

ACCOMMODATION IN MOSCOW IS EXPENSIVE OR IS IT?



For the sixth consecutive year, an average price for a night in a hotel in Moscow remains the highest in the world. Despite the acknowledged high pricing standard of Moscow hotels, a traveler can find quite a cheap accommodation in Russian capital, too.

Moscow is known as a destination with a lot of expensive accommodation and not enough low-budget hotels. However according to UK-based Hogg Robinson Group (HRG), it does not mean that inexpensive accommodation cannot be found there. For example, **there are about 50 hostels in the capital where a traveler can find a place to stay for 400 to 500 rubles (10-12 EUR) per night**. Many of them are also located quite close to the city center. Their prices are very competitive, even compared to the accommodation on the coasts of Central & Eastern Europe. In addition, a construction work on a hostel in an old building in Stoleshnikov is currently under way, right in the historic center of the city. The cost of accommodation in the new hostel will not exceed 1,000 rubles (25 EUR).

According to Sergei Shpilko, the chairman of the Moscow Tourism Committee, **the total number of beds in hotels in Moscow is around a thousand and their average occupancy rate is close to 100%**. Mr. Shpilko, however, confirmed that the city still lacks two or three-star hotels as for years, the hotel construction was focused on high-class accommodation. Such hotels were built on a very expensive land in Moscow. When a developer bought a land in a good location, he built a luxurious hotel in order to increase ROI (return on investments) ratio. On the other hand, during weekends and summer holiday many four-star business-class hotels usually lower their prices to the level comparable to the costs of three-star hotels in European cities.

Experts emphasize that the quantity of high-class hotels in Moscow is nearly the same as in European capitals. According to recent studies, **the city needs only about 15,000 high-standard rooms to reach the European average**. Taking the number of projects that are currently under way into account, the gap is insignificant. At the same time, the number of beds in middle-class hotels is still extremely low in Moscow. For example, the number of beds per thousand inhabitants in such hotels in Rome is 19 and in Berlin 11, but in Moscow, it is only 4.5.

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