

The Hotel Price Index

Overview of hotels prices January to June 2009



Introduction

The hotels.com® Hotel Price Index (HPI) is a regular survey of hotel prices in major city destinations across the world. The HPI is based on bookings made on hotels.com.

- The HPI tracks the real prices paid per room by hotels.com customers around the world using a weighted average based on the number of rooms sold in each of the markets that hotels.com operates in.
- Approximately 78,000 properties in more than 13,000 locations make up the sample set of hotels from which prices are taken.
- The prices shown are those actually paid by customers (rather than advertised rates), in the first six months of 2009 and therefore give an accurate reflection of hotel prices for the period.

The international scale of hotels.com (in terms of both customers and destinations) makes the Hotel Price Index one of the most comprehensive benchmarks available, as it incorporates both chain and independent hotels, as well as specialty lodging options such as vacation rentals and bed and breakfast properties.

In the U.S. approximately 70 percent of hotel rooms booked are in chain properties. The reverse is true of Europe, where approximately 25 percent of hotel rooms are part of a chain, the remainder being independent. In addition to the standard survey, the HPI includes occasional features on new or unusual booking and pricing trends.

Foreword by David Roche

President of hotels.com worldwide



Not since 2001, in the aftermath of 9/11, has there been such a collapse – surely the word is justified – in global hotel prices. The dampening effect of falling consumer demand has been compounded by sharply increased hotel capacity. In the first half of 2009 an ever larger number of hotel rooms chased a dwindling stream of customers, and this ‘double whammy’ lowered prices by 17 percent globally.

As demand fell, hoteliers closed floors and cut back both services and prices, creating a market with a distinctly promotional character that is likely to endure for some time. The HPI, based on the actual prices that consumers paid for their rooms, fully captures this new reality and is designed to allow the reader to sift the figures that are particularly relevant to them.

Three trends seem significant in the data. Firstly, travelers do take local pricing and the strength of their own currency into account when deciding where to go. We can see this in the increase in prices paid by UK travelers to destinations outside the Eurozone. The increase in demand to travel where the Pound has retained its strength has in turn pushed rates up. US travelers have looked to domestic destinations more as the cost of overseas travel has been increased by other currencies’ gains in value against the Dollar.

Secondly, some traditionally expensive destinations have become more accessible. London has dropped out of the top ten table of most expensive destinations for continental Europeans, and New York no longer heads the price leagues. Dubai was one of the world’s most expensive places to stay until the second quarter, but prices have fallen at double digit rates since.

Lastly, corporate travel has been hit hardest, and has produced marked price cuts in business focused destinations as hoteliers struggle to attract some level of demand. Our city focus sections in Chapter 3 expand on this subject

Stepping back, it is not just hotel prices that have reduced, but so too have the prices of most primary travel goods (including car rental and air tickets). Yet the difficulties that the travel industry is experiencing are mirrored – but oppositely – as opportunities for consumers. In these times hotels.com is working harder than ever to surface those opportunities for hoteliers and consumers alike. Consumers have not seen prices this low since 2003 leading many commentators to propose that real value has returned to the hotel market. We think so too. It is time to travel again.

David Roche
September 2009

In the HPI report, we focus on two main sources of data:

The first section (chapter 2) shows the global Hotel Price Index up to and including Q2 2009.

The Index is compiled from all relevant transactions on hotels.com, in local currency, weighted to reflect the size of each market. By representing hotel price movements in an index, hotels.com can illustrate the actual price movements as experienced by consumers without foreign exchange fluctuations distorting the picture.

The Index was started in 2004 at 100, and includes all bookings across all star ratings.

The report largely compares prices paid in the first six months of 2009 with prices paid in the same period in 2008, thereby removing the effect of seasonality.

The second section (chapters 3-9) shows hotel prices across the world as paid by U.S. travelers in U.S. Dollars. This shows the changes in real prices paid by consumers, reflecting both movements in exchange rates and hotel pricing. The prices shown are average prices paid by travelers between January and June 2009.

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1. Global price changes

According to the hotels.com Hotel Price Index, hotel prices around the world fell by 17 percent in the first six months of 2009, when compared to the same period in 2008 – great news for travelers.

With the exception of the Caribbean, every major region around the world experienced the sharpest price-falls since the hotels.com Hotel Price Index began in January 2004.

In Europe, the U.S. and Latin America, hotel prices in Spring/Summer 2009 had fallen to levels well below those in 2004, according to the hotels.com Hotel Price Index, meaning hotel room prices were at their lowest level for five years.

Latin American hotels saw the steepest price fall year-over-year (down 18 percent), while North American hoteliers cut prices by 17 percent. The average price for a hotel room in a European hotel was 16 percent lower than it had been a year before.

