



UK Chain Hotels Market Review – January 2007

London makes strong start to year

Sales at London hotels continued to soar during the first month of this year, according to figures from TRI Hospitality Consulting's monthly HotStats survey.

Room revenue per available room was up 14.8 per cent to £75.88 as average room rates surged by 12.8 per cent to break through the £100 barrier and hit £104.09. Occupancy was also up, rising 1.3 points to 72.9 per cent.

“London has consistently been a strong performer over the last three years and it looks set to have a fourth consecutive record year,” said Jonathan Langston, managing director of TRI Hospitality Consulting.

Provincial hotels, which have shown steadier progress than the UK capital, saw room revpar rise by 4.8 per cent to £40.66. Again it was mainly rate driving this increase with a 3.3 per cent rise to £69.35. Occupancy was up just 0.8 points to hit 58.6 per cent.

“January is historically one of the weaker months for hotels and it will take until after Easter before there is a clear trend for this year. But the indications so far are for a healthy sales performance at least,” said Langston.

The strong London figures have helped lift the overall performance for the 496 properties in the HotStats sample of chain hotels.

Room revpar had an almost double digit increase with a rise of 9.3 per cent to hit £52.92. Most of this was due to room rate which was up 7.8 per cent with occupancy ahead by just 0.9 points to reach 63.6 per cent.

Other data less encouraging

Official Government statistics showed that during the last three months of 2006 overseas visitor numbers were up by five per cent to hit 7.46 million. The strongest source market was Western Europe with a six per cent rise in numbers to 4.67 million.

All monitored source markets were in positive territory, however, with North America the weakest with a rise of two per cent to 889,000 during the period. Spending by all overseas visitors rose by three per cent to hit £3.57bn.

UKinbound, the official trade body representing the inbound tourism industry in the UK, found that visitor arrivals were up 4.2 per cent in December with forward bookings in that month up 3.2 per cent compared with the same month a year earlier.

The organisation, which represents over 250 companies, said December was a good month but pointed out that the annualised growth was 3.2 per cent for visitor numbers and came on top of a drop during 2005 as a whole.

Looking further ahead, figures for passenger traffic during January at BAA, the operator of seven UK airports, showed an increase of 1.3 per cent.

“Chain hotels seem to be outperforming the tourist market as a whole, indicating that independent hotels and guest houses are likely to have had a poorer year, relative to the bigger companies in the HotStats survey,” said Langston.

For more information contact Jonathan Langston on 020 7486 5191 or email jonathan.langston@trihc.com.

HotStats Briefing Data

UK Chain Hotels - performance report

The Month of January 2007

UK TOTAL HOTELS		2007	2006	Movement
Occupancy	%	63.6	62.7	0.9 points
Room rate	£	83.21	77.22	7.8%
Room Revpar	£	52.92	48.40	9.3%
Total Revpar	£	2,722	2,524	7.8%

LONDON HOTELS		2007	2006	Movement
Occupancy	%	72.9	71.6	1.3 points
Room rate	£	104.09	92.29	12.8%
Room Revpar	£	75.88	66.10	14.8%
Total Revpar	£	3,311	2,910	13.8%

UK PROVINCIAL HOTELS		2007	2006	Movement
Occupancy	%	58.6	57.8	0.8 points
Room rate	£	69.35	67.11	3.3%
Room Revpar	£	40.66	38.81	4.8%
Total Revpar	£	2,402	2,310	4.0%

EDITORS NOTES:

The UK Chain Hotels sample is composed of 496 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