



APRIL 2017

2017 MIDDLE EAST HOTEL SURVEY

CHAOS, CONSOLIDATION & OPPORTUNITY



2017 EDITION

The 2017 Middle East Survey's core focus is to provide an overview of the performance of the Middle East & North African Hotel market. Our overview and analysis is based on data from a sample 625 branded hotels, representing roughly 162,000 hotel rooms.

- 625 BRANDED HOTELS
- 162,000 HOTEL ROOMS
- 42 MAJOR CITIES
- 13 COUNTRIES
- 20 INTERNATIONAL & REGIONALLY RECOGNIZED OPERATORS

As is typical of our annual survey, included is a brief MENA economic and tourism overview, a summary of key performance indicators across 42 major cities in 13 countries, and a regional hotel development pipeline outlook. It is important to note that the aforementioned analysis is strictly based on branded hotel data provided by 20 regionally and internationally recognized hotel operators. As such, the performance of the branded hotel market is likely to differ from the performance of the destination as a whole, which typically includes both branded and independently operated properties across all asset classes.

In recognition of the traction gained in mid-market hotels in the Middle East, HVS has provided an overview of the three-star hotel development as an investment supported with aggregated project yields categorized by three-star, four-star, and five-star hotel projects. HVS has further demonstrated the aggregated key performance indicators across nine major Middle Eastern markets categorized by three-star, four-star, and five-star hotels.

2016: YEAR IN REVIEW

The Middle East and North Africa continue to face distraught on the back of ongoing wars, failed military coups, and a weakening energy sector. The region has undergone a range of socio-political and economic shifts that have undoubtedly continued to impose ramifications pertaining to the MENA hotel industry.

Countries including Libya, Iraq, Yemen and Syria continue to face enraged conflict. The Syrian war entered its sixth year in 2016 as civilians continued to experience conflict routed by regional and international proxies. Oil prices in January dropped to as low as \$US27, the lowest in over a decade, challenging the subsistence of various GCC countries, particularly Saudi Arabia. As a result, general business activity slowed, large infrastructure and private investment projects have been halted, and large energy companies remain subdued. Egypt continues to face economic challenges, boasting some of the largest account deficits in the world. The deficit worsened as a result of Egypt's lack of foreign reserves. Unemployment in the country remains high at nearly 13%. In July 2016, a military coup challenged Turkey's government, shifting the country's institutional integrity. The country's lack of support from Western governments during this socio-political occurrence altered Turkey's foreign relations as a result.

Atop the macroeconomic and socio-political landscape, HVS data suggests that the MENA hotel market performed at an occupancy of 54% and an average rate of \$US129, registering a 12% drop in RevPAR over 2015. While the region's key performance indicators reflect a downturn, hotel supply continued to grow registering a 6% increase over 2015. This supply increase was soundly supported by an approximate 1.2% increase in accommodated demand in 2016.

- **3.8% DROP** IN TOURIST ARRIVALS
- **7.2% INCREASE** IN PASSENGER ARRIVALS IN DUBAI
- UAE FALLS 2 POSITIONS TO **29TH** IN TRAVEL & TOURISM COMPETITIVENESS INDEX
- **\$USD130,000** – GDP PER CAPITA (PPP) OF QATAR REMAINS HIGHEST IN THE WORLD IN 2016
- **\$US 227 BILLION** – REGIONAL TOURISM CONTRIBUTION TO GDP IN 2016
- **\$US41.8 BILLION** – TRAVEL AND TOURISM INVESTMENT IN 2016
- **5.7 MILLION JOBS** SUPPORTED BY TRAVEL AND TOURISM SECTOR IN 2016

Globally in 2016, the industry was witness to Marriott International's acquisition of Starwood Hotels and Resorts for US\$13 billion, making it the world's largest hotel company. The industry was further livened with Accor's purchase of Fairmont Raffles Hotels International for US\$2.9 billion. Both companies, as a result, have made leaps and bounds in expanding their existing distribution while aggressively pushing forward their development pipeline in strategic MENA primary and secondary markets.

TOURISM OVERVIEW

Despite a series of international threats amongst increasing sources of conflict, demand for international tourism grew nearly 3% to reach 1.2 billion overnight visitors in 2016 according to the United Nations World Tourism Organization. 2016 marked the seventh consecutive year of sustained growth following the 2009 global economic downturn. When comparing overnight travellers by region, Asia Pacific recorded the strongest

growth at 8%, attributed to robust demand derived from intra- and interregional source markets, followed by Africa, which enjoyed a rebound after a year of decreasing tourism arrivals. It should be noted that Middle East tourist arrivals decreased by approximately 4% as a result of on-going conflict, and a weak energy sector preventing corporate travel.

WORLDWIDE TOURIST ARRIVALS (000S)

Location	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Change (15/16)	% of Total
World	851,321	901,366	921,355	879,885	938,518	980,000	1,035,000	1,086,750	1,130,220	1,200,000	1,235,000	2.9%	100%
Africa	39,626	42,635	44,763	46,998	50,002	50,000	52,000	54,912	57,658	53,000	58,000	9.4%	5%
Americas	134,685	140,694	146,326	139,008	149,710	156,000	162,000	167,832	173,874	191,000	201,000	5.2%	16%
Asia Pacific	162,779	179,788	185,297	181,608	204,509	216,000	233,000	246,980	261,799	277,000	303,000	9.4%	25%
Europe	468,991	488,000	489,186	459,830	474,539	503,000	535,000	563,890	580,807	609,000	620,000	1.8%	50%
Middle East	45,240	50,249	55,783	52,441	59,758	55,000	53,000	53,159	53,691	56,160	54,000	-3.8%	4%

Source: UNWTO

Visitors to Dubai increased 7.2% in 2016 and it continues to boast the most tourist arrivals amongst the GCC. Dubai represents nearly 30% of all passenger movements in the Middle East. Doha experienced noteworthy passenger traffic growth in excess of 24% reaching a record breaking 37.3 million passengers. For the third consecutive year, Hamad International Airport in Doha has been named the best airport in the Middle East. Three cities were witness to decreasing tourist arrivals including Bahrain, Istanbul, and Kuwait, noted at -5.5%, -1.9%, and -3.2%, respectively.

AIRPORT PASSENGER TRAFFIC MOVEMENTS

City	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Growth % (15-16)	CAGR ¹ %
Abu Dhabi	4,788,893	6,565,556	8,687,712	9,374,631	10,496,300	12,400,000	14,700,420	16,523,272	19,865,127	23,286,632	24,482,119	5.1%	18%
Amman	3,506,061	3,850,347	4,477,811	4,770,769	5,430,000	5,467,726	6,250,048	6,502,323	7,089,008	7,095,685	7,410,274	4.4%	8%
Bahrain	6,362,365	6,983,629	8,411,442	8,736,974	8,598,069	7,568,200	8,479,884	7,377,499	8,102,502	8,586,645	8,117,870	-5.5%	2%
Beirut	2,739,606	3,326,433	4,039,560	4,953,891	5,512,435	5,596,034	5,960,414	6,249,503	6,570,010	7,203,781	7,510,828	4.3%	11%
Cairo	10,665,708	12,475,605	14,272,180	14,305,800	16,052,619	12,847,398	14,711,500	13,773,560	14,678,066	15,800,000	16,400,000	3.8%	4%
Dammam	3,341,092	3,840,671	3,883,700	4,149,588	4,568,715	5,268,073	6,473,307	7,270,834	8,141,421	9,400,000	-	-	-
Doha	8,733,160	9,522,620	12,425,161	13,270,005	15,863,292	18,202,489	21,163,382	23,266,187	26,483,159	30,000,000	37,300,000	24.3%	16%
Dubai	27,925,522	33,481,257	36,592,307	40,104,149	47,200,000	50,980,000	57,684,550	66,431,533	70,475,636	78,014,838	83,654,250	7.2%	12%
Erbil	163,619	263,148	301,534	348,120	435,469	621,870	947,600	1,193,783	1,563,856	-	-	-	33%
Istanbul	21,265,974	23,196,229	28,553,132	29,757,384	32,145,619	37,452,187	44,998,508	51,320,875	56,715,541	61,300,000	60,119,215	-1.9%	11%
Jeddah	13,265,071	14,356,433	15,292,451	15,923,875	17,839,544	20,892,590	-	22,243,897	26,569,650	28,323,247	-	-	-
Kuwait	6,053,094	6,910,309	7,226,345	8,125,617	8,332,857	8,466,737	8,979,281	9,376,618	10,375,463	11,205,500	10,848,550	-3.2%	6%
Muscat	4,521,343	4,050,005	3,918,136	4,474,837	5,521,802	6,479,860	7,546,715	8,310,927	8,720,102	10,289,720	12,038,972	17.0%	10%
Riyadh	10,532,752	10,962,043	11,709,230	11,465,552	12,635,739	14,836,305	18,000,000	19,105,587	20,522,773	22,500,000	23,400,000	4.0%	8%
Tehran	-	-	-	-	-	-	-	12,702,362	13,791,349	13,515,693	16,327,359	20.8%	9%