Figure 1 **HPI monthly breakdown January 2004 to June 2009**

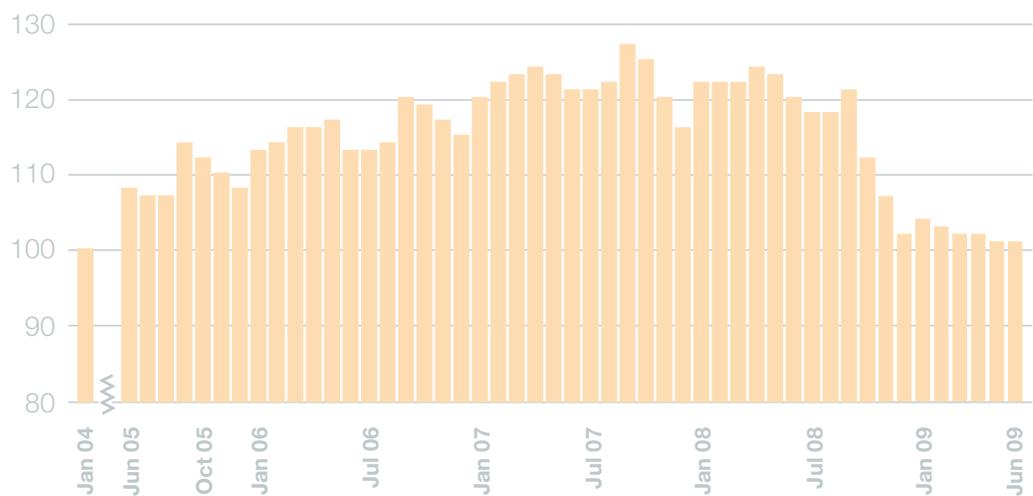
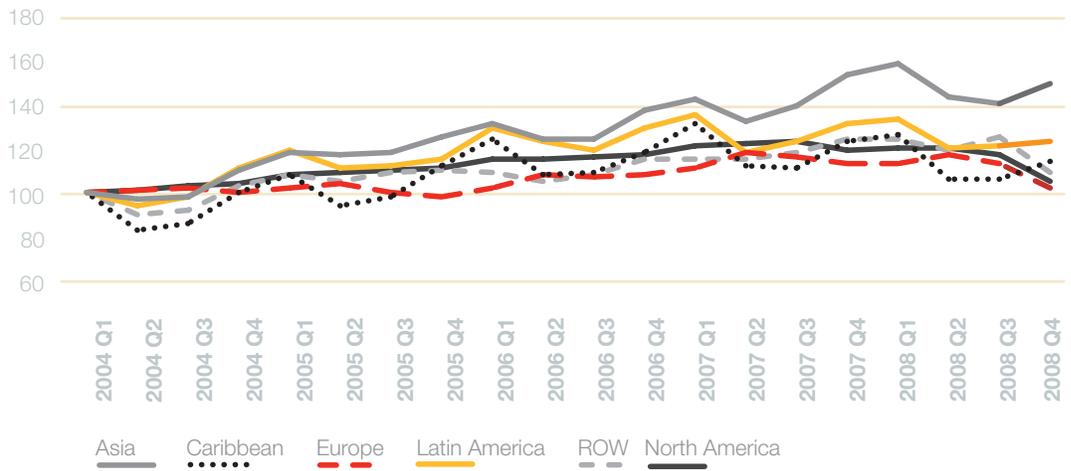


Figure 2 HPI by quarter, by region, Europe, N. America, Asia, the Rest of the World 2004-Q3 2008



Prices continue to fall in North America and Latin America

- Prices paid by travelers for hotel rooms in North America (the U.S. and Canada) fell 17 percent between Q2 2008 and Q2 2009.
- Falling hotel prices across North America reflect the impact of the economic slowdown and the reduction in domestic demand for hotel rooms this caused. The lower number of international tourists to the U.S. also contributed to falling occupancy and hotel prices.
- Prices across Latin America fell furthest and fastest. They slumped by 18 percent in the first half of 2009 when compared to the same period the year before, largely due to the swine flu outbreak which started in Mexico in April.

Dramatic price cuts across Europe

- The rate at which hotel prices fell accelerated as the global financial crisis took hold: in Q4 2008, prices dropped by 10 percent, in Q1 2009 by 15 percent and in Q2 2009 by 16 percent.
- Prices paid by travelers for hotel rooms in Europe fell by 16 percent between Q2 2008 and Q2 2009 as hoteliers cut their prices in an effort to stimulate occupancy rates during the economic downturn.
- The Hotel Price Index for Europe fell to 98 in Q2 2009 – down from 117 a year before: a stark illustration of how sharply hoteliers have had to cut prices creating good deals for travelers.
- The most recent falls in prices mean that hotel rooms are cheaper now across Europe than they were in 2004, when the Hotel Price Index began.

Asian prices follow the trend

- Prices in Asian hotels – which had been holding up better than those in the U.S. or Europe – tumbled in the first half of 2009, falling 17 percent when compared to the same period one year earlier.
- Major price falls in Asia were due largely to the region's drop in business travel.

2. Top destinations around the world

- This section reflects the real US Dollar prices paid by travelers from the U.S. between January and June 2009 – compared to US Dollar prices paid during the same period a year before.
- For U.S. travelers, the most expensive cities were dominated by European tourism centers including Capri, Geneva, Venice, Cannes and Paris. These destinations attract a large crowd of luxury travelers and despite dropping rates, they are still able to charge a premium for hotel stays.
- The Italian island of Capri was actually one of the few destinations to see an average rise year-over-year, up 12 percent in the first half of 2009. With U.S. travelers paying \$279 per night for a room, it became the world's most expensive major destination.

Figure 3 **Average hotel prices for the first six months of 2009, compared to the same period in 2008**

