



Accelerating success.

MENA | Hotels

June 2016



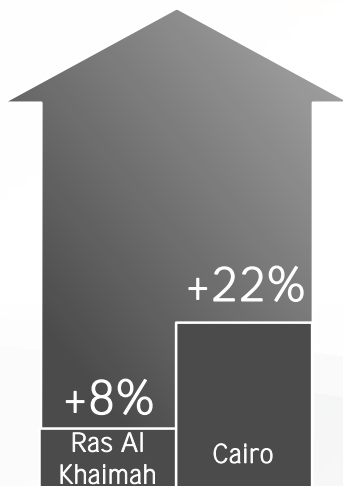
# MENA HOTEL FORECASTS

## 3-Month Rolling Forecast Highlights

### Jun 2016 – Aug 2016 | YoY RevPAR Variance %



### Hot Spots



#### Cairo

Continuous growth momentum as the city is growing from a lower base of last year. Strong corporate and MICE activity is driving the demand. The city will also benefit from leisure demand over Eid and holiday period

#### Ras Al Khaimah

Strong leisure demand from local market due to Eid and summer holidays. Followed by strong international demand backed by aggressive destination marketing will drive the RevPAR versus last year.



### Sure & Steady

#### Madinah

The drop in business from source markets such as Turkey, Egypt and Far East Asia caused by devaluation of the currency making the Umrah travel expensive. Also visa quota issues with Iranian market will keep the RevPAR in line with last year

-1%

Madinah

-1%

Kuwait City

#### Kuwait City

Limited corporate and MICE activity due to low season and drop in oil prices, however strong leisure demand from traditional source markets over Eid period and school holidays will keep the demand in line with last year.



### Work in Progress

#### Sharm El Sheikh

The resort area continues to feel the repercussions of negative tourist sentiments caused by the unfortunate incidents of the past 4 months.

#### Hurghada

Travel advisories continue to have a downward effect on international demand. The Western European / CIS source market have dipped considerably, thereby increasing reliance on domestic demand.

-33%

Sharm El Sheikh

-23%

Hurghada

# Occupancy, ADR & RevPAR

## 3-Month Forecast | Jun 2016 – Aug 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	64	160	102	↓ -9%	75	213	160	↓ -13%
UAE	Dubai	Sheikh Zayed Road / DIFC	61	135	82	↓ -7%	75	186	140	↓ -10%
UAE	Dubai	Palm Jumeirah	72	295	214	↓ -4%	76	437	331	↓ -9%
UAE	Dubai	Dubai Marina / JBR	72	173	126	↓ -5%	83	258	214	↓ -9%
UAE	Abu Dhabi	Abu Dhabi City	61	95	58	↓ -9%	73	122	89	↓ -10%
UAE	Abu Dhabi	Abu Dhabi Beach	57	163	92	↑ 4%	68	219	149	↓ -11%
UAE	Ras Al Khaimah	Ras Al Khaimah	60	147	89	↑ 8%	74	164	121	↑ 6%
UAE	Sharjah	Sharjah	62	68	42	↓ -6%	72	72	51	↓ -13%
UAE	Fujairah	Fujairah	65	99	64	↑ 5%	75	112	84	↑ 5%
KSA	Riyadh	Riyadh	45	197	89	↓ -13%	53	221	116	↓ -14%
KSA	Jeddah	Jeddah	73	284	206	↓ -7%	68	249	170	↓ -9%
KSA	Makkah	Makkah	61	282	173	↓ -6%	64	206	131	↓ -8%
KSA	Madinah	Madinah	57	158	90	↔ -1%	59	157	93	↓ -6%
KSA	Al Khobar	Al Khobar	54	165	88	↓ -11%	58	168	97	↓ -13%
Egypt	Cairo	Cairo	54	163	87	↑ 22%	61	138	83	↑ 13%
Egypt	Sharm El Sheikh	Sharm El Sheikh	45	52	23	↓ -33%	45	46	21	↓ -31%
Egypt	Hurghada	Hurghada	50	61	31	↓ -23%	41	62	25	↓ -21%
Egypt	Alexandria	Alexandria	76	91	69	↑ 4%	71	82	58	↑ 9%
Qatar	Doha	Doha Airport / City Centre	56	128	72	↓ -17%	64	149	95	↓ -15%
Qatar	Doha	West Bay Lagoon	40	229	91	↓ -18%	60	243	145	↓ -12%
Qatar	Doha	Doha Serviced Apartments	72	179	129	↓ -16%	74	178	132	↓ -15%
Qatar	Doha	West Bay / Diplomatic Area	54	182	98	↓ -10%	67	207	139	↓ -11%
Oman	Muscat	Muscat	40	150	60	↓ -11%	58	203	117	↓ -12%
Bahrain	Manama	Manama	45	195	87	↓ -10%	54	204	110	↔ 2%
Kuwait	Kuwait City	Kuwait City	41	209	86	↔ -1%	50	243	120	↓ -4%
Jordan	Amman	Amman	55	154	85	↔ 3%	57	157	90	↑ 4%
Jordan	Aqaba	Aqaba	59	112	66	↓ -7%	55	101	55	↔ -2%
Lebanon	Beirut	Beirut	59	161	96	↔ -3%	50	144	72	↓ -12%