Source: HVS Research

¹ Or the earliest year for which data are available

2016 HOTEL OPENINGS

In 2016, the MENA region was witness to nearly 10,000 additional hotel rooms, an approximate 6% increase in supply over 2015. This new supply was represented by 24 different brands, of which 45% of the rooms were five-star, 41% of the room were four-star, and 22% of rooms were three-star. The majority of this new supply was derived from the UAE (approximately 2,900 rooms) and Saudi Arabia (approximately 2,600 rooms).

2016 HOTEL OPENINGS BY COUNTRY & BRAND

Algeria	Bahrain	Egypt	Ethiopia	Georgia	Jordan	KSA	Lebanon	Morocco	Oman	Qatar	Tunisia	UAE
ROYAL TULIP	RAMADA	WESTIN HOTELS & RESORTS	RAMADA	MILLENNIUM	Rotana	aloft	Kempinski	Hilton Garden Inn	MILLENNIUM	CENTRO	GOLDEN TULIP	FOUR SEASONS
242	300	135	136	168	411	543	153	268	260	229	248	306
	Rotana					ASCOTT			QUORVUS COLLECTION	MÖVENPICK		HAWTHORN SUITES BY WYNDHAM
	249					52			231	137		136
						CENTRO			Radisson	Rotana		MILLENNIUM
						252			179	381		310
						Citadines			Sheraton	WESTIN		ROYAL TULIP
						129			230	365		252
						CONRAD						TULIP INN
						249						104
						COPTHORNE						W HOTELS
						145						356
						GOLDEN TULIP						WESTIN
						200						1004
						Kempinski						WYNDHAM
						218						486
						MILLENNIUM						
						230						
						MÖVENPICK						
						228						
						RAMADA						
						165						
						Rayhaan						
						243						
242	549	135	136	168	411	2,654	153	268	900	1,112	248	2,954

NOTEWORTHY 2016 OPENINGS

CENTRO SHAHEEN, JEDDAH, SAUDI ARABIA – OPEN OCTOBER 2016: The Centro Shaheen marks Rotana's first property operating under the Centro by Rotana brand in Saudi Arabia. The property is located on Madinah Road and features 252 rooms.

CONRAD MAKKAH, MAKKAH, SAUDI ARABIA – OPEN JUNE 2016: The Conrad Makkah marks Hilton International's first luxury property in the Holy City. The hotel features 438 rooms across two towers and overlooks the Al Masjid al Haram, and the Holy Kaaba.

HORMUZ GRAND MUSCAT, QUORVUS COLLECTION: The 231-room Hormuz Grand Muscat opened in 2014, but joined the Carlson Rezidor hotel group as part of the Quorvus Collection in 2016. The Collection currently comprises two other hotels: The Symphony Style Hotel Kuwait and the G&V Royal Mile Hotel Edinburgh.

W DUBAI AL HABTOOR CITY & WESTIN DUBAI AL HABTOOR CITY – OPEN OCTOBER & AUGUST 2016: The 356-room W Dubai marks the brand's second property in the Middle East, following the debut of the W Doha. The hotel is part of a multi-use development featuring a St. Regis (open 2015) and the 1004-room Westin.

ALOFT DHAHRAN – OPEN NOVEMBER 2016: The 262-room hotel is the brand's second property in the KSA following the Aloft Riyadh, and third for the brand in the Middle East.

IN FOCUS: SAUDI ARABIA

A weakened oil and gas sector and an optimistic reform program aimed at diversifying the economy and increasing private sector participation were the key themes that Saudi Arabia was presented with in 2016. While corporate-oriented markets including Riyadh and Jeddah were susceptible to significant drops in RevPAR as a result of the weakened energy market, religious tourism markets including Makkah and Madinah continued to thrive on the back of increased visa issuances into the country.

SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	Actual					Forecast				
	2012	2013	2014	2015	2016E	2017	2018	2019	2020	2021
Real GDP growth (%)	5.4	2.7	3.6	3.5	1.4	0.8	2.3	2	2.2	2.3
Consumer price inflation (av; %)	2.9	3.5	2.7	2.2	3.5	2	4.4	3.1	2.9	3.1
Budget balance (% of GDP)	13.6	6.5	-2.3	-15	-12.2	-7.3	-5.4	-7.1	-7	-6.8
Current-account balance (% of GDP)	22.4	18.2	9.8	-8.3	-6.8	-2.1	0.6	0.1	0.5	1.3
Exchange rate SR:US\$ (av)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75

Source: Economist Intelligence Unit, 2017

RIYADH

In 2016, Riyadh was presented with the opening of five new hotels including the 281-room Aloft Riyadh. While the current supply in the market is heavily represented by four- and five-star hotels, the market presents a prime opportunity for mid-market hotels and serviced apartments. Marketwide RevPAR dropped 27% in 2016, the largest decrease of any Saudi Arabian primary market. The declining performance is largely attributed to the weakened energy sector and cuts in subsidies combined with the aforementioned supply increases. As purchasing power continues to decrease, the market will continue to experience a greater demand for mid-market hotels, providing ample opportunity for developers. The hotel development pipeline indicates a heavier concentration of projects currently underway in North Riyadh and King Abdullah Financial District.

JEDDAH

Jeddah witnessed a 20% drop in RevPAR owing to reduced corporate demand. The market welcomed the opening of five new branded hotels, representing an approximate 18% increase in supply. This new supply comprised the entry of the 191-room Sofitel Jeddah Corniche and Saudi Arabia's first Centro by Rotana – Rotana's affordable lifestyle brand. While Jeddah's performance is also heavily influenced by the weakening energy sector, it offers a wider range of market segment opportunities, providing it with a greater chance of rebounding from Saudi's current economic fall. Over the short-to-mid-term, demand is anticipated to be induced largely by the King Abdullah Airport Expansion, Jeddah Economic City, and the re-development of the Jeddah Corniche.

VISION 2030: AN ATTEMPT TO DIVERSIFY

In April 2016, Saudi Arabia announced its Vision 2030 reform plan. The comprehensive plan outlines the Kingdom's strategy to move away from its dependence on oil exports, through an array of economic and social policies. The Vision aims to increase the government's non-oil revenues to SAR 1 trillion by 2030, from SAR 163.5 billion in 2015. The share of non-oil exports as a percentage of GDP is to rise from 16% to 50%.

MAKKAH

Unlike many Saudi Arabian hotel markets, Makkah experienced a strong 27% increase supported by strong visitation for Hajj. The market's average rate performance was enhanced with the opening of the Marriott Makkah and Hyatt Regency Makkah in 2015, and the Conrad Makkah in 2016. The pipeline for Makkah features a large supply of three-star hotels to enter the market over the next five years. Looking forward, accommodated demand is expected to increase significantly in the mid-term owing to the announcement of the Ministry of Haaj and Umrah removing restrictions on quotas for foreign pilgrims. Additionally, the near completion of the Haramain High Speed Railway and construction of the Makkah Rail Transit System will improve accessibility to and within the city.

