

## **SUMMARY REPORT**

### **NOVEMBER, 2009 NPI MAJOR HOTEL PERFORMANCE**

#### **BAHAMAS MINISTRY OF TOURISM AND AVIATION & BAHAMAS HOTEL ASSOCIATION**

According to preliminary statistics released by the hotel industry and The Bahamas Ministry of Tourism, the 13 major New Providence hotels recorded a 54.4% occupancy rate for November. This compared to 47.7% in 2008. The resulting 0.7% increase in hotel room nights sold when combined with a decrease in average daily room rate<sup>1</sup> (ADR) of just over six dollars, was not enough to sustain last year's hotel room revenue levels. It fell by 2.2%. A key factor contributing to this decline was the absence of the 379 rooms that was in inventory in 2008.

While overall revenue was down, revenue per available room for November showed a 10.7% increase, showing the strongest area of improvement and continuing a pattern which started in September.

For November 2009, the ADR was \$208.32 compared to \$214.44 last year. Available room nights decreased 11.7%. This reflected the return of not all of Wyndham's rooms to inventory and the temporary closure of the RIU property.

Sixty-nine percent of the properties gained room nights sold but at lower ADRs indicating the lowering of room rates to boost sales. For seven of these nine properties the increase in room nights sold was enough to increase room revenue.

Looking at the performance for the year, hotel occupancy stood at 61.6% compared to 64.5% last year. The ADR was \$224.13 while January to November last year was \$247.42. Hotel revenue fell 19.3% with only one of the 13 hotels reporting a revenue increase for the year so far. Hotel room nights sold decreased by 10.9%.

Despite significant losses year to date, hotels have seen marginal improvements in occupancy, room rates and average daily rates during September, October and November and industry is hopeful that these improvements are part of a trendline of recovery over the coming months bolstered by continued signs that the US and global economy is slowly recovering. Should this pattern continue, it will take some time to recoup from significant losses and return to pre-2008 performance levels.

The latest preliminary air arrivals to the end of September, released by the Department of Statistics and the Ministry of Tourism for New Providence showed an 8.2% decrease or 65,940 fewer foreign air arrivals than in 2008.

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<sup>1</sup> ADR is the average daily room rate is the hotel room revenue divided by the room nights sold.

