

### ***How To Determine Rates***

- Your costs
- Unusual features, facilities and services.
- By the rates of your competitors
- By what the guest will be prepared to pay to stay at your establishment.
- A double rate can never be twice a single rate, because your cost to maintain the room almost remains the same.
- Reduced rates can be charged over off seasons.
- If your competitors offers discount from time to time do the same
- Thirty-three per cent occupancy should cover your monthly costs.
- To achieve competitive rates you will need a thorough knowledge of your own costs and what competition charges for more or less the same product.
- Make sure that you compare apples with apples; do not compare a five star guest house's rates with those of a two star establishment.
- Do not enter into a price war among guest houses – simply because someone will get hurt or forced to close down