

## Abu Dhabi witnesses strong hotel performance due to high-profile events

Hotels in Abu Dhabi registered substantial growth in revenues and profits during the month of October 2013, according to the latest **HotStats** survey by TRI Hospitality Consulting Middle East.

Abu Dhabi hotels witnessed a boost to key performance metrics in the wake of the Eid Al Adha holidays and the city hosting a number of internationally renowned events. Occupancy levels in Abu Dhabi went up by 8.4 percentage points to 79.6% and Average Room Rate (ARR) increased by 16.8% to US\$182.37 during the month, boosting Revenue Per Available Room (RevPAR) by 30.6% to US\$145.13. The growth in the top line performance caused a surge in profit levels during the month as the Gross Operating Profit Per Available Room (GOPPAR) reached US\$117.43, up by 47.3% compared to the same period in 2012.

As Dubai entered its high season, overall performance levels increased from the previous year, despite a 2.0 percentage points decline in occupancy at 83.4 percent. However this month occupancy still exceeded the level witnessed year to date by 3.5 percentage points. ARR increased by 9.4% to an astounding US\$396.87 driving RevPAR up 6.8% to US\$330.80 and when coupled with higher operating profits boosted GOPPAR 7.6% to US\$280.70, the highest out of the five MENA markets surveyed by **HotStats** this month.

“The growth in Abu Dhabi’s top line performance was attributed to the city hosting a number of high profile international events, including the Abu Dhabi Film Festival and the FIFA U-17 World Cup which attracted nearly 80,000 visitors during the first two weeks of the competition. Furthermore, corporate and MICE activities resumed as the capital hosted several international medical conferences. Leisure tourism was propelled in the wake of Eid Al Adha holiday, as the city provided a variety of family-friendly shopping and entertainment options. Similarly,

Dubai was able to capitalise on demand through an increase in average rates which jumped 9.4%. The holidays helped Dubai attract strong demand from visitors within the region and Saudi Arabia in particular, while MICE activity returned to the market as the city hosted several events including Cityscape Global” commented Peter Goddard, managing director of TRI Hospitality Consulting in Dubai.

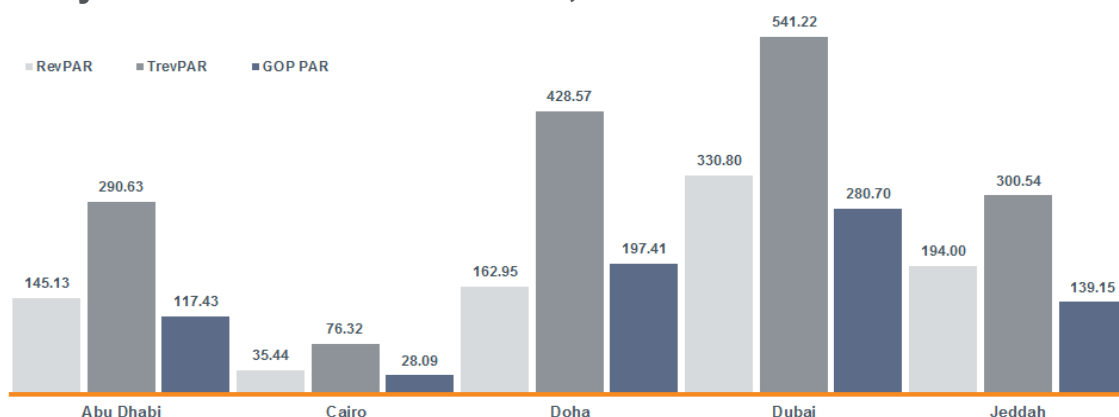
In October, four and five star hotels in Doha recorded occupancy growth that was driven by a rise in corporate and leisure demand. Occupancies increased marginally to 68.7%, up 1.1 percentage points while Average Room Rate (ARR) dropped 6.5% to US\$237.06, leaving the RevPAR for the month 5.0% lower at US\$237.06. The 4.2% decline in Total Revenue Per Available Room (TrevPAR) was attributed to lower food and beverage consumption, coupled with a substantial decline in conferencing revenues. Higher operating costs coupled with a rise in payroll expenses drove profitability 10.5% lower than the previous year to US\$197.41.

“Occupancies in October reached 68.7% and exceeded levels seen year to date due to the influx of demand through corporate events and the Eid Al Adha holidays which attracted over 65,000 tourists from the Gulf countries. Although occupancies in Doha increased marginally due to the events, average rates remained under pressure from high levels of competition and subdued profitability which incurred negative growth from the previous year” stated Peter Goddard.

