

Dubai and Abu Dhabi: a different tale for two cities

Dubai and Abu Dhabi experienced contrasting results for the month of January as gross operating profit per available room (GOPPAR) fell by 7.4% to US\$281.79 in Dubai, whilst Abu Dhabi saw GOPPAR levels increase by 1.2% to US\$88.38, according to the latest data from HotStats.

Four and five star hotels in Dubai experienced softening market conditions as average room rates (ARR) fell by 4.6% to US\$383.66 whilst occupancy levels increased by a marginal 0.4 percentage points to 86.5%. The reduction in ARR had a profound impact on revenue streams as revenue per available room (RevPAR) declined by 4.2% to US\$331.94 and total revenues per available room (TRevPAR) fell by 7.8% to US\$522.40. Despite payroll costs declining by 1.2 percentage points for the period, a 19.2% reduction in F&B revenues exerted significant pressure on profitability levels as GOPPAR contracted by 7.4% to US\$281.79.

On the other hand, Abu Dhabi hotels recorded an encouraging growth in performance levels as RevPAR increased by 6.1% to US\$129.41, led by a 3.8 percentage point rise in occupancy to 78.3% and ARR growing 1.0% to US\$165.20. Strengthening conferencing demand benefitted performance levels as TRevPAR and GOPPAR rose by 3.7% and 1.2% respectively.

A robust January for Cairo and Doha

Hoteliers in Cairo and Doha enjoyed exceptional performance levels as RevPAR growth outpaced most MENA markets, surging 88.4% and 24.3%, respectively.

The hotel market in Doha saw RevPAR levels reach a two-year high as occupancy increased by 12.2 percentage

points to 82.4% and ARR grew 5.9% to US\$225.94. An uptake in corporate and conference demand helped drive double-digit growth in both F&B and conferencing revenues by 22.9% and 39.9%, respectively. The growth in other revenue streams allowed TRevPAR to surge by 23.1%, driving an increase in GOPPAR of 34.2% to US\$181.97.

Cairo witnessed a strong revival in leisure and group travel to the city, as occupancy increased by 24.0 percentage points to 59.2%, allowing hoteliers to implement more aggressive yielding strategies, with ARR growing by 11.9% to US\$108.99. The uptake in hotel demand transcended to higher F&B demand as TRevPAR increased by 75.3% to US\$118.51, allowing GOPPAR levels to more than double to US\$59.25 for the period.

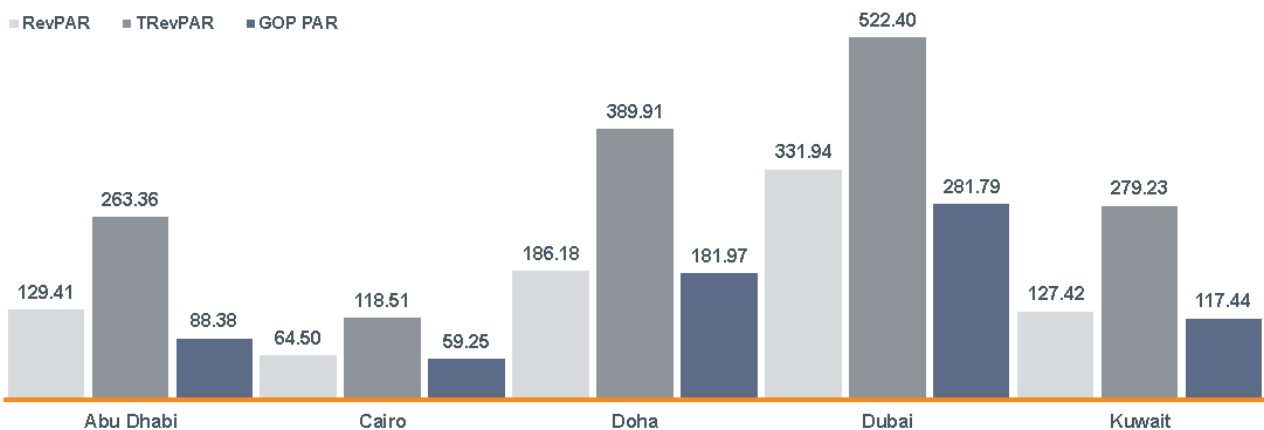
The tides have turned for Kuwait hotels

Hotels in Kuwait saw RevPAR decline by 18.5% to US\$127.42, as the majority of the market cut rates to maintain market share. ARR fell by 19.7% to US\$242.35, while occupancy increased marginally by 0.7 percentage points to 52.6%. A reduction in corporate travel also weighed down other revenue streams as TRevPAR contracted by 18.9%, resulting in GOPPAR levels to decline significantly to US\$117.44.

