

SURVEY: DUBAI HOTELS EXPECT 80% OCCUPANCY IN 2012



A TRI Hospitality Consulting study reported the estimated performance of full service hotels in seven major Middle East and North Africa Cities.

The Egyptian hotel market is slowly recovering from the recent events of the Arab spring. According to the TRI Hospitality Consulting, in 2012 **the hotels in Dubai are projected to experience 80% occupancy** and estimated revenue per available room (RevPAR) of \$228. The average daily rate (ADR) is expected to reach \$285 based on the good performance of the first nine months of 2012 compared to the performance during the same period last year. The Abu Dhabi market however, showed a huge decline during the same period according to the survey.

According to the study, Dubai hotels profits increased by 14.5 percent during the same period to an approximated \$158.52. These hotels recorded 79.5% occupancy during the first 9 months of 2012, while the revenue per available room increased by 9% to 215.8 and the average room rate increased by 8.2% to \$ 271.87 compared to the same period the previous year.

TRI Hospitality Consulting managing director Peter Goddard said the occupancy rate and the overall revenue per available room in Dubai will continue to steadily increase as there was no predictable reason for their decline. He argued that Dubai has reached its critical mass point where the visitors are experimenting and repetitive stays are on the rise and expected to continue.

In the meantime Abu Dhabi hotels performance were on the decline during the first 9 months of 2012, compared to the same period in 2011. According to the TRI Hospitality Consulting survey Abu Dhabi hotels occupancy recorded an 18.9% decline to \$70.55. The revenue per average room also dropped by 12.5% to \$91.8 while the average room rate decreased by 13.9% to \$136.23.

The study stated that Dubai in the month of September recorded a decline in occupancy rate to 74.3% while the average room rate was up by 3.9% to \$218.3 and the revenue per available room increased by 0.2% to \$162.1.

Goddard added that the good performance in the hotel market was attributed to the hosting of events like the Gitex and Index exhibitions which helped maintain high demand even after the Eid Al Fitr. The poor performance of the Abu Dhabi hotel market was due to its over reliance on business market which decreased in the month of September.

According to the regional performance the Egyptian hotel market sustained recovery signs after the Arab spring. Peter Goddard further said that according to their survey the data for the month of September showed that Egyptian market was constantly recovering with hotels in the capital recording the highest profit in the 2012.

He further asserted that despite the travel agent fees that compromised the profit margins the Sharm Al Shaikh was slowly recovering. With its peak season around the corner continued growth

for the remaining part of the year as well as early 2013 is expected. In September 2012 the occupancy rates in Cairo increased to 55.4% while the revenue per available room was at \$63.6.

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<http://www.tourism-review.com/tri-hospitality-consulting-dubai-hotels-expect-80-occupancy--news3457>