



**MENA | Hotels**  
**January 2015**

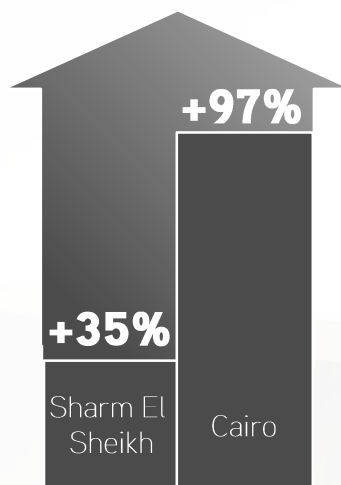


# MENA HOTEL FORECASTS

3-Month Rolling Forecast Highlights  
 Jan – Mar 2015 | YoY RevPAR Variance %



## Hot Spots



### Sharm El Sheikh

The return of European tourists to cause an upswing in occupancy and ADR.

### Cairo

Recovery of the market spurred by socio-political stability and growth in corporate activity.



## Sure & Steady

### Jeddah

Consistent demand and delays in new supply to stabilise the market.

**+0%** **+0%**

Jeddah | Al Khobar

### Al Khobar

Slight increase in ADR to offset the dip in occupancy caused by the influx of new supply.



## Work in Progress

### Fujairah

New quality hotel openings to apply pressure to the market.

### Sharjah

To capture demand from neighbouring Emirates, hotels in Sharjah are to witness a drop in ADR.

**-26%** **-6%**

Fujairah | Sharjah

# Occupancy, ADR & RevPAR

## 3 Month Forecast | Jan – Mar 2015

## Full-Year Forecast | 2015



Accelerating success.

Country	City	Market	3 Month Rolling Forecast				Full-Year Forecast			
			Occ %	ADR (\$)	RevPAR (\$)	YoY RevPAR Variance	Occ %	ADR (\$)	RevPAR (\$)	YoY RevPAR Variance
UAE	Dubai	Dubai Creek / Festival City	90	311	278	↓ -4%	80	272	218	↑ 5%
UAE	Dubai	Sheikh Zayed Road / DIFC	90	262	235	↓ -3%	78	222	174	↑ 3%
UAE	Dubai	Palm Jumeirah	85	562	477	↑ 1%	82	484	396	↑ 2%
UAE	Dubai	Dubai Marina / JBR	89	367	328	↑ 2%	81	314	255	↑ 2%
UAE	Abu Dhabi	Abu Dhabi City	79	144	114	↑ 1%	76	136	103	↓ -1%
UAE	Abu Dhabi	Abu Dhabi Beach	70	277	195	↑ 12%	71	232	165	↑ 2%
UAE	Ras Al Khaimah	Ras Al Khaimah	69	180	124	↑ 17%	63	188	118	↑ 5%
UAE	Sharjah	Sharjah	86	95	81	↓ -6%	75	91	68	↑ 2%
UAE	Fujairah	Fujairah	70	171	120	↓ -26%	65	134	87	↑ 1%
KSA	Riyadh	Riyadh	69	260	181	↑ 10%	61	240	145	↑ 3%
KSA	Jeddah	Jeddah	74	244	181	↑ 0%	76	262	200	↑ 2%
KSA	Makkah	Makkah	69	176	122	↓ -7%	65	221	143	↑ 1%
KSA	Madinah	Madinah	76	132	101	↑ 2%	61	157	96	↑ 5%
KSA	Al Khobar	Al Khobar	69	191	132	↑ 0%	67	194	130	↑ 3%
Egypt	Cairo	Cairo	54	122	66	↑ 97%	52	128	66	↑ 28%
Egypt	Sharm El Sheikh	Sharm El Sheikh	69	42	29	↑ 35%	66	46	30	↑ 2%
Egypt	Hurghada	Hurghada	59	43	25	↑ 21%	73	49	36	↑ 4%
Egypt	Alexandria	Alexandria	56	63	36	↑ 8%	66	78	51	↑ 6%
Egypt	Luxor	Luxor	21	46	9	↑ 14%	21	45	10	↑ 36%
Qatar	Doha	Doha Airport / City Centre	72	178	128	↑ 5%	73	158	115	↑ 1%
Qatar	Doha	West Bay Lagoon	69	289	199	↑ 2%	71	274	194	↑ 7%
Qatar	Doha	Doha Serviced Apartments	78	209	163	↑ 4%	84	181	152	↑ 1%
Qatar	Doha	West Bay / Diplomatic Area	81	223	181	↑ 6%	79	203	161	⇒ 0%
Oman	Muscat	Muscat	79	251	197	↓ -1%	67	241	161	↑ 4%
Bahrain	Manama	Manama	61	201	123	↑ 4%	59	194	114	↑ 2%
Kuwait	Kuwait City	Kuwait City	58	244	142	↓ -3%	52	248	128	↑ 2%
Jordan	Amman	Amman	61	168	103	↑ 4%	62	173	108	↑ 3%
Jordan	Aqaba	Aqaba	53	158	84	↑ 6%	58	128	74	⇒ 0%
Lebanon	Beirut	Beirut	44	147	65	↑ 19%	48	158	76	⇒ 0%

