



Accelerating success.

MENA | Hotels

January 2016



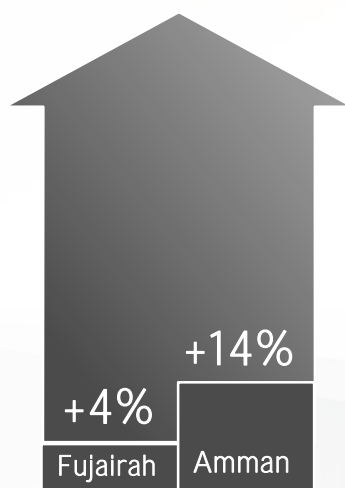
MENA HOTEL FORECASTS

3-Month Rolling Forecast Highlights

Jan 2016 – Mar2016 | YoY RevPAR Variance %



Hot Spots



Amman

Q1 2016 is anticipated to perform in line with recent historical trends; an increase in MICE and humanitarian business is expected to drive corporate demand.

Fujairah

The city will continue to benefit from local leisure demand, as well as some displaced demand from Egypt Red Sea Resort and Turkey.

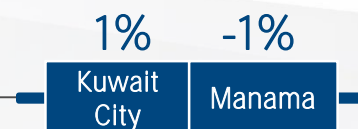


Sure & Steady

Kuwait City

The upcoming three months are expected to see stable corporate and MICE demand, keeping the demand in line with last year.

No new openings are expected in the next three months.



Manama

The corporate market has seen a slight decline – which is partly due to the drop in oil prices - however the drop in corporate travel is anticipated to get offset by the weekend leisure demand from KSA, keeping the demand in line with last year.



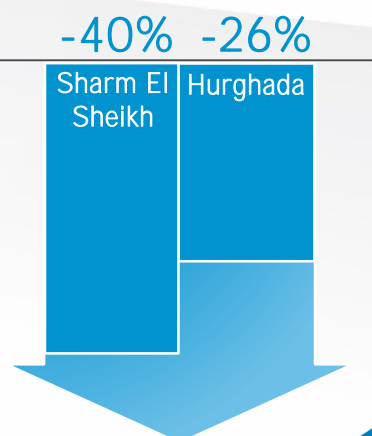
Work in Progress

Sharm El Sheikh

The resort city continues to feel the repercussions of negative tourist sentiments in Sharm El Sheikh – a recovery is expected in medium term.

Hurghada

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



Occupancy, ADR & RevPAR

3-Month Forecast | Jan 2016 – Mar 2016

Full-Year Forecast | 2016



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	88	277	243	👉 -3%	77	229	176	👇 -4%
UAE	Dubai	Sheikh Zayed Road / DIFC	87	235	206	👇 -5%	77	196	152	👉 -3%
UAE	Dubai	Palm Jumeirah	76	538	407	👇 -9%	79	443	349	👇 -4%
UAE	Dubai	Dubai Marina / JBR	86	337	292	👇 -6%	81	276	224	👇 -5%
UAE	Abu Dhabi	Abu Dhabi City	78	160	124	👉 -1%	71	133	94	👇 -5%
UAE	Abu Dhabi	Abu Dhabi Beach	70	270	188	👇 -6%	71	242	172	👉 3%
UAE	Ras Al Khaimah	Ras Al Khaimah	69	190	131	👉 2%	67	179	119	👆 5%
UAE	Sharjah	Sharjah	81	91	74	👇 -6%	71	79	56	👇 -6%
UAE	Fujairah	Fujairah	67	128	86	👆 4%	65	126	82	👉 2%
KSA	Riyadh	Riyadh	66	237	157	👇 -5%	56	229	127	👇 -6%
KSA	Jeddah	Jeddah	75	232	174	👇 -5%	75	253	191	👉 2%
KSA	Makkah	Makkah	72	165	118	👉 -2%	64	224	143	👉 0%
KSA	Madinah	Madinah	75	144	107	👉 3%	62	163	101	👉 2%
KSA	Al Khobar	Al Khobar	72	173	126	👇 -5%	67	163	109	👉 -3%
Egypt	Cairo	Cairo	51	141	72	👆 4%	56	135	75	👉 2%
Egypt	Sharm El Sheikh	Sharm El Sheikh	36	46	16	👇 -40%	51	43	22	👇 -27%
Egypt	Hurghada	Hurghada	38	48	18	👇 -26%	58	47	27	👇 -15%
Egypt	Alexandria	Alexandria	65	62	40	👉 1%	68	77	52	👉 -2%
Egypt	Luxor	Luxor	21	44	9	👆 20%	17	45	8	👇 -17%
Qatar	Doha	Doha Airport / City Centre	78	167	130	👇 -7%	71	148	104	👇 -7%
Qatar	Doha	West Bay Lagoon	72	282	204	👇 -7%	61	263	160	👉 -3%
Qatar	Doha	Doha Serviced Apartments	87	194	168	👉 -2%	83	183	152	👉 -2%
Qatar	Doha	West Bay / Diplomatic Area	81	245	197	👉 1%	70	219	154	👉 -2%
Oman	Muscat	Muscat	75	232	175	👉 -3%	62	205	127	👇 -5%
Bahrain	Manama	Manama	53	215	113	👉 -1%	50	214	107	👉 -1%
Kuwait	Kuwait City	Kuwait City	61	253	155	👉 1%	52	239	123	👉 -2%
Jordan	Amman	Amman	55	164	90	👆 14%	56	151	85	👉 -2%
Jordan	Aqaba	Aqaba	40	102	41	👇 -8%	46	116	53	👇 -6%
Lebanon	Beirut	Beirut	45	147	66	👇 -12%	52	157	82	👉 0%

