MENA HOTEL FORECASTS
3-Month Rolling Forecast Highlights
Aug 2017 – Oct 2017 | YoY RevPAR Variance %

Hot Spots

+19% Beirut

+8% Aqaba
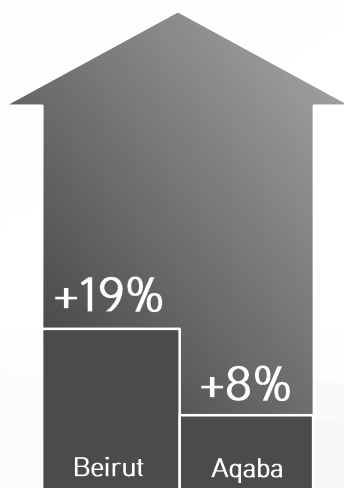
Beirut

Positive perception of security and lifting of travel bans from most countries is driving both leisure and corporate demand from neighboring Arab and GCC nations. Strong Lebanese diaspora will further enhance the demand during summer.

Aqaba

The market continues to witness a strong momentum due to strong destination marketing. Charter flights from CIS and Scandinavian countries and domestic demand during the holiday season will drive demand.

Sure & Steady

Muscat

The summer and the Eid holiday season is expected to drive leisure demand from domestic and regional markets. Additionally, the corporate and MICE segments have witnessed steady improvements helping to maintain demand in line with last year.

0% Muscat
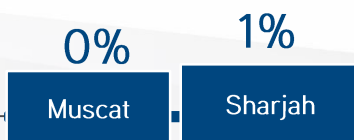
1% Sharjah

Sharjah

The emirate is expected to benefit from domestic leisure demand over the holiday period. International demand from Chinese and Indian Subcontinent source markets' is expected to maintain RevPAR in line with last year.

Work in Progress

Sharm El Sheikh

The Red Sea market continues to feel the repercussions of travel alerts from a number of European feeder markets. Demand has not shown any sign of recovery, and hotels depend heavily on the domestic market to fill rooms.

Hurghada

Although travel advisories from most traditional source markets have eased, the resort city continues to suffer from a negative security perception impacting tourist arrivals.

Hurghada **−39%**

Sharm el Sheikh **−41%**
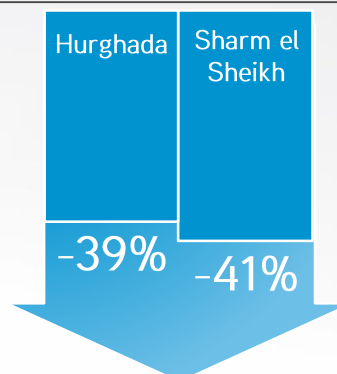
Occupancy, ADR & RevPAR
3-Month Forecast | Aug 2017 – Oct 2017
Full-Year Forecast | 2017

Colliers INTERNATIONAL

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	75	176	132	➡ 0%	74	206	153	⬇ -5%
UAE	Dubai	Sheikh Zayed Road / DIFC	79	147	116	↗ 1%	80	171	136	↘ -3%
UAE	Dubai	Palm Jumeirah	82	406	334	↗ 2%	82	448	367	↗ 3%
UAE	Dubai	Dubai Marina / JBR	85	225	192	➡ 0%	86	258	223	↗ 1%
UAE	Abu Dhabi	Abu Dhabi City	74	90	67	⬇ -6%	74	103	76	⬇ -9%
UAE	Abu Dhabi	Abu Dhabi Beach	66	180	118	⬇ -4%	65	216	140	⬇ -7%
UAE	Ras Al Khaimah	Ras Al Khaimah	73	169	124	⬆ 4%	74	166	122	↗ 2%
UAE	Sharjah	Sharjah	70	66	46	↗ 1%	75	71	53	↗ 2%
UAE	Fujairah	Fujairah	78	120	93	↗ 1%	78	119	93	⬆ 5%
KSA	Riyadh	Riyadh	47	180	84	⬇ -15%	51	184	93	⬇ -18%
KSA	Jeddah	Jeddah	62	257	159	⬇ -10%	62	255	159	⬇ -7%
KSA	Makkah	Makkah	53	219	116	⬇ -14%	58	211	122	⬇ -12%
KSA	Madinah	Madinah	58	175	101	↗ 2%	62	141	87	⬇ -6%
KSA	Al Khobar	Al Khobar	51	152	78	⬇ -7%	51	150	77	⬇ -14%
Egypt	Cairo	Cairo	71	123	88	⬇ -13%	74	112	83	↗ 3%
Egypt	Sharm El Sheikh	Sharm El Sheikh	43	36	15	⬇ -41%	39	37	14	⬇ -6%
Egypt	Hurghada	Hurghada	45	42	19	⬇ -39%	40	43	17	⬇ -4%
Egypt	Alexandria	Alexandria	77	83	63	⬇ -25%	70	82	57	↗ 1%
Oman	Muscat	Muscat	60	151	90	➡ 0%	58	174	102	⬇ -6%
Bahrain	Manama	Manama	52	166	86	⬇ -9%	52	180	94	⬇ -7%
Kuwait	Kuwait City	Kuwait City	48	207	100	↘ -1%	50	229	115	↘ -2%
Jordan	Amman	Amman	53	145	76	⬇ -14%	50	145	73	⬇ -10%
Jordan	Aqaba	Aqaba	69	131	90	⬆ 8%	60	109	65	⬆ 10%
Lebanon	Beirut	Beirut	65	148	96	⬆ 19%	59	146	87	⬆ 19%

