



Accelerating success.

MENA | Hotels

February 2016



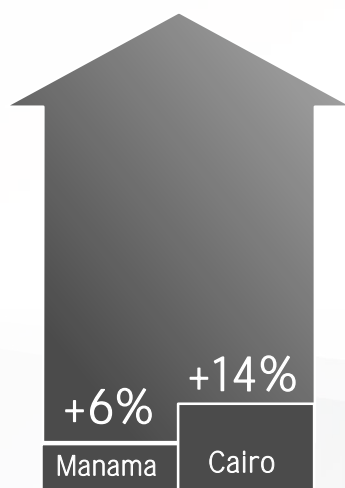
MENA HOTEL FORECASTS

3-Month Rolling Forecast Highlights

Feb 2016 – Apr 2016 | YoY RevPAR Variance %



Hot Spots



Cairo

Growing demand from GCC and Arab countries. Strong MICE and Corporate demand driven by Pharmaceuticals and Finance sector

Manama

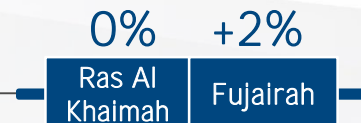
Strong leisure demand from KSA and recent signs of slight recovery in Corporate and MICE business, driving the growth from low base of LY.



Sure & Steady

Ras Al Khaimah

Continued momentum in occupancy growth, mainly attributed to strong leisure demand from UAE residents and emerging markets like India will keep the demand in line with LY.



Fujairah

Drop in business from traditional markets such as Russia and Europe, however this is being balanced by strong local demand which is expected to keep demand levels in line with LY.



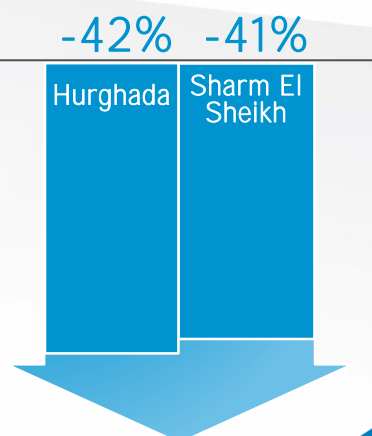
Work in Progress

Sharm El Sheikh

The resort city continues to feel the repercussions of negative tourist sentiments in Sharm El Sheikh – a recovery might be expected in Medium Term.

Hurghada

Travel advisories continues to effect the demand, and the Western European / CIS segments have dipped considerably, thereby increasing reliance on domestic demand.



Occupancy, ADR & RevPAR

3-Month Forecast | Feb 2016 – Apr 2016

Full-Year Forecast | 2016



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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	87	243	213	↓ -7%	77	222	171	↓ -7%
UAE	Dubai	Sheikh Zayed Road / DIFC	86	208	179	↓ -8%	77	191	148	↓ -6%
UAE	Dubai	Palm Jumeirah	79	524	413	↓ -11%	75	458	343	↓ -6%
UAE	Dubai	Dubai Marina / JBR	88	318	281	↓ -8%	81	274	222	↓ -6%
UAE	Abu Dhabi	Abu Dhabi City	78	143	112	↓ -9%	75	128	96	↘ -3%
UAE	Abu Dhabi	Abu Dhabi Beach	79	271	215	↘ -3%	69	246	170	↘ 2%
UAE	Ras Al Khaimah	Ras Al Khaimah	78	179	140	↘ 0%	66	183	121	↑ 6%
UAE	Sharjah	Sharjah	77	84	64	↓ -7%	72	77	55	↓ -7%
UAE	Fujairah	Fujairah	72	126	91	↘ 2%	68	115	79	↘ -2%
KSA	Riyadh	Riyadh	70	234	163	↓ -4%	56	235	131	↘ -3%
KSA	Jeddah	Jeddah	76	230	175	↓ -4%	74	246	183	↘ -3%
KSA	Makkah	Makkah	68	156	106	↓ -5%	62	235	145	↘ 2%
KSA	Madinah	Madinah	73	146	106	↑ 5%	62	166	103	↑ 4%
KSA	Al Khobar	Al Khobar	74	173	129	↓ -8%	66	157	104	↓ -8%
Egypt	Cairo	Cairo	51	144	73	↑ 14%	57	146	82	↑ 12%
Egypt	Sharm El Sheikh	Sharm El Sheikh	39	47	18	↓ -41%	51	43	22	↓ -27%
Egypt	Hurghada	Hurghada	35	49	17	↓ -42%	53	47	25	↓ -23%
Egypt	Alexandria	Alexandria	66	65	43	↓ -4%	71	78	55	↑ 4%
Egypt	Luxor	Luxor	16	45	7	↘ 2%	21	45	10	↘ 2%
Qatar	Doha	Doha Airport / City Centre	72	149	108	↓ -16%	71	148	104	↓ -7%
Qatar	Doha	West Bay Lagoon	62	299	185	↓ -10%	61	263	160	↘ -3%
Qatar	Doha	Doha Serviced Apartments	85	186	158	↓ -4%	83	183	152	↘ -2%
Qatar	Doha	West Bay / Diplomatic Area	71	250	176	↓ -7%	70	219	154	↘ -2%
Oman	Muscat	Muscat	73	226	164	↓ -9%	62	205	127	↓ -5%
Bahrain	Manama	Manama	58	229	132	↑ 6%	50	214	107	↘ -1%
Kuwait	Kuwait City	Kuwait City	62	266	166	↘ 3%	52	239	123	↘ -2%
Jordan	Amman	Amman	54	155	84	↘ -3%	56	151	85	↘ -2%
Jordan	Aqaba	Aqaba	44	113	50	↓ -17%	46	116	53	↓ -6%
Lebanon	Beirut	Beirut	50	145	72	↘ -3%	52	157	82	↘ 0%

