

HotStats™

UK Chain Hotels Market Review – August 2007

Revpar growth accelerates in London.

London's chain hotels enjoyed a month of increased revpar growth in August after a slowdown in the rate of growth in July, according to the latest HotStats survey from TRI Hospitality Consulting.

Revpar increased by 8.3 per cent to £84.67 compared to the same month in 2006. The rise was entirely down to the capital's hoteliers pushing average rate up by 8.1 per cent to £98.91. Occupancy stayed flat at 85.6 per cent, a 0.2 point improvement.

“Despite dreadful weather and a downturn in long haul visitors, demand in London stayed strong this August as hoteliers put their foot back on the accelerator after the slowdown in revpar growth in July,” said Jonathan Langston, managing director, TRI Hospitality Consulting.

After staying largely in double digit figures since May 2006, London's revpar improvement dropped to 0.9 per cent this July, but has since climbed again.

Scottish cities outperform provincial average

In the provinces, occupancy dipped slightly by 0.7 percentage points to 73.8 per cent, and average rate growth was steady, up 3.5 per cent to £68.32, which resulted in an average revpar uplift of 2.5 per cent to £50.40.

However, TRI's unique database of more than 500 full-service hotels across the country shows that hoteliers north of the border enjoyed higher revpar growth this August, far outstripping the provincial average.

Revpar soared in Aberdeen by 16 per cent to £59.22, in Inverness by 12 per cent to £72.90 and in Edinburgh by eight per cent to £97.89.

“Aberdeen continues to be a star performer with oil-related business driving extremely high mid-week occupancy and new supply not posing a threat until 2009. In Edinburgh and Inverness, hoteliers pushed rate up by 6 and 9 per cent respectively, capitalising on buoyant summertime leisure demand,” said Langston.

In the year to date, provincial revpar has increased by 3.6 per cent to £49.81, compared to a nine per cent improvement in Scotland to £56.55, while London has seen an uplift of 9.8 per cent to £89.24. For the whole of the UK, revpar is up 6.8 per cent to £63.55 this calendar year.

A drop in long haul visitors hits overseas spend

Official Government figures show that the volume of visitors to the UK was down by three per cent for the three months to the end of July with a total of 8.84 million visitors coming to the UK in this period.

The number of visitors from North America fell by eight per cent to 1.46m, as did visitors from outside North America and Europe which were down eight per cent to 1.31m.

Visitor numbers from Europe stayed flat apart from the 12 Ascension states which saw an uplift of seven per cent to 720,000 during the three-month period.

The shortage of North American visitors – historically the biggest spenders – had its impact on overseas spend which fell four per cent to £4.425b.

Figures from UKinbound, the official trade body representing the inbound tourism industry, confirmed that attracting long haul business continues to be difficult but its survey showed overall visitor arrivals up by 0.2 per cent and forward booking up by 1.8 per cent during July.

Airport operator BAA said it handled a total of 15.2 million passengers during August, an increase of 5.9 per cent, making it BAA's busiest month on record. Aberdeen and Edinburgh airports recorded 13 and 10 per cent more passengers respectively.

Of the major markets, European scheduled traffic was up 8.2 per cent, North Atlantic traffic grew 10.2 per cent and other long haul traffic increased 6.1 per cent, while European charter fell 5.7 per cent.

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HotStats Briefing Data

UK Chain Hotels - performance report

The Month of August 2007

UK TOTAL HOTELS		2007	2006	Movement
Occupancy	%	77.9	78.2	-0.3 points
Room rate	£	80.00	75.41	6.1%
Room Revpar	£	62.30	58.97	5.7%
Total Revpar	£	3,054	2,977	2.6%

LONDON HOTELS		2007	2006	Movement
Occupancy	%	85.6	85.4	0.2 points
Room rate	£	98.91	91.46	8.1%
Room Revpar	£	84.67	78.15	8.3%
Total Revpar	£	3,374	3,162	6.7%

UK PROVINCIAL HOTELS		2007	2006	Movement
Occupancy	%	73.8	74.5	-0.7 points
Room rate	£	68.32	65.99	3.5%
Room Revpar	£	50.40	49.15	2.5%
Total Revpar	£	2,880	2,880	0.0%

EDITORS NOTES:

The UK Chain Hotels sample is composed of 501 hotels with an average hotel size of 169 bedrooms. These hotels operate primarily in the three and four star sectors.

TRI Hospitality Consulting provides a wide range of services to clients in the hotels, tourism and leisure sectors. It has offices in London and Dubai.

Definitions:

Occupancy is that proportion of the bedrooms available during the period which are occupied during the period.

Room rate is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

Room Revpar is the total bedroom revenue for the period divided by the total available rooms during the period.

Total Revpar is the combined total of all hotel revenues divided by the total fixed bedroom stock.

Data Sample TRI amend the above data samples each year to reflect the changes in the HotStats survey. Therefore this report will not match that of the published release data of last years monthly report because the data is based on differing hotel sample

HotStats Briefing Data

UK Chain Hotels - performance report

The Eight Months to August 2007

UK TOTAL HOTELS		2007	2006	Movement
Occupancy	%	74.6	74.6	0 points
Room rate	£	85.23	79.79	6.8%
Room Revpar	£	63.55	59.49	6.8%
Total Revpar	£	26,000	24,512	6.1%

LONDON HOTELS		2007	2006	Movement
Occupancy	%	82.2	82.7	-0.5 points
Room rate	£	108.61	98.30	10.5%
Room Revpar	£	89.24	81.27	9.8%
Total Revpar	£	30,760	28,292	8.7%

UK PROVINCIAL HOTELS		2007	2006	Movement
Occupancy	%	70.5	70.3	0.2 points
Room rate	£	70.66	68.37	3.3%
Room Revpar	£	49.81	48.07	3.6%
Total Revpar	£	23,410	22,529	3.9%

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