

Riyadh hotel performance grows but Jeddah witnesses a slow down

Four and five star hotels in Riyadh witnessed an increase in performance levels for the month of February compared to the same period last year, according to the latest data from HotStats. A simultaneous increase in occupancy of 6.3 percentage points to 76.9% and average room rate (ARR) of 2.1% to US\$252.54, resulted in a double-digit growth in revenue per available room (RevPAR) of 11.2%. However the increase in total revenue per available room (TRevPAR) was partially weighed down by marginal F&B revenues. Nonetheless, a growth in overall revenue helped gross operating profit per available room (GOPPAR) increase by 13.2% to US\$163.62.

Conversely, hotels in Jeddah witnessed demand slowing down as occupancy declined by 1.7 percentage points to 77.6% and ARR dropped by a marginal 0.3% to US\$251.44. As a consequence, RevPAR depreciated by 2.5% for the period, a trend which was also reflective of year-to-date results. A similar decline witnessed in other revenue streams such as conferencing and F&B further dampened TRevPAR by 3.0% to US\$309.07, forcing GOPPAR to contract by 12.3% to US\$127.77.

Mixed results for Manama and Sharm El Sheikh hotels in February

The Manama hotel market experienced downward pressures on RevPAR in February, as occupancy fell 7.3 percentage points to 54.2% and ARR remained stagnant at US\$185.56. The 11.6% decline in RevPAR impacted TRevPAR which contracted by 3.6%, although to a

lesser degree due to increased F&B demand. As a result of lower top-line revenues, the profitability of Manama hotels fell with GOPPAR contracting by 4.9% to US\$57.50.

After a strong period of growth achieved in the previous months, hotels in Sharm El Sheikh also reported a drop in RevPAR of 4.0% to US\$19.02 in February. Although ARR increased by 13.1% to US\$37.49, it was not sufficient enough to offset a 9.0 percentage point decline in occupancies to 50.7% and subsequent reductions of F&B revenue. The softer overall revenue levels impacted TRevPAR which contracted by 8.7%, resulting in GOPPAR levels falling to US\$3.65.

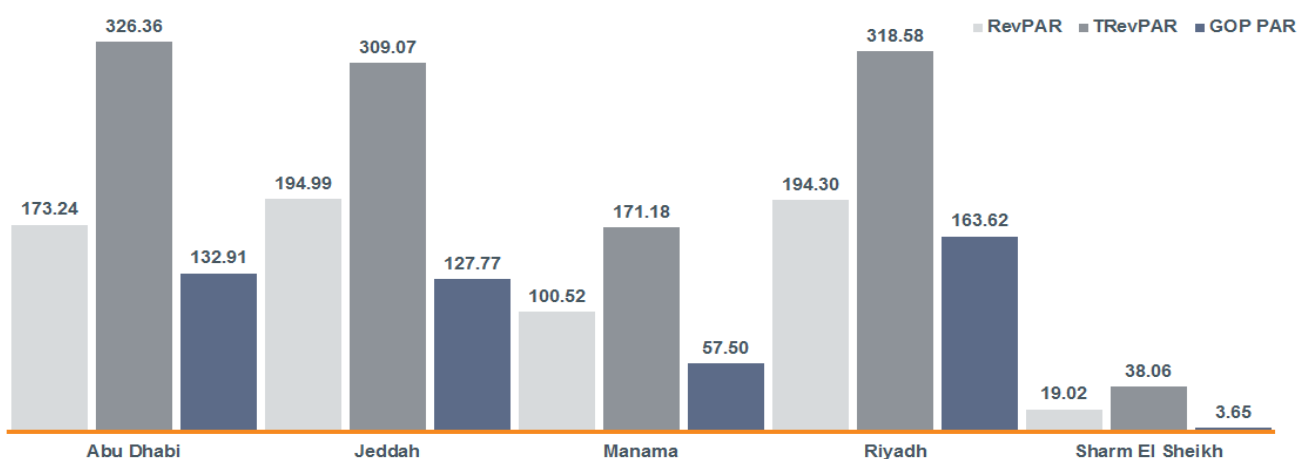
Average room rates surge in Abu Dhabi

Hoteliers in Abu Dhabi were able to capitalise on higher demand levels in February, as ARR increased by 27.1% to US\$206.32, while occupancy levels grew 3.4 percentage points to 84.0%. The significant increase in ARR helped RevPAR grow 32.5% and translated it to a double-digit increase in TRevPAR to US\$326.36. The significant increase in ARR in addition to stronger F&B revenues drove a significant growth in bottom-line performance as GOPPAR grew by 43.9% to US\$132.91.