DAMMAM METROPOLITAN AREA (DMA)

In 2016, the DMA witnessed a 17% reduction in RevPAR owing to decreased corporate activity. The market experienced a noticeable shift of corporate accounts moving from four- and five-star hotels to three-star hotels. As a result, the mid-market experienced the hit to a lesser extent. The market saw the opening of three new hotels comprising approximately 600 rooms, including the 262-room Aloft Dhahran. The market presents prime opportunities for branded three-star hotels and serviced apartments catering to price-sensitive families and leisure-oriented guests.

WHITE LAND TAX: SPARKING NEW SUPPLY

In June 2016, the Saudi Arabian government announced regulations for the introduction of the White Land Tax. The tax is imposed on owners of "white land" – an empty plot of land designated for residential and/or commercial use within growing urban neighborhoods across Saudi Arabia. The rate of tax is noted at 2.5% of the value of site. The new Tax will impose pressures on developers that own vacant land resulting in the following:

- Developers will bring forward plans to build income-generating real estate developments to avoid the tax burden
- Owners will sell land to avoid the tax burden resulting in lower land values
- Lower land values will stimulate real estate development and diversify the range of real estate types and classes. This bodes well for developers looking to capitalize on the development of three-star hotels

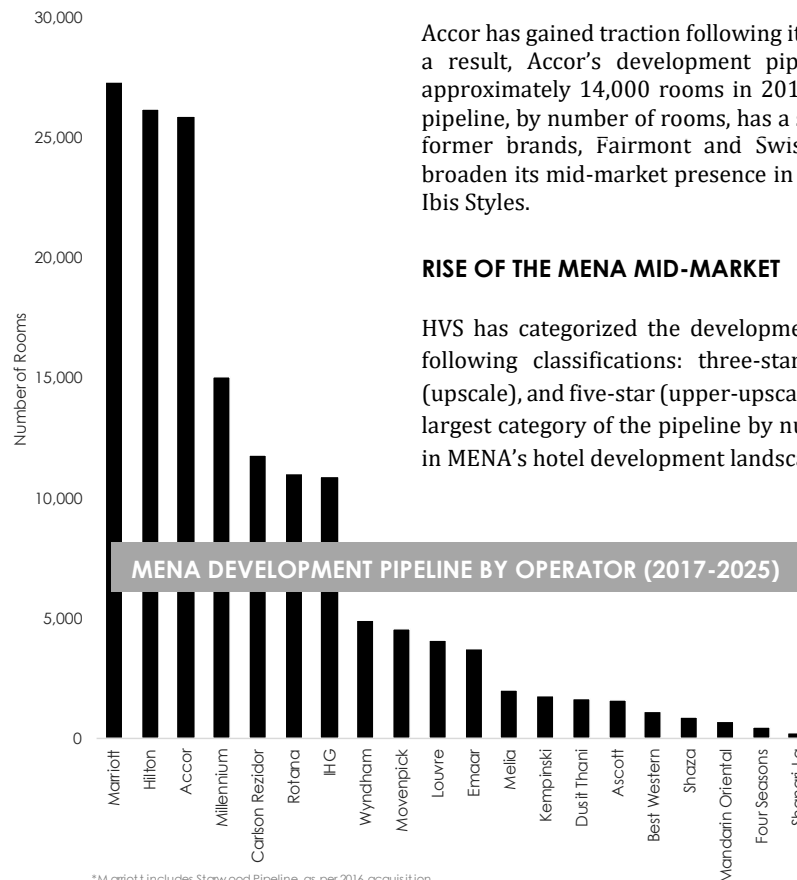
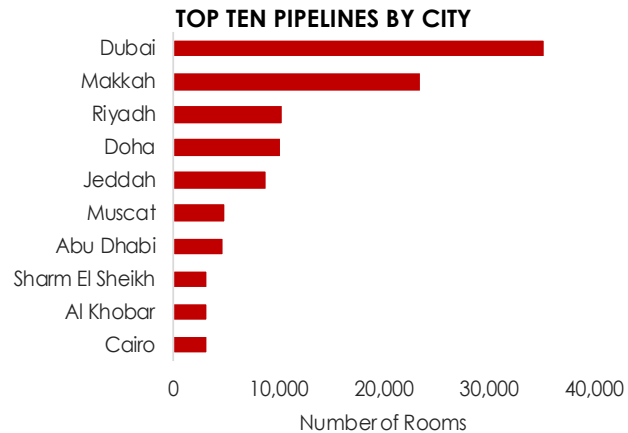
DEVELOPMENT PIPELINE: RISE OF THE MID-MARKET

Despite a series of current and future macroeconomic challenges, the MENA hotel development pipeline remains strong, particularly amongst mid-market branded hotels. HVS has provided the development pipeline from 20 major hotel operators, comprising a total of 564 proposed hotels featuring approximately 156,000 hotel rooms and serviced apartments. Given the extent of the development pipeline, supply is expected to grow by approximately 16% in 2017, 20% in 2018, and 17% in 2019.

PIPELINE LEADERS

With Marriott International completing its acquisition of Starwood Hotels & Resorts in September 2016, it now boasts the largest development pipeline in the MENA region at approximately 27,000 rooms. Its pipeline is heavily focussed and led by the development of the full-service Marriott branded hotel, which is closely followed by its select-service, mid-market brands: Four Points by Sheraton and Courtyard by Marriott.

Hilton boasts a development pipeline comprising approximately 26,000 rooms. The Hilton development pipeline, by number of rooms, is heavily characterised by its full-service Hilton brand in the MENA region, while also continuing to expand its distribution through its Doubletree by Hilton and Hilton Garden Inn brands.



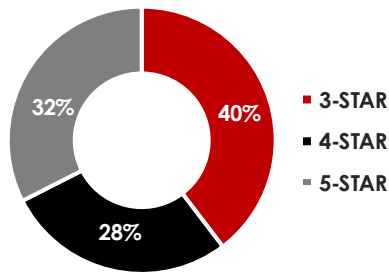
*Marriott includes Starwood Pipeline, as per 2016 acquisition

Accor has gained traction following its acquisition of FRHI Hotels in July 2016. As a result, Accor's development pipeline has nearly doubled, growing from approximately 14,000 rooms in 2015 to a near 26,000 rooms in 2016. Accor's pipeline, by number of rooms, has a strong emphasis on the expansion of FRHI's former brands, Fairmont and Swissôtel. Meanwhile, Accor will continue to broaden its mid-market presence in the MENA regions with a strong pipeline of Ibis Styles.

RISE OF THE MENA MID-MARKET

HVS has categorized the development pipeline by hotel positioning using the following classifications: three-star (midscale to upper-midscale), four-star (upscale), and five-star (upper-upscale to luxury). Three-star hotels represent the largest category of the pipeline by number of hotels, indicative of a gradual shift in MENA's hotel development landscape.

BRANDED PIPELINE (NUMBER OF HOTELS)

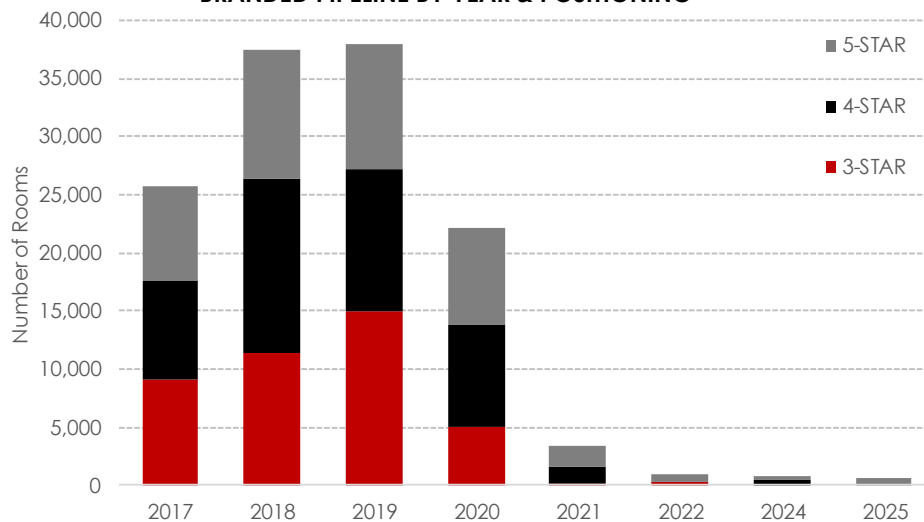


OVERVIEW OF THE MID-MARKET SEGMENT

The development of the mid-market hotel became one of the fastest growing and successful segments in North America more than a decade ago. For starters, developers were drawn to the appeal of the midscale hotel investment model – in many cases, an investment supported by low development and operating costs, which in turn generated higher

returns than their full-service, four- to five-star hotel counterparts. Not to mention, the mid-market hotel proved to be more resilient to the credit crunch and global economic downturn, experiencing a lower overall decrease in RevPAR than the typical four- to five-star hotel during this time. The mid-market remains a growing segment in well-established North American and European markets, which poses the question: what’s prevented the mid-market from gaining popularity amongst developers in the Middle East?

