

Hotel occupancy highest in 13 years

Average room rate up 5 percent from 2012 to \$130

Hotels & Boarding Houses
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SANTA CRUZ — The Santa Cruz County lodging industry saw its average monthly occupancy grow last year to 63 percent, the highest level in 13 years.

The occupancy rate was up 3 percent from 2012. The average daily room rate was \$130, up more than 5 percent from 2012, and revenue per available room increased by 9.8 percent compared to 8.6 percent statewide.

The figures come from STR, a firm in Hendersonville, Tenn., that tracks the hotel industry, including 3,601 rooms in Santa Cruz County.

Maggie Ivy, who runs the Santa Cruz County Conference & Visitors Council, noted the largest increase was during non-summer months, attributing this to additional marketing funded by a countywide room tax. Others noted the lack of rain locally and lack of snow in the Sierra along with an improving economy.

The 165-room beachfront Santa Cruz Dream Inn tallied occupancy of nearly 75 percent, up 6 percent

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from 2012, according to Max Schultz, director of sales.

"We think the weather was a major factor," he said, noting the increase was largely leisure with a slight uptick in corporate business.

December occupancy was 58 percent, up from the usual 40-45 percent, when sunshine came instead of rain.

"We didn't anticipate this dramatic increase," Schultz said, noting employees got more hours and some put in overtime. "Usually we let a lot of people take vacations in December."

He said a project to replace wrought-iron railings with

clear glass panels to provide an "infinity view" is half-way done.

In 2013, the site of Jack O'Neill's surf shack — in the Dream Inn parking lot — was designated a California Historical Point of Interest and a mural honoring the wetsuit pioneer went up on the hotel's retaining wall. An exhibit featuring O'Neill memorabilia has been installed in the hotel's newly renamed Jack O'Neill Lounge, giving visitors another spot to snap a photo.

The Scotts Valley Hilton, which has 156 rooms and 18 suites, reached 75 percent occupancy, the best Chuck Ryder, director of sales and marketing, can remember.

"It was a little bit of everything," he said, noting the

hotel business in general is up.

Summer was strong for tourism, with more business travel than in recent years and more group bookings, he said. Weddings at the Hilton, which resembles a castle, were down a bit but have rebounded this year.

Peter Patel, who owns the Continental Inn and Ocean Pacific Lodge in Santa Cruz, saw occupancy and daily room revenue trend up last year.

"This January was pretty good too," he said, noting Santa Cruz got a boost when people opted for coastal travel in August after a fire closed a main artery to Yosemite National Park. "We lucked out."

Dan Aspromonte, whose

family owns hotels in Santa Cruz, Capitola and Watsonville, said last year was good but not record-setting.

His Best Western Rose Garden Inn had its second best year since 2000, when Pebble Beach golf tourney fans filled the rooms, Aspromonte said, citing figures through November. The Fairfield Inn & Suites and Best Western Capitola, both Aspromonte properties, saw room revenue increase 20-30 percent in January.

"When there's no snow, people want to vacation, they come to the beach, where the weather was spectacular," Aspromonte said. "Those were summer days."

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BY THE NUMBERS

Santa Cruz County hotel occupancy rate

Month	2007	2013
Jan	46.6%	44.1%
Feb	54.4%	52.0%
March	57.6%	58.6%
April	62.6%	64.7%
May	57.1%	61.0%
June	68.5%	74.1%
July	78.3%	83.1%
Aug	77.0%	80.2%
Sept	64.5%	67.9%
Oct	56.3%	63.7%
Nov	50.5%	56.6%
Dec	40.6%	46.0%
YTD	59.5%	62.7%

Source: STR