

## Abu Dhabi reported a surge in performance with occupancies topping 85% whilst Kuwait experienced a 67% jump in profits

Abu Dhabi hotels experienced a rise in all major performance indicators in November driven by a number of prominent events and an increase in leisure demand, according to the latest **HotStats** survey.

November is historically the strongest month of the year for Abu Dhabi and this year was no different with hotels seeing further growth as occupancies reached 85.0 percent, an increase of 7.8 percentage points from the same period in 2012. Average Room Rates (ARR) experienced a slight revival with a 0.8 percent increase to US\$ 246.74, becoming the second highest rates in the region. The strong growth in demand drove a 10.9% increase in Revenue Per Available Room (RevPAR) closing the month at US\$209.71. The increase in ARR was led by a surge in demand from the leisure segment whilst occupancy levels benefitted from strong corporate activity and demand originating from city wide events. A rise in beverage and conferencing revenues helped to boost Total Revenue Per Available Room (TRevPAR) by 11.4% to US\$ 387.55, which in turn, drove profitability up 11.7% to US\$188.44, the highest level registered in 2013.

“Momentum has rapidly picked up in Abu Dhabi’s hotel market that has seen consistent growth in demand this year, particularly from the leisure segment. In year to date terms, occupancies are 10.9 percentage points higher than the same period in 2012 and have helped boost top line revenues which have filtered through to the bottom line, driving a 24.1% increase in profitability. The rise in performance witnessed during November was supported by the city hosting a number of prestigious events such as Abu Dhabi Art and the Abu Dhabi Grand Prix which according to preliminary figures, attracted over 55,000 visitors”

commented Peter Goddard, Managing Director of TRI Hospitality Consulting Middle East.

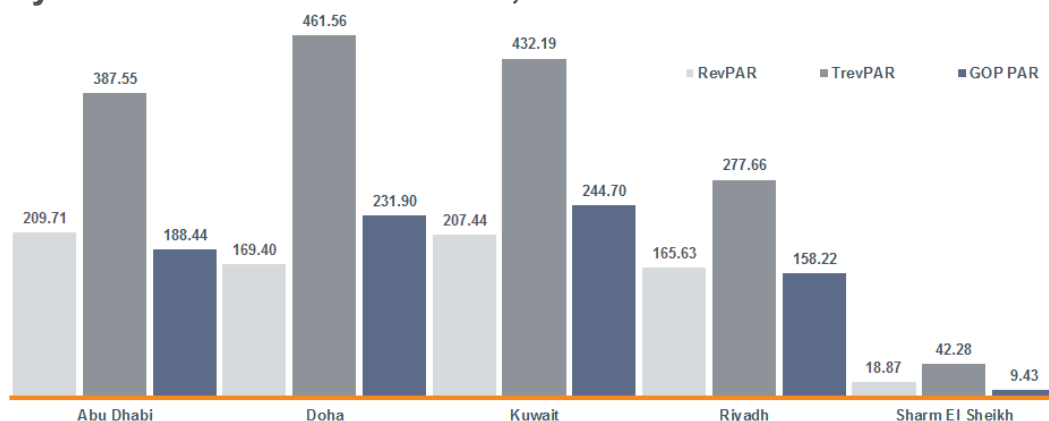
Kuwait registered the highest top line growth across the five MENA markets surveyed by **HotStats**. ARR recovered from the particularly low base witnessed in November 2012 caused by political turmoil, soaring 36.8% to US\$331.96. Furthermore, occupancies increased 3.8 percentage points to 62.5% driving RevPAR growth of 45.7% to US\$207.44. As the market stabilised, a substantial increase in conferencing and banqueting revenues boosted TRevPAR levels 32.2% to US\$432.19. The combined effects of a 5.3 percentage point decline in payroll costs coupled with a rise in operating profits drove Gross Operating Profit Per Available Room (GOPPAR) up by 67.8% to US\$244.70.

“The Kuwaiti hotel market witnessed a rebound in performance during November from the low levels experienced during the same period last year, which were affected by ongoing political and civil protests. Average rates have since recovered, driven by a revival in corporate demand that was imperative in propelling rate growth, contributing over 50 percent of total room nights. Although leisure travellers continue to be the highest yielding segment, achieving rates of US\$ 405.21, the proportion of demand from this segment has fallen by approximately 50% to 7.2 percent of total demand” commented Peter Goddard.

