

Barnett on Business Travel: Dig deep for hotel rooms this year

by *Chris_Barnett*

It was a dark and stormy Tuesday night, but the Hilton San Francisco Financial District Hotel was packed with business travelers and only had one room left - a single bed for \$349 a night. No midweek specials? The front desk clerk hadn't seen one for months. He also couldn't quote a king-size room; rates fluctuate with demand and there's plenty of it in the Bay City.

Plus, the hotel is virtually sold out for February. It's on the edge of Chinatown and the Chinese New Year starts early this year, he explained.

The not-so-subtle message: Be prepared to dig deep for a hotel room in a major city this year, unless you work for a large company that has nailed down some reasonable corporate rates. Why? The euro, pound and many world currencies have trumped the dollar and foreign businesspeople and vacationers are on shopping sprees, buying up everything from Bally shoes and Coach bags to high-flying growth companies. We're a bargain to much of the world.

And all the pundit patter about the U.S. slipping into a recession in 2008 has only whetted their appetites to fly in and get their share. They aren't booking rooms in Motel 6. Although with a raft of name and ownership changes of hotels in recent years, you never really know what you're getting.

The CEO of a Houston-based real estate investment company praised the convenience, service, food and room accommodations at this sleek, two-year-old Hilton. "But while I enjoyed my room, I didn't enjoy hearing the other people enjoy their room. The soundproofing is not great," he told me.

Possible explanation. The hotel was built four decades ago as a Crown Plaza. It was a favorite of tourists who are less picky, and construction techniques and standards were not as rigorous.

Still, there is no iron-clad rule that a hotel room comes with a towering rate. I checked the Benjamin in midtown Manhattan, diagonally across from the Waldorf Hotel, and was quoted \$329 for a hotel with a galley kitchen in mid to late January. For an extra \$40 - or \$369 a night - the hotel would upgrade to a larger king-size bed with a galley kitchen. It has an in-house health club and high-speed Internet access for \$10 a night plus a business center.

The Benjamin calls itself an "executive suite" hotel, and it is not a trendy bunkhouse. However, when you consider the rate for a small suite with a king-size bed - on a Thursday in New York City - it matches the lowest price at the Financial District Hilton. There are deals to be had for shoppers.

Still, hotel rates are on the uptrend. Nationwide, most hotels with more than 20 rooms hiked their room costs \$6 on average through November 2007, says Jan Freitag, vice president of Smith Travel Research in Henderson, Tenn., which benchmarks hotel room prices for the hospitality industry.

New York hotel prices jumped 11 percent last year, and the fancier hotels were "leading the charge," Freitag says. Boston, which has become a hot hotel town in the last 24 months, defied the venerable law of supply and demand; room rates jumped 7 percent, even with a slew of new hotels opening.

The most fascinating? The Liberty Hotel, a luxury inn that once housed felons when it was the all-stone Charles Street Jail, before a five-year, \$150 million makeover. Where occupants once wanted to break out of this joint at the foot of Boston's Beacon Hill, travelers and celebs like Mick Jagger, Annette Benning and Meg Ryan, among others, are trying to get in; they are paying \$339 a night.

Not exactly as historic or quirky as the Liberty Hotel is the towering Atlanta Marriott Marquis with 1,600 rooms and a subway station in the lobby, even if it is just 15 minutes from the Hartsfield International Airport. In that traffic-choked town, short commutes are cherished, but it's no giveaway. Even with some serious horse-trading, the best rate I could wangle for a Thursday was \$299. Plus, you still pony up \$13 a night for the Internet.

Chris Barnett writes on business travel strategies that save time, money and hassle.

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