

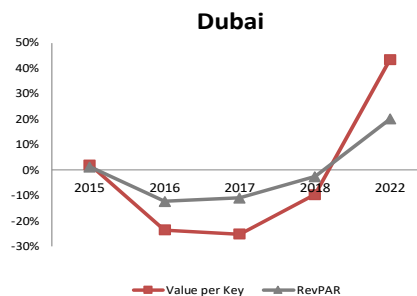


IN FOCUS – United Arab Emirates

Dubai – United Arab Emirates

Dubai, positioned as the city of international travel hub, exhibited a decline of 9.7% in hotel values in 2018 and a CAGR of -18% for the period 2015-2018. The change in hotel values comes as a result of four consecutive years of RevPAR decline and lower Gross Operating Profit per Available Room. Fierce competition in the market is anticipated to continue in 2019 and onwards with the growth in new supply entering the market, which is likely to put further pressure on achievable rates and operating margins.

Despite the anticipated increase in supply over the next three years, accommodated room nights in the city is expected to grow on the back of an increase in tourist arrivals from Expo 2020 and new tourism developments. In line with Dubai Tourism Vision 2020, Dubai set another ambitious tourism strategy to attract 25 million visitors by 2025. Effective operating and cost management strategies supported by an increase in accommodated room nights will allow hotel values to recover by 2022.



Abu Dhabi – United Arab Emirates

Abu Dhabi, the capital city of United Arab Emirates, has observed an increase in hotel value of 13.6% in 2017 due to improved RevPAR. However, an increase in operating costs and lower RevPAR resulted in a 21% drop in hotel values in 2018.

The hotel market in Abu Dhabi is forecasted to register an increase in market wide occupancy and a potential increase in market wide average rate once all the cultural and leisure tourism projects are completed. Hotel values are forecasted to register a CAGR of 10% by 2022.

