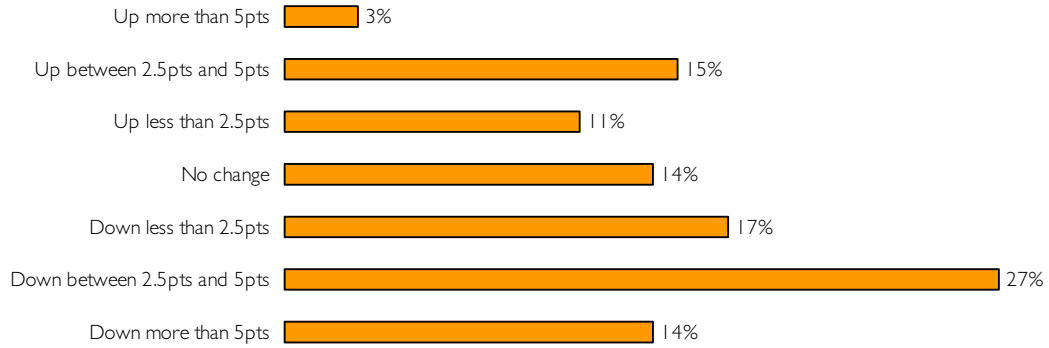
Looking at the next three months, how would you rate your confidence?



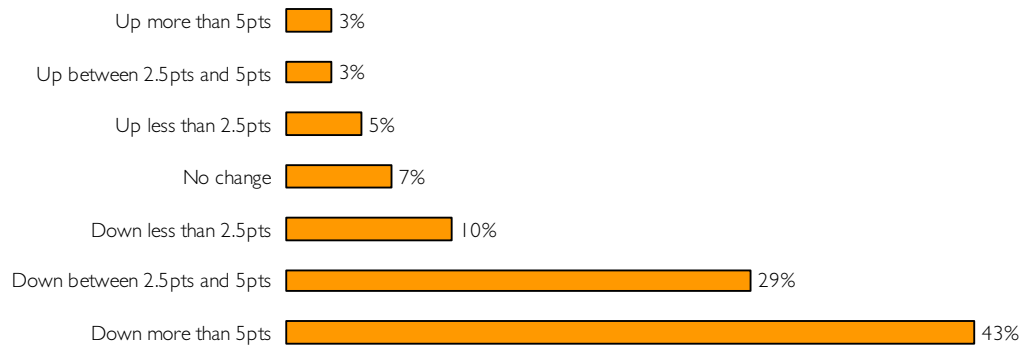
Would you say you are more or less optimistic than you were three months ago?



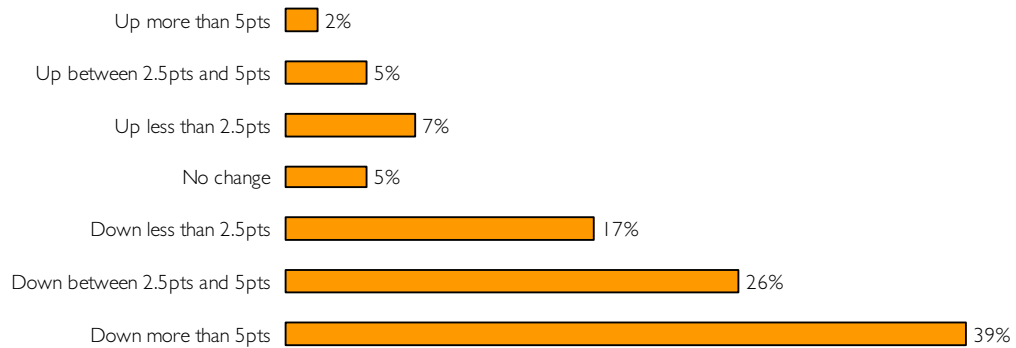
I expect my occupancy in Q3 2009 as compared to Q3 2008 to be:



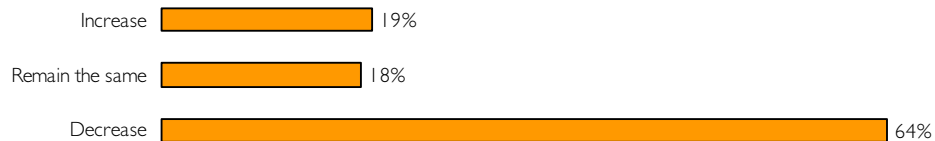
I expect my average room rate in Q3 2009 as compared to Q3 2008 to be:



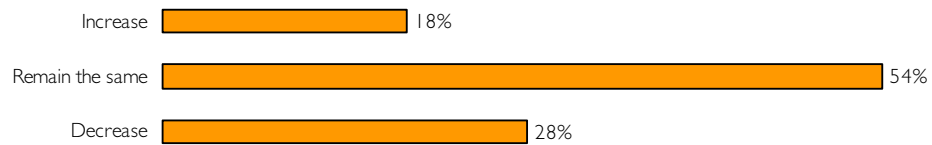
I expect my total rooms revenue in Q3 2009 as compared to Q3 2008 to be:



I expect my gross operating profit (IBFC) in Q3 2009 as compared to Q3 2008 to:



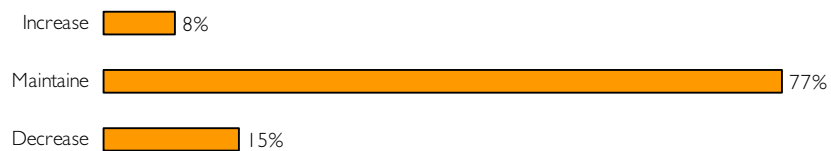
I expect my sales and marketing expenditure in Q3 2009 as compared to Q3 2008 to:



How have staffing levels changed in the last three months (Q2 2009)?



I expect my staffing levels in Q3 2009 as compared to Q3 2008 to:



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