

HRG Unveils North American Six-Month Hotel Survey

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Whilst New York remains the most expensive North American city for business travellers at \$358.98, HRG's data shows that rates in the largest city in North America have remained stable over the last six months.

International corporate travel services company Hogg Robinson Group has unveiled its half-year North American hotel survey - emphasising a variance in rates across the region.

Whilst New York remains the most expensive North American city for business travellers at \$358.98, HRG's data shows that rates in the largest city in North America have remained stable over the last six months. This is in contrast to the same period in 2007 when rates increased by around 14% (in local currency). Rates in Los Angeles, the location for this year's NBTA (National Business Travel Association) International Convention and Exposition, have also remained flat at \$253.61 compared to an increase of 8% last year.

Other trends noted by HRG include:

Continued rate growth across the region (an average increase of \$19.55 per night) - albeit at a slower pace than in 2007 and helped by a stable dollar exchange rate

Rates in Calgary have soared by 23% to \$266.19 - highlighting the fact that the city does not have enough hotel rooms available to meet ongoing demand from the oil sector

Additional double digit rate increases in Atlanta (11%), Boston (10%), Dallas (10%) and Vancouver (12%) - reflecting high demand from corporates in these cities

Decreases in Houston (down 3%) and San Francisco (down 2%) - as hotels reduce their average room rates in line with softening demand.

'As forecasted at the start of the year, in our 2007 annual Hotel Survey, the mid-year results have shown that the international hotel market continues to be resilient with most regions seeing an increase in average rates in the first half of 2008 as demand continues to outstrip supply,' says Margaret Bowler, Director Global Hotel Relations at HRG.

She continued: 'North America is the first region worldwide to see rates start to level off, with larger decreases expected in the second half of the year.'

'In light of the current economic climate, more businesses are looking at ways to control travel expenditure and are increasingly travelling smarter - completing one day meetings where practicable or considering alternative solutions such as video conferencing. We are also seeing clients who traditionally book five star hotels re-considering their travel policies and moving to four star hotels in order to maximise savings.'

Margaret Bowler concludes: 'Looking ahead, we can expect to see high average rates maintained in cities where demand is strong and availability low. In cities experiencing a balancing-out of rates, it is likely that client negotiated rates will become more widely available, with hotels wishing to secure business with companies that can guarantee a significant proportion of their travel spend. Indeed, in the first half of this year we have seen more corporate negotiated rates available overall, with some clients reporting double the availability of last year, and we can only expect this trend towards dynamic pricing to continue.'

HRG's interim survey is based on a combination of industry intelligence, actual room nights booked and rates paid by clients travelling from the UK to North America from January to June 2008 compared to the same period in 2007.

For further information on HRG's global hotel capabilities and expertise, or a demonstration of HRG's latest value-added solutions, visit booth 1801 at NBTA from 27-30 July.

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