### The month of October 2013

\$ Dollars	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	79.6	182.37	145.13	290.63	24.0	117.43
Cairo	31.5	112.59	35.44	76.32	27.9	28.09
Doha	68.7	237.06	162.95	428.57	22.7	197.41
Dubai	83.4	396.87	330.80	541.22	17.2	280.70
Jeddah	77.3	251.09	194.00	300.54	21.6	139.15

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



## Negative hotel performance in Cairo is caused by political strife

Top and bottom line performance in Cairo hotels continued to suffer due to ongoing political unrest. Hotel occupancies in the capital remained subdued at 31.5% for the month, 23.2 percentage points lower than the previous year, although average rates have risen 5.0% to US\$ 112.59. Despite the improvement in ARR, occupancy drove the 39.5% decline in RevPAR to US\$ 35.44 which filtered through to the bottom line. With payroll increasing by 9.9 percentage points, GOPPAR fell by 47.2% to US\$28.09.

“Although occupancies have gradually recovered from levels witnessed at the lowest point of 2013 when the coup d’etat took place in July, they remain 23.2 percentage points lower than the prior year. This reinforces the detrimental impact that political instability has had on hotel performance and is a considerable setback in Egypt’s recovery process following the initial uprisings seen in 2011. The rise in ARR may partially be attributed hoteliers’ maintaining rates, however, it is primarily driven by increased inflation and a sharp depreciation of the Egyptian pound relative to the US dollar” commented Peter Goddard, managing director of TRI Hospitality Consulting in Dubai.

In Saudi Arabia, the culmination of Jeddah’s tourist season was marked by the arrival of this year’s Eid al Adha holiday in October. Hotels reported average occupancy of 77.3%, which was 1.2 percentage points lower than last year, while ARR also declined

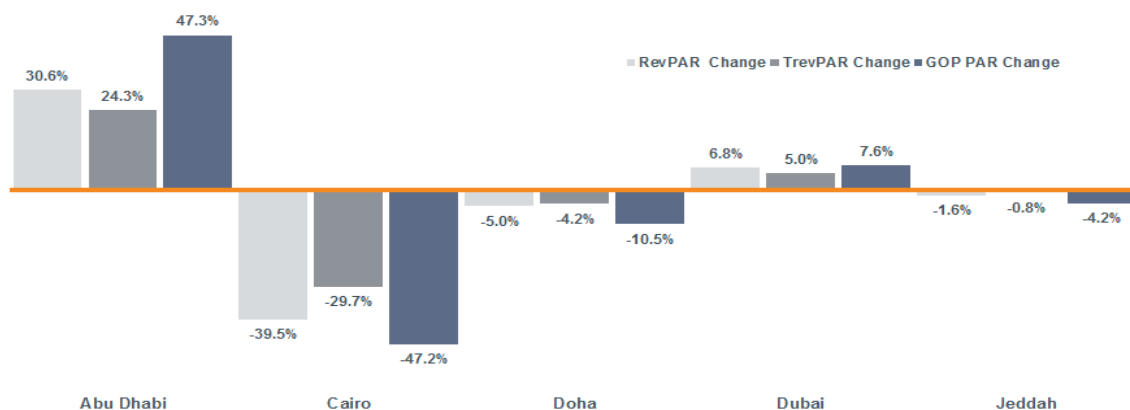
marginally by 0.2% to US\$251.09, dropping RevPAR to US\$194.00. A rise in food and beverages revenue was not sufficient enough to negate a decline in conferencing revenues which left TrevPAR at US\$300.54 (-0.8%) and pushed the bottom line performance down by 4.2% to US\$139.15.

“Jeddah suffered a slight drop in demand during October as peak season began to recede and the market witnessed the effects of seasonality. The decline in domestic leisure tourism corresponded to reduced performance across all key indicators, albeit at minimal levels. While the Eid al Adha holidays helped to sustain demand and attracted domestic tourists, the large number of residents travelling to other regional destinations impacted hotel performance in Jeddah. Reduced occupancy levels and average rates impeded profitability which remained below levels seen during year” commented Peter Goddard

### Movement for the month of October

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	8.4	16.8%	30.6%	24.3%	3.7	47.3%
Cairo	-23.2	5.0%	-39.5%	-29.7%	-9.9	-47.2%
Doha	1.1	-6.5%	-5.0%	-4.2%	-3.3	-10.5%
Dubai	-2.0	9.4%	6.8%	5.0%	-0.2	7.6%
Jeddah	-1.2	-0.2%	-1.6%	-0.8%	0.3	-4.2%

### MENA City Markets y-o-y change **REVPAR**, **TREVPAR** and **GOPPAR** October 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.

