



Accelerating success.

MENA | Hotels

March 2016



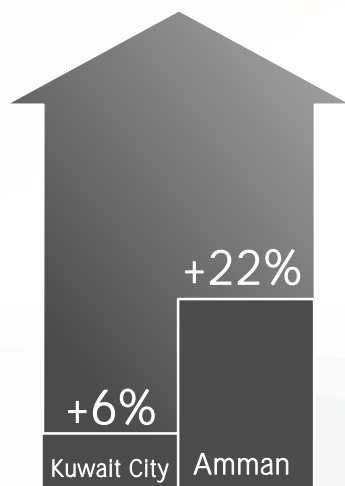
# MENA HOTEL FORECASTS

## 3-Month Rolling Forecast Highlights

### Mar 2016 – May 2016 | YoY RevPAR Variance %



### Hot Spots



#### Kuwait City

In the past 4 months, the market has witnessed strong growth in ADR, with stable occupancy levels. Similar trends are anticipated in the next quarter.

#### Amman

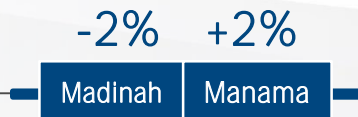
Stronger MICE demand driven by the biannual Special Operations Forces Exhibition and Conference (SOFEX) in May 2016 along with the regular corporate and MICE activity will spur an increase in RevPAR.



### Sure & Steady

#### Madinah

Due to the opening of the 835-room Pullman ZamZam in February 2016 and the anticipated stable Umrah demand, occupancy will be subject to added pressure, thereby leading RevPAR levels slightly below last year.



#### Manama

Continuous recovery in corporate and MICE demand, along with stable weekend leisure business will keep the growth levels in line with last year.

Formula 1 event to take place on 01-03 April, guaranteeing a large amount of room nights within the forecasted three months.



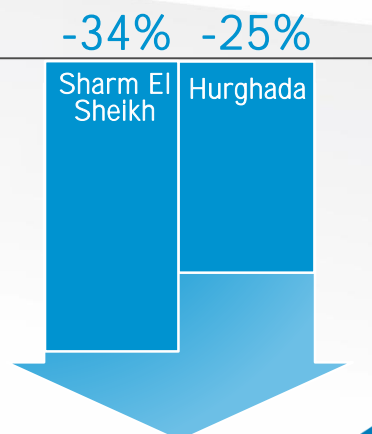
### Work in Progress

#### Sharm El Sheikh

The resort city continues to feel the repercussions of negative tourist sentiments caused by the MetroJet incident in October; a recovery might be expected in the medium term.