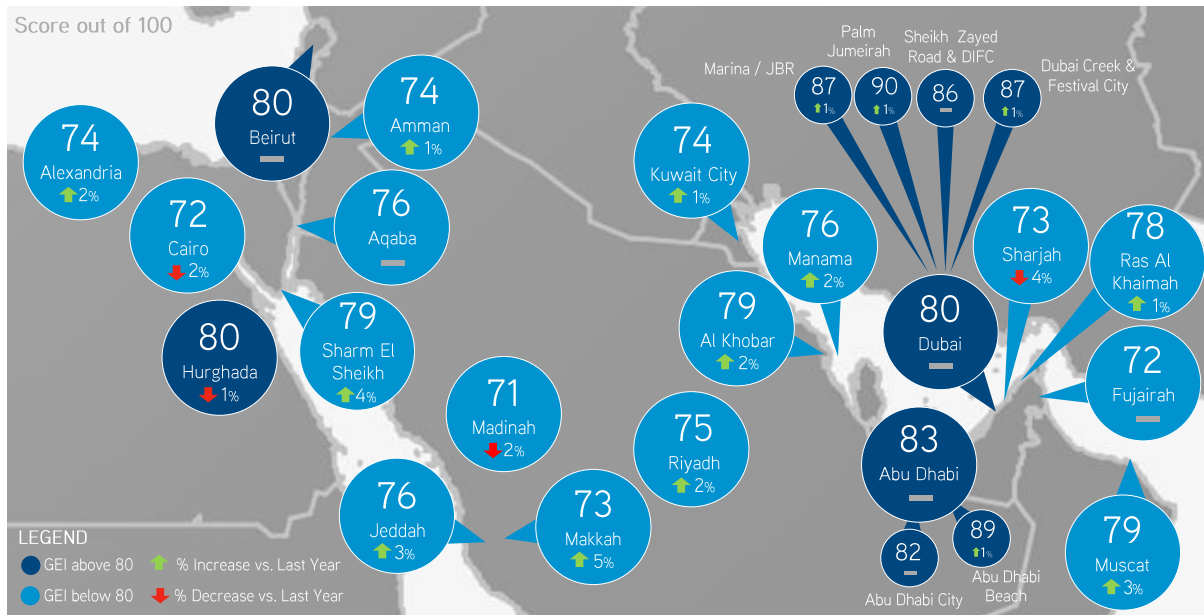*Source: Colliers International, 2017*

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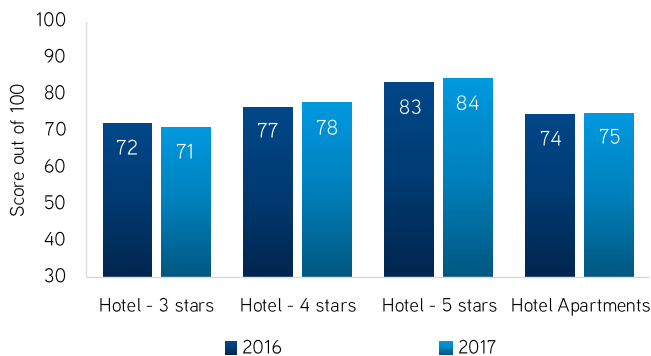
Guest Experience Index™
Data for July 2017

