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MENA | Hotels

March 2015

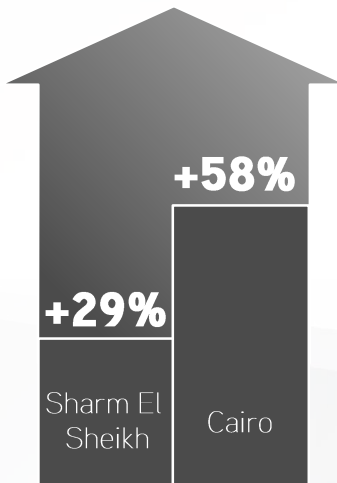


MENA HOTEL FORECASTS

3-Month Rolling Forecast Highlights Mar – May 2015 | YoY RevPAR Variance %



Hot Spots



Sharm El Sheikh

Recent lifting of travel bans and enhanced image of Egypt's stability to result in continued growth of Red Sea hotel performance.

Cairo

Gradual return of demand to pre-revolution levels in full swing.



Sure & Steady

Sharjah

Lower YoY demand from CIS countries is expected, resulting in stagnant occupancy levels. Premier Inn King Faisal Road to open this quarter, contributing to a steady marketwide ADR.

+0% **+0%**

Sharjah Dubai Marina

Dubai Marina / JBR

Decrease in demand from Russian guests to be offset by increase in the Western European and Asian markets. Marina Bay Suites by Jannah currently in its pre-opening phase.



Work in Progress

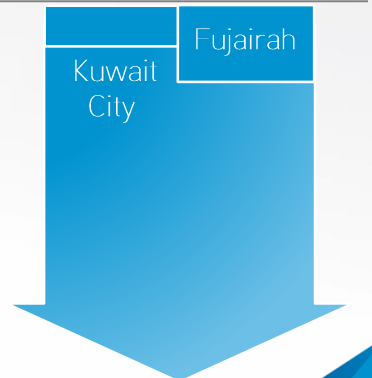
Kuwait City

Despite the strong leisure demand during Saudi holidays, recent dip in oil prices to decrease corporate demand and result in subdued occupancy levels.

Fujairah

Continued stabilisation process for new hotels maintaining marketwide occupancy levels below last year's performance.

-10% **-20%**



Occupancy, ADR & RevPAR

3-Month Forecast | Mar – May 2015

Full-Year Forecast | 2015



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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	262	219	↓ -4%	79	265	209	↑ 2%
UAE	Dubai	Sheikh Zayed Road / DIFC	83	218	181	↓ -5%	77	220	170	↑ 1%
UAE	Dubai	Palm Jumeirah	85	544	465	↓ -2%	82	480	393	↑ 2%
UAE	Dubai	Dubai Marina / JBR	87	342	299	⇒ 0%	81	311	252	↑ 1%
UAE	Abu Dhabi	Abu Dhabi City	79	141	111	↑ 1%	76	137	104	↓ -1%
UAE	Abu Dhabi	Abu Dhabi Beach	70	259	182	↑ 5%	71	232	165	↑ 2%
UAE	Ras Al Khaimah	Ras Al Khaimah	68	164	111	↓ -3%	60	189	113	↑ 1%
UAE	Sharjah	Sharjah	76	92	70	⇒ 0%	75	91	68	↑ 2%
UAE	Fujairah	Fujairah	73	198	145	↓ -20%	65	132	86	⇒ 0%
KSA	Riyadh	Riyadh	64	268	172	↑ 3%	61	241	146	↑ 4%
KSA	Jeddah	Jeddah	78	253	197	↑ 1%	76	261	199	↑ 2%
KSA	Makkah	Makkah	68	154	104	↓ -1%	64	218	139	↓ -1%
KSA	Madinah	Madinah	69	124	85	↑ 2%	61	157	96	↑ 5%
KSA	Al Khobar	Al Khobar	73	188	138	↑ 1%	67	195	131	↑ 4%
Egypt	Cairo	Cairo	51	126	64	↑ 58%	52	127	65	↑ 28%
Egypt	Sharm El Sheikh	Sharm El Sheikh	69	43	30	↑ 29%	67	47	31	↑ 6%
Egypt	Hurghada	Hurghada	67	48	32	↑ 15%	73	48	35	↑ 2%
Egypt	Alexandria	Alexandria	65	66	43	↑ 3%	65	76	49	↑ 3%
Egypt	Luxor	Luxor	19	44	8	↑ 13%	21	45	10	↑ 36%
Qatar	Doha	Doha Airport / City Centre	67	170	114	↓ -5%	73	158	115	↑ 1%
Qatar	Doha	West Bay Lagoon	73	295	217	↑ 8%	71	274	194	↑ 7%
Qatar	Doha	Doha Serviced Apartments	78	198	154	↑ 9%	81	181	146	↓ -3%
Qatar	Doha	West Bay / Diplomatic Area	79	209	165	↓ -3%	79	203	161	⇒ 0%
Oman	Muscat	Muscat	75	233	174	↓ -6%	63	241	151	↓ -2%
Bahrain	Manama	Manama	56	210	119	↓ -3%	58	194	113	↑ 1%
Kuwait	Kuwait City	Kuwait City	54	253	137	↓ -10%	51	242	122	↓ -1%
Jordan	Amman	Amman	68	179	123	↓ -1%	62	169	105	↑ 1%
Jordan	Aqaba	Aqaba	61	177	108	↓ -4%	58	125	72	↓ -2%
Lebanon	Beirut	Beirut	51	149	75	↑ 8%	49	158	78	↑ 1%

Source: Colliers International, 2015

Disclaimer

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Contents of the Publication

This publication has been prepared by Colliers International Hotels MENA, providing hotel performance forecasts 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 total 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



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.



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.



Colliers International Hotels

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- 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:

\$6

billion
investment value of
projects advised

63,000

keys
of hotel feasibilities and
operator selection

7,856

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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