MENA Hotel Forecasts December 2020

FY 2020 | Forecast 2021
Considering the impact of COVID-19

INTRODUCTION

COVID-19 continues to weigh upon the travel and tourism sector, with government and industry bodies alike looking for a path towards a sustained recovery. While restrictions on movement and international travel have begun to ease, controlled and consistent growth will be the key to achieving previous levels of demand.

Considering the potential impact of COVID-19 on hotel performance, this publication has been prepared by Colliers, providing 2020 and 2021 hotel occupancy forecasts for 24 submarkets in key MENA hospitality markets.

2020

Impact of COVID-19

2021

Recovery

2022

Steady Performance

FORECASTING METHODOLOGY

- There is a lot of uncertainty in the market regarding the expected performance of hotels. Based on Colliers MENA Hotel Market Survey results, the forecast assumes the recovery to start in Q4 2020 and continue in 2021.
- The forecast assumes faster recovery for the UAE and KSA markets:
  - UAE - To benefit from the build up to the EXPO with the actual event expected to start in Q4 2021.
  - KSA - Forecast in 2021 assumes restricted pilgrim access to Makkah and Madinah during Ramadan and Haj. The markets are expected to continue benefiting from the on-going tourism initiatives, upcoming mega projects as well as domestic tourism.
- Data is sourced from the Colliers Hotels' database, STR Global and local statistics centres. 2019 has been used as the forecasting base.
- The analysis uses the latest available data but given the potential impact that COVID-19 has on the hotel market, changes in the recovery timeline will affect the forecast.
- The 2021 forecast accounts for hotel closures which may be prolonged as a result of COVID-19 or other forms of economic hardship

MENA HOTEL FORECASTS

Full-Year Occupancy % Forecast
2020

Country	City	Market	2020	
			Occ %	YoY Occupancy Variance
UAE	Dubai	Dubai Creek / Festival City	42	-48%
UAE	Dubai	Sheikh Zayed Road / DIFC	42	-46%
UAE	Dubai	Palm Jumeirah	42	-46%
UAE	Dubai	Dubai Marina / JBR	51	-38%
UAE	Abu Dhabi	Abu Dhabi Beach	47	-30%
UAE	Ras Al Khaimah	Ras Al Khaimah City	70	-9%
UAE	Ras Al Khaimah	Ras Al Khaimah Beach	44	-41%
UAE	Sharjah	Sharjah	46	-32%
UAE	Fujairah	Fujairah	47	-19%
KSA	Riyadh	Riyadh	50	-18%
KSA	Jeddah	Jeddah	39	-33%
KSA	Makkah	Makkah	21	-66%
KSA	Madinah	Madinah	26	-58%
KSA	Al Khobar	Al Khobar	54	-4%
Egypt	Cairo	Cairo	27	-65%
Egypt	Sharm El Sheikh	Sharm El Sheikh	23	-60%
Egypt	Hurghada	Hurghada	24	-64%
Egypt	Alexandria	Alexandria	45	-44%
Oman	Muscat	Muscat	25	-57%
Bahrain	Manama	Manama	28	-50%
Kuwait	Kuwait City	Kuwait City	25	-52%
Jordan	Amman	Amman	24	-56%
Jordan	Aqaba	Aqaba	31	-47%
Lebanon	Beirut	Beirut	26	-52%

MENA HOTEL FORECASTS

Full-Year Occupancy % Forecast
2021

Country	City	Market	2021	
			Occ %	YoY Occupancy Variance
UAE	Dubai	Dubai Creek / Festival City	66	61%
UAE	Dubai	Sheikh Zayed Road / DIFC	65	63%
UAE	Dubai	Palm Jumeirah	65	64%
UAE	Dubai	Dubai Marina / JBR	67	44%
UAE	Abu Dhabi	Abu Dhabi Beach	56	16%
UAE	Ras Al Khaimah	Ras Al Khaimah City	70	0%
UAE	Ras Al Khaimah	Ras Al Khaimah Beach	61	38%
UAE	Sharjah	Sharjah	56	23%
UAE	Fujairah	Fujairah	49	7%
KSA	Riyadh	Riyadh	55	10%
KSA	Jeddah	Jeddah	51	39%
KSA	Makkah	Makkah	37	75%
KSA	Madinah	Madinah	51	88%
KSA	Al Khobar	Al Khobar	55	3%
Egypt	Cairo	Cairo	43	53%
Egypt	Sharm El Sheikh	Sharm El Sheikh	43	78%
Egypt	Hurghada	Hurghada	48	88%
Egypt	Alexandria	Alexandria	62	38%
Oman	Muscat	Muscat	41	64%
Bahrain	Manama	Manama	45	58%
Kuwait	Kuwait City	Kuwait City	42	61%
Jordan	Amman	Amman	40	57%
Jordan	Aqaba	Aqaba	49	35%
Lebanon	Beirut	Beirut	35	33%

FOR MORE INFORMATION

Christopher Lund
Director | Head of Hotels MENA Region
+971 55 899 6110
Christopher.lund@colliers.com

Nicolas Nasra
Manager | Hotels MENA Region
+971 55 769 9797
Nicolas.nasra@colliers.com

James Wrenn
Associate Director | Hotels MENA Region
+971 55 736 6767
James.wrenn@colliers.com

Philip Mackenzie
Consultant | Hotels MENA Region
+971 55 789 9797
Philip.mackenzie@colliers.com

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