Source: Colliers International, 2016

Disclaimer

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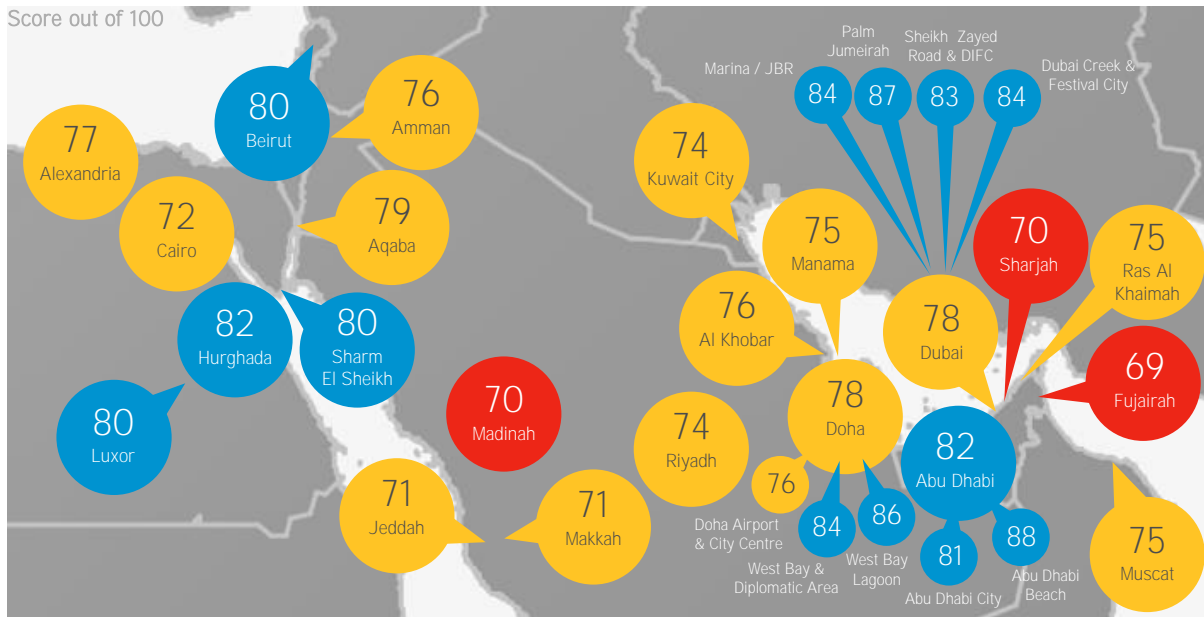
Guest Experience Index™