Colliers INTERNATIONAL

GEI – SCORE MAPPING & YEARLY VARIANCE – BY SUBMARKET

Score out of 100

Submarket	Score	Variance
Alexandria	74	▲ 2%
Beirut	80	—
Amman	74	▲ 1%
Kuwait City	74	▲ 1%
Marina / JBR	87	▲ 1%
Palm Jumeirah	90	▲ 1%
Sheikh Zayed Road & DIFC	86	—
Dubai Creek & Festival City	87	▲ 1%
Cairo	72	▼ 2%
Aqaba	76	—
Manama	76	▲ 2%
Sharjah	73	▼ 4%
Ras Al Khaimah	78	▲ 1%
Hurghada	80	▼ 1%
Sharm El Sheikh	79	▲ 4%
Al Khobar	79	▲ 2%
Dubai	80	—
Fujairah	72	—
Madinah	71	▼ 2%
Riyadh	75	▲ 2%
Abu Dhabi	83	—
Jeddah	76	▲ 3%
Makkah	73	▲ 5%
Abu Dhabi City	82	—
Abu Dhabi Beach	89	▲ 1%
Muscat	79	▲ 3%

LEGEND
- GEI above 80
- GEI below 80
- ▲ % Increase vs. Last Year
- ▼ % Decrease vs. Last Year

Source: Olery; Colliers International, 2017

GEI – BY TYPE OF PROPERTY

Type	2016	2017
Hotel - 3 stars	72	71
Hotel - 4 stars	77	78
Hotel - 5 stars	83	84
Hotel Apartments	74	75

Score out of 100

■ 2016 ■ 2017

Source: Olery; Colliers International, 2017

TYPE OF GUEST – % OF REVIEWS

- Friends — 12%
- Solo — 7%
- Families — 43%
- Business — 12%
- Couples — 25%
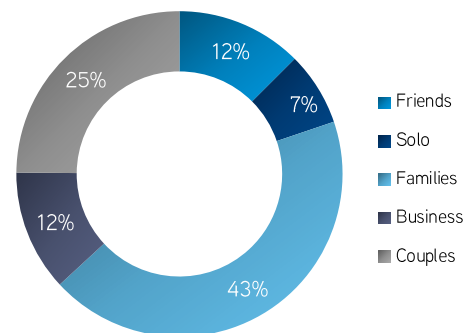
Source: Olery; Colliers International, 2017

RATING – TOP 10 REVIEW SOURCES

Rank 2016	Rank 2017	Source of Review	# of Reviews	Average Rating
1 ➡	1	Saudi Arabia	39,282	74.54
2 ➡	2	United Arab Emirates	20,555	76.37
3 ➡	3	Egypt	7,677	76.80
4 ➡	4	United Kingdom	4,037	80.53
6 ▲	5	Oman	3,888	78.01
5 ▼	6	Kuwait	3,762	77.47
9 ▲	7	Germany	3,351	81.70
7 ▼	8	Qatar	2,223	77.41
8 ▼	9	United States	2,089	80.63
10 ➡	10	Australia	1,303	85.36

Source: Olery; Colliers International, 2017
Note: The rank compares data from Jul 2016 and Jul 2017

KEY FINDINGS

In July 2017, Makkah experienced the largest growth in GEI scores of all submarkets, arising from an increase in review scores from the 4-star and serviced apartment segment.

Top 3 review sources for Makkah originate from Saudi Arabia, UAE and Kuwait. The largest source of guest reviews for Makkah include families (72%), followed by couples (16%).

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 July 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.

  o 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.

  o 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.

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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:

$13	45,385	12,753
billion	Hotel keys	Hotel keys
Investment value of	valued	under asset management
projects advised		

68 countries on 6 continents

$2.6
billion in
annual revenue

2
billion square feet
under management

15,000
professionals
and staff

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In MENA, Colliers International has provided leading advisory services through its regional offices since 1996. Colliers International currently has six corporate offices in the region located in Dubai, Abu Dhabi, Egypt, Riyadh, Jeddah and Doha.

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