Source: Colliers International, 2015

### Disclaimer

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## Contents of the Publication

This publication has been prepared by Colliers International Hotels MENA, providing hotel performance forecasts for 29 submarkets in key MENA hospitality markets.

- Key Performance Indicators include
  - Hotel occupancy %, calculated as occupied room nights / available room nights
  - Average Daily Rate (ADR), calculated as total rooms revenue / occupied room nights
  - Revenue per Available Room (RevPAR), calculated as total rooms revenue / available room nights
- Forecasts include
  - 3-Month Rolling forecast, starting with the month of the publication
  - Year-End forecast, revisited on a monthly basis
- ADR and RevPAR are presented in USD for ease of comparison between markets



## Forecasting Methodology

- The analysis conducted is based on actual operating data from a sample of 3-, 4- and 5-Star hotels and quality serviced apartments (where relevant). Historical data is extracted from Colliers International Hotels' database, complemented by data from STR Global™ and from local statistical offices.
- The forecasting methodology is based on an analysis of rolling averages, trend estimation and extrapolation. Anticipated events expected to shape the future dynamics of supply and demand are identified then weighted against relevance and impact, thereby forecasting performance of the hospitality market.
- Where available, monthly historical data trends from 2008 onwards is analysed to identify demand patterns, and is utilised as a forecasting base.
- The ADR of a sample submarket reflects its price positioning. As such, the markets containing a higher proportion of high-end properties show higher rates than samples with a larger share of limited-service establishments.



## Resource Utilisation

- The data contained herein may be utilised to understand the anticipated shifts in market performance in accordance with the future trends expected in the short term, thereby allowing hoteliers to revisit forecasts accordingly.
- The Colliers MENA Hotel Forecast is seen as a tool to enhance the general understanding of market movements and increase the forecasting accuracy of hoteliers in relation to anticipated future events.



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Colliers International Hotels division is a global network of specialist consultants in hotel, resort, marina, golf, leisure and spa sectors, dedicated to providing strategic advisory services to owners, developers and government institutions to extract best values from projects and assets. The foundation of our service is the hands-on experience of our team combined with the intelligence and resources of global practice. Through effective management of the hospitality process, Colliers delivers tangible financial benefits to clients. With offices in Dubai, Abu Dhabi, Jeddah, Riyadh and Cairo, Colliers International Hotels combines global expertise with local market knowledge.

## SERVICES AT A GLANCE

The team can advise throughout the key phases and lifecycle of projects

- Destination / Tourism / Resort / Brand Strategy
- Market and Financial Feasibility Study
- Development Consultancy & Highest and Best Use Analysis
- Operator Search, Selection and Contract Negotiation
- Pre-Opening Budget Analysis and Operational Business Plan
- Technical Services / Asset Management / Project Monitoring
- Site and Asset Investment Sale and Acquisition/Due Diligence
- RICS Valuations for Finance Purposes and IPOs

## Our hotels team in the MENA region:

**\$6**

billion  
investment value of  
projects advised

**63,000**

keys  
of hotel feasibilities and  
operator selection

**7,856**

Hotel keys  
under asset management

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# 485 offices in 63 countries on 6 continents

United States: **146**

Canada: **44**

Latin America: **25**

Asia Pacific: **186**

EMEA: **84**

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**\$2.1**

billion in  
annual revenue

**1.46**

billion square feet  
under management

**15,800**

professionals  
and staff

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Accelerating success.