



MANHATTAN HOTEL INDUSTRY IN NYC

Manhattan report 2010

DOMAIN PROPERTIES

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We'll assist by offering Discreet dealing with Buyers and Sellers of Off The Market Hotels ... With rising hotel room rates, investing in this niche has started to become the priority investment for wide class of investors. Right on the mark, is New York City, whose sky-high luxury hotels are strongly in top demand.

TOP HOTELS OPERATING IN NEW YORK CITY AND MANHATTAN:

Some of the best rated luxury hotels in New York City that continue to lure its clients for several decades include but not limited to:

	<p>57 East 57th Street, New York, New York, U.S.A., 10022 Tel. 1 (212) 758-5700 Fax. 1 (212) 758-5711</p>	<p>with 364 guest rooms</p>
	<p>455 Madison Avenue, New York, New York, U.S.A., 10022 Tel. 1 (212) 888-7000</p>	<p>with over 900 rooms</p>
	<p>700 Fifth Avenue at 55th Street New York, New York, U.S.A., 10019 Tel. 1 (212) 956-2888 Fax. 1 (212) 903-3949</p>	<p>a 23 storey building</p>
	<p>37 East 64th Street at Madison Ave, New York, NY, USA, 10065 Tel. 1 (212).734.9100 Fax. 1 (212).772.0958</p>	<p>with 24 hour Concierge</p>
	<p>Two West Street, New York, New York 10004, USA Tel. 1 (212) 344-0800 Fax. 1 (212) 344-3801</p>	<p>the only AAA five diamond resort in Manhattan</p>
	<p>50 Central Park South, New York, NY 10019, USA Tel. 1 (212) 308-9100 Fax. 1 (212) 207-8831</p>	<p>Luxurious beds with Fretted linens and marble baths</p>
	<p>Two East 55th Street at Fifth Avenue New York, New York 10022, USA Tel. 1 (212) 753-4500</p>	<p>with 256 luxurious rooms, Trump International Hotel & Tower, where celebrities gather</p>
	<p>301 Park Avenue New York, New York 10022, U.S.A. Tel. 1 (212) 355 3000 Fax. 1 (212) 872 7272</p>	<p>Luxury hotel operating from 1893 till date</p>

There are many New York City attractions apart from Sohotel, Hotel Penn, Park Central Hotel – Midtown Manhattan and Wellington, Loews Regency Hotel - Luxury on Park Ave, Dream Hotel and Fitzpatrick Manhattan Hotel.

HOTELS EXPECTED TO BE LAUNCHED IN 2010:

There are over a dozen hotels that are expected to launch and open within this year, 2010.

Major chains attract major investors, according to **Smith Travel Research Company**.

1. **Marriott:** Five hotels, under the brands Courtyard and Fairfield.
2. **InterContinental:** Four hotels under the brands InterContinental with 592 rooms at Times Square, Staybridge Suites and Holiday Inn Express.
3. **Hyatt:** Four Hotels, two under the brand Andaz and two under Hyatt Place Brand.
4. **Starwood:** Six hotels under the Sheraton brand.
5. **Four Point:** Four hotels under Sheraton, Aloft, W and Element brands.

While Hyatt Place is not confirmed and InterContinental yet to confirm its hotel plans, other projects are up and would launch soon.

INVESTOR'S OPINION

Good news from the desk of top Lodging Advisors in New York includes an expected rise of 12 percent in overall hotel capacity this year. Initial market penetration would be through discounting and this is predicted to have a lasting impact owing to irreversible recovery of imminent occupancy. We can witness huge discounting on the part of existing hotels as they compete with new hotels in New York City and Manhattan. And according to Mr. Hennessey, one of the top Lodging Advisors in New York, the immediate beneficiaries are consumers.

Hotel Association of NYC, launched in 1878, is one among the many professional business and trade associations in United States of America. This worldwide recognized group continues to lead New York City's \$7 billion tourism industry successfully to-date. Around 250 finest hotels with 32,768 staffs and 69, 896 rooms are its long standing members. Smith Travel Research Company in Hendersonville, Tennessee estimates 46 new hotels to be launched in New York City succeeded by Houston with 30 hotels. This year could see

some of the best hotels emerging out of the cities Boston, Miami, Washington, Chicago, Dallas, Atlanta and Los Angeles.

Considering the impact of economy on hotel industry, the **hotel development** cycle is independent of the economic cycle of the nation. It takes an average of three years for planning followed by another three years for construction. Many hotels stood in line to launch several years ago, when there was high demand for rooms and room rates soaring high. The construction had already begun and there was no alternative, other than to complete it successfully. From the investment point-of-view, it was best to proceed with the construction that already begun, despite market conditions, because hotels under operation, have the potential to draw revenue to cut-even development costs.

Travel experts feel that leisure travelers and business travelers can now expect wider choice of hotel rooms at competitive rates now opposed to a year ago, completely adhering to the Buyer's market. The hotel industry in New York City was ripe a few years back, and is slowly

catching the lodging market with occupancy levels growing from 86 percent during the period 2004 to 2008. Room rates reached 87 percent at the same time. According to a clinical associate professor at **New York University**, these conditions prove fertile for secure investment. As a result, hotel expansion is at its peak in New York City.



