

Trading firm in London?s boutique hotels as consumers opt for a more memorable experience

The UK's growing number of boutique hotels, with their quirky, design-led interiors and individually styled luxury rooms, have helped put the prestige back into Britain's hotels by giving guests a more memorable experience than a standard room in a large chain.

A new report on London's boutique hotel market from hotel consultancy HVS, says that consumers seeking something different from a hotel stay have kept occupancy in the boutique market resilient throughout the recession which will enable the sector to expand over the next five years, outpacing growth in other hotel sectors, with the exception of the budget market.

?We expect the boutique segment to emerge as one of the winners of the most recent cycle as these hotels continue to gain competitive advantage over other hotel segments,? commented report author Lara Sarheim, senior associate at HVS London. ?Boutique hotels, thanks to their aspirational qualities, tend to achieve a high degree of guest loyalty which has proven critical to the success of these hotels in a turbulent trading environment.?

Occupancy for London's boutique hotels ? which include The Halkin, One Aldwych, The Soho Hotel and The Zetter - has this year risen by at least two percentage points above 2009 levels of 75%. Average room rates are this year expected to reach, or perhaps exceed, £188. In 2009 RevPAR for central London's boutique hotels was £135, compared with RevPAR of £105 for London's hotels overall.

Sarheim predicts that London will continue to see a stream of new boutique openings over the next five years. ?They are popular with operators as they are less reliant on the corporate market, depending more on leisure stays. Operators are able to charge almost luxury prices, but are not obliged to offer the full luxury service, therefore labour costs are lower.?

Boutique and lifestyle hotel developments, often utilising buildings and warehouse space mainstream hotel operators couldn't consider, have been instrumental in driving change in London by moving to new areas such as the East End, thus extending the map of desirable hotel locations.

?Boutique hotels in areas such as Shoreditch and Bethnal Green will become destination-led, drawing consumers to new areas and creating new markets,? says Sarheim.

?The fact operators such as Marriott and Starwood are now getting behind these concepts means this type of hotel is here to stay. Boutique hotels have restored the hotel sector to its glorious past, when hotels were not simply commodities with heads in beds, but experiences that left lasting memories.?

(ends)

A copy of ?Design or Lifestyle? A Review of London's Boutique Hotel Scene' can be obtained from www.hvs.com or by clicking onto [Boutique Hotels Article](#).

For further information please contact:

Linda Pettit, Tilburstow Media Partners Tel: +44 17 3782 3721
Linda@tilburstowmedia.co.uk Mob: +44 79 7378 9853

Lara Sarheim, Senior Associate Tel: +44 20 7878 7765
lsarheim@hvs.com

Russell Kett, Managing Director Tel: +44 20 7878 7701
rkett@hvs.com Mob: +44 78 0241 1142

About HVS

HVS is the world's leading consulting and services organisation focused on the hotel, restaurant, shared ownership, gaming and leisure industries. Established in 1980, the company has worked for every major industry participant and currently performs more than 2,000 assignments a year for virtually every major industry participant. Through a worldwide network of 30 offices staffed by 300 industry professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. The London office, founded in 1990, provides specialist services throughout Europe, Africa and the Middle East. For further information about our services, please visit www.hvs.com.