Source: Colliers International, 2015

Disclaimer

All information, analysis and recommendations made by Colliers International are made in good faith and represent Colliers International's professional judgment on the basis of information available. However, since the achievement of forecasts depends on factors outside Colliers International's control, no statement made by Colliers International may be deemed in any circumstances to be a representation, undertaking or warranty, and Colliers International cannot accept any liability should such statements prove to be inaccurate or based on incorrect premises.

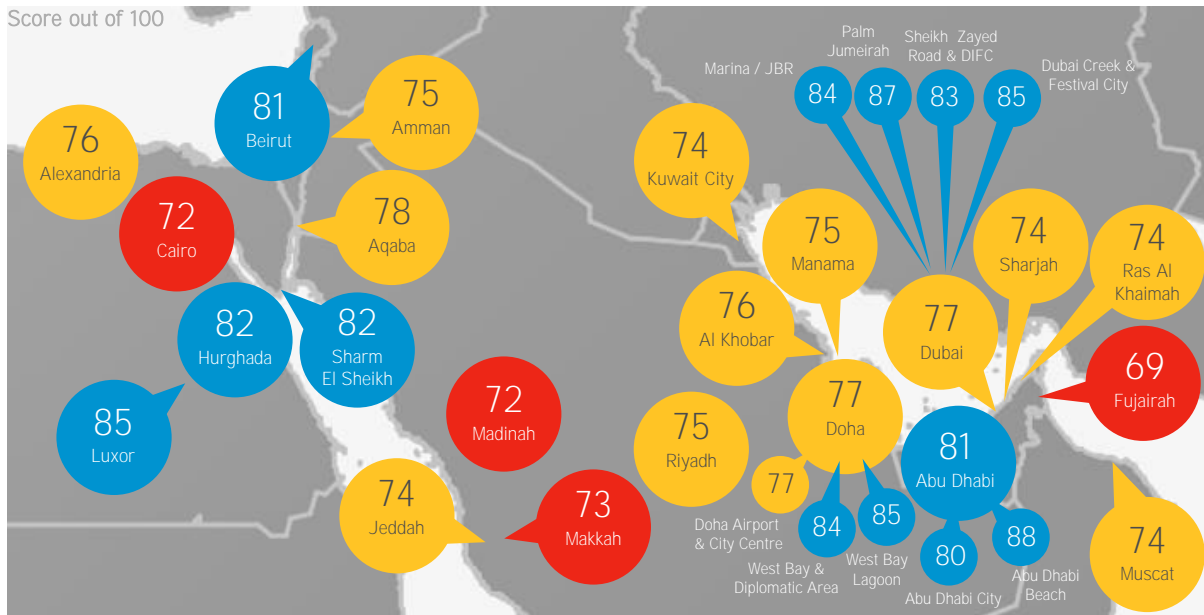
Guest Experience Index™

Data for December 2015



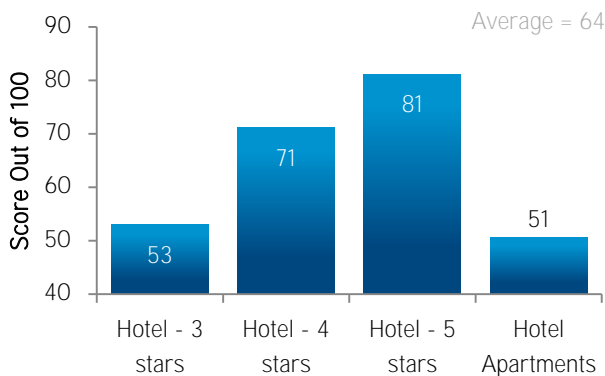
Accelerating success.

GEI - SCORE MAPPING - BY SUBMARKET



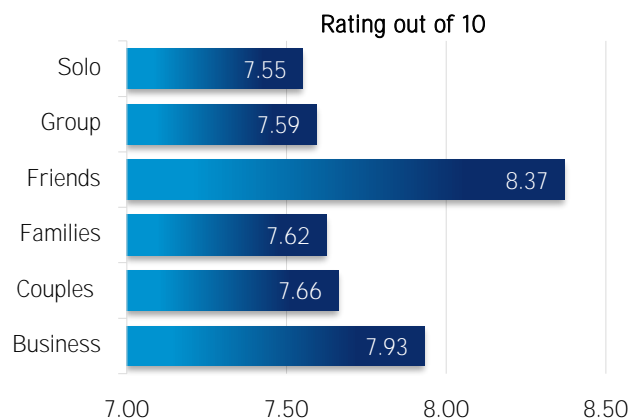
Source: Olery; Colliers International, 2015

GEI - BY TYPE OF PROPERTY



Source: Olery; Colliers International, 2015

RATING - BY TYPE OF GUEST



Source: Olery; Colliers International, 2015

RATING - TOP 10 REVIEW SOURCES

Rank	Source of Review	Average Rating
1	Saudi Arabia	7.43
2	United Arab Emirates	7.50
3	United Kingdom	8.10
4	Oman	7.47
5	Egypt	7.84
6	Kuwait	7.79
7	Qatar	7.60
8	Germany	8.00
9	United States	8.02
10	Bahrain	7.84

Source: Olery; Colliers International, 2015

(Rating out of 10)

- Egypt's Red Sea, Dubai, Abu Dhabi Doha and Beirut led the pack in terms of GEI for the month of December.
- KSA was the largest generator of online reviews in the last month, with around 32,000 entries. The country was also the least satisfied with the quality of hotels in MENA, averaging a rating of 7.43 out of 10.
- Guests travelling as 'Friends' were by far the most satisfied, with a rating of 8.37 out of 10.



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

For further information,
please contact:

Filippo Sona

Director | Head of Hotels | MENA Region

Main +971 4 453 7400

Mobile +971 55 899 6102

filippo.sona@colliers.com

Selim El Zein

Associate Director | Hotels | MENA Region

Main +971 4 453 7400

Mobile +971 55 899 6103

selim.elzein@colliers.com

Colliers International | MENA Region

Dubai | United Arab Emirates

+971 4 453 7400

About Colliers International

Colliers International is a global leader in commercial real estate services, with over 15,800 professionals operating out of more than 485 offices in 63 countries. A subsidiary of FirstService Corporation, Colliers International delivers a full range of services to real estate users, owners and investors worldwide, including global corporate solutions, brokerage, property and asset management, hotel investment sales and consulting, valuation, consulting and appraisal services, mortgage banking and insightful research. The latest annual survey by the Lipsey Company ranked Colliers International as the second-most recognised commercial real estate firm in the world.

colliers.com

Colliers International, 2015

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.