



Accelerating success.

MENA | Hotels

May 2016



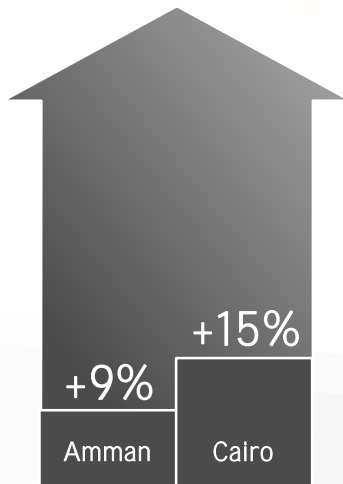
MENA HOTEL FORECASTS

3-Month Rolling Forecast Highlights

May 2016 – Jul 2016 | YoY RevPAR Variance %



Hot Spots



Amman

Stronger MICE demand driven by the biannual Special Operations Forces Exhibition and Conference (SOFEX) in May 2016 – followed by a quieter June due to the occurrence of Ramadan.

Cairo

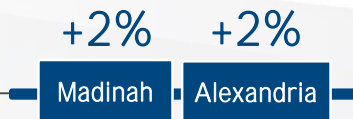
Strong performance expected as Cairo is experiencing a period of stability. The corporate market continues to be the main demand driver, with MICE market also ramping up. The Westin Cairo Golf Resort & Spa, Katameya Dunes is expected to open in July 2016.



Sure & Steady

Madinah

The recent opening of the 835-room Pullman ZamZam has increased supply, while marketwide demand levels are expected to be steady due to the visa quotas. As a result, RevPAR levels would only see slight uptake versus last year.



Alexandria

Continuous demand from corporate and MICE sources are expected to fuel higher rates over the next 3 months, with a slowdown in June due to Ramadan.



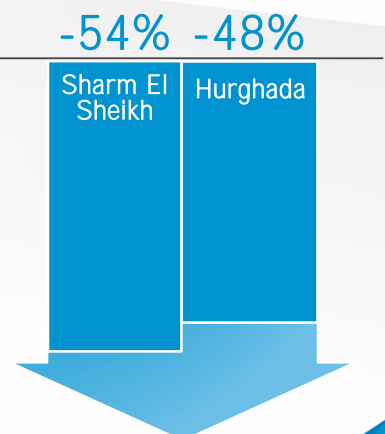
Work in Progress

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.



Occupancy, ADR & RevPAR

3-Month Forecast | May 2016 – Jul 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	66	172	113	↓ -10%	75	213	160	↓ -13%
UAE	Dubai	Sheikh Zayed Road / DIFC	63	144	91	↓ -10%	75	186	140	↓ -10%
UAE	Dubai	Palm Jumeirah	68	311	211	↓ -14%	76	437	331	↓ -9%
UAE	Dubai	Dubai Marina / JBR	69	187	128	↓ -13%	83	258	214	↓ -9%
UAE	Abu Dhabi	Abu Dhabi City	60	101	60	↓ -11%	73	120	87	↓ -12%
UAE	Abu Dhabi	Abu Dhabi Beach	56	162	90	↓ -13%	68	224	153	↓ -9%
UAE	Ras Al Khaimah	Ras Al Khaimah	56	138	78	↓ -7%	74	162	119	↑ 5%
UAE	Sharjah	Sharjah	63	63	40	↓ -11%	73	72	52	↓ -12%
UAE	Fujairah	Fujairah	55	101	56	↓ -7%	75	111	84	↑ 4%
KSA	Riyadh	Riyadh	49	216	106	↓ -10%	53	225	118	↓ -12%
KSA	Jeddah	Jeddah	72	260	187	↓ -10%	67	245	165	↓ -12%
KSA	Makkah	Makkah	66	294	194	↔ 3%	63	206	129	↓ -9%
KSA	Madinah	Madinah	59	163	96	↔ 2%	59	157	93	↓ -6%
KSA	Al Khobar	Al Khobar	54	158	86	↓ -18%	58	168	97	↓ -13%
Egypt	Cairo	Cairo	58	145	85	↑ 15%	61	136	82	↑ 12%
Egypt	Sharm El Sheikh	Sharm El Sheikh	32	45	14	↓ -54%	45	46	21	↓ -31%
Egypt	Hurghada	Hurghada	32	57	18	↓ -48%	41	62	25	↓ -21%
Egypt	Alexandria	Alexandria	75	80	60	↔ 2%	72	80	57	↑ 8%
Qatar	Doha	Doha Airport / City Centre	61	138	85	↓ -11%	64	151	96	↓ -14%
Qatar	Doha	West Bay Lagoon	47	234	109	↓ -16%	61	243	148	↓ -11%
Qatar	Doha	Doha Serviced Apartments	75	177	132	↓ -12%	74	181	134	↓ -14%
Qatar	Doha	West Bay / Diplomatic Area	61	189	116	↓ -10%	67	208	140	↓ -10%
Oman	Muscat	Muscat	43	153	67	↓ -12%	59	205	121	↓ -10%
Bahrain	Manama	Manama	46	203	92	↓ -4%	53	206	109	↔ 1%
Kuwait	Kuwait City	Kuwait City	45	232	105	↔ -3%	50	246	122	↔ -3%
Jordan	Amman	Amman	53	166	89	↑ 9%	57	156	89	↔ 3%
Jordan	Aqaba	Aqaba	52	120	62	↔ -2%	53	102	54	↓ -4%
Lebanon	Beirut	Beirut	54	158	86	↓ -7%	48	146	71	↓ -14%

