

Caribbean Hotel Revenues Decline In 2008

2008-09-29

Analysis of Caribbean hotel performance by STR reveals a 5.6-percent RevPAR decline for 2008 through July. Hotel demand grew 0.4 percent during the period, however new supply growth and rate decreases led to decreased revenue for the region.

STR data shows that moving 12-month figures (June 2007 - July 2008) remained flat. Revenue per room fell 0.1 percent on occupancy growth of 0.8 percent and a 0.8 percent decline in average daily rate. Further inspection reveals an imbalance in the period average. Strong performance in June - December 2007 offsets weak 2008 numbers.

'Hurricanes aren't the only thing wreaking havoc in the Caribbean,' said Duane Vinson, vice president of STR. 'With a presumptive American recession under way and the foreshadowing of economic uncertainty in Europe, many hotels and resorts in the region are feeling the negative effects.'

Year-to-date (through July) figures for the region show an increase in hotel room demand of 0.4 percent while supply grew 1.3 percent. Year-to-date occupancy fell 0.9 percent to 71.4 percent. Rates decreased 4.7 percent. Average nightly rate for the region stands at \$199.50. Revenue per available room fell by 5.6 percent to \$142.36. RevPAR declines were precipitated by large rate decreases. STR data reveals double digit revenue declines in both April and June.

Vinson added: 'The investment community is nervous right now and this is having a real impact on the long term tourism development plans for many islands in the Caribbean. We are seeing a slow down in the early stages of the development pipeline for the region.'

Data for the STR survey was collected from 162 hotels participating in the STAR program. These hotels represent 50,211 rooms across the Caribbean region. For more information on STAR program participation contact ideas@smithtravelresearch.com.

About STR & STR Global

For more than 20 years, Smith Travel Research has been the recognized leader for lodging industry benchmarking and research. Smith Travel Research and STR Global offer monthly, weekly, and daily STAR benchmarking reports to more than 36,000 hotel clients, representing nearly 5 million rooms worldwide. STR is headquartered in Hendersonville, Tenn., and STR Global is based in London. For more information, visit www.smithtravelresearch.com or www.strglobal.com.

This article comes from Hotel News Resource

<http://www.hotelnewsresource.com>

The URL for this story is:

<http://www.hotelnewsresource.com/article34792.html>

© 1998 - 2008 Nevistas and the author.

Brought to you by Hotel News Resource

Distribute your news on our Network

See what all the buzz is about at:

http://www.hotelnewsresource.com/Info-news_account_info.html