



For immediate release

**Contact: Michael Frenkel for Krisam Group
(212) 808-6556/michael@mfcpr.com**

**Hotel Group Rates to Continue to Rise: Increase Likely Through 2006, Says
Survey of Krisam Group Member Hotels**

- 90% of hotels responding to survey expect a continued increase in Average Daily Rate (ADR) in 2006 -
 - Continued rise in rates expected in all parts of the country -
- 7 in 10 hotels say rates are now higher than they were in the "peak" year of 2000, or will be, before the end of 2006 -
- Value keeps pace with prices: 75% of respondents implement major renovations, or facilities upgrades, to meet increasing demand and evolving customer needs -

Washington, DC – March 29, 2006 – Krisam Group, the pioneering national sales company for independent and unique hotels, announced results of a proprietary survey of its hotel members, in which approximately nine in ten hotel respondents said they believe group rates will continue to rise for the remainder of 2006.

Also among the survey's findings:

- Approximately 70% of hotels responding to the survey said either that their *average group rates are higher now than they were in 2000*, or that they expect them to be higher some time before the end of 2006.
- *Group rates in all parts of the country appear to be strong and strengthening*, with an overwhelming preponderance of respondents in all parts of the country – northeast, southeast, midwest, southwest and west coast – indicating that rates will continue to rise throughout the year.
- *Approximately 75% of respondent hotels say they have recently implemented, or will implement before the end of 2006, major renovations or facilities upgrades* based on increasing demand and the evolving needs of their customers.
- Among the renovations and upgrades, those mentioned most frequently by respondents, were:
 - *Room renovations*
 - *Renovations or additions to meeting space*
 - *Spa enhancements or addition of a new spa facility*

- Hotel respondents also listed the factors they believe are most important for attracting group business in today’s competitive environment - those mentioned most frequently included:
 - *Location of the property* – including distance from major airports and proximity to key attractions
 - *Brand or property recognition* – unique individual hotels succeeding in setting themselves apart from big branded properties
 - *Value provided* in comparison with competitive set
 - *“Experiential” factors* – such as additional staff training, or staff additions or enhancements

Commenting on the results, Jim Schultenover, President of Krisam, said, “The survey results shed light on some important trends.” “While it is clear that group rates are strong, it is interesting that Krisam members, among the most distinctive hotels in the country, expect that rates will continue to rise throughout the year, as increases are expected to continue in all parts of the country.”

He added, “We were also happy to learn that Krisam hotels are staying close to the customer and are sensitive to the importance of maximizing value for clients – in particular, investing in renovations and experiential enhancements in response to the needs of the meeting planning community.”

Staying Close to the Customer: Notable Trends for Meeting Planners

Schultenover noted that Krisam hotels responding to the survey pointed to several key trends that are significant for meeting planners, including:

- **Considering alternative top-level markets located near higher-demand, higher-priced markets, but that may have more availability** – “The survey reinforced that first class facilities and services exist in cities across the country, but that dollar for dollar, additional value can sometimes be found, say, in Boston, rather than Manhattan.” Schultenover added, “If scheduling permits, planners might consider cities that not only offer a better rate – but refreshing, unexpected experiences for guests, as well.”

The survey revealed that hotels in geographical areas such as New England, Central Florida and the Desert Southwest may offer reasonably priced, high-quality alternatives to bigger, higher-priced markets nearby.

- **Maintaining flexibility in booking** . . . “Sometimes meeting or event dates are set in stone, but other times they may not need to be,” says Schultenover. “Hotel respondents noted that considering changing dates or altering the pattern of a stay, can not only ease pressure on the rates, but may also on other services or costs as well.”

He added, “Krisam makes it a priority to offer planners up-front options that save time and money when they book in ‘super-hot’ markets, and indeed, in any market. Sometimes, a day or a week can make a big difference.”

- **Considering the “new and hot” – but also the “tried and true”**– “New, independent hotels are a very important part of the market today,” said, Schultenover, “But many long established hotels can also provide great experiences and excellent value.” He concluded, “Our survey indicated that long sought-after renovations and property updates are making some long-established hotels well worth revisiting.”
- **Weighing location and value – but also valuing the experience** – One of the most interesting aspects of the survey, according to Schultenover, was the extent to which Krisam’s member hotels found it important to invest in “experiential” aspects of the properties, such as enhanced staff training, spa enhancements and special touches in the rooms, such as the latest in-room wireless technology or plasma televisions.

“This reinforces for us that meeting planners are interested not just in the best value money can buy, but also in the most unique experiences.” “Krisam,” he concluded, “Remains an unbeatable one-stop resource for planners who are looking for the right hotel, at the right time, for the right price.”

About the Survey and Results

More than 90 hotels in all parts of the United States participated in the survey, which took place during the period February 28, 2006 through March 17, 2006.

Survey questions asked of the respondents included:

1. Do you believe your ADR for group business will continue to rise throughout the rest of 2006?
2. Does your current group ADR exceed the rate you were able to get in the "super-hot" market of early 2000?
3. If your current ADR is not higher than 2000, do you expect that it may exceed 2000 levels before the end of 2006?
4. In the period June 2005 through December 2006, have you made or do you expect to complete, significant renovations at your property, or add significant amenity/service offerings to provide additional value to meeting planners?
5. Please list key factors affecting your ability to attract meeting business in your market, and which is the single most important?

Responding to the survey were Krisam hotels in every region of the country, including properties in urban, resort and outlying locations. Founded in 1975, Krisam has hotel members in almost every state, as well as Europe, Mexico, Canada and The Caribbean.

About Krisam Group

Krisam Group is the top independent national sales office for hotels, and the leading advocate and service provider for meeting planners - offering a unique, end-to-end, suite of services to support planners and Krisam hotel members. In 2005, the company celebrated its 30th year of industry leadership. For more information on Krisam Group, please visit www.krisam.com.

###

Contact:

Michael Frenkel, MFC PR

(212) 808-6556

michael@mfcpr.com

or

Kathleen McDermott

(202) 775-5800

kathleen_mcdermott@krisam.com