Data for January 2016



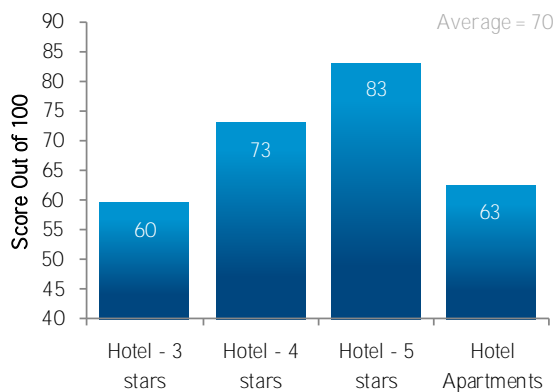
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GEI - SCORE MAPPING - BY SUBMARKET



Source: Olery; Colliers International, 2016

GEI - BY TYPE OF PROPERTY



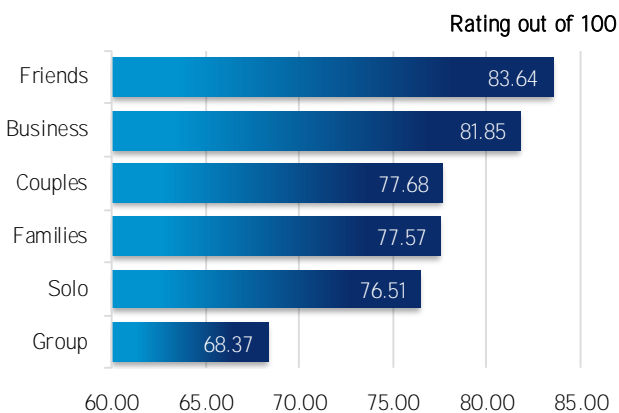
Source: Olery; Colliers International, 2016

RATING - TOP 10 REVIEW SOURCES

Rank	Source of Review	Average Rating
1	Saudi Arabia	73.58
2	United Arab Emirates	73.60
3	United Kingdom	77.95
4	Kuwait	74.96
5	Egypt	77.36
6	Oman	73.83
7	Qatar	74.63
8	Germany	78.04
9	United States	79.41
10	Italy	78.37

Source: Olery; Colliers International, 2016

RATING - BY TYPE OF GUEST



Source: Olery; Colliers International, 2016

- Egypt's Red Sea, Dubai, Abu Dhabi Doha and Beirut led the pack in terms of GEI for the month of January.
- KSA was the largest generator of online reviews in the last month, with around 45,000 entries, while guests from the US were most satisfied with the quality of hotels in MENA, with an average rating of 79.41.
- Guests travelling as 'Friends' were by far the most satisfied, with a rating of 83.64.



Contents of the Publication

This publication has been prepared by Colliers International Hotels MENA, providing hotel performance forecasts and Guest Experience Indicators 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 rooms revenue / 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
- Guest Experience Indicators™ for the previous month include
 - Overall GEI score for each submarket analysed
 - Overall GEI Score by property star rating for MENA
 - Overall GEI Score by type of guest in MENA
 - Rating by review source for top 10 countries (from where the review originated)



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.





Guest Experience Index™

The **Guest Experience Index™ (GEI)** has been developed by Olerly – a travel & hotel data specialist - in conjunction with the VU University Amsterdam. The Index indicates hotel guests' general perceptions of a property's quality, on a scale from 1 to 100 (with 100 being the perfect top score).

Data from nearly 100 review sites and Online Travel Agencies is analysed and processed through Olerly's proprietary algorithm to calculate the weighted score. A new score is generated on a monthly basis, and MENA data is analysed by Colliers to compare online reputation for markets, operators, types of properties and from different types of guests.



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.
- The Guest Experience Index is able to provide valuable insights for perceived service quality and how it differs from one market to the next. This information can help assess the strength of markets and is also able to highlight areas of opportunity.
 - For instance, a low GEI score can be due to low brand penetration within the market or a lack of adequate training / hospitality academic knowledge.
 - On the other hand, a higher score is a sign of a strong, competitive market with a good service culture and strong hospitality fundamentals.



Colliers International Hotels

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:

\$9

billion
Investment value of
projects advised

39,200

Hotel keys
valued

8,880

Hotel keys
under asset management

502 offices in 67 countries on 6 continents

United States: 151

Canada: 46

Latin America: 26

Asia Pacific: 190

EMEA: 89

\$2.3

billion in
annual revenue

1.7

billion square feet
under management

16,300

professionals
and staff

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About Colliers International

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Colliers International, 2016

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