



Accelerating success.

MENA | Hotels

October 2015



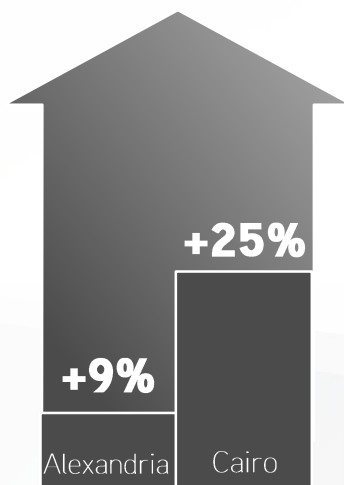
MENA HOTEL FORECASTS

3-Month Rolling Forecast Highlights

Oct – Dec 2015 | YoY RevPAR Variance %



Hot Spots



Cairo

Return of international tourists and strong destination marketing driving the growth. Recent opening of the Nile Ritz-Carlton to induce demand.

Alexandria

Despite heavy floods impacting the city, demand will continue to grow, fueled in part by a new investment conference in October.



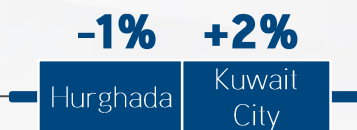
Sure & Steady

Hurghada

Although the Russian market is still not fully recovered, the devaluation of the Egyptian pound is expected to drive stable hotel demand from price-sensitive European guests to the Red Sea.

Kuwait City

Lower oil prices will continue to impact corporate demand, however new-build properties such as the Millennium Hotel & Convention Centre and the Residence Inn Kuwait City are seeing strong penetration rates in their first months of operation.



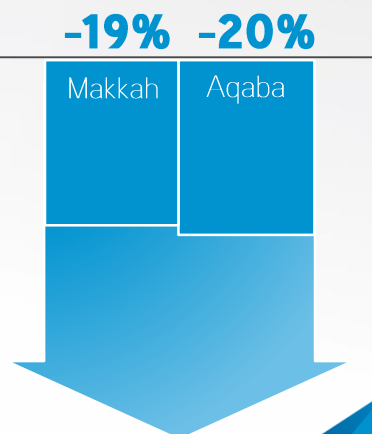
Work in Progress

Makkah

Lower occupancy levels resulting from the regression of Hajj into the Gregorian year, from Oct 2014 to Sep 2015.

Aqaba

The cancellation of charter business and the displacement of leisure demand to Egypt and Turkey are continuously hindering occupancy levels.



Occupancy, ADR & RevPAR

3-Month Forecast | Oct – Dec 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	83	250	209	↓ -9%	78	233	182	↓ -11%
UAE	Dubai	Sheikh Zayed Road / DIFC	80	210	168	↓ -9%	77	200	155	↓ -8%
UAE	Dubai	Palm Jumeirah	80	560	451	↓ -5%	78	458	356	↓ -7%
UAE	Dubai	Dubai Marina / JBR	82	339	278	↓ -6%	81	292	237	↓ -5%
UAE	Abu Dhabi	Abu Dhabi City	76	156	119	↓ -11%	72	140	101	↓ -4%
UAE	Abu Dhabi	Abu Dhabi Beach	78	309	243	↑ 4%	70	245	172	↑ 7%
UAE	Ras Al Khaimah	Ras Al Khaimah	67	214	144	↑ 2%	70	174	121	↑ 8%
UAE	Sharjah	Sharjah	75	91	68	↓ -6%	73	84	61	↓ -8%
UAE	Fujairah	Fujairah	66	150	99	↓ -5%	63	124	78	↓ -9%
KSA	Riyadh	Riyadh	57	242	139	↓ -6%	58	240	138	↓ -2%
KSA	Jeddah	Jeddah	72	257	185	↑ 5%	76	259	198	↑ 2%
KSA	Makkah	Makkah	55	210	115	↓ -19%	60	251	150	↑ 7%
KSA	Madinah	Madinah	55	151	84	↓ -6%	61	161	98	↑ 8%
KSA	Al Khobar	Al Khobar	65	174	113	↓ -5%	66	184	121	↓ -3%
Egypt	Cairo	Cairo	61	147	90	↑ 25%	55	139	76	↑ 48%
Egypt	Sharm El Sheikh	Sharm El Sheikh	64	58	37	↑ 4%	65	53	34	↑ 16%
Egypt	Hurghada	Hurghada	62	59	37	↓ -1%	64	57	36	↑ 7%
Egypt	Alexandria	Alexandria	64	78	50	↑ 9%	68	79	54	↑ 12%
Egypt	Luxor	Luxor	19	48	9	↓ -4%	20	45	9	↑ 30%
Qatar	Doha	Doha Airport / City Centre	80	158	126	↓ -4%	75	156	116	↑ 2%
Qatar	Doha	West Bay Lagoon	68	245	168	↓ -10%	63	278	175	↓ -4%
Qatar	Doha	Doha Serviced Apartments	78	265	208	↑ 6%	80	190	152	↑ 1%
Qatar	Doha	West Bay / Diplomatic Area	80	207	166	↓ -3%	71	226	161	→ 0%
Oman	Muscat	Muscat	70	255	180	↓ -5%	62	216	133	↓ -14%
Bahrain	Manama	Manama	57	206	118	↑ 7%	53	214	113	↑ 2%
Kuwait	Kuwait City	Kuwait City	51	251	129	↑ 2%	52	242	125	→ 0%
Jordan	Amman	Amman	56	151	85	↓ -11%	53	157	84	↓ -20%
Jordan	Aqaba	Aqaba	45	110	50	↓ -20%	50	115	57	↓ -22%
Lebanon	Beirut	Beirut	58	163	95	↑ 8%	55	160	88	↑ 15%

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

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.

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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

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

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Colliers International, 2015

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