Four Seasons Hotel, NYC

Although there is a large variation derived from the overall recovery projection of the hotel industry in America in 2010, there is a

big silver lining seen by the mid of this year, according to Mr. Lomanno, industry expert and trading analyst. He also added that New York may not hold its leadership for room rates as we emerge out of recession.

Real estate analyst for Oppenheimer & Company, Mr. David Katz predicted 5 percent revenue drop in each hotel room available in United States of America. While on contrary, one of the top Lodging Analyst for Goldman Sachs, Mr. Steven Kent expects an increase in leisure travel and corporate travel leading to an overall 5 percent occupancy increase indicating gains.

Hyatt Group, that's in charge of the **Grand Hyatt** located at 42nd Street in Manhattan launched Andaz, with 253 rooms at 75 Wall Street during the second week of February 2010. Another Andaz with 184 rooms would launch itself soon on 41st Street and 5th Avenue during June 2010. It is predicted that New York would exhibit increased stability with strong pricing power.

More hotel rooms are expected to be added between 2011 and 2013 and from the travelers can expect short term gains.

HOTELS IN MANHATTAN

It is remarkable to note that the upscale W Hotel in New York City at Union Square was sold (auctioned) for just two million US dollars. In essence, this means a 200-Room luxury hotel located at Manhattan, sold for the price of a well furnished condo? According to Dan Lesser, a professional real estate analyst with CB Richard Hills interprets the showing up of new tenants at hotels every night especially during recession when the hotel business went through very tough times.

Many real estate analysts feel that it is possible for the hotel business to recover if the U.S economy manages to effectively achieve 3/4th of economic growth. Of course the brow-raising deal conveys much more about the trend of the hotel business industry in New York City and Dubai from where the investor procured his invested amount.

The year 2005, the Landmark Manhattan hotel was sold for an estimated price of \$73 million. Another acquisition was by one of the top real estate investment companies, HEI Properties from Connecticut that bought Algonquin hotel for an estimated \$430,000 per room. The hotel is one of Manhattan's oldest standing testimonies with around 175 rooms that bear credit for hosting many renowned celebrities.

According to a recent survey conducted on Feb 6th 2010 by Hogg Robinson Group, New York City, Moscow and Abu Dhabi host the

world's most high-priced hotel rooms. It is quite interesting to note that Russia topped the list for the year 2009 for offering most expensive hotel rooms in the world according to a recent study conducted by Britain' Daily Telegraph. The hotel business saw a global decrease in room rates last year owing to unpredicted economic conditions. Undeterred, Moscow hotel charged as much as 420 dollars per night followed by Abu Dhabi with 360 dollars, on average.

Waldorf - Astoria Hotel, NYC



In the year 2009, top business class hotels and luxury hotels in Manhattan had considerably lowered their prices. Hotels in New York City celebrated their success by bagging third position in the list of world's most expensive hotels with 320 dollars one night.

The international business travel services group also confirmed the price-falling for most hotel rooms in top Cities during the second and third quarter of 2009. Also, during 2009 there were many offers and inexpensive

travel discount coupons launched by operators to lure travelers and increase the scope of hotel business. This was just enough to even the costs to maintain the hotel in its standards as many people adapted “cost cutting” strategies.

During 2008, the estimated cost of a hotel room in New York City summed 420 dollars, which was higher by 25 percent from that of 2009! And the only other City in the U.S among the top most expensive hotels was Washington, at a cost of 290 dollars per room.



Ritz Carlton, Battery Park, NY

During June 2009, when the hotel industry in US was going through difficult times, Manhattan hotels recorded an astonishing 80

percent occupancy level increasing to 84.3 percent in July that is considered as the highest rate of hotel occupancy across the nation. A slight dip in room rates to one third to catch up with lost business by Manhattan Hotels, offers great potential or promise for hotel business.

According to John A. Fox, VP from PKF consulting, National Research and Hotel Advisory Company, New York offers great scope for investors now. When there was an average nationwide decrease in hotel room rate of about 9.5 percent, according to Lodging Analysts, this modest price rise was due to the soaring rate of Manhattan hotel room rates. Average national room rate during June 2008 was \$97 per night.

Hotel industry in New York City experienced a serious setback during October 2008 when one of the top insurance giants, American International Group (AIG), spent over \$500,000 on Orange County beach resort at California. This incident has sent signals to business class executives who exhibit reluctance in booking hotel rooms fearing congressional hearing.

CONCLUSION

Overall there has been a greater inflow of visitors with Manhattan's discounted hotel rates stimulating meaningful volume of group demand. Some of the most fabulous and ethnic hotels in the world are located in New York City. Each of these New York City luxury hotels offers wide range of amenities which is sure to make your New York City Vacation the most memorable one ever!



St. Regis Hotel, NY – Restaurants and bar

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PUBLISHED REPORTS

**Manhattan Hotel Industry in NYC - 2011 NYC Hotel Market Forecast and 2010 Overview
- Buyers & Sellers - 3rd Edition 2010-11-10 Latest Reports**

**Manhattan Hotel Industry in NYC - Manhattan Report 2010 - Second Edition 2010-08-
31 2nd Report**

Manhattan Hotel Industry in NYC - Manhattan Report 2010 2010-02-25