

Hotels.com reports global hotel prices drop 12 per cent

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According to the latest Hotels.com Hotel Price Index, the average price of a hotel room around the world fell by 12% last year*, driven by price drops across every continent.

Hotel prices in December 2008 were more than one tenth lower than they were the year before and room rates were just 1% above January 2004, when the Hotel Price Index (<http://www.hotels.co.uk/press/hotel-price-index.html>) was started.

Prices in North America fell by the greatest extent, down 12% in Q4 2008 compared to the year before. Prices for hotel rooms in Europe fared little better, dropping 10% during the same period. In the Caribbean and Latin America they fell by 7%, while in Asia prices fell just 2%.

David Roche, President, Hotels.com Worldwide, commented: "Room rates dropped significantly in the final three months of last year as hoteliers around the world cut prices to try to fill their rooms. Last autumn, North America was the only continent to see the average room price fall, the latest Hotel Price Index, shows the economic downturn is now affecting hotel prices on all continents."

For UK travellers, the weakness of the Pound against the Euro and the Dollar meant that price falls were not felt quite so keenly as elsewhere in the world. In fact, in many destinations, prices paid by UK travellers were actually up, compared to the year before.

Average prices paid by UK travellers for New York hotels (<http://www.hotels.co.uk/hotel-new-york/hotel-new-york/>) were down by 1% year-on-year, despite the strength of the US Dollar against the Pound, demonstrating the cuts that US hoteliers had to make to rates.

The European business centres of Geneva (£136) and Zurich (£119) experienced some of the steepest increases in room rates for UK travellers. Prices in these cities rose by 34% and 20%, respectively, taking them into the top 10 in the price league table. This was largely due to the Swiss Franc's strength against the Pound. Paris hotels (<http://www.hotels.co.uk/hotel-france/hotel-paris/>) also showed a large increase with a 13% rise.

For the first time, London hotels (<http://www.hotels.co.uk/hotel-united-kingdom/hotel-london/>) fell out of the top ten global cities price league, experiencing price drops of 12% year-on-year to just £111 per room per night. The booming influx of European travellers to the capital failed to support the city's hotel prices and owners sought to encourage visits from domestic travellers, bringing prices down.

David Roche concluded: "Our report shows that hoteliers around the world are being forced to cut rates to fill their rooms. Due to weak Sterling, UK travellers will have to work a bit harder to find the bargains but there are still plenty to be had.

"For travellers from any part of the world, this is a great time to explore: travel has not been this cheap since January 2004.

"The indications are that 2009 will continue to be a good year for travellers. If Sterling strengthens, UK travellers will start enjoying the great savings our European and US counterparts are currently experiencing".

Notes to editor:

* The HPI tracks the real prices paid per room by Hotels.com customers around the world, rather than advertised rates, using a weighted average based on the number of rooms sold in each of the markets that Hotels.com operates in.

About Hotels.com

As part of the Expedia group which operates in all major markets with dedicated staff, Hotels.com offers more than 99,000 quality hotels worldwide. If a customer can find the same deal for less on a prepaid hotel, Hotels.com will match it. Hotels.com benefits from one of the largest hotel contracting teams in the industry negotiating the best rates for its users, plus user-contributed reviews of its properties.

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