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**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 October 2013

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	79.6	182.37	145.13	290.63	24.0	117.43
Cairo	31.5	112.59	35.44	76.32	27.9	28.09
Doha	68.7	237.06	162.95	428.57	22.7	197.41
Dubai	83.4	396.87	330.80	541.22	17.2	280.70
Jeddah	77.3	251.09	194.00	300.54	21.6	139.15

### Calendar year to October 2013

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	71.2	142.81	101.66	221.41	30.6	62.77
Cairo	37.1	111.40	41.29	79.35	27.6	29.47
Doha	63.5	241.55	153.38	406.26	23.0	183.00
Dubai	79.9	310.75	248.20	431.79	21.3	189.13
Jeddah	78.4	254.03	199.11	313.89	21.7	149.67

### Twelve months to October 2013

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	
Abu Dhabi	71.6	152.49	109.13	233.31	28.9	73.76	Abu Dhabi
Cairo	39.0	109.73	42.81	82.35	26.2	32.36	Cairo
Doha	63.8	247.75	158.05	415.75	22.5	190.09	Doha
Dubai	81.0	319.70	259.07	451.24	20.3	204.47	Dubai
Jeddah	77.5	249.96	193.63	306.64	22.0	144.27	Jeddah

### The month of October 2012

	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	71.1	156.16	111.10	233.75	27.7	79.71
Cairo	54.7	107.24	58.62	108.53	18.0	53.17
Doha	67.6	253.50	171.49	447.59	19.4	220.62
Dubai	85.4	362.69	309.64	515.23	17.0	260.93
Jeddah	78.4	251.49	197.25	302.95	21.8	145.24

### Calendar year to October 2012

	Occ%	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR
Abu Dhabi	59.9	145.67	87.28	194.36	33.5	48.94
Cairo	48.1	99.33	47.75	92.72	21.7	39.47
Doha	63.4	247.92	157.11	399.38	21.3	188.76
Dubai	78.3	292.18	228.72	400.82	21.2	168.09
Jeddah	80.7	227.29	183.41	291.02	21.7	136.85

### Twelve months to October 2012

	Occ %	ARR	RevPAR	TrevPAR	Payroll %	GOP PAR	
Abu Dhabi	61.4	152.82	93.85	204.02	31.0	59.37	Abu Dhabi
Cairo	46.7	100.11	46.78	91.09	22.2	37.97	Cairo
Doha	64.3	258.23	165.97	409.32	20.5	197.33	Doha
Dubai	79.1	302.95	239.49	419.16	20.3	179.72	Dubai
Jeddah	79.4	225.09	178.74	284.73	21.8	133.18	Jeddah

### Movement for the month of October

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	8.4	16.8%	30.6%	24.3%	3.7	47.3%
Cairo	-23.2	5.0%	-39.5%	-29.7%	-9.9	-47.2%
Doha	1.1	-6.5%	-5.0%	-4.2%	-3.3	-10.5%
Dubai	-2.0	9.4%	6.8%	5.0%	-0.2	7.6%
Jeddah	-1.2	-0.2%	-1.6%	-0.8%	0.3	-4.2%

### Movement for the calendar year to October

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	11.3	-2.0%	16.5%	13.9%	2.9	28.3%
Cairo	-11.0	12.2%	-13.5%	-14.4%	-5.9	-25.3%
Doha	0.1	-2.6%	-2.4%	1.7%	-1.7	-3.0%
Dubai	1.6	6.4%	8.5%	7.7%	-0.2	12.5%
Jeddah	-2.3	11.8%	8.6%	7.9%	0.0	9.4%

### Movement for the twelve months to October

	Occ %	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	
Abu Dhabi	10.2	-0.2%	16.3%	14.4%	2.1	24.2%	Abu Dhabi
Cairo	-7.7	9.6%	-8.5%	-9.6%	-4.0	-14.8%	Cairo
Doha	-0.5	-4.1%	-4.8%	1.6%	-2.0	-3.7%	Doha
Dubai	2.0	5.5%	8.2%	7.7%	-0.1	13.8%	Dubai
Jeddah	-1.9	11.0%	8.3%	7.7%	-0.1	8.3%	Jeddah