

Dubai and Amman hotels feel the pressure of declining profits

Four and five star hotels in Dubai reported weakening performance levels in August, with revenue per available room (RevPAR) declining 10.1% to US\$147.45 for the month compared to the same period last year. Due to a marginal rise in occupancy levels by 0.6 percentage points, the contraction in room revenues was led largely by average room rates (ARR) falling 10.8% to US\$196.49. The drop in room revenues also impacted total revenue per available room (TRevPAR) which fell 10.6% to US\$271.01. Profitability levels remained under pressure as key operating expenses rose, causing gross operating profit per available room (GOPPAR) to drop by 9.8% to US\$69.10.

The civil unrest in neighbouring Syria continues to dampen hotel performance in Amman, as occupancy declined by four percentage points to 65.0%. Overall room revenue was further impacted by a 6.2% reduction in ARR to US\$152.64, resulted in RevPAR decreasing 11.6% to US\$99.27, and as a consequence, TRevPAR contracted by 10.5% to US\$188.93. Marginally stronger F&B performance helped offset the slump in room revenues, but failed to elevate overall hotel profitability, leading to an 8.0% drop in GOPPAR to US\$76.94.

Hotels in Cairo and Doha witness weakening performance metrics

Despite a 4.4 percentage point decrease in occupancy levels to 58.8%, hotels in Cairo recorded a 3.2% increase in RevPAR to US\$72.61. The growth was fuelled by a 10.9% rise in ARR to US\$123.44. However, TRevPAR was weighed down by a soft food and beverage demand, resulting in a 0.7% drop to US\$133.37. The decrease in overall revenues coupled with a 3.4 percentage point increase in operating costs resulted in GOPPAR decreasing by 12.5% to US\$65.44.

Hotels in Doha saw RevPAR decline by 11.1% to US\$111.14 in August, as soft demand forced hoteliers to drop rates in order to maintain market share. ARR fell by 11.7% to US\$190.04, while occupancy increased by a marginal 0.3 percentage points to 58.5%. A surge in F&B revenues helped offset the lower room revenues but failed to escalate profits for hoteliers, with GOPPAR falling 17.7 percentage points to US\$80.64.

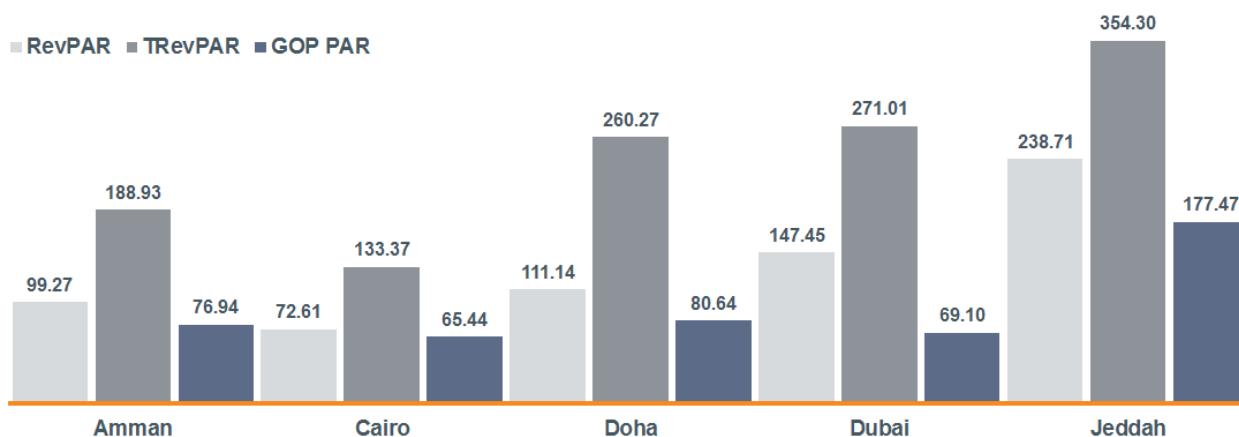
Jeddah hotel profits continue to witness steady growth

Hotel demand in Jeddah continued to flourish, as hotels reported a 4.5% increase in RevPAR for the month of August, compared to the same period last year. The surge in room revenues was driven by a solid 6.3 percentage point rise in occupancy levels, offsetting a 3.3% drop in ARR to US\$286.66 for the period. The spike in hotel guests had a trickle-down effect on other hotel services, as F&B revenues increased, allowing TRevPAR to grow 5.6%. Complemented by a reduction in payroll expenses, profitability was boosted by the steady increase in top line revenues with GOPPAR growing by 8.8% to US\$177.47.