The month of February 2015

\$ Dollars	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Abu Dhabi	84.0	206.32	173.24	326.36	25.8	132.91
Jeddah	77.6	251.44	194.99	309.07	23.8	127.77
Manama	54.2	185.56	100.52	171.18	30.9	57.50
Riyadh	76.9	252.54	194.30	318.58	21.5	163.62
Sharm El Sheikh	50.7	37.49	19.02	38.06	32.4	3.65

MENA City Markets achieved REVPAR, TREVPAR and GOPPAR February 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.

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The month of February 2015

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Sharm El Sheikh	50.7	37.49	19.02	38.06	32.4	3.65

Calendar year to February 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
	81.0	186.11	150.77	294.39	27.3	109.90
	75.6	253.97	191.95	299.85	23.6	130.71
	53.5	185.72	99.38	172.25	29.7	62.24
	71.4	252.37	180.08	289.97	22.2	147.26
	53.4	40.57	21.64	41.19	29.8	6.49

Twelve months to February 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
	77.2	162.16	125.26	261.26	28.8	83.50	Abu Dhabi
	78.1	278.90	217.91	342.28	19.8	168.21	Jeddah
	53.7	191.30	102.65	169.99	28.8	61.55	Manama
	64.9	243.92	158.40	267.53	22.6	128.02	Riyadh
	61.8	43.89	27.14	49.67	22.3	13.86	Sharm El Sheikh

The month of February 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Abu Dhabi	80.5	162.37	130.76	275.59	28.1	92.37
Jeddah	79.3	252.16	199.93	318.52	22.3	145.72
Manama	61.5	185.00	113.72	177.49	30.6	60.45
Riyadh	70.6	247.40	174.67	290.15	22.2	144.58
Sharm El Sheikh	59.8	33.16	19.81	41.70	26.1	9.18

Calendar year to February 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
	77.4	163.68	126.68	265.26	28.1	90.07
	77.4	250.33	193.82	303.80	22.8	137.41
	54.1	193.46	104.73	168.16	30.4	58.32
	64.3	246.70	158.74	259.73	23.8	124.46
	57.7	35.96	20.75	42.09	24.2	11.09

Twelve months to February 2014

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
	72.4	155.26	112.44	242.97	29.8	70.81	Abu Dhabi
	79.0	251.90	198.96	316.34	21.9	151.01	Jeddah
	48.0	192.59	92.47	155.91	31.0	52.64	Manama
	55.3	251.47	139.17	238.38	23.8	109.79	Riyadh
	57.9	40.38	23.40	44.93	21.1	13.82	Sharm El Sheikh

Movement for the month of February

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	3.4	27.1%	32.5%	18.4%	2.4	43.9%
Jeddah	-1.7	-0.3%	-2.5%	-3.0%	-1.5	-12.3%
Manama	-7.3	0.3%	-11.6%	-3.6%	-0.3	-4.9%
Riyadh	6.3	2.1%	11.2%	9.8%	0.6	13.2%
Sharm El Sheikh	-9.0	13.1%	-4.0%	-8.7%	-6.3	-60.2%

Movement for the calendar year to February

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
	3.6	13.7%	19.0%	11.0%	0.8	22.0%
	-1.8	1.5%	-1.0%	-1.3%	-0.8	-4.9%
	-0.6	-4.0%	-5.1%	2.4%	0.7	6.7%
	7.0	2.3%	13.4%	11.6%	1.6	18.3%
	-4.3	12.8%	4.3%	-2.1%	-5.6	-41.5%

Movement for the twelve months to February

	Occ %	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change	
	4.8	4.4%	11.4%	7.5%	1.0	17.9%	Abu Dhabi
	-0.8	10.7%	9.5%	8.2%	2.1	11.4%	Jeddah
	5.6	-0.7%	11.0%	9.0%	2.3	16.9%	Manama
	9.6	-3.0%	13.8%	12.2%	1.2	16.6%	Riyadh
	3.9	8.7%	16.0%	10.5%	-1.2	0.3%	Sharm El Sheikh