#### Hurghada

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



# Occupancy, ADR & RevPAR

## 3-Month Forecast | Mar 2016 – May 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 | 84                       | 222      | 187         | ↓ -8%               | 75                 | 219      | 164         | ↓ -10%              |
| UAE     | Dubai           | Sheikh Zayed Road / DIFC    | 82                       | 188      | 154         | ↓ -9%               | 74                 | 186      | 138         | ↓ -12%              |
| UAE     | Dubai           | Palm Jumeirah               | 78                       | 485      | 379         | ↓ -11%              | 78                 | 436      | 339         | ↓ -7%               |
| UAE     | Dubai           | Dubai Marina / JBR          | 86                       | 292      | 252         | ↓ -8%               | 82                 | 257      | 211         | ↓ -11%              |
| UAE     | Abu Dhabi       | Abu Dhabi City              | 74                       | 121      | 90          | ↓ -9%               | 72                 | 115      | 83          | ↓ -17%              |
| UAE     | Abu Dhabi       | Abu Dhabi Beach             | 74                       | 228      | 169         | ↓ -12%              | 69                 | 205      | 142         | ↓ -15%              |
| UAE     | Ras Al Khaimah  | Ras Al Khaimah              | 77                       | 156      | 121         | ↓ -7%               | 72                 | 155      | 111         | ↘ -2%               |
| UAE     | Sharjah         | Sharjah                     | 72                       | 73       | 52          | ↓ -14%              | 71                 | 76       | 54          | ↓ -10%              |
| UAE     | Fujairah        | Fujairah                    | 72                       | 114      | 81          | ↓ -6%               | 73                 | 113      | 83          | ↗ 3%                |
| KSA     | Riyadh          | Riyadh                      | 66                       | 221      | 146         | ↓ -12%              | 54                 | 225      | 120         | ↓ -11%              |
| KSA     | Jeddah          | Jeddah                      | 72                       | 233      | 168         | ↓ -9%               | 72                 | 241      | 174         | ↓ -7%               |
| KSA     | Makkah          | Makkah                      | 66                       | 141      | 93          | ↓ -4%               | 59                 | 211      | 124         | ↓ -13%              |
| KSA     | Madinah         | Madinah                     | 68                       | 129      | 87          | ↘ -2%               | 61                 | 166      | 101         | ↗ 3%                |
| KSA     | Al Khobar       | Al Khobar                   | 68                       | 171      | 115         | ↓ -16%              | 56                 | 169      | 95          | ↓ -16%              |
| Egypt   | Cairo           | Cairo                       | 53                       | 135      | 72          | ↘ -1%               | 57                 | 139      | 78          | ↑ 6%                |
| Egypt   | Sharm El Sheikh | Sharm El Sheikh             | 48                       | 47       | 23          | ↓ -34%              | 46                 | 47       | 22          | ↓ -28%              |
| Egypt   | Hurghada        | Hurghada                    | 47                       | 52       | 24          | ↓ -25%              | 47                 | 57       | 27          | ↓ -16%              |
| Egypt   | Alexandria      | Alexandria                  | 66                       | 74       | 49          | ↘ -2%               | 69                 | 80       | 55          | ↑ 4%                |
| Qatar   | Doha            | Doha Airport / City Centre  | 69                       | 145      | 100         | ↓ -18%              | 68                 | 147      | 99          | ↓ -11%              |
| Qatar   | Doha            | West Bay Lagoon             | 61                       | 259      | 157         | ↓ -19%              | 66                 | 198      | 130         | ↓ -21%              |
| Qatar   | Doha            | Doha Serviced Apartments    | 79                       | 179      | 142         | ↓ -10%              | 76                 | 177      | 134         | ↓ -13%              |
| Qatar   | Doha            | West Bay / Diplomatic Area  | 74                       | 208      | 154         | ↓ -15%              | 66                 | 215      | 143         | ↓ -9%               |
| Oman    | Muscat          | Muscat                      | 68                       | 197      | 134         | ↓ -9%               | 61                 | 191      | 116         | ↓ -13%              |
| Bahrain | Manama          | Manama                      | 55                       | 228      | 126         | ↗ 2%                | 53                 | 212      | 112         | ↑ 4%                |
| Kuwait  | Kuwait City     | Kuwait City                 | 63                       | 282      | 177         | ↑ 6%                | 52                 | 254      | 131         | ↑ 4%                |
| Jordan  | Amman           | Amman                       | 69                       | 164      | 112         | ↑ 22%               | 58                 | 151      | 88          | ↗ 2%                |
| Jordan  | Aqaba           | Aqaba                       | 50                       | 119      | 59          | ↓ -17%              | 49                 | 107      | 52          | ↓ -7%               |
| Lebanon | Beirut          | Beirut                      | 47                       | 142      | 68          | ↓ -15%              | 52                 | 140      | 73          | ↓ -11%              |