BRANDED PIPELINE BY YEAR & POSITIONING



WHAT'S PREVENTED THE RISE OF MID-MARKET HOTELS IN THE MIDDLE EAST?

- LACK OF ESTABLISHED SECONDARY MARKETS:** Hotel demand outside of dense, metropolitan areas within the Middle East is limited. Established secondary markets often provide prime opportunities for midscale hotel development.
- HIGH LAND COSTS:** Depending on the site location, the cost of land in dense, primary markets is often too high to deem a stand-alone, midscale hotel financially and economically viable.
- THE "TROPHY ASSET" MENTALITY:** Developers, in many cases, have had more interest in constructing a "trophy asset" or landmark hotel, as opposed to developing a real estate asset that would yield the highest returns.
- HIGH-END CLIENTELE:** Historically, primary markets in the region, particularly Dubai, have worked towards establishing themselves as a luxury destination, thereby appealing to less price-sensitive leisure clientele. Corporate primary markets, often oil-rich markets, were supported by companies willing to provide employees with four- to five-star accommodation.

WHY BUILD MID-MARKET NOW?

- **Changing source markets:** Increased visitation from source countries such as India and China have forced developers and operators to offer more affordable hotel options.
- **Changing Demographics:** The influence of the rising millennial traveller has shifted the focus from traditional luxury hotels towards modern, practical forms of accommodation.
- **Corporate Budget Cuts:** As oil-rich markets begin to destabilize, corporate travellers are forced to downgrade from upscale to midscale.
- **Lower Development Costs:** Midscale hotels are less cost intensive to build owing to lower space requirements and lower cost of building materials. As such, these factors translate into lower development risk which allows for increased access to financing.
- **Higher Operating Margins:** Midscale hotels often boast more lenient fixed operating cost structures supported by high levels of flexibility and lower labour costs, thereby generating higher relative returns.

HVS has compiled return on investment data from over 60 MENA hotel projects over the past three years to illustrate the aggregated project returns for the typical three-star, four-star, and five-star hotel investment in the Middle East. We note that the development cost per key (\$US) includes the cost of land in some cases.

HOTEL PROJECT RETURN ON INVESTMENT, BY POSITIONING

Positioning	GOP	NOI	Cost/Key (\$US)	Project Return
Three-Star	51%	40%	\$134,000-\$192,000	11.2%-15.3%
Four-Star	47%	34%	\$205,000-\$312,000	9.6%-12.7%
Five-Star	43%	32%	\$347,000-\$490,000	4.9%-9.3%