### The month of November 2013

\$ Dollars	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	85.0	246.74	209.71	387.55	▲ 19.6	▲ 188.44
Doha	73.3	231.20	169.40	461.56	▼ 20.2	▼ 231.90
Kuwait	62.5	331.96	207.44	432.19	▲ 18.5	▲ 244.70
Riyadh	69.1	239.59	165.63	277.66	▲ 16.1	▲ 158.22
Sharm El Sheikh	58.1	32.50	18.87	42.28	▼ 23.5	▼ 9.43

## MENA City Markets achieved **REVPAR**, **TREVPAR** and **GOPPAR** November 2013



## Hotel performance in Sharm El Sheikh plummets as demand dries up whilst average rates continue to fall in Doha

Performance of Sharm El Sheikh hotels reportedly declined in November as the continuing political demonstrations in Cairo affected the rest of the country. Hotels achieved occupancies of 58.1%, 20.4 percentage points below the same period in 2012. ARR suffered a more drastic decline of 26.6% to US\$32.50 and resulted in RevPAR falling 45.7% to US\$18.87. High-fixed operating expenses including payroll costs increased substantially from 14.5% to 23.5% weighting heavily on the bottom line, with GOPPAR falling 65.6% to US\$9.43.

“The ongoing unrest in Egypt has forced Sharm El Sheikh hotels to offer heavily discounted rates in order to elevate occupancies however, leisure visitors and tour groups which comprise the bulk of demand continue to be deterred. The rampant decline in performance has heavily impacted average rates for the month which were 26.6% lower compared to the same period last year, however year to date figures are still positive with average rates 8.5% higher compared to 2012” commented Peter Goddard, Managing Director of TRI Hospitality Consulting in Dubai.

Riyadh hotels reported a 5.3 percentage points rise in occupancy to 69.1% in November compared to the same month last year while ARR declined by 6.7% to US\$239.59. As average rates were sacrificed to raise occupancy levels, overall room revenues increased with RevPAR posting a 1.1% growth to US\$165.63. Furthermore, increased food consumption coupled with double-digit growth in beverage and conferencing revenues boosted TRevPAR performance by 4.1% to US\$277.66. The growth in top line revenues combined with decreased payroll costs resulted in GOPPAR rising 8.3% to US\$158.22.

“As the hotel market in Riyadh entered the high season, corporate and MICE activity resumed with the city hosting a number of trade shows and exhibitions. Due to cooler weather conditions, leisure visitors also returned and contributed to the

rise in occupancies, exceeding year to date levels of 57.3%. The month of November saw the top line and bottom line performance in excess of those witnessed during the first 10 months of the year, giving the Kingdom’s key market a much needed boost to the end of the year performance” commented Peter Goddard.

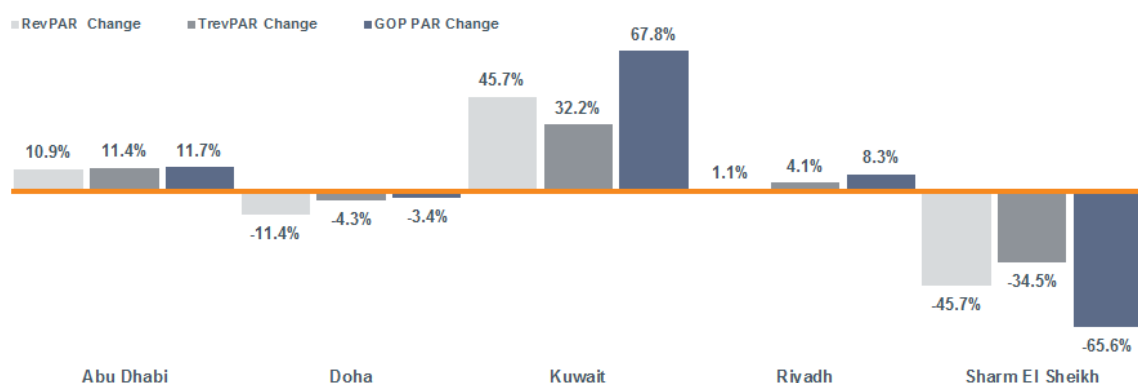
Four and five star hotels in Doha recorded mixed results in November with occupancies increasing 2.7 percentage points to 73.3% however ARR fell 14.7% to US\$231.20. A significant reduction in average rates resulted in RevPAR declining by 11.4% to US\$169.40 and when coupled within a decline in non-room revenues initiated a 4.3% decline in TRevPAR to US\$ 461.56. An increase in payroll costs and operating expenses exacerbated the fall in top line revenues reducing GOPPAR by 3.4% to US\$231.90.