City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year	City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
Capri	\$279	\$250	12%	Salzburg	\$143	\$182	-22%
Abu Dhabi	\$273	\$299	-9%	Hamburg	\$143	\$183	-22%
Geneva	\$243	\$335	-28%	Munich	\$142	\$187	-24%
Moscow	\$218	\$452	-52%	Brussels	\$142	\$181	-22%
Venice	\$218	\$274	-20%	Seville	\$141	\$195	-28%
Cannes	\$208	\$261	-20%	Singapore	\$141	\$219	-35%
New York	\$196	\$281	-30%	Madrid	\$138	\$191	-28%
Dubrovnik	\$193	\$243	-20%	Vienna	\$138	\$199	-31%
Dubai	\$192	\$259	-26%	Bali	\$137	\$154	-11%
Paris	\$187	\$229	-18%	Taipei	\$137	\$189	-28%
Rio de Janeiro	\$185	\$166	11%	Vancouver	\$137	\$172	-21%
Rome	\$183	\$231	-21%	Chicago	\$135	\$173	-22%
St Petersburg	\$183	\$257	-29%	New Delhi	\$133	\$193	-31%
Zurich	\$181	\$229	-21%	Lisbon	\$132	\$176	-25%
Copenhagen	\$181	\$236	-24%	Seoul	\$129	\$166	-22%
London	\$176	\$235	-25%	Montreal	\$129	\$160	-20%
Jerusalem	\$175	\$164	7%	Honolulu	\$128	\$159	-19%
Milan	\$173	\$222	-22%	San Francisco	\$124	\$155	-20%
Cancun	\$172	\$217	-21%	Acapulco	\$123	\$151	-18%
Kyoto	\$168	\$202	-17%	Dublin	\$122	\$180	-32%
Mumbai	\$163	\$279	-42%	Sydney	\$122	\$175	-30%
Istanbul	\$163	\$178	-8%	Berlin	\$121	\$163	-26%
Johannesburg	\$162	\$212	-23%	Los Angeles	\$119	\$137	-14%
Oslo	\$161	\$236	-32%	Budapest	\$119	\$168	-29%
Athens	\$160	\$187	-14%	Hong Kong	\$119	\$153	-22%
Florence	\$160	\$215	-26%	Buenos Aires	\$114	\$141	-19%
Amsterdam	\$158	\$215	-27%	Beijing	\$111	\$162	-32%
Boston	\$157	\$188	-16%	Cape Town	\$110	\$134	-17%
Barcelona	\$155	\$229	-32%	Shanghai	\$108	\$124	-13%
Edinburgh	\$155	\$223	-30%	Mexico City	\$105	\$120	-12%
Stockholm	\$151	\$214	-30%	Melbourne	\$104	\$121	-14%
Washington, D.C.	\$150	\$170	-12%	Prague	\$102	\$152	-33%
Reykjavik	\$150	\$188	-20%	Bangkok	\$100	\$120	-16%
Santiago	\$147	\$148	-1%	Kuala Lumpur	\$99	\$121	-18%
Sao Paulo	\$147	\$138	7%	Manila	\$95	\$132	-28%
Miami	\$147	\$179	-18%	Warsaw	\$93	\$151	-38%
Frankfurt	\$146	\$180	-19%	Orlando	\$92	\$109	-16%
Cairo	\$145	\$184	-21%	Auckland	\$84	\$139	-40%
Helsinki	\$145	\$193	-25%	Las Vegas	\$82	\$116	-30%

- Despite a significant price drop in Moscow – rates fell by 52 percent between the first half of 2008 and the first half of 2009 – Moscow still placed as the fourth most expensive city globally for U.S. travelers.
- In addition to Europe, the Middle East also featured some of the world most pricey destinations. Abu Dhabi came second and Dubai was number nine. A high proportion of higher-end accommodations and relatively constrained hotel supply combined to keep hotel prices relatively high.
- Closer to home, New York was the most expensive domestic city of those tracked in the global list, with prices averaging \$196 during the first half of 2009 – a fall of almost one-third (30 percent) compared to the same period in 2008.

The world's most expensive destinations

- In the first half of 2009, the world's most expensive destinations, with the exception of Capri, all saw dramatic falls in prices paid by travelers compared to the same period in 2008. Nine of the world's 10 most expensive cities saw average prices drop during this period.
- The list of most expensive destinations is dominated by European cities, which have maintained higher rates for U.S. travelers due to the strength of the Euro and the number of international travelers in these areas that in general have more spending capability.
- Joining these European centers are the new Middle East travel powerhouses of Abu Dhabi and Dubai, which enjoyed a combination of business and leisure patronage from U.S. travelers during the first half of 2009.

Figure 4 **The world's most expensive destinations in the first half of 2009, compared to the same period in 2008**

City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
Capri	\$279	\$250	12%
Abu Dhabi	\$273	\$299	-9%
Geneva	\$243	\$335	-28%
Moscow	\$218	\$452	-52%
Venice	\$218	\$274	-20%
Cannes	\$208	\$261	-20%
New York	\$196	\$281	-30%
Dubrovnik	\$193	\$243	-20%
Dubai	\$192	\$259	-26%
Paris	\$187	\$229	-18%

The greatest price rises among the world's top cities

- Prices in just four of the major global city destinations rose between the first half of 2008 and the same period this year.
- As has been observed, prices in Capri were up thanks to its continuing allure for U.S. vacationers and its strong convention trade, which continues to attract business travelers for its globally significant events – most of which take place during the first half of the year.
- The Brazilian cities of Rio de Janeiro and Sao Paulo both saw average prices paid by U.S. travelers rise between 2008 and 2009 – by 11 percent and 7 percent, largely due to the strengthening of the Brazilian currency against the US Dollar.

Figure 5 **The biggest price rises in the first half of 2009, compared to the same period in 2008**

City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
Capri	\$279	\$250	12%
Rio De Janeiro	\$185	\$166	11%
Jerusalem	\$175	\$164	7%
Sao Paulo	\$147	\$138	7%

The greatest price falls among the world's top cities

- European cities saw the steepest price falls with 10 cities on the continent dropping 30 percent or more. For U.S. travelers considering a trip to Europe, the first half of 2009 was a great time to go. Prices fell steeply in some major European destinations: down 33 percent in Prague and 32 percent in Barcelona and Dublin.
- Prices in Moscow fell by 52 percent year-over-year, which meant that a hotel room that would have cost a U.S. traveler \$452 during the first six months of 2008 would have cost a traveler just \$218 this year. The staggering drop in price is explained by a combination of the financial crisis taking its toll on the Russian center and business travel falling dramatically. Moscow hosted the Champions League Football final in May 2008 which would also have contributed to high prices last year.
- Prices for hotels in the Indian city of Mumbai continued to fall during the first six months of 2009 (when compared to the same period a year before) as the terrorist attacks of November 2008 continued to deter tourists and business travel to the city dropped due to the economic downturn.
- Two major U.S. travel destinations – New York and Las Vegas – were among global cities with the steepest falls. Both destinations saw a 30 percent drop in hotel rates in the first half of 2009.
- Other cities to experience substantial falls were Auckland, NZ (down 40 percent to \$84) and Warsaw (down by 38 percent to \$93), the steepest price drop for a European city.

