

STEAL

In tight times, luxury vacation deals abound

By Michelle Higgins
New York Times

There is no shortage of travel deals advertising Las Vegas hotels from \$22 a night and three-night Caribbean cruises as low as \$99.

But as business travel continues to decline and even the wealthy begin to cut back on spending, the luxury travel segment is being hit hard, resulting in a bevy of bargains for those with cash to burn.

"We are seeing special offers from luxury properties that have never had them in the past," said Tim MacDonald, president of Classic Vacations, a luxury vacation package company owned by Expedia, which is offering \$500 airfare credits for some destinations. While most high-end hotels are trying to avoid dropping room rates, many are offering discounts like free nights or "hundreds of dollars of spa or resort credits," MacDonald said.

For example, Four Seasons hotels in New York, Miami and Scottsdale, Ariz., have been offering a third night for free.

In the Caribbean, the Bitter End Yacht Club on Virgin Gorda, which rarely offers discounts during the high season, is offering 25 percent off through April for travelers who book its seven-night Reefing the Rates deal by Tuesday.

CuisinArt Resort & Spa in Anguilla is handing out \$500 resort credits to guests who stay five nights between now and March. Caneel Bay on St. John and Little Dix Bay on Virgin Gorda are offering a fifth night free through April. And Parrot Cay, on a private island in the Turks and Caicos, is offering seven nights for the price of five between Jan. 10 and March 12. That brings a weeklong stay in a garden-view room to \$3,875, down from \$5,425 – a deal that can be combined with an "early bird offer" of breakfast and dinner for the week at no extra cost, if booked by Jan. 31.

Part of the problem for high-end hotels is

that they've been losing corporate business, not just because of shrinking business travel budgets but also because many corporations don't want to be perceived as being ostentatious in today's economic environment. Concerned about shareholder and public perception, companies are moving conferences to more modest sites.

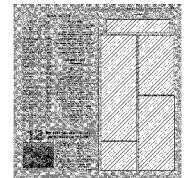
At the same time, wealthy leisure travelers are scaling back. Sixty-seven percent of Americans with household discretionary income of \$100,000 or more said they were planning to cut back on personal travel, according to the Annual Survey of Affluence and Wealth in America, produced by American Express Publishing Corp. and Harrison Group.

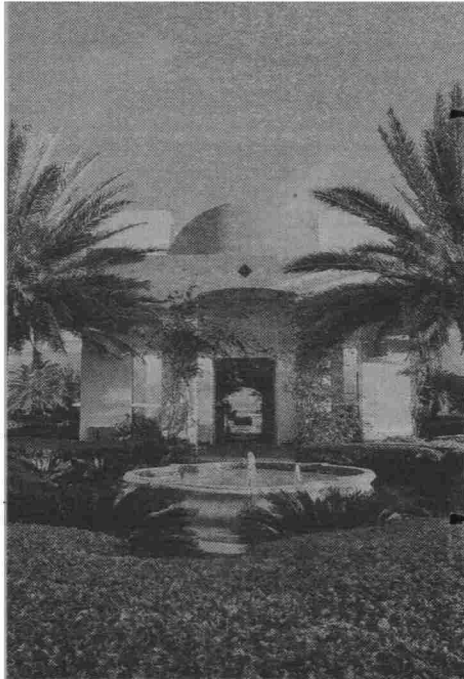
Premium airline travel declined by 8 percent over the 12 months to September, according to the latest statistics on first- and business-class travel from the International Air Transport Association. Economy travel also fell during that period, but by 4 percent.

In October, luxury hotels saw the biggest drops in room rates, revenues and occupancy rates compared with any other hotel segment, according to the most recent monthly data available from Smith Travel Research.

To fill the empty rooms, high-end hotels are turning to third-party Web sites. [Luxury link.com](http://LuxuryLink.com), which offers discounts on high-end hotels and villas through online auctions and special deals, has posted 42 percent more luxury deals so far this quarter than the same period last year. Last month the site was auctioning off a five-night package at the Hotel Carl Gustaf on St. Bart's, including breakfast, spa treatments and a five-day car rental with a starting bid of \$1,755.

Luxury cruise lines are also rolling out significant savings. The Yachts of Seabourn is offering \$1,000 off seven-day Mediterranean voyages in 2009, which start at \$3,550 a person not including the discount, for passengers who book by March.





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