Source: Colliers International, 2016

#### Disclaimer

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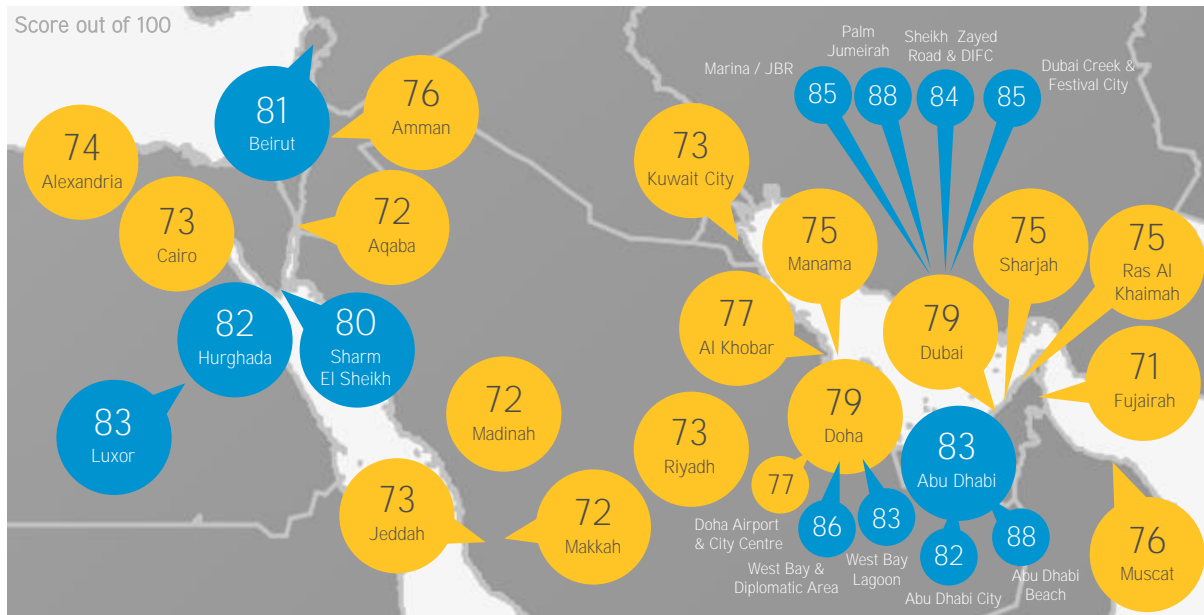
# Guest Experience Index™

## Data for May 2016



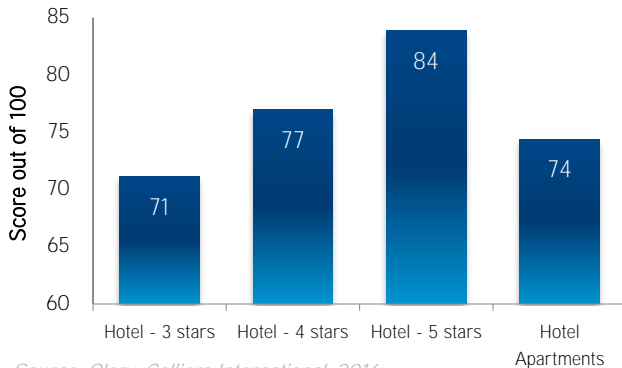
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### GEI - SCORE MAPPING - BY SUBMARKET