Figure 6 **The biggest price falls in the first six months of 2009, compared to the same period in 2008**

City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
Moscow	\$218	\$452	-52%
Mumbai	\$163	\$279	-42%
Auckland	\$84	\$139	-40%
Warsaw	\$93	\$151	-38%
Singapore	\$141	\$219	-35%
Prague	\$102	\$152	-33%
Barcelona	\$155	\$229	-32%
Dublin	\$122	\$180	-32%
Beijing	\$111	\$162	-32%
Oslo	\$161	\$236	-32%
Vienna	\$138	\$199	-31%
New Delhi	\$133	\$193	-31%
New York	\$196	\$281	-30%
Las Vegas	\$82	\$116	-30%
Edinburgh	\$155	\$223	-30%
Stockholm	\$151	\$214	-30%
Sydney	\$122	\$175	-30%

3. City focus sections

Focus on New York



In the first half of 2009, New York overtook Las Vegas as the U.S. city experiencing the fastest growth in hotel rooms. Current figures show that a total of 38 new properties will open in 2009, increasing the number of hotel rooms in the city by nearly 8,000.

However, occupancy rates in the first half of 2009 were down by 5 percent* compared to the same period a year before, mainly fueled by a downturn in business travel. The leisure market to the city proved more resilient.

Visitor numbers from the UK were down by some 26 percent, as the Pound continued to perform weakly against the US Dollar, while visitor numbers from France, Germany, Italy and Spain held up well. The trend seemed to be towards last minute bookings from Europe though as travelers shopped around for a late deal.

However, the drop in European visitors opened up more rooms for domestic travelers to New York and made the city (a mere eight-hour drive for a quarter of the entire U.S. population) more affordable. Visitors from countries whose currency is pegged to the US Dollar also increased with Brazil showing particular strength.

The luxury end of the New York market (three to five-star hotels) saw the most pronounced changes: prices fell furthest but booking numbers increased the most. Savvy travelers realized their money could now buy a higher category hotel and that lower rates would allow them to stay longer.

Hoteliers have also had to compete harder for visitors as central Manhattan hotels lower their rates to levels usually found in outer boroughs such as Brooklyn and Queens.

The number of flights into New York has been cut by around three to five percent but, luckily for the consumer, flight prices have not risen to reflect this. In fact, flight prices to New York are currently the lowest they have been for some time.

These decreases in flight and hotels rates plus the abundance of hotel rooms and competition between properties all add up to paint a rosy picture for the traveler.

* Data sourced from NYC and company.

Focus on Las Vegas



Las Vegas is the ultimate indulgence destination for those that want to get away from it all. But under the baize of the gambling tables a quiet revolution is taking place, one that puts the betting chip firmly back in the hands of the consumer.

The hotel landscape of America's most glamorous city has changed since the global recession dawned in 2008. Traditionally one of the largest markets for Las Vegas has been the convention and meeting trade, but in 2008 the number of events held in the city dropped by almost six percent* leading to a steep fall in the prices of average hotel room rates as hoteliers competed to try to keep their occupancy levels constant. So far in 2009 the convention market is showing little sign of recovery with trade in this sector down more than 22 percent* to date year-over-year.

A decline in visitor numbers is also having an effect on the average room night in the city. In 2009, total visitor numbers, including leisure, business and convention markets, are sitting almost seven percent* lower than the same period in 2008.

While these factors combined may paint a rather gloomy picture for business in Las Vegas, it places the consumer in a very strong position. Travelers can now snap up rooms on the world famous Strip for a fraction of the price seen in recent years. And as hotels pull out all the stops to attract guests, an unprecedented amount of discounts and deals are available.

As hotels across the spectrum of star ratings look to protect their margins, Vegas has also seen a rise in added value offers designed to tempt travelers. These range from free nights for returning visitors and casino credits, to complimentary spa treatments and food and drink vouchers.

As travelers benefit from great prices and added value offers, they are also experiencing a greater choice in properties as hotel construction in the city remains at a high level. Second only to New York, the number of hotel rooms in Vegas rose by more than 7,000 in 2008 with a further 5,000 rooms forecasted by the end of 2009.

* Data sourced from the Las Vegas Convention & Visitors Authority

Focus on London



London is traditionally regarded as one of the most expensive cities in the world, making it seem an unfeasible destination for many travelers. But changes in the global economic landscape and fluctuations in foreign exchange rates have made London a much more accessible destination in 2009.

As the 2012 Olympics to be hosted in London approach, hotel room supply in the city has steadily been increasing. In 2008 more than 3,000 new rooms were added while in 2009 an additional 3,400 are forecast.

As hotel prices continue to fall and hotels in the city usher in special offers and deals, consumers are starting to recognize how far their holiday budget will go. One of the most pronounced changes experienced by London's hotel market has been that visitors can upgrade the star rating of hotel or the room category for little additional money.

The visitor profile in the city has also undergone a number of changes. Visitor numbers in general have dropped by just over nine percent* compared to last year, however there's been a dramatic shift in the mix of visitors' originating markets. The strength of the Euro against the Pound has seen European visitors remain resilient, down just over three percent* year-over-year, while visitors from the U.S. and Canada, once a strong market, fell steeply at around 20 percent* year-over-year. The UAE is one origination market that has grown for London where visitor numbers to the city have risen just over six percent* year-over-year.