Source: Colliers International, 2016

Disclaimer

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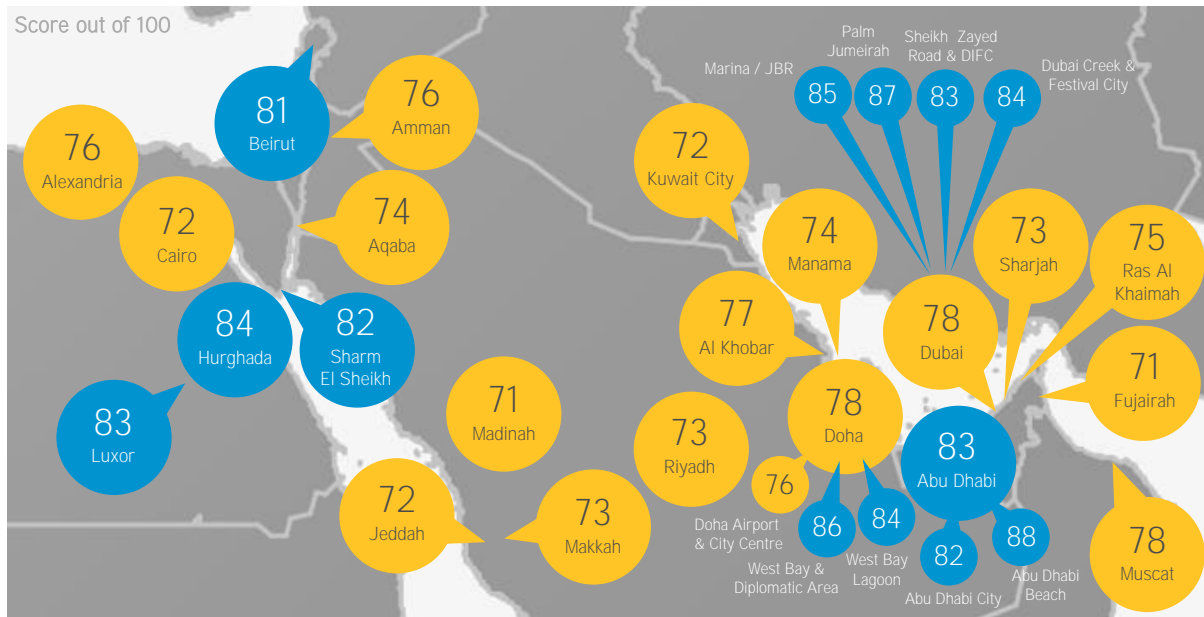
Guest Experience Index™

Data for April 2016



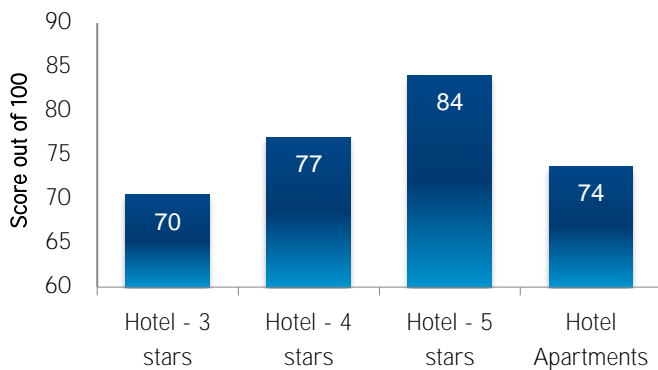
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GEI - SCORE MAPPING - BY SUBMARKET



Source: Olery; Colliers International, 2016

GEI - BY TYPE OF PROPERTY



Source: Olery; Colliers International, 2016

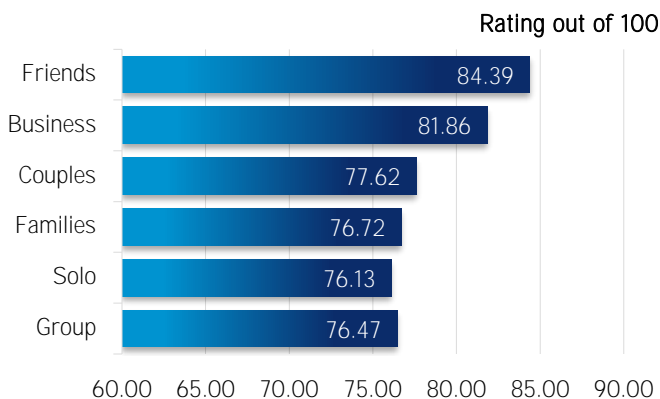
RATING - TOP 10 REVIEW SOURCES

Rank	Source of Review	Average Rating
1	Saudi Arabia	75.03
2	United Arab Emirates	75.45
3	United Kingdom	80.89
4	Egypt	78.45
5	Kuwait	78.32
6	Qatar	75.90
7	Oman	74.60
8	Germany	81.24
9	United States	81.40
10	France	80.04

Source: Olery; Colliers International, 2016

Note: Countries ranked by number of reviews

RATING - BY TYPE OF GUEST



Source: Olery; Colliers International, 2016

- In April 2016, Abu Dhabi Beach Hotels received the highest GEI score of 88, followed closely by hotels on Palm Jumeirah, with a score of 87.
- KSA, UAE and UK continue to be the largest generator of online reviews in the MENA region, with over 60,000 entries combined.
- Guests travelling as 'Friends' were by far the most satisfied, with a rating of 84.39.



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

554 offices in 66 countries on 6 continents

United States: 153

Canada: 34

Latin America: 24

Asia Pacific: 231

EMEA: 112

\$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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