The month of January 2015

\$ Dollars	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Abu Dhabi	78.3	165.20	129.41	263.36	28.9	88.38
Cairo	59.2	108.99	64.50	118.51	18.8	59.25
Doha	82.4	225.94	186.18	389.91	20.6	181.97
Dubai	86.5	383.66	331.94	522.40	18.4	281.79
Kuwait	52.6	242.35	127.42	279.23	26.5	117.44

MENA City Markets achieved **REVPAR**, **TREVPAR** and **GOPPAR** January 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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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 Tony Oliveira (see below) 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.

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The month of January 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
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Calendar year to January 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
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Kuwait	52.6	242.35	127.42	279.23	26.5	117.44

Twelve months to January 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
	77.0	157.20	121.01	255.28	29.0	79.74	Abu Dhabi
	48.9	106.09	51.87	100.78	21.5	45.01	Cairo
	71.8	215.57	154.72	350.15	22.0	148.71	Doha
	80.1	331.90	265.83	472.46	20.3	217.50	Dubai
	49.9	260.29	129.76	289.32	25.4	126.44	Kuwait

The month of January 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Abu Dhabi	74.6	163.61	122.01	253.87	28.0	87.29
Cairo	35.2	97.41	34.23	67.62	30.7	23.89
Doha	70.2	213.33	149.78	316.71	22.9	135.57
Dubai	86.1	402.24	346.47	566.84	17.2	304.31
Kuwait	51.8	301.67	156.38	344.50	21.4	178.53

Calendar year to January 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Abu Dhabi	74.6	163.61	122.01	253.87	28.0	87.29
Cairo	35.2	97.41	34.23	67.62	30.7	23.89
Doha	70.2	213.33	149.78	316.71	22.9	135.57
Dubai	86.1	402.24	346.47	566.84	17.2	304.31
Kuwait	51.8	301.67	156.38	344.50	21.4	178.53

Twelve months to January 2014

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
	72.3	156.88	113.36	243.18	29.5	72.22	Abu Dhabi
	35.8	99.82	35.75	69.74	28.3	25.16	Cairo
	61.3	215.95	132.43	299.25	23.9	117.93	Doha
	80.2	330.47	265.02	465.08	19.8	212.83	Dubai
	53.4	266.59	142.39	315.22	24.0	144.98	Kuwait

Movement for the month of January

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	3.8	1.0%	6.1%	3.7%	-0.9	1.2%
Cairo	24.0	11.9%	88.4%	75.3%	11.9	148.0%
Doha	12.2	5.9%	24.3%	23.1%	2.2	34.2%
Dubai	0.4	-4.6%	-4.2%	-7.8%	-1.2	-7.4%
Kuwait	0.7	-19.7%	-18.5%	-18.9%	-5.2	-34.2%

Movement for the calendar year to January

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Abu Dhabi	3.8	1.0%	6.1%	3.7%	-0.9	1.2%
Cairo	24.0	11.9%	88.4%	75.3%	11.9	148.0%
Doha	12.2	5.9%	24.3%	23.1%	2.2	34.2%
Dubai	0.4	-4.6%	-4.2%	-7.8%	-1.2	-7.4%
Kuwait	0.7	-19.7%	-18.5%	-18.9%	-5.2	-34.2%

Movement for the twelve months to January

	Occ %	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change	
	4.7	0.2%	6.7%	5.0%	0.4	10.4%	Abu Dhabi
	13.1	6.3%	45.1%	44.5%	6.8	78.9%	Cairo
	10.4	-0.2%	16.8%	17.0%	1.9	26.1%	Doha
	-0.1	0.4%	0.3%	1.6%	-0.4	2.2%	Dubai
	-3.6	-2.4%	-8.9%	-8.2%	-1.4	-12.8%	Kuwait