

**THE TARGET HOTEL SURVEY CONTINUES :  
WHICH MANAGEMENT WOULD YOU CHOOSE ?**

**This is the third and final report in the series of special TARGET surveys, examining major hotels of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).**

**In this final report, TARGET surveyed 13 hotels, termed in the parlance of hoteliers, high-tariff hotels, located on both sides of Victoria Harbour. This report studied, only, their occupancy levels, during the month of January 2002.**

**January is, normally, a so-so month for hotels in the HKSAR because the weather is cool and dry and it is, always, close to the Chinese New Year Celebrations, which is sometimes good for hotels, and often bad for them.**

**At least, that used to be the situation – and the logic.**

**The hotels, surveyed by TARGET in this report, in alphabetical order and not in any order of merit, were:**

**Conrad International Hongkong  
The Excelsior Hotel  
Grand Hyatt Hongkong  
Holiday Inn Golden Mile Hotel  
Hongkong Hotel  
Hotel Inter-Continental Hongkong  
Hyatt Regency Hongkong  
Island Shangri-La Hotel  
Kowloon Shangri-La Hotel  
Mandarin Oriental Hotel  
Renaissance Harbour View Hotel  
The Ritz Carlton Hongkong  
Sheraton Hongkong Hotel and Towers**

Disregarding creative accounting by management of certain hotels in the 416 square miles that house the high-tariff hotels of the HKSAR, January could have been said to have been a good month for many of them, all things considered.

While TARGET can examine, objectively, the absolute figures, of course what is not known is the extent of the deals that were made by hotel managements in order to get guests to put their heads, down on hotel pillows.

Because management of hotels has to report to head offices, or to shareholders, whatever the case may be, and management must justify its existence by showing that occupancy levels were acceptable, or, at least, reasonable, considering conditions.

So, TARGET has calculated, not only the absolute occupancy levels of hotels, as obtained by this medium from the surveyed hotels, but, also, a ‘Yield Per Room’, designed to look, not just at the percentage of rooms, occupied on average, during the month, but, also, the total amount of room revenue, generated by the hotel, whether or not all the rooms were occupied.

For instance, Hyatt Regency Hongkong claimed to have achieved an occupancy level of 94.40 percent, during the month of January, but the Yield Per Room was only about \$HK661.

The TARGET calculation was the total room revenue, \$HK14,810,000, divided by the number of rooms, in this case, 723 rooms, divided by the number of days, in the month of January, there were 31 days:

$$\frac{\$HK14,810,000 \text{ (Total Room Revenue)}}{723 \text{ (Total Number of Rooms)}} \div 31 \text{ days} = \$HK660.78 \text{ per room per night}$$

For Conrad International Hongkong, this hotel achieved an occupancy level of 82 percent in the month January and the published average room rate was about \$HK1,300 per night.

The Yield Per Room, according to **TARGET**’s calculation, was:

$$\frac{\$HK16,500,000 \text{ (Total Room Revenue)}}{513 \text{ (Total Number of Rooms)}} \div 31 \text{ days} = \$HK1,037.54 \text{ per room per night}$$

This result, therefore, was about \$HK376.77 better, in terms of the average revenue per room, than Hyatt Regency Hongkong achieved in the same month – with its claimed occupancy level of 94.40 percent.

Mandarin Oriental Hotel claimed that its occupancy level for the month of January was 69.12 percent, which brought ... [CLICK TO ORDER FULL ARTICLE](#)

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