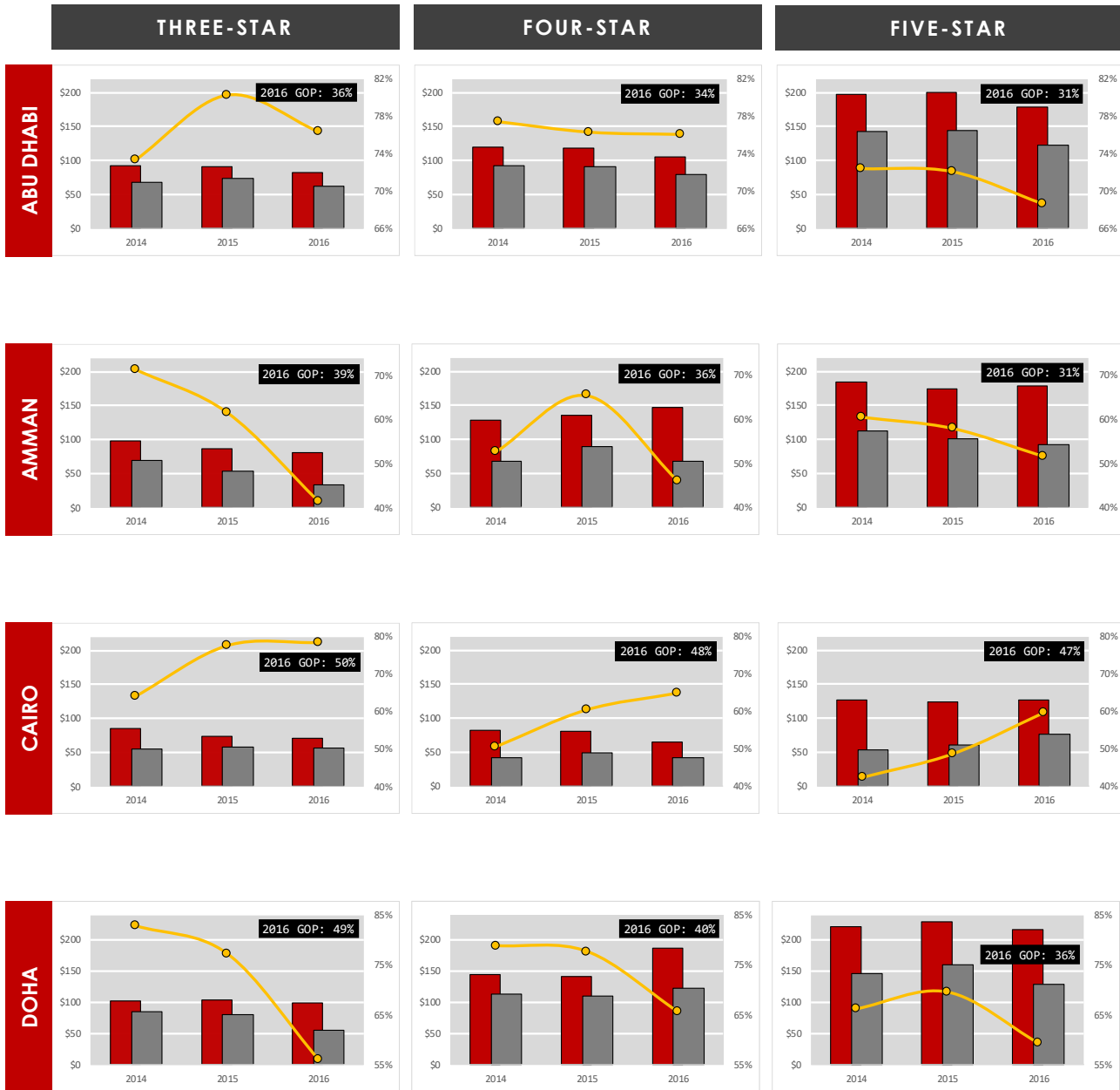
Source: HVS Research

KEY PERFORMANCE INDICATORS

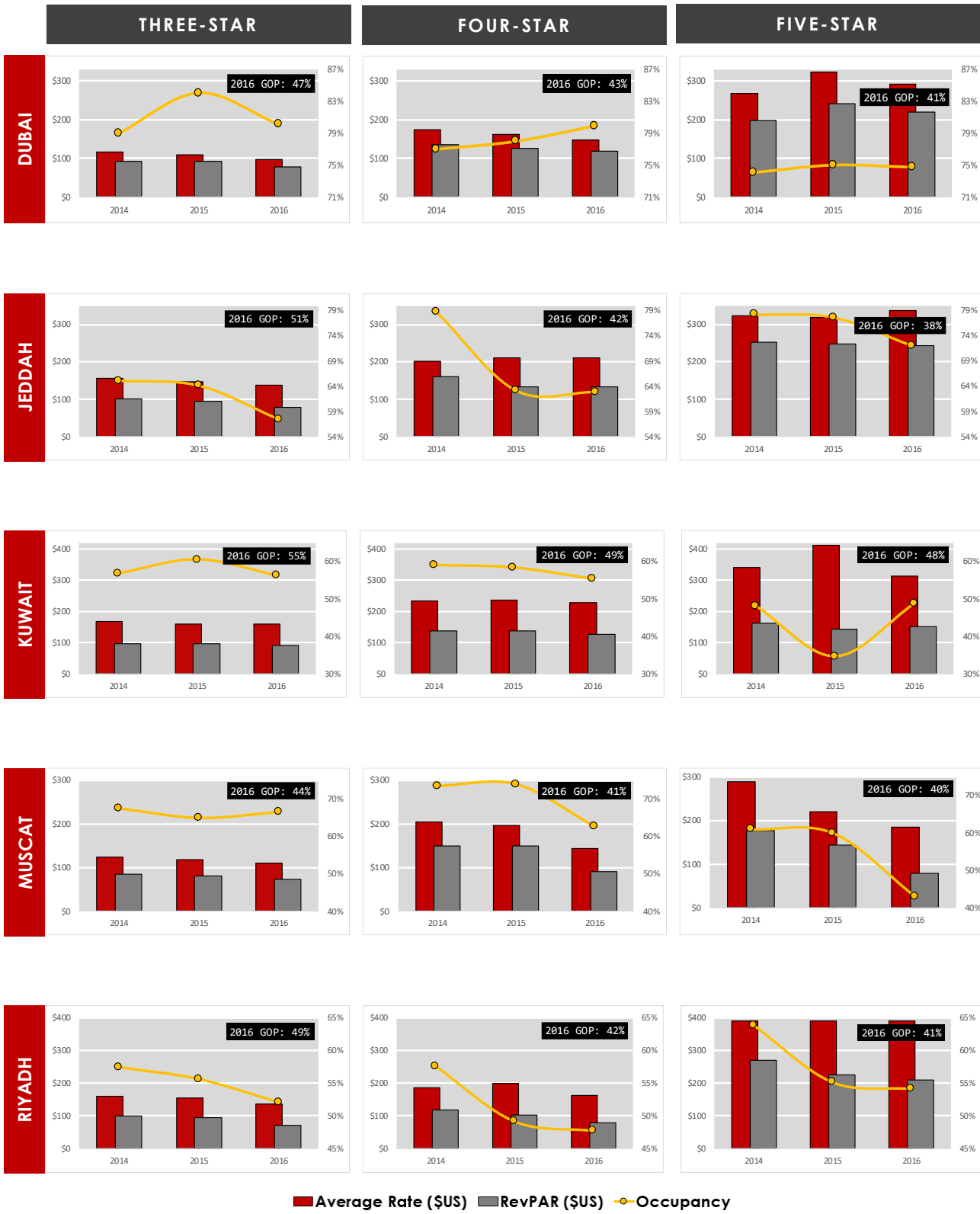
Given the MENA region’s heavy reliance on the energy markets, several primary markets throughout the region experienced declining RevPAR figures in 2016. HVS has categorized each major markets’ key performance indicators by hotel positioning. During a time of economic downturn, three-star hotels are often the most sought-after hotel, typically experiencing lower RevPAR declines than their four- and five-star hotel counterparts. Three-star hotels are not to be perceived as recession proof, as made evident by several declines in occupancy and average rate over the 2014 to 2016 period in the following primary markets. However, in cases of economic downturn, three-star hotels will continue to boast higher gross operating profit (GOP) figures as a result of demand derived from travellers trading down from four- and five-star to three star, and minimal operating expenses associated with operating a three-star hotel.

It is important to note that the following aggregated key performance indicators (occupancy, average rate, and RevPAR) are inclusive of new hotels, which in many cases, decrease marketwide occupancy. However, the GOP margins below have been adjusted to reflect only hotels with stabilized levels of operation, to better provide context as to the typical GOP margin of a branded hotel in a particular market.

In 2016, the three-star segment amongst the following primary market boasted an average GOP margin of 47%, while the four- and five-star categories both registered an approximate 42% and 39% GOP margin, respectively.