Source: Colliers International, 2016

#### Disclaimer

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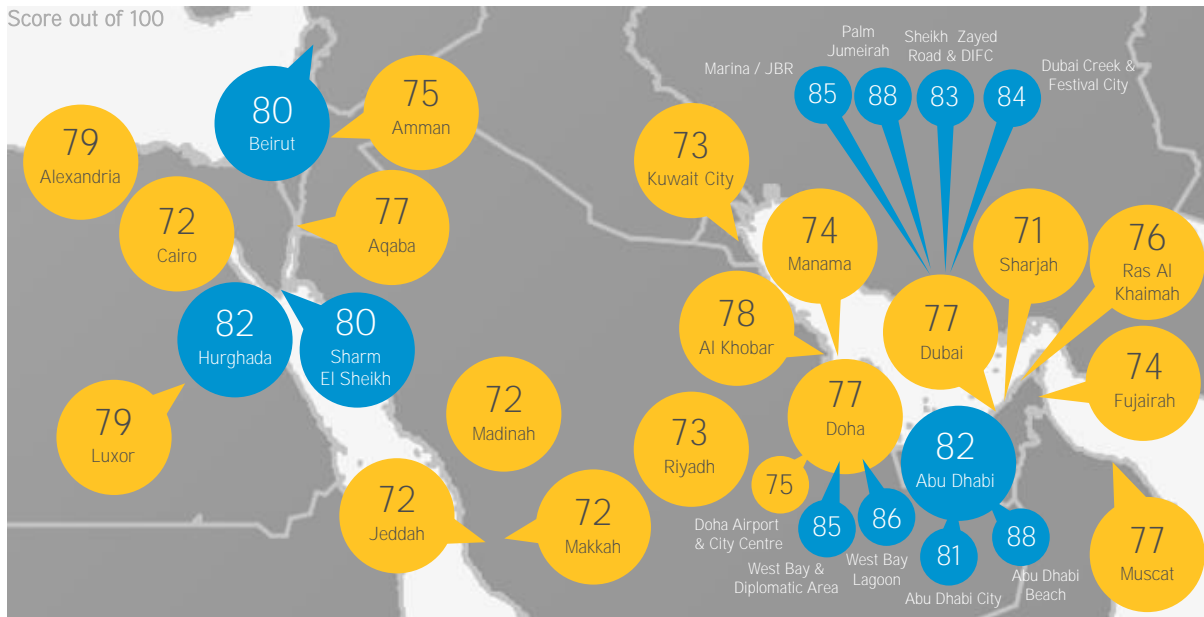
# Guest Experience Index™

## Data for February 2016



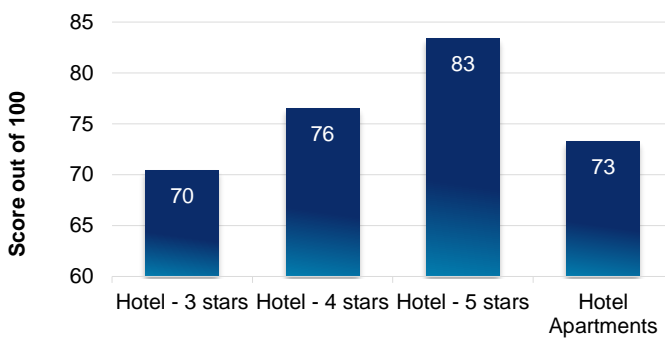
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### GEI - SCORE MAPPING - BY SUBMARKET



Source: Olery; Colliers International, 2016

### GEI - BY TYPE OF PROPERTY



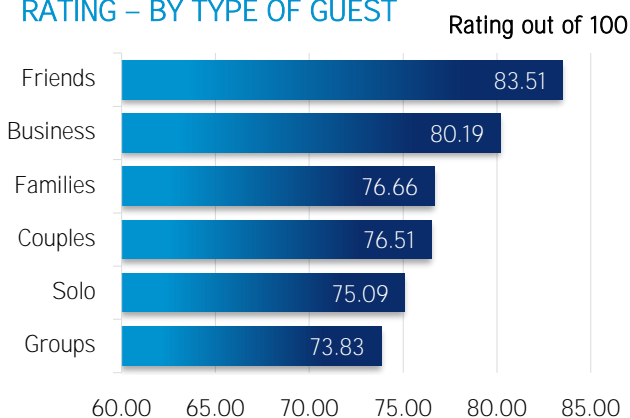
Source: Olery; Colliers International, 2016

### RATING - TOP 10 REVIEW SOURCES

| Rank | Source of Review     | Average Rating |
|------|----------------------|----------------|
| 1    | Saudi Arabia         | 73.53          |
| 2    | United Arab Emirates | 75.97          |
| 3    | United Kingdom       | 80.17          |
| 4    | Egypt                | 78.53          |
| 5    | Oman                 | 74.77          |
| 6    | Kuwait               | 77.59          |
| 7    | Qatar                | 76.71          |
| 8    | Germany              | 79.29          |
| 9    | United States        | 79.45          |
| 10   | France               | 79.82          |

Source: Olery; Colliers International, 2016

### RATING - BY TYPE OF GUEST



Source: Olery; Colliers International, 2016

- Abu Dhabi Beach and Dubai Palm Jumeirah hotels' led the pack in terms of GEI for the month of February.
- KSA was the largest generator of online reviews in the last month, with over 30,000 entries, while guests from the UK were most satisfied with the quality of hotels in MENA, with an average rating of 80.17.
- Guests travelling as 'Friends' were by far the most satisfied, with a rating of 83.51.



## 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 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

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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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*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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