* Data sourced from Visit London.

Focus on Abu Dhabi and Dubai



The effects of the global economic downturn were felt later in the Middle East than in the rest of the world with the slowdown not seen until Q4 2008. Although both in the UAE, different changes were seen in the visitor landscapes of Abu Dhabi and Dubai.

Being mainly a business destination, Abu Dhabi kept its early 2009 hotel market relatively buoyant maintaining high numbers of business travelers. This coupled with a low inventory of rooms across the destination meant that average room night rates stayed high. By Q2 2009 however, room rates started dropping in Abu Dhabi as the economic downturn affected the number of business travelers.

Just 74 miles away, the picture in Dubai was very different. Hotel prices in Dubai fell sharply in Q1 2009 as the destination became something of a victim of its own success. The global downturn coupled with an oversupply of hotel rooms led to a dramatic drop in hotel rates. The number of hotel rooms in the city had grown exponentially increasing by 16 percent* throughout 2008 with 2009 looking set to keep pace. Well known hoteliers such as Sofitel, Kempinski, Ibis and Mövenpick all have openings planned for 2009.

In Q2 2009 the sharp price drops in Dubai begin to soften slightly as hoteliers adjusted to the rapidly changing economic situation. However, with more and more promotions from hoteliers to try to attract customers, there has never been a better time for travelers to stay in some of the world's top properties for a great price.

Visitors to Dubai are also changing, with fewer British and Russian travelers to the area and more visitors from the U.S. and Italy taking their place.

* Data from the Government of Dubai Department of Tourism and Commerce Management

4. U.S. hotel prices per state

In the first half of 2009 hotel prices across the United States dropped 17 percent with room rates on average \$115 a night down from \$139 a night during the same period in 2008. The following section breaks down hotel prices per state for Q1 and Q2 2009.

- U.S. travelers spent the most for a night in New York state during the first half of 2009, despite prices falling 30 percent.
- The two states outside of the continental U.S., Hawaii and Alaska, were among the most expensive states, with Hawaii ranking third and Alaska number eight.
- Despite a lack in big cities, Wyoming had the nation's fourth most pricey hotel rates, largely due to more expensive hotels in the major ski destination of Jackson Hole.
- The nation's least expensive states in the first half of 2009 included Nevada, with room rates just \$77 on average, Idaho, Kansas, North Dakota and Oklahoma.

Figure 7 Average hotel prices for the first six months of 2009, compared to the same period in 2008 for U.S. states

State	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year	State	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
New York	\$183	\$261	-30%	Oregon	\$102	\$114	-10%
Massachusetts	\$151	\$181	-16%	Indiana	\$100	\$109	-8%
Hawaii	\$150	\$181	-17%	Wisconsin	\$99	\$110	-10%
Wyoming	\$140	\$153	-9%	Nebraska	\$98	\$100	-2%
Rhode Island	\$130	\$152	-15%	Tennessee	\$98	\$109	-10%
Illinois	\$128	\$163	-22%	Georgia	\$98	\$113	-14%
Washington state	\$124	\$141	-12%	Minnesota	\$97	\$110	-11%
Alaska	\$123	\$158	-22%	Michigan	\$97	\$104	-7%
Maryland	\$119	\$138	-14%	Utah	\$97	\$109	-11%
California	\$119	\$142	-16%	Kentucky	\$97	\$105	-8%
Pennsylvania	\$119	\$138	-14%	Missouri	\$96	\$103	-7%
Florida	\$116	\$136	-14%	New Mexico	\$96	\$105	-8%
Vermont	\$116	\$123	-6%	Alabama	\$96	\$101	-5%
Louisiana	\$114	\$127	-10%	West Virginia	\$94	\$98	-4%
New Jersey	\$113	\$136	-17%	North Carolina	\$93	\$103	-10%
South Carolina	\$112	\$128	-13%	South Dakota	\$92	\$97	-5%
Virginia	\$111	\$123	-9%	Arkansas	\$91	\$93	-2%
Connecticut	\$111	\$131	-15%	Iowa	\$91	\$95	-5%
Maine	\$110	\$107	-2%	Mississippi	\$90	\$101	-11%
Texas	\$109	\$121	-9%	Ohio	\$90	\$98	-8%
Colorado	\$109	\$124	-12%	Oklahoma	\$88	\$96	-8%
Arizona	\$108	\$130	-17%	North Dakota	\$87	\$87	0%
New Hampshire	\$106	\$123	-13%	Kansas	\$86	\$89	-3%
Delaware	\$105	\$121	-13%	Idaho	\$84	\$97	-14%
Montana	\$102	\$121	-15%	Nevada	\$77	\$108	-29%

- Six states with the highest room rates – New York, Massachusetts, Hawaii, Illinois, Alaska and California – also were among the states with the greatest price falls. Hotel rates in these areas fell 16 percent or more.
- Despite holding on to its position as the most expensive state in the U.S., New York experienced the greatest fall in prices of any state: prices were down by 30 percent year-over-year during the first half of 2009.
- Prices also fell dramatically in Nevada, down by 29 percent between the first six months of 2008 and the same period this year, which also meant that it became the least expensive state for travelers to find a room for the night. Hotels prices in Nevada now average just \$77 per room.

Figure 8 **Greatest price falls in the first half of 2009, compared to the same period in 2008, across the United States**

Rank	State	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
1	New York	\$183	\$261	-30%
2	Nevada	\$77	\$108	-29%
3	Alaska	\$123	\$158	-22%
3	Illinois	\$128	\$163	-22%
4	Hawaii	\$150	\$181	-17%
4	Arizona	\$108	\$130	-17%
4	New Jersey	\$113	\$136	-17%
5	Massachusetts	\$151	\$181	-16%
5	California	\$119	\$142	-16%

5. U.S. city prices

Due to the huge range of properties and destinations that hotels.com offers across the United States, we cannot include commentary and insight into every U.S. city destination in this report. If you have specific questions about the data reported here, please refer to the contact information on page 27 of this document.