■ Average Rate (\$US) ■ RevPAR (\$US) ● Occupancy



AVERAGE ANNUAL OCCUPANCY (1996-2016)																								
Country	City	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Point Change (15/16)	Average (96-16)
BAHRAIN	Manama	53 %	63 %	58 %	56 %	59 %	62 %	64 %	64 %	72 %	75 %	71 %	77 %	75 %	68 %	66 %	34 %	49 %	49 %	55 %	53 %	53 %	0 %	59 %
EGYPT	El Gouna	-	-	-	-	-	-	-	-	-	-	-	-	81 %	72 %	72 %	48 %	46 %	54 %	- %	- %	- %	-	62 %
	El Quseir	-	-	-	-	-	-	-	-	-	-	-	-	-	71 %	78 %	41 %	48 %	40 %	53 %	47 %	22 %	(25) %	50 %
	Alexandria	-	-	-	-	-	-	-	-	-	-	-	-	69 %	68 %	65 %	53 %	64 %	59 %	62 %	70 %	69 %	(1) %	64 %
CAIRO	Cairo	73 %	71 %	62 %	77 %	79 %	67 %	68 %	67 %	75 %	77 %	75 %	81 %	76 %	71 %	73 %	38 %	49 %	37 %	47 %	54 %	62 %	8 %	66 %
	Dahab	-	-	-	-	-	-	-	-	-	-	-	-	54 %	61 %	70 %	46 %	50 %	30 %	35 %	39 %	37 %	(2) %	47 %
	Hurghada	70 %	63 %	50 %	80 %	77 %	65 %	66 %	66 %	86 %	75 %	75 %	86 %	88 %	80 %	82 %	63 %	72 %	63 %	72 %	60 %	41 %	(19) %	68 %
LUXOR	Luxor	-	-	-	-	-	-	-	-	-	-	-	-	52 %	45 %	42 %	24 %	22 %	15 %	19 %	17 %	24 %	7 %	29 %
	Marsa Al Alam	-	-	-	-	-	-	-	-	-	-	-	-	79 %	71 %	64 %	32 %	67 %	35 %	47 %	41 %	20 %	(21) %	51 %
	Sharm El Sheikh	72 %	66 %	68 %	79 %	63 %	61 %	66 %	64 %	75 %	71 %	66 %	76 %	81 %	75 %	82 %	48 %	60 %	54 %	58 %	59 %	34 %	(25) %	64 %
TABA	Taba	-	-	-	-	-	-	-	-	-	-	-	-	74 %	74 %	80 %	52 %	52 %	48 %	33 %	27 %	27 %	0 %	52 %
	Erbil	-	-	-	-	-	-	-	-	-	-	-	-	74 %	81 %	79 %	71 %	75 %	77 %	63 %	56 %	48 %	(8) %	69 %
JORDAN	Amman	71 %	61 %	56 %	56 %	59 %	44 %	45 %	57 %	72 %	70 %	58 %	64 %	66 %	57 %	63 %	58 %	69 %	63 %	61 %	61 %	48 %	(13) %	58 %
	Aqaba	-	-	-	-	-	-	-	-	-	-	-	-	73 %	41 %	53 %	49 %	56 %	55 %	54 %	47 %	57 %	10 %	54 %
	Dead Sea	-	-	-	-	-	-	-	-	-	-	-	-	68 %	55 %	57 %	34 %	61 %	52 %	45 %	41 %	47 %	6 %	51 %
Petra	-	-	-	-	-	-	-	-	-	-	-	-	-	75 %	59 %	64 %	33 %	30 %	39 %	54 %	37 %	51 %	14 %	49 %
KUWAIT	Kuwait City	44 %	46 %	46 %	47 %	46 %	49 %	53 %	84 %	64 %	70 %	65 %	58 %	62 %	59 %	54 %	58 %	58 %	59 %	53 %	53 %	53 %	(0) %	54 %
LEBANON	Beirut	45 %	61 %	61 %	56 %	57 %	55 %	57 %	59 %	71 %	52 %	48 %	39 %	57 %	70 %	66 %	59 %	56 %	48 %	49 %	57 %	54 %	(3) %	54 %
OMAN	Muscat	64 %	71 %	56 %	57 %	55 %	62 %	59 %	57 %	69 %	80 %	74 %	67 %	69 %	54 %	58 %	53 %	60 %	65 %	66 %	65 %	56 %	(9) %	63 %
	Salalah	-	-	-	-	-	-	-	-	-	-	-	-	-	67 %	70 %	67 %	67 %	69 %	70 %	49 %	54 %	71 %	17 %
QATAR	Doha	80 %	78 %	72 %	61 %	58 %	56 %	60 %	72 %	72 %	71 %	71 %	71 %	70 %	58 %	66 %	59 %	63 %	64 %	76 %	69 %	62 %	(7) %	64 %
KSA	Al Jubail	-	-	-	-	-	-	-	-	-	-	-	-	-	86 %	64 %	51 %	67 %	76 %	- %	- %	- %	-	69 %
	Al Khobar	-	-	-	-	-	-	-	-	-	-	-	-	61 %	62 %	45 %	49 %	57 %	63 %	69 %	68 %	57 %	(11) %	59 %
	Dammam	-	-	-	-	-	-	-	-	-	-	-	-	60 %	71 %	49 %	55 %	62 %	66 %	70 %	66 %	60 %	(6) %	62 %
JEDDAH	Jeddah	61 %	58 %	60 %	59 %	63 %	59 %	57 %	53 %	54 %	61 %	64 %	73 %	77 %	73 %	72 %	72 %	79 %	78 %	77 %	72 %	63 %	(9) %	64 %
	Makkah	-	-	-	-	-	-	-	-	-	-	-	-	60 %	55 %	54 %	55 %	67 %	63 %	71 %	68 %	70 %	2 %	62 %
	Medina	-	-	-	-	-	-	-	-	-	-	-	-	61 %	63 %	56 %	61 %	64 %	64 %	66 %	64 %	66 %	2 %	63 %
RIYADH	Riyadh	61 %	62 %	63 %	62 %	60 %	61 %	65 %	64 %	55 %	62 %	70 %	71 %	74 %	67 %	63 %	63 %	54 %	55 %	57 %	55 %	51 %	(4) %	60 %
	Taif	-	-	-	-	-	-	-	-	-	-	-	-	48 %	58 %	57 %	59 %	44 %	37 %	- %	- %	- %	-	50 %
	Yanbu	-	-	-	-	-	-	-	-	-	-	-	-	-	43 %	37 %	45 %	50 %	64 %	62 %	50 %	43 %	(7) %	49 %
SYRIA	Damascus	68 %	70 %	69 %	69 %	66 %	65 %	67 %	65 %	69 %	75 %	73 %	80 %	79 %	71 %	74 %	21 %	15 %	34 %	54 %	62 %	68 %	6 %	60 %
Latakia	-	-	-	-	-	-	-	-	-	-	-	-	-	41 %	44 %	17 %	24 %	45 %	- %	- %	- %	-	34 %	
TURKEY	Istanbul	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70 %	71 %	77 %	69 %	63 %	52 %	39 %	(13) %	63 %
Izmir	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55 %	47 %	54 %	57 %	47 %	- %	- %	-	52 %	
UAE	Abu Dhabi	66 %	65 %	66 %	64 %	67 %	67 %	68 %	68 %	82 %	85 %	84 %	81 %	81 %	73 %	64 %	70 %	67 %	73 %	74 %	76 %	73 %	(3) %	69 %
	Ajman	-	-	-	-	-	-	-	-	-	-	-	-	77 %	63 %	40 %	73 %	74 %	70 %	78 %	80 %	79 %	(1) %	70 %
	Al Ain	-	-	-	-	-	-	-	-	-	-	-	-	71 %	69 %	69 %	65 %	58 %	72 %	60 %	67 %	68 %	1 %	67 %
DUBAI	Dubai	74 %	73 %	70 %	70 %	74 %	71 %	76 %	79 %	86 %	82 %	84 %	87 %	81 %	69 %	72 %	72 %	80 %	81 %	73 %	78 %	77 %	(1) %	73 %
	Fujairah	-	-	-	-	-	-	-	-	-	-	-	-	74 %	69 %	66 %	62 %	76 %	71 %	54 %	59 %	57 %	(2) %	66 %
	Ras al-Khaimah	-	-	-	-	-	-	-	-	-	-	-	-	81 %	67 %	67 %	74 %	80 %	78 %	65 %	64 %	63 %	(1) %	71 %
Sharjah	-	-	-	-	-	-	-	-	-	-	-	-	83 %	67 %	61 %	70 %	70 %	76 %	75 %	73 %	68 %	(5) %	72 %	
YEMEN	Sana'a	-	-	-	-	-	-	-	-	-	-	-	-	49 %	39 %	33 %	11 %	35 %	28 %	18 %	- %	- %	-	30 %
Average		64 %	65 %	61 %	64 %	63 %	60 %	62 %	66 %	72 %	72 %	70 %	72 %	70 %	64 %	62 %	52 %	58 %	57 %	57 %	57 %	54 %	(3) %	63 %

