

UK hotel market remains buoyant

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The UK hotel market remained buoyant in February, according to the preliminary monthly figures for February released today by PKF Hotel Consultancy Services. As in January, the increases were mainly down to increases in room rate, but occupancy rates also fared well.

In London, growth continued apace with room rate rising by 5.8% on 2007 from £123.42 to £130.61. With occupancy remaining static at 77.7%, the overall growth in rooms yield saw a rise from £95.92 last year to £101.45 this year.

In the regions, there was consistent growth with rooms yield rising 2.3% from £49.50 last year to £50.66 this year. This was a result of a 3.1% growth in room rate and a 0.5% drop in room occupancy - from 69.6% in 2007 to 69.1% in 2008.

European Capital of Culture, Liverpool, had another fantastic month with a 15.2% rise in rooms yield from £50.15 in 2007 to £57.79 in 2008. This was attributable to a 10.2% increase in room rate and a 4.5% increase in occupancy. Capitalising on its status, the city has organised various events every month and in February there was a Chinese New Year celebration plus a series of other exhibitions, events and concerts.

While Cardiff had a busy month with the Six Nations Rugby which started on the 2nd February, overall it recorded a 2.2% drop year on year in rooms yield - from £50.23 in 2007 to £49.11 in 2008. Occupancy was healthy, rising 3.8% on last year, but room rate dropped by 5.8% from £71.40 last year to £67.26 this year. The lower room rate and the Six Nations were probably why occupancy was high, but overall the low room rate meant rooms yield dropped.

Robert Barnard, partner for Hotel Consultancy Services at PKF, commented, 'February was another steady month for UK hotels and so far, it seems there is no discouragement for UK hoteliers despite the turmoil in the financial markets since the credit crunch.

'It's true that 2008 is likely to be slower than 2007, but this is due not just to the global economic conditions, but also the fact that UK hotels have experienced a healthy period of growth over the last couple of years which is now starting to stabilise.'

Preliminary data for February 2008

Rooms department	2008	2007	% change
UK Regional hotels (602)			
Average daily room rate per occupied room	£73.30	£71.09	3.1
Average daily room occupancy	69.1%	69.6%	-0.5
Average daily rooms yield per available room	£50.66	£49.50	2.5
Approximate number of rooms per day	81,700	79,500	
London hotels (185)			
Average daily room rate per occupied room	£130.61	£123.42	5.8
Average daily room occupancy	77.7%	77.7%	0.0
Average daily rooms yield per available room	£101.45	£95.92	5.8
Approximate number of rooms per day	38,700	37,250	

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