

Dubai hotel profits fall 17.0% along with weak performance for Manama hotels

Five and four star hotels in Dubai continued to experience weakening average room rates (ARR) in October, falling 8.1% to US\$312.08 whilst occupancy levels remained strong, albeit marginally lower than the same period last year at 82.9%. The decrease in revenue per available room (RevPAR) was compounded by significantly lower food and beverage revenues which fell 12.0%, driving total revenue per available Room (TRevPAR) 8.8% lower, to US\$423.54. Higher operating expenses compounded lower overall revenues, reducing gross operating profit per available room (GOPPAR) by 17.0% to US\$194.64.

After reporting strong results in September, four and five star hotels in Manama witnessed a decline in all performance indicators in October, driven by weak demand. Occupancy levels fell 6.2 percentage points to 50.8%, impacting ARR and RevPAR which fell 14.6% and 24.0% respectively. Although beverage revenues increased 5.6% during the month, the increase was unable to offset declines in food and banqueting revenues. Softer TRevPAR levels and increased operational expenses impacted profit margins with GOPPAR falling 41.2% to US\$47.31.

Rise in profits for Amman and Riyadh hotels

Hotels in Amman witnessed a 9.1 percentage point growth in occupancy to 67.9% in October, offsetting a 5.6% decline in ARR. The renewed demand drove an increase in all performance indicators including RevPAR which rose 8.9% to US\$103.24. Conference and banqueting revenues grew 34.7% during the month, contributing to a 9.7% increase in TRevPAR to US\$168.49. Stronger top

line revenues coupled with lower operational expenses resulted in GOPPAR rising 38.8% to US\$67.70.

Riyadh hotels witnessed strong demand levels in October with four and five star hotels recording a 12.0 percentage point increase in occupancy to 66.3%. However, hoteliers were unable to capitalise on the strong demand as ARR fell by a marginal 1.1% to US\$226.07. The increased occupancy levels had a positive effect on the remaining performance indicators with RevPAR and TRevPAR rising 20.8% and 18.5% respectively. Lower operational expenses allowed GOPPAR to increase 36.0% to US\$117.94.

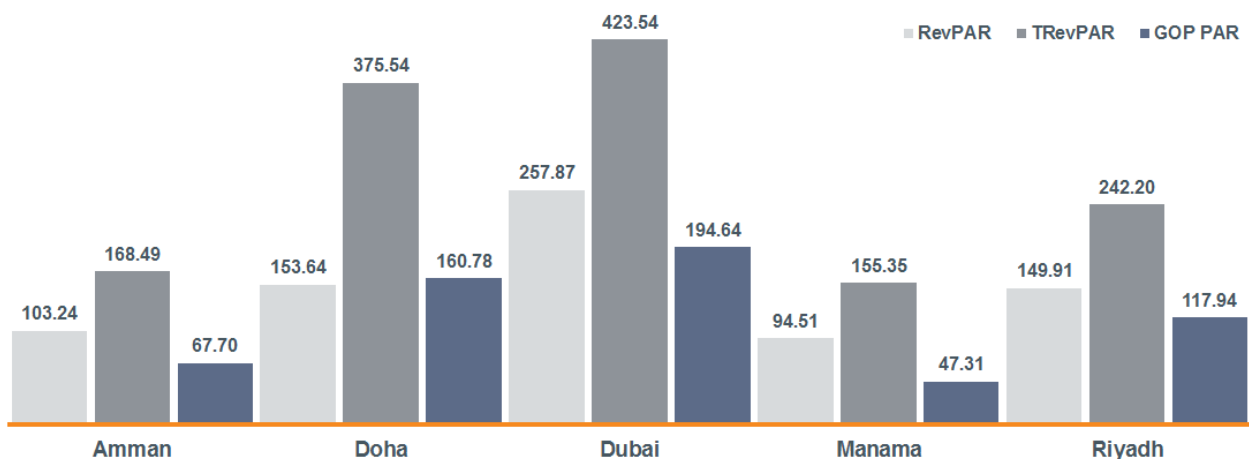
Soft demand in Doha impacts hotel performance

Although Doha is witnessing increasing economic activity, the city's hotel market saw demand levels fall in October with occupancy dropping 1.4 percentage points to 74.9%. The fall in demand impacted all remaining performance indicators with ARR and RevPAR dropping 12.7% and 14.3%, respectively. Higher F&B demand offset the softer room revenue; however it was not sufficient enough to prevent GOPPAR reducing 8.6% to US\$160.78.