Source: Olery; Colliers International, 2016

### GEI - BY TYPE OF PROPERTY



Source: Olery; Colliers International, 2016

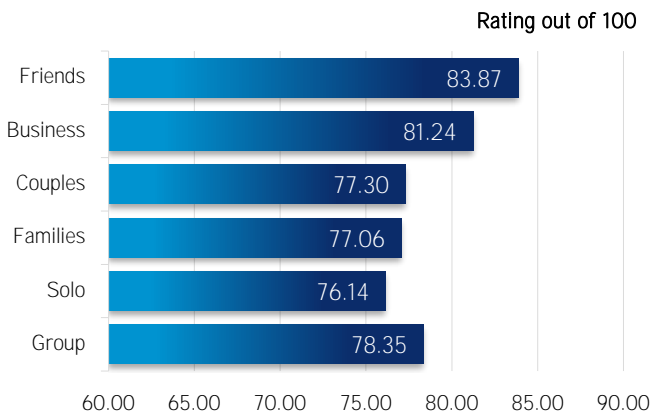
### RATING - TOP 10 REVIEW SOURCES

Rank	Source of Review	Average Rating
1	Saudi Arabia	75.46
2	United Arab Emirates	76.10
3	Egypt	78.15
4	United Kingdom	82.87
5	Kuwait	77.84
6	Oman	76.36
7	Qatar	77.56
8	Germany	83.11
9	United States	81.97
10	France	80.35

Source: Olery; Colliers International, 2016

Note: Countries ranked by number of reviews

### RATING - BY TYPE OF GUEST



Source: Olery; Colliers International, 2016

- Abu Dhabi Beach Hotels and Palm Jumeirah received the highest GEI score of 88, followed closely by hotels on in Doha West Bay Lagoon, with a score of 86.
- In May 2016, Egypt featured as one of the top 3 review sources, while guests from UK and Germany provide the highest rating.
- Guests travelling as 'Friends' were by far the most satisfied, with a rating of 83.87.



## Contents of the Publication



This publication has been prepared by Colliers International Hotels MENA, providing hotel performance forecasts and Guest Experience Indicators for 28 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 / 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
- 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 is based on actual operating data from a sample of 3-, 4- and 5-Star hotels and quality serviced apartments (where relevant). Data is extracted from Colliers International Hotels' database, complemented by data from STR Global™ and local statistics centres.
- 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 Olery – 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 Olery'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

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# 554 offices in 66 countries on 6 continents

United States: 153

Canada: 34

Latin America: 24

Asia Pacific: 231

EMEA: 112

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## \$2.5

billion in  
annual revenue

## 2

billion square feet  
under management

## 16,000

professionals  
and staff

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## About Colliers International

*Colliers International is a leading global real estate services company with more than 16,000 skilled professionals operating in 66 countries. With an enterprising culture and significant employee ownership, Colliers professionals provide a full range of services to real estate occupiers, owners and investors worldwide. Services include strategic advice and execution for property sales, leasing and finance; global corporate solutions; property, facility and project management; workplace solutions; appraisal, valuation; customized research; and thought leadership consulting. Colliers professionals think differently, share great ideas and offer thoughtful and innovative advice that help clients accelerate their success. Colliers has been ranked among the top 100 outsourcing firms by the International Association of Outsourcing Professionals' Global Outsourcing for 11 consecutive years, more than any other real estate services firm.*

*In MENA, Colliers International has provided leading advisory services through its regional offices located in Dubai, Abu Dhabi, Riyadh and Jeddah since 1996. The latest annual real estate survey by Euromoney named Colliers International 'Best Advisor' in the MENA region, UAE, Qatar and Saudi Arabia.*

Colliers International, 2016

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