MENA Hotel Forecasts April 2020

Forecast 2020 | 2021
Considering the impact of COVID-19

INTRODUCTION

The travel and tourism sector has been hit hardest by coronavirus, as governments continue to introduce measures to slow the spread of the virus. Hotel owners are also taking precautions as travel comes to a halt.

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

2020	2021	2022
Impact of COVID-19	Recovery	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 2020 assumes restricted pilgrim access to Makkah and Madinah during Ramadan and Haj. Once the expected recovery begins in Q4 2020, the markets are expected to continue benefiting from the on-going tourism initiatives, upcoming mega projects as well as domestic tourism.
- Data is extracted from Colliers International Hotels’ database, complemented by data from STR Global and local statistics centres. 2019 has been used as the forecasting base.
- Market activity is being impacted in many sectors. The analysis uses the latest available data but given the unknown future impact that COVID-19 might have on the hotel market, any change in the recovery timeline will affect the forecast.

MENA HOTEL FORECASTS

Full-Year Occupancy % Forecast
2020

Country	City	Market	2020	
			Occ %	YoY Occupancy Variance
UAE	Dubai	Dubai Creek / Festival City	43	-46%
UAE	Dubai	Sheikh Zayed Road / DIFC	42	-46%
UAE	Dubai	Palm Jumeirah	41	-47%
UAE	Dubai	Dubai Marina / JBR	44	-46%
UAE	Abu Dhabi	Abu Dhabi Beach	41	-39%
UAE	Ras Al Khaimah	Ras Al Khaimah City	50	-36%
UAE	Ras Al Khaimah	Ras Al Khaimah Beach	41	-45%
UAE	Sharjah	Sharjah	39	-41%
UAE	Fujairah	Fujairah	36	-38%
KSA	Riyadh	Riyadh	39	-36%
KSA	Jeddah	Jeddah	34	-42%
KSA	Makkah	Makkah	33	-47%
KSA	Madinah	Madinah	35	-45%
KSA	Al Khobar	Al Khobar	35	-38%
Egypt	Cairo	Cairo	46	-41%
Egypt	Sharm El Sheikh	Sharm El Sheikh	31	-47%
Egypt	Hurghada	Hurghada	34	-49%
Egypt	Alexandria	Alexandria	42	-48%
Oman	Muscat	Muscat	33	-43%
Bahrain	Manama	Manama	31	-44%
Kuwait	Kuwait City	Kuwait City	30	-42%
Jordan	Amman	Amman	33	-38%
Jordan	Aqaba	Aqaba	35	-41%
Lebanon	Beirut	Beirut	29	-46%

MENA HOTEL FORECASTS

Full-Year Occupancy % Forecast
2021

Country	City	Market	2021	
			Occ %	YoY Occupancy Variance
UAE	Dubai	Dubai Creek / Festival City	68	58%
UAE	Dubai	Sheikh Zayed Road / DIFC	67	57%
UAE	Dubai	Palm Jumeirah	67	61%
UAE	Dubai	Dubai Marina / JBR	69	55%
UAE	Abu Dhabi	Abu Dhabi Beach	58	41%
UAE	Ras Al Khaimah	Ras Al Khaimah City	65	30%
UAE	Ras Al Khaimah	Ras Al Khaimah Beach	62	51%
UAE	Sharjah	Sharjah	56	42%
UAE	Fujairah	Fujairah	49	35%
KSA	Riyadh	Riyadh	56	44%
KSA	Jeddah	Jeddah	51	51%
KSA	Makkah	Makkah	56	69%
KSA	Madinah	Madinah	56	61%
KSA	Al Khobar	Al Khobar	49	40%
Egypt	Cairo	Cairo	65	41%
Egypt	Sharm El Sheikh	Sharm El Sheikh	43	40%
Egypt	Hurghada	Hurghada	48	41%
Egypt	Alexandria	Alexandria	62	49%
Oman	Muscat	Muscat	48	45%
Bahrain	Manama	Manama	46	49%
Kuwait	Kuwait City	Kuwait City	43	44%
Jordan	Amman	Amman	45	35%
Jordan	Aqaba	Aqaba	49	40%
Lebanon	Beirut	Beirut	42	45%

FOR MORE INFORMATION

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