Figure 9 Average prices paid by travelers staying in U.S. cities in the first six months of 2009, compared to the same period in 2008

Rank	City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent Change year-over-year	Rank	City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent Change year-over-year
1	New York, NY	\$196	\$281	-30%	25	Buffalo, NY	\$107	\$110	-4%
2	Washington, DC	\$182	\$206	-11%	26	Memphis, TN	\$106	\$114	-7%
3	Boston, MA	\$157	\$188	-16%	26	Savannah, GA	\$106	\$122	-13%
3	Honolulu, HI	\$157	\$191	-18%	27	Omaha, NE	\$123	\$152	-19%
4	Panama City, FL	\$154	\$166	-7%	27	Portland, OR	\$123	\$151	-18%
5	Naples, FL	\$146	\$123	-16%	27	Baton Rouge, LA	\$123	\$136	-10%
6	Miami, FL	\$140	\$176	-21%	27	Nashville, TN	\$122	\$120	2%
7	Palm Springs, CA	\$136	\$155	-12%	28	Phoenix, AZ	\$122	\$115	6%
8	Chicago, IL	\$135	\$173	-22%	28	Dallas/Ft. Worth, TX	\$122	\$124	-1%
9	Seattle - Tacoma, WA	\$131	\$152	-13%	29	Louisville, KY	\$122	\$129	-6%
10	West Palm Beach, FL	\$130	\$160	-19%	29	Indianapolis, IN	\$121	\$135	-11%
10	Anchorage, AK	\$130	\$166	-22%	30	Tucson, AZ	\$120	\$137	-12%
11	San Diego, CA	\$129	\$163	-21%	30	St. Louis, MO	\$119	\$132	-10%
12	Santa Fe, NM	\$128	\$133	-3%	30	Detroit, MI	\$119	\$126	-6%
12	Charleston, SC	\$128	\$142	-10%	30	Atlanta, GA	\$118	\$118	0%
13	Juneau, AK	\$126	\$171	-26%	31	Salt Lake City, UT	\$117	\$123	-5%
14	Providence, RI	\$125	\$143	-12%	31	Cleveland, OH	\$117	\$139	-16%
14	Philadelphia, PA	\$125	\$149	-16%	32	Minneapolis/St. Paul, MN	\$117	\$121	-4%
14	Ft. Lauderdale, FL	\$125	\$150	-17%	33	Cincinnati, OH	\$116	\$101	15%
15	San Fran/Oakland/ San Jose, CA	\$124	\$155	-20%	34	Charlotte, NC	\$116	\$121	-4%
16	Ft. Myers, FL	\$123	\$148	-17%	34	Sacramento, CA	\$116	\$116	0%
16	New Orleans, LA	\$123	\$138	-11%	35	Des Moines, IA	\$116	\$126	-8%
17	Pittsburgh	\$121	\$133	-9%	36	Madison, WI	\$116	\$123	-6%
17	Tampa - St. Peter FL	\$121	\$133	-9%	37	Birmingham, AL	\$116	\$123	-6%
18	Austin, TX	\$120	\$129	-7%	37	Columbus, OH	\$115	\$121	-5%
18	San Antonio, TX	\$120	\$140	-14%	38	Orlando, FL	\$114	\$123	-7%
18	Lincoln, NK	\$120	\$135	-11%	39	Raleigh/Durham, NC	\$114	\$114	0%
19	Albany, NY	\$119	\$121	-1%	40	Lexington, KY	\$113	\$133	-15%
19	Los Angeles, CA	\$119	\$137	-14%	41	Pensacola, FL	\$112	\$128	-12%
20	Baltimore, MD	\$118	\$145	-18%	42	Springfield, MO	\$112	\$122	-8%
21	Myrtle Beach, SC	\$116	\$134	-14%	43	Tallahassee, FL	\$110	\$126	-12%
21	Houston, TX	\$116	\$124	-6%	43	Helena, MT	\$110	\$150	-26%
21	Denver, CO	\$116	\$130	-11%	44	Knoxville, TN	\$110	\$119	-8%
22	Hartford - New Haven, CT	\$111	\$131	-15%	44	Dayton, OH	\$110	\$145	-24%
23	Cheyenne, WY	\$110	\$105	5%	45	Las Vegas, NV	\$109	\$108	1%
24	Milwaukee, WI	\$109	\$120	-10%	46	Boise, ID	\$109	\$124	-12%
25	Daytona Beach, FL	\$107	\$120	-10%	46	Reno, NV	\$109	\$105	3%
					47	Albuquerque, NM	\$108	\$114	-4%

- New York City held its spot as the most expensive domestic city for U.S. travelers. It also ranked seventh globally.
- Washington, D.C. rose to second most expensive city in the U.S. in the first half of 2009. An influx of tourism to the area during the presidential inauguration contributed to higher rates during this time.
- Tourism in Florida remained strong with four cities – Panama City, Naples, Miami and West Palm Beach – among the top 10 destinations with the highest hotel rates.

Figure 10 **Highest prices in the first half of 2009 across major U.S. cities**

Rank	State	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
1	New York, NY	\$196	\$281	-30%
2	Washington, DC	\$182	\$206	-11%
3	Boston, MA	\$157	\$188	-16%
3	Honolulu, HI	\$157	\$191	-18%
4	Panama City, FL	\$154	\$166	-7%
5	Naples, FL	\$146	\$123	-16%
6	Miami, FL	\$140	\$176	-21%
7	Palm Springs, CA	\$136	\$155	-12%
8	Chicago, IL	\$135	\$173	-22%
9	Seattle/Tacoma, WA	\$131	\$152	-13%
10	West Palm Beach, FL	\$130	\$160	-19%
10	Anchorage, AK	\$130	\$166	-22%
11	San Diego, CA	\$129	\$163	-21%

- Despite being the most popular domestic travel destination, Las Vegas had the third least expensive hotel rates in the first half of 2009. Orlando, the third most popular destination for U.S. travelers, ranked number 10 in lowest hotel rates.