“The Doha hotel market continues to show positive results with an increase in occupancies not only during the month of November, but throughout 2013. This is a positive sign for the Qatari market given the increase in supply during the year and can be attributed to the increase in passenger numbers achieved by Qatar Airways through their expanding operations, global network and the Doha Stopover Program. However, the corporate segment remains highly competitive especially for new hotels, pushing down overall rate performance with average rate for the segment falling 12.3% in 2013” commented Peter Goddard.

### Movement for the month of November

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	7.8	0.8%	10.9%	11.4%	0.9	11.7%
Doha	2.7	-14.7%	-11.4%	-4.3%	-0.3	-3.4%
Kuwait	3.8	36.8%	45.7%	32.2%	5.3	67.8%
Riyadh	5.3	-6.7%	1.1%	4.1%	3.5	8.3%
Sharm El Sheikh	-20.4	-26.6%	-45.7%	-34.5%	-9.0	-65.6%

## MENA City Markets y-o-y change REVPAR, TREVPAR and GOPPAR November 2013



## Editors Notes

The hotels profiled in this report are drawn from the HotStats database and reflect the portfolios and distribution of the hotel chains that we survey and which operate primarily in the four and five-star sectors.

**Please note:** The data samples are reviewed and rebased each year to reflect the changes in the HotStats survey base. As a result, performance ratios published last year may differ from those contained within this report.

**TRI Hospitality Consulting Middle East** provides a wide range of services to clients in the hotel sector.

## HotStats Services

For an inside view of a local or regional market place in the hotel sector, bespoke HotStats reports are available. Terms and conditions apply. Visit [www.hotstats.com](http://www.hotstats.com) to view a sample report.

HotStats provides two reporting tools to hoteliers:

- Our unique profit and loss benchmarking service which enables monthly comparison of hotels' performance against their competitors. It is distinguished by the fact that it provides in excess of 100 performance metric comparisons covering 70 areas of hotel revenue, cost, profit and statistics providing far deeper insight into the hotel operation than any other tool.
- Our latest innovation in daily revenue intelligence, MORSE. Amongst its reporting are daily and highly granular market segmentation metrics as well as distribution channel and source of booking analysis. It takes daily market intelligence to a whole new level.

©HotStats Limited 2014 Unless otherwise attributed, all material in this press release is the copyright of HotStats Limited.

## For more information contact

### HotStats

**Pablo Alonso**  
General Manager  
+44 (0)20 7892 2238  
[pablo.alonso@hotstats.com](mailto:pablo.alonso@hotstats.com)

**Tony Oliveira**  
Business Development Manager  
+44 (0)20 7892 2234  
[tony.oliveira@hotstats.com](mailto:tony.oliveira@hotstats.com)

### TRI Hospitality Consulting Middle East

**Peter Goddard**  
Managing Director  
+971 (0)4 345 4241  
[peter.goddard@trimideast.com](mailto:peter.goddard@trimideast.com)

**Christopher Hewett**  
Senior Consultant  
+971 (0)4 345 4241  
[christopher.hewett@trimideast.com](mailto:christopher.hewett@trimideast.com)

You can alternatively follow us on [LinkedIn](#) or [Twitter](#)

**Occupancy (%)** - Is that proportion of the bedrooms available during the period which are occupied during the period.

**Average Room Rate (ARR)** - Is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

**Room Revpar (RevPAR)** - Is the total bedroom revenue for the period divided by the total available rooms during the period.

