

Hotel prices plummet globally

Global hotel prices have dropped by 17% in the first six months of 2009 and room rates are at their lowest for five years, according to the latest Hotels.com Hotel Price Index. The Hotels.com HPI tracks the real prices paid per hotel room rather than advertised rates. It is based on prices actually paid by customers at 78 000 hotels across 13 000 locations around the world.

Hotel prices in June 2009 were more than one-sixth lower than they were the year before and room rates were just 1 percent above their level in January 2004, when the Hotel Price Index was started.

The 17% fall in room rates was driven by price drops across every continent.

Latin America worst hit

Prices in Latin America fell by the greatest extent, down 18% in the first half of 2009, compared to the year before. Prices for hotel rooms in North America were down 17%, with rates in Europe faring little better, dropping 16% during the same period.

Asian hotel rates, which had been holding up better than those in the US or Europe, tumbled in the first half of 2009 dropping an average of 17%, compared to the same period one year earlier.

Caribbean holding

Hotel rates in the Caribbean only had a single-digit fall, with rates dropping just 2% in the first half of the year.

David Roche, president of Hotels.com Worldwide, said: "The dampening effect of falling consumer demand has been compounded by sharply increased hotel capacity. In the first half of 2009 an ever-larger number of hotel rooms chased a dwindling stream of customers, and this 'double whammy' lowered prices by 17% globally.

"As demand fell, hoteliers closed floors and cut back both services and prices, creating a market with a distinctly promotional character that is likely to endure for some time."

For full details of the Hotel Price Index, go to www.hotels.co.uk/press/hotel-price-index.html.

For more, visit: <https://www.bizcommunity.com>