Figure 11 **Lowest prices in the first half of 2009 across major U.S. cities**

Rank	State	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
1	Albuquerque, NM	\$79	\$89	-11%
2	Boise, ID	\$81	\$92	-11%
2	Reno, NV	\$81	\$98	-17%
3	Las Vegas, NV	\$82	\$116	-30%
4	Knoxville, TN	\$83	\$92	-10%
4	Dayton, OH	\$83	\$81	3%
5	Tallahassee, FL	\$85	\$89	-5%
5	Helena, MT	\$85	\$99	-14%
6	Springfield, MO	\$86	\$88	-2%
7	Pensacola, FL	\$88	\$91	-3%
8	Lexington, KY	\$89	\$96	-8%
9	Raleigh/Durham, NC	\$90	\$96	-7%
10	Orlando, FL	\$92	\$109	-16%

- Eight cities with the most expensive hotel rates – New York City, Honolulu, Boston, Naples, Miami, Chicago, Anchorage and West Palm Beach – also appeared in the list of U.S. cities with the greatest falls in room prices.
- New York City had the most expensive hotel rates in the first half of 2009 – and the greatest price fall, down 30 percent. Travelers to the area this year paid on average \$85 less than the same time in the previous year.
- Las Vegas tied with New York for the greatest price fall, both down 30 percent, in the first half of 2009. Rates were on average \$34 less the first half of 2009 when compared to the same time in 2008.
- Two Alaska cities, Juneau and Anchorage, had the second and third most significant hotel price drops, down 26 percent and 22 percent, respectively.

Figure 12 **Largest price falls in the first half of 2009 compared to a year earlier across major U.S. cities**

Rank	State	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
1	New York, NY	\$196	\$281	-30%
1	Las Vegas, NV	\$82	\$116	-30%
2	Juneau, AK	\$126	\$171	-26%
3	Anchorage, AK	\$130	\$166	-22%
3	Chicago, IL	\$135	\$173	-22%
4	San Diego, CA	\$129	\$163	-21%
4	Miami, FL	\$140	\$176	-21%
5	San Fran./Oakland/ San Jose, CA	\$124	\$155	-20%
6	Tucson, AZ	\$100	\$124	-19%
6	West Palm Beach, FL	\$130	\$160	-19%
7	Phoenix, AZ	\$104	\$127	-18%
7	Baltimore, MD	\$118	\$145	-18%
7	Honolulu, HI	\$157	\$191	-18%
8	Ft. Lauderdale, FL	\$125	\$150	-17%
8	Reno, NV	\$81	\$98	-17%
8	Ft. Myers, FL	\$123	\$148	-17%
9	Naples, FL	\$146	\$123	-16%
9	Boston, MA	\$157	\$188	-16%
9	Philadelphia, PA	\$125	\$149	-16%
9	Orlando, FL	\$92	\$109	-16%
10	Cleveland, OH	\$99	\$116	-15%
10	Hartford/New Haven, CT	\$111	\$131	-15%

6. Caribbean and Latin American destinations

- The major Caribbean destinations dominate the table of the most expensive destinations across the region as a whole.
- The most expensive destinations in the Caribbean and Latin America include the Bahamas, Bermuda, Turks and Caicos, and U.S. Virgin Islands. These areas all include higher-end hotels and resorts attracting travelers focused on luxury. As these travelers are willing to pay for lavish vacation experiences, the properties are able to maintain high prices.
- Average prices for hotels in resort markets in Mexico and Costa Rica are skewed by the growing prevalence of all-inclusive properties that have a higher price tag to cover accommodations, as well as meals, gratuities and taxes.
- Hotel prices fell across Mexico in the first half of 2009 compared to 2008 due largely to travel advisories issued by the U.S. government around the swine flu. Rates in top Mexican cities were down 12 to 24 percent and five of these cities fell among the region's 10 destinations with the least expensive room rates.

Figure 12 **Prices across major Caribbean and Latin American destinations in the first half of 2009, compared to the same period in 2008**

City	Country	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
Paradise Island	Bahamas	\$360	\$384	-6%
Paget	Bermuda	\$343	\$320	7%
Providenciales	Turks And Caicos Islands	\$292	\$321	-9%
Hamilton	Bermuda	\$285	\$340	-16%
Charlotte Amalie	U.S. Virgin Islands	\$259	\$316	-18%
Cable Beach	Bahamas	\$245	\$228	8%
Oyster Pond	Netherlands Antilles	\$244	\$247	-1%
Palm Beach	Aruba	\$236	\$256	-8%
Punta Cana	Dominican Republic	\$215	\$250	-14%
St Johns	Antigua & Barbuda	\$209	\$221	-5%
Los Cabos	Mexico	\$207	\$242	-14%
Oranjestad	Aruba	\$207	\$205	1%
St Thomas	U.S. Virgin Islands	\$207	\$225	-8%
Kingston	Jamaica	\$193	\$192	1%
Montego Bay	Jamaica	\$191	\$150	27%
Lucaya	Bahamas	\$186	\$179	4%
Rio De Janeiro	Brazil	\$185	\$166	11%
Nassau	Bahamas	\$177	\$159	11%
Cancun	Mexico	\$172	\$217	-21%
Christ Church	Barbados	\$169	\$170	-1%
Ocho Rios	Jamaica	\$167	\$198	-16%
Willemstad	Netherlands Antilles	\$163	\$190	-14%
Ixtapa-Zihuatanejo	Mexico	\$158	\$188	-16%
Lima	Peru	\$156	\$160	-3%
Bogota	Colombia	\$151	\$178	-15%
Santiago	Chile	\$147	\$148	-1%
Sao Paulo	Brazil	\$147	\$138	7%
Cozumel	Mexico	\$146	\$178	-18%
Puerta Plata	Dominican Republic	\$142	\$152	-7%
Negril	Jamaica	\$134	\$151	-12%
Acapulco	Mexico	\$123	\$151	-18%
Quito	Ecuador	\$122	\$152	-20%
Buenos Aires	Argentina	\$114	\$141	-19%
Santo Domingo	Dominican Republic	\$112	\$129	-13%
Mazatlan	Mexico	\$106	\$132	-20%
Mexico City	Mexico	\$105	\$120	-12%
San Jose	Costa Rica	\$100	\$113	-11%
Guadalajara	Mexico	\$93	\$109	-14%
Monterrey	Mexico	\$84	\$111	-24%

