



Monthly Market Forecast

MENA Hotels

January 2022

Market Forecast

Methodology

Forecast Context

As we move onto 2022, we begin to observe several markets build on their recovery. Ongoing monitoring of the COVID-19 pandemic by government entities and other key touristic stakeholders will have a key impact on how markets handle the first Quarter of 2022. Although travel restrictions in key markets were easing, consumer confidence is under pressure from the new wave of cases. A controlled and consistent approach to recovery and growth is key improving on the hospitality performance in short and medium term.

Forecasting Methodology

Any forecast is subject to a degree of uncertainty, COVID-19 has introduced a higher level for the hospitality industry. Data is sourced from the Colliers Hotels' database, STR Global and local statistics centers.

The forecast for 2022 incorporates at least 5 years of seasonality and market trends for each market and applies exponential smoothing to determine the likely trend for the coming year. This is then weighted against the entry of new supply, upcoming mega events and government led intervention to derive the expected occupancy level for the market in 2022.

Forecast Coverage

Considering the potential impact of COVID-19 on hotel performance, this publication has been prepared by Colliers, providing 2022 hotel occupancy forecasts for 24 submarkets in key MENA hospitality markets.



Market Scope

○ Market

Recovery Stages

2020



Impact of COVID-19

2021



Recovery

2022



Stabilize

Key Market Movements 2022

Market Movements from Previous Forecast	Forecasted Occupancy 2022	Percentage Point change	Trend
Fujairah	60%	0.7 points	
N/A	-	0.0 points	
N/A	-	0.0 points	
Aqaba	53%	-2.5 points	
Sheikh Zayed Road/DIFC	71%	-3.5 points	
Alexandria	64%	-4.4 points	

Source: STR; Colliers, 2022

Market Forecast

Forecast for 2022

United Arab Emirates

The impact of Expo 2021 continues to have a positive impact on all markets in the UAE, while the FIFA World Cup Qatar 2022 is expected to result in overspill demand to the key transit hubs in Dubai and Abu Dhabi. Overall, despite these positive factors, increased uncertainty due to the Omicron variant is expected to impact travel in Q1.

Kingdom of Saudi Arabia

The Holy City markets indicated positive signs towards recovery in Q4 2021, with beneficial impacts for Jeddah. While Riyadh Season and growing consumer confidence has benefitted Riyadh and Jeddah. Like other markets in the Region increased uncertainty around travel in Q1 due to COVID-19 related concerns is expected to dampen the rate of recovery.

Egypt

Increased inbound visitation to the Red Sea markets continues to buoy their occupancy while new attractions in Cairo will help attract visitation. Nonetheless travel uncertainty in the key feeder markets is expected to slow the growth of demand.