The month of August 2015

| \$ Dollars | Occ % | ARR | RevPAR | TRevPAR | Payroll % | GOP PAR |
|------------|-------|--------|--------|---------|-----------|---------|
| Amman | 65.0 | 152.64 | 99.27 | 188.93 | 23.8 | 76.94 |
| Cairo | 58.8 | 123.44 | 72.61 | 133.37 | 18.2 | 65.44 |
| Doha | 58.5 | 190.04 | 111.14 | 260.27 | 29.4 | 80.64 |
| Dubai | 75.0 | 196.49 | 147.45 | 271.01 | 32.5 | 69.10 |
| Jeddah | 83.3 | 286.66 | 238.71 | 354.30 | 19.7 | 177.47 |

MENA City Markets achieved REVPAR, TREVPAR and GOPPAR August 2015



Editor's 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 full-service sector.

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.

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 to view a sample report.

If you are missing your regular feed of UK, London and Region-wide performance data this is available as an annual subscription service for only £25/month plus VAT. Contact us for more details.

HotStats provides two reporting tools to hoteliers:

- Our unique profit and loss benchmarking service enables monthly comparison of hotels' performance against a competitive set. It is distinguished by the fact that it provides in excess of 100 performance metrics covering 70 hotel performance, revenue, cost and profit statistics providing the deepest insight available into hotel operations.
- 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 2015 Unless otherwise attributed, all material in this press release is the copyright of HotStats Limited.

For more information contact

Enquiries

+44 (0) 20 7892 2241

enquiries@hotstats.com

You can alternatively follow us on [LinkedIn](#) or [Twitter](#) to get our latest updates!

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 August 2015

| | Occ % | ARR | RevPAR | TRevPAR | Payroll % | GOP PAR |
|--------|-------|--------|--------|---------|-----------|---------|
| Amman | 65.0 | 152.64 | 99.27 | 188.93 | 23.8 | 76.94 |
| Cairo | 58.8 | 123.44 | 72.61 | 133.37 | 18.2 | 65.44 |
| Doha | 58.5 | 190.04 | 111.14 | 260.27 | 29.4 | 80.64 |
| Dubai | 75.0 | 196.49 | 147.45 | 271.01 | 32.5 | 69.10 |
| Jeddah | 83.3 | 286.66 | 238.71 | 354.30 | 19.7 | 177.47 |

Calendar year to August 2015

| | Occ % | ARR | RevPAR | TRevPAR | Payroll % | GOP PAR |
|--------|-------|--------|--------|---------|-----------|---------|
| Amman | 56.8 | 156.06 | 88.66 | 155.05 | 28.4 | 49.68 |
| Cairo | 54.2 | 113.47 | 61.50 | 115.93 | 20.6 | 53.60 |
| Doha | 69.7 | 213.70 | 149.04 | 344.17 | 24.0 | 134.41 |
| Dubai | 79.5 | 305.86 | 243.01 | 415.64 | 22.4 | 185.23 |
| Jeddah | 78.7 | 273.65 | 215.28 | 341.30 | 21.5 | 159.15 |

Twelve months to August 2015

| | Occ % | ARR | RevPAR | TRevPAR | Payroll % | GOP PAR | |
|--------|-------|--------|--------|---------|-----------|---------|--------|
| Amman | 58.2 | 156.50 | 91.06 | 157.35 | 27.7 | 51.11 | Amman |
| Cairo | 54.6 | 111.87 | 61.04 | 116.35 | 20.1 | 54.25 | Cairo |
| Doha | 71.3 | 218.09 | 155.40 | 357.55 | 23.0 | 144.57 | Doha |
| Dubai | 80.5 | 321.92 | 259.19 | 451.76 | 20.9 | 208.01 | Dubai |
| Jeddah | 78.2 | 274.93 | 215.02 | 339.61 | 20.8 | 160.80 | Jeddah |

