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## Report: Dallas hotels aren't being hit as hard by travel slump

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By KAREN ROBINSON-JACOBS / The Dallas Morning News

[krobinson@dallasnews](mailto:krobinson@dallasnews)

Dallas hoteliers won't see the drop in occupancy rates predicted for other metropolitan areas in Texas, but neither will they see room rates grow as fast as those areas will.

Those were among the conclusions in a 98-page report by consultants PKF Capital, PKF Hospitality Research and PKF Consulting, presented to hotel industry executives Friday.

Hotels have been hit by the downturn in business travel and by cautious consumers opting for "stay-cations" that don't include nights in a hotel.

Even so, Texas is outpacing areas such as the West Coast and Southeast, according to the report.

"While there will be a downturn in Texas in 2009, it will look like a hiccup compared to much of the rest of the country," said John Keeling, senior vice president for PKF Consulting. "And 2010 should be a year of solid recovery."

For 2008, the hotel occupancy rate is expected to dip 1.7 percent in Dallas, substantially lower than Fort Worth's predicted 5.4 percent drop.

And Dallas is the only one of five Texas cities studied that can expect a slight increase in occupancy rate next year, according to the report.

Austin, Fort Worth, Houston and San Antonio are expected to see slightly greater increases in their average daily room rates than Dallas this year.

Gains in the major Texas cities will be led by Austin, with an anticipated jump of 4.9 percent. That compares with Dallas' expected 3.1 percent rise.

Next year, Austin is expected to again lead major Texas cities with an average 3.8 percent room-rate increase. Dallas is expected to see a 3 percent rise.