7. European city destinations

- Posting a price rise of 12 percent – one of the few major destinations to post a rise in average prices – the Italian island hideaway of Capri became Europe’s most expensive destination in first half of 2009. U.S. travelers paid an average \$279 per night for hotels on the island.
- Prices in Geneva fell by 28 percent year-over-year between the first half of 2008 and the same period this year. The fall meant that it dropped from first to second place as the city in which U.S. travelers paid the most for a hotel room among major European destinations.
- The major European cities experienced substantial drops in hotel price from 2008 to 2009, making European destinations excellent values for vacationers and business travelers alike. Prices in London fell by a quarter (25 percent), and in Copenhagen by a similar proportion (24 percent).

Figure 13 **The most expensive European city destinations in the first half of 2009, compared to the same period in 2008**

City	Average price per room per night Jan-June 2009	Average price per room per night Jan-June 2008	Percent change year-over-year
Capri	\$279	\$250	12%
Geneva	\$243	\$335	-28%
Venice	\$218	\$274	-20%
Cannes	\$208	\$261	-20%
Dubrovnik	\$193	\$243	-20%
Paris	\$187	\$229	-18%
Rome	\$183	\$231	-21%
Zurich	\$181	\$229	-21%
Copenhagen	\$181	\$236	-24%
London	\$176	\$235	-25%

8. Travel habits

Top U.S. destinations for U.S. travelers

- With some of the lowest hotel rates and most entertaining tourism activities in the nation, Las Vegas took the top spot for U.S. travelers in the first half of 2009. New York City followed second in popularity with U.S. travelers taking advantage of the city's historically low hotel rates.
- Orlando was the third most popular city. With a room costing travelers just \$92 per night on average, the city offered great value, particularly for family leisure trips.
- California remained a U.S. travel favorite with three cities – San Francisco, Los Angeles and San Diego – among the top 10 favorite domestic destinations.

Figure 14 **Top U.S. destinations for domestic U.S. travelers**

Rank	City
1	Las Vegas
2	New York City
3	Orlando
4	Chicago
5	San Francisco
6	Los Angeles
7	San Diego
8	Miami
9	Boston
10	San Antonio
11	Atlanta
12	Seattle
13	Houston
14	New Orleans
15	Washington
16	Dallas
17	Denver
18	Anaheim
19	Fort Lauderdale
20	Philadelphia

Top international destinations for U.S. travelers

- London was the most popular international destination for U.S. travelers, demonstrating the enduring appeal of the UK capital as well as the impact of the relatively weak Pound, which made it even more attractive to U.S. visitors. Prices in the UK capital dropped by 25 percent in the first six months of this year compared to the same period in 2008.
- Paris was the fifth most popular destination and second most popular outside North America for U.S. travelers. Again, a demonstration of the enduring appeal of the major European tourism centers for U.S. travelers, which were bolstered by dropping hotel rates in these favorite destinations.
- A quick jaunt away for many Americans, Canadian cities dominated the remaining places in the list of top international destinations with Toronto, Vancouver and Niagara Falls all appearing in the top five.
- Hong Kong was U.S. travelers' top city in Asia with Tokyo in second. These two cities were the only Asian cities to make the top 20 list.

Figure 15 **Top international destinations for U.S. travelers**

Rank	City	Country
1	London	United Kingdom
2	Toronto	Canada
3	Vancouver	Canada
4	Niagara Falls	Canada
5	Paris	France
6	Montreal	Canada
7	Rome	Italy
8	Barcelona	Spain
9	Dublin	Ireland
10	Venice	Italy
11	Madrid	Spain
12	Victoria	Canada
13	Amsterdam	Netherlands
14	Hong Kong	China
15	Calgary	Canada
16	Florence	Italy
17	Edmonton	Canada
18	Ottawa	Canada
19	Munich	Germany
20	Tokyo	Japan

Top U.S. destinations for international travelers

- The major east and west coast destinations in the U.S. proved to be favorite locations among international travelers, with New York topping the list of most-visited cities.
- With hotels offering cut-rate deals for travelers, Las Vegas was the second most popular U.S. destination among international travelers to the country. California cities San Francisco and Los Angeles were the third and fifth most traveled cities for international visitors, respectively.
- Florida's tourist cities also made a strong showing as Miami took the fourth spot in the table and Orlando took the sixth.

Figure 16 **Top U.S. destinations for international travelers**

Rank	City
1	New York
2	Las Vegas
3	San Francisco
4	Miami
5	Los Angeles
6	Orlando
7	Chicago
8	Boston
9	San Diego
10	Seattle
11	Washington
12	Fort Lauderdale
13	Honolulu
14	Newark
15	Anaheim
16	New Orleans
17	Atlanta
18	San Antonio
19	Houston
20	Key West

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