



Monthly Market Forecast

MENA Hotels

November 2021

Market Forecast

Methodology

Forecast Context

As we move through 2021, we begin to observe several markets build on recovery began in Q4 2020. Ongoing monitoring of the COVID-19 pandemic by government entities and other key touristic stakeholders has had a significant impact on how markets open and close. Although travel restrictions in key markets are easing, based on a constant monitoring of COVID-19 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 centres. 2019 has been used as the forecasting base.

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 intervention to derive the expected occupancy level for the market in 2022.

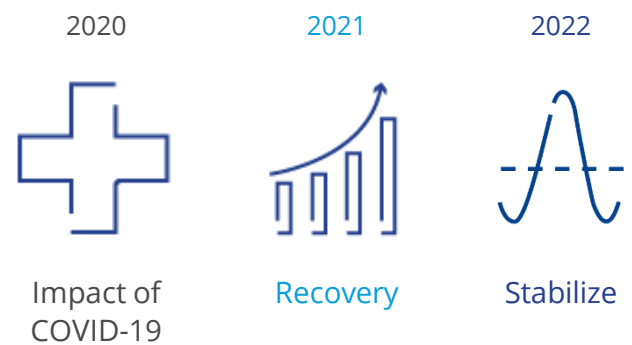
Forecast Coverage

Considering the potential impact of COVID-19 on hotel performance, this publication has been prepared by Colliers, providing 2021 and 2022 hotel occupancy forecasts for 24 submarkets in key MENA hospitality markets.



○ Market

Recovery Stages



Key Market Movements 2021

Market Movements from Previous Forecast	Forecasted Occupancy 2021	Percentage Point change	Trend
Sharjah	65%	2.3 points	
Makkah	24%	2.2 points	
Cairo	54%	2.1 points	
Jeddah	50%	-2.4 points	
Ras al Khaimah	59%	-2.6 points	
Beirut	45%	-4.0 points	

Source: STR; Colliers, 2021

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Full Year Occupancy % Forecast 2021

Country	City	Market	2021	
			Occ %	YoY Occupancy Variance
UAE	Dubai	Dubai Creek / Festival City	65	↑ 53%
UAE	Dubai	Sheikh Zayed Road / DIFC	64	↑ 49%
UAE	Dubai	Palm Jumeirah	68	↑ 59%
UAE	Dubai	Dubai Marina / JBR	72	↑ 40%
UAE	Abu Dhabi	Abu Dhabi Beach	56	↑ 18%
UAE	Ras Al Khaimah	Ras Al Khaimah	59	↑ 27%
UAE	Sharjah	Sharjah	65	↑ 42%
UAE	Fujairah	Fujairah	58	↑ 23%
KSA	Riyadh	Riyadh	60	↑ 19%
KSA	Jeddah	Jeddah	50	↑ 30%
KSA	Makkah	Makkah	24	↑ 15%
KSA	Madinah	Madinah	32	↑ 20%
KSA	Al Khobar	Al Khobar	56	↑ 4%
Egypt	Cairo	Cairo	54	↑ 99%
Egypt	Sharm El Sheikh	Sharm El Sheikh	47	↑ 103%
Egypt	Hurghada	Hurghada	51	↑ 114%
Egypt	Alexandria	Alexandria	56	↑ 24%
Oman	Muscat	Muscat	42	↑ 68%
Bahrain	Manama	Manama	43	↑ 55%
Kuwait	Kuwait City	Kuwait City	30	↑ 21%
Jordan	Amman	Amman	36	↑ 51%
Jordan	Aqaba	Aqaba	45	↑ 40%
Lebanon	Beirut	Beirut	45	↑ 92%
Qatar	Doha	Doha	72	↑ 20%

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Forecast for 2022

United Arab Emirates

The impact of Expo 2021 is expected to have a positive effect 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, we expect to see an average improvement in the UAE market of 12% over 2021 levels of performance.

Kingdom of Saudi Arabia

Riyadh, Khobar and Jeddah have retained a fair share of demand in 2020 despite the travel restrictions as domestic demand addressed the shortfall of international demand. The continued emphasis on domestic demand, and the additional efforts from the Ministry of Tourism in the Kingdom are expected to result in a further growth in demand with both Riyadh and Khobar expected to exceed 2019 levels of demand. A key factor for recovery of demand in the holy cities will be recovery and consumer confidence in its largest source markets.

Egypt

The return of the Russian market to Egypt in 2021 marks the return of an important feeder market and will have a pronounced effect on the Red Sea destinations of Sharm El Sheikh and Hurghada, which are both expected to reach 2019 levels of performance in 2022.