Source: HVS Research

AVERAGE ANNUAL AVERAGE DAILY RATE (1996-2016) (\$US)																									
Country	City	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Change (15/16)	CAGR ¹ (96-16)	
BAHRAIN	Manama	92	90	93	102	105	103	119	122	132	177	196	249	259	205	209	204	221	222	228	230	170	(26) %	3 %	
EGYPT	El Gouna	-	-	-	-	-	-	-	-	-	-	-	-	-	89	89	91	115	81	-	-	-	- %	(3) %	
	El Quseir	-	-	-	-	-	-	-	-	-	-	-	-	-	67	60	62	81	58	58	56	62	11 %	(1) %	
	Alexandria	-	-	-	-	-	-	-	-	-	-	-	-	-	124	110	100	93	93	67	90	91	(1) %	(4) %	
	Cairo	67	69	70	71	77	75	68	68	69	77	88	122	134	158	118	125	115	105	107	116	110	(6) %	2 %	
	Dahab	-	-	-	-	-	-	-	-	-	-	-	-	-	82	76	79	75	44	42	35	34	33	(4) %	(11) %
	Hurghada	41	44	30	34	41	35	30	32	40	47	46	41	49	45	49	37	47	38	36	40	45	13 %	1 %	
	Luxor	-	-	-	-	-	-	-	-	-	-	-	-	-	46	47	88	80	85	76	63	54	35	(35) %	(3) %
	Marsa Al Alam	-	-	-	-	-	-	-	-	-	-	-	-	-	55	59	55	43	49	48	43	34	34	(21) %	(7) %
	Sharm El Sheikh	53	52	35	44	45	41	37	39	42	52	54	53	81	80	82	69	95	59	58	68	54	(20) %	0 %	
	Taba	-	-	-	-	-	-	-	-	-	-	-	-	-	43	41	43	44	47	37	31	39	28	(27) %	(5) %
IRAQ	Erbil	-	-	-	-	-	-	-	-	-	-	-	-	-	170	138	152	240	287	303	292	-	-	- %	9 %
JORDAN	Amman	83	83	81	71	68	68	65	69	85	118	132	147	161	140	137	136	156	165	153	150	148	(2) %	3 %	
	Aqaba	-	-	-	-	-	-	-	-	-	-	-	-	-	95	126	122	107	147	119	124	120	107	(11) %	1 %
	Dead Sea	-	-	-	-	-	-	-	-	-	-	-	-	-	168	188	174	186	230	225	163	157	144	(9) %	(2) %
	Petra	-	-	-	-	-	-	-	-	-	-	-	-	-	86	129	132	93	132	123	131	83	130	56 %	5 %
KUWAIT	Kuwait City	213	201	204	203	214	218	216	233	230	237	239	239	260	257	241	244	241	246	243	242	231	(4) %	0 %	
LEBANON	Beirut	166	173	143	129	110	101	110	154	168	116	110	78	143	281	263	220	241	174	175	175	164	(6) %	(0) %	
OMAN	Muscat	112	101	95	91	86	80	74	66	82	117	154	283	329	244	210	245	219	226	234	215	146	(32) %	1 %	
	Salalah	-	-	-	-	-	-	-	-	-	-	-	-	-	97	122	124	118	127	133	133	96	115	20 %	2 %
QATAR	Doha	77	101	116	112	115	105	100	101	146	268	296	306	304	261	230	231	232	197	201	201	195	(3) %	5 %	
KSA	Al Jubail	-	-	-	-	-	-	-	-	-	-	-	-	-	216	230	250	237	250	-	-	-	- %	4 %	
	Al Khobar	-	-	-	-	-	-	-	-	-	-	-	-	-	229	233	193	186	215	214	176	200	185	(8) %	(3) %
	Dammam	-	-	-	-	-	-	-	-	-	-	-	-	-	179	185	172	171	155	153	150	133	130	(2) %	(4) %
	Jeddah	117	115	113	111	119	110	104	104	114	144	137	165	208	205	181	176	240	249	246	239	218	(9) %	3 %	
	Makkah	-	-	-	-	-	-	-	-	-	-	-	-	-	182	228	202	238	242	208	227	193	239	24 %	3 %
	Madinah	-	-	-	-	-	-	-	-	-	-	-	-	-	96	106	114	127	156	141	139	151	163	8 %	7 %
	Riyadh	106	110	113	116	115	110	107	104	105	110	142	202	233	297	261	264	274	277	247	244	194	(20) %	3 %	
	Taif	-	-	-	-	-	-	-	-	-	-	-	-	-	176	170	174	171	186	176	-	-	-	- %	(0) %
	Yanbu	-	-	-	-	-	-	-	-	-	-	-	-	-	139	139	125	150	173	153	148	147	(1) %	1 %	
SYRIA	Damascus	124	118	111	104	97	94	94	102	100	105	95	120	178	236	233	168	108	68	80	91	173	90 %	2 %	
	Latakia	-	-	-	-	-	-	-	-	-	-	-	-	-	119	103	70	65	34	-	-	-	- %	(27) %	
TURKEY	Istanbul	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141	147	256	246	183	276	183	(34) %	4 %
	Izmir	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128	116	126	129	83	-	-	- %	(10) %
UAE	Abu Dhabi	129	111	101	99	88	89	89	87	91	117	167	238	309	294	210	176	161	154	147	148	135	(9) %	0 %	
	Ajman	-	-	-	-	-	-	-	-	-	-	-	-	-	245	172	175	137	103	75	103	102	103	1 %	(10) %
	Al Ain	-	-	-	-	-	-	-	-	-	-	-	-	-	158	157	153	152	175	145	132	124	116	(7) %	(4) %
	Dubai	120	126	107	104	105	100	110	113	144	192	225	258	259	184	167	191	230	236	244	231	205	(11) %	3 %	
	Fujairah	-	-	-	-	-	-	-	-	-	-	-	-	-	183	156	147	125	126	136	104	103	75	(27) %	(11) %
	Ras al-Khaimah	-	-	-	-	-	-	-	-	-	-	-	-	-	135	131	140	143	153	158	162	155	136	(13) %	0 %
	Sharjah	-	-	-	-	-	-	-	-	-	-	-	-	-	96	78	84	80	76	84	130	90	83	(7) %	(2) %
YEMEN	Sana'a	-	-	-	-	-	-	-	-	-	-	-	-	-	70	104	106	98	124	106	102	-	-	- %	6 %
	Average	107	107	101	226	226	222	222	226	237	259	272	301	216	202	191	144	156	147	142	138	129	(6) %	1 %	

Source: HVS Research

¹ Or the earliest year for which data are available

AVERAGE ANNUAL REVPAR (1996-2016) (\$US)																									
Country	City	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Change (15/16)	CAGR ¹ (96-16)	
BAHRAIN	Manama	49	56	54	57	62	64	76	78	95	133	140	193	195	139	138	69	109	108	125	121	91	(25) %	3 %	
EGYPT	Al Gouna	-	-	-	-	-	-	-	-	-	-	-	-	-	64	64	44	52	43	-	-	-	-	(9) %	
	Al Quseir	-	-	-	-	-	-	-	-	-	-	-	-	-	48	47	25	39	23	-	-	-	-	(17) %	
	Alexandria	-	-	-	-	-	-	-	-	-	-	-	-	86	75	65	49	60	40	56	63	63	(1) %	(14) %	
	Cairo	49	49	43	55	61	50	46	45	52	60	66	99	102	112	86	48	56	39	50	62	68	10 %	2 %	
	Dahab	-	-	-	-	-	-	-	-	-	-	-	-	44	46	56	35	22	12	12	14	12	(15) %	(23) %	
	Hurghada	29	28	15	27	31	23	20	21	34	35	34	35	43	36	40	23	34	24	26	24	18	(23) %	(2) %	
	Luxor	-	-	-	-	-	-	-	-	-	-	-	-	24	21	37	19	19	11	12	9	8	(6) %	(14) %	
	Marsa Al Alam	-	-	-	-	-	-	-	-	-	-	-	-	-	39	38	18	29	17	23	18	7	(62) %	(19) %	
	Sharm El Sheikh	38	34	24	35	28	25	24	25	32	37	36	40	66	60	67	33	57	31	34	40	19	(54) %	(4) %	
	Taba	-	-	-	-	-	-	-	-	-	-	-	-	32	30	35	23	25	18	10	11	8	(29) %	(11) %	
IRAQ	Erbil	-	-	-	-	-	-	-	-	-	-	-	-	126	111	120	170	215	233	-	-	-	-	-	13 %
JORDAN	Amman	59	51	45	40	40	30	29	39	61	82	77	95	106	80	87	79	108	104	93	91	71	(22) %	1 %	
	Aqaba	-	-	-	-	-	-	-	-	-	-	-	-	69	52	65	52	82	66	67	56	61	10 %	(1) %	
	Dead Sea	-	-	-	-	-	-	-	-	-	-	-	-	114	103	99	63	141	117	73	64	67	5 %	0 %	
	Petra	-	-	-	-	-	-	-	-	-	-	-	-	65	76	84	31	40	48	71	31	66	111 %	(6) %	
KUWAIT	Kuwait City	93	93	94	94	98	107	114	196	147	165	155	139	160	152	130	142	139	145	129	128	122	(4) %	1 %	
LEBANON	Beirut	75	105	88	73	62	56	63	91	119	61	53	30	81	197	174	130	134	84	86	100	88	(12) %	1 %	
OMAN	Muscat	72	72	53	52	47	50	44	38	57	94	114	190	227	131	121	130	132	148	154	141	82	(42) %	1 %	
	Salalah	-	-	-	-	-	-	-	-	-	-	-	-	65	86	83	79	88	93	65	52	82	57 %	7 %	
QATAR	Doha	62	79	83	69	67	59	60	73	105	191	208	218	213	151	151	136	147	126	153	139	121	(13) %	3 %	
KSA	Al Jubail	-	-	-	-	-	-	-	-	-	-	-	-	-	186	146	128	158	189	-	-	-	-	0 %	
	Al Khobar	-	-	-	-	-	-	-	-	-	-	-	-	140	144	86	91	124	136	121	135	106	(22) %	(1) %	
	Dammam	-	-	-	-	-	-	-	-	-	-	-	-	107	131	85	94	96	100	105	88	78	(12) %	(1) %	
	Jeddah	71	67	68	66	75	65	59	55	62	88	87	121	161	150	130	127	190	194	189	172	138	(20) %	3 %	
	Makkah	-	-	-	-	-	-	-	-	-	-	-	-	109	125	109	131	161	130	161	131	166	27 %	4 %	
	Madinah	-	-	-	-	-	-	-	-	-	-	-	-	59	67	64	77	100	90	92	97	107	10 %	9 %	
	Riyadh	64	69	71	72	69	67	70	67	58	68	100	143	173	199	164	166	149	153	141	135	99	(27) %	2 %	
	Taif	-	-	-	-	-	-	-	-	-	-	-	-	84	99	98	101	82	65	-	-	-	-	(5) %	
	Yanbu	-	-	-	-	-	-	-	-	-	-	-	-	-	60	51	56	75	110	95	74	64	(14) %	17 %	
SYRIA	Damascus	84	82	76	72	65	61	63	66	69	79	69	95	140	168	172	35	16	23	43	56	117	108 %	2 %	
	Latakia	-	-	-	-	-	-	-	-	-	-	-	-	-	49	46	12	16	16	-	-	-	-	(25) %	
TURKEY	Istanbul	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99	104	196	170	115	142	72	(50) %	20 %	
	Izmir	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70	55	68	73	39	-	-	-	1 %	
UAE	Abu Dhabi	85	72	66	63	60	60	61	59	75	99	140	192	252	215	134	123	107	112	109	112	98	(12) %	1 %	
	Ajman	-	-	-	-	-	-	-	-	-	-	-	-	189	108	70	100	76	52	80	82	82	(1) %	(23) %	
	Al Ain	-	-	-	-	-	-	-	-	-	-	-	-	112	108	105	99	100	104	79	83	79	(4) %	(2) %	
	Dubai	89	92	75	73	78	71	84	89	124	158	188	225	209	127	121	138	184	191	178	180	158	(12) %	3 %	
	Fujairah	-	-	-	-	-	-	-	-	-	-	-	-	135	108	97	86	96	96	56	61	43	(30) %	(7) %	
	Ras al-Khaimah	-	-	-	-	-	-	-	-	-	-	-	-	109	88	94	106	122	123	105	99	85	(14) %	2 %	
	Sharjah	-	-	-	-	-	-	-	-	-	-	-	-	80	52	51	56	53	64	98	65	57	(13) %	(4) %	
YEMEN	Sana'a	-	-	-	-	-	-	-	-	-	-	-	-	34	40	35	11	43	29	18	-	-	-	(3) %	
Average		69	69	62	144	142	134	138	149	169	186	190	217	152	129	119	83	90	84	82	79	70	(12) %	0 %	

