

Mumbai enjoys highest absolute revPAR in Asia Pacific for 2007

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Growth across Asia was fuelled predominantly by markets in the South - in particular India - according to year-end 2007 results from the HotelBenchmark(TM) Survey by Deloitte. Overall, revenue per available room (revPAR) increased 12.4% across Asia Pacific to reach US\$95.

Hotels in South Asia saw the strongest performance with growth rates for both average room rates and revPAR exceeding 26%. India was the major contributor, with strong economic growth - especially in the manufacturing and IT sectors - leading to a boom in business travel. With such high demand, hoteliers in Mumbai were able to push their rates up by 45.3% to give the city the highest absolute revPAR in the region at US\$207.

South-East Asia also had an exceptionally good year with revPAR climbing 22.6% in 2007. Singapore was one of the main drivers of growth - as the opening of terminal 3 at Changi Airport helped fuel demand for accommodation in the city. Vietnam's economic hub, Ho Chi Minh City also saw impressive increases in revPAR up 44.7% to US\$97 benefiting from strong business activity. Despite the reported oversupply of hotels in Bali, this did little to hold the resort back - with revPAR growth surpassing Mumbai at 48.9%.

Oceania was not far behind the other regions seeing revPAR increase by 17.9% in 2007. Performance was driven by improvements in average room rates which surpassed US\$140 - the second highest in the region after South Asia. Markets in Australia did particularly well benefiting from both the continued expansion of low-cost airlines as well as the controversial marketing campaign 'Where the bloody hell are you?' Sydney and Melbourne reported revPAR increases of 23.1% and 19.5% respectively.

North-East Asia was the only region not to enjoy double-digit growth in 2007, with revPAR up just 2.2%. Performance was buoyed by markets such as Hong Kong and Tokyo which saw revPAR increase by 9.9% and 7% in each. A rise in domestic travellers from mainland China helped push performance up in Hong Kong while in Tokyo robust economic conditions and limited new supply aided growth.

Lorna Clarke, Executive Director of HotelBenchmark(TM) commented: '2007 was another good year for the Asian hotel market with growth slightly stronger than 2006. The region has seen mixed fortunes since the financial crisis ten years ago. The SARS outbreak, avian flu, terrorist attacks and the catastrophic tsunami, all dealt blows to the tourism industry, but now, the region is welcoming a record number of visitors and the hotel industry is enjoying double-digit revPAR growth.

'Looking ahead, the Olympic Games in Beijing this August and the continued expansion of low-cost airlines are expected to buoy performance - alongside the ongoing aggressive development of infrastructure across the region. However the rate of growth in the region is likely to slow in 2008 in line with the global economy'.

Hotel performance of selected markets in Asia Pacific 2007

	Occupancy	Average room rate	RevPAR	RevPAR
	(%)	(US\$)	(US\$)	Change (%)
Asia Pacific	71.8	132	95	12.4
Mumbai	74.5	277	207	45.3
Bali	71.2	107	76	48.9
Singapore	83.6	165	138	28.6
Ho Chi Minh	75.4	128	97	44.7
Sydney	81.7	177	144	23.1
Melbourne	82.7	161	133	19.5
Tokyo	80.3	177	142	7.0
Hong Kong	83.6	193	161	9.9

Source: HotelBenchmark(TM) Survey by Deloitte

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