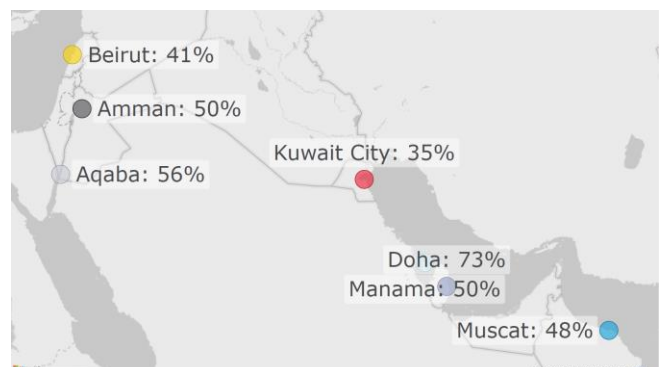
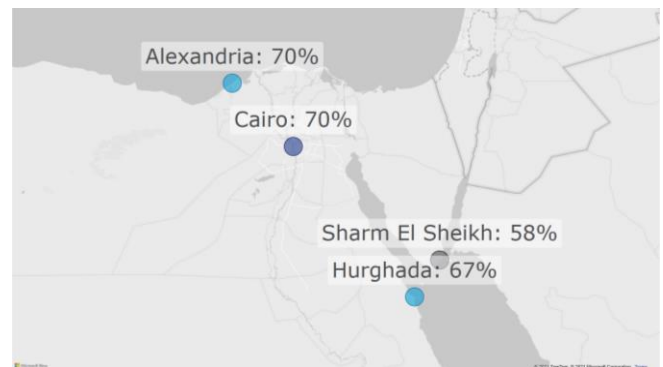
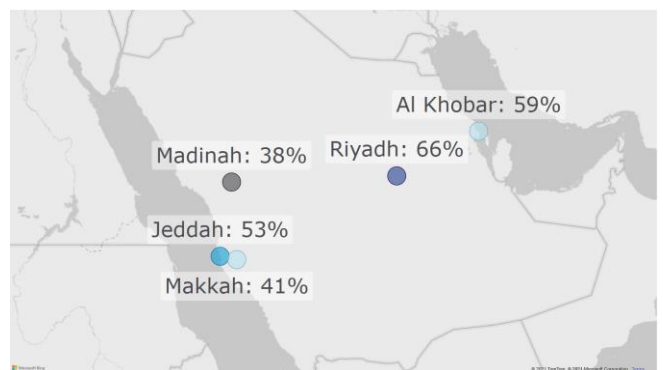
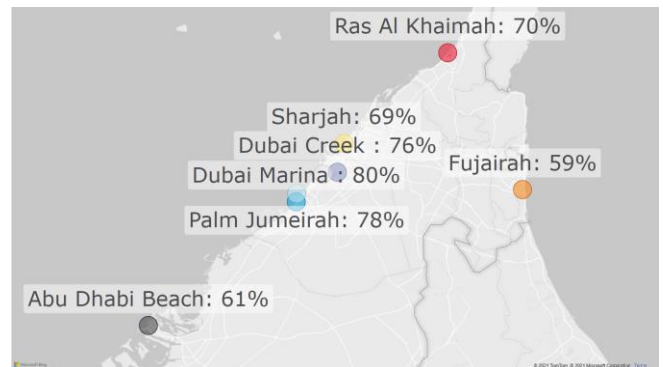
Qatar

Doha has maintained a high level of demand across the year. And is expected to exceed 2019 levels of demand in 2021, with further improvement 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. The continued easing of restrictions as source countries recover will be a significant boon to these markets.

2022 Occupancy % in Key Markets



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Full Year Occupancy % Forecast 2022

Country	City	Market	2022	
			Occ %	YoY Occupancy Variance
UAE	Dubai	Dubai Creek / Festival City	76	↑ 18%
UAE	Dubai	Sheikh Zayed Road / DIFC	74	↑ 16%
UAE	Dubai	Palm Jumeirah	78	↑ 16%
UAE	Dubai	Dubai Marina / JBR	80	↑ 10%
UAE	Abu Dhabi	Abu Dhabi Beach	61	↑ 10%
UAE	Ras Al Khaimah	Ras Al Khaimah	70	↑ 19%
UAE	Sharjah	Sharjah	69	↑ 7%
UAE	Fujairah	Fujairah	59	→ 2%
KSA	Riyadh	Riyadh	66	↑ 10%
KSA	Jeddah	Jeddah	53	↑ 5%
KSA	Makkah	Makkah	41	↑ 69%
KSA	Madinah	Madinah	38	↑ 21%
KSA	Al Khobar	Al Khobar	59	↑ 5%
Egypt	Cairo	Cairo	70	↑ 29%
Egypt	Sharm El Sheikh	Sharm El Sheikh	58	↑ 24%
Egypt	Hurghada	Hurghada	67	↑ 32%
Egypt	Alexandria	Alexandria	70	↑ 25%
Oman	Muscat	Muscat	48	↑ 15%
Bahrain	Manama	Manama	50	↑ 16%
Kuwait	Kuwait City	Kuwait City	35	↑ 16%
Jordan	Amman	Amman	50	↑ 39%
Jordan	Aqaba	Aqaba	56	↑ 26%
Lebanon	Beirut	Beirut	41	↓ -9%
Qatar	Doha	Doha	73	→ 2%

480
offices in

67
countries on

6
continents



\$3.3B
in revenue



2B
square feet under management



18,000 +
professionals

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