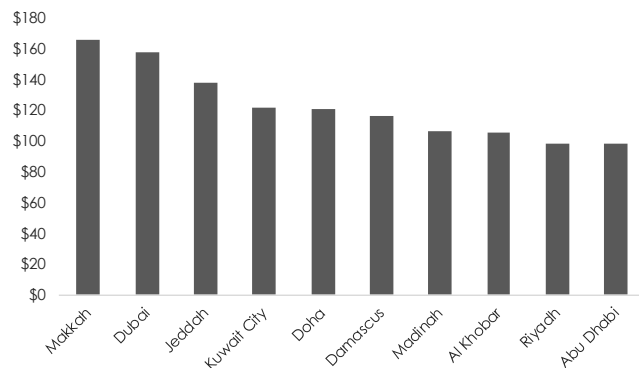
Source: HVS Research

¹ Or the earliest year for which data are available

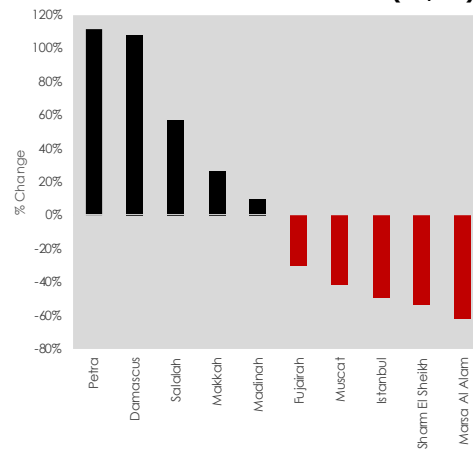
TOP & BOTTOM PERFORMING MARKETS

Only eight markets were witness to increases in RevPAR in 2016 including, but not limited to, Cairo, Makkah, and Aqaba. Overall, the MENA hotel market experienced a 12% decline in RevPAR. The highest occupancy levels were achieved by Dubai, Sharjah, and Ras-Al Khaimah, while the highest average room rates were achieved by Makkah, Kuwait City, and Jeddah. Given its high levels of accommodated demand combined with its aggressive rate growth amongst the five-star hotel category, Makkah overtook Dubai as top RevPAR performing hotel market in 2016.

TOP PERFORMING MARKETS BY REVPAR (\$US)



LARGEST REVPAR CHANGES (15/16)



OUTLOOK

The Middle East consists of a diverse range of hotel markets that are stimulated by varied segments of demand. In oil-driven markets, particularly throughout Saudi Arabia, expectations for improved economic conditions were high following the 2016 OPEC announcement to cut oil production; however, GDP is forecast to only grow minimally, at 0.8% in 2017. This forecast reflects the impact of lower oil production combined with the effects of cuts in government spending and an upward adjustment in taxes. As a result of the aforementioned, non-oil growth is not anticipated to be as significant as it has been historically during periods of strong oil prices. Alternatively, leisure oriented markets will continue to face the challenge of attracting international attention. However, events such as Dubai Expo 2020 and Qatar's hosting of the 2022 FIFA World Cup, and increased visa issuances permitting foreign pilgrims to enter Makkah and Madinah will largely aid in these particular markets' ability to increase accommodated demand in the mid-to-long term.

As primary markets continue to mature and saturate with four- and five-star hotels, and secondary markets begin to progress supported by improved modes of accessibility and infrastructure development, the Middle East will witness a healthy influx of three-star hotels entering the market. As this mid-market expands with contemporary, yet affordable branded hotel product, primary markets will be susceptible to significant average rate pressure. However, our outlook remains optimistic in light of the region's tourism potential which will ultimately support high levels of accommodated demand. The World Travel and Tourism Council projects for the Middle East a total travel and tourism contribution to GDP growth rate of 4.8% per annum reaching US\$382 billion by 2027. This growth is expected to be well supported by tourism investment, estimated to rise 6.4% per annum over the next ten years, reaching a total of US\$99 billion.

VAT AND ITS IMPACT

As a result of GCC countries shifting their economic reliance away from oil reserves, all GCC countries have agreed to the Unified Value Added Tax (VAT) Agreement in February 2017. As a result, VAT will be imposed at a 5% rate in 2018 in the UAE, and fully implemented in 2019 across the entirety of the GCC. As many GCC markets attempt to diversify their segmentation of demand, with a greater focus on price-sensitive, millennial travellers, this added-tax has the potential to alter consumer behaviour by discouraging guests from booking due to higher fees. As a result, hotel operators may need to modify their average rate and fee-based strategy.



About HVS

HVS, the world's leading consulting and services organization focused on the hotel, mixed-use, shared ownership, gaming, and leisure industries, celebrated its 35th anniversary in 2015. Established in 1980, the company performs 4,500+ assignments each year for hotel and real estate owners, operators, and developers worldwide. HVS principals are regarded as the leading experts in their respective regions of the globe. Through a network of more than 40 offices and more than 350 professionals, HVS provides an unparalleled range of complementary services for the hospitality industry. HVS.com

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HVS has a team of experts that conducts its operations in the Middle East and Africa. The team benefits from international and local cultural backgrounds, diverse academic and hotel-related experience, in-depth expertise in the hotel markets in the Middle East and Africa and a broad exposure to international hotel markets. Over the last ten years, the team has advised on more than 700 hotels or projects in the region for hotel owners, lenders, investors and operators. HVS has advised on more than US\$65 billion worth of hotel real estate in the region.

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