**Total Revpar (TrevPAR)** - Is the combined total of all revenues divided by the total available rooms during the period.

**Payroll %** - Is the payroll for all hotels in the sample as a percentage of total revenue.

**GOP PAR** - Is the Total Gross Operating Profit for the period divided by the total available rooms during the period.

**The month of November 2013**

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	85.0	246.74	209.71	387.55	19.6	188.44
Doha	73.3	231.20	169.40	461.56	20.2	231.90
Kuwait	62.5	331.96	207.44	432.19	18.5	244.70
Riyadh	69.1	239.59	165.63	277.66	16.1	158.22
Sharm El Sheikh	58.1	32.50	18.87	42.28	23.5	9.43

**Calendar year to November 2013**

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
	72.4	153.75	111.35	236.30	29.0	74.04
	64.4	240.48	154.83	411.29	22.7	187.45
	54.6	274.68	149.96	332.48	24.0	152.40
	57.3	242.05	138.75	234.35	21.6	116.84
	57.6	44.81	25.80	49.91	20.7	16.30

**Twelve months to November 2013**

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	
	72.2	153.31	110.68	236.36	28.7	75.21	Abu Dhabi
	64.0	244.10	156.32	414.22	22.5	189.56	Doha
	54.6	271.50	148.12	331.66	24.0	151.21	Kuwait
	57.3	242.81	139.14	235.11	21.2	117.76	Riyadh
	57.5	44.72	25.73	50.10	20.4	16.57	Sharm El Sheikh

**The month of November 2012**

	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	77.2	244.90	189.17	347.96	20.5	168.77
Doha	70.5	271.13	191.25	482.21	19.9	240.02
Kuwait	58.7	242.63	142.36	326.81	23.8	145.83
Riyadh	63.8	256.70	163.88	266.79	19.6	146.10
Sharm El Sheikh	78.4	44.31	34.74	64.51	14.5	27.41

**Calendar year to November 2012**

	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
	61.5	156.83	96.40	208.12	31.6	59.67
	64.0	250.17	160.11	406.66	21.1	193.26
	53.3	263.81	140.54	295.69	24.6	132.65
	59.4	244.34	145.13	239.69	20.4	124.25
	63.5	41.30	26.21	50.09	17.2	17.98

**Twelve months to November 2012**

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	
	61.5	156.63	96.28	208.35	30.9	61.38	Abu Dhabi
	64.3	258.24	166.17	414.24	20.6	199.51	Doha
	53.1	263.71	140.15	294.81	24.6	131.03	Kuwait
	59.3	245.11	145.32	240.60	20.0	125.76	Riyadh
	62.2	41.65	25.89	49.67	17.2	17.74	Sharm El Sheikh

**Movement for the month of November**

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	7.8	0.8%	10.9%	11.4%	0.9	11.7%
Doha	2.7	-14.7%	-11.4%	-4.3%	-0.3	-3.4%
Kuwait	3.8	36.8%	45.7%	32.2%	5.3	67.8%
Riyadh	5.3	-6.7%	1.1%	4.1%	3.5	8.3%
Sharm El Sheikh	-20.4	-26.6%	-45.7%	-34.5%	-9.0	-65.6%

**Movement for the calendar year to November**

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
	11.0	-2.0%	15.5%	13.5%	2.6	24.1%
	0.4	-3.9%	-3.3%	1.1%	-1.6	-3.0%
	1.3	4.1%	6.7%	12.4%	0.6	14.9%
	-2.1	-0.9%	-4.4%	-2.2%	-1.2	-6.0%
	-5.9	8.5%	-1.6%	-0.4%	-3.5	-9.3%

**Movement for the twelve months to November**

	Occ %	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	
	10.7	-2.1%	15.0%	13.4%	2.2	22.5%	Abu Dhabi
	-0.3	-5.5%	-5.9%	0.0%	-1.9	-5.0%	Doha
	1.4	3.0%	5.7%	12.5%	0.7	15.4%	Kuwait
	-2.0	-0.9%	-4.3%	-2.3%	-1.3	-6.4%	Riyadh
	-4.6	7.4%	-0.6%	0.9%	-3.1	-6.6%	Sharm El Sheikh