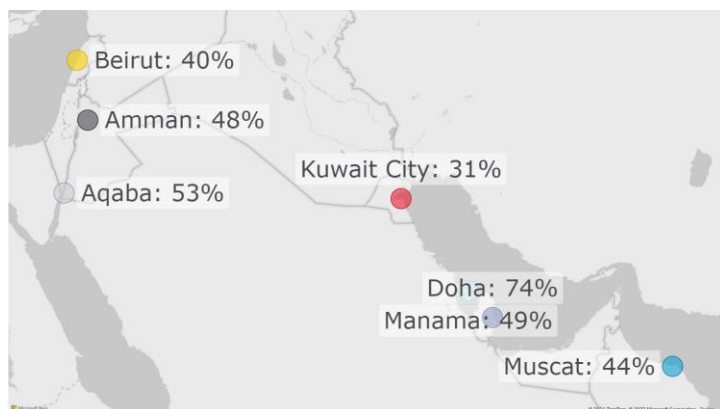
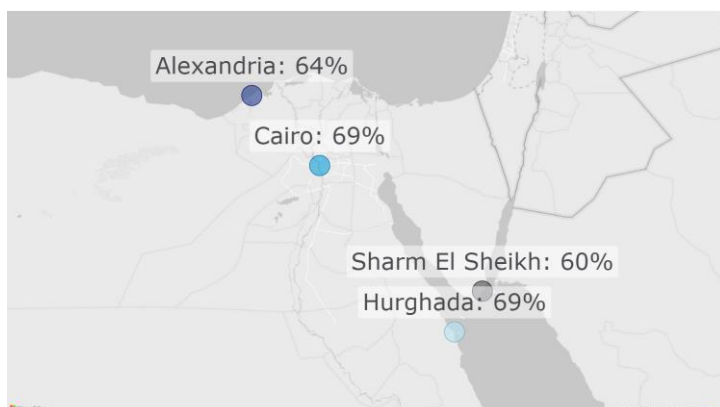
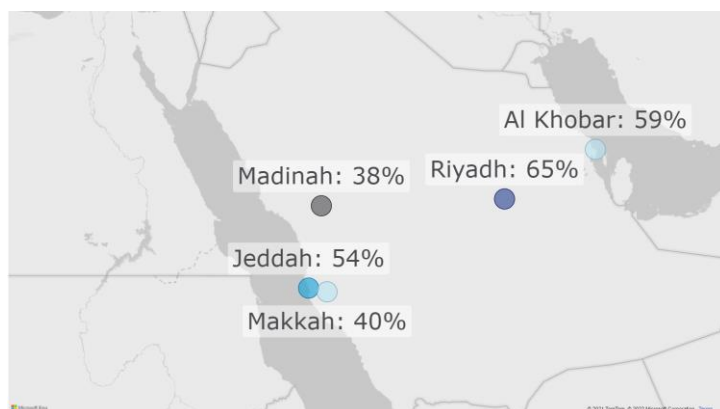
Qatar

Doha has maintained a high level of demand across 2021 exceeding 2019 levels of demand. Further improvement is expected in 2022 with the FIFA World Cup Qatar expected to be a key driver in the final quarter of the year.

Regional Markets

Key cities of Muscat and Manama face continued travel restriction which have ensured a more measured pace of demand recovery while markets such as Kuwait City with tighter restrictions are experiencing a slower recovery.

2022 Occupancy % in Key Markets



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MENA Hotel Forecast

Full Year Occupancy % Forecast 2022

Country	City	Market	2022	
			Occ %	YoY Occupancy Variance
UAE	Dubai	Dubai Creek / Festival City	77	↑ 19%
UAE	Dubai	Sheikh Zayed Road / DIFC	71	↑ 12%
UAE	Dubai	Palm Jumeirah	78	↑ 17%
UAE	Dubai	Dubai Marina / JBR	79	↑ 9%
UAE	Abu Dhabi	Abu Dhabi Beach	60	↑ 11%
UAE	Ras Al Khaimah	Ras Al Khaimah	68	↑ 17%
UAE	Sharjah	Sharjah	70	↑ 6%
UAE	Fujairah	Fujairah	61	↔ 4%
KSA	Riyadh	Riyadh	65	↑ 12%
KSA	Jeddah	Jeddah	54	↑ 7%
KSA	Makkah	Makkah	40	↑ 60%
KSA	Madinah	Madinah	38	↑ 15%
KSA	Al Khobar	Al Khobar	59	↑ 4%
Egypt	Cairo	Cairo	69	↑ 21%
Egypt	Sharm El Sheikh	Sharm El Sheikh	60	↑ 19%
Egypt	Hurghada	Hurghada	69	↑ 29%
Egypt	Alexandria	Alexandria	64	↑ 19%
Oman	Muscat	Muscat	44	↑ 15%
Bahrain	Manama	Manama	49	↑ 14%
Kuwait	Kuwait City	Kuwait City	31	↑ 16%
Jordan	Amman	Amman	48	↑ 29%
Jordan	Aqaba	Aqaba	53	↑ 27%
Lebanon	Beirut	Beirut	40	↓ -8%
Qatar	Doha	Doha	74	↔ 3%

480
offices in

65
countries on

6
continents



\$4.0B
in revenue



2B
square feet under management



15,000 +
professionals

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FOR MORE INFORMATION

Christopher Lund

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

James Wrenn

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

Anthony Lagrabette

Senior Asset Manager | Hotels MENA Region
+971 55 780 0707
anthony.lagrabette@colliers.com

Nicolas Nasra

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

Philip MacKenzie

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

Colliers
United Arab Emirates
Colliers.com

