

The Savoy under pressure as luxury competition intensifies

This weekend [10.10.10] saw the re-opening of The Savoy in London following its £220m refurbishment. Below are some comments from Russell Kett, managing director of hotel consultancy HVS, London.

Russell has been associated with the hotel sector for over 25 years and is willing to discuss any aspect of hotel trading, new hotel development, valuations, property deals and market trends.

?There will be a huge interest in The Savoy from people keen to experience and see the result of this refurbishment, so bookings will be strong into Christmas. And guests won't be disappointed. The hotel has been restored to its former glory - what was needed to be done has been done. What remains to be seen is how Fairmont can drive and maintain business at an average room rate the hotel was never able to operate at previously.

?This is effectively a brand new property, and the fact there is a lot of goodwill surrounding it will help. Realistically The Savoy has two months of trading in the spotlight and will need to maximize this opportunity, not least because several other luxury hotels are due to come on stream over the next few months including the new Waldorf Astoria in Syon Park, the renovated Four Seasons Park Lane, and Corinthia Hotels and Resorts' new hotel in Northumberland Avenue. Further down the line we will see a new Firmdale hotel in SoHo, an InterContinental hotel in Westminster and the Shangri-La at the Shard of Glass at London Bridge.

?These leading luxury hotels will compete for top paying guests through luxurious suites, top quality spa facilities and restaurants run by well-known chefs. The new Daniel Boulud restaurant at the Mandarin Oriental Hyde Park is enjoying tremendous success as will the highly anticipated opening of Heston Blumenthal's London outpost, Dinner, also at the Mandarin Oriental. Gordon Ramsay will be heading up the kitchen at The Savoy Grill, another eagerly anticipated re-opening on the London dining scene.

?London's upmarket hotel sector is set to reach a new level of luxury.?

Russell Kett, managing director, HVS ? London office

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