

Dubai and Kuwait hotels experience weakening performance levels

Five and four star hotels in Dubai continued to experience weakening average room rates (ARR) in September, falling 2.3% to US\$207.55. Occupancy levels remained stable, albeit marginally lower than the same period last year at 76.6%. The reduction in revenue per available room (RevPAR) was compounded by significantly lower food and beverage revenues which fell 19.0%, driving total revenue per available room (TRevPAR) 8.1% lower to US\$282.55. Slightly higher operating expenses compounded the lower overall revenues, reducing gross operating profit per available room (GOPPAR) by 8.7% to US\$84.66.

Although Kuwait generally benefits from increased demand during the Eid Al Adha holiday period due to its proximity to Saudi Arabia, the market saw demand levels fall in September with occupancy dropping 8.5 percentage points to 42.6%. The lower demand is more heavily linked to softer activity from the government and corporate markets which is slowing due to the lower oil prices. The fall in demand had a negative impact on all remaining performance indicators with ARR and RevPAR dropping 0.7% and 17.2% respectively. Lower F&B demand compounded the softer room revenue and resulted in GOPPAR reducing 14.6% to US\$100.02.

Beirut hoteliers yield strong room rates while corporate demand drives Cairo Hotels

Hotel profits in Beirut grew 25.5% in September with GOPPAR rising to US\$26.44 which was driven by strong ARR growth which rose 16.7% to US\$156.19. The increase in room rates offset softer demand as occupancy levels fell 6.6 percentage points to 56.3%. The growth in ARR safeguarded a 4.6% increase in RevPAR to US\$87.97 and when coupled

with a 36.6% increase in F&B revenue, resulted in TRevPAR increasing 13.5% to US\$160.05.

Strengthening corporate activity in Cairo sustained the ongoing growth in hotel performance with occupancy levels increasing 5.5 percentage points to 58.6% in September. The increased demand allowed hoteliers to yield a 15.8% growth in ARR and 27.9% rise in RevPAR to US\$121.76 and US\$71.32 respectively. The higher room revenue had a flow-on effect on TRevPAR and GOPPAR levels which rose 18.3% and 21.3% respectively to US\$130.36 and US\$61.68.

Manama hotels benefit from the Eid Al Adha holidays

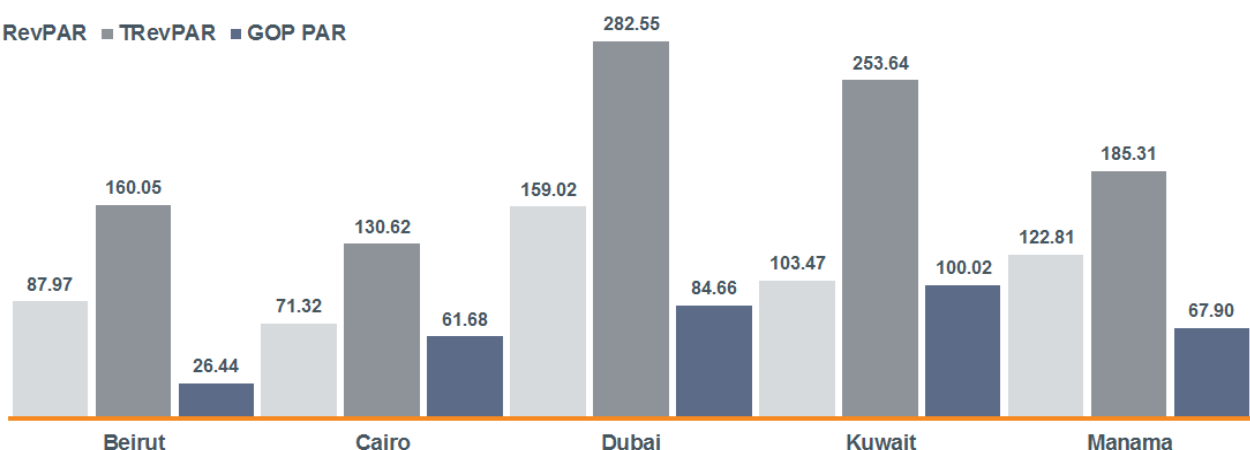
Four and five star hotels in Manama benefited from the extended Eid Al Adha holiday with the market witnessing a 4.3 percentage point increase in occupancy to 60.7 percent. The influx of regional visitors, particularly from Saudi Arabia, allowed hoteliers to generate a 7.3% increase in ARR to US\$202.26. The increase in both occupancy and ARR fuelled growth in all performance indicators with TRevPAR increasing 10.1% to US\$185.31 and GOPPAR expanding 18.1% to US\$67.90.

