

UK Chain Hotels Market Review – April 2009

London occupancy stays high during Easter

Average room occupancy at London chain hotels stayed above 80 per cent in April thanks to strong leisure demand, according to the latest **HotStats** survey by TRI Hospitality Consulting. The Easter holidays contributed to high occupancy of 80.4 per cent in the capital,

“Easter is historically a quieter time for branded chain hotels because there are fewer business guests. This year, however, as hoteliers reacted to the downturn in corporate demand, discounted leisure deals kept overall occupancy levels high,” said Jonathan Langston, managing director, TRI Hospitality Consulting.

London room occupancy this April compared well to previous Easter months, matching that of March 2008, and exceeding the 77.6 per cent reported in April 2007.

In the provinces, room occupancy was 67.3 per cent this April, which also matched levels reported for the Easter of March 2008.

As expected, however, the non like-for-like comparison and reduction in corporate room-nights exacerbated the April declines in average room rate. In London average room rate was down by 10.2 per cent on the month to £106.17 and in the provinces down by 11.2 per cent to £67.01.

Looking at the four-month trend this year, the recession appears to be having a greater impact on hotels outside London. Revenue per available room was down by 10.8 per cent in London but minus 13.1 per cent in the provinces.

Daily profit per available room – expressed as income before fixed charges (IBFC) – fell by 23 per cent to £22.06 in the provinces compared to a 17.1 per cent decrease to £46.92 in the capital.

Overseas Visitor Spend Holds Up

In the three months to March 2009 the number of overseas visits to the UK fell by 13 per cent to 6.3 million compared to the same period a year earlier, and yet the amount they spent while here edged up slightly to £3.13 billion from £3.128 billion.

The smallest decline of 7 per cent was in visits from EU15 countries, which include France, Germany, Spain and Italy. In contrast, North American residents continued to stay away, with numbers down by 21 per cent.

The weak pound incentivised those tourists who did come and they certainly got more for their money while here, resulting in significantly higher spend-per-head. Although our department stores appear to be the main beneficiaries, it must also partly explain why London hotels are faring better than many of their European counterparts,” said Langston.

Official statistics showed stronger growth in the volume of clothing and footwear sales than other consumer goods in the first quarter of 2009.

BAA, the operator of seven UK airports including Gatwick and Heathrow, reported handling 40.6 million passengers in the four months to April 2009, an 8 per cent decline on the same period a year earlier. Heathrow and Edinburgh were the most resilient airports both reporting 4 per cent fewer passengers.

For more information contact:

Jonathan Langston, managing director

020 7486 5191

jonathan.langston@trihc.com

Ben Walker, research manager

020 7892 2240

ben.walker@trihc.com

Claire King, marketing manager

020 7892 2237

claire.king@trihc.com

Services:

For an inside view of a local or regional market place in the hotel sector, bespoke **HotStats** reports are available. Terms and conditions apply.

To view a sample report visit: <http://www.trihc.com/Home.aspx?pID=149-0>

Or from the TRI home page select Market knowledge and follow the path to Market reports.

HotStats Briefing Data

UK Chain Hotels - Performance report

The month of April 2009

Occ %	ARR	RevPAR	TrevPAR	Payroll	% IBFC PAR
72.1	83.00	59.87	99.12	30.2	34.36
80.4	106.17	85.40	120.65	26.1	51.82
67.3	67.01	45.13	86.68	33.4	24.28

The four months to April 2009

Occ %	ARR	RevPAR	TrevPAR	Payroll	% IBFC PAR
67.2	83.99	56.43	95.63	31.2	31.16
74.5	106.17	79.14	114.78	27.4	46.92
62.9	68.82	43.31	84.57	34.2	22.06

The month of April 2008

Occ %	ARR	RevPAR	TrevPAR	Payroll	% IBFC PAR
76.9	92.24	70.98	118.53	28.6	46.05
82.7	118.21	97.75	141.65	25.3	65.06
73.6	75.45	55.57	105.21	31.1	35.10

The four months to April 2008

Occ %	ARR	RevPAR	TrevPAR	Payroll	% IBFC PAR
71.1	90.01	64.04	108.25	30.5	38.86
77.9	113.82	88.70	129.80	26.7	56.56
67.2	74.09	49.81	95.82	33.5	28.64

Movement for the month of April

Occ	ARR	RevPAR	TrevPAR	Payroll	IBFC PAR
-4.8	-10.0%	-15.6%	-16.4%	-1.6	-25.4%
-2.2	-10.2%	-12.6%	-14.8%	-0.8	-20.3%
-6.3	-11.2%	-18.8%	-17.6%	-2.3	-30.8%

Movement for the four months to April

Occ	ARR	RevPAR	TrevPAR	Payroll	IBFC PAR
-4.0	-6.7%	-11.9%	-11.7%	-0.7	-19.8%
-3.4	-6.7%	-10.8%	-11.6%	-0.6	-17.1%
-4.3	-7.1%	-13.1%	-11.7%	-0.8	-23.0%

EDITORS NOTES:

The UK Chain Hotels currency within this report is shown in pounds Sterling.

The UK Chain Hotels sample is composed of 489 hotels with an average hotel size of 185 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 hotel sector. It has offices in London, Dubai and Madrid.

Occupancy (Occ %) is that proportion of the bedrooms available during the period which are occupied during the period.

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

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

Total Revpar (TrevPAR) is the combined total of all hotel revenues divided by the total available rooms during the period.

Payroll % is the payroll for all hotels in the sample as a percentage of total revenue.

IBFC PAR is the Income Before Fixed Charges for the period divided by the total available rooms during the period.

Data Sample TRI amends 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 in last year's monthly report because the data is based on a differing hotel sample.