The month of August 2014

| | Occ% | ARR | RevPAR | TRevPAR | Payroll % | GOP PAR |
|--------|------|--------|--------|---------|-----------|---------|
| Amman | 69.0 | 162.74 | 112.28 | 210.98 | 22.7 | 83.67 |
| Cairo | 63.2 | 111.28 | 70.35 | 134.27 | 14.8 | 74.79 |
| Doha | 58.1 | 215.15 | 125.07 | 277.68 | 26.2 | 98.01 |
| Dubai | 74.4 | 220.39 | 163.95 | 303.07 | 30.5 | 76.63 |
| Jeddah | 77.0 | 296.59 | 228.38 | 335.62 | 21.3 | 163.17 |

Calendar year to August 2014

| | Occ% | ARR | RevPAR | TRevPAR | Payroll % | GOP PAR |
|--------|------|--------|--------|---------|-----------|---------|
| Amman | 64.1 | 165.53 | 106.16 | 176.21 | 25.7 | 62.79 |
| Cairo | 42.3 | 104.05 | 43.97 | 86.97 | 24.2 | 35.63 |
| Doha | 69.0 | 213.73 | 147.39 | 332.78 | 22.9 | 138.52 |
| Dubai | 78.7 | 327.49 | 257.82 | 457.91 | 21.1 | 204.66 |
| Jeddah | 79.0 | 278.66 | 220.20 | 346.48 | 20.5 | 172.07 |

Twelve months to August 2014

| | Occ % | ARR | RevPAR | TRevPAR | Payroll % | GOP PAR | |
|--------|-------|--------|--------|---------|-----------|---------|--------|
| Amman | 63.5 | 163.33 | 103.70 | 172.15 | 26.1 | 59.73 | Amman |
| Cairo | 38.8 | 102.95 | 39.95 | 80.34 | 25.4 | 32.05 | Cairo |
| Doha | 67.4 | 213.91 | 144.24 | 327.46 | 22.9 | 135.60 | Doha |
| Dubai | 79.8 | 339.02 | 270.56 | 478.01 | 20.0 | 219.78 | Dubai |
| Jeddah | 79.0 | 265.67 | 209.83 | 332.05 | 21.3 | 162.27 | Jeddah |

Movement for the month of August

| | Occ Change | ARR Change | RevPAR Change | TRevPAR Change | Payroll Change | GOP PAR Change |
|--------|------------|------------|---------------|----------------|----------------|----------------|
| Amman | -4.0 | -6.2% | -11.6% | -10.5% | -1.1 | -8.0% |
| Cairo | -4.4 | 10.9% | 3.2% | -0.7% | -3.4 | -12.5% |
| Doha | 0.3 | -11.7% | -11.1% | -6.3% | -3.3 | -17.7% |
| Dubai | 0.6 | -10.8% | -10.1% | -10.6% | -2.1 | -9.8% |
| Jeddah | 6.3 | -3.3% | 4.5% | 5.6% | 1.6 | 8.8% |

Movement for the calendar year to August

| | Occ Change | ARR Change | RevPAR Change | TRevPAR Change | Payroll Change | GOP PAR Change |
|--------|------------|------------|---------------|----------------|----------------|----------------|
| Amman | -7.3 | -5.7% | -16.5% | -12.0% | -2.7 | -20.9% |
| Cairo | 11.9 | 9.1% | 39.9% | 33.3% | 3.6 | 50.4% |
| Doha | 0.8 | 0.0% | 1.1% | 3.4% | -1.1 | -3.0% |
| Dubai | 0.7 | -6.6% | -5.7% | -9.2% | -1.4 | -9.5% |
| Jeddah | -0.3 | -1.8% | -2.2% | -1.5% | -1.0 | -7.5% |

Movement for the twelve months to August

| | Occ Change | ARR Change | RevPAR Change | TRevPAR Change | Payroll Change | GOP PAR Change | |
|--------|------------|------------|---------------|----------------|----------------|----------------|--------|
| Amman | -5.3 | -4.2% | -12.2% | -8.6% | -1.6 | -14.4% | Amman |
| Cairo | 15.8 | 8.7% | 52.8% | 44.8% | 5.3 | 69.3% | Cairo |
| Doha | 3.8 | 2.0% | 7.7% | 9.2% | 0.0 | 6.6% | Doha |
| Dubai | 0.7 | -5.0% | -4.2% | -5.5% | -0.9 | -5.4% | Dubai |
| Jeddah | -0.8 | 3.5% | 2.5% | 2.3% | 0.5 | -0.9% | Jeddah |