The month of September 2015

\$ Dollars	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Beirut	56.3	156.19	87.97	160.05	38.2	26.44
Cairo	58.6	121.76	71.32	130.62	19.3	61.68
Dubai	76.6	207.55	159.02	282.55	29.7	84.66
Kuwait	42.6	242.77	103.47	253.64	27.4	100.02
Manama	60.7	202.26	122.81	185.31	26.5	67.90

MENA City Markets achieved REVPAR, TREVPAR and GOPPAR September 2015

■ RevPAR ■ TRevPAR ■ GOP PAR



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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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 September 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Beirut	56.3	156.19	87.97	160.05	38.2	26.44
Cairo	58.6	121.76	71.32	130.62	19.3	61.68
Dubai	76.6	207.55	159.02	282.55	29.7	84.66
Kuwait	42.6	242.77	103.47	253.64	27.4	100.02
Manama	60.7	202.26	122.81	185.31	26.5	67.90

Calendar year to September 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Beirut	58.1	160.53	93.27	174.58	35.9	37.11
Cairo	53.1	113.62	60.30	113.25	20.9	51.07
Dubai	78.8	262.16	206.48	349.94	24.1	143.09
Kuwait	49.9	247.52	123.58	276.53	26.6	115.11
Manama	54.0	202.44	109.27	168.80	30.0	58.24

Twelve months to September 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
Beirut	59.3	155.07	91.93	169.66	35.3	36.06	Beirut
Cairo	53.3	112.09	59.77	113.10	20.6	51.32	Cairo
Dubai	79.9	280.87	224.45	382.31	22.0	167.27	Dubai
Kuwait	50.5	248.81	125.53	280.29	25.9	119.39	Kuwait
Manama	54.1	201.91	109.32	171.45	29.4	60.46	Manama

The month of September 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Beirut	62.9	133.79	84.12	141.05	34.4	21.07
Cairo	53.0	105.12	55.75	110.46	19.1	50.84
Dubai	76.9	212.46	163.43	307.30	27.0	92.77
Kuwait	51.1	244.42	124.91	276.34	26.2	117.12
Manama	56.4	188.51	106.32	168.33	29.2	57.51

Calendar year to September 2014

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Beirut	51.8	138.25	71.65	128.98	38.0	15.31
Cairo	42.0	103.19	43.34	85.85	24.2	34.51
Dubai	77.5	280.77	217.60	377.58	22.2	156.01
Kuwait	49.0	262.81	128.87	287.89	25.5	127.83
Manama	54.1	192.36	103.97	165.08	29.5	58.31

Twelve months to September 2014

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
Beirut	51.5	138.16	71.21	132.09	36.8	16.21	Beirut
Cairo	39.6	102.57	40.65	81.62	24.8	32.24	Cairo
Dubai	78.6	297.40	233.81	401.41	20.8	175.59	Dubai
Kuwait	50.1	267.92	134.33	297.58	24.4	137.30	Kuwait
Manama	52.7	192.45	101.34	163.79	29.9	56.88	Manama

Movement for the month of September

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Beirut	-6.6	16.7%	4.6%	13.5%	-3.8	25.5%
Cairo	5.5	15.8%	27.9%	18.3%	-0.1	21.3%
Dubai	-0.3	-2.3%	-2.7%	-8.1%	-2.6	-8.7%
Kuwait	-8.5	-0.7%	-17.2%	-8.2%	-1.3	-14.6%
Manama	4.3	7.3%	15.5%	10.1%	2.8	18.1%

Movement for the calendar year to September

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Beirut	6.3	16.1%	30.2%	35.4%	2.2	142.4%
Cairo	11.1	10.1%	39.1%	31.9%	3.3	48.0%
Dubai	1.3	-6.6%	-5.1%	-7.3%	-1.9	-8.3%
Kuwait	0.9	-5.8%	-4.1%	-3.9%	-1.2	-10.0%
Manama	-0.1	5.2%	5.1%	2.3%	-0.4	-0.1%

Movement for the twelve months to September

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change	
Beirut	7.7	12.2%	29.1%	28.4%	1.5	122.5%	Beirut
Cairo	13.7	9.3%	47.0%	38.6%	4.2	59.2%	Cairo
Dubai	1.3	-5.6%	-4.0%	-4.8%	-1.2	-4.7%	Dubai
Kuwait	0.3	-7.1%	-6.6%	-5.8%	-1.5	-13.0%	Kuwait
Manama	1.5	4.9%	7.9%	4.7%	0.5	6.3%	Manama