The month of October 2015

\$ Dollars	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	67.9	152.00	103.24	168.49	24.7	67.70
Doha	74.9	205.11	153.64	375.54	21.8	160.78
Dubai	82.6	312.08	257.87	423.54	20.1	194.64
Manama	50.8	186.10	94.51	155.35	32.7	47.31
Riyadh	66.3	226.07	149.91	242.20	24.6	117.94

MENA City Markets achieved REVPAR, TREVPAR and GOPPAR October 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 October 2015

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Riyadh	66.3	226.07	149.91	242.20	24.6	117.94

Calendar year to October 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	58.3	154.92	90.31	154.29	28.3	50.35
Doha	70.0	212.19	148.56	344.13	24.2	135.39
Dubai	79.2	267.47	211.72	357.44	24.1	148.34
Manama	53.6	200.82	107.73	167.39	30.2	57.10
Riyadh	62.8	228.78	143.57	240.30	24.0	110.76

Twelve months to October 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
Amman	58.5	154.77	90.50	154.91	27.9	50.88	Amman
Doha	70.9	215.07	152.42	353.22	23.6	141.21	Doha
Dubai	79.9	278.44	222.44	378.82	22.6	163.87	Dubai
Manama	53.6	199.37	106.94	168.35	30.0	57.88	Manama
Riyadh	63.8	230.90	147.41	244.73	23.4	115.33	Riyadh

The month of October 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	58.8	161.10	94.77	153.64	27.4	48.77
Doha	76.3	234.97	179.29	390.69	20.3	175.84
Dubai	82.9	339.48	281.46	464.62	17.9	234.59
Manama	57.0	218.02	124.30	195.03	25.3	80.44
Riyadh	54.3	228.53	124.13	204.36	26.5	86.70

Calendar year to October 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amman	63.8	164.55	104.96	174.08	25.9	61.05
Doha	69.9	215.92	150.82	340.22	22.6	142.72
Dubai	78.1	287.23	224.22	386.60	21.6	164.16
Manama	54.4	195.25	106.14	168.29	29.0	60.68
Riyadh	61.2	228.44	139.81	235.17	24.0	107.62

Twelve months to October 2014

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
Amman	63.4	163.58	103.65	171.66	26.1	59.47	Amman
Doha	69.2	215.43	148.99	338.57	22.5	142.16	Doha
Dubai	78.7	296.98	233.83	402.17	20.8	176.31	Dubai
Manama	53.2	194.98	103.62	166.41	29.4	58.68	Manama
Riyadh	61.1	229.98	140.43	236.12	23.5	109.92	Riyadh

Movement for the month of October

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Amman	9.1	-5.6%	8.9%	9.7%	2.7	38.8%
Doha	-1.4	-12.7%	-14.3%	-3.9%	-1.6	-8.6%
Dubai	-0.3	-8.1%	-8.4%	-8.8%	-2.1	-17.0%
Manama	-6.2	-14.6%	-24.0%	-20.3%	-7.5	-41.2%
Riyadh	12.0	-1.1%	20.8%	18.5%	1.8	36.0%

Movement for the calendar year to October

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Amman	-5.5	-5.9%	-14.0%	-11.4%	-2.4	-17.5%
Doha	0.2	-1.7%	-1.5%	1.1%	-1.6	-5.1%
Dubai	1.1	-6.9%	-5.6%	-7.5%	-2.4	-9.6%
Manama	-0.7	2.9%	1.5%	-0.5%	-1.2	-5.9%
Riyadh	1.6	0.1%	2.7%	2.2%	-0.1	2.9%

Movement for the twelve months to October

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change	
Amman	-4.9	-5.4%	-12.7%	-9.8%	-1.8	-14.4%	Amman
Doha	1.7	-0.2%	2.3%	4.3%	-1.1	-0.7%	Doha
Dubai	1.2	-6.2%	-4.9%	-5.8%	-1.8	-7.1%	Dubai
Manama	0.5	2.3%	3.2%	1.2%	-0.6	-1.4%	Manama
Riyadh	2.8	0.4%	5.0%	3.6%	0.1	4.9%	Riyadh