

# Press Release

## South African Hotel Managers Optimistic of Continued Growth in Average Room Rate

**Cape Town November 9<sup>th</sup>, 2010**

A recent survey of hotel managers in South Africa by Horwath HTL, the world's largest firm of hotel consultants, shows that hotel managers are optimistic of continued growth in Average Room Rate in the fourth quarter of 2010.

The survey, which is facilitated on a quarterly basis, asked 102 hotel managers to forecast the likely market demand in their hotels for the next quarter, compared to the same period last year. The information is then analysed on the basis of size, star rating and geographic location.

Overall, some 72 percent of responding hotel managers anticipate Average Room Rate would stay the same or increase; some 42 percent thought Average Room Rate would increase. However, hotel managers are less confident in improved Occupancy levels; overall, some 30 percent of hotel managers thought that Occupancy levels would increase. Some 63 percent of respondents think that Total Revenue will increase or stay the same (some 42 percent increase, some 21 percent stay the same).

Broken down by star rating, hotel managers of economy-scale establishments were the most confident that Average Room Rate would increase, with the 2-Star and 4-Star segments standing out as the least confident in terms of Average Room Rate growth in the fourth quarter. The majority of respondents from the 5-Star segment predict a rise in Occupancy with the majority of responses from the other four categories leaning towards Occupancy levels either falling or remaining static.

Michele de Witt, Director of Horwath HTL South Africa who is responsible for the survey said, "It is encouraging that so many participants feel confident about anticipated performance in respect of the remainder of 2010 in spite of the current strength of the Rand and weaker than anticipated demand from the corporate segment."

### **About Horwath HTL**

Horwath HTL is a member of Crowe Horwath International, a professional association of accounting and management consulting firms founded in New York in 1915. Crowe Horwath International is currently ranked among the top ten international professional service groups with offices in close to 400 cities in 88 countries.



Horwath HTL (Hotel, Tourism and Leisure) is one of the pre-eminent consulting specialists in the hotel, tourism and leisure industries, providing unequalled experience and expertise for client projects around the world through a combination of detailed local knowledge and international understanding. Horwath HTL is currently the world's largest consulting organization specialized in the hospitality industry with 50 offices in 39 countries.

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