

MOSCOW NEEDS MORE AFFORDABLE HOTELS



Moscow city is going to add another 1,900 hotel rooms by the end of the year. Experts point out that the Russian capital is mainly in need of budget accommodation.

Moscow authorities announced adding 1,900 hotel rooms by the end of 2013. The city will thus offer a total of 23,000 hotel rooms for potential visitors. Most of them should be in the category of five-star hotels.

Experts warn however that instead of high-end, super luxury, hotels the demand for medium price and budget-price accommodation is growing. Since Moscow is one of the most expensive cities in the world, the hotel rates are also very high.

The average price for a five-star hotel room is approximately \$500, which is for many travelers quite a lot. The average price for a night in a four-star hotel in Moscow is just under \$400.

According to Morton Anderson, general manager of Lotte Hotel in Moscow, the city should offer more affordable accommodation: "There's a particular need in the international three and four-star segment. There is a great need, especially for business travelers coming in. They look for three and four-star hotels, with prices between \$200 and \$300."

Although there are not many, **Moscow even has a couple of hostels and budget hotels.** Ten years ago, this wasn't the case, but today cheap accommodation is on offer in the city. The hostels are usually small businesses run by former students.

According to Anderson, Moscow's visitors come mainly from the former Soviet Republics: "In the very high-end luxury segment, there's a lot of people from the CIS countries, from Kazakhstan, but also Russians. For the mainstream five-star level, it is mainly Americans. A lot of American traffic is coming through, but also a lot of Europeans, especially UK, Germany, France has a lot of traffic as well."

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